



Louisiana State Employees' Retirement System
A Component Unit of the State of Louisiana

Comprehensive Annual Financial Report
Fiscal Year Ended June 30, 1999



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Prepared by LASERS Staff

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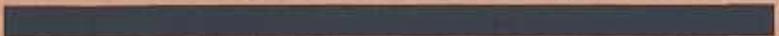
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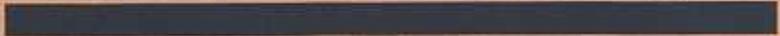
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INTRODUCTORY SECTION



LASERS is a public trust fund created to provide retirement allowances and other benefits for state officers and employees and their beneficiaries. As of June 1999, LASERS had a total of 124,703 active and retired members. Funding for the System comes from three primary sources: employee contributions, employer contributions, and earnings from investments.

Major Initiatives

LASERS has embarked on a comprehensive long-term strategic plan for Investments that seeks to enhance its competitive position relative to other state retirement systems. This plan includes a review of LASERS asset allocation and implementation strategies within each asset class. Another key component of the plan is the reduction of investment management fees and brokerage transaction costs as well as enhancing internal controls. This plan will likely lead to increased use of low cost passive investment strategies that reduce the volatility of actual returns with respect to LASERS' target returns. LASERS is taking advantage of its existing resources to manage some of the passive strategies internally, resulting in further cost savings and efficiencies. The ultimate goal is to position LASERS as a low cost provider that delivers investment returns superior to most state retirement systems with greater regularity.

LASERS is also in the process of building a new membership accounting and processing system to be fully interfaced with, and supplemental to, our current state-of-the-art financial accounting system. Simultaneously, the current membership system is being updated to be year 2000 compliant.

Certificate of Achievement

The Government Financial Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Louisiana State Employees' Retirement System for its comprehensive annual financial report (CAFR) for the fiscal year ended June 30, 1998. This was the second consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principals and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Additions to Plan Net Assets

The collection of employee and employer contributions, as well as income from investments, provided the reserves needed to finance retirement benefits and move the System closer to becoming a fully funded System as actuarially defined. The following table reflects the System's income during the year.

Contribution Type	1999	1998	Inc/(Dec) Amount	Inc/(Dec) Percentage
Member Contributions	\$135,479,230	\$129,724,456	\$ 5,754,774	4.4 %
Employer Contributions	218,929,941	219,680,934	(750,993)	(0.3)%
Net Investment (less mgmt fees)	470,204,749	605,216,464	(135,011,715)	(22.3)%
Other Income	<u>9,175,049</u>	<u>10,177,305</u>	<u>(1,002,256)</u>	(9.8)%
Total	\$ 833,788,969	\$ 964,799,159	\$ (131,010,190)	(13.6)%

Member contributions increased \$5,754,774 (4.4 percent) in 1999 when compared to 1998 primarily due to salary increases. Employer contributions decreased \$750,993 (.3%) during 1999 due to a reduction in the contribution rate from 13.0 percent in 1998 to 12.4 percent in 1999. The decrease in employer contributions was not as significant as the change in rates suggest due to salary increases. Net investment income decrease of 22.3% is due primarily to reduced unrealized income caused by market fluctuations.

Deduction to Plan Net Assets

The primary purpose of the System is to provide benefits to its members at time of retirement and to their beneficiaries or survivors as well as benefits for permanently disabled members and their beneficiaries. The cost of such programs includes recurring benefit payments as designated by the plan, refund of contributions to terminated employees (including transfers to other retirement systems), and the cost of administering the System. The following table reflects the funds disbursed by the System during the year.

Disbursement Type	1999	1998	Increase Amount	Increase Percentage
Benefits	\$ 397,966,405	\$ 359,625,826	\$ 38,340,579	10.7%
Refunds	31,851,567	32,156,373	(304,806)	(.9)%
Admin/Other	<u>8,789,890</u>	<u>9,205,446</u>	<u>(415,556)</u>	(4.5)%
Total	\$ 438,607,862	\$ 400,987,645	\$ 37,620,217	9.4%

Expenses increased \$37,620,217 or 9.4 percent due entirely to increased benefits paid out. The cause for the increase in benefit payments are 1) increase in number of retirees 2) increase in average benefit payment including the implementation of a Cost of Living Allowance (COLA), and 3) increased Drop benefits.

Investments

The investments of the Louisiana State Employees' Retirement System (the "System") are governed by the Statement of Investment Objectives, Rules and Guidelines for the Investment Assets of the Louisiana State Employees' Retirement System (the "Statement"). The Statement requires the System to invest the assets solely in the interest of the participants and their beneficiaries, and in accordance with Louisiana Revised Statutes. Additionally, the investment objective shall be to preserve and enhance the System's principal over the long term, in both real and nominal terms. The Board of Trustees of the System and its investment advisors shall exercise judgment and care under the circumstances prevailing, which an institutional investor of ordinary prudence, discretion and intelligence exercises in their management of large investments.

In accordance with the Statement, the System has set a total return target consistent with prudent investment management. LASERS' target rate of return is 9.25%, which is composed of the actuarial target funding rate of 8.25%, and a buffer to cover expenses. The target asset allocation as of June 30, 1999, was 54% equities, 40% fixed income, and 6% capital markets. The allocation is expected to achieve a 9.25% total rate of return with the least possible amount of risk. The total market rate of return for the fiscal year 1999 was 8.7%. The System's annualized market rate of return over the prior three years was 12.9% and 13.8% over the prior five years.

Acknowledgments

The compilation of this report is the combined effort of the System's staff with input from various divisions under the leadership of the Executive Director. It is intended to provide complete and reliable information as to the current status of the System, provide management information with which to make decisions, and to inform all members and interested parties.

Respectfully Submitted,



Glenda T. Chambers
Executive Director



Robert L. Borden, CFA
Chief Investment Officer



Wade H. Adams, CPA
Accounting Administrator

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Louisiana State Employees' Retirement System

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
June 30, 1998

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



Cary Brueck
President

Jeffrey L. Esser
Executive Director

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Domestic Equity Managers

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JMC Capital
Loomis, Sayles & Company
Miller, Anderson & Sherrerd
State Street Global Advisors
Thomson, Horstmann & Bryant
Trust Company of the West

Private Markets

Brinson Partners
Halcyon
HarbourVest Direct
HarbourVest Partnership
Pacific Corporate Group, Inc.

Tactical Asset Allocation Manager

INVESCO Capital Management

International Emerging Market

Schroder Emerging Market

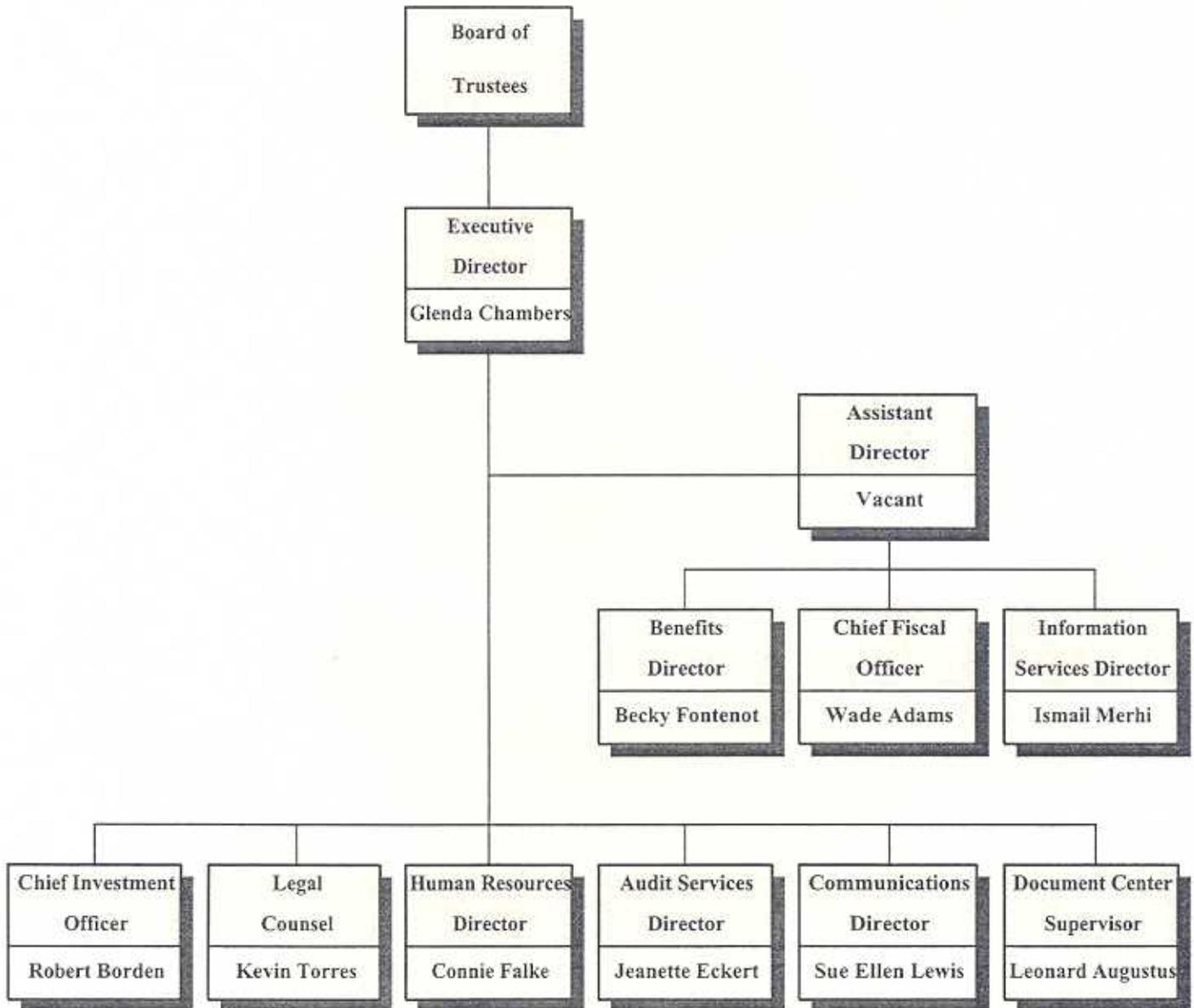
Custodian Bank

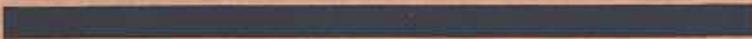
State Street Bank & Trust Company

A listing of investment managers with return rates are shown on pages 79 through 81 in the Investment Section.

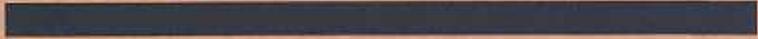
LASERS

Organizational Chart





FINANCIAL SECTION





Postlethwaite & Netterville
A Professional Accounting Corporation

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INDEPENDENT AUDITORS' REPORT

To the Board of Trustees
 Louisiana State Employees' Retirement System
 Baton Rouge, Louisiana

We have audited the accompanying general-purpose financial statements of the Louisiana State Employees' Retirement System (LASERS), a component unit of the State of Louisiana, as of and for the years ended June 30, 1999 and 1998, as listed in the table of contents. These general-purpose financial statements are the responsibility of LASERS' management. Our responsibility is to express an opinion on these general-purpose financial statements based on our audits.

We conducted our audits in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the general-purpose financial statements referred to above present fairly, in all material respects, information regarding the Plan's net assets as of June 30, 1999 and 1998, and the changes therein for the years then ended in conformity with generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated September 12, 1999, on our consideration of LASERS' internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, and contracts.

Postlethwaite & Netterville

Baton Rouge, Louisiana
 September 12, 1999





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**REPORT ON COMPLIANCE AND ON INTERNAL CONTROL OVER FINANCIAL
 REPORTING BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED
 IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS**

To the Board of Trustees
 Louisiana State Employees' Retirement System
 Baton Rouge, Louisiana

We have audited the general-purpose financial statements of Louisiana State Employees' Retirement System (LASERS), a component unit of the State of Louisiana, as of and for the year ended June 30, 1999, and have issued our report thereon dated September 12, 1999. We conducted our audit in accordance with generally accepted auditing standards and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Compliance

As part of obtaining reasonable assurance about whether LASERS' financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, and contracts, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered LASERS' internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level of risk that misstatements in amounts that would be material in relation to the financial statements being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over financial reporting and its operation that we consider to be material weaknesses. However, we noted other matters involving the internal control over financial reporting that we have reported to management of LASERS in a separate letter dated September 12, 1999.

This report is intended for the information of the Board of Trustees, management and the Legislative Auditor of the State of Louisiana and is not intended to be and should not be used by anyone other than these specified parties.

Postlethwaite & Netterville

Baton Rouge, Louisiana
 September 12, 1999



GENERAL PURPOSE FINANCIAL STATEMENTS
JUNE 30, 1999, AND 1998

Louisiana State Employees' Retirement System

**STATEMENT OF PLAN NET ASSETS
JUNE 30, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
ASSETS		
Cash and cash equivalents (at fair value)	\$ 33,613,748	\$ 30,332,484
Receivables:		
Employer contributions	16,246,444	17,254,232
Member contributions	10,055,069	10,190,069
Interest and dividends	36,759,025	36,490,591
Investment proceeds	78,061,317	26,110,251
Open investment contracts	166,183,868	177,039,592
Other	1,740,666	2,854,399
Total receivables	<u>309,046,389</u>	<u>269,939,134</u>
Investments (at fair value):		
Short-term investments - Domestic	53,850,549	22,522,764
Short-term investments - International	27,682,128	28,601,472
U. S. Government obligations	723,487,323	758,622,140
Bonds/Fixed Income - Domestic	786,967,309	774,756,436
Bonds/Fixed Income - International	493,529,244	432,970,518
Equity securities - Domestic	2,586,739,268	2,406,345,625
Commingled equity trust - Domestic	115,176,657	48,008,824
Equity securities - International	975,864,702	886,617,386
Real estate investments	67,281,259	98,519,463
Alternative Investments	117,148,756	64,347,425
Total investments	<u>5,947,727,195</u>	<u>5,521,312,053</u>
Property and equipment:		
Land	889,816	889,816
Building and improvements	4,874,328	4,839,405
Equipment	7,314,400	9,496,701
	<u>13,078,544</u>	<u>15,225,922</u>
Accumulated depreciation	(6,131,322)	(5,418,444)
Total property and equipment	<u>6,947,222</u>	<u>9,807,478</u>
TOTAL ASSETS	<u>6,297,334,554</u>	<u>5,831,391,149</u>
LIABILITIES		
Investment commitments payable	118,313,904	31,193,251
Accounts payable - open investment contracts	166,183,868	177,039,592
Accounts payable and other accrued liabilities	9,248,047	14,750,678
TOTAL LIABILITIES	<u>293,745,819</u>	<u>222,983,521</u>
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS	<u>\$ 6,003,588,735</u>	<u>\$ 5,608,407,628</u>
(A schedule of funding progress is presented on page 36)		

The accompanying notes are an integral part of these statements.

**STATEMENT OF CHANGES IN PLAN NET ASSETS
FOR THE YEARS ENDED JUNE 30, 1999 AND 1998**

	<u>1999</u>	<u>1998</u>
ADDITIONS		
Contributions:		
Employer contributions	\$ 218,929,941	\$ 219,680,934
Member contributions	135,479,230	129,724,456
Total contributions	<u>354,409,171</u>	<u>349,405,390</u>
Investment Income:		
Net appreciation in fair value of investments	288,197,600	416,577,203
Interest and dividends	195,863,544	202,065,626
Other investment income	2,215,401	3,736,407
	<u>486,276,545</u>	<u>622,379,236</u>
Less investment expense	<u>16,071,796</u>	<u>17,162,772</u>
Net investment income	<u>470,204,749</u>	<u>605,216,464</u>
Other income	<u>9,175,049</u>	<u>10,177,305</u>
Total additions	<u>833,788,969</u>	<u>964,799,159</u>
DEDUCTIONS		
Retirement benefits	397,966,405	359,625,826
Refunds of member contributions	31,851,567	32,156,373
Administrative expenses	6,011,305	6,703,504
Other	2,778,585	2,501,942
Total deductions	<u>438,607,862</u>	<u>400,987,645</u>
NET INCREASE	395,181,107	563,811,514
NET ASSETS HELD IN TRUST FOR PENSION BENEFITS		
Beginning of year	<u>5,608,407,628</u>	<u>5,044,596,114</u>
End of year	<u>\$ 6,003,588,735</u>	<u>\$ 5,608,407,628</u>

The accompanying notes are an integral part of these statements.

NOTES TO FINANCIAL STATEMENTS**A. PLAN DESCRIPTION**General Organization

The Louisiana State Employees' Retirement System ("LASERS" or the "System") is the administrator of a single-employer defined benefit pension plan and is a component unit of the State of Louisiana included in the state's CAFR as a pension trust fund. The System was established and provided for within Title 11 Chapter 401 of the Louisiana Revised Statutes (LRS).

In June 1991, the Governmental Accounting Standards Board issued Statement No. 14, *The Financial Reporting Entity*. The definition of the reporting entity is based primarily on the notion of financial accountability. In determining financial accountability for legally separate organizations, the System considered whether its officials appoint a voting majority of an organization's governing body and whether they are able to impose their will on that organization or if there is a potential for the organization to provide specific financial burdens to or to impose specific financial burdens on the System. The System also determined whether there are organizations that are fiscally dependent on it. It was determined that there are no component units of the System.

Plan Membership

The System is one of several public retirement systems in Louisiana. Each has specific membership requirements established by legislation with LASERS established for state officers and employees and their beneficiaries. Other public employers report members who retained membership in LASERS upon transfer to other public systems or as provided by specific legislation. A summary of government employers and members participating in LASERS at June 30, 1999 and 1998, follows:

<u>Type of Employer</u>	<u>1999</u>		<u>1998</u>	
	<u>Number of Employers</u>	<u>Number of Members</u>	<u>Number of Employers</u>	<u>Number of Members</u>
State Agencies	251	67,501	250	69,778
Other Public Employers	125	179	127	171
	<u>376</u>	<u>67,680</u>	<u>377</u>	<u>69,949</u>

Type of Active Members

Regular State Employees	60,807	62,993
Corrections Employees	5,493	5,868
Judges	316	333
Wildlife Agents	219	186
Legislators	78	84
Active Employees - After DROP	767	485
Total Active Members	<u>67,680</u>	<u>69,949</u>

NOTES TO FINANCIAL STATEMENTSA. PLAN DESCRIPTION (continued)Plan Membership (continued)

At June 30, 1999 and 1998, membership consisted of:

	<u>1999</u>	<u>1998</u>
Retirees and beneficiaries currently receiving benefits	29,283	28,326
Terminated vested employees not yet receiving benefits	1,027	1,094
Deferred retirement option plan participants	2,316	2,766
Terminated non-vested employees who have not withdrawn contributions	24,397	23,451
Current active members	<u>67,680</u>	<u>69,949</u>
	<u>124,703</u>	<u>125,586</u>

Eligibility Requirements

All state employees except certain classes of employees specifically excluded by Statute become members of the System as a condition of employment unless they elect to continue as a contributing member in any other retirement system for which they remain eligible for membership. Certain elected officials and officials appointed by the governor may, at their option, become members of LASERS.

Retirement and Other BenefitsRetirement

The age and years of creditable service required in order for a member to retire with full benefits are established by Statute and vary depending on the member's employer and job classification. The substantial majority of members may retire with full benefits at ages ranging from any age upon completing thirty years of creditable service, to age sixty upon completing ten years of creditable service. Additionally, members may choose to retire with 20 years of service at any age, with an actuarially reduced benefit.

The basic annual retirement benefit for substantially all members is equal to 2-1/2% of average compensation multiplied by the number of years of creditable service.

Average compensation is defined as the member's average annual earned compensation for the highest thirty-six consecutive months of employment. The maximum annual retirement benefit cannot exceed the lesser of 100% of average compensation or certain specified dollar amounts of actuarially determined monetary limits which vary depending upon the member's age at retirement. Judges, court officers, and certain elected officials receive an additional annual retirement benefit equal to 1% of average compensation multiplied by the number of years of creditable service in their respective capacity. As an alternative to the basic retirement benefit, a member may elect to receive his retirement benefits under any one of four different options providing for a reduced retirement benefit payable throughout his life with certain benefits being paid to his designated beneficiary after his death.

NOTES TO FINANCIAL STATEMENTS

A. PLAN DESCRIPTION (continued)

Retirement and Other Benefits (continued)

A member leaving employment before attaining minimum retirement age but after completing certain minimum service requirements becomes eligible for a benefit provided the member lives to the minimum service retirement age and does not withdraw his accumulated contributions. The minimum service requirements for benefits vary depending upon the member's employer and service classification but generally is 10 years of service.

Deferred Benefits

The state legislature authorized the Louisiana State Employees' Retirement System to establish a Deferred Retirement Option Plan (DROP). When a member enters DROP, his status changes from active member to retiree even though he continues to work at his regular job and draws his regular salary for a period of up to three years. During the DROP participation period, the retiree's retirement benefits are paid into a special account. The election is irrevocable once participation begins. Interest at a rate of one-half percent less than the system's realized return on its portfolio will be credited after participation ends. At that time, the member must choose among available alternatives for the distribution of benefits that have accumulated in the DROP account.

Current membership in the DROP program is 2,316 members at June 30, 1999 and 2,766 at June 30, 1998.

Effective January 1, 1996, members eligible to retire and who do not choose to participate in DROP may elect to receive at the time of retirement an initial benefit option (IBO) in an amount up to 36 months of benefits, with an actuarial reduction of their future benefits. Such amount may be withdrawn or remain in the IBO account earning interest at the same rate as the DROP account.

Disability Benefits

Substantially all members with ten or more years credited service who become disabled may receive a maximum disability retirement benefit equivalent to the regular retirement formula without reduction by reason of age.

Survivor's Benefits

Certain eligible surviving dependents receive benefits based on the deceased member's compensation and their relationship to the deceased. The deceased member who was in state service at the time of death must have a minimum of five years of service credit, at least two of which were earned immediately prior to death, or who had a minimum of twenty years of service credit regardless of when earned in order for a benefit to be paid to a minor or handicapped child. Benefits are payable to an unmarried child until age eighteen, or age twenty-three if the child remains a full-time student. The aforementioned minimum service credit requirement is ten years for a surviving spouse with no minor children, and benefits are to be paid for life to the spouse or qualified handicapped child.

NOTES TO FINANCIAL STATEMENTSA. PLAN DESCRIPTION (continued)Retirement and Other Benefits (continued)Supplemental Benefit Adjustments

Current Statutes allow the Board of Trustees to make annual supplemental cost-of-living adjustments each year only when the actuary for the System and the State Legislative Auditor certify that LASERS is systematically approaching actuarial soundness and if such cost-of-living adjustments are not enacted by the legislature. The cost-of-living adjustments may not exceed more than three percent in any year. These adjustments are computed on the base retirement or survivors' benefit. Benefit increases have occurred under the Statutes in various years since 1970 and have been limited to the three percent amount. In addition, several other cost-of-living adjustments or supplemental benefit payments have occurred in the past as a result of legislation, some being paid from investment income and others being paid from funds appropriated by the state legislature. The last cost-of-living adjustment from this source was granted on September 1, 1991.

Previously, legislation was passed which established a funding mechanism for future cost-of-living adjustments for retirees. An Employee Experience Account was created to set aside a portion of net experience gain as determined by LASERS' actuary. Funds accrue in the account until such time as there are sufficient amounts to grant a cost-of-living adjustment. The balance in this account was approximately \$365,144,000 and \$255,079,000 at June 30, 1999 and 1998, respectively.

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIESBasis of Accounting

LASERS' financial statements are prepared using the accrual basis of accounting. Revenues are recognized in the accounting period in which they are earned and expenses are recognized in the period incurred. Investment purchases and sales are recorded as of their trade date. State fund appropriations for supplemental benefits are recognized when drawn from the State Treasury. Employer and member contributions are recorded in the period the related salaries are earned. Administrative expenses are funded exclusively from investment earnings and are subject to budgetary control of the Board of Trustees. Benefits and refunds are recognized when due and payable in accordance with the terms of the Plan.

Use of Estimates

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates.

NOTES TO FINANCIAL STATEMENTS

B. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Method Used to Value Investments

As required by GASB No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, investments are reported at fair value. Short-term investments are reported at market value when published prices are available, or at cost, which approximates fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. Corporate bonds are valued based on yields currently available on comparable securities from issuers of similar credit ratings. Mortgage securities are valued on the basis of estimated future principal and interest payments, and are discounted at prevailing interest rates for similar instruments. The fair value of real estate investments is based on independent appraisals. Investments that do not have an established market are reported at estimated fair value.

Pension plan investments and financial statements are subject to market fluctuations that can rapidly change the fair value on a day to day basis. Such market swings can create material changes in unrealized appreciation (depreciation) of investments. LASERS is a long-term investor whose overall investment decisions and policies are not based on daily market swings.

Property and Equipment

Land, building, equipment, and furniture are carried at historical cost. Depreciation is computed using the straight-line method based upon useful lives of 40 years for building and 3 to 15 years for equipment and furniture.

LASERS is a 50% co-owner of the Louisiana Retirement Systems building and related land with Teachers' Retirement System of Louisiana and has the following leases with organizations that are included within the State of Louisiana as reporting entities:

- Municipal Police Employees' Retirement System of Louisiana
- Ethics Commission
- Municipal Fire and Police Civil Service

Compensated Absences

The System pays a lump sum amount for a maximum of 300 hours of accrued personal leave upon termination of employment. Accumulated personal leave (including benefits) of employees directly related to the administration of the System is accrued in the financial statements when earned.

Reclassifications

Certain amounts in the 1998 financial statements have been reclassified to conform to the 1999 presentation.

NOTES TO FINANCIAL STATEMENTS

C. CONTRIBUTIONS

Member Contributions

Member contribution rates for the System are established by Louisiana Revised Statute 11:62. Member contributions are deducted from their salary and remitted to the System by participating employers. The rates in effect during the years ended June 30, 1999 and 1998, for the various types of members are as follows:

<u>Type</u>	<u>% of Earned Compensation</u>	
	<u>1999</u>	<u>1998</u>
Judges, court officers and legislators, Governor and Lt. Governor	11.5%	11.5%
Clerk of the House of Representatives and Secretary of the Senate	9.5%	9.5%
Certain Department of Corrections employees	9.0%	9.0%
Certain Department of Wildlife and Fisheries and Bridge Police employees	8.5%	8.5%
All others	7.5%	7.5%

A savings account is established for member contributions less amounts transferred to reserves for retirement and amounts refunded to terminated members. If a member leaves covered employment or dies before any benefits become payable on his behalf, the accumulated contributions may be refunded to the member or his designated beneficiary. Similarly, accumulated contributions in excess of any benefits paid to a member or his survivors are refunded to the member's beneficiary or his estate upon cessation of any survivor's benefits.

Employer Contributions

Each employer is required to contribute a percentage of each employee's earned compensation to finance participation of its employees in LASERS. The employer's contribution rate is established under Louisiana Revised Statutes 11:101-11:104 annually by the Actuarial Forecasting Committee as shown below for the years ended June 30, 1999 and 1998.

	<u>1999</u>	<u>1998</u>
Percent of members' earned compensation	12.4%	13.0%

The State's pension cost and net pension obligation to LASERS for the year ended June 30, 1999 is as follows:

Actuarial required contribution	\$226,387,848
Interest on net pension obligation	(797,808)
Adjustment to annual required contribution	<u>2,643,222</u>
Annual pension cost-interest adjusted to end of year	228,233,262
Contributions made	<u>(231,043,705)</u>
Increase (decrease) in net pension obligation	(2,810,443)
Net pension obligation beginning of year	<u>(9,670,401)</u>
Net pension obligation end of year	<u>(\$ 12,480,844)</u>

NOTES TO FINANCIAL STATEMENTS

C. CONTRIBUTIONS (continued)

Employer Contributions (continued)

The Annual Pension Cost (APC) has been adjusted with interest at the valuation rate to the end of the fiscal year in accordance with GASB's Statement No. 25.

Three-Year Trend Information

<u>Fiscal Year Ending</u>	<u>Annual Pension Cost (APC) (Value at MidYear)</u>	<u>Percentage of APC Contributed</u>	<u>Net Pension Obligation</u>
6/30/97	\$ 214,971,990	97.3	\$ 1,922,284
6/30/98	221,250,489	105.2	(9,670,401)
6/30/99	228,233,262	101.2	(12,480,844)

Transfer of Service

Any Louisiana public retirement or pension system member who has six months of creditable service and who has membership credit in any other such system has the option of transferring all of this credit to member's current system. The transferring system is required to transfer to member's current system the greater of all employee and employer contributions plus interest compounded annually at the board approved actuarial valuation rate of the transferring system or the actuarial liability. In the event that the contributions transferred are less than the contributions which would have been made had the service been in his current system, the member has the option of either paying the difference plus interest or having his credited service decreased based upon the amount of contributions transferred.

D. CASH AND INVESTMENTS

Cash and Cash Equivalents

Cash and cash equivalents include cash deposited in banks and short term repurchase agreements. This amount is insured by the Federal Deposit Insurance Corporation up to \$100,000 and is collateralized by the pledge of government securities held by the agents in the entity's name.

Investments

The investment powers of LASERS are authorized by State Statute. Title 11, Section 717 of the Louisiana Revised Statutes states that the prudent man rule shall apply to all investments of LASERS. This law specifically requires management of LASERS to exercise the judgment and care under the circumstances then prevailing that an institutional investor of ordinary prudence exercises in the management of large investments entrusted to it not in regard to speculation but in regard to the permanent disposition of funds considering probable safety of capital as well as probable income.

NOTES TO FINANCIAL STATEMENTSD. CASH AND INVESTMENTS (continued)Investments (continued)

The revised statutes also prohibit the system from investing more than 65% of its total portfolio in common stock. In addition, the Board of Trustees of LASERS has adopted certain investment policies, objectives, rules, and guidelines which are intended to protect and preserve LASERS' assets while providing an appropriate return for participants.

LASERS' assets are divided among investment managers who were given a policy statement that established a real rate of return of at least 4% per annum in excess of the rate of inflation as measured by the consumer price index. The following summarizes the types of permissible investments under such objectives, rules and guidelines as of June 30, 1999:

Short-term investments

The policy for these types of holdings are: short-term funds may be invested in direct U. S. Government obligations such as U. S. Treasury Bills which are fully collateralized by U.S. Treasury issues. Unless expressly prohibited by the Board, excess cash may be invested in the Short Term Investment Fund of the Custodian Bank or other short-term investment vehicles designated by the Board.

Funds may be invested in commercial paper subject to the following guidelines: only U. S. dollar denominated paper of domestic companies will be used, paper must be rated P-1 by Moody's or A-1 by Standard and Poor's, but no lower by either. Prior approval shall be required for use of paper rated P-2 by Moody's or A-2 by Standard and Poor's. No more than \$10 million is to be invested in commercial paper of any one issuer.

The maximum maturity for commercial paper purchased with the cash reserves of any investment advisor shall be established by each advisor. However, under no circumstances will commercial paper having a maturity of longer than 270 days be purchased without prior Board approval.

Domestic Equity Securities

Domestic equity purchases are limited to common stocks traded over the counter or on a domestic stock exchange. Uncommitted investment manager allocations may be invested for a short term in the Stock Performance Index Futures Fund, a Commingled Equity Trust of the custodian bank to maintain equity exposure with the liquidity of a money market fund. Exceptions shall be approved by the Board in advance.

Basically, investment managers are limited to any one holding not to exceed 6% at market value of their managed portfolio. One manager is allowed to go to 8%. The purchase of stocks or convertibles in foreign companies through American Depositary Receipts (ADR's), which are dollar denominated foreign securities traded on the domestic U.S. stock exchanges may be held by each domestic stock manager in proportions which each manager shall deem appropriate. Convertible bonds, convertible preferred stocks, warrants and rights may be purchased as equity substitutes so long as the common stocks underlying them meet the required equity standards aforementioned.

NOTES TO FINANCIAL STATEMENTS**D. CASH AND INVESTMENTS** (continued)Domestic Debt Securities

Domestic fixed income investments may include U.S. Government and Federal Agency obligations, corporate bonds, debentures, commercial paper, certificates of deposit, Yankee bonds, mortgage backed securities and other instruments deemed prudent by the investment managers. No more than 6% of the market value of LASERS' domestic fixed income assets may be invested in the debt securities of any one issuer, except two managers can invest up to 8% of their portfolios. None of the above limitations on issues and issuers shall apply to obligations of U.S. Government and Federal Agencies as defined in the most current issue of Moody's Bond Record.

International Investments

As part of its normal asset allocation for equity and fixed income securities, the System may invest a portion of its equity and fixed income allocation in international securities. International investments shall only be entered into through the selection of a qualified investment management organization as consistent with fiduciary responsibilities. An international manager employing an active currency management program may, upon specific authorization of the Board, deal in futures and options within the discipline of that currency management program.

No one holding in an international equity portfolio shall account for more than 6% of the portfolio at market value or more than 5% of the outstanding common stock of any one corporation.

The global bond portfolio may hold no more than 30% of its assets, at fair value, in the debt securities of any single foreign government or government entity. No single non-government debt security shall constitute more than 6% of the global bond portfolio at market value.

Real Estate

Investments in real estate shall be limited to an initial investment value at market value of not more than 2% of total fund assets. Real estate investments are limited to a direct investment in the property located at the intersection of Essen Lane and United Plaza Boulevard in Baton Rouge, Louisiana, investments in commingled real estate pools (both open and closed end) or real estate investment trusts (REITS), and separately managed accounts.

The Board specifically authorizes the purchase of real estate related debt securities as a portion of the debt securities portfolio to include securities issued by FNMA, FHLMC, and GNMA. Purchases other than those guaranteed by federal agencies cited above must be rated AAA by Standard and Poor's or AAA by Moody's. Reserves for future real estate investments may be held in large capitalization U. S. equities, subject to the 65% limit on all equity investments.

Real estate investments consist of separate investments in commingled funds that develop and own commercial real estate in various metropolitan areas of the U.S. Income from these investments will consist of changes in market values of the underlying properties, lease income and capital gains.

NOTES TO FINANCIAL STATEMENTS**D. CASH AND INVESTMENTS** (continued)Options

The system may employ an options management service with the objective of providing volatility protection on equity investments and an enhanced rate of return over time.

Alternative Investments

Investments in Alternative Investments, including limited partnership agreements, private capital markets, venture capital and mezzanine debt, shall be limited to an initial investment value at market value of no more than 6% of total fund assets. Reserves for future Alternative Investments may be held in large capitalization U. S. equities, subject to the 65% limit on all equity investments.

Other

Any type of investment other than detailed previously shall be made only after specific guidelines are established by the Board of Trustees.

Derivatives

LASERS invests in various mortgage-backed securities such as interest-only strips and principal-only strips. LASERS invests in interest-only strips, in part to maximize yields and in part to hedge against a rise in interest rates. These securities are based on cash flows from interest payments on underlying mortgages. Therefore, they are sensitive to pre-payment by mortgagees, which may result from a decline in interest rates. For example, if interest rates decline and homeowners refinance mortgages, thereby pre-paying the mortgage underlying these securities, the cash flows from interest payments are reduced and the value of these securities declines. Conversely, if homeowners pay on mortgages longer than anticipated, the cash flows are greater and the return on the investment would be higher than anticipated.

LASERS invests in principal-only strips, in part to maximize yields and in part to hedge against a decline in interest rates. These securities are based on cash flows from principal payments on underlying mortgages. Therefore, they are sensitive to a rise in interest rates which cause the collection of principal payments to be extended longer than anticipated. Conversely, if interest rates decline and homeowners refinance mortgages, thereby pre-paying the mortgages underlying these securities, the principal payments would be earlier than anticipated.

LASERS enters into contractual commitments involving financial instruments with off-balance-sheet risk. These financial instruments include forward contracts, futures contracts and options contracts and are entered into to hedge against foreign exchange rate risk.

Forward and futures contracts are for the delayed delivery of securities and/or currencies in which the seller agrees to make delivery at a specified future date at a specified price or yield for cash. Risks arise from the possible inability of counterparties to meet the terms of contracts and from movements in market values and interest rates.

NOTES TO FINANCIAL STATEMENTSD. CASH AND INVESTMENTS (continued)Derivatives (continued)

Options are contracts that allow the holder to purchase or sell financial instruments for cash at a specified price at or within a specified period of time. Options bear the risk of an unfavorable change in the price of financial instruments underlying the option and the risk that a counterparty is unable to perform in accordance with the terms of the option.

General

All investments of the System are registered in the System's name, or held by the custodial bank or its intermediaries in the System's name. The System's investments at June 30, 1999 and 1998, are categorized herein following to give an indication of the level of risk assumed by the entity. Category 1 includes investments that are insured or registered or for which the securities are held by the System or its agent in the System's name. Category 2 includes uninsured and unregistered investments for which the securities are held by the counterparty's trust department or agent in the System's name. Category 3 includes uninsured and unregistered investments for which the securities are held by the counterparty or its trust department or agent but not in the System's name. The categorization for the investments held at June 30, 1998, was the same as that shown herein following for investments held at June 30, 1999.

	<u>Category</u>			<u>Carrying</u>	<u>Carrying</u>
	<u>1</u>	<u>2</u>	<u>3</u>	<u>Amount</u> <u>(Fair Value)</u>	<u>Amount</u> <u>(Fair Value)</u>
				<u>6/30/99</u>	<u>6/30/98</u>
Short-term Investments	\$ 27,682,128	-	-	\$ 27,682,128	\$ 28,601,472
Bonds/Fixed Income - Domestic	786,967,309	-	-	786,967,309	774,756,436
U.S. Treasury Bonds	34,191,372	-	-	34,191,372	58,552,461
U.S. Government Agency Bonds	538,763,961	-	-	538,763,961	511,787,578
Bonds/Fixed Income - International	493,529,244	-	-	493,529,244	432,970,518
U.S. Treasury Notes	150,531,990	-	-	150,531,990	188,282,101
Equity Securities - Domestic	2,586,739,268	-	-	2,586,739,268	2,406,345,625
Equity Securities - International	975,864,702	-	-	975,864,702	886,617,386
Total categorized	\$5,594,269,974	-	-	5,594,269,974	5,287,913,577
Short-term Investment Pool				53,850,549	22,522,764
Commingled Equity Trust - Domestic				115,176,657	48,008,824
Real Estate Investments				67,281,259	98,519,463
Alternative Investments				117,148,756	64,347,425
Total Investments				\$ 5,947,727,195	\$5,521,312,053

NOTES TO FINANCIAL STATEMENTS**D. CASH AND INVESTMENTS** (continued)Investments (continued)

In addition to publicly traded equities, LASERS has entered into limited partnership agreements with different strategies that invest in real estate properties, domestic private equity, international private equity, and mezzanine debt. By making these investments, LASERS is seeking to attain investment returns of at least 13%. The total commitments were \$441,000,564 and \$234,000,564 as of June 30, 1999 and 1998, respectively. The total amount funded as of June 30, 1999 and 1998, on a cost basis was \$97,812,453 and \$52,190,243, respectively.

The System is also authorized by policy to contractually loan securities to investment brokers. The contract for a security loan provides that LASERS loan specific securities from its holdings to the broker in return for collateral. Securities under loan are maintained on the System's financial records and are classified in the preceding summary of investment risk. As the System does not have the ability to trade or sell the collateral received in the securities lending program, such collateral is not considered an asset of the System and a corresponding liability is not required on the Statements of Net Plan Assets. (See Note E).

The System has no investments of any single organization (other than those issued or guaranteed by the U. S. Government) that represents five percent or more of the System's net plan assets, nor does the System hold more than five percent of any corporation's stock.

During fiscal years 1999 and 1998, the System's investments (including investments bought, sold, as well as held during the year) appreciated (depreciated) in value by \$288,197,600 and \$416,577,203, respectively.

This appreciation includes the following:

	<u>1999</u>	<u>1998</u>
Increase (decrease) in fair value of investments held at year end	(\$ 91,395,071)	\$ 140,470,846
Realized gains on investments including currency sold during the year	379,592,671	276,106,357
	<u>\$ 288,197,600</u>	<u>\$ 416,577,203</u>

Realized gains includes all sales of investment assets during the year measured between the sales proceeds and the purchase cost or amortized cost of the investment asset sold and is independent of the calculation for investments held at year end. Unrealized gains and losses in investments sold in current year that had been held for more than one year was included in the net appreciation (depreciation) reported in the prior year(s) and the current year.

NOTES TO FINANCIAL STATEMENTS**E. SECURITIES LENDING PROGRAM**

State statutes do not prohibit the System from participating in securities lending transactions, and the System has, pursuant to a Securities Lending Authorization Agreement, authorized State Street Bank and Trust Company ("State Street") to act as agent in lending the System's securities to broker-dealers and banks pursuant to a form of loan agreement. All investment assets are available for lending.

During the Fiscal Years, State Street lent, on behalf of the System, certain securities held by State Street as custodian and received cash (both United States and foreign currency), securities issued or guaranteed by the United States government, sovereign debt and irrevocable bank letters of credit as collateral. State Street did not have the ability to pledge or sell collateral securities absent a borrower default. Borrowers were required to deliver collateral for each loan equal to: (i) in the case of loaned securities denominated in United States dollars or whose primary trading market was located in the United States or sovereign debt issued by foreign governments, 102% of the market value of the loaned securities; and (ii) in the case of loaned securities not denominated in United States dollars or whose primary trading market was not located in the United States, 105% of the market value of the loaned securities.

The System did not impose any restrictions during the Fiscal Years on the amount of the loans that State Street made on its behalf and State Street indemnified the System by agreeing to purchase replacement securities, or return cash collateral in the event a borrower failed to return a loaned security or pay distributions thereon. There were no such failures by any borrower to return loaned securities or pay distributions thereon during the Fiscal Years. Moreover, there were no losses during the Fiscal Years resulting from a default of the borrowers or State Street.

During the Fiscal Years, the System and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received on each loan was invested by the custodian, at its sole discretion, together with the cash collateral of other qualified tax-exempt plan lenders, in a collective investment pool managed by the custodian. Income from the cash invested is allocated among the borrower, custodian bank, and the System per contractual arrangement. No direct costs are incurred by the System. The average duration of such investment pool as of June 30, 1999 was 76 days. Because the loans were terminable at will, their duration did not generally match the duration of the investments made with cash collateral. On June 30, 1999, the System had no credit risk exposure to borrowers. The collateral held and the market value of securities on loan for the System as of June 30, 1999 were approximately \$561,138,458 and \$500,630,041, respectively. Market value of securities, by type, lent as of June 30, 1999, were Government and Agency securities of \$148,302,818; Domestic equities of \$163,413,338; Domestic fixed income of \$20,688,763; International equities of \$123,378,606 and International fixed income of \$44,846,516.

The assets received as collateral on securities lending transactions are not available for the System or its agent to pledge or sell unless the borrower defaults. Therefore, per GASB 28, Paragraph 7, neither assets nor liabilities are reported on the Statements of Plan Net Assets.

NOTES TO FINANCIAL STATEMENTS

F. OPEN INVESTMENT CONTRACTS

Open investment contracts include forwards and future contracts for the delayed delivery of currencies at a future date. The amounts that clear within the same broker/banks and consist of the same currency are offset. The receivables and payables include the same currencies clearing through different brokers/banks and LASERS has no right of offset. The System expects no significant loss or gain from these transactions.

G. REQUIRED SUPPLEMENTARY INFORMATION

In accordance with GASB No. 25, required supplementary information can be found in the attached schedules.

REQUIRED SUPPLEMENTARY INFORMATION



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INDEPENDENT AUDITORS' REPORT
ON SUPPLEMENTAL INFORMATION

To the Board of Trustees
Louisiana State Employees' Retirement System
Baton Rouge, Louisiana

Our audits were made for the purpose of forming an opinion on the financial statements taken as a whole. The required supplementary information and supporting schedules listed in the foregoing table of contents, which are also the responsibility of the management of LASERS, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such additional information has been subjected to the auditing procedures applied in the audits of the basic financial statements, and in our opinion, is fairly presented in all material respects in relation to the basic financial statements taken as a whole.

The year 2000 supplementary information on page 38 is not a required part of the general purpose financial statements. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the supplementary information. However, we did not audit the information and do not express an opinion on it. In addition, we do not provide assurance that Louisiana State Employees' Retirement System is or will become year 2000 compliant, that the System's year 2000 remediation efforts will be successful in whole or in part, or that the parties with which the System's does business are or will become year 2000 compliant.

Postlethwaite & Netterville

Baton Rouge, Louisiana
September 12, 1999



SCHEDULE OF FUNDING PROGRESS
FOR THE SIX YEARS ENDED JUNE 30, 1999
(Dollar amounts in thousands)

Actuarial Valuation Date	Actuarial Value of Assets (a)	Actuarial Accrued Liability (AAL) (b)	Unfunded AAL (UAAL) (b-a)	Funded Ratio (a/b)	Covered Payroll (c)	UAAL as a Percentage of Covered Payroll ((b-a)/c)
6/30/94	\$ 3,347,602	\$ 5,403,394	\$ 2,055,792	61.9%	\$1,546,465	132.9%
6/30/95	3,665,863	5,696,909	2,031,046	64.3%	1,547,977	131.2%
6/30/96	4,114,461	6,254,405	2,139,944	65.8%	1,584,357	135.1%
6/30/97	4,537,917	6,489,361	1,951,444	69.9%	1,607,371	121.4%
6/30/98	5,067,795	6,953,096	1,885,301	72.9%	1,653,863	114.0%
6/30/99	5,574,958	7,582,856	2,007,898	73.5%	1,736,963	115.6%

The total actuarial accrued liability determined using the Projected Unit Credit cost method increased by \$629,760,494 from June 30, 1998 to June 30, 1999. There were de minimus changes in benefit provisions during the year. The experience account increased to \$365,143,591 at June 30, 1999. Changes in the experience account for the year ended June 30, 1999, includes increases of \$119,571,018 for excess investment income and of \$33,409,018 of accumulated interest on the fund balance and a reduction of \$42,915,713 to fund the COLA granted to retirees on July 1, 1999.

SCHEDULE OF EMPLOYER CONTRIBUTIONS
FOR THE SIX YEARS ENDED JUNE 30, 1999

<u>Year Ended June 30</u>	<u>Annual Required Contribution</u>	<u>Percentage Contributed</u>
1994	\$ 189,566,536	98.7%
1995	196,931,081	103.5%
1996	203,762,677	99.3%
1997	212,221,189	98.4%
1998	221,933,246	104.9%
1999	226,387,848	102.1%

Analysis of the percentage contributed over a period of years will give a relative indication of the funding progress for the liabilities of the Louisiana State Employees' Retirement System.

ACTUARIAL METHODS AND ASSUMPTIONS
JUNE 30, 1999

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	June 30, 1999
Actuarial cost method	Projected unit credit
Amortization method	Increasing annuity to 2029
Remaining amortization period	30 years
Asset valuation method	Bonds at amortized cost and all other investments based on a four year average market value
Actuarial assumptions:	
Investment rate of return	8.25% per annum*
Mortality	Mortality rates were projected based on the 1983 Sex Distinct Graduated Group Annuity Mortality Table with females set at attained age plus one.
Termination, disability and retirement	Termination, disability, and retirement assumptions were projected based on a five year (1981-1986) experience study of the System's members.
Salary increases	Salary increases which range between 4.25% and 11.75% were projected based on a five year (1981-1986) experience study of the System's members.*
Cost-of-living adjustments	None.

*Includes inflation at 3.00%

MANAGEMENT'S YEAR 2000 READINESS DISCLOSURE STATEMENT

LASERS is acutely aware of the Year 2000 (Y2K) problem, and our conversion program is progressing rapidly. In the upcoming months LASERS will be completing verification, testing and implementation of its Y2K remedial program. We cannot be absolutely certain that every data product we utilize will be completely free of any millennium problems, however, we are undertaking a comprehensive Y2K compliance program that addresses the problem and we are comfortable that solutions shall be found. We cannot give warranties or make representations regarding third-party software or data providers, however, our compliance program is designed to comply with the Year 2000 Information and Readiness Disclosure Act regarding these suppliers.

The two areas of concern, identified in our assessment stage, are with electronic data processing systems totally maintained within LASERS and with other systems not under the control of LASERS but with whom LASERS communicates on a regular basis. All applications depending on date sensitive information for years 2000 and beyond would be affected if the systems are not corrected.

Remediation Stage: Determination and the making of the required changes to the internal member data system and in third party software is near completion. All hardware remediation changes have been completed.

Validation/Testing Stage: LASERS is in the process of testing its two critical internal systems. The testing is being performed within test environments by consultants and LASERS' Information Technology and end-user staff. LASERS is reviewing third party software for compliance. There are no significant contracts outstanding and \$84,445 budget remains for this project.

While management believes its planning efforts are adequate to address its Year 2000 concerns, there can be no guarantees that the systems of the Organization or the systems of other companies on which LASERS' systems and operations rely, will be converted on a timely basis and that the Year 2000 issue will not have a material impact.

SUPPORTING SCHEDULES

**SCHEDULE OF ADMINISTRATIVE AND INVESTMENT
EXPENSES - BUDGET AND ACTUAL**

FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	1999			1998		
	Actual	Budget	Variance Favorable (Unfavorable)	Actual	Budget	Variance Favorable (Unfavorable)
Administrative Expenses:						
Salaries and Related Benefits	\$ 3,278,522	\$ 3,308,022	\$ 29,500	\$ 2,931,012	\$ 3,049,138	\$ 118,126
Travel	116,270	254,702	138,432	127,793	250,783	122,990
Operating Services	1,400,486	2,028,569	628,083	1,224,561	1,982,993	758,432
Supplies	148,371	170,937	22,566	127,643	161,460	33,817
Professional Services	1,067,656	2,186,787	1,119,131	2,292,495	4,917,485	2,624,990
Capital Acquisitions	764,062	766,556	2,494	2,240,864	2,639,836	398,972
Total Budget and Actual Expenditures	6,775,367	8,715,573	1,940,206	8,944,368	13,001,695	4,057,327
Capitalization of Capital Outlay	(764,062)	(766,556)	(2,494)	(2,240,864)	(2,639,836)	(398,972)
Total Administrative Expenses	\$ 6,011,305	\$ 7,949,017	\$ 1,937,712	\$ 6,703,504	\$ 10,361,859	\$ 3,658,355
Investment Expenses	\$ 16,071,796	\$ 19,119,876	\$ 3,048,080	\$ 17,162,772	\$ 16,486,707	(\$ 676,065)

SCHEDULE OF MEETINGS ATTENDED BY AND
PER DIEM PAID TO BOARD MEMBERS

FOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>1999</u>			<u>1998</u>		
	<u>Board Meetings Attended</u>	<u>Other Meeting Days</u>	<u>Amount</u>	<u>Board Meetings Attended</u>	<u>Other Meeting Days</u>	<u>Amount</u>
Cynthia Bridges	12	13	\$ 1,875	11	10	\$ 1,575
Virginia Burton	11	14	1,875	10	9	1,425
Mary Young Cannon	12	12	1,800	11	10	1,575
Leila Smith Detlefs	3	4	525	11	10	1,575
Benny Harris	12	13	1,875	12	10	1,650
Frank Jobert, Jr.	12	13	1,875	12	10	1,650
Barbara McManus	8	11	1,425	11	8	1,425
Louis Quinn	8	10	1,350	11	9	1,500
Kathy Singleton	11	12	1,725	12	11	1,725
Sona Young	3	4	<u>525</u>			<u> </u>
Total			<u>\$ 14,850</u>			<u>\$ 14,100</u>

Note - Effective August, 1997, board members are paid a per diem of \$75 per day for board meetings and other meetings. Generally, meetings are held for two consecutive days each month. During the fiscal years ended June 30, 1998 and 1999, there were 23 and 25 days, respectively, for which board members could be compensated.

The above schedule does not include publicly elected officials who serve on the board but are not compensated for their attendance.

SCHEDULE OF INVESTMENTS AT AMORTIZED COSTFOR THE YEARS ENDED JUNE 30, 1999 AND 1998

	<u>6/30/99</u>	<u>6/30/98</u>
Short-term Investments - Domestic	\$ 53,850,549	\$ 22,474,180
Short-term Investments - International	27,601,040	28,501,981
Corporate Bonds	806,251,149	737,387,671
U.S. Treasury Bonds	34,315,124	53,847,674
U.S. Government Agency Bonds	547,344,499	512,637,512
Bonds/Fixed Income - International	516,061,616	436,864,782
U.S. Treasury Notes	151,509,664	185,614,553
Equity Securities - Domestic	2,064,495,028	1,851,113,956
Commingled Equity Trust - Domestic	110,964,675	46,325,159
Equity Securities - International	787,704,141	733,900,293
Real Estate Pools	60,032,375	79,274,095
Alternative Investments	<u>97,812,452</u>	<u>52,190,243</u>
Total	<u>\$ 5,257,942,312</u>	<u>\$4,740,132,099</u>

**SCHEDULE OF INVESTMENT EXPENSES
FOR THE YEAR ENDED JUNE 30, 1999**

MONEY MANAGER FEES

EQUITY MANAGERS - LARGE CAP DOMESTIC	\$ 2,777,547
EQUITY MANAGERS - SMALL CAP DOMESTIC	3,173,374
EQUITY MANAGERS - FOREIGN	2,310,919
FIXED INCOME - DOMESTIC	3,208,481
FIXED INCOME - FOREIGN	1,296,524
OTHER (includes real estate, tactical allocation, etc.)	<u>3,054,951</u>
Total Investment Money Manager Fees	15,821,796

INVESTMENT CONSULTANT FEES

New England Pension Consultants	<u>250,000</u>
TOTAL INVESTMENT MANAGEMENT FEES	<u>\$ 16,071,796</u>

**SCHEDULE OF PROFESSIONAL SERVICE EXPENSES
FOR THE YEAR ENDED JUNE 30, 1999**

ACCOUNTING AND AUDITING

Independent Fiduciary Services Inc.	\$ 13,500	
Postlewaite and Netterville	44,325	
GFOA	965	
	<u> </u>	\$ 58,790

ACTUARIAL FEES

Hall Actuarial Associates	49,551	
Treasurer of the State of Louisiana	723	
	<u> </u>	50,274

LEGAL FEES

Steptoe & Johnson	1,940	
McGlinchey Stafford Lang	5,870	
Lawrence F. Pontiff	144	
United States Treasury	2,100	
Hibernia National Bank	331	
Taylor, Porter, Brooks & Phillips	3,545	
	<u> </u>	13,930

DISABILITY PROGRAM

Voluntary Plan Administrators	542,283	
Physicians	1,508	
	<u> </u>	543,791

NON-CONSULTANT PROFESSIONAL SERVICES

IKON Office Solutions	298,615	
Image Systems Solutions	48,500	
Westaff	30,214	
Other Non-Consultant Professionals	23,542	
	<u> </u>	400,871

PROFESSIONAL SERVICE EXPENSES

	<u><u>\$ 1,067,656</u></u>
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INVESTMENT SECTION





November 10, 1999

Dear Members,

This letter summarizes the structure and performance of the Louisiana State Employees' Retirement System (LASERS) Fund through June 30, 1999. As of the June 30th fiscal year-end, the Fund was in compliance with policy and Louisiana state law, and had 45.7% of its asset base invested in U.S. equities, 15.5% invested in non-U.S. equities, 26.7% in U.S. fixed income, 8.4% in global fixed income and 3.7% in real estate and private equity. The public equity portion of the Fund represented 61.2% of the total assets, below the applicable statutory limit of 65%. Reversing a long-term underweighting to public equities relative to the median public pension fund, LASERS had a modestly higher than median equity allocation, using the Independent Consultants Cooperative (ICC) Universe, as of June 30, 1999.

LASERS earned 8.7%¹ during the year ending June 30, 1999, which ranked in the 64th percentile (1st percentile being best, 100th percentile being worst) of public funds within the ICC Universe. Over the long run, LASERS has easily surpassed the return targets specified in the Fund's policy statement. The Fund beat the nominal total return requirement of 9.25% by 3.6 percentage points over the last three years and by 4.5 percentage points over the last five years. The Fund also beat the real (inflation adjusted) return target of 4% by 5.7 percentage points over the last three years and by 6.6 percentage points over the last five years. Over the last 12 months ending June 30, 1999, LASERS lagged its target return by 55 basis points. However, due to the buffer of one percentage point that has been built into LASERS' target return, the Fund beat its actuarially required return of 8.25% by 45 basis points. The Fund also beat its real return target of 4% by 2.7 percentage points over the last 12 months.

We feel that LASERS is well positioned to take advantage of a wide variety of investment opportunities, and is sufficiently diversified to both enhance return and reduce overall portfolio risk.

Sincerely,

Peter D. Gerlings, CFA
Senior Vice President

¹ Return data for the Fund was calculated on a time-weighted basis in accordance with the standards of the Association of Investment Management & Research (AIMR). Valuations, where available, are based on published national securities exchange prices.

Louisiana State Employees' Retirement System

P.O. Box 44213 • Baton Rouge, LA • 70804-4213
8401 United Plaza Blvd. • Baton Rouge, LA • 70809



VOICE: 225-922-0600 • TOLL-FREE: 1-800-256-3000
FAX: 225-922-0614 • Web Site: www.lasers.state.la.us

November 9, 1999

Dear Members,

In the third quarter of 1998 the troubles in Russia and other foreign markets coincided with some well-publicized hedge fund disasters. This caused nearly all capital markets to suffer major losses. Fortunately, the markets recovered relatively quickly and the first half of 1999 was marked by a strong rebound. In fact, the Dow Jones Industrial Average went on to break the historic 10,000 barrier in April 1999, after a low of 7640 in September 1998.

At June 30, 1999 LASERS' investment portfolio completed the Fiscal Year with an 8.7% total rate of return. This allowed LASERS to reduce its Unfunded Accrued Liability (UAL) while continuing to grant Cost-of-Living Adjustments (COLA). LASERS must exceed the actuarially required rate of return of 8.25% in order to meet these goals.

LASERS is committed to maintaining a broadly diversified portfolio, and achieving its' target rate of return for the least possible amount of risk. LASERS adopts carefully underwritten and conservative assumptions for future expected returns, and structures the investment portfolio so as to optimize the risk/return trade-off.

During the Fiscal year, LASERS has increased the use of internally managed indexed strategies for its equity portfolios. This simultaneously lowers investment management fees and reduces the volatility of actual portfolio returns. LASERS has saved well over \$1 million annually by utilizing internal indexed management capabilities compared to the use of external active equity managers.

LASERS has embarked on a long term strategic planning process that is centered around increasing returns and reducing costs relative to other public retirement systems. LASERS' Board and staff have devoted considerable effort to this process, and the result is that system resources are better allocated to tasks that have direct positive impact on achieving this plan.

Looking into the future, LASERS is well positioned to meet its long term goals and objectives. Further emphasis and efforts at LASERS will be placed on risk management and cost controls, in order to continue to be an effective and efficient provider of pension benefits.

Sincerely,

Robert Lee Borden, CFA
Chief Investment Officer

BOARD OF TRUSTEES:
Kathy Singleton, Chairman
Cynthia Bridges
Virginia Burton

Mary Young Cannon
Ken Duncan
Benny G. Harris

Sen. Francis C. Heitmeier
Frank Jobert, Jr.
Barbara McManus

Louis S. Quinn
Rep. Victor "Vic" Stelly
Sona Young

Glenda T. Chambers,
Executive Director

STATEMENT OF INVESTMENT POLICY AND OBJECTIVES

LOUISIANA STATE EMPLOYEES RETIREMENT SYSTEM

I. GENERAL

- A. Investments of the Louisiana State Employees' Retirement System ("LASERS") shall be in accordance with the Louisiana Revised Statutes.
- B. Investments of LASERS shall be made solely in the interest of the participants and their beneficiaries of the pension plan and for exclusive purposes of providing benefits to such participants and their beneficiaries and defraying the reasonable expenses of administering the plan.
- C. The investment objectives shall be the preservation and enhancement of principal over the long term, in both real and nominal terms. For this purpose, short-term fluctuations in values will be considered secondary to long-term investment results.
- D. The Board of Trustees of the Louisiana State Employees' Retirement System (the "Board"), its staff and its investment advisors shall exercise the judgment and care under the circumstances then prevailing which an institutional investor of ordinary prudence, discretion, and intelligence exercises in the management of large investments entrusted to it, not in regard to speculation but in regard to the permanent disposition of funds considering probable safety of capital as well as probable income.
- E. The investments of the fund shall be diversified to minimize the risk of large losses unless, under particular circumstance, it is clearly prudent not to do so.
- F. The Board may obtain third party investment management or consulting services.
- G. The Statement of Investment Policy and Objectives shall be revised from time to time, as deemed necessary. It is also expected that this Statement will be annually reviewed to insure its relevance to LASERS' needs, and that any resulting material changes will be communicated to LASERS' investment managers.

II. INVESTMENT OBJECTIVES

Assets of the System shall be invested to ensure that principal is preserved and enhanced over the long term, both in real and nominal terms. Reference Appendix I for an explanation of real and nominal terms.

- A. Total return, consistent with prudent investment management, is the primary goal of LASERS. Total return, as used herein, includes income less expense plus realized and unrealized gains and losses in LASERS' assets.
- B. A real rate of return of at least 4% per year should be earned. This is the return over the rate of inflation (as measured by the Consumer Price Index). Additionally, a nominal return goal for LASERS is 9.25%, (net of investment management fees) in order to exceed the 8.25% actuarial return and provide a buffer to cover expenses. LASERS is aware that there may be short term deviations from these objectives, and shall evaluate compliance with these and other performance expectations over the time frames outlined in paragraph G, below.
- C. Total fund return for LASERS shall consistently rank in the top half of an appropriate public fund universe, and shall meet or exceed the return of LASERS' Policy Index. (See Appendix I for an explanation of the Policy Index).
- D. Equity Composites
 1. Total return for domestic equity specialist managers shall meet or exceed an appropriate index based on the manager's style and consistently rank in the top half of an appropriate universe of domestic equity specialist managers.
 2. Total return for international equity specialist managers shall meet or exceed an appropriate index based on the manager's style and consistently rank in the top half of an appropriate universe of international equity specialist managers. Emerging international equity managers shall meet or exceed an appropriate index based on the manager's style.
- E. Fixed Income Composites
 1. Total return for domestic fixed income managers shall consistently meet or exceed an appropriate index based on the manager's style, and consistently rank in the top half of an appropriate domestic fixed income specialist fund universe.
 2. Total return for global fixed income managers shall meet or exceed an appropriate index based on the manager's style, and consistently rank in the top half of an appropriate universe of global fixed income specialist managers.
- F. Total fund risk exposure and risk adjusted returns will be regularly evaluated and compared with other public funds. Total fund risk exposure is expected to be midrange (25th to 75th percentile) relative to an appropriate universe of other public total funds. Risk-adjusted returns are expected to consistently rank in the top half of an appropriate universe of comparable public funds. (See Appendix I for an explanation of risk adjusted returns).

- G. Normally, results will be evaluated over a three to five year time horizon, but shorter term results will be regularly reviewed and earlier action taken if in the best interest of LASERS.

III. TYPES OF INVESTMENTS

In fulfilling the investment objectives stated above, the Board may invest the funds of LASERS in the following types of investments:

A. Domestic Equity Securities

1. Domestic equity purchases are limited to publicly traded common stocks. Exceptions shall be approved by the Board in advance.
2. No one holding shall account for more than 6% of the allowable equity portion of the portfolio at market value. No one holding in LASERS' portfolio shall account for more than 5% of the outstanding common stock of any one corporation. Additionally, no one holding across all actively managed portfolios of an investment management firm shall account for more than 15% of the outstanding common stock of any one corporation.
3. The purchase of stocks or convertibles in foreign companies which are publicly traded dollar denominated foreign securities may be held by each domestic stock manager in proportions which each manager shall deem appropriate, up to 10% of the portfolio at market value.
4. Convertible bonds, convertible preferred stocks, warrants and rights may be purchased as equity substitutes so long as the common stocks underlying them meet required equity standards above.
5. Equity investments, including domestic and international common stocks, are limited to 65% of the total market value of LASERS'. Ten percent of LASERS' equity holdings will be indexed.

B. Domestic Debt Securities

1. Domestic fixed income investments may include U.S. Government and Federal Agency obligations, corporate bonds, debentures, commercial paper, certificates of deposit, Yankee bonds, mortgage backed securities and other instruments deemed prudent by the investment managers.
2. No more than 6% of the market value of LASERS' domestic fixed income assets may be invested in the debt securities of any one issuer. None of the above limitations on issues and issuers shall apply to obligations of U.S. Government and Federal Agencies.

C. International Investments

1. As part of its normal asset allocation for equity and fixed income securities, LASERS may invest a portion of its equity and fixed income allocation in international securities. International investments shall only be entered into through the selection of a qualified investment management organization as consistent with fiduciary responsibilities.

2. Limitations

a. International Equities:

No one holding in an international equity portfolio shall account for more than 6% of the portfolio at market value or more than 5% of the outstanding common stock of any one corporation. Additionally, no one holding across all actively managed portfolios of an investment management firm shall account for more than 15% of the outstanding common stock of any one corporation.

b. Global Bonds:

The global bond portfolio may hold no more than 30% of its assets, at market value, in the debt securities of any single foreign government or government entity. No single non-government debt security shall constitute more than 6% of the global bond portfolio, at market value.

D. Cash Equivalents

1. Short-term funds may be invested in direct U.S. Government obligations such as U.S. Treasury Bills or repurchase agreements which are fully collateralized by U.S. Treasury issues. Unless expressly prohibited by the Board, excess cash may be invested in the Short Term Investment Fund [STIF], Stock Performance Index Futures Fund [SPIFF] and Yield Plus Fund of the Custodian Bank(s) or negotiable certificates of deposit, or other short-term investment vehicles designated by the Board.

2. Funds may be invested in commercial paper subject to the following guidelines:

a. Only U.S. Dollar denominated paper of domestic companies will be used.

b. Paper must be rated P-1 by Moody's or A-1 by Standard and Poor's, but no lower by either. Prior approval shall be required for use of paper rated P-2 by Moody's or A-2 by Standard and Poor's.

c. No more than \$10 million is to be invested in commercial paper of any one issuer.

d. The maximum maturity for commercial paper purchased with the cash reserves of any investment advisor shall be established by each advisor. However, under no circumstances will commercial paper having a maturity of longer than 270 days be purchased without prior Board approval.

E. Real Estate

Investments in real estate shall be limited to an initial investment value at market value of not more than 2% of total fund assets. Real estate investments are limited to:

1. A direct investment in the property located at the intersection of Essen Lane and United Plaza Boulevard in Baton Rouge, Louisiana.
2. Investments in commingled real estate pools (both open end and closed end) or real estate investment trusts (REITS).
3. Separately managed accounts.

The Board specifically authorizes the purchase of real estate related debt securities as a portion of the debt securities portfolio, to include securities issued by FNMA, FHLMC, and GNMA. Purchases other than those guaranteed by federal agencies cited above must be rated AAA by Standard and Poor's or Aaa by Moody. Reserves for future real estate investments may be held in large capitalization U.S. equities, subject to the 65% limit on all equity investments.

F. Options

LASERS may employ an options management program with the objective of providing volatility protection on equity investments and an enhanced rate of return over time.

G. Alternative Asset Investments

Investments in Alternative Asset Investments, including private equity and private debt, shall be limited to an initial investment value at market value of no more than 6% of total fund assets. Reserves for future alternative asset investments may be held in large capitalization U.S. equities, subject to the 65% limit in total equity investments.

H. Economically Targeted Investments (ETI)

All ETI investments must not conflict with Louisiana or Federal law, and must be in the economic best interest of LASERS' plan participants and beneficiaries. ETI's must be consistent with LASERS' investment policy and asset allocation plan. ETI's must offer a potential investment return consistent with the level of risk in the proposed investment.

I. Other

Any type of investment other than detailed previously shall be made only after specific guidelines are established by the Board.

IV. PORTFOLIO GUIDELINES

Full discretion, within the parameters of the investment policy guidelines disclosed herein, is granted to the investment managers regarding the asset allocation, the selection of securities, and the timing of transactions.

Compliance with all guidelines must be monitored by the investment managers on a regular basis (monthly or more frequently when unusual market conditions warrant) and based on then current market values. Securities which, at purchase, would move the portfolio out of compliance with the guidelines, based on the investment manager's most recent valuation, may not be purchased. In the event that the portfolio moves out of compliance with these guidelines (as identified in the investment manager's regular review of the portfolio), through market conditions or other changes outside the control of the manager, the manager must bring the

portfolio composition back into compliance with 45 days or make a written request to LASERS Investment Committee for a compliance waiver.

Unless otherwise specified in Appendix II or Section VII (Roles & Responsibilities), the Board establishes the following specific guidelines:

- A. There shall be no use of options, commodities, financial futures or other specialized investment activity without the prior approval of the Board.
- B. Uncovered options or futures contracts may not be purchased.
- C. Uncovered short positions may not be purchased.
- D. Short selling is not permitted.
- E. Commodities may not be purchased.
- F. Straight preferred stocks and tax exempt municipal securities should not normally be held unless pricing anomalies in the marketplace suggest the likelihood of near-term capital gains when normal spread relationships resume.
- G. LASERS may establish a Securities Lending Program subject to restrictions established by the Board and consistent with Legal Statutes.
- H. There may be no use of financial leverage.

V. ASSET ALLOCATION (BY MAJOR ASSET CATEGORIES)

In order to have a reasonable probability of consistently earning the target return of 9.25% net of investment management fees; the Board has adopted the following asset allocation policy.

<u>Asset Class</u>	<u>Market Value Target%</u>	<u>Minimum Exposure(%)</u>	<u>Maximum Exposure(%)</u>
Equities	54%	47%	61%
Domestic Large Cap	29	24	34
Domestic Small Cap	10	8	12
Established Internat'l (Lg Cap)	10	7	13
Established Internat'l (Sm Cap)	2	0	3
Emerging International	3	0	5
Fixed Income	40%	33%	47%
Domestic (including mortgages)	23	18	28
Domestic High-Yield	7	5	9
Global Bonds	10	8	15
Real Estate	0	0	2
Alternative Assets	6	0	7

The Chief Investment Officer [CIO] will review LASERS' asset allocation at least quarterly to determine if the asset allocation is consistent with the exposure ranges established for LASERS, and direct staff and investment managers to transfer funds to rebalance the asset allocation as necessary with subsequent Board notification. The transfers will be on a pro-rata basis unless a manager is on the Watch List.

A change in liability structure, funded status, or long term prospects may trigger a revision of the asset allocation. This guideline is to be pursued by LASERS on a long-term basis, but will be revised if significant changes occur within the economic and/or capital market environments.

VI. CUSTODIANSHIP OF SECURITIES

LASERS may establish an arrangement with a financial institution(s), for the custody of its securities, subject to the approval of the Board.

VII. ROLES AND RESPONSIBILITIES

A. Custodian Bank(s)

In order to maximize LASERS' return, no money should be allowed to remain idle. Dividends, interest, proceeds from sales, new contributions and all other monies are to be invested or reinvested promptly.

The custodian(s) will be responsible for performing the following functions:

1. Accept daily instructions from designated investment staff;
2. Advise designated investment staff daily of changes in cash equivalent balances;
3. Immediately advise designated investment staff of additions or withdrawals from account;
4. Notify investment managers of proxies, tenders, rights, fractional shares or other dispositions of holdings;
5. Resolve any problems that designated investment staff may have relating to the custodial account;
6. Safekeeping of securities;
7. Interest and dividend collections;
8. Daily cash sweep of idle principal and income cash balances;
9. Processing of all investment manager transactions;
10. Collection of proceeds from maturing securities;
11. Disbursement of all income or principal cash balances as directed;
12. Providing monthly statements by investment managers' accounts and a consolidated statement of all assets;

13. Providing a dedicated account representative and back up to assist the LASERS' staff in all needs relating to the custody and accountability of the Fund's assets.
14. Managing the securities lending program.

B. Investment Managers

The duties and responsibilities of each of the registered investment advisors retained by the Board include:

1. Managing the assets under its management in accordance with the policy guidelines and objectives expressed herein, or expressed in Appendix II when exceptions are deemed prudent and desirable.
2. Meeting or exceeding the specific total return benchmarks expressed in Appendix II.
3. Exercising investment discretion within the guidelines and objectives stated herein. Such discretion includes decisions to buy, hold or sell securities in amounts and proportions reflective of the manager's current investment strategy and compatible with the investment objectives.
4. Promptly informing the Board regarding all significant matters pertaining to the investment of the fund assets, for example:
 - a. Substantive changes in investment strategy, portfolio structure and market value of managed assets.
 - b. The manager's progress in meeting the investment objectives set forth in this document,
 - c. Significant changes in the ownership affiliations, organizational structure, financial condition, professional personnel staffing and clientele of the investment management organization, and
 - d. Any material changes in the liquidity of the securities they hold in the LASERS' portfolio.
5. Initiating written communication with the Board when the investment manager believes that this Investment Policy is inhibiting and/or should be altered. No deviation from the guidelines and objectives established in the Policy is permitted until after such communication has occurred and the Board has approved such deviation in writing.
6. Complying with all provisions pertaining to the investment manager's duties and responsibilities as a fiduciary. It is expected that LASERS' assets will be invested with the care, skill, prudence and diligence under the circumstances then prevailing that a prudent professional investment manager, acting in a like capacity and familiar with such matters, would use in the investment of LASERS' assets.
7. Using their best efforts to ensure that all portfolio transactions are placed on a "best execution" basis.

8. The investment managers have responsibility for the exercise of ownership rights, where available, through proxy solicitations unless they receive specific voting instructions from the Chief Investment Officer. They shall exercise this responsibility strictly for the economic benefit of LASERS and its participants.
9. While the Board is sensitive to excessive turnover there shall be no specific limitation in this regard, recognizing the importance of providing flexibility to the managers to adjust to changing market conditions. Although the Board is appropriately sensitive to book losses, there is no justification to hold a particular security, nor to manage the collective assets, for the sole purpose of avoiding the recognition of a book loss.
10. Acknowledging in writing to the Board the investment manager's intention to comply with the Investment Policy as it currently exists or as modified in the future.
11. Submitting to the Board (and its designated consultants) exhibits, written material, etc. that will be used during periodic conferences with the Board at least five business days in advance of these conferences.

C. Domestic Equity Managers

Each manager holding equity securities is expected to comply with the following guidelines:

1. Equity holdings in any one company (including common and preferred stock and convertible securities) should not exceed 6% of the market value of the manager's portion of LASERS' assets without the consent of the Board. Additionally, bonds of the companies in question would be included in the company exposure calculation if held in the manager's portfolio.
2. There shall be no short selling, securities lending, use of financial futures or other specialized investment activity without the prior approval of the Board.
3. No purchase shall be made by an investment manager in LASERS' portfolio, which would cause a holding to exceed 5% of the outstanding common stock of any one corporation. Additionally, no purchase shall be made which would cause one holding across all actively managed portfolios of an investment management firm to account for more than 15% of the outstanding common stock of any one corporation.
4. Each equity manager may invest up to 10% of the portfolio market value in reserve and cash equivalent investments. However, these investments should be made on the basis of safety and liquidity, and only secondarily by yield available. Such securities shall reasonably carry the equivalent of S&P A1 or Moody P-1.

D. Domestic Fixed Income Managers

Each manager holding fixed income securities is expected to adhere to the following guidelines:

1. The overall average quality of each fixed income portfolio shall be AA or higher. Non-rated issues or issues below investment grade (below BAA) may be purchased up to a maximum of 15% of the portfolio. These quality restrictions will not apply to a manager that is hired by LASERS to manage a high-yield fixed income portfolio.
2. The diversification of securities by maturity, quality, sector, coupon and geography is the responsibility of the manager. Active bond management is encouraged, as deemed appropriate by the investment managers.
3. Fixed income holdings with any one issuer should not exceed 6% of the market value of the manager's portion of LASERS' assets without the consent of the Board, with the exception of U.S. Government or government agency obligations.
4. There shall be no use of options, financial futures or other specialized investment activity without the prior approval of the Board.
5. The average duration (interest rate sensitivity) of an actively managed portfolio shall not differ from the passive benchmark's duration by more than two years. See Appendix I for an explanation of duration.

E. Mortgage and Asset Backed Securities

Funds invested in mortgage-related and asset-backed securities are subject to the following guidelines:

1. Agency fixed and floating rate pass throughs, US Treasury securities and cash equivalents can be held without limitation.
2. Fixed rate PAC I, PAC II and Sequential Collateralized Mortgage Obligations can be held without limitation.
3. Inverse floating rate, interest only (I/O), principal only (P/O), and accrual CMOs in aggregate will be limited to 15% of the mortgage securities portfolio, with no more than 5% of the portfolio invested in accrual CMOs. In the event that other types of mortgage-related securities that have risk characteristics similar to those in this category are developed, the manager will inform the investment committee of those securities and they will be included in this 15% limitation.
4. All other types of mortgage-related securities not explicitly cited in (1), (2), (3) above will be limited to an aggregate 20% of the portfolio.
5. The manager must receive at least two competitive offers on the same or similar securities prior to purchasing each mortgage-backed security for the portfolio.
6. The average effective duration, as calculated by the manager, shall not differ from the Lehman Brothers Aggregate Index's duration by more than two years. LASERS recognizes that the calculation of the duration of a mortgage-backed security involves assumptions as to the expected future prepayment rate for the security at the time of calculation and that prepayment rates cannot be precisely

determined in advance. The manager is expected to calculate expected duration prior to the initial purchase of a security and on a routine basis in monitoring the portfolio's compliance with these guidelines.

7. The diversification of securities by maturity, quality, sector, coupon and geography, except as constrained above, is the responsibility of the manager.

F. International Equity Managers

Funds invested in international equity securities are subject to the following guidelines:

1. Short-term reserves may be held in U.S. dollar denominated securities or investment vehicles available through the System's custodian.
2. Equity securities are expected to be issued by non-U.S. corporations, although the manager has latitude to hold U.S. securities provided that such investment is consistent with attainment of the portfolio's investment objective and does not exceed 10% of the portfolio's market value.
3. Decisions as to the number of issues held and their geographic or industry distribution shall be left to the investment manager provided that equity holdings in any one company (including common stock and convertible securities) do not exceed 6% of the market value of the manager's portion of LASERS' portfolio without the consent of the Board. Additionally, bonds of the companies in question would be included in LASERS' exposure calculation if held in the manager's portfolio.
4. The managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility rather than lever portfolio risk exposure or in the settlement of securities transactions.
5. Managers may purchase or sell currency on a spot basis to accommodate securities settlements.

G. Global Fixed Income Managers

The portfolios should be considered as "bond funds". The manager, however, may hold short-term reserves if such action is consistent with attainment of the primary investment objective.

1. Short-term reserves may be held in U.S. dollar denominated securities or investment vehicles available through LASERS' custodian.
2. Decisions as to the number of issues held and their geographic distribution shall be left to the investment manager.
3. The managers may enter into forward exchange contracts on currency provided that use of such contracts is designed to dampen portfolio volatility rather than lever portfolio risk exposure. Currency contracts may be utilized to either hedge the portfolios currency risk exposure or in the settlement of securities transactions.

4. Managers may purchase or sell currency on a spot basis to accommodate securities settlements.
5. The overall average quality of each global fixed income portfolio shall be AA or higher. Non-rated issues may be purchased, provided that in the judgment of the manager, they are of a quality sufficient to maintain the average overall portfolio quality of AA or higher. Issues below investment grade (below BAA) may be purchased up to a maximum of 15% of the portfolio.
6. The average duration (interest rate sensitivity) of an actively managed global fixed income portfolio shall not differ from the passive benchmark by more than two years. See Appendix 1 for an explanation of duration.

H. Alternative Asset Investments

1. Investment Objective

- a. Achieve a market rate of return commensurate with the perceived risk for each investment undertaken.
- b. To enhance the total diversification of LASERS' Total Fund by participating in alternative asset investments.

2. Target Asset Allocation

LASERS' allocation to direct placements shall remain within the limits authorized by the Investment Committee. The allocation range is 0% - 7% of the LASERS' aggregate portfolio. For purposes of examining LASERS' overall asset allocation, the alternative asset target allocation is 6% of total fund assets subject to Investment Committee direction. Shortfalls from the target allocation will be funded as needed from over-allocated asset classes.

Alternative asset amounts, which are in excess of the asset allocation target amount as a result of partial or full liquidation of positions or the receipt of income from investments, shall be reallocated to LASERS' under-allocated asset classes. Liquidations should be re-invested in the alternative asset program if that asset class is under-represented relative to LASERS' target asset allocation.

LASERS shall endeavor to systematically commit additional funds to this asset class over time as it becomes under-represented relative to LASERS' target asset allocation. This under-representation could result from liquidations/distributions, a decline in the appraised or actual market values of the underlying securities or the rest of LASERS growing at a faster rate than the alternative asset investments program.

3. Portfolio Performance

Performance shall be calculated by the investment consultant (using dollar - weighted returns) for each manager's alternative asset fund over the life of the investment. Investment returns will be compared to the return on similar investments which originated during the same period.

Managers shall maintain a comprehensive and responsive reporting system assessing the performance of both the individual investments in each manager's portfolio as well as the entire portfolio. It is in this manner that underperforming investments in each portfolio can be identified and managers can inform the Investment Committee of measures they are taking to correct the performance of such investments as appropriate.

4. Types of Investments

All investments not expressly excluded by these guidelines are eligible for use as investments in LASERS' alternative asset allocation.

5. Investment Guidelines

- a. LASERS' initial investment in a fund (with the exception of a fund-of-funds) will not exceed 25% of the committed capital of the Fund.
- b. All investments must have a mechanism for exit.
- c. No more than 25% of the alternative asset investment allocation may be invested with a single manager, general partner, or single fund, with the exception of a fund-of-funds.
- d. Preference will be given to those funds where the general partner is contributing at least 1% of total fund.
- e. References on the general partner must be checked prior to investing in a fund.

6. Strategy

The alternative asset investments will be so diversified as to limit the exposure of any one investment to 2% of the assets of LASERS' total assets.

I. Tactical Asset Allocation (TAA) Managers

Each TAA Manager is expected to adhere to the following guidelines:

1. Equity, fixed income or cash commitment may vary from 0% to 100% of assets under management.
2. Within each asset class, the TAA manager is subject to the guidelines outlined in Section VII of the Statement of Investment Objectives, Rules and Guidelines.

J. Chief Investment Officer

The Chief Investment Officer shall assist the Board in developing and modifying policy objectives and guidelines, including the development of liability driven asset allocation strategies and recommendations on long term asset allocation and the appropriate mix of investment manager styles and strategies. Additionally, the Chief Investment Officer shall provide assistance in manager searches and selection, and investment performance calculation, evaluation, and analysis.

The Chief Investment Officer also communicates the decisions of the Investment Committee to investment managers, custodian bank(s), actuary, and consultant. The CIO provides oversight of the investment consultant, investment service providers and personnel of LASERS' investment division. The Chief Investment Officer is responsible for communicating with the investment consultant the financial information necessary to fulfill contractual obligations.

K. Investment Committee

The Investment Committee, at the direction of the full Board, shall review and approve or disapprove investment recommendations not governed by Investment Policy prior to their execution. The Committee may also review and recommend investment policy changes, deletions, or additions. The Committee also shall make recommendations to the full Board concerning contracts of a financial nature, when performed by other than LASERS' staff, such as, although not limited to, those for investment management, custodial arrangements, and securities lending.

L. Board of Trustees

The Board of Trustees shall review the total investment program. The Board shall approve the investment policy and provide overall direction to the administrative staff in the execution of the investment policy.

M. Investment Consultant

The Investment Consultant shall assist the Board and the Chief Investment Officer in developing and modifying policy objectives and guidelines, including the development of liability driven asset allocation strategies and recommendations on long term asset allocation and the appropriate mix of investment manager styles and strategies. Additionally, the consultant shall provide assistance in manager searches and selection, and investment performance calculation, evaluation, and analysis. The consultant shall provide timely information, written and/or oral, on investment strategies, instruments, managers and other related issues, as requested by the Board, the Investment Committee, or the CIO.

VIII. QUARTERLY REPORTING REQUIREMENTS

Investment Managers shall submit a report to the Investment Committee Members, Staff, and Consultant within 30 days after the end of each calendar quarter in the following format:

A. Review of Organizational Structure

1. Organizational changes (i.e., ownership)
2. Departures/additions to investment staff
3. Assets under management
 - Total institutional assets and accounts
 - Total assets and accounts for product managed for LASERS
 - Product asset growth

	<u>Gains \$</u>	<u>Losses \$</u>
Current Year		
Prior Year		
Second Prior Year		

- B. Summary of Investment Guidelines
1. Summarize guidelines and objectives
 2. Discuss adherence to guidelines
 3. Provide any comments and suggestions regarding policy constraints, guidelines, etc.
 4. Submission of Quarterly Policy Guideline Compliance Report.
- C. Review of Investment Process and Evaluation of Portfolio Management Process
1. Brief review of investment process
 2. Discussion of any changes to the investment process
 3. Investment strategy used over the past year and underlying rationale
 4. Evaluation (in hindsight) of strategy's appropriateness
 5. Evaluation of strategy's success/disappointments
 6. Current investment strategy and underlying rationale
 7. Comment on the manager's assessment of the current liquidity of the portfolio and the market(s) in which the portfolio is invested.
 8. For manager's holding mortgage backed securities, results of current 'stress' tests on the portfolio, indicating how the manager believes it would respond to interest rate movements of plus or minus 100, 200, and 300 basis points from current levels.
- D. Performance Review
1. Present total fund and asset class returns for last quarter, year-to-date, last year, three years and five years, and since inception versus designated benchmarks. All performance data shall be in compliance with AIMR Performance Presentation Standards (PPS).
 2. Discuss performance relative to benchmarks. (Global bond and international equity managers provide attribution analysis, which identifies returns due to country allocation, stock selection, duration and currency decisions).
 3. Provide portfolio characteristics relative to benchmark.
- E. Derivatives Review
- Each manager using derivatives shall also report the following information:
1. A list of all derivative positions as of quarter-end.

2. An assessment of how the derivative positions affects the risk exposures of the total portfolio.
 3. An explanation of any significant pricing discrepancies between the manager and custodian bank.
 4. A statement certifying compliance with the investment policy throughout the quarter; or, if the portfolio has been out of compliance, an explanation.
- F. Provide Portfolio Holdings
1. Present book value and current market value.
 2. List individual securities by:
 - Standard and Poors sectors for domestic equities
 - Countries and by industry within country for international equities
 - Sector for domestic fixed income
 - Country for global bonds
- G. Other Business
- . Include any other comments or information.

IX. ANNUAL REPORTING REQUIREMENTS

A. PROXY VOTING

Managers shall annually report to the Board, standing policies with respect to proxy voting, including any changes that have occurred in those policies, and note any instances where proxies were not voted in accordance with the best interest of LASERS' plan participants.

Additionally, investment managers shall provide a written annual report of the proxy votes for all shares of stock in companies held in LASERS' investment program. These reports shall specifically note any instances where proxies were not voted in accordance with standing policy. Additionally, all such reports shall specifically affirm that all proxy votes were determined and executed solely in the interest of the participants and their beneficiaries of the pension plan and for exclusive purposes of providing benefits to such participants and their beneficiaries and defraying the reasonable expenses of administering the plan.

The annual proxy voting report shall be delivered within forty-five (45) days of the end of the quarter ending June 30 of each year. The proxy voting report should cover all proxies voted during the 12 months ending June 30.

The proxy report should be segmented as follows:

- Philosophy
- Voting Guidelines
 - Routine Management Proposals
 - Board of Directors
 - Corporate Governance

Anti-Takeover
Management Compensation
Option Plans
Mergers, Asset Sales & Capital Restructuring
Other Shareholder Proposals
Social Issues

B. COMMISSIONS & TRADING COSTS

The annual commission report should be delivered to the committee, staff, and Investment Consultant within forty-five (45) days of the end of each fiscal year [June 30th]. The report should cover all trades executed during the prior calendar year.

Each annual commission report should include the following:

1. **Broker Selection Policy.** Discussion of the firm's policy for selecting brokers, reviewing brokers, and negotiating brokerage commissions. This should include identification of any situations where the investment manager has a financial interest in brokers used to execute trades in the portfolio as well as a list of all broker-dealers used by the firm.
2. **Commission Expense.** Provide a review of the portfolio's actual commission expense over the prior year. At minimum, this should be broken down by broker and include a distinction between commissions on listed versus unlisted securities, average commission per share, total shares traded, total commission expense, and total trading volume. In addition to a printed report, commission expense shall also be reported to LASERS on a Lotus 123 or Microsoft Excel spreadsheet, in a format provided by LASERS.
3. **Transaction Cost Analysis.** If the firm has a system for monitoring total transaction cost, commissions plus market impact, a copy of this analysis should be provided. If no such system is being used, the commission report should include complete explanation of how the firm monitors selected brokers for best execution.

C. SOFT DOLLAR POLICY

1. This should include a discussion of the firm's soft dollar policy, including how the investment manager ensures its clients of full disclosure, record keeping, and consistency of soft dollar information.
2. There shall be procedures in place to assure that any research and/or services purchased by the firm with soft dollars are used primarily for the direct benefit of LASERS' plan participants. If less than 100% of the research and/or services is used in the investment decision-making process, then LASERS will only pay for the portion attributed to assisting in the investment decision-making process.

3. LASERS' soft dollar proportion paid shall not be greater than LASERS' percentage of the total of similarly managed assets of the investment manager.
4. All investment managers will submit a soft dollar budget to LASERS' Staff for the upcoming calendar year. The soft dollar budget will be a detailed description of all soft dollar use, including: research and/or service, how the investment manager will use the item, and the estimated cost to LASERS.

D. SOFT DOLLAR EXPENSE REVIEW.

1. Identify any goods and services purchased by the manager with soft dollars over the past year. This should include soft dollars generated by agency and principal transactions.
2. This report should provide, at a minimum, a description of the goods and services purchased, how the goods and services benefited LASERS' plan participants, the total costs, the percentage cost paid by the LASERS' portfolio, and any unused soft dollars that were earned during the year.
3. Comparison of expenditures for the year to the estimate submitted prior to the year, explaining major deviations and/or additional costs.
4. In addition to a printed report, the soft dollar report shall also be reported to LASERS' either electronically or by diskette on a Microsoft Excel spreadsheet, in a format provided by LASERS.

E. OTHER ANNUAL REPORTING

Managers shall annually report to the Board, standing policies with respect to ethics and professional practice.

If the manager has adopted the Association for Investment Management and Research (AIMR) code of ethics, that adoption should be noted. If they use a different code of ethics, their formal policy and code should be provided to LASERS. Additionally, whether the manager uses the AIMR code or their own, compliance and oversight procedures should be discussed. These reports shall specifically note any instances where the policies are known to have been violated in the prior year.

The annual ethics of professional practices report shall be delivered within forty five (45) days of the end of the of each fiscal year [June 30th].

X. REVIEW OF INVESTMENT PROCESS

On a timely basis, at least quarterly, the Board will review actual investment results achieved by each manager (with a perspective toward a three to five-year time horizon or a peak-to-peak or trough-to-trough market cycle) to determine whether:

- A. The investment managers performed satisfactorily when compared with the objectives set and in relation to other similarly managed funds.

- B. In addition to reviewing each investment manager's results, the Board will re-evaluate, from time to time, its progress in achieving the total fund, equity, fixed-income, and international equity segments objectives previously outlined.
- C. The periodic re-evaluation also will involve an evaluation of the continued appropriateness of: (1) the manager structure; (2) the allocation of assets among the managers; and (3) the investment objectives for LASERS' assets.
- D. The Board may appoint investment consultants to assist in the ongoing evaluation process. The consultants selected by the Board are expected to be familiar with the investment practices of similar retirement plans and will be responsible for suggesting appropriate changes in LASERS' investment program over time.
- E. LASERS' investment managers may be placed on a watch list in response to the Investment Committee's concerns about the manager's recent or long term investment results, failure of the investment advisor to comply with any of LASERS' investment guidelines, significant changes in the investment advisor's firm, anticipated changes in LASERS' structure, or any other events which the Investment Committee deems appropriate.

As an example the process leading toward probationary status with regard to long-term underperformance will normally be as follows:

An advisor will be placed on probationary status if both of these conditions exist:

1. Any advisor whose performance fails, over eight consecutive quarters or any eight quarters during a ten quarter period, to achieve median same style universe performance levels as defined by LASERS, and
2. During this same period the return does not meet the return of the benchmark index.

In no way does this preclude LASERS from placing an advisor on the watch list for performance in a lesser time period or taking other actions if deemed appropriate by LASERS. Any advisor on probationary status will not be eligible to receive additional investment funds from LASERS.

APPENDIX I-Additional Background

This appendix is intended to provide additional background regarding the selection and interpretation of various standards contained within the Guidelines.

* **Preservation of capital in real and nominal terms...**

Capital is expected to increase in absolute (nominal terms, and also after consideration of the effects of inflation, i.e., in real terms. Real growth of principal is necessary to ensure that purchasing power is not eroded by inflation.

If LASERS' assets begin at \$100 and rise to \$110, a nominal return of 10% would be earned. If inflation were 6%, a real return of 4% would be earned (10%-6%).

* **Total return should be competitive with other Public Funds...**

Public Funds are typically more conservatively structured (have less money in equities) than many other types of institutional investment programs, such as corporate plans. As a result, they will usually trail other funds in up markets and do better in down markets. Accordingly, it is essential that a Public Fund peer group be used for comparative purposes.

* **Total return should meet or exceed LASERS' Policy Index...**

The Policy Index is constructed by using the targeted asset class percentages in section V applied to market rates of return. The System's Policy Index is calculated using the following target allocations and indexes:

Asset Class	Target % Rating	Index
Equities		
Domestic Large Cap	29%	S&P 500
Domestic Small Cap	10	Russell 2000
Established Int'l	10	MSCI-EAFE
Established Int'l Small Cap	2	SB EMI EPAC
Emerging Int'l	3	MSCI-Emerging Markets
Fixed Income		
Domestic	18%	LB Aggregate*
Public Mortgages	5	LB Aggregate*
Domestic High-Yield	7	CS First Boston High Yield
Global Bonds	10	Salomon World Gov't
Real Estate	0	NCREIF
Private Capital Market	6	NASDAQ + 300 BPS
*Lehman Brothers Aggregate Bond Index		

* **Risk-adjusted returns...**

Risk-adjusted returns are usually calculated by isolating the return earned in excess of the risk free rate (the T-bill rate), and evaluating that return in relation to the extra risk (volatility, or standard deviation) incurred in earning the incremental return.

For example:

	<u>Return</u>	<u>Risk</u>	<u>Excess Return</u>	<u>Excess Return Divided By Risk</u>
T-Bills	8%	--	--	
S&P 500	12%	16%	4%	4/16 = 0.25
Manager A	12%	20%	4%	4/20 = 0.20

In this example, both the Equity Manager and the market earned 4% over T-Bills, but the Equity Manager incurred somewhat more risk and had lower risk-adjusted returns - not a desirable situation. A higher risk adjusted return indicates that more return was achieved for the amount of risk taken.

* **Duration not to differ by more than two years...**

Duration is a measure of interest rate sensitivity. It provides an estimate of how much the current price of a security (or the current cost of funding a liability stream) will vary for a given change in interest rates. For example, the price of a bond having a duration of seven years will increase roughly 7% if interest rates decline 1%; also, the price of that bond will tend to decline 7% if rates go up 1%.

Duration may be the same as maturity, but usually is not. For example, a coupon bearing 20 year bond will typically have a duration in the 6-7 year range. However, a 20 year zero coupon bond will have a duration of 20 years.

Accordingly, it is appropriate to conclude that a 20 year zero coupon bond is roughly three times more volatile, or aggressive, than a 20 year coupon bearing bond.

The bond market, represented by the Lehman Brothers Aggregate Bond Index, has a duration of 5.0 years. The seven year guideline, then, would permit active bond managers to hold a bond portfolio some 40% more volatile than the market (seven years versus five years). Clearly, this latitude would permit a manager the opportunity to structure a portfolio which would appreciate somewhat more than the market in good times, when rates are declining. However, the risk of incurring higher losses than the market also exists if the manager extends to the maximum allowable term and rates increase.

APPENDIX II- Manager Classification, Benchmarks, and Exceptions

This appendix is intended to provide specific guidance regarding individual manager assignments or classification, benchmarks, and exceptions. This appendix, combined with the applicable sections of the Statement of Investment Policy and Objectives provides the complete statement of investment objectives, rules, and guidelines for each of LASERS' managers, exclusive of rules or guidelines directly incorporated into contracts or other similar agreements.

Manager/Product Name	Passive Benchmark	Peer Group Assignment & Benchmark	Guideline exceptions & clarifications
<u>U.S. Equity Managers</u>			
Brandywine	Russell 2000 Index Russell 2000 Value	NEPC Universe of Small Capitalization Value Managers	None
Thomson, Horstman & Bryant	Russell 2000 Index Russell 2000 Value	NEPC Universe of Small Capitalization Value Managers	None
JMC Capital	Russell 2000 Index Russell 2000 Growth	NEPC Universe of Small Capitalization Growth Managers	None
TCW Earnings Momentum	Russell 2000 Index Russell 2000 Growth	NEPC Universe of Small Capitalization Growth Managers	None
American Express	S&P 500 Index Russell 1000 Growth	NEPC Universe of Large Capitalization Growth Managers	None
S&P 500 Index	S&P 500 Index	NEPC Universe of S&P 500 Index Managers	Purchase securities only in the index or to be in the index. Convertibles can not be purchased. Non-levered options and futures can be purchased. 5% cash limit.
Fayez Sarofim	S&P 500 Index Russell 1000 Growth	NEPC Universe of Large Capitalization Growth Managers	Individual position sizes are limited to 6% at purchase, may grow to 8% of portfolio market value.
Manager/Product Name	Passive Benchmark	Peer Group Assignment & Benchmark	Guideline Exceptions & Clarifications
Loomis Sayles Relative Value	S&P 500 Index Russell 1000 Value	NEPC Universe of Large Capitalization Value Managers	None
Miller Anderson & Sherrerd	S&P 500 Index Russell 1000 Value	NEPC Universe of Large Capitalization Value Managers	None

<u>U.S. Bond Managers</u>			
Loomis Sayles FIM	Lehman Brothers Aggregate Bond Index	NEPC Universe of Core Fixed Income Managers	
Orleans Capital Management	Lehman Brothers Aggregate Bond Index	NEPC Universe of Core Fixed Income Managers	
TAMCO - Mortgage Securities (TCW)	Lehman Brothers Aggregate Bond Index + 100 Bps Lehman Brothers Mortgage Index + 100 Bps	NEPC Universe of Core Fixed Income Managers	
Offitbank	CS First Boston High Yield Bond Index	NPEC Universe of High Yield Bond Managers	Individual position sizes are limited to 8% at purchase. Up to 35% may be invested in a single industry; 75% of the holdings must be cash pay "seasoned" securities. 75% of holdings in upper tier of companies capitalization. 25% of capitalization is junior to the securities owned. Up to 25% may be invested in other high-yield securities.
W.R. Huff	CS First Boston High Yield Bond Index	NPEC Universe of High Yield Bond Managers	Individual position sizes are limited to 8% at purchase. Up to 35% may be invested in a single industry; 75% of the holdings must be cash pay "seasoned" securities.
<u>Non-U.S. Equity Managers</u>			
Delaware	MSCI-EAFE Index, Unhedged	NEPC Universe of International Equity Managers	None
Templeton	MSCI-EAFE Index, Unhedged	NEPC Universe of International Equity Managers	None
Schroder International Small Cap	Salomon Brothers EMI-EPAC Extended Market Index	NEPC Universe of International Equity Managers	None

Invista Capital Management	Salomon Brothers EMI-Ex US <\$1B	NEPC Universe of International Equity Managers	Allowable Investments: common stock, preferred stock, convertible bonds of non-US domiciled companies, rule 144a securities, securities of companies domiciled in emerging markets, currency forward and option contracts allowed to hedge back to US\$ (cross-hedging prohibited). Limitations: All securities must be traded on developed market exchanges. Holding in any one security limited to 6% of the portfolio @ market value. Market capitalization of any one security limited to \$5B USD. The weighted average market capitalization of the portfolio limited to \$1B USD. Leverage and short selling is prohibited. No US domiciled companies are permitted.
Schroder International Emerging Markets	MSCI Investable Emerging Market Index	NEPC Universe of International Equity Managers	None
<u>Global Bond Managers</u>			
Morgan Grenfell Investment Services	Salomon Brothers World Government Bond Index, Unhedged	NEPC Universe of Global Bond Managers	None
Delaware International Advisers	Salomon Brothers World Government Bond Index, Unhedged	NEPC Universe of Global Bond Managers	None
<u>Tactical Asset Allocation Manager</u>			
INVESCO	50/50 combination of Lehman Brothers Aggregate Bond Index and S&P 500 Index	NEPC Universe of Balanced Managers	None

Alternative Assets

Halcyon Merger Arbitrage LP	Absolute annualized 15% return; Hedge Fund Research: Hedge MAR	<p>Allowable investments: Common stock, preferred stock, ADR's, convertible bonds, secured and unsecured publicly traded senior and subordinated debt, secured and unsecured private bank, trade and other claims, unregistered or restricted securities, exchanged traded or OTC options, foreign currency contracts and commodity futures (for hedging purposes only). Short selling is permitted.</p> <p>Investment Limitations: Securities traded on non-US exchange not to exceed 50% of total portfolio market value. No investment in emerging markets. All foreign currency exposure to be fully hedged back to USD. Aggregate holdings in a single situation may not exceed 20% of the total portfolio market value. Leverage permitted, not to exceed 75% of invested capital without prior board approval. Registered securities which are created in a merger/event situation may be held so long as holding these securities is consistent with the portfolio objectives. Certain derivative instruments to facilitate short-selling (so-called "Contracts for differences") may also be held so long as holding these securities is consistent with the portfolio objectives.</p>
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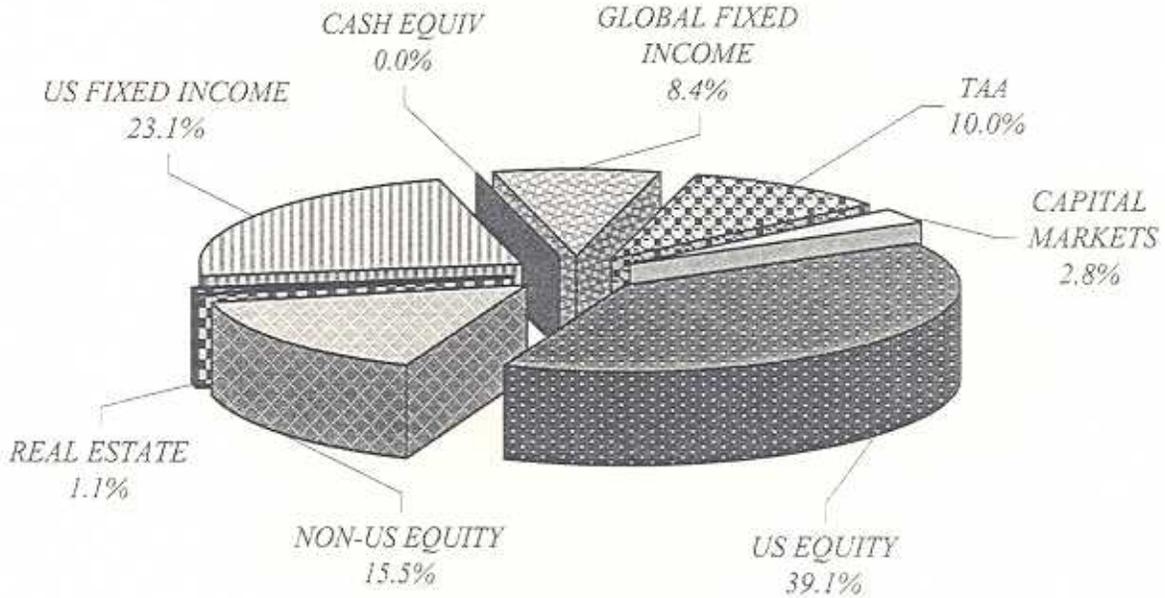
Private Equity Managers			
Harbourvest: HIPEP III-Partnership Fund	Salomon Brothers EPAC EMI < \$1B + 500 Bps		Investment Limitations: No more than 70% of total committed capital invested in Western Europe, no more than 50% total committed capital invested in Asia, no more than 40% total committed capital invested in Latin-America and other non-US markets (other than Western Europe & Asia.)
Harbourvest: HIPEP III-Direct Fund	Salomon Brothers EPAC EMI < \$1B + 500 Bps		Investment Limitations: No more than 50% of total committed capital invested in Asia, No more that 40% of the total committed capital invested in Latin-America and other non-US markets (other than Western Europe and Asia.)
Brinson Partners	NASDAQ + 300 BPS		

LASERS TOTAL PLAN ASSET ALLOCATION

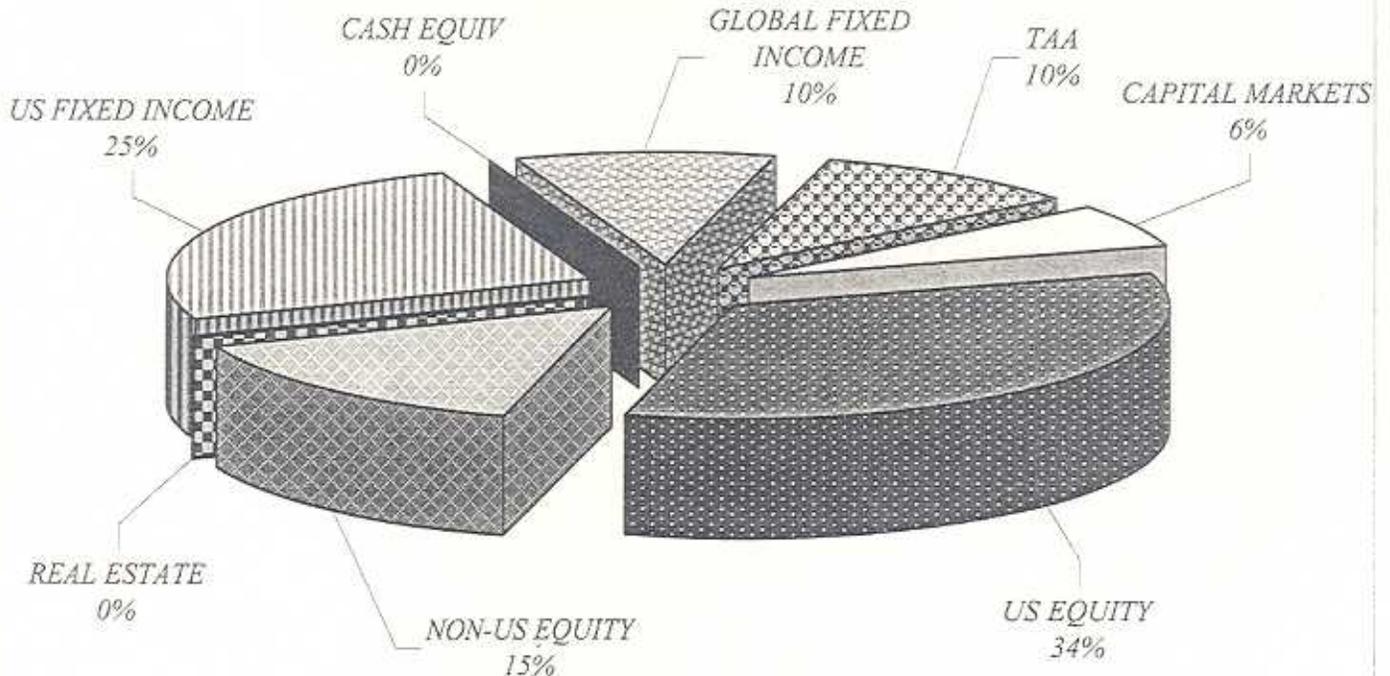
June 30, 1999

\$5.948 BILLION

LASERS ACTUAL ALLOCATION



LASERS TARGET ALLOCATION

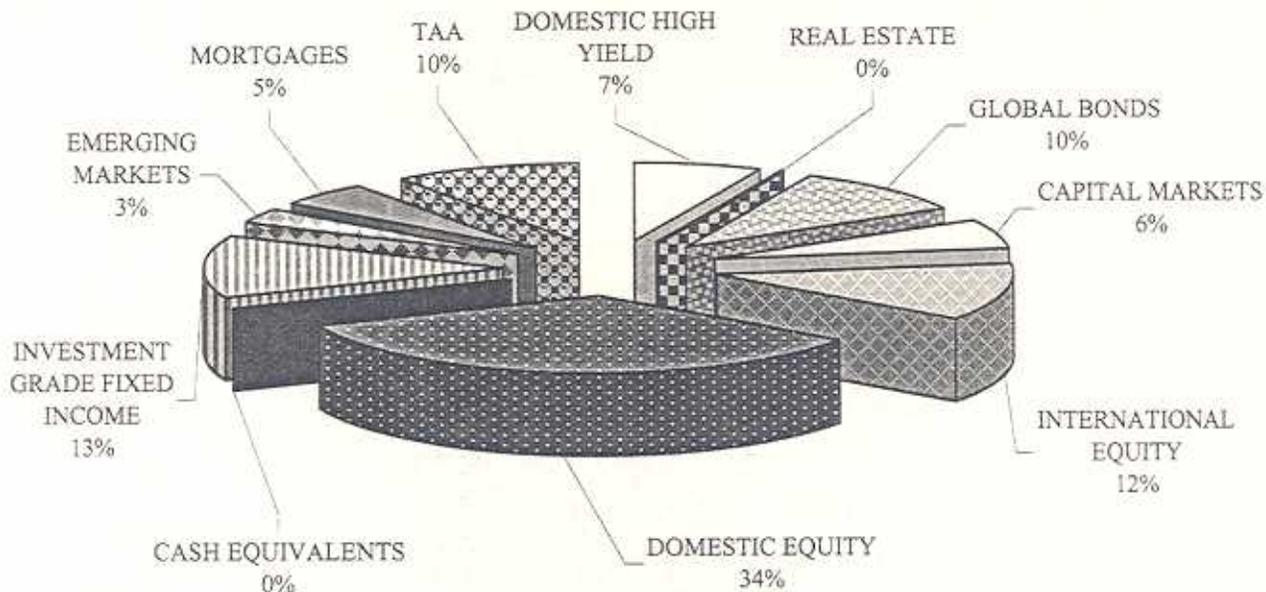


INDIVIDUAL MANAGER ALLOCATIONS

(6/30/99)

\$5.948 BILLION

LASERS TARGET ALLOCATION



LASERS ACTUAL ALLOCATION BY MANAGER

MANAGER	WEIGHT	SMM
INTERNATIONAL EQUITY		
<i>DELAWARE INTL ADVISORS</i>	4.6%	275.0
<i>INVISTA CAPITAL MGT</i>	1.1%	63.7
<i>SCHRODERS-SMALL CO</i>	1.2%	71.7
<i>TEMPLETON</i>	5.3%	315.5
TOTAL CORE INTL	12.2%	725.9
EMERGING MARKETS		
<i>SCHRODERS-EMRG MKTS</i>	3.3%	195.7
TOTAL EMERGING MARKETS	3.3%	195.7
TOTAL NON-US EQUITY	15.5%	921.6
DOMESTIC EQUITY		
SMALL CAP VALUE		
<i>TH&B</i>	2.6%	156.5
<i>BRANDYWINE</i>	2.6%	154.6
SMALL CAP GROWTH		
<i>TCW</i>	3.5%	206.9
<i>JMC CAPITAL</i>	1.5%	86.4
TOTAL SMALL CAP	10.2%	604.4
LARGE CAP VALUE		
<i>LOOMIS SAYLES & CO</i>	4.6%	271.4
<i>MAS</i>	4.3%	256.6
LARGE CAP GROWTH		
<i>AMERICAN EXPRESS</i>	4.3%	256.4
<i>FAYEZ SAROFIM</i>	4.3%	257.4
TOTAL LARGE CAP	17.5%	1,041.8
<i>LASERS S&P 500 INDEX</i>	9.6%	572.5
<i>SSGA RUSSELL 2000 INDEX</i>	1.8%	109.2
TOTAL DOMESTIC EQUITY	39.1%	2,327.9
TOTAL EQUITY	54.6%	3,249.5

MANAGER	WEIGHT	SMM
TAA		
<i>INVESCO</i>	10.0%	595.4
TOTAL TAA	10.0%	595.4
INVESTMENT GRADE BONDS		
<i>LOOMIS SAYLES & CO.</i>	8.3%	495.7
<i>ORLEANS CAPITAL</i>	4.0%	236.7
TOTAL INVESTMENT GRADE	12.3%	732.4
MORTGAGES		
<i>TCW</i>	4.3%	257.1
TOTAL MORTGAGES	4.3%	257.1
DOMESTIC HIGH YIELD		
<i>WR HUFF</i>	3.5%	206.3
<i>OFFITBANK</i>	3.0%	180.6
TOTAL DOMESTIC HIGH YLD	6.5%	386.9
GLOBAL BONDS		
<i>MORGAN GRENFELL</i>	4.9%	290.5
<i>DELAWARE INTL ADVISORS</i>	3.5%	210.6
TOTAL GLOBAL BONDS	8.4%	501.1
TOTAL FIXED INCOME	31.5%	1,877.5
CAPITAL MARKETS		
<i>JOHN HANCOCK</i>	0.6%	35.7
<i>PATHWAY</i>	0.4%	22.0
<i>BRINSON</i>	0.8%	46.9
<i>HALCYON</i>	0.8%	44.6
<i>HARBOURVEST DIRECT</i>	0.1%	7.4
<i>HARBOURVEST PTNR.</i>	0.1%	5.8
TOTAL CAPITAL MARKETS	2.8%	162.4
TOTAL REAL ESTATE	1.1%	62.3
TOTAL CASH	0.0%	0.6
TOTAL PLAN ASSETS	100.0%	5,947.7

Schedule of Brokerage Commission Paid

Year Ended June 30, 1999

Brokerage Firms	Shares Traded	Commission	
		Dollar Amount	Per Share
Merrill Lynch, Pierce, Fenner & Smith	10,144,762	\$ 376,709	0.0371
Instinet Corp	6,302,346	201,109	0.0319
Goldman Sachs	3,821,101	147,590	0.0386
Paine Webber Incorporated	2,593,400	141,443	0.0545
Salomon Smith Barney Inc	2,665,460	118,437	0.0444
Donaldson & Co Incorporated	4,548,974	114,400	0.0251
Lynch Jones and Ryan Inc	1,975,900	113,529	0.0575
State Street Brokerage Services	4,359,808	112,809	0.0259
Investment Technology Group Inc	7,386,285	105,549	0.0143
Janney Montgomery, Scott	1,731,566	103,894	0.0600
Smith Barney Shearson Inc	2,045,601	97,956	0.0479
Jefferies & Co	1,608,007	97,109	0.0604
Williams Capital Group	1,500,250	94,542	0.0630
Morgan Stanley and Co, Inc	2,394,700	93,503	0.0390
Dean Witter Reynolds Inc	1,646,300	90,961	0.0553
IPS Brokerage Inc	1,418,700	85,122	0.0600
Interstate/Johnson Lane Corp	2,473,910	82,935	0.0335
Capital Institutional Services	1,343,695	80,148	0.0596
Donaldson, Lufkin & Jenrette Secs	616,500	78,591	0.1275
CS First Boston Corporation	1,150,700	74,400	0.0647
CIBC World Markets Corp	1,098,100	65,808	0.0599
Lehman Bros Inc	1,445,182	61,478	0.0425
Prudential Securities Incorporated	1,265,000	57,559	0.0455
Bear, Stearns Securities Corp	943,114	53,326	0.0565
D E Shaw Securities	1,585,780	47,573	0.0300
J.P. Morgan	896,600	46,704	0.0521
Dresdner Securities Inc	4,392,569	41,651	0.0095
Cantor Fitzgerald & Co	582,200	36,156	0.0621
Broadcort Capital	562,400	33,594	0.0597
Weeden & Co	594,600	33,255	0.0559
Jones & Associates	724,700	32,070	0.0443
Bridge Trading	917,800	27,741	0.0302
Lewco Secs	455,150	27,217	0.0598
Vector Securities Inc	436,200	26,172	0.0600
Morgan Keegan & Co Inc	431,000	25,860	0.0600
Natwest Securities Corp	453,000	25,791	0.0569
Johnston, Lemon Co. Inc	407,000	24,420	0.0600
Standard & Poors Securities	317,500	18,919	0.0596
Deutsche Morgan Grenfell	1,363,911	18,895	0.0139
Wheat, First Securities, Inc	318,100	18,854	0.0593
BT Alex Brown	374,210	18,526	0.0495
Citation Group	299,160	17,950	0.0600
Pryor McClendon Counts	285,750	17,145	0.0600
Bernstein, Sanford	290,650	16,886	0.0581
Others	54,894,510	563,322	0.0103
Total	137,062,151	\$ 3,767,608	\$ 0.0275

LARGEST STOCK HOLDINGS**June 30, 1999**

(Excludes Commingled Funds)

	SHARES	STOCK DESCRIPTION	MARKET VALUE
1)	462,800	General Electric Company	\$ 52,296,400
2)	302,200	International Business Machines	\$ 39,059,350
3)	376,000	Microsoft Corporation	\$ 33,910,500
4)	558,200	Intel Corporation	\$ 33,212,900
5)	446,300	Bristol Myers Squibb Company	\$ 31,436,256
6)	355,800	Chase Manhattan Corporation New	\$ 30,776,700
7)	333,052	Wal Mart Stores Inc	\$ 29,278,100
8)	409,600	MCI Worldcom Inc.	\$ 28,663,288
9)	363,600	Merck + Co. Inc	\$ 26,770,050
10)	402,927	Cisco Sys Inc.	\$ 25,963,603

LARGEST DEBT HOLDINGS**June 30, 1999**

(Excludes Commingled Funds)

	PAR VALUE	BOND DESCRIPTION	MARKET VALUE
1)	\$ 25,500,000	US Treasury Note, 5.5% due 05/31/2000	\$ 25,547,685
2)	\$ 24,416,405	FNMA Pool 490105, 6.5% due 03/01/2019	\$ 23,889,743
3)	\$ 2,700,000,000	Japan, Govt of, 0.9% due 12/22/2008	\$ 20,857,403
4)	\$ 17,000,000	Germany (Fed Rep), 6.0% due 01/04/2007	\$ 19,241,717
5)	\$ 14,300,000	US Treasury Bonds, 8.125% due 08/15/2019	\$ 17,303,000
6)	\$ 15,000,000	Germany (Fed Rep), 6.5% due 07/15/2003	\$ 16,980,414
7)	\$ 16,500,000	Philip Morris Cos Inc., 6.375% due 02/01/2006	\$ 15,883,230
8)	\$ 100,000,000	Sweden (Kingdom of), 9.0% due 04/20/2009	\$ 15,268,277
9)	\$ 17,494,068	Federal Home Ln Mtg PC Gtd, 7.98% due 11/15/2023	\$ 14,629,414
10)	\$ 12,289,570	Germany (Fed Rep), 6.25% due 01/04/2024	\$ 14,077,083

Louisiana State Employees' Retirement System

SUMMARY OF MANAGER PERFORMANCE RATES OF RETURNS GROSS OF FEES (For Period Ending June 30, 1999)

	Contract Exp. Date	MKT VAL \$ (Million)	Month	2nd QTR	YTD	1 Year	2 Years	3 Years	4 Years	5 Years
U.S. EQUITY										
LARGE CAP GROWTH										
AMERICAN EXPRESS (τ)	06/30/02	\$ 256.4	5.9	6.7	12.1	22.2				
FAYEZ SAROFIM	10/31/01	\$ 257.4	4.8	2.9	5.8	15.4	21.8	26.7	27.9	28.2
S&P 500			5.5	7.0	12.2	22.7	26.4	29.1	28.3	27.9
RUSSELL 1000 GROWTH			7.0	3.8	10.5	27.3	29.3	30.0	29.4	29.7
TOTAL LARGE GROWTH		\$ 513.8	5.4	4.7	8.7	18.6	20.8	24.2	25.4	25.9
LARGE CAP VALUE										
LOOMIS, SAYLES & CO. (τ)	08/13/00	\$ 271.4	2.3	12.2	10.7	12.8	15.4	21.3		
MAS	03/01/01	\$ 256.6	2.3	14.9	12.9	5.7	10.1			
S&P 500			5.5	7.0	12.2	22.7	26.4	29.1	28.3	27.9
RUSSELL 1000 VALUE			2.9	11.3	12.9	16.4	22.4	25.9	25.6	24.5
TOTAL LARGE VALUE		\$ 528.0	2.3	13.4	11.8	10.5	13.6	20.1	19.0	19.7
SMALL CAP GROWTH										
JMC CAPITAL MGT (τ)	11/13/00	\$ 86.4	5.7	5.6	-8.7	-14.1	0.1	2.0		
TCW	12/31/00	\$ 206.9	11.8	7.5	3.2	15.2	19.6	10.3	17.2	16.4
RUSSELL 2000			4.5	15.6	9.3	1.5	8.7	11.2	14.3	15.4
RUSSELL 2000 GROWTH			5.3	14.7	12.8	8.3	10.7	8.6	12.9	15.3
TOTAL SMALL GROWTH		\$ 293.3	9.9	6.9	-0.6	4.9	12.8	7.7	15.8	19.1
SMALL CAP VALUE										
BRANDYWINE	09/14/00	\$ 154.6	4.1	20.8	7.4	-3.7	10.2	18.0		
THB	09/14/00	\$ 156.5	6.8	16.2	6.6	-11.1	1.6	9.3		
RUSSELL 2000			4.5	15.6	9.3	1.5	8.7	11.2	14.3	15.4
RUSSELL 2000 VALUE			3.6	16.6	5.3	-5.7	6.3	13.2	15.1	15.0
TOTAL SMALL VALUE		\$ 311.1	5.4	18.7	7.1	-7.2	6.0	13.7	16.2	15.1
INDEX FUNDS										
SSGA RUSSELL 2000 INDEX FUND		\$ 109.2	4.3							
RUSSELL 2000			4.5	15.6	9.3	1.5	8.7	11.2	14.3	15.4
TOTAL SMALL CAP INDEX FUND		\$ 109.2	4.3							
LASERS S&P 500 INDEX FUND		\$ 572.5	5.5	6.7						
S&P 500			5.5	7.0	12.2	22.7	26.4	29.1	28.3	27.9
TOTAL LARGE CAP INDEX FUND		\$ 572.5	5.5	6.7	12.0	22.3				
TOTAL U.S. EQUITY										
		\$ 2,327.9	5.2	9.1	8.7	11.6	16.2	19.4	21.2	21.7
NON-US EQUITY										
DELAWARE INT'L ADVISORS	03/23/02	\$ 275.0	4.6	5.9	7.3	7.9	8.0			
TEMPLETON INT'L	02/28/02	\$ 315.5	4.1	9.5	10.0	1.3	3.2	11.4	13.0	13.0
MSCI EAFE			3.9	2.5	4.0	7.6	6.9	8.8	9.9	8.2
TOTAL CORE INT'L		\$ 590.5	4.3	7.8	8.7	4.2	5.4	12.3	13.6	13.5
SCHRODERS SC (GROWTH)	09/30/03	\$ 71.7	5.7	10.7	14.3	4.2	2.1	2.5	7.4	4.6
SB EMI EPAC			3.4	5.8	7.1	3.6	2.2	1.7	5.4	3.2
INVISTA CAPITAL MGT (VALUE)	12/31/03	\$ 63.7	10.1	10.3						
SB WORLD EX-US <\$1 BILLION			5.1	9.8	14.7	7.5	-2.3	-0.9	3.4	1.7
TOTAL INT'L SMALL CAP		\$ 135.4	7.7	10.7	14.2	4.1	2.0	2.4	7.4	4.6
SCHRODERS EMER MKTS	10/31/00	\$ 195.7	12.5	24.3	37.7	26.7	-8.9	-0.2		
MSCI EMERGING MARKETS FREE			11.3	24.4	39.9	28.7	-11.5	-4.0	-1.0	-0.8
TOTAL NON-U.S. EQUITY										
		\$ 921.6	6.4	11.3	14.4	8.2	2.4	7.8	11.4	10.0
TOTAL EQUITY										
		\$ 3,249.5	5.5	9.7	10.2	10.7	11.7	15.5	17.9	17.9

(τ) denotes a manager on the watch list

Louisiana State Employees' Retirement System

SUMMARY OF MANAGER PERFORMANCE RATES OF RETURNS GROSS OF FEES (For Period Ending June 30, 1999)

	Contract Exp. Date	MKT VAL \$ (Million)	Month	2nd QTR	YTD	1 Year	2 Years	3 Years	4 Years	5 Years
US FIXED INCOME										
INVESTMENT GRADE										
LOOMIS SAYLES & CO	09/30/99	\$ 495.7	-0.5	0.0	1.0	2.6	6.9	7.8	7.2	
ORLEANS CAPITAL MGT	09/30/99	\$ 236.7	-0.2	-0.6	-0.9	2.5	6.6	7.3	6.8	
LB AGGREGATE			-0.3	-0.9	-1.4	3.1	6.8	7.2	6.7	7.8
TOTAL INVESTMENT GRADE		\$ 732.4	-0.4	-0.2	0.4	2.6	6.8	7.6	7.1	8.5
HIGH YIELD										
W.R. HUFF ASSET MGT	07/28/99	\$ 206.3	-0.4	-0.7	4.3	4.8	9.2	11.7	11.7	13.1
OFFITBANK	07/24/99	\$ 180.6	-0.2	0.1	2.3	3.3	7.3	9.7	9.8	10.3
FIRST BOSTON HIGH YIELD			0.1	1.2	2.8	-0.9	4.9	8.1	8.5	9.3
TOTAL HIGH YIELD		\$ 386.9	-0.3	-0.3	3.3	4.1	8.3	10.7	10.8	11.7
MORTGAGE										
TCW	06/14/99	\$ 257.1	0.1	0.3	1.4	6.1	9.3	8.9	10.9	11.5
LB MORTGAGE INDEX			-0.4	-0.5	0.5	4.0	6.4	7.3	7.0	8.0
TOTAL MORTGAGE		\$ 257.1	0.1	0.3	1.4	6.1	9.3	8.9	10.9	11.5
TOTAL U.S. FIXED INCOME		\$ 1,376.4	-0.3	-0.1	1.4	3.7	7.6	8.5	8.6	9.8
GLOBAL FIXED INCOME										
DELAWARE INV ADVISOR	09/30/02	\$ 210.6	-0.1	-0.4	-0.4	5.9				
MORGAN GRENFELL	09/30/02	\$ 290.5	-1.1	-2.8	-6.1	3.3	4.3	5.0	4.5	6.7
SB WORLD GOVT BOND			-1.8	-3.4	-7.2	4.1	4.2	4.1	3.2	6.1
TOTAL GLOBAL FIXED INCOME		\$ 501.1	-0.7	-1.8	-3.7	4.4	4.1	4.7	4.5	6.1
TOTAL FIXED INCOME		\$ 1,877.5	-0.4	-0.6	0.0	3.9	6.8	7.6	7.6	8.8
TACTICAL ASSET ALLOCATION										
INVESCO	02/28/01	\$ 595.4	4.8	6.3	7.0	11.4	16.2	19.8		
50% S&P 500, 50% LB AGGREGATE			2.6	3.0	5.3	13.2	16.7	18.1	17.3	17.7
TOTAL TAA		\$ 595.4	4.8	6.3	7.0	11.4	16.2	19.7	18.3	17.5
ALTERNATIVE ASSETS										
JOHN HANCOCK	03/31/02	\$ 35.7	2.0	21.3	35.7	47.7	41.7	50.0	38.5	34.1
PATHWAY CAPITAL MGT	03/31/02	\$ 22.0	0.0	8.5	9.7	28.4	32.5	25.6	21.6	17.1
BRINSON PRIV MKT (‡)	02/01/01	\$ 46.9	0.0	2.2	4.1	8.4	7.4			
HARBOURVEST PARTNERSHIP	10/08/10	\$ 5.8	0.0	-4.0	-4.0					
HARBOURVEST DIRECT	10/08/10	\$ 7.4	0.0	-5.7	-5.7					
HALCYON M&A / SPIFF	12/31/03	\$ 44.6	6.1	6.7						
NASDAQ W/O INCOME			8.7	9.1	22.5	41.8	36.5	31.4	30.3	30.6
TOTAL ALTERNATIVE ASSETS		\$ 162.4	2.0	7.6	12.6	24.2	27.1	32.7	28.5	23.8
(*) Pacific Corp. Advisors receive an annual fee of \$45,000 to monitor John Hancock and Pathway Capital										
(‡) Brinson's fee is 61.1 bps on the \$180 mm commitment										

Louisiana State Employees' Retirement System

SUMMARY OF MANAGER PERFORMANCE RATES OF RETURNS GROSS OF FEES (For Period Ending June 30, 1999)

	Contract Exp. Date	MKT VAL \$ (Million)	Month	2nd QTR	YTD	1 Year	2 Years	3 Years	4 Years	5 Years
REAL ESTATE										
EQUITY REAL ESTATE										
EQUITABLE PRIME PROPERTY FUND	\$	5.0	0.0	3.5	6.4	18.4	17.6	15.4	11.6	10.9
HEITMAN REAL ESTATE FUND FIVE (τ)	\$	12.6	0.0	2.1	0.5	18.7	15.6	12.5	11.1	10.0
JMB GROUP TRUST FIVE (τ)	\$	14.2	1.0	1.7	7.7	15.0	13.3	8.7	8.0	7.9
LEGBDIRFF & BABSON PROP FOUR	\$	15.5	1.7	1.7	3.3	9.1	12.6	10.9	10.9	9.5
TCW REALTY FUND SIX	\$	14.4	2.5	-6.3	3.1	7.6	7.3	7.7	7.7	8.2
NCREIF CUSTOM PROPERTY			2.6	2.6	6.4	15.6	16.1	14.3	13.1	11.9
TOTAL EQUITY REAL ESTATE	\$	62.0	1.2	-0.1	4.5	12.3	13.6	12.1	10.5	9.6
DEBT REAL ESTATE										
LOUISIANA HOUSING FIN	\$	0.3	0.8	2.3	4.8	9.3	9.8	10.7	10.7	10.7
91 DAY T-BILL			0.4	1.1	2.3	4.9	5.2	5.3	5.4	5.4
TOTAL DEBT REAL ESTATE	\$	0.3	0.7	0.5	4.4	14.5	0.0	1.2	4.0	4.8
TOTAL REAL ESTATE	\$	62.3	1.2	-0.1	4.5	12.4	13.4	11.9	10.5	9.6
CASH EQUIVALENTS										
HOLDING ACCOUNT	\$	0.6	0.4	1.2	2.5	5.8	5.1	5.2	5.4	5.2
91 DAY T-BILL			0.4	1.1	2.3	4.9	5.2	5.3	5.4	5.4
TOTAL CASH EQUIVALENTS	\$	0.6	0.4	1.2	2.5	5.8	5.1	5.2	5.4	5.2
TOTAL PLAN										
TOTAL ACTIVE INVESTMENTS	\$	5,719.4	3.4	5.7	6.3	8.4	10.3	12.7	13.4	13.9
TOTAL PLAN W/O BALANCED	\$	5,351.2	3.2	5.7	6.3	8.4	9.9	12.1	12.8	13.4
TOTAL PLAN	\$	5,947.7	3.4	5.7	6.4	8.7	10.6	12.9	13.4	13.8

Note: Both the sum and the return of the *Total Debt and Equity Real Estate* headings are inclusive of their individual Cash Equivalent amounts in addition to the sum of their sub-accounts.

Cash Equivalents	Sum to Sub-Acc	Total
\$ 0.3	\$ 61.7	\$ 62.0
\$ 0.0	\$ 0.3	\$ 0.3
\$ 0.3	\$ 61.9	\$ 62.3

(τ) denotes a manager on the watch list

SCHEDULE OF FEES
For Year Ended June 30, 1999

Investment Mgr Type	Assets under Management (in millions)	Annual Fees (in dollars)
Fixed Income Managers		
U.S. Fixed Income	\$ 1,376.4	\$ 3,208,481
Global Fixed Income	501.1	1,296,524
Total Fixed Income	1,877.5	4,505,005
Equity		
U.S. Equity	2,327.9	5,950,821
Global Equity	921.6	2,239,604
Total Equity	3,249.5	8,190,425
Real Estate	62.3	704,845
Venture Capital	162.4	1,406,245
TAA Mgrs	595.4	1,015,176
Cash	0.6	-
Consulting Fees	-	250,000
Total	\$ 5,947.7	\$ 16,071,696

Louisiana State Employees' Retirement System

SECURITIES HOLDING DETAIL REPORT

June 30, 1998

SECURITIES	COST(\$)	MARKET VALUE (\$)	% OF MARKET
FIXED INCOME			
Corporate Bonds	\$ 684,058,701	\$ 720,409,139	13.0%
Other Bonds	53,328,970	54,347,297	1.0%
Total Corporate Bonds	737,387,671	774,756,436	14.0%
Federal Agency Sponsored CMO's	55,558,495	56,135,060	1.0%
Federal Sponsored	297,315,465	293,080,155	5.3%
U. S. Treasury Notes	159,763,552	162,572,363	2.9%
U. S. Treasury Bonds	185,614,553	188,282,101	3.4%
Total U.S. Government/Agency Bonds	53,847,673	58,552,461	1.1%
	752,099,738	758,622,140	13.7%
Foreign Corp Bonds	36,990,207	37,450,844	0.7%
Foreign Corp Yankee Bonds	67,703,566	71,868,693	1.3%
Foreign Govt Bonds	284,911,557	278,750,583	5.1%
Foreign Govt Yankee Bonds	35,966,749	34,201,655	0.6%
Commingled Fixed Income Fund	11,292,703	10,698,743	0.2%
Total International Bonds	436,864,782	432,970,518	7.9%
TOTAL FIXED INCOME	1,926,352,191	1,966,349,094	35.6%
EQUITY			
Common Stock- Domestic	1,849,535,691	2,404,711,473	43.6%
Stock Warrants & Rights	3,266	81,202	0.0%
Preferred Stock-Domestic	1,575,000	1,552,950	0.0%
Commingled Domestic Stock	46,325,159	48,008,824	0.9%
Total Domestic Stock	1,897,439,116	2,454,354,449	44.5%
Common Stock -ADR	80,252,925	108,444,162	2.0%
Common Stock-Foreign	431,580,922	527,803,083	9.6%
Foreign Stock Warrants/Rights	-	175,598	0.0%
Preferred Stock-Foreign	2,316,446	2,372,027	0.0%
Commingled Funds-Equity	219,750,000	247,822,516	4.5%
Total International Stock	733,900,293	886,617,386	16.1%
TOTAL EQUITY	2,631,339,409	3,340,971,835	60.6%
ALTERNATIVE INVESTMENTS			
Real Estate Debt Securities	621,007	1,010,475	0.0%
Real Estate Investment Pools	78,653,090	97,508,988	1.8%
Venture Capital	52,190,242	64,347,425	1.1%
TOTAL ALTERNATIVE INVESTMENTS	131,464,339	162,866,888	2.9%
TOTAL SHORT-TERM INVESTMENTS	50,976,160	51,124,236	0.9%
GRAND TOTAL INVESTMENTS	\$ 4,740,132,099	\$ 5,521,312,053	100%

Louisiana State Employees' Retirement System

SECURITIES HOLDING DETAIL REPORT

June 30, 1999

SECURITIES	COST (\$)	MARKET VALUE (\$)	% OF MARKET
FIXED INCOME			
Corporate Bonds	\$ 745,886,603	\$ 727,593,173	12.2%
Other Bonds	60,364,546	59,374,136	1.0%
Total Corporate Bonds	806,251,149	786,967,309	13.2%
Federal Agency Sponsored CMO'S	62,848,716	61,805,362	1.0%
Federal Sponsored U. S. Treasury Notes	295,657,388	289,835,830	4.9%
U. S. Treasury Bonds	188,838,396	187,122,769	3.1%
U. S. Treasury Bonds	151,509,664	150,531,990	2.5%
U. S. Treasury Bonds	34,315,124	34,191,372	0.6%
Total U.S. Government/Agency Bonds	733,169,288	723,487,323	12.1%
Foreign Corp Bonds	41,283,063	39,941,192	0.7%
Foreign Corp Yankee Bonds	84,789,644	86,529,793	1.5%
Foreign Govt Bonds	335,243,058	314,646,796	5.3%
Foreign Govt Yankee Bonds	33,531,709	31,805,494	0.5%
Common Stock - Commingled Funds Fixed	21,214,143	20,605,969	0.3%
Total International Bonds	516,061,617	493,529,244	8.3%
TOTAL FIXED INCOME	2,055,482,054	2,003,983,876	33.6%
EQUITY			
Common Stock-Domestic	1,956,482,503	2,475,029,621	41.6%
Common Stock - Commingled Funds Equity	216,964,675	224,410,760	3.8%
Common Stock - Preferred	1,838,562	1,767,500	0.0%
Stock Warrants & Rights	173,963	708,044	0.0%
Total Domestic Stock	2,175,459,703	2,701,915,925	45.4%
Common Stock-ADR	66,984,019	88,925,561	1.5%
Common Stock - Commingled Funds Equity	214,531,873	267,290,023	4.5%
Common Stock -Foreign	502,160,957	615,837,562	10.4%
Preferred Stock -Foreign	4,027,290	3,646,350	0.1%
Stock Warrants & Rights	-	165,206	0.0%
Total International Stock	787,704,139	975,864,702	16.5%
TOTAL EQUITY	2,963,163,842	3,677,780,627	61.9%
ALTERNATIVE INVESTMENTS			
Real Estate Debt Securities	209,441	209,441	0.0%
Real Estate Investment Pools	59,822,934	67,071,818	1.1%
Private Placements	97,812,452	117,148,756	2.0%
TOTAL ALTERNATIVE INVESTMENTS	157,844,827	184,430,015	3.1%
SHORT TERM INVESTMENTS			
Domestic Short Term	53,850,549	53,850,549	0.9%
Foreign Short Term	27,601,040	27,682,128	0.5%
TOTAL SHORT-TERM INVESTMENTS	81,451,589	81,532,677	1.4%
GRAND TOTAL INVESTMENTS	\$ 5,257,942,312	\$ 5,947,727,195	100%

Louisiana State Employees' Retirement System

Detail Listing of Investments as of June 30, 1999

Name	Coupon Rate	Maturity Date	Par Value	Amortized Cost	Market Value
SHORT-TERM INVESTMENTS - DOMESTIC					
USD TIME DEPOSIT	5.000		1,003,532	1,003,531.74	1,003,531.74
LASERS STIF				52,847,017.17	52,847,017.17
TOTAL SHORT-TERM INVESTMENTS - DOMESTIC			1,003,532	53,850,548.91	53,850,548.91

SHORT-TERM INVESTMENTS - INTERNATIONAL					
YEN TIME DEPOSIT	0.020		2,140,137,396	17,594,376.86	17,681,801.69
DKK TIME DEPOSIT	2.500		2,406,206	334,834.70	334,577.38
GRD TIME DEPOSIT	9.100		408,708,725	1,300,505.80	1,297,858.65
AUD TIME DEPOSIT	4.825		3,016,934	1,990,085.94	1,996,973.98
EURO TIME DEPOSIT EUR	2.470		2,554,269,261	6,381,237.17	6,370,916.39
TOTAL SHORT-TERM INVESTMENTS - INTERNATIONAL			5,108,538,522	27,601,040.47	27,682,128.09

US GOVERNMENT OBLIGATIONS

US Treasury Notes

UNITED STATES TREAS BILLS		99/06/19	971,000	959,095.37	959,095.37
UNITED STATES TREAS BILLS		99/09/16	1,157,000	1,139,267.05	1,139,267.05
UNITED STATES TREAS BILLS		99/07/29	2,129,000	2,105,661.61	2,105,661.61
UNITED STATES TREAS BILLS		99/08/05	323,000	319,398.55	319,398.55
UNITED STATES TREAS BILLS		99/08/12	392,000	387,116.33	387,116.33
UNITED STATES TREAS BILLS		99/09/02	1,014,000	1,000,468.25	1,000,468.25
UNITED STATES TREAS BILLS		99/09/09	1,179,000	1,162,451.40	1,162,451.40
UNITED STATES TREAS BILLS		99/09/23	50,000	49,393.75	49,393.75
UNITED STATES TREAS BILLS		99/09/30	111,000	109,222.21	109,222.21
UNITED STATES TREAS BILLS		99/10/07	496,000	489,203.84	489,203.84
UNITED STATES TREAS BILLS		99/10/21	60,000	59,068.73	59,068.73
UNITED STATES TREAS BILLS		99/10/28	3,275,000	3,223,264.10	3,223,264.10
UNITED STATES TREAS BILLS		99/11/04	730,000	716,504.97	716,504.97
UNITED STATES TREAS NTS	6.250	07/02/15	12,000,000	12,162,408.75	12,247,440
UNITED STATES TREAS NTS	3.375	07/01/15	6,292,500	6,252,210.58	6,042,750.68
UNITED STATES TREAS NTS	6.625	02/03/31	1,000,000	1,053,223.09	1,025,000
UNITED STATES TREAS NTS	6.000	00/08/15	750,000	760,799.57	754,687.5
UNITED STATES TREAS NTS	5.750	02/10/31	3,450,000	3,569,666.43	3,490,764
UNITED STATES TREAS NTS	3.625	08/01/15	4,114,040	4,103,217.15	3,998,970.3
UNITED STATES TREAS NTS	5.375	00/01/31	9,000,000	8,994,525.77	9,016,830.00
UNITED STATES TREAS NTS	5.500	03/01/31	2,000,000	1,997,639.75	1,988,120.00
UNITED STATES TREAS NTS	5.500	00/02/29	3,000,000	2,998,619.72	3,007,020.00
UNITED STATES TREAS NTS	5.500	03/02/28	2,000,000	2,051,280.70	1,987,180.00
UNITED STATES TREAS NTS	5.625	08/05/15	2,000,000	1,981,300.18	1,962,500.00
UNITED STATES TREAS NTS	5.500	00/05/31	25,500,000	25,493,686.30	25,547,685.00
UNITED STATES TREAS NTS	5.250	03/08/15	2,000,000	2,003,638.28	1,966,240.00
UNITED STATES TREAS NTS	5.125	00/08/31	7,400,000	7,409,348.38	7,374,544.00
UNITED STATES TREAS NTS	4.500	00/09/30	2,000,000	2,005,351.69	1,978,120.00
UNITED STATES TREAS NTS	7.500	01/11/15	2,000,000	2,094,436.82	2,083,120.00
UNITED STATES TREAS NTS	7.500	02/05/15	1,400,000	1,430,079.87	1,468,474.00
UNITED STATES TREAS NTS	6.250	03/02/15	2,000,000	2,046,213.90	2,035,620.00
UNITED STATES TREAS NTS	7.250	04/05/15	2,000,000	2,162,679.82	2,123,440.00
UNITED STATES TREAS NTS	7.250	04/08/15	2,000,000	2,141,057.35	2,127,180.00
UNITED STATES TREAS NTS	7.875	04/11/15	5,000,000	5,516,944.57	5,469,550.00
UNITED STATES TREAS NTS	7.500	05/02/15	2,000,000	2,201,041.23	2,155,620.00
UNITED STATES TREAS NTS	6.500	05/05/15	4,500,000	4,774,153.51	4,644,855.00
UNITED STATES TREAS NTS	6.500	05/08/15	2,000,000	2,080,344.70	2,066,240.00
UNITED STATES TREAS NTS	6.125	00/09/30	500,000	503,778.14	504,220.00
UNITED STATES TREAS NTS	5.750	00/10/31	7,100,000	7,068,098.98	7,126,625.00
UNITED STATES TREAS NTS	5.875	05/11/15	4,000,000	4,040,255.70	4,004,360.00
UNITED STATES TREAS NTS	5.500	00/12/31	5,350,000	5,373,662.07	5,352,514.50

Louisiana State Employees' Retirement System
Detail Listing of Investments as of June 30, 1999

Name	Coupon Rate	Maturity Date	Par Value	Amortized Cost	Market Value
UNITED STATES TREAS NTS	5.250	01/01/31	4,155,000	4,132,244.35	4,141,371.50
UNITED STATES TREAS NTS	5.625	06/02/15	2,000,000	1,989,878.45	1,974,060.00
UNITED STATES TREAS NTS	7.000	06/07/15	4,000,000	4,327,997.21	4,245,640.00
UNITED STATES TREAS NTS	6.500	01/08/31	2,000,000	2,043,531.99	2,037,500.00
UNITED STATES TREAS NTS	6.500	06/10/15	2,800,000	3,026,232.35	2,893,632.00
Total US Treasury Notes			149,198,540	151,509,663.51	150,531,989.74
US Treasury Bonds					
UNITED STATES TREAS BDS	7.250	16/05/15	2,000,000	2,322,468.57	2,203,740.00
UNITED STATES TREAS BDS	8.125	19/08/15	14,300,000	17,417,790.97	17,303,000.00
UNITED STATES TREAS BDS	7.250	22/08/15	3,270,000	3,428,792.07	3,665,964.30
UNITED STATES TREAS BDS	6.250	23/08/15	750,000	774,796.54	754,567.50
UNITED STATES TREAS BDS	6.375	27/08/15	10,000,000	10,371,276.16	10,264,100.00
Total US Treasury Bonds			30,320,000	34,315,124.31	34,191,371.80
CMOS					
BEAR STEARNS MTG SECS INC	6.500	24/04/28	4,797,068	4,497,883.55	4,764,064.17
CHASE MTG FIN CORP	6.750	28/08/25	5,000,000	5,018,052.41	4,854,650.00
CITICORP MTG SECS INC	6.500	07/03/25	252,191	252,333.01	251,560.98
CITICORP MTG SECS INC	6.000	09/10/25	1,000,000	976,522.91	976,560.00
CMC SECS CORP III	6.500	28/03/25	5,000,000	4,817,849.30	5,028,512.00
CREDIT SUISSE FIRST BOSTON MTG	6.475	28/03/15	4,000,000	3,996,370.20	4,019,376.00
CWBS INC	6.750	27/11/25	6,908,000	6,957,953.68	6,886,377.96
CWBS INC	6.750	28/06/25	7,000,000	6,971,501.74	6,763,750.00
CWBS INC PASS THROUGH CTFS	6.750	28/10/25	7,000,000	7,064,152.83	6,768,090.00
FEDERAL HOME LN MTG CORP	6.000	26/12/15	3,761,890	3,659,372.33	3,663,140.54
FEDERAL HOME LN MTG CORP	5.400	06/07/15	8,577,439	8,557,524.76	8,547,932.61
FEDERAL HOME LN MTG CORP	7.000	21/10/20	2,081,676	2,083,400.13	2,084,278.09
FEDERAL HOME LN MTG CORP	6.500	10/02/15	1,250,000	1,240,430.87	1,251,162.50
FEDERAL HOME LN MTG CORP	7.000	23/12/15	5,000,000	4,967,459.20	4,971,850.00
FEDERAL HOME LN MTG CORP	7.000	25/04/20	3,311,797	3,334,474.99	3,182,404.71
FEDERAL HOME LN MTG CORP	7.500	24/08/15	6,589,641	6,670,610.62	6,731,713.66
FEDERAL HOME LN MTG CORP	5.750	26/07/15	15,000,000	14,349,327.00	13,832,700.00
FEDERAL HOME LN MTG CORP	6.000	27/07/15	5,000,000	4,785,812.55	4,623,400.00
FEDERAL HOME LN MTG CORP	6.000	23/08/15	4,979,480	4,861,499.34	4,825,539.87
FEDERAL HOME LN MTG CORP	6.500	21/08/25	5,000,000	4,787,106.10	4,985,900.00
FEDERAL HOME LN MTG CORP MTG	6.500	12/03/15	3,000,000	2,910,644.79	2,932,500.00
FEDERAL HOME LN MTG PC GTD	7.500	21/11/15	1,939,770	1,916,394.06	1,970,068.80
FEDERAL HOME LN MTG PC GTD	6.000	18/07/15	995,948	956,276.73	994,653.72
FEDERAL HOME LN MTG PC GTD	7.000	07/10/15	5,000,000	5,040,032.80	5,025,000.00
FEDERAL HOME LN MTG PC GTD	6.250	07/10/15	7,500,000	7,342,978.57	7,467,150.00
FEDERAL HOME LN MTG PC GTD	6.000	08/11/15	1,728,974	1,695,011.82	1,713,292.45
FEDERAL HOME LN MTG PC GTD	10.019	23/10/15	14,976,292	14,976,292.00	13,455,150.02
FEDERAL HOME LN MTG PC GTD	6.500	10/07/25	4,000,000	3,987,027.24	3,901,240.00
FEDERAL HOME LN MTG PC GTD	7.980	23/11/15	17,494,068	17,728,919.32	14,529,414.20
FEDERAL HOME LN MTG PC GTD	6.000	09/03/15	5,000,000	4,702,742.74	4,804,650.00
FEDERAL HOME LN MTG PC GTD	5.800	06/04/15	3,225,374	3,146,715.45	3,224,341.88
FEDERAL HOME LN MTG PC GTD	6.100	24/02/15	2,065,736	2,021,516.79	2,060,571.66
FEDERAL HOME LN MTG PC GTD	7.000	26/07/15	1,162,000	1,129,314.50	1,142,473.92
FEDERAL HOME LN MTG PC GTD	6.050	28/10/15	4,933,711	4,622,287.90	4,867,402.12
FEDERAL NATL MTG ASSN	6.500	16/08/15	860,000	840,804.83	861,075.00
FEDERAL NATL MTG ASSN GTD	6.500	08/09/25	5,531,743	5,523,331.87	5,402,078.94
FEDERAL NATL MTG ASSN GTD	6.000	08/05/25	1,088,069	1,085,278.58	1,077,526.07
FEDERAL NATL MTG ASSN GTD	6.500	23/11/25	6,641,736	6,366,020.56	6,041,854.84
FEDERAL NATL MTG ASSN GTD	6.500	23/10/25	5,891,000	5,530,051.54	5,561,457.46
FEDERAL NATL MTG ASSN GTD	5.850	08/10/25	451,651	442,841.99	448,968.37

Louisiana State Employees' Retirement System
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Name	Coupon Rate	Maturity Date	Par Value	Amortized Cost	Market Value
FEDERAL NATL MTG ASSN GTD	5.659	08/08/25	489,362	478,054.36	481,101.21
FEDERAL NATL MTG ASSN GTD	7.000	25/08/25	2,553,000	2,395,117.84	2,429,332.68
FEDERAL NATL MTG ASSN GTD	6.500	04/01/18	8,000,000	8,049,746.86	7,957,440.00
FEDERAL NATL MTG ASSN GTD	8.000	25/03/18	7,000,000	7,224,672.70	7,135,590.00
FEDERAL NATL MTG ASSN GTD CTF	7.500	23/10/25	1,883,297	1,880,926.35	1,903,297.58
FEDERAL NATL MTG ASSN REMIC	7.000	23/07/25	1,744,000	1,600,179.99	1,717,281.92
FEDERAL NATL MTG ASSN REMIC	6.000	06/08/25	3,500,000	3,431,628.34	3,484,670.00
FEDERAL NATL MTG ASSN REMIC	5.000	23/07/25	5,000,000	4,459,636.65	4,426,550.00
G E CAP MTG SVCS INC	6.000	24/02/25	6,640,647	6,491,606.71	6,493,291.31
GE CAP MTG SVCS INC	7.000	28/01/25	4,000,000	4,000,000.00	3,918,720.00
GE CAP MTG SVCS INC	6.750	28/03/25	5,374,769	5,346,328.76	5,376,435.44
GREEN TREE FINL CORP	0.990	20/03/01	6,000,000	5,982,520.97	5,786,220.00
GREEN TREE FINL CORP	6.040	29/11/01	1,750,000	1,759,296.88	1,732,500.00
NORWEST ASSET SECS CORP	6.750	28/09/25	7,000,000	6,801,346.66	6,769,483.00
DAKWOOD MTG INVS INC	6.350	28/02/15	5,401,300	5,395,021.98	5,414,803.29
RESIDENTIAL FDG MTG SECS I	7.000	28/01/25	9,053,000	8,969,321.40	9,007,735.00
RESIDENTIAL FDG MTG SECS I INC	6.500	09/06/25	1,307,180	1,283,156.09	1,296,957.57
RESIDENTIAL FDG MTG SECS I INC	7.000	12/01/25	10,536,000	10,634,581.03	10,476,682.32
RESIDENTIAL FDG MTG SECS I INC	6.700	27/08/25	2,266,888	2,274,385.68	2,264,756.87
RESIDENTIAL FDG MTG SECS I INC	7.000	27/12/25	6,000,000	6,010,192.61	5,919,360.00
RESIDENTIAL FDG MTG SECS I INC	6.750		4,377,469	4,355,644.12	4,276,349.90
VANDERBILT MTG + FIN INC	6.545		5,000,000	5,000,000.00	4,973,440.00
Total CMOS			299,892,168	295,657,387.50	289,835,830.61
Federal Sponsored					
FED HM LN PC C00601	6.500	28/04/01	1,800,223	1,785,023.18	1,742,273.82
FED HM LN PC C00701	6.500	29/01/01	1,939,683	1,955,551.78	1,877,244.64
FED HM LN PC E00300	7.000	06/05/01	2,223,535	2,189,951.80	2,241,190.02
FED HM LN PC E00592	6.500	13/05/01	1,926,037	1,930,551.14	1,865,848.54
FED HM LN PC E55901	6.500	09/01/01	859,761	867,154.98	853,476.04
FED HM LN PC E75777	6.500	14/04/01	1,963,357	1,988,826.26	1,939,423.28
FED HM LN PC G01543	6.000	11/06/01	13,862,042	13,252,588.39	13,487,805.47
FED HM LN PC G10195	7.000	09/04/01	2,204,985	2,102,778.79	2,222,492.21
FED HM LN PC G50212	8.000	99/10/01	2,029,308	2,084,284.02	2,037,853.33
FED HM LN PC E77106	6.500	14/06/01	2,491,849	2,468,488.16	2,451,473.61
FED HM LN PC 846317	5.861	26/08/01	1,605,475	1,624,909.25	1,636,589.59
FED HM LN PC 846510	7.061	25/04/01	3,926,102	4,005,391.68	4,016,912.94
FED HM LN PC G10916	6.500	14/05/01	2,390,496	2,412,565.72	2,381,355.61
FEDERAL HOME LN BKS	5.630	01/06/22	6,000,000	5,993,127.70	5,983,140.00
FEDERAL HOME LN BKS	5.570	00/08/17	2,000,000	1,999,481.21	1,999,060.00
FEDERAL HOME LN MTG CORP	5.000	04/01/15	3,805,000	3,722,562.01	3,635,563.35
FEDERAL HOME LN MTG CORP	5.125	08/10/15	4,600,000	4,409,980.93	4,178,824.00
FEDERAL HOME LN MTG CORP	5.785	03/03/03	3,000,000	2,987,637.28	2,944,680.00
FEDERAL HOME LN MTG CORP	5.750	09/03/15	8,750,000	8,535,482.92	8,306,987.50
FEDERAL HOME LN MTG CORP	5.750	01/06/15	3,000,000	2,992,715.52	2,997,660.00
FEDERAL NATL MTG ASSN	5.750	00/09/05	5,000,000	3,335,529.03	3,311,262.66
FEDERAL NATL MTG ASSN	5.750	03/04/15	2,000,000	2,003,541.46	1,978,440.00
FEDERAL NATL MTG ASSN	4.625	01/10/15	2,000,000	1,995,452.53	1,949,380.00
FEDERAL NATL MTG ASSN	5.375	02/03/15	6,000,000	6,001,134.41	5,914,680.00
FEDERAL NATL MTG ASSN MTN	6.210	07/11/07	2,000,000	2,052,163.24	1,961,880.00
FEDERAL NATL MTG ASSN MTN	6.000	03/03/10	5,000,000	5,000,000.00	4,930,450.00
FNMA POOL 035451	1.250	26/09/01	1,876,357	160,001.12	84,998.98
FNMA POOL 050946	6.500	23/12/01	2,438,842	2,228,874.32	2,370,993.04
FNMA POOL 124410	7.095	22/07/01	2,251,243	2,281,054.40	2,324,408.60
FNMA POOL 125403	8.000	10/04/01	514,371	517,765.10	528,675.43
FNMA POOL 250353	6.500	25/09/01	3,164,248	3,070,521.08	3,064,352.91

Louisiana State Employees' Retirement System
Detail Listing of Investments as of June 30, 1999

Name	Coupon Rate	Maturity Date	Par Value	Amortized Cost	Market Value
FNMA POOL 250408	6.500	25/11/01	3,303,961	3,206,058.64	3,189,654.90
FNMA POOL 250452	6.500	26/01/01	5,627,493	5,460,879.55	5,449,832.78
FNMA POOL 250962	7.000	17/06/01	1,299,960	1,295,429.24	1,297,506.16
FNMA POOL 262390	6.000	09/02/01	594,913	565,814.42	579,664.97
FNMA POOL 266949	6.500	24/02/01	206,359	204,059.56	200,618.16
FNMA POOL 302973	9.500	25/01/01	2,469	2,588.98	2,625.49
FNMA POOL 303036	7.295	24/10/01	793,675	808,913.89	800,620.11
FNMA POOL 303138	8.000	10/02/01	437,457	447,131.29	449,622.79
FNMA POOL 303178	6.000	24/12/01	1,522,538	1,443,346.81	1,443,076.84
FNMA POOL 303244	8.000	02/04/01	2,582,146	2,640,247.22	2,611,739.02
FNMA POOL 303387	8.000	02/07/01	1,471,217	1,470,874.91	1,488,077.40
FNMA POOL 303786	7.500	11/02/01	6,072,615	6,208,709.85	6,188,358.57
FNMA POOL 303976	6.500	99/01/01	4,587,799	4,522,196.59	4,590,689.40
FNMA POOL 306382	9.500	25/04/01	141,791	149,706.43	150,757.83
FNMA POOL 313097	6.500	26/05/01	1,397,650	1,397,650.32	1,353,526.50
FNMA POOL 313208	6.500	25/12/01	1,539,728	1,537,231.59	1,493,043.86
FNMA POOL 313429	7.000	12/03/01	3,000,291	3,027,407.00	3,015,292.64
FNMA POOL 318393	6.000	03/03/01	438,898	433,017.41	433,065.09
FNMA POOL 320664	6.000	03/03/01	200,373	196,060.41	197,800.59
FNMA POOL 320926	6.500	25/08/01	3,847,363	3,733,422.43	3,730,711.38
FNMA POOL 327640	8.000	25/11/01	178,480	178,131.30	183,610.66
FNMA POOL 328747	7.839	24/10/01	2,913,104	2,983,620.69	2,978,648.64
FNMA POOL 330128	6.574	25/09/01	1,863,259	1,900,199.92	1,907,809.27
FNMA POOL 332516	8.000	26/04/01	168,434	167,642.16	173,276.63
FNMA POOL 341645	6.000	03/03/01	192,171	184,678.93	189,703.19
FNMA POOL 359435	7.500	22/12/01	897,191	887,557.57	906,962.43
FNMA POOL 373916	7.500	22/12/01	940,594	936,475.50	953,433.41
FNMA POOL 379487	7.000	27/07/01	2,988,291	2,977,975.82	2,982,672.96
FNMA POOL 390183	7.000	17/05/01	3,324,973	3,314,376.17	3,318,721.85
FNMA POOL 418147	6.500	28/05/01	1,787,261	1,782,453.57	1,726,603.36
FNMA POOL 450941	6.500	28/11/01	2,031,179	2,042,685.86	1,964,516.12
FNMA POOL 452122	6.500	28/11/01	2,962,276	2,979,058.56	2,865,055.95
FNMA POOL 490105	6.500	19/03/01	24,416,405	24,537,436.92	23,889,742.95
FNMA POOL 484712	6.000	14/02/01	1,956,452	1,946,108.14	1,893,473.91
FNMA POOL 252498	7.000	29/05/01	2,493,225	2,502,537.88	2,470,611.88
FNMA POOL 327211	7.500	11/07/01	132,628	133,154.27	135,156.03
FNMA POOL 332628	7.000	23/08/01	1,543,507	1,517,608.62	1,531,930.25
FNMA POOL 337214	6.000	03/05/01	236,462	221,068.07	233,426.13
FNMA POOL 345223	7.500	11/07/01	148,409	148,997.30	151,237.23
FNMA POOL 392003	6.984	27/06/01	790,856	791,072.40	786,415.60
Total Federal Sponsored			193,656,563	188,838,395.62	187,122,768.70
Federal Agency Sponsored					
GNMA POOL 001869	8.000	24/09/20	654,625	624,538.89	919,513.69
GNMA POOL 001885	8.500	24/10/20	304,149	303,944.14	317,549.62
GNMA POOL 002731	7.500	29/03/20	1,995,681	2,039,550.26	2,011,267.09
GNMA POOL 008595	6.375	25/02/20	3,734,475	3,746,983.96	3,787,579.46
GNMA POOL 008607	6.375	25/03/20	4,325,506	4,348,327.55	4,386,322.40
GNMA POOL 2699	6.000	29/01/20	8,992,503	8,850,265.36	8,396,749.53
GNMA POOL 304555	9.000	21/06/15	105,960	109,424.75	112,813.83
GNMA POOL 320939	7.500	22/04/15	1,450,319	1,456,779.93	1,470,261.13
GNMA POOL 352110	7.000	23/08/15	2,797,395	2,866,787.54	2,777,281.48
GNMA POOL 356256	7.000	23/08/15	2,884,546	2,957,223.16	2,863,805.76
GNMA POOL 360186	7.000	23/09/15	3,165,781	3,263,060.21	3,143,019.43
GNMA POOL 376237	8.000	24/07/15	2,234,864	2,287,601.78	2,303,987.95
GNMA POOL 385725	8.000	24/06/15	680,327	696,712.18	701,369.40

Louisiana State Employees' Retirement System

Detail Listing of Investments as of June 30, 1999

Name	Coupon Rate	Maturity Date	Par Value	Amortized Cost	Market Value
GNMA POOL 403993	8.000	24/11/15	1,189,204	1,223,942.20	1,225,986.36
GNMA POOL 410061	8.000	25/08/15	1,948,043	2,004,080.05	2,007,088.19
GNMA POOL 431785	7.500	26/12/15	1,243,136	1,243,135.58	1,257,506.23
GNMA POOL 460771	6.500	13/03/15	1,742,425	1,755,842.99	1,727,718.88
GNMA POOL 466080	7.000	28/10/15	9,989,024	10,164,967.79	9,879,744.10
GNMA POOL 484276	6.500	28/09/15	1,954,753	1,980,365.04	1,884,499.50
GNMA POOL 491468	7.000	29/05/15	1,998,507	2,009,124.19	1,975,643.45
GNMA POOL 780208	8.500	25/08/15	1,734,970	1,796,004.02	1,819,550.00
GNMA POOL 780231	8.500	21/12/15	1,654,372	1,715,910.47	1,738,116.16
GNMA POOL 780253	9.500	17/11/15	2,001,575	2,148,897.60	2,149,171.36
GNMA POOL 780474	7.500	23/12/15	1,469,998	1,477,233.70	1,489,263.92
GNMA POOL 417392	7.500	26/05/15	1,441,865	1,478,212.83	1,458,532.90
Total Federal Agency Sponsored			61,934,003	62,848,716.17	61,805,361.92

TOTAL U.S. GOVERNMENT OBLIGATIONS	735,001,273	733,169,287.11	723,487,322.77
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BONDS/FIXED INCOME - DOMESTIC

Corporate Bonds - Domestic

AES CORP	8.500	07/11/01	1,250,000	1,247,890.48	1,171,875.00
AK STL CORP	9.125	06/12/15	1,600,000	1,600,931.34	1,640,000.00
AMB PPTY LP	6.900	05/06/30	6,000,000	5,987,559.53	5,725,158.00
A T + T CAP CORP MTN BK ENTRY	7.500	00/11/15	3,200,000	2,214,718.00	2,216,368.00
ADELPHIA COMMUNICATIONS CORP	9.875	05/03/01	2,215,000	1,958,589.16	2,314,675.00
ADELPHIA COMMUNICATIONS CORP	10.250	00/07/15	500,000	488,618.27	510,000.00
ADELPHIA COMMUNICATIONS CORP	9.875	07/03/01	1,000,000	970,783.52	1,045,000.00
ADELPHIA COMMUNICATIONS CORP	9.250	02/10/01	1,000,000	1,000,000.00	1,012,500.00
ADVANTA CORP MEDIUM TERM NTS	5.511	01/06/05	2,000,000	1,805,000.00	1,769,960.00
AETNA SVCS INC	7.625	28/08/15	14,200,000	14,073,700.45	13,839,888.00
ALABAMA PWR CO	9.000	24/12/01	2,000,000	2,180,489.02	2,111,200.00
ALABAMA PWR CO	6.500	18/09/30	1,800,000	1,800,000.00	1,765,368.00
ALABAMA PWR CO	5.490	05/11/01	1,000,000	1,006,296.10	932,770.00
ALASKA COMMUNICATIONS HLDGS IN	9.375	09/05/15	1,250,000	1,240,625.00	1,256,600.00
ALLBRITTON COMMUNICATIONS CO	8.875	06/02/01	1,000,000	1,015,997.66	962,500.00
ALLEGHENY LUDLUM CORP	6.950	25/12/15	8,750,000	8,618,279.40	7,914,725.00
ALLEGIANCE TELECOM INC	0.000	08/02/15	1,500,000	906,187.57	926,250.00
ALLIED WASTE NORTH AMER INC	7.625	06/01/01	1,500,000	1,425,879.32	1,391,250.00
AMERCO MED TERM NTS BOOK ENTRY	7.490	01/09/18	3,700,000	3,698,232.67	3,761,716.00
AMERICO LIFE INC	9.250	05/06/01	1,000,000	942,702.87	1,021,800.00
AMERISERVE FOOD DISTR INC	8.875	06/10/15	1,500,000	1,501,961.37	1,365,000.00
AMRESCO COMM MTG	9.875	05/03/15	1,800,000	1,837,781.72	1,386,000.00
ANADARKO PETE CORP	7.000	27/11/15	700,000	701,466.83	639,590.00
ANADARKO PETE CORP	6.625	28/01/15	2,000,000	1,965,641.10	1,741,660.00
ANHEUSER BUSCH COS INC	5.750	10/04/01	2,000,000	1,898,417.99	1,839,580.00
ARMCO INC	8.875	08/12/01	1,800,000	1,786,211.58	1,783,440.00
ASARCO INC	8.500	25/05/01	2,000,000	2,161,321.02	1,739,120.00
AZTAR CORP	8.875	07/05/15	1,000,000	1,000,000.00	960,000.00
BALL CORP	7.750	06/08/01	2,000,000	2,000,000.00	1,960,000.00
BANKBOSTON N A MEDIUM TERM NTS	6.375	08/04/15	8,000,000	8,043,624.31	7,643,840.00
BAUSCH + LOMB INC	6.500	05/08/01	2,250,000	2,240,256.52	2,130,300.00
BEAR STEARNS COS INC	6.150	04/03/02	1,400,000	1,397,328.93	1,348,690.00
BELLSOUTH TELECOMM INC	6.375	28/06/01	2,000,000	1,977,716.06	1,774,600.00
BENEFICIAL CORP	6.550	02/02/14	2,000,000	1,997,538.19	1,999,600.00
BERKLEY WR CAP TR	8.197	45/12/15	3,000,000	3,046,250.20	2,769,480.00
BETHLEHEM STL CORP	10.375	03/09/01	1,250,000	1,242,884.21	1,340,625.00
BEVERLY ENTERPRISES	9.000	06/02/15	1,500,000	1,441,928.09	1,485,000.00
BIG FLOWER PRESS HLDGS INC	8.875	07/07/01	1,500,000	1,504,122.96	1,455,000.00

Louisiana State Employees' Retirement System

Detail Listing of Investments as of June 30, 1999

Name	Coupon Rate	Maturity Date	Par Value	Amortized Cost	Market Value
BORDEN CHEMS + PLASTICS OPER	9.500	05/05/01	1,500,000	1,504,521.38	1,470,000.00
BOSTON SCIENTIFIC CORP	6.625	05/03/15	1,000,000	999,530.92	931,460.00
BRIGGS + STRATTON CORP	7.250	07/09/15	1,500,000	1,491,045.76	1,369,425.00
BRUNOS INC	10.500	05/08/01	9,809,000	5,086,307.68	490,450.00
CB RICHARDS ELLIS SVCS INC	8.875	06/06/01	1,000,000	981,489.86	965,000.00
CCPR SVCS INC	10.000	07/02/01	750,000	750,000.00	630,625.00
CHS ELECTRONICS INC	9.875	05/04/15	1,000,000	994,800.32	680,000.00
CSC HLDGS INC	9.250	05/11/01	1,750,000	1,724,127.57	1,828,750.00
CSC HLDGS INC	8.125	09/08/15	1,000,000	996,628.97	1,005,310.00
CSC HLDGINGS INC	9.875	13/02/15	460,000	447,651.82	496,800.00
CSC HOLDINGS	9.875	23/04/01	2,000,000	1,888,273.73	2,205,000.00
CSN IRON 5 A	9.125	07/06/01	1,000,000	996,197.48	770,000.00
CADMUS COMMUNICATIONS CORP	9.750	09/05/01	1,000,000	1,000,000.00	1,003,800.00
CAITHNESS COSO FDG CORP	9.050	09/12/15	1,000,000	1,000,000.00	982,500.00
CALPINE CORP	8.750	07/07/15	1,500,000	1,495,215.54	1,483,245.00
CALPINE CORP	7.875	08/04/01	2,000,000	2,000,000.00	1,920,000.00
CAMDEN PPTY TR	7.000	06/11/15	2,600,000	2,548,871.06	2,482,610.00
CAMPBELL SOUP CO	4.750	03/10/01	2,000,000	1,997,912.97	1,885,680.00
CANANDAIGUA BRANDS INC	8.500	09/03/01	1,000,000	1,000,000.00	960,000.00
CAPITAL ONE BK MTN BOOK ENTRY	6.375	03/02/15	540,000	531,746.83	531,835.20
CAPITAL ONE BK MEDIUM TERM SR	6.700	08/05/15	1,550,000	1,502,353.56	1,480,389.50
CENTURY COMMUNICATIONS CORP	9.750	02/02/15	1,500,000	1,479,254.50	1,533,750.00
CENTURY COMMUNICATIONS CORP	0.000	03/03/15	3,100,000	2,285,117.21	2,170,000.00
CENTURY COMMUNICATIONS CORP	9.500	05/03/01	355,000	357,013.12	366,537.50
CENTURY COMMUNICATIONS CORP	8.875	07/01/15	422,000	417,630.69	422,000.00
CENTURY TEL ENTERPRISES INC	6.550	05/12/01	2,000,000	1,898,920.52	1,961,040.00
CENTURY TEL ENTERPRISES INC	6.300	08/01/15	2,500,000	2,496,635.47	2,380,450.00
CERIDIAN CORP	7.250	04/06/04	3,375,000	3,363,322.50	3,372,873.75
CHANCELLOR MEDIA CORP LA	8.125	07/12/15	200,000	203,271.37	195,000.00
CHANCELLOR MEDIA CORP LOS ANGE	9.000	08/10/01	7,540,000	7,544,516.29	7,577,700.00
SEA GCA RLTY PARTNERSHIP L P	7.250	07/10/21	1,800,000	1,795,827.23	1,653,804.00
CHIQUITA BRANDS INTL INC	9.125	04/03/01	1,500,000	1,471,573.58	1,522,500.00
CITICORP	6.375	08/11/15	500,000	509,828.44	474,335.00
CLARK OIL + REFG CORP DEL	9.500	04/09/15	1,000,000	1,012,601.90	1,002,500.00
COLONIAL REALTY LTD PARTNSHP	7.050	03/12/15	3,600,000	3,600,000.00	3,480,336.00
COLUMBIA / HCA HEALTHCARE CORP	6.870	03/09/15	1,500,000	1,437,499.02	1,396,935.00
COMCAST CORP	10.625	12/07/15	4,500,000	4,902,536.15	5,747,895.00
COMINCO LTD	6.875	06/02/15	3,000,000	2,929,990.69	2,566,920.00
COMMONWEALTH EDISON CO	9.875	20/06/15	3,000,000	3,073,630.83	3,412,140.00
CONAGRA INC	7.000	28/10/01	4,130,000	4,128,599.84	3,865,886.50
CONOCO INC	6.350	09/04/15	2,750,000	2,672,750.88	2,639,477.50
CONTAINER CORP AMER	11.250	04/05/01	2,000,000	2,024,901.69	2,075,000.00
CONTAINER CORP AMER	10.750	02/05/01	2,575,000	2,586,415.22	2,710,187.50
COOPER INDS INC	5.880	03/02/20	2,000,000	1,994,956.31	1,948,960.00
COX COMMUNICATION INC MTN	6.850	18/01/15	2,375,000	2,416,928.00	2,224,733.75
COX COMMUNICATIONS INC MTN	6.950	28/01/15	4,250,000	4,234,546.42	3,876,552.50
CROWN CENT PETE CORP	10.875	05/02/01	1,000,000	996,199.08	960,000.00
CROWN PAPER CO	11.000	05/09/01	1,000,000	1,000,000.00	660,000.00
CUMMINGS ENGINE INC	7.125	28/03/01	2,500,000	2,484,522.96	2,245,700.00
DI INDS INC	8.875	07/07/01	1,000,000	995,767.32	732,300.00
DEAN WITTER DISCOVER + CO	6.875	03/03/01	2,000,000	2,053,332.89	2,027,000.00
DEAN WITTER DISCOVER + CO	6.750	13/10/15	3,000,000	2,836,891.61	2,907,570.00
DEAN WITTER DISCOVER + CO	6.750	16/01/01	2,000,000	2,000,000.00	1,889,260.00
DELL COMPUTER CORP	7.100	28/04/15	4,000,000	4,007,323.78	3,708,320.00
DIAMOND CABLE COMM PLC	0.000	07/02/15	3,600,000	2,483,452.24	2,794,500.00
DONALDSON LUFKIN + JENRETTE	6.500	08/04/01	1,000,000	1,007,159.22	945,440.00

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Name	Coupon Rate	Maturity Date	Par Value	Amortized Cost	Market Value
DONALDSON LUFKIN + JENRETTE	6.500	08/06/01	2,425,000	2,354,712.51	2,291,043.00
ENSCO INTL INC	7.200	27/11/15	3,550,000	3,520,179.87	3,206,324.50
E SPIRE COMMUNICATIONS INC	0.000	05/11/01	3,880,000	2,484,931.27	2,056,400.00
E SPIRE COMMUNICATIONS INC	13.750	07/07/15	1,500,000	1,295,018.05	1,230,000.00
E SPIRE COMMUNICATIONS INC	13.750	07/07/15	3,000,000	3,000,000.00	2,670,000.00
E SPIRE COMMUNICATIONS INC	0.000	08/07/01	1,000,000	540,977.96	300,000.00
ECHOSTAR DBS CORP	9.250	06/02/01	2,000,000	2,000,000.00	2,035,000.00
EMMIS COMMUNICATIONS CORP	8.125	09/03/15	1,000,000	994,439.03	955,000.00
EXCEL RLTY TR INC	6.875	04/10/15	1,000,000	995,186.70	985,420.00
EXIDE CORP	10.000	05/04/15	1,250,000	1,298,872.64	1,243,750.00
FEDDERS NORTH AMER INC	9.375	07/08/15	1,000,000	1,012,268.21	1,020,900.00
FEDERAL MOGUL CORP	8.800	07/04/15	2,000,000	2,056,445.83	2,015,200.00
FEDERAL MOGUL CO	7.375	06/01/15	1,500,000	1,494,003.01	1,411,725.00
FELCOR SUITES LTD PARTNERSHIP	7.625	07/10/01	1,500,000	1,283,100.70	1,348,890.00
FERRELLGAS PARTNERS L P	9.375	06/06/15	1,500,000	1,491,149.27	1,499,550.00
FINLAY FINE JEWELRY CORP	8.375	08/05/01	1,000,000	948,127.91	980,000.00
FIRST EMPIRE CAP TR I	8.234	27/02/01	5,000,000	5,455,675.22	4,818,200.00
FIRST INDL LP MTN	7.500	17/12/01	5,000,000	4,990,653.14	4,441,500.00
FLEET FINL GROUP INC NEW	8.875	28/01/15	6,000,000	5,901,019.75	5,476,860.00
FLEMING COS INC	10.625	01/12/15	1,500,000	1,555,498.76	1,516,875.00
FORD MTR CO DEL	6.500	18/08/01	2,000,000	1,964,237.47	1,820,960.00
FORD MTR CO DEL	6.375	29/02/01	1,150,000	1,011,407.19	998,303.50
FORD MTR CR CO	7.500	03/01/15	5,000,000	5,121,819.24	5,154,650.00
FORD MTR CR CO	5.800	09/01/12	1,000,000	996,712.12	913,900.00
FOREST CITY ENTERPRISES INC	8.500	08/03/15	1,000,000	1,000,000.00	955,000.00
FOX LIBERTY NETWORKS LLC	8.875	07/08/15	1,000,000	1,000,000.00	1,040,000.00
FRONTIER CORP	7.250	04/05/15	5,402,000	5,309,355.70	5,304,355.86
FRUIT OF THE LOOM INC	7.375	23/11/15	6,000,000	5,639,766.06	4,824,180.00
FRUIT OF THE LOOM INC	8.875	06/04/15	1,250,000	1,242,041.83	1,150,000.00
GTE CALIF INC	5.625	01/02/01	2,000,000	1,970,358.04	1,987,500.00
GTE NORTHWEST INC	5.550	08/10/15	2,000,000	1,997,733.40	1,829,060.00
GALEY + LORD INC	9.125	08/03/01	1,000,000	1,000,000.00	660,000.00
GAYLORD CONTAINER CORP	9.750	07/06/15	1,600,000	1,603,675.33	1,532,000.00
GENERAL MTRS ACCEP CORP	6.875	01/07/15	1,000,000	994,863.54	1,010,300.00
GENERAL MTRS ACCEP CORPMTN	6.100	00/12/06	1,000,000	996,334.21	1,000,870.00
GENERAL MTRS CORP	7.000	03/06/15	2,000,000	2,020,467.16	2,032,860.00
GEORGIA PWR CO	5.500	05/12/01	2,000,000	2,011,703.83	1,877,600.00
GIANT INDS INC	9.750	03/11/15	1,000,000	950,017.06	980,000.00
GLOBAL MARINE INC	7.125	07/09/01	1,500,000	1,502,435.41	1,461,495.00
GLOBAL MARINE INC	7.000	28/06/01	1,000,000	897,901.06	878,980.00
HMH PPTYS INC	7.875	08/08/01	1,500,000	1,490,875.14	1,376,250.00
HAMMONS JOHN O HOTELS L P	9.750	05/10/01	2,000,000	2,020,533.53	1,900,000.00
HARRAHS OPER INC	7.875	05/12/15	1,500,000	1,500,000.00	1,447,500.00
HAYES WHEELS INTL INC DEL	9.125	07/07/15	1,600,000	1,612,911.89	1,608,000.00
HERCULES INC	6.600	27/08/01	1,750,000	1,701,000.65	1,644,720.00
HERITAGE MEDIA CORP	6.750	06/02/15	1,000,000	955,481.83	1,055,000.00
HERTZ CORP	6.700	02/06/15	3,000,000	3,007,634.25	3,006,720.00
HIGHWOODS REALTY LTD PARTNER	6.750	03/12/01	935,000	935,025.09	902,639.65
HOLLINGER INTL PUBG INC	8.625	05/03/15	1,250,000	1,244,949.55	1,262,500.00
HOLLYWOOD PK INC	9.500	07/08/01	1,000,000	1,000,000.00	995,000.00
HOST MARRIOTT TRAVEL PLAZAS IN	9.500	05/05/15	1,800,000	1,762,552.34	1,800,000.00
HOUSEHOLD FIN CORP	6.875	07/03/01	3,000,000	2,984,469.51	2,966,910.00
HOUSEHOLD FIN CORP	6.500	08/11/15	2,750,000	2,753,291.33	2,622,152.50
HOUSEHOLD FIN CORP	5.875	09/02/01	3,140,000	3,073,728.92	2,852,815.60
ICG HLDGS INC	0.000	05/09/15	5,595,000	4,180,447.92	4,923,600.00
ICG HLDGS INC	12.500	03/09/01	7,000,000	4,750,758.15	5,600,000.00

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Name	Coupon Rate	Maturity Date	Par Value	Amortized Cost	Market Value
ICG HLDGS INC	11.625	07/03/15	3,900,000	3,510,962.49	2,691,000.00
ISP HOLDINGS INC	9.000	03/10/15	1,500,000	1,504,937.67	1,520,625.00
ITC DELTACOM INC	8.875	08/03/01	1,000,000	1,037,252.21	995,000.00
ITT CORP NEW	7.750	25/11/15	1,000,000	924,372.14	849,370.00
IMPERIAL HOLLY CORP	9.750	07/12/15	1,200,000	1,205,907.98	1,188,000.00
INLAND STL CO	7.900	07/01/15	1,200,000	1,188,041.53	1,177,500.00
INTEGRATED HEALTH SVCS INC	9.500	07/09/15	1,750,000	1,773,052.94	1,268,750.00
INTERCEL INC	0.000	06/02/01	13,000,000	8,774,082.16	10,920,000.00
INTERCEL INC	0.000	06/05/01	8,550,000	5,721,267.26	6,840,000.00
INTERMEDIA COMMUNICATIONS FL	0.000	06/05/15	2,000,000	1,687,209.24	1,640,000.00
INTERNATIONAL CABLETEL INC	11.500	06/02/01	13,050,000	8,418,963.37	11,353,500.00
INTL LEASE FIN CORP MTN	6.090	00/09/25	1,480,000	1,478,610.67	1,481,687.20
INTERNATIONAL GAME TECHNOLOGY	8.375	09/05/15	1,200,000	1,185,243.01	1,176,000.00
JONSE APPAREL GROUP INC	7.500	04/06/15	2,000,000	1,895,312.89	2,005,600.00
JONES INTERCABLE INC	10.500	08/03/01	2,000,000	2,140,893.84	2,140,000.00
KCS ENERGY INC	11.000	03/01/15	1,200,000	1,283,431.99	702,000.00
K N ENERGY INC	8.650	05/03/01	900,000	913,004.23	872,343.00
KAISER ALUM + CHEM CORP	9.875	02/02/15	1,500,000	1,494,696.60	1,511,250.00
KELLWOOD CO	7.625	17/10/15	3,600,000	3,568,265.86	3,207,672.00
LTV CORP NEW	8.200	07/09/15	1,500,000	1,470,896.75	1,395,000.00
L 3 COMMUNICATIONS CORP	8.500	08/05/15	500,000	501,692.86	487,500.00
LA QUINTA INNS INC	7.400	05/09/15	800,000	793,273.50	652,528.00
LA QUINTA INNS INC	7.250	04/03/15	6,125,000	5,951,552.14	5,323,972.50
LA QUINTA INNS INC	7.270	07/02/26	2,200,000	2,177,261.02	1,759,098.00
LA QUINTA INNS MED TERM NTS	7.330	08/04/01	900,000	900,000.00	798,840.00
LAMAR ADVERTISING CO	9.625	06/12/01	1,500,000	1,504,751.99	1,537,500.00
LEAR CORP	8.110	09/05/15	1,500,000	1,488,730.00	1,436,250.00
LEHMAN BROTHERS HLDGS INC	7.250	03/10/15	2,000,000	1,994,756.02	2,010,340.00
LEHMAN BROS INC	7.625	06/06/01	7,250,000	7,227,960.85	7,449,302.50
LEHMAN BROS INC	6.500	08/04/15	600,000	596,909.10	563,928.00
LENFEST COMMUNICATIONS INC	8.375	05/11/01	2,000,000	1,861,247.79	2,088,860.00
LENNAR CORP	7.625	09/03/01	1,500,000	1,480,864.44	1,437,600.00
LEVEL 3 COMMUNICATIONS INC	9.125	08/05/01	5,125,000	5,075,756.48	5,041,718.75
LIBERTY GROUP OPER INC	9.375	08/02/01	1,250,000	1,258,501.69	1,200,000.00
LIBERTY MEDIA CORP	7.875	09/07/15	1,000,000	994,040.00	994,000.00
LIN TELEVISION CORP	8.375	08/03/01	1,540,000	1,561,953.38	1,478,400.00
LOEWS CORP	7.000	23/10/15	10,000,000	8,644,597.66	8,999,100.00
LORAL SPACE+COMMUNICATIONS LTD	9.500	06/01/15	850,000	850,000.00	743,750.00
LYONDELL CHEMICAL CO	9.625	07/05/01	3,000,000	3,000,000.00	3,071,250.00
M D C HLDGS INC	8.375	08/02/01	1,250,000	1,232,521.70	1,200,000.00
MDC COMMUNICATIONS CORP	10.500	06/12/01	1,000,000	1,000,000.00	1,010,000.00
MAGELLAN HEALTH SVCS INC	9.000	08/02/15	3,715,000	3,721,202.82	3,111,312.50
MAIL WELL I CORP	8.750	08/12/15	1,000,000	1,000,000.00	975,000.00
MARLIN WTR TR/ MARLIN WTR CAP	7.090	01/12/15	2,500,000	2,500,000.00	2,476,250.00
MARSH AND MCLENNAN COS INC	6.625	04/06/15	1,750,000	1,743,261.61	1,752,397.50
MCDERMOTT INC MTN BK ENT	8.750	23/05/19	1,750,000	1,719,255.76	1,835,627.50
MEAD CORP	7.125	25/08/01	1,000,000	892,329.79	872,100.00
MEDITRUST	7.000	07/08/15	2,850,000	2,759,247.27	2,339,536.50
MEDPARTNERS INC	7.375	06/10/01	3,045,000	2,665,819.73	2,656,762.50
MEDPARTNERS INC NEW	6.875	00/09/01	7,193,000	6,791,744.78	6,725,455.00
MERRILL LYNCH + CO INC	7.000	07/01/15	3,500,000	3,478,450.70	3,534,825.00
MICROCELL TELECOMMUNICATIONS	0.000	09/06/01	4,695,000	2,628,922.39	2,640,937.50
MILLENUM AMER INC	7.625	26/11/15	2,000,000	2,003,046.32	1,706,240.00
MULTICARE COS INC	9.000	07/08/01	2,500,000	2,417,762.46	1,700,000.00
NTL INC	10.000	07/02/15	1,000,000	931,265.19	1,030,000.00
NTL INC	0.000	08/04/01	1,900,000	1,223,142.37	1,273,000.00

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Name	Coupon Rate	Maturity Date	Par Value	Amortized Cost	Market Value
NVR INC	8.000	05/06/01	1,000,000	982,354.36	970,000.00
NABISCO INC	6.850	05/06/15	1,000,000	998,696.80	984,430.00
NASH FINCH CO	8.900	08/05/01	1,000,000	992,640.92	900,000.00
NATIONAL RE CORP	8.850	05/01/15	3,000,000	2,997,152.79	3,282,690.00
NATIONAL RURAL UTILS COOP FIN	5.700	10/01/15	2,000,000	2,000,000.00	1,826,840.00
NATIONAL STEEL	8.375	06/08/01	1,200,000	1,207,759.62	1,128,000.00
NATIONSBANK CORP MTN	5.800	01/01/31	1,000,000	978,328.39	995,990.00
NAVIGATOR GAS TRANS PLC	10.500	07/06/30	850,000	850,000.00	467,500.00
NEWPARK RES INC	8.625	07/12/15	1,000,000	1,003,544.12	950,000.00
NEXTEL COMMUNICATIONS INC	9.750	04/08/15	6,300,000	7,736,517.34	8,424,500.00
NEXTEL COMMUNICATIONS INC	0.000	07/10/31	2,500,000	1,695,635.15	1,743,750.00
NEXTEL COMMUNICATIONS INC	0.000	08/02/15	6,937,000	4,393,202.96	4,766,530.00
NEXTEL PARTNERS	0.000	09/02/01	4,500,000	2,328,312.21	2,565,000.00
NEXTLINK COMMUNICATIONS INC	9.000	08/03/15	5,000,000	5,150,406.92	4,675,000.00
NINE WEST GROUP INC	8.375	05/08/15	2,000,000	1,998,543.42	2,020,000.00
NORTEK INC	9.250	07/03/15	1,500,000	1,492,729.64	1,507,500.00
NORTHERN STS PWR CO WI	7.375	28/12/01	3,000,000	2,922,054.73	3,127,530.00
NUEVO ENERGY CO	9.500	06/04/15	1,000,000	1,002,814.08	1,000,000.00
OASIS RESIDENTIAL INC	7.250	06/11/15	2,100,000	2,100,585.18	1,905,771.00
OCEAN ENERGY INC	7.625	05/07/01	4,450,000	4,421,902.58	4,283,125.00
OLYMPUS COMMUNICATIONS LP	10.625	06/11/15	2,000,000	2,000,000.00	2,178,000.00
ORANGE PLC	8.750	06/06/01	1,000,000	994,820.00	993,510.00
OUTDOOR SYS INC	8.875	07/06/15	4,100,000	4,067,657.92	4,294,500.00
OVERSEAS SHIPHOLDING GROUP INC	8.000	03/12/01	2,500,000	2,506,139.11	2,434,450.00
OWENS ILL INC	7.850	04/05/15	1,000,000	998,944.69	1,000,790.00
PPG INDS INC	6.875	17/11/01	3,000,000	2,979,552.97	2,847,510.00
P + L COAL HLDGS CORP	8.875	08/05/15	1,000,000	997,285.34	1,005,000.00
PAGING NETWORK INC	10.125	07/08/01	2,000,000	2,043,850.12	1,460,000.00
PAINE WEBBER GROUP INC	7.625	14/02/15	2,000,000	1,880,132.51	1,980,860.00
PAINE WEBBER GROUP INC	6.375	04/05/15	500,000	498,085.10	487,510.00
PARK PL ENTMT CORP	7.875	05/12/15	1,000,000	994,148.93	950,000.00
PARKER + PARSLEY PETE CO DE	8.250	07/08/15	1,000,000	929,815.51	873,780.00
PARKER DRILLING CO	9.750	06/11/15	1,500,000	1,490,630.48	1,387,500.00
PENNSYLVANIA ELEC CO	5.750	04/04/01	2,475,000	2,473,539.75	2,399,661.00
PENNSYLVANIA PWR + LT CO	7.875	23/02/01	3,000,000	3,032,504.65	2,922,510.00
PEPSI BOTTLING GROUP INC	7.000	29/03/01	6,370,000	6,189,743.30	5,982,321.80
PHARMERICA INC	8.375	08/04/01	1,725,000	1,724,992.97	1,815,562.50
PHILIP MORRIS COS INC	6.375	06/02/01	16,500,000	15,895,307.13	15,883,230.00
PHILIP MORRIS COS INC	7.750	27/01/15	6,050,000	5,958,628.63	6,072,990.00
PILLOWTEX CORP	9.000	07/12/15	1,200,000	1,175,030.51	1,140,000.00
PIONEER NAT RES CO	6.500	08/01/15	2,950,000	2,885,219.52	2,323,007.00
PIONEER NAT RES CO	7.200	28/01/15	150,000	111,818.50	108,156.00
PLAYTEX PRODS INC	8.875	04/07/15	1,500,000	1,520,329.89	1,518,756.00
POLYMER GROUP INC	8.750	08/03/01	1,200,000	1,200,000.00	1,164,000.00
POTLATCH CORP	6.250	02/03/15	2,000,000	1,998,700.00	1,972,008.00
POWERTEL INC	11.125	07/06/01	500,000	500,000.00	515,000.00
PRESIDENTAL LIFE CORP	7.875	09/02/15	1,200,000	1,189,916.67	1,129,560.00
PRICE COMMUNICATIONS WIRELESS IN	9.125	06/12/15	1,500,000	1,500,828.61	1,522,500.00
PRIMARK CORP	9.250	08/12/15	1,000,000	1,000,000.00	998,680.00
PRIME HOSPITALITY CORP	9.250	06/01/15	1,800,000	1,601,875.56	1,616,000.00
PRIME HOSPITALITY CORP	9.750	07/04/01	1,000,000	1,000,000.00	990,000.00
PROGRESSIVE CORP OHIO	7.000	13/10/01	5,500,000	4,620,568.44	5,498,405.00
PROTECTION ONE ALARM MONITORNG	7.375	05/08/15	2,000,000	1,995,842.62	1,905,200.00
PULTE CORP	7.000	03/12/15	1,900,000	1,895,735.67	1,828,503.00
PULTE CORP	7.625	17/10/15	1,400,000	1,384,418.21	1,289,824.00
QWEST COMMUNICATIONS INTL INC	10.875	07/04/01	975,000	1,037,031.49	1,105,094.25

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Name	Coupon Rate	Maturity Date	Par Value	Amortized Cost	Market Value
R + B FALCON CORP	6.500	03/04/15	2,500,000	2,450,054.27	2,125,000.00
R B FALCON CORP	6.750	05/04/15	3,700,000	3,658,139.04	2,997,000.00
R + B FALCON CORP	7.375	18/04/15	2,450,000	2,323,729.30	1,723,403.50
RBF FINANCE	11.375	09/03/15	1,000,000	1,000,000.00	1,035,000.00
RCN CORP	0.000	07/10/15	2,000,000	1,406,265.96	1,335,000.00
RCN CORP	9.800	08/02/15	2,750,000	1,778,395.43	1,718,750.00
RCN CORP	0.000	08/07/01	1,500,000	924,571.52	930,000.00
RAYTHEON CO	6.750	07/08/15	1,000,000	997,797.49	989,820.00
RELIANCE GROUP HLDGS INC	9.750	03/11/15	1,500,000	1,539,680.35	1,527,585.00
REVLON CONSUMER PRODS CORP	9.625	08/02/01	2,000,000	1,999,612.62	1,890,000.00
RIGGS CAP II	8.875	27/03/15	4,075,000	4,343,975.64	4,014,282.50
SFX BROADCASTING INC	10.750	06/05/15	658,000	686,584.42	715,575.00
SFX ENTMT INC	9.125	08/02/01	1,800,000	1,802,616.46	1,755,000.00
SEAGATE TECHNOLOGY	7.370	07/03/01	2,250,000	2,213,639.73	2,073,712.50
SEAGATE TECHNOLOGY	7.875	17/03/01	3,500,000	3,495,028.07	3,132,360.00
SECURITY CAP INDL TR	7.950	08/05/15	3,000,000	2,995,847.65	3,001,860.00
SECURITY CAP GROUP INC	6.950	05/06/15	1,025,000	989,132.97	957,145.00
SEQUA CORP	8.750	01/12/15	1,600,000	1,543,272.05	1,620,000.00
SINCLAIR BROADCAST GROUP INC	10.000	05/09/30	1,000,000	1,000,000.00	1,020,000.00
SYNDER OIL CORP	8.750	07/05/15	1,000,000	992,944.35	990,000.00
SONIC AUTOMOTIVE INC	11.000	08/08/01	1,000,000	992,873.07	990,000.00
SOUTHERN CO CAP TR I	8.190	37/02/01	3,954,000	4,262,479.24	3,982,350.18
SOUTHERN IND GAS + ELEC CO	7.600	23/04/01	3,000,000	3,108,953.33	3,002,700.00
STATER BROS HLDGS INC	11.000	01/03/01	1,000,000	1,037,907.72	1,020,000.00
STEWART ENTERPRISES INC	6.700	03/12/01	1,000,000	1,000,000.00	967,930.00
STONE CONTAINER CORP	9.875	01/02/01	4,516,000	4,433,833.52	4,561,160.00
STONE CONTAINER CORP	10.750	02/10/01	6,130,000	6,157,354.91	6,390,525.00
STONE CONTAINER CORP	11.500	04/10/01	1,205,000	1,223,774.92	1,256,212.50
STONE CONTAINER FIN CO CDA	11.500	06/08/15	1,800,000	1,816,927.50	1,928,250.00
STONE ENERGY CORP	8.750	07/09/15	1,000,000	1,006,570.66	1,012,500.00
SUN INTL LTD	9.000	07/03/15	1,400,000	1,394,667.74	1,400,000.00
SUN LIFE CDA US CAKP TR I	8.526	49/05/29	5,000,000	5,459,962.48	5,056,350.00
SUN HEALTHCARE GROUP INC	9.500	07/07/01	1,000,000	1,004,534.45	190,000.00
SUSA PARTNERSHIP L P	7.500	27/12/01	1,320,000	1,215,344.31	1,144,426.80
TRW INC	6.625	04/06/01	2,000,000	1,979,680.92	1,977,728.00
TANGER PPTYS LTD PARTNERSHIP	7.875	04/10/24	1,250,000	1,173,069.52	1,180,600.00
TEMPLE INLAND INC MTN BK ENT	6.750	09/03/01	2,150,000	2,133,761.34	2,040,113.50
TENET HEALTHCARE CORP	8.000	05/01/15	1,000,000	995,105.52	970,000.00
TENET HEALTHCARE CORP	8.625	07/01/15	2,600,000	2,594,440.32	2,535,000.00
TENET HEALTHCARE CORP	8.125	08/12/01	4,700,000	4,599,910.06	4,418,000.00
TENNESSEE GAS PIPELINE CO	7.000	28/10/15	400,000	394,096.39	370,776.00
TERRA INDS	10.500	05/06/15	1,250,000	1,264,761.85	1,237,500.00
TESORO PETE CORP	9.000	08/07/01	1,000,000	994,612.72	985,000.00
TIME WARNER INC	6.950	28/01/15	1,200,000	1,168,901.88	1,112,124.00
TOLL CORP	8.000	09/05/01	1,500,000	1,470,059.98	1,436,250.00
TOSCO CORP	7.250	07/01/01	3,500,000	3,641,090.20	3,486,280.00
TRICO MARINE SVCS INC	8.500	05/08/01	2,000,000	1,983,205.36	1,820,000.00
TRINET CORPORATE RLTY TR INC	7.700	17/07/15	3,000,000	2,988,697.97	2,659,050.00
TRINET CORPORATE RLTY TR INC	6.750	03/03/01	4,050,000	4,040,423.52	4,053,726.00
TRUMP ATLANTIC CITY ASSOCS	11.250	06/05/01	1,750,000	1,728,701.17	1,566,250.00
UCC INVS HLDG INC	10.500	02/05/01	2,550,000	2,559,725.46	2,677,500.00
USA NETWORKS INC / USANI LLC	6.750	05/11/15	1,450,000	1,443,447.86	1,404,760.00
UNION ELEC CO	8.250	22/10/15	1,000,000	1,010,681.77	1,013,250.00
UNION PAC RES GROUP INC	6.500	05/05/15	3,000,000	2,946,802.19	2,862,360.00
UNION PAC RES GROUP INC	6.750	08/05/15	1,000,000	930,985.60	936,420.00
UNITED RENTALS INC	9.000	09/04/01	1,250,000	1,250,000.00	1,225,000.00

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Name	Coupon Rate	Maturity Date	Par Value	Amortized Cost	Market Value
U S AIR INC	10.330	02/06/27	892,000	896,119.25	932,068.64
U S WEST CAP FDG INC	6.375	08/07/15	250,000	248,957.21	237,492.50
US WEST COMMUNICATION	8.875	31/06/01	4,000,000	4,216,262.99	4,142,160.00
VERITAS HLDGS GMBH	9.625	03/12/15	650,000	647,764.64	637,000.00
VIRGINIA ELEC + PWR CO	6.750	23/10/01	1,000,000	960,450.67	898,080.00
WACHOVIA CORP NEW	6.250	08/08/04	2,000,000	1,988,506.41	1,907,100.00
WASTE MGMT INC DEL	6.875	09/05/15	5,000,000	4,983,700.00	4,910,000.00
WESCO DISTR INC	9.125	08/06/01	1,000,000	990,787.67	972,500.00
WESTERN RES INC	6.250	03/08/15	5,000,000	4,988,850.00	4,908,100.00
WESTERN WIRELESS CORP	10.500	06/06/01	2,700,000	2,710,044.79	2,889,000.00
WESTERN WIRELESS CORP	10.500	07/02/01	5,085,000	5,104,506.83	5,606,212.50
WESTPOINT STEVENS INC	7.875	08/06/15	1,000,000	987,738.58	960,000.00
WHEELING PITTSBURGH CORP	9.250	07/11/15	1,200,000	1,196,086.41	1,152,000.00
WILLIAMS SCOTSMAN INC	9.875	07/06/01	1,500,000	1,501,639.71	1,453,125.00
WILLIS CORROON CORP	9.000	09/02/01	1,500,000	1,501,315.75	1,455,000.00
WORLD COLOR PRESS INC DEL	8.375	08/11/15	1,000,000	1,000,000.00	877,500.00
XEROX CAP TR 1	8.000	27/02/01	3,200,000	3,320,929.47	3,221,120.00
ZALE CORP NEW	8.500	07/10/01	1,200,000	1,196,512.23	1,215,000.00
Total Corporate Bonds			787,883,000	745,886,602.77	727,593,172.93
Other Bonds					
AES EASTN ENERGY L P	9.000	17/07/02	1,000,000	1,000,000.00	978,640.00
AMERICREDIT AUTO RECEIVABLE TR	5.960	06/03/05	6,000,000	5,996,620.00	5,936,280.00
BURLINGTON NORTHN RR CO	6.940	14/01/02	4,540,716	4,540,716.31	4,501,121.26
CAPITAL ONE MASTER TR	5.430	07/01/15	4,450,000	4,417,634.79	4,281,037.95
CHASE MANHATTAN CR CARD MASTER	7.040	05/02/15	9,000,000	9,189,350.60	9,120,870.00
CHEVRON CORP PROFIT SHARING/	8.110	04/12/01	1,653,333	1,653,333.33	1,729,932.26
DISCOVER CARD MASTER TR I	5.600	06/05/15	4,450,000	4,447,451.64	4,278,942.00
GOVERNMENT TR CTF5	9.250	01/11/15	3,172,955	3,289,230.60	3,314,531.82
PREMIER AUTO TR	5.780	03/04/08	800,000	810,685.46	791,832.00
PREMIER AUTO TR	5.070	02/07/08	700,000	699,997.69	691,467.00
ROCKEFELLER CTR PPTYS INC	0.000	00/12/31	935,000	792,449.04	757,350.00
SEARS CR ACCOUNT MASTER TR II	8.100	04/06/15	7,125,000	7,351,173.23	7,251,896.25
SOUTHERN PAC TRANS CO	7.280	15/04/30	1,431,488	1,431,488.46	1,465,214.33
TENET HEALTHCARE CORP	6.000	05/12/01	5,975,000	5,141,478.64	4,585,812.50
TOYOTA AUTO LEASE TR	6.350	04/04/26	9,000,000	9,028,689.47	9,019,620.00
USAIR 1990 A PASS THRU TRS	11.200	05/03/19	614,657	572,246.66	609,588.38
Total Other Bonds			60,848,149	60,364,545.92	59,374,135.75

BONDS/FIXED INCOME - DOMESTIC	848,731,149	806,251,148.69	786,967,308.68
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BONDS/FIXED INCOME - INTERNATIONAL

Foreign Government Bonds

ARGENTINA GLOBAL	11.000	05/10/09	2,000,000	1,995,812.87	1,866,800.00
ARGENTINA(REP OF)	5.938	05/03/31	2,000,000	1,673,467.26	1,689,994.00
ARGENTINA(REP OF)	9.250	01/02/23	480,000	429,106.26	475,200.00
AUSTRALIA(CMNWLTH)	7.500	09/09/15	10,000,000	7,554,254.72	7,208,325.91
AUSTRALIA(CMNWLTH)	7.000	00/04/15	12,000,000	7,392,003.86	6,082,062.30
AUSTRALIA(CMNWLTH)	6.750	06/11/15	2,000,000	1,305,401.01	1,372,229.61
BULGARIA (NAT REP)	6.687	11/07/28	2,510,000	1,889,377.37	1,713,075.00
CANADA	6.625	07/10/03	5,000,000	2,626,780.65	2,581,770.64
CANADA GOVT	8.750	05/12/01	8,000,000	6,526,521.24	6,354,388.51
CANADA GOVT	7.500	01/03/01	11,000,000	7,783,080.87	7,692,318.09
CANADA GOVT	7.000	06/12/01	7,800,000	5,629,494.83	5,748,097.36
CANADA GOVT	4.750	99/09/15	4,000,000	2,716,956.30	2,702,074.53
CANADA GOVT	5.500	09/06/01	6,000,000	4,116,295.26	4,063,651.99

Louisiana State Employees' Retirement System

Detail Listing of Investments as of June 30, 1999

Name	Coupon Rate	Maturity Date	Par Value	Amortized Cost	Market Value
DENMARK KINGDOM OF	6.000	09/11/15	33,500,000	5,874,683.11	5,054,035.32
DENMARK(KINGDOM)	8.000	03/05/15	30,500,000	5,519,924.74	4,821,264.99
DUTCH GOVT	9.000	00/05/15	7,000,000	8,059,501.28	7,587,070.32
GERMANY (FED REP)	5.000	01/08/20	11,504,067	13,831,455.15	12,282,518.70
GERMANY(FED REP)	6.500	03/07/15	15,000,000	18,205,031.99	16,980,414.08
GERMANY(FED REP)	6.250	24/01/04	12,289,570	14,876,215.14	14,077,083.21
GERMANY(FED REP)	6.000	07/01/04	17,000,000	20,197,801.35	19,241,716.82
GERMANY(FED REP)	4.500	02/02/22	4,806,143	5,869,643.06	5,089,283.51
GREECE REP OF	8.600	08/03/26	2,788,000,000	11,400,366.39	10,103,888.62
ITALY (REP OF)	6.250	02/03/01	2,065,824	2,422,449.75	2,268,289.14
ITALY (REP OF)	6.000	07/11/01	3,002,790	3,545,689.11	3,374,777.29
ITALY REP OF	4.500	01/07/01	9,793,048	11,751,118.15	10,324,513.52
ITALY REPUBLIC OF	4.750	03/05/01	5,913,421	7,296,963.61	6,286,786.22
JAPAN GOVT OF	0.900	08/12/22	2,700,000,000	21,977,939.71	20,857,403.10
MEXICO UNITED MEXICAN STATE	8.625	08/03/12	2,400,000	2,010,745.99	2,250,000.00
MEXICO(UTD MEX ST)	6.718	19/12/31	3,475,000	3,252,912.42	2,919,000.00
NETHERLANDS (KINGDOM OF)	6.500	03/04/15	7,152,000	8,531,272.01	8,057,908.00
NETHERLANDS (KINGDOM OF)	8.250	07/09/15	10,000,000	13,564,862.93	12,870,278.32
NEW STH WALES TSY	7.000	00/02/01	2,000,000	1,343,716.31	1,340,391.18
NEW ZEALAND	8.000	01/02/15	7,000,000	4,040,899.40	3,863,345.27
NEW ZEALAND	8.000	06/11/15	12,000,000	7,211,967.74	6,909,861.12
NEW ZEALAND GOVT	7.000	09/07/15	16,500,000	9,198,666.13	8,977,749.72
PERU (REP OF)	4.000	17/03/07	4,390,000	2,967,814.63	2,634,000.00
PHILIPPINES (REP OF)	6.500	17/12/01	1,105,000	972,953.38	952,178.50
POLAND (REP OF)	5.000	14/10/27	4,600,000	3,818,315.12	4,013,500.00
PROVINCE OF ONTARIO	6.250	08/12/03	2,500,000	1,315,544.11	1,226,102.59
QUEENSLAND TSY CP	8.000	99/07/14	6,000,000	3,894,873.71	3,975,899.54
SOUTH AFRICA(REPUBLIC OF)	13.500	15/09/15	19,100,000	2,872,704.16	2,845,557.75
SPAIN(KINGDOM OF)	5.150	09/07/30	7,500,000	8,424,707.89	7,935,640.36
STH AFRICA REP	13.000	10/08/31	49,959,000	9,000,955.99	7,306,824.59
STH AFRICA(REP OF)	12.000	05/02/28	20,000,000	2,940,349.17	2,992,865.64
STH AFRICA(REP OF)	12.500	02/01/15	35,000,000	5,959,975.13	5,630,198.16
SWEDEN (KINGDOM OF)	8.000	07/08/15	55,000,000	8,290,410.82	7,762,465.24
SWEDEN KINGDOM OF	5.000	04/01/15	68,000,000	8,567,002.51	8,260,304.21
SWEDEN KINGDOM OF	5.000	09/01/28	45,000,000	5,757,451.89	5,254,921.20
SWEDEN(KINGDOM OF)	6.000	05/02/09	12,000,000	1,611,054.20	1,501,594.79
SWEDEN(KINGDOM OF)	9.000	09/04/20	100,000,000	16,926,567.05	15,268,277.28
Total Foreign Government Bonds			6,183,845,863	335,243,057.75	314,646,796.33
Foreign Government Yankee Bonds					
KOREA REP	8.875	08/04/15	3,350,000	3,036,840.33	3,496,998.00
MANITOBA PROV CDA	9.500	00/10/01	5,000,000	5,154,285.13	5,209,250.00
MANITOBA PROV CDA	6.750	03/03/01	2,000,000	2,066,556.79	2,028,700.00
MANITOBA PROV CDA	6.125	04/01/19	75,000	73,474.33	74,382.75
SASKATCHEWAN PROV CDA	8.000	04/07/15	2,000,000	2,106,021.87	2,142,180.00
SOUTH AFRICA REP	8.500	17/06/23	14,575,000	14,471,526.76	12,425,187.50
THAILAND KINGDOM	7.750	07/04/15	6,600,000	6,622,993.90	6,428,796.00
Total Foreign Government Yankee Bonds			33,600,000	33,531,709.11	31,805,494.25
Foreign Corporate Bonds					
GEN ELEC CAP CORP	8.125	07/02/23	4,300,000	4,454,435.07	4,598,420.00
INTL BANK FOR RECON + DEV	5.500	04/04/15	2,000,000	1,040,557.72	1,009,073.82
INTL BANK RECON+DV	9.750	16/01/23	1,000,000	1,206,956.44	1,269,900.00
ITALY (REP OF)	7.750	06/11/01	7,764,309	8,942,604.91	9,610,942.30
KOREA ELEC POWER C	6.375	03/12/01	2,000,000	1,788,362.40	1,868,900.00
LKB BADEN WURTTEMB	6.625	03/08/20	5,000,000	3,022,762.59	2,888,314.34

Louisiana State Employees' Retirement System

Detail Listing of Investments as of June 30, 1999

Name	Coupon Rate	Maturity Date	Par Value	Shares	Amortized Cost	Market Value
NYKREDIT	6.000	29/10/01	40,178,000		5,788,056.80	5,326,877.86
QUEENSLAND TSY CP	8.000	01/08/14	8,000,000		5,485,101.43	5,560,079.99
REALKREDIT DANMARK	6.000	29/10/01	40,241,000		5,752,222.00	5,332,432.81
ROCKEFELLER PROPS	0.000	09/12/31	1,000,000		1,404,100.64	792,500.00
RUSSIA MIN FINANCE	9.250	01/11/27	2,500,000		2,397,902.59	1,693,750.00
Total Foreign Corporate Bonds			113,983,309		41,283,062.59	39,941,191.12
Foreign Corporate Yankee Bonds						
CALL NET ENTERPRISES	0.000	07/08/15	1,000,000		714,722.01	635,000.00
CARNIVAL CORP	6.150	03/10/01	2,000,000		2,052,300.45	1,967,580.00
COMCAST UK CABLE PARTNERS LTD	1.000	07/11/15	100,000		69,920.08	90,000.00
DIAMOND CABLE	1.000	04/09/30	5,788,000		3,944,273.22	5,918,230.00
DOMAN INDS LTD	8.750	04/03/15	1,500,000		1,419,424.68	945,000.00
ELETSON HDLGS INC	9.250	03/11/15	1,250,000		1,220,660.60	1,193,750.00
EMBOTELLADORA ANDINA	7.625	27/10/01	750,000		712,986.00	624,742.50
EMBOTELLADORA ANDINA SA	7.000	07/10/01	2,759,000		2,483,123.61	2,478,547.65
EMPRESA NACIONAL DE ELECTRICID	7.875	27/02/01	6,000,000		5,972,281.01	5,094,780.00
ENDESA OVERSEAS CHILE	7.200	06/04/01	11,500,000		11,217,016.25	10,477,995.00
ENERSIS S A	6.900	06/12/01	425,000		416,091.52	384,531.50
ENERSIS S A	7.400	16/12/01	2,525,000		2,398,047.70	2,169,909.25
FLAG LTD	8.250	08/01/30	1,250,000		1,184,437.55	1,165,625.00
GLENCORE NICKEL PTY LTD	9.000	14/12/01	1,000,000		989,759.63	860,000.00
GULF CDA RES LTD	9.250	04/01/15	1,750,000		1,710,944.26	1,767,412.50
MACMILLAN BLOEDEL LTD	6.750	06/02/15	6,625,000		6,363,094.44	6,404,188.75
ORANGE PLC	8.000	08/08/01	2,300,000		2,263,430.69	2,179,250.00
PETROLEOS MEXICANOS	9.250	18/03/30	2,250,000		1,923,416.11	1,833,750.00
REPAP NEW BRUNSWICK INC	8.000	04/06/01	1,500,000		1,496,996.88	1,391,250.00
ROGERS CABLESYSTEMS LTD	8.625	02/08/01	1,000,000		987,348.45	1,047,500.00
ROGERS CABLESYSTEMS LTD	10.125	12/09/01	1,300,000		1,295,144.99	1,391,000.00
ROGERS CABLESYSTEMS LTD	10.000	05/03/15	1,000,000		996,595.14	1,070,000.00
ROGERS CABLESYSTEMS LTD	11.000	15/12/01	1,710,000		1,710,000.00	1,975,050.00
ROGERS CANTEL INC	8.300	07/10/01	1,000,000		997,560.85	1,000,000.00
ROGERS CANTEL INC	8.800	07/10/01	1,000,000		997,784.44	1,000,000.00
SEA CONTAINERS LTD	9.500	03/07/01	1,000,000		961,940.48	1,020,000.00
SKANDINAVISKA ENSKILDA BANKEN	6.875	09/02/15	2,600,000		2,562,703.79	2,533,544.00
STENA AB	10.500	05/12/15	1,000,000		1,000,000.00	995,000.00
TEEKAY SHIPPING CORP	8.320	08/02/01	2,000,000		1,892,961.98	1,880,000.00
TELEWEST COMMUNICATION	11.250	08/11/01	6,000,000		5,977,957.87	7,020,000.00
TELEWEST PLC	9.625	06/10/01	2,000,000		1,995,733.57	2,060,000.00
TELEWEST PLC	1.000	07/10/01	6,910,000		4,851,274.24	6,149,900.00
TEMBEC FINANCE CORP	9.875	05/09/30	1,500,000		1,513,913.79	1,560,000.00
TUPPERWARE FIN CO BV	7.250	06/10/01	1,375,000		1,367,910.95	1,364,220.00
YPF SOCIEDAD ANONIMA	7.500	02/10/26	3,116,018		3,111,896.25	3,062,796.78
YPF SOCIEDAD ANONIMA	7.250	03/03/15	4,000,000		3,994,787.62	3,619,240.00
Total Foreign Corporate Yankee Bonds			90,783,018		84,789,644.13	86,529,792.93
Foreign Commingled Fixed Income Fund						
MORGAN GRENFELL INVT TR				3,773,987	21,214,142.83	20,605,969.06
Total Foreign Commingled Fixed Income Fund				3,773,987	21,214,142.83	20,605,969.06
TOTAL BONDS/FIXED INCOME - INTERNATIONAL			6,422,212,190		516,061,616.41	493,529,243.69
EQUITY SECURITIES - DOMESTIC						
Common Stock - Domestic						
3COM CORP				81,400	2,383,290.38	2,172,362.50
3DFX INTERACTIVE INC				7,075	96,625.97	110,546.88

Louisiana State Employees' Retirement System

Detail Listing of Investments as of June 30, 1999

Name	Shares	Amortized Cost	Market Value
7 ELEVEN INC	56,500	126,966.49	125,359.38
ABACUS DIRECT CORP	41,400	2,189,602.41	3,788,100.00
ABBOTT LABS	275,900	9,769,174.69	12,518,962.50
ABOVENET COMMUNICATIONS INC	3,800	141,365.62	153,425.00
ABR INFORMATION SVCS INC	4,300	138,764.70	387,268.75
ACCEPTANCE INSURANCE CO	21,700	461,226.65	326,656.25
ACETO CORP	15,840	156,240.25	182,160.00
ACME ELEC CORP	6,700	32,834.00	36,431.25
ACTEL CORP	58,900	821,476.70	888,775.00
ACTION PERFORMANCE COS INC	2,900	96,780.02	95,700.00
ACX TECHNOLOGIES INC	45,100	633,714.05	732,875.00
ADAC LABS	9,600	72,445.44	69,600.00
ADAMS RESOURCES + ENERGY	5,600	51,598.75	44,100.00
ADAPTEC INC	119,800	2,189,680.44	4,230,437.50
ADOBE SYS INC	3,400	156,784.00	279,331.25
ADTRAN INC	3,500	121,673.53	127,312.50
ADVANCE PARADIAM INC	36,700	1,830,369.38	2,238,700.00
ADVANCED FIBRE COMMUNICATIONS	9,700	141,398.48	151,562.50
ADVANCED MARKETING SVCS INC	12,000	84,345.00	180,000.00
ADVANCED MICRO DEVICES INC	7,300	124,953.75	131,856.25
ADVANTA CORP	33,700	539,022.98	608,706.25
ADVEST GROUP INC	2,800	54,935.86	55,825.00
ADVO INC	27,100	566,368.19	562,325.00
ADVOCAT INC	6,800	12,673.84	13,175.00
AES CORP	9,100	360,570.70	528,937.50
AETNA INC	7,400	589,503.75	661,837.50
AFFYMETRIX INC	3,000	147,613.35	148,125.00
AFLAC INC	13,000	668,135.00	622,375.00
AGCO CORP	78,500	551,453.22	888,031.25
AGL RES INC	7,500	140,637.50	138,281.25
AHL SVCS INC	4,700	119,066.30	117,206.25
AIR EXPRESS INTL CORP	5,500	138,126.14	139,562.50
AIR PRODS + CHEMS INC	45,800	1,900,657.74	1,843,450.00
AIRBORNE FIGHT CORP	5,600	160,650.10	155,050.00
AIRGAS INC	10,600	126,067.47	129,850.00
ALAMO GROUP INC	5,200	96,172.96	45,500.00
ALBANY INTL CORP	5,000	111,875.00	105,000.00
ALBERTO CULVER CO	2,500	70,259.00	66,562.50
ALBERTSONS INC	102,338	6,116,703.98	5,276,803.13
ALCOA INC	18,300	709,539.75	1,132,312.50
ALEXANDER + BALDWIN INC	5,800	133,138.75	129,050.00
ALGIERS BANCORP INC	30,000	330,000.00	318,750.00
ALGOS PHARMACEUTICAL CORP	60,300	1,710,082.28	1,330,368.75
ALIGN RITE INTL INC	9,800	136,915.34	135,975.00
ALKERMES INC	65,900	1,808,098.43	1,523,937.50
ALLEGHANY CORP DEL	600	108,047.24	111,000.00
ALLEGHENY TELDYNE INC	10,000	228,125.25	226,250.00
ALLERGAN INC	3,200	178,816.75	355,200.00
ALLIANT TECHSYSTEMS INC	7,600	437,807.53	657,400.00
ALLIED CAP CORP NEW	7,300	152,044.00	175,200.00
ALLIED RESH CORP	7,900	82,242.50	47,400.00
ALLIED SIGNAL INC	129,400	4,696,164.07	8,152,200.00
ALLSTATE CORP	173,600	6,466,338.82	6,227,900.00
ALLTEL CORP	14,000	701,781.89	1,001,000.00
ALLTRISTA CORP	3,400	91,041.90	112,200.00
ALPHARMA INC	4,500	154,651.05	160,031.25

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Detail Listing of Investments as of June 30, 1999

Name	Shares	Amortized Cost	Market Value
ALTERNATIVE RES CORP	9,800	67,956.42	68,600.00
ALZA CORP	4,500	187,202.50	228,937.50
AMB FINL CORP	34,600	363,300.00	447,637.50
AMCAST INDL CORP	11,000	191,068.71	179,437.50
AMCORE FINL INC	5,800	130,540.75	133,762.50
AMERADA HESS CORP	4,600	256,207.25	273,700.00
AMERCO	5,500	124,345.16	123,750.00
AMEREN CORP	6,700	265,996.00	257,112.50
AMERICA ONLINE INC DEL	54,700	5,060,875.99	6,017,000.00
AMERICA WEST HLDG CORP	62,900	845,950.36	1,167,237.50
AMERICAN BILTRITE INC	4,700	111,157.75	96,350.00
AMERICAN BK CONN WATERBURY	5,600	94,874.00	136,500.00
AMERICAN COIN MERCHANDISING	1,200	4,599.00	7,800.00
AMERICAN DENTAL TECHNOLOGIES	5,800	24,294.78	21,750.00
AMERICAN ELEC PWR INC	9,400	419,555.00	353,067.50
AMERICAN EXPRESS CO	39,100	4,613,761.60	5,087,887.50
AMERICAN GEN CORP	119,600	6,021,025.10	6,939,475.00
AMERICAN GREETINGS CORP	3,700	171,635.50	111,462.50
AMERICAN HOME PRODUCTS CORP	295,100	10,600,345.77	16,931,362.50
AMERICAN HOMESTAR CORP	23,100	169,972.88	158,612.50
AMERICAN INTL GROUP INC	154,632	13,027,023.38	18,130,602.00
AMERICAN ITALIAN PASTA CO	36,000	1,024,100.32	1,093,500.00
AMERICAN MGMT SYS INC	6,700	209,125.04	214,618.75
AMERICAN PHYSICIAN PARTNERS IN	8,500	41,821.00	46,718.75
AMERICAN PHYSICIANS SVC GROUP	1,200	5,974.92	4,350.00
AMERICAN VANGUARD CORP	1,800	13,009.50	9,675.00
AMERICAN WOODMARK CORP	3,400	16,208.96	119,850.00
AMERICREDIT CORP	9,500	150,061.82	152,000.00
AMERIPATH INC	26,500	217,937.45	228,562.50
AMERISOURCE HEALTH CORP	5,200	132,768.24	132,600.00
AMERISTAR CASINOS INC	1,500	7,578.38	4,875.00
AMERITECH CORP	225,600	12,211,386.63	16,581,600.00
AMERON INTL CORP	5,900	201,337.50	260,337.50
AMERUS LIFE HLDGS INC	21,587	464,349.18	582,849.00
AMES DEPT STORES INC	109,200	3,920,943.35	4,982,250.00
AMETEK AEROSPACE PRODS INC	15,600	296,441.67	358,800.00
AMGEN INC	26,000	1,010,606.00	1,582,750.00
AMISTAR CORP	2,900	14,431.77	5,618.75
AMPCO PITTSBURGH CORP	12,400	136,851.40	158,875.00
AMPLICON INC	13,800	171,813.50	193,200.00
AMR CORP DEL	214,700	12,653,956.82	14,653,275.00
AMREP CORP	3,500	21,534.88	19,906.25
AMRESKO INC	61,300	366,781.68	394,618.75
AMSOUTH BANCORPORATION	8,700	282,618.00	201,731.25
AMTRAN INC	4,600	103,109.00	113,275.00
AMWEST INS GROUP INC	5,400	54,043.00	49,950.00
ANACOMP INC DEL	6,400	109,532.46	108,800.00
ANADARKO PETE CORP	6,100	211,075.75	224,556.25
ANALYSTS INTL CORP	106,600	1,112,598.01	1,518,000.00
ANCHOR GAMING	16,900	835,531.04	812,256.25
ANDERSONS INC	10,300	124,585.13	131,325.00
ANDREW CORP	69,600	1,240,805.50	1,318,050.00
ANDRX CORP	5,400	139,148.60	416,475.00
ANHEUSER BUSCH COS INC	156,900	9,146,593.91	11,130,093.75
ANNALY MTG MGMT INC	84,000	855,236.00	945,000.00
ANNTAYLOR STORES CORP	45,100	892,484.70	2,029,500.00

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Name	Shares	Amortized Cost	Market Value
ANSWERTHINK CONSULTING GROUP	100,200	2,512,115.98	2,530,050.00
ANTEC CORP	5,500	171,881.93	176,343.75
AON CORP	12,750	590,852.00	525,937.50
APACHE CORP	58,400	2,031,851.90	2,277,600.00
APPLE COMPUTER	6,700	217,864.75	310,293.75
APPLEBEES INTL INC	3,700	111,391.75	111,462.50
APPLIED INDL TECHNOLOGIES INC	67,225	1,184,313.25	1,277,275.00
APPLIED MATERIALS INC	18,700	660,908.50	1,381,462.50
APPLIED PWR INC	5,600	152,213.20	152,950.00
APPLIED SIGNAL TECHNOLOGY INC	10,600	94,393.00	100,700.00
APRIA HEALTHCARE GROUP INC	6,800	116,673.65	115,600.00
APTARGROUP INC	56,100	1,378,886.80	1,683,000.00
ARCADIA FINL LTD	51,400	266,743.27	398,350.00
ARCHER DANIELS MIDLAND CO	31,190	563,518.00	481,495.63
ARCTIC CAT INC	37,200	371,221.45	332,475.00
ARDENT SOFTWARE INC	17,300	354,013.75	367,625.00
AREA BANCSHARES CORP NEW	5,200	141,028.25	141,050.00
ARGONAUT GROUP INC	4,600	118,491.76	110,400.00
ARK RESTAURANTS CORP	4,100	48,979.83	45,100.00
ARKANSAS BEST CORP	24,700	157,937.60	245,456.25
ARM FINCL INC	41,000	449,444.11	348,500.00
ARMCO INC	142,200	705,436.58	942,075.00
ARMSTRONG WORLD INDS INC	2,000	131,106.00	115,625.00
ARNOLD INDS INC	31,300	490,229.23	483,183.75
ARROW ELECTRS INC	93,500	2,292,912.51	1,778,500.00
ARVIN INDS INC	17,300	441,807.40	655,237.50
ASARCO INC	2,000	43,206.00	37,625.00
ASHLAND INC	3,800	189,287.00	152,475.00
ASK JEEVES INC	100	1,400.00	1,400.00
ASPECT TELECOMMUNICATIONS CORP	10,700	105,021.34	104,325.00
ASPEN TECHNOLOGY INC	59,000	786,412.46	693,250.00
ASSOCIATES FIRST CAP CORP	280,286	8,211,562.63	12,367,619.75
ASTORIA FINL CORP	24,345	759,758.93	1,069,658.44
AT + T CORP	426,666	19,805,598.76	23,813,296.13
ATCHISON CASTING CORP	15,800	276,521.75	163,925.00
ATLANTIC AMERN CORP	16,800	50,420.88	65,250.00
ATLANTIC RICHFIELD CO	16,400	1,304,888.50	1,370,425.00
ATMOS ENERGY CORP	5,700	146,562.55	142,500.00
AUTHENTIC FITNESS CORP	27,500	192,500.00	481,250.00
AUTOCAM CORP	9,358	97,968.36	126,333.00
AUTODESK INCORPORATED	2,500	87,534.00	73,906.25
AUTOMATIC DATA PROCESSING INC	30,900	1,181,266.25	1,359,600.00
AUTOZONE INC	7,800	245,836.50	234,975.00
AVANT CORP	41,600	526,656.88	525,200.00
AVERY DENNISON CORP	5,500	313,129.50	332,062.50
AVISTA CORP	7,600	128,725.00	123,500.00
AVNET INC	61,300	3,504,816.78	2,850,450.00
AVON PRODS INC	13,100	543,017.00	727,050.00
AVT CORP	43,300	401,425.61	1,639,987.50
AWARE INC MASS	2,400	96,194.28	110,700.00
AXSYS TECHNOLOGIES INC	5,300	65,540.75	60,950.00
AZTEC MFG CO	6,900	64,518.00	67,275.00
BACKWEB TECHNOLOGIES LTD	45,400	923,027.41	1,242,825.00
BAIRNCO CORP	13,000	80,803.25	97,500.00
BAKER HUGHES INC	16,740	550,913.50	560,790.00
BALCHEM CORP	3,900	22,319.00	22,425.00

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Name	Shares	Amortized Cost	Market Value
BALDWIN TECHNOLOGY INC	23,800	135,481.24	69,912.50
BALL CORP	1,500	65,629.50	63,375.00
BALLARD MEDICAL PRODUCTS	5,800	133,762.82	135,212.50
BALTEX CORP	100	964.90	975.00
BANCFIRST CORP	2,000	69,560.00	68,500.00
BANCINSURANCE CORP	4,410	17,643.00	23,152.50
BANCORPSOUTH INC	9,600	174,280.20	174,000.00
BANCTEC INC	44,700	1,056,201.68	801,806.25
BANGOR HYDRO ELEC CO	2,100	27,269.13	33,862.50
BANK AMER CORP	233,036	15,999,031.56	17,084,451.75
BANK NEW YORK INC	84,200	3,005,850.49	3,089,087.50
BANK ONE CORP	190,138	10,306,020.68	11,325,094.63
BANK PLUS CORP	86,000	711,937.50	462,250.00
BANK LTD CORP	3,500	139,562.50	140,656.25
BANKATLANTIC BANCORP INC	17,000	135,542.10	138,125.00
BANKATLANTIC BANCORP INC	24,250	262,803.22	175,812.50
BANKOSTON CORP	228,300	9,589,297.83	11,671,837.50
BANKUNITED FINL CORP	78,300	578,050.00	753,637.50
BARD C R INC	2,900	117,815.25	138,656.25
BARNES GROUP INC	40,500	512,761.00	880,875.00
BARNETT INC	20,400	183,292.24	183,000.00
BARRETT RES CORP	3,600	137,925.00	138,150.00
BARRY R G CORP OHIO	5,000	42,202.50	41,250.00
BATTLE MTN GOLD CO	11,700	62,604.75	28,518.75
BAUSCH + LOMB INC	31,000	2,194,302.90	2,371,500.00
BAXTER INTL INC	14,800	830,407.50	897,250.00
BAY VIEW CAP CORP DEL	5,100	141,583.87	104,550.00
BAYOU STL CORP LA PLACE	16,700	83,935.26	62,625.00
BB+T CORP	15,800	559,993.10	579,662.50
BEAR STEARNS COS INC	6,135	320,130.50	286,811.25
BEAZER HOMES USA INC	11,200	199,474.43	259,000.00
BECKMAN COULTER INC	55,700	2,443,957.06	2,708,412.50
BECTON DICKINSON + CO	12,600	484,364.00	378,000.00
BEL FUSE INC	2,900	36,838.23	75,400.00
BELCO OIL + GAS CORP	15,400	106,857.41	106,837.50
BELL ATLANTIC CORP	409,600	20,306,337.90	26,777,600.00
BELL MICROPRODUCTS INC	11,100	77,861.58	76,312.50
BELLSOUTH CORP	200,900	6,084,061.87	9,266,512.50
BEMIS INC	2,500	100,959.00	99,375.00
BENIHANA INC	3,200	25,728.00	46,400.00
BERKSHIRE HATHAWAY INC DEL	840	1,201,408.09	1,881,600.00
BEST BUY CO INC	19,600	1,268,796.20	1,323,000.00
BESTFOODS	52,600	2,560,728.68	2,603,700.00
BETHLEHEM STL CORP	23,700	212,221.68	182,193.75
BEVERLY ENTERPRISES INC	142,700	872,829.07	1,150,518.75
BILLING CONCEPTS CORP	4,800	32,344.12	63,700.00
BINDLEY WESTN INDS INC	11,800	256,975.78	272,137.50
BINDVIEW DEV CORP	69,500	1,574,763.91	1,413,125.00
BIOMATRIX INC	107,700	3,659,030.65	2,322,281.25
BIOMET INC	67,900	1,749,919.71	2,099,025.00
BIOSOURCE INTL INC	4,000	11,508.42	19,625.00
BLACK + DECKER CORPORATION	137,100	5,417,113.97	8,654,437.50
BLACK BOX CORP	2,400	119,479.76	120,300.00
BLACK HAWK GAMING + DEV INC	2,000	15,185.00	15,250.00
BLACK HILLS CORP	5,500	127,913.24	127,187.50
BLAIR CORP	14,600	440,210.35	393,287.50

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Name	Shares	Amortized Cost	Market Value
BLANCH E W HLDGS INC	1,800	122,320.50	122,737.50
BLIMPIE INTL INC	12,500	49,520.52	34,375.00
BLOCK H + R INC	5,200	223,815.00	260,000.00
BLONDER TONGUE LABS INC	3,700	24,894.75	23,587.50
BLOUNT INTL INC	4,900	134,013.90	133,218.75
BLUEGREEN CORP	29,100	168,394.50	158,231.25
BMC SOFTWARE INC	75,900	2,615,635.23	4,098,600.00
BOB EVANS FARMS INC	8,100	158,725.94	160,987.50
BOEING CO	117,700	5,804,141.50	5,178,800.00
BOISE CASCADE CORP	3,200	109,646.50	137,200.00
BOISE CASCADE OFFICE PRODS COR	14,700	152,256.16	172,725.00
BOLDER TECHNOLOGIES CORP	166,900	1,830,564.36	1,460,375.00
BON TON STORES INC	19,200	129,729.81	123,600.00
BORDERS GROUP INC	9,500	102,956.03	150,218.75
BOSTON ACOUSTICS INC	5,400	121,962.75	96,525.00
BOSTON SCIENTIFIC CORP	61,700	2,412,818.19	2,710,943.75
BOSTONFED BANCORP INC	38,000	473,339.40	679,250.00
BOUNDLESS CORP	2,000	12,011.60	11,750.00
BOWNE + CO INC	44,000	590,036.51	588,500.00
BOYD BROS TRANSN INC	1,200	8,148.00	13,800.00
BOYD GAMING CORP	102,200	394,848.86	715,400.00
BOYDS COLLECTION LTD	8,100	135,153.40	140,231.25
BOYKIN LODGING CO	9,000	135,714.38	138,375.00
BRE PPTYS INC	7,200	186,750.00	187,200.00
BRIDGEPORT MACHS INC	6,500	86,735.00	63,375.00
BRIGGS + STRATTON CORP	1,200	50,990.50	69,300.00
BRIO TECHNOLOGY INC	131,400	2,098,030.04	2,628,000.00
BRISTOL MYERS SQUIBB CO	446,300	22,973,582.75	31,436,256.25
BROADVISION INC	2,400	144,199.92	177,000.00
BROWN + SHARPE MFG CO	9,900	53,817.54	53,831.25
BROWN FORMAN CORP	3,300	216,498.00	215,118.75
BROWNING FERRIS INDS INC	8,100	291,488.00	348,300.00
BRUNSWICK CORP	5,200	128,465.00	144,950.00
BUCA INC	93,000	1,391,730.48	1,534,500.00
BUCKEYE TECHNOLOGIES INC	39,400	513,914.00	598,387.50
BUFFETS INC	10,600	118,599.25	121,900.00
BUILDING MATLS HLDS CORP	16,400	199,762.40	188,600.00
BUILDING ONE SVCS CORP	42,120	705,294.30	584,415.00
BURLINGTON COAT FACTORY WHSE	31,700	445,581.60	612,206.25
BURLINGTON INDS INC	81,900	1,143,231.76	757,575.00
BURLINGTON NORTHN SANTA FE	64,300	2,163,893.00	1,993,300.00
BURLINGTON RES INC	9,000	393,172.25	389,250.00
BURR BROWN	3,400	134,198.46	124,525.00
BUTLER MFG CO DEL	8,800	268,224.56	245,850.00
C CUBE MICROSYSTEMS INC	4,700	146,881.91	148,931.25
C H ROBINSON WORLDWIDE	4,800	176,290.50	176,400.00
C+D TECHNOLOGIES	7,000	81,334.40	214,375.00
CABLE DESIGN TECHNOLOGIES CORP	30,800	429,364.10	475,475.00
CABLETRON SYSTEMS INC	8,200	102,339.50	106,600.00
CABOT OIL + GAS CORP	38,500	969,770.04	717,062.50
CACHE INC	7,400	23,709.19	- 50,875.00
CADMUS COMMUNICATIONS CORP	4,900	67,318.44	67,375.00
CALLAWAY GOLF CO	9,500	130,354.14	138,937.50
CALPINE CORP	65,000	1,612,067.11	3,510,000.00
CAMBRIDGE TECHNOLOGY PARTNERS M	7,000	120,154.14	122,937.50
CAMERON ASHLEY BUILDING PROD	20,500	236,845.00	213,968.75

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Name	Shares	Amortized Cost	Market Value
CAMPBELL SOUP CO	22,600	1,140,476.75	1,048,075.00
CANANDAIGUA WINE INC	3,200	146,000.00	167,800.00
CANNONDALE CORP	17,800	340,442.96	202,475.00
CAPITAL ONE FINL CORP	58,500	2,795,891.53	3,090,656.25
CAPITAL RE CORP	41,500	858,339.83	666,593.75
CAPITOL FED FINL	12,500	125,887.50	130,468.75
CAPROCK COMMUNICATIONS CORP	4,200	139,251.00	170,100.00
CARAUSTAR INDS INC	20,000	533,683.00	493,750.00
CARBIDE/GRAPHITE GROUP INC	10,800	292,718.00	154,575.00
CARDINAL HEALTH INC	13,800	907,302.00	884,925.00
CAREMATRIX CORP	11,200	125,286.56	139,300.00
CAROLINA PWR + LT CO	7,800	334,949.00	333,937.50
CARPENTER TECHNOLOGY CORP	28,500	1,123,993.84	822,600.00
CASCADE CORP	14,600	202,182.31	204,400.00
CASE CORP	80,000	3,969,674.04	3,850,000.00
CASEYS GEN STORES INC	10,100	142,212.11	151,500.00
CASH AMER INTL INC	39,600	470,000.40	458,350.00
CASTLE + COOKE INC NEW	7,700	135,143.87	135,712.50
CASTLE DENTAL CTRS INC	8,100	57,624.53	51,890.63
CASTLE ENERGY CORP	3,600	34,794.00	64,800.00
CATALINA LTG INC	1,500	3,123.75	7,500.00
CATERPILLAR INC	18,200	1,008,932.00	1,092,000.00
CATHERINES STORES CORP	3,400	32,922.20	42,075.00
CATO CORP NEW	2,200	20,189.84	25,575.00
CATSKILL FINL CORP	32,600	365,886.00	533,825.00
CAVALIER HOMES INC	141,382	1,607,933.05	1,157,565.13
CAVALRY BANCORP INC	15,300	330,901.76	349,031.25
CBRL GROUP INC	7,900	128,641.38	136,768.75
CBS CORP	35,900	1,231,973.50	1,583,893.75
CCA INDS INC	12,300	31,145.57	21,140.63
CDI CORP	25,900	554,888.57	882,218.75
CEC ENTMT INC	3,500	146,738.28	147,875.00
CELLSTAR CORP	75,000	438,090.01	590,625.00
CENDANT CORP	42,100	853,543.25	863,050.00
CENTEX CONSTR PRODS INC	19,800	296,727.24	675,675.00
CENTEX CORP	3,100	116,584.00	116,443.75
CENTRAL + SOUTH WEST CORP	11,200	297,320.50	261,800.00
CENTRAL GARDEN + PET CO	35,400	396,304.80	362,850.00
CENTRAL NEWSPAPERS INC	13,600	479,428.52	510,090.00
CENTRIS GROUP INC	700	6,544.91	7,087.50
CENTURYTEL INC	70,350	2,311,254.06	2,796,412.50
CERIDIAN CORP	6,900	209,647.50	225,543.75
CERNER CORP	6,800	128,846.36	142,587.50
CFI PROSERVICES INC	6,300	77,387.92	70,875.00
CFS BANCORP INC	75,600	841,662.67	826,875.00
CHAMPION ENTERPRISES INC	6,400	119,953.76	119,200.00
CHAMPION INTL CORP	4,900	249,596.25	234,587.50
CHANNELL COML CORP	6,100	56,556.64	61,000.00
CHAPARRAL RES INC	7,400	169,922.07	292,300.00
CHARMING SHOPPES INC	21,800	129,428.41	132,843.75
CHART INDS INC	4,300	28,842.25	33,862.50
CHARTWELL RE CORP	15,500	519,662.67	286,687.50
CHASE INDS INC	19,150	195,797.32	161,578.13
CHASE MANHATTAN CORP NEW	355,800	21,640,492.96	30,776,700.00
CHEAP TICKETS INC	14,100	414,025.52	514,650.00
CHEMFIRST INC	6,100	146,529.84	146,306.25

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Name	Shares	Amortized Cost	Market Value
CHERRY CORP	16,100	216,953.47	225,400.00
CHESAPEAKE CORP	3,100	112,976.05	116,056.25
CHEVRON CORP	120,100	8,006,116.27	11,417,006.25
CHICAGO RIVET MACH CO	200	5,006.00	4,400.00
CHILDRENS COMPREHENSIVE SVCS	3,300	19,851.79	22,893.75
CHITTENDEN CORP	5,000	156,250.00	156,250.00
CHOICE HOTELS INC	7,600	126,334.28	150,100.00
CHOICEPOINT INC	2,500	165,632.78	167,812.50
CHROMCRAFT REVINGTON INC	16,000	247,836.25	259,875.00
CHS ELECTRONICS INC	70,000	460,076.86	306,250.00
CHUBB CORP	80,300	5,880,897.86	5,580,850.00
CHURCH + DWIGHT INC	2,700	116,290.78	117,450.00
CIBER INC	6,000	101,835.20	114,750.00
CIGNA CORP	31,600	2,065,211.81	2,812,400.00
CILCORP INC	2,400	150,900.00	150,000.00
CINCINNATI FINL CORP	8,300	321,239.50	311,768.75
CINERGY CORP	25,500	671,391.25	816,000.00
CIRCLE INTL GROUP INC	14,900	240,560.50	325,937.50
CIRCUIT CITY STORES INC	30,200	1,618,114.00	2,808,600.00
CISCO SYS INC	402,927	12,440,176.62	25,963,603.41
CITADEL COMMUNICATIONS CORP	60,100	1,473,657.58	2,174,868.75
CITATION CORP ALA	35,900	521,600.01	576,643.75
CITIGROUP INC	495,675	15,265,472.87	23,544,562.50
CITIZENS BKG CORP MICH	4,900	146,348.25	147,306.25
CITRIX SYS INC	84,600	756,017.87	4,779,900.00
CKE RESTAURANTS INC	65,200	661,350.14	1,059,500.00
CLARENT CORP DEL	500	7,500.00	7,500.00
CLARIFY INC	116,300	2,977,364.20	4,797,375.00
CLEAR CHANNEL COMMUNICATIONS	16,200	972,068.70	1,116,787.50
CLEVELAND CLIFFS INC	28,200	1,063,700.91	912,975.00
CLOROX CO	5,900	593,700.76	630,193.75
CMS ENERGY CORP	4,000	173,018.25	167,500.00
CNF TRANSN INC	204,700	4,748,736.50	7,880,950.00
COACH USA INC	3,400	143,228.39	142,587.50
COAST DENTAL SVCS INC	9,600	64,699.00	45,000.00
COASTAL BANCORP INC	45,300	804,675.00	764,437.50
COASTAL CORP	45,600	1,528,795.22	1,835,400.00
COBRA ELECTRS CORP	7,900	39,181.61	31,600.00
COCA COLA CO	355,100	18,495,237.68	22,016,200.00
COCA COLA ENTERPRISES INC	20,400	617,629.75	606,900.00
COGENERATION CORP AMER	9,000	83,325.63	129,937.50
COGNEX CORP	5,600	176,136.04	176,750.00
COGNITRONICS CORP	6,900	58,105.12	105,656.25
COLE NATL CORP	18,700	219,017.35	148,431.25
COLGATE PALMOLIVE CO	103,200	9,870,992.47	10,165,200.00
COLLINS INDS INC	1,100	4,031.50	6,600.00
COLONIAL BANCGRUPOINC	72,800	879,366.09	1,014,650.00
COLTEC INDS INC	6,800	138,433.61	147,475.00
COLUMBIA / HCA HEALTHCARE CORP	95,100	2,769,659.39	2,169,468.75
COLUMBIA ENERGY GROUP	4,300	234,982.25	269,556.25
COLUMBUS MCKINNON CORP NY	18,100	290,936.00	434,400.00
COMCAST CORP	95,800	2,857,630.31	3,682,312.50
COMDIAL CORP	4,500	30,778.01	31,781.25
COMERICA INC	7,700	506,749.00	457,668.75
COMMERCE BANCORP INC N J	3,500	146,592.92	149,625.00
COMMERCE BANCSHARES INC	46,350	2,014,445.86	1,865,587.50

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Name	Shares	Amortized Cost	Market Value
COMMERCE GROUP INC MASS	38,400	854,933.58	936,000.00
COMMERCIAL FED CORP	65,014	948,737.10	1,507,512.13
COMMERCIAL INTERTECH CORP	19,200	249,737.60	290,062.50
COMMERCIAL METALS CO	30,700	765,596.50	874,950.00
COMMNET CELLULAR INC	7,500	189,684.35	196,875.00
COMMONWEALTH ENERGY SYS	2,700	115,375.51	113,400.00
COMMSCOPE INC	5,700	128,122.85	175,275.00
COMMUNICATIONS SYS	1,000	18,341.80	12,375.00
COMMUNITY BK SYS INC	3,100	76,399.50	78,662.50
COMMUNITY FIRST BANKSHARES INC	8,100	189,638.58	193,387.50
COMPAQ COMPUTER CORP	558,900	18,301,852.21	13,238,943.75
COMPUCOM SYS INC	400	2,312.76	1,650.00
COMPUSA INC	13,300	97,763.37	98,918.75
COMPUTER ASSOC INTL INC	27,100	1,435,648.00	1,463,725.00
COMPUTER HORIZONS CORP	7,300	100,831.25	100,831.25
COMPUTER SCIENCES CORP	74,400	4,566,580.84	5,147,550.00
COMPUWARE CORP	18,700	672,783.50	594,893.75
CONAGRA INC	25,300	788,301.50	673,612.50
CONCENTRIC NETWORK CORP DEL	4,900	185,566.47	194,775.00
CONCORD CAMERA CORP	6,600	32,309.73	34,650.00
CONCORD COMMUNICATIONS INC	67,400	2,282,863.88	3,033,000.00
CONGOLEUM CORP NEW	15,500	185,416.50	111,406.25
CONMED CORP	1,900	62,279.38	58,187.50
CONSECO INC	16,000	717,549.58	487,000.00
CONSO INTL CORP	11,800	108,459.50	67,850.00
CONSOLIDATED DELIVY LOGIST INC	4,400	17,946.64	15,400.00
CONSOLIDATED EDISON INC	11,700	537,562.50	529,425.00
CONSOLIDATED FREIGHTWAYS CORP	28,500	348,810.79	366,046.88
CONSOLIDATED GRAPHICS INC	2,100	144,257.60	105,000.00
CONSOLIDATED NAT GAS CO	4,900	287,565.00	287,675.00
CONSOLIDATED PRODS INC	7,000	124,795.69	126,000.00
CONSOLIDATED STORES CORP	6,200	223,268.00	167,400.00
CONSTELLATION ENERGY GROUP INC	7,500	229,492.75	222,187.50
CONSUMER PORTFOLIO SVCS INC	8,100	22,632.75	13,542.19
COOKER RESTAURANT CORP	15,500	150,730.75	86,218.75
COOPER COS INC	49,700	1,066,217.59	1,239,393.75
COOPER INDS INC	5,200	261,127.50	270,400.00
COOPER TIRE + RUBR CO	4,000	83,962.00	94,500.00
COORS ADOLPH CO	1,800	68,856.00	89,100.00
COPART INC	144,200	2,775,116.53	3,064,250.00
CORN PRODUCTS INTL INC	4,700	143,056.25	143,056.25
CORNING INC	32,100	1,756,345.20	2,251,012.50
CORPORATE EXECUTIVE BRO CO	75,700	1,806,518.11	2,692,081.25
CORPORATE EXPRESS INC	19,200	134,400.00	134,400.00
CORRPRO COS INC	2,900	29,147.75	25,012.50
CORT BUSINESS SVCS CORP	10,500	240,531.75	251,343.75
CORUS BANKSHARES INC	19,200	619,339.76	578,987.50
COST PLUS INC CALIF	3,000	136,590.00	136,500.00
COSTCO COS INC	37,900	2,884,241.90	3,034,368.75
COTELLIGENT INC	3,400	42,847.75	26,562.50
COTTON STS LIFE INS CO	2,437	14,349.06	29,653.25
COUNTRYWIDE CR INDS INC	227,400	9,163,091.55	9,721,350.00
COURIER CORP	2,100	26,658.00	48,300.00
COVANCE INC	7,100	168,717.18	169,956.25
COVENANT TRANS INC	7,700	68,997.75	121,275.00
CPAC INC	11,300	122,102.18	94,637.50

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Name	Shares	Amortized Cost	Market Value
CRANE CO	3,400	109,341.75	106,887.50
CREDENCE SYSTEMS CORP	4,200	154,653.50	155,925.00
CREDIT ACCEPTANCE CORP	8,600	45,237.72	51,600.00
CROMPTON + KNOWLES CORP	8,000	156,619.60	153,000.00
CROSSMANN CMNTYS INC	1,700	49,338.50	49,406.25
CROWN CORK + SEAL INC	6,400	288,257.00	182,400.00
CSG SYS INTL INC	101,500	1,082,391.19	2,658,031.25
CSX CORP	11,500	539,528.25	521,812.50
CTS CORP	1,900	130,744.32	133,000.00
CULLEN FROST BANKERS INC	30,200	551,582.22	832,387.50
CUMMINS ENGINE INC	108,700	5,599,271.69	6,209,487.50
CUNO INC	26,000	550,759.74	497,250.00
CURATIVE HEALTH SERVICES INC	3,800	20,420.44	20,900.00
CUSTOMTRACKS CORP	2,300	117,550.46	128,656.25
CVB FINL CORP	5,000	128,237.92	130,000.00
CVS CORP	33,000	1,312,438.10	1,674,750.00
CYMER INC	147,300	3,135,334.34	3,682,500.00
CYPRESS SEMICONDUCTOR CORP	13,900	231,956.25	238,037.50
CYPRUS AMAX MINERALS CO	15,000	218,944.94	228,750.00
CYTEC INDS INC	5,200	150,126.50	163,800.00
D.R.HORTON INC	7,100	117,133.29	118,037.50
DAIN RAUSCHER CORP	2,400	125,850.00	129,900.00
DALLAS SEMICONDUCTOR CORP	4,700	236,965.44	238,525.00
DANA CORP	277,616	12,474,271.58	12,787,687.00
DANAHER CORP	6,800	332,388.94	395,250.00
DARDEN RESTAURANTS INC	7,400	126,858.50	161,412.50
DATA GEN CORP	125,000	1,888,397.83	1,820,312.50
DATA PROCESSING CORP	40,200	733,747.38	949,725.00
DATARAM CORP	8,400	41,909.00	82,950.00
DATRON SYS INC CALIF	1,200	8,436.00	9,300.00
DAYTON HUDSON CORP	70,100	4,222,775.50	4,556,500.00
DAYTON SUPERIOR CORP	7,500	133,636.25	139,218.75
DE LUXE CORP	157,800	5,427,882.09	6,124,612.50
DEAN FOODS CO	3,100	110,473.46	128,843.75
DEB SHOPS INC	2,000	14,455.00	39,750.00
DECORATOR INDS INC	6,040	23,795.18	43,790.00
DEERE + CO	12,600	643,762.50	493,762.50
DEL GLOBAL TECHNOLOGIES CORP	4,700	44,278.50	45,825.00
DELL COMPUTER CORP	129,300	3,484,084.88	4,784,100.00
DELPHI AUTOMOTIVE SYS CORP	65,093	1,221,829.24	1,204,220.50
DELPHI FINL GROUP INC	11,684	330,917.32	419,163.50
DELTA + PINE LD CO	4,700	135,293.64	148,050.00
DELTA AIR LINES INC DE	70,700	3,872,179.02	4,074,087.50
DELTA FINL CORP	18,200	121,667.00	116,025.00
DENALI INC	1,700	13,757.25	12,750.00
DEPARTMENT 56 INC	28,000	870,158.54	752,500.00
DETROIT DIESEL CORP	11,800	247,206.33	290,575.00
DEVON ENERGY CORP	13,000	355,401.18	465,562.50
DEWOLFE COS INC	4,200	23,328.00	29,925.00
DEXTER CORP	22,700	646,774.73	928,443.75
DIAMOND TECHNOLOGY PARTNER INC	5,800	135,702.99	129,775.00
DIGITAL MICROWAVE CORP	8,000	101,075.02	102,000.00
DIGITAL RIV INC	60,800	1,425,528.16	2,021,800.00
DII GROUP INC	4,900	168,764.67	182,831.25
DILLARDS INC	59,000	1,940,493.59	2,072,375.00
DIME CMNTY BANCORP INC	42,400	782,915.34	985,800.00

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Name	Shares	Amortized Cost	Market Value
DIMON INC	24,100	131,102.09	125,018.75
DIODES INC	6,400	35,520.00	53,600.00
DIONEX CORP	3,800	156,042.00	153,900.00
DISCOUNT AUTO PTS INC	21,000	392,506.22	506,625.00
DISNEY WALT CO	369,400	10,268,278.84	11,382,137.50
DOXIE GROUP INC	14,700	150,927.73	124,720.31
DOCUMENTUM INC	4,700	180,273.91	61,393.75
DOLLAR GEN CORP	33,281	953,607.91	965,149.00
DOMINION HOMES INC	8,100	50,663.50	59,737.50
DOMINION RES INC VA	9,900	404,506.50	428,793.75
DONALDSON INC	47,300	1,040,193.84	1,158,850.00
DONEGAL GROUP INC	13,377	150,177.63	152,163.38
DONNELLEY R R + SONS CO	7,200	315,771.00	266,850.00
DONNELLY CORP	4,700	75,205.46	74,318.75
DOVER CORP	11,300	396,115.75	395,500.00
DOW CHEM CO	118,800	13,346,180.48	15,072,750.00
DOW JONES + CO INC	4,900	273,190.00	260,006.25
DOWNEY FINL CORP	13,200	260,839.49	289,575.00
DRESS BARN THE	30,100	494,751.20	481,600.00
DREW INDS INC NEW	7,000	67,096.50	86,187.50
DSP COMMUNICATIONS INC	7,000	200,620.41	202,125.00
DT INDS INC	13,200	363,366.46	121,275.00
DTE ENERGY CO	191,900	5,765,543.85	7,819,925.00
DU PONT E I DE NEMOURS + CO	86,800	4,730,066.20	5,929,525.00
DUCKWALL ALTO STORES INC NEW	10,700	150,990.50	112,350.00
DUKE ENERGY CO	39,299	1,664,010.47	2,139,339.31
DUN + BRADSTREET CORP DEL	79,500	1,951,229.40	2,817,281.25
DURA AUTOMOTIVE SYS INC	15,573	446,722.39	517,802.25
DURAKON INDS INC	2,900	35,068.25	45,493.75
DVI INC	4,900	73,760.19	83,912.50
DYCOM INDS INC	2,800	136,199.93	156,800.00
DYERSBURG CORP	24,600	161,517.55	30,750.00
E M C CORP MASS	105,800	3,023,198.36	5,819,000.00
E SPIRE COMMUNICATIONS INC	11,800	116,851.54	124,637.50
EAGLE FOOD CTFS INC	6,800	28,841.41	21,037.50
EAGLE GEOPHYSICAL INC	1,317	5,103.38	987.75
EARTHGRAINS CO	5,700	147,131.25	147,131.25
EARTHSHELL CORP	15,600	111,977.32	109,200.00
EASCO INC	4,400	32,582.00	46,475.00
EASTERN CO	1,600	28,026.24	28,800.00
EASTERN ENTERPRISES	4,200	166,077.27	166,950.00
EASTMAN CHEM CO	8,700	495,490.70	450,225.00
EASTMAN KODAK CO	16,500	1,221,307.25	1,117,875.00
EATON CORP	38,200	3,222,690.67	3,514,400.00
EATON VANCE CORP	4,200	137,068.12	144,637.50
ECLIPSYS CORP	74,000	2,089,843.26	1,771,375.00
ECOLAB INC	6,600	220,196.00	287,925.00
EDELBROCK CORP	6,200	104,485.50	91,450.00
EDISON INTL	17,500	500,980.50	468,125.00
EDO CORP	11,300	84,973.21	61,925.00
EDUCATIONAL DEV CORP	1,100	4,065.93	2,887.50
EDWARDS A G INC	231,100	8,711,651.70	7,452,975.00
EG + G INC	7,600	244,474.48	270,750.00
EKCO GROUP INC	18,200	61,896.73	68,250.00
EL PASO ELEC CO	79,900	547,114.28	714,106.25
ELECTRONIC DATA SYS CORP NEW	280,900	12,368,768.26	15,905,962.50

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ELLETT BROS INC	10,400	49,455.37	78,000.00
ELLIS PERRY INTL INC	10,250	114,477.10	137,093.75
ELXSI CORP	7,500	42,187.50	85,312.50
EMC INS GROUP INC	17,400	225,339.76	204,450.00
EMERSON ELEC CO	53,900	2,420,152.58	3,392,331.25
EMMIS COMMUNICATIONS CORP	36,300	1,642,700.54	1,792,312.50
ENCORE WIRE CORP	19,600	188,326.47	177,625.00
ENERGEN CORP	25,000	441,795.00	465,625.00
ENERGYSOUTH INC	3,750	64,287.50	75,703.13
ENGELHARD CORP	163,800	3,436,658.01	3,701,450.00
ENGLH HOMES INC	14,700	136,807.42	202,125.00
ENHANCE FINL SVCS GROUP INC	47,700	931,813.94	942,075.00
ENNIS BUSINESS FORMS INC	20,400	182,274.00	174,675.00
ENRON CORP	17,000	1,011,338.75	1,389,750.00
ENTERCOM COMMUNICATIONS CORP	38,500	1,204,026.00	1,645,875.00
ENTERGY CORP	54,300	1,502,789.26	1,696,875.00
EQUIFAX INC	7,300	265,853.75	260,518.75
EQUINOX SYS INC	1,600	15,164.00	17,300.00
EQUITABLE RES INC	5,500	200,962.50	207,825.00
EQUITY MARKETING INC	5,300	40,774.72	54,967.50
ESCALADE INC	1,400	23,740.50	24,150.00
ESCO ELECTCS CORP	16,100	159,009.75	206,281.25
ESTERLINE TECHNOLOGIES CORP	15,200	182,594.04	218,500.00
ETEC SYS INC	4,400	144,401.74	146,300.00
ETHAN ALLEN INTERIORS INC	115,200	1,577,137.32	4,348,800.00
ETHYL CORP	108,200	752,797.30	649,200.00
EVEREST REINSURANCE HLDGS	51,200	1,689,580.80	1,670,400.00
EXCALIBUR TECHNOLOGIES CORP	4,100	75,292.51	58,425.00
EXCEL SWITCHING CORP	4,300	121,294.33	128,731.25
EXCEL TECHNOLOGY INC	2,500	24,409.47	33,125.00
EXECUTIVE RISK INC	36,000	1,045,827.94	3,062,250.00
EXPONENT INC	4,700	28,938.00	32,900.00
EXTENDED STAY AMER INC	183,300	1,859,539.40	2,199,600.00
EXXON CORP	268,600	14,731,509.06	20,715,775.00
EZCORP INC	6,600	52,858.08	45,375.00
F + M NATL CORP	3,600	119,287.26	119,475.00
FAMILY GOLF CTRS INC	16,500	375,672.18	126,843.75
FANSTEEL INC DEL	2,900	14,613.68	15,950.00
FARR COMPANY	8,550	28,654.92	94,050.00
FARREL CORP	2,000	9,017.60	4,125.00
FOX CORP	15,200	555,424.00	824,600.00
FEDDERS USA INC	12,300	74,469.25	81,487.50
FEDERAL AGRIC MTG CORP	1,900	128,756.92	130,387.50
FEDERAL HOME LN MTG CORP	34,400	1,713,575.25	1,995,200.00
FEDERAL NATL MTG ASSN	230,800	8,470,920.24	15,752,100.00
FEDERAL SIGNAL CORP	7,900	166,897.49	167,381.25
FEDERATED DEPT STORES INC DEL	10,200	537,095.50	539,962.50
FERRO CORP	5,400	148,534.25	148,500.00
FIBERMARK INC	11,250	89,237.50	148,359.38
FIDELITY NATL FINL INC	39,190	740,673.40	783,800.00
FIFTH THIRD BANCORP	13,500	872,330.00	898,593.75
FILENET CORP	12,100	135,868.50	138,393.75
FINISH LINE INC	11,700	128,303.81	131,625.00
FINLAY ENTERPRISES INC	13,500	215,832.51	180,562.50
FIRST ALIEN PARISH BANCORP INC	12,500	156,875.00	229,687.50
FIRST ALLIANCE CO	14,100	84,285.45	48,468.75

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FIRST AMERICAN FINL CORP	16,150	197,210.03	288,681.25
FIRST CONSULTING GROUP	9,500	96,920.75	100,937.50
FIRST CTZNS BANCSHARES INC N C	11,400	602,633.35	920,550.00
FIRST DATA CORP	185,200	4,861,034.26	9,063,225.00
FIRST FED BANCSHARES ARK INC	30,500	635,737.50	564,250.00
FIRST HEALTH GROUP CORP	6,600	135,704.58	142,312.50
FIRST MIDWEST BANCORP INC DEL	34,025	829,123.64	1,352,493.75
FIRST SENTINEL BANCORP INC	73,800	772,049.23	654,975.00
FIRST UN CORP	90,300	4,217,143.37	4,255,387.50
FIRST WASH BANCORP INC WASH	30,060	425,506.40	603,078.75
FIRSTAR CORP WIS	35,200	1,082,023.65	985,600.00
FIRSTCITY FINL CORP	6,600	108,360.06	36,300.00
FIRSTENERGY CORP	11,400	348,868.75	353,400.00
FIRSTFED FINL CORP DEL	31,000	519,935.60	596,750.00
FIRSTPARTAN FINL CORP	16,500	605,212.88	383,625.00
FISHER SCIENTIFIC INTL INC	5,800	127,743.49	129,412.50
FLEET FINL GROUP INC	191,200	4,607,667.69	8,484,500.00
FLEETWOOD ENTERPRISES INC	46,900	1,220,274.03	1,239,918.75
FLEMING COS INC	50,800	724,361.70	590,550.00
FLEXSTEEL INDS INC	3,500	48,011.25	46,593.75
FLORIDA EAST COAST IND INC	-4,000	144,750.00	177,000.00
FLORIDA PANTHERS HLDGS INC	12,800	138,329.63	136,800.00
FLORIDA PROGRESS CORP	2,500	104,756.25	103,281.25
FLORIDA ROCK INDS INC	2,700	109,350.00	122,850.00
FLOWSERVE CORP	43,100	629,409.80	816,206.25
FLUOR CORP	4,100	197,312.00	166,050.00
FLUSHING FINL CORP	84,300	841,840.73	1,296,112.50
FMC CORP	47,400	3,140,274.27	3,238,012.50
FOAMEX INTL INC	41,900	502,936.51	233,068.75
FOODMAKER INC	5,100	145,129.58	144,712.50
FORD MTR CO DEL	445,624	13,684,937.97	25,149,904.50
FOREMOST CORP AMER	31,200	609,626.27	686,400.00
FOREST OIL CORP	61,600	680,950.00	773,850.00
FORRESTER RESH INC	35,500	1,165,232.73	887,500.00
FORT JAMES CORP	10,800	467,840.75	409,050.00
FORTRESS GROUP INC	15,400	42,452.74	22,618.75
FORTUNE BRANDS INC	8,800	349,302.00	364,100.00
FOSTER WHEELER CORP	2,100	41,749.75	29,531.25
FOUNDATION HEALTH SYS INC	76,790	1,481,819.09	1,151,850.00
FOUNTAIN PWR BOAT INDS INC	500	2,751.08	2,312.50
FOX ENTMT GROUP INC	18,200	409,500.00	480,262.50
FPL GROUP INC	9,300	572,866.00	508,012.50
FRANKLIN COVEY CO	44,800	906,719.80	330,400.00
FRANKLIN RES INC	12,800	651,584.25	520,000.00
FREEPORT MCMORAN COPPER + GOLD	9,000	138,306.75	161,437.50
FRENCH FRAGRANCES INC	17,400	119,693.81	127,237.50
FRIEDE GOLDMAN INTL INC	15,500	209,502.98	214,093.75
FRIEDMAN INDS INC	6,076	18,632.81	25,443.25
FRIEDMANS INC	25,800	385,476.49	224,137.50
FRONTIER CORP	8,500	308,277.00	498,312.50
FRONTIER INS GROUP INC NEW	12,800	190,970.31	196,600.00
FRONTIER OIL CORP	37,100	217,774.34	252,743.75
FROZEN FOOD EXPRESS INDS INC	20,400	140,332.71	155,550.00
FRUIT OF THE LOOM LTD	87,100	980,253.03	849,225.00
FTI CONSULTING INC	4,400	14,408.72	23,100.00
FUNCO INC	1,300	21,527.74	23,968.75

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Name	Shares	Amortized Cost	Market Value
FURNITURE BRANDS INTL INC	6,000	160,609.87	167,250.00
G + K SERVICES	21,500	951,957.32	1,126,062.50
GALEY + LORD INC	15,600	180,131.28	68,250.00
GALLAGHER ARTHUR J + CO	3,200	158,771.81	158,400.00
GANNETT INC	46,700	2,980,754.41	3,333,212.50
GAP INC	191,100	6,129,558.16	8,626,662.50
GARAN INC	6,800	141,747.00	218,450.00
GARDEN RIDGE CORP	22,500	140,268.42	106,875.00
GATEWAY INC	19,800	1,246,082.55	1,169,437.50
GATX	55,900	2,087,849.24	2,127,693.75
GBC BANCORP CALIF	6,400	114,723.84	129,600.00
GC COS INC	3,200	114,705.24	114,400.00
GEHL CO	6,800	49,586.25	137,700.00
GELTEX PHARMACEUTICALS INC	89,700	1,831,177.35	1,614,600.00
GENCORP INC	38,600	450,665.75	974,650.00
GENERAL CHEM GROUP INC	78,900	357,998.35	246,562.50
GENERAL CIGAR HLDGS INC	20,500	181,751.37	160,156.25
GENERAL DYNAMICS CORP	6,000	314,119.50	413,250.00
GENERAL ELEC CO	462,800	28,621,020.94	52,296,400.00
GENERAL EMPLOYMENT ENTERPRISES	1,500	8,340.00	8,250.00
GENERAL INSTR CORP DEL	7,800	228,177.00	331,500.00
GENERAL MLS INC	27,000	1,953,602.37	2,170,125.00
GENERAL MTRS CORP	155,600	6,012,110.20	8,762,225.00
GENERAL MTRS CORP	207,900	11,839,951.16	13,721,400.00
GENERAL NUTRITION COS INC	7,900	162,464.21	184,168.75
GENERAL SEMICONDUCTOR INC	47,000	322,855.48	428,875.00
GENESCO INC	41,300	271,546.62	601,431.25
GENESEE + WYO INC	6,400	79,344.26	66,000.00
GENESIS HEALTH VENTURES INC	45,600	606,765.00	136,800.00
GENLYTE GROUP INC	12,000	102,592.50	269,250.00
GENTEX INC	78,900	1,064,317.62	1,094,737.50
GENUINE PARTS CO	9,200	312,184.75	322,000.00
GEON CO	3,100	106,582.50	99,975.00
GEORGIA GULF CORP	39,500	733,620.25	666,582.50
GEORGIA PAC CORP	9,000	295,607.25	426,375.00
GERBER SCIENTIFIC INC	6,100	138,331.25	134,581.25
GETTY IMAGES INC	74,500	1,741,106.46	1,406,187.50
GIANT CEM HLDG INC	15,100	259,116.25	345,412.50
GILEAD SCIENCES INC	52,500	1,281,469.43	2,743,125.00
GILLETTE CO	170,000	4,170,693.60	6,970,000.00
GLATFELTER P H CO	5,000	79,254.42	73,125.00
GLEASON CORP	6,200	108,129.50	104,237.50
GLOBAL IMAGING SYS INC	6,400	142,184.44	116,800.00
GLOBAL INDUSTRIES INC	9,100	103,070.25	116,593.75
GO2NET	1,300	88,974.50	119,437.50
GOLDEN WEST FINL CORP DEL	54,100	5,131,407.75	5,301,800.00
GOODRICH B F CO	3,700	179,374.50	157,250.00
GOODYEAR TIRE AND RUBBER	27,400	1,596,540.34	1,611,462.50
GOODYS FAMILY CLOTHING INC	51,500	568,662.57	589,031.25
GOTO COM INC	8,500	127,500.00	238,000.00
GOVERNMENT TECHNOLOGY SVCS INC	3,100	13,365.03	12,787.50
GPU INC	213,700	9,098,857.40	9,015,468.75
GRACE W R + CO DEL NEW	138,800	2,323,261.93	2,637,200.00
GRADCO SYSTEMS	10,300	34,741.72	27,037.50
GRAHAM CORP	2,000	31,725.00	18,500.00
GRAINGER W W INC	31,200	1,745,373.72	1,678,950.00

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GRC INTL INC	6,400	40,068.37	54,400.00
GREAT ATLANTIC + PAC TEA INC	1,800	59,193.50	60,862.50
GREAT LAKES CHEMICAL CORP	3,000	124,059.00	138,187.50
GREAT LAKES REIT INC	7,900	128,974.59	128,375.00
GREAT PLAINS SOFTWARE INC	61,400	2,764,621.76	2,897,312.50
GREENBRIER COS INC	18,500	207,858.50	194,250.00
GRIFFON CORP	39,400	390,626.26	307,812.50
GROUP MAINTENANCE AMER CORP	9,300	120,351.84	120,318.75
GRUBB + ELLIS CO	23,300	179,060.50	117,966.25
GS FINL CORP	45,000	596,250.00	492,187.50
GTE CORP	212,400	13,895,791.05	16,036,200.00
GTECH HLDGS CORP	5,300	124,593.25	124,881.25
GUIDANT CORP	15,400	615,254.25	787,325.00
GUILFORD MLS INC	28,400	338,799.46	294,650.00
GUITAR CTR INC	227,200	4,272,165.66	2,371,400.00
GULF IS FABRICATION INC	15,100	145,616.40	180,256.25
H S RES INC	8,200	118,823.44	120,950.00
HA LO INDS INC	10,800	251,441.57	106,650.00
HAIN FOOD GROUP INC	6,100	124,695.97	125,612.50
HALLIBURTON CO	71,600	3,152,079.57	3,239,900.00
HALLWOOD GROUP INC	300	5,271.51	5,756.25
HALTER MARINE GROUP INC	38,000	315,719.50	251,750.00
HAMBRECHT + QUIST GROUP INC	2,700	60,483.76	99,562.50
HAMILTON BANCORP INC FLA	17,900	426,236.54	429,600.00
HAMPSHIRE GROUP LTD	5,500	83,120.00	66,000.00
HANNA M.A. CO	7,200	117,718.92	118,350.00
HANOVER COMPRESSOR CO	5,300	154,471.89	170,262.50
HARBOR FL BANCSHARES INC	90,600	1,092,635.00	1,109,850.00
HARCOURT GEN INC	3,500	200,210.50	180,468.75
HARDINGE BROS INC	12,000	237,859.00	210,750.00
HARLEYSVILLE GROUP INC	54,300	888,198.75	1,113,150.00
HARMAN INTL INDS INC NEW	1,000	40,142.50	44,000.00
HARRAHS ENMT INC	5,400	126,950.75	119,137.50
HARRIS CORP DEL	4,100	178,580.75	160,668.75
HARSCO CORP	4,800	148,971.66	153,600.00
HARTFORD FINANCIAL SVCS GRP	71,200	3,146,755.40	4,151,850.00
HASBRO INC	10,200	285,162.75	284,962.50
HAWAIIAN AIRLS INC NEW	31,000	96,925.55	87,187.50
HAWAIIAN ELEC INDS INC	5,200	184,837.50	184,600.00
HAWKINS CHEM INC	6,500	44,166.19	52,812.50
HCC INS HLDGS INC	5,600	117,546.00	127,050.00
HCR MANOR CARE INC	410,300	11,831,866.51	9,924,131.25
HEALTHCARE RECOVERIES INC	7,000	32,503.07	33,250.00
HEALTHCARE SVCS GROUP INC	12,150	93,038.24	118,462.50
HEALTHSOUTH CORP	1,107,300	14,004,704.09	16,471,087.50
HEILIG MEYERS CO	111,100	1,467,235.03	756,868.75
HEINZ H J CO	52,400	1,856,694.11	2,626,550.00
HELMERICH AND PAYNE INC	38,300	884,307.47	904,837.50
HENRY JACK + ASSOC INC	3,700	141,439.05	149,225.00
HENRY SCHEIN INC	40,800	1,185,970.62	1,292,850.00
HERBALIFE INTL INC	19,332	371,496.54	166,738.50
HERBALIFE INTL INC	35,966	660,367.99	393,378.13
HERCULES INC	5,000	203,922.75	196,562.50
HERITAGE FINL CORP WASH	26,500	380,310.00	244,031.25
HERLEY INDUSTRIES INC	6,966	75,861.16	90,993.38
HERSHEY FOODS CORP	7,100	467,141.25	421,562.50

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Name	Shares	Amortized Cost	Market Value
HEWLETT PACKARD CO	227,500	14,793,356.79	22,863,750.00
HEXCEL CORP NEW	41,900	430,955.92	424,237.50
HIBBETT SPORTING GOODS INC	147,600	2,802,553.93	3,247,200.00
HIGH SPEED ACCESS CORP	12,300	159,900.00	315,187.50
HILTON HOTELS CORP	12,700	239,196.40	180,181.25
HIRSCH INTL GROUP	3,700	19,358.17	8,325.00
HMT TECHNOLOGY CORP	144,900	1,435,528.12	362,250.00
HNC SOFTWARE INC	61,400	1,867,378.55	1,891,887.50
HOLIDAY RV SUPERSTORES INC	1,200	2,904.48	4,950.00
HOLLY CORP	10,400	223,035.08	139,100.00
HOME DEPOT INC	107,800	4,872,771.34	6,946,362.50
HOME PRODS INTL INC	9,600	98,485.08	81,600.00
HOMEBASE INC	19,700	98,256.22	124,356.25
HOMESTAKE MNG CO	11,300	130,011.00	92,518.75
HONEYWELL INC	6,600	586,563.25	764,775.00
HORACE MANN EDUCATORS CORP NEW	5,400	143,562.92	146,812.50
HORIZON HEALTH CORP	3,500	25,534.00	25,375.00
HOSPITALITY PPTYS TR	4,900	133,715.61	132,912.50
HOST MARRIOTT SVCS CORP	16,500	130,251.18	134,062.50
HOUSEHOLD INTL INC	25,000	1,242,639.05	1,184,375.00
HOUSTON EXPL CO	24,000	545,860.00	454,500.00
HOVNANIAN ENTERPRISES INC	28,000	202,189.25	245,000.00
HSB GROUP INC	4,600	190,085.93	189,462.50
HUDSON UTD BANCORP	5,200	163,586.04	163,150.00
HUGHES SUPPLY INC	31,200	812,474.80	926,250.00
HUMAN GENOME SCIENCES INC	4,000	160,444.13	158,000.00
HUMANA INC	8,600	235,839.50	111,262.50
HUNT J B TRANS SVCS INC	34,400	518,809.40	559,000.00
HUNTINGTON BANCSHARES INC	9,790	310,658.00	342,650.00
HURCO CO INC	10,300	63,989.58	51,500.00
HUSSMANN INTL INC	7,000	115,937.50	115,937.50
HUTCHINSON TECHNOLOGY INC	48,400	1,071,421.52	1,343,100.00
HVIDE MARINE INC	20,200	162,679.20	43,556.25
HYPERCOM CORP	13,000	120,254.53	124,312.50
HYPERION SOLUTIONS CORP	58,900	1,318,912.90	1,049,156.25
IBP INC	59,300	1,397,166.77	1,408,375.00
ICG COMMUNICATIONS INC	35,300	803,134.22	754,537.50
IDACORP INC	4,900	156,962.50	154,350.00
IDEC PHARMACEUTICALS CORP	2,600	113,415.19	200,362.50
IDEX CORP	5,300	170,642.78	174,237.50
IDEXX LABS INC	5,200	109,392.53	121,225.00
IDT CORP	68,000	1,355,416.79	1,513,000.00
IKON OFFICE SOLUTIONS INC	7,000	98,061.50	105,000.00
ILLINOIS TOOL WKS INC	61,200	3,765,740.50	5,003,100.00
IMATION CORP	4,700	116,618.75	116,618.75
IMC GLOBAL INC	266,100	7,973,528.52	4,623,487.50
IMS HEALTH INC	106,200	3,361,555.12	3,318,750.00
INACOM CORP	42,900	659,644.48	541,612.50
INCYTE PHARMACEUTICALS INC	5,600	137,890.03	148,050.00
INDEPENDENCE CMNTY BK CORP	14,500	194,718.75	195,750.00
INDEPENDENCE HLDG CO NEW	5,900	42,448.50	69,325.00
INDEPENDENT BANCSHARES INC NEW	1,000	10,645.00	11,000.00
INDY MAC MTG HLDGS INC	9,300	132,276.69	148,800.00
INFORMATICA CORP	54,000	1,461,531.97	1,923,750.00
INFORMIX CORP	22,700	160,605.41	193,659.38
INFOSPACE COM INC	49,200	1,864,036.72	2,312,400.00

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Name	Shares	Amortized Cost	Market Value
INGERSOLL RAND CO	8,400	412,756.75	542,850.00
INLAND ENTMT CORP	6,100	25,942.76	14,868.75
INNOVATIVE CLINICAL SOLUTIONS	16,700	121,027.21	24,528.13
INSIGHT ENTERPRISES INC	89,100	2,294,845.97	2,205,225.00
INSITUFORM TECHNOLOGIES INC	5,600	111,510.00	121,100.00
INTEGRATED DEVICE TECHNOLOGY	185,700	1,970,034.01	2,019,487.50
INTEGRATED HEALTH SVCS INC	67,100	754,298.50	536,800.00
INTEL CORP	558,200	23,287,343.95	33,212,900.00
INTER TEL INC	125,000	932,135.07	2,281,250.00
INTERCHANGE FINL SVCS CORP	3,747	41,657.14	62,762.25
INTERDIGITAL COMM CORP	11,700	57,808.53	52,650.00
INTERFACE INC	66,400	566,986.61	572,700.00
INTERIM SVCS INC	6,200	127,875.00	127,875.00
INTERMEDIA COMMUNICATIONS INC	6,000	167,370.00	180,000.00
INTERMET CORP	46,000	682,520.63	695,750.00
INTERNATIONAL AIRL SUPPORT INC	1,300	5,278.00	5,525.00
INTERNATIONAL ALUM CORP	1,300	39,838.50	35,750.00
INTERNATIONAL BUSINESS MACHS	302,200	17,479,248.73	39,059,350.00
INTERNATIONAL FLAVOURS	5,500	235,629.00	242,000.00
INTERNATIONAL INTEGRATION INC	125,300	2,469,444.25	2,819,250.00
INTERNATIONAL PAPER CO	55,058	2,413,948.64	2,766,664.50
INTERNATIONAL SPECIALTY PRODS	23,900	202,939.85	243,481.25
INTERNATIONAL TELECOMM SYS INC	4,500	106,437.99	72,900.00
INTERPOOL INC	51,600	579,097.40	670,800.00
INTERPUBLIC GROUP COS INC	6,800	439,366.00	589,050.00
INTRAWARE INC	88,000	3,202,400.07	2,112,900.00
INVESTORS TITLE INS CO	1,000	10,665.00	17,000.00
IOMEGA CORP	33,200	154,103.42	163,925.00
ISS GROUP INC	3,500	112,430.01	132,125.00
ITC DELTACOM	5,300	148,400.00	148,400.00
ITEQ INC	19,200	43,633.16	40,200.00
ITLA CAP CORP	79,200	866,648.39	1,247,400.00
ITT INDS INC	5,200	194,427.50	198,250.00
IXC COMMUNICATIONS INC	3,800	156,618.89	149,387.50
JACOBS ENGR GROUP INC	4,200	160,948.24	159,600.00
JAN BELL MARKETING INC	12,600	40,021.38	44,100.00
JASON INC	6,000	44,115.00	48,000.00
JEAN PHILLIPPE FRAGRANCES INC	11,600	100,225.04	84,250.00
JEFFERSON PILOT CORP	5,300	320,629.00	350,793.75
JLG INDS INC	6,000	122,641.27	122,250.00
JLK DIRECT DISTR INC	2,000	19,100.00	18,625.00
JOHNSON + JOHNSON	193,500	11,482,302.35	18,963,000.00
JOHNSON CTLS INC	4,400	263,507.25	304,975.00
JONES APPAREL GROUP INC	18,736	533,460.00	574,254.00
JONES LANG LASALLE INC	51,600	1,459,079.95	1,538,325.00
JONES PHARMA INC	3,400	125,539.89	133,875.00
JOSTENS INC	6,800	148,438.34	143,225.00
JOURNAL REGISTER CO	7,000	133,824.94	157,500.00
JSB FINL INC	23,200	723,783.87	1,180,300.00
JUSTIN INDS INC	32,700	350,629.61	455,756.25
JWGENESIS FINL CORP	3,800	28,015.50	53,675.00
K MART CORP	332,600	5,500,852.75	5,487,900.00
K TRON INTL INC	3,400	45,411.00	59,925.00
K V PHARMACEUTICAL COMPANY	93,400	1,901,481.57	1,447,700.00
K2 INC	20,800	257,631.06	185,900.00
KAMAN CORP	12,200	149,129.89	191,387.50

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Name	Shares	Amortized Cost	Market Value
KANSAS CITY SOUTHN INDS INC	45,300	2,785,794.52	2,890,706.25
KAUFMAN + BROAD HOME CORP	9,700	245,877.71	241,287.50
KAYDON CORP	5,500	183,162.55	184,937.50
KAYE GROUP INC	7,900	59,998.92	62,212.50
KELLOGG CO	49,600	1,762,087.60	1,636,800.00
KELLWOOD CO	4,700	127,037.50	127,487.50
KENNAMETAL INC	94,500	3,091,166.27	2,929,500.00
KENTEK INFORMATION SYS INC	1,500	12,810.00	11,648.44
KERR MCGEE CORP	4,386	245,628.57	220,122.38
KEYCORP NEW	95,100	3,341,408.45	3,055,067.50
KIMBERLY CLARK CORP	63,200	3,369,489.25	3,602,400.00
KING PHARMACEUTICALS INC	3,000	75,039.22	77,625.00
KING WORLD PRODTNS INC	3,700	101,962.00	128,806.25
KITTY HAWK INC	23,900	225,782.50	188,212.50
KLA TENCOR CORP	29,300	1,419,846.71	1,900,837.50
KNIGHT RIDDER INC	4,100	224,768.25	225,756.25
KOHL'S CORP	8,000	476,259.01	615,000.00
KOMAG INC	121,200	1,111,694.76	401,475.00
KORN / FERRY INTL	47,600	623,663.20	809,200.00
KOSS CORP	5,400	38,691.00	65,137.50
KROGER CO	62,600	1,478,077.71	1,748,887.50
LA BARGE INC	8,000	28,480.00	16,500.00
LA Z BOY INC	8,200	188,600.00	188,600.00
LABOR READY INC	4,500	147,586.50	146,250.00
LADY LUCK GAMING CORP	4,900	21,139.68	22,662.50
LAKES GAMING INC	21,375	279,284.73	233,789.06
LAM RESH CORP	6,000	252,375.00	280,125.00
LAMSON + SESSIONS CO	2,500	14,212.50	15,000.00
LANDAMERICA FINL GROUP INC	18,800	441,003.95	534,750.00
LANDRY'S SEAFOOD REST INC	39,700	273,143.47	317,600.00
LANDSTAR SYS INC	9,400	216,393.93	339,281.25
LASER VISION CTRS INC	116,900	2,492,511.13	7,364,700.00
LASON HLDGS INC	17,700	834,712.74	878,362.50
LATTICE SEMICONDUCTOR CORP	3,500	205,900.47	217,875.00
LAWSON PRODS INC	1,700	37,468.00	42,818.75
LEASING SOLUTIONS INC	10,400	43,083.04	7,800.00
LEE ENTERPRISES INC	7,300	214,624.04	222,650.00
LEGATO SYSTEMS INC	93,500	1,063,214.50	5,399,625.00
LEHMAN BROTHERS HLDGS INC	5,700	412,724.25	354,112.50
LENNAR CORP	5,900	135,451.99	141,600.00
LEUCADIA NATL CORP	5,800	131,316.00	147,175.00
LIBBEY INC	8,000	179,652.00	232,000.00
LIBERTY CORP S C	2,200	115,226.75	119,900.00
LIFEPOINT HOSPS INC	5,625	71,297.19	75,585.94
LIFETIME HOAN CORP	19,800	167,417.00	180,675.00
LILLY ELI + CO	81,800	4,531,314.25	5,858,925.00
LIMITED INC	10,713	427,500.89	486,102.38
LINCOLN ELEC HLDGS INC	5,300	108,650.00	108,650.00
LINCOLN NATL CORP IN	65,600	2,877,063.49	3,431,700.00
LINDBERG CORP	8,300	54,488.25	93,375.00
LINENS N THINGS INC	108,800	1,649,368.50	4,760,000.00
LIPOSOME INC	7,000	132,002.02	133,875.00
LITCHFIELD FINL CORP	1,500	25,263.75	25,406.25
LIZ CLAIBORNE INC	116,400	3,916,038.97	4,248,600.00
LOCAL FINL CORP	85,000	1,030,589.22	850,000.00
LOCKHEED MARTIN CORP	177,700	7,712,998.00	6,619,325.00

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Name	Shares	Amortized Cost	Market Value
LODGIAN INC	12,600	75,237.56	82,687.50
LOEWS CORP	32,900	2,760,172.40	2,603,212.50
LONE STAR INDS INC	50,700	750,274.51	1,904,418.75
LONE STAR STEAKHOUSE + SALOON	6,100	114,523.63	59,284.38
LONGS DRUG STORES CORP	1,800	54,331.00	62,212.50
LONGVIEW FIBRE CO WASHINGTON	6,800	109,906.25	106,250.00
LORAL SPACE + COMMUNICATIONS	543,700	11,240,570.38	9,786,600.00
LOUISIANA PAC CORP	5,000	93,947.75	119,375.00
LOWES COS INC	91,700	2,055,481.51	5,198,243.75
LSI LOGIC CORP	52,600	2,105,022.45	2,426,175.00
LTV CORP NEW	19,100	121,668.75	126,537.50
LUBRIZOL CORP	124,100	2,570,348.30	3,381,725.00
LUBYS CAFETERIAS INC	39,100	748,328.82	586,500.00
LUCENT TECHNOLOGIES INC	212,905	8,245,623.05	14,357,780.94
LUFKIN INDS INC	8,400	196,513.45	168,000.00
LYDALL INC	5,800	60,285.48	66,700.00
M + F WORLDWIDE CORP	17,400	153,798.25	138,112.50
M.D.C. HOLDINGS INC	22,800	155,503.75	490,200.00
MACROVISION CORP	109,700	1,824,553.98	8,213,787.50
MAF BANCORP INC	19,650	283,119.01	476,512.50
MAGNETEK INC	46,200	545,655.12	487,987.50
MAIL WELL HLDGS INC	14,600	104,855.74	236,337.50
MAIN ST + MAIN INC	12,600	42,301.83	43,312.50
MAINE PUB SVC CO	400	6,008.00	7,100.00
MALLINCKRODT INC NEW	3,300	100,954.25	120,037.50
MANITOWOC INC	4,000	163,511.78	166,500.00
MANUGISTICS GROUP INC	12,600	169,941.40	182,700.00
MAPQUEST COM INC	66,100	1,387,529.02	1,078,256.25
MARINE DRILLING COS INC	107,400	931,212.76	1,470,037.50
MARK IV INDS INC	10,300	200,787.21	217,587.50
MARRIOTT INTL INC NEW	12,600	433,801.50	470,925.00
MARSH + MCLENNAN COS INC	152,400	5,388,540.03	11,534,775.00
MARSH SUPERMARKETS INC	9,100	115,194.06	131,950.00
MARSHALL INDS	22,300	681,371.87	801,406.25
MARTIN COLOR FI INC	5,500	34,471.07	110.00
MASCO CORP	17,300	528,104.00	499,537.50
MASCOTECH INC	61,900	1,119,945.30	1,048,431.25
MASTECH CORP	5,800	108,680.14	108,025.00
MATHEWS INTL CORP	3,800	113,164.00	112,575.00
MATTEL INC	20,800	733,651.40	543,400.00
MAX + ERMAS RESTAURANTS INC	4,900	32,527.25	37,975.00
MAXIMUS INC	90,800	2,285,734.62	2,610,500.00
MAXWELL SHOE INC	11,400	96,675.00	103,312.50
MAXWELL TECHNOLOGIES INC	3,100	110,712.63	74,593.75
MAY DEPT STORES CO	17,500	763,374.25	715,312.50
MAYTAG CORP	4,400	238,357.25	307,175.00
MBIA INC	15,700	1,117,975.60	1,016,575.00
MBNA CORP	127,550	2,675,992.03	3,906,218.75
MCDERMOTT INTL INC	3,500	117,090.25	98,875.00
MCDONALDS CORP	163,500	4,736,260.08	6,723,937.50
MCGRATH RENTCORP	30,900	284,900.78	618,000.00
MCGRAW HILL COS INC	55,200	1,197,973.12	2,977,350.00
MCI WORLDCOM INC	333,052	19,361,002.10	28,863,287.75
MCKESSON HBOC INC	14,023	1,093,343.40	451,365.31
MCRAE INDS INC	1,600	11,009.92	9,400.00
MDU RES GROUP INC	6,900	157,406.25	157,406.25

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Name	Shares	Amortized Cost	Market Value
MEAD CORP	5,300	181,147.75	221,275.00
MEDALLION FINL CORP	6,500	124,939.19	123,906.25
MEDIA ARTS GROUP INC	6,700	50,921.50	29,312.50
MEDIALINK WORLDWIDE INC	54,300	678,173.10	868,800.00
MEDIAONE GROUP INC	86,200	5,290,294.66	6,411,125.00
MEDICAL ASSURN INC	4,400	123,200.00	124,300.00
MEDICAL MANAGER CORP	2,200	79,200.00	97,350.00
MEDICIS PHARMACEUTICAL CORP	5,500	142,528.99	139,562.50
MEDPARTNERS INC	22,400	157,113.12	168,000.00
MEDQUIST INC	5,400	130,206.13	236,250.00
MEDSTONE INTL INC NEW	6,400	45,657.53	47,200.00
MEDTRONIC INC	47,900	3,219,397.77	3,730,212.50
MELLON BK CORP	68,900	2,423,429.27	2,506,237.50
MEMC ELECTR MATLS INC	11,900	142,020.27	145,031.25
MENTOR GRAPHICS CORP	8,800	110,829.61	112,750.00
MERCANTILE BANCORPORATION INC	8,000	417,627.15	457,000.00
MERCHANTS BANCSHARES INC	5,400	132,390.96	122,850.00
MERCHANTS GROUP INC	1,800	34,400.34	40,275.00
MERCK + CO INC	363,600	13,789,338.35	26,770,050.00
MERCURY AIR GROUP INC	6,250	43,596.51	41,402.94
MERCURY INTERACTIVE CORP	4,500	62,410.75	159,187.50
MEREDITH CORP	2,600	116,982.50	90,025.00
MERISEL INC	50,400	114,063.60	114,975.00
MERRILL CORP	21,000	277,164.50	304,500.00
MERRILL LYNCH + CO INC	18,000	1,610,038.75	1,431,000.00
MESA LABS INC	1,800	11,322.00	9,000.00
MESTEX INC	16,100	178,656.50	354,200.00
METALS USA INC	49,500	465,693.25	631,125.00
METAMOR WORLDWIDE INC	4,700	107,152.06	113,093.75
METRIKA SYS CORP	3,500	30,022.50	30,625.00
METRIS COS INC	2,300	93,725.00	93,725.00
METRO NETWORKS INC	119,800	3,196,521.98	6,394,325.00
METROWEST BKMASS	11,100	50,975.36	77,700.00
METTLER TOLEDO INTL INC	5,000	125,774.06	127,500.00
METZLER GROUP INC	4,800	193,693.21	132,600.00
MFRI INC	6,200	55,897.31	31,000.00
MGIC INVT CORP WIS	5,800	317,780.50	282,025.00
MICHAEL ANTHONY JEWELERS INC	2,300	8,619.25	9,343.75
MICHAEL FOODS INC NEW	3,800	72,038.50	89,300.00
MICHAELS STORES INC	3,800	113,571.54	116,375.00
MICREL INC	1,900	135,369.74	140,600.00
MICRO WHSE INC	47,700	1,271,809.32	852,637.50
MICROAGE INC	19,800	305,608.48	75,487.50
MICROMUSE INC	80,300	2,757,537.63	4,004,962.50
MICRON TECHNOLOGY INC	12,600	439,724.18	510,300.00
MICROSEMI CORP	7,200	70,224.51	67,500.00
MICROSOFT CORP	376,000	23,870,577.77	33,910,500.00
MICROSTRATEGY INC	5,200	180,087.44	196,950.00
MID AMER BANCORP	7,004	118,124.18	172,473.50
MIDLAND CO	4,100	114,718.82	104,037.50
MIDWEST EXPRESS HLDGS INC	12,299	204,154.90	418,166.00
MIKASA INC	22,200	292,119.38	251,137.50
MILACRON INC	92,200	1,903,266.15	1,705,700.00
MILLENNIUM PHARMACEUTICALS	4,200	141,929.87	151,200.00
MILLER BLDG SYS INC	1,600	9,410.50	9,400.00
MILLIPORE CORP	1,900	53,751.25	77,068.75

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Name	Shares	Amortized Cost	Market Value
MILTOPE GROUP INC	11,400	40,253.42	17,100.00
MIM CORP	22,400	57,396.39	54,600.00
MINDSPRING ENTERPRISES INC	20,100	90,709.51	890,681.25
MINERALS TECHNOLOGIES INC	2,500	139,531.25	139,531.25
MINNESOTA MNG + MFG CO	20,200	1,703,038.00	1,756,137.50
MIRAGE RESORTS INC	9,200	202,753.50	154,100.00
MISSISSIPPI VY BANKSHARES INC	2,000	66,435.00	66,250.00
MITCHAM INDS INC	9,100	45,490.57	36,400.00
MMC NETWORKS INC	4,000	175,241.88	179,000.00
MMI COS INC	62,300	1,290,162.88	1,051,312.50
MOBIL CORP	129,700	8,524,577.17	12,807,875.00
MOBILE AMER CORP FLA	9,355	88,395.68	30,403.75
MCDONNE MFG CO	3,600	112,950.00	117,225.00
MONACO COACH CORP	12,150	129,145.38	514,096.88
MONARCH DENTAL CORP	4,100	13,191.75	12,940.63
MONRO MUFFLER BRAKE INC	7,540	89,806.76	60,320.00
MONSANTO CO	71,300	3,575,710.50	2,820,806.25
MONY GROUP INC	5,600	174,699.98	182,700.00
MOORE MED CORP	3,700	39,099.00	38,618.75
MORGAN J P + CO INC	56,800	7,702,224.06	7,980,400.00
MORGAN KEEGAN INC	44,700	327,800.00	946,506.25
MORGAN STANLEY DEAN WITTER	152,200	12,913,234.71	15,819,525.00
MOTIVEPOWER INDS INC	5,700	109,301.98	105,450.00
MOTORCAR PTS + ACCESSORIES INC	8,300	105,502.10	44,812.50
MOTOROLA INC	199,700	15,744,557.85	18,821,575.00
MOVADO GROUP INC	65,800	722,807.34	1,681,875.00
MOVIE STAR INC	3,400	6,943.14	5,737.50
MSC SOFTWARE CORP	22,800	212,112.50	132,525.00
MUELLER INDS INC	9,900	294,678.74	335,981.25
MYLAN LABS INC	86,000	1,410,324.49	2,279,000.00
MYLEX CORP	57,500	659,385.34	334,218.75
MYR GROUP INC	6,220	42,087.04	109,238.75
MYSTIC FINL INC	35,000	507,500.00	415,625.00
NABISCO GROUP HLDG CORP	170,300	3,496,995.27	3,331,493.75
NABORS INDUSTRIES INC	134,800	2,450,729.10	3,285,750.00
NAC RE CORP	2,400	126,300.00	127,060.00
NACCO INDS INC	8,200	766,757.10	602,700.00
NALCO CHEM CO	3,500	124,260.50	181,582.50
NASH FINCH CO	16,700	305,674.17	188,565.63
NATIONAL CITY BANCORPORATION	11,000	216,227.53	229,625.00
NATIONAL CITY CORP	16,500	1,174,951.00	1,080,750.00
NATIONAL COMPUTER SYS INC	4,400	124,283.16	148,500.00
NATIONAL HEALTH INVS INC	6,500	150,842.95	148,281.25
NATIONAL OILWELL INC	68,700	794,092.41	961,800.00
NATIONAL PRESTO INDS INC	3,000	115,439.04	114,750.00
NATIONAL SEMICONDUCTOR CORP	105,100	2,106,667.19	2,660,343.75
NATIONAL STEEL CORP	46,100	560,766.46	386,087.50
NATIONAL SVC INDS INC	2,100	102,668.50	75,600.00
NATIONAL TECHICAL SYS INC	10,400	40,346.46	42,900.00
NATIONAL WESTN LIFE INS CO	4,400	410,451.00	423,500.00
NATURAL ALTERNATIVES INTL INC	7,600	54,957.84	26,125.00
NATURES SUNSHINE PRODS INC	22,500	270,729.77	236,250.00
NAUTICA ENTERPRISES INC	48,700	741,034.96	821,812.50
NAVIGATORS GROUP INC	11,000	198,055.25	165,000.00
NAVISTAR INTL CORP INC	48,700	2,039,689.22	2,435,000.00
NBTY INC	73,800	1,084,735.00	479,700.00

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Name	Shares	Amortized Cost	Market Value
NCH CORP	4,700	266,451.10	232,650.00
NCO GROUP INC	3,800	141,013.82	144,400.00
NEOMAGIC CORP	32,700	292,841.12	274,884.38
NEON SYS INC	44,200	2,041,335.78	1,475,175.00
NETWORK PLUS CORP	2,000	32,000.00	41,750.00
NEVADA PWR CO	6,100	154,906.25	152,500.00
NEW CENTY ENERGIES INC	5,700	260,744.25	221,231.25
NEW YORK TIMES CO	9,700	375,247.25	357,081.25
NEWELL RUBBERMAID INC	14,129	659,307.77	655,232.38
NEWFIELD EXPL CO	26,000	726,521.72	796,250.00
NEWMONT MNG CORP	8,400	202,189.50	166,950.00
NEWPARK RES INC	197,200	1,779,541.53	1,750,150.00
NEXTEL COMMUNICATIONS INC	13,700	373,832.50	687,568.75
NFO WORLDWIDE INC	57,900	1,024,338.48	810,800.00
NIAGARA BANCORP INC	66,900	1,022,075.38	710,812.50
NIAGARA CORP DEL	3,000	15,838.60	17,062.50
NIAGARA MOHAWK HLDGS INC	9,800	143,542.50	157,412.50
NICOR INC	2,400	94,682.50	91,350.00
NIKE INC	55,000	3,071,879.70	3,485,625.00
NINE WEST GROUP INC	4,000	116,750.00	116,750.00
NL INDS INC	65,200	751,587.90	725,350.00
NORDSON CORP	3,000	168,371.40	183,750.00
NORDSTROM INC	7,700	295,185.00	257,950.00
NORFOLK SOUTHN CORP	87,500	1,654,865.22	2,635,937.50
NORRELL CORP GA	5,600	101,859.13	105,350.00
NORTEK INC	8,900	91,489.25	278,681.25
NORTH PITTSBURGH SYS INC	2,000	31,060.00	34,000.00
NORTHERN STS PWR CO MN	7,200	199,224.00	174,150.00
NORTHERN TECHNOLOGIES INTL	1,800	10,479.96	12,825.00
NORTHERN TRUST CORP	5,700	452,455.56	552,900.00
NORTHROP GRUMMAN CORP	3,400	324,648.00	225,462.50
NORTHWEST NAT GAS CO	4,500	111,412.50	108,562.50
NORTHWEST PIPE CO	9,400	132,008.25	139,650.00
NORTHWESTERN CORP	4,800	116,403.61	116,100.00
NOVELL INC	193,700	4,412,160.86	5,133,050.00
NU HORIZONS ELECTRS CORP	13,700	107,042.31	96,756.25
NUCOR CORP	4,500	219,782.25	213,468.75
NVR INC	11,300	113,235.50	589,718.75
NYMAGIC INC	16,600	267,675.00	259,375.00
O CHARLEYS INC	125,100	1,440,453.28	2,001,800.00
O I CORP	5,200	22,676.75	23,400.00
O REILLY AUTOMOTIVE INC	2,400	96,276.93	120,900.00
OAKWOOD HOMES CORP	26,600	330,993.84	349,125.00
OCCIDENTAL PETE CORP	18,500	476,379.00	390,812.50
OCEANEERING INTL INC	72,100	1,290,427.80	1,162,612.50
OCTEL CORP	8,800	113,345.39	110,000.00
OCULAR SCIENCES INC	7,600	122,379.76	132,050.00
OFFICE DEPOT INC	165,800	4,245,025.27	4,099,212.50
OFFICE MAX INC	13,900	159,367.39	166,800.00
OFFSHORE LOGISTICS INC	26,600	401,500.16	318,175.00
OGDEN CORP	6,000	155,166.14	161,625.00
OGLEBAY NORTON CO	3,200	68,926.50	71,200.00
OHIO GAS CORP	3,800	142,970.66	137,275.00
OLD DOMINION FGHT LINES INC	1,400	25,956.00	16,625.00
OLD REP INTL CORP	80,950	1,493,219.17	1,401,446.88
OLSTEN CORP	129,800	2,155,550.01	819,362.50

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Name	Shares	Amortized Cost	Market Value
OM GROUP INC	4,900	181,875.00	169,050.00
OMNICOM GROUP	8,600	466,189.50	688,000.00
OMNIQUIP INTL INC	50,000	1,288,125.00	393,750.00
ON COMMAND CORP	7,400	126,775.50	130,425.00
ONE VY BANCORP WEST VA INC	5,400	202,500.00	202,500.00
ONEOK INC NEW	7,800	266,090.33	247,650.00
ONTRACK DATA INTL INC	12,200	54,472.65	58,712.50
ORACLE CORP	323,150	6,979,503.78	11,996,943.75
ORANGE + ROCKLAND UTILS INC	2,500	145,508.50	145,937.50
ORBITAL SCIENCES CORP	5,400	128,675.34	127,575.00
OREGON STL MLS INC	9,900	131,533.17	131,793.75
ORION CAP CORP	24,700	755,335.37	886,112.50
OROAMERICA INC	7,900	59,621.54	55,300.00
ORTHODONTIC CTRS AMER INC	138,800	2,139,014.78	1,960,550.00
OSULLIVAN INDUSTRIES	16,000	241,466.84	306,000.00
OTTER TAIL PWR CO	2,200	74,853.14	84,837.50
OWENS CORNING	108,300	4,024,467.90	3,722,812.50
OWENS ILL INC	7,500	311,949.00	245,196.25
OXFORD INDS INC	10,500	345,815.93	297,281.25
P + F INDS INC CL	2,300	10,698.31	22,209.38
P A M TRANSN SVCS INC	10,500	93,737.75	103,687.50
P F CHANGES CHINA BISTRO INC	65,100	1,694,358.44	1,407,787.50
P P + L RES INC	8,300	198,030.25	255,225.00
PACCAR INC	3,900	208,837.00	208,162.50
PACIFIC CREST CAP INC	2,500	30,975.00	38,125.00
PACIFICORP	15,200	326,702.75	279,300.00
PAINE WEBBER GROUP INC	7,000	291,852.40	327,250.00
PALL CORP	6,200	124,600.75	137,562.50
PAPA JOHNS INTL INC	2,900	122,521.52	129,583.75
PARAMETRIC TECHNOLOGY CORP	13,200	317,928.64	183,150.00
PARK OH HLOGS CORP	3,000	42,341.40	50,812.50
PARKER HANNIFIN CORP	127,450	4,655,617.97	5,830,837.50
PARKVALE FINL CORP	4,101	58,613.46	89,196.75
PATHOGENSIS CORP	9,100	124,235.50	129,106.25
PATRICK INDS INC	11,100	147,994.00	173,437.50
PATTERSON DENTAL CO	54,250	964,925.81	1,885,187.50
PAUL HARRIS STORES INC	13,600	134,537.22	92,650.00
PAYCHEX INC	12,450	423,491.25	396,843.75
PCD INC	46,500	523,447.25	511,500.00
PE CORP	1,200	16,201.93	19,425.00
PE CORP	2,400	159,309.32	275,400.00
PECO ENERGY CO	38,500	1,489,250.33	1,612,187.50
PEDIATRIX MED GROUP	11,400	358,564.58	242,250.00
PEERLESS MFG CO	1,600	22,567.52	17,150.00
PEGASUS SYS INC	134,500	2,428,740.24	5,035,343.75
PENN AMERICA GROUP INC	8,200	104,578.00	85,075.00
PENN ENGR MFG CORP	5,800	117,247.25	118,175.00
PENN ENGR + MFG CORP	3,600	75,483.36	81,000.00
PENN TREATY AMERN CORP	4,600	113,180.66	110,687.50
PENNEY J C INC	13,900	869,929.50	831,312.50
PENNZENERGY CO	6,700	104,772.90	111,387.50
PENNZOIL QUAKER ST CO	9,900	149,415.75	148,500.00
PENTON MEDIA INC	35,400	690,300.00	858,450.00
PEOPLES BANCORP INC DEL	110,900	1,138,193.50	1,105,534.38
PEOPLES ENERGY CORP	1,800	69,606.00	67,837.50
PEOPLESOFT INC	11,700	332,907.30	201,825.00

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Name	Shares	Amortized Cost	Market Value
PEP BOYS MANNY MOE + JACK	8,927	175,086.80	187,467.00
PEPSICO INC	205,400	4,792,100.22	7,946,412.50
PERCLOSE INC	58,900	2,418,268.03	2,830,881.25
PERCON ACQUISITION INC	4,300	30,540.75	34,668.75
PEREGRINE SYS INC	79,800	1,539,377.08	2,049,862.50
PERINI CORP	8,100	65,114.00	48,068.75
PERSONAL GROUP OF AMER INC	104,300	1,569,016.95	1,043,000.00
PERVASIVE SOFTWARE INC	212,739	3,768,920.22	5,291,882.63
PETROLEUM DEV CORP	2,500	15,533.00	10,468.75
PETSMART INC	156,900	1,571,182.02	1,688,225.00
PFF BANCORP INC	113,100	1,821,641.65	2,120,625.00
PFIZER INC	179,200	9,341,997.88	19,532,800.00
PG+E CORP	19,500	614,278.75	632,531.25
PHARMACIA + UPJOHN INC	25,900	1,243,079.50	1,471,443.75
PHARMACYCLICS INC	83,400	1,734,742.85	2,335,200.00
PHELPS DODGE CORP	3,000	178,359.00	185,812.50
PHILADELPHIA SUBN CORP	5,100	117,905.48	117,618.75
PHILIP MORRIS COS INC	568,900	18,975,707.84	22,862,668.75
PHILLIPS PETE CO	13,000	633,734.25	654,062.50
PHOENIX INVY PARTNERS LTD	16,800	148,322.11	144,900.00
PHYSICIAN RELIANCE NETWORK INC	32,700	386,268.75	386,268.75
PICCADILLY CAFETERIAS INC	8,200	96,488.47	68,162.50
PIEDMONT NAT GAS INC	5,300	166,593.75	164,962.50
PIER 1 IMPORTS INC	12,500	138,805.05	140,625.00
PIERCE LEAHY CORP	4,500	112,463.35	111,093.75
PIERCING PAGODA INC	300	3,312.00	3,787.50
PILGRIMS PRIDE CORP	13,000	217,381.71	390,000.00
PILLOWTEX CORP	17,800	308,552.94	290,362.50
PINNACLE SYS INC	4,600	144,117.04	154,675.00
PINNACLE HOLDINGS INC	79,500	1,231,501.42	1,947,750.00
PIONEER HI BRED INTL INC	11,700	474,437.50	455,568.75
PIONEER NAT RES CO	12,600	132,826.38	138,600.00
PIONEER STD ELECTRS INC	35,300	432,472.94	423,600.00
PITNEY BOWES INC	78,000	4,116,425.01	5,011,500.00
PITT DESMOINES INC	10,900	182,103.10	681,250.00
PITTSTON BRINKS GROUP	4,800	129,696.74	128,400.00
PITTSTON CO	26,100	211,995.08	247,950.00
PITTWAY CORP DEL	4,100	129,259.07	140,168.75
PLANTRONICS INC NEW	2,300	149,441.02	149,787.50
PLAY BY PLAY TOYS + NOVELTIES	7,800	86,374.50	31,931.25
PLAYBOY ENTERPRISES INC	4,400	118,909.35	118,875.00
PLAYCORE INC	8,000	32,350.50	48,000.00
PLM INTL INC	7,400	26,221.00	42,550.00
PNC BK CORP	102,100	5,541,503.99	5,883,512.50
POGO PRODUCING CO	5,900	109,841.18	109,887.50
POLARIS INDS INC	7,400	254,826.60	321,900.00
POLAROID CORP	8,000	221,173.55	220,000.00
POLICY MGMT SYS CORP	4,500	132,347.19	135,000.00
POLK AUDIO INC	1,100	12,397.00	11,000.00
POTLATCH CORP	1,500	62,948.25	65,906.25
POWELL INDS INC	13,400	174,603.88	123,950.00
PPG INDS INC	8,800	608,127.00	519,750.00
PRAXA/R INC	8,100	386,538.00	396,393.75
PRECISION CASTPARTS CORP	4,200	178,455.54	178,500.00
PREMIUMWEAR INC	1,200	6,911.04	5,850.00
PRESIDENTIAL LIFE CORP	6,400	145,253.76	125,600.00

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Name	Shares	Amortized Cost	Market Value
PRIDE INTL INC	161,700	1,811,535.91	1,707,956.25
PRIME HOSPITALITY CORP	63,200	655,169.80	996,400.00
PRIMESOURCE CORP	4,600	37,652.75	26,175.00
PRINCETON VIDEO IMAGE INC	40,000	280,000.00	181,250.00
PRINTRONIX CORP	2,100	28,596.75	29,400.00
PRISM FINL CORP	20,800	291,200.00	425,100.00
PROCTER + GAMBLE CO	141,000	7,595,935.46	12,584,250.00
PROFESSIONALS GROUP INC	5,099	133,160.00	172,091.25
PROFIT RECOVERY GROUP INTL INC	107,100	2,728,818.53	5,067,168.75
PROGRESS SOFTWARE CORP	1,700	43,765.63	48,025.00
PROGRESSIVE CORP OHIO	3,700	523,512.00	536,500.00
PROJECT SOFTWARE + DEV INC	47,700	1,340,931.73	1,490,625.00
PROMEDCO MGMT CO	26,400	152,083.88	101,475.00
PROPHET 21 INC	4,700	39,190.76	34,075.00
PROVIDENCE + WORCESTER RR CO	2,200	27,494.50	31,075.00
PROVIDENT BANKSHARES CORP	43,564	1,286,663.40	1,012,663.00
PROVIDENT COS INC	6,900	255,665.80	276,000.00
PROVIDENT FINL HLDGS INC	42,000	440,062.50	840,000.00
PROVIDIAN FINL CORP	7,350	486,697.50	685,387.50
PSC INC	14,900	159,415.21	146,205.25
PSS WORLD MED INC	10,600	124,600.83	118,587.50
PUBLIC SVC CO NM	58,200	1,062,105.81	1,156,725.00
PUBLIC SVC ENTERPRISE GROUP	11,700	417,615.75	477,506.25
PULASKI FURNITURE CORP	3,800	68,908.25	77,425.00
PULTE CORP	7,100	172,194.25	163,743.75
PXRE CORPORATION	8,100	149,591.34	146,812.50
Q E P INC	3,400	26,199.34	25,712.50
QUAKER CHEMICAL	11,400	173,804.60	185,250.00
QUAKER FABRIC CORP NEW	2,200	9,300.50	9,212.50
QUAKER OATS CO	7,000	397,971.00	464,625.00
QUANEX CORP	29,600	597,037.21	843,600.00
QUANTA SERVICES INC	3,500	132,355.51	154,000.00
QUANTUM CORP	210,100	4,274,250.31	5,068,662.50
QUICKSILVER INC	4,600	120,035.54	119,887.50
QUINTEL COMMUNICATIONS INC	15,900	99,848.13	23,650.00
QUORUM HEALTH GROUP INC	9,700	122,432.68	121,656.25
R + B INC	16,900	117,870.15	139,425.00
RADIAN GROUP INC	4,000	195,290.00	195,250.00
RADIO ONE INC	70,400	2,395,497.40	3,273,600.00
RAILTEX INC	12,000	163,335.24	166,500.00
RAINFOREST CAFE INC	31,000	167,537.17	156,937.50
RALSTON PURINA CO	15,800	586,608.75	480,912.50
RAVEN INDS INC	5,900	91,958.35	94,400.00
RAYCHEM CORP	211,600	8,446,740.15	7,829,200.00
RAYMOND JAMES FINANCIAL INC	5,600	122,900.16	134,400.00
RAYONIER INC	3,300	166,281.25	164,381.25
RAYOVAC CORP	7,400	168,033.91	167,687.50
RAYTEL MED CORP	11,100	102,127.97	51,337.50
RAYTHEON CO	44,500	2,361,454.26	3,137,250.00
RDO EQUIP CO	16,100	141,117.12	150,937.50
RECOTON CORP	14,700	161,363.65	133,678.13
REEBOK INTL LTD	9,400	192,907.85	175,075.00
REEDS JEWELERS INC	7,000	24,640.00	23,187.50
REFAC	4,200	26,905.00	27,300.00
REGAL BELOIT CORP	10,800	232,320.72	255,150.00
REGENERON PHARMACEUTICALS INC	7,300	53,323.28	67,031.25

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Name	Shares	Amortized Cost	Market Value
REGIONS FINL CORP	11,000	393,959.50	422,812.50
REGIS CORP MINNESOTA	4,700	102,580.05	90,181.25
REHABCARE GROUP INC	2,200	37,545.56	40,562.50
RELIABILITY INC	3,400	15,079.10	17,850.00
RELIANT ENERGY INC	14,400	439,582.50	397,800.00
RELIASTAR FINL CORP	70,400	2,363,934.02	3,080,000.00
REMEC INC	8,400	130,484.42	135,450.00
REMEDY CORP	5,800	126,777.99	155,875.00
REMEDYTEMP	11,100	139,420.59	149,850.00
RENAL CARE GROUP INC	5,600	128,064.85	144,900.00
RENTAL SVC CORP	27,800	554,790.08	795,775.00
REPUBLIC BANCORP INC	6,606	52,576.59	100,328.63
REPUBLIC BKG CORP FLA MIAMI FL	6,700	128,933.00	128,975.00
REPUBLIC GROUP INC	17,710	192,475.50	318,780.00
REPUBLIC NY CORP	5,900	367,641.50	402,306.25
REPUBLIC SVCS INC	106,900	2,546,005.23	2,645,775.00
RESOURCE AMER INC	86,200	1,056,459.71	1,249,900.00
RESOURCE BANCSHARES MTG GRP INC	33,423	448,027.24	342,585.75
RESPONSE ONCOLOGY INC	15,200	64,891.89	44,650.00
REX STORES CORP	12,500	203,836.71	372,656.25
REYNOLDS METALS CO	3,600	205,979.25	212,400.00
REYNOLDS R J TOB HLDGS INC	34,633	1,051,067.34	1,099,608.32
RF MONOLITHICS INC	6,000	67,293.60	58,500.00
RICHARDSON ELECTRS LTD	6,200	52,835.85	55,862.50
RICHFOOD HLDGS INC	103,800	1,809,566.89	1,829,475.00
RICHMOND CNTY FINL CORP	106,700	1,730,980.55	2,053,975.00
RIGHTON INTL CORP	1,100	4,328.50	13,337.50
RIGGS NATL CORP WASH DC	74,000	954,941.87	1,521,625.00
RITE AID CORP	13,200	469,371.75	325,050.00
RIVIERA TOOL CO	1,700	8,109.00	8,393.75
RLI CORP	20,350	496,487.05	788,562.50
ROADWAY EXPRESS INC DEL	24,400	479,797.36	472,750.00
ROANOKE ELEC STL CORP	10,360	103,386.56	179,831.25
ROBERTS PHARMACEUTICAL CORP	5,300	130,499.25	127,200.00
ROBERTSON CECO CORP	6,200	48,534.00	61,225.00
ROCHESTER GAS + ELEC CORP	6,300	173,237.50	167,343.75
ROCK TENN CO	21,300	258,595.46	355,443.75
ROCKWELL INTL CORP NEW	9,500	403,737.03	577,125.00
ROCKY MTN CHOCOLATE FACTORY	3,300	14,433.54	19,800.00
ROHM + HAAS CO	73,334	2,053,568.88	3,144,191.91
ROHN INDS INC	36,600	169,678.15	50,325.00
ROLLINS TRUCK LEASING CORP	25,500	265,330.98	293,687.50
ROPER INDS	5,300	176,276.63	169,600.00
ROSLYN BANCORP INC	98,196	616,712.50	1,687,728.56
ROUGE INDS INC DEL	33,300	721,660.37	324,675.00
ROWAN COS INC	4,500	85,063.50	82,125.00
ROWE COS	7,500	80,462.68	78,281.25
RTI INTL METALS INC	26,900	566,844.71	395,093.75
RURALMETRO CORP	18,300	196,267.81	176,137.50
RUSH ENTERPRISES INC	1,200	12,486.00	19,350.00
RUSS BERRIE + CO INC	20,300	373,621.50	502,425.00
RUSSELL CORP	9,200	207,935.55	179,400.00
RYANS FAMILY STEAK HOUSES INC	48,400	396,763.66	562,650.00
RYDER SYS INC	303,300	8,641,411.61	7,809,975.00
RYERSON TULL INC NEW	72,500	1,710,001.88	1,635,781.25
RYLAND GROUP INC	18,700	524,362.40	555,156.25

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Name	Shares	Amortized Cost	Market Value
S + K FAMOUS BRANDS INC	6,400	69,073.46	61,000.00
SAFECO CORP	7,100	315,533.50	313,287.50
SAFESKIN CORP	8,500	78,978.25	114,000.00
SAFEWAY INC	36,500	1,842,227.04	1,806,750.00
SAGA SYS INC	18,100	201,067.56	230,775.00
SANDERSON FARMS INC	3,000	37,593.06	42,750.00
SANDISK CORP	4,400	183,932.40	198,000.00
SARA LEE CORP	135,300	2,781,486.84	3,089,618.75
SAVOIR TECHNOLOGY GROUP INC	4,100	38,744.99	38,437.50
SAWTEK INC	2,700	119,010.00	123,862.50
SBC COMMUNICATIONS INC	208,236	7,185,231.60	12,077,688.00
SCAN OPTICS INC	8,800	45,079.44	38,500.00
SCHERING PLOUGH CORP	233,700	5,759,909.12	12,269,250.00
SCHLUMBERGER LTD	27,800	1,832,835.56	1,770,512.50
SCHOTTENSTEIN HOMES INC	11,900	143,120.50	219,406.25
SCHULMAN A INC	21,300	372,641.09	366,093.75
SCHULTZ SAV O STORES INC	6,450	61,359.50	103,200.00
SCHWAB CHARLES CORP	20,000	805,208.40	2,180,000.00
SCHWEITZER MAJUDUIT INTL INC	20,300	573,263.55	304,500.00
SCIENTIFIC ATLANTA INC	4,000	108,312.00	144,000.00
SCIENTIFIC GAMES HLDGS CORP	18,600	375,315.63	362,700.00
SCOTSMAN INDS INC	13,400	222,012.32	288,937.50
SCOTTS CO	2,700	124,888.80	128,587.50
SCPIE HLDGS INC	10,300	279,132.90	336,037.50
SEACOR SMIT INC	41,700	1,659,580.05	2,230,950.00
SEAGATE TECHNOLOGY	12,600	316,164.00	322,875.00
SEALED AIR CORP NEW	103,100	4,811,747.55	6,688,612.50
SEARS ROEBUCK + CO	70,600	3,557,620.34	3,146,112.50
SEATTLE FILMWORKS INC	16,600	67,576.42	50,837.50
SECURITY DYNAMICS TECHINC	92,500	1,510,524.84	1,965,625.00
SECURITY FIRST TECH CORP	3,500	133,372.39	157,937.50
SEITEL INC	20,500	275,485.31	331,643.75
SELAS CORP AMER	5,900	66,567.01	40,562.50
SELECTIVE INS GROUP INC	46,100	861,149.55	878,781.25
SEMEX CORP	5,500	17,682.66	17,187.50
SEMPRA ENERGY	12,200	321,243.75	276,025.00
SENSORMATIC ELECTRS CORP	12,000	167,619.54	167,250.00
SERVICE CORP INTL	144,800	2,701,083.44	2,787,400.00
SHARED MEDI CAL SYSTEM	1,300	89,867.00	84,825.00
SHAW GROUP INC	11,500	103,230.00	182,562.50
SHERWIN WILLIAMS CO	167,700	4,952,081.45	4,653,675.00
SHILOH INDS INC	4,700	85,903.99	68,150.00
SHOLOGGE INC	8,300	80,036.88	42,018.75
SHOPKO STORES INC	4,700	160,387.50	171,550.00
SHURGARD STORAGE CTRS INC	5,300	143,819.25	143,762.50
SIERRA HEALTH SVCS INC	43,300	856,732.03	625,143.75
SIERRA PAC RES	5,200	188,962.50	188,150.00
SIGMA ALDRICH	5,100	178,810.25	175,631.25
SILGAN HLDGS INC	21,900	487,203.84	435,262.50
SILICON GRAPHICS INC	9,200	113,205.00	150,650.00
SIMPSON INDS INC	35,700	303,723.00	385,925.00
SJW CORP	1,700	61,327.00	135,362.50
SKY FINL GROUP INC	7,400	199,874.75	201,650.00
SKYLINE CORP	11,300	286,836.00	331,231.25
SKYTEL COMMUNICATIONS INC	8,800	212,656.28	205,187.50
SLM HLDG CORP	8,700	418,356.75	308,568.75

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Name	Shares	Amortized Cost	Market Value
SMART MODULAR TECHNOLOGIES INC	6,700	110,430.23	116,412.50
SMITH A O CORP	2,700	59,616.00	75,600.00
SMITHFIELD COS INC	4,000	22,642.50	31,250.00
SMITHFIELD FOODS INC	5,100	167,684.75	170,531.25
SMITHWAY MTR XPRESS CORP	6,400	56,300.50	64,000.00
SNAP ON INC	3,000	107,746.50	108,562.50
SOLA INTL INC	5,300	66,435.30	103,018.75
SOLETRON CORP	85,600	3,867,976.71	5,708,450.00
SOLUTIA INC	548,300	12,845,411.94	11,685,643.75
SONAT INC	5,600	213,543.00	185,500.00
SONIC CORP	4,000	127,720.41	130,500.00
SOS STAFFING SVCS INC	16,000	119,517.97	84,000.00
SOUTHERN CO	84,300	2,302,302.75	2,233,950.00
SOUTHERN ENERGY HOMES INC	24,500	253,024.97	130,156.25
SOUTHERN UN CO NEW	5,500	109,656.25	119,625.00
SOUTHTRUST CORP	8,300	336,092.00	318,512.50
SOUTHWEST AIRLIS CO	167,400	3,549,344.78	5,210,325.00
SOUTHWEST GAS CORP	5,400	154,407.50	154,575.00
SOUTHWEST SECS GROUP INC	2,200	141,066.90	157,437.50
SPARTECH CORP	4,800	139,851.17	151,800.00
SPECIAL METALS CORP	18,700	178,237.54	108,693.75
SPECIALTY CARE NETWORK INC	2,000	6,642.60	3,500.00
SPECIALTY CATALOG CORP	2,000	6,622.60	7,625.00
SPECIALTY EQUIP COS INC	16,600	216,039.00	488,662.50
SPEIZMAN INDS INC	3,800	20,177.00	14,250.00
SPLASH TECHNOLOGY HLDGS INC	17,600	128,517.61	123,750.00
SPORT HALEY INC	6,000	56,457.57	28,875.00
SPRINGS INDS INC	50,900	2,248,722.94	2,220,512.50
SPRINT CORP	21,600	497,537.75	1,231,200.00
SPRINT CORP	45,400	1,650,732.00	2,406,200.00
ST FRANCIS CAP CORP	5,400	69,295.50	116,100.00
ST JOHN KNITS INC	21,900	373,631.04	640,575.00
ST JOSEPH LT + PWR CO	9,300	148,938.25	190,650.00
ST JUDE MED INC	4,300	153,357.25	153,187.50
ST MARY LD + EXPL CO	6,100	121,992.68	125,431.25
ST PAUL COS INC	11,900	470,425.00	378,568.75
STAGE STORES INC	97,000	921,967.49	630,500.00
STANCORP FINL GRoup INC	15,600	369,275.82	468,000.00
STANDARD COML CORP	16,000	268,775.24	94,000.00
STANDARD MGMT CORP	9,200	61,320.66	60,375.00
STANDARD PAC CORP NEW	38,000	397,151.25	494,000.00
STANDARD PRODS CO	32,000	821,145.07	820,000.00
STANDARD REGISTER	25,100	816,067.42	771,825.00
STANDEX INTL CORP	32,600	921,768.56	892,425.00
STANLEY FURNITURE INC	12,000	112,715.00	270,000.00
STANLEY WORKS	4,300	170,463.50	138,406.25
STAPLES INC	23,550	486,035.86	728,578.13
STAR MULTI CARE SVCS INC	3,000	15,708.14	3,750.00
STARRETT L S CO	12,800	292,696.50	344,000.00
STATE AUTO FINL CORP	20,100	163,200.61	271,350.00
STATE STREET CORPORATION	28,700	1,688,342.10	2,450,262.50
STATEN IS BANCORP INC	62,300	973,957.04	941,400.00
STATEWIDE FINL CORP	58,400	749,894.88	1,357,800.00
STEEL TECHNOLOGIES INC	14,300	151,430.57	134,966.25
STEINWAY MUSICAL INSTRS INC	4,800	126,696.62	127,200.00
STEPAN CHEM CO	14,700	237,037.50	373,012.50

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Name	Shares	Amortized Cost	Market Value
STEPHAN CO	6,300	78,420.75	26,381.25
STERICYCLE INC	303,200	3,053,949.26	4,112,150.00
STERIS CORP	8,400	144,341.02	162,750.00
STERLING FINL CORP WASH	10,100	145,275.38	139,506.25
STEWART INFORMATION SVCS CORP	17,800	206,125.00	376,025.00
STIFEL FINL CORP	6,494	52,712.31	60,475.38
STILLWATER MNG CO	4,400	136,266.84	143,000.00
STOLT COMEX SEAWAY S.A	23,000	214,331.94	250,125.00
STONE ENERGY CORP	43,400	1,164,779.63	1,839,075.00
STRATTEC SEC CORP	5,200	81,678.75	175,500.00
STRAYER ED INC	3,500	107,730.00	107,406.25
STRIDE RITE CORP	10,200	109,401.44	105,187.50
STUDENT LN CORP	19,000	702,650.00	845,500.00
SUBURBAN LODGES AMER INC	19,400	130,041.40	124,887.50
SUGEN INC	4,900	143,632.00	144,550.00
SUIZA FOODS CORP	4,000	154,613.43	167,500.00
SUMMA INDUSTRIES	5,400	50,564.96	69,862.50
SUMMIT BANCORP	8,900	414,227.00	372,131.25
SUMMIT TECHNOLOGY INC	5,900	116,893.34	129,800.00
SUN MICROSYSTEMS INC	166,900	3,457,340.25	11,495,237.50
SUNOCO INC	4,800	183,127.50	144,900.00
SUNRISE ASSISTED LIVING INC	2,700	86,650.42	94,162.50
SUNRISE RES INC	15,800	46,569.58	71,100.00
SUNTERRA CORP	44,100	674,692.02	614,643.75
SUNTRUST BKS INC	55,300	2,732,919.00	3,839,893.75
SUPERIOR CONSULTANT INC	4,000	96,657.96	98,750.00
SUPERIOR ENERGY SVCS INC	16,400	83,762.62	83,537.50
SUPERIOR INDS INTL INC	4,700	127,767.01	128,368.75
SUPERIOR SVCS INC	17,800	417,216.85	475,037.50
SUPERIOR UNIFORM GROUP INC	7,200	63,977.00	90,000.00
SUPERTEL HOSPITALITY	7,000	78,230.12	86,187.50
SUPERVALU INC	288,400	6,817,216.53	7,482,350.00
SUPREMA SPECIALTIES INC	6,900	22,882.47	47,868.75
SUPREME INDS INC	10,516	82,011.12	101,873.75
SYBASE INC	172,800	1,557,882.45	1,900,800.00
SYBRON CHEMS INC	6,300	83,001.56	111,825.00
SYKES ENTERPRISES INC	41,600	1,292,466.92	1,388,400.00
SYLVAN INC	11,200	121,986.01	130,200.00
SYMS CORP	28,800	288,446.75	234,000.00
SYNOVUS FINL CORP	13,300	311,367.00	264,337.50
SYNTHETIC INDS INC	2,600	38,779.00	76,700.00
SYSCO CORP	17,300	480,865.00	515,756.25
SYSTEMAX INC	21,800	227,345.00	269,775.00
T B WOODS CORP	7,500	90,187.50	82,031.25
TAITRON COMPONENTS INC	13,500	40,151.59	32,062.50
TALBOTS INC	87,900	2,401,620.02	3,351,187.50
TANDY BRANDS ACCESSORIES INC	3,500	58,292.50	59,937.50
TANDY CORP	10,600	302,558.75	518,075.00
TBC CORP	44,000	333,955.70	310,750.00
TECH OPS SEVCON INC	1,900	23,194.25	23,512.50
TECHNE CORP	4,500	113,716.80	114,187.50
TECUMSEH PRODS CO	41,900	2,425,131.25	2,537,568.75
TEKTRONIX INC	99,500	3,480,569.73	3,003,656.25
TELEBANC FINL CORP	83,000	2,157,736.00	3,216,250.00
TELETECH HLDGS INC	14,900	144,472.57	150,862.50
TELLABS INC	45,200	1,543,992.52	3,053,825.00

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Name	Shares	Amortized Cost	Market Value
TEMPLE INLAND INC	2,900	166,746.50	199,012.50
TENET HEALTHCARE CORP	172,200	4,685,487.85	3,196,462.50
TENNANT CO	7,000	162,680.00	224,000.00
TENNECO INC NEW	8,700	309,458.25	207,712.50
TERAYON COMMUNICATION SYS	95,500	3,891,329.24	5,336,062.50
TESORO PETE CORP	12,900	105,124.86	205,593.75
TETRA TECH INC NEW	158,765	1,830,790.17	2,619,622.50
TETRA TECHNOLOGIES INC DEL	7,800	71,742.06	74,100.00
TEXACO INC	97,300	5,651,912.31	6,069,087.50
TEXAS INDS INC	27,100	663,746.39	1,050,125.00
TEXAS INSTRS INC	129,100	8,039,167.63	16,590,400.00
TEXAS UTILS CO	13,800	574,095.00	571,837.50
TEXTRON INC	53,100	2,727,256.01	4,370,793.75
TFC ENTERPRISES INC	5,000	12,259.50	11,250.00
THERMO ELECTRON CORP	8,100	247,300.50	162,506.25
THOMAS + BETTS CORP	2,800	135,546.50	132,300.00
THOMAS INDS INC	18,450	391,913.55	378,225.00
TIMBERLAND CO	15,000	543,892.10	1,020,937.50
TIME WARNER INC	62,100	3,025,364.22	4,510,012.50
TIMES MIRROR CO NEW	4,400	273,962.00	260,700.00
TIMKEN CO	9,800	217,792.84	191,100.00
TIPPERARY CORP	137,200	637,421.30	171,500.00
TITAN INTL INC ILL	60,600	1,114,789.26	719,625.00
TITANIUM METALS CORP	19,200	342,905.02	216,000.00
TJX COS INC NEW	67,700	2,216,219.48	2,255,256.25
TNP ENTERPRISES INC	18,900	459,447.38	685,125.00
TODHUNTER INTL INC	5,900	49,948.50	49,412.50
TOLL BROS INC	46,400	930,015.96	994,700.00
TOLLGRADE COMMUNICATIONS INC	800	9,041.04	12,200.00
TORCHMARK INC	6,900	268,110.78	235,462.50
TORO CO	7,000	209,379.72	275,625.00
TOSCO CORP	43,700	938,512.76	1,133,468.75
TOTAL CONTAINMENT INC	2,100	10,563.00	6,300.00
TOTAL RENAL CARE HLDGS INC	9,400	137,382.06	146,287.50
TOWER AUTOMOTIVE INC	5,500	139,906.25	139,906.25
TOYS R US INC	157,400	4,034,948.46	3,256,212.50
TRACK DATA CORP	10,100	145,286.89	142,662.50
TRAMMELL CROW CO	117,500	2,634,006.72	1,931,406.25
TRANS LUX CORP	1,000	13,457.50	8,250.00
TRANSACTION SYS ARCHITECTS INC	4,000	153,290.00	156,000.00
TRANSAMERICA CORP	6,500	392,700.75	487,500.00
TRANSKARYOTIC THERAPIES INC	35,400	1,181,081.39	1,168,200.00
TRANSPORT CORP OF AMERICA	8,800	107,958.49	113,300.00
TRANSTECHNOLOGY CORP	9,500	121,217.50	187,031.25
TRANSWITCH CORP	13,100	433,530.97	620,612.50
TRENWICK GROUP INC	24,350	838,872.31	600,379.69
TREX MED CORP	40,200	552,750.00	241,200.00
TRIAD GTY INC	7,500	131,785.05	134,531.25
TRIAD HOSPS INC	5,625	80,805.98	75,937.50
TRIBUNE CO NEW	5,800	416,305.50	505,325.00
TRICO MARINE SVCS INC	39,800	559,489.59	261,187.50
TRICON GLOBAL RESTAURANTS INC	27,920	676,864.57	1,511,170.00
TRINITY INDS INC	5,000	160,786.13	167,500.00
TRIUMPH GROUP INC NEW	15,000	419,142.91	382,500.00
TRUE NORTH COMMUNICATIONS	5,300	145,210.71	157,675.00
TRUSTCO BK CORP N Y	4,000	106,950.00	107,500.00

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Name	Shares	Amortized Cost	Market Value
TRW INC	78,300	4,004,856.85	4,296,712.50
TUBOSCOPE INC	22,500	269,881.13	307,968.75
TUPPERWARE CORP	9,800	241,858.86	249,900.00
TWINLAB CORP	10,000	83,106.00	85,937.50
U S B HLDG INC	8,500	128,080.42	130,156.25
U S HOME CORP NEW	17,400	529,093.88	617,700.00
U S OFFICE PRODS CO	8,500	110,302.80	45,687.50
U S WEST INC NEW	157,900	6,374,235.79	9,276,625.00
U S XPRESS ENTERPRISES INC	18,600	183,169.00	198,787.50
UCAR INTL INC	10,100	228,878.14	256,025.00
UFP TECHNOLOGIES INC	2,800	11,662.00	9,800.00
UICI	6,900	190,789.50	190,612.50
ULTRAMAR DIAMOND SHAMROCK	102,800	2,865,101.11	2,242,325.00
UNICO AMERN CORP	7,900	55,804.00	80,481.25
UNICOM CORP	11,100	398,715.75	428,043.75
UNIFI INC	8,100	152,448.99	172,125.00
UNIFIRST CORP	5,000	85,300.00	91,875.00
UNION CARBIDE CORP	6,800	362,008.50	331,500.00
UNION PAC CORP	12,700	611,939.00	740,568.75
UNION PACIFIC RES GROUP INC	13,700	233,170.25	223,481.25
UNION PLANTERS CORP	6,500	316,408.50	290,468.75
UNISOURCE WORLDWIDE INC	10,300	123,781.74	124,243.75
UNISTAR FINL SVC CORP	2,300	121,969.00	135,700.00
UNISYS CORP	339,100	7,577,662.78	13,203,706.25
UNITED ASSET MGMT CORP	6,600	142,338.44	150,150.00
UNITED BANKSHARES INC W VA	7,100	185,240.00	188,150.00
UNITED HEALTHCARE CORP	60,200	2,580,210.74	3,770,025.00
UNITED ILLUM CO	2,900	124,287.50	123,068.75
UNITED NAT FOODS INC	54,100	754,873.50	1,338,975.00
UNITED PAYORS + UTD PROVIDERS	2,700	60,831.00	62,606.25
UNITED RENTALS INC	437,000	12,727,374.20	12,891,500.00
UNITED STATIONERS INC	86,800	1,384,427.99	1,468,600.00
UNITED TECHNOLOGIES CORP	22,800	1,182,336.00	1,641,600.00
UNITIL CORP	5,600	123,039.11	141,050.00
UNITRODE CORP	5,900	169,361.15	169,256.25
UNIVERSAL CORP VA	24,100	650,898.69	685,343.75
UNIVERSAL FOODS CORP	105,000	1,914,370.68	2,218,125.00
UNIVERSAL STAINLESS + ALLOY	8,100	99,539.00	46,575.00
UNOCAL CORP	12,200	452,593.75	483,425.00
UNOVA INC	40,700	604,277.07	646,112.50
UNUMPROVIDENT CORP	7,100	391,822.50	388,725.00
US AIRWAYS GROUP INC	4,600	343,132.25	200,387.50
US BANCORP DEL	36,900	1,539,171.75	1,231,537.50
US FREIGHTWAYS CORP	23,100	656,441.74	1,069,819.75
US LIQUIDS INC	95,700	1,999,833.21	1,997,737.50
USA TRUCK INC	5,700	51,536.14	52,190.63
USANA INC	5,900	48,114.50	48,675.00
USBANCORP INC	16,800	260,409.00	264,600.00
USEC INC	12,000	146,169.96	178,500.00
UST CORP	7,200	217,830.65	217,800.00
UST INC	9,500	259,405.00	278,468.75
USX MARATHON GROUP	16,100	506,766.75	491,693.75
USX U S STL GROUP	4,400	146,001.00	118,800.00
UTAH MED PROBF INC	13,100	111,127.50	101,525.00
V F CORP	130,000	5,203,312.87	5,557,500.00
VALERO ENERGY CORP	26,800	523,418.22	570,237.50

Louisiana State Employees' Retirement System

Detail Listing of Investments as of June 30, 1999

Name	Shares	Amortized Cost	Market Value
VALUE CITY DEPT STORES INC	21,500	231,793.83	263,375.00
VARCO INTL INC	139,100	1,119,149.78	1,504,018.75
VARLEN CORP	14,181	290,978.98	574,330.50
VDI MEDIA	7,400	43,934.50	48,100.00
VERISIGN INC	46,200	529,977.40	3,984,750.00
VERTEX COMMUNICATIONS CORP	6,500	124,664.99	88,968.75
VERTICALNET INC	2,100	180,717.53	220,500.00
VESTCOM INTL INC	11,100	45,575.05	38,650.00
VIACOM INC	35,300	1,124,034.50	1,553,200.00
VIAD CORP	172,700	2,897,287.03	5,342,906.25
VIANT CORP	27,700	604,822.15	969,500.00
VIDEO DISPLAY CORP	4,400	26,881.45	21,175.00
VINTAGE PETE INC	89,600	892,209.66	963,200.00
VIRCO MFG CO	4,900	27,100.73	79,012.50
VISIO CORP	3,700	122,726.08	140,831.25
VISUAL NETWORKS INC	5,000	174,815.22	160,000.00
VULCAN MATLS CO	78,200	2,936,174.38	3,773,150.00
WABASH NATL CORP	4,100	47,098.75	79,437.50
WACHOVIA CORP NEW	73,800	4,378,695.35	6,314,512.50
WACKENHUT CORRECTIONS CORP	6,200	119,728.47	122,837.50
WAL MART STORES INC	606,800	12,646,945.12	29,278,100.00
WALDEN RESIDENTIAL PPTYS INC	6,500	137,892.88	139,750.00
WALGREEN CO	374,100	4,967,202.92	10,989,187.50
WALKER INTERACTIVE SYS	48,000	636,299.28	126,000.00
WALTER INDS INC	8,900	115,684.49	115,143.75
WARNACO GROUP INC	32,700	450,854.42	874,725.00
WARNER LAMBERT CO	127,200	8,983,751.31	8,792,700.00
WASHINGTON FED INC	6,800	151,742.00	152,575.00
WASHINGTON GAS LT CO	7,600	198,275.00	197,600.00
WASHINGTON HOMES INC NEW	12,800	54,493.00	82,400.00
WASHINGTON MUT INC	472,142	16,483,497.50	16,790,549.88
WASTE MGMT INC DEL	210,271	10,100,382.89	11,302,086.25
WATSON PHARMACEUTICALS INC	4,200	184,592.36	147,262.50
WATTS INDS INC	40,400	891,151.76	775,175.00
WAUSAU MOSINEE PAPER CORP	9,200	158,655.40	165,600.00
WEBB DEL CORP	25,100	487,280.13	509,262.50
WEBCO INDS INC	9,800	58,424.17	50,225.00
WEBSTER FINL CORP WATERBURY	6,000	162,750.00	162,750.00
WEIDER NUTRITION INTL INC	22,600	114,833.13	93,225.00
WELLMAN INC	7,200	112,143.80	114,750.00
WELLPOINT HEALTH NETWORKS INC	3,200	263,632.64	271,600.00
WELLS FARGO + CO NEW	120,700	4,730,525.85	5,159,925.00
WELLS FINL CORP	42,800	472,443.75	670,087.50
WENDYS INTL INC	19,100	516,851.03	544,350.00
WERNER ENTERPRISES INC	7,500	141,562.50	155,625.00
WEST PHARMACEUTICAL SVCS INC	3,500	131,875.00	137,375.00
WESTAFF INC	19,900	132,689.64	116,912.50
WESTAMERICA BANCORPORATION	3,400	124,100.00	124,100.00
WESTERN BANCORP	3,000	130,500.00	130,500.00
WESTERN BEEF INC DEL	7,900	61,004.50	48,881.25
WESTINGHOUSE AIR BRAKE CO NEW	18,300	228,135.70	474,656.25
WESTVACO CORP	4,800	139,122.75	139,200.00
WEYERHAEUSER CO	10,100	512,987.75	694,375.00
WHIRLPOOL CORP	36,800	2,487,591.02	2,723,200.00
WHITNEY HLDG CORP	4,100	162,255.00	162,975.00
WHOLE FOODS MKT INC	3,200	147,370.92	153,800.00

Louisiana State Employees' Retirement System

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Name	Shares	Amortized Cost	Market Value
WICOR INC	6,600	177,637.50	184,387.50
WILLAMETTE INDS INC	5,600	199,543.00	257,950.00
WILLIAMS COS INC	21,600	786,723.75	919,350.00
WILLIAMS CTLS INC	4,400	10,673.52	13,612.50
WILLIAMS SONOMA INC	41,800	1,184,376.34	1,455,162.50
WILMAR INDS INC	16,000	174,058.65	208,000.00
WINN DIXIE STORES INC	7,500	359,730.25	277,031.25
WINNEBAGO IND INC	6,900	147,270.51	155,250.00
WINSLOW FURNITURE INC	11,800	135,540.90	306,775.00
WINSTON RES INC	4,100	12,802.25	17,937.50
WISCONSIN CENT TRANSN CORP	9,500	181,388.25	179,312.50
WITCO CORP	7,000	127,854.94	138,250.00
WLR FOODS INC	20,800	155,337.17	169,000.00
WLOHAN LMBR CO	8,100	79,170.88	99,225.00
WOLVERINE TUBE INC	29,600	884,143.51	743,700.00
WOMEN FIRST HEALTHCARE INC	30,700	337,700.00	406,775.00
WOODHEAD INDUSTRIES	11,300	170,764.96	138,425.00
WORLD ACCEPTANCE CORP	25,600	139,626.84	128,800.00
WORLD ACCESS INC	9,500	129,467.32	134,187.50
WORLD COLOR PRESS INC DEL	5,100	138,350.00	140,250.00
WORLD FUEL SERVICES CORP	15,900	173,707.50	234,525.00
WORTHINGTON INDS IN	14,800	210,652.60	243,275.00
WPS RES CORP	3,800	117,087.50	114,000.00
WRIGLEY WM JR CO	5,900	566,668.00	526,206.25
WYMAN GORDON CO	68,600	1,218,675.00	1,324,837.50
XEROX CORP	195,700	7,218,822.90	11,558,531.25
YELLOW CORP	30,900	539,323.83	548,475.00
YORK GROUP INC	11,700	144,710.78	87,750.00
YORK INTL CORP	145,100	5,314,425.21	6,212,093.75
ZEBRA TECHNOLOGIES CORP	4,800	172,060.70	184,500.00
Total Domestic Common Stock	66,519,993	1,956,482,502.60	2,475,029,621.58
Domestic Stock Warrants			
NTL INC	13,917	173,962.50	591,472.50
INTERNATIONAL CALETEL INC	1,875	0.00	116,475.00
POWERTEL INC	9,600	0.00	96.00
Total Domestic Stock Warrants	25,392	173,962.50	708,043.50
Preferred Stock - Domestic			
FRESENIUS MED CARE CAP TR	1,750	1,838,562.50	1,767,500.00
Total Domestic Preferred Stock	1,750	1,838,562.50	1,767,500.00
Commingled Domestic Stock			
RUSSELL 2000 FUND	4,356,643	106,000,000.00	109,234,103.45
Total Commingled Domestic Stock	4,356,643	106,000,000.00	109,234,103.45
TOTAL DOMESTIC EQUITY			
	70,903,777	2,064,495,027.60	2,586,739,268.53
COMMINGLED EQUITY TRUST - DOMESTIC			
STATE STREET SPIF	687,425	110,964,675.49	115,176,656.59
COMMINGLED EQUITY TRUST - DOMESTIC	687,425	110,964,675.49	115,176,656.59
EQUITY SECURITIES - INTERNATIONAL			
Common Stock - ADR			
AT + T CDA INC	17,600	678,876.57	1,127,500.00
BANQUE NATIONALE DE PARIS	54,500	2,473,715.14	4,541,382.81

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Name	Shares	Amortized Cost	Market Value
BP AMOCO PLC	76,795	4,828,733.53	8,332,257.50
BRITISH STL PLC	166,000	4,104,468.50	4,326,375.00
BRITISH TELECOMMUNICATIONS	24,200	1,909,996.20	4,144,250.00
COMPANHIA VALE DO RIO DOCE	166,600	3,444,891.90	3,332,000.00
ECISOFT GROUP PLC	23,700	721,431.25	371,793.75
ELAN PLC	32,800	432,132.69	910,200.00
ESAT TELECOM GROUP PLC	44,200	1,898,919.12	1,939,275.00
HANSON PLC	69,600	2,078,706.77	3,088,500.00
INDEPENDENT ENERGY HLDGS PLC	68,000	771,124.40	926,500.00
KOREA TELECOM	-42,400	1,168,544.00	1,696,000.00
NEWS CORP LTD	34,100	715,881.49	1,204,156.25
NEWS CORP LTD	16,900	308,573.97	533,406.25
PECHINEY	136,240	1,802,729.91	2,812,130.00
PERUSAHAAN PERSEROAN INDO SAT	37,900	925,292.53	739,950.00
PHILIPPINE LONG DIST TEL CO	75,040	1,797,538.79	2,265,270.00
RAO GAZPROM	101,000	1,883,501.11	1,138,775.00
REPSOL S A	150,000	2,153,468.78	3,046,875.00
ROYAL DUTCH PETE CO	259,000	9,865,570.03	15,604,750.00
RYANAIR HOLDGS PLC	18,900	729,879.38	1,061,700.00
SOCIEDAD QUIMICA MINERA DE CHI	41,775	1,454,687.44	1,477,790.63
TELECOMUNICACOES BRASILEIRAS	50,000	0.00	3,125.00
TELECOMUNICACOES BRASILEIRAS	50,000	5,510,032.50	4,500,000.00
TELEFONICA DE ARGENTINA S A	108,500	2,922,619.36	3,404,187.50
TELEFONICA DEL PERU SA	126,700	2,104,034.48	1,916,337.50
TELEFONOS DE MEXICO S A	69,530	2,165,854.54	5,618,893.13
TEVA PHARMACEUTICAL INDS LTD	63,700	3,133,179.87	3,121,300.00
UNILEVER N V	28,928	2,499,419.91	2,017,728.00
VIRGIN EXPRESS HLDGS PLC	88,700	794,563.34	817,703.13
VODAFONE AIRTOUCH PLC	14,550	1,907,621.25	2,866,350.00
Total Common Stock- ADR	2,257,858	66,984,018.75	88,925,561.45
Foreign Common Stock			
AAPT LIMITED	280,900	826,886.07	873,888.72
ACE LTD	160,000	4,641,103.73	4,520,000.00
AIR NEW ZEALAND	1,120,000	2,945,739.28	2,314,690.92
AIRSPRAY NV ALKMAAR	27,440	811,443.61	665,005.63
AIXTRON	8,700	827,123.33	716,868.31
AKZO NOBEL NV	88,300	3,397,907.78	3,715,302.84
ALCAN ALUM LTD	11,100	317,173.50	354,506.25
ALCATEL	81,396	9,040,780.64	11,458,006.60
ALFA SA	536,300	2,422,059.22	2,216,680.07
ALGECO	6,000	443,881.25	471,807.06
AMCOR LIMITED	1,039,142	6,387,372.26	5,776,400.59
ARISTOCRAT LEISURE	157,600	1,005,024.42	1,194,450.71
ASHIKAGA BANK	84,000	178,668.12	163,785.76
ASSOCIATED BRITISH FOODS PLC	452,320	4,572,787.18	2,991,001.53
ASTRAZENECA	98,208	1,383,696.77	3,823,550.11
ATHLON GROEP NV	13,000	342,598.07	315,053.69
AUCKLAND INTL	587,040	938,848.01	902,144.43
AUST + NZ BANK GRP	509,700	3,908,985.73	3,747,970.25
AUSTRIA TABAK	17,600	1,165,237.47	1,025,497.18
AXA	42,658	2,636,587.59	5,204,255.24
BARRICK GOLD CORP	17,900	357,164.75	346,812.50
BASS	490,328	6,814,842.23	7,114,581.63
BAYER AG	166,000	6,732,643.24	6,916,124.56
BAYER HYPO VEREINS	101,700	7,454,749.46	6,607,464.76

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Name	Shares	Amortized Cost	Market Value
BCO DE ANDALUCIA	79,200	1,946,614.69	2,777,010.05
BCO PASTOR	8,100	449,672.77	413,070.96
BCO SANT CENT HISP	493,250	2,248,425.55	5,137,618.13
BG	1,135,588	3,221,750.38	6,936,356.10
BICC	1,478,374	5,166,604.81	2,108,976.67
BIOVAIL CORP INTL NEW	15,500	588,226.13	780,211.18
BLUE CIRCLE INDS	647,846	4,587,927.74	4,308,132.16
BOOTS CO	505,000	6,004,209.69	5,998,097.41
BRIERLEY INVMT LTD	3,681,304	2,076,059.14	1,033,922.37
BRITISH AIRWAYS	1,458,700	9,888,020.56	10,065,399.51
BURE INVESTMENT AB	67,880	473,533.64	359,290.95
CABLE + WIRELESS	627,000	4,997,469.61	7,990,729.78
CANON INC	285,000	6,974,786.14	8,194,245.35
CARNIVAL CORP	30,500	1,349,608.68	1,479,250.00
CARTER HOLT HARVEY	3,513,886	5,915,838.80	4,208,298.00
CELESTICA INC	22,400	758,230.22	970,200.00
CHEUNG KONG(HLDS)	479,000	3,281,900.05	4,259,911.44
CI TECHNOLOGY	133,400	432,053.76	498,896.91
CIE DE ST GOBAIN	30,877	4,246,133.48	4,919,680.90
COCHLEAR LTD	85,300	593,715.93	677,317.07
COLES MYER LIMITED	649,532	2,496,339.36	3,779,165.94
COMPUTACENTER	104,025	1,013,701.32	799,376.23
COMPUTERSHARE LTD	87,000	647,661.70	1,026,721.77
CSR LIMITED	2,426,000	8,255,372.17	6,937,149.88
DAIMLER CHRYSLER AG STUTTGART	61,272	3,006,748.38	5,453,208.00
DAITO TRUST CONST	97,300	1,049,846.02	1,085,254.18
DEUTSCHE BANK AG	65,000	2,917,529.83	3,964,984.18
DISTEFORA HLDG AG	6,000	743,224.37	617,526.16
DO + CO REST + CAT AG	9,600	570,997.92	529,661.45
DOOSAN	13,900	540,496.46	586,225.26
DSV	8,500	716,293.60	766,238.40
DUCATI MOTOR HLDG	206,400	633,238.58	540,650.69
EDEL MUSIC AG	5,000	433,489.38	371,258.03
EISAI CO	258,000	4,549,355.28	5,083,852.59
ELECTRABEL	14,461	3,348,350.15	4,667,840.60
ELF AQUITAINE	42,174	2,873,087.95	5,189,036.54
ELF AQUITAINE	53,344	5,596,850.16	7,828,234.59
ELKEM AS	119,000	1,540,545.63	2,098,515.39
ELSEVIER NV	348,900	5,772,759.69	4,047,872.69
ENERGY DEVELOPMENT	141,000	384,098.12	433,988.88
ESSELTE AB	170,000	1,495,058.81	1,899,651.07
ETRADE AUSTRALIA	58,000	347,535.72	230,502.27
EVN AG	22,200	1,444,682.20	3,246,403.95
FAST RETAILING CO	16,000	888,624.25	1,718,494.69
FAULDING(FH)+ CO	99,000	611,581.35	602,678.17
FIAT SPA	1,881,200	5,323,841.97	5,892,570.30
FIRST BANCORP P R	5,200	118,013.94	117,325.00
FIRST CAPITAL CORP	637,100	578,229.70	991,686.77
FORENINGSSPARBK	187,575	1,140,773.54	2,647,574.12
FOSTERS BREWING GR	2,555,159	4,861,682.35	7,201,618.68
FUJI TELEVISION NETWORK INC	110	603,145.39	594,367.83
FUKUI BANK	65,000	175,171.63	144,997.99
FUKUOKA BANK OF	37,000	174,891.57	155,588.13
GEMSTAR INTL GROUP LTD	169,200	1,673,444.42	11,040,300.00
GKN	516,154	4,111,843.75	8,811,434.83
GLAXO WELLCOME	221,700	4,408,454.49	6,161,080.52

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Name	Shares	Amortized Cost	Market Value
GOLDCREST CO	4,000	683,027.90	717,141.05
GRANGES AB	158,261	2,188,335.42	2,680,577.22
GREAT UNIV STORES	498,800	5,794,738.80	5,525,180.60
HELSINGIN PUHELIN	6,400	307,551.21	303,606.57
HITACHI	948,000	8,237,046.42	8,889,739.99
HITE BREWERY CO	28,400	890,586.51	966,363.83
HOECHST AG	46,300	1,960,396.68	2,096,133.14
HOKKAIDO BANK	103,000	177,396.90	168,495.10
HOKURIKU BANK	82,000	177,140.09	162,596.04
HONG KONG ELECTRIC	2,181,000	6,876,199.98	7,027,674.54
HSBC HLDGS	97,340	611,593.03	3,550,534.55
HUDSONS BAY CO	31,000	347,349.47	345,596.90
HUTCHISON WHAMPOA	781,000	2,453,929.85	7,071,529.03
HYDER	228,166	2,268,596.45	2,693,838.94
IBERDROLA SA	750,000	7,180,675.92	11,423,918.92
INCO LTD	7,900	116,453.50	142,200.00
INDRA SISTEMAS SA	18,000	175,732.68	193,962.32
ING GROEP NV	233,045	6,483,738.06	12,617,474.81
INVENSYS	752,575	4,592,049.55	3,561,817.66
IWATE(BANK OF)	8,000	337,562.12	324,531.11
JAPAN AIRPORT TERM	91,000	808,198.12	902,209.71
JARDINE MATHESON	896,000	4,166,537.29	4,480,000.00
JIT HOLDINGS	307,000	576,338.84	559,011.98
JOT AUTOMATION GRO	31,200	740,655.97	1,264,504.84
JOYO BANK	42,000	178,438.93	163,438.76
KABA HOLDINGS AG	1,760	881,700.88	929,478.80
KAMPS AG	23,400	778,883.08	953,204.99
KAPPA CREATE CO	22,000	242,918.57	272,645.79
KEMIRA OY	120,300	777,427.26	727,003.66
KEMPEN + CO NV	19,387	1,104,896.87	969,873.89
KINOWELT MEDIEN AG	5,200	298,037.24	378,064.43
KOITO MFG CO	293,000	2,100,797.16	1,326,578.76
KOJIMA CO	26,000	703,020.16	865,891.70
KORAM BANK	77,300	882,015.25	968,367.58
KURITA WATER INDS	166,000	2,665,589.16	2,976,135.37
LAIDLAW INC	455,000	3,122,431.75	3,355,625.00
LANG CORPORATION	236,000	756,204.88	795,907.74
LINDETEVES JACOBER	226,000	322,127.84	321,251.27
MAKITA CORP	187,100	2,115,505.86	2,116,226.24
MARKS + SPENCER	466,800	2,982,187.17	2,700,447.83
MATSUSHITA ELC IND	359,000	6,519,776.43	6,970,230.99
MAYNE NICKLESS LTD	1,105,800	4,385,929.05	3,784,196.36
MCL LAND LTD	701,500	651,383.60	885,905.05
MERITA OYJ	550,000	1,201,002.81	3,125,270.71
METO AG ORD SHS	170,000	485,678.23	841,827.18
METSA SERLA OY	165,000	1,426,726.18	1,402,117.62
MIKRON HLDG AG	4,050	861,819.84	917,026.35
MIQUEL Y COSTAS MI	10,400	300,974.11	264,591.47
MODERN TIME GROUP	59,665	1,002,138.45	1,294,815.85
N I C CORP	33,000	1,086,630.47	1,117,847.75
NATIONAL BK CDA MONTREAL QUE	324,800	2,375,418.07	4,235,430.20
NATIONAL POWER	336,027	2,529,029.21	2,447,118.67
NATL AUSTRALIA BK	476,800	8,734,941.21	7,890,105.13
NEG MICON	26,400	840,959.74	936,068.94
NEGPOST	34,500	623,885.69	800,525.12
NEW WORLD DEVEL CO	1,080,000	1,530,627.01	3,236,403.62

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Name	Shares	Amortized Cost	Market Value
NEWBRIDGE NETWORKS CORP	146,000	2,743,511.22	4,143,108.87
NHP	228,050	619,450.90	607,513.12
NICHIDO FIRE + MAR	489,000	2,848,179.13	2,516,991.60
NIPPON BROADCASTING	7,000	325,386.25	347,003.74
NIPPON TEL+TEL CP	300	3,004,542.83	3,494,823.34
NORSK HYDRO AS	41,200	1,458,418.47	1,554,374.92
NORTEL NETWORKS CORP	33,300	1,962,930.00	2,890,856.25
NYCOMED AMERSHAM	351,320	1,682,490.20	2,499,153.99
OA SYSTEM PLAZA CO	16,000	182,374.70	183,746.74
OPEN TEXT CORP	90,500	822,187.50	2,715,000.00
ORICA LTD	484,800	3,294,388.44	2,647,742.42
OUTOKUMPU OYJ	181,600	2,368,030.32	2,041,341.84
PAB K TJIWI KIMIA	3,263,207	2,133,018.21	1,256,029.90
PEREZ COMPANC SA	707,800	2,991,765.25	4,070,366.94
PERLOS CORP	97,800	1,081,990.42	1,429,260.91
PETROLEUM GEO SVS	61,800	992,071.46	930,269.84
PHILIPS ELEC(KON)	67,252	2,803,862.74	6,633,817.69
PIONEER INTL LTD	1,473,389	3,134,143.46	3,754,781.66
PLACER DOME INC	12,400	153,701.50	145,700.00
POWERGEN	854,000	9,218,747.33	9,207,735.85
QIAGEN NV	10,000	728,707.24	665,170.63
QUALITY HEALTHCARE	2,974,000	545,535.93	578,807.14
R + G FINANCIAL CORP	98,800	742,590.88	1,679,600.00
RAPALA NORMARK CORPORATION ORD	85,000	758,832.87	600,458.30
RAUMA OYJ	257,100	3,121,139.06	3,049,111.25
RENAULT (REGIE NATIONALE)	89,897	2,740,873.01	3,860,066.04
REPSOL SA (RG)	288,000	2,831,546.98	5,880,727.17
RESEARCH IN MOTION LTD	44,700	707,602.61	905,175.00
RHONE POULENC SA	146,624	3,526,445.01	6,700,082.75
RIO TINTO	348,000	5,016,122.83	5,833,854.83
RITCHIE BROS AUCTIONEERS INC	16,000	595,982.00	610,000.00
ROCK FIELD CO	10,000	319,734.68	361,049.12
RWE AG	155,000	6,713,299.33	7,175,541.11
SAILOR PEN CO	37,000	267,049.52	269,010.51
SANLAM	848,668	987,544.11	1,005,577.30
SASOL	204,900	1,445,866.04	1,461,795.78
SATO CORP	26,000	557,176.37	553,140.48
SEAGRAM LTD	20,200	896,328.83	1,017,575.00
SHELL TRNSPT+TRDG	658,500	4,350,150.00	4,938,254.36
SIEMENS AG	92,100	5,293,842.73	7,104,517.39
SIME DARBY BHD	1,011,500	3,131,859.39	1,193,699.26
SIMWARE INC	108,000	384,410.00	364,500.00
SKYEPHARMA	382,000	387,183.84	298,062.57
SOC. GENERALE	33,085	4,892,196.61	5,831,047.17
SOMERFIELD	298,345	2,212,186.44	1,399,086.64
SONY CORP	54,000	2,433,120.92	5,822,226.96
STORA ENSO OYJ	303,066	2,273,754.34	3,279,462.28
STOREHOUSE	1,329,200	4,436,776.86	2,859,972.54
SUPERDIPLO SA	35,050	825,421.44	777,141.02
SVENSKA HANDELSBANKEN SERIES A	183,800	2,278,277.70	2,202,747.79
SWIRE PACIFIC	550,500	4,204,835.69	2,724,611.05
TATE + LYLE	548,800	3,979,055.07	3,437,413.80
TAYLOR WOODROW	1,355,000	4,492,507.32	3,908,872.33
TELECOM CORP OF NZ	1,368,331	6,256,717.41	5,873,359.22
TELECOM ITALIA SPA	885,100	1,448,566.14	4,801,218.14
TELESTE CORP	60,200	443,817.19	455,574.85

Louisiana State Employees' Retirement System

Detail Listing of Investments as of June 30, 1999

Name	Shares	Amortized Cost	Market Value
TELESYSTEM INTL WIRELESS INC	34,200	627,735.15	618,121.84
TELINFO SA ORD	1,500	190,754.96	169,541.17
TOEI CO	485,000	1,920,446.85	1,901,704.40
TRANSOCEAN OFFSHORE INC	45,700	1,192,963.85	1,199,625.00
TSURUHA CO	15,000	836,553.13	1,115,369.15
TYCO INTL LTD NEW	62,691	3,491,039.11	5,939,972.25
UNIDANMARK	50,000	2,495,820.95	3,337,144.17
UNIQUE INTL NV	17,919	449,231.63	437,037.06
UTD GROUP LTD	229,159	474,241.70	356,460.42
VA TECHNOLOGIE AG	15,000	1,579,871.97	1,358,959.07
VEBA AG	62,620	3,676,762.55	3,680,961.48
VENTURE MANUFACT	92,000	548,542.27	707,913.45
VERITAS DGC INC	26,200	387,747.44	479,787.50
VESTA WIND SYSTEMS	13,900	882,198.94	1,227,304.29
VOLVO(AB)	141,500	2,563,379.78	4,102,657.75
WEST JAPAN RAILWAY	1,498	5,082,571.24	5,742,680.49
WHARF(HLDGS)	1,795,000	5,316,605.99	5,598,810.72
XL CAPITAL LTD	57,073	3,227,707.77	3,224,624.50
YAMADA DENKI CO	39,000	1,163,312.62	2,136,303.71
YOKOHAMA REITO CO	110,000	1,124,303.28	777,949.33
ZURICH ALLIED AG	9,600	3,313,821.15	5,458,931.29
ROYAL DUTCH PETROL	148,000	6,857,587.11	8,669,287.47
TELEFONICA SA	265,574	5,106,392.53	12,792,893.24
Total Foreign Common Stock	75,513,127	502,160,957.44	615,837,561.69
Foreign Stock Warrants			
INTELCOM GROUP INC B C	6,270	0.00	53,295.00
PAB K TJIWI KIMIA	453,225	0.00	111,910.87
MEXICO(UTD MEX ST)	3,277,000	0.00	0.00
VENEZUELA (REP OF)	8,460	0.00	0.00
Total Foreign Stock Warrants	3,744,955	0.00	165,205.87
Preferred Foreign Stock			
CEMIG CIA ENERG MG	79,281,000	1,710,844.05	1,654,977.00
HYDER	215,100	0.00	372,968.35
PETROL BRASILEIROS	10,434,000	2,318,446.28	1,618,405.27
Total Preferred Foreign Stock	89,930,100	4,027,290.33	3,646,350.62
Foreign Commingled Equity Fund			
SCHRODER INTL SMALL COMP FUND	30,108	40,781,873.37	71,852,593.98
SCHROEDER EMERGING MKT FD	87,241	173,750,000.00	195,637,428.97
Total Foreign Commingled Equity Fund	117,349	214,531,873.37	267,290,022.95
EQUITY SECURITIES - INTERNATIONAL	171,563,389	787,704,139.89	975,864,702.58
Real Estate Investments			
ASSOCIATED ESTATES RLTY CORP	9,900	116,872.83	116,943.75
BRANDYWINE RLTY TR	5,500	107,503.31	108,968.75
CBL + ASSOC PPTYS INC	4,200	109,220.54	110,775.00
GAMDEN PPTY TR	5,800	160,950.00	160,950.00
DEVELOPERS DIVERSIFIED RLTY	8,000	130,046.15	135,000.00
EQUITABLE PRIME PROPERTY FUND	565	2,872,960.74	4,988,244.37
ENTERTAINMENT PPTYS TR	7,200	127,747.94	126,900.00
FEDERAL RLTY INVT TR	5,100	118,229.14	116,981.25
FIRST INDL RLTY TR INC	4,900	134,443.75	134,443.75
GABLES RESIDENTIAL TR	5,900	143,047.00	142,337.50

Louisiana State Employees' Retirement System

Detail Listing of Investments as of June 30, 1999

Name	Shares	Amortized Cost	Market Value
HEALTH CARE PPTY INVS INC	5,500	158,012.26	158,812.50
HEALTHCARE RLTY TR	8,300	174,336.25	175,337.50
HEALTH CARE REIT INC	54,500	1,435,875.00	1,267,125.00
HIETMAN REAL ESTATE FD V	48	12,000,000.00	12,656,320.00
IRT PPTY CO	12,800	126,604.48	126,400.00
JDN RLTY CORP	7,700	169,573.46	172,287.50
JMB GROUP TRUST V	13,367,188	12,499,983.17	14,166,986.96
JP RLTY INC	6,200	127,046.93	127,487.50
LTC PROPERTIES	10,300	133,743.14	133,900.00
LASALLE HOTEL PPTYS	7,600	119,027.82	116,375.00
LENDARHOFF + ROBSON FD IV	129	12,892,768.00	15,519,140.00
LOUISIANA HSG FIN AGY MTG REV (DEBT SECURITY)		209,440.81	209,440.81
MACERICH CO	5,200	136,500.00	136,500.00
MERISTAR HOSPITALITY CORP	6,200	136,400.00	139,112.50
NATIONWIDE HEALTH PPTYS INC	6,200	111,336.50	116,187.50
PATRIOT AMERN HOSPITALITY INC	25,400	118,002.48	107,950.00
PRENTISS PPTYS TR	7,100	166,819.00	167,737.50
REALTY INCOME CORP	5,100	121,125.00	121,125.00
RECKSON ASSOCS RLTY CORP	5,400	126,900.00	127,237.50
REGENCY RLTY CORP	5,100	109,826.23	111,881.25
SMITH CHARLES E RESIDENTIAL	3,300	112,385.49	111,993.75
SUN CMNTYS INC	3,200	113,600.00	113,600.00
TCW REALTY FUND VI	280	14,000,000.00	14,443,964.64
THORNBURG MTG ASSET CORP	11,600	121,971.48	116,000.00
TRINET CORP RLTY TR INC	3,700	98,561.58	102,443.75
UNITED DOMINION RLTY TR INC	16,900	198,575.00	198,575.00
WASHINGTON REAL ESTATE INVT TR	6,500	109,237.48	110,093.75
WEINGARTEN RLTY INVS	4,400	183,700.00	183,700.00
TOTAL REAL ESTATE INVESTMENTS		60,032,374.94	67,281,259.28

ALTERNATIVE INVESTMENTS

ABINGWORTH BIOVENTURE	1,366,093	1,641,262.12	748,941.20
ADVENT V11 LP	1,097,296	1,097,296.12	1,657,546.99
AUSTIN VENTURES IV	2,960,585	2,960,585.42	7,937,668.02
BATTERY VENTURES	2,559,506	2,559,506.21	2,065,106.67
BRINSON PARTNERSHIP FUND TRUST	443,629	44,362,898.00	46,938,501.49
CROSSPOINT VENTURE PARTNS III	1,652,157	1,652,156.71	3,899,719.31
GEOCAPITAL IV L P	1,921,727	1,921,726.95	3,697,687.07
GOLDER THOMA CRESSEY RAUNER	1,216,857	1,216,857.32	3,681,566.53
ABINGWORTH BIOVENTURES	597,000	597,000.00	901,148.22
HARBOURVEST INTL PRTRN III DiR	7,792,204	7,792,204.12	7,423,804.29
HARBOURVEST INTL PTNR III PART	6,053,104	6,053,104.10	5,825,331.85
HELLMAN + FRIEDMAN CAPITAL	2,204,854	2,204,854.00	1,762,659.51
INTERWEST PARTNERS VI LP	1,440,000	1,440,000.00	1,351,424.16
KELSO INVESTMENT ASSOC. V LP	3,311,324	3,311,324.04	4,565,991.34
OCM OPPORTUNITIES FUND LP	3,299,189	3,299,189.00	4,469,276.07
OLYMPUS GROWTH FD II	3,266,189	3,266,189.05	3,682,370.12
RICE PARTNERS II	2,449,652	2,449,652.49	2,677,053.73
SPROUT CAPITAL VII L P	4,000,000	4,000,000.00	6,145,044.00
SUMMIT VENTURES IV	2,379,773	2,379,772.64	3,018,089.54
WELSH CARSON ANDERSON + STOWE	3,606,875	3,606,874.66	4,699,826.21
TOTAL ALTERNATIVE INVESTMENTS	53,618,014	97,812,452.95	117,148,756.52

GRAND TOTAL		5,257,942,312.46	5,947,727,195.64
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ACTUARIAL SECTION

Hall Actuarial Associates

Charles G. Hall
F.C.A., M.A.A.A., A.S.A.
Enrolled Actuary

1433 Hideaway Court
Baton Rouge, La. 70806
(225) 924-6209

September 16, 1999

Board of Trustees
LA STATE EMPLOYEES' RETIREMENT SYSTEM
Post Office Box 44213
Baton Rouge, Louisiana 70804-4213

Ladies and Gentlemen:

Pursuant to your request, we have completed our twelfth annual valuation of the Louisiana State Employees' Retirement System as of June 30, 1999. The valuation was prepared on the basis of the data submitted by the Retirement System office and the actuarial assumptions adopted by the Board of Trustees, and reflects the benefits in effect on the valuation date.

The 1999 Legislative Session produced no Bills which would have a prospective affect on funding. Notable changes in recent prior legislative sessions include the following Acts: Act 572 of 1992 established the Experience Account which provides for the pre-funding of retiree COLA's by accumulating excess investment income until the account is sufficient to cover the liability of increased benefits. The Texaco Settlement Fund was established July 1, 1995 to dedicate allocated assets to reduce the initial unfunded actuarial liability established by Act 81. Act 402 of 1999 establishes that if the Experience Account Balance is sufficient to grant retirees a COLA, the Board shall grant a COLA not to exceed the lesser of the CPI-U or 2%. Benefits are restricted to those retirees who have attained the age of 55 and have been retired for at least one year.

The funding objective of the Retirement System was established by Constitutional Amendment Number 3 during the 1987 Legislative Session and requires the following:

- a) fully fund all current normal costs determined in accordance with the prescribed statutory funding method; and
- b) liquidate the unfunded liability as of June 30, 1988 over a forty year period with subsequent changes in unfunded liabilities amortized over period(s) specified by statute.

On the basis of the current valuation, the total contribution rate payable by the employers for the year commencing July 1, 1999 should be set equal to 12.7% of payroll, plus a required legislative appropriation of \$4,492,201.

When compared to the prior year's employer's rate of 12.4%, the current employer's rate of 12.7% reflects an expected increase in the employer's rate from the prior year resulting from data improvements. The current contribution rate, plus the required legislative appropriation, when taken together with the contributions payable by the members, is sufficient to achieve the funding objective set forth above.

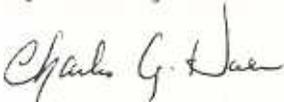
Board of Trustees
LASERS
September 16, 1999

The methodology for determining the actuarial value of assets, approved by the Board of Trustees, was changed effective July 1, 1999. The method values all assets on a basis which reflects a four-year moving weighted average of the relationship between market value and cost value. The objective of this asset valuation method is to smooth the volatility which might otherwise occur due to market conditions on the measurement date. The actuarial value of assets for the fiscal year ending on June 30, 1999 were in the amount of \$5,940,101,500. The Actuarial Value of Assets, when adjusted for the Experience Account Fund in the amount of \$365,143,591, and the side-fund assets from the Texaco Settlement Fund of \$108,252,044 yields assets for funding purposes of \$5,466,705,865.

In performing the June 30, 1999 valuation, we have relied upon the employee data and financial information provided by the administrative staff of the Louisiana State Employees' Retirement System. Regarding participant data, each record was edited for reasonableness and consistency, although the validity of the information was not compared to source documents or compared with data for the same participant utilized in prior valuations. Regarding plan assets, a general review for consistency and balance testing with information furnished for the prior year's valuation was performed.

The present values shown in the June 30, 1999 actuarial valuation and supporting schedules of this certification have been prepared in accordance with the actuarial methods specified in Louisiana Revised Statutes Title II Section 22(6) and assumptions which are appropriate for the purposes of this valuation. The funding method prescribed is the Projected Unit Credit Cost Method. The actuarial assumptions and methods used for funding purposes comply and are within the parameters set forth by the Government Accounting Standards Board (GASB) Statement No. 25. The same actuarial assumptions and methods were employed in the development of the Trend Data Schedule, the Schedule of Funding Progress and the Schedule of Employer Contributions which were prepared for the Financial Section of this report. Furthermore, we certify to the best of our knowledge, the methods and assumptions comply with generally recognized and accepted actuarial principals and practices set forth by the American Academy of Actuaries, are reasonable in the aggregate and when applied in combination represents my best estimate of the funding requirement to achieve the Retirement System's Funding Objective.

Respectfully submitted,



Charles G. Hall, FCA, MAAA, ASA
Consulting Actuary

CGH/tt

PRINCIPLE PROVISIONS OF THE PLAN

The Louisiana State Employees' Retirement System (LASERS) was enacted in 1950. Initially, the plan covered regular State Employees (Regular Plan), but membership has expanded to participating agencies, and the merger of Louisiana State University Administration Employees and the Judges Retirement System.

The purpose of the plan is to provide benefits to members and their dependents at retirement or in the event of death, disability or termination of employment. LASERS is a defined benefit plan and is funded on an actuarial reserve basis to fund benefits as prescribed by law.

ADMINISTRATION

The plan is governed by Title 11 Sections 401-699 of the Louisiana Revised Statutes. The Board of Trustees is composed of thirteen members; six elected from the active membership, three elected retired members, and four ex officio members. Elected members serve staggered four terms. The Treasurer, Chairman of the House Retirement Committee, and the Chairman of the Senate Retirement Committee serve as ex officio members.

The Board of Trustees appoints an Executive Director who is responsible for the operation of the system. The Board also retains other consultants as deemed necessary. Administrative expenses are paid entirely from investment earnings.

MEMBER CONTRIBUTIONS

Members contribute a percentage of their gross compensation, depending on plan participation:

Regular Plan Members	7.5%
Department of Corrections	9.0%
Wildlife Agents	8.5%
Legislators and Judges	11.5%

Member contributions have been tax-deferred for federal income tax purposes since January 1, 1990. Therefore, contributions after the effective date are not considered as income for federal income tax purposes until withdrawn through refund or through payment of benefits.

EMPLOYER CONTRIBUTIONS

All participating employers, regardless of plan participation, contribute a percentage of their total gross payroll to the system. The employer percentage is actuarially determined and is sufficient to pay annual accruals plus an amortization charge which liquidates the system's unfunded liability as required by law. The rate is determined annually and recommended by the Public Employees' Retirement System's Actuarial Committee to the State Legislature.

Principle Provisions of the Plan (Continued)

TERMINATION

A member who terminates covered employment, regardless of plan membership, may request a refund of the member's contributions without interest. Upon re-employment, a member may reinstate the credit forfeited through termination of previous membership by repaying the refunded contributions plus interest. A member who terminates covered employment with 10 years of service may, in lieu of a refund of contributions, elect to receive a monthly annuity upon attainment of age 60.

RETIREMENT BENEFITS

Service retirement benefits are payable to members who have terminated covered employment and met both age and service eligibility requirements.

Normal Retirement

Regular Plan - A member may retire with a 2.5% annual accrual rate at age 55 with 25 years of service, age 65 with 10 years or at any age with 30 years

Note: Members may retire with a 2.5% annual accrual rate at any age with 20 years of service with benefits actuarially reduced.

Correction Officers - A member may retire with a 2.5% annual accrual rate at age 50 with 20 years of service, or 20 years of service regardless of age if employed prior to August 15, 1986.

Judges - A member may retire with a 3.5% annual accrual rate with 18 years of service regardless of age, or age 55 with 12 years of service, or age 70 without regards to creditable service.

Legislators, Governor, Lieutenant Governor and State Treasurer - may retire with a 3.5% annual accrual rate with 16 years of service regardless of age, or age 55 with 12 years of service.

Benefit Formula

For all plans, retirement benefits are based on a formula which multiplies the final average compensation by the applicable accrual rate, and by the years of creditable service, plus a \$300 per year supplemental benefit. Final average compensation is obtained by dividing total compensation for the highest successive thirty six months

Payment Options

A retiring member is entitled to receive the maximum benefit payable until the member's death. In lieu of the maximum benefit, the member may elect to receive a reduced benefit payable in the form of a Joint and Survivor Option, or a reduced benefit with a lump sum payment which cannot exceed 36 monthly benefit payments.

Judges receive the maximum benefit payable without reduction for a 100% Joint and Survivor Option.

Principle Provisions of the Plan (Continued)

DEFERRED RETIREMENT OPTION PROGRAM (DROP)

In lieu of terminating employment and accepting a service retirement, an eligible member may begin participation on the first retirement eligibility date for a period not to exceed the 3rd anniversary of retirement eligibility. Delayed participation reduces the three year participation period. During participation, benefits otherwise payable are fixed, and deposited in an individual DROP account.

Upon termination of DROP, the member may continue employment and earn additional accruals to be added to the fixed pre-DROP benefit.

Upon termination of employment, the member is entitled to the fixed benefit plus post-DROP accruals, plus the individual DROP account balance which can be paid in a lump sum, or an additional annuity based upon the account balance.

DISABILITY RETIREMENT BENEFITS

Active members with ten or more years of service credit are eligible for disability retirement benefits if determined to be disabled from performing the duties of their job.

Regular Plan - A pension equal to 2 1/2% of average compensation.

Judges - A service retirement benefit, but not less than 50% of current salary.

Wildlife Agents - A service retirement benefit of the Regular Plan.

Total disability in-line-of-duty service not less than 60% average compensation.

SURVIVOR BENEFITS

A surviving spouse with minor children of an active member with 5 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$300 per month, or (b) 75% of the member's benefit calculated at the 2 1/2% accrual rate for all creditable service.

Surviving minor child, with no surviving spouse shall receive an amount equal to the greater of 75% of compensation or \$300. Benefits to minors cease at attainment of age 18, marriage or age 23 if enrolled in an approved institution of higher education.

A surviving spouse without minor children of an active member with 10 years of creditable service (2 years immediately prior to death) or 20 years of creditable service is entitled to a benefit equal to the greater of (a) \$300 per month, or (b) 50% of the member's benefit calculated at the 2 1/2% accrual rate for all creditable service.

POST-RETIREMENT INCREASES

Cost-of-living adjustments (COLA's) are permitted provided there are sufficient funds in the Experience Account to fund the increase in the retiree reserves. The Experience Account is credited with 50% of the excess investment income over the actuarial valuation rate and is debited 50% of the deficit investment income and distributions for COLA's approved by the Board of Trustees as provided by law.

SUMMARY OF ASSUMPTIONS

The following assumptions were adopted by the Board of Trustees of The Louisiana State Employees' Retirement System of Louisiana (LASERS) based on the 1981-1986 actuarial experience study with supplemental revision in 1990 and other Board action.

I. General Actuarial Method

Actuarial Funding Method (Projected Unit Credit): The unfunded accrued liability on June 30, 1988 is amortized over a forty year period commencing in 1989. The amortization payment reflects a 4% increase for the first five years, reducing by .5% at the end of each quinquennial period. Changes in unfunded accrued liabilities occurring after June 30, 1988 are amortized as a level dollar amount as follows:

	Act 81 Effective 6/30/88	As Amended Act 257 Effective 6/30/92
Experience Gains/(Losses)	15 years	Later of 2029 or 15 years
Actuarial Assumptions	30 years	Later of 2029 or 30 years
Actuarial Methods	30 years	Later of 2029 or 30 years
Benefit Changes	determined by enabling statute	

Act 257 of 1992 further amended the amortization schedule to reflect a 4.5% payment increase over the remaining amortization period.

Employer contribution requirements for normal costs and amortization of the unfunded accrued liabilities are determined as a percentage of payroll. Discrepancy between dollars generated by % of payroll versus the required dollar amount are treated as a short-fall credit/(debit) and applied to the following year's contribution requirement.

Asset Valuation Method: Assets are valued on a basis which reflects a four year moving weighted average value between market value and cost value. Prior to July 1, 1997, fixed income securities were valued at amortized cost.

Valuation Data: The administrative staff of LASERS furnishes the actuary with demographic data relating to the active life membership and retired life members. Retired life members included inactive members who are entitled to a deferred reciprocal or vested benefit. The book value and market value of system assets are provided by the administrative staff of LASERS. All data is reviewed for reasonableness and consistency from year to year, but is not audited by the actuary.

SUMMARY OF ASSUMPTIONS
(Continued)

II. Economic Assumptions

Investment Return: 8.25% per annum, compounded annually.

Employee Salary Increases: Incorporated in the following salary scales is an explicit 4.25% portion attributable to the effects of salaries, based upon years of service:

Regular State Employees - range	4.25% - 11.75%
Judges and Legislators - range	4.75%

	<u>STATE</u>	<u>JUDGES</u>	<u>LEGISLATORS</u>
	<u>EMPLOYEES</u>		
Duration 1 yr.	11.75%	4.75%	4.75%
5 yr.	7.75%	4.75%	4.75%
10 yr.	6.35%	4.75%	4.75%
15 yr.	4.85%	4.75%	4.75%
20 yr.	4.25%	4.75%	4.75%
25 yr.	4.25%	4.75%	4.75%
30 yr.	4.25%	4.75%	4.75%

The active member population is assumed to remain constant.

III. Decrement Assumptions

Mortality Assumption: Pre-retirement deaths and post-retirement life expectancies are projected in accordance with the experience of the 1983 Sex Distinct Graduated Group Annuity Mortality Table, with female ages set at attained age plus one.

Disability Assumption: Rates of total and permanent disability were projected by age in accordance with the 1981-1986 disability experience of the Retirement System. Rates are uniform for State Employees, Judges and Legislators. Mortality after disability are based on the Eleventh Actuarial Valuation of the Railroad Retirement System for permanent disabilities.

<u>ALL MEMBERS</u>		
Age	25	.00%
	30	.02%
	35	.05%
	40	.13%
	45	.24%
	50	.54%
	55	.67%

SUMMARY OF ASSUMPTIONS
(Continued)

Termination Assumptions: Voluntary withdrawal rates are derived from the 1981-86 termination experience study.

ALL MEMBERS

Duration	1 yr.	27.5%
	5 yr.	11.8%
	10 yr.	5.8%
	15 yr.	1.7%
	20 yr.	1.3%
	25 yr.	1.1%

Furthermore, for members terminating with ten (10) or more years of service, it is assumed that 80% will not withdraw their accumulated employee contributions.

Retirement Assumptions: Retirement rates were projected based upon the 1981-86 experience study.

ALL MEMBERS

Age	50	43%	Age	60	32%
	51	42%		61	27%
	52	42%		62	27%
	53	42%		63	27%
	54	42%		64	27%
	55	47%		65	44%
	56	34%		66	32%
	57	32%		67	32%
	58	32%		68	32%
	59	32%		69	42%
				70	50%

ACTUARIAL VALUATION BALANCE SHEET

	<u>June 30, 1999</u>	<u>June 30, 1998</u>
<u>ASSETS</u>		
Present Assets Creditable To:		
Members' Savings Account	\$ 1,067,537,624	\$ 1,008,590,723
Annuity Reserve Account	<u>4,020,221,828</u>	<u>3,678,417,049</u>
TOTAL PRESENT ASSETS	\$ 5,087,759,452	\$ 4,687,007,772
Present Value Of Prospective Contributions Payable To:		
Members' Savings Account	\$ 1,062,680,399	\$ 1,061,229,792
Annuity Reserve Account		
Normal	921,965,383	885,634,313
Accrued Liability	<u>2,678,614,057</u>	<u>2,547,205,444</u>
TOTAL PROSPECTIVE CONTRIBUTIONS	\$ 4,663,259,839	\$ 4,493,069,549
TOTAL ASSETS	\$ 9,751,019,291	\$ 9,180,077,321

LIABILITIES

Present Value Of Prospective Benefits Payable On Account Of:		
Current Retiree Members	\$ 3,955,312,504	\$ 3,615,235,856
Current Active Members	5,730,797,463	5,501,660,272
Deferred Vested & Reciprocal Members	<u>64,909,324</u>	<u>63,181,193</u>
TOTAL LIABILITIES	\$ 9,751,019,291	\$ 9,180,077,321

SUMMARY OF UNFUNDED ACTUARIAL LIABILITIES/SALARY TEST
(Dollar Amounts in Millions)

VALUATION DATE	(1)	(2)	(3)	ACTUARIAL VALUATION ASSETS	PORTION OF ACTUARIAL ACCRUED LIABILITIES COVERED BY ASSETS		
	ACTIVE MEMBER CONTRIBUTION	RETIREES TERM.VESTED INACTIVE	ACTIVE MEMBERS EMPLOYER FIN. PORTION		(1)	(2)	(3)
1990	615.4	2,108.2	1,486.4	2,321.2	100%	78%	0%
1991	674.2	2,173.4	1,651.6	2,516.7	100%	83%	0%
1992	728.9	2,335.7	1,819.8	2,802.7	100%	95%	0%
1993	790.6	2,370.6	1,962.2	3,044.7	100%	89%	0%
1994	839.2	2,571.9	1,992.3	3,347.6	100%	93%	0%
1995	886.9	2,697.3	1,785.1	3,665.9	100%	93%	0%
1996	903.6	2,746.8	2,604.0	4,114.5	100%	94%	0%
1997	938.2	2,862.4	2,688.8	4,537.9	100%	97%	0%
1998	1,008.5	3,678.4	2,261.1	5,099.7	100%	100%	8%
1999	1,067.5	4,020.1	2,495.0	5,574.9	100%	100%	19%

SUMMARY OF ACTUARIAL AND UNFUNDED ACTUARIAL LIABILITIES
(Dollar Amounts in Millions)

VALUATION DATE	ACTUARIAL ACCRUED LIABILITIES	ACTUARIAL VALUATION ASSETS	RATIO OF ASSETS TO AAL	UNFUNDED AAL	ACTIVE MEMBER PAYROLL	UNFUNDED AAL AS A % OF ACTIVE PAYROLL
1990	4,210.1	2,321.3	55.1	1,888.8	1,226.1	154.1
1991	4,499.3	2,516.7	55.9	1,982.6	1,368.5	144.9
1992	4,884.5	2,802.6	57.4	2,081.8	1,454.4	143.1
1993	5,123.4	3,044.7	59.4	2,078.7	1,504.1	138.2
1994	5,403.4	3,347.6	61.9	2,055.8	1,546.4	132.9
1995	5,696.9	3,665.9	64.3	2,031.0	1,547.9	131.2
1996	6,254.4	4,114.5	65.8	2,139.9	1,584.4	135.1
1997	6,489.3	4,537.9	69.9	1,951.4	1,607.4	121.5
1998	6,953.0	5,067.8	72.9	1,885.3	1,653.8	114.0
1999	7,582.8	5,574.9	73.5	2,007.8	1,736.9	115.6

UAAL differs from the UFAL for funding purposes. UFAL for funding purposes excludes Texaco Settlement Fund Assets.

STATISTICAL DATA

**Comparative Summary of Actuarial Values and
Percentage Covered by Net Assets Available for Benefits
(in million of dollars)**

Actuarial Present Value of Credited Projected Benefits* for

Fiscal Year	(1)	(2)	(3)	(4)	Net Assets Available for Benefits	Percentage Covered By Net Assets			
	Retirees and Survivors	Terminated Vested Members	Current Member Contr.	Actives Empl'yr. Contr.		(1)	(2)	(3)	(4)
1988	2017.7	34.6	539.1	1,253.8	2019.8	100.0	6.1	0.0	0.0
1989	2164.7	23.8	574.3	1,259.1	2173.4	100.0	100.0	36.6	0.0
1990	2088.0	20.2	615.4	1,486.4	2321.2	100.0	100.0	34.6	0.0
1991	2155.5	17.9	674.2	1,651.6	2516.7	100.0	100.0	50.9	0.0
1992	2307.6	28.1	728.9	1,819.8	2802.7	100.0	100.0	64.1	0.0
1993	2340.3	30.3	790.6	1,962.2	3044.7	100.0	100.0	85.3	0.0
1994	2536.3	35.6	839.2	1,992.3	3347.6	100.0	100.0	92.4	0.0
1995	2651.2	46.1	886.9	1,785.1	3665.9	100.0	100.0	91.6	0.0
1996	2697.0	49.8	903.6	2,604.0	4114.5	100.0	100.0	100.0	17.8
1997	2808.5	53.9	938.2	2,688.8	4537.9	100.0	100.0	100.0	27.4
1998	2929.3	63.2	938.7	2,892.9	5067.8	100.0	100.0	100.0	37.7
1999	3191.9	64.8	1067.5	3,258.6	5574.9	100.0	100.0	100.0	38.4

* Actuarial Present Value of Credited Projected Benefits were calculated beginning with the June 30, 1987 Actuarial Valuation in accordance with The National Council on Governmental Accounting Standard No. 6.

RECONCILIATION OF UNFUNDED ACTUARIAL LIABILITIES
(Dollar Amounts in Thousands)

	FISCAL YEAR ENDING			
	1999	1998	1997	1996
Unfunded Actuarial Liability: at beginning of Fiscal Year (7/1)	\$ 1,981,016	\$ 2,036,172	\$ 2,213,565	\$ 2,084,281
Interest on Unfunded Liability	163,434	167,984	182,619	171,953
Investment Experience (gains) decreases UAL	(239,142)	(209,121)	(232,460)	(147,681)
Plan Experience (gains) decreases UAL	212,212	12,343	(123,738)	144,751
Employer Amortization Payments (payments) decreases UAL	(116,285)	(120,012)	(124,252)	(115,084)
Employer Contribution Variance (excess contributions) decreases UAL	(4,655)	(10,909)	3,429	1,505
Experience Account Allocation (allocations) decreases UAL	119,571	104,560	116,230	73,840
OTHER - Miscellaneous gains and losses from transfers or Acts of the Legislature	0	0	778	0
Unfunded Actuarial Liability at end of Fiscal Year (6/30)	\$ 2,116,151	\$ 1,981,016	\$ 2,036,172	\$ 2,213,565

AMORTIZATION OF UNFUNDED ACTUARIAL ACCRUED LIABILITY
JUNE 30, 1999

DATE 6/30	DESCRIPTION	AMTZ. METHOD	AMTZ. PERIOD	INITIAL LIABILITY	YEARS REMAIN	REMAINING BALANCE	MID-YEAR PAYMENT
1993	Initial Liability	I	36	\$ 2,155,232,774	30	\$ 2,548,205,775	\$ 136,212,913
1993	Change in Liability	I	36	(219,552,151)	30	(259,584,053)	(14,333,538)
1993	Change in Liability	I	36	105,002,368	30	124,147,908	6,855,116
1993	Change in Liability	I	36	47,088,257	30	55,674,064	3,074,173
1992	Legislative COLA	L	12	66,577,000	5	35,497,384	8,601,429
1993	Change in Liability	I	36	1,651,904	30	1,953,103	107,845
1993	Change in Liability	I	36	(67,422,552)	30	(79,716,000)	(4,401,705)
1994	Change in Liability	I	35	(48,680,987)	30	(55,862,304)	(3,084,567)
1995	Change in Liability	I	34	(57,826,272)	30	(64,449,081)	(3,558,706)
1996	Change in Liability	I	33	70,910,540	30	76,818,940	4,241,737
1997	Change in Liability	I	32	(239,190,250)	30	(252,071,570)	(13,918,719)
1998	Change in Liability	I	31	(92,217,582)	30	(94,623,511)	(5,224,857)
1999	Change in Liability	I	30	92,641,287	30	<u>92,641,287</u>	<u>5,115,404</u>
TOTAL OUTSTANDING BALANCE						\$ 2,128,631,942	\$ 119,686,525

EMPLOYERS' CREDIT BALANCE

1995	Contribution Variance	L	5	(7,118,810)	1	(\$ 1,657,936)	(\$ 1,724,970)
1996	Contribution Variance	L	5	1,504,500	2	674,077	364,558
1997	Contribution Variance	L	5	3,429,831	3	2,218,378	831,088
1998	Contribution Variance	L	5	(10,909,927)	4	(9,059,506)	(2,643,602)
1999	Contribution Variance	L	5	(4,655,857)	5	<u>(4,655,857)</u>	<u>(1,128,168)</u>
TOTAL CREDIT BALANCE						(\$ 12,480,844)	(\$ 4,301,094)

TOTAL UNFUNDED ACTUARIAL ACCRUED LIABILITY \$ 2,116,151,098

* **Note:** LSU and Unfunded Judges equals 3.192635% of the Initial Liability mid-year payment. The appropriation is \$4,492,201. Effective July 1, 1992, Amortization Periods changed in accordance with Act 257.

MEMBERSHIP DATA

Data regarding the membership of the System for valuation were furnished by the System.

<u>Active Members</u>	<u>— 1999 —</u>		<u>— 1998 —</u>	
	<u>Census*</u>	<u>Avg. Sal.</u>	<u>Census*</u>	<u>Avg. Sal.</u>
Regular Members	61,574	\$ 25,403	62,993	\$ 23,677
Legislators	78	35,258	84	32,702
Judges	316	87,100	333	87,995
Wildlife Agents	219	29,806	186	27,532
Corrections	<u>5,493</u>	<u>19,997</u>	<u>5,868</u>	<u>18,532</u>
TOTAL	67,680	\$ 25,277	69,464	\$ 23,809

*Census total represents total membership count excluding errors for insufficient salary data.

Valuations salaries were \$1,736,963,422 for 1999 and \$1,653,863,410 for 1998.

<u>Inactive Members</u>	<u>1999</u> <u>Census</u>	<u>1998</u> <u>Census</u>
Due Refunds	24,397	23,451
Vested & Reciprocals	1,027	1,094

<u>Annuitants and Survivors</u>	<u>— 1999 —</u>		<u>— 1998 —</u>	
	<u>Census</u>	<u>Avg. Annual</u> <u>Annuities</u>	<u>Census</u>	<u>Avg. Annual</u> <u>Annuities</u>
Retirees	23,124	\$ 13,924	22,314	\$ 13,313
Disabilities	1,146	9,507	1,110	9,105
Survivors	5,013	9,491	4,902	9,114
DROP	<u>2,316</u>	<u>19,624</u>	<u>2,766</u>	<u>19,296</u>
TOTAL	31,599	\$ 13,479	31,092	\$ 13,033

HISTORICAL MEMBERSHIP DATA

History of Active Membership Data
for Last 10 years

<u>YEAR ENDED 6/30</u>	<u>NUMBER OF ACTIVE MEMBERS</u>	<u>PERCENTAGE CHANGE IN MEMBERSHIP</u>	<u>ANNUAL ACTIVE MEMBER PAYROLL</u>	<u>PERCENTAGE CHANGE IN PAYROLL</u>
1990	66,711	6.63%	1,226,065	7.6%
1991	70,927	6.31%	1,368,480	4.5%
1992	67,798	(4.41%)	1,454,371	2.3%
1993	68,463	.98%	1,504,147	(.2%)
1994	68,966	.73%	1,546,465	1.0%
1995	66,628	(3.39%)	1,547,977	0.0%
1996	69,680	4.58%	1,584,537	2.5%
1997	69,444	(.34%)	1,607,371	3.7%
1998	69,949	.73%	1,653,863	3.7%
1999	67,680	(3.24%)	1,736,963	5.0%

History of Annuitants and Survivor Annuitant Membership
For Last 10 Years

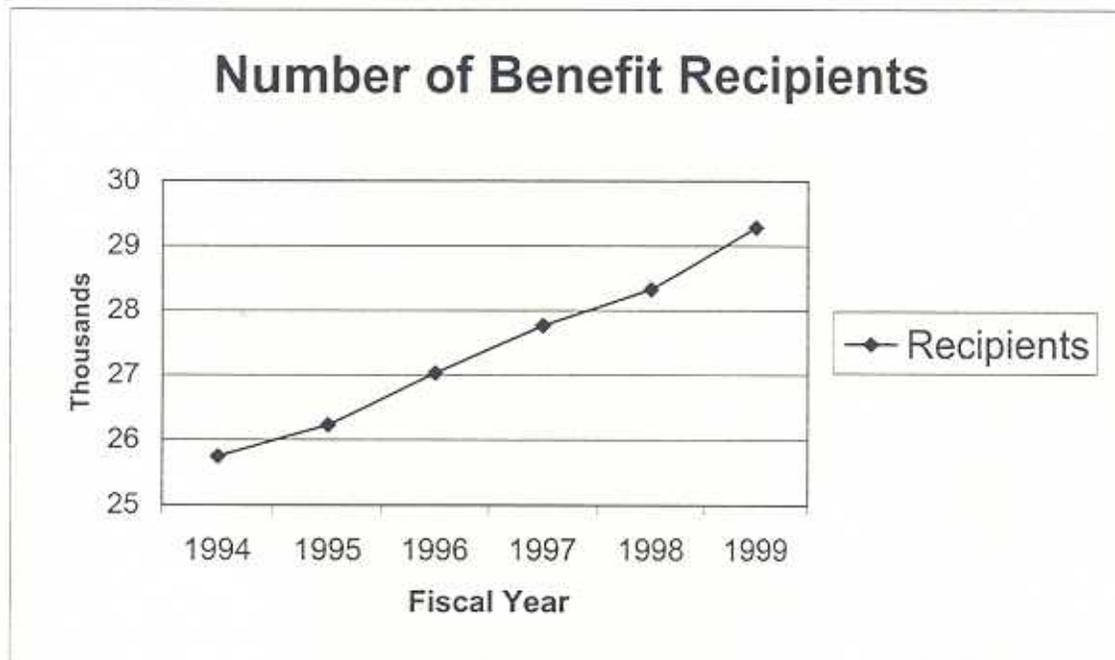
<u>YEAR ENDED 6/30</u>	<u>NUMBER OF ANNUITANTS*</u>	<u>ADDITIONS</u>	<u>DELETIONS</u>	<u>PERCENTAGE CHANGE IN MEMBERSHIP</u>	<u>ANNUAL ANNUITIES</u>	<u>PERCENTAGE CHANGE IN ANNUITIES</u>
1990	24,920	804	785	.08%	234,067	4.69%
1991	25,475	717	162	2.23%	240,622	5.93%
1992	26,140	998	333	2.61%	250,766	10.31%
1993	26,408	1,396	1,128	1.03%	261,823	4.56%
1994	28,165	1,640	117	6.65%	275,503	4.24%
1995	29,214	1,701	652	3.72%	288,642	13.50%
1996	30,350	2,699	1,563	3.89%	317,340	5.50%
1997	31,358	2,153	1,145	3.32%	340,053	7.20%
1998	31,092	2,040	1,212	2.64%	359,626	5.80%
1999	31,599	1,515	1,008	1.63%	380,452	5.80%

*Includes DROP participants (Deferred Retirement Option Plan).

STATISTICAL SECTION

NUMBER OF REGULAR RETIREES, DISABILITY RETIREES, AND SURVIVORS RECEIVING BENEFITS

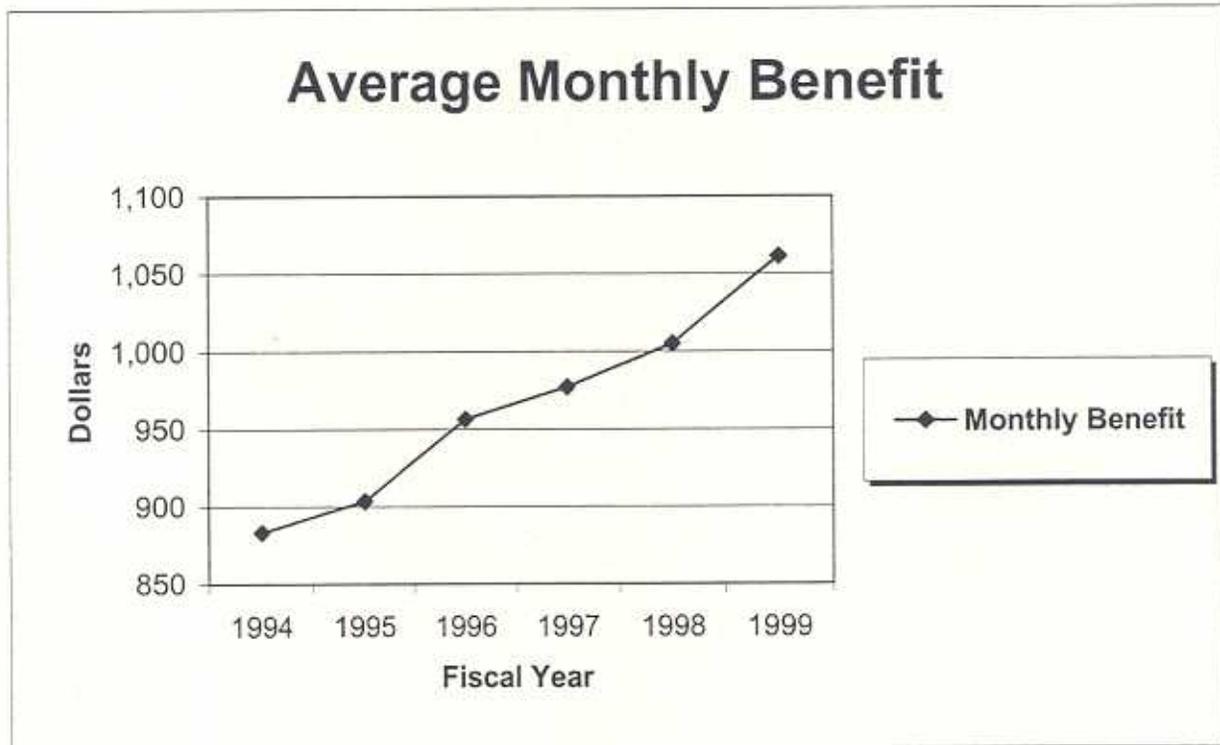
<u>Fiscal Year</u>	<u>Recipients</u>	<u>Percent Increase</u>
1994	25,745	1.8%
1995	26,224	1.9%
1996	27,028	3.1%
1997	27,766	2.7%
1998	28,326	2.0%
1999	29,283	3.4%



AVERAGE MONTHLY RETIREMENT BENEFIT

(DOES NOT INCLUDE DROP OR IBO)

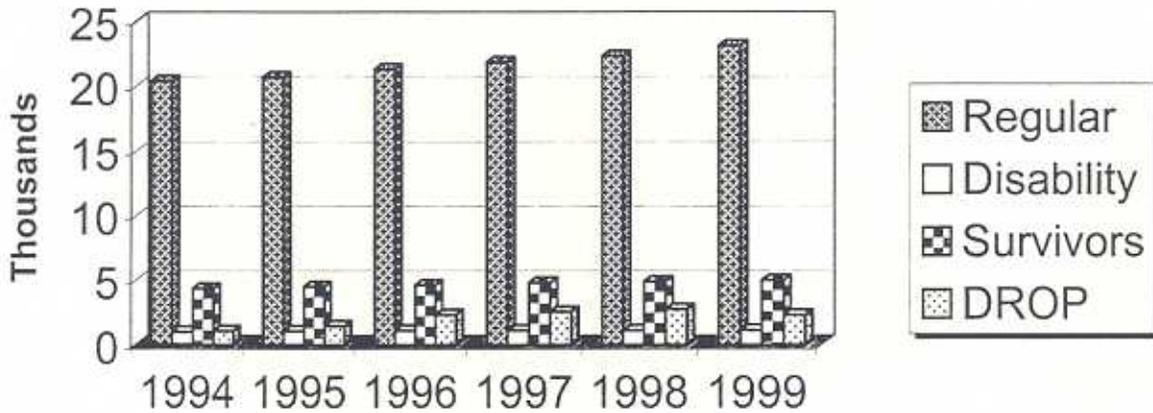
<u>FISCAL YEAR</u>	<u>AVERAGE MONTHLY BENEFIT</u>	<u>% INCREASE EACH YEAR</u>
1994	883	3.3%
1995	903	2.3%
1996	956	5.9%
1997	977	2.2%
1998	1,005	2.9%
1999	1,061	5.6%



SCHEDULE OF RETIRED MEMBERS BY TYPE OF BENEFIT

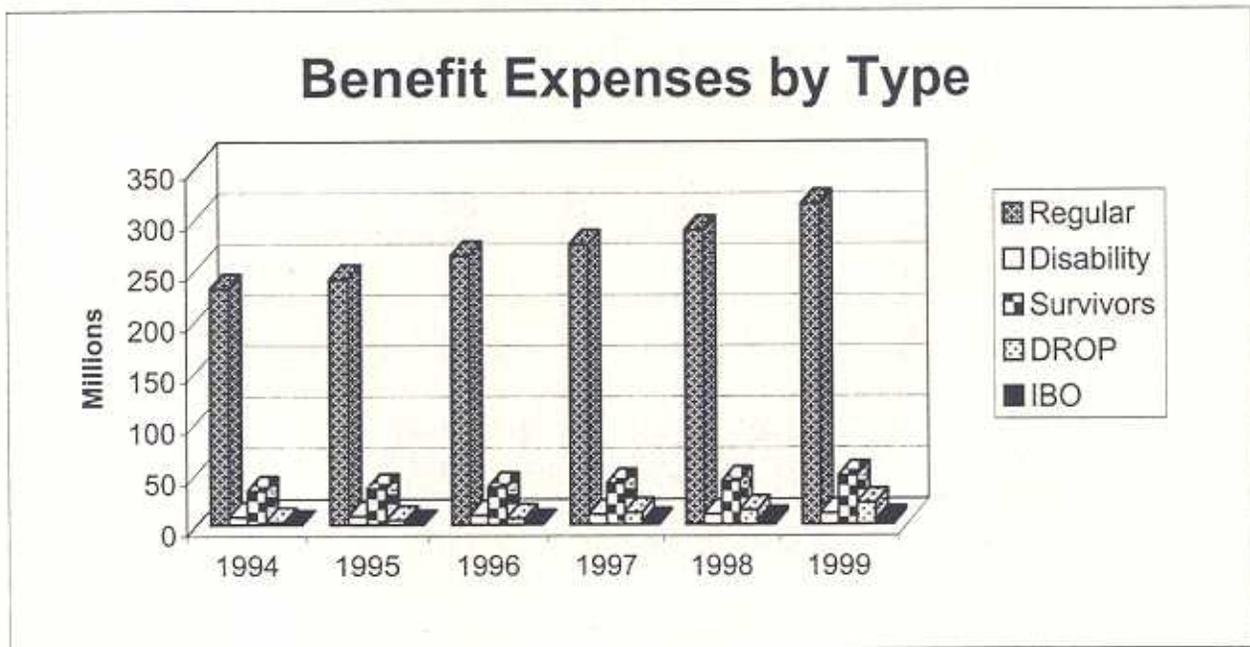
Fiscal Year				Deferred	Total
	Regular	Disability	Survivors	Retirement	
1994	20,407	994	4,344	1,072	26,817
1995	20,671	1,056	4,497	1,453	27,677
1996	21,297	1,111	4,620	2,320	29,348
1997	21,839	1,119	4,808	2,562	30,328
1998	22,314	1,110	4,902	2,766	31,092
1999	23,124	1,146	5,013	2,316	31,599

Retired Members By Type of Benefit



SCHEDULE OF BENEFIT EXPENSES BY TYPE

Fiscal Year	Regular	Disability	Survivors	Deferred Retirement Option	Initial Benefit Option	Total
1994	231,673,706	7,722,158	33,480,651	2,626,766		275,503,281
1995	240,636,381	8,381,662	35,294,322	4,329,505		288,641,870
1996	263,839,079	9,337,216	37,011,290	6,416,194	736,336	317,340,115
1997	274,892,988	10,117,627	40,556,909	12,078,910	2,406,144	340,052,578
1998	288,751,938	10,231,165	42,636,115	14,360,258	3,646,350	359,625,826
1999	314,204,979	10,847,726	47,822,486	21,150,812	3,940,402	397,966,405



**SCHEDULES OF REVENUES BY SOURCE AND EXPENSES BY TYPE
FOR THE SIX YEARS ENDED JUNE 30, 1999**

REVENUES BY SOURCE

Fiscal Year	Member Contributions	(1) Employer Contributions	Net Investment Income (3)	Other Income	Total	(2) Annual Covered Payroll	Percentage (1)/(2)
1994	\$ 118,255,907	\$ 183,608,465	\$ 266,111,985	\$ 44,061,226*	\$ 612,037,583	\$ 1,546,464,828	11.9
1995	123,370,058	191,640,907	481,039,324**	25,949,910*	822,000,199	1,610,375,003	11.9
1996	126,073,816	197,456,874	543,499,808**	39,518,719*	906,549,217	1,645,266,843	12.0
1997	126,793,791	204,985,747	735,749,729**	8,903,383	1,076,432,650	1,653,141,267	12.4
1998	129,724,456	219,680,934	605,216,464**	10,177,305	964,799,159	1,689,840,364	13.0
1999	135,479,230	218,929,941	470,204,749**	9,175,049	833,788,969	1,765,389,858	12.4

EXPENSES BY TYPE

Fiscal Year	Benefits	Refunds	Administrative	Other	Total	Investment Expenses(3)
1994	\$ 275,503,281	\$ 23,955,748	\$ 4,787,926	\$ 936,570	\$ 305,183,525	\$ 8,358,479
1995	288,641,870	25,072,191	4,740,662	1,724,916	320,179,639	9,006,271
1996	317,340,115	27,222,153	4,390,986	2,067,946	351,021,200	13,318,452
1997	340,052,578	28,945,409	4,531,467	2,242,443	375,771,897	15,143,892
1998	359,625,826	32,156,373	6,703,504	2,501,942	400,987,645	17,162,772
1999	397,966,405	31,851,567	6,011,305	2,778,585	438,607,862	16,071,796

*Includes a payment from the State Treasurer as a result of a settlement of Texaco litigation.

** GASB 25 was adopted in 1996 and applied retroactively to July 1, 1994. As a result, investment income includes net appreciation (depreciation) in fair value of investments for 1995 through 1999, which can create significant fluctuations. Prior to 1995, the actuary's report reflects investment-counseling expenses as a reduction of investment income, which differs from the financial statements that reflect such fees in investment expenses.

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