



Fourteenth Annual Investment Report

June 30, 1995

Fourteenth Annual Report

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Washington State Investment Board



June 30, 1995

To All Stakeholders:

I am pleased to submit the fourteenth annual report of the State Investment Board (SIB) for fiscal year 1994-1995.

It was an outstanding year for investment returns, as the retirement fund's 16.5 percent rate of return was the highest since fiscal year 1986-1987. Strong capital markets were a major factor in the investment performance, as the stock market, represented by the Wilshire 5000 Index returned 24.7 percent for the year, and the bond market, measured by the Lehman Aggregate Index, returned 12.5 percent.

Fiscal year highlights include the board's appointment of James Parker as the new Executive Director for SIB, effective December, 1994. Mr. Parker formerly served as the General Secretary and Chief Executive Officer of the General Board of Pension and Health Benefits of the United Methodist Church in Evanston, Illinois.

SIB continued to increase its international exposure during the year, transitioning assets from domestic fixed income. At fiscal year-end, international equities comprised 11 percent of retirement fund assets, up from 5 percent at the end of the prior year. Funding of the international program will continue in the coming year, increasing the international equity exposure toward the board's allocation target of 15 percent.

As I complete my second year as board chairman, I would like to thank members of the board and staff for their continued hard work on behalf of the beneficiaries of the funds which we invest.

A handwritten signature in cursive script, reading "Jimmy W. Cason". The signature is written in black ink and is positioned above a horizontal line.

JIMMY W. CASON, Chairman

Washington State Investment Board

INVESTMENT PRINCIPLE

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

MISSION STATEMENT

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

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

Currently, the board has investment responsibility for 23 funds which are categorized in three classes: retirement, insurance, permanent and other funds. The board is composed of nine voting members and five non-voting members.

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

In order to efficiently analyze investment issues, specific areas of responsibility have been assigned to committees of the board. The committees consist of selected board members and act as extensions of the board. Their functions are to analyze investment issues under their jurisdiction in greater detail than would be possible for the full board. At each board meeting, committees make recommendations for a

full board vote. The board has established four committees which are appointed by the Chair:

ADMINISTRATIVE - This committee is responsible for organizational, personnel, budget, and legislative issues, as well as strategic asset allocation matters.

AUDIT - The Audit Committee oversees accounting and performance reporting, and nominates candidates for the non-voting positions on the board. In addition, the committee develops and monitors the Code of Conduct for the board, and develops corporate governance policies and other non-investment policies for consideration by the board.

PRIVATE MARKETS - This committee is responsible for development of policy and structure of private market investments (real estate, venture capital, leveraged buyouts, etc.). The Private Markets Committee also reviews individual private transactions, partnerships, and investments for recommendation to the board.

PUBLIC MARKETS - This committee is responsible for the development of policy and structure of investments in the public markets, including both debt and equity.

Washington State Investment Board

BOARD MEMBERS

Ex-Officio

Daniel K Grimm	State Treasurer
Mark Brown	Director, Department of Labor & Industries
Sheryl Wilson, Vice-Chair	Director, Department of Retirement Systems

Appointed By Governor

Jimmy W. Cason, Chair	Representative - Active Member, Law Enforcement Officers' and Fire Fighters' Retirement System
Gary L. Moore	Representative - Active Member, Public Employees' Retirement System
George Masten	Representative - Retired Member of a State Retirement System

Appointed By Superintendent Of Public Instruction

C.T. Purdom	Representative - Active Member, Teachers' Retirement System
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Appointed By Speaker Of The House

Jean Silver	State Representative
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Appointed By President Of The Senate

Sid Snyder	State Senator
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Non-Voting Board Members Appointed By Voting Board Members

Paula Treneer	Investment Professional, Madrona Partners
Charles Kaminski	Investment Professional, GNA
Clair Hugh	Investment Professional, Retired
George Lobisser	Investment Professional, S/L Partners
James Kirschbaum	Investment Professional, Source Capital Corporation

EXECUTIVE STAFF

James F. Parker	Executive Director
Philip Halpern	Chief Investment Officer
Helen Small	Deputy Director for Operations

Washington State Investment Board

Legal Services

Attorney General of Washington

General Pension Consultant

Wilshire Associates
Santa Monica, California

Alternative Investments Consultant

Brinson Partners
Chicago, Illinois

Real Estate Consultant

Pension Consulting Alliance
Encino, California

Real Estate Advisors

Lowe Enterprises
Los Angeles, California

Jones Lang Wootton
New York, New York

Labor & Industries Portfolio Consultant

Conning & Company
Hartford, Connecticut

Master Custodian

The Bank of New York
New York, New York

Securities Lending

Mellon Trust
Pittsburgh, Pennsylvania

The Bank of New York
New York, New York

Money management firms hired by the board to manage a specific portion of the equity portfolio, and other assets managed by general partners in alternative investments and real estate are listed on pages describing those investment programs.

Investment Responsibility

The Washington State Investment Board has investment responsibility for the following twenty-three funds:

RETIREMENT FUNDS

- Public Employees' Retirement System (PERS) Plan I
- Public Employees' Retirement System (PERS) Plan II
- Teachers' Retirement System (TRS) Plan I
- Teachers' Retirement System (TRS) Plan II
- Law Enforcement Officers' & Firefighters' (LEOFF) Plan I
- Law Enforcement Officers' & Firefighters' (LEOFF) Plan II
- Washington State Patrol Retirement System (WSPRS)
- Judicial Retirement System (JRS)
- Volunteer Firefighters' Relief & Pension Fund

LABOR & INDUSTRIES (INSURANCE) FUNDS

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

PERMANENT & OTHER FUNDS

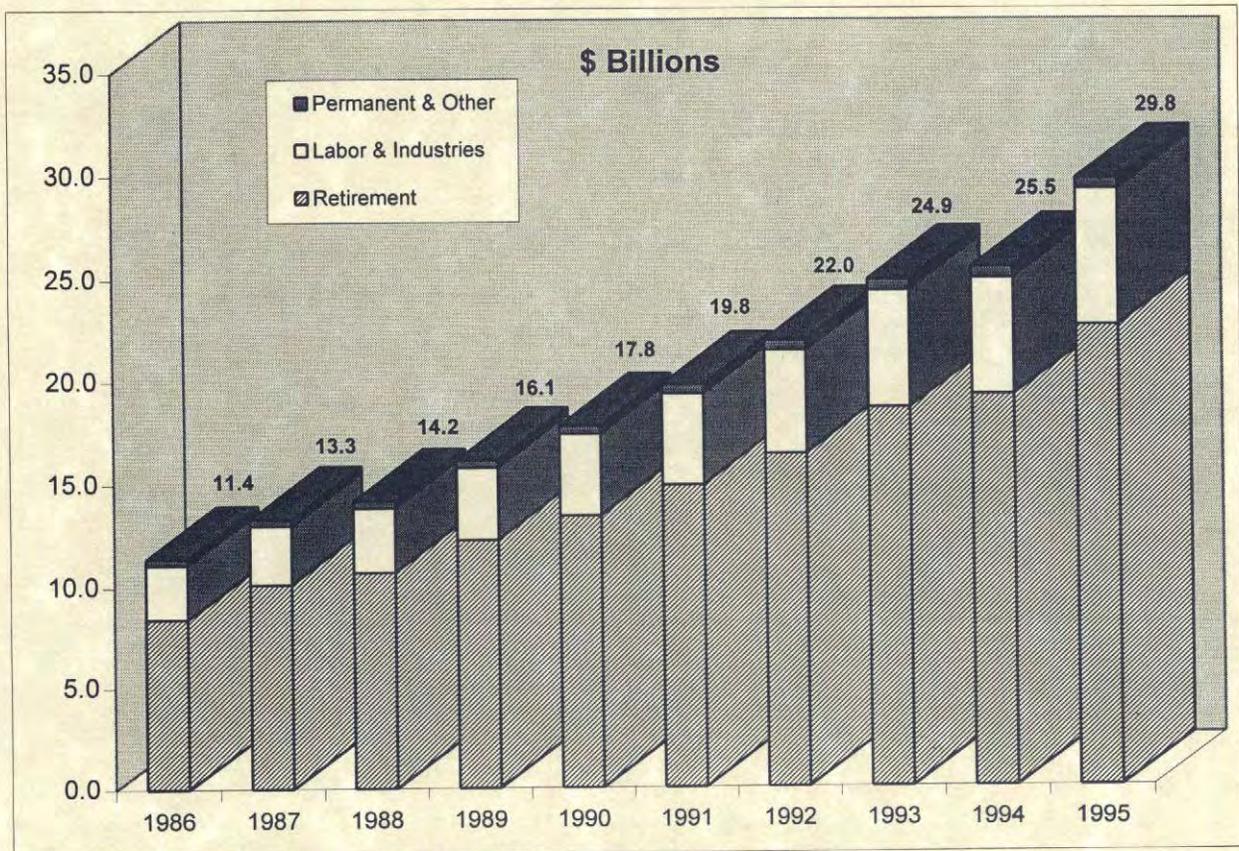
- Agricultural Permanent Fund
- Millersylvania Park Trust Fund
- Normal School Permanent Fund
- Permanent Common School Fund
- Scientific Permanent Fund
- State University Permanent Fund
- Game Special Wildlife Fund
- Self-Insurance Revolving Fund
- State Employees' Insurance Reserve Fund
- Radiation Perpetual Maintenance Fund

Assets Under Management

June 30, 1995
(Billions)

Retirement	\$22.7
Labor & Industries	6.6
Permanent & Other	0.5
Total	<u>\$29.8</u>

Past Ten Years (Fiscal Year Ending June 30)



The Retirement Funds

- Strategic Asset Allocation Policy
- Asset Allocation
- Performance
- Domestic Equity Program
- Domestic Fixed Income Program
- Non-U.S. Equity Program
- Real Estate Program
- Alternative Investments Program
- Financial Section

Strategic Asset Allocation Policy

Approved by the Board on November 17, 1994.

PURPOSE:

This document outlines the strategic asset allocation policy and objectives for the Washington State Investment Board (SIB) Retirement Funds (Funds) and supersedes any prior board adopted policies.

The asset classes in which monies are invested and the mix among these assets are the greatest sources of return and risk to the Funds. Therefore, the apportionment and management of the asset allocation is the foundation of the investment program and crucial to its success. The Strategic Asset Allocation (SAA) Policy, when viewed along with the respective investment policies in each asset class, constitutes the board's view of a prudent and well-reasoned approach to the management of the entrusted funds.

POLICY:

Strategic Objectives & Constraints

The asset allocation is to be managed over time to maximize return at a prudent level of risk (RCW 43.33A.110 and RCW 43.33A.140), considered within the context of the following:

1. The portfolio opportunities lying on the efficient frontier;
2. The board's comfort level with risk;
3. The inclusion of multiple asset classes; and,
4. The liability assumptions including the assumed actuarial interest rate.

Performance Objective

The SIB's performance objective is to exceed the return of a policy benchmark consisting of market indices weighted according to asset allocation targets. Based on the current allocation, the long-term performance objective consists of the following benchmark:

50% Wilshire 5000, 35% Lehman Aggregate, and 15% EAFE (Europe, Australia, Far East).

Strategic Allocation

1. The strategic asset allocation target matches the broad allocation percentages defined in the performance objective. The target must be considered at all times when making investment decisions.
2. The range around the allocation targets is intended to keep the actual allocation close to the target while minimizing the transactions costs which result from rebalancing. The asset mix may deviate from the target within a range of plus or minus 5 percentage points for the public market asset classes. Deviations greater than 5 percentage points may require rebalancing to the target.
3. The allocation to specific investments within the target allocation is an investment structure decision and will be the responsibility of the appropriate SIB Committee. However, to maintain the expected return and risk posture of the Fund within the context of the objectives and constraints delineated above, the following permissible ranges have been established for specific investments.

Strategic Asset Allocation Policy

<u>Asset Class</u>	<u>Long-Term Target</u>	<u>Policy Range</u>
U.S. Equity	35%	30-40%
Non-U.S. Equity	15%	10-20%
Fixed Income	35%	30-40%
Real Estate	5%	0-6%
Alternative Investments	10%	0-12%
Cash	0%	0-2%

Allocation Management

1. Monies will be allocated to asset classes and investment managers based on target allocations.
2. Assets will be rebalanced when market value of assets fall outside policy range. The timing of the re-balancing will be based on market opportunities and the consideration of transaction costs, and therefore need not occur immediately.
3. Public Securities: Rebalancing will be accomplished first using normal cash flows and second through reallocation of assets within asset classes. This reallocation will be based on individual asset class policies or upon recommendations by the appropriate Committee.
Appraised Assets: Because of appraisal valuation and illiquid market nature of appraised assets, exceeding the maximum policy range allocation will trigger a conscious review by the Administrative Committee and the appropriate asset class committee rather than automatic rebalancing.
4. The above policy ranges are long-term and may deviate in the short-term as a result of funding schedules, interim market movements and market impact costs of implementation.

Review of Strategic Asset Allocation Policy

Market and Fund condition are dynamic, not static. Therefore, the strategic asset allocation policy should be reviewed by the Committee at least annually and any suggested changes recommended to the board. A formal asset/liability review should be completed no less than every three years and more frequently if Fund objectives change.

Reporting

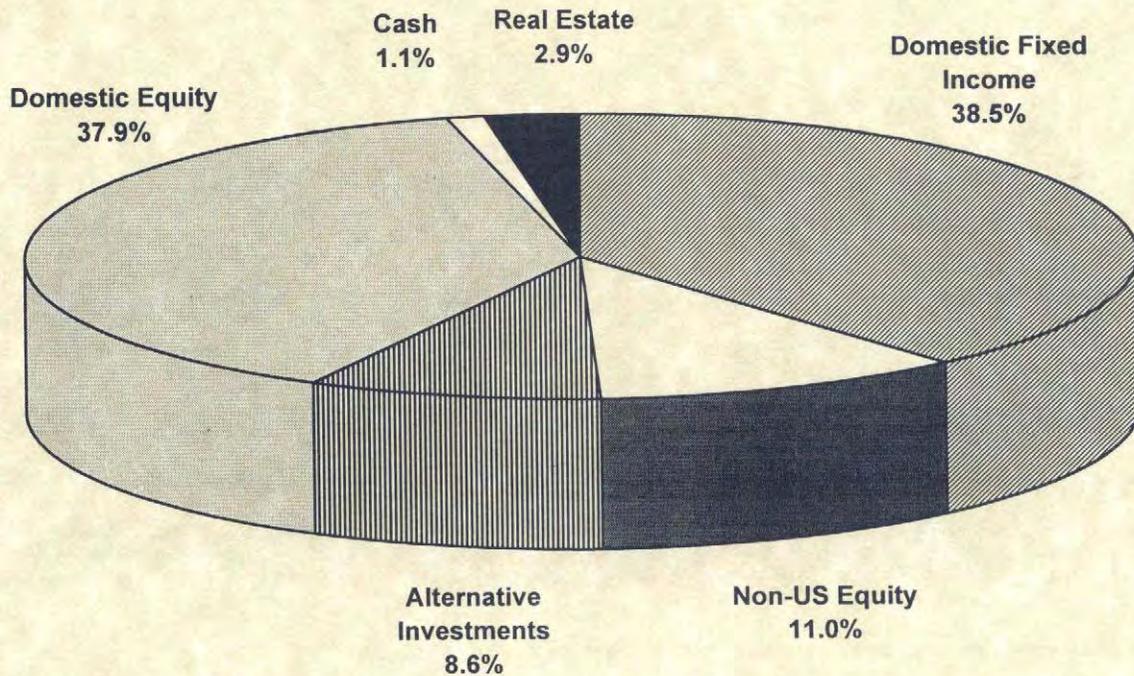
SIB staff will report actual asset allocation to the board monthly.

Responsibilities

1. Board - The SIB is responsible for approving SAA policy.
2. Administrative Committee - Responsible for reviewing and recommending SAA policy to the board. Responsible for monitoring allocation maintained within target ranges.
3. Public/Private Markets Committees - The Public/Private Markets Committees are responsible for structural investments within the strategic asset allocation policy (and appropriate asset class policies) and assisting with allocation management as indicated above.
4. Staff - Responsible for implementing and maintaining policy and reporting to Administrative Committee and Board.

Retirement Fund Asset Allocation

Retirement Funds				
Asset Allocation				
<i>June 30, 1995</i>				
Asset Class	Tactical Allocation		Policy Target	Policy Range
	(In 000'S)	%		
Domestic Equity	\$8,599,022	37.9	35%	30-40 %
Domestic Fixed Income	8,731,491	38.5	35%	30-40 %
Non-US Equity	2,483,914	11.0	15%	10-20 %
Cash	245,257	1.1	0%	0-2 %
Real Estate	659,707	2.9	5%	0-6 %
Alternative Investments	1,944,961	8.6	10%	0-12 %
Total Fund	<u>\$22,664,352</u>	<u>100.0</u>	<u>100%</u>	



Retirement Fund Performance

RETIREMENT FUND Time-Weighted Returns Periods Ending June 30, 1995			
	One Year	----- Annualized ----- Three Years	Five Years
Total Fund*	16.5 %	10.5 %	9.8 %
TUCS Public Fund Median **	16.4	10.7	10.5
TUCS Total Fund Median **	16.7	11.1	10.6
Domestic Equity	24.9 %	13.7 %	12.3 %
S & P 500 Index	26.1	13.2	12.1
Wilshire 5000 Index	24.7	13.6	12.3
Domestic Fixed Income	13.0 %	8.2 %	10.1 %
Lehman Aggregate Bond Index	12.5	7.5	9.4
Cash	5.5 %	4.3 %	5.5 %
90 Day Treasury Bills	5.6	4.1	5.0
Non-US Equity	3.2 %	12.9 %	10.5 %
MSCI EAFE Index	1.7	12.7	4.7
Real Estate	16.4 %	1.7 %	-9.3 %
NCREIF Property Index	8.0	2.7	-0.1
Alternative Investments	15.0 %	17.1 %	15.2 %

* The WSIB currently is engaged in legal proceeding against the New England Mutual Life Insurance Company and Copley Real Estate Advisors, alleging breach of fiduciary duties, and other violations in the management of certain real estate investments. Without the investment with Copley, Total Retirement Fund returns over one, three and five year periods ending June 30, 1995 would have been 16.3%, 10.8% and 10.7% respectively.

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

Domestic Equity Program

HIGHLIGHTS

The WSIB domestic equity program is externally managed, employing a combination of passive and active managers. The portfolio has been structured to capture the broad market characteristics as measured by the Wilshire 5000 Index.

Since approximately 70 percent of the Wilshire 5000 Index is comprised of S&P 500 stocks, the WSIB portfolio has been structured to contain a similar proportion of large capitalization stocks. As the large cap market is generally efficient, the bulk of the large cap portfolio is invested passively in an S&P 500 index fund to control costs. Other managers have been hired to "enhance" returns over the S&P 500 Index return, by investing in a very disciplined manner.

The remaining 30 percent of the WSIB portfolio is represented by small/mid cap companies. Since the small/mid cap markets are somewhat less efficient, more opportunities exist for adding value through active management. Approximately 43 percent of this portion of the portfolio is actively invested by five managers employing a variety of styles and investment philosophies. The remainder of the small/mid cap portfolio is passively managed, primarily in an Extended Markets Index fund.

CAPITAL MARKETS

The domestic equity markets rebounded sharply in fiscal year 1994-95, following a flat period in the prior fiscal year. Large-cap stocks outperformed small-cap, as the S&P 500 Index returned 26.1 percent for the year, while small-cap stocks, measured by the Wilshire 4500 Index, returned 21.7 percent. The return of the broad domestic equity market, represented by the Wilshire 5000 Index, was 24.7 percent for the fiscal year.

PERFORMANCE

The WSIB domestic equity portfolio returned 24.9 percent for the year, slightly above the 24.7 percent return of the Wilshire 5000 Index.

Domestic Equity Program

ALLOCATION TO US EQUITIES

June 30, 1995

Manager	Investment Style	(In 000's) Market Value
Large Cap US Equities		
Wells Fargo Nikko Investment Advisors	S & P 500 Index	\$4,865,501
Advanced Investment Management	Enhanced Index	131,996
Independence Investment Associates	Enhanced Index	385,693
Pacific Investment Management Company	Enhanced Index	320,511
Parametric Portfolio Associates	Enhanced Index	305,197
The Kenwood Group	Large Cap Value	8,877
Zevenbergen Capital Management	Large Cap Growth	17,130
Total Large Cap		<u>\$6,034,905</u>
Mid/Small Cap US Equities		
Wells Fargo Nikko Investment Advisors	Extended Market Index	\$1,414,104
Wells Fargo Nikko Investment Advisors	Intermediate Value Index	53,434
Capital Guardian Trust Company	Small/Mid Cap Value	123,858
Chancellor Capital Management	Small Cap Growth	305,472
Denver Investment Advisors	Mid Cap Growth	280,645
Putnam Investments	Small Cap Value	289,155
Wilke/Thompson Capital Management	Small Cap Growth	97,449
Total Mid/Small Cap		<u>\$2,564,117</u>
Total Domestic Equities		<u>\$8,599,022</u>

Domestic Fixed Income Program

HIGHLIGHTS

The WSIB domestic fixed income program is internally managed. Its benchmark for performance purposes is the Lehman Aggregate Index. The retirement fund's allocation to fixed income, which began the year at 45 percent of total assets, was gradually reduced during the year toward the new board-adopted target of 35 percent. At fiscal year end, the allocation to fixed income was 38.5 percent. The transition toward the new asset allocation policy target will continue during the next fiscal year.

The active strategy for capturing returns above the Index is primarily one of sector selection. The portfolio is managed to be either over- or under- weighted relative to the Index in one or more of the major sectors: Treasuries, Agencies, Corporates, Mortgage Backed Securities, or Asset Backed Securities.

In addition, within each sector, over- and under-weighting is also utilized versus the Lehman Aggregate Index sectors. For example, the Corporate portfolio's allocation to industry and credit rating differ from the Index's, as do the Mortgage portfolio's allocation to coupon and maturity.

As of June 30, 1995, the portfolio was under-weighted relative to the index in Governments, over-weighted in Corporates, and roughly equal with regard to Mortgages and Asset Backed Securities. Duration strategies are also used, though the duration will not differ significantly from that of the Index over long time horizons.

CAPITAL MARKETS

Fixed income assets experienced a very positive year following a difficult period in 1994. Interest rates peaked in November, 1994 as the yield on the 30 year Treasury reached 8.16 percent. The bond market then rallied dramatically, as the long bond yield dropped to 6.62 percent by fiscal year end. Long duration Corporates performed well along with BBB quality industrials as spread compression continued well into second quarter 1995.

PERFORMANCE

The WSIB retirement fixed income portfolio returned 13.0 percent for the fiscal year, exceeding the Lehman Aggregate Index which returned 12.5 percent. Outperformance can be attributed to slightly longer duration of the portfolio versus the Index and overweighting in corporate bonds. The portfolio is well diversified, holding more than 500 individual issues.

Domestic Fixed Income Program

ALLOCATION TO FIXED INCOME June 30, 1995	
Sector	Market Value (In 000's)
Short - Term	
Cash & Equivalents	\$636,174
Less: Pending Trades	(592,261)
Total Short - Term	<u>\$43,913</u>
Long - Term	
US Treasuries	\$2,991,011
Agencies	294,403
Corporates	2,716,410
Asset Backed	144,917
Mortgages	2,540,837
Total Long - Term	<u>\$8,687,578</u>
Total Fixed Income	<u>\$8,731,491</u>

Domestic Fixed Income Program

CHARACTERISTICS OF THE FIXED INCOME PORTFOLIO

June 30, 1995

<u>Sector Distribution</u>	<u>WSIB Portfolio</u>	<u>Lehman Aggregate Index</u>
Cash	0.5 %	0.0 %
Treasury	34.2	47.1
Agency	3.4	7.1
Corporate	31.1	16.7
Asset Backed	1.7	1.1
Mortgages	29.1	28.0
Total	<u>100.0 %</u>	<u>100.0 %</u>

<u>Credit Distribution</u>		<u>Coupon Distribution</u>	
TSY	34.3 %	0 - 4.9 %	3.8 %
AGY	25.9	5 - 6.9	32.8
AAA	8.7	7 - 7.9	33.7
AA	1.4	8 - 8.9	20.9
A	16.8	9 - 9.9	5.9
BAA	11.8	10 +	2.9
OTHER	1.1		
	<u>100.0 %</u>		<u>100.0 %</u>

Effective Duration

0 - 1 years	7.5 %
1 - 3	21.3
3 - 4	17.9
4 - 6	19.7
6 - 8	16.8
8+	16.8
	<u>100.0 %</u>

Non - U.S. Equity Program

HIGHLIGHTS

The board's non-U.S. equity program consists of two components: core and non-core. The core component concentrates on MSCI EAFE portfolios (Morgan Stanley Capital International Index of Europe, Australia and the Far East). The non-core component focuses on a global portfolio and other future programs.

At fiscal year end the core component accounted for 87 percent of the total non-U.S. program. Approximately 62 percent of the core portfolio is invested actively by regional managers. This active allocation is divided among three Pacific Basin managers (G.T. Capital, Dunedin, and J.P. Morgan) and two European managers (Clay Finlay and UBS). The remaining 38 percent of the core portfolio is managed passively by State Street Global Advisors in an international index fund. In June, the board selected Mercury Asset Management to manage small cap European equities, completing WSIB's search for a third European equity manager.

Cursitor was the only component of the WSIB's international allocation until May 1994 when the European and Pacific Basin managers were hired. Currently, Cursitor-Eaton manages the board's non-core portfolio, allocating among stocks, bonds and cash in various countries around the world, including the United States.

As another component of the non-core, the board adopted an emerging markets mandate of 15 percent of the total international allocation in December 1994. Funding of the emerging markets program will begin in the fourth quarter of 1995.

The WSIB's transition toward new asset allocation policy targets continues, shifting funds from domestic fixed income to international equity. Currently the international allocation is 11 percent of the fund. The transition will be complete when the international allocation reaches the target of 15 percent of the total retirement fund, which equates to approximately \$3.4 billion.

CAPITAL MARKETS

International stock returns for fiscal 1995 were modest, with the MSCI EAFE returning 1.7 percent. Europe's strong return of 18.3 percent was offset by poor Pacific Basin stock performance. Excluding Japan, the Pacific Basin returned 7.5 percent; but Japan's return of -14.3 percent brought the Pacific Basin composite return down to -10.8 percent.

PERFORMANCE

WSIB's international composite returned 3.2 percent for the fiscal year, outperforming the 1.7 percent return of the MSCI EAFE Index.

Non - U.S. Equity Program

ALLOCATION TO NON-US EQUITY June 30, 1995	
	Market Value (In 000's)
Core International Program	
Passive Manager	
State Street Global Advisors	\$812,451
Active European Managers	
Clay Finlay Inc	\$328,578
UBS International	259,278
Total Active European	<u>\$587,856</u>
Active Pacific Basin Managers	
GT Capital Management	\$261,378
Dunedin Fund Managers LTD	247,537
JP Morgan Investment Management	245,262
Total Active Pacific Basin	<u>\$754,177</u>
Total Core International Program	<u>\$2,154,484</u>
Non-Core International Program	
Global Manager	
Cursitor-Eaton Asset Management	\$329,430
Total Non-US Equity	<u>\$2,483,914</u>

Real Estate Program

HIGHLIGHTS

In June, 1994, the board lowered the allocation target for real estate from 6 percent to 5 percent of retirement fund assets. As of June 30, 1995, real estate equity comprised approximately 2.9 percent of the fund.

Two significant dispositions occurred during the fiscal year which contributed to the real estate portfolio's one year performance return. The WSIB's investments in Centennial Limited Partnership and Shurgard Evergreen Limited Partnership were sold to public real estate investment trusts (REITS) at attractive pricing levels yielding annual internal rates of return of 14 and 15 percent respectively.

Following adoption of the Real Estate Investment Plan developed with the assistance of the board's real estate consultant, several new real estate related programs have been initiated. The first new program, funded from the board's fixed income allocation, involves the purchase of commercial mortgages secured by institutional quality real estate originated by the board's advisor, Principal Mutual Life Insurance Company.

The second program, currently under development, targets separate account equity investments in real estate assets which are generally stabilized and focused primarily on one of the four traditional property types (multifamily, office, industrial, retail). Consistent with board policy, this program, will utilize the services of real estate advisors to source, originate and manage the investments until value has been maximized and the assets are ultimately sold.

CAPITAL MARKETS

Private real estate markets continued to recover in fiscal year 1995. For the year ending June 30, 1995, the NCREIF Index posted a 7.8 percent total return (before fees) consisting of a 9.4 percent income return and depreciation of (1.6) percent. Overall, income returns were up over the previous year and property values declined, though at a slower pace as the year progressed. For the quarter ending June 30, 1995, no loss in value was reported on a composite basis for the NCREIF Index.

Improving real estate market fundamentals (i.e., supply and demand conditions) were largely responsible for enhancements in property performance over the year. Overall, occupancies and rents showed growth, though levels of improvement varied by property sector and market location. Real estate continued to attract investment capital in fiscal year 1995 which also helped to stabilize values.

PERFORMANCE

The WSIB real estate program's performance far surpassed that of the NCREIF Index for fiscal year 1995. WSIB posted a total return of 16.3 percent versus 6.8 percent, net of fees, for the benchmark.¹ The main reason for WSIB's superior performance was a 7.3 percent appreciation return recorded for the year.

¹ To account for fees, the NCREIF Index is reduced by 100 basis points per year.

Real Estate Program

ALLOCATION TO REAL ESTATE June 30, 1995		
Advisor / Partner	Investment	(In 000's) Market Value
Direct Investments		
Jones Lang Wootton Realty Advisors	NEEP	\$28,182
Jones Lang Wootton Realty Advisors	WASH-COP	22,516
Jones Lang Wootton Realty Advisors	KOLL-COPLEY	20,560
Jones Lang Wootton Realty Advisors	Quadrant Lake Union	6,491
Low Enterprises	One & Two Union Square	244,753
Pactrust Realty Inc.	Pactrust	165,386
Subtotal		\$487,888
Commingled Accounts		
PM Realty Advisors	Americawest I	\$2,145
PM Realty Advisors	Americawest II	17,702
Equitable Real Estate Advisors	Prime Property Fund	20,537
Sentinel Real Estate Corp.	Sentinel SREF	21,898
The RREEF Funds	RREEF West VI	19,886
Jones Lang Wootton Realty Advisors	CLIP	88,828
Subtotal		\$170,996
Other*		\$823
Total Real Estate Equity		<u>\$659,707</u>

* Represents Centennial Limited Partnership's escrowed cash balance.

Real Estate Program

CHARACTERISTICS OF THE REAL ESTATE EQUITY PORTFOLIO June 30, 1995

Property Type

Office	51 %
Industrial	24
Retail	15
Apartment	5
Other	5
	<u>100 %</u>

Property Location

Northeast	6 %
Mideast	1
East N. Central	1
West N. Central	1
Southeast	2
Southwest	1
Pacific	85
Mountain	3
	<u>100 %</u>

Property Value

Less than \$5 Million	14 %
\$5 to \$10 Million	14
\$10 to \$20 Million	19
\$20 to \$50 Million	10
\$50 to \$100 Million	1
\$100 to \$150 Million	4
Greater than \$150 Million	38
	<u>100 %</u>

Alternative Investments Program

HIGHLIGHTS

WSIB's alternative investment portfolio increased in value from \$1.7 billion to \$1.9 billion during fiscal year 1995, and currently represents 8.6 percent of the total retirement fund.

The portfolio continues to be heavily weighted to the buyout market due to a large exposure to Kohlberg Kravis Roberts & Co. (KKR). KKR investments are valued at approximately \$1.7 billion, representing 85 percent of the portfolio. Publicly traded securities represent over \$1 billion of portfolio holdings, nearly 60 percent of the total. Most of the public securities are managed by several KKR partnerships.

The objectives of the alternative investments program are to achieve risk adjusted returns of 300-600 basis points above public market returns, and to increase the portfolio value to its 10 percent allocation target.

The program continues to seek new and unique investment opportunities. As an example, WSIB recently invested in Hancock International Private Equity Partners II, the program's first investment in international private equity. This investment is a fund of funds focusing on the more established markets of Europe and Asia.

CAPITAL MARKETS

A strong IPO (Initial Public Offering) market in the first half of 1995 allowed some of WSIB's investments to go public, improving portfolio returns. In March 1995, Red Lion Inns, a WSIB portfolio company through KKR, began an IPO of its own, completed mid-summer. The successful offering added more than \$100 MM in value to the portfolio.

Substantial capital continues to be raised in the private equity markets. Institutional investors funded private equity groups at record levels. During fiscal year 1995, investors committed \$21 billion to private equity. Of this amount, approximately 78 percent was committed to buyouts.

PERFORMANCE

Since inception in 1982, the alternative investment program has achieved a 14.4 percent overall internal rate of return. Return on the KKR portfolio was 17.3 percent, and a 6.8 percent return has been achieved on other venture investments to date. Internal rate of return is the standard industry performance measure for the alternative investment industry.

Time weighted rates of return are also calculated for alternative investments. For the 1995 fiscal year, time weighted returns were 12.5 percent for leveraged buyouts, and 28.0 percent for venture capital.

During the fiscal year, WSIB received \$222 MM in cash distributions from its existing limited partnerships.

Alternative Investments Program

ALLOCATION TO ALTERNATIVE INVESTMENTS June 30, 1995

	Market Value (in 000's)
<u>Venture Capital</u>	
Austin Ventures	\$2,435
Brentwood Associates IV	11,818
CH Partners II, L.P.	23
Evergreen I, L.P. (Hancock)	3,035
Evergreen II, L.P. (Brentwood)	984
Evergreen III, L.P. (Hancock)	5,194
Evergreen IV, L.P. (Brentwood)	7,698
Hancock International II - Partnership Fund	583
Hancock International II - Direct Fund	0
John Hancock Venture Capital Fund, L.P.	36
John Hancock Venture Capital Fund II, L.P.	4,973
Investech	385
KBA Partners, L.P.	33,963
KBA Partners II, L.P.	659
Materia Ventures, L.P.	7,927
Menlo Evergreen V, L.P.	23,935
Menlo Venture Partners	128
Menlo Ventures III, L.P.	5,685
Menlo Ventures IV, L.P.	33,906
Menlo Ventures VI, L.P.	1,055
Paragon Venture Partners II	3,704
Phoenix Partners	37
Phoenix Partners (Secondary)	15
Phoenix Partners II, L.P.	12,702
Phoenix Partners III, L.P.	19,229
Sprout Capital VII	1,654
Total Venture Capital	<u>\$181,763</u>

Alternative Investments Program

ALLOCATION TO ALTERNATIVE INVESTMENTS June 30, 1995

	Market Value (In 000's)
<u>Established Companies</u>	
<u>Acquisition / Buyout:</u>	
Clayton, Dublier & Rice Fund V	\$35
Code, Hennessy & Simmons II	3,901
KKR 1982 Fund	2,783
KKR 1984 Fund	193,712
KKR 1986 Fund	272,823
KKR 1987 Fund	934,556
KKR 1993 Fund	129,527
KKR Daw Forest Products - Direct	13,398
KKR Red Lion Hotels, Inc.	107,900
TSG Capital Fund II	91
Total Acquisition / Buyout	\$1,658,726
<u>Mezzanine</u>	
Capital Resources Lenders	\$13,347
Equity Linked Investors	43,988
Rice Partners II, L.P.	8,660
Total Mezzanine	\$65,995
<u>Distressed / Restructuring</u>	
Fidelity Galileo Fund	\$16,504
Joseph, Littlejohn & Levy Fund II	4,781
Total Distressed / Restructuring	\$21,285
<u>Special Situations</u>	
Warburg Pincus Ventures	\$11,842
<u>Real Estate</u>	
Blackrock Asset Investors	\$5,280
<u>Natural Resources</u>	
Energy Recovery Fund	\$70
Total Alternative Investments	\$1,944,961

Retirement Funds

Financial Section

- Statement of Investments
- Schedule of Participation
- Statement of Changes in Investment Balance
- Schedule of Investments
- Schedule of Derivatives
- Schedule of International Manager Holdings

NOTE:

The accompanying unaudited financial statements and schedules of investments were prepared from the official accounting records of the Washington State Investment Board. Asset listings reflect positions on a settlement date basis. Asset allocation information presented elsewhere in this report is taken from master custodian records and is on a trade date basis. In some cases, reported numbers may differ slightly due to valuation and classification differences.

**WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS**

Statement of Investments - Unaudited
June 30, 1995

	COMMINGLED TRUST FUND (NOTE 2)	PLAN-SPECIFIC INVESTMENTS (NOTE 2)	TOTAL	PERCENT OF TOTAL
Short-term Securities	\$1,070,014,386	\$66,667,246	\$1,136,681,632	5.0%
U.S. Treasuries and Agencies	3,240,068,242	-	3,240,068,242	14.3%
Mortgages and Mortgage Backed	2,140,978,921	-	2,140,978,921	9.4%
Asset Backed Securities	163,514,904	-	163,514,904	0.7%
Corporate Obligations	2,721,349,618	-	2,721,349,618	12.0%
Active Domestic Equity	1,775,116,757	-	1,775,116,757	7.8%
Domestic Equity Index Funds	6,333,040,875	-	6,333,040,875	27.9%
Active International Equity	1,671,709,799	-	1,671,709,799	7.4%
International Equity Index Funds	812,452,174	-	812,452,174	3.6%
Venture Capital	290,262,640	-	290,262,640	1.3%
Leveraged Buy-Outs	1,654,698,514	-	1,654,698,514	7.3%
Real Estate Equity	659,776,704	-	659,776,704	2.9%
Derivatives	5,066,798	-	5,066,798	0.0%
Accrued Investment Income	135,163,254	440,365	135,603,619	0.6%
Accrued Management Fees Payable	(4,415,011)	-	(4,415,011)	0.0%
	<u>\$22,668,798,575</u>	<u>\$67,107,611</u>	<u>\$22,735,906,186</u>	<u>100.0%</u>

WASHINGTON STATE INVESTMENT BOARD**RETIREMENT FUNDS**

Schedule of Participation - Unaudited

June 30, 1995

RETIREMENT PLAN:	COMMINGLED TRUST FUND (NOTE 2)	PLAN-SPECIFIC INVESTMENTS (NOTE 2)	TOTAL	PERCENT OF TOTAL
PERS I	\$6,278,134,935	\$108,256	\$6,278,243,191	27.61%
PERS II	4,811,193,977	28,808,254	4,840,002,231	21.29%
TEACHERS I	5,426,125,863	7,107,576	5,433,233,439	23.90%
TEACHERS II	1,774,612,089	13,426,666	1,788,038,755	7.86%
VOLUNTEER FIREFIGHTERS	65,658,679	985,047	66,643,726	0.29%
WASHINGTON STATE PATROL	368,007,941	4,336	368,012,277	1.62%
LEOFF I	3,106,490,210	4,678,035	3,111,168,245	13.68%
LEOFF II	838,574,882	9,878,720	848,453,602	3.73%
JUDICIAL	-	2,110,721	2,110,721	0.01%
	\$22,668,798,576	\$67,107,611	\$22,735,906,187	100%

**WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS**

Statement of Changes in Investment Balances - Unaudited
For the Fiscal Year Ended June 30, 1995

	Commingled Trust Fund	Plan-Specific Investments	Total
<u>Investment Balance, June 30, 1994:</u>			
Investments (at Market Value)	\$19,141,719,717	\$65,004,331	\$19,206,724,048
Investment Earnings Receivable	139,450,518	281,037	139,731,555
Investment Management Fees Payable	(3,019,506)		(3,019,506)
Total Investment Balance June 30, 1994	\$19,278,150,729	\$65,285,368	\$19,343,436,097
<u>Fiscal Year 1995 Activity:</u>			
Net Receipt from Retirement Plans	0	229,817,368	229,817,368
Investments in Commingled Fund	567,255,000	(567,255,000)	-
Withdrawals from Commingled Fund	(334,797,000)	334,797,000	-
Investment Earnings:			
Income	\$815,798,005	\$4,462,875	\$820,260,880
Capital Gains	125,094,655	-	125,094,655
Capital Losses	(95,757,839)	-	(95,757,839)
Market Gains and Losses (Realized and Unrealized)	2,336,181,641	-	2,336,181,641
Fees and Expenses	(23,126,615)	-	(23,126,615)
Net Investment Earnings	\$3,158,189,847	\$4,462,875	\$3,162,652,722
Total Investment Balance June 30, 1995	\$22,668,798,576	\$67,107,611	\$22,735,906,187
<u>Investment Balance Recap, June 30, 1995:</u>			
Investments (at Market Value)	\$22,538,050,333	\$66,667,246	\$22,604,717,579
Investment Earnings Receivable	135,163,254	440,365	135,603,619
Investment Management Fees Payable	(4,415,011)	-	(4,415,011)
Total Investment Balance June 30, 1995	\$22,668,798,576	\$67,107,611	\$22,735,906,187

WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS
Notes to Financial Statements
June 30, 1995

1. Significant Accounting Policies

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

Dividend income is recorded on the ex-dividend date. Interest income is accrued when earned.

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

2. The Commingled Trust Fund

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

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

3. Fees and Expenses

Investment related fees and expenses are paid from non-appropriated funds, and are deducted from investment earnings. The following is a listing of non-appropriated fees and expenses paid during the fiscal year ending June 30, 1994. Management fees for many real estate and venture capital investments are paid from the partnerships and are therefore not reflected here.

WASHINGTON STATE INVESTMENT BOARD

RETIREMENT FUNDS

Schedule of Investment Management Fees and Commissions Paid
For the Year Ended June 30, 1995

PUBLIC EQUITY SECURITIES:

Active Equity Managers	\$4,302,700
Passive Equity Managers	499,315
Enhanced Equity Managers	1,922,707
Global Managers	954,515
International Active Equity Managers	2,131,140
Equity Commissions Paid	1,789,735

ALTERNATIVE INVESTMENTS:

LBO Managers	5,250,000
Venture Capital	800,000

OTHER FEES:

Consultants and Advisors	2,175,723
Custodians	1,540,411
Legal Fees	338,315
Other Fees	26,550

Total Fees Paid \$21,731,110

Plus: Ending Fees Payable 4,415,011
Minus: Beginning Fees Payable (3,019,506)

Total Fees and Commissions \$23,126,615

WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS

Schedule of Investments - Unaudited
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE / SHARES	BOOK & MARKET VALUE
SHORT TERM SECURITIES:				
MONEY MARKET FUNDS:				
BNY SHORT-TERM INVESTMENT FUND	N/A		1,052,752	\$ 553,749,686
US TREASURY BILLS				
U S T-BILL	N/A	08/24/1995	80,000	76,230
U S T-BILL	N/A	09/21/1995	22,045,000	21,632,399
U S T-BILL	N/A	11/16/1995	12,050,000	11,478,604
TOTAL TREASURY BILLS				<u>\$ 33,187,234</u>
COMMERCIAL PAPER				
AMERICAN EXPRESS CP	N/A	07/17/1995	25,000,000	24,895,833
ASSOCIATES CORP	N/A	07/17/1995	50,000,000	49,727,292
AVON CP	N/A	07/07/1995	8,200,000	8,176,573
BASF CORP CP	N/A	07/03/1995	35,000,000	34,982,063
CONGRA CP	N/A	07/17/1995	11,183,000	11,147,261
COUNTRYWIDE FDG CP	N/A	07/17/1995	1,700,000	1,692,350
DURACELL CP	N/A	07/06/1995	12,230,000	12,211,563
DURACELL CP	N/A	07/18/1995	9,500,000	9,455,667
FLEET MTG BANK CP	N/A	07/17/1995	25,000,000	24,895,833
FLEET MTG CP	N/A	07/05/1995	50,000,000	49,956,597
GMAC CP	N/A	07/17/1995	3,500,000	3,490,001
GMAC CP	N/A	09/14/1995	50,000,000	49,352,639
GREAT WESTERN BK CP	N/A	07/20/1995	25,000,000	24,845,319
GREAT WESTERN BK CP	N/A	09/14/1995	25,000,000	24,647,042
MATTEL CP	N/A	07/11/1995	5,000,000	4,970,736
MERRILL LYNCH CP	N/A	07/17/1995	25,000,000	24,863,188
PACIFICORP CP	N/A	09/14/1995	12,000,000	11,830,580
RAYTHEON CP	N/A	07/07/1995	18,148,000	18,120,551
RECKITT INC CP	N/A	09/14/1995	8,648,000	8,525,078
WEST ONE BANCORP CP	N/A	07/17/1995	25,000,000	24,846,292
WHIRLPOOL CORP CP	N/A	07/17/1995	1,630,000	1,625,110
WHIRLPOOL FINANCE CP	N/A	07/26/1995	4,800,000	4,772,709
TOTAL COMMERCIAL PAPER				<u>\$ 429,030,277</u>
DISCOUNT NOTES:				
AMERICAN TELEPHONE & TEL DN	N/A	07/24/1995	1,700,000	1,676,483
GEN ELEC CORP DN	N/A	09/26/1995	8,000,000	7,801,516
U S WEST COMM DN	N/A	07/17/1995	4,400,000	4,334,110
WARNER LAMBERT CO DN	N/A	07/24/1995	7,000,000	6,902,327
TOTAL DISCOUNT NOTES				<u>\$ 20,714,436</u>
REPURCHASE AGREEMENT	6.050	07/03/1995	100,000,000	\$ 100,000,000
TOTAL SHORT-TERM				<u>\$ 1,136,681,632</u>

WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS

Schedule of Investments - Unaudited
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE / SHARES	BOOK & MARKET VALUE
<u>GOVERNMENT SECURITIES</u>				
MUNICIPAL OBLIGATIONS:				
ORANGE CTY TAXABLE PEN OBLIG SERIES	1.000	09/01/2008	3,000,000	\$ 2,250,000
TREASURIES:				
U S T NOTES (COLLATERAL-GSC)	3.875	08/31/1995	40,000	39,881
U S T NOTES (FUTURE COLLATERAL)	3.875	10/31/1995	40,000	39,881
TREASURY NOTE	4.625	02/15/1996	55,000,000	54,621,600
TREASURY NOTE	4.250	05/15/1996	106,500,000	105,151,710
U S TREASURY	7.375	05/15/1996	153,425,000	155,437,936
U S TREASURY	7.875	07/15/1996	109,300,000	111,553,766
TREASURY NOTE	6.125	12/31/1996	20,000,000	20,087,400
TREASURY NOTE	7.500	12/31/1996	80,000,000	81,912,800
TREASURY NOTE	7.500	01/31/1997	68,390,000	70,078,549
U S TREASURY	6.875	03/31/1997	25,000,000	25,421,750
TREASURY NOTE	6.500	05/15/1997	100,000,000	101,141,000
U S TREASURY	6.750	05/31/1997	75,000,000	76,206,750
U S TREASURY	8.500	07/15/1997	50,000,000	52,508,000
U S TREASURY	8.625	08/15/1997	242,600,000	255,828,978
U S TREASURY	5.625	01/31/1998	75,000,000	74,554,500
U S TREASURY	5.125	02/28/1998	150,000,000	147,258,000
TREASURY NOTE	5.125	04/30/1998	55,500,000	54,416,085
TREASURY NOTE	5.125	06/30/1998	25,000,000	24,461,000
U S TREASURY	9.250	08/15/1998	38,000,000	41,562,500
TREASURY NOTE	4.750	09/30/1998	6,000,000	5,788,140
TREASURY NOTE	5.125	12/31/1998	66,400,000	64,657,000
U S TREASURY	6.375	01/15/1999	100,000,000	101,312,000
U S TREASURY	8.875	02/15/1999	160,095,000	175,153,536
TREASURY NOTE	5.875	03/31/1999	183,000,000	182,370,480
TREASURY NOTE	6.750	06/30/1999	70,000,000	71,859,200
TREASURY NOTE	6.375	07/15/1999	100,000,000	101,344,000
TREASURY NOTE	6.000	10/15/1999	35,000,000	35,021,700
U S TREASURY	7.875	11/15/1999	69,000,000	73,916,250
TREASURY NOTE	7.750	02/15/2001	15,000,000	16,218,750
U S TREASURY	7.500	11/15/2001	77,000,000	82,691,070
U S TREASURY	11.875	11/15/2003	9,500,000	12,945,270
TREASURY NOTE	5.875	02/15/2004	21,000,000	20,501,250
TREASURY NOTE	7.250	05/15/2004	109,000,000	116,391,290
TREASURY NOTE	7.875	11/15/2004	59,000,000	65,711,250
U S TREASURY	9.375	02/15/2006	35,000,000	43,328,950
TREASURY BOND	13.875	05/15/2011	31,000,000	48,887,930
U S TREASURY	9.875	11/15/2015	25,300,000	34,198,516
U S TREASURY	7.250	05/15/2016	18,000,000	19,094,040
U S TREASURY	7.500	11/15/2016	22,415,000	24,418,229
U S TREASURY	8.750	05/15/2017	45,000,000	55,377,900
U S TREASURY	8.750	05/15/2020	72,540,000	89,994,575
U S TREASURY	7.875	02/15/2021	19,000,000	21,615,540
TREASURY NOTE	6.875	08/31/2099	25,000,000	25,789,000
TOTAL TREASURIES				\$ 2,940,867,952

**WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS**

Schedule of Investments - Unaudited
June 30, 1995

<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE / SHARES</u>	<u>BOOK & MARKET VALUE</u>
AGENCIES:				
FED HOME LOAN BANK	5.464	10/05/1995	3,250,000	3,250,000
FEDERAL NATL MTG ASSOC	5.600	12/29/1995	20,000,000	19,990,600
FEDERAL HOME LN BKS	8.100	03/25/1996	16,000,000	16,267,520
FEDERAL NATL MTG ASSOC	8.450	10/21/1996	35,000,000	36,099,350
FEDERAL NATL MTG ASSOC MTN	4.940	10/30/1998	50,000,000	48,331,500
FHLB FLOAT RATE NOTE	5.060	09/11/1995	3,500,000	3,482,500
FEDERAL HOME LN MTG CORP	7.125	07/21/1999	35,000,000	36,208,550
FEDERAL NATL MTG ASSOC	9.050	04/10/2000	5,000,000	5,578,900
PRIVATE EXPORT FUNDING CORP	8.400	07/31/2001	7,000,000	7,681,870
FEDERAL HOME LN BKS	9.500	02/25/2004	10,000,000	12,026,600
FEDERAL HOME LN MTG CORP	7.880	04/28/2004	25,000,000	25,445,000
FEDERAL HOME LN MTG CORP	8.140	05/20/2004	10,000,000	10,257,800
FEDERAL HOME LN MTG CORP	7.740	06/01/2004	55,000,000	57,440,350
TENNESSEE VALLEY AUTH	8.250	09/15/2034	10,000,000	10,265,900
TENNESSEE VALLEY AUTH	6.875	12/15/2043	5,000,000	4,623,850
TOTAL AGENCIES				\$ 296,950,290
TOTAL US TREASURIES AND AGENCIES				\$ 3,240,068,242

MORTGAGES AND MORTGAGE BACKED SECURITIES

PASS THROUGH MORTGAGES:

FEDERAL HOME LN MTG CORP (GMC)	8.050	03/15/1996	21,600	21,735
FEDERAL HOME LN MTG CORP (GMC)	8.125	03/15/2000	800,000	814,960
FEDERAL HOME LN MTG CORP (GMC)	8.200	09/15/2005	2,344,831	2,595,141
FEDERAL HOME LN MTG CORP (GMC)	8.375	09/15/1997	1,044,100	1,094,017
FHLMC GOLD PL C00303	6.500	03/01/2024	4,115,968	3,959,026
FHLMC GIANT WAM SWAP 30-6660	7.000	03/15/2019	3,639,507	3,584,146
FHLMC GOLD PL C00335	7.500	05/01/2024	40,455,634	40,581,856
FHLMC GOLD PL C80158	7.500	05/01/2024	9,712,194	9,742,486
FHLMC GIANT NONGNOME 50-1731	8.000	12/01/2004	2,952,308	3,015,045
FHLMC SWAP 29-1274	8.000	04/01/2017	2,481,558	2,531,310
FHLMC SWAP 29-4881	8.000	06/01/2017	276,393	281,935
FHLMC SWAP 29-9465	8.000	06/01/2017	168,180	171,292
FHLMC SWAP 30-3198	8.000	03/01/2018	81,795	83,175
FHLMC PC 16-0034	8.500	12/01/2007	114,278	117,980
FHLMC PC 16-0037	8.500	01/01/2008	121,584	125,523
FHLMC PC 16-0038	8.500	02/01/2008	213,434	220,349
FHLMC PC 17-0019	8.500	02/01/2008	753,278	777,684
FHLMC PC 16-0039	8.500	03/01/2008	597,475	616,833
FHLMC SWAP 28-4973	8.500	05/01/2008	19,043	19,532
FHLMC SWAP 28-0417	8.500	09/01/2016	10,520	10,868
FHLMC SWAP 26-0847	8.500	01/01/2017	13,110	13,557
FHLMC SWAP 28-5569	8.500	01/01/2017	80,994	83,550
FHLMC SWAP 28-5709	8.500	01/01/2017	123,593	127,811
FHLMC SWAP 28-8409	8.500	02/01/2017	64,763	66,806
FHLMC SWAP 28-9144	8.500	02/01/2017	54,660	56,385
FHLMC SWAP 28-9625	8.500	02/01/2017	28,178	29,108
FHLMC SWAP 28-7894	8.500	03/01/2017	187,132	193,038
FHLMC SWAP 28-7948	8.500	03/01/2017	47,975	49,631

WASHINGTON STATE INVESTMENT BOARD

RETIREMENT FUNDS

Schedule of Investments - Unaudited
June 30, 1995

<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE / SHARES</u>	<u>BOOK & MARKET VALUE</u>
FHLMC SWAP 28-9135	8.500	03/01/2017	98,065	101,476
FHLMC SWAP 28-9152	8.500	03/01/2017	353,962	365,133
FHLMC SWAP 28-9214	8.500	03/01/2017	91,033	94,038
FHLMC SWAP 28-9376	8.500	03/01/2017	180,295	186,246
FHLMC SWAP 28-9630	8.500	03/01/2017	171,671	177,089
FHLMC SWAP 29-1424	8.500	03/01/2017	44,451	45,854
FHLMC SWAP 29-2320	8.500	03/01/2017	78,929	81,420
FHLMC SWAP 28-9373	8.500	04/01/2017	148,588	153,660
FHLMC SWAP 28-9434	8.500	04/01/2017	1,421	1,470
FHLMC SWAP 28-9884	8.500	04/01/2017	339,006	349,705
FHLMC SWAP 29-0070	8.500	04/01/2017	12,882	13,311
FHLMC SWAP 29-0165	8.500	04/01/2017	112,141	115,968
FHLMC SWAP 29-0815	8.500	04/01/2017	140,634	145,073
FHLMC SWAP 29-1140	8.500	04/01/2017	9,081	9,368
FHLMC SWAP 29-1470	8.500	04/01/2017	53,009	54,682
FHLMC SWAP 29-1802	8.500	04/01/2017	45,796	47,359
FHLMC SWAP 29-2075	8.500	04/01/2017	40,150	41,417
FHLMC SWAP 290303	8.500	04/01/2017	176,217	182,034
FHLMC PC 17-0222	8.500	05/01/2017	116,622	120,648
FHLMC SWAP 29-2624	8.500	05/01/2017	65,541	67,778
FHLMC SWAP 29-4102	8.500	05/01/2017	18,795	19,448
FHLMC GOLD PL D54825	8.500	07/01/2024	2,427,552	2,504,163
FHLMC GOLD PL D54750	8.500	08/01/2024	2,419,396	2,495,750
FHLMC GOLD PL D55215	8.500	08/01/2024	2,473,318	2,551,373
FHLMC GOLD PL D55560	8.500	08/01/2024	2,358,365	2,432,793
FHLMC GOLD PL D55645	8.500	08/01/2024	2,491,141	2,569,759
FHLMC GOLD PL D55891	8.500	08/01/2024	2,507,802	2,586,948
FHLMC GOLD PL D55901	8.500	08/01/2024	2,447,296	2,524,530
FHLMC GOLD PL D57065	8.500	10/01/2024	2,507,709	2,586,852
FHLMC GOLD PL D57158	8.500	10/01/2024	4,931,463	5,087,095
FHLMC PC 16-0040	8.750	03/01/2008	102,524	106,102
FHLMC PC 16-0045	8.750	05/01/2008	10,940	11,321
FHLMC PC 16-0046	8.750	05/01/2008	322,398	333,650
FHLMC PC 16-0047	8.750	05/01/2008	104,642	108,294
FHLMC GNOME 38-0021	9.000	05/01/2003	4,250,347	4,411,053
FHLMC GIANT SWAP 30-4278	9.000	07/01/2018	14,335,117	14,968,729
FHLMC GIANT SWAP 30-4281	9.000	07/01/2018	14,763,230	15,415,750
FHLMC GIANT SWAP 538275	9.000	12/01/2019	246,186	254,724
FHLMC SWAP 18-5401	9.250	05/01/2012	478,520	501,125
FHLMC PC 16-0063	9.500	10/01/2008	301,846	316,808
FHLMC PC 17-0186	9.500	08/01/2016	1,743,311	1,833,787
FHLMC PC 36-0003	9.500	06/01/2017	1,711,308	1,798,893
FHLMC GIANT SWAP 53-8318	10.000	12/01/2019	4,950,155	5,324,481
FHLMC PC 17-0141	11.000	09/01/2015	189,309	204,217
FHLMC SWAP 25-6790	11.000	09/01/2015	253,610	273,899
FHLMC PC 17-0145	11.000	10/01/2015	440,906	475,883
FHLMC PC 17-0147	11.000	11/01/2015	2,036,058	2,198,944
FHLMC PC 17-0149	11.000	12/01/2015	521,781	563,523
FHLMC PC 17-0029	12.000	05/01/2010	334,535	363,610
FNMA PL 307675	5.742	05/01/2024	7,861,877	7,925,794
FNMA PL 278016	6.000	04/01/2024	3,434,325	3,216,452
FNMA PL 050965	6.500	01/01/2024	103,838	99,814
FNMA PL 050763	7.000	07/01/2008	2,244,050	2,249,658

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FNMA PL 219662	7.000	08/01/2023	1,240,892	1,219,560
FNMA PL 227422	7.000	08/01/2023	2,744,979	2,697,793
FNMA PL 297971	8.000	11/01/2024	9,348,263	9,520,552
FNMA PL 297979	8.000	11/01/2024	7,191,913	7,324,460
FNMA PASS THRU BALLOON #124459	9.000	01/01/1999	698,388	718,899
FNMA GL 6222	9.000	04/01/2016	4,605,076	4,849,697
FNMA 73014 (OLIVE TOWER APT)	9.015	06/01/2020	1,526,297	1,589,733
FNMA MEGA 70453	10.500	12/01/2019	4,213,237	4,592,429
FNMA CL 2463	11.000	09/01/2015	756,006	826,707
FNMA MEGA 70449	11.000	12/01/2019	7,613,030	8,317,228
FNMA CA 7423	11.250	05/01/2014	515,041	561,919
GNMA SF 2733	6.500	06/15/2003	89,607	88,614
GNMA PL 372887	6.500	10/15/2023	966,268	928,216
GNMA PL 366529	6.500	11/15/2023	1,326,970	1,274,713
GNMA I SF 389464	6.500	03/15/2024	2,544,466	2,444,263
GNMA II SF 008459M	6.500	07/20/2024	18,986,542	19,321,845
GNMA SF 3617	7.000	10/15/2003	316,083	317,265
GNMA PL 325672	7.000	11/15/2023	765,963	753,754
GNMA PL 346878	7.000	11/15/2023	23,409,162	23,035,997
GNMA PL 357234	7.000	11/15/2023	11,799,450	11,611,367
GNMA PL 368817	7.000	11/15/2023	1,022,305	1,006,009
GNMA PL 370890	7.000	11/15/2023	18,911,054	18,609,612
GNMA PL 364870	7.000	01/15/2024	18,879,103	18,578,151
GNMA I SF 352964	7.000	05/15/2024	17,804,550	17,520,728
GNMA SF 11025	7.250	11/15/2005	161,048	164,773
GNMA SF 22602	8.250	05/15/2008	184,361	190,729
GNMA SF 21705	8.250	06/15/2008	391,732	405,262
GNMA 1 SF 282707	8.500	11/15/2019	580,967	606,396
GNMA 1 SF 296567	8.500	02/15/2021	360,744	374,495
GNMA 1 SF 304909	8.500	03/15/2021	41,755	43,347
GNMA 1 SF 304222	8.500	04/15/2021	260,241	270,161
GNMA 1 SF 278964	8.500	05/15/2021	803,715	834,352
GNMA 1 SF 296059	8.500	05/15/2021	289,705	300,749
GNMA 1 SF 298100	8.500	05/15/2021	162,558	168,755
GNMA 1 SF 298516	8.500	05/15/2021	124,354	129,094
GNMA 1 SF 298756	8.500	05/15/2021	81,352	84,865
GNMA 1 SF 299457	8.500	05/15/2021	87,950	91,303
GNMA 1 SF 301296	8.500	05/15/2021	228,312	237,015
GNMA 1 SF 301362	8.500	05/15/2021	399,733	414,970
GNMA 1 SF 305397	8.500	05/15/2021	376,398	390,746
GNMA 1 SF 305800	8.500	05/15/2021	569,258	590,958
GNMA 1 SF 306617	8.500	05/15/2021	779,421	809,132
GNMA 1 SF 307705	8.500	05/15/2021	620,536	647,337
GNMA 1 SF 307793	8.500	05/15/2021	247,864	257,312
GNMA 1 SF 307797	8.500	05/15/2021	425,319	441,532
GNMA 1 SF 307859	8.500	05/15/2021	263,995	275,397
GNMA 1 SF 308571	8.500	05/15/2021	140,222	145,568
GNMA 1 SF 308658	8.500	05/15/2021	419,481	435,472
GNMA 1 SF 309220	8.500	05/15/2021	479,628	497,911
GNMA 1 SF 309221	8.500	05/15/2021	305,741	317,396
GNMA 1 SF 202092	8.500	06/15/2021	772,191	801,627
GNMA 1 SF 255739	8.500	06/15/2021	141,124	146,504
GNMA 1 SF 294485	8.500	06/15/2021	48,664	50,519

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GNMA 1 SF 298323	8.500	06/15/2021	508,518	527,902
GNMA 1 SF 299113	8.500	06/15/2021	253,276	262,931
GNMA 1 SF 299966	8.500	06/15/2021	128,129	133,013
GNMA 1 SF 300164	8.500	06/15/2021	84,658	87,885
GNMA 1 SF 302066	8.500	06/15/2021	30,884	32,061
GNMA 1 SF 303333	8.500	06/15/2021	872,298	905,550
GNMA 1 SF 304673	8.500	06/15/2021	187,005	194,134
GNMA 1 SF 305424	8.500	06/15/2021	498,523	517,527
GNMA 1 SF 305722	8.500	06/15/2021	90,424	93,871
GNMA 1 SF 305957	8.500	06/15/2021	156,849	162,828
GNMA 1 SF 306346	8.500	06/15/2021	144,998	151,260
GNMA 1 SF 306871	8.500	06/15/2021	738,167	766,306
GNMA 1 SF 307608	8.500	06/15/2021	136,904	142,122
GNMA 1 SF 307780	8.500	06/15/2021	322,814	335,120
GNMA 1 SF 307895	8.500	06/15/2021	366,127	380,084
GNMA 1 SF 307914	8.500	06/15/2021	498,916	517,934
GNMA 1 SF 307926	8.500	06/15/2021	154,057	159,930
GNMA 1 SF 307938	8.500	06/15/2021	362,228	376,036
GNMA 1 SF 309021	8.500	06/15/2021	239,538	248,669
GNMA 1 SF 310213	8.500	06/15/2021	373,482	387,719
GNMA 1 SF 294371	8.500	07/15/2021	141,430	146,822
GNMA 1 SF 295503	8.500	07/15/2021	508,603	527,990
GNMA 1 SF 300180	8.500	07/15/2021	36,722	38,122
GNMA 1 SF 301253	8.500	07/15/2021	94,333	97,929
GNMA 1 SF 301691	8.500	07/15/2021	331,002	343,620
GNMA 1 SF 304083	8.500	07/15/2021	55,769	57,894
GNMA 1 SF 304229	8.500	07/15/2021	199,518	207,123
GNMA 1 SF 305295	8.500	07/15/2021	538,798	559,336
GNMA 1 SF 305900	8.500	07/15/2021	58,088	60,597
GNMA 1 SF 305956	8.500	07/15/2021	128,073	132,955
GNMA 1 SF 306448	8.500	07/15/2021	187,808	194,967
GNMA 1 SF 307150	8.500	07/15/2021	54,928	57,022
GNMA 1 SF 307626	8.500	07/15/2021	371,044	385,188
GNMA 1 SF 308905	8.500	07/15/2021	460,728	478,291
GNMA 1 SF 309442	8.500	07/15/2021	109,447	113,619
GNMA 1 SF 309950	8.500	07/15/2021	579,747	601,847
GNMA 1 SF 310529	8.500	07/15/2021	235,793	244,782
GNMA 1 SF 310530	8.500	07/15/2021	554,120	575,242
GNMA 1 SF 311660	8.500	07/15/2021	56,258	58,403
GNMA 1 SF 311994	8.500	07/15/2021	363,024	376,863
GNMA 1 SF 313010	8.500	07/15/2021	222,645	231,132
GNMA 1 SF 313176	8.500	07/15/2021	523,947	546,576
GNMA 1 SF 178138	8.500	08/15/2021	567,735	589,377
GNMA 1 SF 304677	8.500	08/15/2021	353,959	367,452
GNMA 1 SF 305680	8.500	08/15/2021	439,482	456,235
GNMA 1 SF 306080	8.500	08/15/2021	163,963	170,214
GNMA 1 SF 306673	8.500	08/15/2021	584,166	606,435
GNMA 1 SF 309461	8.500	08/15/2021	42,465	44,083
GNMA 1 SF 309875	8.500	08/15/2021	186,348	193,452
GNMA 1 SF 310334	8.500	08/15/2021	193,369	200,740
GNMA 1 SF 310560	8.500	08/15/2021	584,554	606,838
GNMA 1 SF 310562	8.500	08/15/2021	461,889	479,496
GNMA 1 SF 310843	8.500	08/15/2021	569,144	590,839
GNMA 1 SF 311090	8.500	08/15/2021	74,044	76,866

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GNMA 1 SF 311340	8.500	08/15/2021	161,827	167,995
GNMA 1 SF 311807	8.500	08/15/2021	123,108	127,801
GNMA 1 SF 313022	8.500	08/15/2021	829,651	861,277
GNMA 1 SF 298355	8.500	09/15/2021	224,611	233,173
GNMA 1 SF 310595	8.500	09/15/2021	170,182	176,669
GNMA 1 SF 316731	8.500	09/15/2021	238,765	249,078
GNMA 1 SF 306129	8.500	10/15/2021	565,386	586,938
GNMA 1 SF 306540	8.500	10/15/2021	184,332	191,359
GNMA 1 SF 313225	8.500	10/15/2021	266,331	276,483
GNMA 1 SF 313899	8.500	10/15/2021	39,198	40,693
GNMA 1 SF 315047	8.500	10/15/2021	363,205	377,050
GNMA 1 SF 315277	8.500	10/15/2021	442,435	459,300
GNMA 1 SF 184777	8.500	11/15/2021	459,524	477,041
GNMA 1 SF 307425	8.500	11/15/2021	825,227	856,685
GNMA 1 SF 311350	8.500	11/15/2021	175,014	181,685
GNMA 1 SF 316739	8.500	11/15/2021	337,957	352,553
GNMA 1 SF 319273	8.500	11/15/2021	2,020,975	2,098,015
GNMA 1 SF 183602	8.500	12/15/2021	280,205	290,886
GNMA 1 SF 298598	8.500	12/15/2021	3,345,902	3,473,444
GNMA 1 SF 312980	8.500	12/15/2021	383,482	398,100
GNMA 1 SF 323069	8.500	04/15/2022	488,492	507,114
GNMA 1 SF 323417	8.500	05/15/2022	456,684	474,093
GNMA 1 SF 324927	8.500	05/15/2022	444,514	461,458
GNMA 1 SF 315174	8.500	07/15/2022	624,182	647,976
GNMA 1 SSF 342587	8.500	12/15/2022	513,413	532,985
GNMA 1 SF 365253	8.500	12/15/2024	1,973,376	2,048,599
GNMA 1 SF 378299	8.500	12/15/2024	2,959,441	3,072,252
GNMA 1 SF 385985	8.500	12/15/2024	14,127,870	14,666,410
GNMA 1 SF 394385	8.500	12/15/2024	986,243	1,023,839
GNMA 1 SF 394386	8.500	12/15/2024	1,971,873	2,047,039
GNMA 1 SF 401229	8.500	12/15/2024	986,570	1,024,177
GNMA 1 SF 409790	8.500	12/15/2024	979,045	1,016,366
GNMA GP 90133	9.000	05/15/2009	444,614	466,427
GNMA GP 90178	9.000	05/15/2009	264,825	277,817
GNMA GP 91485	9.000	05/15/2009	503,724	528,436
GNMA GP 90150	9.000	08/15/2009	124,184	130,276
GNMA I SF 199359	9.000	12/15/2016	6,745,871	7,135,371
GNMA 1 SF 278750	9.000	10/15/2019	9,534,148	10,057,096
GNMA 1 SF 284637	9.000	03/15/2020	3,028,200	3,191,053
GNMA 1 SG 292958	9.000	11/15/2020	9,630,168	10,148,069
GNMA 1 SF 307537	9.000	06/15/2021	10,865,584	11,412,232
GNMA 1 SF 306532	9.000	09/15/2021	4,334,391	4,552,450
GNMA 1 SF 310600	9.000	09/15/2021	10,328,827	10,848,460
GNMA I SF 167139	9.500	07/15/2016	2,225,428	2,379,405
GNMA I SF 190845	9.500	12/15/2016	240,968	257,640
GNMA I SF 249684	9.500	11/15/2018	1,756,039	1,867,985
GNMA I SF 262933	9.500	09/15/2019	3,335,512	3,541,980
GNMA I SF 202647	9.500	11/15/2019	2,179,994	2,310,794
GNMA I SF 278777	9.500	11/15/2019	2,367,210	2,513,738
GNMA I SF 279773	9.500	12/15/2019	5,431,098	5,767,278
GNMA I SF 287217	9.500	03/15/2020	2,812,862	2,981,633
GNMA I SF 302899	9.500	01/15/2021	1,821,629	1,930,927
GNMA SF 36127	10.000	11/15/2009	159,324	173,713
GNMA SF 34245	10.000	12/15/2009	745,052	811,071

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GNMA SF 35888	10.000	12/15/2009	318,367	347,119
GNMA SF 37913	10.000	12/15/2009	582,162	633,747
GNMA SF 35292	10.000	01/15/2010	261,973	285,632
GNMA SF 39407	10.000	01/15/2010	225,085	245,030
GNMA SF 45231	10.500	12/15/2010	406,772	448,084
GNMA II SF 120666	13.000	09/15/2014	86,712	98,038
TOTAL PASS THROUGH MORTGAGES				\$ 471,028,181
FHA PROJECT / SBA LOANS:				
AUBURN VILLA	7.500	02/02/2018	890,285	882,130
BURIEN HAUS	7.500	12/01/2017	539,959	535,536
FOXCROFT APTS	7.500	11/01/2018	3,912,695	3,872,472
HACKBERRY APTS	7.000	12/01/2014	789,727	786,742
LOWELL-EMERSON APT (GNMA 383716)	7.000	03/15/2029	4,580,000	4,506,990
MANZANITA MANOR	7.500	12/01/2017	897,573	889,692
MARIANNA APTS	7.500	10/01/2017	1,199,400	1,189,960
MISSION TOWERS	7.500	06/01/2018	1,882,884	1,862,831
PINECREST APT/JACK NETTLESHIP	8.500	02/01/2012	554,053	551,067
PLEASANTON CONV HOSPITAL	7.000	11/01/2013	1,025,787	915,238
PRES JAMES MONROE MANOR	7.000	06/01/2013	1,817,487	1,623,706
REILLY MTG GRP #55 (FHA POOL)	7.430	03/01/2024	8,380,878	8,498,797
SPRING MEADOW	7.000	09/01/2013	1,225,178	1,093,667
ST MARY'S COMMUNITY HOSP	8.000	08/01/2001	1,996,363	1,982,928
SUTTER VILLAGE	7.500	02/02/2018	1,224,329	1,213,114
SWALLOW HAVEN (BENITA)	8.000	12/01/2016	807,849	807,227
TERRACE MANOR	7.500	07/01/2000	610,622	594,819
THE COTTAGES/WILDWOOD APTS	7.500	05/01/2018	1,086,327	1,074,432
UNITED CEREBRAL PALSY HOME	9.000	09/01/2007	888,434	900,694
WATERS EDGE APTS	7.500	12/01/2017	2,319,873	2,300,595
TOTAL FHA PROJECT / SBA LOANS				\$ 36,082,637
FHA / VA RESIDENTIAL MORTGAGES:				
BANCBOSTON (MERIDIAN)	6.250	11/01/1999	103,301	96,272
BANCBOSTON (MERIDIAN)	6.750	12/01/1999	234,228	222,322
BANK OF AMERICA	6.750	09/01/1997	46,744	45,468
BANK OF AMERICA	5.620	06/01/1999	165,727	151,937
BANK OF AMERICA	7.000	12/01/2001	37,974	35,839
BANK OF AMERICA	6.750	09/01/2003	80,567	73,966
CONTINENTAL	6.450	10/01/1999	109,181	102,641
CONTINENTAL MTG	5.480	01/01/1997	12,938	12,460
CONTINENTAL MTG	7.300	04/01/2003	322,815	307,391
EXECUTIVE HOUSE	11.500	06/01/2011	235,486	238,879
FARMER'S HOME NOTES	7.350	08/03/1996	384,289	386,803
FIB OF WASHINGTON	5.210	04/01/1996	43,129	43,129
FIB OF WASHINGTON	6.050	01/01/2002	72,058	64,568
FLEET REAL EST FUNDING	5.320	06/01/1999	56,289	51,048
FLEET REAL EST FUNDING	5.440	06/01/1999	74,490	67,849
FLEET REAL EST FUNDING	7.500	03/01/2000	17,722	17,286
GMAC MTG	5.000	11/01/2010	352	256
GREAT WESTERN SAVINGS	5.900	03/01/2002	16,304	14,451
LOMAS & NETTLETON	6.750	01/01/2002	564,085	524,249
METMOR FINANCIAL	6.625	02/01/2002	104,230	96,291

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NATIONSBANC	5.600	11/01/1998	21,808	20,215
NATIONSBANC	6.750	11/01/2001	189,187	176,339
NATIONSBANC	6.000	03/01/2002	457,208	407,546
SEATTLE MORTGAGE CO	6.750	07/01/2002	255,492	236,816
SOURCE ONE	5.850	08/01/2003	896,872	776,843
U S MORTGAGE	6.070	09/01/1998	14,523	13,773
U S MORTGAGE	5.920	10/01/1999	23,765	22,057
U S MORTGAGE	7.000	12/01/2001	38,627	36,824
U S MORTGAGE	7.000	04/01/2003	399,515	378,013
<i>TOTAL FHA / VA RESIDENTIAL MORTGAGES</i>				<u>\$ 4,621,531</u>
CONVENTIONAL COMMERCIAL LOANS:				
4TH & VINE BLDG/SELIG	9.000	09/01/2006	3,262,185	3,262,185
ALDERBROOK INN	9.500	10/01/2003	719,513	719,513
BEVERLY FINANCE CORP 144A	8.360	07/15/2004	10,000,000	10,668,750
SEAFIRST (SEC. PACIFIC)	10.170	05/01/1999	958,035	958,035
SUPERSTITION VISTA/GILBERT ST.	9.000	04/01/2000	12,487,347	7,333,669
<i>TOTAL CONVENTIONAL COMMERCIAL LOANS</i>				<u>\$ 22,942,151</u>
CONVENTIONAL RESIDENTIAL MORTGAGES:				
BANK OF AMERICA	11.250	03/01/2010	195,531	198,272
BANK OF AMERICA	11.000	04/01/2010	298,406	302,652
MAGNOLIA FED / KISLAK	15.250	10/01/2009	938,779	971,467
METROPOLITAN SAVINGS & LOAN	10.375	11/01/2008	361,341	368,170
METROPOLITAN SAVINGS & LOAN	10.500	05/01/2009	586,479	590,989
NATIONSBANC	10.625	08/01/2009	316,140	321,515
NATIONSBANC	10.625	12/01/2009	377,213	383,697
NATIONSBANC	10.875	06/25/2010	480,543	488,535
NATIONSBANC	12.250	09/01/2010	191,451	196,030
WA. MUTUAL	10.375	12/01/2009	530,405	540,865
WELLS FARGO	11.000	01/01/2010	248,587	252,187
<i>TOTAL CONVENTIONAL RESIDENTIAL MORTGAGES</i>				<u>\$ 4,614,379</u>
REAL ESTATE LOANS (SMALL LOAN PROGRAM):				
CRYSTAL & SUNSET HOUSE	10.325	09/15/2006	904,088	904,088
DREBICK INVESTMENTS/CHANDLER CT	10.000	12/15/2001	2,584,206	2,584,206
HARBOR CLUB APTS	9.725	04/15/2002	1,469,593	1,469,593
L & L LAND/ PORTCO	9.875	12/15/2001	1,271,221	1,271,221
LA MIRADA (THOMAS MOORE)	9.875	03/15/2001	572,093	572,093
MARINWOOD APT	10.375	12/15/2000	909,172	909,172
MARVIN GARDEN APTS	10.375	06/15/2001	3,661,577	3,661,577
MURPHY'S LANDING	10.275	09/15/2001	1,319,988	1,319,988
ROY STREET APARTMENTS	10.125	01/01/2001	1,987,819	1,987,819
SANTIAGO/CHERRY HILL	10.125	02/15/2001	1,340,952	1,340,952
SHURGARD MINI-STORAGE	10.125	04/15/2001	1,460,008	1,460,008
SPANISH HILLS APTS	9.875	05/15/2001	1,946,727	1,946,727
TALISMAN APTS., DBSI INC.	9.750	01/15/2001	2,930,026	2,930,026
UNITED GROCERS WAREHOUSE	10.125	07/15/2006	688,256	688,256
WENDOVER APARTMENTS	9.625	02/15/2002	1,155,609	1,155,609
WILDERNESS WEST LTD	9.500	11/01/2004	1,652,510	1,652,510

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TOTAL REAL ESTATE LOANS				\$ 25,853,844
COLLATERALIZED MORTGAGE OBLIGATIONS:				
AFC 95-2A1 ARM REM	6.180	07/25/2026	5,599,505	5,625,319
BEAR S MTG SEC INC 1993-08A6	6.500	08/25/2024	15,110,000	14,610,161
BEAR S MTG SEC TR 93-08A3	5.950	08/25/2024	23,780,000	23,388,700
BEAR S. MTG. SEC TR93-08A5 ^c	6.350	08/25/2024	15,750,000	15,340,469
CAL FED 89-FA3 CL A COFI+185 ARM	6.660	02/25/2019	1,189,233	1,159,501
CHASE MTG FIN 1994-F A11	6.750	03/25/2025	13,666,699	12,890,280
CHEMICAL 88-1A ARM YRCMT+178 REM	5.687	10/25/2017	2,396,200	2,410,191
CMO BEAR STEARNS 92-1-A7 REMIC	8.000	05/25/2023	3,140,275	3,189,577
CMO CAPSTEAD SEC III 91-4B PAC	8.700	12/25/2021	2,004,894	1,999,879
CMO FHLMC 1133 CL F PAC REMIC	7.000	11/15/2018	4,999,641	4,995,486
CMO FHLMC 1141-E PAC REMIC	8.500	01/15/2019	1,706,438	1,714,850
CMO FHLMC 1190 CL F REMIC	7.500	09/15/2018	763,075	765,974
CMO FNMA 1991-82-PH PAC REMIC	8.000	11/25/2018	4,482,302	4,473,382
CMO FNMA 1992-113-A REMIC	7.500	02/25/2015	99,921	99,530
CMO PRU HOME 1994-5-A1	7.000	02/25/2024	4,089,632	4,083,211
CMO RTC 1992-17 A-1 REMIC	8.769	12/25/2020	1,336,561	1,356,408
CMO SEARS MTG FNG 1986-E	9.500	08/25/2016	727,444	761,794
CMO TRAVELERS MTG SEC INC 87-5A	9.000	07/25/2017	903,474	905,656
CMO*Z CMSC G-5	10.200	04/20/2017	3,136,850	3,144,849
CMSI MTG 89-19 ARM COFI+125 REM	5.625	12/25/2019	3,689,911	3,489,618
CMSI MTG 90-6-A4REMIC	9.500	07/25/2018	4,122,190	4,163,412
COUNTRYWIDE MTG 1994 I	6.250	07/25/2009	22,724,000	20,660,206
CWFC 1994-8 A7	6.000	04/25/2009	15,383,588	13,986,604
CWMBS 1994-G A6	6.500	04/25/2024	15,170,930	14,375,366
DLJ 91-4 CL A ARM 3YRCMI+187	7.811	02/20/2021	794,687	799,161
DLJ 93-Q18 IIA1 ARM 6MOLIB+1.123	4.600	01/25/2024	5,943,421	5,705,678
DLJ MTG 1993-14 A2	6.625	08/25/2023	6,507,000	5,957,224
DLJ REM 92-Q7 A2 ARM	5.642	09/25/2022	2,043,207	2,066,786
FHLMC (6.5%) 1668-BA IO REMIC	6.500	01/15/2009	13,556,974	1,773,957
FHLMC (6.5%) 1684-J IO PAC REMIC	6.500	08/15/2020	9,961,828	1,448,191
FHLMC (7%) 1540-F PAC IOETTE REMIC	11.660	07/15/2007	5,239,129	464,187
FHLMC 1052 F	7.500	01/15/2020	5,000,000	5,081,150
FHLMC 1229 E	6.800	11/15/2003	1,851,955	1,849,601
FHLMC 1415 Y8	6.500	11/15/2007	20,000,000	19,430,800
FHLMC 1523-PH IO PAC	6.500	02/15/2018	17,448,661	1,545,096
FHLMC 1616 BC	5.700	08/15/2006	15,000,000	14,335,800
FHLMC 1617 H	6.500	10/15/2023	5,563,000	5,071,175
FHLMC 1671 G	6.500	08/15/2023	40,750,141	39,558,199
FHLMC 1675 Q	6.500	02/15/2024	12,564,000	11,223,672
FHLMC 1702-B TC	6.500	11/15/2022	5,000,000	4,849,700
FHLMC 1706 H	6.500	06/15/2023	11,000,000	10,677,920
FHLMC 1727 Z	6.250	05/15/2024	10,588,071	8,355,322
FHLMC 1990 128H	8.750	09/15/2019	10,900,000	11,124,540
FHLMC 1992 1341 J	7.000	08/15/2006	20,500,000	20,503,895
FHLMC 1992 1409 H	6.500	11/15/2007	30,000,000	29,144,100
FHLMC 1992 1423 CC	6.750	03/15/2004	29,263,000	29,357,519
FHLMC 1992 1445 Y4	7.000	10/15/2007	25,000,000	25,065,725
FHLMC 1992 1445 Y9	6.750	08/15/2004	7,255,000	7,269,220
FHLMC 1992-1211 K	7.000	11/15/2006	12,400,000	12,412,152
FHLMC 1992-1233H	7.000	04/15/2007	8,744,000	8,775,041
FHLMC 1992-1396E	7.000	03/15/2022	6,000,000	5,729,100

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FHLMC 1993 1475 Y4	6.500	04/15/2005	60,000,000	59,659,200
FHLMC 1993-1478 G	6.500	06/15/2007	20,000,000	19,666,800
FHLMC 1993-1546 Y6	6.750	12/15/2021	20,000,000	19,618,400
FHLMC 1993-1573 C	7.000	09/15/2023	6,500,000	6,411,535
FHLMC 1994-1119 G	8.100	07/15/2020	9,870,091	10,055,945
FHLMC 1994-1709 D	6.500	12/15/2023	8,387,000	8,157,196
FHLMC 90-1006C	9.150	10/15/2020	8,173,743	8,539,273
FHLMC G-21 Y4	5.400	05/25/2016	16,000,000	15,253,920
FHLMC IO PAC REMIC	7.000	03/15/2019	9,500,000	1,665,132
FHLMC93-1475 Y7	5.950	04/15/2005	39,156,000	38,254,237
FIRST BOSTON MTG SECS REMIC	7.050	07/25/2023	5,010,692	5,066,005
FNG 1993-22 HA	6.500	09/25/2020	10,000,000	9,646,800
FNMA (6.5%) 1993-71-A IO REMIC	6.500	07/25/2007	25,949,314	2,171,958
FNMA (6.5%) 1994-30 IA PAC IO REM	6.500	11/25/2022	19,904,929	2,569,388
FNMA (7%) 1993-235-A PO PAC REMIC	1.000	12/25/2005	1,355,075	1,341,021
FNMA 1991 - 152M	8.000	11/25/2001	11,200,000	11,595,808
FNMA 1992 135 HAP11	5.000	08/25/2019	20,000,000	18,045,200
FNMA 1992 138 Y5	7.500	09/25/2021	33,484,000	33,878,107
FNMA 1992 198 G	5.100	12/25/2015	12,000,000	11,390,880
FNMA 1992-35 K	7.000	03/25/2021	16,420,000	16,011,963
FNMA 1992-51 G	7.000	09/25/2005	7,500,000	7,558,350
FNMA 1992-78 G	7.500	12/25/2005	8,750,000	8,938,475
FNMA 1992-84 G	7.500	10/25/2014	17,000,000	17,228,990
FNMA 1993 - 166E	5.750	01/25/2017	30,000,000	29,110,200
FNMA 1993 - 50 PW	5.500	01/25/2022	15,987,000	14,254,329
FNMA 1993 53H	5.750	01/25/2022	25,000,000	22,477,000
FNMA 1993-06 Y5	6.750	12/25/2004	25,000,000	25,013,500
FNMA 1993-06 Y7	7.000	08/25/2007	21,000,000	21,220,920
FNMA 1993-137 PE	5.800	04/24/2007	15,672,000	15,242,117
FNMA 1993-138E	5.750	12/25/2016	10,000,000	9,711,400
FNMA 1993-168N	7.000	09/25/2023	5,000,000	4,981,100
FNMA 1993-188 G	5.800	08/25/2006	10,000,000	9,718,500
FNMA 1993-191 DA	5.000	10/25/2008	3,675,663	3,283,062
FNMA 1993-199Z	7.000	10/23/2025	11,141,440	9,684,585
FNMA 1993-50 J	6.000	01/25/2023	10,087,525	9,411,560
FNMA 1993-56 P6	6.750	02/25/2021	10,000,000	9,888,200
FNMA 1993-95 Y5	6.750	04/25/2008	21,012,900	20,887,432
FNMA 1994 -14 C	6.000	07/25/2023	18,715,000	16,094,713
FNMA 1994-40 O	6.500	03/25/2024	6,750,000	6,389,280
FNMA 1994-40 Y6	6.000	06/25/2022	35,000,000	32,905,950
FNMA 1994-50 PG	6.500	01/25/2023	25,160,900	24,311,191
FNMA 1994-62 PH	6.900	11/25/2023	10,000,000	9,967,700
FNMA 1994-62K	7.000	03/25/2023	4,756,390	4,483,226
FNMA 91 - 108 H	7.500	04/05/2020	13,054,848	13,153,673
FNMA 93-225-VJ IO PAC REM	6.500	08/25/2013	18,000,000	2,369,066
FNMA 93-28 Y6	7.000	03/25/2008	21,727,000	21,723,958
FNMA 94-41PJ	6.500	06/25/2023	25,000,000	24,223,000
FNMA ACES 93-M2-M ARM 6MOLIB+175	5.159	11/25/2003	2,507,798	2,575,707
FNMA G1993-15 H	7.250	04/25/2023	5,100,000	4,920,225
FNMA G1994-2D	6.450	01/25/2024	5,000,000	4,542,600
GE CAP MTG 1994-10 A21	6.500	03/25/2024	12,404,000	11,151,940
GE CAP MTG 1994-10A15	6.500	03/25/2024	32,150,000	30,006,560
GE CAP MTG 1994-17 A9	7.000	05/25/2024	17,911,000	17,275,697
GE CAP MTG 1994-9 A4	6.500	02/25/2024	13,642,000	13,201,363

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GE CAP MTG SERV 1994-1 A8	6.500	01/25/2024	13,000,000	11,789,310
GE CAP MTG SERV 1994-7 A11	6.000	02/25/2009	15,643,000	14,036,151
GE CAP MTG SVC 1994-5 A6	5.500	02/24/2025	15,000,000	13,886,400
GE CAPITAL MTG SERV 1993-10A11	6.500	09/25/2023	7,220,000	6,581,680
GE CAPITAL MTG SERV 1994-12 A12	6.000	03/25/2009	15,042,000	13,624,893
GE CAPITAL MTG SERV 1994-14A4	7.500	04/25/2024	15,000,000	14,860,500
GE CAPITAL MTG SVC 1994-1	6.500	01/25/2024	10,130,010	8,351,505
GE CAPITAL MTG SVC 1994-13 A7	6.500	04/25/2024	19,426,898	18,433,970
GE CAPITAL MTG SVC 1994-4 A8	6.500	01/25/2024	14,852,375	13,525,018
GE CAPITAL MTG SVC 94-8 A8	6.000	02/25/2024	18,886,361	16,478,444
GNMA 1994-4 PH	7.500	10/16/2022	27,545,200	28,592,992
GRE 92-LBG A1 ARM 6MOLIB+137 REM	6.011	10/25/2022	2,071,360	2,057,003
GREAT WSTN 88-5A CL A COFI+150	5.847	02/25/2018	3,811,550	3,735,315
HOUSING SEC 1994-3 A7	7.250	11/25/2024	15,000,000	14,081,250
INMC COUNTRYWIDE 95-I	7.725	07/25/2025	8,427,499	8,532,927
KLJMA 1994-3 A10	6.500	04/25/2024	13,038,000	11,791,776
PMAC 1994-4B A5	7.000	02/25/2024	9,150,000	8,337,938
PRU HOME MTG 1992 42 Y2	6.650	01/25/2008	8,267,995	8,242,521
PRU HOME MTG 1992 42 YB	6.900	01/25/2008	9,791,469	9,813,108
PRU HOME MTG 1992 48 A2	7.500	01/25/2023	7,086,708	7,084,079
PRU HOME MTG 1993-43 A7	6.750	10/25/2023	17,281,425	16,126,507
PRU HOME MTG 1993-44 A18	6.750	11/25/2023	10,000,000	9,211,800
PRU HOME MTG 1994-17 A4	6.250	04/25/2024	10,321,000	9,175,782
PRU HOME MTG 1994-19 A6	7.050	05/25/2024	10,922,464	10,333,514
PRUDENTIAL HOME MTG SECS REMIC	7.500	08/25/2024	5,009,456	5,013,714
RFMSI 1993-S22 A6	7.000	06/25/2023	10,000,000	9,778,200
RFMSI 1993-S43 A7	6.500	11/25/2023	4,798,000	4,294,114
RFMSI 1994-S 5 A8	6.500	02/25/2024	12,337,155	11,372,007
RTC 91-M2-A3 ARM 1YRCMT+175REM	6.828	09/25/2020	3,057,104	2,139,970
RTC 91-M2A1 ARM 6MOTBILL+175REM	6.738	09/25/2020	1,971,953	1,380,365
RTC 92-16-A5 ARM COFI+204 REMIC	5.999	06/25/2024	4,171,683	4,199,421
RTC 92-C7 A2 REMIC ARM LIB+120	4.388	06/25/2023	1,056,654	1,062,570
SALOMON BROS MTG SECS VII	6.500	08/25/2009	8,356,958	8,661,924
SALOMON MTG SEC IV 1987-1 P-THRU	8.500	01/25/2017	398,165	414,589
SASI P-THRU 93-5A1 CMT+299 REMIC	6.381	06/25/2023	9,722,505	9,931,529
UNITED STATES DEPT. VETERANS	7.750	12/15/2014	8,018,000	8,224,399
WESTFED 91-02-A ARM	6.238	04/25/2021	4,595,504	4,609,336

TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS

\$ 1,575,836,197

TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES

\$ 2,140,978,921

ASSET BACKED SECURITIES:

ABS CARCO AUTO MASTER TR	6.401	10/16/2000	3,000,000	3,000,000
ABS CARCO LN TR 91-3A	7.875	03/15/1998	3,500,000	3,555,440
ABS PREMIER AUTO TRUST 1994-3 A2	1.000	09/02/1996	1,255,999	1,256,161
BANC ONE CR CD 94-B ABS	7.550	12/15/1999	15,000,000	15,468,750
BANC ONE CR CD 94-C ABS	7.800	11/15/1998	15,000,000	15,698,700
BANC ONE CREDIT CARD 1994-A	7.150	12/15/1998	3,500,000	3,556,385
CAP AUTO RECEIVABLES 1993-1 A7	5.350	02/17/1998	8,500,000	8,452,060
DISCOVER CD MASTER TR 94-1A	6.700	08/15/1997	17,125,000	17,315,088
EURO CREDIT CARD 1990-2A	9.500	11/10/1996	3,400,000	3,437,740
FNMA 95-W1 A7	8.200	04/25/2025	10,000,000	10,871,300

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FORD CR AUTO LEASE TR	6.000	05/15/1996	3,500,000	3,502,765
PREMIER AUTO TRUST 1993-2B ABS	5.000	10/15/1998	3,606,770	3,557,173
PREMIER AUTO TRUST 93-6 A2 ABS	4.650	11/02/1999	20,251,554	19,849,763
PREMIER AUTO TRUST 94-1 A3 ABS	4.750	11/02/1997	22,000,000	21,566,380
STANDARD CR CARD 1991-6 A	7.875	01/07/2000	10,000,000	10,143,700
STANDARD CR CARD MASTER TRUST	7.250	04/07/2006	10,000,000	10,455,500
STD CR CARD 1995-6A ABS	6.750	06/07/2000	10,000,000	10,327,700
SUPERIOR WHOLESALE INV TR	6.213	01/15/1999	1,500,000	1,500,300

TOTAL ASSET BACKED SECURITIES

\$ 163,514,904

CORPORATE OBLIGATIONS:

ABN-AMRO BNK NV (CHICAGO)	7.250	05/31/2005	10,000,000	10,270,500
ALANTIC RICHFIELD MTN	8.770	06/24/1999	10,000,000	10,804,400
ALCAN ALUMINUM	6.375	09/01/1997	10,000,000	9,984,000
AMERICAN STORES	7.400	05/15/2005	15,100,000	15,452,132
AMR CORP	10.000	04/15/2021	15,000,000	17,327,250
AMR CORP	9.750	08/15/2021	5,000,000	5,669,000
ANR PIPELINE	7.375	02/15/2024	10,000,000	9,688,100
ARIZONA PUBLIC SERV	8.750	01/15/2024	11,500,000	12,061,660
ARIZONA PUBLIC SERV	8.000	02/01/2025	19,000,000	19,258,020
ASSOCIATES CORP NORTH AMER	6.000	06/15/2001	6,700,000	6,484,528
ASSOCIATES CORP NORTH AMER	7.875	09/30/2001	10,000,000	10,619,800
ASSOCIATES CORP NORTH AMER	6.625	06/15/2005	25,000,000	24,527,250
AT&T CAPITAL MEDIUM TERM NOTE	8.875	07/12/1995	3,000,000	3,001,350
ATLANTIC RICHFIELD MTN	8.950	06/20/2001	5,000,000	5,598,700
B F PROPERTIES	7.500	02/25/2002	1,383,114	1,358,231
BALTIMORE GAS & ELEC CO	7.125	01/01/2002	1,000,000	1,015,020
BANESTO FIN EURO FRN	4.400	12/28/1995	10,000,000	10,062,500
BANK OF NEW YORK	7.625	07/15/2002	10,000,000	10,273,400
BANK OF NEW YORK	6.625	06/15/2003	5,000,000	4,911,250
BANK OF NEW YORK	8.500	12/15/2004	10,000,000	11,028,300
BANK OF NEW YORK CO	6.500	12/01/2003	10,000,000	9,711,700
BANK ONE CORP	7.250	08/01/2002	10,000,000	10,178,100
BANK ONE CORP	8.740	09/15/2003	16,000,000	17,748,800
BANKAMERICA CORP	7.750	07/15/2002	11,000,000	11,468,050
BARNETT BANK 6/1/963MO L+23	5.230	06/01/1996	3,000,000	3,001,350
BEAR STEARNS CO	6.625	01/15/2004	10,000,000	9,633,500
BEAR STEARNS FLOAT RATE NOTE	3.438	09/16/1995	3,000,000	3,001,200
BELL TEL CO PA	8.000	08/01/2009	2,700,000	2,747,655
BENEFICIAL CORP MTN	8.830	06/15/1998	10,000,000	10,634,800
BENEFICIAL CORP MTN	7.750	11/08/2002	25,000,000	26,534,500
BOEING CO	8.750	08/15/2021	20,000,000	23,180,200
BROAD RAFAEL PROPERTIES	10.250	06/01/2000	4,368,317	4,359,187
BURLINGTON NORTHERN INC	7.000	08/01/2002	25,000,000	25,031,500
CANADIAN NAT'L RR	6.625	05/15/2003	7,000,000	6,929,090
CANADIAN NAT'L RR	7.000	03/15/2004	10,500,000	10,507,035
CAPITAL ONE BK SR BK MTN	7.280	07/30/1996	2,000,000	2,001,580
CAPITOL ONE FUNDING SR BK NT	8.050	01/18/1996	6,000,000	6,052,500
CARNIVAL CRUISE	7.200	10/01/2023	14,000,000	13,088,740
CARTER HOLT HARVEY LTD	9.500	12/01/2024	12,000,000	14,673,600
CASTLE PEAK POWER CO	6.870	08/01/2003	10,000,000	9,480,000
CATERPILLAR INC MTN	7.300	06/04/1997	20,000,000	20,364,800

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<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE / SHARES</u>	<u>BOOK & MARKET VALUE</u>
CENTRAL BANKSHARES OF THE SOUTH	7.000	05/01/2003	10,000,000	9,903,100
CENTRAL PWR & LT CO	7.000	02/01/2001	4,300,000	4,308,041
CHASE MANHATTAN CORP	8.800	02/01/2000	10,000,000	10,324,000
CHEMICAL BANK	6.125	11/01/2008	7,500,000	6,752,025
CHEMICAL BANKING	6.500	01/15/2009	10,000,000	9,279,300
CHESAPEAKE & POTOMAC TEL MD	6.625	10/01/2008	1,000,000	963,050
CHESAPEAKE & POTOMAC TEL WA	7.000	02/01/2009	100,000	99,496
CHICAGO & NW RR	13.500	02/01/1998	5,582,277	6,400,248
CHICAGO & NW RR	14.750	08/01/1998	12,884,501	15,486,655
CHRYSLER FINANCE CORP	8.125	12/15/1996	12,000,000	12,258,840
CHRYSLER FINL CORP SR NT	6.688	11/15/1996	6,000,000	6,005,040
CHRYSLER FINL FRN MTN	6.490	02/04/1999	3,000,000	2,954,700
CHRYSLER FLOAT SWAP	1.000	04/12/1996	3,000,000	3,063,750
CINCINNATI GAS & ELEC	7.200	10/01/2023	5,000,000	4,790,350
CINCINNATI GAS & ELEC	6.900	06/01/2025	30,000,000	29,913,300
CITICORP	8.625	11/01/2004	10,000,000	10,465,400
CITICORP	7.625	05/01/2005	17,000,000	17,704,140
CITICORP MTN	8.800	02/01/2000	10,000,000	10,847,400
COASTAL CORP	10.375	10/01/2000	7,250,000	8,283,053
COASTAL CORP	10.000	02/01/2001	6,490,000	7,363,684
COASTAL CORP	9.750	08/01/2003	6,850,000	7,830,578
COASTAL CORP	10.250	10/15/2004	5,000,000	5,909,900
COLONIAL PIPELINE, 144A	7.450	08/15/2007	10,000,000	10,145,500
COLORADO INTERSTATE GAS	10.000	06/15/2005	12,595,000	13,770,869
COLUMBIA HEALTHCARE	6.500	03/15/1999	8,375,000	8,354,900
COLUMBIA HEALTHCARE	7.150	03/30/2004	10,000,000	10,058,000
COLUMBIA HEALTHCARE	8.360	04/15/2024	10,000,000	10,926,200
COMMERCIAL CREDIT CO	6.750	05/15/2000	50,000,000	50,662,500
COMMONWEALTH EDISON CO	5.750	11/01/1996	1,300,000	1,289,561
COMMONWEALTH EDISON CO	6.250	02/01/1998	1,750,000	1,731,030
CONAGRA	7.400	09/15/2004	25,000,000	25,308,500
CONRAIL	9.750	06/15/2020	10,000,000	12,569,400
CONSOLIDATED EDISON CO N Y	5.900	12/15/1996	6,500,000	6,470,490
CPC INTL FLOAT RATE NOTE	5.020	04/26/1996	2,500,000	2,375,000
CSX CORP	8.625	05/15/2022	10,000,000	11,226,700
DEAN WITTER DISCOVER 3MOL+18	6.493	11/22/1996	2,500,000	2,498,850
DEAN WITTER DISCV	6.750	10/15/2013	10,000,000	9,155,400
DEAN WTRR DISCV	6.875	03/01/2003	5,000,000	4,976,900
DEER PARK REFINING LP 144A	6.470	12/15/2008	5,000,000	4,831,250
DEERE & CO	8.950	06/15/2019	9,000,000	10,534,950
DIMONT CORP	9.875	03/01/2006	2,265,034	2,496,724
EASTMAN CHEMICAL	7.250	01/15/2024	10,000,000	9,748,400
ELEC DATA SYSTEM	7.125	05/15/2005	15,000,000	15,338,550
ENSERCH CORP	7.125	06/15/2005	10,000,000	10,090,200
FIRST WARD PROPERTIES	8.000	11/15/2006	2,131,447	2,069,444
FLORIDA GAS TRANSMISSION	8.630	11/01/2004	8,000,000	8,893,680
FORD CAPITAL BV	9.500	07/01/2001	5,000,000	5,665,550
FORD MOTOR CR CORP MTN	7.600	03/29/2000	5,000,000	5,197,150
FORD MOTOR CREDIT CORP	8.200	02/15/2002	35,500,000	38,120,255
FORD MOTOR CREDIT CORP	7.750	11/15/2002	10,000,000	10,441,900
FORD MOTOR CREDIT MTN	8.050	03/28/1997	3,000,000	3,087,330
FORD MTR CR MTN FRN	7.020	02/15/1999	5,400,000	5,314,518
GEN MTRS ACC CORP MTN DTD	8.800	07/08/1996	1,300,000	1,334,723
GEN MTRS ACCEPT CORP MTN	6.000	12/07/1998	22,500,000	22,112,325

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GEN MTRS ACCEPT CORP MTN	6.000	12/10/1998	10,000,000	9,827,100
GENERAL ELECTRIC CAP CORP	8.375	03/01/2001	5,000,000	5,438,400
GENERAL MOTORS	9.625	12/01/2000	6,800,000	7,647,076
GENERAL MOTORS	8.800	03/01/2021	16,680,000	18,893,102
GENERAL MTRS	9.125	07/15/2001	8,200,000	9,081,254
GENERAL MTRS ACCEPT CORP	7.000	03/01/2000	5,000,000	5,057,000
GENERAL MTRS ACCEPT CORP	5.500	10/15/2002	21,000,000	23,321,130
GENERAL MTRS ACCEPT CORP	8.500	01/01/2003	25,000,000	27,155,500
GEORGIA PACIFIC	7.700	06/15/2015	10,000,000	9,835,000
GEORGIA-PACIFIC	9.500	05/15/2022	23,000,000	25,500,790
GEORGIA-PACIFIC	8.625	04/30/2025	15,000,000	15,615,900
GMAC FRN 11/21/96	6.625	11/21/1996	3,500,000	3,517,175
GOLDEN WEST FINL	7.250	08/15/2002	10,000,000	10,122,700
GOLDMAN SACHS 144A	6.375	06/15/2000	10,000,000	9,795,300
GRAND METROPOLITAN	0.000	01/06/2004	12,500,000	6,959,625
GREAT NORTHN RY CO	3.125	01/01/2000	25,000	21,576
GTE CORP	9.100	06/01/2003	5,000,000	5,659,200
GTE CORP	8.500	04/01/2017	17,850,000	18,348,372
GTE CORP	10.300	11/15/2017	5,000,000	5,718,100
GTE CORP	7.830	05/01/2023	15,000,000	14,902,800
GULF STS UTILS CO	6.750	10/01/1998	300,000	300,900
GULF STS UTILS CO	8.250	04/01/2004	5,000,000	5,280,000
GULF STS UTILS CO	8.700	04/01/2024	5,000,000	5,165,900
HALLIBURTON DEB PUT 3/96 PSN PUT	1.000	03/13/2006	2,000,000	1,060,000
HANSON PLC	7.375	01/15/2003	21,000,000	21,686,910
HERTZ CORP	6.500	04/01/2000	6,500,000	6,443,190
HERTZ CORP	7.625	08/01/2002	10,000,000	10,328,600
HOUSEHOLD FIN CORP	4.408	08/23/1996	2,931,101	2,872,479
HOUSEHOLD FINANCE CORP	9.625	07/15/2000	3,000,000	3,361,290
HYDRO-QUEBEC	8.000	02/01/2013	16,000,000	16,667,040
HYDRO-QUEBEC	8.050	07/07/2024	25,000,000	27,323,250
HYDRO-QUEBEC MTN	6.380	01/15/2002	5,000,000	4,876,500
INDIANA BELL TEL INC	4.375	06/01/2003	650,000	559,702
INDIANTOWN COGENERATION	9.260	12/15/2010	15,900,000	17,986,875
INDIANTOWN COGENERATION	9.770	12/15/2020	15,000,000	17,118,750
INTL BK FOR RECON & DEV	8.625	10/01/1995	5,000,000	5,034,850
INTL BK FOR RECON & DEV	12.375	10/15/2002	5,000,000	6,657,050
INTL BK FOR RECON & DEV MTN	8.030	01/29/1996	15,000,000	15,187,500
ISIS LTD FLOAT RATE NOTE	1.000	12/15/1995	3,600,000	3,592,800
ITALY - GLOBAL BD	6.875	09/27/2023	7,500,000	6,657,300
JOHN DEERE CAP	8.625	08/01/2019	2,000,000	2,313,140
KANSAS GAS & ELEC	8.290	09/29/2016	24,500,000	25,672,080
KOREA ELEC PWR	8.000	07/01/2002	6,000,000	6,218,940
KOREA ELECTRIC POWER	6.375	12/01/2003	8,000,000	7,701,680
KOREA ELECTRIC POWER	7.750	04/01/2013	14,000,000	13,840,120
LEGRAND	8.500	02/15/2025	23,250,000	25,984,433
LEHMAN BROS HLDGS INC MTN	7.680	02/12/1996	6,000,000	6,037,500
LIMAR / SAFEWAY	13.500	04/01/2009	13,598,895	17,281,204
LORAL CORP	7.625	06/15/2004	10,000,000	10,412,600
LORAL CORP	7.000	09/15/2023	15,000,000	13,575,000
LORAL CORP	7.625	06/15/2025	10,000,000	9,798,000
LOUISIANA LAND & EXPLOR	7.650	12/01/2023	10,000,000	9,704,500
LOUISVILLE & NASHVILLE RR CO	2.875	04/01/2003	25,000	19,095
LOUISVILLE GAS & ELEC CO	6.750	06/01/1998	500,000	497,575

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MANITOBA PROV CDA	9.125	01/15/2018	9,000,000	10,898,010
MANITOBA PROV CDA	9.625	12/01/2018	5,000,000	6,298,400
MASCO CORP	6.125	09/15/2003	20,000,000	18,963,600
MBNA AMER BANK NA	7.250	09/15/2002	16,150,000	16,304,071
MBNA CORP, MTN	6.150	10/01/2003	3,250,000	3,152,955
MCI COMMUNICATIONS CORP	7.500	08/20/2004	15,000,000	15,738,750
MCI COMMUNICATIONS CORP	8.250	01/20/2023	9,000,000	9,433,710
MCI COMMUNICATIONS CORP	7.750	03/23/2025	25,000,000	24,874,250
MONTANA PWR CO	7.500	04/01/2001	1,000,000	1,013,140
MONTREAL CITY OF	5.000	11/01/2004	1,241,000	1,070,772
MORGAN STANLEY	7.000	10/01/2013	15,500,000	14,211,640
MORGAN STANLEY GROUP INC	6.375	12/15/2003	8,200,000	7,873,230
MOUNTAIN STS TEL & TELEG CO	5.500	06/01/2005	100,000	91,208
NABISCO INC	7.550	06/15/2015	22,500,000	22,339,350
NACCO MINING	8.000	06/01/1997	322,500	320,233
NCNB CORP	9.375	09/15/2009	15,000,000	17,486,400
NEW ENGLAND TEL & TELEG CO	6.125	10/01/2006	200,000	187,882
NEW JERSEY BELL TEL CO	7.375	06/01/2012	3,600,000	3,637,908
NEW YORK TEL CO	7.750	12/15/2006	8,200,000	8,380,318
NEW YORK TEL CO	7.500	03/01/2009	1,500,000	1,494,225
NEWMONT MINING CORP	8.625	04/01/2002	20,000,000	21,464,200
NIKKO SECURITIES EURO YEN NOTE	8.250	12/19/1995	2,785,515	2,927,855
NORANDA FOREST	7.500	07/15/2003	6,000,000	6,105,360
NORANDA INC	8.125	06/15/2004	5,000,000	5,329,400
NORDSTROM CREDIT INC MTN	9.600	07/01/1998	6,900,000	7,589,310
NORTHWEST PIPELINE	9.000	08/01/2022	2,500,000	2,690,700
NORTHWOOD PULP & TIMBER LTD	8.950	06/30/2005	15,000,000	16,218,750
NOVA SCOTIA PROV CDA	9.125	05/01/2021	10,000,000	11,987,300
NY STATE ELECTRIC AND GAS	8.300	12/15/2022	5,000,000	5,026,550
PACIFIC GAS & ELEC CO	6.875	12/01/1999	3,515,000	3,529,658
PACIFIC GAS & ELEC CO	6.625	06/01/2000	925,000	925,444
PACIFIC GAS & ELEC CO	6.750	12/01/2000	200,000	200,840
PACIFIC GAS & ELEC CO	7.250	03/01/2026	15,000,000	14,299,200
PACIFIC GAS & ELEC CO MTN	6.350	07/15/1997	10,000,000	9,971,100
PACIFIC GAS TRAN	7.100	06/01/2005	15,000,000	15,147,000
PANHANDLE EASTERN	7.200	08/15/2013	6,000,000	5,577,000
PANHANDLE EASTERN PIPELINE	7.875	08/15/2004	5,000,000	5,298,450
PANHANDLE EASTERN PIPELINE	7.950	03/15/2023	10,000,000	9,801,100
PENNEY, JC	8.250	08/15/2022	25,000,000	25,909,250
PEPSICO	5.875	06/01/2000	20,000,000	19,493,600
PETROLIUM NASIONAL BERHAD	6.875	07/01/2003	15,000,000	14,997,600
PHIL SUBURBAN WTR	5.500	11/01/1996	175,000	173,997
PHILIP MORRIS	7.625	05/15/2002	15,500,000	16,036,145
PHILIP MORRIS	7.125	08/15/2002	5,000,000	5,054,650
PHILIPS ELECTRONIC	7.250	08/15/2013	20,000,000	19,475,400
PHILIPS ELECTRONICS NV	7.750	04/15/2004	10,000,000	10,558,000
PHILIPS ELECTRONICS NV	7.750	05/15/2025	10,000,000	10,287,300
PHILLIP MORRIS MTN	6.500	12/12/1995	1,500,000	1,502,115
PHILLIPS PETROLEUM	8.490	01/01/2023	15,000,000	15,444,750
PHILLIPS PETROLEUM	7.920	04/15/2023	10,000,000	9,886,600
PLACER DOME INC	7.125	05/15/2003	4,500,000	4,489,650
PLACER DOME INC	7.750	06/15/2015	15,000,000	14,718,750
PNC BANK	7.875	04/15/2005	15,000,000	15,855,000
POTOMAC ELEC PWR CO	4.500	05/15/1999	1,700,000	1,577,736

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POTOMAC ELEC PWR CO	8.625	08/15/2019	6,700,000	7,063,006
PRICE COSTCO INC	7.125	06/15/2005	10,000,000	10,046,600
PROGRESSIVE CORP	6.600	01/15/2004	10,000,000	9,736,200
PROGRESSIVE CORP	7.000	10/01/2013	21,000,000	19,934,250
QUEBEC PROV CDA	7.500	07/15/2023	10,000,000	9,683,900
QUEBEC PROVINCE CDA	8.625	01/19/2005	24,000,000	26,652,480
RICOH FIN CORP MTN	7.600	11/07/1996	10,000,000	10,118,400
RJR NABISCO CAPITAL CORP	8.750	04/15/2004	7,950,000	8,160,198
RJR NABISCO INC	8.000	01/15/2000	13,095,000	13,717,798
RJR NABISCO INC	8.625	12/01/2002	19,050,000	19,568,922
RJR NABISCO INC MTN	5.250	09/15/1995	6,000,000	5,981,640
ROYAL CARIBBEAN CRUISES	8.125	07/28/2004	21,000,000	21,952,560
RYDER SYSTEM	9.000	05/15/2016	8,900,000	9,741,673
SAGA PETROLEUM A.S.	8.400	07/15/2004	9,000,000	9,667,080
SAGA PETROLEUM A.S.	9.125	07/15/2014	14,000,000	15,410,500
SALOMON INC MTN	5.910	09/29/1995	12,000,000	11,977,200
SASKATCHEWAN CDA	7.375	07/15/2013	39,000,000	39,127,140
SHAWMUT BANK-NA	8.625	02/15/2005	10,000,000	11,073,400
SHEARSON LEHM HLDGS FRN MTN	3.828	03/18/1996	10,000,000	9,998,200
SOCIETY NATIONAL BANK	7.250	06/01/2005	17,750,000	18,153,103
SOUTHERN IND GAS & ELEC CO	6.375	08/01/1998	2,250,000	2,215,980
SOUTHERN NEW ENGLAND TEL CO	4.375	12/01/2001	1,475,000	1,307,219
SOUTHERN UNION GAS	7.600	02/01/2024	10,000,000	9,823,100
SOUTHWESTERN PUBLIC SERV	8.500	02/15/2025	10,000,000	10,612,500
SPRINT CORP	9.250	04/15/2022	28,875,000	34,511,978
SURWAY ASSOC (SAFEWAY)	13.900	04/01/2005	20,769,126	22,065,120
TELECOMMUNICATIONS INC	9.250	01/15/2023	21,000,000	21,179,340
TELECOMMUNICATIONS INC.	7.875	08/01/2013	12,000,000	11,203,920
TEMPLE-INLAND	8.250	09/15/2022	10,000,000	10,444,000
TENAGA NASIONAL BERHAD	7.875	06/15/2004	14,500,000	15,381,600
TEXAS INSTRUMENTS	9.250	06/15/2003	6,000,000	6,860,400
TEXAS UTILITIES	7.875	03/01/2023	16,000,000	15,988,480
TEXAS UTILITIES	7.625	07/01/2025	5,000,000	4,870,800
TEXTRON INC	8.750	07/01/2022	17,000,000	18,103,980
THE ST PAUL CO MTN	7.630	12/02/1998	10,000,000	10,400,000
TIME WARNER ENTERTAINMENT	7.250	09/01/2008	10,000,000	9,512,500
TIME WARNER ENTERTAINMENT	10.150	05/01/2012	34,000,000	39,737,160
TIME WARNER ENTERTAINMENT	8.875	10/01/2012	7,400,000	7,841,706
TIME WARNER ENTERTAINMENT	8.375	07/15/2033	10,000,000	9,788,800
TIME WARNER INC	7.750	06/15/2005	10,000,000	9,927,500
TKR CABLE INC	10.500	10/30/2007	25,000,000	28,644,000
TORCHMARK CORP	8.625	03/01/2017	2,300,000	2,415,115
TRANSCANADA PIPELINE	8.625	05/15/2012	5,000,000	5,593,550
UNION BANK OF LOS ANGELES	7.350	02/01/2001	4,596,000	4,456,557
UNION PACIFIC CO	8.350	05/01/2025	25,000,000	26,224,250
UNIV OF PUGET SOUND	8.250	07/01/2002	1,095,000	1,105,970
WELLS FARGO & CO	8.750	05/01/2002	4,500,000	4,951,395
WELLS FARGO & CO	8.375	05/15/2002	5,000,000	5,405,600
WHIRLPOOL CORP	9.000	03/01/2003	5,000,000	5,660,050
WILLIAMS COS	8.875	09/15/2012	19,000,000	20,929,830
WILLIAMS COS	10.250	07/15/2020	2,000,000	2,539,780
ZURICH REINSURANCE	7.125	10/15/2023	15,000,000	13,503,450

TOTAL CORPORATE OBLIGATIONS

\$ 2,721,349,618

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<u>EQUITY INVESTMENTS:</u>				
<u>DOMESTIC CORPORATE STOCK:</u>				
ABC RAIL PRODS CORP COM			189,400	4,356,200
ACS ENTERPRISES INC COM			179,400	3,274,050
ADC TELECOMMUNICATIONS INC C			189,000	6,756,750
ADT LTD			112,500	1,321,875
AFLAC			84,075	3,678,281
AES CHINA GENERATING CO LTD			39,000	399,750
AES CORPORATION			69,176	1,314,344
ALC COMMUNICATIONS CORP			75,600	3,411,450
AMR CORP			3,775	281,709
AST RESH INC			101,100	1,567,050
APS HLDG CORP CL A			157,700	4,159,338
A T & T CORP COM			204,200	10,822,600
ABBEY HEALTHCARE GROUP INC C			37,600	1,344,200
ABBOTT LABS			170,400	6,901,200
ADAC LABS COM NEW			150,000	1,818,750
ADAPTEC INC COM			6,500	240,500
ADOBE SYS INC COM			45,200	2,621,600
ADVANTAGE HEALTH CORP COM			42,500	1,126,250
ADVANCED MICRO DEVICES INC			81,000	2,956,500
ADVANTA CORP			55,150	2,081,913
AETNA LIFE & CAS CO			47,000	2,955,125
AHMANSON H F & CO			7,750	170,500
AIRGAS INC			369,900	9,941,063
AIRTOUCH COMMUNICATIONS			16,800	478,800
ALAMO GROUP INC			80,900	1,395,525
ALBERTSONS INC			201,700	5,975,363
ALKERMES INC			173,400	671,925
ALLERGAN LIGAND RETINOID			5,795	92,720
ALLIED GROUP INC COM			97,900	2,790,150
ALLIED-SIGNAL INC			47,800	2,127,100
ALLSTATE CORP COM			50,400	1,493,100
ALPHA BETA TECHNOLOGY INC			30,600	151,072
ALTEON INC			49,000	379,750
ALTERNATIVE RES CORP			21,700	575,050
ALUMAX INC			264,600	8,235,675
AMCAST INDUSTRIAL CORP			62,800	1,193,200
AMERICA ONLINE INC DEL			107,200	4,716,800
AMERICAN BRANDS INC			23,600	938,100
AMERICAN ELEC PWR INC			26,400	927,300
AMERICAN EXPRESS CO			188,000	6,627,000
AMERICAN EXPRESS CO "DECS"			81,633	3,959,201
AMERICAN GREETINGS CL A			8,500	249,688
AMERICAN HERITAGE LIFE INVES			110,000	2,337,500
AMERICAN HOME PRODS CORP			25,000	1,934,375
AMER INTL GROUP			23,400	2,667,600
AMERICAN MED RESPONSE INC			102,700	2,875,600
AMERICAN ONCOLOGY RES INC			36,600	1,015,650
AMERICAN PWR CONVERSION CORP			117,000	2,676,375
AMERICAN PUBG CO CL A			116,000	1,247,000
AMERICAN RADIO SYS CORP CL A			19,800	450,450

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<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE / SHARES</u>	<u>BOOK & MARKET VALUE</u>
AMERICAN STORES CO NEW COM			24,600	691,875
AMERON INC COM			17,700	641,625
AMERISOURCE HEALTH CORP CL A			75,500	1,722,306
AMERITECH CORP NEW			39,100	1,720,400
AMGEN INC			76,400	6,145,387
AMOCO CORP			135,700	9,041,013
AMPHENOL CORP			44,200	1,287,325
ANADARKO PETE CORP COM DEB			49,300	2,132,225
ANALOG DEVICES INC			75,200	2,556,800
ANALYSTS INTL CORP			76,850	1,998,100
ANDREW CORP			41,800	2,419,175
ANHEUSER BUSCH COS INC			64,000	3,640,000
APACHE CORPORATION COMMON			75,700	2,072,288
APPLE COMPUTER INC			5,000	232,185
APPLEBEES INTL INC			58,500	1,506,375
APPLIED MATERIALS INC			30,700	2,659,388
APTARGROUP INC			55,800	1,792,575
ARBOR DRUGS INC			197,700	3,163,200
ARCHER DANIEL MIDLAND			143,946	2,680,994
ARCTCO INC			75,900	891,825
ARCSYS INC			13,400	455,600
ARNOLD INDS COM			224,500	3,928,750
ARROW ELECTRONICS INC			38,900	1,935,275
ARROW INTL INC			32,800	1,385,800
ASHOK LEYLAND GDR			50,300	691,625
ATHENA NEUROSCIENCES INC			49,200	448,950
ATLANTIC RICHFIELD CO			9,800	1,075,550
ATMEL CORP			29,600	1,639,100
ATRIA SOFTWARE INC			17,500	848,750
AUTODESK INC			24,000	1,032,000
AUTOMATIC DATA PROCESSING			29,000	1,823,375
AUTOZONE INC			78,800	1,979,850
AVID TECHNOLOGY INC			151,200	5,670,000
AVNET INC			3,250	156,813
AVON PRODS INC			35,700	2,391,900
B G S SYS INC			83,800	2,744,450
BMC SOFTWARE INC			34,900	2,696,025
BALTIMORE GAS&ELEC			36,400	910,000
BANC ONE CORP			64,620	2,083,995
BANK BOSTON CORP COM			19,800	742,500
BANKAMERICA CORP			57,800	3,041,725
BANKERS TR NY CORP			15,900	985,800
BANTA CORPORATION			142,800	4,748,100
BARNES GROUP INC COM			36,300	1,461,075
BARRICK GOLD CORP COM			56,000	1,414,000
BARNETT BANKS INC COM			126,200	6,483,525
BAXTER INTL INC			57,100	2,077,013
BAY NETWORKS INC COM			36,200	1,497,775
BEARINGS INC OHIL			54,600	1,672,125
BECKMAN INSTRS INC NEW COM			104,300	2,907,363
BECTON DICKINSON & CO			15,900	926,175
BELDEN INC			83,600	2,257,200
BELL ATLANTIC CORP			18,400	1,030,400
BELLSOUTH CORP			21,700	1,377,950

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BERKLEY W R CORP			101,300	3,596,150
BEST BUY INC COM			109,000	2,902,125
BEVERLY ENTERPRISES			35,000	433,125
BIC CORP			67,200	2,637,600
BIOGEN INC			3,700	164,650
BLAIR CORP			76,000	2,612,500
BLOCK DRUG CO INC CL A NON-V			80,189	2,706,379
H & R BLOCK INCORPORATED COM			29,500	1,209,500
BOISE CASCADE OFFICE PRODS			164,800	3,666,800
BOMBAY INC			140,000	1,120,000
BOOKS-A-MILLION INC COM			160,800	2,512,500
BOOLE & BABBAGE INC COM			37,000	1,110,000
BRADY W H CO CL A NON VTG			28,700	1,937,250
BRIGGS & STRATTON CORPORATIO			57,600	1,987,200
BRISTOL MYERS SQUIBB CO.			123,700	8,427,063
BRODERBUND SOFTWARE INC			103,700	6,610,875
BUFFETS INC			171,100	2,352,625
BUSINESS OBJECTS S A SPONSOR			83,400	2,752,200
CBS INC COMMON			19,800	1,326,600
CCB FINL CORP COM			77,200	3,223,100
C-COR ELECTRS INC COM			33,200	913,000
CDW COMPUTER CTRS INC COM			68,700	3,469,350
CIGNA CORP			37,200	2,887,650
CPI CORP			79,500	1,520,438
CPC INTL INC			23,500	1,451,125
CUC INTL INC			190,900	8,041,663
CABLEVISION SYS CORP CL A			40,000	2,550,000
CABLETRON SYS INC COM			9,900	527,175
CALIFORNIA ENERGY CO INC			150,000	2,456,250
CALLAWAY GOLF CO COM			93,600	1,404,000
CAMCO INTL INC			50,000	1,168,750
CAMPBELL SOUP CO			43,900	2,151,100
CAPITAL CITIES ABC INC			46,500	5,022,000
CARAUSTAR INDS INC			140,000	2,520,000
CAREMARK INTL INC			11,500	230,000
CARLISLE COMPANIES INC			64,300	2,459,475
CAROLINA PWR & LT CO			42,500	1,285,625
CARPENTER TECHNOLOGY CORP CO			63,500	4,325,938
CASCADE CORP			49,000	784,000
CATERPILLAR TRACTOR CO			7,300	469,025
CENTEX CONSTR PRODS INC			179,800	2,314,925
CENTOCOR INC			117,600	1,683,091
CENTRAL & SOUTH WEST CORP			46,300	1,215,375
CENTRAL NEWSPAPERS INC CL A			115,000	3,406,875
CERIDIAN CORP			15,400	567,875
CHASE MANHATTAN CORP COM			7,500	352,500
CHEMICAL BKG CORP			93,400	4,413,150
CHEVRON CORP			161,900	7,508,113
CHIRON CORP COM			2,982	193,830
CHUBB CORP			19,400	1,554,425
CIRCA PHARMACEUTICALS INC			35,900	1,144,313
CINTAS CORP COM			53,500	1,899,250
CIRCUS CIRCUS ENTERPRISES IN			5,000	176,250
CITICORP			160,950	9,314,981

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CITY NATIONAL CORP			100,000	1,137,500
CLARCOR INC			68,300	1,562,363
CLEAR CHANNEL COMMUNICATIONS			46,087	2,966,851
COASTAL CORP			56,500	1,716,188
COBRA GOLF INC COM			91,600	2,896,850
COCA COLA CO			71,000	4,526,250
COGENSYS INC			22,000	110,000
COLE KENNETH PRODTNS INC			8,400	280,350
COLLECTIVE BANCORP INC			4,000	81,000
COLGATE PALMOLIVE COMPANY CO			7,600	555,750
COLUMBIA / HCA HEALTHCARE CORP			74,400	3,217,800
COMCAST UK CABLE PRT			267,100	4,306,988
COMCAST CORP CL A SPL			23,000	426,926
COMMERCE BANC SHARES INC			40,000	1,260,000
COMMERCIAL INTERTECH CORP			74,450	1,191,200
COMMUNITY HEALTH SYS INC			183,950	6,231,306
COMMUNICATIONS SYS INC			98,400	1,697,400
COMPAQ COMPUTER CORP			59,800	2,705,950
COMPUTER ASSOCIATES			12,500	843,750
COMSAT CORP COM SER 1			11,000	215,875
CONAGRA INC			61,400	2,141,325
CONSOLIDATED EDISON N			37,400	1,103,300
CONSOLIDATED FREIGHTWAYS INC			17,400	382,800
CONSOLIDATED NAT GAS			21,700	813,750
CONSOLIDATED STORES CORP COM			195,700	4,085,238
COOPER TIRE & RUBR CO			57,000	1,389,375
CORNING INC			8,250	270,188
CORPORATE EXPRESS INC			21,300	455,288
CORVAS INTL INC			28,500	71,250
COX COMMUNICATIONS CL A			47,868	927,443
CRANE COMPANY COMMON			64,200	2,327,250
CREDENCE SYSTEMS CORP			25,950	784,988
CROMPTON KNOWLES CORP			74,200	1,048,075
CROWN CORK & SEAL INC			47,000	2,355,875
CULLEN FROST BK INC			29,000	1,174,500
CUMMINS ENGINE COMPANY INCOR			15,400	671,825
CYTEC INDS INC			10,000	410,000
DSC COMMUNICATIONS CORP COM			95,900	4,459,350
DAMES & MOORE INC COM			154,100	2,003,300
DANA CORP			138,600	3,967,425
DARDEN RESTAURANTS INC			8,700	90,263
DAYTON HUDSON CORP			3,550	254,713
DEAN FOODS CO			9,750	273,000
DEAN WITTER DISCOVER & CO			119,300	5,607,100
DELTA AIR LINES INC DEL COM			7,500	553,125
DEPARTMENT 56 INC			47,600	1,820,700
DETROIT EDISON			52,200	1,539,900
DEXTER CORPORATION COMMON			69,000	1,630,125
DIAL CORP DEL			51,100	1,264,725
DIGITAL LINK CORP			78,600	2,220,450
DILLARD DEPT STORES			22,700	666,813
DISNEY WALT CO COM			188,500	10,461,750
DOLLAR GEN CORP			130,663	4,132,219
DOLLAR TREE STORES INC			45,000	1,192,500

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DOMINION RES INC VA			26,400	963,600
DONALDSON CO INC COM			37,600	982,300
DONNELLY CORP CL A			75,500	1,217,438
DOW CHEMICAL CO			33,600	2,415,000
DREYERS GRAND ICE CREAM INC			69,600	2,549,100
DU PONT E I DE NEMOURS & CO			234,200	16,101,250
DUKE POWER CO			36,600	1,518,900
DURACELL INTL INC			44,400	1,920,300
DURIRON INC			136,600	3,073,500
EG & G INC			131,300	2,199,275
EASTMAN CHEMICAL CO			24,000	1,428,000
EASTMAN KODAK CO			93,900	5,692,688
EATON CORP			51,450	2,990,531
ECHLIN INC			55,900	1,942,525
ECHOSTAR COMMUNICATIONS A			26,800	408,700
EDUCATIONAL MEDICAL INC.			76,765	384,938
ELAN PLC ADR			58,000	2,370,750
ELECTRONIC ARTS			52,200	1,415,925
EMERSON ELECTRIC CO			9,100	650,650
ENGELHARD CORPORATION COM			33,400	1,432,025
ENRON CORP			77,500	2,722,188
ENTERGY CORP			43,050	1,038,581
EPIC DESIGN TECHNOLOGY INC C			37,100	1,317,050
EQUIFAX INC			15,600	518,700
EXCEL INDS INC			100,000	1,450,000
EXIDE CORP COM			21,300	915,900
EXXON CORP			156,000	11,017,500
F & M NATL CORP			80,065	1,321,073
FHP INTL CORP			50,000	1,150,000
F M C CORP			15,100	1,015,475
FPL GROUP INC			25,300	977,213
FTP SOFTWARE INC COM			87,400	2,622,000
FAB INDS INC			44,800	1,366,400
FAIR ISSAC & CO INC			43,400	1,291,150
FASTENAL CO COMMON			105,700	2,886,878
FEDERAL EXPRESS CORP			4,500	273,375
FEDERAL NATL MTG ASSOC			53,300	5,036,850
FEDERAL PAPER BRD INC			80,400	2,844,150
FERRO CORPORATION			32,000	848,000
FILENET CORP.			82,300	3,322,863
FIRST AMERN FINL CORP CALIF			60,000	1,387,500
FIRST BANK SYS INC			31,100	1,275,100
FIRST BRANDS CORP			73,200	3,138,450
FIRST CHICAGO CORP			2,000	119,750
FIRST DATA CORP COM			2,800	159,250
FIRST FID BANCORPORATION NEW			27,600	1,628,400
FIRST FINL CORP WIS			65,500	1,146,250
FIRST FINL MGMT CORP			104,300	8,917,650
FIRST INTERSTATE BANCORP			9,000	722,250
FIRST MIDWEST BANCORP INC DE			60,000	1,481,220
FIRST MISSISSIPPI CORP			11,900	406,088
FIRST UNION CORP			88,400	4,000,100
FIRST WESTERN BANCORP INC			50,620	1,436,343
FISERV INC COM			129,000	3,628,125

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FIRSTMERIT CORP			119,700	3,142,125
FLEET FINL GROUP INC			85,000	3,155,625
FLEMING COS INC			17,900	474,350
FLOWERS INDUSTRIES INC COM			313,500	6,113,250
FLUKE CORP COM			44,000	1,848,000
FLUOR CORP COM			27,450	1,427,400
FOODMAKER INC NEW COM NEW			270,000	1,485,000
FOOTHILL GROUP INC CL A			162,500	4,143,750
FORE SYS INC			53,400	1,615,350
FOSSIL INC			100,500	1,934,625
FOSTER WHEELER CORP			16,600	585,150
FOUNDATION HEALTH CORP.			69,403	1,882,556
FRAME TECHNOLOGY CORP			154,300	4,513,275
FREEMPORT MCMORAN COPPER & GO			90,000	1,856,250
FRIEDMANS INC CL A			111,200	2,112,800
FRITZ COS INC			49,100	2,881,532
FRONTIER INS GROUP INC NEW			110,665	2,974,122
H B FULLER CO COM			55,000	2,035,000
GTE CORP			283,000	9,657,375
GALLAGHER ARTHUR J & CO			99,300	3,612,038
GANNETT INC DEL			10,900	591,325
GARAN INC			60,200	1,008,350
GARTNER GROUP INC NEW CL A			82,200	2,383,800
GAYLORD ENTMT CO CL A			100,000	2,525,000
GENERAL DYNAMICS			27,700	1,229,188
GENERAL ELEC CO			251,300	14,167,038
GENERAL MLS INC			8,300	426,413
GENERAL MOTORS CORP CL E			5,800	252,300
GENERAL MOTORS CORP CLASS H			32,700	1,291,650
GENERAL RE CORP			14,000	1,874,250
GENTEX CORP COM			16,800	331,800
GENUINE PARTS CO			13,500	511,313
GENZYME TRANSGENICS CORP			77,200	217,086
GEON CO			57,500	1,653,125
GENZYME CORP UNITS			36,300	1,452,000
GEORGIA GULF CORP			52,700	1,719,338
GEORGIA PACIFIC CORPORATION			18,400	1,591,600
GIANT FOOD INC			14,200	402,925
GILLETTE CO			11,600	516,200
GLATFELTER PH & COMPANY COMM			167,700	3,374,963
GLENAYRE TECHNOLOGIES INC			2,025	103,275
GLOBAL DIRECTMAIL			28,100	554,975
GLOBAL MARINE INC NEW			300,000	1,762,500
GLYCOMED INC SUB DEB CONV			1,328,000	873,160
GOLDEN WEST FINL CORP DEL			41,100	1,936,838
GOODYEAR TIRE & RUBR CO			74,000	3,043,250
GORMAN RUPP CO			54,450	789,525
GOULDS PUMPS INC			88,500	1,924,875
GRACO INC			93,500	2,512,813
GRAINGER W E INC			25,700	1,509,875
GREAT LAKE CHEMICAL CORP			18,500	1,114,625
GREENBRIER COS INC			165,100	2,166,938
GREENFIELD INDS INC DEL			62,400	1,809,600
GROSSMAN'S INC			158,000	385,046

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GYMBOREE CORP COM			271,200	7,881,614
HBO & CO			59,100	3,220,950
HALLIBURTON CO			20,600	736,450
HANNAFORD BROS CO COM			139,600	3,978,600
HARLAND JOHN H CO			52,600	1,203,225
HARLEYSVILLE GROUP			201,900	5,047,500
HAYES WHEELS INTL INC			258,200	5,486,750
HEALTHSOUTH REHABILITATION C			85,800	1,490,775
HEALTHCARE COMPARE CORP COM			119,400	3,582,000
HEALTH MGMT ASSOC INC NEW CL			167,400	4,896,450
HEALTH MGMT SYS INC			83,000	2,427,750
HEILIG MEYERS CO COM			25,000	634,375
HEINZ H J CO			8,500	377,188
HERCULES INCORPORATED COMMON			130,300	6,352,125
HEWLETT PACKARD COMPANY COMM			70,100	5,222,450
HOME DEPOT INC			126,233	5,143,995
HOME SHOPPING NETWORK INC CO			58,400	496,400
HOMETOWN BUFFET INC			149,500	1,700,563
HON INDS INC			101,500	2,689,750
HONEYWELL INC.			10,200	439,875
HOSPITALITY FRANCHISE SYS IN			410,600	14,217,025
HOUGHTON MIFFLIN COMPANY COM			54,600	2,880,150
HOUSTON INDS INC			25,700	1,082,613
HUMANA INC			7,750	137,563
ICOS CORP			72,600	417,450
IMCO RECYCLING INC			81,300	1,524,375
IDEXX LABS INC			177,600	4,617,600
ILLINOIS CENT CORP			6,500	224,250
ILLINOIS TOOL			17,500	962,500
INFINITY BROADCASTING CORP			103,700	3,460,988
INGERSOLL RAND CO			26,300	1,005,975
INLAND STL INDS INC.			6,500	198,250
INPUT/OUTPUT INC			74,400	2,678,400
INSURANCE AUTO AUCTIONS INC			51,800	1,515,150
INTEGRATED HEALTH SERVICES			64,700	1,941,000
INTEGRATED SILICON SYS INC			93,100	3,514,525
INTEL CORP			206,300	13,061,266
INTL BUSINESS MACHINES			110,500	10,608,000
INTERNATIONAL FLAV			16,400	815,900
INTERNATIONAL PAPER CO			52,000	4,459,000
INTUIT			10,400	790,400
IONICS INC			23,600	820,100
IRVINE APT CMNTYS INC			70,000	1,207,500
ITRON INC COM			19,300	603,125
JSB FINL INC			66,600	1,923,075
JACOBS ENGR GROUP INC COM			80,000	1,760,000
JEFFERSON PILOT CORP			21,800	1,193,550
JOHNSON & JOHNSON			175,000	11,812,500
JONES APPAREL GROUP INC			50,000	1,493,750
JOSLYN CORP			32,200	845,250
JUNO LTG INC			130,700	2,091,200
KLA INSTR CORP COM			24,800	1,915,800
KAMAN CORPORATION CLASS A CO			100,500	1,281,375
KAYDON CORP COMMON			18,000	535,500

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KELLOGG CO			16,300	1,163,413
KELLWOOD COMPANY			133,000	2,261,000
KEYSTONE FINL INC COM			103,800	2,925,811
KEYSTONE INTERNATIONAL INC			109,900	2,156,788
KIMBALL INTL INC CL B			122,200	3,329,950
KIMBERLY CLARK			34,900	2,089,638
KING WORLD PRODTNS INC COM			36,500	1,478,250
KOHL'S CORP			38,700	1,765,688
KROGER COMPANY COMMON			60,200	1,617,875
L S I LOGIC CORP			36,400	1,424,150
LA QUINTA INNS INC			121,200	3,272,400
LAM RESH CORP COM			19,800	1,267,200
LANDAUER INC			82,900	1,564,738
LANDRYS SEAFOOD RESTAURANTS			86,500	1,730,000
LAWTER INTERNATIONAL INC			256,100	3,073,200
LEAR SEATING LEAR CORP			65,000	1,486,875
LEARNING CO			59,000	2,120,283
LEE ENTERPRISES INC COM			71,600	2,729,750
LEVEL ONE COMMUNICATIONS INC			12,000	258,000
LIBBEY INC			59,000	1,224,250
LIFE PARTNERS GROUP INC			88,400	1,768,000
LIGAND PHARMACEUTICALS INC CL B			87,514	721,991
LILLIAN VERNON CORP			65,100	1,196,213
ELI LILLY & CO COM			10,800	847,800
LIMITED INC			62,000	1,364,000
LINCOLN NATL CORP IND			48,400	2,117,500
LINCOLN TELECOMMUNICATIONS C			138,700	2,184,525
LINDSAY MFG CO			64,800	2,251,800
LINEAR TECHNOLOGY CORP COM			78,365	5,172,090
LIZ CLAIBORNE INC			43,700	928,625
LOCKHEED MARTIN CORP			74,817	4,722,823
LOEWEN GROUP INC			198,300	7,064,438
LOGICON INC			47,700	2,122,650
LONE STAR STEAKHOUSE SALOON			80,900	2,452,241
LORAL CORP			42,700	2,209,725
LOTUS DEV. CORP.			8,500	541,875
LOUISIANA PACIFIC CORP			39,700	1,037,163
LOWES COMPANIES INC COM			60,500	1,807,438
LUBY'S CAFETERIAS INC			93,300	1,877,663
MCI COMMUNICATIONS			57,900	1,273,800
MFS COMMUNICATIONS INC COM			25,500	822,375
MGIC INVT CORP WIS COM			37,100	1,739,063
MRS TECHNOLOGY INC			87,300	458,325
MACNEAL SCHWENDLER CORP COM			84,700	1,185,800
MACROMEDIA INC COM			112,700	4,874,275
MALLINCKRODT GROUP INC			35,900	1,274,450
MANITOWOC INC COM			49,600	1,432,200
MANOR CARE INC			17,500	509,688
MANUFACTURED HOME CMNTYS INC			136,069	2,092,061
MANUGISTICS GROUP INC COM			44,500	634,125
MARCUS CORP			68,500	2,072,125
MARION MERRELL DOW INC			3,150	80,325
MARK TWAIN BANSHARES INC COM			56,750	1,830,188
MARKER INTL			196,800	1,254,600

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<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE / SHARES</u>	<u>BOOK & MARKET VALUE</u>
MARSH & MCLENNAN COS INC			58,500	4,745,813
MATTEL INC			102,437	2,688,971
MATTSON TECHNOLOGY INC			5,700	267,900
MAXIS INC			22,400	596,400
MCDONALDS CORP			30,400	1,189,400
MCDONNELL DOUGLAS CORP			46,100	3,538,175
MEAD CORP			112,000	6,650,000
MEDAPHIS CORP			91,600	1,992,300
MEDIA GENERAL INC CL A COM			40,000	1,250,000
MEDISENSE INC			174,400	3,379,000
MEDTRONIC INC.			100,900	7,781,913
MEDUSA CORP NEW			136,200	3,387,975
MEDUSA CV			2,500,000	2,450,000
MENS WEARHOUSE INC			49,750	1,368,125
MERCK & CO INC			155,200	7,624,200
MERCURY FIN CO COM			234,266	4,509,621
MERIDIAN INS GROUP INC			80,800	1,050,400
MERRILL LYNCH CORP			7,200	378,000
MICROSOFT CORP			55,800	5,042,925
MICROCHIP TECHNOLOGY INC			119,300	4,339,538
MICRO WHSE INC			152,500	7,015,000
MICRON TECHNOLOGY COM			20,800	1,144,000
MID ATLANTIC MED SVCS INC			99,800	1,846,300
MILLIPORE CORP			28,700	1,937,250
MINNESOTA EDL COMPUTING CORP			32,200	1,151,150
MINNESOTA MNG & MFG CO			23,700	1,359,788
MIRAGE RESORTS INC			59,200	1,813,000
MOBIL CORP			120,300	11,548,800
MOBILE TELECOMMUNICATION			174,000	4,763,250
MODINE MANUFACTURING CO			109,100	4,009,425
MOLEX INC CL A			75,575	2,758,488
MONSANTO CO			28,900	2,604,613
MORGAN J P & CO INC			18,300	1,283,288
MORRISON RESTAURANTS INC			43,800	1,051,200
MORTON INTL INC			166,950	4,883,288
MOTOROLA INC			45,800	3,074,325
MOVIE GALLERY INC			141,900	4,975,298
MULTIMEDIA INC NEW			30,000	1,162,500
MUTUAL RISK MGMT LTD			63,300	2,120,550
MYERS INDS INC			125,212	1,799,923
NCH CORP			38,200	2,196,500
NBD BANCORP INC			34,300	1,097,600
NYMAGIC INC			104,400	1,657,350
NALCO CHEMICAL CO			6,750	245,531
NATIONAL COMPUTER SYS INC			117,100	2,429,825
NATIONAL GAMING CORP COM			136,610	1,178,261
NATIONAL SEMICONDUCTOR CORP			13,700	380,175
NATIONS BANK CORP			148,700	7,974,038
NEUREX CORP			32,000	52,000
NEW ENGLAND BUSINESS SERVICE			86,300	1,704,425
NEW JERSEY RES CORP			114,600	2,650,125
NEW YORK TIMES CO CL A			9,250	217,375
NEWELL CO			133,300	3,249,188
NEWFIELD EXPL CO			159,100	4,514,463

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NEWS CORP LTD ADR PFD			7,000	140,000
NICOR INC			34,800	935,250
NIKE CL B			28,700	2,410,800
NINE WEST GROUP INC			62,200	2,270,300
NOKIA CORP ADR			9,400	562,825
NORAND CORP			41,100	1,674,825
NORDSON CORP			61,400	3,346,300
NORDSTROM INC			28,500	1,179,188
NORFOLK SOUTHERN CORP			10,900	734,388
NORTH AMERN VACCINE INC			70,200	697,577
NORTHERN ST PWR CO			14,000	645,750
NORTHERN TELECOM LTD			9,800	357,700
NORTHERN TRUST CORP			2,750	110,688
NORTHROP CORPORATION COMMON			29,300	1,527,263
NORWEST CORP			149,300	4,292,375
NOVELL INC			75,550	1,506,240
NUCOR CORP			26,100	1,396,350
NYNEX CORP			98,100	3,948,525
OEA INC			43,800	1,297,575
OCCUSYSTEMS INC COM			77,400	1,325,475
OCTEL COMMUNICATIONS CORP			150,000	4,387,500
OFFICE DEPOT INC			99,225	2,790,703
OHIO EDISON CO			43,000	972,875
OKLAHOMA GAS & ELECTRIC COMP			20,000	702,500
OLYMPIC FINL LTD			34,400	574,033
ONE VALLEY BANCORP WEST VIRG			52,000	1,605,500
ONEOK INC			32,300	690,413
OPTICAL COATING LABORATORY I			53,800	497,650
ORACLE SYSTEMS CORP			256,450	9,905,381
ORTEL CORP COM			9,400	141,000
O'SULLIVAN INDS HLDGS			100,000	762,500
OWENS & MINOR INC NEW			201,000	2,512,500
OXFORD HEALTH PLANS INC			229,700	10,853,325
OXFORD INDUSTRIES INC			73,900	1,348,675
P-COM INC COM			28,300	544,775
PECO ENERGY CO COM			167,300	4,621,663
PPG INDS INC			52,600	2,255,225
P T TRI POLYTA INDONESIA ADR			73,400	1,275,325
PACIFIC GAS & ELEC CO			171,500	4,973,500
PACIFIC PHYSICIAN SVCS INC			1,616,000	1,256,440
PACIFIC TELESIS GROUP			40,000	1,070,000
PACIFICARE HEALTH SYS INC CL			54,000	2,740,500
PAGING NETWORK INC			66,100	2,263,925
PALL CORP			19,800	440,550
PANHANDLE EASTERN CORP			70,300	1,713,563
PARCPLACE SYS INC			104,100	832,800
PARKER & PARSLEY PETE CO DEL			58,200	1,142,175
PARKER HANNIFIN			134,250	4,866,563
PAUL REVERE CORP			70,000	1,190,000
PAYCHEX INC COM			59,250	2,147,813
PAYLESS CASHWAYS INC			140,000	892,500
PEDIATRIC SVCS AMERICA INC			77,800	1,283,700
PENNEY J C INC			3,400	163,200
PENTAIR INC			116,250	5,056,875

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PEOPLES BK BRIDGEPORT CONN			153,500	2,532,750
PEOPLES CHOICE TV CORP COM			95,100	2,389,388
PEOPLES ENERGY CORP			37,600	972,900
PEOPLES HERITAGE FINL GROUP			73,800	1,107,000
PEOPLESOFT INC COM			178,600	9,689,050
PEPSICO INC			251,000	11,420,500
PERRIGO CO			85,300	943,589
PERSEPTIVE TECHNOLOGIES II C			88,700	798,300
PETROLITE CORPORATION			49,700	1,503,425
PFIZER INC			38,200	3,519,175
PHELPS DODGE CORPORATION			58,600	3,457,400
PHILADELPHIA CONS HLDG CORP			77,800	1,137,825
PHILIP MORRIS COS INC			179,000	13,313,125
PHILLIPS PETE CO			237,600	7,929,900
PHYCOR INC			28,000	983,500
PHYSICIAN CORP AMER			11,250	153,281
PHYSICIANS HEALTH SVCS INC C			59,900	1,587,350
PICTURETEL CORP			38,200	1,838,375
PINNACLE SYS INC			19,200	432,000
PITTSWAY CORP DEL CL A			34,200	1,564,650
PLATINUM SOFTWARE CORP			110,600	1,603,700
PLAYERS INTL INC			353,500	7,070,000
POLICY MGMT SYS CORP COM			9,000	414,000
POTLATCH CORP			19,800	826,650
PREFERRED ENTMT INC			117,550	1,924,881
PREMARK INTERNATIONAL			7,300	378,688
PREMISYS COMMUNICATIONS INC			55,100	3,557,366
PRICE/COSTCO INC			124,500	2,023,125
PRIME HOSPITALITY CORP COM			199,500	1,945,125
PROCTER & GAMBLE CO COM			124,400	8,941,250
PRODUCTION OPERATORS CORP			71,000	2,236,500
PROGRESS SOFTWARE CORP			25,000	1,300,000
PROMUS COMPANIES INC			80,900	3,155,100
PUBLIC SVC ENTERPRISES GRP			29,600	821,400
QUAKER OATS CO			15,200	495,900
QUALCOMM INC			4,800	165,898
QUALITY FOOD CTRS INC			51,500	1,030,000
QUICKRESPONSE SVCS INC			6,900	162,150
RAILTEX INC COM			92,000	2,185,000
RAVEN INDS INC			85,300	1,684,675
RAYONIER INC COM			9,125	323,938
RAYTHEON CO			67,700	5,255,213
REDMAN INDS INC NEW			63,200	1,374,600
REEBOK INTL LTD			34,500	1,173,000
REGAL BELOIT CORP			93,700	1,452,350
REINSURANCE GROUP AMER INC C			40,000	1,145,000
REN CORP-USA			91,600	1,454,150
RENAISSANCE COMMUNICATIONS C			95,000	3,182,500
ROCK-TENN CO CL A			133,320	2,366,430
ROCKWELL INTERNATIONAL CORP			6,800	311,100
ROPER INDS INC NEW			150,800	5,278,000
ROYAL DUTCH PETE ADR			34,000	4,143,750
RUDDICK CORP COM			112,000	2,324,000
RYDER SYSTEMS INC			125,700	3,001,088

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S & T BANCORP INC			60,100	1,427,375
SBC COMMUNICATIONS INC			123,000	5,857,875
SDL INC			42,500	1,275,000
SPX CORP COM			15,900	180,863
SAFECO CORP			17,500	1,005,148
ST. JUDE MED. INC.			37,900	1,899,738
ST PAUL BANCORP INC			70,000	1,566,250
ST PAUL COMPANIES INCORPORAT			27,300	1,344,525
SAN JUAN BASIN ROYALTY TR UN			220,000	1,320,000
SANIFILL INC			149,700	4,696,838
SARA LEE CORP			96,700	2,755,950
SAVOY PICTURES ENTMT INC			120,000	1,095,000
SCHERER R P CORP DEL			62,800	2,653,300
SCHERING PLOUGH CORP			148,200	6,539,325
SCHLUMBERGER LTD			13,300	826,263
SCHULER HOMES INC			120,000	1,470,000
CHARLES SCHWAB CORP NEW			37,750	1,656,281
THE SCOTTS CO			27,000	590,625
SCRIPPS E W CO CL A			40,000	1,290,000
SEAGRAM LTD			34,500	1,194,563
SEARS ROEBUCK & CO			200,800	11,947,600
SELECTIVE INS GROUP INC			23,900	788,700
SENSORMATIC ELECTRONICS CORP			71,500	2,538,250
SERVICE CORP INT'L			10,900	344,713
SHARED MED SYSTEM CORP			11,800	473,475
SHAW INDUSTRIES INC			108,200	1,839,400
SILICON GRAPHICS INC			313,740	12,510,383
SIMPSON INDUSTRIES INC			170,650	1,919,813
SMITHS FOOD & DRUG CTRS INC			192,400	3,799,900
J M SMUCKER CO CL A			52,500	1,161,563
SMUCKER J M CO CL B			72,000	1,449,000
SOLETRON			15,000	511,875
SONAT INC			28,500	869,250
SOUTERN CO.			72,500	1,622,188
SOUTHWEST AIRLINES CO			92,000	2,196,500
SPEEDWAY MOTORSPORTS INC			58,900	1,273,713
SPIEGEL INC CL A NON-VTG			120,000	1,530,000
SPORTS & REC INC			112,300	1,473,938
SPORTS AUTH INC			139,800	2,848,425
SPRINT CORP			72,000	2,421,000
SPYGLASS INC			4,000	68,000
STANDARD FED BANCORPORATION			40,000	1,345,000
STANDARD PRODUCTS CO			50,000	1,087,500
STANDEX INTL CORP			62,000	1,953,000
STANHOME INC VTG COM			101,600	3,352,800
STAPLES INC			140,550	4,058,381
STARBUCKS CORP			15,700	559,313
STERIS CORP			30,000	1,455,000
STEWART ENTERPRISES INC			138,200	4,629,700
STONE CONTAINER CORP			47,600	1,425,788
STORAGE TECHNOLOGY CORP			108,500	2,671,813
STRATACOM INC			42,700	2,081,625
STRIDE RITE CORP			25,300	259,325
STUDENT LOAN MARKETING ASSN			3,750	175,781

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STURM RUGER & CO COMMON			103,300	3,344,338
SUMMA FOUR INC			35,200	994,400
SUNGARD DATA SYS INC			49,000	2,560,250
SUNGLASS HUT INTL INC COM			174,700	6,114,500
SUNTRUST BKS INC			38,400	2,236,800
SUPERIOR SURGICAL MFG INC			33,600	352,800
SYBRON CORP DEL			45,000	1,794,375
SYMANTEC COPR			50,000	1,443,750
SYNALLOY CORP			58,500	1,096,875
SYNOPSIS INC COM			119,500	7,483,688
SYSCO CORP			17,200	507,400
TCA CABLE TV INC COM			80,000	2,160,000
TJX COMPANIES			110,400	1,462,800
TNT FREIGHTWAYS			244,000	4,849,500
TSX CORP COM			5,200	123,500
TALBOTS INC			106,600	4,237,350
TECH DATA CORP			132,000	1,509,684
TEKTRONIX INC			12,300	605,775
TELE COMMUNICATIONS INC NEW			173,300	4,061,632
TELEFLEX INC			102,400	4,403,200
TENNANT COMPANY			83,800	2,262,600
TENNECO INC			86,300	3,969,800
TERADYNE INC			159,800	10,446,925
TEXACO INC			33,100	2,172,188
TEXAS INSTRS INC			17,400	2,329,425
THERMO FIBERTEK INC			67,000	1,331,625
THIOKOL CORP DEL COM			45,400	1,373,350
3COM CORP COM			53,700	3,597,900
TIFFANY & CO NEW			31,500	1,071,000
TIME WARNER INC			15,250	629,063
TIVOLI SYSTEMS INC			42,800	1,361,554
TODAYS MAN INC			89,600	1,041,600
TOPPS COM			300,000	1,875,000
TOWER AUTOMOTIVE INC			133,200	1,398,600
TOYS R US			165,050	4,827,713
TRENWICK GROUP INC			57,100	2,426,750
TRUE NORTH COMMUNICATIONS IN			165,700	3,127,588
TYCO TOYS INC			300,000	2,062,500
UAL CORP			8,000	1,123,000
UGI CORP NEW COM			152,800	3,227,900
UST INC			146,100	4,346,475
USA WASTE SVCS INC			36,400	564,200
U S ROBOTICS CORP COM			15,000	1,635,000
ULTRATECH STEPPER INC COM			20,600	726,150
UNIFI INC COM			46,300	1,111,200
UNILEVER N V			10,600	1,379,325
UNICOM CORP			268,400	7,146,150
UNION CAMP CORP			24,900	1,441,088
UNION CARBIDE CORP			72,200	2,418,700
UNION ELECTRIC POWER			25,800	961,050
UNION PACIFIC CORP			13,400	742,025
UNION PLANTERS CORP			102,500	2,741,875
UNITED ASSET MGMT CORP COM			51,000	1,816,875
UNITED HEALTHCARE CORP COM			89,300	3,694,788

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UNITED STATES CELLULAR CORP			60,000	1,815,000
U S HEALTHCARE INC COM			33,100	1,013,688
U S WEST INC			31,900	1,327,838
UNITRODE CORP			88,000	2,475,000
UNIVAR CORP			61,300	888,850
UNIVAX BIOLOGICS INC			78,200	371,450
UNIVERSAL CORP VA			179,400	3,767,400
UNIVERSAL FOODS CORP			106,900	3,460,888
UNOCAL CORP COM			22,650	625,706
USHA BELTRON LTD 144A			142,900	932,994
UUNET TECHNOLOGIES INC			3,000	82,500
V F CORPORATION COM			13,900	747,125
VALLICORP HLDGS INC			70,000	1,120,000
VALUE HEALTH INC			86,230	2,780,918
VALUEVISION INTL INC CL A			121,300	553,371
VASTAR RES INC			50,000	1,543,750
VIACOM INC CL-B-COM			40,000	1,855,000
VIDEOSERVER INC			5,900	230,100
VODAFONE GROUP PLC			90,000	3,408,750
WD 40 CO			69,200	2,871,800
WICOR INC COM			83,400	2,345,625
WMX TECHNOLOGIES INC			12,100	343,338
WABASH NATL CORP			54,500	1,696,313
WACHOVIA CORP NEW			19,200	686,400
WALMART CO			198,100	5,299,175
WALBRO CORP			60,000	1,080,000
WALGREEN CO.			12,900	646,613
WALKER INTERACTIVE SYSTEMS			170,000	977,500
WALLACE COMPUTER SERVICES IN			131,800	5,057,825
WARNER LAMBERT CO			25,100	2,168,013
WASHINGTON FED INC			60,000	1,320,000
WASTE MGMT INTL PLC			50,000	475,000
WATSON PHARMACEUTICALS INC			45,900	1,790,100
WATTS INDS INC CL A			76,500	1,917,243
WAUSAU PAPER MILL CO			170,212	3,872,323
WEATHERFORD INTL INC			317,200	4,044,300
WEINGARTEN RLTY INVS			40,000	1,510,000
WELLS FARGO & CO			9,600	1,730,400
WENDYS INTL INC			25,300	452,238
WEST CO INC			73,300	2,052,400
WESTERN PUBLISHING GROUP INC			211,200	2,376,000
WESTVACO CORP COM			8,500	376,125
WESTWOOD ONE INC			62,700	916,988
WEYERHAEUSER CO			63,800	3,006,575
WHEELABRATOR TECHNOLOGIES IN			73,800	1,134,675
WHITMAN CORP			155,900	3,020,563
WILLIAMS COS			11,000	383,625
WILLIAMS SONOMA INC COM			97,400	2,142,800
WILMINGTON TR CORP			149,600	4,226,200
WINN DIXIE STORES INC			24,500	1,405,688
WOODHEAD INC			106,200	1,460,250
WORLD ACCEP CORP DEL			35,800	1,199,300
WORLDCOM INC GA			215,408	5,816,016
WORTHINGTON INDS INC.			39,750	812,371

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WRIGLEY WM JR CO			7,700	357,088
WYMAN-GORDON COMPANY COMMON			138,700	1,491,025
XILINX INC			107,400	10,095,600
XENOVA GROUP PLC			30,500	129,625
XEROX CORP			69,000	8,090,250
ZERO CORP			149,500	2,242,500
ZILOG INC			75,500	3,765,563
BAAN CO N V ORD NLG0.02			50,700	1,565,363
J RAY MCDERMOTT S A			70,100	1,550,963
TOTAL DOMESTIC CORPORATE STOCK				<u>\$ 1,775,116,757</u>
<u>INDEX FUNDS</u>				
DOMESTIC:				
WELLS FARGO INTERMEDIATE CAP VALUE				53,433,689
WELLS FARGO EXTENDED MARKET				1,414,103,669
WELLS FARGO EQUITY INDEX (S&P 500)				4,865,503,517
TOTAL DOMESTIC INDEX FUNDS				<u>\$ 6,333,040,875</u>
INTERNATIONAL:				
STATE STREET INTERNATIONAL INDEX				\$ 812,452,174
TOTAL INTERNATIONAL INDEX FUNDS				<u>\$ 812,452,174</u>
<u>VENTURE CAPITAL:</u>				
AUSTIN VENTURES IV-B				2,435,458
BLACKROCK FUND INVESTORS III				5,279,954
BRENTWOOD ASSOCIATES IV				11,817,972
CAPITAL RESOURCE LENDERS II LP				13,347,329
CH PARTNERS II				23,014
CLAYTON, DUBILIER & RICE V LP				34,644
CODE HENNESSY & SIMMONS II				3,901,374
ENERGY RECOVERY FUND				69,692
EQUITY-LINKED INVESTORS, L.P.				43,987,653
EVERGREEN I, L.P. (HANCOCK)				3,035,383
EVERGREEN II, L.P. (BRENTWOOD)				984,367
EVERGREEN III, L.P. (HANCOCK)				5,194,096
EVERGREEN IV, L.P. (BRENTWOOD)				7,698,102
FIDELITY GALILEO FUND LP				16,504,352
HANCOCK INTL PRIVATE EQ PTNR II				582,710
INVESTTECH PARTNERS				384,938
JOHN HANCOCK PARTNERS				36,410
JOHN HANCOCK PARTNERS II				4,973,350
JOSEPH LITTLEJOHN & LEVY, FUND II				4,781,421
KBA PARTNERS				33,962,736
KBA PARTNERS II				658,982
MATERIA VENTURES				7,926,412
MENLO EVERGREEN V, L.P.				23,934,813
MENLO VENTURE PARTNERS				128,298
MENLO VENTURE PARTNERS III				5,685,162
MENLO VENTURE PARTNERS IV				33,906,155

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MENLO VENTURES VI, LP				1,054,678
PARAGON PARTNERS II				3,703,849
PHOENIX PARTNERS				36,865
PHOENIX PARTNERS (SECONDARY)				14,733
PHOENIX PARTNERS II				12,702,243
PHOENIX PARTNERS III				19,229,088
RICE PARTNERS II LP				8,659,570
SPROUT CAPITAL VII LP				1,653,609
TSG CAPITAL FUND II LP				91,015
WARBURG PINCUS VENTURES				11,842,213
TOTAL VENTURE CAPITAL				\$ 290,262,640
 LEVERAGED BUY-OUTS:				
AMERICAN RE ASSOC LP, KKR 87				105,754,080
APC ASSOCIATES, LP, KKR 87				5,312,260
AUTOZONE, INC. -- 1982				2,783,162
AUTOZONE, INC. -- 1984				134,083,838
BRAKE ASSOC LP KKR 93				8,632,000
CABLE ASSOCIATES L.P.				4,693,454
CG ASSPCOATES LP KKR 93				21,587,000
CHANNEL ONE INTERIM INV KKR 93				25,498,379
CHANNEL ONE ASSOC LP KKR 93				26,990,500
DAW FOREST PRODUCTS CO.				13,398,393
DI ASSOC. INTERIM INVESTMENTS				50,411,354
DURACELL, INC., KKR 87				159,442,681
FIELD PUBLICATIONS 87				12,469,000
FLEET/NORSTAR FINANCIAL GROUP				63,092,048
GOLF ASSOCIATES LP KKR87				3,103,000
GR ASSOCIATES, LP, KKR 93				6,257,862
GRANUM COMMUNICATIONS 87				3,357,002
K-111 PRIME CORPORATION 87				28,336,672
K-III HOLDINGS, INC. 87				26,898,631
MOTEL 6, INC.				409,540
OWENS-ILLINOIS, INC. 86				46,942,040
PACE INDUSTRIES, INC. 84				13,317,864
PUBLISHING ASSOC. LP, KKR 87				11,574,000
RADIO ASSOC II LP KKR 93				10,676,000
RED LION INNS				107,900,000
RESORT ASSOCIATES L.P.				25,685,000
RJR NABISCO, INC. 87				353,227,551
SAFEWAY, INC. 86				225,881,448
STOP & SHOP, KKR 87				68,781,555
TW ASSOCIATES, LP, KKR 87				12,416,999
UNION TEXAS PETROLEUM, INC. 84				45,900,306
WALTER INDUSTRIES				10,809,895
WPC ASSOCIATES, LP, KKR 93				19,075,000
TOTAL LEVERAGED BUY-OUTS				\$ 1,654,698,514

**WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS**

Schedule of Investments - Unaudited

June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE / SHARES	BOOK & MARKET VALUE
REAL ESTATE EQUITY:				
AMERICA WEST I				2,145,081
AMERICA WEST II				17,702,237
CENTENNIAL LIMITED PARTNERSHIP				822,821
COPLEY IND. & URBAN PART.				-
COPLEY INVESTORS L.P.				88,828,482
KOLL-COPLEY R.E. EQUITY				20,560,182
NEEP - COPLEY				28,181,000
PACTRUST REALTY ASSOC L.P.				165,385,900
PRIME PROPERTY FUND(ELAS)				20,537,389
QUADRANT LAKE UNION CENTER				6,491,032
RREEF REAL ESTATE EQUITY FD				19,885,601
SENTINEL REAL ESTATE FUND				21,898,098
STANDBY CORP.				35,000
TWO UNION SQUARE				222,725,230
TWO UNION SQUARE II				22,027,770
WASH-COP L.P.				22,515,881
WSIB HOLDING INC.				35,000
TOTAL REAL ESTATE EQUITY				\$ 659,776,704
 DERIVATIVES				
<i>See the following section for detailed investment holdings</i>				
Options Purchased				6,896,060
Options Written				(2,277,385)
Futures Contracts				N/A
Swap Contracts				448,123
TOTAL DERIVATIVES				\$ 5,066,798
 INTERNATIONAL MANAGERS:				
<i>See the following sections for detailed investment holdings</i>				
CURSITOR-EATON ASSET MGMT.				329,269,170
CLAY FINLAY				327,943,256
DUNEDIN				251,024,063
G.T. CAPITAL				261,261,707
JP MORGAN				244,858,348
UBS INTERNATIONAL				257,353,254
TOTAL INTERNATIONAL MANAGERS				\$ 1,671,709,799
Plus: Accrued Investment Income				135,603,619
Minus: Accrued Management Fees Payable				(4,415,011)
TOTAL RETIREMENT FUND INVESTMENTS				\$22,735,906,187

WASHINGTON STATE INVESTMENT BOARD

Schedule of Derivatives (Unaudited)

As of June 30, 1995

<u>DESCRIPTION</u>	<u>EXPIRATION DATE</u>	<u>NUMBER OF CONTRACTS</u>	<u>MARKET VALUE</u>	<u>MARKET EXPOSURE</u>
OPTION CONTRACTS				
OPTIONS PURCHASED:				
First Data Corporation	10/15/1996	81,633	898	4,642,877
S & P 100 Index	07/21/1995	334	601,200	17,301,200
S & P 100 Index	08/19/1995	55	28,188	2,849,000
S & P 100 LEAP	12/15/1995	100	3,125	518,000
S & P 500 (SPX)	09/15/1995	250	1,868,750	13,618,750
S & P 500 Index	09/15/1995	500	400,000	27,237,500
S & P 500 Index	07/22/1995	50	18,900	2,723,750
S & P 500 OTC	07/27/1995	53	1,827,175	2,887,175
S & P 500 OTC	07/27/1995	53	2,147,825	2,887,175
<i>TOTAL OPTIONS PURCHASED</i>			<u>6,896,060</u>	<u>74,665,427</u>
OPTIONS WRITTEN:				
First Data Corporation	10/15/1996	(66,857)	(1,004,199)	(3,802,516)
S & P 100 Index	07/22/1995	(334)	(601,200)	(17,301,200)
S & P 100 Index	07/22/1995	(95)	(121,125)	(4,921,000)
S & P 100 Index	07/22/1995	(215)	(60,458)	(11,137,000)
S & P 100 Index	07/22/1995	(668)	(16,700)	(34,602,400)
S & P 100 Index	10/21/1995	(55)	(50,875)	(2,849,000)
S & P 500 Index	07/22/1995	(150)	(11,250)	(8,171,250)
S & P 500 OTC	07/22/1995	(53)	(53)	(2,887,175)
S & P 500 OTC	07/27/1995	(53)	(53)	(2,887,175)
S & P 500 Index	09/16/1995	(1,000)	(187,500)	(54,475,000)
S & P 500 (SPX)	09/16/1995	(250)	(20,300)	(13,618,750)
T Bond Futures	11/17/1995	(330)	(203,672)	(3,731,970)
<i>TOTAL OPTIONS WRITTEN</i>			<u>(2,277,385)</u>	<u>(160,384,436)</u>
TOTAL OPTIONS			<u>\$ 4,618,676</u>	<u>\$ (85,719,009)</u>
FUTURES CONTRACTS				
EQUITY FUTURES:				
S & P 500 Index	09/15/1995	1,408	N/A	385,193,600
FIXED INCOME FUTURES:				
Eurodollar 3M	03/18/1996	(5)	N/A	(4,929,500)
Eurodollar 3M	06/17/1996	(5)	N/A	(4,928,250)
Eurodollar 3M	09/18/1995	(8)	N/A	(7,886,600)
Eurodollar 3M	09/16/1996	(3)	N/A	(2,956,200)
Eurodollar 3M	12/18/1995	(5)	N/A	(4,929,125)
Eurodollar 3M	12/16/1996	(3)	N/A	(2,954,850)
<i>TOTAL FIXED INCOME FUTURES</i>			<u>N/A</u>	<u>(28,584,525)</u>
TOTAL FUTURES CONTRACTS			<u>N/A</u>	<u>\$ 356,609,075</u>

WASHINGTON STATE INVESTMENT BOARD

Schedule of Derivatives (Unaudited)

As of June 30, 1995

<u>DESCRIPTION</u>	<u>EXPIRATION DATE</u>	<u>NUMBER OF CONTRACTS</u>	<u>MARKET VALUE</u>	<u>MARKET EXPOSURE</u>
SWAP CONTRACTS				
EQUITY SWAPS:				
S & P 500 Index Vs. LIBOR		49,860,961	557,905	N/A
INTEREST RATE SWAPS:				
Nikko Euro-Yen Note Vs. LIBOR		2,785,515	(140,942)	N/A
American Express Dec Vs. LIBOR		3,000,000	94,910	N/A
Chrysler Euro-Dollar Note Vs. LIBOR		3,000,000	(63,750)	N/A
TOTAL INTEREST RATE SWAPS			(109,782)	N/A
TOTAL SWAP CONTRACTS			\$ 448,123	N/A

<u>FORWARD EXCHANGE CONTRACTS:</u>	<u>CURRENCY TRADED</u>	<u>PAYMENT CURRENCY (US DOLLARS)</u>	<u>CURRENT VALUE (US DOLLARS)</u>	<u>UNREALIZED GAIN / (LOSS) (US DOLLARS)</u>
FOR US DOLLARS:				
Japanese Yen	(8,915,539,550)	\$ 104,057,607	\$ 107,856,146	\$ (3,798,539)
French Francs	(128,503,140)	\$ 26,200,000	\$ 26,455,237	\$ (255,237)
Swiss Francs	(22,483,160)	\$ 19,600,000	\$ 19,992,393	\$ (392,393)
Deutsche Mark	(27,229,300)	\$ 19,600,000	\$ 9,746,544	\$ 9,853,456
		\$ 169,457,607	\$ 164,050,320	\$ 5,407,287

Note: State accounting policy requires recording investment transactions on a settlement date basis. Forward exchange contracts are considered "pending" at June 30, 1995. Accordingly, the above activity was not reported in the accompanying investment holding and income schedules.

WASHINGTON STATE INVESTMENT BOARD

Schedule of International Manager Holdings (Unaudited)

Cursor Eaton

June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
<u>CURRENCIES:</u>	
POUNDS STERLING	10,920
JAPANESE YEN	503,558
U.S. DOLLARS	16,197,379
TOTAL CURRENCIES	<u>\$ 16,711,857</u>
<u>US GOVERNMENT (SHORT-TERM):</u>	
US TREAS BILL	23,167,062
US TREAS BILL	8,413,159
U S TREASURY BILL	8,254,309
U.S TREAS STRP	7,223,010
UNITED STATES TREA	4,736,343
U S TREASURY BILL	79,254
TOTAL US GOVERNMENT (SHORT-TERM)	<u>\$ 51,873,137</u>
<u>US GOVERNMENT (LONG-TERM):</u>	
US TREAS NT STRIP	26,122,236
US TREASURY NOTE	11,629,464
US TREASURY BDS	10,765,974
US TREAS NTS STRIP	10,750,636
US TREAS STRIP	10,391,750
U S TREASURY STRIP	9,081,264
U S TREASURY STRIP	8,604,609
U S TREAS STRIP	8,543,581
U S TREAS STRIP	7,344,875
U S TREAS STRIP	6,707,841
U S TREASURY STRIP	6,685,245
U S TREAS BD STRIP	6,506,682
US TREASURY STRIP	6,245,508
US TREASURY STRIP	6,068,344
U S TREAS STRIP	5,425,506
TOTAL US GOVERNMENT (LONG-TERM)	<u>\$ 140,873,515</u>
<u>CORPORATE STOCK - FOREIGN:</u>	
ADVANTEST	1,093,695
AISIN SEIKI CO Y50	1,334,779
AMADA CO ORD	1,623,453
ANRITSU Y50	677,996
ASAHI CHEMICAL IND	2,159,729
CANON INC	3,643,135

WASHINGTON STATE INVESTMENT BOARD

Schedule of International Manager Holdings (Unaudited)

Cursitor Eaton

June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
CITIZEN WATCH	1,899,529
COSMO OIL CO LTD	1,518,574
DOWA MINING CO.	1,067,484
FANUC CO.	2,113,612
FUJITSU ORD	4,322,098
GODO STEEL Y50	587,272
HIROSE ELECTRONICS	989,982
HITACHI METALS LTD	1,064,761
HITACHI ZOSEN CORP	1,128,580
JAPAN ENERGY CO	1,626,989
KANEKA CORP Y50	978,103
KAWASAKI HEAVY IND	1,368,568
KAWASAKI KISEN	1,654,213
KAWASAKI STEEL CRP	2,362,263
KITZ CORPORATION	593,047
KOA OIL CO LTD	510,183
KUBOTA Y50	2,049,263
MATSUSHITA COMMUN	2,466,706
MITSUBISHI CHEM	1,862,273
MITSUBISHI HVY IND	3,272,033
MITSUBISHI METAL	2,091,456
MITSUBISHI OIL CO	2,484,691
MITSUBISHI RAYON	1,615,840
MITSUMI ENGINEERING	858,739
MITSUMI MINING	1,526,553
MITSUMI OSK LINES	1,647,908
MITSUMI PETROLEUM	1,134,944
MORI SEIKI CO	1,690,631
MURATA MANUFACTNG	4,501,945
NACHI FUJIKOSHI	440,141
NAVIX LINE JPY50	799,941
NEC CORP.	4,259,057
NIPPON DENSO JPY50	3,158,044
NIPPON ELECTRIC	961,697
NIPPON LIGHT METAL	494,579
NIPPON OIL CO.	2,167,177
NIPPON STEEL CORP.	3,389,417
NIPPON YAKIN KOGYO	691,149
NIPPON YUSEN KK	2,093,695
NISSAN MOTOR CO	2,868,097
NISSHIN STEEL CO	1,330,501
NISSHINBO INDS	1,190,560
NSK Y50	1,688,592
OMRON CORP	2,539,305
RICOH CO.	3,183,123

WASHINGTON STATE INVESTMENT BOARD

Schedule of International Manager Holdings (Unaudited)

Cursitor Eaton

June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
ROHM COMPANY JPY50	1,703,477
SANDEN CORP ORD	597,242
SANKEN ELECTRIC CO	892,811
SANKYO SEIKI	391,126
SHIN-ETSU CHEMICAL	1,861,402
SHOWA DENKO KK	1,016,500
SHOWA LINE CO. Y50	334,296
SHOWA SHELL SEKIYU	1,045,504
STANLEY ELECTRIC	1,176,877
SUMITOMO METAL IND	1,922,192
TEIJIN LTD ORD	1,612,516
TOA GOSEI CHEMICAL	889,334
TOKYO ELECTRON	1,503,830
TOKYO STEEL MFG	939,894
TORAY IND.INC.	2,068,250
TOSHIBA CERAMICS	877,690
TOSOH CORP.	1,112,834
TOYO ENGINEERING	523,701
TOYO KANETSU Y50	409,263
TOYOBO CO LTD	663,288
TOYODA AUTO LOOM	1,352,387
TOYOTA MOTOR CORP	3,801,532
UNITIKA Y50	338,617
TOTAL CORPORATE STOCK - FOREIGN	<u>\$ 119,810,661</u>
TOTAL INVESTMENTS - CURSITOR EATON	<u>\$ 329,269,170</u>

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)
 Clay Finlay
 June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
<u>CURRENCIES:</u>	
FRENCH FRANC	2,280,220
ITALIAN LIRA	2,224,055
SWEDISH KRONA	616,531
SWISS FRANCS	296,218
BELGIAN FRANCS	270,680
NETHERLAND GUILDER	175,651
U.S. DOLLARS	74,958
FINNISH MARKKA	70,327
NORWEGIAN KRONA	4,012
POUNDS STERLING	3,804
DEUTSCHE MARK	2,486
SPANISH PESETAS	13
DANISH KRONA	(413,235)
TOTAL CURRENCIES	<u>\$ 5,605,718</u>
<u>CORPORATE STOCK:</u>	
ABBAY NATIONAL	6,699,539
ACCOR	6,398,019
AGIV AG DEM50	1,778,218
ALLGON AB SER B	2,496,221
ARES SERONO CHF50	3,223,776
ARJO AB	1,714,992
ARNOLDO MONDADORI	927,078
ASSIC GENERALI	5,640,587
ASTRA AB SERIES B	6,921,808
AUTOLIV AB ORD	4,265,494
AVA ALLGEMINE	6,244,128
AXA ORD FRF60	6,757,454
BAA ORD 1.00P	5,673,612
BAER HLDGS AG ORD	7,097,951
BBC BROWN BOVERI	8,280,653
BEIERSDORF AG	4,372,335
BIC FRF100	7,428,041
BORSUMIJ WEHRY NV	7,112,903
BRITISH PETROLEUM	6,162,399
CARLTON COMMUNCTNS	6,214,888
CARREFOUR	5,127,412
CASTORAMA DUBOIS	6,610,956
CENTROS COMERCIALE	4,661,009
CHEMIE HLDG AG	1,062,571
CORP FINANCIER	2,515,697

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)
 Clay Finlay
 June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
CSN CVA ORD	6,389,355
DEUTSCHE PFAND-	1,237,624
DT PFAND & HYP	6,350,726
ELEKTA INSTR AB	1,932,458
ERICSSON LM TEL	7,600,000
EURO RSCG ORD	2,615,289
FILTRONIC COMTEK	3,993,956
FINANZA & FUTURO	1,405,012
GEHE AG	6,654,260
GEHE AG NEW SHARES	1,603,310
GETINGE INDUSTRIER	2,212,450
GROHE (FRIEDRICH)	3,459,384
GROUPE BRUXELLS	6,294,422
HAGEMEYER NV ORD	3,209,806
IMMUNO INTL AG ORD	2,818,687
INTL NEDERLANDEN	6,911,290
KON NED PAPIERFABR	6,012,903
KONE CORP	5,637,427
LEGRAND FF50	6,736,408
MANNESMANN AG	6,717,497
MARSCHOLLEK LAUTEN	899,545
NOKIA (AB) OY	8,252,632
PINAULT-PRINTEMPS	4,476,732
POLYGRAM ORD FL .5	7,674,194
RANDSTAD HOLDINGS	1,060,645
REED INTERNATIONAL	6,741,530
REUTERS HLDGS PLC	6,334,341
SAGA PETROLEUM A/S	5,477,647
SANDVIK AB	6,167,377
SCHERING AG ORD	6,283,154
SCHNEIDER SA (EX-	6,256,061
SKANDIA GROUP	6,733,544
SMH NEUNBURG AG	6,738,017
SOPHUS BERENDSEN	4,242,845
ST JAMES'S PLACE	2,042,310
TELE DANMARK AS	6,923,219
VIDEOTRON HOLDINGS	1,120,000
VODAFONE GROUP	6,499,523
VOLVO AB SER B	6,090,422
WOLTERS KLUWER	7,143,796
TOTAL CORPORATE STOCK	<u>\$322,337,538</u>
TOTAL INVESTMENTS - CLAY FINLAY	<u>\$ 327,943,256</u>

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)
Dunedin
June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
<u>CURRENCIES:</u>	
U.S. DOLLARS	19,156,417
JAPANESE YEN	30,331
AUSTRALIAN DOLLAR	374
HONG KONG DOLLAR	114
MALAYSIAN DOLLAR	41
SINGAPORE DOLLAR	20
TOTAL CURRENCIES	<u>\$ 19,187,297</u>
<u>CORPORATE STOCK:</u>	
77 BANK //	5,100,106
AMADA SONOIKE CO	3,072,245
AMCOR LIMITED	3,869,048
AMMB HOLDINGS BHD	1,725,128
AUSTRALIA NATIONAL	2,161,281
AUSTRALIAN GAS	2,522,676
BEST DENKI CO	4,157,926
BROKEN HILL PROPTY	2,764,420
CANON INC	5,074,367
DBS LAND ORD SGD1	1,872,584
DEVEL. BK. OF SINGAPORE	1,072,011
EIGHTEEN BANK Y50	3,797,006
EISAI CO	4,648,203
FUJI MACHINE MFG	4,120,801
GENTING BERHAD	1,779,692
HITACHI ORD JPY50	5,706,364
HONDA MOTOR CO.	4,014,143
HONG KONG ELECTRIC	2,610,624
HSBS HOLDINGS	2,775,973
HUTCHISON WHAMPOA	2,900,349
ITO-YOKADO CO.	4,109,134
ITOH (C) & CO. Y50	4,433,707
JAPAN SECS FIN ORD	1,601,061
JARDINE STRATEGIC	2,073,600
JGC CORP.	2,892,605
JURONG SHIPYARD	1,539,012
KAMIGUMI CO JPY50	5,018,857
KEYENCE CORP ORD	4,870,359
KINDEN CORP Y50	2,867,649
KURARAY CO ORD	4,678,268
KYOCERA CORP.	4,935,769

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)
Dunedin
June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
MALAYSIAN AIR	2,018,462
MALAYSIAN INTL	1,941,881
MATSUSHITA ELEC.	3,593,636
MITSUBISHI BANK	2,480,259
MITSUBISHI ELECT.	5,036,323
MITSUBISHI HVY IND	4,806,223
MITSUBISHI MOTORS	4,456,794
mitsui PETROLEUM	4,698,668
NATL AUSTRALIAN BK	3,500,213
NEWS CORP.	3,170,706
NIPPON COMSYS CORP	3,969,476
NIPPON DENSO JPY50	3,484,738
NIPPON FIRE AND	4,348,780
NIPPON KOEI CO	2,725,280
NISSAN MOTOR CO.	4,107,319
NOMURA SECURITIES	3,035,003
NTN CORP JPY50	5,250,442
QUEENSLAND NICKEL	609,056
RINNAI CORP ORD	2,459,399
SANWA BANK Y50	3,356,511
SEINO TRANSPORT	4,162,758
SHIKOKU ELEC POWER	4,923,041
SHIMACHU CO.	2,179,140
SHIZUOKA BANK Y50	4,097,584
SIME DARBY BHD	1,262,769
SINGAPORE AIRLINES	1,939,155
SINGAPORE PRESS	1,657,495
SONY CORP. Y50	3,645,492
SUMITOMO BANK	2,910,548
SUMITOMO ELECTRIC	4,059,045
SUMITOMO TRUST	4,612,846
SWIRE PACIFIC	2,551,377
SYARIKAT TELECOM	2,276,923
TDK CORP	4,958,633
TOPPAN PRINTING	4,487,095
TORAY IND.INC.	4,360,094
UNITED OVERSEAS	675,097
WHARF HLDGS.	3,263,539
TOTAL CORPORATE STOCK	<u>\$ 231,836,766</u>
TOTAL INVESTMENTS - DUNEDIN	<u>\$ 251,024,063</u>

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)
 G. T. Capital
 June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
<u>CURRENCIES:</u>	
U.S. DOLLARS	5,929,620
MALAYSIAN DOLLAR	472,973
SINGAPORE DOLLAR	4,866
THAILAND BAHT	2,531
AUSTRALIAN DOLLAR	1,356
NEW ZEALAND DOLLAR	495
HONG KONG DOLLAR	50
JAPANESE YEN	(101,015)
TOTAL CURRENCIES	<u>\$ 6,310,878</u>
<u>CORPORATE STOCK:</u>	
AMCOR LIMITED	1,695,011
AOYAMA TRADING	5,857,395
ASCII CORPORATION	2,705,952
AT T GLOBAL INFO	3,488,509
AUTOBACS SEVEN CO	4,861,520
BROKEN HILL PROPTY	5,552,930
CENTURY TEXTILE &	538,052
CIPUTRA DEVELOPMNT	1,153,673
DBS LAND ORD SGD1	5,580,301
DCB HLDGS BERHAD	318,769
DCB HOLDINGS MYR1	3,233,231
DDI CORP ORD	8,815,557
DHANA SIAM FIN AND	828,369
EAST INDIA HOTELS	1,127,480
ERG LTD ORD	1,145,096
FAST RETAILING CO	3,791,809
FINANCE ONE THB10	2,650,342
FUJISAWA	805,846
FUTABA CORP ORD	5,204,478
FUTURIS CORP LTD	627,868
GENTING BERHAD	4,399,795
GRASIM INDS LTD	1,231,250
HINDALCO INDUS GDR	1,418,631
HOSHIDEN ELECTRON	3,702,652
HOSIDEN CORP	6,250
HOTEL PROPERTIES	3,676,793
HSBS HOLDINGS	7,376,082

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)
 G. T. Capital
 June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
HUTCHISON WHAMPOA	6,327,595
INDAH KIAT PAPER &	2,214,528
INDO-GULF FERTIL &	430,500
INDUSTRIAL FIN	4,042,553
ITO-YOKADO CO.	4,214,496
JAPAN ASSOC FIN CO	2,736,594
JAPAN DIGITAL LAB	594,732
KYOCERA CORP.	4,935,769
KYUSHU MATSUSHITA	3,690,159
LAND & GENERAL	3,963,077
MAYORA INDAH	1,434,322
MITSUI TRUST &	2,436,064
MOS FOOD SVCS JPY	3,167,354
NATL AUSTRALIAN BK	4,821,641
NEW ZEALAND	4,802,098
NICHEI CO JPY50	3,081,909
NIKON Y50	5,356,865
NINTENDO CO.	2,869,770
NIPPON TEL&TEL CO	4,183,854
NIPPON YAKIN KOGYO	2,773,129
NOMURA SECURITIES	1,744,255
OIL SEARCH LTD	827,241
OLYMPUS OPTICAL CO	3,450,088
PANIN BANK ORD	1,093,464
PANIN BANK RTS	75,935
PHATRA THANAKIT	1,446,809
PROPERTY PERFECT	1,471,125
PROPERTY PERFECT	50,969
PT SEMEN CIBINONG	2,229,560
PT SEMEN GRESIK	1,890,577
RAYMOND WOOLLEN	484,083
RESORTS WORLD	3,961,436
RISO KAGAKU CORP	2,786,093
SAMSUNG ELEC GDS	6,290
SAMSUNG ELEC GDS	1,114,365
SAMSUNG ELEC SPON	155,870
SAMSUNG ELECTRS	6,418,131
SAVAGE RESOURCES	620,496
SEMBAWANG CORP	3,376,879
SHIMACHU CO.	2,027,107
SIAM CITY CEMENT	3,850,051

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)
G. T. Capital
June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
SIAM COMMERCIAL BK	1,836,912
STRAITS STEAMSHIP	5,153,901
SUN HUNG KAI PROPS	4,107,535
SUZUKI MOTOR CORP	5,011,786
SWEDISH MOTORS ORD	264,559
SWIRE PACIFIC	6,834,044
TAKEDA CHEMICAL	9,239,835
TECHNOLOGY RES IND	2,822,974
TEN ALLIED CO ORD	2,898,763
THAI FARMERS BK	3,871,643
TOKYO ELECTRON	2,905,127
TOYO EXTERIOR	3,217,443
UNION MOSAIC INDS	466,571
UNITED ENGINEERS	5,723,077
UNITED OVERSEAS	3,375,805
VENTURE MFG	24,653
VENTURE MFG LTD	2,823,880
WESTERN MINING CO	3,450,893
Y.A.C. CO LTD	377,608
YUKONG LIMITED	852,000
TOTAL CORPORATE STOCK	<u>\$ 254,210,480</u>
<u>US CORPORATE BONDS:</u>	
RELIANCE INDS LTD	<u>\$ 740,350</u>
TOTAL INVESTMENTS - G.T. CAPITAL	<u>\$ 261,261,707</u>

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)

J. P. Morgan
 June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
<u>CURRENCIES:</u>	
U.S. DOLLARS	3,083,894
AUSTRALIAN DOLLAR	996,018
MALAYSIAN DOLLAR	247,056
HONG KONG DOLLAR	81,712
DEUTSCHE MARK	32,647
SWISS FRANCS	23,416
JAPANESE YEN	(152,271)
SINGAPORE DOLLAR	(232,575)
TOTAL CURRENCIES	<u>\$ 4,079,897</u>
<u>CORPORATE OBLIGATIONS:</u>	
BK OF TOKYO (BOT)	3,951,090
DAIWA INTL FIN CV	1,360,000
TELEKOM MALAYSIA	926,400
YAMANOUCHI PHARMA-	2,589,570
TOTAL CORPORATE OBLIGATIONS	<u>\$ 8,827,060</u>
<u>CORPORATE STOCK:</u>	
AICHI CORPORATION	421,332
AICHI MACHINE	158,397
ALPS ELECTRIC	680,259
AMCOR LIMITED	484,184
AMOY PROPERTIES	2,261,350
AOKI INTL CO JPY50	647,613
ASAHI BANK ORD	2,666,470
ASATSU CORP	702,652
ASICS CORP Y50	63,701
AUST AND NZ BANK	790,108
AUSTRALIA NATIONAL	234,715
BROKEN HILL PROPTY	3,677,721
BUNKA SHUTTER CO	197,054
CENTRAL GLASS CO	678,845
CHEUNG KONG(HOLDS)	4,083,947
CHINA LIGHT&POWER	1,464,954
CHUETSU PULP&PAPER	1,302,298
CHUGAI PHARM.	738,173
CHUO TR & BKG	791,986
CI HLDGS BHD ORD	343,918
CITIC PACIFIC LTD	1,053,121
CLARION CO LTD	574,543
COSMO OIL CO LTD	1,975,840
CREATIVE TECH LTD	187,545
CSR LIMITED	562,500

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)
 J. P. Morgan
 June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
DAI-ICHI KANGYO BK	4,147,319
DAIDO HOXAN CORP	807,425
DAIDO STEEL CO LTD	1,414,260
DAIEI INC	1,213,907
DAIICHI	876,841
DAIKIN KOGYO CO	1,366,411
DAINICHISEIKA	625,810
DAITO TR CONSTRUC	659,988
DAIWA BANK	4,507,955
DAIWA DANCHI	654,213
DAIWA SECURITIES	1,053,624
DBS LAND ORD SGD1	1,953,729
DEVELOPMENT BK OF	1,183,679
DIAMOND LEASE	1,187,979
EAGLE INDUSTRY	153,212
EAST JAPAN RAILWAY	2,717,148
FUJI DENKI REIKI	716,394
FUJI FIRE & MARINE	670,359
FUJI REBIO INC	463,170
FUKUI BANK	321,744
GAKKEN GO LTD	736,830
HANG SENG BANK	1,059,277
HITACHI ORD JPY50	3,485,563
HITACHI SOFTWARE	104,302
HOKKAI CAN CO LTD	235,828
HOKKAIDO TAKUSHOKU	1,367,118
HOKUETSU BANK Y50	113,978
HONDA MOTOR CO.	3,830,289
HONG KONG ELECTRIC	2,306,391
HONG KONG TELECOMM	3,557,937
HOTEL PROPERTIES	267,659
HSBS HOLDINGS	1,590,668
HUTCHISON WHAMPOA	502,727
HYAKUGO BANK ORD	560,990
IJM CORPORATION	504,123
IND BANK OF JAPAN	3,906,895
INTEC	961,697
ISHIKAWAJIMA-HAR	2,354,744
ISHIZUKA GLASS CO	361,344
ITOHAM FOOD	1,378,904
ITOKI CREBIO CORP	445,492
IZUMIYA & CO.	1,567,472
JAMES HARDIE INDS	483,907
JAPAN TOBACCO	536,005
JUROKU BANK	775,015
KAGOME CO LTD	197,054
KAKEN PHARM JPY50	948,733

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)
 J. P. Morgan
 June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
KANEMATSU-GOSHO	1,319,976
KATSUMURA CONSTRUC	636,417
KAWASAKI KISEN	907,484
KAWASHO CORP Y50	371,243
KIYO BANK LTD.	373,459
KOKUSAI DEN (KDD)	819,093
KONICA Y50	1,406,836
KUMIAI CHEMICAL	554,213
KURABO INDS LTD.	1,081,909
KUROSAKI CORP	1,250,206
KYODO PRINTING CO	221,567
LAND & GENERAL	1,205,436
LEND LEASE CORP.	326,168
MALAYAN BANKING	309,234
MALAYAN CEMENT BHD	892,587
MALAYSIAN INTL	265,211
MALAYSIAN INTL	381,579
MARUBENI CORP. Y50	1,777,843
MATSUI CONST CO	157,831
MATSUSHITA ELEC.	3,266,942
MAZDA MOTOR CORP	1,053,624
MINEBEA LTD	1,282,263
MINOLTA CAMERA CO	474,956
MITSUBISHI CHEM	427,814
MITSUBISHI ELECT.	1,123,866
MITSUBISHI METAL	1,119,623
MITSUBISHI MOTORS	1,812,375
MITSUI FUDOSAN CO	1,487,684
MITSUI TOASTSU	919,269
MITSUI TRUST &	1,195,050
MITSUKOSHI LTD	1,571,243
MIZUNO CORP	499,116
NAGASAKIYA CO	449,028
NANTO BANK ORD	1,121,509
NATL AUSTRALIAN BK	2,359,694
NATSTEEL LTD	478,654
NEC CORP.	5,255,392
NEW WORLD DEVEL	1,750,536
NEWS CORP.	2,853,635
NICHIAS CORP JPY50	505,539
NICHIBAN CO LTD	59,375
NICHIEI CO LTD	60,106
NICHII CO. Y50	1,302,534
NIKKISO CO LTD Y50	614,143
NIPPON COLUMBIA	746,140
NIPPON EXPRESS CO.	1,378,904
NIPPON KINOKU CO	430,171

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)
 J. P. Morgan
 June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
NIPPON PAPER IND	550,972
NIPPON ROAD CO	989,982
NIPPON SUISAN	1,370,536
NIPPON ZEON CO	104,372
NISHI NIPPON RAIL	1,600,471
NISSAN CORP JPY50	620,507
NISSAN SHATAI ORD	128,415
NISSHO-IWAI CORP	1,406,600
NKK CORP.	1,618,268
NOMURA SECURITIES	4,011,786
NORMANDY POSEIDON	329,209
NSK Y50	979,729
NTH BROKEN HILL HG	527,636
OITA BANK Y50	8,603
OKAMURA CORP	499,941
OKUMURA CORP ORD	1,233,353
OSAKA GAS CO	922,216
OSAKA SANSEI KOGYO	500,295
PUBLIC BANK BERHAD	2,182,544
RASHID HUSSAIN	448,308
RENOWN LOOK	446,199
RESORTS WORLD	629,169
RICOH CO.	1,715,969
ROTHMANS HLDGS LTD	344,253
RYOBI	494,991
SAKATA INX CORP	631,114
SAKURA BANK LTD	3,650,560
SAN IN GODO BANK	967,590
SANTOS LIMITED	380,825
SANYO INDS LTD Y50	194,814
SEMBAWANG CORP	608,447
SHIBUSAWA	697,113
SHIKOKU ELEC POWER	1,946,965
SHIN NIPPON AIR	493,188
SHINOBU FOOD PRODS	426,930
SHOWA ALUMINIUM	530,112
SIME DARBY BHD	3,467,077
SIME UEP PROP BHD	642,051
SING TAO ORD	351,764
SINGAPORE AIRLINES	1,117,323
SINGAPORE TELECOMM	601,890
SMITH (HOWARD)	501,828
SNOW BRAND MILK	1,567,472
SONY CORP. Y50	2,398,350
SOUTHCORP HLDGS	1,583,014
SUMITOMO BANK	1,299,352
SUMITOMO ELECTRIC	1,428,403

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)
 J. P. Morgan
 June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
SUMITOMO FORESTRY	1,994,107
SUMITOMO METAL IND	4,427,814
SUN HUNG KAI PROPS	1,525,656
SWIRE PACIFIC	1,913,532
SXL CORPORATION	1,073,659
SYARIKAT TELECOM	1,335,795
TADA CORP ORD	8,391
TAKASHIMAYA CO.	537,419
TAN CHONG MOTORS	1,354,601
TANJONG PLC 7.5P	1,506,154
TELEVISION	1,866,848
TENAGA NASIONAL	812,308
TNT	1,106,973
TOHO GAS	772,351
TOHOKU ELEC POWER	1,661,756
TOKAI BANK	775,486
TOKIO MARINE&FIRE	2,863,877
TOKYO ELECTRIC CO	394,814
TOPY INDUSTRIES	349,794
TOSHIBA CORP.	1,012,610
TOYO CONSTRUCTION	1,827,342
TOYO UMPANKI CO	277,619
TOYODA MACHINE WKS	779,140
TOYOTA MOTOR CORP	2,573,954
TSUBAKIMOTO CHAIN	469,063
UBE INDUS LTD	1,674,484
UCHIDA YOKO Y50	358,869
UEKIGUMI CO LTD	390,218
UNI CHARM CORP	1,565,115
UNITED OVERSEAS	798,941
WESTERN MINING CO	2,544,212
WORLD HOUSEWARE	39,806
YAMAHA CORP.	1,853,270
YASUDA TRUST & BK	1,569,829
ZEXEL CORPORATION	1,348,262
TOTAL CORPORATE STOCK	<u>\$ 231,951,391</u>
TOTAL INVESTMENTS - J.P. MORGAN	<u>\$ 244,858,348</u>

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)

UBS
 June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
CURRENCIES:	
U.S. DOLLARS	8,308,570
FRENCH FRANC	732,178
NETHERLAND GUILDER	348,105
SWISS FRANCS	4
DEUTSCHE MARK	(367,120)
TOTAL CURRENCIES	\$ 9,021,737
CORPORATE STOCK:	
AGA AB SER A ORD	2,265,274
AGA AB SER B ORD	1,468,668
ALCATEL ALSTHOM	4,313,216
ALLIED DOMECQ	10,431,048
AMBER DAY HOLDING	339,112
ARBED (ACIER REUN)	729,375
ARGYLL GROUP	5,003,872
ASTRA AB SER A	4,627,594
BANQUE NATIONAL DE BASS	7,610,420 540,556
BAT INDUSTRIES	11,017,019
BAYER DM50	7,458,264
BAYER HYPO/WECH BK	4,896,401
BEGHIN-SAY FRF65	3,070,257
BERGESEN DY AS 'A'	1,363,083
BRITISH GAS	4,696,835
BRITISH PETROLEUM	5,474,589
BTR ORD.	3,684,388
C.S.F.(THOMSON-CSF)	3,361,188
CASINO GUICHARD	2,358,217
CIBA CEIGY LTD	5,569,990
CMB PACKAGING SA	890,540
COURTS PLC ORD 25P	568,634
CREDIT FONC FRANCE	4,967,502
DELHAIZE FRERES	3,464,445
DEUTSCHE BANK AG	6,404,971
ELECTROLUX AB	3,172,633
FORBO HLDG AG	1,361,584
FRIGOSCANDIA AB	618,387
FUERZAS ELEC CATAL	1,715,796
GLAXO HLDGS ORD	3,107,107
GROUP DANONE ORD	7,399,154
HAMMERSON PROPERTY	625,577
IDIA FF110	716,290
INSTITUTO MOBILIAR	1,647,922
INTL NEDERLANDEN	6,358,387
KINGFISHER PLC	2,365,993
KON NED PAPIERFABR	2,254,839
KON PTT NEDERLAND	2,515,484
LASMO	1,042,039

Washington State Investment Board
Schedule of International Manager Holdings (Unaudited)
 UBS
 June 30, 1995

<u>Security Name</u>	<u>Market Value</u>
LLOYDS ABBEY LIFE	2,674,248
LYONNAIS DES EAUX	1,554,634
MARLEY ORD 25P	369,015
MEPC	2,436,774
NESTLE CHAM AND	10,402,918
NORTHERN FOODS	4,052,807
PECHINEY CERT	2,290,313
PERNOD-RICARD FF20	2,835,983
PEUGEOT SA	2,221,810
RINASCENTE (LA)	559,902
RIO TINTO ZIMC	2,282,488
SCHMALBACH LUBECA	1,406,374
SCHW BANKVEREIN	4,074,331
SEFIMEG FF100	894,174
SEITA	2,320,858
SKF AB	2,099,423
SMITH & NEPHEW	2,759,979
SOC NATL ELF	7,549,027
SOUTH WEST WATER	3,643,709
STADSHYPOTEK AB	1,335,715
STORA KOPPARBERGS	2,965,851
TABACALERA SA	3,349,719
TARMAC	2,684,110
TELE DANMARK AS	1,218,487
TELEFONICA DE ESP	2,899,868
THAMES WATER	1,135,677
TOTAL B SHS FF50	7,531,208
UNION ASSURANCE	4,367,688
UNITAS BANK LTD	1,602,339
URALITA S A ORD	2,131,388
UTD NEWSPAPERS	1,242,185
VARTA AG DEM50	370,637
VEBA AG	7,855,749
VOLKSWAGEN AG	2,309,749
VOLKSWAGEN AG	2,865,506
WINTERTHUR SCHWEIZ	4,506,773
WINTERTHUR SCHWEIZ	53,449
TOTAL CORPORATE STOCK	<u>\$ 248,331,517</u>
TOTAL INVESTMENTS - UBS	<u>\$ 257,353,254</u>

Labor & Industries Funds

- Investment Policy
- Asset Allocation
- Performance
- Fixed Income Program
- Financial Section

L & I Funds Investment Policy

Approved by the Board on June 16, 1994

PURPOSE:

This document outlines the investment policy and objectives for the Department of Labor and Industries (L&I) Workers' Compensation Funds managed by the Washington State Investment Board (SIB) and supersedes any prior Board adopted policies. These policies and objectives allow for sufficient flexibility in the management process to capture investment opportunities, yet provide parameters that will insure prudence and care in the execution of the investment program.

POLICY:

Strategic Objectives

The portfolio is to be managed to achieve the highest return possible consistent with the need to:

1. Maintain the solvency of the funds.
2. Maintain premium rate stability.
3. Ensure sufficient assets are available to fund the expected liability payments.

Since achieving these objectives is partially dependent on the results of the insurance operations, it is of paramount importance to coordinate the level of risk taken on by the investments with the level of risk arising from insurance operations. As a result, the investment approach may need to be modified periodically as a result of exogenous changes occurring on the insurance side. Examples of events arising on the insurance side that could have an impact on investments include a change in the liability discount rate, an adjustment in the level of reserves, or a legislative change, such as an adjustment of benefit levels.

Performance Objectives

Performance will be measured by comparing the total return for a period of each major sector to an appropriate market index, as approved by the Public Markets Committee. The investments are to be actively managed to exceed the returns of these market indices, with a volatility similar to or less than the indices.

Investment Approach

The investment approach shall be to identify enhanced return opportunities across market segments and to invest where overall risks are understood and can be managed well within strategic risk and return objectives.

The SIB will manage four categories of fixed income risk within a domestic context:

- a. Interest Rate Risk.
- b. Yield Curve Risk.
- c. Credit Risk.
- d. Reinvestment Risk.

Interest Rate Risk is price volatility produced by changes in the overall level of interest rates. This risk is to be managed in a controlled manner using historical real return relationships and economic analysis.

Yield Curve Risk is price changes induced by the changing shape of the yield curve. Yield curve risk is to be managed, but in a controlled, disciplined fashion, by employing duration and maturity yield spread analysis.

Credit Risk is the uncertainty surrounding the borrower's ability to repay its obligations. Credit risk is to be actively managed, employing yield spread analysis and credit research.

L & I Funds Investment Policy

Reinvestment Risk is to the uncertain future yield opportunities available to invest funds which become available due to call, maturity or coupon generated cash flow. Reinvestment risk is to be managed through call and prepayment risk analysis, and diversification of maturities.

The SIB will manage within the constraints of two categories of equity risk:

- a. Market risk
- b. Firm-specific risk

Market Risk, or systematic risk, is the price volatility associated with changes in the overall equity market, and as such cannot be directly controlled by the manager. The general approach used by SIB is to determine a desired level of equity exposure within the guideline range, and then to gradually shift the degree of equity investment to that level. A long term time horizon is used; attempts to time short run market movements are not considered appropriate.

Firm-Specific Risk, or nonsystematic risk, is the price volatility associated with the varying unique characteristics of individual securities. This risk is to be managed by maintaining a well-diversified equity portfolio.

Investment Process

A. Portfolio Constraints

1. All assets under management by the SIB are to be invested to maximize return at a prudent level of risk in accordance with the requirements of statutes RCW 43.33A.110 and RCW 43.33A.140, which state in part that the SIB is to "...establish investment policies and procedures designed to attempt to limit fluctuations in industrial insurance premiums, and, subject to this purpose, to maximize return at a prudent level of risk."
2. No corporate fixed income issue shall exceed 3% of cost or 6% of market value of the Funds at the time of purchase (RCW 43.84.150).
3. No more than 15% of the lesser of the market value or the amortized cost of the fixed income portion of the portfolios shall be invested in securities rated less than single A. This recognizes the need of any insurance entity to maintain an overall high quality portfolio, while providing the portfolio manager sufficient flexibility to seek increased returns.
4. The maximum investment in equities measured at market value will be 125% of the Funds' consolidated contingency reserve. This constraint should be viewed from a long term perspective: short term fluctuations in the contingency reserve or the equity markets might cause equity investments to temporarily exceed this level.

B. General Strategies

Fixed Income

1. The fixed income assets are to be managed to add value principally through credit valuation, sector selection, and interest rate level analysis.
2. Internal management is to be used unless special expertise is required or a special opportunity exists which can only be accessed by contracting with external managers.
3. A two-tier macro/micro management approach is to be used to implement the portfolio strategies. The "macro" component is to include strategic and some tactical decision processes, such as the allocation among different fixed income segments and the decision to set the appropriate asset dollar duration

L & I Funds Investment Policy

target, based on the analysis of the liability durations. The "micro" component will address individual security selection within each fixed income segment utilizing credit, duration, and valuation analysis.

4. Value at the macro level is to be added through the allocation of cash flow and the re-deployment of existing assets to fixed income segments which offer a high current yield to maturity spreads relative to their historical norms and/or to other alternative investment choices. Within policy ranges, duration should be managed with cash flows and re-deployment of existing assets by concentrating purchases and re-deploying existing assets along those sections of the yield curve where the yield premium is high relative to historical norms.
5. Within fixed income segments, value is to be added to purchasing bonds where the yield spread over the U.S. Treasury yield curve is such that risks of not realizing the promised yield spread, either from credit or call risk, do not materially reduce the expected yield benefit.
6. Only when value cannot be found should U.S. Treasury issues be purchased. Under most market circumstances the fixed income segment will have a Treasury allocation well below its public market representation.

Equities

1. The equity assets are to be managed to add value principally through increased exposure to the overall equity market.
2. Asset exposure to the equity markets will be measured by comparing the total market value of equity investments to the Funds' consolidated contingency reserve. The maximum equity allocation over the long term is 125% of the contingency reserve. A change in either the level of the contingency reserve, or the trend in the level of consolidated net income may result in a revision in the level of equity holdings.

C. Specific Strategies

1. Fixed income assets are to be allocated across the various fixed income sectors based upon:
 - a. The strategic (long-term) allocation to each fixed segment (as shown in Exhibit 1 of this policy).
 - b. The permissible range around each strategic allocation target.
 - c. The available yield spreads relative to Treasuries versus historical norms, after analysis for validity. When a fixed income segment exhibits a yield spread versus Treasuries greater than the historical norms, new cash flow and/or the re-deployment of existing assets may be made to that segment.
 - 1) Yield spreads shall be analyzed on a fully option-adjusted basis.
 - 2) Yield spreads shall be analyzed on a fully risk-adjusted basis.
 - d. The available yields of other fixed income alternatives.
2. Equity investments are currently allocated entirely to an S&P 500 Index Fund. A strategy involving other broad market indexes, such as the Wilshire 5000, may also be used. This approach may be modified on the decision of the Public Markets Committee.
3. Permissible Investments:

L & I Funds Investment Policy

- a. *U.S. Treasuries and Government Agencies* excluding mortgages and mortgage backed securities (MBS), including derivative securities whose deliverable instrument is a U.S. Treasury or government obligation.
- b. *Investment Grade Corporate Bonds* rated BBB- or higher by Standard and Poor's and Baa3 or higher by Moody's Investors' Service at the time of purchase.
- c. Publicly traded *Mortgage Backed Securities*, including derivative securities whose deliverable instrument is a U.S. mortgage backed security.
- d. *Privately Placed Mortgages*, including single family residences, commercial whole loans, and privately placed mortgage backed securities.
- e. *Private Placements* of corporate debt.
- f. *Asset Backed Securities* rated BBB- or higher by Standard and Poor's and Baa3 or higher by Moody's Investors' Service.
- g. *Non-U.S. Dollar Bonds*.
- h. *U.S. Equities*.
- i. *Non-U.S. Dollar Equities*.
- j. *Derivative products*, such as futures and options, used as hedging instruments.

Other instruments may be added from time to time as they are developed or deemed appropriate.

Reporting

- A. A management information system is to be used for reporting internally to senior staff on the implementation of this policy. Monthly reports should include, but are not limited to:
 1. Current market values, amortized book values, and unrealized gains or losses.
 2. Monthly and year-to-date realized gains and losses by sector. This information is to be provided to SIB by L&I.
 3. Aggregate and individual portfolio characteristics compared to guidelines.
 4. An exception report, covering delinquencies, defaults, and deteriorating credits.
- B. Quarterly executive management reports are to be provided to the Public Markets Committee, and/or the Board consisting of all of the above items, as well as showing the status of policy compliance and identifying exceptions with explanations.

Responsibilities

- A. Board - the SIB is responsible for approving the strategic policy.
- B. Public Markets Committee - responsible for reviewing and recommending strategic policy to the Board. Responsible for reviewing SIB staff investment management guidelines.
- C. SIB staff - responsible for implementing policy and reporting to the Public Markets Committee and the Board.

L & I Funds Investment Policy

Exhibit 1

Strategic Targets for Fixed Income Sectors

Fixed Income sectors are to be managed versus the benchmark within the allocation ranges presented below. Ranges are not symmetric around the index, but rather allow flexibility to position the portfolio to take advantage of systematic characteristics as well as tactical opportunities.

	<u>L&I Range</u>
a. U.S. Treasuries and Agencies (excluding MBS)	5-25%
b. Investment grade corporates	20-70
c. High yield bonds	0
d. Mortgage backed securities	20-50
e. Asset backed securities	0-15
f. Other private placements and non-dollar fixed income securities	<u>0-10</u>
	100%

The above targets are long-term in nature and may deviate in the short-term as a result of interim market movements and the market impact costs of implementation.

Strategic Duration Target

For the Accident and Pension Reserve Funds (Funds 608 and 610), the fixed income portfolio dollar durations are to be targeted to that of the liabilities, plus or minus 20%. For the Medical Fund (Fund 609), the asset duration target will be based on the need to remain responsive to changes in the rate of medical inflation while still earning a sufficient rate of return. For the Supplemental Pension Fund (Fund 881), the asset duration target will be based on the need to earn the highest rate of return consistent with maintaining a sufficient degree of liquidity for these funds. Duration shifts away from the targets, or changes in the duration target, are to be primarily a function of risk control and secondarily a function of value added opportunities along the yield curve.

The above targets are long-term in nature and may deviate in the short-term as a result of interim market movements and the market impact costs of implementation.

Strategic Targets for Equity Investments

The target range for total equity investments, valued at market, will be 0% to 125% of the Funds' consolidated contingency reserve. As a result of short term changes in the level of the contingency reserve and/or the value of the equity markets, L&I's equity investments may temporarily exceed this range at a given point in time. As this range is appropriately viewed over the long term, it will be the responsibility of the Public Markets Committee to determine the appropriate actions and timing to address such a situation. The purpose of these investments is to allow for a sufficient exposure to the equity markets to enable the L&I Funds to benefit from the expected higher long term returns of equities, compared to fixed income securities, while limiting the potential risk to the contingency reserve from a market downturn. Hedging techniques may be used when deemed appropriate to lessen the exposure of the total equity investments as a percentage of the contingency reserve on a quarterly basis, subject to the availability of data. L&I will provide SIB with the level of contingency reserve on a quarterly basis.

LABOR & INDUSTRIES FUNDS OVERVIEW

The Department of Labor and Industries Portfolio consists of four separate funds:

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

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

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

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

The Labor and Industries Funds are invested with different goals and objectives than the Retirement Funds. The L & I Funds have a much larger concentration in fixed income instruments and only a small exposure to equities.

L & I Funds Asset Allocation

LABOR & INDUSTRIES FUNDS ASSET ALLOCATION June 30, 1995

Asset Class	Market Value (In 000's)	Percent
Short Term		
Cash	\$90,405	1.3
Less: Pending Trades	(9,561)	(0.1)
Total Short-Term	<u>\$80,844</u>	<u>1.2</u>
Long-Term Fixed Income		
US Treasuries	\$505,116	7.7
Government Agencies	347,150	5.3
Corporate Bonds	3,112,212	47.2
Asset Backed Securities	229,024	3.5
Mortgages	1,724,417	26.2
Total Long-Term Fixed	<u>\$5,917,919</u>	<u>89.8</u>
Equities		
S & P 500 Index	\$338,271	5.1
Independence Associates	88,044	1.3
Extended Markets	168,253	2.6
Total Equity	<u>\$594,568</u>	<u>9.0</u>
TOTAL	<u>\$6,593,331</u>	<u>100.0 %</u>

L & I Funds Performance

LABOR & INDUSTRIES FUNDS			
TIME-WEIGHTED RETURNS			
Periods Ending June 30, 1995			
	One Year	---- Annualized ---- Two Years	Three Years
Accident Fund	15.2 %	6.4 %	9.0 %
Medical Aid Fund	13.0	6.6	7.9
Accident Reserve Fund	19.0	7.4	10.5
Supplemental Pension Fund	9.5	5.8	7.0

L & I Funds Fixed Income Program

CHARACTERISTICS OF THE L & I LONG-TERM FIXED INCOME PORTFOLIO June 30, 1995

<u>Sector Distribution</u>		<u>Effective Duration</u>	
Treasury	8.5 %	0 - 1 years	5.3 %
Agency	5.9	1 - 3	18.4
Corporate	52.6	3 - 4	11.6
Asset Backed	3.9	4 - 6	20.7
Mortgages	29.1	6 - 8	19.8
		8 +	24.2
Total	<u>100.0 %</u>		<u>100.0 %</u>

<u>Credit Distribution</u>		<u>Coupon Distribution</u>	
TSY	8.6 %	0 - 4.9%	4.5 %
AGY	26.3	5 - 6.9	35.8
AAA	14.2	7 - 7.9	27.7
AA	6.9	8 - 8.9	21.1
A	33.0	9 - 9.9	7.8
BAA	11.0	10 +	3.1
OTHER	0.0		
	<u>100.0 %</u>		<u>100.0 %</u>

Labor & Industries Funds

Financial Section

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

NOTE:

The accompanying unaudited financial statements and schedules of investments were prepared from the official accounting records of the Washington State Investment Board. Asset listings reflect positions on a settlement date basis. Asset allocation information presented elsewhere in this report is taken from master custodian reports and is on a trade date basis. In some cases, reported numbers may differ slightly due to valuation and classification differences.

WASHINGTON STATE INVESTMENT BOARD
LABOR AND INDUSTRIES FUNDS
Statement of Investments (Unaudited)
June 30, 1995

	ACCIDENT FUND	MEDICAL AID FUND	ACCIDENT RESERVE FUND	SUPPLEMENTAL PENSION FUND	TOTAL
<u>FIXED INCOME INVESTMENTS:</u>					
Short-term (Cash)	\$ 21,503,957	\$ 36,389,547	\$ 15,065,563	\$ 18,012,890	\$ 90,971,957
US Treasuries and Agencies	398,626,157	152,122,899	159,531,260	8,789,383	719,069,700
Mortgages and Mortgage Backed Securities	663,830,117	748,457,788	191,217,635	40,133,325	1,643,638,865
Asset Backed Securities	60,979,639	172,574,482	4,974,831	11,372,510	249,901,463
Corporate Obligations	1,444,122,185	903,534,549	500,556,845	36,460,250	2,884,673,830
Total Fixed Income Investments	\$ 2,589,062,056	\$ 2,013,079,266	\$ 871,346,135	\$ 114,768,358	\$ 5,588,255,815
<u>EQUITY INVESTMENTS:</u>					
Corporate Stock	-	59,464,500	27,274,782	-	86,739,282
Equity Index Funds	-	344,202,120	162,322,000	-	506,524,120
Total Equity Investments	\$ -	\$ 403,666,620	\$ 189,596,782	\$ -	\$ 593,263,402
<u>ACCRUALS:</u>					
Accrued Investment Income Receivable	41,457,180	24,771,408	16,679,983	1,355,198	84,263,769
Accrued Management Fees Payable	(38,535)	(78,736)	(36,886)	(1,554)	(155,711)
Total Accruals	\$ 41,418,645	\$ 24,692,672	\$ 16,643,097	\$ 1,353,644	\$ 84,108,058
CARRYING VALUE OF INVESTMENTS, JUNE 30, 1995	\$ 2,630,480,701	\$ 2,441,438,558	\$ 1,077,586,014	\$ 116,122,002	\$ 6,265,627,275
MARKET VALUE OF INVESTMENTS, JUNE 30, 1995	\$ 2,834,020,475	\$ 2,480,225,893	\$ 1,159,654,202	\$ 117,567,593	\$ 6,591,468,163
UNREALIZED GAIN, JUNE 30, 1995	\$ 203,539,774	\$ 38,787,335	\$ 82,068,188	\$ 1,445,591	\$ 325,840,888

WASHINGTON STATE INVESTMENT BOARD
LABOR AND INDUSTRIES FUNDS
 Statement of Changes in Investment Balances (Unaudited)
 June 30, 1995

	ACCIDENT FUND	MEDICAL AID FUND	ACCIDENT RESERVE FUND	SUPPLEMENTAL PENSION FUND	TOTAL
CARRYING VALUE OF INVESTMENTS, JUNE 30, 1994	\$ 2,437,918,215	\$ 2,173,189,196	\$ 1,004,987,177	\$ 92,352,562	\$ 5,708,447,150
NET AMOUNT CONTRIBUTED (WITHDRAWN)	(34,484,732)	65,081,598	(3,495,630)	16,490,657	43,591,893
INVESTMENT EARNINGS:					
Interest and Dividend Income	\$ 201,452,142	\$ 136,983,145	\$ 70,416,188	\$ 7,249,707	\$ 416,101,182
Capital Gains	7,377,526	88,584,698	46,787,759	188,715	142,938,698
Capital Losses	(9,346,735)	(10,826,508)	(4,346,977)	(174,283)	(24,694,503)
Securities Lending Income	490,347	107,138	67,924	14,643	680,052
<i>Net Investment Earnings</i>	<u>\$ 199,973,280</u>	<u>\$ 214,848,473</u>	<u>\$ 112,924,894</u>	<u>\$ 7,278,782</u>	<u>\$ 535,025,429</u>
OTHER CHANGES IN FUND BALANCE:					
Residual Equity Transfer	\$ 27,073,938	\$ -	\$ (27,073,938)	\$ -	\$ -
Change in Reserve for Unrealized Market Gains and Losses	\$ -	\$ (11,680,709)	\$ (9,756,490)	\$ -	\$ (21,437,199)
<i>Net Other Changes in Fund Balance</i>	<u>\$ 27,073,938</u>	<u>\$ (11,680,709)</u>	<u>\$ (36,830,428)</u>	<u>\$ -</u>	<u>\$ (21,437,199)</u>
CARRYING VALUE OF INVESTMENTS, JUNE 30, 1995	<u>\$ 2,630,480,701</u>	<u>\$ 2,441,438,558</u>	<u>\$ 1,077,586,014</u>	<u>\$ 116,122,002</u>	<u>\$ 6,265,627,275</u>

**Washington State Investment Board
Labor & Industries Funds**

Notes to Financial Statements
June 30, 1995

SIGNIFICANT ACCOUNTING POLICIES

Labor & Industries (L & I) funds are considered insurance enterprise funds for financial reporting purposes. An enterprise fund uses the full accrual basis of accounting where revenues are recorded in the period earned and expenditures in the period incurred. Purchases and sales of investments are recorded on a settlement date basis pursuant to state accounting policies and procedures.

Noncurrent fixed income investments are reported at amortized cost, which is the par value of the investment increased or decreased by any unamortized premiums or discounts. Amortization is computed and recorded monthly using the scientific method.

Equity investments are reported at unrealized market value. Market value increases and decreases are not recorded to investment earnings in the accompanying unaudited financial statements. Rather, these gains and losses are reserved as part of the fund balance (net equity).

LABOR & INDUSTRIES
Accident Fund
 Schedule of Investments
 June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
SHORT-TERM (CASH):					
PROVIDENT TEMPFUND	N/A	N/A	N/A	\$ 21,503,957	\$ 21,503,957
US GOVERNMENT SECURITIES					
US TREASURIES:					
U S TREASURY	13.375	08/15/2001	3,250,000	4,022,965	4,456,043
U S TREASURY	10.750	02/15/2003	8,000,000	7,851,641	10,190,000
U S TREASURY	10.750	05/15/2003	18,000,000	19,377,983	23,011,920
U S TREASURY	11.125	08/15/2003	5,500,000	6,339,164	7,196,420
U S TREASURY	12.375	05/15/2004	4,100,000	5,146,497	5,783,542
U S TREASURY	10.750	08/15/2005	39,850,000	45,819,007	52,938,334
U S TREASURY	10.375	11/15/2012	6,100,000	6,367,324	8,063,407
U S TREASURY	11.250	02/15/2015	17,400,000	20,557,454	26,116,356
U S TREASURY	7.250	05/15/2016	9,140,000	7,590,708	9,695,529
U S TREASURY	7.500	11/15/2016	98,720,000	84,839,605	107,542,606
U S TREASURY	8.750	05/15/2017	26,200,000	26,028,146	32,242,244
U S TREASURY	8.500	02/15/2020	16,850,000	18,175,692	20,393,724
U S TREASURY	7.875	02/15/2021	16,900,000	16,825,684	19,226,454
TOTAL US TREASURIES				\$ 268,941,871	\$ 326,856,579
AGENCIES:					
FEDERAL HOME LN MTG CORP	8.050	03/15/1996	7,200	7,160	7,245
FEDERAL HOME LN MTG CORP	8.375	09/15/1997	265,000	264,369	277,669
TENNESSEE VALLEY AUTH	6.250	08/01/1999	3,000,000	3,082,509	2,991,570
FEDERAL FARM CREDIT BK	7.950	04/01/2002	10,000,000	9,985,725	10,243,700
FEDERAL NATL MTG ASSOC	7.800	06/10/2002	35,000,000	34,929,946	35,907,900
FEDERAL HOME LN BKS	9.500	02/25/2004	4,500,000	4,494,227	5,411,970
RESOLUTION FDG CORP	0.000	05/15/2008	16,000,000	5,393,197	6,822,240
RESOLUTION FDG CORP	0.000	01/15/2013	26,200,000	5,399,921	7,828,298
FEDERAL NATL MTG ASSOC	0.000	07/05/2014	25,000,000	4,676,099	6,507,750
FEDERAL NATL MTG ASSOC	0.000	10/09/2019	35,000,000	4,325,715	6,190,450
RESOLUTION FDG CORP	8.125	10/15/2019	51,300,000	47,550,819	58,778,514
TENNESSEE VALLEY AUTH	8.250	09/15/2034	10,000,000	9,574,600	10,265,900
TOTAL AGENCIES				\$ 129,684,286	\$ 151,233,207
TOTAL US TREASURIES AND AGENCIES				\$ 398,626,157	\$ 478,089,785
MORTGAGES AND MORTGAGE-BACKED SECURITIES					
PASS THROUGH MORTGAGES:					
FHLMC GOLD PL C00249	7.000	07/01/2023	16,829,207	17,034,313	16,545,130
FHLMC GIANT WAM SWAP 30-6660	7.000	03/15/2019	2,258,490	2,024,172	2,224,138

LABOR & INDUSTRIES
Accident Fund
 Schedule of Investments
 June 30, 1995

<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
FHLMC SWAP 29-1274	8.000	04/01/2017	108,297	103,898	110,468
FHLMC PC 16-0011	8.500	10/01/2005	31,851	29,721	32,749
FHLMC PC 16-0012	8.500	12/01/2005	6,329	5,906	6,492
FHLMC PC 16-0016	8.500	08/01/2006	192,935	180,033	198,758
FHLMC PC 16-0034	8.500	12/01/2007	594,245	554,506	613,498
FHLMC PC 16-0038	8.500	02/01/2008	32,015	29,874	33,052
FHLMC PC 16-0039	8.500	03/01/2008	872,314	814,366	900,576
FHLMC PC 17-0018	8.500	02/01/2008	288,704	270,924	298,185
FHLMC PC 17-0019	8.500	02/01/2008	37,664	35,145	38,884
FHLMC SWAP 29-3905	8.500	05/01/2017	134,914	124,754	139,172
FHLMC SWAP 28-4854	8.500	12/01/2016	67,628	62,535	69,762
FHLMC SWAP 28-8013	8.500	03/01/2017	234,209	216,570	241,600
FHLMC SWAP 28-8307	8.500	03/01/2017	349,583	323,255	361,514
FHLMC SWAP 28-8720	8.500	04/01/2017	22,144	20,476	22,843
FHLMC SWAP 28-9754	8.500	03/01/2017	276,556	255,728	285,685
FHLMC SWAP 28-9978	8.500	04/01/2017	108,082	99,942	111,851
FHLMC GIANT SWAP 30-4272	8.500	06/01/2018	8,448,467	7,822,975	8,727,342
FHLMC GIANT WAM SWAP 30-6661	8.500	03/15/2019	2,721,364	2,568,288	2,803,495
FHLMC PC 16-0040	8.750	03/01/2008	30,757	28,124	31,831
FHLMC PC 16-0043	8.750	04/01/2008	32,535	29,747	33,671
FHLMC PC 16-0049	8.750	07/01/2008	572,430	540,947	592,660
FHLMC GIANT SWAP 30-4278	9.000	07/01/2018	3,246,912	3,029,775	3,390,425
FHLMC GIANT SWAP 30-4281	9.000	07/01/2018	3,340,820	3,146,635	3,488,481
FHLMC PC 17-0186	9.500	08/01/2016	942,068	921,461	990,960
FHLMC PC 16-0079	10.250	05/01/2009	819,512	757,025	878,296
FHLMC PC 17-0149	11.000	12/01/2015	1,378,499	1,378,499	1,488,778
FHLMC PC 17-0029	12.000	05/01/2010	390,291	389,560	424,211
FHLMC PC 17-0040	14.500	12/01/2010	93,081	93,314	104,716
FNMA GL 6222	9.000	04/01/2016	843,419	789,652	888,222
FNMA CL 2463	11.000	09/01/2015	79,911	78,363	87,384
FNMA CA 7423	11.250	05/01/2014	47,911	48,749	52,272
GNMA SN 1470	6.500	12/15/2002	314,780	314,780	302,385
GNMA SF 45231	10.500	12/15/2010	106,764	80,390	117,607

TOTAL PASS THROUGH MORTGAGES

\$ 44,204,400 \$ 46,637,093

OTHER MORTGAGES:

BANCBOSTON (MERIDIAN)	10.250	08/01/2009	253,043	248,007	253,744
BANCBOSTON (MERIDIAN)	10.375	03/01/2010	266,020	265,820	265,645
BICENTENNIAL MANOR	7.500	08/01/2018	1,354,296	1,074,975	1,341,891
HEATHERWOOD VALLEY	7.500	01/01/2019	1,348,567	1,084,941	1,332,924
MCCORD MANOR	7.500	02/01/2019	1,405,622	1,130,843	1,389,401
STRONGSVILLE SR CTR	7.500	07/01/2019	3,109,205	2,487,408	3,071,925

LABOR & INDUSTRIES
Accident Fund
 Schedule of Investments
 June 30, 1995

<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
U S MORTGAGE	6.750	03/01/2002	27,888	26,912	25,918
VILLA RAINTREE	7.500	11/01/2018	1,338,629	1,097,838	1,324,627
WESTIN INTERNATIONAL	9.150	07/01/2002	31,501,662	31,501,662	31,801,243
TOTAL OTHER MORTGAGES				\$ 38,918,406	\$ 40,807,317

COLLATERALIZED MORTGAGE OBLIGATIONS

BSMSI 1993-3 A10	7.750	02/25/2024	8,000,000	7,975,000	7,987,416
COUNTRYWIDE MTG 93-2 A3	6.500	09/25/2008	14,684,111	14,547,493	14,473,379
COUNTRYWIDE MTG 1993-AA10	6.500	10/25/2008	13,763,329	11,666,572	12,972,199
COUNTRYWIDE MTG 1993-E A5	6.500	01/25/2024	4,448,752	3,962,865	4,084,128
DLJ MTG ACC CORP 94-3A	6.500	04/25/2024	9,737,340	9,007,039	8,745,037
FHLMC 1142G	7.950	03/15/2020	8,592,391	8,479,616	8,709,926
FHLMC 1415 Y8	6.500	11/15/2007	10,000,000	9,384,375	9,715,400
FHLMC 1992 1380 G	6.250	12/15/2004	6,731,000	6,626,880	6,670,354
FHLMC 1992 1381 Y6	6.250	07/15/2006	5,440,000	5,355,850	5,386,906
FHLMC 1992 1445 Y4	7.000	10/15/2007	11,103,200	10,447,417	11,132,390
FHLMC 1993 1479 H	6.950	06/15/2019	15,000,000	14,826,563	14,690,250
FHLMC 1993 1478 G	6.500	06/15/2007	17,639,000	16,776,343	17,345,134
FHLMC 1993 1489 H	6.250	10/15/2007	10,000,000	9,685,938	9,675,900
FHLMC 1993 1515 Y7	6.500	02/15/2008	8,406,000	8,110,477	8,259,315
FHLMC 1993 1513 L	6.500	07/15/2007	15,000,000	14,613,281	14,739,150
FHLMC 1993 1546 Y6	6.750	12/15/2021	10,000,000	9,792,188	9,809,200
FHLMC 1993 1559VG	6.500	11/15/2021	11,220,000	11,109,553	10,960,145
FHLMC 1552 GB	6.500	12/15/2021	6,000,000	5,488,125	5,838,300
FHLMC 1993 1629 E	5.500	06/15/2016	8,000,000	7,825,000	7,692,000
FHLMC 1671 G	6.500	08/15/2023	10,000,000	9,926,563	9,707,500
FHLMC 1993 1637 G	6.000	06/15/2023	9,000,000	8,762,344	8,436,060
FHLMC 1695 EB	7.000	03/15/2024	5,000,000	4,188,281	4,701,900
FHLMC 1697 PJ	6.000	07/15/2008	15,000,000	13,596,094	14,195,700
FNMA 1992-22G	7.000	04/25/2005	16,500,000	17,131,641	16,596,030
FNMA 1992-65 DA	7.500	01/25/2018	3,000,000	2,932,500	3,015,570
FNMA 1992 135 E P11	7.300	03/25/2015	10,000,000	9,975,000	10,082,400
FNMA 1993-06 Y5	6.750	12/25/2004	12,000,000	11,900,625	12,006,480
FNMA 1992 216 E	7.000	03/25/2013	18,822,000	18,769,063	19,030,360
FNMA 1992 198 J	6.500	12/25/2019	11,907,000	10,920,952	11,418,813
FNMA G 1993-3 J	7.000	03/25/2022	4,000,000	3,408,125	3,860,080
FNMA 1993-28 Y5	6.500	03/25/2007	15,000,000	14,770,313	14,649,450
FNMA 1993-54 Y8	6.500	04/25/2021	18,913,300	18,375,453	17,895,764
FNG 1993-22 HA	6.500	09/25/2020	10,285,000	10,106,620	9,921,734
FNMA 1993-137 PE	5.800	04/24/2007	5,000,000	4,975,000	4,862,850
FNMA 1993 - 134D	5.900	11/25/2005	10,000,000	9,971,875	9,799,300
FNMA 1993-188 G	5.800	08/25/2006	6,450,000	6,383,484	6,268,433
FNMA 1994 -14 C	6.000	07/25/2023	20,000,000	15,225,000	17,199,800
FNMA 1993-223 PH	6.050	10/25/2022	14,000,000	13,590,938	13,231,680
FNMA 1994-40 Y6	6.000	06/25/2022	10,000,000	9,520,313	9,401,700

LABOR & INDUSTRIES
Accident Fund
Schedule of Investments
 June 30, 1995

<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
FNMA 1993 X-225C NC	6.500	03/25/2023	10,000,000	8,506,250	9,166,500
FNMA 1994 19B	5.000	01/25/2024	15,000,000	12,290,625	13,165,800
FNMA 1994-51 PH	6.500	01/23/2025	5,000,000	4,915,625	4,830,650
FNMA 1994 - 29 PE	6.000	05/25/2018	10,000,000	9,671,875	9,753,600
FNMA 1994-60 C	7.000	01/25/2024	4,823,000	4,012,887	4,563,667
FNMA 1994-62 PH	6.900	11/25/2023	10,000,000	9,314,063	9,967,700
GE CAPITAL MTG SERV 1994-12 A12	6.000	03/25/2009	15,000,000	12,611,719	13,586,850
GE CAPITAL MTG SVC 1994-13 A7	6.500	04/25/2024	6,799,414	6,051,479	6,451,889
GE CAPITAL MTG SERV 1994-14A4	7.500	04/25/2024	10,569,000	9,406,410	10,470,708
GE CAPITAL MTG SVC 1994-4 A8	6.500	01/25/2024	10,481,816	8,886,615	9,545,056
GE CAPITAL MTG 1992-13F	7.000	12/25/2007	11,000,000	10,090,781	10,765,260
GE CAPITAL MTG 1994-6A10	6.500	03/25/2024	15,320,000	12,332,844	13,502,129
PRU-BACHE CMO 8G	7.965	03/01/2019	7,299,836	7,234,822	7,439,628
PRU-BACHE CMO TR 10I	7.965	04/01/2019	18,887,913	17,947,294	19,206,910
PRU HOME MTG 1993-51 A14	6.750	12/25/2023	6,250,000	5,868,164	5,807,688
PRU HOME MTG 1993-44 A18	6.750	11/25/2023	13,000,000	10,773,750	11,975,340
PRU HOME MTG 1993-60 A5	6.750	12/25/2023	3,703,851	3,125,125	3,306,835
PRU HOME MTG 1994-15 A8	6.800	04/25/2024	14,000,000	12,180,000	13,043,520
PRU HOME MTG 1994-26 A6	7.000	08/25/2009	5,812,000	5,010,126	5,567,199
RYLAND MTG SEC 1993-4 A2	7.500	08/25/2024	8,206,958	8,012,042	8,274,747
SAXON MTG SEC 1994-2A7	6.750	01/25/2024	3,000,000	2,354,063	2,724,750
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS				\$ 580,707,311	\$ 598,284,559
TOTAL MORTGAGES AND MORTGAGE-BACKED SECURITIES				\$ 663,830,117	\$ 685,728,969
<u>ASSET BACKED SECURITIES:</u>					
DISCOVER CARD TR 1993-3 A ABS	6.200	11/15/2003	7,000,000	6,969,270	6,803,860
DISCOVER CARD TR 1992-B A	6.800	06/16/2000	15,000,000	14,927,550	15,207,600
DISCOVER CARD TR 1993-A ABS	6.250	08/15/2000	10,000,000	9,968,101	10,011,700
DISCOVER CARD TR 1993-B	6.750	02/15/2000	10,500,000	10,792,215	10,645,845
MID STATES TRUST IV	8.330	04/01/2030	4,970,780	4,970,003	5,258,335
STANDARD CR CARD MASTER TRUST 1994-2A	7.250	04/07/2006	14,000,000	13,352,500	14,458,780
TOTAL ASSET BACKED SECURITIES				\$ 60,979,639	\$ 62,386,120
<u>CORPORATE OBLIGATIONS:</u>					
ABN-AMRO BNK NV (CHICAGO)	7.250	05/31/2005	10,000,000	9,991,500	10,270,500
A T & T CORP	8.350	01/15/2025	2,500,000	2,455,766	2,645,400
ALABAMA PWR CO	6.000	03/01/2000	10,000,000	9,936,889	9,816,100
AMERICAN EXPRESS CREDIT CORP	7.750	03/01/1997	3,300,000	3,262,119	3,376,593
AMERICAN GENERAL	6.250	03/15/2003	7,000,000	6,867,388	6,746,530
AMERICAN GENERAL	7.750	04/01/2005	6,000,000	5,980,040	6,328,500
AMERICAN GEN FIN CORP	7.750	01/15/1997	2,000,000	1,931,543	2,043,660

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AMERICAN GENERAL FIN CORP	7.125	12/01/1999	20,000,000	19,905,148	20,469,200
AMERICAN GEN FIN CORP	7.900	09/23/1996	10,000,000	9,998,396	10,202,100
ANHEUSER BUSCH COS INC	9.000	12/01/2009	20,000,000	19,606,575	23,668,000
ANHEUSER BUSCH COS INC MTN	7.960	12/01/2000	5,000,000	4,649,708	5,329,350
ASSOCIATED DRY GOODS	8.850	03/01/2006	1,900,000	1,803,274	2,151,769
ASSOCIATES CORP NORTH AMER	6.000	06/15/2001	2,000,000	1,719,497	1,935,680
ASSOCIATES CORP NORTH AME	6.750	10/15/1999	5,000,000	5,030,769	5,038,950
ASSOCIATES CORP NORTH AME	7.875	09/30/2001	5,000,000	4,958,919	5,309,900
BANK ONE CORP	7.250	08/01/2002	12,000,000	12,102,922	12,213,720
BANK ONE DAYTON	6.625	04/15/2003	5,100,000	5,026,386	4,996,878
BANK OF NEW YORK	8.500	12/15/2004	5,500,000	5,458,889	6,065,565
BANKAMERICA CORP	7.750	07/15/2002	5,000,000	4,759,982	5,212,750
BANKAMERICA CORP	7.875	12/01/2002	5,405,000	5,171,667	5,675,358
BENEFICIAL CORP MTN	7.640	11/25/2002	10,000,000	10,000,000	10,549,600
BENEFICIAL CORP MTN	8.050	08/30/1996	20,000,000	20,000,000	20,433,200
BOEING CO	8.750	08/15/2021	15,000,000	14,928,233	17,385,150
BURLINGTON NORTHERN INC	7.000	08/01/2002	12,750,000	12,464,295	12,766,065
BURLINGTON NORTHERN RR	9.250	10/01/2006	4,000,000	4,654,587	4,571,200
CANADIAN NAT'L RR	6.625	05/15/2003	8,000,000	8,000,000	7,918,960
CANADIAN NAT'L RR	7.000	03/15/2004	10,000,000	9,929,237	10,006,700
CARNIVAL CRUISE	6.150	10/01/2003	8,500,000	8,372,126	8,006,660
CARTER HOLT HARVEY LTD	8.875	12/01/2004	6,000,000	5,966,975	6,787,380
CENTRAL LA ELECTRIC	5.000	09/01/1995	1,000,000	1,000,000	998,400
CHEMICAL BANK	7.000	06/01/2005	10,000,000	9,963,887	9,990,800
CHEMICAL BANK	6.125	11/01/2008	3,075,000	2,744,402	2,768,330
CHEMICAL BANKING CORP	8.500	02/15/2002	3,000,000	3,137,851	3,247,440
CHEMICAL BANKING CORP	8.625	05/01/2002	7,000,000	7,838,137	7,635,320
CHESAPEAKE & POTOMAC TEL MD	5.875	06/01/2004	750,000	644,146	706,103
CHESAPEAKE & POTOMAC TEL MD	6.625	10/01/2008	490,000	479,396	471,895
CHICAGO & NW RR	14.750	08/01/1998	3,591,407	3,591,407	4,316,728
CHICAGO & N WESTN TRANS	6.250	07/30/2012	5,189,218	5,189,218	4,837,337
CHRYSLER FINANCIAL CORP	6.625	08/15/2000	10,000,000	9,770,620	9,963,800
CHUBB CORP	8.750	11/15/1999	4,000,000	3,988,622	4,200,000
CINCINNATI BELL INC	7.375	08/01/2011	750,000	661,773	744,203
CINCINNATI GAS & ELEC	6.900	06/01/2025	5,000,000	5,000,000	4,985,550
CINCINNATI GAS & ELEC	6.450	02/15/2004	8,000,000	7,986,281	7,765,840
CITICORP MTN	8.800	02/01/2000	5,000,000	5,000,000	5,423,700
COCA COLA ENT	6.500	11/15/1997	20,000,000	20,133,239	20,150,200
COLUMBIA HEALTHCARE	7.150	03/30/2004	10,000,000	9,976,448	10,058,000
COMMONWEALTH EDISON CO	7.000	02/01/1997	11,000,000	10,972,097	11,066,110
CONAGRA	7.400	09/15/2004	10,000,000	9,971,751	10,123,400
CONSOLIDATED EDISON CO N Y	5.900	12/15/1996	450,000	421,051	447,957
COOPER INDUSTRIES MTN	7.890	11/16/1998	15,000,000	15,000,000	15,678,900
DAYTON HUDSON	6.625	03/01/2003	13,000,000	12,995,090	12,748,450
DEAN WTRR DISCV	6.875	03/01/2003	5,000,000	4,980,257	4,976,900
EATON CORP	7.000	04/01/2011	25,000,000	19,904,645	24,039,000

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ELEC DATA SYSTEM	7.125	05/15/2005	10,000,000	9,967,200	10,225,700
ENSERCH CORP	7.125	06/15/2005	2,500,000	2,500,000	2,522,550
FIRST CHICAGO	8.250	06/15/2002	3,165,000	3,519,515	3,393,038
FIRST UNION CORP	7.250	02/15/2003	7,000,000	6,981,364	7,107,170
FLORIDA GAS TRANSMISSION	8.630	11/01/2004	10,000,000	10,000,000	11,117,100
FLORIDA GAS TRANSMISSION	9.190	11/01/2024	3,000,000	3,000,000	3,530,880
FORD HOLDINGS INC	9.250	03/01/2000	15,000,000	14,758,474	16,476,750
FORD MOTOR CREDIT CO	8.000	06/15/2002	10,000,000	9,938,656	10,609,700
FORD MOTOR CREDIT CORP	7.750	11/15/2002	10,000,000	9,950,011	10,441,900
FORD MOTOR CREDIT CO	7.125	12/01/1997	15,000,000	14,934,241	15,237,900
FORD MOTOR CREDIT CORP	8.200	02/15/2002	5,000,000	4,999,150	5,369,050
GTE CORP	8.750	11/01/2021	15,000,000	14,908,986	17,007,450
GENERAL ELEC CREDIT CORP	5.500	11/01/2001	8,750,000	6,658,081	8,238,913
GENERAL MTRS ACCEPT CORP	8.500	01/01/2003	10,000,000	10,749,448	10,862,200
GEN MOTORS ACCEPT CORP	5.625	02/01/1999	6,200,000	5,830,596	5,995,400
GENERAL MTRS ACCEPT CORP MTN	7.850	03/05/1997	10,050,000	9,978,181	10,296,627
GENERAL TEL CO NW	6.250	09/01/1998	1,000,000	998,492	963,990
GEORGIA-PACIFIC	9.500	05/15/2022	5,000,000	5,234,195	5,543,650
GEORGIA-PACIFIC	8.625	04/30/2025	5,000,000	5,157,034	5,205,300
GOLDMAN SACHS 144A	6.375	06/15/2000	5,000,000	4,976,349	4,897,650
GRAND METROPOLITAN	8.125	08/15/1996	10,000,000	10,072,223	10,202,100
GREAT WESTERN FIN	8.600	02/01/2002	6,070,000	6,312,210	6,531,320
GREAT WESTERN FINANCIAL	6.375	07/01/2000	5,000,000	4,729,149	4,930,450
GULF STS UTILS CO	6.750	10/01/1998	500,000	483,676	501,500
GULF STS UTILS CO	8.250	04/01/2004	10,000,000	9,821,508	10,560,000
HANSON PLC	7.375	01/15/2003	5,000,000	5,124,026	5,163,550
HARRIS CORP	10.375	12/01/2018	4,600,000	4,884,141	5,157,198
HERSHEY FOODS CORP	8.800	02/15/2021	10,000,000	9,776,908	11,799,400
HERTZ CORP	6.500	04/01/2000	5,000,000	4,978,955	4,956,300
HOUSEHOLD FINANCE CORP	6.875	03/01/2003	25,000,000	24,939,809	25,025,750
HOUSEHOLD FINANCE CO	8.250	02/15/2005	10,000,000	9,948,700	10,968,600
HYDRO-QUEBEC	8.250	01/15/2027	10,000,000	9,585,440	10,562,000
HYDRO-QUEBEC	9.375	04/15/2030	25,000,000	24,978,093	29,780,250
HYDRO-QUEBEC	8.050	07/07/2024	31,000,000	30,197,809	33,880,830
INDIANTOWN COGENERATION	9.260	12/15/2010	5,000,000	5,000,296	5,656,250
INTER AMERN DEV BK	8.500	03/15/2011	20,000,000	19,062,164	22,682,800
INTER AMERN DEV BK	7.500	12/15/1996	4,500,000	4,370,935	4,585,185
INTL BUSINESS MACHINES	8.375	11/01/2019	15,000,000	13,320,156	16,606,500
ITALY - GLOBAL BD	6.875	09/27/2023	5,000,000	4,120,651	4,438,200
JERSEY CENT PWR & LT CO	6.125	08/01/1996	1,450,000	1,437,613	1,444,389
KANSAS GAS & ELEC	6.760	09/29/2003	9,740,983	9,740,983	9,675,913
KOREA ELEC PWR	8.000	07/01/2002	5,000,000	5,540,290	5,182,450
KOREA ELECTRIC POWER	6.375	12/01/2003	12,000,000	11,845,806	11,552,520
LORAL CORP	7.625	06/15/2004	6,000,000	5,954,477	6,247,560
MBNA AMER BANK NA	7.250	09/15/2002	8,000,000	8,438,679	8,076,320
MCA FUNDING MTN	7.400	09/19/1995	8,000,000	7,999,118	8,017,840

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MCI COMMUNICATIONS CORP	7.500	08/20/2004	10,000,000	9,973,668	10,492,500
MANITOBA PROV CDA	9.625	12/01/2018	20,000,000	19,387,953	25,193,600
MANITOBA PROV CDA	6.875	09/15/2002	10,000,000	9,952,105	10,043,100
MASCO CORP	6.125	09/15/2003	5,000,000	5,000,000	4,740,900
MORGAN STANLEY GROUP INC	6.375	12/15/2003	5,000,000	4,987,223	4,800,750
NCNB CORP	9.375	09/15/2009	5,000,000	5,499,010	5,828,800
NATIONAL BANK OF DETROIT	6.250	08/15/2003	8,000,000	7,971,518	7,676,880
RJR NABISCO CAPITAL CORP	8.300	04/15/1999	15,000,000	15,000,000	15,731,100
NATIONSBANK CORP	6.500	08/15/2003	5,000,000	5,074,570	4,851,250
NEW JERSEY BELL TEL CO	7.375	06/01/2012	3,500,000	3,280,632	3,536,855
NEW YORK TEL CO	7.500	03/01/2009	1,000,000	573,652	996,150
NEW YORK TEL CO	7.750	12/15/2006	1,800,000	1,727,577	1,839,582
NEW YORK TEL CO	8.625	11/15/2010	15,000,000	14,196,094	17,261,250
NORFOLK SOUTHERN	9.000	03/01/2021	20,000,000	19,860,298	24,090,400
NORTHWEST PIPELINE	9.000	08/01/2022	2,800,000	2,831,798	3,013,584
NOVA GAS TRANSMISSION	8.500	12/08/2004	4,000,000	4,006,822	4,455,000
NOVA SCOTIA PROV CDA	9.375	07/15/2002	25,000,000	24,884,024	28,376,250
ONTARIO PROV CDA	7.625	06/22/2004	13,000,000	12,982,826	13,737,490
PNC FUNDING CORP	6.875	03/01/2003	3,700,000	3,884,706	3,672,139
PNC FUNDING CORP	6.125	09/01/2003	7,000,000	6,999,979	6,555,150
PNC FUNDING CORP	7.750	06/01/2004	5,250,000	5,217,902	5,455,905
PNC BANK	7.875	04/15/2005	5,000,000	5,331,000	5,285,000
PACIFIC GAS & ELEC CO	6.875	12/01/1999	850,000	834,882	853,545
PACIFIC GAS & ELEC CO	6.750	12/01/2000	1,885,000	1,834,097	1,892,917
PACIFIC GAS & ELEC CO	8.800	05/01/2024	10,000,000	9,972,362	11,500,200
PACIFIC GAS TRAN	7.100	06/01/2005	10,000,000	10,115,300	10,098,000
PANHANDLE EASTERN PIPELINE	7.250	05/15/2005	10,000,000	10,000,000	10,044,900
PANHANDLE EASTERN PIPELINE	7.875	08/15/2004	10,000,000	9,986,500	10,596,900
PENNEY, JC	6.125	11/15/2003	7,000,000	6,956,265	6,732,740
PENNSYLVANIA ELEC CO MTN	6.800	12/20/1996	10,000,000	10,000,000	10,087,500
PETROLIUM NASIONAL BERHAD	6.875	07/01/2003	5,000,000	5,028,074	4,999,200
PHILIP MORRIS INC	9.750	05/01/1997	10,000,000	10,000,006	10,556,000
PHILIPS ELECTRONICS NV	7.750	05/15/2025	5,000,000	4,983,050	5,143,650
PHILIPS ELECTRONICS	6.750	08/15/2003	7,500,000	7,481,618	7,334,250
PHILIPS ELECTRONIC	7.250	08/15/2013	2,500,000	2,244,426	2,434,425
PHILIPS ELECTRONICS NV	7.750	04/15/2004	12,500,000	12,500,000	13,197,500
POTOMAC ELEC PWR CO	6.625	02/15/2003	500,000	501,465	493,150
POTOMAC ELEC PWR CO	8.625	08/15/2019	2,000,000	1,907,442	2,108,360
PROGRESSIVE CORP	6.600	01/15/2004	10,000,000	9,053,194	9,736,200
PUBLIC SVC CO NEW MEXICO	7.500	06/15/2002	498,000	493,971	479,450
RJR NABISCO CAPITAL CORP	8.750	04/15/2004	5,000,000	5,000,000	5,132,200
REPUBLIC NEW YORK CORP	8.375	02/15/2007	1,000,000	928,260	1,115,750
ROCKWELL INTL CORP	8.875	09/15/1999	19,000,000	18,666,223	20,698,600
ROYAL CARIBBEAN CRUISES	8.125	07/28/2004	10,000,000	9,744,046	10,453,600
RYDER SYSTEM	9.000	05/15/2016	1,900,000	1,742,086	2,079,683
SAFECO CORP	7.875	04/01/2005	7,000,000	6,954,200	7,400,750

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SAFECO CREDIT CORP MTN	8.120	10/01/1998	5,000,000	5,000,000	5,254,750
SAFECO CR CO MTN	8.110	10/02/1998	5,000,000	5,000,000	5,253,450
SAFERCO MTN	9.650	05/31/2007	16,000,000	16,000,000	19,046,080
SAFERCO MTN	9.650	05/31/2006	10,000,000	10,000,000	11,849,300
SAGA PETROLEUM A.S.	8.400	07/15/2004	5,000,000	4,987,814	5,370,600
SASKATCHEWAN CDA	8.000	07/15/2004	10,000,000	9,926,001	10,771,600
SEARS ROEBUCK & CO	6.000	05/01/2000	2,500,000	1,939,162	2,442,525
SMITH BARNEY HLDGS	6.625	06/01/2000	10,000,000	9,975,216	9,913,400
SOCIETY CORP	8.125	06/15/2002	4,750,000	5,184,638	5,033,148
SOCIETY CORP	7.850	11/01/2002	12,500,000	12,992,569	13,116,250
SOCIETY NATIONAL BANK	6.750	06/15/2003	2,625,000	2,662,535	2,583,551
SOUTHERN CALIF GAS CO MTN	8.750	08/04/1995	6,000,000	6,013,592	6,010,320
TELECOMMUNICATIONS INC	8.250	01/15/2003	10,000,000	9,996,234	10,269,300
TELECOMMUNICATIONS INC	7.375	02/15/2000	7,000,000	6,986,924	7,058,100
TELECOMMUNICATIONS INC.	7.875	08/01/2013	5,000,000	4,949,625	4,668,300
TENAGA NASIONAL BERHAD	7.875	06/15/2004	8,000,000	7,952,062	8,486,400
TENNECO CREDIT	9.625	08/15/2001	5,000,000	5,574,035	5,674,450
TEXAS UTILITIES	6.750	04/01/2003	5,000,000	4,972,534	4,944,350
TIME WARNER ENTERTAINMENT	7.250	09/01/2008	25,500,000	21,698,269	24,256,875
TRANSAMERICA FINANCE	6.800	03/15/1999	5,500,000	5,498,761	5,554,230
TRANSCANADA PIPELINE	8.625	05/15/2012	5,000,000	5,113,290	5,593,550
UNION BANK OF LOS ANGELES	7.350	02/01/2001	1,100,000	1,097,896	1,066,626
UNION PACIFIC CO	7.600	05/01/2005	13,000,000	13,003,768	13,530,270
UNION PACIFIC CO	8.350	05/01/2025	5,000,000	4,994,450	5,244,850
UNITED PARCEL SVC AMER INC	8.375	04/01/2020	35,000,000	32,618,781	39,907,350
UNITED TECHNOLOGIES MTN	8.300	12/15/1999	15,000,000	14,541,763	15,989,850
UNITED TELECOM	9.500	04/01/2003	2,000,000	2,125,472	2,297,780
WEYERHAEUSER CO	8.500	01/15/2025	5,000,000	5,002,832	5,649,800
WEYERHAEUSER CO	7.950	03/15/2025	5,000,000	4,945,200	5,347,700
WEYERHAEUSER CORP MTN	8.400	05/17/1996	25,000,000	25,000,000	25,526,000
WILLIAMS COS	9.375	11/15/2021	12,250,000	13,313,323	14,441,280
WISCONSIN BELL INC	7.250	02/01/2007	500,000	324,709	509,775
WISCONSIN TEL CO	6.250	08/01/2004	200,000	192,972	194,214
CASTLE PEAK POWER CO	6.870	08/01/2003	5,000,000	5,000,000	4,740,000
TOTAL CORPORATE OBLIGATIONS				\$ 1,444,122,185	\$ 1,544,893,000
PLUS: ACCRUED INTEREST RECEIVABLE				41,457,180	41,457,180
MINUS: ACCRUED MANAGEMENT FEES PAYABLE				(38,535)	(38,535)
TOTAL ACCRUALS				\$ 41,418,645	\$ 41,418,645
TOTAL ACCIDENT FUND				\$ 2,630,480,701	\$ 2,834,020,475

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DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET MALUE
SHORT-TERM (CASH):					
PROVIDENT TEMPFUND	N/A	N/A	N/A	\$ 36,389,547	\$ 36,389,547
US GOVERNMENT SECURITIES					
US TREASURIES:					
U S TREASURY	8.500	07/15/1997	5,000,000	5,151,558	5,250,800
U S TREASURY	8.625	08/15/1997	3,200,000	3,196,608	3,374,496
TREASURY NOTE	6.000	10/15/1999	6,000,000	6,013,952	6,003,720
US TREASURY - STRIP	0.000	02/15/2000	18,000,000	13,740,764	13,695,840
U.S. TREASURY - STRIPS	0.000	02/15/2000	30,500,000	23,204,214	23,300,780
US TREASURY	8.500	02/15/2000	20,000,000	22,144,341	22,003,200
U S TREASURY STRIPS	0.000	02/15/2004	12,200,000	6,484,910	7,142,002
TOTAL US TREASURIES				\$ 79,936,347	\$ 80,770,838
AGENCIES:					
FEDERAL HOME LN MTG CORP	8.375	09/15/1997	79,500	79,280	83,301
FNMA MED TERM NOTE	6.070	01/22/1998	8,350,000	7,964,623	8,367,034
FNMA MED TERM NOTES	5.270	07/28/1998	2,500,000	2,365,456	2,447,350
FEDERAL NATL MTG ASSOC	4.875	10/15/1998	8,500,000	7,694,051	8,177,935
FEDERAL HOME LN BKS	6.100	03/22/1999	6,000,000	5,607,839	5,927,340
FEDERAL HOME LN BKS	9.500	02/25/2004	3,700,000	3,695,253	4,449,842
FNMA	7.550	06/10/2004	10,000,000	9,854,247	10,287,500
RESOLUTION FDG CORP STRIPS	0.000	04/15/2006	25,000,000	11,060,652	12,372,500
GUARANTEED TRADE TR 1994-A	7.390	06/26/2006	9,166,667	9,166,667	9,242,191
RESOLUTION FDG CORP STRIPS	0.000	04/15/2007	36,301,000	14,698,485	16,697,371
TOTAL AGENCIES				\$ 72,186,552	\$ 78,052,364
TOTAL US TRESURIES AND AGENCIES				\$ 152,122,899	\$ 158,823,202
MORTGAGES AND MORTGAGE BACKED SECURITIES					
PASS THROUGH MORTGAGES:					
FHLMC GIANT SWAP 30-4272	8.500	06/01/2018	10,134,180	9,382,787	10,468,699
FHLMC GIANT SWAP 30-4278	9.000	07/01/2018	3,561,055	3,322,909	3,718,453
FHLMC GIANT SWAP 30-4281	9.000	07/01/2018	3,667,719	3,454,533	3,829,829
FHLMC GNOME 38-0021	9.000	05/01/2003	2,340,336	2,284,800	2,428,824
FHLMC GOLD PL 99004	8.000	07/01/1999	9,017,879	9,208,100	9,243,317
FHLMC PC 16-0079	10.250	05/01/2009	819,512	757,025	878,296
FHLMC PC 17-0147	11.000	11/01/2015	865,158	860,007	934,372
FHLMC PC 17-0186	9.500	08/01/2016	942,068	921,461	990,960
FNMA CA 7423	11.250	05/01/2014	23,955	24,375	26,136
FNMA CL 2463	11.000	09/01/2015	164,261	161,079	179,623

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<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
GNMA GP 90132	9.000	05/15/2009	98,372	74,271	103,198
GNMA GP 90178	9.000	05/15/2009	264,825	199,943	277,817
GNMA II SF 120666	13.000	09/15/2014	2,109,594	2,065,590	2,385,147
<i>TOTAL PASS THROUGH MORTGAGES</i>				\$ 32,716,881	\$ 35,464,670
OTHER MORTGAGES:					
EUCLID APTS	7.500	05/01/2019	1,512,725	1,212,017	1,494,799
MANCHESTER HEIGHTS	7.500	02/01/2019	1,140,687	908,750	1,124,946
NATIONSBANK	10.500	10/25/2009	293,281	293,281	295,568
VIRGINIA APTS	7.500	07/01/2018	1,867,039	1,499,258	1,847,173
<i>TOTAL OTHER MORTGAGES</i>				\$ 3,913,306	\$ 4,762,487
COLLATERALIZED MORTGAGE OBLIGATIONS:					
BSMSI 1993-3 A10	7.750	02/25/2024	5,000,000	4,984,375	4,992,135
BSMSI 1993-8 A5	6.350	08/25/2024	15,000,000	14,729,063	14,609,970
COUNTRYWIDE MTG 1993-AA10	6.500	10/25/2008	8,908,880	7,551,668	8,396,789
COUNTRYWIDE MTG 93-2 A3	6.500	09/25/2008	10,248,942	10,113,572	10,046,202
COUNTRYWIDE MTG 94-13 A10	6.500	06/25/2009	4,940,000	4,631,250	4,754,997
DLJ MTG ACC CORP 94-3A	6.500	04/25/2024	9,737,340	9,007,039	8,745,037
FHLMC 1271 G	7.000	08/15/2006	10,478,000	10,510,744	10,480,620
FHLMC 1616 BC	5.700	08/15/2006	11,094,000	10,655,440	10,602,758
FHLMC 1669 EA	5.750	05/15/2018	15,000,000	13,761,900	14,504,100
FHLMC 1673 Y5	6.000	02/15/2019	15,000,000	14,763,281	14,341,500
FHLMC 1706 H	6.500	06/15/2023	5,000,000	4,507,031	4,853,600
FHLMC 1989-85E	9.500	12/15/2018	6,892,221	7,150,680	7,244,069
FHLMC 1990 128H	8.750	09/15/2019	5,000,000	5,100,000	5,103,000
FHLMC 1992 1243 Y5	6.750	07/15/2003	11,467,733	11,480,276	11,479,993
FHLMC 1992 1380 G	6.250	12/15/2004	10,000,000	9,895,313	9,909,900
FHLMC 1992 1381 Y6	6.250	07/15/2006	7,000,000	6,891,719	6,931,680
FHLMC 1992 1381 Y7	6.500	02/15/2007	8,000,000	8,072,500	7,938,800
FHLMC 1992 1393 C	6.000	01/15/2004	18,000,000	17,921,250	17,714,160
FHLMC 1992 1423 CC	6.750	03/15/2004	20,000,000	19,737,500	20,064,600
FHLMC 1992 1445 Y3	7.000	10/15/2005	17,556,800	17,323,576	17,663,528
FHLMC 1992 1456 C	6.250	10/15/2011	36,000,000	36,000,000	36,006,840
FHLMC 1993-1505D	5.500	08/15/2018	10,000,000	8,850,000	9,428,500
FHLMC 1993-1587 Z	6.500	10/15/2008	5,088,656	3,806,950	4,565,745
FHLMC 1993-1637 EA	5.950	02/15/2019	6,003,847	5,998,218	5,863,951
FHLMC 1994-1119 G	8.100	07/15/2020	4,935,046	5,005,987	5,027,972
FHLMC 1994-1683 AB	5.250	07/15/2020	25,000,000	23,609,375	22,433,750
FHLMC 1994-1714 E	6.250	09/15/2018	14,000,000	13,351,875	13,826,680
FHLMC 1994-1727 E	6.500	04/15/2018	20,000,000	19,080,469	19,923,800
FHLMC-GNMA 1993 12 E	6.000	03/25/2008	7,481,250	7,308,246	7,232,790

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<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
FHLMC-GNMA 1994 29 X	6.750	02/25/2023	12,086,408	11,595,398	11,793,905
FHLMC-GNMA 1994 29 D	6.250	02/25/2018	15,000,000	14,240,625	14,777,400
FNMA 1991-134 H	7.950	03/25/2020	4,923,165	4,847,010	4,977,418
FNMA 1991-85 G	8.000	06/25/2015	3,138,862	3,274,225	3,180,009
FNMA 1992 135 E P11	7.300	03/25/2015	7,715,000	7,695,713	7,778,572
FNMA 1992 175 PE	6.500	10/25/2004	6,500,000	6,370,508	6,460,350
FNMA 1992-108 E	7.000	05/25/2004	5,000,000	4,856,250	5,024,650
FNMA 1992-205K	6.500	05/25/2021	16,000,000	14,542,500	15,464,960
FNMA 1992-48 H	7.500	11/25/2005	23,750,000	23,669,063	24,315,488
FNMA 1993-134D	5.900	11/25/2005	10,000,000	9,971,875	9,799,300
FNMA 1993-116E	6.500	07/25/2022	3,000,000	2,742,660	2,914,560
FNMA 1993-138E	5.750	12/25/2016	10,000,000	9,857,813	9,711,400
FNMA 1993-149G	5.750	02/25/2017	12,759,100	12,587,650	12,393,922
FNMA 1993-28 Y5	6.500	03/25/2007	20,000,000	19,845,313	19,532,600
FNMA 1993-56 P6	6.750	02/25/2021	10,000,000	9,120,313	9,888,200
FNMA 1993-84 Y9	6.450	06/25/2018	12,000,000	11,816,250	11,832,360
FNMA 1993-G9 E	6.350	08/25/2015	7,400,000	7,366,700	7,348,940
FNMA 1994 - 100 B	5.500	04/25/2006	13,703,000	12,041,511	12,557,018
FNMA 1994-42 PE	5.850	06/25/2018	15,000,000	13,823,438	14,532,750
FNMA G93-33 H	6.600	11/25/2020	5,320,000	4,857,825	5,167,422
FNMA1993-252E	6.000	08/25/2017	13,000,000	12,605,938	12,692,160
GE CAPITAL MTG SVC 1994- 1 A6	6.500	01/25/2024	10,000,000	9,021,875	9,562,900
GE CAPITAL MTG SVC 1994- 5 A6	5.500	02/24/2025	15,407,000	14,335,732	14,263,184
GE CAPITAL MTG SVC 1994-13 A7	6.500	04/25/2024	9,713,449	8,644,970	9,216,985
INMC 95-D A8	9.000	10/25/2009	5,000,000	5,212,500	5,323,050
PRU BACHE TRUST 1991-16 G	8.000	12/25/2020	14,490,000	15,449,963	14,924,990
PRU HOME MTG 1993-11 A5	6.900	03/25/2023	10,000,000	9,985,938	9,972,800
PRU HOME MTG 1994- 5 A1	7.000	02/25/2024	3,686,394	3,586,538	3,680,606
PRU HOME MTG 1994-11 A1	6.680	04/25/2024	3,184,845	3,101,243	3,147,869
PRU HOME MTG 1994-14 A2	6.400	04/25/2009	10,317,097	10,068,842	10,259,940
PRU HOME MTG 1994-18 A1	7.425	05/25/2024	14,166,092	14,044,352	14,274,165
PRU HOME MTG 1994-25 A7	7.500	08/25/2024	8,000,000	7,427,500	7,947,360
RFMSI 1993-S22 A6	7.000	06/25/2023	7,433,000	7,010,248	7,268,136
RTC SERIES 1992-7 A-2D	8.350	06/25/2029	15,476,000	15,790,356	16,082,659
RTC SERIES 1993-3 A-2B	7.250	10/25/2023	3,000,000	3,073,594	3,076,800
RYLAND MTG SEC 1993-4 A2	7.500	08/25/2024	4,989,032	4,870,542	5,030,241
SASI 1993-7 TA1	6.250	12/25/2023	4,462,090	4,121,856	4,413,275
VA VENDEE MTG TRUST 1992-1 B	7.750	09/15/2010	5,000,000	5,113,281	5,089,190
VA VENDEE MTG TRUST 1994-1C	6.300	09/15/2010	11,917,000	11,969,464	11,721,537
VA VENDEE MTG TRUST 1994-2 3C	6.500	11/15/2009	10,000,000	9,460,938	9,912,980

TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS

\$ 711,827,602 \$ 721,999,517

TOTAL MORTGAGE AND MORTGAGE BACKED SECURITIES

\$ 748,457,788 \$ 762,226,675

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DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
ASSET BACKED SECURITIES:					
DISCOVER CD MASTER TR 94-1A	6.700	08/15/1997	3,000,000	2,992,110	3,033,300
DISCOVER CARD TR 1993-2 A ABS	5.400	05/15/1999	10,000,000	9,953,600	9,767,300
CAP AUTO RECEIVABLES 1993-1 A7	5.350	02/17/1998	5,000,000	5,000,500	4,971,800
DISCOVERY CARD TRUST 1992-4	5.500	05/16/1998	10,450,000	10,397,123	9,543,525
DISCOVER 1993-A. ABS	6.250	08/15/2000	10,000,000	9,968,101	10,011,700
DISCOVER CARD TR 1993-B	6.750	02/15/2000	10,000,000	10,323,438	10,138,900
FIRST USA CREDIT CARD 92-1	5.200	06/15/1998	12,494,000	12,408,104	12,403,419
FNMA 95-W1 A2	8.200	04/25/2025	11,745,000	11,930,351	11,925,521
FORD CREDIT TRUST 1993-A - ABS	4.850	01/15/1998	3,107,930	3,106,447	3,090,028
GREENTREE 1995-3 A3 ABS	6.650	08/15/2025	10,000,000	9,975,000	9,977,200
MBNA MA CR CD 95-C A	6.450	02/15/2008	25,500,000	25,444,219	25,161,309
MID STATES TRUST IV	8.330	04/01/2030	4,970,780	4,970,003	5,258,335
PREMIER AUTO TRUST 1993-2B ABS	5.000	10/15/1998	3,125,866	3,121,337	3,082,882
PREMIER AUTO TRUST 94-1 A3 ABS	4.750	11/02/1997	10,000,000	9,999,320	9,802,900
STD CR CARD TR 1995-3 A ABS	7.850	02/07/2002	4,000,000	3,994,400	4,222,000
STD CR CARD TR 1995-6 A ABS	6.750	06/07/2000	5,000,000	4,993,000	5,071,850
SCFC BOAT LOAN TR 1992-1 A	7.050	04/15/2007	9,079,600	9,032,931	9,075,414
STANDARD CR CARD MASTER TR 94-1 A	4.650	02/07/1997	25,000,000	24,964,500	24,398,000
TOTAL ASSET BACKED SECURITIES				\$ 172,574,482	\$ 170,935,383
CORPORATE OBLIGATIONS:					
ABN-AMRO BNK NV (CHICAGO)	7.250	05/31/2005	10,000,000	9,991,500	10,270,500
AT & T CAPITAL CORP MTN	7.220	11/08/1996	13,500,000	13,506,426	13,681,035
ALABAMA PWR CO	6.000	03/01/2000	10,000,000	9,936,889	9,816,100
ALCAN ALUMINUM	6.375	09/01/1997	8,000,000	7,977,307	7,987,200
AMERICAN EXPRESS CREDIT CORP	7.750	03/01/1997	1,700,000	1,652,178	1,739,457
AMERICAN EXPRESS CREDIT MTN	7.250	02/11/1997	14,400,000	14,330,517	14,652,000
AMERICAN GENERAL	7.750	04/01/2005	5,000,000	4,986,900	5,273,750
AMERICAN GEN FIN CORP	7.750	01/15/1997	1,700,000	1,641,811	1,737,111
AMERICAN GEN FIN CORP MTN	6.700	11/19/1997	5,000,000	5,000,000	5,037,650
AMERICAN INTL GROUP MTN	7.700	03/15/1996	10,000,000	10,000,000	10,128,300
AMERICAN STORES	7.400	05/15/2005	5,000,000	5,020,099	5,116,600
ASSOCIATES CORP M.T.N.	6.910	01/28/2000	3,000,000	3,078,378	3,054,180
ASSOCIATES CORP NORTH AMER M	7.730	10/31/1996	5,000,000	5,000,000	5,100,850
ASSOCIATES CORP NORTH AMER	7.500	05/15/1999	3,000,000	2,991,337	3,103,080
ASSOCIATES CORP NORTH AME	6.625	11/15/1997	20,000,000	19,965,505	20,095,600
ASSOCIATES CORP NORTH AME	6.000	06/15/2000	4,000,000	3,985,636	3,895,000
ASSOCIATES CORP NORTH AME	7.875	09/30/2001	7,500,000	7,395,460	7,964,850
BAUSCH AND LOMB MTN	6.700	11/21/1995	5,000,000	5,000,000	5,010,300
BEAR STERNS & CO	6.500	06/15/2000	8,000,000	7,994,759	7,878,960
BELLSOUTH TELEC	6.500	06/15/2005	5,650,000	5,614,292	5,480,500
BENEFICIAL CORP MTN	9.950	05/10/1996	1,000,000	1,025,438	1,033,100
BENEFICIAL CORP MTN	9.250	09/10/1996	1,200,000	1,230,919	1,242,672

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BENEFICIAL FIN	7.300	11/15/1999	8,000,000	7,986,033	8,222,240
BENEFICIAL CORP MTN	7.270	11/22/1999	10,000,000	10,000,000	10,267,100
BENEFICIAL CORP MTN	9.500	07/18/1997	9,000,000	9,400,725	9,539,370
CIT GROUP HLDGS	8.750	07/01/1997	7,775,000	7,989,232	8,125,497
CARNIVAL CRUISE	7.050	05/15/2005	10,000,000	10,085,079	10,032,800
CARTER HOLT HARVEY LTD	8.875	12/01/2004	5,000,000	4,972,479	5,656,150
CHASE MANHATTAN CORP	8.800	02/01/2000	10,000,000	10,000,000	10,324,000
CHICAGO & NW RR	14.750	08/01/1998	3,591,407	3,591,407	4,316,728
CHRYSLER FINANCE CORP	8.125	12/15/1996	9,000,000	8,993,991	9,194,130
CITICORP	8.625	11/01/2004	9,500,000	9,334,077	9,942,130
CITICORP MTN	8.800	02/01/2000	5,000,000	5,000,000	5,423,700
COMMERCIAL CREDIT CO	6.125	03/01/2000	25,000,000	24,944,466	24,472,000
COOPER INDUSTRIES MTN	7.750	10/15/1996	10,000,000	10,000,000	10,201,000
DU PONT E I NEMOURS MTN	8.450	07/23/1996	20,000,000	20,000,000	20,525,000
ELEC DATA SYSTEM	7.125	05/15/2005	10,000,000	9,967,200	10,225,700
EUROPEAN INVESTMENT BANK MTN	6.910	12/13/1996	5,000,000	5,014,619	5,059,500
FIRST USA BANK	5.750	01/15/1999	15,200,000	13,954,675	14,707,520
FORD HOLDINGS INC	9.250	07/15/1997	5,025,000	5,189,709	5,302,229
FORD MOTOR CREDIT CO	8.875	06/15/1999	6,115,000	6,338,802	6,600,837
FORD MOTOR CREDIT CO	8.000	10/01/1996	3,000,000	3,067,667	3,062,280
FORD MOTOR CREDIT CO	7.125	12/01/1997	10,000,000	9,956,161	10,158,600
FORD MOTOR CREDIT CORP	6.250	02/26/1998	5,000,000	4,994,640	4,987,100
FORD MOTOR CREDIT CORP	6.375	04/15/2000	4,000,000	3,980,492	3,960,680
FORD MOTOR CREDIT CORP	8.200	02/15/2002	5,000,000	4,999,150	5,369,050
FORD MOTOR CREDIT CORP	9.100	06/01/2003	5,000,000	5,343,427	5,659,200
GTE CORP	8.000	10/01/1999	5,000,000	4,865,858	5,234,650
GENERAL MTRS ACCEPT CORP	7.000	08/15/2001	20,000,000	19,276,960	20,121,600
GENERAL MTRS ACCEPT CORP	5.625	02/01/1999	12,500,000	11,737,967	12,087,500
GENERAL MTRS ACCEPT CORP MTN	7.750	05/12/1997	10,000,000	10,042,376	10,245,200
GOLDMAN SACHS 144A	6.375	06/15/2000	10,000,000	10,081,838	9,795,300
GRAND METROPOLITAN	0.000	01/06/2004	10,000,000	5,091,412	5,567,700
GULF STS UTILS CO	7.460	11/01/1999	10,000,000	10,000,002	10,236,300
HELLER FINANCIAL INC	9.375	03/15/1998	3,000,000	3,289,977	3,217,740
HERTZ CORP	6.500	04/01/2000	10,000,000	9,957,910	9,912,600
HOUSEHOLD FINANCE CORP	6.875	03/01/2003	5,000,000	4,988,122	5,005,150
HOUSTON LTG & PWR MTN	9.850	01/30/1996	5,000,000	5,070,055	5,105,450
HYDRO-QUEBEC MTN	7.000	12/10/1996	10,000,000	10,000,000	10,077,700
HYDRO-QUEBEC MTN	6.830	12/19/1996	10,000,000	10,000,000	10,054,900
INTER AMERN DEV BK	7.500	12/15/1996	3,700,000	3,593,880	3,770,041
INTL LEASE FINANCE	6.200	05/01/2000	5,000,000	4,937,966	4,900,050
INTERNATIONAL LEASE FINAN	5.750	07/01/1998	5,000,000	4,983,005	4,907,050
KANSAS GAS & ELEC	6.760	09/29/2003	9,740,983	9,740,983	9,675,913
KOREA DEVELOPMENT BANK	6.250	05/01/2000	9,000,000	8,980,867	8,865,180
KOREA ELEC PWR	8.000	07/01/2002	6,000,000	6,525,810	6,218,940
KOREA TELECOM	7.400	12/01/1999	6,400,000	6,746,943	6,520,256

LABOR & INDUSTRIES

Medical Aid Fund

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MBNA AMER BANK NA	7.250	09/15/2002	5,000,000	4,890,965	5,047,700
MBNA CORP	6.875	06/01/2005	9,500,000	9,495,155	9,382,865
RJR NABISCO INC	8.000	01/15/2000	20,000,000	18,382,893	20,951,200
NATIONASBANK CORP	6.500	08/15/2003	10,000,000	9,186,593	9,702,500
NORDSTROM CREDIT	8.050	08/28/1996	11,000,000	11,012,134	11,229,680
NOVA GAS TRANSMISSION	7.250	07/06/1999	10,000,000	9,939,750	10,248,800
ONTARIO PROV CDA	11.500	03/10/2013	3,495,000	3,896,788	4,026,799
ONTARIO PROV CDA	11.750	04/25/2013	2,600,000	2,931,854	3,042,962
ONTARIO PROV & CO	6.125	06/28/2000	27,500,000	26,941,072	27,142,500
PNC FUNDING CORP	6.125	09/01/2003	10,000,000	9,979,587	9,364,500
PACIFIC GAS & ELEC CO MTN	7.350	11/12/1996	15,000,000	15,000,000	15,189,750
PACIFIC GAS TRAN	7.100	06/01/2005	7,500,000	7,586,475	7,573,500
PACIFICORP MTN	7.000	01/27/1997	15,000,000	14,998,417	15,155,700
PANHANDLE EASTERN PIPELINE	8.625	12/01/1999	5,000,000	4,992,950	5,341,800
PANHANDLE EASTERN PIPELINE	7.250	05/15/2005	5,000,000	5,000,000	5,022,450
PENNSYLVANIA ELEC CO MTN	6.800	12/20/1996	10,000,000	10,000,000	10,087,500
PHILIPS ELECTRONICS NV	7.750	04/15/2004	5,000,000	4,990,150	5,279,000
PRICE COSTCO INC	7.125	06/15/2005	10,000,000	9,975,000	10,046,600
QUEBEC PROV CDA	9.125	03/01/2000	5,750,000	6,406,032	6,331,095
QUEBEC PROVINCE CDA	7.500	07/15/2002	5,000,000	4,721,168	5,158,200
RICOH FINANCE CORP MTN	7.950	09/18/1995	20,000,000	20,000,000	20,102,000
ROYAL CARIBBEAN CRUISES	8.125	07/28/2004	8,000,000	7,958,705	8,362,880
SAFECO CORP	10.750	09/15/1995	8,000,000	8,022,989	8,064,960
SASKATCHEWAN CDA	8.000	07/15/2004	12,000,000	11,911,202	12,925,920
SEARS ROEBUCK & CO	6.000	05/01/2000	700,000	554,519	683,907
SMITH BARNEY HLDGS	6.625	06/01/2000	5,000,000	4,986,161	4,956,700
SMITH BARNEY HOLDINGS	6.875	06/15/2005	10,000,000	9,929,300	9,762,500
SOCIETY CORP	7.850	11/01/2002	2,500,000	2,665,327	2,623,250
SUN CO INC	8.125	11/01/1999	8,500,000	8,494,269	8,955,685
TELECOMMUNICATIONS INC	8.650	09/15/2004	12,000,000	12,000,000	12,572,520
TELECOMMUNICATIONS INC	7.375	02/15/2000	10,000,000	9,981,321	10,083,000
TELECOMMUNICATIONS INC MTN	7.010	02/09/1998	10,000,000	10,000,000	10,076,700
TENAGA NASIONAL BERHAD	7.875	06/15/2004	5,000,000	4,962,462	5,304,000
TENNECO CREDIT	9.625	08/15/2001	5,400,000	6,235,477	6,128,406
TIME WARNER ENTERTAINMENT	7.250	09/01/2008	10,000,000	8,431,611	9,512,500
TRANSAMERICA FINANCE	6.800	03/15/1999	7,000,000	6,998,423	7,069,020
UNION PACIFIC CO	7.600	05/01/2005	10,000,000	10,002,090	10,407,900
U S BANCORP MTN	6.830	11/13/1997	13,000,000	13,001,748	13,171,080
VIGINIA ELEC & PWR CO	9.375	06/01/1998	5,000,000	5,489,256	5,383,650
WILLIAMS COS	7.500	09/15/1999	5,000,000	5,027,113	5,091,500
WORLD SAVINGS AND LOAN	10.250	10/01/1997	23,000,000	24,214,283	24,776,060
TOTAL CORPORATE OBLIGATIONS				\$ 903,534,549	\$ 923,491,795

EQUITY INVESTMENTS:

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<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
<u>CORPORATE STOCK:</u>					
A T & T CORP COM				1,510,500	1,510,500
ABBOTT LABS				538,650	538,650
AETNA LIFE & CAS CO				414,975	414,975
ALBERTSONS INC				402,900	402,900
ALLSTATE CORP COM				361,425	361,425
ALLTEL CORP COM				253,750	253,750
AMERICAN EXPRESS CO				930,600	930,600
AMERITECH CORP NEW				1,324,400	1,324,400
AMGEN INC				482,622	482,622
AMOCO CORP				992,713	992,713
ANADARKO PETE CORP COM DEB				285,450	285,450
ANHEUSER BUSCH COS INC				255,938	255,938
APPLIED MATERIALS INC				355,163	355,163
ARCHER DANIELS MIDLAND				366,913	366,913
AUTOMATIC DATA PROCESSING				94,313	94,313
AVON PRODS INC				254,600	254,600
BANK BOSTON CORP COM				157,500	157,500
BARNETT BANKS INC COM				518,888	518,888
BAXTER INTL INC				396,488	396,488
BEMIS INC				104,000	104,000
BRISTOL MYERS SQUIBB CO.				987,813	987,813
CIGNA CORP				201,825	201,825
CMS ENERGY CO				68,600	68,600
CERIDIAN CORP				272,875	272,875
CHEMICAL BKG CORP				618,975	618,975
CHEVRON CORP				760,550	760,550
CITICORP				844,975	844,975
COLUMBIA / HCA HEALTHCARE CORP				354,650	354,650
DANA CORP				346,363	346,363
DEAN WITTER DISCOVER & CO				789,600	789,600
DELTA AIR LINES INC DEL COM				324,500	324,500
DISNEY WALT CO COM				438,450	438,450
DOW CHEMICAL CO				654,063	654,063
DU PONT E I DE NEMOURS & CO				2,035,000	2,035,000
EASTMAN CHEMICAL CO				243,950	243,950
EASTMAN KODAK CO				448,625	448,625
EATON CORP				284,813	284,813
EXXON CORP				1,454,875	1,454,875
FEDERAL MOGUL CORP				58,400	58,400
FEDERATED DEPT STORES INC DE				66,950	66,950
FIRST INTERSTATE BANCORP				585,825	585,825
FLEET FINL GROUP INC				256,163	256,163
FLOWERS INDUSTRIES INC COM				93,600	93,600

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GTE CORP				1,846,163	1,846,163
GANNETT INC DEL				103,075	103,075
GENERAL ELEC CO				2,446,675	2,446,675
GENERAL RE CORP				254,363	254,363
GENERAL SIGNAL CORP COM				250,425	250,425
GEORGIA PACIFIC CORPORATION				363,300	363,300
GOODYEAR TIRE & RUBR CO				489,388	489,388
HALLIBURTON CO				67,925	67,925
HEALTH MGMT ASSOC INC NEW CL				131,625	131,625
HERCULES INCORPORATED COMMON				775,125	775,125
HEWLETT PACKARD COMPANY COMM				752,450	752,450
HOME DEPOT INC				607,175	607,175
INTEL CORP				1,152,278	1,152,278
INTL BUSINESS MACHINES				1,507,200	1,507,200
INTERNATIONAL PAPER CO				300,125	300,125
JOHNSON & JOHNSON				1,478,250	1,478,250
KENNAMETAL INC				44,850	44,850
LAM RESH CORP COM				326,400	326,400
LINCOLN NATL CORP IND				345,625	345,625
LOCKHEED MARTIN CORP				738,563	738,563
MALLINCKRODT GROUP INC				209,450	209,450
MARSH & MCLENNAN COS INC				462,413	462,413
MC GRAW-HILL INCORPORATED CO				273,150	273,150
MEDTRONIC INC.				509,025	509,025
MERCK & CO INC				1,090,575	1,090,575
MOBIL CORP				710,400	710,400
MONSANTO CO				126,175	126,175
MORTON INTL INC				175,500	175,500
NATIONSBANK CORP				445,088	445,088
OKLAHOMA GAS & ELECTRIC COMP				449,600	449,600
PPG INDS INC				655,988	655,988
PACIFIC GAS & ELEC CO				948,300	948,300
PANHANDLE EASTERN CORP				421,688	421,688
PARKER HANNIFIN				527,438	527,438
PEPSICO INC				1,287,650	1,287,650
PFIZER INC				147,400	147,400
PHELPS DODGE CORPORATION				660,800	660,800
PHILIP MORRIS COS INC				1,539,563	1,539,563
PHILLIPS PETE CO				1,151,438	1,151,438
POLICY MGMT SYS CORP COM				142,600	142,600
PRICE/COSTCO INC				255,125	255,125
PROCTER & GAMBLE CO COM				862,500	862,500
PROVIDIAN CORP				398,750	398,750
RAYTHEON CO				659,813	659,813
RYDER SYSTEMS INC				257,850	257,850

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<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
SBC COMMUNICATIONS INC				419,100	419,100
ST PAUL COMPANIES INCORPORAT				211,775	211,775
SCHERING PLOUGH CORP				467,725	467,725
SEARS ROEBUCK & CO				1,927,800	1,927,800
SERVICE CORP INT'L				107,525	107,525
STAPLES INC				147,263	147,263
TANDEM COMPUTERS INC				30,638	30,638
TENNECO INC				722,200	722,200
TERADYNE INC				268,038	268,038
TOYS R US				248,625	248,625
UST INC				609,875	609,875
UNION CAMP CORP				410,913	410,913
UNION PACIFIC CORP				299,025	299,025
WALMART CO				318,325	318,325
WESTVACO CORP COM				517,725	517,725
WEYERHAEUSER CO				867,100	867,100
XEROX CORP				1,348,375	1,348,375
TOTAL CORPORATE STOCK				\$ 59,464,500	\$ 59,464,500
EQUITY INDEX FUNDS:					
WELLS FARGO EXT. MKT				114,487,665	114,487,665
WELLS FARGO S&P 500				229,714,455	229,714,455
TOTAL EQUITY INDEX FUNDS				\$ 344,202,120	\$ 344,202,120
TOTAL EQUITY INVESTMENTS				\$ 403,666,620	\$ 403,666,620
PLUS: ACCRUED INVESTMENT INCOME RECEIVABLE				24,771,408	24,771,408
MINUS: ACCRUED MANAGEMENT FEES PAYABLE				(78,736)	(78,736)
TOTAL ACCRUALS				\$ 24,692,671	\$ 24,692,672
TOTAL MEDICAL AID FUND				\$ 2,441,438,557	\$ 2,480,225,893

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SHORT - TERM (CASH):					
PROVIDENT TEMPFUND A	N/A	N/A	N/A	\$ 15,065,563	\$ 15,065,563
US GOVERNMENT SECURITIES					
US TREASURIES:					
U S TREASURY	10.375	11/15/2012	3,800,000	3,966,530	5,023,106.00
U S TREASURY	11.250	02/15/2015	6,000,000	6,769,888	9,005,640.00
U S TREASURY	7.250	05/15/2016	5,600,000	4,755,242	5,940,368.00
U S TREASURY	7.500	11/15/2016	28,380,000	24,575,370	30,916,320.60
U S TREASURY	8.750	05/15/2017	8,000,000	8,423,763	9,844,960.00
U S TREASURY	8.875	08/15/2017	15,000,000	14,688,750	18,691,350.00
U S TREASURY	8.500	02/15/2020	6,000,000	6,259,555	7,261,860.00
TOTAL US TREASURIES				\$ 69,439,097	\$ 86,683,605
US AGENCIES:					
FEDERAL HOME LN MTG CORP	8.375	09/15/1997	106,000	105,500	111,067.75
FEDERAL FARM CREDIT BK	7.950	04/01/2002	5,000,000	4,992,862	5,121,850.00
STUDENT LOAN MKTNG ASSOC MTN	8.410	12/02/2013	4,700,000	4,700,000	5,407,961.00
STUDENT LOAN MKTNG ASSOC MTN	8.410	12/01/2014	5,200,000	5,200,000	6,009,276.00
STUDENT LOAN MKTNG ASSOC MTN	8.410	12/01/2015	5,600,000	5,600,000	6,484,800.00
FEDERAL NATL MTG ASSOC	8.100	08/12/2019	5,000,000	5,000,000	5,547,650.00
RESOLUTION FDG CORP	8.125	10/15/2019	53,700,000	49,834,376	61,528,386.00
RESOLUTION FDG CORP	8.625	01/15/2030	10,000,000	9,872,123	12,368,700.00
TVA	8.250	09/15/2034	5,000,000	4,787,300	5,132,950.00
TOTAL AGENCIES				\$ 90,092,162	\$ 107,712,641
TOTAL US TREASURIES AND AGENCIES				\$ 159,531,260	\$ 194,396,245
MORTGAGES AND MORTGAGE BACKED SECURITIES					
PASS THROUGH MORTGAGES					
FHLMC GIANT SWAP 30-4272	8.500	06/01/2018	3,545,712	3,283,640	3,662,751.98
FHLMC GIANT SWAP 30-4278	9.000	07/01/2018	1,492,254	1,392,460	1,558,212.02
FHLMC GIANT SWAP 30-4281	9.000	07/01/2018	1,536,279	1,446,983	1,604,180.93
FHLMC GIANT WAM SWAP 30-6661	8.500	03/15/2019	110,815	104,582	114,159.74
FHLMC GNOME 38-0021	9.000	05/01/2003	597,666	583,501	620,284.07
FHLMC PC 16-0040	8.750	03/01/2008	51,262	46,873	53,051.04
FHLMC PC 16-0043	8.750	04/01/2008	10,845	9,916	11,223.59
FHLMC PC 17-0040	14.500	12/01/2010	93,081	93,314	104,716.31
FHLMC PC 17-0149	11.000	12/01/2015	440,106	437,909	475,314.56
FHLMC PC 17-0217	8.000	03/01/2017	419,650	403,257	428,063.08
FHLMC SWAP 28-7996	8.500	03/01/2017	36,154	33,432	37,347.78
FHLMC SWAP 28-8047	8.500	02/01/2017	122,190	112,988	126,046.47

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FHLMC SWAP 28-9338	8.500	03/01/2017	52,428	48,479	54,082.24
FHLMC SWAP 28-9414	8.500	03/01/2017	231,588	214,146	238,896.60
FHLMC SWAP 28-9442	8.500	03/01/2017	131,469	121,568	135,618.50
FHLMC SWAP 29-1274	8.000	04/01/2017	638,074	612,153	650,866.98
FHLMC SWAP 29-2081	8.500	05/01/2017	213,681	197,588	220,424.65
FHLMC SWAP 29-2320	8.500	03/01/2017	40,471	37,423	41,748.53
FHLMC SWAP 29-3812	8.500	05/01/2017	70,603	65,286	73,064.68
FNMA CA 7423	11.250	05/01/2014	23,955	24,375	26,135.79
FNMA CL 2463	11.000	09/01/2015	110,987	109,239	121,366.61
FNMA CL 805 (WESTSIDE)	9.500	12/01/2009	417,475	345,466	442,522.99
FNMA CL 806 (WESTSIDE)	9.000	07/01/2008	202,240	163,109	212,892.16
GNMA II SF 120666	13.000	09/15/2014	878,997	861,128	993,810.99
GNMA SF 2967	6.500	07/15/2003	2,468	1,646	2,442.59
TOTAL PASS THROUGH MORTGAGES			\$ 10,750,461	\$ 12,009,205	
OTHER MORTGAGES:					
CENTURY II APTS	7.500	08/01/2018	1,566,075	1,254,762	1,548,128.10
CHARTER MTG CO FHA PROJ PC	7.400	01/25/2022	7,897,433	4,126,415	7,630,341.71
CROSSWINDS APTS	7.500	03/01/2018	1,260,643	1,017,357	1,227,702.40
FHA PRJ-REILLY MTG GRP #55	7.430	03/01/2024	2,413,690	2,606,785	2,447,650.18
NATIONSBANC	10.500	10/25/2009	879,841	879,841	886,704.23
TERRACE APTS	7.500	12/01/2018	819,167	659,031	809,476.22
TOWER HILL APTS	7.500	08/01/2018	1,042,506	835,559	1,031,517.49
WAKONDA MANOR	7.500	08/01/2018	1,717,701	1,374,185	1,698,943.54
TOTAL OTHER MORTGAGES			\$ 12,753,935	\$ 17,280,464	
COLLATERALIZED MORTGAGE OBLIGATIONS:					
COUNTRYWIDE MTG 1993-E A8	6.500	01/25/2024	1,896,209	1,668,864	1,785,013.02
FHLMC 1992 1409 H	6.500	11/15/2007	10,996,000	10,332,804	10,682,284.12
FHLMC 1993-1478 G	6.500	06/15/2007	10,000,000	9,510,938	9,833,400.00
FHLMC 1993-1513 L	6.500	07/15/2007	6,243,000	6,082,048	6,134,434.23
FHLMC 1993-1546 Y6	6.750	12/15/2021	5,884,500	5,762,213	5,772,223.74
FHLMC 1993-1574 VA	7.000	03/15/2023	4,037,975	3,576,762	3,765,007.56
FHLMC 1993 1559VG	6.500	11/15/2021	10,000,000	9,901,563	9,768,400.00
FHLMC 1671 G	6.500	08/15/2023	5,000,000	4,936,719	4,853,750.00
FHLMC 1706 H	6.500	06/15/2023	10,450,000	9,419,695	10,144,024.00
FHLMC 1727 Z	6.250	05/15/2024	10,588,071	7,472,862	8,355,322.49
FNMA 1992 135 HAP11	5.000	08/25/2019	9,310,000	7,618,198	8,400,040.60
FNMA 1993-06 Y7	7.000	08/25/2007	10,000,000	9,570,313	10,105,200.00
FNMA 1992 193 HC	7.000	01/25/2007	2,471,325	2,363,205	2,499,174.36
FNMA G 1993-3 J	7.000	03/25/2022	2,000,000	1,704,063	1,930,040.00
FNMA 1993-84 Y5	6.500	11/25/2020	7,769,000	7,597,839	7,581,534.03
FNMA 1993-199Z	7.000	10/23/2025	3,899,504	3,255,477	3,389,604.83
FNMA 1994-40 Y6	6.000	06/25/2022	5,000,000	4,760,156	4,700,850.00

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FNMA 1994 19B	5.000	01/25/2024	5,000,000	4,096,875	4,388,800.00
FNMA 1994-51 PH	6.500	01/23/2025	10,000,000	9,831,250	9,661,300.00
FNMA 1994-62 PH	6.900	11/25/2023	4,000,000	3,725,625	3,987,080.00
GE CAP MTG SVC 1994-14 A4	7.500	04/25/2024	5,000,000	4,450,000	4,953,500.00
GE CAP MTG SVC 1994- 4 A8	6.500	01/25/2024	4,950,792	4,239,115	4,508,339.40
GE CAP MTG SVC 1992-13 F	7.000	12/25/2007	5,403,000	4,956,408	5,287,699.98
GE CAP MTG SVC 1994- 6 A10	6.500	03/25/2024	4,510,000	3,505,820	3,974,843.40
GE CAP MTG SVC 1993- 5F F	6.500	04/25/2008	2,566,098	2,163,140	2,389,729.81
GE CAP MTG SVC 1994-1 A8	6.500	01/25/2024	3,000,000	2,503,125	2,720,610.00
PRU BACHE MTG TR 1989 8G	7.965	03/01/2019	4,163,246	4,126,167	4,242,972.36
PRU HOME MTG 1993-51 A16	6.500	12/25/2023	3,822,000	2,911,886	3,382,699.32
PRU HOME MTG 1993-44 A18	6.750	11/25/2023	3,300,000	2,734,875	3,039,894.00
PRU HOME MTG 1994-A7 AD	7.500	08/25/2024	4,915,000	4,563,270	4,882,659.30
PRU HOME MTG 1994-26 A6	7.000	08/25/2009	5,000,000	4,310,156	4,789,400.00
RESIDENTIAL FD MTG 94-S5 A8	6.500	02/25/2024	4,934,862	4,062,008	4,548,802.86
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS				\$ 167,713,239	\$ 176,458,433
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				\$ 191,217,635	\$ 205,748,102
ASSET BACKED SECURITIES:					
DISCOVER CARD TR 1993-3 A ABS	6.200	11/15/2003	3,000,000	2,986,830	2,915,940.00
MID STATES TRUST IV	8.330	04/01/2030	1,988,312	1,988,001	2,103,333.85
TOTAL ASSET BACKED SECURITIES				\$ 4,974,831	\$ 5,019,274
CORPORATE OBLIGATIONS:					
ABN-AMRO BNK NV (CHICAGO)	7.250	05/31/2005	5,000,000	4,995,750	5,135,250.00
ANR PIPELINE	7.375	02/15/2024	3,000,000	2,978,550	2,906,430.00
A T & T CORP	8.350	01/15/2025	3,500,000	3,438,072	3,703,560.00
AMERICAN STORES	7.400	05/15/2005	2,300,000	2,309,245	2,353,636.00
ANHEUSER BUSCH COS INC	7.375	07/01/2023	5,000,000	4,960,183	4,920,450.00
ASSOCIATES CORP NORTH AMER	6.000	06/15/2001	1,300,000	1,117,673	1,258,192.00
BANK ONE CORP	7.250	08/01/2002	5,000,000	5,010,688	5,089,050.00
BOEING CO	8.750	08/15/2021	10,000,000	9,952,155	11,590,100.00
BOSTON GAS CO MTN	8.950	06/01/2011	10,000,000	10,000,000	11,676,100.00
BURLINGTON NORTHERN RR	9.250	10/01/2006	13,000,000	12,644,195	14,856,400.00
CANADIAN NAT'L RR	7.625	05/15/2023	5,000,000	4,938,456	4,992,800.00
CARNIVAL CRUISE	7.700	07/15/2004	5,000,000	4,788,166	5,215,700.00
CARNIVAL CRUISE	7.200	10/01/2023	2,500,000	2,312,619	2,337,275.00
CHEMICAL BANK'ING	6.500	01/15/2009	6,000,000	5,202,505	5,567,580.00
CHICAGO & NWESTN TRANS	6.250	07/30/2012	1,496,890	1,496,890	1,395,385.62
CINCINNATI GAS & ELEC	7.200	10/01/2023	5,000,000	4,993,895	4,790,350.00
CINCINNATI GAS & ELEC	6.900	06/01/2025	2,000,000	2,000,000	1,994,220.00
COCA COLA ENT	6.750	09/15/2023	6,000,000	5,962,155	5,575,860.00
COLONIAL PIPELINE, 144A	7.450	08/15/2007	4,000,000	3,936,979	4,058,200.00

LABOR & INDUSTRIES
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<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
COLORADO INTERSTATE GAS	10.000	06/15/2005	4,750,000	5,662,634	5,193,460.00
COMMONWEALTH EDISON CO	6.250	02/01/1998	300,000	298,628	296,748.00
CONAGRA	7.400	09/15/2004	5,000,000	4,985,875	5,061,700.00
DEAN WTTR DISCV	6.875	03/01/2003	5,000,000	4,981,805	4,976,900.00
DEER PARK REFINING LP 144A	6.470	12/15/2008	3,000,000	3,000,000	2,898,750.00
EASTMAN CHEMICAL	7.250	01/15/2024	3,000,000	2,969,543	2,924,520.00
ENSERCH CORP	7.125	06/15/2005	2,500,000	2,500,000	2,522,550.00
FERRO CORP	8.000	06/15/2025	3,000,000	2,958,330	3,042,300.00
FIRST UNION CORP	7.250	02/15/2003	10,000,000	9,973,377	10,153,100.00
FLORIDA GAS TRANSMISSION	9.190	11/01/2024	2,000,000	2,000,000	2,353,920.00
FORD MOTOR CO	8.875	11/15/2022	5,000,000	4,971,500	5,440,150.00
FORD MOTOR CREDIT CO	8.000	06/15/2002	7,000,000	6,959,190	7,426,790.00
GTE CORP	8.750	11/01/2021	10,000,000	9,939,324	11,338,300.00
GTE CORP	7.830	05/01/2023	5,000,000	5,000,000	4,967,600.00
GENERAL ELEC CREDIT CORP	5.500	11/01/2001	1,100,000	822,698	1,035,749.00
GENERAL REINSURANCE CORP	9.000	09/12/2009	15,000,000	15,000,000	17,653,650.00
GEORGIA-PACIFIC	9.625	03/15/2022	4,000,000	4,080,251	4,452,360.00
GEORGIA-PACIFIC	8.125	06/15/2023	2,000,000	1,965,543	1,986,940.00
GRAND METROPOLITAN	0.000	01/06/2004	2,500,000	1,268,081	1,391,925.00
HANSON PLC	7.375	01/15/2003	5,000,000	5,212,012	5,163,550.00
HOUSEHOLD FINANCE CORP	6.875	03/01/2003	5,000,000	4,988,122	5,005,150.00
HYDRO-QUEBEC	8.250	01/15/2027	20,000,000	19,170,881	21,124,000.00
HYDRO-QUEBEC	8.000	02/01/2013	5,500,000	5,473,665	5,729,295.00
HYDRO-QUEBEC	8.050	07/07/2024	5,000,000	4,778,082	5,464,650.00
INTER AMERN DEV BK	8.500	03/15/2011	10,000,000	10,000,000	11,341,400.00
ITALY - GLOBAL BD	6.875	09/27/2023	2,500,000	2,058,286	2,219,100.00
KANSAS GAS & ELEC	8.290	09/29/2016	7,000,000	7,000,000	7,334,880.00
KOREA ELEC PWR	8.000	07/01/2002	5,000,000	5,518,303	5,182,450.00
KOREA ELECTRIC POWER	6.375	12/01/2003	5,000,000	4,935,753	4,813,550.00
LORAL CORP	9.125	02/01/2022	3,500,000	3,662,930	3,992,870.00
LOUISIANA PWR & LT CO	5.750	03/01/1996	200,000	197,922	199,384.00
MCI COMMUNICATIONS CORP	7.750	03/15/2024	5,000,000	4,979,031	4,991,100.00
MCI COMMUNICATIONS CORP	7.750	03/23/2025	3,500,000	3,471,601	3,482,395.00
MANITOBA PROV CDA	9.625	12/01/2018	13,000,000	12,830,315	16,375,840.00
MASCO CORP	6.125	09/15/2003	3,000,000	3,000,000	2,844,540.00
MINNESOTA PWR & LT CO	6.500	01/01/1998	300,000	300,516	296,157.00
MORGAN STANLEY GROUP INC	6.375	12/15/2003	2,500,000	2,493,612	2,400,375.00
NCNB CORP	9.375	09/15/2009	3,525,000	3,876,802	4,109,304.00
NABISCO INC	7.550	06/15/2015	3,000,000	3,017,078	2,978,580.00
NEW JERSEY BELL TEL CO	7.375	06/01/2012	900,000	813,629	909,477.00
NY STATE ELECTRIC AND GAS	8.300	12/15/2022	7,000,000	6,901,481	7,037,170.00
NEWFOUNDLAND, PROV. OF	7.320	10/13/2023	3,000,000	3,000,000	2,965,530.00
NORFOLK SOUTHERN	9.000	03/01/2021	15,000,000	14,895,223	18,067,800.00
NORTHWEST PIPELINE	9.000	08/01/2022	5,000,000	5,139,247	5,381,400.00
ONTARIO HYDRO CDA	7.450	03/31/2013	3,000,000	2,990,597	3,059,310.00
PACIFIC GAS & ELEC CO	6.875	12/01/1999	825,000	678,646	828,440.25

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<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
PACIFIC GAS & ELEC CO	6.625	06/01/2000	1,058,000	940,878	1,058,507.84
PACIFIC GAS & ELEC CO	8.800	05/01/2024	6,000,000	5,983,417	6,900,120.00
PANHANDLE EASTERN PIPELINE	7.950	03/15/2023	3,000,000	2,966,603	2,940,330.00
PENNEY, JC	8.250	08/15/2022	10,000,000	9,952,591	10,363,700.00
PENNEY, JC	6.125	11/15/2003	3,000,000	2,981,257	2,885,460.00
PETROLIUM NASIONAL BERHAD	6.875	07/01/2003	5,000,000	5,025,399	4,999,200.00
PHILIPS ELECTRONICS NV	7.750	05/15/2025	3,500,000	3,488,135	3,600,555.00
PHILIPS ELECTRONICS	6.750	08/15/2003	2,500,000	2,493,873	2,444,750.00
PHILIPS ELECTRONIC	7.250	08/15/2013	2,500,000	2,244,426	2,434,425.00
PHILIPS PETROLEUM	8.490	01/01/2023	5,500,000	5,500,000	5,663,075.00
PHILIPS PETROLEUM	7.920	04/15/2023	3,000,000	2,983,404	2,965,980.00
PLACER DOME INC	7.750	06/15/2015	2,000,000	1,980,620	1,962,500.00
POTOMAC ELEC PWR CO	8.625	08/15/2019	1,300,000	1,239,837	1,370,434.00
PUBLIC SVC CO NEW MEXICO	7.500	06/15/2002	340,000	337,248	327,335.00
PUGET POWER AND LIGHT MTN	7.350	02/01/2024	3,000,000	3,000,000	2,966,730.00
QUESTAR PIPELINE	9.375	06/01/2021	3,000,000	3,697,261	3,404,760.00
RJR NABISCO CAPITAL CORP	8.750	04/15/2004	5,000,000	5,000,000	5,132,200.00
ROYAL CARIBBEAN CRUISES	8.125	07/28/2004	5,000,000	4,851,835	5,226,800.00
SAGA PETROLEUM A.S.	9.125	07/15/2014	5,950,000	6,244,422	6,549,462.50
SASKATCHEWAN CDA	8.000	02/01/2013	4,500,000	4,474,539	4,894,875.00
SASKATCHEWAN CDA	7.375	07/15/2013	10,000,000	9,913,990	10,032,600.00
SEARS ROEBUCK & CO	6.000	05/01/2000	925,000	727,932	903,734.25
SOCIETY CORP	7.850	11/01/2002	5,000,000	4,996,480	5,246,500.00
SONOCO PRODUCTS	9.200	08/01/2021	10,200,000	10,306,356	12,187,266.00
SOUTHERN CALIF GAS CO MTN	8.750	08/04/1995	3,000,000	3,006,796	3,005,160.00
SOUTHERN NEW ENGLAND TEL CO	4.375	12/01/2001	140,000	141,323	124,075.00
SOUTHERN UNION GAS	7.600	02/01/2024	3,100,000	3,100,000	3,045,161.00
SOUTHWESTERN PUBLIC SERV	8.500	02/15/2025	1,500,000	1,499,250	1,591,875.00
SPRINT CORP	9.250	04/15/2022	8,100,000	8,669,918	9,681,282.00
TELECOMMUNICATIONS INC.	9.800	02/01/2012	3,860,000	4,244,677	4,244,301.60
TELECOMMUNICATIONS INC	9.250	01/15/2023	5,500,000	5,479,639	5,546,970.00
TELECOMMUNICATIONS INC.	7.875	08/01/2013	5,000,000	4,949,625	4,668,300.00
TORCHMARK CORP	8.625	03/01/2017	1,000,000	859,386	1,050,050.00
UNION PACIFIC CO	8.350	05/01/2025	5,000,000	4,994,450	5,244,850.00
UNITED PARCEL SVC AMER INC	8.375	04/01/2020	11,600,000	11,488,897	13,226,436.00
US WEST COMM	7.500	06/15/2023	3,500,000	3,473,126	3,462,585.00
US WEST COMM	6.875	09/15/2033	3,000,000	2,882,315	2,734,650.00
WEYERHAEUSER CO	8.500	01/15/2025	5,850,000	5,842,161	6,610,266.00
WILLIAMS COS	9.375	11/15/2021	4,000,000	4,253,264	4,715,520.00
WILLIAMS COS	8.875	09/15/2012	3,000,000	3,472,137	3,304,710.00
CASTLE PEAK POWER CO	6.870	08/01/2003	7,000,000	7,112,890	6,636,000.00
TOTAL CORPORATE OBLIGATIONS				\$ 500,556,845	\$ 533,185,139

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<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
<u>EQUITY INVESTMENTS:</u>					
<u>CORPORATE STOCK:</u>					
A T & T CORP COM				694,300	694,300.00
ABBOTT LABS				206,550	206,550.00
AETNA LIFE & CAS CO				194,913	194,912.50
ALBERTSONS INC				213,300	213,300.00
ALLSTATE CORP COM				148,125	148,125.00
ALLTEL CORP COM				93,888	93,887.50
AMERICAN EXPRESS CO				415,950	415,950.00
AMERITECH CORP NEW				607,200	607,200.00
AMGEN INC				193,049	193,048.80
AMOCO CORP				453,050	453,050.00
ANADARKO PETE CORP COM DEB				129,750	129,750.00
ANHEUSER BUSCH COS INC				113,750	113,750.00
APPLIED MATERIALS INC				173,250	173,250.00
ARCHER DANIELS MIDLAND				167,625	167,625.00
AVON PRODS INC				107,200	107,200.00
BANK BOSTON CORP COM				60,000	60,000.00
BARNETT BANKS INC COM				236,325	236,325.00
BAXTER INTL INC				196,425	196,425.00
BRISTOL MYERS SQUIBB CO.				456,438	456,437.50
CIGNA CORP				77,625	77,625.00
CERIDIAN CORP				147,500	147,500.00
CHEMICAL BKG CORP				292,950	292,950.00
CHEVRON CORP				343,175	343,175.00
CITICORP				393,550	393,550.00
COLUMBIA / HCA HEALTHCARE CORP				173,000	173,000.00
DANA CORP				128,813	128,812.50
DEAN WITTER DISCOVER & CO				361,900	361,900.00
DELTA AIR LINES INC DEL COM				147,500	147,500.00
DISNEY WALT CO COM				199,800	199,800.00
DOW CHEMICAL CO				309,063	309,062.50
DU PONT E I DE NEMOURS & CO				928,125	928,125.00
EASTMAN CHEMICAL CO				119,000	119,000.00
EASTMAN KODAK CO				206,125	206,125.00
EATON CORP				139,500	139,500.00
EXXON CORP				670,938	670,937.50
FEDERATED DEPT STORES INC DE				51,500	51,500.00
FIRST INTERSTATE BANCORP				272,850	272,850.00
FLEET FINL GROUP INC				115,088	115,087.50
FLOWERS INDUSTRIES INC COM				48,750	48,750.00
GTE CORP				842,888	842,887.50
GANNETT INC DEL				97,650	97,650.00
GENERAL ELEC CO				1,133,138	1,133,137.50
GENERAL RE CORP				133,875	133,875.00

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<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
GENERAL SIGNAL CORP COM				91,425	91,425.00
GEORGIA PACIFIC CORPORATION				164,350	164,350.00
GOODYEAR TIRE & RUBR CO				234,413	234,412.50
HALLIBURTON CO				35,750	35,750.00
HEALTH MGMT ASSOC INC NEW CL				61,425	61,425.00
HERCULES INCORPORATED COMMON				292,500	292,500.00
HEWLETT PACKARD COMPANY COMM				350,150	350,150.00
HOME DEPOT INC				289,325	289,325.00
INTEL CORP				531,821	531,820.80
INTL BUSINESS MACHINES				691,200	691,200.00
INTERNATIONAL PAPER CO				145,775	145,775.00
JOHNSON & JOHNSON				675,000	675,000.00
KENNAMETAL INC				31,050	31,050.00
LAM RESH CORP COM				153,600	153,600.00
LINCOLN NATL CORP IND				170,625	170,625.00
LOCKHEED MARTIN CORP				340,875	340,875.00
MBNA CORP				6,750	6,750.00
MALLINCKRODT GROUP INC				102,950	102,950.00
MARSH & MCLENNAN COS INC				235,263	235,262.50
MEDTRONIC INC.				231,375	231,375.00
MERCK & CO INC				510,900	510,900.00
MOBIL CORP				336,000	336,000.00
MONSANTO CO				108,150	108,150.00
MORTON INTL INC				67,275	67,275.00
NATIONSBANK CORP				219,863	219,862.50
OKLAHOMA GAS & ELECTRIC COMP				238,850	238,850.00
PPG INDS INC				261,538	261,537.50
PACIFIC GAS & ELEC CO				458,200	458,200.00
PANHANDLE EASTERN CORP.				192,563	192,562.50
PARKER HANNIFIN				261,000	261,000.00
PEPSICO INC				591,500	591,500.00
PFIZER INC				73,700	73,700.00
PHELPS DODGE CORPORATION				312,700	312,700.00
PHILIP MORRIS COS INC				706,563	706,562.50
PHILLIPS PETE CO				534,000	534,000.00
POLICY MGMT SYS CORP COM				69,000	69,000.00
PRICE/COSTCO INC				130,000	130,000.00
PROCTER & GAMBLE CO COM				424,063	424,062.50
PROVIDIAN CORP				148,625	148,625.00
RAYTHEON CO				310,500	310,500.00
RYDER SYSTEMS INC				128,925	128,925.00
SBC COMMUNICATIONS INC				204,788	204,787.50
ST PAUL COMPANIES INCORPORAT				108,350	108,350.00
SCHERING PLOUGH CORP				211,800	211,800.00
SEARS ROEBUCK & CO				868,700	868,700.00
SERVICE CORP INT'L				41,113	41,112.50

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STAPLES INC				66,413	66,412.50
TANDEM COMPUTERS INC				27,413	27,412.50
TENNECO INC				335,800	335,800.00
TERADYNE INC				124,213	124,212.50
TOYS R US				90,675	90,675.00
UST INC				279,650	279,650.00
UNION CAMP CORP				208,350	208,350.00
UNION PACIFIC CORP				143,975	143,975.00
WALMART CO				195,275	195,275.00
WESTVACO CORP COM				247,800	247,800.00
WEYERHAEUSER CO				395,850	395,850.00
XEROX CORP				609,700	609,700.00
TOTAL CORPORATE STOCK				\$ 27,274,782	\$ 27,274,782
EQUITY INDEX FUNDS:					
WELLS FARGO EXT. MKT				53,765,112	53,765,111.82
WELLS FARGO S&P 500				108,556,888	108,556,888.07
TOTAL EQUITY INDEX FUNDS				\$ 162,322,000	\$ 162,322,000
TOTAL EQUITY INVESTMENTS				\$ 189,596,782	\$ 189,596,782
PLUS: ACCRUED INVESTMENT INCOME RECEIVABLE				16,679,983	16,679,983
MINUS: ACCRUED MANAGEMENT FEES PAYABLE				(36,886)	(36,886)
TOTAL ACCRUALS				\$ 16,643,097	\$ 16,643,097
TOTAL ACCIDENT RESERVE FUND				\$ 1,077,586,014	\$ 1,159,654,202

LABOR & INDUSTRIES
Supplemental Pension Fund
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DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
SHORT-TERM (CASH)					
PROVIDENT TEMPFUND	N/A	N/A	N/A	\$ 18,012,890	\$ 18,012,890
US GOVERNMENT SECURITIES:					
US TREASURIES:					
TREASURY NOTE	6.750	06/30/1999	2,500,000	\$ 2,481,906	\$ 2,566,400
AGENCIES:					
FNMA MED TERM NOTES	5.270	07/28/1998	2,500,000	2,307,478	2,447,350
FEDERAL NATL MTG ASSOC	6.190	06/17/1997	4,000,000	4,000,000	3,998,124
TOTAL AGENCIES				\$ 6,307,478	\$ 6,445,474
TOTAL US TREASURIES AND AGENCIES				\$ 8,789,383	\$ 9,011,874
MORTGAGES AND MORTGAGE-BACKED SECURITIES					
COLLATERALIZED MORTGAGE OBLIGATIONS:					
BSMSI 1993-3 A10	7.750	02/25/2024	439,144	437,772	438,453
COUNTRYWIDE MTG 93-2 A3	6.500	09/25/2008	2,548,145	2,528,393	2,511,550
FHLMC 1990 128H	8.750	09/15/2019	3,000,000	3,060,000	3,061,800
FHLMC 1992 1243 Y5	6.750	07/15/2003	2,163,723	2,166,090	2,166,036
FHLMC 1992 1393 C	6.000	01/15/2004	3,532,000	3,516,548	3,475,912
FHLMC 1992 1381 Y6	6.250	07/15/2006	3,000,000	2,953,594	2,970,720
FHLMC 1992 1381 Y7	6.500	02/15/2007	3,843,000	3,877,827	3,813,601
FHLMC 1669 EA	5.750	05/15/2018	2,400,000	2,207,250	2,320,656
FHLMC 1989-85E	9.500	12/15/2018	1,723,055	1,787,670	1,811,017
FNMA 1992-48 H	7.500	11/25/2005	2,500,000	2,503,500	2,559,525
FNMA 1992 135 E P11	7.300	03/25/2015	3,000,000	2,992,500	3,024,720
FNMA 1993-84 Y9	6.450	06/25/2018	2,192,300	2,158,730	2,161,674
PRU HOME MTG 1994-14 A2	6.400	04/25/2009	2,149,395	2,097,675	2,137,488
PRU HOME MTG 1993-13 A10	7.000	04/25/2008	708,738	696,557	700,013
RTC SERIES 1992-7 A-2D	8.350	06/25/2029	4,000,000	4,081,250	4,156,800
VA VENDEE MTG TRUST 1992-1 B	7.750	09/15/2010	3,000,000	3,067,969	3,053,514
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS				\$ 40,133,325	\$ 40,363,480
TOTAL MORTGAGES AND MORTGAGE-BACKED SECURITIES				\$ 40,133,325	\$ 40,363,480

LABOR & INDUSTRIES
Supplemental Pension Fund
Schedule of Investments
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
ASSET BACKED SECURITIES					
DISCOVER CARD TRUST 1992-4	5.500	05/16/1998	2,750,000	2,736,085	2,511,454
DISCOVER CARD TRUST 1994-1A	6.700	08/15/1997	1,000,000	997,370	1,011,100
FNMA 95-W1 A2	8.200	04/25/2025	3,000,000	3,047,344	3,046,110
PREMIER AUTO TRUST 1993-2B ABS	5.000	10/15/1998	480,903	480,206	474,290
PREMIER AUTO TRUST 1993-6 A2 ABS	4.650	11/02/1999	2,025,155	2,021,991	1,984,976
SCFC BOAT LOAN TR 1992-1 A	7.050	04/15/2007	1,089,553	1,090,915	1,089,050
STD CR CARD 1995-3 A ABS	7.850	02/07/2002	1,000,000	998,600	1,055,500
TOTAL ASSET BACKED SECURITIES				\$ 11,372,510	\$ 11,172,480
CORPORATE OBLIGATIONS:					
AT & T CAPITAL CORP MTN	7.220	11/06/1996	2,000,000	2,000,000	2,026,820
ALCAN ALUMINUM	6.375	09/01/1997	2,000,000	1,995,408	1,996,800
ASSOCIATES CORP NORTH AME	7.875	09/30/2001	2,500,000	2,465,153	2,654,950
BANKAMERICA CORP	6.000	07/15/1997	2,000,000	1,983,387	1,986,100
BENEFICIAL FIN	7.300	11/15/1999	2,000,000	1,992,893	2,055,560
CIT GROUP HLDGS	8.750	07/01/1997	2,000,000	2,048,097	2,090,160
CHASE MANHATTAN CORP	8.800	02/01/2000	1,500,000	1,500,000	1,548,600
CHRYSLER FINANCE CORP	8.125	12/15/1996	2,000,000	1,998,665	2,043,140
CITICORP MTN	8.800	02/01/2000	2,000,000	2,013,223	2,169,480
FIRST USA BANK	5.750	01/15/1999	2,000,000	1,833,553	1,935,200
FORD HOLDINGS INC	9.250	07/15/1997	2,000,000	2,059,303	2,110,340
GULF STS UTILS CO	7.460	11/01/1999	2,000,000	1,999,998	2,047,260
NORDSTROM CREDIT	8.050	08/28/1996	2,000,000	1,999,733	2,041,760
PANHANDLE EASTERN PIPELINE	8.625	12/01/1999	2,000,000	1,997,180	2,136,720
SOCIETY BANK CLEVELAND	7.125	04/15/1997	2,000,000	1,990,290	2,030,580
SUN CO INC	8.125	11/01/1999	1,500,000	1,498,989	1,580,415
TELECOMMUNICATIONS INC	7.375	02/15/2000	1,000,000	969,180	1,008,300
WILLIAMS COS	7.500	09/15/1999	2,000,000	2,010,846	2,036,600
WORLD SAVINGS AND LOAN	10.250	10/01/1997	2,000,000	2,104,352	2,154,440
TOTAL CORPORATE OBLIGATIONS				\$ 36,480,250	\$ 37,653,225
PLUS: ACCRUED INTEREST RECEIVABLE				1,355,198	1,355,198
MINUS: ACCRUED MANAGEMENT FEES PAYABLE				(1,554)	(1,554)
TOTAL ACCRUALS				\$ 1,353,644	\$ 1,353,644
TOTAL ACCIDENT FUND				\$ 116,122,002	\$ 117,567,593

Permanent Funds

- Investment Policy
- Permanent Fund Overview
- Statement of Investments
- Statement of Changes in Investment Balance
- Schedule of Investments

Permanent Funds Investment Policy

Approved by the Board on 11/18/93.

PURPOSE:

This document outlines the investment policies and objectives for the fixed income segment of the Washington State Investment Board (SIB) permanent funds and supersedes any prior board adopted policies. These policies and objectives allow for sufficient flexibility in the management process to capture investment opportunities, yet provide parameters that will ensure prudence and care in the execution of the permanent funds' investment program.

These policies apply to the following funds:

- Agriculture Permanent Account
- Millersylvania Park Trust Account
- Normal School Permanent Account
- Permanent Common School Account
- Scientific Permanent Account
- State University Permanent Account

POLICY:

Return Objective

The permanent funds' fixed income investments are to be managed to achieve the highest return possible consistent with the desire to emphasize high current yield to maturity opportunities and to add value through active management.

Performance Objective

The permanent funds' fixed income investments are to emphasize stability of income to support the operations of each irreducible trust. The permanent funds' fixed income investments are to be actively managed to exceed the return of the Lehman Aggregate Bond Index.

Risk Tolerance

Risk will be managed in a prudent manner. However, due to the permanent and irreducible nature of the funds, the funds have an above average ability to tolerate volatility in the value of the portfolio; the funds have a below average ability to tolerate volatility in current income.

Permanent Funds Investment Policy

The SIB will manage the four major categories of fixed income risk:

- a. interest rate risk
- b. yield curve risk
- c. credit risk
- d. reinvestment risk

Interest Rate Risk is price volatility produced by changes in the overall level of interest rates. This risk is to be managed in a controlled manner using historical real return relationships and economic analysis.

Yield Curve Risk is price changes induced by the changing shape of the yield curve. Yield curve risk is to be managed, but in a controlled, disciplined fashion, by employing duration and maturity yield spread analysis.

Credit Risk is the uncertainty surrounding the borrower's ability to repay its obligations. Credit risk is to be actively managed, employing yield spread analysis and credit research.

Reinvestment Risk is the uncertain future yield opportunities available to invest funds which become available due to call, maturity or coupon generated cash flow. Reinvestment risk is to be managed through call risk analysis, and diversified maturities.

Permissible Fixed Income Purchases

Investment Grade is defined as rated BBB - or higher by Standard and Poor's and Baa3 or higher by Moody's. If rated by only one of those agencies, investment grade is defined as rated BBB -or higher by Standard and Poor's or Baa3 or higher by Moody's.

- a. *U.S. Treasuries and Government Agencies* including derivative securities whose deliverable instrument is a U.S. Treasury or government obligation.
- b. *Investment Grade Corporate Bonds.*
- c. *Investment Grade Publicly-Traded Mortgage Backed Securities*, including derivative securities whose deliverable instrument is a U.S. mortgage-backed security.
- d. *Privately-Placed Mortgages*, including single family residences, commercial whole loans, and privately placed mortgage backed securities.
- e. *Private Placement* of corporate debt.
- f. *Investment Grade Asset Backed Securities.*

Permanent Funds Investment Policy

- g. *Investment Grade Convertible Securities.*
- h. *Yankee Bonds.*
- i. *Eurodollar Bonds.*
- j. *Non-Dollar Bonds.*

Other fixed income segments and instruments may be added from time to time as they are developed or deemed appropriate.

Constraints

Liquidity: Liquidity needs are not a constraint due to the irreducible nature of the funds. Income generally is distributed to the beneficiaries monthly.

Duration: The portfolio duration range shall not exceed +/- 1.5 years of the Lehman Aggregate Bond Index.

Time Horizon: The time horizon is long due to the permanent nature of the funds.

Tax Considerations: The permanent funds are tax-exempt. Therefore, tax-exempt bonds generally will not be purchased.

Legal: SIB funds are governed by state statutes and are consistent with the prudent person principle. All assets under management by the SIB are to be invested to maximize return at a prudent level of risk (RCW 43.33A.140). No corporate fixed income issue shall exceed 3 percent of cost or 6 percent of market value of the fund (RCW 43.84.150). (See Exhibit 1 for statutory references for each permanent fund.)

PROCEDURES:

A. General Strategies

1. The fixed income assets are to be managed to add value principally through credit, valuation, and interest rate level analysis.
2. Internal management is to be used unless special expertise is required or a special opportunity exists which can only be accessed by contracting with external managers.
3. A two-tier macro/micro management approach is to be used to implement the portfolio strategies. The "macro" component is to include strategic and some tactical decision processes such as the allocation among different fixed income segments. The "micro" component will address security selection within each fixed income segment utilizing credit, duration, and valuation analysis.

Permanent Funds Investment Policy

4. Within fixed income segments, value is to be added by purchasing bonds where the yield spread over the U.S. Treasury yield curve is such that the expected risks of not realizing the promised yield spread, either from credit or call risk, do not materially reduce the expected yield benefit.
5. Value at the macro level is to be added through the allocation of cash flow to fixed income segments which offer the highest current yield to maturity spreads relative to their historical norms.
6. Only when value cannot be found should U.S. Treasury issues be purchased. Under most market circumstances the fixed income segment will have a Treasury allocation well below its public market representation.

B. Specific Strategies

1. Fixed income assets are to be allocated across the various fixed income sectors based upon:
 - a. The strategic (long-term) allocation to each fixed income sector (as indicated in Exhibit 2 of this policy),
 - b. The available yield spreads relative to Treasuries versus historical norms. When a fixed income segment exhibits a yield spread versus Treasuries greater than historical norms new cash flow and/or the redeployment of existing assets shall be made to that segment.
 - 1) Yield spreads shall be analyzed on a fully option-adjusted basis.
 - 2) Yield spreads shall be analyzed on a fully risk-adjusted basis.
 - 3) Relative value assessments shall be made continuously and shall be considered when making sector decisions.

Reporting

- A. A management information system is to be used for reporting internally to senior staff on the implementation of this policy. This report is prepared monthly to include, but is not limited to:
 1. Current market value and allocation by sector compared to the index and the policy ranges,
 2. Aggregate and individual portfolio characteristics compared to guidelines,
 3. An exceptions report, covering delinquencies, defaults, and deteriorating credits.
- B. An executive management report is to be provided to the Board quarterly showing market values and performance.

Permanent Funds Investment Policy

Responsibilities

- A. *Board* - The SIB is responsible for approving the strategic policy.
- B. *Public Markets Committee* - The Public Markets Committee is responsible for reviewing and recommending strategic policy to the Board and for reviewing staff investment management guidelines.
- C. *Staff* - The staff is responsible for implementing policy and reporting to the Public Markets Committee and the Board.

Permanent Funds

PERMANENT FUND OVERVIEW

INTRODUCTION:

Permanent funds are considered a fiduciary fund type for financial reporting purposes. A fiduciary fund is used to account for assets held in a trustee capacity for individuals, organizations, or other funds. Operations of these funds must be carried out in compliance with trust indentures, statutes, or regulations.

Permanent funds are nonexpendable trust funds in which the investment principal (corpus) remains intact as required by the Washington State laws and regulations. Earnings from these funds must be either reinvested (added to corpus) or distributed to a beneficiary fund.

The Agriculture College Permanent Fund, Normal School Permanent Fund, Scientific Permanent Fund, and State University Fund were established through land grants from the federal government to benefit the Washington State colleges and universities. Proceeds from the sale of the land and timber are transferred from the Washington State Department of Natural Resources to the Washington State Investment Board for investment purposes (i.e. added to corpus). Investment earnings are distributed to various colleges and universities in the state for the purpose of bond repayment, capital development, and facilities maintenance.

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

The Permanent Common School Fund was established by the Washington State Constitution. There may be additions to the corpus of this fund from appropriations, donations, bequests, proceeds from land and other property that revert to the state by escheat and forfeiture, and various other sources. The earnings on this fund are used for financing construction of facilities for the common schools.

BENEFICIARY FUNDS:

Below is a listing of the Permanent Funds and the corresponding beneficiary funds to whom the investment earnings are distributed:

Permanent Fund:	Beneficiary Fund(s):
Agricultural Permanent Fund	Washington State University Bond Retirement A/C
Millersylvania Park Trust Fund	Millersylvania Park Current Account
Normal School Permanent Fund	Eastern Washington University Capital Projects A/C Central Washington University Capital Projects A/C Western Washington University Capital Projects A/C
Permanent Common School Fund	Common School Construction A/C
Scientific Permanent Fund	Washington State University Bond Retirement A/C
State University Permanent Fund	University of Washington Bond Retirement A/C

Permanent Funds

SIGNIFICANT ACCOUNTING POLICIES:

Investments are reported at amortized cost, which is the par value of the investment increased or decreased by any unamortized premiums or discounts. Purchases and sales of investments are recorded on a settlement date basis in accordance with state accounting requirements.

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

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

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

WASHINGTON STATE INVESTMENT BOARD
PERMANENT FUNDS
Statement of Investments (Unaudited)
June 30, 1995

	AGRICULTURAL	MILLERSYLVANIA PARK TRUST	NORMAL SCHOOL	COMMON SCHOOL	SCIENTIFIC	STATE UNIVERSITY	TOTAL
Short-term (Cash)	\$ 2,158,146	\$ 5,028	\$ 2,339,652	\$ 1,848,723	\$ 4,385,049	\$ 900,011	\$ 11,636,609
US Government Treasuries and Agencies	4,845,555		9,615,762	6,793,122	3,013,004	999,800	25,267,242
Mortgages and Mortgage Backed Securities	27,318,883		60,987,588	47,371,768	34,979,041	4,611,717	175,268,997
Asset Backed Securities	3,055,592		5,111,252	997,370	5,797,255	299,980	15,261,449
Corporate Obligations	39,685,026		82,332,445	81,974,960	53,843,827	6,540,421	264,376,680
Total Investments	\$ 77,063,202	\$ 5,028	\$ 160,386,699	\$ 138,985,943	\$ 102,018,177	\$ 13,351,929	\$ 491,810,978
Accrued Interest Receivable	\$ 1,218,429	\$ 25	\$ 2,474,653	\$ 2,111,464	\$ 1,565,131	\$ 200,228	\$ 7,569,930
CARRYING VALUE OF INVESTMENTS, JUNE 30, 1995	\$ 78,281,631	\$ 5,053	\$ 162,861,352	\$ 141,097,407	\$ 103,583,308	\$ 13,552,157	\$ 499,380,908
MARKET VALUE OF INVESTMENTS, JUNE 30, 1995	\$ 80,110,174	\$ 5,053	\$ 165,843,807	\$ 147,231,660	\$ 105,683,502	\$ 13,987,442	\$ 512,861,638
UNREALIZED GAIN, JUNE 30, 1995	\$ 1,828,543	\$ (0)	\$ 2,982,455	\$ 6,134,253	\$ 2,100,194	\$ 435,285	\$ 13,480,730

WASHINGTON STATE INVESTMENT BOARD
PERMANENT FUNDS
Statement of Changes in Investments (Unaudited)
June 30, 1995

	AGRICULTURAL	MILLERSYLVANIA PARK TRUST	NORMAL SCHOOL	COMMON SCHOOL	SCIENTIFIC	STATE UNIVERSITY	TOTAL
CARRYING VALUE OF INVESTMENTS, JUNE 30, 1994	\$ 75,284,192	\$ 5,036	\$ 159,325,881	\$ 137,406,977	\$ 97,097,256	\$ 12,082,771	\$ 481,202,113
CONTRIBUTIONS FROM TIMBER AND LAND SALES	\$ 2,942,000	\$ -	\$ 3,358,104	\$ 1,238,404	\$ 5,944,254	\$ 1,411,487	\$ 14,894,249
DISTRIBUTED EARNINGS:							
Interest Earnings	\$ 5,395,726	\$ 459	\$ 10,446,212	\$ 10,221,732	\$ 6,835,451	\$ 883,396	\$ 33,782,976
Investment Earnings Distributed to Beneficiaries	(5,097,626)	(459)	(10,011,212)	(7,540,482)	(6,120,451)	(787,696)	(29,557,926)
Amortization of Net Capital Losses Deferred in Prior Years	\$ 298,100	\$ -	\$ 435,000	\$ 2,681,250	\$ 715,000	\$ 95,700	\$ 4,225,050
NET CAPITAL LOSSES DEFERRED TO FUTURE PERIODS:							
Capital Gains	\$ 99,382	\$ -	\$ 410,778	\$ 396,246	\$ 242,541	\$ -	\$ 1,148,947
Capital Losses	(378,814)	-	(755,145)	(615,391)	(472,714)	(46,855)	(2,268,919)
Net Capital Losses Deferred to Future Periods (*)	\$ (279,432)	\$ -	\$ (344,367)	\$ (219,145)	\$ (230,173)	\$ (46,855)	\$ (1,119,972)
MISCELLANEOUS CHANGES	\$ 36,771	\$ 17	\$ 86,734	\$ (10,079)	\$ 56,971	\$ 9,054	\$ 179,468
CARRYING VALUE OF INVESTMENTS, JUNE 30, 1995	\$ 78,281,631	\$ 5,053	\$ 162,861,352	\$ 141,097,407	\$ 103,583,308	\$ 13,552,157	\$ 499,380,908

(*) The current year net capital loss is deferred and amortized against future income distributions paid to beneficiaries pursuant to state accounting policies.

PERMANENT FUNDS
AGRICULTURAL PERMANENT FUND
Schedule of Investments
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
SHORT - TERM (CASH):					
HAMILTON FUND - BONY	N/A	N/A	N/A	1,000,000	1,000,000
PROVIDENT TEMP FUND B	N/A	N/A	N/A	1,158,146	1,158,146
TOTAL SHORT-TERM				\$ 2,158,146	\$ 2,158,146
US GOVERNMENT SECURITIES					
US TREASURIES:					
U S TREASURY	7.375	05/15/1996	1,000,000	986,487	1,013,120
U S TREASURY	11.125	08/15/2003	500,000	516,286	654,220
U S TREASURY	11.875	11/15/2003	125,000	123,979	170,333
U S TREASURY	10.750	08/15/2005	1,010,000	1,155,503	1,341,724
U S TREASURY	7.250	05/15/2016	735,000	606,418	779,673
U S TREASURY	7.500	11/15/2016	5,000	4,291	5,447
TOTAL US TREASURIES				\$ 3,392,963	\$ 3,964,517
AGENCIES:					
FEDERAL NATL MTG ASSOC	4.875	10/15/1998	500,000	452,591	481,055
FEDERAL HOME LN MTG CORP	8.000	08/05/2009	1,000,000	1,000,000	1,032,380
TOTAL AGENCIES				\$ 1,452,591	\$ 1,513,435
TOTAL US GOVERNMENT TREASURIES AND AGENCIES				\$ 4,845,555	\$ 5,477,952
MORTGAGES AND MORTGAGE BACKED SECURITIES:					
PASS THROUGH AND OTHER MORTGAGES:					
BEVERLY FINANCE CORP 144A	8.360	07/15/2004	500,000	500,000	533,438
FHLMC PC 16-0079	10.250	05/01/2009	81,951	75,709	87,830
FHLMC PC 17-0141	11.000	09/01/2015	63,569	63,093	68,575
FHLMC PC 17-0147	11.000	11/01/2015	18,771	18,163	20,272
FHLMC PC 17-0186	9.500	08/01/2016	63,132	61,760	66,409
FHLMC PC 17-0217	8.000	03/01/2017	94,939	91,231	96,843
FHLMC PC 17-0222	8.500	05/01/2017	26,886	24,861	27,814
FHLMC SWAP 28-9650	8.500	03/01/2017	197,177	182,327	203,686
FHLMC SWAP 290303	8.500	04/01/2017	7,912	7,316	8,173
FHLMC SWAP 30-2846	8.500	10/01/2017	184,080	170,216	190,434
GNMA GP 90132	9.000	05/15/2009	147,558	111,409	154,798
TOTAL PASS THROUGH AND OTHER				\$ 1,306,084	\$ 1,458,270
COLLATERALIZED MORTGAGE OBLIGATIONS:					
FHLMC 1992 1205 E	6.750	03/15/2004	3,000,000	3,059,063	3,010,290
FHLMC G 003 C	6.600	01/25/2018	2,500,000	2,465,500	2,479,900
FHLMC 1992 1423 C	6.600	09/15/2004	3,000,000	2,962,969	2,997,300

PERMANENT FUNDS
AGRICULTURAL PERMANENT FUND
Schedule of Investments
June 30, 1995

<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
FHLMC 93-1619 PD	5.650	06/15/2019	1,266,000	1,272,528	1,223,792
FHLMC 1602-AE	5.250	09/15/2008	2,500,000	2,466,406	2,380,250
FNMA 1992-65 DA	7.500	01/25/2018	1,500,000	1,466,250	1,507,785
FNMA 1993-06 Y5	6.750	12/25/2004	3,200,000	3,173,500	3,201,728
FNMA 1993-207 Y4	5.500	12/25/2017	3,000,000	2,965,313	2,873,280
FNMA 1993-223 PH	6.050	10/25/2022	1,500,000	1,456,172	1,417,680
FNMA 1994-62 PH	6.900	11/25/2023	1,000,000	931,406	996,770
GE CAP MTG 1994-10A15	6.500	03/25/2024	800,000	699,125	746,664
GE CAPITAL MTG SVC 1994-4 A8	6.500	01/25/2024	990,158	839,469	901,668
PRU HOME 93-51 A14	6.750	12/25/2023	1,500,000	1,408,359	1,393,845
S B M VII 1994-15 A5	6.500	06/25/2009	1,000,000	846,740	955,000
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS				\$ 26,012,799	\$ 26,085,951
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				\$ 27,318,883	\$ 27,544,222
ASSET BACKED SECURITIES:					
DISCOVER CARD TR 1993-B	6.750	02/15/2000	2,000,000	2,055,660.00	2,027,780.00
PREMIER AUTO TRUST 94-1 A3 ABS	4.750	11/02/1997	1,000,000	999,932.00	980,290.00
TOTAL ASSET BACKED SECURITIES				\$ 3,055,592	\$ 3,008,070
CORPORATE OBLIGATIONS:					
ANR PIPELINE	9.625	11/01/2021	1,000,000	1,242,382	1,213,140
AMERICAN GEN FIN CORP	5.875	07/01/2000	2,000,000	1,985,427	1,943,840
ASSOCIATES CORP NORTH AMER	6.000	06/15/2001	550,000	471,731	532,312
ASSOCIATES CORP NORTH AME	8.375	01/15/1998	1,500,000	1,594,364	1,567,755
ANZ BANKING GROUP	6.250	02/01/2004	1,000,000	997,306	954,840
BANK OF NEW YORK	8.500	12/15/2004	1,000,000	992,525	1,102,830
BANKAMERICA CORP	6.000	07/15/1997	2,100,000	2,082,556	2,085,405
CARTER HOLT HARVEY LTD	8.875	12/01/2004	1,000,000	999,510	1,131,230
CHESAPEAKE & POTOMAC TEL MD	4.375	01/01/2002	100,000	79,285	88,365
CITICORP MTN	8.800	02/01/2000	500,000	503,306	542,370
EASTMAN CHEMICAL	7.250	01/15/2024	1,000,000	989,848	974,840
FORD MOTOR CREDIT CORP	6.250	02/26/1998	1,000,000	998,928	997,420
FORD MOTOR CREDIT CORP	8.200	02/15/2002	500,000	503,085	536,905
GEN MOTORS ACCEPT CORP	5.625	02/01/1999	1,000,000	940,419	967,000
ITT FINL CORP	8.375	03/01/2007	500,000	453,877	570,975
LORAL CORP	7.625	06/15/2004	1,000,000	992,413	1,041,260
MCI COMMUNICATIONS CORP	7.750	03/23/2025	1,000,000	991,886	994,970
NEW ENGLAND TEL & TELEG CO	6.125	10/01/2006	505,000	398,071	474,402
NEW JERSEY BELL TEL CO	5.875	12/01/2006	600,000	488,085	558,228
NEW JERSEY BELL TEL CO	7.375	06/01/2012	65,000	33,415	65,684
NEWFOUNDLAND, PROV. OF	7.320	10/13/2023	1,000,000	986,063	988,510
NORTHWESTERN BELL TEL CO	6.000	09/01/2001	350,000	262,702	337,411
PNC FUNDING CORP	7.750	06/01/2004	1,000,000	993,886	1,039,220

PERMANENT FUNDS
AGRICULTURAL PERMANENT FUND
Schedule of Investments
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
PACIFIC GAS & ELEC CO	6.625	06/01/2000	565,000	424,642	565,271
PACIFIC GAS & ELEC CO MTN	6.900	07/01/1997	1,600,000	1,599,219	1,611,792
PANHANDLE EASTERN PIPELINE	7.875	08/15/2004	1,000,000	998,650	1,059,690
PHILIPS ELECTRONIC	7.250	08/15/2013	1,750,000	1,728,959	1,704,098
PHILLIPS PETROLEUM	9.375	02/15/2011	1,250,000	1,487,778	1,456,425
PLACER DOME INC	7.750	06/15/2015	500,000	495,155	490,625
POTOMAC ELEC PWR CO	4.500	05/15/1999	210,000	195,159	194,897
PROGRESSIVE CORP	6.600	01/15/2004	1,000,000	1,000,672	973,620
PUBLIC SVC ELEC & GAS CO	6.875	06/01/1997	1,000,000	998,064	1,008,270
ROYAL CARIBBEAN CRUISES	8.250	04/01/2005	1,000,000	991,250	1,053,530
SASKATCHEWAN CDA	7.375	07/15/2013	2,000,000	2,031,608	2,006,520
SOCIETY CORP	8.125	06/15/2002	850,000	940,300	900,669
SOUTHERN UNION GAS	7.600	02/01/2024	1,250,000	1,250,000	1,227,888
TELECOMMUNICATIONS INC	7.375	02/15/2000	1,000,000	969,180	1,008,300
TENAGA NASIONAL BERHAD	7.875	06/15/2004	1,000,000	996,533	1,060,800
TIME WARNER ENTERTAINMENT	7.250	09/01/2008	1,000,000	867,754	951,250
UNITED TECHNOLOGIES	9.500	10/01/1997	1,500,000	1,612,105	1,597,755
WASTE MANAGEMENT	7.650	03/15/2011	1,000,000	1,018,099	1,021,090
WISCONSIN BELL INC	7.250	02/01/2007	100,000	98,828	101,955
TOTAL CORPORATE OBLIGATIONS				\$ 39,685,026	\$ 40,703,356
PLUS: ACCRUED INTEREST RECEIVABLE				1,218,429	1,218,429
TOTAL AGRICULTURAL PERMANENT FUND				\$ 78,281,631	\$ 80,110,174

PERMANENT FUNDS
MILLERSYLVANIA PARK TRUST FUND
 Schedule of Investments
 June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
SHORT-TERM (CASH):					
PROVIDENT TEMPFUND B	N/A	N/A	N/A	\$ 5,028	\$ 5,028
PLUS: ACCRUED INTEREST RECEIVABLE				25	25
TOTAL MILLERSYLVANIA PARK TRUST FUND				\$ 5,053	\$ 5,053

PERMANENT FUNDS
NORMAL SCHOOL PERMANENT FUND
Schedule of Investments
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
SHORT-TERM (CASH):					
HAMILTON FUND - BONY	N/A	N/A	N/A	500,276	500,276
PROVIDENT TEMP FUND B	N/A	N/A	N/A	1,839,376	1,839,376
TOTAL SHORT-TERM				\$ 2,339,652	\$ 2,339,652
US GOVERNMENT SECURITIES					
TREASURIES:					
U S TREASURY	7.375	05/15/1996	4,300,000	4,241,901	4,356,416
U S TREASURY	10.750	02/15/2003	835,000	779,076	1,063,581
U S TREASURY	10.750	05/15/2003	300,000	301,468	383,532
U S TREASURY	11.875	11/15/2003	1,000,000	997,576	1,362,660
U S TREASURY	7.250	05/15/2016	925,000	775,648	981,222
U S TREASURY	7.500	11/15/2016	480,000	412,502	522,898
TOTAL TREASURIES				\$ 7,508,170	\$ 8,670,308
AGENCIES:					
FEDERAL NATL MTG ASSOC	4.875	10/15/1998	500,000	452,591	481,055
FEDERAL HOME LN MTG CORP	8.000	08/05/2009	1,655,000	1,655,000	1,708,589
TOTAL AGENCIES				\$ 2,107,591	\$ 2,189,644
TOTAL US GOVERNMENT TREASURIES AND AGENCIES				\$ 9,615,762	\$ 10,859,952
MORTGAGES AND MORTGAGE BACKED:					
PASS THROUGH MORTGAGES					
FEDERAL HOME LN MTG CORP (GMC)	8.375	09/15/1997	90,100	90,282	94,408
FHLMC PC 16-0079	10.250	05/01/2009	163,902	151,417	175,659
FHLMC PC 17-0029	12.000	05/01/2010	37,171	37,101	40,401
FHLMC PC 17-0147	11.000	11/01/2015	18,771	18,163	20,272
FHLMC PC 17-0217	8.000	03/01/2017	188,641	181,273	192,423
FHLMC SWAP 29-9021	8.500	08/01/2017	339,840	314,246	351,571
FHLMC SWAP 29-1802	8.500	04/01/2017	110,176	101,878	113,936
FHLMC SWAP 30-3750	8.500	04/01/2018	474,771	439,015	490,975
GNMA SF 27772	9.500	11/15/2009	348,150	310,072	372,594
GNMA SF 27559	9.500	08/15/2009	384,201	366,614	411,176
GNMA SF 29026	9.500	07/15/2009	177,306	174,370	189,754
GNMA SF 30363	9.500	09/15/2009	182,193	162,267	194,984
GNMA SF 30644	9.500	06/15/2009	273,581	269,050	292,789
TOTAL PASS THROUGH MORTGAGES				\$ 2,615,747	\$ 2,940,943
OTHER MORTGAGES:					
BEVERLY FINANCE CORP 144A	8.360	07/15/2004	2,000,000	2,000,000	2,133,750
HYDE PARK APTS	7.500	04/01/2019	1,456,541	1,171,808	1,439,310

PERMANENT FUNDS
NORMAL SCHOOL PERMANENT FUND
Schedule of Investments
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
CASA DE WOODS	7.000	01/01/2014	378,565	281,085	354,124
FULTON WOODS APTS	7.500	02/01/2018	1,360,222	1,157,959	1,347,898
TOTAL OTHER MORTGAGES				\$ 4,610,851	\$ 5,275,083
<u>COLLATERALIZED MORTGAGE OBLIGATIONS:</u>					
FHLMC 1992 1205 E	6.750	03/15/2004	7,000,000	7,137,813	7,024,010
FHLMC G 003 C	6.600	01/25/2018	4,000,000	3,944,800	3,967,840
FHLMC 1994-1429 G	7.000	11/15/2007	1,466,667	1,372,709	1,469,218
FHLMC 1992 1423 C	6.600	09/15/2004	7,000,000	6,913,594	6,993,700
FHLMC-GNMA93-12 E	6.000	03/25/2008	5,500,000	5,344,453	5,317,340
FHLMC 93-1619 PD	5.650	06/15/2019	4,000,000	4,020,625	3,866,640
FHLMC 1602-AE	5.250	09/15/2008	5,000,000	4,932,813	4,760,500
FNMA 1993-06 Y5	6.750	12/25/2004	5,500,000	5,454,453	5,502,970
FNMA 1993-207 Y4	5.500	12/25/2017	6,250,000	6,177,734	5,986,000
FNMA 1993-223 PH	6.050	10/25/2022	1,500,000	1,456,172	1,417,680
GE CAP MTG 1994-10A15	6.500	03/25/2024	252,000	220,224	235,199
GE CAPITAL MTG SVC 1994-4 A8	6.500	01/25/2024	1,980,317	1,678,937	1,803,336
PRU HOME 93-51 A14	6.750	12/25/2023	3,500,000	3,286,172	3,252,305
S B M VII 1994-15 A5	6.500	06/25/2009	2,150,000	1,820,491	2,053,250
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS				\$ 53,760,989	\$ 53,649,987
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				\$ 60,987,588	\$ 61,866,012
<u>ASSET BACKED SECURITIES:</u>					
DISCOVER CARD TR 1993-B	6.750	02/15/2000	4,000,000	4,111,320	4,055,560
PREMIER AUTO TRUST 94-1 A3 ABS	4.750	11/02/1997	1,000,000	999,932	980,290
TOTAL ASSET BACKED SECURITIES				\$ 5,111,252	\$ 5,035,850
<u>CORPORATE OBLIGATIONS:</u>					
ANR PIPELINE	7.375	02/15/2024	1,000,000	992,850	968,810
ANR PIPELINE	9.625	11/01/2021	1,300,000	1,615,088	1,577,082
AMERICAN GEN FIN CORP	5.875	07/01/2000	4,600,000	4,566,481	4,470,832
AMERICAN STORES	7.400	05/15/2005	1,000,000	1,004,020	1,023,320
ARKANSAS PWR & LT CO	5.750	03/01/1996	200,000	197,794	198,996
ASSOCIATES CORP NORTH AME	8.375	01/15/1998	2,500,000	2,657,272	2,612,925
ASSOCIATES CORP NORTH AME	6.000	06/15/2000	2,075,000	2,067,548	2,020,531
ANZ BANKING GROUP	6.250	02/01/2004	2,000,000	1,994,612	1,909,680
BANK OF NEW YORK	8.500	12/15/2004	1,000,000	992,525	1,102,830
BANKAMERICA CORP	6.000	07/15/1997	4,400,000	4,363,451	4,369,420
CARTER HOLT HARVEY LTD	8.875	12/01/2004	1,800,000	1,799,118	2,036,214
CHEMICAL BANKING CORP	8.500	02/15/2002	1,000,000	1,118,681	1,082,480
CHESAPEAKE & POTOMAC TEL MD	5.875	06/01/2004	200,000	198,857	188,294
CHESAPEAKE & POTOMAC TEL MD	6.625	10/01/2008	775,000	621,272	746,364
CHICAGO & NWESTN TRANS	6.250	07/30/2012	997,926	997,926	930,257

PERMANENT FUNDS
NORMAL SCHOOL PERMANENT FUND
Schedule of Investments
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
CINCINNATI GAS & ELEC	6.450	02/15/2004	1,000,000	998,285	970,730
CITICORP MTN	8.800	02/01/2000	1,500,000	1,509,917	1,627,110
COMMONWEALTH EDISON CO	6.250	02/01/1998	485,000	483,992	479,743
EASTMAN CHEMICAL	7.250	01/15/2024	2,000,000	1,979,695	1,949,680
FERRO CORP	8.000	06/15/2025	500,000	493,055	507,050
FIRST CHICAGO	8.250	06/15/2002	1,000,000	1,112,011	1,072,050
FORD MOTOR CREDIT CORP	6.250	02/26/1998	2,000,000	1,997,856	1,994,840
FORD MOTOR CREDIT CORP	8.200	02/15/2002	1,000,000	1,006,171	1,073,810
GEN MOTORS ACCEPT CORP	5.625	02/01/1999	2,000,000	1,880,837	1,934,000
LORAL CORP	7.625	06/15/2004	2,000,000	1,984,826	2,082,520
MBNA CORP, MTN	6.150	10/01/2003	2,000,000	1,952,256	1,940,280
MCI COMMUNICATIONS CORP	7.750	03/23/2025	2,500,000	2,479,715	2,487,425
MINNESOTA PWR & LT CO	6.500	01/01/1998	275,000	275,000	271,477
NEW ENGLAND TEL & TELEG CO	6.125	10/01/2006	700,000	690,674	657,587
NEW JERSEY BELL TEL CO	5.875	12/01/2006	500,000	421,081	465,190
NEWFOUNDLAND, PROV. OF	7.320	10/13/2023	1,250,000	1,232,579	1,235,638
NORWEST FINANCIAL	6.000	08/15/1997	1,200,000	1,198,895	1,193,460
PNC FUNDING CORP	7.750	06/01/2004	1,500,000	1,490,829	1,558,830
PACIFIC GAS & ELEC CO	6.875	12/01/1999	250,000	245,198	251,043
PACIFIC GAS & ELEC CO	6.625	06/01/2000	100,000	79,652	100,048
PACIFIC GAS & ELEC CO	6.750	12/01/2000	255,000	246,582	256,071
PACIFIC GAS & ELEC CO MTN	6.900	07/01/1997	2,850,000	2,848,610	2,871,005
PACIFIC TEL & TELEG CO	6.000	11/01/2002	250,000	237,887	240,523
PANHANDLE EASTERN PIPELINE	7.875	08/15/2004	1,500,000	1,497,975	1,589,535
PHILIPS ELECTRONICS NV	7.750	05/15/2025	1,000,000	996,610	1,028,730
PHILIPS ELECTRONIC	7.250	08/15/2013	2,500,000	2,379,048	2,434,425
PHILIPS PETROLEUM	9.375	02/15/2011	2,000,000	2,380,444	2,330,280
PLACER DOME INC	7.750	06/15/2015	500,000	495,155	490,625
PROGRESSIVE CORP	6.600	01/15/2004	2,500,000	2,501,679	2,434,050
PUBLIC SVC ELEC & GAS CO	6.875	06/01/1997	2,000,000	1,996,128	2,016,540
ROYAL CARIBBEAN CRUISES	8.250	04/01/2005	2,000,000	1,982,500	2,107,060
SASKATCHEWAN CDA	7.375	07/15/2013	3,700,000	3,758,475	3,712,062
SOUTHERN UNION GAS	7.600	02/01/2024	1,500,000	1,500,000	1,473,465
TELECOMMUNICATIONS INC	7.375	02/15/2000	1,400,000	1,356,853	1,411,620
TENAGA NASIONAL BERHAD	7.875	06/15/2004	2,000,000	1,993,066	2,121,600
TIME WARNER ENTERTAINMENT	7.250	09/01/2008	2,000,000	1,735,507	1,902,500
TORCHMARK CORP	8.625	03/01/2017	200,000	171,877	210,010
UNITED TECHNOLOGIES	9.500	10/01/1997	2,500,000	2,686,842	2,662,925
WASTE MANAGEMENT	7.650	03/15/2011	2,525,000	2,570,699	2,578,252
WISCONSIN BELL INC	7.250	02/01/2007	300,000	296,486	305,865
TOTAL CORPORATE OBLIGATIONS				\$ 82,332,445	\$ 83,267,687
PLUS: ACCRUED INTEREST RECEIVABLE				2,474,653	2,474,653
TOTAL NORMAL SCHOOL PERMANENT FUND				\$ 162,861,352	\$ 165,843,807

PERMANENT FUNDS
PERMANENT COMMON SCHOOL
Schedule of Investments
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
SHORT - TERM (CASH):					
HAMILTON FUND - BONY	0.000		-	855,000	855,000
PROVIDENT TEMPFUND B	0.000		-	993,723	993,723
TOTAL SHORT-TERM				\$ 1,848,723	\$ 1,848,723
US GOVERNMENT SECURITIES					
TREASURIES:					
U S TREASURY	7.375	05/15/1996	1,000,000	986,958	1,013,120
U S TREASURY	10.750	02/15/2003	1,000,000	956,061	1,273,750
U S TREASURY	11.875	11/15/2003	1,500,000	1,496,356	2,043,990
U S TREASURY	10.375	11/15/2012	200,000	213,961	264,374
U S TREASURY	7.500	11/15/2016	1,960,000	1,689,918	2,135,165
TOTAL TREASURIES				\$ 5,343,254	\$ 6,730,399
AGENCIES:					
FEDERAL NATL MTG ASSOC	9.400	08/10/1998	1,000,000	997,276	1,091,720
FEDERAL NATL MTG ASSOC	4.875	10/15/1998	500,000	452,591	481,055
TOTAL AGENCIES				\$ 1,449,867	\$ 1,572,775
TOTAL US GOVERNMENT TREASURIES AND AGENCIES				\$ 6,793,122	\$ 8,303,174
MORTGAGES AND MORTGAGE BACKED SECURITIES					
PASS THROUGH AND OTHER MORTGAGES:					
BEVERLY FINANCE CORP 144A	8.360	07/15/2004	1,650,000	1,650,000	1,760,344
FEDERAL HOME LN MTG CORP (GMC)	8.050	03/15/1996	7,200	7,229	7,245
FEDERAL HOME LN MTG CORP (GMC)	8.375	09/15/1997	15,900	15,871	16,660
FHLMC PC 16-0040	8.750	03/01/2008	225,553	206,818	233,425
FHLMC PC 16-0079	10.250	05/01/2009	163,902	151,631	175,659
FHLMC PC 17-0003	8.000	03/01/2006	31,815	31,268	32,458
FHLMC PC 17-0147	11.000	11/01/2015	24,402	23,612	26,354
EXECUTIVE ESTATES	7.500	10/01/2018	3,473,580	2,783,082	3,435,962
TOTAL MORTGAGES				\$ 4,869,512	\$ 5,688,107
COLLATERALIZED MORTGAGE OBLIGATIONS:					
FHLMC 1992 1205 E	6.750	03/15/2004	6,000,000	6,118,125	6,020,580
FHLMC G 003 C	6.600	01/25/2018	4,000,000	3,944,800	3,967,840
FHLMC 1992 1423 C	6.600	09/15/2004	6,000,000	5,925,938	5,994,600
FHLMC 93-1619 PD	5.650	06/15/2019	3,000,000	3,015,469	2,899,980
FHLMC 1994 - 1727 E	6.500	04/15/2018	5,000,000	4,770,117	4,980,950

PERMANENT FUNDS
PERMANENT COMMON SCHOOL
Schedule of Investments
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
FNMA 1992-65 DA	7.500	01/25/2018	3,500,000	3,421,250	3,518,165
FNMA 1993-207 Y4	5.500	12/25/2017	4,000,000	3,953,750	3,831,040
FNMA 1993-223 PH	6.050	10/25/2022	2,500,000	2,426,953	2,362,800
FNMA 1994-62 PH	6.900	11/25/2023	2,000,000	1,862,813	1,993,540
GE CAP MTG 1994-10A15	6.500	03/25/2024	1,000,000	873,906	933,330
GE CAPITAL MTG SVC 1994-4 A8	6.500	01/25/2024	1,980,317	1,678,937	1,803,336
PRU HOME 93-51 A14	6.750	12/25/2023	3,000,000	2,816,719	2,787,690
S B M VII 1994-15 A5	6.500	06/25/2009	2,000,000	1,693,480	1,910,000
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS				\$ 42,502,256	\$ 43,003,851
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				\$ 47,371,768	\$ 48,691,957
ASSET BACKED SECURITIES:					
DISCOVER CD MASTER TR 94-1A	6.700	08/15/1997	1,000,000	\$ 997,370	\$ 1,011,100
CORPORATE OBLIGATIONS:					
ANR PIPELINE	9.625	11/01/2021	1,500,000	1,863,563	1,819,710
AT&T CORP	4.375	05/01/1999	3,600,000	3,226,682	3,341,448
AMERICAN GEN FIN CORP	5.875	07/01/2000	2,850,000	2,829,233	2,769,972
AMERICAN STORES	7.400	05/15/2005	1,000,000	1,004,020	1,023,320
ASSOCIATES CORP NORTH AMER	6.000	06/15/2001	3,850,000	3,302,119	3,726,184
BANK OF NEW YORK	8.500	12/15/2004	1,250,000	1,240,657	1,378,538
BANKAMERICA CORP	6.000	07/15/1997	4,100,000	4,065,943	4,071,505
CARTER HOLT HARVEY LTD	8.875	12/01/2004	1,000,000	999,510	1,131,230
CHEMICAL BANKING CORP	8.500	02/15/2002	2,000,000	2,237,357	2,164,960
CHESAPEAKE & POTOMAC TEL MD	5.875	06/01/2004	609,000	612,633	573,355
CHICAGO & NWESTN TRANS	6.250	07/30/2012	997,926	997,926	930,257
CITICORP MTN	8.800	02/01/2000	1,000,000	1,006,612	1,084,740
COMMONWEALTH EDISON CO	6.250	02/01/1998	465,000	462,907	459,959
EASTMAN CHEMICAL	7.250	01/15/2024	2,350,000	2,326,142	2,290,874
FERRO CORP	8.000	06/15/2025	500,000	493,055	507,050
FIRST CHICAGO	8.250	06/15/2002	2,500,000	2,780,028	2,680,125
FORD MOTOR CREDIT CORP	6.250	02/26/1998	1,500,000	1,498,392	1,496,130
FORD MOTOR CREDIT CORP	8.200	02/15/2002	1,000,000	1,006,171	1,073,810
GEN MOTORS ACCEPT CORP	5.625	02/01/1999	1,165,000	1,095,588	1,126,555
HOUSEHOLD FINANCE CORP	7.625	01/15/2003	2,000,000	2,155,327	2,082,560
INDIANA BELL TEL INC	4.375	06/01/2003	300,000	155,958	258,324
LOUISVILLE GAS & ELEC CO	6.750	06/01/1998	550,000	456,505	547,333
MCI COMMUNICATIONS CORP	7.750	03/23/2025	1,750,000	1,735,801	1,741,198
MICHIGAN BELL TEL CO	6.375	02/01/2005	350,000	346,445	340,606
MOUNTAIN STS TEL & TELEG CO	5.500	06/01/2005	1,190,000	678,164	1,085,375
NEW ENGLAND TEL & TELEG CO	6.125	10/01/2006	525,000	528,046	493,190
NEW JERSEY BELL TEL CO	5.875	12/01/2006	1,365,000	1,198,356	1,269,969

PERMANENT FUNDS
PERMANENT COMMON SCHOOL
Schedule of Investments
June 30, 1995

<u>DESCRIPTION</u>	<u>COUPON RATE</u>	<u>MATURITY DATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
NEWFOUNDLAND, PROV. OF	7.320	10/13/2023	1,500,000	1,479,095	1,482,765
NORTHWESTERN BELL TEL CO	6.000	09/01/2001	1,000,000	734,601	964,030
NORWEST FINANCIAL	6.000	08/15/1997	2,000,000	1,998,159	1,989,100
PNC FUNDING CORP	7.750	06/01/2004	1,000,000	993,886	1,039,220
PACIFIC GAS & ELEC CO	6.875	12/01/1999	1,225,000	1,007,687	1,230,108
PACIFIC GAS & ELEC CO	6.625	06/01/2000	525,000	418,999	525,252
PACIFIC GAS & ELEC CO MTN	6.900	07/01/1997	1,900,000	1,899,073	1,914,003
PACIFIC TEL & TELEG CO	6.500	07/01/2003	400,000	352,321	391,312
PANHANDLE EASTERN PIPELINE	7.875	08/15/2004	1,500,000	1,497,975	1,589,535
PHILIP MORRIS INC	6.000	07/15/2001	4,700,000	4,026,191	4,500,579
PHILIPS ELECTRONIC	7.250	08/15/2013	1,000,000	951,619	973,770
PHILLIPS PETROLEUM	9.375	02/15/2011	2,000,000	2,380,444	2,330,280
PLACER DOME INC	7.750	06/15/2015	500,000	495,155	490,625
PROGRESSIVE CORP	6.600	01/15/2004	2,250,000	2,251,511	2,190,645
PUBLIC SVC ELEC & GAS CO	6.875	06/01/1997	2,000,000	1,996,128	2,016,540
ROYAL CARIBBEAN CRUISES	8.250	04/01/2005	1,000,000	991,250	1,053,530
SASKATCHEWAN CDA	7.375	07/15/2013	3,500,000	3,555,314	3,511,410
SEARS ROEBUCK & CO	6.000	05/01/2000	4,330,000	3,546,907	4,230,453
SOUTHERN UNION GAS	7.600	02/01/2024	1,000,000	1,000,000	982,310
TELECOMMUNICATIONS INC	7.375	02/15/2000	1,000,000	969,180	1,008,300
TENAGA NASIONAL BERHAD	7.875	06/15/2004	2,500,000	2,491,332	2,652,000
TIME WARNER ENTERTAINMENT	7.250	09/01/2008	1,000,000	867,754	951,250
TORCHMARK CORP	8.625	03/01/2017	300,000	257,816	315,015
UNITED TECHNOLOGIES	9.500	10/01/1997	3,250,000	3,492,895	3,461,803
VIRGINIA ELEC & PWR CO	5.125	02/01/1997	1,000,000	998,430	982,040
WASTE MANAGEMENT	7.650	03/15/2011	1,000,000	1,018,099	1,021,090
TOTAL CORPORATE OBLIGATIONS				\$ 81,974,960	\$ 85,265,241
PLUS: ACCRUED INTEREST RECEIVABLE				2,111,464	2,111,464
TOTAL PERMANENT COMMON SCHOOL FUND				\$ 141,097,407	\$ 147,231,660

PERMANENT FUNDS
SCIENTIFIC PERMANENT FUND
Schedule of Investments
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
SHORT-TERM (CASH)					
HAMILTON FUND - BONY	0.000		-	500,000	500,000
PROVIDENT TEMPFUND B	0.000		-	3,885,049	3,885,049
TOTAL SHORT-TERM				\$ 4,385,049	\$ 4,385,049
US GOVERNMENT SECURITIES					
TREASURIES:					
U S TREASURY	7.375	05/15/1996	1,000,000	986,412	1,013,120
U S TREASURY	10.750	02/15/2003	300,000	242,024	382,125
U S TREASURY	10.375	11/15/2012	800,000	855,845	1,057,496
U S TREASURY	7.500	11/15/2016	425,000	376,404	462,982
TOTAL TREASURIES				\$ 2,460,686	\$ 2,915,723
AGENCIES:					
FEDERAL NATL MTG ASSOC	9.400	08/10/1998	100,000	99,728	109,172
FEDERAL NATL MTG ASSOC	4.875	10/15/1998	500,000	452,591	481,055
TOTAL AGENCIES				\$ 552,319	\$ 590,227
TOTAL US GOVERNMENT TREASURIES AND AGENCIES				\$ 3,013,004	\$ 3,505,950
MORTGAGES AND MORTGAGE BACKED SECURITIES					
PASS THROUGH AND OTHER MORTGAGES:					
BEVERLY FINANCE CORP 144A	8.360	07/15/2004	750,000	750,000	800,156
FEDERAL HOME LN MTG CORP (GMC)	8.375	09/15/1997	47,700	47,614	49,980
FHLMC PC 17-0141	11.000	09/01/2015	111,246	110,413	120,008
FHLMC PC 17-0147	11.000	11/01/2015	4,880	4,722	5,271
FHLMC PC 17-0217	8.000	03/01/2017	178,127	171,169	181,698
BITTERROOT MANOR	7.500	01/01/2019	1,107,866	886,309	1,098,583
SKY PARK APTS	7.500	02/01/2018	1,042,450	887,440	1,033,485
TOTAL PASS THROUGH AND OTHER MORTGAGES				\$ 2,857,667	\$ 3,289,180
COLLATERALIZED MORTGAGE OBLIGATIONS:					
FHLMC 1992 1205 E	6.750	03/15/2004	4,000,000	4,078,750	4,013,720
FHLMC G 003 C	6.600	01/25/2018	4,000,000	3,944,800	3,967,840
FHLMC 1992 1423 C	6.600	09/15/2004	4,000,000	3,950,625	3,996,400
FHLMC-GNMA93-12 E	6.000	03/25/2008	2,475,000	2,405,004	2,392,803
FHLMC 93-1619 PD	5.650	06/15/2019	3,000,000	3,015,469	2,899,980
FHLMC 1602-AE	5.250	09/15/2008	2,250,000	2,219,766	2,142,225
FNMA 1993-06 Y5	6.750	12/25/2004	4,000,000	3,966,875	4,002,160

PERMANENT FUNDS
SCIENTIFIC PERMANENT FUND
Schedule of Investments
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
FNMA 1993-207 Y4	5.500	12/25/2017	2,500,000	2,471,094	2,394,400
FNMA 1993-223 PH	6.050	10/25/2022	1,000,000	970,781	945,120
GE CAP MTG 1994-10A15	6.500	03/25/2024	500,000	436,953	466,665
GE CAPITAL MTG SVC 1994-4 A8	6.500	01/25/2024	1,980,317	1,678,937	1,803,336
PRU HOME 93-51 A14	6.750	12/25/2023	2,500,000	2,347,266	2,323,075
S B M VII 1994-15 A5	6.500	06/25/2009	750,000	635,055	716,250
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS			\$ 32,121,374	\$ 32,063,974	
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES			\$ 34,979,041	\$ 35,353,153	
ASSET BACKED SECURITIES:					
DISCOVER CARD TR 1993-B	6.750	02/15/2000	3,500,000	3,597,405	3,548,615
PREMIER AUTO TRUST 94-1 A3 ABS	4.750	11/02/1997	2,200,000	2,199,850	2,156,638
TOTAL ASSET BACKED SECURITIES			\$ 5,797,255	\$ 5,705,253	
CORPORATE OBLIGATIONS:					
ANR PIPELINE	7.375	02/15/2024	1,000,000	992,850	968,810
ANR PIPELINE	9.625	11/01/2021	1,000,000	1,242,375	1,213,140
AMERICAN GEN FIN CORP	5.875	07/01/2000	2,800,000	2,779,597	2,721,376
ASSOCIATES CORP NORTH AME	8.375	01/15/1998	2,000,000	2,125,820	2,090,340
BANK OF NEW YORK	8.500	12/15/2004	1,000,000	992,525	1,102,830
BANKAMERICA CORP	6.000	07/15/1997	2,600,000	2,578,403	2,581,930
CARTER HOLT HARVEY LTD	8.875	12/01/2004	1,000,000	999,510	1,131,230
CHESAPEAKE & POTOMAC TEL MD	6.625	10/01/2008	500,000	400,821	481,525
CHICAGO & NWESTN TRANS	6.250	07/30/2012	997,926	997,926	930,257
CINCINNATI GAS & ELEC	6.450	02/15/2004	1,000,000	998,285	970,730
CITICORP MTN	8.800	02/01/2000	1,000,000	1,006,612	1,084,740
EASTMAN CHEMICAL	7.250	01/15/2024	1,500,000	1,484,771	1,462,260
FERRO CORP	8.000	06/15/2025	1,000,000	986,110	1,014,100
FIRST CHICAGO	8.250	06/15/2002	1,000,000	1,112,011	1,072,050
FORD MOTOR CREDIT CORP	6.250	02/26/1998	1,500,000	1,498,392	1,496,130
FORD MOTOR CREDIT CORP	8.200	02/15/2002	400,000	402,468	429,524
GEN MOTORS ACCEPT CORP	5.625	02/01/1999	1,000,000	940,419	967,000
GENERAL TEL CO IND	6.250	07/01/1997	400,000	400,000	410,628
GULF STS UTILS CO	6.750	10/01/1998	500,000	483,413	501,500
HOUSTON LTG & PWR CO	6.750	11/01/1997	100,000	98,687	99,832
ITT FINL CORP	8.375	03/01/2007	500,000	453,877	570,975
ILLINOIS BELL TEL CO	4.375	07/01/2003	250,000	162,798	215,703
LORAL CORP	7.625	06/15/2004	1,000,000	992,413	1,041,260
MBNA CORP, MTN	6.150	10/01/2003	1,500,000	1,464,191	1,455,210
MCI COMMUNICATIONS CORP	7.750	03/23/2025	1,000,000	991,886	994,970
NEW ENGLAND TEL & TELEG CO	6.125	10/01/2006	600,000	596,342	563,646
NEW JERSEY BELL TEL CO	5.875	12/01/2006	1,100,000	930,745	1,023,418

PERMANENT FUNDS
SCIENTIFIC PERMANENT FUND
Schedule of Investments
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
NEW JERSEY BELL TEL CO	7.375	06/01/2012	700,000	359,857	707,371
NEWFOUNDLAND, PROV. OF	7.320	10/13/2023	1,000,000	986,063	988,510
NORTHWESTERN BELL TEL CO	6.000	09/01/2001	70,000	52,540	67,482
NORWEST FINANCIAL	6.000	08/15/1997	1,000,000	999,079	994,550
PNC FUNDING CORP	7.750	06/01/2004	1,000,000	993,886	1,039,220
PACIFIC GAS & ELEC CO	6.625	06/01/2000	385,000	286,533	385,185
PACIFIC GAS & ELEC CO MTN	6.900	07/01/1997	1,900,000	1,899,073	1,914,003
PANHANDLE EASTERN PIPELINE	7.875	08/15/2004	1,300,000	1,298,245	1,377,597
PHIL SUBURBAN WTR	5.500	11/01/1996	650,000	645,260	646,276
PHILLIPS ELECTRONICS NV	7.750	05/15/2025	500,000	498,305	514,365
PHILIPS ELECTRONIC	7.250	08/15/2013	1,500,000	1,427,429	1,460,655
PHILIPS PETROLEUM	9.375	02/15/2011	2,000,000	2,380,444	2,330,280
PLACER DOME INC	7.750	06/15/2015	1,250,000	1,237,888	1,226,563
PROGRESSIVE CORP	6.600	01/15/2004	1,000,000	1,000,672	973,620
PUBLIC SVC ELEC & GAS CO	6.875	06/01/1997	1,000,000	998,064	1,008,270
ROYAL CARIBBEAN CRUISES	8.250	04/01/2005	1,000,000	991,250	1,053,530
SASKATCHEWAN CDA	7.375	07/15/2013	2,000,000	2,031,608	2,006,520
SEARS ROEBUCK & CO	6.000	05/01/2000	1,055,000	894,118	1,030,746
SOUTHERN UNION GAS	7.600	02/01/2024	1,000,000	1,000,000	982,310
TELECOMMUNICATIONS INC	7.375	02/15/2000	500,000	484,590	504,150
TIME WARNER ENTERTAINMENT	7.250	09/01/2008	900,000	780,978	856,125
TORCHMARK CORP	8.625	03/01/2017	200,000	171,877	210,010
UNITED TECHNOLOGIES	9.500	10/01/1997	2,500,000	2,686,842	2,662,925
WASTE MANAGEMENT	7.650	03/15/2011	1,500,000	1,527,148	1,531,635
WISCONSIN BELL INC	7.250	02/01/2007	100,000	98,828	101,955
TOTAL CORPORATE OBLIGATIONS				\$ 53,843,827	\$ 55,168,965
PLUS: ACCRUED INTEREST RECEIVABLE				1,565,131	1,565,131
TOTAL SCIENTIFIC PERMANENT FUND				\$ 103,583,308	\$ 105,683,502

PERMANENT FUNDS
STATE UNIVERSITY PERMANENT FUND
Schedule of Investments
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<u>SHORT - TERM (CASH):</u>					
HAMILTON FUND - BONY	N/A	N/A	N/A	151,343	151,343
PROVIDENT TEMPFUND B	N/A	N/A	N/A	748,668	748,668
TOTAL SHORT - TERM				\$ 900,011	\$ 900,011
<u>US GOVERNMENT SECURITIES:</u>					
FEDERAL NATL MTG ASSOC	9.400	08/10/1998	300,000	299,183	327,516
U S TREASURY	7.250	05/15/2016	20,000	15,954	21,216
U S TREASURY	7.500	11/15/2016	175,000	149,530	190,640
U S TREASURY	8.500	07/15/1997	450,000	460,316	472,572
U S TREASURY	11.875	11/15/2003	75,000	74,818	102,200
TOTAL US GOVERNMENT TREASURIES AND AGENCIES				\$ 999,800	\$ 1,114,143
<u>MORTGAGES AND MORTGAGE BACKED SECURITIES:</u>					
<u>PASS THROUGH AND OTHER MORTGAGES:</u>					
BEVERLY FINANCE CORP 144A	8.360	07/15/2004	100,000	100,000	106,688
FHLMC GIANT SWAP 30-4272	8.500	06/01/2018	43,785	40,487	45,230
EAGLES MANOR	7.500	06/01/2018	915,728	739,006	907,313
TOTAL PASS THROUGH AND OTHER MORTGAGES				\$ 879,493	\$ 1,059,231
<u>COLLATERALIZED MORTGAGE OBLIGATIONS:</u>					
FHLMC 1992 1205 E	6.750	03/15/2004	450,000	458,859	451,544
FHLMC G 003 C	6.600	01/25/2018	500,000	493,100	495,980
FHLMC 1992 1423 C	6.600	09/15/2004	253,000	249,877	252,772
FHLMC 93-1819 PD	5.650	06/15/2019	300,000	301,547	289,998
FHLMC 1602-AE	5.250	09/15/2008	250,000	246,641	238,025
FHLMC 1993-1637 GA	5.800	06/15/2023	252,181	239,454	232,904
FNMA 1993-06 Y5	6.750	12/25/2004	300,000	297,516	300,162
FNMA 1993-207 Y4	5.500	12/25/2017	285,000	281,705	272,962
FNMA 1993-223 PH	6.050	10/25/2022	281,000	272,790	265,579
FNMA 1994-62 PH	6.900	11/25/2023	254,000	236,577	253,180
GE CAP MTG 1994-10A15	6.500	03/25/2024	100,000	87,391	93,333
GE CAPITAL MTG SVC 1994-4 A8	6.500	01/25/2024	99,016	83,947	90,167
PRU HOME 93-51 A14	6.750	12/25/2023	250,000	234,727	232,308
S B M VII 1994-15 A5	6.500	06/25/2009	293,000	248,095	279,615
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS				\$ 3,732,224	\$ 3,748,727
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				\$ 4,611,717	\$ 4,807,958

PERMANENT FUNDS
STATE UNIVERSITY PERMANENT FUND
Schedule of Investments
June 30, 1995

DESCRIPTION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
ASSET BACKED SECURITIES:					
PREMIER AUTO TRUST 94-1 A3 ABS	4.750	11/02/1997	300,000	\$ 299,980	\$ 294,087
CORPORATE OBLIGATIONS:					
ANR PIPELINE	9.625	11/01/2021	200,000	248,475	242,628
AMERICAN GEN FIN CORP	5.875	07/01/2000	150,000	148,907	145,788
BANK OF NEW YORK	8.500	12/15/2004	250,000	248,131	275,708
BANKAMERICA CORP	6.000	07/15/1997	300,000	297,508	297,915
CARTER HOLT HARVEY LTD	8.875	12/01/2004	200,000	199,902	226,246
CHICAGO & NWESTN TRANS	6.250	07/30/2012	299,378	299,378	279,077
EASTMAN CHEMICAL	7.250	01/15/2024	150,000	148,477	146,226
FORD MOTOR CREDIT CORP	6.250	02/26/1998	300,000	299,678	299,226
FORD MOTOR CREDIT CORP	8.200	02/15/2002	100,000	100,617	107,381
GENERAL MTRS ACCEPT CORP	8.400	10/15/1999	250,000	269,631	265,608
MBNA CORP, MTN	6.150	10/01/2003	250,000	244,030	242,535
MCI COMMUNICATIONS CORP	7.750	03/23/2025	250,000	247,972	248,743
MICHIGAN BELL TEL CO	6.375	02/01/2005	200,000	198,224	194,632
MONTREAL CITY OF	5.000	11/01/2004	28,000	17,169	24,159
NEWFOUNDLAND, PROV. OF	7.320	10/13/2023	250,000	246,516	247,128
NORTHWESTERN BELL TEL CO	6.000	09/01/2001	80,000	60,046	77,122
NORWEST FINANCIAL	6.000	08/15/1997	100,000	99,908	99,455
PNC FUNDING CORP	7.750	06/01/2004	250,000	248,472	259,805
PACIFIC GAS & ELEC CO MTN	6.900	07/01/1997	150,000	149,927	151,106
PANHANDLE EASTERN PIPELINE	7.875	08/15/2004	100,000	99,865	105,969
PHIL SUBURBAN WTR	5.500	11/01/1996	150,000	149,215	149,141
PHILIPS ELECTRONIC	7.250	08/15/2013	250,000	246,994	243,443
PHILLIPS PETROLEUM	9.375	02/15/2011	250,000	297,556	291,285
PLACER DOME INC	7.750	06/15/2015	250,000	247,578	245,313
PROGRESSIVE CORP	6.600	01/15/2004	250,000	250,168	243,405
SASKATCHEWAN CDA	7.375	07/15/2013	300,000	304,741	300,978
SEARS ROEBUCK & CO	6.000	05/01/2000	350,000	263,750	341,954
SOCIETY CORP	8.125	06/15/2002	150,000	165,935	158,942
SOUTHERN UNION GAS	7.600	02/01/2024	150,000	150,000	147,347
TELECOMMUNICATIONS INC	7.375	02/15/2000	100,000	96,918	100,830
TIME WARNER ENTERTAINMENT	7.250	09/01/2008	100,000	86,775	95,125
UNITED TECHNOLOGIES	9.500	10/01/1997	250,000	268,684	266,293
WISCONSIN BELL INC	7.250	02/01/2007	100,000	92,334	101,955
WISCONSIN TEL CO	6.250	08/01/2004	50,000	46,941	48,554
TOTAL CORPORATE OBLIGATIONS				\$ 6,540,421	\$ 6,671,016
PLUS: ACCRUED INTEREST RECEIVABLE				200,228	200,228
TOTAL STATE UNIVERSITY PERMANENT FUND				\$ 13,552,157	\$ 13,987,442

Other Funds

- Financial Statements

OTHER FUNDS
Schedule of Investments
June 30, 1995

DESCRIPTION	INVESTMENT CLASSIFICATION	COUPON RATE	MATURITY DATE	PAR VALUE	BOOK VALUE	MARKET VALUE
<u>GAME AND SPECIAL WILDLIFE FUND</u>						
PROVIDENT TEMPFUND B	SHORT - TERM	N/A	N/A	N/A	3,217,079	3,217,079
U S TREASURY	US GOVERNMENT SECURITY	7.375	05/15/1996	3,910,000	3,956,934	3,961,299
TOTAL GAME AND SPECIAL WILDLIFE FUND					<u>\$ 7,174,013</u>	<u>\$ 7,178,378</u>
<u>UNIVERSITY OF WASHINGTON SELF INSURANCE REVOLVING FUND:</u>						
PROVIDENT TEMPFUND B	SHORT - TERM	N/A	N/A	N/A	<u>\$24,594,741</u>	<u>\$24,594,741</u>
<u>STATE EMPLOYEES INSURANCE RESERVE</u>						
PROVIDENT TEMPFUND B	SHORT - TERM	N/A	N/A	N/A	29,990,221	29,990,221
FHLMC 1992 1456 C	COLLATERALIZED MORTGAGE OBLIGATION	6.250	10/15/2011	1,100,000	1,100,000	1,100,209
TOTAL STATE EMPLOYEES INSURANCE RESERVE					<u>\$31,090,221</u>	<u>\$31,090,430</u>
<u>RADIATION PERPETUAL MAINTENANCE FUND</u>						
BONY SHORT-TERM INVESTMENT FUND	SHORT - TERM	N/A	N/A	N/A	<u>\$66,667,246</u>	<u>\$66,667,246</u>

Broker Volume & Commissions Paid

DEALER	-----EQUITY-----		-----FIXED INCOME-----	
	VOLUME TRANSACTIONED	COMMISSIONS	LONG-TERM VOLUME TRANSACTIONED	SHORT-TERM VOLUME TRANSACTIONED
ABEL NOSER CORPORATION	346,514	350		
ADAMS HARKNESS HILL	2,197,776	586		
ADLER COLEMAN & CO	409,310			
ADVEST & COMPANY	196,125			
ALEX BROWN & SONS	30,883,808	18,719	4,957,396	
ALLEN & COMPANY	3,414,929	1,825		
ALPHA MANAGEMENT A/C BROADCORT	261,676,962	474,322		
AMERICAN EXPRESS CREDIT CORP				49,831,944
ARNHOLD & BLEICHROEDER INC	51,000			
ASSOCIATES CORP OF NORTH AMERICA				149,177,792
AUTRANET INC	4,318,402	7,166		
AVCO CREDIT CORP			3,916,953	
BA SECURITIES INC				138,229,388
BAIRD (ROBERT W.) & COMPANY	12,597,634	2,362		
BANK OF AMERICA				819,939,661
BANK OF NEW YORK			232,860,509	6,272,862
BANKERS TRUST CO				49,958,333
BEAR STEARNS & COMPANY INC	36,994,744	63,317	2,639,359,993	
BERNSTEIN (SANFORD C.) & CO	10,387,004	15,555		
BLAIR WILLIAM & CO	8,742,489	4,377		
BONY-DOMINION SECS TORONTO INC				2,968,535
BRADFORD (J.C.) & COMPANY	817,431	1,189		
BRIDGE TRADING CO	8,309,957	11,801		
BROADCOURT CAPITAL CORP.	4,868,507	4,383		
BROWN BROTHERS HARRIMAN & CO	3,310,630	6,821		
BT BROKERAGE CORP	11,558,739	2,685		
BT SECURITIES CORPORATION	367,520		5,737,638	34,770,158
CANTOR FITZGERALD & CO	28,620,664	19,223		
CHARLES SCHAWB & CO INC	675,320	306		
CHASE MANHATTAN BK				24,895,681
CHEMICAL BANK				25,000,000
CHEMICAL SECURITIES INC.			26,402,186	
CHICAGO CORPORATION	3,886,845	5,369		
CHRYSLER FINANCIAL				19,883,333
CITATION GROUP	1,521,543	3,360		
CITIBANK			580,092,856	1,518,767,506
CITICORP			530,424,356	65,068,199
CITICORP SECURITIES MKTS INC			146,054,593	186,092,728
CLEARY GULL & REILAND	701,458	755		
COMPREHENSIVE FIN SERV	685,178	1,488		
CONNING & COMPANY	821,275	1,520		
CORRESPONDENT SERVICES CORP	4,835,146	8,813		
COUNTY NATWEST SECURITIES USA	4,490,565	9,309	3,009,873	
COWEN & CO	16,817,339	16,780		
DAIN BOSWORTH INC	2,158,960	1,746		
DAIWA SECURITIES AMERICA INC	-1,108,213	9,925	5,139,0210	31,130,196
DEAN WITTER & CO	5,184,963	8,419	25,719,563	

Broker Volume & Commissions Paid

<u>DEALER</u>	<u>EQUITY</u>		<u>FIXED INCOME</u>	
	<u>VOLUME TRANSACTED</u>	<u>COMMISSIONS</u>	<u>LONG-TERM VOLUME TRANSACTED</u>	<u>SHORT-TERM VOLUME TRANSACTED</u>
DEUTSCHE BANK CAPITAL CORP	5,667,733	12,166		
DILLON READ & COMPANY	9,250,103	10,801	40,857,623	
DONALDSON LUFKIN & JENRETTE	-103,126	1	755,530,044	
EASTWEST SECURITIES	610,385	3,655		
EDWARDS (AG) & SON	356,636	1,068		
EQUITABLE SEC CORP	284,900			
EQUITY SEC TRADING CO INC NSCC	151,716			
EXECUTION SERVICE	5,181,542	6,002		
FACTSET DATA SYSTEMS INC	2,687,297	5,583		
FAHNESTOCK & COMPANY	758,457	2,754		
FIDELITY CAPITAL MARKETS	798,992	3,588		
FIRST ALBANY CORPORATION	27,500			
FIRST ANALYSIS SECS CORP	579,063			
FIRST BOSTON CORPORATION	42,107,898	46,071	1,578,412,527	5,077,433
FIRST CHICAGO				31,381,730
FIRST MANHATTAN COMPANY	247,387	942		
FIRST NATIONAL BK OF CHICAGO				3,591,899
FORD MOTOR CREDIT CORP				84,494,708
FOURTEEN RESEARCH CORP (THE)	382,405	1,278		
FOX-PITT KELTON INC	6,424,043	894		
FUJI SECURITIES			117,687,489	45,000,000
FURMAN SELZ MAGER DIETZ BIRNEY	8,960,703	12,587		
GARDNER RECH & CO	350,296	737		
GENESIS MERCHANT GROUP	1,528,718			
GERARD CLAUER MATTISON & CO	5,099,149	7,278		
GOLDMAN SACHS & COMPANY	50,410,500	32,404	520,995,439	917,471,316
GREEN LINE INVESTOR SVC INC	119,702			
GREEN STREET ADVISORS	219,032	576		
GREENWICH SECURITIES			16,829,138	
HAMBRECHT & QUIST	10,826,893	5,407		
HANIFEN IMHOFF	2,159,453	2,656		
HENDERSON BROTHERS INC	178,351			
HERZOG HEINE GEDULD INC	11,986,951	696		
HOWARDWEILLABOUISSSEFRIEDRIC	4,557,589	8,917		
I/B/E/S INC	11,965,640	17,076		
INSTINET CORPORATION	88,262,756	89,905		
INTERSTATE/JOHNSON LANE CORP	3,005,271	2,590		
INVESTMENT TECH GROUP	62,918,455	37,911		
ISI GROUP INC	237,935	290		
J.P. MORGAN	11,932,731	24,071	794,777,454	168,105,862
JACKSON PARTNERS & ASSOC	116,155	390		
JANNEY MONTGOMERY SCOTT	1,007,144	1,980	6,042,573	
JEFFERIES & CO INC L.A	60,039,915	62,860		
JENSEN SECURITIES CO	58,864	288		
JONES & ASSOCIATES	10,935,342	15,833		
JOSEPHTHAL LYON & ROSS	120,192	400		
JUDAH S.A. & CO				24,744,563

Broker Volume & Commissions Paid

DEALER	-----EQUITY-----		-----FIXED INCOME-----	
	VOLUME TRANSACTIONED	COMMISSIONS	LONG-TERM VOLUME TRANSACTIONED	SHORT-TERM VOLUME TRANSACTIONED
KEEFE BRUYETTE & WOODS INC	358,625			
KEMPER CAPITAL MARKETS	1,016,452			
KIDDER PEABODY	11,740,538	12,030	1,917,262,475	
LAZARD FRERES & COMPANY	3,720,690	3,018	26,984,907	
LEGG MASON WOOD WALKER INC	172,446	396		
LEHMAN BROTHERS	45,753,090	67,421	280,845,014	68,563,025
LEHMANN COMMERCIAL PAPER				405,959,002
LIPPER ANALYTICAL SECS CORP	383,252	1,008		
LYNCH JONES & RYAN	1,216,507	1,805		
MABON NUGENT & COMPANY	2,193,651	1,280	53,418,560	
MANUFACTURERS HANOVER LTD			2,950,500	
MARYLAND NATL BK			274,622,186	
MC DONALD & CO	1,076,882	1,776	9,623,043	
MERRILL LYNCH	72,836,492	45,924	1,100,293,618	62,817,414
MERRILL LYNCH GOVT				181,252,117
MITSUBISHI BANK				4,775,960
MONTGOMERY SECURITIES	29,439,710	11,356		
MORGAN GUARANTY TRUST CO	503,595			124,171,966
MORGAN JP SECS LTD LONDON			8,678,802	
MORGAN KEEGAN & CO	2,388,660	708		
MORGAN STANLEY & CO	69,238,625	70,090	580,289,421	
NATIONSBANK OF GEORGIA CAP			44,177,513	
NCNB NATL BK OF N CAROLINA			14,774,683	
NEEDHAM & CO	2,271,980	1,440		
NOMURA SECURITIES	10,845,351	1,200	73,088,954	
OCONO TRADE	53,498	105		
OPPENHEIMER & COMPANY	39,684,618	49,751	32,348,171	37,828,138
ORO FINANCIAL INC	2,175,240	7,812		
PACIFIC CREST SECURITIES	63,894	72		
PAINE WEBBER INC.	42,640,222	55,030	47,108,328	
PEMBROKE CLEARING CORP	374,155	708		7,801,516
PERSHING & COMPANY	37,767,823	28,621	30,087,014	
PHILADELPHIA DTC				21,782,247
PIPER JAFFRAY & HOPWOOD INC	11,851,573	5,988		
POULSEN DOWLING SECURITIES	499,321	1,848		
PRO-RATED - TENDER	1,374,425		539,224	
PRUDENTIAL SECURITIES	44,610,808	63,964	13,502,272	
PUT OPTION - DTC			3,000,000	
RAGEN MACKENZIE INCORPORATED	2,391,153	3,480		
RAUSCHER PIERCE REFSNES INC	4,123,161	7,370		
RAYMOND JAMES & ASSOC INC	4,103,574	8,563		
REDEMPTION			6,251,381	
ROBERT FLEMING & CO LTD	1,116,717			
ROBERTSON COLEMAN STEPHENS	11,911,821	1,824	1,657,133	
ROBINSON HUMPHREY & CO	5,783,974	8,462		
RODMAN & RENSHAW	231,824	265		
ROULSTON RESEARCH CORP	872,836	1,680		

Broker Volume & Commissions Paid

DEALER	-----EQUITY-----		-----FIXED INCOME-----	
	VOLUME TRANSACTIONED	COMMISSIONS	LONG-TERM VOLUME TRANSACTIONED	SHORT-TERM VOLUME TRANSACTIONED
S G WARBURG ROWE PITMAN AKROYD	2,645,368	4,925		
SALOMON BROTHERS	62,138,779	68,994	1,161,556,486	16,970,727
SANWA BANK				429,876,531
SBS FINANCIAL SERVICES	670,468	1,650		
SCOTIAMCLEOD (USA) INC	2,699,701	7,725		
SEI FUNDS EVALUATION	314,698	996		
SHEARSON LEHMAN HUTTON INC	49,955,399	21,982	42,175,096	
SHERWOOD SECS CORP	103,662			
SIGNET BANK/MARYLAND			45,050,903	
SMITH BARNEY SHEARSON			778,330,698	
SMITH BARNEYHARRIS UPHAM & CO			17,434,063	
SOUNDVIEW FINANCIAL	1,884,691	1,145		
SPEAR LEEDS & KELLOGG				
STANDARD & POORS	8,907,971	17,283		
STERNE AGEE & LEACH INC	61,144			
SUTRO & CO	5,137,493	14,351		
THE FIST NATL BK OF CHICAGO				14,972,060
TROSTER SINGER STEVENS	6,777,072			
TUCKER ANTHONY & R L DAY INC	1,807,906	3,779		
U.S. CLEARING CORPORATION	347,972	965		
UBS SECURITIES INC.	8,825,546	7,556	2,494,899,182	
UNTERBURG HARRIS	726,631	1,047		
VAN KASPER & CO	127,223	384		
VOLPE WELTY & CO	1,735,856			
WAGNER STOTT CLEARING CORP.	4,189,302	24,171		
WEEDEN & CO	11,414,863	13,260		
WERTHEIM AND CO INC	22,366,206	34,593		
WESSELS ARNOLD & HENDERSON	10,198,325			
WHEATFIRST BUTCHER & SINGER	3,733,282	4,143		
WILSHIRE ASSOC	56,295,451	76,050		
WOOD GUNDY CORP			32,637,652	
TOTAL	1,623,001,384.00	1,892,120.00	17,131,986,402.00	5,775,032,631.00