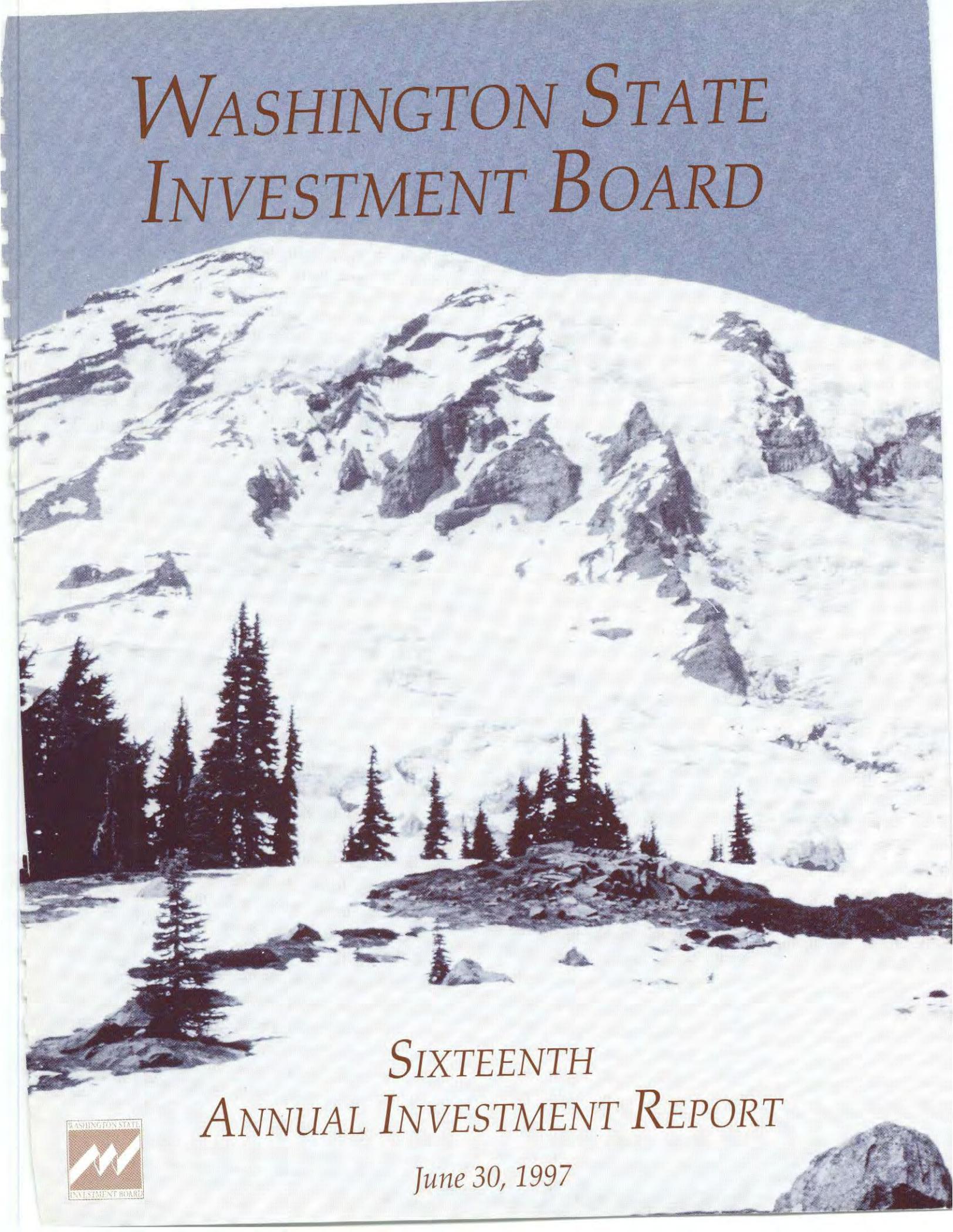


WASHINGTON STATE INVESTMENT BOARD



SIXTEENTH ANNUAL INVESTMENT REPORT

June 30, 1997





June 30, 1997

To All Stakeholders:

I am pleased to submit the sixteenth annual report of the State Investment Board (SIB) for fiscal year 1996-1997.

As of June 30, 1997, retirement fund assets were at an all-time high, increasing by \$5.7 billion to \$32.5 billion. This fiscal year investment return of 20.5 percent was the highest in ten years. Investment returns for the prior two fiscal years also have been strong, with returns of 17.4 percent, and 16.5 percent. SIB's composite rate of return has exceeded the TUCS Public Fund Median return in each of the last four years.

Coupled with the \$7.5 billion Labor and Industries Funds, the Permanent Funds, and the Other Trusts, the SIB manages about \$40.7 billion in total, as of June 30, 1997.

Contributing to the SIB's remarkable performance this fiscal year, were both strong public market returns, as well as favorable private equity results. The SIB's real estate portfolio was up 42.2 percent, while private equity investments, such as venture capital and buy-out funds, were both up over 30 percent.

After the completion of an asset allocation study in December 1996, the Board adopted new allocation targets for the five asset classes. Additional funds will be invested in real estate and private equity, while the allocation to fixed income will be reduced. This strategy will aid in diversification, as well as present opportunities to seek out top-tier performance in these markets.

Thanks go to a hard-working and dedicated board and its staff, which devotes untold hours to the fulfillment of the statutory mandate to "maximize return at a prudent level of risk".


C.T. Purdom, Chair



Legislative Building
PO Box 40021
Olympia, Washington 98504-0021

Washington State Auditor
Brian Sonntag

(360) 753-5277
FAX (360) 753-0646
TDD Relay 1-800-833-6388

January 27, 1998

Mr. Jim Parker, Executive Director
State Investment Board
2424 Heritage Court SW
PO Box 40916
Olympia, WA 98504-0916

Dear Mr. Parker:

Congratulations on obtaining an unqualified audit report for the 1997 fiscal year. This is a significant achievement considering this is your agency's sixth consecutive report without findings.

The outstanding record is indicative of management's integrity in maintaining compliance with laws and regulations, and the Board's dedication to investing and managing funds entrusted to them under the highest standards of professional conduct. The cooperative partnership established with our auditors to address any potential weaknesses is mutually beneficial. I appreciate the assistance and cooperation the Board has provided our staff during the audit.

It is important to give special recognition to agencies that consistently exhibit a commitment to solid accounting practices and systems of internal control. Again, please accept my congratulations on your achievement.

Sincerely,

BRIAN SONNTAG
STATE AUDITOR

BS:KD:pvh

(Editor's Note: This audit letter does not imply an actual audit of this Annual Report)



In memory of
Jimmy Wayne Cason



Jimmy was a dedicated member of the Washington State Investment Board, representing the members of the Law Enforcement Officers and Firefighters Retirement System. He served for seven years, from 1989 until his death in 1997. Jimmy was elected Chairman of the Board in 1993 and 1994, and served on three Board Committees.

Born in Richmond, California, Jimmy lived in the Tacoma area for 30 years. He was a Vietnam army veteran and a professional firefighter for the City of Tacoma. Jimmy was involved in union activities for a number of years, serving as Secretary/Treasurer for the Tacoma Firefighters. He also served as Vice-President, District Representative and Secretary/ Treasurer of the Washington State Council of Firefighters.

Jimmy died January 9, 1997, and was laid to rest in the Shelton Memorial Cemetery in Shelton, Washington. Jimmy is survived by his wife Pamela J. Cason, son Jeffery Alan Cason and wife Christine, daughter Jodi L. Cason, mother Irma Cason, brothers Victor and Robert, sister Susan Pinard, Granddaughter Emily (Midget) Cason, lifetime friend Jeanette K. Cason, niece Mindy and nephew Kyle.



Sixteenth Annual Investment Report

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The supplemental booklet, "Financial Statements and Schedules of Investments," is an integral part of this Annual Report. It contains detailed listings of SIB's investment holdings.

INVESTMENT RESPONSIBILITY

The Washington State Investment Board has investment responsibility for the following twenty-four 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 / 3
Law Enforcement Officers' & Firefighters' (LEOFF) Plan I
Law Enforcement Officers' & Firefighters' (LEOFF) Plan II
Judicial Retirement System
Washington State Patrol Retirement System (WSPRS)
Volunteer Firefighters' Relief & Pension Fund

LABOR & INDUSTRIES (INSURANCE) FUNDS

Accident Fund
Medical Aid Fund
Accident Reserve Fund
Supplemental Pension Fund

PERMANENT FUNDS

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

OTHER TRUSTS

Game and Special Wildlife Fund
Univ. of Washington Self Insurance Revolving Fund
State Employees Insurance Reserve
Radiation Perpetual Fund
Reclamation Revolving Fund

STATE INVESTMENT BOARD STAFF

INVESTMENT STAFF

Investment Officers

David Almodovar, Assistant, Private Equity
Thomas E. Bosworth, Fixed Income
Kellie Craine, CFA, Fixed Income
Steven Draper, Real Estate
Brian Kerrigan, CPA, Real Estate
Toni Ritchey, Fixed Income
Tom Ruggels, Public Equity
Marisa Wulff, Program Management

OPERATIONS STAFF

Investment Accounting

Kris Logan, CPA, Investment Accounting Controller
Sandra Machado, Investment Accounting Supervisor
Trent Howard, Investment Accountant
Ruth Kral, Investment Accountant
Renee Long, Investment Accountant
Waivanne Willie-Dueber, Settlement Accountant

Business Services

Sandra Joudrey, CPA, Financial Manager
Jon Dimter, Financial Specialist
Nelly Haun, Fiscal Technician
Nina Irwin, Chief Accountant
John Lynch, JD, Contracts Specialist
C.J. Wolfer, Contracts Assistant

Management Services

Scott Huntley, Legislative & Management Analyst
Sandra Ufer, Administrative Officer

Systems and Office Services

Jim Lee, Systems and Office Services Manager
Tom Edwards, LAN Administrator
Frank Soiza, PC Support Specialist

Patricia Sheridan, Office Manager
Deanna Jackson, Graphics Designer
Casey Joubert, Office Services Specialist
Marna Joubert, Office Services Specialist
Darleen McColley, Office Services Specialist
Kristen Shultz, Office Services Specialist
Sandra Whitmore, Office Services Specialist

STATE INVESTMENT BOARD STAFF

EXECUTIVE STAFF

James F. Parker

Executive Director

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

Christopher J. Ailman

Chief Investment Officer

Formerly eleven years as the Chief Investment Officer for the Sacramento County Employees' Retirement System and the County of Sacramento. Previously six years with Kidder Peabody and Dean Witter. Graduate of University of California at Santa Barbara in Business Economics and a Certified Financial Planner from the University of Southern California.

Helen Small, CGFM

*Deputy Director for Operations
(Chief Operations Officer)*

Formerly Assistant Director for Management Services with the Washington Department of Fisheries. Thirteen years in various management positions with the State of Oregon. Graduate of Eastern Oregon State College.

Executive Support

Sheila Geisler, Executive Assistant

*Ruth Dale, Administrative Secretary
for Investments*

*Cheryl Evans, Administrative Assistant
for Operations*

SENIOR INVESTMENT OFFICERS

William P. Kennett, CFA

Fixed Income

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

Terry Blaney, CFA

Alternative Investments

Formerly Managing Director - Acquisitions at Nynex Corporation. Previously with Citibank and L.F. Rothschild as a security analyst and ACF Industries as Director of Strategic Planning. Graduate of the University of Michigan with an MBA in Finance and Bachelor of Business Administration.

Nancy Calkins

Equity and Program Management

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

Jeffrey A. Habersetzer

Real Estate

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

BOARD MEMBERS

Ex-Officio Board Members

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

Board Members Appointed by Governor

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

Board Member Appointed by Superintendent of Public Instruction

C.T. Purdom, Chair	Representative - Active Member, Teachers' Retirement System
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Board Member Appointed by Speaker of the House

Tom Huff	State Representative
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Board Member Appointed by President of the Senate

George Sellar	State Senator
---------------	---------------

Non-Voting Board Members Appointed by Voting Board Members

Charles Kaminski	Investment Professional
George Lobisser	Investment Professional
Jerome Mathews	Investment Professional
Robert S. Nakahara	Investment Professional
Paula Treneer	Investment Professional

WASHINGTON PENSION SYSTEM POLICY ROLES

LEGISLATIVE

House Appropriations & Senate Ways and Means Committees

- Reviews Retirement Funding and Benefit Bills

Joint Committee on Pension Policy

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

Office of State Actuary

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

Office Of Forecast Council

- Adopts Economic Assumptions
- Establishes Employer Contribution Rate

EXECUTIVE

Governor

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

Office Of Financial Management

- Analyzes Impact of Retirement Legislation
- Advises Governor

Department of Retirement Systems

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

State Investment Board

- Invests & Manages Assets for Exclusive Benefit of Fund Beneficiaries
- Maximizes Return at a Prudent Level of Risk
- Monitors and Reports Investment Performance
- Accounts for Investments
- Appoints Non-Voting Members

Office of State Treasurer

- Receipt and Disbursement Agent
- Member of The Investment Board

Employee Retirement Benefits Board

- Authorizes Self-Directed Investment Options for Defined Contribution Retirement Plans
- Oversees Deferred Compensation Plans

WASHINGTON STATE INVESTMENT BOARD

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

Currently, the board has management responsibility for 24 funds which are categorized as either retirement funds, insurance funds, permanent funds, or other trusts. The board is composed of nine voting members and five non-voting members.

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

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

Investment Principle

“The 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 board has established four committees which are appointed by the Chair and approved by the board as follows:

Administrative

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

Audit

This 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 for private market investments (real estate, venture capital, leveraged buyouts, etc.). The Private Markets Committee also reviews individual real estate transactions, partnerships, and private equity investments for recommendations to the board.

Public Markets

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

ASSETS UNDER MANAGEMENT

TOTAL ASSETS BY FUND

June 30, 1997

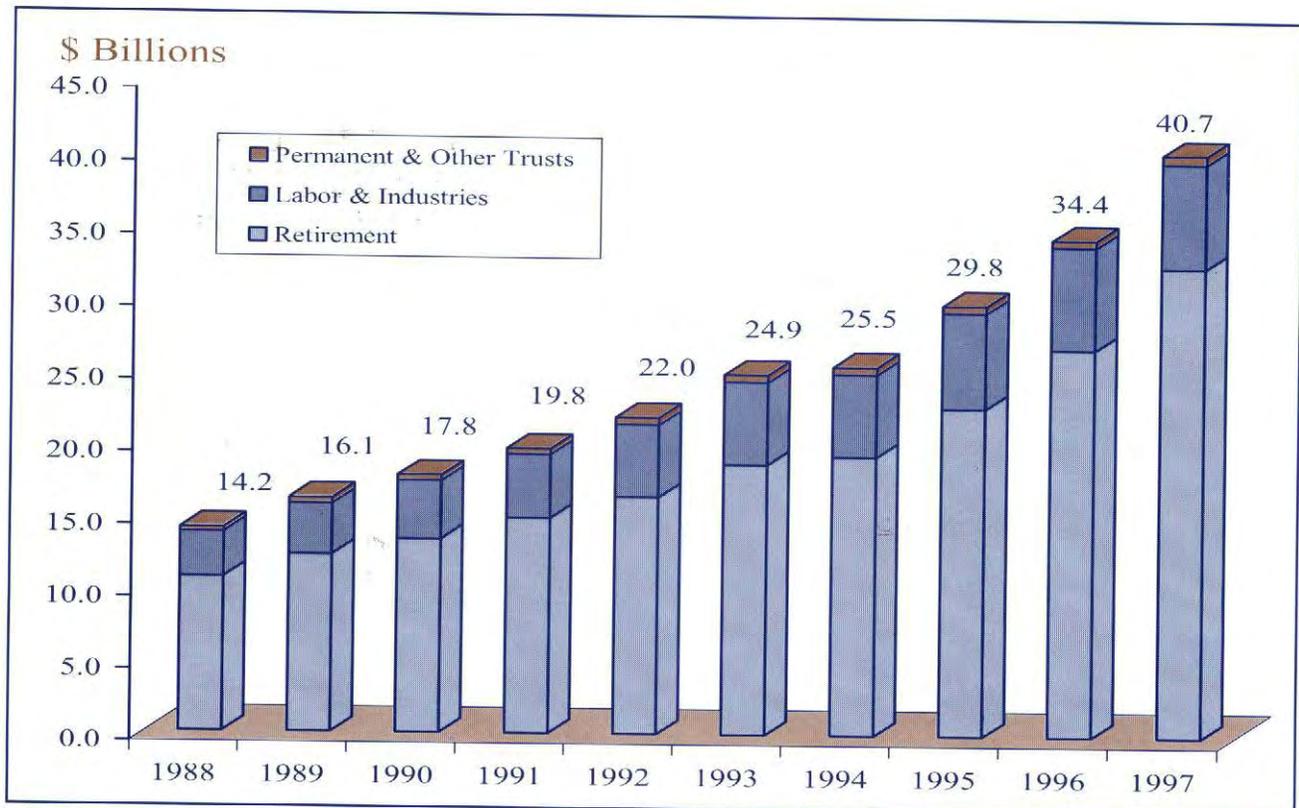
(Millions)

Retirement	\$32,527
Labor & Industries	7,510
Permanent Funds	548
Other Trusts	77
Total	\$40,662

GROWTH OF ASSETS

Past Ten Years

Fiscal Year Ending June 30, 1997



STATE INVESTMENT BOARD BUDGET

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

THE BIENNIAL BUDGET

(Appropriated Expenses)

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

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

Like any other state agency, the board cannot operate in a deficit. The appropriated operating expenses are funded based on a formula established by statute whereby each fund invested by SIB pays a share proportional to the value of the assets of the fund. SIB's operating budget is tiny in comparison to the assets managed. Currently, the operating budget is 0.0216 percent of the total assets managed (\$40.7 Billion). For Fiscal Year 1997, the appropriated operating expenditures were \$4,007,497, or .0099 percent of the total assets managed.

INVESTMENT EXPENSES

(Non-Appropriated)

Fees and expenses associated with the management of investments are paid directly from investment earnings. Typically, these expenses

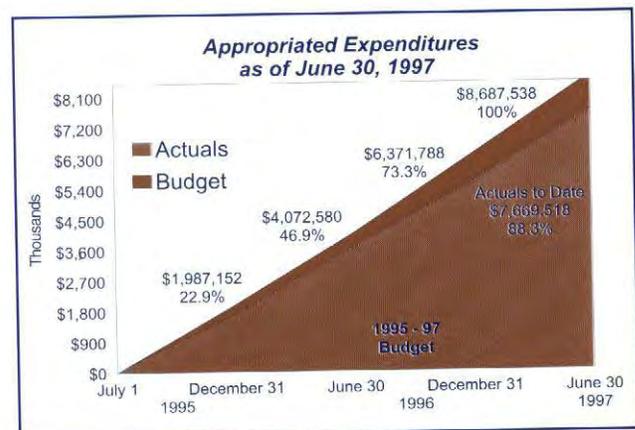
include money manager, master custodial, consultant, and legal fees specifically related to an investment or group of investments. These expenses are classified as non-appropriated expenditures which do not require specific legislative appropriation.

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

Total fees reported by SIB do not include costs paid directly from partnership or commingled fund earnings, transaction fees, and/or other fees paid net of income received. Although investment expenses are not budgeted through the legislative process, estimates are prepared for monitoring and reporting purposes. For fiscal year 1997, total non-appropriated expenditures were \$53,288,417, or .131 percent of the total assets managed.

TOTAL EXPENSES 1995-1997 BIENNIIUM

Operating Expenses



ANNUAL FINANCIAL REPORT

Fiscal Year Ended June 30, 1997
Accrual Basis

<u>OBJECTS OF EXPENDITURE</u>	<u>BUDGET TO DATE</u>	<u>EXPENDITURES TO DATE</u>	<u>BUDGET VARIANCE</u>
<u>Appropriated</u>			
Salaries	\$ 2,235,098	\$ 1,985,456	\$ 249,642
Benefits	525,345	452,369	72,976
Personal Services	468,786	412,816	55,970
Goods & Services	1,158,480	877,289	281,191
Travel	98,231	84,958	13,273
Fixed Assets	129,018	205,043	(76,025)
Interagency Reimbursements	-	(10,434)	10,434
Subtotal Appropriated	\$ 4,614,958	\$ 4,007,497	\$ 607,461
<u>Non Appropriated Retirement Funds</u>			
U.S. Equity		\$ 5,287,411	
Non - U.S. Equity		10,752,637	
Private Equity		24,988,817	
Real Estate		4,052,935	
General Pension Consultants		387,499	
Custodian Bank Fees		2,758,457	
Securities Lending and Other Fees		2,956,771	
Total Retirement		\$ 51,184,527	
<u>Labor & Industries Funds</u>			
Consultants		\$ 160,000	
U.S. Equity		341,860	
Custodian Bank Fees		339,768	
Securities Lending		1,128,692	
Total L & I		\$ 1,970,320	
<u>Permanent Funds</u>			
Custodian Bank Fees		\$ 67,857	
Securities Lending		65,713	
Total Permanent Funds		133,570	
Subtotal Non -Appropriated		\$ 53,288,417	
TOTAL		<u>\$ 57,295,914</u>	

OUTSIDE HELP AND ADVICE

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

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

Legal Services

Attorney General of Washington

General Pension Consultant

Wilshire Associates
Santa Monica, California

Master Custodian

State Street Bank
Boston, Massachusetts

Alternative Investments Consultant

Brinson Partners
Chicago, Illinois

Real Estate Consultant

Pension Consulting Alliance
Portland, Oregon

Labor & Industries Portfolio Consultant

Conning Asset Management
Hartford, Connecticut

Securities Lending

The Northern Trust
Chicago, Illinois

State Street Bank
Boston, Massachusetts

RETIREMENT FUNDS

- Department of Retirement Systems
- Asset Growth
- Fund Performance
- Investment Growth and Returns
- Asset Allocation

- U.S. Equity Program
- Fixed Income Program
- Non-U.S. Equity Program
- Private Equity Program
- Real Estate Program

- Investing in Washington

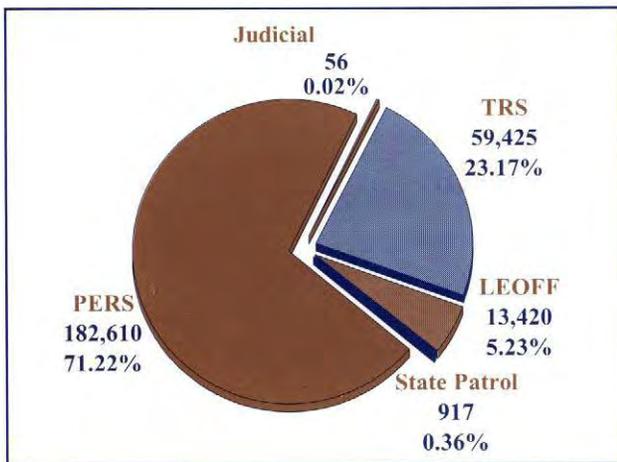
DEPARTMENT OF RETIREMENT SYSTEMS

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

The retirement system membership has grown to 362,038 members as of June 30, 1997, including 15,691 inactive members.

Trust fund revenues totaled \$6,749 million for fiscal year 1997. This included \$528 million in member contributions and restorations, \$788 million in employer contributions, \$92 million in General Fund contributions, and \$5,341 million in investment earnings.

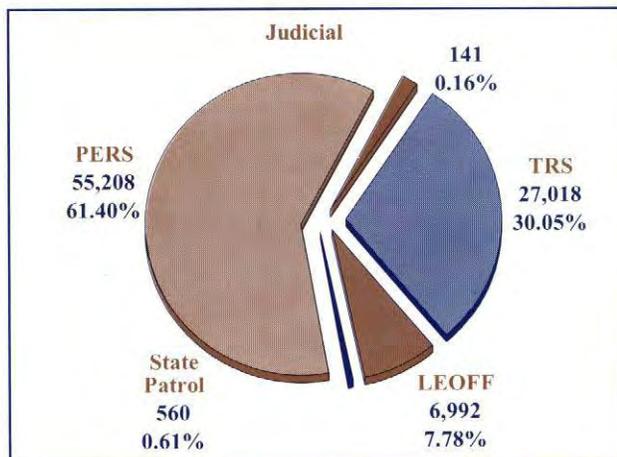
ACTIVE MEMBERS BY SYSTEM



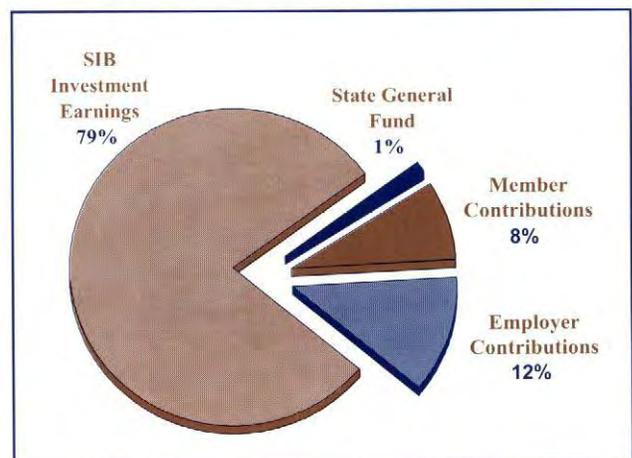
ASSETS AS OF JUNE 30, 1997

PERS I	\$ 8,359,528,348
PERS II	7,723,687,197
TRS I	7,314,219,316
TRS II/3	2,951,200,238
LEOFF I	4,170,693,943
LEOFF II	1,402,130,773
WSP	509,993,744
Vol FF	91,576,303
JUDICAL	3,920,920
TOTAL	\$32,526,950,782

RETIRED MEMBERS BY SYSTEM



TRUST FUND REVENUES



ASSET GROWTH

Over the past ten years, the assets of the Retirement Funds have grown from \$10.0 billion to \$32.5 billion (as of June 30, 1997). This growth has three components: employer contribution, employee contribution, and investment return.

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

The employee contributions are the most predictable of the three components since

most are statutory and less likely to change.

Investment returns are the result of capital market returns and asset allocation. SIB has no control over capital market returns; it does, however, have control over the Retirement Fund's asset allocation. The asset allocation policy is regularly reviewed and revised when appropriate. (See the Asset Allocation section on page 17.)

The long-range objective is to rely largely on investment returns to fund current and future retirement liabilities.

RETIREMENT TRUST FUNDS

*Statement of Revenues, Expenses and Changes in Fund Balances
Fiscal years ending June 30 (Chart in thousands)*

	<u>1993</u>	<u>1994</u>	<u>1995</u>	<u>1996</u>	<u>1997</u>
Fund Equity, Beginning	\$16,408,100	\$18,811,121	\$19,435,135	\$22,834,136	\$27,088,621
Pension Contributions	1,172,196	1,251,429	1,307,748	1,363,394	1,411,680
Earnings on Investments	2,143,587	389,736	3,164,327	4,051,872	5,357,168
Benefits Payments & Refunds	(911,321)	(1,016,124)	(1,070,432)	(1,158,288)	(1,236,287)
Other Income/(Expense)	(1,441)	(1,027)	(2,642)	(2,493)	(729)
Fund Equity, Ending	\$18,811,121	\$19,435,135	\$22,834,136	\$27,088,621	\$32,620,453

The Retirement Fund Total above includes unrealized gains and losses and will therefore differ slightly from Retirement Fund totals found elsewhere in this report. The source of these figures is the 1997 State of Washington Comprehensive Financial Report.

RETIREMENT FUND PERFORMANCE

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

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

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

RETIREMENT TRUST FUND

*Time-Weighted Returns
Periods Ending June 30, 1997*

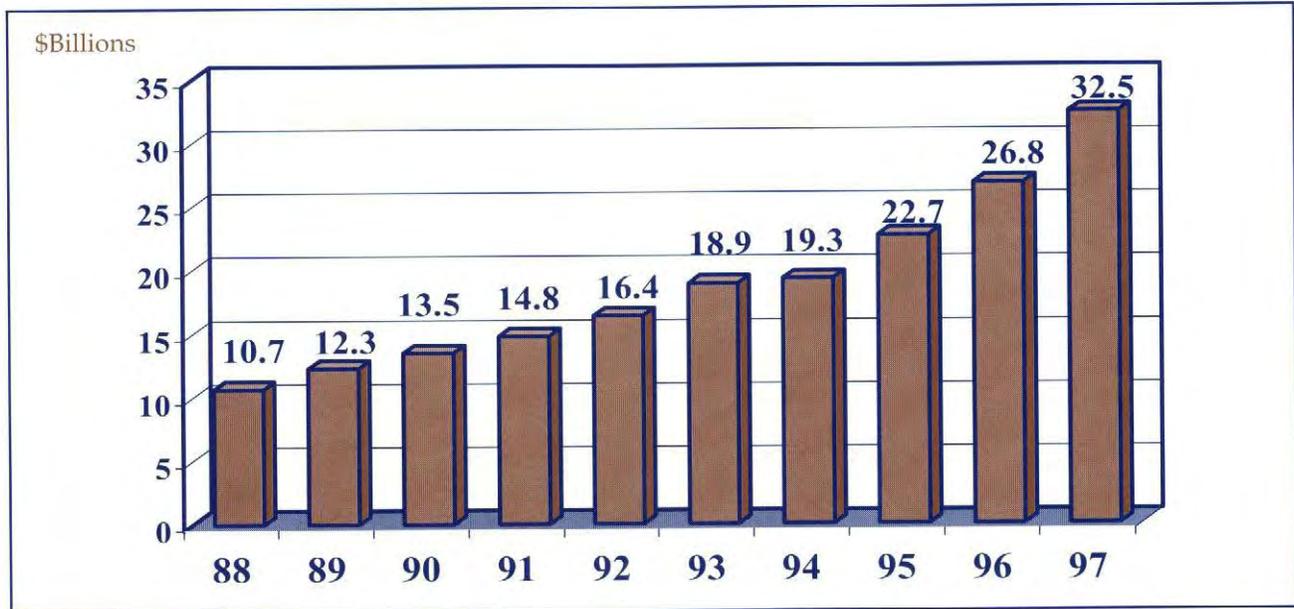
	----- Annualized -----		
	One Year	Three Years	Five Years
Total Fund	20.5%	18.1%	13.8%
<i>TUCS Public Fund Median *</i>	19.9	17.4	13.4
<i>TUCS Total Fund Median *</i>	19.9	18.0	13.9
U. S. Equity	28.1%	26.2%	18.8%
<i>S & P 500 Index</i>	34.6	28.8	19.8
<i>Wilshire 5000 Index</i>	29.3	26.7	19.1
Fixed Income	8.8%	8.9%	7.7%
<i>Lehman Aggregate Bond Index</i>	8.2	8.5	7.1
Cash	5.7%	5.6%	4.8%
<i>90 Day Treasury Bills</i>	5.5	5.6	4.7
Non-US Equity	13.9%	11.1%	13.8%
<i>MSCI EAFE Index</i>	12.8	9.1	12.8
Real Estate	42.2%	25.5%	11.4%
<i>NCREIF Property Index</i>	11.3	9.6	5.8
KKR Portfolio	31.8%	25.9%	22.2%
Venture and Other Portfolio	30.4%	30.7%	26.4%

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

INVESTMENT GROWTH AND RETURNS

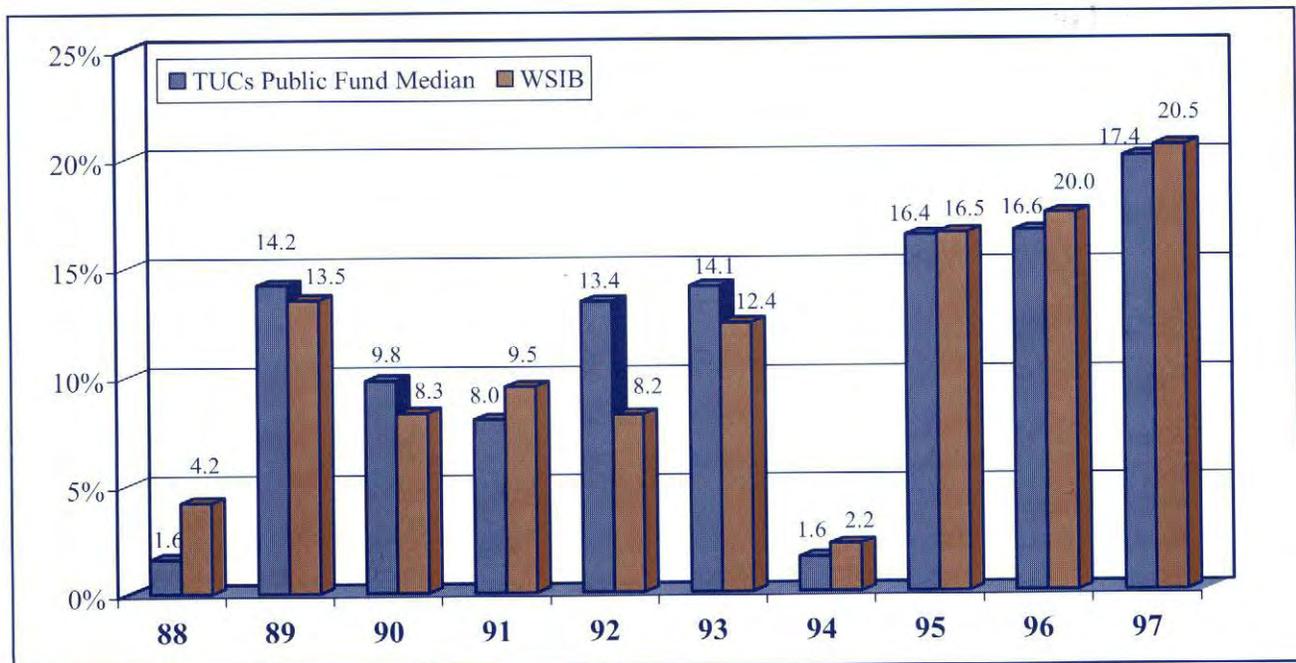
RETIREMENT FUND HISTORICAL MARKET VALUES

Fiscal years ending June 1988 to June 1997



RETIREMENT FUND HISTORICAL RATES OF RETURN

Fiscal years ending June 1988 to June 1997



ASSET ALLOCATION

Investment performance depends on two factors, asset selection and the portfolio's allocation among asset classes (e.g. stocks, fixed income, real estate). Studies suggest that more than 90 percent of investment performance can be explained by the asset allocation decision.

During the last several months of 1996, SIB evaluated its asset allocation targets as it does every two or three years. The Board received opinions from several well-known consultants regarding their expectations for long-term capital market risk, returns, and correlations. Based on these assumptions, the Board worked with staff and consultants to develop optimal portfolio mixes, designed to generate maximum return at a prudent level of risk. The Board evaluated the optimal portfolio mixes and selected

its new asset allocation targets at the December 1996 meeting.

Over a five-year period, the fund will decrease U.S. public market exposure from 70 percent to 61 percent and increase private markets exposure from 15 percent to 24 percent. This strategy will aid in diversification, as well as present opportunities to seek out top-tier performance in these markets.

The new targets increase real estate exposure from 5 to 9 percent, U.S. equity from 35 to 36 percent and private equity from 10 to 15 percent, while decreasing exposure to fixed income from 35 to 25 percent. The non-U.S. equity allocation will remain unchanged at 15 percent. The Board plans to take several years to reach these new target exposures.

RETIREMENT FUND

June 30, 1997

<u>ASSET CLASS</u>	<u>ALLOCATION (IN 000'S)</u>	<u>PERCENT</u>	<u>POLICY RANGE</u>	<u>POLICY TARGET</u>
U.S. Equity	\$13,498,105	41.6%*	31-41%	36%
Fixed Income	9,535,077	29.4	21-29	25
Non-U.S. Equity	5,363,060	16.6	12-18	15
Private Equity	2,650,155	8.2	15-18	15
Real Estate	1,035,989	3.2	9-12	9
Cash	330,811	1.0	0-2	0
TOTAL FUND	\$32,413,197			

*Unallocated funds targeted for Private Equity and Real Estate are invested in U.S. Equities.

U.S. EQUITY PROGRAM

THE PROGRAM

The U.S. Equity portfolio is structured to capture the returns of the broad U. S. equity market, as measured by the Wilshire 5000 Index. This index is comprised of all listed common equities traded on U. S. exchanges, for which pricing information is available, and currently represents more than 7,000 companies.

In May of 1997, the Board adopted the Public Markets Committee's recommendation to passively manage the entire U. S. equity portfolio. Accordingly, more than \$2 billion of actively managed small cap growth stocks and large cap enhanced index equity assets were transitioned from active to passive management.

The SIB uses Barclays Global Investors passively managed index funds to provide the exposure to the Wilshire 5000. As of June 30, 1997,

the SIB had nearly \$13.5 billion invested in the U.S. equity portfolio. Approximately 74 percent of the Wilshire 5000 consisted of large-capitalization, S&P 500 companies. The remaining 26 percent of the index was comprised of mid- and small-capitalization companies. Accordingly, the large-cap component of the SIB U. S. equity portfolio totaled nearly \$10 billion, while the small/mid cap component represented about \$3.5 billion.

FISCAL YEAR HIGHLIGHTS

The U.S. equity markets were strong once again in fiscal year 1996-97. Large-cap stocks significantly outperformed small-cap stocks during the year, as the S&P 500 Index returned 34.6 percent, while smaller stocks, as measured by the Wilshire 4500 Index, returned only 17.0 percent. The return of the SIB U.S. equity portfolio was 28.1 percent for the year.

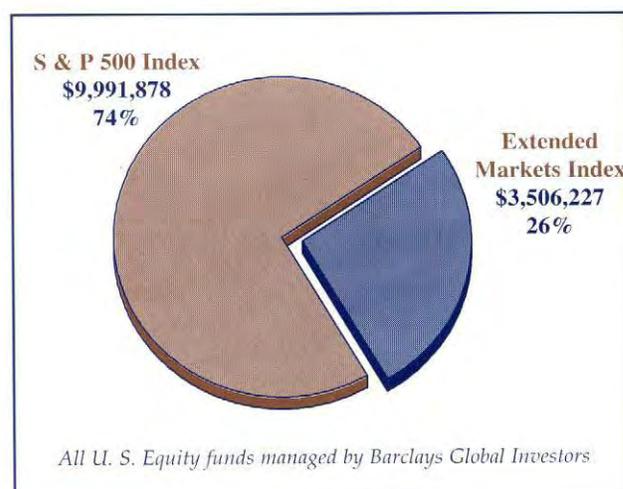
TEN LARGEST EQUITY HOLDINGS

June 30, 1997

General Electric	\$ 313,632,052
Coca Cola	244,778,895
Exxon	223,289,834
Microsoft	221,861,170
Merck & Co.	183,145,424
Royal Dutch	170,455,511
Intel	170,002,556
Philip Morris	158,123,124
Procter & Gamble	139,849,224
IBM	131,107,282
	<u>\$1,956,246,072</u>

U. S. EQUITY PORTFOLIO

June 30, 1997



FIXED INCOME PROGRAM

THE PROGRAM

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

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

- U.S. treasuries (TSY) and government agencies (Agency)
- Investment grade and split-rated corporate bonds (Corp)
- Publicly traded mortgage backed securities (MTG)
- Privately placed mortgages
- Private placements of corporate debt
- Convertible securities
- Non-dollar bonds
- Asset-backed securities (ABS)
- Real estate mortgages

The fixed income management strategy is primarily one of sector selection. The portfolio is structured to be over- or under-weighted relative to the index's major sectors: Treasuries, Agencies, Corporates, Mortgage Backed Securities and Asset Backed Securities. As of June 30, 1997, the portfolio was under-weighted

relative to the index in Governments, over-weighted in Corporates, and similar to index weightings in Asset Backed Securities and Mortgages.

While the total mortgage allocation differs only slightly from the index's, two-thirds of the SIB portfolio mortgages are comprised of Collateralized Mortgage Obligations (CMOs), whose structure provides more stable cash flows than standard pass-through mortgages.

Individual sector structures may also be over- or under-weighted relative to that of the index. For example, the SIB Corporate portfolio's allocation to industry and credit rating differ from the index, as do the Mortgage portfolio's allocation to coupon and maturity.

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

For most of the last year the duration of the portfolio was about 5 percent longer than that of the index.

FIXED INCOME PROGRAM

FISCAL YEAR HIGHLIGHTS

The economy was strong during fiscal 1997, with low unemployment and low inflation. In order to preempt higher inflation, the Federal Reserve raised the Federal Funds rate by 25 basis points in March 1997. For the fiscal year, the one-year, ten-year, and thirty-year treasuries returned 6.27 percent, 7.97 percent, and 6.22 percent, respectively. The yield on the thirty-year treasury bond started the fiscal year at 6.87 percent, peaked in July at 7.19 percent, hit a low of 6.35 percent in November, and finished the year at 6.78 percent.

SIB's fixed income portfolio returned 8.76 percent for the fiscal year, beating the Lehman Aggregate Index return of 8.16 percent. Corporate bonds were the best-performing sector followed by mortgage-backed securities, treasuries, and asset-backed securities. The portfolio had a slightly longer duration than that of the index and was overweighted in corporate bonds.

ALLOCATION TO FIXED INCOME

June 30, 1997

<u>SECTOR</u>	<u>MARKET VALUE</u> <u>(IN 000'S)</u>
Short - Term	
Cash & Equivalents	\$ 160,153
Less: Pending Trades	(148,402)
Total Short - Term	<u>\$ 11,751</u>
Long - Term	
US Treasuries	\$1,942,834
Agencies	192,269
Corporates	3,515,746
Asset Backed	659,542
Mortgages	3,212,935
Total Long - Term	<u>\$9,523,326</u>
Total Fixed Income	<u><u>\$9,535,077</u></u>

FIXED INCOME PROGRAM

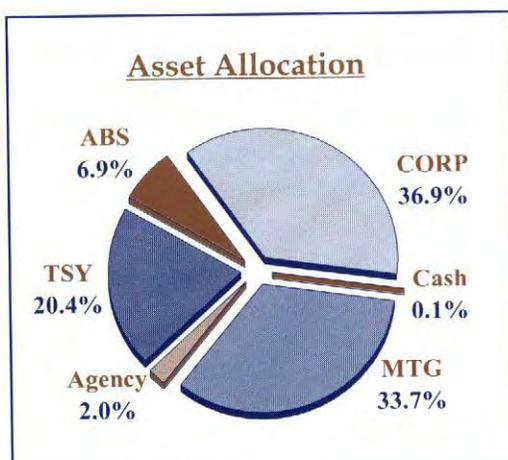
CHARACTERISTICS OF THE FIXED INCOME PORTFOLIO

June 30, 1997

<u>Sector Distribution</u>	<u>SIB Portfolio</u>	<u>Lehman Aggr. Index</u>
Cash	0.1%	0.0%
Treasury	20.4	44.1
Agency	2.0	6.6
Corporate	36.9	18.6
Asset Backed	6.9	0.9
Mortgages	<u>33.7</u>	<u>28.8</u>
	100.0%	100.0%

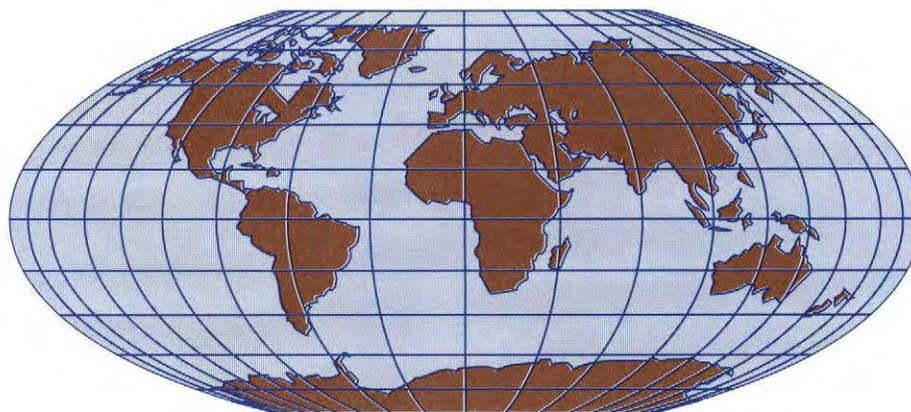
<u>Credit Distribution</u>	
TSY	20.8%
AGY	23.3
Aaa	17.5
Aa	3.1
A	18.7
Baa	14.7
Other	<u>1.9</u>
	100.0%

<u>Coupon Distribution</u>	
0 - 4.9%	0.8%
5 - 6.9	46.4
7 - 7.9	33.3
8 - 8.9	13.1
9 - 9.9	4.0
10 +	<u>2.4</u>
	100.0%



<u>Effective Duration</u>	
0-1 years	6.6%
1-3	22.6
3-4	8.8
4-6	30.2
6-8	15.5
8+	<u>16.3</u>
	100.0%

NON-U.S. EQUITY PROGRAM



THE PROGRAM

Markets outside of the U.S. are considered to be less efficient than domestic markets, and therefore provide portfolio diversification as well as additional opportunities to enhance returns.

As of June 30, 1997, the Non- U. S. Equity Program represented approximately 16.6 percent of the total Retirement Fund. The program consists of a developed markets component and an emerging markets component, employing a combination of active and passive external managers.

The developed markets component represents approximately 85 percent of the program, and is comprised of European and Pacific Basin regional portfolios and a global tactical asset allocation (GTAA) portfolio.

The European allocation is divided among two active managers, Clay Finlay and Mercury Asset Management, and a passive manager, State Street Global Advisors (SSGA). SSGA also manages a passive portfolio in the Pacific Basin region, to complement the portfolios of two active managers, J. P. Morgan and Chancellor LGT. The global tactical asset allocation

portfolio is managed by Cursitor Eaton, who invests in stocks, bonds and cash in various countries around the world, including the United States.

The Emerging Markets component makes up the remaining 15 percent of the Non-U. S. Equity Program. Genesis Asset Managers, Schroder Capital Management, Foreign & Colonial, and Grantham, Mayo, Van Otterloo & Co. all manage active emerging markets portfolios for the SIB. In addition, State Street Global Advisors manages an emerging markets liquidity-tier index fund.

FISCAL YEAR HIGHLIGHTS

International stock returns were mixed for the 1996-97 fiscal year. European stocks were strong, and the MSCI Europe Index returned 30 percent for the year. The Pacific Basin region however, continued to struggle, as the MSCI Pacific Index returned -4.5 percent. The emerging markets, as measured by the IFC Investable Index, returned 13.9 percent for the year.

The SIB's international composite returned 13.9 percent for fiscal 1997, outperforming the MSCI EAFE Index by 1.1 percent.

NON-U.S. EQUITY PROGRAM

ALLOCATION TO NON-U.S. EQUITY

June 30, 1997

<u>DEVELOPED MARKETS</u>	<u>MARKET VALUE</u> <u>(IN 000'S)</u>
Passive European Manager <i>State Street Global Advisors</i>	\$1,335,395
Active European Managers <i>Clay Finlay Inc.</i>	\$ 245,302
<i>Mercury Asset Management</i>	<u>453,756</u>
Total Active European	\$ 699,058
Passive Pacific Basin Manager <i>State Street Global Advisors</i>	\$1,202,446
Active Pacific Basin Managers <i>Chancellor LGT Asset Management</i>	\$ 515,445
<i>J.P. Morgan Investment Management</i>	<u>416,445</u>
Total Active Pacific Basin	\$ 931,890
Global Manager <i>Cursor Eaton Asset Management</i>	\$ 392,826
Total Developed Markets	<u>\$4,561,615</u>
 <u>EMERGING MARKETS</u>	
Passive Emerging Markets Manager <i>State Street Global Advisors</i>	\$ 248,794
Active Emerging Markets Managers <i>Foreign & Colonial</i>	\$ 81,838
<i>Genesis Asset Managers</i>	257,024
<i>Grantham, Mayo, Van Otterloo & Co.</i>	75,856
<i>Schroder Capital Management</i>	<u>137,933</u>
Total Active Emerging Markets	\$ 552,651
Total Emerging Markets	<u>\$ 801,445</u>
TOTAL NON-U.S. EQUITY	<u><u>\$5,363,060</u></u>

PRIVATE EQUITY PROGRAM

THE PROGRAM

Private Equity, also known as Alternative Investments, exhibits unique and alternative portfolio characteristics to more traditional stock and bond investments. Private equity investments are typically long-term (up to 12 years), illiquid, and require active monitoring and management. They are attractive to institutional investors with long investment horizons because they offer higher return potential than other asset classes. They also provide portfolio diversification, because private equity investments tend to move in different market cycles than more traditional asset classes. Growing popularity in private equity over the past 3 to 5 years has motivated institutional investors to allocate between 1 percent and 25 percent of their total portfolios to this asset class.

Generally, private equity portfolios involve investments in operating companies. However, they can also include investments in asset-driven situations such as natural resource-related entities, commodity-related entities, and other financial instruments. Examples of these categories include investments in the following: venture capital (early, expansion, or late stages), established companies (acquisitions, buyouts, distressed companies, equity and debt positions), energy (oil and gas), timberland, agribusiness, commodities, project financing, managed futures, hedge funds, risk arbitrage, joint ventures, and asset or debt securitization.

Private Equity Investment Types

Operating Companies: SIB's private equity investments have thus far been predominantly in ongoing businesses or operating companies. This should continue because of the large size of those markets compared to the asset-driven situation markets. With private equity, the SIB

has investments in all stages of the business life cycle from private start-up technology companies to large multi-national public concerns. Not only do the SIB's investments in the venture area allow it to benefit financially from the dynamic entrepreneurial growth process, but it also allows the SIB to see other benefits to the economy through the extraordinary job creation generated by such growth.

Asset Driven Situations: Asset-driven situations are non-traditional investments or undervalued securities that are expected to rise in value because of anticipated favorable events. These investments also may be in operating companies or entities, but are distinguished by the fact that the value of the investment is influenced predominantly by the underlying asset.

Private Equity Investment Vehicles

There are several legal structures and vehicles that private equity investments can use, such as limited partnerships (LP), limited liability companies (LLC), direct investments in operating companies, and secondary purchases of partnership or direct investment interests. Over the past six years, SIB has invested solely in limited partnerships. Partnership investments are best described as the purchase of a limited partnership interest in a fund or an entity such that the general partner manages the investment process with limited liability and input from the limited partners. As a gesture of loyalty to the fund and the limited partners, the general partner will commit at least one percent of the monies raised and receive a carried interest (profit participation) of between 20 and 25 percent of the profits after return of the original invested capital. All but two of SIB's private equity investments are in the form of limited partnerships.

PRIVATE EQUITY PROGRAM

The objectives of the SIB Private Equity Program are to achieve risk adjusted returns of 300-600 basis points (3-6 percent) above public market returns, and to increase the portfolio value to its allocation target of 15 percent of the total retirement fund.

FISCAL YEAR HIGHLIGHTS

SIB's private equity portfolio increased in value from \$2.4 billion to \$2.7 billion during fiscal year 1997, and now represents approximately 8 percent of the total retirement fund. The Board increased the allocation to private equity from 10 percent to 15 percent in December 1996, but expects to take several years to reach this new target.

The portfolio continues to be heavily weighted to KKR investments, which currently represent approximately 75 percent of the program. Publicly traded companies represent a large component of KKR's holdings. Of the \$2 billion managed by KKR on behalf of the SIB, about 63 percent is publicly traded.

The private equity program continues to seek new and unique investment opportunities including a third international private equity investment, Charterhouse VI.

The continued bull market and U.S. economic strength enabled many of SIB's private equity/public companies to grow significantly and provide liquidity to the fund. Total distributions received by SIB for FY 1997 were \$961 million comprised of \$759 million received from KKR and \$202 million received from partnerships in the Venture Capital and Other portfolio.

Since the inception of the private equity program in 1981, the fund has achieved a 16.1 percent overall internal rate of return (IRR.) The internal rate of return is the standard industry performance measure for the private equity industry. Time weighted rates of return are also calculated for private equity investments. For fiscal year 1997, time weighted returns were 31.8 percent for KKR investments and 30.4 percent for the Venture Capital and Other investments.

ALLOCATION TO PRIVATE EQUITY

June 30, 1997

<u>SUB-ASSET CLASS</u>	<u>MARKET VALUE</u> <u>(000s)</u>
Venture Capital	\$ 123,857
Acquisition/ Buyout	2,048,894
Mezzanine	102,804
Distressed/ Restructuring	113,440
Special Situations	119,096
Real Estate	99,335
Natural Resources	966
International	41,763
TOTAL	\$2,650,155

REAL ESTATE PROGRAM

THE PROGRAM

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

Volatility within the real estate portfolio is minimized through a combination of factors. First, the majority of the SIB's managers own commercial real estate assets in a private investment form. Private investments are not subject to public market volatility and are generally held at cost or priced using appraisal based pricing methodology. Second, real estate capital is diversified among a host of managers with varying investment styles. Third, partnership assets are invested in numerous economic regions and in various property types. Fourth, SIB managers invest at different points within the asset's capital structure.

Each year the SIB approves a Real Estate Investment Plan that establishes funding and return objectives for the real estate program for the ensuing three year planning period. The current plan forecasts that about two billion in additional SIB commitments will be required during the next three-year period to meet the Board's allocation objectives. The plan also establishes long term return expectations for the program. The current plan calls for a target benchmark of one to three percent above the NCREIF index.

The SIB real estate program also oversees an externally managed privately placed commercial mortgage program funded from the SIB's fixed income allocation. The goal of the program is to originate high quality first mortgages secured by geographically diversified income producing commercial real estate assets.

FISCAL YEAR HIGHLIGHTS

During fiscal 1997, real estate markets continued their recovery. For the one-year period ending June 30, 1997, the NCREIF Index posted a total net return of 11.3 percent. The SIB's real estate portfolio returned 42.2 percent for the same time period.

The performance of the SIB's real estate portfolio was positively impacted by the settlement of the Copley / TNE litigation that occurred during fiscal year 1997. In addition to intangible benefits, the SIB recorded cash and real estate asset gains in excess of \$125 million. Restructuring activities also continued on assets previously managed by Copley Real Estate Advisors. During the year, the Board's real estate manager, Jones Lang Wootton Realty Advisors, completed the majority of its

REAL ESTATE PROGRAM

restructuring assignments culminating in the formation of PAC-SIB L.L.C. PAC-SIB, under the management of the Board's longtime partner, Pacific Realty Associates, will assume operating responsibility and co-ownership of all assets previously managed by Copley.

The portfolio's largest asset sale occurred in November of 1996 and involved the office assets of the investment partnership commonly known as NEEP. The assets were acquired by the Beacon Office REIT at a gross purchase price of \$92 million. Commingled closed-end funds

American West I, America West II and RREEF West 6 continued their orderly liquidation as called for in the trust documents. These investments are anticipated to be completely liquidated within the ensuing year.

During the fiscal year, \$1.6 billion in real estate partnerships were approved for funding by the SIB. As of June 30, 1997, 37 mortgages totaling \$216 million have been funded by SIB's commercial mortgage program.

ALLOCATION TO REAL ESTATE

June 30, 1997

<u>ADVISOR / PARTNER</u>	<u>INVESTMENT</u>	<u>MARKET VALUE (IN 000's)</u>
PM Realty Advisors	America West I	\$ 721
PM Realty Advisors	America West II	13,684
Centennial	Centennial	251
Jones Lang Wootton Realty Advisors	NEEP	26,663
Jones Lang Wootton Realty Advisors	WASHCAL/WASHCOP	103,635
Jones Lang Wootton Realty Advisors	Quadrant Lake Union	8,484
Pacific Realty Associates	Pactrust	193,676
Pacific Realty Associates	Pac-SIB	87,180
Lowe Enterprises	Union Square	285,824
Lowe Enterprises	Lowe NW	29,687
Sentinel Realty Advisors	SREF	22,946
RREEF	RREEF West 6	11,818
ERE/Yarmouth	Prime Property	2,754
Security Capital	Security Capital Group	86,781
TA Associates	Olympia Properties	58,954
Morgan Stanley	MSSS	6,041
Taylor Simpson Group	MCPI	10,122
Hudson Advisors	Lonestar	8,115
Hancock Timber	Fores Tree Washington	78,653
Total Real Estate Equity		\$1,035,989

INVESTING IN WASHINGTON



The SIB continually seeks the best investment opportunities no matter where they might be located. The state of Washington naturally attracts a good number of these investable dollars. Washington investments can be found in SIB's public equity, fixed income, private equity and real estate investments.

SIB's U.S. equity portfolio contains share ownership in most major U.S. corporations, many of which are headquartered in the state of Washington. These companies include:

- Boeing
- Cellpro
- Eagle Hardware
- Microsoft
- Price / Costco
- Safeco

In addition to public equity ownership, the SIB holds debt instruments issued by corporations headquartered in Washington. The list includes:

- Nordstrom
- Puget Sound Energy
- Weyerhaeuser
- University of Puget Sound

The most direct impact SIB investment might have on the Washington economy is in private equity ownership. These investments currently include leveraged buyouts and venture capital investments. Some of the leveraged buyout companies that do a substantial amount of business in Washington include:

- Borden
- Duracell
- Motel 6
- Owens-Illinois

Some venture capital companies that are headquartered in Washington include:

- GenQuest
- Freedom Chemical Company
- Cell Therapeutics
- Restaurants Unlimited

The most tangible and visible of SIB's Washington investments are in real estate. The following are some examples located in Seattle:

- One & Two Union Square
- Southcenter Corporate Square

LABOR AND INDUSTRIES, PERMANENT AND OTHER FUNDS

- Labor and Industries Funds
- Permanent Funds
- Other Trusts

LABOR & INDUSTRIES FUNDS

In addition to the responsibility of managing the retirement funds investment program, the Legislature also requires the State Investment Board to manage a number of other funds, each with their own goals and objectives. One of these sets of funds are the insurance funds managed for the Department of Labor and Industries (L & I). The L & I Portfolio consists of four separate insurance funds that total about \$7.5 billion.

ACCIDENT FUND

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

MEDICAL AID FUND

The Medical Aid Fund earns income from premiums paid by both the employer and

employee, as well as investment earnings. Payments are made for conservative medical care, hospital services, artificial appliances, physical and vocational rehabilitation, travel expenses, any other service required by the injured worker, and administrative costs.

ACCIDENT RESERVE FUND

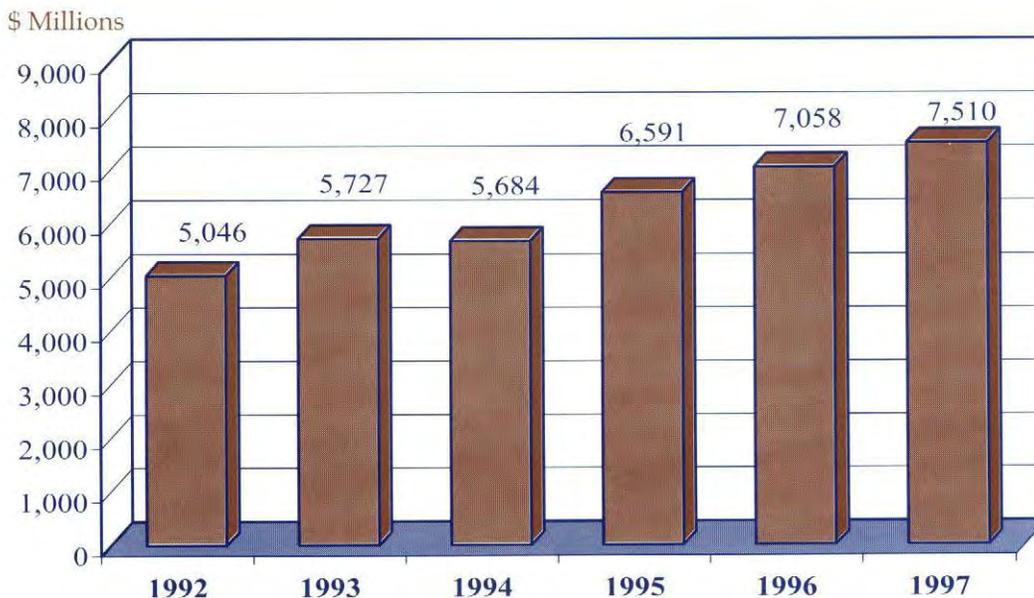
This fund is maintained by transfers of money from the Accident Fund at the time that a new pensioner is set-up. This pays the permanently disabled worker and survivors of deceased injured workers.

SUPPLEMENTAL PENSION FUND

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

HISTORICAL MARKET VALUES

June 30, 1997



LABOR & INDUSTRIES FUNDS

ASSET ALLOCATION

June 30, 1997

<u>Asset Class</u>	<u>Market Value (In 000's)</u>	<u>Percent</u>
Short Term		
Cash	\$ 84,102	1.1%
Less: Pending Trades	(8,528)	(0.1)
Total Short-Term	\$ 75,574	1.0%
Long-Term Fixed Income		
US Treasuries	\$ 567,361	7.6%
Government Agencies	284,729	3.8
Corporate Bonds	2,900,309	38.6
Asset Backed Securities	291,896	3.9
Mortgages	2,143,666	28.5
Total Long-Term Fixed	\$6,187,960	82.4%
Equities		
S & P 500 Index	\$ 783,895	10.4%
Extended Markets	283,974	3.8
MSCI EAFE Index	178,387	2.4
Total Equity	\$1,246,256	16.6%
TOTAL	\$7,509,790	100.0%

LABOR & INDUSTRIES FUNDS

TIME-WEIGHTED RETURN

June 30, 1997

	— Annualized —		
	One Year	Two Years	Three Years
Accident Fund	9.8%	7.4%	9.9%
Medical Aid Fund	12.3	10.7	11.5
Accident Reserve Fund	12.8	10.7	13.4
Supplemental Pension Fund	7.7	6.8	7.8

PORTFOLIO CHARACTERISTICS

June 30, 1997

<u>Sector Distribution</u>		<u>Effective Duration</u>	
Treasury	9.2%	0 - 1 years	3.9
Agency	4.6	1 - 3	21.0
Corporate	46.9	3 - 4	13.9
Asset Backed	4.7	4 - 6	26.8
Mortgages	34.6	6 - 8	13.8
		8+	<u>20.6</u>
Total	<u>100.0%</u>		<u>100.0%</u>
<u>Credit Distribution</u>		<u>Coupon Distribution</u>	
TSY	9.2%	0 - 4.9%	4.0
AGY	28.3	5 - 6.9	43.3
AAA	16.1	7 - 7.9	29.1
AA	4.2	8 - 8.9	14.8
A	28.1	9 - 9.9	6.6
BAA	14.1	10 +	2.2
Other	0.0		
	<u>100.0%</u>		<u>100.0%</u>

PERMANENT AND OTHER FUNDS

PERMANENT FUNDS

The SIB manages assets for six permanent funds each with its own specific purpose and investment constraints. In aggregate, the assets of the Permanent funds total approximately \$548 million. Permanent Funds are considered a fiduciary fund type for financial reporting purposes. 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.

- **Agriculture Permanent Fund**
- **Common School Permanent Fund**
- **Normal School Permanent Fund**
- **Scientific Permanent Fund**
- **State University Permanent Fund**

These five funds 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. Investment earnings are distributed to various colleges and universities in the state for the purpose of bond repayment, capital development, and facilities maintenance.

➤ **Millersylvania Park Trust Fund**

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

OTHER TRUSTS

The SIB manages assets for five other trust funds that total about \$77 million in aggregate. Each fund has its own specific purpose and investment constraints.

➤ **Game and Special Wildlife Fund**

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

➤ **U of W Self-Insurance Revolving Fund**

This fund was created to provide for the payment of judgments and claims against regents, officers, employees, agents and students of the University of Washington.

➤ **State Employees Insurance Reserve**

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

➤ **Radiation Perpetual Fund**

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

➤ **Reclamation Revolving Fund**

This fund was created to provide a source of funding for the reclamation and development of lands suitable, and economically available, for development as agricultural lands.

GLOSSARY

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

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

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

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

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

Beneficiary. The recipient of fund benefits.

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

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

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

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

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

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

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

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

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

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

Liquidity. Describes the ease with which assets can be turned into cash.

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

GLOSSARY

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

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

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

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

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

Style Risk. Individual managers generally can be categorized as investing in certain segments of the market (e.g., market capitalization size or low/high price earning companies). Style risk is the degree of uncertainty and/or the amount of possible loss resulting from a style of management that differs from expectations. Style risk can occur either at

the manager level, asset class level, or the consolidated portfolio level.

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

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

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

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

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

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

Special thanks to the following people for their work in producing SIB's 1997 Annual Report:

Marisa Wulff - Project Supervisor
Patricia Sheridan - Project Coordinator
Deanna Jackson - Graphics
Frank Soiza - Technical Support
Tom Ruggles - Cover Photograph



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WASHINGTON STATE INVESTMENT BOARD

FINANCIAL STATEMENTS & SCHEDULE OF INVESTMENTS

June 30, 1997





Sixteenth Annual Investment Report

Financial Statements and Schedules of Investments

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This is the supplemental booklet to the SIB Sixteenth Annual Investment Report.

RETIREMENT FUNDS

- Asset Allocation Policy
- Notes to Financial Statements
- Statement of Investments
- Schedule of Participation
- Statement of Changes in Investment Balances
- Schedule of Investment Expenses
- Schedule of Investments

NOTE:

The 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 trade date basis. Asset allocation information presented in the Annual 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.

Retirement Fund Asset Allocation Policy

Approved by the Board on August 21, 1997

PURPOSE:

This document outlines the asset allocation policy and performance objectives for the Washington State Investment Board (SIB) Commingled Trust Funds (CTF) and supersedes any prior board adopted policies. Retirement funds are invested in the CTF.

The selection of asset classes, the amount invested in each, and the mix among these is the greatest source of return and risk to the CTF. Therefore, the apportionment and management of the asset allocation is the foundation of the investment program and crucial to its success. The Asset Allocation 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:

Asset Allocation 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 (diversification).

The asset allocation for the CTF is formally reviewed every three or four years. The balance of the asset mix is reviewed monthly by the staff and Board. The Board delegates to the Executive Director the authority to rebalance the asset mix as required. The staff procedure for rebalancing is delineated in Policy, Volume 3.

Performance Benchmark Objective

The CTF's performance benchmark objective is to exceed the return of a policy benchmark consisting of public market indices weighted according to asset allocation targets. The performance benchmark will adjust in-line with the Board adopted asset allocation implementation plan. Based on the current allocation, the long-term performance objective consists of the following benchmark:

54% Wilshire 5000, 30% Lehman Aggregate, and 16% EAFE (Europe, Australia, Far East).

Components of the performance benchmark will shift gradually from the Lehman Aggregate over to the Wilshire 5000 each year between 1997 to 2002.

Asset Allocation

1. The asset allocation target is established by the Board and 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 as shown below. Deviations greater than described may require rebalancing back to the target.

Asset Class	1997	1998	1999	2000	Long-Term Target	Policy Range	Asset Class Range
U.S. Equity	40	38	37	36	36%	31 - 41%	+/- 5
Non-U.S. Equity	16	16	16	15	15%	12 - 18%	+/- 3
Fixed Income	30	29	28	26	25%	21 - 29%	+/- 4
Real Estate	4	6	7	8	9%	0 - 11%	N/A
Alternative Investments	10	11	12	14	15%	0 - 16%	N/A
Cash					0%		0 - 2%

When an asset class exceeds its range, the goal of rebalancing will be to meet the target allocation within consideration of the other remaining asset classes.

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 CTF within the context of the objectives and constraints delineated above, the following permissible ranges have been established for specific investments:

Rebalancing Procedure

1. The Board delegates to the Executive Director the authority to rebalance the CTF asset allocation within the procedures established in Policy 3.10.100, Volume 3.
2. Idle cash will be allocated to asset classes and investment managers based on target allocations.
3. Assets will be rebalanced across asset classes when market values of assets fall outside policy ranges. Rebalancing will be accomplished first using normal cash flows and second through reallocation of assets across asset classes. The timing of the re-balancing will be based on market opportunities and the consideration of transaction costs, and therefore need not occur immediately.

4. **Rebalance Within Asset Classes:** Rebalancing of public securities 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.

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.

5. 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 Asset Allocation Policy

Market and fund conditions are dynamic, not static. Therefore, the asset allocation policy statement and general CTF investment 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 the actual asset allocation to the Board monthly.

Responsibilities

1. **Board** - Responsible for approving CTF asset allocation and investment policy and for monitoring allocation maintained within target ranges.
2. **Administrative Committee** - Responsible for reviewing and recommending the CTF asset allocation and investment policy to the Board.
3. **Public/Private Markets Committees** - Responsible for structural investments within the asset allocation policy (and appropriate asset class policies) and assisting with allocation management as indicated above.
4. **Staff** - Responsible for reviewing the asset allocation monthly, monitoring future anticipated cash flow and rebalancing to the targets (shifts across asset classes will be reported as soon as practical to the Board as part of the monthly asset allocation review). Responsible for implementing and maintaining policy and reporting to Administrative Committee and Board.

Washington State Investment Board

Retirement Funds

Notes to Financial Statements
June 30, 1997

Note 1: Significant Accounting Policies

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

Interest and dividend income is accrued when earned. Capital gains and losses are recognized on a trade date basis.

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.

As of the fiscal year ended June 30, 1997, the SIB changed to the trade date method of recording purchase and sale transactions.

In fiscal year 1997, the SIB implemented the provisions of Statement No. 28 of the Governmental Accounting Standards Board, Accounting and Financial Reporting for Securities Lending Transactions. In accordance with Statement No. 28, the SIB is reporting collateral received under securities lending agreements where the state has the ability to spend, pledge or sell the collateral without borrower default. Liabilities resulting from these transactions are also reported. Additionally, costs associated with securities lending transactions, including broker rebates paid, are reported as investment management expenses in the accompanying statements. The Schedule of Investments and Statement of Investments do not include detailed holdings of securities lending collateral by investment classification.

Note 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 business day of each month.

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

Note 3: Fees and Expenses

Investment related fees and expenses are paid from non-appropriated funds. The Schedule of

Investment Expenses is a listing of non-appropriated fees and expenses paid during the fiscal year ending June 30, 1997. Not reflected in the schedule, are management fees for many real estate and venture capital investments which are paid from the partnerships, and some commingled equity index funds which are netted directly from investment earnings. The dramatic increase in securities lending costs from previous years is due to a change in reporting per GASB.

Note 4: Unfunded Commitments

The SIB has entered into a number of agreements that commit the state, upon request, to make additional investment purchases up to a stated amount. As of June 30, 1997, that state had the following unfunded investment commitments:

Leveraged Buy-outs	\$ 968,137,532
Venture Capital	\$ 648,709,095

**WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS**

Statement of Investments - Unaudited
June 30, 1997

	COMMINGLED TRUST FUND (NOTE 2)	PLAN-SPECIFIC INVESTMENTS (NOTE 2)	TOTAL	PERCENT TO TOTAL
Short - Term Securities	\$ 596,684,743	\$ 84,636,980	\$ 681,321,723	2.1%
U.S. Government Securities	2,102,503,150		2,102,503,150	6.5%
Mortgages and Mortgage Backed Securities	3,197,151,273		3,197,151,273	9.8%
Asset Backed Securities	656,193,547		656,193,547	2.0%
Corporate Obligations - Domestic & Yankee	3,446,950,550		3,446,950,550	10.6%
Corporate Obligations - Foreign	27,728,147		27,728,147	0.1%
Venture Capital	498,465,687		498,465,687	1.5%
Leveraged Buy-Outs	2,151,689,627		2,151,689,627	6.6%
Real Estate Equity	1,035,988,507		1,035,988,507	3.2%
Corporate Stock - Foreign	2,173,429,385		2,173,429,385	6.7%
Commingled Index Funds - Domestic	13,496,333,165		13,496,333,165	41.5%
Commingled Index Funds - Foreign	3,059,196,021		3,059,196,021	9.4%
Total Carrying Value, June 30, 1997	\$ 32,442,313,802	\$ 84,636,980	\$ 32,526,950,782	100%

See Notes to Financial Statements.

**WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS**

Schedule of Participation - Unaudited
June 30,1997

<u>RETIREMENT PLAN:</u>	<u>COMMINGLED TRUST FUND (NOTE 2)</u>	<u>PLAN-SPECIFIC INVESTMENTS (NOTE 2)</u>	<u>TOTAL</u>	<u>PERCENT TO TOTAL</u>
PERS I	\$ 8,358,201,081	\$ 1,327,267	\$ 8,359,528,348	25.70%
PERS II	7,691,393,941	32,293,256	7,723,687,197	23.75%
TEACHERS I	7,300,138,306	14,081,010	7,314,219,316	22.49%
TEACHERS II/3 (DC and DB Plans)	2,934,636,923	16,563,315	2,951,200,238	9.07%
VOLUNTEER FIREFIGHTERS	91,147,625	428,678	91,576,303	0.28%
WASHINGTON STATE PATROL	509,831,171	162,573	509,993,744	1.57%
LEOFF I	4,166,487,482	4,206,461	4,170,693,943	12.82%
LEOFF II	1,390,477,273	11,653,500	1,402,130,773	4.31%
JUDICIAL	-	3,920,920	3,920,920	0.01%
	\$ 32,442,313,802	\$ 84,636,980	\$ 32,526,950,782	100.00%

See Notes to Financial Statements.

WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS
Statement of Changes in Investment Balances - Unaudited
For the Fiscal Year Ended June 30, 1997

	Commingled Trust Fund Note (2)	Plan-Specific Investments Note (2)	Total
Net Asset Value - June 30, 1996	\$ 26,881,855,287	\$ 123,837,617	\$ 27,005,692,904
<u>Fiscal Year 1997 Activity:</u>			
Net Receipt from Retirement Plans	\$ -	\$ 140,477,301	\$ 140,477,301
Investments in Commingled Funds	\$ 673,227,464	\$ (673,227,464)	\$ -
Withdrawals from Commingled Funds	\$ (494,014,157)	\$ 494,014,157	\$ -
Investment Earnings (Note 1):			
Income	\$ 1,056,935,721	\$ 4,474,294	\$ 1,061,410,015
Capital Gains	465,559,741		465,559,741
Capital Losses	(244,136,843)		(244,136,843)
Market Gains and Losses (Realized and Unrealized)	4,162,433,224		4,162,433,224
Investment Expenses (Note 3)	(87,061,401)	(507)	(87,061,908)
WSIB Operating Costs		(4,404,074)	(4,404,074)
Net Investment Earnings	\$ 5,353,730,442	\$ 69,713	\$ 5,353,800,155
Net Asset Value - June 30, 1997	\$ 32,414,799,037	\$ 85,171,324	\$ 32,499,970,361
<u>Net Asset Value Recap - June 30, 1997:</u>			
Investments (at Market Value)	\$ 32,442,383,802	\$ 84,636,980	\$ 32,527,020,782
Investment Earnings Receivable	158,254,161	536,088	158,790,249
Investment Management Fees Payable	(25,413,738)	(1,744)	(25,415,482)
Receivable for Investments Sold	33,225,696		33,225,696
Payable for Investments Purchased	(193,650,884)		(193,650,884)
Collateral Held Under Securities Lending Agreements	1,685,510,509		1,685,510,509
Obligations Under Securities Lending Agreements	(1,685,510,509)		(1,685,510,509)
Total Net Asset Value - June 30, 1997	\$ 32,414,799,037	\$ 85,171,324	\$ 32,499,970,361

See Notes to Financial Statements.

**WASHINGTON STATE INVESTMENT BOARD
RETIREMENT FUNDS**

Schedule of Investment Expenses
For the Year Ended June 30, 1997

PUBLIC EQUITY SECURITIES:

Active Equity Managers	\$ 3,923,455
Passive Equity Managers	793,846
Enhanced Equity Managers	1,020,218
Global Managers	720,657
International Active Equity Managers	3,579,607
International Passive Equity Managers	967,389
Equity Commissions Paid	6,770,955

ALTERNATIVE INVESTMENTS:

Venture Capital	\$ 800,000
Real Estate	1,016,590

OTHER FEES:

Securities Lending Fees	\$ 64,148,333 *
Consultants and Advisors	2,742,486
Custodians	385,050
Legal Fees	193,323

Total Fees Fiscal Year 1997	<u><u>\$ 87,061,908</u></u>
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** Includes securities lending investment management fees and broker rebates paid. Securities lending costs are reported differently than in the past due to new GASB requirements effective 7/1/96. See financial notes 1 and 3.*

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
SHORT - TERM SECURITIES:				
CURRENCIES				
MALAYSIAN RINGGIT	N/A	N/A	N/A	8,433,791
FRENCH FRANC	N/A	N/A	N/A	5,360,176
JAPANESE YEN	N/A	N/A	N/A	5,309,052
BRITISH POUND	N/A	N/A	N/A	3,549,102
HONG KONG DOLLAR	N/A	N/A	N/A	2,862,587
NETHERLANDS GUILDER	N/A	N/A	N/A	2,812,854
GERMAN MARK	N/A	N/A	N/A	2,615,479
KOREAN WON	N/A	N/A	N/A	2,388,787
FINNISH MARC	N/A	N/A	N/A	2,031,674
AUSTRALIAN SCHILLING	N/A	N/A	N/A	2,029,619
ITALIAN LIRA	N/A	N/A	N/A	1,415,422
SINGAPORE DOLLAR	N/A	N/A	N/A	1,381,046
NORWEGIAN KRONE	N/A	N/A	N/A	860,585
SWEDISH KRONA	N/A	N/A	N/A	631,135
SWISS FRANC	N/A	N/A	N/A	455,574
NEW ZEALAND DOLLAR	N/A	N/A	N/A	306,086
DANISH KRONE	N/A	N/A	N/A	185,105
SPANISH PESETA	N/A	N/A	N/A	104,358
INDIAN RUPEE	N/A	N/A	N/A	49,712
UNITED STATES DOLLAR	N/A	N/A	N/A	(1,137,743)
<i>TOTAL CURRENCIES</i>				<u>\$ 41,644,402</u>
CASH EQUIVALENTS				
STATE STREET BANK SHORT TERM INV. FUND	N/A	N/A	N/A	506,186,861
BANK OF TOKYO MITSUBISHI	7/14/97	5.6875	48,650,000	48,650,000
BANK OF TOKYO MITSUBISHI	7/17/97	5.6875	76,000,000	76,000,000
<i>TOTAL CASH EQUIVALENTS</i>				<u>\$ 630,836,861</u>
US TREASURY BILLS				
UNITED STATES TREAS BILLS	8/21/97	-	8,450,000	8,389,329
UNITED STATES TREAS BILLS	11/13/97	-	460,000	451,131
<i>TOTAL US TREASURY BILLS</i>				<u>\$ 8,840,460</u>
TOTAL SHORT-TERM SECURITIES				<u>\$ 681,321,723</u>
US GOVERNMENT SECURITIES:				
TREASURIES				
UNITED STATES TREAS NTS	12/31/98	5.1250	50,900,000	50,295,308
UNITED STATES TREAS NTS	2/15/99	5.0000	100,000,000	98,422,000
UNITED STATES TREAS NTS	2/15/99	8.8750	160,095,000	167,049,527
UNITED STATES TREAS NTS	3/31/99	5.8750	183,000,000	182,542,500
UNITED STATES TREAS NTS	6/30/99	6.7500	120,000,000	121,462,800
UNITED STATES TREAS NTS	7/15/99	6.3750	100,000,000	100,547,000
UNITED STATES TREAS NTS	8/31/99	6.8750	25,000,000	25,371,000
UNITED STATES TREAS NTS	11/15/99	7.8750	69,000,000	71,566,110
UNITED STATES TREAS NTS	3/31/00	6.8750	35,000,000	35,568,750
UNITED STATES TREAS NTS	6/30/00	5.8750	28,250,000	27,976,258

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
UNITED STATES TREAS NTS	9/30/00	6.1250	50,000,000	49,781,000
UNITED STATES TREAS NTS	2/15/01	7.7500	15,000,000	15,686,700
UNITED STATES TREAS NTS	5/31/01	6.5000	42,400,000	42,631,928
UNITED STATES TREAS NTS	8/15/02	6.3750	6,000,000	5,998,140
UNITED STATES TREAS NTS	2/15/03	6.2500	175,300,000	173,930,907
UNITED STATES TREAS BONDS	11/15/03	11.8750	49,500,000	63,290,205
UNITED STATES TREAS NTS	2/15/04	5.8750	42,000,000	40,694,220
UNITED STATES TREAS NTS	5/15/04	7.2500	160,000,000	166,774,400
UNITED STATES TREAS NTS	11/15/04	7.8750	59,000,000	63,673,980
UNITED STATES TREAS NTS	5/15/05	6.5000	21,000,000	20,960,520
UNITED STATES TREAS NTS	7/15/06	7.0000	11,000,000	11,316,250
UNITED STATES TREAS BONDS	5/15/11	13.8750	31,000,000	45,846,210
UNITED STATES TREAS BONDS	8/15/13	12.0000	30,000,000	42,229,800
UNITED STATES TREAS BONDS	11/15/15	9.8750	25,300,000	33,269,500
UNITED STATES TREAS BONDS	5/15/16	7.2500	18,000,000	18,770,580
UNITED STATES TREAS BONDS	5/15/17	8.7500	75,000,000	90,234,000
UNITED STATES TREAS BONDS	5/15/20	8.7500	72,540,000	88,067,912
UNITED STATES TREAS BONDS	2/15/21	7.8750	52,500,000	58,537,500
<i>TOTAL US TREASURIES:</i>				<u>\$ 1,912,495,005</u>
AGENCIES				
FEDERAL NATL MTG ASSOC MTN	10/30/98	4.9400	50,000,000	49,351,500
FEDERAL NATL MTG ASSOC	4/10/00	9.0500	5,000,000	5,291,400
FEDERAL NATL MTG ASSOC MTN	6/16/00	6.2500	21,500,000	21,432,705
FEDERAL HOME LN BKS	2/25/04	9.5000	10,000,000	11,487,500
FEDERAL HOME LN MTG CORP	6/1/04	7.7400	55,000,000	55,575,850
FEDERAL NATL MTG ASSOC MTN	8/22/05	6.8500	12,000,000	12,035,640
FEDERAL NATL MTG ASSOC MTN	3/21/06	6.6250	25,000,000	24,632,750
TENNESSEE VALLEY AUTHORITY	9/15/34	8.2500	10,000,000	10,200,800
<i>TOTAL AGENCIES</i>				<u>\$ 190,008,145</u>
TOTAL US GOVERNMENT SECURITIES				<u>\$ 2,102,503,150</u>
<u>MORTGAGES AND MORTGAGE BACKED SECURITIES:</u>				
PASS THROUGH MORTGAGES				
FHLMC GTD MTG CT (GMC)	9/15/97	8.3750	157,600	158,437
FHLMC GTD MTG CT (GMC)	3/15/00	8.1250	442,058	450,921
FHLMC GTD MTG CT (GMC)	9/15/05	8.2000	1,489,831	1,591,199
FHLMC GOLD GNOME G10 372	8/1/10	6.5000	18,843,655	18,580,598
FHLMC GOLD C00 303	3/1/24	6.5000	3,654,606	3,524,392
FHLMC GIANT WAM SWAP 30-6660	3/15/19	7.0000	1,995,072	1,998,344
FHLMC GOLD D77 160	1/1/27	7.0000	9,999,024	9,811,543
FHLMC GOLD D77 161	1/1/27	7.0000	10,058,683	9,870,083
FHLMC GOLD D77 225	1/1/27	7.0000	9,988,388	9,801,106
FHLMC GOLD D77 295	1/1/27	7.0000	9,953,314	9,766,689
FHLMC GOLD D77 559	1/1/27	7.0000	5,005,758	4,911,900
FHLMC GOLD C00 335	5/1/24	7.5000	34,645,028	34,926,345
FHLMC GOLD C80 158	5/1/24	7.5000	8,133,877	8,199,924
FHLMC GOLD C00 321	6/1/25	7.5000	2,036,383	2,051,005
FHLMC GOLD D62 902	8/1/25	7.5000	1,772,371	1,782,066
FHLMC GOLD D63 625	9/1/25	7.5000	952,663	957,874

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
FHLMC GOLD C00 425	10/1/25	7.5000	7,508,640	7,549,713
FHLMC GOLD D65 317	11/1/25	7.5000	2,753,300	2,768,360
FHLMC GOLD D65 018	11/1/25	7.5000	2,584,505	2,598,642
FHLMC GOLD D65 071	11/1/25	7.5000	912,123	917,113
FHLMC GOLD D65 068	11/1/25	7.5000	775,037	779,276
FHLMC GOLD D65 211	11/1/25	7.5000	958,809	964,054
FHLMC GOLD D65 404	11/1/25	7.5000	726,684	730,659
FHLMC GOLD D65 599	11/1/25	7.5000	2,784,872	2,800,105
FHLMC GOLD D66 447	11/1/25	7.5000	969,950	975,255
FHLMC GOLD C80 358	11/1/25	7.5000	555,144	558,181
FHLMC GOLD D66 251	12/1/25	7.5000	989,712	995,126
FHLMC GOLD D66 280	12/1/25	7.5000	787,418	791,725
FHLMC GOLD D66 023	12/1/25	7.5000	972,737	978,058
FHLMC GOLD D66 089	12/1/25	7.5000	530,250	533,151
FHLMC GOLD D66 145	12/1/25	7.5000	699,660	703,487
FHLMC GOLD D67 132	12/1/25	7.5000	594,420	597,672
FHLMC GOLD D66 386	12/1/25	7.5000	1,822,186	1,832,153
FHLMC GOLD D66 440	12/1/25	7.5000	663,591	667,220
FHLMC GOLD D66 580	12/1/25	7.5000	747,162	751,249
FHLMC GOLD D66 681	12/1/25	7.5000	756,091	760,227
FHLMC GOLD D66 700	12/1/25	7.5000	898,392	903,306
FHLMC GOLD D66 758	12/1/25	7.5000	540,400	543,356
FHLMC GIANT NONGNOME 50-1731	12/1/04	8.0000	1,592,544	1,610,046
FHLMC SWAP 29-1274	4/1/17	8.0000	1,636,244	1,693,938
FHLMC SWAP 29-4881	6/1/17	8.0000	263,319	272,627
FHLMC SWAP 29-9465	6/1/17	8.0000	157,008	162,558
FHLMC SWAP 30-3198	3/1/18	8.0000	18,529	19,189
FHLMC GOLD G00577	11/1/25	8.0000	14,199,171	14,562,954
FHLMC GOLD G00607	12/1/25	8.0000	30,660,016	31,445,526
FHLMC GOLD D73 818	8/1/26	8.0000	662,205	677,721
FHLMC PC 16-0034	12/1/07	8.5000	77,089	80,050
FHLMC PC 16-0037	1/1/08	8.5000	81,338	84,462
FHLMC PC 16-0038	2/1/08	8.5000	149,968	155,728
FHLMC PC 17-0019	2/1/08	8.5000	522,795	542,876
FHLMC PC 16-0039	3/1/08	8.5000	405,445	421,018
FHLMC SWAP 28-4973	5/1/08	8.5000	8,983	9,240
FHLMC SWAP 28-0417	9/1/16	8.5000	2,634	2,765
FHLMC SWAP 26-0847	1/1/17	8.5000	8,224	8,632
FHLMC SWAP 28-5569	1/1/17	8.5000	65,286	68,538
FHLMC SWAP 28-5709	1/1/17	8.5000	102,824	107,938
FHLMC SWAP 28-8409	2/1/17	8.5000	27,754	29,137
FHLMC SWAP 28-9144	2/1/17	8.5000	43,240	45,394
FHLMC SWAP 28-9625	2/1/17	8.5000	15,597	16,375
FHLMC SWAP 28-7894	3/1/17	8.5000	142,798	149,925
FHLMC SWAP 28-7948	3/1/17	8.5000	38,794	40,716
FHLMC SWAP 28-9135	3/1/17	8.5000	75,716	79,258
FHLMC SWAP 28-9152	3/1/17	8.5000	172,853	181,480
FHLMC SWAP 28-9214	3/1/17	8.5000	67,207	70,556
FHLMC SWAP 28-9376	3/1/17	8.5000	141,605	148,673
FHLMC SWAP 28-9630	3/1/17	8.5000	74,221	77,926
FHLMC SWAP 29-1424	3/1/17	8.5000	43,028	45,176
FHLMC SWAP 29-2320	3/1/17	8.5000	76,240	80,045
FHLMC SWAP 28-9884	4/1/17	8.5000	302,728	317,837
FHLMC SWAP 28-9373	4/1/17	8.5000	52,641	55,244

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FHLMC SWAP 28-9434	4/1/17	8.5000	1,307	1,366
FHLMC SWAP 29-0815	4/1/17	8.5000	123,720	129,840
FHLMC SWAP 29-0070	4/1/17	8.5000	4,330	4,484
FHLMC SWAP 29-0165	4/1/17	8.5000	24,939	25,962
FHLMC SWAP 29-0303	4/1/17	8.5000	89,283	93,731
FHLMC SWAP 29-1140	4/1/17	8.5000	7,550	7,926
FHLMC SWAP 29-1470	4/1/17	8.5000	39,168	41,123
FHLMC SWAP 29-1802	4/1/17	8.5000	30,700	32,227
FHLMC SWAP 29-2075	4/1/17	8.5000	38,874	40,814
FHLMC PC 17-0222	5/1/17	8.5000	81,073	85,098
FHLMC SWAP 29-4102	5/1/17	8.5000	13,306	13,963
FHLMC SWAP 29-2624	5/1/17	8.5000	49,572	52,041
FHLMC PC 16-0040	3/1/08	8.7500	70,746	73,551
FHLMC PC 16-0045	5/1/08	8.7500	7,236	7,523
FHLMC PC 16-0046	5/1/08	8.7500	220,161	229,462
FHLMC PC 16-0047	5/1/08	8.7500	69,104	72,023
FHLMC GNOME 38-0021	5/1/03	9.0000	2,325,173	2,431,247
FHLMC GIANT SWAP 30-4278	7/1/18	9.0000	9,803,748	10,398,051
FHLMC GIANT SWAP 30-4281	7/1/18	9.0000	9,840,445	10,436,972
FHLMC GIANT SWAP 53-8275	12/1/19	9.0000	150,764	159,761
FHLMC SWAP 18-5401	5/1/12	9.2500	362,087	384,164
FHLMC PC 16-0063	10/1/08	9.5000	193,154	205,925
FHLMC PC 17-0186	8/1/16	9.5000	1,053,137	1,132,438
FHLMC PC 36-0003	6/1/17	9.5000	1,110,052	1,193,117
FHLMC GIANT SWAP 53-8318	12/1/19	10.0000	3,263,320	3,566,189
FHLMC PC 17-0141	9/1/15	11.0000	121,642	134,463
FHLMC SWAP 25-6790	9/1/15	11.0000	78,703	86,998
FHLMC PC 17-0145	10/1/15	11.0000	262,157	290,758
FHLMC PC 17-0147	11/1/15	11.0000	1,186,092	1,324,865
FHLMC PC 17-0149	12/1/15	11.0000	324,104	361,435
FHLMC PC 17-0029	5/1/10	12.0000	209,860	238,047
FNMA PL 278 016	4/1/24	6.0000	2,886,359	2,699,640
FNMA 15 YR PL 324 308	9/1/08	6.5000	40,592,735	40,068,277
FNMA 15 YR PL 329 775	1/1/11	6.5000	470,445	461,770
FNMA 15 YR PL 322 608	5/1/11	6.5000	617,325	605,941
FNMA 15 YR PL 339 802	5/1/11	6.5000	490,793	481,743
FNMA 15 YR PL 346 538	5/1/11	6.5000	509,553	500,157
FNMA 15 YR PL 250 613	6/1/11	6.5000	949,037	931,537
FNMA 15 YR PL 344 166	6/1/11	6.5000	551,483	541,314
FNMA (20YR) PL 298 169	3/1/16	6.5000	513,042	495,886
FNMA (20YR) PL 339 465	3/1/16	6.5000	107,555	103,958
FNMA (20YR) PL 250 582	4/1/16	6.5000	1,659,344	1,603,856
FNMA (20YR) PL 329 840	4/1/16	6.5000	229,395	221,724
FNMA (20YR) PL 330 934	4/1/16	6.5000	855,745	827,129
FNMA (20YR) PL 338 386	4/1/16	6.5000	469,705	453,998
FNMA (20YR) PL 340 808	4/1/16	6.5000	1,450,504	1,405,161
FNMA (20YR) PL 341 847	4/1/16	6.5000	1,147,458	1,110,567
FNMA (20YR) PL 341 864	4/1/16	6.5000	738,296	714,560
FNMA (20YR) PL 344 205	4/1/16	6.5000	1,216,990	1,177,864
FNMA (20YR) PL 346 227	4/1/16	6.5000	2,234,897	2,165,035
FNMA (20YR) PL 250 591	5/1/16	6.5000	2,292,371	2,215,714
FNMA (20YR) PL 338 403	5/1/16	6.5000	2,847,867	2,752,634
FNMA (20YR) PL 338 427	5/1/16	6.5000	2,081,790	2,014,860
FNMA (20YR) PL 342 721	5/1/16	6.5000	809,611	784,303

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FNMA (20YR) PL 344 731	5/1/16	6.5000	982,810	951,213
FNMA (20YR) PL 344 786	5/1/16	6.5000	1,113,093	1,077,307
FNMA (20YR) PL 344 289	5/1/16	6.5000	1,233,270	1,193,620
FNMA (20YR) PL 345 592	5/1/16	6.5000	173,500	167,922
FNMA (20YR) PL 344 818	5/1/16	6.5000	991,352	959,480
FNMA (20YR) PL 346 842	5/1/16	6.5000	462,268	447,406
FNMA PL 050 965	1/1/24	6.5000	90,510	87,116
FNMA PL 331 653	1/1/26	6.5000	2,920,924	2,795,880
FNMA PL 337 262	2/1/26	6.5000	2,268,783	2,171,657
FNMA PL 337 764	2/1/26	6.5000	2,387,330	2,285,128
FNMA PL 337 842	2/1/26	6.5000	4,305,483	4,121,165
FNMA PL 250 529	3/1/26	6.5000	11,520,764	11,027,560
FNMA PL 330 642	3/1/26	6.5000	1,104,915	1,057,613
FNMA PL 331 727	3/1/26	6.5000	5,505,428	5,269,741
FNMA PL 331 751	3/1/26	6.5000	5,126,654	4,907,182
FNMA PL 336 239	3/1/26	6.5000	3,916,547	3,748,880
FNMA PL 336 255	3/1/26	6.5000	2,778,758	2,659,799
FNMA PL 337 430	3/1/26	6.5000	2,815,997	2,695,444
FNMA PL 337 428	3/1/26	6.5000	2,918,614	2,793,669
FNMA PL 337 442	3/1/26	6.5000	3,112,071	2,978,843
FNMA PL 338 013	3/1/26	6.5000	18,249,687	17,468,418
FNMA PL 338 017	3/1/26	6.5000	5,130,731	4,911,084
FNMA PL 338 294	3/1/26	6.5000	1,698,525	1,625,811
FNMA PL 338 701	3/1/26	6.5000	2,867,978	2,745,200
FNMA PL 338 708	3/1/26	6.5000	4,931,206	4,720,101
FNMA PL 338 741	3/1/26	6.5000	4,476,562	4,284,920
FNMA PL 339 416	3/1/26	6.5000	8,550,447	8,184,403
FNMA PL 340 507	3/1/26	6.5000	3,441,588	3,294,253
FNMA PL 340 581	3/1/26	6.5000	3,433,664	3,286,668
FNMA PL 340 583	3/1/26	6.5000	3,434,577	3,287,543
FNMA PL 340 577	3/1/26	6.5000	7,713,304	7,383,098
FNMA PL 340 754	3/1/26	6.5000	2,969,569	2,842,441
FNMA PL 339 693	5/1/26	6.5000	8,720,490	8,347,166
FNMA PL 359 424	5/1/26	6.5000	14,590,899	13,966,263
FNMA PL 303 960	6/1/26	6.5000	3,716,284	3,557,190
FNMA PL 361 105	9/1/26	6.5000	5,473,282	5,232,074
FNMA 15 YR PL 050 763	7/1/08	7.0000	1,665,382	1,671,094
FNMA 15 YEAR TBA	3/1/12	7.0000	76,000,000	76,000,000
FNMA PL 219 662	8/1/23	7.0000	1,059,116	1,043,568
FNMA PL 227 422	8/1/23	7.0000	2,354,342	2,319,780
FNMA PL 320 092	8/1/25	7.0000	1,367,107	1,341,473
FNMA PL 320 187	8/1/25	7.0000	714,800	701,398
FNMA PL 320 815	8/1/25	7.0000	483,873	474,800
FNMA PL 320 392	9/1/25	7.0000	827,030	814,112
FNMA PL 321 140	9/1/25	7.0000	5,527,599	5,423,957
FNMA PL 324 943	9/1/25	7.0000	443,158	434,849
FNMA PL 319 225	10/1/25	7.0000	597,137	585,941
FNMA PL 326 477	10/1/25	7.0000	6,659,521	6,534,655
FNMA PL 329 170	10/1/25	7.0000	477,800	468,841
FNMA PL 326 670	11/1/25	7.0000	6,109,646	5,995,090
FNMA PL 329 813	11/1/25	7.0000	5,402,261	5,300,969
FNMA PL 330 716	11/1/25	7.0000	6,017,498	5,904,670
FNMA PL 326 744	12/1/25	7.0000	5,514,786	5,411,384
FNMA PL 326 752	12/1/25	7.0000	5,477,792	5,375,084

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FNMA PL 330 736	12/1/25	7.0000	534,581	524,557
FNMA PL 331 009	12/1/25	7.0000	5,418,516	5,316,919
FNMA PL 331 888	12/1/25	7.0000	6,670,092	6,545,028
FNMA PL 333 038	12/1/25	7.0000	1,267,106	1,243,348
FNMA PL 332 347	12/1/25	7.0000	1,219,111	1,196,253
FNMA PL 333 854	12/1/25	7.0000	2,708,221	2,657,442
FNMA PL 329 681	1/1/26	7.0000	451,478	443,013
FNMA PL 329 833	1/1/26	7.0000	1,773,611	1,740,356
FNMA PL 335 187	1/1/26	7.0000	3,621,012	3,553,118
FNMA PL 343 273	4/1/26	7.0000	1,901,839	1,866,180
FNMA PL 344 568	4/1/26	7.0000	480,091	471,089
FNMA PL 250 551	5/1/26	7.0000	9,490,808	9,312,856
FNMA PL 327 055	5/1/26	7.0000	933,159	915,662
FNMA PL 327 062	5/1/26	7.0000	951,328	933,490
FNMA PL 337 182	5/1/26	7.0000	1,957,661	1,920,955
FNMA PL 339 705	5/1/26	7.0000	1,908,306	1,872,525
FNMA PL 345 101	5/1/26	7.0000	2,864,112	2,810,410
FNMA PL 346 256	5/1/26	7.0000	1,998,698	1,961,223
FNMA PL 346 366	5/1/26	7.0000	1,921,719	1,885,686
FNMA PL 250 576	6/1/26	7.0000	1,951,517	1,914,926
FNMA PL 250 609	6/1/26	7.0000	4,900,889	4,808,997
FNMA PL 342 542	6/1/26	7.0000	2,994,342	2,938,198
FNMA PL 345 903	6/1/26	7.0000	989,425	973,970
FNMA PL 347 423	6/1/26	7.0000	1,847,406	1,812,767
FNMA PL 346 902	6/1/26	7.0000	980,550	962,164
FNMA PL 347 578	6/1/26	7.0000	948,823	931,032
FNMA PL 348 512	6/1/26	7.0000	949,813	932,004
FNMA PL 349 023	6/1/26	7.0000	5,896,357	5,785,800
FNMA PL 349 359	6/1/26	7.0000	3,342,824	3,280,146
FNMA 30 YEAR TBA	4/1/27	7.5000	48,650,000	50,284,154
FNMA GL 6222	4/1/16	9.0000	3,283,330	3,472,089
FNMA 73014 (OLIVE TOWER APT)	6/1/20	9.0150	1,494,443	1,536,137
FNMA MEGA 70453	12/1/19	10.5000	2,537,081	2,783,635
FNMA CL 2463	9/1/15	11.0000	417,814	462,525
FNMA MEGA 70449	12/1/19	11.0000	4,108,122	4,579,324
FNMA CA 7423	5/1/14	11.2500	275,178	303,937
GNMA I SF 2 733	6/15/03	6.5000	59,454	58,839
GNMA I SF 372 887	10/15/23	6.5000	832,759	802,572
GNMA I SF 366 529	11/15/23	6.5000	1,197,120	1,153,724
GNMA I SF 389 464	3/15/24	6.5000	2,165,277	2,084,750
GNMA I SF 3 617	10/15/03	7.0000	188,640	188,606
GNMA I SF 780 052	12/15/08	7.0000	19,437,010	19,588,813
GNMA I SF 346 878	11/15/23	7.0000	20,549,246	20,279,640
GNMA I SF 357 234	11/15/23	7.0000	10,257,557	10,122,978
GNMA I SF 368 817	11/15/23	7.0000	882,872	871,289
GNMA I SF 370 890	11/15/23	7.0000	15,929,120	15,720,130
GNMA I SF 325 672	11/15/23	7.0000	600,969	593,085
GNMA I SF 364 870	1/15/24	7.0000	16,511,212	16,279,064
GNMA I SF 352 964	5/15/24	7.0000	15,125,963	14,913,292
GNMA I SF 14 618	11/15/05	7.2500	92,360	93,361
GNMA I SF 354 008	4/15/23	7.5000	419,121	422,265
GNMA I SF 358 214	6/15/23	7.5000	1,607,200	1,619,254
GNMA I SF 344 991	7/15/23	7.5000	344,801	347,387
GNMA I SF 348 915	8/15/23	7.5000	1,527,660	1,539,117

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	<u>DATE</u>	<u>RATE</u>	<u>OF SHARES</u>	
GNMA I SF 351 889	8/15/23	7.5000	1,401,329	1,411,839
GNMA I SF 355 249	8/15/23	7.5000	1,486,617	1,497,767
GNMA I SF 357 258	9/15/23	7.5000	1,719,424	1,732,320
GNMA I SF 364 223	10/15/23	7.5000	1,660,488	1,672,942
GNMA I SF 378 496	10/15/23	7.5000	1,647,291	1,659,646
GNMA I SF 780 166	6/15/25	7.5000	1,682,564	1,695,183
GNMA I SF 375 092	7/15/25	7.5000	1,978,424	1,985,210
GNMA I SF 389 658	7/15/25	7.5000	1,973,301	1,980,069
GNMA I SF 390 366	7/15/25	7.5000	1,623,311	1,628,879
GNMA I SF 397 840	7/15/25	7.5000	1,974,743	1,981,516
GNMA I SF 399 725	7/15/25	7.5000	1,800,000	1,806,174
GNMA I SF 407 645	7/15/25	7.5000	1,961,770	1,968,499
GNMA I SF 410 615	7/15/25	7.5000	1,954,156	1,960,858
GNMA I SF 413 883	7/15/25	7.5000	1,872,784	1,879,208
GNMA I SF 379 646	8/15/25	7.5000	1,582,019	1,587,445
GNMA I SF 410 088	8/15/25	7.5000	5,470,002	5,488,765
GNMA I SF 22 602	5/15/08	8.2500	150,224	156,875
GNMA I SF 21 705	6/15/08	8.2500	323,526	337,849
GNMA I SF 282 707	11/15/19	8.5000	464,767	489,162
GNMA I SF 296 567	2/15/21	8.5000	279,947	293,768
GNMA I SF 304 909	3/15/21	8.5000	5,492	5,763
GNMA I SF 304 222	4/15/21	8.5000	172,393	180,904
GNMA I SF 296 059	5/15/21	8.5000	219,257	230,082
GNMA I SF 298-100	5/15/21	8.5000	117,658	123,467
GNMA I SF 298 516	5/15/21	8.5000	78,704	82,589
GNMA I SF 298 756	5/15/21	8.5000	35,352	37,097
GNMA I SF 299 457	5/15/21	8.5000	66,715	70,009
GNMA I SF 301 296	5/15/21	8.5000	170,320	178,728
GNMA I SF 301 362	5/15/21	8.5000	275,871	289,491
GNMA I SF 278 964	5/15/21	8.5000	621,553	652,239
GNMA I SF 305 397	5/15/21	8.5000	247,960	260,202
GNMA I SF 305 800	5/15/21	8.5000	450,824	473,081
GNMA I SF 306 617	5/15/21	8.5000	445,578	467,577
GNMA I SF 307 793	5/15/21	8.5000	143,464	150,547
GNMA I SF 307 797	5/15/21	8.5000	351,693	369,056
GNMA I SF 307 859	5/15/21	8.5000	208,468	218,760
GNMA I SF 307 705	5/15/21	8.5000	487,829	511,913
GNMA I SF 308 571	5/15/21	8.5000	104,516	109,676
GNMA I SF 308 658	5/15/21	8.5000	262,798	275,772
GNMA I SF 309 220	5/15/21	8.5000	209,070	219,391
GNMA I SF 309 221	5/15/21	8.5000	204,095	214,171
GNMA I SF 202 092	6/15/21	8.5000	443,321	465,207
GNMA I SF 255 739	6/15/21	8.5000	59,255	62,181
GNMA I SF 294 485	6/15/21	8.5000	31,583	33,143
GNMA I SF 298-323	6/15/21	8.5000	259,508	272,320
GNMA I SF 299 113	6/15/21	8.5000	200,239	210,125
GNMA I SF 299 966	6/15/21	8.5000	50,445	52,936
GNMA I SF 300 164	6/15/21	8.5000	48,697	51,102
GNMA I SF 302 066	6/15/21	8.5000	16,918	17,754
GNMA I SF 303 333	6/15/21	8.5000	630,847	661,992
GNMA I SF 304 673	6/15/21	8.5000	73,201	76,815
GNMA I SF 305 424	6/15/21	8.5000	297,295	311,973
GNMA I SF 305 722	6/15/21	8.5000	53,217	55,844
GNMA I SF 305 957	6/15/21	8.5000	123,655	129,760

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GNMA I SF 306 871	6/15/21	8.5000	554,360	581,728
GNMA I SF 306 346	6/15/21	8.5000	103,318	108,419
GNMA I SF 307 780	6/15/21	8.5000	181,512	190,473
GNMA I SF 307 895	6/15/21	8.5000	311,879	327,276
GNMA I SF 307 608	6/15/21	8.5000	86,208	90,464
GNMA I SF 307 926	6/15/21	8.5000	136,928	143,688
GNMA I SF 307 914	6/15/21	8.5000	341,674	358,542
GNMA I SF 307 938	6/15/21	8.5000	257,223	269,922
GNMA I SF 309 021	6/15/21	8.5000	95,862	100,595
GNMA I SF 310 213	6/15/21	8.5000	161,499	169,472
GNMA I SF 294 371	7/15/21	8.5000	101,267	106,267
GNMA I SF 295 503	7/15/21	8.5000	333,211	349,662
GNMA I SF 300 180	7/15/21	8.5000	27,818	29,192
GNMA I SF 301 253	7/15/21	8.5000	49,426	51,866
GNMA I SF 301 691	7/15/21	8.5000	242,347	254,312
GNMA I SF 304 229	7/15/21	8.5000	195,179	204,815
GNMA I SF 304 083	7/15/21	8.5000	32,295	33,889
GNMA I SF 305 295	7/15/21	8.5000	285,284	299,369
GNMA I SF 305 900	7/15/21	8.5000	51,927	54,491
GNMA I SF 305 956	7/15/21	8.5000	60,347	63,326
GNMA I SF 306 448	7/15/21	8.5000	136,391	143,125
GNMA I SF 307 150	7/15/21	8.5000	45,743	48,001
GNMA I SF 307 626	7/15/21	8.5000	252,374	264,833
GNMA I SF 308 905	7/15/21	8.5000	253,689	266,214
GNMA I SF 309 442	7/15/21	8.5000	53,742	56,395
GNMA I SF 310 529	7/15/21	8.5000	161,976	169,973
GNMA I SF 310 530	7/15/21	8.5000	394,839	414,333
GNMA I SF 309 950	7/15/21	8.5000	440,946	462,715
GNMA I SF 311 660	7/15/21	8.5000	37,660	39,520
GNMA I SF 311 994	7/15/21	8.5000	242,863	254,853
GNMA I SF 313 176	7/15/21	8.5000	390,021	409,276
GNMA I SF 313 010	7/15/21	8.5000	161,341	169,306
GNMA I SF 178 138	8/15/21	8.5000	446,472	468,514
GNMA I SF 304 677	8/15/21	8.5000	192,156	201,643
GNMA I SF 306 080	8/15/21	8.5000	106,529	111,789
GNMA I SF 305 680	8/15/21	8.5000	288,008	302,227
GNMA I SF 306 673	8/15/21	8.5000	375,311	393,840
GNMA I SF 309 461	8/15/21	8.5000	30,606	32,117
GNMA I SF 310 560	8/15/21	8.5000	427,819	448,940
GNMA I SF 310 562	8/15/21	8.5000	275,267	288,857
GNMA I SF 309 875	8/15/21	8.5000	170,872	179,308
GNMA I SF 310 334	8/15/21	8.5000	142,247	149,270
GNMA I SF 310 843	8/15/21	8.5000	467,301	490,371
GNMA I SF 311 090	8/15/21	8.5000	65,027	68,237
GNMA I SF 311 340	8/15/21	8.5000	119,802	125,716
GNMA I SF 311 807	8/15/21	8.5000	95,739	100,466
GNMA I SF 313 022	8/15/21	8.5000	594,943	624,315
GNMA I SF 298 355	9/15/21	8.5000	150,153	157,566
GNMA I SF 310 595	9/15/21	8.5000	129,957	136,373
GNMA I SF 316 731	9/15/21	8.5000	158,193	166,003
GNMA I SF 306 129	10/15/21	8.5000	323,114	339,066
GNMA I SF 306 540	10/15/21	8.5000	145,496	152,679
GNMA I SF 313 225	10/15/21	8.5000	200,049	209,925
GNMA I SF 313 899	10/15/21	8.5000	13,704	14,380

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GNMA I SF 315 047	10/15/21	8.5000	320,178	335,985
GNMA I SF 315 277	10/15/21	8.5000	169,803	178,186
GNMA I SF 184 777	11/15/21	8.5000	288,659	302,911
GNMA I SF 307 425	11/15/21	8.5000	626,843	657,790
GNMA I SF 311 350	11/15/21	8.5000	134,827	141,484
GNMA I SF 316 739	11/15/21	8.5000	285,957	300,075
GNMA I SF 319 273	11/15/21	8.5000	1,386,424	1,454,872
GNMA I SF 183 602	12/15/21	8.5000	164,188	172,294
GNMA I SF 298 598	12/15/21	8.5000	2,105,773	2,209,735
GNMA I SF 312 980	12/15/21	8.5000	261,256	274,155
GNMA I SF 323 069	4/15/22	8.5000	340,339	356,185
GNMA I SF 323 417	5/15/22	8.5000	366,714	383,789
GNMA I SF 324 927	5/15/22	8.5000	323,693	338,765
GNMA I SF 315 174	7/15/22	8.5000	388,360	406,442
GNMA I SF 342 587	12/15/22	8.5000	285,269	298,551
GNMA I GP 90 133	5/15/09	9.0000	319,716	348,538
GNMA I GP 90 178	5/15/09	9.0000	146,644	159,864
GNMA I GP 91 485	5/15/09	9.0000	316,923	345,493
GNMA I GP 90 150	8/15/09	9.0000	77,217	84,179
GNMA I SF 36 127	11/15/09	10.0000	67,055	72,829
GNMA I SF 34 245	12/15/09	10.0000	514,348	558,639
GNMA I SF 35 888	12/15/09	10.0000	216,511	235,868
GNMA I SF 37 913	12/15/09	10.0000	415,769	451,571
GNMA I SF 35 292	1/15/10	10.0000	210,411	229,221
GNMA I SF 39 407	1/15/10	10.0000	104,069	113,031
GNMA I SF 45 231	12/15/10	10.5000	318,877	350,056
GNMA I SF 120 666	9/15/14	13.0000	55,797	65,822
WA ST HSG FIN COM 96-2T	12/1/27	7.8200	2,500,000	2,509,750
<i>TOTAL PASS THROUGH MORTGAGES</i>				<u>\$ 881,601,891</u>
FHA PROJECT / SBA LOANS				
ALDERBROOK INN	10/1/03	9.5000	137,164	137,164
AUBURN VILLA	2/2/18	7.5000	851,317	848,508
BEVERLY FINANCE CORP 144A	7/15/04	8.3600	10,000,000	10,419,900
BURIEN HAUS	12/1/17	7.5000	519,600	518,530
CRIIMI MAE FIN CORP	1/1/33	7.0000	8,871,010	8,592,017
FHA PRJ-REILLY MTG GRP #55	3/1/24	7.4300	8,186,875	7,988,998
FOXCROFT APTS	11/1/18	7.5000	3,780,088	3,761,642
GNMA 383716 LOWELL EMERSON APT	3/15/29	7.0000	4,511,946	4,410,427
MANZANITA MANOR	12/1/17	7.5000	860,256	857,848
MISSION TOWERS	6/1/18	7.5000	1,816,611	1,806,837
PINECREST APT/JACK NETTLESHIP	2/1/12	8.5000	518,354	515,726
PLEASANTON CONV HOSPITAL	11/1/13	7.0000	966,901	864,922
PRES JAMES MONROE MANOR	6/1/13	7.0000	1,699,766	1,522,837
ST MARY'S COMMUNITY HOSP	8/1/01	8.0000	899,358	893,728
SUTTER VILLAGE	2/2/18	7.5000	1,179,902	1,176,008
SWALLOWS HAVEN (BENITA)	12/1/16	8.0000	777,171	778,803
TERRACE MANOR	7/1/00	7.5000	496,712	487,875
UNITED CEREBRAL PALSY HOME	9/1/07	9.0000	797,935	811,555
WATERS EDGE APTS	12/1/17	7.5000	2,234,397	2,229,504
WILDWOOD APTS/THE COTTAGES	5/1/18	7.5000	1,047,799	1,041,711
<i>TOTAL FHA PROJECT / SBA LOANS</i>				<u>\$ 49,664,542</u>

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FHA / VA RESIDENTIAL				
ATLANTIC MORTGAGE	3/1/00	7.5000	9,629	9,473
BANK OF AMERICA	6/1/99	5.6200	30,414	29,054
BANK OF AMERICA	12/1/01	7.0000	5,317	5,088
BANK OF AMERICA	9/1/03	6.7500	21,054	19,614
CONTINENTAL	10/1/99	6.4500	26,789	25,848
CONTINENTAL MTG	4/1/03	7.3000	109,462	105,091
EXECUTIVE HOUSE	6/1/11	11.5000	114,391	116,759
FARMER'S HOME NOTES	8/3/97	7.3500	3,884	3,884
FLEET REAL EST FUNDING	6/1/99	5.3200	4,528	4,302
FLEET REAL EST FUNDING	6/1/99	5.4400	14,858	14,147
GREAT WESTERN SAVINGS	3/1/02	5.9000	2,412	2,185
HOMESIDE LENDING INC	11/1/99	6.2500	20,772	19,713
HOMESIDE LENDING INC.	12/1/99	6.7500	36,398	34,981
IST NATIONWIDE MORTGAGE	1/1/02	6.7500	180,878	173,400
METMOR FINANCIAL	2/1/02	6.6250	31,514	29,668
NATIONSBANC	11/1/98	5.6000	5,904	5,912
NATIONSBANC	11/1/01	6.7500	70,266	69,816
NATIONSBANC	3/1/02	6.0000	161,674	153,952
SEATTLE MORTGAGE CO	7/1/02	6.7500	148,171	156,407
SOURCE ONE	8/1/03	5.8500	338,032	300,829
U S MORTGAGE	9/1/98	6.0700	5,985	5,790
U S MORTGAGE	10/1/99	5.9200	1,293	1,224
U S MORTGAGE	12/1/01	7.0000	15,654	15,009
U S MORTGAGE	4/1/03	7.0000	161,808	153,792
WELLS FARGO	4/1/98	5.2100	6,538	6,538
WELLS FARGO	1/1/02	6.0500	18,389	17,575
<i>TOTAL FHA / VA RESIDENTIAL</i>				\$ 1,480,051
CONVENTIONAL COMMERCIAL LOANS				
300 CHUBB AVENUE LLC	1/1/10	7.8300	3,474,669	3,474,669
2233 LP	8/15/06	8.0800	6,917,336	6,917,336
A&A EXEC CENTER II LLC	2/15/04	7.8200	5,556,610	5,556,610
BOHANNON TRUSTS PARTNERSHIP II	8/10/11	8.0400	2,134,695	2,134,695
BROTHERS OBECHT LP & PORTAL ST L	11/1/03	8.1000	5,242,549	5,242,549
CABO ASSOCIATES LP	3/1/03	7.2800	15,260,000	15,260,000
CCSF-ADC INC	2/1/06	7.2700	5,383,899	5,383,899
CCSFERS BROOKHOLLOW	1/15/07	7.6800	5,668,033	5,668,033
CCSFERS SACRAMENTO (1) INC	2/1/06	7.2700	3,426,118	3,426,118
CCSFERS STADIUM BUSINESS (3) INC.	2/1/06	7.2700	4,894,454	4,894,454
CLB PROP & CARL COPPOLA	6/15/06	7.5500	2,933,096	2,933,096
CMS INVESTORS	10/15/06	8.2000	3,450,000	3,450,000
COMMERS KLODT III	3/15/12	7.8900	3,221,360	3,221,360
CSM INVESTOR INC	10/15/06	8.0500	4,355,364	4,355,364
EJM DEVELOPMENT CO	6/15/06	7.8900	4,785,398	4,785,398
GALAXY INV ASSOC LP III	3/15/07	8.1900	7,064,442	7,064,442
GWINNETT 316 ASSOCIATES	1/22/06	7.4500	2,078,248	2,078,248
GWINNETT 316 ASSOCIATES	5/15/16	7.8500	2,929,833	2,929,833
HANOVER ASSOCIATES LP	2/15/07	7.6100	2,982,160	2,982,160
JEMMSONS PROPERTIES CO	5/15/10	7.8500	6,672,637	6,672,637
KERZNER ASSOCIATES	4/15/06	7.2500	2,724,062	2,724,062
LAS COLINAS TOWERS JOINT VENTURE	9/1/06	8.3500	12,385,115	12,385,115

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MCDOWELL CORNERS II LLC	5/15/15	8.0400	4,191,290	4,191,290
MENLO BUSINESS PARK ASSOC LLC	10/15/16	8.5000	4,441,132	4,441,132
ONE CALIFORNIA STREET PARTNERS	11/1/06	7.7900	20,000,000	20,000,000
SEAFIRST (SEC. PACIFIC)	5/1/99	10.1700	958,035	958,035
SILVER OAK ASSOCIATES LTD	6/15/12	8.3200	4,400,000	4,400,000
YOUNG VENTURES LP	2/15/12	7.8800	5,533,929	5,533,929
ZOLINE FAMILY PARTNERSHIP	1/15/07	7.5700	971,651	971,651
<i>TOTAL CONVENTIONAL COMMERCIAL MORTGAGES</i>				\$ 154,036,115
CONVENTIONAL RESIDENTIAL MORTGAGES				
BANK OF AMERICA	3/1/10	11.2500	120,376	122,779
BANK OF AMERICA	4/1/10	11.0000	219,896	224,352
MAGNA MORTGAGE	10/1/09	15.2500	531,962	562,800
METROPOLITAN SAVINGS & LOAN	11/1/08	10.3750	176,324	181,907
METROPOLITAN SAVINGS & LOAN	5/1/09	10.5000	410,607	418,281
NATIONSBANC	8/1/09	10.6250	129,907	140,549
NATIONSBANC	12/1/09	10.6250	246,312	266,793
NATIONSBANC	6/25/10	10.8750	248,608	256,551
NATIONSBANC	9/1/10	12.2500	53,532	56,260
WELLS FARGO	1/1/10	11.0000	188,424	192,269
<i>TOTAL CONVENTIONAL RESIDENTIAL MORTGAGES</i>				\$ 2,422,541
REAL ESTATE LOANS (SMALL LOAN PROGRAM)				
CRYSTAL & SUNSET HOUSE	9/15/06	10.3250	889,380	889,380
DREBICK INVESTMENTS/CHANDLER CT	12/15/01	10.0000	2,478,415	2,478,415
HARBOR CLUB APTS	4/15/02	9.7250	1,444,910	1,444,910
L & L LAND/ PORTCO	12/15/01	9.8750	1,249,669	1,249,669
LA MIRADA (THOMAS MOORE)	3/15/01	9.8750	553,983	553,983
MARINWOOD APT	12/15/00	10.3750	803,311	803,311
MARVIN GARDEN APTS	6/15/01	10.3750	3,601,408	3,601,408
MURPHY'S LANDING	9/15/01	10.2750	1,298,528	1,298,528
ROY STREET APARTMENTS	1/1/01	10.1250	1,952,134	1,952,134
SANTIAGO/CHERRY HILL	2/15/01	10.1250	1,272,457	1,272,457
SHURGARD MINI-STORAGE	4/15/01	10.1250	1,435,455	1,435,455
SPANISH HILLS APTS	5/15/01	9.8750	1,910,709	1,910,709
TALISMAN APTS. DBSI INC.	1/15/01	9.7500	2,878,814	2,878,814
UNITED GROCERS WAREHOUSE	7/15/06	10.1250	640,989	640,989
WENDOVER APARTMENTS	2/15/02	9.6250	1,121,198	1,121,198
WILDERNESS WEST LTD	11/1/04	9.5000	1,630,015	1,630,015
<i>TOTAL REAL ESTATE LOANS (SMALL LOAN PROGRAM)</i>				\$ 25,161,375
COLLATERALIZED MORTGAGE OBLIGATIONS				
BSMSI 1993 08 A6	8/25/24	6.5000	15,110,000	14,860,534
BSMSI 1993 08 A3	8/25/24	5.9500	7,953,806	7,916,017
BSMSI 1993 08 A5	8/25/24	6.3500	15,750,000	15,617,354
BSMSI 1996 08 A5	11/25/27	7.2500	13,462,000	13,537,724
BSMSI 1996 07 A11	3/28/09	6.5000	15,346,203	14,552,375
CHASE MTG FIN 1993-O A4	12/25/09	5.9000	19,234,247	18,379,785
CHASE MTG FIN 1993-O A5	12/25/09	6.6000	10,668,561	10,463,704
CHASE MTG FIN 1994-F A11	3/25/25	6.7500	13,666,699	13,162,398
CHEMICAL MTG SEC 1994-2 A2	2/25/24	6.5000	38,607,548	37,185,632

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CMC SECS CORP III 1994-B A11	2/25/09	6.7500	29,748,585	28,907,563
COUNTRYWIDE MTG 1994 I A11	7/25/09	6.2500	22,724,000	20,742,694
COUNTRYWIDE MTG 1994 3 A7	3/25/24	6.7500	12,000,000	11,598,720
COUNTRYWIDE FDG 1994 8 A7	4/25/09	6.0000	15,383,588	14,023,063
COUNTRYWIDE MTG 1994 G A6	4/25/24	6.5000	15,170,930	14,638,430
DLJMA 1993 14 A2	8/25/23	6.6250	6,507,000	5,988,392
DLJMA 1993 19 A3	1/25/24	6.7500	43,205,000	42,764,309
DLJMA 1995 5 A1	12/25/25	7.1000	36,795,034	36,839,556
FHLMC 1993 1642 PD	2/15/16	5.2500	10,000,000	9,918,700
FHLMC 1991 1052 F	1/15/20	7.5000	4,896,603	4,959,328
FHLMC 1992 1412 I	5/15/21	6.7500	10,811,000	10,621,808
FHLMC 1992 1415 O	11/15/07	6.5000	20,000,000	19,681,200
FHLMC 1993 1616 BC	8/15/06	5.7000	15,000,000	14,541,000
FHLMC 1993 1617 H	10/15/23	6.5000	5,563,000	5,123,134
FHLMC 1994 1671 G	8/15/23	6.5000	40,750,141	39,731,387
FHLMC 1994 1675 Q	2/15/24	6.5000	12,564,000	10,934,575
FHLMC 1994 1702 B TC	11/15/22	6.5000	5,000,000	4,875,000
FHLMC 1994 1706 H	6/15/23	6.5000	11,000,000	10,725,000
FHLMC 1994 1727 Z	5/15/24	6.2500	10,588,071	9,852,201
FHLMC 1994 1754 A	9/15/20	8.5000	12,745,611	13,008,425
FHLMC 1990 128 H	9/15/19	8.7500	3,538,484	3,574,966
FHLMC 1992 1341 J	8/15/06	7.0000	20,500,000	20,583,230
FHLMC 1992 1409 H	11/15/07	6.5000	30,000,000	29,521,800
FHLMC 1992 1445 E	8/15/04	6.7500	7,255,000	7,309,413
FHLMC 1992 1233 H	4/15/07	7.0000	8,744,000	8,752,132
FHLMC 1992 1396 E	3/15/22	7.0000	6,000,000	5,801,220
FHLMC 1993 1475 E	4/15/05	6.5000	60,000,000	60,318,600
FHLMC 1993 1478 G	6/15/07	6.5000	20,000,000	19,768,600
FHLMC 1993 1546 G	12/15/21	6.7500	20,000,000	19,656,200
FHLMC 1993 1573 C	9/15/23	7.0000	6,500,000	6,333,405
FHLMC 1993 1584 G	9/15/18	6.0000	16,903,000	16,469,776
FHLMC 1993 1591 PN	6/15/19	5.9500	10,000,000	9,721,800
FHLMC 1991 1119 G	7/15/20	8.1000	4,051,296	4,110,769
FHLMC 1994 1709 D	12/15/23	6.5000	8,387,000	8,127,506
FHLMC-GNMA 1994 30 H	7/25/23	7.5000	2,200,000	2,261,182
FHLMC 1996 1843 A	4/15/19	6.5000	32,480,600	32,307,803
FHLMC 1996 1910 VC	11/15/26	7.0000	10,000,000	10,078,120
FHLMC 1990 1006 C	10/15/20	9.1500	5,092,443	5,370,898
FHLMC 1993 1475 G	4/15/05	5.9500	39,156,000	39,045,580
FHLMC-GNMA 1993 21 D	5/25/16	5.4000	16,000,000	15,604,960
FNMA-GNMA 1993 22 HA	9/25/20	6.5000	10,000,000	9,759,300
FNMA 1991 13 Z	3/25/21	5.7500	19,534,677	21,794,332
FNMA 1992 198 G	12/25/15	5.1000	12,000,000	11,827,440
FNMA 1993 166 E	1/25/17	5.7500	30,000,000	29,484,300
FNMA 1993 50 PW	1/25/22	5.5000	15,987,000	14,498,131
FNMA 1993 53 H	1/25/22	5.7500	25,000,000	23,242,000
FNMA 1993 6 C	12/25/04	6.7500	25,000,000	25,148,250
FNMA 1993 6 E	8/25/07	7.0000	21,000,000	21,157,500
FNMA 1993 134 GB	1/25/08	6.5000	19,000,000	18,667,500
FNMA 1993 137 PE	4/24/07	5.8000	15,672,000	15,422,188
FNMA 1993 138 E	12/25/16	5.7500	10,000,000	9,840,600
FNMA 1993 188 G	8/25/06	5.8000	10,000,000	9,843,700
FNMA 1993 201 H	9/25/21	6.5000	21,000,000	20,461,770
FNMA 1993 44 PH	5/25/19	6.7500	25,000,000	24,648,250

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	FNMA 1993 50 J	1/25/23	6.0000	10,087,525
FNMA 1993 56 PG	2/25/21	6.7500	10,000,000	9,859,300
FNMA 1993 85 G	3/25/08	6.5000	15,000,000	14,751,450
FNMA 1993 95 PG	4/25/08	6.7500	21,012,900	20,855,303
FNMA 1994 14 C	7/25/23	6.0000	18,715,000	16,399,019
FNMA 1994 39 PG	6/25/20	6.1500	26,097,000	25,436,224
FNMA 1994 40 O	3/25/24	6.5000	6,750,000	6,323,873
FNMA 1994 40 J	6/25/22	6.0000	35,000,000	33,238,800
FNMA 1994 50 PG	1/25/23	6.5000	25,160,900	24,484,575
FNMA 1994 62 PH	11/25/23	6.9000	10,000,000	9,937,500
FNMA 1994 62 K	3/25/23	7.0000	4,756,390	4,456,119
FNMA 1996 1 A	12/25/08	6.0000	35,862,124	32,971,673
FNMA 1997 41 AB	5/18/11	7.2500	33,609,000	33,815,191
FNMA 1997 41 E	8/18/21	7.5000	25,000,000	25,398,175
FNMA 1991 108 H	4/5/20	7.5000	3,898,386	3,915,442
FNMA 1993 28 PJ	3/25/08	7.0000	21,727,000	21,727,000
FNMA 1994 41 PJ	6/25/23	6.5000	25,000,000	24,328,000
FNMA-GNMA 1993 15 H	4/25/23	7.2500	5,100,000	4,980,456
FNMA-GNMA 1994 2 D	1/25/24	6.4500	5,000,000	4,637,500
GE CAP MTG SVC 1994-10 A15	3/25/24	6.5000	32,150,000	28,653,688
GE CAP MTG SVC 1994-9 A4	2/25/24	6.5000	13,642,000	12,648,590
GE CAP MTG SVC 1996-8 A3	8/25/05	7.0000	12,037,020	11,874,520
GE CAP MTG SVC 1994-1 A8	1/25/24	6.5000	13,000,000	11,858,340
GE CAP MTG SVC 1994-7 A11	2/25/09	6.0000	15,643,000	14,606,651
GE CAP MTG SVC 1994-5 A6	2/24/25	5.5000	15,000,000	14,113,950
GE CAP MTG SVC 1993-10 A11	9/25/23	6.5000	7,220,000	6,579,225
GE CAP MTG SVC 1994-12 A12	3/25/09	6.0000	15,042,000	12,795,026
GE CAP MTG SVC 1994-14 A4	4/25/24	7.5000	15,000,000	14,709,300
GE CAP MTG SVC 1994-1 A11	1/25/24	6.5000	10,130,010	9,285,593
GE CAP MTG SVC 1994-4 A8	1/25/24	6.5000	14,852,375	13,934,498
GE CAP MTG SVC 1994-8 A8	2/25/24	6.0000	18,886,361	19,560,623
GE CAP MTG SVC 1996-17 2A3	12/11/25	7.2500	13,963,000	14,015,361
GNMA 1994 4 PH	10/16/22	7.5000	27,545,200	28,173,506
GNMA 1996 19 H	1/1/49	7.0000	52,834,144	52,866,901
HEADLANDS 1997-3 A15	7/25/27	7.7500	17,364,307	17,820,120
HOUSING SEC 1994 3 A7	11/25/24	7.2500	15,000,000	14,478,000
NASCOR 1996-1 A2	4/25/00	7.0000	21,540,000	21,448,283
NASCOR 1996-1 A3	8/25/26	7.2000	29,082,000	28,997,081
NASCOR 1996-1 A5	8/25/26	7.5000	28,362,000	28,395,694
NASCOR 1996-4 A16	9/25/26	7.0000	6,800,000	6,772,963
NASCOR 1997-3 A4	3/25/27	7.2500	39,518,000	39,427,227
PHMSC 1993 38 A3	9/25/23	6.1500	25,842,400	24,873,310
PHMSC 1992 42 A3	1/25/08	6.6500	2,794,392	2,789,153
PHMSC 1992 42 A4	1/25/08	6.9000	4,904,451	4,921,274
PHMSC 1992 48 A2	1/25/23	7.5000	1,364,443	1,360,172
PHMSC 1993 26 A5	7/25/08	6.5000	12,798,000	12,805,935
PHMSC 1993 10 A1	2/25/00	6.5000	8,988,295	8,965,824
PHMSC 1993 43 A7	10/25/23	6.7500	17,281,425	15,914,982
PHMSC 1994 17 A4	4/25/24	6.2500	10,321,000	9,217,892
PHMSC 1993 22 A5	7/23/25	6.5000	21,659,024	21,124,263
PHMSC 1993 39 A8	10/25/08	6.5000	34,207,390	32,603,748
PHMSC 1993 44 A18	11/25/23	6.7500	10,000,000	9,262,500
PHMSC 1993 47 A13	12/25/23	6.7500	12,134,202	12,164,537
RAST 1997-A5 AB	7/25/27	7.1250	23,886,667	23,976,242

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RFMSI 1993 S47 A17	12/25/23	6.5000	15,187,881	15,145,051
RFMSI 1993 S27 A4	6/25/23	6.5000	8,991,820	8,958,101
RFMSI 1994 S5 A8	2/25/24	6.5000	12,031,515	11,210,966
RFMSI 1993 S43 A7	11/25/23	6.5000	4,798,000	4,375,296
RFMSI 1996 S24 A6	12/25/26	7.2500	17,267,161	17,314,991
RFMSI 1993 S22 A6	6/25/23	7.0000	10,000,000	9,921,800
SASI 1993 7 TA7	12/25/23	6.2500	25,509,146	21,874,093
VA MORTGAGE TR 1992-1 2D	12/15/14	7.7500	8,018,000	8,170,823
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS				\$ 2,082,784,758
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				\$ 3,197,151,273
ASSET BACKED SECURITIES:				
5th 3rd BANK AUTO 1996-B A	3/15/02	6.4500	34,160,055	34,245,456
AFC MTG LN CERT 1997-2 1A2	6/25/27	6.6700	7,250,000	7,239,807
AFC MTG LN CERT 1997-2 1A3	6/25/27	6.7600	8,700,000	8,682,330
ALLIANCE FDG HEQ 1996-4 A3	3/25/28	6.6100	14,500,000	14,409,375
ALLIANCE FDG HEQ 1996-4 A5	3/25/28	7.0300	11,500,000	11,424,445
BANC ONE MASTER TR 1994-B A	12/15/99	7.5500	15,000,000	15,093,750
CASE EQUIP LOAN 1996-B A2	9/15/03	6.2500	40,482,680	40,701,286
CAT FIN ASSET TRUST 1996-A	5/25/02	6.3000	18,000,000	18,070,200
CROWN HM EQ TR 1996-1 A2	6/11/11	6.5100	30,925,000	30,652,860
EMERGENT HM EQ 1997-2 A2	5/15/12	6.7450	32,500,000	32,484,758
EQUICREDIT TRUST 1996-A A1	9/15/10	6.4500	22,156,117	22,184,920
EQUICREDIT HM EQ 1997-2 A7	2/15/20	6.8900	36,269,000	36,189,643
FIDELITY AUTO TRUST 1996-1	12/15/02	6.8500	20,664,145	20,709,358
FIRSTPLUS HM LN 1996-4 A5	7/10/11	6.5300	32,495,000	31,682,625
FIRSTPLUS HM LN 1996-4 A6	8/10/14	6.8700	25,000,000	24,375,000
FLEETWOOD CREDIT 1996-B	3/15/12	6.9000	28,590,049	28,509,425
FNMA 1995 W1 A7	4/25/25	8.2000	10,000,000	10,365,000
IMC HM EQ TR 1997-2 A4	6/20/16	7.2500	10,000,000	10,063,780
IMC HM EQ TR 1997-3 A3	1/20/12	6.7100	37,000,000	37,011,581
IMC HM EQ TR 1997-3 A4	12/20/12	6.8400	47,000,000	47,051,418
METRIS MASTER TR 1997-1 A	10/15/05	6.8700	25,000,000	25,140,500
PREMIER AUTO TR 1996-2 A4	10/6/00	6.5750	33,900,000	34,058,652
PREMIER AUTO TR 1993-2 B	10/15/98	5.0000	528,543	527,056
PREMIER AUTO TR 1993-6 A2	11/2/99	4.6500	5,129,293	5,094,029
PREMIER AUTO TR 1994-1 A3	11/2/97	4.7500	4,534,620	4,519,021
SCCMT 1994 2A	4/7/06	7.2500	12,000,000	12,157,440
SCCMT 1995 6A	6/7/00	6.7500	10,000,000	10,046,090
SCCMT 1995 9A	10/7/07	6.5500	15,000,000	14,610,900
TMSHEQ 1995-B A11	3/15/08	6.6500	18,958,000	18,916,292
UCFC HM EQ 1997-B A2	11/15/11	6.5200	25,000,000	24,992,175
UCFC HM EQ 1997-B A3	7/15/16	6.6550	25,000,000	24,984,375
TOTAL ASSET BACKED SECURITIES				\$ 656,193,547
CORPORATE OBLIGATIONS - DOMESTIC & YANKEE				
360 COMMUNICATIONS CO	4/1/09	7.6000	14,000,000	14,000,560
360 COMMUNICATIONS CO	3/1/06	7.5000	28,900,000	28,829,484
ABN-AMRO BNK NV (CHICAGO)	5/31/05	7.2500	10,000,000	10,129,500
ADOLPH COORS CO	7/15/02	6.7600	15,000,000	14,849,100
AIRTOUCH COMM	7/15/06	7.5000	15,000,000	15,318,000

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	<u>DATE</u>	<u>RATE</u>	<u>OF SHARES</u>	<u>MARKET VALUE</u>
ALANTIC RICHFIELD MTN	6/24/99	8.7700	10,000,000	10,419,400
ALBERTSON'S INC	6/15/26	7.7500	10,000,000	10,311,100
AMER HEALTH PROP	1/5/07	7.5000	7,000,000	7,010,780
AMERICAN STORES	5/15/05	7.4000	15,100,000	15,224,273
AMERICAN STORES	6/1/26	8.0000	35,000,000	35,794,500
ANR PIPELINE	2/15/24	7.3750	10,000,000	9,515,300
ASSOCIATES CORP NORTH AMER	9/30/01	7.8750	10,000,000	10,422,000
ASSOCIATES CORP NORTH AMER	6/15/01	6.0000	6,700,000	6,508,715
ATLANTIC RICHFIELD MTN	6/20/01	8.9500	5,000,000	5,364,750
B F PROPERTIES	2/25/02	7.5000	1,067,586	1,061,661
BALTIMORE GAS & ELEC CO	1/1/02	7.1250	517,000	521,508
BANK OF NEW YORK	7/15/02	7.6250	10,000,000	10,331,900
BANK ONE CORP	9/15/03	8.7400	16,000,000	17,409,440
BEAR STEARNS & CO	8/1/03	6.7000	10,000,000	9,840,000
BEAR STEARNS & CO	1/15/04	6.6250	10,000,000	9,777,800
BENEFICIAL CORP MTN	9/26/02	6.6000	25,000,000	24,706,000
BNY CAPITAL I	12/31/26	7.9700	25,000,000	25,055,750
BOEING CO	8/15/21	8.7500	20,000,000	23,078,200
BRASCAN LTD	10/1/02	7.3750	22,000,000	22,143,000
BROAD RAFAEL PROPERTIES	6/1/00	10.2500	3,785,840	3,738,820
BURLINGTON NO SANTA FE	12/15/05	6.3750	6,250,000	5,943,938
BURLINGTON NORTHERN INC	8/1/02	7.0000	25,000,000	25,060,250
CANADIAN NAT'L RR	5/15/03	6.6250	7,000,000	6,884,850
CANADIAN NAT'L RR	3/15/04	7.0000	10,500,000	10,424,190
CANADIAN NAT'L RR 96-A A2	1/3/14	7.9000	10,000,000	10,153,900
CARGILL INC	10/1/25	7.3750	8,000,000	7,925,760
CARGILL INC	9/1/26	7.5000	10,000,000	9,919,300
CARGILL INC MTN	6/18/27	7.4100	7,800,000	7,781,982
CARNIVAL CRUISE	10/1/23	7.2000	14,000,000	13,319,040
CARTER HOLT HARVEY LTD	12/1/24	9.5000	12,000,000	13,982,280
CASE CORP	8/1/05	7.2500	22,000,000	22,146,740
CASE CREDIT	2/15/03	6.1250	20,000,000	19,185,800
CENTRAL BANKSHARES OF THE SOUTH	5/1/03	7.0000	10,000,000	9,872,600
CENTRAL PWR & LT CO	2/1/01	7.0000	4,300,000	4,305,203
CHASE MANHATTAN CORP	2/1/00	8.8000	10,000,000	10,023,100
CHESAPEAKE & POTOMAC TEL MD	10/1/08	6.6250	1,000,000	958,790
CHESAPEAKE & POTOMAC TEL WA	2/1/09	7.0000	100,000	97,348
CHICAGO & NW RR	2/1/98	13.5000	2,108,532	2,178,177
CHICAGO & NW RR	8/1/98	14.7500	6,313,078	6,624,376
CINCINNATI GAS & ELEC	6/1/25	6.9000	30,000,000	29,982,000
CIRCUS CIRCUS ENTERPRISE	2/1/06	6.4500	9,000,000	8,405,820
CITICORP	5/1/05	7.6250	17,000,000	17,548,420
CITICORP CAPITAL	2/15/27	8.0150	50,000,000	50,415,500
COLONIAL PIPELINE 144A	8/15/07	7.4500	10,000,000	9,988,200
COLORADO INTERSTATE GAS	6/15/05	10.0000	12,595,000	14,771,542
COMMERCIAL CREDIT CO	9/15/02	6.3750	12,470,000	12,212,869
COMPANIA TELECOM CHILE	7/15/06	7.6250	25,000,000	25,668,250
CONAGRA	9/15/04	7.4000	26,000,000	26,291,200
CONRAIL	6/15/20	9.7500	10,000,000	12,245,900
CROWN CORK PLC	12/15/06	7.0000	10,000,000	9,900,100
CROWN CORK SA	12/15/03	6.7500	11,600,000	11,431,452
CSX CORP	8/15/06	9.0000	28,100,000	31,265,465
CSX CORP	5/15/22	8.6250	10,000,000	11,129,700
CSX TRANSPORTATION	5/1/27	7.9500	50,000,000	51,728,500

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DEAN WTTR DISCV	3/1/03	6.8750	5,000,000	4,993,800
DEAN WTTR DISCV	10/15/13	6.7500	10,000,000	9,291,000
DEER PARK REFINING LP 144A	12/15/08	6.4700	4,732,150	4,597,047
DEERE & CO	6/15/19	8.9500	9,000,000	10,164,870
DEN DANSKE BANK	6/15/10	7.4000	50,000,000	50,210,000
DIMONT CORP	3/1/06	9.8750	2,001,815	2,174,092
DONALDSON LUFKIN JENRETTE	11/1/05	6.8750	10,000,000	9,787,700
DR INVESTMENT 144A	5/15/02	7.1000	10,000,000	10,072,400
EASTMAN CHEMICAL	2/1/27	7.6000	20,000,000	19,881,200
EIBKOR-GLOBAL BD	2/10/02	6.5000	22,500,000	22,076,325
ELEC DATA SYSTEM	5/15/05	7.1250	15,000,000	15,012,750
FALCONBRIDGE LTD	11/1/06	7.3500	30,000,000	29,942,700
FBG FINANCE LTD	11/15/05	6.7500	20,000,000	19,247,200
FBG FINANCE LTD	6/1/16	7.8750	27,000,000	27,108,810
FIRST UNION INST	12/1/26	8.0400	20,000,000	19,946,800
FIRST WARD PROPERTIES	11/15/06	8.0000	1,947,227	1,863,146
FISHER SCIENTIFIC	12/5/05	7.1250	9,000,000	8,814,960
FLETCHER CHALLNG CAP CAN	6/20/16	8.2500	10,000,000	10,471,500
FLORIDA GAS TRANSMISSION	11/1/04	8.6300	8,000,000	8,543,520
FORD CAPITAL BV	7/1/01	9.5000	5,000,000	5,458,850
FORD MOTOR CREDIT CORP	2/15/02	8.2000	20,000,000	21,087,800
FORD MOTOR CREDIT CORP	11/15/02	7.7500	10,000,000	10,385,300
FORD MOTOR CREDIT CORP MTN	3/29/00	7.6000	5,000,000	5,125,450
GENERAL ELECTRIC CAP CORP	3/1/01	8.3750	5,000,000	5,274,050
GENERAL MTRS	7/15/01	9.1250	15,200,000	16,430,592
GENERAL MTRS ACCEPT CORP	3/1/00	7.0000	5,000,000	5,049,000
GENERAL MTRS ACCEPT CORP	10/15/02	9.0000	21,000,000	22,966,020
GENERAL MTRS ACCEPT CORP	1/1/03	8.5000	25,000,000	26,812,500
GENERAL MTRS ACCEPT CORP MTN	10/20/03	6.6250	10,000,000	9,810,200
GENERAL MTRS ACCEPT CORP MTN	10/18/02	6.5000	12,500,000	12,286,125
GENERAL REINSURANCE CORP	9/12/09	9.0000	15,000,000	17,319,450
GEORGIA-PACIFIC	5/15/22	9.5000	23,000,000	24,818,150
GEORGIA-PACIFIC	4/30/25	8.6250	15,000,000	15,419,250
GLAXO WELLCOME PLC	1/25/06	6.1250	50,000,000	47,375,000
GOLDMAN SACHS 144A	6/15/00	6.3750	10,000,000	9,900,500
GOLDMAN SACHS GR	1/15/03	7.8750	12,000,000	12,495,360
GREAT NORTHN RY CO	1/1/00	3.1250	25,000	23,031
GTE CORP	6/1/03	9.1000	5,000,000	5,530,550
GTE CORP	4/1/17	8.5000	17,850,000	17,704,523
GTE CORP	11/15/17	10.3000	5,000,000	5,314,800
GTE CORP	5/1/23	7.8300	15,000,000	14,849,700
GTE HAWAII	2/1/06	7.0000	10,000,000	9,867,400
HANSON OVERSEAS	9/15/05	6.7500	5,000,000	4,883,250
HANSON PLC	1/15/03	7.3750	21,000,000	21,372,330
HONAN OIL REFIN	10/15/05	7.1250	7,000,000	6,809,950
HOUSEHOLD FINANCE CORP	7/15/00	9.6250	3,000,000	3,228,450
HSBC AMERICAS	11/1/06	7.0000	30,000,000	29,460,900
HYDRO-QUEBEC	2/1/13	8.0000	16,000,000	16,856,160
HYDRO-QUEBEC	7/7/24	8.0500	25,000,000	27,099,500
HYDRO-QUEBEC MTN	1/15/02	6.3800	5,000,000	4,916,200
INDIANA BELL TEL INC	6/1/03	4.3750	650,000	575,666
INDIANTOWN COGENERATION	12/15/10	9.2600	15,900,000	17,644,230
INDIANTOWN COGENERATION	12/15/20	9.7700	15,000,000	17,169,900
INTL BK FOR RECON & DEV	10/15/02	12.3750	5,000,000	6,260,750

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JOHN DEERE CAP	8/1/19	8.6250	2,000,000	2,125,560
JPM CAP TRUST II	1/15/27	7.5400	50,000,000	47,838,500
KANSAS GAS & ELEC	9/29/16	8.2900	24,500,000	24,172,680
KERN RIVER FUNDING CORP	9/30/01	6.7200	27,500,000	27,405,400
KEYCORP	3/15/06	6.7500	25,000,000	24,268,250
LASMO USA INC	6/30/06	7.5000	29,225,000	29,824,113
LEGRAND	2/15/25	8.5000	23,250,000	25,554,773
LEHMAN BROS MTN	12/1/00	6.5000	100,000,000	99,000,000
LG-CALTEX OIL CORP	7/1/06	7.8750	24,000,000	24,364,080
LIMAR / SAFEWAY	4/1/09	13.5000	12,823,983	16,021,387
LOCKHEED MARTIN CORP	6/15/04	7.4500	47,000,000	48,244,090
LORAL CORP	6/15/04	7.6250	10,000,000	10,295,800
LOUISVILLE & NASHVILLE RR CO	4/1/03	2.8750	25,000	20,114
LOUISVILLE GAS & ELEC CO	6/1/98	6.7500	500,000	499,940
LS POWER FUNDING	6/30/10	7.1900	4,000,000	3,886,240
MANITOBA PROV CDA	1/15/18	9.1250	9,000,000	10,590,750
MANITOBA PROV CDA	12/1/18	9.6250	5,000,000	6,183,800
MAXUS ENERGY CORP	11/1/03	9.3750	10,586,000	11,379,950
MAXUS ENERGY CORP	11/1/03	9.3750	500,000	536,250
MCI COMMUNICATIONS CORP	8/20/04	7.5000	10,000,000	10,332,900
MCI COMMUNICATIONS CORP	1/20/23	8.2500	9,000,000	9,391,320
MCI COMMUNICATIONS CORP	3/23/25	7.7500	15,000,000	15,009,600
METHANEX CORP	8/15/05	7.7500	9,000,000	9,255,510
MIDLAND BANK PLC	6/15/06	7.6250	49,355,000	50,828,247
MONTANA PWR CO	4/1/01	7.5000	1,000,000	1,007,880
MONTREAL CITY OF	11/1/04	5.0000	987,000	859,124
MORGAN STANLEY	10/1/13	7.0000	15,500,000	14,916,890
MORGAN STANLEY & CO INC	5/15/06	7.2800	10,000,000	10,070,700
MORGAN STANLEY GROUP INC	12/15/03	6.3750	8,200,000	7,967,612
MOUNTAIN STS TEL & TELEG CO	6/1/05	5.5000	100,000	91,051
NCNB CORP	9/15/09	9.3750	15,000,000	17,402,250
NEW ENGLAND TEL & TELEG CO	10/1/06	6.1250	200,000	188,070
NEW JERSEY BELL TEL CO	6/1/12	7.3750	3,600,000	3,442,644
NEW YORK TEL	7/15/31	9.3750	14,250,000	16,009,733
NEW YORK TEL CO	12/15/06	7.7500	8,200,000	8,328,330
NEW YORK TEL CO	3/1/09	7.5000	1,500,000	1,521,195
NORANDA FOREST INC	11/15/05	6.8750	23,000,000	22,384,060
NORCEN ENRGY RESOUR	7/2/02	6.8000	25,000,000	24,987,500
NORDSTROM CREDIT INC MTN	7/1/98	9.6000	6,900,000	7,125,699
NORSK HYDRO	11/15/25	7.1500	15,000,000	14,300,250
NORTHERN TELECOM	6/15/26	7.8750	10,000,000	10,307,300
NORTHWEST PIPELINE	8/1/22	9.0000	2,500,000	2,636,950
NORTHWOOD PULP & TIMBER LTD	6/30/05	8.9500	15,000,000	15,881,250
NOVA SCOTIA PROV CDA	5/1/21	9.1250	10,000,000	11,688,300
NRG ENERGY CORP	2/1/06	7.6250	20,000,000	20,142,000
PACIFIC GAS & ELEC CO	12/1/99	6.8750	3,515,000	3,516,195
PACIFIC GAS & ELEC CO	6/1/00	6.6250	925,000	920,995
PACIFIC GAS & ELEC CO	12/1/00	6.7500	200,000	199,972
PACIFIC GAS TRAN	6/1/05	7.1000	15,000,000	15,017,850
PACIFICORP HOLDINGS	4/1/01	6.7500	12,000,000	11,990,400
PACIFICORP HOLDINGS	4/1/06	7.2000	10,000,000	9,865,800
PANHANDLE EASTERN	8/15/13	7.2000	6,000,000	5,467,380
PANHANDLE EASTERN PIPELINE	8/15/04	7.8750	5,000,000	5,192,250
PANHANDLE EASTERN PIPELINE	3/15/23	7.9500	10,000,000	10,065,000

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PARKER & PARSLEY	4/15/05	8.8750	9,180,000	10,003,354
PDV AMERICA INC	8/1/98	7.2500	14,755,000	14,830,103
PDV AMERICA INC	8/1/00	7.7500	9,250,000	9,346,015
PDV AMERICA INC	8/1/03	7.8750	21,350,000	21,507,136
PENNEY, JC	8/15/22	8.2500	25,000,000	25,291,500
PETROLIUM NASIONAL BERHAD	8/15/15	7.7500	10,000,000	10,241,500
PETROLIUM NASIONAL BERHAD	7/1/03	6.8750	15,000,000	14,948,100
PETROLIUM NASIONAL BERHAD	8/15/05	7.1250	10,000,000	10,039,400
PHILLIPS PETROLEUM	1/1/23	8.4900	15,000,000	15,628,500
PHILLIPS PETROLEUM	4/15/23	7.9200	10,000,000	10,043,200
PLACER DOME INC	5/15/03	7.1250	4,500,000	4,479,480
PLACER DOME INC	6/15/15	7.7500	15,000,000	15,052,950
POTASH CORP SASKATCHEWAN CDA	6/15/07	7.1250	13,600,000	13,556,208
POTOMAC ELEC PWR CO	5/15/99	4.5000	1,700,000	1,635,910
PRICE COSTCO INC	6/15/05	7.1250	10,000,000	9,919,800
PROGRESSIVE CORP	1/15/04	6.6000	10,000,000	9,747,600
PROGRESSIVE CORP	10/1/13	7.0000	21,000,000	19,925,430
PUBLIC SERVICE CO OF COLO	1/1/24	7.2500	5,000,000	4,561,250
QUEBEC PROV CDA	7/15/23	7.5000	17,500,000	17,204,425
QUEBEC PROVINCE CDA	1/19/05	8.6250	39,000,000	42,476,460
RIO ALCOM LTD CDA	11/1/05	7.0500	20,000,000	19,499,400
RITE AID CORP	12/15/01	6.7000	18,500,000	18,359,585
ROYAL BANK CANADA	10/24/11	6.7500	25,000,000	24,331,000
ROYAL BANK OF SCOTLAND	2/1/11	6.3750	10,000,000	9,149,400
ROYAL CARIBBEAN CRUISES	7/28/04	8.1250	21,000,000	21,837,900
SAGA PETROLEUM A.S.	7/15/04	8.4000	9,000,000	9,573,390
SAGA PETROLEUM A.S.	7/15/14	9.1250	25,900,000	28,321,650
SALOMON INC	7/5/00	6.7000	15,000,000	15,010,200
SANTANDER FIN ISSUANCES	4/15/05	7.8750	20,000,000	20,804,200
SANTANDER FIN ISSUANCES	7/15/05	6.8000	35,300,000	34,493,395
SASKATCHEWAN CDA	7/15/13	7.3750	19,000,000	19,058,710
SCOTLAND INT FINANCE	2/15/11	6.5000	36,500,000	33,594,235
SOCIETE GENERALE	11/8/05	6.7500	25,000,000	24,078,125
SOCIETY NATIONAL BANK	6/1/05	7.2500	17,750,000	17,845,140
SOUTHERN IND GAS & ELEC CO	8/1/98	6.3750	2,250,000	2,241,428
SOUTHERN NEW ENGLAND TEL CO	12/1/01	4.3750	1,475,000	1,342,427
SOUTHWEST GAS CO	8/1/06	7.5000	8,000,000	8,148,480
SOUTHWESTERN BELL TELE	10/15/26	7.2000	5,000,000	4,748,750
SOUTHWESTERN PUBLIC SERV	2/15/25	8.5000	10,000,000	10,673,900
STAR BANK N.A.	12/15/06	6.6250	10,000,000	9,612,500
SURWAY ASSOC (SAFEGWAY)	4/1/05	13.9000	19,481,512	22,041,188
TEMPLE-INLAND	9/15/22	8.2500	10,000,000	10,131,400
TEXAS INSTRUMENTS	6/15/03	9.2500	6,000,000	6,682,440
TEXTRON INC	7/1/22	8.7500	17,000,000	17,776,050
THE ST PAUL CO MTN	12/2/98	7.6300	10,000,000	10,212,200
TIME WARNER ENTERTAINMENT	5/1/12	10.1500	24,000,000	29,118,960
TIME WARNER ENTERTAINMENT	7/15/33	8.3750	10,000,000	10,211,100
TIME WARNER INC	1/15/13	9.1250	17,250,000	19,073,670
TIME WARNER INC.	8/15/07	8.1800	30,000,000	31,233,300
TRANSCANADA PIPELINE	5/15/12	8.6250	5,000,000	5,450,400
U S BANCORP	10/15/05	6.7500	27,000,000	26,335,530
UNION PACIFIC CO	5/1/05	7.6000	4,000,000	4,089,440
UNION PACIFIC CO	5/1/25	8.3500	25,000,000	25,731,000
UNION PACIFIC CORP	2/1/06	6.4000	25,300,000	23,932,282

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	UNION PACIFIC RR	1/16/16	7.6200	20,000,000
UNIV OF PUGET SOUND	7/1/02	8.2500	880,000	1,012,264
US BANCORP CAP I	12/15/26	8.2700	38,100,000	38,465,379
WASH MUTUAL CAP	6/1/27	8.3750	21,000,000	21,337,470
WASHINGTON MUTUAL INC	8/15/05	7.2500	20,460,000	20,521,380
WELLS FARGO & CO	5/1/02	8.7500	4,500,000	4,841,100
WELLS FARGO & CO	5/15/02	8.3750	5,000,000	5,294,700
WELLS FARGO & CO	8/15/06	7.1250	15,000,000	14,967,150
WELLS FARGO CAP	12/15/26	7.9600	10,000,000	9,920,500
WILLIAMS COS	9/15/12	8.8750	19,000,000	21,105,770
WILLIAMS COS	7/15/20	10.2500	2,000,000	2,505,420
WILLIAMS HLDGS OF DEL	2/1/06	6.2500	15,000,000	14,129,250
WORLD COM INC	4/1/04	7.5500	15,000,000	15,280,800
YPF SOCIEDAD ANONIMA GLOBAL	2/15/04	8.0000	8,000,000	8,149,600
TOTAL CORPORATE OBLIGATIONS - DOMESTIC & YANKEE				\$ 3,446,950,550
<u>CORPORATE OBLIGATIONS - FOREIGN</u>				
ALPINE ELECTRONICS	3/30/01	2.80	63,000,000	828,585
GUILBERT SA	1/1/04	3.50	3,692,940	763,074
SODEXHO ALLICE	6/7/04	6.00	2,520,000	438,247
BTM CAYMAN FINANCE LTD	3/31/49	4.25	770,000,000	9,134,621
RICOH CO	3/29/02	1.50	169,000,000	2,230,096
ROHM CO	3/31/03	1.10	5,000,000	169,099
SONY CORP	9/30/03	1.40	202,000,000	3,263,986
TOYOTA MOTOR CO	1/28/98	1.20	416,000,000	6,361,966
YAMANOUCHI PHARMAC	3/31/14	1.25	330,000,000	4,538,472
TOTAL CORPORATE OBLIGATIONS - FOREIGN				\$ 27,728,147
<u>VENTURE CAPITAL:</u>				
ADVENT VIII LP (TA)				444,665
AUSTIN VENTURE V LP				1,433,141
AUSTIN VENTURES IV-B				12,213,577
BANC FUND IV TRUST				10,826,005
BATTERY VENTURES IV LP				1,678,034
BLACKROCK FUND INVESTORS III				99,334,722
BOSTON VENTURES LP V				5,416,734
BRENTWOOD ASSOCIATES IV				547,505
CAPITAL RESOURCE LENDERS II LP				21,641,337
CAPITAL RESOURCE LENDERS III LP				7,441,345
CINVEN CAPITAL PARTNERS LP				19,091,814
CONTRARIAN CAP FD II LP				8,090,340
CORNERSTONE EQUITY INV IV LP				2,146,743
DOUGHTY HANSON & CO. FUND II				12,388,593
ENERGY RECOVERY FUND				966,231
EQUITY-LINKED INVESTORS L.P.				26,235,844
EVERGREEN I L.P. (HANCOCK)				2,325,772
EVERGREEN II L.P. (BRENTWOOD)				213,504
EVERGREEN III L.P. (HANCOCK)				2,349,112
EVERGREEN IV L.P. (BRENTWOOD)				3,956,207
FRAZIER HEALTHCARE II LP				3,867,913
GALILEO FUND L.P.				28,958,923

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GREEN MOUNTAIN PARTNERS LP				18,713,014
HANCOCK DIR INT'L PRIV EQ PTNR'S II				3,880,003
HANCOCK PTNRS INTL PRIV EQ PTNRS II				6,402,146
INTERWEST PARTNERS VI				1,506,808
JOHN HANCOCK PARTNERS II				3,520,840
JOSEPH LITTLEJOHN & LEVY FUND II				32,680,489
KBA PARTNERS				143,198
KBA PARTNERS II				105,906
MATERIA VENTURES				9,984,614
MENLO EVERGREEN V L.P.				4,352,934
MENLO VENTURE PARTNERS III				1,661,669
MENLO VENTURE PARTNERS IV				19,154,235
MENLO VENTURES VI LP				2,020,141
MENLO VENTURES VII LP				3,024,241
MORGAN STANLEY VEN PTN III LP				2,593,567
OCM OPPORTUNITIES FUND LP				43,709,990
PARAGON PARTNERS II				3,386,816
PHOENIX PARTNERS				9,936
PHOENIX PARTNERS (SECONDARY)				3,962
PHOENIX PARTNERS II				4,515,413
PHOENIX PARTNERS III				17,888,154
RICE PARTNERS II LP				27,772,803
RSTW PARTNERS III LP				1,000,000
SPECTRUM EQ INV II LP				1,659,024
SPROUT CAPITAL VII LP				11,300,201
TECHNOLOGY CROSSOVER II Q LP				1,065,333
U.S. VENTURE PARTNERS V LP				3,033,076
VESTAR CAPITAL PTNRS III LP				615,723
WORLDVIEW TECH PARTNERS I LP				1,193,390
TOTAL VENTURE CAPITAL				\$ 498,465,687
<u>LEVERAGED BUY-OUTS:</u>				
AMPHENOL CORP KKR 96				36,454,999
APC ASSOCIATES LP KKR 87				10,271,814
AUTOZONE INC. -- 1982				412,247
AUTOZONE INC. -- 1984				20,252,071
BORDEN				353,227,545
BRAKE ASSOC LP KKR 93				11,331,000
CG ASSPCOATES LP KKR 93				21,587,000
CHANNEL ONE ASSOC LP KKR 93				25,191,320
CLAYTON DUBILIER & RICE V LP				10,980,615
CMT ASSOCIATES L.P. KKR 93				94,094,924
CODE HENNESSY & SIMMONS II				7,953,768
CRIMSON ASSOC LP KKR 93				44,615,000
CYPRESS MERCHANT BK PART. LP				10,336,496
DAW FOREST PRODUCTS CO.				3,000,001
DI ASSOC. INTERIM INVESTMENTS				1,943,531
FIELD PUBLICATIONS 87				17,861,000
FLEET/NORSTAR FINANCIAL GROUP				128,103,830
GELLETE CO. KKR 87				311,375,428
GOLF ASSOCIATES LP KKR87				3,103,000
GR ASSOCIATES LP KKR 93				11,959,217
JWC ASSOCIATES KKR 86				10,703,080

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K-111 PRIME CORPORATION 87				38,292,801
K-III HOLDINGS INC. 87				38,894,147
KKR 1996 FUND LP FEE				2,297,567
KLC ASSOCIATED LP KKR 93				26,186,000
MBC ASSOC LP KKR93				18,604,000
MOTEL 6 INC.				409,540
NXS ASSOC LP KKR 93				12,583,970
OLYMPIC VENTURE PARTNERS IV				557,658
OWENS-ILLINOIS INC. 86				105,875,480
PUBLISHING ASSOC. LP KKR 87				16,203,600
RANDALLS FOOD MARKETS KKR1996				30,657,000
RED LION INNS				98,600,000
RESORT ASSOCIATES L.P.				25,685,000
RRN ASSOCIATES LP KKR 93				38,738,459
SAFEWAY INC. 86				268,008,291
STRATA ASSOCIATES LP KKR93				67,502,994
TSG CAPITAL FUND II LP				17,046,907
UNION TEXAS PETROLEUM INC. 84				45,171,806
WALTER INDUSTRIES KKR 93				12,615,078
WARBURG PINCUS VENTURES				102,853,688
WELSH CARSON ANDERSON & STOWE VII				14,605,096
WPC ASSOCIATES LP KKR 93				35,542,657
TOTAL LEVERAGED BUY-OUTS				\$ 2,151,689,627
<u>REAL ESTATE EQUITY:</u>				
AMERICA WEST I				721,201
AMERICA WEST II				13,683,595
CENTENNIAL LIMITED PRTRNSHIP				251,018
FORESTREE WASHINGTON				78,652,575
LONE STAR OPPORTUNITY FUND LP				8,115,080
LOWE NORTHWEST INV PROP I LLC				29,687,492
MEZZANINE CAPITAL PROP INV INC				10,121,555
MORGAN STAN SPEC SITUATIONS LP				6,041,318
OLYMPIA PROPERTIES LLC				58,954,343
ONE AND TWO UNION SQUARE				285,824,466
PACTRUST REALTY ASSOC L.P.				193,675,762
PACTRUST/WSIB - LLC				87,180,000
PRIME PROPERTY FUND(ELAS)				2,754,307
QUADRANT LAKE UNION CENTER				8,483,671
RREEF REAL ESTATE EQUITY FD				11,817,643
SECURITY CAPITAL GROUP				86,780,705
SENTINEL REAL ESTATE FUND				22,945,466
WASHCAL LIMITED PRTRNSHIP				103,635,028
WASHNEEP L.P.				26,663,283
TOTAL REAL ESTATE EQUITY				\$ 1,035,988,507
<u>CORPORATE STOCK - FOREIGN</u>				
AMCOR LIMITED			181,200	1,194,557
AUST + NZ BANK GRP			1,805,000	13,386,847
BRAMBLES INDS LTD			522,562	10,253,115
BROKEN HILL PROPTY			668,000	9,749,856

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BROKEN HILL PROPTY			221,100	3,227,086
CSR LIMITED			665,000	2,555,671
EMAIL LIMITED			391,300	1,389,486
FOSTERS BREWING GR			562,400	1,036,445
GOODMAN FIELDERLT			1,347,600	1,968,618
LEIGHTON HOLDINGS			2,167,000	10,472,536
MAYNE NICKLESS LTD			348,000	2,012,623
NATL AUSTRALIA BK			300,000	4,263,384
NEWS CORPORATION			847,600	3,314,571
NORTH LTD			219,000	828,517
PLUTONIC RES NL			164,300	509,570
RGC LIMITED			1,314,557	4,776,250
RIO TINTOLIMITED			128,100	2,166,901
SANTOS LTD			1,512,000	6,309,180
SANTOS LTD			178,875	746,398
SOUTHCORP HOLDINGS LTD			619,400	2,301,541
WESTPAC BANK CORP			359,700	2,147,656
WMC LTD			7,245	45,320
WMC LTD			694,175	4,342,315
WOOL WORTHS LTD			3,545,000	11,552,378
JIANGSU EXPRESSWAY			820,000	271,990
BANG + OLUFSEN HLG			42,955	2,656,056
DSV			2,838	1,767,673
FALCK			99,650	5,259,990
MARTIN GRUPPEN			88,200	6,850,391
SYDBANK			52,900	2,417,341
TELE DANMARK A/S			88,965	4,628,901
UNIDANMARK			50,500	2,840,794
AAMULEHTI II			44,800	1,638,733
KONECRANES INTERNA			195,600	8,585,792
MERITA LTD.			1,000,000	3,330,602
NOKIA (AB) OY			80,000	5,974,292
NOKIAN TYRES			111,840	3,014,407
OY TAMRO AB			862,000	5,974,292
POHJOLA			81,700	2,422,253
POHJOLA			142,600	4,227,824
ACCOR			5,800	869,367
ADA			43,343	3,432,926
AIR LIQUIDE(L)			13,060	2,075,474
ALCATEL ALST(CGE)			34,819	4,365,025
ALCATEL ALST(CGE)			29,750	3,729,558
ASS GEN DE FRANCE			24,260	776,031
AXA UAP			54,157	3,371,588
AXA UAP			1,850	115,173
AXA UAP			53,990	3,361,192
AXIME (EXSEGIN)			68,000	8,049,822
BIC			4,800	785,701
BOUYGUES			4,300	354,126
BQE NATL PARIS			182,000	7,508,239
BQE NATL PARIS			36,530	1,507,011
BUT SA			114,370	6,935,131
CANAL PLUS			4,300	837,890
CARBONE LORRAINE			5,000	1,217,864
CARREFOUR			6,790	4,936,132

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	<u>DATE</u>	<u>RATE</u>	<u>OF SHARES</u>	<u>MARKET VALUE</u>
CASINO GUICH PERR			68,400	3,389,163
CASTORAMA DUBOIS			28,000	3,944,175
CETELEM			37,000	4,657,349
CHEMUNEX			663,800	1,752,514
CIE BANCAIRE			5,070	647,682
CIE DE ST GOBAIN			12,200	1,780,874
CIE DE STGOBAIN			30,000	4,379,199
CIE DE STGOBAIN			15,830	2,310,757
CIE DE SUEZ			31,669	1,530,874
CIE DE SUEZ			30,400	1,469,530
CIE FIN PARIBAS			21,840	1,510,328
CIPE FRANCE			54,192	7,015,221
CREDIT COMM FRANCE			12,610	534,819
CSF(THOMSON)			168,161	4,336,544
CSF(THOMSON)			22,320	575,589
DANONE			51,904	8,584,453
DANONE			13,510	2,234,432
DASSAULT SYSTEMS			63,405	4,503,520
DEXIA FRANCE			6,550	638,160
EAUX (CIE GENERAL)			18,830	11,290
EAUX (CIE GENERALE)			22,070	2,830,674
ELF AQUITAINE			42,000	4,535,562
ELF AQUITAINE			94,004	10,151,452
ELF AQUITAINE			49,710	5,368,162
ERID BEGHIN SAY			4,720	707,485
GRANDOPTICAL PHOTO			35,450	5,386,091
GUILBERT SA			41,025	5,813,859
HAVAS			11,400	822,339
L OREAL			12,020	5,069,296
LAFARGE			21,478	1,337,131
LAFARGE			16,960	1,055,859
LAGARDERE S.C.A.			18,040	524,521
LEGRAND			3,840	676,962
LVMH MOET HENNESSY			15,690	4,222,529
METROPOLE TV (M6)			25,000	2,384,628
MICHELIN(CGDE)			72,000	4,327,895
MICHELIN(CGDE)			20,950	1,259,297
MOULINEX			156,200	4,283,507
NRJ SA			15,812	2,154,613
PERNOD RICARD			50,142	2,587,837
PERNOD RICARD			10,220	527,456
PEUGEOT SA			18,450	1,784,996
PEUGEOT SA			9,040	874,600
PIN PRINTEMPS REDO			3,990	1,919,244
PIN PRINTEMPS REDO			50	24,051
PRIMAGAZ			63,821	5,652,747
PRIMAGAZ			2,400	41,901
PROMODES			3,430	1,337,311
RENAULT (REGIE NATIONALE)			40,000	1,013,126
RHONE POULENC ACT A			187	7,644
RHONE POULENC SA			135,000	5,518,710
RHONE POULENC SA			57,760	2,361,190
SANOFI			18,590	1,823,872
SCHNEIDER SA			81,600	4,347,599

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SCHNEIDER SA			25,140	1,339,444
SEFIMEG			18,985	1,212,647
SEITA			85,189	2,698,914
SOC. GENERALE			16,440	1,836,954
SODEXHO ALLIANCE			8,368	4,288,806
SODEXHO ALLIANCE			504	103,016
SUEZ LYONN EAUX			10,880	1,097,092
TOTAL			98,704	9,986,511
TOTAL			43,470	4,398,136
UNIBAIL SA			27,887	2,612,505
VALEO			12,390	770,294
ALLIANZ AG			29,900	6,263,005
ALTANA AG			4,700	5,016,832
ALTANA AG			6,500	6,938,172
APCOA PARKING AG			94,599	9,066,126
BASF AG			79,720	2,948,553
BAYER AG			240,850	9,263,387
BAYER AG			91,470	3,518,049
BAYER HYPO/WECH BK			32,760	980,431
BAYER MOTOREN WERK			2,560	2,119,947
BAYER VEREINSBK			29,880	1,222,613
COMMERZBANK AG			56,740	1,608,552
DAIMLER BENZ AG			58,000	4,709,808
DAIMLER BENZ AG			68,420	5,555,949
DEGUSSA AG			11,400	603,845
DEUTSCHE BANK AG			65,070	3,805,167
DEUTSCHE TELEKOM			133,260	3,211,943
DRESDNER BANK AG			59,040	2,043,066
GEA AG			1,800	709,656
GEA AG			3,900	1,512,969
GEHE AG			60,000	4,097,481
GEHE AG			42,800	2,922,870
HENKEL KGAA			7,400	392,819
HENKEL KGAA			65,900	3,744,030
HENKEL KGAA			19,530	1,109,574
HENKEL KGAA			49,750	2,826,487
HOECHST AG			76,310	3,239,773
KARSTADT AG			1,080	384,888
KIEKERT AG			101,400	4,538,907
KSB KL SCHANZ BECK			12,700	3,133,942
LINDE AG			1,110	850,399
LUFTHANSA AG			49,550	951,171
MAN AG			2,090	644,079
MANNESMANN AG			9,100	4,057,711
MANNESMANN AG			4,790	2,135,872
MARSCHOLLEK LAUTEN			31,350	7,466,282
MARSCHOLLEK LAUTEN			22,660	5,396,681
MARSCHOLLER LAUTEN			12,969	3,111,011
METRO AG			13,570	1,488,193
MUNCHENERRUCKVERS			1,100	3,086,884
PREUSSAG AG			2,100	615,225
RHON KLINIKUM AG			50,364	6,647,629
RHON KLINIKUM AG			32,251	4,127,307
RWE AG			70,830	3,048,578

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SAP AG			20,000	4,154,869
SAP AG			13,200	2,742,213
SCHERING AG			14,350	1,534,617
SCHERING AG			8,910	952,853
SGL CARBON			20,600	2,823,061
SGL CARBON			43,100	5,906,502
SIEMENS AG			71,190	4,230,462
SKW TROSTBERG AG			204,537	6,913,627
THYSSEN AG			4,070	964,635
VEBA AG			80,000	4,499,195
VEBA AG			63,080	3,547,615
VIAG AG			3,470	1,579,143
VOLKSWAGEN AG			2,700	2,071,638
VOLKSWAGEN AG			12,250	6,889,392
VOLKSWAGEN AG			4,490	3,445,058
3I GROUP			42,800	355,092
ABBAY NATIONAL			311,900	4,256,582
ABBAY NATIONAL			102,100	1,393,386
ALLIED DOMECQ PLC			73,800	529,992
ANGLO IRISH BK CP			2,130,000	2,711,895
ARGOS			20,200	184,063
ASDA GROUP			213,000	439,575
ASSOCD BRIT FOODS			65,200	562,637
BAA			74,900	689,972
BANK OF SCOTLAND			86,900	555,370
BARCLAYS			111,900	2,219,924
BASS			63,200	770,997
BAT INDUSTRIES			867,100	7,756,743
BAT INDUSTRIES			226,600	2,027,077
BEMROSE CORP			732,000	4,708,606
BG			1,830,300	6,732,034
BG			323,000	1,188,028
BIOCOMPATIBLES INT			245,500	5,317,744
BLUE CIRCLE INDS			53,800	383,229
BOC GROUP			34,400	598,283
BOOTS CO			65,200	763,385
BRIT SKY BROADCAST			124,800	913,901
BRITISH AEROSPACE			30,900	687,320
BRITISH AIRWAYS			72,300	823,652
BRITISH BIOTECH			1,050,750	3,987,182
BRITISH PETROLEUM			43	534
BRITISH PETROLEUM			408,900	5,080,175
BRITISH STEEL			147,900	366,764
BRITISH TELECOM			454,400	3,372,912
BTG			1,125,000	11,814,454
BTR			2,387,500	8,165,579
BTR			293,700	1,004,494
BURMAH CASTROL PLC			14,700	248,934
BURTON GROUP			105,300	206,358
CABLE + WIRELESS			350,000	3,218,341
CABLE + WIRELESS			161,900	1,488,713
CADBURY SCHWEPES			72,900	649,709
CAMBRIDGE ANTIBODY			191,983	1,693,442
CAPITA GROUP			2,091,000	8,195,524

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CARLTON COMUNCTNS			41,500	350,523
CENTRICA			1,826,100	2,226,199
CENTRICA			320,000	390,112
COATS VIYELLA			383,700	814,205
COBHAM PLC			529,300	6,342,583
COMMERCIAL UNION			49,500	520,248
COOKSON GROUP			295,000	1,038,399
DIXONS GROUP			30,200	234,723
DÖMNICK HUNTER GRO			776,653	4,582,210
ELECTROCOMPONENTS			518,700	3,871,778
ELECTROCOMPONENTS			246,900	1,842,957
EMI GROUP			31,200	559,505
ENERGY GROUP			37,850	403,790
ENTERPRISE OIL			35,500	398,808
EXPRO INTL GRP			675,000	5,139,568
FILTRONIC COMTEK			419,800	2,766,747
FORTH PORTS			200,000	1,905,624
FORTH PORTS			310,000	2,953,717
GENERAL ACCIDENT			34,800	507,938
GENERAL ELECTRIC			200,600	1,198,553
GKN			75,800	1,305,063
GKN			25,500	439,038
GLAXO WELLCOME			258,400	5,332,685
GOODE DURRANT			322,500	2,200,621
GRANADA GROUP			61,900	813,860
GRAND METROPOLITAN			149,800	1,449,751
GREAT UNIV STORES			73,000	738,683
GUARDIAN ROYAL EX			66,100	297,028
GUINNESS			140,800	1,377,881
HALMA			1,491,000	4,057,207
HAMMERSONPLC			81,400	633,341
HANSON			47,237	234,670
HAYS			890,000	8,457,809
HAYS			29,500	280,343
HEWDEN STUART			900,000	2,426,550
HSBC HLDGS			63,000	1,938,170
HSBC HLDGS			130,000	3,851,192
IMPERIAL CHEM INDS			52,600	731,415
IMPERIAL TOBACCO			38,030	244,629
JARVIS PORTER GRP			1,076,980	3,253,239
KINGFISHER			48,900	555,041
LADBROKE GROUP			85,300	333,617
LAND SECURITIES			36,700	517,652
LASMO			70,100	302,752
LEGAL + GENERAL GP			90,300	609,411
LLOYDS TSB GROUP			420,000	4,305,878
LLOYDS TSB GROUP			378,500	3,880,417
LUCAS VARIETY			106,300	367,984
MACKIE INTL GROUP			396,875	749,689
MARKS + SPENCER			205,400	1,702,400
MARLEY			1,517,300	3,156,554
MEPC			679,600	5,576,119
MERCURY ASSET MAN GP			11,800	241,753
MISYS			247,300	5,607,798

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MONUMENT OIL + GAS			1,600,000	2,330,021
NATIONAL GRID GRP			122,400	447,144
NATIONAL POWER			87,900	763,644
NATL WESTMINSTER			124,000	1,666,464
NEXT			27,000	304,892
NORWICH UNION			121,000	643,410
ORANGE			87,000	287,416
OXFORD MOLECULAR			1,120,000	5,293,807
P + O			303,500	3,030,691
P + O			43,800	437,378
PEARSON			41,000	474,584
POWERGEN			46,500	553,338
POWERGEN			242,700	2,888,069
PRUDENTIAL CORP			140,100	1,355,875
PSION			907,500	5,897,928
RAILTRACK GROUP			35,400	368,521
RANK GROUP			60,700	384,393
RECKITT + COLMAN			29,350	437,427
REED INTERNATIONAL			82,500	799,114
RENTOKIL INITIAL			207,600	729,024
REUTERS HLDGS			246,100	2,592,669
REUTERS HLDGS			122,600	1,291,594
RIO TINTO			77,700	1,353,294
RMC GROUP			18,700	303,599
ROLLS ROYCE			107,400	410,222
ROYAL BK SCOT GRP			58,400	543,807
ROYAL SUN ALLIANCE			113,600	837,556
SAFEWAY			529,271	3,061,009
SAFEWAY			78,200	452,265
SAINSBURY(J)			133,400	809,255
SCHRODERS			10,700	292,230
SCOT + NEWCASTLE			44,200	475,579
SCOTIA HLDGS			450,000	2,422,806
SCOTTISH POWER			84,300	548,575
SEMA GROUP			225,000	4,615,314
SERCO GROUP			890,000	10,427,842
SERVISAIR			300,000	2,089,529
SETON HEALTHCARE			703,000	5,048,564
SEVERN TRENT			24,200	313,146
SHELL TRNSPT+TRDG			725,400	4,943,827
SIEBE			34,700	587,330
SMITH + NEPHEW			80,700	224,296
SMITHKLINE BEECHAM			200,000	3,679,769
SMITHS INDUSTRIES			22,300	285,591
STANDARD CHARTERED			71,500	1,090,017
TARMAC			2,163,600	4,501,101
TATE + LYLE			31,200	231,850
TESCO			158,100	972,250
THAMES WATER			315,000	3,635,706
THAMES WATER			26,900	310,478
THORN			590,400	1,690,077
TI GROUP			35,000	304,941
TOMKINS			86,700	375,167
UNIDARE			200,000	682,363

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UNILEVER			59,300	1,699,000
UNITED BISCUITS			765,600	2,605,716
UNITED NEWS + MEDIA PLC			36,000	417,307
UNITED UTILITIES			37,400	411,127
VODAFONE GROUP			221,100	1,076,332
WHITBREAD			35,600	449,404
WOLSELEY			41,000	319,687
ZENECA GROUP			68,800	2,274,047
BANK OF EAST ASIA			40	167
BEIJING ENTERPRISE			162,000	1,020,435
CHEUNG KONG INFRAS			2,894,000	8,386,207
CHEUNG KONG(HLDGS)			1,266,000	12,501,031
CHEUNG KONG(HLDGS)			687,000	6,783,735
CITIC PACIFIC LTD			1,638,000	10,233,164
CITIC PACIFIC LTD			137,000	855,887
COSCO PACIFIC LTD			2,288,000	5,301,163
DICKSON CONCEPT IN			550,200	2,002,721
FIRST TRACTOR CO			276,000	181,690
GUANGZHOU INVMNT			11,000,000	6,069,871
HANG SENG BANK			577,000	8,229,791
HENDERSON LAND DEV			683,000	6,060,997
HENDERSON LAND DEV			294,000	2,608,980
HONG KONG ELECTRIC			899,500	3,622,484
HONG KONG TELECOMM			4,245,600	10,138,215
HSBC HLDGS			917,400	27,590,867
HSBC HLDGS			161,600	4,860,131
HUTCHISON WHAMPOA			1,700,000	14,701,932
HUTCHISON WHAMPOA			581,000	5,024,602
NEW WORLD DEVEL CO			2,455,000	14,640,104
NEW WORLD INFRASTRUCTURE LTD			1,006	2,844
SHANGHAI INDUSTRIAL HLDGS			435,000	2,706,369
SING TAO			1,318,000	493,360
SUN HUNG KAI PROPS			889,000	10,700,432
SUN HUNG KAI PROPS			224,000	2,696,172
SWIRE PACIFIC			419,000	3,772,323
TELEVISION BROADCT			558,000	2,506,479
WHARF(HLDGS)			464,000	2,012,371
WHEELOCK + CO			862,000	2,119,595
YUE YUEN INDUSTRIA			4,000	8,287
BIMANTARA CITRA			3,918,500	6,849,115
BK PAN INDONESIA			2,369,750	1,559,366
INDAH KIAT PAPER+P			4,256,232	2,494,398
INDAH KIAT PULP + PAPER			196,851	72,863
MAYORA INDAH			1,915,680	1,083,306
SEMEN CIBINONG			916,500	2,402,914
SEMEN GRESIK			1,126,000	2,523,833
TELEKOMUNIKASI IND			1,706,000	2,788,957
AZ MED ACQUA E GAS			4,229,000	2,950,234
BCA POP COMM E IND			220,000	2,657,067
BREMBO SPA			432,000	4,620,864
BULGARI SPA			1,582,400	8,946,628
CARRARO SPA			753,500	3,852,747
CRESPI			319,404	807,192
ENI SPA			200	1,131

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ENI SPA			900	5,091
IMA(IND MACC AUTO)			684,900	2,777,437
MEDIOLANUM			240,000	2,703,967
MEDIOLANUM			575,650	6,485,577
OLIVETTI + C SPA			1,814,000	513,336
RINASCENTE(LA)			284,000	1,576,479
TELECOM ITALIA MOB			1,000,000	3,232,442
TELECOM ITALIA MOB			100	323
ACOM CO			90,000	4,341,518
ADVANTEST			2,190	168,417
AICHI CORPORATION			90,000	558,420
AISIN SEIKI CO			9,000	137,639
AJINOMOTO CO INC			53,000	569,693
AMADA CO			14,000	123,569
AMWAY JAPAN LTD			300,000	10,172,155
ANRITSU CORP			4,000	60,124
AOYAMA TRADING CO			500,000	16,079,695
AOYAMA TRADING CO			42,000	1,350,694
ARABIAN OIL CO			1,000	33,732
ASAHI BANK			401,000	3,416,717
ASAHI BANK			109,000	928,733
ASAHI BREWERIES			19,000	283,929
ASAHI CHEMICAL IND			102,000	610,591
ASAHI GLASS CO			65,000	647,557
ASATSU INC			65,000	2,408,459
ASHIKAGA BANK			160,000	587,258
AUTOBACS SEVEN CO			65,000	5,157,737
BANK OF TOKYO MITS			5,000	100,498
BANK OF TOKYO MITS			219,000	4,401,817
BANK OF YOKOHAMA			50,000	281,832
BRIDGESTONE CORP			107,000	2,487,284
BRIDGESTONE CORP			35,000	813,598
CANON INC			61,000	1,663,200
CANON SALES CO INC			46,000	1,073,320
CENTRAL GLASS CO			220,000	642,139
CHIBA BANK			36,000	214,559
CHICHIBU ONODA CEMENT			38,000	149,104
CHUO TRUST + BKG			17,000	112,907
CITIZEN WATCH CO			100,000	772,524
CITIZEN WATCH CO			25,000	193,131
COSMO OIL COMPANY			253,000	1,211,605
DAI ICHI KANGYO BK			113,000	1,540,505
DAI NIPPON PRINTNG			40,000	905,357
DAIEI INC			41,000	263,349
DAIICHI PHARM CO			104,000	1,835,882
DAIKEN CORP			75,000	471,904
DAINIPPON INK+CHEM			50,000	215,852
DAIWA BANK			862,000	4,090,412
DAIWA DANCHI CO			153,000	628,419
DAIWA HOUSE INDS			23,000	281,395
DAIWA KOSHO LEASE			150,000	1,161,408
DAIWA SECURITIES			405,000	3,199,510
DAIWA SECURITIES			41,000	323,901
DDI CORP			1,900	14,047,012

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DDI CORP			745	5,507,907
DENSO CORP			43,000	1,029,625
DIAMOND LEASE CO			70,000	831,949
DOWA MINING CO			14,000	54,688
EAST JAPAN RAILWAY			420	2,158,175
EBARA CORP			23,000	345,713
EISAI CO			12,000	227,563
FANUC			225,000	8,651,575
FANUC			80,000	3,076,116
FANUC			13,000	499,869
FAST RETAILING CO			132,300	4,277,811
FUJI BANK			136,000	2,044,219
FUJI DENKI REIKI			49,000	385,388
FUJI ELECTRIC CO			355,000	1,613,213
FUJI PHOTO FILM CO			62,000	2,497,771
FUJI PHOTO FILM CO			22,000	886,306
FUJITSU			99,000	1,375,600
FUKUI BANK			160,000	594,250
FURUKAWA CO			297,000	1,066,739
GAKKEN CO			700,000	3,688,717
HANKYU CORP			40,000	221,271
HIROSE ELECTRIC			2,800	192,327
HITACHI			734,000	8,210,432
HITACHI			148,000	1,655,509
HITACHI CABLE			200,000	1,655,160
HONDA MOTOR CO			40,000	1,205,977
HOSIDEN CORP			450,000	5,702,174
HOYA CORP			6,000	267,412
IND BANK JAPAN			115,000	1,788,866
ISHIHARA SANGYO			1,256,000	3,720,911
ITO YOKADO CO			200,000	11,622,823
ITO YOKADO CO			44,000	2,557,021
ITO YOKADO CO			18,000	1,046,054
ITOCHU CORP			61,000	328,908
ITOHAM FOODS INC			212,000	1,170,881
IYO BANK			162,000	1,163,715
IZUMI CO			138,000	2,026,042
IZUMIYA CO			115,000	1,849,165
JAPAN AIR LINES CO			84,000	382,452
JAPAN ENERGY CORP			148,000	388,010
JAPAN SYNTH RUBBER			144,000	1,233,243
JAPAN TOBACCO INC			258	2,040,461
JUSCO CO			18,000	608,756
KAJIMA CORP			59,000	345,967
KAMEI CORP			75,000	825,832
KANEKA CORP			8,000	50,197
KANSAI ELEC POWER			39,000	753,211
KAO CORP			27,000	375,164
KAWASAKI HEAVY IND			30,000	139,736
KAWASAKI KISEN			610,000	1,231,408
KAWASAKI KISEN			50,000	100,935
KAWASAKI STEEL CP			208,000	678,004
KEIYO CO			1,400	13,091
KINKI NIPPON RLWY			77,000	471,030

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KIRIN BREWERY CO			48,000	499,170
KISSEI PHARM CO			76,000	1,673,687
KOA OIL COMPANY			3,000	18,955
KOKUYO CO			5,000	135,454
KOMATSU			82,000	666,433
KUBOTA CORP			81,000	397,107
KYOCERA CORP			8,000	636,197
KYODO PRINTING CO			170,000	1,634,186
KYOWA HAKKO KOGYO			22,000	164,957
LONG CREDIT BK JAP			378,000	1,635,148
MARUBENI CORP			601,000	2,731,101
MARUBENI CORP			64,000	290,833
MARUHA CORP			675,000	1,763,742
MARUI CO			21,000	390,894
MATSUI CONST CO			84,000	419,156
MATSUSHITA COMM			9,000	304,378
MATSUSHITA ELC IND			442,000	8,922,658
MATSUSHITA ELC IND			89,000	1,796,644
MATSUSHITA REFRIG			9,000	55,213
MATSUZAKAYA CO			70,000	517,521
MINEBEA CO			31,000	330,508
MITSUBISHI CHEMICAL			144,300	471,626
MITSUBISHI CORP			67,000	837,280
MITSUBISHI ELEC CP			968,000	5,422,423
MITSUBISHI ELEC CP			94,000	526,558
MITSUBISHI ESTATE			56,000	812,374
MITSUBISHI HVY IND			770,000	5,914,793
MITSUBISHI HVY IND			171,000	1,313,545
MITSUBISHI MATERL			149,000	596,364
MITSUBISHI OIL CO			14,000	62,396
MITSUBISHI RAYON			488,000	2,012,898
MITSUBISHI RAYON			33,000	136,118
MITSUBISHI TR+BKG			58,000	917,417
MITSUMI + CO			67,000	644,062
MITSUMI FUDOSAN CO			266,000	3,672,812
MITSUMI FUDOSAN CO			35,000	483,265
MITSUMI MARINE+FIRE			36,000	260,491
MITSUMI MINING + SM			210,000	934,108
MITSUMI MINING + SM			40,000	177,925
MITSUMI OSK LINES			33,000	68,059
MITSUMI PETROCHEM			150,000	723,586
MITSUMI TRUST + BKG			1,069,000	8,080,790
MITSUMI TRUST + BKG			53,000	400,638
MITSUMI TRUST + BKG			29,000	206,545
MITSUMI TRUST + BKG			163,000	1,065,490
MORI SEIKI CO			7,000	112,558
MURATA MFG CO			320,000	12,751,897
MURATA MFG CO			53,000	2,112,033
MURATA MFG CO			18,000	717,294
NAGASE + CO			168,000	1,331,608
NAGOYA RAILROAD CO			38,000	156,742
NANTO BANK			150,000	933,321
NEC CORP			84,000	1,174,517
NGK INSULATORS			19,000	209,211

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NICHIEI CO			180,000	20,921,081
NIKKO SECURITIES			47,000	289,566
NIPPON EXPRESS CO			504,000	4,030,061
NIPPON EXPRESS CO			50,000	399,808
NIPPON MEAT PACKER			18,000	232,806
NIPPON OIL CO			160,000	876,693
NIPPON OIL CO			116,000	635,602
NIPPON PAPER INDS			58,000	336,048
NIPPON ROAD CO			140,000	528,533
NIPPON SHEET GLASS			250,000	921,961
NIPPON SHINYAKU CO			179,000	1,595,560
NIPPON STEEL CORP			2,197,000	7,027,019
NIPPON STEEL CORP			411,000	1,314,568
NIPPON TEL+TEL CP			1,000	9,612,861
NIPPON TEL+TEL CP			595	5,719,652
NIPPON TEL+TEL CP			492	4,729,528
NIPPON YUSEN KK			103,000	400,550
NISHI NIPPON RLRD			113,140	371,761
NISHIMATSU CONST			190,000	1,328,323
NISHIMATSU CONST			12,000	83,894
NISSAN DIESEL MTR			346,000	1,345,538
NISSAN FIR+MAR INS			189,000	1,040,549
NISSAN MOTOR CO			1,557,000	12,096,239
NISSAN MOTOR CO			119,000	924,504
NISSAI SANGYO CO			113,000	1,382,504
NISSHINBO IND INC			8,000	72,708
NISSIN FOOD PRODS			11,000	286,463
NOMURA SECURITIES			207,000	2,858,166
NOMURA SECURITIES			62,000	856,069
NSK			345,000	2,222,013
NSK			24,000	154,575
OBAYASHI CORP			43,000	288,220
ODAKYU ELEC RLWY			35,000	207,987
OJI PAPER CO			176,000	1,090,483
OJI PAPER CO			45,000	278,817
OKAMURA CORP			90,000	597,745
OLYMPUS OPTICAL CO			350,000	3,150,397
OMRON CORP			20,000	424,714
OMRON CORP			38,000	806,956
ONO PHARMACEUTICAL			20,000	706,108
ORIX CORP			140,000	10,387,133
OSAKA GAS CO			102,000	293,262
POKKA CORP			60,000	427,860
PROMISE CO			34,000	1,949,139
RENGO CO			133,000	835,681
RICOH CO			6,000	78,651
RICOH CO			65,000	852,049
RISO KAGAKU CORP			60,000	4,928,776
ROHM CO			29,000	2,990,474
ROHM CO			7,000	721,838
SAGAMI RAILWAY CO			263,000	958,411
SAKURA BANK			1,031,000	7,910,668
SAKURA BANK			159,000	1,219,977
SAN IN GODO BANK			200,000	1,658,656

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SANDEN CORP			7,000	58,726
SANKEN ELECTRIC CO			5,000	42,384
SANKI ENGINEERING			40,000	405,488
SANKYO CO			23,000	773,835
SANSEI YUSOKI CO			93,000	787,529
SANYO ELECTRIC CO			83,000	372,822
SECOM CO			5,000	367,473
SEGA ENTERPRISES			6,000	199,248
SEIREN CO			154,000	706,545
SEKISUI CHEMICAL			930,000	9,427,595
SEKISUI CHEMICAL			259,000	2,625,535
SEKISUI CHEMICAL			36,000	364,939
SEKISUI HOUSE			42,000	425,762
SEVEN ELEVEN JAPAN			100,000	7,567,943
SEVEN ELEVEN JAPAN			19,000	1,437,909
SHARP CORP			1,000,000	13,807,564
SHARP CORP			47,000	648,956
SHIMACHU CO			35,400	1,064,196
SHIMIZU CORP			50,000	300,183
SHIN ETSU CHEM CO			26,000	690,728
SHIONOGI + CO			116,000	900,183
SHISEIDO CO			16,000	264,266
SHIZUOKA BANK			36,000	412,130
SHOWA SHELL SEKIYU			75,000	707,856
SNOW BRAND MILK			145,000	747,618
SONY CORP			26,000	2,269,859
SONY CORP			15,000	1,309,534
STANLEY ELECTRIC			9,000	46,640
SUMITOMO BAKELITE			110,000	889,190
SUMITOMO BANK			148,000	2,431,530
SUMITOMO CHEMICAL			104,000	471,694
SUMITOMO CORP			45,000	428,646
SUMITOMO ELEC INDS			45,000	755,047
SUMITOMO FORESTRY			300,000	3,303,329
SUMITOMO FORESTRY			11,000	121,122
SUMITOMO MAR+FIRE			33,000	271,083
SUMITOMO METAL IND			205,000	584,025
SUMITOMO RUBBER			65,000	437,953
TAISEI CORP			545,000	2,529,013
TAISEI CORP			57,000	264,502
TAISHO PHARM CO			17,000	459,058
TAKASHIMAYA CO			15,000	204,492
TAKEDA CHEM INDS			700,000	19,697,626
TAKEDA CHEM INDS			44,000	1,238,137
TDK CORP			20,000	1,469,894
TEIJIN			78,000	368,085
TOBU RAILWAY CO			40,000	184,916
TODA CORPORATION			194,000	1,359,678
TOHO BANK			120,000	739,316
TOHOKU ELEC POWER			19,000	338,722
TOKAI BANK			277,000	2,856,418
TOKAI BANK			94,000	969,326
TOKIO MARINE +FIRE			312,000	4,089,835
TOKIO MARINE +FIRE			77,000	1,009,350

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TOKYO ELEC POWER			247,200	5,206,256
TOKYO ELEC POWER			54,000	1,137,289
TOKYO ELECTRON			10,100	483,684
TOKYO GAS CO			112,000	311,247
TOKYO STEEL MFG			55,000	615,223
TOKYU CORP			51,000	316,884
TOPPAN PRINTING CO			120,000	1,887,616
TOPPAN PRINTING CO			38,000	597,745
TOPY INDUSTRIES			92,000	337,674
TORAY INDS INC			100,000	713,973
TOSHIBA CERAMICS			7,000	71,572
TOSOH CORP			15,000	50,861
TOSTEM CORP			71,000	1,966,879
TOSTEM CORP			10,000	277,025
TOTO			24,500	301,888
TOYO EXTERIOR CO			140,000	1,920,824
TOYO SEIKAN KAISHA			10,100	224,189
TOYO TIRE + RUBBER			220,000	695,971
TOYO TRUST + BKG			200,000	1,686,620
TOYOBO CO			140,000	370,707
TOYODA AUTO LOOM			15,000	340,820
TOYODA GOSEI			35,000	244,691
TOYOTA MOTOR CORP			199,000	5,878,002
TOYOTA MOTOR CORP			155,000	4,578,344
TRUSCO NAKAYAMA			600	12,217
UBE INDUSTRIES			53,000	154,234
UEKI CORP			22,000	55,947
WEST JAPAN RAILWAY			1,357	5,324,590
XEBIO CO			32,000	788,604
YAMAHA MOTOR CO			199,000	1,982,522
YAMAICHI SECS CO			38,000	113,240
YAMANOUCHI PHARM			15,000	403,740
YAMATO TRANSPORT			17,000	212,444
YAMAZAKI BAKING CO			84,000	1,482,828
YAMAZAKI BAKING CO			18,000	317,749
YORK BENIMARU CO			44,000	1,384,252
YUASA TRADING CO			100,000	381,893
HYUNDAI ELEC IND			40,700	2,085,415
KOOK MIN BANK			625	8,939
KOREA ELEC POWER			74,790	2,231,907
LG SEMICON CO			95,400	3,717,160
MIRAE			14,860	3,397,047
POHANG IRON +STEEL			13,808	988,951
SAMSUNG ELECTRONIC			13,660	1,084,493
SINDO RICOH			39,140	2,195,012
SK TELECOM			8	4,117
COMMERCE ASSET HLD			294,000	774,603
HONG LEONG PROPERTIES BHD			474,000	538,977
IJM CORP BERHAD			625,000	1,312,399
IOI CORP			805,000	918,541
MALAYAN CEMENT BHD			28,750	48,068
PETRONAS DAGANGAN			218,000	518,224
PETRONAS DAGANGAN			369,000	429,817
RHB CAPITAL BHD			191,000	605,387

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SIME DARBY BHD			311,000	1,035,022
TANJONG			327,000	1,127,138
TELEKOM MALAYSIA			199,000	930,347
CAHYA MATA SARAWAK			188,000	1,534,387
CAHYA MATA SARAWAK			75,200	59,588
KONSORTIUM PERKAPA			710,000	4,191,356
MALAYSIAN RES CORP			1,784,000	4,912,354
MBF CAPITAL BHD			1,686,000	3,099,456
RASHID HUSSAIN BHD			694,000	4,399,359
RHB CAPITAL BHDD			500	557
UTD ENGINEERS BHD			690,000	4,975,428
AALBERTS INDUSTRIE			225,920	6,514,743
AKZO NOBEL NV			32,227	4,424,522
BOLSWESSANEN (KON)			151,500	2,915,065
CAP GEMINI NV			120,000	3,797,232
DRAKA HLDGS			172,516	7,035,101
GAMMA HLDG NV			34,300	1,846,889
GIST BROCADES NV			115,100	3,800,789
GTI HOLDING			122,950	2,698,306
HAGEMEYER			108,376	5,608,739
HEIJMANS			280,050	5,988,855
IHC CALAND NV			93,570	5,124,253
ING GROEP NV			121,716	5,621,995
ING GROEP NV			87,168	4,026,242
INTERNATIO MILLER			270,530	8,546,736
KNP BT (KON) NV			190,762	4,352,047
KON TEN CATE NV			54,200	3,001,395
KONINKLIJKE NEDLLOYD NV			56,200	1,626,348
OCE NV			16,644	2,150,877
PAKHOED NV KON			133,000	4,697,339
PHILIPS ELECTRONIC			16,403	1,177,071
POLYGRAM			51,300	2,696,800
STORK NV			110,000	4,491,350
VEDIOR			100,000	2,648,875
VENDEX INTL			89,000	4,883,067
VOLKER STEVIN			286,636	8,060,770
AIR NEW ZEALAND			270,000	823,441
BRIERLEY INVT LTD			1,021,859	997,263
CARTER HOLT HARVEY			338,150	873,154
FLETCHER CHALLENGE			177,700	533,516
FLETCHER CHALLENGE			1,080,500	2,614,263
FLETCHER CHALLENGE			559,600	811,611
FLETCHER CHALLENGE LTD			250,000	753,974
LION NATHAN LTD			890,800	2,251,881
TELECOM CORP OF NZ			1,000,000	5,082,971
TELECOM CORP OF NZ			1,240,200	6,303,901
AGRESSO GROUP ASA			525,000	1,326,700
BERGESEN DY AS			81,600	1,933,888
CHRISTIANIA BANK			46,500	158,794
FOKUS BANK			221,300	1,874,195
NERA ASA			236,950	1,391,768
NORMAN DATA DEFENC			111,165	774,426
SAGA PETROLEUM			239,900	4,554,983
SAGA PETROLEUM			231,200	4,389,796

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SCHIBSTED ASA			170,000	3,367,120
SE LABELS AS			150,400	1,951,700
SENSOROR A/S			619,450	3,342,297
TOMRA SYSTEMS AS			276,495	5,665,265
CITY DEVELOPMENTS			128,000	1,253,278
DBS LAND			1,964,000	6,208,539
DEV BANK SINGAPORE			72,000	906,389
HOTEL PROPERTIES			2,410,000	4,095,744
HOTEL PROPERTIES			1,660,000	2,821,135
KEPPEL LAND INTL			375,000	340,945
KEPPEL LAND LTD			1,500,000	3,986,432
KYOCERA CORP			723	1,468,594
NATSTEEL LTD			1,484,000	3,777,851
O/SEAS CHINESE BK			429,600	4,446,676
O/SEAS UNION BANK			643,000	4,002,308
SHIN ETSUCHEMICAL			629	1,741,544
SINGAPORE AIRLINES			325,000	2,909,396
SINGAPORE LAND			139,000	631,884
SINGAPORE PRESS HD			81,000	1,631,500
SUPER COFFEEMIX			960,400	799,298
UNITED O/SEAS BANK			73,000	750,498
UNITED O/SEAS BANK			270,200	2,777,872
VENTURE MFG			60,588	148,308
WING TAI HOLDINGS			2,000,000	5,762,842
ACERINOX SA			30,000	5,632,010
AGUAS DE BARCELONA			20,100	824,117
ARGENTARIA CORP BC			68,900	3,864,995
HIDROEL CANTABRICO			64,125	2,607,380
PETROLEOS(CIA ESP)			90,000	3,059,766
REPSOL SA			110,000	4,659,684
TABACALERA SA			27,048	1,454,747
TELEFONICA DE ESP			190,000	5,503,500
URALITA			269,176	3,010,773
ALLGON AB			145,668	2,307,741
ASSA ABLOY			30,450	610,388
ASSA ABLOY			304,500	6,222,017
ASTRA AB			263,100	4,899,707
AUTOLIV INC			143,100	5,672,270
BIACORE INTL			100,900	1,200,510
DAHL INTERNATIONAL			210,774	4,143,310
ELECTROLUX AB			130,400	9,410,195
ELEKTÁ			139,125	2,788,841
ESSELTE AB			177,900	4,187,301
EUROPOLITAN HOLDINGS AB			220,000	4,822,577
SECURITASAB			255,000	7,189,248
SEMCON AB			390,000	1,462,680
SINTERCAST			90,900	1,087,408
SKANDIA FOERSAEKRINGS AB			167,900	6,188,457
SKF AB			127,700	3,154,359
STORA KOPPARBERGS			318,600	5,150,419
VOLVO(AB)			160,000	4,283,287
ABB AG			910	1,379,497
ALUSUISSE LONZA HD			464	481,235
ARES SERONO SA			2,600	3,771,993

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	<u>DATE</u>	<u>RATE</u>	<u>OF SHARES</u>	<u>MARKET VALUE</u>
BALOISE HLDGS			124	295,998
CANON SALES CO INC			490	65,227
CIBA SPECIALTY CHE			7,876	729,334
CLARIANT			457	296,234
CREDIT SUISSE GRP			21,383	2,750,154
DISETRONIC HLDG AG			1,003	2,033,038
EBARA CORP			2,722	513,462
ELEKTROWATT AG			980	363,673
EMS CHEMIE HLDG AG			55	245,224
ESEC HOLDING SA			750	2,464,245
FORBO HLDG			6,810	2,942,895
FUJITSU			2,500	934,595
GURIT HEBERLEIN			410	1,279,624
HERO AG			20,000	2,620,297
HILTI AG			3,580	2,578,455
HOLDERBK FN GLARUS			582	550,522
JULIUS BAER HLDG			2,900	4,445,931
KERAMIK HOLDING			4,000	2,400,796
NESTLE SA			8,915	11,777,817
NESTLE SA			4,488	5,929,203
NOVARTIS AG			3,400	5,443,358
NOVARTIS AG			1	1,601
NOVARTIS AG			777	1,242,902
NOVARTIS AG			7,099	11,365,412
OERLIKON BUHRLE AG			15,000	1,759,440
RIETER HLD			10,176	3,985,661
ROCHE HLDGS AG			360	3,260,829
ROCHE HLDGS AG			811	7,345,924
SCHW BANKGESELLSCH			2,418	2,769,873
SCHW RUCKVERSICHER			1,667	2,361,255
SCHWEIZ BANKVEREIN			8,832	2,365,741
SGS HOLDING			132	282,498
SMH AG NEUENBURG			1,706	231,410
SMH AG NEUENBURG			410	234,551
SMH AG NEUENBURG			2,060	1,178,475
STRATEC HOLDING AG			4,130	6,289,124
SULZER AG			267	228,933
TEGE SA			30,000	613,232
UBS(SCHW BKGESSELL)			2,517	576,656
WINTERTHUR			1,014	894,471
ZURICH VERSICHERUN			5,150	2,052,440
CENTRAL EUROPEAN MEDIA EN			302,500	7,865,000
DR SOLOMONS GROUP PLC			171,000	4,339,125
EIH LTD			106,500	1,294,641
ELAN PLC			119,900	5,425,475
ERICSSON L M TEL CO			100,000	3,937,500
FILA HLDG S P A			50,000	1,671,875
FILA HLDG S P A			37,500	1,253,906
GUCCI GROUP N V			60,000	3,862,500
GUCCI GROUP N V			46,700	3,006,313
HINDALCO INDS LTD			73,050	1,995,178
INDUSTRIE NATUZZI SPA			218,200	5,591,375
PIXTECH INC			200,000	725,000

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SAMSUNG ELECTRS LTD			2,310	69,300
ST BK INDIA			35,000	925,750
TOTAL CORORATE STOCK - FOREIGN				\$ 2,173,429,385
<u>COMMINGLED INDEX FUNDS - DOMESTIC</u>				
BGI - S&P 500				9,935,009,658
BGI - INTERMEDIATE CAP VALUE				451,319,618
BGI - SMALL CAP VALUE				369,961,114
BGI - EXTENDED MARKET				2,563,086,104
BGI - FUTURES/CASH RESTRUCTURING				18,825,714
BGI - LG CAP/FIXED INCOME RESTRUCTURING				38,044,171
BGI - SMALL / MID CAP RESTRUCTURING				120,086,785
TOTAL COMMINGLEDINDEX FUNDS - DOMESTIC				\$ 13,496,333,165
<u>COMMINGLED INDEX FUNDS - FOREIGN</u>				
ARGENTINA EMERGING MARKETS				10,959,678
AUSTRALIA MSCI INDEX FUND				101,968,305
AUSTRIA MSCI INDEX FUND				8,126,404
BELGIUM COMMON TRUST				20,233,163
BRAZIL EMERGING MARKETS				39,556,724
CHILE EMERGING MARKETS				8,785,504
CHINA EMERGING MARKETS				2,725,535
COLUMBIA EMERGING MARKETS				2,850,921
CZECH REPULIC EMERGING MARKETS				1,681,531
DENMARK MSCI INDEX COMMON				17,630,374
FOREIGN AND COLONIAL EMERG. MKT. TRUST				81,837,592
GENESIS EMERGING MARKETS TRUST				257,024,405
GMO EMERGING MARKETS FUND				76,858,496
SCHRODER EMERGING MARKETS FUND				137,932,700
FINLAND MSCI INDEX COM TR FUND				11,298,188
FRANCE MSCI INDEX FUND				153,823,805
GERMANY MSCI INDEX FUND				141,577,308
GREECE EMERGING MARKETS				11,237,800
HONG KONG MSCI				138,554,231
HUNGARY EMERGING MARKETS				4,640,241
INDIA EMERGING MARKETS				2,829,930
INDONESIA EMERGING MARKETS				8,569,903
IRELAND MSCI				4,709,924
ITALY MSCI INDEX FUND				62,052,480
JAPAN MSCI INDEX FUMD				830,493,064
JORDAN EMERGING MARKETS				609,856
KOREA EMERGING MARKETS				5,409,308
MALAYSIA EMERGING MARKETS				21,621,926
MALAYSIA MSCI				75,804,918
MEXICO EMERGING MRKTS IND				31,828,235
NETHERLANDS MSCI INDEX FUND				88,717,082
NEW ZEALAND MSCI INDEX COMMON				13,482,163
NORWAY MSCI INDEX FUND				10,985,254
PAKISTAN EMERGING MARKETS				1,975,075
PERU EMERGING MARKETS				2,849,083
PHILIPPINES EMERGING MKT				6,721,840
POLAND EMERGING MARKETS				2,467,989

WASHINGTON STATE INVESTMENT BOARD

Retirement Funds

Schedule of Investments - Unaudited

June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>AR VALUE OF SHARES</u>	<u>BOOK AND MARKET VALUE</u>
PORTUGAL EMERGING MARKETS				11,550,989
SINGAPORE MSCI				42,143,355
SOUTH AFRICA IFC COM TR				20,429,653
SPAIN MSCI INDEX FUND				39,744,349
SRI LANKA EMERGING MARKETS				2,327,813
SWEDEN MSCI INDEX COMMON TRUST				41,885,413
SWITZERLAND MSCI INDEX COMMON				125,637,657
TAIWAN EMERGING MARKETS INDEX				12,058,108
THAILAND EMERGING MARKETS				15,671,099
TURKEY EMERGING MARKETS				11,533,770
UNITED KINGDOM MSCI INDEX				321,117,266
VENEZUELA EMERGING MARKETS				3,554,981
ZIMBABWE EMERGING MKTS				4,346,307
CURSITOR FUND				6,764,324
TOTAL COMMINGLED INDEX FUNDS - FOREIGN				<u>\$ 3,059,196,021</u>
TOTAL CARRYING VALUE OF RETIREMENT FUND INVESTMENTS				<u>\$ 32,526,950,782</u>

LABOR & INDUSTRIES FUNDS

- Investment Policy
- Notes to Financial Statements
- Statement of Investments
- Statement of Changes in Investment Balances
- 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 trade date basis. Fixed income investments are reported at amortized cost in the financial statements, while equity investments are reported at market.

Asset allocation information presented in the Annual Report is taken from master custodian reports and is on a trade date basis. All asset allocation numbers reflect market value of investments.

Labor and Industries Funds Investment Policy

Approved by the Board on October 17, 1996

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). It supersedes any prior Board adopted policies.

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.

Investment Approach

For the Accident and Pension Reserve Funds (Funds 608 and 610), the fixed income portfolio dollar durations are to be targeted to those 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 earning a rate of return sufficient to fund expected liability payments.

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.

Performance

Performance of the investment portfolios shall be judged relative to the Strategic Objective and the Investment Approach. As such, the main objectives are the most important and must be met:

1. Are the funds solvent?
2. Are premium rates stable?

3. Are there enough assets available to fund the expected liabilities?

With these three criteria met, the duration structures of the funds are measured relative to their liability driven duration targets:

4. Funds 608 and 610: within +/-20%
Funds 609 and 881: within the current stated range of their specific targets.

With these criteria met, the actual rates of return of the portfolios will be compared to the synthetic Comparable Market Indices (CMI) for each fund. The return for each fund's portfolio should not be significantly different from that of its CMI, especially over the long term, with a volatility similar to or less than the indices.

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).

Permissible Investments

- 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. Equities*
- j. *Derivative products* used for hedging or establishing a long position. Use of derivatives for speculation is prohibited.

Although fixed income securities that are rated below investment grade by Moody's or Standard & Poor's may not be purchased, portfolio holdings that are downgraded to those levels or are no longer rated may continue to be held.

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 recommending strategic policy to the Public Markets Committee and implementing policy and reporting to the Public Markets Committee and the Board.

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

Notes to Financial Statements
June 30, 1997

Note 1: Significant Accounting Policies

Labor & Industries (L & I) funds are industrial 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 trade 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 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).

In fiscal year 1997, the SIB implemented the provisions of Statement No. 28 of the Governmental Accounting Standards Board, Accounting and Financial Reporting for Securities Lending Transactions. In accordance with Statement No. 28, the SIB is reporting collateral received under securities lending agreements where the state has the ability to spend, pledge or sell the collateral without borrower default. Liabilities resulting from these transactions are also reported. Additionally, costs associated with securities lending transactions, including broker rebates paid, are reported as investment management expenses in the accompanying statements. The Schedule of Investments and Statement of Investments do not include detailed holdings of securities lending collateral by investment classification.

Note 2: Fees and Expenses

Investment related fees and expenses are paid from non-appropriated funds. The dramatic increase in securities lending costs from previous years is due to a change in reporting per GASB.

WASHINGTON STATE INVESTMENT BOARD
LABOR AND INDUSTRIES FUNDS
Statement of Investments (Unaudited)
June 30, 1997

	ACCIDENT FUND	MEDICAL AID FUND	ACCIDENT RESERVE FUND	SUPPLEMENTAL PENSION FUND	TOTAL	PERCENT TO TOTAL
FIXED INCOME INVESTMENTS:						
Short-Term (Cash)	\$ 8,540,487	\$ 11,093,955	\$ 54,976,663	\$ 9,008,220	\$ 83,619,325	1.2%
US Government Securities	365,650,388	197,149,720	161,980,337	13,783,596	738,564,041	10.3%
Mortgages and Mortgage Backed Securities	891,087,805	923,375,749	190,733,005	63,067,140	2,068,263,699	28.8%
Asset Backed Securities	57,818,746	148,404,290	74,936,478	8,662,442	289,821,956	4.0%
Corporate Obligations	1,313,948,399	852,973,463	545,669,837	36,072,949	2,748,664,648	38.3%
Total Fixed Income Investments (Carried at Amortized Cost)	\$ 2,637,045,825	\$ 2,132,997,177	\$ 1,028,296,320	\$ 130,594,347	\$ 5,928,933,669	82.6%
EQUITY INVESTMENTS:						
Commingled Index Funds	\$ 314,400,171	\$ 762,117,386	\$ 169,678,141	\$ -	\$ 1,246,195,698	17.4%
Total Equity Investments (Carried at Market Value)	\$ 314,400,171	\$ 762,117,386	\$ 169,678,141	\$ -	\$ 1,246,195,698	17.4%
Total Equity and Fixed Income Investments	\$ 2,951,445,996	\$ 2,895,114,563	\$ 1,197,974,461	\$ 130,594,347	\$ 7,175,129,367	100.0%
ACCRUALS:						
Accrued Investment Income Receivable	\$ 40,054,033	\$ 22,040,151	\$ 17,150,729	\$ 1,387,398	\$ 80,632,311	
Accrued Management Fees Payable	(488,903)	(315,285)	(51,225)	(7,820)	(863,233)	
Payable for Investments Purchased	-	-	(9,980,700)	-	(9,980,700)	
Collateral Held Under Securities Lending Agreements **	67,913,694	73,513,892	20,685,082	4,195,746	166,308,414	
Obligations Under Securities Lending Agreements **	(67,913,694)	(73,513,892)	(20,685,082)	(4,195,746)	(166,308,414)	
Total Accruals	\$ 39,565,130	\$ 21,724,866	\$ 7,118,804	\$ 1,379,578	\$ 69,788,378	
Carrying Value Of Investments, June 30, 1997	\$ 2,991,011,126	\$ 2,916,839,429	\$ 1,205,093,265	\$ 131,973,925	\$ 7,244,917,745	
Market Value Of Investments, June 30, 1997	\$ 3,157,168,002	\$ 2,931,318,670	\$ 1,275,953,071	\$ 130,051,988	7,494,491,731	
Unrealized Gain (Loss) On Fixed Income Investments, June 30, 1997	\$ 166,156,876	\$ 14,479,241	\$ 70,859,806	\$ (1,921,937)	\$ 249,573,986	

*** See Notes to Financial Statements.

WASHINGTON STATE INVESTMENT BOARD
LABOR AND INDUSTRIES FUNDS
Statement of Changes in Investment Balances (Unaudited)
June 30, 1997

	<u>ACCIDENT FUND</u>	<u>MEDICAL AID FUND</u>	<u>ACCIDENT RESERVE FUND</u>	<u>SUPPLEMENTAL PENSION FUND</u>	<u>TOTAL</u>
Carrying Value Of Investments, June 30, 1996	\$ 2,844,970,928	\$ 2,721,884,845	\$ 1,149,360,795	\$ 152,617,935	\$ 6,868,834,503
Net Amount Contributed (Withdrawn)	\$ (164,666,695)	\$ (114,038,288)	\$ (17,614,725)	\$ (30,429,070)	\$ (326,748,778)
<u>INVESTMENT EARNINGS:</u>					
Interest, Dividend, and Other Investment Income	\$ 215,866,112	\$ 173,866,025	\$ 83,276,420	\$ 9,672,675	\$ 482,681,232
Capital Gains	4,122,073	4,808,735	66,650,143	206,331	75,787,282
Capital Losses	(1,548,442)	(1,707,827)	(2,724,302)	(65,369)	(6,045,940)
Investment Expenses	(1,633,330)	(1,450,091)	(602,116)	(25,674)	(3,711,211)
WSIB Operating Costs	(29,874)	(59,338)	(12,477)	(2,903)	(104,592)
<i>Net Investment Earnings</i>	<u>\$ 216,776,539</u>	<u>\$ 175,457,504</u>	<u>\$ 146,587,668</u>	<u>\$ 9,785,060</u>	<u>\$ 548,606,771</u>
<u>OTHER CHANGES IN FUND BALANCE:</u>					
Residual Equity Transfer	\$ 61,637,963	\$ -	\$ (61,637,963)	\$ -	\$ -
Change in Reserve for Unrealized Market Gains and Losses (Equity Investments)	32,292,392	133,535,368	(11,602,510)	-	154,225,249
<i>Net Other Changes in Fund Balance</i>	<u>\$ 93,930,355</u>	<u>\$ 133,535,368</u>	<u>\$ (73,240,473)</u>	<u>\$ -</u>	<u>\$ 154,225,249</u>
Carrying Value Of Investments, June 30, 1997	<u>\$ 2,991,011,126</u>	<u>\$ 2,916,839,429</u>	<u>\$ 1,205,093,265</u>	<u>\$ 131,973,925</u>	<u>\$ 7,244,917,745</u>

See Notes to Financial Statements.

LABOR & INDUSTRIES

Accident Fund

Schedule of Investments

June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
<u>SHORT - TERM INVESTMENT FUND</u>					
PROVIDENT TEMPFUND	N/A	N/A	N/A	\$ 8,540,487	\$ 8,540,487
<u>US GOVERNMENT SECURITIES</u>					
<u>TREASURIES:</u>					
UNITED STATES TREAS BONDS	8/15/01	13.3750	3,250,000	3,811,519	4,064,028
UNITED STATES TREAS BONDS	2/15/03	10.7500	8,000,000	7,879,179	9,607,520
UNITED STATES TREAS BONDS	5/15/03	10.7500	18,000,000	19,114,951	21,737,880
UNITED STATES TREAS BONDS	8/15/03	11.1250	5,500,000	6,181,662	6,781,335
UNITED STATES TREAS NTS	5/15/05	6.5000	3,000,000	3,015,134	2,994,360
UNITED STATES TREAS BONDS	8/15/05	10.7500	39,850,000	45,001,165	50,260,813
UNITED STATES TREAS NTS	11/15/05	5.8750	10,000,000	10,104,311	9,567,200
UNITED STATES TREAS NTS	7/15/06	7.0000	4,500,000	4,604,920	4,629,375
UNITED STATES TREAS BONDS *	11/15/12	10.3750	6,100,000	6,354,108	7,743,157
UNITED STATES TREAS BONDS	2/15/15	11.2500	17,400,000	20,429,223	25,268,106
UNITED STATES TREAS BONDS	5/15/16	7.2500	9,140,000	7,646,641	9,531,283
UNITED STATES TREAS BONDS	11/15/16	7.5000	98,720,000	85,319,866	105,491,205
UNITED STATES TREAS BONDS	5/15/17	8.7500	26,200,000	26,033,811	31,521,744
UNITED STATES TREAS BONDS	2/15/20	8.5000	16,850,000	18,136,211	19,962,027
UNITED STATES TREAS BONDS	2/15/21	7.8750	16,900,000	16,827,581	18,843,500
<i>TOTAL TREASURIES</i>				\$ 280,460,281	\$ 328,003,532
<u>AGENCIES:</u>					
FEDERAL HOME LN BKS	2/25/04	9.5000	4,500,000	4,494,227	5,169,375
RESOLUTION FDG CORP	5/15/08	0.0000	16,000,000	6,385,710	7,736,000
RESOLUTION FDG CORP	1/15/13	0.0000	26,200,000	6,465,339	8,874,202
FEDERAL NATL MTG ASSOC	7/5/14	0.0000	25,000,000	5,577,830	7,679,750
FEDERAL NATL MTG ASSOC	10/9/19	0.0000	35,000,000	5,138,876	7,306,250
RESOLUTION FDG CORP	10/15/19	8.1250	51,300,000	47,550,819	57,584,250
TENNESSEE VALLEY AUTHORITY	9/15/34	8.2500	10,000,000	9,577,305	10,200,800
<i>TOTAL AGENCIES</i>				\$ 85,190,107	\$ 104,550,627
TOTAL US GOVERNMENT SECURITIES				\$ 365,650,388	\$ 432,554,159
<u>MORTGAGES AND MORTGAGE BACKED SECURITIES</u>					
<u>PASS THROUGH MORTGAGES:</u>					
FHLMC GTD MTG CT (GMC)	9/15/97	8.3750	40,000	39,905	40,212
FHLMC SWAP 29-1274	4/1/17	8.0000	71,407	68,506	73,925
FHLMC PC 16-0011	10/1/05	8.5000	19,073	17,797	19,619
FHLMC PC 16-0012	12/1/05	8.5000	3,561	3,323	3,663
FHLMC PC 16-0016	8/1/06	8.5000	129,846	121,163	134,444
FHLMC PC 16-0034	12/1/07	8.5000	400,861	374,054	416,258
FHLMC PC 16-0038	2/1/08	8.5000	22,495	20,991	23,359
FHLMC PC 17-0018	2/1/08	8.5000	197,340	185,187	205,431
FHLMC PC 17-0019	2/1/08	8.5000	26,140	24,392	27,144
FHLMC PC 16-0039	3/1/08	8.5000	591,949	552,626	614,686
FHLMC SWAP 28-4854	12/1/16	8.5000	65,341	60,420	68,602
FHLMC SWAP 28-8013	3/1/17	8.5000	184,501	170,606	193,693
FHLMC SWAP 28-8307	3/1/17	8.5000	255,034	235,827	267,717

LABOR & INDUSTRIES

Accident Fund

Schedule of Investments

June 30, 1997

DESCRIPTION	MATURITY COUPON		PAR VALUE	BOOK VALUE	MARKET VALUE
	DATE	RATE			
FHLMC SWAP 28-9754	3/1/17	8.5000	233,623	216,028	245,241
FHLMC SWAP 28-8720	4/1/17	8.5000	12,973	11,996	13,621
FHLMC SWAP 28-9978	4/1/17	8.5000	46,085	42,614	48,360
FHLMC SWAP 29-3905	5/1/17	8.5000	130,502	120,674	137,016
FHLMC PC 16-0040	3/1/08	8.7500	21,224	19,406	22,065
FHLMC PC 16-0043	4/1/08	8.7500	22,079	20,187	22,955
FHLMC PC 16-0049	7/1/08	8.7500	402,693	380,545	419,706
FHLMC PC 17-0186	8/1/16	9.5000	569,105	556,656	611,958
FHLMC PC 16-0079	5/1/09	10.2500	546,763	505,073	590,181
FHLMC PC 17-0149	12/1/15	11.0000	856,255	856,255	954,879
FHLMC PC 17-0029	5/1/10	12.0000	244,837	244,378	277,721
FHLMC PC 17-0040	12/1/10	14.5000	57,500	57,643	68,550
FHLMC GIANT WAM SWAP 30-6660	3/15/19	7.0000	1,238,039	1,109,592	1,240,069
FHLMC GIANT WAM SWAP 30-6661	3/15/19	8.5000	1,638,483	1,546,318	1,690,914
FHLMC GIANT SWAP 30-4278	7/1/18	9.0000	2,220,554	2,072,055	2,355,164
FHLMC GIANT SWAP 30-4281	7/1/18	9.0000	2,226,827	2,097,393	2,361,817
FHLMC GIANT SWAP 30-4272	6/1/18	8.5000	5,717,234	5,293,952	6,001,552
FHLMC GOLD C00 249	7/1/23	7.0000	14,249,010	14,422,670	14,062,063
FNMA GL 6222	4/1/16	9.0000	601,342	563,007	635,913
FNMA CL 2463	9/1/15	11.0000	44,164	43,308	48,890
FNMA CA 7423	5/1/14	11.2500	25,598	26,046	28,273
GNMA SN 1470	12/15/02	6.5000	164,780	164,780	173,605
GNMA I SF 45 231	12/15/10	10.5000	83,695	63,020	91,878
<i>TOTAL PASS THROUGH MORTGAGES</i>				\$ 32,308,391	\$ 34,191,145
<u>OTHER MORTGAGES:</u>					
U S MORTGAGE	3/1/02	6.7500	10,143	9,788	9,810
WESTIN INTERNATIONAL	7/1/02	9.1500	30,797,027	30,797,027	31,106,538
HOMESIDE LENDING INC	8/1/09	10.2500	154,139	151,072	154,648
HOMESIDE LENDING INC	3/1/10	10.3750	149,181	149,069	150,761
BICENTENNIAL MANOR	8/1/18	7.5000	1,307,346	1,037,708	1,303,031
VILLA RAINTREE	11/1/18	7.5000	1,295,290	1,062,295	1,288,658
HEATHERWOOD VALLEY	1/1/19	7.5000	1,303,545	1,048,720	1,294,798
MCCORD MANOR	2/1/19	7.5000	1,358,696	1,093,091	1,349,579
STRONGSVILLE SR CTR	7/1/19	7.5000	3,009,967	2,408,016	3,000,335
CRIMI MAE FIN CORP	1/1/33	7.0000	8,986,334	8,918,936	8,703,713
<i>TOTAL OTHER MORTGAGES</i>				\$ 46,675,723	\$ 48,361,873
<u>COLLATERALIZED MORTGAGE OBLIGATIONS:</u>					
BSMSI 1993 03 A10	2/25/24	7.7500	8,000,000	7,975,000	8,015,568
CHEMICAL MTG SEC 1993-3 A1	7/25/23	7.1250	8,359,468	8,346,407	8,372,844
COUNTRYWIDE FDG 1993 2 A3	9/25/08	6.5000	11,019,952	10,856,375	10,913,169
COUNTRYWIDE MTG 1993-3 A3	10/25/23	7.0000	11,391,272	11,410,851	11,366,211
COUNTRYWIDE MTG 1993-A A10	10/25/08	6.5000	13,763,329	11,666,572	12,786,959
COUNTRYWIDE MTG 1993-E A5	1/25/24	6.5000	4,448,752	3,962,865	4,288,152
DLJMA 1994 3 A14	4/25/24	6.5000	9,737,340	9,007,039	9,002,317
FHLMC 1991 1142 G	3/15/20	7.9500	2,868,544	2,830,895	2,890,948
FHLMC 1992 1188 GC	11/15/19	7.5000	13,000,000	13,138,125	13,174,590
FHLMC 1992 1289 PL	2/15/21	7.5000	15,000,000	14,990,625	15,196,800
FHLMC 1992 1332 H	4/15/20	7.5000	10,000,000	10,156,250	10,137,500
FHLMC 1992 1339 PI	2/15/20	7.5000	10,000,000	10,156,250	10,140,600

LABOR & INDUSTRIES

Accident Fund

Schedule of Investments

June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
FHLMC 1992 1381 E	7/15/06	6.2500	5,440,000	5,355,850	5,445,059
FHLMC 1992 1409 H	11/15/07	6.5000	10,996,000	10,483,140	10,820,724
FHLMC 1992 1415 O	11/15/07	6.5000	10,000,000	9,384,375	9,840,600
FHLMC 1992 1445 K	10/15/07	7.0000	11,103,200	10,447,417	11,117,079
FHLMC 1993 1478 G	6/15/07	6.5000	27,639,000	26,351,733	27,319,217
FHLMC 1993 1479 H	6/15/19	6.9500	15,000,000	14,826,563	14,906,250
FHLMC 1993 1489 H	10/15/07	6.2500	10,000,000	9,685,938	9,737,500
FHLMC 1993 1513 L	7/15/07	6.5000	21,243,000	20,542,180	20,904,387
FHLMC 1993 1515 G	2/15/08	6.5000	8,406,000	8,110,477	8,272,008
FHLMC 1993 1546 G	12/15/21	6.7500	10,000,000	9,792,188	9,828,100
FHLMC 1993 1552 GB	12/15/21	6.5000	13,450,000	12,820,555	13,105,277
FHLMC 1993 1559 VG	11/15/21	6.5000	21,220,000	21,156,428	20,762,285
FHLMC 1993 1584 N	9/15/23	6.5000	6,569,000	6,186,150	6,287,715
FHLMC 1993 1590 GA	10/15/21	6.5000	9,964,000	9,976,455	9,724,167
FHLMC 1993 1616 BC	8/15/06	5.7000	10,000,000	9,515,625	9,694,000
FHLMC 1993 1629 E	6/15/16	5.5000	8,000,000	7,825,000	7,837,440
FHLMC 1993 1630 PG	4/15/20	5.7500	17,660,000	17,083,291	17,019,825
FHLMC 1993 1639 M	12/15/08	6.0000	13,500,000	12,457,969	12,356,685
FHLMC 1993 1648 HD	7/15/23	6.0000	21,520,000	19,132,869	19,569,642
FHLMC 1994 1671 G	8/15/23	6.5000	15,000,000	14,923,438	14,625,000
FHLMC 1994 1695 EB	3/15/24	7.0000	5,000,000	4,188,281	4,703,100
FHLMC 1994 1697 PJ	7/15/08	6.0000	15,000,000	13,596,094	14,362,500
FHLMC 1996 1843 A	4/15/19	6.5000	5,000,000	4,907,031	4,973,400
FNMA 1992 22 G	4/25/05	7.0000	16,500,000	17,131,641	16,623,750
FNMA 1992 65 DA	1/25/18	7.5000	600,833	587,314	599,703
FNMA 1992 135 E	3/25/15	7.3000	10,000,000	9,975,000	10,068,700
FNMA 1992 193 HC	1/25/07	7.0000	2,471,325	2,412,921	2,477,503
FNMA 1992 198 J	12/25/19	6.5000	11,907,000	10,920,952	11,683,744
FNMA 1992 216 E	3/25/13	7.0000	18,822,000	18,769,063	18,963,165
FNMA 1993 6 C	12/25/04	6.7500	12,000,000	11,900,625	12,071,160
FNMA 1993 28 PH	3/25/07	6.5000	15,000,000	14,770,313	14,775,000
FNMA 1993 44 PJ	12/25/19	7.0000	15,000,000	15,239,063	14,953,050
FNMA 1993 54 H	4/25/21	6.5000	18,913,300	18,375,453	18,221,641
FNMA 1993 71 Z	5/25/08	0.0000	16,169,815	14,903,392	15,098,565
FNMA 1993 84 K	11/25/20	6.5000	7,769,000	7,313,482	7,557,761
FNMA 1993 134 D	11/25/05	5.9000	10,000,000	9,971,875	9,871,800
FNMA 1993 137 PE	4/24/07	5.8000	5,000,000	4,975,000	4,920,300
FNMA 1993 139 G	7/19/25	6.2500	9,197,750	8,841,337	9,010,852
FNMA 1993 188 G	8/25/06	5.8000	6,450,000	6,383,484	6,349,187
FNMA 1993 X-225C NC	3/25/23	6.5000	10,000,000	8,506,250	9,371,800
FNMA 1994 14 C	7/25/23	6.0000	20,000,000	15,225,000	17,525,000
FNMA 1994 19 B	1/25/24	5.0000	16,800,000	13,892,625	15,156,624
FNMA 1994 29 PE	5/25/18	6.0000	10,000,000	9,671,875	9,862,500
FNMA 1994 40 J	6/25/22	6.0000	10,000,000	9,520,313	9,496,800
FNMA 1994 42 PH	12/20/25	5.8500	12,191,634	11,475,376	11,703,969
FNMA 1994 51 PH	1/25/23	6.5000	15,000,000	14,904,688	14,568,750
FNMA 1994 60 C	1/25/24	7.0000	4,823,000	4,012,887	4,447,674
FNMA 1994 62 PH	11/25/23	6.9000	10,000,000	9,314,063	9,937,500
FNMA 1994 20 PG	2/19/25	6.5000	5,800,000	5,658,625	5,736,548
FNMA-GNMA 1993 3 J	3/25/22	7.0000	4,000,000	3,408,125	3,911,240
FNMA-GNMA 1993 22 HA	9/25/20	6.5000	10,285,000	10,106,620	10,037,440
GE CAP MTG SVC 1992-13 F	12/25/07	7.0000	11,000,000	10,090,781	10,845,230
GE CAP MTG SVC 1994- 4 A8	1/25/24	6.5000	10,481,816	8,886,615	9,834,040

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GE CAP MTG SVC 1994- 6 A10	3/25/24	6.5000	15,320,000	12,332,844	13,529,398
GE CAP MTG SVC 1994-12 A12	3/25/09	6.0000	15,000,000	12,611,719	12,759,300
GE CAP MTG SVC 1994-14 A4	4/25/24	7.5000	10,569,000	9,406,410	10,364,173
GE CAP MTG SVC 1994-21 A	8/25/09	6.5000	11,301,397	10,905,848	11,071,752
PHMSC 1993 44 A18	11/25/23	6.7500	13,000,000	10,773,750	12,041,250
PHMSC 1993 51 A14	12/25/23	6.7500	6,250,000	5,868,164	5,835,938
PHMSC 1993 60 A5	12/25/23	6.7500	3,703,851	3,125,125	3,285,983
PHMSC 1994 15 A8	4/25/24	6.8000	14,000,000	12,180,000	13,470,520
PHMSC 1994 26 A6	8/25/09	7.0000	5,812,000	5,010,126	5,543,195
PRU BACHE TRUST 1989 10 I	4/1/19	7.9650	15,595,909	14,819,233	15,824,857
RFMSI 1993 S45 A12	12/25/23	6.5000	7,000,000	6,636,875	6,606,250
RYLAND MTG SEC 1993-4 A2	8/25/24	7.5000	5,826,874	5,688,485	5,897,845
SAXON MTG SEC 1994-2 A7	1/25/24	6.7500	3,000,000	2,354,063	2,664,276
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS				\$ 812,103,691	\$ 834,073,347
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				\$ 891,087,805	\$ 916,626,364
<u>ASSET BACKED SECURITIES:</u>					
DISCOVER CARD TR 1992-B A	6/16/00	6.8000	15,000,000	14,927,550	15,042,150
DISCOVER CARD TR 1993-3 A	11/15/03	6.2000	7,000,000	6,969,270	6,774,670
DISCOVER CARD TR 1993-B A	2/15/00	6.7500	10,500,000	10,792,215	10,536,015
MID STATES TRUST IV	4/1/30	8.3300	4,383,713	4,383,028	4,670,022
SCCMT 1994 2A	4/7/06	7.2500	14,000,000	13,352,500	14,183,680
SCCMT 1995 9A	10/7/07	6.5500	7,370,000	7,394,183	7,178,822
TOTAL ASSET BACKED SECURITIES				\$ 57,818,746	\$ 58,385,359
<u>CORPORATE OBLIGATIONS:</u>					
ABN-AMRO BNK NV (CHICAGO)	5/31/05	7.2500	10,000,000	9,992,752	10,129,500
AETNA SERVICES INC	8/15/06	7.1250	8,500,000	8,440,075	8,498,215
AIRTOUCH COMM	7/15/06	7.5000	5,000,000	4,972,919	5,106,000
AMERICAN STORES CO MTN	6/9/03	7.2000	5,000,000	5,007,348	4,990,550
ANHEUSER BUSCH COS INC	12/1/09	9.0000	20,000,000	19,635,440	23,075,200
ANHEUSER BUSCH COS INC MTN	12/1/00	7.9600	5,000,000	4,758,756	5,181,850
ASSOCIATED DRY GOODS	3/1/06	8.8500	1,900,000	1,814,812	2,119,507
ASSOCIATES CORP NORTH AMER	9/30/01	7.8750	5,000,000	4,969,677	5,211,000
ASSOCIATES CORP NORTH AMER	6/15/01	6.0000	3,300,000	3,048,957	3,205,785
BANK OF NEW YORK	12/15/04	8.5000	5,500,000	5,465,022	5,955,400
BANK ONE CORP	8/1/02	7.2500	7,000,000	7,045,628	7,122,710
BANK ONE DAYTON	4/15/03	6.6250	5,100,000	5,041,616	5,028,804
BANKAMERICA CORP	7/15/02	7.7500	5,000,000	4,814,199	5,192,200
BANKAMERICA CORP	12/1/02	7.8750	5,405,000	5,220,751	5,649,901
BELLSOUTH CORP	12/15/15	6.3000	9,603,200	9,573,508	9,139,077
BENEFICIAL CORP MTN	11/25/02	7.6400	10,000,000	10,000,000	10,334,300
BOC GROUP INC 144A	6/15/06	7.4500	10,000,000	9,997,600	10,182,200
BOEING CO	8/15/21	8.7500	15,000,000	14,928,233	17,308,650
BURLINGTON NORTHERN INC	8/1/02	7.0000	12,750,000	12,530,363	12,780,728
BURLINGTON NORTHERN RR	10/1/06	9.2500	4,000,000	4,572,340	4,542,080
CANADIAN NAT'L RR	5/15/03	6.6250	8,000,000	8,000,000	7,868,400
CANADIAN NAT'L RR	3/15/04	7.0000	10,000,000	9,941,643	9,927,800
CARNIVAL CRUISE	10/1/03	6.1500	8,500,000	8,397,118	8,032,330
CARTER HOLT HARVEY LTD	12/1/04	8.8750	6,000,000	5,971,788	6,589,200

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CASE CREDIT	2/15/03	6.1250	10,000,000	9,980,352	9,592,900
CHASE MANHATTAN CORP	2/15/02	8.5000	3,000,000	3,103,040	3,196,080
CHEMICAL BANK	6/1/05	7.0000	10,000,000	9,969,195	9,934,300
CHEMICAL BANK	11/1/08	6.1250	3,075,000	2,775,973	2,819,621
CHESAPEAKE & POTOMAC TEL MD	6/1/04	5.8750	750,000	661,798	706,050
CHESAPEAKE & POTOMAC TEL MD	10/1/08	6.6250	490,000	480,448	469,807
CHICAGO & NW RR	8/1/98	14.7500	1,759,698	1,759,698	1,846,469
CHICAGO & N WESTN TRANS	7/30/12	6.2500	4,907,462	4,907,462	4,509,368
CHRYSLER FINANCIAL CORP	8/15/00	6.6250	10,000,000	9,850,061	9,998,700
CHUBB CORP	11/15/99	8.7500	2,372,000	2,367,834	2,442,970
CINCINNATI BELL INC	8/1/11	7.3750	750,000	667,326	737,715
CINCINNATI GAS & ELEC	6/1/25	6.9000	5,000,000	5,000,000	4,997,000
CINCINNATI GAS & ELEC	2/15/04	6.4500	8,000,000	7,988,653	7,800,320
CIRCUS CIRCUS ENTERPRISE	2/1/06	6.4500	11,850,000	11,276,889	11,067,663
COLORADO INTERSTATE GAS	6/15/05	10.0000	4,750,000	5,696,436	5,570,848
CONAGRA	9/15/04	7.4000	10,000,000	9,975,696	10,112,000
COOPER INDUSTRIES MTN	11/16/98	7.8900	15,000,000	15,000,000	15,345,300
CSR AMERICA INC	7/21/05	6.8750	5,000,000	5,064,251	4,944,100
CSW INVESTMENTS 144A	8/1/06	7.4500	15,000,000	14,977,950	15,088,350
DAYTON HUDSON	3/1/03	6.6250	13,000,000	12,996,064	12,752,220
DEAN WTRR DISCV	3/1/03	6.8750	10,000,000	10,060,837	9,987,600
EATON CORP	4/1/11	7.0000	25,000,000	20,217,318	23,704,000
ELEC DATA SYSTEM	5/15/05	7.1250	10,000,000	9,971,710	10,008,500
FIRST UNION CORP	2/15/03	7.2500	17,000,000	17,119,924	17,193,460
FLETCHER CHALLNG CAP CAN	6/20/06	7.7500	10,000,000	9,986,148	10,294,200
FLORIDA GAS TRANSMISSION	11/1/04	8.6300	10,000,000	10,000,000	10,679,400
FLORIDA GAS TRANSMISSION	11/1/24	9.1900	3,000,000	3,000,000	3,440,520
FORD HOLDINGS INC	3/1/00	9.2500	15,000,000	14,847,679	15,963,300
FORD MOTOR CREDIT CO	6/15/02	8.0000	17,000,000	17,175,496	17,823,990
FORD MOTOR CREDIT CORP	11/15/02	7.7500	10,000,000	9,960,591	10,385,300
FORD MOTOR CREDIT CORP	2/15/02	8.2000	5,000,000	4,999,150	5,271,950
GENERAL MTRS ACCEPT CORP	2/1/99	5.6250	6,200,000	6,024,220	6,134,590
GENERAL ELEC CREDIT CORP	11/1/01	5.5000	9,850,000	8,210,629	9,399,067
GENERAL MTRS ACCEPT CORP	1/1/03	8.5000	10,000,000	10,586,722	10,725,000
GENERAL TEL CO NW	9/1/98	6.2500	1,000,000	999,343	987,300
GEORGIA-PACIFIC	6/15/02	9.9500	15,000,000	17,424,479	16,804,800
GEORGIA-PACIFIC	5/15/22	9.5000	5,000,000	5,229,615	5,395,250
GEORGIA-PACIFIC	4/30/25	8.6250	5,000,000	5,154,505	5,139,750
GOLDMAN SACHS 144A	6/15/00	6.3750	5,000,000	4,984,928	4,950,250
GOLDMAN SACHS 144A	2/15/06	6.7500	15,000,000	14,966,590	14,628,000
GREAT WESTERN FIN	2/1/02	8.6000	6,070,000	6,250,920	6,469,103
GREAT WESTERN FINANCIAL	7/1/00	6.3750	5,000,000	4,825,329	4,956,950
GTE CORP	11/1/21	8.7500	15,000,000	14,908,986	17,017,800
HANSON OVERSEAS	9/15/05	6.7500	20,000,000	20,063,491	19,533,000
HANSON PLC	1/15/03	7.3750	10,000,000	10,298,088	10,177,300
HARRIS CORP	12/1/18	10.3750	4,600,000	4,877,030	5,023,522
HERSHEY FOODS CORP	2/15/21	8.8000	10,000,000	9,781,008	11,507,300
HOUSEHOLD FINANCE CORP	2/15/05	8.2500	10,000,000	9,956,093	10,661,200
HOUSEHOLD FINANCE CORP	3/1/03	6.8750	15,000,000	14,971,125	14,905,350
HYDRO-QUEBEC MTN	4/12/05	7.0000	3,000,000	3,016,295	2,986,020
HYDRO-QUEBEC	1/15/27	8.2500	10,000,000	9,591,136	10,606,300
HYDRO-QUEBEC	4/15/30	9.3750	25,000,000	24,978,093	29,888,250
HYDRO-QUEBEC	7/7/24	8.0500	31,000,000	30,212,600	33,603,380

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INDIANTOWN COGENERATION	12/15/10	9.2600	5,000,000	5,000,164	5,548,500
INTER AMERN DEV BK	3/15/11	8.5000	20,000,000	19,062,164	22,740,200
INTL BUSINESS MACHINES	11/1/19	8.3750	15,000,000	13,359,499	16,385,100
KANSAS GAS & ELEC	9/29/03	6.7600	8,002,004	8,002,004	7,961,994
KOREA ELECTRIC POWER	12/1/03	6.3750	5,000,000	4,947,943	4,829,800
LORAL CORP	6/15/04	7.6250	6,000,000	5,962,083	6,177,480
MANITOBA PROV CDA	12/1/18	9.6250	20,000,000	19,402,894	24,735,200
MANITOBA PROV CDA	9/15/02	6.8750	10,000,000	9,962,794	10,068,500
MBNA CORP MTN	9/15/00	6.5000	7,000,000	6,997,201	6,963,740
MCI COMMUNICATIONS CORP	8/20/04	7.5000	10,000,000	9,977,321	10,332,900
MORGAN STANLEY & CO INC	5/15/03	7.0300	10,000,000	10,000,000	9,870,000
MORGAN STANLEY GROUP INC	12/15/03	6.3750	7,500,000	7,456,485	7,877,450
NCNB CORP	9/15/09	9.3750	5,000,000	5,458,034	5,800,750
NEW JERSEY BELL TEL CO	6/1/12	7.3750	3,500,000	3,293,991	3,347,015
NEW YORK TEL CO	3/1/09	7.5000	1,000,000	596,834	1,014,130
NEW YORK TEL CO	12/15/06	7.7500	1,800,000	1,735,875	1,828,170
NEW YORK TEL CO	11/15/10	8.6250	15,000,000	14,248,609	16,812,150
NORFOLK SOUTHERN	3/1/21	9.0000	20,000,000	19,860,298	22,924,800
NORTHWEST PIPELINE	8/1/22	9.0000	2,800,000	2,831,144	2,953,384
NOVA GAS TRANSMISSION	12/8/04	8.5000	4,000,000	4,005,564	4,320,880
NOVA SCOTIA PROV CDA	7/15/02	9.3750	25,000,000	24,909,234	27,614,750
ONTARIO PROV CDA	6/22/04	7.6250	13,000,000	12,985,652	13,592,800
PACIFIC GAS & ELEC CO	12/1/99	6.8750	850,000	841,101	850,289
PACIFIC GAS & ELEC CO	6/1/00	6.6250	1,058,000	1,042,424	1,053,419
PACIFIC GAS & ELEC CO	12/1/00	6.7500	1,885,000	1,850,557	1,884,736
PACIFIC GAS TRAN	6/1/05	7.1000	10,000,000	10,097,387	10,011,900
PACIFIC TELECOM INC MTN	10/20/05	6.6250	10,000,000	9,984,320	9,577,600
PACIFICORP HOLDINGS	4/1/06	7.2000	7,500,000	7,460,411	7,399,350
PANHANDLE EASTERN PIPELINE	5/15/05	7.2500	10,000,000	10,000,000	10,118,800
PANHANDLE EASTERN PIPELINE	8/15/04	7.8750	10,000,000	9,988,225	10,384,500
PENNEY JC	11/15/03	6.1250	10,000,000	9,861,262	9,606,900
PETROLIUM NASIONAL BERHAD	7/1/03	6.8750	5,000,000	5,022,197	4,982,700
PHILIPS ELECTRONICS NV	8/15/13	7.2500	2,500,000	2,257,746	2,412,400
PHILIPS ELECTRONICS NV	8/15/03	6.7500	7,500,000	7,485,107	7,375,725
PHILIPS ELECTRONICS NV	4/15/04	7.7500	12,500,000	12,500,000	12,862,750
PHILIPS ELECTRONICS NV	5/15/25	7.7500	5,000,000	4,983,224	4,963,900
PNC BANK	4/15/05	7.8750	5,000,000	5,279,937	5,210,100
PNC FUNDING CORP	6/1/04	7.7500	5,250,000	5,223,227	5,439,840
POTOMAC ELEC PWR CO	2/15/03	6.6250	500,000	501,118	489,800
PROGRESSIVE CORP	1/15/04	6.6000	10,000,000	9,220,671	9,747,600
PUBLIC SVC CO NEW MEXICO	6/15/02	7.5000	498,000	494,916	483,538
QUEBEC PROVINCE CDA	2/9/24	7.1250	5,000,000	4,613,993	4,702,800
QUESTAR PIPELINE	6/1/21	9.3750	3,000,000	3,188,027	3,313,380
REPUBLIC NEW YORK CORP	2/15/07	8.3750	1,000,000	935,819	1,092,120
ROCKWELL INTL CORP	9/15/99	8.8750	19,000,000	18,806,880	19,954,750
ROYAL CARIBBEAN CRUISES	7/28/04	8.1250	10,000,000	9,784,878	10,399,000
SAFECO CORP	4/1/05	7.8750	7,000,000	6,954,200	7,195,090
SAFECO CREDIT CORP MTN	10/2/98	8.1100	5,000,000	5,000,000	5,127,500
SAFECO CREDIT CORP MTN	10/1/98	8.1200	5,000,000	5,000,000	5,127,850
SAFERCO MTN	5/31/07	9.6500	16,000,000	16,000,000	18,484,800
SAFERCO MTN	5/31/06	9.6500	10,000,000	10,000,000	11,484,800
SAGA PETROLEUM A.S.	7/15/04	8.4000	5,000,000	4,989,731	5,318,550
SANTANDER FIN ISSUANCES	7/15/05	6.8000	14,300,000	14,674,835	13,973,245

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SASKATCHEWAN CDA	7/15/04	8.0000	10,000,000	9,938,021	10,579,700
SEARS ROEBUCK & CO	5/1/00	6.0000	2,500,000	2,132,627	2,459,525
SOCIETY CORP	6/15/02	8.1250	4,750,000	5,078,695	4,985,315
SOCIETY CORP	11/1/02	7.8500	17,500,000	17,989,913	18,262,650
SOCIETY NATIONAL BANK	6/15/03	6.7500	2,625,000	2,654,801	2,599,748
SOUTHWESTERN BELL TELE	10/15/26	7.2000	10,000,000	9,987,552	9,497,500
TIME WARNER ENTERTAINMENT	9/1/08	7.2500	25,500,000	22,027,491	25,173,855
TRANSAMERICA FINANCE	3/15/99	6.8000	5,500,000	5,499,208	5,539,435
TRANSCANADA PIPELINE	5/15/12	8.6250	5,000,000	5,106,507	5,450,400
U S BANCORP	10/15/05	6.7500	10,000,000	9,967,126	9,753,900
UNION PACIFIC CO	5/1/05	7.6000	13,000,000	13,002,067	13,290,680
UNION PACIFIC CO	5/1/25	8.3500	5,000,000	4,994,611	5,146,200
UNION PACIFIC CORP	2/1/06	6.4000	10,000,000	9,997,600	9,459,400
UNITED PARCEL SVC AMER INC	4/1/20	8.3750	35,000,000	32,676,493	39,132,450
UNITED TECHNOLOGIES MTN	12/15/99	8.3000	15,000,000	14,724,531	15,540,300
UNITED TELECOM	4/1/03	9.5000	2,000,000	2,100,211	2,240,900
WELLS FARGO & CO	8/15/06	7.1250	10,000,000	9,934,797	9,978,100
WEYERHAEUSER CO	1/15/25	8.5000	5,000,000	5,002,747	5,514,250
WEYERHAEUSER CO	3/15/25	7.9500	5,000,000	4,945,961	5,192,650
WILLIAMS COS	11/15/21	9.3750	12,250,000	13,289,447	14,409,553
WILLIAMS HLDGS OF DEL	2/1/06	6.2500	5,000,000	4,976,406	4,709,750
WISCONSIN BELL INC	2/1/07	7.2500	500,000	339,688	492,905
WISCONSIN TEL CO	8/1/04	6.2500	200,000	194,173	192,872
TOTAL CORPORATE OBLIGATIONS				\$ 1,313,948,399	\$ 1,387,096,332
<u>EQUITY INDEX FUNDS:</u>					
BGI - EXTENDED MARKET INDEX	N/A	N/A	N/A	72,862,318	72,862,318
BGI - S&P 500 INDEX	N/A	N/A	N/A	188,487,351	188,487,351
STATE STREET - MSCI EAFE INDEX	N/A	N/A	N/A	53,050,503	53,050,503
TOTAL EQUITY INDEX FUNDS				\$ 314,400,171	\$ 314,400,171
PLUS: ACCRUED INVESTMENT INCOME RECEIVABLE				40,054,033	40,054,033
MINUS: ACCRUED MANAGEMENT FEES PAYABLE				(488,903)	(488,903)
PLUS: COLLATERAL HELD UNDER SECURITIES LENDING AGREEMENTS				67,913,694	67,913,694
MINUS: OBLIGATIONS UNDER SECURITIES LENDING AGREEMENTS				(67,913,694)	(67,913,694)
NET ASSET VALUE ACCIDENT FUND				\$ 2,991,011,126	\$ 3,157,168,002

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<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
<u>SHORT - TERM INVESTMENT FUND</u>					
PROVIDENT TEMPFUND	N/A	N/A	N/A	\$ 11,093,955	\$ 11,093,955
<u>US GOVERNMENT SECURITIES</u>					
<u>TREASURIES:</u>					
US TREAS NT STRIP PRIN PMT	2/15/00	0.0000	18,000,000	15,442,536	15,321,240
US TREAS SEC STRIP INT PMT	2/15/00	0.0000	30,500,000	26,116,252	25,974,410
UNITED STATES TREAS NTS	11/30/00	5.6250	60,000,000	58,296,473	58,771,800
UNITED STATES TREAS NTS	8/15/02	6.3750	6,000,000	6,224,472	5,998,140
US TREAS SEC STRIP INT PMT	2/15/04	0.0000	12,200,000	7,508,374	7,988,682
UNITED STATES TREAS NTS	5/15/04	7.2500	15,000,000	16,077,951	15,635,100
<i>TOTAL TREASURIES</i>				\$ 129,666,059	\$ 129,689,372
<u>AGENCIES:</u>					
FNMA MED TERM NOTES	7/28/98	5.2700	2,500,000	2,449,400	2,483,600
FEDERAL NATL MTG ASSOC	10/15/98	4.8750	8,500,000	8,157,485	8,368,505
FEDERAL HOME LN BKS	3/22/99	6.1000	6,000,000	5,803,214	5,981,220
FEDERAL HOME LN BKS	2/25/04	9.5000	3,700,000	3,695,253	4,250,375
FEDERAL NATL MTG ASSOC	6/10/04	7.5500	10,000,000	9,878,678	10,092,200
RESOLUTION FDG CORP STRIPS	4/15/06	0.0000	25,000,000	12,865,196	13,907,000
GUARANTEED TRADE TR 1994-A	6/26/06	7.3900	7,500,000	7,500,000	7,725,000
RESOLUTION FDG CORP STRIPS	4/15/07	0.0000	36,301,000	17,134,434	18,863,452
<i>TOTAL AGENCIES</i>				\$ 67,483,662	\$ 71,671,352
TOTAL US GOVERNMENT SECURITIES				\$ 197,149,720	\$ 201,360,724
<u>MORTGAGES AND MORTGAGE BACKED SECURITIES</u>					
<u>PASS THROUGH MORTGAGES:</u>					
FHLMC GTD MTG CT (GMC)	9/15/97	8.3750	12,000	11,967	12,064
FHLMC GOLD N99 004	7/1/99	8.0000	5,541,795	5,658,692	5,638,001
FHLMC GIANT SWAP 30-4272	6/1/18	8.5000	6,857,987	6,349,506	7,199,035
FHLMC GNOME 38-0021	5/1/03	9.0000	1,280,292	1,249,911	1,338,699
FHLMC GIANT SWAP 30-4278	7/1/18	9.0000	2,435,396	2,272,529	2,583,029
FHLMC GIANT SWAP 30-4281	7/1/18	9.0000	2,444,722	2,302,622	2,592,921
FHLMC PC 17-0186	8/1/16	9.5000	569,105	556,656	611,958
FHLMC PC 16-0079	5/1/09	10.2500	546,763	505,073	590,181
FHLMC PC 17-0147	11/1/15	11.0000	503,992	500,991	562,959
FNMA CL 2463	9/1/15	11.0000	90,781	89,022	100,495
FNMA CA 7423	5/1/14	11.2500	12,799	13,023	14,137
GNMA I SF 780 052	12/15/08	7.0000	7,067,992	7,134,255	7,123,193
GNMA I SF 413 882	7/15/25	7.5000	1,927,885	1,935,717	1,934,498
GNMA I SF 393 278	8/15/25	7.5000	927,226	930,993	930,406
GNMA I SF 409 930	8/15/25	7.5000	965,586	969,508	968,898
GNMA I SF 410 088	8/15/25	7.5000	1,884,263	1,891,918	1,890,726
GNMA I SF 414 075	8/15/25	7.5000	910,356	914,054	913,479
GNMA I SF 414 098	8/15/25	7.5000	3,818,926	3,834,440	3,832,025
GNMA I SF 413 886	8/15/25	7.5000	790,124	793,334	792,834
GNMA I SF 415 983	8/15/25	7.5000	941,042	944,865	944,269

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GNMA I SF 334 780	8/15/25	7.5000	6,574,620	6,601,330	6,597,171
GNMA I GP 90 132	5/15/09	9.0000	56,777	42,867	61,896
GNMA I GP 90 178	5/15/09	9.0000	146,644	110,716	159,864
GNMA I SF 120 666	9/15/14	13.0000	1,357,464	1,329,149	1,601,373
<i>TOTAL PASS THROUGH MORTGAGES</i>				\$ 46,943,137	\$ 48,994,110
OTHER MORTGAGES:					
NATIONSBANC	10/25/09	10.5000	220,343	220,343	227,925
VIRGINIA APTS	7/1/18	7.5000	1,804,630	1,449,143	1,794,939
MANCHESTER HEIGHTS	2/1/19	7.5000	1,099,923	876,275	1,089,143
EUCLID APTS	5/1/19	7.5000	1,455,885	1,166,476	1,445,621
<i>TOTAL OTHER MORTGAGES</i>				\$ 3,712,237	\$ 4,557,629
COLLATERALIZED MORTGAGE OBLIGATIONS:					
BSMSI 1993 03 A10	2/25/24	7.7500	5,000,000	4,984,375	5,009,730
BSMSI 1993 08 A5	8/25/24	6.3500	15,000,000	14,729,063	14,873,670
COUNTRYWIDE FDG 1993 2 A3	9/25/08	6.5000	7,649,203	7,547,612	7,575,082
COUNTRYWIDE MTG 1993-A A10	10/25/08	6.5000	8,908,880	7,551,668	8,276,884
COUNTRYWIDE MTG 1994 3 A7	3/25/24	6.7500	10,000,000	9,710,600	9,665,600
COUNTRYWIDE MTG 1994-13 A10	6/25/09	6.5000	4,940,000	4,631,250	4,925,180
DLJMA 1994 3 A14	4/25/24	6.5000	9,737,340	9,007,039	9,002,317
FHLMC 1989 52 E	12/15/18	9.5000	4,878,869	5,061,826	5,930,265
FHLMC 1989 107 E	8/15/04	8.7500	4,852,398	5,028,297	4,961,577
FHLMC 1990 128 H	9/15/19	8.7500	1,623,158	1,655,621	1,639,893
FHLMC 1991 1119 G	7/15/20	8.1000	2,025,648	2,054,767	2,055,385
FHLMC 1992 1188 GC	11/15/19	7.5000	11,000,000	11,116,875	11,147,730
FHLMC 1992 1271 G	8/15/06	7.0000	10,478,000	10,510,744	10,520,541
FHLMC 1992 1332 H	4/15/20	7.5000	10,000,000	10,135,000	10,137,500
FHLMC 1992 1336 H	1/15/21	7.7500	21,000,000	21,306,563	21,413,280
FHLMC 1992 1381 E	7/15/06	6.2500	7,000,000	6,891,719	7,006,510
FHLMC 1992 1381 G	2/15/07	6.5000	8,000,000	8,072,500	7,977,440
FHLMC 1992 1423 CC	3/15/04	6.7500	20,000,000	19,737,500	20,112,400
FHLMC 1992 1445 H	10/15/05	7.0000	17,556,800	17,323,576	17,715,865
FHLMC 1993 1505 D	8/15/18	5.5000	10,000,000	8,850,000	9,590,600
FHLMC 1993 1530 G	10/15/21	6.5000	10,000,000	9,511,719	9,743,700
FHLMC 1993 1587 Z	10/15/08	6.5000	5,088,656	3,806,950	5,469,796
FHLMC 1993 1591 PN	6/15/19	5.9500	13,000,000	12,727,813	12,638,340
FHLMC 1993 1616 BC	8/15/06	5.7000	16,094,000	15,413,253	15,601,524
FHLMC 1993 1620 PG	8/15/18	6.0000	10,000,000	9,676,563	9,731,200
FHLMC 1993 1637 EA	2/15/19	5.9500	6,003,847	5,998,218	5,923,155
FHLMC 1993 1639 M	12/15/08	6.0000	9,248,202	8,534,356	8,464,972
FHLMC 1993 1673 E	2/15/19	6.0000	15,000,000	14,763,281	14,550,000
FHLMC 1994 1669 EA	5/15/18	5.7500	15,000,000	13,761,900	14,728,050
FHLMC 1994 1683 AB	7/15/20	5.2500	25,000,000	23,609,375	23,351,500
FHLMC 1994 1706 H	6/15/23	6.5000	5,000,000	4,507,031	4,875,000
FHLMC 1994 1714 E	9/15/18	6.2500	14,000,000	13,351,875	13,912,500
FHLMC 1994 1727 E	4/15/18	6.5000	20,000,000	19,080,469	19,912,400
FHLMC 1996 1843 A	4/15/19	6.5000	5,000,000	4,907,031	4,973,400
FHLMC 1997 1927 A	1/15/20	6.5000	18,964,500	18,875,604	18,881,435
FHLMC-GNMA 1993 12 E	3/25/08	6.0000	7,481,250	7,308,246	7,296,538
FHLMC-GNMA 1994 29 D	2/25/18	6.2500	15,000,000	14,240,625	14,788,950
FHLMC-GNMA 1994 29 P	2/25/18	7.0000	12,500,000	12,703,125	12,558,500
FHLMC-GNMA 1994 29 X	2/25/23	6.7500	5,605,466	5,377,744	5,547,618

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FNMA 1991 85 G	6/25/15	8.0000	673,211	702,243	674,261
FNMA 1991 134 H	3/25/20	7.9500	1,288,419	1,268,489	1,288,640
FNMA 1992 48 G	11/25/05	7.5000	23,750,000	23,669,063	24,024,550
FNMA 1992 108 E	5/25/04	7.0000	1,268,351	1,231,886	1,265,573
FNMA 1992 135 E	3/25/15	7.3000	7,715,000	7,695,713	7,768,002
FNMA 1992 175 PE	10/25/04	6.5000	6,500,000	6,370,508	6,524,280
FNMA 1992 205 K	5/25/21	6.5000	16,000,000	14,542,500	15,544,960
FNMA 1993 28 PH	3/25/07	6.5000	20,000,000	19,845,313	19,700,000
FNMA 1993 44 PG	9/25/16	6.4500	17,700,000	17,520,563	17,528,487
FNMA 1993 56 PG	2/25/21	6.7500	10,000,000	9,120,313	9,859,300
FNMA 1993 77 G	11/19/25	6.5000	47,000,000	45,920,469	46,559,140
FNMA 1993 84 H	6/25/18	6.4500	12,000,000	11,816,250	11,842,440
FNMA 1993 85 G	3/25/08	6.5000	13,000,000	12,475,938	12,784,590
FNMA 1993 116 E	7/25/22	6.5000	3,000,000	2,742,660	2,919,360
FNMA 1993 138 E	12/25/16	5.7500	10,000,000	9,857,813	9,840,600
FNMA 1993 142 B	6/19/25	6.2500	6,650,000	6,396,469	6,517,000
FNMA 1993 149 H	9/20/25	6.0000	5,086,000	4,848,984	4,941,354
FNMA 1993 202 N	2/25/22	6.5000	5,000,000	4,805,950	4,903,100
FNMA 1993 204 EC	10/23/25	5.9500	9,679,539	9,056,419	9,349,757
FNMA 1993 252 E	8/25/17	6.0000	13,000,000	12,605,938	12,825,280
FNMA 1993 G 9 E	8/25/15	6.3500	7,400,000	7,366,700	7,404,588
FNMA 1994 20 Z	2/25/09	0.0000	14,308,683	13,024,183	14,760,265
FNMA 1994 23 PC	7/17/25	6.0000	10,382,000	10,041,341	10,229,488
FNMA 1994 37 G	11/18/25	6.0000	5,385,000	5,113,226	5,228,458
FNMA 1994 42 PE	6/25/18	5.8500	15,000,000	13,823,438	14,643,750
FNMA 1994 20 PG	2/19/25	6.5000	10,000,000	9,756,250	9,890,600
FNMA TRUST 1995 T5	6/20/35	7.0000	3,896,841	3,839,606	3,714,157
FNMA-GNMA 1993 33 H	11/25/20	6.6000	5,320,000	4,857,825	5,218,548
GE CAP MTG SVC 1994- 1 A6	1/25/24	6.5000	10,000,000	9,021,875	9,721,800
GE CAP MTG SVC 1994- 5 A6	2/24/25	5.5000	15,407,000	14,335,732	14,496,909
GE CAP MTG SVC 1994-21 A	8/25/09	6.5000	7,534,264	7,270,565	7,381,168
IND NAT MTG CORP 1995-D A8	10/25/09	9.0000	5,000,000	5,212,500	5,229,650
IND NAT MTG CORP 1995-H A11	6/25/25	8.2500	10,000,000	10,112,500	10,096,800
NASCOR 1997-1 A2	2/25/12	6.5000	10,000,000	9,917,188	9,911,000
PHMSC 1994 5 A1	2/25/24	7.0000	2,619,730	2,555,874	2,612,342
PHMSC 1994 11 A1	4/25/24	6.6800	2,158,073	2,101,423	2,153,347
PHMSC 1994 14 A2	4/25/09	6.4000	6,367,820	6,214,595	6,329,995
PHMSC 1994 18 A1	5/25/24	7.4250	11,346,529	11,249,020	11,420,962
PHMSC 1994 25 A7	8/25/24	7.5000	8,000,000	7,427,500	8,134,960
PRU BACHE TRUST 1991 16 G	12/25/20	8.0000	9,310,499	9,927,319	9,432,652
RAS CORP 1995-KS 3 C	10/25/24	8.0000	9,695,000	9,800,059	9,901,504
RAST 1997-A4 A2	6/25/27	7.0500	12,098,500	12,090,873	12,087,006
RFMSI 1993 S22 A6	6/25/23	7.0000	7,433,000	7,010,248	7,374,874
RFMSI 1993 S45 A8	12/25/23	6.5000	13,442,872	13,207,622	13,060,557
RTC 1992-7 A2D	6/25/29	8.3500	10,709,100	10,926,629	107,091
RTC 1993-3 A2B	10/25/23	7.2500	884,413	906,109	885,156
RYLAND MTG SEC 1993-4 A2	8/25/24	7.5000	3,542,172	3,458,046	3,585,316
SASI 1993 7 TA1	12/25/23	6.2500	2,679,553	2,475,237	2,671,996
VA MORTGAGE TR 1992-1 2B	9/15/10	7.7500	1,653,776	1,691,245	1,660,491
VA MORTGAGE TR 1994-1 2C	9/15/10	6.3000	11,917,000	11,969,464	11,760,530
VA MORTGAGE TR 1994-2 3C	11/15/09	6.5000	10,000,000	9,460,938	9,940,600

TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS

\$ 872,720,375 \$ 880,189,258

TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES

\$ 923,375,749 \$ 933,740,997

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ASSET BACKED SECURITIES:

AMERICREDIT 1997-A A3	8/12/00	6.5400	10,000,000	9,997,478	10,013,280
CONTIMTG HM EQ 1996-4 A4	10/15/11	6.3700	13,900,000	13,896,900	13,800,059
CONTIMTG HM EQ 1996-4 A5	10/15/11	6.6000	8,500,000	8,499,805	8,430,895
CONTIMTG HM EQ 1996-4 A6	3/15/14	6.7100	10,000,000	9,995,786	9,871,800
DISCOVER CARD TR 1993 2 A	5/15/99	5.4000	10,000,000	9,953,600	9,900,000
DISCOVER CARD TR 1993 A A	8/15/00	6.2500	10,000,000	9,968,101	9,971,870
DISCOVER CARD TR 1993-B A	2/15/00	6.7500	10,000,000	10,323,438	10,034,300
FIRSTPLUS HM LN 1997-1 A5	11/10/11	6.7000	10,000,000	9,997,340	9,884,380
FNMA 1995 W1 A2	4/25/25	8.2000	2,159,336	2,193,413	2,166,462
GREENTREE 1995-3 A3	8/15/25	6.6500	10,000,000	9,975,000	10,046,800
IMC HM EQ TR 1997-3 A3	1/20/12	6.7100	10,000,000	9,998,354	10,003,130
MBNA MASTER CR CD 1995-C A	2/15/08	6.4500	25,500,000	25,444,219	24,886,215
MID STATES TRUST IV	4/1/30	8.3300	4,383,713	4,383,028	4,670,022
PREMIER AUTO TR 1993-2 B	10/15/98	5.0000	458,070	457,406	456,781
SCCMT 1995 3A	2/7/02	7.8500	4,000,000	3,994,400	4,128,720
SCCMT 1995 6A	6/7/00	6.7500	5,000,000	4,995,630	5,023,045
SCFC BOAT LN TR 1992-1	4/15/07	7.0500	4,352,767	4,330,393	4,343,578

TOTAL ASSET BACKED SECURITIES

\$ 148,404,290 \$ 147,631,337

CORPORATE OBLIGATIONS:

ABN-AMRO BNK NV (CHICAGO)	5/31/05	7.2500	10,000,000	9,992,752	10,129,500
AETNA SERVICES INC	8/15/06	7.1250	8,000,000	7,943,600	7,998,320
AIRTOUCH COMM	7/15/06	7.5000	5,000,000	4,972,919	5,106,000
AMERICAN STORES	5/15/05	7.4000	5,000,000	5,016,761	5,041,150
ASSOCIATES CORP NA MTN	1/28/00	6.9100	3,000,000	3,048,261	3,029,550
ASSOCIATES CORP NA	6/15/00	6.0000	4,000,000	3,990,872	3,944,560
ASSOCIATES CORP NA	9/30/01	7.8750	7,500,000	7,423,027	7,816,500
ASSOCIATES CORP NA	5/15/99	7.5000	3,000,000	2,995,309	3,058,860
BEAR STERNS & CO	6/15/00	6.5000	8,000,000	7,996,559	7,973,520
BELLSOUTH CORP	12/15/15	6.3000	6,722,240	6,701,456	6,397,354
BELLSOUTH TELEC	6/15/05	6.5000	5,650,000	5,619,684	5,532,028
BENEFICIAL CORP MTN	11/22/99	7.2700	10,000,000	10,000,000	10,164,200
BENEFICIAL FIN	11/15/99	7.3000	8,000,000	7,991,300	8,136,400
BOC GROUP INC 144A	6/15/06	7.4500	10,000,000	9,997,600	10,182,200
BURLINGTON NO SANTA FE	12/15/05	6.3750	10,000,000	9,995,037	9,510,300
CARNIVAL CRUISE	5/15/05	7.0500	10,000,000	10,071,256	9,996,400
CARTER HOLT HARVEY LTD	12/1/04	8.8750	5,000,000	4,976,490	5,491,000
CASE CREDIT	2/15/03	6.1250	10,000,000	9,980,352	9,592,900
CHASE MANHATTAN CORP	2/1/00	8.8000	10,000,000	10,000,000	10,023,100
CHICAGO & NW RR	8/1/98	14.7500	1,759,698	1,759,698	1,846,469
CIRCUS CIRCUS ENTERPRISE	2/1/06	6.4500	8,000,000	7,613,090	7,471,840
CITICORP	11/1/04	8.6250	9,500,000	9,358,914	9,837,155
COMMERCIAL CREDIT CO	3/1/00	6.1250	25,000,000	24,965,308	24,641,750
CROWN CORK PLC	12/15/03	6.7500	4,000,000	3,978,906	3,938,080
CROWN CORK PLC	12/15/06	7.0000	10,000,000	9,966,700	9,900,100
CROWN CORK SA	12/15/03	6.7500	6,000,000	5,968,359	5,912,820
CSR AMERICA INC	7/21/05	6.8750	5,000,000	5,064,251	4,944,100
CSW ENERGY	10/1/01	6.8750	20,000,000	19,981,025	19,897,400
CSW INVESTMENTS 144A	8/1/01	6.9500	17,000,000	16,978,444	16,994,560
CSX CORP	5/1/02	7.0500	20,000,000	19,987,000	20,021,400
DR INVESTMENT 144A	5/15/02	7.1000	19,700,000	19,945,524	19,842,628
ELEC DATA SYSTEM	5/15/05	7.1250	10,000,000	9,971,710	10,008,500

LABOR & INDUSTRIES

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FLETCHER CHALLNG CAP CAN	6/20/06	7.7500	10,000,000	9,986,148	10,294,200
FORD MOTOR CREDIT CORP	6/15/99	8.8750	6,115,000	6,233,979	6,390,725
FORD MOTOR CREDIT CORP	4/15/00	6.3750	4,000,000	3,987,728	3,982,480
FORD MOTOR CREDIT CORP	2/15/02	8.2000	5,000,000	4,999,150	5,271,950
GENERAL MTRS ACCEPT CORP	2/1/99	5.6250	12,500,000	12,137,245	12,368,125
GENERAL MTRS ACCEPT CORP	10/1/99	8.0000	5,000,000	4,922,431	5,164,950
GENERAL MTRS ACCEPT CORP	8/15/01	7.0000	20,000,000	19,476,474	20,096,200
GEORGIA-PACIFIC	6/15/02	9.9500	10,835,000	12,586,282	12,138,667
GMAC GLOBAL BOND	2/7/02	6.7500	20,000,000	20,201,299	19,949,200
GOLDMAN SACHS 144A	6/15/00	6.3750	10,000,000	10,051,568	9,900,500
GOLDMAN SACHS 144A	2/15/06	6.7500	15,000,000	14,966,590	14,628,000
GRAND METROPOLITAN	1/6/04	0.0000	10,000,000	5,965,990	6,386,400
GTE CORP	6/1/03	9.1000	5,000,000	5,275,386	5,530,550
GTE HAWAII	2/1/06	7.0000	8,265,000	8,166,999	8,155,406
GTE NORTH	1/1/21	9.6000	9,769,000	11,212,896	10,686,798
HELLER FINANCIAL INC	11/1/01	6.5000	17,000,000	16,911,192	16,770,500
HELLER FINANCIAL INC	3/15/98	9.3750	3,000,000	3,079,652	3,068,070
HOUSEHOLD FINANCE CORP	3/1/03	6.8750	5,000,000	4,990,503	4,968,450
INTL LEASE FINANCE	5/1/00	6.2000	5,000,000	4,961,113	4,949,400
KANSAS GAS & ELEC	9/29/03	6.7600	8,002,004	8,002,004	7,961,994
KERN RIVER FUNDING CORP	9/30/01	6.7200	20,000,000	20,000,000	19,931,200
KOREA DEVELOPMENT BANK	5/1/00	6.2500	9,000,000	8,987,803	8,918,100
KOREA TELECOM	12/1/99	7.4000	6,400,000	6,600,875	6,514,496
MBNA AMER BANK NA	9/15/02	7.2500	5,000,000	4,915,383	5,039,200
MBNA CORP	6/1/05	6.8750	9,500,000	9,495,735	9,282,735
MONTANA POWER CO	2/1/07	8.2500	12,500,000	13,305,494	13,209,250
MORGAN STANLEY & CO INC	5/15/03	7.0300	10,000,000	10,000,000	9,870,000
NATIONSBANK CORP	8/15/03	6.5000	10,000,000	9,342,019	9,774,800
NORANDA FOREST INC	11/15/05	6.8750	7,500,000	7,493,623	7,299,150
NORTHERN TELECOM	6/12/01	8.7500	11,555,000	12,465,133	12,364,774
NOVA GAS TRANSMISSION	7/6/99	7.2500	10,000,000	9,967,613	10,149,900
ONTARIO PROV CDA	3/10/13	11.5000	3,495,000	3,878,290	3,763,905
ONTARIO PROV CDA	4/25/13	11.7500	2,600,000	2,916,839	2,833,428
PACIFIC GAS TRAN	6/1/05	7.1000	7,500,000	7,573,040	7,508,925
PACIFIC TELECOM INC MTN	10/20/05	6.6250	10,000,000	9,986,254	9,577,600
PACIFICORP HOLDINGS	4/1/01	6.7500	6,500,000	6,484,184	6,494,800
PACIFICORP HOLDINGS	4/1/06	7.2000	7,500,000	7,460,411	7,399,350
PANHANDLE EASTERN PIPELINE	12/1/99	8.6250	5,000,000	4,995,529	5,223,500
PANHANDLE EASTERN PIPELINE	5/15/05	7.2500	5,000,000	5,000,000	5,059,400
PHILIPS ELECTRONICS NV	4/15/04	7.7500	5,000,000	4,991,747	5,145,100
PNC FUNDING CORP	9/1/03	6.1250	10,000,000	9,983,471	9,549,500
PRICE COSTCO INC	6/15/05	7.1250	10,000,000	9,978,578	9,919,800
PROGRESSIVE CORP	6/1/06	7.3000	15,000,000	14,978,679	15,187,950
QUEBEC PROV CDA	3/1/00	9.1250	5,750,000	6,147,624	6,103,395
QUEBEC PROVINCE CDA	7/15/02	7.5000	5,000,000	4,784,346	5,134,050
RITE AID CORP	12/15/01	6.7000	15,000,000	14,996,550	14,886,150
ROYAL BANK CANADA	10/24/11	6.7500	20,000,000	19,822,486	19,464,800
ROYAL CARIBBEAN CRUISES	7/28/04	8.1250	8,000,000	7,965,267	8,319,200
SALOMON INC	3/1/00	6.5000	15,000,000	15,000,000	14,924,400
SANTANDER FIN ISSUANCES	7/15/05	6.8000	10,000,000	10,281,889	9,771,500
SASKATCHEWAN CDA	7/15/04	8.0000	12,000,000	11,925,625	12,695,640
SEARS ROEBUCK & CO	5/1/00	6.0000	700,000	605,110	688,667
SMITH BARNEY HOLDINGS	6/15/05	6.8750	10,000,000	9,939,808	9,829,800
SOCIETY CORP	11/1/02	7.8500	2,500,000	2,627,772	2,608,950
STAR BANK N.A.	12/15/06	6.6250	10,000,000	9,914,814	9,612,500

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TIME WARNER ENTERTAINMENT	9/1/08	7.2500	10,000,000	8,566,414	9,872,100
TRANSAMERICA FINANCE	3/15/99	6.8000	7,000,000	6,998,992	7,050,190
U S BANCORP	10/15/05	6.7500	5,100,000	5,153,909	4,974,489
UNION OIL OF CA MTN	10/15/07	6.7000	10,000,000	9,920,847	9,491,300
UNION PACIFIC CO	5/1/05	7.6000	10,000,000	10,000,879	10,223,600
VIGINIA ELEC & PWR CO	6/1/98	9.3750	5,000,000	5,162,513	5,142,250
WILLIAMS COS	9/15/99	7.5000	5,000,000	5,014,719	5,086,600
WILLIAMS HLDGS OF DEL	2/1/06	6.2500	5,000,000	4,976,406	4,709,750
TOTAL CORPORATE OBLIGATIONS				\$ 852,973,463	\$ 853,649,404
<u>EQUITY INDEX FUNDS:</u>					
BGI - EXTENDED MARKET INDEX	N/A	N/A	N/A	170,975,464	170,975,464
BGI - S&P 500 INDEX	N/A	N/A	N/A	491,059,116	491,059,116
STATE STREET - MSCI EAFE INDEX	N/A	N/A	N/A	100,082,806	100,082,806
TOTAL EQUITY INDEX FUNDS				\$ 762,117,386	\$ 762,117,386
PLUS: ACCRUED INVESTMENT INCOME RECEIVABLE				22,040,151	22,040,151
MINUS: ACCRUED MANAGEMENT FEES PAYABLE				(315,285)	(315,285)
PLUS: COLLATERAL HELD UNDER SECURITIES LENDING AGREEMENTS				73,513,892	73,513,892
MINUS: OBLIGATIONS UNDER SECURITIES LENDING AGREEMENTS				(73,513,892)	(73,513,892)
NET ASSET VALUE MEDICAL AID FUND				\$ 2,916,839,429	\$ 2,931,318,670

LABOR & INDUSTRIES**Accident Reserve Fund**

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<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
<u>SHORT - TERM INVESTMENT FUND</u>					
PROVIDENT TEMPFUND	N/A	N/A	N/A	\$ 54,976,663	\$ 54,976,663
<u>US GOVERNMENT SECURITIES</u>					
<u>TREASURIES:</u>					
UNITED STATES TREAS NTS	7/15/06	7.0000	8,000,000	8,186,524	8,230,000
UNITED STATES TREAS BONDS *	11/15/12	10.3750	3,800,000	3,958,297	4,823,606
UNITED STATES TREAS BONDS	2/15/15	11.2500	6,000,000	6,740,408	8,713,140
UNITED STATES TREAS BONDS	5/15/16	7.2500	4,600,000	3,931,828	4,796,926
UNITED STATES TREAS BONDS	11/15/16	7.5000	28,380,000	24,708,263	30,326,584
UNITED STATES TREAS BONDS	5/15/17	8.7500	8,000,000	8,408,367	9,624,960
UNITED STATES TREAS BONDS	8/15/17	8.8750	15,000,000	14,698,229	18,269,550
UNITED STATES TREAS BONDS	2/15/20	8.5000	6,000,000	6,252,155	7,108,140
<i>TOTAL TREASURIES</i>				\$ 76,884,071	\$ 91,892,906
<u>AGENCIES:</u>					
STUDENT LN MKTG ASSOC MTN	12/2/13	8.4100	4,700,000	4,700,000	5,318,332
STUDENT LN MKTG ASSOC MTN	12/1/14	8.4100	5,200,000	5,200,000	5,906,056
STUDENT LN MKTG ASSOC MTN	12/1/15	8.4100	5,600,000	5,600,000	6,381,368
FEDERAL NATL MTG ASSOC	8/12/19	8.1000	5,000,000	5,000,000	5,543,750
RESOLUTION FDG CORP	10/15/19	8.1250	53,700,000	49,935,490	60,278,250
RESOLUTION FDG CORP	1/15/30	8.6250	10,000,000	9,872,123	12,078,100
TENNESSEE VALLEY AUTHORITY	9/15/34	8.2500	5,000,000	4,788,653	5,100,400
<i>TOTAL AGENCIES</i>				\$ 85,096,266	\$ 100,606,256
TOTAL US GOVERNMENT SECURITIES				\$ 161,980,337	\$ 192,499,162
<u>MORTGAGES AND MORTGAGE BACKED SECURITIES</u>					
<u>PASS THROUGH MORTGAGES:</u>					
FHLMC GTD MTG CT (GMC)	9/15/97	8.3750	16,000	15,925	16,085
FHLMC PC 17-0217	3/1/17	8.0000	287,399	276,173	297,559
FHLMC SWAP 29-1274	4/1/17	8.0000	420,722	403,630	435,556
FHLMC SWAP 28-8047	2/1/17	8.5000	85,949	79,476	90,239
FHLMC SWAP 28-7996	3/1/17	8.5000	22,910	21,185	24,049
FHLMC SWAP 28-9338	3/1/17	8.5000	20,780	19,215	21,817
FHLMC SWAP 28-9414	3/1/17	8.5000	223,912	207,049	235,087
FHLMC SWAP 28-9442	3/1/17	8.5000	96,413	89,152	101,216
FHLMC SWAP 29-2320	3/1/17	8.5000	39,092	36,148	41,044
FHLMC SWAP 29-3812	5/1/17	8.5000	34,953	32,320	36,685
FHLMC SWAP 29-2081	5/1/17	8.5000	114,501	105,878	120,216
FHLMC GIANT SWAP 30-4272	6/1/18	8.5000	2,399,449	2,222,100	2,518,773
FHLMC GIANT WAM SWAP 30-6661	3/15/19	8.5000	66,720	62,967	68,855
FHLMC PC 16-0040	3/1/08	8.7500	35,373	32,344	36,776
FHLMC PC 16-0043	4/1/08	8.7500	7,360	6,730	7,652
FHLMC GNOME 38-0021	5/1/03	9.0000	326,956	319,207	341,872

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<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
FHLMC GIANT SWAP 30-4278	7/1/18	9.0000	1,020,549	952,300	1,082,414
FHLMC GIANT SWAP 30-4281	7/1/18	9.0000	1,024,008	964,488	1,086,084
FHLMC PC 17-0149	12/1/15	11.0000	273,372	272,007	304,859
FHLMC PC 17-0040	12/1/10	14.5000	57,500	57,643	68,550
FNMA CL 806 (WESTSIDE)	7/1/08	9.0000	145,478	117,330	153,015
FNMA CL 805 (WESTSIDE)	12/1/09	9.5000	229,149	189,624	244,573
FNMA CL 2463	9/1/15	11.0000	61,338	60,372	67,902
FNMA CA 7423	5/1/14	11.2500	12,799	13,023	14,137
GNMA I SF 2 967	7/15/03	6.5000	1,304	869	1,290
GNMA I SF 120 666	9/15/14	13.0000	565,610	554,112	667,239

TOTAL PASS THROUGH MORTGAGES

\$ 7,111,265 \$ 8,083,543

OTHER MORTGAGES:

NATIONSBANC	10/25/09	10.5000	661,029	661,029	683,775
CROSSWINDS APTS	3/1/18	7.5000	1,215,247	980,721	1,179,822
CENTURY II APTS	8/1/18	7.5000	1,511,370	1,210,931	1,501,501
TOWER HILL APTS	8/1/18	7.5000	1,006,364	806,592	1,001,111
WAKONDA MANOR	8/1/18	7.5000	1,656,780	1,325,448	1,647,221
TERRACE APTS	12/1/18	7.5000	790,551	636,009	785,009
CHARTER MTG CO FHA PROJ PC	1/25/22	7.4000	7,682,050	4,013,877	7,399,197
FHA PRJ-REILLY MTG GRP #55	3/1/24	7.4300	2,357,814	2,546,439	2,300,825
CRIIMI MAE FIN CORP	1/1/33	7.0000	4,438,328	4,324,596	4,298,743

TOTAL OTHER MORTGAGES

\$ 16,505,642 \$ 20,797,203

COLLATERALIZED MORTGAGE OBLIGATIONS:

COUNTRYWIDE MTG 1993 E A8	1/25/24	6.5000	1,831,452	1,611,678	1,757,644
FHLMC 1993 1498 PG	4/15/08	7.0000	14,700,000	14,745,359	14,718,375
FHLMC 1993 1546 G	12/15/21	6.7500	5,884,500	5,762,213	5,783,345
FHLMC 1993 1574 VA	3/15/23	7.0000	4,037,975	3,576,762	3,701,046
FHLMC 1993 1639 M	12/15/08	6.0000	5,000,000	4,614,063	4,576,550
FHLMC 1994 1706 H	6/15/23	6.5000	10,450,000	9,419,695	10,188,750
FHLMC 1994 1727 Z	5/15/24	6.2500	10,588,071	7,472,862	9,852,201
FNMA 1993 6 E	8/25/07	7.0000	10,000,000	9,570,313	10,075,000
FNMA 1993 199 Z	10/23/25	7.0000	3,899,504	3,255,477	4,043,692
FNMA 1994 19 B	1/25/24	5.0000	5,000,000	4,096,875	4,510,900
FNMA 1994 40 J	6/25/22	6.0000	5,000,000	4,760,156	4,748,400
FNMA 1994 62 PH	11/25/23	6.9000	4,000,000	3,725,625	3,975,000
FNMA-GNMA 1993 3 J	3/25/22	7.0000	2,000,000	1,704,063	1,955,620
GE CAP MTG SVC 1992-13 F	12/25/07	7.0000	5,403,000	4,956,408	5,326,980
GE CAP MTG SVC 1993- 5F F	4/25/08	6.5000	2,566,098	2,163,140	2,388,062
GE CAP MTG SVC 1994- 1 A8	1/25/24	6.5000	3,000,000	2,503,125	2,736,540
GE CAP MTG SVC 1994- 4 A8	1/25/24	6.5000	4,950,792	4,239,115	4,644,833
GE CAP MTG SVC 1994- 6 A10	3/25/24	6.5000	4,510,000	3,505,820	3,982,871
GE CAP MTG SVC 1994-14 A4	4/25/24	7.5000	5,000,000	4,450,000	4,903,100
HEADLANDS 1997-1 A16 #	3/25/27	7.1000	10,000,000	9,848,438	9,952,550
NASCOR 1997-3 C	3/25/27	7.2500	21,350,000	21,446,742	21,405,019
PHMSC 1993 44 A18	11/25/23	6.7500	3,300,000	2,734,875	3,056,625

LABOR & INDUSTRIES

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<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
PHMSC 1993 51 A16	12/25/23	6.5000	3,822,000	2,911,886	3,378,877
PHMSC 1993 62 A7	12/23/26	6.7500	5,000,000	4,365,625	4,450,000
PHMSC 1994 25 A7	8/25/24	7.5000	4,915,000	4,563,270	4,997,916
PHMSC 1994 26 A6	8/25/09	7.0000	5,000,000	4,310,156	4,768,750
RAST 1997-A4 A2	6/25/27	7.0500	12,098,500	12,090,873	12,087,006
RFMSI 1993 S45 A12	12/25/23	6.5000	5,010,000	4,750,106	4,728,188
RFMSI 1994 S5 A8	2/25/24	6.5000	4,812,606	3,961,376	4,484,386
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS				\$ 167,116,097	\$ 177,178,226
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				\$ 190,733,005	\$ 206,058,973
ASSET BACKED SECURITIES:					
AMERICREDIT 1997-A A3	8/12/00	6.5400	10,000,000	9,997,478	10,013,280
DISCOVER CARD TR 1993-3 A	11/15/03	6.2000	3,000,000	2,986,830	2,903,430
FIRSTPLUS HM LN 1997-1 A3	2/10/09	6.4500	12,500,000	12,495,493	12,427,738
GREENTREE 1997-1 A5	3/15/28	6.8600	6,200,000	6,200,000	6,124,422
IMC HM EQ TR 1997-2 A2	11/20/11	6.7000	22,521,000	22,497,702	22,552,214
MID STATES TRUST IV	4/1/30	8.3300	1,753,485	1,753,211	1,868,009
PRCC HEQ 1997-1 A2	10/25/05	6.7100	15,000,000	14,992,639	15,009,375
SCCMT 1995 9A	10/7/07	6.5500	4,000,000	4,013,125	3,896,240
TOTAL ASSET BACKED SECURITIES				\$ 74,936,478	\$ 74,794,707
CORPORATE OBLIGATIONS:					
ABN-AMRO BNK NV (CHICAGO)	5/31/05	7.2500	5,000,000	4,996,376	5,064,750
AMERICAN SAVINGS BK	2/15/06	6.6250	17,700,000	16,813,068	16,956,246
AMERICAN STORES	5/15/05	7.4000	2,300,000	2,307,710	2,318,929
ANHEUSER BUSCH COS INC	7/1/23	7.3750	5,000,000	4,961,112	4,878,650
ANR PIPELINE	2/15/24	7.3750	3,000,000	2,979,010	2,854,590
BOEING CO	8/15/21	8.7500	10,000,000	9,952,155	11,539,100
BOSTON GAS CO MTN	6/1/11	8.9500	10,000,000	10,000,000	11,405,100
BURLINGTON NO SANTA FE	12/15/25	7.0000	10,000,000	8,941,614	9,228,300
BURLINGTON NORTHERN RR	10/1/06	9.2500	13,000,000	12,682,900	14,761,760
CANADIAN NAT'L RR	5/15/23	7.6250	5,000,000	4,939,814	4,886,250
CARGILL INC	10/1/25	7.3750	4,000,000	3,978,562	3,962,880
CARGILL INC	2/1/36	6.8750	5,000,000	4,945,500	4,555,100
CARGILL INC	9/1/26	7.5000	15,000,000	14,855,662	14,878,950
CARNIVAL CRUISE	7/15/04	7.7000	5,000,000	4,820,778	5,151,550
CARNIVAL CRUISE	10/1/23	7.2000	2,500,000	2,316,597	2,378,400
CHASE NEW SUB NOTE	1/15/09	6.5000	6,000,000	5,273,394	5,679,540
CHICAGO & N WESTN TRANS	7/30/12	6.2500	1,415,614	1,415,614	1,300,779
CINCINNATI GAS & ELEC	10/1/23	7.2000	5,000,000	4,994,032	4,703,100
CINCINNATI GAS & ELEC	6/1/25	6.9000	2,000,000	2,000,000	1,998,800
COLONIAL PIPELINE 144A	8/15/07	7.4500	4,000,000	3,943,797	3,995,280
CONAGRA	9/15/04	7.4000	5,000,000	4,987,848	5,056,000
CROWN CORK & SEAL	12/15/26	7.3750	12,400,000	12,251,076	12,002,084
CSX CORP	5/1/02	7.0500	15,000,000	14,990,250	15,016,050
DEER PARK REFINING LP 144A	12/15/08	6.4700	2,839,290	2,839,290	2,758,228

LABOR & INDUSTRIES**Accident Reserve Fund**

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<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
DR INVESTMENT 144A	5/15/02	7.1000	10,000,000	10,124,632	10,072,400
EASTMAN CHEMICAL	1/15/24	7.2500	3,000,000	2,970,232	2,864,370
FERRO CORP	6/15/25	8.0000	3,000,000	2,958,825	3,060,090
FLORIDA GAS TRANSMISSION	11/1/24	9.1900	2,000,000	2,000,000	2,293,680
FORD MOTOR CO	11/15/22	8.8750	5,000,000	4,971,500	5,466,100
GEORGIA-PACIFIC	3/15/22	9.6250	4,000,000	4,078,703	4,357,120
GEORGIA-PACIFIC	6/15/23	8.1250	2,000,000	1,966,241	1,990,180
GRAND METROPOLITAN	1/6/04	0.0000	2,500,000	1,487,217	1,596,600
GTE CORP	11/1/21	8.7500	10,000,000	9,939,324	11,345,200
GTE CORP	5/1/23	7.8300	5,000,000	5,000,000	4,949,900
HYDRO-QUEBEC	1/15/27	8.2500	20,000,000	19,182,272	21,212,600
HYDRO-QUEBEC	2/1/13	8.0000	5,500,000	5,473,665	5,794,305
HYDRO-QUEBEC	7/7/24	8.0500	5,000,000	4,782,048	5,419,900
INTER AMERN DEV BK	3/15/11	8.5000	10,000,000	10,000,000	11,370,100
KANSAS GAS & ELEC	9/29/16	8.2900	7,000,000	7,000,000	6,906,480
KDB GLOBAL BOND	11/15/02	6.5000	20,000,000	19,443,406	19,546,000
LORAL CORP	2/1/22	9.1250	3,500,000	3,659,397	4,110,400
MANITOBA PROV CDA	12/1/18	9.6250	13,000,000	12,833,984	16,077,880
MCDONALD'S CORP	11/15/25	7.0500	5,000,000	4,973,600	4,719,700
MCI COMMUNICATIONS CORP	3/15/24	7.7500	5,000,000	4,979,447	4,988,550
MCI COMMUNICATIONS CORP	3/23/25	7.7500	3,500,000	3,472,103	3,502,240
MINNESOTA PWR & LT CO	1/1/98	6.5000	300,000	300,067	299,574
MORGAN STANLEY & CO INC	5/15/03	7.0300	5,000,000	5,000,000	4,935,000
NCNB CORP	9/15/09	9.3750	3,525,000	3,847,914	4,089,529
NEW JERSEY BELL TEL CO	6/1/12	7.3750	900,000	818,710	860,661
NORCEN ENRGY RESOUR	7/2/02	6.8000	10,000,000	9,980,700	9,995,650
NORFOLK SOUTHERN	3/1/21	9.0000	15,000,000	14,895,223	17,193,600
NORTHERN TELECOM	6/15/26	7.8750	10,000,000	9,953,100	10,307,300
NORTHWEST PIPELINE	8/1/22	9.0000	5,000,000	5,136,375	5,273,900
NORTHWESTERN PIPELINE	12/1/25	7.1250	3,000,000	2,988,069	2,814,030
ONTARIO HYDRO CDA	3/31/13	7.4500	3,000,000	2,991,138	3,019,170
PACIFIC GAS & ELEC CO	12/1/99	6.8750	825,000	735,492	825,281
PACIFIC TELECOM INC MTN	10/20/05	6.6250	5,000,000	4,992,160	4,788,800
PANHANDLE EASTERN PIPELINE	3/15/23	7.9500	3,000,000	2,967,299	3,019,500
PENNEY. JC	8/15/22	8.2500	10,000,000	9,952,591	10,116,600
PETROLEUM NASIONAL BERHAD	8/15/15	7.7500	13,000,000	12,943,737	13,313,950
PHILIPS ELECTRONICS NV	8/15/13	7.2500	2,500,000	2,257,746	2,412,400
PHILIPS ELECTRONICS NV	8/15/03	6.7500	2,500,000	2,495,036	2,458,575
PHILIPS ELECTRONICS NV	5/15/25	7.7500	3,500,000	3,488,257	3,474,730
PHILLIPS PETROLEUM	1/1/23	8.4900	5,500,000	5,500,000	5,730,450
PHILLIPS PETROLEUM	4/15/23	7.9200	3,000,000	2,983,756	3,012,960
PLACER DOME INC	6/15/15	7.7500	2,000,000	1,981,365	2,007,060
POTASH CORP SASKATCHEWAN CD	6/15/07	7.1250	10,000,000	9,933,200	9,967,800
PUBLIC SVC CO NEW MEXICO	6/15/02	7.5000	340,000	337,893	330,126
PUGET POWER AND LIGHT MTN	2/1/24	7.3500	3,000,000	3,000,000	2,931,450
QUEBEC PROVINCE CDA	2/9/24	7.1250	2,500,000	2,306,996	2,351,400
SAGA PETROLEUM A.S.	7/15/14	9.1250	6,450,000	6,803,932	7,053,075
SALOMON INC	3/1/00	6.5000	15,000,000	15,000,000	14,924,400
SASKATCHEWAN CDA	2/1/13	8.0000	4,500,000	4,475,388	4,803,345

LABOR & INDUSTRIES

Accident Reserve Fund

Schedule of Investments

June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
SASKATCHEWAN CDA	7/15/13	7.3750	10,000,000	9,918,896	10,030,900
SEARS ROEBUCK & CO	5/1/00	6.0000	925,000	796,289	910,024
SONOCO PRODUCTS	8/1/21	9.2000	10,200,000	10,304,012	11,892,282
SOUTHERN NEW ENGLAND TEL CO	12/1/01	4.3750	140,000	140,947	127,417
SOUTHERN UNION GAS	2/1/24	7.6000	5,100,000	5,033,252	4,985,760
SOUTHWESTERN BELL TELE	10/15/26	7.2000	5,000,000	4,993,776	4,748,750
SOUTHWESTERN PUBLIC SERV	2/15/25	8.5000	1,500,000	1,499,250	1,601,085
SPRINT CORP	4/15/22	9.2500	8,100,000	8,657,647	9,609,354
UNION OIL OF CA MTN	10/15/07	6.7000	5,000,000	4,960,424	4,745,650
UNION PACIFIC CO	5/1/25	8.3500	5,000,000	4,994,611	5,146,200
UNITED PARCEL SVC AMER INC	4/1/20	8.3750	11,600,000	11,489,403	12,969,612
WEYERHAEUSER CO	1/15/25	8.5000	15,000,000	15,646,238	16,542,750
WILLAMETTE INDUSTRIES INC	7/1/26	7.8500	8,000,000	7,996,320	8,208,960
WILLIAMS COS	11/15/21	9.3750	4,000,000	4,247,794	4,705,160
WILLIAMS COS	9/15/12	8.8750	3,000,000	3,442,080	3,332,490
TOTAL CORPORATE OBLIGATIONS				\$ 545,669,837	\$ 570,840,921
<u>EQUITY INDEX FUNDS:</u>					
BGI - EXTENDED MARKET INDEX	N/A	N/A	N/A	40,158,837	40,158,837
BGI - S&P 500 INDEX	N/A	N/A	N/A	104,283,164	104,283,164
STATE STREET - MSCI EAFE INDEX	N/A	N/A	N/A	25,236,140	25,236,140
TOTAL EQUITY INDEX FUNDS				\$ 169,678,141	\$ 169,678,141
PLUS: ACCRUED INVESTMENT INCOME RECEIVABLE				17,150,729	17,150,729
MINUS: ACCRUED MANAGEMENT FEES PAYABLE				(51,225)	(51,225)
MINUS: PAYABLE FOR INVESTMENTS PURCHASED				(9,980,700)	(9,995,000)
PLUS: COLLATERAL HELD UNDER SECURITIES LENDING AGREEMENTS				20,685,082	20,685,082
MINUS: OBLIGATIONS UNDER SECURITIES LENDING AGREEMENTS				(20,685,082)	(20,685,082)
NET ASSET VALUE ACCIDENT RESERVE FUND				\$ 1,205,093,265	\$ 1,275,953,071

LABOR & INDUSTRIES
Supplemental Pension Fund

Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
SHORT - TERM INVESTMENT FUND					
PROVIDENT TEMPFUND	N/A	N/A	N/A	\$ 9,008,220	\$ 9,008,220
US GOVERNMENT SECURITIES					
TREASURIES:					
UNITED STATES TREAS NTS	6/30/99	6.7500	1,500,000	1,494,201	1,518,285
UNITED STATES TREAS NTS	8/31/99	6.8750	3,000,000	3,036,328	3,044,520
UNITED STATES TREAS NTS	11/30/00	5.6250	5,000,000	4,858,039	4,897,650
<i>TOTAL TREASURIES</i>				\$ 9,388,568	\$ 9,460,455
AGENCIES:					
FEDERAL NATL MTG ASSN MTN	7/28/98	5.2700	2,500,000	2,427,031	2,483,600
FEDERAL NATL MTG ASSN MTN	1/6/99	5.3800	2,000,000	1,967,996	1,968,740
<i>TOTAL AGENCIES</i>				\$ 4,395,028	\$ 4,452,340
TOTAL US GOVERNMENT SECURITIES				\$ 13,783,596	\$ 13,912,795
MORTGAGES AND MORTGAGE BACKED SECURITIES					
COLLATERALIZED MORTGAGE OBLIGATIONS:					
BSMSI 1993 03 A10	2/25/24	7.7500	439,144	437,772	439,999
COUNTRYWIDE FDG 1993 2 A3	9/25/08	6.5000	1,912,301	1,886,903	1,893,771
COUNTRYWIDE MTG 1994 3 A7	3/25/24	6.7500	2,000,000	1,942,120	1,933,120
FHLMC 1989 52 E	12/15/18	9.5000	1,219,717	1,265,456	1,482,566
FHLMC 1989 107 E	8/15/04	8.7500	2,079,599	2,154,985	2,126,390
FHLMC 1990 128 H	9/15/19	8.7500	973,895	993,373	983,936
FHLMC 1992 1332 H	4/15/20	7.5000	2,000,000	2,025,938	2,027,500
FHLMC 1992 1381 E	7/15/06	6.2500	3,000,000	2,953,594	3,002,790
FHLMC 1992 1381 G	2/15/07	6.5000	3,843,000	3,877,827	3,832,163
FHLMC 1992 1393 C	1/15/04	6.0000	3,416,627	3,401,679	3,409,144
FHLMC 1993 1591 PN	6/15/19	5.9500	2,010,000	1,967,916	1,954,082
FHLMC 1994 1669 EA	5/15/18	5.7500	2,400,000	2,207,250	2,356,488
FHLMC 1996 1843 A	4/15/19	6.5000	3,000,000	2,944,219	2,984,040
FNMA 1988 13 C	5/25/18	9.3000	1,392,166	1,480,482	1,470,030
FNMA 1992 48 G	11/25/05	7.5000	2,500,000	2,503,500	2,528,900
FNMA 1992 135 E	3/25/15	7.3000	3,000,000	2,992,500	3,020,610
FNMA 1993 44 PG	9/25/16	6.4500	3,000,000	2,975,625	2,970,930
FNMA 1993 77 G	11/19/25	6.5000	3,213,000	3,139,201	3,182,862
FNMA 1993 84 H	6/25/18	6.4500	2,192,300	2,158,730	2,163,515
FNMA 1993 204 EC	10/23/25	5.9500	3,196,323	2,990,560	3,087,424
GE CAP MTG SVC 1995- 9 A1	11/25/25	7.3000	2,510,491	2,508,137	2,468,816
NASCOR 1996-1 A2	4/25/00	7.0000	3,000,000	2,993,438	2,987,226
PHMSC 1993 13 A10	4/25/08	7.0000	228,173	224,251	228,173
PHMSC 1993 22 A5	7/23/25	6.5000	3,630,004	3,529,612	3,540,379
PHMSC 1994 14 A2	4/25/09	6.4000	1,326,629	1,294,707	1,318,749

LABOR & INDUSTRIES
Supplemental Pension Fund
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
RFMSI 1995 S11 A2	9/25/25	7.5000	2,371,062	2,378,472	2,385,526
RTC 1992-7 A2D	6/25/29	8.3500	2,767,925	2,824,149	27,679
VA MORTGAGE TR 1992-1 2B	9/15/10	7.7500	992,266	1,014,747	996,294
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS				\$ 63,067,140	\$ 60,803,102
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				\$ 63,067,140	\$ 60,803,102
ASSET BACKED SECURITIES:					
CHEM MSTR CR CD 1995-3 A	4/15/05	6.2300	3,000,000	2,998,594	2,940,000
FNMA 1995 W1 A2	4/25/25	8.2000	551,555	560,259	553,375
IMC HM EQ TR 1997-3 A3	1/20/12	6.7100	3,000,000	2,999,506	3,000,939
PREMIER AUTO TR 1993-2 B	10/15/98	5.0000	70,472	70,370	70,274
PREMIER AUTO TR 1993-6 A2	11/2/99	4.6500	512,929	512,128	509,403
SCCMT 1995 3A	2/7/02	7.8500	1,000,000	998,600	1,032,180
SCFC BOAT LN TR 1992-1	4/15/07	7.0500	522,333	522,986	521,230
TOTAL ASSET BACKED SECURITIES				\$ 8,662,442	\$ 8,627,401
CORPORATE OBLIGATIONS:					
ASSOCIATES CORP NORTH AME	9/30/01	7.8750	2,500,000	2,474,342	2,605,500
BEAR STEARNS COS INC	2/15/01	5.7500	3,000,000	2,858,649	2,907,300
BELLSOUTH CORP	12/15/15	6.3000	2,880,960	2,872,052	2,741,723
BENEFICIAL FIN	11/15/99	7.3000	2,000,000	1,995,667	2,034,100
CHASE MANHATTAN CORP	2/1/00	8.8000	1,500,000	1,500,000	1,503,465
CSW INVESTMENTS 144A	8/1/01	6.9500	3,000,000	2,996,196	2,999,040
DEAN WITTER DISCOVER	8/15/00	6.7500	2,000,000	1,992,419	2,005,200
EIBKOR-GLOBAL BD	2/10/02	6.5000	2,500,000	2,436,484	2,452,925
HELLER FINANCIAL	11/1/01	6.5000	3,000,000	2,984,328	2,959,500
KERN RIVER FUNDING CORP	9/30/01	6.7200	2,500,000	2,500,000	2,491,400
PACIFICORP HOLDINGS	4/1/01	6.7500	2,500,000	2,493,917	2,498,000
PANHANDLE EASTERN PIPELINE	12/1/99	8.6250	2,000,000	1,998,211	2,089,400
ROYAL CARIBBEAN	9/18/02	7.1250	2,500,000	2,485,163	2,511,300
SALOMON INC	3/1/00	6.5000	2,500,000	2,479,632	2,487,400
WILLIAMS COS	9/15/99	7.5000	2,000,000	2,005,888	2,034,640
TOTAL CORPORATE OBLIGATIONS				\$ 36,072,949	\$ 36,320,893
PLUS: ACCRUED INVESTMENT INCOME RECEIVABLE				1,387,398	1,387,398
MINUS: ACCRUED MANAGEMENT FEES PAYABLE				(7,820)	(7,820)
PLUS: COLLATERAL HELD UNDER SECURITIES LENDING AGREEMENTS				4,195,746	4,195,746
MINUS: OBLIGATIONS UNDER SECURITIES LENDING AGREEMENTS				(4,195,746)	(4,195,746)
NET ASSET VALUE SUPPLEMENTAL PENSION FUND				\$ 131,973,925	\$ 130,051,988

PERMANENT FUNDS

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

Permanent Funds Investment Policy

Approved by the Board on September 21, 1995

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.

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.*
- 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.

Although fixed income securities that are rated below investment grade by Moody's or Standard & Poor's may not be purchased, portfolio holdings that are downgraded to those levels or are no longer rated may continue to be held.

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.
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. Delinquencies and defaults.

- B. An executive management report is to be provided to the Board quarterly showing market values and performance.

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.

Washington State Investment Board Permanent Funds

Notes to Financial Statements
June 30, 1997

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 trade date basis in accordance with generally accepted accounting principals.

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

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

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

In fiscal year 1997, the SIB implemented the provisions of Statement No. 28 of the Governmental Accounting Standards Board, Accounting and Financial Reporting for Securities Lending Transactions. In accordance with Statement No. 28, the SIB is reporting collateral received under securities lending agreements where the state has the ability to spend, pledge or sell the collateral without borrower default. Liabilities resulting from these transactions are also reported. Additionally, costs associated with securities lending transactions are reported as investment management expenses in the accompanying statements. The Schedule of Investments and Statement of Investments do not include detailed holdings of securities lending collateral by investment classification.

WASHINGTON STATE INVESTMENT BOARD
PERMANENT FUNDS
Statement of Investments (Unaudited)
June 30, 1997

	<u>AGRICULTURAL</u>	<u>MILLERSYL. PARK TRUST</u>	<u>NORMAL SCHOOL</u>	<u>COMMON SCHOOL</u>	<u>SCIENTIFIC</u>	<u>STATE UNIVERSITY</u>	<u>TOTAL</u>	<u>PERCENT TO TOTAL</u>
Short-Term (Cash)	\$ 1,077,689	\$ 5,147	\$ 1,658,382	\$ 1,615,160	\$ 1,333,001	\$ 230,961	\$ 5,920,340	1.1%
US Government Securities	11,974,489		19,300,692	18,979,234	15,817,064	2,510,449	\$ 68,581,928	12.9%
Mortgages and Mortgage Backed Securities	31,909,653		65,327,096	52,995,910	43,174,820	6,323,565	\$ 199,731,044	37.6%
Asset Backed Securities	2,261,765		4,317,425	5,030,938	4,050,836	361,832	\$ 16,022,796	3.0%
Corporate Obligations	38,497,932		77,070,591	64,774,400	53,329,472	7,814,490	\$ 241,486,885	45.4%
Total Investments	<u>\$ 85,721,528</u>	<u>\$ 5,147</u>	<u>\$ 167,674,186</u>	<u>\$ 143,395,642</u>	<u>\$ 117,705,193</u>	<u>\$ 17,241,297</u>	<u>\$ 531,742,993</u>	<u>100.0%</u>
Accrued Income Receivable	\$ 1,220,302	\$ 23	\$ 2,424,827	\$ 1,842,646	\$ 1,686,430	\$ 228,825	\$ 7,403,053	
Accrued Income Distributions to Beneficiary Funds	(521,121)	(23)	(997,715)	(905,903)	(710,263)	(109,088)	\$ (3,244,113)	
Collateral Held Under Securities Lending Agreements **			3,796,321	4,808,674			\$ 8,604,995	
Obligations Under Securities Lending Agreements **			(3,796,321)	(4,808,674)			\$ (8,604,995)	
CARRYING VALUE OF INVESTMENTS, JUNE 30, 1997	<u>\$ 86,420,709</u>	<u>\$ 5,147</u>	<u>\$ 169,101,298</u>	<u>\$ 144,332,385</u>	<u>\$ 118,681,360</u>	<u>\$ 17,361,034</u>	<u>\$ 535,901,933</u>	
MARKET VALUE OF INVESTMENTS, JUNE 30, 1997	<u>\$ 87,810,612</u>	<u>\$ 5,147</u>	<u>\$ 171,403,342</u>	<u>\$ 148,109,105</u>	<u>\$ 120,190,810</u>	<u>\$ 17,692,585</u>	<u>\$ 545,211,601</u>	
UNREALIZED GAIN, JUNE 30, 1997	<u>\$ 1,389,903</u>	<u>\$ -</u>	<u>\$ 2,302,044</u>	<u>\$ 3,776,720</u>	<u>\$ 1,509,450</u>	<u>\$ 331,551</u>	<u>\$ 9,309,668</u>	

** See Notes to Financial Statements.

WASHINGTON STATE INVESTMENT BOARD
PERMANENT FUNDS
Statement of Changes in Investments (Unaudited)
June 30, 1997

	<u>AGRICULTURAL</u>	<u>MILLERSYLVANIA PARK TRUST</u>	<u>NORMAL SCHOOL</u>	<u>COMMON SCHOOL</u>	<u>SCIENTIFIC</u>	<u>STATE UNIVERSITY</u>	<u>TOTAL</u>
Carrying Value Of Investments, June 30, 1996	\$ 82,193,026	\$ 5,125	\$ 165,285,682	\$ 141,622,084	\$ 110,597,618	\$ 15,161,285	\$ 514,864,820
Contributions	\$ 3,851,320	\$ 22	\$ 3,188,718	\$ 1,142,786	\$ 7,209,868	\$ 2,099,832	17,492,546
Income:							
Interest Earnings	\$ 6,052,341	\$ 277	\$ 11,776,602	\$ 10,678,150	\$ 8,135,457	\$ 1,144,705	\$ 37,787,532
Capital Gains (Note 1 and 2)	62,322		176,807	458,579	40,293	5,029	743,030
Capital Losses (Note 1 and 2)	(12,859)		(53,622)	(14,454)	(20,868)	(1,270)	(103,073)
Investment Expenses	(21,678)	(1)	(26,096)	(73,232)	(85,315)	(11,566)	(217,888)
WSIB Operating Costs	(1,768)	(1)	(3,852)	(2,598)	(2,408)	(282)	(10,909)
Net Investment Income	\$ 6,078,358	\$ 275	\$ 11,869,839	\$ 11,046,445	\$ 8,067,159	\$ 1,136,616	\$ 38,198,692
Distributions To Beneficiary Funds	\$ (5,701,995)	\$ (275)	\$ (11,242,941)	\$ (9,478,930)	\$ (7,193,285)	\$ (1,036,699)	\$ (34,654,125)
Carrying Value Of Investments, June 30, 1997							
Investment Balances	\$ 85,721,528	\$ 5,147	\$ 167,674,186	\$ 143,395,642	\$ 117,705,193	\$ 17,241,297	\$ 531,742,993
Accrued Income	1,222,230	23	2,433,727	1,854,774	1,689,798	229,192	7,429,744
Accrued Income Distributions to Beneficiary Funds	(521,121)	(23)	(997,715)	(905,903)	(710,263)	(109,088)	(3,244,113)
Investment Management Fees Payable	(1,928)		(8,900)	(12,128)	(3,368)	(367)	(26,691)
Collateral Held Under Securities Lending Agreements			3,796,321	4,808,674			8,604,995
Obligations Under Securities Lending Agreements			(3,796,321)	(4,808,674)			(8,604,995)
Total Carrying Value of Investment Balances	\$ 86,420,709	\$ 5,147	\$ 169,101,298	\$ 144,332,385	\$ 118,681,360	\$ 17,361,034	\$ 535,901,933

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

PERMANENT FUNDS
Agricultural Permanent Fund
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
SHORT - TERM MONEY MARKET FUND:					
PROVIDENT TEMPFUND	N/A	N/A	N/A	\$ 1,077,689	\$ 1,077,689
US GOVERNMENT SECURITIES					
<u>TREASURIES:</u>					
UNITED STATES TREAS BONDS	8/15/03	11.1250	500,000	513,412	616,485
UNITED STATES TREAS BONDS	11/15/03	11.8750	125,000	124,135	159,824
UNITED STATES TREAS BONDS	8/15/05	10.7500	1,010,000	1,135,636	1,273,863
UNITED STATES TREAS NTS	8/15/05	6.5000	1,000,000	1,036,695	997,190
UNITED STATES TREAS BONDS	5/15/16	7.2500	1,235,000	1,158,678	1,287,870
UNITED STATES TREAS BONDS	11/15/16	7.5000	5,000	4,316	5,343
UNITED STATES TREAS BONDS	8/15/19	8.1250	900,000	996,465	1,026,702
<i>TOTAL TREASURIES</i>				\$ 4,969,337	\$ 5,367,277
<u>AGENCIES:</u>					
FEDERAL NATL MTG ASSOC MTN	8/25/98	5.3000	1,600,000	1,579,513	1,584,752
FEDERAL NATL MTG ASSOC	10/15/98	4.8750	500,000	479,852	492,265
FEDERAL HOME LN BKS	12/23/98	5.7400	2,500,000	2,469,791	2,487,000
FEDERAL NATL MTG ASSOC MTN	1/6/99	5.3800	1,500,000	1,475,997	1,476,555
FEDERAL HOME LN MTG CORP	8/5/09	8.0000	1,000,000	1,000,000	1,006,250
<i>TOTAL AGENCIES</i>				\$ 7,005,153	\$ 7,046,822
TOTAL US GOVERNMENT SECURITIES				\$ 11,974,489	\$ 12,414,099
MORTGAGES AND MORTGAGE BACKED SECURITIES					
<u>PASS THROUGH AND OTHER MORTGAGES:</u>					
FHLMC PC 17-0217	3/1/17	8.0000	65,020	62,480	67,318
FHLMC SWAP 28-9650	3/1/17	8.5000	105,168	97,247	110,398
FHLMC SWAP 29-0303	4/1/17	8.5000	4,009	3,707	4,208
FHLMC PC 17-0222	5/1/17	8.5000	18,691	17,283	19,618
FHLMC SWAP 30-2846	10/1/17	8.5000	176,330	163,050	185,083
FHLMC PC 17-0186	8/1/16	9.5000	38,138	37,310	41,010
FHLMC PC 16-0079	5/1/09	10.2500	54,676	50,511	59,018
FHLMC PC 17-0141	9/1/15	11.0000	40,847	40,541	45,152
FHLMC PC 17-0147	11/1/15	11.0000	10,935	10,581	12,214
FNMA PL 307 056	8/1/25	7.5000	2,210,020	2,213,473	2,218,307
GNMA I GP 90 132	5/15/09	9.0000	85,166	64,301	92,844
BEVERLY FINANCE CORP 144A	7/15/04	8.3600	500,000	500,000	520,995
<i>TOTAL PASS THROUGH AND OTHER MORTGAGES</i>				\$ 3,260,483	\$ 3,376,166
<u>COLLATERALIZED MORTGAGE OBLIGATIONS:</u>					
FHLMC 1991 1055 H	3/15/21	7.0000	3,000,000	1,405,841	1,460,473
FHLMC 1992 1423 C	9/15/04	6.6000	3,200,000	2,962,969	3,012,180

PERMANENT FUNDS
Agricultural Permanent Fund
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
FHLMC 1992 G-03 C	1/25/18	6.6000	2,500,000	2,279,248	2,319,068
FHLMC 1993 1602 AE	9/15/08	5.2500	3,000,000	2,466,406	2,435,150
FHLMC 1993 1619 PD	6/15/19	5.6500	1,000,000	1,272,528	1,243,440
FHLMC-GNMA 1994 30 H	7/25/23	7.5000	3,000,000	2,047,500	2,055,620
FNMA 1992 65 DA	1/25/18	7.5000	2,311,141	293,657	299,852
FNMA 1993 6 C	12/25/04	6.7500	300,416	3,173,500	3,218,976
FNMA 1993 207 D	12/25/17	5.5000	1,266,000	2,965,313	2,930,610
FNMA 1993 223 PH	10/25/22	6.0500	1,469,200	1,456,172	1,434,375
FNMA 1994 62 PH	11/25/23	6.9000	1,500,000	931,406	993,750
GE CAP MTG SVC 1994- 4 A8	1/25/24	6.5000	2,000,000	839,469	928,967
GE CAP MTG SVC 1994-10 A15	3/25/24	6.5000	1,000,000	699,125	713,000
HEADLANDS 1997-3 A1 5	7/25/27	7.7500	1,500,000	619,219	615,750
PHMSC 1993 51 A14	12/25/23	6.7500	990,158	1,408,359	1,400,625
RFMSI 1993 S12 A11	12/25/08	7.5000	800,000	2,981,719	3,016,860
SALOMON BROS VII 1994 15 A5	6/25/09	6.5000	600,000	846,740	944,390
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				\$ 28,649,169	\$ 29,023,085
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				\$ 31,909,653	\$ 32,399,251
ASSET BACKED SECURITIES:					
DISCOVER CARD TR 1993-B A	2/15/00	6.7500	2,000,000	2,055,660	2,006,860
PREMIER AUTO TR 1994-1 A3	11/2/97	4.7500	206,119	206,105	205,410
TOTAL ASSET BACKED SECURITIES				\$ 2,261,765	\$ 2,212,270
CORPORATE OBLIGATIONS:					
AMERICAN GEN FIN CORP	7/1/00	5.8750	2,000,000	1,990,736	1,957,680
ANR PIPELINE	11/1/21	9.6250	1,000,000	1,235,916	1,222,320
ANZ BANKING GROUP	2/1/04	6.2500	1,000,000	997,799	961,700
ASSOCIATES CORP NORTH AMER	6/15/01	6.0000	550,000	493,503	534,298
BANK OF NEW YORK	12/15/04	8.5000	1,000,000	993,640	1,082,800
CARTER HOLT HARVEY LTD	12/1/04	8.8750	1,000,000	999,599	1,098,200
CHESAPEAKE & POTOMAC TEL MD	1/1/02	4.3750	100,000	84,497	90,784
CROWN CORK & SEAL	12/15/26	7.3750	2,000,000	1,975,980	1,935,820
EASTMAN CHEMICAL	1/15/24	7.2500	1,000,000	990,077	954,790
FLETCHER CHALLNG CAP CAN	6/20/16	8.2500	1,700,000	1,692,189	1,780,155
FORD MOTOR CREDIT CORP	2/15/02	8.2000	500,000	502,265	527,195
GENERAL MTRS ACCEPT CORP	2/1/99	5.6250	1,000,000	971,648	989,450
GTE HAWAII	2/1/06	7.0000	1,250,000	1,238,410	1,233,425
LORAL CORP	6/15/04	7.6250	1,000,000	993,680	1,029,580
MBNA CORP MTN	9/15/00	6.5000	1,000,000	999,600	994,820
MCI COMMUNICATIONS CORP	3/23/25	7.7500	1,000,000	992,029	1,000,640
NEW ENGLAND TEL & TELEG CO	10/1/06	6.1250	505,000	410,106	474,877
NEW JERSEY BELL TEL CO	12/1/06	5.8750	600,000	500,885	553,578
NEW JERSEY BELL TEL CO	6/1/12	7.3750	65,000	34,361	62,159
NORTHWESTERN BELL TEL CO	9/1/01	6.0000	350,000	284,558	337,988
PACIFIC GAS & ELEC CO	6/1/00	6.6250	565,000	470,931	562,554

PERMANENT FUNDS
Agricultural Permanent Fund
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
PANHANDLE EASTERN PIPELINE	8/15/04	7.8750	1,000,000	998,823	1,038,450
PARKER & PARSLEY	4/15/05	8.8750	2,000,000	2,229,565	2,179,380
PHILIPS ELECTRONICS NV	8/15/13	7.2500	1,750,000	1,730,155	1,688,680
PHILLIPS PETROLEUM	2/15/11	9.3750	1,250,000	1,470,031	1,469,988
PLACER DOME INC	6/15/15	7.7500	500,000	495,341	501,765
PNC FUNDING CORP	6/1/04	7.7500	1,000,000	994,900	1,036,160
POTASH CORP SASKATCHEWAN CD	6/15/07	7.1250	800,000	794,656	797,424
POTOMAC ELEC PWR CO	5/15/99	4.5000	210,000	202,346	202,083
PROGRESSIVE CORP	1/15/04	6.6000	1,000,000	1,000,494	974,760
ROYAL CARIBBEAN CRUISES	4/1/05	8.2500	1,000,000	992,444	1,053,810
SASKATCHEWAN CDA	7/15/13	7.3750	2,006,180	2,029,727.80	2,006,180.00
SOCIETY CORP	6/15/02	8.1250	850,000	918,146	892,109
SOUTHERN UNION GAS	2/1/24	7.6000	1,250,000	1,250,000	1,222,000
TIME WARNER ENTERTAINMENT	9/1/08	7.2500	1,000,000	879,390	987,210
UNION PACIFIC CO	5/1/05	7.6000	1,000,000	1,044,137	1,022,360
UNION PACIFIC CORP	2/1/06	6.4000	1,500,000	1,499,640	1,418,910
WASTE MANAGEMENT	3/15/11	7.6500	1,000,000	1,016,760	1,033,460
WISCONSIN BELL INC	2/1/07	7.2500	100,000	98,966	98,581
TOTAL CORPORATE OBLIGATIONS				\$ 38,497,932	\$ 39,008,121
PLUS: INVESTMENT INCOME RECEIVABLE				1,220,302	1,220,302
MINUS: ACCRUED DISTRIBUTION TO BENEFICIARIES				(521,121)	(521,121)
NET ASSET VALUE AGRICULTURAL PERMANENT FUND				\$ 86,420,709	\$ 87,810,612

PERMANENT FUNDS
Millersylvania Park Trust Fund
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
<u>SHORT - TERM MONEY MARKET FUND:</u>					
PROVIDENT TEMPFUND	N/A	N/A	N/A	<u>\$ 5,147</u>	<u>\$ 5,147</u>
PLUS: INVESTMENT INCOME RECEIVABLE				23	23
MINUS: ACCRUED DISTRIBUTION TO BENEFICIARIES				(23)	(23)
NET ASSET VALUE MILLERSYLVANIA PARK TRUST FUND				<u>\$ 5,147</u>	<u>\$ 5,147</u>

PERMANENT FUNDS
Normal School Permanent Fund
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
PROVIDENT TEMPFUND	N/A	N/A	N/A	\$ 1,658,382	\$ 1,658,382
<u>TREASURIES:</u>					
UNITED STATES TREAS NTS	3/31/00	6.8750	4,000,000	4,119,356	4,065,000
UNITED STATES TREAS BONDS	2/15/03	10.7500	835,000	789,242	1,002,785
UNITED STATES TREAS BONDS	5/15/03	10.7500	300,000	301,186	362,298
UNITED STATES TREAS BONDS	11/15/03	11.8750	1,000,000	997,934	1,278,590
UNITED STATES TREAS BONDS	5/15/16	7.2500	1,425,000	1,328,743	1,486,004
UNITED STATES TREAS BONDS	11/15/16	7.5000	480,000	414,838	512,923
UNITED STATES TREAS BONDS	8/15/19	8.1250	900,000	996,465	1,026,702
UNITED STATES TREAS BONDS	11/15/21	8.0000	3,750,000	4,275,689	4,242,188
<i>TOTAL TREASURIES</i>				\$ 13,223,453	\$ 13,976,490
<u>AGENCIES:</u>					
FEDERAL NATL MTG ASSN MTN	8/25/98	5.3000	2,000,000	1,974,391	1,980,940
FEDERAL NATL MTG ASSOC	10/15/98	4.8750	500,000	479,852	492,265
FEDERAL NATL MTG ASSN MTN	1/6/99	5.3800	2,000,000	1,967,996	1,968,740
FEDERAL HOME LN MTG CORP	8/5/09	8.0000	1,655,000	1,655,000	1,665,344
<i>TOTAL AGENCIES</i>				\$ 6,077,239	\$ 6,107,289
TOTAL US GOVERNMENT SECURITIES				\$ 19,300,692	\$ 20,083,779
<u>PASS THROUGH AND OTHER MORTGAGES:</u>					
FHLMC GTD MTG CT (GMC)	9/15/97	8.3750	13,600	13,627	13,672
FHLMC PC 17-0217	3/1/17	8.0000	129,192	124,145	133,759
FHLMC SWAP 29-1802	4/1/17	8.5000	73,859	68,296	77,532
FHLMC SWAP 29-9021	8/1/17	8.5000	317,720	293,792	333,463
FHLMC SWAP 30-3750	4/1/18	8.5000	197,188	182,338	207,012
FHLMC PC 16-0079	5/1/09	10.2500	109,353	101,023	118,036
FHLMC PC 17-0147	11/1/15	11.0000	10,935	10,581	12,214
FHLMC PC 17-0029	5/1/10	12.0000	23,318	23,274	26,450
FNMA PL 307 056	8/1/25	7.5000	5,746,052	5,755,030	5,767,599
GNMA I SF 30 644	6/15/09	9.5000	207,952	204,508	223,954
GNMA I SF 29 026	7/15/09	9.5000	111,853	110,001	120,460
GNMA I SF 27 559	8/15/09	9.5000	256,719	244,967	276,474
GNMA I SF 30 363	9/15/09	9.5000	133,742	119,115	144,034
GNMA I SF 27 772	11/15/09	9.5000	311,073	277,050	335,010
BEVERLY FINANCE CORP 144A	7/15/04	8.3600	2,000,000	2,000,000	2,083,980
HYDE PARK APTS	4/1/19	7.5000	1,408,997	1,133,558	1,399,119
CASA DE WOODS	1/1/14	7.0000	360,045	267,334	335,742
FULTON WOODS APTS	2/1/18	7.5000	1,310,864	1,115,941	1,306,696

PERMANENT FUNDS
Normal School Permanent Fund
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
<i>TOTAL PASS THROUGH AND OTHER MORTGAGES</i>				<u>\$ 12,044,580</u>	<u>\$ 12,915,206</u>
COLLATERALIZED MORTGAGE OBLIGATIONS:					
FHLMC 1992 1423 C	9/15/04	6.6000	7,000,000	6,913,594	7,028,420
FHLMC 1992 G-03 C	1/25/18	6.6000	3,697,826	3,646,796	3,710,510
FHLMC 1993 1602 AE	9/15/08	5.2500	5,000,000	4,932,813	4,870,300
FHLMC 1993 1619 PD	6/15/19	5.6500	4,000,000	4,020,625	3,928,720
FHLMC 1994 1429 G	11/15/07	7.0000	1,466,667	1,372,709	1,469,864
FHLMC-GNMA 1993 12 E	3/25/08	6.0000	5,500,000	5,344,453	5,364,205
FNMA 1993 6 C	12/25/04	6.7500	5,500,000	5,454,453	5,532,615
FNMA 1993 207 D	12/25/17	5.5000	6,250,000	6,177,734	6,105,438
FNMA 1993 223 PH	10/25/22	6.0500	1,500,000	1,456,172	1,434,375
GE CAP MTG SVC 1994- 4 A8	1/25/24	6.5000	1,980,317	1,678,937	1,857,933
GE CAP MTG SVC 1994-10 A15	3/25/24	6.5000	252,000	220,224	224,595
PHMSC 1993 51 A14	12/25/23	6.7500	3,500,000	3,286,172	3,268,125
RFMSI 1993 S12 A11	12/25/08	7.5000	7,000,000	6,957,344	7,039,340
SALOMON BROS VII 1994 15 A5	6/25/09	6.5000	2,150,000	1,820,491	2,030,439
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				<u>\$ 53,282,517</u>	<u>\$ 53,864,878</u>
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				<u>\$ 65,327,096</u>	<u>\$ 66,780,084</u>
DISCOVER CARD TR 1993-B A	2/15/00	6.7500	4,000,000	4,111,320	4,013,720
PREMIER AUTO TR 1994-1 A3	11/2/97	4.7500	206,119	206,105	205,410
TOTAL ASSET BACKED SECURITIES				<u>\$ 4,317,425</u>	<u>\$ 4,219,130</u>
AMERICAN GEN FIN CORP	7/1/00	5.8750	4,600,000	4,578,693	4,502,664
AMERICAN STORES	5/15/05	7.4000	1,000,000	1,003,352	1,008,230
ANR PIPELINE	2/15/24	7.3750	1,000,000	993,003	951,530
ANR PIPELINE	11/1/21	9.6250	1,300,000	1,606,683	1,589,016
ANZ BANKING GROUP	2/1/04	6.2500	2,000,000	1,995,599	1,923,400
ASSOCIATES CORP NA	6/15/00	6.0000	2,075,000	2,070,264	2,046,241
BANK OF NEW YORK	12/15/04	8.5000	1,000,000	993,640	1,082,800
CARGILL INC MTN	6/18/27	7.4100	2,200,000	2,200,000	2,194,918
CARTER HOLT HARVEY LTD	12/1/04	8.8750	1,800,000	1,799,278	1,976,760
CHASE MANHATTAN CORP	2/15/02	8.5000	1,000,000	1,087,791	1,065,360
CHESAPEAKE & POTOMAC TEL M	6/1/04	5.8750	200,000	199,062	188,280
CHESAPEAKE & POTOMAC TEL M	10/1/08	6.6250	775,000	634,425	743,062
CHICAGO & N WESTN TRANS	7/30/12	6.2500	943,743	943,743	867,186
CINCINNATI GAS & ELEC	2/15/04	6.4500	1,000,000	998,582	975,040
CROWN CORK & SEAL	12/15/26	7.3750	2,000,000	1,975,980	1,935,820
CSW INVESTMENTS 144A	8/1/06	7.4500	2,500,000	2,496,325	2,514,725
EASTMAN CHEMICAL	1/15/24	7.2500	2,000,000	1,980,155	1,909,580
FERRO CORP	6/15/25	8.0000	500,000	493,138	510,015

PERMANENT FUNDS
Normal School Permanent Fund
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
FIRST CHICAGO	6/15/02	8.2500	1,000,000	1,084,546	1,054,550
FORD MOTOR CREDIT CORP	2/15/02	8.2000	1,000,000	1,004,531	1,054,390
GENERAL MTRS ACCEPT CORP	2/1/99	5.6250	2,000,000	1,943,297	1,978,900
GTE HAWAII	2/1/06	7.0000	2,500,000	2,476,820	2,466,850
LORAL CORP	6/15/04	7.6250	2,000,000	1,987,361	2,059,160
MBNA CORP MTN	9/15/00	6.5000	1,750,000	1,749,300	1,740,935
MCI COMMUNICATIONS CORP	3/23/25	7.7500	2,500,000	2,480,073	2,501,600
MINNESOTA PWR & LT CO	1/1/98	6.5000	275,000	275,000	274,610
NEW ENGLAND TEL & TELEG CO	10/1/06	6.1250	700,000	691,883	658,245
NEW JERSEY BELL TEL CO	12/1/06	5.8750	500,000	430,322	461,315
PACIFIC GAS & ELEC CO	12/1/99	6.8750	250,000	247,173	250,085
PACIFIC GAS & ELEC CO	6/1/00	6.6250	100,000	86,520	99,567
PACIFIC GAS & ELEC CO	12/1/00	6.7500	255,000	249,299	254,964
PACIFIC TEL & TELEG CO	11/1/02	6.0000	250,000	240,614	240,705
PANHANDLE EASTERN PIPELINE	8/15/04	7.8750	1,500,000	1,498,234	1,557,675
PARKER & PARSLEY	4/15/05	8.8750	4,300,000	4,793,564	4,685,667
PHILIPS ELECTRONICS NV	5/15/25	7.7500	1,000,000	996,645	992,780
PHILIPS ELECTRONICS NV	8/15/13	7.2500	2,500,000	2,385,725	2,412,400
PHILLIPS PETROLEUM	2/15/11	9.3750	2,000,000	2,352,049	2,351,980
PLACER DOME INC	6/15/15	7.7500	500,000	495,341	501,765
PNC FUNDING CORP	6/1/04	7.7500	1,500,000	1,492,350	1,554,240
PROGRESSIVE CORP	1/15/04	6.6000	2,500,000	2,501,235	2,436,900
ROYAL CARIBBEAN CRUISES	4/1/05	8.2500	2,000,000	1,984,889	2,107,620
SASKATCHEWAN CDA	7/15/13	7.3750	3,700,000	3,754,996	3,711,433
SOUTHERN UNION GAS	2/1/24	7.6000	1,500,000	1,500,000	1,466,400
TIME WARNER ENTERTAINMENT	9/1/08	7.2500	2,000,000	1,758,779	1,974,420
U S BANCORP	10/15/05	6.7500	2,000,000	2,022,712	1,950,780
UNION PACIFIC CO	5/1/05	7.6000	2,800,000	2,923,582	2,862,608
UNION PACIFIC CORP	2/1/06	6.4000	750,000	749,820	709,455
WASTE MANAGEMENT	3/15/11	7.6500	2,525,000	2,567,318	2,609,487
WISCONSIN BELL INC	2/1/07	7.2500	300,000	296,899	295,743
TOTAL CORPORATE OBLIGATIONS				\$ 77,070,591	\$ 77,261,855
PLUS: INVESTMENT INCOME RECEIVABLE				2,424,827	2,424,827
MINUS: ACCRUED DISTRIBUTION TO BENEFICIARIES				(997,715)	(997,715)
PLUS: COLLATERAL HELD UNDER SECURITIES LENDING AGREEMENT				3,796,321	3,791,368
LESS: OBLIGATIONS UNDER SECURITIES LENDING AGREEMENTS				(3,796,321)	(3,791,368)
NET ASSET VALUE NORMAL SCHOOL PERMANENT FUND				\$ 169,101,298	\$ 171,430,342

PERMANENT FUNDS
Permanent Common School Fund
Schedule of Investments

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
<u>SHORT - TERM MONEY MARKET FUND:</u>					
PROVIDENT TEMPFUND	N/A	N/A	N/A	\$ 1,615,160	\$ 1,615,160
<u>US GOVERNMENT SECURITIES</u>					
<u>TREASURIES:</u>					
UNITED STATES TREAS NTS	9/30/99	7.1255	1,000,000	1,019,195	1,020,470
UNITED STATES TREAS BONDS	11/15/03	11.8750	1,500,000	1,496,895	1,917,885
UNITED STATES TREAS NTS	8/15/05	6.5000	2,000,000	2,073,390	1,994,380
UNITED STATES TREAS BONDS *	11/15/12	10.3750	200,000	213,253	253,874
UNITED STATES TREAS BONDS	5/15/16	7.2500	1,500,000	1,640,268	1,564,215
UNITED STATES TREAS BONDS	11/15/16	7.5000	1,960,000	1,699,301	2,094,436
UNITED STATES TREAS BONDS	11/15/21	8.0000	4,750,000	5,415,872	5,373,438
<i>TOTAL TREASURIES</i>				\$ 13,558,174	\$ 14,218,698
<u>AGENCIES:</u>					
FEDERAL NATL MTG ASSOC	8/10/98	9.4000	1,000,000	998,821	1,033,750
FEDERAL NATL MTG ASSOC MTN	8/25/98	5.3000	2,000,000	1,974,391	1,980,940
FEDERAL NATL MTG ASSOC	10/15/98	4.8750	500,000	479,852	492,265
FEDERAL NATL MTG ASSOC MTN	1/6/99	5.3800	2,000,000	1,967,996	1,968,740
<i>TOTAL AGENCIES</i>				\$ 5,421,060	\$ 5,475,695
TOTAL US GOVERNMENT SECURITIES				\$ 18,979,234	\$ 19,694,393
<u>MORTGAGES AND MORTGAGE BACKED SECURITIES</u>					
<u>PASS THROUGH AND OTHER MORTGAGES:</u>					
FHLMC GTD MTG CT (GMC)	9/15/97	8.3750	2,400	2,396	2,413
FHLMC PC 17-0003	3/1/06	8.0000	21,016	20,656	21,498
FHLMC PC 16-0040	3/1/08	8.7500	155,641	142,713	161,813
FHLMC PC 16-0079	5/1/09	10.2500	109,353	101,166	118,036
FHLMC PC 17-0147	11/1/15	11.0000	14,215	13,755	15,878
FNMA PL 307 056	8/1/25	7.5000	1,060,732	1,062,389	1,064,709
FNMA PL 311 991	8/1/25	7.5000	3,149,190	3,154,111	3,166,889
FNMA PL 311 994	8/1/25	7.5000	1,248,693	1,250,644	1,253,375
FNMA PL 330 130	11/1/25	7.5000	2,355,582	2,375,825	2,364,415
BEVERLY FINANCE CORP 144A	7/15/04	8.3600	1,650,000	1,650,000	1,719,284
EXECUTIVE ESTATES	10/1/18	7.5000	3,348,457	2,682,831	3,329,605
<i>TOTAL PASS THROUGH AND OTHER MORTGAGES</i>				\$ 12,456,484	\$ 13,217,916
<u>COLLATERALIZED MORTGAGE OBLIGATIONS:</u>					
FHLMC 1992 1423 C	9/15/04	6.6000	6,000,000	5,925,938	6,024,360
FHLMC 1992 G-03 C	1/25/18	6.6000	3,697,826	3,646,796	3,710,510
FHLMC 1993 1619 PD	6/15/19	5.6500	3,000,000	3,015,469	2,946,540
FHLMC 1994 1727 E	4/15/18	6.5000	5,000,000	4,770,117	4,978,100
FNMA 1991 100 M	8/25/21	7.0000	1,848,600	1,768,879	1,832,998

PERMANENT FUNDS
Permanent Common School Fund
Schedule of Investments

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
FNMA 1992 65 DA	1/25/18	7.5000	700,972	685,200	699,654
FNMA 1993 207 D	12/25/17	5.5000	4,000,000	3,953,750	3,907,480
FNMA 1993 223 PH	10/25/22	6.0500	2,500,000	2,426,953	2,390,625
FNMA 1994 62 PH	11/25/23	6.9000	2,000,000	1,862,813	1,987,500
GE CAP MTG SVC 1994- 4 A8	1/25/24	6.5000	1,980,317	1,678,937	1,857,933
GE CAP MTG SVC 1994-10 A15	3/25/24	6.5000	1,000,000	873,906	891,250
HEADLANDS 1997-3 AI 5	7/25/27	7.7500	1,400,000	1,444,844	1,436,750
PHMSC 1993 51 A14	12/25/23	6.7500	3,000,000	2,816,719	2,801,250
RFMSI 1993 S12 A11	12/25/08	7.5000	4,000,000	3,975,625	4,022,480
SALOMON BROS VII 1994 15 A5	6/25/09	6.5000	2,000,000	1,693,480	1,888,780
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				<u>\$ 40,539,426</u>	<u>\$ 41,376,209</u>
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				<u>\$ 52,995,910</u>	<u>\$ 54,594,125</u>
<u>ASSET BACKED SECURITIES:</u>					
NBCMT 1995-1 A	4/15/03	6.4500	3,000,000	3,030,938	2,996,250
GREENTREE 1997-1 A5	3/15/28	6.8600	2,000,000	2,000,000	1,975,620
TOTAL ASSET BACKED SECURITIES				<u>\$ 5,030,938</u>	<u>\$ 4,971,870</u>
<u>CORPORATE OBLIGATIONS:</u>					
AMERICAN GEN FIN CORP	7/1/00	5.8750	2,850,000	2,836,799	2,789,694
AMERICAN STORES	5/15/05	7.4000	1,000,000	1,003,352	1,008,230
ANR PIPELINE	11/1/21	9.6250	1,500,000	1,853,865	1,833,480
ASSOCIATES CORP NORTH AMER	6/15/01	6.0000	3,850,000	3,454,518	3,740,083
AT&T CORP	5/1/99	4.3750	3,600,000	3,407,938	3,476,304
BANK OF NEW YORK	12/15/04	8.5000	1,250,000	1,242,050	1,353,500
CARTER HOLT HARVEY LTD	12/1/04	8.8750	1,000,000	999,599	1,098,200
CHESAPEAKE & POTOMAC TEL MD	6/1/04	5.8750	609,000	611,963	573,313
CHICAGO & NWESTN TRANS	7/30/12	6.2500	943,743	943,743	867,186
CROWN CORK & SEAL	12/15/26	7.3750	2,400,000	2,371,176	2,322,984
CSW INVESTMENTS 144A	8/1/06	7.4500	1,300,000	1,298,089	1,307,657
EASTMAN CHEMICAL	1/15/24	7.2500	2,350,000	2,326,682	2,243,757
FERRO CORP	6/15/25	8.0000	500,000	493,138	510,015
FIRST CHICAGO	6/15/02	8.2500	2,500,000	2,711,365	2,636,375
FORD MOTOR CREDIT CORP	2/15/02	8.2000	1,000,000	1,004,531	1,054,390
GENERAL MTRS ACCEPT CORP	2/1/99	5.6250	1,165,000	1,131,970	1,152,709
HOUSEHOLD FINANCE CORP	1/15/03	7.6250	2,000,000	2,120,926	2,051,640
INDIANA BELL TEL INC	6/1/03	4.3750	300,000	178,569	265,692
LOUISVILLE GAS & ELEC CO	6/1/98	6.7500	550,000	516,419	549,934
MBNA CORP MTN	9/15/00	6.5000	1,000,000	999,600	994,820
MCI COMMUNICATIONS CORP	3/23/25	7.7500	1,750,000	1,736,051	1,751,120
MICHIGAN BELL TEL CO	2/1/05	6.3750	350,000	347,014	338,058
MOUNTAIN STS TEL & TELEG CO	6/1/05	5.5000	1,190,000	735,760	1,083,507
NEW ENGLAND TEL & TELEG CO	10/1/06	6.1250	525,000	527,628	493,684
NEW JERSEY BELL TEL CO	12/1/06	5.8750	1,365,000	1,218,419	1,259,390
NORTHWESTERN BELL TEL CO	9/1/01	6.0000	1,000,000	800,373	965,680
PACIFIC GAS & ELEC CO	12/1/99	6.8750	1,225,000	1,092,094	1,225,417

PERMANENT FUNDS
Permanent Common School Fund
Schedule of Investments

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
PACIFIC GAS & ELEC CO	6/1/00	6.6250	525,000	454,805	522,727
PACIFIC TEL & TELEG CO	7/1/03	6.5000	400,000	361,416	392,512
PANHANDLE EASTERN PIPELINE	8/15/04	7.8750	1,500,000	1,498,234	1,557,675
PARKER & PARSLEY	4/15/05	8.8750	3,000,000	3,344,347	3,269,070
PHILIPS ELECTRONICS NV	8/15/13	7.2500	1,000,000	954,290	964,960
PHILLIPS PETROLEUM	2/15/11	9.3750	2,000,000	2,352,049	2,351,980
PLACER DOME INC	6/15/15	7.7500	500,000	495,341	501,765
PNC FUNDING CORP	6/1/04	7.7500	1,000,000	994,900	1,036,160
POTASH CORP SASKATCHEWAN CDA	6/15/07	7.1250	700,000	695,324	697,746
PROGRESSIVE CORP	1/15/04	6.6000	2,250,000	2,251,112	2,193,210
ROYAL CARIBBEAN CRUISES	4/1/05	8.2500	1,000,000	992,444	1,053,810
SAGA PETROLEUM A.S.	7/15/14	9.1250	1,000,000	1,145,876	1,093,500
SASKATCHEWAN CDA	7/15/13	7.3750	3,500,000	3,552,024	3,510,815
SEARS ROEBUCK & CO	5/1/00	6.0000	4,330,000	3,822,699	4,259,897
SOUTHERN UNION GAS	2/1/24	7.6000	1,000,000	1,000,000	977,600
TIME WARNER ENTERTAINMENT	9/1/08	7.2500	1,000,000	879,390	987,210
UNION PACIFIC CORP	2/1/06	6.4000	1,000,000	999,760	945,940
WASTE MANAGEMENT	3/15/11	7.6500	1,000,000	1,016,760	1,033,460
TOTAL CORPORATE OBLIGATIONS				\$ 64,774,400	\$ 66,296,854
PLUS: INVESTMENT INCOME RECEIVABLE				1,842,646	1,842,606
MINUS: ACCRUED DISTRIBUTION TO BENEFICIARIES				(905,903)	(905,903)
PLUS: COLLATERAL HELD UNDER SECURITIES LENDING AGREEMENTS				4,808,674	4,808,674
LESS: OBLIGATIONS UNDER SECURITIES LENDING AGREEMENTS				(4,808,674)	(4,808,674)
NET ASSET VALUE PERMANENT COMMON SCHOOL FUND				\$ 144,332,385	\$ 148,109,105

PERMANENT FUNDS
Scientific Permanent Fund
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
<u>SHORT - TERM MONEY MARKET FUND:</u>					
PROVIDENT TEMPFUND	N/A	N/A	N/A	\$ 1,333,001	\$ 1,333,001
<u>US GOVERNMENT SECURITIES</u>					
<u>TREASURIES:</u>					
UNITED STATES TREAS BONDS	2/15/03	10.7500	300,000	251,635	360,282
UNITED STATES TREAS NTS	8/15/05	6.5000	4,000,000	4,146,779	3,988,760
UNITED STATES TREAS BONDS *	11/15/12	10.3750	800,000	853,011	1,015,496
UNITED STATES TREAS BONDS	11/15/16	7.5000	425,000	378,149	454,151
UNITED STATES TREAS BONDS	8/15/19	8.1250	1,750,000	1,913,101	1,996,365
<i>TOTAL TREASURIES</i>				\$ 7,542,675	\$ 7,815,054
<u>AGENCIES:</u>					
FEDERAL NATL MTG ASSOC	8/10/98	9.4000	100,000	99,882	103,375
FEDERAL NATL MTG ASSOC MTN	8/25/98	5.3000	1,800,000	1,776,952	1,782,846
FEDERAL NATL MTG ASSOC	10/15/98	4.8750	500,000	479,852	492,265
FEDERAL HOME LN BKS	12/23/98	5.7400	3,500,000	3,457,707	3,481,800
FEDERAL NATL MTG ASSOC MTN	1/6/99	5.3800	2,500,000	2,459,995	2,460,925
<i>TOTAL AGENCIES</i>				\$ 8,274,388	\$ 8,321,211
TOTAL US GOVERNMENT SECURITIES				\$ 15,817,064	\$ 16,136,265
<u>MORTGAGES AND MORTGAGE BACKED SECURITIES</u>					
<u>PASS THROUGH AND OTHER MORTGAGES:</u>					
FHLMC GTD MTG CT (GMC)	9/15/97	8.3750	7,200	7,187	7,238
FHLMC PC 17-0217	3/1/17	8.0000	121,991	117,226	126,303
FHLMC PC 17-0141	9/1/15	11.0000	71,482	70,947	79,016
FHLMC PC 17-0147	11/1/15	11.0000	2,843	2,751	3,176
FNMA PL 312 210	7/1/25	7.5000	1,625,665	1,628,205	1,631,761
FNMA PL 315 470	7/1/25	7.5000	1,852,505	1,855,400	1,859,452
FNMA PL 311 991	8/1/25	7.5000	448,680	449,381	451,201
FNMA PL 311 994	8/1/25	7.5000	671,215	672,264	673,732
FNMA PL 319 490	8/1/25	7.5000	391,057	391,668	392,523
BEVERLY FINANCE CORP 144A	7/15/04	8.3600	750,000	750,000	781,493
BITTERROOT MANOR	1/1/19	7.5000	1,070,602	856,497	1,068,321
SKY PARK APTS	2/1/18	7.5000	1,004,623	855,238	1,002,051
<i>TOTAL PASS THROUGH AND OTHER MORTGAGES</i>				\$ 7,656,762	\$ 8,076,269
<u>COLLATERALIZED MORTGAGE OBLIGATIONS:</u>					
FHLMC 1992 1423 C	9/15/04	6.6000	4,000,000	3,950,625	4,016,240
FHLMC 1992 G-03 C	1/25/18	6.6000	3,697,826	3,646,796	3,710,510
FHLMC 1993 1602 AE	9/15/08	5.2500	2,250,000	2,219,766	2,191,635
FHLMC 1993 1619 PD	6/15/19	5.6500	3,000,000	3,015,469	2,946,540
FHLMC-GNMA 1993 12 E	3/25/08	6.0000	2,475,000	2,405,004	2,413,892

PERMANENT FUNDS
Scientific Permanent Fund
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
FHLMC-GNMA 1994 30 H	7/25/23	7.5000	2,500,000	2,559,375	2,569,525
FNMA 1993 6 C	12/25/04	6.7500	4,000,000	3,966,875	4,023,720
FNMA 1993 207 D	12/25/17	5.5000	2,500,000	2,471,094	2,442,175
FNMA 1993 223 PH	10/25/22	6.0500	1,000,000	970,781	956,250
GE CAP MTG SVC 1994-4 A8	1/25/24	6.5000	1,980,317	1,678,937	1,857,933
GE CAP MTG SVC 1994-10 A15	3/25/24	6.5000	500,000	436,953	445,625
HEADLANDS 1997-3 AI 5	7/25/27	7.7500	1,200,000	1,238,438	1,231,500
PHMSC 1993 51 A14	12/25/23	6.7500	2,500,000	2,347,266	2,334,375
RFMSI 1993 S12 A11	12/25/08	7.5000	4,000,000	3,975,625	4,022,480
SALOMON BROS VII 1994 15 A5	6/25/09	6.5000	750,000	635,055	708,293
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				\$ 35,518,058	\$ 35,870,692
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				\$ 43,174,820	\$ 43,946,961
<u>ASSET BACKED SECURITIES:</u>					
DISCOVER CARD TR 1993-B A	2/15/00	6.7500	3,500,000	3,597,405	3,512,005
PREMIER AUTO TR 1994-1 A3	11/2/97	4.7500	453,462	453,431	451,902
TOTAL ASSET BACKED SECURITIES				\$ 4,050,836	\$ 3,963,907
<u>CORPORATE OBLIGATIONS:</u>					
AMERICAN GEN FIN CORP	7/1/00	5.8750	2,800,000	2,787,031	2,740,752
ANR PIPELINE	2/15/24	7.3750	1,000,000	993,003	951,530
ANR PIPELINE	11/1/21	9.6250	1,000,000	1,235,910	1,222,320
BANK OF NEW YORK	12/15/04	8.5000	1,000,000	993,640	1,082,800
CARTER HOLT HARVEY LTD	12/1/04	8.8750	1,000,000	999,599	1,098,200
CHESAPEAKE & POTOMAC TEL MD	10/1/08	6.6250	500,000	409,307	479,395
CHICAGO & N WESTN TRANS	7/30/12	6.2500	943,743	943,743	867,186
CINCINNATI GAS & ELEC	2/15/04	6.4500	1,000,000	998,582	975,040
CROWN CORK & SEAL	12/15/26	7.3750	3,200,000	3,161,568	3,097,312
CSW INVESTMENTS 144A	8/1/06	7.4500	1,200,000	1,198,236	1,207,068
EASTMAN CHEMICAL	1/15/24	7.2500	1,500,000	1,485,116	1,432,185
FERRO CORP	6/15/25	8.0000	1,000,000	986,275	1,020,030
FIRST CHICAGO	6/15/02	8.2500	1,000,000	1,084,546	1,054,550
FORD MOTOR CREDIT CORP	2/15/02	8.2000	400,000	401,812	421,756
GENERAL MTRS ACCEPT CORP	2/1/99	5.6250	1,000,000	971,648	989,450
GENERAL TEL CO IND	7/1/97	6.2500	400,000	400,000	400,000
GTE HAWAII	2/1/06	7.0000	1,600,000	1,585,165	1,578,784
HOUSTON LTG & PWR CO	11/1/97	6.7500	100,000	99,786	100,054
ILLINOIS BELL TEL CO	7/1/03	4.3750	250,000	178,129	220,075
LORAL CORP	6/15/04	7.6250	1,000,000	993,680	1,029,580
MBNA CORP MTN	9/15/00	6.5000	1,000,000	999,600	994,820
MCI COMMUNICATIONS CORP	3/23/25	7.7500	1,000,000	992,029	1,000,640
NEW ENGLAND TEL & TELEG CO	10/1/06	6.1250	600,000	596,814	564,210
NEW JERSEY BELL TEL CO	12/1/06	5.8750	1,100,000	950,627	1,014,893
NEW JERSEY BELL TEL CO	6/1/12	7.3750	700,000	370,041	669,403
NORTHWESTERN BELL TEL CO	9/1/01	6.0000	70,000	56,912	67,598
PACIFIC GAS & ELEC CO	6/1/00	6.6250	385,000	318,878	383,333

PERMANENT FUNDS
Scientific Permanent Fund
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
PANHANDLE EASTERN PIPELINE	8/15/04	7.8750	1,300,000	1,298,469	1,349,985
PARKER & PARSLEY	4/15/05	8.8750	3,000,000	3,344,347	3,269,070
PHILIPS ELECTRONICS NV	8/15/13	7.2500	1,500,000	1,431,435	1,447,440
PHILIPS ELECTRONICS NV	5/15/25	7.7500	500,000	498,322	496,390
PHILLIPS PETROLEUM	2/15/11	9.3750	2,000,000	2,352,049	2,351,980
PLACER DOME INC	6/15/15	7.7500	1,250,000	1,238,353	1,254,413
PNC FUNDING CORP	6/1/04	7.7500	1,000,000	994,900	1,036,160
POTASH CORP SASKATCHEWAN CD	6/15/07	7.1250	1,600,000	1,589,312	1,594,848
PROGRESSIVE CORP	1/15/04	6.6000	1,000,000	1,000,494	974,760
ROYAL CARIBBEAN CRUISES	4/1/05	8.2500	1,000,000	992,444	1,053,810
SAGA PETROLEUM A.S.	7/15/14	9.1250	1,000,000	1,145,876	1,093,500
SASKATCHEWAN CDA	7/15/13	7.3750	2,000,000	2,029,728	2,006,180
SEARS ROEBUCK & CO	5/1/00	6.0000	1,055,000	951,503	1,037,920
SOUTHERN UNION GAS	2/1/24	7.6000	1,000,000	1,000,000	977,600
TIME WARNER ENTERTAINMENT	9/1/08	7.2500	900,000	791,451	888,489
U S BANCORP	10/15/05	6.7500	1,500,000	1,517,034	1,463,085
UNION PACIFIC CORP	5/1/05	7.6000	2,000,000	2,088,273	2,044,720
UNION PACIFIC CORP	2/1/06	6.4000	1,250,000	1,249,700	1,182,425
WASTE MANAGEMENT	3/15/11	7.6500	1,500,000	1,525,139	1,550,190
WISCONSIN BELL INC	2/1/07	7.2500	100,000	98,966	98,581
TOTAL CORPORATE OBLIGATIONS				\$ 53,329,472	\$ 53,834,509
PLUS: INVESTMENT INCOME RECEIVABLE				1,686,430	1,686,430
MINUS: ACCRUED DISTRIBUTION TO BENEFICIARIES				(710,263)	(710,263)
NET ASSET VALUE SCIENTIFIC PERMANENT FUND				\$ 118,681,360	\$ 120,190,810

PERMANENT FUNDS
State University Permanent Fund
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
<u>SHORT - TERM MONEY MARKET FUND:</u>					
PROVIDENT TEMPFUND	N/A	N/A	N/A	\$ 230,961	\$ 230,961
<u>US GOVERNMENT SECURITIES</u>					
<u>TREASURIES:</u>					
UNITED STATES TREAS BONDS	11/15/03	11.8750	75,000.00	74,845	95,894
UNITED STATES TREAS BONDS	5/15/16	7.2500	20,000.00	16,093	20,856
UNITED STATES TREAS BONDS	11/15/16	7.5000	175,000.00	150,405	187,003
UNITED STATES TREAS NTS	5/15/98	6.1250	500,000.00	500,542	501,485
UNITED STATES TREAS NTS	8/15/05	6.5000	750,000.00	777,521	747,893
<i>TOTAL TREASURIES</i>				\$ 1,519,405	\$ 1,553,131
<u>AGENCIES:</u>					
FEDERAL HOME LN BKS	12/23/98	5.7400	500,000.00	493,958	497,400
FEDERAL NATL MTG ASSOC	8/10/98	9.4000	300,000.00	299,646	310,125
FEDERAL NATL MTG ASSOC MTN	8/25/98	5.3000	200,000.00	197,439	198,094
<i>TOTAL AGENCIES</i>				\$ 991,043	\$ 1,005,619
TOTAL US GOVERNMENT SECURITIES				\$ 2,510,449	\$ 2,558,750
<u>MORTGAGES AND MORTGAGE BACKED SECURITIES</u>					
<u>PASS THROUGH AND OTHER MORTGAGES:</u>					
FHLMC GIANT SWAP 30-4272	6/1/18	8.5000	29,630.04	27,399	31,104
FNMA PL 315 470	7/1/25	7.5000	453,822.93	454,532	455,525
FNMA PL 330 130	11/1/25	7.5000	470,561.43	474,605	472,326
BEVERLY FINANCE CORP 144A	7/15/04	8.3600	100,000.00	100,000	104,199
EAGLES MANOR	6/1/18	7.5000	883,496.98	712,995	881,173
<i>TOTAL PASS THROUGH AND OTHER MORTGAGES</i>				\$ 1,769,531	\$ 1,944,327
<u>COLLATERALIZED MORTGAGE OBLIGATIONS:</u>					
FHLMC 1992 1423 C	9/15/04	6.6000	253,000.00	249,877	254,027
FHLMC 1992 G-03 C	1/25/18	6.6000	462,228.25	455,849	463,814
FHLMC 1993 1498 PG	4/15/08	7.0000	300,000.00	299,953	300,375
FHLMC 1993 1602 AE	9/15/08	5.2500	250,000.00	246,641	243,515
FHLMC 1993 1619 PD	6/15/19	5.6500	300,000.00	301,547	294,654
FHLMC 1993 1637 GA	6/15/23	5.8000	252,181.00	239,454	235,946
FHLMC-GNMA 1993 16 PJ	5/25/22	7.0000	300,000.00	298,031	298,311
FHLMC-GNMA 1994 30 H	7/25/23	7.5000	300,000.00	307,125	308,343
FNMA 1993 6 C	12/25/04	6.7500	300,000.00	297,516	301,779
FNMA 1993 207 D	12/25/17	5.5000	285,000.00	281,705	278,408
FNMA 1993 223 PH	10/25/22	6.0500	281,000.00	272,790	268,706
FNMA 1994 62 PH	11/25/23	6.9000	254,000.00	236,577	252,413
GE CAP MTG SVC 1994-4 A8	1/25/24	6.5000	99,015.83	83,947	92,897
GE CAP MTG SVC 1994-10 A15	3/25/24	6.5000	100,000.00	87,391	89,125
HEADLANDS 1997-3 A15	7/25/27	7.7500	400,000.00	412,813	410,500
PHMSC 1993 51 A14	12/25/23	6.7500	250,000.00	234,727	233,438
SALOMON BROS VII 1994 15 A5	6/25/09	6.5000	293,000.00	248,095	276,706
<i>TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS</i>				\$ 4,554,034	\$ 4,602,956
TOTAL MORTGAGES AND MORTGAGE BACKED SECURITIES				\$ 6,323,565	\$ 6,547,282

PERMANENT FUNDS
State University Permanent Fund
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>MATURITY COUPON</u>		<u>PAR VALUE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
	<u>DATE</u>	<u>RATE</u>			
<u>ASSET BACKED SECURITIES:</u>					
PREMIER AUTO TR 1994-1 A3	11/2/97	4.7500	61,835.78	61,832	61,623
GREENTREE 1997-1 A5	3/15/28	6.8600	300,000.00	300,000	296,343
TOTAL ASSET BACKED SECURITIES				\$ 361,832	\$ 357,966
<u>CORPORATE OBLIGATIONS:</u>					
AMERICAN GEN FIN CORP	7/1/00	5.8750	150,000.00	149,305	146,826
ANR PIPELINE	11/1/21	9.6250	200,000.00	247,182	244,464
BANK OF NEW YORK	12/15/04	8.5000	250,000.00	248,410	270,700
CARTER HOLT HARVEY LTD	12/1/04	8.8750	200,000.00	199,920	219,640
CHICAGO & NWESTN TRANS	7/30/12	6.2500	283,125.78	283,126	260,159
CROWN CORK SA	12/15/03	6.7500	400,000.00	397,891	394,188
DR INVESTMENT 144A	5/15/02	7.1000	300,000.00	303,739	302,172
EASTMAN CHEMICAL	1/15/24	7.2500	150,000.00	148,512	143,219
FLETCHER CHALLNG CAP CAN	6/20/16	8.2500	300,000.00	298,622	314,145
FORD MOTOR CREDIT CORP	2/15/02	8.2000	100,000.00	100,453	105,439
GENERAL MTRS ACCEPT CORP	10/15/99	8.4000	250,000.00	261,111	260,313
GTE HAWAII	2/1/06	7.0000	250,000.00	247,682	246,685
MBNA CORP MTN	9/15/00	6.5000	250,000.00	249,900	248,705
MCI COMMUNICATIONS CORP	3/23/25	7.7500	250,000.00	248,007	250,160
MICHIGAN BELL TEL CO	2/1/05	6.3750	200,000.00	198,508	193,176
MONTREAL CITY OF	11/1/04	5.0000	23,000.00	14,103	20,020
NORTHWESTERN BELL TEL CO	9/1/01	6.0000	80,000.00	65,042	77,254
PANHANDLE EASTERN PIPELINE	8/15/04	7.8750	100,000.00	99,882	103,845
PARKER & PARSLEY	4/15/05	8.8750	200,000.00	222,956	217,938
PHILIPS ELECTRONICS NV	8/15/13	7.2500	250,000.00	247,165	241,240
PHILLIPS PETROLEUM	2/15/11	9.3750	250,000.00	294,006	293,998
PLACER DOME INC	6/15/15	7.7500	250,000.00	247,671	250,883
PNC FUNDING CORP	6/1/04	7.7500	250,000.00	248,725	259,040
POTASH CORP SASKATCHEWAN CDA	6/15/07	7.1250	300,000.00	297,996	299,034
PROGRESSIVE CORP	1/15/04	6.6000	250,000.00	250,123	243,690
SAGA PETROLEUM A.S.	7/15/14	9.1250	180,000.00	206,258	196,830
SASKATCHEWAN CDA	7/15/13	7.3750	300,000.00	304,459	300,927
SEARS ROEBUCK & CO	5/1/00	6.0000	350,000.00	293,172	344,334
SOCIETY CORP	6/15/02	8.1250	150,000.00	162,026	157,431
SOUTHERN UNION GAS	2/1/24	7.6000	150,000.00	150,000	146,640
TIME WARNER ENTERTAINMENT	9/1/08	7.2500	100,000.00	87,939	98,721
U S BANCORP	10/15/05	6.7500	300,000.00	303,407	292,617
UNION PACIFIC CORP	5/1/05	7.6000	200,000.00	208,827	204,472
UNION PACIFIC CORP	2/1/06	6.4000	200,000.00	199,952	189,188
WEYERHAEUSER CO	1/15/25	8.5000	175,000.00	187,758	192,999
WISCONSIN BELL INC	2/1/07	7.2500	100,000.00	93,198	98,581
WISCONSIN TEL CO	8/1/04	6.2500	50,000.00	47,456	48,218
TOTAL CORPORATE OBLIGATIONS				\$ 7,814,490	\$ 7,877,888
PLUS: INVESTMENT INCOME RECEIVABLE				\$ 228,825	\$ 228,825
MINUS: ACCRUED DISTRIBUTION TO BENEFICIARIES				(109,088)	(109,088)
NET ASSET VALUE STATE UNIVERSITY PERMANENT FUND				\$ 17,361,034	\$ 17,692,585

OTHER TRUST FUNDS

➤ Schedule of Investments

WASHINGTON STATE INVESTMENT BOARD

OTHER FUNDS

Schedule of Investments

June 30, 1997

<u>DESCRIPTION</u>	<u>INVESTMENT CLASSIFICATION</u>	<u>PAR VALUE</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
<u>GAME AND SPECIAL WILDLIFE FUND:</u>						
PROVIDENT TEMPFUND	Short - Term Invest. Fund	N/A	N/A	N/A	\$ 2,859,437	\$ 2,859,437
FNMA	US Government Security	4,100,000	3/12/99	5.5500	4,026,036	4,063,674
TOTAL GAME AND SPECIAL WILDLIFE FUND					\$ 6,885,473	\$ 6,923,111
<u>UNIVERSITY OF WASHINGTON SELF INSURANCE REVOLVING FUND:</u>						
PROVIDENT TEMPFUND	Short - Term Invest. Fund	N/A	N/A	N/A	\$ 29,648,147	\$ 29,648,147
<u>STATE EMPLOYEES INSURANCE RESERVE:</u>						
PROVIDENT TEMPFUND	Short - Term Invest. Fund	N/A	N/A	N/A	\$ 34,294,345	\$ 34,294,345
<u>RADIATION PERPETUAL MAINTENANCE FUND:</u>						
PROVIDENT TEMPFUND	Short - Term Invest. Fund	N/A	N/A	N/A	\$ 705,805	\$ 705,805
<u>RECLAMATION REVOLVING FUND:</u>						
PROVIDENT TEMPFUND	Short - Term Invest. Fund	N/A	N/A	N/A	\$ 237,817	\$ 237,817
BENTON CO. COLUMBIA IRR DIST.	Coupon Bonds	4,000	1/1/98	4.0000	4,000	4,001
BENTON CO. COLUMBIA IRR DIST.	Coupon Bonds	4,000	1/1/99	4.0000	4,000	3,962
BENTON CO. COLUMBIA IRR DIST.	Coupon Bonds	4,000	1/1/00	4.0000	4,000	3,892
BENTON CO. COLUMBIA IRR DIST.	Coupon Bonds	4,000	1/1/01	4.0000	4,000	3,837
BENTON CO. COLUMBIA IRR DIST.	Coupon Bonds	1,000	1/1/02	4.0000	1,000	955
CHELAN CO. CHELAN RIVER IRR.	Coupon Bonds	3,000	7/1/97	4.0000	3,000	3,000
CHELAN CO. CHELAN RIVER IRR.	Coupon Bonds	3,000	7/1/98	4.0000	3,000	3,005
CHELAN CO. CHELAN RIVER IRR.	Coupon Bonds	3,000	7/1/99	4.0000	3,000	2,966
CHELAN CO. CHELAN RIVER IRR.	Coupon Bonds	1,000	7/1/00	4.0000	1,000	978
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	9,000	1/1/07	5.0000	9,000	8,774
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	6,000	1/1/98	5.0000	6,000	6,032
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	6,000	1/1/99	5.0000	6,000	6,011
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	6,000	1/1/00	5.0000	6,000	6,011
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	6,000	1/1/01	5.0000	6,000	6,011
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	7,000	1/1/02	5.0000	7,000	7,003
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	7,000	1/1/03	5.0000	7,000	6,997
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	7,000	1/1/04	5.0000	7,000	6,958
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	8,000	1/1/05	5.0000	8,000	7,906
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	8,000	1/1/06	5.0000	8,000	7,859
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	9,000	1/1/08	5.0000	9,000	8,679
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	10,000	1/1/09	5.0000	10,000	9,537
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	10,000	1/1/10	5.0000	10,000	9,414
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	11,000	1/1/11	5.0000	11,000	10,262
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	11,000	1/1/12	5.0000	11,000	10,175
CHELAN CO. ENTIAT IRR. DIST.	Coupon Bonds	12,000	1/1/13	5.0000	12,000	11,004
CHELAN CO. LOWER SQUILCHUCK	Coupon Bonds	25,000	1/1/00	4.0000	25,000	19,798
CHELAN CO. LOWER SQUILCHUCK	Coupon Bonds	20,000	1/1/10	4.0000	20,000	19,641
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	7,000	1/1/98	6.2500	7,000	7,081

OTHER FUNDS
Schedule of Investments
June 30, 1997

<u>DESCRIPTION</u>	<u>INVESTMENT CLASSIFICATION</u>	<u>PAR VALUE</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	7,000	1/1/99	6.2500	7,000	7,051
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	8,000	1/1/00	6.2500	8,000	8,046
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	8,000	1/1/01	6.2500	8,000	8,038
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	8,000	1/1/02	6.2500	8,000	8,032
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	8,000	1/1/03	6.2500	8,000	8,603
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	9,000	1/1/04	6.2500	9,000	9,081
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	9,000	1/1/05	6.2500	9,000	9,032
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	9,000	1/1/06	6.2500	9,000	9,032
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	10,000	1/1/07	6.2500	10,000	10,035
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	10,000	1/1/08	6.2500	10,000	10,035
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	11,000	1/1/09	6.2500	11,000	10,894
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	11,000	1/1/10	6.2500	11,000	10,850
CHELAN CO. LOWER STEMILT IRR.	Coupon Bonds	12,000	1/1/11	6.2500	12,000	11,722
KLICKITAT CO. N DALLES IRR DIST.	Coupon Bonds	2,000	1/1/98	3.0000	2,000	1,977
KLICKITAT CO. N DALLES IRR DIST.	Coupon Bonds	2,000	1/1/99	3.0000	2,000	1,946
KLICKITAT CO. N DALLES IRR DIST.	Coupon Bonds	2,000	1/1/00	3.0000	2,000	1,972
KLICKITAT CO. N DALLES IRR DIST.	Coupon Bonds	2,000	1/1/01	3.0000	2,000	1,876
KLICKITAT CO. N DALLES IRR DIST.	Coupon Bonds	2,000	1/1/02	3.0000	2,000	1,841
KLICKITAT CO. WHITE SALMON IRR.	Coupon Bonds	2,000	1/1/98	3.0000	2,000	1,989
KLICKITAT CO. WHITE SALMON IRR.	Coupon Bonds	2,000	1/1/99	3.0000	2,000	1,948
KLICKITAT CO. WHITE SALMON IRR.	Coupon Bonds	2,000	1/1/00	3.0000	2,000	1,907
KLICKITAT CO. WHITE SALMON IRR.	Coupon Bonds	2,000	1/1/01	3.0000	2,000	1,865
KLICKITAT CO. WHITE SALMON IRR.	Coupon Bonds	2,000	1/1/02	3.0000	2,000	1,708
OKANOGAN CO. AENEAS LAKE IRR.	Coupon Bonds	5,500	1/1/98	5.0000	5,500	5,504
OKANOGAN CO. AENEAS LAKE IRR.	Coupon Bonds	5,500	1/1/99	5.0000	5,500	5,502
OKANOGAN CO. AENEAS LAKE IRR.	Coupon Bonds	5,500	1/1/00	5.0000	5,500	5,501
OKANOGAN CO. AENEAS LAKE IRR.	Coupon Bonds	5,500	1/1/01	5.0000	5,500	5,501
OKANOGAN CO. AENEAS LAKE IRR.	Coupon Bonds	12,000	1/1/02	5.0000	12,000	12,000
OKANOGAN CO. AENEAS LAKE IRR.	Coupon Bonds	12,000	1/1/03	5.0000	12,000	11,994
OKANOGAN CO. AENEAS LAKE IRR.	Coupon Bonds	12,000	1/1/04	5.0000	12,000	11,928
OKANOGAN CO. AENEAS LAKE IRR.	Coupon Bonds	12,000	1/1/05	5.0000	12,000	11,860
OKANOGAN CO. AENEAS LAKE IRR.	Coupon Bonds	12,000	1/1/06	5.0000	12,000	11,788
OKANOGAN CO. AENEAS LAKE IRR.	Coupon Bonds	12,000	1/1/07	5.0000	12,000	11,699
OKANOGAN CO. AENEAS LAKE IRR.	Coupon Bonds	12,000	1/1/08	5.0000	12,000	11,572
OKANOGAN CO. AENEAS LAKE IRR.	Coupon Bonds	12,000	1/1/09	5.0000	12,000	11,444
OKANOGAN CO. AENEAS LAKE IRR.	Coupon Bonds	12,000	1/1/10	5.0000	12,000	11,297
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	5,500	7/1/97	4.0000	5,500	5,456
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	400	7/1/97	4.0000	400	400
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	400	7/1/98	4.0000	400	396
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	5,500	7/1/98	4.0000	5,500	5,456
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	400	7/1/99	4.0000	400	391
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	6,000	7/1/99	4.0000	6,000	5,870
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	6,000	7/1/00	4.0000	6,000	5,773
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	600	7/1/00	4.0000	600	574
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	6,500	7/1/01	4.0000	6,500	6,112
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	600	7/1/01	4.0000	600	560

OTHER FUNDS
Schedule of Investments
June 30,1997

<u>DESCRIPTION</u>	<u>INVESTMENT CLASSIFICATION</u>	<u>PAR VALUE</u>	<u>MATURITY DATE</u>	<u>COUPON RATE</u>	<u>BOOK VALUE</u>	<u>MARKET VALUE</u>
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	6,500	7/1/02	4.0000	6,500	5,974
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	600	7/1/02	4.0000	600	547
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	7,000	7/1/03	4.0000	7,000	6,280
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	600	7/1/03	4.0000	600	533
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	7,500	7/1/04	4.0000	7,500	6,586
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	600	7/1/04	4.0000	600	521
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	7,500	7/1/05	4.0000	7,500	6,571
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	600	7/1/05	4.0000	600	516
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	8,000	7/1/06	4.0000	8,000	6,839
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	600	7/1/06	4.0000	600	503
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	8,000	7/1/07	4.0000	8,000	6,583
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	600	7/1/07	4.0000	600	504
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	8,500	7/1/08	4.0000	8,500	6,983
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	600	7/1/08	4.0000	600	482
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	7,000	1/1/09	4.0000	7,000	5,497
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	600	7/1/09	4.0000	600	482
SPOKANE CO. MOAB IRR. DISTRICT	Coupon Bonds	9,000	7/1/10	4.0000	9,000	7,485
TOTAL RECLAMATION REVOLVING FUND					\$ 825,517	\$ 800,511

BROKER VOLUME & COMMISSIONS PAID

➤ All Funds

Broker Equity Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 1997

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
ABN AMRO SECURITIES	589,049.49	1,092.55		
ACF INTERNATIONAL	433,396.33	1,088.95		
ADAMS HARKNESS + HILL, INC.	6,063,939.59	1,190.00		
ALFERDE BERG FONDKOMMISSION	-	-		
ALFRED BERG	5,257,838.78	12,117.19		
ALFRED BERG-LONDON	3,910,580.03	5,779.74		
ALFRED BERG BANK	398,980.79	1,200.54		
ALFRED BERG FONDKOMMISSION	5,680,978.24	17,094.21		
ALLEN & COMPANY INC	2,227,579.61	5,646.00		
ALPHA MANAGEMENT INC	62,850,001.61	81,931.00		
ANZ MCCAUGHAN SECURITIES LIMITED	294,859.46	1,174.36		
ANZ MCCAUGNAN SECURITIES	-	-		
ARAB-MALAYSIAN SECURITIES SDN	1,602,624.27	10,264.80		
AROS FONDKOMMISSION	685,297.98	1,708.97		
ASIA EQUITY HONG KONG	443,837.97	2,903.82		
ASIA EQUITY LIMITED	2,595,932.87	16,983.96		
ASIA EQUITY SECURITIES	113,668.38	859.39		
BAIRD PATRICK AND CO	-	-	163,614.25	
BANK HAUS HERMAN	277,403.05	835.38		
BANK J.VONTOBEL UND CO.	694,460.70	1,454.00		
BANK JULIUS BAER	2,496,177.67	4,977.92		
BANK ONE CAPITAL	-	-	2,457,509.66	
BANK SARASIN AND CIE	711,173.43	1,418.24		
BANK VON ERNST UND CIE AG	5,035,528.08	14,756.53		
BARCLAYS DE ZOETE WEDD SECURIT	5,846,312.09	33,379.30		
BARCLAYS TRUST AND BANKING	34,792.97	125.35		
BARING SECURITIES	103,904.40	186.83		
BARING SECURITIES LDN	2,877,252.85	2,112.75		
BARING SECURITIES LTD	736,895.40	1,684.03		
BARING SECURITIES, NY	3,301,729.12	4,343.89		
BEAR STEARNS	-	-		
BEAR, STEARNS SECURITIES	2,158,840.00	3,190.00		
BEAR, STEARNS SECURITIES CORP	34,245,632.25	25,271.00	658,224,567.07	25,454,383.75
BERNADALE SECURITIES	2,509,734.70	10,002.98		
BERNADALE SECURITIES LTD	-	-		
BERSTEIN SANFORD C + CO	7,903,393.76	7,642.00		
BLACKFORD	314,160.00	385.00		
BLAIR, WILLIAM, AND CO	3,347,715.76	2,058.00	7,177,052.42	
BNP CAP. MARKETS	4,533,336.31	11,305.08	7,143,494.14	
BNP SECURITIES	-	-		
BRADFORD, J.C. + CO	1,353,928.00	3,246.00		
BRANT & ASSOCIATES	362,847.00	1,422.00		
BRIDGE TRADING	7,139,450.11	6,795.00		
BROCKHOUSE + COOPER INC	12,478,439.53	13,070.59		
BROWN (ALEX) AND CO	36,514,355.77	18,359.00		
BROWN BROTHERS HARRIMAN	2,890,372.84	2,200.00		
BSN SA SOC DE VALOR Y BOLSA	865,840.16	3,019.87		
BT BROKERAGE	4,659,821.87	18,742.37		
BUCKINGHAM RESEARCH GROUP	463,901.57	1,425.00		
BURNS, FRY LTD	-	-		
BZW ASIA LTD	4,427,882.37	28,977.93		
BZW SECURITIES	4,778,931.22	402.80		
BZW SECURITIES LTD	8,743,644.46	30,473.53		

Broker Equity Volume and Equity Commissions Paid
For the Fiscal Year ended June 30, 1997

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
C.J. LAWRENCE/DEUTSCHE BANK SEC	6,199,348.23			
C.J. LAWRENCE/DEUTSCHE BANK	324,528.00	3,914.00		
CANTOR FITZGERALD	-	-		
CANTOR FITZGERALD + CO INC	8,317,697.64	5,103.00	4,233,093.75	
CAPEL JAMES + CO.	1,642,946.98	4,943.67	3,000,663.13	
CAPEL, JMAES HSBC SEC	2,969,066.95	2,740.00		
CARNEGIE FONDKOMMISSION	4,614,763.56	13,885.95		
CARNEGIE INC.	3,230,975.55	8,613.93		
CARNEGIE INT'L LND	2,367,536.24	6,153.77		
CAVENOVE SECURITIES LTD	-	-		
CAZENOVE	1,283,495.93	2,757.12		
CAZENOVE & CO	1,639,696.55	3,275.24		
CAZENOVE + CO (JAPAN) LTD	32,679.72	1,092.55		
CAZENOVE SECURITIES LTD	2,027,145.37	3,736.82		
CHAPMAN CO.	3,411,903.63	3,625.70		
CHARLES SCHWAB	2,323,427.99	4,835.00		
CHARTERHOUSE TILNEY SECURITIES	792,661.69	1,574.30		
CHASE MANHATTAN BANK CLEARANCE DEPT	-	-	85,274,210.00	
CHASE MANHATTAN BANK N.A. (THE)	-	-	5,646,533.23	5,003,125.00
CHASE SECURITIES	-	-	33,049,206.86	
CHEMICAL BANK BROK DEAL CLEAR DEPT	-	-	141,832,187.50	
CHEUVREUX DE VIRIEU	8,043,012.29	14,678.49		
CHEUVREUX DE VIRIEUX, PARIS	1,349,415.92	4,060.43		
CIMB SECURITIES SDN BHD	287,457.41	2,175.51		
CITICORP SECURITIES MARKETS INC	-	-	87,939,437.00	8,438,906.25
CLEARY, GULL & REILAND	134,587.44	195.00		
COMMERZBANK AG	-	-	6,713,320.67	
CORRESPONDENT SERVICES INC	2,318,676.05	1,855.00		
COSBY SECS CO SINGAPORE	2,066,100.00	42,324.21		
COSBY SECURITIES INC	361,000.00	11,838.05		
COSBY SECURITIES PTE LTD	1,885,000.00	37,908.83		
COUNTY NAT WEST	926,906.66	3,728.13		
COUNTY NATWEST (AUSTRALIA) SYD	14,202,749.82	56,667.55		
COUNTY NATWEST SECURITIES	78,900.00	8,382.58		
COUNTY NATWEST SECURITES LTD UK	169,643.92	8,498.02		
COUNTY NATWEST SECURITIES LTD	8,097,719.37	28,119.96		
COWEN + CO.	20,645,482.51	8,110.56		
CPR PARIS	131,891.65	5,732.98		
CRDIT LYONNAIS SECS	48,000.00	9,856.59		
CREDIT ARGICOLE SECURITIES	-	-		
CREDIT LYONNAIS	1,672,000.00	19,679.21		
CREDIT SWISS FRST BOSTON	218,595.62	372.55		
CREIDT LYONNAIS SECURITIES	10,585,869.87	2,188.71		
CROSBY SEC INC	1,944,877.48	11,838.05		
CROSBY SEC PTE LTD	7,443,318.90	37,908.83		
CROSBY SECURITIES (HK) LIMITED	718,838,280.00	42,324.21		
CS FIRST BOSTON	-	-		
CS FIRST BOSTON CORP.	25,624,105.44	12,824.00	93,759,561.41	31,989,622.00
CS FIRST BOSTON EQUITIES	1,317,812.37	2,293.20		
DAIN BOSWORTH INC	621,313.65	305.00		
DAIWA	-	-		26,857,142.60
DAIWA BANK LTD TOKYO JAPAN	6,345,966.82	-	109,000,000.00	
DAIWA SECURITIES AMERICA INC	1,662,390.68	737,378.48	26,975,000.00	

Broker Equity Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 1997

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
DAIWA SECURITIES CO	-	-	60,000,000.00	
DAIWA SECURITIES CO., LTD	6,606,122.76	8,002.06		
DAVY STOCKBROKERS	928,055.33	-		
DAVY (J+E)	1,631,119.85	2,325.96		
DE SHAW	134,391,870.00	4,088.01		
DEAN WITTER REYNOLDS	3,466,660.62	2,760.00		
DEN DANSKE BANK, LONDON	19,506.27	-		
DEN DANSKE BANK	922,937.91	2,777.14		
DEN NORSKE BANK	3,517,858.90	1,021.15		
DENDANSKE COPENHAGEN	1,516,322.32	12,400.01		
DETSCH MORGAN GRENFELL CANAD	784,115.03	4,562.66		
DEUTSCH BANK	4,132,045.32	-		
DEUTSCHE BANK CAPITAL MAKTS ASI	4,843,756.92	14,786.93	7,502,929.73	
DEUTSCHE BANK SECURITIES CORP	-	-	8,255,358.00	
DEUTSCHE MORGAN GRENFELL	20,342,238.14	28,211.18		
DEUTSCHE MORGAN GRENFELL (LON)	3,078,153.61	30,968.44		
DEUTSCHE MRGN GRNFL CANADA INC NSCC	-	-	2,066,728.65	
DIAWA	246,600.00	2,883.30		
DIAWA BANK LTD TOKYO JAPAN	109,500,116.00	11,538.55		
DIAWA SECURITIES	709,000.00	10,239.90		
DIAWA SECURITIES CO	63,036,221.00	74,410.78		
DIAWA SECURITIES CO LTD	2,581,405.00	64,858.23		
DILLON, READ + CO.	1,020,134.00	105.00		
DLJ CAPITAL MARKETS	-	-	79,924,170.02	9,004,000.00
DLJ FIXED INCOME	777,750.00	31,846.00	3,973,280.00	
DONALDSON, LUFKIN + JENRETTE	40,658,506.00	3,380.00		9,109,953.13
DONGSUN SECURITIES CO LTD	173,619.13	12,829.06		
DONGWON SECS (HK)	2,621,951.89	-		
DONGWON SECS	601,743.71	2,901.07		
DOYLE PATTERSON & CO	1,688,255.24	6,780.15		
DRESDNER KLEINWORT BENSONS	1,326,063.04	2,514.00		
DUNLEVY + CO INC	1,189,859.30	3,000.00		
EAST/WEST SECURITIES	-	-		
EDWARDS +CO	-	-	5,007,812.50	
EDWARDS AG & SONS INC	-	-	7,484,765.63	
ELCON SECURITIES	4,750,446.00	14,294.22		
ENSKILDA SEC	434,435.00	16,468.67		
ESI SECURITIES CO.	8,267,564.36	5,200.00		
FACTSET DATA SYSTEMS	1,956,605.64	1,075.00		
FAHNESTOCK + CO.	778,787.88	-		
FEDERAL HOME LN MTG CORP	-	-	15,045,312.50	
FHLMC DEALER DESK	-	-	68,124,990.19	
FINACOR BOURSE - PARIS	1,502,727.24	8,190.58		
FIRST ANALYSIS SECURITIES CORP	-	-		
FIRST PACIFIC STOCKBROKERS	8,808,165.82	30,478.73		
FIRST PACIFIC STOCKBROKERS LTD	-	16,899.59		
FOURTEEN RESEARCH CORPORATION	347,717.35	2,610.00		
FOX PITT, KELTON INC.	1,709,062.62	1,221.40		
FRANCE COMPENSATION BOURSE	532,803.15	5,328.22		
FURMAN, SELZ, MAGERDIETZ + BIRNE	6,037,170.14	700.00		
GARVIN SECURITIES	305,950.96	3,960.42		
GARVIN GUY BUTLER	-	-	25,000,000.00	
GERARD KLAUER MATTISON + CO	155,900.00	-		

Broker Equity Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 1997

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
GK GOH SECURITIES HONG KONG	95,591.83	57,277.81		
GOLDMAN SACHS	107,765,772.83	5,330.00	198,666,793.08	185,523,744.72
GOLDMAN SACHS (JAPAN) LTD	83,228,393.90	14,648.03		
GOLDMAN SACHS ASIA	23,467.95	77.27		
GOLDMAN SACHS EQUITY SECURITIES	9,275,810.88	-		
GOLDMAN SACHS INTL LTD	21,480,014.49	12,903.34		
GORDON & CO	123,984.75	450,367.20		
GREEN STREET	60,717.49	110.00		
GREENWICH PARTNERS INC.	70,000.00	-		
GRIEG MIDDLETON + CO LIMITED	3,922,609.58	-		
GRUNTAL +CO.	-	11,803.24	5,200,271.31	
GUZMAN+CO.	9,054,888.36	3,186.00		
H LUNDEN FONDS. STOCKHOLM	6,281,430.19	-		
HANIFEN, IMHOFF, INC.	2,555,568.37	4,315.00		
HARTLEY POYNTON LIMITED	253,474.69	1,008.35		
HENDERSON CROSTHWAITE INSTL BRO	4,125,054.21	-		
HENDERSON CROSTHWAITE LTD	1,326,817.50	-		
HG ASIA LTD	17,844,232.34	63,987.31		
HOARE GOVETT (FAR EAST) LTD	964,455.64	19,154.51		
HOARE GOVETT SECURITIES LTD	5,134,734.64	-		
HOWARD, WEIL, LABOUISSSE, FREDER	2,055,486.09	2,000.00		
HSBC	2,522,342.19	-	302,106,718.76	
HSBC INVESTMENT BANK	-	5,311.07		
HSBC INVESTMENT BANK ASIA LTD	15,191,103.70	9,220.66		
HSBC INVESTMENT BANK PLC	12,450,476.73	498.93		
HSBC JAMES CAPEL	30,000.00	73,137.44		
HSBC JAMES CAPEL LIMITED	1,243,282.63	75,481.23		
HSBC JAMES CHAPEL	11,050,113.41	3,292.90		
HSBC JAMES CHAPEL AUST PLACEMENT	448,524.79	1,349.62		
HSBC SECURITIES			31,035,803.18	
HSBC SECURITIES INC	565,452.44	-	21,329,878.07	
HYUNDAI SECURITIES CO. LTD	1,963,792.98	8,306.27		
IMI SIGECO UK LTD	550,555.46	-		
INDOSUEZ CAPITAL SEC	3,094,240.00	6,667.17		
ING BARING SECURITIES	13,391,714.21	9,582.81		
ING BARING SECURITIES (JAPAN)	1,187,936.00	5,972.86		
INGF BARING SECURITIES	248,000.00	17,165.92		
INSTINET	55,860,333.71	53,497.45		
INSTINET INVESTMENT SERVICES	1,660,555.79	4,134.32		
INSTINET PACIFIC LIMITED	4,681,106.39	19,440.94		
INTERSTATE/JOHNSON LANE CORP.	780,067.50	1,810.00		
INVESTMENT TECHNOLOGY GROUP	42,982,178.79	18,328.00		
J B WERE (OZ) MELBOURNE, 3001	4,742,087.15	18,978.06		
J CHEUVREAUX	4,395,239.36	-		
J.W. GOULD & CO INCORPORATED	-	4,892.25		
J. E. DAVY	1,180,340.99	-		
J. P. MORGAN SEC LTD	1,528,888.00	2,958.25	8,998,020.00	
J.B. WERE & SON	2,888,989.00	11,498.20		
J.B. WERE + SON, INC	8,800,068.00	35,175.40		
J.P. MORGAN	8,229,880.65	3,450.00		
J.P. MORGAN SECURITIES INC ASSET BACKED	169,694.00	-	26,838,459.35	
J.P. MORGAN SECURITIES INC SL	-	300.00		
JAMES CAPEL	1,733,816.00	513.62		

Broker Equity Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 1997

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
JAMES CAPEL (FAR EAST) LTD	17,493,821.00	47,288.84		
JAMES CAPEL + CO	61,234,065.00	43,276.69		
JAMES CAPEL AUSTRALIA LTD	645,981.42	4,386.06		
JAMES CHAPEL (FAR EAST) LTD	1,045,300.00	3,050.48		
JAMES CHAPEL + CO	488,705.00	107,773.79		
JARDINE FLEMING HONG KONG	2,024,853.00	78,657.11		
JARDINE FLEMING SECURITIES LIM	9,697,427.00	31,722.62		
JB WERE + SON LTD LDN	32,751.00	130.29		
JB WERE CAPITAL MARKETS	275,237.00	1,094.92		
JEFFRIES + CO	11,045,560.00	2,280.00		
JENSEN SECS CO	1,228,458.66	875.00		
JONES + ASSOCIATES	3,017,857.00	1,938.00		
JOSEPH THAL LYON + ROSS	1,026,495.00	14.11		
JPMGN J. P. MORGAN SEC. INC.	35,400.00	-		
JPP ERO SEC	4,471,902.00	5,529.90		
JULIUS BAER SEC	1,211,678.00	-		
KARL JOHAN FONDS	4,582,125.00	-		
KELBOURNE SECURITIES	4,584,598.00	18,309.81		
KEY CAPITAL MARKETS INC	1,394,947.00	-	15,970.06	
KLEINWORT BENSON INC	8,669,121.00	10,210.82		
KLEINWORT BENSON INTL	1,085,000.00	834.88		
KLEINWORT BENSON LTD	103,796.00	-		
KLEINWORT BENSON SEC	2,540,617.00	-		
KLEINWORT BENSON SEC LTD	17,904,249.00	779.32		
KLEINWORT BENSON SECS	33,847.00	13,301.91		
KRUNGTHAI THANALIT CO LTD	52,959.00	266.13		
LEHMAN BROS INC.	29,123,840.62	16,511.00	46,051,250.00	140,740,223.27
LEHMAN BROTHERS ASIA LTD	722,685.00	7,192.02		
LEHMAN BROTHERS INTL	5,246,283.00	-		
LEHMAN COMMERCIAL PAPER	-	-		30,008,700.00
LEHMAN GOVERNMENT SECURITIES INC.	330,326.00	-	197,337,451.14	
LEWCO SECS AGENT FOR HAMBRECHT	9,827,423.57	2,250.00		
LEWCO SECS AGENT FOR WERTHEIM	15,531,814.62	21,715.00		
LYNCH JONES AND RYAN	304,290.00	540.00		
M AND A SECURITIES	242.22	1.69		
M L PIERCE FENNER SMITH INC FIXED OPER	-	-	265,435,651.97	
MACQUARIE EQUITIES LIMITED	210,084.00	835.74		
MASSONAUD FONTEWAY	3,008,654.00	-		
MATURITY	9,060,000.00		24,476,548,794.80	145,370,098.64
MAXWELL W ESSPINOSA	1,428,742.00	-		
MCDONALD AND CO	6,269,553.00	6,219.00	17,466,318.81	6,101,906.25
MCINTOSH + CO.	152,200.00	5,752.98		
MEIKO SECURITIES CO., LTD	86,608.00	570.09		
MERRILL LYNCH	24,840,506.00	35,119.37		
MERRILL LYNCH AND CO	2,000,708.00	4,981.20		
MERRILL LYNCH AUSTRALIA	303,333.00	255.72		
MERRILL LYNCH AUSTRALIA EQUITI	10,000.00	950.99		
MERRILL LYNCH BANK AG TOKYO	120,000.00	57.98		
MERRILL LYNCH CAPITAL MARKETS	9,444,875.00	13,358.76		
MERRILL LYNCH EQUITIES AUST LT	79,333.00	2,040.16		
MERRILL LYNCH GOVT SECURITIES, INC	922,700.00	-	485,518,275.46	
MERRILL LYNCH INTERNATIONAL	58,689,178.00	51,225.03	19,380,000.00	
MERRILL LYNCH PIERCE FENNER	133,110,503.74	433,984.06		

Broker Equity Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 1997

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
MERRILL LYNCH PIERCE FENNER + SMITH	6,951,305.00	52,804.24	56,085,590.91	
MM WARBURG	200,834.00	432.70		
MONTGOMERY SECURITIES	46,834,423.00	22,230.00		
MORGAN GRENFELL ASIA SECURITIE	18,571,122.00	75,957.05		
MORGAN J P INVT MANAGEMENT	4,603,050.00	-	5,000,000.00	
MORGAN J.P, SECURITIES INC	0.00	-	35876382.81	
MORGAN SCHIFF & CO	614,029.00	1,108.86		
MORGAN STANLEY AND CO, INC	367,438.00	18,481.45	496,881,472.69	
MORGAN STANLEY AND CO INC INT	908,295.00	2,807.31		
MORGAN STANLEY AND CO.	84,335,889.24	40,137.57		
MORGAN STANLEY H.K. SECURITIES	1,196,548.00	2,979.07		
MORGAN STANLEY INTERNATIONAL, LONDON	537,793.00	-	7,574,940.01	
MORGAN, J.P. SECURITIES	-	-	52,402,576.00	55,218,164.07
MORGAN, JP., SECURITIES INC	14,802,390.81	12,313.00	384,263,336.10	5,030,468.75
NATIONAL CITY	309,440.00	775.54		
NATIONAL CITY DILLION + WALDR	1,744,118.00	4,371.22		
NATIONSBANC CAPITAL MARKETS INC	1,305,734.00	-	57,833,470.00	4,009,375.00
NATWEST SECS LTD INC WOOD MACK	63,463,240.02	218,607.67		
NATWEST SECS NEW YORK	2,112,268.29	-		
NATWEST SECURITIES	3,920,452.00	6,349.00		
NEEDHAM + COMP	1,991,787.00	65.39		
NESBITT BURNS	112,000.00	-	4,978,125.00	
NEUBERGER + BERMAN	510,563.00	1,020.00		
NIKKO EUROPE (NIKE) PLC	231,445.00	3,639.84	838,807.87	
NIKKO EUROPE PIC	956,053.00	1,088.16		
NIKKO SECURITIES	437,770.00	1,103.17		
NIKKO SECURITIES CO INTL	8,922,337.00	18,017.95		
NIKKO SECURITIES TOKYO JAPAN	8,110,734.00	29,050.43		
NOMURA BANK	9,250,667.00	3,063.12		
NOMURA GILTS LTD	107,561.00	1,143.23		
NOMURA INTERNATIONAL (HONG KONG)	74,401.00	248.97		
NOMURA INTERNATIONAL PLC	65,103,365.00	501,277.75		
NOMURA INTL LONDON-SECS LENDING	11,422.00	48.75		
NOMURA LONDON	1,153,519.00	4,600.34		
NOMURA SEC INTL INC	95,868.00	-		
NOMURA SECURITIES CO	796,323.00	-	1,244,788.60	
NOMURA SECURITIES CO	4,125,320.85	31,639.43		
NOMURA SECURITIES INTL	168,584,848.00	47,795.88		
NUTMEG SECURITIES CORP	206,756.00	162.00		
OCBC SECURITIES ASSET MGT LTD	1,894,374.00	12,292.62		
OCBC SECURITIES PTE LTD	5,007.00	37.90		
OKASAN SECURITIES CO., LTD	12,027.00	67.24		
O'NEIL, WILLIAM AND CO.	636,475.00	160.00		
OPPENHEIMER + CO., INC	9,023,062.00	45,480.00	7,044,531.25	
ORD MINNETT GROUP LIMITED	10,779,403.00	42,926.74		
ORD MINNETT SECURITIES, MELBOU	34,768,782.00	49,305.18		
ORD MINNETT, INC (CLRS THRU 44	2,954,851.00	11,776.47		
PAINE WEBBER INC	1,395,762.00	3,980.00		
PAINE WEBBER INC CMO CLEARANCE	79,600.00	-	123,607,839.69	
PAINE WEBBER INCORPORATED	49,168,243.00	32,617.00	49,579,467.86	
PARIBAS CORP	5,315,788.00	34,642.00		
PARIBAS LTD CAP MKTS GROUP LDN	354,106.00	1,065.52		
PCS SECURITIES	4,868,834.00	3,905.00		

Broker Equity Volume and Equity Commissions Paid
For the Fiscal Year ended June 30, 1997

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
PDFM LIMITED	2,593,972.00	3,071.95		
PEREGRINE BROKERAGE LTD	1,354,572.00	4,573.52		
PEREGRINE SECS	2,877,886.00	5,511.57		
PEREGRINE SECURITIES SINGAPORE	535,000.00	4,345.25		
PERIERE TOD LIMITED	401,862.00	1,405.15		
PHATRA THANAKIT PUBLIC COMPANY	6,914.00	34.75		
PHILEO ALLIED SECURITIES	117,397.00	234.33		
PICTET & CIE	2,400,693.00	-		
POSIT	52,429.00	362.00		
PRUDENTIAL FUND CORP	5,200.00	-	9,590.40	
PRUDENTIAL SECURITIES INC	28,428,936.00	24,533.00	146,849,885.77	
RASHID HUSSAIN MALAYSIA	4,264,660.00	21,394.28		
RASHID HUSSAIN SEC (SINGAPORE)	180,591.00	903.84		
RASHID HUSSAIN SECURITIES SDN	4,373,968.00	22,022.14		
RAUSCHER PIERCE REFSNES	2,081,423.00	1,480.00		
RAYMOND JAMES AND ASSOCIATES	4,841,525.00	2,467.00		
REYNDERS, GRAY + CO.	388,087.00	645.00		
RHB CATHAY SECS PTY	284,636.00	1,415.99		
ROBERT FLEMING SEC LTD	2,693,055.00	-		
ROBERT FLEMING SECURITIES LIM	1,614,243.72	2,221.38		
ROBERT W BAIRD & CO INC	5,633,855.00	2,741.00		
ROBERTSON, STEPHENS AND CO.	17,910,320.06	1,715.00		
ROWAK (F. E.) LTD.	15,848,563.00	47,688.76		
S.G. WARBURG SECURITIES LONDON	10,904,659.00	56,254.98		
SAL OPPENHEIM JR	836,751.00	-		
SAL OPPENHEIM EET CIE	1,118,863.00	-		
SALOMON BROTHERS	20,700.00	4,715.00		
SALOMON BROTHERS ASIA LTD	48,657.00	209.20		
SALOMON BROTHERS INC	48,919,091.00	43,491.83	2,647,903,351.62	413,709,905.00
SALOMON BROTHERS INTERNATIONAL	1,138,729.00	1,240.52	14,373,454.01	
SBC WARBURG	20,150,978.00	1,785.00		
SBC WARBURG ASIA LTD	1,699,575.00	2,965.02		
SBC WARBURG INC	4,710,831.00	6,932.10		
SBC WARBURG LONDON	17,550,193.17	61,973.62		
SCHRODER SECURITIES JAPAN LTD	42,403.48	350.23		
SCHRODER SECURITIES LTD	3,981,077.00	20,595.04		
SEATTLE NORTHWEST	-	-		45,501,117.34
SFC EQUITIES INC	-	-		
SG WARBURG SECURITIES	2,976,059.00	5,018.56		
SKANDINAVISKA ENSKILDA BANK	1,876,047.56	503.88		
SMITH BARNEY	9,800.00	-		
SMITH BARNEY HARRIS	13,038.00	53.93		
SMITH BARNEY INC.	49,036,340.72	24,406.00	49,197,964.47	6,788,093.13
SMITH BARNEY SHEARSON INC	-	-	31,673,741.29	58,558,240.00
SOC GEN-CROSBY SECS HK LTD	14,322,412.00	35,658.76		
SOC GEN-CROSBY SECS INC	360,977.00	2,002.32		
SOC GEN-CROSBY SINGAPORE	787,268.00	1,960.08		
SOCIETE GENERALE	2,481,785.00	-		
SOCIETE GENERALE EQUITIES INTL	7,526,450.00	4,919.09		
SOCIETE GENERALE SECURITIES	2,370,110.00	1,532.20		
SOUNDVIEW FINANCIAL GROUP	6,004,844.00	3,083.00		
SOUTHWESTSECURITIES	65,800.00	-	1,581,376.51	
SPEAR, LEEDS & KELLOGG	86,560.00	222.00		

Broker Equity Volume and Equity Commissions Paid

For the Fiscal Year ended June 30, 1997

Broker Name	EQUITY		FIXED INCOME	
	Volume	Commissions	Long-Term	Short-Term
SSANG YONG INV + SEC KOREA	6,526,288.00	31,299.23		
SSANGYONG INVESTMENT AND SECUR	4,186,942.00	18,760.44		
STANDARD + POORS SECURITIES	381,476.00	815.00		
STANDARDS AND POORS	16,300.00	210.00		
STIFEL NICOLAUS & CO.	903,988.00	1,575.00		
SWEDBANK	998,159.00	2,501.66		
TA SECURITIES SDN BHD	3,028,528.00	19,031.23		
THE CHICAGO CORPORATION	21,430,487.76	23,072.00		
THEODORE GILISSEN	3,538,646.60	8,108.63		
TIEDEMANN INTL RESEARCH LTD HO	5,005,335.00	12,461.87		
TIEDEMANN INTL RESEARCH SECS	198,352.00	493.84		
TIR SECURITIES INC	4,794,032.00	13,508.05		
TOKAI MARUMAN SECS	80,912.00	518.93		
TOWA INTL LTD JAPAN	12,594.00	69.85		
TUCKER, ANTHONY, + R.L. DAY	8,495,320.35	6,765.00		
UBS LIMITED	1,297,714.00	740.55		
UBS PHILIPS & DREW	8,623,252.00	-		
UBS PHILLIPS + DREW FUND MGMT	12,489,181.00	309.94		
UBS PHILLIPS + DREW SECS LTD LONDON	35,611,067.00	138,356.28	6,661,725.29	
UBS SECURITIES	112,800.00	5,640.00		
UBS SECURITIES (HONG KONG) LTD	11,113,920.00	71,147.87		
UBS SECURITIES EAST ASIA LTD	404,397.00	3,008.32		
UBS SECURITIES, INC.	22,282,594.00	92,314.30	269,124,312.30	32,572,883.00
VICKERS BALLAS + CO SPORE	1,070,199.00	6,944.84		
VONTOBEL	586,676.00	1,228.34		
W. I. CARR (FAR EAST) LONDON	43,908.00	326.70		
W. I. CARR (FAR EAST) LTD, HONG	2,618,834.00	13,761.90		
W. I. CARR (UK) LTD, LONDON	106,846.00	537.40		
W.I. CARR	1,983,115.00	8,909.23		
WAGNER STOTT & CO	362,141.00	-		
WAKO INTL EUROPE LTD	509,236.00	2,065.98		
WAKO SECURITIES	1,219,201.00	10,904.76		
WAKO SECURITIES CO LTD	4,705,556.00	25,432.80		
WAKO, TOKYO	773,410.00	1,986.05		
WARBURG SECURITIES	5,338,147.00	2,106.55		
WARBURG, HAMBURG	728,142.18	1,606.74		
WARBURG,SG, + COMPANY	905,725.00	1,994.55		
WEEDEN + CO.	16,455,025.00	25,894.45		
WELLS FARGO INVESTMENT ADVISORS	1,533,284,819.00	-	223,521,070.55	55,090,315.00
WERTHEIM + CO INC	954,877.00	1,665.00		
WESSELS, ARNOLD, AND HENDERSON	28,278,156.00	402.00		
WHEAT, FIRST SECURITIES	6,958,336.00	6,326.00		
WILLIAM BLAIR & CO.	133,100.00	1,035.00		
WILSHIRE ASSOCIATES	33,003,829.00	56,240.00		
WISE SPEKE LTD.	1,499,477.00	3,004.97		
YAMAICHI INTERNATIONAL	301,575.00	2,246.82		
YAMAICHI SECURITIES CO., LTD	1,598,435.00	2,335.79		
	5,264,716,873.45	6,447,699.23	32,331,012,255.30	1,300,080,366.90



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