

**JULY 1, 2002 - JUNE 30, 2003  
SUMMARY OF INVESTMENTS  
AND RELATED INCOME (UNAUDITED)**

No.	INVESTMENTS	MARKET VALUE 06/30/02	MARKET VALUE 06/30/03	06/30/03 MARKET VALUE AS A % OF TOTAL ASSETS	(1) 06/30/03 INCOME AS A % OF TOTAL INCOME	(2) 02-03 INCOME (INCLUDES MARKET GAIN)	(1) 06/30/03 INCOME AS A % OF MARKET VALUE
Section 14	Stock (Publicly Traded) .....	\$1,209,427,447.30	\$1,086,650,257.95	37.754%	(7.784%)	\$(6,927,688.34)	(0.638%)
Section 17	Debt/Obligations .....	701,754,245.92	673,320,461.92	23.393%	87.874%	78,202,287.12	11.614%
Section 19(1)	Equity – Reit’s & Pooled .....	116,619,271.86	112,153,003.20	3.897%	3.566%	3,173,598.87	2.830%
Section 19(2)	Equity – Real Estate .....	122,663,241.88	122,075,235.42	4.241%	(9.269%)	(8,248,826.09)	(6.757%)
Section 20	Mortgages .....	156,922,537.08	187,992,172.51	6.531%	17.676%	15,730,096.34	8.367%
Section 20a	Small Business						
	Investments – MI .....	41,963,442.44	57,093,436.44	1.984%	(0.272%)	(241,971.69)	(0.424%)
Section 20d	Basket Clause .....	261,516,769.65	265,526,064.88	9.225%	32.831%	29,217,199.78	11.004%
Section 20k	Foreign Securities .....	342,803,074.67	313,401,212.50	10.889%	(24.621%)	(21,911,221.79)	(6.991%)
<b>TOTAL INVESTMENTS</b> .....		<b>\$2,953,670,030.80</b>	<b>\$2,818,211,844.82</b>	<b>97.914%</b>	<b>100.000%</b>	<b>\$88,993,474.20</b>	<b>3.158%</b>
	Cash .....		(2,262,848.58)	(0.079%)			
	Accounts Receivables .....		155,466,451.46	5.401%			
	Accounts Payables .....		(93,749,435.00)	(3.257%)			
	Capital Assets .....		598,933.00	0.021%			
<b>NET ASSETS AVAILABLE FOR BENEFITS</b> .....			<b>\$2,878,264,945.70</b>	<b>100.000%</b>			
	Less: Investment Expenses .....					(10,424,790.96)	
	Investment Income Before Administrative Expenses .....					78,568,683.24	
	Less: Administrative Expenses .....					(3,486,769.85)	
<b>NET INVESTMENT INCOME</b> .....						<b>\$75,081,913.39</b>	

(1) Percentage Factor is Calculated Using Gross Income.

(2) Income May Be Net of Expenses Per Contract Agreements.

JULY 1, 2002 - JUNE 30, 2003  
**DETAIL SCHEDULE OF INVESTMENTS  
AND RELATED INCOME**

NO.	INVESTMENTS	MARKET VALUE 06/30/02	MARKET VALUE 06/30/03	02-03 INCOME AND NET CHANGE IN ASSET VALUE
<b>SECTION 14 STOCK (PUBLICLY TRADED)</b>				
	Common & Preferred Stock .....	\$1,194,999,502.17 .....	\$1,063,130,998.70 .....	\$(6,725,190.33)
(c)	Mesirow Arbitrage Trust .....	13,755,067.73 .....	23,102,202.22 .....	0.00 (c)
	MIG - P&F Fund, Inc. ....	672,877.40 .....	417,057.03 .....	(202,498.01)
<b>Total Section 14 .....</b>		<b>\$1,209,427,447.30 .....</b>	<b>\$1,086,650,257.95 .....</b>	<b>\$(6,927,688.34)</b>
<b>SECTION 17 Debt/Obligations</b>				
	Bonds & Notes .....	\$459,657,503.33 .....	\$489,348,466.82 .....	\$65,470,003.29
(b)	Short-Term Investments .....	84,797,596.19 .....	68,905,578.59 .....	5,319,485.22 (b)
	Mort.-Backed Securities .....	157,299,146.40 .....	115,066,416.51 .....	7,412,798.61
<b>Total Section 17 .....</b>		<b>\$701,754,245.92 .....</b>	<b>\$673,320,461.92 .....</b>	<b>\$78,202,287.12</b>
<b>SECTION 19(1) Equity Real Estate-Pooled (Reits)</b>				
(a)	Reits Held by Custodian .....	\$24,658,080.66 .....	\$23,472,362.00 .....	\$(579,730.92) (a)
	CNL Hospitality Reit .....	15,873,015.87 .....	15,873,015.87 .....	1,267,179.40
	Inland Retail Trust .....	10,700,000.00 .....	10,700,000.00 .....	887,191.22
	Midland Multifamily Equity .....	24,329,643.00 .....	20,725,971.00 .....	(1,620,109.84)
	RREEF America Reit II .....	20,225,199.00 .....	20,548,321.00 .....	1,721,673.94
	Wells Reit .....	20,833,333.33 .....	20,833,333.33 .....	1,497,395.07
<b>Total Section 19(1) .....</b>		<b>\$116,619,271.86 .....</b>	<b>\$112,153,003.20 .....</b>	<b>\$3,173,598.87</b>

<b>No.</b>	<b>INVESTMENTS</b>	<b>MARKET VALUE 06/30/02</b>	<b>MARKET VALUE 06/30/03</b>	<b>02-03 INCOME AND NET CHANGE IN ASSET VALUE</b>
<b>SECTION 19(2) Equity Real Estate-Direct &amp; LP</b>				
	Equity Direct .....	\$81,230,804.00	\$77,075,396.00	\$(6,037,797.65)
	AERC Courtney Chase, LLC-Cost .....	3,450,000.00	3,857,366.00	(92,634.00)
	AERC-DPF Georgia Ventures (LP) ..	10,247,266.00	9,948,651.00	(298,615.00)
	Canyon-Johnson Urban Fund .....	2,653,058.00	2,302,675.00	11,743.04
	Con. Cap Johnstown-Wash .....	13,395,789.00	10,467,607.00	(2,928,182.00)
	Fidelity Real Estate Fund, LP .....	3,994,211.03	7,507,422.64	454,880.32
	Walton Street Reit III .....	7,692,113.85	10,916,117.78	641,779.20
	<b>Total Section 19(2)</b> .....	<b>\$122,663,241.88</b>	<b>\$122,075,235.42</b>	<b>\$(8,248,826.09)</b>
<b>SECTION 20 Mortgages</b>				
	Direct & Participating .....	\$39,980,501.56	\$45,009,303.25	\$4,453,401.96
	Construction Loans .....	32,118,536.02	59,080,449.06	2,838,732.87
	Aim-85 .....	3,235,000.00	2,680,000.00	300,000.00
	Aim-88 .....	1,225,000.00	995,000.00	110,000.00
	Krupp Insured III .....	363,499.50	227,420.20	27,961.50
	Midland-MAHGT (Trust) .....	80,000,000.00	80,000,000.00	8,000,000.01
	<b>Total Section 20</b> .....	<b>\$156,922,537.08</b>	<b>\$187,922,172.51</b>	<b>\$15,730,096.34</b>
<b>SECTION 20a Investments-Michigan</b>				
	Atheneum Hotel Stock .....	\$5,158,062.44	\$5,158,062.44	\$0.00
	Fred Silber Co. ....	230,000.00	205,000.00	0.00
	My Lawyer Plans .....	125,000.00	0.00	0.00
	Princeton Capital Fund .....	1,946,049.00	1,946,049.00	0.00
	Romulus Disposal L.P. & Note .....	22,170,769.00	34,219,998.00	0.00
	Touchstone Opportunity LTD .....	3,695,958.00	6,823,471.00	1,011,202.31
	Wind Point IV .....	8,637,604.00	8,740,856.00	(1,253,174.00)
	<b>Total Section 20a</b> .....	<b>\$41,963,442.44</b>	<b>\$57,093,436.44</b>	<b>\$(241,971.69)</b>

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**DETAIL SCHEDULE OF INVESTMENTS  
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No.	INVESTMENTS	MARKET VALUE 06/30/02	MARKET VALUE 06/30/03	02-03 INCOME AND NET CHANGE IN ASSET VALUE
<b>SECTION 20d Basket Clause</b>				
	Capri Select Income .....	\$14,248,629.00 .....	\$22,933,744.00 .....	\$2,501,933.00
	Columbia Management Company ...	33,286,333.10 .....	34,074,733.84 .....	2,860,648.60
	Credit Suisse .....	93,421,660.28 .....	97,276,878.26 .....	9,203,018.54
	Crescent Gate .....	1,369,054.00 .....	1,532,641.00 .....	(262,324.00)
	Entercitement Note .....	1,336,995.00 .....	1,336,995.00 .....	39,673.75
	Everest Energy Fund .....	16,644,279.00 .....	20,000,000.00 .....	(644,279.00)
	GSC Partners .....	25,671,992.00 .....	25,671,995.00 .....	0.00
	GSC Partners II .....	14,774,597.00 .....	14,774,597.00 .....	2,913,143.00
	India Hydropower .....	4,058,171.00 .....	4,336,681.00 .....	278,510.00
	John Hancock Venture Cap .....	69,132.00 .....	0.00 .....	1,468.00
	Liberty Mutual Energy I .....	985,699.00 .....	2,565,558.00 .....	1,721,017.00
	Liberty Mutual Energy II .....	9,149,167.00 .....	5,959,944.00 .....	(1,639,658.00) (c)
	Liberty Mutual Energy III .....	6,392,106.00 .....	5,877,877.00 .....	686,511.00
	Liberty Mutual Energy CIV .....	0.00 .....	4,747,776.00 .....	(240,395.00)
(c)	Mesirow Arbitrage Trust .....	20,946,080.27 .....	15,560,532.78 .....	6,386,587.00
	Midland Tera Portfolio .....	10,500,000.00 .....	0.00 .....	1,161,288.33
	Provender Opportunities Fund .....	8,662,875.00 .....	8,876,112.00 .....	(467,082.00)
	Solitron-Unsecured Claim .....	0.00 .....	0.00 .....	16,241.67
	Credit Enhancement Fees .....	0.00 .....	0.00 .....	4,700,897.89
<b>Total Section 20d .....</b>		<b>\$261,516,769.65 .....</b>	<b>\$265,526,064.88 .....</b>	<b>\$29,217,199.78</b>

No.	INVESTMENTS	MARKET VALUE 06/30/02	MARKET VALUE 06/30/03	02-03 INCOME AND NET CHANGE IN ASSET VALUE
<b>SECTION 20k</b>	<b>Foreign Securities</b>			
	Foreign Bonds/Notes .....	\$0.00 .....	\$0.00 .....	\$727,370.86
	Foreign Equities .....	342,803,074.67 .....	309,512,389.51 .....	(47,179,659.54)
	Foreign Currencies .....	0.00 .....	3,888,822.99 .....	24,541,066.89
	<b>Total Section 20k</b> .....	<b>\$342,803,074.67</b> .....	<b>\$313,401,212.50</b> .....	<b>\$(21,911,221.79)</b>
	<b>Total Investments</b> .....	<b>\$2,953,670,030.80</b> .....	<b>\$2,818,211,844.82</b> .....	<b>\$88,993,474.20</b>

- (a) Income included with income from bonds and notes.
- (b) Short-term income includes income from securities lending.
- (c) A portion of this investment is in qualified common stock. That portion is in Section 14. Income cannot be segregated.

## INVESTMENT MANAGERS

<p><b>ADVENT CAPITAL MANAGEMENT</b> ..... \$43.8 M  <b>NEW YORK, NEW YORK</b>                      Invests exclusively in convertible securities market with a value orientation with respect to the underlying equity.</p>	<p><b>CAPOZZOLI ADVISORY FOR PENSIONS, INC.</b> ... \$91.9 M  <b>FARMINGTON HILLS, MICHIGAN</b>                      Performance-based real estate advisor. Areas of expertise are office buildings, retail shopping centers and industrial properties.</p>
<p><b>AELTUS TRUST COMPANY</b> ..... \$31.3 M  <b>SOUTHFIELD, MICHIGAN</b>                      Manages a portfolio of international growth stocks in countries and regions with higher than average growth expectations.</p>	<p><b>COLUMBIA MANAGEMENT</b> ..... \$35.8 M  <b>PORTLAND, OREGON</b>                      Manages a fixed income portfolio of high-yield bonds.</p>
<p><b>ASSOCIATED ESTATES REALTY CORP.</b> ..... \$47.7 M  <b>CLEVELAND, OHIO</b>                      A real estate advisor which provides investment and asset management services.</p>	<p><b>CREDIT SUISSE</b> ..... \$100.8 M  <b>NEW YORK, NEW YORK</b>                      Manages a fixed income portfolio of high-yield bonds.</p>
<p><b>BLACKROCK</b> ..... \$32.8 M  <b>NEW YORK, NEW YORK</b>                      Manages domestic small-cap equities using a growth-oriented style.</p>	<p><b>EARNEST PARTNERS</b> ..... \$48.5 M  <b>ATLANTA, GEORGIA</b>                      Manages domestic large-cap equities using a value-oriented style.</p>
<p><b>CALAMOS ASSET MANAGEMENT</b> ..... \$57.8 M  <b>NAPERVILLE, ILLINOIS</b>                      Manages a portfolio of mid-cap growth equities</p>	<p><b>FISHER INVESTMENTS</b> ..... \$114.4 M  <b>WOODSIDE, CALIFORNIA</b>                      Manages domestic large-cap equities comprising all market sectors utilizing both growth and value styles.</p>
<p><b>CAPITAL GUARDIAN</b> ..... \$61.4 M  <b>LOS ANGELES, CALIFORNIA</b>                      Manages domestic small-cap growth equities using a value-oriented style.</p>	<p><b>HYPERION CAPITAL</b> ..... \$20.5 M  <b>NEW YORK, NEW YORK</b>                      Manages a portfolio of domestic mortgage-backed fixed income securities.</p>

## INVESTMENT MANAGERS CON'T

<b>INCOME RESEARCH AND MANAGEMENT</b> ..... \$93.3 M <b>BOSTON, MASSACHUSETTS</b> A fixed income manager that specializes in the less efficient sectors of the investment grade fixed income markets, primarily corporate bonds.	<b>MFS INSTITUTIONAL ADVISORS</b> ..... \$40.6 M <b>BOSTON, MASSACHUSETTS</b> Manages a portfolio of domestic and international equities.
<b>KENNEDY CAPITAL</b> ..... \$150.3 M <b>ST. LOUIS, MISSOURI</b> Manages domestic small-cap equities using a growth-oriented style.	<b>MUNIMAE MIDLAND INVESTMENT CORPORATION</b> ..... \$169 M <b>CLEARWATER, FLORIDA</b> A real estate advisor which specializes in multifamily construction loans as well as intermediate and long-term mortgages.
<b>THE KENWOOD GROUP</b> ..... \$46.4 M <b>CHICAGO, ILLINOIS</b> Manages domestic mid-cap equities using a value-oriented style	<b>PAYDEN &amp; RYDEL</b> ..... \$204.1 M <b>LOS ANGELES, CALIFORNIA</b> Manages the System's short-term cash equivalents plus a portfolio of US government securities.
<b>LOOMIS SAYLES &amp; COMPANY</b> ..... \$100.3 M <b>BLOOMFIELD HILLS, MICHIGAN</b> Manages a core fixed income portfolio which favors corporate bonds.	<b>PUGH CAPITAL</b> ..... \$26.6 M <b>SEATTLE, WASHINGTON</b> Manages a portfolio of domestic mortgage-backed fixed income securities.
<b>MAYFIELD GENTRY</b> ..... \$3 M <b>DETROIT, MICHIGAN</b> Manages a real estate development project in the city of Detroit.	<b>THE PUTNAM COMPANIES</b> ..... \$161.6 M <b>BOSTON, MASSACHUSETTS</b> Manages domestic and international equities. Domestic equities are managed with a growth style.
<b>MERRILL LYNCH ASSET MANAGEMENT</b> .... \$300.8 M <b>NEW YORK, NEW YORK</b> Manages an equity portfolio constructed to replicate the performance of the Standard & Poors 500 Index.	<b>REINHART, MAHONEY &amp; BRYDEN</b> ..... \$75.6 M <b>BIRMINGHAM, MICHIGAN</b> Manages domestic mid-cap equities using a value-oriented style.
<b>MESIROW ARBITRAGE TRUST</b> ..... \$38.6 M <b>CHICAGO, ILLINOIS</b> Manages a portfolio of equity and fixed income securities constructed to take advantage of price arbitrage opportunities.	

## INVESTMENT MANAGERS CON'T

<b>RHUMBLINE INVESTMENTS</b> ..... <b>\$91.5 M</b> <b>BOSTON, MASSACHUSETTS</b> Manages an equity portfolio constructed to replicate the performance of the Russell 1000 Index.	<b>TT INTERNATIONAL</b> ..... <b>\$112.3 M</b> <b>LONDON, ENGLAND</b> Manages an international equity portfolio.
<b>STEWARD CAPITAL</b> ..... <b>\$23.2 M</b> <b>BIRMINGHAM, MICHIGAN</b> Manages a large-cap equity portfolio of companies with both growth and value characteristics.	<b>UNION HERITAGE CAPITAL</b> <b>MANAGEMENT</b> ..... <b>\$23.6 M</b> <b>DETROIT, MICHIGAN</b> Manages domestic large-cap equities using a value-oriented style.
<b>TRANSAMERICA INVESTMENT SERVICES</b> ... <b>\$157.1 M</b> <b>LOS ANGELES, CALIFORNIA</b> An active fixed income manager which uses a research-driven approach to acquire undervalued quality bonds which fall within specific maturity guidelines.	<b>WOODFORD CAPITAL</b> ..... <b>\$38.1 M</b> <b>LOS ALTOS, CALIFORNIA</b> Manages domestic equities encompassing all market sectors with a strategy which favors companies exhibiting superior growth characteristics.
<b>TRUST COMPANY OF THE WEST</b> ..... <b>\$56.2 M</b> <b>LOS ANGELES, CALIFORNIA</b> Manages a portfolio of domestic mortgage-backed fixed income securities.	