

Board Members	2
Letter to Trustees	3
Financial Highlights	8
Ten Year Summary	9
Independent Auditors' Report	10
FINANCIAL STATEMENTS	
Management's Discussion and Analysis	12
Statements of Net Assets	14
Statements of Changes in Net Assets	15
Notes to Financial Statements	16
SUPPLEMENTAL FINANCIAL INFORMATION	
Portfolio of Investments	28
Portfolio Data	92
Investment Transactions with Brokers and Dealers	94
Staff and Investment Managers	96

CHAIRMAN

Michael Goetz
Appointed Member



Michael Goetz

VICE CHAIRMAN

Gordon John Mazzotti
*Chairman, Board of Trustees
State Employees' Retirement
System*



Guy W. Alongi



James Buchanan

RECORDING SECRETARY

Justice Thomas E. Hoffman
*Chairman, Board of Trustees
Judges' Retirement System of
Illinois*

Guy W. Alongi
Appointed Member

James Buchanan
Appointed Member

Allison S. Davis
Appointed Member

Representative Kurt M. Granberg
*Chairman, Board of Trustees
General Assembly Retirement
System*

Ronald E. Powell
Appointed Member

Alexi Giannoulis
Treasurer, State of Illinois

EXECUTIVE COMMITTEE

Michael Goetz
Chairman

Gordon John Mazzotti
Vice Chairman

Thomas E. Hoffman
Recording Secretary

Allison S. Davis
Member at Large



Allison S. Davis



Alexi Giannoulis

AUDIT & COMPLIANCE COMMITTEE

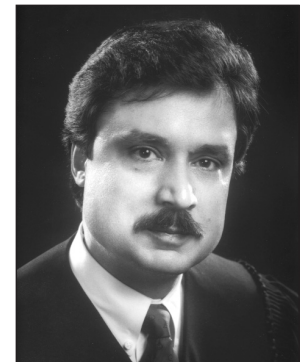
Guy W. Alongi
Kurt M. Granberg
Thomas E. Hoffman
Gordon John Mazzotti

INVESTMENT POLICY COMMITTEE

Guy W. Alongi
Allison S. Davis
Michael Goetz
Gordon John Mazzotti
Ronald E. Powell



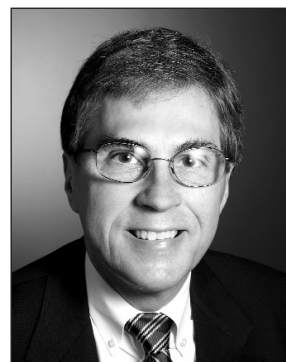
Kurt M. Granberg



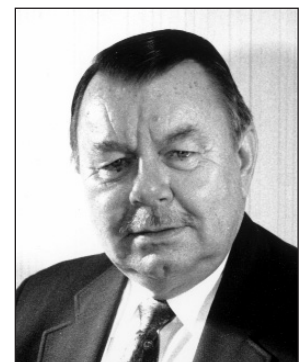
Thomas E. Hoffman

EMERGING MANAGER COMMITTEE

Allison S. Davis
Alexi Giannoulis
Michael Goetz
Thomas E. Hoffman
Ronald E. Powell



Gordon John Mazzotti



Ronald E. Powell

The General Assembly Retirement System
 The Judges' Retirement System of Illinois
 The State Employees' Retirement System of Illinois

The Illinois State Board of Investment (ISBI or Board) has fiduciary responsibility for the pension assets of the General Assembly Retirement System, the Judges' Retirement System of Illinois and the State Employees' Retirement System of Illinois. ISBI's net assets totaled \$ 12.6 billion at fair value at fiscal year ended June 30, 2007. For the same period ending June 30, 2006, net assets totaled \$ 11.3 billion. Although ISBI's assets generated returns of 17.1%, that expansion of the portfolio was tempered by significant outflows of cash required to pay benefits to participants.

Investment Policy

Continuing the trend started in FY 2006, the Board focused much of its work in FY 2007 on making improvements to its alternative portfolio. The most significant of these changes were investments made in infrastructure. In September of 2006, the Board allocated \$200 million to Maquarie Infrastructure Partners and \$100 million to Alinda Partners—these investments were from a total of 5% (approximately \$600 million) of portfolio assets committed to the infrastructure space. The goal of these investments is to generate total returns of 11-12%, with

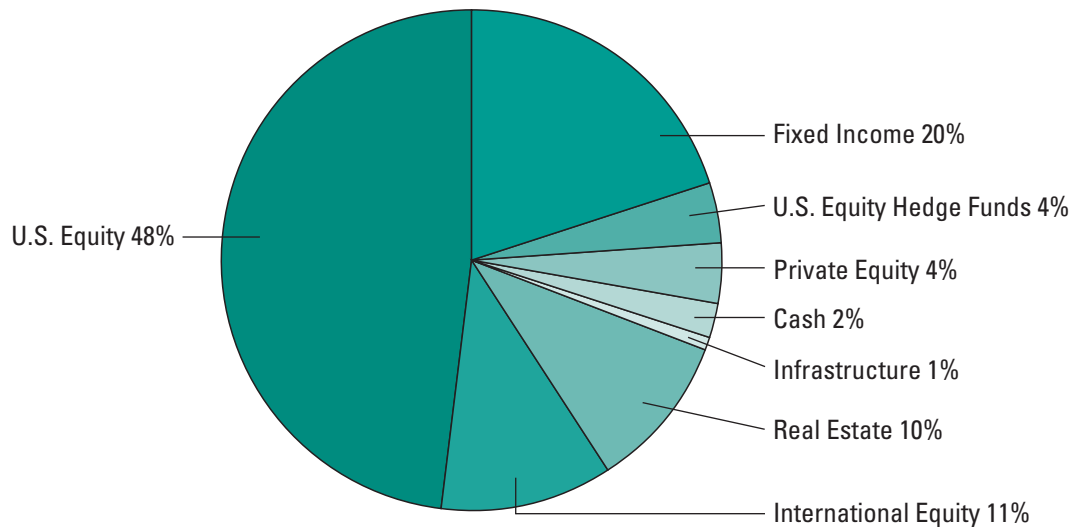
Figure 1
 Net Asset Allocation June 30, 2007

	Fair Value (\$ in Millions)	Actual Asset Mix %	Policy Target %
U.S. Equity	6,061,274,047	48	45
U.S. Equity Hedge Funds	496,404,578	4	5
International Equity	1,365,647,941	11	10
Fixed Income ¹	2,485,435,583	20	20
Real Estate	1,189,614,911	10	10
Private Equity ²	563,366,021	4	5
Infrastructure ²	108,436,449	1	5
Cash ³	282,016,631	2	0
Total	12,552,196,161	100	100

¹Maturities of one year or longer, including convertible bonds.

²Interests in limited partnerships and other entities which have limited liquidity.

³Includes money market instruments and other assets, less liabilities.



significant current cash flow, with low volatility and low correlation to the broader markets. The investments in infrastructure are being funded through corresponding reductions in ISBI's fixed income portfolio.

Within the fixed income portfolio the Board also made changes; replacing one high yield manager, making a commitment to bank loan allocations, and approving an allocation to mezzanine debt.

On a portfolio basis the Board took comfort in learning that according to its consultant, Marquette Associates, modifications to the portfolio adopted over the last few years were having the desired effect in that increasingly ISBI is earning returns ahead of its benchmark and with reduced levels of portfolio risk.

Investment Results

In fiscal year 2007, investors benefited from double digit returns in all asset classes with the exception of fixed income. The ISBI total fund was up 17.1% for fiscal year 2007, net of expenses. This follows 11.0%, 10.1%, 16.4% and 0.3% returns for fiscal years 2006, 2005, 2004 and 2003, respectively. The long-term objective of the 8.5% assumed actuarial interest rate was surpassed, with the portfolio exceeding the composite benchmark return by 0.7%. The Board continues to be concerned by some under-performance by specific managers; the overall performance of the fund meets or exceeds the expectations as expressed in the 2003 asset allocation model. Figure 2 shows results over the three, five and ten year time periods.

U.S. Equities

For the twelve months ended June 30, 2007, the Wilshire 5000 Index, a broad representation of the U.S. market, was up 20.4%. Value stocks exceeded growth stocks, with the Russell 3000 Value Index up 21.3%, compared to the Russell 3000 Growth Index up 18.8%. Large capitalization stocks outperformed small capitalization stocks, with the S&P 500 Index returning 20.6% compared with the Russell 2000 Index at 16.4%. ISBI's U.S. equity portfolio was

Figure 2
Investment Returns June 30

	2007	2006	2005	2004	2003	(Annualized)		
	%	%	%	%	%	3 Yrs.	5 Yrs.	10 Yrs.
Total Fund	17.1	11.0	10.1	16.4	0.3	12.6	10.8	8.0
Composite Benchmark*	16.4	11.5	10.9	16.3	3.5	13.0	11.7	8.3
Consumer Price Index	2.7	4.2	2.5	3.3	2.1	3.2	3.0	2.6
U.S. Equities	19.9	10.7	9.3	21.7	0.9	13.1	11.8	8.2
Wilshire 5000 Index	20.4	10.0	8.4	21.2	1.3	12.8	12.0	7.7
International Equities	28.8	28.9	14.8	29.8	(7.5)	24.0	17.9	8.7
MSCI-EAFE Index	27.5	27.1	14.1	32.9	(6.1)	22.8	18.2	8.0
Fixed Income	6.9	0.8	6.9	0.7	8.3	4.8	4.7	5.7
Lehman U.S. Universal Bond Index	6.6	(0.3)	7.4	1.0	11.5	4.5	5.2	6.2
Real Estate	15.3	19.5	14.8	9.1	2.2	16.5	12.0	11.3
NCRIEF Real Estate Index	17.2	18.7	15.6	9.7	5.2	18.0	14.4	13.1
Private Equity	31.7	21.3	29.6	16.9	(4.9)	27.5	17.2	15.4

* Composite Benchmark:

Effective 12/03: 45% Wilshire 5000; 10% MSCI-EAFE; 25% Lehman Universal; 10% NCRIEF; 5% Venture Economic all Private Equity Index; 5% HFR Equity Hedged Index.

Effective 4/02: 46% Russell 3000; 15% MS-AC Free ex US; 23% Lehman Universal; 8% NCRIEF; 8% Russel 2000 + 3.0%

Prior to 4/02: 43% Russell 3000; 20% MS-AC Free ex US; 22% Lehman Aggregate; 7% NCRIEF; 8% absolute return of 12%.

up 19.9% for the fiscal year, 0.5% below the Wilshire 5000 Index. The Board, through structure analysis, rebalancing and risk management, continues to achieve its objective of tracking the market with predictable consistency.

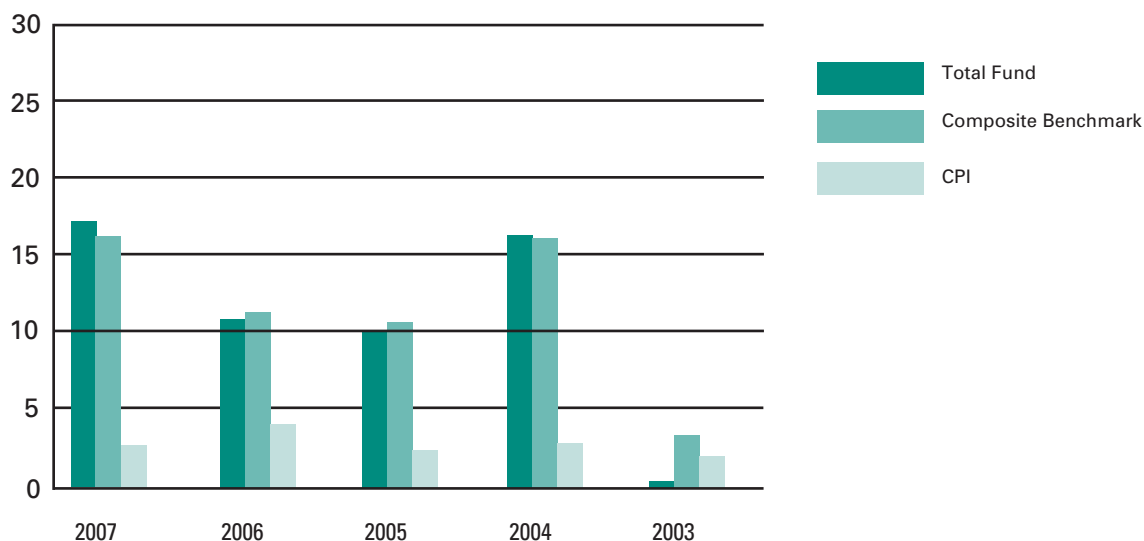
Figure 2 shows ISBI's U.S. stock portfolio performance for three, five and ten year time periods. The ten-year average annual return of 8.2% shows that even considering the losses in prior years, the U.S. stock market has rewarded the long-term investor.

International Equities

The Morgan Stanley EAFE Index returned 27.5% for the fiscal year; approximately seven percentage points above the U.S. return. ISBI's international equity portfolio was up 28.8%, exceeding the benchmark for the fiscal year by 1.3%. As with the U.S. equity portfolio, the Board has the twin objectives of limiting tracking error relative to the benchmark and adding value with active management. The returns for longer time periods are shown in Figure 2.

Fixed Income

The ISBI fixed income portfolio had a positive return of 6.9% for the fiscal year compared to the Lehman U.S. Universal Bond Index which returned 6.6% for the year. The Board believes



that the structure adopted in December 2003 will minimize negative surprises, such as those experienced in the past, and result in more predictable fixed income returns. Figure 2 shows the long-term results for fixed income.

Real Estate

ISBI's real estate portfolio earned a 15.3% return. The NCREIF Real Estate Index, a measure of core, operating, non-leveraged real estate, earned 17.2%. Over the last four years the Board has increased the real estate strategic allocation from 5% to 10% of the total fund with the new allocation targeting 70% of its real estate to core, income producing real estate, with the balance in higher return strategies. The increased Real Estate allocation allowed the addition of two core real estate separate accounts which will be fully invested by year end 2008.

ISBI's real estate portfolio is invested primarily through interests in separate accounts, limited partnerships, trusts, and other forms of pooled investments. Long-term results for real estate are shown in Figure 2.

Private Equity

ISBI's private equity portfolio provided a return of 31.7% for the fiscal year. The private equity portfolio consists of interests in limited partnerships and other commingled vehicles that invest in management buyouts, venture capital, and other private placement equity strategy activities. In spite of the setbacks during previous years, long-term results, detailed in Figure 2, show that private equity remains the best performing asset class for the ten-year period ended June 30, 2007.

Management Expenses

The resulting expense ratio (expenses divided by average fair value of assets) was .34% for fiscal year 2007, as compared to .26% for fiscal year 2006. Total expenses for fiscal year 2007,

based on \$12.6 billion in total assets were \$40.6 million, compared to \$30.1 million based on \$11.3 billion in total assets for fiscal year 2006. Increased expenses in fiscal 2007 were mainly a result of a larger aggregate portfolio resulting in increased management fees.

Minority/Female Participation

Just as ISBI's money managers seek prudent diversification within its portfolios, the Board continues to seek an appropriate level of diversity among the investment professionals charged with meeting the Board's mission. Towards those ends, ISBI has adopted policies regarding utilization of minority and female owned brokers, minority and female owned money managers, and emerging managers. As of April 2006, ISBI had achieved its minimum goal of 5% of the total portfolio being managed by emerging and minority managers. As of June 30, 2007, 16.8% of the total portfolio was being managed by minority managers and 5.6% was committed to emerging/minority investment management firms.

ISBI's action plan to utilize 15% Illinois based and minority brokers/dealers has continued to be successful with actual minimum usage being 25% for both domestic equity and fixed income trades. In FY 2007, 39% of ISBI's domestic equity trades were executed through minority/female owned brokers, 38% of fixed income par value trades were executed with minority/female owned brokers.

Additional Comments

At the Annual meeting of the Board in September, 2007, Michael Goetz was re-elected Chairman.

There were several staff changes during the fiscal year. Timothy Kominiarek was employed as the Portfolio Manager – Real Estate & Private Equity, Emily Reid was promoted to the newly created General Counsel/Chief Compliance Officer position; and Alejandra Garcia was promoted to Portfolio Manager – Emerging & Minority Managers. In September 2007, Johara El-Harazin was employed as Portfolio Officer to assist with the alternative asset class. During the fiscal year, John Gullo, Accountant at ISBI for over 30 years, retired; Joy Winterfield and Kym Hubbard submitted their resignations. We wish them all continued success in their new endeavors.

Our sincerest appreciation is extended to the Board Members and all the Staff, for their cooperation and diligence during the fiscal year.

The following sections of the report present detailed financial statements and supplemental information on a basis consistent with past reports.

Respectfully submitted November 30, 2007



Michael Goetz, Chairman



William R. Atwood, Executive Director

	2007	2006	(\$ in millions) Change
	\$	\$	\$
Net Assets (at fair value)	12,552.2	11,316.5	1,235.7
Retirement Systems' participation			
General Assembly	83.9	79.0	4.9
Judges'	658.2	582.6	75.6
State Employees'	11,810.1	10,654.9	1,155.2
Net Investment income	1,877.7	1,173.0	704.7
Interest and dividends	319.5	306.2	13.3
Net securities lending income	4.5	4.3	0.2
Net gain on investments	1,594.3	892.6	701.7
Management expenses	(40.6)	(30.1)	10.5
Member Systems' (withdrawals)	(642.0)	(759.0)	(117.0)
	%	%	%
Annual total return*	17.1	11.0	6.1
Management expenses as a percentage of average net assets**	0.34	0.26	0.08

*Annual total return reflects income earned and market appreciation (depreciation).

**Quarterly market values are utilized in calculating average figures.

TEN YEAR SUMMARY

FISCAL YEARS ENDED JUNE 30

	2007	2006	2005	2004	2003	2002	2001	2000	(\$ in millions)	
	\$	\$	\$	\$	\$	\$	\$	\$	1999	1998
NET ASSETS										
(at fair value)	12,552.2	11,316.5	10,902.5	10,442.7	7,801.0	7,928.3	8,578.1	9,270.3	8,309.0	7,379.9
Retirement Systems' participation										
General Assembly	83.9	79.0	80.8	81.3	47.4	52.2	60.5	68.9	65.3	61.2
Judges'	658.2	582.6	550.4	521.4	317.5	332.4	372.6	414.8	382.2	349.6
State Employees'	11,810.1	10,654.9	10,271.3	9,840.0	7,436.1	7,543.7	8,145.0	8,786.6	7,861.5	6,969.1
CHANGES IN NET ASSETS										
Net investment income	1,877.7	1,173.0	1,007.4	1,506.8	12.7	(577.9)	(652.3)	977.0	955.2	1,140.1
Interest and dividends	319.5	306.2	262.1	184.4	186.8	213.4	244.4	227.6	227.9	249.1
Net securities lending income	4.5	4.3	3.7	2.4	1.9	2.3	3.6	3.7	2.2	3.2
Net gain (loss) on investments	1,594.3	892.6	766.1	1,337.9	(159.2)	(775.0)	(879.7)	766.4	741.0	902.9
Management expenses	(40.6)	(30.1)	(24.5)	(17.9)	(16.8)	(18.6)	(20.6)	(20.7)	(15.9)	(15.1)
Member Systems' net contributions (withdrawals)	(642.0)	(759.0)	(547.7)	1,134.9	(140.0)	(71.9)	(39.9)	(15.7)	(26.1)	(88.3)
RETURNS	%	%	%	%	%	%	%	%	%	%
Annual total return*	17.1	11.0	10.1	16.4	0.3	(6.9)	(7.1)	11.8	12.9	18.1
Compound annual rate of return since 7-1-82 (Adoption of Prudent Person Legislation)	11.5	10.7	10.7	10.8	10.5	11.1	12.1	13.2	13.3	13.4

* Annual total return reflects income earned and market appreciation (depreciation).



KPMG LLP
303 East Wacker Drive
Chicago, IL 60601-5212

Honorable William G. Holland
Auditor General
State of Illinois

Board of Directors
Illinois State Board of Investment

As Special Assistant Auditors for the Auditor General, we have audited the accompanying statements of net assets of the Illinois State Board of Investment (Board), an internal investment pool of the State of Illinois, as of June 30, 2007 and 2006, and the related statements of changes in net assets for the years then ended. These financial statements are the responsibility of the Board's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America 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 consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Board's internal control over financial reporting. Accordingly, we express no such opinion. An audit also includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, 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 financial statements referred to above present fairly, in all material respects, the financial position of the Illinois State Board of Investment as of June 30, 2007 and 2006, and the changes in its net assets for the years then ended, in conformity with U.S. generally accepted accounting principles.

In accordance with *Government Auditing Standards*, we have also issued our report dated January 15, 2008 on our consideration of the Board's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

The accompanying management's discussion and analysis on pages 12 through 13 is not a required part of the basic financial statements but is supplementary information required by U.S. generally accepted accounting principles. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our 2007 audit was made for the purpose of forming an opinion on the basic financial statements taken as a whole. The financial information listed in the table of contents as supplemental financial information is presented for purposes of additional analysis and is not a required part of the basic financial statements. Such information, except for that portion marked "unaudited" on which we express no opinion, has been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, is fairly stated in all material respects in relation to the 2007 basic financial statements taken as a whole.

Chicago, Illinois
January 15, 2008

FINANCIAL STATEMENTS 2007

The following Management Discussion and Analysis (MD&A) provides an introduction and overview of the Illinois State Board of Investment (ISBI or Board) financial activities for the fiscal years ended June 30, 2007 and 2006.

Financial Highlights

The net assets of the Board totaled approximately \$12.6 billion at fiscal year ended June 30, 2007, compared to \$11.3 billion at fiscal year ended June 30, 2006. The increase is a result of strong investment returns, but was tempered by member systems' withdrawals.

Overview of the Financial Statements

The Board's financial statements are prepared on an accrual basis in accordance with U.S. generally accepted accounting principles promulgated by the Governmental Accounting Standards Board and are comprised of the Statement of Net Assets, the Statement of Changes in Net Assets and Notes to Financial Statements.

The Statements of Net Assets presents information on the Board's assets and liabilities and the resulting net assets. This statement also reflects the Board's investments at fair value, along with the cash and short-term investments, receivables and other assets and liabilities.

The increase in investments at June 30, 2007 is a result of an investment gain of 17.1% for the fiscal year, net of expenses, offset by member withdrawals which are shown in the Statement of Changes in Net

Assets. The gain reflects double digit returns in private equity, international and domestic equities and real estate. Distributions received from private equity and real estate partnerships resulted in a decrease in the cash for fiscal year 2007. The increase in liabilities for fiscal 2007 compared with 2006 consisted mainly of security lending collateral obligations and an increase in unsettled investment purchases.

The increase in investments at June 30, 2006 was a result of an investment gain of 11.0% for the fiscal year, net of expenses which are shown in the Statement of Changes in Net Assets. The gain reflected a significant improvement in market environments, in particular real estate, private equity investments, international equity and fixed income. Distributions received from private equity and real estate partnerships resulted in an increase in the cash for fiscal year 2006. The increase in liabilities for fiscal 2006 compared with 2005 consisted mainly of unsettled investment purchases.

The Statements of Changes in Net Assets presents information regarding changes during the fiscal years ended June 30, 2007 and 2006. This statement reflects additions, which include the investment income derived from realized and unrealized gains/losses, member system contributions, and income received from securities lending activities. Also reflected in the statement are deductions, which include withdrawals from the member systems and operating expenses of the Board.

Condensed Summary of Net Assets

	Fiscal Years Ended June 30			2007/2006	2006/2005
	2007	2006	2005	Change	Change
	\$	\$	\$	\$	\$
Cash	42,916,419	80,644,137	13,722,061	(37,727,718)	66,922,076
Receivables	548,269,714	184,529,093	294,208,301	363,740,621	(109,679,208)
Investments	12,805,770,746	11,434,818,360	10,959,676,010	1,370,952,386	475,142,350
Securities lending collateral	2,084,820,497	1,530,783,382	1,444,871,284	554,037,115	85,912,098
Capital assets	49,283	45,348	41,772	3,935	3,576
Prepaid expenses	14,740	18,984	0	(4,244)	18,984
Total assets	15,481,841,399	13,230,839,304	12,712,519,428	2,251,002,095	518,319,876
Liabilities	2,929,645,238	1,914,354,450	1,810,039,761	1,015,290,788	104,314,689
Total net assets	12,552,196,161	11,316,484,854	10,902,479,667	1,235,711,307	414,005,187

The net investment gains of the ISBI fund in fiscal year 2007 were the result of a positive movement in the securities markets. Member system withdrawals decreased compared to fiscal year 2006. Fiscal year 2007 withdrawals were \$642 million compared with \$759 million in fiscal year 2006 and \$547.7 million in fiscal year 2005. Withdrawals are determined by the member retirement systems based on the State's funding and the systems' benefit payment needs. The increase in operating expenses for fiscal year 2007 versus 2006 was mainly a result of increased investment management fees due to additional assets under management and an increase in due diligence services for the alternative investments portfolio.

for fiscal year 2006 versus 2005 was mainly a result of increased investment management fees due to additional assets under management. Operating expenses increased slightly in fiscal year 2006 over 2005 by \$5.6 million, mainly due to the use of hedged fund of funds, with sizeable management fees, and the increased use of active managers.

The Notes to the Financial Statements provide additional information, which is necessary to fully understand the data provided in the financial statements.

The net investment gains of the ISBI fund in fiscal year 2006 were the result of a positive movement in the securities markets. There was a substantial increase in withdrawals by the member systems. Fiscal year 2006 withdrawals were \$759 million compared with \$547.7 million in fiscal year 2005. Withdrawals are determined by the member retirement systems based on the State's funding and the systems' benefit payment needs. The increase in operating expenses

Condensed Summary of Changes in Net Assets

	Fiscal Years Ended June 30			2007/2006 Change	2006/2005 Change
	2007	2006	2005		
	\$	\$	\$	\$	\$
Additions:					
Net investment income	1,918,274,641	1,203,147,819	1,031,923,322	715,126,822	171,224,497
Member systems' contributions	0	0	0	0	0
Total additions	<u>1,918,274,641</u>	<u>1,203,147,819</u>	<u>1,031,923,322</u>	<u>715,126,822</u>	<u>171,224,497</u>
Deductions:					
Member systems' withdrawals	642,000,000	759,000,000	547,700,000	(117,000,000)	211,300,000
Administrative expenses	40,563,334	30,142,632	24,482,209	10,420,702	5,660,423
Total deductions	<u>682,563,334</u>	<u>789,142,632</u>	<u>572,182,209</u>	<u>(106,579,298)</u>	<u>216,960,423</u>
Net increase in net assets	<u>1,235,711,307</u>	<u>414,005,187</u>	<u>459,741,113</u>	<u>821,706,120</u>	<u>(45,735,926)</u>

STATEMENTS OF NET ASSETS

JUNE 30, 2007 AND 2006

	2007	2006
	\$	\$
ASSETS		
Cash and cash equivalents	42,916,419	80,644,137
Receivables:		
Foreign taxes	1,071,202	775,140
Account receivables	940,118	757,957
Investments sold	509,107,369	146,174,012
Interest & dividends	37,151,025	36,821,984
Total receivables	548,269,714	184,529,093
Prepaid expenses	14,740	18,984
Capital assets	49,283	45,348
Investments at fair value:		
Government and agency obligations	1,184,275,884	1,110,919,988
Foreign obligations	72,189,687	104,455,671
Corporate obligations	1,228,970,012	1,382,574,163
Common stock & equity funds	6,059,409,027	5,369,124,032
Preferred stock	1,865,020	1,057,334
Foreign equity securities	1,365,647,941	1,113,268,102
Hedge funds	496,404,578	416,462,183
Real estate investments	1,189,614,911	1,134,025,154
Private equity	563,366,021	482,264,036
Money market instruments	535,699,912	320,641,552
Infrastructure funds	108,436,449	0
Forward foreign currency contracts	(108,696)	26,145
Total investments	12,805,770,746	11,434,818,360
Securities lending collateral	2,084,820,497	1,530,783,382
Total assets	15,481,841,399	13,230,839,304
LIABILITIES		
Payables:		
Investments purchased	837,252,239	376,678,007
Operating expenses	7,572,502	6,893,061
Securities lending cash collateral obligation	2,084,820,497	1,530,783,382
Total liabilities	2,929,645,238	1,914,354,450
Net assets	12,552,196,161	11,316,484,854

See notes to financial statements, pages 16-26.

STATEMENTS OF CHANGES IN NET ASSETS

FISCAL YEARS ENDED JUNE 30, 2007 AND 2006

	2007	2006
	\$	\$
ADDITIONS		
Investment income		
Net increase in fair value of investments	1,594,268,871	892,599,986
Interest	172,400,021	183,047,403
Dividends	147,112,290	123,178,718
Securities lending income	93,596,872	64,090,764
Less securities lending rebates	(88,310,386)	(58,968,999)
Less securities lending expenses	(793,027)	(800,053)
Total net investment income	<u>1,918,274,641</u>	<u>1,203,147,819</u>
Member systems' contributions	<u>0</u>	<u>0</u>
Total additions	<u>1,918,274,641</u>	<u>1,203,147,819</u>
DEDUCTIONS		
Expenses:		
Salaries and benefits:		
Salaries	932,787	863,802
Benefits	344,237	309,578
Operating expenses:		
Rent and utilities	153,559	160,139
Audit	132,630	105,450
Other	161,867	147,616
External support:		
Custody	239,800	224,730
Consulting and professional	1,133,726	739,748
Investment advisors/managers	37,297,370	27,434,504
Investment services and research	167,358	157,065
Total expenses	<u>40,563,334</u>	<u>30,142,632</u>
Member systems' withdrawals	<u>642,000,000</u>	<u>759,000,000</u>
Total deductions	<u>682,563,334</u>	<u>789,142,632</u>
Increase in net assets	1,235,711,307	414,005,187
Net assets at beginning of year	11,316,484,854	10,902,479,667
Net assets at end of year	<u>12,552,196,161</u>	<u>11,316,484,854</u>

See notes to financial statements, pages 16-26.

Note A
Summary of Significant Accounting Policies

Reporting Entity

The Illinois State Board of Investment (ISBI or Board) is considered to be an internal investment pool of the State of Illinois, operating solely from investment income. The ISBI manages and invests the pension assets of three separate public employee retirement systems: General Assembly Retirement System, the Judges' Retirement System of Illinois, and State Employees' Retirement System of Illinois.

The assets of the member systems are accounted for in a single Commingled Fund. Separate information on each system's participation is presented in Note C.

Basis of Accounting

Accounting records are maintained on an accrual basis. Shares are allocated monthly to member systems based upon percentage of ownership. Management expenses are deducted monthly from income before distribution.

Valuation of Investments

Investments owned are reported at fair value as follows: (1) U.S. Government and Agency, Foreign and Corporate Obligations – prices quoted by a major dealer in such securities; (2) Common Stock and Equity Funds, Preferred Stock, Foreign Equity Securities, Forward Foreign Currency Contracts and Options: (a) Listed – closing prices as reported on the composite summary of national securities exchanges; (b) Over-the-counter – bid prices; (3) Money Market Instruments – average cost which approximates fair values; (4) Real Estate Investments – fair values as determined by ISBI and its investment managers; and (5) Alternative Investments (Private Equity, Hedge Funds and Infrastructure Funds) Investments – fair values as determined by ISBI and its investment managers.

Investment Transactions and Investment Income

Investment transactions are accounted for on a trade date (date order to buy or sell is executed) and dividend income is recognized on the ex-dividend date. Interest income is recognized on an accrual basis.

Custody and Investment Management Fees

Custody fees for the period July 1, 2005 through November 30, 2005 were computed quarterly with a base charge for all

accounts. Subsequent to November 30, 2005 there were no base charges for custody fees.

Investment management fees for all accounts, except real estate and private equity, are computed quarterly as a percentage of each manager's portfolio market value. Management fees for real estate and alternative investments are not directly charged but are included in the investment income for these investments.

Risk Management

The ISBI, as part of the State, provides for risks of loss associated with workers' compensation and general liability through the State's self-insurance program. The ISBI obtains commercial insurance for fidelity and surety and property. There have been no commercial insurance claims in the past five years.

Risks and Uncertainties

ISBI invests in various investment securities. Investment securities are exposed to various risks such as interest rate, market, and credit risks. Due to the level of risk associated with certain investment securities, it is at least reasonably possible that changes in the values of investment securities will occur in the near term and that such changes could materially affect the amounts reported in the statement of net assets.

Use of Estimates

In preparing financial statements in conformity with U.S. generally accepted accounting principles, the Board makes estimates and assumptions that affect the reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements, as well as the reported amounts of additions and deductions during the reporting period. Actual results could differ from those estimates and assumptions.

Note B
Deposits, Investments, and Investment Risk Disclosures

Deposits

Custodial credit risk for deposits is the risk that, in the event of a financial institution failure, ISBI's deposits may not be returned. All non-investment related bank balances at year-end are insured or collateralized with securities held by the Illinois State Treasurer or agents in the name of the State Treasurer. Cash held in the investment related bank account is neither insured nor collateralized for amounts in excess of \$100,000. During fiscal year 2007, a Credit Risk Policy was implemented by ISBI staff and formally adopted by the Board in July of 2007. The policy outlines the control procedures used to monitor custodial credit risk. These assets are under the custody of State Street Bank and Trust. State Street Bank and Trust has an AA long-term deposit/debt rating by Standards & Poor's and an Aa1 rating by Moody. Certain investments of ISBI with maturities of 90 days or less would be considered cash equivalents; these consist of short-term investment funds and U.S. Treasury bills with maturities of 90 days or less. For financial statement presentation and investment purposes, ISBI reports its cash equivalents as Money Market Instruments in the Statements of Net Assets.

	<u>2007</u>	<u>2006</u>
	\$	\$
Carrying amounts at June 30		
Cash	<u>42,916,419</u>	<u>80,644,137</u>
Bank balances at June 30		
Total	<u>43,068,157</u>	<u>80,724,748</u>
Amount exposed to custodial credit risk	<u>42,920,664</u>	<u>80,566,513</u>

Investment Policy

ISBI's investment authority and responsibilities are specified in the Illinois Compiled Statutes, 40ILCS 5/22A. These statutes provide ISBI with the authority to manage and invest the assets of any Illinois pension or education fund.

As described in Note A, ISBI currently manages and invests the assets of the General Assembly Retirement System, Judges' Retirement System, and State Employees' Retirement System. All investments undertaken by ISBI are governed by 40ILCS 5 adopted by the General Assembly in 1982, and other standards codified in the above reference to the statutes.

40ILCS 5/1-109 requires all members of the Board and other fiduciaries to "...discharge his or her duties with respect to the retirement system or pension fund solely in the interest of the participants and beneficiaries and: With the care, skill, prudence and diligence... By diversifying the investments of the retirement system or pension fund so as to minimize the risk of large losses..."

Investment Commitments

Real estate and private equity investment portfolios consist of passive interests in limited partnerships. ISBI had outstanding commitments to these limited partnerships of approximately \$369 million and \$400 million, as of June 30, 2007 and 2006, respectively. Also, at the end of fiscal years 2007 and 2006, the Board had outstanding commitments of \$311 million and \$567 million, respectively to separate real estate accounts.

Note B (continued)
Deposits, Investments, and Investment Risk Disclosures

Investment Summary

The following table presents a summary of the Fund's investments at fair value by type at June 30, 2007 and 2006:

	2007	2006
	\$	\$
Government and agency obligations	1,184,275,884	1,110,919,988
Foreign obligations	72,189,687	104,455,671
Corporate obligations	1,228,970,012	1,382,574,163
Common stock & equity funds	6,059,409,027	5,369,124,032
Preferred stock	1,865,020	1,057,334
Foreign equity securities	1,365,647,941	1,113,268,102
Hedge funds	496,404,578	416,462,183
Real estate investments	1,189,614,911	1,134,025,154
Private equity	563,366,021	482,264,036
Money market instruments	535,699,912	320,641,552
Infrastructure funds	108,436,449	0
Forward foreign currency contracts	(108,696)	26,145
Total investments	<u>12,805,770,746</u>	<u>11,434,818,360</u>

Custodial Credit Risk for Investments

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, ISBI will not be able to recover the value of investments or collateral securities that are in the possession of an outside party. As of June 30, 2007 and 2006, the following investments were uninsured and unregistered, with securities held by the counterparty or by its trust department or agent but not in the Board's name:

	2007	2006
	\$	\$
Common stock	3,423,509	7,540,275
Government and agency obligations	28,351,415	43,932,397
Corporate obligations	2,152,096	4,649,641
Total	<u>33,927,020</u>	<u>56,122,313</u>

Note B (continued)
Deposits, Investments, and Investment Risk Disclosures

Concentration of Credit Risk and Credit Risk for Investments

The portfolio is managed by professional investment management firms. These investment management firms are required to maintain diversified portfolios. Each investment manager must comply with risk management guidelines individually assigned to them as part of their investment

management agreement. The Board did not have any single issuer investment that exceeded 5% of the total net assets of the fund as of June 30, 2007 and 2006. The following table presents the quality ratings of debt securities held by ISBI as of June 30, 2007 and 2006:

	Moody's Quality Rating	2007 \$	2006 \$
Government and agency obligations			
U.S. Government obligations	AAA	317,358,768	457,091,471
Federal agency obligations	AAA	866,917,116	651,140,066
Municipal	AAA	0	2,688,451
Total Government and agency obligations		<u>1,184,275,884</u>	<u>1,110,919,988</u>
Foreign obligations			
	AAA	16,064,111	16,124,526
	AA	4,407,275	4,040,041
	A	5,363,202	16,276,367
	BAA	17,202,270	27,419,722
	BA	15,153,571	12,024,660
	B	3,348,055	19,290,811
	CAA	0	1,274,200
	Not rated	10,651,203	8,005,344
Total foreign obligations		<u>72,189,687</u>	<u>104,455,671</u>
Corporate obligations			
	AAA	254,534,185	324,130,117
	AA	122,242,182	144,481,958
	A	132,484,746	148,904,618
	BAA	111,327,503	115,363,940
	BA	183,959,419	238,778,065
	B	262,208,497	274,358,266
	CAA	50,779,805	14,129,168
	CA	907,309	682,031
	C	683,890	461,236
	Not rated	109,842,476	121,284,764
Total corporate obligations		<u>1,228,970,012</u>	<u>1,382,574,163</u>

Note B (continued)
Deposits, Investments, and Investment Risk Disclosures

Interest Rate Risk

ISBI manages its exposure to fair value losses arising from interest rate risk by diversifying the debt securities portfolio and maintaining the debt securities portfolio to an effective weighted average rate between 80 and 120 percent of the benchmark index.

Duration is a measure of a debt investment's exposure to fair value changes arising from changing interest rates. It uses the present value of cash flows, weighted for those cash flows as

a percentage of the investment's full price. The effective duration measures the sensitivity of market price to parallel shifts in the yield curve. ISBI benchmarks its debt security portfolio to the Lehman Brothers Aggregate. At June 30, 2007 and 2006, the effective duration of the Lehman Brothers Aggregate was 3.7 and 3.6 years, respectively. At the same points in time, the effective duration of the ISBI debt security portfolio at June 30, 2007 and 2006 was 3.3 and 3.8 years, respectively.

Investment Type	2007		2006	
	Fair Value	Effective Weighted Duration Years	Fair Value	Effective Weighted Duration Years
	\$		\$	
Government & agency obligations				
U.S. Treasury	317,358,768	4.8	457,091,471	4.4
Federal Agency	866,917,116	1.6	651,140,066	3.3
Municipal	0	N/A	2,688,451	4.8
Foreign Obligations	72,189,687	4.5	104,455,671	5.1
Corporate Obligations				
Finance	256,092,972	3.7	306,124,824	3.4
Industrials	531,051,552	5.1	580,581,651	4.7
Mortgage Backed Securities	170,384,277	2.4	211,686,803	2.1
Other	247,762,105	3.6	243,467,599	5.5
Commingled Funds	23,679,106	N/A	40,713,286	NA
	<u>2,485,435,583</u>		<u>2,597,949,822</u>	

Note B (continued)
Deposits, Investments, and Investment Risk Disclosures

Foreign Currency Risk

The international portfolio is constructed on the principles of diversification, quality growth and value. Risk of loss arises from changes in currency exchange rates. International

managers may also engage in transactions to hedge currency at their discretion. The following table presents the foreign currency risk by type of investment as of June 30, 2007 and 2006:

	2007		2006	
	Foreign Equity Securities	Foreign Obligations	Foreign Equity Securities	Foreign Obligations
	\$	\$	\$	\$
Australian Dollar	72,095,189	0	45,031,863	0
Canadian Dollar	25,401,638	671,932	27,309,690	0
Danish Krone	14,131,867	0	11,811,080	0
English Pound Sterling	245,374,152	0	208,671,160	0
Euro Currency	434,344,665	0	298,835,278	2,773,684
Hong Kong Dollar	49,855,829	0	48,639,162	0
Iceland Krona	0	2,274,574	0	0
Japanese Yen	276,514,350	4,526,106	272,057,458	0
Malaysian Ringgit	0	5,818,897	0	0
Mexican Peso	0	4,468,150	0	147,648
New Zealand Dollar	0	1,492,263	767,645	2,205,864
Norwegian Krone	13,319,542	0	9,864,745	0
Singapore Dollar	24,082,058	5,774,393	9,200,224	0
South African Rand	0	2,954,509	0	0
South Korean Won	29,407,763	0	22,537,972	0
Swedish Krona	33,723,011	0	29,340,607	0
Swiss Franc	69,190,076	0	54,417,316	0
Foreign Investments denominated in US dollars	<u>78,207,801</u>	<u>44,208,863</u>	<u>74,783,902</u>	<u>99,328,475</u>
Total	<u>1,365,647,941</u>	<u>72,189,687</u>	<u>1,113,268,102</u>	<u>104,455,671</u>

Note B (continued)
Deposits, Investments, and Investment Risk Disclosures

Securities Lending

ISBI participates in a securities lending program with State Street who acts as securities lending agent. Securities are loaned to brokers and, in return, the Board has rights to a portion of a collateral pool. All of the securities are eligible for the securities lending program. Collateral consists solely of cash, letters of credit, commercial paper and government securities having a fair value equal to or exceeding 102% of the value of the loaned securities (105% for non-U.S. securities). In the event of borrower default, State Street provides ISBI with counterparty default indemnification. ISBI had no credit risk as a result of its securities lending program as the collateral held exceeded the fair value of the securities lent. As of June 30, 2007 and 2006 there were outstanding loaned investment securities having fair values of \$2,129,513,426 and \$1,568,683,721 respectively; against which collateral was received with a fair value of \$2,189,767,674 and \$1,597,656,445 respectively. Collateral received at June 30, 2007 and 2006 consisted of \$2,084,820,497 and \$1,530,783,382, respectively, in cash and \$104,947,177 and \$66,873,063, respectively, in securities for which ISBI does not have the ability to pledge or sell.

Derivative Securities

Some of ISBI's managers invest in derivative securities. A derivative security is an investment whose payoff depends upon the value of other assets such as bond and stock prices, a market index, or commodity prices. ISBI's investments in derivatives are not leveraged. Obligations to purchase (long a financial future or a call option) are held in cash or cash equivalents. In the case of obligations to sell (short a financial future or a put option), the reference security is held in the portfolio. Derivatives transactions involve, to varying degrees, credit risk and market risk. Credit risk is the possibility that a loss may occur because a party to a transaction fails to perform according to terms. Market risk is the possibility that

a change in interest or currency rates will cause the value of a financial instrument to decrease or become more costly to settle. The market risk associated with derivatives, the prices of which are constantly fluctuating, is regulated by imposing strict limits as to the types, amounts and degree of risk that investment managers may undertake. The Board and senior management approve these limits, and the risk positions of the investment managers are reviewed on a regular basis to monitor compliance with the limits.

During the year, derivative investments included forward foreign currency contracts, collateralized mortgage obligations (CMO's), futures and options. The remaining derivative securities are used to improve the yields or to hedge changes in interest rates.

Forward foreign currency contracts are used to hedge against the currency risk in ISBI's foreign stock and fixed income portfolios. Forward foreign currency contracts are agreements to buy or sell specific amounts of a foreign currency at a specified delivery or maturity date for an agreed upon price. As the fair value of the forward contracts varies, the Board records an unrealized gain or loss. Forward foreign currency contracts represent an off-balance sheet obligation, as there are no balance sheet assets or liabilities associated with those contracts. The fair value of forward foreign currency contracts outstanding at June 30, 2007 and 2006 were as follows:

	Cost \$	Fair Value \$	Gain (Loss) \$
June 30, 2007			
Forward currency purchases	1,559,632	1,550,171	(9,461)
Forward currency sales	7,691,150	7,790,385	(99,235)
Total gain (loss)			<u>(108,696)</u>
June 30, 2006			
Forward currency purchases	3,956,106	4,008,201	52,095
Forward currency sales	7,860,622	7,886,572	(25,950)
Total gain (loss)			<u>26,145</u>

Note B (continued)
Deposits, Investments, and Investment Risk Disclosures

ISBI also invests in mortgage-backed securities to maximize yields and to hedge against a rise in interest rates. These securities are based on cash flows from principal and interest payments on underlying mortgages. Therefore, they are sensitive to prepayments by mortgagees, which may result from a decline in interest rates. As of June 30, 2007 and 2006, the fair value of the Board's CMO holdings totaled \$170,384,277 and \$211,686,803, respectively.

ISBI investment managers utilize financial futures to replicate an underlying security they desire to hold (sell) in the portfolio. In certain instances, it may be beneficial to own a futures contract rather than the underlying security (arbitrage). Financial future contracts are also used to improve the yield or adjust the duration of the portfolio. Financial futures contracts are agreements to buy or sell a specified amount at a specified delivery or maturity date for an agreed upon price. The fair values of the futures contracts vary from the original contract price, a gain or loss is recognized and paid to or received from the clearinghouse. Financial futures represent an off-balance sheet obligation, as there are no balance sheet

assets or liabilities associated with those contracts. The cash or securities to meet these obligations are held in the investment portfolio.

The Board's investment managers utilize options in an effort to add value to the portfolio (collect premiums) or protect (hedge) a position in the portfolio. Options are agreements that give one party the right, but not the obligation, to buy or sell a specific amount of an asset for a specific price (called the strike price) on or before a specified expiration date. As the writer of financial options, ISBI receives a premium at the outset of the agreement and bears the risk of an unfavorable change in the price of the instrument underlying the option. As the purchaser, ISBI pays a premium at the outset of the agreement and the counterparty bears the risk of an unfavorable change in the price of the financial instrument underlying the option.

The following table shows the futures and options positions held by ISBI as of June 30, 2007 and 2006:

	2007		2006	
	Number of Contracts	Contract Principal* \$	Number of Contracts	Contract Principal* \$
Domestic				
Equity futures purchased	2,169	168,891,330	2,667	190,210,548
Fixed income futures purchased	609	77,268,953	1,605	269,684,894
Fixed income futures sold	1,333	248,776,093	355	37,149,313
Fixed income written put options	78	33,000,000	71	7,100,000
Fixed income written call options	209	74,900,000	320	122,900,000
Eurocurrency purchased call options	0	0	23,550,000	23,550,000
Fixed income purchased put options	0	0	58	58,000,000
Fixed income purchased call options	241	241,000,000	0	0

* Contract principal amounts shown represent the fair value of the underlying assets the contracts control. These are shown to present the volume of the transactions but do not reflect the extent to which positions may offset one another. These amounts do not represent the much smaller amounts potentially subject to risk. Contract principal values also do not represent recorded values

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2007 AND 2006 (CONTINUED)

<i>Note C</i> <i>Member Systems' Participation</i>	General Assembly	Judges'	State Employees'	Combined*
Member Systems' Income and Expenses	\$	\$	\$	\$
Fiscal Year Ended June 30, 2007				
Interest and dividends	2,178,065	16,622,551	300,711,695	319,512,311
Net securities lending income	30,586	233,876	4,228,997	4,493,459
Net increase in fair value of investments	10,914,976	82,846,751	1,500,507,144	1,594,268,871
Management expenses	<u>(275,426)</u>	<u>(2,113,844)</u>	<u>(38,174,064)</u>	<u>(40,563,334)</u>
Net investment income	<u>12,848,201</u>	<u>97,589,334</u>	<u>1,767,273,772</u>	<u>1,877,711,307</u>
Member Systems' Changes in Net Assets				
Fiscal Year Ended June 30, 2007				
Net assets at beginning of year	79,016,741	582,604,390	10,654,863,723	11,316,484,854
Member systems' net (withdrawals)	(8,000,000)	(22,000,000)	(612,000,000)	(642,000,000)
Net investment income	<u>12,848,201</u>	<u>97,589,334</u>	<u>1,767,273,772</u>	<u>1,877,711,307</u>
Net assets at end of year	<u>83,864,942</u>	<u>658,193,724</u>	<u>11,810,137,495</u>	<u>12,552,196,161</u>
The source of net assets of the member systems since inception at June 30, 2007, is as follows:				
Member systems' net (withdrawals)	(38,159,495)	(39,932,730)	(846,086,756)	(924,178,981)
Accumulated net investment income	<u>122,024,437</u>	<u>698,126,454</u>	<u>12,656,224,251</u>	<u>13,476,375,142</u>
Net assets at fair value	<u>83,864,942</u>	<u>658,193,724</u>	<u>11,810,137,495</u>	<u>12,552,196,161</u>

* Combined column for the member systems is presented for information purposes only and does not indicate that the assets of one system may be used for another system.

Note C
Member Systems' Participation

General
Assembly

Judges'

State
Employees'

Combined*

Member Systems' Income and Expenses
Fiscal Year Ended June 30, 2006

	\$	\$	\$	\$
Interest and dividends	2,137,981	15,763,229	288,324,911	306,226,121
Net securities lending income	30,173	222,464	4,069,075	4,321,712
Net increase in fair value of investments	5,786,233	46,320,241	840,493,512	892,599,986
Management expenses	<u>(210,447)</u>	<u>(1,551,615)</u>	<u>(28,380,570)</u>	<u>(30,142,632)</u>
Net investment income	<u>7,743,940</u>	<u>60,754,319</u>	<u>1,104,506,928</u>	<u>1,173,005,187</u>

Member Systems' Changes in Net Assets
Fiscal Year Ended June 30, 2006

Net assets at beginning of year	80,772,801	550,350,071	10,271,356,795	10,902,479,667
Member systems' net (withdrawals)	(9,500,000)	(28,500,000)	(721,000,000)	(759,000,000)
Net investment income	<u>7,743,940</u>	<u>60,754,319</u>	<u>1,104,506,928</u>	<u>1,173,005,187</u>
Net assets at end of year	<u>79,016,741</u>	<u>582,604,390</u>	<u>10,654,863,723</u>	<u>11,316,484,854</u>

The source of net assets of the member systems since inception at June 30, 2006, is as follows:

Member systems' net (withdrawals)	(30,159,495)	(17,932,730)	(234,086,756)	(282,178,981)
Accumulated net investment income	<u>109,176,236</u>	<u>600,537,120</u>	<u>10,888,950,479</u>	<u>11,598,663,835</u>
Net assets at fair value	<u>79,016,741</u>	<u>582,604,390</u>	<u>10,654,863,723</u>	<u>11,316,484,854</u>

* Combined column for the member systems is presented for information purposes only and does not indicate that the assets of one system may be used for another system.

Note D
Pensions

Plan Description

All of the ISBI employees participate in the State Employees' Retirement System (SERS), which is a pension trust fund in the State of Illinois reporting entity. The SERS is a single-employer, defined-benefit, public employee retirement system (PERS) in which State employees participate, except those covered by the State Universities, Teachers', General Assembly, and Judges' Retirement Systems. The financial position and results of operations of the SERS for fiscal years 2007 and 2006 are included in the State of Illinois' Comprehensive Annual Financial Report (CAFR). The SERS also issues a separate CAFR that may be obtained by writing to the SERS, 2101 Veterans Parkway, Springfield, IL 62794-9255 or by calling 217/785-7202. The State of Illinois CAFR may be obtained by writing to the Office of the Comptroller, Financial Reporting Department, 325 West Adams Street, Springfield, IL 62704-1858 or by calling 217/782-2053.

A summary of SERS' benefit provisions, changes in benefit provisions, employee eligibility requirements including eligibility for vesting, and the authority under which benefit provisions are established, are included as an integral part of the SERS' CAFR. Also included is a discussion of employer and employee obligations to contribute, and the authority under which those obligations are established.

Funding Policy

ISBI pays employer retirement contributions based upon an actuarially determined percentage of payroll. For fiscal years 2007 and 2006 the employer contribution rates were 11.525% and 7.792% respectively. ISBI contributions to SERS for fiscal years 2007 and 2006 were \$111,777 and \$69,384, respectively, and were equal to the required contributions for each fiscal year. Effective for pay periods beginning after December 31, 1991, the State opted to pay the employee portion of retirement for most State agencies with employees covered

by the State Employees' and Teachers' Retirement Systems. Generally, this "pickup" of employee retirement was part of the budget process and was, in part, a substitute for salary increases. The pickup is subject to sufficient annual appropriations and those employees covered may vary across employee groups and State agencies. Currently, State officers, judges, general assembly members, and State university employees are not eligible for the employee pickup.

Post-employment Benefits

In addition to providing pension benefits, the State provides certain health, dental and life insurance benefits to annuitants who are former State employees. This includes annuitants of the ISBI. Substantially all State employees may become eligible for post-employment benefits if they eventually become annuitants. Health and dental benefits include basic benefits for annuitants under the State's self-insurance plan and insurance contracts currently in force. Life insurance benefits are limited to five thousand dollars per annuitant age 60 and older.

Costs incurred for health, dental and life insurance for annuitants and their dependents were not separated from benefits that were provided to active employees and their dependents for the years ended June 30, 2007 and 2006. However, post-employment costs for the State as a whole for all State agencies or departments for dependent health, dental and life insurance for annuitants and their dependents are disclosed in the State's Comprehensive Annual Financial Report. Cost information for retirees by individual State agency is not available. Payments are made on a "pay-as-you-go" basis.

**SUPPLEMENTAL
FINANCIAL
INFORMATION
2007**

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Rating Moody's	S&P	Par Value	Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$		%	\$	\$	%	
FIXED INCOME								
Government & Agency Obligations								
U.S. Treasury								
32,000,000		US TREASURY BOND STRP. PRN.	11/15/21	0.000	11,391,780	15,067,856	5.30	14.07
1,500,000		US TREASURY BONDS	02/15/15	11.250	2,321,133	2,086,055	5.02	5.40
2,850,000		US TREASURY BONDS	02/15/16	9.250	3,806,643	3,682,289	5.04	6.14
3,157,229		US TREASURY BONDS	01/15/25	2.375	3,138,378	3,034,334	5.25	10.86
187,403		US TREASURY BONDS	01/15/26	2.000	186,270	169,605	5.25	11.76
942,706		US TREASURY BONDS	01/15/27	2.375	936,178	904,997	5.24	10.56
7,755,628		US TREASURY BONDS	04/15/29	3.875	9,540,185	9,354,985	5.22	10.58
405,000		US TREASURY BONDS	02/15/36	4.500	366,270	366,778	5.13	15.14
3,175,000		US TREASURY BONDS	02/15/37	4.750	2,922,984	2,993,926	5.13	15.20
13,800,000		US TREASURY NOTES	02/15/08	5.500	14,203,243	13,839,890	5.01	0.60
550,000		US TREASURY NOTES	05/15/08	3.750	541,535	543,984	5.03	0.84
2,000,000		US TREASURY NOTES	07/31/08	5.000	1,996,618	1,999,844	5.03	1.03
1,500,000		US TREASURY NOTES	08/15/08	4.125	1,496,693	1,486,289	4.99	1.07
3,000,000		US TREASURY NOTES	08/31/08	4.875	2,997,402	2,996,250	5.01	1.11
2,000,000		US TREASURY NOTES	09/15/08	3.125	1,926,797	1,957,500	4.98	1.16
2,000,000		US TREASURY NOTES	10/15/08	3.125	1,968,750	1,954,688	4.95	1.24
3,000,000		US TREASURY NOTES	10/31/08	4.875	3,013,125	2,996,484	4.98	1.27
2,500,000		US TREASURY NOTES	11/15/08	3.375	2,492,188	2,447,461	4.99	1.32
1,500,000		US TREASURY NOTES	11/30/08	4.625	1,498,103	1,494,141	4.92	1.36
1,500,000		US TREASURY NOTES	01/15/09	3.250	1,480,313	1,463,320	4.92	1.47
1,500,000		US TREASURY NOTES	01/31/09	4.875	1,498,242	1,498,477	4.96	1.49
15,100,000		US TREASURY NOTES	02/15/09	3.000	14,674,113	14,651,719	4.94	1.55
2,000,000		US TREASURY NOTES	02/28/09	4.750	2,002,730	1,994,531	4.94	1.56
5,850,000		US TREASURY NOTES	03/31/09	4.500	5,809,324	5,808,867	4.93	1.65
5,000,000		US TREASURY NOTES	04/15/09	3.125	4,870,352	4,850,391	4.89	1.71
3,500,000		US TREASURY NOTES	05/15/09	3.875	3,451,191	3,436,289	4.90	1.78
2,750,000		US TREASURY NOTES	05/15/09	4.875	2,740,911	2,748,496	4.90	1.77
5,500,000		US TREASURY NOTES	05/31/09	4.875	5,496,992	5,498,711	4.89	1.81
1,200,000		US TREASURY NOTES	07/15/09	3.625	1,169,391	1,170,563	4.90	1.91
1,200,000		US TREASURY NOTES	08/15/09	3.500	1,171,500	1,166,344	4.91	2.00
2,000,000		US TREASURY NOTES	08/15/09	4.875	1,998,731	1,998,906	4.91	1.97
2,750,000		US TREASURY NOTES	08/15/09	6.000	2,962,122	2,809,727	4.91	1.94
1,000,000		US TREASURY NOTES	09/15/09	3.375	987,344	968,984	4.88	2.08
1,000,000		US TREASURY NOTES	10/15/09	3.375	967,904	967,656	4.89	2.16
1,000,000		US TREASURY NOTES	12/15/09	3.500	970,469	968,281	4.89	2.32
16,600,000		US TREASURY NOTES	01/15/10	3.625	16,308,598	16,102,000	4.89	2.36
1,750,000		US TREASURY NOTES	02/15/10	3.500	1,710,967	1,690,254	4.90	2.45
1,550,000		US TREASURY NOTES	02/15/10	4.750	1,560,293	1,544,066	4.90	2.41
1,250,000		US TREASURY NOTES	02/15/10	4.875	1,248,273	1,245,215	4.90	2.41
1,700,000		US TREASURY NOTES	02/15/10	6.500	1,871,594	1,765,477	4.91	2.36
32,723		US TREASURY NOTES	04/15/10	0.875	31,150	31,074	5.36	1.88
500,000		US TREASURY NOTES	05/15/10	4.500	495,020	494,688	4.89	2.65
1,000,000		US TREASURY NOTES	07/15/10	3.875	999,844	972,266	4.87	2.78
2,000,000		US TREASURY NOTES	08/15/10	4.125	1,991,248	1,955,625	4.90	2.85
1,500,000		US TREASURY NOTES	08/15/10	5.750	1,590,059	1,536,680	4.89	2.79
2,140,000		US TREASURY NOTES	09/15/10	3.875	2,122,912	2,076,134	4.89	2.95
1,000,000		US TREASURY NOTES	11/15/10	4.500	998,892	987,891	4.89	3.08
5,000,000		US TREASURY NOTES	12/15/10	4.375	4,922,422	4,918,360	4.89	3.17
1,500,000		US TREASURY NOTES	01/15/11	4.250	1,491,994	1,468,594	4.91	3.19
4,000,000		US TREASURY NOTES	02/15/11	5.000	3,997,813	4,018,125	4.86	3.23
2,000,000		US TREASURY NOTES	03/31/11	4.750	2,003,906	1,989,375	4.91	3.36
4,903,534		US TREASURY NOTES	04/15/11	2.375	4,857,350	4,849,519	5.28	2.48
1,200,000		US TREASURY NOTES	04/30/11	4.875	1,197,328	1,198,125	4.92	3.44
8,000,000		US TREASURY NOTES	06/30/11	5.125	8,033,053	8,061,875	4.91	3.50
10,500,000		US TREASURY NOTES	09/30/11	4.500	10,449,961	10,330,195	4.93	3.78
2,500,000		US TREASURY NOTES	10/31/11	4.625	2,506,348	2,470,508	4.93	3.86
850,000		US TREASURY NOTES	11/30/11	4.500	851,144	835,789	4.93	3.95
104,738		US TREASURY NOTES	01/15/12	3.375	123,143	108,084	5.22	2.86
2,200,000		US TREASURY NOTES	01/31/12	4.750	2,191,450	2,183,672	4.93	4.00
3,500,000		US TREASURY NOTES	02/29/12	4.625	3,517,637	3,456,250	4.93	4.09
11,210,000		US TREASURY NOTES	04/30/12	4.500	10,980,487	11,003,316	4.93	4.26
1,350,000		US TREASURY NOTES	05/31/12	4.625	1,341,451	1,339,453	4.93	4.33
12,750,000		US TREASURY NOTES	11/15/12	4.000	12,543,019	12,219,082	4.88	4.75
18,485,000		US TREASURY NOTES	02/15/13	3.875	17,740,395	17,554,973	4.91	4.91
1,000,000		US TREASURY NOTES	08/15/13	4.250	983,359	965,625	4.91	5.24
1,000,000		US TREASURY NOTES	11/15/13	4.250	1,005,781	962,734	4.94	5.48
3,000,000		US TREASURY NOTES	02/15/14	4.000	2,876,016	2,839,688	4.95	5.64
2,970,865		US TREASURY NOTES	07/15/14	2.000	3,023,792	2,851,937	5.23	4.46
3,770,000		US TREASURY NOTES	08/15/14	4.250	3,775,977	3,605,652	4.98	5.96
2,770,000		US TREASURY NOTES	11/15/14	4.250	2,502,539	2,385,742	5.00	6.20
9,600,000		US TREASURY NOTES	02/15/15	4.000	9,199,648	8,986,500	5.01	6.36
2,500,000		US TREASURY NOTES	05/15/15	4.125	2,478,516	2,355,274	5.02	6.57
4,270,727		US TREASURY NOTES	07/15/15	1.875	4,240,994	4,035,944	5.24	5.06
1,000,000		US TREASURY NOTES	11/15/15	4.500	995,327	964,219	5.02	6.84
4,747,741		US TREASURY NOTES	07/15/16	2.500	4,777,469	4,697,355	5.24	5.49
1,400,000		US TREASURY NOTES	08/15/16	4.875	1,419,217	1,382,719	5.04	7.16

Rating Moody's	S&P	Par Value	Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration	
		\$		%	\$	\$	%		
			FIXED INCOME (continued)						
			U.S. Treasury (continued)						
		37,450,000	US TREASURY NOTES	11/15/16	4.625	36,464,737	36,297,241	5.04	7.46
		1,750,000	US TREASURY NOTES	02/15/17	4.625	1,753,612	1,694,902	5.03	7.53
		3,700,000	US TREASURY NOTES	05/15/17	4.500	3,576,391	3,547,953	5.03	7.80
			Total U.S. Treasury			<u>317,747,030</u>	<u>317,358,768</u>		
			Federal Agency & Other Governments						
		250,000	ARAB REP. EGYPT	09/15/15	4.450	246,783	234,418	5.40	6.65
		200,000	CANADA MTG. & HOUSING CORP.	04/01/10	3.875	199,748	193,563	5.19	2.55
		50,000	DOMINION RES. INC. VA NEW	11/15/16	5.600	49,996	48,404	6.01	7.13
		200,000	EXPORT DEV. CDA	04/01/10	4.625	199,552	197,670	5.08	2.53
		150,000	FANNIE MAE	10/11/16	6.000	149,550	148,445	6.13	3.05
		1,580,000	FANNIE MAE	06/12/17	5.625	1,579,257	1,567,711	5.47	7.65
		3,900,000	FEDERAL FARM CREDIT CARD BANK	04/15/09	4.125	3,814,083	3,834,213	5.21	1.69
		3,000,000	FEDERAL FARM CREDIT CARD BANK	08/03/09	0.000	2,998,860	3,002,939	5.33	1.96
		100,000	FEDERAL FARM CREDIT CARD BANK	10/23/09	5.000	99,970	99,636	5.18	2.14
		1,500,000	FEDERAL FARM CREDIT CARD BANK	12/16/15	4.875	1,485,915	1,444,579	5.43	6.81
		350,000	FEDERAL HOME LOAN ASSOC.	10/16/09	5.000	349,179	347,835	5.27	1.76
		7,400,000	FEDERAL HOME LOAN BANK	08/08/08	5.125	7,415,338	7,386,843	5.27	1.05
		950,000	FEDERAL HOME LOAN BANK	01/02/09	5.400	949,810	948,482	5.44	0.59
		5,000,000	FEDERAL HOME LOAN BANK	01/16/09	5.400	4,999,600	4,992,428	5.44	0.62
		4,800,000	FEDERAL HOME LOAN BANK	05/21/09	5.500	4,800,000	4,794,987	5.52	0.63
		2,500,000	FEDERAL HOME LOAN BANK	08/07/09	5.750	2,505,150	2,501,673	5.71	0.28
		900,000	FEDERAL HOME LOAN BANK	05/14/10	4.875	898,173	892,676	5.19	2.63
		2,000,000	FEDERAL HOME LOAN BANK	09/17/10	4.375	1,995,360	1,951,811	5.20	2.92
		2,540,000	FEDERAL HOME LOAN BANK	08/19/11	5.375	2,570,949	2,551,829	5.26	3.60
		10,600,000	FEDERAL HOME LOAN BANK	11/27/13	4.875	10,562,200	10,298,183	5.37	5.41
		200,000	FEDERAL HOME LOAN BANK	10/19/16	5.500	200,000	196,907	5.74	4.89
		1,500,000	FEDERAL HOME LOAN BANK	05/17/17	4.875	1,443,263	1,420,828	5.47	7.65
		250,000	FEDERAL HOME LOAN BANK CHICAGO	06/13/16	5.625	250,000	249,403	5.68	6.94
		7,600,000	FEDERAL HOME LOAN BANKS	03/10/08	4.000	7,544,520	7,531,798	5.33	0.67
		1,000,000	FEDERAL HOME LOAN BANKS	11/14/08	3.625	988,070	979,396	5.24	1.32
		1,000,000	FEDERAL HOME LOAN BANKS	04/15/09	3.000	963,120	964,754	5.20	1.71
		10,000,000	FEDERAL HOME LOAN BANKS	08/18/09	3.750	9,780,070	9,720,075	5.16	2.00
		200,000	FEDERAL HOME LOAN BANKS	10/19/09	5.550	200,000	199,732	5.56	0.77
		8,400,000	FEDERAL HOME LOAN BANKS	01/15/10	3.875	8,183,421	8,151,304	5.19	2.35
		4,900,000	FEDERAL HOME LOAN BANKS	03/12/10	4.875	4,892,307	4,859,991	5.18	2.47
		1,000,000	FEDERAL HOME LOAN BANKS	03/17/10	4.400	998,090	979,304	5.16	2.49
		2,175,000	FEDERAL HOME LOAN BANKS	05/14/10	7.625	2,506,709	2,314,139	5.19	2.56
		6,700,000	FEDERAL HOME LOAN BANKS	12/10/10	4.750	6,639,499	6,594,720	5.23	3.13
		11,500,000	FEDERAL HOME LOAN BANKS	05/15/12	5.750	11,986,225	11,750,565	5.27	4.19
		1,000,000	FEDERAL HOME LOAN BANKS	11/15/12	4.500	1,010,630	964,797	5.30	4.68
		11,300,000	FEDERAL HOME LOAN BANKS	06/14/13	3.875	10,832,687	10,453,541	5.36	5.21
		300,000	FEDERAL HOME LOAN BANKS	05/18/16	5.375	297,977	298,955	5.45	6.95
		160,000	FEDERAL HOME LOAN BANKS	07/15/36	5.500	157,850	157,276	5.62	14.11
		1,030,000	FEDERAL HOME LOAN MTG. CORP.	11/16/07	4.375	1,027,930	1,026,864	5.35	0.37
		1,000,000	FEDERAL HOME LOAN MTG. CORP.	11/03/08	4.900	999,000	995,004	5.21	1.28
		1,860,000	FEDERAL HOME LOAN MTG. CORP.	01/16/09	0.000	1,857,935	1,852,884	5.19	1.44
		2,000,000	FEDERAL HOME LOAN MTG. CORP.	01/16/09	5.000	1,995,608	1,992,349	5.19	1.44
		12,159,000	FEDERAL HOME LOAN MTG. CORP.	02/17/09	4.875	12,101,562	12,103,760	5.23	1.53
		1,200,000	FEDERAL HOME LOAN MTG. CORP.	06/11/09	5.000	1,196,596	1,196,008	5.20	1.83
		2,000,000	FEDERAL HOME LOAN MTG. CORP.	07/15/09	4.250	2,023,394	1,964,985	5.19	1.89
		6,650,000	FEDERAL HOME LOAN MTG. CORP.	09/15/09	6.625	6,979,101	6,845,697	5.20	2.01
		5,400,000	FEDERAL HOME LOAN MTG. CORP.	12/15/09	4.000	5,304,092	5,255,960	5.19	2.31
		7,900,000	FEDERAL HOME LOAN MTG. CORP.	09/15/10	6.875	8,464,844	8,281,002	5.20	2.82
		1,000,000	FEDERAL HOME LOAN MTG. CORP.	09/22/10	4.750	1,000,000	986,017	5.20	2.92
		8,000,000	FEDERAL HOME LOAN MTG. CORP.	03/15/11	5.625	8,225,750	8,101,942	5.22	3.27
		1,450,000	FEDERAL HOME LOAN MTG. CORP.	06/15/11	6.000	1,514,447	1,488,158	5.25	3.49
		8,300,000	FEDERAL HOME LOAN MTG. CORP.	07/18/11	5.250	8,352,916	8,299,480	5.25	3.53
		500,000	FEDERAL HOME LOAN MTG. CORP.	09/02/11	5.450	499,205	497,029	5.54	2.22
		300,000	FEDERAL HOME LOAN MTG. CORP.	10/06/11	5.250	299,610	296,836	5.46	2.54
		1,000,000	FEDERAL HOME LOAN MTG. CORP.	01/15/12	5.750	1,063,150	1,017,767	5.26	3.87
		1,000,000	FEDERAL HOME LOAN MTG. CORP.	02/02/12	5.400	998,000	992,896	5.53	2.62
		2,000,000	FEDERAL HOME LOAN MTG. CORP.	03/05/12	4.750	1,976,284	1,954,989	5.27	4.08
		1,500,000	FEDERAL HOME LOAN MTG. CORP.	05/23/12	5.650	1,499,430	1,491,198	5.79	2.39
		1,000,000	FEDERAL HOME LOAN MTG. CORP.	07/15/12	5.125	1,030,590	993,696	5.25	4.30
		2,000,000	FEDERAL HOME LOAN MTG. CORP.	11/05/12	5.250	2,035,620	1,974,210	5.51	2.86
		250,000	FEDERAL HOME LOAN MTG. CORP.	10/17/13	5.600	250,000	248,743	5.71	3.03
		14,700,000	FEDERAL HOME LOAN MTG. CORP.	01/15/15	4.500	14,630,897	13,895,088	5.39	6.15
		500,000	FEDERAL HOME LOAN MTG. CORP.	01/26/15	5.050	500,000	489,487	5.39	6.08
		4,030,851	FEDERAL HOME LOAN MTG. CORP.	04/15/15	4.375	3,916,873	3,908,183	5.50	2.85
		1,191,790	FEDERAL HOME LOAN MTG. CORP.	07/15/15	5.500	1,205,384	1,189,599	5.56	3.36
		7,500,000	FEDERAL HOME LOAN MTG. CORP.	07/17/15	4.375	6,913,650	7,002,194	5.41	6.51
		1,409,244	FEDERAL HOME LOAN MTG. CORP.	05/15/16	5.875	1,411,226	1,409,877	5.87	2.06
		150,000	FEDERAL HOME LOAN MTG. CORP.	10/04/16	5.550	149,953	148,014	5.74	5.65

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Rating Moody's	S&P	Par Value	Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration	
		\$		%	\$	\$	%		
			FIXED INCOME (continued)						
			Federal Agency & Other Governments (continued)						
		981,932	FEDERAL HOME LOAN MTG. CORP.	10/15/16	4.000	953,088	953,500	5.41	2.23
		930,000	FEDERAL HOME LOAN MTG. CORP.	10/18/16	5.125	929,200	907,498	5.46	7.22
		3,168,000	FEDERAL HOME LOAN MTG. CORP.	07/15/17	4.500	3,049,694	3,036,801	5.55	4.19
		1,034,305	FEDERAL HOME LOAN MTG. CORP.	06/15/18	5.670	1,038,345	1,039,372	5.64	0.13
		1,336,969	FEDERAL HOME LOAN MTG. CORP.	11/15/22	3.500	1,334,253	1,317,980	5.48	0.80
		943,454	FEDERAL HOME LOAN MTG. CORP.	12/15/22	5.000	937,999	925,754	5.66	2.97
		7,880,543	FEDERAL HOME LOAN MTG. CORP.	05/15/29	5.500	7,814,667	7,805,340	5.79	3.05
		1,006,762	FEDERAL HOME LOAN MTG. CORP.	01/15/31	5.500	1,001,257	1,004,708	5.68	2.53
		40,000	FEDERAL HOME LOAN MTG. CORP.	07/15/32	6.250	45,729	43,538	5.62	12.80
		1,148,772	FEDERAL HOME LOAN MTG. CORP.	07/15/33	5.500	1,196,518	1,142,023	5.68	3.54
		1,310,000	FEDERAL HOME LOAN MTG. CORP.	11/23/35	5.625	1,309,083	1,232,132	6.11	10.41
		1,607,506	FEDERAL HOME LOAN MTG. CORP. MULTI	06/15/15	5.500	1,679,592	1,599,499	5.62	3.42
		7,052	FEDERAL HOME LOAN PC POOL 140864	07/01/09	9.000	6,805	7,179	6.15	0.92
		6	FEDERAL HOME LOAN PC POOL 160029	10/01/07	8.250	6	6	5.82	0.12
		947	FEDERAL HOME LOAN PC POOL 160042	04/01/08	8.750	899	945	5.63	0.27
		637	FEDERAL HOME LOAN PC POOL 160043	04/01/08	8.750	605	636	6.11	0.28
		435	FEDERAL HOME LOAN PC POOL 160045	05/01/08	8.750	413	434	6.11	0.28
		534	FEDERAL HOME LOAN PC POOL 160046	05/01/08	8.750	507	535	6.11	0.36
		281	FEDERAL HOME LOAN PC POOL 170018	02/01/08	8.500	271	279	6.11	0.20
		1,120	FEDERAL HOME LOAN PC POOL 170022	04/01/08	8.750	1,063	1,119	5.68	0.31
		1,914,392	FEDERAL HOME LOAN PC POOL 1G0794	04/01/36	5.345	1,877,076	1,898,850	6.01	2.02
		2,398,820	FEDERAL HOME LOAN PC POOL 1J1480	02/01/37	5.848	2,419,060	2,399,492	5.91	2.41
		3,095,803	FEDERAL HOME LOAN PC POOL 1L1302	04/01/36	5.541	3,074,036	3,070,608	N/A	3.08
		810,717	FEDERAL HOME LOAN PC POOL A37660	09/01/35	5.500	812,300	783,703	6.16	4.97
		378,180	FEDERAL HOME LOAN PC POOL B11431	12/01/18	4.500	373,334	360,320	5.96	4.08
		113,356	FEDERAL HOME LOAN PC POOL B13754	04/01/19	4.500	110,018	107,932	5.96	4.15
		24,715	FEDERAL HOME LOAN PC POOL B13889	04/01/19	4.000	23,858	22,922	6.10	4.47
		384,828	FEDERAL HOME LOAN PC POOL B14035	05/01/19	4.500	373,494	366,414	5.96	4.15
		328,831	FEDERAL HOME LOAN PC POOL B14719	05/01/19	4.500	319,145	313,095	5.96	4.19
		108,073	FEDERAL HOME LOAN PC POOL B14743	05/01/19	4.500	104,890	102,902	5.96	4.15
		801,482	FEDERAL HOME LOAN PC POOL B14806	05/01/19	4.500	777,876	763,130	5.96	4.18
		363,097	FEDERAL HOME LOAN PC POOL B14904	05/01/19	4.500	358,445	345,722	5.75	3.94
		465,332	FEDERAL HOME LOAN PC POOL B15002	06/01/19	4.500	451,626	443,065	5.89	4.18
		76,349	FEDERAL HOME LOAN PC POOL B15839	07/01/19	4.500	75,370	72,695	5.75	3.95
		1,088,157	FEDERAL HOME LOAN PC POOL B17518	09/01/13	4.500	1,065,884	1,062,368	5.54	2.27
		727,762	FEDERAL HOME LOAN PC POOL B17621	01/01/20	5.000	716,618	704,479	5.84	3.85
		397,728	FEDERAL HOME LOAN PC POOL B18260	04/01/20	4.500	392,787	377,950	5.89	4.44
		325,427	FEDERAL HOME LOAN PC POOL B18684	01/01/20	4.500	321,384	309,244	5.89	4.35
		1,617,801	FEDERAL HOME LOAN PC POOL B19580	07/01/20	5.000	1,595,620	1,565,539	5.89	4.19
		230,793	FEDERAL HOME LOAN PC POOL C00680	11/01/28	6.000	234,760	230,414	6.20	4.71
		143,661	FEDERAL HOME LOAN PC POOL C13580	08/01/28	6.000	146,130	143,425	6.06	3.61
		433,911	FEDERAL HOME LOAN PC POOL C14202	08/01/28	6.000	441,369	433,199	6.06	3.94
		153,753	FEDERAL HOME LOAN PC POOL C73043	11/01/32	6.000	158,558	153,117	6.20	4.71
		107,453	FEDERAL HOME LOAN PC POOL C74223	10/01/32	6.000	110,123	107,008	6.12	4.17
		114,474	FEDERAL HOME LOAN PC POOL C76019	01/01/33	6.000	116,442	114,000	6.12	4.11
		306,793	FEDERAL HOME LOAN PC POOL E00598	12/01/13	5.500	308,711	305,664	5.64	2.12
		82,996	FEDERAL HOME LOAN PC POOL E00991	07/01/16	6.000	86,783	83,544	5.75	2.61
		254,898	FEDERAL HOME LOAN PC POOL E01137	03/01/17	6.000	264,696	256,581	5.84	2.88
		145,783	FEDERAL HOME LOAN PC POOL E01140	05/01/17	6.000	152,434	146,745	5.84	2.89
		347,738	FEDERAL HOME LOAN PC POOL E01157	06/01/17	6.000	363,603	350,033	5.84	2.91
		467,644	FEDERAL HOME LOAN PC POOL E70492	05/01/13	6.000	473,928	470,032	5.70	1.94
		77,656	FEDERAL HOME LOAN PC POOL E88789	04/01/17	6.000	81,199	78,169	5.76	2.60
		77,722	FEDERAL HOME LOAN PC POOL E89043	04/01/17	6.000	81,268	78,235	5.77	2.70
		106,973	FEDERAL HOME LOAN PC POOL E89705	05/01/17	6.000	111,854	107,679	5.78	2.81
		59,799	FEDERAL HOME LOAN PC POOL E90009	06/01/17	6.000	62,527	60,156	5.81	2.92
		248,824	FEDERAL HOME LOAN PC POOL E90194	06/01/17	6.000	260,177	250,467	5.84	2.99
		162,221	FEDERAL HOME LOAN PC POOL E90227	06/01/17	6.000	169,622	163,190	5.85	3.02
		97,753	FEDERAL HOME LOAN PC POOL E90267	06/01/17	6.000	102,213	98,398	5.75	2.59
		310,382	FEDERAL HOME LOAN PC POOL E90286	06/01/17	6.000	324,543	312,237	5.84	2.99
		214,313	FEDERAL HOME LOAN PC POOL E90287	06/01/17	6.000	224,091	215,728	5.78	2.80
		335,490	FEDERAL HOME LOAN PC POOL E90556	07/01/17	6.000	350,797	337,496	5.84	2.96
		304,302	FEDERAL HOME LOAN PC POOL E90623	08/01/17	6.000	318,186	306,121	5.84	2.98
		67,273	FEDERAL HOME LOAN PC POOL E90706	07/01/17	6.000	70,342	67,717	5.78	2.88
		101,904	FEDERAL HOME LOAN PC POOL E91031	08/01/17	6.000	106,554	102,577	5.84	2.74
		100,990	FEDERAL HOME LOAN PC POOL E95101	03/01/18	6.000	105,598	101,594	5.81	2.91
		42,673	FEDERAL HOME LOAN PC POOL E95624	04/01/18	6.000	44,620	42,955	5.79	3.08
		245,606	FEDERAL HOME LOAN PC POOL G01391	04/01/32	7.000	255,934	254,883	6.13	2.69
		1,169,107	FEDERAL HOME LOAN PC POOL G11406	06/01/13	4.000	1,131,843	1,089,416	7.20	2.37
		2,248,678	FEDERAL HOME LOAN PC POOL G11470	11/01/13	4.500	2,212,489	2,147,400	6.58	2.50
		1,278,755	FEDERAL HOME LOAN PC POOL G11618	05/01/18	4.500	1,270,962	1,218,763	6.04	3.85
		2,082,232	FEDERAL HOME LOAN PC POOL G11720	08/01/20	4.500	2,052,300	1,980,640	5.89	4.06
		3,380,366	FEDERAL HOME LOAN PC POOL G11769	10/01/20	5.000	3,396,079	3,272,222	5.92	4.08
		5,001,430	FEDERAL HOME LOAN PC POOL G11777	10/01/20	5.000	5,024,288	4,839,861	5.89	4.17
		808,396	FEDERAL HOME LOAN PC POOL G11879	10/01/20	5.000	803,596	782,533	5.92	4.06
		2,510,298	FEDERAL HOME LOAN PC POOL G11880	12/01/20	5.000	2,495,393	2,429,204	N/A	4.31
		1,346,025	FEDERAL HOME LOAN PC POOL G11896	01/01/21	4.500	1,309,430	1,278,040	5.78	4.68

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Rating Moody's	S&P	Par Value	Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration	
		\$		%	\$	\$	%		
		FIXED INCOME (continued)							
		Federal Agency & Other Governments (continued)							
		202,292	FNMA POOL 545638	05/01/32	6.500	208,870	206,006	6.19	3.63
		381,298	FNMA POOL 545759	07/01/32	6.500	399,720	388,299	6.19	3.67
		150,054	FNMA POOL 545762	07/01/32	6.500	157,182	152,809	6.19	3.49
		928,213	FNMA POOL 545961	02/01/14	5.500	927,198	923,316	5.98	2.39
		638,479	FNMA POOL 545962	12/01/13	5.500	640,475	635,134	5.98	2.36
		439,504	FNMA POOL 545968	10/01/17	5.500	454,715	435,057	5.91	3.17
		1,081,934	FNMA POOL 545977	08/01/15	5.500	1,080,751	1,076,265	5.98	2.36
		15,765	FNMA POOL 555144	10/01/32	7.000	16,594	16,369	6.63	11.91
		289,077	FNMA POOL 555254	01/01/33	6.500	303,125	294,385	6.17	3.53
		308,499	FNMA POOL 555383	03/01/16	5.500	309,463	306,883	5.64	2.16
		225,096	FNMA POOL 555471	04/01/18	5.500	232,940	222,819	5.91	3.16
		299,188	FNMA POOL 555531	06/01/33	5.500	296,991	289,944	6.15	5.16
		5,764	FNMA POOL 555798	05/01/33	6.500	6,042	5,870	6.17	3.49
		95,456	FNMA POOL 555880	11/01/33	5.500	97,313	92,506	6.15	4.86
		2,785	FNMA POOL 570778	03/01/16	5.500	2,882	2,761	5.92	2.89
		3,864	FNMA POOL 607531	11/01/31	7.000	4,068	4,013	6.16	2.68
		129,716	FNMA POOL 614929	12/01/31	7.000	136,536	134,686	6.24	2.95
		27,469	FNMA POOL 617271	01/01/17	5.500	28,151	27,225	5.91	3.02
		47,342	FNMA POOL 628292	03/01/32	7.000	49,831	49,156	6.27	2.77
		141,425	FNMA POOL 641957	05/01/17	6.500	148,101	144,054	5.83	2.67
		130,335	FNMA POOL 644117	05/01/32	7.000	137,187	135,329	6.17	2.59
		29,456	FNMA POOL 645346	05/01/32	7.000	31,005	30,585	6.16	2.89
		52,068	FNMA POOL 660629	10/01/17	5.500	53,870	51,541	5.77	3.04
		123,856	FNMA POOL 668339	11/01/17	5.500	128,172	122,603	5.90	3.12
		44,168	FNMA POOL 678542	02/01/18	5.500	45,707	43,721	5.77	3.08
		74,933	FNMA POOL 694402	03/01/33	7.000	78,872	77,664	6.06	2.57
		228,245	FNMA POOL 696569	04/01/18	5.500	236,197	225,935	5.90	3.16
		945,224	FNMA POOL 698975	04/01/18	5.500	926,024	917,052	5.91	3.53
		67,611	FNMA POOL 704656	05/01/18	4.500	65,764	64,450	5.99	3.80
		519,984	FNMA POOL 725162	02/01/34	6.000	530,932	516,897	6.18	4.24
		4,380,939	FNMA POOL 725206	02/01/34	5.500	4,398,736	4,243,521	6.15	4.86
		871,374	FNMA POOL 725418	05/01/34	6.500	913,064	887,372	6.19	3.45
		867,961	FNMA POOL 725519	05/01/19	5.500	865,588	858,095	5.90	3.20
		1,109,441	FNMA POOL 725704	08/01/34	6.000	1,109,635	1,102,854	6.19	4.14
		2,988,218	FNMA POOL 725946	11/01/34	5.500	2,951,800	2,891,218	6.15	4.58
		245,492	FNMA POOL 727361	08/01/18	5.000	243,958	238,175	5.91	3.59
		417,134	FNMA POOL 728803	08/01/18	5.000	414,527	404,701	5.91	3.66
		1,190,109	FNMA POOL 731223	08/01/18	5.000	1,169,841	1,154,639	5.82	3.56
		3,509,829	FNMA POOL 735504	04/01/35	6.000	3,519,837	3,490,635	6.18	4.25
		440,395	FNMA POOL 735611	03/01/20	5.500	451,165	435,940	5.90	3.11
		6,940,339	FNMA POOL 735989	02/01/35	5.500	6,940,339	6,725,894	6.15	4.83
		427,225	FNMA POOL 738206	10/01/18	4.500	415,552	407,116	5.90	3.97
		156,446	FNMA POOL 738259	10/01/18	5.500	160,333	154,668	5.91	3.23
		623,805	FNMA POOL 738707	10/01/18	4.500	606,760	594,442	5.90	3.98
		57,684	FNMA POOL 740987	10/01/18	5.500	59,117	56,992	5.91	3.29
		1,465,018	FNMA POOL 745140	11/01/35	5.000	1,416,719	1,375,744	6.15	5.78
		3,486,677	FNMA POOL 745193	06/01/20	5.500	3,476,121	3,447,043	5.90	3.21
		4,457,113	FNMA POOL 745412	12/01/35	5.500	4,386,600	4,312,431	6.17	4.96
		7,589,059	FNMA POOL 745511	04/01/36	5.000	7,325,814	7,118,300	6.11	6.48
		14,356,929	FNMA POOL 745515	05/01/36	5.000	13,858,923	13,475,323	6.11	6.40
		945,176	FNMA POOL 745813	03/01/20	5.000	927,749	916,119	5.91	3.67
		57,169	FNMA POOL 773074	49,035	6	56,214	55,349	6	4.94
		64,026	FNMA POOL 776418	05/01/19	4.000	62,586	59,342	6.00	4.47
		91,835	FNMA POOL 781161	07/01/34	5.500	90,271	88,854	6.17	5.08
		45,844	FNMA POOL 782833	08/01/19	5.500	47,441	45,294	5.89	3.44
		113,566	FNMA POOL 785985	07/01/34	5.500	111,596	109,880	6.11	4.94
		654,257	FNMA POOL 790400	08/01/19	5.500	651,651	646,207	5.89	3.43
		252,817	FNMA POOL 797409	12/01/19	5.500	251,809	249,706	5.82	3.34
		193,776	FNMA POOL 801578	02/01/20	5.500	191,656	191,573	5.76	3.88
		439,774	FNMA POOL 828346	07/01/35	5.000	426,787	412,975	6.11	5.74
		99,411	FNMA POOL 833654	07/01/36	6.000	100,281	98,401	6.19	4.14
		3,299,037	FNMA POOL 836464	10/01/35	7.038	3,352,329	3,360,356	5.48	0.44
		2,147,155	FNMA POOL 836852	10/01/35	7.019	2,179,463	2,186,347	5.49	0.44
		733,300	FNMA POOL 843317	10/01/35	4.500	707,033	667,188	5.76	7.48
		1,492,420	FNMA POOL 843823	11/01/35	7.010	1,515,611	1,519,634	5.54	0.44
		733,467	FNMA POOL 843997	11/01/35	7.028	746,096	746,963	5.49	0.42
		705,706	FNMA POOL 844052	11/01/35	7.026	717,599	718,705	5.51	0.46
		661,602	FNMA POOL 844148	11/01/35	7.024	672,841	673,778	5.49	0.44
		733,616	FNMA POOL 844237	11/01/35	7.036	745,971	747,122	5.49	0.44
		702,479	FNMA POOL 844789	11/01/35	7.038	714,059	715,538	5.48	0.44
		188,115	FNMA POOL 845432	02/01/21	5.500	186,058	185,565	5.82	3.51
		803,816	FNMA POOL 869849	04/01/36	6.000	810,850	796,155	6.20	4.69
		499,009	FNMA POOL 869930	04/01/21	5.500	493,551	491,933	6.09	5.64
		459,105	FNMA POOL 870552	03/01/21	5.500	454,083	452,595	6.09	5.64
		52,564	FNMA POOL 885298	07/01/36	6.000	53,024	52,031	6.20	4.69
		1,818,246	FNMA POOL 885612	09/01/36	6.500	1,851,485	1,835,718	6.31	3.90

Rating Moody's	S&P	Par Value	Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration	
		\$		%	\$	\$	%		
			FIXED INCOME (continued)						
			Federal Agency & Other Governments (continued)						
		0	FNMA POOL 888268	03/01/37	6.000	0	0	N/A	0.00
		92,537	FNMA POOL 893262	08/01/36	6.000	93,347	91,597	6.20	4.10
		91,952	FNMA POOL 893294	08/01/36	6.000	92,756	91,018	6.20	4.33
		1,725,610	FNMA POOL 896013	07/01/36	6.500	1,753,651	1,742,192	6.23	3.63
		751,866	FNMA POOL 896053	07/01/36	6.000	758,445	744,230	6.20	4.69
		1,351,838	FNMA POOL 897936	08/01/21	5.500	1,355,641	1,333,515	6.09	5.64
		900,471	FNMA POOL 900371	09/01/36	6.500	916,933	909,124	6.22	3.20
		4,713,555	FNMA POOL 913990	02/01/37	5.516	4,728,285	4,693,424	5.82	2.53
		8,500,000	FNMA TBA APR 30 SINGLE FAM.	12/01/99	5.000	7,945,508	7,958,125	5.96	6.61
		6,400,000	FNMA TBA AUG 30 SINGLE FAM.	12/01/99	5.000	5,984,938	5,992,000	5.96	6.61
	(120,300,000)		FNMA TBA AUG 30 SINGLE FAM.	12/01/99	5.500	(115,758,281)	(115,915,630)	5.66	18.08
	(44,600,000)		FNMA TBA AUG 30 SINGLE FAM.	12/01/99	6.000	(44,014,375)	(44,073,858)	6.03	16.91
		2,700,000	FNMA TBA AUG 30 SINGLE FAM.	12/01/99	6.500	2,725,313	2,722,887	6.23	3.04
		1,500,000	FNMA TBA JUL 15 SINGLE FAM.	12/01/99	4.500	1,420,313	1,423,125	5.50	4.52
		2,000,000	FNMA TBA JUL 15 SINGLE FAM.	12/01/99	5.000	1,934,012	1,931,719	5.73	4.37
	(4,000,000)		FNMA TBA JUL 15 SINGLE FAM.	12/01/99	5.000	3,742,214	(3,745,625)	6.08	6.25
		33,400,000	FNMA TBA JUL 15 SINGLE FAM.	12/01/99	5.500	32,876,356	32,891,171	5.60	3.92
		0	FNMA TBA JUL 15 SINGLE FAM.	12/01/99	6.000	1,953	0	5.73	0.00
		4,000,000	FNMA TBA JUL 30 SINGLE FAM.	12/01/99	5.000	(3,835,000)	3,745,625	6.08	6.25
		86,210,000	FNMA TBA JUL 30 SINGLE FAM.	12/01/99	5.000	81,234,701	80,727,579	5.96	6.25
		154,200,000	FNMA TBA JUL 30 SINGLE FAM.	12/01/99	5.500	139,833,402	139,970,535	6.09	5.37
		128,600,000	FNMA TBA JUL 30 SINGLE FAM.	12/01/99	6.000	127,161,083	127,183,394	6.08	4.28
		2,640,000	FNMA TBA JUL 30 SINGLE FAM.	12/01/99	6.500	2,679,600	2,664,544	6.23	3.63
		0	FNMA TBA MAR 30 SINGLE FAM.	12/01/99	5.000	(2,695)	0	N/A	0.00
		8,000,000	FNMA TBA MAR 30 SINGLE FAM.	12/01/99	6.500	8,148,750	8,069,062	6.23	3.63
		8,000,000	FREDDIE MAC	01/15/14	4.500	7,884,050	7,625,659	5.36	5.46
		1,896,477	FREDDIE MAC	10/15/33	5.500	1,972,484	1,884,906	5.67	3.68
		2,600,000	GNMA I TBA JUL 30 SINGLE FAM.	12/01/99	5.500	2,530,125	2,521,594	6.09	5.67
		18,700,000	GNMA I TBA JUL 30 SINGLE FAM.	12/01/99	6.000	18,639,156	18,597,733	5.96	4.33
		25,860,000	GNMA I TBA JUL 30 SINGLE FAM.	12/01/99	6.500	26,313,281	26,258,001	6.12	3.66
		2,715,660	GNMA II POOL 003513	02/20/34	5.000	2,714,812	2,560,571	6.07	5.51
		878,169	GNMA II POOL 003701	04/20/35	5.000	875,424	827,056	5.97	6.60
		4,282,697	GNMA II POOL 003830	03/20/36	5.500	4,253,922	4,151,037	6.09	5.67
		2,856,157	GNMA II POOL 003864	06/20/36	5.500	2,834,735	2,768,352	6.10	5.08
		1,676,864	GNMA II POOL 003929	12/20/36	5.000	1,618,174	1,577,693	6.07	6.17
		2,653,088	GNMA II POOL 080916	05/20/34	3.750	2,605,000	2,634,427	6.19	1.08
		783,347	GNMA II POOL 616649	10/20/24	5.500	805,869	760,245	6.16	4.43
		608	GNMA POOL 136272	10/15/15	10.000	618	670	6.22	2.15
		166	GNMA POOL 140143	02/15/16	10.500	171	186	6.24	1.99
		4,409	GNMA POOL 153366	02/15/16	10.000	4,483	4,875	6.23	2.21
		1,101	GNMA POOL 159455	04/15/16	10.000	1,120	1,218	5.81	1.04
		8,334	GNMA POOL 169345	07/15/19	10.000	8,474	9,352	6.09	1.46
		345	GNMA POOL 186289	11/15/18	10.000	351	384	6.29	2.34
		419	GNMA POOL 224963	11/15/17	10.000	426	467	6.94	2.21
		5,528	GNMA POOL 227416	06/15/19	10.500	5,689	6,292	6.23	1.63
		4,800	GNMA POOL 248669	09/15/20	10.000	4,881	5,397	6.52	2.28
		429	GNMA POOL 257398	09/15/18	10.000	436	475	6.26	2.42
		4,555	GNMA POOL 257979	06/15/19	10.500	4,687	4,944	6.23	1.07
		7,086	GNMA POOL 260471	08/15/18	10.000	7,206	7,919	6.22	1.90
		1,202	GNMA POOL 260751	10/15/18	10.000	1,222	1,343	6.22	2.13
		1,599	GNMA POOL 261915	11/15/18	10.000	1,626	1,775	6.27	2.40
		3,969	GNMA POOL 263171	11/15/18	10.000	4,036	4,440	6.25	1.97
		1,326	GNMA POOL 273972	08/15/20	10.000	1,348	1,494	5.79	0.97
		446	GNMA POOL 274337	05/15/19	10.000	453	498	6.49	2.48
		359	GNMA POOL 278737	09/15/19	10.000	365	379	6.00	1.29
		3,058	GNMA POOL 278790	06/15/19	10.000	3,110	3,432	6.13	1.48
		1,970	GNMA POOL 283915	06/15/20	10.000	2,003	2,183	6.46	2.53
		460	GNMA POOL 291443	08/15/20	10.000	468	519	6.52	3.30
		951	GNMA POOL 298521	10/15/20	10.000	968	1,058	6.42	2.64
		6,732	GNMA POOL 470665	07/15/29	7.000	7,127	6,995	6.24	3.55
		20,080	GNMA POOL 483358	05/15/29	7.000	21,257	20,864	6.20	2.88
		24,021	GNMA POOL 535544	11/15/30	7.000	25,429	24,944	6.07	2.18
		8,844	GNMA POOL 541506	07/15/31	7.000	9,362	9,167	5.95	1.81
		59,360	GNMA POOL 558754	10/15/31	7.000	62,541	61,528	6.23	2.80
		2,048	GNMA POOL 563599	06/15/32	7.000	2,168	2,120	6.24	3.54
		5,030	GNMA POOL 566237	09/15/31	7.000	5,324	5,214	6.22	3.49
		424,839	GNMA POOL 566529	01/15/35	5.000	416,674	402,336	5.99	5.67
		103,538	GNMA POOL 569840	06/15/32	7.000	109,589	107,190	6.08	2.78
		151,206	GNMA POOL 580992	02/15/32	6.000	156,262	150,999	6.06	3.81
		8,676	GNMA POOL 585388	06/15/32	7.000	9,141	8,982	6.08	3.32
		79,514	GNMA POOL 585423	06/15/32	7.000	84,161	82,319	6.28	2.90
		76,978	GNMA POOL 589361	04/15/32	7.000	81,103	79,693	N/A	0.00
		601,438	GNMA POOL 604791	11/15/33	5.500	610,882	585,110	6.09	4.87
		1,837,655	GNMA POOL 605107	03/15/34	5.500	1,874,408	1,787,191	6.04	4.92
		191,437	GNMA POOL 637313	12/15/34	5.000	187,818	181,297	5.97	6.60
		443,041	GNMA POOL 642602	10/15/35	5.000	434,665	419,297	5.99	5.92

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Rating Moody's	S&P	Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Federal Agency & Other Governments (continued)						
		921,271	GNMA POOL 650080	11/15/35	5.000	903,565	871,896	5.99	5.88
		2,755,701	GNMA POOL 651861	06/15/36	6.000	2,776,713	2,741,600	6.13	4.67
		802,980	GNMA POOL 781885	03/15/35	5.000	791,061	760,823	6.10	5.70
		250,000	HUNGARY REP.	02/03/15	4.750	249,173	235,376	5.73	6.13
		100,000	INTL. LEASE FIN. CORP. MTN.	02/15/12	5.400	99,819	99,227	5.66	3.97
		12,000,000	ISRAEL ST.	02/01/13	5.000	12,000,000	11,999,280	N/A	0.00
		85,000	ISRAEL ST.	11/09/16	5.500	84,471	81,926	5.86	7.15
		500,000	KOREA REP.	09/22/14	4.875	488,470	473,696	5.60	5.91
		4,785,730	LA HIPOTECARIA PANAMANINAN MTG.	12/23/36	1.000	4,781,243	4,767,783	6.58	0.75
		100,000	NOVA SCOTIA PROV. CDA	01/26/17	5.125	99,590	98,194	5.46	7.30
		3,025,000	ONTARIO PROV. CDA	10/18/11	5.000	3,027,581	2,998,863	5.26	3.79
		500,000	ONTARIO PROV. CDA	02/03/15	4.500	498,325	473,391	5.33	6.20
		250,000	ONTARIO PROV. CDA	01/19/16	4.750	248,428	239,158	5.40	6.76
		150,000	ONTARIO PROV. CDA	04/27/16	5.450	149,840	150,335	5.43	6.88
		200,000	QUEBEC PROV. CDA	05/26/15	4.600	194,484	188,611	5.49	6.47
		500,000	REPUBLIC OF POLAND	10/19/15	5.000	499,495	477,000	5.67	6.61
		16,520,000	REPUBLICA ORIENTAL DEL URUGUAY	04/05/27	4.250	737,909	739,237	N/A	N/A
		1,430,807	SMALL BUSINESS ADMIN. PARTN. CTF.	02/01/14	4.504	1,430,807	1,365,533	4.43	5.53
		1,500,000	TENNESSEE VALLEY AUTHORITY	06/15/15	4.375	1,493,644	1,398,561	5.41	6.57
		1,910,000	TENNESSEE VALLEY AUTHORITY	12/15/17	6.250	2,161,432	2,016,058	5.49	7.69
			Total Federal Agency & Other Governments			<u>876,493,673</u>	<u>867,031,944</u>		
			Options			<u>(87,927)</u>	<u>(114,828)</u>		
			Total Government & Agency Obligations			<u>1,194,152,776</u>	<u>1,184,275,884</u>		
			Foreign Obligations						
			Yankee Bonds						
AA1	AA+	150,000	AB SVENSK EXPORTKREDIT SWEDISH	09/29/11	4.875	149,337	147,484	5.31	3.74
AAA	AAA	250,000	AFRICAN DEV. BANK	01/15/09	4.500	248,998	247,733	5.19	1.45
A3	BBB+	250,000	AMERICA MOVIL SA DE CV	03/01/14	5.500	248,933	244,338	5.91	5.40
A3	BBB+	150,000	AMERICA MOVIL SA DE CV	03/01/35	6.375	139,085	147,345	6.51	12.64
A1	A+	150,000	BHP BILLITON FIN. USA LTD.	12/15/10	5.000	149,304	147,651	5.45	3.13
BA2	NA	5,250,000	BRAZIL FEDERATIVE REP.	01/10/28	10.250	3,160,050	3,160,049	N/A	0.00
BAA1	BBB+	1,280,000	BRITISH TELECOMMUNICATIONS PLC.	12/15/10	8.375	1,375,898	1,402,264	5.64	3.00
A2	A	250,000	CHINA DEV. BANK	10/15/15	5.000	247,150	236,907	5.68	6.61
AAA3	A	300,000	CORPORACION NACIONAL DEL COBRE	10/15/14	4.750	295,446	282,145	5.88	5.99
AAA	AAA	800,000	DEPFA ACS BANK	03/16/37	5.125	787,112	733,048	5.71	14.37
A3	A-	500,000	DEUTSCHE TELEKOM INTL.	06/15/10	8.000	592,850	533,205	5.56	2.63
A3	A-	520,000	DEUTSCHE TELEKOM INTL. FIN. BV	03/23/16	5.750	516,646	507,333	6.11	6.66
AAA	AA	100,000	DEVELOPMENT BANK OF JAPAN	06/09/15	4.250	99,180	93,460	5.48	6.58
AAA	NA	50,000	DEVELOPMENT BANK OF JAPAN	02/01/17	5.125	49,549	48,679	5.45	7.31
A3	A-	200,000	DIAGEO FIN. BV	10/28/15	5.300	199,570	191,992	5.92	6.55
AAA	AA+	100,000	EKSPORTFINANS ASA	02/14/12	5.000	99,738	98,937	5.27	4.01
AAA	AAA	250,000	EUROPEAN INVST. BANK	09/13/16	5.125	251,593	243,804	5.34	7.14
NA	BBB	1,310,000	GAZ CAP. SA LUXEMBOURG	11/22/16	6.212	1,310,970	1,278,888	6.58	6.97
A3	BBB	620,000	GAZ CAP. SA LUXEMBOURG	03/07/22	6.510	620,000	609,925	6.64	9.15
AA3	A-	600,000	GLITNIR BANKI HF GLOBAL	07/28/11	6.330	600,000	617,595	5.83	3.47
A1	BBB+	1,000,000	GLITNIR BANKI HF GLOBAL	06/15/16	6.693	999,287	1,014,057	5.88	3.48
AA1	AA	865,000	HBOS PLC. MEDIUM TERM SR. NOTES	09/30/08	3.750	868,823	849,724	5.45	1.19
NA	AAA	3,225,000	HBOS TREAS. SVCS. PLC. COVERED BOND	11/21/11	5.000	3,223,323	3,191,469	5.50	3.87
BAA2	BB	606,000	ICICI BANK LTD.	04/30/22	1.000	604,954	575,845	7.08	7.09
	NA	440,000	ICICI BANK LTD.	04/30/22	6.375	420,688	417,485	5.10	N/A
AAA	AAA	1,500,000	INTER. AMERICAN DEV. BANK	09/15/14	4.500	1,498,620	1,428,969	5.32	5.97
BAA1	NA	950,000	INTERGAS FIN. BV	05/14/17	6.375	943,179	919,073	6.97	7.15
AAA	AAA	500,000	INTL. BANK FOR RECON. & DEV.	06/24/09	4.125	507,170	490,701	4.96	1.88
NR	A+	1,000,000	ITALY REP.	06/15/12	5.625	1,076,940	1,016,169	5.39	4.28
AAA	AA	300,000	JAPAN FIN. CORP. MUN. ENTERPRISES	04/21/15	4.625	297,135	285,791	5.43	6.38
A1	NA	350,000	KAUPTHING BANK	05/19/16	7.125	348,152	361,567	6.28	6.58
AA3	NA	250,000	KAUPTHING BANK HF MED. TERM SR BANK	10/04/11	5.750	248,628	246,891	5.84	3.69
AA3	A	500,000	KOREA DEV. BANK	09/16/10	4.625	489,100	488,150	5.44	2.91
AAA	AAA	500,000	KREDITANSTALT FUR WIEDERAUFBAU	06/30/09	3.875	495,625	487,591	5.23	1.86
AAA	AA	1,750,000	KREDITANSTALT FUR WIEDERAUFBAU	06/15/10	4.250	1,744,400	1,706,126	5.21	2.74
AAA	AAA	500,000	KREDITANSTALT FUR WIEDERAUFBAU	01/20/11	4.625	493,510	490,250	5.13	3.18
AA3	AAA	1,500,000	LANDSBANKI IS HF	08/25/11	6.100	1,499,610	1,519,856	5.75	3.56
AAA	AAA	1,000,000	LANDWIRTSCHAFTLICHE RENTENBANK	10/20/09	3.625	986,890	969,652	5.20	2.14
AAA	AAA	100,000	LANDWIRTSCHAFTLICHE RENTENBANK	07/02/12	5.250	99,926	99,672	5.26	4.34
BA1	BBB-	1,210,000	METHANEX CORP.	08/15/15	6.000	1,141,685	1,164,492	6.60	6.19
BAA2	BBB+	450,000	MUFG CAPITAL FINANCE 1 LIMITED	07/29/49	6.346	450,000	442,161	6.60	6.64
B2	B	1,018,000	NELL AF S A R L	08/15/15	8.375	1,015,580	974,735	9.12	5.28
AAA	AAA	400,000	NORDIC INVST. BANK MEDIUM TERM NOTES	06/15/10	3.875	399,980	385,931	5.12	2.75
AA2	A+	250,000	NOVA SCOTIA PROV. CDA	02/27/12	5.750	270,500	255,431	5.39	3.98
B2	B-	2,113,000	NTL. CABLE PLC.	04/15/14	8.750	2,233,678	2,176,390	8.16	3.78
B2	B-	188,000	NTL. CABLE PLC.	08/15/16	9.125	204,450	196,930	8.37	5.05
BA2	NA	1,567,000	NXP B V/NXP FUNDING LLC	10/15/14	7.875	1,595,980	1,543,495	8.14	4.93
AAA	AAA	300,000	OESTERREICHISCHE KONTROLLBANK	03/09/15	4.500	297,924	282,192	5.35	6.29

Rating Moody's	S&P	Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
Yankee Bonds (continued)									
BAA1	BBB	200,000	PEMEX PROJ. FUNDING MASTER TR	12/15/15	5.750	197,778	196,200	6.04	6.59
BAA2	BBB-	870,000	PETROBRAS INTL. FIN. CO.	10/06/16	6.125	866,666	856,950	6.41	6.87
BAA1	BBB	790,000	RESONA PFD. GLOBAL SECS. CAYMAN	12/29/49	7.191	796,885	807,783	6.70	5.87
BA1	AA-	1,372,000	ROYAL CARIBBEAN CRUISES LTD.	06/15/16	7.250	1,395,358	1,355,536	7.44	6.49
A3	NA	1,200,000	RSHB CAP. SA	05/15/17	6.299	1,200,000	1,174,560	6.59	7.22
BA1	BB+	3,000,000	SEAGATE TECHNOLOGY HOLDINGS	10/01/16	6.800	2,966,250	2,880,000	7.40	6.62
BAA1	BBB	830,000	SHINSEI FIN. CAYMAN LTD.	01/29/49	6.418	820,214	807,009	6.72	6.51
BAA1	BBB+	500,000	SOUTH AFRICA REP.	06/02/14	6.500	544,375	515,625	5.96	5.52
BA3	BB-	5,000,000	STENA AB	11/01/13	7.500	5,043,750	5,050,000	7.30	3.88
BAA2	BBB+	400,000	TELECOM ITALIA CAP.	10/01/10	4.875	392,348	390,112	5.76	2.93
BAA2	BBB+	100,000	TELECOM ITALIA CAP.	07/18/11	6.200	99,826	101,459	5.85	3.45
BAA2	BBB+	200,000	TELECOM ITALIA CAP.	11/15/13	5.250	199,418	191,474	6.15	5.29
BAA2	BBB+	340,000	TELECOM ITALIA CAP.	09/30/14	4.950	338,813	315,894	6.22	5.88
BAA2	BBB	410,000	TELECOM ITALIA CAP.	10/01/15	5.250	394,788	382,451	6.35	6.45
BAA1	BBB+	500,000	TELEFONICA EMISIONES SAU	06/20/11	5.984	497,850	505,783	5.72	3.50
BAA1	BBB+	75,000	TELEFONICA EMISIONES SAU	06/20/16	6.421	75,000	76,058	6.22	6.77
BAA1	BBB+	700,000	TELEFONICA EMISIONES SAU	06/20/36	7.045	699,465	722,815	6.76	12.56
A3	BBB+	200,000	TELEFONOS DE MEXICO SA	01/27/10	4.750	199,992	194,322	5.95	2.34
BAA2	BB+	780,000	TNK BP FIN. SA SR MEDIUM TERM	07/18/16	7.500	778,185	801,450	7.03	6.37
BAA2	BB+	230,000	TNK BP FIN. SA SR MEDIUM TERM	03/20/17	6.625	228,162	222,824	7.07	6.94
BAA3	BB	1,160,000	TURANALEM FIN. BV GLOBAL	01/22/37	8.250	1,158,253	1,116,500	8.60	7.14
	NA	250,000	TURANALEM FINANCE BV	01/22/37	8.250	252,813	241,038	N/A	0.00
BAA1	BBB	1,000,000	UNITED MEXICAN STS.	01/14/11	8.375	1,170,000	1,087,500	5.69	2.97
BAA1	BBB	2,055,000	UNITED MEXICAN STS.	09/27/34	6.750	2,706,535	2,193,713	6.24	12.72
BAA3	BBB	100,000	VALE OVERSEAS LTD.	01/11/16	6.250	100,700	99,404	6.38	6.34
BAA1	A-	1,735,000	VODAFONE GROUP PLC. NEW	12/28/07	5.440	1,735,451	1,736,912	5.34	0.25
BAA1	A-	300,000	VODAFONE GROUP PLC. NEW	06/15/11	5.500	297,590	298,780	5.73	3.51
BAA1	A-	300,000	VODAFONE GROUP PLC. NEW	03/15/16	5.750	294,288	292,322	6.18	6.63
BAA1	BBB+	150,000	WEATHERFORD INTL. INC.	02/15/16	5.500	149,363	143,906	6.17	6.60
Total Yankee Bonds						61,197,262	59,711,957		
Other Foreign Obligations									
AAA	AAA	773,331	DAIMLERCHRYSLER AUTO TR	10/08/08	5.300	773,301	773,332	5.51	0.09
AAA	AAA	3,150,000	DAIMLERCHRYSLER AUTO TR	08/08/10	5.330	3,149,563	3,149,509	5.39	0.89
NA	NA	134,100,000	FINLAND (REP. OF)	10/18/07	0.300	1,155,342	1,083,159	0.82	0.30
NA	NA	310,800	MEXICO (UTD. MEX. ST.)	12/07/23	8.000	30,241	2,957,394	7.69	8.90
AAA	AAA	4,050,000	USAA AUTO OWNER TR	09/15/10	5.320	4,049,957	4,048,736	5.38	0.79
Total Other Foreign Obligations						9,158,404	12,012,130		
Options						602,420	465,600		
Total Foreign Obligations						70,958,086	72,189,687		
Corporate Obligations									
Finance									
A3	A-	125,000	AETNA INC. NEW	06/15/11	5.750	124,864	125,635	5.58	3.50
BAA2	BBB+	630,000	AIFUL CORP.	08/10/10	5.000	627,066	615,652	5.89	2.78
A1	A+	2,875,000	ALLSTATE CORP.	12/01/09	7.200	3,143,946	2,999,681	5.45	2.20
NA	NA	470,000	ALLSTATE CORP.	05/15/67	6.125	448,554	452,807	6.63	7.24
AA2	AA	200,000	ALLSTATE LIFE GLOBAL FUNDING	02/26/10	4.250	196,966	194,760	5.41	2.44
A3	A+	300,000	AMERICAN EXPRESS CO.	09/01/66	6.800	313,240	309,336	6.34	6.66
AA3	A+	250,000	AMERICAN EXPRESS CREDIT CORP.	12/02/10	5.000	250,015	247,363	5.37	3.10
AA3	A+	200,000	AMERICAN EXPRESS CREDIT CORP. MED.	12/02/15	5.300	199,356	195,278	5.77	6.66
A1	A+	2,620,000	AMERICAN GEN. FIN. CORP. MTN.	01/18/08	5.479	2,620,000	2,624,305	5.28	0.06
A1	A+	500,000	AMERICAN GEN. FIN. CORP. MTN.	05/15/10	4.875	505,695	492,557	5.53	2.63
A1	A+	150,000	AMERICAN GEN. FIN. CORP. MTN.	12/01/15	5.400	149,784	144,336	5.95	6.62
AA2	AA	2,750,000	AMERICAN INTL. GROUP INC.	10/18/11	5.375	2,775,355	2,734,196	5.47	3.76
AA2	AA	300,000	AMERICAN INTL. GROUP INC.	10/01/15	5.050	298,998	285,136	5.79	6.56
A1	A	200,000	AMSOUTH BANK N A BIRMINGHAM ALA	04/01/15	5.200	200,920	192,631	5.88	6.19
B1	BB-	1,915,000	ARCH WESTN FIN. LLC	07/01/13	6.750	1,907,819	1,838,400	7.46	4.38
BAA1	BBB+	150,000	ARCHSTONE SMITH OPER. TR	05/01/15	5.250	149,576	144,239	5.78	6.27
BAA1	BBB+	150,000	ARCHSTONE SMITH OPER. TR	03/15/16	5.750	149,448	148,475	5.82	6.67
AA2	AA+	100,000	ASIF GLOBAL FINANCNG XIX	01/17/13	4.900	100,509	96,349	5.55	4.68
NA	NA	475,000	ATLANTIC MARINE CORPS. COMMUNITY	12/01/50	5.343	475,000	431,110	5.47	14.48
AA1	AA	1,635,000	BANK AMER. CORP.	08/01/10	4.500	1,630,622	1,595,949	5.33	2.79
AA2	AA-	500,000	BANK AMER. CORP.	01/15/11	7.400	578,020	532,263	5.55	3.02
AA1	AA	8,800,000	BANK AMER. CORP.	01/15/13	4.875	8,871,316	8,509,274	5.58	4.68
AA1	AA	350,000	BANK AMER. CORP.	08/01/15	4.750	332,465	325,381	5.78	6.44
AA2	AA-	750,000	BANK AMER. CORP.	08/15/16	5.750	736,748	738,996	5.94	6.86
AA1	AA	2,960,000	BANK AMER. CORP.	10/14/16	5.625	3,017,174	2,883,803	5.84	7.06
AA2	AA-	400,000	BANK AMER. CORP.	03/15/17	5.420	460,692	382,281	5.98	7.38
AA1	AA-	550,000	BANK AMER. NA CHARLOTTE NC	06/15/17	6.100	549,560	552,166	5.94	7.40
AA2	A+	250,000	BANK NEW YORK INC.	01/14/11	4.950	250,988	246,199	5.42	3.14
AA3	A	150,000	BANK NEW YORK INC.	03/15/15	4.950	148,601	142,561	5.76	6.20
AAA	AA-	550,000	BANK NEW YORK NY	02/01/08	3.800	546,915	545,289	5.36	0.56
AA2	AA-	1,060,000	BANK ONE CORP.	09/01/07	4.125	1,067,632	1,058,092	5.34	0.17

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Rating Moody's	S&P	Par Value	Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration	
		\$		%	\$	\$	%		
FIXED INCOME (continued)									
Finance (continued)									
AA3	A+	795,000	BANK ONE CORP.	11/15/11	5.900	844,870	805,224	5.53	3.80
AAA	AA	450,000	BANK ONE NA CHICAGO IL MTN.	01/15/08	3.700	449,001	446,678	5.26	0.52
AA3	A	500,000	BANK TOKYO MITSUBISHI LTD.	04/15/10	8.400	574,660	536,973	5.51	2.45
A1	A	250,000	BB&T CORP.	10/01/12	4.750	251,913	241,337	5.67	4.52
A1	A+	1,030,000	BEAR STEARNS COS. INC.	10/03/07	5.375	1,030,007	1,030,258	N/A	0.00
A1	A+	350,000	BEAR STEARNS COS. INC.	10/28/10	4.500	351,456	337,417	5.59	3.02
A1	A+	2,900,000	BEAR STEARNS COS. INC.	08/15/11	5.500	2,916,274	2,872,154	5.76	3.57
A2	A	250,000	BEAR STEARNS COS. INC.	01/22/17	5.550	248,763	236,495	6.32	7.08
BA2	BB	5,200,000	BEAZER HOMES USA INC.	07/15/15	6.875	5,119,300	4,472,000	9.39	5.66
	NA	725,000	BELVOIR LD. LLC	12/15/47	5.400	724,594	644,090	5.66	14.95
AAA	AAA	645,000	BERKSHIRE HATHAWAY FIN. CORP.	07/02/07	3.400	644,110	644,851	4.94	0.01
AAA	AAA	3,855,000	BERKSHIRE HATHAWAY FIN. CORP.	01/15/10	4.125	3,751,558	3,748,382	5.30	2.34
AAA	AAA	550,000	BERKSHIRE HATHAWAY INC. DEL.	05/15/12	4.750	548,125	533,123	5.41	4.27
B2	B-	3,000,000	BLUEWATER FIN. LTD.	02/15/12	10.250	3,240,000	3,127,500	9.10	1.31
BAA3	BBB-	100,000	BRANDYWINE OPER. PARTNERSHIP	12/15/10	5.625	100,878	99,760	5.66	3.10
BAA3	BBB-	100,000	BRANDYWINE OPER. PARTNERSHIP	04/01/16	6.000	99,458	100,053	6.07	6.64
BAA2	BBB-	50,000	BROADRIDGE FINL. SOLUTIONS INC.	06/01/17	6.125	49,537	49,025	6.43	7.28
A3	BBB+	155,000	CAPITAL ONE FINL. CORP.	09/15/11	5.700	154,926	153,713	5.83	3.64
A3	BBB+	250,000	CAPITAL ONE FINL. CORP.	02/21/12	4.800	249,088	241,902	5.83	4.02
A3	BBB+	150,000	CAPITAL ONE FINL. CORP.	06/01/15	5.500	149,861	146,548	6.06	6.29
BAA1	BBB	350,000	CAPITAL ONE FINL. CORP.	09/01/16	6.150	353,451	347,007	6.33	6.78
A2	A	150,000	CATERPILLAR FINL. SVCS.	03/04/09	4.350	149,880	148,014	5.34	1.58
A2	A	300,000	CATERPILLAR FINL. SVCS.	01/15/10	4.150	299,370	291,671	5.37	2.34
A2	A	150,000	CATERPILLAR FINL. SVCS.	12/01/10	5.050	149,877	148,237	5.35	3.09
A2	A	100,000	CATERPILLAR FINL. SVCS.	02/17/15	4.750	99,713	93,766	5.81	6.16
A2	A	150,000	CATERPILLAR FINL. SVCS.	06/01/15	4.625	149,139	139,022	5.76	6.46
AA3	A+	450,000	CHASE MANHATTAN CORP. NEW	02/15/08	6.375	489,690	453,149	5.88	0.59
AA1	AA	11,940,000	CIT GROUP INC.	02/09/09	3.625	11,799,110	11,653,141	5.33	1.52
AA1	AA	510,000	CIT GROUP INC.	06/09/09	5.500	510,000	512,361	5.33	0.19
AA1	AA	600,000	CIT GROUP INC.	02/22/10	4.125	590,050	582,086	5.35	2.44
AA1	AA	4,170,000	CIT GROUP INC.	08/03/10	4.625	4,164,829	4,079,097	5.37	2.79
A2	A	340,000	CIT GROUP INC.	12/15/10	4.750	343,694	329,340	5.72	3.14
AA1	AA	2,850,000	CIT GROUP INC.	01/18/11	6.500	2,977,991	2,945,561	5.52	3.07
AA2	AA-	1,350,000	CIT GROUP INC.	09/15/14	5.000	1,353,640	1,288,397	5.84	5.86
AA1	AA	350,000	CIT GROUP INC.	01/07/16	5.300	341,674	336,790	5.80	6.57
AA1	AA-	120,000	CIT GROUP INC.	08/02/16	5.850	119,928	119,468	5.85	6.82
AA1	AA	840,000	CIT GROUP INC.	05/29/37	5.875	826,596	801,246	6.22	13.64
A2	A	100,000	CIT GROUP INC.	08/15/08	4.750	99,909	99,310	5.53	1.07
A2	A	9,500,000	CIT GROUP INC. NEW	11/03/09	4.125	9,394,437	9,209,005	5.61	2.19
A2	A	90,000	CIT GROUP INC. NEW	02/13/12	5.400	89,933	88,342	5.88	3.95
A2	A	250,000	CIT GROUP INC. NEW	02/01/15	5.000	252,890	233,099	6.21	6.04
BAA3	BBB-	75,000	CNA FINL. CORP.	08/15/11	6.000	74,644	75,298	5.91	3.54
BAA3	BBB-	100,000	CNA FINL. CORP.	12/15/14	5.850	99,630	98,545	6.19	5.94
BAA3	BBB-	100,000	COLONIAL REALTY LTD. PARTNERSHIP	02/01/10	4.750	99,995	97,781	5.65	2.36
BAA3	BBB-	100,000	COLONIAL REALTY LTD. PARTNERSHIP	10/01/15	5.500	99,377	95,863	6.11	6.43
BA2	B+	2,290,000	COUCHE TARD US LP	12/15/13	7.500	2,370,150	2,307,175	7.35	3.99
NA	NA	4,800,000	COUNTRYWIDE BANK ALEXANDRIA VA	08/23/07	5.330	4,800,000	4,798,272	N/A	N/A
A3	A	200,000	COUNTRYWIDE FUNDING CORP. MTN.	03/22/11	4.000	187,006	187,977	5.89	3.36
BAA2	A	150,000	COUNTRYWIDE FUNDING CORP. MTN.	05/15/16	6.250	149,594	148,848	6.52	6.66
A2	A	150,000	DEERE JOHN CAP. CORP. MTN. BK. ENT.	04/15/09	4.625	149,906	148,395	5.41	1.68
A2	A	250,000	DEERE JOHN CAP. CORP. MTN. BK. ENT.	04/07/10	5.400	249,513	249,829	5.38	2.52
BAA2	BBB	200,000	DEVELOPERS DIVERSIFIED REALTY CO.	10/15/12	5.375	199,040	194,847	5.82	4.49
AAA	AA+	250,000	EKSPORTFINANS ASA MED. TERM NOTES	12/15/08	4.750	249,600	248,695	5.18	1.39
AAA	AA+	2,440,000	EKSPORTFINANS ASA MTN.	01/15/08	3.375	2,432,997	2,417,096	5.16	0.53
B3	B	5,860,000	ELAN FIN. PLC.	11/15/11	7.750	5,969,875	5,867,325	7.71	3.24
B1	B	90,000	ENCORE ACQUISITION CO.	04/15/14	6.250	83,813	80,325	8.35	5.23
BAA1	A-	261,000	ERP OPER. LIMITED PARTNERSHIP	04/01/13	5.200	261,042	254,175	5.79	4.84
BAA1	A-	150,000	ERP OPER. LIMITED PARTNERSHIP	08/01/16	5.375	149,270	144,117	5.97	6.90
AAA	AAA	800,000	EUROPEAN INVST. BANK	03/03/10	4.000	799,104	776,449	5.08	2.47
AAA	AAA	1,000,000	EUROPEAN INVST. BK	02/17/09	4.500	988,510	991,359	5.11	1.54
AA3	A	150,000	EXPORT IMPORT BANK KOREA	03/16/15	5.125	149,628	143,907	5.78	6.17
AA3	A	350,000	EXPORT IMPORT BANK KOREA EURO	02/10/14	5.250	347,477	340,018	5.77	5.40
BA3	B+	2,440,000	FELCOR LODGING LTD. PARTNERSHIP	06/01/11	8.500	2,604,700	2,565,050	6.98	3.29
AA2	AA-	200,000	FIFTH THIRD BANK CINCINNATI OH	02/23/10	4.750	199,848	194,438	5.32	2.44
A1	A+	695,000	FIRST UN. CORP.	04/15/08	6.300	749,717	700,967	5.45	0.76
NA	NA	311,000	FORD MOTOR CREDIT CARD CO.	06/15/11	1.000	344,757	336,269	8.19	0.35
B1	B	4,217,000	FORD MOTOR CREDIT CARD CO.	12/15/16	8.000	4,185,841	4,039,253	8.73	6.44
B1	B	3,900,000	GCI INC.	02/15/14	7.250	3,820,790	3,685,500	8.34	4.78
BA1	BB+	390,000	GENERAL ELECTRIC CAP. CORP. MTN.	11/30/07	6.311	383,140	389,064	6.86	0.41
BA1	BB+	1,080,000	GENERAL ELECTRIC CAP. CORP. MTN.	12/10/07	4.375	1,040,638	1,072,213	6.03	0.43
AAA	AAA	410,000	GENERAL ELECTRIC CAP. CORP. MTN.	06/15/09	3.250	393,641	394,796	5.29	1.87
AAA	AAA	250,000	GENERAL ELECTRIC CAP. CORP. MTN.	06/15/09	4.000	246,896	244,163	5.30	1.86
AAA	AAA	3,220,000	GENERAL ELECTRIC CAP. CORP. MTN.	01/19/10	7.375	3,536,002	3,371,578	5.39	2.25
AAA	AAA	4,200,000	GENERAL ELECTRIC CAP. CORP. MTN.	12/01/10	5.000	4,198,362	4,141,170	5.43	3.08
AAA	AAA	5,420,000	GENERAL ELECTRIC CAP. CORP. MTN.	11/15/11	5.000	5,408,835	5,312,114	5.52	3.85
AAA	AAA	500,000	GENERAL ELECTRIC CAP. CORP. MTN.	11/21/11	4.375	489,825	477,936	5.51	3.91

Rating Moody's	S&P	Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Finance (continued)						
AAA	AAA	1,330,000	GENERAL ELECTRIC CAP. CORP. MTN.	02/15/12	5.875	1,377,436	1,348,420	5.58	3.93
AAA	AAA	165,000	GENERAL ELECTRIC CAP. CORP. MTN.	04/10/12	5.000	159,565	161,279	5.58	4.14
AAA	AAA	330,000	GENERAL ELECTRIC CAP. CORP. MTN.	06/15/12	6.000	343,586	336,214	5.58	4.25
AAA	AAA	115,000	GENERAL ELECTRIC CAP. CORP. MTN.	01/15/13	5.450	116,399	114,277	5.67	4.61
AAA	AAA	350,000	GENERAL ELECTRIC CAP. CORP. MTN.	01/08/16	5.000	333,687	332,062	5.79	6.64
A2	A	150,000	GENWORTH FINANCIAL INC.	10/01/15	4.950	149,774	141,480	5.91	6.55
AA3	AA-	75,000	GENWORTH GLOBAL FUNDING TRS.	05/15/13	5.750	74,917	75,478	5.69	4.92
BAA3	BBB-	3,000,000	GLENCORE FUNDING LLC	04/15/14	6.000	2,904,032	2,944,260	6.33	5.44
AA3	AA-	350,000	GOLDEN WEST FINL. CORP. DEL.	10/01/12	4.750	337,449	337,408	5.52	4.53
A2	AA-	1,140,000	GOLDMAN SACHS CAPITAL II	12/29/49	5.793	1,128,014	1,112,572	6.36	4.20
AA3	AA-	535,000	GOLDMAN SACHS GROUP INC.	05/15/09	6.650	593,930	547,546	5.37	1.74
AA3	AA-	1,445,000	GOLDMAN SACHS GROUP INC.	01/15/12	6.600	1,533,361	1,496,550	5.70	3.80
AA3	AA-	1,980,000	GOLDMAN SACHS GROUP INC.	02/06/12	5.536	1,978,320	1,971,110	5.55	0.12
AA3	AA-	250,000	GOLDMAN SACHS GROUP INC.	07/15/13	4.750	244,575	236,815	5.81	5.04
AA3	AA-	2,460,000	GOLDMAN SACHS GROUP INC.	10/15/13	5.250	2,438,180	2,388,938	5.84	5.22
AA3	AA-	500,000	GOLDMAN SACHS GROUP INC.	01/15/16	5.350	483,235	476,269	6.04	6.56
A1	AA-	500,000	GOLDMAN SACHS GROUP INC.	01/15/17	5.625	499,650	479,017	6.21	7.05
A2	A	500,000	HARTFORD FINL. SVCS. GROUP INC.	10/15/11	5.250	497,680	494,023	5.59	3.76
AAA	AAA	820,000	HBOS TREASURY SVCS.	02/21/17	5.250	819,426	805,377	5.50	7.36
BAA3	BBB	50,000	HEALTH CARE PROPERTIES	01/30/17	6.000	49,662	48,772	6.29	6.99
BAA2	BBB	100,000	HOSPITALITY PPTYS. TR	02/15/15	5.125	99,814	93,998	6.15	6.01
A3	A	290,000	ILFC E CAPITAL TR	12/21/65	6.250	288,974	282,849	6.63	6.54
A1	A	150,000	ING GROEP NV	12/29/49	5.775	152,286	144,773	6.31	6.54
AAA	AA+	400,000	INTERNATIONAL FIN. CORP.	06/15/10	4.000	397,824	388,260	5.09	2.75
A1	AA+	500,000	INTERNATIONAL LEASE FIN. CORP.	09/01/10	4.875	502,070	491,582	5.56	2.85
A1	AA+	200,000	INTERNATIONAL LEASE FIN. CORP.	01/13/12	4.750	202,284	193,352	5.70	3.93
BAA2	BBB	100,000	ISTAR FINL. INC.	09/15/11	5.650	99,956	98,630	6.05	3.64
BAA2	BBB	320,000	ISTAR FINL. INC.	03/01/12	5.150	316,019	308,143	6.09	4.01
BAA2	BBB	150,000	ISTAR FINL. INC.	10/15/13	5.950	149,633	147,807	6.24	5.12
BAA2	BBB	100,000	ISTAR FINL. INC.	03/15/16	5.875	99,896	96,181	6.44	6.58
AA2	AA-	50,000	J P MORGAN CHASE & CO.	05/01/08	3.625	48,795	49,344	5.44	0.81
AA2	AA-	7,100,000	J P MORGAN CHASE & CO.	03/15/09	3.500	7,031,911	6,898,477	5.35	1.62
AA2	AA-	250,000	J P MORGAN CHASE & CO.	01/17/11	4.600	244,168	242,706	5.47	3.16
AA3	A+	675,000	J P MORGAN CHASE & CO.	01/02/13	5.750	689,392	676,521	5.74	4.54
AA2	AA-	500,000	J P MORGAN CHASE & CO.	03/01/15	4.750	486,271	466,322	5.83	6.19
AA3	A+	1,270,000	J P MORGAN CHASE & CO.	09/01/15	4.891	1,263,534	1,245,273	5.56	2.85
AA3	A+	400,000	J P MORGAN CHASE & CO.	10/01/15	5.150	380,056	380,454	5.91	6.51
AA1	NA	1,625,000	J P MORGAN CHASE & CO.	07/05/17	6.000	1,612,309	1,625,049	6.00	7.29
AA1	AA-	3,000,000	J P MORGAN CHASE BANK NA NEW YORK	06/13/16	5.875	3,072,330	2,983,355	5.85	6.88
BA1	BB-	2,200,000	KB HOME	01/15/15	5.875	2,017,025	1,914,000	8.22	5.68
A1	A	2,030,000	KEY BANK NA MED. TERM NOTES BANK ENTER.	03/18/08	4.412	2,030,000	2,017,655	5.73	0.69
A2	A	250,000	KEY BANK NATL. ASSOC. MTN.	03/03/16	5.450	249,940	241,578	5.93	6.67
A1	A+	750,000	LEHMAN BROTHERS HOLDINGS INC.	04/25/11	5.750	749,559	749,440	5.74	2.36
A1	A+	1,250,000	LEHMAN BROTHERS HOLDINGS INC.	02/06/12	5.250	1,248,675	1,227,474	5.68	3.94
A1	A+	500,000	LEHMAN BROTHERS HOLDINGS INC.	03/13/14	4.800	497,245	472,688	5.82	5.54
NA	NA	1,155,000	LEHMAN BROTHERS HOLDINGS INC.	11/29/49	5.857	1,155,000	1,131,392	5.99	4.18
BAA2	BBB	100,000	LIBERTY PPTY. LTD. PARTNERSHIP	03/02/15	5.125	99,626	94,209	5.96	6.19
BAA2	BBB	50,000	LIBERTY PPTY. LTD. PARTNERSHIP	12/15/16	5.500	49,641	47,530	6.05	7.23
AA3	A+	150,000	M & I MARSHALL & ILSLEY BANK	03/15/10	4.400	149,585	146,356	5.55	2.48
AA1	AA-	150,000	MANITOBA PROV. CDA	04/12/10	4.450	149,787	147,046	5.24	2.56
BAA2	BBB	150,000	MANITOBA PROV. CDA	09/15/10	5.150	147,335	146,852	5.97	2.87
BAA2	BBB	200,000	MARSH & MC LENNAN COS. INC.	09/15/15	5.750	195,558	190,629	6.63	6.29
A1	A	2,010,000	MARSHALL & ILSLEY CORP	08/01/09	4.375	2,021,981	1,971,521	5.28	1.94
AA1	AA	650,000	MBNA CORP. SR MTN.	05/04/10	5.000	661,869	644,246	5.48	2.60
AA3	A	350,000	MELLON FUNDING CORP.	05/14/11	6.400	365,033	361,555	5.54	3.38
	NA	950,000	MERNA REINS LTD. 2007 1	06/30/12	1.000	950,000	950,000	N/A	0.26
AA3	AA-	525,000	MERRILL LYNCH & CO. INC.	09/14/07	3.375	524,785	523,109	5.29	0.21
AA3	AA-	150,000	MERRILL LYNCH & CO. INC.	10/27/08	4.831	150,000	149,264	5.54	1.26
AA3	AA-	500,000	MERRILL LYNCH & CO. INC.	01/15/15	5.000	502,840	473,618	5.88	6.02
A1	A+	250,000	MERRILL LYNCH & CO. INC.	05/16/16	6.050	259,455	249,753	6.21	6.73
BAA1	BBB+	960,000	METLIFE INC.	12/15/36	6.400	958,234	889,296	6.99	12.61
A2	A+	275,000	MONY GROUP INC.	03/15/10	8.350	324,013	294,572	5.68	2.37
AA3	A+	1,720,000	MORGAN STANLEY	01/21/11	5.050	1,713,688	1,689,914	5.70	3.14
AA3	A+	3,805,000	MORGAN STANLEY	01/09/12	5.610	3,811,488	3,797,357	5.61	0.12
A1	A	745,000	MORGAN STANLEY	04/01/14	4.750	720,210	693,827	5.95	5.59
AA3	A+	330,000	MORGAN STANLEY	10/18/16	5.809	331,219	329,520	5.80	0.05
AA3	A+	250,000	MORGAN STANLEY	01/09/17	5.450	242,223	237,356	6.20	7.08
AA3	A+	1,950,000	MORGAN STANLEY DEAN WITTER	04/01/12	6.600	2,104,501	2,019,651	5.70	4.00
AA3	A+	325,000	MORGAN STANLEY GROUP INC.	04/15/11	6.750	348,624	337,281	5.66	3.28
AA3	A+	4,000,000	MORGAN STANLEY GROUP INC.	03/01/13	5.300	4,002,240	3,897,394	5.71	4.75
AA3	A+	135,000	MORGAN STANLEY GROUP INC.	04/27/17	5.550	128,390	128,785	6.10	7.36
A1	A	275,000	NATIONAL CITY BANK CLEVELAND	03/15/11	6.250	283,324	281,620	5.59	3.23
AA3	A	250,000	NATIONAL CITY BANK CLEVELAND OH MTBN	03/15/10	4.500	250,000	244,120	5.36	2.48
A2	A	3,200,000	NATIONAL RURAL UTILITIES COOP FIN.	08/28/09	5.750	3,330,940	3,230,964	5.34	1.98
AA2	A	350,000	NATIONSBANK CORP.	08/15/15	7.750	402,063	392,629	5.90	5.97
AA2	A+	180,000	NATIONWIDE BLDG. SOC.	02/01/10	4.250	179,575	175,256	5.52	2.37

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Rating Moody's	S&P	Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Finance (continued)						
AA2	A+	875,000	NATIONWIDE BLDG. SOC. MT. SR 144A	07/31/07	3.500	873,504	873,703	4.76	0.08
BAA3	BBB-	100,000	NATIONWIDE HEALTH PPTYS. INC.	07/15/11	6.500	99,899	101,806	6.04	3.42
A1	A	150,000	PNC FUNDING CORP.	03/10/10	4.500	148,428	146,564	5.36	2.47
A2	BBB+	200,000	POPULAR NORTH AMER. INC. MTN.	10/01/08	3.875	198,310	196,000	5.53	1.20
AAA	AA+	710,000	PRIVATE EXPT. FUNDING CORP.	05/15/15	4.550	709,446	670,200	5.37	6.46
A2	BBB+	765,000	PROGRESSIVE CORP.	06/15/37	6.700	762,927	760,311	6.78	7.20
BAA1	BBB+	150,000	PROLOGIS	04/01/12	5.500	149,174	148,687	5.70	4.08
A3	A+	35,000	PRUDENTIAL FINL. INC.	12/14/11	5.100	34,991	34,333	5.60	3.92
A3	A+	200,000	PRUDENTIAL FINL. INC.	03/15/16	5.500	195,858	194,829	5.84	6.71
A3	A+	300,000	PRUDENTIAL FINL. INC. MTN.	06/13/15	4.750	299,505	279,780	5.88	6.46
B3	B	2,232,000	R H DONNELLEY CORP.	01/15/13	6.875	2,198,520	2,114,820	8.07	4.16
AA2	AA	60,000	RABOBANK CAPITAL FUNDING II	12/31/49	5.260	61,088	57,540	6.03	5.27
AA2	AA	470,000	RABOBANK CAPITAL FUNDING III TR	12/29/49	5.254	470,931	440,066	6.16	7.04
BAA2	BBB	50,000	REGENCY CTRS. LP	08/01/15	5.250	49,929	47,804	6.01	6.32
A2	A-	350,000	REGIONS FINANCIAL CORP.	03/01/11	7.000	371,823	367,342	5.59	3.16
BAA3	BBB-	350,000	RESIDENTIAL CAP. CORP.	06/30/10	6.375	350,711	346,490	6.86	2.60
BAA3	BBB-	580,000	RESIDENTIAL CAP. CORP.	02/22/11	6.000	577,755	564,817	7.02	3.15
BAA3	BBB-	350,000	RESIDENTIAL CAP. CORP.	04/17/13	6.500	346,185	339,973	7.21	4.68
BAA3	BBB-	100,000	RESIDENTIAL CAP. CORP.	06/30/15	6.875	102,730	97,177	7.38	5.83
BAA3	BBB-	170,000	RESIDENTIAL CAP. LLC	06/01/12	6.500	169,381	166,511	7.09	4.12
AA2	A+	600,000	ROYAL BANK SCOTLAND GROUP PLC.	01/08/15	5.050	610,893	578,262	5.71	6.01
A3	A-	200,000	SIMON PPTY. GROUP LP	08/15/10	4.875	201,976	195,899	5.53	2.81
A3	A-	50,000	SIMON PPTY. GROUP LP	05/01/12	5.750	49,880	50,107	5.64	4.03
A2	BBB+	1,630,000	SLM CORP.	04/01/09	3.900	1,630,000	1,526,365	7.69	(0.08)
A2	BBB+	250,000	SLM CORP.	07/26/10	4.500	249,298	235,563	7.28	2.74
A2	BBB+	960,000	SLM CORP.	10/01/13	5.000	913,642	854,983	8.03	5.10
A2	BBB+	135,000	SLM CORP.	05/15/14	5.375	118,954	121,084	8.13	5.48
A2	BBB+	1,040,000	SLM CORP. MEDIUM TERM NOTES	08/01/33	5.625	828,445	835,456	7.57	11.68
A2	BBB+	935,000	SLM CORP. MEDIUM TERM NOTES BOOK	01/27/14	5.655	847,136	837,209	8.28	(0.43)
A2	BBB+	515,000	SLM CORP. MTN.	11/14/14	5.050	443,721	448,719	8.13	5.84
A2	BBB+	1,035,000	SLM CORP. MTN.	04/15/15	5.000	878,084	892,001	8.13	6.07
A2	BBB+	270,000	SLM CORP. MTN.	06/15/18	5.000	221,793	220,376	7.53	7.93
A3	A-	150,000	ST. PAUL TRAVELERS CO. & E722S INC.	12/01/15	5.500	151,056	146,284	5.94	6.61
AA3	A+	150,000	SUNTRUST BANK ATL GA MED. TERM	09/01/15	5.000	149,799	142,051	5.88	6.46
AA3	A+	240,000	SUNTRUST BANKS INC.	10/15/07	3.625	239,585	238,916	5.36	0.28
A1	A-	375,000	SUNTRUST CAPITAL VIII	12/15/36	6.100	368,933	343,410	6.76	12.95
AA1	AA+	250,000	SWEDISH EXP. CRED.	02/17/09	4.625	249,358	247,900	5.31	1.53
BA1	BB	1,578,000	TEPPCO PARTNERS LP	06/01/67	1.000	1,575,459	1,517,878	7.55	6.97
A3	A-	150,000	TEXTRON FINL. CORP. MEDIUM TERM	05/03/10	4.600	149,979	146,755	5.42	2.61
AAA	AAA	740,000	TIAA GLOBAL MKTS. INC.	01/22/08	3.875	751,175	733,990	5.58	0.54
BAA3	BBB-	150,000	TOLL BROTHERS FIN. CORP.	05/15/15	5.150	146,628	135,021	6.77	6.24
A2	A-	150,000	TRANSATLANTIC HOLDINGS INC.	12/14/15	5.750	152,717	145,296	6.13	6.58
A3	A-	2,850,000	TRAVELERS COS. INC.	06/15/12	5.375	2,843,771	2,822,258	5.63	4.28
BAA1	BBB	1,050,000	TRAVELERS COS. INC.	03/15/37	6.250	1,031,226	1,008,998	6.80	7.03
AA2	AA-	275,000	UBS PFD. FUNDING TR I	10/29/49	8.622	332,175	298,675	5.68	2.79
AA2	AA-	200,000	UBS PFD. FUNDING TR V	05/12/49	6.243	194,880	200,790	6.18	6.71
AA3	A	500,000	UFJ FIN. ARUBA AEC	07/15/13	6.750	553,240	527,945	5.64	4.82
A1	A	150,000	UNION BANK CALIF.	05/11/16	5.950	149,247	149,853	6.04	6.76
A3	A	500,000	UNITEDHEALTH GROUP INC.	08/15/09	4.125	497,990	486,963	5.34	1.98
AA2	AA-	740,000	US BANCORP	03/15/08	3.125	738,564	729,454	5.43	0.68
AA2	AA-	540,000	US BANCORP MTN. BANK ENT.	04/28/09	5.300	539,525	540,842	5.23	1.71
AA2	AA	3,100,000	US BANK NATL. ASSOC. CINCINNATI OH	10/30/14	4.950	3,033,213	2,970,852	5.71	5.99
BA2	B+	1,025,000	VENTAS REALTY LTD. PARTNERSHIP	06/01/15	7.125	1,025,000	1,032,688	7.00	5.05
AA2	AA-	200,000	WACHOVIA BANK NATL. ASSOC.	02/01/15	4.875	200,573	188,306	5.79	6.09
AA1	AA	500,000	WACHOVIA BANK NATL. ASSOC. MEDIUM	08/15/08	4.375	500,800	495,596	5.68	1.07
A2	A	1,175,000	WACHOVIA CAPITAL TR III	03/15/42	5.800	1,169,467	1,187,708	5.93	3.24
AA3	AA-	500,000	WACHOVIA CORP. NEW	10/15/11	5.300	505,800	497,226	5.57	3.75
A1	A+	890,000	WACHOVIA CORP. NEW	08/01/14	5.250	870,571	861,912	5.75	5.70
A2	A-	1,000,000	WASHINGTON MUTUAL BANK FA CHATSWORT	08/15/14	5.650	1,022,290	974,834	6.08	5.66
A2	A-	4,700,000	WASHINGTON MUTUAL INC.	01/15/09	4.000	4,598,950	4,609,144	5.48	1.45
A2	A-	500,000	WASHINGTON MUTUAL INC.	01/15/10	4.200	495,540	485,205	5.51	2.33
BAA1	BBB+	350,000	WELLPOINT INC.	12/15/09	4.250	348,390	339,570	5.63	2.30
BAA1	BBB+	875,000	WELLPOINT INC.	12/15/34	5.950	836,601	820,297	6.53	12.99
AA1	AA+	3,470,000	WELLS FARGO & CO. NEW	01/15/10	4.200	3,394,103	3,380,161	5.28	2.33
AA1	AA+	1,415,000	WELLS FARGO & CO. NEW	08/09/10	4.625	1,412,312	1,386,033	5.41	2.81
AA1	AA+	460,000	WELLS FARGO & CO. NEW	01/12/11	4.875	459,756	452,644	5.46	3.13
AA2	AA	595,000	WELLS FARGO & CO. NEW	08/01/11	6.375	654,946	615,777	5.51	3.49
AA1	AA+	2,000,000	WELLS FARGO & CO. NEW	01/24/12	5.445	2,000,900	1,999,163	5.41	0.07
AA1	AA+	750,000	WELLS FARGO BANK NATL. ASSOC.	02/09/15	4.750	749,288	705,583	5.77	6.14
AA1	AA+	8,700,000	WELLS FARGO BANK NATL. ASSOC.	05/16/16	5.750	8,776,760	8,649,526	5.77	6.83
AA2	AA+	200,000	WELLS FARGO CAPITAL X	12/15/36	5.950	200,051	196,286	6.46	13.31
A3	A-	180,000	WESTERN UN CO.	10/01/16	5.930	179,932	175,613	6.28	6.91
BAA2	BBB+	650,000	ZFS FIN. USA TR V	05/09/37	6.500	642,259	628,641	6.96	7.11
A3	BBB	250,000	ZIONS BANCORP	11/16/15	5.500	247,953	240,852	6.10	6.55
			Total Finance			<u>262,206,937</u>	<u>256,092,972</u>		

Rating Moody's	S&P	Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Industrials						
A1	AA	350,000	ABBOTT LABS	05/15/16	5.875	347,382	350,970	5.87	6.80
B3	B	1,000,000	ABITIBI CONSOLIDATED INC.	08/01/29	8.500	826,250	820,000	10.63	8.40
B3	B	2,000,000	ABITIBI CONSOLIDATED INC.	08/01/30	8.850	1,697,500	1,680,000	10.73	8.37
B1	B	1,660,000	ADVANCED MED. OPTICS INC.	05/01/17	7.500	1,644,645	1,568,700	8.32	6.41
B1	B	868,000	AEP INDS. INC.	03/15/13	7.875	891,870	868,000	7.87	3.78
B3	BB-	606,875	AIR 2 US	10/01/19	8.027	537,907	628,116	7.58	3.42
B1	B	4,715,000	ALBERTSONS INC.	06/01/28	6.625	4,421,298	4,249,111	7.57	10.63
B1	B	500,000	ALBERTSONS INC.	08/01/29	7.450	503,991	487,665	7.68	10.30
BAA1	BBB+	150,000	ALCAN INC.	06/01/15	5.000	148,640	139,242	6.12	6.37
A2	BBB+	775,000	ALCOA INC.	01/15/12	6.000	847,517	785,519	5.94	3.83
A2	BBB+	50,000	ALCOA INC.	02/01/17	5.550	49,874	47,876	6.20	7.11
CAA1	NA	730,000	ALGOMA ACQUISTION CORP.	06/15/15	9.875	728,175	726,350	9.97	5.16
A3	A	125,000	ALLERGAN INC.	04/01/16	5.750	122,900	124,118	5.83	8.37
BAA2	BBB+	100,000	ALLIED CAPITAL CORP. NEW	07/15/11	5.625	99,990	100,973	6.35	3.41
B1	BB+	500,000	ALLIED WASTE NORTH AMER. INC.	02/15/11	5.750	480,000	475,625	7.10	3.14
B1	BB	2,150,000	ALLIED WASTE NORTH AMER. INC.	05/15/16	7.125	2,211,813	2,101,625	7.45	5.90
A2	BB	1,255,000	ALLTEL CORP	07/01/32	7.875	1,117,739	1,120,800	9.48	9.40
BAA1	BBB	30,000	ALTRIA GROUP INC.	11/04/13	7.000	30,162	31,996	5.84	5.08
BAA3	BBB-	175,000	AMERADA HESS CORP	08/15/11	6.650	190,988	180,499	5.73	3.50
BAA3	BBB-	180,000	AMERADA HESS CORP	10/01/29	7.875	209,192	204,665	6.76	10.91
BAA3	BBB-	1,465,000	AMERADA HESS CORP	08/15/31	7.300	1,602,429	1,567,928	6.69	11.44
BA3	BB	1,968,000	AMERICAN AXLE & MFG. INC.	03/01/17	7.875	1,978,250	1,933,560	8.14	6.04
B1	NA	139,000	AMERICAN RAILCAR INDS. INC.	03/01/14	7.500	143,518	138,305	7.59	4.76
A2	A+	100,000	AMGEN INC. FORMERLY AMGEN	06/01/17	5.850	99,843	98,187	6.06	7.39
B1	B	1,520,000	AMKOR TECHNOLOGY INC.	05/15/13	7.750	1,470,600	1,463,000	8.69	4.28
BAA3	BBB-	560,000	ANADARKO FIN. CO.	05/01/11	6.750	632,212	578,828	5.79	3.32
BAA3	BBB-	340,000	ANADARKO FIN. CO.	05/01/31	7.500	379,116	364,640	6.86	11.36
BAA3	BBB-	1,080,000	ANADARKO PETROLEUM CORP.	09/15/09	5.760	1,080,000	1,080,961	5.66	0.22
BAA3	BBB-	1,410,000	ANADARKO PETROLEUM CORP.	09/15/36	6.450	1,411,727	1,356,517	6.75	12.68
A2	A	250,000	ANHEUSER BUSCH COS. INC.	01/15/14	4.950	246,353	238,433	5.80	5.37
BAA2	BBB+	80,000	AOL TIME WARNER INC.	05/01/32	7.700	88,344	86,767	7.00	11.40
B3	B-	1,450,000	ARAMARK CORP.	06/01/12	5.000	1,321,313	1,276,000	7.53	4.22
B3	B-	3,240,000	ARAMARK CORP.	02/01/15	8.500	3,331,125	3,296,700	8.05	4.61
B3	B	3,022,000	ASBURY AUTOMOTIVE GROUP INC.	03/15/14	8.000	2,963,945	3,052,220	7.80	4.04
B3	B	1,948,000	ASSTEAD CAPITAL INC.	08/15/16	9.000	1,965,528	2,040,530	8.25	5.04
BAA2	BBB+	1,050,000	AT&T BROADBAND CORP.	03/15/13	8.375	1,248,538	1,177,627	5.94	3.78
A2	A	165,000	AT&T WIRELESS	05/01/12	8.125	200,064	181,744	5.74	3.98
B2	NA	1,694,000	ATLAS PIPELINE PARTNERS L P AT	12/15/15	8.125	1,718,085	1,689,765	8.17	5.45
BA2	BB+	507,000	AUTONATION INC. DEL.	04/15/14	7.000	507,000	500,663	7.23	4.74
B3	B	328,000	BALDOR ELEC. CO.	02/15/17	8.625	328,000	346,860	7.76	5.23
BAA1	A-	150,000	BARRICK GOLD FIN. CO.	11/15/14	4.875	150,497	140,768	5.90	6.03
BAA1	A	76,000	BAXTER INTL. INC.	09/01/16	5.900	75,751	76,340	5.90	6.88
BA2	BB	1,115,000	BEAZER HOMES USA INC.	06/15/16	8.125	1,142,875	1,092,700	8.28	6.24
BA2	BB-	828,000	BELDEN CDT INC.	03/15/17	7.000	828,000	815,580	7.22	6.26
A2	A	2,325,000	BELLSOUTH CAPITAL FUNDING CORP.	02/15/10	7.750	2,491,503	2,454,998	5.53	2.31
BAA1	A	50,000	BEMIS CO. INC.	04/01/12	4.875	49,814	48,256	5.73	4.13
BAA2	BBB	35,000	BLACK & DECKER CORP.	11/15/16	5.750	34,855	34,182	6.18	7.08
BAA2	BBB	50,000	BOARDWALK PIPELINES LLC	11/15/16	5.875	49,889	48,707	6.23	7.05
BA2	BB	6,000,000	BOMBARDIER INC.	05/01/34	7.450	5,910,000	5,790,000	7.90	11.11
CAA1	CCC+	3,000,000	BORDEN INC.	02/15/23	7.875	2,756,250	2,565,000	9.69	8.03
BAA3	BBB	150,000	BOSTON SCIENTIFIC CORP.	11/15/15	5.500	152,340	146,790	6.10	6.55
AA2	A+	250,000	BOTTLING GROUP LLC	11/15/12	4.625	245,148	239,587	5.56	4.66
B3	B	40,000	BOWATER CDA FIN. CORP.	11/15/11	7.950	39,250	37,650	9.81	3.55
B3	B	1,550,000	BOWATER INC.	06/15/13	6.500	1,387,250	1,346,563	9.34	4.73
BA3	B+	20,000	BOYD GAMING CORP	12/15/12	7.750	20,825	20,500	7.19	2.60
A2	A+	725,000	BRISTOL MYERS SQUIBB CO.	11/15/36	5.875	723,789	680,438	6.30	13.40
B2	B+	4,000,000	BUCKEYE TECHNOLOGIES INC.	10/01/13	8.500	4,251,250	4,090,000	8.03	3.43
BAA1	BBB+	250,000	BURLINGTON NORTHERN SANTA FE	07/15/11	6.750	264,155	260,227	5.63	3.42
BAA2	BBB+	250,000	CANADIAN NAT. RES. LTD.	12/01/14	4.900	249,740	234,330	5.98	6.07
BA3	BB-	1,950,000	CASCADES INC.	02/15/13	7.250	1,967,063	1,896,375	7.86	3.96
BA3	BB+	3,520,000	CASE CORP.	01/15/16	7.250	3,450,908	3,572,800	7.01	6.12
BAA3	BBB-	125,000	CENTERPOINT ENERGY RES. CORP.	04/01/13	7.875	147,366	136,520	5.97	4.58
BAA2	BBB+	200,000	CENTEX CORP.	06/15/15	5.250	199,688	181,462	6.99	6.29
B3	B-	3,668,000	CENVEO CORPORATION	12/01/13	7.875	3,582,680	3,594,640	8.28	4.40
B1	B	1,864,000	CHAMPION ENTERPRISES INC.	05/15/09	7.625	1,838,825	1,854,680	7.91	1.70
B1	B+	2,460,000	CHAPARRAL STL. CO. DEL.	07/15/13	10.000	2,460,000	2,684,475	8.06	2.43
B1	B	3,660,000	CHC HELICOPTER CORP.	05/01/14	7.375	3,743,654	3,486,150	8.30	4.91
BA2	BB+	1,500,000	CHEMTURA CORP.	06/01/16	6.875	1,479,375	1,417,500	7.74	6.47
BA2	BB	3,000,000	CHESAPEAKE ENERGY CORP.	01/15/16	6.875	3,048,750	2,932,500	7.39	5.19
AA2	AA	1,145,000	CHEVRON TEXACO CAPITAL CO.	09/17/07	3.500	1,148,504	1,141,072	5.04	0.21
B3	NA	905,000	CHS/CMNTY. HEALTH SYS. INC.	07/15/15	8.875	898,611	917,444	8.63	5.10
A3	BBB+	450,000	CHUBB CORP.	03/29/37	6.375	454,842	440,055	6.68	7.06
BA2	B+	1,600,000	CHURCH & DWIGHT INC.	12/15/12	6.000	1,572,000	1,534,000	6.92	4.24
A1	A+	350,000	CISCO SYS. INC.	02/22/11	5.250	349,398	347,894	5.43	3.22
A1	A+	400,000	CISCO SYS. INC.	02/22/16	5.500	398,104	392,677	5.86	6.65
A2	A	100,000	CIT GROUP FUNDING CO. CDA 1	11/02/11	5.600	99,971	99,823	5.87	3.76

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Rating Moody's	S&P	Par Value \$		Maturity Date	Interest Rate %	Cost \$	Fair Value \$	Current Yield %	Duration
			FIXED INCOME (continued)						
			Industrials (continued)						
BAA3	B+	60,000	CLEAR CHANNEL COMMUNICATIONS	01/15/08	4.625	59,378	59,478	6.22	0.52
BAA3	B+	300,000	CLEAR CHANNEL COMMUNICATIONS	05/15/09	4.250	288,324	287,078	6.17	1.76
BAA3	B+	495,000	CLEAR CHANNEL COMMUNICATIONS	09/15/14	5.500	463,985	420,985	8.21	5.61
BAA3	B+	220,000	CLEAR CHANNEL COMMUNICATIONS	05/15/15	4.900	196,639	177,118	8.28	6.17
A3	A-	200,000	CLOROX CO.	01/15/15	5.000	204,610	189,214	6.00	6.01
AA3	AA-	50,000	COLGATE PALMOLIVE CO. MTN	11/07/16	5.200	49,996	48,064	5.66	7.23
B2	B-	1,245,000	COLUMBUS MCKINNON CORP. NY	11/01/13	8.875	1,332,150	1,316,588	7.71	3.49
BAA2	BBB+	805,000	COMCAST CABLE COMMUNICATIONS	01/30/11	6.750	786,107	834,954	5.65	3.08
BAA2	BBB+	1,675,000	COMCAST CORP.	01/15/15	6.500	1,724,822	1,721,369	6.07	5.76
BAA2	BBB+	185,000	COMCAST CORP.	03/15/33	7.050	203,135	191,334	6.78	11.81
BAA2	BBB+	200,000	COMCAST CORP. NEW	01/15/14	5.300	201,844	193,249	5.97	5.31
BAA2	BBB+	1,075,000	COMCAST CORP. NEW	03/15/16	5.900	1,051,040	1,056,827	6.16	6.60
BAA2	BBB+	670,000	COMCAST CORP. NEW	01/15/17	6.500	685,431	683,502	6.20	6.87
B2	B-	3,500,000	COMMUNICATIONS & POWER INDS. INC.	02/01/12	8.000	3,567,500	3,535,000	7.73	2.74
B2	B	2,000,000	COMSTOCK RES. INC.	03/01/12	6.875	1,955,500	1,910,000	8.05	3.59
A1	A-	280,000	CONOCO FUNDING CO.	10/15/11	6.350	311,371	288,938	5.52	3.69
A1	A-	5,000	CONOCO INC.	04/15/29	6.950	5,603	5,466	6.18	11.46
A1	A-	1,215,000	CONOCO PHILLIPS	10/15/12	4.750	1,182,342	1,168,269	5.43	4.57
BA1	BBB-	4,000,000	CONSOL ENERGY INC.	03/01/12	7.875	4,380,000	4,140,000	6.98	3.79
		1,200,000	CONTINENTAL AIRLINES	04/19/22	5.983	1,200,000	1,166,412	6.42	7.93
BAA2	BBB	100,000	CONVERGYS CORP.	12/15/09	4.875	99,166	97,696	5.89	2.28
BAA2	BBB	245,000	COORS BREWING CO.	05/15/12	6.375	270,274	251,754	5.80	4.13
B2	B+	779,000	COPANO ENERGY LLC	03/01/16	8.125	796,425	790,685	7.11	5.20
BA2	BB	1,300,000	CORRECTIONS CORP. AMER. NEW	03/15/13	6.250	1,285,375	1,248,000	7.11	4.29
BA2	BB	365,000	CORRECTIONS CORP. AMER. NEW	01/31/14	6.750	368,194	356,788	7.18	4.62
A2	A	100,000	COSTCO WHSL CORP. NEW	03/15/12	5.300	99,942	99,579	5.48	4.04
BAA3	BBB-	500,000	COX COMMUNICATIONS INC. NEW	01/15/10	4.625	500,000	489,039	5.62	2.32
BAA3	BBB-	275,000	COX COMMUNICATIONS INC. NEW	11/01/10	7.750	296,340	292,187	5.63	2.91
BAA1	BBB+	250,000	CRH AMER. INC.	09/30/16	6.000	248,865	247,065	6.16	6.91
B2	B+	3,244,000	CSC HOLDINGS INC.	07/15/09	8.125	3,292,515	3,308,880	6.66	1.80
B2	B+	1,500,000	CSC HOLDINGS INC.	07/15/18	7.625	1,507,500	1,425,000	8.32	7.00
BAA3	BBB-	500,000	CSX CORP.	03/15/12	6.300	547,275	508,713	5.82	3.97
BAA2	BBB+	100,000	CVS CAREMARK CORP.	06/01/17	5.750	98,951	96,331	6.23	7.38
BAA2	BBB+	250,000	CVS CORP.	08/15/11	5.750	251,813	250,817	5.75	3.56
BAA3	BBB-	50,000	D R HORTON INC.	04/15/11	6.000	49,871	49,307	6.76	3.29
BAA3	BBB-	250,000	D R HORTON INC.	06/15/12	5.375	240,560	237,624	6.87	4.25
BAA3	BBB-	50,000	D R HORTON INC.	04/15/16	6.500	49,899	48,420	7.17	6.47
BAA1	BBB	665,000	DAIMLER CHRYSLER NORTH AMER. HLGD.	01/15/08	4.750	662,472	662,761	5.39	0.52
BAA1	BBB	110,000	DAIMLER CHRYSLER NORTH AMER. HLGD.	06/04/08	4.050	109,837	108,688	5.62	0.89
BAA1	BBB	295,000	DAIMLER CHRYSLER NORTH AMER. HLGD.	06/04/08	4.050	293,988	291,481	5.62	0.00
BAA1	BBB	100,000	DAIMLER CHRYSLER NORTH AMER. HLGD.	05/18/09	5.750	99,603	100,493	5.60	1.76
BAA1	BBB	1,110,000	DAIMLER CHRYSLER NORTH AMER. HLGD.	05/18/09	5.750	1,105,593	1,115,475	5.60	1.76
BAA1	BBB	3,200,000	DAIMLER CHRYSLER NORTH AMER. HLGD.	05/18/09	5.750	3,187,296	3,215,783	5.60	1.76
BAA1	BBB	235,000	DAIMLER CHRYSLER NORTH AMER. HLGD.	09/01/09	7.200	262,396	243,175	5.61	1.96
BAA1	BBB	340,000	DAIMLER CHRYSLER NORTH AMER. HLGD.	09/01/09	7.200	382,429	351,827	5.61	1.96
BAA1	BBB	200,000	DAIMLER CHRYSLER NORTH AMER. HLGD.	03/15/11	5.875	199,700	201,391	5.72	0.89
B2	B	2,000,000	DAVITA INC.	03/15/15	7.250	2,050,000	1,975,000	7.51	5.09
B2	B	3,265,000	DEL MONTE CORP.	12/15/12	8.625	3,598,730	3,371,113	7.88	2.39
B1	B+	2,125,000	DENBURY RES. INC. DEL.	04/01/13	7.500	2,178,125	2,125,000	7.50	3.61
BAA2	BBB	120,000	DEVON FING CORP. U L C	09/30/11	6.875	136,588	125,286	5.69	3.61
B3	B	3,115,000	DEX MEDIA INC.	11/15/13	0.000	2,535,148	2,931,994	7.86	2.79
B3	B	1,660,000	DEX MEDIA INC.	11/15/13	1.000	1,391,244	1,562,475	7.86	2.79
B3	B	98,000	DEX MEDIA INC.	11/15/13	8.000	100,940	99,470	7.60	3.61
BAA1	A-	250,000	DIAMOND OFFSHORE DRILLING INC.	07/01/15	4.875	249,463	230,074	6.06	6.31
B1	BB	1,200,000	DILLARD DEPT STORES INC.	01/15/18	6.625	1,152,000	1,133,136	7.39	7.16
BA3	BB-	2,120,000	DIRECTV HLDGS. LLC	06/15/15	6.375	2,056,400	1,992,800	7.54	5.85
A2	A-	2,340,000	DISNEY WALT CO. NEW MTN. BANK ENTR.	03/01/12	6.375	2,458,608	2,421,490	5.49	3.94
BAA2	BBB+	300,000	DONNELLEY R R & SONS CO.	05/15/10	4.950	299,205	292,764	5.80	2.62
BAA2	BBB+	20,000	DONNELLEY R R & SONS CO.	01/15/12	5.625	19,972	19,745	5.96	3.85
BAA2	BBB+	300,000	DONNELLEY R R & SONS CO.	05/15/15	5.500	299,505	277,682	6.72	6.18
BAA2	BBB+	50,000	DONNELLEY R R & SONS CO.	01/15/17	6.125	49,605	48,578	6.50	6.90
A2	A	150,000	DOVER CORP.	10/15/15	4.780	149,004	141,181	5.82	6.61
A3	A-	300,000	DOW CHEM. CO.	01/15/09	5.970	323,073	302,223	5.67	1.42
B1	B	2,104,000	DRESSER RAND GROUP INC.	11/01/14	7.375	2,151,340	2,111,890	7.31	4.63
B3	B	1,000,000	DRS TECHNOLOGIES INC.	11/01/13	6.875	1,007,500	970,000	7.47	4.53
B1	B+	1,161,000	DRS TECHNOLOGIES INC.	02/01/16	6.625	1,161,000	1,120,365	7.18	5.82
B3	B	261,000	DRS TECHNOLOGIES INC.	02/01/18	7.625	270,461	263,610	7.49	5.65
A2	A	365,000	DU PONT E I DE NEMOURS & CO.	10/15/09	6.875	412,443	377,267	5.33	2.08
NR	A-	100,000	DUN & BRADSTREET CORP. DEL. NEW	03/15/11	5.500	99,741	99,422	5.64	3.26
B2	B-	1,771,000	DYNEGY HOLDINGS INC.	05/01/16	8.375	1,839,626	1,731,153	8.70	6.05
B2	B-	5,121,000	DYNEGY HOLDINGS INC.	06/01/19	7.750	5,086,360	4,762,530	8.74	7.44
A2	A	50,000	EATON CORP.	07/15/12	5.750	53,972	50,431	5.56	4.23
BA3	BB-	1,975,000	ECHOSTAR DBS CORP.	10/01/14	6.625	1,975,000	1,886,125	7.34	5.55
BA3	NA	1,450,000	EL PASO PERFORMANCE LINKED TR	07/15/11	7.750	1,533,375	1,493,500	6.89	3.32
BA1	BBB-	985,000	ELECTRONIC DATA SYS. CORP.	10/15/09	7.125	1,035,206	1,013,713	5.74	2.07
BA1	BBB-	250,000	ELECTRONIC DATA SYS. CORP. NEW	08/01/13	6.000	255,028	247,088	6.74	4.83

Rating Moody's	S&P	Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Industrials (continued)						
NA	NA	500,000	EMERALDS TR	08/04/20	5.593	500,000	500,990	5.58	0.15
A2	A	2,110,000	EMERSON ELECTRIC CO.	08/15/10	7.125	2,356,852	2,213,998	5.38	2.73
BAA1	A-	75,000	ENBRIDGE	04/01/17	5.600	74,949	72,442	6.12	7.27
B1	B	1,515,000	ENCORE ACQUISITION CO.	07/15/15	6.000	1,378,650	1,336,988	7.87	5.90
BAA3	BBB-	350,000	ENTERPRISE PRODUCTS OPER. LP	10/15/07	4.000	349,727	348,544	5.38	0.29
BAA3	BBB-	575,000	ENTERPRISE PRODUCTS OPER. LP	06/01/10	4.950	569,906	562,950	5.63	2.67
BAA3	BBB-	400,000	ENTERPRISE PRODUCTS OPER. LP	02/01/13	6.375	429,356	408,273	5.81	4.56
BA1	BB	4,000,000	ENTERPRISE PRODUCTS OPER. LP	08/01/66	8.375	4,000,000	4,269,000	7.35	6.22
BAA2	BBB	90,000	FEDEX CORP.	08/15/09	5.500	89,774	90,067	5.45	1.95
CAA1	CCC+	9,925,000	FORD MOTOR CO. DEL.	10/01/28	6.625	7,543,000	7,418,938	9.49	9.49
CAA1	CCC+	2,000,000	FORD MOTOR CO. DEL.	07/16/31	7.450	1,475,000	1,597,500	9.72	9.08
B1	B	3,400,000	FORD MOTOR CREDIT CARD CO.	06/15/10	7.875	3,145,000	3,399,354	7.97	2.59
B1	B+	1,656,000	FOREST OIL CORP.	06/15/19	7.250	1,660,965	1,606,320	7.64	7.05
B1	B+	2,975,000	FOREST OIL CORP.	06/15/19	7.250	2,975,000	2,885,750	7.64	7.05
BAA2	BBB	100,000	FORTUNE BRANDS INC.	01/15/11	5.125	98,824	97,909	5.89	3.12
BA3	B	3,000,000	FOUNDATION PA COAL CO.	08/01/14	7.250	3,142,500	2,973,750	7.41	4.60
BA3	BB	1,133,000	FREEPORT MCMORAN COPPER & GOLD	04/01/15	8.250	1,133,000	1,195,315	7.41	4.57
BA3	BB	280,000	FREEPORT MCMORAN COPPER & GOLD	04/01/17	8.375	305,900	298,900	7.39	5.29
B2	B	3,000,000	FREESCALE SEMICONDUCTOR INC.	12/15/16	10.125	3,003,750	2,820,000	11.21	5.71
NA	BBB+	2,861,263	GAZPROM INTL. SA	02/01/20	7.201	2,886,299	2,962,838	6.26	3.68
B1	B+	85,000	GENERAL CABLE CORP. DE NEW	04/01/17	7.125	85,000	84,150	7.27	6.23
A2	A	735,000	GENERAL DYNAMICS CORP.	05/15/13	4.250	719,117	687,185	5.53	5.07
AAA	AAA	10,340,000	GENERAL ELECTRIC CO.	02/01/13	5.000	10,287,862	10,052,819	5.64	4.71
BAA1	BBB+	100,000	GENERAL MILLS INC.	02/15/17	5.700	99,881	97,280	6.05	7.12
BA1	BB+	1,820,000	GENERAL MOTORS ACCEP. CORP.	08/28/07	6.125	1,766,083	1,821,238	5.59	0.16
BA1	BB+	1,030,000	GENERAL MOTORS ACCEP. CORP.	05/09/08	5.125	978,725	1,017,135	6.63	0.82
BA1	BB+	1,330,000	GENERAL MOTORS ACCEP. CORP.	01/14/09	5.850	1,264,438	1,310,768	6.71	1.41
BA1	BB+	1,765,000	GENERAL MOTORS ACCEP. CORP.	09/15/11	6.875	1,606,150	1,736,142	7.43	3.52
BA1	BB+	3,196,000	GENERAL MOTORS ACCEP. CORP.	11/01/31	8.000	2,828,698	3,268,166	7.80	10.67
CAA1	B-	3,146,000	GENERAL MOTORS CORP.	07/15/33	8.375	2,666,825	2,870,725	9.32	8.89
A1	AA	300,000	GENETECH INC.	07/15/15	4.750	299,811	281,438	5.78	6.39
B2	B	3,000,000	GEORGIA PACIFIC CORP.	06/15/15	7.700	3,382,500	2,970,000	7.91	5.84
B2	B	4,550,000	GEORGIA PACIFIC CORP.	01/15/24	8.000	4,584,125	4,413,500	8.39	8.61
B2	B	2,130,000	GEORGIA PACIFIC CORP.	11/15/29	7.750	2,108,700	2,002,200	8.29	10.13
BA3	B+	4,190,000	GIBRALTAR INDS. INC.	12/01/15	8.000	4,135,043	4,106,200	8.33	5.52
BA3	BB-	1,926,000	GSC HLDGS. CORP. / GAMESTOP INC.	10/01/12	8.000	2,051,190	2,012,670	7.01	3.35
A3	A	635,000	GTE NORTH INC.	11/01/08	6.900	693,509	646,401	5.57	1.26
B1	B	2,244,000	GULFMARK OFFSHORE INC.	07/15/14	7.750	2,300,100	2,266,440	7.56	4.25
BA3	B+	3,000,000	HANOVER EQUIP. TR	09/01/11	8.750	3,255,000	3,082,500	7.96	1.17
BAA3	BB	175,000	HARRAHS OPER. INC.	10/01/17	5.750	147,088	140,133	8.74	7.14
BAA2	BBB+	150,000	HARRIS CORP. DEL.	10/01/15	5.000	149,063	139,546	6.08	6.52
CAA1	B-	2,872,000	HCA INC.	03/15/14	5.750	2,569,883	2,430,430	8.86	5.22
B2	BB-	1,619,000	HCA INC.	11/15/16	9.250	1,619,000	1,724,235	8.28	5.00
CAA1	B-	1,340,000	HCA INC.	11/06/33	7.500	1,172,500	1,135,650	8.99	10.22
CAA1	B-	9,906,000	HCA INC. FORMERLY HCA	02/15/16	6.500	8,720,937	8,382,953	9.09	5.99
BA3	B+	2,310,000	HERCULES INC.	10/15/29	6.750	2,310,000	2,240,700	7.02	7.46
A1	A+	100,000	HERSHEY FOODS CORP.	09/01/16	5.450	99,687	97,245	5.79	6.99
A2	A	8,200,000	HEWLETT PACKARD CO.	03/15/08	3.625	8,169,465	8,111,559	5.45	0.68
A2	A	250,000	HEWLETT PACKARD CO.	07/01/12	6.500	274,583	261,040	5.52	4.13
B3	B	3,000,000	HILCORP ENERGY I LP	11/01/15	7.750	3,015,000	2,910,000	8.25	5.51
AA3	BBB+	200,000	HOME DEPOT INC.	08/15/10	4.625	199,080	195,583	5.65	2.82
AA3	BBB+	300,000	HOME DEPOT INC.	03/01/11	5.200	298,041	296,700	5.72	3.24
AA3	BBB+	300,000	HOME DEPOT INC.	03/01/16	5.400	295,119	283,434	6.35	6.64
A2	A	100,000	HONEYWELL INTL. INC.	03/15/16	5.400	99,771	96,939	5.80	6.74
BA1	BB	720,000	HOST MARRIOTT LP	11/01/13	7.125	738,000	719,100	7.15	4.07
BA1	BB	1,350,000	HOST MARRIOTT LP	06/01/16	6.750	1,368,563	1,323,000	7.05	6.00
BA3	BB	4,600,000	HOVNANIAN K ENTERPRISES INC.	01/15/14	6.500	4,459,000	4,071,000	8.85	4.96
BA3	BB	938,000	HOVNANIAN K ENTERPRISES INC.	01/15/15	6.250	914,600	797,300	9.03	5.55
BA3	BB	1,025,000	HOVNANIAN K ENTERPRISES INC.	01/15/16	6.250	889,200	871,250	8.97	6.07
BA3	BB	500,000	HOVNANIAN K ENTERPRISES INC.	01/15/17	8.625	500,000	480,000	9.35	6.08
B2	B	1,011,000	HUNTSMAN INTL. LLC	11/15/14	7.875	1,062,814	1,083,034	6.63	4.22
B3	CCC+	4,805,000	IASIS HEALTHCARE LLC	06/15/14	8.750	4,998,550	4,805,000	8.65	4.34
BAA2	BBB	175,000	ICI WILMINGTON INC.	12/01/13	5.625	181,190	171,665	5.95	5.29
B2	NA	5,611,000	IDEARC INC.	11/15/16	8.000	5,727,456	5,667,110	7.84	5.77
BA3	BB	3,276,000	IKON OFFICE SOLUTIONS INC.	09/15/15	7.750	3,255,525	3,334,018	7.45	4.92
A1	A+	200,000	INTERNATIONAL BUSINESS MACHS	06/01/09	4.375	203,262	196,933	5.24	1.81
A1	A+	3,000,000	INTERNATIONAL BUSINESS MACHS	03/22/11	4.950	2,996,670	2,961,338	5.45	3.31
A1	A+	8,800,000	INTERNATIONAL BUSINESS MACHS	11/29/12	4.750	8,680,470	8,501,150	5.47	4.69
BAA3	BBB	1,500,000	INTERNATIONAL STL. GROUP INC.	04/15/14	6.500	1,443,750	1,529,580	6.14	5.38
B2	B-	1,147,000	INVACARE CORP.	02/15/15	9.750	1,163,521	1,155,603	9.60	4.68
B3	B	300,000	IRON MTN. INC. PA	01/15/15	7.750	309,000	292,500	8.20	4.49
BAA3	BBB	551,000	ISPAT INLAND ULC	04/01/14	9.750	643,070	607,802	7.66	1.69
B3	B-	867,000	JARDEN CORP.	05/01/17	7.500	867,000	856,163	7.68	6.22
B3	CCC+	175,000	JEFFERSON SMURFIT CORP. US	06/01/13	7.500	175,000	169,750	8.15	4.24
BAA1	A-	250,000	JOHNSON CTLS INC.	01/15/11	5.250	248,008	247,160	5.57	3.12
BA2	BB-	3,000,000	KB HOME	02/01/10	7.750	3,217,500	2,985,000	7.96	1.87

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Rating Moody's	S&P	Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Industrials (continued)						
BA2	BB-	175,000	KB HOME	02/15/11	9.500	180,250	180,031	8.56	0.68
A3	BBB+	490,000	KELLOGG CO.	04/01/11	6.600	551,426	507,237	5.58	3.26
BAA3	BBB-	980,000	KERR MCGEE CORP.	09/15/31	7.875	1,065,920	1,132,449	6.58	11.43
BAA2	BBB	150,000	KINDER MORGAN ENERGY PARTNERS	02/01/09	6.300	151,377	151,747	5.58	1.47
BAA2	BBB	150,000	KINDER MORGAN ENERGY PARTNERS	03/15/11	6.750	153,607	154,880	5.69	3.20
BAA2	BBB	30,000	KINDER MORGAN ENERGY PARTNERS	03/15/12	7.125	31,385	31,543	5.84	3.91
BAA2	BBB	700,000	KINDER MORGAN ENERGY PARTNERS	12/15/13	5.000	680,893	664,860	6.02	5.40
BAA2	BBB	230,000	KINDER MORGAN ENERGY PARTNERS	02/01/17	6.000	229,704	224,994	6.30	7.01
WR	BB-	470,000	KINDER MORGAN FIN. CORP.	01/05/36	6.400	427,043	415,348	7.50	11.71
BAA1	A-	7,400,000	KRAFT FOODS INC.	11/12/09	4.125	7,309,610	7,164,424	5.55	2.21
BAA1	A-	500,000	KRAFT FOODS INC.	10/01/13	5.250	507,690	480,587	5.99	5.17
BAA2	BBB-	100,000	KROGER CO.	01/15/15	4.950	99,721	91,878	6.24	6.00
BA3	BB+	1,400,000	L 3 COMMUNICATIONS CORP.	01/15/14	6.125	1,384,250	1,319,500	7.24	4.89
BA3	BB+	850,000	L 3 COMMUNICATIONS CORP.	01/15/15	5.875	828,750	788,375	7.13	5.58
BA3	B	838,000	LAMAR MEDIA CORP.	01/01/13	7.250	835,905	835,905	7.31	3.44
BA3	B	947,000	LAMAR MEDIA CORP.	08/15/15	6.625	878,901	897,283	7.50	5.69
BAA2	BBB	100,000	LENNAR CORP.	10/01/10	5.125	97,759	97,279	6.04	2.91
BAA2	BBB	75,000	LENNAR CORP.	10/17/11	5.950	74,825	74,529	6.33	3.73
BAA2	BBB	150,000	LENNAR CORP.	05/31/15	5.600	153,665	140,093	6.63	6.22
BAA1	A-	1,750,000	LOCKHEED MARTIN CORP.	05/01/16	7.650	2,012,500	1,967,502	5.80	6.48
A1	A+	250,000	LOWES COMPANIES INC.	10/15/15	5.000	249,743	236,586	5.83	6.58
BAA3	BBB-	125,000	LUBRIZOL CORP.	10/01/14	5.500	127,556	119,920	6.22	5.79
B1	B+	560,000	LYONDELL CHEMICAL CO.	09/15/14	8.000	592,200	575,400	7.56	4.53
B1	B+	1,472,000	LYONDELL CHEMICAL CO.	09/15/16	8.250	1,593,440	1,538,240	7.56	5.21
BAA3	BBB-	150,000	M D C HLDGS. INC.	12/15/14	5.375	149,378	138,663	6.78	5.97
BA3	BB	3,750,000	M I HOMES INC.	04/01/12	6.785	3,724,275	3,393,750	9.39	3.85
BAA1	BBB+	490,000	MASCO CORP.	07/15/12	5.875	527,769	485,830	6.07	4.20
B2	B+	4,000,000	MASSEY ENERGY CO.	12/15/13	6.875	3,976,441	3,665,000	8.59	4.96
BAA2	BBB	100,000	MAY DEPT. STORES CO.	07/15/09	4.800	101,202	98,303	5.80	1.88
BAA2	BBB	100,000	MAY DEPT. STORES CO.	07/15/14	5.750	101,772	95,917	6.49	5.53
A1	AA-	100,000	MEDTRONIC INC.	09/15/10	4.375	99,742	97,139	5.38	2.92
A1	AA-	100,000	MEDTRONIC INC.	09/15/15	4.750	99,921	93,308	5.82	6.55
AA3	AA-	2,750,000	MERCK & CO. INC.	03/01/15	4.750	2,644,920	2,587,466	5.71	6.20
BA2	BB	1,000,000	MERITAGE CORP.	05/01/14	7.000	971,250	930,000	8.36	5.07
BA2	BB	1,513,000	MERITAGE HOMES CORP.	03/15/15	6.250	1,503,440	1,346,570	8.20	5.72
B3	B	2,573,000	MEULLER WTR PRODS. INC.	06/01/17	7.375	2,603,710	2,551,413	7.49	6.34
B2	B-	4,481,000	MIRANT NORTH AMER. LLC MNA FIN.	12/31/13	7.375	4,594,850	4,581,822	6.94	4.19
BAA3	BBB-	225,000	MOHAWK INDS. INC.	01/15/11	5.750	225,070	225,090	5.77	3.09
B1	BB-	911,000	MOSAIC CO.	12/01/14	7.375	928,632	920,110	7.20	4.89
B1	BB-	2,050,000	MOSAIC CO.	12/01/16	7.625	2,150,123	2,096,125	7.29	5.75
BA1	BB+	3,721,000	MYLAN LABS INC.	08/15/15	6.375	3,766,751	3,832,630	5.90	4.66
B1	B-	3,495,000	NALCO CO.	11/15/11	7.750	3,711,075	3,521,213	7.41	2.44
B3	B-	840,000	NALCO CO.	11/15/13	8.875	900,900	871,500	8.01	2.98
BAA1	A	410,000	NEW ENGLAND TEL. & TELEG. CO.	11/15/29	7.875	539,453	444,033	7.03	10.86
A3	A	365,000	NEW JERSEY BELL TEL. CO.	11/15/29	7.850	483,873	393,427	6.98	10.97
BAA2	BBB	1,060,000	NEWS AMER. HOLDINGS INC.	01/09/08	6.625	1,072,095	1,067,126	5.61	0.50
BAA2	BBB	100,000	NEWS AMER. HOLDINGS INC.	06/30/28	7.280	111,093	105,023	6.85	10.96
BAA2	BBB	170,000	NEWS AMER. HOLDINGS INC.	10/17/36	8.150	203,023	200,776	6.95	12.07
B3	B	3,110,000	NOVELIS INC.	02/15/15	7.250	2,989,550	3,191,638	6.78	4.31
B1	B	3,310,000	NRG ENERGY INC.	02/01/14	7.250	3,347,200	3,318,275	7.30	4.36
BA2	BB	3,275,000	OFFSHORE LOGISTICS INC.	06/15/13	6.125	3,258,625	3,086,688	7.33	4.65
BA3	BB-	1,047,000	OMNICARE INC.	12/15/15	6.875	1,049,610	994,650	7.69	5.94
A2	A	650,000	ORACLE CORP. / OZARK HOLDING INC.	01/15/11	5.000	641,212	639,088	5.45	3.13
BA1	BB+	2,350,000	OVERSEAS SHIPHOLDING GROUP INC.	03/15/13	8.250	2,458,688	2,408,750	7.70	2.87
BA2	BB	3,000,000	OWENS BROCKWAY GLASS CONTAINER	11/15/12	8.750	3,322,500	3,135,000	7.65	1.32
NA	NA	70,000	OWENS CORNING NEW	12/01/16	6.500	69,814	67,627	0.00	7.18
CAA1	B	3,000,000	OWENS ILL INC.	05/15/18	7.800	3,157,500	3,030,000	7.66	7.20
BAA2	A-	715,000	PANCANADIAN PETROLEUM LTD.	11/01/11	6.300	791,448	734,487	5.68	3.73
BAA2	BBB	250,000	PC FINL. PARTNERSHIP	11/15/14	5.000	250,493	236,175	5.95	6.01
BA1	BB	591,000	PEABODY ENERGY CORP.	11/01/16	7.375	591,000	602,820	7.04	6.64
B3	NA	1,170,000	PEGASUS AVIATION LEASE SECS. II	03/25/30	8.370	662,025	795,600	19.99	4.08
BAA1	A	200,000	PEPSIAMERICAS INC.	01/15/15	4.875	199,434	188,173	5.86	6.04
A1	A-	2,721,000	PHILLIPS PETROLEUM CO.	05/25/10	8.750	3,163,049	2,961,222	5.41	2.55
A1	A-	775,000	PHILLIPS PETROLEUM CO.	02/15/11	9.375	980,530	873,248	5.45	3.02
BA3	BB	325,000	PHILLIPS VAN HEUSEN CORP.	02/15/11	7.250	332,719	329,875	6.77	2.40
BAA3	BB+	2,220,000	PHILLIPS VAN HEUSEN CORP.	11/15/23	7.750	2,375,400	2,214,375	7.33	9.31
B1	B	2,396,000	PILGRIMS PRIDE CORP.	05/01/15	7.625	2,396,000	2,390,010	7.66	5.11
BA1	BB+	265,000	PIONEER NATURAL RESOURCE	07/15/16	5.875	243,102	238,156	7.43	6.58
BA1	BB+	134,000	PIONEER NATURAL RESOURCE	03/15/17	6.650	129,854	126,804	7.43	6.83
BA1	BB+	3,155,000	PIONEER NATURAL RESOURCE	01/15/28	7.200	2,978,979	2,916,419	7.93	9.89
A1	A+	200,000	PITNEY BOWES INC.	03/15/15	5.000	198,454	189,293	6.01	6.17
A1	A+	5,800,000	PITNEY BOWES INC. GLOBAL	01/15/16	4.750	5,595,007	5,331,350	5.98	6.69
BAA3	BBB-	100,000	PLAINS ALL AMER. PIPELINE LP	01/15/17	6.125	99,562	98,866	6.23	6.86
BAA3	BBB-	75,000	PLUM CREEK TIMBERLANDS LP	11/15/15	5.875	72,515	72,133	6.37	6.46
B3	B-	546,000	PNA GROUP INC.	09/01/16	10.750	546,000	595,140	9.27	4.40
B2	B+	4,450,000	POLYONE CORP.	05/01/12	8.875	4,537,250	4,416,625	8.93	3.82

Rating Moody's	S&P	Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Industrials (continued)						
BAA1	BBB+	150,000	PROLOGIS	11/15/15	5.625	149,031	146,661	5.95	6.54
BAA3	BBB	200,000	PULTE HOMES INC.	02/15/15	5.200	199,628	181,388	6.93	5.98
B2	B	1,698,000	QUEBECOR MEDIA INC.	03/15/16	7.750	1,729,838	1,723,470	7.51	5.39
BAA3	BBB+	200,000	QUEST DIAGNOSTICS INC.	11/01/10	5.125	199,624	195,697	5.78	3.00
B1	B+	535,000	QWEST CAPITAL FUNDING INC.	08/03/21	7.625	536,338	510,925	8.17	8.14
B1	B+	1,250,000	QWEST CAPITAL FUNDING INC.	02/15/31	7.750	1,265,625	1,178,125	8.13	10.23
BA1	BBB-	150,000	QWEST CORPORATION	11/15/08	5.625	144,200	149,438	5.91	1.30
BA1	BBB-	3,250,000	QWEST CORPORATION	09/01/11	7.875	3,372,913	3,388,125	6.69	3.45
B1	B-	328,000	RADIO ONE INC.	07/01/11	8.875	340,710	336,610	8.09	1.16
B1	B+	3,110,000	RANGE RES. CORP.	07/15/13	7.375	3,260,547	3,141,100	7.17	3.52
BAA1	BBB+	555,000	RAYTHEON CO.	08/15/07	6.750	604,045	556,172	5.58	0.13
BAA1	BBB	100,000	REALTY INCOME CORP.	09/15/16	5.950	99,740	98,720	6.12	6.88
BAA1	A-	200,000	REED ELSEVIER CAPITAL INC.	06/15/12	4.625	199,728	189,359	5.71	4.35
B2	B	3,409,000	REGENCY ENERGY PARTNERS LP	12/15/13	8.375	3,414,870	3,511,270	7.77	4.44
BAA3	BBB-	50,000	RELIANCE STL. & ALUM. CO.	11/15/16	6.500	49,861	49,266	6.43	6.96
B3	B-	392,000	RELIANT ENERGY INC.	06/15/14	7.625	392,000	382,200	8.10	5.28
B1	B+	1,646,000	RES CARE INC.	10/15/13	7.750	1,633,836	1,687,150	7.24	3.92
BA1	BBB	1,335,000	REYNOLDS AMER. INC.	06/01/12	7.250	1,335,908	1,384,008	6.37	4.09
BA1	BBB	2,000,000	REYNOLDS AMER. INC.	06/01/18	7.750	2,187,240	2,134,140	6.87	7.42
BA3	B+	801,000	ROCK TENN CO.	08/15/11	8.200	849,060	825,030	7.34	3.37
AAA	AA-	350,000	ROYAL BANK CDA MONTREAL QUE	07/20/11	5.650	354,659	353,513	5.38	3.50
BA2	BB	1,000,000	RUSSEL METALS INC.	03/01/14	6.375	992,500	960,000	7.14	4.82
BAA2	BBB-	500,000	SAFEWAY INC.	08/16/10	4.950	504,855	489,961	5.54	2.81
BAA1	BBB+	1,710,000	SARA LEE CORP.	11/01/32	6.125	1,510,594	1,518,407	7.02	12.00
B2	B	601,000	SEALY MATTRESS CO.	06/15/14	8.250	614,523	616,025	7.78	3.97
B1	BB-	4,096,000	SERVICE CORP. INTL.	06/15/17	7.000	4,064,660	3,901,440	7.69	6.97
CAA2	CCC-	2,000,000	SOLO CUP CO.	02/15/14	8.500	1,920,000	1,750,000	11.22	4.56
BAA2	BBB-	1,660,000	SOUTHERN COPPER CORP. DEL.	07/27/15	6.375	1,647,188	1,672,271	6.22	6.11
BAA3	BBB	235,000	SPRINT CAPITAL CORP.	11/15/08	6.125	253,107	236,706	5.69	1.29
BAA3	BBB	1,430,000	SPRINT CAPITAL CORP.	03/15/12	8.375	1,602,161	1,558,745	6.16	3.82
BAA3	BBB	2,335,000	SPRINT CAPITAL CORP.	11/15/28	6.875	2,201,952	2,226,702	7.32	10.76
BAA3	BBB	370,000	SPRINT CAPITAL CORP.	03/15/32	8.750	445,351	416,737	7.63	10.57
B2	B+	888,000	STANDARD PACIFIC CORP. NEW	04/15/12	9.250	881,340	839,160	10.74	3.68
BA3	B	2,715,000	STATION CASINOS INC.	02/01/14	6.500	2,716,069	2,402,775	8.84	4.99
BA3	B	2,141,000	STATION CASINOS INC.	03/01/16	6.875	1,975,073	1,889,433	8.84	6.00
BA2	BB+	1,000,000	STEEL DYNAMICS INC.	04/01/15	6.750	1,000,000	980,000	7.09	5.39
BA3	B+	2,325,000	STEWART ENTERPRISES INC.	02/15/13	6.250	2,327,875	2,237,813	7.07	4.20
B3	CCC+	2,200,000	STONE CONTAINER FIN. CO. CDA II	07/15/14	7.375	2,178,000	2,112,000	8.13	4.87
NA	NA	55,000	SUNCOR ENERGY INC.	06/15/38	6.500	54,538	55,559	6.42	13.36
CAA1	B-	2,140,000	SUNGUARD DATA SYS. INC.	08/15/13	9.125	2,246,575	2,190,825	8.64	3.78
B3	B+	985,000	SUNGUARD DATA SYS. INC.	01/15/14	4.875	829,863	866,800	7.42	5.28
B1	B	1,380,000	SUPERVALU INC.	11/15/14	7.500	1,449,000	1,414,500	7.06	4.67
A1	A+	255,000	TARGET CORP.	06/15/13	4.000	245,986	235,231	5.57	5.18
A1	A+	100,000	TARGET CORP.	07/15/16	5.875	99,962	100,157	5.96	6.75
BAA2	BBB+	465,000	TCI COMMUNICATIONS INC.	02/15/28	7.125	506,640	479,428	6.86	10.59
BAA2	BBB+	130,000	TELE COMMUNICATIONS INC.	08/01/13	7.875	155,466	142,156	5.97	4.73
BAA3	BBB	250,000	TEMPLE INLAND INC.	05/01/12	7.875	287,598	269,800	6.34	3.97
CAA1	CCC+	1,004,000	TENET HEALTHCARE CORP.	07/01/14	9.875	1,029,100	993,960	10.08	4.55
BAA2	BBB	100,000	TEVA PHARMACEUTICAL FIN. CO. LLC	02/01/16	5.550	99,856	96,162	6.18	6.55
BA3	BB-	790,000	TEXAS INDS. INC.	07/15/13	7.250	790,000	791,975	7.20	4.01
BAA2	BBB+	605,000	TIME WARNER COS. INC.	02/01/24	7.570	658,683	648,587	6.87	9.37
BAA2	BBB+	1,205,000	TIME WARNER ENTMT. CO. LP	07/15/33	8.375	1,413,079	1,401,037	7.02	11.17
BAA2	BBB+	30,000	TIME WARNER INC.	05/01/12	6.875	33,249	31,333	5.83	4.06
BAA2	BBB+	820,000	TIME WARNER INC. NEW	11/13/09	5.590	820,000	821,086	5.49	0.13
CAA1	CCC+	345,000	TOYS R US INC.	04/15/13	7.875	323,869	310,500	10.32	4.39
CAA1	CCC+	5,080,000	TOYS R US INC.	10/15/18	7.375	4,470,400	4,279,900	9.70	7.04
BA1	BB+	3,640,000	TRANSCONTINENTAL GAS PIPE LINE	04/15/16	6.400	3,649,555	3,649,100	6.36	6.58
B3	B-	630,000	TRANSDIGM INC.	07/15/14	7.750	655,200	636,300	7.56	4.45
B1	BB-	98,000	TRIAD HOSPS. INC.	05/15/12	7.000	101,920	102,410	5.98	1.87
BA1	BB+	1,180,000	TRINITY INDS. INC.	03/15/14	6.500	1,185,900	1,153,450	6.92	4.66
B3	B-	523,000	TUBE CITY IMS CORP.	02/01/15	9.750	537,940	536,075	9.28	4.45
BAA3	BBB	60,000	TYCO INTL. GROUP SA	11/01/08	6.125	60,861	60,747	5.42	1.27
BAA3	BBB	20,000	TYCO INTL. GROUP SA	01/15/09	6.125	20,352	20,289	5.26	1.43
BAA3	BBB	380,000	TYCO INTL. GROUP SA	02/15/11	6.750	403,119	398,225	5.28	3.14
BAA3	BBB	1,220,000	TYCO INTL. GROUP SA	10/15/11	6.375	1,111,434	1,268,714	5.57	3.69
BAA3	BBB	765,000	TYCO INTL. GROUP SA	11/15/13	6.000	768,441	788,014	5.49	5.23
BAA3	BBB	60,000	TYCO INTL. GROUP SA	06/15/28	7.000	64,753	69,329	5.65	11.64
BAA3	BBB	3,030,000	TYCO INTL. GROUP SA	01/15/29	6.875	2,556,918	3,462,274	5.63	11.59
B1	B+	867,000	U S WEST CAPITAL FUNDING INC.	07/15/28	6.875	814,980	757,541	8.14	9.97
A1	A+	4,500,000	UNILEVEL CAPITAL CORP.	07/11/08	5.350	4,500,000	4,503,645	N/A	N/A
BAA2	BBB	1,200,000	UNION PACIFIC CORP.	01/15/11	6.650	1,323,359	1,237,332	5.66	3.05
BAA2	BBB	430,000	UNION PACIFIC CORP.	04/15/12	6.500	466,387	441,496	5.79	4.04
B3	NA	4,625,000	UNITED AUTO GROUP INC.	12/15/16	7.750	4,665,199	4,601,875	7.82	6.63
B1	B+	1,500,000	UNITED RENTALS NORTH AMER. INC.	02/15/12	6.500	1,469,489	1,473,750	6.95	3.35
B3	B	775,000	UNITED RENTALS NORTH AMER. INC.	11/15/13	7.750	804,063	775,969	7.85	4.18
B3	B	150,000	UNITED RENTALS NORTH AMER. INC.	02/15/14	7.000	153,000	146,250	7.48	4.62

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Rating Moody's	S&P	Par Value	Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$		%	\$	\$	%	
FIXED INCOME (continued)								
Industrials (continued)								
A2	A	1,185,000	06/01/09	6.500	1,326,169	1,212,643	5.41	1.79
A3	A	150,000	03/15/15	4.875	148,151	141,353	5.91	6.20
A3	A	100,000	03/15/16	5.375	99,225	96,704	5.92	6.73
B3	B+	1,212,000	06/01/15	1.000	1,227,548	1,212,000	8.40	5.64
B2	B-	3,500,000	04/01/14	8.375	3,678,125	3,491,250	8.42	4.27
B1	B-	3,750,000	08/15/12	9.000	4,007,813	3,862,500	8.27	2.70
AA1	AAA	585,000	12/10/07	4.000	595,665	582,172	5.49	0.43
BAA3	BBB	50,000	01/17/34	8.250	60,285	58,558	6.85	11.46
BAA3	BBB	1,100,000	11/21/36	6.875	1,095,718	1,105,795	6.83	12.63
A3	A	95,000	06/15/33	5.125	81,947	76,942	6.68	12.79
BAA1	A	5,600,000	10/01/13	4.750	5,519,304	5,230,596	6.04	5.24
BAA1	A	500,000	03/15/13	4.625	482,020	467,603	5.93	4.85
BAA3	BBB	500,000	07/30/10	7.700	580,645	526,223	5.64	2.66
BAA3	BBB	250,000	04/30/11	5.750	247,735	249,691	5.79	3.37
BA2	B+	3,000,000	01/15/14	6.875	3,093,905	2,940,000	7.26	4.44
BAA1	A-	170,000	02/15/10	7.750	186,704	179,420	5.66	2.31
BAA1	A-	435,000	12/16/13	5.000	425,789	414,495	5.95	5.41
AA2	AA	2,840,000	08/10/09	6.875	3,072,060	2,936,043	5.29	1.91
AA2	AA	150,000	01/15/10	4.000	149,264	145,583	5.33	2.34
AA2	AA	500,000	08/15/10	4.750	499,360	492,049	5.39	2.82
B2	B	1,635,000	04/15/14	7.375	1,622,738	1,520,550	8.76	4.97
BAA3	BBB	300,000	03/15/14	5.000	299,514	282,440	6.23	5.49
BAA3	BBB	1,700,000	08/01/10	7.375	1,738,097	1,782,099	5.67	2.68
BAA3	BBB	665,000	11/15/12	6.375	675,413	679,628	5.87	4.49
BAA1	BBB+	100,000	01/15/11	5.000	99,287	97,826	5.70	3.13
BAA1	BBB+	200,000	01/15/16	5.250	197,486	190,084	6.03	6.58
BAA1	BBB+	230,000	01/15/36	5.850	203,700	212,143	6.53	12.89
BA2	BB	400,000	07/15/19	7.625	439,000	422,000	6.96	7.69
B2	B+	2,150,000	10/01/15	8.500	2,284,375	2,219,875	7.95	4.70
A1	A+	100,000	07/15/10	4.300	99,822	96,983	5.38	2.75
A1	A+	150,000	07/15/15	4.650	149,513	139,559	5.78	6.41
A3	A+	400,000	02/01/14	5.500	386,065	395,414	5.76	5.34
BAA2	BBB	100,000	12/01/16	6.000	99,428	96,263	6.50	2.75
BAA2	BBB	5,000	04/15/12	7.500	5,592	5,371	5.68	3.98
Total Industrials					541,688,779	531,051,552		
Mortgage Backed Securities								
Commercial Mortgage Backed Securities								
AAA	AAA	600,000	02/14/41	7.004	630,633	633,583	5.82	4.15
AAA	AAA	2,455,000	06/11/35	6.186	2,574,298	2,502,400	5.61	3.65
NA	AAA	3,610,000	07/11/43	5.118	3,604,923	3,530,507	5.65	3.86
NA	AAA	302,361	03/13/40	4.000	291,543	290,534	5.72	2.16
AAA	AAA	855,000	11/11/41	4.826	859,665	803,987	5.77	5.93
NA	AAA	2,699,035	01/15/32	7.198	3,128,877	2,784,173	5.51	1.91
NA	AAA	1,070,000	10/15/32	7.319	1,214,868	1,114,320	5.53	2.42
AAA	AAA	1,668,560	11/15/30	6.300	1,825,444	1,681,668	5.50	1.01
AAA	AAA	2,960,000	11/15/36	5.183	2,899,875	2,892,552	5.70	4.23
AAA	AAA	2,577,030	11/10/33	7.180	2,761,248	2,671,186	5.54	2.45
AAA	AAA	2,640,000	01/12/43	6.663	2,746,734	2,721,784	5.55	2.98
AAA	AAA	3,606,099	08/11/36	4.970	3,587,870	3,552,341	5.38	2.52
AAA	AAA	1,500,000	01/10/38	4.371	1,452,363	1,452,153	5.41	2.70
AAA	AAA	2,649,251	09/15/33	6.945	3,078,719	2,702,361	5.51	1.53
AAA	AAA	1,848,027	08/15/36	7.179	2,067,625	1,897,433	5.42	1.63
NA	AAA	3,178,406	10/18/30	6.135	3,320,512	3,182,850	5.53	0.88
NA	AAA	597,239	01/10/40	2.904	587,100	594,222	5.57	0.42
NA	AAA	2,550,000	10/12/35	5.857	2,693,139	2,566,989	5.64	3.51
NA	AAA	2,955,122	03/15/33	6.260	3,342,404	3,005,528	5.53	2.77
NA	AAA	2,070,000	04/15/35	6.429	2,245,707	2,122,263	5.57	3.26
NA	AAA	2,900,000	12/15/26	3.899	2,914,376	2,880,798	5.57	0.40
NA	AAA	742,004	11/15/31	7.560	839,276	767,545	5.68	1.69
NA	NA	2,016,195	11/15/30	6.480	2,186,863	2,027,059	5.44	0.83
AAA	AAA	2,000,000	07/15/32	6.880	2,037,813	2,020,177	5.40	0.83
NA	AAA	1,543,735	03/18/30	6.663	1,569,906	1,546,693	5.57	0.47
AAA	AAA	1,225,514	08/20/30	6.476	1,250,982	1,231,420	5.60	0.91
AAA	AAA	1,808,531	05/18/32	7.150	1,879,106	1,835,804	5.58	1.12
AAA	AAA	2,494,865	07/18/33	7.455	2,652,546	2,591,463	5.57	2.11
Total Commercial Mortgage Backed Securities					60,244,415	57,603,793		
Collateralized Mortgage Obligations								
AAA	AAA	2,999,680	06/25/37	5.570	2,998,971	3,002,042	5.63	0.07
NA	NA	2,430,000	12/10/42	4.512	2,432,753	2,323,691	5.65	3.75
NA	NA	1,162,110	08/25/19	5.000	1,164,107	1,114,808	6.16	3.70
AAA	AAA	3,315,908	02/25/47	5.420	3,315,908	3,315,896	5.47	0.07
AAA	AAA	3,074,761	07/25/34	3.999	3,051,700	3,003,594	5.52	1.79
NA	AAA	980,000	03/11/39	5.624	984,326	951,868	6.05	6.65
AAA	AAA	1,086,587	07/25/36	5.385	1,086,587	1,086,418	5.47	0.08

Rating Moody's	S&P	Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Collateralized Mortgage Obligations (continued)						
AAA	AAA	1,600,000	CHASE ISSUANCE TR	06/16/14	1.000	1,600,000	1,599,989	5.51	0.16
AAA	AAA	80,499	CWABS INC.	06/25/33	5.920	80,531	80,524	5.61	0.07
AAA	AAA	486,812	CWABS INC.	06/25/35	5.600	486,812	487,573	5.58	0.07
AAA	AAA	2,696,484	CWALT ALTERNATIVE LOAN TR	11/25/36	5.410	2,696,484	2,696,224	5.41	14.60
AAA	AAA	693,321	CWALT INC.	09/25/34	5.770	694,296	693,321	5.57	(0.04)
AAA	AAA	887,800	CWALT INC.	10/25/35	5.630	887,869	888,249	5.63	0.06
AAA	AAA	3,575,970	CWALT INC.	11/20/35	5.649	3,575,970	3,579,410	5.60	0.11
AAA	AAA	454,093	CWMBBS INC.	02/25/35	5.590	454,093	454,588	5.58	0.10
AAA	AAA	751,065	DSL A MTG. LOAN TR	10/19/45	5.610	751,065	752,317	5.58	0.24
AAA	AAA	2,800,000	GE COM L. MTG. CORP. TR	12/10/49	5.543	2,714,469	2,726,808	5.93	7.14
AAA	AAA	758,576	GRANITE MTGS. 03 1 PLC.	01/20/20	5.548	758,576	759,296	6.87	0.76
AAA	AAA	527,192	GS MTG. SECS. CORP.	01/25/32	5.820	527,192	528,646	5.47	(0.03)
AAA	AAA	2,850,000	GS MTG. SECS. CORP. II	07/10/39	4.761	2,878,361	2,691,548	5.91	6.20
AAA	AAA	1,614,826	HARBORVIEW MTG. LOAN TR	11/19/35	5.630	1,614,321	1,616,401	5.39	0.08
AAA	AAA	2,820,857	IMPAC SECD. ASSETS CORP.	03/25/36	5.640	2,820,857	2,825,189	5.58	0.10
AAA	AAA	2,400,000	JP MORGAN CHASE	12/12/43	5.524	2,411,982	2,321,450	5.93	6.95
AAA	AAA	150,000	JP MORGAN CHASE COM L. MTG.	09/12/37	4.895	149,584	140,884	5.89	6.26
AAA	AAA	1,120,000	JP MORGAN CHASE COM L. MTG. SECS.	08/15/42	4.851	1,103,244	1,094,576	5.56	2.74
AAA	AAA	700,000	JP MORGAN CHASE COM L. MTG. SECS.	10/15/42	4.918	703,464	658,263	6.37	4.30
AAA	AAA	700,000	JP MORGAN CHASE COM L. MTG. SECS.	01/12/43	5.295	703,497	677,177	5.82	6.36
AAA	AAA	5,470,000	JP MORGAN CHASE COM L. MTG. SECS.	06/12/47	5.440	5,459,316	5,286,155	5.93	0.10
AAA	AAA	3,130,281	LB COM L. CONDUIT MTG. TR	10/15/35	6.300	3,202,546	3,152,939	5.41	1.02
AAA	AAA	1,185,000	LB UBS	09/15/39	5.372	1,189,969	1,143,646	5.90	6.94
AAA	AAA	3,025,372	LB UBS COM L. MTG. TR	10/15/29	4.475	2,963,919	2,874,789	5.64	4.18
NA	AAA	815,000	LB UBS COM L. MTG. TR	09/15/30	4.954	819,014	769,706	5.86	6.25
NA	AAA	2,740,000	LB UBS COM L. MTG. TR	11/15/38	5.300	2,753,652	2,701,008	5.62	3.75
NR	NA	1,370	MANUFACTURERS HANOVER MTG. CORP.	04/25/15	11.500	1,364	1,525	N/A	0.00
NA	AAA	1,340,000	MERRILL LYNCH MTG.	05/12/39	5.844	1,337,235	1,329,589	6.00	6.58
AAA	AAA	1,760,000	MERRILL LYNCH MTG. TR	11/12/37	5.245	1,759,647	1,699,152	5.79	6.37
AAA	AAA	1,200,000	ML CFC COM L. MTG. TR	03/12/51	5.485	1,206,584	1,162,650	5.93	7.28
NA	AAA	1,210,000	MORGAN STANLEY CAPITAL I INC.	08/13/42	4.989	1,216,634	1,143,694	5.87	6.20
NA	AAA	1,160,000	MORGAN STANLEY CAPITAL I TR	12/15/43	5.319	1,166,297	1,113,296	5.90	7.06
NA	NA	459,302	OCWEN RESIDENTIAL MBS CORP.	06/25/39	6.834	362,827	321,867	N/A	0.00
AAA	AAA	2,075,207	RAMP SER TR	02/25/37	5.390	2,075,000	2,073,586	5.45	0.07
AAA	AAA	2,870,917	RESIDENTIAL ACCREDIT LOAN INC.	10/25/45	5.720	2,876,300	2,884,146	5.54	0.11
NA	NA	737,292	SMALL BUSINESS ADMIN. PARTN. CTF.	08/01/12	5.199	757,106	731,990	N/A	0.00
AAA	AAA	2,088,663	STRUCTURED ADJ. RATE MTG. LOAN TR	10/25/35	5.640	2,088,990	2,092,031	0.99	0.12
AAA	AAA	871,231	STRUCTURED ASSET INVESTMENT LOAN	01/25/36	5.400	871,231	870,822	5.48	0.07
AAA	AAA	2,216,567	STRUCTURED ASSET SECS. CORP.	11/25/35	5.620	2,216,567	2,221,417	3.65	0.12
AAA	AAA	4,163,394	THORNBURG MTG. SECS. TR	10/25/35	5.580	4,163,394	4,165,436	5.62	(0.06)
AAA	AAA	4,120,331	THORNBURG MTG. SECS. TR	12/25/35	5.520	4,125,159	4,121,580	5.60	(0.07)
AAA	AAA	3,856,638	THORNBURG MTG. SECS. TR	06/25/36	5.425	3,856,638	3,852,331	5.54	(0.02)
AAA	AAA	3,866,798	THORNBURG MTG. SECS. TR	06/25/36	5.430	3,866,798	3,860,501	5.57	(0.03)
BAA1	AAA	415,484	VANDERBLT MTG. FIN. INC.	07/07/28	7.600	412,433	423,005	6.50	1.41
AAA	AAA	1,750,000	WACHOVIA BANK COM L. MTG. TR	03/15/42	4.782	1,723,203	1,716,551	5.49	2.16
AAA	AAA	2,210,000	WACHOVIA BANK COM L. MTG. TR	04/15/42	4.935	2,239,956	2,081,928	5.82	6.23
AAA	AAA	2,585,000	WACHOVIA BANK COM L. MTG. TR	07/15/42	5.110	2,572,176	2,513,191	5.82	4.01
AAA	AAA	4,721,422	WAMU	06/25/47	5.777	4,718,840	4,720,695	6.07	0.01
AAA	AAA	1,889,870	WAMU MTG. PASS THROUGH CTFS.	10/25/45	5.610	1,889,870	1,891,865	5.53	0.15
AAA	AAA	2,645,531	WAMU MTG. PASS THROUGH CTFS.	11/25/45	5.600	2,645,531	2,632,399	5.82	0.14
AAA	AAA	2,429,068	WAMU MTG. PASS THROUGH CTFS.	12/25/45	5.610	2,429,068	2,428,639	5.60	0.15
AAA	AAA	2,728,989	ZUNI MTG. LOAN TR 2006 1	08/25/36	5.450	2,728,985	2,727,605	5.50	0.09
AAA			Total Collateralized Mortgage Obligations			114,343,268	112,780,484		
AAA			Total Mortgage Backed Securities			174,587,683	170,384,277		
			Other						
			Asset Backed						
AAA	AAA	248,716	AFC MTG. LOAN TR	06/25/30	5.710	247,939	250,115	N/A	0.17
AAA	AAA	3,525,000	AMERICAN EXPRESS CREDIT CARD ACCOUNT	02/15/13	5.360	3,525,000	3,528,856	5.39	0.04
AAA	AAA	1,612,427	AMERIQUEST MTG. SECS. INC.	11/25/34	5.622	1,616,458	1,616,207	5.63	0.06
AAA	AAA	4,525,000	BA CREDIT CARD TR	05/15/13	4.720	4,524,889	4,435,206	5.40	3.11
AAA	AAA	3,250,000	BANK ONE ISSUANCE TR	12/15/10	5.430	3,250,000	3,253,049	5.36	0.04
B2	NA	300,000	BANKAMERICA MANUFACTURED	04/10/28	6.900	309,000	355,198	1.52	0.91
CA	NA	250,000	BANKAMERICA MANUFACTURED HSG.	10/10/26	7.875	90,000	221,158	16.64	2.97
AAA	AAA	2,278,711	CAPITAL AUTO RECEIVABLES ASSET	07/15/09	4.050	2,278,593	2,268,386	5.38	0.36
AAA	AAA	1,000,000	CAPITAL ONE MULTI ASSET	11/15/13	4.850	991,641	983,438	5.35	3.17
AAA	AAA	1,417,115	CHASE AUTO OWNER TR	01/15/09	5.370	1,417,094	1,417,336	5.48	0.16
AAA	AAA	3,625,000	CHASE ISSUANCE TR	06/15/10	3.220	3,624,366	3,604,044	5.43	0.28
AAA	AAA	400,000	CHASE ISSUANCE TR	12/15/10	5.330	400,000	400,062	5.47	0.04
AAA	AAA	770,000	CHASE ISSUANCE TR	11/15/11	5.340	770,000	770,481	5.36	0.04
AAA	AAA	430,000	CHASE ISSUANCE TR	12/15/14	5.390	430,000	431,142	5.48	0.21
AAA	AAA	4,200,000	CITIBANK CREDIT CARD ISSUANCE TR	08/24/09	3.200	4,197,606	4,187,530	5.42	0.15
AAA	AAA	3,325,000	CITIBANK CREDIT CARD ISSUANCE TR	02/10/11	4.850	3,324,069	3,298,503	5.27	1.50
CAA1	CCC	200,000	CONSECO FIN. SECURITIZATIONS CO.	05/01/32	8.310	165,000	163,422	17.02	4.89
AAA	AAA	232,377	CONSECO FIN. SECURITIZATIONS CO.	02/01/33	6.600	235,173	235,952	6.38	4.39
CA	D	563,602	CONTIMORTGAGE HOME EQUITY LOAN	04/25/30	8.500	266,302	351,683	54.73	5.53

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Rating Moody's	S&P	Par Value \$		Maturity Date	Interest Rate %	Cost \$	Fair Value \$	Current Yield %	Duration
			FIXED INCOME (continued)						
			Asset Backed (continued)						
AAA	AAA	2,830,000	CREDIT SUISSE FIRST BOSTON	05/15/38	3.938	2,527,875	2,585,553	5.73	4.87
AAA	AAA	389,804	CWABS INC.	11/15/28	5.670	389,179	391,049	5.44	0.08
AAA	AAA	2,554,117	CWABS INC.	03/15/30	5.570	2,558,008	2,561,073	5.55	0.02
AAA	AAA	194,063	CWABS INC.	06/25/33	5.660	194,063	194,154	5.58	0.07
AAA	AAA	525,275	CWABS INC.	02/25/36	5.440	525,275	525,275	5.68	0.07
AAA	AAA	115,612	CWABS INC.	05/25/36	5.430	115,612	115,612	5.58	0.07
AAA	AAA	3,784,083	CWHEQ INC.	12/25/35	5.560	3,784,084	3,787,941	5.59	0.03
NA	AAA	3,350,000	DAIMLER CHRYSLER AUTO TR	02/08/12	4.940	3,349,039	3,319,116	5.51	2.31
NA	NA	100,000	FIRSTFED CORP.	10/15/22	8.060	135,000	145,359	N/A	0.00
NA	AAA	247,458	FIRSTFED CORP.	05/15/24	8.110	318,602	379,277	N/A	0.00
AAA	AAA	4,500,000	FORD CREDIT AUTO OWNER TR	10/15/10	5.280	4,499,155	4,492,971	5.45	1.27
AAA	AAA	1,050,000	FORD CREDIT CARD FLOORPLAN MASTER OW TR	07/15/09	5.360	1,050,000	1,049,982	5.58	0.04
AAA	AAA	400,000	GE DEALER FLOORPLAN MASTER NT	04/20/10	5.360	400,000	400,125	5.39	0.06
BA1	BB+	2,380,000	GENERAL MOTORS ACCEP. CORP.	05/15/09	5.625	2,140,232	2,326,997	6.91	1.74
BA1	BB+	4,028,000	GMAC LLC	05/15/12	6.625	4,008,231	3,889,759	7.47	4.05
AAA	AAA	4,400,000	GMACM HOME EQUITY LOAN TR	11/25/36	5.530	4,406,188	4,400,000	5.59	0.07
AAA	AAA	2,150,000	GREENWICH CAPITAL COML. FUNDING CORP.	08/10/42	4.569	2,137,402	2,058,481	5.66	3.81
AAA	AAA	798,775	HARLEY DAVIDSON MOTORCYCLE TR	05/15/11	2.760	782,799	778,930	5.57	0.10
AAA	AAA	3,550,000	HONDA AUTO RECEIVABLES	02/18/10	5.070	3,549,859	3,541,125	5.06	0.76
AAA	AAA	725,000	HONDA AUTO RECEIVABLES	10/15/10	4.150	710,613	712,539	5.18	1.23
AAA	AAA	239,679	IMPAC CMB TR	10/25/33	5.960	239,679	239,746	5.58	0.07
AAA	AAA	3,000,000	JOHN DEERE OWNER TR	04/15/14	5.080	2,999,796	2,965,782	5.50	3.04
AAA	AAA	123,841	MERRILL LYNCH MTG. INVST. INC.	12/25/35	5.580	124,015	123,860	5.58	0.07
AAA	AAA	0	MORGAN STANLEY ABS CAPITAL I	07/25/35	5.420	0	0	N/A	0.00
AAA	AAA	235,411	MSDWCC HELOC TR	07/25/17	5.510	235,411	235,742	5.55	0.09
AAA	AAA	1,926,272	NOMURA HOME EQUITY LOAN INC. HOME	03/25/36	5.385	1,926,272	1,926,272	5.44	0.07
C	D	2,101,786	OMI TR	10/15/30	8.490	294,250	683,890	33.72	4.68
AAA	AAA	363,072	OPTION ONE MTG. LOAN TR	02/25/33	5.740	363,072	363,129	5.81	0.07
AAA	AAA	410,985	OPTION ONE MTG. LOAN TR	12/25/35	5.410	410,985	410,985	5.58	0.07
NA	NA	1,384,730	PATRONS LEGACY 2003 III	01/17/17	5.646	1,392,608	1,385,311	5.70	4.80
AAA	AAA	2,400,000	RESIDENTIAL ASST. MTG. PRODS. INC.	01/25/34	5.634	2,399,939	2,347,500	6.10	4.78
AAA	AAA	1,549,379	RESIDENTIAL FUNDING MTG. SECS. II IN	09/25/35	5.440	1,549,379	1,549,621	5.75	0.07
AAA	AAA	273,881	SECURITIZED ASSET BKD. RECEIVABLES	01/25/36	5.520	273,761	273,923	5.59	0.10
AAA	AAA	1,633,628	STRUCTURED ASSET SECS. CORP.	01/25/31	3.357	1,623,737	1,487,821	3.65	3.94
CA	NA	500,000	UCFC FUNDING CORP.	07/15/29	6.980	190,000	334,469	13.05	6.33
NA	NA	600,000	USAIR 1989 A PASS THRU TRUSTS	01/01/49	0.000	67,264	0	N/A	0.00
NA	NA	700,000	USAIR 1993 A PASS THRU TRUSTS	03/01/49	10.375	197,034	0	N/A	0.00
BAA1	NA	63,111	VANDERBILT MTG. & FIN. INC.	10/07/26	8.155	63,979	64,323	6.36	0.81
BAA1	NA	108,089	VANDERBILT MTG. & FIN. INC.	08/07/27	7.830	108,833	110,140	6.35	1.11
AAA	AAA	617,381	WACHOVIA ASSET SECURITIZATION	12/25/32	5.750	617,381	618,056	5.78	0.07
NA	NA	3,250,000	WACHOVIA AUTO OWNER TRUST	03/20/13	5.380	3,249,263	3,253,559	5.33	2.27
Total Asset Backed						87,571,004	87,801,215		
			Miscellaneous						
BA3	BB-	1,000,000	AES CORP.	05/15/13	8.750	1,115,000	1,055,000	7.57	1.76
AA2	AA	200,000	AMERICAN INTL. GROUP INC.	10/01/10	4.700	199,594	195,474	5.35	2.95
B3	BB-	91,000	ASBURY AUTOMOTIVE GROUP INC.	03/15/17	7.625	91,000	89,635	7.85	6.14
A3	A	500,000	AT&T WIRELESS SVCS. INC.	03/01/11	7.875	581,060	537,703	5.58	3.12
B3	B-	969,000	AVANTIRE RENEWABLE ENERGY HOLDING	04/01/17	10.000	969,000	949,620	10.32	5.72
BAA2	BBB+	100,000	BALTIMORE GAS & ELEC. CO.	10/01/16	5.900	99,764	98,295	6.09	6.94
B1	B	4,520,000	BASIC ENERGY SVCS. INC. NEW	04/15/16	7.125	4,511,015	4,316,600	7.84	5.97
BAA1	A-	115,000	BELL CANADA	02/15/17	5.000	95,528	95,549	6.65	7.17
BAA1	A-	270,000	BELL CANADA	02/23/32	7.300	249,841	246,087	7.57	10.83
BAA1	A-	325,000	BELL CANADA	03/16/35	6.100	265,431	258,240	7.37	11.84
BAA1	A-	85,000	BELL CANADA MEDIUM TERM NOTES CDS	05/01/29	6.550	72,911	72,055	7.47	10.78
A2	A	550,000	BELLSOUTH CORP.	11/15/12	4.750	549,433	526,065	5.72	4.64
B3	B	3,250,000	BERRY PETROLEUM CO.	11/01/16	8.250	3,254,948	3,274,375	8.13	5.71
B1	BB+	2,900,000	BROWNING FERRIS INDS. INC.	05/01/21	9.250	3,200,875	3,088,500	8.44	7.86
BA1	BBB	690,000	CENTERPOINT ENERGY INC.	09/01/10	7.250	756,554	720,560	5.70	2.76
BAA2	BBB	100,000	CENTURYTEL INC.	02/15/15	5.000	96,116	93,494	6.33	6.07
BAA2	BBB	40,000	CENTURYTEL INC.	04/01/17	6.000	39,754	38,907	6.37	7.15
AAA	AAA	4,525,000	CHASE CREDIT CARD OWNER TR	02/15/11	5.430	4,539,494	4,532,073	5.36	0.04
AAA	AAA	1,240,000	CHASE ISSUANCE TR	11/15/13	5.340	1,240,000	1,240,388	5.60	0.03
BA2	BB	1,431,000	CHESAPEAKE ENERGY CORP.	08/15/17	6.500	1,416,690	1,355,873	7.33	7.04
BA2	BB	6,435,000	CHESAPEAKE ENERGY CORP.	11/15/20	6.875	6,499,350	6,161,513	7.39	8.48
B2	B-	3,405,000	CINCINNATI BELL INC. NEW	01/15/14	8.375	3,480,763	3,439,050	8.17	3.86
AAA	AAA	3,500,000	CITIBANK CREDIT CARD ISSUANCE TR	05/17/10	2.900	3,352,480	3,427,267	5.42	0.85
AA1	AA	420,000	CITIGROUP INC.	07/02/13	5.850	419,471	423,476	5.64	4.88
BA2	BB+	675,000	CITIZENS COMMUNICATIONS	03/15/15	6.625	667,406	641,250	7.49	5.79
BA2	BB+	1,634,000	CITIZENS COMMUNICATIONS CO.	01/15/13	6.250	1,604,384	1,566,598	7.31	4.46
BA1	BB+	483,000	CMS ENERGY CORP.	02/01/12	6.300	482,145	477,629	6.58	3.83
BAA3	BBB-	75,000	CNA FINL. CORP.	08/15/16	6.500	74,601	76,525	6.38	6.66
A1	A	2,500,000	CONSOLIDATED EDISON CO. NY INC.	02/01/13	4.875	2,454,850	2,416,893	5.63	4.72
A1	A	150,000	CONSOLIDATED EDISON CO. NY INC.	12/15/15	5.375	149,655	145,916	5.83	6.68
A1	A	100,000	CONSOLIDATED EDISON CO. NY INC.	12/01/16	5.300	99,716	96,046	5.86	7.25
BAA1	BBB	275,000	CONSOLIDATED NATURAL GAS CO.	03/01/14	5.000	273,237	262,475	5.86	5.48

Rating Moody's	S&P	Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Miscellaneous (continued)						
CAA1	CCC	835,000	CRICKET COMMUNICATION	11/01/14	9.375	885,100	862,138	8.76	4.75
BAA2	BBB	690,000	DOMINION RES. INC. DEL.	12/15/09	5.125	686,916	685,982	5.44	2.28
BAA2	BBB	715,000	DOMINION RES. INC. DEL.	09/17/12	5.700	686,507	718,290	5.68	4.40
BAA2	BBB	200,000	DOMINION RES. INC. VA NEW	12/15/10	4.750	199,782	195,504	5.50	3.14
BAA2	BBB	400,000	DOMINION RES. INC. VA NEW	07/15/15	5.150	399,348	380,998	5.94	6.30
BAA2	BBB-	245,000	DTE ENERGY CO.	06/01/11	7.050	277,837	256,332	5.76	3.39
A3	A-	500,000	DUKE ENERGY CO.	10/01/08	4.200	502,575	493,561	5.49	1.20
A3	A-	150,000	DUKE ENERGY CO.	01/15/12	6.250	162,805	154,421	5.58	3.82
A3	A-	500,000	DUKE ENERGY CO.	11/30/12	5.625	503,361	501,491	5.63	4.60
B1	BB-	976,000	EDISON MISSION ENERGY	05/15/17	7.000	976,000	919,880	7.79	6.87
BAA3	BBB-	100,000	EMBARQ CORP.	06/01/13	6.738	99,995	102,023	6.34	4.82
BAA3	BBB-	200,000	EMBARQ CORP.	06/01/16	7.082	199,988	201,120	6.99	6.51
BAA3	BBB-	2,765,000	EMBARQ CORP.	06/01/36	7.995	2,883,795	2,795,258	7.86	11.34
BAA3	BBB+	185,000	EMPRESA NACIONAL DE	04/01/09	8.500	204,950	193,634	5.70	1.60
BAA2	BBB	1,485,000	EXELON CORP.	05/01/11	6.750	1,569,511	1,532,352	5.85	3.32
BAA2	BBB	250,000	EXELON CORP.	06/15/15	4.900	247,243	230,289	6.18	6.42
BAA2	BBB	60,000	EXELON CORP.	06/15/35	5.625	59,056	53,714	6.45	13.31
BAA3	BBB-	300,000	FIRST ENERGY CORP.	11/15/11	6.450	313,329	309,610	5.78	3.76
BAA3	BBB-	1,340,000	FIRST ENERGY CORP.	11/15/31	7.375	1,272,392	1,455,909	6.68	11.66
AA3	A	1,430,000	FLORIDA POWER & LIGHT CO.	02/01/13	4.850	1,462,055	1,384,762	5.68	4.72
AA3	A	225,000	FLORIDA POWER & LIGHT CO.	04/01/34	5.625	225,331	211,587	6.10	13.23
A2	A	150,000	FLORIDA POWER CORP.	06/01/10	4.500	150,320	146,240	5.53	2.69
AAA	AAA	2,582,178	FORD CREDIT CARD AUTO OWNER TR	08/15/09	4.300	2,582,122	2,570,075	5.39	0.42
NA	NA	8,800,000	GENERAL ELECTRIC CAPITAL CORP.	05/18/12	2.960	5,766,291	5,774,393	0.74	4.59
B1	NA	120,000	HERCULES INC.	06/30/29	6.500	100,800	100,800	8.14	10.30
B1	B+	700,000	HOLLY ENERGY PARTNERS LP	03/01/15	6.250	700,000	654,500	7.37	5.56
NA	NA	1,195,000	HUMAN GENOME SCIENCES INC.	08/15/12	2.250	1,018,060	985,875	N/A	0.00
CAA1	B-	1,725,000	INTELSAT LTD.	11/01/13	6.500	1,474,875	1,384,313	10.89	4.83
NA	NA	141,700,000	INTER AMER. DEV. BANK	06/20/08	13.000	2,235,132	2,274,574	0.00	0.00
NA	NA	23,157,310	JP MORGAN CHASE MYR	06/08/12	1.000	5,718,728	5,818,897	N/A	N/A
B1	B-	1,500,000	K N CAPITAL TR III	04/15/28	7.630	1,425,738	1,410,405	8.21	9.86
BAA3	BBB-	730,000	KERR MCGEE CORP.	07/01/24	6.950	784,951	756,159	6.58	9.70
AAA	AAA	162,000,000	KREDITANST FUR WIE	08/08/11	1.000	1,331,492	1,311,991	0.53	0.78
NA	NA	21,620,000	KREDITANSTALT FUR WIEDERAUFBAU	07/16/10	8.500	2,929,014	2,954,509	9.70	2.62
CAA3	CCC	1,160,000	LEVEL 3 COMMUNICATIONS INC.	09/15/09	6.000	1,117,950	1,125,200	N/A	0.00
CAA3	CCC	4,590,000	LEVEL 3 COMMUNICATIONS INC.	03/15/10	6.000	4,383,450	4,400,663	N/A	0.00
B3	NA	1,680,000	LEVEL 3 FING INC.	11/01/14	9.250	1,753,500	1,696,800	9.06	4.84
NA	NA	1,325,000	MANITOBA PROVINCE OF	09/01/15	6.375	927,004	941,738	6.68	6.12
A1	A	250,000	MARSHALL & ILSLEY CORP.	04/01/11	5.350	248,768	249,030	5.50	3.32
NA	NA	16,000,000	MEXICO (UTD MEX ST)	12/17/15	8.000	1,482,810	1,510,756	7.66	6.12
A2	A-	125,000	MIDAMERICAN ENERGY CO.	01/15/13	5.125	129,271	121,776	5.62	4.65
BAA1	BBB+	550,000	MIDAMERICAN ENERGY HLDGS.	05/15/37	5.950	547,327	519,530	6.38	13.40
NA	NA	1,840,000	NEKTAR THERAPEUTICS	09/28/12	3.250	1,647,425	1,605,400	N/A	0.00
B1	BB	1,757,000	NEWMARKET CORP.	12/15/16	7.125	1,757,000	1,699,898	7.61	6.29
BAA3	BBB	650,000	NEXTEL COMMUNICATIONS INC.	08/01/15	7.375	698,750	652,382	7.38	4.18
B3	CCC	1,000,000	NGC CORP. CAPITAL TR I	06/01/27	8.316	962,500	917,500	9.23	9.13
BAA1	NA	125,000	NIAGARA MOHAWK POWER CORP.	10/01/08	7.750	142,703	128,380	5.62	1.17
AA1	AA	100,000,000	NIPPON TEL. AND TEL. CP	07/25/07	2.500	835,327	811,328	1.01	0.07
BAA3	BBB	250,000	NISOURCE FIN. CORP.	11/15/10	7.875	291,565	266,797	5.74	2.94
B1	B	1,105,000	NRG ENERGY INC.	01/15/17	7.375	1,147,819	1,109,144	7.32	5.82
BAA2	BBB-	35,000	ONCOR ELECTRIC DELIVERY CO	01/15/15	6.375	34,716	35,470	6.14	5.78
BAA2	BBB	200,000	ONEOK INC. NEW	06/15/15	5.200	199,892	187,937	6.23	6.36
AA1	AA	780,000	ONTARIO PROV. CDA	06/16/15	6.250	550,663	550,525	7.50	6.05
BAA1	A-	100,000	ORIX CORP.	11/22/11	5.480	100,000	98,984	5.85	3.83
BAA1	BBB+	690,000	PACIFIC GAS & ELECTRIC CO.	03/01/34	6.050	701,802	670,570	6.29	12.78
BAA1	BBB+	150,000	PACIFIC GAS & ELECTRIC CO.	03/01/37	5.800	148,896	140,197	6.30	13.48
B2	B-	3,619,000	PANAMSAT CORP. NEW	08/15/14	9.000	3,816,578	3,772,808	8.15	3.55
BAA1	BBB	500,000	PEMEX PROJ. FUNDING MASTER TR	11/15/11	8.000	572,000	541,250	5.77	3.67
NA	NA	163,000,000	PFIZER INC.	03/18/08	0.800	1,358,159	1,319,628	0.97	0.71
BAA2	BBB	250,000	PPL ENERGY SUPPLY LLC	11/01/11	6.400	273,640	255,139	5.98	3.72
A2	A	100,000	PRAXAIR INC.	11/01/16	5.375	99,817	97,178	5.77	7.17
BAA1	BBB	250,000	PSEG POWER LLC	04/01/09	3.750	244,475	242,826	5.52	1.66
BAA1	A-	185,000	PSI ENERGY INC.	09/15/13	5.000	186,817	176,978	5.80	5.17
BAA1	A-	100,000	PSI ENERGY INC.	06/15/16	6.050	99,954	99,961	6.03	6.83
A3	A-	570,000	PUBLIC SVC. ELEC. GAS CO.	12/01/36	5.700	567,584	535,783	6.15	13.82
BA1	BBB-	3,944,000	QWEST CORP.	06/01/17	6.500	3,899,630	3,756,660	7.17	7.09
BA1	BBB	91,000	REYNOLDS AMER. INC.	07/15/15	7.300	96,040	94,146	6.74	5.88
BA3	BB	3,279,000	SABINE PASS LNG. LP	11/30/13	7.250	3,274,410	3,254,408	7.40	5.03
A1	A+	150,000	SAN DIEGO GAS & ELECTRIC CO.	11/15/15	5.300	149,702	145,919	5.76	6.62
A2	A	9,305,000	SBC COMMUNICATIONS INC.	09/15/14	5.100	9,251,889	8,908,217	5.89	5.84
BAA1	BBB+	100,000	SCOTTISH POWER PLC.	03/15/10	4.910	99,970	98,410	5.49	2.47
BAA1	BBB+	150,000	SCOTTISH POWER PLC.	03/15/15	5.375	150,786	145,761	5.80	6.62
CAA1	B-	3,276,000	SENSATA TECHNOLOGIES BV	05/01/14	8.000	3,305,250	3,161,340	8.69	4.96
BA1	BB+	1,450,000	SIERRA PACIFIC POWER CO.	05/15/16	6.000	1,448,246	1,422,117	6.18	6.74
A2	BBB+	150,000	SOUTHERN CA EDISON CO.	01/15/14	5.000	152,556	144,411	5.81	5.36
BAA3	BBB	455,000	SPRINT NEXTEL CORP.	12/01/16	6.000	444,886	431,635	6.74	7.01

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Rating Moody's	S&P	Par Value	Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$		%	\$	\$	%	
FIXED INCOME (continued)								
Miscellaneous (continued)								
B1	BB-	2,300,000						
BAA2	BBB+	300,000	06/01/17	7.125	2,271,250	2,190,750	7.82	6.60
B1	B+	401	09/30/34	6.000	294,991	269,494	6.80	12.51
BA1	BB+	900,000	06/30/21	7.000	401	411	6.67	5.85
BAA2	BBB+	1,250,000	11/01/15	6.625	912,375	891,000	6.78	5.53
BA3	BB-	982,000	05/01/17	5.850	1,216,670	1,197,451	6.22	7.26
BA1	BB-	150,000	03/15/17	7.250	984,455	935,355	7.96	6.66
BA1	BB-	2,750,000	11/15/14	5.550	135,901	127,340	8.23	5.76
BA1	BB-	1,205,000	11/15/24	6.500	2,343,823	2,273,865	8.41	9.45
BA1	BB-	2,095,000	11/15/34	6.550	1,146,366	974,628	8.33	11.12
BAA2	BB	500,000	11/15/34	6.550	1,755,342	1,694,478	8.33	11.12
BAA2	BB	170,000	03/15/13	7.000	554,005	512,499	6.33	4.59
B3	B	3,400,000	08/15/12	10.500	3,321,000	3,519,000	9.61	2.61
BAA3	BBB-	100,000	06/30/16	7.125	99,458	103,344	6.60	6.41
A3	A	420,000	09/01/12	7.375	454,944	451,819	5.64	4.22
BAA1	BBB	100,000	01/15/16	5.400	98,846	96,624	5.93	6.56
B3	B-	3,756,000	12/01/13	8.750	3,981,769	3,906,240	7.94	3.67
BA2	BB+	40,000	10/01/10	6.375	40,650	40,100	6.28	2.86
BA3	BB-	1,846,000	08/01/13	8.125	1,878,923	1,929,070	7.30	4.61
BA3	BB-	2,490,000	08/01/16	8.625	2,652,797	2,633,175	7.69	5.30
A1	A-	410,000	12/01/36	5.700	409,684	386,951	6.13	13.84
BAA2	BBB	100,000	01/31/15	5.000	97,835	94,167	6.00	6.05
BAA2	BB	200,000	06/30/15	5.300	202,936	191,093	6.03	6.23
Total Miscellaneous					157,263,413	154,338,401		
Private Placement								
B1	BB-	1,130,000	6/15/13	7.500	1,130,000	1,118,700	7.74	4.71
A1	NA	1,670,000	4/12/11	6.045	1,670,000	1,682,942	N/A	0.02
NA	NA	100,000	11/8/16	5.000	100,000	98,074	5.36	7.36
NA	NA	675,000	6/29/49	6.244	675,000	681,089	6.18	16.28
NA	NA	100,000	7/18/16	7.500	105,250	103,760	7.24	6.34
B2	B+	1,290,000	10/15/12	8.000	1,296,450	1,254,524	8.71	4.16
NA	NA	680,000	2/1/17	7.250	720,800	683,400	7.03	6.54
Total Private Placement					5,697,500	5,622,489		
Total Other					250,531,917	247,762,105		
Commingled Funds								
		1,089,419			17,270,557	21,793,832	N/A	N/A
		102,227			1,593,558	1,885,274	N/A	N/A
Total Commingled Funds					18,864,115	23,679,106		
Total Corporate Obligations					1,247,879,431	1,228,970,012		
TOTAL FIXED INCOME					2,512,990,293	2,485,435,583		
		Shares			Cost	Fair Value	Dividend Yield	
COMMON STOCK AND EQUITY FUNDS								
Consumer Discretionary								
		4,700			55,695	61,617	0.00	
		700			15,659	13,727	0.00	
		85,400			2,107,817	2,493,680	0.21	
		7,300			539,951	532,754	0.96	
		38,800			789,258	894,340	0.00	
		5,400			72,040	83,214	0.00	
		107,193			3,912,631	4,344,532	0.59	
		44,000			1,829,603	1,833,920	0.00	
		2,700			48,222	46,683	0.00	
		68,816			1,061,226	2,042,459	0.00	
		25,400			1,078,321	1,737,614	0.00	
		10,400			194,896	308,048	2.03	
		81,400			2,431,095	2,088,724	1.56	
		18,900			457,202	535,437	1.41	
		3,400			108,188	118,116	1.18	
		3,600			164,160	163,188	0.42	
		23,500			907,986	832,370	0.00	
		2,100			48,804	50,610	0.29	
		47,539			1,014,585	3,032,988	0.00	
		2,800			50,820	55,440	1.41	
		50,900			831,292	1,129,980	1.80	
		119,000			2,852,288	2,969,050	3.21	
		145,000			3,731,141	8,246,150	2.74	
		7,250			97,459	162,690	0.00	
		4,933			439,067	673,946	0.00	

Shares		Cost	Fair Value	Dividend Yield
	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
	Consumer Discretionary (continued)			
17,100	AVIS BUDGET GROUP INC.	480,511	486,153	0.00
1,300	BARE ESCENTUALS INC.	46,044	44,395	0.00
117,100	BARNES & NOBLE INC.	1,665,899	4,504,837	1.56
7,000	BAUER EDDIE HLDGS. INC.	98,700	89,950	0.00
97,520	BEACON ROOFING SUPPLY INC.	1,982,877	1,656,865	0.00
50,900	BEAZER HOMES USA INC.	3,343,299	1,255,703	1.62
22,690	BED BATH & BEYOND INC.	818,597	816,613	0.00
64,349	BELO CORP.	1,346,472	1,324,946	2.43
300	BENIHANA INC.	6,315	6,000	0.00
56,918	BEST BUY CO. INC.	1,929,650	2,656,363	1.11
11,500	BIG 5 SPORTING GOODS CORP.	305,544	293,250	1.41
17,213	BIG LOTS INC.	347,899	506,406	0.00
76,656	BLACK & DECKER CORPORATION	6,648,463	6,769,491	1.90
44,400	BLOCKBUSTER INC.	232,923	191,364	0.00
2,600	BLUELINX HLDGS. INC.	26,442	27,274	4.77
5,100	BLYTH INC.	104,601	135,558	2.03
8,300	BOB EVANS FARMS INC.	277,468	305,855	1.52
1,600	BON TON STORES INC.	59,031	64,096	0.50
3,400	BOOKS A MILLION INC.	74,240	57,596	2.13
13,500	BORDERS GROUP INC.	306,450	257,310	2.31
400	BORG WARNER INC.	33,899	34,416	0.79
1,900	BOYD GAMING CORP.	94,560	93,461	1.22
1,200	BRIGHTPOINT INC.	17,124	16,548	0.00
90,000	BRINKER INTL. INC.	2,232,023	2,634,300	1.23
13,500	BROCADE COMMUNICATIONS SYS. INC.	115,521	105,570	0.00
49,575	BROWN SHOE INC. NEW	1,008,478	1,205,664	1.15
4,384	BRUNSWICK CORP.	89,803	143,050	1.84
6,800	BUILDING MATLS. HLDG. CORP.	171,156	96,492	2.82
2,100	BURGER KING HLDGS. INC.	37,446	55,314	0.95
7,800	CABELAS INC.	190,974	172,614	0.00
2,400	CABLEVISION SYS. CORP.	50,880	86,856	0.00
91,930	CACHE INC.	1,436,265	1,219,911	0.00
65,876	CALIFORNIA PIZZA KITCHEN INC.	1,314,840	1,415,006	0.00
108,530	CALLAWAY GOLF CO.	1,325,939	1,932,919	1.57
7,300	CARMAX INC.	126,650	186,150	0.00
2,900	CARMIKE CINEMAS INC.	58,585	63,684	3.19
700	CASUAL MALE RETAIL GROUP INC.	7,420	7,070	0.00
1,300	CATALINA MARKETING CORP.	37,154	40,950	0.95
5,100	CATO CORP. NEW	110,007	111,894	3.01
52,000	CBRL GROUP INC.	2,165,111	2,208,960	1.32
701,800	CBS CORP. CLASS B	19,087,669	23,383,976	2.64
2,000	CDW CORP.	115,780	169,940	N/A
3,600	CEC ENTMT. INC.	143,970	126,720	0.00
5,939	CENTEX CORP.	131,327	238,154	0.40
2,700	CHAMPION ENTERPRISES INC.	27,891	26,541	0.00
41,850	CHARLOTTE RUSSE HLDG. INC.	1,182,504	1,124,510	0.00
28,600	CHARMING SHOPPES INC.	363,580	309,738	0.00
94,600	CHARTER COMMUNICATIONS INC. DEL.	315,897	383,130	0.00
2,400	CHEESECAKE FACTORY	78,168	58,848	0.00
500	CHEROKEE INC. DEL. NEW	21,160	18,270	8.21
344,700	CHICOS FAS INC.	10,313,289	8,389,998	0.00
1,200	CHOICE HOTELS INC.	66,363	47,424	1.52
2,200	CHURCHILL DOWNS INC.	88,774	115,236	0.95
3,500	CINEMARK HLDGS. INC.	60,970	62,615	0.00
9,115	CIRCUIT CITY STORES INC.	132,966	137,454	1.06
104,826	CITADEL BROADCASTING CORP.	837,594	676,127	11.16
10,500	CKE RESTAURANTS INC.	211,289	210,735	1.20
700	CKX INC.	10,038	9,674	0.00
290,672	CLEAR CHANNEL COMMUNICATIONS	8,661,938	10,993,215	1.98
1,300	CLEAR CHANNEL OUTDOOR HLDGS. IN	28,084	36,842	0.00
228,934	COACH INC.	7,002,431	10,849,182	0.00
2,000	COLDWATER CREEK INC.	53,515	46,460	0.00
35,120	COLE KENNETH PRODTNS INC.	936,517	867,464	2.91
8,400	COLLECTIVE BRANDS INC.	268,413	265,020	0.00
2,500	COLUMBIA SPORTSWEAR CO	149,750	171,700	0.82
945,102	COMCAST CORP. NEW	17,879,428	26,485,356	0.00
4,900	COMMERCIAL VEH GROUP INC.	103,978	91,287	0.00
2,600	CONNS INC.	66,490	74,256	0.00
14,300	COOPER TIRE & RUBBER CO	205,817	394,966	1.52
2,100	COPART INC.	56,788	64,239	0.00
2,100	CORE MARK HLDG. CO. INC.	70,371	75,558	0.00
85,186	COSTCO WHSL CORP. NEW	3,840,890	4,985,085	0.99
700	COURIER CORP.	27,083	28,000	1.80
7,600	COX RADIO INC.	126,084	108,224	0.00
6,900	CROCS INC.	247,048	296,907	0.00

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Consumer Discretionary (continued)				
1,600	CROWN MEDIA HLDGS. INC.	5,925	11,520	0.00
119,700	CSK AUTO CORP.	1,886,096	2,202,480	0.00
1,800	CSS INDS. INC.	61,746	71,298	1.41
105,238	CUMULUS MEDIA INC.	992,266	983,975	0.00
13,200	D R HORTON INC.	535,402	263,076	3.01
84,220	DARDEN RESTAURANTS INC.	3,126,168	3,704,838	1.64
100	DEB SHOPS INC.	2,763	2,765	1.81
3,000	DG FASTCHANNEL INC.	63,690	61,140	0.00
66,600	DICKS SPORTING GOODS INC.	2,287,874	3,874,122	0.00
2,916	DILLARDS INC.	47,026	104,772	0.45
62,900	DIRECTV GROUP INC.	1,370,016	1,453,619	0.00
494,470	DISNEY WALT CO.	12,431,104	16,881,206	0.91
1,300	DOLBY LABORATORIES INC.	30,250	46,033	0.00
25,867	DOLLAR GEN. CORP.	397,036	567,005	0.91
3,300	DOLLAR TREE STORES INC.	139,790	143,715	0.00
13,800	DOMINOS PIZZA INC.	393,299	252,126	2.63
5,186	DOW JONES & CO. INC.	186,520	297,936	1.74
13,100	DREAMWORKS ANIMATION SKG	384,971	377,804	0.00
55,800	DRESS BARN INC.	1,195,022	1,145,016	0.00
245,605	EASTMAN KODAK CO.	9,097,495	6,835,187	1.80
7,000	ECHOSTAR COMMUNICATIONS CORP. N	225,957	303,590	0.00
57,350	ELLIS PERRY INTL. INC.	1,225,191	1,844,950	0.00
7,300	EMMIS COMMUNICATIONS CORP.	62,493	67,233	0.00
7,600	ENTERCOM COMMUNICATIONS CORP.	212,082	189,164	6.11
569,215	ENTRAVISION COM CORP.	4,561,994	5,936,912	0.00
5,600	ETHAN ALLEN INTERIORS INC.	194,724	191,800	2.34
14,000	EXIDE TECHNOLOGIES FORMERLY	126,980	130,200	0.00
12,424	FAMILY DOLLAR STORES INC.	377,742	426,392	1.34
11,100	FEDERAL SIGNAL CORP.	175,395	176,046	1.51
9,800	FINISH LINE INC.	137,201	89,278	1.10
1,500	FISHER COMMUNICATIONS INC.	63,525	76,185	0.00
23,100	FLOWERS COM. INC.	190,292	217,833	2.25
91,311	FORD MOTOR CO. DEL.	795,968	860,150	2.12
178,980	FORTUNE BRANDS INC.	14,022,769	14,742,583	1.89
137,210	FREDS INC.	1,773,179	1,835,870	0.60
210,700	FURNITURE BRANDS INTL. INC.	4,664,139	2,991,940	4.51
200	G III APPAREL GROUP LTD.	3,250	3,158	0.00
900	GAIAM INC.	15,174	16,407	N/A
5,300	GAMESTOP CORP. NEW	128,446	207,230	0.00
500	GANDER MTN. CO.	5,625	5,675	0.00
113,057	GANNETT INC.	6,870,376	6,212,482	2.26
25,732	GAP INC.	311,285	491,481	1.68
3,900	GARMIN LTD.	276,226	288,483	0.68
3,500	GATEHOUSE MEDIA INC.	65,405	64,925	8.63
5,400	GAYLORD ENTMT. CO. NEW	273,020	289,656	0.00
4,900	GEMSTAR TV GUIDE INTL. INC.	25,186	24,108	0.00
27,472	GENERAL MOTORS CORP.	974,976	1,038,442	2.65
900	GENESCO INC.	36,135	47,079	0.00
355,463	GENTEX CORP.	6,368,032	6,999,066	1.93
1,200	GEOEYE INC.	26,400	26,076	0.00
93,500	GETTY IMAGES INC.	4,158,733	4,470,235	0.00
240,499	GOODYEAR TIRE AND RUBBER	3,148,264	8,359,745	0.00
9,600	GRAY TELEVISION INC.	63,744	88,992	1.29
7,100	GREAT WOLF RESORTS INC.	93,587	101,175	0.00
183,100	GROUP 1 AUTOMOTIVE INC.	8,971,324	7,386,254	1.39
1,800	GUESS INC.	87,961	86,472	0.50
400	GUITAR CTR. INC.	20,492	23,924	0.00
28,800	GYMBOREE CORP.	1,144,076	1,135,008	0.00
50,175	HANESBRANDS INC.	1,260,732	1,356,230	0.00
90,590	HARLEY DAVIDSON INC.	5,903,176	5,400,070	0.00
39,890	HARMAN INTL. INDS. INC. NEW	3,426,501	4,659,152	0.04
12,707	HARRAHS ENTMT. INC.	773,982	1,083,399	1.88
5,400	HARRIS INTERACTIVE INC.	27,810	28,890	0.00
1,100	HARTE HANKS INC.	29,205	28,248	1.09
9,508	HASBRO INC.	138,565	298,646	2.04
4,500	HAVERTY FURNITURE COS. INC.	69,705	52,515	2.31
7,000	HELEN OF TROY LTD.	196,840	189,000	0.00
7,000	HERTZ GLOBAL HLDGS. INC.	158,327	185,990	0.00
151,763	HILTON HOTELS CORP.	3,815,575	5,079,508	0.48
1,600	HNI CORP.	83,616	65,600	1.90
618,487	HOME DEPOT INC.	22,155,990	24,337,463	2.29
4,700	HOOVER FURNITURE CORP.	80,963	105,468	1.78
109,460	HOT TOPIC INC.	1,758,751	1,189,830	0.00
111,500	HOVNANIAN ENTERPRISES INC.	4,029,769	1,843,095	0.00
15,020	IDEARC INC.	465,209	530,657	3.88

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Consumer Discretionary (continued)				
2,300	IHOP CORP. NEW	120,449	125,189	1.84
65,400	INSIGHT ENTERPRISES INC.	1,287,348	1,476,078	0.00
9,900	INTERACTIVE DATA CORP.	241,638	265,122	1.87
74,639	INTERLINE BRANDS INC.	1,796,560	1,946,585	0.00
27,302	INTERNATIONAL GAME TECHNOLOGY	733,515	1,083,889	1.31
104,291	INTERPUBLIC GROUP COS. INC.	1,272,256	1,188,917	0.00
3,300	ISLE CAPRI CASINOS INC.	80,487	79,068	0.00
13,300	J CREW GROUP INC.	520,103	719,397	0.00
24,500	JACK IN THE BOX INC.	1,406,557	1,738,030	0.00
6,500	JAKKS PACIFIC INC.	146,933	182,910	0.00
31,700	JO ANN STORES INC.	840,762	901,231	0.00
87,438	JOHNSON CTLS INC.	5,299,986	10,122,697	1.14
122,411	JONES APPAREL GROUP INC.	4,168,115	3,458,111	1.98
10,900	JOURNAL COMMUNICATIONS INC.	134,512	141,809	2.31
72,500	JOURNAL REGISTER CO.	777,200	324,800	1.79
4,000	K SWISS INC.	123,168	113,320	0.71
11,400	K2 INC.	151,676	173,166	0.00
59,908	KB HOME	2,188,074	2,358,578	2.54
30,000	KELLWOOD CO.	910,281	843,600	2.28
111,460	KEYSTONE AUTOMOTIVE INDS. INC.	3,365,875	4,611,100	0.00
2,900	KIMBALL INTL. INC.	70,035	40,629	4.57
2,900	KNOLGY INC.	48,459	50,373	0.00
107,514	KOHL'S CORP.	7,449,901	7,636,719	0.00
173,900	LA Z BOY INC.	3,273,291	1,992,894	4.19
2,000	LAKES ENTMT. INC.	21,160	23,620	0.00
127,629	LAMAR ADVERTISING CO.	6,473,836	8,009,996	0.00
500	LANCASTER COLONY CORP.	22,105	20,945	2.58
25,900	LANDRYS RESTAURANTS INC.	743,399	783,734	0.66
5,000	LAS VEGAS SANDS CORP.	367,063	381,950	0.00
1,000	LAWSON PRODS. INC.	48,320	38,700	2.07
128,436	LEAPFROG ENTERPRISES INC.	2,204,773	1,316,469	0.00
11,900	LEAR CORP.	362,965	423,759	0.00
10,600	LEE ENTERPRISES INC.	310,028	221,116	3.45
8,592	LEGGETT & PLATT INC.	177,733	189,454	3.27
6,700	LENNAR CORP.	381,588	244,952	1.75
3,100	LIBBEY INC.	67,022	66,867	0.46
244,975	LIBERTY MEDIA CORP. NEW	4,462,905	5,470,292	0.00
212,845	LIFE TIME FITNESS INC.	8,693,274	11,329,739	0.00
96,590	LIFETIME BRANDS INC.	1,787,577	1,975,266	1.22
28,464	LIMITED BRANDS INC.	573,125	781,337	2.19
6,300	LIN TV CORP.	58,968	118,503	0.00
3,700	LITHIA MOTORS INC.	96,304	93,758	2.21
14,000	LIVE NATION INC.	316,715	313,320	0.00
88,714	LIZ CLAIBORNE INC.	3,047,428	3,309,032	0.60
1,500	LODGENET ENTMT. CORP.	49,380	48,090	0.00
4,300	LODGIAN INC.	60,071	64,629	0.00
176,562	LOWES COS. INC.	4,687,205	5,418,688	1.04
2,800	M/I HOMES INC.	102,088	74,480	0.38
205,750	MACYS INC.	6,686,518	8,184,735	1.31
5,100	MADDEN STEVEN LTD.	163,406	167,076	0.00
19,600	MAIDENFORM BRANDS INC.	294,810	389,256	0.00
3,100	MARCUS CORP.	80,042	73,656	1.43
2,300	MARINE PRODS. CORP.	23,555	18,929	2.92
3,800	MARINEMAX INC.	101,378	76,076	0.00
83,368	MARRIOTT INTL. INC. NEW	2,927,788	3,604,832	0.69
74,700	MARVEL ENTMT. INC.	2,091,900	1,903,356	0.00
489,895	MATTEL INC.	8,879,321	12,389,445	2.57
200	MCCORMICK & SCHMICKS SEAFOOD	4,833	5,188	0.00
257,726	MCDONALDS CORP.	7,218,994	13,082,172	1.97
162,600	MCGRAW HILL COS. INC.	9,220,827	11,069,808	1.20
23,689	MEDIA GEN. INC.	1,191,575	788,133	2.77
12,500	MEDIACOM COMMUNICATIONS CORP.	111,108	121,125	0.00
74,629	MENS WEARHOUSE INC.	1,732,139	3,811,303	0.47
144,731	MEREDITH CORP.	7,959,592	8,915,430	1.20
64,000	MERITAGE HOME CORP.	2,688,796	1,712,000	0.00
4,000	MGM MIRAGE INC.	182,560	329,920	0.00
5,300	MIDAS INC.	120,217	120,151	0.00
7,500	MODINE MFG. CO.	182,625	169,500	3.10
6,900	MONACO COACH CORP.	93,691	99,015	1.67
400	MONRO MUFFLER BRAKE INC.	14,548	14,980	0.96
1,400	MORTONS RESTAURANT GROUP INC.	22,064	25,354	0.00
4,000	MOVADO GROUP INC.	102,600	134,960	0.95
5,600	MULTIMEDIA GAMES INC.	53,088	71,456	0.00
99,800	NATIONAL CINEMEDIA INC.	2,373,218	2,795,398	0.00
1,100	NATIONAL PRESTO INDS. INC.	66,088	68,574	1.52

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		I	Cost	Fair Value	Dividend Yield
			\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)					
Consumer Discretionary (continued)					
96,740	NAUTILUS INC.		1,479,712	1,164,750	3.32
86,310	NEW YORK & CO. INC.		1,266,092	945,958	0.00
8,140	NEW YORK TIMES CO.		363,495	206,756	3.62
372,214	NEWELL RUBBERMAID INC.		10,497,629	10,954,258	2.85
5,000	NEWS CORP.		99,262	114,700	0.57
164,100	NEWS CORP.		3,024,482	3,480,561	0.44
1,700	NEXSTAR BROADCASTING GROUP INC.		23,494	22,338	0.00
136,360	NIKE INC.		5,427,578	7,948,424	1.27
75,655	NORDSTROM INC.		2,657,991	3,867,484	1.06
1,200	NUTRI SYS. INC. NEW		75,021	83,808	0.00
1,200	NVR INC.		895,300	815,700	0.00
72,500	O CHARLEYS INC.		1,566,112	1,461,600	1.19
202,356	O REILLY AUTOMOTIVE INC.		5,653,152	7,396,112	0.00
85,754	OAKLEY INC.		1,298,865	2,435,414	0.56
22,681	OFFICE DEPOT INC.		542,526	687,234	0.00
4,864	OFFICEMAX INC. DEL.		148,775	191,155	1.53
101,214	OMNICOM GROUP		4,283,566	5,356,245	1.13
1,400	ORIENT EXPRESS HOTELS LTD.		74,700	74,760	0.19
31,653	OXFORD INDS. INC.		1,337,086	1,403,494	1.62
3,000	PACIFIC SUNWEAR OF CALIF		65,790	66,000	0.00
2,200	PALM HBR. HOMES INC.		30,876	31,130	0.00
1,000	PANERA BREAD CO.		72,260	46,060	0.00
26,100	PAPA JOHNS INTL. INC.		787,635	750,636	0.00
1,600	PC CONNECTION INC.		19,600	21,184	0.00
2,500	PENN NATL. GAMING INC.		106,016	150,225	0.00
221,158	PENNEY J C INC.		14,972,896	16,007,416	N/A
22,000	PENSKE AUTOMOTIVE GROUP INC.		460,206	468,380	1.32
8,000	PEP BOYS MANNY MOE & JACK		113,600	161,280	1.34
211,290	PETSMART INC.		6,619,428	6,856,361	0.37
103,100	PHILLIPS VAN HEUSEN CORP.		3,246,717	6,244,767	0.25
20,400	PIER 1 IMPORTS INC.		133,884	173,196	4.71
6,400	PINNACLE ENTMT. INC.		205,997	180,160	0.00
5,100	PLAYBOY ENTERPRISES INC.		58,282	57,783	0.00
1,300	POLARIS INDS. INC.		60,762	70,408	2.51
5,100	POLO RALPH LAUREN CORP.		385,252	500,361	0.20
1,700	POOL CORP.		79,101	66,351	1.23
2,100	PRICESMART INC.		42,738	51,933	1.29
61,200	PRIMEDIA INC.		120,783	174,420	0.00
12,806	PULTE HOMES INC.		191,649	287,495	0.71
93,130	QUIKSILVER INC.		1,278,546	1,315,927	0.00
17,700	RADIO ONE INC.		118,029	124,962	0.00
12,636	RADIO SHACK CORP.		296,529	418,757	0.75
1,400	RARE HOSPITALITY INTL. INC.		44,159	37,478	0.00
4,900	RC2 CORP.		215,749	196,049	0.00
2,100	REGAL ENTMT. GROUP		43,826	46,053	5.47
10,300	REGIS CORP. MINNESOTA		400,986	393,975	0.42
119,700	RENT A CENTER INC. NEW		3,114,734	3,139,731	0.00
1,100	RIVIERA HLDGS. CORP.		25,641	39,985	0.00
272,600	ROSS STORES INC.		7,953,604	8,396,080	0.97
59,100	RUBY TUESDAY INC.		1,615,731	1,556,103	1.90
5,100	RUSH ENTERPRISES INC.		92,122	110,772	0.00
3,800	RUSS BERRIE & CO. INC.		63,760	70,794	0.00
23,048	RYLAND GROUP INC.		1,248,925	861,304	1.28
4,100	SAKS INC.		87,769	87,535	0.00
2,100	SALEM COMMUNICATIONS CORP. DEL.		23,289	23,289	0.00
41,730	SAUER DANFOSS INC.		1,241,837	1,241,885	2.42
8,000	SCHOLASTIC CORP.		268,390	287,520	N/A
54,200	SCHOOL SPECIALTY INC.		2,030,349	1,920,848	0.00
2,200	SCIENTIFIC GAMES CORP.		87,844	76,890	0.00
4,000	SCRIPPS E W CO. OH		199,015	182,760	1.23
3,100	SEALY CORP.		47,502	51,212	1.82
4,000	SEARS HLDGS. CORP.		538,366	678,000	0.00
14,851	SHERWIN WILLIAMS CO.		709,159	987,146	1.90
1,500	SHOE CARNIVAL INC.		42,615	41,235	0.00
6,000	SINCLAIR BROADCAST GROUP INC.		85,020	85,320	4.22
49,500	SIRIUS SATELLITE RADIO INC.		225,455	149,490	0.00
16,300	SIX FLAGS INC.		85,938	99,267	0.00
1,600	SKYLINE CORP.		63,963	48,016	2.40
61,221	SNAP ON INC.		2,041,833	3,092,273	2.14
174,900	SONIC AUTOMOTIVE INC.		4,184,613	5,066,853	1.66
109,350	SONIC CORP.		1,949,197	2,418,822	0.00
3,800	SONIC SOLUTIONS		46,702	47,918	0.00
6,400	SOURCE INTERLINK COS. INC.		52,032	31,872	N/A
4,500	SPANISH BROADCASTING SYS. INC.		19,080	19,350	0.00
9,000	SPECTRUM BRANDS INC.		88,278	60,930	0.00
3,200	SPEEDWAY MOTORSPORTS INC.		121,728	127,936	0.83

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Consumer Discretionary (continued)				
65,633	STAGE STORES INC.	1,280,910	1,375,668	0.95
46,600	STAMPS COM. INC.	665,038	642,148	0.00
3,600	STANDARD MTR. PRODS. INC.	52,560	54,108	2.40
126,500	STANDARD PACIFIC CORP. NEW	3,459,159	2,217,545	0.91
4,903	STANLEY WORKS	178,211	297,612	1.98
108,692	STAPLES INC.	2,352,310	2,579,261	1.22
143,172	STARBUCKS CORP.	4,479,442	3,756,833	0.00
17,734	STARWOOD HOTELS & RESORTS INC.	685,192	1,189,419	1.25
900	STATION CASINOS INC.	68,670	78,120	1.32
100,900	STEIN MART INC.	1,911,281	1,237,034	2.04
19,500	STEINWAY MUSICAL INSTRS. INC.	586,279	674,505	0.00
3,200	STONERIDGE INC.	38,464	39,488	0.00
7,700	STRIDE RITE CORP.	119,504	156,002	1.38
6,800	SUN TIMES MEDIA GROUP INC.	32,640	35,700	3.81
34,887	SUPERIOR INDS. INTL. INC.	700,939	759,141	2.94
1,600	SYMS CORP.	31,007	31,568	0.00
900	SYNTAX BRILLIAN CORP.	4,347	4,428	0.00
1,000	SYSTEMAX INC.	12,950	20,810	0.00
5,400	TALBOTS INC.	138,975	135,162	2.08
244,255	TARGET CORP.	11,703,239	15,534,618	0.88
5,300	TEMPUR PEDIC INTL. INC.	103,978	137,270	1.24
8,300	TENNECO INC.	206,255	290,832	0.00
6,500	THE STEAK AND SHAKE COMPANY	112,668	108,485	0.00
1,100	THOR INDS. INC.	53,292	49,654	0.62
33,862	TIFFANY & CO. NEW	1,340,178	1,796,718	0.90
7,000	TIMBERLAND CO.	215,038	176,330	0.00
812,874	TIME WARNER INC. NEW	14,650,204	17,102,869	1.05
292,967	TJX COS. INC. NEW	7,925,226	8,056,593	1.31
7,800	TOPPS COMPANY INC.	68,094	81,978	1.52
1,900	TORO CO.	98,022	111,891	0.82
6,200	TOWN SPORTS INTL. HLDGS. INC.	123,922	119,784	0.00
219,200	TRACTOR SUPPLY CO.	10,598,812	11,409,360	0.00
3,400	TRIARC COS. INC.	53,482	53,380	2.29
63,224	TRIBUNE CO. NEW	1,873,965	1,858,786	2.45
5,800	TRUE RELIGION APPL	113,985	117,914	0.00
7,200	TRUMP ENTMT. RESORTS INC.	157,476	90,360	0.00
6,900	TUESDAY MORNING CORP.	99,172	85,284	6.47
51,600	TUPPERWARE BRANDS CORP.	1,412,002	1,482,984	3.06
3,300	UNIFIRST CORP.	131,758	145,365	0.34
182,800	URBAN OUTFITTERS INC.	4,531,581	4,392,684	0.00
5,707	V F CORP.	253,879	522,647	2.40
1,100	VALUEVISION MEDIA INC.	13,092	12,452	0.00
623,050	VIACOM INC. NEW	26,489,925	25,937,572	0.00
14,500	VISTEON CORP.	118,817	117,450	0.00
44,260	WABTEC	962,136	1,616,818	0.11
481,805	WAL MART STORES INC.	24,316,463	23,179,639	1.83
5,200	WARNACO GROUP INC.	136,188	204,568	0.00
600	WARNER MUSIC GROUP CORP.	17,687	8,670	0.00
7,100	WCI CMNTYS. INC.	125,954	118,428	0.00
7,080	WENDYS INTL. INC.	157,275	260,190	1.36
140,800	WESCO INTL. INC.	4,219,330	8,511,360	0.00
30,700	WEST MARINE INC.	518,093	422,432	0.00
1,800	WESTWOOD ONE INC.	12,258	12,942	1.11
1,700	WEYCO GROUP INC.	40,840	45,781	N/A
102,546	WHIRLPOOL CORP.	7,091,876	11,403,077	1.55
1,700	WILEY JOHN & SON	63,620	82,093	0.91
202,200	WILLIAMS SONOMA INC.	6,599,909	6,385,472	1.46
29,400	WINNEBAGO IND INC.	1,012,237	867,888	1.63
76,772	WOLVERINE WORLD WIDE INC.	1,513,965	2,127,352	1.30
143,758	WYNDHAM WORLDWIDE CORP.	5,742,023	5,212,665	0.00
1,700	WYNN RESORTS LTD.	132,685	152,473	0.00
9,600	XM SATELLITE RADIO HLDGS. INC.	170,196	112,992	0.00
158,668	YUM BRANDS INC.	3,783,208	5,191,617	1.83
11,300	ZALE CORP. NEW	328,923	269,053	0.00
	Total Consumer Discretionary	<u>650,905,968</u>	<u>750,423,267</u>	
Consumer Staples				
400	ALBERTO CULVER CO. NEW	9,847	9,488	0.93
67,500	ALLIANCE ONE INTL. INC.	681,683	678,375	0.00
478,365	ALTRIA GROUP INC.	19,828,517	33,552,521	3.93
90,779	ANHEUSER BUSCH COS. INC.	4,530,768	4,735,033	2.26
79,423	ARCHER DANIELS MIDLAND CO.	2,094,581	2,628,107	1.39
35,024	AVON PRODS. INC.	974,536	1,287,132	2.01
300	BOSTON BEER INC.	11,160	11,805	0.00
13,051	BROWN FORMAN CORP.	781,847	953,767	1.66
2,700	CAL MAINE FOODS INC.	41,472	44,226	0.31

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
	Consumer Staples (continued)			
60,408	CAMPBELL SOUP CO.	1,810,940	2,344,434	2.06
11,700	CASEYS GEN. STORES INC.	281,215	318,942	0.95
16,100	CENTRAL GARDEN & PET CO.	230,112	188,853	0.00
83,300	CHATTEM INC.	4,192,097	5,279,554	0.00
9,800	CHIQUITA BRANDS INTL. INC.	150,254	185,808	2.11
160,400	CHURCH & DWIGHT INC.	6,010,235	7,772,984	0.58
12,106	CLOROX CO.	643,005	751,783	2.58
97,585	COCA COLA CO.	4,613,837	5,104,671	2.60
13,486	COCA COLA ENTERPRISES INC.	314,438	323,664	1.00
82,912	COLGATE PALMOLIVE CO.	4,873,986	5,376,843	2.22
24,127	CONAGRA INC.	574,192	648,051	2.68
43,500	CONSTELLATION BRANDS INC.	1,210,856	1,056,180	0.00
28,224	CORN PRODUCTS INTL. INC.	930,656	1,282,781	0.79
106,308	CVS CAREMARK CORP.	2,252,056	3,874,927	0.66
31,400	DEAN FOODS CO. NEW	1,176,172	1,000,718	0.00
336,500	DEL MONTE FOODS CO.	3,897,947	4,091,840	1.32
5,600	ELIZABETH ARDEN INC.	106,624	135,856	0.00
1,500	FARMER BROTHERS CO.	29,790	33,945	1.94
6,900	FLOWERS FOODS INC.	196,231	230,184	2.25
80,474	GENERAL MILLS INC.	3,809,475	4,701,291	2.67
3,600	GREAT ATLANTIC & PACIFIC TEA INC.	95,832	120,744	0.00
21,634	GREEN MTN. COFFEE ROASTERS	985,529	1,703,461	0.00
9,200	HAIN CELESTIAL GROUP INC.	272,010	249,688	0.00
368,070	HANSEN NAT CORP.	13,394,140	15,819,649	0.00
42,968	HEINZ H J CO.	1,534,071	2,039,691	3.20
1,700	HERBALIFE LTD.	67,825	67,405	2.02
12,369	HERSHEY CO., THE	489,753	626,119	2.13
2,700	IMPERIAL SUGAR CO. NEW	71,952	83,133	0.91
400	INGLES MKTS. INC.	11,460	13,780	1.92
300	INTER PARFUMS INC.	5,732	7,986	0.75
1,100	J & J SNACK FOODS CORP.	45,529	41,514	0.90
12,000	JAMBA INC.	112,320	109,680	0.00
38,433	KELLOGG CO.	1,632,845	1,990,445	2.25
270,865	KIMBERLY CLARK CORP.	16,499,142	18,118,160	3.17
266,317	KRAFT FOODS INC.	5,334,486	9,387,674	2.84
307,720	KROGER CO.	7,767,450	8,656,164	1.07
5,200	LANCE INC.	105,700	122,512	2.72
9,400	LAUDER ESTEE COS. INC.	350,302	427,794	1.10
2,200	LOEWS CORP.	166,776	169,994	0.49
10,300	LONGS DRUG STORES CORP.	527,836	540,956	1.07
700	MAUI LD. & PINEAPPLE INC.	22,922	25,711	0.00
47,200	MC CORMICK & CO. INC.	1,630,666	1,802,096	2.10
2,100	MGP INGREDIENTS INC.	33,432	35,490	1.18
41,441	MOLSON COORS BREWING CO.	2,919,681	3,831,635	1.38
50,700	NASH FINCH CO.	1,389,504	2,509,650	1.45
61,100	NBTY INC.	1,915,350	2,639,520	0.00
3,900	NU SKIN ENTERPRISES INC.	70,395	64,350	2.55
800	NUCO2 INC.	20,824	20,536	0.00
3,200	PANTRY INC.	152,248	147,520	0.00
35,516	PEETS COFFEE AND TEA INC.	797,118	874,759	0.00
170,241	PEPSI BOTTLING GROUP INC.	5,259,296	5,733,717	1.66
367,229	PEPSICO INC.	19,160,373	23,814,801	2.31
8,200	PERFORMANCE FOOD GROUP CO.	220,470	266,418	0.00
9,400	PILGRIMS PRIDE CORP.	275,187	358,798	0.24
2,100	PLAYTEX PRODS. INC.	31,269	31,101	0.00
7,800	PRESTIGE BRANDS HLDGS. INC.	93,406	101,244	0.00
374,346	PROCTER AND GAMBLE CO.	17,477,352	22,906,232	2.29
4,700	RALCORP HLDGS. INC. NEW	246,519	251,215	0.00
2,800	REDDY ICE HLDGS. INC.	79,895	79,856	5.89
45,500	REVLON INC.	63,889	62,335	0.00
9,500	RUDDICK CORP.	261,992	286,140	1.46
161,472	SAFWAY INC.	5,049,789	5,494,892	0.81
10,500	SANDERSON FARMS INC.	451,304	472,710	1.07
48,663	SARA LEE CORP.	882,209	846,736	2.30
3,600	SCHWEITZER MAUDUIT INTL. INC.	94,114	111,600	1.94
161	SEABORD CORP. DEL.	276,010	377,545	0.13
107,200	SENSIENT TECHNOLOGIES CORP.	2,231,012	2,721,808	2.52
13,400	SMUCKER J M CO.	635,723	853,044	1.89
3,200	SPARTAN STORES INC.	64,288	105,312	0.61
1,000	STEINER LEISURE LTD.	47,320	49,120	0.00
153,878	SUPERVALU INC.	4,705,509	7,127,629	1.42
75,113	SYSCO CORP.	2,358,725	2,477,978	2.30
6,327	TOOTSIE ROLL INDS. INC.	182,619	175,321	1.15
7,200	TREEHOUSE FOODS INC.	233,421	191,592	0.00
317,700	TYSON FOODS INC. (DEL.)	5,228,181	7,319,808	0.69
126,900	UNIVERSAL CORP. VA	7,419,167	7,730,748	2.89

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Consumer Staples (continued)				
10,739	UST INC.	366,534	576,792	4.47
2,500	VECTOR GROUP LTD.	45,500	56,325	7.10
700	VILLAGE SUPER MKT INC.	28,854	33,467	1.51
299,310	WALGREEN CO.	12,194,483	13,031,957	0.71
21,440	WD 40 CO.	654,196	704,733	3.04
2,900	WEIS MKTS. INC.	117,504	117,479	2.86
149,505	WHOLE FOODS MKT INC.	7,148,630	5,726,041	1.88
7,500	WINN DIXIE STORES INC.	220,350	219,750	0.00
17,582	WRIGLEY WM JR CO.	775,501	972,460	2.10
	Total Consumer Staples	<u>219,261,950</u>	<u>272,238,283</u>	
Energy				
5,800	ALLIS CHALMERS ENERGY INC.	136,706	133,342	0.00
136,518	ANADARKO PETROLEUM CORP.	3,503,901	7,097,571	0.69
261,440	APACHE CORP.	16,799,442	21,330,890	0.74
3,000	ARENA RES. INC.	126,776	174,330	0.00
15,613	BAKER HUGHES INC.	459,858	1,313,522	0.62
1,500	BARRETT BILL CORP.	45,045	55,245	0.00
8,100	BASIC ENERGY SVCS. INC. NEW	197,760	207,117	0.00
31,900	BERRY PETROLEUM CO.	950,129	1,201,992	0.80
176,992	BJ SVCS. CO.	6,028,647	5,033,652	0.70
500	BOIS D ARC ENERGY LLC 1	7,126	8,515	0.00
10,500	BRIGHAM EXPL. CO.	86,977	61,635	0.00
41,700	BRONCO DRILLING CO. INC.	813,343	684,297	0.00
246,464	CABOT OIL & GAS CORP.	3,598,108	9,089,592	0.33
4,800	CALLON PETROLEUM CO. DEL.	72,336	68,016	0.00
99,000	CAMERON INTL. CORP.	3,845,581	7,075,530	0.00
1,700	CHENIERE ENERGY INC.	66,296	65,943	0.00
177,568	CHESAPEAKE ENERGY CORP.	5,410,322	6,143,853	0.78
695,252	CHEVRON CORP.	30,717,121	58,568,028	2.75
78,722	CIMAREX ENERGY CO.	2,498,402	3,102,434	0.41
900	CNX GAS CORP.	26,998	27,540	0.00
71,500	COMSTOCK RES. INC.	2,083,580	2,142,855	0.00
740,700	CONOCO PHILLIPS	32,410,995	58,144,950	2.09
400	CONTINENTAL RES. INC. OK	6,299	6,400	0.00
200	DAWSON GEOPHYSICAL CO.	7,400	12,292	0.00
1,200	DELEK US HLDGS. INC.	32,688	31,980	0.56
4,100	DENBURY RES. INC.	137,149	153,750	0.00
198,416	DEVON ENERGY CORPORATION NEW	11,518,063	15,533,989	0.72
4,100	DIAMOND OFFSHORE DRILLING INC.	407,210	416,396	0.49
162,250	DRESSER RAND GROUP INC.	4,087,731	6,408,875	0.00
6,500	EDGE PETROLEUM CORP. DEL.	107,911	91,065	0.00
33,955	EL PASO CORP.	387,000	585,045	0.93
12,300	ENCORE ACQUISITION CO.	324,167	341,940	0.00
5,100	ENERGY INFRASTRUCTURE ACQ CORP.	49,674	49,776	0.00
6,500	ENERGY PARTNERS LTD.	130,655	108,485	0.00
37,320	ENERGYSOUTH INC.	1,220,278	1,903,320	1.96
14,900	ENSCO INTL. INC.	780,408	909,049	0.16
32,203	EOG RESOURCES INC.	1,537,011	2,352,751	0.49
3,100	EQUITABLE RES. INC.	109,523	153,636	1.78
12,400	EVERGREEN ENERGY INC. NEW	74,648	74,772	0.00
14,200	EXCO RES. INC.	222,710	247,648	0.00
1,063,830	EXXON MOBIL CORP.	47,773,682	89,234,060	1.67
21,960	FMC TECHNOLOGIES INC.	1,381,264	1,739,671	0.00
247,100	FRONTIER OIL CORP.	6,007,250	10,815,567	0.46
11,299	FRONTLINE LTD.	510,831	518,059	15.94
6,600	GENERAL MARITIME CORP.	187,440	176,748	9.30
4,100	GEOMETINC. DEL.	36,878	31,406	0.00
10,300	GLOBAL INDUSTRIES INC.	224,652	276,246	0.00
246,760	GRANT PRIDECO INC.	11,588,155	13,283,091	0.00
56,400	GREY WOLF INC.	461,600	464,736	0.00
44,720	GULF IS FABRICATION INC.	1,303,069	1,551,784	1.15
13,900	GULFMARK OFFSHORE INC.	622,645	711,958	0.00
155,786	HALLIBURTON CO.	3,387,268	5,374,617	1.04
22,330	HANOVER COMPRESSOR CO.	416,025	532,571	0.00
8,600	HARVEST NAT. RES. INC.	88,174	102,426	0.00
2,500	HELIX ENERGY SOLUTIONS GROUP	99,030	99,775	0.00
32,100	HELMERICH AND PAYNE INC.	758,193	1,136,982	0.51
4,100	HERCULES OFFSHORE INC.	129,253	132,758	0.00
353,054	HESS CORP.	12,332,332	20,816,064	0.68
3,600	HOLLY CORP.	155,556	267,084	0.65
7,500	HORIZON OFFSHORE INC.	147,450	144,000	0.00
200	KNIGHTSBRIDGE TANKERS LTD.	6,042	6,102	10.49
10,700	LUFKIN INDS. INC.	666,125	690,685	1.30
314,940	MARATHON OIL CORP.	3,907,229	18,883,802	1.60
9,400	MARINER ENERGY INC.	233,778	227,950	0.00

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Energy (continued)				
2,700	MCMORAN EXPLORATION CO.	42,066	37,800	0.00
20,600	MERIDIAN RESOURCE CORP.	69,456	62,212	0.00
9,100	MURPHY OIL CORP.	504,288	540,904	1.01
27,246	NABORS INDUSTRIES LTD.	719,708	909,471	0.00
40,099	NATIONAL OILWELL VARCO INC.	2,507,029	4,179,920	0.00
137,461	NEWFIELD EXPL. CO.	6,126,199	6,261,349	0.00
2,800	NEWPARK RES. INC.	19,488	21,700	0.00
27,225	NOBLE CORPORATION	2,213,933	2,654,982	0.16
392,800	NOBLE ENERGY INC.	12,770,137	24,506,792	0.77
6,200	NORDIC AMERICAN TANKER SHIPPING	251,472	253,208	11.34
239,764	OCCIDENTAL PETROLEUM CORP.	4,896,486	13,877,540	1.52
40,331	OCEANEERING INTL. INC.	870,181	2,123,024	0.00
73,961	OIL STATES INTL. INC.	2,359,995	3,057,548	0.00
2,800	PACIFIC ETHANOL INC.	35,924	36,960	0.00
5,200	PARKER DRILLING CO.	46,846	54,808	0.00
4,800	PENN VA CORP.	180,388	192,960	0.56
3,000	PETROLEUM DEV. CORP.	146,730	142,440	0.00
59,000	PIONEER DRILLING CO.	972,291	879,690	0.00
9,100	PRIDE INTERNATIONAL INC.	320,832	340,886	0.00
104,363	QUICKSILVER RES. INC.	4,563,208	4,652,503	0.00
5,000	RANGE RES. CORP.	143,064	187,050	0.32
3,000	RESOURCE AMER. INC.	79,890	61,830	1.36
101,400	ROSETTA RES. INC.	2,260,194	2,184,156	0.00
12,449	ROWAN COS. INC.	405,134	510,160	0.98
57,318	SCHLUMBERGER LTD.	1,190,116	4,868,591	0.82
3,570	SEACOR HLDGS. INC.	327,364	333,295	0.00
361,515	SMITH INTL. INC.	13,655,579	21,199,240	0.68
179,400	ST. MARY LD. & EXPL. CO.	6,495,181	6,569,628	0.27
6,500	STONE ENERGY CORP.	238,513	222,690	0.00
3,800	SULPHCO INC.	16,324	13,718	0.00
113,806	SUNOCO INC.	3,184,292	9,068,062	1.38
297,600	SUPERIOR ENERGY SVCS. INC.	9,035,894	11,880,192	0.00
900	SUPERIOR OFFSHORE INTL	16,686	16,380	0.00
1,000	SUPERIOR WELL SVCS. INC.	25,510	25,410	0.00
121,400	SWIFT ENERGY CO.	4,058,692	5,191,064	0.00
100	T 3 ENERGY SVCS. INC.	2,043	3,345	0.00
6,200	TESORO CORP.	374,432	354,330	N/A
9,100	TETRA TECHNOLOGIES INC. DEL.	259,650	256,620	0.00
26,300	TIDEWATER INC.	1,285,720	1,864,144	0.85
5,600	TODCO	247,417	264,376	0.00
3,500	TOREADOR RES. CORP.	55,720	52,500	0.00
49,114	TRANSOCEAN INC.	3,363,289	5,205,102	0.00
13,700	TRICO MARINE SVCS. INC.	522,508	560,056	0.00
3,200	UNION DRILLING INC.	45,766	52,544	0.00
22,774	UNIT CORP.	1,129,474	1,432,712	0.00
18,200	UNIVERSAL COMPRESSION HLDGS.	990,063	1,318,954	0.00
900	US BIOENERGY CORP.	11,723	10,224	0.00
13,600	VAALCO ENERGY INC.	67,184	65,688	0.00
210,965	VALERO ENERGY CORP.	6,540,676	15,581,875	0.65
62,800	W&T OFFSHORE INC.	1,927,396	1,757,772	N/A
600	WARREN RES. INC.	8,586	7,008	0.00
31,100	WEATHERFORD INTERNATIONAL LTD.	1,338,343	1,717,964	0.00
500	WESTERN REFNG. INC.	28,119	28,900	0.42
8,600	WHITING PETROLEUM CORP. NEW	413,570	348,472	0.00
1,300	WILLIAMS CLAYTON ENERGY INC.	34,190	34,411	0.00
46,059	WILLIAMS COS. INC.	557,726	1,456,384	1.27
348,229	XTO ENERGY INC.	13,756,592	20,928,563	0.80
	Total Energy	337,159,172	558,750,267	
Financials				
10,700	1ST SOURCE CORP.	326,741	266,644	2.25
7,000	21ST CENTURY INS. GROUP	123,718	153,020	2.93
1,760	ABINGTON BANCORP INC. PENN	21,164	16,808	2.93
39,800	ACA CAPITAL HLDGS. INC.	552,537	473,620	0.00
4,900	ACCREDITED HOME LENDERS HOLDING	130,040	66,983	0.00
278,403	ACE LTD.	13,316,585	17,405,756	1.63
54,550	ADVANTA CORP.	1,609,190	1,698,687	4.09
91,900	AFFILIATED MANAGERS GROUP INC.	9,209,492	11,833,044	0.00
14,100	AFFIRMATIVE INS. HLDGS. INC.	220,571	215,025	0.52
70,691	AFLAC INC.	2,905,031	3,633,517	1.60
1,800	AGREE REALTY CORP.	61,737	56,250	6.27
4,000	ALABAMA NATL. BANCORPORATION DE	270,572	247,360	2.65
12,800	ALESCO FINL. INC.	112,896	104,064	15.25
3,400	ALEXANDRIA REAL ESTATE EQUIT	349,732	329,188	3.14
7,500	ALFA CORP.	142,049	116,775	3.02
334,175	ALLSTATE CORP.	15,465,016	20,555,104	2.47

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Financials (continued)				
122,639	AMBAC FINL. GROUP INC.	10,897,103	10,692,894	0.83
5,300	AMCORE FINL. INC.	169,830	153,647	2.55
5,400	AMERICAN CAMPUS CMNTYS INC.	157,240	152,766	4.77
13,100	AMERICAN EQUITY INVST. LIFE	170,550	158,248	0.41
143,798	AMERICAN EXPRESS CO.	6,874,597	8,797,562	0.98
116,800	AMERICAN FINL. GROUP INC. OHIO	1,891,227	3,988,720	1.17
30,100	AMERICAN FINL. REALTY TR	348,592	310,632	7.36
11,300	AMERICAN HOME MTG. INVST. CORP.	383,125	207,694	15.23
463,212	AMERICAN INTL. GROUP INC.	30,217,540	32,438,736	1.14
21,600	AMERICAN PHYSICIANS CAPITAL INC.	797,887	874,800	0.00
4,000	AMERICANWEST BANCORPORATION	85,380	72,920	0.88
200	AMERICREDIT CORP.	6,002	5,310	0.00
11,434	AMERIPRISE FINL. INC.	277,076	726,859	0.94
17,000	AMERIS BANCORP	404,725	381,990	2.49
4,300	AMERISAFE INC.	78,948	84,409	0.00
4,000	AMPAL AMER. ISRAEL CORP.	22,840	23,800	0.00
31,100	AMTRUST FINANCIAL SERVICES	336,102	584,369	0.53
24,900	ANCHOR BANCORP WIS INC.	696,942	652,131	2.60
106,228	ANNALY CAPITAL MANAGEMENT INC.	1,366,484	1,531,808	6.66
13,500	ANTHRACITE CAPITAL INC.	168,699	157,950	10.26
10,500	ANWORTH MTG. ASSET CORP.	98,222	95,025	2.21
605,138	AON CORP.	18,205,912	25,784,930	1.41
4,900	APARTMENT INVST. & MGMT. CO.	184,053	247,058	4.76
69,612	APOLLO INVST. CORP.	1,550,508	1,498,050	9.48
49,700	ARBOR REALTY TR INC.	1,434,295	1,282,757	9.61
27,000	ARCH CAPITAL GROUP LTD.	1,933,600	1,958,580	0.00
10,800	ARCHSTONE SMITH TR	430,272	638,388	3.06
64,494	ARES CAPITAL CORP.	1,136,311	1,086,724	9.73
79,360	ARGONAUT GROUP INC.	2,709,254	2,476,826	0.00
42,000	ASHFORD HOSPITALITY TR INC.	512,178	493,920	7.14
151,600	ASPEN INSURANCE HOLDINGS LTD.	4,198,116	4,255,412	2.67
64,041	ASSET ACCEP. CAPITAL CORP.	1,177,025	1,133,526	0.00
4,800	ASSURANT INC.	283,495	282,816	0.81
132,300	ASSURED GUARANTY LTD.	3,702,586	3,910,788	N/A
23,200	ASTA FUNDING INC.	641,505	891,576	0.42
235,700	ASTORIA FINL. CORP.	5,142,793	5,901,928	4.15
3,900	AVALONBAY CMNTYS. INC.	569,599	463,632	2.86
3,300	AVATAR HLDGS. INC.	225,994	253,902	0.00
1,900	BALDWIN & LYONS INC.	49,262	49,362	3.85
9,700	BANCFIRST CORP.	393,543	415,354	1.68
2,500	BANCORP INC. DEL.	67,815	55,900	0.00
1,456,584	BANK AMER. CORP.	54,922,453	71,212,392	4.58
600	BANK HAWAII CORP.	30,231	30,984	3.18
12,800	BANK MUTUAL CORP.	152,576	147,584	2.78
65,957	BANK NEW YORK INC.	1,966,470	2,733,258	N/A
8,300	BANK OF THE OZARKS INC.	240,646	231,321	1.44
10,300	BANKATLANTIC BANCORP INC.	135,342	88,683	1.90
5,300	BANKFINANCIAL CORP.	93,969	81,885	1.81
47,600	BANKRATE INC.	1,672,907	2,280,992	0.00
96,000	BANKUNITED FINL. CORP.	2,452,542	1,926,720	0.10
18,600	BANNER CORP.	803,895	633,516	2.23
113,015	BB&T CORP.	4,699,580	4,597,430	4.52
101,210	BEAR STEARNS COS. INC.	10,663,113	14,169,400	0.91
23,877	BERKLEY W R CORP.	821,179	776,958	0.61
11	BERKSHIRE HATHAWAY INC. DEL.	951,778	1,204,225	0.00
2,000	BERKSHIRE HILL BANCORP INC.	67,240	63,020	1.78
15,100	BIOMED REALTY TR INC.	443,482	379,312	4.94
1,300	BLACKROCK INC.	192,690	203,567	1.71
42,100	BLUEGREEN CORP.	624,834	492,149	0.00
50,900	BOK FINL. CORP.	2,628,298	2,719,078	1.50
5,800	BOSTON PPTYS. INC.	549,947	592,354	2.66
8,600	BOSTON PRIVATE FINL. HLDGS. INC.	238,410	231,082	0.00
22,200	BRANDYWINE REALTY TR	747,756	634,476	6.16
3,300	BRISTOL WEST HLDGS. INC.	52,734	73,821	1.43
4,625	BROADRIDGE FINL. SOLUTIONS INC.	82,696	88,430	1.26
300	BROOKDALE SR LIVING INC.	14,267	13,671	4.39
2,600	BROOKFIELD HOMES CORP.	90,173	75,634	1.38
14,500	BROOKLINE BANCORP INC. DEL.	192,493	166,895	2.95
3,700	BROWN & BROWN INC.	114,552	93,018	0.95
1,600	BRT REALTY TRUST	42,848	41,616	9.53
69,643	CALAMOS ASSET MGMT. INC.	1,912,672	1,779,379	1.72
2,900	CAPITAL CITY BANK GROUP INC.	98,948	90,886	2.23
2,200	CAPITAL CORP. OF THE WEST	62,062	52,712	1.84
87,862	CAPITAL ONE FINL. CORP.	5,734,664	6,891,899	0.14
1,470	CAPITAL SOUTHWEST CORP.	234,860	229,011	0.26
50,600	CAPITAL TR INC. MD	2,007,550	1,727,484	9.37

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Financials (continued)				
2,500	CAPITALSOURCE INC.	61,634	61,475	9.76
3,300	CAPITOL BANCORP LTD.	142,658	90,189	3.66
500	CAPITOL FED. FINL.	18,674	18,460	5.42
10,000	CAPLEASE INC.	115,350	107,500	7.44
4,700	CASCADE BANCORP	108,260	108,758	1.56
111,354	CASH AMER. INTL. INC.	4,009,186	4,415,186	0.35
1,800	CASTLEPOINT HOLDINGS LTD.	27,306	26,442	0.68
56,217	CATHAY GENERAL BANCORP	1,781,692	1,885,518	1.25
15,700	CB RICHARD ELLIS GROUP INC.	493,446	573,050	0.00
7,900	CBIZ INC.	55,290	58,065	0.00
1,800	CBOT HLDGS. INC.	215,258	371,880	0.00
25,300	CBRE REALTY FIN. INC.	328,468	300,817	7.06
10,200	CEDAR SHOPPING CTRS. INC.	172,565	146,370	6.27
12,700	CENTENNIAL BANK HLDGS. INC. DEL.	120,650	107,569	0.00
10,400	CENTER FINL. CORP. CA	233,899	175,968	1.18
5,200	CENTERLINE HLDG. CO.	110,170	93,600	9.33
10,500	CENTRAL PACIFIC FINL. CORP.	388,154	346,605	2.91
5,700	CHEMICAL FINL. CORP.	187,416	147,459	4.41
10,700	CHITTENDEN CORP.	324,063	373,965	2.52
47,952	CHUBB CORP.	1,625,360	2,596,121	2.14
175,792	CINCINNATI FINL. CORP.	6,774,285	7,629,373	3.27
174,800	CIT GROUP INC. NEW	7,103,864	9,584,284	1.82
1,612,025	CITIGROUP INC.	69,345,025	82,680,762	4.21
7,400	CITIZENS INC. AMER.	50,024	52,096	2.96
17,496	CITIZENS REPUBLIC BANCORP INC.	465,798	320,177	6.34
18,100	CITY BANK LYNNWOOD WASH	564,375	570,331	1.90
24,900	CITY HLDG. CO.	917,084	954,417	3.24
2,300	CLAYTON HLDGS. INC.	26,680	26,197	0.00
2,700	CLIFTON SVGS BANCORP INC.	32,724	29,268	1.85
3,000	CME GROUP INC.	1,362,911	1,603,080	0.64
100	CNA FINL. CORP.	4,009	4,769	0.84
28,900	CNA SURETY CORP.	596,087	546,499	0.00
2,100	COBIZ FINANCIAL INC.	38,115	38,052	1.32
19,210	COLUMBIA BK. SYS. INC.	519,403	561,893	2.32
182,190	COMERICA INC.	9,416,302	10,834,839	4.30
109,800	COMMERCE BANCORP INC. N J	3,591,243	4,061,502	1.41
12,300	COMMERCE GROUP INC. MASS	368,125	427,056	3.46
16,500	COMMUNITY BANCORP NEV	515,535	461,670	0.00
41,426	COMMUNITY BANK SYS. INC.	952,677	829,349	4.00
5,700	COMMUNITY BANKS INC. MILLERSBURG	157,791	183,654	2.61
12,500	COMMUNITY TR BANCORP INC.	421,561	403,750	3.34
6,400	COMPASS BANCSHARES INC.	305,884	441,472	2.49
62,600	COMPUCREDIT CORP.	2,115,445	2,192,252	0.00
145,800	CONSECO INC.	2,607,061	3,045,762	0.00
50,345	CORPORATE OFFICE PPTYS. TR	1,380,791	2,064,648	3.02
2,050	CORRECTIONS CORP. AMER. NEW	92,680	129,376	0.00
136,100	CORUS BANKSHARES INC.	3,321,505	2,349,086	5.79
1,247,602	COUNTRYWIDE FINL. CORP.	36,696,303	45,350,333	1.65
3,600	COWEN GROUP INC.	65,808	64,476	0.00
5,800	CRAWFORD & CO.	39,527	39,208	3.55
5,800	CRYSTAL RIV CAPITAL INC.	150,236	140,824	11.20
15,320	CVB FINL. CORP.	178,736	170,358	3.06
600	DARWIN PROFESSIONAL UNDERWRTRS	14,418	15,102	0.00
38,900	DCT INDUSTRIAL TRUST INC.	437,081	418,564	5.95
11,900	DEERFIELD TRIARC CAPITAL CORP.	190,077	174,097	11.48
151,600	DELPHI FINL. GROUP INC.	5,408,874	6,339,912	0.86
3,800	DELTA FINL. CORP.	47,766	46,626	1.63
6,100	DEVELOPERS DIVERSIFIED REALTY	386,539	321,531	5.01
109,500	DIAMONDROCK HOSPITALITY CO.	1,875,066	2,089,260	5.03
6,000	DIME CMNTY. BANCORP INC.	84,453	79,140	4.25
3,000	DONEGAL GROUP INC.	57,751	44,700	2.42
34,100	DOWNEY FINL. CORP.	2,440,202	2,249,918	0.73
3,400	DUKE REALTY CORP.	122,764	121,278	5.33
76,133	E TRADE FINL. CORP.	1,594,228	1,681,778	0.00
1,100	EASTGROUP PPTYS. INC.	53,251	48,202	4.56
114,700	EATON VANCE CORP.	2,506,481	5,067,446	1.09
105,330	EDUCATION REALTY TR INC.	1,378,637	1,477,780	5.84
23,962	EDWARDS AG INC.	1,015,827	2,025,987	0.95
1,400	EMC INS. GROUP INC.	48,256	34,748	2.74
12,400	EMPLOYERS HLDGS. INC.	253,896	263,376	1.13
3,100	ENCORE CAPITAL GROUP INC.	36,177	38,688	0.00
700	ENTERPRISE FINL. SVCS. CORP.	17,913	17,402	0.84
6,200	ENTERTAINMENT PPTYS. TR	383,763	333,436	5.65
27,100	EQUITY INNS INC.	369,461	607,040	4.46
8,400	EQUITY ONE INC.	226,044	214,620	4.70
14,113	EQUITY RESIDENTIAL	348,115	643,976	4.05

Shares		Cost	Fair Value	Dividend Yield
	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
	Financials (continued)			
300	ERIE INDY. CO.	16,046	16,212	2.96
4,500	ESPEED INC.	39,510	38,880	0.00
400	ESSEX PROPERTY TRUST	48,804	46,520	3.20
1,900	EVERCORE PARTNERS INC.	52,782	56,563	1.34
1,000	EXLSERVICE HLDGS. INC.	20,827	18,740	0.00
14,900	EXTRA SPACE STORAGE INC.	272,428	245,850	5.52
13,900	F N B CORP. PA	249,851	232,686	N/A
3,400	F N B CORP. VA	131,793	122,060	2.34
26,160	FBL FINL. GROUP INC.	887,442	1,028,611	1.22
2,400	FEDERAL AGRIC MTG. CORP.	65,904	82,128	1.17
130,621	FEDERAL HOME LOAN MTG. CORP.	7,992,361	7,928,695	N/A
600,628	FEDERAL NATL. MTG. ASSOC.	39,931,560	39,239,027	N/A
1,000	FEDERAL REALTY INVST. TR	69,199	77,260	2.98
137,999	FEDERATED INVST. INC. PA	4,027,226	5,289,502	2.19
82,000	FELCOR LODGING TR INC.	1,234,587	2,134,460	3.84
26,349	FIDELITY NATL. INFORMATION SVC.	952,651	1,430,224	0.37
26,729	FIFTH THIRD BANCORP	1,585,980	1,063,012	4.22
6,200	FINANCIAL FED. CORP.	180,548	184,884	2.01
3,900	FIRST ACCEP. CORP.	40,068	39,624	0.00
10,330	FIRST AMERICAN CORP.	343,989	511,335	1.78
2,800	FIRST BANCORP N C	61,296	52,444	2.55
3,200	FIRST BUSEY CORP.	68,172	63,968	3.60
8,100	FIRST CHARTER CORP.	196,941	157,707	4.01
6,000	FIRST CMNTY. BANCORP CALIF	324,299	343,260	2.24
8,500	FIRST CMNTY. BANCSHARES INC. NEW	321,647	265,115	3.46
17,100	FIRST COMMONWEALTH FINL. CORP. PA	230,701	186,732	6.23
7,600	FIRST FINL. BANCORP	126,692	113,924	4.27
4,500	FIRST FINL. BANKSHARES INC.	183,766	174,645	3.30
9,500	FIRST FINL. CORP. IND	293,165	278,920	2.93
10,300	FIRST FINL. HLDGS. INC.	372,617	336,913	3.06
87,495	FIRST HORIZON NATL. CORP.	3,507,564	3,412,305	4.62
2,800	FIRST IND. CORP.	68,138	61,936	3.80
97,040	FIRST INDL. REALTY TR INC.	4,234,726	3,761,270	7.33
220,682	FIRST MARBLEHEAD CORP.	10,461,792	8,527,152	2.59
20,200	FIRST MERCHANTS CORP.	510,054	485,406	3.83
1,300	FIRST MERCURY FINL. CORP.	29,510	27,261	0.00
49,394	FIRST MIDWEST BANCORP INC. DEL.	1,690,621	1,753,981	3.32
24,900	FIRST NIAGARA FINL. GROUP INC.	375,056	326,190	3.97
4,000	FIRST PL FINL. CORP. DEL.	94,680	84,480	2.94
5,600	FIRST POTOMAC REALTY TR	162,636	130,424	5.84
1,900	FIRST REGL. BANCORP	48,760	48,336	N/A
5,500	FIRST REPUBLIC BANK SAN FRANCISCO CA	232,223	295,130	1.12
4,700	FIRST ST. BANCORPORATION	116,927	100,063	1.69
37,300	FIRSTFED FINL. CORP. DEL.	2,091,907	2,116,029	0.00
18,600	FIRSTMERIT CORP.	439,969	389,298	5.54
10,200	FLAGSTAR BANCORP INC.	152,590	122,910	3.32
3,100	FLAGSTONE REINSURANCE HOLD LTD.	41,261	41,292	0.00
4,900	FLUSHING FINL. CORP.	83,581	78,694	2.99
2,500	FOREST CITY ENTERPRISES INC.	115,245	153,700	0.52
2,300	FPIC INS. GROUP INC.	89,516	93,771	0.00
63,400	FRANKLIN BANK CORP.	1,043,044	944,660	0.00
35,384	FRANKLIN RES. INC.	3,729,933	4,687,318	0.45
13,700	FRANKLIN STR PPTYS. CORP.	283,510	226,598	7.50
12,200	FREEDOM ACQUISITION HLDGS. INC.	121,088	134,322	0.00
15,600	FREMONT GEN. CORP.	218,042	167,856	4.46
71,892	FRIEDMAN BILLINGS RAMSEY GROUP	591,273	392,530	3.66
52,550	FRONTIER FINL. CORP. WA	1,458,666	1,183,952	2.93
600	GALLAGHER ARTHUR J & CO.	16,266	16,728	4.45
18,000	GAMCO INVST. INC.	949,603	1,008,900	0.21
4,000	GENERAL GROWTH PPTYS. INC.	195,757	211,800	3.40
536,500	GENWORTH FINL. INC.	14,026,310	18,455,600	1.05
12,200	GLACIER BANCORP INC.	290,784	248,270	2.36
3,300	GLADSTONE CAPITAL CORP.	79,250	70,818	7.83
7,200	GMH CMNTYS. TR	87,336	69,768	6.81
137,930	GOLDMAN SACHS GROUP INC.	18,106,509	29,896,328	0.65
55,800	GRAMERCY CAPITAL CORP.	1,686,313	1,536,732	9.15
2,100	GREAT AMERICAN FINL. RES. INC.	48,196	50,799	0.41
2,400	GREAT SOUTHN BANCORP INC.	70,584	64,920	N/A
11,800	GREATER BAY BANCORP	305,628	328,512	2.30
10,800	GREENE BANKSHARES INC.	380,894	337,608	1.66
1,900	GREENLIGHT CAPITAL RE LTD	44,460	42,807	0.00
1,000	HALLMARK FINL. SVCS. INC.	12,330	12,120	0.00
6,200	HANCOCK HLDG. CO.	286,398	232,810	2.56
50,800	HANMI FINL. CORP.	899,080	866,648	1.41
78,100	HANOVER INS. GROUP INC.	4,137,797	3,810,499	0.61
17,400	HARLEYSVILLE GROUP INC.	479,187	580,464	2.28

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
	Financials (continued)			
6,700	HARLEYSVILLE NATL. CORP. PA	133,449	108,004	4.96
253,996	HARTFORD FINANCIAL SVCS. GROUP	17,526,470	25,021,146	2.03
25,800	HCC INS. HLDGS. INC.	654,144	861,978	1.20
300	HEALTH CARE REIT INC.	11,855	12,108	6.54
11,100	HEALTHCARE REALTY TR	436,787	308,358	9.50
5,300	HERCULES TECHNOLOGY GROWTH	70,543	71,603	8.88
11,400	HERITAGE COMM CORP.	257,015	269,952	1.01
9,400	HERSHA HOSPITALITY TR	108,186	111,108	6.09
90,100	HFF INC.	1,666,069	1,397,451	0.00
66,800	HIGHLAND HOSPITALITY CORP.	891,730	1,282,560	4.79
3,900	HIGHWOODS PPTYS. INC.	156,633	146,250	4.53
8,000	HILB ROGAL & HOBBS CO.	331,726	342,880	1.21
10,900	HILLTOP HLDGS. INC.	125,522	128,838	0.00
15,100	HOME BANCSHARES INC.	341,982	340,505	0.62
1,800	HOME PROPERTIES INC.	102,520	93,474	5.01
10,000	HORACE MANN EDUCATORS CORP. NEW	202,562	212,400	1.98
11,800	HORIZON FINL. CORP. WASH	227,541	257,122	2.39
25,300	HOST HOTELS & RESORTS INC.	677,408	584,936	3.46
30,800	HUDSON CITY BANCORP INC.	426,963	376,376	2.62
158,155	HUNTINGTON BANCSHARES INC.	3,599,671	3,596,445	4.66
2,700	IBERIABANK CORP.	151,846	133,515	2.59
17,600	IMPAC MORT. HOLDINGS INC.	158,750	81,136	8.68
8,800	IMPERIAL CAPITAL BANCORP INC.	459,076	458,656	1.23
1,400	INDEPENDENCE HLDG. CO. NEW	27,953	28,602	0.24
3,300	INDEPENDENT BANK CORP. MASS	113,322	97,482	2.30
20,214	INDEPENDENT BANK CORP. MI	521,126	347,883	4.88
4,500	INFINITY PPTY & CAS CORP.	209,655	228,285	0.71
4,400	INFORMATION SVCS. GROUP INC.	33,100	33,660	0.00
10,900	INLAND REAL ESTATE CORP.	210,857	185,082	5.77
11,000	INNKEEPERS USA TR	176,358	195,030	5.19
4,800	INTEGRA BANK CORP.	128,248	103,056	3.35
5,100	INTERACTIVE BROKERS GROUP INC.	134,691	138,363	0.00
41,782	INTERCONTINENTALEXCHANGE INC.	2,391,235	6,177,469	0.00
11,889	INTERNATIONAL BANCSHARES CORP.	328,025	304,599	2.48
19,200	INTERVEST BANCSHARES CORP.	752,568	540,672	0.89
29,200	INVESTMENT TECHNOLOGY GROUP	1,170,082	1,265,236	0.00
11,800	INVESTORS BANCORP INC.	181,312	158,474	0.00
2,300	INVESTORS FINL. SERVICES CORP.	116,341	141,841	0.16
11,100	INVESTORS REAL ESTATE TR	112,376	114,663	6.45
14,700	IPC HOLDINGS LTD. BERMUDA	460,698	474,663	2.23
4,300	IRWIN FINL. CORP.	94,729	64,371	3.21
23,600	JACKSON HEWITT TAX SVC. INC.	672,365	663,396	2.56
1,300	JAMES RIV GROUP INC.	41,223	43,199	1.81
34,053	JANUS CAPITAL GROUP INC.	764,092	948,036	0.14
210,412	JEFFRIES GROUP INC. NEW	4,427,669	5,676,916	1.85
2,900	JER INVST. TR INC.	57,710	43,500	12.00
8,100	JONES LANG LASALLE INC.	910,511	919,350	0.62
1,512,723	JPMORGAN CHASE & CO.	54,991,988	73,291,429	3.14
100	K FED BANCORP	1,454	1,569	2.55
1,100	KANSAS CITY LIFE INS. CO.	55,859	51,172	2.32
2,300	KAYNE ANDERSON ENERGY DEV. CO.	58,305	57,914	5.08
6,400	KBW INC.	197,675	188,032	0.00
4,900	KEARNY FINL. CORP.	77,763	66,052	1.48
482,282	KEYCORP NEW	15,610,562	16,556,741	4.25
1,100	KILROY REALTY CORP.	79,472	77,924	3.13
14,000	KIMCO REALTY CORP.	545,424	532,980	3.78
4,500	KITE REALTY GROUP TR	85,320	85,590	4.10
6,300	KNBT BANCORP INC.	104,895	92,610	2.72
64,700	KNIGHT CAPITAL GROUP INC.	1,078,083	1,074,020	0.00
3,300	KOHLBERG CAPITAL CORP.	59,825	61,215	3.45
12,300	LABRANCHE & CO. INC.	121,731	90,774	0.00
4,400	LAKELAND BANCORP INC.	63,860	58,520	3.01
9,200	LAKELAND FINANCIAL CORP.	205,680	195,684	2.63
4,000	LANDAMERICA FINL. GROUP INC.	257,006	385,960	0.91
30,500	LASALLE HOTEL PPTYS.	1,132,639	1,324,310	4.70
1,700	LAZARD LTD.	78,858	76,551	0.80
90,822	LEGG MASON INC.	8,575,031	8,935,068	0.98
66,804	LEHMAN BROTHERS HOLDINGS INC.	3,519,733	4,978,234	0.81
29,620	LEXINGTON REALTY TRUST	643,067	616,096	7.21
145,946	LINCOLN NATL. CORP. IN	6,666,323	10,354,869	2.23
400,906	LOEWS CORP.	7,423,875	20,438,188	0.49
5,500	LTC PROPERTIES	149,016	125,125	6.59
10,800	LUMINENT MTG. CAPITAL INC.	107,156	108,972	11.89
3,700	M & T BANK CORP.	356,801	395,530	2.25
3,545	MACATAWA BANK CORP.	68,420	56,401	3.27
2,400	MACERICH CO.	171,024	197,808	3.45

Shares		Cost	Fair Value	Dividend Yield
	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
	Financials (continued)			
7,700	MAF BANCORP INC.	343,543	417,802	1.99
4,900	MAGUIRE PPTYS. INC.	199,486	168,217	4.66
4,305	MAINSOURCE FINL. GROUP INC.	72,980	72,281	3.34
8,700	MARATHON ACQUISITION CORP.	67,860	68,556	0.00
3,178	MARKEL CORP.	1,072,124	1,539,932	0.00
26,927	MARSH & MCLENNAN COS. INC.	1,228,845	831,506	2.46
35,546	MARSHALL & ILSLEY CORP.	1,362,380	1,693,056	2.60
14,000	MAX CAPITAL GROUP LTD.	391,020	396,200	0.99
8,500	MB FINL. INC.	304,510	295,290	2.07
128,559	MBIA INC.	7,752,205	7,998,941	2.19
75,200	MCG CAPITAL CORP.	1,253,469	1,204,704	10.99
6,100	MEADOWBROOK INS. GROUP INC.	58,686	66,856	0.00
11,400	MEDICAL PPTYS. TR INC.	171,278	150,822	8.16
33,517	MELLON FINL. CORP.	1,042,028	1,474,748	2.00
441,322	MERRILL LYNCH & CO. INC.	31,024,943	36,885,693	1.68
10,500	MERUELO MADDUX PPTYS. INC.	85,711	85,680	0.00
246,867	METLIFE INC.	9,062,728	15,917,984	0.92
1,700	METROCORP BANCSHARES INC.	32,873	36,414	0.75
18,700	MFA MTG. INVTS. INC.	146,555	136,136	4.40
227,686	MGIC INVST. CORP. WIS	14,221,803	12,946,226	1.76
37,493	MID AMER. APT CMNTYS. INC.	1,794,309	1,967,633	4.61
30,665	MIDLAND CO.	1,173,247	1,439,415	0.85
4,500	MIDWEST BANC HLDGS. INC.	97,637	65,250	3.59
4,500	MISSION WEST PPTYS. INC. MD	58,500	62,730	4.59
25,900	MONTPELIER RE HOLDINGS LTD.	480,445	480,186	1.62
54,953	MOODY'S CORP.	3,131,858	3,418,077	0.51
435,914	MORGAN STANLEY	24,912,562	36,564,466	1.29
1,600	MTC TECHNOLOGIES INC.	39,672	39,296	0.00
5,600	MVC CAPITAL INC.	83,162	105,336	2.55
47,700	NARA BANCORP. INC.	870,087	759,861	0.69
900	NASB FINL. INC.	37,377	30,285	2.67
3,000	NASDAQ STK MKT INC.	89,693	89,130	0.00
387,854	NATIONAL CITY CORP.	13,292,454	12,923,295	4.68
2,900	NATIONAL FINL. PARTNERS CORP.	131,633	134,299	1.55
5,000	NATIONAL HEALTH INVST. INC.	164,932	158,600	6.31
19,000	NATIONAL INTST CORP.	483,284	495,520	0.86
11,000	NATIONAL PENN BANCSHARES INC.	218,411	183,480	4.02
112,300	NATIONAL RETAIL PPTYS. INC.	2,388,898	2,454,878	6.50
600	NATIONAL WESTN LIFE INS. CO.	140,263	151,752	0.00
198,600	NATIONWIDE FINL. SVCS. INC.	8,524,887	12,555,492	1.20
2,300	NATIONWIDE HEALTH PPTYS. INC.	69,219	62,560	6.03
22,200	NAVIGATORS GROUP INC.	785,539	1,196,580	0.00
7,900	NBT BANCORP INC.	195,338	178,224	3.55
7,900	NELNET INC.	199,461	193,076	1.15
13,600	NEWALLIANCE BANCSHARES INC.	221,822	200,192	1.77
116,300	NEWCASTLE INVST. CORP. NEW	3,622,415	2,915,641	11.49
1,500	NEWSTAR FINANCIAL INC.	22,540	21,345	0.00
15,423	NORTHERN TRUST CORP.	677,054	990,774	1.56
50,100	NORTHSTAR REALTY FIN. CORP.	812,389	626,751	11.51
4,200	NORTHWEST BANCORP INC. PA	121,548	109,788	3.06
8,700	NOVASTAR FINL. INC.	254,060	60,726	80.23
5,600	NTR ACQUISITION CO.	53,540	53,032	0.00
19,233	NUVEEN INVTS. INC.	927,739	1,195,331	1.54
13,600	NYMAGIC INC.	566,924	546,720	0.80
3,200	NYMEX HLDGS. INC.	429,797	402,016	0.32
9,000	NYSE EURONEXT	674,785	662,580	1.36
47,500	OCWEN FINL. CORP.	659,295	633,175	0.00
6,600	ODYSSEY RE HLDGS. CORP.	259,896	283,074	0.58
13,900	OHIO CAS CORP.	410,002	602,009	1.20
15,300	OLD NATL. BANCORP IND	289,072	254,133	5.30
165,000	OLD REP. INTL. CORP.	2,755,861	3,507,900	3.01
11,400	OLD SECOND BANCORP INC. DEL.	337,398	332,424	2.06
2,900	OMEGA FINL. CORP.	93,090	77,981	4.61
68,300	OMEGA HEALTHCARE INVESTORS	1,208,447	1,081,189	6.82
51,300	ORIENTAL FINL. GROUP INC.	1,031,080	559,683	5.13
1,500	ORITANI FINL. CORP.	22,716	21,435	0.00
236,803	PACIFIC CAPITAL BANCORP NEW	7,647,634	6,388,945	3.26
2,800	PARK NATL. CORP.	276,813	237,412	N/A
3,700	PARKWAY PPTYS. INC.	187,659	177,711	5.41
400	PARTNERRE LTD.	30,999	31,000	2.14
10,000	PARTNERS TR FINL. GROUP INC. NEW	116,100	105,000	2.67
4,200	PATRIOT CAPITAL FUNDING INC.	62,706	62,370	8.62
1,200	PENNANTPARK INVESTMENT CORP.	16,872	16,848	3.99
7,500	PENNSYLVANIA REAL ESTATE INVST.	296,349	332,475	5.14
200	PENSON WORLDWIDE INC.	5,170	4,906	0.00
5,100	PEOPLES BANCORP INC.	144,556	138,057	3.25

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
	COMMON STOCK AND EQUITY FUNDS (continued)			
	Financials (continued)			
5,000	PEOPLES UTD FINL. INC.	80,646	88,650	3.01
49,792	PFF BANCORP INC.	1,645,559	1,390,691	2.72
100,001	PHILADELPHIA CONS HLDG. CORP.	2,196,508	4,180,042	0.00
98,200	PHOENIX COS. INC. NEW	1,541,339	1,473,982	1.07
3,500	PICO HLDGS. INC.	128,412	151,410	0.00
1,600	PINNACLE FINL. PARTNERS INC.	49,984	46,976	0.00
4,400	PIPER JAFFRAY COS.	298,153	245,212	0.00
13,900	PLATINUM UNDERWRITERS HOLDINGS	480,801	483,025	0.92
9,116	PLUM CREEK TIMBER CO. INC.	215,364	379,773	4.03
7,500	PMA CAPITAL CORP.	65,569	80,175	0.00
32,145	PNC FINL. SVCS. GROUP INC.	1,656,129	2,300,939	3.52
8,400	POST PPTYS. INC.	401,008	437,892	3.45
22,800	PREFERRED BANK LOS ANGELES CA	838,100	912,000	1.70
5,000	PRESIDENTIAL LIFE CORP.	108,467	98,300	2.54
36,220	PRICE T ROWE GROUP INC.	970,650	1,879,456	N/A
162,267	PRINCIPAL FINANCIAL GROUP	7,508,133	9,458,543	1.37
1,600	PRIVATE BANCORP INC.	45,472	46,080	1.04
9,200	PROASSURANCE CORP.	464,780	512,164	0.00
35,700	PROGRESSIVE CORP. OHIO	501,248	854,301	0.15
20,099	PROLOGIS	876,416	1,143,633	3.23
4,600	PROSPECT CAPITAL CORP.	78,384	80,362	8.93
8,200	PROSPERITY BANCSHARES INC.	279,893	268,632	1.37
56,700	PROTECTIVE LIFE CORP.	2,377,282	2,710,827	1.88
7,500	PROVIDENT BANCSHARES CORP.	266,727	245,850	N/A
15,200	PROVIDENT FINANCIAL SERVICES	277,096	239,552	2.54
9,800	PROVIDENT NEW YORK BANCORP	150,848	132,398	1.48
118,259	PRUDENTIAL FINL. INC.	6,261,755	11,498,323	0.98
11,100	PS BUSINESS PKS INC. CA	670,318	703,407	2.78
6,312	PUBLIC STORAGE	466,992	484,888	2.60
14,000	PXRE GROUP LIMITED BERMUDA	64,960	64,960	N/A
400	QC HLDGS. INC.	5,940	6,000	0.67
2,300	QUADRA REALTY TRUST	32,028	28,773	0.00
238,600	RADIAN GROUP INC.	11,983,285	12,884,400	0.15
14,700	RAIT FINANCIAL TRUST	507,783	382,494	12.91
4,200	RAM HOLDINGS LTD.	66,570	66,150	0.00
4,700	RAMCO GERSHENSON PPTYS. TR	173,180	168,871	5.15
490,165	RAYMOND JAMES FINANCIAL INC.	12,825,946	15,146,099	1.29
23,400	REALTY INCOME CORP.	654,516	589,446	6.09
4,900	REDWOOD TR INC.	288,312	237,062	6.20
75,659	REGIONS FINL. CORP. NEW	2,048,891	2,504,301	4.97
4,100	RENASANT CORP.	120,557	93,234	2.81
2,185	REPUBLIC BANCORP INC. KY	48,776	36,249	2.65
6,000	REPUBLIC PPTY. TR	67,544	73,500	4.08
26,100	RESOURCE CAPITAL CORP.	415,223	364,878	11.73
4,900	RLI CORP.	265,580	274,155	1.57
2,000	ROCKVILLE FINL. INC.	35,500	30,200	1.06
2,300	ROMA FINL. CORP.	37,095	38,111	1.45
4,250	ROYAL BANCSHARES PA INC.	98,329	83,764	5.83
5,700	S & T BANCORP INC.	194,950	187,530	3.65
5,900	S Y BANCORP INC.	153,019	140,184	2.69
164,768	SAFECO CORP.	10,478,187	10,258,456	2.57
3,800	SAFETY INS. GROUP INC.	192,856	157,320	2.42
4,300	SANDERS MORRIS HARRIS GROUP INC.	56,016	50,052	1.55
3,600	SANDY SPRING BANCORP INC.	133,709	113,184	2.93
1,000	SANTANDER BANCORP	17,790	14,860	4.31
2,100	SCBT FINL. CORP.	79,560	76,440	1.87
83,382	SCHWAB CHARLES CORP.	1,106,578	1,710,999	0.97
15,700	SCOTTISH R EGROUPT LIMITED	77,558	76,773	2.04
14,550	SEABRIGHT INS. HLDGS. INC.	260,747	254,334	0.00
3,400	SEACOAST BANKING CORP. FLA	76,692	73,950	2.94
12,900	SECURITY BANK CORP.	275,393	259,290	1.74
5,500	SECURITY CAPITAL ASSURANCE LTD.	167,145	169,785	0.26
34,598	SEI INVESTMENTS CO.	607,694	1,004,726	0.48
51,999	SELECTIVE INS. GROUP INC.	1,286,501	1,397,733	1.79
65,600	SENIOR HSG. PPTSY TR	1,249,005	1,334,960	6.68
400	SIGNATURE BANK NEW YORK NY	13,504	13,640	0.00
3,300	SIMMONS 1ST NATL. CORP.	103,113	91,047	2.61
14,940	SIMON PPTY GROUP INC. NEW	810,652	1,390,018	3.61
29,400	SL GREEN REALTY CORP.	1,572,222	3,642,366	2.26
33,918	SLM CORP.	1,450,232	1,952,998	1.74
17,200	SOUTH FINL. GROUP INC.	382,356	389,408	3.18
2,204	SOUTHSIDE BANCSHARES INC.	52,100	47,872	2.21
8,800	SOUTHWEST BANCORP INC. OKLA	222,226	211,552	1.54
17,446	SOVEREIGN BANCORP INC.	368,663	368,808	1.51
4,800	SOVRAN SELF STORAGE INC.	273,412	231,168	5.15
26,400	SPIRIT FIN. CORP.	328,151	384,384	6.04

Shares		Cost	Fair Value	Dividend Yield
	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
	Financials (continued)			
2,500	ST JOE CO.	132,375	115,850	1.38
17,400	STANCORP FINL. GROUP INC.	660,784	913,152	1.24
80,500	STATE AUTO FINL. CORP.	2,586,701	2,467,325	1.31
25,177	STATE STREET CORPORATION	1,205,577	1,722,107	1.29
4,300	STERLING BANCORP	80,668	68,929	4.74
107,231	STERLING BANCSHARES INC.	1,258,511	1,212,783	1.86
6,100	STERLING FINL. CORP.	138,461	64,172	5.70
104,388	STERLING FINL. CORP. WASH	2,993,760	3,020,989	1.17
2,700	STEWART (WP) & CO. LTD.	28,593	29,403	8.36
19,719	STEWART INFORMATION SVCS. CORP.	737,498	785,408	1.88
17,200	STRATEGIC HOTELS & RESORTS INC.	372,845	386,828	4.27
1,200	STRATUS PPTYS. INC.	37,164	41,400	0.00
19,300	STUDENT LOAN CORP.	3,490,381	3,935,270	2.81
400	SUFFOLK BANCORP	13,152	12,768	2.76
3,370	SUN BANCORP INC. N J	66,341	56,852	0.00
14,500	SUNSTONE HOTEL INVST. INC. NEW	402,206	411,655	4.51
31,331	SUNTRUST BANKS INC.	2,208,750	2,686,320	3.41
3,900	SUPERIOR BANCORP	41,927	39,897	0.00
12,100	SUSQUEHANNA BANCSHARES INC. PA	332,600	270,677	4.47
52,800	SVB FINL. GROUP	2,819,853	2,804,208	0.00
4,500	SWS GROUP INC.	101,700	97,290	1.48
19,360	SYNOVUS FINL. CORP.	421,450	594,352	2.67
3,200	TARRAGON CORPORATION	38,479	27,072	1.18
1,000	TAUBMAN CENTERS INC.	48,025	49,610	3.02
12,100	TAYLOR CAPITAL GROUP INC.	422,085	333,113	1.45
8,400	TD AMERITRADE HLDG. CORP.	139,548	168,000	0.00
4,514	TECHNOLOGY INVST. CAPITAL CORP.	72,244	71,276	9.12
4,800	TEXAS CAPITAL BANCSHARES INC.	106,608	107,280	0.00
600	TFS FINL. CORP.	7,204	6,924	0.00
5,000	THOMAS WEISEL PARTNERS GROUP	84,450	83,250	0.00
4,200	TIERONE CORP.	134,655	126,420	1.06
6,000	TOMPKINS FINANCIAL CORP.	248,064	224,400	3.21
4,613	TORCHMARK INC.	164,244	309,071	0.78
300	TRANSATLANTIC HOLDINGS INC.	21,275	21,339	0.90
393,167	TRAVELERS COS. INC.	16,465,733	21,034,435	2.17
2,700	TRIAD GTY. INC.	141,902	107,811	0.00
12,200	TRICO BANCSHARES	272,663	272,792	2.33
11,300	TRUSTMARK CORP.	367,948	292,218	3.40
2,600	U S B HOLDING INC.	56,093	49,556	3.15
10,700	U STORE IT TR	232,939	175,373	7.08
23,100	UCBH HOLDINGS INC.	411,350	422,037	0.66
4,600	UDR INC.	128,458	120,980	5.02
7,200	UMB FINL. CORP.	262,851	265,464	1.52
14,200	UMPQUA HLDGS. CORP.	413,144	333,842	3.06
3,100	UNION BANKSHARES CORP.	93,119	71,920	3.10
60,800	UNIONBANCAL CORP.	2,391,358	3,629,760	3.48
18,000	UNITED AMER. INDY LTD.	450,626	447,660	0.00
55,890	UNITED BANKSHARES INC. W VA	1,858,278	1,777,302	3.52
39,300	UNITED CMNTY BANKS INC. BLAIRSVIL	1,269,491	1,017,477	1.39
50,800	UNITED FIRE CAS CO.	1,863,061	1,797,304	1.53
45,200	UNIVERSAL AMER. FINL. CORP.	927,287	961,856	0.00
1,800	UNIVERSAL HEALTH REALTY INCOME	71,478	59,940	6.91
3,000	UNIVEST CORP. PA	86,726	67,560	3.55
150,993	UNUM GROUP	3,430,016	3,942,427	N/A
4,900	URSTADT BIDDLE PPTYS. INC.	92,913	83,349	5.41
644,103	US BANCORP DEL.	17,532,194	21,223,194	4.86
6,200	UTD COMMUNITY FINL.	76,942	61,876	N/A
4,500	VENTAS INC.	157,850	163,125	5.24
2,700	VIEWPOINT FINL. GROUP	47,065	46,467	1.16
500	VIRGINIA COMM BANCORP INC.	8,510	8,455	0.00
4,600	VIRGINIA FINL. GROUP INC.	123,157	102,120	2.88
6,400	VORNADO REALTY TR	562,617	702,976	3.10
513,159	WACHOVIA CORP. 2ND NEW	22,882,537	26,299,399	4.37
3,200	WADDELL & REED FINL. INC.	81,152	83,232	2.61
326,446	WASHINGTON MUTUAL INC.	11,855,046	13,919,657	5.16
2,600	WASHINGTON TR BANCORP INC.	73,372	65,546	3.17
2,000	WAUWATOSA HLDGS. INC.	35,880	33,080	0.00
2,600	WEINGARTEN REALTY INVST.	104,497	106,860	4.82
716,784	WELLS FARGO & CO. NEW	19,436,027	25,209,305	3.18
4,800	WESBANCO INC.	159,840	141,600	3.73
20,600	WEST COAST BANCORP ORE NEW	597,870	626,034	1.58
26,282	WESTAMERICA BANCORPORATION	1,302,474	1,162,716	3.07
1,700	WESTERN ALLIANCE BANCORPORATION	49,997	50,745	0.00
62,112	WESTERN UN CO.	1,163,490	1,293,793	0.19
2,300	WESTFIELD FINL. INC. NEW	23,588	22,931	2.01
6,200	WILLIAMS SCOTSMAN INTL. INC.	141,235	147,622	0.00

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Financials (continued)				
27,600	WILSHIRE BANCORP INC.	335,111	336,168	1.64
6,100	WINSTON HOTELS	82,899	91,500	4.00
29,700	WINTHROP REALTY TR	202,081	205,227	3.47
5,600	WINTRUST FINL. CORP.	259,098	245,560	0.73
19,500	WORLD ACCEPTANCE CORP.	889,513	833,235	0.00
9,800	WSFS FINL. CORP.	643,382	641,214	0.61
9,893	XL CAPITAL LTD.	750,037	833,881	1.80
2,300	YARDVILLE NATIONAL BANCORP	87,947	78,545	1.35
93,103	ZENITH NATL. INS. CORP.	4,415,062	4,384,220	3.57
5,357	ZIONS BANCORP	228,307	412,000	2.24
	Total Financials	<u>1,073,548,364</u>	<u>1,290,227,457</u>	
Healthcare				
278,806	ABBOTT LABS	12,687,503	14,930,061	2.43
58,200	ABIOMED INC.	661,238	627,396	0.00
800	ABRAXIS BIOSCIENCE INC.	20,473	17,784	0.00
7,347	ADOLOR CORP.	199,221	27,257	0.00
2,800	ADVANCED MED. OPTICS INC.	134,317	97,664	0.00
270,660	AETNA INC.	7,434,867	13,370,604	0.08
36,700	ALBANY MOLECULAR RESH INC.	525,921	544,995	0.00
114,486	ALLERGAN INC.	6,489,728	6,598,973	0.35
64,200	ALLIANCE IMAGING INC. DEL.	553,628	602,838	0.00
10,000	ALPHARMA INC.	247,013	260,100	0.69
4,700	AMEDISYS INC.	147,585	170,751	0.00
200	AMERICAN DENTAL PARTNERS INC.	5,012	5,194	0.00
118,600	AMERIGROUP CORP.	3,860,434	2,822,680	0.00
23,924	AMERISOURCEBERGEN CORP.	1,008,610	1,183,520	0.40
345,799	AMGEN INC.	19,267,353	19,119,227	0.00
100	AMICUS THERAPEUTICS INC.	1,083	1,150	0.00
7,100	AMSURG CORP.	169,187	171,394	0.00
139,300	AMYLIN PHARMACEUTICALS INC.	5,599,210	5,733,588	0.00
75,340	ANGIODYNAMICS INC.	1,237,032	1,356,873	0.00
1,100	ANIMAL HEALTH INTERNATIONAL	14,911	15,939	0.00
18,200	APPLERA CORP.	251,398	225,680	N/A
89,852	APPLERA CORP. APPLIED BIOSYS	2,584,740	2,744,080	0.00
84,900	APRIA HEALTHCARE GROUP INC.	2,558,431	2,442,573	0.00
14,100	ARENA PHARMACEUTICALS INC.	166,724	154,959	0.00
6,700	ARIAD PHARMACEUTICALS INC.	33,498	36,783	0.00
9,900	ASSISTED LIVING CONCEPTS INC. N	107,019	105,435	0.00
219,870	BARD C R INC.	15,568,603	18,167,858	0.73
62,741	BARR PHARMACEUTICALS INC.	3,358,162	3,151,480	0.00
3,494	BAUSCH & LOMB INC.	120,462	242,623	0.75
182,228	BAXTER INTL. INC.	7,480,385	10,266,726	1.19
2,100	BECKMAN COULTER INC.	116,915	135,828	0.99
138,582	BECTON DICKINSON & CO.	7,920,650	10,324,359	1.32
2,100	BENTLEY PHARMACEUTICALS INC.	19,320	25,494	0.00
4,400	BIO RAD LABORATORIES INC.	369,597	332,508	0.00
63,599	BIOGEN IDEC INC.	2,775,445	3,402,547	0.00
20,796	BIOMET INC.	698,342	950,793	0.66
1,400	BIONOVO INC.	5,950	5,404	0.00
1,600	BIOSITE INC.	126,222	147,984	0.00
280,726	BOSTON SCIENTIFIC CORP.	4,949,019	4,306,337	0.00
2,100	BRADLEY PHARMACEUTICALS INC.	47,124	45,591	0.00
186,681	BRISTOL MYERS SQUIBB CO.	5,039,662	5,891,652	3.55
2,600	CANTEL MED. CORP.	43,368	44,226	0.00
3,900	CAPITAL SR LIVING CORP.	38,961	36,738	0.00
9,500	CARACO PHARMACEUTICAL LABS	125,214	144,210	0.00
31,694	CARDINAL HEALTH INC.	2,134,145	2,238,864	0.68
128,900	CELGENE CORP.	5,789,138	7,389,837	0.00
86,800	CENTENE CORP. DEL.	1,527,261	1,859,256	0.00
2,300	CEPHALON INC.	148,427	184,897	0.00
75,499	CEPHEID	675,316	1,102,285	0.00
141,878	CHARLES RIV LABORATORIES INTL	6,342,715	7,323,742	0.00
318,023	CIGNA CORP.	11,949,076	16,607,161	0.08
300	COMMUNITY HEALTH SYS. INC. NEW	10,638	12,135	0.00
600	COMPUTER PROGRAMS & SYS. INC.	18,354	18,588	4.65
65,500	CONMED CORP.	1,834,150	1,917,840	0.00
1,100	COOPER COS. INC.	60,071	58,652	0.11
149,877	COVANCE INC.	6,972,360	10,275,567	0.00
172,450	COVENTRY HEALTH CARE INC.	6,597,791	9,941,743	0.00
6,800	CROSS COUNTRY HEALTHCARE INC.	138,364	113,424	0.00
20,500	CUBIST PHARMACEUTICALS INC.	449,305	404,055	0.00
2,000	CYTOKINETICS INC.	11,960	11,300	0.00
177,913	CYTYC CORP.	4,489,801	7,669,829	1.75
3,300	DADE BEHRING HLDGS. INC.	128,453	175,296	0.38
43,220	DATASCOPE CORP.	1,599,169	1,654,462	1.04

Shares		Cost	Fair Value	Dividend Yield
	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
	Healthcare (continued)			
189,000	DAVITA INC.	11,106,177	10,183,320	0.00
5,900	DENTSPLY INTL. INC. NEW	175,846	225,734	0.42
2,500	EDWARDS LIFESCIENCES CORP.	110,456	123,350	0.00
1,300	EMERGENT BIOSOLUTIONS INC.	18,705	13,390	0.00
700	EMERITUS CORP.	19,870	21,686	0.00
4,500	ENDO PHARMACEUTICALS HLDGS.	146,588	154,035	0.00
1,400	ENZON PHARMACEUTICALS INC.	11,452	10,990	0.00
44,883	EXELIXIS INC.	368,342	543,084	0.00
282,256	EXPRESS SCRIPTS INC.	10,318,554	14,115,623	0.00
26,234	FOREST LABS INC.	1,165,092	1,197,582	0.00
42,743	FOXHOLLOW TECHNOLOGIES INC.	1,132,514	907,861	0.00
2,300	GEN PROBE INC. NEW	127,407	138,966	0.00
44,854	GENENTECH INC.	3,689,662	3,393,654	N/A
4,300	GENESIS HEALTHCARE CORP.	209,562	294,206	0.00
26,500	GENTIVA HEALTH SVCS. INC.	521,729	531,590	0.00
28,730	GENZYME CORP.	1,409,789	1,850,212	0.00
180,892	GILEAD SCIENCES INC.	4,826,729	7,013,183	0.00
500	HAEMONETICS CORP. MASS	26,125	26,305	0.00
144,010	HANGER ORTHOPEDIC GROUP	1,778,030	1,555,308	0.00
400	HANSEN MED. INC.	6,809	7,556	0.00
3,800	HEALTH NET INC.	161,074	200,640	0.00
18,200	HEALTHSOUTH CORP.	349,258	329,602	0.00
4,100	HEALTHSPRING INC.	77,435	78,146	0.00
204,290	HEALTHWAYS INC.	8,254,566	9,677,217	0.00
800	HILLENBRAND INDS. INC.	40,181	52,000	1.75
46,800	HLTH CORP.	731,916	655,668	0.00
217,340	HOSPIRA INC.	8,824,294	8,484,954	1.32
13,867	HUMANA INC.	368,765	844,639	0.00
1,000	ICU MEDICAL INC.	40,470	42,940	0.00
107,830	IDEXX LABS INC.	8,553,295	10,203,953	0.00
2,000	IMCLONE SYS. INC.	75,900	70,720	0.00
1,800	IMMUNOMEDICS INC.	7,794	7,470	0.00
285,906	IMS HEALTH INC.	8,095,403	9,186,160	0.37
7,800	INCYTE CORP.	46,176	46,800	0.00
1,200	INDEVUS PHARMACEUTICALS INC.	8,604	8,076	0.00
300	INSULET CORP. COM	4,155	4,260	0.00
140,280	INTEGRA LIFESCIENCES CORP.	4,901,234	6,932,638	0.00
900	INTERMUNE INC.	22,833	23,346	0.00
7,900	INTUITIVE SURGICAL INC.	1,036,638	1,096,283	0.00
6,600	INVACARE CORP.	157,212	120,978	0.27
7,800	INVERNESS MED. INNOVATIONS INC.	301,468	397,956	0.00
8,400	INVITROGEN CORP.	600,291	619,500	0.00
9,200	ISIS PHARMACEUTICALS	87,676	89,056	0.00
472,006	JOHNSON & JOHNSON	28,246,988	29,085,010	2.69
700	KENSEY NASH CORP.	20,839	18,767	0.00
7,000	KINDRED HEALTHCARE INC.	189,120	215,040	0.00
2,000	KINETIC CONCEPTS INC.	73,596	103,940	0.00
279,992	KING PHARMACEUTICALS INC.	5,030,254	5,728,636	0.00
131,664	KYPHON INC.	4,543,792	6,339,622	0.00
175,200	LABORATORY CORP. AMER. HLDGS.	11,067,002	13,711,152	0.00
29,000	LCA VISION INC.	1,197,175	1,370,540	1.52
4,300	LHC GROUP INC.	130,616	112,660	0.00
52,069	LIFEPOINT HOSPS. INC.	2,105,187	2,014,029	0.00
166,188	LILLY ELI & CO.	9,435,369	9,286,585	3.04
21,200	LINCARE HLDGS. INC.	875,850	844,820	0.00
7,600	MAGELLAN HEALTH SVCS. INC.	324,741	353,172	0.00
9,600	MANNKIND CORP.	120,960	118,368	0.00
6,068	MANOR CARE INC. NEW	183,370	396,180	1.04
7,500	MARTEK BIOSCIENCES CORP.	178,250	194,775	0.00
86,740	MATRIA HEALTHCARE INC.	2,836,786	2,626,487	0.00
137,050	MATRIXX INITIATIVES INC.	2,049,628	2,868,457	0.00
4,700	MAXIMUS INC.	142,081	203,886	0.92
5,600	MAXYGEN INC.	48,720	47,992	0.00
42,671	MCKESSON CORP.	1,921,130	2,544,898	0.40
7,100	MEDCATH CORP.	193,675	225,780	0.00
43,113	MEDCO HEALTH SOLUTIONS INC.	2,366,134	3,362,383	0.00
500	MEDICAL ACTION IND INC.	10,313	9,030	0.00
150,487	MEDTRONIC INC.	7,296,613	7,804,256	0.96
625,980	MERCK & CO. INC.	25,367,404	31,173,804	3.05
5,400	MERIT MED. SYS. INC.	88,452	64,584	0.00
55,010	MGI PHARMA INC.	1,221,018	1,230,574	0.00
6,000	MILLENNIUM PHARMACEUTICALS	54,981	63,420	0.00
114,599	MILLIPORE CORP.	8,200,195	8,605,239	0.00
4,100	MINE SAFETY APPLIANCES CO.	156,705	179,416	2.01
100	MOLECULAR INSIGHT PHARMCEUTCAL	1,002	944	0.00
3,200	MOLINA HEALTHCARE INC.	102,203	97,664	0.00

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
	Healthcare (continued)			
3,000	MOMENTA PHARMACEUTICALS INC.	34,470	30,240	0.00
20,400	MYLAN LABS INC.	448,391	371,076	1.32
8,000	NABI BIOPHARMACEUTICALS	57,840	36,800	0.00
600	NATIONAL HEALTHCARE CORP.	31,682	30,960	1.63
4,100	NEUROCRINE BIOSCIENCES INC.	43,543	46,043	0.00
7,200	ODYSSEY HEALTHCARE INC.	88,128	85,392	0.00
94,400	OMNICARE INC.	3,882,322	3,404,064	0.25
4,100	OPTION CARE INC.	57,482	63,140	0.52
200	OREXIGEN THERAPEUTICS INC.	2,856	3,004	0.00
33,908	OWENS & MINOR INC. NEW	1,014,915	1,184,746	1.95
900	PAR PHARMACEUTICAL COS. INC.	18,639	25,407	0.00
11,400	PATTERSON COS. INC.	421,529	424,878	0.00
3,900	PDL BIOPHARMA INC.	82,456	90,870	0.00
1,600	PEDIATRIX MED. GROUP	72,476	88,240	0.00
8,400	PERRIGO CO.	139,826	164,472	0.92
2,425,589	PFIZER INC.	67,013,752	62,022,311	4.54
533,805	PHARMACEUTICAL PROD DEV. INC.	15,613,290	20,428,717	0.31
22,800	PHARMANET DEV. GROUP INC.	505,743	726,864	0.00
58,380	PRA INTL	1,323,667	1,477,014	0.00
120,849	PSYCHIATRIC SOLUTIONS INC.	4,464,864	4,381,985	0.00
32,738	QUEST DIAGNOSTICS INC.	1,522,447	1,690,918	0.77
11,000	QUIDEL CORP.	192,465	193,160	0.00
97,830	REHAB CARE GROUP INC.	1,851,777	1,393,099	0.00
5,600	RES CARE INC.	107,360	118,384	0.00
162,355	RESMED INC.	5,538,120	6,698,767	0.00
27,427	RESPIRONICS INC.	799,064	1,168,116	0.00
900	RIGEL PHARMACEUTICALS INC.	10,728	8,019	0.00
112,589	SALIX PHARMACEUTICALS LTD.	1,757,892	1,384,845	0.00
3,000	SCHEIN HENRY INC.	142,500	160,290	0.00
150,250	SCHERING PLOUGH CORP.	3,095,242	4,573,610	0.85
124,200	SCIELE PHARMA INC.	2,553,355	2,926,152	0.00
3,600	SEPRACOR INC.	171,695	147,672	0.00
1,900	SIERRA HEALTH SVCS. INC.	72,191	79,002	0.00
100	SIRTRIS PHARMACEUTICALS INC.	1,012	987	0.00
2,400	SKILLED HEALTHCARE GROUP INC.	38,472	37,224	0.00
35,472	SONOSITE INC.	1,117,060	1,114,885	0.00
189,122	ST JUDE MED. INC.	6,639,887	7,846,672	0.00
8,200	STERIS CORP.	214,865	250,920	0.65
23,500	STEWART ENTERPRISES INC.	146,875	183,065	1.28
37,490	STRYKER CORP.	1,589,256	2,365,244	0.35
81,900	SUNRISE SENIOR LIVING INC.	2,322,836	3,275,181	0.00
43,374	SURMODICS INC.	1,453,331	2,168,700	0.00
4,700	SYMBION INC. DE	92,418	102,037	0.00
7,400	SYMMETRY MED. INC.	109,963	118,474	0.00
11,855	TECHNE CORP.	488,630	678,225	0.00
800	TELIK INC.	2,664	2,704	0.00
35,284	TENET HEALTHCARE CORP.	715,235	229,699	0.00
170,880	THIRD WAVE TECHNOLOGIES INC.	798,942	999,648	0.00
38,609	THORATEC CORP.	605,498	710,020	0.00
700	TIENS BIOTECH GROUP USA INC.	2,933	2,681	0.00
300	TOMOTHERAPY INC.	6,336	6,576	0.00
200	TRIAD HOSPS. INC.	8,150	10,752	0.00
486,428	UNITED HEALTH GROUP INC.	21,814,211	24,875,928	0.06
400	UNIVERSAL HEALTH SVCS. INC.	20,764	24,600	0.52
11,200	VARIAN MED. SYS. INC.	559,407	476,112	0.00
2,800	VCA ANTECH INC.	90,132	105,532	0.00
16,100	VENTANA MED. SYS. INC.	804,327	1,244,047	0.00
4,400	VERTEX PHARMACEUTICALS INC.	169,112	125,664	0.00
39,300	VIROPHARMA INC.	525,791	542,340	0.00
200	VITAL IMAGES INC.	5,142	5,432	0.00
300	VITAL SIGNS INC.	15,972	16,665	0.72
3,000	WARNER CHILCOTT LIMITED	52,491	54,270	0.00
6,933	WATSON PHARMACEUTICALS INC.	199,985	225,530	0.00
300	WEBMD HEALTH CORP.	14,099	14,121	0.00
1,400	WELL CARE HEALTH PLANS INC.	81,299	126,714	0.00
147,680	WELLPOINT INC.	9,641,230	11,789,294	0.00
89,777	WRIGHT MED. GROUP INC.	1,830,340	2,165,421	0.00
180,434	WYETH	7,826,254	10,346,086	1.81
4,200	XOMA LTD.	13,020	12,768	0.00
19,935	ZIMMER HOLDINGS INC.	1,056,342	1,692,282	0.00
1,200	ZOLL MED. CORP.	32,234	26,771	0.00
	Total Healthcare	<u>535,581,478</u>	<u>612,033,064</u>	

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
	Industrials			
232,397	3M COMPANY	17,553,491	20,169,736	2.21
1,900	A S V INC.	35,055	32,832	0.00
67,900	AAR CORP.	2,039,338	2,241,379	0.00
9,300	ABM INDS. INC.	196,954	240,033	1.86
13,500	ABX AIR INC.	93,150	108,810	0.00
800	ACTUANT CORP.	50,056	50,448	0.13
13,700	ACUITY BRANDS INC.	849,321	825,836	1.00
32,000	ADMINISTAFF INC.	619,462	1,071,680	1.31
68,350	ADVANCE AMER. CASH ADVANCE	1,047,758	1,212,529	2.82
2,100	AECOM TECHNOLOGY CORP.	50,841	52,101	0.00
145,956	AEROFLEX INC.	1,664,236	2,068,197	0.00
2,700	AGCO CORP.	85,377	117,207	0.00
51,144	AIMC	838,762	883,768	N/A
800	AIRCASTLE LTD.	32,382	31,848	4.35
9,900	ALASKA AIR GROUP INC.	326,417	275,814	0.00
6,800	ALBANY INTL. CORP.	265,812	274,992	1.09
26,434	ALEXANDER & BALDWIN INC.	1,009,201	1,403,910	2.18
2,700	ALLIANCE DATA SYSTEMS CORP.	144,396	208,656	0.00
75,176	ALLIANT TECHSYSTEMS INC.	4,696,879	7,453,700	0.00
243,638	ALLIED WASTE INDUSTRIES INC.	2,857,568	3,279,367	0.00
1,300	AMBASSADORS INTL. INC.	56,342	43,238	1.20
2,500	AMERCO	198,968	188,750	0.00
50,710	AMERICAN COML. LINES INC.	1,548,427	1,320,996	0.00
300	AMERICAN ECOLOGY CORP.	6,453	6,426	2.80
89,709	AMERICAN STD. COS. INC. DEL.	3,310,512	5,291,037	1.22
59,792	AMERICAN SUPERCONDUCTOR CORP.	842,597	1,154,584	0.00
2,700	AMERICAN WOODMARK CORP.	93,015	93,420	0.69
3,600	AMETEK INC. NEW	119,760	142,848	0.60
1,500	AMPSCO PITTSBURGH CORP.	51,795	60,135	1.50
8,100	AMR CORP. DEL.	231,583	213,435	0.00
300	AMREP CORP.	28,363	14,265	0.00
101,682	APOGEE ENTERPRISES INC.	2,005,396	2,828,793	0.97
73,719	APOLLO GROUP INC.	3,390,209	4,307,401	0.00
8,200	APPLIED INDL. TECHNOLOGIES INC.	247,640	241,900	1.63
61,506	APPLIED SIGNAL TECHNOLOGY INC.	1,573,824	960,109	3.20
50,410	ARGON ST INC.	959,816	1,170,016	0.00
5,200	ARKANSAS BEST CORP.	190,040	202,644	1.54
7,700	ARMOR HLDGS. INC.	378,738	668,899	0.00
35,363	ASTEC INDS. INC.	930,826	1,493,026	0.00
17,700	ATLAS AIR WORLDWIDE HLDGS. INC.	912,340	1,043,238	0.00
52,411	AVERY DENNISON CORP.	3,355,865	3,484,283	2.41
500	BADGER METER INC.	13,820	14,130	1.13
20,700	BARNES GROUP INC.	351,730	655,776	1.77
600	BARRET BUSINESS SVCS. INC.	14,256	15,498	0.00
22,800	BE AEROSPACE INC.	548,226	941,640	0.00
28,000	BISYS GROUP INC.	339,119	331,240	0.00
26,540	BLOCK H & R INC.	596,392	620,240	2.44
8,800	BLOUNT INTL. INC. NEW	114,532	115,104	0.00
222,968	BOEING CO.	14,718,399	21,440,603	1.46
6,400	BOWNE & CO. INC.	100,416	124,864	1.13
32,600	BRADY CORP.	1,172,015	1,210,764	1.51
11,500	BRIGGS & STRATTON CORP.	315,071	362,940	2.79
29,500	BRINKS CO.	1,236,215	1,825,755	2.79
4,700	BRISTOW GROUP INC.	170,349	232,885	0.00
93,400	BUCYRUS INTL. INC. NEW	3,402,521	6,610,852	0.28
3,200	BUILDERS FIRSTSOURCE INC.	51,488	51,392	0.00
128,993	BURLINGTON NORTHN SANTA FE	9,169,552	10,982,464	1.17
2,400	C D I CORP.	61,272	77,280	1.37
82,600	C H ROBINSON WORLDWIDE INC.	4,166,391	4,338,152	1.37
3,200	CAREER ED CORP.	104,224	108,064	0.00
19,900	CARLISLE COS. INC.	845,845	925,549	1.16
2,200	CASCADE CORP.	116,072	172,568	0.92
5,200	CASELLA WASTE SYS. INC.	57,741	56,056	0.00
342,572	CATERPILLAR INC.	20,210,796	26,823,388	1.84
74,860	CELADON GROUP INC.	1,188,747	1,190,274	0.00
3,900	CERADYNE INC. CALIF	244,725	288,444	0.00
4,400	CERIDIAN CORP. NEW	108,956	154,000	0.00
1,000	CHART INDS. INC.	15,270	28,440	0.00
202,200	CHECKFREE CORP.	8,238,358	8,128,440	0.00
400	CHEMED CORP. NEW	26,188	26,516	0.36
2,600	CHOICEPOINT INC.	117,780	110,370	0.00
10,013	CINTAS CORP.	455,161	394,813	0.99
3,800	CIRCOR INTL. INC.	136,216	153,634	0.37
6,000	CLARCOR INC.	203,190	224,580	N/A
192,025	COGENT INC.	5,157,698	2,820,847	0.00
4,600	COINSTAR INC.	145,222	144,808	0.00

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
	Industrials (continued)			
1,900	COLUMBUS MCKINNON CORP. NY	59,185	61,180	0.00
8,400	COMFORT SYS. USA INC.	110,232	119,112	0.99
4,900	COMPASS DIVERSIFIED TR	85,373	87,367	6.73
300	COMPX INTL. INC.	5,298	5,550	2.70
1,200	CON WAY INC.	72,012	60,288	0.80
7,200	CONSOLIDATED GRAPHICS INC.	392,281	498,816	0.00
3,552	CONTINENTAL AIRLS INC.	100,000	120,306	0.00
6,614	CONVERGYS CORP.	97,152	160,323	0.00
10,938	COOPER INDUSTRIES LTD.	262,578	624,450	1.38
91,000	CORINTHIAN COLLEGES INC.	1,341,717	1,482,390	0.00
2,500	CORNELL COMPANIES INC.	46,300	61,400	N/A
1,300	CORPORATE EXECUTIVE BRD CO.	137,280	84,383	2.46
4,000	COVANTA HLDG. CORP.	72,204	98,600	0.00
300	CRA INTL. INC.	14,945	14,460	0.00
99,600	CSG SYS. INTL. INC.	2,002,099	2,640,396	0.00
175,906	CSX CORP.	5,205,061	7,929,842	1.33
1,300	CUBIC CORP.	29,029	39,234	0.60
94,478	CUMMINS INC.	1,694,298	9,562,118	0.71
5,400	CURTISS WRIGHT CORP.	190,629	251,694	0.51
63,045	DANAHER CORP.	3,663,420	4,759,898	0.16
142,030	DARLING INTL. INC.	888,470	1,298,154	0.00
22,323	DEERE & CO.	1,924,802	2,695,279	1.46
8,100	DELTA AIR LINES INC. DE	159,952	159,570	0.00
12,000	DELUXE CORP.	303,935	487,320	2.46
10,200	DIAMOND MGMT. TECHNOLOGY	134,119	134,640	2.27
1,900	DIONEX CORP.	137,022	134,881	0.00
5,200	DISCOVERY HLDG. CO.	99,715	119,548	0.00
33,300	DOLLAR THRIFTY AUTOMOTIVE GROUP	1,578,901	1,359,972	0.00
140,700	DONALDSON CO. INC.	5,171,615	5,001,885	1.01
10,679	DONNELLEY R R & SONS CO.	271,816	464,643	2.39
20,873	DOVER CORP.	743,063	1,067,654	1.45
100	DRS TECHNOLOGIES INC.	4,672	5,727	0.21
1,800	DST SYS. INC. DEL.	113,814	142,578	0.00
8,674	DUN & BRADSTREET CORP. DEL. NEW	582,016	893,249	0.97
4,900	DYCOM INDS. INC.	100,842	146,902	0.00
5,000	DYNCORP INTL. INC.	88,078	109,950	0.00
7,000	EAGLE BULK SHIPPING INC.	154,070	156,870	9.01
22,408	EATON CORP.	1,214,532	2,083,944	1.85
3,800	EDO CORP.	88,996	124,906	0.37
47,647	EFUNDS CORP.	1,137,163	1,681,463	0.00
3,900	EGL INC.	181,467	181,272	0.00
4,000	ELECTRO RENT	60,560	58,160	2.75
29,500	EMCOR GROUP INC.	1,766,075	2,150,550	0.00
68,010	EMERSON ELEC. CO.	2,133,930	3,182,868	2.24
5,400	ENCORE WIRE CORP.	164,592	158,976	0.27
1,400	ENERGIZER HLDGS. INC.	71,134	139,440	0.00
4,900	ENERSYS	79,772	89,670	0.00
160,480	ENGLOBAL CORP.	1,351,844	1,949,832	0.00
5,900	ENNIS INC.	134,881	138,768	2.64
67,900	ENPRO INDS. INC.	2,010,359	2,905,441	0.00
249,304	EQUIFAX INC.	8,425,159	11,074,084	0.36
41,040	ESTERLINE TECHNOLOGIES CORP.	1,508,874	1,982,642	0.00
7,200	EXPEDITORS INTL. WA INC.	377,362	297,360	0.68
16,400	EXPRESSJET HOLDINGS INC.	125,077	98,072	0.00
1,500	FACTSET RESH. SYS. INC.	72,908	102,525	0.70
280,960	FASTENAL CO.	8,473,379	11,760,986	1.00
54,987	FEDEX CORP.	5,025,336	6,101,907	0.36
10,500	FIRST ADVANTAGE CORP.	248,881	241,605	0.00
136,210	FIRST CONSULTING GROUP	1,344,421	1,293,995	0.00
304,725	FISERV INC.	15,435,067	17,308,380	0.00
146,950	FLANDERS CORP.	1,421,423	1,131,515	0.00
19,600	FLOWSERVE CORP.	1,203,594	1,403,360	0.84
7,269	FLUOR CORP. NEW	415,155	809,549	0.72
1,600	FORWARD AIR CORP.	52,826	54,544	0.82
200	FOSTER L B CO.	5,408	5,736	0.00
2,400	FOSTER WHEELER LTD.	252,569	256,776	0.00
2,700	FREIGHTCAR AMER. INC.	139,589	129,168	0.50
4,400	FTD GROUP INC.	78,766	81,004	3.53
5,000	G & K SERVICES	193,519	197,550	0.40
7,500	GARDNER DENVER INC.	278,989	319,125	0.00
700	GATX CORPORATION	29,748	34,475	1.95
2,400	GEHL CO.	68,488	72,864	0.00
3,900	GENCO SHIPPING & TRADING LTD.	157,131	160,914	6.11
74,941	GENERAL DYNAMICS CORP.	4,272,264	5,861,885	1.48
1,329,108	GENERAL ELEC. CO.	38,891,752	50,878,254	2.93
1,800	GENERALE CABLE CORP. DEL. NEW	141,025	136,350	0.00

Shares		Cost	Fair Value	Dividend Yield
	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
	Industrials (continued)			
3,900	GENESEE & WYO INC.	118,560	116,376	0.00
99,300	GENLYTE GROUP INC.	8,513,138	7,799,022	0.00
8,229	GENUINE PARTS CO.	243,782	408,158	2.94
3,400	GEVITY HR INC.	73,780	65,722	1.86
500	GLOBAL CASH ACCESS HLDGS. INC.	8,040	8,010	0.00
488,284	GLOBAL PMTS. INC.	18,184,289	19,360,461	0.20
6,300	GOLAR LNG. LIMITED	106,344	104,958	6.00
4,300	GOODMAN GLOBAL INC.	71,911	95,546	0.00
20,723	GOODRICH CORP.	761,617	1,234,262	1.34
20,200	GRACO INC.	760,416	813,656	1.64
137,209	GRAINGER W W INC.	8,755,612	12,767,297	1.50
41,400	GRANITE CONSTR INC.	2,093,918	2,657,052	0.62
200	GREAT LAKES DREDGE	1,872	1,900	0.00
3,700	GREENBRIER COS. INC.	124,485	111,814	1.06
6,900	GRIFFON CORP.	165,821	150,282	0.00
2,600	HARDINGE INC.	87,256	88,478	0.59
84,800	HARSCO CORP.	2,575,866	4,409,600	1.37
293,510	HEADWATERS INC.	7,813,388	5,068,918	0.00
9,000	HEARTLAND EXPRESS INC.	140,290	146,700	0.49
28,100	HEIDRICK & STRUGGLES INTL. INC.	1,317,351	1,439,844	0.00
47,200	HEWITT ASSOCS INC.	1,262,518	1,510,400	0.00
194,200	HEXCEL CORP. NEW	4,029,362	4,091,794	0.00
7,000	HOME SOLUTIONS AMER. INC.	44,380	41,860	0.00
226,065	HONEYWELL INTL. INC.	9,036,653	12,722,938	1.78
28,400	HORNBECK OFFSHORE SVCS. INC. NEW	1,104,712	1,100,784	0.00
700	HUBBELL INC.	33,682	37,954	2.43
3,300	HUNT J B TRANS. SVCS. INC.	85,272	96,756	1.23
11,900	HURON CONSULTING GROUP INC.	722,661	868,819	0.00
28,617	ICF INTL. INC.	623,755	575,774	0.00
65,714	ICONIX BRAND GROUP INC.	1,248,626	1,460,165	0.00
700	ICT GROUP INC.	12,936	13,097	0.00
51,439	IDEX CORP.	1,392,052	1,982,459	1.25
122,818	ILLINOIS TOOL WKS INC.	5,567,712	6,655,507	1.55
4,900	INFOUSA INC. NEW	49,833	50,078	2.45
14,664	INGERSOLL RAND COMPANY LIMITED	289,007	803,880	1.31
6,300	INSITUFORM TECHNOLOGIES INC.	163,634	137,403	0.00
2,200	INSTEEL INDS. INC.	40,480	39,600	0.67
1,600	INTEGRATED ELECTRICAL SVCS. INC.	50,112	52,752	0.00
2,600	INTERPOOL INC.	59,800	69,940	3.72
43,431	IROBOT CORP.	683,822	862,105	0.00
543,600	IRON MTN. INC. PA	12,529,098	14,204,255	0.00
119,402	ITT CORP. NEW	6,268,347	8,152,769	0.82
1,400	ITT EDL SVCS. INC.	91,518	164,332	0.00
5,900	JACOBS ENGR GROUP INC.	276,107	339,309	0.00
35,600	JETBLUE AWVYS CORP.	423,972	418,300	0.00
93,800	JOY GLOBAL INC.	2,722,009	5,471,354	1.03
3,000	KADANT INC.	73,560	93,600	0.00
3,700	KAMAN CORP.	87,320	115,403	1.60
1,500	KANSAS CITY SOUTHERN	41,546	56,310	0.00
45,100	KAYDON CORP.	1,647,225	2,350,612	0.92
4,200	KELLY SVCS. INC.	121,485	115,332	1.82
52,619	KENNAMETAL INC.	3,351,542	4,316,337	0.83
45,500	KFORCE INC.	523,791	727,090	0.00
1,800	KIRBY CORP.	71,096	69,102	0.00
1,800	KOPPERS HLDGS. INC.	41,130	60,624	2.02
1,800	KORN / FERRY INTL	40,140	47,268	0.00
34,000	L 3 COMMUNICATIONS HLDG. CORP.	3,200,914	3,311,260	1.03
54,200	LABOR READY INC.	1,178,869	1,252,562	0.00
12,600	LADISH COMPANY INC.	416,674	541,800	0.00
26,100	LAMSON & SESSIONS CO.	675,367	693,477	0.00
1,000	LANDAUER INC.	51,143	49,250	3.86
21,285	LANDSTAR SYS. INC.	1,040,424	1,027,001	0.25
192,295	LAUREATE ED INC.	7,500,119	11,856,910	3.86
24,600	LAYNE CHRISTENSEN CO.	801,757	1,007,370	0.00
52,500	LECG CORP.	866,010	793,275	0.00
200	LENNOX INTL. INC.	6,799	6,846	1.52
300	LINCOLN EDL SVCS. CORP.	4,350	4,458	0.00
29,528	LINCOLN ELEC. HLDGS. INC.	1,337,791	2,192,159	1.19
1,700	LINDSAY CORP.	59,568	75,293	0.59
280,381	LOCKHEED MARTIN CORP.	17,962,641	26,392,264	1.49
8,800	MANITOWOC INC.	465,239	707,344	0.17
2,900	MANPOWER INC. WIS	202,465	267,496	0.69
3,500	MARTEN TRANS. LTD.	62,690	63,035	0.00
176,971	MASCO CORP.	5,416,281	5,038,364	3.23
1,600	MASTEC INC.	18,864	25,312	0.00
2,700	MASTERCARD INC.	201,858	447,849	0.36

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
	Industrials (continued)			
5,900	MCDERMOTT INTL. INC.	410,358	490,408	0.00
2,600	MIDDLEBY CORP.	105,799	155,532	0.00
31,400	MILLER HERMAN INC.	1,070,238	992,240	1.11
7,000	MILLER INDS. INC. TENN	171,634	175,700	0.00
46,920	MOBILE MINI INC.	1,184,578	1,370,064	0.00
237,600	MONEYGRAM INTL. INC.	7,392,851	6,640,920	0.72
10,553	MONSTER WORLDWIDE INC.	343,910	433,728	0.00
118,575	MOOG INC.	3,651,284	5,230,343	0.00
30,200	MSC INDL. DIRECT INC.	1,482,345	1,661,000	1.31
8,600	MUELLER INDS. INC.	284,259	296,184	1.16
26,500	MUELLER WTR PRODS. INC.	500,274	452,090	0.41
100	MULTI COLOR CORP.	3,710	3,931	0.51
1,400	NACCO INDS. INC.	203,699	217,686	1.29
42,300	NAVIGANT CONSULTING CO.	837,229	785,088	0.00
41,580	NCI BLDG SYS. INC.	2,268,927	2,051,141	0.00
1,900	NORDSON CORP.	92,480	95,304	1.06
25,898	NORFOLK SOUTHN CORP.	770,627	1,361,458	1.67
293,282	NORTHROP GRUMMAN CORP.	17,082,069	22,837,869	1.90
500	OLD DOMINION FGHT LINES INC.	14,810	15,075	0.00
6,400	ON ASSIGNMENT INC.	69,632	68,608	0.00
55,416	ORBITAL SCIENCES CORP.	692,677	1,164,290	0.00
3,000	OSHKOSH TRUCK CORP.	163,979	188,760	0.64
20,859	PACCAR INC.	833,810	1,815,567	1.15
282,700	PACER INTL. INC. TN	8,361,176	6,649,104	2.55
10,441	PALL CORP.	287,371	480,182	1.04
1,800	PARK OH HLDGS. CORP.	43,830	49,140	0.00
62,635	PARKER HANNIFIN CORP.	5,812,315	6,132,593	1.06
400	PATRIOT TRANS. HLDG. INC.	36,779	34,680	0.00
2,600	PEOPLESUPPORT INC.	30,836	29,510	0.00
45,400	PERINI CORP.	1,488,292	2,793,462	0.00
1,700	PGT INC.	21,246	18,581	0.00
12,400	PHH CORP.	349,276	387,004	0.00
1,500	PHI INC.	45,957	44,685	0.00
2,700	PIONEER COS INC.	87,309	92,799	0.00
336,004	PITNEY BOWES INC.	14,688,717	15,731,707	2.82
600	POWELL INDS. INC.	17,994	19,056	0.00
16,200	POWER ONE INC.	101,592	64,476	0.00
114,367	PRECISION CASTPARTS CORP.	9,466,541	13,879,579	0.10
600	PREFORMED LINE PRODS. CO.	31,248	28,806	1.67
200	PROTECTION ONE INC.	3,042	2,992	0.00
600	PROVIDENCE SVC. CORP.	16,584	16,032	0.00
38,220	QUANTA SERVICES INC.	792,351	1,172,207	0.00
97,201	QUIXOTE CORP.	1,925,284	1,817,659	2.03
29,564	RAVEN INDS. INC.	684,324	1,055,730	1.23
401,100	RAYTHEON CO.	13,957,651	21,615,279	1.89
40,360	REGAL BELOIT CORP.	1,921,894	1,878,354	1.29
70,000	RELIANCE STL. & ALUM. CO.	4,146,694	3,938,200	0.57
35,800	REPUBLIC AWYS. HLDGS. INC.	620,671	728,530	0.00
44,950	REPUBLIC SVCS. INC.	1,044,322	1,377,268	1.39
150,998	REYNOLDS AMER. INC.	7,047,532	9,845,070	4.60
3,300	ROBBINS & MYERS INC.	147,765	175,329	0.49
160,547	ROBERT HALF INTL. INC.	5,408,529	5,859,966	1.10
224,385	ROCKWELL AUTOMATION INC.	13,115,084	15,581,294	1.67
214,662	ROCKWELL COLLINS INC.	12,114,150	15,163,724	0.91
2,200	RSC HLDGS. INC.	43,934	44,000	0.00
106,136	RYDER SYS. INC.	3,105,894	5,710,117	1.56
36,500	SAIA INC.	962,535	994,990	0.00
1,700	SEQUA CORP.	188,769	190,400	0.00
7,900	SERVICE MASTER COMPANY	109,439	122,134	3.10
2,500	SHAW GROUP INC.	111,443	115,725	0.00
4,500	SIMPSON MFG. INC.	143,018	151,830	1.19
32,000	SKYWEST INC.	743,867	762,560	0.50
4,800	SMITH A O CORP.	186,816	191,472	1.70
5,110	SOTHEBYS	0	235,162	0.87
43,368	SOUTHWEST AIRLINES CO.	647,260	646,617	0.12
6,500	SPHERION CORP.	47,211	61,035	0.00
1,900	SPIRIT AEROSYSTEMS HLDGS. INC.	61,580	68,495	0.00
500	STANDARD PKG CORP.	16,445	17,565	0.91
3,100	STANDARD REGISTER	37,696	35,340	8.07
2,900	STANDEX INTL. CORP.	86,934	82,476	2.95
4,300	STAR MARITIME AQUISITION CORP.	42,097	52,718	0.00
2,200	STEELCASE INC.	42,026	40,700	3.24
115,900	STERICYCLE INC.	4,659,154	5,152,914	0.00
136,184	STRAYER ED INC.	15,323,860	17,936,795	0.95
800	SUNPOWER CORP.	51,342	50,440	0.00
4,700	SUPERIOR ESSEX INC.	154,458	175,545	0.00

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Industrials (continued)				
3,400	TAL INTL. GROUP INC.	79,356	101,014	5.05
1,100	TBS INTRENATIONAL LTD.	28,325	31,240	0.00
3,500	TECUMSEH PRODS. CO.	60,340	54,985	0.00
1,900	TENNANT CO.	54,207	69,350	1.32
52,400	TEREX CORP. NEW	1,049,045	4,260,120	0.00
5,400	TETRA TECH INC. NEW	98,106	116,370	0.00
62,145	TEXTRON INC.	5,042,607	6,842,786	1.41
30,173	THOMAS & BETTS CORP.	1,244,297	1,750,034	0.00
228,800	TIMKEN CO.	5,151,195	8,261,968	1.77
1,200	TOTAL SYS SVCS. INC.	23,567	35,412	0.95
7,300	TREDEGAR INDS. INC.	163,075	155,490	0.75
2,400	TREX INC.	47,520	47,112	0.00
3,100	TRIMAS CORP.	36,580	37,448	0.00
3,100	TRINITY INDS. INC.	127,167	134,974	0.55
20,646	TRIUMPH GROUP INC. NEW	970,777	1,351,694	0.24
96,279	TYCO INTL. LTD.	1,630,048	3,253,267	0.00
2,300	UAL CORP.	90,337	93,357	0.00
142,582	UNION PACIFIC CORP.	9,378,936	16,418,317	1.22
14,606	UNITED INDL. CORP.	747,271	876,068	0.67
93,469	UNITED PARCEL SVC. INC.	6,185,399	6,823,237	2.30
11,300	UNITED STATIONERS INC.	527,520	753,032	0.00
218,720	UNITED TECHNOLOGIES CORP.	10,348,544	15,513,810	1.80
36,650	UNIVERSAL FST. PRODS. INC.	1,838,324	1,548,829	0.26
700	UNIVERSAL TRUCKLOAD SVCS. INC.	13,643	13,909	0.00
73,700	URS CORP. NEW	3,004,535	3,578,135	0.00
3,300	UTI WORLDWIDE INC.	91,103	88,407	0.22
5,600	VALASSIS COMMUNICATIONS INC.	93,549	96,264	0.00
4,900	VIAD CORP.	196,196	206,633	0.38
3,250	VOLT INFORMATION SCIENCES INC.	94,412	59,930	0.00
70,843	WABASH NATL. CORP.	1,863,289	1,036,433	1.23
5,700	WASHINGTON GROUP INTL. INC.	328,246	456,057	0.00
228,200	WASTE CONNECTIONS INC.	5,120,305	6,900,768	0.00
14,300	WASTE INDS. USA	376,995	488,202	N/A
93,329	WASTE MGMT. INC. DEL.	2,715,189	3,644,497	2.46
4,500	WASTE SVCS. INC. DEL.	44,934	54,675	0.00
57,490	WATSCO INC.	2,035,184	3,127,456	2.43
62,400	WATSON WYATT WORLDWIDE INC.	2,829,135	3,149,952	0.59
7,300	WATTS WATER TECHNOLOGIES INC.	297,611	273,531	1.07
37,400	WEIGHT WATCHERS INTL. INC. NEW	1,831,666	1,901,416	1.38
10,700	WERNER ENTERPRISES INC.	194,098	215,605	N/A
31,624	WOODWARD GOVERNOR CO.	955,068	1,697,260	0.82
59,125	WORLD FUEL SERVICES CORP.	2,115,068	2,486,798	0.36
800	WRIGHT EXPRESS CORP.	24,712	27,417	0.00
2,400	XERIUM TECHNOLOGIES INC.	20,285	18,288	5.91
22,900	YRC WORLDWIDE INC.	970,963	842,720	0.00
	Total Industrials	<u>644,425,424</u>	<u>817,691,924</u>	
Information Technology				
90,000	3COM CORP.	367,229	371,700	0.00
52,900	ACCENTURE LTD. BERMUDA	1,590,914	2,268,881	0.82
6,000	ACTEL CORP.	109,870	83,460	0.00
968,568	ACTIVISION INC. NEW	14,056,516	18,083,165	0.00
2,100	ACXIOM CORP.	52,495	55,545	0.91
27,300	ADAPTEC INC.	120,246	104,013	0.00
5,648	ADC TELECOMMUNICATIONS INC.	65,601	103,528	0.00
186,292	ADOBE SYS. INC.	4,706,166	7,479,624	0.00
6,600	ADTRAN INC.	144,199	171,402	1.39
33,100	ADVANCED ENERGY INDS. INC.	531,255	750,046	0.00
34,340	ADVANCED MICRO DEVICES INC.	548,430	491,062	0.00
6,150	AFFILIATED COMPUTER SVCS. INC.	326,812	348,828	0.00
13,000	AGILE SOFTWARE CORP. DEL.	83,690	104,780	0.00
372,408	AGILENT TECHNOLOGIES INC.	10,613,214	14,315,364	0.00
7,100	AGILYSYS. INC.	114,898	159,750	0.53
5,600	AKAMAI TECHNOLOGIES INC.	208,138	272,384	0.00
36,280	ALLSCRIPTS HEATHCARE SOLUT	651,997	924,414	0.00
61,849	ALTERA CORP.	1,189,712	1,368,718	0.72
6,700	AMDOCS LTD.	262,956	266,794	0.00
61,100	AMIS HLDGS. INC.	705,630	764,972	0.00
9,900	AMKOR TECHNOLOGY INC.	66,843	155,925	0.00
5,800	AMPEX CORP. DEL.	0	76,502	0.00
512,580	AMPHENOL CORP. NEW	11,486,882	18,273,477	0.17
27,003	ANALOG DEVICES INC.	839,988	1,016,393	1.91
15,088	ANALOGIC CORP.	749,091	1,109,119	0.54
10,900	ANAREN INC.	194,575	191,949	0.00
36,000	ANDREW CORP.	371,354	519,840	0.00
18,000	ANIXTER INTL. INC.	1,026,090	1,353,780	0.00

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
	COMMON STOCK AND EQUITY FUNDS (continued)			
	Information Technology (continued)			
400,000	ANSYS INC.	8,884,686	10,600,000	0.00
90,049	APPLE INC.	3,953,304	10,989,580	0.00
603,606	APPLIED MATERIALS INC.	11,065,238	11,993,651	1.21
40,500	APPLIED MICRO CIRCUITS CORP.	141,345	101,250	0.00
18,100	ARIBA INC.	133,127	179,371	0.00
131,100	ARRIS GROUP INC.	1,581,445	2,306,049	0.00
30,400	ARROW ELEC. INC.	878,376	1,168,272	0.00
84,800	ASYST TECHNOLOGIES INC.	846,073	613,104	0.00
1,100	ATMI INC.	34,760	33,000	0.00
3,800	AUDIOVOX CORP.	49,362	49,286	0.00
230,098	AUTHENTIDATE HLDG. CORP.	3,709,293	352,050	0.00
500	AUTHORIZE NET HLDGS. INC.	6,545	8,945	0.00
97,514	AUTODESK INCORPORATED	3,938,977	4,590,959	0.00
139,549	AUTOMATIC DATA PROCESSING INC.	5,637,778	6,763,940	1.90
25,696	AVAYA INC.	140,395	432,721	0.00
9,600	AVID TECHNOLOGY INC.	355,748	339,360	0.00
99,300	AVNET INC.	2,625,267	3,936,252	0.00
37,100	AVOCENT CORP.	1,076,931	1,076,271	0.00
300	AVX CORP. NEW	4,848	5,022	0.96
23,500	AXCELIS TECHNOLOGIES INC.	142,939	152,515	0.00
13,200	BEA SYS. INC.	172,629	180,708	0.00
46,600	BEARINGPOINT INC.	365,315	340,646	0.00
2,800	BEL FUSE INC.	100,002	95,284	0.59
156,600	BENCHMARK ELEC. INC.	3,823,369	3,542,292	0.00
4,000	BLACK BOX CORP.	172,160	165,520	0.58
1,600	BLACKBAUD INC.	41,648	35,328	1.54
20,312	BMC SOFTWARE INC.	411,153	615,454	0.00
16,800	BORLAND SOFTWARE CORP.	89,208	99,792	0.00
5,000	BOTTOMLINE TECHNOLOGIES DEL.	54,682	61,750	0.00
38,341	BROADCOM CORP.	875,894	1,121,474	0.00
15,800	BROOKS AUTOMATION INC. NEW	223,008	286,770	0.00
997,288	CA INC.	26,702,871	25,759,949	0.62
1,100	CABOT MICROELECTRONICS CORP.	36,366	39,039	0.00
6,600	CACI INTL. INC.	347,874	322,410	0.00
2,600	CADENCE DESIGN SYS. INC.	47,634	57,096	0.00
819	CALAMP CORP.	0	3,382	0.00
500	CAVIUM NETWORK INC.	12,105	11,310	0.00
44,798	CERNER CORP.	1,394,082	2,484,945	0.00
108,100	CHECKPOINT SYS. INC.	1,910,194	2,729,525	0.00
12,500	CIBER INC.	87,303	102,250	0.00
7,027	CIENA CORP.	203,780	253,885	0.00
8,900	CIRRUS LOGIC INC.	69,774	73,870	0.00
1,032,671	CISCO SYS. INC.	18,952,055	28,759,887	0.00
48,019	CITRIX SYS. INC.	1,350,145	1,616,800	0.00
112,700	CMG INFORMATION SVCS. INC.	164,466	219,765	0.00
2,100	COGNEX CORP.	48,670	47,271	1.51
154,855	COGNIZANT TECHNOLOGY SOLUTIONS	9,897,620	11,628,062	0.00
4,900	COHERENT INC.	153,179	149,499	0.00
41,365	COHU INC.	889,333	920,371	1.08
24,550	COMMSCOPE INC.	839,361	1,432,493	0.00
179,942	COMPUTER SCIENCES CORP.	7,050,242	10,643,569	0.00
22,749	COMPUWARE CORP.	161,908	269,803	0.00
66,804	COMTECH TELECOMMUNICATIONS	1,597,807	3,101,042	0.00
83,400	CONEXANT SYS. INC.	132,030	115,092	0.00
224,436	CORNING INC.	4,122,370	5,734,340	0.00
2,900	COVANSYS CORP.	66,280	98,397	0.00
3,500	CRAY INC.	26,635	26,705	0.00
23,400	CREDENCE SYSTEMS CORP.	120,777	84,240	0.00
700	CREE INC.	21,595	18,095	0.00
21,000	CTS CORP.	314,122	265,860	0.95
1,900	CYMER INC.	80,090	76,380	0.00
63,001	CYPRESS SEMICONDUCTOR CORP.	977,948	1,467,293	0.00
251,700	DAKTRONICS INC.	7,631,012	5,406,516	0.33
341,429	DELL INC.	9,730,307	9,747,798	0.00
2,200	DIEBOLD INC.	101,789	114,840	1.80
5,000	DIGI INTL. INC.	71,860	73,700	0.00
213	DIGITAL RIV INC.	0	9,638	0.00
6,200	DSP GROUP INC.	133,096	126,914	0.00
200	EAGLE TEST SYS. INC.	3,046	3,212	0.00
28,500	EARTHLINK INC.	182,970	212,895	0.00
301,033	EBAY INC.	8,456,596	9,687,242	0.00
6,700	ELECTRO SCIENTIFIC INDS. INC.	132,191	139,360	0.00
174,278	ELECTRONIC ARTS INC.	8,444,636	8,246,835	0.00
40,570	ELECTRONIC DATA SYS. CORP. NEW	799,794	1,125,006	0.72
13,200	ELETRONICS FOR IMAGING INC.	335,389	372,504	0.00
874,684	EMC CORP.	10,506,440	15,831,780	0.00

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Information Technology (continued)				
44,700	EMULEX CORP.	984,347	976,248	0.00
26,900	ENTEGRIS INC.	291,293	319,572	0.00
29,900	EXAR CORP.	410,783	400,660	0.00
2,300	EXCEL TECHNOLOGY INC.	60,319	64,262	0.00
900	EXPONENT INC.	16,542	20,133	0.00
25,800	EXTREME NETWORKS INC.	106,554	104,490	0.00
62,847	F5 NETWORKS INC.	3,361,626	5,065,468	0.00
200	FAIR ISAAC CORPORATION	7,652	8,024	0.20
1,700	FAIRCHILD SEMICONDUCTOR INTL	30,885	32,844	0.00
40,612	FIRST DATA CORP.	812,230	1,326,794	0.37
1,200	FIRST SOLAR INC.	101,877	107,148	0.00
399,075	FLIR SYS. INC.	9,935,870	18,457,219	0.00
160,400	FORMFACTOR INC.	6,163,957	6,143,320	0.00
200	FORRESTER RESH. INC.	5,902	5,626	0.00
4,300	FOUNDRY NETWORKS INC.	61,920	71,638	0.00
5,200	GARTNER INC.	139,308	127,868	0.00
70,900	GATEWAY INC.	140,851	112,731	0.00
6,500	GENESIS MICROCHIP INC. DEL.	61,522	60,840	0.00
5,300	GERBER SCIENTIFIC INC.	70,929	61,586	0.00
28,605	GOOGLE INC.	11,857,886	14,971,285	0.00
700	GREATBATCH INC.	19,229	22,680	0.00
121,200	HARRIS CORP. DEL.	5,433,749	6,611,460	0.81
4,400	HENRY JACK & ASSOC. INC.	113,860	113,300	1.01
961,764	HEWLETT PACKARD CO.	27,936,188	42,913,910	0.72
6,000	HUTCHINSON TECHNOLOGY INC.	142,752	112,860	0.00
5,200	HYPERCOM CORP.	29,796	30,732	0.00
3,600	I2 TECHNOLOGIES INC.	67,811	67,104	0.00
11,000	IAC INTERACTIVE CORP.	408,200	380,710	0.00
321,400	IKON OFFICE SOLUTIONS INC.	4,453,501	5,017,054	1.02
8,200	IMATION CORP.	380,460	302,252	1.74
6,000	IMMERSION CORP.	80,580	89,880	0.00
3,700	INFOSPACE INC.	75,352	85,877	0.00
46,700	INGRAM MICRO INC.	812,923	1,013,857	0.00
4,600	INPHONIC INC.	23,690	21,436	0.00
700	INTEGRAL SYS. INC. MD	16,490	17,017	1.15
2,200	INTEGRATED DEVICE TECHNOLOGY	31,191	33,594	0.00
1,163,387	INTEL CORP.	23,061,213	27,642,075	1.89
4,300	INTER TEL INC.	95,933	102,899	1.34
483,490	INTERNATIONAL BUSINESS MACHS	40,064,617	50,887,323	1.52
500	INTERNATIONAL RECTIFIER CORP.	24,130	18,630	0.00
8,900	INTERNET CAPITAL GROUP INC.	84,728	110,360	0.00
2,500	INTERSIL CORP.	76,458	78,650	0.00
1,800	INTERWOVEN INC.	25,524	25,272	0.00
44,321	INTEVAC INC.	984,620	942,264	0.00
311,972	INTUIT	7,839,095	9,384,118	0.00
2,800	INVESTTOOLS INC.	39,083	27,888	0.00
5,500	IPASS INC.	30,097	29,810	0.00
50,112	ITRON INC.	2,876,165	3,905,729	0.00
3,000	IXIA	28,858	27,780	0.00
149,294	IXYS CORP. DEL.	1,490,811	1,246,605	0.00
278,850	J2 GLOBAL COMMUNICATIONS	5,081,467	9,731,865	0.00
683,426	JABIL CIRCUIT INC.	18,081,439	15,083,212	1.27
4,100	JDA SOFTWARE GROUP INC.	55,350	80,483	0.00
41,200	JUNIPER NETWORKS INC.	705,104	1,037,004	0.00
27,600	KEMET CORP.	200,899	194,580	0.00
3,600	KEYNOTE SYS. INC.	54,936	59,040	0.00
134,469	KLA TENCOR CORP.	6,777,718	7,389,072	0.87
111,280	KNOT INC.	2,342,555	2,246,743	0.00
36,200	KOMAG INC.	864,577	1,154,418	0.00
1,100	KULICKE & SOFFA INDS. INC.	8,987	11,517	0.00
85,100	L 1 IDENTITY SOLUTIONS INC.	1,650,831	1,740,295	0.00
33,500	LAM RESH. CORP.	1,779,146	1,721,900	0.00
26,500	LATTICE SEMICONDUCTOR CORP.	173,974	151,580	0.00
30,100	LAWSON SOFTWARE INC. NEW	224,985	297,689	0.00
6,307	LEXMARK INTL. INC.	364,937	310,998	0.00
149,625	LINEAR TECHNOLOGY CORP.	5,349,266	5,413,433	1.99
2,000	LIONBRIDGE TECHNOLOGIES INC.	11,920	11,780	0.00
55,900	LITTELFUSE INC.	1,939,351	1,887,743	0.00
52,725	LSI CORP.	398,165	395,965	0.00
4,200	LSI INDS. INC.	73,080	75,180	2.91
33,622	MANHATTAN ASSOC. INC.	720,605	938,390	0.00
3,700	MANTECH INTL. CORP.	121,574	114,071	0.00
1,400	MARCHEX INC.	21,434	22,848	0.49
16,000	MARVELL TECHNOLOGY GROUP LTD.	287,954	291,360	0.00
1,700	MATTSON TECHNOLOGY INC.	16,046	16,490	0.00
155,150	MAXIM INTEGRATED PRODS. INC.	5,697,474	5,183,562	1.87

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Information Technology (continued)				
5,400	MCAFFEE INC.	144,939	190,080	0.00
2,000	MEASUREMENT SPECIALTIES INC.	45,040	47,360	0.00
37,100	MEMC ELECTRIC MATLS. INC.	1,962,994	2,267,552	0.00
110,900	MENTOR GRAPHICS CORP.	1,825,267	1,460,553	0.00
5,100	MERCURY COMPUTER SYS. INC.	64,853	62,220	0.00
23,200	METHODE ELECTRIC INC.	300,917	363,080	1.28
81,300	METTLER TOLEDO INTL. INC.	3,851,320	7,764,963	0.00
143,260	MICROCHIP TECHNOLOGY INC.	4,408,292	5,306,350	3.02
44,975	MICRON TECHNOLOGY INC.	718,742	563,537	0.00
1,874,003	MICROSOFT CORP.	50,102,118	55,226,868	1.36
300	MICROSTRATEGY INC.	28,644	28,347	0.00
47,600	MKS INSTRS. INC.	1,003,187	1,318,520	0.00
9,499	MOLEX INC.	274,540	285,065	1.00
1,077,635	MOTOROLA INC.	17,706,792	19,074,140	1.13
83,600	MPS GROUP INC.	1,174,813	1,117,732	0.00
29,100	MRV COMMUNICATIONS INC.	99,603	94,575	0.00
10,100	MSC SOFTWARE CORP.	130,593	136,754	0.00
1,600	MTS SYS. CORP.	66,852	71,472	0.99
1,000	MULTI FINELINE ELECTRONIX INC.	15,760	17,160	0.00
34,714	NATIONAL INSTRS. CORP.	1,009,120	1,130,635	0.86
24,062	NATIONAL SEMICONDUCTOR CORP.	411,679	680,233	0.57
109,923	NAVTEQ CORP.	3,612,784	4,654,140	0.00
9,574	NCR CORP. NEW	140,464	503,018	0.00
372,944	NETWORK APPLIANCE INC.	11,407,585	10,889,965	0.00
8,100	NEWPORT CORP.	163,134	125,388	0.00
18,298	NOVELL INC.	52,080	142,541	0.00
8,841	NOVELLUS SYS. INC.	255,531	250,819	0.00
206,492	NVIDIA CORP.	6,065,523	8,530,185	0.00
9,300	OMNIVISION TECHNOLOGIES INC.	161,634	168,423	0.00
187,200	ON SEMICONDUCTOR CORP.	1,476,143	2,006,784	0.00
8,100	OPENTV CORP.	16,848	17,172	0.00
19,100	OPENWAVE SYS. INC.	127,206	119,566	0.00
73,800	OPLINK COMMUNICATIONS INC.	1,252,282	1,107,000	0.00
1,020,482	ORACLE CORP.	14,900,197	20,113,700	0.00
68,580	OSI SYS. INC.	1,390,267	1,875,663	0.00
124,410	OVERLAND STORAGE INC.	1,603,267	323,466	0.00
1,300	PACKETEER INC.	12,337	10,153	0.00
23,900	PALM INC. NEW	346,824	382,639	0.00
123,962	PARAMETRIC TECHNOLOGY CORP.	2,125,507	2,678,819	0.00
4,700	PARK ELECTROCHEMICAL CORP.	149,847	132,446	1.14
343,493	PAYCHEX INC.	11,868,549	13,437,446	2.15
152,450	PC TEL. INC.	1,573,298	1,333,938	0.00
2,500	PDF SOLUTIONS INC.	29,550	29,575	0.00
2,700	PEGASYSTEMS INC.	26,703	29,511	1.10
29,800	PERFICIENT INC.	657,665	616,860	0.00
4,100	PERICOM SEMICONDUCTOR CORP.	48,226	45,756	0.00
6,784	PERKINELMER INC.	63,070	176,791	1.07
20,200	PEROT SYS. CORP.	328,221	344,208	0.00
42,306	PHASE FORWARD INC.	651,955	712,010	0.00
24,000	PHOTRONICS INC.	363,511	357,120	0.00
11,100	PLANTRONICS INC. NEW	254,358	291,042	0.76
4,200	PLEXUS CORP.	97,146	96,558	0.00
107,325	PMC SIERRA INC.	813,376	829,622	0.00
79,651	POLYCOM INC.	1,774,242	2,676,274	0.00
30,100	POWERWAVE TECHNOLOGIES INC.	192,358	201,670	0.00
1,000	QAD INC.	7,770	8,300	1.20
12,272	QLOGIC CORP.	220,268	204,329	0.00
258,156	QUALCOMM INC.	8,968,710	11,201,389	1.29
45,300	QUANTUM CORP.	105,096	143,601	0.00
1,900	QUEST SOFTWARE INC.	26,334	30,761	0.00
5,900	RACKABLE SYS. INC.	72,393	72,924	0.00
140,103	RADIANT SYS. INC.	1,427,164	1,854,964	0.00
4,000	RADISYS CORP.	63,082	49,600	0.00
2,700	RAMBUS INC. DEL.	61,580	48,546	0.00
23,600	REALNETWORKS INC.	215,184	192,812	0.00
6,500	RED HAT INC.	204,514	144,820	0.00
23,800	RF MICRO DEVICES INC.	157,726	148,512	0.00
400	RIMAGE CORP.	12,616	12,636	0.00
700	RIVERBED TECHNOLOGY INC.	31,057	30,674	0.00
156,055	ROFIN SINAR TECHNOLOGIES INC.	9,033,318	10,767,795	0.00
4,100	ROGERS CORP.	167,567	151,700	0.00
63,791	ROPER INDS.	3,549,435	3,642,466	0.46
3,200	RUDOLPH TECHNOLOGIES INC.	50,496	53,152	0.00
12,700	S1 CORP.	64,516	101,473	0.00
27,900	SAFEGUARD SCIENTIFICS INC.	64,671	78,399	0.00
52,000	SAIC INC.	938,505	939,640	0.00

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Information Technology (continued)				
117,800	SALESFORCE COM. INC.	4,918,680	5,048,908	0.00
15,700	SANDISK CORP.	917,423	768,358	0.00
532,981	SANMINA SCI CORP.	3,741,786	1,668,231	0.00
600	SCANSOURCE INC.	18,480	19,194	0.00
3,000	SCHAWK INC.	57,490	60,060	0.65
3,900	SEACHANGE INTL. INC.	29,913	30,264	0.00
311,700	SEAGATE TECHNOLOGY	6,590,903	6,785,709	1.75
9,900	SECURE COMPUTING CORP.	65,807	75,141	0.00
4,100	SEMITOOL INC.	55,637	39,401	0.00
3,200	SEMTECH CORP.	55,584	55,456	0.00
3,000	SI INTL. INC.	98,356	99,060	0.00
1,400	SILICON GRAPHICS INC.	37,716	37,156	0.00
80,100	SILICON IMAGE INC.	642,403	687,258	0.00
210,510	SILICON LABORATORIES INC.	6,855,160	7,285,751	0.00
21,000	SILICON STORAGE TECHNOLOGY INC.	92,490	78,330	0.00
32,000	SKYWORKS SOLUTIONS INC.	237,275	235,200	0.00
53,291	SOLETRON CORP.	147,160	196,111	0.00
1,800	SOLERA HLDGS. INC.	33,912	34,884	0.00
11,100	SONICWALL INC.	96,681	95,349	0.00
20,800	SPANSION INC.	234,416	230,880	0.00
4,100	SRA INTL. INC.	104,140	103,566	0.00
3,500	STANDARD MICROSYSTEMS CORP.	106,785	120,190	0.00
5,000	STEC INC.	31,700	32,150	0.00
204,188	SUN MICROSYSTEMS INC.	730,008	1,074,029	0.00
40,700	SYBASE INC.	885,993	972,323	0.00
26,300	SYCAMORE NETWORKS INC.	97,310	105,726	0.00
39,200	SYKES ENTERPRISES INC.	754,308	744,408	0.00
277,065	SYMANTEC CORP.	4,496,610	5,596,713	0.00
151,710	SYMMETRICOM INC.	1,576,147	1,274,364	0.00
3,800	SYNNEX CORP.	83,138	78,318	0.00
4,900	SYNOPSYS INC.	113,708	129,507	0.00
2,000	TAKE TWO INTERACTIVE SOFTWARE	39,481	39,940	0.00
22,300	TECHNITROL INC.	564,648	639,341	1.22
500	TECKTARGET INC.	7,050	6,425	0.00
80,528	TEKELEC INC.	1,254,222	1,161,214	0.00
4,395	TEKTRONIX INC.	84,686	148,287	0.71
270,500	TELEDYNE TECHNOLOGIES INC.	9,080,613	12,429,475	0.00
21,265	TELLABS INC.	161,492	228,811	0.00
83,246	TERADYNE INC.	1,331,932	1,463,465	0.00
123,890	TESSERA TECHNOLOGIES INC.	2,762,915	5,023,740	0.00
314,047	TEXAS INSTRS. INC.	8,015,861	11,817,589	0.85
456,119	THERMO FISHER SCIENTIFIC INC.	16,675,696	23,590,475	0.00
48,200	TIBCO SOFTWARE INC.	443,808	436,210	0.00
182,628	TIER TECHNOLOGIES INC.	1,774,278	1,789,754	0.00
5,600	TNS INC.	91,630	80,696	0.00
67,794	TRIMBLE NAVIGATION LTD.	1,026,624	2,182,967	0.00
32,200	TRIQUINT SEMICONDUCTOR INC.	150,584	162,932	0.00
121,280	TRIZETTO GROUP INC.	1,036,033	2,347,981	0.00
70,100	TTM TECHNOLOGIES	847,062	911,300	0.00
3,800	ULTRA CLEAN HLDGS. INC.	53,580	53,124	0.00
2,500	ULTRATECH INC.	33,444	33,325	0.00
16,800	UNISYS CORP.	117,919	153,552	0.00
177,600	UNITED ONLINE INC.	2,137,909	2,928,624	4.85
2,100	UNIVERSAL DISPLAY CORP.	27,694	32,991	0.00
13,300	UTSTARCOM INC.	114,380	74,613	0.00
86,085	VALUECLICK INC.	1,229,599	2,536,064	0.00
28,569	VARIAN INC.	1,256,843	1,566,438	0.00
109,216	VARIAN SEMI EQUIP. ASSOC. INC.	2,591,900	4,375,193	0.00
58,982	VEECO INSTRS. INC. DEL.	1,245,917	1,223,287	0.00
2,100	VERIFONE HLDGS. INC.	75,750	74,020	0.00
20,100	VERISIGN INC.	469,814	637,773	0.00
30,010	VIASAT INC.	711,286	963,321	0.00
3,000	VIGNETTE CORP.	49,350	57,480	0.00
1,000	VISHAY INTERTECHNOLOGY INC.	16,762	15,820	0.00
8,349	WATERS CORP.	275,114	495,597	0.00
75,841	WESTERN DIGITAL CORP.	1,223,746	1,467,523	0.00
4,900	X RITE INC.	60,514	72,373	0.00
45,520	XEROX CORP.	394,477	841,210	0.00
24,377	XILINX INC.	603,133	652,572	1.79
99,591	YAHOO INC.	1,918,895	2,701,904	0.00
2,300	ZEBRA TECHNOLOGIES CORP.	90,183	89,102	1.91
7,700	ZORAN CORP.	143,036	154,308	0.00
3,700	ZYGO CORP.	58,867	52,873	0.00
	Total Information Technology	<u>700,346,770</u>	<u>860,066,637</u>	

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
	Materials			
70,240	AIR PRODS. & CHEMS. INC.	4,212,604	5,645,189	1.89
110,660	AIRGAS INC.	3,541,065	5,300,614	0.75
3,700	AK STL. HLDG. CORP.	142,254	138,269	0.00
2,700	ALBEMARLE CORP.	103,510	104,031	1.09
364,279	ALCOA INC.	11,455,380	14,764,228	1.68
8,516	ALLEGHENY TECHNOLOGIES INC.	358,458	893,158	0.50
63,102	AMCOL INTL. CORP.	1,399,124	1,723,316	2.05
2,000	AMERON INTL. CORP.	155,621	180,380	1.11
14,800	APTARGROUP INC.	439,134	526,288	1.46
5,600	ARCH CHEMICALS INC.	183,977	196,784	2.28
4,800	ARCH COAL INC.	237,867	167,040	0.80
4,924	ASHLAND INC. NEW	126,113	314,890	1.72
2,600	AVENTINE RENEWABLE ENGY HLDGS.	47,463	44,122	0.00
173,998	BALCHEM CORP.	1,538,951	3,161,535	0.50
25,797	BALL CORP.	1,172,977	1,371,626	0.75
5,030	BEMIS CO. INC.	128,424	166,895	2.53
13,000	BOWATER INC.	288,481	324,350	3.21
97,600	BUCKEYE TECHNOLOGIES INC.	1,357,323	1,509,872	0.00
1,600	CABOT CORP.	60,588	76,288	1.51
9,300	CALGON CARBON CORP.	58,665	107,880	0.00
6,600	CAMBREX CORP.	150,090	87,582	0.90
500	CARPENTER TECHNOLOGY CORP.	57,749	65,155	0.92
1,700	CASTLE A M CO.	50,845	61,047	0.67
2,900	CELANESE CORP. DE	74,595	112,462	0.41
5,000	CENTURY ALUM. CO.	249,927	273,150	0.00
11,600	CF INDS. HLDGS. INC.	277,073	694,724	0.13
5,300	CHAPARRAL STL. CO. DEL.	235,993	380,911	0.56
500	CHEMTURA CORP.	5,529	5,555	1.80
4,600	CHESAPEAKE CORP.	73,941	57,822	7.00
2,000	CLAYMONT STEEL HOLDINGS INC.	44,033	42,780	0.00
11,200	CLEVELAND CLIFFS INC.	664,778	869,904	0.64
31,000	COEUR D ALENE MINES CORP. IDAHO	115,320	111,290	0.00
23,054	COMMERCIAL METALS CO.	260,654	778,534	1.07
32,200	COMPASS MINERALS INTL. INC.	879,701	1,116,052	3.69
15,000	CONSOL ENERGY INC.	619,524	691,650	0.61
5,500	CROWN HLDGS. INC.	91,036	137,335	0.00
378,828	DOW CHEMICAL CO.	14,960,247	16,751,774	3.80
142,808	DU PONT E I DE NEMOURS & CO.	5,763,397	7,260,359	2.91
129,200	EAGLE MATLS. INC.	7,666,821	6,337,260	9.01
124,808	EASTMAN CHEMICAL CO.	5,890,498	8,028,899	2.74
130,591	ECOLAB INC.	5,501,069	5,576,236	1.08
10,000	FERRO CORP.	204,328	249,300	2.33
1,600	FLORIDA ROCK INDS. INC.	102,912	108,000	0.89
52,421	FMC CORP.	2,359,726	4,685,913	0.00
1,500	FOUNDATION COAL HLDGS. INC.	70,391	60,960	0.49
65,993	FREEPORT MCMORAN COPPER & GOLD	3,892,540	5,465,540	1.51
14,000	FULLER H B CO.	374,105	418,460	0.86
7,900	GEORGIA GULF CORP.	152,318	143,069	1.77
40,000	GIBALTAR INDS. INC.	897,874	886,000	0.90
10,400	GLATFELTER	155,595	141,336	2.65
10,000	GRACE W R & CO. DEL. NEW	197,660	244,900	0.00
106,200	GRAFTECH INTL. LTD.	935,389	1,788,408	0.00
32,900	GREIF INC.	1,007,746	1,961,169	1.88
67,700	HECLA MNG. CO.	657,192	578,158	0.00
145,071	HERCULES INC.	2,278,121	2,850,645	0.00
2,400	INNPHOS HLDGS. INC.	35,141	34,320	4.76
2,800	INNOSPEC INC.	133,252	165,788	0.30
13,500	INTERNATIONAL COAL GROUP INC.	79,446	80,730	0.00
380,257	INTERNATIONAL PAPER CO.	15,050,618	14,849,036	2.56
6,033	INTRNTNL FLAVRS & FRAGRNCs INC.	210,075	314,561	1.61
198,100	JARDEN CORP.	8,417,956	8,520,281	0.00
116,383	LUBRIZOL CORP.	4,822,453	7,512,523	1.86
1,500	MARTIN MARIETTA MATLS. INC.	153,274	243,030	0.68
2,700	MASSEY ENERGY CORP.	113,517	71,955	0.60
8,887	MEADWESTVACO CORP.	188,012	313,889	2.60
7,300	MERCER INTL. INC.	82,477	74,460	0.00
111,400	METAL MGMT. INC.	2,694,244	4,909,398	0.68
4,400	MINERALS TECHNOLOGIES INC.	252,550	294,580	0.30
90,216	MONSANTO CO. NEW	2,424,164	6,093,189	0.74
2,200	MOSAIC CO.	87,422	85,844	0.00
1,100	NEENAH PAPER INC.	47,454	45,386	0.97
2,800	NEWMARKET CORP.	136,024	135,436	1.03
337,848	NEWMONT MNG. CORP.	12,638,314	13,196,343	1.02
1,600	NL INDS. INC.	16,546	16,032	4.99
22,100	NN INC.	278,436	260,780	2.71
2,100	NORTHWEST PIPE CO.	70,980	74,697	0.00

Shares		Cost	Fair Value	Dividend Yield
	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
	Materials (continued)			
149,204	NUCOR CORP.	6,637,333	8,750,815	0.75
17,100	OLIN CORP.	297,523	359,100	3.81
2,000	OLYMPIC STL. INC.	50,280	57,320	0.42
46,700	OM GROUP INC.	2,691,954	2,471,364	0.00
37,418	OWENS ILL INC.	914,573	1,309,630	5.62
3,100	PACKAGING CORP. AMER.	69,690	78,461	3.95
10,683	PACTIV CORP.	235,570	340,681	0.00
21,900	PEABODY ENERGY CORP.	1,187,411	1,059,522	0.50
148,400	POLYONE CORP.	1,258,291	1,066,996	0.00
9,100	POTLATCH CORP. NEW	393,260	391,755	4.55
105,251	PPG INDS. INC.	6,618,194	8,010,654	2.63
128,331	PRAXAIR INC.	5,851,677	9,238,549	1.67
18,500	QUANEX CORP.	679,837	900,950	1.15
100	RAYONIER INC.	3,791	4,514	4.16
83,300	ROCK TENN CO.	1,801,102	2,642,276	1.26
8,100	ROCKWOOD HLDGS. INC.	205,474	296,055	0.00
9,709	ROHM & HAAS CO.	380,455	530,888	2.71
3,500	ROYAL GOLD INC.	107,395	83,195	1.09
3,500	RPM INTL. INC.	80,035	80,885	3.03
8,050	RTI INTL. METALS INC.	412,649	606,729	0.00
6,200	RYERSON INC.	150,450	233,430	0.53
5,100	SCHNITZER STL. INDS. INC.	200,538	244,494	0.14
6,200	SCHULMAN A INC.	136,008	150,846	2.38
70,300	SCOTTS MIRACLE GRO CO.	2,652,359	3,018,682	1.16
8,542	SEALED AIR CORP. NEW	90,079	264,973	1.29
7,646	SIGMA ALDRICH	191,948	326,255	1.08
197,700	SILGAN HLDGS. INC.	7,483,232	10,928,856	1.16
17,074	SOUTHERN COPPER CORP. DEL.	576,399	1,609,395	6.37
88,700	SPARTECH CORP.	2,331,383	2,354,985	2.03
164,700	STEEL DYNAMICS INC.	5,581,109	6,902,577	0.95
1,400	STEPAN CO.	41,090	42,392	2.71
9,000	STILLWATER MNG. CO.	104,814	99,090	0.00
38,283	SYMYX TECHNOLOGIES INC.	847,162	440,637	0.00
5,128	TEMPLE INLAND INC.	107,549	315,526	1.82
3,800	TEXAS INDS. INC.	255,331	297,958	0.38
2,300	TITANIUM METALS CORP.	79,068	73,370	0.00
9,500	TRONOX INC.	145,241	133,475	1.42
53,900	U S CONCRETE INC.	431,720	468,391	0.00
146,080	UAP HLDG. CORP.	3,680,678	4,402,851	2.99
118,144	UNITED STS STL. CORP. NEW	6,146,555	12,848,160	0.74
700	UNIVERSAL STAINLESS & ALLOY PR	26,432	24,661	0.00
6,400	URANIUM RES. INC.	71,040	70,592	0.00
20,200	USEC INC.	261,787	443,996	0.00
44,500	VALSPAR CORP.	1,109,164	1,264,241	1.83
7,908	VULCAN MATLS. CO.	430,538	905,782	1.61
10,200	WAUSAU PAPER CORP.	152,238	136,680	2.54
10,531	WEYERHAEUSER CO.	510,528	831,212	3.04
3,000	WHEELING PITTSBURGH CORP.	53,952	57,090	0.00
16,000	WORTHINGTON INDS. IN	287,585	346,400	3.14
	Total Materials	195,871,522	250,548,688	
	Private Placement			
12,444	ARENA BRANDS HOLDING CORP.	124,440	128,795	
182,519	MOSSIMO, INC.	0	182,519	
5,900	NORTHWEST AIRLS CORP.	137,217	130,980	
	Total Private Placement	261,657	442,294	
	Rights and Warrants			
25,609	LUCENT TECHNOLOGIES INC.	0	4,354	
	Total Rights and Warrants	0	4,354	
	Telecommunications			
9,800	ALASKA COMMUNICATIONS SYS. INC.	149,006	155,232	5.43
16,826	ALLTEL CORP.	722,294	1,136,596	0.74
132,718	AMERICAN TOWER CORP.	4,124,464	5,574,156	0.00
700	ARUBA NETWORKS INC.	12,768	14,070	0.00
1,768,119	AT&T INC.	44,488,554	73,376,939	3.42
14,800	ATLANTIC TELE NETWORK INC.	354,886	423,872	1.96
86,997	CENTURYTEL INC.	3,007,255	4,267,203	0.53
57,300	CINCINNATI BELL INC. NEW	272,835	331,194	0.00
88,257	CITIZENS COMMUNICATIONS CO.	1,189,619	1,347,680	6.55
118,817	CLEARWIRE CORP.	2,603,626	2,902,699	0.00
2,000	CONSOLIDATED COMM HOLDINGS INC.	37,440	45,200	6.86
169,126	CROWN CASTLE INTL. CORP.	2,622,381	6,134,200	0.00
4,400	CT COMMUNICATIONS INC.	93,500	134,244	1.57
4,700	DITECH NETWORKS INC.	33,605	38,493	0.00

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Telecommunications (continued)				
7,345	EMBARQ CORP.	159,783	465,453	3.95
1,700	EMS TECHNOLOGIES INC.	34,943	37,502	0.00
7,200	FAIRPOINT COMMUNICATIONS INC.	137,310	127,800	8.96
23,800	FIBERTOWER CORP.	113,050	103,054	0.00
10,700	GENERAL COMMUNICATION INC.	151,365	137,067	0.00
3,200	GLOBAL CROSSING LTD.	63,040	60,416	0.00
500	HUNGARIAN TEL. & CABLE CORP.	10,000	10,005	0.00
11,400	ICO GLOBAL COMMUNICATIONS HLDG.	145,692	117,648	4.84
7,300	IDT CORP.	143,296	165,929	7.13
13,972	IOWA TELECOMMUNICATION SVCS.	289,557	187,644	0.00
1,000	IPCS INC. DEL.	34,590	33,870	2.23
51,800	JDS UNIPHASE CORP.	250,363	303,030	0.00
28,400	LEAP WIRELESS INTL. INC.	1,642,158	2,399,800	0.00
6,600	LEVEL 3 COMMUNICATIONS INC.	157,869	270,864	0.00
2,700	LIBERTY GLOBAL INC.	92,132	133,056	0.00
155,300	LORAL SPACE & COMMUNICATIONS I	4,531,017	4,499,041	0.00
84,000	METROPCS COMMUNICATIONS INC.	2,482,099	2,775,360	0.00
6,200	NEUSTAR INC.	58,838	51,770	0.00
400	NEXTWAVE WIRELESS INC.	8,256	8,500	3.76
5,600	NII HLDGS. INC.	377,561	452,144	0.00
1,800	NORTH PITTSBURGH SYS. INC.	31,670	22,770	0.00
40,100	NTELOS HLDGS. CORP.	896,500	1,108,364	2.17
9,300	OPTIUM CORP.	102,044	104,997	0.00
192,500	PAETEC HLDG. CORP.	2,343,115	2,506,350	0.00
75,372	PREMIERE GLOBAL SVCS. INC.	276,657	731,108	0.00
7,000	QWEST COMMUNICATIONS INTL. INC.	205,416	131,530	0.00
1,900	RCN CORP.	64,676	94,069	0.00
1,600	RURAL CELLULAR CORP.	64,032	70,096	0.00
1,700	SAVVIS INC.	80,770	86,411	1.48
3,500	SBA COMMUNICATIONS CORP.	91,481	117,565	0.00
1,024,060	SHENANDOAH TELECOMMUNICATIONS	17,527,619	21,208,283	0.48
3,300	SPRINT NEXTEL CORP.	83,226	89,892	3.67
2,500	SUREWEST COMMUNICATIONS	49,900	50,250	0.00
125,100	SYNIVERSE HLDGS. INC.	1,632,751	1,608,786	0.00
1,600	TELEPHONE & DATA SYS. INC.	65,865	100,112	0.62
1,087,914	TIME WARNER CABLE INC.	41,527,102	44,789,419	3.93
2,900	TIME WARNER TELECOM INC.	114,542	113,593	0.00
200	UNITED STATES CELLULAR CORP.	13,955	18,120	0.00
60,300	USA MOBILITY INC.	1,469,674	1,613,628	9.72
7,800	VERIZON COMMUNICATIONS	24,532	24,258	0.00
140,195	VONAGE HLDGS. CORP.	1,840,129	2,069,278	6.78
13,700	WINDSTREAM CORP.	52,604	47,676	0.00
	Total Telecommunications	<u>139,153,412</u>	<u>184,928,286</u>	
Utilities				
54,975	AES CORP.	506,135	1,202,853	0.00
34,400	AGL RES. INC.	1,272,667	1,392,512	4.05
13,607	ALLEGHENY ENERGY INC.	255,114	704,026	0.00
6,000	ALLETE INC.	282,474	282,300	3.49
10,028	AMEREN CORP.	421,255	491,472	5.18
320,416	AMERICAN ELEC. POWER INC.	11,561,427	14,431,537	3.46
4,000	AMERICAN STS WTR CO.	151,593	142,280	2.64
300	AQUA AMER. INC.	6,851	6,747	2.05
86,700	AQUILA INC. DEL. NEW	401,467	354,603	0.00
78,137	AVISTA CORP.	1,591,860	1,683,852	2.78
35,173	BLACK HILLS CORP.	1,273,696	1,398,127	3.42
4,500	CALIFORNIA WATER SERVICE GROUP	181,026	168,705	3.09
2,700	CASCADE NAT GAS CORP.	69,672	71,307	3.63
42,581	CENTERPOINT ENERGY INC.	587,920	740,909	3.91
2,400	CENTRAL VT PUBLIC SERVICE	84,456	90,432	2.44
3,700	CH ENERGY GROUP INC.	196,971	166,389	4.80
13,800	CLECO CORP. NEW	350,002	338,100	3.67
10,862	CMS ENERGY CORP.	110,302	186,826	1.16
400	COMVERGE INC.	10,556	12,404	0.00
79,958	CONSOLIDATED EDISON INC.	3,799,317	3,607,705	5.14
64,529	CONSTELLATION ENERGY GROUP INC.	4,664,868	5,624,993	2.00
16,989	DOMINION RES. INC. VA NEW	873,187	1,466,321	3.29
34,000	DPL INC.	946,715	963,560	3.67
93,448	DTE ENERGY CO.	3,971,945	4,506,063	4.40
227,271	DUKE ENERGY HLDG. CORP.	3,469,637	4,159,059	4.81
21,337	DYNEGY INC. DEL.	51,290	201,421	0.00
88,066	EDISON INTL	1,611,946	4,942,264	2.07
92,800	EL PASO ELEC. CO.	2,481,722	2,279,168	0.00
7,000	EMPIRE DIST ELEC. CO.	169,680	156,590	5.72
136,200	ENERGEN CORP.	5,870,828	7,482,828	0.84
200	ENERNOC INC.	7,708	7,626	0.00

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)				
Utilities (continued)				
9,627	ENTERGY CORP. NEW	440,713	1,033,458	2.01
59,028	EXELON CORP.	1,955,443	4,285,433	2.42
77,738	FIRSTENERGY CORP.	4,745,727	5,031,981	3.09
19,748	FPL GROUP INC.	613,151	1,120,502	2.89
10,200	IDACORP INC.	397,943	326,808	3.75
3,701	INTEGRYS ENERGY GROUP INC.	189,715	187,768	5.20
8,548	KEYSPAN CORP.	306,200	358,845	4.53
5,000	LACLEDE GROUP INC.	180,158	159,400	4.58
4,900	MGE ENERGY INC.	168,006	160,083	4.26
8,000	MIRANT CORP. NEW	348,164	341,200	0.00
1	MUELLER WTR PRODS. INC.	12	10	0.00
4,800	NALCO HOLDING CO.	98,651	131,760	0.51
6,500	NEW JERSEY RES. CORP.	334,546	331,630	2.98
3,977	NGP CAPITAL RES. CO.	65,468	66,495	7.42
67,328	NICOR INC.	3,058,998	2,889,718	4.33
13,268	NISOURCE INC.	227,289	274,780	4.44
34,300	NORTHWEST NAT GAS CO.	1,566,588	1,584,317	3.07
8,300	NORTHWESTERN CORP.	294,587	264,023	3.90
48,900	NRG ENERGY INC.	1,971,745	2,032,773	0.00
153,419	OGE ENERGY CORP.	3,567,003	5,622,806	3.71
64,500	ONEOK INC. NEW	1,629,920	3,251,445	2.70
6,900	OTTER TAIL CORP.	218,605	221,283	3.65
111,360	PETROHAWK ENERGY CORP.	1,307,824	1,766,170	0.00
194,557	PG&E CORP.	7,854,910	8,813,432	3.18
17,300	PIEDMONT NAT GAS INC.	477,935	426,445	4.06
900	PIKE ELEC. CORP.	19,539	20,142	0.00
89,673	PINNACLE WEST CAPITAL CORP.	4,092,829	3,573,469	5.27
102,750	PNM RES. INC.	2,606,773	2,855,423	3.31
7,100	PORTLAND GEN. ELEC. CO.	192,363	194,824	3.43
28,414	PPL CORP.	798,070	1,329,491	2.61
46,854	PROGRESS ENERGY INC.	2,160,264	2,136,074	5.35
50,358	PUBLIC SVC. ENTERPRISE GROUP	3,047,804	4,420,425	2.67
12,400	QUESTAR CORP.	513,035	655,340	0.93
8,200	SEMCO ENERGY INC.	63,714	63,714	0.00
12,814	SEMPRA ENERGY	343,104	758,973	2.09
1,000	SIERRA PACIFIC RES. NEW	17,507	17,560	0.00
3,300	SJW CORP.	116,490	109,890	1.82
6,800	SOUTH JERSEY INDS. INC.	229,083	240,584	2.77
106,562	SOUTHERN CO.	3,674,507	3,654,011	4.70
68,700	SOUTHWEST GAS CORP.	2,381,356	2,322,747	2.54
5,500	SOUTHWEST WATER CO.	71,442	70,235	1.80
91,655	SOUTHWESTERN ENERGY CO.	3,593,415	4,078,648	0.00
30,668	SPECTRA ENERGY CORP.	522,069	796,141	3.39
197,601	TECO ENERGY INC.	3,247,332	3,394,785	4.54
175,536	TXU CORP.	2,860,663	11,813,574	2.57
5,800	UIL HLDG. CORP.	246,560	191,980	5.22
8,200	UNISOURCE ENERGY CORP.	301,580	269,698	2.74
900	VERASUN ENERGY CORP.	18,855	13,032	0.00
20,600	WESTSTAR ENERGY INC.	548,373	500,168	4.45
11,400	WGL HLDGS. INC.	375,630	372,096	4.20
19,828	XCEL ENERGY INC.	210,042	405,879	4.49
	Total Utilities	<u>111,505,987</u>	<u>144,204,447</u>	
Commingled and Other Assets				
35,431	AFL CIO HOUSING TRUST	39,335,374	37,576,137	
55,931	AMALGAMATED BANK NYC	99,353,636	106,975,182	
24,610	ISHARES TR	1,753,558	2,041,646	
211,557	TEMPORARY INVST. FUNDING INC.	2,168,460	7,281,795	
14,830	ULLICO J FOR JOBS	148,628,657	163,017,048	
91,707	WA YANKEE PORTFOLIO LLC	917,074	958,251	
	Total Commingled and Other Assets	<u>292,156,759</u>	<u>317,850,059</u>	
TOTAL COMMON STOCK & EQUITY FUNDS		<u>4,900,178,463</u>	<u>6,059,409,027</u>	
PREFERRED STOCK				
21,000	AES TR III	1,051,890	1,052,310	
6,700	EL PASO ENERGY CAPITAL TR 1	275,504	282,472	
12,550	OWENS ILL INC.	517,688	530,238	
TOTAL PREFERRED STOCK		<u>1,845,082</u>	<u>1,865,020</u>	
FOREIGN EQUITY SECURITIES				
Consumer Discretionary				
11,000	ABC MART INC.	237,182	251,184	0.85
19,590	ACCOR	945,006	1,738,772	2.21
30,500	AHRESTY CORP.	876,054	732,277	0.78

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
FOREIGN EQUITY SECURITIES				
Consumer Discretionary (continued)				
29,800	AISIN SEIKI CO.	1,030,233	1,093,113	0.88
46,700	ALPINE ELECTRONICS	838,438	714,331	1.32
25,000	AOKI INTERNATIONAL	444,851	476,740	N/A
29,500	AOYAMA TRADING CO.	938,257	905,340	1.32
148,326	APN NEWS & MEDIA	707,535	736,163	5.28
21,732	AUTOGRILL SPA	415,106	460,504	2.55
123,100	BARRATT DEVEL	2,304,990	2,452,526	3.23
118,500	BAYERISCHE MOTOREN WERKE AG	5,843,912	7,683,530	N/A
25,000	BELLUNA CO. LTD.	378,055	334,022	0.91
7,749	BENETEAU	904,195	1,053,239	1.47
19,807	BETER BED	465,282	670,364	3.59
131,000	BOSCH CORPORATION	705,269	648,132	1.64
98	BOSS (HUGO) AG	4,458	5,873	N/A
354,560	BRITISH SKY BROADCAST	3,399,009	4,552,773	2.08
124,316	BROWN(N) GROUP	681,322	760,735	2.46
27,602	CARNIVAL CORP.	879,562	1,346,150	2.87
1,100	CENTRAL EUROPEAN MEDIA ENTERPR	105,817	107,338	0.00
37,200	COGECO CABLE INC.	1,113,536	1,608,649	0.52
846,700	COMPASS GROUP	3,858,054	5,873,514	2.98
17,300	CROSS PLUS INC.	406,990	263,503	2.13
1,700	CTC MEDIA INC.	40,078	46,138	0.00
582	D IETEREN TRADING	221,834	259,898	0.60
115,000	D&M HOLDINGS INC.	383,957	500,992	0.93
90,200	DAIICHI KOSHO CO.	1,027,553	976,537	1.50
100,000	DAITO TRUST CONST	5,228,112	4,753,229	1.77
147,500	DAVID JONES LTD.	376,982	697,024	3.23
101,000	DENSO CORP.	2,004,815	3,942,022	1.00
15,358	DOUGLAS HLDG. AG	889,489	1,000,375	2.28
176,660	ENTERPRISE INNS PLC.	1,419,684	2,442,102	2.06
306	ES CON JAPAN LTD.	453,170	376,631	1.32
72	FIELDS CORP.	213,092	89,202	2.61
15,103	FOCUS MEDIA HLDG. LTD.	541,837	762,702	0.00
28,429	FOURLIS HOLDING	524,217	844,685	0.82
159,000	FUJI CORPORATION	782,791	593,538	3.69
59,900	FUJI FILM HLD CORP.	2,047,865	2,672,570	0.64
80,800	FUTABA INDUSTRIAL	1,612,075	1,949,747	1.01
303,000	GALIFORM	972,429	828,296	0.00
33,577	GEOX SPA	511,728	620,353	1.10
14,737	GESTEVIS TELECINO	420,360	418,760	5.00
56,200	GILDAN ACTIVEWEAR INC.	904,487	1,921,498	N/A
180,301	GKN	1,050,713	1,440,656	3.21
144,200	GLEESON (MJ) GROUP	742,004	1,165,218	2.18
314,000	GOME ELECTRICAL AP	489,083	481,168	0.65
198,000	GUNZE LIMITED	1,147,208	1,154,379	1.39
29,000	HANKYU DEPT. STORES	244,240	308,093	0.95
102,000	HENNES & MAURITZ	2,132,588	6,046,637	N/A
134,640	HOLIDAYBREAK	2,207,113	2,348,821	3.45
178,000	HONDA MOTOR CO.	3,159,677	6,486,093	1.78
17,684	HUMAX CO. LTD.	462,416	438,320	0.66
2,495	HUNTER DOUGLAS NV	146,850	235,941	2.86
125,964	INCHCAPE	900,867	1,266,165	2.99
154	INDESIT COMPANY	2,231	3,598	2.23
78,000	INDITEX	1,691,465	4,610,859	1.57
170	INTRALOT SA	2,818	5,469	2.77
114,661	JJB SPORTS	638,386	588,928	3.91
50,689	JUMBO SA	663,206	1,756,633	0.90
135,115	JUST GROUP	323,283	504,379	4.09
1,302,250	KINGFISHER	6,226,067	5,917,917	4.72
38,000	KOHNAN SHOJI	465,771	491,712	1.13
88,900	KOJIMA CO.	868,444	881,837	1.35
214,786	KONINKLIJKE PHILIPS ELEC. N	4,863,525	9,089,744	N/A
55,599	LG ELECTRONICS INC.	1,721,886	4,597,644	0.98
7,098	LOTTOMATICA SPA	301,249	282,889	2.68
53,000	LVMH MOET HENNESSY LOUIS VUITT	2,209,079	6,122,881	1.64
9,300	MAGNA ENTMT. CORP.	41,698	27,156	0.00
53,400	MAKITA CORP.	1,721,459	2,369,586	1.42
556,100	MANDARIN ORIENTAL	1,125,402	1,240,103	1.35
120,400	MARKS & SPENCER GP	1,273,246	1,517,024	2.91
313,262	MEDIASET	3,418,870	3,238,647	5.62
6,737	MERIELLA BURANI SP	233,019	235,473	N/A
24,956	METROPOLE TV (M6)	883,811	813,285	3.94
68,760	MICHELIN(CGDE)	3,515,631	9,643,909	1.40
113,250	MITCHELLS&BUTLERS	985,240	1,998,390	1.47
85,429	NEXT GROUP	3,024,475	3,443,432	2.44
64,000	NHK SPRING CO.	727,359	615,150	1.18
25,000	NIPPON SEIKI CO.	342,717	557,715	0.76

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)				
Consumer Discretionary (continued)				
35,600	NISSIN KOGYO	899,348	988,769	1.05
18,052	NOKIAN RENKAAT OYJ	616,910	634,371	N/A
173,000	OLAM INTERNATIONAL	376,935	348,387	0.97
15,750	ORIFLAME COSMETICS	776,481	740,736	2.90
32,466	PADDY POWER	936,057	1,010,672	1.40
195,470	PEARSON	2,340,264	3,306,085	3.48
13,350	POINT INC.	835,073	790,222	0.82
1,356	PORSCHE AG	1,625,014	2,421,039	0.45
522	PUBLICIS GROUPE SA	23,864	23,018	1.53
3,490	RATIONAL AG	684,684	682,739	2.59
64,885	RAYMARINE	529,722	529,840	2.16
24,800	RINNAI CORP.	763,144	773,149	0.94
4,100	SANEI INTL. CO.	155,541	129,811	1.28
124,070	SECURITAS DIRECT	176,742	334,728	0.00
47,000	SEIKO CORPORATION	348,579	364,217	N/A
26,000	SHOWA CORP.	410,324	345,698	1.71
13,973	SODEXHO ALLIANCE	820,791	1,003,006	1.79
62,000	SUMITOMO RUBBER	817,450	739,010	1.36
8,960	SWATCH GROUP	1,831,733	2,551,436	1.00
22,300	TAMRON CO.	407,443	682,570	0.93
215,502	TAYLOR NELSON SOFR	1,094,602	1,024,722	1.94
11,467	TELEPERFORMANCE	500,745	499,448	1.15
147,400	TF1 TV FRANCAISE	3,714,583	5,110,155	N/A
306,584	THE GAME GROUP	934,289	1,028,779	1.73
178,990	THOMSON SA	3,444,885	3,415,715	2.34
6,365	TIM HORTONS INC.	171,661	195,739	0.85
122,500	TOHOKUSHINSHA FILM	1,246,793	1,279,606	0.78
90,000	TOYO TIRE & RUBBER	466,366	467,144	1.40
1,600	TOYOTA AUTO BODY	29,542	26,495	1.66
24,085	TRAVIS PERKINS	963,343	918,135	1.97
34,456	TUI AG	837,073	954,889	0.00
313,200	UNIPRES	2,647,353	2,358,606	1.34
84	VALENTINO FASHION	2,107	3,915	1.88
111,200	VIVENDI SA	4,032,029	4,792,281	3.76
80,400	WIMPEY(GEORGE)	982,607	811,391	3.86
4,500	WOLTERS KLUWER	122,050	137,655	2.56
158,000	YAMATO INTL	1,220,235	1,159,140	2.43
293,600	YELL GROUP	2,204,779	2,722,947	3.70
3,000	YOKOHAMA RUBBER CO.	22,285	22,540	1.29
	Total Consumer Discretionary	<u>138,026,190</u>	<u>187,419,727</u>	
Consumer Staples				
59,750	ARCS CO. LTD.	872,281	943,459	1.54
838	BARRY CALLEBAUT AG	668,627	633,149	0.00
100,000	BELC CO.	888,604	1,034,860	1.56
1,145	BELL AG BASEL	1,792,520	1,775,049	1.74
23,900	BONGRAIN SA	2,158,560	2,949,254	1.75
7,334	BOURBON	148,384	459,094	1.18
266,158	BRITVIC	1,837,250	2,067,937	2.66
370,950	CADBURY SCHWEPPE	2,579,879	5,060,933	2.06
19,400	CARLSBERG	1,621,001	2,348,336	0.90
13,700	CCL INDS. INC.	435,430	501,249	1.23
1,200	CENTRAL EUROPEAN DISTR CORP.	36,468	41,544	0.00
137,800	COCA COLA AMATIL	909,990	1,115,317	3.41
30,400	COCA COLA HELL BOT	989,502	1,395,929	0.94
1,697	COLRUYT SA	284,569	355,219	1.57
145,729	DAIRY CREST GROUP	1,469,372	1,989,667	3.37
17,572	DELHAIZE GROUP	1,217,146	1,728,867	1.36
12,900	EMPIRE LTD.	434,100	522,185	1.53
6,600	FRESH DEL MONTE PRODUCE	156,816	165,330	2.00
218,949	GOODMAN FIELDER	398,506	451,388	5.80
111,926	GREENCORE GROUP	775,072	843,482	2.27
12,687	HENKEL KGAA	384,826	669,785	1.28
62,900	INBEV	3,027,212	4,997,585	0.92
17,000	ITOHAM FOODS INC.	73,780	75,161	0.73
236,000	J OIL MILLS INC.	869,669	829,378	1.38
85,000	KAO CORP.	1,875,183	2,195,635	1.69
9,421	KESKO OYJ	662,860	627,779	3.04
18,100	LERROY SEAFOOD GROUP	350,997	378,466	3.24
52,200	LOREAL	3,478,841	6,189,787	1.34
34,000	MORINAGA MILK IND	170,603	136,556	1.21
650,000	MORRISON(W)SUPRMTK	2,683,988	3,944,982	1.32
43,010	NESTLE SA	12,761,486	16,353,345	2.23
410,000	NIPPON FLOUR MILLS	1,730,261	1,580,307	1.47
321,900	NIPPON SUISAN	1,929,747	2,056,594	1.27
58,000	NISSHIN OILLIO GR	373,297	336,273	1.40

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
FOREIGN EQUITY SECURITIES				
Consumer Staples (continued)				
759	NUMICO (KON) NV	37,899	39,496	0.52
15,000	OKUWA CO.	204,807	202,842	1.44
16,056	OPG GROEP NV	274,693	585,263	1.85
2,990	ORION CORP.	687,973	893,214	10.79
43,800	QP CORP.	417,313	419,930	1.18
180,670	RECKITT BENCKISER PLC.	5,073,971	9,914,017	1.66
23,282	SLIGRO FOOD GROUP	703,030	966,259	1.87
261,400	TESCO	2,191,155	2,194,863	2.29
84,000	TOYO SUISAN KAISHA	1,466,387	1,510,021	0.90
71,200	WOOLWORTHS LTD.	1,435,285	1,630,963	2.44
	Total Consumer Staples	<u>62,539,340</u>	<u>85,110,749</u>	
Energy				
674,000	BG GROUP	2,721,108	11,108,969	0.88
55,899	CALTEX AUSTRALIA	572,213	1,122,543	3.38
7,244	CGG VERITAS	1,269,392	1,819,123	0.00
8,245,000	CNOOC LTD.	3,514,246	9,344,031	2.93
558	DISTRIGAZ	2,686,488	3,334,711	3.18
251,177	ENI	5,534,189	9,125,210	4.65
5,640	FUCHS PETRO AG OEL	206,766	521,772	1.46
34,358	FUGRO NV	1,466,791	2,183,224	1.76
37,722	GALP ENERGIA	410,728	506,907	3.06
10,200	GLOBALSANTAFE CORPORATION	751,710	736,950	1.25
39,500	ITOHCHU ENEX CO. LTD.	299,825	326,248	1.57
449,560	NATIONAL GRID	4,269,167	6,656,567	3.89
29,700	NESTE OIL OYJ	912,778	1,168,443	3.09
4,100	NORSK HYDRO A S	99,218	156,907	1.82
25,000	OILSANDS QUEST INC.	62,500	61,750	0.00
17,200	OMV AG	1,095,725	1,149,626	2.12
134,843	PETROFAC	1,044,040	1,214,734	0.98
187,486	REPSOL YPF SA	4,593,457	7,406,370	2.02
10,792	SAIPEM	248,960	369,625	1.14
62,000	SAN AI OIL CO.	319,625	360,468	1.39
145,290	SBM OFFSHORE NV	2,013,417	5,553,066	2.01
3,211	SCHOELLER BLECKMAN	199,761	223,900	1.55
75,000	SUNCOR ENERGY INC.	2,192,702	6,765,687	0.42
58,200	TESCO CORP.	1,876,654	1,852,005	N/A
143,340	WOOD GROUP (JOHN)	627,509	973,492	0.74
264,850	WOODSIDE PETROLEUM	1,494,168	10,279,970	2.75
	Total Energy	<u>40,483,137</u>	<u>84,322,298</u>	
Financials				
955,000	ABG SUNDAL COLLIER	1,830,954	2,490,032	10.39
8,836	ACKERMANS	668,617	856,226	1.20
79,727	ACTA HOLDING ASA	313,482	418,454	8.55
83,900	ADMIRAL GROUP	668,452	1,496,477	4.06
109,762	ALLCO FINANCE GROUP LTD.	477,649	990,819	3.85
94,900	ALLIED IRISH BANKS	2,521,038	2,595,340	3.55
262,565	AMLIN	1,001,669	1,478,982	4.35
29,554	ARQUES INDUSTRIES AG	731,823	1,278,451	1.59
747	ASSET MANAGERS CO.	1,517,689	985,959	1.84
32,027	ASX LIMITED	512,627	1,323,262	2.80
306,504	ATRIUM UNDERWRITING	1,763,397	1,818,726	5.07
407,890	AVIVA PLC.	6,057,147	6,084,576	4.03
142,843	AXA	2,868,059	6,175,261	3.31
39,101	AZIMUT HLDG. S P A	646,412	670,660	0.79
25,956	BALOISE HLDGS.	1,780,122	2,564,680	3.25
21,300	BANCA ITALEASE EUR5.16	919,939	573,321	3.91
98,779	BANCO BPI SA	454,173	877,811	2.43
6,300	BANCO LATINOAMERICANO DE EXP	120,015	118,440	5.33
227,214	BANCO SANTANDER SA	3,662,577	4,200,967	3.24
124,000	BANK OF NAGOYA	760,049	809,296	N/A
6,652	BANKINTER SA	566,389	596,528	1.68
86,854	BCA POP DI MILANO	1,327,530	1,327,844	N/A
19,267	BCA POP DI VERONA	456,191	546,962	N/A
38,756	BCO DE SABADELL	245,545	426,587	N/A
251,086	BCO POPULAR ESP	1,242,056	4,686,421	2.49
242,890	BCO SANT CENT HISP	2,100,322	4,485,798	3.17
59,156	BERKELEY GP HLDGS.	1,357,416	2,113,825	0.00
789	BQE CANT VAUDOISE	208,338	405,573	N/A
387,000	BRIT INSURANCE HLD	2,005,879	2,672,952	4.94
33,138	BRITISH LAND CO.	575,953	890,917	1.52
1	CATTLES PLC.	7	8	4.46
40,900	CENTURY LEASING	450,507	570,967	1.39
342,600	CHAUCER HOLDINGS	481,898	659,880	4.17
411,000	CHEUNG KONG (HLDGS.)	2,616,396	5,383,338	2.15

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
FOREIGN EQUITY SECURITIES				
Financials (continued)				
127,000	CHIBA BANK	1,153,545	1,125,050	1.01
796,000	CITIC INTERNATIONAL FINANCI	466,572	671,996	2.02
74,800	CMNWLTH BANK OF AUST	2,753,200	3,506,184	4.29
12,888	CNP ASSURANCES	1,291,038	1,652,689	2.42
219,298	COLLINS STEWART	1,086,487	972,374	2.26
35,520	CONVERIUM HLDGS.	597,253	652,089	0.89
10,082	CORP FINANC ALBA	708,840	776,126	0.18
38,162	CREDEM	410,597	542,198	3.33
33,000	CREDIA CO.	482,707	94,862	1.41
252	CREED CORP.	588,343	606,049	0.67
47,730	DAEGU BANK	821,640	836,915	3.49
31,200	DAH SING FINANCIAL	272,621	263,196	3.56
411,000	DAISHI BANK	1,666,335	1,787,174	1.12
60,000	DANSKE BANK A/S	2,684,275	2,460,891	3.43
951,040	DBS GROUP HLDGS.	10,073,161	14,177,457	N/A
20,822	DEUTSCHE BOERSE AG	1,854,242	2,355,147	2.03
123,400	DNB NOR ASA	1,784,153	1,592,029	5.25
17,800	DT BETEILIGUNG	627,581	721,194	N/A
26,156	DTZ HOLDINGS	371,388	272,886	2.02
96,500	DUNDEE WEALTH INC.	1,196,509	1,489,570	0.49
4,553	EULER HERMES	351,421	647,495	3.80
113	EUROCOMMERCIAL PROP	6,159	5,848	4.18
100	FBD HLDGS.	5,125	4,342	2.17
535	FINTECH GLOBAL	419,935	277,258	2.03
19,200	FIRST BANCORP P R	193,800	211,008	2.55
620,000	FIRST PACIFIC CO.	192,852	448,074	0.80
204,579	FKP	644,281	1,267,024	4.34
22,406	FONDIARIA SAI SPA	900,839	1,086,047	2.79
75,600	GEK GROUP OF COMP	1,392,978	1,245,639	0.98
12,413	GPO CATALANA OCCID	342,986	488,179	1.18
7,585	HANNOVER RUECKVERS	354,374	368,269	4.45
275,100	HBOS	4,994,375	5,439,431	4.20
2,900	HEARTLAND FINL. USA INC.	83,897	70,470	1.48
348,348	HISCOX LTD.	1,603,793	1,993,633	3.51
1,967,900	HO BEE INVESTMENT	1,513,258	3,023,678	1.19
16,700	HOME CAPITAL GROUP INC. COM	619,871	579,300	1.08
133	HOOSIERS CORP.	87,739	87,880	1.84
38,000	HYAKUJUSHI BANK	236,826	211,085	0.87
6,188	HYPO REAL ESTATE	337,185	401,229	3.12
104,425	ICICI BANK LTD.	1,426,668	5,132,489	1.73
58,398	IFIL INVESTMENTS SPA	291,387	630,167	1.25
323,241	IG GROUP HLDGS.	1,595,716	1,918,039	2.03
16,203	IKB DT INDUSTRIEBK	621,271	591,934	3.14
258,000	INDUS & COMMER BANK	560,254	548,480	3.97
292,410	ING GROEP NV	8,939,583	12,949,242	4.03
29,280	INTERMEDIATE CAPITAL	659,054	914,086	3.73
221,532	INTESA SANPAOLO	1,670,751	1,654,521	2.35
203,220	INVESCO PLC.	1,302,454	2,635,975	1.39
131,175	INVESTEC	1,332,456	1,692,265	3.58
57,200	JM AB	745,852	1,743,394	2.15
22,300	JOINT CORPORATION ORD SHS	272,873	698,822	0.78
5,418	JULIUS BAER HLDGS.	193,550	388,579	0.57
451	K K DAVINCI ADVISO	431,033	394,413	0.00
12,318	KAUFMAN & BROAD	383,297	953,414	2.30
27,300	KBC GROUP NV	3,061,332	3,687,739	N/A
70,000	KEIYO BANK	365,218	407,547	1.11
636	KENEDIX INC.	1,536,815	1,184,501	0.76
98,500	KLOVERN AB	426,232	390,713	4.60
86,332	KOOKMIN BANK	2,797,857	7,578,228	4.50
15,000	LAURENTIAN BANK OF CANADA	438,250	504,677	3.24
4,200	LEASINVEST REAL ES	445,764	443,007	4.08
367,589	LEND LEASE CORP.	3,187,834	5,781,932	3.56
354,433	MAPFRE SA	1,678,246	1,761,541	2.04
84,306	MEDIOLANUM	722,365	703,652	3.24
92,000	MERITZ FIRE MARINE	515,595	899,188	1.11
106,037	MFS LIMITED	429,972	521,779	4.74
639	MILANO ASSICURAZIO	3,643	5,325	4.86
133,000	MILLEA HOLDINGS INC.	3,196,166	5,449,451	0.71
201,000	MITSUBISHI ESTATE	1,905,064	5,452,447	0.48
578	MITSUBISHI UFJ FIN. GROUP	7,268,623	6,365,278	0.00
17,064	MUENCHENER RUCKVERS AG	2,801,350	3,138,606	3.30
17,900	MUSASHINO BANK	874,526	869,671	1.00
162,245	NATL. AUSTRALIA BANK	3,695,088	5,646,349	4.17
26,334	NEXITY EUR5	1,634,826	2,206,832	3.06
80,500	NOMURA HOLDINGS	896,609	1,564,436	1.42
134,200	NORDEA BANK AB	1,695,611	2,103,847	4.22

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
FOREIGN EQUITY SECURITIES				
Financials (continued)				
291,170	NORDEA BANK AB	652,515	4,569,445	4.22
50,000	OGAKI KYORITSU BANK	269,425	250,617	1.13
12,120	ORIX CORP.	3,406,253	3,184,696	0.40
201	PACIFIC MANAGEMENT	359,560	371,092	0.79
45,739	PARAGON GROUP OF COS.	346,968	450,583	3.69
3,201	PARTNERS GROUP HLG	380,706	429,638	1.61
8,400	PRIMUS GUARANTY LTD.	92,736	90,048	0.00
99,700	QBE INS. GROUP	1,754,737	2,639,068	3.04
30,200	RICOH LEASING	825,486	682,279	1.11
901,270	ROYAL BANK SCOT GROUP	10,081,688	11,446,294	4.77
56,727	SAVILLS	515,068	673,780	2.70
39,685	SCOR S.E.	1,076,279	1,079,435	0.25
104,000	SINGAPORE EXCHANGE	119,974	666,383	1.70
109,600	SKAND ENSKILDA BANKN	2,819,766	3,548,270	2.70
27,498	SNS REAAL GROEP NV	636,442	622,052	2.33
19,730	SOC GENERALE	2,966,259	3,664,673	3.78
3,686	SOFINA	297,253	440,664	1.21
345	SOHKEN HOMES CO.	479,225	379,934	2.57
201,000	SOMPO JAPAN INS.	1,379,875	2,456,043	1.06
89,460	STANDARD CHARTERED	1,398,824	2,925,653	2.17
246,000	SUMITOMO TRUST & BANKING	2,663,326	2,340,581	1.53
6,269	SWISS LIFE HOLDING	1,237,603	1,657,275	2.16
19,980	SYDBANK	450,659	957,265	1.14
919,700	THE ASCOTT	751,434	1,100,429	N/A
154,000	TOCHIGI BANK	1,074,419	1,005,093	0.87
65,000	TOKYO TATEMONO CO.	960,726	808,980	0.91
31,250	UBI BANCA	646,845	795,558	4.24
434,987	UNICREDITO ITALIAN	3,250,347	3,894,938	3.62
71,463	UNIPOL	212,962	245,388	4.92
33,900	URBAN CORP.	516,825	616,264	1.11
18,646	VIVACON AG	660,748	751,945	1.34
10,410	VONTOBEL HLDGS. AG	577,591	597,962	2.84
26,400	W HLDG. CO. INC.	160,882	69,696	7.20
340,000	WHARF (HLDGS.)	1,334,690	1,359,061	2.56
51,800	WING LUNG BANK	440,330	524,765	4.29
14,800	ZURICH FIN. SVS GROUP	3,533,110	4,579,716	2.90
	Total Financials	<u>196,417,219</u>	<u>268,375,434</u>	
Healthcare				
8,315	ACTELION	184,700	370,769	0.00
93,000	ALOKA CO.	966,134	1,067,096	0.85
60,740	ASPREVA PHARMACEUTICALS CORP.	1,835,225	1,050,802	0.00
130,000	ASTELLAS PHARMA INC.	4,309,209	5,642,334	1.87
85,212	CELESIO AG	1,958,064	5,540,099	1.56
21,014	COCHLEAR LTD.	478,079	1,087,525	1.80
7,639	DRAGERWERK AG	547,039	718,053	0.79
98,900	EISAI CO.	1,965,815	4,308,531	2.42
48,000	ESSILOR INTL	5,120,481	5,728,710	1.24
19,125	FRESENIUS MEDICAL CARE AG & CO.	803,598	881,553	1.38
62,682	FRESENIUS SE	3,676,162	4,770,320	1.03
451,460	GLAXOSMITHKLINE	11,714,751	11,820,506	3.75
6,400	HOGY MEDICAL CO.	297,619	285,032	1.45
28,802	IPSEN	815,938	1,478,145	1.58
274,000	KAKEN PHARM	2,299,775	1,990,186	2.23
17,162	MERCK KGAA	1,682,100	2,365,329	0.88
544,000	MOULIN GLOBAL EYEC	428,353	351,399	N/A
20,000	NIHON KOHDEN CORP.	429,643	370,055	1.49
46,000	NIPPON SHINYAKU CO.	404,463	422,770	1.23
2,638	NOBEL BIOCARE AG	956,520	862,042	1.06
161,530	NOVARTIS AG	9,083,747	9,093,970	1.96
41,000	OLYMPUS CORP.	1,422,096	1,596,907	0.73
3,275	OMEGA PHARMA	223,062	284,093	0.47
51,922	ORION CORPORATION	1,293,555	1,300,085	10.79
1,600	ORTHOFIX INTERNATIONAL NV	70,768	71,952	0.00
60	OSIM INTERNATIONAL	31	28	3.94
24,500	ROCHE HOLDINGS AG	3,871,689	4,345,871	1.56
101,741	SANOFI AVENTIS	5,860,483	8,258,120	2.91
87,600	SANOFI AVENTIS	3,782,827	3,527,652	2.46
17,500	SANTEN PHARM CO.	473,669	425,118	2.67
63,900	SEIKAGAKU CORP.	693,820	741,994	1.74
1,600	SMITH & NEPHEW P L C	99,114	99,248	0.87
17,539	SONOVA HOLDING AG	747,048	1,574,160	0.68
77,274	SOUTHERN CROSS HEA	574,546	876,743	0.64
11,973	STALLERGENES	1,044,402	1,033,272	0.55

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
FOREIGN EQUITY SECURITIES				
Healthcare (continued)				
177,000	TAKEDA PHARMACEUTICAL CO. LTD.	7,356,280	11,408,721	2.01
14,000	TOHO PHARM	246,976	234,099	0.58
33,000	TSUMURA & CO.	631,813	607,919	0.88
16,400	VIRBAC	977,571	1,310,779	1.35
	Total Healthcare	<u>79,327,165</u>	<u>97,901,987</u>	
Industrials				
20,108	AALBERTS INDS	447,120	552,642	1.35
34,222	ABB LTD.	723,262	776,250	0.86
12,071	ABENGOA SA	255,910	496,737	0.43
67,271	ACS ACTIVIDADES CO.	2,775,392	4,299,157	2.17
72,220	ADECCO SA	3,050,924	5,595,047	1.26
176,102	AGGREKO	836,626	2,029,834	1.17
13,700	AICHI CORPORATION	141,209	187,148	1.19
21,700	AIR FRANCE KLM	930,372	1,013,727	1.39
111,000	AIRPORT FACILITIES	642,297	839,500	1.71
20,900	ALFA LAVAL AB	728,788	1,264,875	1.51
11,684	ANDRITZ AG	280,269	773,054	1.53
57,592	ARRIVA	631,530	797,292	3.01
17,700	ART CORP. (JAPAN)	526,951	526,005	0.95
209,670	ASPEN GROUP	403,051	455,383	5.00
250,220	ATLAS COPCO AB	182,361	4,196,363	2.07
317,000	AUSTAL LIMITED	635,745	1,008,536	2.93
20,500	BAUER AG	1,638,551	1,658,408	0.83
4,788	BEKAERT SA	513,848	703,871	1.72
17,020	BIESSE	488,392	563,166	1.47
6,723	BOSKALIS WESTMNSTR	215,336	267,943	2.30
67,800	BSS GROUP PLC.	291,896	656,687	1.28
2,390	BUCHER INDUSTRIES	332,862	382,798	1.27
6,704	BURCKHARDT COMPRESSION HOLDING	1,291,434	1,624,582	1.01
44,336	CAPITA GROUP	316,047	645,802	1.24
400	CFE	695,820	723,895	0.90
123,912	CHARTER	1,274,258	2,747,147	0.00
54,000	CHIYODA INTEGRE CO.	1,325,387	1,377,384	1.27
265,477	COMPAL ELECTRONICS INC.	1,179,959	1,407,028	2.94
81,000	COMSYS HOLDINGS	861,517	935,965	1.19
600	COPA HOLDINGS S A	39,226	40,344	0.46
912,000	COSCO INTL. HLDGS.	454,213	655,603	0.94
97,000	DAIHEN CORP.	551,710	600,875	0.92
156,000	DAIKIN INDUSTRIES	3,946,992	5,671,809	0.62
20,000	DAIMEI TELECOM ENG	255,324	211,992	1.45
40,900	DANIELI & C	1,000,511	1,204,730	0.37
293	DCC	8,308	9,766	1.98
208,257	DE LA RUE	2,304,093	3,254,943	N/A
7,300	DOMTAR CORP.	68,397	81,468	0.00
18,600	EIZO NANA0 CORP.	565,121	605,466	1.99
60,940	EMBRAER EMPRESA BRASILEIRA DE	2,160,965	2,937,917	0.19
5,639	EVS BROADCAST EQUITY	349,249	464,637	2.07
64,000	FANUC	4,435,611	6,592,008	1.23
2,134	FIN DE L ODET	443,472	925,549	0.07
138,957	FIRSTGROUP	1,680,006	1,862,358	2.32
8,400	FLSMIDTH & CO. A/S	382,770	661,609	1.61
7,550	FOM CONST Y CONTRA	424,959	682,666	2.51
55,800	FUJI MACHINE MFG.	1,151,872	1,303,559	1.39
2,070	GEBERIT	371,727	352,994	1.91
625	GEORGE FISCHER AG	342,685	471,708	2.70
37,100	GLORY	754,312	811,126	1.04
3,960	GRUPO FERROVIAL SA	426,151	390,684	1.14
10,540	GS ENGINEERING & C	729,189	1,260,602	1.40
26,700	HEROUX DEVTEK INC.	193,353	223,389	N/A
32,000	HIRANO TECSEED CO.	472,819	456,828	1.13
62,000	HITACHI CABLE	345,362	362,476	1.18
36,000	HITACHI HIGH TECH	570,789	932,831	0.78
11,464	HOCHTIEF AG	739,601	1,249,300	1.36
6,666	HUBER & SUHNER AG	1,118,044	1,468,522	1.63
42,200	HUNTING	423,566	620,192	1.02
24,100	HUSQVARNA AB	449,122	342,669	2.31
7,230	HUSQVARNA AB	0	102,801	1.78
560,000	HUTCHISON WHAMPOA	4,216,807	5,562,107	2.23
8,590	HYUNDAI MIPO DOCK	432,581	2,389,469	0.97
45,700	IBJ LEASING CO. LTD.	1,122,384	1,041,706	1.28
21,641	IMA(IND MACC AUTO)	438,563	482,250	3.94
50,357	IMPREGILO SPA	464,894	388,675	0.00
2,997	IMTECH NV	151,000	260,099	1.67
35,266	INTERPUMP GROUP	340,562	380,314	2.25
54,205	INTL. METAL SERVICE	2,022,418	2,584,192	N/A

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
FOREIGN EQUITY SECURITIES				
Industrials (continued)				
453,400	ITE GROUP	967,296	1,537,356	2.25
168,165	JERONIMO MARTINS SGPS	511,332	992,494	2.01
101,000	KAMIGUMI CO.	809,974	873,460	0.80
190,000	KAWASAKI HEAVY IND	320,176	775,416	0.99
67,558	KELLER GROUP	893,634	1,459,818	1.45
20,944	KIER GROUP	989,214	862,270	1.34
11	KOMAX	1,769	1,858	1.64
26,000	KOMORI CORPORATION	398,610	608,446	1.18
15,768	KON BAM GROEP NV	402,029	446,779	N/A
43,700	KONECRANES OYJ	877,453	1,836,082	1.45
125,000	KUMAGAI GUMI CO.	392,056	271,266	0.56
202,000	KYODO PRINTING CO.	832,781	718,070	1.82
418,000	LABROY MARINE	150,407	718,781	1.14
67,500	LAVENDON GROUP	358,265	819,342	0.74
46,823	LEIGHTON HOLDINGS	507,509	1,638,642	2.08
6,500	LEMMINKAINEN CORP.	256,819	460,436	2.86
20,280	LS CABLE LTD.	726,861	1,422,388	1.54
28,000	MAKINO MILLING	353,660	399,045	0.85
37,656	MAN AG	2,393,065	5,429,420	1.41
11,000	MATSUDA SANGYO	235,234	244,058	0.80
5,930	MEGASTUDY CO. LTD.	670,399	1,155,320	0.50
67,400	MITSUBISHI CORP.	1,644,117	1,762,841	1.42
108,000	MITSUBISHI ELEC. CP	971,168	998,713	0.88
41,760	MITSUBISHI UFJ LEASE & FIN	1,983,449	1,873,358	0.00
135,000	mitsui & co.	1,898,408	2,683,712	1.71
157,000	mitsui OSK LINES	1,491,859	2,128,167	1.19
567,000	MMI HLDGS.	243,196	607,983	2.44
215,300	MONADELPHOUS GROUP	2,292,685	2,661,364	2.54
5,800	MOSHIMOSHI HOTLINE	246,127	258,310	1.38
38,763	MTU AERO ENGINES I	1,383,269	2,525,430	1.70
4,838	NEXANS	604,090	808,904	0.97
173,000	NICHIAS CORP.	1,245,537	1,833,734	1.15
9,200	NISHIO RENT ALL CO.	148,649	187,360	0.91
63,000	NISSIN ELECTRIC	272,548	249,970	1.02
74,500	NITTO DENKO CORP.	4,617,692	3,752,298	1.29
8,383	OBRASCON HUARTE LAIN SA	176,543	379,162	0.73
49,800	OILES CORPORATION	1,016,490	1,108,952	1.38
59,000	ORIENT O/SEAS INTL	550,179	576,574	2.36
175,000	ORKLA ASA	1,916,316	3,318,462	1.79
22,800	OUTOTEC OYJ	797,186	1,258,491	0.86
467,200	PACIFIC BRANDS	817,784	1,367,485	4.49
3,008	PALFINGER AG ORD	583,582	166,154	1.34
117,500	PEAB AB	3,200,992	3,666,949	1.64
4,676	PFEIFFER VAC TECH	397,796	449,956	1.89
5,012	PIRELLI & CO. REAL	281,137	291,607	4.78
542,000	RAFFLES EDUCATION	529,201	807,977	1.58
106,191	RAMIRENT OYJ	1,443,199	2,888,404	1.49
5,810	RANDSTAD HLDGS. NV	265,934	461,778	2.12
1,670	RIETER HLDGS. AG	650,580	872,744	2.34
388,470	ROBERTS WALTERS	1,986,262	3,008,507	1.04
6,900	ROCKWOOL INTL	1,117,122	2,109,996	0.57
2,500	RYANAIR HLDGS. PLC.	97,844	94,375	0.00
28,000	RYOBI	179,479	186,825	1.46
107,486	S I G	1,200,810	2,863,890	1.54
82,000	SANDVIK AB	1,526,057	1,662,194	2.34
73,200	SAS AB	1,647,767	1,691,973	0.00
92,500	SECOM CO.	3,285,600	4,351,796	0.00
150,600	SECURITAS	1,415,629	2,393,893	2.84
51,000	SEINO HOLDINGS	482,656	481,939	0.94
16,344	SEVERFIELD ROWEN	576,268	742,733	2.52
125,583	SHANKS GROUP	523,914	627,388	2.37
43,000	SHO BOND CORP.	440,548	447,775	1.56
192	SIAS	2,543	3,125	N/A
57	SMIT INTERNATIONAL	2,508	4,473	3.87
132,006	SMITHS GROUP	1,358,415	3,138,472	4.05
47,000	SODICK CO.	426,306	336,435	2.26
240,323	STAGECOACH GROUP	807,304	881,169	2.24
15,900	STANTEC INC.	434,570	526,139	N/A
131,000	SUMITOMO HEAVY IND	733,423	1,481,898	0.72
31,000	TAIHO KOGYO	378,526	458,618	1.31
8,883	TECNICAS REUNIDAS	304,145	601,646	1.05
400	TGS NOPEC GEOPH CO.	3,889	8,195	0.00
13,216	THALES	802,888	808,911	1.92
57,000	TOKYO LEASING CO.	861,077	847,880	1.31
180,000	TONAMI TRANSPORT	486,396	482,449	1.81
23,400	TORM D/S	873,325	876,937	2.78
32,800	TRANSAT A T INC.	1,070,746	1,017,532	1.09

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
FOREIGN EQUITY SECURITIES				
Industrials (continued)				
131,100	TRANSPACIFIC INDUS NPV	673,171	1,485,970	0.76
35,200	TREVI FINANZIARIA	446,889	634,651	0.37
107,818	ULTRA ELECTRONIC	1,529,742	2,342,750	1.71
2,300	ULTRAPETROL BAHAMAS LIMITED	52,417	54,510	0.00
10,100	UNIVAR NV	268,297	534,710	2.76
203	UPONOR OYJ	8,453	7,907	4.85
28,600	URALITA	224,574	267,676	1.89
10,519	USG PEOPLE NV	497,871	495,805	2.06
139,018	VEDIOR	3,302,970	4,169,945	1.35
71,403	VESTAS WIND SYSTEMS	959,896	4,716,833	0.00
43,824	VINCI	2,299,863	3,283,668	2.39
9,671	VOPAK (KON)	367,395	551,180	1.78
10,557	VOSSLOH AG	808,637	1,237,431	1.50
106,200	WPP GROUP	1,636,379	1,594,860	1.50
37,000	YAMAZEN CORP.	238,778	273,841	1.37
	Total Industrials	141,025,447	204,814,945	
Information Technology				
85,200	ADVANTEST	3,686,500	3,704,798	0.93
7,300	ASIAINFO HLDGS. INC.	68,766	70,810	0.00
67,900	ASML HOLDING NV	1,496,592	1,879,898	0.00
22,700	AVEVA GROUP	422,945	421,283	0.45
70,000	AXON GROUP	1,005,392	1,110,915	0.51
28,577	BUSINESS OBJECTS	1,161,088	1,127,736	0.00
62,000	CANON ELECTRONICS	2,159,429	2,013,199	1.20
201,900	CANON INC.	5,810,873	11,820,211	1.38
37,343	CAPITAL GEMINI	2,257,157	2,742,075	1.29
112,860	CHECK POINT SOFTWARE	2,125,258	2,574,337	0.00
58,534	COMPAL ELECTRONIC	266,267	310,230	2.94
67,000	DAISHINKU CORP.	438,836	422,633	1.28
18,000	DAIWABO INFO SYSTEM	295,296	243,556	1.80
97,600	DIPLOMA (NEW)	1,191,840	1,768,251	2.66
1	DOMINO PRINTING SCIENCES	5	7	2.61
48,000	ESPEC CORP.	584,308	692,239	1.57
122,972	ESPRINET	1,690,052	2,489,537	0.93
8,400	FUJI SOFT INC.	255,216	197,255	0.69
243,839	HALMA	948,539	1,177,811	2.99
32,000	HIROSE ELECTRIC	1,962,562	4,202,923	0.99
395,000	HITACHI	2,928,626	2,798,696	1.26
10,400	HITACHI INFO SYS.	227,704	231,588	1.24
20,000	HITACHI KOKUSAI EL	251,957	246,164	1.05
17,600	HITACHI SOFTWARE	359,264	393,344	1.09
39,000	HOSIDEN CORP.	453,453	515,389	0.92
22,786	INDRA SISTEMAS SA	474,616	569,928	1.91
278,250	INFINEON TECHNOLOGIES AG	3,282,596	4,625,982	0.00
44,000	INNOTECH CORP.	380,179	383,011	1.67
11,000	KAGA ELECTRONICS	290,877	195,514	2.05
26,500	KEYENCE CORP.	3,754,677	5,778,736	0.22
26,100	KOA CORPORATION	396,432	349,141	1.09
39,500	MARUBUN CORP.	494,298	452,589	1.98
45,800	MURATA MFG. CO.	2,225,540	3,445,338	1.08
20,300	NEC FIELDING LTD.	286,014	256,596	1.92
6,413	NEOPOST	674,224	939,814	3.04
11,000	NESS TECHNOLOGIES INC.	157,082	143,110	0.00
6,807	NHN CORP.	609,033	1,241,454	0.00
17,100	NIHON DEMPA KOGYO	732,499	969,270	0.71
82,000	NIKON CORP.	1,460,274	2,284,141	0.52
9,100	NINTENDO CO.	1,000,310	3,323,292	1.55
6,844	OPTION NV	124,002	135,967	N/A
16,200	PARROT PROMESSES	1,016,267	1,015,182	N/A
16,512	QXL RICARDO	344,707	349,178	0.00
54,200	ROHM CO.	4,789,887	4,805,782	1.19
70,550	ROTORK	812,411	1,292,332	1.99
9,230	SAMSUNG ELECTRONIC	2,078,164	5,654,486	0.97
124,070	SECURITAS SYSTEMS	261,222	423,385	1.71
261,963	SEEK LIMITED	900,634	1,640,201	1.46
73,000	SHINDENGEN ELEC.	349,919	351,124	1.18
47,000	SMK CORP.	326,519	312,458	1.71
98	SONET ENTERTAINMENT	183,683	288,060	0.63
896,420	SPIRENT COMMUNICATIONS PLC.	1,362,128	1,353,394	0.00
23,800	STAR MICRONICS CO.	220,103	634,050	1.28
67,000	SUMCO CORPORATION	2,154,253	3,358,274	0.57
91,790	SUNTECH POWER HLDGS. CO. LTD.	2,815,227	3,347,581	0.00
23,000	TAIYO YUDEN CO.	385,521	531,722	0.35
26,800	TANDBERG ASA	478,073	602,352	0.60
20,500	TDK CORP.	1,795,266	1,978,704	1.01
35,605	TEMENOS GROUP AG	816,839	854,102	0.00

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
FOREIGN EQUITY SECURITIES				
Information Technology (continued)				
20,369	TIETOENATOR OYJ	662,056	657,474	2.26
15,900	TIS INC.	363,197	364,363	0.95
52,000	TOA CORP.	479,148	402,543	2.09
22,600	TOKYO ELECTRON	1,620,903	1,661,671	1.30
14,353	TOMTOM NV	447,300	735,252	N/A
13,297	UBISOFT ENTERTAIN	605,158	703,066	0.00
405	UMC JAPAN	115,828	65,918	0.00
31,000	UNIDEN CORP.	240,138	226,422	3.33
45,118	UTD INTERNET AG	652,026	942,651	1.16
212,900	VISLINK PLC.	428,368	342,789	1.25
116,000	VTECH HLDGS.	425,006	979,291	5.92
11,228	WINCOR NIXDORF AG	553,815	1,043,282	2.03
98,100	WIRECARD AG	777,237	1,318,265	0.00
274,136	WOTIF COM HOLDINGS	1,223,685	1,307,080	1.07
45,000	YASKAWA ELEC. CORP.	467,878	511,600	0.71
	Total Information Technology	<u>78,543,144</u>	<u>108,302,802</u>	
Materials				
49,000	AIR WATER	465,009	513,033	1.55
99,000	AUR RES. INC.	729,461	2,950,223	0.32
34,140	BASF AG	2,842,437	4,483,521	3.09
98,500	BHP BILLITON LTD.	2,127,267	2,927,367	1.30
229,700	BLUESCOPE STEEL LTD.	1,518,366	2,015,034	4.35
11,225	BUZZI UNICEM SPA	325,581	387,942	1.37
48,015	CLARIANT	688,271	779,617	1.26
39,116	COMPANHIA VALE DO RIO DOCE	1,604,802	1,742,618	0.45
57,700	CRH	2,007,973	2,854,457	1.42
71,000	DAIO PAPER CORP.	551,255	553,650	1.09
76,000	DENKI KAGAKU KOGYO	272,726	341,552	1.80
270,902	DS SMITH PLC.	1,095,389	1,260,975	3.71
10,557	EMS CHEMIE HLDG. AG	1,202,498	1,378,198	4.78
35,500	FNX MNG. CO. INC.	754,180	1,081,937	N/A
9,500	GRUPO SIMEC S A DE C V	123,287	118,560	0.00
2,603	HANSON	33,902	56,299	2.02
344,000	HOKKAN HOLDINGS	1,226,253	1,144,856	1.82
57,000	HOKUETSU PAPER MLS.	312,913	311,090	2.08
18,850	HYUNDAI STEEL	680,074	1,040,535	0.98
154,817	IMPERIAL CHEM. INDS	900,198	1,932,036	1.43
15,408	INCITEC PIVOT	859,705	1,041,850	1.88
320,600	INDEPENDENCE GROUP	813,214	1,890,380	1.44
49,800	INMET MNG. CORP.	1,444,466	3,857,598	0.24
13,511	ITALCEMENTI	210,801	418,228	1.57
42,000	JSP CORPORATION	453,665	559,456	0.73
83,400	JUBILEE GOLD MINES	1,236,269	1,128,567	3.57
11,500	KLOECKNER & CO. AG	400,044	836,362	1.49
50,929	KONINKLIJKE DSM NV	2,257,457	2,513,988	2.74
24,373	LONMIN	1,787,280	1,965,809	1.36
44,795	LONZA GROUP AG	3,212,930	4,115,468	1.33
1,178,520	MINCOR RESOURCES	2,083,080	4,699,326	1.91
252,000	MIITSUBISHI PAPER	488,585	567,278	1.80
15,500	NIFCO INC.	335,998	338,253	2.08
504,000	NIPPON LIGHT METAL	1,278,267	1,314,126	1.55
232,000	NIPPON STEEL CORP.	1,664,982	1,630,641	1.15
183,330	ONESTEEL	405,847	1,000,104	2.80
63,000	PACIFIC METALS CO.	477,801	1,053,443	2.91
152,720	PORTUCEL EMP PROD	565,364	618,768	2.63
49,600	POSCO	1,759,341	5,952,000	1.46
99,058	RAUTARUUKKI OY	2,841,528	6,364,048	3.15
7,766	RHI AG	370,066	424,045	0.00
357,304	RHODIA	1,351,110	1,346,334	0.00
103,600	RIO TINTO	4,642,936	7,954,713	1.41
24,800	RIO TINTO PLC.	2,399,231	7,591,776	1.36
31,767	SALZGITTER AG	824,163	6,156,141	1.39
4,599	SCHMOLZ & BICKENBACH AG	356,716	403,388	1.16
10,200	SCHULTHESS GROUP	470,548	1,277,497	0.78
78,500	SHIN ETSU CHEMICAL CO.	1,524,310	5,600,105	0.91
44,100	SSAB (SVENSKT STAL)	348,827	1,816,813	1.59
156,060	STORA ENSO OYJ	1,714,690	2,946,521	3.22
491,000	SUMITOMO METAL IND	2,025,142	2,886,481	1.10
74,700	SVENSKA CELLULOZA	995,322	1,252,771	3.48
5,600	TAIYO INK MFG. CO.	154,720	174,129	1.56
64,000	TAKASAGO INTL. CORP.	344,866	369,505	1.12
91,002	THYSSENKRUPP AG	2,621,832	5,423,699	2.27
58,000	TOSOH CORP.	257,790	321,713	1.17
20,280	TUBOS REUNIDOS	516,202	515,190	1.32
85,000	UBE INDUSTRIES	258,494	261,549	1.32
3,491	UMICORE	538,049	760,351	0.98

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
FOREIGN EQUITY SECURITIES				
Materials (continued)				
103,330	UPM KYMMENE OY	1,402,423	2,553,808	4.10
14,500	VOESTALPINE AG	1,022,437	1,223,936	2.32
82,400	XSTRATA	3,081,910	4,938,200	0.72
34,600	YAMATO KOGYO CO.	734,604	1,370,047	0.82
52,000	YODOGAWA STEEL WKS	286,637	288,012	2.19
29,400	ZINIFEX	283,937	469,426	7.44
	Total Materials	<u>72,565,428</u>	<u>128,065,343</u>	
Private Placement				
6,036	BOEHLER UDDEHOLM	231,725	603,242	N/A
22,583	HARTFORD EDUCATION	0	8,416	0.88
732	MCINERNEY HLDGS.	1,751	2,383	2.39
125,000	MICRO FOCUS	606,813	656,452	1.91
50,479	PAGESJAUNUS	0	0	N/A
195,459	RESTAURANT GROUP	533,771	1,294,124	1.82
61,054	SARAS RAFFINERIE	362,053	390,638	3.17
210,000	TI AUTOMOTIVE	0	0	N/A
	Total Private Placement	<u>1,736,113</u>	<u>2,955,255</u>	
Rights and Warrants				
71,463	UNIPOL	0	0	
	Total Rights and Warrants	<u>0</u>	<u>0</u>	
Telecommunications Services				
37,010	BOUYGUES	2,330,934	3,108,496	1.93
429,900	BT GROUP	1,937,211	2,867,909	4.54
505,000	CHINA MOBILE LTD.	1,571,072	5,422,780	1.65
5,062,000	CHINA TELECOM CORP.	2,035,686	2,978,447	1.85
72,316	CHUNGHWA TELECOM CO. LTD.	1,067,668	1,363,880	5.56
81,300	ELISA CORPORATION	2,422,481	2,220,150	2.47
185,120	FRANCE TELECOM	4,939,490	5,100,282	5.88
29,700	GOLDEN TELECOM INC.	997,332	1,633,797	1.45
5,152	ILIAD	438,584	521,853	0.36
308	KDDI CORP.	2,548,290	2,277,048	1.10
259,200	MOBILEONE	378,659	372,840	6.05
5,442	MOBISTAR	442,550	464,501	5.34
301	NIPPON TEL. & TEL. CP	1,345,237	1,333,228	1.65
195,774	NOKIA CORP.	3,591,102	5,503,207	1.48
247,800	NOKIA OYJ	4,804,000	6,964,406	2.07
3,040	NTT DOCOMO	4,147,253	4,800,194	2.46
149	OKINAWA CELLULAR	448,569	400,567	2.11
1,300	OPEN JT STK CO. VIMPEL COMMN.	100,151	136,968	N/A
263,670	PORTUGAL TCOM SGPS	2,206,328	3,642,898	4.64
129,700	REVERSE CORP. LTD.	543,523	649,221	2.71
1,012,000	SINGAPORE TELECOMM	1,998,482	2,249,698	3.26
116,328	TELEFONICA S A	4,281,739	7,766,057	2.91
132,800	TELEFONICA SA	2,247,906	2,966,500	3.03
89,210	TELEFONOS DE MEXICO S A	1,057,358	3,380,167	2.03
99,510	TELEKOM AUSTRIA	2,682,903	2,486,275	4.05
230,210	TELENOR ASA	2,305,180	4,511,552	2.16
439,000	TELSTRA CORP.	1,272,153	1,709,535	6.10
532,437	UXC LTD.	1,125,344	1,129,299	3.00
2,793,760	VODAFONE GROUP	7,344,843	9,405,619	4.05
	Total Telecommunications Services	<u>62,612,028</u>	<u>87,367,374</u>	
Utilities				
196,142	AEM SPA	459,167	722,514	2.57
77,217	ALINTA LTD.	676,735	997,076	3.02
535,400	BABCOCK & BROWN PO COM STK	1,580,286	1,571,648	4.05
756,000	CENTRICA ORD	5,268,134	5,892,765	2.88
1,075,000	CLP HOLDINGS	4,148,342	7,212,135	4.59
53,120	E ON AG	4,896,442	8,916,717	2.70
16,221	ENDEMOL	171,355	530,813	1.86
216,700	ENEL	2,326,975	2,333,997	6.14
3,365,010	HONGKONG&CHINA GAS	3,189,429	7,093,384	1.93
766,619	INTERNATIONAL POWER	4,271,519	6,606,159	1.84
38,615	KELDA GROUP	725,317	730,203	4.45
273,785	NORTHUMBRIAN WATER	1,729,442	1,689,122	3.67
5,300	OKINAWA ELEC. POWER	288,782	309,859	0.83
1,299	PENNON GROUP	13,419	16,054	3.02
13,221	RED ELECTRICA DE ESPANA	435,215	621,019	2.08
90,510	SUEZ	1,949,569	5,193,905	2.82
144,716	T.E.R.N.A	361,212	500,342	N/A
71,100	TOKYO ELEC. POWER	2,010,153	2,279,898	1.77
18,536	UNION FENOSA	689,913	992,590	2.15
	Total Utilities	<u>35,191,406</u>	<u>54,210,200</u>	

PORTFOLIO OF INVESTMENTS

JUNE 30, 2007 (CONTINUED)

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
	FOREIGN EQUITY SECURITIES			
	Commingled and Other Assets			
93,300	ISHARES TR	6,338,767	7,537,707	
422,500	NOMURA AM	6,045,932	6,158,144	
337,500	STATE STREET BQE	37,898,248	43,105,976	
	Total Commingled and Other Assets	<u>50,282,947</u>	<u>56,801,827</u>	
	TOTAL FOREIGN EQUITY SECURITIES	958,749,564	1,365,647,941	
	TOTAL EQUITY	5,860,773,109	7,426,921,988	
	REAL ESTATE			
	APOLLO REAL ESTATE FUND III	11,469,865	19,367,064	
	APOLLO REAL ESTATE FUND IV	8,078,613	9,263,787	
	ASLAN REALTY PARTNERS LP	1	603,919	
	CANYON JOHNSON URBAN FUND	1,163,285	758,829	
	CB RICHARD ELLIS INVESTORS	246,403,493	260,006,433	
	COMMONWEALTH REALTY ADVISORS	15,021,538	16,226,359	
	DLJ REAL ESTATE CAPITAL II LP	11,524,372	11,439,870	
	ING CLARION PARTNERS	94,436,819	102,004,048	
	JP MORGAN STRATEGIC PROPERTY FUND	185,864,841	235,767,240	
	KOLL BREN FUND VI	25,303,156	30,884,224	
	LF STRATEGIC REALTY INVESTORS	20,998,492	24,348,071	
	MGA DEVELOPMENT ASSOC., LP	1	1,209,837	
	MACFARLANE URBAN REAL ESTATE FUND II. L.P.	0	(354,908)	
	OLYMPUS REAL ESTATE FUND II	21,979,072	4,228,525	
	PREMIER PARTNERS V LP	32,869,745	36,481,410	
	PRUDENTIAL PRISA I	118,457,745	175,944,049	
	REALTY ASSOCIATES FUND V	26,418,645	34,612,024	
	REALTY ASSOCIATES FUND VIII	7,500,000	7,313,539	
	RLJ LODGING FUND II	19,258,428	19,765,431	
	RREEF REAL ESTATE VENTURE CAPITAL	3,647,254	239,106	
	RREEF VALUE ADDED FUND LP	158,767	200,460	
	REEF REIT AMERICA II	93,556,180	125,594,703	
	RREEF GLOBAL OPP FUND II	12,156,647	11,027,662	
	WALTON STREET REAL ESTATE III	4,129,962	15,019,075	
	WALTON STREET REAL ESTATE IV	16,174,930	24,607,110	
	WALTON STREET REAL ESTATE V	22,643,210	23,057,044	
	TOTAL REAL ESTATE	999,215,061	1,189,614,911	
	INFRASTRUCTURE			
	ALINDA INFRASTRUCTURE	28,493,245	29,577,060	
	MACQUARIE INFRASTRUCTURE PARTNERS	77,523,205	78,859,389	
	TOTAL INFRASTRUCTURE	106,016,450	108,436,449	
	PRIVATE EQUITY			
	ABS CAPITAL PARTNERS IV LP	7,852,034	10,932,196	
	BCI GROWTH IV	7,889,020	4,768,404	
	BEAR STEARN MERCHANT BANKING II TR	10,364,154	13,357,241	
	BLACKSTONE CAPITAL PARTNERS V	850,170	773,234	
	BLACKSTONE MEZZANINE PARTNERS	6,509,626	3,980,688	
	BEHRMAN CAPITAL III L P	12,456,867	13,695,600	
	BOSTON MILLENNIA II	7,887,743	5,090,193	
	CASTILE VENTURES III	2,254,549	1,783,698	
	CORNERSTONE EQUITY INVESTORS IV	5,384,419	994,344	
	COURT SQUARE CAPITAL PARTNERS	8,643,659	7,899,829	
	DLJ INVESTMENT PARTNERS II	3,367,136	2,564,320	
	DLJ MERCHANT BANKING PART III	5,868,582	14,275,294	
	FRONTENAC VI	5,015,744	356,698	
	FRONTENAC VII LP	5,239,426	208,636	
	GOLDER THOMA CRESSEY RAUNER	2,822,448	17,842	
	GOLDER THOMA CRESSEY RAUNER V	321,091	1,663,353	
	GOLDER THOMA CRESSEY RAUNER VI	26,134,798	8,081,072	
	GTCR FUND VII LP	16,227,565	21,998,948	
	GOLDER THOMA CRESSEY VII A LP	1,463,100	3,250,803	
	GTCR IX	3,005,993	3,748,848	
	HOPEWELL VENTURES LP	5,000,000	2,276,267	
	INROADS CAPITAL PARTNERS LP	6,372,972	792,250	
	INTERWEST PARTNERS VI LP	4,811,934	552,106	
	INTERWEST PARTNERS VII LP	17,317,276	9,529,291	
	INTERWEST PARTNERS VIII	15,791,626	11,203,926	
	INVESCO VENTURE PARTNERSHIP	20,261,310	15,003,230	
	JK&B CAPITAL IV LP	6,600,064	6,133,921	
	KOHLBERG, KRAVIS, ROBERTS & CO.	63,926,773	14,364,789	
	LIGHTSPEED VENTURE	16,402,207	20,952,078	
	MADISON DEARBORN PARTNERS II	4,039,541	3,185,879	

Shares		Cost	Fair Value	Dividend Yield
		\$	\$	%
FOREIGN EQUITY SECURITIES (
PRIVATE EQUITY (continued)				
MADISON DEARBORN CAPITAL PART III		14,038,132	10,388,372	
MADISON DEARBORN CAPITAL PART IV		24,137,765	44,666,557	
MADISON DEARBORN CAPITAL PARTNER V		18,913,183	18,485,555	
MDCP III GLOBAL INVESTMENT LP		884,316	1,724,562	
MDCP IV GLOBAL INVESTMENT		2,719,725	24,873,721	
MESIROW CAPITAL VII		9,086,810	565,416	
OCM OPPORTUNITIES FUND III LP		63,045	1,798,221	
OCM OPPORTUNITIES FUND IV LP		1	2,879,201	
PENMAN PRIVATE EQUITY MEZZANINE FUND		2,239,446	117,826	
RELIANT EQUITY PARTNERS		7,354,532	3,911,950	
RESOLUTE FUND LTD.		17,773,116	25,065,834	
SCP PRIVATE EQUITY PARTNERS II LP		12,296,934	9,734,915	
SPROUT CAPITAL IX LP		9,099,249	7,508,166	
STERLING CAPITAL III		0	(53,633)	
SUMMIT ACCELERATOR FUND		2,037,497	997,414	
SUMMIT VENTURES IV L.P.		2,543,789	213,479	
SUMMIT VENTURES V		4,731,335	1,056,746	
SUMMIT VENTURES VI A		16,976,929	15,306,416	
SUMMIT PARTNERS PRIVATE EQUITY FUND VIIA		7,988,882	7,630,100	
TL VENTURES V LP		12,340,413	5,500,851	
TCW SHARED OPPORTUNITY FUND IV		10,786,840	12,107,841	
TCW SHARED OPP FUND V		8,751,428	8,265,352	
THOMAS H LEE EQUITY FUND V		18,604,442	28,524,435	
WARBURG PINCUS VENTURES		7,834,105	1,408,038	
WARBURG PINCUS EQUITY PARTNERS		10,037,336	8,655,497	
WARBURG PINCUS PRIVATE EQUITY VIII		23,889,425	51,767,320	
WARBURG PINCUS PRIVATE EQUITY IX		18,592,548	21,464,312	
WEISS PECK & GREER VENTURE ASSOCIATES IV		8,549,717	4,119,631	
WEISS PECK & GREER VENTURE ASSOCIATES V		24,993,658	8,776,001	
WELSH CARSON ANDERSON STOWE IX		14,370,988	22,254,609	
WIND POINT PARTNERS V		9,188,161	10,216,338	
TOTAL PRIVATE EQUITY		620,905,574	563,366,021	
HEDGE FUNDS				
GROSVENOR INST. US HEDGED EQTY.		100,000,000	121,125,273	
IVY ASSET MANAGEMENT		98,550,001	130,226,801	
MESIROW PLAN EQUITY FUND LP		99,705,000	125,420,600	
ROCK CREEK GROUP		100,000,000	119,631,904	
TOTAL HEDGE FUNDS		398,255,001	496,404,578	
MONEY MARKET				
SOCIETE GEN. NO AMER	05/31/07	0.010	13,488,233	13,488,232
STATE STREET BANK & TRUST CO.			483,765,322	483,765,322
SUNTRUST BANK ATLANTA GA	06/15/09	4.415	700,000	687,603
UBS FIN DEL LLC DISC COM13/A3	07/05/07	99.897431	9,989,743	9,989,743
UNITED STATES TREASURY BILLS	09/20/07	0.010	493,821	494,794
UNITED STATES TREASURY BILLS	09/06/07	0.010	27,186,640	27,274,218
TOTAL MONEY MARKET			535,623,759	535,699,912
FORWARDS				
FORWARD FOREIGN CURRENCY CONTRACTS			0	(108,696)
TOTAL FORWARDS			0	(108,696)
TOTAL INVESTMENTS			11,033,779,247	12,805,770,746
OTHER ASSETS LESS LIABILITIES				
CASH AND CASH EQUIVALENTS		43,116,750	42,916,419	
RECEIVABLES				
FOREIGN TAXES		1,071,202	1,071,202	
ACCOUNT RECEIVABLES		940,118	940,118	
INVESTMENTS SOLD		509,107,369	509,107,369	
DIVIDENDS & INTEREST		37,151,025	37,151,025	
PREPAID EXPENSES		14,740	14,740	
CAPITAL ITEMS		49,283	49,283	
PAYABLES:				
INVESTMENTS PURCHASED		(837,360,935)	(837,252,239)	
OPERATING EXPENSES		(7,572,502)	(7,572,502)	
TOTAL OTHER ASSETS LESS LIABILITIES		(253,482,950)	(253,574,585)	
NET ASSETS		10,780,296,297	12,552,196,161	

Fixed Income Portfolio* (Unaudited)	2007	2006
Average Duration	3.3 years	3.8 years
Average Coupon*	5.9%	5.7%
Average Quality	AA	AA
Quality Analysis		
	%	%
Government & Agency	47.6	42.8
AAA	10.9	13.1
AA	5.1	5.7
A	5.5	6.4
BAA	5.2	5.5
BA	8.0	9.6
B	10.7	11.3
CAA or lower	2.2	0.6
Not Rated	4.8	5.0
Industry Diversification**		
	%	%
Government & Agency	48.1	43.4
Foreign	2.9	4.1
Bank & Finance	10.4	12.0
Collateralized Mortgage Obligations	6.9	8.3
Industrials	21.6	22.7
Miscellaneous	10.1	9.5

**Data does not include commingled bond funds and short trades.*

***Fiscal year 2006 data restated to conform to Interest Rate Risk disclosure categorization.*

Domestic Equity Portfolio* (Unaudited)

Five Largest Industry Positions	Percent of Equities Held	S&P 500
	%	%
Financials	22.5	20.9
Information Technology	15.0	15.4
Industrials	14.2	11.6
Consumer Discretionary	13.1	11.1
Health Care	10.7	11.6

Fifteen Largest Holdings	Percent of Equities Held	(\$ in thousands) Fair Value
	%	\$
CITIGROUP INC	1.8	105,422
EXXON MOBIL CORP	1.5	89,234
BANK AMER CORP	1.4	86,180
JPMORGAN CHASE & CO	1.3	75,626
AT&T INC	1.2	73,377
PFIZER INC	1.1	63,342
INTERNATIONAL BUSINESS MACHINESS	1.1	62,547
GENERAL ELEC CO	1.0	60,931
CHEVRON CORP	1.0	58,568
MICROSOFT CORP	0.9	55,227
HEWLETT PACKARD CO	0.9	51,287
COUNTRYWIDE FINL CORP	0.8	45,499
VERIZON COMMUNICATIONS	0.8	44,789
MORGAN STANLEY	0.7	43,312
MERRILL LYNCH & CO INC	0.6	38,281

Major Purchases	(\$ in thousands) Amount
	\$
PFIZER INC	17,550
MERRILL LYNCH & CO INC	16,833
THERMO FISHER SCIENTIFIC INC	16,623
APACHE CORP	16,449
GLOBAL PMTS INC	16,017
CYTYC CORP	15,519
FISERV INC	14,538
AMGEN INC	14,035

Major Sales	(\$ in thousands) Amount
	\$
KERR MCGEE CORP	38,662
MEDIMMUNE INC	26,269
COGNIZANT TECHNOLOGY SOLUTIONS	23,683
HEWLETT PACKARD CO	21,278
CYTYC CORP	16,161
DOMINION RES INC VA NEW	15,549
ALLIANCE DATA SYSTEMS CORP	14,985
HARMAN INTL INDS INC NEW	14,286

* Data does not include commingled equity funds.

INVESTMENT TRANSACTIONS WITH BROKERS AND DEALERS

FISCAL YEAR ENDED JUNE 30, 2007

Transactions Executed on a Net Basis* (Unaudited)

	Transaction Value		Transaction Value
	\$		\$
Fixed Income Securities			
ABN Amro Securities Inc.	634,770	Montrose Securities	862,901,609
AK Capital LLP	601,141	Morgan Stanley & Co. Inc.	478,201,949
Banco Santander Central Hispano	5,100,000	Nomura	40,891,003
Bank of America Securities Inc.	658,633,187	Other	1,113,565
BBT & T Capital Markets	407,109	Paineweber	234,504
Barclays Bank PLC	354,814,196	Pershing	656,468,828
Bear, Stearns Securities Corp.	538,570,684	Piper Jaffray Companies	58,412
Blaylock	36,210,797	Pryor, Doley Securities	202,454,685
BMO Nesbit	2,222,000	Raymond James	2,628,000
BNP Paribas Securities	300,499,352	Ramirez & Co.	7,228,405
BNY Capital	11,590,094	RBC Dain Rauscher	128,257,876
Cabrera Capital Markets	164,700,382	RBC Dominion	14,869,702
Cantor Fitzgerald	201,831,025	Salomon Smith Barney	12,390,746
Chase Securites	47,053,078	Samco	853,371
CIBC World Markets Corp.	4,889,030	Santander Investments	1,279,463
Citigroup	181,388,598	SG Americas	2,741,366
Corporate Actions	5,241,532	Siebert Capital Markets	999,740
Countrywide Securities	15,987,514	Sterling Financial	6,359,814
Credit Suisse First Boston Corp.	655,331,600	Stern Agee & Lynch	406,343
CS First Boston	43,673,086	Stifel Nicolaus & Co.	100,151
Descap Securities	4,795,500	Tokyo Mitsubishi	134,100,000
Deutsche Banc Securities Inc.	1,524,632,208	Toronto Dominion Bank	805,825
First Albany Capital Inc.	1,464,088	Toussaint Capital Partners	4,147,342
First Tennessee	3,404,088	UBS	776,390,827
FNT Securities	1,037,290	Utendahl Capital	365,718,574
Goldman Sachs & Co.	2,743,390,158	Wachovia Securities	107,912,337
Greenwich Capital Markets Inc.	332,561,002	Washington Mutual Bank	4,797,375
Guzman & Co.	410,000	Williams Capital	21,083,009
HSBC	114,879,525		
J. P. Morgan Securities Inc.	247,483,448		
Jefferies	29,456,166		
KBC Financial Products	26,921,052		
Lehman Brothers	2,342,292,334		
LLC Transactions	20,898,594		
Loop Capital Markets	3,762,534,524		
Merrill Lynch, Pierce, Fenner & Smith Inc	94,034,428		
Miller Tabak Roberts	2,900,000		
Mischler	14,908,800		
Mitsubishi Securities	99,000,000		
Mizuho Securities	2,300,000		

** Commissions, if any, on these transactions are not separately reflected in the net sales price quoted by brokers and dealers.*

Commissions Paid (Unaudited)

	Amount		Amount
	\$		\$
Equity Securities			
Abel Noser	9,100	Merrill Lynch Pierce Fenner & Smith	56,389
Archipelago	16,845	Midwest Research Securities	10,076
Banc of America Securities Inc.	16,732	Morgan Stanley & Co.	224,008
Bank of New York	18,932	MR Beal	51,283
BB&T Capital	6,981	Muriel Siebert	22,350
Bear Stearns Securities Corp.	53,590	Natexis Bleichroeder	10,925
Berean Capital Inc.	40,229	Nomura Securities	5,861
Blair, William & Co.	9,317	Nutmeg Securities	42,224
Bloomberg Tradebook	19,421	NYFIX	15,815
BNY ESI & Co.	8,306	Pacific American	18,454
Cabrera Asset Management	116,514	Pipeline Trading Systems	11,250
Canaccord Adams Inc.	5,686	Prudential Securities	12,982
Cantor Fitzgerald & Co	49,855	Ramirez	5,970
Cheevers & Company	68,870	Raymond James & Assoc.	12,174
Citigroup Smith Barney Inc.	26,252	Redi Book	15,048
Credit Suisse First Boston Corp.	35,419	Robert W. Baird & Co.	32,304
Deutsche Banc Securities Inc.	45,382	Robinson Humphery	21,049
First Honolulu	44,450	Roth Capital	6,309
Friedman Billings and Ramsey & Co. Inc.	13,792	Salomon Smith Barney	36,374
Gardner Rich & Co.	145,018	Sanford C. Bernstein	18,864
Goldman Sachs & Company	33,299	SBK Brooks	7,533
Guzman & Co.	23,206	Sidoti	8,297
Hoenig & Co.	7,324	Stephen Inc.	14,081
Instinet	8,826	"Stiffel,Nicolaus & Company Inc.	9,773
International Strategy & Investment	11,782	Thompson Davis	7,789
Investment Technology Group	46,573	U.S. Bancorp Piper Jaffray Inc.	7,046
J.P. Morgan Securities, Inc.	36,508	UBS Securities	9,038
Jackson Securities	24,010	UBS Warburg Dillon Read	9,598
Janney Montgomery Scott, Inc.	13,260	Wedbush Morgan Securities, Inc.	8,116
Jefferies & Company	38,536	Weeden & Co.	22,239
Johnson Rice & Co.	10,461	Williams Capital Group	109,452
Jones & Associates	5,413	Various (Under \$5,000)	187,836
Jones Trading	5,085		<u>2,614,641</u>
Keefe Bruynette and Woods Inc.	11,247		
Lehman Brothers Inc.	85,646		
Liquidnet Inc.	202,404		
Loop Capital Markets	132,511		
Lynch Jones & Ryan	37,326		
M. Ramsey King Securities	23,484		
Magna Securities	23,876		
Melvin Securities Corp	52,666		

EXECUTIVE DIRECTOR

William R. Atwood

DEPUTY EXECUTIVE DIRECTOR

Katherine A. Spinato

**GENERAL COUNSEL
CHIEF COMPLIANCE OFFICER**

Emily A. Reid

INVESTMENT STAFF

Scott Richards
*Senior Portfolio Manager
Public Markets*

Timothy Kominiarek
*Portfolio Manager
Real Estate & Private Equity*

Alejandra Garcia
*Portfolio Manager
Emerging & Minority Managers*

Johara El-Harazin
*Portfolio Officer for Valuation
and Analysis*



Standing left to right: Scott Richards, Emily Reid, Tim Kominiarek, Alise White, Johara El-Harazin and Alejandra Garcia.

Seated left to right: Mary Jane Muscari, Katherine Spinato, William Atwood, Cecelia McNair

ADMINISTRATIVE STAFF

Alise M. White
Chief Fiscal Officer

Mary Jane Muscari
Administrative Assistant

Cecelia McNair
Private Secretary

EXTERNAL INVESTMENT MANAGERS

Domestic Equities

Amalgamated Bank of New York
Ativo Capital Management
Atlanta Life Investment Advisors
Brandywine Asset Management
Buford, Dixon, Harper & Sparrow
Channing Capital Management
Decatur Capital Management
Goldman Sachs Asset Management
Howland & Associates
IronBridge Capital Management
LSV Asset Management
Lynmar Capital
Martingale Asset Management
NWQ Investment Management
Opus Capital Management
Profit Investment Management
RhumbLine Advisors
Segall Bryant & Hamill
State Street Global Advisors
Trust Fund Advisors
William Blair & Company

International Equities

Franklin Templeton Investment Counsel
GlobeFlex Capital
State Street Global Advisors

Hedge Fund of Funds Managers

EnTrust Partners
Grosvenor Capital Management
IVY Asset Management
Mesirow Financial
Rock Creek Group

Fixed Income

AFL-CIO
Amalgamated Bank of New York
Chicago Equity Partners
Fort Washington Investment Advisors
LM Capital Group
Loomis Sayles & Company
State Street Global Advisors
Union Labor Life Insurance Company
Western Asset Management