

INVESTMENT SECTION

JULY 1, 1998 - JUNE 30, 1999  
SUMMARY OF DETAIL ANALYSIS OF INVESTMENTS  
AND RELATED INCOME (AUDITED)

No.	INVESTMENTS	MARKET VALUE 6/30/98	MARKET VALUE 6/30/99	MARKET % OF TOTAL ASSETS 6/30/99	98/99 GAIN (LOSS) AS A % OF TOTAL NET REALIZED/ UNREALIZED GAIN (LOSS)		98/99 NET REALIZED/ UNREALIZED GAIN (LOSS) AS A % OF MARKET VALUE 6/30/99	
					1998/1999 NET REALIZED/ UNREALIZED GAIN (LOSS)	1998/1999 NET REALIZED/ UNREALIZED GAIN (LOSS)	1998/1999 NET REALIZED/ UNREALIZED GAIN (LOSS)	1998/1999 NET REALIZED/ UNREALIZED GAIN (LOSS)
SEC. 14	Common & Preferred Stock (Publicly Traded)	\$1,344,013,668.14	\$1,467,846,948.82	51.578%	79.716%	\$206,583,968.30	14.07%	
SEC. 15	Mutual Funds/Diversified	56,870,824.89	58,396,256.15	2.052%	0.589%	1,525,431.26	2.61%	
SEC. 16	Insurance Company	2,566,646.96	0.00	0.000%	0.048%	123,398.39		
SEC. 17	Debt/Obligations	603,021,077.55	511,930,104.30	17.989%	1.954%	5,064,155.92	0.99%	
SEC. 19	Equity-Real/Personal	88,463,372.70	113,294,584.83	3.981%	3.357%	8,700,778.77	7.68%	
SEC. 20	Mortgages	138,260,753.66	160,524,657.63	5.641%	5.168%	13,391,545.82	8.34%	
SEC. 20a	Small Bus. Investment-MI	24,456,717.33	21,237,506.22	0.746%	0.421%	1,091,271.64	5.14%	
SEC. 20d	Basket Clause	138,753,634.68	214,232,715.13	7.528%	6.102%	15,813,916.48	7.38%	
SEC. 20k	Foreign Securities	372,195,100.32	353,490,359.04	12.421%	2.645%	6,854,593.44	1.94%	
<b>TOTAL INVESTMENTS</b>		<b>\$2,768,601,796.23</b>	<b>\$2,900,953,132.12</b>	<b>101.936%</b>	<b>100.000%</b>	<b>\$259,149,060.02</b>	<b>8.93%</b>	
	Cash	16,744,206.88	4,835,682.14	0.170%				
	Accounts Receivable	518,103,209.55	389,275,633.76	13.679%				
	Accounts Payable	(573,921,800.52)	(449,201,621.89)	(15.784%)				
<b>TOTAL NET ASSETS</b>		<b>\$2,729,527,412.14</b>	<b>\$2,845,862,826.13</b>	<b>100.000%</b>				
	Less: Investment Expenses					11,372,274.30		
	Investment Income Before Administrative Expenses					247,776,785.72		
	Less: Administrative Expenses					3,515,559.46		
<b>NET INVESTMENT INCOME</b>						<b>\$244,261,226.26</b>		

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INVESTMENTS

SECTION No.	INVESTMENTS	ESTIMATED MARKET VALUE 6/30/98	ESTIMATED MARKET VALUE 6/30/99	1998-1999 NET REALIZED/UNREALIZED GAIN (LOSS)
<b>14</b>	<b>Stock (Publicly Traded)</b>			
	Common & Preferred	1,328,490,422.99	1,451,803,976.84	206,064,241.47
	Mesirow Arbitrage Trust	15,523,245.15	16,042,971.98	519,726.83
	<b>Total Section 14</b>	<b>1,344,013,668.14</b>	<b>1,467,846,948.82</b>	<b>206,583,968.30</b>
<b>15</b>	<b>Mutual Funds/Bonds</b>			
	TransAmerica T-2	56,870,824.89	58,396,256.15	1,525,431.26
	<b>Total Section 15</b>	<b>56,870,824.89</b>	<b>58,396,256.15</b>	<b>1,525,431.26</b>
<b>16</b>	<b>Insurance Company</b>			
<b>B</b>	<b>General Accounts</b>			
	GIC's	2,566,646.96	0.00	123,398.39
	<b>Total Section 16</b>	<b>2,566,646.96</b>	<b>0.00</b>	<b>123,398.39</b>
<b>17</b>	<b>Debt/Obligations</b>			
	Bonds & Notes (Held by Custodians)	378,274,338.41	253,565,718.92	(9,086,641.89)
	Short Term	110,724,456.58	134,444,558.38	15,241,086.86
	Mortgage Back Securities	114,022,282.56	123,919,827.00	(1,252,805.51)
	Towers Financial	0.00	0.00	162,516.46
	<b>Total Section 17</b>	<b>603,021,077.55</b>	<b>511,930,104.30</b>	<b>5,064,155.92</b>

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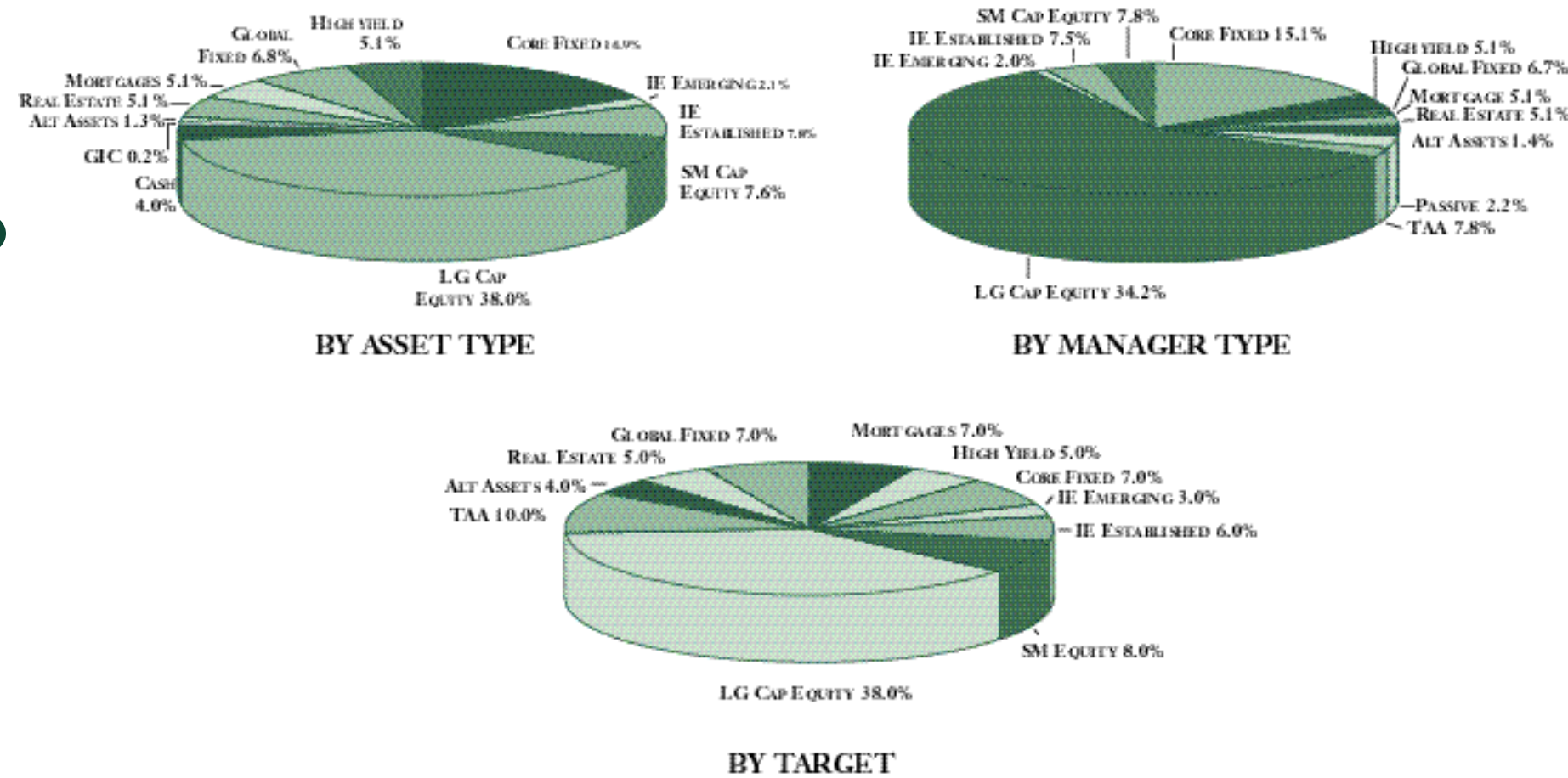
SECTION No.	INVESTMENTS	ESTIMATED MARKET VALUE 6/30/98	ESTIMATED MARKET VALUE 6/30/99	1998-1999 NET REALIZED/UNREALIZED GAIN (LOSS)
<b>19</b>	<b>Equity - Real &amp; Personal</b>			
(1)	J. Hancock Apt. Fund	4,699,433.99	1,745,622.00	458,607.42
	J. Hancock Acre	1,292,084.01	32,288.95	1,104.94
	New England	1,850,799.83	1,228,528.29	(26,796.54)
	<b>Total Section 19 (1)</b>	<b>7,842,317.83</b>	<b>3,006,439.24</b>	<b>432,915.82</b>
(2)	<b>Including 501 (C) 25 Corps:</b>			
	-Unleveraged:			
	Equity Direct	74,803,143.02	80,756,481.03	4,889,555.30
	-Leveraged:			
	CAP-Bank West	0.00	6,503,629.00	(50,693.33)
	<b>Limited Partnerships:</b>			
	Walton Street	3,155,682.73	6,298,093.04	973,667.79
	Westbrook	0.00	4,711,969.00	350,541.00
	Lend Lease (ERE Yarmouth)	0.00	11,746,075.13	455,362.39
	<b>Trusts:</b>			
	M.I. Fund I	407,343.48	22,330.66	246,542.74
	M.I. Fund II	24,884.59	75,579.92	50,695.33
	M.I.S.S.I.	43,982.85	41,654.75	(2,328.10)
	M.I. Fund III	2,111,296.15	132,333.06	1,358,311.69
	Stonemark Equity	74,722.05	0.00	(3,791.86)
	<b>Total Section 19 (2)</b>	<b>80,621,054.87</b>	<b>110,288,145.59</b>	<b>8,267,862.95</b>
	<b>Total Section 19 (1) &amp; (2)</b>	<b>88,463,372.70</b>	<b>113,294,584.83</b>	<b>8,700,778.77</b>
<b>20</b>	<b>Mortgages</b>			
	Direct & Participating	81,704,310.49	93,151,311.60	7,553,864.85
	Construction Loans	16,556,443.17	27,373,346.03	1,837,680.96
	Midland-Mahgt (Trust)	40,000,000.00	40,000,000.00	4,000,000.01
	<b>Total Section 20</b>	<b>138,260,753.66</b>	<b>160,524,657.63</b>	<b>13,391,545.82</b>

INVESTMENTS CON'T

SECTION No.	INVESTMENTS	ESTIMATED MARKET VALUE 6/30/98	ESTIMATED MARKET VALUE 6/30/99	1998-1999 NET REALIZED/UNREALIZED GAIN (LOSS)
<b>20</b>	<b>Small Business Investment</b>			
a	American Rehab	273,137.70	343,137.70	0.00
	Detroit Center Tool	19,870,000.00	9,870,000.00	169,246.58
	Metropolitan Realty	2,267,388.63	1,464,888.64	(627,344.80)
	Peninsula Capital	0.00	2,500,000.00	0.00
	Princeton Capital	0.00	998,674.88	1,542.86
	Windpoint Partners	2,046,191.00	6,060,805.00	1,547,827.00
	<b>Total Section 20a</b>	<b>24,456,717.33</b>	<b>21,237,506.22</b>	<b>1,091,271.64</b>
<b>20</b>	<b>Miscellaneous</b>			
d	Credit Suisse	138,433,931.06	147,099,794.46	12,247,443.87
	Mount Lucas	0.00	11,885,617.93	698,506.66
	Scudder, Steven & Clark	0.00	7,053,730.34	496,675.36
	Loomis, Sayles & Co.	0.00	15,190,695.00	833,935.37
	John Hancock	0.00	6,257,293.77	438,512.11
	Reams Asset Management	0.00	21,131,965.00	1,454,585.04
	MHR Fund	319,703.62	897,372.54	(307,036.52)
	Life Care Communities	0.00	980,000.00	74,350.00
	Greenwich Street	0.00	3,736,246.09	(123,055.40)
	<b>Total Section 20d</b>	<b>138,753,634.68</b>	<b>214,232,715.13</b>	<b>15,813,916.48</b>
<b>20</b>	<b>Foreign Securities</b>			
k	Foreign Stocks	254,053,286.98	269,594,302.52	(3,361,297.01)
	Foreign Bonds	118,141,813.34	83,896,056.52	10,215,890.45
	<b>Total Section 20k</b>	<b>372,195,100.32</b>	<b>353,490,359.04</b>	<b>6,854,593.44</b>
	<b>TOTAL ASSETS</b>	<b>2,768,601,796.23</b>	<b>2,900,953,132.12</b>	<b>259,149,060.02</b>

**ASSET ALLOCATION**  
AS OF 6/30/99

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INVESTMENT MANAGERS

**ATLANTA CAPITAL MANAGEMENT** ..... \$ 124.5M  
**ATLANTA, GEORGIA**  
Manages an equity portfolio across all capitalization ranges.

**BANK OF IRELAND** ..... \$ 144.8 M  
**GREENWICH, CONNECTICUT**  
Manages an International equity portfolio using a combination of bottom-up stock selection and top-down thematic selection.

**BANKERS TRUST** ..... \$ 289.8 M  
**NEW YORK, NEW YORK**  
Manages an investment portfolio using a Tactical Asset Allocation process which attempts to anticipate the direction of stock and bond prices and shift assets accordingly. .... \$ 227.0 M  
Manages a small cap growth portfolio using a disciplined management approach which enables them to identify and invest in high potential emerging growth companies before their earnings growth potential is recognized by the majority of the investment community. .... \$ 62.8 M

**BARING ASSET MANAGEMENT** ..... \$ 78.1 M  
**LONDON, U.K.**  
Manages a global fixed income portfolio using a decision making process which is structured to add value from decisions on currency, maturity and duration.

**BLACKROCK FINANCIAL MANAGEMENT**  
**NEW YORK, NEW YORK**  
A cash management firm which adds incremental value to the Board's short-term cash portfolio by sector rotation and individual security selection. Not an interest rate forecaster.

**THE BOSTON COMPANY** ..... \$ 133.5 M  
**LOS ANGELES, CALIFORNIA**  
Manages a portfolio of equities where the approach is value-oriented and firmly rooted in detailed fundamental analysis.

**CAPOZZOLI ADVISORY FOR PENSIONS, INC.** ..... \$ 93.1 M  
**FARMINGTON, MICHIGAN**  
Performance based real estate advisor. Areas of expertise are commercial office buildings, retail shopping centers, and multi-family apartments.

**CITIBANK, N.A.** ..... \$ 62.1 M  
**NEW YORK, NEW YORK**  
Manages a portfolio of emerging market equities using a combination top-down/bottom up core investment process that attempts to seek out undervalued securities across emerging markets.

**CREDIT SUISSE** ..... \$ 147.1 M  
**NEW YORK, NEW YORK**  
Manages a high yield fixed income portfolio using sector analysis and in-depth credit analysis to find undervalued situations.

**GLOBALT, INC.** ..... \$ 123.3 M  
**ATLANTA, GEORGIA**  
Manages a large cap growth equity portfolio that focuses on U. S. companies with significant exposure to global opportunities.

**JOHN HANCOCK** ..... \$ 56.8 M  
**BOSTON, MASSACHUSETTS**  
Manages a bond portfolio which seeks to maximize returns by investing in a broad universe of industry sectors.

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## INVESTMENT MANAGERS CON'T

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**HEARTLAND ADVISORS, INC.** ..... \$ 38.1 M  
**MILWAUKEE, WISCONSIN**

Manages a small cap value equity portfolio that utilizes a bottom-up investment approach for security selection. They try to minimize risk by limiting issues to 5% of the portfolio and limiting sector weights to 15%.

**HLM MANAGEMENT COMPANY**..... \$ 53.0 M  
**BOSTON, MASSACHUSETTS**

Manages a bottom-up small cap growth portfolio attempting to identify companies with rapid earnings growth prospects and proprietary product franchises.

**LAZARD ASSET MANAGEMENT**..... \$ 53.1 M  
**NEW YORK, NEW YORK**

Manages a global fixed income portfolio employing a bottom-up investment philosophy for global fixed income by emphasizing strategic allocation to nontraditional sectors and security selection.

**LAZARD FRERES ASSET MANAGEMENT** ... \$ 73.5 M  
**NEW YORK, NEW YORK**

Manages a small cap equity portfolio that relies on the premise that consistent analysis of historical financial data is infinitely more valuable than forecasting future earnings.

**LOOMIS, SAYLES & COMPANY** .... \$ 146.5 M EQUITY  
**BLOOMFIELD HILLS, MICHIGAN**..... \$ 98.8 M FIXED

Manages equities and fixed income using a value oriented, broadly diversified equity style and a broadly diversified, corporate concentration fixed income style.

**MACKAY SHIELDS** ..... \$ 234.1 M  
**NEW YORK, NEW YORK**

Manages a large cap growth portfolio that uses a process that combines quantitative discipline and sound fundamental judgment into a strict investment policy.

**MIDLAND MORTGAGE INVESTMENT CORPORATION** ..... \$ 83.4 M  
**CLEARWATER, FLORIDA**

A real estate advisor who specializes in multifamily and commercial construction loans and intermediate and long-term mortgages. Management style is very conservative and focuses on specialized market segments.

**MIG COMPANIES** ..... \$ 44.1 M  
**WEST PALM BEACH, FLORIDA**

A real estate advisor who provides investment and asset management services. Investment philosophy is based on in-depth research to target optimum markets and belief in active rather than passive management strategies.

**MOUNT LUCAS** ..... \$ 11.9 M  
**PRINCETON, NEW JERSEY**

A managed futures account investing in commodities such as currencies, interest rates, grain and petroleum. The account uses no leverage.

**NCM CAPITAL MANAGEMENT GROUP, INC.** ..... \$ 31.4 M  
**DURHAM, NORTH CAROLINA**

Manages a fixed income portfolio using conservative, passive management. Seeks to enhance portfolio returns while reducing volatility, thereby reducing risk.

## INVESTMENT MANAGERS CON'T

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**OPPENHEIMER CAPITAL** ..... \$ 151.3 M  
**NEW YORK, NEW YORK**

An equity advisor whose investment objectives are: 1) to preserve assets-particularly in falling markets, 2) to manage risk, and 3) to generate returns superior over the long term.

**REAMS ASSET MANAGEMENT** ..... \$ 114.1 M  
**COLUMBUS, INDIANA**

Manages a bond portfolio which seeks to maximize returns by identifying undervalued sectors of the bond market.

**SCUDDER, STEVENS & CLARK, INC.** ..... \$ 81.2 M  
**CINCINNATI, OHIO**

A fixed income advisor with an actively managed fixed income approach based on the outlook for interest rates and sector analysis.

**STATE STREET GLOBAL ADVISORS** ..... \$ 59.3 M  
**BOSTON, MASSACHUSETTS**

Manages a S&P 500 index fund.

**STRATEGIC FIXED INCOME** ..... \$ 65.1 M  
**ARLINGTON, VIRGINIA**

Manages a global fixed income portfolio using an integrated approach, combining fundamental macroeconomic analysis and technical price analysis in a disciplined manner.

**TRANSAMERICA INVESTMENT SERVICES** .. \$ 58.4 M  
**LOS ANGELES, CALIFORNIA**

Specializes in active fixed income management and strives for superior returns by employing a research-driven approach to seek undervalued quality bonds which fall within specific maturity guidelines.

**TT INTERNATIONAL** ..... \$ 72.7 M  
**LONDON, U.K.**

Manages an international equity portfolio, considering the country selection first then companies.

**WILMOCO CAPITAL MANAGEMENT, LLC.** \$ 23.7 M  
**DETROIT, MICHIGAN**

Manages domestic large cap value portfolio.

