




1981 REPORT
of the
MINNESOTA STATE
BOARD OF INVESTMENT



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Pursuant to Mn Stat 11A.07, sd 4(7)
 (formerly cited as MS 11,145)

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STATE BOARD OF INVESTMENT

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State Auditor Arne H. Carlson
Secretary of State Joan Anderson Growe
State Treasurer Jim Lord
Attorney General Warren Spannaus

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C. Mike McLaren, Executive Director, Public Employees Retirement Association
Victor P. Reim, Jr., President, Commercial State Bank of St. Paul
Harvey W. Schmidt, Executive Director, Teachers Retirement Association
Joan T. Smith, Assistant Vice President, Northwestern National Bank of Minneapolis

INVESTMENT DEPARTMENT PERSONNEL

Jonathan P. White	Executive Director
Howard J. Bicker	Assistant Executive Director

FIXED INCOME

Grant A. Feldman	Fixed Income Manager, Short Term
Donald W. Rosche	Fixed Income Manager, Long Term
John T. Kinne	Senior Portfolio Manager, Short Term
N. Robert Barman	Investment Analyst, Senior
Arthur M. Blauzda	Investment Analyst, Senior

EQUITY

Roger W. Henry	Equity Manager
A. Arthur Kaese	Senior Portfolio Manager
Michael L. Hudson	Senior Portfolio Manager
Mark Edwards	Senior Portfolio Manager
C. Robert Parsons	Investment Analyst, Senior
Jeff Bailey	Investment Analyst
John Griebenow	Investment Analyst
Harold L. Syverson	Head Security Trader
Alice P. Chermak	Security Trader

ADMINISTRATIVE STAFF

L. Michael Schmitt	Administrative Director
Teresa Myers	Research Analyst, Senior
Mable E. Patrick	Senior Accounting Officer
Thomas L. Delmont	Accounting Officer, Intermediate
Nancy Prange	Accounting Officer
Deborah F. Temple	Research Analyst
Harriet Balian	Executive II
Kathy Leisz	Computer Operator
Charlene Wallraff	1. Clerk Stenographer, Senior
Lavern Jagg	Clerk Typist I

MEMBERS OF THE BOARD:
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STATE AUDITOR ARNE H. CARLSON
STATE TREASURER JIM LORD
SECRETARY OF STATE JOAN ANDERSON GROWE
ATTORNEY GENERAL WARREN SPANNAUS



EXECUTIVE DIRECTOR
JONATHAN P. WHITE

ASSISTANT EXECUTIVE DIRECTOR
HOWARD J. BICKER

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

Room 105, MEA Building
55 Sherburne Avenue
Saint Paul 55155
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August 1981

The State Board of Investment is pleased to submit its Annual Report for the fiscal year ending June 30, 1981. Total assets under management reached \$ 5.0 billion, up 9% from a year ago. Of this amount, over \$ 3.8 billion are the retirement funds for Minnesota state employees, teachers, and other public employees. The remaining \$ 1.2 billion are state trust funds and accounts of numerous state agencies, including the Treasurer's Office, the Department of Finance, and the Department of Transportation.

Recent years have been marked by high rates of inflation which have upset many traditional investment benchmarks. Within this difficult economic and investment environment, the Board has endeavored to manage the State's funds prudently. Investment policy and strategy are focused on improving the total rate of return while protecting the funds against periodic market declines.

We are particularly pleased that eligible retirees will receive a 7% lifetime benefit increase in January 1982. This increase is possible because realized income exceeded the revised statutory requirements of the Post Retirement Investment Fund. Steps have been taken to build in annual lifetime benefit increases of similar magnitude in relation to the inflation rate in future years.

The total rate of return for the Basic Retirement Funds during the year was 7.1% with common stocks up 21.6% and bonds down 9.6%. The total rate of return for the Post Retirement Fund was 5.5% with stocks up 18.5% and bonds down 10%. The total return measures income received plus changes in the market value of the securities. Though the average yield to maturity on bonds purchased the last fiscal year was 12.9%, the total return from the cumulative bond portfolio was negative due to the impact of rising interest rates on the market value of existing holdings. Largely because of the Board's focus on stocks and short term securities, the total rate of return exceeded the median attained by funds in the Merrill Lynch Public Pension Fund Index. The income return for state cash accounts during FY 81 was 14.8%.

The Board, the Advisory Council and the investment staff are acutely aware of their responsibility to the citizens of this State, present retirement fund participants, and current retirees.

Respectfully submitted,

Jonathan P. White
Jonathan P. White

Howard J. Bicker
Howard J. Bicker

FUNDS MANAGED BY THE STATE BOARD OF INVESTMENT

BASIC RETIREMENT FUNDS \$2.2 billion

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

Teachers Retirement Fund	\$859 million
Public Employees Retirement Fund	\$737 million
State Employees Retirement Fund	\$423 million
Public Employees Police and Fire Fund	\$136 million
Highway Patrol Retirement Fund	\$ 38 million
Judges Retirement Fund	\$ 3 million

POST RETIREMENT INVESTMENT FUND \$1.3 billion

The Post Retirement Investment Fund is composed of the reserves for retirement benefits to be paid to currently retired employees by seven funds. Permanent post retirement benefit increases are based on dividends, interest, and net realized capital gains from the sale of equities.

MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND \$147 million

The Minnesota Supplemental Retirement Investment Fund includes the assets of the state deferred compensation plan, supplemental benefit arrangements, various retirement programs for local police and firefighters and the unclassified employees of the state. Participants have a choice among four separate accounts with different investment emphases as authorized by law:

- Income Share Account - a balanced portfolio of stocks and bonds
- Growth Share Account - a portfolio of common stocks
- Fixed Return Account - a portfolio of bond and other debt investments
- Bond Account - a portfolio of longer maturity debt investments

MINNESOTA VARIABLE ANNUITY FUND \$ 75 million

The Variable Annuity Program is an investment option formerly offered to members of the Teachers' Retirement Association.

INVESTED TREASURERS CASH FUND \$372 million

The Treasurers Cash Fund is composed of tax receipts used to pay state obligations. The fund is composed of short term investments maturing within three years.

TRANSPORTATION FUNDS \$221 million

These are funds set aside for highway and airport construction projects.

MISCELLANEOUS CASH ACCOUNTS \$321 million

These accounts include proceeds from bond sales, debt service funds, state agency accounts, and endowment funds and trust accounts held for various educational institutions.

PERMANENT SCHOOL FUND \$295 million

The Permanent School Fund is a trust established for the benefit of Minnesota schools. Criteria governing investments are contained in the Minnesota Constitution.

INVESTMENT POLICY AND OBJECTIVES

Investment Policy

The Board's investments are governed by the "prudent person" standard of care established in common law and codified in Minnesota Statutes. This standard requires the Board to act in good faith and "exercise that degree of judgment and care, under circumstances then prevailing, which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived therefrom."

Many investments that potentially offer high returns also expose the funds to high levels of risk. The Board seeks to maximize the total rate of return in accordance with the needs and goals of the retirement funds and state accounts while maintaining a high quality, diversified portfolio of readily marketable securities. The portfolio includes numerous types of investments representing various sectors of the economy and the capital markets. This broad-based diversification limits the fund's exposure to unanticipated business risks and localized economic recessions.

In past years, retirement fund portfolios were usually balanced between debt and common stock investments. However, recent legislative action will permit equity investment up to 75% of the portfolio at market value. The Board sought this legislation as it believes equity investments provide the best real total rate of return potential over the long term.

Summary Performance Objectives

Because the retirement funds are established to benefit employees over a long period of time, the funds' investment objectives are also long-term in nature. Investments are designed not only to produce current income, but also to increase the value of the capital and to generate a rising level of retirement benefits. Therefore, the Board sets its objectives and measures performance primarily in terms of total rate of return -- which includes market appreciation or depreciation of the assets as well as income. As market cycles normally encompass a three to five year period, investment performance is usually analyzed over a similar time frame.

Based on the recommendations of the Investment Advisory Council, in December, 1980 the Board adopted performance objectives for each fund under management. For the major retirement funds, the Board seeks a superior real total rate of return over a three to five year market cycle that exceeds indexes of stock and bond market performance (the S & P 500 and Merrill Lynch Master Bond Index). For the Basic Retirement Fund, the Board seeks returns in the top third of a universe of other public fund managers. For the Post Retirement Fund, the Board seeks to exceed the median of other public fund managers and to provide a benefit increase equal to half of the personal consumption deflator, a standard measure of inflation. The minimum performance objective is the preservation of principal and attainment of the required actuarial return.

The state cash accounts are invested to generate maximum current income. The Board seeks a return that exceeds a blended bond equivalent yield weighted 70% in 90 day Treasury bills and 30% in 6 month directly placed finance company commercial paper.

INVESTMENT REVIEW - 1981 FISCAL YEAR

General Investment Approach

In order to achieve the long term investment goals for the retirement funds, the Board maintains a portfolio of common stocks and fixed income securities within ranges that it reviews periodically with the Investment Advisory Council.

Fixed income securities, such as bonds and U. S. Government guaranteed mortgages, offer a predictable, steady long term cash flow. While the stable income provided by these investments is an important component in achieving fund objectives, the Board also seeks appreciation in the value of assets and increased income over the long term by investing in equities, such as common stocks. Common stocks can be volatile over short periods of time, but over the long term, a highly diversified portfolio of equity investments historically has provided a total rate of return in excess of most other widely utilized types of investments. As we anticipate that growth in the nation's economy will continue to generate significant increases in the income flow and the value of such securities, a well-managed equity portfolio is essential for the achievement of the funds' long term investment goals. In the future, real estate, resource and venture capital investments may be added to the equity portfolio to augment total return and reduce volatility.

Cash reserves of the retirement funds and assets of state funds are invested in short term securities such as U. S. Treasury and agency issues, repurchase agreements, commercial paper, bankers acceptances and certificates of deposit. The short term portfolio for the retirement funds represents cash flow and monies designated for future opportunities in equities or fixed income securities.

Though the investment approach of the retirement funds is designed to achieve long term objectives, investment prospects are continually reviewed and assessed in relation to the present and anticipated economic and market environments.

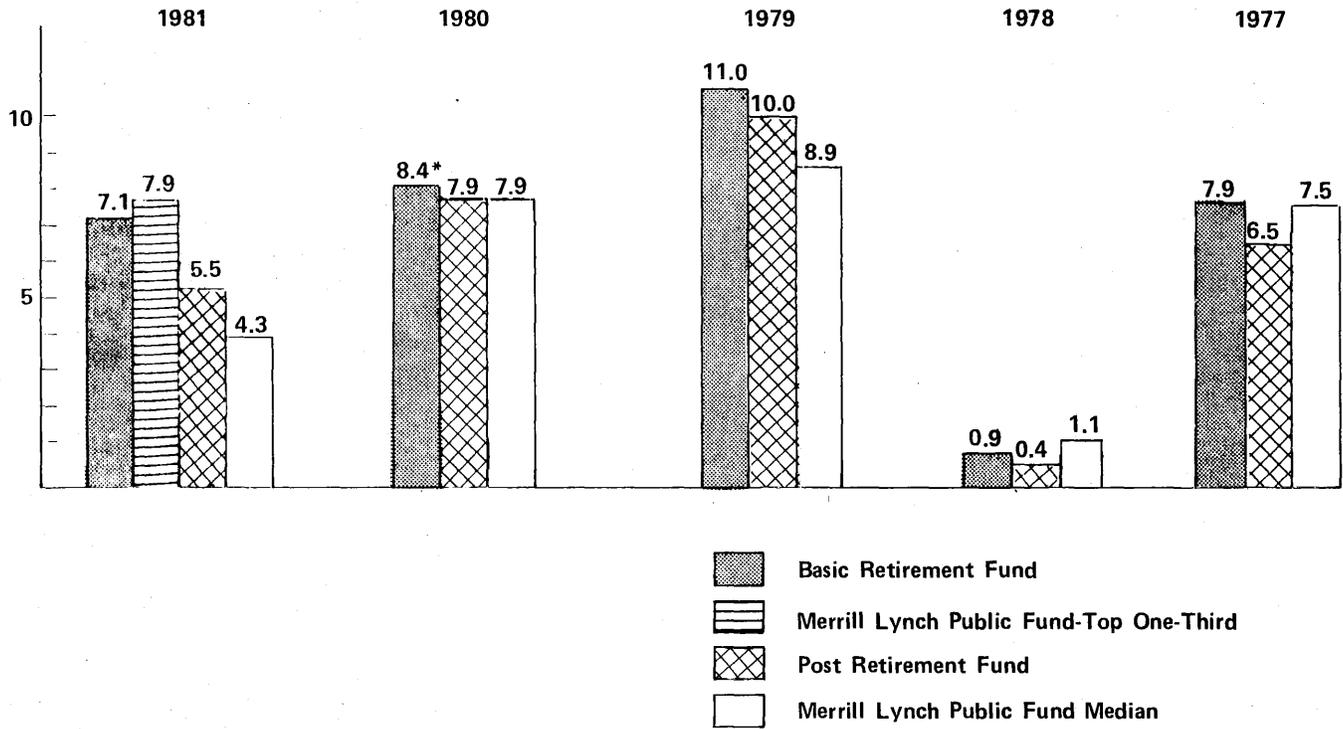
On June 30 retirement fund assets valued at market were allocated as follows:

	<u>1981</u>	<u>1980</u>	<u>1979</u>
Short Term	20%	15%	8%
Equity	41	44	48
Bonds	39	41	44

Total Fund Performance

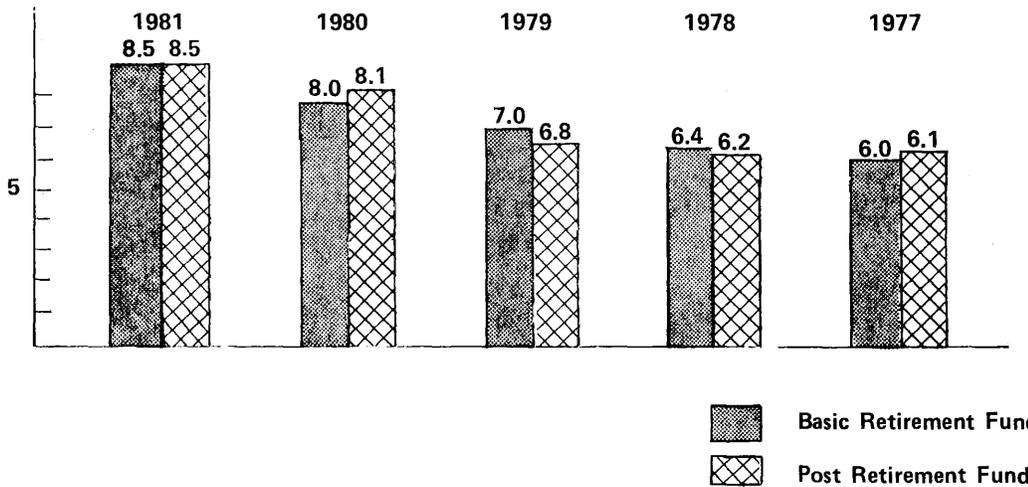
The following graph illustrates the total rate of return earned by the major retirement funds invested by the Board and the performance of the Merrill Lynch universe of public funds during the last five years. The total rate of return measures the income earned by the funds as well as the unrealized appreciation or depreciation in the market value of the assets.

TOTAL FUND
Annualized Time Weighted
Total Rate of Return
Fiscal Year Ending June 30



Whereas the total rate of return measures the unrealized change in the market value of the assets, the following table illustrates the yield for the retirement funds during the last five years:

YIELD
Fiscal Year Ending June 30



Common Stock Review

Due to concern about the prospect for economic stagflation and possible stock market weakness, as well as the attractive returns available from fixed income investments, the Board reduced its percentage commitment to common stocks from a high of 50% in December to 41% in June as compared with a 44% position a year earlier. During the entire fiscal year, common stock sales outweighed purchases by over \$100 million.

The common stock portfolio is composed of investments in a diversified list of strong companies with superior long-term investment characteristics. Because the staff anticipates lower inflation rates in the future, the major strategic move during the year was to reduce commitments in companies that benefited from double digit inflation, such as energy corporations, and increase investments in the financial sector of the market which will benefit as inflation and interest rates subside.

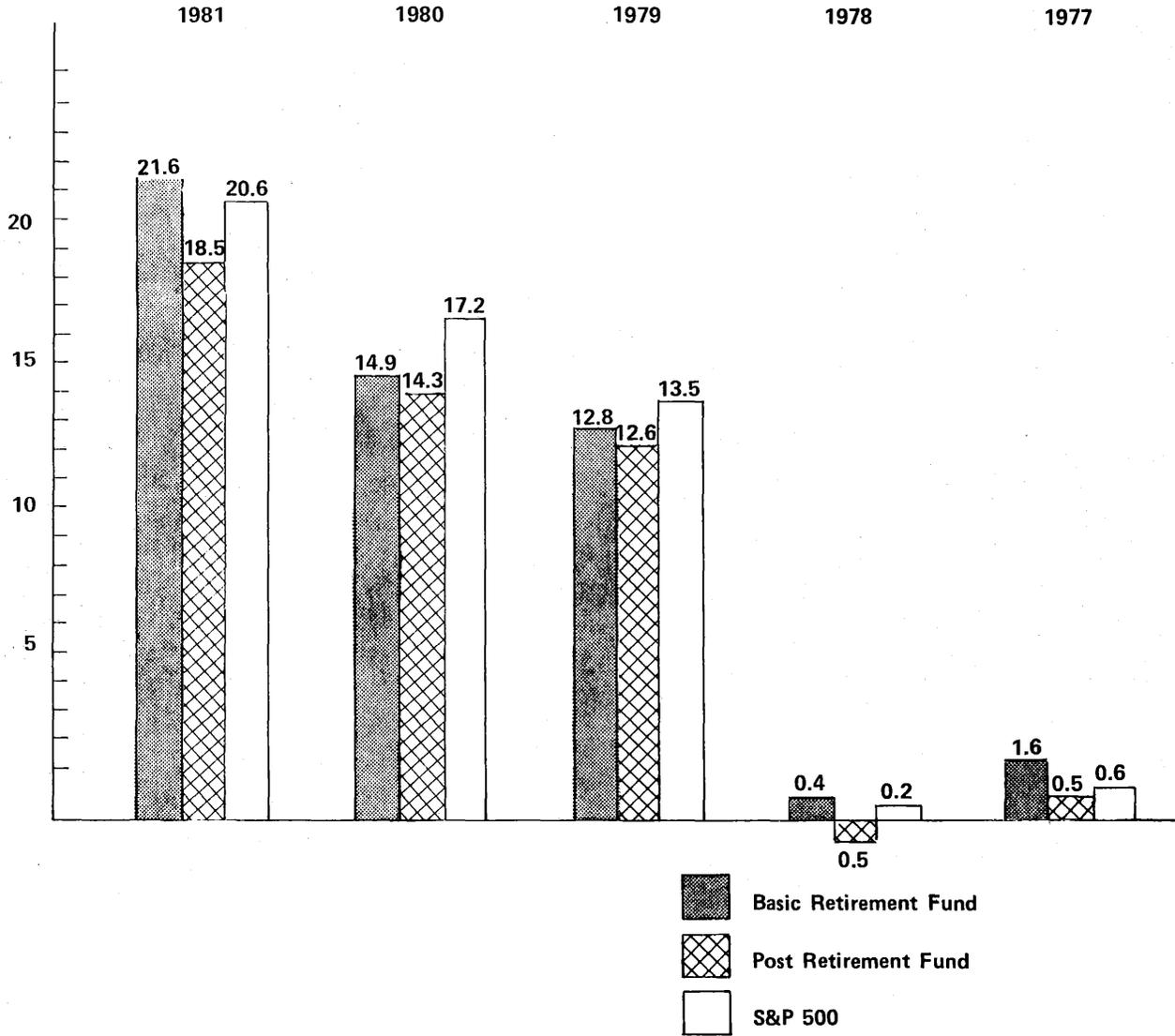
The ten largest common stock holdings at market value on June 30, 1981 were:

AT & T	5.0%	Union Carbide	2.3%
IBM	4.0	Eastman Kodak	2.0
Exxon	3.7	Atlantic Richfield	1.9
General Electric	2.4	Pepsico	1.7
McDonalds	2.4	Archer Daniels	1.7

The Board was successful in outperforming the S&P 500 index in most of its equity accounts during fiscal 1981. Because benefit increases for retirees are paid from the excess investment income earned by the fund, the Post Retirement Fund has a larger portion of income oriented stocks. These stocks did not perform as well as the S&P 500 index due to the increase in interest rates during FY 1981.

During FY 1981, the total rate of return in the Basic Funds' common stock portfolio was 21.6%. The following graph illustrates the total equity rate of return for the \$2.2 billion Basic Retirement Fund, and the \$1.3 billion Post Retirement Investment Fund, and the S&P 500.

COMMON STOCKS
Annualized Time Weighted Total Rate of Return
Fiscal Year Ending June 30



Fixed Income Review

The rising interest rates that marked FY 1981 caused a broad decline in the bond market. As interest rates increased, the market values of bonds previously purchased at lower rates declined. For the three calendar years 1978-80, bond holdings have depreciated in value at market in excess of interest income earned. As the market value of the portfolios decreased during the year and higher yielding investments were added, the yield to maturity of the portfolio increased significantly.

<u>Fund</u>	<u>Yield to Maturity 06-30-81</u>	<u>Yield to Maturity 06-30-80</u>
Basic Funds	10.35%	9.03%
Post Retirement Fund	10.18	9.14

The staff expects the recent general economic sluggishness to continue, permitting a significant rally in bond prices as interest rates decline. In order to benefit from the high yields available on long term bonds, as well as possibly realize important capital gains, substantial cash reserves were committed to bonds throughout the last nine months of FY 1981. The Board's net purchases were \$373 million at cost. The issues were bought at a weighted average yield of 13% and a weighted average maturity of 27 years. The purchases were nearly equally divided between U.S. Government Bonds and high quality corporate obligations. In the basic funds, the average maturity was lengthened from 12 to 17 years.

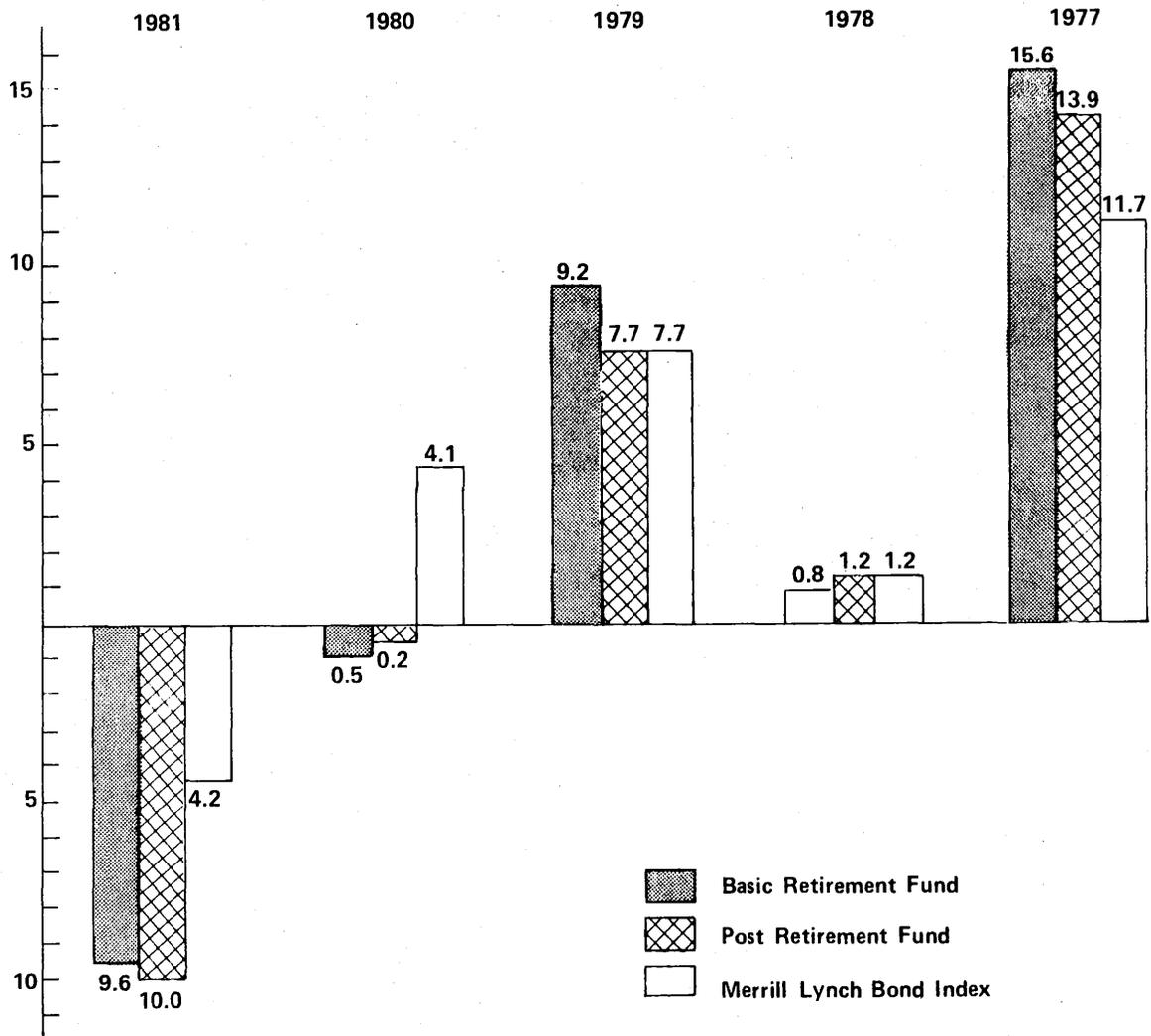
In periods of rising interest rates, the market value of bond portfolios with longer maturity structures declines in value more than shorter maturity portfolios. The SBI portfolio has a maturity structure that is positioned to outperform the Merrill Lynch index as interest rates decline. The following table illustrates the impact of the maturity structure on the total rate of return during 1981:

	<u>Average Maturity (years)</u>	<u>Rate of Return</u>
Merrill Lynch Bond Index	11.5	- 4.2
Salomon Brothers Bond Index	24.0	- 12.8
SBI portfolio	15.8	- 9.5

The maturity structure and investment performance of the SBI bond portfolio ranked between the Merrill Lynch and Salomon Brothers indexes. It is the staff's belief that we are presently near a major high in interest rates and that the long term debt securities purchased during fiscal 1981 will be of major benefit to the future total rates of return of the SBI managed funds.

The following graph illustrates the total rate of return for the bond portfolios of the Basic Retirement Funds and the Post Retirement Investment Fund as compared to the Merrill Lynch Master Bond Index.

**Annualized Time Weighted Total Rate of Return
Fiscal Year Ending June 30**



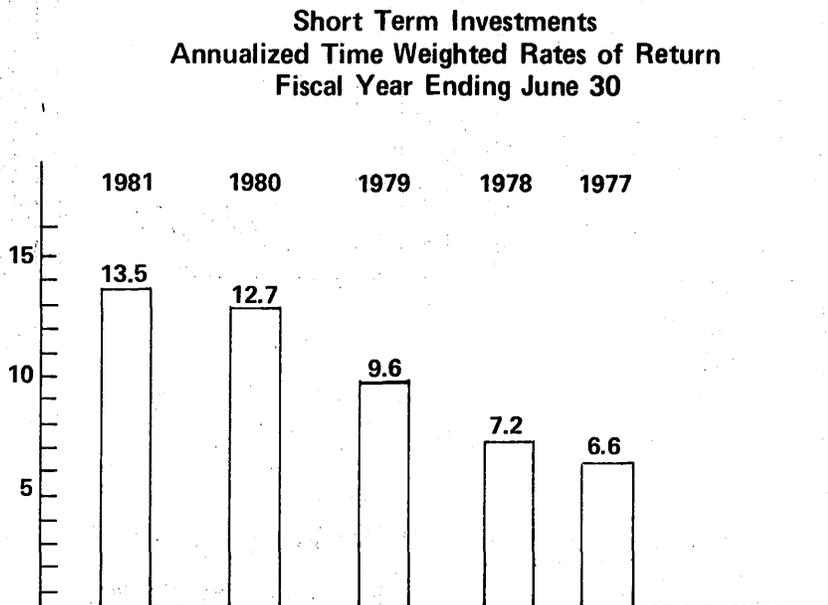
Short Term Review

During FY 1981, short term investments generated record high returns as the result of Federal Reserve policies and demands for credit. The prime rate ranged from 11.0% to a record 21.5%, while yields for three month Treasury Bills ranged from 8% to 17% on a discounted basis.

Due to the strategic sales of other securities and normal cash flow, on June 30, 1981, 19.5% of the retirement funds were invested in short term securities, compared with 15.0% a year earlier; as a result, the investments totaled a record \$680 million on June 30, 1981, up from \$459 million a year earlier. A considerable portion will be reinvested as more permanent investment opportunities become available. The state cash accounts are invested entirely in short term securities based on statutory requirements.

Last year's record high rates enabled the Board to obtain an overall yield of 13.5% for the retirement funds. The Board achieved its performance goal for state cash accounts by realizing a 14.8% return as compared to the 13.9% return achieved from a blended yield of Treasury Bills and commercial paper.

The following graph illustrates the returns earned by the retirement fund short term portfolio during the last five years:



During the last fiscal year, the Board initiated a program to purchase certificates of deposit from Minnesota financial institutions at competitive interest rates. Since July of 1980, the Board has purchased over \$250 million in certificates of deposit from more than 325 Minnesota banks and savings institutions.

The short term department also manages a Securities Lending Program. U. S. Treasury and Agency securities are lent to brokers on a fully collateralized basis. The Securities Lending Program generated slightly over \$694,000 in profits during the recent fiscal year, an amount in excess of half the Board's total operating budget.

SUMMARY OF INVESTMENT RESULTS

The time weighted total rate of return is the best method of comparing investment performance among managers of long term funds. It measures total cash income and market appreciation or depreciation. The Board utilizes the formula recommended by the Bank Administration Institute (see page 38). Pursuant to the state law, public pension funds in Minnesota are required to use this formula.

TOTAL FUND

Annualized Time Weighted Total Rate of Return

Fiscal Year Ending June 30

	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>5 Years</u>
Merrill Lynch						
Public Fund Index						
1st Quartile	10.8	10.5	9.4	NA	NA	6.8
Median	4.3	7.9	8.7	1.1	7.5	5.9
3rd Quartile	0.2	5.5	7.7	NA	NA	5.0
Retirement Funds						
Teachers	7.3	8.4	9.9	0.7	7.8	6.8
Public Employees	7.2	8.3	9.9	0.7	8.0	6.8
State Employees	7.4	8.5	10.4	0.9	7.9	7.0
Police and Fire	7.3	8.4	9.9	1.3	7.7	6.9
Highway Patrol	7.8	8.0	9.9	0.8	6.7	6.6
Judges	2.9	5.6	9.6	1.3	11.9	6.2
Post Retirement	5.5	7.9	10.0	0.4	6.5	6.0
Income Account	6.2	8.0	10.3	-0.9	10.5	6.7
Growth Account	20.7	14.5	14.1	2.3	-2.9	9.4
Fixed Return Account	-5.3	0.6	6.9	-0.7	12.1	2.6
Variable Annuity	16.4	11.7	12.3	0.7	2.7	8.6
Trust Fund						
Permanent School	-2.5	5.4	9.5	0.1	10.8	4.5

NA = Merrill Lynch is unable to provide public fund performance numbers for these periods.

COMMON STOCKS
Annualized Time Weighted Total Rate of Return
Fiscal Year Ending June 30

	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>5 Years</u>
S&P 500	20.6%	17.2%	13.5%	0.2%	0.6%	10.1%
Merrill Lynch Public Fund Index						
1st Quartile	28.6	20.3	15.1	NA	NA	12.9
Median	23.9	14.7	11.6	1.0	0.6	10.0
3rd Quartile	20.0	12.6	10.0	NA	NA	8.8
Retirement Funds						
Teachers	21.6	15.1	12.2	0.4	1.5	9.9
Public Employees	21.6	14.8	12.2	0.2	1.7	9.8
State Employees	21.5	14.8	12.4	0.2	1.7	9.8
Police and Fire	21.7	14.9	12.4	0.8	0.9	9.8
Highway Patrol	22.0	14.6	12.6	-0.5	-0.4	9.3
Judges	21.3	12.5	12.2	-3.5	2.0	8.6
Post Retirement	18.5	14.3	12.6	-0.5	0.5	8.8
Income Account	20.1	14.8	13.5	-3.4	6.9	10.1
Growth Account	21.9	14.9	14.4	2.3	-3.2	9.7
Variable Annuity	22.1	15.1	14.0	0.3	-1.2	9.7
Trust Fund						
Permanent School	17.9	13.3	13.9	-2.2	3.5	9.0

FIXED INCOME
Annualized Time Weighted Total Rate of Return
Fiscal Year Ending June 30

	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>5 Years</u>
Merrill Lynch Bond Index	-4.2%	4.1%	7.7%	1.2%	11.7%	4.0%
Merrill Lynch Public Fund Index						
1st Quartile	-4.8	4.0	7.7	NA	NA	3.9
Median	-8.1	1.5	7.0	0.9	13.9	2.7
3rd Quartile	-10.0	-0.3	5.7	NA	NA	1.6
Retirement Funds						
Teachers	-9.7	-0.4	7.5	0.6	15.7	2.4
Public Employees	-9.8	-0.6	7.4	0.7	15.7	2.3
State Employees	-9.1	-0.4	7.9	1.0	15.7	2.7
Police and Fire	-9.5	-0.9	7.3	1.4	15.5	2.4
Highway Patrol	-8.6	-1.6	7.2	1.5	15.4	2.5
Judges	-9.6	-1.1	7.9	1.4	14.3	2.3
Post Retirement	-10.0	-0.2	7.7	1.2	13.9	2.2
Income Account	-9.2	-1.8	7.5	1.3	14.8	2.2
Fixed Return Account	-10.8	-0.7	6.4	-0.7	14.9	1.5
Variable Annuity	-9.0	1.2	7.6	1.1	14.1	2.7
Trust Fund						
Permanent School	-10.4	1.6	8.3	-0.1	13.6	2.3

OTHER MAJOR DEVELOPMENTS

Legislative Action

During the year, the Legislature expanded the Board's flexibility by authorizing several new types of investments and changing the maximum limit on common stock investments from 50% of book value to 75% of market value. Within this 75% limit, the Board is authorized to invest up to 20% in real estate funds, venture capital partnerships, regional funds, and resource programs. The Board was also given authority to invest in conventional mortgage pools.

The Legislature authorized the Minneapolis Employees Retirement Fund (MERF) to invest approximately \$198 million previously included in the Post Retirement Investment Fund. On July 1, 1981, most of the assets of MERF's retirees were transferred. The Legislative Auditor will conduct an examination of the transfer upon its completion.

Investment Advisory Council Review

The Investment Advisory Council is composed of ten persons experienced in general investment matters, the Commissioner of Finance, the three executive directors of Minnesota's major pension funds, and a retiree receiving benefits from the Post Retirement Fund. The Council meets at least bimonthly to review and comment on the Board's investment policies and strategy. The Council also reviews proposed statutory changes and internal operating guidelines. The Council does not advise on individual investment transactions.

During the year, the Council issued a major report at the request of the SBI on performance objectives, asset mix, and communications. While the Council recommended specific performance objectives and asset mix ranges for each fund under management, it also advised the Board to review fund needs, investment objectives, and strategy at least yearly due to the dynamic nature of the capital markets.

Three Council subcommittees have been established to advise on specific Board policies and practices. The Subcommittee on Asset Mix and Performance Evaluation has recently reviewed guidelines for the implementation of the new investment authority granted by the 1981 Legislature. The Subcommittee on Accountability and Compensation is currently studying an accountability system for performance appraisal as a means to improve investment performance. A third subcommittee focuses on Board communications, particularly the annual report.

Three long time members of the Advisory Council retired during 1981. The Board is most appreciative of the diligent service of Robert Davis, the former Council Chairman, Gaylord Glarner and Donald Jondahl. The Board welcomes Peter Anderson and Glenn Kent who joined the Council in 1981.

Peat Marwick Mitchell Study

During the year, the Board hired the consulting firm of Peat Marwick and Mitchell to analyze the nature and effectiveness of the investment management system and to suggest ways in which future investment performance may be improved. In August, Peat Marwick issued a comprehensive study on the governance structure, the investment program, and administration. The Board looks forward to a careful examination of the consultant's conclusions and the implementation of constructive changes in the near future.

Operating Changes

Two significant changes which will improve internal operations occurred during the year. First, all common stock securities were transferred to the Depository Trust Company, a change which will result in the faster receipt of dividends and allow the Board to efficiently conduct trading, options and lending functions. Secondly, an improved data processing system now provides significant new information and expanded accounting capability on a more economic basis.

Investment Transactions

During 1981, total commissions to banks and investment firms were approximately \$4.8 million. Because the Board is acutely aware of the cost of investment transactions and the need to derive maximum efficiency, the staff carefully evaluates all brokers to determine those which offer the best value. Key criteria are: the general trading capability and commission rates; quality, timeliness, breadth, and depth of company and industry research reports; underwriting position; economic and portfolio strategy services; computer generated analytical reports; selected other investment services; and the firm's financial strengths and overall responsiveness. A list of the firms and banks which handled Board transactions during FY 1981 can be found on pages 19 and 20.

Investment Responsibility

The Board voted proxies in 146 companies during FY 1981. The vast majority of the 486 resolutions considered at shareholder's meetings dealt with internal business operations. The Board subscribes to the Investor Responsibility Research Center, which provides analyses on resolutions dealing with issues of corporate social responsibility. The Board cast proxies in favor of 17 such resolutions in opposition to the recommendations of corporate management. All other resolutions were voted in accordance with managements' recommendations.

The Board has adopted a statement on investment responsibility which provides guidance on voting proxies and other related issues. A copy of the Board's resolution follows:

RESOLUTION

REGARDING ADDITIONAL INVESTMENT CRITERIA AND THE VOTING OF PROXIES

WHEREAS, the Investment Board recognizes that when performing their duty of investing the trust funds (pension and other funds) for which they are custodian, their primary responsibility is the prudent and responsible investment of the assets of the funds for the economic benefit of the beneficiaries of the funds; and

WHEREAS, it has become increasingly apparent that the standards of prudence and responsibility may, in limited circumstances, be considered in light of the social and environmental policies of the corporation in which the State owns or contemplates owning an investment; and

WHEREAS, investing in an enterprise which is flagrantly violating the law or stubbornly ignoring public policy may constitute implicit endorsement of those policies, and the Investment Board is of the opinion that government may abrogate its duties to its citizens by offering such implicit endorsement; and

WHEREAS, it is the Investment Board's opinion that corporations which do not take the welfare of society and its members into consideration may jeopardize their own financial stability and, in today's world, risk depreciation of their investment value.

NOW, THEREFORE, BE IT RESOLVED that the following guideline be adopted: Consistent with prudent and responsible investment policy, the Investment Board shall not knowingly invest or maintain holdings in those corporations which are in flagrant violation of the law or in stubborn disregard of the social welfare of the society, or do not recognize environmental responsibilities in their corporate actions, and are not taking reasonable steps to overcome the situation; and

BE IT FURTHER RESOLVED that, consistent with prudent and responsible investment policy, all or some of the following measures may be instituted when a corporation is found by the Board to be in violation of the aforementioned guideline:

1. The Investment Board will discuss the problem with a representative of the corporation in question for the purpose of:
 - a. expressing the view that, as a shareholder, the State of Minnesota is opposed to such policies.
 - b. being informed as to the progress underway in ameliorating the problem.
2. If voting stock in such corporation is held by trust funds administered by the Investment Board, it may be voted in a manner calculated to ameliorate the existing problem.
 - a. While it is recognized that it is the Investment Board's responsibility to vote all stocks, the Investment Board may solicit recommendations from its staff concerning the manner of voting stock of a corporation in violation of the guidelines set forth above.
 - b. When deemed necessary to protect the State's interest in the fund and in grave cases, the Investment Board may institute procedures for a shareholder's proposal for the purpose of committing the corporation toward correcting the policy in question.
3. In the instance that no recourse mentioned above is available and/or it is shown that the corporation is not taking steps reasonably calculated to ameliorate the problem in question within a reasonable period of time, the Investment Board may sell the State's investment in the corporation, if sale is consistent with sound investment policy for the affected funds.

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT
COMPOSITION OF STATE INVESTMENT PORTFOLIO BY TYPE OF INVESTMENT
June 30, 1981

	Cash and U.S. Gov't. Short-term	Bank and Corporate Short-term	U.S. Gov't. and Agency Guaranteed	(1) Canadian Governmental Obligation	(1) Corporate Bonds	(2) Common Stock	Total
Basic Retirement Funds							
Teachers Retirement Fund	\$ 89,005,821 10.36%	\$ 42,966,124 5.00%	\$127,856,841 14.88%	\$ 44,134,524 5.14%	\$ 260,439,754 30.31%	\$ 294,752,537 34.31%	\$ 859,155,601 100%
Public Employees Ret. Fund	\$ 71,941,073 9.77%	\$ 40,851,410 5.54%	\$ 92,932,668 12.61%	\$ 39,320,035 5.34%	\$ 234,968,642 31.90%	\$ 256,641,288 34.84%	\$ 736,655,116 100%
State Employees Ret. Fund	\$ 46,219,484 10.93%	\$ 19,567,912 4.63%	\$ 58,934,501 13.93%	\$ 23,655,913 5.59%	\$ 130,686,741 30.90%	\$ 143,908,168 34.02%	\$ 422,972,719 100%
Public Employees Police & Fire Fund	\$ 17,531,378 12.93%	\$ 3,960,661 2.92%	\$ 14,021,669 10.34%	\$ 7,342,328 5.41%	\$ 48,081,990 35.45%	\$ 44,684,933 32.95%	\$ 135,622,959 100%
Highway Patrol Ret. Fund	\$ 3,986,437 10.56%	\$ 667,319 1.77%	\$ 2,332,849 6.18%	\$ 1,863,354 4.93%	\$ 14,337,530 37.96%	\$ 14,578,171 38.60%	\$ 37,765,660 100%
Judges Retirement Fund	\$ 642,846 19.07%	\$ -0-	\$ 344,688 10.22%	\$ 296,371 8.79%	\$ 1,358,666 40.30%	\$ 729,077 21.62%	\$ 3,371,648 100%
Post Retirement Fund	\$ 224,111,440 16.74%	\$ 68,749,219 5.14%	\$188,902,717 14.11%	\$ 55,481,768 4.15%	\$ 392,791,138 29.35%	\$ 408,390,714 30.51%	\$1,338,426,996 100%
Minnesota Supplemental Funds							
Income Share Account	\$ 6,933,386 8.44%	\$ 2,396,925 2.92%	\$ 13,632,117 16.59%	\$ 4,237,298 5.16%	\$ 25,493,975 31.04%	\$ 29,448,076 35.85%	\$ 82,141,777 100%
Growth Share Account	\$ 9,649,436 27.00%	\$ 2,575,211 7.21%	\$ -0-	\$ -0-	\$ -0-	\$ 23,507,297 65.79%	\$ 35,731,944 100%
Fixed Return Account	\$ 6,408,048 21.68%	\$ 926,909 3.14%	\$ 4,497,061 15.21%	\$ 3,584,092 12.12%	\$ 14,142,816 47.85%	\$ -0-	\$ 29,558,926 100%
Minnesota Variable Annuity	\$ 15,900,665 21.24%	\$ 3,750,145 5.01%	\$ 1,635,440 2.18%	\$ 2,729,579 3.65%	\$ 8,661,333 11.57%	\$ 42,193,130 56.35%	\$ 74,870,292 100%
Total Retirement Funds	\$ 492,330,014 13.11%	\$186,411,835 4.96%	\$505,090,551 13.45%	\$182,645,262 4.86%	\$1,130,962,585 30.11%	\$1,258,833,391 33.51%	\$3,756,273,638 100%
Permanent School Fund	\$ 21,402,420 7.25%	\$ -0-	\$164,297,181 55.64%	\$ -0-	\$ 59,777,643 20.24%	\$ 49,809,286 16.87%	\$ 295,286,530 100%
Treasurers Cash	\$ 253,000,521 68.01%	\$119,000,000 31.99%	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 372,000,521 100%
Transportation Funds	\$ 169,897,061 76.78%	\$ 45,220,603 20.44%	\$ 6,148,329 2.78%	\$ -0-	\$ -0-	\$ -0-	\$ 221,265,993 100%
State Building Funds	\$ 12,197,861 100.00%	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 12,197,861 100%
Housing Finance Agency	\$ 65,645,717 67.40%	\$ 31,744,984 32.60%	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 97,390,701 100%
Minnesota Debt Service Fund	\$ 83,272,492 67.31%	\$ 40,451,531 32.69%	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 123,724,023 100%
Miscellaneous Accounts	\$ 32,272,746 97.46%	\$ -0-	\$ 842,304 2.54%	\$ -0-	\$ -0-	\$ -0-	\$ 33,115,130 100%
Taconite Area Env. Protection	\$ 20,082,350 86.37%	\$ 3,168,493 13.63%	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 23,250,843 100%
N.E. Minnesota Protection	\$ 24,337,698 78.65%	\$ 6,608,069 21.35%	\$ -0-	\$ -0-	\$ -0-	\$ -0-	\$ 30,945,767 100%
	\$1,174,438,880 23.65%	\$432,605,515 8.71%	\$676,378,445 13.62%	\$182,645,262 3.68%	\$1,190,740,228 23.98%	\$1,308,642,677 26.36%	\$4,965,451,007 100%

(1) All bonds are shown at amortized cost.
(2) All stocks are shown at cost
(3) Includes \$114,375.00 of convertible debentures 0.09% of the account.

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

BASIC RETIREMENT FUNDS

ALPHABETICAL EQUITY SECURITIES LISTING
JUNE 30, 1981

# OF SHARES	SECURITY	ADVISOR	MARKET VALUE	# OF SHARES	SECURITY	ADVISOR	MARKET VALUE
48,300	AETNA LIFE & CASUALTY COMPANY	TEACHER'S RETIREMENT FUND	1,919,925	48,000	BRISTOL-MYERS COMPANY	TEACHER'S RETIREMENT FUND	2,394,000
44,150	AETNA LIFE & CASUALTY COMPANY	PUBLIC EMPLOYEES RETIREMENT	1,754,963	42,000	BRISTOL-MYERS COMPANY	PUBLIC EMPLOYEES RETIREMENT	2,094,750
25,650	AETNA LIFE & CASUALTY COMPANY	STATE EMPLOYEES RETIREMENT F	1,019,588	27,000	BRISTOL-MYERS COMPANY	STATE EMPLOYEES RETIREMENT F	1,346,625
10,900	AETNA LIFE & CASUALTY COMPANY	PUB. EMPLOY. POLICE AND FIRE	433,275	8,000	BRISTOL-MYERS COMPANY	PUB. EMPLOY. POLICE AND FIRE	399,000
3,900	AETNA LIFE & CASUALTY COMPANY	HIGHWAY PATROL RETIREMENT FU	155,025			125,000 SHARES	6,234,375
200	AETNA LIFE & CASUALTY COMPANY	JUDGES RETIREMENT FUND	7,950			TEACHER'S RETIREMENT FUND	3,020,063
	SUB-TOTAL	133,100 SHARES	5,290,725			PUBLIC EMPLOYEES RETIREMENT	2,594,813
108,000	ALUMINUM CO. OF AMERICA	TEACHER'S RETIREMENT FUND	3,213,000	76,700	BURROUGHS CORPORATION	STATE EMPLOYEES RETIREMENT F	1,535,625
94,200	ALUMINUM CO. OF AMERICA	PUBLIC EMPLOYEES RETIREMENT	2,802,450	65,900	BURROUGHS CORPORATION	PUB. EMPLOY. POLICE AND FIRE	476,438
50,500	ALUMINUM CO. OF AMERICA	STATE EMPLOYEES RETIREMENT F	1,502,375	39,000	BURROUGHS CORPORATION	HIGHWAY PATROL RETIREMENT FU	248,063
15,700	ALUMINUM CO. OF AMERICA	PUB. EMPLOY. POLICE AND FIRE	467,075	12,100	BURROUGHS CORPORATION	JUDGES RETIREMENT FUND	11,813
4,800	ALUMINUM CO. OF AMERICA	HIGHWAY PATROL RETIREMENT FU	142,800	6,300	BURROUGHS CORPORATION	SUB-TOTAL	7,886,813
400	ALUMINUM CO. OF AMERICA	JUDGES RETIREMENT FUND	11,900	300	BURROUGHS CORPORATION	TEACHER'S RETIREMENT FUND	2,895,200
	SUB-TOTAL	273,600 SHARES	8,139,600	51,700	CBS INCORPORATED	PUBLIC EMPLOYEES RETIREMENT	2,447,200
32,100	AMERICAN EXPRESS COMPANY	TEACHER'S RETIREMENT FUND	1,552,838	25,000	CBS INCORPORATED	STATE EMPLOYEES RETIREMENT F	1,400,000
20,800	AMERICAN EXPRESS COMPANY	PUBLIC EMPLOYEES RETIREMENT	1,006,200	7,000	CBS INCORPORATED	PUB. EMPLOY. POLICE AND FIRE	392,000
14,000	AMERICAN EXPRESS COMPANY	STATE EMPLOYEES RETIREMENT F	677,250	2,600	CBS INCORPORATED	HIGHWAY PATROL RETIREMENT FU	145,600
8,000	AMERICAN EXPRESS COMPANY	PUB. EMPLOY. POLICE AND FIRE	387,000			SUB-TOTAL	7,280,000
4,000	AMERICAN EXPRESS COMPANY	HIGHWAY PATROL RETIREMENT FU	193,500	18,900	CHAMPION INTERNATIONAL CORP.	TEACHER'S RETIREMENT FUND	500,850
200	AMERICAN EXPRESS COMPANY	JUDGES RETIREMENT FUND	9,675	16,900	CHAMPION INTERNATIONAL CORP.	PUBLIC EMPLOYEES RETIREMENT	447,850
	SUB-TOTAL	79,100 SHARES	3,826,463	8,600	CHAMPION INTERNATIONAL CORP.	STATE EMPLOYEES RETIREMENT F	227,900
40,000	AMERICAN STANDARD INC.	TEACHER'S RETIREMENT FUND	1,590,000	3,400	CHAMPION INTERNATIONAL CORP.	PUB. EMPLOY. POLICE AND FIRE	90,100
33,000	AMERICAN STANDARD INC.	PUBLIC EMPLOYEES RETIREMENT	1,311,750	1,700	CHAMPION INTERNATIONAL CORP.	HIGHWAY PATROL RETIREMENT FU	45,050
20,000	AMERICAN STANDARD INC.	STATE EMPLOYEES RETIREMENT F	795,000			SUB-TOTAL	1,311,750
5,000	AMERICAN STANDARD INC.	PUB. EMPLOY. POLICE AND FIRE	198,750	77,900	CHUBB CORPORATION	TEACHER'S RETIREMENT FUND	3,778,150
1,600	AMERICAN STANDARD INC.	HIGHWAY PATROL RETIREMENT FU	63,600	67,100	CHUBB CORPORATION	PUBLIC EMPLOYEES RETIREMENT	3,254,350
200	AMERICAN STANDARD INC.	JUDGES RETIREMENT FUND	7,950	38,400	CHUBB CORPORATION	STATE EMPLOYEES RETIREMENT F	1,862,400
	SUB-TOTAL	99,800 SHARES	3,967,050	3,500	CHUBB CORPORATION	PUB. EMPLOY. POLICE AND FIRE	533,500
260,255	AMERICAN TELEPHONE & TELEGRAPH	TEACHER'S RETIREMENT FUND	14,639,344	100	CHUBB CORPORATION	HIGHWAY PATROL RETIREMENT FU	169,750
240,476	AMERICAN TELEPHONE & TELEGRAPH	PUBLIC EMPLOYEES RETIREMENT	13,526,775			JUDGES RETIREMENT FUND	4,850
120,408	AMERICAN TELEPHONE & TELEGRAPH	STATE EMPLOYEES RETIREMENT F	6,772,950			SUB-TOTAL	9,603,000
40,738	AMERICAN TELEPHONE & TELEGRAPH	PUB. EMPLOY. POLICE AND FIRE	2,291,513	126,289	COMMONWEALTH EDISON CO.	TEACHER'S RETIREMENT FUND	2,478,422
11,438	AMERICAN TELEPHONE & TELEGRAPH	HIGHWAY PATROL RETIREMENT FU	643,388	115,362	COMMONWEALTH EDISON CO.	PUBLIC EMPLOYEES RETIREMENT	2,263,979
700	AMERICAN TELEPHONE & TELEGRAPH	JUDGES RETIREMENT FUND	39,375	72,421	COMMONWEALTH EDISON CO.	STATE EMPLOYEES RETIREMENT F	1,421,262
	SUB-TOTAL	674,015 SHARES	37,913,344	28,600	COMMONWEALTH EDISON CO.	PUB. EMPLOY. POLICE AND FIRE	561,275
381,750	ARCHER DANIELS MIDLAND CO.	TEACHER'S RETIREMENT FUND	6,871,500	10,400	COMMONWEALTH EDISON CO.	HIGHWAY PATROL RETIREMENT FU	204,100
336,750	ARCHER DANIELS MIDLAND CO.	PUBLIC EMPLOYEES RETIREMENT	6,061,500	500	COMMONWEALTH EDISON CO.	JUDGES RETIREMENT FUND	9,813
190,500	ARCHER DANIELS MIDLAND CO.	STATE EMPLOYEES RETIREMENT F	3,429,000			SUB-TOTAL	6,938,851
56,250	ARCHER DANIELS MIDLAND CO.	PUB. EMPLOY. POLICE AND FIRE	1,012,500	78,750	CONN. GENERAL INS. CORP.	TEACHER'S RETIREMENT FUND	3,996,563
18,250	ARCHER DANIELS MIDLAND CO.	HIGHWAY PATROL RETIREMENT FU	328,500	69,000	CONN. GENERAL INS. CORP.	PUBLIC EMPLOYEES RETIREMENT	3,501,730
	SUB-TOTAL	983,500 SHARES	17,703,000	34,750	CONN. GENERAL INS. CORP.	STATE EMPLOYEES RETIREMENT F	1,763,563
131,400	ATLANTIC RICHFIELD	TEACHER'S RETIREMENT FUND	6,241,500	9,500	CONN. GENERAL INS. CORP.	PUB. EMPLOY. POLICE AND FIRE	482,125
114,600	ATLANTIC RICHFIELD	PUBLIC EMPLOYEES RETIREMENT	5,443,500	2,900	CONN. GENERAL INS. CORP.	HIGHWAY PATROL RETIREMENT FU	147,175
63,700	ATLANTIC RICHFIELD	STATE EMPLOYEES RETIREMENT F	3,025,750	100	CONN. GENERAL INS. CORP.	JUDGES RETIREMENT FUND	5,075
19,400	ATLANTIC RICHFIELD	PUB. EMPLOY. POLICE AND FIRE	921,500			SUB-TOTAL	9,896,250
6,300	ATLANTIC RICHFIELD	HIGHWAY PATROL RETIREMENT FU	299,250	50,481	CONOCO INC.	TEACHER'S RETIREMENT FUND	3,306,504
300	ATLANTIC RICHFIELD	JUDGES RETIREMENT FUND	14,250	44,925	CONOCO INC.	PUBLIC EMPLOYEES RETIREMENT	2,942,588
	SUB-TOTAL	335,700 SHARES	15,945,250	25,031	CONOCO INC.	STATE EMPLOYEES RETIREMENT F	1,639,531
96,000	AVON PRODS INC	TEACHER'S RETIREMENT FUND	3,696,000	8,603	CONOCO INC.	PUB. EMPLOY. POLICE AND FIRE	563,497
86,000	AVON PRODS INC	PUBLIC EMPLOYEES RETIREMENT	3,311,000	3,107	CONOCO INC.	HIGHWAY PATROL RETIREMENT FU	203,509
48,000	AVON PRODS INC	STATE EMPLOYEES RETIREMENT F	1,848,000	179	CONOCO INC.	JUDGES RETIREMENT FUND	11,725
15,000	AVON PRODS INC	PUB. EMPLOY. POLICE AND FIRE	577,500			SUB-TOTAL	8,667,353
5,600	AVON PRODS INC	HIGHWAY PATROL RETIREMENT FU	215,600	53,200	CONSOLIDATED FOODS CORPORATION	TEACHER'S RETIREMENT FUND	1,529,500
300	AVON PRODS INC	JUDGES RETIREMENT FUND	11,550	53,400	CONSOLIDATED FOODS CORPORATION	PUBLIC EMPLOYEES RETIREMENT	1,535,250
	SUB-TOTAL	250,900 SHARES	9,659,650	29,000	CONSOLIDATED FOODS CORPORATION	STATE EMPLOYEES RETIREMENT F	833,750
205,000	BANKAMERICA CORPORATION	TEACHER'S RETIREMENT FUND	5,176,250	16,600	CONSOLIDATED FOODS CORPORATION	PUB. EMPLOY. POLICE AND FIRE	4,375,750
180,000	BANKAMERICA CORPORATION	PUBLIC EMPLOYEES RETIREMENT	4,545,000			SUB-TOTAL	152,200 SHARES
100,000	BANKAMERICA CORPORATION	STATE EMPLOYEES RETIREMENT F	2,525,000	42,600	CPC INTERNATIONAL INC.	TEACHER'S RETIREMENT FUND	1,389,825
31,000	BANKAMERICA CORPORATION	PUB. EMPLOY. POLICE AND FIRE	782,750	42,600	CPC INTERNATIONAL INC.	PUBLIC EMPLOYEES RETIREMENT	1,389,825
9,000	BANKAMERICA CORPORATION	HIGHWAY PATROL RETIREMENT FU	227,250	19,400	CPC INTERNATIONAL INC.	STATE EMPLOYEES RETIREMENT F	652,925
	SUB-TOTAL	525,000 SHARES	13,256,250	9,400	CPC INTERNATIONAL INC.	PUB. EMPLOY. POLICE AND FIRE	306,675
114,850	BOEING COMPANY	TEACHER'S RETIREMENT FUND	3,517,281	3,200	CPC INTERNATIONAL INC.	HIGHWAY PATROL RETIREMENT FU	104,400
96,900	BOEING COMPANY	PUBLIC EMPLOYEES RETIREMENT	2,967,563	200	CPC INTERNATIONAL INC.	JUDGES RETIREMENT FUND	6,525
53,225	BOEING COMPANY	STATE EMPLOYEES RETIREMENT F	1,630,016			SUB-TOTAL	3,830,175
15,975	BOEING COMPANY	PUB. EMPLOY. POLICE AND FIRE	489,234				
4,000	BOEING COMPANY	HIGHWAY PATROL RETIREMENT FU	122,500				
300	BOEING COMPANY	JUDGES RETIREMENT FUND	9,188				
	SUB-TOTAL	285,250 SHARES	8,735,781				

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

BASIC RETIREMENT FUNDS

ALPHABETICAL EQUITY SECURITIES LISTING
JUNE 30, 1981

# OF SHARES	SECURITY	ADVISOR	MARKET VALUE	# OF SHARES	SECURITY	ADVISOR	MARKET VALUE
40,000	CRUM & FORSTER	TEACHER'S RETIREMENT FUND	2,145,000	303,224	EXXON CORPORATION	TEACHER'S RETIREMENT FUND	10,385,422
51,400	CRUM & FORSTER	PUBLIC EMPLOYEES RETIREMENT	1,844,700	248,032	EXXON CORPORATION	PUBLIC EMPLOYEES RETIREMENT	9,180,096
30,000	CRUM & FORSTER	STATE EMPLOYEES RETIREMENT F	1,072,500	147,832	EXXON CORPORATION	STATE EMPLOYEES RETIREMENT F	5,063,246
10,000	CRUM & FORSTER	PUB. EMPLOY. POLICE AND FIRE	357,500	46,000	EXXON CORPORATION	PUB. EMPLOY. POLICE AND FIRE	1,575,500
3,200	CRUM & FORSTER	HIGHWAY PATROL RETIREMENT FU	114,400	24,000	EXXON CORPORATION	HIGHWAY PATROL RETIREMENT FU	822,000
200	CRUM & FORSTER	JUDGES RETIREMENT FUND	7,150	2,000	EXXON CORPORATION	JUDGES RETIREMENT FUND	68,500
	SUB-TOTAL	155,000 SHARES	5,541,250		SUB-TOTAL	791,088 SHARES	27,094,764
57,000	DART & KRAFT INC.	TEACHER'S RETIREMENT FUND	2,921,250	49,500	FEDERATED DEPT. STORES INC.	TEACHER'S RETIREMENT FUND	1,980,000
50,000	DART & KRAFT INC.	PUBLIC EMPLOYEES RETIREMENT	2,562,500	54,000	FEDERATED DEPT. STORES INC.	PUBLIC EMPLOYEES RETIREMENT	2,160,000
27,500	DART & KRAFT INC.	STATE EMPLOYEES RETIREMENT F	1,409,375	22,000	FEDERATED DEPT. STORES INC.	STATE EMPLOYEES RETIREMENT F	880,000
8,700	DART & KRAFT INC.	PUB. EMPLOY. POLICE AND FIRE	445,875	11,200	FEDERATED DEPT. STORES INC.	PUB. EMPLOY. POLICE AND FIRE	448,000
2,200	DART & KRAFT INC.	HIGHWAY PATROL RETIREMENT FU	112,750		SUB-TOTAL	136,700 SHARES	5,468,000
300	DART & KRAFT INC.	JUDGES RETIREMENT FUND	15,375	61,100	FIRST BANK SYSTEM	TEACHER'S RETIREMENT FUND	2,673,125
	SUB-TOTAL	145,700 SHARES	7,467,125	53,700	FIRST BANK SYSTEM	PUBLIC EMPLOYEES RETIREMENT	2,349,375
29,700	DAYTON-HUDSON CORP.	TEACHER'S RETIREMENT FUND	1,596,375	30,200	FIRST BANK SYSTEM	STATE EMPLOYEES RETIREMENT F	1,321,250
27,100	DAYTON-HUDSON CORP.	PUBLIC EMPLOYEES RETIREMENT	1,456,625	12,800	FIRST BANK SYSTEM	PUB. EMPLOY. POLICE AND FIRE	560,000
15,300	DAYTON-HUDSON CORP.	STATE EMPLOYEES RETIREMENT F	822,375	4,500	FIRST BANK SYSTEM	HIGHWAY PATROL RETIREMENT FU	196,875
2,500	DAYTON-HUDSON CORP.	HIGHWAY PATROL RETIREMENT FU	134,375	500	FIRST BANK SYSTEM	JUDGES RETIREMENT FUND	21,875
200	DAYTON-HUDSON CORP.	JUDGES RETIREMENT FUND	10,750		SUB-TOTAL	162,800 SHARES	7,122,500
	SUB-TOTAL	74,800 SHARES	4,020,500	130,200	FLORIDA POWER & LIGHT COMPANY	TEACHER'S RETIREMENT FUND	3,873,450
41,900	DELTA AIR LINES INC.	TEACHER'S RETIREMENT FUND	2,985,375	112,800	FLORIDA POWER & LIGHT COMPANY	PUBLIC EMPLOYEES RETIREMENT	3,355,800
32,100	DELTA AIR LINES INC.	PUBLIC EMPLOYEES RETIREMENT	2,287,125	61,400	FLORIDA POWER & LIGHT COMPANY	STATE EMPLOYEES RETIREMENT F	1,826,650
23,900	DELTA AIR LINES INC.	STATE EMPLOYEES RETIREMENT F	1,702,875	22,300	FLORIDA POWER & LIGHT COMPANY	PUB. EMPLOY. POLICE AND FIRE	663,425
7,900	DELTA AIR LINES INC.	PUB. EMPLOY. POLICE AND FIRE	562,875	6,000	FLORIDA POWER & LIGHT COMPANY	HIGHWAY PATROL RETIREMENT FU	178,500
2,600	DELTA AIR LINES INC.	HIGHWAY PATROL RETIREMENT FU	185,250		SUB-TOTAL	332,700 SHARES	9,897,825
100	DELTA AIR LINES INC.	JUDGES RETIREMENT FUND	7,125	76,500	GENERAL DYNAMICS	TEACHER'S RETIREMENT FUND	2,476,688
	SUB-TOTAL	108,500 SHARES	7,710,625	72,000	GENERAL DYNAMICS	PUBLIC EMPLOYEES RETIREMENT	2,331,000
36,072	DISNEY WALT PRODUCTIONS	TEACHER'S RETIREMENT FUND	2,286,063	38,000	GENERAL DYNAMICS	STATE EMPLOYEES RETIREMENT F	1,230,250
32,435	DISNEY WALT PRODUCTIONS	PUBLIC EMPLOYEES RETIREMENT	2,055,568	10,000	GENERAL DYNAMICS	PUB. EMPLOY. POLICE AND FIRE	323,750
19,106	DISNEY WALT PRODUCTIONS	STATE EMPLOYEES RETIREMENT F	1,210,843	3,300	GENERAL DYNAMICS	HIGHWAY PATROL RETIREMENT FU	106,838
6,865	DISNEY WALT PRODUCTIONS	PUB. EMPLOY. POLICE AND FIRE	435,069	200	GENERAL DYNAMICS	JUDGES RETIREMENT FUND	6,475
2,077	DISNEY WALT PRODUCTIONS	HIGHWAY PATROL RETIREMENT FU	131,630		SUB-TOTAL	200,000 SHARES	6,475,000
	SUB-TOTAL	96,555 SHARES	6,119,173	141,000	GENERAL ELECTRIC COMPANY	TEACHER'S RETIREMENT FUND	8,724,375
112,556	DOW CHEMICAL COMPANY	TEACHER'S RETIREMENT FUND	3,728,418	125,500	GENERAL ELECTRIC COMPANY	PUBLIC EMPLOYEES RETIREMENT	7,745,313
92,792	DOW CHEMICAL COMPANY	PUBLIC EMPLOYEES RETIREMENT	3,073,735	70,500	GENERAL ELECTRIC COMPANY	STATE EMPLOYEES RETIREMENT F	4,362,188
56,880	DOW CHEMICAL COMPANY	STATE EMPLOYEES RETIREMENT F	1,884,150	21,500	GENERAL ELECTRIC COMPANY	PUB. EMPLOY. POLICE AND FIRE	1,330,313
16,000	DOW CHEMICAL COMPANY	PUB. EMPLOY. POLICE AND FIRE	530,000	7,000	GENERAL ELECTRIC COMPANY	HIGHWAY PATROL RETIREMENT FU	433,125
7,100	DOW CHEMICAL COMPANY	HIGHWAY PATROL RETIREMENT FU	235,188	400	GENERAL ELECTRIC COMPANY	JUDGES RETIREMENT FUND	24,750
1,000	DOW CHEMICAL COMPANY	JUDGES RETIREMENT FUND	33,125		SUB-TOTAL	345,900 SHARES	22,640,063
	SUB-TOTAL	286,328 SHARES	9,484,615	98,300	GENERAL HILLS INCORPORATED	TEACHER'S RETIREMENT FUND	3,723,113
100,700	DRESSER INDUSTRIES	TEACHER'S RETIREMENT FUND	3,839,188	86,900	GENERAL HILLS INCORPORATED	PUBLIC EMPLOYEES RETIREMENT	3,291,338
101,000	DRESSER INDUSTRIES	PUBLIC EMPLOYEES RETIREMENT	3,850,625	49,400	GENERAL HILLS INCORPORATED	STATE EMPLOYEES RETIREMENT F	1,871,025
46,500	DRESSER INDUSTRIES	STATE EMPLOYEES RETIREMENT F	1,772,813	12,800	GENERAL HILLS INCORPORATED	PUB. EMPLOY. POLICE AND FIRE	484,800
14,000	DRESSER INDUSTRIES	PUB. EMPLOY. POLICE AND FIRE	533,750	4,200	GENERAL HILLS INCORPORATED	HIGHWAY PATROL RETIREMENT FU	159,075
8,000	DRESSER INDUSTRIES	HIGHWAY PATROL RETIREMENT FU	305,000	300	GENERAL HILLS INCORPORATED	JUDGES RETIREMENT FUND	11,363
600	DRESSER INDUSTRIES	JUDGES RETIREMENT FUND	22,875		SUB-TOTAL	231,900 SHARES	9,540,713
	SUB-TOTAL	270,800 SHARES	10,324,250	80,000	GENERAL MOTORS CORPORATION	TEACHER'S RETIREMENT FUND	4,240,000
74,000	DU PONT E I DE NEMOURS & CO	TEACHER'S RETIREMENT FUND	4,037,500	71,500	GENERAL MOTORS CORPORATION	PUBLIC EMPLOYEES RETIREMENT	3,789,500
46,000	DU PONT E I DE NEMOURS & CO	PUBLIC EMPLOYEES RETIREMENT	3,506,250	40,500	GENERAL MOTORS CORPORATION	STATE EMPLOYEES RETIREMENT F	2,146,500
38,000	DU PONT E I DE NEMOURS & CO	STATE EMPLOYEES RETIREMENT F	2,018,750	12,200	GENERAL MOTORS CORPORATION	PUB. EMPLOY. POLICE AND FIRE	646,400
10,180	DU PONT E I DE NEMOURS & CO	PUB. EMPLOY. POLICE AND FIRE	540,813	3,800	GENERAL MOTORS CORPORATION	HIGHWAY PATROL RETIREMENT FU	201,400
3,400	DU PONT E I DE NEMOURS & CO	HIGHWAY PATROL RETIREMENT FU	180,625	300	GENERAL MOTORS CORPORATION	JUDGES RETIREMENT FUND	15,900
	SUB-TOTAL	193,580 SHARES	10,283,938		SUB-TOTAL	208,300 SHARES	11,039,900
32,800	DUN & BRADSTREET COS INC	TEACHER'S RETIREMENT FUND	2,103,300	44,700	GETTY OIL COMPANY	TEACHER'S RETIREMENT FUND	4,480,475
32,300	DUN & BRADSTREET COS INC	PUBLIC EMPLOYEES RETIREMENT	2,071,238	54,300	GETTY OIL COMPANY	PUBLIC EMPLOYEES RETIREMENT	3,760,275
16,000	DUN & BRADSTREET COS INC	STATE EMPLOYEES RETIREMENT F	1,026,000	29,000	GETTY OIL COMPANY	STATE EMPLOYEES RETIREMENT F	2,008,250
3,000	DUN & BRADSTREET COS INC	PUB. EMPLOY. POLICE AND FIRE	192,375	9,000	GETTY OIL COMPANY	PUB. EMPLOY. POLICE AND FIRE	623,250
2,000	DUN & BRADSTREET COS INC	HIGHWAY PATROL RETIREMENT FU	128,250	2,800	GETTY OIL COMPANY	HIGHWAY PATROL RETIREMENT FU	193,900
100	DUN & BRADSTREET COS INC	JUDGES RETIREMENT FUND	4,413	200	GETTY OIL COMPANY	JUDGES RETIREMENT FUND	13,850
	SUB-TOTAL	86,200 SHARES	5,527,575		SUB-TOTAL	160,000 SHARES	11,080,000
90,500	EASTMAN KODAK COMPANY	TEACHER'S RETIREMENT FUND	6,744,875	141,400	GILLETTE COMPANY	TEACHER'S RETIREMENT FUND	4,789,925
77,000	EASTMAN KODAK COMPANY	PUBLIC EMPLOYEES RETIREMENT	5,755,750	122,900	GILLETTE COMPANY	PUBLIC EMPLOYEES RETIREMENT	4,143,238
40,680	EASTMAN KODAK COMPANY	STATE EMPLOYEES RETIREMENT F	3,040,830	69,100	GILLETTE COMPANY	STATE EMPLOYEES RETIREMENT F	2,340,763
13,000	EASTMAN KODAK COMPANY	PUB. EMPLOY. POLICE AND FIRE	971,750	20,000	GILLETTE COMPANY	PUB. EMPLOY. POLICE AND FIRE	677,500
4,400	EASTMAN KODAK COMPANY	HIGHWAY PATROL RETIREMENT FU	343,850	6,500	GILLETTE COMPANY	HIGHWAY PATROL RETIREMENT FU	220,188
300	EASTMAN KODAK COMPANY	JUDGES RETIREMENT FUND	22,425	100	GILLETTE COMPANY	JUDGES RETIREMENT FUND	3,388
	SUB-TOTAL	226,080 SHARES	16,899,480		SUB-TOTAL	360,000 SHARES	12,195,000

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

BASIC RETIREMENT FUNDS

ALPHABETICAL EQUITY SECURITIES LISTING
JUNE 30, 1981

# OF SHARES	SECURITY	ADVISOR	MARKET VALUE	# OF SHARES	SECURITY	ADVISOR	MARKET VALUE
145,000	GOODYEAR TIRE & RUBBER CO.	TEACHER'S RETIREMENT FUND	2,773,125	126,814	INTL. TEL & TEL	TEACHER'S RETIREMENT FUND	3,915,382
128,500	GOODYEAR TIRE & RUBBER CO.	PUBLIC EMPLOYEES RETIREMENT	2,457,563	110,743	INTL. TEL & TEL	PUBLIC EMPLOYEES RETIREMENT	3,419,190
72,000	GOODYEAR TIRE & RUBBER CO.	STATE EMPLOYEES RETIREMENT F	1,377,000	62,243	INTL. TEL & TEL	STATE EMPLOYEES RETIREMENT F	1,921,753
21,500	GOODYEAR TIRE & RUBBER CO.	PUB. EMPLOY. POLICE AND FIRE	411,188	18,317	INTL. TEL & TEL	PUB. EMPLOY. POLICE AND FIRE	565,537
4,500	GOODYEAR TIRE & RUBBER CO.	HIGHWAY PATROL RETIREMENT FU	124,313	6,500	INTL. TEL & TEL	HIGHWAY PATROL RETIREMENT FU	200,488
	SUB-TOTAL	373,500 SHARES	7,143,188	500	INTL. TEL & TEL	JUDGES RETIREMENT FUND	15,438
138,300	GULF OIL CORPORATION	TEACHER'S RETIREMENT FUND	4,840,500		SUB-TOTAL	325,117 SHARES	10,037,987
121,000	GULF OIL CORPORATION	PUBLIC EMPLOYEES RETIREMENT	4,235,000	64,200	JOHNSON & JOHNSON	TEACHER'S RETIREMENT FUND	2,247,000
67,400	GULF OIL CORPORATION	STATE EMPLOYEES RETIREMENT F	2,359,000	52,800	JOHNSON & JOHNSON	PUBLIC EMPLOYEES RETIREMENT	1,848,000
19,000	GULF OIL CORPORATION	PUB. EMPLOY. POLICE AND FIRE	665,000	31,500	JOHNSON & JOHNSON	STATE EMPLOYEES RETIREMENT F	1,102,500
3,800	GULF OIL CORPORATION	HIGHWAY PATROL RETIREMENT FU	133,000	12,300	JOHNSON & JOHNSON	PUB. EMPLOY. POLICE AND FIRE	430,500
	SUB-TOTAL	349,500 SHARES	12,232,500	2,700	JOHNSON & JOHNSON	HIGHWAY PATROL RETIREMENT FU	94,500
45,600	HALLIBURTON INC.	TEACHER'S RETIREMENT FUND	2,724,600		SUB-TOTAL	163,500 SHARES	5,722,500
36,400	HALLIBURTON INC.	PUBLIC EMPLOYEES RETIREMENT	2,174,900	67,800	LEVI STRAUSS AND COMPANY	TEACHER'S RETIREMENT FUND	2,423,850
22,900	HALLIBURTON INC.	STATE EMPLOYEES RETIREMENT F	1,368,275	59,200	LEVI STRAUSS AND COMPANY	PUBLIC EMPLOYEES RETIREMENT	2,116,400
7,100	HALLIBURTON INC.	PUB. EMPLOY. POLICE AND FIRE	424,225	34,000	LEVI STRAUSS AND COMPANY	STATE EMPLOYEES RETIREMENT F	1,215,500
	SUB-TOTAL	112,000 SHARES	6,692,000	10,800	LEVI STRAUSS AND COMPANY	PUB. EMPLOY. POLICE AND FIRE	386,100
143,300	HERCULES INCORPORATED	TEACHER'S RETIREMENT FUND	3,618,325	2,800	LEVI STRAUSS AND COMPANY	HIGHWAY PATROL RETIREMENT FU	100,100
124,700	HERCULES INCORPORATED	PUBLIC EMPLOYEES RETIREMENT	3,148,675	200	LEVI STRAUSS AND COMPANY	JUDGES RETIREMENT FUND	7,150
72,400	HERCULES INCORPORATED	STATE EMPLOYEES RETIREMENT F	1,828,100		SUB-TOTAL	174,800 SHARES	6,249,100
20,800	HERCULES INCORPORATED	PUB. EMPLOY. POLICE AND FIRE	525,200	53,200	MARSH & MCLENNAN	TEACHER'S RETIREMENT FUND	2,081,450
9,300	HERCULES INCORPORATED	HIGHWAY PATROL RETIREMENT FU	234,825	51,600	MARSH & MCLENNAN	PUBLIC EMPLOYEES RETIREMENT	2,018,850
	SUB-TOTAL	370,500 SHARES	9,355,125	26,600	MARSH & MCLENNAN	STATE EMPLOYEES RETIREMENT F	1,040,725
48,000	HEWLETT PACKARD COMPANY	TEACHER'S RETIREMENT FUND	4,566,000	9,200	MARSH & MCLENNAN	PUB. EMPLOY. POLICE AND FIRE	359,950
43,000	HEWLETT PACKARD COMPANY	PUBLIC EMPLOYEES RETIREMENT	4,090,375	2,200	MARSH & MCLENNAN	HIGHWAY PATROL RETIREMENT FU	86,075
24,000	HEWLETT PACKARD COMPANY	STATE EMPLOYEES RETIREMENT F	2,283,000	200	MARSH & MCLENNAN	JUDGES RETIREMENT FUND	7,825
7,500	HEWLETT PACKARD COMPANY	PUB. EMPLOY. POLICE AND FIRE	713,438		SUB-TOTAL	143,000 SHARES	5,594,875
3,200	HEWLETT PACKARD COMPANY	HIGHWAY PATROL RETIREMENT FU	304,400	131,500	MCDONALDS CORP.	TEACHER'S RETIREMENT FUND	8,514,625
300	HEWLETT PACKARD COMPANY	JUDGES RETIREMENT FUND	28,538	112,500	MCDONALDS CORP.	PUBLIC EMPLOYEES RETIREMENT	7,284,375
	SUB-TOTAL	126,000 SHARES	11,985,750	63,800	MCDONALDS CORP.	STATE EMPLOYEES RETIREMENT F	4,131,050
49,400	HONEYWELL INCORPORATED	TEACHER'S RETIREMENT FUND	4,217,525	17,800	MCDONALDS CORP.	PUB. EMPLOY. POLICE AND FIRE	1,152,550
41,800	HONEYWELL INCORPORATED	PUBLIC EMPLOYEES RETIREMENT	3,568,675	5,600	MCDONALDS CORP.	HIGHWAY PATROL RETIREMENT FU	362,600
23,500	HONEYWELL INCORPORATED	STATE EMPLOYEES RETIREMENT F	2,006,313	500	MCDONALDS CORP.	JUDGES RETIREMENT FUND	32,375
8,000	HONEYWELL INCORPORATED	PUB. EMPLOY. POLICE AND FIRE	683,000		SUB-TOTAL	331,700 SHARES	21,477,575
	SUB-TOTAL	122,700 SHARES	10,475,513	60,800	MERCK & COMPANY INCORPORATED	TEACHER'S RETIREMENT FUND	5,624,000
89,300	HOUSEHOLD FINANCE CORP.	TEACHER'S RETIREMENT FUND	1,495,775	52,100	MERCK & COMPANY INCORPORATED	PUBLIC EMPLOYEES RETIREMENT	4,819,250
70,300	HOUSEHOLD FINANCE CORP.	PUBLIC EMPLOYEES RETIREMENT	1,177,525	28,700	MERCK & COMPANY INCORPORATED	STATE EMPLOYEES RETIREMENT F	2,654,750
43,900	HOUSEHOLD FINANCE CORP.	STATE EMPLOYEES RETIREMENT F	735,325	12,300	MERCK & COMPANY INCORPORATED	PUB. EMPLOY. POLICE AND FIRE	1,137,750
9,000	HOUSEHOLD FINANCE CORP.	PUB. EMPLOY. POLICE AND FIRE	150,750	4,700	MERCK & COMPANY INCORPORATED	HIGHWAY PATROL RETIREMENT FU	434,750
700	HOUSEHOLD FINANCE CORP.	JUDGES RETIREMENT FUND	11,725	500	MERCK & COMPANY INCORPORATED	JUDGES RETIREMENT FUND	46,250
	SUB-TOTAL	213,200 SHARES	3,571,100		SUB-TOTAL	159,100 SHARES	14,716,750
233,850	HOUSTON INDUSTRIES INC.	TEACHER'S RETIREMENT FUND	4,472,381	134,000	MOBIL CORPORATION	TEACHER'S RETIREMENT FUND	4,020,000
214,950	HOUSTON INDUSTRIES INC.	PUBLIC EMPLOYEES RETIREMENT	4,110,919	108,800	MOBIL CORPORATION	PUBLIC EMPLOYEES RETIREMENT	3,264,000
126,750	HOUSTON INDUSTRIES INC.	STATE EMPLOYEES RETIREMENT F	2,424,094	61,200	MOBIL CORPORATION	STATE EMPLOYEES RETIREMENT F	1,836,000
13,500	HOUSTON INDUSTRIES INC.	PUB. EMPLOY. POLICE AND FIRE	258,188	14,200	MOBIL CORPORATION	PUB. EMPLOY. POLICE AND FIRE	424,000
10,500	HOUSTON INDUSTRIES INC.	HIGHWAY PATROL RETIREMENT FU	200,813	4,800	MOBIL CORPORATION	HIGHWAY PATROL RETIREMENT FU	204,000
450	HOUSTON INDUSTRIES INC.	JUDGES RETIREMENT FUND	8,604		SUB-TOTAL	325,000 SHARES	9,750,000
	SUB-TOTAL	600,000 SHARES	11,475,000	89,200	MORGAN J P & COMPANY INC.	TEACHER'S RETIREMENT FUND	5,329,700
141,800	HOUSTON NATURAL GAS CORP.	TEACHER'S RETIREMENT FUND	6,061,950	78,500	MORGAN J P & COMPANY INC.	PUBLIC EMPLOYEES RETIREMENT	4,690,375
124,000	HOUSTON NATURAL GAS CORP.	PUBLIC EMPLOYEES RETIREMENT	5,301,000	44,300	MORGAN J P & COMPANY INC.	STATE EMPLOYEES RETIREMENT F	2,646,925
88,700	HOUSTON NATURAL GAS CORP.	STATE EMPLOYEES RETIREMENT F	3,791,925	13,400	MORGAN J P & COMPANY INC.	PUB. EMPLOY. POLICE AND FIRE	800,650
29,500	HOUSTON NATURAL GAS CORP.	PUB. EMPLOY. POLICE AND FIRE	1,261,125	4,200	MORGAN J P & COMPANY INC.	HIGHWAY PATROL RETIREMENT FU	250,950
9,000	HOUSTON NATURAL GAS CORP.	HIGHWAY PATROL RETIREMENT FU	384,750	400	MORGAN J P & COMPANY INC.	JUDGES RETIREMENT FUND	23,900
200	HOUSTON NATURAL GAS CORP.	JUDGES RETIREMENT FUND	8,550		SUB-TOTAL	230,000 SHARES	13,742,500
	SUB-TOTAL	393,200 SHARES	16,809,300	47,400	MOTOROLA INCORPORATED	TEACHER'S RETIREMENT FUND	3,389,100
63,200	INA CORP.	TEACHER'S RETIREMENT FUND	2,930,900	40,800	MOTOROLA INCORPORATED	PUBLIC EMPLOYEES RETIREMENT	2,917,200
54,500	INA CORP.	PUBLIC EMPLOYEES RETIREMENT	2,527,438	23,200	MOTOROLA INCORPORATED	STATE EMPLOYEES RETIREMENT F	1,658,800
23,750	INA CORP.	STATE EMPLOYEES RETIREMENT F	1,101,406	6,500	MOTOROLA INCORPORATED	PUB. EMPLOY. POLICE AND FIRE	464,750
7,500	INA CORP.	PUB. EMPLOY. POLICE AND FIRE	347,813	2,100	MOTOROLA INCORPORATED	HIGHWAY PATROL RETIREMENT FU	150,150
2,500	INA CORP.	HIGHWAY PATROL RETIREMENT FU	115,938		SUB-TOTAL	120,000 SHARES	8,580,000
100	INA CORP.	JUDGES RETIREMENT FUND	4,638	68,000	NL INDUSTRIES	TEACHER'S RETIREMENT FUND	2,363,000
	SUB-TOTAL	151,550 SHARES	7,028,131	64,000	NL INDUSTRIES	PUBLIC EMPLOYEES RETIREMENT	2,224,000
237,412	INTL. BUSINESS MACHINES	TEACHER'S RETIREMENT FUND	13,740,220	34,000	NL INDUSTRIES	STATE EMPLOYEES RETIREMENT F	1,181,500
206,800	INTL. BUSINESS MACHINES	PUBLIC EMPLOYEES RETIREMENT	11,968,550	10,000	NL INDUSTRIES	PUB. EMPLOY. POLICE AND FIRE	347,500
119,700	INTL. BUSINESS MACHINES	STATE EMPLOYEES RETIREMENT F	6,927,638	3,800	NL INDUSTRIES	HIGHWAY PATROL RETIREMENT FU	132,050
35,900	INTL. BUSINESS MACHINES	PUB. EMPLOY. POLICE AND FIRE	2,077,713	200	NL INDUSTRIES	JUDGES RETIREMENT FUND	6,950
11,100	INTL. BUSINESS MACHINES	HIGHWAY PATROL RETIREMENT FU	642,413		SUB-TOTAL	180,000 SHARES	6,255,000
960	INTL. BUSINESS MACHINES	JUDGES RETIREMENT FUND	55,560				
	SUB-TOTAL	611,872 SHARES	35,412,092				

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

BASIC RETIREMENT FUNDS

ALPHABETICAL EQUITY SECURITIES LISTING
JUNE 30, 1981

# OF SHARES	SECURITY	ADVISOR	MARKET VALUE	# OF SHARES	SECURITY	ADVISOR	MARKET VALUE
134,796	NORTHERN STS. POWER CO. MINN.	TEACHER'S RETIREMENT FUND	3,403,599	43,000	SOUTHERN RAILWAY CO.	TEACHER'S RETIREMENT FUND	3,816,250
107,592	NORTHERN STS. POWER CO. MINN.	PUBLIC EMPLOYEES RETIREMENT	2,716,498	37,000	SOUTHERN RAILWAY CO.	PUBLIC EMPLOYEES RETIREMENT	3,283,750
66,106	NORTHERN STS. POWER CO. MINN.	STATE EMPLOYEES RETIREMENT F	1,669,177	20,400	SOUTHERN RAILWAY CO.	STATE EMPLOYEES RETIREMENT F	1,810,500
18,000	NORTHERN STS. POWER CO. MINN.	PUB. EMPLOY. POLICE AND FIRE	454,500	6,200	SOUTHERN RAILWAY CO.	PUB. EMPLOY. POLICE AND FIRE	550,250
2,000	NORTHERN STS. POWER CO. MINN.	HIGHWAY PATROL RETIREMENT FU	50,500	1,600	SOUTHERN RAILWAY CO.	HIGHWAY PATROL RETIREMENT FU	142,000
800	NORTHERN STS. POWER CO. MINN.	JUDGES RETIREMENT FUND	20,200	200	SOUTHERN RAILWAY CO.	JUDGES RETIREMENT FUND	17,750
	SUB-TOTAL	329,294 SHARES	8,314,474		SUB-TOTAL	108,400 SHARES	9,620,500
215,500	OWENS ILLINOIS INC.	TEACHER'S RETIREMENT FUND	6,572,750	138,519	SOUTHLAND CORP.	TEACHER'S RETIREMENT FUND	3,636,124
187,000	OWENS ILLINOIS INC.	PUBLIC EMPLOYEES RETIREMENT	5,703,500	116,916	SOUTHLAND CORP.	PUBLIC EMPLOYEES RETIREMENT	3,069,045
105,000	OWENS ILLINOIS INC.	STATE EMPLOYEES RETIREMENT F	3,202,500	63,133	SOUTHLAND CORP.	STATE EMPLOYEES RETIREMENT F	1,657,241
32,000	OWENS ILLINOIS INC.	PUB. EMPLOY. POLICE AND FIRE	976,000	21,616	SOUTHLAND CORP.	PUB. EMPLOY. POLICE AND FIRE	567,420
10,500	OWENS ILLINOIS INC.	HIGHWAY PATROL RETIREMENT FU	320,250	6,277	SOUTHLAND CORP.	HIGHWAY PATROL RETIREMENT FU	164,771
	SUB-TOTAL	550,000 SHARES	16,775,000	321	SUB-TOTAL	346,782 SHARES	9,103,028
87,600	PENNEY J. C. INCORPORATED	TEACHER'S RETIREMENT FUND	2,956,500		ST. PAUL COS. INC.	TEACHER'S RETIREMENT FUND	2,156,000
72,900	PENNEY J. C. INCORPORATED	PUBLIC EMPLOYEES RETIREMENT	2,460,375	49,000	ST. PAUL COS. INC.	PUBLIC EMPLOYEES RETIREMENT	1,821,600
44,100	PENNEY J. C. INCORPORATED	STATE EMPLOYEES RETIREMENT F	1,488,375	41,400	ST. PAUL COS. INC.	STATE EMPLOYEES RETIREMENT F	1,091,200
16,600	PENNEY J. C. INCORPORATED	PUB. EMPLOY. POLICE AND FIRE	560,250	24,800	ST. PAUL COS. INC.	PUB. EMPLOY. POLICE AND FIRE	338,800
5,700	PENNEY J. C. INCORPORATED	HIGHWAY PATROL RETIREMENT FU	192,375	7,700	ST. PAUL COS. INC.	HIGHWAY PATROL RETIREMENT FU	127,600
300	PENNEY J. C. INCORPORATED	JUDGES RETIREMENT FUND	10,125	2,900	ST. PAUL COS. INC.	JUDGES RETIREMENT FUND	4,400
	SUB-TOTAL	227,200 SHARES	7,668,000	100	SUB-TOTAL	125,900 SHARES	5,539,600
230,986	PEPSICO INCORPORATED	TEACHER'S RETIREMENT FUND	8,171,130		STANDARD OIL OF CALIFORNIA	TEACHER'S RETIREMENT FUND	4,286,250
200,100	PEPSICO INCORPORATED	PUBLIC EMPLOYEES RETIREMENT	7,078,538	114,300	STANDARD OIL OF CALIFORNIA	PUBLIC EMPLOYEES RETIREMENT	3,753,750
112,800	PEPSICO INCORPORATED	STATE EMPLOYEES RETIREMENT F	3,990,300	100,100	STANDARD OIL OF CALIFORNIA	STATE EMPLOYEES RETIREMENT F	2,092,500
33,000	PEPSICO INCORPORATED	PUB. EMPLOY. POLICE AND FIRE	1,167,375	55,800	STANDARD OIL OF CALIFORNIA	PUB. EMPLOY. POLICE AND FIRE	592,500
10,500	PEPSICO INCORPORATED	HIGHWAY PATROL RETIREMENT FU	371,438	15,800	STANDARD OIL OF CALIFORNIA	HIGHWAY PATROL RETIREMENT FU	187,500
400	PEPSICO INCORPORATED	JUDGES RETIREMENT FUND	14,150	5,000	STANDARD OIL OF CALIFORNIA	JUDGES RETIREMENT FUND	10,912,500
	SUB-TOTAL	587,786 SHARES	20,792,930		SUB-TOTAL	291,000 SHARES	2,205,125
141,500	PHILLIPS PETROLEUM CO.	TEACHER'S RETIREMENT FUND	5,412,375	59,000	SUPER VALU STORES INC.	TEACHER'S RETIREMENT FUND	1,831,375
123,500	PHILLIPS PETROLEUM CO.	PUBLIC EMPLOYEES RETIREMENT	4,723,875	49,000	SUPER VALU STORES INC.	PUBLIC EMPLOYEES RETIREMENT	1,121,250
68,000	PHILLIPS PETROLEUM CO.	STATE EMPLOYEES RETIREMENT F	2,601,000	30,000	SUPER VALU STORES INC.	STATE EMPLOY. POLICE AND FIRE	325,143
21,000	PHILLIPS PETROLEUM CO.	PUB. EMPLOY. POLICE AND FIRE	803,250	8,700	SUPER VALU STORES INC.	HIGHWAY PATROL RETIREMENT FU	112,125
6,000	PHILLIPS PETROLEUM CO.	HIGHWAY PATROL RETIREMENT FU	229,500	3,000	SUPER VALU STORES INC.	JUDGES RETIREMENT FUND	11,213
	SUB-TOTAL	360,000 SHARES	13,770,000	300	SUB-TOTAL	150,000 SHARES	5,606,250
51,000	RAYTHEON COMPANY	TEACHER'S RETIREMENT FUND	2,295,000		SYNTEX CORPORATION	TEACHER'S RETIREMENT FUND	3,311,375
46,000	RAYTHEON COMPANY	PUBLIC EMPLOYEES RETIREMENT	2,070,000	59,000	SYNTEX CORPORATION	PUBLIC EMPLOYEES RETIREMENT	2,862,375
27,000	RAYTHEON COMPANY	STATE EMPLOYEES RETIREMENT F	1,215,000	51,000	SYNTEX CORPORATION	STATE EMPLOYEES RETIREMENT F	1,627,425
7,000	RAYTHEON COMPANY	PUB. EMPLOY. POLICE AND FIRE	315,000	29,000	SYNTEX CORPORATION	PUB. EMPLOY. POLICE AND FIRE	505,125
2,000	RAYTHEON COMPANY	HIGHWAY PATROL RETIREMENT FU	90,000	9,000	SYNTEX CORPORATION	HIGHWAY PATROL RETIREMENT FU	112,250
200	RAYTHEON COMPANY	JUDGES RETIREMENT FUND	9,000	2,000	SYNTEX CORPORATION	JUDGES RETIREMENT FUND	8,418,750
	SUB-TOTAL	133,200 SHARES	5,994,000		SUB-TOTAL	150,000 SHARES	7,310,075
58,000	REVC0 D.S.	TEACHER'S RETIREMENT FUND	2,160,500	217,400	TEXAS OIL & GAS CORP.	TEACHER'S RETIREMENT FUND	6,388,750
52,000	REVC0 D.S.	PUBLIC EMPLOYEES RETIREMENT	1,937,000	190,000	TEXAS OIL & GAS CORP.	PUBLIC EMPLOYEES RETIREMENT F	2,471,438
32,000	REVC0 D.S.	STATE EMPLOYEES RETIREMENT F	1,192,000	73,500	TEXAS OIL & GAS CORP.	PUB. EMPLOY. POLICE AND FIRE	659,050
10,000	REVC0 D.S.	PUB. EMPLOY. POLICE AND FIRE	372,500	19,600	TEXAS OIL & GAS CORP.	HIGHWAY PATROL RETIREMENT FU	219,563
2,800	REVC0 D.S.	HIGHWAY PATROL RETIREMENT FU	104,300	6,500	TEXAS OIL & GAS CORP.	JUDGES RETIREMENT FUND	17,047,875
200	REVC0 D.S.	JUDGES RETIREMENT FUND	7,450		SUB-TOTAL	507,000 SHARES	2,037,500
	SUB-TOTAL	155,000 SHARES	5,773,750	100,000	TEXAS UTILITIES COMPANY	TEACHER'S RETIREMENT FUND	1,630,000
103,200	ROYAL DUTCH PETROLEUM CO ORD	TEACHER'S RETIREMENT FUND	3,328,200	80,000	TEXAS UTILITIES COMPANY	PUBLIC EMPLOYEES RETIREMENT	916,875
89,400	ROYAL DUTCH PETROLEUM CO ORD	PUBLIC EMPLOYEES RETIREMENT	2,883,150	43,000	TEXAS UTILITIES COMPANY	STATE EMPLOYEES RETIREMENT F	448,250
50,400	ROYAL DUTCH PETROLEUM CO ORD	STATE EMPLOYEES RETIREMENT F	1,625,400	22,000	TEXAS UTILITIES COMPANY	PUB. EMPLOY. POLICE AND FIRE	122,250
15,000	ROYAL DUTCH PETROLEUM CO ORD	PUB. EMPLOY. POLICE AND FIRE	483,750	6,000	TEXAS UTILITIES COMPANY	HIGHWAY PATROL RETIREMENT FU	20,375
5,000	ROYAL DUTCH PETROLEUM CO ORD	HIGHWAY PATROL RETIREMENT FU	161,250	1,000	TEXAS UTILITIES COMPANY	JUDGES RETIREMENT FUND	5,175,250
	SUB-TOTAL	263,000 SHARES	8,481,750		SUB-TOTAL	254,000 SHARES	2,782,400
114,000	SANTA FE INDUSTRIES	TEACHER'S RETIREMENT FUND	2,964,000	59,200	TRAVELERS CORPORATION	TEACHER'S RETIREMENT FUND	2,324,500
103,500	SANTA FE INDUSTRIES	PUBLIC EMPLOYEES RETIREMENT	2,691,000	49,500	TRAVELERS CORPORATION	PUBLIC EMPLOYEES RETIREMENT	1,334,800
57,000	SANTA FE INDUSTRIES	STATE EMPLOYEES RETIREMENT F	1,482,000	28,400	TRAVELERS CORPORATION	STATE EMPLOY. POLICE AND FIRE	441,800
18,000	SANTA FE INDUSTRIES	PUB. EMPLOY. POLICE AND FIRE	468,000	9,400	TRAVELERS CORPORATION	HIGHWAY PATROL RETIREMENT FU	131,600
6,900	SANTA FE INDUSTRIES	HIGHWAY PATROL RETIREMENT FU	179,400	2,800	TRAVELERS CORPORATION	JUDGES RETIREMENT FUND	4,700
600	SANTA FE INDUSTRIES	JUDGES RETIREMENT FUND	15,600	100	SUB-TOTAL	149,400 SHARES	7,021,800
	SUB-TOTAL	300,000 SHARES	7,800,000		UNION CARBIDE CORP	TEACHER'S RETIREMENT FUND	7,890,000
96,002	SECURITY PACIFIC CORPORATION	TEACHER'S RETIREMENT FUND	3,888,081	131,500	UNION CARBIDE CORP	PUBLIC EMPLOYEES RETIREMENT	6,552,000
85,063	SECURITY PACIFIC CORPORATION	PUBLIC EMPLOYEES RETIREMENT	3,445,052	109,200	UNION CARBIDE CORP	STATE EMPLOYEES RETIREMENT F	3,930,000
52,245	SECURITY PACIFIC CORPORATION	STATE EMPLOYEES RETIREMENT F	2,116,733	45,500	UNION CARBIDE CORP	PUB. EMPLOY. POLICE AND FIRE	1,128,000
22,000	SECURITY PACIFIC CORPORATION	PUB. EMPLOY. POLICE AND FIRE	891,000	18,800	UNION CARBIDE CORP	HIGHWAY PATROL RETIREMENT FU	378,000
5,000	SECURITY PACIFIC CORPORATION	HIGHWAY PATROL RETIREMENT FU	202,500	6,300	UNION CARBIDE CORP	JUDGES RETIREMENT FUND	19,878,000
	SUB-TOTAL	260,330 SHARES	10,543,365		SUB-TOTAL	331,300 SHARES	

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

BASIC RETIREMENT FUNDS

ALPHABETICAL EQUITY SECURITIES LISTING
JUNE 30, 1981

# OF SHARES	SECURITY	ADVISOR	MARKET VALUE
124,984	VALLEY NATL BK AZ PHOENIX	TEACHER'S RETIREMENT FUND	5,412,493
97,702	VALLEY NATL BK AZ PHOENIX	PUBLIC EMPLOYEES RETIREMENT	4,144,548
56,194	VALLEY NATL BK AZ PHOENIX	STATE EMPLOYEES RETIREMENT F	2,395,355
9,500	VALLEY NATL BK AZ PHOENIX	PUB. EMPLOY. POLICE AND FIRE	404,938
6,618	VALLEY NATL BK AZ PHOENIX	HIGHWAY PATROL RETIREMENT FU	282,092
200	VALLEY NATL BK AZ PHOENIX	JUDGES RETIREMENT FUND	8,525
	SUB-TOTAL	297,200 SHARES	12,648,150
55,808	WARNER COMMUNICATIONS	TEACHER'S RETIREMENT FUND	2,844,208
56,288	WARNER COMMUNICATIONS	PUBLIC EMPLOYEES RETIREMENT	2,870,488
31,396	WARNER COMMUNICATIONS	STATE EMPLOYEES RETIREMENT F	1,601,194
9,364	WARNER COMMUNICATIONS	PUB. EMPLOY. POLICE AND FIRE	477,544
2,942	WARNER COMMUNICATIONS	HIGHWAY PATROL RETIREMENT FU	150,042
300	WARNER COMMUNICATIONS	JUDGES RETIREMENT FUND	15,300
	SUB-TOTAL	156,098 SHARES	7,960,998
77,700	WHIRLPOOL CORP.	TEACHER'S RETIREMENT FUND	2,136,750
73,900	WHIRLPOOL CORP.	PUBLIC EMPLOYEES RETIREMENT	2,032,250
44,800	WHIRLPOOL CORP.	STATE EMPLOYEES RETIREMENT F	1,232,000
24,200	WHIRLPOOL CORP.	PUB. EMPLOY. POLICE AND FIRE	665,500
8,300	WHIRLPOOL CORP.	HIGHWAY PATROL RETIREMENT FU	228,250
	SUB-TOTAL	228,900 SHARES	6,294,750
87,000	WILLIAMS COS	TEACHER'S RETIREMENT FUND	2,403,375
79,000	WILLIAMS COS	PUBLIC EMPLOYEES RETIREMENT	2,182,375
46,500	WILLIAMS COS	STATE EMPLOYEES RETIREMENT F	1,234,563
12,500	WILLIAMS COS	PUB. EMPLOY. POLICE AND FIRE	345,313
5,000	WILLIAMS COS	HIGHWAY PATROL RETIREMENT FU	138,125
300	WILLIAMS COS	JUDGES RETIREMENT FUND	8,288
21,974,523	TOTAL EQUITY PORTFOLIO		868,243,165
	TEACHER'S RETIREMENT FUND		938,192,294
	PUBLIC EMPLOYEES RETIREMENT FUND		295,653,255
	STATE EMPLOYEES RETIREMENT FUND		145,439,743
	PUB. EMPLOY. POLICE AND FIRE		51,276,322
	HIGHWAY PATROL RETIREMENT FUND		14,595,249
	JUDGES RETIREMENT FUND		885,980

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

PERMANENT SCHOOL FUND

ALPHABETICAL EQUITY SECURITIES LISTING
JUNE 30, 1981

# OF SHARES	SECURITY	MARKET VALUE
5,000	ALCAN ALUMINUM LTD.	141,250
22,800	AMERICAN HOME PRODS CORP	749,550
47,000	AMERICAN TELEPHONE & TELEGRAPH	2,643,750
10,000	ARA SERVICES	345,000

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

PERMANENT SCHOOL FUND

ALPHABETICAL EQUITY SECURITIES LISTING
JUNE 30, 1981

# OF SHARES	SECURITY	MARKET VALUE
32,000	ATLANTIC RICHFIELD	1,520,000
17,000	AVON PRODS INC	654,500
28,000	BANKAMERICA CORPORATION	707,000
10,000	BAXTER TRAVENOL LABS	543,750
15,925	BENEFICIAL CORPORATION	170,254
38,000	BOEING COMPANY	1,163,750
11,600	BIRROUGHS CORPORATION	456,750
15,150	CATERPILLAR TRACTOR COMPANY	994,219
1,600	CHAMPION INTERNATIONAL CORP.	42,400
16,000	COCA COLA COMPANY	556,000
20,000	COLGATE PALMOLIVE	340,000
12,000	CONN. GENERAL INS. CORP.	609,000
11,948	CONOCO INC.	782,594
29,000	CONSOLIDATED FOODS CORPORATION	833,750
24,000	CONTINENTAL GROUP INCORPORATED	876,000
12,000	CPC INTERNATIONAL INC.	391,500
4,000	DAYTON-HUDSON CORP.	215,000
20,000	DOW CHEMICAL COMPANY	662,500
15,000	DU PONT E I DE NEMOURS & CO	796,875
15,350	EASTMAN KODAK COMPANY	1,147,413
107,632	EXXON CORPORATION	3,686,396
18,000	FEDERATED DEPT. STORES INC.	720,000
29,500	FIRST BANK SYSTEM	1,290,425
28,000	FLORIDA POWER & LIGHT COMPANY	833,000
22,200	GENERAL ELECTRIC COMPANY	1,373,425
23,000	GENERAL FOODS CORP.	710,125
20,000	GENERAL HILLS INCORPORATED	757,500
23,200	GENERAL MOTORS CORPORATION	1,229,600
25,800	GENERAL TELEPHONE & ELECTRIC C	757,875
5,000	GENUINE PARTS COMPANY	163,125
33,000	GOODYEAR TIRE & RUBBER CO.	631,125
6,000	HARCOURT BRACE JOVANOVICH	111,000
10,000	HONEYWELL INCORPORATED	853,750
31,000	HOUSEHOLD FINANCE CORP.	519,250
60,000	HOUSTON INDUSTRIES INC.	1,147,500
15,000	HOUSTON NATURAL GAS CORP.	641,250
22,950	INA CORP.	1,064,304
20,000	INTERNORTH INC.	675,000
50,140	INTL. BUSINESS MACHINES	2,901,853
20,000	INTL. TEL & TEL	617,500
10,000	MARATHON OIL COMPANY	612,500
20,000	MCDONALDS CORP.	1,295,000
10,000	HERCK & COMPANY INCORPORATED	925,000
18,000	MINNESOTA HNG & HFB CO	1,035,000
41,200	MOBIL CORPORATION	1,234,000
15,920	MORGAN J P & COMPANY INC.	951,220
49,500	NORTHERN STS. POWER CO. MINN.	1,249,875
33,000	NORTHWEST BANCORPORATION INC	1,031,250
19,800	PENNEY J. C. INCORPORATED	668,250
14,664	PEOPLES ENERGY CORP.	626,972
8,706	PROCTOR & GAMBLE	659,025
25,000	ROYAL DUTCH PETROLEUM CO ORD	806,250
20,000	SCHERING PLOUGH CORP	685,000
17,000	ST. PAUL COS. INC.	748,000
10,000	STANDARD OIL OF INDIANA	548,750
6,000	SUPER VALU STORES INC.	224,250
50,000	TEXACO INC.	1,768,750
28,000	TEXAS UTILITIES COMPANY	570,500
19,700	UNION CARBIDE CORP	1,182,000
10,000	UNION PACIFIC CORPORATION	577,500
26,050	US FIDELITY & GUARANTY CO	1,279,706
12,200	WHIRLPOOL CORP.	335,500
15,000	WILLIAMS COS	414,375
13,440	XEROX CORP	725,760
1,496,971	TOTAL EQUITY PORTFOLIO	58,383,644

STATE OF MINNESOTA
PERMANENT SCHOOL FUND
FIXED INCOME SECURITIES - JUNE 30, 1981

TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD	&	COST
1,000,000	ALUMINUM CO OF CANADA	9.500	X	DUE 3/ 1/1995 9.383 X
750,000	AMERICAN PRES LINES	5.600	X	DUE 11/ 1/1972 5.600 X
1,097,000	AMERICAN PRES LINES	4.800	X	DUE 11/ 1/1991 4.800 X
2,957,301	ATLANTIC RICHFIELD CO.	9.250	X	DUE 7/15/1994 9.250 X
2,000,000	ATLANTIC RICHFIELD CO.	8.750	X	DUE 12/ 1/2001 8.750 X
2,500,000	BELL TELE. CO CANADA	4.850	X	DUE 9/ 1/1995 5.574 X
3,000,000	BELL TELE. CO CANADA	9.500	X	DUE 6/ 1/2004 9.500 X
1,500,000	CANADIAN PACIFIC, LTD.	8.625	X	DUE 1/15/1992 8.625 X
1,000,000	CHESAPEAKE & POTOMAC TEL. VA.	9.500	X	DUE 4/15/2019 12.797 X
4,000,000	CONSOLIDATED NATURAL GAS CO.	8.125	X	DUE 6/ 1/1997 8.145 X
1,250,000	CONSTRUCTION AGGREGATE	7.500	X	DUE 6/ 1/1991 7.500 X
377,000	DELTA STEAMSHIP LINES	5.500	X	DUE 3/ 1/1986 5.500 X
2,100,000	EAGLE TERMINAL TANKERS	6.000	X	DUE 6/ 1/1989 6.000 X
2,867,000	EL PASO COLUMBIA TANKER CO.	9.250	X	DUE 3/31/2003 9.250 X
175,000	FARRELL LINES, INC	9.000	X	DUE 9/20/1998 9.000 X
165,000	FARRELL LINES, INC	9.000	X	DUE 6/29/1997 9.000 X
168,000	FARRELL LINES, INC	9.000	X	DUE 11/27/1997 9.000 X
170,000	FARRELL LINES, INC	9.000	X	DUE 2/28/1998 9.000 X
1,074,000	FARRELL LINES, INC	8.050	X	DUE 4/ 1/1988 8.050 X
3,000,000	FEDERAL HOME LOAN BANK	12.250	X	DUE 8/25/1983 12.250 X
2,500,000	FEDERAL NATL MORTGAGE ASSN	14.250	X	DUE 5/10/1984 14.250 X
3,000,000	FMC CORP	9.500	X	DUE 1/15/2000 9.594 X
3,856,921	GNMA POOL #	8.750	X	DUE 7/30/2001 8.750 X
1,230,627	GNMA POOL # 00001	7.000	X	DUE 2/15/2000 7.955 X
760,899	GNMA POOL # 00010	8.900	X	DUE 6/15/2000 8.421 X
871,836	GNMA POOL # 00019	8.000	X	DUE 7/15/2000 8.331 X
820,552	GNMA POOL # 00020	8.000	X	DUE 10/15/2000 8.333 X
799,708	GNMA POOL # 00021	8.000	X	DUE 11/15/2000 8.290 X
838,762	GNMA POOL # 00022	8.000	X	DUE 1/15/2001 8.247 X
385,671	GNMA POOL # 00023	8.000	X	DUE 2/15/2001 8.205 X
908,814	GNMA POOL # 00027	7.000	X	DUE 5/15/2000 7.955 X
883,789	GNMA POOL # 00030	8.000	X	DUE 7/15/2000 8.377 X
1,014,901	GNMA POOL # 00058	8.000	X	DUE 8/ 1/2000 8.421 X
695,753	GNMA POOL # 00061	8.000	X	DUE 12/15/2000 8.421 X
932,480	GNMA POOL # 00071	8.000	X	DUE 9/15/2000 8.377 X
639,276	GNMA POOL # 00075	8.000	X	DUE 12/15/2000 8.290 X
916,103	GNMA POOL # 00107	8.000	X	DUE 12/15/2000 8.333 X
595,867	GNMA POOL # 00116	8.000	X	DUE 2/15/2001 8.205 X
763,301	GNMA POOL # 00252	8.000	X	DUE 2/15/2001 8.000 X
439,002	GNMA POOL # 00484	7.500	X	DUE 3/15/2001 7.426 X
2,502,410	GNMA POOL # 00505	6.500	X	DUE 11/15/2001 6.931 X
2,503,606	GNMA POOL # 00506	6.500	X	DUE 12/15/2001 6.931 X
684,917	GNMA POOL # 02180	8.000	X	DUE 2/15/2004 8.290 X
2,779,651	GNMA POOL # 02190	6.500	X	DUE 3/15/2003 6.980 X
3,007,627	GNMA POOL # 02291	6.500	X	DUE 4/15/2003 6.980 X
1,548,871	GNMA POOL # 02292	6.500	X	DUE 6/15/2003 7.027 X
3,003,587	GNMA POOL # 02424	6.500	X	DUE 4/15/2003 7.144 X
3,135,426	GNMA POOL # 02548	6.500	X	DUE 7/15/2003 7.182 X
1,080,888	GNMA POOL # 02678	8.000	X	DUE 11/15/2003 8.269 X
1,605,607	GNMA POOL # 02682	8.000	X	DUE 11/15/2003 8.269 X
1,062,913	GNMA POOL # 03015	8.000	X	DUE 4/15/2004 8.290 X
1,649,620	GNMA POOL # 03291	8.000	X	DUE 4/15/2004 8.258 X
995,261	GNMA POOL # 03487	8.000	X	DUE 2/15/2004 8.290 X

TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD	&	COST
438,866	GNMA POOL # 03627	8.250	X	DUE 7/15/2004 9.007 X
29,750	GNMA POOL # 03738	8.000	X	DUE 6/15/2004 8.391 X
1,237,240	GNMA POOL # 03972	8.250	X	DUE 7/15/2004 9.007 X
845,370	GNMA POOL # 03974	9.000	X	DUE 11/15/2004 9.484 X
1,317,165	GNMA POOL # 03975	8.000	X	DUE 7/15/2004 8.448 X
477,762	GNMA POOL # 03979	8.250	X	DUE 8/15/2004 8.271 X
488,497	GNMA POOL # 04004	8.250	X	DUE 8/15/2004 8.271 X
1,305,626	GNMA POOL # 04092	8.250	X	DUE 7/15/2004 8.921 X
510,212	GNMA POOL # 04145	8.250	X	DUE 8/15/2004 8.271 X
529,590	GNMA POOL # 04472	9.000	X	DUE 9/15/2004 9.484 X
40,571	GNMA POOL # 06039	8.000	X	DUE 7/15/2005 8.153 X
28,442	GNMA POOL # 06560	8.000	X	DUE 10/15/2005 8.153 X
594,749	GNMA POOL # 09113	8.000	X	DUE 12/15/2005 8.117 X
503,889	GNMA POOL # 09680	8.250	X	DUE 6/15/2006 8.324 X
750,970	GNMA POOL # 10351	8.000	X	DUE 8/15/2006 8.391 X
736,402	GNMA POOL # 10887	8.250	X	DUE 7/15/2006 8.324 X
811,589	GNMA POOL # 11127	8.000	X	DUE 9/15/2006 8.391 X
607,684	GNMA POOL # 11299	8.000	X	DUE 8/15/2006 8.153 X
3,952,558	GNMA POOL # 12383	8.750	X	DUE 2/15/2005 8.750 X
808,372	GNMA POOL # 12766	8.000	X	DUE 12/15/2006 8.205 X
530,737	GNMA POOL # 13705	8.000	X	DUE 10/15/2006 8.117 X
1,672,403	GNMA POOL # 15976	8.000	X	DUE 8/15/2007 8.000 X
822,911	GNMA POOL # 16875	8.000	X	DUE 8/15/2007 8.044 X
891,361	GNMA POOL # 16965	8.000	X	DUE 11/15/2007 8.549 X
858,350	GNMA POOL # 17189	8.000	X	DUE 7/15/2007 8.026 X
946,545	GNMA POOL # 17769	8.000	X	DUE 8/15/2007 8.044 X
435,865	GNMA POOL # 17803	8.000	X	DUE 11/15/2007 8.153 X
801,508	GNMA POOL # 17904	8.000	X	DUE 8/15/2007 8.026 X
816,838	GNMA POOL # 17945	8.000	X	DUE 12/15/2007 8.340 X
775,106	GNMA POOL # 18017	8.000	X	DUE 7/15/2007 8.044 X
946,140	GNMA POOL # 18058	8.000	X	DUE 7/15/2007 8.044 X
412,760	GNMA POOL # 18592	8.000	X	DUE 11/15/2007 8.153 X
842,489	GNMA POOL # 18768	8.000	X	DUE 8/15/2007 8.549 X
784,294	GNMA POOL # 18782	8.000	X	DUE 10/15/2007 8.380 X
857,068	GNMA POOL # 19105	8.000	X	DUE 7/15/2007 8.380 X
843,266	GNMA POOL # 19667	8.000	X	DUE 1/15/2008 8.264 X
813,767	GNMA POOL # 19740	8.000	X	DUE 10/15/2007 8.459 X
4,583,842	GNMA POOL # 19784	8.000	X	DUE 9/15/2007 8.617 X
756,267	GNMA POOL # 19997	8.000	X	DUE 10/15/2007 8.105 X
57,382	GNMA POOL # 20074	8.000	X	DUE 3/15/2007 8.391 X
850,594	GNMA POOL # 20263	8.000	X	DUE 11/15/2007 8.454 X
885,228	GNMA POOL # 20393	8.000	X	DUE 11/15/2007 8.459 X
887,789	GNMA POOL # 20495	8.000	X	DUE 11/15/2007 8.153 X
939,269	GNMA POOL # 21037	8.000	X	DUE 11/15/2007 8.292 X
825,533	GNMA POOL # 21480	9.000	X	DUE 1/15/2008 8.264 X
885,967	GNMA POOL # 21615	8.000	X	DUE 1/15/2008 8.264 X
850,641	GNMA POOL # 21930	8.000	X	DUE 3/15/2008 8.549 X
953,837	GNMA POOL # 22012	8.000	X	DUE 4/15/2008 8.549 X
852,977	GNMA POOL # 22820	8.000	X	DUE 12/15/2007 8.264 X
891,693	GNMA POOL # 24078	8.000	X	DUE 2/15/2008 8.454 X
924,837	GNMA POOL # 24417	8.000	X	DUE 3/15/2008 8.549 X
4,582,915	GNMA POOL # 27638	9.000	X	DUE 10/15/2008 9.249 X
4,840,078	GNMA POOL # 35014	11.000	X	DUE 2/15/2010 12.026 X

STATE OF MINNESOTA
 PERMANENT SCHOOL FUND
 FIXED INCOME SECURITIES - JUNE 30, 1981

TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD	#	COST
2,086,082	GNMA POOL # 40589	11.000	X	3/15/2010 10.841 X
1,973,859	GNMA POOL # 42691	11.000	X	8/15/2010 11.556 X
3,001,444	GNMA POOL # 43596	11.500	X	10/15/2010 12.530 X
1,467,000	GRACE LINE, INC	5.190	X	2/ 1/1992 5.100 X
480,000	GULF LIFE INSURANCE	4.750	X	6/ 1/1989 4.750 X
166,667	ILLINOIS CENTRAL RR	6.875	X	2/15/1983 6.875 X
924,000	INGRAM OCEAN SYSTEMS	8.750	X	2/ 1/1989 8.750 X
1,108,000	INTERCONTL BULKTANK	7.800	X	9/ 1/1990 7.800 X
4,000,000	KANSAS POWER & LIGHT	8.125	X	6/ 1/2007 8.166 X
3,485,871	LNM ACCEPTANCE CORP	9.100	X	12/ 1/1984 9.100 X
2,392,010	MARLIN DRILLING CO.	8.900	X	1/ 1/1991 8.900 X
984,000	MATSON NAVIGATION CO	7.500	X	11/10/1994 7.500 X
2,500,000	MICHIGAN BELL TELEPHONE CO.	8.125	X	6/ 1/2013 8.149 X
2,607,000	MOORE-MCCORMACK LEASNG	8.875	X	7/15/2001 8.875 X
1,048,000	MOORE-MCCORMACK LINES	5.750	X	4/ 1/1987 5.750 X
3,000,000	MOUNTAIN STATES TEL & TEL	7.750	X	6/ 1/2013 12.960 X
90,000	MOWER/FREEBORN SD 90	3.000	X	7/ 1/1984 3.000 X
2,500,000	NORTHERN STATES POWER CO. MIN	8.375	X	1/ 1/2004 8.482 X
1,500,000	NORTHWEST BANCORP	7.750	X	3/15/2003 7.750 X
3,000,000	NORTHWEST BANCORP	7.875	X	9/15/1986 7.885 X
1,500,000	NORTHWEST BANCORP.	5.125	X	10/15/1990 5.151 X
2,000,000	NORTON SIMON, INC.	9.875	X	6/ 1/2004 9.875 X
1,151,000	OVERSEAS BULK TANK	7.800	X	12/ 1/1990 7.800 X
1,000,000	OWENS ILLINOIS INC.	10.375	X	6/ 1/1990 10.427 X
1,754,000	PACIFIC FAR EAST LINE	8.750	X	2/ 1/1997 8.750 X
914,500	PEMEX TANKER CO.	6.000	X	10/ 1/1989 6.000 X
2,148,000	PRUDENTIAL LINES, INC.	6.000	X	11/ 1/1995 6.000 X
1,968,000	PUGET SOUND TUG & BARG	9.125	X	2/15/2001 9.125 X
1,500	RENVILLE/VILL DANUBE	2.500	X	7/ 1/1981 2.500 X
99,279	SBA #38	14.250	X	4/10/1985 14.250 X
38,246	SBA #39	15.250	X	7/ 8/1987 15.250 X
128,472	SBA GUARANTEED LOAN	11.000	X	6/25/1995 11.000 X
315,000	SBA GUARANTEED LOAN	11.000	X	11/20/1999 11.000 X
101,209	SBA GUARANTEED LOAN	14.750	X	1/28/1985 14.750 X
123,776	SBA GUARANTEED LOAN	14.250	X	1/16/1987 14.250 X
26,766	SBA GUARANTEED LOAN	14.500	X	2/28/1990 14.500 X
54,204	SBA GUARANTEED LOAN	11.100	X	4/13/1987 11.100 X
144,740	SBA GUARANTEED LOAN	14.750	X	2/26/1990 14.750 X
103,857	SBA GUARANTEED LOAN	11.000	X	1/ 1/1987 11.000 X
15,148	SBA GUARANTEED LOAN	14.500	X	3/17/1985 14.500 X
55,666	SBA GUARANTEED LOAN	8.250	X	8/22/1985 8.250 X
135,554	SBA GUARANTEED LOAN	8.250	X	4/27/1984 8.250 X
456,026	SBA GUARANTEED LOAN	8.500	X	2/22/1997 8.500 X
33,036	SBA GUARANTEED LOAN	9.000	X	2/23/1984 9.000 X
161,829	SBA GUARANTEED LOAN	8.250	X	5/25/1984 8.250 X
106,529	SBA GUARANTEED LOAN	9.000	X	5/27/1994 9.000 X
104,398	SBA GUARANTEED LOAN	9.000	X	12/22/1992 9.000 X
63,693	SBA GUARANTEED LOAN	10.250	X	2/28/1985 10.250 X
57,327	SBA GUARANTEED LOAN	11.000	X	5/23/1986 11.000 X
363,415	SBA GUARANTEED LOAN	11.000	X	9/ 4/1986 11.000 X
314,910	SBA GUARANTEED LOAN	11.000	X	9/19/1998 11.000 X
226,213	SBA GUARANTEED LOAN	11.000	X	5/ 3/1986 11.000 X
53,499	SBA GUARANTEED LOAN	11.000	X	9/26/1984 11.000 X

TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD	#	COST
127,356	SBA GUARANTEED LOAN	11.000	X	5/31/1986 11.000 X
332,750	SBA GUARANTEED LOAN	11.000	X	11/17/1986 11.000 X
55,897	SBA GUARANTEED LOAN	11.000	X	10/11/1995 11.000 X
434,551	SBA GUARANTEED LOAN	13.000	X	11/23/1986 13.000 X
109,979	SBA GUARANTEED LOAN	11.000	X	10/19/1999 11.000 X
44,933	SBA GUARANTEED LOAN	11.000	X	11/10/1984 11.000 X
173,016	SBA GUARANTEED LOAN	11.000	X	12/ 7/1989 11.000 X
197,338	SBA GUARANTEED LOAN	11.000	X	11/15/1987 11.000 X
45,959	SBA GUARANTEED LOAN	14.000	X	1/23/1990 14.000 X
23,821	SBA GUARANTEED LOAN	14.750	X	2/ 1/1987 14.750 X
44,559	SBA GUARANTEED LOAN	11.000	X	9/ 5/1984 11.000 X
4,000,000	SOUTHERN BELL TEL & TEL	7.625	X	3/15/2013 8.382 X
1,000,000	SPRAGUE ELECTRIC CO	4.375	X	9/ 1/1988 4.391 X
3,954,309	STANDARD OIL (INDIANA)	7.300	X	10/ 1/2000 7.300 X
914,289	STANDARD OIL OF CALIF.	7.700	X	9/ 7/1997 7.700 X
914,289	STANDARD OIL OF CALIF.	7.700	X	9/ 8/1997 7.700 X
914,778	STANDARD OIL OF CALIF.	7.700	X	11/ 4/1997 7.700 X
1,393,000	STATES STEAMSHIP CO	5.100	X	3/31/1993 5.100 X
832,000	SWIFT & COMPANY	6.300	X	8/ 1/1992 6.300 X
3,000,000	TEXAS POWER & LIGHT	9.375	X	2/ 1/2009 12.619 X
50,000	U.S.A. TREASURY BOND	3.250	X	6/15/1983 3.250 X
2,000,000	U.S.A. TREASURY BOND	7.625	X	2/15/2007 11.445 X
2,000,000	U.S.A. TREASURY BOND	12.750	X	11/15/2010 12.824 X
2,000,000	U.S.A. TREASURY BOND	11.500	X	11/15/1995 12.935 X
50,000	U.S.A. TREASURY BOND	3.500	X	11/15/1998 3.500 X
3,000,000	U.S.A. TREASURY BOND	11.750	X	2/15/2001 12.454 X
49,000	U.S.A. TREASURY BOND	6.375	X	8/15/1984 6.375 X
2,000,000	U.S.A. TREASURY BOND	8.625	X	11/15/1993 8.639 X
40,000	U.S.A. TREASURY NOTE	7.625	X	11/15/1987 7.992 X
11,000	U.S.A. TREASURY NOTE	8.000	X	2/15/1985 7.983 X
50,000	U.S.A. TREASURY NOTE	7.875	X	5/15/1986 7.875 X
2,000,000	U.S.A. TREASURY NOTE	9.000	X	2/15/1987 9.005 X
40,000	U.S.A. TREASURY NOTE	12.000	X	5/15/1987 12.031 X
90,000	U.S.A. TREASURY NOTE	8.000	X	8/15/1986 7.635 X
85,000	U.S.A. TREASURY NOTE	9.000	X	8/15/1982 9.014 X
33,000	U.S.A. TREASURY NOTE	7.875	X	11/15/1982 7.920 X
2,000,000	U.S.A. TREASURY NOTE	10.750	X	11/15/1989 10.219 X
2,991,344	US DEPT OF AGRICULTUR	8.625	X	7/31/1985 8.625 X
45,000	WAB/DTTERTL JICSD 291	3.000	X	7/ 1/1986 3.000 X
1,000	WASHINGTON CTY SD 41	3.250	X	7/ 1/1982 3.250 X
2,897,524	WESTERN CO OF NORTH AM	9.250	X	4/11/1990 9.250 X
1,001,000	YOUNGSTOWN SHEET TUBE	4.600	X	7/ 1/1995 4.600 X
3,000,000	ZAPATA OFF-SHORE CO.	8.625	X	6/15/1996 8.625 X
232,221,319	GRAND TOTAL			8.744 X

STATE OF MINNESOTA
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TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD @ COSTPAR VALUE IN \$1000'S.....						
			TRA	PERA	SERA	PEPF	HPAT	JRET	
7,800,000	ACF INDUSTRIES, INC.	9.000 % DUE 3/ 1/1991	9.000 %	3,000	3,000	1,000	800	0	0
2,934,000	ACF INDUSTRIES, INC.	8.000 % DUE 2/ 1/1992	8.000 %	2,934	0	0	0	0	0
20,000	AITKEN CTY ISD 4	4.400 % DUE 2/ 1/1983	4.400 %	0	20	0	0	0	0
5,000,000	AKZONA, INC	7.500 % DUE 2/15/1997	7.500 %	2,500	2,000	0	500	0	0
250,000	ALLSTATE FINANCIAL CORP.	8.125 % DUE 4/15/1987	8.832 %	0	0	250	0	0	0
10,554,000	ALUMINUM CO OF CANADA	9.500 % DUE 3/ 1/1995	9.627 %	4,000	3,860	1,744	800	150	0
7,000,000	AMERICAN EXPRESS	10.100 % DUE 7/ 1/1990	10.100 %	4,000	3,000	0	0	0	0
900,000	AMERICAN INVESTMENT	6.750 % DUE 11/ 1/1986	6.750 %	300	300	240	60	0	0
950,000	AMERICAN INVESTMENT	5.250 % DUE 1/ 1/1991	5.250 %	499	0	369	82	0	0
250,000	AMERICAN SVGS. & LOAN	8.500 % DUE 4/15/1984	8.718 %	0	0	250	0	0	0
3,500,000	AMERICAN TELEPHONE & TELEGRAP	7.125 % DUE 12/ 1/2003	12.178 %	2,500	1,000	0	0	0	0
17,241,000	AMERICAN TELEPHONE & TELEGRAP	6.000 % DUE 8/ 1/2000	11.765 %	6,000	5,000	4,000	2,000	241	0
31,000	ANOKA CTY SD 48	3.200 % DUE 2/ 1/1985	3.200 %	31	0	0	0	0	0
18,000	ANOKA/CIRCLE PINES	4.200 % DUE 1/ 1/1983	4.200 %	0	18	0	0	0	0
129,000	ANOKA/CIRCLE PINES	4.500 % DUE 1/ 1/1987	4.500 %	52	38	22	0	17	0
40,000	APPALACHIAN EL POWER	4.625 % DUE 3/ 1/1987	6.549 %	0	0	40	0	0	0
1,250,000	ARIZONA PUBLIC SERV	6.250 % DUE 9/ 1/1997	6.304 %	750	0	500	0	0	0
4,673,975	ARMCO STEEL CORP.	7.875 % DUE 12/15/1996	7.932 %	2,375	1,871	0	428	0	0
11,632,050	ATLANTIC RICHFIELD CO.	9.250 % DUE 7/15/1996	9.250 %	3,943	3,943	2,464	789	394	99
5,900,000	ATLANTIC RICHFIELD CO.	8.750 % DUE 12/ 1/2001	8.750 %	2,000	2,000	1,200	700	0	0
1,600,000	B. F. GOODRICH CO	6.500 % DUE 11/15/1992	6.500 %	800	400	400	0	0	0
6,000,000	BEATRICE FOODS CO	8.500 % DUE 8/15/2008	8.813 %	2,000	2,000	2,000	0	0	0
14,000,000	BELL TEL CO OF PENNA	6.750 % DUE 5/ 1/2008	12.505 %	5,500	4,000	3,000	800	700	0
3,000,000	BELL TEL OF PENNA	4.750 % DUE 5/ 1/2001	11.195 %	2,000	1,000	0	0	0	0
2,000,000	BELL TELE. CO CANADA	6.900 % DUE 9/17/1998	6.900 %	500	800	700	0	0	0
11,200,000	BELL TELE. CO CANADA	9.500 % DUE 6/ 1/2004	9.500 %	4,000	4,000	2,000	800	400	0
15,000	BLUE EARTH ISD 112	3.000 % DUE 4/ 1/1983	3.000 %	15	0	0	0	0	0
10,950,000	BRITISH COLUMBIA HYDRO	9.625 % DUE 7/15/1996	9.644 %	4,350	2,700	2,500	1,000	400	0
20,000	BROWN/CITY SPRINGFIELD	3.600 % DUE 1/ 1/1982	3.600 %	10	10	0	0	0	0
7,975,402	BURLINGTON NORTHERN	8.750 % DUE 9/ 1/1993	8.750 %	2,613	2,613	2,177	572	0	0
10,700,000	BURLINGTON NORTHERN	9.250 % DUE 6/15/1998	9.250 %	4,000	4,000	2,600	0	0	100
1,900,000	C.I.T. FINANCIAL CORP.	6.375 % DUE 10/ 1/1986	6.495 %	1,000	0	750	0	150	0
1,240,000	CALIF ELECTRIC POWER	5.125 % DUE 5/ 1/1990	5.108 %	500	400	300	0	40	0
100,000	CANADIAN PACIFIC, LTD.	8.625 % DUE 1/15/1992	8.625 %	0	0	0	0	0	100
100,000	CARTER HAWLEY HALE CR.	7.950 % DUE 2/ 1/1982	8.325 %	0	0	100	0	0	0
135,000	CASS CITY/PINE RIVER	4.700 % DUE 9/ 1/1989	4.700 %	0	65	70	0	0	0
250,000	CASTLE & COOKE, INC.	8.125 % DUE 5/15/1985	8.530 %	0	0	250	0	0	0
150,000	CHASE MANHATTAN CORP.	8.750 % DUE 5/15/1986	8.861 %	0	0	150	0	0	0
373,016	CHESAPEAKE & OHIO RY	8.750 % DUE 3/15/1989	8.750 %	0	0	0	224	149	0
15,300,000	CHESAPEAKE & POTOMAC TEL. VA.	9.500 % DUE 4/15/2019	12.803 %	6,000	4,000	2,300	2,000	1,000	0
48,000	CHISAGO 140 TAYLOR FLS	3.700 % DUE 2/ 1/1988	3.700 %	0	0	48	0	0	0
10,000	CHISAGO/RUSH CITY HOSP	3.800 % DUE 3/ 1/1982	3.800 %	10	0	0	0	0	0
150,000	CITICORP CV.	5.750 % DUE 6/30/2000	7.541 %	0	0	150	0	0	0
4,750,000	CITIES SERVICE GAS CO.	8.250 % DUE 6/ 1/1991	8.250 %	2,000	1,450	1,000	300	0	0
10,000	CLAY CTY ICSD 75	3.000 % DUE 4/ 1/1982	3.000 %	10	0	0	0	0	0
5,000	CLAY CTY ISD 122	4.000 % DUE 2/ 1/1984	4.000 %	0	5	0	0	0	0
10,000	CLAY/BECKER JICSD 43	3.100 % DUE 8/ 1/1981	3.100 %	0	0	0	0	10	0
28,000	CLEARWATER/POLK CTYS	3.000 % DUE 2/ 1/1983	3.000 %	28	0	0	0	0	0
2,000,000	COMMONWEALTH EDISON	5.750 % DUE 11/ 1/1996	5.802 %	650	750	500	100	0	0
1,200,000	COMMONWEALTH EDISON	10.000 % DUE 4/ 1/1999	10.000 %	0	0	0	700	400	100
3,239,000	CONOCO INC	9.000 % DUE 12/ 1/2000	9.012 %	1,303	948	790	198	0	0
5,500,000	CONSOLIDATED NATURAL GAS	12.875 % DUE 10/ 1/2000	13.446 %	3,000	1,000	1,000	500	0	0
3,422,314	CONSOLIDATED EDISON	9.250 % DUE 1/ 1/1996	9.250 %	1,711	1,467	0	244	0	0

STATE OF MINNESOTA
BASIC RETIREMENT FUNDS
FIXED INCOME SECURITIES - JUNE 30, 1981

TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD	%	COST	TRAPAR VALUE IN \$1000'S.....							
						PERA	SERA	PEPF	HPAT	JRET			
\$ 1,100,000	CONSOLIDATED EDISON OF N.Y.	4.600	%	DUE 10/15/1994	6.008	%	1,100	0	0	0	0	0	0
8,000	CROW WING 46 MINN BLDG	3.100	%	DUE 1/ 1/1983	3.100	%	0	8	0	0	0	0	0
3,000	CROW WING/BAXTER SD 36	3.100	%	DUE 5/ 1/1982	3.100	%	0	3	0	0	0	0	0
9,209,102	CROWN ZELLBACH, (S.T.)	8.125	%	DUE 5/ 1/1994	8.125	%	3,341	3,341	1,630	652	244	0	0
10,000	DAKOTA 198 INVER GROVE	3.900	%	DUE 4/ 1/1983	3.900	%	0	10	0	0	0	0	0
17,000	DAKOTA CTY SD 2	3.900	%	DUE 2/ 1/1985	3.900	%	17	0	0	0	0	0	0
15,000	DAKOTA/GOODHUE SD 4	2.900	%	DUE 3/ 1/1984	2.900	%	15	0	0	0	0	0	0
1,500,000	DAYTON POWER & LIGHT	4.450	%	DUE 6/ 1/1993	4.450	%	600	500	400	0	0	0	0
10,500,000	DEERE (JOHN) CREDIT	7.500	%	DUE 4/30/1998	7.627	%	4,000	3,750	2,250	500	0	0	0
669,893	DEL & HUDSON (GUAR GE)	10.500	%	DUE 9/ 1/1985	10.500	%	0	557	0	112	0	0	0
6,000	DELA, LACKAWANNA & WST	4.500	%	DUE 5/ 1/1985	4.500	%	0	0	6	0	0	0	0
264,000	DELTA STEAMSHIP LINES	5.500	%	DUE 3/ 1/1986	5.500	%	0	264	0	0	0	0	0
30,119	DETROIT EDISON CO.	12.875	%	DUE 6/30/1985	11.866	%	0	0	30	0	0	0	0
28,188	DETROIT EDISON CO.	12.875	%	DUE 12/30/1985	11.866	%	0	0	28	0	0	0	0
12,785,000	DIAL FINANCIAL	12.750	%	DUE 7/ 1/1990	12.750	%	5,000	4,000	3,000	785	0	0	0
5,000	DODGE/VILL HAYFIELD	5.000	%	DUE 8/ 1/1981	5.000	%	5	0	0	0	0	0	0
40,000	DOUGLAS ISD 213 OSASIS	3.900	%	DUE 3/ 1/1989	3.900	%	40	0	0	0	0	0	0
5,000	DOUGLAS ISD 214 CARLOS	3.900	%	DUE 2/ 1/1986	3.900	%	0	5	0	0	0	0	0
8,000,000	DOW CHEMICAL COMPANY	7.875	%	DUE 7/15/2007	12.746	%	3,000	3,000	1,000	1,000	0	0	0
2,114,000	DRESSER INDUSTRIES	8.650	%	DUE 5/15/1985	8.610	%	1,057	1,057	0	0	0	0	0
100,000	DU FONT E I DE NEMOURS & CO	8.450	%	DUE 11/15/2004	8.861	%	0	0	0	0	0	100	0
7,000,000	DUKE POWER COMPANY	10.125	%	DUE 5/ 1/2009	13.107	%	2,000	2,000	2,000	1,000	0	0	0
200,000	EUROPEAN ECONOMIC CMTY	7.750	%	DUE 10/ 1/1981	7.949	%	0	0	200	0	0	0	0
10,500,000	EXPORT DEVELOPMENT	8.500	%	DUE 7/15/1981	8.500	%	4,000	4,000	2,500	0	0	0	0
100,000	EXXON PIPELINE	8.875	%	DUE 10/15/2000	8.897	%	0	0	0	0	0	100	0
3,000	FARGO N.D. WATER SPACE UTIL	2.500	%	DUE 7/ 1/1983	2.500	%	0	3	0	0	0	0	0
25,000	FARIBAULT/FREEBORN	2.750	%	DUE 2/ 1/1985	2.750	%	0	25	0	0	0	0	0
5,000,000	FEDERAL FARM CREDIT BANKS	10.750	%	DUE 10/20/1986	10.750	%	2,000	2,000	1,000	0	0	0	0
12,500,000	FEDERAL FARM CREDIT BANKS	13.250	%	DUE 4/22/1985	13.250	%	4,000	4,000	3,000	1,000	500	0	0
1,000,000	FEDERAL HOME LOAN BANK	12.250	%	DUE 8/25/1983	12.250	%	0	0	0	1,000	0	0	0
3,290,000	FEDERAL HOME LOAN BANK	7.850	%	DUE 8/27/1984	7.864	%	0	3,185	0	105	0	0	0
3,893,944	FEDERAL HOME LOAN MORTGAGE	10.750	%	DUE 7/ 1/2010	10.987	%	1,947	1,947	0	0	0	0	0
7,618,219	FEDERAL HOME LOAN MTG.	12.500	%	DUE 10/ 1/2009	12.646	%	2,857	2,857	1,905	0	0	0	0
7,715,314	FEDERAL HOME LOAN MTG.	12.500	%	DUE 1/ 1/2010	12.882	%	2,893	1,929	1,929	964	0	0	0
5,500,000	FEDERAL NATL MORTGAGE ASSN	10.500	%	DUE 6/10/1988	10.500	%	2,000	2,000	1,000	500	0	0	0
12,000,000	FEDERAL NATL MORTGAGE ASSN	14.250	%	DUE 5/10/1984	14.250	%	4,000	4,000	3,000	1,000	0	0	0
5,000	FILMORE/CANTON SEW	3.750	%	DUE 2/ 1/1982	3.750	%	0	5	0	0	0	0	0
11,400,000	FIRESTONE TIRE & RUBBER	9.250	%	DUE 12/ 1/2004	9.265	%	4,100	4,000	2,100	800	400	0	0
3,685,000	FIRST BANK SYSTEM	8.750	%	DUE 6/30/1983	8.805	%	1,843	1,842	0	0	0	0	0
3,000,000	FLORIDA POWER & LIGHT COMPANY	11.300	%	DUE 5/ 1/2010	13.449	%	1,000	1,000	1,000	0	0	0	0
7,000,000	FLORIDA POWER & LIGHT COMPANY	12.125	%	DUE 11/ 1/2009	13.630	%	2,000	2,000	2,000	1,000	0	0	0
11,200,000	FMC CORP	9.500	%	DUE 1/15/2000	9.596	%	3,800	3,800	2,400	800	400	0	0
3,500,000	FORD LEASING DEVELOPT	9.500	%	DUE 3/15/2004	9.500	%	0	2,000	1,500	0	0	0	0
250,000	FORD MOTOR CREDIT CORP.	8.100	%	DUE 11/ 1/1984	8.438	%	0	0	250	0	0	0	0
100,000	FRUIT GROWERS EXPRESS	6.000	%	DUE 11/15/1981	6.000	%	30	30	25	10	5	0	0
250,000	GAMBLES CREDIT CORP.	9.375	%	DUE 7/15/1986	9.282	%	0	0	250	0	0	0	0
26,000,000	GENERAL MOTORS ACCEPT CORP	6.000	%	DUE 4/ 1/2011	13.480	%	10,000	10,000	5,000	1,000	0	0	0
100,000	GENERAL MOTORS ACCEPT CORP	4.625	%	DUE 9/ 1/1982	5.370	%	0	0	100	0	0	0	0
2,600,000	GENERAL TEL CO NW	7.125	%	DUE 6/ 1/1999	7.274	%	1,000	900	700	0	0	0	0
634,556	GNMA POOL # 02731	8.000	%	DUE 2/15/2004	8.292	%	0	635	0	0	0	0	0
1,294,240	GNMA POOL # 03518	8.000	%	DUE 1/15/2004	8.340	%	0	1,294	0	0	0	0	0
1,225,770	GNMA POOL # 03802	8.250	%	DUE 7/15/2004	8.271	%	1,226	0	0	0	0	0	0
767,936	GNMA POOL # 04039	8.250	%	DUE 7/15/2004	8.271	%	0	768	0	0	0	0	0

STATE OF MINNESOTA
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TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD @ COSTPAR VALUE IN \$1000'S.....						
			TRA	PERA	SERA	PEPF	HPAT	JRET	
\$ 497,185	GNMA POOL # 04064	8.250 % DUE 8/15/2004	8.271 %	0	0	0	497	0	0
157,160	GNMA POOL # 04218	8.000 % DUE 5/15/2004	8.391 %	157	0	0	0	0	0
45,511	GNMA POOL # 04236	8.000 % DUE 6/15/2004	8.391 %	46	0	0	0	0	0
862,591	GNMA POOL # 04281	8.250 % DUE 9/15/2004	8.271 %	0	863	0	0	0	0
71,579	GNMA POOL # 05767	8.000 % DUE 7/15/2005	8.391 %	0	0	72	0	0	0
527,095	GNMA POOL # 06336	8.000 % DUE 6/15/2005	8.056 %	0	527	0	0	0	0
571,730	GNMA POOL # 07214	8.000 % DUE 9/15/2005	8.056 %	0	572	0	0	0	0
24,110	GNMA POOL # 08550	8.250 % DUE 3/15/2006	8.271 %	0	0	0	24	0	0
238,237	GNMA POOL # 09125	8.250 % DUE 6/15/2006	8.271 %	238	0	0	0	0	0
535,011	GNMA POOL # 09162	8.250 % DUE 4/15/2006	8.271 %	0	0	535	0	0	0
81,854	GNMA POOL # 09350	8.250 % DUE 3/15/2006	8.271 %	0	0	0	0	82	0
549,248	GNMA POOL # 09790	8.250 % DUE 4/15/2006	8.271 %	0	0	549	0	0	0
554,824	GNMA POOL # 10249	8.000 % DUE 11/15/2006	8.056 %	0	0	0	555	0	0
655,660	GNMA POOL # 10411	8.000 % DUE 6/15/2006	8.117 %	656	0	0	0	0	0
642,021	GNMA POOL # 10706	8.000 % DUE 6/15/2006	8.117 %	642	0	0	0	0	0
171,747	GNMA POOL # 10743	8.250 % DUE 5/15/2006	8.271 %	0	0	0	57	0	114
813,637	GNMA POOL # 10943	8.000 % DUE 7/15/2006	8.071 %	400	414	0	0	0	0
703,282	GNMA POOL # 11281	8.000 % DUE 8/15/2006	8.056 %	0	0	703	0	0	0
571,094	GNMA POOL # 11364	8.000 % DUE 8/15/2006	8.391 %	571	0	0	0	0	0
259,531	GNMA POOL # 11486	8.250 % DUE 9/15/2006	8.271 %	0	0	0	0	260	0
849,249	GNMA POOL # 11810	8.000 % DUE 10/15/2006	8.292 %	0	0	849	0	0	0
1,147,815	GNMA POOL # 11828	8.000 % DUE 9/15/2006	8.071 %	0	0	0	662	353	132
874,476	GNMA POOL # 12025	8.000 % DUE 10/15/2006	8.391 %	0	874	0	0	0	0
825,013	GNMA POOL # 12077	8.000 % DUE 11/15/2006	8.117 %	0	0	825	0	0	0
580,428	GNMA POOL # 12243	8.000 % DUE 10/15/2006	8.292 %	580	0	0	0	0	0
647,121	GNMA POOL # 12283	8.000 % DUE 10/15/2006	8.056 %	647	0	0	0	0	0
2,608,995	GNMA POOL # 12289	8.000 % DUE 10/15/2006	8.340 %	2,609	0	0	0	0	0
571,877	GNMA POOL # 12548	8.000 % DUE 11/15/2006	8.108 %	0	0	572	0	0	0
689,247	GNMA POOL # 12599	8.000 % DUE 9/15/2006	8.391 %	0	689	0	0	0	0
727,803	GNMA POOL # 12757	8.000 % DUE 9/15/2006	8.391 %	0	0	728	0	0	0
849,117	GNMA POOL # 12777	8.000 % DUE 11/15/2006	8.292 %	849	0	0	0	0	0
1,341,821	GNMA POOL # 13099	8.000 % DUE 10/15/2006	8.071 %	0	1,342	0	0	0	0
687,891	GNMA POOL # 13255	8.000 % DUE 11/15/2006	8.056 %	0	0	688	0	0	0
578,926	GNMA POOL # 13262	8.000 % DUE 11/15/2006	8.117 %	0	579	0	0	0	0
744,738	GNMA POOL # 13297	8.000 % DUE 11/15/2006	8.085 %	0	0	745	0	0	0
934,358	GNMA POOL # 13327	8.000 % DUE 11/15/2006	8.056 %	0	934	0	0	0	0
706,086	GNMA POOL # 13334	8.000 % DUE 10/15/2006	8.391 %	706	0	0	0	0	0
1,473,943	GNMA POOL # 13380	8.000 % DUE 12/15/2006	8.108 %	1,474	0	0	0	0	0
910,862	GNMA POOL # 13935	8.000 % DUE 1/15/2007	8.071 %	911	0	0	0	0	0
1,454,876	GNMA POOL # 14053	8.000 % DUE 12/15/2006	8.108 %	0	1,455	0	0	0	0
950,121	GNMA POOL # 14174	8.000 % DUE 12/15/2006	8.117 %	0	0	950	0	0	0
887,171	GNMA POOL # 14188	8.000 % DUE 10/15/2006	8.071 %	0	887	0	0	0	0
768,945	GNMA POOL # 14919	8.000 % DUE 2/15/2007	8.117 %	0	769	0	0	0	0
1,702,722	GNMA POOL # 15012	8.000 % DUE 12/15/2006	8.071 %	1,703	0	0	0	0	0
768,555	GNMA POOL # 15616	8.000 % DUE 1/15/2007	8.153 %	0	0	769	0	0	0
1,374,290	GNMA POOL # 15783	8.000 % DUE 1/15/2007	8.056 %	1,374	0	0	0	0	0
911,280	GNMA POOL # 16051	8.000 % DUE 1/15/2008	8.340 %	0	0	0	911	0	0
408,860	GNMA POOL # 17086	8.000 % DUE 11/15/2007	8.205 %	0	0	0	0	409	0
992,257	GNMA POOL # 17566	8.000 % DUE 3/15/2008	8.380 %	992	0	0	0	0	0
1,756,102	GNMA POOL # 17619	8.000 % DUE 8/15/2007	8.459 %	0	1,756	0	0	0	0
807,014	GNMA POOL # 18099	8.000 % DUE 8/15/2007	8.292 %	0	807	0	0	0	0
889,974	GNMA POOL # 18224	8.000 % DUE 9/15/2007	8.292 %	0	0	890	0	0	0
929,107	GNMA POOL # 18279	8.000 % DUE 1/15/2008	8.264 %	929	0	0	0	0	0

STATE OF MINNESOTA
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TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD @ COSTPAR VALUE IN \$1000'S.....					
			TRA	PERA	SERA	PEPF	HPAT	JRET
\$ 89,246	GNMA POOL # 18542	8.000 % DUE 9/15/2007 8.391 %	0	89	0	0	0	0
1,831,680	GNMA POOL # 18553	8.000 % DUE 9/15/2007 8.104 %	1,832	0	0	0	0	0
1,855,915	GNMA POOL # 19083	8.000 % DUE 12/15/2007 8.264 %	1,856	0	0	0	0	0
802,616	GNMA POOL # 19157	8.000 % DUE 10/15/2007 8.380 %	803	0	0	0	0	0
812,660	GNMA POOL # 19311	8.000 % DUE 10/15/2007 8.380 %	813	0	0	0	0	0
766,454	GNMA POOL # 19458	8.000 % DUE 8/15/2007 8.380 %	0	766	0	0	0	0
902,419	GNMA POOL # 19574	8.000 % DUE 12/15/2007 8.205 %	0	0	902	0	0	0
1,855,435	GNMA POOL # 20008	8.000 % DUE 11/15/2007 8.153 %	0	1,855	0	0	0	0
865,413	GNMA POOL # 20109	8.000 % DUE 12/15/2007 8.205 %	865	0	0	0	0	0
1,741,016	GNMA POOL # 20197	8.000 % DUE 9/15/2007 8.085 %	1,741	0	0	0	0	0
1,862,120	GNMA POOL # 20289	8.000 % DUE 11/15/2007 8.205 %	0	1,862	0	0	0	0
906,510	GNMA POOL # 20290	8.000 % DUE 12/15/2007 8.264 %	0	907	0	0	0	0
911,929	GNMA POOL # 20305	8.000 % DUE 11/15/2007 8.205 %	0	912	0	0	0	0
893,720	GNMA POOL # 20455	8.000 % DUE 12/15/2007 8.459 %	0	0	894	0	0	0
917,755	GNMA POOL # 20489	8.000 % DUE 10/15/2007 8.104 %	0	0	918	0	0	0
1,702,281	GNMA POOL # 20691	8.000 % DUE 12/15/2007 8.205 %	1,702	0	0	0	0	0
920,002	GNMA POOL # 20761	8.000 % DUE 10/15/2007 8.380 %	0	0	920	0	0	0
744,496	GNMA POOL # 20819	8.000 % DUE 10/15/2007 8.153 %	744	0	0	0	0	0
946,743	GNMA POOL # 20916	8.000 % DUE 11/15/2007 8.085 %	0	947	0	0	0	0
887,613	GNMA POOL # 20963	8.000 % DUE 11/15/2007 8.085 %	0	888	0	0	0	0
1,834,757	GNMA POOL # 21013	8.000 % DUE 11/15/2007 8.459 %	1,835	0	0	0	0	0
923,995	GNMA POOL # 21113	8.000 % DUE 10/15/2007 8.153 %	924	0	0	0	0	0
924,664	GNMA POOL # 21131	8.000 % DUE 12/15/2007 8.292 %	925	0	0	0	0	0
880,072	GNMA POOL # 21329	8.000 % DUE 12/15/2007 8.264 %	0	880	0	0	0	0
893,682	GNMA POOL # 21487	8.000 % DUE 11/15/2007 8.205 %	0	0	894	0	0	0
1,732,273	GNMA POOL # 21694	8.000 % DUE 2/15/2008 8.454 %	1,732	0	0	0	0	0
1,859,758	GNMA POOL # 21772	8.000 % DUE 12/15/2007 8.454 %	0	0	1,860	0	0	0
1,746,596	GNMA POOL # 21790	8.000 % DUE 12/15/2007 8.340 %	0	0	1,747	0	0	0
919,202	GNMA POOL # 22022	8.000 % DUE 1/15/2008 8.264 %	0	0	919	0	0	0
1,700,344	GNMA POOL # 22832	8.000 % DUE 9/15/2007 8.454 %	0	1,700	0	0	0	0
22,440	GNMA POOL # 23012	8.000 % DUE 3/15/2008 8.391 %	0	22	0	0	0	0
4,582,889	GNMA POOL # 26157	9.000 % DUE 10/15/2008 9.023 %	4,583	0	0	0	0	0
4,782,730	GNMA POOL # 27963	9.000 % DUE 11/15/2008 9.249 %	4,783	0	0	0	0	0
993,416	GNMA POOL # 31488	9.000 % DUE 7/15/2009 9.511 %	993	0	0	0	0	0
2,987,106	GNMA POOL # 34131	9.500 % DUE 8/15/2009 9.765 %	0	0	2,987	0	0	0
4,914,389	GNMA POOL # 35013	11.000 % DUE 1/15/2010 11.562 %	4,914	0	0	0	0	0
3,971,912	GNMA POOL # 35047	9.500 % DUE 10/15/2009 10.100 %	3,972	0	0	0	0	0
2,976,686	GNMA POOL # 35549	9.500 % DUE 8/15/2009 9.706 %	2,977	0	0	0	0	0
2,932,790	GNMA POOL # 36021	9.500 % DUE 9/15/2009 10.326 %	2,933	0	0	0	0	0
15,000	GOODHUE CTY CSD 6	3.000 % DUE 2/ 1/1983 3.000 %	15	0	0	0	0	0
833,000	GRACE LINE, INC	5.100 % DUE 2/ 1/1992 5.100 %	0	734	0	99	0	0
10,000	GRANT/OTTERTAIL CJSO 8	3.250 % DUE 4/ 1/1983 3.250 %	0	10	0	0	0	0
5,722,868	GRC REALTY CORPORATION	7.700 % DUE 12/31/1998 7.700 %	2,861	2,861	0	0	0	0
2,840,000	GULF OIL CORPORATION	6.625 % DUE 6/15/1993 6.625 %	1,000	800	690	200	150	0
9,000,000	HAWAIIAN TELEPHONE	13.375 % DUE 10/ 1/2010 13.498 %	4,000	2,000	2,000	1,000	0	0
10,000	HENN CTY ISD 17 EDINA	4.000 % DUE 2/ 1/1987 4.000 %	10	0	0	0	0	0
7,000,000	HERTZ CORPORATION	9.500 % DUE 2/15/1999 9.500 %	2,300	2,300	2,000	400	0	0
8,000,000	HONEYWELL FINANCE INC.	8.200 % DUE 12/15/1998 8.372 %	4,000	4,000	0	0	0	0
1,800,000	HOUSEHOLD FINANCE	7.250 % DUE 1/ 1/1990 7.369 %	500	900	400	0	0	0
4,000,000	HOUSTON LIGHTING & POWER	12.000 % DUE 6/ 1/2010 13.420 %	1,000	1,000	1,000	1,000	0	0
4,000,000	ILLINOIS BELL TEL. & TEL.	4.375 % DUE 7/ 1/2003 11.354 %	2,000	1,000	1,000	0	0	0
272,222	ILLINOIS CENTRAL RR	6.875 % DUE 2/15/1983 6.875 %	111	78	67	0	17	0
50,000	INDIANA & MICH ELEC	3.875 % DUE 2/ 1/1988 5.784 %	0	0	50	0	0	0

STATE OF MINNESOTA
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TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD @ COSTPAR VALUE IN \$1000'S.....							
			TRA	PERA	SERA	PEPF	HPAT	JRET		
\$ 600,000	INDIANAPOLIS WATER	5.875 % DUE 8/ 1/1997	5.875 %	600	0	0	0	0	0	0
5,000,000	INT'L BUS. MACHINES	9.500 % DUE 10/ 1/1986	10.700 %	2,000	2,000	1,000	0	0	0	0
250,000	INTERNATL HARV CREDIT	8.350 % DUE 12/15/1986	8.789 %	0	0	250	0	0	0	0
15,000	ISANTI/PINE/KANABEC	4.000 % DUE 2/ 1/1986	4.000 %	0	0	15	0	0	0	0
30,000	KANABEC/VILL DR MORA	4.500 % DUE 11/ 1/1982	4.500 %	0	30	0	0	0	0	0
4,150,000	KANSAS POWER & LIGHT	8.125 % DUE 6/ 1/2007	8.166 %	0	3,000	0	750	400	0	0
20,000	KOOCHING/INT FALLS GO	3.300 % DUE 6/ 1/1982	3.300 %	0	0	20	0	0	0	0
10,000	LAC QUI PARLE SD 33	3.900 % DUE 2/ 1/1982	3.900 %	0	10	0	0	0	0	0
5,000,000	LACHMAR (HULL 54)	14.000 % DUE 9/25/1988	14.000 %	2,000	2,000	1,000	0	0	0	0
30,000	LAKE CTY/BEAVER BAY	5.000 % DUE 1/ 1/1987	5.000 %	0	0	30	0	0	0	0
10,000	LAKE OF WOODS SD 111	4.500 % DUE 1/ 1/1984	4.500 %	0	0	10	0	0	0	0
10,000	LE SUEUR/SIBLEY/NICLET	2.600 % DUE 7/ 1/1982	2.600 %	0	10	0	0	0	0	0
13,000	LINCOLN/LYON 409 TYLER	4.300 % DUE 2/ 1/1986	4.300 %	0	0	13	0	0	0	0
30,000	LINCOLN/PIPESTONE 404	4.000 % DUE 1/ 1/1983	4.000 %	0	0	30	0	0	0	0
6,623,155	LNM ACCEPTANCE CORP	9.100 % DUE 12/ 1/1986	9.100 %	1,743	1,743	1,743	871	436	87	0
920,000	LOUISVILLE & NASHVILLE	6.875 % DUE 1/15/1986	6.934 %	400	300	220	0	0	0	0
1,790,302	LOUISVILLE & NASHVILLE	9.000 % DUE 10/20/1991	9.000 %	0	1,311	0	480	0	0	0
5,806,874	LOUISVILLE & NASHVILLE	8.375 % DUE 4/20/1992	8.375 %	2,351	2,351	1,106	0	0	0	0
1,500,000	LOUISVILLE & NASHVILLE	4.875 % DUE 12/ 1/1987	4.930 %	450	500	400	50	100	0	0
2,000	LYON/CITY MARSHALL GO	3.250 % DUE 5/ 1/1982	3.250 %	2	0	0	0	0	0	0
10,472,000	MACHILLAN BLOEDEL, LTD	8.750 % DUE 7/ 1/1994	8.750 %	3,652	3,652	2,200	704	264	0	0
9,375,000	MANITOBA HYDRO ELEC BD	7.650 % DUE 10/15/1997	7.706 %	3,500	3,500	1,875	500	0	0	0
2,000,000	MANITOBA, PROVINCE OF	6.875 % DUE 11/ 1/1993	6.896 %	1,200	800	0	0	0	0	0
6,200,000	MARATHON OIL COMPANY	8.500 % DUE 2/ 1/2000	8.633 %	0	4,000	1,000	800	400	0	0
10,000	MARTIN CTY ISD 458	3.600 % DUE 2/ 1/1984	3.600 %	10	0	0	0	0	0	0
6,000,000	MARTIN-MARIETTA CORP.	7.000 % DUE 3/15/2011	12.740 %	3,000	3,000	0	0	0	0	0
50,000	MCLEOD CTY SD 38	3.900 % DUE 2/ 1/1987	3.900 %	50	0	0	0	0	0	0
10,000	MCLEOD/LES PRAIRIE SEW	3.500 % DUE 7/ 1/1981	3.500 %	0	0	10	0	0	0	0
200,000	MEDIAN MORTGAGE INV.	7.000 % DUE 9/15/1981	14.000 %	0	0	200	0	0	0	0
15,000	MEEKER CTY ICDS 47	3.300 % DUE 7/ 1/1981	3.300 %	0	0	15	0	0	0	0
15,000	MEEKER/WATKINS WATERWK	3.400 % DUE 12/ 1/1983	3.400 %	15	0	0	0	0	0	0
4,000	METRO WTR DIST SO CAL	3.000 % DUE 4/ 1/1983	3.000 %	4	0	0	0	0	0	0
228,000	METRO WTR DIST SO CAL	3.500 % DUE 2/ 1/1984	3.500 %	28	45	155	0	0	0	0
212,000	METRO WTR DIST SO CAL	4.000 % DUE 8/ 1/1985	4.000 %	40	150	22	0	0	0	0
40,000	MILLE LACS SD 4/1 BOCK	3.900 % DUE 3/ 1/1989	3.900 %	0	40	0	0	0	0	0
25,000	MILLE LACS/MORRISON 34	3.200 % DUE 3/ 1/1984	3.200 %	25	0	0	0	0	0	0
800,000	MINNESOTA POWER & L.	8.700 % DUE 9/ 1/2006	8.700 %	0	0	0	800	0	0	0
6,533,333	MISSOURI PACIFIC RR	12.750 % DUE 6/ 1/1995	12.750 %	1,867	1,867	1,400	933	467	0	0
7,323,333	MISSOURI PACIFIC RR	9.750 % DUE 6/ 1/1994	9.750 %	0	3,467	2,600	867	390	0	0
10,000,000	MONSANTO CO.	8.750 % DUE 5/15/2008	12.647 %	4,000	3,000	2,000	500	500	0	0
11,350,000	MONTGOMERY WARD CREDIT	8.375 % DUE 10/ 1/2002	8.408 %	4,000	4,000	2,500	850	0	0	0
4,500,000	MOORE BUSINESS FORMS	7.900 % DUE 10/ 1/1996	7.900 %	2,000	2,000	0	500	0	0	0
1,216,000	MOORE-MCCORMACK LINES	5.750 % DUE 4/ 1/1987	5.750 %	378	377	307	77	77	0	0
15,000	MORRISON/CASS/TODD 27	3.200 % DUE 2/ 1/1984	3.200 %	0	0	15	0	0	0	0
55,000	MORRISON/TODD ISD 486	3.800 % DUE 2/ 1/1988	3.800 %	0	55	0	0	0	0	0
10,000,000	MOUNTAIN STATES TEL & TEL	7.750 % DUE 6/ 1/2013	12.960 %	3,000	3,000	2,000	1,000	1,000	0	0
5,000,000	MOUNTAIN STATES TEL & TEL	8.625 % DUE 4/ 1/2018	13.130 %	2,500	1,500	1,000	0	0	0	0
22,000	MOWER/FREEMAN JISD 27	3.000 % DUE 1/ 1/1986	3.000 %	22	0	0	0	0	0	0
8,762,000	N. BRUNSWICK ELEC PWR	7.875 % DUE 4/ 1/1998	7.875 %	3,131	3,128	1,790	446	267	0	0
1,400,000	N. BRUNSWICK ELEC PWR	6.000 % DUE 11/15/1991	6.122 %	500	500	400	0	0	0	0
1,050,000	N. BRUNSWICK H EDUC	7.000 % DUE 4/15/1993	7.168 %	550	0	300	200	0	0	0
10,200,000	NEW YORK TELEPHONE COMPANY	8.000 % DUE 7/15/2008	8.725 %	4,000	3,500	1,500	800	400	0	0
30,000	NOBLES CTY ICSD 119	3.300 % DUE 9/ 1/1984	3.300 %	30	0	0	0	0	0	0

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TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD	%	DUE	TRA	PERA	SERA	PEPF	HPAT	JRETPAR VALUE IN \$1000'S.....										
											1/	2/	3/	4/	5/	6/	7/	8/	9/	10/	11/
\$ 1,300,000	NORTHERN STATES POWER CO. MIN	8.375	%	DUE	1/	1/2004	8.682	%	0	0	0	800	400	100							
11,300,000	NORTHWEST BANCORP	7.750	%	DUE	3/15/	2003	7.750	%	4,000	4,000	2,500	500	300	0							
11,400,000	NORTHWEST BANCORP	7.875	%	DUE	9/15/	1986	7.885	%	4,000	4,000	2,500	800	0	100							
1,600,000	NORTHWEST NATURAL GAS	4.750	%	DUE	1/	1/1989	4.726	%	600	600	400	0	0	0							
5,420,000	NORTHWESTERN BELL TEL. CO.	4.875	%	DUE	6/	1/1998	10.704	%	2,000	2,000	1,000	420	0	0							
10,500,000	NORTHWESTERN BELL TEL. CO.	9.500	%	DUE	8/15/	2016	12.932	%	4,000	2,000	2,000	1,500	1,000	0							
9,000,000	NORTHWESTERN BELL TEL. CO.	8.125	%	DUE	3/15/	2017	12.950	%	4,000	3,000	2,000	0	0	0							
7,000,000	NORTON SIMON, INC.	9.875	%	DUE	6/	1/2004	9.875	%	2,000	2,500	2,500	0	0	0							
4,650,000	NOVA SCOTIA POWER COMM	8.125	%	DUE	7/15/	1998	8.147	%	1,650	1,500	1,500	0	0	0							
3,000,000	NOVA SCOTIA POWER COMM	7.750	%	DUE	3/15/	1997	7.793	%	1,500	1,500	0	0	0	0							
3,100,000	NOVA SCOTIA POWER CORP	9.625	%	DUE	6/	1/2008	9.722	%	1,000	1,000	1,000	0	0	100							
2,900,000	NOVA SCOTIA, PROVINCE	7.250	%	DUE	8/	1/1993	7.334	%	1,000	800	700	250	150	0							
5,000,000	OHIO BELL TELEPHONE CO.	9.000	%	DUE	11/	1/2018	12.768	%	2,000	2,000	1,000	0	0	0							
100,000	OHIO POWER COMPANY	10.125	%	DUE	6/	1/1982	10.025	%	0	0	100	0	0	0							
1,000	OLMSTEAD	2.750	%	DUE	2/	1/1983	2.750	%	0	0	0	0	1	0							
243,400	OLYMPIC PIPELINE CO.	8.850	%	DUE	9/	1/2001	8.850	%	0	0	0	0	146	97							
12,852,000	ONTARIO HYDRO	9.500	%	DUE	3/15/	1996	9.500	%	4,347	4,253	2,835	945	473	0							
1,100,000	ONTARIO PROVINCE OF CANADA	9.125	%	DUE	6/15/	2005	9.036	%	0	0	0	1,000	0	100							
1,350,000	ONTARIO, PROVINCE OF	6.875	%	DUE	12/	1/1997	6.976	%	400	700	250	0	0	0							
3,800,000	ONTARIO, PROVINCE OF	7.850	%	DUE	5/15/	2001	7.850	%	2,000	1,500	0	300	0	0							
7,500,000	ONTARIO, PROVINCE OF	7.300	%	DUE	12/15/	2002	7.300	%	3,500	3,500	0	500	0	0							
3,500,000	ONTARIO, PROVINCE OF	9.375	%	DUE	6/	1/2008	9.375	%	1,000	1,000	1,000	500	0	0							
13,100,000	ONTARIO, PROVINCE OF	9.375	%	DUE	11/30/	2008	9.470	%	5,000	4,000	3,000	800	200	100							
1,100,000	ONTARIO, PROVINCE OF	5.625	%	DUE	4/15/	1997	5.625	%	600	0	400	100	0	0							
75,000	OTTERTAIL CTY ISD 21	3.800	%	DUE	11/	1/1983	3.800	%	75	0	0	0	0	0							
10,000	OTTERTAIL CTY SD 38	3.500	%	DUE	1/	1/1982	3.500	%	10	0	0	0	0	0							
3,000	OTTERTAIL SD 69	3.250	%	DUE	7/	1/1981	3.250	%	0	0	3	0	0	0							
9,000,000	OWENS ILLINOIS INC.	10.375	%	DUE	6/	1/1990	10.427	%	4,000	3,000	1,000	500	500	0							
100,000	PACIFIC GAS & ELECTRIC	9.500	%	DUE	6/	1/1985	9.548	%	0	0	0	0	0	100							
8,500,000	PACIFIC TEL & TEL CO.	15.000	%	DUE	11/	1/2020	15.045	%	4,000	3,000	1,000	500	0	0							
2,000,000	PFIZER INCORPORATED	9.250	%	DUE	8/15/	2000	9.310	%	1,000	1,000	0	0	0	0							
10,000	PINE CTY ICSD 5	3.500	%	DUE	7/	1/1981	3.500	%	0	0	10	0	0	0							
3,000	PINE/KANABEC JICSD 2	3.250	%	DUE	2/	1/1982	3.250	%	0	0	0	0	3	0							
8,350,000	PLANTATION PIPE LINE	7.875	%	DUE	10/	1/2001	7.952	%	3,500	3,000	1,250	300	300	0							
12,000,000	PUBLIC SERVICE CO OF IND.	12.125	%	DUE	9/	1/1990	12.191	%	5,000	4,000	2,000	1,000	0	0							
9,950,000	PUBLIC SERVICE CO OF IND.	7.625	%	DUE	1/	1/2007	7.713	%	3,490	4,000	1,600	540	320	0							
13,850,000	PUBLIC SERVICE ELECTRIC & GAS	8.250	%	DUE	6/	1/2007	8.351	%	5,000	5,000	3,050	800	0	0							
99,000	PUGET SOUND TUG & BARG	9.125	%	DUE	2/15/	2001	9.125	%	0	0	0	0	0	99							
5,000	RED LAKE/PENN SD 16	4.000	%	DUE	4/	1/1982	4.000	%	5	0	0	0	0	0							
25,000	REDWOOD CTY ICSD 74	2.700	%	DUE	10/	1/1982	2.700	%	25	0	0	0	0	0							
65,000	RICE ISD 656 FARIBAULT	3.400	%	DUE	1/	1/1987	3.400	%	50	15	0	0	0	0							
2,000,000	ROCHESTER GAS & ELEC	6.700	%	DUE	7/	1/1998	6.700	%	1,000	800	0	150	50	0							
10,000	ROSEAU/BADGER IND CONS	3.500	%	DUE	10/	1/1981	3.500	%	10	0	0	0	0	0							
100,000	RYDER SYSTEMS, INC.	9.750	%	DUE	5/15/	1982	9.665	%	0	0	100	0	0	0							
250,000	SAN DIEGO FEDERAL	8.000	%	DUE	10/15/	1982	8.269	%	0	0	250	0	0	0							
14,700,000	SASKATCH., PROVINCE OF	9.250	%	DUE	4/15/	2008	9.250	%	5,000	5,000	3,500	800	400	0							
1,180,996	SEABOARD COAST LINE RR	9.000	%	DUE	4/	1/1992	9.000	%	0	0	0	787	394	0							
386,087	SEABOARD COAST LINE RR	8.250	%	DUE	10/	1/1992	8.250	%	0	0	0	0	386	0							
5,500,000	SEAFIRST CORP	10.500	%	DUE	6/	1/1990	10.553	%	2,000	2,000	1,000	500	0	0							
1,080,000	SHELL CANADA, LTD	7.500	%	DUE	1/	1/1994	7.500	%	1,080	0	0	0	0	0							
45,000	SHERBURNE/VIL BIG LAKE	4.500	%	DUE	7/	1/1986	4.500	%	0	45	0	0	0	0							
250,000	SOHIO CORPORATION	8.625	%	DUE	2/	1/1983	8.779	%	0	0	250	0	0	0							
5,000,000	SOUTH CENTRAL BELL TELEPHONE	12.875	%	DUE	10/	1/2020	13.679	%	5,000	0	0	0	0	0							

STATE OF MINNESOTA
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 FIXED INCOME SECURITIES - JUNE 30, 1981

TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD @ COSTPAR VALUE IN \$1000'S.....						
			TRA	PERA	SERA	PEPF	HPAT	JRET	
\$ 5,000,000	SOUTH CENTRAL BELL TELEPHONE	8.250 % DUE 11/ 1/2015 12.762 %	2,000	2,000	1,000	0	0	0	
5,000,000	SOUTH CENTRAL BELL TELEPHONE	8.250 % DUE 8/ 1/2013 12.727 %	2,000	2,000	1,000	0	0	0	
6,300,000	SOUTHERN BELL TEL & TEL	12.875 % DUE 10/ 5/2020 13.679 %	2,000	2,000	1,000	800	500	0	
8,500,000	SOUTHERN BELL TEL & TEL	10.900 % DUE 12/ 1/2019 13.370 %	4,000	3,000	1,000	500	0	0	
5,000,000	SOUTHERN BELL TEL & TEL	8.250 % DUE 4/15/2016 12.717 %	2,000	1,000	1,000	1,000	0	0	
18,200,000	SOUTHERN BELL TEL & TEL	7.625 % DUE 3/15/2013 9.336 %	6,500	6,500	3,000	1,600	500	100	
8,000,000	SOUTHERN PACIFIC TRANS	8.250 % DUE 10/ 1/1992 8.250 %	2,800	2,800	1,600	560	240	0	
5,000,000	SOUTHWESTERN BELL TEL CO	8.750 % DUE 9/ 1/2018 12.753 %	2,000	2,000	1,000	0	0	0	
4,750,000	SOUTHWESTERN BELL TEL. & TEL.	4.625 % DUE 8/ 1/1995 9.765 %	2,000	1,000	1,000	750	0	0	
250,000	SPEERY RAND FINANCIAL	7.875 % DUE 2/ 1/1985 8.289 %	0	0	250	0	0	0	
550,000	SPRAGUE ELECTRIC CO	4.375 % DUE 9/ 1/1988 4.391 %	550	0	0	0	0	0	
540,800	SPRINGFIELD GAS LIGHT	4.875 % DUE 1/15/1987 4.875 %	0	338	203	0	0	0	
3,000	ST LOUIS CTY ISD 700	4.100 % DUE 2/ 1/1983 4.100 %	0	0	0	0	3	0	
220,000	ST. LOUIS-SF RAILWAY	6.750 % DUE 1/ 1/1983 6.750 %	120	0	80	20	0	0	
300,000	ST. LOUIS-SF RAILWAY	7.250 % DUE 12/15/1983 7.250 %	140	160	0	0	0	0	
5,239,460	STANDARD OIL (INDIANA)	7.300 % DUE 10/ 1/2000 7.300 %	1,977	1,483	1,483	297	0	0	
4,358,890	STANDARD OIL (INDIANA)	9.000 % DUE 10/ 1/2000 9.000 %	1,486	1,486	991	248	149	0	
3,708,152	STANDARD OIL (INDIANA)	7.500 % DUE 10/ 1/2000 7.500 %	1,483	1,483	494	247	0	0	
1,305,128	STANDARD OIL OF CALIF.	7.700 % DUE 3/30/1997 7.700 %	630	540	0	135	0	0	
810,000	STANDARD OIL OF CALIF.	6.000 % DUE 12/ 1/1992 6.091 %	600	0	120	90	0	0	
1,395,137	STANDARD OIL OF CALIF.	7.700 % DUE 3/ 2/1997 7.700 %	630	630	0	135	0	0	
1,350,132	STANDARD OIL OF CALIF.	7.700 % DUE 2/10/1997 7.700 %	540	630	0	180	0	0	
2,468,581	STANDARD OIL OF CALIF.	7.700 % DUE 9/ 7/1997 7.700 %	457	457	1,280	91	183	0	
1,600,006	STANDARD OIL OF CALIF.	7.700 % DUE 9/ 8/1997 7.700 %	457	457	503	91	91	0	
1,600,006	STANDARD OIL OF CALIF.	7.700 % DUE 11/ 6/1997 7.700 %	457	457	503	91	91	0	
5,784,684	STANDARD OIL OF CALIF.	8.500 % DUE 7/ 2/1999 8.500 %	1,928	1,928	1,928	0	0	0	
4,500,000	STAUFFER CHEMICAL CO	7.500 % DUE 3/15/1997 7.500 %	2,000	2,000	0	500	0	0	
3,000	STEARNS COMM SD 2022	4.000 % DUE 2/ 1/1982 4.000 %	0	0	3	0	0	0	
45,000	STEARNS CTY ISD 93	4.750 % DUE 7/ 1/1987 4.750 %	0	0	45	0	0	0	
5,000	STEARNS CTY ISD 93	4.600 % DUE 7/ 1/1981 4.600 %	0	0	0	0	5	0	
55,000	STEELE/FREEBORN 30	2.700 % DUE 1/ 1/1985 2.700 %	0	55	0	0	0	0	
12,000	STEELE/RICE JICSD 5	3.000 % DUE 1/ 1/1985 3.000 %	12	0	0	0	0	0	
14,500,000	STUDEBAKER-WORTHINGTON	9.350 % DUE 11/15/2003 9.350 %	5,000	5,000	3,000	1,000	500	0	
240,000	SUN OIL CO	5.750 % DUE 7/ 1/1991 5.750 %	0	0	240	0	0	0	
666,000	SWIFT & COMPANY	6.300 % DUE 8/ 1/1992 6.503 %	333	0	333	0	0	0	
200,000	TALMAN FEDERAL S & L	8.375 % DUE 4/15/1983 8.385 %	0	0	200	0	0	0	
5,275,000	TEXACO, INC.	7.750 % DUE 12/ 1/2001 7.750 %	2,198	1,758	1,319	0	0	0	
6,000,000	TEXAS POWER & LIGHT	8.600 % DUE 1/ 1/2006 12.894 %	2,000	2,000	1,000	1,000	0	0	
6,500,000	TEXAS POWER & LIGHT	9.375 % DUE 2/ 1/2009 12.765 %	2,000	3,000	1,500	0	0	0	
20,000	TODD/VILL BROWERVILLE	2.900 % DUE 1/ 1/1984 2.900 %	20	0	0	0	0	0	
200,000	TRAILMOBILE FINANCE	8.200 % DUE 11/15/1987 8.632 %	0	0	200	0	0	0	
23,000,000	U.S.A. TREASURY BOND	7.625 % DUE 2/15/2007 11.469 %	10,000	8,000	3,000	2,000	0	0	
40,500,000	U.S.A. TREASURY BOND	12.750 % DUE 11/15/2010 12.684 %	16,500	13,000	7,000	4,000	0	0	
26,600,000	U.S.A. TREASURY BOND	11.500 % DUE 11/15/1995 12.474 %	10,000	9,000	6,000	900	700	0	
15,000,000	U.S.A. TREASURY BOND	13.875 % DUE 5/15/2011 12.914 %	5,000	5,000	5,000	0	0	0	
10,000,000	U.S.A. TREASURY BOND	11.750 % DUE 2/15/2001 12.454 %	5,000	3,000	2,000	0	0	0	
4,000,000	U.S.A. TREASURY BOND	9.125 % DUE 5/15/2009 11.916 %	2,000	2,000	0	0	0	0	
7,500,000	U.S.A. TREASURY NOTE	9.000 % DUE 2/15/1987 9.026 %	3,000	3,000	1,000	500	0	0	
6,000,000	U.S.A. TREASURY NOTE	10.750 % DUE 11/15/1989 10.219 %	2,000	2,000	2,000	0	0	0	
936,000	UARCO, INC	6.500 % DUE 5/ 1/1988 6.500 %	585	351	0	0	0	0	
810,900	UNION OIL OF CALIFORNIA	6.500 % DUE 12/ 1/1988 6.500 %	395	317	0	60	39	0	
6,000,000	UNION TANK CAR	9.500 % DUE 12/15/1995 9.500 %	3,000	3,000	0	0	0	0	
100,000	UNITED ILLUMINATING CO	8.500 % DUE 11/15/1997 8.500 %	0	0	0	0	0	100	

STATE OF MINNESOTA
 BASIC RETIREMENT FUNDS
 FIXED INCOME SECURITIES - JUNE 30 , 1981

TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD @ COSTPAR VALUE IN \$1000'S.....						
			TRA	PERA	SERA	PEPF	HPAT	JRET	
\$ 2,200,000	UNITED TEL CO OHIO	6.875 % DUE 7/ 1/1998	6.875 %	880	704	616	0	0	0
1,100,000	UNITED TEL CO PA	6.625 % DUE 11/ 1/1998	6.625 %	1,100	0	0	0	0	0
11,000,000	USLIFE CORP.	12.500 % DUE 10/15/1990	12.563 %	5,000	3,000	2,000	1,000	0	0
250,000	UT CREDIT CORP.	8.625 % DUE 6/ 1/1986	8.723 %	0	0	250	0	0	0
35,000	WAB/GOOD/OLMSTD 50 141	3.800 % DUE 2/ 1/1986	3.800 %	0	0	35	0	0	0
11,000	WABASHA CTY CSD 2374	3.750 % DUE 2/ 1/1985	3.750 %	11	0	0	0	0	0
35,000	WABASHA/OLMSTEAD 806	4.100 % DUE 6/ 1/1987	4.100 %	0	35	0	0	0	0
7,550,000	WELLS FARGO & COMPANY	8.625 % DUE 11/ 1/1998	8.625 %	2,500	2,500	1,500	800	250	0
10,600,000	WELLS FARGO & COMPANY	11.550 % DUE 1/15/1983	11.550 %	3,000	3,000	3,000	1,000	500	100
1,488,000	WESTERN MARYLAND RR	4.850 % DUE 10/ 1/1989	4.850 %	480	480	384	72	72	0
10,000	WINONA CTY/GOODVIEW	4.500 % DUE 1/ 1/1985	4.500 %	10	0	0	0	0	0
5,000	WRIGHT CTY ISD 879	3.600 % DUE 5/ 1/1984	3.600 %	5	0	0	0	0	0
10,000	WRIGHT CTY SD 79	3.000 % DUE 4/ 1/1982	3.000 %	10	0	0	0	0	0
2,066,000	YOUNGSTOWN SHEET TUBE	4.600 % DUE 7/ 1/1995	5.080 %	1,127	463	332	144	0	0
\$1,204,002,356	GRAND TOTAL		10.044 %	473,775	399,914	231,404	76,464	20,417	2,029

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

COMMISSIONS, FEES PAID, AND VOLUME OF BUSINESS TRANSACTED
WITH SECURITIES DEALERS, BANKS, AND OTHERS DURING THE YEAR

	EQUITY DOLLAR VOLUME TRANSACTED	COMMISSIONS	SHORT TERM DOLLAR VOLUME TRANSACTED	BOND DOLLAR VOLUME TRANSACTED
Abel/Noser Corp.	\$ 15,866,169	\$ 36,069	\$ -0-	\$ -0-
ACLI Government Securities	-0-	-0-	1,673,104,000	-0-
Alex Brown & Sons	2,077,006	4,804	-0-	1,600,000
Allison Williams	-0-	-0-	-0-	4,600,250
American Express Credit	-0-	-0-	30,240,000	-0-
American National Bank	-0-	-0-	290,634,653	200,000
American Securities Corp.	2,337,224	9,299	-0-	-0-
Associates Corp. of North America	-0-	-0-	222,489,000	-0-
Autranet	31,581,207	67,460	-0-	-0-
Bache, Halsey, Stuart, Shields, Inc.	3,828,254	12,000	122,686,000	32,000,000
Bacon Whipple	-0-	-0-	-0-	1,000,000
Bank of America	-0-	-0-	134,096,515	-0-
Bankers Discount Corp.	-0-	-0-	37,260,639	-0-
Bankers Trust N.Y. Corp.	-0-	-0-	919,099,710	183,500,000
Bear Stearns & Co.	24,773,354	58,623	-0-	14,275,000
Becker, A.G., Inc.	13,823,044	39,032	1,099,136	28,350,000
Beneficial Corporation	-0-	-0-	184,895,602	-0-
Bernstein, Sanford & Co., Inc.	11,778,418	31,540	-0-	-0-
Blair, William & Co.	1,784,802	4,770	-0-	700,000
Blunt Ellis	-0-	-0-	-0-	1,200,000
Boston Institutional Services	35,339,819	77,283	-0-	-0-
Brandt, Robert & Co., Inc.	26,853,716	88,805	-0-	-0-
Briggs & Schaedle	-0-	-0-	186,808,842	-0-
Brown Brothers Harriman	11,598,158	23,570	-0-	-0-
Bruan, Gordon & Co.	19,138,593	37,980	-0-	-0-
Callan Associates	1,316,316	3,300	-0-	-0-
Cantor Fitzgerald & Co., Inc.	17,155,611	38,075	-0-	-0-
Carroll McEntee & McGinley, Inc.	-0-	-0-	1,000,000	-0-
Chase Manhattan Bank	-0-	-0-	11,396,299	-0-
Chemical Bank, N.Y.	-0-	-0-	177,024,574	-0-
CIT Financial Corp.	-0-	-0-	126,667,000	-0-
Citibank N.A. New York	-0-	-0-	9,422,257,533	116,500,000
Commercial Credit Co.	-0-	-0-	114,005,000	-0-
Conning & Co.	887,222	2,810	-0-	-0-
Continental Bank - Chicago	-0-	-0-	19,843,781	-0-
Dain Bosworth, Inc.	3,152,413	9,006	-0-	-0-
Dean Witter Reynolds	20,691,215	68,769	-0-	3,500,000
Delafield, Harvey & Tabell	5,601,370	13,860	-0-	-0-
Dillon Read & Co., Inc.	5,392,514	14,507	-0-	1,050,000
Discount Corp. N.Y.	-0-	-0-	161,007,845	10,000,000
Donaldson, Lufkin, Jenrette Securities	17,468,020	40,910	-0-	2,650,000
Drexel Burnham Lambert, Inc.	43,953,139	103,231	-0-	4,000,000
Federal Home Loan Bank-Des Moines	-0-	-0-	5,500,000	-0-
First Boston Inc.	43,279,084	108,399	50,584,624	34,500,000
First Interstate Bank-California	-0-	-0-	1,803,675,000	-0-
First Manhattan Company	4,172,078	11,080	-0-	-0-
First National Bank-Chicago	-0-	-0-	153,823,343	-0-
First National Bank-Minneapolis	-0-	-0-	813,950,781	-0-
First National Bank-St. Paul	-0-	-0-	540,896,847	-0-
Ford Motor Credit Corp.	-0-	-0-	104,483,000	-0-
Fourteen Research	2,168,582	5,280	-0-	-0-
General Electric Credit Corp.	-0-	-0-	220,169,000	-0-
General Motors Acceptance Corp.	-0-	-0-	323,694,000	-0-
Goldman Sachs & Company	137,643,303	340,216	3,683,600,780	25,050,000
Harris Trust & Savings	-0-	-0-	354,677,666	-0-
Hawthorne Securities	8,386,537	19,295	-0-	-0-
Heller, Walter & Co.	-0-	-0-	138,853,000	-0-
Herzfeld & Stern	53,000	1,184	-0-	-0-
Household Finance Corp.	-0-	-0-	108,680,000	-0-
Hutton, E.F. & Co.	22,836,060	62,454	357,897,828	44,918,364
Independent State Bank	-0-	-0-	19,400,000	-0-
Institutional Networks	81,415,485	136,370	-0-	-0-

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STATE BOARD OF INVESTMENT

COMMISSIONS, FEES PAID, AND VOLUME OF BUSINESS TRANSACTED
WITH SECURITIES DEALERS, BANKS, AND OTHERS DURING THE YEAR
CONTINUED

	EQUITY DOLLAR VOLUME TRANSACTED	COMMISSIONS	SHORT TERM DOLLAR VOLUME TRANSACTED	BOND DOLLAR VOLUME TRANSACTED
Jeffries & Co.	\$ 42,496,244	\$ 104,391	\$ -0-	\$ -0-
Jones & Associates	549,010	2,012	-0-	-0-
Keefe Bruyette & Woods, Inc.	2,822,898	12,701		800,000
Kidder Peabody & Co., Inc.	34,602,170	88,176	1,571,252,000	85,054,805
Lanston Company	-0-	-0-	-0-	5,000,000
Lawrence, Cyrus J.	2,713,587	12,893	-0-	-0-
Lazard Freres & Co.	-0-	-0-	-0-	4,000,000
Legg Mason Wood Walker, Inc.	3,129,998	13,831	-0-	-0-
Lehman Brothers Kuhn Loeb, Inc.	6,950,996	17,360	355,998,778	21,111,047
Lynch Jones & Ryan	2,902,336	8,531	-0-	-0-
Marquette National Bank	-0-	-0-	246,693,299	300,000
Merrill Lynch, Pierce, Fenner & Smith	157,840,306	358,694	131,920,868	98,413,064
Mesirow and Company	7,138,083	19,770	-0-	-0-
Midland National Bank-Minneapolis	-0-	-0-	4,175,000	-0-
Midway National Bank-St. Paul	-0-	-0-	1,900,000	-0-
Morgan Guaranty	-0-	-0-	1,170,785,124	35,000,000
Morgan Stanley & Co.	66,962,989	212,658	13,268,000	68,800,000
National City Bank-Minneapolis	-0-	-0-	7,900,000	-0-
Neuberger & Berman	665,540	2,140	-0-	-0-
New York Hanseatic	-0-	-0-	54,842,000	-0-
N.W. National Bank-Minneapolis	-0-	-0-	1,341,163,801	-0-
N.W. National Bank-St. Paul	-0-	-0-	1,000,000	-0-
Nuveen, John & Co.	-0-	-0-	1,000,000	-0-
Ohio Company (The)	-0-	-0-	-0-	300,000
O'Neil (Wm.) Co., Inc.	11,599,911	25,118	-0-	-0-
Oppenheimer & Co., Inc.	48,552,652	113,160	-0-	1,000,000
Paine Webber Mitchell Hutchins, Inc.	34,740,756	98,825	3,852,500	1,800,000
Penney, J.C. Financial Corp.	-0-	-0-	25,856,000	-0-
Piper Jaffray & Hopwood	9,950,177	26,130	-0-	1,650,000
Rodman & Renshaw	-0-	-0-	-0-	1,775,000
Rothschild, L.F., Unterberg, Towbin	3,377,762	8,650	-0-	-0-
Salomon Brothers	109,182,739	240,132	55,960,000	180,551,000
Schapiro (M.A.) & Co.	140,000	437	-0-	-0-
Sears Roebuck Acceptance Corp.	-0-	-0-	182,200,000	-0-
Security Pacific Bank	-0-	-0-	29,497,472	-0-
Shearson Loeb Rhoades	1,376,732	7,000	-0-	8,250,000
Smilen & Safian, Inc.	4,803,592	10,750	-0-	-0-
Smith Barney Harris Upham & Co.	54,071,131	135,780	-0-	8,800,000
Sowarby, John & Associates	-0-	-0-	644,331,000	-0-
Summit State Bank - Minneapolis	-0-	-0-	-0-	156,444
Thomson & McKinnon	74,000	1,600	-0-	1,400,000
Transamerica Financial Corp.	-0-	-0-	281,477,000	-0-
Tucker, Anthony & R.L. Day, Inc.	12,227,792	28,012	-0-	500,000
Weedon & Company	29,875,779	61,702	-0-	-0-
Wells Fargo Bank	-0-	-0-	8,352,346,423	-0-
Wertheim & Company	19,112,176	41,415	-0-	9,752,000
Westinghouse Credit Corp.	-0-	-0-	236,966,000	-0-
Wilshire Associates	16,673,196	35,550	-0-	-0-
Wood Gundy Limited	869,791	2,390	-0-	700,000
	<u>1,301,754,056</u>	<u>3,159,789</u>	<u>37,229,887,263</u>	<u>1,044,706,993</u>

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT
COMMON STOCK TRANSACTIONS

FISCAL YEAR 1981

<u>PURCHASES</u>	<u>TOTAL # OF SHARES</u>	<u>PURCHASES</u>	<u>TOTAL # OF SHARES</u>
UTILITIES		TECHNOLOGY	
ELECTRIC		ELECTRONICS	
Commonwealth Edison Company	214,499	Hewlett-Packard Company	30,000
Consolidated Edison Company of New York	25,000	Motorola, Incorporated	140,000
Florida Power & Light Company	152,000	OFFICE EQUIPMENT	
Houston Industries, Incorporated	1,074,000	Apple Computer, Incorporated	4,575
Northern States Power Company (Minn.)	183,500	Burroughs Corporation	44,000
Pacific Power & Light Company	71,500	Control Data Corporation	70,000
Public Service Company of Indiana, Inc.	13,705	Digital Equipment Corporation	2,000
Texas Utilities Company	9,000	Honeywell, Incorporated	20,000
NATURAL GAS		International Business Machines, Inc.	30,000
Houston Natural Gas Corporation	360,000	Xerox Corporation	101,500
Internorth, Inc.	110,000	BASIC INDUSTRY	
Pioneer Corporation	29,000	AEROSPACE	
Texas Oil & Gas Corporation	540,000	Boeing Company (The)	233,000
COMMUNICATIONS		General Dynamics Corporation	100,000
American Telephone & Telegraph Company	217,772	Lockheed Corporation	13,500
Central Telephone & Utilities Corporation	25,500	BUILDING & FOREST PRODUCTS	
United Telecommunications, Inc.	6,600	American Standard, Incorporated	16,500
FINANCIAL SERVICES		Champion International Corporation	51,100
BANKS		Georgia-Pacific Corporation	70,000
BankAmerica Corporation	686,500	Kaiser Cement Corporation	11,000
Chase Manhattan Corporation	225,000	Lone Star Industries, Incorporated	10,000
Continental Illinois Corporation	55,000	Ryan Homes, Incorporated	26,000
First Bank System, Incorporated	53,500	CHEMICALS	
First International Bancshares, Inc.	25,000	Dow Chemical Company (The)	49,000
Manufacturers Hanover Corporation	6,000	DuPont (E.I.) de Nemours & Company	6,600
J.P. Morgan & Co., Incorporated	235,000	Hercules, Incorporated	50,000
Security Pacific Corporation	248,000	Union Carbide Corporation	299,000
Valley National Corporation	190,000	ELECTRICAL EQUIPMENT	
FINANCE		General Electric Company	114,500
American Express Company	186,600	Westinghouse Electric Corporation	147,000
First Charter Financial Corporation	68,300	MACHINERY	
GenCo Corporation	123,000	AGF Industries, Incorporated	40,000
INSURANCE		METALS	
Aetna Life & Casualty Company	48,500	Alcan Aluminum Limited	75,000
Chubb Corporation	238,500	Aluminum Company of America	130,000
Connecticut General Insurance Corporation	150,300	St. Joe Minerals Corporation	94,000
Crum & Forster	235,000	TEXTILES	
INA Corporation	65,000	Strauss (Levi) & Company	127,400
Marsh & McLennan Companies	203,000	MISCELLANEOUS	
St. Paul Companies, Inc. (The)	193,000	American Can Company	16,000
Travelers Corporation (The)	263,500	Continental Group, Inc. (The)	124,000
U.S. Fidelity & Guarantee Company	52,000	International Telephone & Telegraph Corp.	72,000
CONSUMER-ORIENTED		Minnesota Mining & Manufacturing Co.	120,000
AUTOS-AUTO PARTS		Owens-Illinois Incorporated	550,000
Genuine Parts Company	10,000	ENERGY	
Goodyear Tire & Rubber Company (The)	190,000	OIL-DOMESTIC	
CONSUMER-DURABLES		Atlantic Richfield Company	140,000
Toro Company	50,000	Getty Oil Company	50,000
CONSUMER-NONDURABLES		Marathon Oil Company	6,000
Eastman Kodak Company	193,000	Phillips Petroleum Company	406,500
Gillette Company	475,000	Shell Oil Company	140,000
Procter & Gamble Company (The)	8,000	Standard Oil Company (Ohio)	60,000
CONSUMER-MISCELLANEOUS		OIL-INTERNATIONAL	
ARA Services, Incorporated	50,000	Allied Corporation	12,000
McDonald's Corporation	242,000	Gulf Oil Corporation	240,000
Warner Communications - Warrants	4,465	Mobil Corporation	268,000
DRUGS		Royal Dutch Petroleum Company	391,000
Abbott Laboratories	40,000	Standard Oil Company of California	100,000
Baxter Travenol Labs., Incorporated	116,000	ENERGY-RELATED	
Bristol Meyers Company	200,000	Dresser Industries, Incorporated	10,000
Medtronic, Inc.	90,000	Williams Companies (The)	135,000
Schering-Plough Corporation	120,000	TRANSPORTATION	
Syntex Corporation	150,000	AIRLINES	
FOODS-BEVERAGES		Delta Air Lines, Incorporated	65,000
Archer Daniels-Midland Co.	1,418,500	Northwest Airlines, Incorporated	130,000
Coca-Cola Company (The)	30,000	RAILROADS	
Dart-Kraft, Incorporated	40,000	Greyhound-Warrants	101,667
General Mills, Incorporated	90,000	Norfolk & Western Railway Company	25,500
PepsiCo, Inc.	365,000	Santa Fe Industries, Incorporated	210,000
Pillsbury Company (The)	50,000	Southern Railway Company	40,000
MEDIA			
CBS Incorporated	280,000		
Harcourt Brace Jovanovich, Inc.	6,000		
RETAIL SALES			
Dayton Hudson Corporation	53,000		
Penney (J.C.) Company, Incorporated	40,000		
Revco, D.S., Inc.	85,000		
Safeway Stores, Incorporated	10,000		
Southland Corporation	105,750		
Super Valu Stores, Incorporated	213,600		

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT
COMMON STOCK TRANSACTIONS

FISCAL YEAR 1981

SALES	TOTAL # OF SHARES	SALES	TOTAL # OF SHARES
UTILITIES		FOODS-BEVERAGES	
ELECTRIC		CPC International, Inc.	
Central & Southwest Corporation	101,000	Coca-Cola Company (The)	160,100
Cincinnati Gas & Electric Company (The)	124,000	Consolidated Foods Corporation	100,000
Commonwealth Edison Company	43,999	General Foods Corporation	89,000
Houston Industries, Incorporated	133,650	General Mills, Incorporated	108,000
Minnesota Power & Light Company	238,200	Dart-Kraft, Incorporated	32,600
Northern States Power Company (Minn.)	60,000	Norton Simon, Incorporated	525,222
Pacific Gas & Electric Company	72,300	Pillsbury Company (The)	240,100
Public Service Company of Indiana, Inc.	153,685	MEDIA	
Southern California Edison Company	83,500	Donnelly (R.R.) & Sons Company	110,402
Virginia Electric & Power Company	404,098	Dun & Bradstreet Corporation	3,000
NATURAL GAS		Gannett Company, Incorporated	45,000
Panhandle Eastern Pipeline Company	503,896	Harcourt Brace Jovanovich, Inc.	90,000
Peoples Energy Corporation	187,666	RETAIL SALES	
COMMUNICATIONS		Federated Department Stores, Inc.	100
American Telephone & Telegraph Company	12,100	K Mart Corporation	249,400
Central Telephone & Utilities Corp.	127,000	Penney (J.C.) Company, Inc.	8,500
General Telephone & Electronics Corp.	460,300	Revco D.S., Incorporated	50,000
United Telecommunications, Inc.	502,800	Sears, Roebuck & Company	474,700
FINANCIAL SERVICES		TECHNOLOGY	
BANKS		ELECTRONICS	
BankAmerica Corporation	4,500	Hewlett-Packard Company	13,500
Chase Manhattan Corporation	225,000	Motorola, Incorporated	20,000
Citicorp	139,944	Perkin-Elmer Corporation (The)	272,400
Continental Illinois Corporation	109,272	OFFICE EQUIPMENT	
First International Bancshares, Inc.	124,625	Apple Computer, Incorporated	4,575
Manufacturers Hanover Corporation	50,000	Burroughs Corporation	69,400
J.P. Morgan & Co., Incorporated	48,106	Control Data Corporation	77,000
Northwest Bancorporation	328,400	Digital Equipment Corporation	82,500
Security Pacific Corporation	3,000	International Business Machines, Inc.	71,500
FINANCE		Xerox Corporation	266,020
Beneficial Corporation	196,725	BASIC INDUSTRY	
First Charter Financial Corporation	127,000	AEROSPACE	
Golden West Financial Corporation	7,500	Boeing Company (The)	150
Household International, Inc.	319,800	Raytheon Company	11,400
MGIC Investment Corporation	118,700	United Technologies Corporation	33,000
INSURANCE		BUILDING & FOREST PRODUCTS	
Aetna Life & Casualty Company	10,000	American Standard, Incorporated	200
Crum & Forster	80,000	Georgia-Pacific Corporation	411,391
Marsh & McLennan Companies	60,000	Kaiser Cement Corporation	11,000
SAFECO Corporation	74,650	Lone Star Industries, Inc.	95,000
U.S. Fidelity & Guaranty	182,430	Masonite Corporation	159,400
CONSUMER-ORIENTED		Owens-Corning Fiberglas Corporation	338,800
AUTO-AUTO PARTS		Ryan Homes, Incorporated	21,000
Ford Motor Company	315,650	Weyerhaeuser Company	317,300
General Motors Corporation	164,600	CHEMICALS	
Genuine Parts	259,550	Air Products & Chemicals, Inc.	197,440
CONSUMER-DURABLES		Dow Chemical Company (The)	12,700
Sunbeam Corporation	184,049	DuPont (E.I.) de Nemours & Company	50,000
Toro Company	20,000	Hercules, Incorporated	152,000
Whirlpool Corporation	10,000	Monsanto Company	180,536
CONSUMER-NONDURABLES		Union Carbide Corporation	10,000
Avon Products, Incorporated	50,000	ELECTRICAL EQUIPMENT	
Colgate Palmolive Company	302,800	Emerson Electric Company	250,200
Eastman Kodak Company	152,500	Gould, Incorporated	167,300
Gillette Company	55,000	MACHINERY	
Procter & Gamble Company (The)	85,900	Caterpillar Tractor Company	130,850
Revlon, Incorporated	178,000	Combustion Engineering, Incorporated	346,000
CONSUMER-MISCELLANEOUS		Trans Union Corporation	215,500
Disney (Walt) Productions	67,894	METALS	
McDonald's Corporation	43,000	Aluminum Company of America	177,000
Warner Communications	58,608	Hanna Mining Company (The)	23,900
Warner Communications-Warrants	4,465	Pittston Company (The)	62,363
DRUGS		St. Joe Minerals Corporation	459,000
Abbott Laboratories	40,000	PAPER	
American Home Products Corporation	174,800	International Paper Company	28,000
Baxter Travenol Labs., Inc.	183,500	Union Camp Corporation	136,300
Bristol Meyers Company	75,000	TEXTILES	
Johnson & Johnson	180,000	Strauss (Levi) & Company	200
Medtronic, Incorporated	254,000	MISCELLANEOUS	
Merck & Company, Inc.	22,800	Corning Glass Works	80,900
National Medical Enterprises, Inc.	8,000	Minnesota Mining & Manufacturing Co.	314,700
Pfizer, Incorporated	451,300	ENERGY	
Schering-Plough Corporation	71,100	OIL-DOMESTIC	
Warner-Lambert Company	564,500	Atlantic Richfield Company	155,300
		Conoco Incorporated	213,087
		Marathon Oil Company	301,200
		Phillips Petroleum Company	48,000
		Standard Oil Company (Indiana)	592,100
		Standard Oil Company (Ohio)	318,200

SALESTOTAL #
OF SHARES

OIL-INTERNATIONAL

Exxon Corporation	90,000
Gulf Oil Corporation	50,100
Mobil Corporation	28,000
Standard Oil Company of California	54,000
Texaco, Incorporated	239,390

ENERGY-RELATED

Baker International Corporation	39,500
Dresser Industries, Incorporated	50,000
Halliburton Company	53,000

AIRLINES

Delta Air Lines, Incorporated	10,000
Northwest Airlines, Incorporated	270,026
UAL, Incorporated	39,300

RAILROADS

Greyhound-Warrants	101,667
Southern Railway Company	100
Union Pacific Corporation	96,800

Time Weighted Rate of Return Formula

The time-weighted rate of return measures total return to a fund which includes cash yield as well as realized and unrealized market value changes in assets. In addition, it nets out the influence of contributions and distributions, variables over which the investment manager has no control. Thus it is the best measure of investment management performance. The calculation of a fund's true time-weighted return requires that the fund be valued every time there is a capital flow in or out. Since most funds do not value that frequently, it is necessary to estimate the time-weighted rates by approximating the required valuations.

In 1968, the Bank Administration Institute (BAI) commissioned a study conducted by the University of Chicago, which considered desirable methods of estimating time-weighted returns. The BAI report is considered to be the definitive work in the field of performance measurement because of the academic reputations and thorough scientific efforts of its authors.

When monthly data are available, the BAI study recommends employing a technique called the linked internal rate of return (LIRR). Merrill Lynch, our performance measurement consultant, calculates the LIRR by solving the following equation for R:

$$V_B (1+R) + C (1+R)^{\frac{1}{2}} = V_E$$

Where

V_B = Value of the fund at the beginning of the month.

V_E = Value of the fund at the end of the month.

C = Assumed single mid-month net cash flow.

R = Internal rate of return.

The internal rate of return, R, is a proxy for the true-weighted return over the month. It approximates the interim valuations by assuming a uniform growth throughout the period.

The IRR's calculated for each month can be linked together to estimate the time-weighted return for a longer period. For example, given three consecutive monthly IRR's - R_1 , R_2 and R_3 , the quarterly time-weighted return is:

$$TWR_Q = (1+R_1) (1+R_2) (1+R_3) - 1$$

TWR_Q = Quarterly time-weighted rate of return.

MARKET ENVIRONMENT
Fiscal Years Ending June 30

	<u>1981</u>	<u>1980</u>	<u>1979</u>	<u>1978</u>	<u>1977</u>	<u>5 Years Annualized</u>
Economic Activity						
Real GNP	3.2%	-0.7%	2.8%	5.1%	5.2%	3.1%
Inflation						
Personal Consumption Expenditures Deflator	8.2	10.5	8.5	6.6	6.2	8.0
Consumer Price Index	9.8	14.4	10.7	7.0	6.8	9.7
Fixed Income Returns						
1 Short-term	14.4	12.3	9.3	6.5	5.1	9.5
2 Intermediate-term	-0.2	8.4	8.0	10.4	2.0	5.6
3 Long-term	-11.5	-2.9	7.2	15.5	-0.6	1.1
Common Stock Returns						
S&P 500	20.6	17.2	13.5	0.2	0.6	10.1
Dow Jones Industrial Average	19.2	9.5	8.9	-5.4	-4.5	5.1

- 1 U.S. 91-Day Treasury Bills
- 2 Kuhn-Loeb Intermediate-term Government/Corporate Bond Index
- 3 Kuhn-Loeb Long-term Government/Corporate Bond Index



STATE OF MINNESOTA
OFFICE OF THE LEGISLATIVE AUDITOR

Veterans Service Building, 1st Floor West Wing
St. Paul, Minnesota 55155

(612) 296-4708

The State Board of Investment

and

Howard J. Bicker, Acting Executive Director

We have examined the statements of assets and liabilities, including the portfolio of investments shown on pages 56 to 65, and the supplementary schedules of participation of the Minnesota Post Retirement Investment Fund, Minnesota Supplemental Retirement Investment Fund, which includes the Income, Growth, and Fixed Return Accounts, and the Minnesota Variable Annuity Fund of the Minnesota State Board of Investment as of June 30, 1980 and 1981, and the related statements of operations and of changes in net assets for the years then ended. Our examination was made in accordance with generally accepted auditing standards, and accordingly included such tests of the accounting records and such other auditing procedures as we considered necessary in the circumstances. Securities owned at June 30, 1980 and 1981 were counted by us when held by the State Treasurer or were confirmed to us when held by other custodians.

As discussed in Note 3 of the financial statements of the Minnesota Post Retirement Investment Fund, mortality gains and losses are calculated after year end by each participating retirement fund's actuary. The associated transfers of required reserves, if any, are not reasonably estimable. Accordingly, no provision for any asset or liability that may result has been made in the financial statements.

As discussed in Note 9 of the financial statements of the Minnesota Post Retirement Investment Fund, the transfer of assets, obligations and required reserves attributable to the retired members of the Minneapolis Employees Retirement Fund is reported based on an estimate of their proportional share of total required reserves of the Minnesota Post Retirement Investment Fund. The final transfer will be determined after year end when mortality gains and losses are calculated by each participating retirement fund's actuary.

The State Board of Investment
and
Howard J. Bicker, Acting Executive Director
Page 2

In our opinion, subject to the effects of the matters discussed in the preceding two paragraphs, the aforementioned financial statements present fairly the net assets and participation of the Minnesota Post Retirement Investment Fund at June 30, 1980 and 1981, and the results of its operations and changes in its net assets for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

In our opinion, the aforementioned financial statements present fairly the net assets and participation of the Minnesota Supplemental Retirement Investment Fund Income Shares Account, Growth Shares Account, and Fixed Return Account, and the Minnesota Variable Annuity Fund at June 30, 1980 and 1981, and the results of their operations and changes in their net assets for the years then ended, in conformity with generally accepted accounting principles applied on a consistent basis.

The additional information presented on pages 1 to 39 of this report is not necessary for a fair presentation of the financial statements in conformity with generally accepted accounting principles. This information, prepared by the State Board of Investment, has not been subjected to the audit procedures applied in the examination of the basic financial statements, and therefore, we do not express an opinion on this information.

Sincerely,



Patrick J. Spellacy, CPA
Deputy Legislative Auditor

October 21, 1981

SIGNIFICANT ACCOUNTING POLICIES

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

The Minnesota Post Retirement Investment Fund, Minnesota Variable Annuity Investment Fund and the Minnesota Supplemental Retirement Investment Fund are managed by the State Board of Investment under authority of Minnesota Statutes 11A. The Supplemental Fund prepares separate financial statements for three investment vehicles which it is comprised of; Income Share, Growth Share and Fixed Return Accounts.

The Financial Statements presented for these funds are based on the preferred accounting practices described in the American Institute of Certified Public Accountants audit guide "Audits of Investment Companies." These practices and the significant accounting policies which follow are in conformity with generally accepted accounting principles.

Security Valuation: All securities are valued at market except for U.S. Government Short-term Securities and Commercial Paper which are valued at market less accrued interest. Accrued short-term interest is recognized as income as part of "Short-term Gain". For Long-term fixed income securities the State Board uses the Merrill Lynch valuation system. This pricing service is capable of providing prices for both actively traded and privately placed bonds. For Equity securities the State Board uses a valuation service provided by Wilshire Associates.

Recognition of Security Transactions: Security transactions are accounted for on the date the securities are purchased or sold.

Income Recognition: Dividend income is recorded on the ex-dividend date. Interest and dividend income is accrued monthly. Short-term interest is accrued at year end only and is presented as "Accrued Short-term Gain".

Expenses: The cost of security transactions is part of the transaction price. Investment research, audit, legal, payroll and other administrative expenses are paid by the State General Fund.

Loaning Securities: Certain U.S. Government and Government Agency securities are loaned out to banks and brokers for additional income of .5%. Collateral in the amount of 105% of the market value of the security loaned is required.

Portfolio Listing: A listing of all securities held by these funds can be found on page 56 of this report. Bonds are shown at face value and stocks at market value. Securities held as cash equivalents are not listed.

STATE BOARD OF INVESTMENT
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND
GROWTH SHARE ACCOUNT
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1980 AND 1981

	June 30	
	1980	1981
Assets:		
Investments (at market value) ¹		
Common Stock	\$24,719,922	\$26,700,015
Commercial Paper	3,710,265	2,575,211
U.S. Gov't. Short Term Securities	2,109,966	9,447,125
*Total Investments	\$30,540,153	\$38,722,351
Security Sales Receivable	\$ -0-	\$ 87,945
Cash with State Treasurer	24,690	10,241
Accrued Dividends	90,382	118,956
Accrued Short-Term Gain	86,502	238,732
Total Assets	\$30,741,727	\$39,178,225
Liabilities:		
Participant Contributions Paid in Advance	\$ 17,013	\$ -0-
Securities Purchases Payable	50,895	-0-
Total Liabilities	\$ 67,908	\$ -0-
Net Assets June 30	\$30,673,819	\$39,178,225

STATEMENT OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 1980 AND 1981

	Year Ended June 30	
	1980	1981
From Investment Activity:		
Net Investment Income	\$ 1,469,761	\$ 2,310,486
Realized Gains (Losses)	986,710	2,579,386
Unrealized Gains (Losses)	1,268,112	1,483,242
Total Income	\$ 3,724,583	\$ 6,373,114
Less Distribution to Participant Accounts	(3,724,583)	(6,373,114)
Net Change in Undistributed Income	-0-	-0-
From Participation Transactions:		
Additions to Participation Accounts:		
Participant Contributions	\$ 2,254,227	\$ 2,387,930
Income Distribution	3,724,583	6,373,114
Total Additions	\$ 5,978,810	\$ 8,761,044
Deductions from Participation Accounts:		
Withdrawals	\$ 58,717	\$ 256,638
Total Deductions	\$ 58,717	\$ 256,638
Net Change in Participation Accounts	\$ 5,920,093	\$ 8,504,406
Total Change in Net Assets	\$ 5,920,093	\$ 8,504,406
Net Assets:		
Beginning of Period	\$24,753,726	\$30,673,819
End of Period	\$30,673,819	\$39,178,225

Notes to Financial Statements

1) The cost of investments at June 30 was:

	1980	1981
Common Stock	\$23,114,571	\$23,507,297
U.S. Gov't. Short-Term Securities	2,109,966	9,551,250
Commercial Paper	3,710,265	2,575,211
Total	\$28,934,802	\$35,633,758

STATE BOARD OF INVESTMENT
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND
GROWTH SHARE ACCOUNT
STATEMENT OF OPERATIONS
YEARS ENDED JUNE 30, 1980 AND 1981

	Year Ended June 30	
	1980	1981
Investment Income:		
Income		
Dividends	\$ 1,096,678	\$ 1,267,443
Short-Term Gain	373,366	1,043,043
Total Income	\$ 1,470,044	\$ 2,310,486
Expenses		
Investment Expense	\$ 283	\$ -0-
Total Expense	\$ 283	\$ -0-
Net Investment Income	\$ 1,469,761	\$ 2,310,486
Realized and Unrealized Gain (Loss) On Investments		
Realized:		
Proceeds from Sales	\$ 5,439,219	\$ 8,235,062
Cost of Securities Sold	4,452,509	5,655,676
Net Realized Gain (Loss)	\$ 986,710	2,579,386
Unrealized:		
Beginning of Period	\$ 337,239	\$ 1,605,351
End of Period	1,605,351	3,088,593
Increase (Decrease) in Unrealized Appreciation	\$ 1,268,112	\$ 1,483,242
Net Realized and Unrealized Gain (Loss) on Investments	\$ 2,254,822	\$ 4,062,628

SCHEDULE OF PARTICIPATION
JUNE 30, 1980 AND 1981

	June 30, 1980		June 30, 1981	
	Number of Shares	Market Value	Number of Shares	Market Value
Apple Valley Firemen	\$ 819	\$ 5,878	\$ 819	\$ 7,069
Bloomington Fire Dept. Relief	21,908	157,237	21,908	189,089
MSRS Deferred Compensation	820,218	5,886,839	894,435	7,719,905
Hennepin County Supplemental Ret.	627,440	4,503,240	665,170	5,741,109
St. Louis Park Fire	17,037	122,277		
St. Paul Fire Dept. - General	2,807	20,146	2,807	24,227
St. Paul Fire Dept. - Special	315,777	2,266,383	336,343	2,902,990
St. Paul Police Relief	241,858	1,735,855	295,089	2,546,925
MSRS Unclassified Employees	384,528	2,759,820	406,781	3,510,943
Teachers' Supplemental Retirement	1,841,416	13,216,144	1,915,872	16,535,968
Total Shares	\$4,273,808		\$4,539,224	
Total Participation		\$30,673,819		\$39,178,225

STATE BOARD OF INVESTMENT
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND
INCOME SHARE ACCOUNT
STATEMENT OF ASSETS & LIABILITIES
JUNE 30, 1980 AND 1981

	June 30	
	1980	1981
Assets:		
Investments (at market value) ¹		
Common Stock	\$29,160,371	\$33,030,989
Fixed Income Securities	30,185,202	33,926,077
U.S. Gov't. Short Term Securities	8,816,566	7,078,437
Commercial Paper	1,975,265	2,396,925
*Total Investments	\$70,137,404	\$76,432,428
Cash with State Treasurer	\$ 78,136	\$ 151
Accrued Interest	791,062	1,064,042
Accrued Dividends	206,198	248,438
Accrued Short-Term Gain	205,979	267,478
Total Assets	\$71,418,779	\$78,012,537
Liabilities:		
Participant Contribution Paid in Advance	\$ 68,064	\$ -0-
Security Purchases Payable	67,860	324,817
Total Liabilities	\$ 135,924	\$ 324,817
Net Assets June 30	\$71,282,855	\$77,687,720

STATEMENT OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 1980 AND 1981

	Year Ended June 30	
	1980	1981
From Investment Activity:		
Net Investment Income	\$ 5,500,011	\$ 7,208,028
Realized Gains (Losses)	2,561,200	1,038,808
Unrealized Gains (Losses)	(2,626,426)	(3,599,361)
Total Income	\$ 5,434,785	\$ 4,647,475
Less Distribution to Participant Accounts	(5,434,785)	(4,647,475)
Net Change in Undistributed Income	-0-	-0-
From Participation Transactions:		
Additions to Participation Accounts:		
Participant Contributions	\$ 7,654,259	\$ 6,271,082
Income Distribution	5,434,785	4,647,475
Total Additions	\$13,089,044	\$10,918,557
Deductions from Participation Accounts:		
Withdrawals	\$ 406,249	\$ 4,513,692
Total Deductions	\$ 406,249	\$ 4,513,692
Net Change in Participation Accounts	\$12,682,795	\$ 6,404,865
Total Change in Net Assets	\$12,682,795	\$ 6,404,865
Net Assets:		
Beginning of Period	\$58,600,060	\$71,282,855
End of Period	\$71,282,855	\$77,687,720

1) The cost of investments at June 30 was:

	1980	1981
Common Stock	\$28,005,125	\$29,448,076
Fixed Income	33,798,896	43,363,390
U.S. Gov't. Short Term Securities	8,792,781	7,258,062
Commercial Paper	1,975,265	2,396,925
Total	\$72,572,067	\$82,466,453

*The cost of loaned securities outstanding at June 30, 1981 was \$500,000.00

STATE BOARD OF INVESTMENT
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND
INCOME SHARE ACCOUNT
STATEMENT OF OPERATIONS
YEARS ENDED JUNE 30, 1980 AND 1981

	Year Ended June 30	
	1980	1981
Investment Income:		
Income		
Interest	\$ 2,624,660	\$ 3,843,382
Dividends	1,905,486	1,982,923
Short-Term Gains	970,218	1,381,723
Total Income	\$ 5,500,364	\$ 7,208,028
Expenses		
Investment Expense	\$ 353	\$ -0-
Total Expense	\$ 353	\$ -0-
Net Investment Income	\$ 5,500,011	\$ 7,208,028
Realized and Unrealized Gain (Loss) On Investments		
Realized:		
Proceeds from Sales	\$ 7,889,751	\$15,999,386
Cost of Securities Sold	5,328,551	14,960,578
Net Realized Gain (Loss)	\$ 2,561,200	\$ 1,038,808
Unrealized:		
Beginning of Period	\$ 191,762	\$(2,434,664)
End of Period	(2,434,664)	(6,034,025)
Increase (Decrease) in Unrealized Appreciation	\$(2,626,426)	\$(3,599,361)
Net Realized and Unrealized Gain (Loss) On Investments	\$ (65,226)	\$(2,560,553)

SCHEDULE OF PARTICIPATION
JUNE 30, 1980 AND 1981

	June 30, 1980		June 30, 1981	
	Number of Shares	Market Value	Number of Shares	Market Value
Albert Lea Firemen's Relief	\$ 122,096	\$ 1,281,955	\$ 124,717	\$ 1,391,362
Apple Valley Firemen's Relief	747	7,843	1,318	14,704
Bloomington Fire Dept. Relief	208,378	2,187,879	240,286	2,680,668
Bloomington Police Relief	39,368	413,347	39,368	439,196
Fairmont Police Benefit	8,022	84,228		
Faribault Police Benefit	16,728	175,637	16,728	186,620
Hennepin County Supplemental Ret.	316,961	3,327,954	377,274	4,208,928
Rochester Fire Dept. Relief	317,711	3,335,829	323,356	3,607,410
Rochester Police Pension Fund	329,011	3,454,474		
St. Cloud Fire Dept. Relief	32,217	338,265		
St. Louis Park Fire Dept. Relief	48,831	512,704	61,060	681,195
St. Louis Park Police Relief	3,116	32,717	3,116	34,763
St. Paul Fire - General	10,752	112,891	10,752	119,951
St. Paul Fire - Special	978,474	10,273,555	1,040,075	11,603,240
St. Paul Police Relief	1,319,240	13,851,451	1,456,343	16,247,192
MSRS Deferred Compensation	713,561	7,492,083	757,845	8,454,638
MSRS Unclassified Employees Escrow	627,932	6,593,015	702,727	7,839,733
So. St. Paul Policemen's Relief	4,982	52,309	4,982	55,580
Teachers' Supplemental Retirement	1,677,888	17,617,101	1,790,609	19,976,316
Winona Fire Dept. Relief	13,107	137,618	13,107	146,224
Total Shares	\$6,789,122		\$6,963,663	
Total Participation Value		\$71,282,855		\$77,687,720

STATE BOARD OF INVESTMENT
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND
FIXED RETURN ACCOUNT
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1980 AND 1981

	June 30	
	1980	1981
Assets:		
Investments (at market value) ¹		
Fixed Income Securities	\$15,812,746	\$16,543,568
U.S. Gov't. Short-Term Securities	1,882,612	5,870,531
Commercial Paper	1,596,000	926,908
*Total Investments	\$19,291,358	\$23,341,007
Cash with State Treasurer	\$ 752	\$ 537,517
Accrued Interest	534,145	901,584
Net Assets June 30	\$19,826,255	\$24,780,108

STATEMENT OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 1980 AND 1981

	Year Ended June 30	
	1980	1981
From Investment Activity:		
Net Investment Income	\$ 1,811,098	\$ 2,720,686
Realized Gains (Losses)	2,365	853
Unrealized Gains (Losses)	(1,396,342)	(3,530,370)
Total Income	\$ 417,121	\$ (808,831)
Less Distribution to Participant Accounts	(1,754,537)	(2,720,170)
Net Change in Undistributed Income	\$(1,337,416)	\$(3,529,001)
From Participation Transactions:		
Addition to Participation Accounts:		
Participant Contributions	\$ 4,928,594	\$ 6,414,091
Income Distribution	1,754,537	2,720,170
Total Additions	\$ 6,683,131	\$ 9,134,261
Deductions from Participation Accounts:		
Withdrawals	\$ 2,312,988	\$ 651,407
Total Deductions	\$ 2,312,988	\$ 651,407
Net Change in Participation Accounts	\$ 4,370,143	\$ 8,482,854
Total Change in Net Assets	\$ 3,032,727	\$ 4,953,853
Net Assets:		
Beginning of Period	\$16,793,528	\$19,826,255
End of Period	\$19,826,255	\$24,780,108

1) The cost of investments at June 30 was:

	1980	1981
Fixed Income Securities	\$17,962,139	\$22,223,969
U.S. Government Short-Term Securities	1,883,250	5,870,531
Commercial Paper	1,596,000	926,908
Total	\$21,441,389	\$29,021,408

*The cost of loaned securities outstanding at June 30, 1981 was \$900,000.00

STATE BOARD OF INVESTMENT
MINNESOTA SUPPLEMENTAL RETIREMENT INVESTMENT FUND
FIXED RETURN ACCOUNT
STATEMENT OF OPERATIONS
YEARS ENDED JUNE 30, 1980 AND 1981

	Year Ended June 30	
	1980	1981
Investment Income:		
Income		
Interest	\$ 1,527,868	\$ 1,981,316
Short Term Gain	283,275	739,370
Total Income	<u>\$ 1,811,143</u>	<u>\$ 2,720,686</u>
Expenses		
Investment Expense	\$ 45	\$ -0-
Total Expense	<u>\$ 45</u>	<u>\$ -0-</u>
Net Investment Income	<u>\$ 1,811,098</u>	<u>\$ 2,720,686</u>
Realized and Unrealized Gain (Loss) On Investments		
Realized:		
Proceeds from Sales	\$ 152,046	\$ 264,210
Cost of Securities Sold	149,681	263,357
Net Realized Gain (Loss)	<u>\$ 2,365</u>	<u>\$ 853</u>
Unrealized:		
Beginning of Period	\$ (753,689)	\$(2,150,031)
End of Period	<u>(2,150,031)</u>	<u>(5,680,401)</u>
Increase (Decrease) in Unrealized Appreciation	<u>\$(1,396,342)</u>	<u>\$(3,530,370)</u>
Net Realized and Unrealized Gain (Loss) on Investments	<u>\$(1,393,977)</u>	<u>\$(3,529,517)</u>

SCHEDULE OF PARTICIPATION
JUNE 30, 1980 AND 1981

	June 30	
	1980	1981
Albert Lea Firemen's Relief	\$ 61,303	\$ 66,729
Apple Valley Firemen's Relief	19,404	21,135
Chanhassen Fire Relief	12,004	13,077
Crookston Police Relief	95,598	104,105
MSRS Deferred Compensation	13,242,514	19,620,445
Hennepin County Supplemental Retirement	510,611	767,140
St. Paul Fire Dept. - Special	6,028,017	7,423,669
South St. Paul Police Relief	56,503	61,773
MSRS Unclassified Employees Escrow	<u>1,945,296</u>	<u>2,376,159</u>
Total Participation ²	\$21,971,250	\$30,454,232
Undistributed Earnings	5,036	6,277
Unrealized Depreciation of Investments	<u>(2,150,031)</u>	<u>(5,680,401)</u>
Total Participation and Undistributed Earnings	<u>\$19,826,255</u>	<u>\$24,780,108</u>

- 2) Withdrawals from the fixed return account are paid out pursuant to Minnesota Statutes 11A.17 Subdivision 9, which states in part that: "The value of investment shares in the fixed-return investment account shall be \$5 per share; provided, however, if the fixed-return investment account shares are redeemed by a public retirement fund where the shares are not attributable to the individual account of any person prior to the expiration of the multi-year period set by the board for the payment of the applicable assumed rate, the value of the investment shares shall be at market value. Terms as to withdrawal schedules will be agreed upon by the public retirement will fund and the state board."

STATE BOARD OF INVESTMENT
MINNESOTA VARIABLE ANNUITY FUND
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1980 AND 1981

	June 30	
	1980	1981
Assets:		
Investments (at market value) ¹		
Common Stock	\$46,658,625	\$48,383,359
Fixed Income Securities	11,300,359	8,795,786
U.S. Gov't. Short-Term Securities	4,856,450	15,483,031
Commercial Paper	4,072,570	3,750,145
*Total Investments	\$66,888,004	\$76,412,321
Cash with State Treasurer	\$ 25	\$ 8,044
Security Sales Receivable	-0-	156,347
Accrued Interest	275,053	268,523
Accrued Dividends	207,366	255,900
Accrued Short-Term Gain	88,858	368,363
Total Assets	\$67,459,306	\$77,469,498
Liabilities:		
Security Purchases Payable	\$ 152,685	\$ -0-
Total Liabilities	\$ 152,685	\$ -0-
Net Assets June 30	\$67,306,621	\$77,469,498

STATEMENT OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 1980 AND 1981

	Year Ended June 30	
	1980	1981
From Investment Activity:		
Net Investment Income	\$ 3,844,393	\$ 5,064,112
Realized Gains (Losses)	2,383,859	4,753,847
Unrealized Gains (Losses)	827,722	811,333
Total Income	\$ 7,055,974	\$10,629,292
Less Distribution to Participant Accounts	(4,375,294)	(13,194,512)
Net Change in Undistributed Income	\$ 2,680,680	\$(2,565,220)
From Participation Transactions:		
Additions to Participation Accounts:		
Participant Contributions ^{2,3}	\$ -0-	\$ -0-
Income Distribution	4,375,294	13,194,512
Total Additions	\$ 4,375,294	\$13,194,512
Deductions From Participation Accounts:		
Withdrawals	\$ 632,511	\$ 466,415
Total Deductions	\$ 632,511	\$ 466,415
Net Change in Participation Accounts	\$ 3,742,783	\$12,728,097
Total Change in Net Assets	\$ 6,423,463	\$10,162,877
Net Assets:		
Beginning of Period	\$60,883,158	\$67,306,621
End of Period	\$67,306,621	\$77,469,498

1) The cost of Investments at June 30 was:

	1980	1981
Common Stocks	\$43,566,626	\$42,193,130
Fixed Income Securities	13,497,271	13,026,353
U.S. Gov't. Short-Term Securities	4,856,450	15,736,273
Commercial Paper	4,072,570	3,750,145
Total	\$65,992,917	\$74,705,901

*The cost of loaned securities outstanding at June 30, 1981 was \$1,000,000.00

STATE BOARD OF INVESTMENT
MINNESOTA VARIABLE ANNUITY FUND
STATEMENT OF OPERATIONS
YEARS ENDED JUNE 30, 1980 AND 1981

	Year Ended June 30	
	1980	1981
Investment Income:		
Income		
Interest	\$ 1,168,182	\$ 1,134,827
Dividends	2,130,884	2,373,555
Short-Term Gain	545,742	1,555,730
Total Income	<u>\$ 3,844,808</u>	<u>\$ 5,064,112</u>
Expenses		
Investment Expense	\$ 415	\$ -0-
Total Expense	<u>\$ 415</u>	<u>\$ -0-</u>
Net Investment Income	<u>\$ 3,844,393</u>	<u>\$ 5,064,112</u>
Realized and Unrealized Gain (Loss) On Investments		
Realized:		
Proceeds from Sales	\$10,004,752	\$17,674,305
Cost of Securities Sold	7,620,893	12,920,458
Net Realized Gain (Loss)	<u>\$ 2,383,859</u>	<u>\$ 4,753,847</u>
Unrealized:		
Beginning of Period	\$ 67,365	\$ 895,087
End of Period	895,087	1,706,420
Increase (Decrease) in Unrealized Appreciation	<u>\$ 827,722</u>	<u>\$ 811,333</u>
Net Realized and Unrealized Gain (Loss) on Investments	<u>\$ 3,211,581</u>	<u>\$ 5,565,180</u>

- 2) The Admitted Value Increment at June 30, 1980 and 1981 was (\$2,564,303 and \$1,091,756 respectively. This valuation is required by Minnesota Statutes 11A.19 subdivision 5 and is the amount by which the recognized value of investments is above or below the book value of investments. The admitted value is based on an average ratio of book value to market value of the securities calculated over a two year period. This calculation is used to determine the rate of return and the increase or decrease which shall be credited to the individual member's account balances at the end of the fiscal year.
- 3) Laws of Minnesota for 1978, Chapter 781, stated in part "Effective July 1, 1978 no future employee and employer contributions shall be credited to any accounts in the variable annuity division unless the member elects continued participation. . .". Very few members of the Teachers' Retirement Fund elected to continue in the variable annuity division. There have been no contributions in the last two years. Previous contributions for all former and current participants in the variable annuity fund will remain in that fund until the participant retires or withdraws in accordance with the Teachers' Retirement Act (M.S. 354).

Participation at June 30

	1980	1981
Net Assets at June 30	\$67,306,621	\$77,469,498
Admitted Value Increment	(2,564,303)	1,091,756
	<u>\$64,742,318</u>	<u>\$78,561,254</u>
Less: Unrealized Market Appreciation	895,087	1,706,420
Accrued Short-Term Gain	88,858	368,363
Total Participation	<u>\$63,758,373</u>	<u>\$76,486,471</u>

STATE BOARD OF INVESTMENT
MINNESOTA POST RETIREMENT INVESTMENT FUND
STATEMENT OF ASSETS AND LIABILITIES
JUNE 30, 1980 AND 1981

	June 30	
	1980	1981
Assets:		
Investments (at market value) ¹		
Common Stock	\$ 470,395,401	\$ 461,189,056
Fixed Income	454,552,694	475,117,567
Convertible Debentures	937,500	-0-
U.S. Gov't. Short Term Securities	78,278,952	223,968,264
Commercial Paper	88,851,848	68,749,219
Total Investments ²	\$1,093,016,395	\$1,229,024,106
Cash with State Treasurer	\$ 1,735	\$ 19,110
Accounts Receivable	-0-	194,835
Accrued Interest	9,867,679	14,356,814
Accrued Dividends	2,751,595	2,356,744
Accrued Short Term Gain	2,470,357	4,297,890
Total Assets	\$1,108,107,761	\$1,250,249,499
Liabilities:		
Security Purchases Payable	\$ 4,912,939	\$ -0-
Total Liabilities	\$ 4,912,939	\$ -0-
Net Assets	\$1,103,194,822	\$1,250,249,499

STATEMENT OF CHANGES IN NET ASSETS
YEARS ENDED JUNE 30, 1980 AND 1981

	Year Ended June 30	
	1980	1981
From Investment Activity:		
Net Investment Income	\$ 82,772,778	\$ 104,076,105
Realized Gains (Losses)	10,989,617	38,795,343
Unrealized Gains (Losses)	(14,491,434)	(80,733,929)
Total Income	\$ 79,270,961	\$ 62,137,519
Less Distribution to Participant Accounts	(51,585,964)	(58,514,013)
Undistributed Dedicated Income	(31,213,028)	(81,783,045)
Net Change in Undistributed Income	\$ (3,528,031)	\$ (78,159,539)
From Participation Transactions:		
Additions to Participation Accounts:		
Accounts Receivable	\$ -0-	\$ 194,835
Participant Contributions	149,591,115	176,781,536
Income Distribution	51,585,964	58,514,013
Income to be Distributed Jan. 1, 1982	31,213,028	81,783,045
Total Additions	\$ 232,390,107	\$ 317,273,429
Deductions from Participation Accounts:		
Withdrawals	\$ 88,838,762	\$ 92,059,213
Total Deductions	\$ 88,838,762	\$ 92,059,213
Net Change in Net Assets	\$ 143,551,345	\$ 225,214,216
Total Change in Assets	\$ 140,023,314	\$ 147,054,677
Net Assets:		
Beginning of Period	\$ 963,171,790	\$1,103,194,822
Effect of Accounting Change	(282)	-0-
End of Period	\$1,103,194,822	\$1,250,249,499

	1980	1981
1) Cost of Investments at June 30:		
Common Stock	\$ 432,531,788	\$ 408,390,714
Fixed Income	520,807,867	637,129,252
Convertibles	1,149,410	-0-
U.S. Gov't. Short Term Securities	78,278,952	224,092,320
Commercial Paper	88,851,848	68,749,219
	\$1,121,619,865	\$1,338,361,505

2) The cost of loaned securities outstanding at June 30, 1981 was \$18,500,000.00

STATE BOARD OF INVESTMENT
MINNESOTA POST RETIREMENT INVESTMENT FUND
STATEMENT OF OPERATIONS
YEARS ENDED JUNE 30, 1980 AND 1981

	Year Ended June 30	
	1980	1981
Investment Income:		
Income		
Interest	\$ 41,611,097	\$ 57,660,226
Dividends	27,679,399	28,261,762
Short-Term Gain	13,486,204	18,154,117
Total Income	<u>\$ 82,776,700</u>	<u>\$ 104,076,105</u>
Expenses		
Investment Expense	\$ 3,922	\$ -0-
Total Expense	<u>\$ 3,922</u>	<u>\$ -0-</u>
Net Investment Income	<u>\$ 82,772,778</u>	<u>\$ 104,076,105</u>
Realized and Unrealized Gain (Loss) On Investments		
Realized:		
Proceeds from Sales	\$ 83,700,500	\$ 319,879,497
Cost of Securities Sold	72,710,883	281,084,154
Net Realized Gain (Loss)	<u>\$ 10,989,617</u>	<u>\$ 38,795,343</u>
Unrealized:		
Beginning of Period	\$ (14,112,036)	\$ (28,603,470)
End of Period	<u>(28,603,470)</u>	<u>(109,337,399)</u>
Increase (Decrease) in Unrealized Appreciation	<u>\$ (14,491,434)</u>	<u>(80,733,929)</u>
Net Realized and Unrealized Gain (Loss) on Investments	<u>\$ (3,501,817)</u>	<u>\$ (41,938,586)</u>

MINNESOTA POST RETIREMENT INVESTMENT FUND
SCHEDULE OF PARTICIPATION

	June 30		Transfer July 1, 1981	Balance July 1, 1981
	1980	1981		
Required Reserves ³				
Teachers Retirement Fund	\$ 419,241,386	\$ 477,304,586		\$ 477,304,586
Public Employees Retirement Fund	291,160,232	339,477,133		339,477,133
State Employees Retirement Fund	194,288,613	230,821,455		230,821,455
Minneapolis Municipal Employees Retirement	181,241,143	200,531,416	\$ 200,531,416	
Public Employees Police & Fire Fund	29,876,883	34,420,071		34,420,071
Highway Patrolmen's Retirement Fund	14,216,754	19,299,141		19,299,141
Legislators & Survivors Retirement Fund	2,154,750	3,507,271		3,507,271
Judges Retirement Fund	3,624,345	4,714,441		4,714,441
Total Participation ⁴	<u>\$1,135,804,106</u>	<u>\$1,310,075,514</u>	<u>\$ 200,531,416</u>	<u>\$1,109,544,098</u>
Less Annuity Stabilization Reserve ^{5,6}	35,218,842	32,271,661	5,953,776	26,317,885
	<u>\$1,100,585,264</u>	<u>\$1,277,803,853</u>	<u>\$ 194,577,640</u>	<u>\$1,083,226,213</u>
Unrealized Market (depreciation) ⁷	(28,603,470)	(109,337,399)	(16,709,642)	(92,627,757)
Undistributed Dedicated Income ⁸	31,213,028	81,783,045	12,512,806	69,270,239
Net Assets at June 30	<u>\$1,103,194,822</u>	<u>\$1,250,249,499</u>	<u>\$ 190,380,804</u>	<u>\$1,059,868,695</u>

- 3) The required reserves presented for June 30, 1981 includes the 5% actuarially assumed income distribution made pursuant to Minnesota Statutes 11A.18. Mortality gains and losses are calculated after year end by each participants actuary. Transfers to or from the Post Retirement Investment Fund for June 30, 1981 mortality will be made late in the calendar year 1981. The amount of mortality gain or loss applicable to June 30, 1981 is not reasonably estimatable and therefore no amount is included in these statements. It is not anticipated that the sum calculated for June 30, 1981 would have a material effect on these statements.
- 4) Total participation is equal to the actuarially determined required reserves. The remaining footnotes define the difference between participation and the net assets of the fund.
- 5) The annuity stabilization reserve is the difference between the actuarially determined reserves required to support benefits in force and the book value of the assets of the fund. Pursuant to Minnesota Statutes 11A.18 Subdivision 9 Clause 2C "The book value of assets on any given date shall be the net assets at cost less the excess investment income determined pursuant to Clause (1)(C)." "If the state board determines that the book value of the assets of the fund is less than an amount equal to 100 percent of the current June 30 required reserves, with the book value and required reserves to be determined after the adjustments provided for in Subdivision 11, then the board shall allocate five percent of the excess investment income as an asset of the fund. The remaining 95 percent will be termed available for distribution." Prior to the passage of Laws 1981 Chapter 159 the board was required to allocate 25 percent of the excess investment income as an asset of the fund. The Schedule of Participation presented for fiscal year 1980 was prepared based on 25 percent of the excess income being allocated to the fund.
- 6) The Deferred Yield Adjustment account at June 30, 1980 and 1981 was \$5,528,056 and \$8,038,365 respectively. This account is required by Minnesota Statutes 11A.18 Subdivision 5 and is the unamortized loss on the sale or disposition of debt securities. The account is increased by the loss on the sale of debt securities and decreased by the gain on the sale of such securities. At the end of each year a portion of the balance is offset against investment income for the year.

Deferred Yield Adjustment:	1980	1981
Beginning Balance	\$6,087,114	\$5,528,056
Net realized (Gain) Loss	238,945	3,609,068
Amortization	(798,003)	(1,098,759)
Balance at June 30	<u>\$5,528,056</u>	<u>\$8,038,365</u>

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

- 8) Pursuant to Minnesota Statutes 11A.18 Subdivision 9 this is the portion of fiscal year 1981 income which is available for distribution as a benefit increase in January 1982. This amount shall be increased by 2.5% from fiscal year 1982 income and shall be stated as a percentage of total required reserves. The amount available shall be certified to each participating pension fund for distribution to eligible individuals. Individuals receiving benefits at June 30, 1980 are eligible to receive the January 1, 1982 increase. The benefit increase for January of 1981 was 3.209% and the estimated benefit increase for January 1982 is 7.5%. Final determination of the January 1982 increase will be made late in calendar year 1981 when final actuarial calculations are completed.
- 9) Pursuant to Laws 1981 Chapter 298 Section 8; the State Board of Investment shall transfer the assets and obligations in the Minnesota Post Retirement Fund attributable to the retired members of the Minneapolis Employees Retirement Fund (MERF) to the retirement benefit fund established pursuant to Section 7.

The transfer of assets and obligations shall be based on the proportional share of required reserves of the Post Retirement Fund attributable to Minneapolis retirement funds retired members as determined by the actuary for the Legislative Commission on Pensions and Retirement. The proportional share of required reserves shall determine the proportional share of the assets transferred based on market value.

The initial transfer of assets shall equal at least 90 percent of the estimated total market value of MERF's participation in the Post Retirement fund on the established transfer date (June 30, 1981). On July 1, 1981 a transfer of assets was made to MERF totaling \$188,350,096 which equaled 98.9 percent of the estimated assets due MERF of \$190,380,804.

	<u>Transfer July 1, 1981</u>
Assets:	
Investments (at market value)	
Common Stock	\$ 69,216,225
Fixed Income	71,866,627
Short Term Securities Account	44,693,743 ^a
Total Investments	<u>\$ 185,776,595</u>
Cash with State Treasurer	
Accounts Receivable	194,835 ^b
Accrued Interest	2,362,730
Accrued Dividends	15,936
Accrued Short-Term Gain	-0-
Total Assets Transferred 7-1-81	<u>\$ 188,350,096</u>
Estimated Balance to be Transferred	<u>\$ 2,030,708^c</u>
Estimated Net Assets Due MERF	<u>\$ 190,380,804</u>

- a) The transfer for short term assets was made in cash based on 15% of the total June 30, 1981 short term holdings.
 - b) For the year ended June 30, 1980 MERF failed to transfer a sufficient amount to cover their mortality adjustment. We have therefore shown this receivable due the Post Retirement Fund as an asset transferred to M.E.R.F. effective July 1, 1981.
 - c) This is an estimate of the balance of assets still to be transferred to MERF.
- 9) Cont. The remainder of the transfer shall be in cash with interest at the average rate earned in the Post Retirement Fund short term portfolio from the established date for the transfer of assets and liabilities (June 30, 1981) to the actual date of transfer after the actuarial determination of the proportional share of reserves attributable to retired members of MERF is calculated by the actuary for the Legislative Commission on Pension and Retirement.

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TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD	%	COST	POSTPAR VALUE IN \$1000'S.....					
						SRIN	SRGR	SRFR	MYAR		
\$ 3,650,000	ACF INDUSTRIES, INC.	9.000	%	DUE 3/ 1/1991	9.000	%	3,000	0	0	150	500
733,000	ACF INDUSTRIES, INC.	8.000	%	DUE 2/ 1/1992	8.000	%	0	367	0	72	294
17,000	ACF INDUSTRIES, INC.	5.500	%	DUE 4/15/1982	6.011	%	17	0	0	0	0
3,000,000	ALBERTA GOVT TEL COM	8.000	%	DUE 6/15/1994	8.147	%	3,000	0	0	0	0
100,000	ALLIED CHEMICAL CORP.	8.375	%	DUE 4/ 1/1983	8.535	%	100	0	0	0	0
800,000	ALUMINUM CO OF CANADA	9.500	%	DUE 3/ 1/1995	9.659	%	0	800	0	0	0
150,000	AMAX	8.625	%	DUE 3/ 1/2001	8.691	%	0	0	0	150	0
5,000,000	AMAX	8.750	%	DUE 3/15/1997	8.750	%	5,000	0	0	0	0
100,000	AMERICAN BRANDS, INC.	8.125	%	DUE 3/ 1/1985	8.398	%	100	0	0	0	0
5,025,000	AMERICAN EXPRESS	10.100	%	DUE 7/ 1/1990	10.100	%	5,025	0	0	0	0
543,000	AMERICAN INVESTMENT	5.250	%	DUE 1/ 1/1991	5.250	%	543	0	0	0	0
1,047,000	AMERICAN PRES LINES	4.800	%	DUE 11/ 1/1991	5.232	%	1,047	0	0	0	0
100,000	AMERICAN TELEPHONE & TELEGRAP	7.750	%	DUE 2/ 1/1982	7.979	%	100	0	0	0	0
1,000,000	AMERICAN TELEPHONE & TELEGRAP	6.000	%	DUE 8/ 1/2000	11.765	%	0	1,000	0	0	0
150,000	ARCO PIPELINE	8.375	%	DUE 7/15/1983	8.513	%	150	0	0	0	0
100,000	ARIZONA PUBLIC SERV	9.500	%	DUE 2/15/1982	9.383	%	100	0	0	0	0
3,401,025	ARMCO STEEL CORP.	7.875	%	DUE 12/15/1996	7.875	%	3,401	0	0	0	0
5,865,313	ATLANTIC RICHFIELD CO.	9.250	%	DUE 7/15/1996	9.250	%	4,929	789	0	148	0
3,000,000	ATLANTIC RICHFIELD CO.	8.750	%	DUE 12/ 1/2001	8.750	%	3,000	0	0	0	0
2,250,000	BEATRICE FOODS CO	8.500	%	DUE 8/15/2008	8.813	%	2,250	0	0	0	0
5,000,000	BELL TEL CO OF PENNA	9.250	%	DUE 1/15/2019	12.839	%	5,000	0	0	0	0
5,800,000	BELL TELE. CO CANADA	9.500	%	DUE 6/ 1/2004	9.500	%	5,000	800	0	0	0
2,725,000	BENEFICIAL CORP.	4.600	%	DUE 3/ 1/1989	6.124	%	2,725	0	0	0	0
7,050,000	BRITISH COLUMBIA HYDRO	9.625	%	DUE 7/15/1996	9.630	%	5,150	800	0	600	500
1,175,000	BROOKLYN UNION GAS	4.625	%	DUE 4/ 1/1990	4.586	%	1,175	0	0	0	0
4,266,825	BURLINGTON NORTHERN	8.125	%	DUE 1/ 5/1993	8.125	%	4,267	0	0	0	0
4,006,427	BURLINGTON NORTHERN	8.750	%	DUE 9/ 1/1993	8.750	%	2,787	697	0	523	0
7,300,000	BURLINGTON NORTHERN	9.250	%	DUE 6/15/1998	9.250	%	7,000	0	0	300	0
221,616	BURLINGTON NORTHERN	8.500	%	DUE 7/ 3/1993	8.740	%	222	0	0	0	0
3,409,112	CANADIAN PACIFIC, LTD.	8.500	%	DUE 2/ 1/1989	8.500	%	3,409	0	0	0	0
6,230,000	CANADIAN PACIFIC, LTD.	8.625	%	DUE 1/15/1992	8.625	%	5,000	500	0	250	480
5,000,000	CENTRAL POWER & LIGHT	9.375	%	DUE 6/ 1/2004	9.787	%	5,000	0	0	0	0
373,016	CHESAPEAKE & OHIO RY	8.750	%	DUE 3/15/1989	8.750	%	0	373	0	0	0
16,000,000	CHESAPEAKE & POTOHAC TEL. VA.	9.500	%	DUE 4/15/2019	12.810	%	15,000	1,000	0	0	0
5,000,000	CIBA GEIGY CORP	9.500	%	DUE 6/ 1/2000	9.500	%	5,000	0	0	0	0
400,000	CITIES SERVICE GAS CO.	8.250	%	DUE 6/ 1/1991	8.250	%	0	400	0	0	0
1,000,000	CITIZENS UTILITIES	4.800	%	DUE 12/31/1991	4.800	%	1,000	0	0	0	0
32,000	COLUMBIA GAS SYSTEM	4.750	%	DUE 10/ 1/1981	5.278	%	32	0	0	0	0
43,000	COLUMBIA GAS SYSTEM	4.875	%	DUE 11/ 1/1983	5.652	%	43	0	0	0	0
7,300,000	COMMONWEALTH EDISON	10.000	%	DUE 4/ 1/1999	10.000	%	6,000	800	0	500	0
3,500,000	CONSOLIATED NATURAL GAS	12.875	%	DUE 10/ 1/2000	13.446	%	3,000	500	0	0	0
4,645,302	CROWN ZELLBACH. (S.T.)	8.125	%	DUE 5/ 1/1994	8.125	%	4,238	0	0	0	407
25,000	DAYTON POWER & LIGHT	3.250	%	DUE 2/ 1/1982	3.904	%	25	0	0	0	0
1,650,000	DEERE (JOHN) CREDIT	5.000	%	DUE 10/31/1990	6.049	%	1,650	0	0	0	0
168,644	DEL & HUDSON (GUAR GE)	10.500	%	DUE 9/ 1/1985	10.500	%	0	98	0	0	70
2,500,000	DIAL FINANCIAL	12.750	%	DUE 7/ 1/1990	12.750	%	2,000	0	0	500	0
7,000,000	DOW CHEMICAL COMPANY	7.875	%	DUE 7/15/2007	12.706	%	6,000	1,000	0	0	0
150,000	DRESSER INDUSTRIES	8.650	%	DUE 5/15/1985	8.918	%	150	0	0	0	0
50,000	DUKE POWER CO	3.625	%	DUE 5/ 1/1986	5.179	%	50	0	0	0	0
3,000,000	DUKE POWER COMPANY	10.125	%	DUE 5/ 1/2009	13.107	%	3,000	0	0	0	0
5,650,000	EXPORT DEVELOPMENT	8.500	%	DUE 7/15/1981	8.500	%	5,000	0	0	150	500
1,300,000	FAMILY FINANCE CORP	4.750	%	DUE 5/15/1990	4.800	%	1,300	0	0	0	0
250,000	FARRELL LINES, INC	8.350	%	DUE 6/29/1997	-8.789	%	250	0	0	0	0

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TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD @ COSTPAR VALUE IN \$1000'S.....					
			POST	SRIN	SRGR	SRFR	MVAR	
\$ 500,000	FED FARM CREDIT BK	10.950 % DUE 1/22/1990	10.950 %	0	0	0	500	0
3,000,000	FED NATL MORTGAGE ASN	8.600 % DUE 10/11/1982	8.600 %	3,000	0	0	0	0
5,000,000	FEDERAL FARM CREDIT BANKS	10.750 % DUE 10/20/1986	10.750 %	5,000	0	0	0	0
7,500,000	FEDERAL FARM CREDIT BANKS	13.250 % DUE 4/22/1985	13.250 %	6,500	1,000	0	0	0
1,300,000	FEDERAL FARM CREDIT BANKS	10.000 % DUE 12/ 1/1986	10.034 %	1,300	0	0	0	0
500,000	FEDERAL HOME LOAN BANK	11.100 % DUE 3/25/1987	11.100 %	0	0	0	500	0
500,000	FEDERAL HOME LOAN BANK	12.300 % DUE 8/25/1981	12.300 %	0	0	0	500	0
1,000,000	FEDERAL HOME LOAN BANK	12.250 % DUE 8/25/1983	12.250 %	0	1,000	0	0	0
500,000	FEDERAL HOME LOAN BANK	11.300 % DUE 11/25/1986	11.300 %	0	0	0	500	0
5,000,000	FEDERAL HOME LOAN BANK	11.000 % DUE 5/25/1984	11.000 %	5,000	0	0	0	0
2,920,458	FEDERAL HOME LOAN MORTGAGE	10.750 % DUE 7/ 1/2010	10.987 %	2,920	0	0	0	0
109,600	FEDERAL HOME LOAN MORTGAGE	8.050 % DUE 3/15/2007	8.090 %	0	0	0	110	0
3,857,657	FEDERAL HOME LOAN MTG.	12.500 % DUE 1/ 1/2010	12.763 %	3,858	0	0	0	0
9,673,958	FEDERAL HOME LOAN MTG.	14.750 % DUE 3/ 1/2010	14.852 %	9,674	0	0	0	0
200,000	FEDERAL LAND BANK	9.100 % DUE 7/20/1981	9.140 %	200	0	0	0	0
250,000	FEDERAL NATL MORTGAGE ASSN	7.750 % DUE 3/10/1987	8.367 %	250	0	0	0	0
4,500,000	FEDERAL NATL MORTGAGE ASSN	10.500 % DUE 6/10/1988	10.500 %	4,000	500	0	0	0
500,000	FEDERAL NATL MORTGAGE ASSN	14.250 % DUE 5/10/1984	14.250 %	0	500	0	0	0
5,500,000	FIRESTONE TIRE & RUBBER	9.250 % DUE 12/ 1/2004	9.338 %	5,000	0	0	0	500
5,500,000	FIRST BANK SYSTEM	8.750 % DUE 6/30/1983	8.754 %	5,000	0	0	0	500
2,000,000	FLORIDA POWER & LIGHT COMPANY	11.300 % DUE 5/ 1/2010	13.449 %	2,000	0	0	0	0
500,000	FLORIDA POWER & LIGHT COMPANY	13.300 % DUE 11/ 1/1990	13.747 %	0	0	0	500	0
3,000,000	FLORIDA POWER & LIGHT COMPANY	12.125 % DUE 11/ 1/2009	13.630 %	3,000	0	0	0	0
500,000	FLORIDA POWER CORP.	13.625 % DUE 4/ 1/1987	13.787 %	0	0	0	500	0
5,800,000	FMC CORP	9.500 % DUE 1/15/2000	9.596 %	4,850	800	0	150	0
6,500,000	FORD LEASING DEVELOPT	9.500 % DUE 3/15/2004	9.500 %	5,000	1,000	0	500	0
2,000,000	FORD MOTOR COMPANY	9.250 % DUE 7/15/1994	9.275 %	1,850	0	0	150	0
5,800,000	FORD MOTOR CREDIT CO	8.700 % DUE 4/ 1/1999	8.921 %	5,000	800	0	0	0
14,000,000	GENERAL MOTORS ACCEPT CORP	6.000 % DUE 4/ 1/2011	13.480 %	13,000	1,000	0	0	0
1,000,000	GENERAL TEL CO (FLA)	4.500 % DUE 5/ 1/1993	5.505 %	1,000	0	0	0	0
2,500,000	GENERAL TEL CO MIDW	7.750 % DUE 5/ 1/1999	7.750 %	2,500	0	0	0	0
1,048,351	GNMA POOL # 03818	8.000 % DUE 4/15/2004	8.939 %	1,048	0	0	0	0
83,714	GNMA POOL # 04054	8.500 % DUE 10/15/2004	8.953 %	84	0	0	0	0
669,092	GNMA POOL # 04086	8.000 % DUE 5/15/2004	8.939 %	669	0	0	0	0
122,966	GNMA POOL # 04122	8.250 % DUE 7/15/2004	8.271 %	0	0	0	0	123
1,821,848	GNMA POOL # 04137	9.000 % DUE 10/15/2004	9.427 %	1,822	0	0	0	0
747,941	GNMA POOL # 04149	8.500 % DUE 9/15/2004	9.164 %	748	0	0	0	0
567,371	GNMA POOL # 04168	9.000 % DUE 9/15/2004	9.645 %	567	0	0	0	0
38,416	GNMA POOL # 04225	8.500 % DUE 9/15/2004	8.953 %	38	0	0	0	0
1,463,012	GNMA POOL # 04278	9.000 % DUE 10/15/2004	9.363 %	1,463	0	0	0	0
597,018	GNMA POOL # 04471	9.000 % DUE 11/15/2004	9.651 %	597	0	0	0	0
523,295	GNMA POOL # 04507	9.000 % DUE 10/15/2004	9.645 %	523	0	0	0	0
493,851	GNMA POOL # 04714	8.250 % DUE 10/15/2004	8.349 %	494	0	0	0	0
790,525	GNMA POOL # 06356	8.000 % DUE 7/15/2005	8.045 %	791	0	0	0	0
568,970	GNMA POOL # 06970	8.500 % DUE 1/15/2006	8.525 %	569	0	0	0	0
249,187	GNMA POOL # 08073	8.500 % DUE 1/15/2006	8.953 %	249	0	0	0	0
529,173	GNMA POOL # 08296	8.500 % DUE 2/15/2006	8.525 %	529	0	0	0	0
300,862	GNMA POOL # 08437	8.500 % DUE 2/15/2006	8.525 %	301	0	0	0	0
1,379,031	GNMA POOL # 08803	8.250 % DUE 4/15/2006	8.354 %	1,379	0	0	0	0
740,376	GNMA POOL # 08961	8.250 % DUE 5/15/2006	8.349 %	740	0	0	0	0
1,259,755	GNMA POOL # 09105	8.250 % DUE 3/15/2006	8.339 %	1,260	0	0	0	0
1,299,759	GNMA POOL # 09204	8.500 % DUE 2/15/2006	8.545 %	1,300	0	0	0	0
209,361	GNMA POOL # 09228	8.000 % DUE 5/15/2006	8.743 %	209	0	0	0	0

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TOTAL						PAR VALUE IN \$1000'S.....				
PAR VALUE	SECURITY DESCRIPTION	YLD	@	COST	POST	SRIN	SRGR	SRFR	MVAR		
\$ 838,068	GNMA POOL # 09678	8.000	%	DUE 8/15/2006	8.045	%	838	0	0	0	0
2,607,850	GNMA POOL # 09760	8.250	%	DUE 5/15/2006	8.333	%	2,608	0	0	0	0
13,135	GNMA POOL # 09797	8.000	%	DUE 5/15/2006	8.292	%	0	0	0	13	0
755,200	GNMA POOL # 10182	8.000	%	DUE 5/15/2006	8.045	%	755	0	0	0	0
582,525	GNMA POOL # 10278	8.000	%	DUE 6/15/2006	8.045	%	583	0	0	0	0
398,070	GNMA POOL # 10375	8.250	%	DUE 5/15/2006	8.278	%	0	0	0	398	0
818,337	GNMA POOL # 10397	8.000	%	DUE 8/15/2006	8.391	%	818	0	0	0	0
180,864	GNMA POOL # 10697	8.000	%	DUE 7/15/2006	8.391	%	181	0	0	0	0
315,370	GNMA POOL # 10805	8.000	%	DUE 10/15/2006	8.043	%	315	0	0	0	0
718,458	GNMA POOL # 10810	8.000	%	DUE 7/15/2006	8.045	%	718	0	0	0	0
1,313,394	GNMA POOL # 10904	8.000	%	DUE 8/15/2006	8.391	%	1,313	0	0	0	0
643,585	GNMA POOL # 10910	8.000	%	DUE 9/15/2006	8.045	%	644	0	0	0	0
582,748	GNMA POOL # 10960	8.000	%	DUE 7/15/2006	8.071	%	583	0	0	0	0
719,601	GNMA POOL # 10961	8.000	%	DUE 8/15/2006	8.071	%	720	0	0	0	0
842,546	GNMA POOL # 10975	8.000	%	DUE 8/15/2006	8.045	%	843	0	0	0	0
1,311,760	GNMA POOL # 11057	8.000	%	DUE 9/15/2006	8.043	%	1,312	0	0	0	0
718,281	GNMA POOL # 11304	8.000	%	DUE 7/15/2006	8.045	%	718	0	0	0	0
573,491	GNMA POOL # 11312	8.000	%	DUE 9/15/2006	8.071	%	573	0	0	0	0
758,384	GNMA POOL # 11639	8.000	%	DUE 10/15/2006	8.043	%	758	0	0	0	0
638,695	GNMA POOL # 11780	8.000	%	DUE 2/15/2007	8.026	%	639	0	0	0	0
618,054	GNMA POOL # 11828	8.000	%	DUE 9/15/2006	8.071	%	0	618	0	0	0
1,279,038	GNMA POOL # 12312	8.000	%	DUE 10/15/2006	8.071	%	1,279	0	0	0	0
369,257	GNMA POOL # 12527	8.000	%	DUE 10/15/2006	8.743	%	369	0	0	0	0
1,497,131	GNMA POOL # 12624	8.000	%	DUE 12/15/2006	8.043	%	1,497	0	0	0	0
1,397,026	GNMA POOL # 12692	8.000	%	DUE 10/15/2006	8.043	%	1,397	0	0	0	0
784,005	GNMA POOL # 12712	8.000	%	DUE 10/15/2006	8.292	%	0	784	0	0	0
339,867	GNMA POOL # 13003	8.000	%	DUE 10/15/2006	8.043	%	340	0	0	0	0
678,167	GNMA POOL # 13338	8.000	%	DUE 11/15/2006	8.045	%	678	0	0	0	0
714,240	GNMA POOL # 13439	8.000	%	DUE 10/15/2006	8.043	%	714	0	0	0	0
748,121	GNMA POOL # 13548	8.000	%	DUE 1/15/2007	8.043	%	748	0	0	0	0
906,012	GNMA POOL # 13653	8.000	%	DUE 10/15/2006	8.350	%	906	0	0	0	0
546,822	GNMA POOL # 13844	8.000	%	DUE 1/15/2007	8.045	%	547	0	0	0	0
729,311	GNMA POOL # 14185	8.000	%	DUE 12/15/2006	8.056	%	0	729	0	0	0
835,294	GNMA POOL # 14575	8.000	%	DUE 7/15/2007	8.026	%	835	0	0	0	0
196,271	GNMA POOL # 15955	8.000	%	DUE 8/15/2007	8.292	%	0	0	0	196	0
834,444	GNMA POOL # 16214	8.000	%	DUE 7/15/2007	8.044	%	834	0	0	0	0
767,383	GNMA POOL # 16805	8.000	%	DUE 8/15/2007	8.153	%	767	0	0	0	0
855,076	GNMA POOL # 17081	8.000	%	DUE 7/15/2007	8.026	%	855	0	0	0	0
408,860	GNMA POOL # 17086	8.000	%	DUE 11/15/2007	8.205	%	0	0	0	409	0
823,431	GNMA POOL # 17398	8.000	%	DUE 8/15/2007	8.044	%	823	0	0	0	0
902,265	GNMA POOL # 17424	8.000	%	DUE 7/15/2007	8.044	%	902	0	0	0	0
822,375	GNMA POOL # 17467	8.000	%	DUE 7/15/2007	8.044	%	822	0	0	0	0
392,597	GNMA POOL # 17606	8.000	%	DUE 7/15/2007	8.081	%	0	0	0	393	0
657,038	GNMA POOL # 17784	8.000	%	DUE 7/15/2007	8.044	%	657	0	0	0	0
750,628	GNMA POOL # 17891	8.000	%	DUE 7/15/2007	8.026	%	751	0	0	0	0
851,315	GNMA POOL # 17929	8.000	%	DUE 8/15/2007	8.026	%	851	0	0	0	0
816,838	GNMA POOL # 17945	8.000	%	DUE 12/15/2007	8.340	%	0	817	0	0	0
790,886	GNMA POOL # 18063	8.000	%	DUE 7/15/2007	8.292	%	0	0	0	0	791
819,388	GNMA POOL # 18077	8.000	%	DUE 7/15/2007	8.044	%	819	0	0	0	0
236,459	GNMA POOL # 18516	8.000	%	DUE 9/15/2007	8.743	%	236	0	0	0	0
777,671	GNMA POOL # 18611	8.000	%	DUE 7/15/2007	8.026	%	778	0	0	0	0
1,804,947	GNMA POOL # 19672	8.000	%	DUE 2/15/2008	8.350	%	1,805	0	0	0	0
876,971	GNMA POOL # 19774	8.000	%	DUE 11/15/2007	8.104	%	0	877	0	0	0

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TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD @ COSTPAR VALUE IN \$1000'S.....					
			POST	SRIN	SRGR	SRFR	MVAR	
\$ 884,475	GNMA POOL # 20041	8.000 % DUE 3/15/2008	8.454 %	884	0	0	0	0
943,715	GNMA POOL # 20413	8.000 % DUE 1/15/2008	8.459 %	944	0	0	0	0
874,938	GNMA POOL # 20746	8.000 % DUE 12/15/2007	8.454 %	875	0	0	0	0
845,384	GNMA POOL # 20952	8.000 % DUE 10/15/2007	8.153 %	845	0	0	0	0
871,188	GNMA POOL # 21467	8.000 % DUE 12/15/2007	8.350 %	871	0	0	0	0
825,533	GNMA POOL # 21480	8.000 % DUE 1/15/2008	8.350 %	826	0	0	0	0
912,688	GNMA POOL # 21652	8.000 % DUE 2/15/2008	8.350 %	913	0	0	0	0
1,885,913	GNMA POOL # 21878	8.000 % DUE 4/15/2008	8.459 %	1,886	0	0	0	0
906,987	GNMA POOL # 21982	8.000 % DUE 1/15/2008	8.380 %	907	0	0	0	0
868,521	GNMA POOL # 22676	8.000 % DUE 2/15/2008	8.350 %	869	0	0	0	0
917,488	GNMA POOL # 23016	8.000 % DUE 1/15/2008	8.350 %	917	0	0	0	0
775,392	GNMA POOL # 23067	8.000 % DUE 2/15/2008	8.350 %	0	0	0	0	775
815,996	GNMA POOL # 23098	8.000 % DUE 1/15/2008	8.350 %	816	0	0	0	0
4,675,059	GNMA POOL # 23139	8.000 % DUE 5/15/2008	8.702 %	4,675	0	0	0	0
904,435	GNMA POOL # 24837	8.000 % DUE 4/15/2008	8.380 %	904	0	0	0	0
875,043	GNMA POOL # 24978	8.000 % DUE 4/15/2008	8.380 %	875	0	0	0	0
4,657,762	GNMA POOL # 26980	9.000 % DUE 10/15/2008	9.023 %	4,658	0	0	0	0
2,987,038	GNMA POOL # 31210	9.500 % DUE 7/15/2009	9.725 %	2,987	0	0	0	0
4,868,237	GNMA POOL # 33172	9.500 % DUE 7/15/2009	9.794 %	4,868	0	0	0	0
3,949,259	GNMA POOL # 34007	9.500 % DUE 9/15/2009	9.781 %	3,949	0	0	0	0
2,964,732	GNMA POOL # 34126	9.500 % DUE 8/15/2009	9.762 %	2,965	0	0	0	0
2,992,894	GNMA POOL # 36068	9.500 % DUE 10/15/2009	10.326 %	2,993	0	0	0	0
2,992,366	GNMA POOL # 42194	11.500 % DUE 10/15/2010	12.530 %	2,992	0	0	0	0
4,941,688	GNMA POOL # 42691	11.000 % DUE 8/15/2010	11.556 %	4,942	0	0	0	0
6,993,066	GNMA POOL # 43600	12.500 % DUE 11/15/2010	13.029 %	6,993	0	0	0	0
3,988,020	GNMA POOL # 44539	11.500 % DUE 10/15/2010	12.530 %	3,988	0	0	0	0
44,747	GOODYEAR TIRE & RUBBER	9.250 % DUE 3/ 1/1982	9.091 %	45	0	0	0	0
2,387,000	GOULD, INC.	9.250 % DUE 2/15/1995	9.446 %	2,387	0	0	0	0
200,000	HARBOR TUG & BARGE	8.150 % DUE 3/15/2001	8.402 %	200	0	0	0	0
1,500,000	HAWAIIAN TELEPHONE	13.375 % DUE 10/ 1/2010	13.626 %	0	1,000	0	500	0
29,511	HERCULES, INC.	10.250 % DUE 1/ 1/1983	9.856 %	30	0	0	0	0
3,000,000	HERTZ CORPORATION	9.500 % DUE 2/15/1999	9.500 %	3,000	0	0	0	0
5,500,000	HONEYWELL FINANCE INC.	8.200 % DUE 12/15/1998	8.200 %	5,000	0	0	0	500
600,000	HOUSTON LIGHTING & POWER	13.875 % DUE 2/ 1/1991	14.058 %	0	0	0	600	0
1,000,000	HOUSTON LIGHTING & POWER	12.000 % DUE 6/ 1/2010	13.420 %	1,000	0	0	0	0
250,000	HOUSTON LIGHTING & POWER	8.375 % DUE 10/ 1/2006	8.417 %	0	0	0	250	0
150,000	INGERSOLL RAND CO.	8.750 % DUE 5/ 1/1985	8.794 %	150	0	0	0	0
250,000	IOWA-ILL GAS & ELEC	8.250 % DUE 1/15/2007	8.312 %	0	0	0	250	0
150,000	J.C. PENNEY FINANCIAL	9.450 % DUE 10/15/1981	9.403 %	150	0	0	0	0
500,000	KANSAS POWER & LIGHT	8.125 % DUE 6/ 1/2007	8.166 %	0	0	0	0	500
3,000,000	LACHMAR HULL 54 US	14.000 % DUE 12/31/1989	14.000 %	3,000	0	0	0	0
7,320,329	LNH ACCEPTANCE CORP	9.100 % DUE 12/ 1/1986	9.100 %	6,797	0	0	523	0
1,000,000	LONG ISLAND LIGHTING	4.400 % DUE 4/ 1/1993	4.400 %	1,000	0	0	0	0
1,950,000	LOUISIANA LAND & EXPL.	8.250 % DUE 12/ 1/1994	8.250 %	1,950	0	0	0	0
5,417,730	LOUISVILLE & NASHVILLE	9.000 % DUE 10/20/1991	9.000 %	4,794	480	0	144	0
94,023	LOUISVILLE & NASHVILLE	8.375 % DUE 4/20/1992	8.375 %	0	0	0	94	0
193,447	LOUISVILLE & NASHVILLE	8.125 % DUE 4/20/1988	8.442 %	193	0	0	0	0
250,000	MACHILLAN BLOEDEL, LTD	5.450 % DUE 10/ 1/1990	5.450 %	250	0	0	0	0
5,016,000	MACHILLAN BLOEDEL, LTD	8.750 % DUE 7/ 1/1994	8.750 %	4,576	0	0	0	440
50,000	MACHILLAN BLOEDEL, LTD	6.500 % DUE 7/15/1992	8.025 %	50	0	0	0	0
5,840,000	MANITOBA HYDRO ELEC BD	7.650 % DUE 10/15/1997	7.650 %	4,940	500	0	0	400
1,020,000	MANITOBA, PROVINCE OF	7.875 % DUE 4/ 1/1994	7.896 %	1,020	0	0	0	0
3,800,000	MARATHON OIL COMPANY	8.500 % DUE 2/ 1/2000	8.561 %	3,000	800	0	0	0

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TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD @ COSTPAR VALUE IN \$1000'S.....				
			POST	SRIN	SRGR	SRFR	MVAR
\$ 9,000,000	MARTIN-MARIETTA CORP.	7.000 % DUE 3/15/2011 12.740 %	9,000	0	0	0	0
1,300,000	MINNESOTA GAS COMPANY	9.250 % DUE 11/15/1981 9.282 %	0	800	0	0	500
5,150,000	MINNESOTA POWER & L.	10.500 % DUE 8/ 1/2005 10.500 %	5,000	0	0	150	0
5,000,000	MINNESOTA POWER & L.	8.700 % DUE 9/ 1/2006 8.700 %	5,000	0	0	0	0
2,800,000	MISSOURI PACIFIC RR	12.750 % DUE 6/ 1/1995 12.750 %	1,867	933	0	0	0
3,466,667	MISSOURI PACIFIC RR	9.750 % DUE 6/ 1/1994 9.750 %	3,033	0	0	433	0
5,000,000	MONSANTO CO.	8.750 % DUE 5/15/2008 12.648 %	3,000	0	0	0	0
500,000	MONTANA POWER COMPANY	8.750 % DUE 12/ 1/1981 8.750 %	0	0	0	0	500
400,000	MONTGOMERY WARD CREDIT	8.250 % DUE 6/30/2002 8.335 %	0	0	0	400	0
250,000	MONTGOMERY WARD CREDIT	8.625 % DUE 9/15/1986 8.938 %	250	0	0	0	0
4,925,000	MONTGOMERY WARD CREDIT	8.375 % DUE 10/ 1/2002 8.478 %	3,125	850	0	400	550
500,000	MOORE BUSINESS FORMS	7.900 % DUE 10/ 1/1996 7.900 %	0	500	0	0	0
1,228,000	MOUNTAIN FUEL SUPPOB	4.875 % DUE 9/ 1/1986 4.837 %	1,228	0	0	0	0
7,000,000	MOUNTAIN STATES TEL & TEL	7.750 % DUE 6/ 1/2013 12.960 %	7,000	0	0	0	0
8,825,000	MOUNTAIN STATES TEL & TEL	8.625 % DUE 4/ 1/2018 13.032 %	8,825	0	0	0	0
358,000	N. BRUNSWICK ELEC PWR	7.875 % DUE 4/ 1/1998 7.875 %	0	0	0	0	358
150,000	NATIONAL RURAL UTILITIES	8.950 % DUE 2/ 1/1985 9.040 %	150	0	0	0	0
5,000,000	NEW YORK TELEPHONE COMPANY	8.000 % DUE 7/15/2008 8.460 %	5,000	0	0	0	0
50,000	NORTHERN STATES POWER	3.250 % DUE 6/ 1/1982 3.757 %	50	0	0	0	0
3,525,000	NORTHERN STATES POWER CO. MIN	8.375 % DUE 1/ 1/2004 8.682 %	2,500	625	0	400	0
4,500,000	NORTHWEST BANCORP	7.750 % DUE 3/15/2003 7.750 %	4,000	0	0	0	500
5,600,000	NORTHWEST BANCORP	7.875 % DUE 9/15/1986 7.885 %	4,800	800	0	0	0
9,500,000	NORTHWESTERN BELL TEL. CO.	9.500 % DUE 8/15/2016 12.943 %	8,500	1,000	0	0	0
6,000,000	NORTON SIMON, INC.	9.875 % DUE 6/ 1/2004 9.875 %	6,000	0	0	0	0
500,000	NOVA SCOTIA POWER COMM	8.125 % DUE 7/15/1998 8.147 %	0	0	0	0	500
3,500,000	NOVA SCOTIA POWER COMM	7.750 % DUE 3/15/1997 7.793 %	3,500	0	0	0	0
6,900,000	NOVA SCOTIA POWER CORP	9.625 % DUE 6/ 1/2008 9.722 %	6,400	0	0	500	0
150,000	OCCIDENTAL PETROLEUM	11.000 % DUE 5/15/1982 10.590 %	150	0	0	0	0
500,000	OHIO EDISON COMPANY	15.500 % DUE 4/15/2010 15.500 %	0	0	0	500	0
5,124,600	OLYMPIC PIPELINE CO.	8.850 % DUE 9/ 1/2001 8.850 %	4,880	0	0	245	0
7,465,500	ONTARIO HYDRO	9.500 % DUE 3/15/1996 9.500 %	3,670	756	0	567	473
1,700,000	ONTARIO PROVINCE OF CANADA	9.125 % DUE 6/15/2005 9.293 %	0	1,000	0	700	0
7,500,000	ONTARIO, PROVINCE OF	9.375 % DUE 6/ 1/2008 9.375 %	7,000	500	0	0	0
7,420,000	ONTARIO, PROVINCE OF	9.375 % DUE 11/30/2008 9.486 %	6,920	0	0	500	0
2,937,000	OWENS ILLINOIS INC.	5.000 % DUE 2/ 1/1991 6.923 %	2,937	0	0	0	0
5,300,000	OWENS ILLINOIS INC.	10.375 % DUE 6/ 1/1990 10.427 %	5,300	0	0	0	0
50,000	PACIFIC GAS & ELECTRIC	3.125 % DUE 6/ 1/1984 4.274 %	50	0	0	0	0
250,000	PACIFIC GAS & ELECTRIC CO.	7.750 % DUE 12/ 1/2005 7.974 %	0	0	0	250	0
3,500,000	PACIFIC TEL & TEL CO.	15.000 % DUE 11/ 1/2020 15.046 %	3,000	500	0	0	0
30,000	PACIFIC TELE & TELE	4.625 % DUE 11/ 1/1990 6.839 %	30	0	0	0	0
100,000	PENNWALT CORPORATION	9.000 % DUE 4/15/1985 9.000 %	100	0	0	0	0
45,000	PHILADELPHIA ELECTRIC CO.	3.250 % DUE 1/ 1/1982 3.904 %	45	0	0	0	0
650,000	PLANTATION PIPE LINE	7.875 % DUE 10/ 1/2001 7.965 %	0	400	0	250	0
2,415,000	PUBLIC SERV ELEC GAS	4.625 % DUE 9/ 1/1994 5.389 %	2,415	0	0	0	0
4,000,000	PUBLIC SERVICE CO OF IND.	12.125 % DUE 9/ 1/1990 12.251 %	3,000	0	0	1,000	0
5,250,000	PUBLIC SERVICE CO OF IND.	7.625 % DUE 1/ 1/2007 7.707 %	5,000	0	0	250	0
8,000,000	PUBLIC SERVICE ELECTRIC & GAS	8.250 % DUE 6/ 1/2007 8.389 %	7,000	0	0	500	500
45,000	QUEBEC HYDRO ELEC COMM	4.250 % DUE 12/ 1/1981 4.964 %	45	0	0	0	0
1,800,000	RALSTON PURINA	8.750 % DUE 11/ 1/1989 8.750 %	1,800	0	0	0	0
1,431,061	RALSTON PURINA	8.000 % DUE 12/31/1982 8.000 %	1,334	0	0	97	0
5,000,000	RAYTHEON CO	8.250 % DUE 7/ 1/1996 8.376 %	5,000	0	0	0	0
1,110,000	ROCHESTER TELEPHONE	4.750 % DUE 9/ 1/1993 5.472 %	1,110	0	0	0	0
500,000	ROHM & HAAS COMPANY	9.000 % DUE 4/15/1985 9.000 %	0	500	0	0	0

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TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD @ COSTPAR VALUE IN \$1000'S.....					
			POST	SRIN	SRGR	SRFR	HVAR	
\$ 8,300,000	SASKATCH., PROVINCE OF	9.250 % DUE 4/15/2008	9.250 %	7,000	700	0	600	0
1,218,000	SCOVILL MFG CO	4.800 % DUE 9/15/1990	5.274 %	1,218	0	0	0	0
2,725,000	SEABOARD AIR	4.625 % DUE 12/ 1/1988	5.165 %	2,725	0	0	0	0
2,460,409	SEABOARD COAST LINE RR	9.000 % DUE 4/ 1/1992	9.000 %	2,214	0	0	246	0
5,212,179	SEABOARD COAST LINE RR	8.250 % DUE 10/ 1/1992	8.250 %	4,826	0	0	386	0
6,185,709	SEABOARD COAST LINE RR	9.625 % DUE 9/ 1/1993	9.625 %	6,186	0	0	0	0
4,500,000	SEAFIRST CORP	10.500 % DUE 6/ 1/1990	10.553 %	4,000	500	0	0	0
100,000	SEARS ROEBUCK ACCEPT	5.000 % DUE 7/15/1982	5.731 %	100	0	0	0	0
1,710,000	SHELL CANADA, LTD	7.500 % DUE 1/ 1/1994	7.524 %	1,710	0	0	0	0
950,000	SHELL OIL CO	5.000 % DUE 3/15/1991	5.000 %	950	0	0	0	0
3,700,000	SOUTHERN BELL TEL & TEL	12.875 % DUE 10/ 5/2020	13.679 %	3,200	500	0	0	0
6,500,000	SOUTHERN BELL TEL & TEL	10.900 % DUE 12/ 1/2019	13.387 %	6,000	500	0	0	0
9,450,000	SOUTHERN BELL TEL & TEL	7.625 % DUE 3/15/2013	9.514 %	8,000	700	0	250	500
100,000	SOUTHERN CALIFORNIA EDISON	4.625 % DUE 9/ 1/1983	5.539 %	100	0	0	0	0
2,756,766	SOUTHERN PACIFIC TRANS	9.500 % DUE 3/ 1/1991	9.500 %	2,757	0	0	0	0
200,000	SOUTHWEST. INVESTMENT	8.500 % DUE 10/15/1986	9.103 %	200	0	0	0	0
5,000,000	SOUTHWESTERN BELL TEL CO	7.625 % DUE 10/ 1/2013	12.605 %	5,000	0	0	0	0
5,000,000	SOUTHWESTERN BELL TEL CO	8.750 % DUE 9/ 1/2018	13.119 %	5,000	0	0	0	0
5,000,000	SOUTHWESTERN BELL TEL CO	9.625 % DUE 3/15/2019	12.972 %	5,000	0	0	0	0
450,000	SPRAGUE ELECTRIC CO	4.375 % DUE 9/ 1/1988	4.376 %	450	0	0	0	0
2,904,200	STANDARD OIL (INDIANA)	8.250 % DUE 11/ 1/1999	8.250 %	2,904	0	0	0	0
2,521,543	STANDARD OIL (INDIANA)	7.500 % DUE 10/ 1/2000	7.568 %	1,730	791	0	0	0
4,400,000	STANDARD OIL CO OHIO	8.500 % DUE 1/ 1/2000	8.679 %	4,400	0	0	0	0
1,395,137	STANDARD OIL OF CALIF.	7.700 % DUE 3/30/1997	7.700 %	1,260	135	0	0	0
1,305,128	STANDARD OIL OF CALIF.	7.700 % DUE 3/ 2/1997	7.700 %	1,170	135	0	0	0
1,350,132	STANDARD OIL OF CALIF.	7.700 % DUE 2/10/1997	7.700 %	1,170	180	0	0	0
274,287	STANDARD OIL OF CALIF.	7.700 % DUE 9/ 7/1997	7.700 %	0	91	0	0	183
228,572	STANDARD OIL OF CALIF.	7.700 % DUE 9/ 8/1997	7.700 %	0	91	0	0	137
228,572	STANDARD OIL OF CALIF.	7.700 % DUE 11/ 6/1997	7.700 %	0	91	0	0	137
5,109,804	STANDARD OIL OF CALIF.	8.500 % DUE 7/ 2/1999	8.500 %	4,965	0	0	145	0
150,000	STANDARD OIL OF INDIANA	9.200 % DUE 7/15/2004	9.068 %	0	0	0	150	0
2,230,000	STATES STEAMSHIP CO	5.100 % DUE 3/31/1993	5.100 %	2,230	0	0	0	0
5,500,000	STUDEBAKER-WORTHINGTON	9.350 % DUE 11/15/2003	9.350 %	5,000	0	0	0	500
810,000	SUN OIL CO	5.750 % DUE 7/ 1/1991	5.750 %	810	0	0	0	0
3,516,000	TEXACO, INC.	7.750 % DUE 12/ 1/2001	7.750 %	3,516	0	0	0	0
150,000	TEXAS EASTERN TRANSMISSION	10.000 % DUE 7/ 1/1985	9.524 %	150	0	0	0	0
3,000,000	TEXAS POWER & LIGHT	8.600 % DUE 1/ 1/2006	12.905 %	3,000	0	0	0	0
2,500,000	TEXAS POWER & LIGHT	9.375 % DUE 2/ 1/2009	13.153 %	2,500	0	0	0	0
250,000	TEXAS POWER & LIGHT CO	8.250 % DUE 2/ 1/2007	8.260 %	0	0	0	250	0
125,000	U.S. STEEL CORP.	4.500 % DUE 4/15/1986	5.625 %	125	0	0	0	0
75,000	U.S.A. TREASURY BOND	3.250 % DUE 6/15/1983	3.976 %	75	0	0	0	0
15,000,000	U.S.A. TREASURY BOND	7.625 % DUE 2/15/2007	11.480 %	14,000	1,000	0	0	0
4,000,000	U.S.A. TREASURY BOND	12.750 % DUE 11/15/2010	12.884 %	0	4,000	0	0	0
5,900,000	U.S.A. TREASURY BOND	11.500 % DUE 11/15/1995	12.923 %	4,500	1,400	0	0	0
12,000,000	U.S.A. TREASURY BOND	11.750 % DUE 2/15/2001	12.454 %	12,000	0	0	0	0
500,000	U.S.A. TREASURY BOND	8.625 % DUE 11/15/1993	8.639 %	0	0	0	500	0
9,000,000	U.S.A. TREASURY BOND	9.125 % DUE 5/15/2009	11.916 %	9,000	0	0	0	0
3,600,000	U.S.A. TREASURY BOND	10.375 % DUE 11/15/2009	11.337 %	0	1,500	600	0	1,500
400,000	U.S.A. TREASURY NOTE	7.875 % DUE 5/15/1983	8.077 %	400	0	0	0	0
1,500,000	U.S.A. TREASURY NOTE	9.000 % DUE 2/15/1987	9.005 %	0	1,000	0	500	0
150,000	U.S.A. TREASURY NOTE	8.000 % DUE 2/15/1983	8.142 %	150	0	0	0	0
2,000,000	U.S.A. TREASURY NOTE	10.750 % DUE 11/15/1989	10.219 %	2,000	0	0	0	0
1,500,000	U.S.A. TREASURY NOTE	11.875 % DUE 9/30/1982	11.797 %	0	0	0	0	1,500

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	TOTAL PAR VALUE	SECURITY DESCRIPTION	YLD @ COSTPAR VALUE IN \$1000'S.....					
				POST	SRIN	SRGR	SRFR	MVAR	
\$	250,000	UNION OIL OF CALIFORNIA	8.625 % DUE 3/ 1/2006	8.617 %	0	0	0	250	0
	4,000,000	UNION TANK CAR	9.500 % DUE 12/15/1995	9.500 %	4,000	0	0	0	0
	5,400,000	UNITED ILLUMINATING CO	8.500 % DUE 11/15/1997	8.500 %	4,900	0	0	0	500
	4,500,000	USLIFE CORP.	12.500 % DUE 10/15/1990	12.563 %	3,500	500	0	500	0
	25,000	VIRGINIA ELEC. & POWER	3.375 % DUE 12/ 1/1981	3.959 %	25	0	0	0	0
	60,000	VIRGINIA ELEC. & POWER	4.500 % DUE 12/ 1/1987	6.250 %	60	0	0	0	0
	1,000,000	WASHINGTON GAS & LIGHT	5.200 % DUE 3/ 1/1991	5.843 %	1,000	0	0	0	0
	800,000	WELLS FARGO & COMPANY	8.625 % DUE 11/ 1/1998	8.625 %	0	800	0	0	0
	6,375,000	WELLS FARGO & COMPANY	11.550 % DUE 1/15/1983	11.550 %	4,875	1,000	0	500	0
	68,000	YOUNGSTOWN SHEET TUBE	4.600 % DUE 7/ 1/1995	4.600 %	68	0	0	0	0
\$	777,726,245	GRAND TOTAL		9.915 %	690,659	47,908	600	22,440	16,119

STATE OF MINNESOTA
STATE BOARD OF INVESTMENT

ALPHABETICAL EQUITY SECURITIES LISTING
JUNE 30, 1981

# OF SHARES	SECURITY	ADVISOR	MARKET VALUE	# OF SHARES	SECURITY	ADVISOR	MARKET VALUE
10,000	ACF INDUSTRIES INCORPORATED	POST RETIREMENT FUND	1,780,000	7,000	CITICORP	MINN. VARIABLE ANNUITY FUND	189,000
103,000	AETNA LIFE & CASUALTY COMPANY	POST RETIREMENT FUND	4,094,250	120,400	COCA COLA COMPANY	POST RETIREMENT FUND	4,183,900
12,000	AIR PRODUCTS & CHEMICALS INC.	SUPPLEMENTAL RET. GROWTH SHA	472,500	19,000	COCA COLA COMPANY	MINN. VARIABLE ANNUITY FUND	440,250
19,201	AIR PRODUCTS & CHEMICALS INC.	MINN. VARIABLE ANNUITY FUND	736,039		SUB-TOTAL	139,400 SHARES	4,844,150
	SUB-TOTAL	31,201 SHARES	1,228,539	183,200	COLGATE PALMOLIVE	POST RETIREMENT FUND	3,114,400
70,000	ALCAN ALUMINUM LTD.	POST RETIREMENT FUND	1,977,500	14,500	COLGATE PALMOLIVE	SUPPLEMENTAL RET. INCOME SHA	246,500
12,000	ALLIED CHEMICAL CORP.	SUPPLEMENTAL RET. INCOME SHA	646,500		SUB-TOTAL	197,700 SHARES	3,360,900
9,000	ALUMINUM CO. OF AMERICA	SUPPLEMENTAL RET. INCOME SHA	238,000	7,000	COMBUSTION ENGINEERING INC.	SUPPLEMENTAL RET. INCOME SHA	259,875
15,000	AMERICAN CAN CORP.	SUPPLEMENTAL RET. INCOME SHA	640,000	16,000	COMBUSTION ENGINEERING INC.	MINN. VARIABLE ANNUITY FUND	594,000
100,600	AMERICAN EXPRESS COMPANY	POST RETIREMENT FUND	4,837,500		SUB-TOTAL	23,000 SHARES	853,875
7,500	AMERICAN EXPRESS COMPANY	SUPPLEMENTAL RET. INCOME SHA	362,813	153,999	COMMONWEALTH EDISON CO.	POST RETIREMENT FUND	3,022,230
	SUB-TOTAL	107,500 SHARES	5,200,313		CONN. GENERAL INS. CORP.	POST RETIREMENT FUND	4,417,788
106,800	AMERICAN HOME PRODS CORP	POST RETIREMENT FUND	3,511,050	10,000	CONN. GENERAL INS. CORP.	SUPPLEMENTAL RET. INCOME SHA	507,500
10,500	AMERICAN HOME PRODS CORP	SUPPLEMENTAL RET. INCOME SHA	345,188	2,800	CONN. GENERAL INS. CORP.	SUPPLEMENTAL RET. GROWTH SHA	142,100
12,000	AMERICAN HOME PRODS CORP	SUPPLEMENTAL RET. GROWTH SHA	394,500	4,000	CONN. GENERAL INS. CORP.	MINN. VARIABLE ANNUITY FUND	203,000
	SUB-TOTAL	129,300 SHARES	4,250,738		SUB-TOTAL	103,850 SHARES	5,270,388
40,000	AMERICAN STANDARD INC.	POST RETIREMENT FUND	1,590,000	41,819	CONOCO INC.	POST RETIREMENT FUND	2,739,145
4,000	AMERICAN STANDARD INC.	SUPPLEMENTAL RET. INCOME SHA	159,000	4,961	CONOCO INC.	SUPPLEMENTAL RET. INCOME SHA	324,946
9,500	AMERICAN STANDARD INC.	SUPPLEMENTAL RET. GROWTH SHA	337,875	2,987	CONOCO INC.	SUPPLEMENTAL RET. GROWTH SHA	195,649
16,000	AMERICAN STANDARD INC.	MINN. VARIABLE ANNUITY FUND	636,000	10,572	CONOCO INC.	MINN. VARIABLE ANNUITY FUND	692,466
	SUB-TOTAL	48,500 SHARES	2,722,875		SUB-TOTAL	80,339 SHARES	3,952,205
527,301	AMERICAN TELEPHONE & TELEGRAPH	POST RETIREMENT FUND	29,660,681	55,000	CONSOLIDATED FOODS CORPORATION	POST RETIREMENT FUND	1,581,250
30,018	AMERICAN TELEPHONE & TELEGRAPH	SUPPLEMENTAL RET. INCOME SHA	1,688,513	25,000	CONSOLIDATED EDISON OF N.Y.	SUPPLEMENTAL RET. INCOME SHA	718,750
13,714	AMERICAN TELEPHONE & TELEGRAPH	SUPPLEMENTAL RET. GROWTH SHA	771,413	20,000	CONSOLIDATED FOODS CORPORATION	SUPPLEMENTAL RET. INCOME SHA	575,000
31,065	AMERICAN TELEPHONE & TELEGRAPH	MINN. VARIABLE ANNUITY FUND	1,747,406	140,000	CONTINENTAL GROUP INCORPORATED	POST RETIREMENT FUND	5,110,000
	SUB-TOTAL	602,098 SHARES	33,868,013	24,000	CONTINENTAL ILL. CORP.	SUPPLEMENTAL RET. INCOME SHA	978,000
40,000	ARA SERVICES	POST RETIREMENT FUND	1,380,000	15,000	CONTINENTAL ILL. CORP.	SUPPLEMENTAL RET. GROWTH SHA	611,250
435,000	ARCHER DANIELS & MIDLAND CO.	POST RETIREMENT FUND	7,830,000	25,000	CONTINENTAL ILL. CORP.	MINN. VARIABLE ANNUITY FUND	1,018,750
178,000	ATLANTIC RICHFIELD	POST RETIREMENT FUND	8,455,000		SUB-TOTAL	64,000 SHARES	2,608,000
17,000	ATLANTIC RICHFIELD	SUPPLEMENTAL RET. GROWTH SHA	807,500	60,000	CONTROL DATA CORPORATION	POST RETIREMENT FUND	4,387,500
24,000	ATLANTIC RICHFIELD	MINN. VARIABLE ANNUITY FUND	1,140,000	64,000	CPC INTERNATIONAL INC.	POST RETIREMENT FUND	2,088,000
	SUB-TOTAL	219,000 SHARES	10,402,500	13,000	CPC INTERNATIONAL INC.	SUPPLEMENTAL RET. INCOME SHA	424,125
109,900	AVON PRODS INC	POST RETIREMENT FUND	4,231,150		SUB-TOTAL	77,000 SHARES	2,512,125
15,400	AVON PRODS INC	SUPPLEMENTAL RET. INCOME SHA	592,900	95,800	DART & KRAFT INC.	POST RETIREMENT FUND	4,909,750
9,500	AVON PRODS INC	SUPPLEMENTAL RET. GROWTH SHA	365,750	11,000	DART & KRAFT INC.	SUPPLEMENTAL RET. INCOME SHA	563,750
20,000	AVON PRODS INC	MINN. VARIABLE ANNUITY FUND	770,000	7,500	DART & KRAFT INC.	SUPPLEMENTAL RET. GROWTH SHA	384,375
	SUB-TOTAL	154,800 SHARES	5,959,800	11,000	DART & KRAFT INC.	MINN. VARIABLE ANNUITY FUND	563,750
6,800	BAKER INTERNATIONAL CORP.	SUPPLEMENTAL RET. GROWTH SHA	259,250		SUB-TOTAL	125,300 SHARES	6,421,625
11,700	BAKER INTERNATIONAL CORP.	MINN. VARIABLE ANNUITY FUND	446,063	40,000	DAYTON-HUDSON CORP.	POST RETIREMENT FUND	2,150,000
	SUB-TOTAL	19,500 SHARES	705,313	8,500	DAYTON-HUDSON CORP.	SUPPLEMENTAL RET. GROWTH SHA	456,875
270,000	BANKAMERICA CORPORATION	POST RETIREMENT FUND	6,817,500	14,500	DAYTON-HUDSON CORP.	MINN. VARIABLE ANNUITY FUND	779,375
11,000	BANKAMERICA CORPORATION	SUPPLEMENTAL RET. GROWTH SHA	277,750		SUB-TOTAL	63,000 SHARES	3,386,250
13,000	BANKAMERICA CORPORATION	MINN. VARIABLE ANNUITY FUND	328,250	4,000	DIGITAL EQUIPMENT CORP.	MINN. VARIABLE ANNUITY FUND	395,000
	SUB-TOTAL	294,000 SHARES	7,423,500	127,000	DOW CHEMICAL COMPANY	POST RETIREMENT FUND	4,206,875
110,000	BAXTER TRAVENOL LABS	POST RETIREMENT FUND	5,981,250	9,000	DOW CHEMICAL COMPANY	SUPPLEMENTAL RET. GROWTH SHA	298,125
2,000	BAXTER TRAVENOL LABS	SUPPLEMENTAL RET. INCOME SHA	108,750	17,000	DOW CHEMICAL COMPANY	MINN. VARIABLE ANNUITY FUND	563,125
4,000	BAXTER TRAVENOL LABS	SUPPLEMENTAL RET. GROWTH SHA	326,250		SUB-TOTAL	153,000 SHARES	5,068,125
9,400	BAXTER TRAVENOL LABS	MINN. VARIABLE ANNUITY FUND	511,125	136,000	DRESSER INDUSTRIES	POST RETIREMENT FUND	5,185,000
	SUB-TOTAL	127,400 SHARES	6,927,375	17,000	DRESSER INDUSTRIES	SUPPLEMENTAL RET. INCOME SHA	648,125
5,000	BENEFICIAL CORPORATION	SUPPLEMENTAL RET. INCOME SHA	116,250		SUB-TOTAL	153,000 SHARES	5,833,125
164,000	BOEING COMPANY	POST RETIREMENT FUND	5,022,500	52,000	DU PONT E I DE NEMOURS & CO	POST RETIREMENT FUND	2,762,500
11,925	BOEING COMPANY	SUPPLEMENTAL RET. GROWTH SHA	365,203	14,600	DU PONT E I DE NEMOURS & CO	SUPPLEMENTAL RET. INCOME SHA	775,625
22,875	BOEING COMPANY	MINN. VARIABLE ANNUITY FUND	700,547	6,800	DU PONT E I DE NEMOURS & CO	SUPPLEMENTAL RET. GROWTH SHA	361,250
	SUB-TOTAL	198,800 SHARES	6,088,250	12,000	DU PONT E I DE NEMOURS & CO	MINN. VARIABLE ANNUITY FUND	637,500
6,300	BURROUGHS CORPORATION	SUPPLEMENTAL RET. GROWTH SHA	248,063		SUB-TOTAL	85,400 SHARES	4,536,875
14,500	BURROUGHS CORPORATION	MINN. VARIABLE ANNUITY FUND	570,938	126,700	EASTMAN KODAK COMPANY	POST RETIREMENT FUND	9,470,825
	SUB-TOTAL	20,800 SHARES	819,000	8,000	EASTMAN KODAK COMPANY	SUPPLEMENTAL RET. INCOME SHA	598,000
150,000	CBS INCORPORATED	POST RETIREMENT FUND	8,400,000	5,000	EASTMAN KODAK COMPANY	SUPPLEMENTAL RET. GROWTH SHA	375,750
11,000	CENTRAL TEL & UTIL CORP.	SUPPLEMENTAL RET. INCOME SHA	332,750	9,500	EASTMAN KODAK COMPANY	MINN. VARIABLE ANNUITY FUND	710,125
14,500	CENTRAL TEL & UTIL CORP.	MINN. VARIABLE ANNUITY FUND	438,625		SUB-TOTAL	149,200 SHARES	11,152,700
	SUB-TOTAL	25,500 SHARES	771,375	5,500	EMERSON ELECTRIC	SUPPLEMENTAL RET. GROWTH SHA	253,000
60,000	CHUBB CORPORATION	POST RETIREMENT FUND	2,910,000	7,000	EMERSON ELECTRIC	MINN. VARIABLE ANNUITY FUND	322,000
9,000	CHUBB CORPORATION	SUPPLEMENTAL RET. INCOME SHA	416,500		SUB-TOTAL	12,500 SHARES	575,000
7,000	CHUBB CORPORATION	SUPPLEMENTAL RET. GROWTH SHA	339,500				
12,500	CHUBB CORPORATION	MINN. VARIABLE ANNUITY FUND	606,250				
	SUB-TOTAL	88,500 SHARES	4,292,250				

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ALPHABETICAL EQUITY SECURITIES LISTING
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# OF SHARES	SECURITY	ADVISOR	MARKET VALUE	# OF SHARES	SECURITY	ADVISOR	MARKET VALUE
402,000	EXXON CORPORATION	POST RETIREMENT FUND	20,618,500	100,000	HOUSTON NATURAL GAS CORP.	POST RETIREMENT FUND	4,275,000
40,000	EXXON CORPORATION	SUPPLEMENTAL RET. INCOME SHA	1,370,000	4,000	HOUSTON NATURAL GAS CORP.	SUPPLEMENTAL RET. INCOME SHA	171,000
26,000	EXXON CORPORATION	SUPPLEMENTAL RET. GROWTH SHA	890,500	7,500	HOUSTON NATURAL GAS CORP.	SUPPLEMENTAL RET. GROWTH SHA	320,625
47,000	EXXON CORPORATION	MINN. VARIABLE ANNUITY FUND	1,609,750	13,000	HOUSTON NATURAL GAS CORP.	MINN. VARIABLE ANNUITY FUND	555,750
		715,000 SHARES	24,488,750			124,500 SHARES	5,322,375
85,000	FEDERATED DFPT. STORES INC.	POST RETIREMENT FUND	3,400,000	10,500	INA CORP.	SUPPLEMENTAL RET. INCOME SHA	486,938
10,000	FEDERATED DFPT. STORES INC.	SUPPLEMENTAL RET. INCOME SHA	400,000	6,000	INA CORP.	SUPPLEMENTAL RET. GROWTH SHA	278,250
8,000	FEDERATED DEPT. STORES INC.	MINN. VARIABLE ANNUITY FUND	320,000	7,500	INA CORP.	MINN. VARIABLE ANNUITY FUND	347,813
		103,000 SHARES	4,120,000			24,000 SHARES	1,113,000
107,400	FIRST BANK SYSTEM	POST RETIREMENT FUND	4,698,750	90,000	INTERNORTH INC.	POST RETIREMENT FUND	3,037,500
40,000	FIRST BANK SYSTEM	SUPPLEMENTAL RET. GROWTH SHA	240,625	309,024	INTL. BUSINESS MACHINES	POST RETIREMENT FUND	17,884,764
9,000	FIRST BANK SYSTEM	MINN. VARIABLE ANNUITY FUND	393,750	6,000	INTL. BUSINESS MACHINES	SUPPLEMENTAL RET. INCOME SHA	347,250
		121,900 SHARES	5,333,125	18,048	INTL. BUSINESS MACHINES	SUPPLEMENTAL RET. GROWTH SHA	1,044,528
170,300	FLORIDA POWER & LIGHT COMPANY	POST RETIREMENT FUND	5,066,425	35,772	INTL. BUSINESS MACHINES	MINN. VARIABLE ANNUITY FUND	2,070,305
10,500	FLORIDA POWER & LIGHT COMPANY	SUPPLEMENTAL RET. GROWTH SHA	312,375			368,844 SHARES	21,346,847
15,000	FLORIDA POWER & LIGHT COMPANY	MINN. VARIABLE ANNUITY FUND	446,250	220,400	INTL. TEL & TEL	POST RETIREMENT FUND	6,804,850
		195,800 SHARES	5,825,050	24,000	INTL. TEL & TEL	SUPPLEMENTAL RET. INCOME SHA	741,000
31,000	GELCO CORPORATION	SUPPLEMENTAL RET. INCOME SHA	821,500	11,000	INTL. TEL & TEL	SUPPLEMENTAL RET. GROWTH SHA	339,625
27,000	GELCO CORPORATION	SUPPLEMENTAL RET. GROWTH SHA	715,500	13,000	INTL. TEL & TEL	MINN. VARIABLE ANNUITY FUND	401,375
35,000	GELCO CORPORATION	MINN. VARIABLE ANNUITY FUND	1,722,500			268,400 SHARES	8,286,850
		123,000 SHARES	3,259,500	15,000	JEFFERSON PILOT CORP.	MINN. VARIABLE ANNUITY FUND	418,125
175,000	GENERAL ELECTRIC COMPANY	POST RETIREMENT FUND	10,828,125	120,000	JOHNSON & JOHNSON	POST RETIREMENT FUND	4,200,000
11,000	GENERAL ELECTRIC COMPANY	SUPPLEMENTAL RET. INCOME SHA	680,625	20,400	JOHNSON & JOHNSON	SUPPLEMENTAL RET. GROWTH SHA	714,000
4,500	GENERAL ELECTRIC COMPANY	SUPPLEMENTAL RET. GROWTH SHA	278,438	27,000	JOHNSON & JOHNSON	MINN. VARIABLE ANNUITY FUND	945,000
14,500	GENERAL ELECTRIC COMPANY	MINN. VARIABLE ANNUITY FUND	897,188			167,400 SHARES	5,859,000
		205,000 SHARES	12,684,375	117,127	K MART CORPORATION	POST RETIREMENT FUND	2,503,590
81,100	GENERAL FOODS CORP.	POST RETIREMENT FUND	2,503,963	19,000	K MART CORPORATION	SUPPLEMENTAL RET. GROWTH SHA	404,125
80,000	GENERAL HILLS INCORPORATED	POST RETIREMENT FUND	3,030,000	31,000	K MART CORPORATION	MINN. VARIABLE ANNUITY FUND	662,625
13,500	GENERAL HILLS INCORPORATED	SUPPLEMENTAL RET. GROWTH SHA	511,313			167,127 SHARES	3,572,340
13,000	GENERAL HILLS INCORPORATED	MINN. VARIABLE ANNUITY FUND	492,375	40,000	LEVI STRAUSS AND COMPANY	POST RETIREMENT FUND	1,430,000
		104,500 SHARES	4,033,488	3,500	LEVI STRAUSS AND COMPANY	SUPPLEMENTAL RET. GROWTH SHA	125,125
15,200	GENERAL MOTORS CORPORATION	SUPPLEMENTAL RET. INCOME SHA	505,400	7,500	LEVI STRAUSS AND COMPANY	MINN. VARIABLE ANNUITY FUND	268,125
4,000	GENERAL MOTORS CORPORATION	SUPPLEMENTAL RET. GROWTH SHA	212,000			51,000 SHARES	1,823,250
9,700	GENERAL MOTORS CORPORATION	MINN. VARIABLE ANNUITY FUND	514,100	13,500	LOCKHEED AIRCRAFT CORP	SUPPLEMENTAL RET. INCOME SHA	504,563
		28,900 SHARES	1,531,700	14,000	MANUFACTURERS HANOVER CORP.	SUPPLEMENTAL RET. INCOME SHA	542,500
19,000	GENERAL TELEPHONE & ELECTRIC C	SUPPLEMENTAL RET. INCOME SHA	558,125	10,000	MARATHON OIL COMPANY	SUPPLEMENTAL RET. INCOME SHA	612,500
15,500	GENERAL TELEPHONE & ELECTRIC C	MINN. VARIABLE ANNUITY FUND	455,313	9,000	MARATHON OIL COMPANY	SUPPLEMENTAL RET. GROWTH SHA	551,250
		34,500 SHARES	1,013,438	10,000	MARATHON OIL COMPANY	MINN. VARIABLE ANNUITY FUND	612,500
86,200	GENUINE PARTS COMPANY	POST RETIREMENT FUND	2,812,275			29,000 SHARES	1,776,250
15,000	GENUINE PARTS COMPANY	SUPPLEMENTAL RET. GROWTH SHA	489,375	160,000	MCDONALDS CORP.	POST RETIREMENT FUND	10,360,000
25,500	GENUINE PARTS COMPANY	MINN. VARIABLE ANNUITY FUND	831,938	5,500	MCDONALDS CORP.	SUPPLEMENTAL RET. INCOME SHA	356,125
		126,700 SHARES	4,133,588	14,000	MCDONALDS CORP.	SUPPLEMENTAL RET. GROWTH SHA	906,500
9,638	GEORGIA PACIFIC CORP.	SUPPLEMENTAL RET. GROWTH SHA	266,250	23,100	MCDONALDS CORP.	MINN. VARIABLE ANNUITY FUND	1,495,725
11,419	GEORGIA PACIFIC CORP.	MINN. VARIABLE ANNUITY FUND	315,450			202,600 SHARES	13,248,350
		21,057 SHARES	581,700	50,000	MFDTRONIC INC.	POST RETIREMENT FUND	1,750,000
40,000	GETTY OIL COMPANY	POST RETIREMENT FUND	2,770,000	51,900	MERCK & COMPANY INCORPORATED	POST RETIREMENT FUND	4,800,750
3,500	GETTY OIL COMPANY	SUPPLEMENTAL RET. GROWTH SHA	242,375	82,000	MINNESOTA MNG & MFG CO	SUPPLEMENTAL RET. GROWTH SHA	4,715,000
6,500	GETTY OIL COMPANY	MINN. VARIABLE ANNUITY FUND	450,125	14,000	MINNESOTA MNG & MFG CO	MINN. VARIABLE ANNUITY FUND	805,000
		50,000 SHARES	3,462,500			103,500 SHARES	5,951,250
205,000	GILLETTE COMPANY	POST RETIREMENT FUND	6,944,375	270,000	MOBIL CORPORATION	POST RETIREMENT FUND	8,100,000
155,400	GOODYEAR TIRE & RUBBER CO.	POST RETIREMENT FUND	2,972,025	8,000	MOBIL CORPORATION	SUPPLEMENTAL RET. INCOME SHA	240,000
7,500	GOODYEAR TIRE & RUBBER CO.	SUPPLEMENTAL RET. INCOME SHA	143,438	26,000	MOBIL CORPORATION	MINN. VARIABLE ANNUITY FUND	780,000
		162,900 SHARES	3,115,463			304,000 SHARES	9,120,000
300,000	GULF OIL CORPORATION	POST RETIREMENT FUND	10,500,000	9,000	NORFOLK & WESTERN RAILWAY CO.	SUPPLEMENTAL RET. GROWTH SHA	435,375
91,400	HALLIBURTON INC.	POST RETIREMENT FUND	5,461,150	16,500	NORFOLK & WESTERN RAILWAY CO.	MINN. VARIABLE ANNUITY FUND	798,188
8,000	HALLIBURTON INC.	SUPPLEMENTAL RET. GROWTH SHA	478,000			25,500 SHARES	1,233,563
18,000	HALLIBURTON INC.	MINN. VARIABLE ANNUITY FUND	1,075,500	166,057	NORTHERN STS. POWER CO. MINN.	POST RETIREMENT FUND	4,192,939
		117,400 SHARES	7,014,650	37,673	NORTHERN STS. POWER CO. MINN.	SUPPLEMENTAL RET. INCOME SHA	951,243
3,600	HEWLETT PACKARD COMPANY	SUPPLEMENTAL RET. GROWTH SHA	342,450			203,730 SHARES	5,144,183
7,400	HEWLETT PACKARD COMPANY	MINN. VARIABLE ANNUITY FUND	703,925	14,800	NORTHWEST BANCORPORATION INC	SUPPLEMENTAL RET. INCOME SHA	423,500
		11,000 SHARES	1,046,375	12,000	NORTHWEST BANCORPORATION INC	MINN. VARIABLE ANNUITY FUND	375,000
87,277	HONEYWELL INCORPORATED	POST RETIREMENT FUND	7,451,274			26,800 SHARES	837,500
4,500	HONEYWELL INCORPORATED	SUPPLEMENTAL RET. GROWTH SHA	384,188	35,000	PACIFIC POWER & LIGHT	SUPPLEMENTAL RET. INCOME SHA	717,500
		91,777 SHARES	7,835,461	12,000	PACIFIC POWER & LIGHT	SUPPLEMENTAL RET. GROWTH SHA	246,000
21,000	HOUSEHOLD FINANCE CORP.	SUPPLEMENTAL RET. INCOME SHA	351,750	24,500	PACIFIC POWER & LIGHT	MINN. VARIABLE ANNUITY FUND	502,250
345,000	HOUSTON INDUSTRIES INC.	POST RETIREMENT FUND	6,598,125			71,500 SHARES	1,465,750
24,000	HOUSTON INDUSTRIES INC.	SUPPLEMENTAL RET. GROWTH SHA	459,000				
45,000	HOUSTON INDUSTRIES INC.	MINN. VARIABLE ANNUITY FUND	860,625				
		414,000 SHARES	7,917,750				

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# OF SHARES	SECURITY	ADVISOR	MARKET VALUE	# OF SHARES	SECURITY	ADVISOR	MARKET VALUE
132,400	PENNEY J. C. INCORPORATED	POST RETIREMENT FUND	4,468,500	50,000	SUNBEAM CORP.	POST RETIREMENT FUND	1,075,000
10,500	PENNEY J. C. INCORPORATED	SUPPLEMENTAL RET. INCOME SHA	354,375	8,000	SUNBEAM CORP.	SUPPLEMENTAL RET. GROWTH SHA	172,000
8,000	PENNEY J. C. INCORPORATED	SUPPLEMENTAL RET. GROWTH SHA	270,000		SUB-TOTAL	58,000 SHARES	1,247,000
163,999	PEOPLES ENERGY CORP.	POST RETIREMENT FUND	5,092,875	57,600	SUPER VALU STORES INC.	POST RETIREMENT FUND	2,152,800
105,000	PEPSICO INCORPORATED	POST RETIREMENT FUND	7,010,957	221,300	TEXACO INC.	POST RETIREMENT FUND	7,828,488
14,800	PEPSICO INCORPORATED	SUPPLEMENTAL RET. INCOME SHA	3,714,375	13,000	TEXACO INC.	SUPPLEMENTAL RET. INCOME SHA	459,875
14,500	PEPSICO INCORPORATED	SUPPLEMENTAL RET. GROWTH SHA	594,300		SUB-TOTAL	234,300 SHARES	8,288,363
17,000	PEPSICO INCORPORATED	MINN. VARIABLE ANNUITY FUND	512,938	11,000	TEXAS OIL & GAS CORP.	SUPPLEMENTAL RET. GROWTH SHA	349,875
	SUB-TOTAL	153,300 SHARES	601,375	22,000	TEXAS OIL & GAS CORP.	MINN. VARIABLE ANNUITY FUND	739,750
12,500	PFIZER INCORPORATED	SUPPLEMENTAL RET. INCOME SHA	5,422,000	285,000	TEXAS UTILITIES COMPANY	POST RETIREMENT FUND	1,109,625
11,000	PFIZER INCORPORATED	MINN. VARIABLE ANNUITY FUND	500,000	45,300	TEXAS UTILITIES COMPANY	SUPPLEMENTAL RET. INCOME SHA	5,806,875
	SUB-TOTAL	23,500 SHARES	528,000	16,500	TEXAS UTILITIES COMPANY	SUPPLEMENTAL RET. GROWTH SHA	922,988
110,000	PHILLIPS PETROLEUM CO.	POST RETIREMENT FUND	1,128,000	25,000	TEXAS UTILITIES COMPANY	SUPPLEMENTAL RET. INCOME SHA	336,188
11,500	PHILLIPS PETROLEUM CO.	SUPPLEMENTAL RET. INCOME SHA	4,207,500		SUB-TOTAL	MINN. VARIABLE ANNUITY FUND	509,375
5,000	PHILLIPS PETROLEUM CO.	SUPPLEMENTAL RET. GROWTH SHA	439,875	10,000	TORO COMPANY	SUPPLEMENTAL RET. GROWTH SHA	7,575,425
	SUB-TOTAL	126,500 SHARES	191,250	20,000	TORO COMPANY	MINN. VARIABLE ANNUITY FUND	97,500
8,000	PILLSBURY COMPANY	SUPPLEMENTAL RET. INCOME SHA	4,838,425		SUB-TOTAL	MINN. VARIABLE ANNUITY FUND	195,000
8,000	PILLSBURY COMPANY	SUPPLEMENTAL RET. GROWTH SHA	344,000	100,000	TRAVELERS CORPORATION	POST RETIREMENT FUND	292,500
	SUB-TOTAL	16,000 SHARES	688,000	11,000	TRAVELERS CORPORATION	SUPPLEMENTAL RET. INCOME SHA	4,700,000
29,000	PIONEER CORP	SUPPLEMENTAL RET. INCOME SHA	710,500	7,500	TRAVELERS CORPORATION	SUPPLEMENTAL RET. GROWTH SHA	517,000
54,000	PROCTOR & GAMBLE	POST RETIREMENT FUND	4,090,500	15,000	TRAVELERS CORPORATION	MINN. VARIABLE ANNUITY FUND	352,500
3,000	PROCTOR & GAMBLE	SUPPLEMENTAL RET. GROWTH SHA	227,250		SUB-TOTAL	133,500 SHARES	703,000
5,500	PROCTOR & GAMBLE	MINN. VARIABLE ANNUITY FUND	416,625	200,000	UNION CARBIDE CORP	POST RETIREMENT FUND	6,274,500
	SUB-TOTAL	62,500 SHARES	4,734,375	12,000	UNION CARBIDE CORP	SUPPLEMENTAL RET. INCOME SHA	12,000,000
8,000	RAYTHEON COMPANY	SUPPLEMENTAL RET. GROWTH SHA	360,000		SUB-TOTAL	212,000 SHARES	720,000
15,000	RAYTHEON COMPANY	MINN. VARIABLE ANNUITY FUND	675,000	85,000	UNITED TECHNOLOGIES CORP.	POST RETIREMENT FUND	12,720,000
	SUB-TOTAL	23,000 SHARES	1,035,000	9,000	UNITED TECHNOLOGIES CORP.	SUPPLEMENTAL RET. INCOME SHA	4,704,875
10,000	REVLON INCORPORATED	SUPPLEMENTAL RET. GROWTH SHA	411,750		SUB-TOTAL	94,000 SHARES	5,205,250
19,000	REVLON INCORPORATED	MINN. VARIABLE ANNUITY FUND	786,125	27,900	UNITED TELECOMMUNICATIONS INC.	SUPPLEMENTAL RET. GROWTH SHA	578,925
	SUB-TOTAL	29,000 SHARES	1,199,875	10,000	VALLEY NAIL BR AZ PHOENIX	SUPPLEMENTAL RET. GROWTH SHA	426,250
80,000	ROYAL DUTCH PETROLEUM CO ORD	POST RETIREMENT FUND	2,580,000	2,666	WARNER COMMUNICATIONS	SUPPLEMENTAL RET. GROWTH SHA	135,966
8,000	ROYAL DUTCH PETROLEUM CO ORD	SUPPLEMENTAL RET. GROWTH SHA	258,000	6,100	WARNER COMMUNICATIONS	MINN. VARIABLE ANNUITY FUND	311,100
15,000	ROYAL DUTCH PETROLEUM CO ORD	MINN. VARIABLE ANNUITY FUND	483,750		SUB-TOTAL	8,766 SHARES	447,066
	SUB-TOTAL	103,000 SHARES	3,321,750	21,500	WARNER LAMBERT	SUPPLEMENTAL RET. INCOME SHA	489,125
5,000	RYAN HOMES INCORPORATED	SUPPLEMENTAL RET. INCOME SHA	121,875	140,000	WESTINGHOUSE ELECTRIC COMPANY	POST RETIREMENT FUND	4,252,500
71,400	SAFECO CORPORATION	POST RETIREMENT FUND	2,908,750	7,000	WESTINGHOUSE ELECTRIC COMPANY	SUPPLEMENTAL RET. INCOME SHA	212,625
5,550	SAFECO CORPORATION	SUPPLEMENTAL RET. GROWTH SHA	225,449		SUB-TOTAL	147,000 SHARES	4,465,125
	SUB-TOTAL	77,150 SHARES	3,134,219	105,100	WHIRLPOOL CORP.	POST RETIREMENT FUND	2,890,250
10,000	SAFeway STORES, INCORPORATED	SUPPLEMENTAL RET. INCOME SHA	315,000	19,500	WHIRLPOOL CORP.	MINN. VARIABLE ANNUITY FUND	536,250
120,000	SANTA FE INDUSTRIES	POST RETIREMENT FUND	3,120,000		SUB-TOTAL	124,600 SHARES	3,426,500
171,000	SCHERING PLOUGH CORP	POST RETIREMENT FUND	5,856,750	150,000	WILLIAMS COS	POST RETIREMENT FUND	4,143,750
8,000	SCHERING PLOUGH CORP	SUPPLEMENTAL RET. GROWTH SHA	274,000	6,500	WILLIAMS COS	SUPPLEMENTAL RET. INCOME SHA	179,563
7,000	SCHERING PLOUGH CORP	MINN. VARIABLE ANNUITY FUND	239,750	5,000	WILLIAMS COS	SUPPLEMENTAL RET. GROWTH SHA	138,125
	SUB-TOTAL	186,000 SHARES	6,370,500	12,500	WILLIAMS COS	MINN. VARIABLE ANNUITY FUND	345,313
14,000	SEARS ROEBUCK & COMPANY	MINN. VARIABLE ANNUITY FUND	269,500		SUB-TOTAL	174,000 SHARES	4,804,750
263,614	SECURITY PACIFIC CORPORATION	POST RETIREMENT FUND	10,676,367	111,150	XEROX CORP	POST RETIREMENT FUND	6,002,100
9,000	SECURITY PACIFIC CORPORATION	SUPPLEMENTAL RET. INCOME SHA	364,500	6,000	XEROX CORP	SUPPLEMENTAL RET. INCOME SHA	324,000
	SUB-TOTAL	272,614 SHARES	11,040,867	9,500	XEROX CORP	SUPPLEMENTAL RET. GROWTH SHA	513,000
180,000	SHELL OIL	POST RETIREMENT FUND	8,100,000	16,000	XEROX CORP	MINN. VARIABLE ANNUITY FUND	864,000
73,000	SOUTHERN RAILWAY CO.	POST RETIREMENT FUND	6,478,750				
4,500	SOUTHERN RAILWAY CO.	SUPPLEMENTAL RET. INCOME SHA	399,375	14,654,536	TOTAL EQUITY PORTFOLIO		569,303,419
	SUB-TOTAL	77,500 SHARES	6,878,125				
99,857	SOUTHLAND CORP.	POST RETIREMENT FUND	2,621,244				
6,231	SOUTHLAND CORP.	SUPPLEMENTAL RET. GROWTH SHA	163,544				
37,247	SOUTHLAND CORP.	MINN. VARIABLE ANNUITY FUND	977,734				
	SUB-TOTAL	143,335 SHARES	3,762,544				
134,200	ST. PAUL COS. INC.	POST RETIREMENT FUND	5,904,800				
12,000	ST. PAUL COS. INC.	SUPPLEMENTAL RET. INCOME SHA	528,000				
6,000	ST. PAUL COS. INC.	SUPPLEMENTAL RET. GROWTH SHA	264,000				
15,500	ST. PAUL COS. INC.	MINN. VARIABLE ANNUITY FUND	682,000				
	SUB-TOTAL	167,700 SHARES	7,378,800				
170,000	STANDARD OIL OF CALIFORNIA	POST RETIREMENT FUND	6,375,000				
7,000	STANDARD OIL OF INDIANA	SUPPLEMENTAL RET. INCOME SHA	384,125				
11,000	STANDARD OIL OF CALIFORNIA	SUPPLEMENTAL RET. GROWTH SHA	412,500				
7,500	STANDARD OIL OF INDIANA	MINN. VARIABLE ANNUITY FUND	411,563				

POST RETIREMENT FUND 8461,189,054
 SUPPLEMENTAL RET. INCOME SHARES 33,030,989
 SUPPLEMENTAL RET. GROWTH SHARES 26,700,013
 MINN. VARIABLE ANNUITY FUND 48,383,359