

2008

ANNUAL

REPORT

ILLINOIS

STATE

BOARD

OF

INVESTMENT

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Appointed Member

VICE CHAIRMAN

Gordon John Mazzotti

*Chairman, Board of Trustees
State Employees' Retirement
System*

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



Michael Goetz



Guy W. Alongi



James Buchanan

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

Chairman

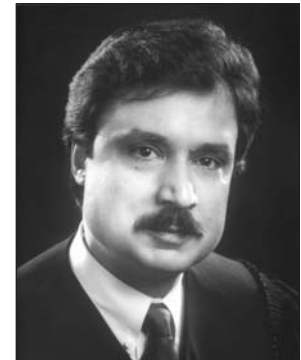
Kurt M. Granberg

Thomas E. Hoffman

Gordon John Mazzotti



Kurt M. Granberg



Thomas E. Hoffman

INVESTMENT POLICY COMMITTEE

Guy W. Alongi

Allison S. Davis

Michael Goetz

Chairman

Gordon John Mazzotti

Ronald E. Powell



Gordon John Mazzotti



Ronald E. Powell

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Allison S. Davis

Chairman

Alexi Giannoulis

Michael Goetz

Thomas E. Hoffman

Ronald E. Powell

LETTER TO TRUSTEES

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) is responsible for investment of the pension assets for the General Assembly Retirement System, the Judges' Retirement System of Illinois and the State Employees' Retirement System of Illinois. The fair value of ISBI's net assets totaled \$11.3 billion at fiscal year ended June 30, 2008. For the same period ending June 30, 2007, net assets totaled \$12.6 billion. Consistent with other investors, institutional and individual, this period was a very difficult time for ISBI's portfolio, although the Board's portfolio construction and asset allocation did mitigate, to some extent, reductions in the portfolio value.

Investment Policy

During FY08, consistent with its policy and industry best practices, the Board, working through staff and in concert with its consultant, examined the asset allocation and considered revisions. Stemming out of that work, the recommendations submitted and adopted by the Board at its March 21, 2008 meeting were to reduce the portfolio's exposure to domestic equities and increase investments in international equities. The domestic equity allocation was reduced from 40% to 30%, and the commitment to international equities was increased from 10% to 20%. The Board also reduced investments in fixed income instruments from 25% to 20%, and increased the utilization of hedged equity fund of funds from 5% to 10%. As a result of these changes ISBI's current asset allocation policy is:

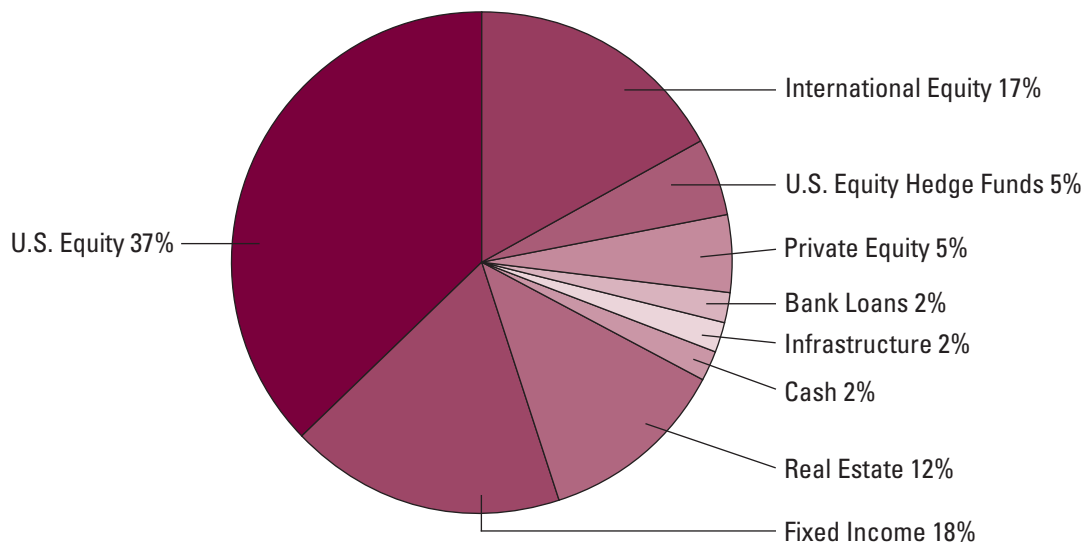
*Figure 1
Net Asset Allocation June 30, 2008*

	Fair Value	Actual Asset Mix	Policy Target
	(\$ in Millions)	%	%
U.S. equity	4,246,177,433	37	30
U.S. equity hedge funds	598,985,402	5	10
International equity	1,984,917,495	17	20
Fixed income ¹	2,023,215,463	18	18
Bank loans	202,137,983	2	2
Real estate	1,332,081,349	12	10
Private equity ²	524,628,589	5	5
Infrastructure ²	209,975,518	2	5
Cash ³	192,933,929	2	0
Total	11,315,053,161	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.



Subsequent to the March 2008 Board meeting and into FY09, the Board has been making changes to the portfolio to reflect the revised asset allocation policy as outlined above.

Consistent with the new asset allocation, increased exposure to hedged equity fund of funds was accomplished by increasing investments with existing hedged equity fund of funds managers on a pro rata basis.

In May 2008, the Board also made changes to the portfolio to move towards increasing the infrastructure asset class to approximately 4%, by making three new allocations: \$50 million to Macquarie North America Fund II, \$50 million to Macquarie European Fund, and \$100 million to Alinda North America Fund II.

Further, during fiscal year 2008, consistent with the asset allocation policy, the Board made new allocations to the Private Equity and Real Estate asset classes.

Investment Results

In fiscal year 2008, investors suffered from double digit declines in U.S. and international equity markets. Fixed Income and Real Estate were the two asset classes with positive returns. The ISBI total fund was down 6.2% for fiscal year 2008, net of expenses. This follows 17.1%, 11.0%, 10.1% and 16.4% returns for fiscal years 2007, 2006, 2005 and 2004, respectively.

The long-term objective of the 8.5% assumed actuarial interest rate was surpassed for the five year period. The Board continues to be concerned by some under-performance by specific managers, but most of the current managers have exceeded their individual benchmarks since inception. Figure 2 shows results over the three, five and ten year time periods.

U.S. Equities

For the twelve months ended June 30, 2008, the Russell 3000 Index, a broad representation of the U.S. market was down 12.5%. Growth stocks exceeded value stocks; with the Russell 3000 Growth Index down 6.4%, compared to the Russell 3000 Value Index down 19.0%. Large capitalization stocks outperformed small capitalization stocks; with the S&P 500 declining 13.1% compared to a 16.2% decline for the Russell 2000. ISBI's U.S. equity portfolio was down 11.6% for fiscal year 2008, 0.9% above the Russell 3000.

Figure 2 shows ISBI's U.S. stock portfolio performance for three, five and ten year time periods. The Board, through structure analysis, rebalancing and risk management, continues tracking the market with predictable consistency to achieve its objective.

Figure 2
Investment Returns June 30, 2008

	2008	2007	2006	2005	2004	(Annualized)		
						3 Yrs.	5 Yrs.	10 Yrs.
	%	%	%	%	%	%	%	%
Total Fund	(6.2)	17.1	11.0	10.1	16.4	6.8	19.3	5.5
Composite Benchmark*	(4.6)	16.4	11.5	10.9	16.3	7.3	9.8	6.0
Consumer Price Index	5.0	2.7	4.2	2.5	3.3	4.0	3.6	3.0
U.S. Equities	(11.6)	19.9	10.7	9.3	21.7	5.5	9.2	4.3
Russell 3000 Index	(12.5)	20.1	9.6	8.1	20.5	4.7	8.4	3.5
International Equities	(10.3)	28.8	28.9	14.8	29.8	14.2	17.2	6.8
MSCI-EAFE Index	(10.2)	27.5	27.1	14.1	32.9	13.3	17.2	6.2
Fixed Income	5.3	6.9	0.8	6.9	0.7	4.3	4.1	5.1
Lehman U.S. Universal Bond Index	6.2	6.6	(0.3)	7.4	1.0	4.2	4.2	5.8
Real Estate	2.6	15.3	19.5	14.8	9.1	12.2	12.1	9.1
NCRIF Real Estate Index	9.2	17.2	18.7	15.6	9.7	15.0	14.7	12.2
Private Equity	(4.9)	31.7	21.3	29.6	16.9	15.0	17.2	11.4

* Composite Benchmark:

Effective 04/08: 30% Russell 3000; 20% MSCI-EAFE; 25% Lehman Universal; 10% NCRIF;
5% Venture Economic all Private Equity Index; 10% HFR Equity Hedged Index.

Effective 12/03: 45% Wilshire 5000; 10% MSCI-EAFE; 25% Lehman Universal; 10% NCRIF;
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% NCRIF; 8% Russell 2000 + 3.0%.

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

International Equities

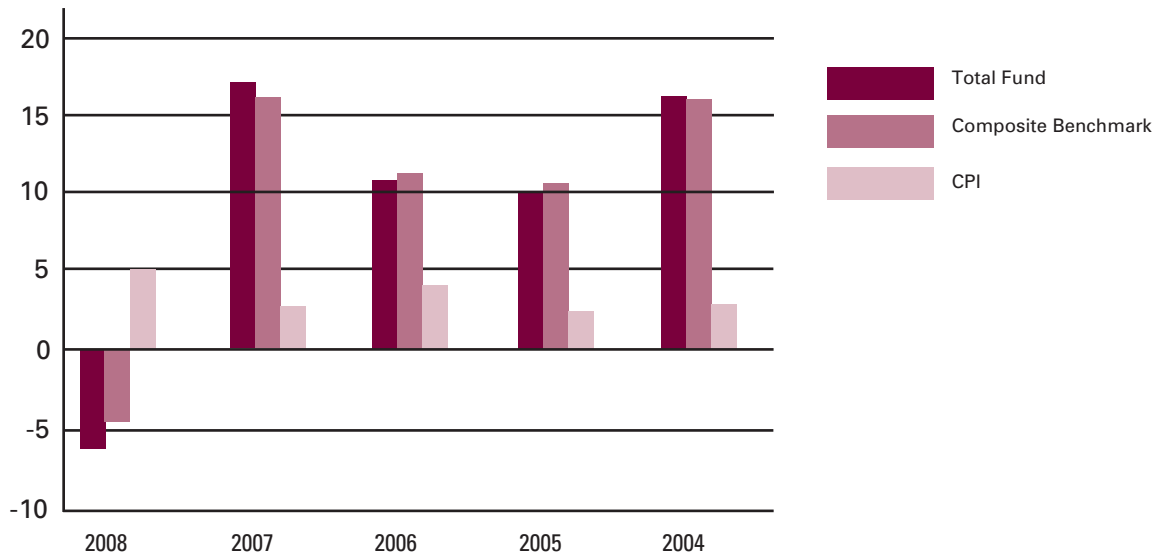
The Morgan Stanley EAFE Index returned negative 10.2% for the fiscal year ended June 30, 2008, or 2.3% above the U.S. return. ISBI's International equity portfolio was down 10.3%, slightly trailing the EAFE Index return. As with the U.S. equity portfolio, The Board has the twin objectives of limiting 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 5.3% for the fiscal year ended June 30, 2008, compared to the 6.2% for the Lehman Universal Bond Index. An underweighting to Government bonds coupled with an associated overweight to investment grade, mortgage-backed securities, when compared to the index, was the reason for the under-performance. Figure 2 shows the long-term results for Fixed Income.

Real Estate

In FY 2008, ISBI's real estate portfolio earned a return of 2.6%. The NCRIF Real Estate Index, a measure of core, operating, non-leveraged real estate, earned 9.2%. It is the Board's belief that much of the portfolio's underperformance relative to this benchmark can be attributed to ISBI's prompt writing down of real estate assets, and a general lag on the part of the index for similar write downs. Over the last five years, the Board 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 resulted in the addition of two core, separate real estate accounts. Originally, it was planned to have the new separate accounts fully invested by the end of calendar year 2008. However, as a



result of challenging market conditions, those accounts will not be fully funded until calendar year 2009. 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

In FY 2008, ISBI's Private Equity portfolio returns were negative 4.9%. 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. The Private Equity asset class was challenged by disruptions in the credit markets and an overall weakness in pricing for the fiscal year period. In spite of these challenges, long-term results as detailed in Figure 2 show that Private Equity remains the best performing asset class for the ten-year period ended June 30, 2008.

Management Expenses

The resulting expense ratio (expenses divided by average fair value of assets) was .36% for fiscal year 2008, as compared to .34% for fiscal year 2007. Total expenses for fiscal year 2008, based on \$11.3 billion in total assets were \$41.9 million, compared to \$40.6 million based on \$12.6 billion in total assets for fiscal year 2007. Increased expenses in fiscal 2008 were mainly a result of increased investments in new asset classes within the alternative investment portfolio and investment by ISBI in new systems to upgrade an aging technology structure.

Minority/Female Participation

Just as ISBI seeks prudent diversification within its portfolio, the Board continues to seek an appropriate level of diversity among the investment professionals charged with meeting the Board's mission. Toward 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, 2008 and 2007, 10% and 16.8%, respectively of the total portfolio was being managed by minority managers. 6.9% and 5.6%, respectively for fiscal years 2008 and 2007, was committed to emerging/minority investment management firms. During FY 2008, three additional emerging/minority managers were added: MacFarlane Partners, an African-American real estate firm, Fiduciary Management Associates, a woman-owned firm and Valor Equity Partners, a Hispanic-owned private equity firm.

ISBI's action plan to utilize 15% Illinois based and minority brokers/dealers continues to be successful with actual minimum usage far exceeding the target. At a Board meeting held July 11, 2008, the policy was amended

to include international trades as well as domestic. The Board also increased the targeted usage to 25%. In FY 2008, 33% of ISBI's domestic equity trades were executed through minority/female owned brokers, 41% of fixed income par value trades were executed with minority/female owned brokers.

Additional Comments

Sub-Prime Mortgages/Systemic Liquidity

Throughout FY 08 the extent and consequences of investments in sub-prime mortgages became clearer. Fortunately, exposure of the ISBI portfolio in these securities has been minimal and has not had a meaningful effect on portfolio valuations. However, the collapse of the sub-prime market has had negative consequences for the broader portfolio, and in particular for investment grade mortgages in which ISBI is invested.

Further, the consequences of failures in the sub-prime space, and associated reductions in systemic liquidity, were felt throughout FY 08, and continue to impair investment portfolios in FY 2009. Disruption has been most acutely experienced in the mortgage backed security, corporate bond, and commercial paper markets. Going into FY 2009 this reduction in liquidity has complicated the process by which ISBI has regularly rebalanced its portfolio so as to keep it aligned with the Board's asset allocation policy. This reduced liquidity has not impaired ISBI's ability to transfer assets to the retirement systems, and such impairments are not anticipated going forward. The majority of ISBI's portfolio, publicly traded equities and U.S. Treasury securities, continue to trade in fully functional markets with operational levels of liquidity. As well, the portfolio generates a cash yield of 3.26%, more than sufficient to meet the needs of the retirement systems. Finally, thus far in FY 2009, as of October 30, 2008, liquidity is returning to the system and these challenges, gradually, are abating.

As this troubling episode continues, the Board will continue to monitor the portfolio and make whatever adaptations are required.

Conclusion

Clearly, on a total return basis, FY 2008 was a difficult year. This is the first annual report since FY 2002 in which ISBI has reported a negative total return. However, the Board takes some comfort in the fact that actions taken over the last five years to diversify the portfolio by investing in core real estate, infrastructure, hedge funds, and alternative debt platforms has mitigated the downward pressure on the portfolio.

Unfortunately, as of this writing there is little evidence to suggest that the challenges investors experienced in FY 2008 might abate in FY 2009. Rather, such issues seem to be coming more acute. While in FY 2008 the driving forces that harmed global investors were related to the de-levering of financial institutions, businesses, and individuals, going into FY 2009 the portfolio has been, and will continue to be, effected by a global economic slowdown in the midst of this continued de-levering.

The Board, the staff, and the investment professionals retained by ISBI continue to monitor the portfolio and manage these and other challenges as aggressively as possible.

In August, 2008 Linsey Schoemehl was employed as the Investment Compliance Officer. The Board welcomes Ms. Schoemehl as the newest addition to the staff.

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 December 10, 2008

Michael Goetz, Chairman

William R. Atwood, Executive Director

FINANCIAL HIGHLIGHTS

FISCAL YEARS ENDED JUNE 30

	2008	2007	(\$ in millions) Change
	\$	\$	\$
Net Assets (at fair value)	11,315.1	12,552.2	(1,237.1)
Retirement Systems' participation			
General Assembly	71.9	83.9	(12.0)
Judges'	589.2	658.2	(69.0)
State Employees'	10,654.0	11,810.1	(1,156.1)
Net Investment income (loss)	(737.6)	1,877.7	(2,615.3)
Interest and dividends	316.8	319.5	(2.7)
Net securities lending income	16.6	4.5	12.1
Net gain (loss) on investments	(1,029.2)	1,594.3	(2,623.5)
Management expenses	(41.9)	(40.6)	1.3
Member Systems' contributions (withdrawals)	(499.5)	(642.0)	(142.5)
	%	%	%
Annual total return*	(6.2)	17.1	(23.3)
Management expenses as a percentage of average net assets**	0.36	0.34	0.02

*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

	(\$ in millions)									
	2008	2007	2006	2005	2004	2003	2002	2001	2000	1999
	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$
NET ASSETS										
(at fair value)	11,315.1	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
Retirement Systems' participation										
General Assembly	71.9	83.9	79.0	80.8	81.3	47.4	52.2	60.5	68.9	65.3
Judges'	589.2	658.2	582.6	550.4	521.4	317.5	332.4	372.6	414.8	382.2
State Employees'	10,654.0	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
CHANGES IN NET ASSETS										
Net investment income (loss)	(737.6)	1,877.7	1,173.0	1,007.4	1,506.8	12.7	(577.9)	(652.3)	977.0	955.2
Interest and dividends	316.8	319.5	306.2	262.1	184.4	186.8	213.4	244.4	227.6	227.9
Net securities lending income	16.6	4.5	4.3	3.7	2.4	1.9	2.3	3.6	3.7	2.2
Net gain (loss) on investments	(1,029.2)	1,594.3	892.6	766.1	1,337.9	(159.2)	(775.0)	(879.7)	766.4	741.0
Management expenses	(41.9)	(40.6)	(30.1)	(24.5)	(17.9)	(16.8)	(18.6)	(20.6)	(20.7)	(15.9)
Member Systems' net contributions (withdrawals)	(499.5)	(642.0)	(759.0)	(547.7)	1,134.9	(140.0)	(71.9)	(39.9)	(15.7)	(26.1)
RETURNS	%	%	%	%	%	%	%	%	%	%
Annual total return*	(6.2)	17.1	11.0	10.1	16.4	0.3	(6.9)	(7.1)	11.8	12.9
Compound annual rate of return since 7-1-82 (Adoption of Prudent Person Legislation)	11.2	11.5	10.7	10.7	10.8	10.5	11.1	12.1	13.2	13.3

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

FINANCIAL STATEMENTS 2008

INDEPENDENT AUDITORS' REPORT

McGladrey & Pullen

Certified Public Accountants

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 statement of net assets of the Illinois State Board of Investment (Board), an internal investment pool of the State of Illinois, as of June 30, 2008, and the related statement of changes in net assets for the year then ended, as listed in the table of contents. 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 audit. The basic financial statements of the Illinois State Board of Investment for the year ended June 30, 2007 were audited by other auditors whose report dated January 15, 2008 expressed an unqualified opinion on those statements..

We conducted our audit 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 examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides 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, 2008, and the changes in its net assets for the year then ended, in conformity with accounting principles generally accepted in the United States of America.

As discussed in Note 6 to the financial statements, the fair value of the investment portfolio as of June 30, 2008, has experienced a significant decline due to unprecedented unfavorable market conditions that have occurred subsequent to June 30, 2008. The information presented in Note 6 has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

In accordance with Government Auditing Standards, we have also issued, under separate cover, our report dated December 12, 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 and 13 is not a required part of the basic financial statements but is supplementary information required by accounting principles generally accepted in the United States of America. 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 audit was conducted 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 basic financial statements taken as a whole. The information presented in the introduction section listed in the table of contents has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we express no opinion on it.

Chicago, Illinois
December 12, 2008

McGladrey & Pullen, LLP

MANAGEMENT'S DISCUSSION AND ANALYSIS

In October 1969, the Illinois State Board of Investment was created by enactment of Article 22A of the Illinois Pension Code by the 76th General Assembly of Illinois. By statute, the Board was given responsibility for management of the assets of the General Assembly Retirement System, the Judges' Retirement System of Illinois, and the State Employees' Retirement System of Illinois. Board membership consists of five members appointed by the Governor and four ex officio members consisting of the State Treasurer and the Chairman of the Board of Trustees of each of the retirement systems. The Board maintains their office in Chicago, IL.

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, 2008 and 2007.

Financial Highlights

The net assets of the Board totaled approximately \$11.3 billion at fiscal year end June 30, 2008. The decrease from the previous year is primarily the result of investment losses.

General Market Risk

ISBI is exposed to general market risk. This general market risk is reflected in asset valuations fluctuating with market volatility. Any impact from market volatility on ISBI's investment portfolio depends in large measure on how deep the market downturn is, how

long it lasts, and how it fits within fiscal year reporting periods. The resulting market risk and associated realized and unrealized gains and losses could significantly impact ISBI's financial condition. The readers of these financial statements are advised that financial markets continue to be volatile and are experiencing significant changes on almost a daily basis.

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 Statement 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 along with the cash and short-term investments, receivables, and other assets and liabilities.

The decrease in investments at June 30, 2008 is a result of an investment loss of 6.2% for the fiscal year, net of expenses which are shown in the Statement of Changes in Net Assets. The decrease in liabilities for fiscal 2008 compared with 2007 consisted mainly of a decrease in unsettled investment purchases.

Condensed Summary of Net Assets

	June 30			2008/2007 Change	2007/2006 Change
	2008	2007	2006		
	\$	\$	\$	\$	\$
Cash and cash receivables	43,667,005	42,916,419	80,644,137	750,586	(37,727,718)
Receivables	187,106,001	548,269,714	184,529,093	(361,163,713)	363,740,621
Investments	11,429,528,114	12,805,770,746	11,434,818,360	(1,376,242,632)	1,370,952,386
Securities lending collateral	1,703,959,890	2,084,820,497	1,530,783,382	(380,860,607)	554,037,115
Prepaid expenses	16,242	14,740	18,984	1,502	(4,244)
Capital assets	52,797	49,283	45,348	3,514	3,935
Total assets	<u>13,364,330,049</u>	<u>15,481,841,399</u>	<u>13,230,839,304</u>	<u>(2,117,511,350)</u>	<u>2,251,002,095</u>
Liabilities	<u>2,049,276,888</u>	<u>2,929,645,238</u>	<u>1,914,354,450</u>	<u>(880,368,350)</u>	<u>1,015,290,788</u>
Net assets	<u>11,315,053,161</u>	<u>12,552,196,161</u>	<u>11,316,484,854</u>	<u>(1,237,143,000)</u>	<u>1,235,711,307</u>

MANAGEMENT'S DISCUSSION AND ANALYSIS

The Statement of Changes of Net Assets presents information regarding changes during the fiscal year ended June 30, 2008. This statement reflects additions and deductions, which include the investment income and losses derived from realized and unrealized gains/losses, member system contributions, and income received from securities lending activities. Also reflected in the statement is deductions, which include withdrawals from the member systems and operating expenses of the Board.

The net investment losses for the year ended June 30, 2008 were the result of a downward movement in the securities markets. There was a decrease in withdrawals by the member systems. Fiscal year 2008 withdrawals were \$499.5 million compared with \$642 million in fiscal year 2007. 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 2008 versus 2007 was mainly a result of increased fees for investments in new asset classes within the alternative investments portfolio and investment by ISBI in new systems to upgrade an aging technology structure.

The increase in investments at June 30, 2007 was 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 an increase 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 Notes to the Financial Statements provide additional information, which is necessary to fully understand the data provided in the financial statements.

Condensed Summary of Changes in Net Assets

	Fiscal Years Ended June 30			2008/2007 Change	2007/2006 Change
	2008	2007	2006		
	\$	\$	\$	\$	\$
Additions:					
Net investment income (loss)	(695,792,364)	1,918,274,641	1,203,147,819	(2,614,067,005)	715,126,822
Member systems' contributions	0	0	0	0	0
Total additions	<u>(695,792,364)</u>	<u>1,918,274,641</u>	<u>1,203,147,819</u>	<u>(2,614,067,005)</u>	<u>715,126,822</u>
Deductions:					
Member systems' withdrawals	499,500,000	642,000,000	759,000,000	(142,500,000)	(117,000,000)
Administrative expenses	41,850,636	40,563,334	30,142,632	1,287,302	10,420,702
Total deductions	<u>541,350,636</u>	<u>682,563,334</u>	<u>789,142,632</u>	<u>(141,212,698)</u>	<u>(106,579,298)</u>
Increase/(decrease) in net assets	<u>(1,237,143,000)</u>	<u>1,235,711,307</u>	<u>414,005,187</u>	<u>(2,472,854,307)</u>	<u>821,706,120</u>

STATEMENT OF NET ASSETS

JUNE 30, 2008

	2008	2007
	\$	\$
ASSETS		
Cash	43,667,005	42,916,419
Receivables:		
Foreign taxes	2,336,921	1,071,202
Accounts receivable	2,057,953	940,118
Investments sold	146,645,830	509,107,369
Interest & dividends	36,065,297	37,151,025
Total receivables	<u>187,106,001</u>	<u>548,269,714</u>
Prepaid expenses	16,242	14,740
Capital assets	52,797	49,283
Investments at fair value:		
Government and agency obligations	852,045,701	1,184,275,884
Foreign obligations	113,005,430	72,189,687
Corporate obligations	1,058,164,332	1,228,970,012
Common stock and equity funds	4,241,685,933	6,059,409,027
Preferred stock	4,491,500	1,865,020
Foreign equity securities	1,984,314,463	1,365,647,941
Foreign preferred stock	603,032	0
Hedge funds	598,985,402	496,404,578
Real estate funds	1,332,081,349	1,189,614,911
Private equity	524,628,589	563,366,021
Money market instruments	307,481,504	535,699,912
Infrastructure funds	209,975,518	108,436,449
Bank loans	202,137,983	0
Forward foreign currency contracts	(72,622)	(108,696)
Total investments	<u>11,429,528,114</u>	<u>12,805,770,746</u>
Securities lending collateral	1,703,959,890	2,084,820,497
Total assets	<u>13,364,330,049</u>	<u>15,481,841,399</u>
LIABILITIES		
Payables:		
Investments purchased	338,215,349	837,252,239
Operating expenses	7,101,649	7,572,502
Securities lending cash collateral obligation	<u>1,703,959,890</u>	<u>2,084,820,497</u>
Total liabilities	<u>2,049,276,888</u>	<u>2,929,645,238</u>
Net assets	<u>11,315,053,161</u>	<u>12,552,196,161</u>

See notes to financial statements, pages 16-26.

STATEMENT OF CHANGES IN NET ASSETS

JUNE 30, 2008

	2008	2007
	\$	\$
ADDITIONS		
Investment income (loss)		
Net increase (decrease) in fair value of investments	(1,029,242,365)	1,594,268,871
Interest	154,620,159	172,400,021
Dividends	162,205,372	147,112,290
Securities lending income	91,663,587	93,596,872
Less securities lending rebates	(72,105,009)	(88,310,386)
Less securities lending expenses	(2,934,108)	(793,027)
Total investment income (loss)	(695,792,364)	1,918,274,641
Total additions	(695,792,364)	1,918,274,641
DEDUCTIONS		
Expenses:		
Salaries and benefits:		
Salaries	1,009,739	932,787
Benefits	412,515	344,237
Operating expenses:		
Rent and utilities	160,170	153,559
Audit	140,399	132,630
Other	267,119	161,867
External support:		
Custody	212,604	239,800
Consulting and professional	1,471,182	1,133,726
Investment advisors/managers	38,008,970	37,297,370
Investment services and research	167,938	167,358
Total expenses	41,850,636	40,563,334
Member systems' withdrawals	499,500,000	642,000,000
Total deductions	541,350,636	682,563,334
Increase (decrease) in net assets	(1,237,143,000)	1,235,711,307
Net assets at beginning of year	12,552,196,161	11,316,484,854
Net assets at end of year	11,315,053,161	12,552,196,161

See notes to financial statements, pages 16-26.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008

Note 1

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 3.

Basis of Accounting

Accounting records are maintained on an accrual basis. Units 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, Convertible Bonds – 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; (5) Alternative Investments (Private Equity, Hedge Funds and Infrastructure Funds) – 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

There are no base charges for custody fees. Investment management fees for all accounts, except real estate and alternative investments, 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 those 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 and the differences may be material.

Note 2
Deposits, Investments, and Investment Risk

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 a AA Long-term Deposit/Debt rating by Standards & Poor 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 these types of cash equivalents as Money Market Instruments in the Statements of Net Assets.

	2008	2007
	\$	\$
Carrying amounts at June 30		
Cash	<u>43,667,005</u>	<u>42,916,419</u>
Bank balances at June 30		
Total	<u>43,743,825</u>	<u>43,068,157</u>
Amount exposed to custodial credit risk	<u>43,455,200</u>	<u>42,920,664</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 1, 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 \$515 million and \$369 million as of June 30, 2008 and 2007, respectively. Also, at the end of fiscal year 2008 and 2007, the Board had outstanding commitments of \$165 million and \$311 million to separate real estate accounts respectively.

Investment Summary

The following table presents a summary of the Board's investments at fair value by type at June 30, 2008 and 2007:

	2008	2007
	\$	\$
Government and agency obligations	852,045,701	1,184,275,884
Foreign obligations	113,005,430	72,189,687
Corporate obligations	1,058,164,332	1,228,970,012
Common stock & equity funds	4,241,685,933	6,059,409,027
Preferred stock	4,491,500	1,865,020
Foreign equity securities	1,984,314,463	1,365,647,941
Foreign preferred stock	603,032	0
Hedge funds	598,985,402	496,404,578
Real estate investments	1,332,081,349	1,189,614,911
Private equity	524,628,589	563,366,021
Money market instruments	307,481,504	535,699,912
Infrastructure funds	209,975,518	108,436,449
Bank loans	202,137,983	0
Forward foreign currency contracts	(72,622)	(108,696)
Total investments	<u>11,429,528,114</u>	<u>12,805,770,746</u>

ISBI's investments in Private Equity and Real Estate represent investment vehicles used for making investments in various equity and debt securities according to the investment strategies as determined by the fund managers at the commencement of the fund. Investment strategies of Private Equity funds include, but are not limited to, leveraged buyouts, venture capital, growth capital and mezzanine capital.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008 (CONTINUED)

Note 2 (continued)

Deposits, Investments, and Investment Risk

Investment strategies of Real Estate investments include, but are not limited to, the purchase, development, ownership, management, rental and/or sale of real estate for profit.

ISBI's investments in Infrastructure funds represent pooled investment vehicles used to seek capital appreciation and current income by acquiring, holding, financing, refinancing and disposing of infrastructure investments and related assets. Infrastructure assets include various public works (e.g. bridges, tunnels, toll roads, airports, public transportation and other public works) that are made typically as a part of a privatization initiative on the part of a government entity.

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 a counterparty. As of June 30, 2008 and 2007, 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:

	2008	2007
	\$	\$
Common stock	2,024,444	3,423,509
Government and agency obligations	9,695,067	28,351,415
Corporate obligations	0	2,152,096
Total	11,719,511	33,927,020

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 Board as of June 30, 2008 and 2007. The following table presents the quality ratings of debt securities held by ISBI as of June 30, 2008 and 2007:

	Moody's Quality Rating	2008	2007
		\$	\$
Government and agency obligations			
U.S. Government obligations	AAA	235,753,279	317,358,768
Federal agency obligations	AAA	616,292,422	866,917,116
Total Government and agency obligations		852,045,701	1,184,275,884
Foreign obligations			
	AAA	8,105,833	16,064,111
	AA	3,578,088	4,407,275
	A	12,247,911	5,363,202
	BAA	27,477,167	17,202,270
	BA	30,930,973	15,153,571
	B	10,807,260	3,348,055
	Not rated	19,858,198	10,651,203
Total foreign obligations		113,005,430	72,189,687
Corporate obligations			
	AAA	129,745,414	254,534,185
	AA	125,292,897	122,242,182
	A	132,759,541	132,484,746
	BAA	148,019,604	111,327,503
	BA	111,315,582	183,959,419
	B	280,234,046	262,208,497
	CAA	64,919,149	50,779,805
	CA	530,341	907,309
	C	556,527	683,890
	Not rated	64,791,231	109,842,476
Total corporate obligations		1,058,164,332	1,228,970,012

Note 2 (continued)

Deposits, Investments, and Investment Risk

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% 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 fair value. The effective duration measures the sensitivity of market price to parallel shifts in the yield curve. ISBI benchmarks its debt security portfolio to Lehman Brothers Aggregate. At June 30, 2008 and 2007, the effective duration of the Lehman Brothers Aggregate was 3.8 and 3.7 years, respectively. At the same point in time, the effective duration of the ISBI debt security portfolio at June 30, 2008 and 2007 was 4.2 and 3.3 years, respectively.

Investment Type	2008		2007	
	Fair Value	Effective Weighted Duration Years	Fair Value	Effective Weighted Duration Years
	\$		\$	
Government & agency obligations				
U.S. Government	235,753,279	5.3	317,358,768	4.8
Federal Agency	616,292,422	3.4	866,917,116	1.6
Foreign Obligations	113,005,430	5.1	72,189,687	4.5
Corporate Obligations				
Bank and Finance	159,397,789	3.8	256,092,972	3.7
Collateralized Mortgage Obligations	136,048,371	1.4	170,384,277	2.4
Industrials	593,294,641	4.9	531,051,552	5.1
Commingled	0	N/A	23,679,106	N/A
Other	169,423,531	5.1	247,762,105	3.6
	<u>2,023,215,463</u>		<u>2,485,435,583</u>	

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008 (CONTINUED)

Note 2 (continued)

Deposits, Investments, and Investment Risk

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, 2008 and 2007.

	2008		2007	
	Foreign Equity Securities	Foreign Obligations	Foreign Equity Securities	Foreign Obligations
	\$	\$	\$	\$
Australian Dollar	122,273,518	0	72,095,189	0
Brazilian Real	9,912,719	822,627	0	0
Canadian Dollar	67,312,081	640,243	25,401,638	671,932
Danish Krone	20,127,457	0	14,131,867	0
Egyptian Pound	315,568	0	0	0
English Pound Sterling	360,797,972	355,913	245,374,152	0
Euro Currency	579,718,291	3,464,132	434,344,665	0
Hong Kong Dollar	54,097,173	0	49,855,829	0
Iceland Krona	0	4,149,151	0	2,274,574
Japanese Yen	278,817,201	0	276,514,350	4,526,106
Malaysian Ringgit	0	6,031,886	0	5,818,897
Mexican Peso	2,383,899	9,829,450	0	4,468,150
New Zealand Dollar	1,093,179	0	0	1,492,263
Norwegian Krone	33,771,404	0	13,319,542	0
Singapore Dollar	33,616,147	6,136,820	24,082,058	5,774,393
South African Rand	3,038,970	0	0	2,954,509
South Korean Won	22,322,531	0	29,407,763	0
Swedish Krona	38,232,833	0	33,723,011	0
Swiss Franc	129,364,946	0	69,190,076	0
Foreign Investments denominated in U.S. dollars	227,721,606	81,575,208	78,207,801	44,208,863
	<u>1,984,917,495</u>	<u>113,005,430</u>	<u>1,365,647,941</u>	<u>72,189,687</u>

Note 2 (continued)
Deposits, Investments, and Investment Risk

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, ISBI 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 loaned. As of June 30, 2008 and 2007, there were outstanding loaned investment securities having fair values of \$1,851,952,625 and \$2,129,513,426, respectively; against which collateral was received with a fair value of \$1,912,742,552 and \$2,189,767,674, respectively. Collateral received at June 30, 2008 and 2007 consisted of \$1,703,959,890 and \$2,084,820,497, respectively, in cash and \$208,782,662 and \$104,947,177, 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. Derivative 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, ISBI 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, 2008 and 2007 were as follows:

	Cost \$	Fair Value \$	Gain (Loss) \$
June 30, 2008			
Forward currency purchases	6,018,928	6,025,470	6,542
Forward currency sales	5,890,350	5,969,514	(79,164)
Total gain (loss)			<u>(72,622)</u>
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>

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008 (CONTINUED)

Note 2 (continued)

Deposits, Investments, and Investment Risk

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. The value, liquidity and related income of these securities are sensitive to prepayments by mortgagees, changes in economic conditions, including real estate values, delinquencies or defaults, or both, and may be adversely affected by shifts in the market's perception of the issuers and insurers and changes in interest rates. As of June 30, 2008 and 2007, the fair value of ISBI CMO holdings totaled \$165,456,226 and \$170,384,277, 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.

ISBI 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 foreign and domestic futures and options positions held by ISBI as of June 30, 2008 and 2007:

Investment Liquidity

ISBI holds investments in hedge funds, real estate funds, private equity funds and infrastructure funds that are considered illiquid by the very nature of the investments. Market risk exists with respect to these investments as the ISBI may not be able to exit from the investments during periods of significant market value declines.

	2008		2007	
	Number of Contracts	Contract Principal* \$	Number of Contracts	Contract Principal* \$
Equity futures purchased	1,892	122,985,600	2,169	168,891,330
Fixed income futures purchased	3	599,694	609	77,268,953
Fixed income futures sold	790	167,444,230	1,333	248,776,093
Fixed income written put options	347	34,700,000	78	33,000,000
Fixed income written call options	283	28,300,000	209	74,900,000
Fixed income purchased call options	0	0	241	241,000,000

* Contract principal amounts shown represent the market value of the underlying assets the contracts control. Contract principal is shown to present the volume of the transactions but does 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 actual balance sheet values.

Note 3
Member Systems' Participation

	General Assembly	Judges'	State Employees'	Combined*
Member Systems' Income and Expenses				
Fiscal Year Ended June 30, 2008	\$	\$	\$	\$
Interest and dividends	2,056,927	16,497,137	298,271,467	316,825,531
Net securities lending income	107,307	864,473	15,652,690	16,624,470
Net decrease in fair value of investments	<u>(6,734,639)</u>	<u>(53,819,542)</u>	<u>(968,688,184)</u>	<u>(1,029,242,365)</u>
Total Investment income/(loss)	<u>(4,570,405)</u>	<u>(36,457,932)</u>	<u>(654,764,027)</u>	<u>(695,792,364)</u>
Management expenses	<u>(270,594)</u>	<u>(2,180,095)</u>	<u>(39,399,947)</u>	<u>(41,850,636)</u>
Net investment income/(loss)	<u><u>(4,840,999)</u></u>	<u><u>(38,638,027)</u></u>	<u><u>(694,163,974)</u></u>	<u><u>(737,643,000)</u></u>
Member Systems' Changes in Net Assets				
Fiscal Year Ended June 30, 2008				
Net assets at beginning of year	83,864,942	658,193,724	11,810,137,495	12,552,196,161
Member systems' net (withdrawals)	(7,100,000)	(30,400,000)	(462,000,000)	(499,500,000)
Net investment income/(loss)	<u>(4,840,999)</u>	<u>(38,638,027)</u>	<u>(694,163,974)</u>	<u>(737,643,000)</u>
Net assets at end of year	<u><u>71,923,943</u></u>	<u><u>589,155,697</u></u>	<u><u>10,653,973,521</u></u>	<u><u>11,315,053,161</u></u>

The source of net assets of the member systems since inception at June 30, 2008, is as follows:

Member systems' net (withdrawals)	(45,259,495)	(70,332,730)	(1,308,086,756)	(1,423,678,981)
Accumulated net investment income	<u>117,183,438</u>	<u>659,488,427</u>	<u>11,962,060,277</u>	<u>12,738,732,142</u>
Net assets at fair value	<u><u>71,923,943</u></u>	<u><u>589,155,697</u></u>	<u><u>10,653,973,521</u></u>	<u><u>11,315,053,161</u></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.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008 (CONTINUED)

Note 3 Member Systems' Participation	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	<u>10,914,976</u>	<u>82,846,751</u>	<u>1,500,507,144</u>	<u>1,594,268,871</u>
Total Investment income	13,123,627	99,703,178	1,805,447,836	1,918,274,641
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><u>12,848,201</u></u>	<u><u>97,589,334</u></u>	<u><u>1,767,273,772</u></u>	<u><u>1,877,711,307</u></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><u>83,864,942</u></u>	<u><u>658,193,724</u></u>	<u><u>11,810,137,495</u></u>	<u><u>12,552,196,161</u></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><u>83,864,942</u></u>	<u><u>658,193,724</u></u>	<u><u>11,810,137,495</u></u>	<u><u>12,552,196,161</u></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 4
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 2008 and 2007 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 State Comptroller's Office, 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 payroll. For fiscal year 2008 and 2007 the employer contribution rates were 16.561% and 11.525%, respectively. ISBI contributions to SERS for fiscal years 2008 and 2007 were \$172,154 and \$111,777, respectively, and were equal to the required contributions for each fiscal year. Effective for pay periods beginning after December 31, 1991, the Board opted to pay the employee portion of retirement for ISBI employees covered by the State Employees' Retirement System. Generally, this pickup of employee retirement was part of the budget process and was, in part, a substitute for salary increases.

ISBI contributions to SERS for the employee portion for fiscal years 2008 and 2007 were \$37,225 and \$36,265, respectively.

Post-retirement Benefits

The State provides health, dental, and life insurance benefits for retirees and their dependents in a program administered by the Department of Healthcare and Family Services along with the Department of Central Management Services.

Substantially all State employees become eligible for post-employment benefits if they eventually become annuitants of one of the State sponsored pension plans. Health, dental and vision benefits include basic benefits for annuitants and dependents under the State's self-insurance plan and insurance contracts currently in force. Annuitants may be required to contribute towards health, dental, and vision benefits with the amount based on factors such as date of retirement, years of credited service with the State, whether the annuitant is covered by Medicare, and whether the annuitant has chosen a managed health care plan. Annuitants who retired prior to January 1, 1998, and who are vested in the State Employees' Retirement System do not contribute toward health, dental, and vision benefits. For annuitants who retired on or after January 1, 1998, the annuitant's contribution amount is reduced five percent for each year of credited service with the State allowing those annuitants with twenty or more years of credited service to not have to contribute towards health, dental, and vision benefits. Annuitants also receive life insurance coverage equal to the annual salary of the last day of employment until age 60, at which time the benefits becomes \$5,000.

The total cost of the State's portion of health, dental, vision and life insurance benefits of all members including post-employment health, dental, vision and life insurance benefits, is recognized as an expenditure by the State in the Illinois Comprehensive Annual Financial Report. The State finances the cost on a pay-as-you-go basis. The total costs incurred for health, dental, vision, and life insurance benefits are not separated by department or component unit for annuitants and their dependents nor active employees and their dependents.

A summary of post-employment 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 financial statements of the Department of Healthcare and Family Services. A copy of the financial statements of the Department of Healthcare and Family Services may be obtained by writing to the Department of Healthcare and Family Services, 201 South Grand Ave., Springfield, Illinois, 62763-3838.

NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2008 (CONTINUED)

Note 5

New Governmental Accounting Standards

Statement No. 51, *Accounting and Financial Reporting for Intangible Assets*, establishes accounting and financial reporting requirements for intangible assets (including certain internally developed software). All intangible assets not specifically excluded by the scope of this Statement should be classified as capital assets. All existing authoritative guidance for capital assets should be applied to those intangible assets, as applicable. ISBI is required to implement this Statement for the year ending June 30, 2010.

Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, issued June 2008, is effective for ISBI beginning with its year ending June 30, 2010. This Statement addresses the recognition, measurement, and disclosure of information regarding derivative instruments entered into by the state and local governments. Derivative instruments are often complex financial arrangements used by governments to manage specific risks or to make investments.

Note 6

Subsequent Events (Unaudited)

Subsequent to the fiscal year end, events in the marketplace caused the value of ISBI's investment portfolio to decline. The chart below represents the most current information available for both public and private market investments as compared to June 30, 2008.

	<u>June 30, 2008</u>	<u>October 31, 2008</u>	<u>Increase (Decrease)</u>	<u>Increase (Decrease)</u>
	\$	\$	\$	%
Government and agency obligations	852,045,701	682,444,652	(169,601,049)	(19.91)
Foreign obligations	113,005,430	74,495,077	(38,510,353)	(34.08)
Corporate obligations	1,058,164,332	848,780,343	(209,383,989)	(19.79)
Common stock & equity funds	4,241,685,933	2,986,418,624	(1,255,267,309)	(29.59)
Preferred stock	4,491,500	448,847	(4,042,653)	(90.01)
Foreign equity securities	1,984,314,463	1,315,715,429	(668,599,034)	(33.69)
Foreign preferred stock	603,032	406,332	(196,700)	(32.62)
Hedge Funds	598,985,402	902,361,982	303,376,580	50.65
Real Estate funds	1,332,081,349	1,264,904,065	(67,177,284)	(5.04)
Private equity	524,628,589	508,122,531	(16,506,058)	(3.15)
Infrastructure funds	209,975,518	223,879,759	13,904,241	6.62
Money market instruments	307,481,504	306,684,298	(797,206)	(0.26)
Bank loans	202,137,983	204,777,277	2,639,294	1.31
Forward foreign currency contracts	(72,622)	7,177,455	7,250,077	9983.31
Total investments	<u>11,429,528,114</u>	<u>9,326,616,671</u>	<u>(2,102,911,443)</u>	<u>(18.40)</u>

Subsequent to June 30, 2008, the Board made certain reallocations of assets and changed investment managers. As a result of the reallocations, certain individual asset categories were increased and others decreased. The significant change in the Hedge Fund category is the result of a reallocation from other categories.

SUPPLEMENTAL FINANCIAL INFORMATION 2008

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value	Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration	
		\$		%	\$	\$	%		
FIXED INCOME									
Government & Agency Obligations									
U.S. Treasury									
AAA	AAA	27,500,000	US TREASURY BOND STRP. PRN.	11/15/21	0.000	9,789,811	14,910,423	4.69	13.71
AAA	AAA	300,000	US TREASURY BILLS	09/18/08	0.000	298,586	298,815	N/A	N/A
AAA	B	2,850,000	US TREASURY BONDS	02/15/16	9.250	3,806,643	3,880,119	3.76	5.68
AAA	AAA	3,281,587	US TREASURY BONDS	01/15/25	2.375	3,262,736	3,435,412	5.96	9.32
AAA	AAA	194,785	US TREASURY BONDS	01/15/26	2.000	193,651	192,716	5.99	10.01
AAA	AAA	255,610	US TREASURY BONDS	01/15/27	2.375	253,907	267,272	6.00	10.23
AAA	AAA	3,454,991	US TREASURY BONDS	01/15/28	1.750	3,422,809	3,280,353	5.99	11.15
AAA	AAA	8,061,105	US TREASURY BONDS	04/15/29	3.875	9,845,662	10,360,409	6.03	10.36
AAA	AAA	30,000	US TREASURY BONDS	05/15/37	5.000	31,744	32,269	4.53	15.88
AAA	AAA	2,750,000	US TREASURY NOTES	08/15/09	6.000	2,885,148	2,857,314	2.46	1.07
AAA	AAA	1,000,000	US TREASURY NOTES	08/15/09	4.875	999,882	1,026,992	2.44	1.08
AAA	AAA	13,500,000	US TREASURY NOTES	09/30/09	4.000	13,534,805	13,774,219	2.34	1.19
AAA	AAA	1,000,000	US TREASURY NOTES	10/15/09	3.375	967,904	1,013,555	2.31	1.25
AAA	AAA	12,600,000	US TREASURY NOTES	01/15/10	3.625	12,378,815	12,839,203	2.37	1.47
AAA	AAA	1,000,000	US TREASURY NOTES	01/31/10	2.125	1,000,000	995,078	2.45	1.54
AAA	AAA	1,250,000	US TREASURY NOTES	02/15/10	4.875	1,248,273	1,294,971	2.47	1.54
AAA	AAA	500,000	US TREASURY NOTES	05/15/10	4.500	495,020	517,705	2.55	1.79
AAA	AAA	2,600,000	US TREASURY NOTES	05/31/10	2.625	2,603,922	2,602,082	2.59	1.86
AAA	AAA	500,000	US TREASURY NOTES	08/15/10	5.750	530,020	532,109	2.65	1.98
AAA	AAA	1,000,000	US TREASURY NOTES	08/15/10	4.125	995,624	1,030,625	2.65	2.00
AAA	AAA	5,000,000	US TREASURY NOTES	09/15/10	3.875	5,119,531	5,131,055	2.65	2.09
AAA	AAA	1,000,000	US TREASURY NOTES	11/15/10	4.500	998,892	1,041,367	2.71	2.24
AAA	AAA	1,000,000	US TREASURY NOTES	12/15/10	4.375	988,984	1,039,141	2.73	2.33
AAA	AAA	2,000,000	US TREASURY NOTES	03/31/11	4.750	2,003,906	2,099,609	2.87	2.55
AAA	AAA	15,300,000	US TREASURY NOTES	06/30/11	5.125	15,383,811	16,265,813	2.92	2.79
AAA	AAA	500,000	US TREASURY NOTES	10/31/11	4.625	501,270	524,980	3.04	3.08
AAA	AAA	3,300,000	US TREASURY NOTES	12/31/11	4.625	3,301,547	3,467,578	3.10	3.24
AAA	AAA	108,863	US TREASURY NOTES	01/15/12	3.375	127,268	120,183	4.32	2.00
AAA	AAA	1,500,000	US TREASURY NOTES	04/30/12	4.500	1,498,084	1,572,773	3.15	3.51
AAA	AAA	13,700,000	US TREASURY NOTES	11/15/12	4.000	13,488,902	14,162,911	3.17	4.01
AAA	AAA	15,200,000	US TREASURY NOTES	02/15/13	3.875	15,409,109	15,583,563	3.28	4.19
AAA	AAA	1,350,000	US TREASURY NOTES	05/15/13	3.625	1,415,430	1,369,670	3.29	4.46
AAA	AAA	1,280,000	US TREASURY NOTES	05/31/13	3.125	1,294,640	1,289,400	3.34	4.47
AAA	AAA	300,000	US TREASURY NOTES	06/30/13	3.375	300,469	300,457	3.34	4.57
AAA	AAA	10,700,000	US TREASURY NOTES	06/30/13	3.625	10,582,226	10,716,300	3.34	4.57
AAA	AAA	1,750,000	US TREASURY NOTES	08/15/13	4.250	1,776,426	1,826,016	3.32	4.56
AAA	AAA	1,400,000	US TREASURY NOTES	11/15/13	4.250	1,405,266	1,461,633	3.35	4.82
AAA	AAA	4,200,000	US TREASURY NOTES	11/15/13	4.250	4,244,266	4,384,898	3.35	4.82
AAA	AAA	1,583,822	US TREASURY NOTES	07/15/14	2.000	1,610,923	1,682,192	4.86	3.88
AAA	AAA	11,960,000	US TREASURY NOTES	08/15/14	4.250	12,038,555	12,496,799	3.43	5.37
AAA	AAA	2,500,000	US TREASURY NOTES	11/15/14	4.250	2,502,539	2,609,766	3.47	5.62
AAA	AAA	8,000,000	US TREASURY NOTES	02/15/15	4.000	7,958,880	8,223,750	3.52	5.80
AAA	AAA	500,000	US TREASURY NOTES	05/15/15	4.125	495,703	516,836	3.57	5.93
AAA	AAA	4,438,924	US TREASURY NOTES	07/15/15	1.875	4,409,191	4,646,999	5.09	4.50
AAA	B-	23,400,000	US TREASURY NOTES	08/15/15	4.250	23,816,606	24,324,116	3.62	6.14
AAA	AAA	4,190,269	US TREASURY NOTES	07/15/16	2.500	4,215,509	4,579,833	5.20	4.98
AAA	AAA	2,000,000	US TREASURY NOTES	11/15/16	4.625	1,981,462	2,109,922	3.85	6.89
AAA	AAA	1,750,000	US TREASURY NOTES	02/15/17	4.625	1,753,619	1,842,285	3.90	6.98
AAA	AAA	7,100,000	US TREASURY NOTES	05/15/17	4.500	7,551,793	7,397,313	3.94	7.44
AAA	AAA	800,000	US TREASURY NOTES	08/15/17	4.750	813,198	847,625	3.97	7.27
AAA	AAA	700,000	US TREASURY NOTES	02/15/18	3.500	704,375	673,777	3.97	8.19
AAA	AAA	6,650,000	US TREASURY NOTES	05/15/18	3.875	6,585,910	6,593,891	3.97	8.33
Options						(482,866)	(290,813)		
Total US Treasury						224,340,386	235,753,279		
Federal Agency & Other Governments									
AAA	AAA	250,000	ARAB REP. EGYPT	09/15/15	4.450	246,783	252,133	4.31	6.03
AAA	AAA	200,000	CANADA MTG. & HOUSING CORP.	04/01/10	3.875	199,748	203,749	3.21	1.67
BAA2	A-	715,000	DOMINION RES. INC. DEL.	09/17/12	5.700	686,507	726,553	5.29	3.65
BAA2	A-	200,000	DOMINION RES. INC. VA NEW	12/15/10	4.750	199,782	199,621	4.47	2.29
NA	NA	50,000	DOMINION RES. INC. VA NEW	11/15/16	5.600	49,996	48,829	6.13	N/A
AAA	BB	200,000	EXPORT DEV. CANADA	04/01/10	4.625	199,552	205,599	3.08	1.66
AAA	A	2,950,000	FEDERAL NATIONAL MORTGAGE ASSOC.	02/12/13	3.625	2,942,596	2,885,087	4.10	4.15
AAA	NA	3,034	FEDERAL HOME LOAN PC POOL 140864	07/01/09	9.000	2,928	3,088	N/A	N/A
AAA	AAA	1,590,779	FEDERAL HOME LOAN PC POOL 1G0794	04/01/36	1.000	1,591,576	1,612,046	4.65	1.28
AAA	AAA	3,759,167	FEDERAL HOME LOAN PC POOL 1G2125	08/01/37	5.961	3,758,140	3,822,724	5.28	2.56
AAA	AAA	2,259,320	FEDERAL HOME LOAN PC POOL 1J1480	02/01/37	5.835	2,278,383	2,307,810	N/A	N/A
AAA	AAA	4,468,437	FEDERAL HOME LOAN PC POOL 1J1618	05/01/37	5.495	4,432,829	4,534,811	N/A	N/A
AAA	AAA	2,547,897	FEDERAL HOME LOAN PC POOL 1L1302	04/01/36	1.000	2,540,509	2,581,165	5.02	2.19
AAA	AAA	4,191,178	FEDERAL HOME LOAN PC POOL B13755	04/01/19	4.500	4,185,940	4,116,850	N/A	N/A
AAA	AAA	830,217	FEDERAL HOME LOAN PC POOL B17518	09/01/13	4.500	813,223	835,253	N/A	N/A

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
Federal Agency & Other Governments (continued)									
AAA	AAA	612,459	FEDERAL HOME LOAN PC POOL B17621	01/01/20	5.000	603,081	611,909	5.30	3.43
AAA	AAA	1,344,755	FEDERAL HOME LOAN PC POOL B19580	07/01/20	5.000	1,314,655	1,341,025	5.33	3.60
AAA	AAA	227,385	FEDERAL HOME LOAN PC POOL E00598	12/01/13	5.500	228,807	231,396	N/A	N/A
AAA	AAA	308,234	FEDERAL HOME LOAN PC POOL E70492	05/01/13	6.000	312,377	316,401	N/A	N/A
AAA	AAA	1,063,108	FEDERAL HOME LOAN PC POOL E98304	08/01/13	4.000	1,044,837	1,059,600	N/A	N/A
AAA	AAA	11,208,519	FEDERAL HOME LOAN PC POOL G03695	11/01/37	5.500	11,173,492	11,059,655	5.83	4.56
AAA	AAA	20,651,575	FEDERAL HOME LOAN PC POOL G03696	01/01/38	5.500	20,587,038	20,370,841	5.80	4.52
AAA	AAA	868,896	FEDERAL HOME LOAN PC POOL G11406	06/01/13	4.000	841,200	860,457	N/A	N/A
AAA	AAA	1,696,189	FEDERAL HOME LOAN PC POOL G11470	11/01/13	4.500	1,668,891	1,690,041	5.32	2.03
AAA	AAA	4,208,597	FEDERAL HOME LOAN PC POOL G11720	08/01/20	4.500	4,200,706	4,118,178	5.48	3.91
AAA	AAA	2,841,359	FEDERAL HOME LOAN PC POOL G11769	10/01/20	5.000	2,778,649	2,838,806	5.30	3.52
AAA	AAA	4,218,166	FEDERAL HOME LOAN PC POOL G11777	10/01/20	5.000	4,123,752	4,214,377	5.33	3.58
AAA	AAA	680,137	FEDERAL HOME LOAN PC POOL G11879	10/01/20	5.000	665,126	679,526	5.30	3.49
AAA	AAA	2,117,537	FEDERAL HOME LOAN PC POOL G11880	12/01/20	5.000	2,070,140	2,105,047	5.33	3.63
AAA	AAA	2,751,382	FEDERAL HOME LOAN PC POOL G12221	06/01/21	5.500	2,749,232	2,776,531	5.28	3.01
AAA	AAA	386,685	FEDERAL HOME LOAN PC POOL G18053	05/01/20	5.000	378,150	386,337	5.30	3.49
AAA	AAA	36,668	FEDERAL HOME LOAN PC POOL J02514	09/01/20	5.000	35,848	36,567	N/A	N/A
AAA	AAA	6,515,000	FEDERAL HOME LOAN PC POOL J08160	12/01/22	5.000	6,403,928	6,443,997	N/A	N/A
AAA	AAA	498,310	FEDERAL HOME LOAN PC POOL M80807	03/01/10	4.500	491,685	496,834	3.90	1.29
AAA	AAA	82,562	FEDERAL HOME LOAN PC POOL M80865	11/01/10	4.500	80,962	82,116	N/A	N/A
AAA	AAA	3,000,000	FEDERAL FARM CREDIT BANK	08/03/09	0.000	2,998,860	3,075,458	2.90	1.04
AAA	AAA	100,000	FEDERAL FARM CREDIT BANK	10/23/09	5.000	99,970	102,579	2.90	1.26
AAA	AAA	1,000,000	FEDERAL FARM CREDIT BANK	12/06/10	3.750	1,005,408	1,009,514	3.42	2.30
AAA	AAA	350,000	FEDERAL HOME LOAN ASSOC.	10/16/09	5.000	349,179	352,596	4.52	0.29
AAA	AAA	1,250,000	FEDERAL HOME LOAN BANKS	10/10/12	4.625	1,249,388	1,280,377	4.00	3.82
AAA	AAA	160,000	FEDERAL HOME LOAN BANKS	07/15/36	5.500	157,850	166,506	5.24	13.93
AAA	AAA	2,175,000	FEDERAL HOME LOAN BANKS	05/14/10	7.625	2,506,709	2,344,059	3.19	1.74
AAA	AAA	1,500,000	FEDERAL HOME LOAN BANKS	06/18/10	2.750	1,498,889	1,486,530	3.23	1.90
AAA	AAA	6,700,000	FEDERAL HOME LOAN BANKS	12/10/10	4.750	6,639,499	6,893,044	3.43	2.29
AAA	AAA	13,500,000	FEDERAL HOME LOAN BANKS	05/15/12	5.750	14,028,971	14,353,006	3.92	3.45
AAA	AAA	2,870,000	FEDERAL HOME LOAN BANKS	05/29/13	3.625	2,862,911	2,801,740	4.14	4.43
AAA	AAA	5,400,000	FEDERAL HOME LOAN BANKS	06/14/13	3.875	5,522,689	5,330,818	4.15	4.45
AAA	AAA	8,000,000	FEDERAL HOME LOAN BANKS	09/16/13	4.500	8,094,000	8,108,235	4.20	4.59
AAA	AAA	9,200,000	FEDERAL HOME LOAN MTG. CORP.	11/03/09	4.750	9,169,548	9,409,309	2.95	1.29
AAA	AAA	1,000,000	FEDERAL HOME LOAN MTG. CORP.	06/28/10	2.875	993,644	993,362	3.21	1.92
AAA	AAA	1,000,000	FEDERAL HOME LOAN MTG. CORP.	09/22/10	4.750	1,000,000	1,026,893	3.52	2.08
AAA	AAA	14,000,000	FEDERAL HOME LOAN MTG. CORP.	03/15/11	5.625	14,377,070	14,743,758	3.52	2.47
AAA	AAA	14,430,000	FEDERAL HOME LOAN MTG. CORP.	07/18/11	5.250	14,894,176	15,075,948	3.61	2.75
AAA	AAA	500,000	FEDERAL HOME LOAN MTG. CORP.	09/02/11	5.450	499,205	501,718	5.31	0.17
AAA	AAA	300,000	FEDERAL HOME LOAN MTG. CORP.	10/06/11	5.250	299,610	301,638	5.10	0.27
AAA	AAA	1,000,000	FEDERAL HOME LOAN MTG. CORP.	01/15/12	5.750	1,063,150	1,061,360	3.87	3.13
AAA	AAA	1,000,000	FEDERAL HOME LOAN MTG. CORP.	02/02/12	5.400	998,000	1,011,434	5.01	0.67
AAA	AAA	2,970,000	FEDERAL HOME LOAN MTG. CORP.	06/28/13	3.750	2,969,733	2,909,671	4.16	4.49
AAA	AAA	250,000	FEDERAL HOME LOAN MTG. CORP.	10/17/13	5.600	250,000	251,906	5.44	0.30
AAA	AAA	7,400,000	FEDERAL HOME LOAN MTG. CORP.	01/15/15	4.500	7,365,213	7,419,784	4.40	5.50
AAA	AAA	500,000	FEDERAL HOME LOAN MTG. CORP.	01/26/15	5.050	500,000	515,248	4.41	5.45
AAA	AAA	3,109,716	FEDERAL HOME LOAN MTG. CORP.	04/15/15	4.375	3,021,784	3,076,989	4.45	2.10
AAA	AAA	1,080,908	FEDERAL HOME LOAN MTG. CORP.	07/15/15	5.500	1,093,237	1,103,023	N/A	N/A
AAA	AAA	7,500,000	FEDERAL HOME LOAN MTG. CORP.	07/17/15	4.375	6,913,650	7,460,285	4.48	5.87
AAA	AAA	150,000	FEDERAL HOME LOAN MTG. CORP.	10/04/16	5.550	149,953	153,282	5.03	4.69
AAA	AAA	753,192	FEDERAL HOME LOAN MTG. CORP.	10/15/16	4.000	731,066	747,541	N/A	N/A
AAA	AAA	3,168,000	FEDERAL HOME LOAN MTG. CORP.	07/15/17	4.500	3,049,694	3,142,713	N/A	N/A
AAA	AAA	2,960,000	FEDERAL HOME LOAN MTG. CORP.	11/17/17	5.125	2,999,664	3,039,661	4.75	7.56
AAA	AAA	7,970,000	FEDERAL HOME LOAN MTG. CORP.	06/13/18	4.875	7,917,717	8,015,835	4.75	7.77
AAA	AAA	585,302	FEDERAL HOME LOAN MTG. CORP.	11/15/22	3.500	584,113	583,663	3.89	0.28
AAA	AAA	758,475	FEDERAL HOME LOAN MTG. CORP.	12/15/22	5.000	754,090	762,818	N/A	N/A
AAA	AAA	832,845	FEDERAL HOME LOAN MTG. CORP.	01/15/31	5.500	828,291	848,966	4.47	2.01
AAA	AAA	1,310,000	FEDERAL HOME LOAN MTG. CORP.	11/23/35	5.625	1,309,083	1,287,180	5.66	10.44
AAA	AAA	499,533	FEDERAL HOME LOAN MTG. CORP. MUL.	05/15/15	5.000	501,095	506,244	N/A	N/A
AAA	AAA	1,860,000	FEDERAL HOME LOAN MTG. DISC. NOTES	01/16/09	5.250	1,861,308	1,885,165	2.85	0.53
AAA	AAA	900,000	FEDERAL HOME LOAN BANK	11/17/17	5.000	927,471	917,211	4.73	7.59
AAA	AAA	10,600,000	FEDERAL HOME LOAN BANK	11/27/13	4.875	10,562,200	10,857,838	4.22	4.71
AAA	AAA	200,000	FEDERAL HOME LOAN BANK	10/19/16	5.500	200,000	202,350	5.20	3.39
AAA	AAA	1,500,000	FEDERAL HOME LOAN BANK	05/17/17	4.875	1,443,263	1,520,413	4.69	7.09
AAA	AAA	1,105,074	FEDERAL HOME LOAN MTG.	05/15/16	5.875	1,106,628	1,117,616	4.54	0.90
AAA	AAA	2,462,608	FEDERAL NATIONAL MTG. ASSOC.	12/25/42	6.500	2,518,786	2,558,946	N/A	N/A
AAA	AAA	2,000,000	FEDERAL NATIONAL MTG. ASSOC.	01/15/09	5.250	2,012,572	2,026,924	2.78	0.53
AAA	AAA	10,100,000	FEDERAL NATIONAL MTG. ASSOC.	08/15/09	5.375	10,178,736	10,373,181	2.87	1.07
AAA	AAA	1,200,000	FEDERAL NATIONAL MTG. ASSOC.	09/15/09	6.625	1,236,089	1,252,014	2.93	1.15
AAA	AAA	800,000	FEDERAL NATIONAL MTG. ASSOC.	03/12/10	4.750	837,564	820,984	3.09	1.61
AAA	AAA	8,800,000	FEDERAL NATIONAL MTG. ASSOC.	05/15/10	4.125	8,823,331	8,949,228	3.15	1.79
AAA	AAA	3,250,000	FEDERAL NATIONAL MTG. ASSOC.	08/15/10	4.250	3,195,626	3,313,398	3.27	1.99
AAA	AAA	1,000,000	FEDERAL NATIONAL MTG. ASSOC.	02/15/11	4.500	981,820	1,025,520	3.38	2.43
AAA	AAA	500,000	FEDERAL NATIONAL MTG. ASSOC.	05/19/11	3.375	497,743	496,984	3.56	2.71

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
Federal Agency & Other Governments (continued)									
AAA	AAA	1,100,000	FEDERAL NATIONAL MTG. ASSOC.	05/19/11	3.375	1,099,626	1,093,364	3.56	2.71
AAA	AAA	12,250,000	FEDERAL NATIONAL MTG. ASSOC.	11/15/11	5.375	12,443,650	12,869,991	3.70	3.06
AAA	AAA	21,625,000	FEDERAL NATIONAL MTG. ASSOC.	09/15/12	4.375	21,415,551	21,979,230	3.95	3.80
AAA	AAA	1,000,000	FEDERAL NATIONAL MTG. ASSOC.	11/19/12	4.750	1,032,022	1,027,123	4.03	3.92
AAA	AAA	1,110,000	FEDERAL NATIONAL MTG. ASSOC.	07/12/13	3.875	1,107,536	1,093,626	4.17	4.51
AAA	AAA	13,000,000	FEDERAL NATIONAL MTG. ASSOC.	10/15/13	4.625	12,583,930	13,245,187	4.21	4.66
AAA	AAA	1,000,000	FEDERAL NATIONAL MTG. ASSOC.	04/15/15	5.000	1,052,604	1,030,550	4.42	5.67
AAA	AAA	750,000	FEDERAL NATIONAL MTG. ASSOC.	07/15/16	5.375	740,393	784,367	4.69	6.35
AAA	AAA	1,000,000	FEDERAL NATIONAL MTG. ASSOC.	08/22/16	6.000	1,007,580	1,003,157	5.94	0.14
AAA	AAA	100,000	FEDERAL NATIONAL MTG. ASSOC.	11/17/16	5.500	100,000	101,204	5.24	3.75
AAA	AAA	1,345,000	FEDERAL NATIONAL MTG. ASSOC. DISC. NOTES	12/15/08	0.000	1,326,749	1,329,804	N/A	N/A
AAA	AAA	250,000	FEDERAL NATIONAL MTG. ASSOC.	01/19/10	4.250	250,000	254,365	3.00	1.47
NA	A-	54,760,000	FNMA TBA AUG 30 SINGLE FAM.	12/01/99	5.000	51,915,888	52,355,696	5.81	5.70
NA	NA	10,500,000	FNMA TBA AUG 30 SINGLE FAM.	12/01/99	5.500	10,247,688	10,320,762	5.86	4.67
NA	NA	22,200,000	FNMA TBA JUL. 15 SINGLE FAM.	12/01/99	5.500	22,328,344	22,347,421	5.07	3.39
NA	NA	39,150,000	FNMA TBA JUL. 30 SINGLE FAM.	12/01/99	5.000	37,720,298	37,513,651	5.53	5.90
NA	NA	2,400,000	FNMA TBA JUL. 30 SINGLE FAM.	12/01/99	5.500	2,395,890	2,364,750	5.60	4.91
AAA	NA	2,614	FNMA POOL 047710	08/01/09	9.000	2,536	2,654	N/A	N/A
AAA	AAA	4,920,086	FNMA POOL 190341	09/01/18	5.000	4,838,598	4,942,188	5.19	3.11
AAA	AAA	808,204	FNMA POOL 252434	05/01/14	5.500	809,720	821,407	4.91	2.13
AAA	AAA	120,572	FNMA POOL 254406	08/01/32	6.500	123,096	125,206	5.62	3.45
AAA	AAA	67,138	FNMA POOL 254546	12/01/17	5.500	67,078	68,067	5.14	2.88
AAA	AAA	363,329	FNMA POOL 254591	01/01/18	5.500	363,003	368,349	5.00	2.94
AAA	AAA	792,807	FNMA POOL 254681	03/01/13	4.500	775,961	796,973	5.49	1.87
AAA	AAA	1,821,393	FNMA POOL 254682	03/01/13	5.000	1,804,317	1,845,816	4.71	1.80
AAA	AAA	39,756	FNMA POOL 254761	06/01/18	5.500	39,695	40,526	5.14	2.82
AAA	AAA	473,622	FNMA POOL 254864	08/01/13	4.500	460,376	475,858	5.39	2.02
AAA	AAA	3,557,372	FNMA POOL 255547	01/01/20	4.500	3,560,151	3,483,167	5.43	3.89
AAA	AAA	1,222,657	FNMA POOL 255832	07/01/15	5.500	1,222,084	1,235,982	N/A	N/A
AAA	AAA	1,135,746	FNMA POOL 255939	10/01/15	4.500	1,106,287	1,102,339	N/A	N/A
AAA	AAA	1,502,624	FNMA POOL 256872	07/01/17	4.500	1,456,607	1,458,426	N/A	N/A
AAA	AAA	858,911	FNMA POOL 323437	12/01/13	5.500	860,254	872,665	4.91	1.97
AAA	AAA	274,420	FNMA POOL 323842	07/01/14	5.500	276,013	278,885	4.91	2.09
AAA	AAA	518,838	FNMA POOL 357327	01/01/18	5.000	510,062	521,169	5.19	3.08
AAA	AAA	13,838	FNMA POOL 452341	12/01/13	5.500	13,915	14,062	N/A	N/A
AAA	AAA	1,787,113	FNMA POOL 535634	08/01/15	5.500	1,790,744	1,816,253	4.91	2.11
AAA	AAA	118,828	FNMA POOL 535926	05/01/31	6.500	121,465	123,452	5.60	3.54
AAA	AAA	743,800	FNMA POOL 545125	08/01/16	6.000	754,260	766,304	N/A	N/A
AAA	AAA	1,610,105	FNMA POOL 545378	12/01/11	1.000	1,628,493	1,648,374	5.76	5.35
AAA	AAA	170,690	FNMA POOL 545638	05/01/32	6.500	174,477	177,251	5.62	3.44
AAA	AAA	319,316	FNMA POOL 545759	07/01/32	6.500	326,400	331,589	5.62	3.49
AAA	AAA	125,777	FNMA POOL 545762	07/01/32	6.500	128,568	130,612	5.74	3.61
AAA	AAA	689,240	FNMA POOL 545961	02/01/14	5.500	688,487	700,394	4.91	2.03
AAA	AAA	465,215	FNMA POOL 545962	12/01/13	5.500	466,669	472,743	4.91	2.03
AAA	AAA	353,822	FNMA POOL 545968	10/01/17	5.500	353,504	358,719	5.10	2.80
AAA	AAA	804,369	FNMA POOL 545977	08/01/15	5.500	803,489	817,386	4.91	2.03
AAA	AAA	240,109	FNMA POOL 555254	01/01/33	6.500	245,436	249,450	5.54	3.20
AAA	AAA	230,092	FNMA POOL 555383	03/01/16	5.500	230,811	233,816	N/A	N/A
AAA	AAA	180,363	FNMA POOL 555471	04/01/18	5.500	180,201	182,860	5.10	2.76
AAA	AAA	266,130	FNMA POOL 555531	06/01/33	5.500	260,787	263,885	5.70	4.54
AAA	AAA	4,807	FNMA POOL 555798	05/01/33	6.500	4,913	4,991	5.73	3.65
AAA	AAA	84,721	FNMA POOL 555880	11/01/33	5.500	82,980	84,006	5.65	4.78
AAA	AAA	1,677	FNMA POOL 570778	03/01/16	5.500	1,690	1,704	5.05	2.61
AAA	AAA	21,669	FNMA POOL 617271	01/01/17	5.500	21,842	22,006	5.10	2.68
AAA	AAA	45,117	FNMA POOL 660629	10/01/17	5.500	45,077	45,742	N/A	N/A
AAA	AAA	101,099	FNMA POOL 668339	11/01/17	5.500	101,008	102,497	5.00	2.89
AAA	AAA	35,137	FNMA POOL 678542	02/01/18	5.500	35,105	35,623	N/A	N/A
AAA	AAA	179,503	FNMA POOL 696569	04/01/18	5.500	179,342	181,983	5.14	2.77
AAA	AAA	762,698	FNMA POOL 698975	04/01/18	5.000	747,206	766,124	5.19	3.07
AAA	AAA	443,512	FNMA POOL 725162	02/01/34	6.000	445,227	450,476	5.68	4.08
AAA	AAA	3,892,488	FNMA POOL 725206	02/01/34	5.500	3,812,509	3,855,995	5.71	4.46
AAA	AAA	733,768	FNMA POOL 725418	05/01/34	6.500	750,049	761,972	5.62	3.15
AAA	AAA	711,513	FNMA POOL 725519	05/01/19	5.500	710,429	725,299	4.85	2.92
AAA	AAA	3,398,676	FNMA POOL 725609	07/01/19	4.500	3,412,218	3,340,526	N/A	N/A
AAA	AAA	221,456	FNMA POOL 727361	08/01/18	5.000	217,364	222,450	5.21	3.15
AAA	AAA	357,693	FNMA POOL 728803	08/01/18	5.000	351,084	359,299	5.21	3.20
AAA	AAA	962,180	FNMA POOL 731223	08/01/18	5.000	945,793	966,502	N/A	N/A
AAA	AAA	3,354,654	FNMA POOL 735371	04/01/20	5.000	3,363,041	3,355,047	N/A	N/A
AAA	AAA	3,017,237	FNMA POOL 735504	04/01/35	6.000	3,028,905	3,064,617	5.69	4.17
AAA	AAA	358,012	FNMA POOL 735611	03/01/20	5.500	357,690	362,965	5.14	2.76
AAA	AAA	3,195,589	FNMA POOL 735646	07/01/20	4.500	3,141,165	3,128,931	5.43	3.89
AAA	AAA	6,131,922	FNMA POOL 735989	02/01/35	5.500	6,008,805	6,080,184	5.70	4.44
AAA	AAA	123,124	FNMA POOL 738259	10/01/18	5.500	122,937	125,510	5.17	2.80
AAA	AAA	46,449	FNMA POOL 740987	10/01/18	5.500	46,321	47,175	5.17	2.79

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
Federal Agency & Other Governments (continued)									
AAA	AAA	2,827,638	FNMA POOL 745193	06/01/20	5.500	2,823,330	2,882,424	4.85	2.92
AAA	AAA	785,133	FNMA POOL 745813	03/01/20	5.000	769,645	787,678	5.21	3.21
AAA	AAA	52,994	FNMA POOL 773074	04/01/34	5.500	51,856	52,481	N/A	N/A
AAA	AAA	2,858,747	FNMA POOL 836464	10/01/35	7.040	2,904,927	2,900,436	3.31	0.06
AAA	AAA	1,851,586	FNMA POOL 836852	10/01/35	7.018	1,879,446	1,877,830	3.30	0.05
AAA	AAA	1,320,572	FNMA POOL 843823	11/01/35	7.013	1,341,093	1,339,008	3.31	0.04
AAA	AAA	600,704	FNMA POOL 843997	11/01/35	7.023	611,033	609,091	3.31	0.05
AAA	AAA	606,560	FNMA POOL 844052	11/01/35	7.034	614,820	615,160	3.29	0.06
AAA	AAA	548,153	FNMA POOL 844148	11/01/35	7.012	557,465	556,022	3.31	0.05
AAA	AAA	606,325	FNMA POOL 844237	11/01/35	7.015	616,522	614,798	3.29	0.05
AAA	AAA	612,620	FNMA POOL 844789	11/01/35	7.042	622,718	621,428	3.29	0.06
AAA	AAA	1,075,119	FNMA POOL 897936	08/01/21	5.500	1,078,142	1,085,870	5.17	2.80
AAA	AAA	4,225,117	FNMA POOL 913990	02/01/37	5.515	4,238,320	4,294,274	N/A	N/A
AAA	AAA	6,936,785	FNMA POOL 948696	08/01/37	6.000	7,035,147	7,006,695	5.68	3.45
AAA	B	7,900,000	FREDDIE MAC	01/15/14	4.500	7,931,503	7,982,321	4.25	4.82
NA	AAA	3,760,000	GNMA I TBA AUG. 30 SINGLE FAM.	12/01/99	6.500	3,848,975	3,869,863	5.34	2.42
NA	NA	2,600,000	GNMA I TBA JUL. 30 SINGLE FAM.	12/01/99	5.500	2,575,625	2,586,188	5.62	4.52
NA	NA	10,400,000	GNMA I TBA JUL. 30 SINGLE FAM.	12/01/99	6.000	10,546,891	10,555,188	5.71	3.92
NA	NA	22,100,000	GNMA I TBA JUL. 30 SINGLE FAM.	12/01/99	6.500	22,773,564	22,814,798	5.16	2.23
AAA	AAA	38,868	GNMA II POOL 003830	03/20/36	5.500	38,607	38,675	5.58	4.40
AAA	AAA	2,560,756	GNMA II POOL 003864	06/20/36	5.500	2,541,551	2,546,852	5.58	4.39
AAA	AAA	2,019,870	GNMA II POOL 080919	05/20/34	3.750	2,014,088	2,004,033	3.45	0.99
AAA	AAA	623,966	GNMA II POOL 616649	10/20/24	5.500	641,905	622,138	N/A	N/A
NA	AAA	2,700,000	GNMA II TBA AUG. 30 JUMBOS	12/01/99	6.000	2,731,535	2,730,375	5.50	4.43
AAA	NA	557	GNMA POOL 136272	10/15/15	10.000	567	623	N/A	N/A
AAA	AAA	153	GNMA POOL 140143	02/15/16	10.500	158	173	N/A	N/A
AAA	AAA	4,077	GNMA POOL 153366	02/15/16	10.000	4,146	4,570	N/A	N/A
AAA	AAA	1,021	GNMA POOL 159455	04/15/16	10.000	1,038	1,145	N/A	N/A
AAA	AAA	7,878	GNMA POOL 169345	07/15/19	10.000	8,010	8,980	N/A	N/A
AAA	AAA	322	GNMA POOL 186289	11/15/18	10.000	328	364	N/A	N/A
AAA	AAA	395	GNMA POOL 224963	11/15/17	10.000	402	447	5.99	2.21
AAA	AAA	5,285	GNMA POOL 227416	06/15/19	10.500	5,439	6,105	N/A	N/A
AAA	AAA	4,572	GNMA POOL 248669	09/15/20	10.000	4,649	5,223	N/A	N/A
AAA	AAA	389	GNMA POOL 257398	09/15/18	10.000	395	437	N/A	N/A
AAA	AAA	3,867	GNMA POOL 257979	06/15/19	10.500	3,979	4,220	N/A	N/A
AAA	AAA	6,716	GNMA POOL 260471	08/15/18	10.000	6,829	7,621	N/A	N/A
AAA	AAA	1,137	GNMA POOL 260751	10/15/18	10.000	1,156	1,290	N/A	N/A
AAA	AAA	1,477	GNMA POOL 261915	11/15/18	10.000	1,502	1,660	N/A	N/A
AAA	AAA	3,767	GNMA POOL 263171	11/15/18	10.000	3,830	4,280	N/A	N/A
AAA	AAA	1,268	GNMA POOL 273972	08/15/20	10.000	1,290	1,451	N/A	N/A
AAA	AAA	328	GNMA POOL 274337	05/15/19	10.000	334	373	N/A	N/A
AAA	AAA	250	GNMA POOL 278737	09/15/19	10.000	254	262	N/A	N/A
AAA	AAA	2,916	GNMA POOL 278790	06/15/19	10.000	2,966	3,325	N/A	N/A
AAA	AAA	1,730	GNMA POOL 283915	06/15/20	10.000	1,759	1,951	N/A	N/A
AAA	AAA	443	GNMA POOL 291443	08/15/20	10.000	450	507	N/A	N/A
AAA	AAA	892	GNMA POOL 298521	10/15/20	10.000	907	1,007	N/A	N/A
AAA	AAA	355,762	GNMA POOL 566529	01/15/35	5.000	348,924	345,756	N/A	N/A
AAA	AAA	1,466,128	GNMA POOL 605107	03/15/34	5.500	1,495,450	1,464,811	N/A	N/A
AAA	AAA	149,320	GNMA POOL 637313	12/15/34	5.000	146,497	145,284	5.70	5.09
AAA	AAA	384,255	GNMA POOL 642602	10/15/35	5.000	376,990	373,028	N/A	N/A
AAA	AAA	794,408	GNMA POOL 650080	11/15/35	5.000	779,140	771,196	5.63	5.38
AAA	AAA	2,202,419	GNMA POOL 651861	06/15/36	6.000	2,219,212	2,240,014	5.46	3.47
AAA	AAA	2,323,716	GNMA POOL 676390	01/15/38	6.000	2,348,042	2,363,382	5.50	3.91
AAA	AAA	698,936	GNMA POOL 781885	03/15/35	5.000	688,561	680,042	5.70	5.06
A2	NA	250,000	HUNGARY REP.	02/03/15	4.750	249,173	243,496	5.25	5.46
A1	AAA	200,000	INTERNATIONAL LEASE FIN. CORP.	01/13/12	4.750	202,284	188,703	8.73	3.06
A1	NA	100,000	INTERNATIONAL LEASE FIN. CORP. MTN.	02/15/12	5.400	99,819	96,270	8.75	3.12
A2		12,000,000	ISRAEL ST.	02/01/13	5.000	12,000,000	11,999,760	N/A	N/A
A1	A-	85,000	ISRAEL ST.	11/09/16	5.500	84,471	89,356	5.13	6.59
AA3	BBB	500,000	KOREA DEV. BANK	09/16/10	4.625	489,100	498,985	4.72	2.05
BAA2	BBB-	4,457,889	LA HIPOTECARIA PANAMANINAN MTG.	12/23/36	1.000	4,453,710	3,921,297	N/A	N/A
AA1	AA	4,025,000	ONTARIO PROV. CANADA	10/18/11	5.000	4,040,041	4,197,963	3.80	3.00
AA1	BBB	150,000	ONTARIO PROV. CANADA	04/27/16	5.450	149,840	159,735	4.62	6.29
AA2	BB	200,000	QUEBEC PROV. CANADA	05/26/15	4.600	194,484	200,628	4.66	5.82
B1	BB-	16,520,000	REPUBLICA ORIENTAL DEL URUGUAY	04/05/27	4.250	737,909	976,931	N/A	N/A
AAA	B	1,910,000	TENNESSEE VALLEY AUTHORITY	12/15/17	6.250	2,161,432	2,126,024	4.78	7.18
Total Federal Agency & Other Governments						<u>610,759,462</u>	<u>616,292,422</u>		
Total Government & Agency Obligations						<u>835,099,848</u>	<u>852,045,701</u>		
Foreign Obligations									
Yankee Bonds									
AA1	AA+	150,000	AB SVENSK EXPORTKREDIT SWEDISH	09/29/11	4.875	149,337	155,929	3.80	2.96
BAA2	BBB	1,100,000	AIFUL CORPORATION	12/12/11	6.000	1,108,855	1,022,678	12.32	2.94
A3	BBB+	250,000	AMERICA MOVIL DE CV	03/01/14	5.500	248,933	246,550	5.85	4.71
A3	BBB+	690,000	AMERICA MOVIL SAB DE CV	11/15/17	5.625	687,124	667,104	6.15	7.06

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
Yankee Bonds (continued)									
BA2	BB-	2,935,000	AXTEL B DE CV	02/01/17	7.625	2,927,663	3,004,706	7.25	5.53
BAA1	BB+	115,000	BELL CANADA	02/15/17	5.000	95,528	88,338	8.06	6.56
BAA1	BB+	225,000	BELL CANADA	02/23/32	7.300	207,851	179,124	8.61	10.13
BAA1	BB+	115,000	BELL CANADA MEDIUM TERM NOTES CDS	05/01/29	6.550	96,968	86,289	8.60	10.10
A1	A+	150,000	BHP BILLITON FIN. USA LTD.	12/15/10	5.000	149,304	150,058	4.52	2.29
BA1	BBB-	500,000	BRAZIL FEDERATIVE REP.	01/15/18	8.000	570,000	556,854	5.42	4.16
BA1	BBB-	13,750,000	BRAZIL FEDERATIVE REP.	01/10/28	10.250	7,517,176	7,348,318	12.37	7.16
BAA1	BBB+	780,000	BRITISH TELECOMMUNICATIONS PLC.	12/15/10	8.625	778,729	834,486	5.38	2.21
BAA1	BBB+	1,000,000	BRITISH TELECOMMUNICATIONS PLC.	01/15/13	5.150	984,380	966,626	5.78	3.87
A1	A	250,000	CHINA DEV. BANK	10/15/15	5.000	247,150	244,708	5.38	5.95
BAA1	A-	225,000	CIT GROUP	05/13/14	5.000	244,931	258,500	11.75	4.77
BAA1	A-	100,000	CIT GROUP FUNDING CO. CANADA 1	11/02/11	5.600	99,971	80,309	13.79	2.82
BAA1	A-	120,000	CIT GROUP INC.	11/14/12	3.800	127,796	136,572	12.20	3.71
BAA1	A-	200,000	CIT GROUP INC.	12/01/14	5.500	244,216	287,895	12.79	4.83
NA	NA	650,000	CIT GROUP INC.	09/19/16	4.650	737,171	683,100	10.87	6.12
BAA1	A-	50,000	CIT GROUP INC.	12/20/16	5.500	69,573	68,018	11.71	5.99
NA	NA	825,000	CIT GROUP NJ INC.	03/17/15	4.250	935,326	907,732	10.64	5.34
NA	NA	1,250,000	CITIBANK NA	07/02/10	15.000	746,815	822,627	5.28	1.68
A1	A	280,000	CONOCO FUNDING CO.	10/15/11	6.350	311,371	296,156	4.45	2.93
AA3	A	300,000	CORPORACION NACIONAL DEL COBRE	10/15/14	4.750	295,446	288,935	5.47	5.36
AAA	AAA	800,000	DEPFA ACS BANK	03/16/37	5.125	787,112	775,929	5.47	14.59
AA1	AA	2,500,000	DEUTSCHE BANK AG	05/20/13	4.875	2,504,350	2,455,566	5.24	4.26
AA1	AA	300,000	DEUTSCHE BANK AG LONDON	09/01/17	6.000	314,847	302,520	5.86	6.82
BAA1	BBB+	520,000	DEUTSCHE TELEKOM INTERNATIONAL FIN. BV	03/23/16	5.750	516,646	496,906	6.15	6.03
AAA	AA	50,000	DEVELOPMENT BANK OF JAPAN	02/01/17	5.125	49,549	51,703	4.54	6.77
AAA	AA	100,000	DEVELOPMENT BANK OF JAPAN	06/09/15	4.250	99,180	99,756	4.26	5.93
AAA	NA	100,000	EKSPORTFINAN	02/14/12	5.000	99,738	103,886	4.09	3.24
BAA1	A	75,000	ENBRIDGE	04/01/17	5.600	74,949	72,584	6.15	6.67
NA	BBB+	96,300,000	EUROFIMA EUROPAISCHE GESELLSCH	11/03/08	10.000	1,417,162	1,209,008	10.49	0.33
AAA	NA	800,000	EUROPEAN INVT. BANK	03/03/10	4.000	799,104	813,365	2.90	1.59
AAA	AAA	650,000	EUROPEAN INVT. BANK	05/15/13	3.250	657,326	638,497	3.86	4.44
AAA	AAA	250,000	EUROPEAN INVT. BANK	09/13/16	5.125	251,593	260,790	4.38	6.58
BA3	AAA	850,000	EVRAZ GROUP	04/24/13	8.875	852,250	851,020	8.84	3.82
A3	NA	1,310,000	GAZ CAPITAL SA LUXEMBOURG	11/22/16	6.212	1,310,970	1,219,587	7.27	6.44
A3	BBB	620,000	GAZ CAPITAL SA LUXEMBOURG	03/07/22	6.510	620,000	550,410	7.73	8.67
NA	AAA	8,800,000	GENERAL ELECTRIC CAPITAL CORP. (CONFED)	05/18/12	2.960	5,766,291	6,136,820	4.44	3.64
A2	BBB	970,000	GLITNIR BANKI HF	09/25/12	6.375	967,827	708,438	10.56	3.51
A3	BBB	1,000,000	GLITNIR BANKI HF	06/15/16	6.693	999,287	643,060	23.03	2.57
A2	BBB+	600,000	GLITNIR BANKI HF GLOBAL	07/28/11	6.330	600,000	519,373	14.10	2.56
BAA1	A-	200,000	GLITNIR NAMKI HF	09/14/49	7.451	197,978	120,370	16.45	5.10
AAA	A	820,000	HBOS TREAS. SVCS.	02/21/17	5.250	819,426	807,177	5.49	6.88
BAA2	CCC+	606,000	ICICI BANK LIMITED	04/30/22	1.000	604,954	543,922	8.04	6.53
NA	BB	1,310,000	ICICI BANK LIMITED	04/30/22	6.375	1,231,441	1,175,805	7.91	6.57
BAA1	CCC+	1,920,000	INTERGAS FIN. BV	05/14/17	6.375	1,860,435	1,639,502	8.13	6.58
BA3	BB	2,500,000	INTERGEN NV	06/30/17	9.000	2,479,725	2,587,500	8.44	5.69
AAA	BBB+	148,300,000	INTERNATIONAL BANK RECON & DEVELOP	05/27/10	9.500	1,998,951	1,883,874	8.93	1.70
NR	BBB	1,000,000	ITALY REP.	06/15/12	5.625	1,076,940	1,065,431	3.91	3.54
AAA	AAA	300,000	JAPAN FIN. CORP. MUN. ENTERPRISES	04/21/15	4.625	297,135	311,715	4.33	5.74
NA	NA	23,157,310	JP MORGAN CHASE	06/08/12	1.000	5,718,722	6,031,885	5.79	3.84
A2	NA	350,000	KAUPTHING BANK	05/19/16	7.125	348,152	227,488	13.27	5.44
A1	NA	1,550,000	KAUPTHING BANK HF MEDIUM TERM SR BANK	10/04/11	5.750	1,368,128	1,186,215	13.10	2.78
A1	NA	1,100,000	KAUPTHING BANK HF MEDIUM TERM SR BANK	10/04/16	6.125	880,600	704,108	11.22	5.92
BAA1	NA	1,380,000	KAZMUNAIGAZ FIN. SUB BV GTD	07/02/13	8.375	1,373,086	1,375,515	8.45	4.04
AAA	AAA	29,200,000	KREDITANSTALT FUR WIEDERAUFBAU	10/27/08	10.000	447,196	367,201	11.60	0.31
AAA	BBB+	300,000	KREDITANSTALT FUR WIEDERAUFBAU	05/16/13	3.500	295,281	290,491	3.84	4.41
A2	BB-	1,500,000	LANDSBANKI IS HF	08/25/11	6.100	1,499,610	1,245,683	8.89	2.68
AAA	NA	100,000	LANDWIRTSCHAFTLICHE RENTENBANK	07/02/12	5.250	99,926	105,270	3.82	3.52
BA1	NA	1,210,000	METHANEX CORP.	08/15/15	6.000	1,141,685	1,125,796	7.26	5.59
BAA2	B	450,000	MUFG CAPITAL FINANCE 1 LIMITED	07/29/49	6.346	450,000	390,056	8.67	5.82
B3	NA	705,000	NELL AF R L	08/15/15	8.375	660,900	447,675	17.54	4.46
B3	B-	1,894,000	NELL AF R L	08/15/15	8.375	1,803,243	1,202,690	17.54	4.46
AAA	NA	10,900,000	NORDIC INVT. BANK	09/12/08	13.000	171,702	137,572	N/A	N/A
AAA	AAA	400,000	NORDIC INVT. BANK MEDIUM TERM NOTES	06/15/10	3.875	399,980	405,762	3.12	1.87
AA2	CCC	250,000	NOVA SCOTIA PROV. CANADA	02/27/12	5.750	270,500	269,873	4.09	3.24
AA2	A+	100,000	NOVA SCOTIA PROV. CANADA	01/26/17	5.125	99,590	105,265	4.78	6.73
B3	A+	3,110,000	NOVELIS INC.	02/15/15	7.250	2,989,550	2,938,950	8.35	4.94
B2	NA	328,000	NTL CABLE PLC.	04/15/14	8.750	346,040	308,320	10.13	4.33
B2	B-	1,785,000	NTL CABLE PLC.	04/15/14	8.750	1,887,638	1,677,900	10.13	4.33
B2	B-	188,000	NTL CABLE PLC.	08/15/16	9.125	204,450	176,250	10.27	5.41
B3	B-	1,567,000	NXP BV / FUNDING LLC	10/15/15	9.500	1,431,920	1,363,290	12.24	4.92
BAA1	A	870,000	PETROBRAS INTERNATIONAL FIN. CO.	10/06/16	6.125	866,666	868,685	6.12	6.30
B1	BBB	825,000	PETROPLUS FIN. LTD.	05/01/14	6.750	759,000	746,625	9.35	4.52
B2	A+	1,698,000	QUEBECOR MEDIA INC.	03/15/16	7.750	1,729,838	1,579,140	9.03	5.62
B2	B	394,000	QUEBECOR MEDIA INC.	03/15/16	7.750	369,375	366,420	9.03	5.62

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
Yankee Bonds (continued)									
AAA	AAA	24,000,000	RABOBANK NEDERLAND	01/28/09	14.000	318,972	307,428	6.03	0.56
AAA	AA	30,000,000	RABOBANK NEDERLAND	02/17/09	12.500	396,498	381,641	10.68	0.58
BAA1	BBB-	1,100,000	RESONA PFD GLOBAL SECS. CAYMAN	12/29/49	7.191	1,105,834	1,015,740	8.49	5.20
A3	BBB	1,200,000	RIO TINTO FIN. USA LTD.	07/15/18	6.500	1,189,572	1,198,398	6.45	7.47
AAA	NA	350,000	ROYAL BANK CANADA MONTREAL QUE	07/20/11	5.650	354,659	363,776	4.32	2.72
A1	AA-	600,000	ROYAL BANK SCOTLAND GROUP PLC.	10/29/49	6.990	600,000	540,018	8.57	6.53
BA1	A	1,372,000	ROYAL CARIBBEAN CRUISES LTD.	06/15/16	7.250	1,395,358	1,200,500	9.52	5.84
A3	NA	1,200,000	RSHB CAPITAL	05/15/17	6.299	1,200,000	1,107,180	7.51	6.63
BA2	A+	1,035,000	SAPPI PAPIER HOLDING AG	06/15/32	7.500	920,576	850,315	9.38	9.88
BA1	A-	3,000,000	SEAGATE TECHNOLOGY HOLDINGS	10/01/16	6.800	2,966,250	2,737,500	8.28	6.10
BAA1	BB-	1,270,000	SHINSEI FIN. CAYMAN LTD.	01/29/49	6.418	1,224,936	891,908	12.11	5.47
BAA1	NA	500,000	SOUTH AFRICA REP.	06/02/14	6.500	544,375	515,001	5.92	4.85
BA3	BB+	5,000,000	STENA AB	11/01/13	7.500	5,043,750	4,931,250	7.82	3.94
BAA2	BBB	400,000	TELECOM ITALIA CAP.	10/01/10	4.875	392,348	395,431	5.27	2.08
BAA2	BBB	100,000	TELECOM ITALIA CAP.	07/18/11	6.200	99,826	101,311	5.49	2.68
BAA2	A+	200,000	TELECOM ITALIA CAP.	11/15/13	5.250	199,418	189,964	6.48	4.55
BAA2	BBB	340,000	TELECOM ITALIA CAP.	09/30/14	4.950	338,813	313,627	6.62	5.23
BAA2	BBB	110,000	TELECOM ITALIA CAP.	10/01/15	5.250	109,307	101,496	6.75	5.77
BAA1	BBB	500,000	TELEFONICA EMISIONES U	06/20/11	5.984	497,850	510,031	5.44	2.69
A3	BBB+	200,000	TELEFONOS DE MEXICO	01/27/10	4.750	199,992	200,192	4.63	1.48
BAA2	BBB+	630,000	TNK BP FIN.	03/13/18	7.875	620,636	589,330	8.44	6.60
BAA2	BB+	230,000	TNK BP FIN. SA SR. MEDIUM TERM	03/20/17	6.625	228,162	200,545	8.51	6.34
BAA2	BB+	780,000	TNK BP FIN. SA SR. MEDIUM TERM NOTES	07/18/16	7.500	778,185	728,076	8.43	5.77
BA1	B-	1,160,000	TURANALEM FIN. BV GLOBAL	01/22/37	8.250	1,158,253	974,724	10.01	5.59
NA	BB	2,210,000	TURANALEM FINANCE BV	01/22/37	8.250	2,009,988	1,825,792	N/A	N/A
BAA1	NA	1,904,000	UNITED MEXICAN STS.	09/27/34	6.750	2,507,660	2,032,466	6.27	12.16
BAA3	BBB	100,000	VALE OVERSEAS LTD.	01/11/16	6.250	100,700	97,939	6.65	5.72
BA1	NA	690,000	VEDANTA RES. PLC.	01/15/14	8.750	689,800	686,723	N/A	N/A
BA2	NA	2,164,000	VIDEOTRON LTEE	01/15/14	6.875	2,231,737	2,088,260	7.66	4.22
BA2	BB-	886,000	VIDEOTRON LTEE	04/15/18	9.125	872,108	925,870	8.44	6.05
BA2	BB-	1,070,000	VIP FIN. IRELAND LTD.	04/30/13	8.375	1,070,000	1,061,637	8.74	3.87
BAA1	B-	300,000	VODAFONE GROUP PLC. NEW	06/15/11	5.500	297,594	303,719	5.14	2.69
BAA1	BBB	150,000	WEATHERFORD INTERNATIONAL INC.	02/15/16	5.500	149,363	144,759	6.04	5.98
Total Yankee Bonds						<u>108,262,078</u>	<u>102,582,798</u>		
Other Foreign Obligations									
A3	A-	575,000	DAIMLER CHRYSLER NORTL HOLDING CO.	09/01/09	7.200	644,825	593,182	4.65	1.10
BAA1	NA	965,400	MEXICO (UTD MEX ST)	12/07/23	8.000	8,910,624	8,367,815	9.19	8.20
BAA1	A+	16,000,000	MEXICO (UTD MEX ST)	12/17/15	8.000	1,482,810	1,461,635	9.01	5.53
Total Foreign Obligations						<u>119,300,337</u>	<u>113,005,430</u>		
Corporate Obligations									
Finance									
AA2	AA	500,000	ALLSTATE LIFE GLOBAL FUNDING SECD.	04/30/13	5.375	499,500	498,040	5.46	4.20
AA2	AA	200,000	ALLSTATE LIFE GLOBAL FUNDING	02/26/10	4.250	196,966	199,470	4.05	1.57
AA3	A+	1,750,000	AMERICAN EXPRESS BANK	10/17/12	5.550	1,770,790	1,732,325	5.83	3.73
AA3	A+	2,900,000	AMERICAN EXPRESS CEN. BANK NEW	06/12/17	5.950	2,938,048	2,744,389	6.39	6.76
A3	A-	1,200,000	AMERICAN EXPRESS CO.	09/01/66	6.800	1,239,751	1,109,448	8.08	5.91
AA3	A+	250,000	AMERICAN EXPRESS CREDIT CORP.	12/02/10	5.000	250,015	249,094	4.70	2.25
AA3	A+	200,000	AMERICAN EXPRESS CREDIT CORP. MEDIUM	12/02/15	5.300	199,356	185,871	6.24	5.96
A1	A+	360,000	AMERICAN GENERAL FIN. CORP.	12/15/17	6.900	357,444	315,187	8.94	6.54
A1	A+	500,000	AMERICAN GENERAL FIN. CORP. MTN.	05/15/10	4.875	505,695	488,275	5.81	1.75
A1	A+	150,000	AMERICAN GENERAL FIN. CORP. MTN.	12/01/15	5.400	149,784	123,840	8.16	5.80
AA2	AA	8,800,000	BANK AMER. CORP.	01/15/13	4.875	8,871,311	8,558,967	5.54	3.92
AA2	AA	2,960,000	BANK AMER. CORP.	10/14/16	5.625	3,017,174	2,851,986	6.27	6.54
AA3	AA-	200,000	BANK AMER. CORP.	03/15/17	5.420	230,346	187,327	6.73	6.77
AA2	AA	1,120,000	BANK AMER. CORP.	12/01/17	5.750	1,138,412	1,051,824	6.62	7.23
A1	A+	1,780,000	BANK AMER. CORP.	12/29/49	8.125	1,780,000	1,682,563	8.96	6.62
AA2	AA	250,000	BANK NEW YORK INC.	01/14/11	4.950	250,988	252,618	4.87	2.31
AA3	A+	150,000	BANK NEW YORK INC.	03/15/15	4.950	148,601	146,098	5.70	5.51
AA2	A+	500,000	BANK NEW YORK INC. MED. TERM SR	04/01/13	4.500	499,485	468,818	5.10	4.20
AA3	A+	795,000	BANK ONE CORP.	11/15/11	5.900	844,870	806,852	5.28	3.01
AA2	AA-	190,000	BEAR STEARNS COS. INC.	05/18/10	2.839	137,750	185,780	4.24	0.08
AA2	AA-	350,000	BEAR STEARNS COS. INC.	10/28/10	4.500	351,456	342,319	5.07	2.16
AA2	AA-	25,000	BEAR STEARNS COS. INC.	10/30/15	5.300	19,721	23,714	6.40	5.97
AA2	A+	250,000	BEAR STEARNS COS. INC.	01/22/17	5.550	248,763	231,058	6.72	6.59
AA2	AA-	50,000	BEAR STEARNS COS. INC.	10/02/17	6.400	38,725	49,860	6.57	6.93
AA2	AA-	420,000	BEAR STEARNS COS. INC.	02/01/18	7.250	356,283	445,823	6.62	6.86
AA2	AA-	1,740,000	BEAR STEARNS COS. INC.	02/01/18	7.250	1,735,232	1,846,983	6.62	6.86
AA2	NR	10,000	BEAR STEARNS COS. INC.	07/02/18	4.650	6,175	8,670	6.85	7.64
AAA	AAA	3,250,000	BERKSHIRE HATHAWAY FIN. CORP.	01/15/15	4.850	3,289,650	3,176,974	5.12	5.41
A3	BBB+	155,000	CAPITAL ONE FINL. CORP.	09/15/11	5.700	154,926	149,584	7.43	2.82

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Finance (continued)						
A3	BBB+	250,000	CAPITAL ONE FINL. CORP.	02/21/12	4.800	249,088	231,966	7.01	3.22
A3	BBB+	150,000	CAPITAL ONE FINL. CORP.	06/01/15	5.500	149,861	138,057	7.38	5.62
BA3	BBB-	3,420,000	CASE CORP.	01/15/16	7.250	3,352,870	3,334,500	7.69	5.58
A2	A	100,000	CATERPILLAR FINL. SVCS.	02/17/15	4.750	99,713	97,819	5.38	5.49
BAA1	A	1,088,000	CIT GROUP FUNDING CO. CANADA	06/01/15	5.200	718,080	812,341	11.93	5.23
BAA1	A-	404,000	CIT GROUP INC.	12/15/10	4.750	348,450	330,982	13.85	2.19
BAA1	A-	1,235,000	CIT GROUP INC.	09/22/11	4.250	1,322,227	1,478,227	13.83	2.75
BAA1	A-	1,307,000	CIT GROUP INC. MT. SR. NOTES 1 CH	10/01/36	5.800	1,038,780	962,984	7.83	7.18
BAA1	A-	11,000,000	CIT GROUP INC. NEW	11/03/09	4.125	10,706,937	9,950,773	14.16	1.23
BAA1	A-	260,000	CIT GROUP INC. NEW	02/01/10	4.250	231,400	229,071	15.55	1.41
BAA1	A-	186,000	CIT GROUP INC. NEW	02/13/12	5.400	169,613	147,118	12.67	3.04
BAA1	A-	114,000	CIT GROUP INC. NEW	02/13/14	5.000	91,770	85,094	12.04	4.48
BAA1	A-	200,000	CIT GROUP INC. NEW	09/30/14	5.125	162,000	149,159	11.63	4.93
BAA1	A-	1,030,000	CIT GROUP INC. NEW	02/01/15	5.000	890,160	767,257	11.88	5.08
BAA1	A-	588,000	CIT GROUP INC. NEW	01/30/16	5.400	479,695	436,688	11.70	5.58
BAA1	A-	95,000	CIT GROUP INC. NEW	09/15/16	5.850	76,950	71,743	11.85	5.86
BAA1	A-	58,000	CIT GROUP INC. NEW	04/01/36	6.000	46,400	41,085	9.04	10.62
BAA1	A-	602,000	CIT GROUP INC. REORGANIZED	02/13/17	5.650	473,180	443,790	11.39	6.11
AA3	AA-	10,900,000	CITIGROUP INC.	02/09/09	3.625	10,776,345	10,838,912	3.86	0.59
AA3	AA-	4,170,000	CITIGROUP INC.	08/03/10	4.625	4,099,439	4,124,110	4.83	1.94
AA3	AA-	2,850,000	CITIGROUP INC.	01/18/11	6.500	2,977,991	2,925,579	5.29	2.27
AA3	AA-	250,000	CITIGROUP INC.	10/17/12	5.300	249,710	244,207	5.95	3.77
AA3	AA-	1,000,000	CITIGROUP INC.	04/11/13	5.500	994,920	977,100	6.08	4.11
AA3	AA-	250,000	CITIGROUP INC.	08/15/17	6.000	256,178	239,702	6.68	6.87
AA3	AA-	1,610,000	CITIGROUP INC.	03/05/38	6.875	1,599,084	1,542,729	7.16	11.81
NA	AA	972,000	COUNTRYWIDE FINL. CORP.	04/15/37	0.000	860,312	936,765	N/A	N/A
BAA3	AA	580,000	COUNTRYWIDE FINL. CORP.	05/15/37	1.000	491,933	543,025	N/A	N/A
AA3	AAA	150,000	EXPORT IMPORT BANK KOREA	03/16/15	5.125	149,628	138,896	6.54	5.44
AA3	A	350,000	EXPORT IMPORT BANK KOREA EURO	02/10/14	5.250	347,477	334,972	6.17	4.72
AA2	B+	200,000	FIFTH THIRD BANK CINCINNATI OH	02/23/10	4.750	199,848	194,433	6.86	1.54
AAA	AAA	3,700,000	GENERAL ELECTRIC CAPITAL CORP. MTN.	02/02/09	3.000	3,701,502	3,683,794	2.80	0.08
AAA	AAA	2,810,000	GENERAL ELECTRIC CAPITAL CORP. MTN.	01/19/10	7.375	3,098,524	2,952,295	3.93	1.43
AAA	AAA	2,900,000	GENERAL ELECTRIC CAPITAL CORP. MTN.	10/19/12	5.250	3,034,821	2,918,296	4.99	3.78
AAA	AA+	250,000	GENERAL ELECTRIC CAPITAL CORP. MTN.	05/01/13	4.800	249,518	245,166	5.27	4.25
AAA	B+	250,000	GENERAL ELECTRIC CAPITAL CORP. MTN.	09/15/17	5.625	258,860	245,781	5.93	7.13
AAA	AAA	250,000	GENERAL ELECTRIC CAPITAL CORP. MTN.	05/01/18	5.625	247,698	244,216	6.07	7.52
AA1	AAA	2,400,000	GENERAL ELECTRIC CAPITAL CORP. MTN.	11/15/67	6.375	2,402,880	2,269,947	7.17	6.98
AA3	NA	350,000	GOLDEN WEST FINL. CORP. DEL.	10/01/12	4.750	337,449	345,068	5.86	3.74
A2	AA-	1,200,000	GOLDMAN SACHS CAPITAL II	12/29/49	1.000	1,100,207	834,432	16.68	3.21
AA3	A	1,610,000	GOLDMAN SACHS GROUP INC.	01/18/18	5.950	1,653,921	1,535,560	6.52	6.90
AA3	AA-	1,000,000	GOLDMAN SACHS GROUP INC.	10/01/09	7.350	1,044,680	1,037,946	5.08	1.17
AA3	AA-	1,445,000	GOLDMAN SACHS GROUP INC.	01/15/12	6.600	1,533,361	1,502,811	5.71	3.04
AA3	AA-	1,980,000	GOLDMAN SACHS GROUP INC.	02/06/12	3.325	1,978,320	1,899,220	4.47	-0.06
AA3	AA-	1,350,000	GOLDMAN SACHS GROUP INC.	11/01/12	5.450	1,348,205	1,350,107	5.51	3.81
AA3	AA-	250,000	GOLDMAN SACHS GROUP INC.	07/15/13	4.750	244,575	240,746	5.62	4.34
AAA	A+	400,000	INTERNATIONAL FIN. CORP.	06/15/10	4.000	397,824	409,068	3.01	1.87
BAA2	BBB	65,000	ISTAR FINL. INC.	03/15/11	5.800	57,850	55,447	12.50	2.38
BAA2	BBB	255,000	ISTAR FINL. INC.	09/15/11	5.650	237,519	211,688	11.14	2.77
BAA2	A	320,000	ISTAR FINL. INC.	03/01/12	5.150	316,019	256,535	11.07	3.14
BAA2	BBB	435,000	ISTAR FINL. INC.	03/01/12	5.150	375,313	348,727	11.07	3.14
BAA2	BBB	150,000	ISTAR FINL. INC.	10/15/13	5.950	149,633	119,471	10.46	4.28
BAA2	BBB	705,000	ISTAR FINL. INC.	10/15/13	5.950	610,530	561,513	10.46	4.28
BAA2	BBB	100,000	ISTAR FINL. INC.	03/15/16	5.875	99,891	78,799	9.87	5.67
AA3	NA	675,000	JP MORGAN CHASE & CO.	01/02/13	5.750	689,392	679,055	5.59	3.82
AA2	A+	7,100,000	JP MORGAN CHASE & CO.	03/15/09	3.500	7,031,911	7,075,674	4.06	0.68
AA1		200,000	JP MORGAN CHASE BANK	10/01/17	6.000	202,820	194,069	6.41	7.03
AA2	A+	250,000	JP MORGAN CHASE & CO.	01/17/11	4.600	244,168	249,286	4.71	2.33
AA3	NA	500,000	JP MORGAN CHASE & CO.	09/01/15	4.891	504,745	467,590	5.83	1.99
AA3	A+	770,000	JP MORGAN CHASE & CO.	09/01/15	4.891	758,789	720,089	5.83	1.99
AA3	AA-	3,500,000	JP MORGAN CHASE & CO.	10/01/15	5.150	3,384,710	3,326,525	5.78	5.96
AA2	AA-	3,670,000	JP MORGAN CHASE & CO. FORMERLY	01/15/18	6.000	3,839,567	3,575,368	6.36	7.07
A2	A-	2,250,000	LEHMAN BROS. HOLDINGS INC.	07/19/17	6.500	2,220,765	2,051,885	7.66	6.57
A3	A-	1,265,000	LEHMAN BROS. HOLDINGS INC.	11/29/49	5.857	1,196,669	825,413	18.77	3.15
A1	A	250,000	LEHMAN BROS. HOLDINGS INC.	04/25/11	5.750	249,853	246,772	6.61	2.45
A1	A	1,160,000	LEHMAN BROS. HOLDINGS INC.	02/06/12	5.250	1,140,935	1,111,781	6.95	3.16
A1	BBB+	925,000	LEHMAN BROS. HOLDINGS INC.	07/19/12	6.000	926,737	900,743	6.91	3.43
A1	A	460,000	LEHMAN BROS. HOLDINGS INC.	09/26/14	6.200	459,614	438,775	7.11	5.04
BAA2	B+	150,000	MARSH & MCLENNAN COS. INC.	09/15/10	5.150	147,335	149,531	5.47	2.03
A1	BBB-	250,000	MARSHALL & ILSLEY CORP.	04/01/11	5.350	248,768	244,309	6.72	2.49
A1	A-	1,630,000	MERRILL LYNCH & CO. INC.	02/05/13	5.450	1,623,725	1,538,923	6.91	3.91
A1	A	500,000	MERRILL LYNCH & CO. INC.	01/15/15	5.000	502,840	441,009	6.69	5.36
A2	NA	250,000	MERRILL LYNCH & CO. INC.	05/16/16	6.050	259,455	229,137	7.36	6.14
AA3	A+	2,190,000	MORGAN STANLEY	01/09/12	5.625	2,195,563	2,187,612	5.66	3.09
A1	A+	245,000	MORGAN STANLEY	04/01/14	4.750	236,848	222,191	7.36	4.81

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Finance (continued)						
AA3	BB-	250,000	MORGAN STANLEY	01/09/17	5.450	242,223	221,953	7.35	6.63
AA3	AAA	1,250,000	MORGAN STANLEY DEAN WITTER	04/01/12	6.600	1,321,838	1,287,819	6.09	3.24
AA3	A+	360,000	MORGAN STANLEY GROUP INC.	08/31/12	5.750	368,118	359,505	5.97	3.59
AA3	A+	4,000,000	MORGAN STANLEY GROUP INC.	03/01/13	5.300	4,002,240	3,905,303	6.21	3.99
AA3	A+	1,985,000	MORGAN STANLEY GROUP INC.	04/01/18	6.625	2,036,714	1,882,484	7.39	6.83
CAA2	AAA	315,000	RESIDENTIAL CAPITAL LLC	05/15/10	8.500	277,200	264,600	19.04	1.60
CAA3	NA	400,000	RESIDENTIAL CAPITAL LLC	05/15/15	9.625	231,000	194,000	26.13	3.81
BAA2	BBB-	250,000	SLM CORP.	07/26/10	4.500	249,298	225,895	8.50	1.88
BAA2	CCC-	35,000	SLM CORP.	01/15/13	5.375	31,038	30,183	8.60	3.81
BAA2	BBB-	540,000	SLM CORP.	10/01/13	5.000	476,861	450,151	8.22	4.43
BAA2	BBB-	180,000	SLM CORP.	05/15/14	5.375	158,515	151,678	8.00	4.87
BAA2	BBB-	3,050,000	SLM CORP.	06/15/18	8.450	2,989,915	2,872,990	9.07	6.66
BAA2	BBB-	530,000	SLM CORP. MTN.	06/15/18	5.000	428,305	381,801	8.57	7.47
A2	BBB	2,850,000	TRAVELERS COS. INC.	06/15/12	5.375	2,843,771	2,854,700	5.28	3.52
A3	BB+	1,760,000	TRAVELERS COS. INC.	03/15/37	1.000	1,660,751	1,512,086	6.67	6.24
BA1	AAA	175,000	WASHINGTON MUTUAL INC.	04/01/14	4.625	138,525	127,750	11.09	4.70
BAA3	A	720,000	WASHINGTON MUTUAL INC.	08/24/11	5.500	643,500	600,006	10.44	2.73
BAA1	BBB+	100,000	WELLPOINT INC.	01/15/11	5.000	99,287	99,816	5.50	2.30
BAA1	A-	80,000	WELLPOINT INC.	06/15/17	5.875	79,397	77,340	6.37	6.97
AA1	A-	460,000	WELLS FARGO & CO. NEW	01/12/11	4.875	454,088	461,730	4.29	2.33
AA1	AA+	3,470,000	WELLS FARGO & CO. NEW	01/15/10	4.200	3,391,914	3,464,575	4.00	1.46
AA1	AA+	1,415,000	WELLS FARGO & CO. NEW	08/09/10	4.625	1,390,557	1,416,852	4.11	1.97
AA2	AA+	595,000	WELLS FARGO & CO. NEW	08/01/11	6.375	654,946	619,846	4.92	2.72
AA1	AA+	500,000	WELLS FARGO & CO. NEW	10/23/12	5.250	504,570	498,655	5.10	3.81
AA1	AA+	2,135,000	WELLS FARGO & CO. NEW	01/31/13	4.375	2,115,635	2,046,526	5.15	4.05
AA1	AA+	500,000	WELLS FARGO & CO. NEW	12/11/17	5.625	512,715	479,708	6.08	7.35
AA1	AA+	8,700,000	WELLS FARGO BANK NATIONAL ASSOC.	05/16/16	5.750	8,776,755	8,606,613	5.87	6.32
AA2	AA+	1,170,000	WELLS FARGO CAPITAL X	12/15/36	5.950	1,103,393	1,044,138	6.68	12.66
A3	AA-	180,000	WESTERN UNION CO.	10/01/16	5.930	179,932	173,875	6.23	6.31
			Total Finance			164,744,566	159,397,789		
			Industrials						
A1	AA	2,113,000	ABBOTT LABS	05/15/16	5.875	2,260,995	2,182,633	5.42	6.21
CAA2	CCC+	1,000,000	ABITIBI CONSOLIDATED INC.	08/01/29	8.500	826,250	370,000	23.33	4.07
CAA2	CCC+	2,000,000	ABITIBI CONSOLIDATED INC.	08/01/30	8.850	1,697,500	750,000	23.85	3.93
BA2	BB-	3,974,000	ACE HARDWARE CORP.	06/01/16	9.125	3,918,364	3,715,690	10.34	5.40
B2	B-	3,942,000	ADVANCED MED. OPTICS INC.	05/01/17	7.500	3,653,875	3,626,640	8.82	6.20
B1	B	868,000	AEP INDS. INC.	03/15/13	7.875	891,870	811,580	9.62	3.73
BA3	BB+	509,000	AES CORP.	05/15/13	8.750	567,535	528,088	7.81	2.61
B1	BB-	723,000	AES CORP.	10/15/17	8.000	723,000	708,540	8.31	6.43
A3	A-	125,000	AETNA INC. NEW	06/15/11	5.750	124,864	126,850	4.50	2.70
NR	NR	1,815,000	AFFYMETRIX INC.	01/15/38	3.500	1,478,626	1,476,956	N/A	N/A
BAA2	BBB	630,000	AIFUL CORP.	08/10/10	5.000	627,066	600,154	11.00	1.88
B3	BB-	520,950	AIR 2 US	10/01/19	8.027	461,747	461,041	9.73	2.79
B1	B+	500,000	ALBERTSONS INC.	08/01/29	7.450	503,991	472,980	7.98	10.11
B1	B+	4,715,000	ALBERTSONS INC.	06/01/28	6.625	4,421,303	4,043,773	8.07	10.38
BAA1	BBB+	50,000	ALCOA INC.	02/01/17	5.550	49,874	47,450	6.53	6.48
A1	A+	2,875,000	ALL STATE CORP.	12/01/09	7.200	3,143,946	2,987,155	4.20	1.34
A3	A	125,000	ALLERGAN INC.	04/01/16	5.750	122,900	124,765	5.69	6.09
B3	B-	1,225,000	ALLIANCE IMAGING INC. DEL.	12/15/12	7.250	1,186,338	1,151,500	8.90	3.70
BAA2	BBB+	100,000	ALLIED CAPITAL CORP. NEW	07/15/11	5.625	99,990	96,737	7.85	2.61
CAA1	B-	35,000	ALLTEL CORP.	11/01/13	6.500	29,663	35,088	6.44	4.45
CAA1	B-	35,000	ALLTEL CORP.	03/15/16	7.000	26,163	35,350	6.82	5.87
CAA1	B-	130,000	ALLTEL CORP.	07/01/12	7.000	111,785	132,600	6.42	3.36
CAA1	B-	170,000	ALLTEL CORP.	05/01/29	6.800	121,450	155,550	7.61	10.68
CAA1	B-	1,885,000	ALLTEL CORP.	07/01/32	7.875	1,633,402	1,913,275	7.73	10.53
BAA2	BBB-	175,000	AMERADA HESS CORP.	08/15/11	6.650	190,988	181,989	4.94	2.75
BAA2	BBB-	320,000	AMERADA HESS CORP.	10/01/29	7.875	369,670	369,017	6.58	10.53
BAA2	BBB-	1,325,000	AMERADA HESS CORP.	08/15/31	7.300	1,449,295	1,462,577	6.33	11.20
B1	BB-	1,968,000	AMERICAN AXLE & MFG. INC.	03/01/17	7.875	1,978,250	1,436,640	13.19	5.53
AA3	AA-	210,000	AMERICAN INTERNATIONAL GROUP INC.	01/16/18	5.850	208,843	196,989	6.75	7.05
BA1	BB+	1,748,000	AMERICAN TOWER CORP.	10/15/17	7.000	1,748,000	1,730,520	7.15	6.76
B1	B+	1,720,000	AMKOR TECHNOLOGY INC.	05/15/13	7.750	1,646,100	1,595,300	9.64	3.91
A2	A	200,000	AMSOUTH BANK NA BIRMINGHAM ALA	04/01/15	5.200	200,920	182,903	7.34	5.42
BAA3	BBB-	340,000	ANADARKO FIN. CO.	05/01/31	7.500	379,116	364,037	6.87	10.87
BAA3	BBB-	80,000	ANADARKO PETROLEUM CORP.	09/15/16	5.950	81,889	79,852	5.94	6.44
BAA3	BBB-	1,080,000	ANADARKO PETROLEUM CORP.	09/15/09	3.176	1,080,000	1,067,634	4.17	0.18
BAA3	BBB-	1,370,000	ANADARKO PETROLEUM CORP.	09/15/36	6.450	1,371,678	1,340,722	6.55	12.74
BAA2	BBB+	80,000	AOL TIME WARNER INC.	05/01/32	7.700	88,344	85,882	7.48	10.59
B3	B	2,794,000	ARAMARK CORP.	02/01/15	8.500	2,872,581	2,738,120	8.91	4.62
B3	B-	5,075,000	ARAMARK CORP.	06/01/12	5.000	4,444,563	4,440,625	8.84	3.44
B1	BB-	1,915,000	ARCH WESTERN FIN. LLC	07/01/13	6.750	1,907,819	1,876,700	7.23	3.81
A2	A	1,950,000	ARCHER DANIELS MIDLAND CO.	03/15/18	5.450	1,949,961	1,894,537	5.78	7.25
B3	B	91,000	ASBURY AUTOMOTIVE GROUP INC.	03/15/17	7.625	91,000	73,255	11.18	5.84
B3	B	3,022,000	ASBURY AUTOMOTIVE GROUP INC.	03/15/14	8.000	2,963,945	2,614,030	11.26	4.28

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Industrials (continued)						
B1	B	1,948,000	ASHTREAD CAPITAL INC.	08/15/16	9.000	1,965,528	1,714,240	11.29	5.34
AA2	AA+	100,000	ASIF GLOBAL FINANCNG XIX	01/17/13	4.900	100,509	93,728	5.89	3.94
A2	A	420,000	AT&T INC.	02/01/18	5.500	419,076	407,728	5.92	7.33
A2	A	165,000	AT&T WIRELESS	05/01/12	8.125	200,064	180,334	5.34	3.29
B3	B-	1,928,000	ATLAS PIPELINE PARTNERS LP	06/15/18	8.750	1,928,000	1,913,540	8.86	6.58
BA2	BB+	507,000	AUTONATION INC. DEL.	04/15/14	7.000	507,000	451,230	9.50	4.55
BA2	BB-	2,500,000	AXCAN INTER HOLDINGS INC.	03/01/15	9.250	2,468,425	2,518,750	9.09	4.68
A1	A+	40,000	BAC CAPITAL TRUST XIV	12/31/49	5.630	36,419	31,213	13.32	3.08
A3	A+	76,000	BAXTER INTERNATIONAL INC.	09/01/16	5.900	75,751	77,972	5.53	6.30
A1	A	250,000	BB&T CORP.	10/01/12	4.750	251,913	239,729	5.75	3.74
BA3	BB+	750,000	BE AEROSPACE INC.	07/01/18	8.500	750,000	752,813	8.44	6.67
B2	B	5,200,000	BEAZER HOMES USA INC.	07/15/15	6.875	5,119,300	3,718,000	13.22	4.92
BA1	BB-	828,000	BELDEN INC. NEW	03/15/17	7.000	828,000	794,880	7.63	6.12
BAA1	A	50,000	BEMIS CO. INC.	04/01/12	4.875	49,814	49,564	5.20	3.35
BAA2	BBB	35,000	BLACK & DECKER CORP.	11/15/16	5.750	34,855	33,153	6.48	6.43
CAA2	CCC	1,100,000	BLOCKBUSTER INC.	09/01/12	9.000	952,763	899,250	15.04	3.16
BAA2	BBB-	50,000	BOARDWALK PIPELINES LLC	11/15/16	5.875	49,889	47,914	6.50	6.41
BA2	BB+	4,000,000	BOMBARDIER INC.	05/01/34	7.450	3,940,000	3,820,000	7.85	11.06
CAA1	CCC+	470,000	BORDEN INC.	03/15/21	9.200	414,775	263,200	18.17	5.35
CAA1	CCC+	3,000,000	BORDEN INC.	02/15/23	7.875	2,756,250	1,710,000	15.31	6.29
BA2	BB+	65,000	BOSTON SCIENTIFIC CORP.	06/15/14	5.450	54,925	59,963	7.06	4.99
BA2	BB+	470,000	BOSTON SCIENTIFIC CORP.	06/15/16	6.400	410,750	441,800	7.41	6.16
BA2	BB+	875,000	BOSTON SCIENTIFIC CORP.	11/15/35	6.250	739,500	770,000	8.09	11.19
AA2	A+	250,000	BOTTLING GROUP LLC	11/15/12	4.625	245,148	249,767	4.34	3.91
CAA2	CCC+	1,550,000	BOWATER INC.	06/15/13	6.500	1,387,250	976,500	18.11	3.78
BAA3	BBB-	100,000	BRANDYWINE OPER. PARTNERSHIP	04/01/16	6.000	99,458	89,080	7.93	5.86
BAA3	BBB-	100,000	BRANDYWINE OPER. PARTNERSHIP	12/15/10	5.625	100,878	96,731	6.99	2.24
B1	BB	2,900,000	BROWNING FERRIS INDS. INC.	05/01/21	9.250	3,200,875	3,132,000	8.23	7.69
B2	BB-	4,000,000	BUCKEYE TECHNOLOGIES INC.	10/01/13	8.500	4,251,250	3,980,000	8.62	3.69
BAA1	BBB	250,000	BURLINGTON NORTHERN SANTA FE	07/15/11	6.750	264,155	263,206	5.00	2.66
BAA1	BBB	1,700,000	BURLINGTON NORTHERN SANTA FE	07/01/12	5.900	1,789,777	1,747,744	5.11	3.44
B2	B	4,002,000	CENTENAR COMMUNICATIONS CORP.	06/15/13	10.125	4,179,330	4,122,060	9.35	2.79
BAA3	BBB	125,000	CENTERPOINT ENERGY RES. CORP.	04/01/13	7.875	147,366	134,048	6.13	3.92
BA2	BB	1,135,000	CENTEX CORP.	06/15/15	5.250	946,013	896,650	9.43	5.56
BAA2	BBB-	40,000	CENTURYTEL INC.	04/01/17	6.000	39,754	36,593	7.58	6.43
BAA2	BBB-	100,000	CENTURYTEL INC.	02/15/15	5.000	96,116	90,253	7.32	5.33
B3	B	3,668,000	CENVEO CORPORATION	12/01/13	7.875	3,582,680	3,062,780	12.11	4.17
BA2	BB	1,500,000	CHEMTURA CORP.	06/01/16	6.875	1,479,375	1,297,500	9.32	5.88
A3	BBB+	450,000	CHUBB CORP.	03/29/67	1.000	441,518	411,638	7.72	6.55
BA2	BB	1,600,000	CHURCH & DWIGHT INC.	12/15/12	6.000	1,572,000	1,536,000	7.06	3.72
B2	B-	7,188,000	CINCINNATI BELL INC. NEW	01/15/14	8.375	7,255,760	6,954,390	9.13	4.09
A1	A+	350,000	CISCO SYS. INC.	02/22/11	5.250	349,398	362,100	4.05	2.43
BA2	BB	675,000	CITIZENS COMMUNICATIONS	03/15/15	6.625	667,406	612,563	8.46	5.18
BA2	BB	920,000	CITIZENS COMMUNICATIONS	01/15/27	7.875	868,450	805,000	9.30	8.84
BA2	BB	4,884,000	CITIZENS COMMUNICATIONS	01/15/13	6.250	4,651,259	4,529,910	8.19	3.76
BAA3	CCC+	5,000	CLEAR CHANNEL COMMUNICATIONS	06/15/18	6.875	4,000	3,046	14.90	6.08
BAA3	CCC+	240,000	CLEAR CHANNEL COMMUNICATIONS	05/15/15	4.900	211,433	143,377	14.52	5.19
BAA3	CCC+	260,000	CLEAR CHANNEL COMMUNICATIONS	01/15/13	5.750	217,425	184,315	16.16	3.53
BAA3	CCC+	495,000	CLEAR CHANNEL COMMUNICATIONS	09/15/14	5.500	463,985	315,841	15.86	4.59
BAA3	CCC+	1,365,000	CLEAR CHANNEL COMMUNICATIONS	12/15/16	5.500	1,016,313	799,092	14.03	5.95
BAA3	CCC+	1,875,000	CLEAR CHANNEL COMMUNICATIONS	05/15/09	4.250	1,790,127	1,821,041	8.47	0.83
BAA2	BBB+	200,000	CLOROX CO.	01/15/15	5.000	204,610	191,467	5.90	5.34
BAA3	BBB-	75,000	CNA FINANCIAL CORP.	08/15/16	6.500	74,601	72,491	7.09	6.01
BAA3	BBB-	75,000	CNA FINANCIAL CORP.	08/15/11	6.000	74,644	74,784	5.84	2.77
BAA3	BBB-	100,000	CNA FINANCIAL CORP.	12/15/14	5.850	99,630	95,889	6.63	5.25
AA3	AA-	50,000	COLGATE PALMOLIVE CO. MTN.	11/07/16	5.200	49,996	50,090	5.18	6.64
BAA3	BBB-	100,000	COLONIAL REALTY LTD. PARTNERSHIP	10/01/15	5.500	99,377	84,232	7.67	5.66
BAA3	BBB-	100,000	COLONIAL REALTY LTD. PARTNERSHIP	02/01/10	4.750	99,995	96,779	6.52	1.47
CAA1	B-	5,000	COLUMBIA/HCA HEALTHCARE CORP.	06/15/25	7.690	4,100	4,089	9.93	8.67
BAA2	BBB+	245,000	COMCAST CABLE COMMUNICATIONS	01/30/11	6.750	239,250	254,338	5.24	2.29
BAA2	BBB+	1,675,000	COMCAST CORP.	01/15/15	6.500	1,724,822	1,708,018	6.20	5.19
BAA2	BBB+	200,000	COMCAST CORP. NEW	05/15/18	5.700	194,824	190,059	6.41	7.27
BAA2	BBB+	200,000	COMCAST CORP. NEW	01/15/14	5.300	201,844	194,447	5.95	4.65
BAA2	BBB+	750,000	COMCAST CORP. NEW	01/15/17	6.500	767,309	762,947	6.41	6.27
BAA2	BBB+	835,000	COMCAST CORP. NEW	02/15/18	5.875	825,782	819,709	6.41	7.01
BAA1	A	1,200,000	CONTINENTAL AIRLINES	04/19/22	5.983	1,200,000	993,000	8.46	7.11
A2	A	100,000	COSTCO WHOLESALE CORP. NEW	03/15/12	5.300	99,942	102,892	4.28	3.32
BA2	B+	2,290,000	COUCHE TARD US LP	12/15/13	7.500	2,370,150	2,261,375	7.78	4.04
AA2	AA	2,430,000	COUNTRYWIDE FUNDING CORP. MTN.	07/15/09	5.625	1,927,625	2,370,558	8.15	0.96
AA2	AA	100,000	COUNTRYWIDE FINL. CORP.	12/19/08	3.079	86,500	97,839	8.53	0.20
AA2	AA	506,000	COUNTRYWIDE HOME LOANS INC.	03/22/11	4.000	444,524	461,930	7.70	2.49
B3	B-	2,535,000	CRICKET COMMUNICATION	11/01/14	9.375	2,568,100	2,439,938	10.19	4.50
B3	B-	1,700,000	CRICKET COMMUNICATION	07/15/15	10.000	1,700,000	1,666,000	10.40	4.88
B1	BB	3,244,000	CSC HOLDINGS INC.	07/15/09	8.125	3,292,515	3,268,330	7.35	0.95
B1	BB	3,665,000	CSC HOLDINGS INC.	07/15/18	7.625	3,496,238	3,371,800	8.84	6.65

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Industrials (continued)						
BAA2	BBB+	1,279,978	CVS CAREMARK CORP.	01/10/30	6.943	1,279,978	1,339,385	7.41	10.77
BAA2	BBB+	250,000	CVS CORP.	08/15/11	5.750	251,813	256,019	4.89	2.78
BA2	BB	240,000	D R HORTON INC.	09/15/14	5.625	204,912	194,400	9.77	4.92
A3	BBB+	4,310,000	DAIMLERCHRYSLER NA HOLDING CORP.	05/18/09	5.750	4,292,889	4,362,981	4.22	0.85
A3	A-	200,000	DAIMLERCHRYSLER NORTH AMER. HOLDINGS	03/15/11	5.875	199,700	204,511	5.36	2.44
A2	A	250,000	DEERE (JOHN) CAPITAL CORP. MTN. BANK ENT	04/07/10	5.400	249,513	255,145	3.99	1.66
BA2	BBB	42,014	DELTA AIR LINES INC. DEL. PASS	03/18/11	6.619	42,329	40,543	8.85	1.53
BAA1	BBB+	1,700,000	DEUTSCHE TELEKOM INTERNATIONAL FIN. B V	07/22/13	5.250	1,747,243	1,660,099	5.68	4.28
BAA2	BBB	200,000	DEVELOPERS DIVERSIFIED REALTY CO.	10/15/12	5.375	199,040	184,330	7.07	3.70
BAA1	BBB+	1,620,000	DEVON FIN. CORP. U L C	09/30/11	6.875	1,763,548	1,726,689	4.81	2.86
B2	B-	98,000	DEX MEDIA INC.	11/15/13	8.000	100,940	71,540	15.60	3.96
B1	B+	2,115,000	DEX MEDIA WEST LLC	08/15/13	9.875	1,814,170	1,903,500	12.57	3.72
B2	BB-	1,200,000	DILLARD DEPT. STORES INC.	01/15/18	6.625	1,152,000	876,000	11.33	6.25
BA3	BB	2,980,000	DIRECT HOLDINGS LLC	05/15/16	7.625	2,980,000	2,935,300	7.88	5.73
A2	A	2,340,000	DISNEY WALT CO. NEW MTN. BANK ENTR.	03/01/12	6.375	2,458,608	2,484,164	4.47	3.21
BAA2	A-	20,000	DONNELLEY R R & SONS CO.	01/15/12	5.625	19,972	19,695	6.28	3.08
BAA2	BBB+	50,000	DONNELLEY R R & SONS CO.	01/15/17	6.125	49,605	47,459	7.18	6.26
A2	BBB+	150,000	DOVER CORP.	10/15/15	4.780	149,004	145,262	5.33	5.97
BAA3	A	490,000	DR. PEPPER SNAPPLE GROUP INC.	05/01/18	6.820	489,927	492,415	6.76	7.17
B1	BBB-	2,104,000	DRESSER RAND GROUP INC.	11/01/14	7.375	2,151,340	2,077,700	7.62	4.55
B1	BB-	391,000	DRS TECHNOLOGIES INC.	02/01/16	6.625	391,000	396,865	6.37	5.05
A2	BBB-	365,000	DU PONT E I DE NEMOURS & CO.	10/15/09	6.875	412,443	378,908	3.49	1.22
A2	A	2,335,000	DU PONT E I DE NEMOURS & CO.	01/15/13	5.000	2,419,761	2,348,175	4.79	3.91
NR	A-	100,000	DUN & BRADSTREET CORP. DEL. NEW	03/15/11	5.500	99,741	100,842	5.35	2.45
B2	B	130,000	DYNEGY HOLDINGS INC.	06/01/15	7.500	114,400	119,925	9.03	5.25
B2	NA	1,771,000	DYNEGY HOLDINGS INC.	05/01/16	8.375	1,839,626	1,717,870	8.91	5.62
B2	B	7,620,000	DYNEGY HOLDINGS INC.	06/01/19	7.750	7,394,958	6,934,200	9.06	7.14
A2	B	50,000	EATON CORP.	07/15/12	5.750	53,972	51,586	5.12	3.49
B3	AA+	5,860,000	ELAN FINANCIAL PLC	11/15/11	7.750	5,969,875	5,684,200	8.79	2.87
BAA3	B	985,000	ELECTRONIC DATA SYS. CORP.	10/15/09	7.125	1,035,206	1,003,496	4.60	1.21
BAA3	BBB-	100,000	EMBARQ CORP.	06/01/13	6.738	99,995	96,488	7.61	4.07
BAA3	BBB-	2,765,000	EMBARQ CORP.	06/01/36	7.995	2,883,774	2,615,630	8.50	10.70
NA	NA	218,604	EMERALDS TRUST	08/04/20	5.593	218,604	218,973	0.99	11.80
A2	NA	2,110,000	EMERSON ELECTRIC CO.	08/15/10	7.125	2,356,852	2,233,923	3.75	1.93
B1	A-	90,000	ENCO RE ACQUISITION CO.	04/15/14	6.250	83,813	85,950	7.21	4.58
B1	B+	1,515,000	ENCO RE ACQUISITION CO.	07/15/15	6.000	1,378,650	1,424,100	7.09	5.47
BA1	NA	4,000,000	ENTERPRISE PRODS. OPER. LP	08/01/66	8.375	4,000,000	3,998,840	8.38	5.68
BAA1	BB	11,000	ERP OPER. CTD. PARTNERSHIP	04/01/13	5.200	11,002	10,502	6.35	4.07
A3	BB-	1,950,000	EXELON GENERATION CO. LLC	10/01/17	6.200	1,998,848	1,902,534	6.58	6.77
BA2	BBB+	1,822,000	EXPEDIA INC. DEL.	07/01/16	8.500	1,783,029	1,781,005	8.90	5.58
BAA2	AAA	90,000	FEDEX CORP.	08/15/09	5.500	89,774	91,381	4.98	1.06
B3	BBB	2,440,000	FELCOR LODGING LTD. PARTNERSHIP	06/01/11	8.500	2,604,700	2,385,100	9.39	2.52
B2	NA	2,319,000	FISHER COMMUNICATIONS INC.	09/15/14	8.625	2,394,368	2,423,355	7.70	3.26
BAA2	B+	100,000	FORTUNE BRANDS INC.	01/15/11	5.125	98,824	99,328	5.35	2.30
BA3	BBB	1,400,000	FOUNDATION PA COAL CO.	08/01/14	7.250	1,466,500	1,400,000	7.25	4.13
BA2	AAA	1,133,000	FREEPORT MCMORAN COPPER & GOLD	04/01/15	8.250	1,133,000	1,191,066	7.27	4.36
BA2	BBB-	2,070,000	FREEPORT MCMORAN COPPER & GOLD	04/01/17	8.375	2,272,264	2,183,850	7.50	5.59
B3	BBB-	1,830,000	FREESCALE SEMICONDUCTOR	12/15/16	10.125	1,832,288	1,395,375	15.20	5.12
NA	BBB	2,568,316	GAZPROM INTERNATIONAL	02/01/20	7.201	2,590,788	2,564,110	7.27	3.24
B3	BBB+	3,026,000	GCI INC.	02/15/14	7.250	2,964,541	2,602,360	10.62	4.31
B1	NA	85,000	GENERAL CABLE CORP.	04/01/17	7.125	85,000	80,963	7.88	6.16
AAA	AAA	9,635,000	GENERAL ELECTRIC CO.	02/01/13	5.000	9,565,940	9,567,374	4.82	4.01
BAA1	AAA	100,000	GENERAL MILLS INC.	02/15/17	5.700	99,881	98,744	5.83	6.56
BAA1	BBB+	4,500,000	GENERAL MILLS INC.	03/17/15	5.200	4,489,830	4,387,491	5.63	5.49
B3	B	265,000	GENERAL MOTOR ACCEP. CORP.	08/28/12	6.875	236,313	181,467	17.93	3.19
B3	B	395,000	GENERAL MOTOR ACCEP. CORP.	02/01/12	7.000	344,863	274,568	19.12	2.78
B3	B	440,000	GENERAL MOTOR ACCEP. CORP.	03/02/11	7.250	380,050	323,404	20.61	2.15
B3	B	1,230,000	GENERAL MOTOR ACCEP. CORP.	12/01/14	6.750	1,063,141	812,341	15.21	4.67
B3	NA	1,330,000	GENERAL MOTOR ACCEP. CORP.	01/14/09	5.850	1,264,438	1,262,941	15.96	0.49
B3	B	1,895,000	GENERAL MOTOR ACCEP. CORP.	09/15/11	6.875	1,721,900	1,361,690	18.96	2.57
B3	B	2,380,000	GENERAL MOTOR ACCEP. CORP.	05/15/09	5.625	2,140,232	2,203,642	14.94	0.80
B3	B	4,171,000	GENERAL MOTOR ACCEP. CORP.	11/01/31	8.000	3,628,622	2,713,570	12.70	7.75
CAA1	B	190,000	GENERAL MOTOR ACCEP. CORP.	09/01/25	7.400	156,894	97,850	15.56	6.45
CAA1	B	1,165,000	GENERAL MOTOR ACCEP. CORP.	07/15/23	8.250	1,020,556	678,613	15.47	6.14
CAA1	B	3,191,000	GENERAL MOTOR ACCEP. CORP.	07/15/33	8.375	2,702,600	1,890,668	14.44	6.61
A2	NA	150,000	GENWORTH FINL. INC.	10/01/15	4.950	149,774	132,754	6.58	5.83
AA3	A	75,000	GENWORTH GLOBAL FUNDING TRUSTS	05/15/13	5.750	74,917	73,543	6.25	4.17
B2	NA	4,190,000	GIBALTAR INDS. INC.	12/01/15	8.000	4,135,043	3,498,650	11.35	5.29
A1	B+	1,750,000	GLAXOSMITHLINE CAPITAL INC.	05/15/18	5.650	1,748,933	1,732,169	5.70	7.61
A3	A+	900,000	GLEN MEADOW PASS THROUGH	02/12/67	6.505	867,058	777,033	7.54	12.90
BAA2	BBB+	3,000,000	GLENCORE FUNDING LLC	04/15/14	6.000	2,904,032	2,865,750	6.94	4.78
B3	AAA	1,720,000	GMAC LLC	12/15/11	6.000	1,513,044	1,183,601	18.62	2.85
BA3	AA-	1,510,000	GOODYEAR TIRE & RUBBER CO	07/01/15	9.000	1,653,450	1,506,225	9.05	4.80
CAA1	NA	1,015,000	HARRAHS OPER. INC.	06/01/15	5.625	735,038	545,563	17.36	4.92
CAA1	B-	1,950,000	HARRAHS OPER. INC.	10/01/17	5.750	1,502,325	1,023,750	15.61	5.90

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Industrials (continued)						
B3	B-	1,315,000	HARRAHS OPER. INC.	02/01/16	10.750	1,104,600	1,091,450	14.51	4.60
BAA1	NA	150,000	HARRIS CORP. DEL.	10/01/15	5.000	149,063	143,894	5.77	5.88
CAA3	BBB+	675,000	HAWAIIAN TELCOM COMMUNICATIONS	05/01/15	12.500	177,188	168,750	55.65	2.00
A1	NA	330,000	HBOS CAPITAL FUNDING NO 2 LP	06/30/49	6.071	310,646	285,315	9.04	4.87
CAA1	B-	340,000	HCA INC.	01/15/15	6.375	270,500	282,200	9.97	4.96
CAA1	NA	1,340,000	HCA INC.	11/06/33	7.500	1,172,500	1,031,800	10.01	9.47
B2	B-	1,619,000	HCA INC.	11/15/16	9.625	1,714,116	1,667,570	9.10	5.23
CAA1	B-	2,877,000	HCA INC.	03/15/14	5.750	2,574,096	2,395,103	9.62	4.59
CAA1	B-	10,966,000	HCA INC. FORMERLY HCA	02/15/16	6.500	9,609,581	9,129,196	9.65	5.62
BAA3	B-	50,000	HEALTH CARE PROPERTIES	01/30/17	6.000	49,662	43,042	8.30	6.20
BA2	BB-	120,000	HERCULES INC.	06/30/29	6.500	100,800	97,200	8.52	10.28
BA1	NA	2,310,000	HERCULES INC.	10/15/29	6.750	2,310,000	2,240,700	7.02	4.39
A2	BB+	100,000	HERSHEY FOODS CORP.	09/01/16	5.450	99,687	98,877	5.48	6.39
A2	A	250,000	HEWLETT PACKARD CO.	07/01/12	6.500	274,583	266,933	4.70	3.42
A2	A	1,125,000	HEWLETT PACKARD CO.	03/01/13	4.500	1,139,580	1,114,183	4.72	4.13
A2	A	8,200,000	HEWLETT PACKARD CO.	03/01/12	5.250	8,102,502	8,385,864	4.52	3.26
BAA1	B+	200,000	HOME DEPOT INC.	08/15/10	4.625	199,080	197,634	5.28	1.97
A2	AAA	100,000	HONEYWELL INTERNATIONAL INC.	03/15/16	5.400	99,771	101,373	5.16	6.15
A2	A	8,200,000	HONEYWELL INTERNATIONAL INC.	03/01/13	4.250	8,221,770	8,102,760	4.58	4.16
BAA2	A	100,000	HOSPITALITY PPTYS. TRUST	02/15/15	5.125	99,814	83,492	9.01	5.21
NA	BBB	1,565,000	HOST HOTELS & RESORTS LP	04/15/27	2.625	1,361,618	1,265,694	N/A	N/A
BA1	BB	720,000	HOST MARRIOTT LP	11/01/13	7.125	738,000	669,600	8.79	4.26
BA1	BB	1,350,000	HOST MARRIOTT LP	06/01/16	6.750	1,368,563	1,198,125	8.75	5.93
CAA1	CCC+	215,000	HOVNIANIAN K ENTERPRISES INC.	01/15/17	8.625	215,000	156,950	14.17	5.17
CAA2	BB	275,000	HOVNIANIAN K ENTERPRISES INC.	05/15/13	7.750	201,225	176,000	19.52	3.56
CAA1	CCC+	998,000	HOVNIANIAN K ENTERPRISES INC.	01/15/15	6.250	959,900	623,750	15.60	4.59
CAA1	CCC+	1,640,000	HOVNIANIAN K ENTERPRISES INC.	01/15/16	6.250	1,360,113	1,016,800	14.77	5.11
CAA1	CCC+	4,600,000	HOVNIANIAN K ENTERPRISES INC.	01/15/14	6.500	4,459,000	2,990,000	16.33	4.02
NA	NA	1,805,000	HUMAN GENOME SCIENCES INC.	08/15/12	2.250	1,514,782	1,304,113	N/A	N/A
B2	NA	1,011,000	HUNTSMAN INTERNATIONAL LLC	11/15/14	7.875	1,062,814	925,065	9.69	4.83
B3	B	4,805,000	IASIS HEALTHCARE LLC	06/15/14	8.750	4,998,550	4,853,050	8.53	3.99
B3	B-	3,281,000	IDEARC INC.	11/15/16	8.000	3,266,561	2,062,929	16.26	5.20
BA3	NA	3,276,000	IKON OFFICE SOLUTIONS INC.	09/15/15	7.750	3,255,525	3,284,190	7.70	4.88
A3	BB-	290,000	ILFC E CAPITAL TRUST	12/21/65	6.250	288,974	242,051	9.37	5.74
BA2	A-	695,000	IMC GLOBAL INC.	08/01/18	7.375	668,069	709,769	7.07	7.03
A1	NA	150,000	ING GROEP N V	12/29/49	5.775	152,286	124,497	8.95	5.81
CAA3	NA	1,725,000	INTELSAT LTD.	11/01/13	6.500	1,474,875	1,213,969	14.70	4.09
A1	A+	100,000	INTERNATIONAL BUSINESS MACHINES	09/14/17	5.700	102,404	101,558	5.49	7.16
A1	A+	3,000,000	INTERNATIONAL BUSINESS MACHINES	03/22/11	4.950	2,996,670	3,052,143	4.00	2.50
A1	BB-	8,800,000	INTERNATIONAL BUSINESS MACHINES	11/29/12	4.750	8,680,470	8,840,210	4.40	3.94
BAA3	BBB	3,976,000	INTERNATIONAL PAPER CO.	06/15/18	7.950	3,974,221	3,953,626	8.02	6.88
BAA2	BBB	1,500,000	INTERNATIONAL STEEL GROUP INC.	04/15/14	6.500	1,443,750	1,520,715	6.21	4.71
B2	A+	1,489,000	INVACARE CORP.	02/15/15	9.750	1,495,261	1,489,000	9.75	4.41
BAA2	BBB	10,000	ISTAR FINL. INC.	10/01/12	3.198	8,727	7,800	N/A	N/A
B3	AA	2,669,000	JARDEN CORP.	05/01/17	7.500	2,525,818	2,322,030	9.72	6.16
B3	NA	175,000	JEFFERSON SMURFIT CORP. U S	06/01/13	7.500	175,000	144,375	12.34	3.88
A3	AAA	250,000	JOHNSON CTLS. INC.	01/15/11	5.250	248,008	253,144	4.77	2.30
BA1	A-	1,500,000	JONES APPAREL GROUP INC.	11/15/34	6.125	1,183,316	1,036,442	9.43	10.22
BA2	B+	2,200,000	KB HOME	01/15/15	5.875	2,017,025	1,826,000	9.41	5.06
B1	BBB	3,000,000	KB HOME	02/01/10	7.750	3,217,500	3,057,900	2.34	0.04
A3	BB	240,000	KELLOGG CO.	04/01/11	6.600	270,086	252,747	4.56	2.47
A3	BBB+	2,465,000	KELLOGG CO.	03/06/13	4.250	2,451,936	2,404,301	4.93	4.16
BAA3	BBB-	730,000	KERR MCGEE CORP.	07/01/24	6.950	784,951	767,555	6.57	9.24
BAA3	BBB+	980,000	KERR MCGEE CORP.	09/15/31	7.875	1,065,920	1,140,161	6.50	10.99
A1	BBB-	850,000	KEYBANK NATIONAL ASSOC. CLEVELAND OH	09/17/12	5.500	858,118	774,958	7.51	3.60
A2	A	250,000	KEYBANK NATIONAL ASSOC. MTN.	03/03/16	5.450	249,940	211,754	9.98	5.71
A2	A	2,165,000	KIMBERLY CLARK CORP.	08/01/17	6.125	2,336,208	2,281,230	5.58	6.75
BAA2	BBB+	350,000	KRAFT FOODS INC.	02/01/18	6.125	361,001	339,006	6.52	7.04
BAA2	BBB+	1,675,000	KRAFT FOODS INC.	08/23/18	6.125	1,668,635	1,610,546	6.55	7.32
BAA2	A	7,400,000	KRAFT FOODS INC.	11/12/09	4.125	7,309,610	7,384,874	4.24	1.31
BAA2	BBB-	100,000	KROGER CO.	01/15/15	4.950	99,721	95,636	5.84	5.35
BAA2	AAA	1,850,000	KROGER CO.	04/15/12	6.750	2,009,840	1,940,287	5.19	3.29
BA3	BB-	1,263,000	LAMAR MEDIA CORP.	08/15/15	6.625	1,161,721	1,149,330	8.32	5.38
BA3	BBB	1,899,000	LAMAR MEDIA CORP.	01/01/13	7.250	1,863,103	1,825,414	8.30	3.66
BA3	NA	445,000	LENNAR CORP.	05/31/15	5.600	342,650	325,406	11.30	5.34
CAA2	CCC	35,000	LEVEL 3 COMMUNICATIONS INC.	07/15/10	2.875	33,331	29,269	N/A	N/A
CAA2	CCC	90,000	LEVEL 3 COMMUNICATIONS INC.	12/15/11	5.250	81,614	81,563	N/A	N/A
CAA2	CCC	585,000	LEVEL 3 COMMUNICATIONS INC.	06/15/12	3.500	517,542	474,581	N/A	N/A
CAA3	BB	1,225,000	LEVEL 3 COMMUNICATIONS INC.	09/15/09	6.000	1,179,163	1,166,813	N/A	N/A
CAA3	CCC	4,600,000	LEVEL 3 COMMUNICATIONS INC.	03/15/10	6.000	4,392,325	4,278,000	N/A	N/A
CAA1	CCC	75,000	LEVEL 3 FINANCING INC.	02/15/17	8.750	68,400	64,500	11.33	5.58
CAA1	CCC+	2,840,000	LEVEL 3 FINANCING INC.	11/01/14	9.250	2,905,725	2,584,400	11.26	4.57
BA2	NA	95,639	LIBERTY MEDIA CORP.	01/15/31	3.500	78,056	54,753	7.43	12.74
BAA2	BBB	50,000	LIBERTY PPTY. LTD. PARTNERSHIP	12/15/16	5.500	49,641	42,966	7.34	6.48
BAA2	BB+	100,000	LIBERTY PPTY. LTD. PARTNERSHIP	03/02/15	5.125	99,626	87,204	7.15	5.44

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
			Industrials (continued)						
BAA1	NA	1,750,000	LOCKHEED MARTIN CORP.	05/01/16	7.650	2,012,500	1,972,594	5.49	5.91
BAA3	NA	125,000	LUBRIZOL CORP.	10/01/14	5.500	127,556	120,209	6.39	5.11
AA3	NA	150,000	M & I MARSHALL & ILSLEY BANK	03/15/10	4.400	149,585	146,512	5.63	1.60
BAA3	A	150,000	M D C HOLDINGS INC.	12/15/14	5.375	149,378	135,458	6.72	5.30
B1	BBB-	3,750,000	M I HOMES INC.	04/01/12	6.785	3,724,275	3,328,125	10.58	3.13
AA1	B+	150,000	MANITOBA PROV. CANADA	04/12/10	4.450	149,787	154,343	3.38	1.69
B2	NR	300,000	MARKWEST ENERGY PARTNERS LP	04/15/18	8.750	297,549	306,750	8.40	6.36
B2	NA	4,000,000	MASSEY ENERGY CO.	12/15/13	6.875	3,976,441	3,900,000	7.44	4.25
BAA3	NA	100,000	MAY DEPT. STORES CO.	07/15/14	5.750	101,772	90,821	7.80	4.79
BAA3	BBB-	100,000	MAY DEPT. STORES CO.	07/15/09	4.800	101,202	98,317	6.82	0.97
BAA1	BBB-	740,000	MBIA INS. CORP.	01/15/33	14.000	543,800	762,983	7.18	3.36
A3	NA	1,190,000	MCDONALDS CORP.	03/01/18	5.350	1,189,905	1,167,356	5.68	7.26
A3	A	1,600,000	MCDONALDS CORP. MEDIUM TERM NOTES	03/01/13	4.300	1,618,400	1,571,367	4.55	4.12
A1	AA-	100,000	MEDTRONIC INC.	09/15/15	4.750	99,921	95,142	5.24	5.92
A1	NA	100,000	MEDTRONIC INC.	09/15/10	4.375	99,742	100,592	3.62	2.08
B2	NA	785,000	MERCER INTERNATIONAL INC.	02/15/13	9.250	696,600	735,938	11.00	3.53
AA3	B	2,750,000	MERCK & CO. INC.	03/01/15	4.750	2,644,920	2,715,873	4.97	5.55
B1	AA-	1,475,000	MERITAGE HOMES CORP.	03/15/15	6.250	1,467,625	1,180,000	10.47	5.10
A2	BB-	950,000	MERNA REINS. LTD. 2007 1	07/07/10	4.446	950,000	903,165	2.29	3.91
BAA1	BBB-	1,840,000	METLIFE INC.	12/15/36	6.400	1,684,833	1,596,447	7.48	11.79
A2	NA	125,000	MIDAMERICAN ENERGY CO.	01/15/13	5.125	129,271	125,821	4.99	3.92
B1	A-	2,501,000	MIRANT NORTH AMER. LLC	12/31/13	7.375	2,501,000	2,479,116	7.57	4.14
BAA3	AAA	225,000	MOHAWK INDS. INC.	01/15/11	5.750	225,070	223,788	5.66	2.28
B3	BBB-	1,035,000	MONTELL FINL. CO. BV	03/15/27	8.100	833,175	621,000	14.27	6.85
A2	B-	275,000	MONY GROUP INC.	03/15/10	8.350	324,013	289,012	5.50	1.55
BA3	A+	1,490,000	MOOG INC.	06/15/18	7.250	1,490,000	1,475,100	7.39	6.79
BA1	AAA	179,000	MOSAIC CO.	12/01/14	7.375	186,608	187,055	6.50	4.25
BA1	BBB-	597,000	MOSAIC CO.	12/01/16	7.625	606,310	635,805	6.84	5.14
B3	AA	3,319,000	MUELLER WTR. PRODS. INC.	06/01/17	7.375	3,303,085	2,837,745	9.85	6.25
B1	NA	495,000	NALCO CO.	11/15/11	7.750	512,325	495,000	7.75	2.27
B3	BB-	840,000	NALCO CO.	11/15/13	8.875	900,900	861,000	8.29	3.13
A3	NA	275,000	NATIONAL CITY BANK CLEVELAND	03/15/11	6.250	283,324	256,733	10.18	2.37
AA3	NA	350,000	NATIONSBANK CORP.	08/15/15	7.750	402,063	387,745	6.39	5.34
BAA3	AA-	100,000	NATIONWIDE HEALTH PPTYS. INC.	07/15/11	6.500	99,899	100,375	6.03	2.66
A2	BBB-	250,000	NATIONAL CITY BANK CLEVELAND OH MTBN	03/15/10	4.500	250,000	234,464	9.58	1.56
NA	NA	1,840,000	NEKTAR THERAPEUTICS	09/28/12	3.250	1,647,425	1,267,300	N/A	N/A
BAA1	AAA	60,000	NEWMER. INC.	11/15/37	6.650	59,130	57,916	6.83	12.68
BAA3	BBB+	1,390,000	NEXTEL COMMUNICATIONS INC.	08/01/15	7.375	1,201,663	1,153,700	10.87	5.08
BAA3	BB	545,000	NEXTEL COMMUNICATIONS INC.	03/15/14	5.950	421,631	445,622	10.65	4.52
BAA3	BB	2,453,000	NEXTEL COMMUNICATIONS INC.	10/31/13	6.875	2,079,360	2,109,999	10.76	4.23
B3	BB	1,000,000	NGC CORP. CAPITAL TRUST I	06/01/27	8.316	962,500	826,250	10.43	8.58
NA	NA	80,000	NII HOLDING	06/15/12	3.125	73,856	67,400	N/A	N/A
NA	AAA	1,865,000	NORTEL NETWORKS CORP. NEW	04/15/14	2.125	1,249,462	1,249,550	N/A	N/A
B3	NA	1,896,000	NUVEEN INVESTMENTS INC.	11/15/15	10.500	1,911,998	1,749,060	12.11	4.88
NA	NA	400,000	ODEBRECHT FIN. LTD.	10/18/17	7.500	393,128	402,250	7.05	6.36
BA1	D	35,000	ONCOR ELECTRIC DELIVERY CO.	01/15/15	6.375	34,716	34,536	6.63	5.11
BAA2	BBB-	200,000	ONEOK INC. NEW	06/15/15	5.200	199,892	189,027	6.18	5.69
A2	AAA	200,000	ORACLE CORP.	04/15/18	5.750	201,130	201,036	5.76	7.49
A3	A	100,000	ORIX CORP.	11/22/11	5.480	100,000	97,108	8.05	2.99
BA1	NA	0	OWENS CORNING NEW	12/01/16	6.500	9,007	0	N/A	N/A
B2	BBB-	3,000,000	OWENS ILL INC.	05/15/18	7.800	3,157,500	3,045,000	7.58	6.91
NA	NA	250,000	PC FINANCIAL PARTNERSHIP	11/15/14	5.000	250,493	237,436	N/A	N/A
B3	BB	1,170,000	PEGASUVIATION LEASE SECS. II	03/25/30	8.370	662,025	549,900	3.49	22.62
BAA1	NA	1,092,000	PEMEX PROJ. FUNDING MASTER TRUST	06/15/35	6.625	1,133,015	1,075,754	6.73	12.11
BAA1	BBB+	200,000	PEPSIAMERICAS INC.	01/15/15	4.875	199,434	194,507	5.57	5.38
BA1	NA	3,155,000	PIONEER NATURAL RESOURCE	01/15/28	7.200	2,978,979	2,785,455	8.43	9.54
BA1	BB+	134,000	PIONEER NATURAL RESOURCE	03/15/17	6.650	129,854	125,756	7.63	6.41
BA1	BB+	265,000	PIONEER NATURAL RESOURCE	07/15/16	5.875	243,102	239,682	7.48	6.11
A1	BB+	200,000	PITNEY BOWES INC.	03/15/15	5.000	198,454	195,462	5.23	5.54
A1	A	5,800,000	PITNEY BOWES INC. GLOBAL	01/15/16	4.750	5,595,007	5,507,507	5.78	6.05
BAA3	A	100,000	PLAINLL AMERICAN PIPELINE LP	01/15/17	6.125	99,562	97,424	6.39	6.34
BAA3	BBB-	75,000	PLUM CREEK TIMBERLANDS LP	11/15/15	5.875	72,515	67,293	7.45	5.74
B3	BBB-	546,000	PNA GROUP INC.	09/01/16	10.750	546,000	641,550	7.81	3.59
A1	B-	150,000	PNC FUNDING CORP.	03/10/10	4.500	148,428	149,266	4.79	1.59
B2	BB-	1,450,000	POLYONE CORP.	05/01/12	8.875	1,493,500	1,450,000	8.87	3.16
B2	B+	3,000,000	POLYONE CORP.	05/01/12	8.875	3,043,750	3,000,000	8.87	3.16
BAA2	B+	250,000	PPL ENERGY SUPPLY LLC	11/01/11	6.400	273,640	253,555	5.64	2.95
AAA	NA	710,000	PRIVATE EXPT. FUNDING CORP.	05/15/15	4.550	709,446	708,867	4.47	5.81
BAA1	AA+	150,000	PROLOGIS	11/15/15	5.625	149,031	140,652	6.68	5.84
BAA1	BBB+	150,000	PROLOGIS	04/01/12	5.500	149,174	146,826	6.21	3.29
A3	A+	35,000	PRUDENTIAL FINL. INC.	12/14/11	5.100	34,991	34,482	5.29	3.12
A3	BBB+	200,000	PRUDENTIAL FINL. INC.	03/15/16	5.500	195,858	188,752	5.89	6.07
BA2	A-	1,275,000	PULTE HOMES INC.	02/15/35	6.000	942,595	994,500	8.01	11.31
BAA3	NA	200,000	QUEST DIAGNOSTICS INC.	11/01/10	5.125	199,624	200,272	5.17	2.16
B1	B+	1,270,000	QWEST CAPITAL FUNDING INC.	08/03/21	7.625	1,186,588	1,095,375	9.47	7.64

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
Industrials (continued)									
B1	NA	1,625,000	QWEST CAPITAL FUNDING INC.	02/15/31	7.750	1,595,213	1,385,313	9.32	9.45
BA3	B+	2,500,000	QWEST COMMUNICATIONS INTERNATIONAL INC.	02/15/11	7.250	2,493,750	2,415,625	8.71	2.27
BA1	B+	3,944,000	QWEST CORPORATION	06/01/17	6.500	3,899,630	3,520,020	8.22	6.43
BA1	BBB-	150,000	QWEST CORPORATION	11/15/08	5.625	144,200	149,625	6.26	0.37
B3	B-	106,000	R H DONNELLEY CORP.	01/15/16	8.875	63,600	63,600	19.09	4.35
B3	B-	3,136,000	R H DONNELLEY CORP.	01/15/13	6.875	2,846,635	1,865,920	21.18	3.26
B3	B-	1,594,000	R H DONNELLEY CORP.	10/15/17	8.875	1,482,730	948,430	17.99	5.06
AA2	B-	470,000	RABOBANK CAPITAL FUNDING III TRUST	12/29/49	5.254	470,931	403,631	7.57	6.58
AA2	AA	60,000	RABOBANK CAPITAL FUND II	12/31/49	5.260	61,088	54,964	7.13	4.69
B3	NA	328,000	RADIO ONE INC.	07/01/11	8.875	340,710	278,800	15.30	2.49
BA3	NA	1,639,000	RANGE RES. CORP.	07/15/13	7.375	1,737,340	1,634,903	7.43	3.48
BAA1	NA	100,000	REALTY INCOME CORP.	09/15/16	5.950	99,740	91,313	7.61	6.13
BAA1	NA	200,000	REED ELSEVIER CAPITAL INC.	06/15/12	4.625	199,728	191,260	5.79	3.57
BAA2	A-	50,000	REGENCY CENTERS LP	08/01/15	5.250	49,929	46,023	6.83	5.61
B1	BBB+	3,050,000	REGENCY ENERGY PARTNERS LP	12/15/13	8.375	3,074,666	3,118,625	7.86	4.09
A3	B	350,000	REGIONS FINL. CORP.	03/01/11	7.000	371,823	351,897	6.82	2.35
BAA3	A-	50,000	RELIANCE STEEL & ALUM. CO.	11/15/16	6.500	49,861	48,559	6.78	6.33
B1	B+	1,646,000	RES CARE INC.	10/15/13	7.750	1,633,836	1,567,815	8.89	4.10
BAA3	BBB	91,000	REYNOLDS AMERICAN INC.	07/15/15	7.300	96,040	95,495	6.87	5.36
BAA3	BBB	1,335,000	REYNOLDS AMERICAN INC.	06/01/12	7.250	1,335,908	1,393,876	6.34	3.36
BAA3	NA	2,000,000	REYNOLDS AMERICAN INC.	06/01/18	7.750	2,187,240	2,117,204	7.08	6.83
B2	NA	271,000	RYERSON INC.	11/01/15	12.000	278,560	268,968	12.15	4.56
B2	B+	3,279,000	SABINE PASS LNG. LP	11/30/13	7.250	3,274,410	2,983,890	9.41	4.33
BAA1	BB	1,710,000	SARA LEE CORP.	11/01/32	6.125	1,510,594	1,524,971	6.93	12.03
A2	BBB+	10,935,000	SBC COMMUNICATIONS INC.	09/15/14	5.100	10,895,548	10,881,109	5.48	5.16
B2	BB+	1,415,000	SEALY MATTRESS CO.	06/15/14	8.250	1,426,488	1,160,300	12.64	4.43
B3	NA	3,276,000	SENSATA TECHNOLOGIES B V	05/01/14	8.000	3,305,250	3,013,920	9.83	4.46
B1	BB-	4,096,000	SERVICE CORP. INTERNATIONAL	06/15/17	7.000	4,064,660	3,911,680	7.70	6.59
A3	BBB	50,000	SIMON PPTY. GROUP LP	05/01/12	5.750	49,880	49,687	5.75	3.31
CAA3	A-	90,000	SIX FLAGS INC.	06/01/14	9.625	64,913	49,950	24.11	3.68
BAA2	BBB-	2,430,000	SLM CORP. MEDIUM TERM NOTES	08/01/33	5.625	1,884,995	1,815,015	7.90	11.37
BAA2	BBB-	10,000	SLM CORP. MEDIUM TERM NOTES BOOK	01/15/10	4.000	8,838	9,306	8.84	1.42
BAA2	BBB-	935,000	SLM CORP. MEDIUM TERM NOTES BOOK	01/27/14	3.220	800,332	759,692	6.52	-0.55
BAA2	BBB-	550,000	SLM CORP. MTN.	11/14/14	5.050	473,634	451,066	8.12	5.25
CAA2	NA	2,000,000	SOLO CUP CO.	02/15/14	8.500	1,920,000	1,750,000	11.58	4.15
BAA3	BB	475,000	SPRINT CAPITAL CORP.	05/01/19	6.900	384,787	419,100	8.66	7.33
BAA3	BB	1,430,000	SPRINT CAPITAL CORP.	03/15/12	8.375	1,602,161	1,429,276	8.69	3.06
BAA3	BB	1,778,000	SPRINT CAPITAL CORP.	03/15/32	8.750	1,735,288	1,718,710	9.24	9.46
BAA3	NA	2,570,000	SPRINT CAPITAL CORP.	11/15/28	6.875	2,371,102	2,157,598	8.63	10.02
BAA3	BB	425,000	SPRINT NEXTEL CORP.	12/01/16	6.000	413,147	365,500	8.34	6.40
A2	BB	150,000	ST. PAUL TRAVELERS COS. INC.	12/01/15	5.500	151,056	145,208	5.72	5.97
CAA1	A-	2,640,000	STATION CASINOS INC.	02/01/14	6.500	2,646,600	1,518,000	19.24	3.93
BA2	BB+	682,000	STEEL DYNAMICS INC.	11/01/12	7.375	682,675	682,000	7.37	3.63
BA2	B-	1,000,000	STEEL DYNAMICS INC.	04/01/15	6.750	1,000,000	957,500	7.56	5.13
BA3	BB+	2,325,000	STEWART ENTERPRISES INC.	02/15/13	6.250	2,327,875	2,208,750	7.55	3.79
B3	BB-	2,200,000	STONE CONTAINER FIN. CO. CANADA II	07/15/14	7.375	2,178,000	1,760,000	12.14	4.42
B3	NA	985,000	SUNGARD DATA SYS. INC.	01/15/14	4.875	829,863	875,419	7.36	4.63
CAA1	NA	2,140,000	SUNGARD DATA SYS. INC.	08/15/13	9.125	2,246,575	2,161,400	9.03	3.17
AA3	B+	150,000	SUNTRUST BANK ATLANTA GA MED. TERM	09/01/15	5.000	149,799	134,340	6.53	5.75
A1	A+	1,715,000	SUNTRUST CAPITAL VIII	12/15/36	1.000	1,504,496	1,362,036	7.93	11.44
A2	A-	340,000	SUNTRUST PFD. CAPITAL I	12/31/49	5.853	320,232	247,350	16.50	2.87
B1	A-	1,380,000	SUPERVALU INC.	11/15/14	7.500	1,449,000	1,381,725	7.47	4.62
B2	NA	3,039,000	TARGA RES. PARTNERS LP	07/01/16	8.250	3,039,000	2,932,635	8.87	5.63
A2	A+	100,000	TARGET CORP.	07/15/16	5.875	99,962	100,307	5.63	6.17
A2	NA	255,000	TARGET CORP.	06/15/13	4.000	245,986	246,075	4.83	4.46
CAA1	B	30,000	TENET HEALTHCARE CORP.	02/01/13	7.375	28,013	28,200	8.99	3.69
CAA1	B	40,000	TENET HEALTHCARE CORP.	06/01/12	6.500	36,613	37,700	8.24	3.37
CAA1	B	1,004,000	TENET HEALTHCARE CORP.	07/01/14	9.875	1,029,100	1,009,020	9.76	4.49
CAA1	NA	1,685,000	TENET HEALTHCARE CORP.	11/15/31	6.875	1,275,056	1,213,200	9.99	9.54
BA1	AAA	2,495,000	TEPPCO PARTNERS LP	06/01/67	7.000	2,399,705	2,161,743	9.23	6.37
BAA2	BB	100,000	TEVA PHARMACEUTICAL FIN. CO. LLC	02/01/16	5.550	99,856	98,353	5.93	5.94
BA3	NA	790,000	TEXAS INDS. INC.	07/15/13	7.250	790,000	786,050	7.36	3.65
A3	BB-	150,000	TEXTRON FINL. CORP. MEDIUM TERM	05/03/10	4.600	149,979	149,656	4.13	1.74
BAA2	BBB+	200,000	TIME WARNER CABLE INC.	05/01/17	5.850	194,510	190,399	6.61	6.65
BAA2	BBB+	750,000	TIME WARNER CABLE INC.	07/01/38	7.300	747,785	737,634	7.35	12.12
BAA2	BBB+	1,160,000	TIME WARNER CABLE INC.	07/01/18	6.750	1,159,037	1,161,801	6.65	7.36
BAA2	AAA	6,100,000	TIME WARNER CABLE INC.	07/02/12	5.400	5,972,010	6,038,026	5.68	3.46
BAA2	BBB+	1,205,000	TIME WARNER ENTMT. CO. LP	07/15/33	8.375	1,413,079	1,345,804	7.35	10.85
BAA2	BBB+	800,000	TIME WARNER INC.	05/01/12	6.875	834,788	830,264	6.19	3.30
BAA2	BBB+	820,000	TIME WARNER INC. NEW	11/13/09	2.915	820,000	790,151	5.15	0.07
BA1	NA	150,000	TOLL BROS. FIN. CORP.	05/15/15	5.150	146,628	128,134	7.69	5.61
BA2	BBB-	1,595,000	TOLL CORP.	12/01/11	8.250	1,511,513	1,543,163	9.38	2.81
CAA1	BB+	345,000	TOYS R US INC.	04/15/13	7.875	323,869	282,038	13.12	3.70
CAA1	CCC+	5,080,000	TOYS R US INC.	10/15/18	7.375	4,470,400	3,759,200	11.80	6.45
A2	NA	150,000	TRANSATLANTIC HOLDINGS INC.	12/14/15	5.750	152,717	141,503	6.84	5.88

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
Industrials (continued)									
WR	A-	995,000	TRIBUNE CO. NEW	08/15/15	5.250	397,650	395,513	22.68	4.52
B3	NA	1,828,000	TUBE CITY IMS CORP.	02/01/15	9.750	1,795,685	1,686,330	11.45	4.50
BAA1	CCC	60,000	TYCO INTERNATIONAL GROUP	12/15/19	7.000	64,753	61,821	7.17	7.90
BAA1	BBB	20,000	TYCO INTERNATIONAL GROUP	01/15/09	6.125	20,352	20,139	4.30	0.52
BAA1	BBB	60,000	TYCO INTERNATIONAL GROUP	11/01/08	6.125	60,861	60,327	5.12	0.33
BAA1	BBB	380,000	TYCO INTERNATIONAL GROUP	02/15/11	6.750	403,119	389,998	5.64	2.33
BAA1	BBB	765,000	TYCO INTERNATIONAL GROUP	11/15/13	6.000	768,441	743,912	6.78	4.51
BAA1	BBB	1,220,000	TYCO INTERNATIONAL GROUP	10/15/11	6.375	1,111,434	1,236,081	5.59	2.91
BAA1	BBB	3,030,000	TYCO INTERNATIONAL LTD.	01/15/21	6.875	2,556,918	3,075,021	6.88	8.47
B1	BBB	1,177,000	U S WEST CAPITAL FUNDING INC.	07/15/28	6.875	1,069,405	941,600	9.05	9.47
BA1	BBB-	40,000	U S WEST COMMUNICATIONS INC.	09/15/25	7.250	38,300	35,400	8.53	9.21
BA1	B+	710,000	U S WEST COMMUNICATIONS INC.	09/15/33	6.875	584,863	585,750	8.58	10.15
A1	BBB-	200,000	UBS PFD. FUNDING TRUST V	05/12/49	6.243	194,880	175,244	8.42	5.89
A1	NA	150,000	UNION BANK CALIF	05/11/16	5.950	149,247	137,377	6.80	6.19
BAA2	BBB	430,000	UNION PACIFIC CORP.	04/15/12	6.500	466,387	449,591	5.16	3.30
BAA2	BBB	1,200,000	UNION PACIFIC CORP.	01/15/11	6.650	1,323,359	1,234,996	4.80	2.26
B3	NA	4,625,000	UNITED AUTO GROUP INC.	12/15/16	7.750	4,665,199	4,046,875	9.97	5.97
AA2	BBB+	4,270,000	UNITED PARCEL SVC. INC.	01/15/13	4.500	4,251,853	4,264,863	4.45	3.99
B1	B	923,000	UNITED RENTALS NORTH AMER. INC.	02/15/12	6.500	904,226	830,700	9.84	3.05
B2	BB-	1,850,000	UNITED RENTALS NORTH AMER. INC.	02/15/14	7.000	1,491,656	1,433,750	12.71	4.23
B2	B	3,731,000	UNITED RENTALS NORTH AMER. INC.	11/15/13	7.750	3,215,986	2,984,800	13.03	4.09
A2	AAA	200,000	UNITED TECHNOLOGIES CORP.	12/15/17	5.375	200,618	199,018	5.39	7.28
BAA1	A	150,000	UNITED HEALTH GROUP INC.	03/15/15	4.875	148,151	137,733	6.33	5.57
BAA3	NA	100,000	UNIVERSAL HEALTH SVCS. INC.	06/30/16	7.125	99,458	100,201	6.67	6.03
B3	BBB-	1,394,000	UNIVERSAL HOSPITAL SVCS. INC. NEW	06/01/15	6.303	1,404,998	1,303,390	7.69	0.24
AA2	NA	3,100,000	US BANK NATIONAL ASSOC. CINCINNATI OH	10/30/14	4.950	3,033,213	3,059,352	5.21	5.32
B3	AA	4,000,000	US CONCRETE INC.	04/01/14	8.375	4,138,125	3,550,000	11.06	4.31
B2	B	3,750,000	US ONCOLOGY INC.	08/15/12	9.000	4,007,813	3,721,875	9.22	2.91
B1	AAA	665,000	US WEST CAPITAL FUNDING INC.	11/15/18	6.500	570,800	545,300	9.23	7.15
B3	B+	2,418,000	VALASSIS COMMUNICATION INC.	03/01/15	8.250	2,141,930	2,194,335	10.19	4.83
BAA3	B-	50,000	VALE OVERSEAS LTD.	01/17/34	8.250	60,285	54,177	7.52	10.46
BAA3	BBB	2,045,000	VALE OVERSEAS LTD.	11/21/36	6.875	2,061,817	1,917,027	7.48	11.88
BA1	BB	1,025,000	VENTAS REALTY LTD. PARTNERSHIP	06/01/15	7.125	1,025,000	1,000,656	7.57	5.24
A3	BBB-	2,910,000	VERIZON COMMUNICATIONS INC.	04/15/18	6.100	2,975,231	2,892,156	6.20	7.13
A3	A	1,150,000	VERIZON COMMUNICATIONS INC.	04/15/13	5.250	1,145,159	1,138,270	5.38	4.16
BAA1	A	500,000	VERIZON VA INC.	03/15/13	4.625	482,020	487,266	5.43	4.10
NA	NA	1,300,000	VERTEX PHARMACEUTICALS INC.	02/15/13	4.750	1,300,000	2,047,500	N/A	N/A
B3	A-	3,756,000	VISANT HOLDING CORP.	12/01/13	8.750	3,981,769	3,680,880	9.22	3.99
AA2	AAA	200,000	WACHOVIA BANK NATIONAL ASSOC.	02/01/15	4.875	200,573	183,929	6.62	5.36
A2	AA-	1,175,000	WACHOVIA CAPITAL TRUST III	03/15/42	5.800	1,184,813	799,000	22.12	2.19
AA3	A	1,625,000	WACHOVIA CORP.	05/01/13	5.500	1,621,328	1,576,703	6.54	4.15
A1	AA-	890,000	WACHOVIA CORP. NEW	08/01/14	5.250	870,571	841,319	6.64	4.96
A1	A+	1,050,000	WACHOVIA CORP. NEW	10/15/16	5.625	1,037,012	977,895	7.09	6.32
AA2	AA	150,000	WAL MART STORES INC.	01/15/10	4.000	149,264	151,164	3.21	1.47
AA2	AA	200,000	WAL MART STORES INC.	02/15/18	5.800	209,286	207,125	5.32	7.39
AA2	A+	2,840,000	WAL MART STORES INC.	08/10/09	6.875	3,072,060	2,947,748	3.47	1.05
B3	NA	1,635,000	WARNER MUSIC GROUP	04/15/14	7.375	1,622,738	1,359,094	11.43	4.42
BAA3	BBB	300,000	WASTE MANAGEMENT INC.	03/15/14	5.000	299,514	286,243	5.88	4.85
BA3	NA	1,846,000	WINDSTREAM CORP.	08/01/13	8.125	1,878,923	1,841,385	8.18	3.99
BA3	BB	4,628,000	WINDSTREAM CORP.	08/01/16	8.625	4,869,483	4,616,430	8.66	5.45
A1	BB	100,000	WRIGLEY WM JR CO.	07/15/10	4.300	99,822	100,145	3.96	1.91
A1	A+	150,000	WRIGLEY WM JR CO.	07/15/15	4.650	149,513	145,565	5.18	5.77
A3	A+	400,000	WYETH	02/01/14	5.500	386,096	406,216	5.33	4.71
A3	A+	1,100,000	WYETH	04/01/37	5.950	1,050,445	1,038,302	6.21	13.02
A3	A+	1,530,000	WYETH	03/15/13	5.500	1,609,713	1,561,907	5.00	4.08
BAA2	A+	100,000	WYNDHAM WORLDWIDE CORP.	12/01/16	6.000	99,428	88,877	7.93	6.29
NR	BBB	250,000	ZIONS BANCORP.	11/16/15	5.500	247,973	202,648	9.38	5.66
Total Industrials						630,394,045	593,294,641		
Mortgage Backed Securities									
Collateralized Mortgage Obligations									
AAA	NA	1,093,541	ALTERNATIVE LOAN TRUST	06/25/37	5.755	1,093,283	858,667	43.60	0.36
NR	AAA	153,451	BANC AMER. FUNDING CORP.	12/20/34	4.757	163,265	114,195	11.47	1.62
B2	NA	300,000	BANKAMERICA MANUFACTURED HOUSING	04/10/28	6.900	309,000	393,258	N/A	N/A
CA	NR	250,000	BANKAMERICA MANUFACTURED HOUSING	10/10/26	7.875	90,000	255,324	6.88	0.96
NA	NA	5,990,676	BAYVIEW COML. ASSET TRUST	11/25/35	2.919	5,805,445	4,823,243	N/A	N/A
AAA	NA	3,679,748	BAYVIEW COML. ASSET TRUST	01/25/36	3.525	3,469,082	3,146,332	3.01	0.04
AAA	AAA	4,912,946	BAYVIEW COML. ASSET TRUST	10/25/37	6.298	4,912,946	4,863,817	N/A	N/A
AAA	AAA	2,602,888	BEAR STEARNS RM TRUST	07/25/34	1.000	2,533,732	2,558,967	4.64	2.73
AAA	AAA	3,562,627	BEAR STEARNS ASSET BACKED SECS.	09/25/35	2.753	3,527,558	3,413,442	4.58	0.11
AAA	AAA	1,600,000	CHASE ISSUANCE TRUST	06/16/14	5.651	1,600,000	1,551,501	3.21	-0.01
NA	AAA	2,692,661	CITIGROUP MTG. LOAN TRUST	12/25/35	4.900	2,592,107	2,516,881	5.93	0.80
NA	NA	6,083,713	CMO HOLDINGS III LTD.	09/26/37	5.479	6,053,295	6,045,345	N/A	N/A
NA	NA	7,100,332	CMO HOLDINGS III LTD.	09/27/37	6.021	6,989,389	6,750,190	N/A	N/A
CAA1	CCC-	182,672	CONSECO FIN. SECURITATIONS CO.	05/01/32	8.310	150,705	137,562	24.05	4.92

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
Collateralized Mortgage Obligations (continued)									
AAA	AAA	80,499	CWABS INC.	06/25/33	6.105	80,531	71,267	5.28	-0.41
AAA	AAA	107,930	CWALT INC.	12/25/34	4.992	106,844	88,930	10.24	1.74
AAA	AAA	352,982	CWALT INC.	06/25/35	5.133	341,124	296,546	11.43	-0.15
AAA	AAA	682,392	CWALT INC.	10/25/35	5.815	682,446	509,407	9.80	-0.36
AAA	AAA	3,163,047	CWALT INC.	11/20/35	5.868	3,163,047	2,486,930	16.06	0.17
AAA	AAA	329,077	CWMBS INC.	02/25/35	1.000	319,298	268,154	5.88	-0.69
AAA	AAA	110,738	CWMBS INC.	09/25/35	2.999	105,807	91,135	10.67	-0.31
AAA	BB-	618,164	DSLA MTG. LOAN TRUST	10/19/45	5.828	618,164	476,883	12.58	0.07
NA	BBB-	167,808	EMC MTG. LOAN TRUST	12/25/42	3.049	164,478	139,270	N/A	N/A
NR	BBB-	759,133	FIRST HORIZON ALT. MTG. SECS.	02/25/37	2.853	550,371	584,010	14.38	14.31
NA	BB	1,372,095	GMACM MTG. LOAN TRUST	06/25/34	1.000	1,306,921	1,141,066	4.55	3.60
AAA	NA	151,258	GREENPOINT MTG. FUNDING TRUST	04/25/36	2.809	141,993	117,904	20.83	0.60
AA3	AAA	362,097	GS MTG. SECS. CORP.	01/25/32	6.005	362,097	275,865	30.38	1.85
AAA	AAA	1,600,000	GS MTG. SECS. CORP. II	07/10/39	4.680	1,615,946	1,544,736	5.72	3.55
AAA	NA	1,355,102	HARBORVIEW MTG. LOAN TRUST	11/19/35	1.000	1,326,004	1,059,865	11.63	-0.14
NA	AAA	5,257,981	HARBORVIEW MTG. LOAN TRUST	11/19/46	2.663	5,212,796	4,254,355	10.93	1.67
AA3	BBB-	128,295	IMPAC CMB TRUST	10/25/33	6.145	128,295	83,609	3.68	0.07
AA1	AA	2,123,840	IMPAC SECD. ASSETS CORP.	03/25/36	5.825	2,123,840	1,566,211	32.15	3.83
AAA	AAA	554,476	INDYMAC IDA MTG. LOAN TRUST 2007 AR7	11/25/37	6.260	554,173	544,222	8.95	3.63
AAA	BB+	4,500,000	JP MORGAN CHASE	12/12/43	5.429	4,421,399	4,257,256	6.31	6.31
AAA	AA-	150,000	JP MORGAN CHASE COML. MTG.	09/12/37	4.895	149,584	141,001	6.00	5.56
AAA	NA	1,120,000	JP MORGAN CHASE COML. MTG. SECS.	08/15/42	4.851	1,103,244	1,109,318	5.24	1.88
AAA	AAA	700,000	JP MORGAN CHASE COML. MTG. SECS.	10/15/42	4.918	703,464	657,818	6.03	5.54
AAA	NA	700,000	JP MORGAN CHASE COML. MTG. SECS.	01/12/43	5.295	703,497	673,882	5.97	5.70
NA	NA	815,000	LB UBS COML. MTG. TRUST	09/15/30	4.954	773,979	769,884	5.96	5.60
AAA	A	718,060	LEHMAN XS TRUST	04/25/46	2.819	671,700	532,508	20.91	0.60
NR	AA-	1,370	MANUFACTURERS HANOVER MTG. CORP.	04/25/15	11.500	1,364	1,502	N/A	N/A
AAA	B+	6,290,567	MASTRUST ADJ RATE MTG. TRUST	05/25/47	5.705	6,127,405	4,545,038	26.21	0.86
NA	AAA	1,725,288	MASTRUST ADJ RATE MTG. TRUST 2007 R5	11/25/35	5.648	1,414,737	1,388,857	N/A	N/A
NA	A	1,340,000	MERRILL LYNCH MTG.	05/12/39	5.844	1,337,235	1,302,306	6.18	5.94
AAA	AAA	150,340	MERRILL LYNCH MTG. INVS. INC.	04/25/35	2.753	125,534	115,365	7.81	-0.46
AAA	AAA	62,702	MERRILL LYNCH MTG. INVS. INC.	01/25/29	6.988	62,090	61,539	5.19	3.07
NA	AAA	303,212	MERRILL LYNCH MTG. INVS. INC.	02/25/34	4.557	290,799	295,587	4.97	3.80
AAA	AAA	1,760,000	MERRILL LYNCH MTG. TRUST	11/12/37	5.245	1,759,647	1,692,038	6.12	5.68
AAA	NA	1,140,000	ML CFC COML. MTG. TRUST	03/12/51	5.485	1,142,474	1,061,024	6.61	6.61
AA2	A	1,709,576	MORGAN STANLEY ABS CAPITAL I INC.	10/25/33	3.503	1,445,658	1,315,301	8.92	-0.12
NA	AA+	1,210,000	MORGAN STANLEY CAPITAL I INC.	08/13/42	4.989	1,216,634	1,144,571	5.99	5.53
NA	AAA	1,160,000	MORGAN STANLEY CAPITAL I TRUST	12/15/43	5.332	1,123,872	1,089,269	6.28	6.42
AAA	A+	151,301	MORGAN STANLEY MTG. LOAN TRUST	02/25/47	2.819	147,306	133,083	N/A	N/A
NA	B	437,727	OCWEN RESIDENTIAL MBS CORP.	06/25/39	6.838	345,783	218,912	N/A	N/A
AAA	B	2,492,194	RESIDENTIAL ACCREDIT LOANS INC.	10/25/45	5.905	2,496,867	2,052,646	10.98	-0.27
AAA	NA	2,241,205	RESIDENTIAL ASST. MTG. PRODS. INC.	01/25/34	5.634	2,241,148	1,668,297	8.68	3.97
AAA	B-	47,077	STRUCTURED ASSET INVS. II 07 AR4	09/25/37	2.799	46,790	43,815	4.22	0.15
AAA	AAA	1,619,805	STRUCTURED ASSET ADJ RATE MTG. LOAN TR	10/25/35	5.825	1,620,058	1,314,520	12.04	-0.09
AAA	AAA	11,638	STRUCTURED ASSET MTG. INVTS. II	02/25/36	3.125	11,334	8,693	19.59	0.30
AAA	AAA	204,365	STRUCTURED ASSET MTG. INVTS. II	04/25/36	3.105	199,288	152,162	23.16	0.46
AAA	AAA	885,929	STRUCTURED ASSET MTG. INVTS. II	08/25/36	2.809	839,996	666,182	20.08	0.44
AAA	AAA	1,757,817	STRUCTURED ASSET SECS. CORP.	11/25/35	5.805	1,757,817	1,262,332	14.58	2.52
AAA	AAA	3,809,277	THORNBURG MTG. SECS. TRUST	12/25/08	5.705	3,813,741	3,758,864	2.84	0.45
AAA	NA	3,184,453	THORNBURG MTG. SECS. TRUST	10/25/35	5.580	3,184,453	3,164,232	2.85	0.27
AAA	AAA	6,590,230	THORNBURG MTG. SECS. TRUST	12/25/35	2.713	6,548,011	6,504,090	2.87	0.32
AAA	NA	1,698,381	THORNBURG MTG. SECS. TRUST	09/25/37	6.231	1,691,188	1,644,820	7.71	3.88
AAA	AAA	3,217,522	THORNBURG MTG. SECS. TRUST	05/25/46	2.588	3,217,522	3,170,350	3.06	0.69
AAA	NA	3,492,138	THORNBURG MTG. SECS. TRUST	06/25/46	2.593	3,492,138	3,461,819	2.86	0.59
AAA	AAA	1,568,855	THORNBURG MTG. SECS. TRUST 2007 4	09/25/37	6.220	1,546,548	1,497,949	7.98	4.85
CA	A	500,000	UCFC FUNDING CORP.	07/15/29	6.980	190,000	149,361	7.87	16.44
BAA1	BBB	50,854	VANDERBILT MTG. & FIN. INC.	10/07/26	8.155	51,554	50,197	4.49	0.22
BAA1	NR	87,772	VANDERBILT MTG. & FIN. INC.	08/07/27	7.830	88,376	86,592	9.90	0.83
BAA1	NR	337,740	VANDERBILT MTG. & FIN. INC.	07/07/28	7.600	335,259	300,991	20.45	2.04
AAA	AAA	1,671,186	WACHOVIA BANK COML. MTG. TRUST	03/15/42	4.782	1,645,596	1,672,095	4.81	1.37
AAA	AAA	2,210,000	WACHOVIA BANK COML. MTG. TRUST	04/15/42	4.935	2,091,347	2,086,806	5.94	5.53
AAA	AA	2,916,619	WAMU	06/25/47	6.255	2,915,024	2,094,475	3.31	0.07
AAA	AAA	302,929	WAMU MTG. PASS THROUGH CTFS	08/25/45	2.999	292,232	212,123	8.57	-0.37
AAA	AAA	1,438,968	WAMU MTG. PASS THROUGH CTFS	10/25/45	5.610	1,438,968	1,107,763	7.37	-0.89
AAA	AAA	319,771	WAMU MTG. PASS THROUGH CTFS	10/25/45	2.959	307,929	201,036	12.48	-1.41
AAA	AAA	2,128,758	WAMU MTG. PASS THROUGH CTFS	11/25/45	5.600	2,128,758	1,671,510	9.05	-0.40
AAA	AAA	1,904,104	WAMU MTG. PASS THROUGH CTFS	12/25/45	5.795	1,904,104	1,543,442	5.34	-0.30
AAA	B	411,088	WASHINGTON MUTUAL	06/25/46	5.953	400,092	294,233	3.60	0.08
AAA	BBB-	6,945,795	WASHINGTON MUTUAL MTG. SECS. CORP.	05/25/46	4.498	6,807,964	5,202,302	3.53	0.08
AAA	BBB	1,735,876	ZUNI MTG. LOAN TRUST 2006 1	08/25/36	5.635	1,735,876	1,654,004	3.90	-0.02
Total Collateralized Mortgage Obligations						138,301,365	124,232,849		
Commerical Mortgage Backed Securities									
AAA	AAA	600,000	ASSET SECURITIZATION CORP.	02/14/43	6.754	630,633	604,418	5.73	3.43
NA	AAA	246,039	BEAR STEARNS COML. MTG. SECS. INC.	03/13/40	4.000	237,235	241,157	5.44	1.68

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	FIXED INCOME (continued)		%	\$	\$	%	
Commerical Mortgage Backed Securities (continued)									
AAA	B	3,152,497	GE CAPITAL COML. MTG. CORP.	08/11/36	4.970	3,136,561	3,143,921	4.95	1.79
AAA	AAA	1,500,000	GE COML. MTG. CORP.	01/10/38	4.371	1,452,363	1,486,328	4.86	1.93
AAA	BBB-	2,535,224	GMAC COML. MTG. SEC. INC.	09/15/33	6.945	2,586,103	2,570,190	4.56	0.67
NA	AA	172,922	GS MTG. SECS. CORP. II	10/18/30	6.135	173,840	172,711	13.04	0.05
NA	AA-	2,842,929	JP MORGAN CHASE COML. MTG. SECS.	03/15/33	6.260	2,906,093	2,915,924	5.18	2.05
NA	AAA	665,241	MERRILL LYNCH MTG. INVS. INC.	11/15/31	7.560	685,489	680,873	4.83	0.92
Total Commercial Mortgage Backed Securities						11,808,317	11,815,522		
Total Mortgage Backed Securities						150,109,682	136,048,371		
Other Asset Backed									
A2	AA	218,321	AFC MTG. LOAN TRUST	06/25/30	5.895	217,639	186,630	14.63	0.71
BAA2	BBB	1,905,000	CAPITAL ONE AUTO FINANCE TRUST	04/16/12	2.981	1,724,025	1,771,353	9.76	0.03
BAA2	BBB	695,000	CAPITAL ONE AUTO FINANCE TRUST	07/15/14	5.230	500,400	584,777	13.61	2.27
BAA2	BBB	640,000	CAPITAL ONE AUTO FINANCE TRUST	05/15/13	2.501	536,000	563,300	9.07	-0.04
AAA	AAA	1,000,000	CAPITAL ONE MULTI ASSET	11/15/13	4.850	991,641	1,004,219	4.24	2.34
AAA	AAA	770,000	CHASE ISSUANCE TRUST	11/15/11	5.631	770,000	764,345	2.93	0.04
AAA	AAA	1,240,000	CHASE ISSUANCE TRUST	11/15/13	2.491	1,240,000	1,209,775	2.74	0.03
AAA	AAA	1,350,000	CHASE ISSUANCE TRUST	10/15/14	5.120	1,349,967	1,361,602	4.89	3.76
AAA	AAA	430,000	CHASE ISSUANCE TRUST	12/15/14	5.681	430,000	415,958	N/A	N/A
NA	NA	847,793	CITIGROUP MTG. LOAN TRUST INC.	11/25/46	2.991	718,012	531,328	40.65	3.74
AA3	AA	200,785	CONSECO FIN. SECURITIZATIONS CO.	02/01/33	6.600	203,200	188,978	1.27	22.45
CA	D	538,511	CONTIMORTGAGE HOME EQUITY LOAN	04/25/30	8.500	254,446	125,656	99.99	10.63
BAA3	BBB	246,607	CWABS INC.	11/15/28	2.821	246,212	98,643	N/A	N/A
A3	BBB-	1,880,334	CWABS INC.	03/15/30	5.861	1,883,198	1,028,548	32.06	-0.16
AAA	AAA	137,879	CWABS INC.	06/25/33	5.660	137,879	101,190	3.68	0.07
AA3	AA	791,137	CWHEQ INC.	12/15/35	5.851	791,137	481,929	34.35	-0.11
NA	NA	3,857,169	CWHEQ REVOLVING HOME EQUITY LOAN	08/15/37	5.641	3,780,025	3,136,904	N/A	N/A
BAA1	A-	800,000	DELTA AIR LINES INC.	08/10/22	6.821	778,271	652,000	2.57	13.43
NA	BBB-	100,000	FIRSTFED CORP.	10/15/22	8.060	135,000	148,791	N/A	N/A
		250,000	FIRSTFED CORP.	05/15/24	8.110	321,875	490,956	N/A	N/A
B3	B	5,343,000	GMAC LLC	05/15/12	6.625	5,125,693	3,665,405	18.27	3.08
BAA3	B	4,282,799	GMACM HOME EQUITY LOAN TRUST	11/25/36	2.693	4,005,237	2,203,394	41.84	0.92
AAA	BBB+	495,235	HONDA AUTO RECEIVABLES	10/15/10	4.150	485,408	496,241	3.65	0.54
AAA	NA	3,000,000	JOHN DEERE OWNER TRUST	04/15/14	5.080	2,999,796	3,055,314	4.88	2.12
AA3	NA	183,734	MSDWCC HELOC TRUST	07/25/17	5.695	183,734	119,226	N/A	N/A
AAA	B-	930,000	NELNET STUDENT LOAN TRUST	04/25/24	1.000	930,000	935,813	0.95	15.31
C	BB	1,845,070	OMI TRUST	10/15/30	8.490	258,197	556,527	N/A	N/A
AAA	AA	333,896	OPTION ONE MTG. LOAN TRUST	02/25/33	5.925	333,896	292,055	7.58	0.09
NA	NA	1,377,908	PATRONS LEGACY 2003 III	07/10/28	5.646	1,385,747	1,157,071	3.15	8.23
NA	AAA	79,686	RESIDENTIAL ASSET MTG. PRODS. IN	10/25/32	3.349	76,511	66,525	N/A	N/A
BAA3	NA	452,798	RESIDENTIAL FUNDING MTG. SECS. II IN	09/25/35	5.625	452,798	373,629	3.68	0.09
AAA	AAA	1,418,607	STRUCTURED ASSET SECS. CORP.	01/25/31	3.357	1,240,633	1,113,078	9.91	3.39
AA3	A-	368,524	WACHOVIA ASSET SECURITIZATION	12/25/32	5.935	368,524	258,945	14.43	-0.26
BAA1	AAA	400,000	WASHINGTON MUTUAL ASSET BANK CTFS	01/25/37	3.045	382,563	267,750	29.58	2.22
Total Asset Backed						35,237,664	29,407,855		
Miscellaneous									
B3	B	328,000	BALDOR ELECTRIC CO.	02/15/17	8.625	328,000	329,640	8.53	5.74
BAA2	BBB+	100,000	BALTIMORE GAS & ELECTRIC CO.	10/01/16	5.900	99,764	96,100	6.43	6.30
BAA1	A-	150,000	BARRICK GOLD FIN. CO.	11/15/14	4.875	150,497	143,287	5.77	5.34
B1	BB-	5,400,000	BASIC ENERGY SVCS. INC. NEW	04/15/16	7.125	5,339,315	5,251,500	7.59	5.75
BAA1	BB+	395,000	BELL CANADA	03/16/35	6.100	320,180	286,492	8.30	11.12
A2	A	2,325,000	BELLSOUTH CAPITAL FUNDING CORP.	02/15/10	7.750	2,491,503	2,460,042	4.44	1.49
A2	A	50,000	BELLSOUTH CORP.	11/15/12	4.750	49,878	49,761	5.20	3.88
B3	B+	3,250,000	BERRY PETROLEUM CO.	11/01/16	8.250	3,254,948	3,298,750	8.00	5.47
BAA2	BBB	250,000	CANADIAN NAT. RES. LTD.	12/01/14	4.900	249,740	239,132	5.65	5.38
BA3	BB	1,431,000	CHESAPEAKE ENERGY CORP.	08/15/17	6.500	1,416,690	1,337,985	7.49	6.66
BA3	BB	3,000,000	CHESAPEAKE ENERGY CORP.	01/15/16	6.875	3,048,750	2,895,000	7.49	5.11
BA3	BB	6,435,000	CHESAPEAKE ENERGY CORP.	11/15/20	6.875	6,499,350	6,048,900	7.63	8.21
B3	B	2,093,000	CHS COMMUNITY HEALTH SYS. INC.	07/15/15	8.875	2,078,223	2,106,081	8.75	4.80
BA1	BB+	483,000	CMS ENERGY CORP.	02/01/12	6.300	482,145	478,629	6.59	3.10
BAA2	BBB	250,000	COMMONWEALTH EDISON CO.	03/15/18	5.800	247,725	240,410	6.13	7.15
B3	B-	3,500,000	COMMUNICATIONS & POWER INDS. INC.	02/01/12	8.000	3,567,500	3,421,250	8.74	2.75
B1	BB	3,271,000	CONNACHER OIL & GAS LTD.	12/15/15	10.250	3,229,656	3,450,905	9.21	4.75
A1	A	1,145,000	CONOCO INC.	04/15/29	6.950	1,268,872	1,290,693	6.12	10.99
A1	A	125,000	CONOCOPHILLIPS	10/15/12	4.750	121,640	125,712	4.64	3.81
A1	A	140,000	CONOCOPHILLIPS	05/15/38	5.900	138,579	137,193	6.00	13.91
BA1	BBB-	4,000,000	CONSOL ENERGY INC.	03/01/12	7.875	4,380,000	4,160,000	6.62	3.10
A1	A-	100,000	CONSOLIDATED EDISON CO. NY INC.	12/01/16	5.300	99,716	98,656	5.68	6.64
A1	A-	150,000	CONSOLIDATED EDISON CO. NY INC.	12/15/15	5.375	149,655	149,723	5.47	6.16
A1	A-	2,500,000	CONSOLIDATED EDISON CO. NY INC.	02/01/13	4.875	2,454,850	2,484,917	5.16	3.98
BAA2	BBB	100,000	CONVERGYS CORP.	12/15/09	4.875	99,166	101,413	4.25	1.39
B1	B+	864,000	COPANO ENERGY L L C	03/01/16	8.125	883,125	868,320	8.03	5.09
BAA2	AAA	245,000	DTE ENERGY CO.	06/01/11	7.050	277,837	255,937	5.69	2.61

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$			%	\$	\$	%	
FIXED INCOME (continued)									
Miscellaneous (continued)									
A3	A	500,000	DUKE ENERGY CO.	11/30/12	5.625	503,361	518,973	4.88	3.90
B1	BB-	976,000	EDISON MISSION ENERGY	05/15/17	7.000	976,000	912,560	8.03	6.48
B1	BB-	3,000,000	EDISON MISSION ENERGY	05/15/27	7.625	2,797,500	2,692,500	8.74	9.42
BAA3		210,000	ENERGY TRANSFER PARTNERS LP	07/01/18	6.700	209,383	210,645	6.61	7.04
BAA3	NA	890,000	FIRST ENERGY CORP.	11/15/31	7.375	863,775	961,750	6.63	11.65
BAA3	AAA	40,000	FIRST ENERGY CORP.	11/15/11	6.450	34,595	41,164	5.58	3.00
AA3	B	1,430,000	FLORIDA POWER & LIGHT CO.	02/01/13	4.850	1,462,055	1,439,193	4.79	3.99
A2	A	150,000	FLORIDA POWER CORP.	06/01/10	4.500	150,320	150,857	3.94	1.82
CAA1	CCC+	2,000,000	FORD MOTOR CO. DEL.	07/16/31	7.450	1,475,000	1,165,000	13.30	7.27
CAA1	NA	9,925,000	FORD MOTOR CO. DEL.	10/01/28	6.625	7,543,000	5,309,875	13.29	7.61
B1	B	311,000	FORD MOTOR CREDIT CO.	06/15/11	8.051	344,757	260,061	16.28	0.12
B1	CCC+	3,400,000	FORD MOTOR CREDIT CO.	06/15/10	7.875	3,145,000	2,934,744	16.32	1.70
B1	B	6,915,000	FORD MOTOR CREDIT CO.	12/15/16	8.000	6,782,666	5,025,545	13.51	5.56
B1	B	2,439,000	FOREST OIL CORP.	06/15/19	7.250	4,242,790	4,069,440	7.79	7.33
B2	B+	2,130,000	GEORGIA PACIFIC CORP.	11/15/29	7.750	2,108,700	1,874,400	9.02	9.69
B2	AA-	3,000,000	GEORGIA PACIFIC CORP.	06/15/15	7.700	3,382,500	2,835,000	8.77	5.28
B2	B+	5,165,000	GEORGIA PACIFIC CORP.	01/15/24	8.000	5,159,919	4,777,625	8.89	8.36
B3		1,193,000	HELIX ENERGY SOLUTIONS GROUP	01/15/16	9.500	1,193,000	1,222,825	9.03	4.81
B3	A	4,492,000	HILCORP ENERGY I LP	11/01/15	7.750	4,480,240	4,312,320	8.49	5.40
B3	BB-	270,000	HILCORP ENERGY I LP	06/01/16	9.000	282,150	274,725	8.68	5.34
B1	BB-	700,000	HOLLY ENERGY PARTNERS LP	03/01/15	6.250	700,000	633,500	8.12	5.20
BAA2	BBB	30,000	KINDER MORGAN ENERGY PARTNERS	03/15/12	7.125	31,385	31,724	5.79	3.18
BAA2	A+	150,000	KINDER MORGAN ENERGY PARTNERS	02/01/09	6.300	151,377	151,622	4.51	0.56
BAA2	BBB	150,000	KINDER MORGAN ENERGY PARTNERS	03/15/11	6.750	153,607	155,894	5.51	2.41
BAA2	BBB	200,000	KINDER MORGAN ENERGY PARTNERS	12/15/13	5.000	186,268	193,063	5.90	4.68
BAA2	BBB	230,000	KINDER MORGAN ENERGY PARTNERS	02/15/18	5.950	229,519	222,864	6.31	7.21
BAA2	BBB	310,000	KINDER MORGAN ENERGY PARTNERS	01/15/38	6.950	320,863	305,125	7.01	11.80
BAA2	BBB	760,000	KINDER MORGAN ENERGY PARTNERS	02/01/17	6.000	755,640	745,801	6.18	6.59
A3	CCC	125,000	NIAGARA MOHAWK POWER CORP.	10/01/08	7.750	142,703	125,855	4.28	0.25
B3	B-	1,000,000	NORTHERN TELECOM CAPITAL CORP.	06/15/26	7.875	835,000	715,000	11.70	8.06
B1	NA	3,310,000	NRG ENERGY INC.	02/01/14	7.250	3,347,200	3,161,050	8.27	4.32
A3	BBB+	150,000	PACIFIC GAS & ELECTRIC CO.	03/01/37	5.800	148,896	141,469	6.31	12.90
A3	NA	1,460,000	PACIFIC GAS & ELECTRIC CO.	03/01/34	6.050	1,456,363	1,432,404	6.33	12.66
BA1	BBB	591,000	PEABODY ENERGY CORP.	11/01/16	7.375	591,000	589,523	7.41	6.18
A1	AAA	275,000	PHILLIPS PETROLEUM CO.	02/15/11	9.375	347,930	305,627	4.41	2.28
A1	A	2,721,000	PHILLIPS PETROLEUM CO.	05/25/10	8.750	3,163,049	2,975,242	3.89	1.76
BA2	A+	1,978,000	PNM RES. INC.	05/15/15	9.250	2,017,360	2,042,285	8.61	5.05
BAA1	A-	100,000	PSI ENERGY INC.	06/15/16	6.050	99,954	105,116	6.09	6.20
BAA1	A+	185,000	PSI ENERGY INC.	09/15/13	5.000	186,817	187,194	5.39	4.46
B1	BBB-	392,000	RELIANT ENERGY INC.	06/15/14	7.625	392,000	382,200	8.16	4.72
A1	NA	150,000	SAN DIEGO GAS & ELECTRIC CO.	11/15/15	5.300	149,702	150,182	5.20	6.00
A3	A	100,000	SCOTTISH POWER PLC.	03/15/10	4.910	99,970	99,927	4.77	1.60
A3	A-	150,000	SCOTTISH POWER PLC.	03/15/15	5.375	150,786	144,634	6.23	5.42
A2	BBB+	150,000	SOUTHERN CA EDISON CO.	01/15/14	5.000	152,556	149,361	5.07	4.73
BAA2	A	1,660,000	SOUTHERN COPPER CORP. DEL.	07/27/15	6.375	1,647,188	1,641,244	6.50	5.54
B1	B+	2,300,000	SWIFT ENERGY CO.	06/01/17	7.125	2,271,250	2,121,750	8.37	6.39
A3	A-	1,825,000	TRANSCANADA PIPELINES LTD.	01/15/15	4.875	1,791,694	1,719,710	6.01	5.35
BAA2	A-	3,640,000	TRANSCONTINENTAL GAS PIPE LINE	04/15/16	6.400	3,649,555	3,633,892	6.41	6.08
CAA1	CCC	990,000	TXU CORP.	11/15/14	5.550	803,101	775,042	10.27	5.07
CAA1	CCC	3,615,000	TXU CORP.	11/15/34	6.550	2,946,014	2,448,029	9.33	10.26
CAA1	CCC	4,705,000	TXU CORP.	11/15/24	6.500	3,775,816	3,471,349	9.73	8.90
B3	AA-	4,635,000	UNITED REFINING CO.	08/15/12	10.500	4,512,775	4,484,363	11.50	3.04
A3	A	420,000	VERIZON GLOBAL FUNDING CORP.	09/01/12	7.375	454,944	450,660	5.24	3.52
BAA1	A	5,600,000	VERIZON NEW ENG. INC.	10/01/13	4.750	5,519,302	5,278,490	5.64	4.51
BAA1	BB+	100,000	VIRGINIA ELECTRIC & POWER CO.	01/15/16	5.400	98,846	98,692	5.78	5.94
BAA1	A-	1,725,000	VIRGINIA ELECTRIC & POWER CO.	04/30/18	5.400	1,721,119	1,671,465	5.87	7.37
BAA2	NA	5,000	XTO ENERGY INC.	04/15/12	7.500	5,592	5,428	5.35	3.25
BAA2	BBB	100,000	XTO ENERGY INC.	01/31/15	5.000	97,835	96,165	5.64	5.40
Total Miscellaneous						134,968,991	125,838,571		
Private Placement									
B1	A	1,130,000	EDISON MISSION ENERGY	06/15/13	7.500	1,130,000	1,121,525	7.68	4.09
B3	AA-	3,464,000	FIRST DATA CORP.	09/24/15	9.875	3,218,078	3,013,680	12.67	4.80
NA	A+	81,521,580,000	JP MORGAN CHASE & CO.	09/10/12	0.000	5,669,487	5,320,098	5.84	4.11
NA	NA	3,440,000	KAUPTHING BANK	02/28/15	7.625	2,880,862	2,876,020	7.62	5.08
NA	NR	100,000	LANDWIRTSCHAFTLICHE RENTENBANK	11/08/16	5.000	100,000	105,212	4.38	6.75
NA	AA-	675,000	MELLON CAPITAL IV	06/29/49	1.000	666,299	534,506	13.13	3.29
NA	BB+	100,000	TNK BP FINANCE SA	07/18/16	7.500	105,250	96,664	8.07	5.81
B2	BBB	1,290,000	UNISYS CORP.	10/15/12	8.000	1,296,451	1,109,400	12.29	3.41
Total Private Placement						15,066,427	14,177,105		
Total Other						185,273,082	169,423,531		
TOTAL FIXED INCOME						2,084,921,560	2,023,215,463		

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	BANK LOANS		%	\$	\$	%	
NA	NA	867,245	ABITIBI CONSOLIDATED INC.	03/30/09	1.000	840,686	868,694		
NA	NA	19,900	ADVANCE FOOD COMPANY	03/08/14	1.000	19,090	17,985		
NA	NA	230,416	ADVANCE FOOD COMPANY	03/16/14	1.000	221,027	208,239		
NA	NA	1,000,000	AFFINION GROUP TL B	10/17/12	1.000	982,415	968,750		
NA	NA	746,475	ALASKA COMMUNICATIONS SYS. HOLDING	02/01/12	1.000	704,349	710,644		
NA	NA	502,326	ALLIANCE LAUNDRY TERM B	01/27/12	7.570	498,429	487,256		
NA	NA	992,500	ALLIANT HOLDINGS INC.	11/01/14	1.000	975,131	937,913		
NA	NA	928,144	ALLIED WASTE	03/28/14	1.000	920,366	916,026		
NA	NA	79,940	ALLTEL	05/15/15	1.000	74,238	79,360		
NA	NA	1,122,736	ALLTEL COMMUNICATIONS	05/14/15	1.000	1,081,843	1,114,596		
NA	NA	1,876,667	ALPHA MEDIA GROUP INC.	08/14/14	1.000	1,818,036	1,754,683		
NA	NA	1,958,871	AMERICAN MEDIA	01/30/13	8.370	1,939,343	1,858,479		
NA	NA	58,908	ARAMARK CORPORATION	01/26/14	0.010	57,006	55,541		
NA	NA	1,867,997	ARAMARK CORPORATION	01/26/14	1.000	1,804,261	1,762,600		
NA	NA	473,769	ASPECT SOFTWARE	07/11/11	1.000	457,030	461,925		
NA	NA	478,788	ATLANTIC BROADBAND	08/31/11	1.000	468,150	461,232		
NA	NA	500,000	ATLAS PIPELINE PARTNERS	07/23/14	0.010	495,364	496,563		
NA	NA	744,361	BAKER TANKS INC.	05/08/14	1.000	734,407	695,977		
NA	NA	1,093,059	BALDOR ELECTRIC COMPANY	03/31/14	1.000	1,082,475	1,053,436		
NA	NA	962,652	BARRINGTON BROADCASTING	08/11/13	1.000	954,117	908,502		
NA	NA	1,000,000	BERYL OIL & GAS LP	01/13/12	1.000	991,698	930,000		
NA	NA	1,472,539	BERYL OIL & GAS LP	07/14/11	1.000	1,467,017	1,432,044		
NA	NA	310,189	BICENT POWER	06/30/14	1.000	306,317	288,476		
NA	NA	416,482	BIRDS EYE FOODS	03/22/13	7.090	394,544	397,741		
NA	NA	493,189	BLOCKBUSTER INC.	08/20/11	1.000	490,212	467,605		
NA	NA	1,000,000	BNY CONVERGEX GROUP	08/17/13	1.000	926,267	946,250		
NA	NA	596,947	BOLTHOUSE FARMS INC.	12/16/12	1.000	588,177	577,546		
NA	NA	1,607,209	BRSP LLC	07/12/09	1.000	1,551,632	1,544,452		
NA	NA	1,000,000	BURGER KING CORPORATION	06/30/12	0.000	992,641	988,438		
NA	NA	1,902,134	C G JCF CORP.	08/01/14	1.000	1,863,858	1,788,006		
NA	NA	2,978,950	CALPINE CORP.	03/29/09	1.000	2,876,784	2,846,965		
NA	NA	496,241	CANWEST MEDIAWORKS LIMITED	07/10/14	0.010	491,184	465,226		
NA	NA	1,000,000	CAPITAL AUTOMOTIVE	12/16/10	1.000	990,307	964,375		
NA	NA	1,935,099	CARESTREAM HEALTH HOLDINGS INC.	04/30/13	1.000	1,759,637	1,734,333		
NA	NA	478,568	CCC INFORMATION SYS. GROUP INC.	02/10/13	1.000	473,843	471,390		
NA	NA	997,494	CCS INC. (1331826 ALBERTA ULC)	11/14/14	0.010	867,820	897,744		
NA	NA	879,248	CEDAR FAIR LP	08/30/12	1.000	832,323	831,622		
NA	NA	996,228	CELANESE HOLDING	04/02/13	1.000	972,061	945,483		
NA	NA	993,744	CENGAGE LEARNING ACQUISITIONS	07/04/14	1.000	924,941	899,835		
NA	NA	496,250	CENGAGE LEARNING INC.	07/15/14	1.000	482,993	450,898		
NA	NA	4,000,000	CENTENNIAL CELLULAR OPERATING	02/09/11	1.000	3,987,896	3,909,685		
NA	NA	989,975	CEQUEL COMMUNICATIONS	11/05/13	1.000	956,318	929,715		
NA	NA	995,625	CHARTER COMMUNICATIONS	03/06/14	1.000	941,324	901,632		
NA	NA	495,261	CINCINNATI BELL INC. TL	08/31/12	1.000	481,463	483,498		
NA	NA	1,000,000	CITADEL BROADCASTING CORP.	06/12/14	6.946	945,634	855,000		
NA	NA	1,015,991	CLARKE AMERICAN	03/12/13	1.000	942,758	864,435		
NA	NA	997,494	COMMSCOPE TLB	12/27/14	1.000	948,750	961,335		
NA	NA	2,813,879	COMMUNITY HEALTH SYSTEMS INC.	07/25/14	1.000	2,681,883	2,564,113		
NA	NA	1,501,969	CONSTELLATION BRANDS INC.	06/05/13	1.000	1,463,144	1,453,961		
NA	NA	856,604	COREL	05/01/12	1.000	796,019	736,679		
NA	NA	525,000	CRISTAL INORGANIC CHEMICALS	11/21/14	1.000	504,200	406,875		
NA	NA	199,000	CRISTAL INORGANIC CHEMICALS US	05/15/14	1.000	192,078	172,881		
NA	NA	989,975	CROWN CASTLE OPERATING CO.	03/06/14	1.000	976,660	941,508		
NA	NA	877,926	CSC HOLDINGS	03/28/13	1.000	868,399	832,662		
NA	NA	992,500	CW MEDIA HOLDINGS INC.	08/15/14	1.000	970,272	952,800		
NA	NA	1,241,247	DAIMLER CHRYSLER	08/03/12	1.000	1,242,156	1,017,822		
NA	NA	1,488,750	DAIMLER CHRYSLER FINANCIAL	08/03/12	1.000	1,485,028	1,232,871		
NA	NA	1,000,000	DAVITA	10/05/12	1.000	944,995	959,375		
NA	NA	1,154,706	DEALER COMPUTER SERVICES	10/26/12	1.000	1,117,345	1,097,454		
NA	NA	941,218	DECRANE AIR	02/21/13	1.000	929,045	880,039		
NA	NA	92,429	DELPHI	01/09/37	5.250	92,429	88,484		
NA	NA	1,585,441	DELPHI CORPORATION	12/31/08	0.000	1,553,922	1,500,380		
NA	NA	353,671	DELPHI CORPORATION	12/31/08	1.000	349,337	351,903		
NA	NA	992,481	DELTA AIR LINES INC.	04/30/14	1.000	982,001	650,075		
NA	NA	495,000	DELTA AIR LINES INC.	04/30/12	1.000	461,274	389,813		
NA	NA	931,951	DELUXE ENTERTAINMENT	05/11/13	1.000	860,636	831,767		
NA	NA	2,477,618	DEX MEDIA EAST LLC	10/24/14	1.000	2,474,719	2,262,100		
NA	NA	1,497,678	DIRECTV HOLDINGS LLC	04/13/13	5.250	1,482,979	1,486,820		
NA	NA	500,000	DIRECTV TLC	04/13/13	1.000	495,115	497,250		
NA	NA	480,814	DJO FINANCE	05/13/14	1.000	476,006	466,389		
NA	NA	498,730	DURATEK INC.	06/07/13	1.000	490,932	488,755		
NA	NA	990,000	EDWARDS CAYMAN ISLANDS II LTD.	05/31/14	1.000	909,508	837,788		
NA	NA	10,635	ENERGY SOLUTIONS INC.	06/07/11	1.000	10,097	10,369		
NA	NA	2,534,375	ENERGY SOLUTIONS INC.	06/07/13	1.000	2,455,878	2,476,529		

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	BANK LOANS (continued)		%	\$	\$	%	
NA	NA	3,350,000	ENTERPRISE GP HOLD	10/30/14	1.000	3,316,500	3,301,406		
NA	NA	277,947	FAIRCHILD SEMICONDUCTOR CORP.	06/26/13	1.000	276,210	276,036		
NA	NA	1,000,000	FAIRPOINT COMMUNICATIONS INC.	02/08/12	1.000	887,500	898,335		
NA	NA	1,280,325	FIRST DATA CORP.	09/17/14	1.000	1,229,112	1,182,847		
NA	NA	992,443	FORD MOTOR COMPANY	12/15/13	1.000	966,315	803,760		
NA	NA	1,687,154	FORD MOTOR COMPANY	12/16/13	1.000	1,640,781	1,357,737		
NA	NA	1,000,000	GATEHOUSE MEDIA OPERATING INC.	08/28/14	1.000	917,546	700,000		
NA	NA	1,489,943	GENERAL MOTORS	11/27/13	1.000	1,465,698	1,242,240		
NA	NA	913,755	GENTEK HOLDING CORP.	02/28/11	1.000	887,713	867,974		
NA	NA	1,113,897	GEORGIA PACIFIC CORP.	12/20/12	1.000	1,094,770	1,051,591		
NA	NA	1,488,550	GEORGIA PACIFIC TL B	12/23/12	6.749	1,454,199	1,403,424		
NA	NA	989,050	GOLDEN GATE NATIONAL SENIOR CR	03/14/11	1.000	983,236	939,597		
NA	NA	992,462	GRAHAM PACKAGING	10/07/11	1.000	980,034	950,283		
NA	NA	1,000,000	GRANT US HOLDINGS LLP	11/01/12	1.000	998,750	883,750		
NA	NA	1,173,015	GRAPHIC PACKAGING INTERNATIONA	05/16/14	1.000	1,110,199	1,120,986		
NA	NA	589,893	HANESBRANDS INC.	09/05/12	1.000	585,080	569,984		
NA	NA	949,790	HARBOR FREIGHT TOLLS USA INC.	02/12/13	1.000	926,732	833,441		
NA	NA	909,294	HARGRAY COMMUNICATIONS GROUP	06/27/14	1.000	895,295	834,278		
NA	NA	364,250	HARRAHS OPERATING COMPANY	01/28/15	1.000	335,402	332,105		
NA	NA	1,129,714	HARRAHS TL B2	01/31/15	1.000	1,038,812	1,030,080		
NA	NA	1,078,468	HAWAIIAN TELECOM	05/30/14	7.570	1,061,831	887,748		
NA	NA	989,950	HCA INC.	11/18/13	1.000	925,639	928,367		
NA	NA	989,950	HCA INC.	11/17/13	1.000	975,851	931,340		
NA	NA	1,916,473	HCA INC.	11/19/12	1.000	1,869,229	1,798,371		
NA	NA	1,893,376	HEALTH MANAGEMENT ASSOC.	02/28/14	1.000	1,808,418	1,761,161		
NA	NA	2,729,531	HEALTHSOUTH	03/10/13	1.000	2,630,764	2,585,261		
NA	NA	1,196,927	HELIX ENERGY SOLUTIONS GROUP	07/01/13	1.000	1,174,743	1,160,022		
NA	NA	495,309	HUB INTERNATIONAL HOLDING INC. TL	06/13/14	1.000	469,511	440,376		
NA	NA	1,287,361	HUNTSMAN INTERNATIONAL L	04/19/14	1.000	1,278,651	1,191,346		
NA	NA	2,232,998	IDEARC INC.	11/17/14	1.000	2,154,780	1,787,418		
NA	NA	1,000,000	IDEARC INC.	11/17/13	1.000	967,500	832,875		
NA	NA	1,281,856	IFM HOLDCO	02/27/12	1.000	1,268,193	1,256,219		
NA	NA	742,424	INEOS TERM B	12/16/13	1.000	735,707	668,182		
NA	NA	742,424	INEOS US FINANCE	12/14/14	1.000	735,605	668,182		
NA	NA	1,981,250	INSIGHT MIDWEST	04/06/14	1.000	1,945,278	1,909,044		
NA	NA	1,144,192	INTELSAT CORPORATION	01/03/14	1.000	1,144,192	1,084,599		
NA	NA	582,857	INTELSAT CORPORATION	07/03/12	1.000	555,171	561,000		
NA	NA	497,487	INVERNESS MEDICAL INNOVATION I	06/26/14	1.000	478,890	467,638		
NA	NA	957,582	ISP CHEMCO	06/04/14	1.000	895,110	902,521		
NA	NA	970,501	ITRON	04/18/14	1.000	958,529	941,386		
NA	NA	661,589	JARDEN CORPORATION	01/24/12	1.000	647,155	644,222		
NA	NA	298,653	JETRO HOLDINGS INC.	07/02/14	1.000	285,960	279,241		
NA	NA	591,656	KAR HOLDINGS	10/20/13	1.000	564,750	533,600		
NA	NA	200,000	LAS VEGAS SANDS DD TL I	05/04/14	1.000	195,031	182,583		
NA	NA	2,084,180	LAS VEGAS SANDS LLC	05/23/14	1.000	2,025,511	1,899,452		
NA	NA	800,212	LENDER PROCESSING SERVICES	06/28/14	1.000	795,266	798,211		
NA	NA	929,538	LIBERTY ELECTRIC POWER LLC	11/02/14	1.000	920,243	883,062		
NA	NA	1,310,066	LIFEPPOINT HOSPITALS	04/15/12	1.000	1,290,394	1,277,865		
NA	NA	197,711	LN ACQUISITION CORP.	07/11/14	1.000	196,584	185,848		
NA	NA	527,177	LN ACQUISITION CORP.	07/11/14	8.050	524,173	495,546		
NA	NA	500,000	LNR PROPERTY CORPORATION	07/12/11	1.000	430,937	417,188		
NA	NA	500,000	LONGVIEW POWER	02/27/14	1.000	494,370	452,500		
NA	NA	859,845	LYONDELL CHEMICAL COMPANY	12/20/14	1.000	779,212	752,364		
NA	NA	1,493,747	MARSICO CAPITAL MANAGEMENT	12/14/14	1.000	1,391,604	1,348,107		
NA	NA	1,007,230	MCC LOWA LLC	01/03/16	1.000	993,327	999,675		
NA	NA	1,736,776	MEDIACOM LLC	01/31/15	1.000	1,706,155	1,595,664		
NA	NA	1,000,000	METALDYNE CORP.	01/15/14	1.000	988,905	710,625		
NA	NA	997,500	METAVANTE CORPORATION	11/01/14	1.000	972,563	953,859		
NA	NA	1,471,207	METROPICS WIRELESS	02/20/14	1.000	1,455,001	1,407,209		
NA	NA	1,979,747	MGM HOLDINGS 11	04/08/12	1.000	1,913,859	1,624,877		
NA	NA	496,231	MGM STUDIOS	04/08/12	5.380	468,120	406,083		
NA	NA	447,622	MICHAEL FOODS TERM B 47.2	11/21/10	6.910	444,040	436,431		
NA	NA	997,475	MITCHELL INTERNATIONAL INC.	03/28/14	1.000	958,758	957,576		
NA	NA	317,025	MOSAIC COMPANY B	12/08/13	1.000	317,025	314,053		
NA	NA	522,585	MSCI INC.	10/21/14	0.010	522,393	521,278		
NA	NA	1,856,190	MULTIPLAN	04/12/13	1.000	1,818,591	1,766,861		
NA	NA	1,700,825	MYLAN LABORATORIES, INC."	10/02/14	1.000	1,665,611	1,682,906		
NA	NA	750,000	NALCO. CO.	11/04/10	1.000	743,724	740,357		
NA	NA	497,607	NATIONAL MENTOR INC.	06/29/13	1.000	465,551	429,186		
NA	NA	500,000	NAVISTAR INTERNATIONAL CORP.	01/19/12	1.000	454,899	471,875		
NA	NA	496,114	NEBRASKA BOOK CO. INC.	03/04/11	1.000	486,974	463,867		
NA	NA	994,943	NIELSEN FINANCE LLC VNU	08/09/13	7.180	944,368	926,776		
NA	NA	1,985,008	NIGHTHAWK RADIOLOGY	07/10/14	1.000	1,276,034	1,279,331		
NA	NA	299,978	NRG ENERGY	02/01/13	2.250	295,694	285,506		
NA	NA	1,500,000	NRG ENERGY INC.	02/01/13	6.580	1,456,976	1,426,041		

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$	BANK LOANS (continued)		%	\$	\$	%	
NA	NA	2,005,240	NRG ENERGY INC.	02/01/13	1.000	1,972,631	1,908,497		
NA	NA	1,627,107	NRG HOLDINGS	06/15/14	1.000	1,491,370	1,509,142		
NA	NA	992,324	NTELOS INC. TERM LOAN B1	08/24/11	1.000	991,310	971,243		
NA	NA	2,992,500	NUVEEN	11/15/14	1.000	2,962,575	2,799,858		
NA	NA	742,405	OSHKOSH	12/08/13	1.000	722,768	694,767		
NA	NA	916,637	OXFORD ACQUISITION III LIMITED	05/11/14	1.000	858,577	840,249		
NA	NA	820,992	PANAVISION INC.	03/30/11	1.000	799,183	738,893		
NA	NA	1,490,592	PINNACLE FOODS GROUP INC.	04/02/14	1.000	1,407,630	1,385,878		
NA	NA	651,432	PRESTIGE BRANDS INC.	04/06/11	1.000	646,273	638,404		
NA	NA	994,911	QUEBECOR MEDIA INC.	01/17/13	1.000	979,168	960,089		
NA	NA	694,670	QUINTILES TRANSNATIONAL CORP.	03/31/13	1.000	682,082	669,488		
NA	NA	1,939,200	RAILAMERICA INC.	08/14/08	1.000	1,928,577	1,939,200		
NA	NA	60,800	RAILAMERICA INC.	08/13/10	1.000	60,192	60,800		
NA	NA	1,733,067	READERS DIGEST ASSOCIATION	03/02/14	0.010	1,655,106	1,516,434		
NA	NA	1,000,000	REDDY ICE GROUP INC.	08/09/12	1.000	869,461	875,000		
NA	NA	308,003	REVOLUTION STUDIOS DISTR. CO.	12/21/14	2.750	304,923	286,443		
NA	NA	1,250,000	REXNORD CORPORATION	06/30/13	1.000	1,227,617	1,171,875		
NA	NA	496,250	RJO HOLDINGS CORP.	07/12/14	1.000	460,786	337,450		
NA	NA	225,663	ROCK TENN CO.	03/08/13	1.000	225,099	223,406		
NA	NA	336,855	ROCK TENN CO.	03/07/14	1.000	333,613	335,592		
NA	NA	2,132,819	ROYALTY PHARMA FINANCE	04/16/13	1.000	2,121,682	2,121,820		
NA	NA	500,000	SABRE	09/30/14	1.000	479,896	412,085		
NA	NA	469,697	SEMINOLE TRIBE OF FLORIDA	03/05/14	1.000	467,571	454,138		
NA	NA	739,769	SEQUA TL B	11/21/14	1.000	711,781	703,243		
NA	NA	463,768	SERENA SOFTWARE INC.	03/11/13	1.000	456,272	423,188		
NA	NA	545,815	SMURFIT STONE CONTAINER CANADA	11/01/11	1.000	538,621	527,925		
NA	NA	452,351	SMURFIT STONE CONTAINER CORP.	11/01/11	1.000	446,389	437,524		
NA	NA	1,038,231	SORENSEN COMMUNICATIONS INC.	08/16/13	1.000	1,025,637	995,409		
NA	NA	1,000,000	SORENSEN COMMUNICATIONS INC.	02/16/14	1.000	1,000,000	970,000		
NA	NA	1,487,199	SPANISH BROADCASTING SYS. INC.	06/10/12	1.000	1,387,347	1,202,772		
NA	NA	1,957,835	SPECTRUM BRANDS INC.	03/30/13	1.000	1,939,280	1,871,367		
NA	NA	784,744	SPIRIT AEROSYSTEMS INC.	09/30/13	10.000	777,529	760,221		
NA	NA	340,287	SUN HEALTHCARE GROUP INC.	04/12/14	1.000	324,997	318,169		
NA	NA	1,491,178	SUNGARD DATA SYSTEMS INC.	02/28/14	1.000	1,450,207	1,409,722		
NA	NA	989,950	TALECRIS BIOTHERAPEUTICS 1ST	12/06/13	1.000	989,950	915,704		
NA	NA	988,311	TARGA RESOURCES INC.	10/28/12	1.000	927,563	959,485		
NA	NA	995,318	TELESAT	09/01/14	1.000	922,253	936,798		
NA	NA	952,846	TEMBEC HOLDINGS INC.	N/A	0.000	878,001	880,196		
NA	NA	5,455,269	TEXAS COMPETITIVE ENERGY B 3	10/10/14	1.000	5,378,370	5,057,123		
NA	NA	303,688	THE NASDAQ OMX GROUP INC.	02/26/13	1.000	303,473	302,929		
NA	NA	777,422	TPF GENERATION	12/15/13	1.000	760,313	753,127		
NA	NA	500,000	TPF GENERATION HOLDINGS	12/08/13	1.000	453,544	454,750		
NA	NA	41,060	TPF GENERATION HOLDINGS LLC	12/15/11	1.000	40,156	39,777		
NA	NA	1,500,000	TRIBUNE COMPANY	05/18/09	0.000	1,456,292	1,440,270		
NA	NA	1,982,481	TRIBUNE COMPANY	05/17/14	1.000	1,819,923	1,514,120		
NA	NA	710,433	UNITED AIR LINES INC.	02/01/12	1.000	680,889	523,504		
NA	NA	1,000,000	UNITED COMPONENTS INC.	06/30/12	1.000	939,848	955,000		
NA	NA	500,000	UNIVERSAL CITY DEVELOPMENT	06/09/11	1.000	497,951	485,000		
NA	NA	4,000,000	UNIVISION COMMUNICATIONS	09/29/14	1.000	3,815,178	3,299,250		
NA	NA	750,000	UPC BROADBAND TERM N1	12/31/14	1.000	726,269	709,125		
NA	NA	1,430,343	URS CORP. TLB	05/01/13	1.000	1,426,182	1,432,043		
NA	NA	1,427,580	UIRWAYS GROUP INC.	03/21/14	1.000	1,375,641	956,928		
NA	NA	497,500	VERTELLUS SPECIALITIES INC.	12/10/12	1.000	490,038	486,306		
NA	NA	761,035	VIAN HOLDINGS INC.	06/25/14	1.000	720,432	684,931		
NA	NA	292,390	WARNER CHILCOTT	01/18/11	1.000	287,802	283,436		
NA	NA	750,895	WARNER CHILCOTT	01/18/12	4.729	739,111	727,899		
NA	NA	2,000,000	WIMAR OPCO LLC	01/03/12	1.000	2,000,000	1,936,670		
NA	NA	992,500	X RITE	10/24/12	1.000	988,186	860,994		
			TOTAL BANK LOANS			212,078,968	202,137,983		

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value			Cost	Fair Value	Current Yield
			COMMON STOCK AND EQUITY FUNDS		\$	\$	%
			Consumer Discretionary				
NA	A-	7,500	ABERCROMBIE & FITCH CO.		552,771	470,100	1.10
NA	NR	3,500	ADVANCE AUTO PARTS		142,415	135,905	0.60
NA	NR	7,600	AEROPOSTALE		186,773	238,108	0.00
NA	B-	73,622	AMAZON COM INC.		5,366,322	5,398,701	0.00
NA	B+	22,968	AMERICAN EAGLE OUTFITTERS INC.		546,228	313,054	2.90
NA	B	800	ANN TAYLOR STORES CORP.		32,395	19,168	0.00
NA	B-	83,200	ATC TECHNOLOGY CORP.		1,699,312	1,936,896	0.00
NA	B+	91,100	AUTOLIV		2,311,928	4,247,082	3.50

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Consumer Discretionary (continued)			
NA	B	7,250	AUTONATION INC. DEL.	97,459	72,645	0.00
NA	B+	4,849	AUTOZONE INC.	431,205	586,777	0.00
NA	B-	15,930	AVIS BUDGET GROUP INC.	454,052	133,334	0.00
NA	NR	17,700	BARE ESCENTUALS INC.	367,148	331,521	0.00
NA	B	100,300	BARNES & NOBLE INC.	1,424,846	2,491,452	4.00
NA	NR	86,220	BEACON ROOFING SUPPLY INC.	1,613,184	914,794	0.00
NA	A-	41,800	BEAZER HOMES USA INC.	3,075,395	232,826	3.60
NA	A-	21,090	BED BATH & BEYOND INC.	757,045	592,629	0.00
NA	B+	42,918	BEST BUY CO. INC.	1,492,364	1,699,553	1.40
NA	B-	8,313	BIG LOTS INC.	174,316	259,698	0.00
NA	B+	60,144	BLACK & DECKER CORPORATION	5,187,549	3,458,881	2.90
NA	A-	15,000	BOB EVANS FARMS INC.	407,391	429,000	2.00
NA	B+	3,700	BORG WARNER INC.	162,952	164,206	1.00
NA	B	200	BOYD GAMING CORP.	9,954	2,512	4.80
NA	B+	133,800	BRINKER INTERNATIONAL INC.	3,312,184	2,528,820	2.30
NA	B-	1,900	BROCADE COMMUNICATIONS SYS. INC.	16,258	15,656	0.00
NA	NR	2,900	BURGER KING HOLDINGS INC.	58,991	77,691	0.90
NA	B	169,090	CACHE INC.	2,673,659	1,809,263	0.00
NA	B	247,524	CALLAWAY GOLF CO.	3,463,083	2,928,209	2.40
NA	B	8,000	CARMAX INC.	137,046	113,520	0.00
NA	B-	682,400	CBS CORP. CLASS B	18,172,202	13,299,976	5.50
NA	B+	30,100	CEC ENTMT. INC.	811,370	843,101	0.00
NA	NR	5,739	CENTEX CORP.	120,441	76,730	1.20
NA	B	77,796	CHARLOTTE RUSSE HOLDING INC.	1,935,026	1,381,657	0.00
NA	NR	109,180	CHIPOTLE MEXICAN GRILL INC.	9,309,845	8,236,517	0.00
NA	B+	400	CHOICE HOTELS INC.	22,121	10,600	2.60
NA	B+	6,900	CHRISTOPHER & BANKS CORP.	93,571	46,920	3.50
NA	NR	9,600	CINEMARK HOLDINGS INC.	124,886	125,376	5.50
NA	B	24,072	CLEAR CHANNEL COMMUNICATIONS	850,844	847,334	0.00
NA	NR	1,100	CLEAR CHANNEL OUTDOOR HOLDINGS IN	23,763	19,613	0.00
NA	NR	140,200	COACH INC.	4,278,683	4,048,976	0.00
NA	B-	419,379	COMCAST CORP. NEW	7,698,364	7,905,766	1.30
NA	B-	54,400	COOPER TIRE & RUBR CO.	1,256,594	426,496	5.40
NA	B+	2,500	COPART INC.	74,749	107,050	0.00
NA	A-	37,677	COSTCO WHOLESALE CORP. NEW	1,726,216	2,642,665	0.90
NA	B	10,000	CSS INDS. INC.	341,166	242,200	2.50
NA	C	38	CUMULUS MEDIA INC.	0	150	0.00
NA	A	13,200	D R HORTON INC.	535,402	143,220	2.80
NA	A	60,020	DARDEN RESTAURANTS INC.	2,219,014	1,917,039	2.50
NA	B	7,500	DECKERS OUTDOOR CORP.	697,856	1,044,000	0.00
NA	NR	3,100	DICKS SPORTING GOODS INC.	68,815	54,994	0.00
NA	B	2,916	DILLARDS INC.	47,026	33,738	1.40
NA	B-	253,600	DIRECTV GROUP INC.	6,091,025	6,570,776	0.00
NA	B-	7,500	DISH NETWORK CORP.	201,183	219,600	0.00
NA	A-	460,770	DISNEY WALT CO.	11,859,550	14,376,024	1.10
NA	NR	154,140	DOLBY LABORATORIES INC.	5,962,615	6,211,842	0.00
NA	B+	3,300	DOLLAR TREE INC.	139,790	107,877	0.00
NA	NR	2,900	DREAMWORK ANIMATION SKG	83,261	86,449	0.00
NA	B-	134,105	EASTMAN KODAK CO.	4,936,569	1,935,135	3.50
NA	NR	3,000	EINSTEIN NOAH REST GROUP INC.	32,643	33,210	0.00
NA	B+	57,150	ELLIS PERRY INTERNATIONAL INC.	1,219,891	1,212,723	0.00
NA	NR	10,100	EXPEDIA INC. DEL.	349,713	185,638	0.00
NA	A+	183,624	FAMILY DOLLAR STORES INC.	3,573,486	3,661,463	2.50
NA	NA	4,100	FGX INTERNATIONAL HOLDINGS LTD.	42,902	32,964	0.00
NA	C	113,411	FORD MOTOR CO. DEL.	942,415	545,507	0.00
NA	B	55,380	FORTUNE BRANDS INC.	3,967,484	3,456,266	2.70
NA	B+	28,400	FOSSIL INC.	882,126	825,588	0.00
NA	B+	115,610	FREDS INC.	1,447,575	1,299,456	0.70
NA	NR	240,450	GAMESTOP CORP. NEW	11,645,798	9,714,180	0.00
NA	A	191,057	GANNETT INC.	8,665,843	4,140,205	7.40
NA	A-	34,532	GAP INC.	458,606	575,648	2.00
NA	NR	4,700	GARMIN LTD.	316,838	201,348	1.80
NA	B-	27,472	GENERAL MOTORS CORP.	974,976	315,928	8.70
NA	B+	124,135	GENTEX CORP.	2,384,339	1,792,509	2.90
NA	B-	138,199	GOODYEAR TIRE & RUBBER CO	1,530,936	2,464,088	0.00
NA	B+	33,100	GROUP 1 AUTOMOTIVE INC.	1,277,244	657,697	2.80
NA	B-	2,200	GUESS INC.	103,061	82,390	0.90
NA	B-	67,800	GYMBOREE CORP.	2,637,971	2,716,746	0.00
NA	NR	56,257	HANESBRANDS INC.	1,489,141	1,526,815	0.00
NA	A+	223,280	HARLEY DAVIDSON INC.	10,062,080	8,096,133	3.60
NA	A-	4,800	HARMAN INTERNATIONAL INDS. INC. NEW	492,949	198,672	0.10
NA	B+	134,808	HASBRO INC.	3,592,607	4,815,342	2.20
NA	NR	600	HERTZ GLOBAL HOLDINGS INC.	13,571	5,760	0.00
NA	NR	7,700	HHGREGG INC.	85,635	77,000	0.00
NA	A+	497,491	HOME DEPOT INC.	16,185,171	11,651,239	3.80

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Consumer Discretionary (continued)			
NA	NR	13,400	HOOKER FURNITURE CORP.	283,824	232,088	2.30
NA	B	41,280	INSIGHT ENTERPRISES INC.	832,614	484,214	0.00
NA	NR	154,379	INTERLINE BRANDS INC.	3,452,993	2,459,257	0.00
NA	B+	27,002	INTERNATIONAL GAME TECHNOLOGY	740,268	674,510	2.20
NA	C	37,491	INTERPUBLIC GROUP COS. INC.	404,884	322,423	0.00
NA	B	65,879	J C PENNEY INC.	3,328,181	2,390,749	2.20
NA	B+	106,100	JACK IN THE BOX INC.	3,108,101	2,377,701	0.00
NA	A+	174,949	JOHNSON CONTROLS INC.	5,067,480	5,017,537	1.80
NA	B	276,811	JONESAPPAREL GROUP INC.	6,402,803	3,806,151	4.10
NA	A-	3,708	KB HOME	87,490	62,776	5.90
NA	B+	24,332	KOHL'S CORP.	1,395,170	974,253	0.00
NA	B-	2,800	LAMAR ADVERTISING CO.	161,079	100,884	0.00
NA	NR	3,900	LAS VEGAS SANDS CORP.	301,508	185,016	0.00
NA	NR	133,409	LEAPFROG ENTERPRISES INC.	2,242,810	1,109,963	0.00
NA	C	67,300	LEAR CORP.	2,032,500	954,314	0.00
NA	B	8,592	LEGGETT & PLATT INC.	177,733	144,088	6.00
NA	B+	6,700	LENNAR CORP.	381,588	82,678	5.20
NA	NR	173,500	LIBERTY MEDIA CORP. NEW	3,274,128	2,740,790	0.00
NA	NR	381,435	LIFE TIME FITNESS INC.	16,650,734	11,271,404	0.00
NA	B	131,180	LIFETIME BRANDS INC.	2,473,268	1,069,117	3.10
NA	B+	23,364	LIMITED BRANDS INC.	436,785	393,683	3.60
NA	NR	9,600	LIN TV CORP.	140,030	57,216	0.00
NA	A-	5,014	LIZ CLAIBORNE INC.	150,008	70,948	1.60
NA	NR	4,900	LKQ CORP.	88,009	88,543	0.00
NA	A+	75,682	LOWES COS. INC.	1,639,585	1,570,402	1.60
NA	B	181,150	MACYS INC.	5,534,023	3,517,933	2.70
NA	B	44,100	MADDEN STEVEN LTD.	833,137	810,558	0.00
NA	A	178,706	MARRIOTT INTERNATIONAL INC. NEW	6,198,481	4,689,245	1.30
NA	B-	4,000	MARVEL ENTMT. INC.	112,408	128,560	0.00
NA	B	276,195	MATTEL INC.	4,988,112	4,728,458	4.40
NA	A+	19,400	MATTHEWS INTERNATIONAL CORP.	854,182	878,044	0.50
NA	A-	208,173	MCDONALDS CORP.	8,051,211	11,703,486	2.70
NA	NR	22,600	MCGRAW HILL COS. INC.	863,046	906,712	2.20
NA	B-	9,400	MEDIA GENERAL INC.	123,974	112,330	7.70
NA	B+	26,200	MENS WEARHOUSE INC.	659,572	426,798	1.70
NA	A-	22,231	MEREDITH CORP.	868,921	628,915	3.00
NA	B+	4,300	MGM MIRAGE INC.	192,934	145,727	0.00
NA	NR	173,810	NEW YORK & CO. INC.	2,110,280	1,586,885	0.00
NA	B+	6,940	NEW YORK TIMES CO.	332,958	106,807	6.00
NA	B	109,914	NEWELL RUBBERMAID INC.	2,271,762	1,845,456	5.00
NA	NR	153,500	NEWS CORP.	2,838,748	2,310,190	0.80
NA	A+	55,860	NIKE INC.	2,442,406	3,329,815	1.50
NA	A-	37,986	NORDSTROM INC.	1,164,002	1,150,976	2.10
NA	B+	2,765	NVR INC.	1,881,747	1,382,721	0.00
NA	B+	1,100	O REILLY AUTOMOTIVE INC.	37,094	24,585	0.00
NA	B	13,381	OFFICE DEPOT INC.	189,149	146,388	0.00
NA	A+	45,561	OMNICOM GROUP	1,756,079	2,044,778	1.30
NA	NR	1,300	ORIENT EXPRESS HOTELS LTD.	69,364	56,472	0.20
NA	B+	41,110	OXFORD INDS. INC.	1,702,330	787,257	3.80
NA	B	1,000	PANERA BREAD CO.	72,260	46,260	0.00
NA	B-	12,100	PC MALL INC.	152,938	164,076	0.00
NA	B+	2,700	PENN NATIONAL GAMING INC.	112,815	86,805	0.00
NA	A-	69,300	PENSKE AUTOMOTIVE GROUP INC.	1,340,325	1,021,482	2.40
NA	B	4,600	PETSMART INC.	123,556	91,770	0.60
NA	B+	21,593	PHILLIPS VAN HEUSEN CORP.	1,099,115	790,736	0.40
NA	NR	5,100	POLO RALPH LAUREN CORP.	385,252	320,178	0.30
NA	B-	1,420	PRICELINE COM INC.	177,686	163,953	0.00
NA	A	12,106	PULTE HOMES INC.	171,498	116,581	1.70
NA	B	249,680	QUICKSILVER INC.	2,697,370	2,451,858	0.00
NA	B+	48,836	RADIOSHACK CORP.	793,146	599,218	2.00
NA	NR	24,600	RED ROBIN GOURMET BURGERS INC.	828,168	682,404	0.00
NA	B	102,400	RENT A CENTER INC. NEW	2,013,690	2,106,368	0.00
NA	A+	4,900	ROSS STORES INC.	147,808	174,048	1.10
NA	A-	52,300	RUBY TUESDAY INC.	1,337,866	282,420	0.00
NA	B	35,100	RUSH ENTERPRISES INC.	579,743	421,551	0.00
NA	C	24,200	RUSS BERRIE & CO. INC.	311,142	192,874	0.00
NA	B	58,730	SAUER DANFOSS INC.	1,690,890	1,829,440	2.30
NA	B-	2,400	SCIENTIFIC GAMES CORP.	93,924	71,088	0.00
NA	B+	4,000	SCRIPPS E W CO. OH	199,015	166,160	0.00
NA	NR	4,100	SEARS HOLDINGS CORP.	551,484	302,006	0.00
NA	A	9,026	SHERWIN WILLIAMS CO.	357,910	414,564	3.10
NA	B-	60,900	SINCLAIR BROADCAST GROUP INC.	743,081	462,840	10.50
NA	NA	55,200	SIRIUS XM RADIO INC.	237,430	105,984	
NA	B	58,900	SKECHERS U INC.	1,199,562	1,163,864	0.00

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
Consumer Discretionary (continued)						
NA	B+	56,028	SNAP ON INC.	2,692,784	2,914,016	2.30
NA	B+	193,700	SONIC AUTOMOTIVE INC.	4,649,781	2,496,793	3.70
NA	B+	45,500	SONIC CORP.	914,550	673,400	0.00
NA	NR	49,420	STAGE STORES INC.	975,355	576,731	1.70
NA	NR	5,100	STAMPS COM INC.	66,754	63,648	0.00
NA	B+	4,003	STANLEY WORKS	131,203	179,454	2.80
NA	B+	174,592	STAPLES INC.	3,868,552	4,146,560	1.40
NA	B+	62,772	STARBUCKS CORP.	1,410,315	988,031	0.00
NA	NR	17,334	STARWOOD HOTELS & RESORTS INC.	659,993	694,573	2.30
NA	B-	46,317	SUPERIOR INDS. INTERNATIONAL INC.	912,679	781,831	3.80
NA	A+	139,555	TARGET CORP.	6,688,581	6,487,912	1.40
NA	B-	13,900	TENNECO INC.	347,208	188,067	0.00
NA	B+	300	THOR INDS. INC.	14,534	6,378	1.30
NA	A	40,209	TIFFANY & CO. NEW	1,713,331	1,638,517	1.70
NA	B	598,074	TIME WARNER INC. NEW	10,786,414	8,851,495	1.70
NA	A+	124,367	TJX COS. INC. NEW	3,213,827	3,913,829	1.40
NA	A	23,400	TORO CO.	982,476	778,518	1.80
NA	B+	76,282	TRACTOR SUPPLY CO.	2,900,379	2,215,229	0.00
NA	B+	75,509	TUPPERWARE BRANDS CORP.	2,350,968	2,583,918	2.60
NA	NR	217,510	UNDER ARMOUR INC.	9,513,534	5,576,956	0.00
NA	B+	86,262	UNIVERSAL ELECTRICS INC.	2,263,411	1,802,876	0.00
NA	B	11,300	URBAN OUTFITTERS INC.	299,304	352,447	0.00
NA	A-	5,707	V F CORP.	253,879	406,224	3.30
NA	NR	539,750	VIACOM INC. NEW	22,670,822	16,483,965	0.00
NA	NR	107,688	VOLCOM INC.	2,389,616	2,576,974	0.00
NA	NR	2,433	WABCO HOLDINGS INC.	101,962	113,037	0.60
NA	A+	429,335	WAL MART STORES INC.	21,370,122	24,128,627	1.70
NA	B-	8,400	WARNACO GROUP INC.	284,652	370,188	0.00
NA	NR	500	WARNER MUSIC GROUP CORP.	6,596	3,570	7.30
NA	B+	300	WASHINGTON POST CO.	241,168	176,070	1.50
NA	B+	7,080	WENDYS INTERNATIONAL INC.	157,275	192,718	1.80
NA	NR	1,100	WESCO INTERNATIONAL INC.	75,897	44,044	0.00
NA	B+	60,645	WHIRLPOOL CORP.	4,123,333	3,743,616	2.80
NA	A	1,500	WILEY JOHN & SONS INC.	56,136	67,545	1.20
NA	B+	500	WILLIAMS SONOMA INC.	21,895	9,920	2.40
NA	B-	39,908	WMS INDUSTRIES INC.	1,524,439	1,188,061	0.00
NA	A	87,175	WOLVERINE WORLDWIDE INC.	2,117,248	2,324,957	1.70
NA	NR	40,698	WYNDHAM WORLDWIDE CORP.	1,687,937	728,901	0.90
NA	NR	2,300	WYNN RESORTS LTD.	205,803	187,105	0.00
NA	C	11,000	XM SATELLITE RADIO HOLDINGS INC.	181,498	86,245	0.00
NA	B+	111,768	YUM BRANDS INC.	2,556,422	3,921,939	2.20
Total Consumer Discretionary				<u>426,340,973</u>	<u>365,831,551</u>	
Consumer Staples						
NA	A-	32,000	ALBERTO CULVER CO. NEW	860,835	840,640	1.00
NA	A	547,701	ALTRIA GROUP INC.	8,233,596	11,260,733	5.60
NA	A+	77,950	ANHEUSER BUSCH COS. INC.	3,892,204	4,842,254	2.10
NA	A+	144,323	ARCHER DANIELS MIDLAND CO.	4,745,254	4,870,901	1.50
NA	A	37,024	AVON PRODUCTS INC.	1,047,896	1,333,604	2.20
NA	A	6,501	BROWN FORMAN CORP.	324,788	491,281	1.80
NA	NR	5,800	BUNGE LIMITED	623,552	624,602	0.70
NA	B	6,900	CAL MAINE FOODS INC.	178,834	227,631	9.80
NA	B+	52,572	CAMPBELL SOUP CO.	1,660,678	1,759,059	2.60
NA	NR	43,900	CHIQUITA BRANDS INTERNATIONAL INC.	992,153	665,963	0.00
NA	A	2,500	CHURCH AND DWIGHT INC.	101,942	140,875	0.60
NA	A	9,006	CLOROX CO.	449,655	470,113	3.50
NA	A	211,655	COCA COLA CO.	11,686,971	11,001,827	2.90
NA	B	13,486	COCA COLA ENTERPRISES INC.	314,438	233,308	1.60
NA	A+	60,828	COLGATE PALMOLIVE CO.	3,800,862	4,203,215	2.30
NA	A-	149,427	CONAGRA INC.	3,331,650	2,880,953	3.90
NA	B	48,716	CONSTELLATION BRANDS INC.	1,067,473	967,500	0.00
NA	A-	22,218	CORN PRODUCTS INTERNATIONAL INC.	842,375	1,091,126	1.10
NA	A	124,808	CVS CAREMARK CORP.	3,068,270	4,938,653	0.60
NA	B	10,100	DEAN FOODS CO. NEW	322,912	198,162	0.00
NA	B-	372,600	DEL MONTE FOODS CO.	4,221,595	2,645,460	2.30
NA	NR	7,514	DR PEPPER SNAPPLE GROUP INC.	127,939	157,644	0.00
NA	A-	17,974	GENERAL MILLS INC.	765,838	1,092,280	2.80
NA	NA	86,639	GLANBIA PLC.	521,732	657,950	1.30
NA	B+	58,602	GREEN MTN. COFFEE ROASTERS	1,326,982	2,201,677	0.00
NA	B	30,000	HAIN CELESTIAL GROUP INC.	797,608	704,400	0.00
NA	B	219,298	HANSEN NATIONAL CORP.	8,577,403	6,320,168	0.00
NA	B+	58,630	HEINZ H J CO.	2,200,695	2,805,446	3.50
NA	NR	2,400	HERBALIFE LTD.	94,867	93,000	2.10
NA	B+	11,169	HERSHEY CO. / THE	424,869	366,120	3.60

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
Consumer Staples (continued)						
NA	A+	3,000	HORMEL FOODS CORP.	120,300	103,830	2.10
NA	A-	48,900	INTER PARFUMS INC.	669,323	733,500	0.90
NA	B+	30,500	J & J SNACK FOODS CORP.	748,165	836,005	1.40
NA	A	51,033	KELLOGG CO.	2,284,436	2,450,605	2.60
NA	A	243,265	KIMBERLY CLARK CORP.	15,050,052	14,542,382	3.90
NA	NR	188,136	KRAFT FOODS INC.	3,648,111	5,352,469	3.80
NA	B	271,020	KROGER CO.	6,787,897	7,824,347	1.30
NA	A-	9,300	LAUDER ESTEE COS. INC.	346,204	431,985	1.20
NA	B+	23,500	LONGS DRUG STORES CORP.	1,039,770	989,585	1.30
NA	NR	98,577	LORILLARD INC.	6,509,893	6,817,585	2.60
NA	A+	7,800	MC CORMICK & CO. INC.	213,460	278,148	2.50
NA	B	12,800	NASH FINCH CO.	351,156	438,656	2.10
NA	B	37,400	NBTY INC.	1,387,075	1,199,044	0.00
NA	A	184,541	PEPSI BOTTLING GROUP INC.	5,758,122	5,152,385	2.40
NA	B+	20,200	PEPSIAMERICAS INC.	479,170	399,556	2.70
NA	A+	226,179	PEPSICO INC.	11,836,122	14,382,723	2.70
NA	NR	919,501	PHILIP MORRIS INTERNATIONAL ORD SHR	38,003,847	45,414,154	3.70
NA	A+	481,933	PROCTER AND GAMBLE CO.	26,444,898	29,306,346	2.60
NA	B-	20,100	RALCORP HOLDINGS INC. NEW	1,165,920	993,744	0.00
NA	A-	3,000	RUDDICK CORP.	106,310	102,930	1.40
NA	B	105,286	SAFeway INC.	3,112,223	3,005,915	1.20
NA	B+	191,163	SARA LEE CORP.	2,868,126	2,341,747	3.40
NA	NR	78,600	SPARTAN STORES INC.	1,772,050	1,807,800	0.90
NA	A-	99,240	SUPERVALU INC.	2,851,923	3,065,524	2.20
NA	A+	114,294	SYSCO CORP.	3,543,327	3,144,228	3.20
NA	B-	51,000	TERRA INDS. INC.	1,971,302	2,516,850	0.20
NA	NR	47,580	TREEHOUSE FOODS INC.	1,068,291	1,154,291	0.00
NA	B	14,600	TYSON FOODS INC. (DEL)	259,372	218,124	1.10
NA	A-	46,000	UNIVERSAL CORP. VA	2,827,180	2,080,120	4.00
NA	B+	7,739	UST INC.	234,625	422,627	4.60
NA	A+	83,700	WALGREEN CO.	3,118,559	2,721,083	1.20
NA	B	247,675	WHOLE FOODS MARKET INC.	10,954,667	5,867,421	3.40
NA	A+	17,982	WRIGLEY WM JR CO.	804,983	1,398,640	1.70
Total Consumer Staples				<u>224,942,725</u>	<u>237,580,894</u>	
Energy						
NA	NR	50,000	ALLIS CHALMERS ENERGY INC.	866,997	890,000	0.00
NA	A-	24,518	ANADARKO PETROLEUM CORP.	758,171	1,834,927	0.50
NA	A	195,617	APACHE CORP.	13,933,033	27,190,763	0.40
NA	NR	18,800	ARENA RES. INC.	874,674	993,016	0.00
NA	B	2,482	ATWOOD OCEANICS INC.	297,917	308,612	0.00
NA	B	30,463	BAKER HUGHES INC.	1,762,676	2,660,638	0.60
NA	B+	17,692	BJ SVCS. CO.	363,415	565,082	0.60
NA	B+	49,481	CABOT OIL & GAS CORP.	1,196,326	3,351,348	0.20
NA	B	68,600	CAMERON INTERNATIONAL CORP.	3,345,964	3,797,010	0.00
NA	B	80,000	CHESAPEAKE ENERGY CORP.	2,688,769	5,276,800	0.50
NA	A-	602,812	CHEVRON CORP.	29,282,670	59,756,754	2.60
NA	NR	72,722	CIMAREX ENERGY CO.	2,274,808	5,066,542	0.30
NA	NR	1,000	CNX GAS CORP.	31,125	42,040	0.00
NA	NR	3,200	COMPLETE PRODUCTION SVCS. INC.	116,963	116,544	0.00
NA	B+	596,600	CONOCOPHILLIPS	30,051,829	56,313,074	2.00
NA	NR	1,100	CONTINENTAL RES. INC. OK	22,587	76,252	0.00
NA	NR	49,200	DELEK US HOLDINGS INC.	944,515	453,132	1.60
NA	B	9,100	DENBURY RES. INC.	168,893	332,150	0.00
NA	A-	166,074	DEVON ENERGY CORPORATION NEW	11,120,098	19,955,452	0.50
NA	B	3,751	DIAMOND OFFSHORE DRILLING INC.	377,798	521,914	0.40
NA	NR	7,500	DRESSER RAND GROUP INC.	283,585	293,250	0.00
NA	B	13,100	DRIL QUIP INC.	608,626	825,300	0.00
NA	B-	45,055	EL PASO CORP.	599,530	979,496	0.70
NA	NR	500	ENCORE ACQUISITION CO.	37,991	37,595	0.00
NA	NR	62,900	ENERGY PARTNERS LTD.	889,154	938,468	0.00
NA	A	32,200	ENERGYSOUTH INC.	1,172,891	1,579,732	2.10
NA	B+	54,800	ENSCO INTERNATIONAL INC.	3,360,221	4,424,552	0.10
NA	B+	51,828	EOG RESOURCES INC.	4,534,062	6,799,834	0.40
NA	B+	4,800	EQUITABLE RES. INC.	223,969	331,488	1.30
NA	C	17,740	EXTERRAN HOLDINGS INC.	1,031,549	1,268,233	0.00
NA	A+	946,955	EXXON MOBIL CORP.	46,181,943	83,455,144	1.80
NA	NR	108,500	FMC TECHNOLOGIES INC.	7,962,356	8,346,905	0.00
NA	B-	267,160	FOREST OIL CORP.	11,798,011	19,903,420	0.00
NA	B	50,205	FRONTIER OIL CORP.	1,373,640	1,200,402	1.00
NA	B	34,147	FRONTLINE LTD.	1,480,402	2,382,778	11.10
NA	B-	11,800	GLOBAL INDUSTRIES INC.	253,219	211,574	0.00
NA	B	9,800	GULFMARK OFFSHORE INC.	457,442	570,164	0.00
NA	B	130,436	HALLIBURTON CO.	3,363,744	6,922,239	0.70

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Energy (continued)			
NA	B	4,300	HELIX ENERGY SOLUTIONS GROUP	158,721	179,052	0.00
NA	B	101,100	HELMERICH AND PAYNE INC.	7,179,133	7,281,222	0.30
NA	B	125,220	HESS CORP.	8,195,193	15,801,512	0.30
NA	B+	217,119	HOLLY CORP.	9,291,566	8,016,033	1.60
NA	B-	9,100	KEY ENERGY SVCS. INC.	175,730	176,722	0.00
NA	A-	14,351	LUFKIN INDS. INC.	829,226	1,195,151	1.20
NA	B+	73,770	MARATHON OIL CORP.	2,292,276	3,826,450	1.90
NA	NR	30,700	MARINER ENERGY INC.	814,615	1,134,979	0.00
NA	B-	101,950	MATRIX SVC. CO.	1,968,191	2,350,967	0.00
NA	A-	17,900	MURPHY OIL CORP.	1,324,962	1,755,095	0.80
NA	B	21,346	NABORS INDUSTRIES LTD.	504,477	1,050,864	0.00
NA	B+	46,041	NATIONAL OILWELL VARCO INC.	1,833,781	4,084,758	0.00
NA	B	55,850	NOBLE CORPORATION	2,852,258	3,628,016	0.30
NA	B+	162,200	NOBLE ENERGY INC.	6,063,880	16,310,832	0.70
NA	A-	245,929	OCCIDENTAL PETROLEUM CORP.	11,076,405	22,099,180	1.40
NA	B	30,323	OCEANEERING INTERNATIONAL INC.	884,628	2,336,387	0.00
NA	NR	95,968	OIL STATES INTERNATIONAL INC.	3,536,477	6,088,210	0.00
NA	B	48,800	PATTERSON UTILITY ENERGY INC.	1,198,240	1,758,752	1.80
NA	NR	57,900	PIONEER DRILLING CO.	972,132	1,089,099	0.00
NA	NR	3,600	PLAINS EXPL. & PRODUCTION CO.	259,924	262,692	0.00
NA	B-	7,900	PRIDE INTERNATIONAL INC.	277,941	373,591	0.00
NA	B	3,800	QUICKSILVER RES. INC.	89,287	146,832	0.00
NA	B	14,400	RANGE RES. CORP.	657,492	943,776	0.20
NA	NR	133,406	ROSETTA RES. INC.	2,420,848	3,802,071	0.00
NA	B	11,849	ROWAN COS. INC.	426,578	553,941	0.90
NA	NR	3,400	SANDRIDGE ENERGY INC.	216,107	219,572	0.00
NA	B	1,950	SEACOR HOLDINGS INC.	175,307	174,545	0.00
NA	B+	294,685	SMITH INTERNATIONAL INC.	14,141,673	24,500,111	0.60
NA	A-	1,000	ST MARY LAND & EXPLORATION CO.	63,361	64,640	0.20
NA	B	26,300	STONE ENERGY CORP.	1,052,624	1,733,433	0.00
NA	A-	91,006	SUNOCO INC.	3,205,974	3,703,034	3.00
NA	B	114,728	SUPERIOR ENERGY SVCS. INC.	3,251,953	6,326,102	0.00
NA	B-	44,200	SWIFT ENERGY CO.	1,828,984	2,919,852	0.00
NA	B-	9,500	T 3 ENERGY SVCS. INC.	701,785	754,965	0.00
NA	B	9,200	TESORO CORP.	498,293	181,884	2.00
NA	B-	9,700	TETRA TECHNOLOGIES INC. DEL.	252,516	229,987	0.00
NA	B+	25,300	TIDEWATER INC.	1,310,414	1,645,259	1.50
		101,561	TRANSOCEAN INC.	13,744,766	15,476,881	0.00
NA	B	36,640	UNIT CORP.	1,749,129	3,040,021	0.00
NA	B+	137,900	VALERO ENERGY CORP.	2,997,003	5,678,722	1.50
NA	NR	7,422	W H ENERGY SVCS. INC.	380,562	710,582	0.00
NA	NR	1,100	W&T OFFSHORE INC.	47,869	64,361	0.20
NA	B-	65,600	WEATHERFORD INTERNATIONAL LTD.	1,541,481	3,253,104	0.00
NA	NR	1,560	WHITING PETROLEUM CORP. NEW	162,803	165,485	0.00
NA	B-	2,100	WILLIAMS CLAYTON ENERGY INC.	222,046	230,895	0.00
NA	B	184,359	WILLIAMS COS. INC.	5,646,167	7,431,511	1.10
NA	B+	167,508	XTO ENERGY INC.	7,144,331	11,475,970	0.70
			Total Energy	<u>311,710,672</u>	<u>526,199,724</u>	
			Financials			
NA	A-	7,800	1ST SOURCE CORP.	236,696	125,580	3.50
NA	B-	20,500	ADVANTA CORP.	137,217	128,945	13.50
NA	B+	103,804	AFFILIATED MANAGERS GROUP INC.	11,346,460	9,348,588	0.00
NA	A	96,191	AFLAC INC.	4,575,399	6,040,795	1.50
NA	B	5,099	ALLEGHANY CORP. DEL.	1,966,766	1,693,123	0.00
NA	B	224,975	ALLSTATE CORP.	10,258,832	10,256,610	3.60
NA	B	9,300	AMERICAN CAPITAL LTD.	359,698	221,061	N/A
NA	A-	89,574	AMERICAN EXPRESS CO.	3,651,684	3,374,253	1.90
NA	B	250,547	AMERICAN FINL. GROUP INC. OHIO	5,685,683	6,702,132	1.90
NA	A	633,662	AMERICAN INTERNATIONAL GROUP INC.	37,029,886	16,766,697	3.30
NA	NR	12,900	AMERICAN PHYSICIANS CAPITAL INC.	507,327	624,876	0.80
NA	NR	11,434	AMERIPRISE FINL. INC.	277,076	465,021	1.50
NA	NR	5,100	AMERISAFE INC.	80,874	81,294	0.00
NA	NR	60,400	AMTRUST FINANCIAL SERVICES	828,858	761,040	1.30
NA	NR	93,400	ANTHRACITE CAPITAL INC.	738,869	657,536	17.60
NA	NR	137,700	ANWORTH MTG. ASSET CORP. 1	1,178,093	896,427	12.30
NA	B+	205,870	AON CORP.	5,575,863	9,457,668	1.30
NA	NR	6,018	APARTMENT INVT. & MGMT. CO.	223,473	204,973	7.10
NA	NR	76,300	APOLLO INVT. CORP.	1,649,736	1,093,379	14.50
NA	B-	19,797	ARCH CAPITAL GROUP LTD.	1,340,004	1,312,937	0.00
NA	NR	79,500	ARES CAPITAL CORP.	1,309,773	801,360	16.70
NA	C	61,559	ARGO GROUP INTERNATIONAL HOLD	2,990,588	2,065,920	0.00
NA	NR	74,000	ASHFORD HOSPITALITY TRUST INC.	772,190	341,880	18.20
NA	NR	156,700	ASPEN INSURANCE HOLDINGS LTD.	4,254,441	3,709,089	2.50
NA	NR	4,800	ASSURANT INC.	283,495	316,608	0.90

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Financials (continued)			
NA	NA	91,350	ASSURED GUARANTY LTD.	2,426,423	1,643,387	0.90
NA	NR	3,900	AVALONBAY COMMUNITIES INC.	569,599	347,724	4.00
NA	NR	1,300	AXIS CAPITAL HOLDINGS LTD.	40,002	38,753	2.40
NA	NR	5,800	BANCORP INC. DEL.	106,076	44,196	0.00
NA	A-	43,400	BANCORPSOUTH INC.	925,550	759,066	5.00
NA	A	1,230,581	BANK AMER. CORP.	45,582,507	29,373,968	10.70
NA	A-	57,599	BANK NEW YORK MELLON CORP.	1,644,314	2,178,970	2.50
NA	A-	16,200	BANK OF THE OZARKS INC.	481,988	240,732	3.20
NA	B-	18,800	BANKRATE INC.	912,028	734,516	0.00
NA	A-	116,914	BB&T CORP.	4,856,901	2,662,132	8.30
NA	B+	200	BERKLEY W R CORP.	6,961	4,832	1.00
NA	B	15	BERKSHIRE HATHAWAY INC. DEL.	1,760,972	1,811,250	0.00
NA	NR	17,000	BERKSHIRE HILL BANCORP INC.	413,254	402,050	2.70
NA	B+	469	BLACKROCK INC.	69,517	83,013	1.80
NA	NA	16,289	BLACKROCK SR HIGH INCOME FUND IN	88,130	76,884	N/A
NA	A-	5,800	BOSTON PPTYS. INC.	549,947	523,276	3.00
NA	B+	25,000	BOSTON PRIVATE FINL. HOLDINGS INC.	699,374	141,750	7.10
NA	NA	113,100	BRANDYWINE REALTY TRUST	2,524,606	1,782,456	11.20
NA	NR	5,125	BROADRIDGE FINL. SOLUTIONS INC.	93,507	107,881	1.10
NA	NR	279,280	BROOKDALE SR LIVING INC.	8,656,087	5,686,141	4.90
NA	A+	1,000	BROWN & BROWN INC.	30,960	17,390	1.60
NA	NA	1,200	CAMDEN PPTY. TRUST	52,897	53,112	6.30
NA	A	153,440	CAPITAL ONE FINL. CORP.	8,409,767	5,832,254	4.00
NA	B	300	CAPITOL FEDERAL FINL.	11,204	11,283	5.30
NA	NR	36,800	CAPLEASE INC.	313,499	275,632	10.70
NA	B	42,800	CASH AMER. INTERNATIONAL INC.	1,354,876	1,326,800	0.50
NA	NR	7,200	CASTLEPOINT HOLDINGS LTD.	65,730	65,448	1.40
NA	A+	43,569	CATHAY GENERAL BANCORP	1,286,729	473,595	3.90
NA	NR	74,372	CB RICHARD ELLIS GROUP INC.	1,731,608	1,427,942	0.00
NA	NA	53,300	CBL & ASSOC. PPTYS. INC.	1,244,425	1,217,372	9.50
NA	B-	17,900	CEDAR SHOPPING CENTERS INC.	225,146	209,788	7.70
NA	A-	16,200	CENTRAL PACIFIC FINL. CORP.	432,699	172,692	9.40
NA	A-	47,952	CHUBB CORP.	1,625,360	2,350,128	2.70
NA	A	90,517	CINCINNATI FINL. CORP.	3,469,980	2,299,132	6.10
NA	NR	180,000	CIT GROUP INC. NEW	7,161,168	1,225,800	5.90
NA	A	1,400,837	CITIGROUP INC.	57,012,053	23,478,028	7.60
NA	A-	5,900	CITY BANK LYNNWOOD WASH	170,422	50,740	7.00
NA	B	25,600	CITY HOLDING CO.	935,863	1,043,712	3.30
NA	NR	3,980	CME GROUP INC.	1,843,936	1,525,096	1.20
NA	A-	122,190	COMERICA INC.	6,293,050	3,131,730	10.30
NA	NR	5,200	COMMUNITY BANCORP NEV	100,783	26,052	0.00
NA	A	6,700	COMMUNITY TRUST BANCORP INC.	210,247	175,942	4.40
NA	NA	67,206	CORPORATE OFFICE PPTYS. TRUST	1,991,632	2,307,182	4.00
NA	B-	4,100	CORRECTIONS CORP. AMER. NEW	92,680	112,627	0.00
NA	B+	133,037	COUNTRYWIDE FINL. CORP.	1,738,100	565,407	14.10
NA	A	40,432	CULLEN FROST BANKERS INC.	2,038,775	2,015,535	3.40
NA	A	56,400	CVB FINL. CORP.	590,178	532,416	3.60
NA	NR	25,900	DARWIN PROFESSIONAL UNDERWRITERS	618,119	797,720	0.00
NA	B	39,200	DELPHI FINL. GROUP INC.	1,435,828	907,088	1.70
NA	NA	6,100	DEVELOPERS DIVERSIFIED REALTY	386,539	211,731	8.00
NA	NR	101,300	DIAMONDROCK HOSPITALITY CO.	1,712,157	1,103,157	9.20
NA	NR	1,700	DIGITAL REALTY TRUST INC.	69,039	69,547	3.00
NA	NR	114,716	DISCOVER FINL. SVCS.	2,036,580	1,510,810	1.80
NA	NR	8,500	DUFF & PHELPS CORP. NEW	144,789	140,760	0.00
NA	C	23,400	E TRADE FINL. CORP.	350,161	73,476	0.00
NA	NR	31,000	EASTGROUP PPTYS. INC.	1,312,001	1,329,900	4.90
NA	A-	21,658	EATON VANCE CORP.	700,290	861,122	1.50
NA	NR	150,480	EDUCATION REALTY TRUST INC.	1,932,813	1,753,092	7.00
NA	NR	21,100	ENDURANCE SPECIALTY HOLDINGS	793,431	649,669	3.30
NA	NR	56,000	ENTERTAINMENT PPTYS. TRUST	2,817,831	2,768,640	6.80
NA	NA	14,113	EQUITY RESIDENTIAL	348,115	540,105	5.00
NA	A	100	ERIE INDUSTRIAL CO.	5,349	4,615	3.80
NA	NR	204	ESSEX PROPERTY TRUST	24,890	21,726	3.80
NA	A-	35,500	EVEREST REINSURANCE GROUP LTD.	3,889,637	2,829,705	2.40
NA	B-	86,850	EZCORP INC.	995,456	1,107,338	0.00
NA	A-	32,120	FBL FINL. GROUP INC.	1,111,958	638,546	2.50
NA	B+	88,921	FEDERAL HOME LOAN MTG. CORP.	4,652,079	1,458,304	6.10
NA	NR	460,087	FEDERAL NATIONAL MTG. ASSOC.	26,949,061	8,976,297	7.20
NA	NA	700	FEDERAL REALTY INVT. TRUST	48,439	48,300	3.50
NA	A	40,099	FEDERATED INVS. INC. PA	1,271,514	1,380,208	2.80
NA	NR	10,000	FIDELITY NATIONAL INFORMATION SVC.	430,018	369,100	0.50
NA	A-	47,429	FIFTH THIRD BANCORP	2,131,653	482,827	5.90
NA	B+	58,050	FIRST CASH FINANCIAL SERVICES	577,432	870,170	0.00
NA	B	18,000	FIRST FINL. BANCORP	244,584	165,600	7.40
NA	A-	11,800	FIRST FINL. HOLDINGS INC.	319,755	202,724	5.90

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Financials (continued)			
NA	A	6,095	FIRST HORIZON NATIONAL CORP.	228,268	45,286	10.80
NA	NR	88,775	FIRST INDL. REALTY TRUST INC.	3,782,047	2,438,649	10.50
NA	A	20,700	FIRST MERCHANTS CORP.	521,311	375,705	5.10
NA	A	95,541	FIRST MIDWEST BANCORP INC. DEL	2,913,288	1,781,840	6.70
NA	NR	24,000	FIRST PL FINL. CORP. DEL.	288,006	225,600	7.20
NA	B	42,400	FIRSTMERIT CORP.	790,915	691,544	7.10
NA	A	46,400	FLUSHING FINL. CORP.	884,609	879,280	2.70
NA	B	2,700	FOREST CITY ENTERPRISES INC.	121,729	86,994	1.00
NA	A-	55,054	FRANKLIN RES. INC.	5,415,712	5,045,699	0.90
NA	B	13,700	GAMCO INVS. INC.	737,157	679,794	0.20
NA	NA	17,900	GENERAL GROWTH PPTYS. INC.	844,564	627,037	5.70
NA	NR	433,100	GENWORTH FINL. INC.	10,929,913	7,713,511	2.30
NA	NR	1,800	GLG PARTNERS INC.	16,398	14,040	1.30
NA	A-	116,526	GOLDMAN SACHS GROUP INC.	17,303,484	20,380,397	0.80
NA	NR	26,700	GREENE BANKSHARES INC.	538,092	374,334	3.70
NA	NR	1,600	GREENHILL & CO. INC.	99,142	86,176	3.30
NA	B-	27,300	HALLMARK FINL. SVCS. INC.	373,431	263,991	0.00
NA	A-	18,400	HANCOCK HOLDING CO.	675,993	722,936	2.40
NA	NR	105,300	HANMI FINL. CORP.	1,196,703	548,613	2.30
NA	B-	65,800	HANOVER INS. GROUP INC.	3,486,604	2,796,500	0.90
NA	B	12,700	HARLEYSVILLE GROUP INC.	323,275	429,641	3.00
NA	B+	294,867	HARTFORD FINANCIAL SVCS. GROUP	21,923,990	19,039,562	3.30
NA	A-	44,600	HCC INS. HOLDINGS INC.	1,182,999	942,844	2.10
NA	NA	12,800	HCP INC.	450,497	407,168	N/A
NA	NR	400	HEALTH CARE REIT INC.	16,310	17,800	6.10
NA	NR	33,000	HEALTHCARE REALTY TRUST	766,920	784,410	6.50
NA	B	32,100	HEALTHEXTRAS INC.	820,359	967,494	0.00
NA	NA	53,200	HERSHA HOSPITALITY TRUST	560,858	401,660	9.50
NA	NA	37,200	HIGHWOODS PPTYS. INC.	1,100,627	1,168,824	5.40
NA	B-	41,800	HOST HOTELS & RESORTS INC.	976,041	570,570	5.90
NA	A	272,800	HUDSON CITY BANCORP INC.	4,209,717	4,550,304	2.60
NA	B+	442,655	HUNTINGTON BANCSHARES INC.	6,683,798	2,554,119	9.20
NA	A	23,300	INDEPENDENT BANK CORP. MASS	670,087	555,472	3.00
NA	NR	48,000	INLAND REAL ESTATE CORP.	763,968	692,160	6.80
NA	NR	12,612	INTERCONTINENTAL EXCHANGE INC.	1,717,121	1,437,768	0.00
NA	NA	115,290	INVESCO LTD.	3,166,103	2,764,654	1.30
NA	B	68,600	INVESTMENT TECHNOLOGY GROUP	2,827,277	2,295,356	0.00
NA	B-	15,800	ISTAR FINL. INC.	244,905	208,718	26.30
NA	NR	14,553	JANUS CAPITAL GROUP INC.	228,424	385,218	0.20
NA	A-	106,960	JEFFRIES GROUP INC. NEW	2,629,069	1,799,067	3.00
NA	B	1,062,253	JP MORGAN CHASE & CO.	38,994,107	36,445,888	4.40
NA	NR	12	KAYNE ANDERSON ENERGY DEV. CO.	273	275	7.20
NA	B	186,991	KEYCORP NEW	5,709,704	2,053,161	13.70
NA	NR	100	KILROY REALTY CORP.	7,225	4,703	4.90
NA	NA	12,400	KIMCO REALTY CORP.	511,118	428,048	4.60
NA	B-	107,550	KNIGHT CAPITAL GROUP INC.	1,771,442	1,933,749	0.00
NA	C	81,800	LABRANCHE & CO. INC.	619,678	579,144	0.00
NA	A+	6,100	LAKELAND FINANCIAL CORP.	142,716	116,388	3.30
NA	NA	24,550	LASALLE HOTEL PPTYS.	879,467	616,942	8.10
NA	NR	20,183	LAZARD LTD.	750,437	689,249	1.10
NA	A	36,791	LEGG MASON INC.	3,123,716	1,602,984	2.20
NA	A	35,246	LEHMAN BROTHERS HOLDINGS INC.	985,973	698,223	3.40
NA	B-	9,000	LEUCADIA NATIONAL CORP.	399,947	422,460	0.50
NA	NR	100,700	LEXINGTON REALTY TRUST	1,466,359	1,372,541	9.70
NA	B+	103,046	LINCOLN NATIONAL CORP. IN	4,670,771	4,670,045	3.70
NA	B	193,009	LOEWS CORP.	4,098,723	9,052,122	0.50
NA	NR	35,600	LTC PROPERTIES	920,678	909,936	6.10
NA	A	11,653	M & T BANK CORP.	1,053,058	822,003	4.00
NA	NR	2,800	MACERICH CO.	197,224	173,964	5.20
NA	A	13,600	MAINSOURCE FINL. GROUP INC.	204,862	210,800	3.70
NA	B-	2,859	MARKEL CORP.	964,507	1,049,253	0.00
NA	B+	26,927	MARSH & MCLENNAN COS. INC.	1,228,845	714,912	3.00
NA	A	48,842	MARSHALL & ILSLEY CORP. NEW	1,438,781	748,748	8.40
NA	NR	82,959	MBIA INC.	4,711,981	364,190	0.00
NA	A-	99,751	MERRILL LYNCH & CO. INC.	5,795,442	3,163,104	4.40
NA	NR	197,867	METLIFE INC.	7,031,745	10,441,442	1.40
NA	NA	1,600	MF GLOBAL LTD.	46,544	10,096	0.00
NA	NR	130,086	MGIC INVT. CORP. WIS	8,249,585	794,825	1.60
NA	NR	46,581	MID AMERICA APARTMENT COMMUNITIES INC.	2,198,489	2,377,494	4.80
NA	NR	33,200	MONTPELIER RE HOLDINGS LTD.	576,599	489,700	2.00
NA	B+	11,202	MOODYS CORP.	269,010	385,797	1.20
NA	B+	358,863	MORGAN STANLEY	16,107,800	12,944,188	3.00
NA	NR	600	MORNINGSTAR INC.	44,155	43,218	0.00
NA	NR	4,700	MSCI INC.	143,394	170,563	0.00
NA	NR	2,700	NASDAQ OMX GROUP INC.	86,584	71,685	0.00

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Financials (continued)			
NA	A-	377,573	NATIONAL CITY CORP.	12,794,990	1,801,023	0.80
NA	NR	75,200	NATIONAL FINL. PARTNERS CORP.	2,046,211	1,490,464	4.20
NA	NR	4,600	NATIONAL HEALTH INVS. INC.	135,262	131,146	7.70
NA	NR	13,000	NATIONAL INTST CORP.	330,969	238,940	1.30
NA	NA	137,500	NATIONAL RETAIL PPTYS. INC.	2,871,673	2,873,750	7.20
NA	B+	160,700	NATIONWIDE FINL. SVCS. INC.	6,898,033	7,715,207	2.40
NA	NR	300	NATIONWIDE HEALTH PPTYS. INC.	9,450	9,447	5.60
NA	B	24,850	NAVIGATORS GROUP INC.	1,067,433	1,343,143	0.00
NA	B+	39,600	NBT BANCORP INC.	943,047	816,156	3.90
NA	A-	16,823	NORTHERN TRUST CORP.	775,828	1,153,553	1.60
NA	NA	100,600	NORTHSTAR REALTY FIN. CORP.	925,747	836,992	17.30
NA	NR	3,500	NYMEX HOLDINGS INC.	455,486	295,680	0.50
NA	NR	19,000	NYSE EURONEXT	1,495,665	962,540	2.40
NA	A-	2,400	OCEANFIRST FINL. CORP.	44,450	43,320	4.40
NA	B+	165,000	OLD REP. INTERNATIONAL CORP.	2,755,861	1,953,600	5.70
NA	B	48,200	ORIENTAL FINL. GROUP INC.	831,870	687,332	3.90
NA	NR	52,900	PACWEST BANCORP DEL.	1,374,761	787,152	8.60
NA	A	3,600	PARK NATIONAL CORP.	242,870	194,040	7.00
NA	B-	41,700	PARKWAY PPTYS. INC.	1,460,045	1,406,541	7.70
NA	NA	9,500	PENNSYLVANIA REAL ESTATE INV.	301,419	219,830	9.90
NA	NR	12,200	PENSON WORLDWIDE INC.	130,935	145,790	0.00
NA	A-	10,800	PEOPLES BANCORP INC.	261,506	204,984	4.90
NA	B+	52,699	PEOPLES UNITED FINL. INC.	878,386	822,104	3.90
NA	B	250,005	PHILADELPHIA CONS HOLDING CORP.	9,547,513	8,492,670	0.00
NA	NR	100,400	PLATINUM UNDERWRITERS HOLDINGS	3,509,147	3,274,044	1.00
NA	NR	10,716	PLUM CREEK TIMBER CO. INC.	283,477	457,680	3.90
NA	B+	17,423	PNC FINL. SVCS. GROUP INC.	829,188	994,853	4.60
NA	A	33,274	PRICE T ROWE GROUP INC.	904,034	1,878,983	1.70
NA	NR	12,981	PRINCIPAL FINANCIAL GROUP	371,406	544,813	2.10
NA	A-	25,950	PRIVATEBANK CORP INC.	833,496	788,361	1.00
NA	B+	35,700	PROGRESSIVE CORP. OHIO	501,248	668,304	0.80
NA	NA	12,499	PROLOGIS	435,942	679,321	3.80
NA	A	44,000	PROSPERITY BANCSHARES INC.	1,154,086	1,176,120	1.90
NA	A-	32,100	PROVIDENT BANKSHARES CORP.	553,151	204,798	6.90
NA	NR	68,900	PROVIDENT FINANCIAL SERVICES	1,016,551	965,289	3.10
NA	NR	69,110	PRUDENTIAL FINL. INC.	3,010,066	4,128,631	1.90
NA	B+	7,100	PS BUSINESS PARKS INC. CA	372,631	366,360	3.40
NA	B+	6,000	PUBLIC STORAGE	441,401	484,740	2.70
NA	NR	162,410	RADIANT GROUP INC.	8,372,610	235,495	5.50
NA	NA	6,600	RAMCO GERSHENSON PPTYS. TRUST	148,622	135,564	9.00
NA	B+	240,758	REGIONS FINL. CORP. NEW	5,498,700	2,626,670	13.90
NA	B+	22,267	RENAISSANCERE HOLDINGS LTD.	1,327,247	994,667	2.00
NA	A	46,320	RENASANT CORP.	1,048,126	682,294	4.60
NA	A-	18,100	REPUBLIC BANCORP INC. KY	426,299	445,260	2.00
NA	NR	12,600	RESOURCE CAPITAL CORP.	95,723	90,846	22.80
NA	A	31,000	S&T BANCORP INC.	1,065,429	900,860	4.30
NA	B+	5,134	SAFECO CORP.	182,145	344,799	2.40
NA	A-	24,000	SANDY SPRING BANCORP INC.	709,405	397,920	5.80
NA	B-	6,500	SANTANDER BANCORP	71,937	68,965	3.80
NA	A	5,900	SCBT FINL. CORP.	203,895	168,504	2.40
NA	B+	151,182	SCHWAB CHARLES CORP.	2,717,615	3,105,278	1.00
NA	NR	58,000	SEABRIGHT INS. HOLDINGS INC.	956,162	839,840	0.00
NA	A+	52,198	SEI INVESTMENTS CO.	1,113,708	1,227,697	0.70
NA	A-	39,918	SELECTIVE INS. GROUP INC.	985,291	748,862	2.80
NA	NA	56,800	SENIOR HOUSING PPTYS. TRUST	1,272,176	1,109,304	7.20
NA	A	16,800	SIMMONS 1ST NATIONAL CORP.	517,933	469,896	2.70
NA	NR	19,540	SIMON PPTY. GROUP INC. NEW	1,230,621	1,756,451	4.00
NA	A-	11,741	SL GREEN REALTY CORP.	993,560	971,216	3.80
NA	B	40,818	SLM CORP.	1,501,174	789,828	0.00
NA	B+	25,100	SOUTH FINL. GROUP INC.	349,794	98,392	1.00
NA	A-	15,434	SOUTHSIDE BANCSHARES INC.	337,685	284,603	2.80
NA	A	5,500	SOUTHWEST BANCORP INC. OKLA	133,095	63,250	3.30
NA	B	172,746	SOVEREIGN BANCORP INC.	1,629,326	1,271,411	0.00
NA	B	27,464	ST JOE CO.	916,999	942,564	0.00
NA	A	31,200	STANCORP FINL. GROUP INC.	1,291,529	1,465,152	1.50
NA	A	50,260	STATE STREET CORPORATION	3,085,976	3,216,137	1.50
NA	A	288,253	STERLING BANCSHARES INC.	3,168,843	2,620,220	2.40
NA	B	24,949	STEWART INFORMATION SVCS. CORP.	885,117	482,514	3.90
NA	B	1,100	STIFEL FINL. CORP.	38,776	37,829	0.00
NA	NR	36,700	STRATEGIC HOTELS & RESORTS INC.	768,593	343,879	10.30
NA	B	4,515	SUN BANCORP INC. N J	70,817	45,827	0.00
NA	NR	168,150	SUNSTONE HOTEL INVS. INC. NEW	3,558,984	2,791,290	8.40
NA	A	43,031	SUNTRUST BANKS INC.	3,012,950	1,558,583	8.50
NA	NR	2,000	TAUBMAN CENTERS INC.	97,206	97,300	3.40
NA	B-	81,378	TD AMERITRADE HOLDING CORP.	1,405,649	1,472,128	0.00

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Financials (continued)			
NA	A	2,700	TOMPKINS FINANCIAL CORP.	108,955	100,440	3.40
NA	A	4,613	TORCHMARK INC.	164,244	270,552	1.00
NA	B	300	TRANSATLANTIC HOLDINGS INC.	21,275	16,941	1.40
NA	NR	269,216	TRAVELERS COS. INC.	11,312,745	11,683,974	2.80
NA	NR	23,800	U STORE IT TRUST	286,700	284,410	6.00
NA	A	60,800	UNIONBANCAL CORP.	2,391,358	2,457,536	5.20
NA	NR	5,200	UNITED AMER. INDY. LTD.	90,095	69,524	0.00
NA	B+	78,516	UNITED BANKSHARES INC. W VA	2,315,888	1,801,942	5.10
NA	B	156,093	UNUM GROUP	3,550,258	3,192,102	1.50
NA	A-	311,357	US BANCORP DEL.	8,858,349	8,683,747	6.10
NA	NR	13,600	VALIDUS HOLDINGS LTD.	355,081	289,000	3.80
NA	NA	42,752	VAN KAMPEN AMERICAN CAPITAL HIGHINCOM	160,121	141,082	N/A
NA	NR	800	VENTAS INC.	28,062	34,056	4.80
NA	NR	19,650	VIRGINIA COMM. BANCORP INC.	211,886	101,984	0.00
NA	NR	69,647	VISA INC.	4,337,609	5,662,998	0.50
NA	NA	6,587	VORNADO REALTY TRUST	583,868	579,656	4.10
NA	B+	733,259	WACHOVIA CORP. 2ND NEW	29,400,037	11,387,512	9.70
NA	B	27,600	WADDELL & REED FINL. INC.	836,843	966,276	2.20
NA	A-	72,933	WASHINGTON FEDERAL INC.	1,506,386	1,320,087	4.60
NA	A-	221,794	WASHINGTON MUTUAL INC.	7,171,970	1,093,444	0.80
NA	A	670,814	WELLS FARGO & CO. NEW	17,957,701	15,931,833	5.20
NA	A-	7,300	WESBANCO INC.	172,143	125,195	6.50
NA	A-	24,600	WEST COAST BANCORP ORE NEW	689,809	213,282	6.20
NA	A	31,019	WESTAMERICA BANCORPORATION	1,450,918	1,631,289	2.70
NA	NR	64,712	WESTERN UNION CO.	1,225,073	1,599,681	0.20
NA	B+	34,500	WILSHIRE BANCORP INC.	423,214	295,665	2.30
NA	NA	42,900	WINTHROP REALTY TRUST	275,748	154,440	7.20
NA	B+	38,700	WORLD ACCEPTANCE CORP.	1,377,027	1,303,029	0.00
NA	B	10,800	WSFS FINL. CORP.	685,501	481,680	1.10
NA	B-	9,093	XL CAPITAL LTD.	683,392	186,952	7.40
NA	B+	84,503	ZENITH NATIONAL INS. CORP.	4,009,766	2,971,125	5.70
NA	A	145,157	ZIONS BANCORP	6,523,472	4,570,993	5.50
			Total Financials	768,371,104	559,349,879	
			Health Care			
NA	A-	242,743	ABBOTT LABS	11,471,954	12,858,097	2.70
NA	C	99,732	ABIOMED INC.	1,134,831	1,770,243	0.00
NA	NR	250	ABRAXIS BIOSCIENCE INC. NEW	9,671	15,865	0.00
NA	NR	3,300	ADVANCED MED. OPTICS INC.	143,992	61,842	0.00
NA	NR	136,532	AETNA INC.	3,190,084	5,533,642	0.10
NA	B-	33,200	ALBANY MOLECULAR RESH. INC.	488,751	440,564	0.00
NA	B	26,286	ALLERGAN INC.	1,047,585	1,368,186	0.40
NA	NR	146,380	AMERICAN MED. SYS. HOLDINGS	2,261,612	2,188,381	0.00
NA	NR	58,550	AMERIGROUP CORP.	1,635,622	1,217,840	0.00
NA	A-	34,279	AMERISOURCEBERGEN CORP.	1,422,781	1,370,817	0.80
NA	B+	449,886	AMGEN INC.	23,882,812	21,216,624	0.00
NA	C	5,000	AMYLIN PHARMACEUTICALS INC.	229,083	126,950	0.00
NA	NR	168,190	ANGIODYNAMICS INC.	2,422,935	2,290,748	0.00
NA	NR	900	APP PHARMACEUTICALS INC.	12,223	15,048	0.00
NA	B+	47,226	APPLIED BIOSYSTEMS INC.	1,425,341	1,581,126	N/A
NA	B-	19,940	ARTHROCARE CORP.	1,019,755	813,751	0.00
NA	A-	115,612	BARD C R INC.	8,969,719	10,168,075	0.70
NA	B-	6,500	BARR PHARMACEUTICALS INC.	397,563	293,020	0.00
NA	B+	108,528	BAXTER INTERNATIONAL INC.	3,989,035	6,939,280	1.40
NA	A-	2,400	BECKMAN COULTER INC.	136,959	162,072	1.00
NA	A	61,582	BECTON DICKINSON & CO.	3,865,428	5,006,617	1.40
NA	B+	3,900	BIO RAD LABORATORIES INC.	336,459	315,471	0.00
NA	B	25,450	BIOGEN IDEC INC.	1,111,231	1,422,401	0.00
NA	NR	3,600	BIOMARIN PHARMACEUTICAL INC.	108,148	104,328	0.00
NA	C	76,076	BOSTON SCIENTIFIC CORP.	1,437,034	934,974	0.00
NA	B+	413,581	BRISTOL MYERS SQUIBB CO.	10,046,479	8,490,818	6.00
NA	A+	28,494	CARDINAL HEALTH INC.	1,920,885	1,469,721	1.10
NA	B-	162,291	CELGENE CORP.	8,962,596	10,365,526	0.00
NA	NR	52,800	CENTENE CORP. DEL.	1,172,208	886,512	0.00
NA	C	2,500	CEPHALON INC.	161,947	166,725	0.00
NA	NR	69,905	CEPHEID	774,105	1,965,729	0.00
NA	NR	1,200	CHARLES RIVER LABORATORIES INTERNATIONAL	63,132	76,704	0.00
NA	B	225,030	CIGNA CORP.	8,323,906	7,963,812	0.10
NA	NR	800	COMMUNITY HEALTH SYS. INC. NEW	27,339	26,384	0.00
NA	B	58,900	CONMED CORP.	1,682,804	1,563,795	0.00
NA	B+	51,360	CORVEL CORP.	1,421,851	1,739,563	0.00
NA	B+	2,300	COVANCE INC.	140,152	197,846	0.00
NA	B+	8,700	COVENTRY HEALTH CARE INC.	484,022	264,654	0.00
NA	NR	88,669	COVIDIEN LTD.	3,479,660	4,246,358	1.30
NA	C	40,000	CUBIST PHARMACEUTICALS INC.	887,505	714,400	0.00

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Health Care (continued)			
NA	B	58,420	DATASCOPE CORP.	2,148,199	2,745,740	0.90
NA	B	3,200	DAVITA INC.	170,194	170,016	0.00
NA	A-	22,690	DENTSPLY INTERNATIONAL INC. NEW	828,834	834,992	0.50
NA	NR	2,600	EDWARDS LIFESCIENCES CORP.	115,107	161,304	0.00
NA	NR	9,400	EMERGENCY MED. SVCS. CORP.	218,366	212,722	0.00
NA	NR	37,000	EMERGENT BIOSOLUTIONS INC.	390,062	367,410	0.00
NA	NR	29,800	ENDO PHARMACEUTICALS HOLDINGS	780,677	720,862	0.00
NA	NR	77,383	EXELIXIS INC.	697,892	386,915	0.00
NA	B+	147,780	EXPRESS SCRIPTS INC.	7,850,120	9,268,762	0.00
NA	B+	138,734	FOREST LABS INC.	5,489,264	4,819,619	0.00
NA	NR	2,700	GENERAL PROBE INC. NEW	146,588	128,196	0.00
NA	B	72,231	GENENTECH INC.	5,424,533	5,482,333	0.00
NA	B-	24,480	GENZYME CORP.	1,143,653	1,763,050	0.00
NA	B-	258,305	GILEAD SCIENCES INC.	9,103,144	13,677,250	0.00
NA	B+	16,700	HAEMONETICS CORP. MASS	961,419	926,182	0.00
NA	B-	158,740	HANGER ORTHOPEDIC GROUP	1,942,118	2,617,623	0.00
NA	NR	46,982	HANSEN MED. INC.	1,037,454	785,539	0.00
NA	B+	5,900	HEALTH MGMT. ASSOC	39,064	38,409	0.00
NA	B	200	HEALTH NET INC.	8,478	4,812	0.00
NA	NR	141,340	HEALTHSPRING INC.	2,552,553	2,385,819	0.00
NA	B	198,110	HEALTHWAYS INC.	8,513,447	5,864,056	0.00
NA	B	1,500	HILL ROM HOLDINGS	38,118	40,470	1.50
NA	NR	2,300	HILLENBRAND INC.	53,694	49,220	3.40
NA	B-	1,900	HEALTH CORP.	22,463	21,508	0.00
NA	B-	544,694	HOLOGIC INC.	14,924,532	11,874,329	0.00
NA	NR	22,040	HOSPIRA INC.	801,097	884,024	0.00
NA	B+	53,667	HUMANA INC.	2,180,697	2,134,337	0.00
NA	B+	79,050	ICU MEDICAL INC.	2,009,392	1,808,664	0.00
NA	B+	276,391	IDEXX LABS INC.	12,605,533	13,471,297	0.00
NA	NR	83,444	ILLUMINA INC.	6,110,040	7,268,807	0.00
NA	B-	1,300	IMCLONE SYS. INC.	49,335	52,598	0.00
NA	B+	82,184	IMS HEALTH INC.	1,993,206	1,914,887	0.50
NA	NR	3,900	INTERMUNE INC.	63,860	51,168	0.00
NA	NR	22,199	INTUITIVE SURGICAL INC.	5,832,509	5,980,411	0.00
NA	NR	2,500	INVERNESS MED. INNOVATIONS INC.	84,428	82,925	0.00
NA	B-	1,000	INVITROGEN CORP.	33,215	39,260	0.00
NA	C	46,966	ISIS PHARMACEUTICALS	776,775	640,147	0.00
NA	A+	519,184	JOHNSON & JOHNSON	31,674,212	33,404,299	2.90
NA	NR	70,900	KINDRED HEALTHCARE INC.	1,668,383	2,039,084	0.00
NA	NR	2,900	KINETIC CONCEPTS INC.	109,165	115,739	0.00
NA	B-	375,792	KING PHARMACEUTICALS INC.	5,851,927	3,934,542	0.00
NA	B+	11,500	LABORATORY CORP. AMER. HOLDINGS	626,601	800,745	0.00
NA	B-	29,790	LCA VISION INC.	695,617	142,098	5.00
NA	B	79,269	LIFEPOINT HOSPITALS INC.	2,923,363	2,243,333	0.00
NA	B+	326,088	LILLY ELI & CO.	18,239,498	15,052,222	4.10
NA	B+	2,400	LINCARE HOLDINGS INC.	92,304	68,160	0.00
NA	B-	197,450	MATRIX INITIATIVES INC.	3,351,248	3,289,517	0.00
NA	B-	32,550	MAXIMUS INC.	1,216,085	1,133,391	1.20
NA	B+	22,471	MCKESSON CORP.	853,953	1,256,354	0.90
NA	NR	126,093	MEDCO HEALTH SOLUTIONS INC.	4,850,322	5,951,590	0.00
NA	B-	15,600	MEDICAL ACTION IND. INC.	305,004	161,772	0.00
NA	A-	262,997	MEDTRONIC INC.	12,969,878	13,610,095	1.50
NA	B+	372,780	MERCK & CO. INC.	16,588,648	14,050,078	4.00
NA	B	18,300	MERIT MED. SYS. INC.	291,446	269,010	0.00
NA	B	4,599	MILLIPORE CORP.	232,488	312,088	0.00
NA	NR	6,100	MOMENTA PHARMACEUTICALS INC.	47,025	75,030	0.00
NA	A-	16,900	MYLAN INC.	355,949	203,983	0.00
NA	C	52,040	MYRIAD GENETICS INC.	2,488,195	2,368,861	0.00
NA	NR	9,200	NATUS MED. INC. DEL.	164,388	192,648	0.00
NA	C	17,100	NEUROCRINE BIOSCIENCES INC.	170,836	71,649	0.00
NA	B+	300	OMNICARE INC.	15,963	7,866	0.30
NA	C	11,519	ONYX PHARMACEUTICALS INC.	412,853	410,076	0.00
NA	A	88,328	OWENS & MINOR INC. NEW	3,386,265	4,035,706	1.80
NA	B-	4,200	PAREXEL INTERNATIONAL CORP.	121,104	110,502	0.00
NA	B+	11,400	PATTERSON COS. INC.	421,529	335,046	0.00
NA	B	1,500	PEDIATRIX MED. GROUP	69,100	73,845	0.00
NA	B-	2,900	PERRIGO CO.	94,398	92,133	0.60
NA	B+	1,881,989	PFIZER INC.	52,439,420	32,878,348	7.30
NA	B+	277,605	PHARMACEUTICAL PROD. DEV. INC.	9,461,272	11,909,255	0.90
NA	NR	4,800	POLYPOR INTERNATIONAL INC.	103,661	121,584	0.00
NA	NR	56,600	PSS WORLD MED. INC.	940,882	922,580	0.00
NA	NR	3,200	PSYCHIATRIC SOLUTIONS INC.	101,689	121,088	0.00
NA	B	60,238	QUEST DIAGNOSTICS INC.	2,981,155	2,919,736	0.80
NA	B	66,700	RES CARE INC.	1,188,798	1,185,926	0.00
NA	B+	3,800	RESMED INC.	174,105	135,812	0.00

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
				\$	\$	%
COMMON STOCK AND EQUITY FUNDS (continued)						
Health Care (continued)						
NA	B+	3,100	SCHEIN HENRY INC.	147,641	159,867	0.00
NA	B+	143,150	SCHERING PLOUGH CORP.	3,081,711	2,818,624	1.30
NA	NR	93,400	SCIELE PHARMA INC.	1,953,744	1,807,290	0.00
NA	B-	3,900	SEPRACOR INC.	177,645	77,688	0.00
NA	B-	29,145	SONOSITE INC.	901,237	816,351	0.00
NA	B+	162,482	ST JUDE MED. INC.	6,309,822	6,642,264	0.00
NA	B-	66,835	STERIS CORP.	1,591,753	1,922,175	0.80
NA	NR	3,100	SUCAMPO PHARMACEUTICALS INC.	31,384	33,263	0.00
NA	B-	95,819	SURMODICS INC.	3,868,861	4,296,524	0.00
NA	B+	18,715	TECHNE CORP.	923,715	1,448,354	0.00
NA	C	40,084	TENET HEALTHCARE CORP.	729,936	222,867	0.00
NA	NR	248,810	THIRD WAVE TECHNOLOGIES INC.	1,427,627	2,776,720	0.00
NA	NR	27,000	TRIPLE S MGMT. CORP.	491,103	441,450	0.00
NA	A+	282,179	UNITEDHEALTH GROUP INC.	12,206,895	7,407,199	0.10
NA	B+	11,500	VARIAN MED. SYS. INC.	574,836	596,275	0.00
NA	NR	3,100	VCA ANTECH INC.	98,604	86,118	0.00
NA	C	5,200	VERTEX PHARMACEUTICALS INC.	195,113	174,044	0.00
NA	B-	39,500	VIROPHARMA INC.	509,913	436,870	0.00
NA	NR	2,720	VNUS MED. TECHNOLOGIES INC.	53,861	54,427	0.00
NA	NR	3,300	WARNER CHILCOTT LIMITED	57,595	55,935	0.00
NA	B-	6,833	WATSON PHARMACEUTICALS INC.	196,758	185,653	0.00
NA	NR	300	WEBMD HEALTH CORP.	13,690	8,370	0.00
NA	NR	1,500	WELLCARE HEALTH PLANS INC.	84,869	54,225	0.00
NA	NR	30,118	WELLPOINT INC.	1,418,069	1,435,424	0.00
NA	NR	120,567	WRIGHT MED. GROUP INC.	2,593,951	3,425,304	0.00
NA	B	361,234	WYETH	15,726,196	17,324,783	2.30
NA	NR	18,435	ZIMMER HOLDINGS INC.	976,849	1,254,502	0.00
NA	B	24,161	ZOLL MED. CORP.	649,835	813,501	0.00
Total Health Care				443,311,201	430,812,010	
Industrials						
NA	A+	209,197	3M CO.	15,938,463	14,558,019	2.90
NA	B+	3,100	AAON INC.	62,710	59,706	1.70
NA	B	32,200	ACTUANT CORP.	978,545	1,009,470	0.10
NA	NR	52,700	ACUITY BRANDS INC.	2,290,961	2,533,816	1.10
NA	NR	3,300	AECOM TECHNOLOGY CORP.	109,332	107,349	0.00
NA	B-	2,500	AGCO CORP.	88,469	131,025	0.00
NA	NR	38,900	AIRVANA INC.	259,421	208,504	0.00
NA	A-	52,433	ALEXANDER & BALDWIN INC.	2,247,860	2,388,323	2.80
NA	NR	172,720	ALLIANCE DATA SYSTEMS CORP.	8,458,522	9,767,316	0.00
NA	B+	527	ALLIANT TECHSYSTEMS INC.	48,188	53,585	0.00
NA	B-	14,138	ALLIED WASTE INDUSTRIES INC.	149,982	178,422	0.00
NA	NR	152,994	ALTRA HOLDINGS INC.	2,419,980	2,571,829	0.00
NA	NR	133,170	AMERICAN COML. LINES INC.	2,912,524	1,455,548	0.00
NA	NR	5,700	AMERICAN RAILCAR INDS. INC.	98,715	95,646	0.70
NA	C	71,502	AMERICAN SUPERCONDUCTOR CORP.	1,121,743	2,563,347	0.00
NA	A	3,900	AMETEK INC. NEW	133,920	184,158	0.50
NA	B-	4,600	AMR CORP. DEL.	131,517	23,552	0.00
NA	B+	190,016	APOGEE ENTERPRISES INC.	3,581,196	3,070,659	1.90
NA	B+	12,748	APOLLO GROUP INC.	659,296	564,226	0.00
NA	A-	47,850	APPLIED INDL. TECHNOLOGIES INC.	1,292,610	1,156,535	2.50
NA	B-	89,006	APPLIED SIGNAL TECHNOLOGY INC.	1,985,774	1,215,822	3.70
NA	NR	56,401	ARGON ST INC.	1,090,741	1,398,745	0.00
NA	B	23,200	ARKANSAS BEST CORP.	838,541	850,048	1.60
NA	B-	41,697	ASTEC INDS. INC.	1,355,879	1,340,142	0.00
NA	A-	5,256	AVERY DENNISON CORP.	318,387	230,896	3.70
NA	B+	32,400	BARNES GROUP INC.	735,090	748,116	2.80
NA	B-	96,264	BE AEROSPACE INC.	3,144,774	2,241,989	0.00
NA	B	43,000	BELDEN INC.	1,545,238	1,456,840	0.60
NA	B+	27,540	BLOCK H & R INC.	617,213	589,356	2.70
NA	B+	250,898	BOEING CO.	17,488,503	16,489,017	2.40
NA	B-	18,800	BOWNE & CO. INC.	269,065	239,700	1.70
NA	B+	36,150	BRADY CORP.	1,266,504	1,248,260	1.70
NA	B	28,998	BRINKS CO.	1,447,406	1,897,049	0.60
NA	NR	44,380	BUCYRUS INTERNATIONAL INC. NEW	1,362,939	3,240,628	0.10
NA	A-	120,987	BURLINGTON NORTHERN SANTA FE	8,845,285	12,085,391	1.30
NA	A+	101,080	C H ROBINSON WORLDWIDE INC.	5,097,065	5,543,227	1.60
NA	A+	32,100	CARLISLE COS. INC.	1,403,622	930,900	2.00
NA	A	230,126	CATERPILLAR INC.	14,911,618	16,987,901	2.30
NA	B	22,800	CERADYNE INC. CALIF	855,846	782,040	0.00
NA	NR	10,200	CHART INDS. INC.	243,687	496,128	0.00
NA	B	2,300	CHOICEPOINT INC.	104,190	110,860	0.00
NA	A+	6,513	CINTAS CORP.	307,391	172,660	1.70
NA	NR	33,300	COLUMBUS MCKINNON CORP. NY	998,507	801,864	0.00
NA	B-	79,800	COMFORT SYS. USA INC.	973,350	1,072,512	1.30

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Industrials (continued)			
NA	B	300	CON WAY INC.	18,003	14,178	0.90
NA	B-	17,600	CONSOLIDATED GRAPHICS INC.	1,018,958	867,152	0.00
NA	B-	252	CONTINENTAL AIRLINES INC.	0	2,548	0.00
NA	B	6,614	CONVERGYS CORP.	97,152	98,284	0.00
NA	B+	13,838	COOPER INDUSTRIES LTD.	378,523	546,601	2.30
NA	B+	1,300	CORPORATE EXECUTIVE BOARD CO.	137,280	54,665	4.20
NA	B-	4,400	COVANTA HOLDING CORP.	82,692	117,436	0.00
NA	B-	33,800	CRANE CO.	1,289,760	1,302,314	1.90
NA	B	93,800	CSG SYS. INTERNATIONAL INC.	1,846,601	1,033,676	0.00
NA	B+	164,496	CSX CORP.	7,113,758	10,331,994	1.40
NA	B+	20,300	CUBIC CORP.	515,539	452,284	0.80
NA	B	29,500	CUMMINS INC.	1,643,553	1,932,840	0.80
NA	A+	80,395	DANAHER CORP.	5,348,492	6,214,534	0.20
NA	A-	105,717	DEERE & CO.	6,848,329	7,625,367	1.60
NA	NR	5,400	DELTA AIR LINES INC. DE	106,634	30,780	0.00
NA	B	88,570	DEVRY INC. DEL.	3,588,015	4,749,123	0.20
NA	B+	13,700	DIONEX CORP.	1,069,399	909,269	0.00
NA	B-	29,300	DOLLAR THRIFTY AUTOMOTIVE GROUP	292,168	276,885	0.00
NA	A+	2,900	DONALDSON CO. INC.	97,052	129,456	1.00
NA	B-	10,679	DONNELLEY R R & SONS CO.	271,816	317,060	3.50
NA	A-	28,687	DOVER CORP.	1,100,107	1,387,590	1.70
NA	B+	1,300	DST SYS. INC. DEL.	83,160	71,565	0.00
NA	NR	8,124	DUN & BRADSTREET CORP. DEL. NEW	540,062	711,987	1.40
NA	B+	24,704	EATON CORP.	1,751,113	2,099,099	2.40
NA	B+	94,950	EMCOR GROUP INC.	2,494,320	2,708,924	0.00
NA	A	163,210	EMERSON ELECTRIC CO.	7,014,117	8,070,735	2.40
NA	B	28,000	ENCORE WIRE CORP.	603,171	593,320	0.40
NA	NR	2,100	ENERGIZER HOLDINGS INC.	123,040	153,489	0.00
NA	B	204,120	ENGLOBAL CORP.	1,882,451	2,906,669	0.00
NA	NR	43,500	ENPRO INDS. INC.	1,270,683	1,624,290	0.00
NA	B+	65,904	EQUIFAX INC.	2,338,352	2,215,692	0.50
NA	B	76,806	ESTERLINE TECHNOLOGIES CORP.	3,360,887	3,783,464	0.00
NA	A+	135,870	EXPEDITORS INTERNATIONAL WA INC.	6,247,151	5,842,410	0.70
NA	A	66,700	FACTSET RESH. SYS. INC.	3,918,350	3,759,212	1.30
NA	A	351,590	FASTENAL CO.	12,391,274	15,174,624	1.20
NA	B+	49,205	FEDEX CORP.	4,255,290	3,876,862	0.60
NA	NR	16,000	FIRST ADVANTAGE CORP.	373,842	253,600	0.00
NA	B+	41,220	FISERV INC.	1,896,333	1,870,151	0.00
NA	B-	240,600	FLANDERS CORP.	1,971,092	1,455,630	0.00
NA	B	983	FLOWSERVE CORP.	65,099	134,376	0.70
NA	B+	32,538	FLUOR CORP. NEW	4,114,212	6,054,671	0.50
NA	B+	23,300	FORWARD AIR CORP.	806,150	806,180	0.80
NA	C	5,300	FOSTER WHEELER LTD.	288,815	387,695	0.00
NA	B+	1,850	FTI CONSULTING INC.	131,333	126,651	0.00
NA	B+	200	GATX CORPORATION	8,500	8,866	2.40
NA	NR	36,350	GENCO SHIPPING & TRADING LTD.	1,702,627	2,370,020	4.90
NA	A+	108,996	GENERAL DYNAMICS CORP.	7,693,434	9,177,463	1.70
NA	A+	1,383,808	GENERAL ELECTRIC CO.	41,572,620	36,933,836	4.70
NA	B-	2,000	GENERAL CABLE CORP.	152,933	121,700	0.00
NA	NA	2,100	GENPACT LTD.	32,973	31,332	0.00
NA	A	8,229	GENUINE PARTS CO.	243,782	326,527	3.90
NA	NR	20,500	GLOBAL CASH ACCESS HOLDINGS INC.	142,856	140,630	0.00
NA	NR	2,900	GLOBAL PMTS. INC.	131,442	135,140	0.20
NA	B	24,023	GOODRICH CORP.	1,031,141	1,140,132	1.90
NA	A	70,057	GRACO INC.	2,751,387	2,667,070	1.90
NA	A	17,155	GRAINGER W W INC.	1,235,811	1,403,279	2.00
NA	A-	116,200	GRANITE CONSTR. INC.	4,054,141	3,663,786	1.70
NA	B	9,600	GREENBRIER COS. INC.	198,187	194,880	1.60
NA	A	3,200	HARSCO CORP.	141,331	174,112	1.40
NA	C	17,300	HAWAIIAN HOLDINGS INC.	115,235	120,235	0.00
NA	NR	32,414	HEWITT ASSOC. INC.	889,290	1,242,429	0.00
NA	B	257,429	HONEYWELL INTERNATIONAL INC.	11,809,288	12,943,530	2.20
NA	NR	4,000	HORNBECK OFFSHORE SVCS. INC. NEW	161,851	226,040	0.00
NA	B	6,700	HUB GROUP INC.	224,443	228,671	0.00
NA	B+	5,800	HUBBELL INC.	266,288	231,246	3.50
NA	B+	148,690	HUNT J B TRANS. SVCS. INC.	4,794,975	4,948,403	1.20
NA	B-	94,613	ICONIX BRAND GROUP INC.	1,842,502	1,142,925	0.00
NA	A-	72,002	IDEX CORP.	2,304,883	2,652,554	1.30
NA	A+	274,068	ILLINOIS TOOL WORKS INC.	13,574,928	13,020,971	2.40
NA	B-	2,500	INTERNATIONAL SHIPHOLDING CORP.	58,328	58,600	0.00
NA	B	286,010	IRON MTN. INC. PA	6,705,146	7,593,566	0.00
NA	B+	15,902	ITT CORP. NEW	685,467	1,007,074	1.10
NA	B+	1,450	ITT EDL. SVCS. INC.	96,700	119,814	0.00
NA	B+	12,600	JACOBS ENGR. GROUP INC.	818,581	1,016,820	0.00
NA	NR	4,000	JOY GLOBAL INC.	268,699	303,320	0.80

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Industrials (continued)			
NA	B-	2,300	KANSAS CITY SOUTHERN	76,371	101,177	0.00
NA	A-	37,035	KAYDON CORP.	1,440,435	1,903,969	1.20
NA	NR	5,100	KBR INC.	179,576	178,041	0.60
NA	NR	15,700	KENEXA CORP.	303,005	295,788	0.00
NA	B+	26,150	KENNAMETAL INC.	865,467	851,183	1.50
NA	B-	72,300	KFORCE INC.	909,275	613,827	0.00
NA	B+	2,000	KIRBY CORP.	80,822	96,000	0.00
NA	B-	72,000	KORN / FERRY INTERNATIONAL	1,241,842	1,132,560	0.00
NA	A-	9,600	L 3 COMMUNICATIONS HOLDING CORP.	776,480	872,352	1.30
NA	B+	2,000	LANDSTAR SYS. INC.	91,576	110,440	0.30
NA	NR	43,750	LECG CORP.	692,949	382,375	0.00
NA	B	1,700	LENNOX INTERNATIONAL INC.	50,571	49,232	1.90
NA	A-	47,643	LINCOLN ELECTRIC HOLDINGS INC.	2,669,861	3,749,504	1.30
NA	B+	181,178	LOCKHEED MARTIN CORP.	11,505,078	17,875,021	1.70
NA	B-	8,800	LYDALL INC.	111,593	110,440	0.00
NA	B	30,100	MANITOWOC INC.	973,671	979,153	0.30
NA	A-	12,898	MANPOWER INC. WIS	804,842	751,180	1.30
NA	B+	7,300	MARTEN TRANS. LTD.	128,173	116,581	0.00
NA	B+	176,271	MASCO CORP.	5,393,475	2,772,743	5.90
NA	B-	74,600	MASTEC INC.	633,483	795,236	0.00
NA	NR	18,507	MASTERCARD INC.	3,474,382	4,913,979	0.20
NA	B-	11,200	MCDERMOTT INTERNATIONAL INC.	426,347	693,168	0.00
NA	B+	26,600	MOBILE MINI INC.	633,022	532,000	0.00
NA	B-	10,753	MONSTER WORLDWIDE INC.	348,106	221,619	0.00
NA	B+	76,500	MOOG INC.	2,935,589	2,848,860	0.00
NA	B+	1,600	MSC INDL. DIRECT INC.	86,795	70,576	1.80
NA	B	25,900	NCI BLDG. SYS. INC.	933,979	951,307	0.00
NA	B+	42,710	NORDSON CORP.	2,128,998	3,113,132	1.00
NA	B+	23,098	NORFOLK SOUTHN CORP.	619,161	1,447,552	1.90
NA	A-	160,982	NORTHROP GRUMMAN CORP.	9,836,048	10,769,696	2.40
NA	B-	48,756	ORBITAL SCIENCES CORP.	729,900	1,148,691	0.00
NA	A+	2,000	OSHKOSH CORP.	109,539	41,380	1.90
NA	B+	31,638	PACCAR INC.	850,497	1,323,418	1.70
NA	NR	47,800	PACER INTERNATIONAL INC. TN	885,543	1,028,178	2.80
NA	B+	10,541	PALL CORP.	291,059	418,267	1.30
NA	B-	12,600	PARK OHIO HOLDINGS CORP.	193,532	185,976	0.00
NA	A-	52,352	PARKER HANNIFIN CORP.	3,180,471	3,733,745	1.20
NA	NR	9,000	PEOPLESUPPORT INC.	118,671	76,500	0.00
NA	B-	77,200	PERINI CORP.	2,632,501	2,551,460	0.00
NA	NR	280,542	PHYSICIANS FORMULA HOLDINGS INC.	2,835,997	2,623,068	0.00
NA	B+	379,164	PITNEY BOWES INC.	15,555,595	12,929,492	4.10
NA	B	119,453	PRECISION CASTPARTS CORP.	13,116,641	11,511,686	0.10
NA	B-	4,900	QUANTA SERVICES INC.	141,725	163,023	0.00
NA	B-	125,887	QUIXOTE CORP.	2,363,613	1,036,050	4.90
NA	A-	20,304	RAVEN INDUSTRIES INC.	574,546	665,565	1.60
NA	B	304,300	RAYTHEON CO.	11,970,483	17,126,004	2.00
NA	B+	77,300	REGAL BELOIT CORP.	3,799,843	3,265,925	1.50
NA	NR	89,800	REPUBLIC AIRWAYS HOLDINGS INC.	1,350,278	777,668	0.00
NA	B+	49,715	REPUBLIC SVCS. INC.	1,196,275	1,476,536	2.30
NA	B+	83,698	REYNOLDS AMERICAN INC.	4,668,624	3,906,186	7.30
NA	B	13,222	ROBERT HALF INTERNATIONAL INC.	355,826	316,931	1.80
NA	B+	122,399	ROCKWELL AUTOMATION INC.	8,140,394	5,352,508	2.70
NA	NR	231,232	ROCKWELL COLLINS INC.	13,436,325	11,089,887	2.00
NA	NR	81,300	RSC HOLDINGS INC.	1,290,146	752,838	0.00
NA	B+	60,636	RYDER SYS. INC.	1,794,327	4,176,608	1.30
NA	B-	3,100	SHAW GROUP INC.	148,049	191,549	0.00
NA	A-	58,600	SKYWEST INC.	1,393,774	741,290	1.00
NA	B-	41,360	SOTHEBYS	1,202,710	1,090,663	2.30
NA	B+	37,868	SOUTHWEST AIRLINES CO.	556,357	493,799	0.20
NA	B	1,990	SPX CORP.	259,199	262,143	0.80
NA	B-	251,100	STEELCASE INC.	4,332,642	2,518,533	6.00
NA	B+	215,830	STERICYCLE INC.	10,518,723	11,158,411	0.00
NA	A	46,271	STRAYER ED INC.	5,509,739	9,673,878	0.70
NA	NR	30,960	SUNPOWER CORP.	2,555,001	2,228,501	0.00
NA	NR	2,700	SUPERIOR ESSEX INC.	98,645	120,501	0.00
NA	NR	14,500	TBS INTERNATIONAL LTD.	551,282	579,275	0.00
NA	NA	34,400	TEEKAY TANKERS LTD.	711,530	798,424	12.10
NA	B-	47,942	TELETECH HOLDINGS INC.	1,203,220	956,922	0.00
NA	B-	5,000	TEREX CORP. NEW	352,282	256,850	0.00
		39,300	TEXTAINER GROUP HOLDING LTD.	569,657	767,529	4.30
NA	B+	95,290	TEXTRON INC.	3,837,737	4,567,250	1.90
NA	B-	46,169	THOMAS & BETTS CORP.	2,072,649	1,747,497	0.00
NA	B-	112,600	TIMKEN CO.	2,117,157	3,709,044	2.10
NA	A	15,867	TOTAL SYS. SVCS. INC.	385,925	352,565	1.30
NA	NR	39,900	TRIMAS CORP.	465,094	239,001	0.00

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Industrials (continued)			
NA	B-	40,584	TRIUMPH GROUP INC. NEW	2,115,311	1,911,506	0.30
NA	NR	26,369	TYCO ELECTRONICS LTD.	548,313	944,538	1.60
NA	B+	131,769	TYCO INTERNATIONAL LTD. BERMUDA	4,903,697	5,276,031	1.50
NA	A	215,179	UNION PACIFIC CORP.	9,092,882	16,246,015	1.20
NA	B+	110,389	UNITED PARCEL SVC. INC.	7,414,944	6,785,612	2.90
NA	A+	213,820	UNITED TECHNOLOGIES CORP.	11,720,208	13,192,694	2.10
NA	A	38,147	UNIVERSAL FST. PRODS. INC.	1,787,530	1,142,884	0.40
NA	B	600	URS CORP. NEW	25,433	25,182	0.00
NA	C	1,300	USG CORP.	39,105	38,441	0.00
NA	NR	3,300	UTI WORLDWIDE INC.	91,103	65,835	0.30
NA	B	21,300	VALASSIS COMMUNICATIONS INC.	271,569	266,676	0.00
NA	A-	10,275	VALMONT INDS. INC.	1,041,583	1,071,569	0.50
NA	B-	1,927	WALTER INDS. INC.	207,925	209,600	0.20
NA	B+	100,393	WASTE MGMT. INC. DEL.	3,225,373	3,785,820	2.90
NA	C	24,300	WASTE SVCS. INC. DEL.	195,361	171,072	0.00
NA	A-	22,100	WATSCO INC.	939,919	923,780	4.30
NA	NR	3,800	WATSON WYATT WORLDWIDE INC.	160,939	200,982	0.60
NA	NR	1,100	WEIGHT WATCHERS INTERNATIONAL INC. NEW	50,686	39,171	2.00
NA	B+	77,524	WOODWARD GOVERNOR CO.	1,730,193	2,764,506	0.70
NA	A	145,240	WORLD FUEL SERVICES CORP.	4,649,639	3,186,566	0.70
			Total Industrials	537,670,874	570,949,815	
			Information Technology			
NA	NR	136,600	ACCENTURE LTD. BERMUDA	4,644,875	5,562,352	1.00
NA	B-	484,112	ACTIVISION BLIZZARD INC.	7,918,936	16,493,696	N/A
NA	B+	175,722	ADOBE SYS. INC.	5,966,651	6,921,690	0.00
NA	B	31,800	ADTRAN INC.	578,760	758,112	1.50
NA	C	32,240	ADVANCED MICRO DEVICES INC.	437,530	187,959	0.00
NA	B+	5,750	AFFILIATED COMPUTER SVCS. INC.	305,192	307,568	0.00
NA	B-	178,808	AGILENT TECHNOLOGIES INC.	5,239,874	6,354,836	0.00
NA	NR	95,425	AKAMAI TECHNOLOGIES INC.	3,400,528	3,319,836	0.00
NA	B	89,249	ALTERA CORP.	1,801,776	1,847,454	1.00
NA	B	3,000	AMDOCS LTD.	117,741	88,260	0.00
NA	B-	114,700	AMKOR TECHNOLOGY INC.	1,241,524	1,194,027	0.00
NA	D	5,800	AMPEX CORP. DEL.	0	1,798	0.00
NA	B+	24,900	AMPHENOL CORP. NEW	652,069	1,117,512	0.10
NA	B	26,603	ANALOG DEVICES INC.	825,720	845,177	2.50
NA	B-	20,729	ANALOGIC CORP.	1,039,991	1,307,378	0.60
NA	B	31,100	ANAREN INC.	474,416	328,727	0.00
NA	B	17,901	ANIXTER INTERNATIONAL INC.	1,039,744	1,064,930	0.00
NA	B+	2,900	ANSYS INC.	135,230	136,648	0.00
NA	B	139,645	APPLE INC.	12,343,342	23,382,159	0.00
NA	B	116,906	APPLIED MATERIALS INC.	1,952,055	2,231,736	1.30
NA	B	23,150	ARROW ELECTRICS INC.	736,368	711,168	0.00
NA	B-	10,400	ATMEL CORP.	37,658	36,192	0.00
NA	B-	28,500	ATMI INC.	769,500	795,720	0.00
NA	C	230,098	AUTHENTIDATE HOLDING CORP.	3,709,293	89,738	0.00
NA	B	309,574	AUTODESK INCORPORATED	12,415,356	10,466,697	0.00
NA	A+	45,949	AUTOMATIC DATA PROCESSING INC.	1,755,908	1,925,263	2.80
NA	B-	2,400	AVNET INC.	73,037	65,472	0.00
NA	B-	107,200	AVOCENT CORP.	2,426,504	1,993,920	0.00
NA	B-	100	AVX CORP. NEW	1,616	1,131	1.40
NA	B	143,400	BENCHMARK ELECTRICS INC.	2,852,174	2,343,156	0.00
NA	C	20,512	BMC SOFTWARE INC.	418,437	738,432	0.00
NA	B-	184,341	BROADCOM CORP.	4,749,209	5,030,666	0.00
NA	B-	672,288	CA INC.	17,920,919	15,523,130	0.70
NA	B+	27,000	CACI INTERNATIONAL INC.	1,228,574	1,235,790	0.00
NA	B-	819	CALAMP CORP.	0	1,679	0.00
NA	B	63,298	CERNER CORP.	2,376,032	2,859,804	0.00
NA	B	14,200	CHECKPOINT SYS. INC.	397,728	296,496	0.00
NA	B	112,327	CIENA CORP.	3,529,753	2,602,617	0.00
NA	B+	827,907	CISCO SYS. INC.	15,493,601	19,257,117	0.00
NA	B+	297,539	CITRIX SYS. INC.	9,627,390	8,750,622	0.00
NA	B-	65,300	CMGI INC.	932,161	692,180	0.00
NA	B	2,700	COGNEX CORP.	72,330	62,235	1.50
NA	B+	331,570	COGNIZANT TECHNOLOGY SOLUTIONS	12,206,567	10,779,341	0.00
NA	B-	54,087	COHU INC.	1,199,351	793,997	1.60
NA	B-	2,600	COMMSCOPE INC.	143,864	137,202	0.00
NA	B+	82,142	COMPUTER SCIENCES CORP.	2,728,853	3,847,531	0.00
NA	NR	20,149	COMPUWARE CORP.	132,457	192,221	0.00
NA	B	115,720	COMTECH TELECOMMUNICATIONS	4,045,365	5,670,280	0.00
NA	B-	274,636	CORNING INC.	5,372,911	6,330,360	0.90
NA	B	1,300	CREE INC.	35,822	29,653	0.00
NA	B-	65,886	CYPRESS SEMICONDUCTOR CORP.	1,258,948	1,630,679	0.00
NA	B+	94,150	DAKTRONICS INC.	2,201,186	1,899,006	0.50

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Information Technology (continued)			
NA	B+	335,329	DELL INC.	8,223,833	7,336,999	0.00
NA	A-	2,000	DIEBOLD INC.	92,535	71,160	2.80
NA	B-	213	DIGITAL RIV INC.	0	8,218	0.00
NA	C	164,600	EARTHLINK INC.	1,254,014	1,423,790	0.00
NA	B	210,708	EBAY INC.	5,790,988	5,758,650	0.00
NA	B-	900	EBIX COM INC.	81,520	69,948	0.00
NA	B+	27,478	ELECTRONIC ARTS INC.	1,096,040	1,220,848	0.00
NA	B	24,670	ELECTRONIC DATA SYS. CORP. NEW	384,924	607,869	0.80
NA	B	365,789	EMC CORP.	4,893,285	5,373,440	0.00
NA	B-	63,700	EMULEX CORP.	1,377,343	742,105	0.00
NA	NR	1,200	EQUINIX INC.	109,117	107,064	0.00
NA	B+	2,000	EXPONENT INC.	64,620	62,820	0.00
NA	B-	138,294	F5 NETWORKS INC.	5,172,603	3,930,315	0.00
NA	NR	3,746	FIRST SOLAR INC.	744,106	1,021,984	0.00
NA	B	518,317	FLIR SYS. INC.	8,890,504	21,028,121	0.00
NA	NR	32,149	GOOGLE INC.	14,900,482	16,923,877	0.00
NA	B+	7,300	HARRIS CORP. DEL.	332,816	368,577	1.20
NA	A+	46,351	HENRY JACK & ASSOC. INC.	1,197,589	1,003,036	1.40
NA	B+	807,684	HEWLETT PACKARD CO.	25,085,502	35,707,710	0.70
NA	NR	151,600	IAC INTERACTIVECORP	4,092,847	2,922,848	0.00
NA	NR	98,280	IHS INC.	5,180,245	6,840,288	0.00
NA	B	322,500	IKON OFFICE SOLUTIONS INC.	4,342,986	3,637,800	1.40
NA	B-	50,200	INFORMATICA CORP.	805,449	755,008	0.00
NA	B-	61,750	INGRAM MICRO INC.	1,134,020	1,096,063	0.00
NA	B	17,300	INTEGRAL SYS. INC. MD	632,903	669,510	0.00
NA	C	2,800	INTEGRATED DEVICE TECHNOLOGY	37,185	27,832	0.00
NA	B+	954,157	INTEL CORP.	20,507,029	20,495,292	2.60
NA	A	359,689	INTERNATIONAL BUSINESS MACHINES	31,969,574	42,633,937	1.70
NA	B-	500	INTERNATIONAL RECTIFIER CORP.	24,130	9,600	0.00
NA	NR	1,500	INTERSIL CORP.	45,875	36,480	2.00
NA	B	28,386	INTUIT	754,286	782,602	0.00
NA	B-	11,412	ITRON INC.	1,036,908	1,122,370	0.00
NA	NR	175,076	IXYS CORP. DEL.	1,665,095	2,090,407	0.00
NA	B-	4,900	J2 GLOBAL COMMUNICATIONS	128,662	112,700	0.00
NA	B	13,891	JABIL CIRCUIT INC.	315,527	227,951	1.70
NA	B-	126,000	JDA SOFTWARE GROUP INC.	2,532,725	2,280,600	0.00
NA	B	52,400	JUNIPER NETWORKS INC.	988,968	1,162,232	0.00
NA	B	103,212	KLA TENCOR CORP.	4,678,353	4,201,761	1.50
NA	B-	4,200	LAM RESEARCH CORP.	223,902	151,830	0.00
NA	B+	183,807	LEXMARK INTERNATIONAL INC.	5,644,752	6,144,668	0.00
NA	A	20,513	LINEAR TECHNOLOGY CORP.	651,325	668,108	2.60
NA	C	139,625	LSI CORP.	906,810	857,298	0.00
NA	B+	96,006	MACROVISION SOLUTIONS CORP.	2,224,443	1,436,249	0.00
NA	B	94,702	MANHATTAN ASSOC. INC.	2,333,294	2,247,278	0.00
NA	NR	30,700	MANTECH INTERNATIONAL CORP.	1,116,387	1,477,284	0.00
NA	NR	99,400	MARKETAXESS HOLDINGS INC.	766,172	751,464	0.00
NA	NR	59,800	MARVELL TECHNOLOGY GROUP LTD.	1,041,301	1,056,068	0.00
NA	B-	5,300	MCAFFEE INC.	142,255	180,359	0.00
NA	B-	3,400	MEASUREMENT SPECIALTIES INC.	64,699	59,806	0.00
NA	B-	32,200	MEMC ELECTRIC MATERIALS INC.	1,764,013	1,981,588	0.00
NA	NR	3,300	METAVANTE TECHNOLOGIES INC.	75,012	74,646	0.00
NA	B-	79,700	METHODE ELECTRICS INC.	982,069	832,865	1.90
NA	B+	1,300	METTLER TOLEDO INTERNATIONAL INC.	85,761	123,318	0.00
NA	B-	15,600	MICREL INC.	148,664	142,740	1.50
NA	B+	17,500	MICROCHIP TECHNOLOGY INC.	652,083	534,450	4.30
NA	B-	40,175	MICRON TECHNOLOGY INC.	636,132	241,050	0.00
NA	B+	1,730,103	MICROSOFT CORP.	47,185,229	47,595,134	1.60
NA	B+	8,299	MOLEX INC.	230,632	202,579	1.80
NA	B	990,735	MOTOROLA INC.	15,881,491	7,271,995	2.70
NA	NR	42,100	MULTI FINELINE ELECTRONIX INC.	736,651	1,164,907	0.00
NA	B+	86,567	NATIONAL INSTRUMENTS CORP.	2,700,630	2,455,906	1.60
NA	B-	112,762	NATIONAL SEMICONDUCTOR CORP.	2,359,586	2,316,131	1.20
NA	NR	3,650	NAVTEQ CORP.	180,413	281,050	0.00
NA	NR	6,000	NCI INC.	150,249	137,280	0.00
NA	B	5,500	NCR CORP. NEW	135,120	138,600	0.00
NA	B	184,614	NETAPP INC.	5,419,530	3,998,739	0.00
NA	NR	22,700	NETLOGIC MICROSYSTEMS INC.	491,033	753,640	0.00
NA	B-	22,698	NOVELL INC.	85,440	133,691	0.00
NA	B-	7,241	NOVELLUS SYS. INC.	212,471	153,437	0.00
NA	C	544,600	NUANCE COMMUNICATIONS INC.	9,854,842	8,533,882	0.00
NA	B	146,168	NVIDIA CORP.	3,005,266	2,736,265	0.00
NA	NR	3,100	OMNIVISION TECHNOLOGIES INC.	49,904	37,479	0.00
NA	NR	14,600	ON SEMICONDUCTOR CORP.	137,255	133,882	0.00
NA	NR	105,462	OPLINK COMMUNICATIONS INC.	1,677,350	1,012,435	0.00
NA	B	662,078	ORACLE CORP.	10,915,893	13,903,638	0.00

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
Information Technology (continued)						
NA	NR	8,700	ORBITZ WORLDWIDE INC.	80,651	43,587	0.00
NA	C	204,670	OSI SYS. INC.	4,590,624	4,384,031	0.00
NA	B-	51,624	PARAMETRIC TECHNOLOGY CORP.	873,102	860,572	0.00
NA	A+	180,843	PAYCHEX INC.	6,561,164	5,656,769	3.80
NA	C	221,450	PC TEL. INC.	2,118,398	2,123,706	0.00
NA	B-	47,896	PERFICIENT INC.	993,733	462,675	0.00
NA	B	7,684	PERKINELMER INC.	88,010	213,999	1.00
NA	NR	96,939	PHASE FORWARD INC.	1,612,826	1,741,994	0.00
NA	C	9,100	PHOTON DYNAMICS INC.	112,038	137,228	0.00
NA	B	7,100	PLANTRONICS INC. NEW	160,538	158,472	0.90
NA	B	35,025	POLYCOM INC.	885,158	853,209	0.00
NA	B+	139,872	QLOGIC CORP.	2,071,272	2,040,732	0.00
NA	B	436,212	QUALCOMM INC.	16,848,547	19,354,726	1.40
NA	B-	201,403	RADIANT SYS. INC.	2,278,621	2,161,054	0.00
NA	B-	3,800	RAMBUS INC. DEL.	83,075	72,466	0.00
NA	B-	7,000	RED HAT INC.	215,099	144,830	0.00
NA	B	42,594	ROFIN SINAR TECHNOLOGIES INC.	1,006,260	1,286,339	0.00
NA	A	119,150	ROPER INDS.	7,365,344	7,849,602	0.40
NA	B-	75,100	S1 CORP.	515,019	568,507	0.00
NA	NR	48,100	SAIC INC.	881,705	1,000,961	0.00
NA	NR	3,900	SALESFORCE COM. INC.	155,529	266,097	0.00
NA	B	12,700	SANDISK CORP.	744,534	237,490	0.00
NA	B+	29,018	SCANSOURCE INC.	918,879	776,522	0.00
NA	B-	373,168	SCIENTIFIC LEARNING CORP.	1,827,963	1,436,697	0.00
NA	NR	380,900	SEAGATE TECHNOLOGY	8,176,521	7,286,617	2.20
NA	B	143,790	SEMTECH CORP.	2,143,719	2,023,125	0.00
NA	NR	334,410	SILICON LABORATORIES INC.	11,244,092	12,068,857	0.00
NA	C	218,700	SKYWORKS SOLUTIONS INC.	1,720,197	2,158,569	0.00
NA	B	13,534	STANDARD MICROSYSTEMS CORP.	427,851	367,448	0.00
NA	C	43,347	SUN MICROSYSTEMS INC.	572,889	471,615	0.00
NA	B	50,700	SYBASE INC.	1,192,318	1,491,594	0.00
NA	B-	38,400	SYKES ENTERPRISES INC.	662,412	724,224	0.00
NA	B	265,365	SYMANTEC CORP.	4,341,852	5,134,813	0.00
NA	B	282,430	SYMMETRICOM INC.	2,326,800	1,084,531	0.00
NA	NR	45,513	SYNAPTICS INC.	1,781,748	1,717,205	0.00
NA	B-	300	TECH DATA CORP.	10,239	10,167	0.00
NA	B-	14,700	TECHNITROL INC.	381,288	249,753	2.10
NA	B	92,217	TEKELEC INC.	1,402,906	1,356,512	0.00
NA	B	1,400	TELEDYNE TECHNOLOGIES INC.	65,740	68,306	0.00
NA	B-	21,265	TELLABS INC.	161,492	98,882	0.00
NA	NR	13,074	TERADATA CORP.	158,872	302,532	0.00
NA	B-	94,073	TERADYNE INC.	1,268,327	1,041,388	0.00
NA	B+	349,247	TEXAS INSTRUMENTS INC.	9,802,670	9,834,796	1.40
NA	B-	46,344	THERMO FISHER SCIENTIFIC INC.	1,859,892	2,582,751	0.00
NA	C	188,566	TIER TECHNOLOGIES INC.	1,826,964	1,510,414	0.00
NA	NR	50,000	TNS INC.	839,005	1,198,000	0.00
NA	B-	294,731	TRIMBLE NAVIGATION LTD.	9,082,384	10,521,897	0.00
NA	B-	87,500	TRIQUINT SEMICONDUCTOR INC.	560,350	530,250	0.00
NA	NR	184,630	TRIZETTO GROUP INC.	2,132,717	3,947,389	0.00
NA	NR	169,200	TTM TECHNOLOGIES	2,111,241	2,235,132	0.00
NA	C	24,000	UNISYS CORP.	146,878	94,800	0.00
NA	NR	112,900	UNITED ONLINE INC.	1,348,962	1,132,387	8.00
NA	NR	37,300	VALUECLICK INC.	668,957	565,095	0.00
NA	B	55,314	VARIAN INC.	2,784,224	2,824,333	0.00
NA	B	28,141	VARIAN SEMI EQUIP. ASSOC. INC.	581,469	979,870	0.00
NA	NR	79,000	VASCO DATA SEC INTERNATIONAL INC.	919,138	831,870	0.00
NA	C	61,499	VEECO INSTRUMENTS INC. DEL.	1,273,167	988,904	0.00
NA	B-	253,160	VERISIGN INC.	8,372,088	9,569,448	0.00
NA	NR	70,072	VIASAT INC.	1,967,456	1,416,155	0.00
NA	NR	1,500	VMWARE INC.	128,939	80,790	0.00
NA	NR	25,100	VOLTERRA SEMICONDUCTOR CORP.	408,962	433,226	0.00
NA	B+	30,724	WATERS CORP.	1,611,758	1,981,696	0.00
NA	B-	168,271	WESTERN DIGITAL CORP.	3,995,578	5,810,398	0.00
NA	B	24,677	XILINX INC.	610,714	623,094	2.20
NA	B	118,891	YAHOO INC.	2,406,546	2,456,288	0.00
NA	B	2,200	ZEBRA TECHNOLOGIES CORP.	86,262	71,808	0.00
Total Information Technology				588,951,146	639,744,095	
Materials						
NA	A	47,420	AIR PRODUCTS & CHEMICALS INC.	2,965,383	4,687,941	1.80
NA	B+	138,541	AIRGAS INC.	4,913,745	8,089,409	0.80
NA	B-	4,100	AK STEEL HOLDING CORP.	169,539	282,900	0.30
NA	A-	3,400	ALBEMARLE CORP.	132,197	135,694	1.20
NA	B+	193,159	ALCOA INC.	6,116,764	6,880,324	1.90
NA	B	29,755	ALLEGHENY TECHNOLOGIES INC.	1,729,585	1,763,876	1.20

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Materials (continued)			
NA	NR	2,600	ALPHA NATURAL RESOURCES INC.	267,361	271,154	0.00
NA	B+	30,413	AMCOL INTERNATIONAL CORP.	745,574	865,554	2.30
NA	NA	5,778	AMERICAN URANIUM MINING INC.	3,250,000	81	0.00
NA	A	47,471	APTARGROUP INC.	1,830,596	1,991,408	1.20
NA	NA	44,671	ARCELORMITTAL SA LUXEMBOURG	4,300,937	4,425,556	1.30
NA	B-	59,786	ARCH CHEMICALS INC.	2,170,644	1,981,906	2.40
NA	B-	58,730	ARCH COAL INC.	3,026,129	4,406,512	0.50
NA	B	2,762	ASHLAND INC. NEW	64,438	133,128	2.30
NA	A-	300,681	BALCHEM CORP.	3,737,781	6,954,752	0.50
NA	B+	22,397	BALL CORP.	1,041,787	1,069,233	0.80
NA	A	5,030	BEMIS CO. INC.	128,424	112,773	3.90
NA	B-	97,900	BUCKEYE TECHNOLOGIES INC.	1,387,179	828,234	0.00
NA	B	100	CARPENTER TECHNOLOGY CORP.	5,775	4,365	1.70
NA	NR	4,800	CELANESE CORP. DE	162,434	219,168	0.40
NA	C	600	CENTURY ALUMINUM CO.	46,804	39,894	0.00
NA	NR	2,078	CF INDS. HOLDINGS INC.	325,936	317,518	0.30
NA	B-	700	CHEMTURA CORP.	6,789	4,088	3.40
NA	B-	3,335	CLEVELAND CLIFFS INC.	158,739	397,499	0.30
NA	NR	11,652	COMPASS MINERALS INTERNATIONAL INC.	303,779	938,685	1.70
NA	NR	18,735	CONSOL ENERGY INC.	907,391	2,105,252	0.40
NA	B-	5,900	CROWN HOLDINGS INC.	101,456	153,341	0.00
NA	B	347,828	DOW CHEMICAL CO.	13,554,828	12,142,675	4.80
NA	B	186,808	DU PONT E I DE NEMOURS & CO.	7,953,860	8,012,195	3.80
NA	B+	1,400	EAGLE MATERIALS INC.	66,497	35,462	3.20
NA	B-	68,408	EASTMAN CHEMICAL CO.	3,166,501	4,710,575	2.60
NA	A	327,361	ECOLAB INC.	13,909,883	14,073,249	1.20
NA	B-	23,100	FERRO CORP.	439,057	433,356	3.10
NA	B-	34,512	FMC CORP.	1,082,677	2,672,609	0.70
NA	NR	1,700	FOUNDATION COAL HOLDINGS INC.	87,679	150,586	0.20
NA	B+	104,288	FREEPORT MCMORAN COPPER & GOLD	9,506,453	12,221,511	1.50
NA	B-	19,700	GLATFELTER	269,246	266,147	2.70
NA	C	127,450	GRAFTECH INTERNATIONAL LTD.	2,034,990	3,419,484	0.00
NA	B+	11,600	GREIF INC.	742,839	742,748	2.40
NA	B-	214,086	HERCULES INC.	3,572,273	3,624,476	1.20
NA	NR	600	HUNTSMAN CORP.	6,415	6,840	3.50
NA	NR	152,510	INNOPHOS HOLDINGS INC.	2,254,067	4,872,695	2.10
NA	NR	54,593	INTERNATIONAL COAL GROUP INC.	455,842	712,439	0.00
NA	B+	394,653	INTERNATIONAL PAPER CO.	14,403,569	9,195,415	4.30
NA	NR	700	INTREPID POTASH INC.	44,192	46,046	0.00
NA	B+	6,733	INTERNATIONAL FLAVORS & FRAGRANCES INC.	237,873	262,991	2.40
NA	B+	76,241	LUBRIZOL CORP.	3,300,506	3,532,246	2.70
NA	B+	1,410	MARTIN MARIETTA MATERIALS INC.	144,077	146,062	1.30
NA	NR	10,600	MASSEY ENERGY CORP.	752,434	993,750	0.20
NA	B-	8,887	MEADWESTVACO CORP.	188,012	211,866	3.90
NA	B	23,913	MINERALS TECHNOLOGIES INC.	1,640,635	1,520,628	0.30
NA	NR	120,704	MONSANTO CO. NEW	9,394,340	15,261,814	0.80
NA	NR	25,422	MOSAIC CO.	3,160,978	3,678,563	0.00
NA	B	25,400	NEWMARKET CORP.	1,456,772	1,682,242	1.20
NA	C	263,648	NEWMONT MINING CORP.	10,190,529	13,751,880	0.80
NA	B	8,200	NN INC.	111,282	114,308	2.30
NA	B	92,704	NUCOR CORP.	4,366,961	6,922,208	1.70
NA	B	65,900	OLIN CORP.	1,360,717	1,725,262	3.10
NA	B-	22,400	OLYMPIC STEEL INC.	798,627	1,700,608	0.20
NA	B	7,700	OM GROUP INC.	421,375	252,483	0.00
NA	B-	61,856	OWENS ILL INC.	2,207,161	2,578,777	0.00
NA	B	800	PACKAGING CORP. AMER.	17,985	17,208	5.60
NA	B	26,571	PACTIV CORP.	589,357	564,102	0.00
NA	NR	986	PATRIOT COAL CORPORATION	54,214	151,144	0.00
NA	NR	74,616	PEABODY ENERGY CORP.	5,250,301	6,569,939	0.30
NA	B	196,280	PENFORD CORP.	4,807,346	2,920,646	1.60
NA	B+	93,951	PPG INDS. INC.	5,932,846	5,389,969	3.60
NA	A	73,067	PRAXAIR INC.	4,728,573	6,885,834	1.60
NA	B	4,600	QUAKER CHEMICAL	122,825	122,636	3.50
NA	B	400	RAYONIER INC.	16,508	16,984	4.70
NA	B+	36,900	ROCK TENN CO.	834,510	1,106,631	1.30
NA	NR	21,500	ROCKWOOD HOLDINGS INC.	703,178	748,200	0.00
NA	A-	11,009	ROHM & HAAS CO.	442,077	511,258	3.50
NA	B	35,774	RTI INTERNATIONAL METALS INC.	2,254,858	1,274,270	0.00
NA	B	13,703	SCHNITZER STEEL INDUSTRIES INC.	813,510	1,570,364	0.10
NA	B	1,200	SCOTTS MIRACLE GRO CO.	51,295	21,084	2.90
NA	B	7,842	SEALED AIR CORP. NEW	70,721	149,076	2.50
NA	A+	8,846	SIGMA ALDRICH	256,857	476,446	1.00
NA	B+	75,700	SILGAN HOLDINGS INC.	2,654,047	3,841,018	1.30
NA	B	21,870	SOUTHERN COPPER CORP. DEL.	1,440,731	2,331,998	6.40
NA	B	8,800	SPARTECH CORP.	138,046	82,984	5.70

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
			Materials (continued)			
NA	B	1,700	STEEL DYNAMICS INC.	35,519	66,419	1.00
NA	NR	10,700	SUTOR TECHNOLOGY GROUP LTD.	77,645	75,649	0.00
NA	B-	4,800	TITANIUM METALS CORP.	130,651	67,152	2.10
NA	B-	39,752	UNITED STATES STEEL CORP. NEW	2,631,474	7,345,373	0.50
NA	B	7,000	UNIVERSAL STAINLESS & ALLOY PR	223,679	259,280	0.00
NA	B	100	VALHI INC. NEW	2,781	2,725	1.50
NA	A-	5,408	VULCAN MATERIALS CO.	218,506	323,290	3.30
NA	B	10,531	WEYERHAEUSER CO.	510,528	538,555	4.70
			Total Materials	188,290,881	224,164,675	
			Private Placement			
NA	NA	12,444	ARENA BRANDS HOLDING CORP.	124,440	128,795	N/A
			Total Private Placement	124,440	128,795	
			Rights and Warrants			
NA	NA	1,518,600	CLSA FINANCIAL PRODUCTS LTD.	17,017,669	17,017,669	N/A
NA	NA	1,098,600	J P MORGAN INTERNATIONAL DERIVATIVES LT	15,035,070	15,035,070	N/A
			Total Rights and Warrants	32,052,739	32,052,739	
			Telecommunication Services			
NA	NR	34,900	AMERICAN TOWER CORP.	1,402,989	1,474,525	0.00
NA	B+	1,753,337	AT&T INC.	48,731,859	59,069,924	4.80
NA	B+	24,300	ATLANTIC TELE. NETWORK INC.	720,459	668,493	2.30
NA	A	102,397	CENTURYTEL INC.	3,658,352	3,644,309	0.80
NA	NR	2,200	CLEARWIRE CORP.	29,108	28,512	0.00
NA	C	2,149	CROWN CASTLE INTERNATIONAL CORP.	72,664	83,231	0.00
NA	NR	100	ECHOSTAR CORP.	2,815	3,122	0.00
NA	NR	30,380	EMBARQ CORP.	1,379,245	1,436,063	5.80
NA	NR	7,004	FAIRPOINT COMMUNICATIONS INC.	66,444	50,499	14.30
NA	B-	19,181	FRONTIER COMMUNICATIONS CORP.	175,626	217,513	N/A
NA	C	14,572	JDS UNIPHASE CORP.	296,500	165,538	0.00
NA	NR	200	LEAP WIRELESS INTERNATIONAL INC.	13,165	8,634	0.00
NA	C	57,100	LEVEL 3 COMMUNICATIONS INC.	266,904	168,445	0.00
NA	NR	5,800	LIBERTY GLOBAL INC.	140,413	182,294	0.00
NA	NR	8,900	METROPCS COMMUNICATIONS INC.	185,098	157,619	0.00
NA	NR	2,800	NEUSTAR INC.	88,404	60,368	0.00
NA	NR	6,200	NII HOLDINGS INC.	414,871	294,438	0.00
NA	B-	132,500	PREMIERE GLOBAL SVCS. INC.	1,656,306	1,931,850	0.00
NA	B-	106,172	QWEST COMMUNICATIONS INTERNATIONAL INC.	409,790	417,256	8.10
NA	C	4,000	SBA COMMUNICATIONS CORP.	109,037	144,040	0.00
NA	B	492,610	SPRINT NEXTEL CORP.	7,288,238	4,679,795	0.00
NA	NR	213,506	SYNIVERSE HOLDINGS INC.	3,848,726	3,458,797	0.00
NA	B	1,600	TELEPHONE & DATA SYSTEMS INC.	65,865	75,632	0.90
NA	NR	2,800	TIME WARNER CABLE INC.	110,592	74,144	0.00
NA	B-	300	UNITED STATES CELLULAR CORP.	19,520	16,963	0.00
NA	B	31,200	USA MOBILITY INC.	540,705	235,560	13.30
NA	B	920,914	VERIZON COMMUNICATIONS	35,263,957	32,600,356	4.90
NA	NR	360,409	WINDSTREAM CORP.	4,674,854	4,447,447	8.10
			Total Telecommunication Services	111,632,506	115,795,367	
			Utilities			
NA	B	224,575	AES CORP.	3,730,222	4,314,086	0.00
NA	A	44,218	AGL RESEARCH INC.	1,642,549	1,529,058	4.90
NA	B	14,207	ALLEGHENY ENERGY INC.	285,739	711,913	1.20
NA	A-	10,028	AMEREN CORP.	421,255	423,482	6.00
NA	B	67,316	AMERICAN ELECTRIC POWER INC.	2,675,230	2,708,123	4.10
NA	A-	61,050	ATMOS ENERGY CORP.	1,628,531	1,683,149	4.70
NA	B	207,702	AVISTA CORP.	4,281,827	4,457,285	3.10
NA	B	60,026	BLACK HILLS CORP.	2,266,899	1,924,434	4.40
NA	NR	13,000	CALPINE CORP.	295,113	293,280	0.00
NA	B	47,581	CENTERPOINT ENERGY INC.	602,004	763,675	4.60
NA	C	10,862	CMS ENERGY CORP.	110,302	161,844	2.40
NA	B+	41,158	CONSOLIDATED EDISON INC.	1,919,085	1,608,866	6.00
NA	B+	14,815	CONSTELLATION ENERGY GROUP INC.	711,871	1,216,312	2.30
NA	B+	110,782	DOMINION RESOURCES INC. VA NEW	4,572,209	5,261,037	3.30
NA	B+	43,422	DPL INC.	1,228,188	1,145,472	4.20
NA	B	53,048	DTE ENERGY CO.	2,262,451	2,251,357	5.00
NA	B	230,271	DUKE ENERGY HOLDING CORP.	3,525,507	4,002,110	5.30
NA	C	24,337	DYNEGY INC. DEL.	78,793	208,081	0.00
NA	B	130,166	EDISON INTERNATIONAL	4,429,641	6,687,929	2.40
NA	B	85,900	EL PASO ELECTRIC CO.	2,287,958	1,700,820	0.00
NA	A	500	ENERGEN CORP.	37,556	39,015	0.60
NA	A-	14,623	ENTERGY CORP. NEW	1,028,847	1,761,779	2.50
NA	B+	46,114	EXELON CORP.	1,768,325	4,148,415	2.20
NA	A-	15,138	FIRSTENERGY CORP.	516,017	1,246,312	2.70

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	COMMON STOCK AND EQUITY FUNDS (continued)	\$	\$	%
Utilites (continued)						
NA	A-	20,148	FPL GROUP INC.	640,277	1,321,306	2.70
NA	A-	3,700	INTEGRYS ENERGY GROUP INC.	189,640	188,071	5.30
NA	B+	27,600	LACLEDE GROUP INC.	965,365	1,114,212	3.70
NA	NR	4,900	MIRANT CORP. NEW	209,608	191,835	0.00
NA	NR	4,800	NALCO HOLDING CO.	98,651	101,520	0.70
NA	A	36,600	NEW JERSEY RES. CORP.	1,091,412	1,194,990	3.40
NA	B	2,128	NICOR INC.	65,194	90,632	4.40
NA	B	79,268	NISOURCE INC.	1,377,299	1,420,483	5.10
NA	B	11,700	NORTHEAST UTILS	332,809	298,701	3.30
NA	NR	154,000	NRG ENERGY INC.	6,491,989	6,606,600	0.00
NA	A-	90,300	OGE ENERGY CORP.	2,099,481	2,863,413	4.40
NA	B	138,100	PEPCO HOLDINGS INC.	3,506,094	3,542,265	4.20
NA	B-	238,210	PETROHAWK ENERGY CORP.	5,200,256	11,031,505	0.00
NA	B	17,057	PG&E CORP.	215,085	676,992	3.90
NA	B+	83,273	PINNACLE WEST CAPITAL CORP.	3,793,278	2,562,310	6.80
NA	B	37,300	PNM RESOURCES INC.	439,200	446,108	7.70
NA	NR	14,900	PORTLAND GENERAL ELECTRIC CO.	393,284	335,548	4.40
NA	B+	32,414	PPL CORP.	1,005,298	1,694,280	2.60
NA	B	12,377	PROGRESS ENERGY INC.	515,654	517,730	5.90
NA	B+	93,616	PUBLIC SERVICE ENTERPRISE GROUP	3,116,927	4,299,783	2.80
NA	A	10,800	QUESTAR CORP.	460,787	767,232	0.70
NA	B	109,100	SCANA CORP. NEW	4,325,508	4,036,700	5.00
NA	B+	12,814	SEMPRA ENERGY	343,104	723,350	2.50
NA	B	27,900	SIERRA PACIFIC RES. NEW	347,796	354,609	2.50
NA	A-	17,700	SOUTH JERSEY INDS. INC.	677,379	661,272	2.90
NA	A-	44,762	SOUTHERN CO.	1,395,726	1,563,089	4.80
NA	B	41,221	SOUTHERN UN CO. NEW	1,275,065	1,113,791	2.20
NA	B+	19,800	SOUTHWEST GAS CORP.	531,184	588,654	3.00
NA	B	344,150	SOUTHWESTERN ENERGY CO.	8,780,563	16,384,982	0.00
NA	NR	37,768	SPECTRA ENERGY CORP.	695,105	1,085,452	3.20
NA	B	10,101	TECO ENERGY INC.	144,633	217,070	3.70
NA	B+	35,900	WGL HOLDINGS INC.	1,265,206	1,247,166	4.10
NA	B	27,833	WISCONSIN ENERGY CORP.	1,342,658	1,258,608	2.40
NA	B	21,628	XCEL ENERGY INC.	247,185	434,074	4.70
Total Utilites				95,884,819	121,182,167	
Commingled and Other Assets						
NA	NA	37,238	AFL-CIO HOUSING TRUST	41,299,505	40,226,076	N/A
NA	NA	81,769	AMALGAMATED BANK NYC	155,309,162	171,323,381	N/A
NA	NA	86,100	DREYFUS HIGH YIELD STRATEGIES	324,239	308,238	N/A
NA	NA	22,656	DWS HIGH INCOME TR	113,198	104,218	N/A
NA	NA	34,840	ISHARES TR	2,486,047	2,405,005	N/A
NA	NA	44,260	SPDR SER TR	1,556,111	1,172,890	N/A
356,672				6,598,815	10,700,156	N/A
NA	NA	14,743	ULLICO J FOR JOBS	147,791,240	176,226,365	N/A
NA	NA	147,624	WA YANKEE PORTFOLIO LLC	1,543,581	1,674,500	N/A
NA	NA	777,819	WESTERN ASSET OPPORTUNISTIC	13,389,821	13,753,393	N/A
Total Commingled and Other Assets				370,411,719	417,894,222	
TOTAL COMMON STOCK & EQUITY FUNDS				4,099,695,799	4,241,685,933	
PREFERRED STOCK						
B3	B-	21,000	AES TRUST III	1,051,890	1,018,500	N/A
B2	B	7,400	EL PASO ENERGY CAPITAL TRUST1	303,985	303,400	N/A
AA3	AA-	77,825	FEDERAL HOME LOAN MTG.	1,945,625	1,891,148	N/A
AA3	AA-	53,700	FEDERAL NATIONAL MTG. ASSOC.	1,396,080	1,278,452	N/A
TOTAL PREFERRED STOCK				4,697,580	4,491,500	
FOREIGN EQUITY SECURITIES						
Consumer Discretionary						
NA	NA	253,074	888 HOLDINGS PLC.	738,935	720,227	N/A
NA	NA	3,500	ABC MART INC.	86,516	90,137	1.10
NA	NA	39,274	ACCOR	2,607,697	2,625,490	7.40
NA	NA	96	ACCORDIA GOLF CO. L	101,890	102,335	N/A
NA	NA	44,544	ADIDAG	3,056,804	2,814,972	1.80
NA	NA	537,513	AEGIS GROUP	1,281,069	1,152,635	2.10
NA	NA	24,200	AEON CO. LTD.	353,382	299,290	1.30
NA	NA	236	AFG (ARBONIA FORST)	71,166	62,556	3.70
NA	NA	13,767	AGA FOODSERVICE GP	76,370	52,536	N/A
NA	NA	18,245	AGFA GEVAERT NV	152,969	118,577	0.00
NA	NA	13,400	AHRESTY CORP.	292,261	166,228	1.80
NA	NA	9,558	AISIN SEIKI CO.	349,458	313,776	1.70
NA	NA	19,000	AKEBONO BRAKE IND.	135,030	111,665	1.60

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Consumer Discretionary (continued)						
NA	NA	2,400	ALPEN CO. LTD.	45,135	41,092	N/A
NA	NA	63,800	ALPINE ELECTRONICS	1,022,675	674,683	2.20
NA	NA	10,930	AMERICAN SPORTS CORP.	205,143	164,975	5.20
NA	NA	384	ANTENA 3 TV	7,182	3,140	12.60
NA	NA	4,939	ANTICHI PELLETT SPA	59,022	56,106	N/A
NA	NA	25,800	AOKI INTERNATIONAL	452,795	401,098	1.80
NA	NA	44,400	AOYAMA TRADING CO.	1,246,156	818,848	2.60
NA	NA	46,601	APN NEWS & MEDIA	176,871	133,267	10.60
NA	NA	7,541	ARCANDOR AG	195,664	87,683	0.00
NA	NA	9,774	ARISTOCRAT LEISURE	108,682	60,217	7.10
NA	NA	20,413	ARN MONDADORI EDIT	180,706	120,124	9.40
NA	NA	2,900	ARUZE CORP.	98,974	86,175	0.80
NA	NA	4,300	ASATSU DK	126,304	119,259	1.60
NA	NA	2,000	ASICS CORP.	25,375	21,848	0.90
NA	NA	3,400	ASKUL	76,791	63,699	1.00
NA	NA	87,112	AUSTAR UNITED COMMUNICATIONS	109,164	93,629	21.10
NA	NA	8,700	AUTOBACS SEVEN CO.	239,989	243,753	3.40
NA	NA	22,135	AUTOGRILL SPA	429,057	265,920	3.90
NA	NA	5,600	AVEX GROUP HOLDINGS	61,066	62,706	3.30
NA	NA	190	B2W CIA GLOBAL	7,159	7,011	N/A
NA	NA	2,025	BANG & OLUFSEN A/S	110,671	81,925	10.40
NA	NA	74,000	BANYAN TREE HOLDINGS	74,606	71,895	N/A
NA	NA	49,709	BARRATT DEVEL	314,906	57,378	28.80
NA	NA	1,322	BAYER MOTOREN WERK	62,381	52,509	6.10
NA	NA	178,046	BAYERISCHE MOTOREN WERKE AG	9,283,859	8,569,897	5.00
NA	NA	12,000	BELLE INTERNATIONAL	13,775	10,804	N/A
NA	NA	25,000	BELLUNA CO. LTD.	378,055	171,218	2.10
NA	NA	20,788	BELLWAY	352,705	187,205	9.50
NA	NA	36,992	BENETEAU	898,258	810,713	2.80
NA	NA	9,082	BENETTON GROUP SPA	122,348	106,388	5.40
NA	NA	1,221	BERTRAND FAURE (EX EBF)	62,704	51,633	0.00
NA	NA	8,500	BEST DENKI CO.	56,737	49,955	2.90
NA	NA	2,549	BETER BED	56,620	42,771	N/A
NA	NA	2,927	BETSSON AB	33,496	34,669	N/A
NA	NA	320	BIC CAMERA INC.	219,919	189,274	N/A
NA	NA	2,117	BOSS (HUGO) AG	103,539	78,450	8.90
NA	NA	19,621	BOVIS HOMES GROUP	199,021	132,766	10.70
NA	NA	6,463	BREMBO SPA	82,850	67,206	4.20
NA	NA	27,800	BRIDGESTONE CORP.	553,169	425,635	1.60
NA	NA	112,000	BRILLIANCE CHINA	27,044	13,645	0.00
NA	NA	624,379	BRITISH SKY BROADCAST	6,400,583	5,865,105	3.40
NA	NA	23,741	BROWN (N) GROUP	121,368	86,464	N/A
NA	NA	3,744	BWIN INTERACTIVE ENTERTAINMENT	121,869	104,410	0.00
NA	NA	22,000	CALSONIC CORP.	96,812	88,203	1.80
NA	NA	16,175	CALTAGIRONE EDITORE SPA	98,064	91,999	5.50
NA	NA	11,948	CANAL PLUS	122,201	114,830	4.10
NA	A+	24,802	CARNIVAL CORP.	741,279	817,474	4.90
NA	NA	9,357	CARNIVAL PLC.	411,023	298,880	4.80
NA	NA	5,895	CARPETRIGHT	89,042	77,431	7.60
NA	NA	5,400	CASIO COMPUTER CO.	79,765	61,588	1.90
NA	B-	1,350	CENTRAL EUROPEAN MEDIA ENTERPRISES	128,299	122,216	0.00
NA	NA	32,000	CENTRAL SPORTS JPY50	322,544	355,002	2.10
NA	NA	1,210	CHARLES VOGUE HOLDING	98,316	95,032	2.50
NA	NA	33,000	CHINA AVIATION OIL	42,853	35,947	N/A
NA	NA	8,000	CHINA RESOURCES EN	32,465	22,828	2.00
NA	NA	4,100	CHIYODA CO.	73,071	60,221	2.50
NA	NA	4,200	CHOFU SEISAKUSHO	86,050	85,581	1.30
NA	NA	42,000	CHOW SANG SANG HOLDING	53,957	42,552	4.30
NA	NA	32,300	CIRCLE K SUNKUS CO.	530,644	568,575	2.20
NA	NA	4,000	CITY DEVELOPMENTS	38,851	31,973	2.80
NA	NA	4,919	CLAS OHLSON AB	81,644	67,464	6.10
NA	NA	2,046	CLUB MEDITERRANEE	107,110	90,905	0.00
NA	B-	28,900	COGECO CABLE INC.	865,085	1,053,965	1.10
NA	NA	937,578	COMPASS GROUP	5,888,935	7,081,165	3.00
NA	NA	66,057	CONSOLIDATED MEDIA	225,723	209,192	14.00
NA	NA	74	CONTINENTAL AG	9,388	7,610	4.40
NA	NA	2,164	CORP GEO SAB DE CV	11,257	7,254	0.00
NA	NA	6,419	CROWN LTD.	61,448	57,226	0.00
NA	NR	1,900	CTC MEDIA INC.	45,026	46,854	0.00
NA	NA	1,829	CTS EVENTIM AG	72,693	73,339	2.80
NA	NA	15,400	CULTURE CONVENIENCE	78,232	74,527	1.40
NA	NA	67	CYBER AGENT INC.	88,753	83,430	0.40
NA	NA	395	D IETEREN TRADING	128,979	109,159	1.70
NA	NA	7,500	DAIDOH	80,997	73,440	5.80

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Consumer Discretionary (continued)						
NA	NA	9,800	DAIEI INC.	81,874	61,201	0.00
NA	NA	84,000	DAIICHI KOSHO CO.	922,904	847,092	2.80
NA	NA	24,204	DAILY MAIL & GENERAL TST	326,412	151,132	4.50
NA	NA	105,736	DAITO TRUST CONSTRUCTION	5,393,643	5,136,931	4.50
NA	NA	22,000	DAIWA HOUSE INDS.	286,248	207,122	2.50
NA	NA	21,000	DAIWABO CO. LTD.	56,751	45,168	1.30
NA	NA	173,749	DAVID JONES LTD.	493,918	468,534	8.50
NA	NA	11,400	DCM JAPAN HOLDING	78,901	81,947	N/A
NA	NA	130,663	DEBENHAMS ORD	165,026	116,367	14.10
NA	NA	104	DENA CO. LTD.	666,811	614,160	0.30
NA	NA	27,897	DENSO CORP.	984,233	960,559	1.50
NA	NA	66	DENTSU INC.	181,623	140,088	1.70
NA	NA	214,000	DENWAY MOTORS LTD.	108,358	82,609	0.00
NA	NA	8,000	DESCENTE	47,036	42,866	1.20
NA	NA	6,700	DON QUIJOTE	143,297	122,806	1.10
NA	NA	6,096	DOUGLAS HOLDING AG	338,237	317,911	4.80
NA	NA	6,500	DOUTOR NICJIRES HO	114,237	99,212	N/A
NA	NA	229,643	DSG INTERNATIONAL	332,603	203,376	12.90
NA	NA	35,820	DUCATI MOTOR HOLDING	94,266	92,386	0.00
NA	NA	1,012	DUFREY AG	111,585	92,894	1.10
NA	NA	3,574	DUTY FREE SHOPS	63,235	60,590	6.10
NA	NA	11,700	EDION CORP.	113,896	97,679	2.30
NA	NA	16,491	ELECTROLUX AB	362,640	211,094	5.50
NA	NA	9,739	ELRINGKLINGER AG	1,047,622	923,572	3.30
NA	NA	29,370	ENIRO AB	206,529	106,927	23.70
NA	NA	19,185	ENTERPRISE INNS PLC.	238,658	155,015	4.00
NA	NA	306	ES CON JAPAN LTD.	453,170	173,777	4.10
NA	NA	2,166	ESCADA AG	43,316	46,071	0.00
NA	NA	31,500	ESPRIT HOLDINGS	419,806	327,222	2.40
NA	NA	1,036	ETAM DEVELOPMENT	40,078	34,408	2.40
NA	NA	3,555	EURO DISNEY SCA	52,626	48,561	N/A
NA	NA	7,763	EUROMONEY INST. INV.	60,315	51,756	5.80
NA	NA	21,800	EXEDY CORP.	588,912	574,794	1.80
NA	NA	10,654	FAIRFAX MEDIA LTD.	40,435	29,957	9.40
NA	NA	1,900	FAST RETAILING CO.	112,795	180,312	1.30
NA	NA	5,400	FCC CO. LTD.	70,951	83,238	1.90
NA	NA	1,083	FFP FONC FIN. PART	121,310	101,833	2.80
NA	NA	30,380	FIAT SPA	805,134	498,277	3.80
NA	NA	20	FIELDS CORP.	39,981	35,281	2.40
NA	NA	9,267	FIELMANN AG	589,325	677,761	4.30
NA	NA	1,546	FIMALAC SA	104,138	107,662	3.40
NA	NA	13,287	FINDEL	77,588	44,160	13.40
NA	NA	176,000	FIRST SHANGHAI INV. LTD.	38,046	27,989	2.40
NA	NA	51,495	FISHER & PAYKEL AP	106,928	77,602	14.20
NA	NA	6,383	FLIGHT CENTRE LTD.	115,958	102,111	5.00
NA	NA	2,908	FOLLI FOLLIE	86,836	67,809	0.70
NA	NA	263	FORBO HOLDING	131,224	116,834	2.20
NA	NA	41,748	FOURLIS HOLDING	1,024,406	1,223,435	1.60
NA	NA	167,800	FUJI FILM HOLDING CORP.	6,152,542	5,777,746	1.00
NA	NA	24	FUJI TELEVISION NETWORK INC.	48,532	36,225	2.30
NA	NA	11,000	FUJITA KANKO INC.	73,525	71,289	0.70
NA	NA	9,000	FUJITSU GENERAL	40,080	42,281	1.00
NA	NA	41,000	FUKOKU CO.	321,978	322,183	2.40
NA	NA	2,600	FUNAI ELECTRIC CO.	109,086	66,714	1.90
NA	NA	69,800	FUTABA INDUSTRIAL	1,409,640	1,616,518	1.30
NA	NA	98,421	GALIFORM	158,969	83,246	1.10
NA	NA	7,075	GAMELOFT COMPANY	37,460	33,664	0.00
NA	NA	3,825	GENERAL DE ALQUILE	106,049	87,384	N/A
NA	NA	10,355	GEOX SPA	143,433	105,638	3.70
NA	NA	5,600	GIGAS K S DENKI	123,971	92,818	1.70
NA	NA	298,000	GIORDANO INTERNATIONAL LTD.	133,062	122,296	6.70
NA	NA	41,726	GKN PLC	300,430	185,181	6.20
NA	NA	93,600	GLEESON (MJ) GROUP	481,634	291,991	5.90
NA	NA	1,422,000	GOME ELECTRICAL AP	625,195	674,759	1.30
NA	NA	33,242	GR ED L ESPRESSO	112,064	81,390	10.90
NA	NA	32,638	GRAFTON GROUP	275,192	190,264	0.00
NA	NA	20,252	GREENE KING	236,545	180,161	5.30
NA	NA	3,025	GROUPE PARTOUCHE	50,333	35,030	0.00
NA	NA	29,641	GRUPO TELEVISA SA	155,054	140,557	1.50
NA	NA	7,778	GRUPPO COIN SPA	51,720	38,847	N/A
NA	NA	11,754	GS HOME SHOPPING I	766,312	761,839	4.40
NA	NA	9,813	GUD HOLDINGS	84,303	71,287	8.50
NA	NA	204,000	GUNZE LIMITED	1,113,700	921,806	2.10
NA	NA	4,000	H.I.S. CO.	58,114	59,959	1.60
NA	NA	47,000	H2O RETAILING CORP.	372,057	326,324	1.70

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Consumer Discretionary (continued)						
NA	NA	6,562	HAKON INVEST.	128,675	112,360	N/A
NA	NA	33,967	HALFORDS GRUP	194,230	181,673	5.60
NA	NA	9,100	HAMAMATSU PHOTONIC	270,803	236,503	1.60
NA	NA	38,500	HASEKO CORP.	103,229	51,573	2.10
NA	NA	44,996	HAVAS	199,125	165,891	1.70
NA	NA	15,513	HEADLAM GROUP	120,662	104,429	7.00
NA	NA	80,400	HEIWA CORP.	921,173	852,503	4.50
NA	NA	20,700	HEIWADO CO.	355,331	324,545	1.50
NA	NA	4,377	HEMTEX AB	50,831	39,111	N/A
NA	NA	21,126	HENNES & MAURITZ	1,196,313	1,146,673	4.30
NA	NA	2,423	HERMES INTERNATIONAL	265,190	381,756	1.00
NA	NA	22,079	HILL (WILLIAM)	223,107	140,719	7.10
NA	NA	24,100	HITACHI KOKI CO.	402,192	397,404	2.80
NA	NA	42,200	HITACHI MAXELL	548,328	532,650	1.50
NA	NA	59,071	HMV GROUP	168,443	152,240	6.00
NA	NA	10,202	HOLIDAYBREAK	106,923	85,072	7.70
NA	NA	35,044	HOME RETAIL GROUP	285,453	152,039	6.10
NA	NA	81,569	HONDA MOTOR CO.	2,611,502	2,777,832	2.40
NA	NA	68,500	HONGKONG&SHANG HOT	121,390	103,662	1.50
NA	NA	33,000	HOTEL PROPERTIES	69,810	65,337	1.90
NA	NA	910,000	HUTCHISON HARBOUR	81,366	81,693	3.10
NA	NA	1,936	IC COMPANY	78,104	63,805	2.60
NA	NA	24,241	IMPRESA SGPS SA	57,455	66,838	N/A
NA	NA	21,928	INCHCAPE	201,571	139,430	4.90
NA	NA	81,435	INDEPENDENT NEWS&M	260,042	200,156	8.30
NA	NA	5,412	INDESIT COMPANY	69,448	60,498	7.20
NA	NA	6,760	INDITEX	394,919	311,640	2.90
NA	NA	57,634	INFORMA PLC.	442,067	473,712	4.20
NA	NA	11,151	INTERCONTL HOTELS	226,292	149,353	N/A
NA	NA	12,202	INTRALOT SA	214,567	209,551	3.00
NA	NA	17,638	INVOCARE LTD.	115,846	107,313	3.60
NA	NA	4,053	IPSOS	148,499	132,120	N/A
NA	NA	2,100	IPETAN MITSUKOSHI	28,496	22,524	N/A
NA	NA	191,478	ITV	411,565	170,338	6.60
NA	NA	8,700	IZUMI CO.	143,669	134,269	1.00
NA	NA	1,400	J FRONT RETAILING	10,870	7,409	N/A
NA	NA	12,000	JAPAN WOOL TEXTILE	99,374	99,618	2.00
NA	NA	3,077	JARDINE CYCLE & CARRIAGE LTD.	31,870	38,501	3.40
NA	NA	176,511	JB HI FI	1,956,278	1,771,806	1.50
NA	NA	2,652	JD GROUP LTD.	25,453	8,893	6.40
NA	NA	66	JELMOLI HOLDING AG	171,532	171,382	1.90
NA	NA	30,267	JJB SPORTS	77,571	67,916	8.70
NA	NA	84,914	JOHNSTON PRESS	158,293	87,876	17.50
NA	NA	7,000	JOSHIN DENKI CO.	62,932	53,818	1.70
NA	NA	19,000	JUKI CORP.	69,188	54,488	3.20
NA	NA	6,806	JUMBO SA	212,040	191,302	1.80
NA	NA	24,237	JUST GROUP	90,516	72,336	6.60
NA	NA	3,200	KADOKAWA HOLDINGS	79,052	74,563	1.20
NA	NA	5,800	KANTO AUTO WORKS	76,079	75,396	2.50
NA	NA	2,200	KAPPA CREATE CO.	42,197	41,611	1.00
NA	NA	48,717	KAPPAHL HOLDING AB	408,159	332,860	N/A
NA	NA	101,000	KAYABA INDUSTRY CO.	570,933	439,234	1.50
NA	NA	6,100	KEIHIN CORP.	92,788	92,589	2.20
NA	NA	60,000	KENWOOD CORP.	77,083	65,091	1.70
NA	NA	64,401	KESA ELECTRICALS	277,906	202,825	9.30
NA	NA	1,184,515	KINGFISHER	4,444,872	2,647,316	6.30
NA	NA	3,400	KOEI CO.	54,577	45,930	3.70
NA	NA	92,900	KOHNAN SHOJI	1,250,363	1,263,731	1.30
NA	NA	13,000	KOITO MFG. CO.	167,389	180,888	1.60
NA	NA	4,800	KOMERI CO.	120,229	118,410	1.40
NA	NA	16,500	KONICA MINOLTA HOLDINGS INC.	249,810	279,086	1.10
NA	NA	308,746	KONINKLIJKE PHILIPS ELECTRICS N	8,823,140	10,435,615	3.30
NA	NA	2,450	KUONI REISEN HOLDING	1,248,937	1,181,585	3.50
NA	NA	75,126	LA SEDA BARCELONA	151,812	132,569	0.90
NA	NA	122,580	LADBROKES	775,167	626,348	5.40
NA	NA	26,413	LAGARDERE SCA	1,976,939	1,505,215	3.60
NA	NA	6,693	LAMBRAKIS PUBLISHING	41,424	33,955	1.60
NA	NA	5,378	LASSILA & TIKANOJA	128,895	131,929	3.50
NA	NA	594	LEWIS GROUP LTD.	5,057	2,504	9.80
NA	NA	19,500	LG ELECTRONICS INC.	603,910	2,209,024	0.70
NA	NA	58,000	LI & FUNG	209,966	174,801	3.00
NA	NA	2,578	LOJAMERICANAS S	20,509	17,019	0.70
NA	NA	106	LOJAS RENNER SA	1,818	2,125	3.00
NA	NA	26,064	LOOKERS	47,485	39,422	N/A
NA	NA	15,052	LOTTOMATICA SPA	436,527	450,351	4.30

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Consumer Discretionary (continued)						
NA	NA	11,705	LUMINAR GROUP HOLDING	80,541	62,430	N/A
NA	NA	12,587	LVMH MOET HENNESSY LOUIS VUITT	1,391,457	1,320,378	2.40
NA	NA	2,252	MACINTOSH RETAIL	60,710	49,674	N/A
NA	B	1,587	MAGNA INTERNATIONAL INC.	141,387	94,918	2.40
NA	NA	4,119	MAKITA CORP.	154,596	168,638	2.10
NA	NA	67,053	MARKS & SPENCER GROUP	813,059	438,368	6.70
NA	NA	1,000	MARUI GROUP CO. LTD.	11,439	7,802	3.40
NA	NA	5,500	MATSUMOTOKIYOSHI H	111,146	118,037	N/A
NA	NA	64,000	MATSUNICHI COMM HL	52,035	51,709	N/A
NA	NA	89,000	MATSUSHITA ELECTRIC INDUSTRIAL	1,548,765	1,922,645	2.00
NA	NA	64,000	MATSUSHITA ELECTRIC INDUSTRIAL LTD. ADR	1,295,482	1,370,880	2.00
NA	NA	4,500	MATSUYA CO.	99,198	84,435	0.30
NA	NA	9,200	MCDONALDS HOLDINGS CO.	145,182	139,990	1.80
NA	NA	421,100	MEDIASET	4,348,911	2,778,256	10.30
NA	NA	3,573	MEDION AG	81,103	56,294	2.10
NA	NA	6,638	MENZIES (JOHN)	72,791	53,767	6.20
NA	NA	3,536	MERIELLA BURANI SP	93,848	85,907	1.00
NA	NA	15,612	METRO AG	1,269,866	997,182	4.20
NA	NA	134,000	METRO HOLDINGS	76,879	78,409	6.30
NA	NA	4,002	METROPOLE TV (M6)	118,097	86,888	7.30
NA	NA	71,702	MICHELIN (CGDE)	5,276,159	5,155,955	3.50
NA	NA	20,592	MILLENNIUM AND COPTHNE	166,866	133,189	3.80
NA	NA	19,923	MITCHELLS & BUTLERS	279,307	81,282	7.10
NA	NA	16,000	MIZUNO CORP.	98,839	93,128	1.60
NA	NA	8,159	MODERN TIMES GROUP	513,367	480,831	1.40
NA	NA	12,553	MOTHERCARE	96,697	79,943	3.40
NA	NA	3,400	MUSASHI SEIMITSU I JPY50	75,661	78,100	1.60
NA	NA	3,500	NAMCO BANDAI HOLDINGS	50,113	39,687	2.00
NA	NA	5,830	NASPERS	146,935	127,352	1.10
NA	NA	7,852	NEW WAVE GROUP AB	57,438	49,472	2.60
NA	NA	6,544	NEXT GROUP	247,479	126,263	5.70
NA	NA	228,000	NGK SPARK PLUG CO.	3,440,093	2,621,876	2.10
NA	NA	8,514	NH HOTELES SA	138,325	118,850	2.40
NA	NA	83,000	NHK SPRING CO.	908,820	662,403	1.70
NA	NA	5,000	NIPPON SEIKI CO.	74,094	67,072	1.50
NA	NA	7,800	NISHIMATSUYA CHAIN	104,722	69,902	1.70
NA	NA	148,800	NISSAN MOTOR CO.	1,424,896	1,231,051	4.70
NA	NA	12,000	NISSAN SHATAI CO.	81,254	93,958	1.10
NA	NA	7,900	NISSEN CO.	44,523	38,306	4.50
NA	NA	5,400	NISSIN KOGYO	87,739	82,066	2.30
NA	NA	200	NITORI CO.	10,689	10,301	0.50
NA	NA	22,678	NOBIA AB	171,374	110,462	N/A
NA	NA	5,300	NOK CORP.	96,584	84,396	1.20
NA	NA	25,313	NOKIAN RENKAAT OYJ	903,111	1,216,398	1.60
NA	NA	73,000	NORITAKE CO.	293,771	303,005	2.10
NA	NA	19,800	OHARA INC.	350,663	354,142	1.40
NA	NA	280	OLYMPIC GROUP FIN. IV	3,465	3,469	2.30
NA	NA	7,618	OPAP (ORG OF FOOTB)	274,345	266,216	7.80
NA	NA	338,000	ORIENTAL PRESS GROUP	51,662	48,549	5.80
NA	NA	11,559	ORIFLAME COSMETICS	795,381	744,614	3.10
NA	NA	72	PACIFIC GOLF GROUP	85,448	71,997	N/A
NA	NA	6,719	PADDY POWER	244,961	211,722	2.60
NA	NA	32,466	PADDY POWER	936,057	1,026,617	2.50
NA	NA	10,100	PARCO CO.	131,742	126,053	1.20
NA	NA	22,824	PARTYGAMING PLC.	123,003	119,236	0.00
NA	NA	102,000	PEACE MARK (HOLDINGS)	111,636	70,900	2.10
NA	NA	486,368	PEARSON	6,322,999	5,948,020	5.20
NA	NA	99,266	PENDRAGON ORD	80,605	29,633	N/A
NA	NA	13,325	PERSIMMON	313,910	83,799	16.30
NA	NA	13,096	PEUGEOT SA	1,078,717	711,646	4.40
NA	NA	46,806	PHILIPS ELECTRICS (KON)	1,817,900	1,593,634	3.20
NA	NA	286,000	PHOENIX SATELLITE TELEVISION	45,872	41,814	1.60
NA	NA	33,013	PIAGGIO & C SPA	75,668	65,017	N/A
NA	NA	5,776	PIERRE & VACANCES FRF20	771,654	594,619	4.10
NA	NA	6,000	PIOLAX CO.	116,075	117,164	1.20
NA	NA	4,400	PLENUS CO.	62,888	66,703	3.30
NA	NA	55,088	PMP LTD.	64,111	48,636	4.90
NA	NA	9,480	POINT INC.	526,998	271,866	2.60
NA	NA	8,934	PORSCHE AUTOMOBIL HOLDING SE	1,595,295	1,377,896	2.30
NA	NA	47,500	PORTS DESIGN	157,155	135,846	4.70
NA	NA	4,510	PPR	735,469	502,375	4.90
NA	NA	8,175	PRAKTIKER BAU HOLDING	187,708	172,980	3.40
NA	NA	15,406	PREMIERE AG	312,741	339,578	0.00
NA	NA	15,000	PRESS KOGYO CO.	64,781	67,638	1.80
NA	NA	8,544	PROSIEBENSAT1 MEDIA AG	273,877	85,750	28.00

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Consumer Discretionary (continued)						
NA	NA	19,688	PUBLICIS GROUPE SA	763,034	638,380	2.90
NA	NA	311	PUBLIGROUPE AG	86,474	79,383	5.00
NA	NA	630	PUMA AG	240,254	211,582	1.80
NA	NA	21,153	PUNCH TAVERNS	332,206	131,766	5.10
NA	NA	225	RAKUTEN INC.	78,683	113,768	0.20
NA	NA	1,978	RALLYE	151,908	116,399	4.90
NA	NA	919,501	RANK GROUP	1,623,910	1,468,530	N/A
NA	NA	522	RATIONAL AG	112,820	105,354	5.00
NA	NA	12,319	RAYMARINE	74,042	31,810	7.70
NA	NA	29,836	RCS MEDIAGROUP	101,973	68,350	7.60
NA	NA	212,349	RECKITT BENCKISER GROUP PLC.	12,392,086	10,755,325	2.20
NA	NA	23,842	REDROW	136,082	67,615	11.90
NA	NA	61,036	REED ELSEVIER	834,753	699,671	N/A
NA	NA	20,420	REED ELSEVIER NV	362,355	344,570	4.10
NA	NA	908,000	REGAL HOTELS INTERNATIONAL	50,906	44,250	3.40
NA	NA	13,908	RENAULT (REGIE NATIONALE)	1,785,592	1,141,654	7.30
NA	NA	8,400	RESORTTRUST INC.	122,533	109,670	3.70
NA	NA	13,310	REZIDOR HOTEL GROUP	76,017	56,423	3.70
NA	NA	23,130	RICHEMONT (CIE FIN)	1,396,825	1,292,065	2.20
NA	NA	16,000	RIKEN CORP.	70,568	71,846	2.50
NA	NA	5,400	RINNAI CORP.	179,663	206,820	1.00
NA	NA	8,885	RNB RETAIL AND BRA	44,589	23,190	9.60
NA	NA	10,700	ROLAND CORPORATION	217,083	226,607	1.60
NA	NA	1,500	ROLAND DG CORP.	43,117	39,833	2.10
NA	NA	57	ROUND ONE CORP.	72,836	63,450	1.70
NA	NA	3,400	RYOHIN KEIKAKU CO.	213,301	182,180	1.80
NA	NA	130,000	SA SA INTERNATIONAL HOLDINGS	50,914	59,019	5.90
NA	NA	1,600	SAINT MARC HOLDING	61,743	68,827	N/A
NA	NA	5,700	SAIZERIYA COMPANY	50,858	50,545	1.90
NA	NA	20,000	SANDEN CORP.	82,382	90,373	2.10
NA	NA	6,300	SANGETSU CO.	114,038	110,304	4.00
NA	NA	1,200	SANKYO CO.	48,129	78,336	2.10
NA	NA	7,400	SANRIO CO.	65,933	72,182	1.00
NA	NA	44,000	SANYO ELECTRIC CO.	68,398	102,523	0.00
NA	NA	14,000	SANYO SHOKAI	75,464	72,638	2.80
NA	NA	6,407	SCHIBSTED ASA	213,906	181,765	4.20
NA	NA	333,970	SEAT PAGINE GIALLE	53,332	34,886	0.00
NA	NA	18,999	SEB SA	1,164,897	1,116,234	2.50
NA	NA	8,500	SEGA SAMMY HOLDINGS INC.	122,404	74,251	3.20
NA	NA	88,000	SEIKO CORPORATION	476,659	394,321	3.10
NA	NA	10,000	SEIREN CO.	62,342	60,092	2.30
NA	NA	15,000	SEKISUI CHEMICAL	106,070	102,306	2.10
NA	NA	18,000	SEKISUI HOUSE	229,185	168,275	2.50
NA	NA	1,921	SELOGER PROMESSES	86,962	44,643	N/A
NA	NA	6,400	SENSHUKAI CO.	49,983	45,100	2.30
NA	NA	23,565	SEVEN NETWORK LTD.	200,988	170,285	4.50
NA	NA	6,000	SHANGRI LA ASIA LTD.	14,344	14,005	1.50
NA	NA	40,000	SHARP CORP.	689,043	652,422	1.60
NA	NA	34,000	SHAW BROS(HK) LTD.	83,363	101,597	2.00
NA	NR	4,130	SHAW COMMUNICATIONS	95,595	84,753	3.50
NA	NA	6,600	SHIMACHU CO.	180,807	161,257	1.40
NA	NA	16,000	SHOCHIKU CO.	102,379	101,278	0.50
NA	NA	80,800	SHOWA CORP.	882,930	570,909	3.60
NA	NA	202,495	SIGNET GROUP	261,633	200,490	7.40
NA	NA	17,000	SINGAPORE PRESS HOLDING	48,418	53,178	4.00
NA	NA	1,984	SIXT AG	102,381	78,522	6.70
NA	NA	28,048	SKY NETWORK TELEVISION	98,469	87,951	4.70
NA	NA	245	SKY PERFECT JSAT HOLDINGS INC.	105,258	99,960	N/A
NA	NA	9,247	SNAI SPA	63,041	49,535	0.00
NA	NA	34,900	SODEXO	2,300,673	2,294,045	2.80
NA	NA	8,402	SOL MELIA SA	120,505	90,811	2.10
NA	NA	1,148	SOLAR A/S	112,399	89,978	N/A
NA	NA	58,965	SPORTINGBET PLC.	53,851	39,899	0.00
NA	NA	41,784	SPORTS DIRECT INTERNATIONAL	94,622	75,257	N/A
NA	NA	4,700	STANLEY ELECTRIC	101,500	113,947	1.40
NA	NA	15,904	STEINHOFF INTERNATIONAL HOLDING	49,378	32,344	3.10
NA	NA	41,500	STELLA INTERNATIONAL HOLDING	65,426	74,405	N/A
NA	NA	21,415	STOCKMANN OYJ ABP	885,270	828,327	5.50
NA	NA	20,900	SUMITOMO FORESTRY	163,852	172,515	1.80
NA	NA	7,300	SUMITOMO RUBBER	80,142	54,541	2.50
NA	NA	67,000	SUNCALL CORP.	376,683	322,343	3.10
NA	NA	56,456	SUPER GROUP LTD.	97,096	36,925	7.80
NA	NA	8,183	SWATCH GROUP	457,608	384,005	1.80
NA	NA	1,798	SWATCH GROUP	561,125	450,559	1.70
NA	NA	13,000	T RAD COMPANY LIMITED	67,098	67,695	1.70

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Consumer Discretionary (continued)						
NA	NA	3,009	TABCORP HOLDINGS LTD.	37,463	28,327	9.60
NA	NA	5,000	TAKASHIMAYA CO.	54,039	45,422	1.00
NA	NA	3,900	TAKATA CORPORATION	84,349	76,893	N/A
NA	NA	4,434	TAKKT AG	85,205	78,173	4.10
NA	NA	2,600	TAMRON CO.	53,982	49,177	2.40
NA	NA	42,000	TAT HONG HOLDINGS	65,779	58,735	4.00
NA	NA	10,414	TATA MOTORS LTD.	174,691	104,661	3.50
NA	NA	5,382	TATTS GROUP LTD.	18,346	12,137	8.30
NA	NA	57,817	TAYLOR NELSON SOFR	284,906	267,237	2.40
NA	NA	58,372	TAYLOR WIMPEY PLC.	392,613	72,025	25.40
NA	NA	222,126	TELECOM ITALIA MEDIA	47,399	34,122	0.00
NA	NA	5,543	TELEGRAAF HOLDING	184,878	181,215	4.80
NA	NA	29,537	TELEPERFORMANCE	1,176,162	1,090,828	1.90
NA	NA	117,035	TEN NETWORK HOLDINGS	254,095	153,307	9.90
NA	NA	5,000	TENMA CORPORATION	67,912	77,638	1.90
NA	NA	7,386	TF1 TV FRANCAISE	207,557	123,701	8.00
NA	NA	339,189	THE GAME GROUP	1,284,398	1,960,981	1.50
NA	NA	22,534	THOMAS COOK GROUP	126,887	104,940	N/A
NA	NA	3,243	THOMSON REUTERS CORPORATION	135,345	105,165	N/A
NA	NA	7,845	THOMSON REUTERS PL	263,717	209,835	N/A
NA	NA	303,131	THOMSON SA	4,282,171	1,585,626	0.00
NA	NR	6,766	TIM HORTONS INC.	183,153	194,117	1.30
NA	NA	1,674	TODS SPA	108,536	92,021	3.60
NA	NA	15,000	TOEI CO.	82,047	86,600	1.00
NA	NA	1,200	TOKAI RIKI CO.	31,199	24,848	2.30
NA	NA	5,600	TOKAI RUBBER INDS.	73,536	72,321	1.30
NA	NA	1,400	TOKYO BROADCASTING	41,482	26,612	0.80
NA	NA	26,000	TOKYO DOME CORP.	108,683	122,390	1.00
NA	NA	11,000	TOKYO STYLE CO.	107,270	98,684	1.90
NA	NA	26,000	TOKYOTOKEIBA CO.	50,610	47,092	1.60
NA	NA	12,100	TOMY CO.	84,250	78,076	1.50
NA	NA	26,266	TOPPS TILES	54,343	35,546	N/A
NA	NA	140,600	TOPRE CORPORATION	1,471,702	1,273,298	1.50
NA	NA	1,400	TOYO TANSO CO. LTD.	109,929	90,203	0.20
NA	NA	21,000	TOYO TIRE & RUBBER	77,476	66,959	2.60
NA	NA	91,000	TOYOBO CO.	184,560	179,416	2.40
NA	NA	1,900	TOYODA GOSEI	57,974	55,563	1.50
NA	NA	5,500	TOYOTA AUTO BODY	109,230	102,835	1.70
NA	NA	2,500	TOYOTA BOSHOKU CORP.	70,598	67,096	1.20
NA	NA	11,600	TOYOTA INDUSTRIES	481,256	372,058	1.80
NA	NA	14,616	TRAVIS PERKINS	302,681	156,494	8.20
NA	NA	14,239	TRELLEBORG AB	297,818	215,407	7.10
NA	NA	2,067	TRIGANO	63,937	45,854	3.90
NA	NA	48,431	TRINITY MIRROR	275,500	105,060	14.50
NA	NA	36,000	TRULY INTERNATIONAL HOLDINGS	42,862	33,565	7.60
NA	NA	6,000	TS TECH CO. LTD.	97,242	97,071	N/A
NA	NA	21,607	TUI AG	547,235	501,112	2.40
NA	NA	24,662	TUI TRAVEL PLC.	140,430	100,616	0.00
NA	NA	199	TV ASAHI CORP.	297,556	285,345	2.00
NA	NA	256,600	UNIPRES	2,214,014	2,706,276	1.30
NA	NA	79,000	UNITIKA	84,682	81,232	1.80
NA	NA	54,000	UNY CO. LTD.	464,273	532,843	1.70
NA	NA	9,380	USEN CORP.	43,140	38,403	0.00
NA	NA	160	USJ CO. LTD.	113,701	101,882	N/A
NA	NA	3,830	USS	245,969	253,274	2.40
NA	NA	17,531	UNITED BUSINESS MEDIA	258,093	190,321	N/A
NA	NA	4,898	VALEO	237,938	157,428	5.90
NA	NA	3,464	VALORA HOLDING AG	898,980	925,003	3.30
NA	NA	28,000	VICTOR CO. OF JAPAN	72,206	58,639	0.00
NA	NA	49,194	VIVENDI SA	2,000,482	1,867,933	5.40
NA	NA	9,439	VOCENTO	161,501	116,742	N/A
NA	NA	1,215	VOLKSWAGEN AG	335,494	350,852	1.40
NA	NA	3,755	VOLKSWAGEN AG	566,912	544,467	2.90
NA	NA	13,000	WACOAL HOLDINGS CORP.	174,135	155,502	2.00
NA	NA	58,954	WAL MART DE MEXICO SAB DE CV	210,249	233,899	1.40
NA	NA	13,146	WAREHOUSE GROUP	53,524	41,022	10.10
NA	NA	4,500	WATAMI CO. LTD.	77,133	71,530	1.20
NA	NA	2,825	WEBER GERRY AG	102,940	89,108	3.60
NA	NA	25,110	WEST AUST NEWS HOLDING	237,329	190,365	6.60
NA	NA	18,163	WETHERSPOON (JD)	110,486	72,656	6.20
NA	NA	313,392	WH SMITH PLC.	2,475,296	2,329,507	N/A
NA	NA	7,812	WHITBREAD	249,541	191,540	2.90
NA	NA	10,332	WOLTERS KLUWER	294,193	241,574	4.30
NA	NA	258,833	WOOLWORTHS GROUP	61,149	41,930	7.30
NA	NA	3,500	XEBIO CO.	92,280	76,930	1.30

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Consumer Discretionary (continued)						
NA	NA	2,870	YAMADA DENKI CO.	284,667	204,681	0.40
NA	NA	2,000	YAMAHA CORP.	42,027	38,677	2.70
NA	NA	5,000	YAMAHA MOTOR CO.	129,160	93,722	2.00
NA	NA	116,000	YAMATO INTERNATIONAL	895,868	594,198	4.50
NA	NA	900,994	YELL GROUP	4,095,909	1,264,144	16.40
NA	NA	2,298	YELLOW PAGES INCOME FUND	29,674	20,046	N/A
NA	NA	33,000	YOKOHAMA RUBBER CO.	157,482	155,342	2.60
NA	NA	12,000	YOROZU CORP.	172,632	165,049	1.10
NA	NA	77	YOSHINOYA HOLDINGS CO. LTD.	112,144	92,252	1.60
NA	NA	2,800	ZENRIN CO.	63,219	46,092	1.70
NA	NA	10,300	ZENSHO CO.	72,216	55,287	2.10
NA	NA	40,798	ZON MULTIMEDIA	413,701	339,395	3.80
Total Consumer Discretionary				<u>223,679,351</u>	<u>198,632,448</u>	
Consumer Staples						
NA	NA	3,765	AARHUSKARLSHAMN AB	112,121	102,960	2.40
NA	NA	99,662	ABB GRAIN	863,079	793,817	1.50
NA	NA	5,200	ADERANS HOLDINGS CO. LTD.	98,260	100,561	1.50
NA	NA	49,397	AHOLD (KON) NV	668,607	664,646	1.90
NA	NA	9,000	AJINOMOTO CO. INC.	108,908	85,241	1.60
NA	NA	83,763	ALPIS SA	258,127	229,633	N/A
NA	NA	2,944	AMBEV CIA DE BEBID	198,345	187,450	0.00
NA	NA	28,050	ARCS CO. LTD.	394,110	375,746	2.40
NA	NA	4,000	ARIAKE JAPAN CO.	60,513	61,469	1.80
NA	NA	9,500	ASAHI BREWERIES	139,157	177,624	1.00
NA	NA	2,915	ATRIA OYJ SER A	62,195	65,171	4.90
NA	NA	24,960	AUSTRALIAN AGRICULTURAL CO.	71,918	65,391	2.60
NA	NA	49,512	AWB	165,946	114,509	3.30
NA	NA	17,674	AXFOOD AB	607,751	586,161	6.00
NA	NA	6,962	BARON DE LEY	549,565	542,855	0.00
NA	NA	349	BARRY CALLEBAUT AG	263,133	227,676	1.70
NA	NA	73,700	BELC CO.	654,901	705,679	2.30
NA	NA	840	BELL AG BASEL	1,315,037	1,566,032	2.10
NA	NA	15,440	BING GRAE	542,280	532,846	3.10
NA	NA	703	BONDUELLE	83,553	78,663	1.90
NA	NA	6,487	BOURBON	444,121	403,611	1.80
NA	NA	918,808	BRIT AMER. TOBACCO	35,551,426	31,798,738	3.90
NA	NA	194,165	BRITVIC	1,336,879	1,118,678	N/A
NA	NA	68,732	C & C GROUP	560,667	375,769	N/A
NA	NA	46,321	C & C GROUP	386,567	256,893	7.70
NA	NA	887,617	CADBURY PLC.	10,445,168	11,173,048	N/A
NA	NA	22,095	CAMPARI	202,724	184,851	2.10
NA	NA	5,959	CAMPOFRIO ALIMENTA	96,637	80,649	0.00
NA	NA	2,838	CARLSBERG	309,930	274,300	1.30
NA	NA	24,249	CARREFOUR	1,659,559	1,373,870	3.00
NA	NA	10,141	CASINO GUICH PERR	1,086,988	1,150,391	3.20
NA	B	1,400	CENTRAL EUROPEAN DISTR. CORP.	104,609	103,810	0.00
NA	NA	7,541	CERMAQ ASA NAVNE AKSJER	84,422	89,942	0.10
NA	NA	28,399	CHAODA MODERN AGRICULTURE	22,288	35,838	0.60
NA	NA	12,000	CHINA MENGNIU DAIRY	46,042	34,011	0.70
NA	NA	37,000	CHUBU SHIRYO CO.	340,014	278,883	2.00
NA	NA	1,884	CLARINS	128,218	142,747	1.90
NA	NA	475,140	COCA COLA AMATIL	3,446,495	3,196,335	5.10
NA	NA	5,708	COCA COLA HELL BOT	192,439	155,583	1.50
NA	NA	2,207	COLRUYT SA	513,247	583,550	2.20
NA	NA	8,431	COPEINCA ASA	62,005	85,246	N/A
NA	NA	498	COSAN SA INDUSTRIA	5,825	8,673	N/A
NA	NA	4,850	CRANSWICK	71,539	62,595	3.20
NA	NA	681	CRESUD SA CIFYA	14,083	10,120	0.60
NA	NA	20,484	CSM NV CVA	776,802	716,150	4.00
NA	NA	18,999	DAIRY CREST GROUP	172,291	124,776	7.50
NA	NA	552	DANISCO	40,609	35,510	2.50
NA	NA	2,078	DELHAIZE GROUP	196,677	139,963	3.40
NA	NA	415,141	DIAGEO	8,571,333	7,634,017	3.70
NA	NA	7,500	DUSKIN CO. LTD.	132,783	129,970	N/A
NA	NA	2,289	EAST ASIATIC CO. LTD.	186,107	158,614	3.10
NA	NA	34	EASTERN TOBACCO CO.	2,371	2,206	3.30
NA	NA	12,973	EBRO PULEVA	266,886	248,137	2.40
NA	B+	9,500	EMPIRE LTD.	319,686	410,133	N/A
NA	NA	13,000	EZAKI GLICO. CO.	134,142	147,286	1.30
NA	NA	6,500	FANCL CORP.	76,490	77,567	2.00
NA	NA	33,867	FOMENTO ECON MEXICO	117,770	154,351	1.00
NA	NA	45,751	FOSTERS GROUP	227,405	222,598	4.90
NA	NA	26,000	FRASER & NEAVE LTD.	83,794	86,689	3.00
NA	NR	35,200	FRESH DEL MONTE PRODUCE	1,227,919	829,664	0.00

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Consumer Staples (continued)						
NA	NA	10,300	FUJI OIL CO.	91,285	100,955	1.50
NA	NA	83,297	FUTURIS CORP. LTD.	141,606	87,930	8.60
NA	NA	19,146	GLANBIA PLC.	151,558	134,900	1.40
NA	NA	8,062	GOODMAN FIELDER	17,053	10,870	11.60
NA	NA	9,040	GPO BIMBO SA DE CV	53,193	58,940	0.70
NA	NA	7,490	GRAINCORP	89,452	58,940	0.00
NA	NA	25,684	GREENCORE GROUP	147,102	80,933	6.80
NA	NA	49,960	GREENCORE GROUP	308,317	151,525	7.00
NA	NA	1,208	GREGGS	111,019	88,423	3.70
NA	NA	20,129	GROUPE DANONE	1,527,768	1,414,455	2.50
NA	NA	10,637	GRUPO MODELO SA DE CV	52,059	53,548	4.00
NA	NA	981	GUYENNE & GASCOGNE	165,057	122,938	0.00
NA	NA	9,802	HEINEKEN NV	610,030	500,680	2.20
NA	NA	12,807	HENKEL AG & CO. KGAA	625,171	510,707	3.00
NA	NA	596	HIESTAND HOLDING AG	1,057,794	1,029,806	1.30
NA	NA	3,728	HK RUOKATALO GROUP OYJ	48,331	52,922	3.00
NA	NA	4,000	HOKUTO CORP.	82,435	96,977	1.90
NA	NA	38,200	HOUSE FOOD CORP.	591,697	616,216	1.30
NA	NA	16,836	IAWS GROUP PLC.	436,999	421,763	1.00
NA	NA	486,913	IMPERIAL TOBACCO	20,456,937	18,130,538	4.00
NA	NA	96,905	INBEV	7,566,464	6,730,076	5.50
NA	NA	385,000	INDOFOOD AGRI RE	720,288	722,592	N/A
NA	NA	20,000	ITOHAM FOODS INC.	105,493	99,052	1.00
NA	NA	13,000	IZUMIYA CO.	89,950	77,506	1.90
NA	NA	176,000	J OIL MILLS INC.	631,382	640,875	1.60
NA	NA	166	JAPAN TOBACCO INC.	877,394	709,382	1.20
NA	NA	9,400	KAGOME CO.	141,652	135,584	1.00
NA	NA	18,000	KAO CORP.	500,529	472,902	2.00
NA	NA	260	KESKO OYJ	15,252	8,426	7.80
NA	NA	22,220	KIMBERLY CLARK DE MEX SAB D	94,678	90,465	6.40
NA	NA	21,000	KIRIN HOLDINGS CO. LTD.	269,518	328,456	1.40
NA	NA	5,000	KOSE CORP.	112,508	111,787	1.70
NA	NA	615	LAURENT PERRIER	88,198	87,207	1.60
NA	NA	4,128	LEROY SEAFOOD GROUP	88,528	78,411	1.90
NA	NA	343	LIGHTHOUSE CALEDON	1,087	404	0.00
NA	NA	1,180	LINDT & SPRUENGLI	3,639,158	3,267,995	1.20
NA	NA	70,000	LION CORP.	323,470	295,175	2.30
NA	NA	13,020	LOREAL	1,514,712	1,417,494	2.00
NA	NA	387,747	MARINE HARVEST ASA	262,095	284,713	0.00
NA	NA	47,680	MARR	495,873	492,051	6.10
NA	NA	43,210	MARSTONS PLC.	199,287	151,995	N/A
NA	NA	10,000	MARUETSU INC.	77,906	84,430	0.30
NA	NA	58,000	MARUHA GROUP INC.	101,037	91,373	1.90
NA	NA	43,000	MEIJI SEIKA KAISHA	210,411	183,755	1.60
NA	NA	10,400	MIKUNI COCA COLA	110,547	103,897	2.30
NA	NA	16,000	mitsui SUGAR CO. LTD.	52,775	59,016	1.80
NA	A-	6,682	MOLSON COORS BREWING CO.	274,448	363,033	1.50
NA	NA	41,000	MORINAGA & CO.	83,842	78,515	3.00
NA	NA	30,000	MORINAGA MILK IND.	91,973	78,110	2.20
NA	NA	1,466	NATURA COSMETICOS	15,233	15,208	0.00
NA	NA	646,560	NESTLE SA	27,860,193	29,300,225	N/A
NA	NA	9,914	NICE SPA	46,951	44,009	N/A
NA	NA	35,000	NICHIREI CORP.	166,489	179,944	1.60
NA	NA	219,000	NIPPON FLOUR MILLS	917,214	981,322	1.50
NA	NA	2,000	NIPPON MEAT PACKER	21,619	27,131	1.10
NA	NA	36,200	NIPPON SUISAN	163,061	184,748	2.00
NA	NA	77,000	NISSHIN OILLIO GR	458,362	325,419	2.20
NA	NA	74,213	NORTHERN FOODS	129,494	90,832	7.40
NA	NA	759	NUMICO (KON) NV	37,899	65,652	N/A
NA	NA	15,317	NUTRECO HOLDINGS	1,070,068	1,030,708	15.60
NA	NA	15,000	OKUWA CO.	204,807	223,008	1.70
NA	NA	6,553	OPG GROEP NV	153,184	140,414	N/A
NA	NA	2,254	ORION CORP.	483,701	477,282	1.00
NA	NA	282,000	PACIFIC ANDES INTERNATIONAL	49,643	48,462	3.10
NA	NA	36,151	PARMALAT S P A	127,445	94,550	N/A
NA	NA	959	PERDIGAO SA	18,232	26,054	2.20
NA	NA	5,427	PERNOD RICARD	566,793	557,921	1.90
NA	NA	1,258	PESCANOVA SA	67,941	59,580	1.20
NA	NA	108,095	PREMIER FOODS	276,788	204,907	6.80
NA	NA	66,600	QP CORP.	645,176	585,550	1.50
NA	NA	3,298	REMY COINTREAU SA	211,325	180,463	3.70
NA	NA	38,747	SABMILLER PLC.	1,011,090	888,334	2.60
NA	NA	2,367	SADIA SA	11,853	16,906	1.30
NA	NA	68,110	SAINSBURY (J)	730,926	431,385	3.80
NA	NA	7,500	SAKATA SEED CORP.	121,314	108,037	1.30

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Consumer Staples (continued)						
NA	NR	224	SAPUTO INC.	5,373	6,434	1.70
NA	NA	4,352	SARANTIS	74,828	77,482	1.50
NA	NA	34,500	SEVEN & I HOLDINGS	917,377	986,133	1.70
NA	NA	10,000	SHISEIDO CO.	205,771	229,234	2.00
NA	NR	246	SHOPPERS DRUG MART CORP.	12,385	13,552	1.50
NA	NA	2,414	SHOPRITE HOLDINGS LTD.	11,817	12,178	2.90
NA	NA	28,000	SINOFERT HOLDINGS	19,860	21,725	N/A
NA	NA	2,698	SLIGRO FOOD GROUP	123,057	108,821	N/A
NA	NA	31,000	SNOW BRAND MILK	89,913	112,004	1.00
NA	NA	5,994	SOS CUETARA SA	128,571	137,030	0.20
NA	NA	98,840	SOUZA CRUZ (CIA)	3,008,488	2,839,980	0.00
NA	NA	14,628	SUEDZUCKER AG	316,812	265,503	5.00
NA	NA	4,200	SUGI PHARMACY	104,168	109,750	0.40
NA	NA	4,600	SUNDRUG CO. LTD.	117,613	93,514	1.30
NA	NA	9,368	SUPER DE BOER NV	63,099	45,460	0.00
NA	NA	25,000	TAKARA HOLDINGS	159,216	157,068	1.30
NA	NA	21,041	TATE & LYLE	232,871	166,452	5.70
NA	NA	2,727,828	TESCO	22,887,601	20,048,498	3.00
NA	NA	2,954	TIGER BRANDS	75,979	53,207	2.90
NA	NA	26,000	TINGYI (CAYMAN ISLANDS)	37,349	32,144	2.20
NA	NA	2,300	TSURUHA HOLDINGS I	87,690	75,506	1.70
NA	NA	2,000	UNICHARM PETCARE C	63,008	59,809	1.00
NA	NA	58,677	UNILEVER PLC.	1,839,642	1,668,728	3.60
NA	NA	20,486	UNIQ	45,144	48,007	N/A
NA	NA	5,600	VALOR CO.	61,019	52,669	2.00
NA	NA	628	VILMORIN CL & CIE	120,764	118,545	1.40
NA	NA	8,339	VISCOFAN SA	189,252	178,815	3.00
NA	NA	10,422	WESSANEN KON CVA	136,267	120,527	8.90
NA	NA	322	WIMM BILL DANN FOODS OJSC	33,475	33,881	0.50
NA	NA	38,738	WOOLWORTHS LTD.	897,460	908,926	3.40
NA	NA	1,800	YAKULT HONSHA CO.	41,458	50,771	0.70
NA	NA	68,000	YAMAZAKI BAKING CO.	622,608	748,606	1.00
Total Consumer Staples				190,664,517	178,197,545	
Energy						
NA	NA	5,640	ACERGY S.A	143,949	126,233	0.90
NA	NA	3,732	ACTELIOS	42,895	40,131	N/A
NA	NA	1,560	ADP PROMESSES	170,981	146,095	N/A
NA	NA	17,130	AED OIL LIMITED	36,984	46,686	N/A
NA	NA	5,800	AOC HOLDINGS INC.	67,016	59,639	1.40
NA	NA	74,504	ARROW ENERGY	228,926	263,112	N/A
NA	NA	63,760	AUST WORLDWIDE EXP	242,537	254,539	0.00
NA	NA	33,200	BAYTEX ENERGY TRUST	922,821	1,138,463	N/A
NA	NA	127,570	BEACH PETROLEUM NL	156,797	164,046	1.30
NA	NA	796,444	BG GROUP	19,191,490	20,716,499	0.80
NA	NA	10,808	BOWLEVEN	83,611	77,004	0.00
NA	NA	796,696	BP PLC.	8,869,754	9,247,683	4.30
NA	NA	9,815	CALTEX AUSTRALIA	184,868	123,012	6.10
NA	NA	212,787	CANADIAN NATURAL RES. LTD.	20,218,912	21,149,713	0.40
NA	NA	5,767	CAT OIL AG	81,654	81,776	N/A
NA	NA	525	CGG VERITAS	28,243	24,856	0.00
NA	NA	117,000	CH OFFSHORE LTD.	53,315	55,114	N/A
NA	NA	9,181,300	CNOOC LTD.	17,094,742	16,540,532	2.20
NA	NR	131,190	CORE LABORATORIES NV	16,695,425	18,674,897	0.00
NA	NR	21,400	CREW ENERGY INC.	310,816	389,589	N/A
NA	NA	11,858	DANA PETROLEUM	437,600	448,385	0.00
NA	NA	248	DISTRIGAZ	1,193,995	2,613,636	N/A
NA	NA	115,333	DNO INTERNATIONAL ASA	241,109	240,699	0.00
NA	NA	7,953	DOF ASA	93,794	87,830	2.70
NA	NA	508	DUVERNAY OIL CORP.	15,140	31,169	N/A
NA	NA	2,317	EDF ENERGIES NOUV	155,457	155,039	0.60
NA	NA	5,247	ELECTROMAGNETIC GE	45,148	39,764	0.00
NA	NA	12,299	ENCANA CORP.	731,230	1,131,767	1.70
NA	NA	390,767	ENI	11,504,138	14,591,449	5.50
NA	NA	9,438	ENIA	130,510	118,291	N/A
NA	NA	353	ENSIGN ENERGY SVCS. INC.	6,173	7,731	N/A
NA	NA	8,616	ERG SPA	190,277	206,746	2.60
NA	NA	445	ESSO (FRANCAISE)	112,339	112,179	9.40
NA	NA	15,345	EXPRO INTERNATIONAL GROUP	459,949	493,202	0.30
NA	NR	3,908	FIRST CALGARY PETROLEUMS LTD.	18,337	8,744	0.00
NA	NA	16,913	FORTUM OYJ	548,724	859,641	4.20
NA	NA	5,010	FRED OLSEN ENERGY	347,867	303,937	3.20
NA	NA	13,403	FUCHS PETRO AG OEL	1,084,524	1,267,026	N/A
NA	NA	10,119	FUGRO NV	511,551	864,907	2.30
NA	NA	37,722	GALP ENERGIA	410,728	841,570	N/A

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
			FOREIGN EQUITY SECURITIES (continued)			
			Energy (continued)			
NA	NA	33,751	GAZPROM	1,402,354	1,957,558	0.60
NA	NA	15,267	GDF SUEZ	736,726	981,881	3.10
NA	NA	3,268	HARVEST ENERGY TR	83,565	79,723	N/A
NA	NA	16,006	HELLENIC PETROLEUM	228,258	219,903	5.70
NA	NA	25,316	HERITAGE OIL LTD.	134,040	172,434	N/A
NA	NR	6,672	HUSKY ENERGY INC.	247,305	321,056	3.30
NA	NA	1,600	IDEMITSU KOSAN CO.	169,689	142,182	N/A
NA	NA	12,164	IMPERIAL ENERGY CO.	233,359	224,894	0.00
NA	NA	6,751	IMPERIAL OIL LTD.	298,807	373,699	0.60
NA	NA	60	INPEX HOLDINGS INC.	535,705	758,455	0.60
NA	NA	52,100	ITOHCHU ENEX CO. LTD.	383,433	341,091	2.40
NA	NA	3,000	JAPAN PETROLEUM EX	193,129	214,518	0.50
NA	NA	187,483	JKX OIL & GAS	1,727,313	1,957,009	N/A
NA	NA	34,000	KS ENERGY SERVICES	43,707	47,297	4.80
NA	NA	65,708	MAUREL ET PROM	1,419,171	1,551,858	8.00
NA	NA	46,146	MAX PETROLEUM	63,227	49,592	N/A
NA	NA	8,746	MELROSE RESOURCES	65,434	73,975	0.50
NA	NA	2,600	MODEC INC.	94,206	84,864	0.50
NA	NA	9,085	MOTOR OIL SA	218,981	184,649	N/A
NA	NA	8,526	NESTE OIL OYJ	291,896	251,468	5.30
NA	NA	20,121	NEW HOPE CORP.	91,435	103,304	1.50
NA	NA	9,041	NEXEN INC.	255,068	362,335	0.50
NA	NR	733	NIKO RES. LTD.	64,441	70,616	0.10
NA	NA	45,500	NIPPON MINING HOLDING	380,180	285,435	2.50
NA	NA	86,000	NIPPON OIL CORP.	692,939	578,444	3.00
NA	NA	39,443	NORSK HYDRO ASA	462,419	576,144	2.00
NA	NA	2,057	NOVATEK OAO	102,850	178,753	0.00
NA	NA	252,571	OIL SEARCH LTD.	929,716	1,648,182	1.20
NA	NA	12,683	OMV AG	769,663	996,337	2.50
NA	NA	2,541	OPTI CANADA INC.	46,734	57,855	N/A
NA	NA	64,238	ORIGIN ENERGY	503,660	993,733	1.40
NA	NA	15,569	PA RESOURCEB	169,807	200,586	N/A
NA	NA	20,407	PALADIN ENERGY LTD.	101,055	125,531	0.00
NA	NA	8,925	PENN WEST ENERGY TRUST	253,102	303,321	N/A
NA	NR	9,026	PETRO CANADA	460,201	508,082	0.90
NA	NA	59,996	PETROL BRASILEIROS	850,584	1,743,109	1.70
NA	NA	32,540	PETROL BRASILIEROS	541,305	1,154,909	1.40
NA	NA	350,040	PETROLEO BRASILEIRO SA	23,288,162	24,793,333	1.40
NA	NA	5,560	PETROLEUM GEO SVS	127,994	136,450	0.00
NA	NA	85,261	PETROLIA DRILLING	42,147	40,174	N/A
NA	NA	9,240	PETROPLUS HOLDINGS	493,640	498,013	0.00
NA	NA	967	PRECISION DRILLING TRUST	18,450	26,211	5.70
NA	NA	11,459	PREMIER OIL	384,099	375,828	0.00
NA	NA	20,903	PROSAFE SE	203,981	207,247	N/A
NA	NA	9,112	PROVIDENT ENERGY TRUST	104,906	105,441	12.30
NA	NA	65,368	QUEENSLAND GAS CO.	360,260	336,862	N/A
NA	NA	5,810	RENEWABLE ENERGY	215,581	150,570	0.00
NA	NA	330,076	REPSOL YPF SA	10,962,891	13,016,882	3.30
NA	NA	5,070	REVUS ENERGY ASA	89,154	86,351	0.00
NA	NA	46,943	ROC OIL CO. LTD.	104,365	75,907	0.00
NA	NA	14,581	SAIPEM	455,615	685,287	1.50
NA	NA	16,229	SALAMANDER ENERGY	99,376	103,677	N/A
NA	NA	62,000	SAN AI OIL CO.	319,625	270,799	2.20
NA	NA	42,361	SANTOS LTD.	427,671	871,979	1.90
NA	NA	12,649	SASOL	524,545	744,900	2.10
NA	NA	252,199	SBM OFFSHORE NV	6,411,233	9,313,934	2.50
NA	NA	12,205	SCANA INDUSTRIER	35,141	31,390	3.80
NA	NA	13,049	SCHOELLER BLECKMAN	1,031,515	1,407,288	1.60
NA	NA	6,735	SEADRILL LTD.	126,233	205,946	0.00
NA	NA	21,932	SEVAN MARINE AS	352,809	273,426	0.00
NA	NA	6,000	SHINKO PLANTECH	86,378	92,939	1.50
NA	NA	37,200	SHOWA SHELL SEKIYU	434,569	408,128	3.20
NA	NA	22,359	SIBIR ENERGY ORD	305,072	362,212	N/A
NA	NA	211,000	SINGAPORE PETROLEUM	926,976	1,024,988	9.10
NA	NA	6,238	SOCO INTERNATIONAL	237,238	246,429	0.00
NA	NA	76,923	STATOILHYDRO ASA	2,156,599	2,867,934	4.50
NA	NA	283,956	STERLING ENERGY	73,058	63,575	0.00
NA	NA	59,000	STRAITSIA RESOU	158,496	153,292	N/A
NA	NA	33,680	SUBSEA 7 INC.	916,123	853,001	0.00
NA	B	287,987	SUNCOR ENERGY INC.	17,894,555	16,804,327	0.30
NA	NA	27,010	SURGUTNEFTEGAZ	333,089	297,110	2.30
NA	NA	20,431	SURGUTNEFTEGAZ JSC	130,241	110,736	0.00
NA	B-	22,261	TALISMAN ENERGY INC.	384,323	495,445	0.90
NA	NA	18,406	TECHNIP	1,504,124	1,704,885	2.00
NA	NA	64,000	TONEN GENERAL SEKIYU	626,902	582,010	4.00

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Energy (continued)						
NA	NA	40,000	TOYO KANETSU KK	87,167	83,392	1.90
NA	NR	664	TRICAN WELL SVC. LTD.	11,801	16,591	N/A
NA	NA	76,344	VENTURE PRODUCTION	1,351,208	1,320,323	1.40
NA	NA	11,302	WAVEFIELD INSEI	86,608	79,881	N/A
NA	NA	11,729	WELLSTREAM HOLDINGS P	331,821	303,452	N/A
NA	NA	3,268	WESTERNZAGROS RES. LTD.	9,929	9,599	N/A
NA	NA	51,096	WOOD GROUP (JOHN)	462,807	502,854	0.80
NA	NA	26,642	WOODSIDE PETROLEUM	928,072	1,725,771	1.50
NA	NA	289,102	WORLEYPARSONS LIMITED	10,992,346	10,503,751	2.10
NA	NA	4,354	ZUMTOBEL AG	133,890	99,469	N/A
Total Energy				205,052,575	228,088,102	
Financials						
NA	NA	30,867	3I GROUP	654,059	506,797	2.10
NA	NA	39,359	3I INFRASTRUCTURE PLC.	91,430	93,213	N/A
NA	NA	100,255	ABACUS PROPERTY GROUP	127,599	110,641	12.20
NA	NA	93,190	ABERDEEN ASSET MGT.	251,519	245,737	4.40
NA	NA	39,344	ABG SUNDAL COLLIER	63,196	58,706	22.40
NA	B	314,863	ACE LTD.	15,748,966	17,345,803	2.00
NA	NA	16,043	ACKERMANS	1,387,869	1,625,535	2.20
NA	NA	3,250	ACOM CO.	100,545	100,868	3.00
NA	NA	24,250	ACTA HOLDING ASA	73,357	27,614	44.00
NA	NA	22,775	ADMIRAL GROUP	384,403	361,925	5.50
NA	NA	62,547	AEGON NV	1,124,233	829,067	7.40
NA	NA	3,700	AEON CREDIT SERV	47,508	46,457	3.10
NA	NA	7,812	AFRICAN BANK INV.	32,954	23,551	10.00
NA	NA	14,100	AGILE PROPERTY HOLDING	26,614	12,296	3.10
NA	NA	1,300	AICHI BANK	109,757	106,203	0.80
NA	NA	4,050	AIFUL CORP.	83,150	46,993	3.30
NA	NA	31,000	AKITA BANK	142,966	140,371	1.30
NA	NA	104,000	ALLGREEN PROPRTIE	76,737	75,781	5.10
NA	NA	1,334	ALLIANCE AND LEI PLC.	11,548	7,832	18.60
NA	NA	41,367	ALLIED IRISH BANKS	1,076,002	638,657	8.10
NA	NR	4,500	ALLIED WORLD ASSURANCE COMPANY	191,021	178,290	1.70
NA	NA	11,769	ALM BRAND FINANSON	746,309	619,100	0.00
NA	NA	14,912	ALPHA BANK	470,903	451,096	4.70
NA	NA	4,335	ALSTRIA OFFICE REI	85,717	71,715	N/A
NA	NA	61,361	AMLIN	351,350	305,904	N/A
NA	NA	63,134	AMP LIMITED	521,746	405,324	9.40
NA	NA	1,305	APAMANSHOP HOLDING	323,831	268,374	7.70
NA	NA	2,183	APRIL GROUP	119,746	127,912	1.20
NA	NA	5,986	ARC ENERGY TR	116,347	200,310	N/A
NA	NA	3,393	ARQUES INDUSTRIEG	50,629	31,006	N/A
NA	NA	112,000	ASCOTT RESIDENCE T	107,913	88,205	N/A
NA	NA	54,171	ASHMORE GROUP	300,898	233,405	N/A
NA	NA	38,616	ASSIC GENERALI	1,555,419	1,482,706	3.70
NA	NA	32,030	ATEBANK	135,642	115,565	4.40
NA	NA	3,400	ATRIUM CO. LTD.	55,403	34,127	N/A
NA	NA	2,831	ATRIUM EUROPEAN REAL ESTATE	60,889	31,892	0.00
NA	NA	85,176	AUST & NZ BANK GROUP	2,007,447	1,530,156	7.30
NA	NA	71,084	AUSTRALAND PROPERTY GROUP	112,656	81,177	17.10
NA	NA	56,530	AUSTRALIAN INFRAST	155,805	120,433	9.40
NA	NA	75,638	AUSTRALIAN WEALTH	128,543	93,999	8.10
NA	NA	3,051	AVANZA BANK HOLDING AB	57,578	46,663	6.50
NA	NA	713,073	AVIVA PLC.	9,749,898	7,109,798	6.60
NA	NA	30,000	AWA BANK	188,210	166,407	1.20
NA	NA	344,871	AXA	10,515,289	10,247,798	6.40
NA	NA	13,775	AXA ASIA PACIFIC HOLDINGS	83,806	61,866	5.50
NA	NA	48,350	AZIMUT HOLDING S P A	710,084	426,215	2.70
NA	NA	91,188	BABCOCK & BROWN JA	98,946	70,882	16.10
NA	NA	4,314	BABCOCK & BROWN LTD.	81,561	31,049	8.80
NA	NA	104,980	BABCOCK & BROWN WI	163,130	165,724	N/A
NA	NA	3,617	BABIS VOVOS SA	115,199	119,104	0.00
NA	NA	11,104	BALOISE HOLDINGS	798,330	1,172,973	4.20
NA	NA	11,532	BANCA ITALEASE EUR5.16	135,221	110,378	0.00
NA	NA	4,838	BANCO BPI SA	38,926	20,085	7.10
NA	NA	362,225	BANCO ITAU	8,164,934	7,356,790	0.40
NA	NA	1,244	BANCO MACRO SA	33,949	20,675	5.00
NA	NA	19	BANCO NOSSA CAIXA	281	495	2.20
NA	NA	20,206	BANCO POPOLARE	510,128	359,105	5.30
NA	NA	7,663	BANCO SANTANDER CHILE NEW	364,759	329,586	4.90
NA	NA	536,434	BANCO SANTANDER SA	10,239,828	9,863,234	4.70
NA	NA	13,463	BANCOLOMBIA	441,065	422,604	N/A
NA	NA	15,986	BANIF SGPS	62,036	44,329	N/A
NA	NA	8,333	BANK MONTREAL QUEBEC	508,188	349,073	6.60

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Financials (continued)						
NA	NA	17,070	BANK N S HALIFAX	843,421	785,232	N/A
NA	NA	118,000	BANK OF COMMUNICAT	144,789	138,166	1.90
NA	NA	42,612	BANK OF EAST ASIA	235,990	231,437	3.90
NA	NA	26,000	BANK OF KANSAI	72,714	65,487	1.90
NA	NA	3,000	BANK OF KYOTO	34,961	31,385	0.90
NA	NA	172,000	BANK OF NAGOYA	1,068,408	1,075,761	1.00
NA	NA	17,418	BANK OF QUEENSLAND	277,137	217,297	5.50
NA	NA	28,000	BANK OF RYUKYUS	353,152	273,647	0.80
NA	NA	33,000	BANK OF SAGA	114,174	116,428	1.60
NA	NA	52,000	BANK OF YOKOHAMA	349,830	360,058	1.60
NA	NA	133,688	BBVA (BILB VIZ ARG)	3,082,264	2,563,393	5.00
NA	NA	3,274	BBVA BANCO FRANCES	29,990	17,352	6.50
NA	NA	3,809	BCA POP DI INTRA	87,418	87,439	0.70
NA	NA	12,100	BCA POP DI MILANO	144,886	113,622	6.70
NA	NA	14,418	BCA POP ETRUZ LAZI	187,108	149,473	4.60
NA	NA	20,325	BCO BRADESCO SA	323,012	421,579	0.50
NA	NA	87,830	BCO COM PORTUGUES	420,121	190,273	2.70
NA	NA	7,488	BCO DESIO E BRIANZ	78,480	71,907	1.70
NA	NA	12,772	BCO ESPIR SANTO	273,572	199,418	4.70
NA	NA	706,739	BCO POPULAR ESP	10,653,293	9,787,688	4.60
NA	NA	242,890	BCO SANT CENT. HISP.	2,100,322	4,432,661	N/A
NA	NA	430,912	BEAZLEY GROUP	1,407,113	954,057	5.40
NA	NA	23,156	BECTON PROPERTY	43,135	31,777	N/A
NA	NA	1,733	BEFIMMO	211,775	183,212	N/A
NA	NA	27,216	BENFIELD	139,971	132,431	5.40
NA	NA	90,406	BENI STABILI SPA	97,424	89,737	5.10
NA	NA	6,032	BERKELEY GP HOLDINGS	154,690	81,871	N/A
NA	NA	8,455	BINCKBANK N.V.	117,818	89,652	4.30
NA	NA	43,322	BANK OF IRELAND	790,198	376,978	11.50
NA	NA	10,325	BANK OF PIRAEUS	331,188	280,778	4.20
NA	NA	15,803	BANK SARASIN & CIE AG	797,492	712,888	2.90
NA	NA	216,500	BOC HONG KONG HOLDINGS LTD.	533,056	573,357	4.40
NA	NA	23,294	BOLSAS Y MERCADOS	1,261,431	867,975	N/A
NA	NA	421	BQE CANT VAUDOISE	154,444	140,113	4.10
NA	NA	86,948	BRADFORD & BINGLEY	294,219	111,610	28.80
NA	NA	22,673	BREWIN DOLPHIN	57,293	52,793	6.30
NA	NA	341,953	BRIT INSURANCE HOLDING	1,740,738	1,192,642	8.60
NA	NA	27,439	BRITISH LAND CO.	695,980	386,896	5.00
NA	NA	42,551	BRIXTON PLC.	260,923	203,662	5.80
NA	NA	5,837	BROOKFIELD ASSET MGMT. INC.	198,329	190,434	N/A
NA	NA	306	BROOKFIELD PPTYS. CORP.	6,986	5,526	3.10
NA	NA	3,871	CA IMMO INTERNATION	63,165	60,990	N/A
NA	NA	12,337	CA IMMOBILIEN ANLA	293,529	258,714	0.00
NA	NA	15,570	CABCHARGE AUSTRALIA	132,679	122,522	3.90
NA	NA	720	CALYON BANK EGYPT	2,286	2,369	N/A
NA	NA	5,699	CANADIAN OIL SANDS TRUST NEW	168,193	308,950	N/A
NA	NA	11,085	CAPITAL & REGIONAL	73,898	41,916	13.80
NA	NA	44,000	CAPITALAND	207,646	184,595	2.60
NA	NA	71,000	CAPITARETAIL CHINA TRUST	75,226	64,800	N/A
NA	NA	65,912	CASTELLUM AB	726,341	630,045	5.20
NA	NA	72,713	CATTLES PLC.	326,040	193,911	14.50
NA	NA	7,201	CATTOLICA ASSICURA	380,567	317,675	5.50
NA	NA	5,124	CDN IMPERIAL BANK OF COMMERCE	456,410	283,334	6.20
NA	NA	12,000	CENTRAL FINANCE CO.	34,838	30,112	0.00
NA	NA	149,067	CENTRO PROPS GROUP	134,453	35,048	0.00
NA	NA	168,370	CENTRO RETAIL GROUP	68,320	50,897	4.40
NA	NA	46,700	CENTURY LEASING SYSTEMS	506,114	500,019	2.50
NA	NA	38,673	CHALLENGER FIN. SERVICES	73,123	70,143	6.60
NA	NA	1,436,353	CHAUCER HOLDINGS	2,470,531	2,293,991	6.30
NA	NA	108,300	CHEMTRADE LOGISTICS INCOME FUND	1,275,774	1,595,865	N/A
NA	NA	26,016	CHESNARA	85,940	74,945	10.40
NA	NA	338,000	CHEUNG KONG (HOLDINGS)	3,622,556	4,555,823	2.30
NA	NA	31,315	CHIBA BANK	246,941	219,785	1.70
NA	NA	5,700	CHIBA KOGYO BANK	80,507	75,602	0.00
NA	NA	57,000	CHINA CITIC BANK	43,791	31,945	N/A
NA	NA	850,000	CHINA CONST BANK	740,932	684,583	2.30
NA	NA	4,000	CHINA EVERBRIGHT	12,518	7,715	0.70
NA	NA	121,000	CHINA LIFE INSURANCE	614,683	423,639	1.80
NA	NA	54,000	CHINA O/SEAS LAND	115,447	85,320	1.00
NA	NA	18,000	CHINA RESOURCES LAND LIMITED	33,707	24,931	0.90
NA	NA	34,000	CHONG HING BANK LTD.	81,852	80,842	3.50
NA	NA	33,000	CHUO MITSUI TRUST HOLDINGS INC.	258,033	196,745	1.10
NA	NA	83,000	CITIC INTERNATIONAL FINANCIA	61,079	63,335	0.00
NA	NA	25,561	CITYCON OYJ	158,571	129,275	1.30
NA	NA	23,119	CLOSE BROTHERS GP	324,299	254,437	7.30

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Financials (continued)			
NA	NA	8,146	CLS HOLDINGS	54,288	55,323	0.00
NA	NA	54,469	COMMONWEALTH BANK OF AUSTRALIA	2,438,089	2,099,732	6.50
NA	NA	7,711	CNP ASSURANCES	933,046	871,817	4.00
NA	NA	1,374	COFINIMMO SA	276,210	250,035	7.60
NA	NA	33,346	COLLINS STEWART	75,076	48,943	N/A
NA	NA	2,013	COLONIA REAL ESTATE AG	41,304	22,360	N/A
NA	NA	5,501	COMDIRECT BANK AG	74,649	62,836	8.10
NA	NA	1,763	COMMERCIAL INTERNATIONAL BANK	22,151	28,293	1.20
NA	NA	187,566	COMMONWEALTH PROPERTIES	252,196	222,297	7.50
NA	NA	18,508	CONNAUGHT	152,615	155,899	0.60
NA	NA	34,085	CONWERT IMMOBILIEN INVEST. SE	639,229	586,433	0.00
NA	NA	157	CORIO NV	11,907	12,277	5.20
NA	NA	22,847	CORP FINANC ALBA	1,590,107	1,345,913	0.30
NA	NA	12,138	CREDEM	155,607	106,903	6.40
NA	NR	2,034	CREDICORP LTD.	124,786	167,032	1.80
NA	NA	4,900	CREDIT SAISON CO.	123,468	103,080	1.30
NA	NA	35,096	CREDITO ARTIGIANO	148,194	138,239	8.50
NA	NA	24,482	CREDITO VALTELLINE	288,584	257,472	5.10
NA	NA	26	CREED OFFICE INVESTMENT CORP.	67,962	46,111	N/A
NA	NA	94,059	CROMWELL GROUP	77,060	69,954	N/A
NA	NA	2,345	CYRELA BRAZIL REAL	22,536	32,643	1.00
NA	NA	12,508	D CARNEGIE & CO. AB	181,508	167,387	9.30
NA	NA	29	DA OFFICE INVESTMENT	110,935	118,730	N/A
NA	NA	43,460	DAEGU BANK	744,851	577,500	4.30
NA	NA	60,000	DAH SING BANKING G	115,206	106,496	2.90
NA	NA	6,200	DAIBIRU CORP.	68,058	68,957	0.90
NA	NA	32,000	DAIKYO INC.	64,950	51,922	3.00
NA	NA	128,000	DAISHI BANK	537,090	569,935	1.50
NA	NA	66,000	DAIWA SECURITIES GROUP INC.	647,152	607,669	2.20
NA	NA	29,000	DAIWASYSTEM CO. LTD.	687,455	248,403	N/A
NA	NA	29,517	DANSKE BANK A/S	1,213,577	854,309	6.20
NA	NA	788,083	DBS GROUP HOLDINGS	7,874,129	10,939,716	4.20
NA	NA	25,692	DEA CAPITAL	70,989	67,114	0.00
NA	NA	9,661	DERWENT LONDON PLC.	255,561	193,806	2.20
NA	NA	3,469	DEUTSCHE BANK AG	371,735	299,787	11.70
NA	NA	18,388	DEUTSCHE BOERSE AG	2,095,941	2,076,946	4.20
NA	NA	20,269	DEUTSCHE EUROSHOP	791,057	776,336	4.30
NA	NA	4,570	DEUTSCHE WOHNEN AG BR	116,864	68,907	N/A
NA	NA	7,898	DEVELOPMENT SECURITIES	66,791	45,583	2.60
NA	NA	22,377	DEXIA	611,375	358,202	9.00
NA	NA	2,378	DIC ASSET AG	81,863	60,096	9.70
NA	NA	42,615	DINAMIA CAPITAL PRIVAD	1,441,355	1,261,599	3.70
NA	NA	3,715	DISCOVERY HOLDINGS	13,359	10,298	2.00
NA	NA	30,571	DNB NOR ASA	412,645	388,931	6.90
NA	NA	2,602	DT BETEILIGUNG	67,525	65,839	21.80
NA	NA	14,586	DT POSTBANK AG	1,090,114	1,281,419	3.20
NA	NA	10,473	DTZ HOLDINGS	45,570	41,529	5.80
NA	NA	14,113	EFG EUROBANK ERGAS	477,324	335,760	5.40
NA	NA	2,706	EFG HERMES HOLDINGS	20,718	24,369	N/A
NA	NA	3,137	EMPORIKI BANK OF GREECE SA	92,136	82,046	0.00
NA	NA	9,763	ERSTE GROUP BANK AG	694,699	608,208	1.90
NA	NA	3,583	EUROCOMMERCIAL PROP.	213,303	170,880	5.50
NA	NA	37,898	EVOLUTION GROUP PLC.	78,172	68,069	2.10
NA	NA	39,307	EXPERIAN PLC.	410,126	292,373	2.50
NA	NA	23,343	F & C ASSET MANAGEMENT PLC.	78,147	68,407	4.10
NA	NA	181,000	F E CONSORTM INTERNATIONAL	65,184	47,586	6.30
NA	NA	67,688	FABEGE AB	690,753	453,478	N/A
NA	NA	247	FAIRFAX FINL. HOLDINGS LTD.	51,224	63,542	1.90
NA	NA	3,528	FBD HOLDINGS	143,277	94,217	4.70
NA	NA	1,298,000	FIRST PACIFIC CO.	698,773	819,006	2.00
NA	NA	66,188	FIRSTRAND LTD.	204,019	112,453	6.60
NA	NA	238,680	FKP	752,305	1,122,341	8.50
NA	NA	4,157	FONCIERE DES REGIO	577,421	509,556	6.80
NA	NA	30,983	FONDIARIA SAI SPA	1,263,879	1,027,073	5.20
NA	NA	35,866	FORTIS	0	565	0.00
NA	NA	79,051	FORTIS	2,410,041	1,265,416	12.70
NA	NA	187,000	FORTUNE	118,683	108,879	7.70
NA	NA	85,000	FRASERS CONTREPOIN FUNDS	82,525	74,449	N/A
NA	NA	81,400	FREEHOLD REALTY TRUST	1,726,366	1,924,780	N/A
NA	NA	166,493	FRIENDS PROVIDENT	596,306	338,635	7.60
NA	NA	14	FRONTIER REAL ESTATE INVESTMENT	114,059	101,429	5.00
NA	NA	78,000	FUBON BANKHK LTD.	78,907	63,421	3.00
NA	NA	29,000	FUJI FIRE & MARINE	91,465	77,421	2.60
NA	NA	22,000	FUKUOKA FINANCIAL	116,284	99,410	N/A
NA	NA	2,600	FUYO GENERAL LEASE	73,955	82,166	1.70

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Financials (continued)			
NA	NA	645	GECINA	102,841	78,250	6.50
NA	NA	60,096	GEK GROUP OF COMP	1,083,541	719,600	1.60
NA	NA	309,613	GEMINA	490,705	378,053	0.00
NA	NA	10,690	GENIKI BANK	68,115	67,371	0.00
NA	NA	6,825	GENUS	117,836	108,934	1.20
NA	NA	2,780	GIMV	205,463	183,523	10.40
NA	NA	3,440	GOLDCREST CO.	90,201	64,773	3.60
NA	NA	30,788	GOODMAN GROUP	163,132	91,296	11.00
NA	NA	3,186	GPE BRUXELLES LAM	368,813	379,540	2.80
NA	NA	6,653	GPO CATALANA OCCID	234,279	187,735	N/A
NA	NA	20,629	GPO FIN. BANORTE	84,068	97,041	0.90
NA	NA	67,239	GPT GROUP	253,440	143,247	13.00
NA	NA	17,261	GRAINGER PLC.	129,441	73,857	3.00
NA	NA	48,000	GREAT EAGLE HOLDINGS	155,183	141,585	2.20
NA	NA	25,833	GREAT PORTLAND EST	240,022	173,899	3.50
NA	NA	1,612	GRENKE LEASING AG	67,789	53,615	4.10
NA	NA	2,288	GRUPO FINANCIERO GALICIA	18,624	11,326	0.00
NA	NA	47,000	GS YUASA CORP.	148,313	225,235	1.10
NA	NA	13,200	GUANGZHOU R&F PROP	56,118	24,614	N/A
NA	NA	1,000	GUNMA BANK	6,269	6,670	1.00
NA	NA	5,000	HACHIJUNI BANK	36,863	32,451	1.20
NA	NA	17,442	HAMMERSON PLC.	454,304	309,806	3.10
NA	NA	45,000	HANG LUNG PROP	158,539	144,278	2.30
NA	NA	72,200	HANG SENG BANK	1,105,829	1,523,177	3.80
NA	NA	13	HANKYU REIT INC.	79,172	72,232	N/A
NA	NA	32,438	HANNOVER RUECKVERS	1,589,176	1,602,226	8.20
NA	NA	207,771	HARDY UNDERWR. BER	1,236,777	959,309	N/A
NA	NA	28,025	HARGREAVES LANSDOWN PLC.	95,193	82,545	N/A
NA	NA	171,364	HBOS	2,889,697	941,270	0.00
NA	NA	3,689	HCI CAPITAL AG NPV	79,783	47,893	N/A
NA	NA	179,287	HDFC BANK LTD.	18,431,788	12,847,706	0.80
NA	NR	8,200	HEARTLAND FINL. USA INC.	180,825	149,158	2.20
NA	NA	25,000	HEIWA REAL ESTATE	143,178	124,051	2.30
NA	NA	13,294	HELICAL BAR	91,118	77,916	1.50
NA	NA	40,070	HELLENIC EXCHANGES SA HOLDING	1,197,869	505,058	9.40
NA	NA	680	HELVETIA HOLDING AG	268,010	265,531	3.80
NA	NA	102,188	HENDERSON GROUP	264,919	223,706	N/A
NA	NA	7,000	HENDERSON LAND DEV	48,572	43,630	2.30
NA	NA	600	HIAP SENG ENGINEER	334	135	8.20
NA	NA	22,000	HIGASHI NIPPON BANK	93,248	89,656	1.20
NA	NA	27,000	HIGO BANK	170,944	163,011	1.10
NA	NA	7,000	HIROSHIMA BANK	38,168	31,234	1.50
NA	NA	51,715	HISCOX LTD.	261,509	214,075	5.80
NA	NA	65,000	HITACHI CAPITAL CORP.	845,633	1,048,535	2.10
NA	NA	128,000	HKR INTERNATIONAL LTD.	82,645	65,334	3.80
NA	NA	58,000	HO BEE INVESTMENT	42,349	35,219	3.60
NA	NA	62,334	HOGG ROBINSON GROUP PLC.	46,594	62,027	N/A
NA	NA	41,000	HOKKOKU BANK	172,449	161,285	1.70
NA	NA	41,000	HOKUETSU BANK	100,941	97,080	2.30
NA	NA	52,000	HOKUHOKU FINANCIAL GROUP INC.	149,755	151,087	1.00
NA	NR	12,100	HOME CAPITAL GROUP INC. COM	449,128	471,096	N/A
NA	NA	7,219	HOMESERVE PLC.	292,119	243,231	1.90
NA	NA	55,000	HONG FOK CP	37,733	36,433	0.00
NA	NA	30,500	HONG KONG EXCHANGE	527,942	445,915	4.60
NA	NA	116,200	HONG LEONG SINGAPORE	327,358	296,775	7.50
NA	NA	6,000	HOPSON DEVELOPMENT	20,047	6,748	4.80
NA	NA	3,700	HQ AB	86,945	61,202	N/A
NA	NA	40,477	HSBC INFRASTRUCTUR	97,365	103,715	N/A
NA	NA	11,535	HUFVUDSTADEN AB	121,058	111,220	3.00
NA	NA	32,000	HYAKUGO BANK(105TH	209,290	191,689	1.30
NA	NA	31,000	HYAKUJUSHI BANK	184,857	176,633	1.30
NA	NA	15,865	HYPO REAL ESTATE	771,454	446,930	4.00
NA	NA	12,560	HYUNDAI FIRE MARIN	278,671	273,761	2.60
NA	NA	1,073	ICADE	128,830	125,322	N/A
NA	NA	27,174	ICAP	271,563	293,115	3.00
NA	NA	6,800	ICHIYOSHI SECS. CO.	72,055	62,416	3.00
NA	NA	182,678	ICICI BANK LTD.	5,421,916	5,253,819	1.80
NA	NA	93,700	IFG GROUP	311,973	263,518	N/A
NA	NA	14,921	IFI (ISTIT FIN. IND.) PRIV EUR1	538,411	297,386	0.00
NA	NA	42,998	IFIL INVESTMENTS SPA	214,546	279,789	2.40
NA	NA	318,738	IG GROUP HOLDINGS	1,721,546	2,094,895	2.90
NA	NA	7,948	IKB DT INDUSTRIEBK	51,064	35,063	0.00
NA	NA	3,900	IKEDA (BANK OF)	112,880	130,607	1.80
NA	A	23,249	IMMOBILIARE GRANDE DISTRIBUZO	81,761	68,864	3.00
NA	NA	12,546	IMMOEAST AG	153,410	111,287	0.00

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Financials (continued)			
NA	NA	145	IMMOFINANZ AG	1,795	1,496	5.00
NA	NA	37,316	IMMSI SPA	53,229	41,920	4.20
NA	NA	358,666	INDUSTRIAL & COMMERCIAL BANK	830,561	968,255	4.10
NA	NA	475,000	INDUSTRIAL & COMMERCIAL BANK	309,488	324,689	2.80
NA	NA	91,225	INFRATIL LTD.	164,478	127,059	5.70
NA	NA	381,816	ING GROEP NV	12,412,561	12,184,804	7.30
NA	NA	124,307	ING INDUSTRIAL FUND	240,392	187,287	11.40
NA	NA	156,291	ING OFFICE FUND	204,576	172,482	9.40
NA	NA	61,526	INSURANCE AUST GROUP	270,413	204,881	8.50
NA	NA	687	INTERHYP AG	52,026	68,733	4.70
NA	NA	53,477	INTERMEDIATE CAP.	1,577,765	1,444,217	4.80
NA	NA	114,004	INTERNATIONAL PERS.	562,646	624,501	N/A
NA	NA	3,039	INTERVEST OFFICES NPV	131,901	113,622	N/A
NA	NA	43,704	INTESA SANPAOLO	303,438	226,714	11.90
NA	NA	1,048,302	INTESA SANPAOLO	7,344,613	5,991,368	10.50
NA	NA	37,234	INVESTEC	334,922	228,232	8.10
NA	NA	5,223	INVESTEC LIMITED	58,352	31,492	7.70
NA	NA	12,126	IOOF HOLDINGS LTD. NPV	63,228	59,347	6.50
NA	NA	5,628	IRISH LIFE & PERM	139,054	58,612	11.40
NA	NA	474	IRSA INVERSIONES Y REPRESENT	8,058	5,342	0.00
NA	NA	2,180	ITALMOBILIARE	161,244	109,910	N/A
NA	NA	2,300	IWATE(BANK OF)	152,605	137,777	1.00
NA	NA	17,000	JACCS CO.	56,435	34,800	1.90
NA	NA	700	JAFCO	29,196	23,971	1.40
NA	NA	16,000	JAPAN ASIA INVESTM.	89,568	67,016	3.70
NA	NA	22	JAPAN EXCELLENT INC.	140,590	107,297	N/A
NA	NA	8,600	JAPAN GENERAL ESTA	83,831	57,682	8.30
NA	NA	15	JAPAN HOTEL AND RESORT INC.	54,021	42,309	N/A
NA	NA	18	JAPAN LOGISTICS FUND	129,006	117,164	4.20
NA	NA	13,900	JAPAN SECS. FINANCE	118,549	118,538	2.30
NA	NA	21,498	JARDINE LLOYD THOM	163,665	162,045	5.50
NA	NA	230,000	JARDINE MATHESON	7,873,979	7,130,000	2.10
NA	NA	13,000	JFE SHOJI HOLDINGS	95,384	97,741	1.20
NA	NA	12,031	JM AB	218,996	156,504	N/A
NA	NA	4,700	JOINT CORPORATION ORD SHS	45,859	23,588	5.80
NA	NA	25	JOINT REIT INVESTM.	69,687	62,025	9.70
NA	NA	21,000	JOYO BANK	108,228	102,222	1.60
NA	NA	9,589	JULIUS BAER HOLDINGS	598,519	649,559	0.70
NA	NA	193,000	JUROKU BANK	1,154,715	948,568	1.40
NA	NA	1,433	JYSKE BANK A/S	106,290	85,524	0.00
NA	NA	163	K K DAVINCI HOLDING	166,508	111,788	0.00
NA	NA	404,000	K1 VENTURES	65,456	66,905	13.30
NA	NA	13,000	KAGAWA BANK	76,997	75,666	1.00
NA	NA	21,000	KAGOSHIMA BANK	168,108	159,276	1.00
NA	NA	9,000	KANTO TSUKUBA BANK	50,643	44,234	2.30
NA	NA	31,787	KARDAN NV	528,912	408,669	N/A
NA	NA	2,641	KAS BANK NV	109,861	111,599	9.70
NA	NA	7,842	KBC GROUP NV	964,793	871,431	5.40
NA	NA	32,000	KEIYO BANK	217,922	193,198	1.20
NA	NA	541	KENEDIX INC.	998,587	663,459	1.90
NA	NA	27	KENEDIX REALTY INV.	163,260	160,464	5.00
NA	NA	1,000	KEPPEL LAND LTD.	5,053	3,651	1.60
NA	NA	8,140	KERRY PROPERTIES	56,984	42,749	2.30
NA	NA	66,000	KIM ENG HOLDINGS LTD.	99,030	84,525	4.60
NA	NA	28,588	KINNEVIK INV. AB	634,253	538,222	1.80
NA	NA	125,382	KIWI INC. PROP TST	119,782	115,468	11.20
NA	NA	99,000	KIYO HOLDINGS INC.	153,420	158,766	N/A
NA	NA	586	KLEPIERRE	36,315	29,545	3.90
NA	NA	18,039	KLOVERN AB	72,909	56,078	8.00
NA	NA	86,332	KOOKMIN BANK	2,797,857	5,100,442	4.00
NA	NA	14,990	KOOKMIN BANK NEW	1,172,814	877,065	4.00
NA	NA	21,653	KUNGSLEDEN	232,573	160,543	17.90
NA	NA	26,562	LAND SECURITIES GROUP	955,263	651,264	5.20
NA	B+	26,600	LAURENTIAN BANK OF CANADA	897,134	1,099,605	3.10
NA	NA	509,571	LEGAL & GENERAL GROUP	1,455,433	1,016,150	6.00
NA	NA	2,077	LEND LEASE CORP.	32,473	19,035	10.60
NA	NA	5,200	LEOPALACE21	153,162	74,563	4.00
NA	NA	2,506	LIBERTY GROUP LTD.	30,181	19,880	0.00
NA	NA	21,874	LIBERTY INTERNATIONAL	505,466	375,250	4.00
NA	NA	1,805	LIECHTENSTEINISCHE	163,242	144,776	2.60
NA	NA	55,243	LINK REAL ESTATE I	110,905	125,825	4.20
NA	NA	15,073	LLOYDS TSB GROUP	115,504	93,217	11.30
NA	NA	6,087	LONDON STOCK EXCHANGE GROUP	165,373	94,489	3.10
NA	NA	149,667	MACQUARIE COUNTRYWIDE	194,226	129,265	16.70
NA	NA	169,255	MACQUARIE DDR TST UNITS NPV	88,414	64,970	21.30

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Financials (continued)			
NA	NA	67,154	MACQUARIE GP LTD.	3,314,344	3,134,571	7.10
NA	NA	35,318	MACQUARIE MEDIA GROUP	118,927	99,984	N/A
NA	NA	66,797	MAN GROUP	651,989	829,520	0.00
NA	NA	23,638	MANULIFE FINL. CORP.	914,626	830,842	2.70
NA	NA	2,393	MAPELEY	61,678	62,388	14.40
NA	NA	298,456	MAPFRE SA	1,509,950	1,429,506	3.50
NA	NA	169,000	MAPLETREE LOGISTICS TRUST	127,023	105,730	N/A
NA	NA	4,380	MARFIN INVESTMENT GROUP SA	38,634	34,643	7.60
NA	NA	11,300	MARUSAN SECURITIES	82,134	71,208	2.20
NA	NA	17,600	MATSUI SECURITIES	128,487	105,927	4.60
NA	NA	41,098	MCINERNEY HOLDINGS	60,203	35,614	N/A
NA	NA	11,554	MEDIOBANCA SPA	247,963	196,602	6.00
NA	NA	99,580	MERITZ FIRE MARINE	590,593	961,482	N/A
NA	NA	3,389	METROPOLITAN HOLDINGS LTD.	7,072	4,732	8.70
NA	NA	27	MID REIT INC.	102,235	88,128	N/A
NA	NA	2,365,000	MIDLAND HOLDINGS LTD.	2,524,025	1,467,993	7.60
NA	NA	23,000	MIE BANK	123,624	113,042	1.20
NA	NA	69,063	MILANO ASSICURAZIO	474,488	356,360	10.40
NA	NA	32,000	MINATO BANK	66,544	62,789	2.00
NA	NA	29,794	MINERVA PLC.	67,183	52,031	0.00
NA	NA	216,000	MING AN HOLDINGS CO.	47,060	37,674	N/A
NA	NA	1,775	MIRVAC GROUP	7,776	5,042	11.10
NA	NA	43,592	MITSUBISHI ESTATE	1,135,586	999,279	0.70
NA	NA	689,500	MITSUBISHI UFJ FIN. GROUP	7,032,861	6,120,650	1.50
NA	NA	32,000	mitsui fudosan co.	806,026	685,251	1.00
NA	NA	15,500	mitsui sumitomo group	567,662	535,163	N/A
NA	NA	27,000	MIYAZAKI BANK	110,858	118,438	1.30
NA	NA	356	MIZUHO FINL. GROUP	2,121,038	1,665,733	2.00
NA	NA	56,000	MIZUHO INVEST. SECS.	73,011	66,563	2.30
NA	NA	15,914	MLP AG	259,482	286,337	4.40
NA	NA	150	MONEX GROUP INC.	97,196	102,165	2.10
NA	NA	69,016	MONTE PASCHI SIENA	300,039	195,620	11.70
NA	NA	17	MORI HILLS REIT IN	98,220	81,307	N/A
NA	NA	16	MORI TRUST SOGO REIT INC.	144,873	150,936	3.90
NA	NA	1,161	MPC MUNCHMEYER PET NPV	78,771	61,187	15.00
NA	NA	51,319	MUENCHENER RUCKVERG	9,124,832	8,996,000	7.10
NA	NA	15,700	MUSASHINO BANK	756,255	636,857	1.40
NA	NA	27,000	NANTO BANK	157,179	134,994	1.20
NA	NA	1,582	NATIONAL BANK CANADA MONTREAL QUE	82,200	78,964	N/A
NA	NA	119	NATIONAL VERISCH	97,077	86,978	2.40
NA	NA	327,616	NATIONAL AUSTRALIA BANK	9,069,446	8,331,509	7.30
NA	NA	20,292	NATIONAL BANK OF GREECE	1,143,522	915,012	1.40
NA	NA	5,923	NEDBANK GROUP LTD.	112,384	69,572	7.20
NA	NA	12,997	NEW STAR ASSET MGMT. GROUP PLC.	35,440	26,254	N/A
NA	NA	38,384	NEW WORLD DEVEL. CO.	89,792	78,171	2.60
NA	NA	3,373	NEXITY EUR5	148,391	91,619	11.60
NA	NA	7,977	NIEUWE STEEN INVEST.	245,997	207,375	N/A
NA	NA	18	NIPPON ACCOMMODATI	90,661	82,355	N/A
NA	NA	3	NIPPON BUILDING FUND	38,956	35,376	3.40
NA	NA	37	NIPPON COMMERCIAL	148,341	104,712	N/A
NA	NA	39	NIPPON RESIDENTIAL	136,978	117,362	8.60
NA	NA	26,000	NISHI NIPPON CITY	75,929	77,506	1.30
NA	NA	104,000	NISSAY DOWA GENERA	543,669	578,841	1.30
NA	NA	83,700	NOMURA HOLDINGS	1,452,492	1,242,018	2.10
NA	NA	200	NOMURA REAL ESTATE INC.	5,693	4,226	N/A
NA	NA	115,872	NORDEA BANK AB	1,791,109	1,600,732	5.70
NA	NA	514,860	NORDEA BANK AB	4,373,533	7,179,011	5.70
NA	NA	408	NORDICOM AS	41,110	35,685	3.40
NA	NA	12,136	NORWEGIAN PROPERTY	107,505	56,469	N/A
NA	NA	21	NTT URBAN DEVELOPMENT	34,973	27,536	0.90
NA	NA	96,000	OGAKI KYORITSU BANK	501,513	544,276	1.20
NA	NA	18,000	OITA BANK	121,245	113,938	0.90
NA	NA	26,000	OKASAN HOLDINGS	137,035	134,899	5.40
NA	NA	3,000	OKINAWA BANK	110,236	107,542	1.60
NA	NA	294,798	OLD MUTUAL	924,671	544,450	7.40
NA	NA	16,200	OMC CARD INC.	59,946	51,654	0.00
NA	NA	37,500	ORIENT CORP.	76,034	60,139	0.00
NA	NA	3,997	ORIX CORP.	843,236	572,751	2.00
NA	NA	34	ORIX JREIT INC.	209,155	206,877	5.00
NA	NA	36	OSAKA SECURITIES EXCHANGE	215,374	151,804	1.70
NA	NA	142,000	OVERSEAS CHINESE BANK	796,786	853,892	3.40
NA	NA	155,000	PACIFIC CENTURY PREMIUM DEV.	57,262	55,659	N/A
NA	NA	70	PACIFIC MANAGEMENT	49,150	29,980	4.10
NA	NA	43,760	PARAGON GROUP OF COS.	88,440	62,922	1.40
NA	NA	5,819	PARGESA HOLDINGS SA	710,796	650,681	2.30

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Financials (continued)			
NA	NA	7,188	PARTNERS GROUP HOLDING AG	1,031,989	994,295	3.00
NA	NA	23,042	PETRBRAS ENERGIA PARTICIPACION	213,599	276,504	1.80
NA	NA	32,000	PICC PROPERTY & CASUALTY	44,367	21,258	1.80
NA	NA	24,000	PING AN INSURANCE	260,822	178,520	1.30
NA	NA	11,063	POSTAL SAVINGS BANK	209,677	174,303	N/A
NA	A+	4,130	POWER CORP. CANADA	157,665	127,089	3.70
NA	NA	2,950	PROMISE CO.	84,238	82,652	1.40
NA	NA	18,745	PROVIDENT FINL.	326,548	296,577	N/A
NA	NA	122,222	PRUDENTIAL PLC.	1,696,466	1,296,469	3.30
NA	NA	19,075	PSP SWISS PROPERTY	1,198,883	1,136,710	4.00
NA	NA	2,704,000	PUBLIC FINANCIAL HOLDINGS	2,242,622	1,782,449	5.80
NA	NA	34,190	QBE INSURANCE GROUP	923,213	734,953	6.70
NA	NA	19,142	QUINTAIN ESTATE & DEV	168,639	71,715	6.40
NA	NA	34,666	RAB CAPITAL PLC.	36,372	33,115	N/A
NA	NA	1,746	RAIFFEISEN INTERNATIONAL BANK	249,441	223,291	1.20
NA	NA	7,045	RATHBONE BROTHERS	138,130	130,041	4.40
NA	NA	13,395	RATOB	469,898	377,443	N/A
NA	NA	388	RAYSUM CO. LTD.	314,424	258,410	0.70
NA	NA	309,000	REGENT PACIFIC GROUP LIMITED	27,757	25,758	0.00
NA	NA	88,048	REGUS GROUP	159,386	141,935	1.20
NA	NA	25,225	RELIA BUSINESS SA	158,768	133,537	N/A
NA	NA	270	RESONA HOLDINGS INC.	538,230	415,169	0.60
NA	NA	825,000	REXCAPITAL FINL.	98,758	82,527	N/A
NA	NA	10,142	RHJ INTERNATIONAL	131,753	127,834	N/A
NA	NA	25,500	RICOH LEASING	624,018	556,884	1.50
NA	NA	9,034	RIGHTMOVE PLC.	71,058	48,184	N/A
NA	NA	702	RINGKJOBING BANK	70,807	60,806	2.40
NA	NA	30	RISA PARTNERS INC.	71,315	45,847	0.90
NA	NA	20,730	RIVERSDALE MINING	165,041	234,943	N/A
NA	NA	20,782	ROYAL BANK CANADA MONTREAL QUE	1,064,972	938,780	4.40
NA	NA	1,887,765	ROYAL BANK SCOT GROUP	13,976,653	8,077,406	15.30
NA	NA	164,276	RSA INSURANCE GROUP PLC.	468,101	410,629	5.70
NA	NA	3,063	SACYR VALLEHERMOSO SA	120,512	93,816	2.50
NA	NA	17,570	SAMPO OYJ	501,111	444,303	7.50
NA	NA	116,000	SAN IN GODO BANK	1,023,535	1,015,499	0.90
NA	NA	5,900	SANKEI BUILDING	44,093	37,513	1.80
NA	NA	50,415	SANLAM	153,713	106,908	5.60
NA	NA	8	SAPPORO HOKUYO HOLDING	81,110	54,186	1.70
NA	NA	18,792	SAVILLS	106,780	82,839	N/A
NA	NA	1,441	SBERBANK ROSSII	562,176	455,356	0.70
NA	NA	63	SBI SECURITIES CO. LTD.	58,429	49,328	2.00
NA	NA	41,000	SC GLOBAL DEV	43,647	36,514	N/A
NA	NA	17,420	SCHRODERS	426,107	316,869	3.30
NA	NA	384	SCHWEIZERHALL HOLDING	73,102	82,937	1.00
NA	NA	76,188	SCOR S.E.	1,917,174	1,747,753	N/A
NA	NA	30,697	SEGRÓ PLC.	331,628	240,395	N/A
NA	NA	4,140	SFCG CO. LTD.	476,351	493,652	2.30
NA	NA	19,111	SHAFTESBURY	203,380	148,236	2.80
NA	NA	40,000	SHENYIN WANGUO (HK)	33,402	22,623	2.70
NA	NA	6,000	SHENZHEN INVESTMENT	5,115	2,162	10.30
NA	NA	108,000	SHIGA BANK	720,008	717,249	0.90
NA	NA	29,000	SHIKOKU BANK	119,520	122,013	1.40
NA	NA	14,500	SHIMAO PROPERTY HOLDINGS	38,311	16,643	3.50
NA	NA	19,000	SHINKO SECURITIES CO. LTD.	87,233	56,101	3.80
NA	NA	9,000	SHINSEI BANK	29,060	30,904	0.90
NA	NA	17,000	SHIZUOKA BANK	170,617	173,841	1.30
NA	NA	1,435	SILIC	204,750	180,421	5.00
NA	NA	210,000	SILVER GRANT INTERNATIONAL	38,574	32,857	6.60
NA	NA	61,000	SINGAPORE EXCHANGE	289,282	310,242	5.50
NA	NA	6,101	SINO LAND CO.	14,344	12,128	2.60
NA	NA	1,485	SISTEMA JSFC	45,007	44,639	0.60
NA	NA	2,750	SJAELSO GRUPPEN	68,864	58,388	4.00
NA	NA	29,611	SKAND ENSKILDA BANK	902,950	551,328	5.80
NA	NA	34,108	SNS REAAL GROEP NV	792,371	662,600	6.70
NA	NA	22,566	SOC GENERALE	3,123,002	1,965,773	1.60
NA	NA	4,812	SOLARIA ENERGY Y NPV	83,411	69,371	N/A
NA	NA	35,000	SOMPO JAPAN INS.	385,622	329,513	2.00
NA	NA	24,898	SONAE CAPITAL SGPS	57,310	49,427	N/A
NA	NA	9,389	SPAREBANK 1 SMN	105,027	92,167	12.00
NA	NA	132	SPARX GROUP CO. LTD.	60,758	45,700	2.70
NA	NA	12,559	SPONDA OYJ	156,154	109,424	9.00
NA	NA	2,253	ST BANK INDIA	203,878	121,211	1.90
NA	NA	397	ST GALLER KT BANK	182,952	179,870	5.60
NA	NA	236,788	ST JAMES PLACE PLC.	1,216,503	1,033,201	2.00
NA	NA	15,160	ST MODWEN PROPS	130,854	83,799	4.30

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Financials (continued)			
NA	NA	24,627	STANDARD BANK GROUP LTD.	347,648	240,036	3.80
NA	NA	292,082	STANDARD CHARTERED	8,686,778	8,312,399	2.80
NA	NA	104,743	STANDARD LIFE	626,147	437,233	5.50
NA	NA	36,222	STOCKLAND	249,358	187,359	12.30
NA	NA	253	SUMITOMO MITSUI GROUP	1,945,670	1,906,957	1.70
NA	NA	13,000	SUMITOMO REALTY & DEV.	418,029	258,761	1.00
NA	NA	64,854	SUMITOMO TRUST & BANKING	520,499	453,957	2.40
NA	NA	96,000	SUN HUNG KAI CO.	92,466	78,672	5.50
NA	NA	49,000	SUN HUNG KAI PROPS	632,860	664,858	2.30
NA	NA	8,957	SUN LIFE FINL. INC.	431,318	370,357	3.40
NA	NA	35,489	SUNCORP METWAY	567,376	444,103	8.20
NA	NA	22,667	SUNLAND GROUP LTD.	59,194	49,378	6.10
NA	NA	221,000	SUNLIGHT REAL ESTATE	62,189	54,418	N/A
NA	NA	184,000	SUNTEC REIT	215,719	184,183	5.10
NA	NA	5,000	SURUGA BANK	64,239	65,138	0.90
NA	NA	34,869	SVENSKA HANDELSBANKEN SERIE	986,394	831,822	9.40
NA	NA	57,500	SWIRE PACIFIC	624,647	588,093	4.10
NA	NA	5,901	SWISS LIFE HOLDING AG	1,194,678	1,581,556	6.20
NA	NA	3,302	SWISS PRIME SITE	197,007	193,206	5.70
NA	NA	74,480	SWISS REINSURANCE LTD.	5,663,027	4,975,814	5.90
NA	NA	1,310	SWISSQUOTE GROUP HOLDING	59,017	58,645	1.50
NA	NA	25,532	SYDBANK	1,075,673	973,608	1.70
NA	NA	7,800	T & D HOLDINGS INC.	467,012	480,487	1.00
NA	NA	5,778	TAG TEGERNSEE AG	55,953	49,341	N/A
NA	NA	111,000	TAI CHEUNG HOLDINGS	65,583	61,212	5.40
NA	NA	4,530	TAKEFUJI CORP.	124,450	63,118	4.00
NA	NA	338,000	THE MAC SERVICES GROUP	862,366	794,686	N/A
NA	NA	30,000	THE SHONAI BANK LT	69,476	65,940	N/A
NA	NA	21	THE YACHIYO BANK L	99,830	88,552	N/A
NA	NA	1,440	TIAN AN CHINA INV	1,064	1,019	1.80
NA	NA	988,183	TISHMAN SPEYER OFFICE FUND	1,453,722	1,299,184	12.40
NA	NA	4,197	TK DEVELOPMENT	62,772	54,973	0.00
NA	NA	14,000	TOC CO.	89,563	68,148	1.60
NA	NA	131,000	TOCHIGI BANK	909,467	825,508	1.10
NA	NA	30,000	TOHO BANK	129,887	128,768	1.30
NA	NA	32,000	TOKAI TOKYO SECS.	125,882	116,221	3.90
NA	NA	413,507	TOKIO MARINE HOLDING INC.	17,329,880	16,149,417	1.10
NA	NA	57,930	TOKYO TATEMONO CO.	579,939	375,434	2.30
NA	NA	4,500	TOKYO TOMIN BANK	94,244	87,236	2.50
NA	NA	13,000	TOKYU LAND CORP.	116,241	73,949	1.30
NA	NA	37,600	TOKYU LIVABLE	352,856	328,452	3.70
NA	NA	22	TOKYU REIT INC.	190,893	179,105	3.70
NA	NA	24	TOP REIT INC.	93,286	89,656	N/A
NA	NA	156	TOPDANMARK ARIN	25,248	23,564	0.00
NA	B	2,000	TORONTO DOMINION BANK ONTARIO	125,164	124,540	3.80
NA	NA	473	TOSEI CORP.	299,669	213,732	7.10
NA	NA	769	TOUR EIFFEL	109,601	90,870	8.00
NA	NA	49,000	TOWA BANK	53,084	47,149	0.00
NA	NA	40,326	TOWER AUSTRALIA GP	113,650	111,840	N/A
NA	NA	27,314	TOWER LIMITED	45,302	40,538	3.10
NA	NA	13,000	TOYO SECURITIES CO.	45,225	43,045	2.80
NA	NA	12,000	TPV TECHNOLOGY	7,555	6,248	5.40
NA	NA	976	TRYGVESTA A/S	77,322	69,074	5.10
NA	NA	145,806	TULLETT PREBON PLC.	1,395,819	1,247,755	N/A
NA	NA	18,663	UBI BANCA	476,686	437,833	6.40
NA	NA	127,183	UBG	5,300,272	2,677,011	0.00
NA	NA	7,583	UNIBAIL RODAMCO	1,789,183	1,755,311	4.80
NA	NA	13,743	UNIBANCO UNIAO DE	147,066	176,615	0.00
NA	NA	1,075,017	UNICREDIT SPA	7,792,419	6,584,426	6.70
NA	NA	215,973	UNIPOL GRUPPO FINANZIARIO SPA	554,525	510,074	22.40
NA	NA	18,973	UNITE GROUP	112,932	87,979	1.10
NA	NA	61,000	UNITED O SEAS BANK	826,187	835,992	4.30
NA	NA	21	UNITED URBAN INVEST.	131,382	94,694	7.70
NA	NA	63,000	UOB KAY HIAN HOLDI	91,852	83,465	11.60
NA	NA	24,400	URBAN CORP.	126,722	71,585	8.40
NA	NA	75,000	UNITED INDUSTRIAL CORP.	161,163	165,054	1.00
NA	NA	195,676	VALAD PROPERTY GROUP	171,066	125,813	16.60
NA	NA	70,000	VALUE PARTNERS GROUP	66,451	60,148	N/A
NA	NA	3,896	VASTNED OFFICES/IN	128,859	106,439	9.90
NA	NA	2,588	VASTNED RETAIL	269,595	207,954	7.60
NA	NA	706	VERWALTUNGS UND PRIVATBANK	183,185	181,594	4.20
NA	NA	1,450	VIENNA INSURANCE GROUP	100,193	95,814	2.60
NA	NA	2,636	VIVACON AG	45,473	25,127	11.80
NA	NA	2,923	VONTOBEL HOLDING	115,840	100,150	5.70

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Financials (continued)			
NA	NA	4,378	VOSTOK GAS LTD.	396,694	411,210	N/A
NA	NA	4,772	VOSTOK NAFTA LTD. SDR	106,918	111,063	N/A
NA	NA	16,382	VTB BANK (JSC)	153,827	113,855	N/A
NA	NA	4,037	WALLENSTAM	81,449	70,132	2.90
NA	NA	1,559	WAREHOUSES DE PAUW SCA WDP	110,307	93,977	N/A
NA	NA	2,928	WERELDHAVE NV	379,575	308,854	6.10
NA	NA	50	WESTFIELD GROUP	803	773	N/A
NA	NA	75,895	WESTFIELD GROUP	1,252,290	1,185,715	6.50
NA	NA	83,832	WESTPAC BANKING CORP.	1,826,595	1,608,987	6.90
NA	NA	15,192	WHARF (HOLDINGS)	61,818	63,613	2.50
NA	NA	47,000	WHELOCK PROPERTIES S LTD.	74,798	61,922	4.50
NA	NA	5,230	WIHLBORGS FAST AB	114,784	94,117	5.80
NA	NA	78,000	WING TAI HOLDINGS	115,527	92,441	5.00
NA	NA	27,424	WORKSPACE GROUP	121,941	79,001	3.30
NA	NA	24,000	YAMAGATA BANK	146,745	141,050	1.00
NA	NA	22,000	YAMANASHI CHUO BANK	124,713	115,391	1.10
NA	NA	6,414	ZURICH FIN. SVS GROUP	1,830,583	1,646,634	5.70
			Total Financials	<u>430,317,165</u>	<u>386,700,862</u>	
			Health Care			
NA	NA	25,883	ACAMBIS	58,352	61,298	0.00
NA	NA	65,662	AIR LIQUIDE (L)	8,687,945	8,676,667	N/A
NA	NA	500	ALFRESA HOLDINGS C	31,422	35,753	1.20
NA	NA	1,058	ALK ABELLO A/S	131,621	127,404	5.80
NA	NA	64,000	ALOKA CO.	664,866	883,279	1.10
NA	NA	14,361	ALTANA AG	297,173	247,760	4.70
NA	NA	15	ANGES MG INC.	56,090	46,979	0.00
NA	NA	18,540	ANSELL LTD.	196,150	164,753	2.70
NA	NA	67,769	ANTISOMA	36,516	31,020	0.00
NA	NA	397,652	ARANA THERAPEUTICS	428,715	421,675	0.00
NA	NA	33,798	ARK THERAPEUTICS	58,053	36,827	0.00
NA	NA	21,767	ASTELLAS PHARMA INC.	954,018	924,027	2.70
NA	NA	9,695	ATHENS MEDIC CENTER	50,143	35,591	2.60
NA	NA	1,164	AUDIKA	58,815	53,918	N/A
NA	NA	1,343	BACHEM HOLDING AG	125,448	120,113	3.30
NA	NA	914	BASILEA PHARMACEUT	148,286	149,312	0.00
NA	NA	1,102	BAVARIAN NORDIC	53,897	43,885	0.00
NA	NA	5,692	BIOMERIEUX ORDSHR	629,083	655,115	1.00
NA	NA	106,000	BIOSENSORS INTERNA	54,618	52,272	0.00
NA	NA	1,094	BIOTEST AG	70,262	92,215	1.00
NA	NA	1,871	BIOVAIL CORP.	32,683	18,313	15.10
NA	NA	12,900	BML INC.	204,852	245,210	1.20
NA	NA	25,579	BOIRON	778,335	882,592	2.50
NA	NA	8,878	CARE UK	78,437	66,257	1.00
NA	NA	5,419	CARL ZEISS MEDITEC NPV	79,976	84,696	2.30
NA	NA	177,705	CELESIO AG	5,937,781	6,434,012	4.80
NA	NA	10,400	CHUGAI PHARM CO.	189,759	166,686	1.40
NA	NA	248	COCHLEAR LTD.	13,473	10,388	3.20
NA	NA	5,556	CONSORT MEDICAL	66,991	65,625	3.20
NA	NA	25,191	CRUCELL NV	444,289	404,835	0.00
NA	NA	18,482	CSL	479,101	633,184	2.50
NA	NA	672	CYTOS BIOTECH AG	42,213	35,823	0.00
NA	NA	7,838	DAEWOONG PHARMACEUTICALS	718,395	647,391	0.90
NA	NA	27,200	DAIICHI SANKYO	754,372	750,531	2.80
NA	NA	2,146	DEVGEN	47,875	41,689	N/A
NA	NA	3,601	DIASORIN SPA	68,849	76,593	N/A
NA	NA	1,156	DRAGERWERK AG	74,253	64,439	2.20
NA	NA	11,198	EISAI CO.	458,706	396,137	3.80
NA	NA	14,820	ELAN CORP.	270,998	516,027	0.00
NA	NA	29,598	ELEKTA AB	561,334	570,768	0.90
NA	NA	5,450	ESSILOR INTERNATIONAL	329,915	333,509	1.60
NA	NA	46,700	EUROMEDICA	702,896	422,339	N/A
NA	NA	22,623	FAES FARMA SA	298,473	217,426	N/A
NA	NA	70,381	FISHER & PAYKEL HEALTHCARE COR	145,117	125,882	8.50
NA	NA	42,461	FRESENIUS MEDICAL CARE AG&CO.	1,998,544	2,342,149	2.20
NA	NA	665	GALENICA AG	237,377	235,355	1.70
NA	NA	5,597	GENMAB AS	311,451	214,021	0.00
NA	NA	9,864	GETINGE AB	217,746	241,871	1.60
NA	NR	197	GIVEN IMAGING	5,187	2,904	0.00
NA	NA	561,764	GLAXOSMITHKLINE	13,624,452	12,443,272	4.90
NA	NA	29,433	GRIFOLA SA	881,578	940,911	N/A
NA	NA	911	H LUNDBECK A S	22,087	20,786	2.40
NA	NA	30,936	HEALTHSCOPE LTD.	139,597	118,454	4.60
NA	NA	18,371	HIKMA PHARMACEUTIC	170,057	184,268	0.80

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Health Care (continued)			
NA	NA	13,400	HISAMITSU PHARM CO.	404,822	584,010	1.40
NA	NA	9,500	HOGY MEDICAL CO.	468,109	482,147	1.80
NA	NA	8,111	HYGEIA SA	48,865	48,561	N/A
NA	NA	2,445	IBA	63,827	60,518	1.10
NA	NA	4,874	INTERCELL AG	224,791	241,128	0.00
NA	NA	15,582	IPSEN	540,492	797,882	2.00
NA	NA	12,000	JEOL	50,006	52,979	1.70
NA	NA	95,000	KAKEN PHARM	755,575	793,123	2.60
NA	NA	5,000	KISSEI PHARM CO.	102,427	112,023	1.30
NA	NA	4,200	KOBAYASHI PHARMACE	140,293	135,107	1.70
NA	NA	128,000	KYORIN CO. LTD.	1,767,295	1,603,547	N/A
NA	NA	7,892	LABORATORIOLMIR	167,288	171,468	1.90
NA	NA	4,501	LUXOTTICA GROUP	155,291	105,664	3.30
NA	NA	21,815	MEDA AB	313,301	286,498	N/A
NA	NA	4,200	MEDICEO PALTAC HOLDINGS	62,470	77,419	1.10
NA	NA	57,232	MERCK KGAA	7,513,001	8,141,619	3.50
NA	NA	1,947,000	MINGYUAN MEDICARE	320,929	269,673	1.90
NA	NA	67,800	MIRACA HOLDINGS INC.	1,506,951	1,627,763	2.10
NA	NA	1,000	mitsubishi tanabe pharmaceuticals corp.	11,437	13,094	2.00
NA	NA	13,000	MOCHIDA PHARM CO.	127,469	142,380	1.80
NA	NA	1,044	MORPHOSYS	70,115	69,052	0.00
NA	NA	544,000	MOULIN GLOBAL EYECARE	428,353	352,320	N/A
NA	NA	600	NAKANISHI INC. JPY50	64,953	64,752	0.70
NA	NA	1,942	NEUROSEARCH A/S	111,130	98,670	0.00
NA	NA	3,300	NICHI IKO PHARM	88,615	83,586	1.00
NA	NA	6,287	NICOX SA	106,963	89,843	0.00
NA	NA	5,000	NIHON KOHDEN CORP.	88,768	86,694	2.00
NA	NA	62,000	NIPPON SHINYAKU CO.	587,984	790,755	1.40
NA	NA	17,000	NIPRO CORP.	321,253	288,666	2.70
NA	NA	5,252	NOBEL BIOCARE AG	281,989	172,007	2.90
NA	NA	246,368	NOVARTIG	13,283,704	13,605,144	2.80
NA	NA	106,590	NOVO NORDISK AS	6,852,278	6,980,722	1.50
NA	NA	6,860	OLYMPUS CORP.	280,118	232,323	1.10
NA	NA	2,661	OMEGA PHARMACEUTICALS	116,499	112,528	1.90
NA	NA	13,874	ORIOLA KD CORP.	64,493	58,801	N/A
NA	NA	59,814	ORION CORPORATION	1,443,220	1,193,078	7.90
NA	NA	75,309	OXFORD BIOMEDICA	36,348	34,472	0.00
NA	NA	39,588	PRIMARY HEALTH CARE	219,303	197,551	8.90
NA	NA	52,391	PROTHERICS	48,916	32,583	0.00
NA	NA	27,890	QIAGEN NV	589,170	565,095	0.00
NA	NA	75,000	RAFFLES MEDICAL	72,827	73,970	1.90
NA	NA	15,255	RAMSAY HEALTH CARE	160,535	127,510	3.60
NA	NA	91,938	RECORDATI	729,821	717,746	4.30
NA	NA	50,601	RHOEN KLINIKUM AG	1,621,909	1,608,041	2.00
NA	NA	87,460	ROCHE HOLDINGG	14,560,390	15,798,783	2.50
NA	NA	38,000	ROHTO PHARM	430,371	434,829	1.00
NA	NA	46,703	RYMAN HEALTHCARE GROUP	61,710	56,518	3.10
NA	NA	31,538	SAFILO GROUP	85,565	70,013	N/A
NA	NA	188,600	SANOFI AVENTIS	7,798,417	6,267,178	4.90
NA	NA	171,648	SANOFI AVENTIS	10,683,907	11,474,769	4.90
NA	NA	1,900	SAVAI PHARMACEUTICALS	87,230	80,119	1.30
NA	NA	5,700	SEIKAGAKU CORP.	61,964	57,051	2.40
NA	NA	9,000	SHIONOGI & CO.	133,083	177,869	1.30
NA	NA	116,633	SIGMA PHARMACEUTICALS	135,538	110,248	7.10
NA	NA	37,592	SMITH & NEPHEW	436,271	414,468	1.10
NA	NA	1,600	SMITH & NEPHEW PLC	99,114	87,600	1.10
NA	NA	18,348	SONOVA HOLDING AG	1,677,833	1,525,698	1.20
NA	NA	25,915	SOUTHERN CROSS HEALTHCARE	197,906	67,047	N/A
NA	NA	198,872	SSL INTERNATIONAL	2,083,156	1,766,190	1.70
NA	NA	7,990	STADA ARZNEIMITTEL	533,032	574,294	2.20
NA	NA	13,083	STALLERGENES	1,132,667	1,123,610	N/A
NA	NA	357	STRAUMANN HOLDING	97,090	85,798	1.50
NA	NA	900	SUZUKEN CO. LTD.	28,333	33,281	1.60
NA	NR	1,050	SYNERON MEDICAL LTD.	23,751	17,262	0.00
NA	NA	4,200	SYSMEX CORP.	163,490	165,615	1.10
NA	NA	143,094	TAKEDA PHARMACEUTICAL CO. LTD.	8,116,971	7,289,351	3.20
NA	NA	12,191	TECAN GROUP AG	797,455	818,638	1.30
NA	NA	4,900	TERUMO CORP.	224,021	250,535	0.60
NA	NA	22,001	TEVA PHARMACEUTICAL INDS. LTD.	946,043	1,007,646	1.10
NA	NA	45,200	TOHO PHARM	872,557	871,978	1.00
NA	NA	8,200	TOPCON CORPORATION	79,058	77,819	1.60
NA	NA	1,400	TOWA PHARM CO. LTD.	54,663	52,299	1.20
NA	NA	1,759	TRANSGENE	39,697	34,116	0.00
NA	NA	8,300	TSUMURA & CO.	195,933	214,146	1.00
NA	NA	3,593	UCB	203,720	133,061	3.90

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Health Care (continued)			
NA	NA	182,000	UNITED LABORATORIE	118,302	113,204	N/A
NA	NA	36,571	UNITED DRUG	224,279	203,395	2.10
NA	NA	59,730	VECTURA GROUP	61,635	53,492	0.00
NA	NA	814	VIRBAC	75,222	70,127	2.00
NA	NA	1,175	WILLIAM DEMANT HOL	104,775	77,449	0.00
NA	NA	593	YPSOMED HOLDING AG	56,008	55,015	0.00
NA	NA	23,954	ZELTIA SA	197,728	171,343	0.10
			Total Health Care	<u>138,471,410</u>	<u>138,078,572</u>	
			Industrials			
NA	NA	50	A P MOLLER MAERSK	646,390	612,661	1.10
NA	NA	32,571	AALBERTS INDS.	714,843	615,807	N/A
NA	NA	4,108	AAREAL BANK AG	155,126	100,775	4.60
NA	NA	338,749	ABB LTD.	10,216,732	9,664,290	0.00
NA	NA	40,646	ABC LEARNING CENTER	59,264	39,006	17.00
NA	NA	5,220	ABENGOA SA	178,273	163,336	0.70
NA	NA	7,384	ABERTIS INFRAESTRUCTURAS SA	209,066	175,322	2.90
NA	NA	551	ACCIONA	137,975	130,957	2.00
NA	NA	5,130	ACCTIVIDADES CO.	286,399	257,915	4.50
NA	NA	105,774	ADECCO SA	4,894,141	5,264,816	3.00
NA	NR	22,100	AECON GROUP INC.	363,961	351,143	N/A
NA	NA	2,300	AEON DELIGHT CO. LTD.	47,400	47,083	0.90
NA	NA	1,000	AEON MALL CO.	30,363	29,621	0.60
NA	NA	114,221	AGGREKO	833,211	1,669,642	1.10
NA	NA	4,122	AHLSTROM OYJ	105,794	93,195	N/A
NA	NA	12,300	AICA KGYO COO	115,518	108,606	3.20
NA	NA	11,000	AIDA ENGINEERING	67,713	53,337	2.90
NA	NA	5,461	AIR BERLIN PLC.	62,774	32,696	N/A
NA	NA	84,000	AIRPORT FACILITIES	486,063	562,615	2.30
NA	NA	3,501	AKER ASA	199,253	167,542	7.60
NA	NA	5,689	AKER SOLUTION ASA	141,122	134,310	2.50
NA	NA	15,536	AKER YARDSA	230,680	207,413	N/A
NA	NA	13,852	ALESCO CORP.	103,958	91,722	9.70
NA	NA	53,968	ALFA LAVAL AB	586,290	841,098	2.40
NA	NA	5,997	ALFA SAB DE CV	43,148	42,912	1.50
NA	NA	99,486	ALITALIA LINEE	85,132	69,752	0.00
NA	NA	8,000	ALL NIPPON AIRWAYS	31,541	29,961	0.80
NA	NA	19,000	AMADA CO.	198,104	150,021	2.60
NA	NA	10,100	AMANO CORPORATION	106,600	97,565	3.40
NA	NA	251,764	AMEC	4,431,422	4,459,326	1.50
NA	NA	587	ANDRITZ AG	37,607	37,040	N/A
NA	NA	11,268	ANSALDO SIS	167,996	169,988	N/A
NA	NA	420,000	APAC RESOURCES LTD.	50,978	47,400	N/A
NA	NA	5,901	ARCADIS NV	120,482	133,881	2.90
NA	NA	31,091	ARRIVA	441,699	423,849	3.50
NA	NA	37,000	ASAHI GLASS CO.	473,149	448,168	1.80
NA	NA	6,798	ASCIANO GROUP	47,549	22,637	14.60
NA	NA	78,772	ASHTREAD GROUP	108,109	100,332	4.00
NA	NA	197,977	ASPEN GROUP	360,861	235,586	N/A
NA	NA	19,076	ASSA ABLOY	392,001	276,689	4.10
NA	NA	2,936	ASSYSTEM	46,379	42,187	4.20
NA	NA	8,888	ASTALDI	78,108	73,518	1.90
NA	NA	14,275	ATKINS WS PLC	308,108	303,412	2.30
NA	NA	9,370	ATLANTIA	308,182	283,891	3.50
NA	NA	429,620	ATLAS COPCO AB	3,349,370	6,338,580	3.40
NA	NA	508	AUCKLAND INTERNATIONAL AIRPORT LTD.	1,160	754	8.30
NA	NA	6,796	AUSENCO	104,185	99,718	N/A
NA	NA	8,194	AUSTRIAN AIRLINES	52,154	47,122	0.00
NA	NA	917	AUTOROUTES PARIS	91,472	87,091	4.90
NA	NA	7,078	AUTOST TO MI SPA	128,952	122,558	3.60
NA	NA	15,951	AVENG	123,175	118,183	1.50
NA	NA	83,575	AVIS EUROPE	40,804	35,760	0.00
NA	NA	288,345	BABCOCK & BROWN IN	311,193	188,163	22.10
NA	NA	31,255	BABCOCK INTERNATIONAL GROUP	369,802	381,921	1.90
NA	NA	169,833	BALFOUR BEATTY	1,513,996	1,436,470	2.70
NA	NA	23,000	BANDO CHEMICAL IND.	87,103	88,524	2.40
NA	NA	2,743	BARLOWORLD LTD.	41,654	28,032	0.00
NA	NA	27,599	BAUER AG	2,464,330	2,666,415	N/A
NA	NA	2,368	BAYWA AG	156,893	155,392	1.10
NA	NA	66,664	BBA AVIATION PLC.	223,038	168,161	6.00
NA	NA	5,380	BEKAERT SA	765,918	831,117	2.80
NA	NA	82	BELIMO HOLDING AG	79,441	85,252	4.30
NA	NA	1,500	BENESSE CORP.	53,344	60,846	2.10
NA	NA	5,640	BIDVEST GROUP	107,123	70,881	0.00
NA	NA	2,352	BIESSE	52,512	40,392	N/A

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Industrials (continued)			
NA	NA	13,012	BIG YELLOW GROUP	104,477	74,321	3.30
NA	NA	3,799	BILFINGER BERGER AG	308,854	331,179	4.70
NA	NA	4,049	BLOM ASA	38,662	34,024	0.00
NA	NA	591,044	BOART LONGYEAR GR	1,233,087	1,264,845	N/A
NA	NA	1,558	BOBST AG	116,530	125,347	4.30
NA	NA	45,834	BODYCOTE PLC.	213,130	186,082	3.80
NA	NA	19,165	BOMBARDIER INC.	112,790	139,976	N/A
NA	NA	23,981	BOSKALIS WESTMNSTR	1,255,605	1,286,520	3.50
NA	NA	15,200	BRADKEN LTD.	118,401	125,445	3.70
NA	NA	48,298	BRAMBLES LTD.	527,554	404,628	N/A
NA	NA	9,572	BRISA	123,451	110,696	4.20
NA	NA	11,869	BROSTROM AB	83,017	84,844	N/A
NA	NA	1,762	BRUNEL INTERNATION	44,161	39,421	4.90
NA	NA	71,209	BSS GROUP PLC.	365,377	473,687	2.20
NA	NA	23,490	BTG	56,287	86,952	0.00
NA	NA	4,228	BUCHER INDUSTRIES	769,582	1,120,715	1.90
NA	NA	29,164	BUNZL	406,309	379,876	2.90
NA	NA	16,535	BURBERRY GROUP	198,927	149,069	2.70
NA	NA	3,452	BURCKHARDT COMPRESSION HOLDING	743,595	1,050,579	1.90
NA	NA	20,498	BUREAU VERITAS	1,085,120	1,218,514	N/A
NA	NA	1,656	BWT AG (BENCKISER W)	72,888	68,307	1.50
NA	NA	2,132	C ROKAS SA	42,518	43,668	1.50
NA	NA	1,997	CAE INC.	25,741	22,676	N/A
NA	NA	7,750	CANADIAN NATIONAL RAILWAY	406,586	374,151	1.90
NA	NA	2,019	CANADIAN PACIFIC RAILWAY	141,086	134,726	1.50
NA	NA	17,531	CAPE PLC.	84,923	97,690	0.00
NA	NA	2,275	CARBONE LORRAINE	120,817	125,489	2.40
NA	NA	3,244	CARDO AB	84,586	78,736	6.20
NA	NA	52,720	CARILLION	392,049	349,123	3.40
NA	NA	1,726	CARSO INFRASTRUCT	1,801	1,576	N/A
NA	NA	3,000	CATHAY PACIFIC AIR	7,869	5,717	5.70
NA	NA	27,000	CENTRAL GLASS CO.	101,603	110,287	2.80
NA	NA	78	CENTRAL JAPAN RAILWAY	844,069	860,903	0.80
NA	NA	12,703	CFE	1,217,564	1,287,915	1.90
NA	NA	99,547	CHARTER	1,387,256	1,722,595	1.40
NA	NA	4,625	CHEMRING GROUP	224,000	217,777	1.20
NA	NA	51,000	CHINA COMM. CONSTR.	110,284	87,252	N/A
NA	NA	1,148,000	CHINA GAS HOLDINGS	330,347	306,233	0.60
NA	NA	6,114	CHINA MERCHANTS HOLDINGS INTERNATIONAL	31,898	23,641	2.20
NA	NA	31,100	CHINA SHIPPING CONTAINER LINES	25,703	12,165	7.20
NA	NA	18,000	CHINA SHIPPING DEV.	54,206	54,018	2.40
NA	NA	29,000	CHIYODA CORP.	322,004	315,702	1.00
NA	NA	41,700	CHIYODA INTEGRE CO.	1,001,063	651,040	3.00
NA	NA	164,116	CHLORIDE GROUP	653,124	849,200	1.50
NA	NA	14,000	CHUGAI RO CO.	62,265	69,204	1.50
NA	NA	1,756	CIA DE CONCESSOES	30,924	34,988	4.20
NA	NA	28,260	CIA VALE RIO DOCE	628,298	847,533	0.00
NA	NA	14,750	CIE DE ST GOBAIN	1,538,748	923,532	5.20
NA	NA	674	CINTRA CONCES INFR.	10,108	7,561	1.10
NA	NA	74,514	CIR COMPAGNIE INDS.	190,582	206,038	2.90
NA	NA	15,076	CISION AB	50,418	31,328	2.00
NA	NA	20,000	CITIC PACIFIC LTD.	109,405	73,742	4.90
NA	NA	9,900	CKD CORPORATION	65,461	61,545	3.30
NA	NA	2,183	CMB (CIE MARITIME)	160,632	132,796	10.40
NA	NA	221,963	COBHAM ORD	912,638	873,761	2.30
NA	NA	107,169	COFIDE	115,213	122,416	2.10
NA	NA	52,000	COMFORTDELGRO CORP.	68,121	57,410	6.80
NA	NA	266,804	COMPAL ELECTRONICS INC.	1,179,957	1,384,713	7.30
NA	NA	29,000	COMSYS HOLDINGS	275,946	256,063	2.10
NA	NA	3,414	CONERGY AG	65,328	71,109	1.10
NA	NA	209,822	CONNECTEAST GROUP	263,470	173,166	N/A
NA	NA	4,479	CONST Y AUX FERR	1,981,352	1,961,815	2.50
NA	NR	39,840	COPA HOLDINGS	1,371,671	1,121,894	1.30
NA	NA	6,899	CORIN GROUP PLC.	61,497	21,179	0.90
NA	NA	23,567	CORPORATE EXPRESS NV	279,944	340,491	2.30
NA	NA	18,000	COSCO CORPORATION	58,592	42,395	2.20
NA	NA	5,000	COSEL CO.	56,441	41,083	2.80
NA	NA	3,283	CRAMO OYJ	69,968	54,415	6.20
NA	NA	9,487	CRANE GROUP LTD.	129,189	117,990	5.30
NA	NA	2,996	D/S NORDEN	355,855	322,800	6.90
NA	NA	18,000	DAI NIPPON PRINTNG	258,833	265,742	2.30
NA	NA	13,000	DAIFUKU CO.	160,728	128,154	2.50
NA	NA	70,000	DAIHEN CORP.	370,338	320,928	1.40
NA	NA	19,000	DAIICHI CHUO KISEN	134,058	128,871	1.90
NA	NA	8,882	DAIKIN INDUSTRIES	382,602	449,106	0.70

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Industrials (continued)			
NA	NA	6,000	DAIMEI TELECOM ENG.	51,807	56,658	2.00
NA	NA	3,900	DAISEKI CO.	123,295	124,353	0.50
NA	NA	5,642	DANIELI & COMPANY	146,758	134,139	N/A
NA	NA	40,226	DANIELI & COMPANY	1,075,710	1,506,497	0.60
NA	NA	24,137	DAVIS SERVICE GP	244,068	214,722	4.30
NA	NA	13,488	DCC	323,555	336,829	3.60
NA	NA	144,674	DE LA RUE ORD	1,788,231	2,569,711	N/A
NA	NA	14,660	DEEP SEA SUPPLY PLC	64,925	54,110	N/A
NA	NA	26,283	DELTA	64,901	61,853	4.30
NA	NA	24,105	DEMAG CRANEG	1,072,727	1,150,373	N/A
NA	NA	17,233	DETICA GROUP	105,145	90,971	1.40
NA	NA	673	DFDS	101,829	96,682	2.20
NA	NA	56,822	DIGNITY	856,042	865,094	1.30
NA	NA	3,561	DLH	59,966	51,909	N/A
NA	NA	42,159	DOWNER GROUP	284,851	277,946	3.10
NA	NA	1,871	DRAKA HOLDINGS	68,628	50,202	4.00
NA	NA	6,885	DSV	155,619	165,090	N/A
NA	NA	1,232	DUERR AG	60,950	50,449	1.50
NA	NA	6,171	DURO FELGUERA	67,147	60,184	N/A
NA	NA	10,754	E2V TECHNOLOGIES	57,407	54,254	3.00
NA	NA	18,507	EADS (EURO AERO)	531,581	351,071	1.00
NA	NA	159	EAST JAPAN RAILWAY	1,255,543	1,297,439	1.30
NA	NA	22,812	EASY JET	131,531	122,465	0.00
NA	NA	1,369,000	EBARA CORP.	4,370,796	4,261,780	2.20
NA	NA	9,783	EIFFAGE	742,076	670,954	N/A
NA	NA	16,691	EITZEN CHEMICAL	64,471	64,884	N/A
NA	NA	12,800	EIZO NANA O CORP.	364,793	274,100	3.40
NA	NA	72,525	ELLAKTOR SA	952,050	925,561	2.20
NA	NA	6,355	EMBRAER EMP AER BR	67,675	42,633	3.30
NA	NA	181,750	EMBRAER EMPRESA BRASILEIRA DE	7,151,272	4,816,375	3.30
NA	NA	88,684	EMECO HOLDINGS LTD.	85,112	91,063	N/A
NA	NA	3,598	EMPRESAS ICA SAB	19,806	22,446	0.00
NA	NA	51,740	ENODIS ORD	291,098	327,960	1.60
NA	NA	3,635	EQSTRA HOLDINGS LT	16,657	5,828	N/A
NA	NA	1,704	ERIKS GROUP	130,532	111,658	5.40
NA	NA	744	ERSOL SOLAR ENERGY	76,569	118,628	N/A
NA	NA	1,054	EUROFINS SCIENTIFI	109,156	88,844	0.20
NA	NA	16,587	EURONAV NV	601,244	804,916	2.60
NA	NA	2,834	EVS BROADCAST EQUITY	255,689	253,529	N/A
NA	NA	51,000	EZRA HOLDING	94,059	99,474	N/A
NA	NA	890	FAIVELEY	61,550	57,842	N/A
NA	NA	8,434	FANUC	814,605	825,061	1.60
NA	NA	26,459	FENNER	126,440	127,826	2.50
NA	NA	2,804	FIN DE L ODET	736,545	1,159,684	0.10
NA	NA	8,380	FINNAIR	84,147	61,262	5.40
NA	NA	18,185	FIRSTGROUP	231,710	188,192	3.30
NA	NA	8,627	FISHER (J) & SONS	114,682	107,993	2.00
NA	NA	108,442	FKI	194,515	180,206	5.40
NA	NA	9,815	FLSMIDTH & CO. A S	725,674	1,078,241	1.40
NA	NA	1,468	FLUGHAFEN WIEN AG	173,747	140,162	4.10
NA	NA	53	FOM CONST Y CONTRA	4,621	3,151	4.60
NA	NA	5,307	FORTH PORTS	225,642	183,246	2.90
NA	NA	3,225	FREEWORLD COATING	6,063	3,028	N/A
NA	NA	22,940	FRIGOLASS SA	740,516	558,050	2.50
NA	NA	8,429	FRONTLINE LTD.	496,688	592,444	15.70
NA	NA	30,000	FUJII ELECTRIC HOLDING	119,527	106,127	2.10
NA	NA	50,000	FUJII MACHINE MFG.	1,045,437	999,953	2.00
NA	NA	46,000	FUJIKURA	216,000	200,481	2.10
NA	NA	15,000	FUJITEC CO.	88,528	89,005	2.00
NA	NA	28,000	FUKUYAMA TRANSPORT	97,607	97,203	1.90
NA	NA	44,000	FURUKAWA CO.	76,786	75,959	3.30
NA	NA	22,000	FURUKAWA ELECTRIC	100,491	95,675	1.50
NA	NA	5,900	FUTABA CORP.	99,808	101,408	2.50
NA	NA	34,152	G4S PLC.	138,869	137,634	2.50
NA	NA	63,843	GALLIFORD TRY PLC	72,713	47,964	8.10
NA	NA	10,680	GAMESA CORP. TECNO	501,343	525,335	0.60
NA	NA	6,927	GEBERIT	967,068	1,023,477	3.50
NA	NA	54	GEO CO. LTD.	47,813	45,388	2.80
NA	NA	604	GEODIS (EX CALBERSN)	125,592	126,548	2.10
NA	NA	536	GEORGE FISCHER AG	288,384	220,746	6.00
NA	NA	25,980	GET SA	401,913	402,779	N/A
NA	NA	2,563	GFK AG	115,329	114,966	2.30
NA	NA	56,995	GILDEMEISTER AG	1,573,047	1,615,474	2.80
NA	NA	35,500	GLORY	749,964	835,550	1.40
NA	NA	6,144	GO AHEAD GROUP	208,735	225,964	4.00

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Industrials (continued)			
NA	NA	450	GOL LINHAEREAS	8,756	5,070	0.00
NA	NA	5,529	GOLAR INC.	108,327	85,213	6.50
NA	NA	1,372	GRASIM INDUSTRIES LTD.	100,517	60,368	1.60
NA	NA	5,860	GREENTECH ENERGY SYSTEMS	101,761	98,421	N/A
NA	NA	7,876	GRINDROD LIMITED	27,260	26,410	3.00
NA	NA	13,976	GRONTMIJ NV	618,834	591,014	N/A
NA	NA	3,597	GRUPO AEROPORTUARI	18,155	10,616	6.60
NA	NA	31,873	GRUPO CARSO	125,733	149,470	1.20
NA	NA	12,570	GRUPO EMPRES ENCE	120,131	98,627	N/A
NA	NA	1,091	GRUPO FERROVIAL SA	95,937	67,588	2.40
NA	NA	7,490	GS ENGINEERING & CONSTRUCTION	518,180	819,851	1.40
NA	NA	28,000	GUANGDONG INVEST.	17,625	11,347	3.50
NA	NA	32,273	GWA INTERNATIONAL	84,888	77,427	8.80
NA	NA	3,955	HALDEX AB	79,013	59,667	5.00
NA	NA	7,685	HAMWORTHY	77,122	82,589	1.50
NA	NA	55,000	HANKYU HANSHIN HOLDING	271,584	231,404	1.20
NA	NA	29,000	HANWA CO.	146,550	179,463	1.80
NA	NA	103,000	HASTIE GROUP LIMIT	398,074	274,786	4.70
NA	NA	2,735	HAULOTTE GROUP	55,718	39,946	2.40
NA	NA	55,204	HAYS	169,991	99,427	5.90
NA	NA	9,114	HEIDELBERGER DRUCK	283,928	187,105	10.40
NA	NA	23,318	HELPHIRE GROUP	81,446	73,438	7.80
NA	NR	55,700	HEROUX DEVTEK INC.	447,376	428,778	0.00
NA	NA	21,025	HEXAGON AB	369,682	384,475	2.10
NA	NA	23,726	HILLS INDUSTRIES	89,326	72,632	8.60
NA	NA	3,000	HINO MOTORS	18,730	18,622	1.50
NA	NA	3,000	HISAKA WORKS	48,425	63,959	1.40
NA	NA	142,000	HITACHI CABLE	825,385	534,484	2.10
NA	NA	4,700	HITACHI CONSTRUCTION MACHINERY	161,571	131,904	1.50
NA	NA	38,100	HITACHI HIGH TECH.	618,749	884,166	1.20
NA	NA	7,300	HITACHI TRANSPORT SYSTEMS	85,361	92,416	1.60
NA	NA	99,000	HITACHI ZOSEN CORP.	120,469	112,070	0.00
NA	NA	4,560	HOCHTIEF AG	451,319	464,191	2.90
NA	NA	1,324	HOMAG GROUP AG	49,631	38,904	N/A
NA	NA	31,000	HONG LEONG ASIA	54,697	45,405	5.00
NA	NA	13,000	HOPEWELL HOLDINGS	60,296	46,182	4.30
NA	NA	2,130	HUBER & SUHNER AG	100,443	90,127	2.90
NA	NA	13,851	HUNTING	260,482	242,577	1.00
NA	NA	1	HUSQVARNA AB	0	8	N/A
NA	NA	19,014	HUSQVARNA AB	240,758	166,738	4.30
NA	NA	144,897	HUTCHISON WHAMPOA	1,433,669	1,460,593	2.20
NA	NA	40,000	HYFLUX LIMITED	107,549	88,029	0.60
NA	NA	57,195	IBERIALINEAERE	191,114	136,973	9.20
NA	NA	21,200	IBJ LEASING CO. LTD.	461,472	379,582	2.10
NA	NA	62,000	IHI CORP.	196,482	125,749	1.90
NA	NA	14,100	IINO KAIUN KAISHA	145,373	128,756	1.30
NA	NA	13,040	IMA (IND. MACC AUTO)	271,838	288,660	6.10
NA	NA	112,621	IMI PLC.	1,140,196	978,339	4.60
NA	NA	3,635	IMPERIAL HOLDINGS	52,833	24,494	0.00
NA	NA	38,623	IMPREGILO SPA	236,111	172,060	0.00
NA	NA	23,869	IMTECH NV	626,385	561,470	3.20
NA	NA	3,963	INDUS HOLDING AG	154,197	134,182	8.00
NA	NA	3,163	INDUTRADE AB	75,947	62,047	N/A
NA	NA	12,096	INTERPUMP GROUP	118,524	113,585	3.40
NA	NA	967	INTERSEROH AG	86,850	91,261	2.10
NA	NA	17,751	INTERSERVE PLC.	170,489	163,211	3.60
NA	NA	21,554	INTERTEK GROUP PLC.	428,248	423,809	1.80
NA	NA	50,338	INTERNATIONAL METAL SERVICE	1,835,655	1,705,166	5.10
NA	NA	8,409	INTRUM JUSTITIA NV	149,114	153,422	3.00
NA	NA	3,500	INUI STEAMSHIP CO.	55,315	51,771	2.30
NA	NA	32,766	INVENSYS	221,693	169,870	0.00
NA	NA	17,037	IRESS MARKET TECH.	98,328	102,348	4.20
NA	NA	28,000	ISEKI & CO.	65,806	65,242	0.00
NA	NA	30,953	ITE GROUP	93,191	104,106	2.90
NA	NA	76,000	ITOCHU CORP.	819,144	810,867	1.90
NA	NA	9,494	IVG IMMOBILEN AG	331,589	187,278	8.00
NA	NA	118,000	IWATANI INTERNATIONAL CORP.	367,302	360,662	1.50
NA	NA	7,536	J&P AVAX SA	58,289	51,293	2.80
NA	NA	8,300	JAPAN AIRPORT TERM	156,656	130,758	0.80
NA	NA	14,000	JAPAN STEEL WORKS	200,979	272,723	0.60
NA	NA	72,000	JAYA HOLDINGS	77,279	84,790	7.50
NA	NA	100,857	JERONIMO MARTINS SGPS	426,029	733,348	N/A
NA	NA	6,000	JGC CORP.	105,708	118,296	1.30
NA	NA	232,000	JOHNSON ELECTRIC HOLDINGS	115,633	103,542	4.10
NA	NA	10,200	JS GROUP CORP.	190,566	162,326	2.30

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Industrials (continued)			
NA	NA	14,955	JSC MMC NORILSK NICKEL	339,025	378,362	3.70
NA	NA	10,000	JTEKT CORPORATION	154,977	158,860	1.40
NA	NA	2,881	JUNGHEINRICH	99,210	80,343	4.70
NA	NA	1,778	KABA HOLDINGG	578,455	542,861	2.10
NA	NA	33,000	KAJIMA CORP.	135,506	115,495	1.90
NA	NA	122,000	KAMIGUMI CO.	977,580	924,164	1.10
NA	NA	17,000	KANDENKO CO.	108,054	114,183	1.70
NA	NA	60,000	KANEMATSU CORP.	85,992	87,166	0.00
NA	NA	77,000	KAWASAKI HEAVY IND.	287,979	205,566	1.70
NA	NA	19,000	KAWASAKI KISEN	236,249	178,699	2.70
NA	NA	112,000	KEIHAN ELECTRIC RAIL	456,158	454,318	1.20
NA	NA	38,000	KEISEI ELECTRIC RAILWY	199,228	194,651	1.00
NA	NA	32,297	KELLER GROUP	684,420	401,724	2.90
NA	NA	432,100	KEPPEL CORP.	3,489,933	3,542,924	N/A
NA	NA	5,328	KIER GROUP	134,808	100,733	6.10
NA	NA	34,000	KINDEN CORPORATION	332,960	343,512	1.20
NA	NA	1,102	KINGSPAN GROUP	10,529	10,904	4.00
NA	NA	13,175	KINGSPAN GROUP	139,333	128,014	4.10
NA	NA	40,000	KINTETSU CORP.	120,483	125,654	1.50
NA	NA	2,700	KINTETSU WORLD EXPO	70,851	69,152	1.00
NA	NA	13,000	KITZ CORPORATION	69,016	66,591	2.90
NA	NA	13,400	KOKUYO CO.	118,378	120,089	1.60
NA	NA	467	KOMAX	68,384	62,581	4.80
NA	NA	42,500	KOMORI CORPORATION	731,325	776,190	2.10
NA	NA	24,963	KON BAM GROEP NV	593,620	442,074	8.00
NA	NA	27,785	KONECRANES OYJ	1,265,619	1,151,326	3.00
NA	NA	3,516	KOREA LINE CORP.	623,716	591,574	1.40
NA	NA	2,303	KRONEG	199,495	197,209	1.80
NA	NA	135	KSB KL SCHANZ BECK	99,286	93,588	2.90
NA	NA	54,000	KUBOTA CORP.	415,634	388,680	1.80
NA	NA	2,075	KUEHNE & NAGEL AG	191,906	197,702	2.00
NA	NA	3,904	KUKA AKTIENGESELLSCHAFT	135,017	126,894	6.90
NA	NA	118,000	KUMAGAI GUMI CO.	370,101	119,108	1.40
NA	NA	2,100	KURITA WATER INDS.	61,582	77,855	0.80
NA	NA	4,600	KURODA ELECTRIC	66,712	68,563	1.90
NA	NA	116,400	KVERNELAND GRUPPEN	305,089	308,514	0.00
NA	NA	139,000	KYODO PRINTING CO	580,812	432,715	2.50
NA	NA	13,000	KYOWA EXEO CORP.	106,919	120,796	2.00
NA	NA	24,441	LAIRD PLC.	256,377	190,674	N/A
NA	NA	4,128	LAMDA DEVELOPMENT	63,907	59,185	0.00
NA	NA	4,530	LARSEN & TOUBRO	292,945	232,842	0.60
NA	NA	58,331	LAVENDON GROUP	310,506	286,736	3.70
NA	NA	33,994	LEIGHTON HOLDINGS	441,684	1,658,845	3.00
NA	NA	5,615	LEMMINKAINEN CORP.	234,943	256,643	6.20
NA	NA	4,398	LEONI AG	238,141	188,476	4.70
NA	NA	6,398	LG MICRON	294,365	299,701	0.00
NA	NA	8,155	LINDAB AB	194,561	159,972	N/A
NA	NA	14,194	LINDE AG	1,736,857	1,997,048	2.70
NA	NA	624	LISI	68,334	56,216	2.60
NA	NA	42,000	LUKS GROUP (VIETNAM HOLDINGS) COM	37,988	20,468	N/A
NA	NA	71,534	MACMAHON HOLDINGS	116,161	114,298	2.40
NA	NA	18,168	MACQUARIE AIRPORTS	62,677	35,916	12.60
NA	NA	61,936	MACQUARIE COMM. INF.	250,608	181,282	15.10
NA	NA	101,738	MACQUARIE INFRASTRUCTURE GROUP	273,080	226,508	8.60
NA	NA	28,000	MAEDA CORP.	93,457	96,411	1.90
NA	NA	21,000	MAEDA ROAD CONST	157,507	147,984	1.90
NA	NA	13,333	MAINFREIGHT LTD.	70,264	65,960	4.60
NA	NA	1,213,031	MAIRE TECNIMONT SP	7,530,860	8,189,453	N/A
NA	NA	15,000	MAKINO MILLING	101,928	94,665	2.30
NA	NA	20,758	MAN AG	1,955,720	2,306,048	6.40
NA	NA	2,367	MANITOU	70,707	70,969	5.50
NA	NA	3,644	MARTIFER SGPS	50,636	40,017	N/A
NA	NA	81,000	MARUBENI CORP.	650,039	677,770	1.60
NA	NA	28,000	MARUZEN SHOWA UNYU	90,282	88,222	2.50
NA	NA	18,800	MATSUDA SANGYO	369,815	472,638	0.90
NA	NA	18,000	MATSUSHITA ELC WKS	210,032	183,897	2.30
NA	NA	7,000	MAX CO.	82,669	79,176	3.00
NA	NA	1,678	MECALUX S.A.	59,783	52,558	1.40
NA	NA	3,180	MEGASTUDY CO. LTD.	359,506	1,006,851	0.50
NA	NA	40,749	MEGGITT	252,090	172,330	4.00
NA	NA	26,000	MEIDENSHA CORP.	71,411	78,242	1.80
NA	NA	11,205	MEINL AIRPORTS INTERNATIONAL LTD.	77,987	98,863	N/A
NA	NA	99,000	MELCO INTERNATIONAL DEV	125,403	95,223	0.10
NA	NA	5,013	MELEXIS NPV	90,749	79,377	6.00
NA	NA	355,156	MELROSE	1,162,629	1,074,356	N/A

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Industrials (continued)			
NA	NA	4,258	METKA SA	89,515	90,836	3.70
NA	NA	4,703	METSO OYJ	296,931	214,662	5.70
NA	NA	6,316	MEYER BURGER TECHN.	2,009,769	1,903,605	0.00
NA	NA	48,814	MICHAEL PAGE INTERNATIONAL	309,532	227,081	3.40
NA	NA	10,511	MICHANIKI SA	79,213	61,937	4.30
NA	NA	10,000	MINEBEA CO.	57,213	57,261	1.60
NA	NA	10,200	MISUMI GROUP INC.	195,002	190,038	1.20
NA	NA	42,698	MITIE GROUP	201,932	180,148	3.00
NA	NA	60,759	MITSUBISHI CORP.	1,628,615	2,006,099	2.10
NA	NA	88,000	MITSUBISHI ELECTRIC CORP.	995,263	950,521	1.20
NA	NA	143,000	MITSUBISHI HEAVY INDUSTRIES	831,934	682,590	1.20
NA	NA	4,600	MITSUBISHI PENCIL	63,572	60,622	1.50
NA	NA	24,297	MITSUBISHI UFJ LEASE & FINANCE	998,510	1,056,640	1.00
NA	NA	14,000	MITSUBOSHI BELTING	65,317	67,619	3.60
NA	NA	365,802	MIITSUI & CO.	8,313,492	8,092,125	2.20
NA	NA	24,000	MIITSUI ENG. & SHIP. BUILDING	119,775	76,072	1.20
NA	NA	42,171	MIITSUI OSK LINES	588,765	601,903	2.10
NA	NA	17,000	MIITSUI SOKO CO.	86,282	81,949	1.80
NA	NA	4,300	MIURA CO.	106,465	101,207	2.00
NA	NA	168,671	MONADELPHOUS GROUP	1,821,926	2,126,907	4.40
NA	NA	39,266	MORGAN CRUCIBLE CO.	185,757	150,429	2.70
NA	NA	5,427	MORGAN SINDALL PLC.	112,602	80,788	5.10
NA	NA	43,100	MORI SEIKI CO.	842,563	728,193	2.70
NA	NA	3,500	MOSHIMOSHI HOTLINE	91,219	88,982	2.00
NA	NA	16,718	MOUCHEL GROUP PLC.	155,798	138,741	1.30
NA	NA	107,652	MTR CORP.	262,327	338,939	1.80
NA	NA	7,746	MTU AERO ENGINES I	361,980	252,871	6.40
NA	NA	8,477	MUNTERS	90,895	80,678	N/A
NA	NA	4,631	MURRAY & ROBERTS	50,129	51,462	1.70
NA	NA	14,000	NABTESCO CORP.	184,761	214,480	1.10
NA	NA	143,000	NACHI FUJIKOSHI CO.	605,149	557,134	1.90
NA	NA	14,000	NAGASE & CO.	142,832	147,785	1.80
NA	NR	32,800	NAM TAI ELECTRONICS	434,052	429,024	6.70
NA	NA	5,700	NAMURA SHIP BUILDING	39,430	37,909	1.50
NA	NA	8,226	NATIONAL EXPRESS GROUP	200,185	155,852	4.00
NA	NA	63,702	NCC	1,664,957	961,034	23.10
NA	NA	4,500	NEC NETWORKS & SYS.	61,743	56,884	1.70
NA	NA	13,000	NEPTUNE ORIENT LOANS	40,977	30,906	4.30
NA	NA	3,416	NEXANS	465,652	421,794	2.60
NA	NA	9,000	NGK INSULATORS	282,504	175,322	1.10
NA	NA	9,082	NIBE INDUSTRIER AB	86,963	66,431	N/A
NA	NA	17,000	NICHIAS CORP.	72,733	52,281	0.00
NA	NA	3,800	NICHII GAKKAN CO.	55,722	50,115	1.60
NA	NA	10,000	NIKKISO CO.	73,529	69,431	1.60
NA	NA	36,000	NIPPON EXPRESS CO.	184,052	172,860	2.00
NA	NA	10,000	NIPPON KONPO UNYU	128,613	127,824	1.70
NA	NA	187,000	NIPPON SHEET GLASS	1,030,666	926,136	1.20
NA	NA	9,700	NIPPON SIGNAL CO.	55,109	55,361	2.50
NA	NA	12,000	NIPPON THOMPSON CO.	77,917	76,751	2.40
NA	NA	207,000	NISHIMATSU CONST.	566,137	544,814	3.20
NA	NA	3,700	NISSHA PRINTING CO.	157,520	213,264	0.80
NA	NA	14,800	NITTA CORP.	291,140	323,211	1.60
NA	NA	38,000	NITTO BOSEKI CO.	83,072	89,260	1.70
NA	NA	7,115	NITTO DENKO CORP.	340,392	273,847	2.20
NA	NA	6,000	NITTO KOGYO CORP.	70,648	57,563	1.60
NA	NA	3,532	NKT HOLDING	316,250	285,413	2.90
NA	NA	670,800	NOBLE GROUP	813,118	1,170,129	1.20
NA	NA	786	NORBERT DENTRESSAN	72,703	73,993	1.80
NA	NA	48,749	NORDDEUTSCHE AFFIN	2,582,233	2,662,881	6.00
NA	NA	4,567	NORDEX AG	202,766	190,394	N/A
NA	NA	5,100	NORITZ CORP.	60,075	62,640	2.10
NA	NA	11,502	NORTHGATE	144,486	80,804	7.30
NA	NA	9,600	NORWEGIAN AIR SHUT	271,809	98,479	N/A
NA	NA	24,000	NSK CORP.	195,543	210,330	2.20
NA	NA	10,000	NTN CORP.	79,160	66,695	2.80
NA	NA	2,300	OBARA CORP.	47,414	30,116	2.90
NA	NA	19,000	OBAYASHI CORP.	97,856	86,213	1.70
NA	NA	5,485	OBRASCON HUARTE LAIN SA	239,247	186,578	1.50
NA	NA	4,694	ODIM ASA	86,899	78,334	N/A
NA	NA	10,161	OESTERREICH POST	445,729	387,422	N/A
NA	NA	42,100	OILES CORPORATION	870,746	818,131	2.20
NA	NA	8,000	OKAMURA CORP.	63,091	58,941	2.00
NA	NA	5,000	OKUMA CORPORATION	69,628	49,762	1.70
NA	NA	23,000	OKUMURA CORP.	109,047	93,297	2.10

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Industrials (continued)			
NA	NA	1,492	ORASCOM CONSTR. IND.	116,352	102,776	30.30
NA	NA	5,000	ORGANO CORP.	44,478	59,431	1.00
NA	NA	90,500	ORIENT O/SEAS INTERNATIONAL	759,553	452,648	20.60
NA	NA	901,630	ORKLA ASA	13,156,229	11,576,947	3.40
NA	NA	2,539	ORPEA	144,454	125,570	0.00
NA	NA	500	OSAKA TITANIUM CO. LTD.	39,031	26,320	1.40
NA	NA	11,600	OSG CORP.	151,292	131,315	2.10
NA	NA	38,082	OUTOTEC OYJ	1,865,067	2,428,804	N/A
NA	NA	71,939	PACIFIC BRANDS	130,169	122,539	9.60
NA	NA	492	PAGESJAUNES GROUPE	9,886	7,248	10.30
NA	NA	2,449	PALFINGER AG ORD	102,686	81,415	3.30
NA	NA	808,500	PAN UNITED CORP.	388,375	377,873	7.20
NA	NA	13,900	PARK 24 CO.	141,032	84,314	4.90
NA	NA	8,775	PAYPOINT PLC.	92,661	103,908	2.60
NA	NA	12,351	PEAB AB	105,616	84,799	5.50
NA	NA	7,623	PEAB INDUSTRI	75,210	70,650	N/A
NA	NA	108,097	PENAUILLIE POLYSERVICES	1,028,105	945,233	1.60
NA	NA	40,000	PENTA OCEAN CONST	49,743	64,525	1.20
NA	NA	1,493	PFEIFFER VAC TECH.	153,918	154,969	6.80
NA	NA	6,891	PFLEIDERER AG	138,606	94,131	3.50
NA	NA	1,562	PIREAU PORT AUTH	60,137	54,585	1.50
NA	NA	11,203	PIRELLI & CO. REAL ESTATE	460,844	218,871	16.60
NA	NA	8,816	PIRELLI & CO. SPA	9,400	6,077	3.70
NA	NA	17,376	POYRY OYJ	457,241	451,716	N/A
NA	NA	134,000	PRIME SUCESS INTERNATIONAL	80,887	74,068	1.20
NA	NA	2,380	PROSAFE PRODUCTION	14,671	13,784	N/A
NA	NA	24,431	PROSEGUR SEGURIDAD	958,597	1,062,002	1.90
NA	NA	38,177	PV CRYSTALOX SOLAR	120,677	151,196	N/A
NA	NA	190,000	PYI CORPORATION	40,482	37,769	1.90
NA	NA	39,375	PZ CUSSONS	146,507	132,628	N/A
NA	NA	5,495	QANTAIRWAYS	24,892	16,031	10.90
NA	NA	73,031	QINETIQ GROUP	282,719	300,132	2.10
NA	NA	463	QUADRANT HOLDING	59,446	53,045	0.00
NA	NA	1,248,000	RAFFLES EDUCATION	676,774	1,037,972	N/A
NA	NA	39,746	RAMIRENT OYJ	732,925	414,556	7.60
NA	NA	32,717	RANDSTAD HOLDINGS NV	1,042,083	1,144,349	5.60
NA	NA	67,043	RENTOKIL INITIAL	230,208	132,425	7.40
NA	NA	4,119	RHEINMETALL AG	318,662	297,942	4.10
NA	NA	715	RIETER HOLDING	290,015	233,923	4.50
NA	NA	67,000	ROAD KING INFRASTRUCTURE	82,000	75,013	6.00
NA	NA	12,335	ROBERTS WALTERS	40,460	30,808	3.70
NA	NA	26,650	ROK GROUP	69,570	43,491	N/A
NA	NA	86,146	ROLLS ROYCE GROUP	851,765	585,479	0.00
NA	NA	29,766	RPS GROUP	193,831	177,420	1.10
NA	NA	1,925	RYANAIR HOLDINGS PLC.	76,845	55,190	0.00
NA	NA	26,000	RYOBI	91,661	94,430	3.20
NA	NA	18,422	S I G	272,601	197,061	5.10
NA	NA	34,900	SAAB AB	892,578	881,877	3.00
NA	NA	12,813	SAFRAN SA	300,696	248,710	3.30
NA	NA	58,000	SAGAMI RAILWAY CO.	221,956	214,480	1.30
NA	NA	53,207	SANDVIK AB	1,052,468	729,729	4.90
NA	NA	11,000	SANKI ENGINEERING	76,456	89,760	1.70
NA	NA	35,000	SANKYU INC.	176,799	176,643	1.70
NA	NA	33,000	SANWA HOLDINGS CORP.	138,817	125,145	3.20
NA	NA	1,761	SARTORIUG	54,562	55,963	4.80
NA	NA	11,216	SAB CAPITAL	107,037	57,242	0.00
NA	NA	20,000	SASEBO HEAVY INDS.	58,677	55,280	1.70
NA	NA	4,900	SATO CORP.	66,416	55,284	2.80
NA	NA	12,397	SCHINDLER HOLDING AG	850,578	926,793	N/A
NA	NA	3,214	SCHOUW AND CO.	119,091	121,541	1.70
NA	NA	172	SCHWEITER TECH.	63,106	69,908	2.20
NA	NA	15,641	SCOTT WILSON GROUP	71,530	68,481	N/A
NA	NA	539	SECHE ENVIRONNEMEN	81,373	71,122	1.60
NA	NA	237,522	SECOM CO.	11,305,532	11,561,846	1.70
NA	NA	322,906	SECURITAS	3,639,556	3,757,623	4.40
NA	NA	85,000	SEINO HOLDINGS	706,265	520,400	1.70
NA	NA	38,000	SEMBCORP INDUSTRIE	135,652	116,351	3.60
NA	NA	30,600	SEMBCORP MARINE	79,737	90,990	2.20
NA	NA	57,188	SENIOR	134,072	111,821	2.50
NA	NA	19,000	SENKO CO.	63,909	76,534	1.90
NA	NA	17,000	SENSHU ELECTRIC CO.	319,429	316,730	1.90
NA	NA	21,348	SERCO GROUP	175,807	190,230	1.00
NA	NA	17,314	SERVICE POINT SOLUTIONS	59,793	59,741	1.80
NA	NA	13,525	SEVERFIELD ROWEN	86,409	65,340	N/A

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Rating Moody's	S&P	Par Value	Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration
		\$		%	\$	\$	%	
FOREIGN EQUITY SECURITIES (continued)								
Industrials (continued)								
NA	NA	4,568	SFA ENGINEERING CO.		290,370	290,399	2.10	
NA	NA	809	SGS SA		1,041,597	1,161,160	1.70	
NA	NA	4,000	SHANGHAI INDUSTRIAL HOLDING LTD.		18,183	11,747	3.50	
NA	NA	34,994	SHANKS GROUP		179,379	162,965	2.70	
NA	NA	9,000	SHIBUSAWA W HOUSE		53,101	48,988	1.20	
NA	NA	3,400	SHIMA SEIKI MFG.		121,618	92,694	1.90	
NA	NA	18,000	SHIMIZU CORP.		109,074	85,411	1.40	
NA	NA	17,000	SHINKO ELECTRIC CO.		59,444	53,082	1.80	
NA	NA	23,000	SHINMAYWA INDS.		86,556	91,128	2.40	
NA	NA	14,000	SHINWA KAIUN		93,320	76,600	2.70	
NA	NA	4,300	SHO BOND HOLDINGS		51,249	62,550	N/A	
NA	NA	4,900	SHOEI COMPANY		70,348	57,503	3.20	
NA	NA	46,000	SHOWA ELECTRIC WIRE		71,866	67,261	1.90	
NA	NA	16,000	SHUI ON CONSTRN		40,817	36,689	4.50	
NA	NA	9,129	SIAS		113,671	110,175	4.20	
NA	NA	2,864	SIDI KRIER PETROCH		8,858	10,762	N/A	
NA	NA	140,004	SIEMENG		16,283,177	15,555,534	3.20	
NA	NA	19,406	SINGAPORE AIRLINES		238,244	209,964	6.80	
NA	NA	50,000	SINGAPORE AIRPORT		91,028	81,699	6.30	
NA	NA	228,000	SINGAPORE POST		189,781	184,595	5.70	
NA	NA	36,000	SINGAPORE TECH. ENG.		85,919	72,866	6.10	
NA	NA	6,200	SINGULUS TECHNOLOGY		83,345	68,379	0.00	
NA	NA	8,400	SINTOKOGIO		79,248	82,332	1.50	
NA	NA	33,476	SKANSKA AB		667,001	481,381	9.50	
NA	NA	2,700	SMC CORP.		349,797	296,222	1.10	
NA	NA	4,437	SMIT INTERNATIONAL		410,931	433,424	N/A	
NA	NA	251,209	SMITHS GROUP		3,689,610	5,429,384	3.10	
NA	NA	660,000	SMRT CORPORATION		773,421	903,544	4.20	
NA	NR	694	SNC LAVALIN GROUP INC.		27,240	38,320	0.90	
NA	NA	8,600	SODICK CO.		44,164	42,592	3.80	
NA	NA	8,600	SOHGO SECURITY SER		111,952	104,412	1.70	
NA	NA	1,827	SOLAR MILLENNIUM		85,967	78,152	N/A	
NA	NA	1,178	SOLON AG		86,244	108,669	0.00	
NA	NA	14,784	SONAE SGPS SA		39,146	17,819	3.90	
NA	NA	64,200	SONGA OFFSHORE		1,049,862	1,036,714	N/A	
NA	NA	7,826	SPEEDY HIRE		118,562	88,933	3.60	
NA	NA	807	SPERIAN PROTECTION		103,087	96,250	2.00	
NA	NA	8,144	SPICE PLC.		89,347	89,791	0.80	
NA	NA	11,167	SPIRAX SARCO ENGR.		256,795	238,686	2.80	
NA	NA	31,642	SPOTLESS GROUP		99,755	78,646	9.60	
NA	NA	470,376	STAGECOACH GROUP		1,922,739	2,621,131	1.90	
NA	NA	141,000	STAMFORD LAND		71,199	64,343	6.50	
NA	NA	18,715	STHREE ORD		70,340	59,872	N/A	
NA	NA	523	STO AG NON VTG PRF		44,370	43,912	N/A	
NA	NA	5,122	STOLT NIELSEN SA		118,478	116,650	4.40	
NA	NA	4,525	SULZER AG		601,824	576,176	2.20	
NA	NA	12,000	SUMIKIN BUSSAN CP		42,073	47,432	2.70	
NA	NA	29,209	SUMITOMO ELECTRIC INDS.		450,822	371,433	1.60	
NA	NA	23,000	SUMITOMO HEAVY INDUSTRIES		258,482	156,002	1.70	
NA	NA	1,350	SUMITOMO REAL ESTATE		58,263	52,469	3.00	
NA	NA	25,000	SUMITOMO WAREHOUSE		119,405	118,626	2.00	
NA	NA	44,204	SUNG KWANG BEND		1,253,281	1,250,837	N/A	
NA	NA	38,000	SWIBER HOLDINGS LTD.		77,957	69,083	N/A	
NA	NA	38,196	SWISSLOG HOLDING		47,028	40,498	0.00	
NA	NA	8,164	SYNERGY HEALTH PLC.		105,993	119,988	1.40	
NA	NA	13,000	TADANO		128,191	139,927	1.40	
NA	NA	31,000	TAIHO KOGYO		378,526	394,793	2.20	
NA	NA	5,000	TAIKISHA		63,809	78,628	1.80	
NA	NA	25,000	TAISEI CORP.		79,243	59,667	2.40	
NA	NA	18,000	TAKARA STANDARD CO.		99,820	81,166	2.80	
NA	NA	11,000	TAKASAGO THML ENG.		93,391	105,844	2.40	
NA	NA	677	TAM SA		14,753	12,906	1.60	
NA	NA	49,667	TANFIELD GROUP PLC.		89,371	31,383	0.00	
NA	NA	173,500	TECHTRONIC INDUSTRIES		166,848	146,188	1.20	
NA	NA	16,136	TECNICAS REUNIDAS		883,980	1,353,779	N/A	
NA	NA	21,784	TEIXEIRA DUARTE EN		55,727	30,890	1.80	
NA	NA	17,228	TEN CATE KON		607,812	615,345	N/A	
NA	NA	4,386	TERNA SA		59,545	48,511	2.10	
NA	NA	15,527	TGS NOPEC GEOPH CO.		241,757	215,828	0.00	
NA	NA	21,242	THALES		1,266,768	1,211,536	2.80	
NA	NA	3,090	THEOLIA		115,058	81,741	N/A	
NA	NA	6,300	THK CO.		128,666	122,428	1.80	
NA	NA	3,900	TKC CORPORATION		77,773	72,698	2.10	
NA	NA	18,873	TNT NV		790,883	645,852	3.90	

Rating Moody's	S&P	Par Value	Maturity Date	Interest Rate	Cost	Fair Value	Current Yield	Duration	
		\$	FOREIGN EQUITY SECURITIES (continued)	%	\$	\$	%		
			Industrials (continued)						
NA	NA	7,000	TOBU RAILWAY CO.		31,417	33,215	1.00		
NA	NA	32,000	TODA CORPORATION		138,830	117,127	1.80		
NA	NA	11,517	TOGNUM AG		317,935	310,653	5.00		
NA	NA	11,350	TOKEN CORP.		384,199	483,958	2.50		
NA	NA	4,100	TOKYO LEASING CO.		39,255	33,804	2.70		
NA	NA	12,640	TOKYU CONST.		46,933	43,642	2.70		
NA	NA	49,000	TOKYU CORP.		316,611	254,696	1.10		
NA	NA	17,016	TOLL HOLDINGS LIMITED		188,897	98,303	4.10		
NA	NA	72,416	TOMKINS		340,226	217,619	9.10		
NA	NA	20,473	TOMRA SYSTEM SA		156,384	135,858	1.30		
NA	NA	51,300	TOPPAN FORMS		543,217	616,055	1.90		
NA	NA	13,000	TOPPAN PRINTING CO.		127,711	143,361	1.90		
NA	NA	20,433	TORM D/S		714,728	720,893	N/A		
NA	NA	77,000	TOSHIBA MACHINE CO.		606,088	525,900	1.70		
NA	NA	7,000	TOSHIBA PLANT SYSTEMS & SERVICES		61,806	60,224	1.70		
NA	NA	1,000	TOTO		8,333	7,056	1.90		
NA	NA	25,200	TOUAX (TOUAGE INV.)		1,438,300	1,295,140	3.10		
NA	NA	78,000	TOYO ENGINEERING		434,479	502,561	1.10		
NA	NA	9,100	TOYOTA TSUSHO CORP.		224,443	213,754	1.50		
NA	NA	4,300	TRANS COSMOS INC.		51,520	39,388	2.00		
NA	NA	20,228	TRANSFIELD SERVICE		251,171	144,036	4.90		
NA	NA	199,709	TRANSPACIFIC INDUSTRIES NPV		1,380,949	1,149,904	2.50		
NA	NA	29,508	TRANSURBAN GROUP		166,445	119,782	13.50		
NA	NA	42,193	TREVI FINANZIARIA		661,560	1,083,578	N/A		
NA	NA	20,000	TSUBAKIMOTO CHAIN		121,963	116,598	1.30		
NA	NA	9,603	ULTRA ELECTRONIC		236,560	227,999	1.80		
NA	NR	7,000	ULTRAPETROL BAHAMAS LIMITED		93,755	88,270	0.00		
NA	NA	8,811	UMECO PLC.		97,651	92,586	3.20		
NA	NA	1,800	UNION TOOL CO.		64,283	52,469	1.60		
NA	NA	556	UNIQUE ZURICH AIRPORT		242,835	202,782	1.20		
NA	NA	8,084	UPONOR OYJ		178,971	118,961	15.00		
NA	NA	6,877	USG PEOPLE NV		153,034	124,928	N/A		
NA	NA	200	USHIO INC.		3,899	3,273	1.40		
NA	NA	22,045	UNITED GROUP LTD.		299,211	260,424	4.20		
NA	B-	6,246	UTS ENERGY CORP.		33,066	36,692	0.00		
NA	NA	1,898	VACON		83,075	77,003	2.90		
NA	NA	14,725	VEIDEKKE		131,416	105,520	N/A		
NA	NA	33,171	VESTAS WIND SYSTEMS		789,439	4,344,827	0.00		
NA	NA	19,339	VINCI		1,369,982	1,188,313	N/A		
NA	NA	13,485	VON ROLL HOLDING		141,062	142,317	0.90		
NA	NA	13,669	VOPAK (KON)		638,197	927,133	2.20		
NA	NA	4,240	VOSSLOH AG		555,750	553,131	2.90		
NA	NA	24,538	VT GROUP PLC.		334,832	309,365	2.10		
NA	NA	3,795	WACKER CONST. EQUIP.		73,109	56,444	N/A		
NA	NA	10,858	WAVIN NV		123,019	89,985	N/A		
NA	NA	4,000	WEICHAI POWER CO.		34,023	17,185	0.00		
NA	NA	19,150	WESFARMERS LTD.		583,739	685,473	5.50		
NA	NA	3,905	WESFARMERS LTD.		115,362	141,016	N/A		
NA	NA	78	WEST JAPAN RAILWAY		364,123	383,359	1.40		
NA	NA	81,400	WESTSHORE TERMS INCOME FUND		1,430,326	1,586,199	N/A		
NA	NA	929	WIENERBERGER AG		64,919	39,037	5.40		
NA	NA	18,638	WINCANTON		132,785	106,733	5.20		
NA	NA	51,208	WOLSELEY		1,010,674	383,697	8.50		
NA	NA	1,900,000	WONSON INTERNATIONAL		33,179	29,240	N/A		
NA	NA	53,833	WPP GROUP		750,902	518,805	2.80		
NA	NA	9,183	WSP GROUP		109,660	96,129	2.30		
NA	NA	130,000	XINYI GLASS HOLDINGS		102,152	84,194	3.80		
NA	NA	16,000	YAMATO HOLDINGS CO. LTD.		232,851	223,688	1.50		
NA	NA	37,000	YAMAZEN CORP.		238,778	166,143	2.60		
NA	NA	2,111	YIT CORP.		60,191	53,149	5.00		
NA	NA	29,600	YUSEN AIR & SEA SERV		402,816	536,963	1.00		
NA	NA	1,746	ZARDOYA OTIS		54,740	36,257	3.60		
NA	NA	44	ZEHNDER GROUP		62,897	58,326	3.30		
NA	NA	6,000	ZHEJIANG EXPRESSWA		8,012	4,625	5.70		
NA	NA	1,204	ZHONGDE WASTE TECH.		50,945	47,841	N/A		
NA	NA	2,092	ZODIAC		147,672	96,080	3.40		
			Total Industrials		<u>294,628,421</u>	<u>297,486,057</u>			
			Information Technology						
NA	NA	29,000	A&D CO. LTD.		292,743	262,082	1.50		
NA	NA	98,000	AAC ACOUSTIC TECH.		101,124	81,945	0.00		
NA	NA	33	ACCESS CO.		95,681	59,148	0.00		
NA	NA	6,679	ADVANTEST		239,486	140,819	2.20		
NA	NA	7,243	AERO INVENTORY		83,053	81,731	N/A		

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Information Technology (continued)						
NA	NA	28,786	AF AB	700,086	820,700	3.80
NA	NA	75,390	AIXTRON	799,276	775,638	1.10
NA	NR	144	ALADDIN KNOWLEDGE SYSTEM LTD.	3,076	1,944	0.00
NA	NA	1,000	ALPS ELECTRIC CO.	11,724	10,349	1.80
NA	NA	26,270	ALTEN	1,042,394	960,241	0.00
NA	NA	14,183	ALTRAN TECHNOLOGIES	131,210	120,669	0.00
NA	NR	1,318	ALVARION LTD.	15,513	9,305	0.00
NA	NA	4,174	AMPER SA	73,584	61,489	1.20
NA	NA	60,053	ANITE PLC.	61,519	51,391	1.90
NA	NA	17,000	ANRITSU CORP.	56,397	52,922	2.10
NA	NA	31,800	ARISAWA MFG. CO.	306,361	205,790	1.90
NA	NA	168,148	ARM HOLDINGS	372,042	285,280	2.30
NA	NA	4,231	ASCOM HOLDING AG	43,132	41,330	0.00
NA	NA	5,485	ASM INTERNATIONAL	145,790	165,924	0.00
NA	NA	15,798	ASML HOLDING NV	461,165	389,537	1.60
NA	NA	3,092	ATOS ORIGIN	173,535	171,334	1.10
NA	NR	3,147	AUDIO CODES LTD.	15,578	11,549	0.00
NA	NA	45,000	AUSGROUP LTD.	28,936	23,350	N/A
NA	NA	3,562	AUSTRIA TECHNOLOGY NPV	63,785	61,509	3.10
NA	NA	1,553	AUSTRIAMICROSYSTEM	64,799	63,730	N/A
NA	NA	25,995	AUTONOMY CORP.	453,752	468,968	0.00
NA	NA	23,945	AVANZIT SA	93,930	80,735	0.00
NA	NA	59,989	AVEVA GROUP	1,375,828	1,838,560	0.40
NA	NA	12	AXELL CORP.	46,863	42,904	3.90
NA	NA	4,754	AXIB	78,981	59,076	6.00
NA	NA	7,556	AXON GROUP	77,060	68,233	1.10
NA	NA	1,944	BARCO	131,450	126,405	5.80
NA	NA	2,094	BECHTLE AG	70,483	59,221	4.80
NA	NA	159,700	BIRDSTEP TECHNOLOGY	290,191	225,749	0.00
NA	NA	12,764	BULL SA	54,189	46,254	0.00
NA	NA	121,000	CAC CORPORATION	708,462	1,087,807	3.30
NA	NA	40,500	CANON ELECTRONICS	1,384,474	1,025,824	2.20
NA	NA	4,600	CANON FINETECH INC.	63,857	62,010	2.10
NA	NA	42,894	CANON INC.	2,272,645	2,209,341	2.00
NA	NA	300	CANON MARKETING JA	5,849	5,287	2.20
NA	NA	6,730	CAP GEMINI	427,360	396,993	2.70
NA	NA	6,300	CAPCOM CO.	192,713	184,237	1.10
NA	NA	27,517	CAPITA GROUP	423,279	376,495	1.80
NA	NA	169,000	CHARTERED SEMI CONDUCTORS	119,118	96,401	0.00
NA	NR	235,840	CHECK POINT SOFTWARE	5,143,320	5,582,333	0.00
NA	NA	1,700	CITIZEN HOLDINGS CO. LTD.	15,911	12,974	1.90
NA	NA	7,100	CMK CORP.	51,941	48,157	1.40
NA	NA	46,230	COLT TELECOM GROUP SA	153,335	135,477	N/A
NA	NA	58,825	COMPAL ELECTRONIC	266,259	305,302	7.30
NA	NA	17,927	COMPUTACENTER	71,213	42,902	N/A
NA	NA	78,504	COMPUTERSHARE REG	640,036	693,848	2.20
NA	NA	78,339	COOKSON GROUP	1,119,829	978,312	2.10
NA	NA	11,450	CREATIVE TECHNOLOGY	54,320	52,166	3.20
NA	NA	121,000	CSE GLOBAL LTD.	96,035	93,512	3.30
NA	NA	800	CSK HOLDINGS CORPORATION	28,500	15,773	1.90
NA	NA	21,107	CSR TECHNOLOGIES	155,725	112,471	N/A
NA	NA	4,684	D & S EUROPE AG	94,111	96,086	N/A
NA	NA	34,000	DAINIPPON SCREEN	156,753	136,956	1.20
NA	NA	67,000	DAISHINKU CORP.	438,836	355,210	1.70
NA	NA	4,872	DASSAULT SYSTEMES	285,056	297,218	1.20
NA	NA	46,000	DATAACRAFT ASIA	47,750	46,920	6.20
NA	NA	8,675	DATALOGIC SPA	80,418	81,529	N/A
NA	NA	9,000	DENKI KOGYO CO.	54,260	54,082	4.70
NA	NA	215,377	DIMENSION DATA HOLDINGS PLC.	211,673	197,171	1.60
NA	NA	3,100	DISCO CORPORATION	148,782	131,305	1.50
NA	NA	3,600	DTS CORPORATION	65,167	65,884	1.90
NA	NA	191	EACCESS LTD.	119,506	98,378	4.10
NA	NA	3,700	ELPIDA MEMORY INC.	147,501	118,674	0.00
NA	NA	7,145	ELTEK ASA	46,590	42,925	0.00
NA	NA	8,334	EMENTOR	63,763	55,795	N/A
NA	NA	18	EN JAPAN INC.	41,383	30,395	2.60
NA	NA	32,571	EPCOS	605,975	537,805	4.10
NA	NA	71,800	ESPEC CORP.	839,049	738,963	2.00
NA	NA	4,494	ESPRINET	49,083	28,499	3.90
NA	NA	2,195	EXACT HOLDINGS	75,492	65,708	8.40
NA	NA	14,016	F SECURE OYJ	62,940	59,624	2.60
NA	NA	3,205	FIDESSA GROUP PLC.	55,827	54,854	2.10
NA	NA	6,218	FORTHNET	57,765	45,653	0.00
NA	NA	3,100	FOSTER ELECTRIC CO.	62,031	58,371	1.90

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
			FOREIGN EQUITY SECURITIES (continued)			
			Information Technology (continued)			
NA	NA	46,000	FUJI ELECTRONICS	452,217	453,469	3.80
NA	NA	4,600	FUJI SOFT INC.	85,738	81,191	1.60
NA	NA	85,000	FUJITSU	546,277	631,857	1.20
NA	NA	39,000	FUJITSU KIDEN	382,364	370,850	1.60
NA	NA	32,751	GEMALTO	967,426	1,193,011	0.00
NA	NA	7,407	GFI INFORMATIQUE	53,714	46,447	5.50
NA	NA	5,900	GMO INTERNET INC.	40,277	24,267	0.00
NA	NA	32,008	GN STORE NORD	218,555	153,499	0.00
NA	NA	12	GOURMET NAVIGATOR	29,722	24,904	0.50
NA	NA	3,489	GROUPE STERIA	121,282	96,474	2.40
NA	NA	53,946	HALMA	234,062	228,678	3.70
NA	NA	210,000	HI SUN TECHNOLOGY	38,563	37,435	N/A
NA	NA	22,200	HIMAX TECHNOLOGIES INC.	131,134	113,664	10.40
NA	NA	637	HIROSE ELECTRIC	75,051	64,058	1.50
NA	NA	135,000	HITACHI	870,061	975,520	0.80
NA	NA	5,300	HITACHI CHEMICAL	102,959	109,745	1.50
NA	NA	15,300	HITACHI INFO SYS.	331,532	357,224	1.70
NA	NA	8,000	HITACHI KOKUSAI EL	70,261	71,468	1.90
NA	NA	37,000	HITACHI SOFTWARE	788,959	815,009	1.60
NA	NA	3,800	HORIBA	121,747	100,910	1.30
NA	NA	7,600	HOSIDEN CORP.	149,726	162,030	0.80
NA	NA	16,297	HOYA CORP.	549,013	377,427	2.70
NA	NA	63,350	IBA HEALTH GP LTD.	41,541	35,260	0.00
NA	NA	4,900	IBIDEN CO.	385,536	178,426	1.50
NA	NA	6,400	IDEC CORPORATION	77,008	76,917	4.70
NA	NA	33,989	IMAGINATION TECHNOLOGIES GROUP	48,583	45,321	0.00
NA	NA	172	INDEX HOLDINGS	40,272	25,150	1.40
NA	NA	11,464	INDRA SISTEMAS SA	272,687	298,386	2.10
NA	NA	312	INFICON AG	52,946	50,234	4.90
NA	NA	686,071	INFINEON TECHNOLOGIEG	7,728,588	5,977,594	0.00
NA	NA	15,636	INFOSYS TECHNOLOGIES LTD.	708,708	679,541	0.70
NA	NA	16,466	INGENICO	592,648	577,232	1.10
NA	NA	44,000	INNOTECH CORP.	380,179	313,797	2.60
NA	NA	16,850	INTRACOM HOLDINGS EUR1.41	67,650	55,220	4.80
NA	NA	9,700	IT HOLDINGS CORP.	200,168	195,363	N/A
NA	NA	600	ITOCHU TECHNO SOLUTIONS CORP.	22,663	19,527	2.30
NA	NA	33,000	JAPAN AVIATN ELECTRIC	299,760	289,203	1.30
NA	NA	55,700	JAPAN DIGITAL LABS	753,870	664,690	2.40
NA	NA	17,000	JAPAN RADIO CO.	45,637	50,035	1.60
NA	NA	8,918	JENOPTIK AG	71,191	77,701	0.00
NA	NA	58	KABU COM SECURITIE	80,542	69,487	1.60
NA	NA	5,000	KAGA ELECTRONICS	64,973	65,893	3.60
NA	NA	144	KAKAKU COM. INC.	332,897	429,263	0.10
NA	NA	794	KAPSCH TRAFFICCOM	36,850	37,192	N/A
NA	NA	925	KEYENCE CORP.	200,265	220,681	0.20
NA	NA	13,000	KINGBOARD CHEMICAL	73,579	60,020	2.80
NA	NA	1,761	KIZOO AG	29,254	26,580	17.90
NA	NA	150,600	KNOW IT	1,658,335	1,376,977	5.00
NA	NA	7,300	KOA CORPORATION	62,903	52,406	2.60
NA	NA	15,991	KOFAX	63,592	60,387	1.20
NA	NA	2,000	KONAMI CORP.	48,049	69,997	1.40
NA	NA	8,072	KONTRON AG	129,789	110,645	2.30
NA	NA	6,617	KUDELSKI SA	134,805	81,787	2.40
NA	NA	6,800	KYOCERA CORP.	601,161	641,479	1.20
NA	NA	62,000	LENOVO GROUP LTD.	46,148	41,983	3.00
NA	NA	84,630	LOGICA PLC.	267,465	181,900	5.50
NA	NA	7,432	LOGITECH INTERNATIONAL	197,954	200,648	0.00
NA	NA	4,392	MANZ AUTOMATION AG	1,072,413	1,138,102	N/A
NA	NA	26,000	MARUBUN CORP.	299,220	181,746	2.40
NA	NA	12,400	MEIKO ELECTRONICS	358,390	363,794	1.20
NA	NA	5,200	MEITEC CORPORATION	148,341	147,653	3.10
NA	NA	18,000	MELCO HOLDINGS INC.	368,521	354,040	1.70
NA	NA	5,078	MICRONAS SEMICONDU	41,321	35,894	0.00
NA	NA	2,200	MICRONICS JAPAN CO.	86,473	79,487	1.20
NA	NA	2,800	MIMASU SEMICONDUCT	57,863	54,413	1.10
NA	NA	81,119	MISYS PLC.	282,113	240,544	5.30
NA	NA	1,742	MITSUI KNOWLEDGE	370,233	492,174	2.70
NA	NA	900	MITSUMI ELECTRIC	32,862	20,079	2.10
NA	NA	8,941	MURATA MFG. CO.	603,377	421,725	2.00
NA	NA	48,333	MYOB LIMITED	60,960	55,659	2.70
NA	NA	600	NEC ELECTRONICS	16,084	14,971	0.00
NA	NA	41,200	NEC FIELDING LTD.	532,752	524,692	3.00
NA	NA	510	NEOPOST	74,627	54,005	5.40
NA	NA	82	NET ONE SYSTEMS CO.	94,436	92,052	1.40

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Information Technology (continued)						
NA	NA	10,500	NICHICON CORP.	92,080	85,680	2.30
NA	NA	3,700	NIDEC CORPORATION	251,711	246,771	0.80
NA	NA	10,000	NIDEC SANKYO CORP.	70,693	63,582	1.50
NA	NA	17,000	NIHON DEMPA KOGYO	640,374	360,030	2.10
NA	NA	8,700	NIHON UNISYS	128,328	134,351	0.90
NA	NA	8,562	NIKON CORP.	248,833	250,386	0.80
NA	NA	14,100	NINTENDO CO.	3,479,391	7,967,454	2.30
NA	NA	16,000	NIPPON CARBON CO.	72,801	76,072	1.00
NA	NA	20,000	NIPPON CHEMI CON	90,172	72,638	3.00
NA	NA	10,000	NIPPON ELECTRIC GLASS	148,251	173,294	0.50
NA	NA	1,689,253	NISCAYAH GROUP AB	4,421,283	3,678,791	N/A
NA	NA	2,400	NOMURA RESEARCH INC.	79,125	56,375	2.10
NA	NA	5,842	NORTEL NETWORKS CORP.	101,067	48,081	N/A
NA	NA	2,800	NS SOLUTIONS CORP.	61,719	62,073	1.90
NA	NA	6,100	NSD CO. LTD.	79,400	69,341	2.40
NA	NA	55	NTT DATA CORP.	252,757	215,320	1.50
NA	NA	99,375	OBERTHUR TECHNOLOGIES	742,971	687,344	3.90
NA	NA	1,000	OBIC BUSINESS CONS NPV	50,571	43,960	1.70
NA	NA	470	OC OERLIKON CORPORATION AG	141,477	130,812	0.00
NA	NA	11,920	OCE NV	188,467	147,052	8.20
NA	NA	86,000	OKI ELECTRIC IND.	184,425	132,239	0.00
NA	NA	6,800	OMRON CORP.	174,703	146,257	1.90
NA	NA	5,246	OPTION NV	49,640	30,995	N/A
NA	NA	900	ORACLE CORP. JAPAN	39,282	36,762	4.00
NA	NR	2,466	ORBOTECH LTD.	53,389	32,847	0.00
NA	NA	5,301	ORDINA NV	90,300	71,326	2.30
NA	NA	200	OTSUKA CORPORATION	20,121	13,830	1.80
NA	NA	137	PHOENIX MECCANO	71,187	64,458	1.90
NA	NA	62,882	PREMIER FARNELL	229,044	220,880	5.20
NA	NA	1,112	Q CELL G	131,692	113,075	0.00
NA	NA	1,642	REDECARD SA	25,375	31,993	N/A
NA	NA	5,900	RENISHAW	89,624	86,655	3.20
NA	NA	6,912	RESEARCH IN MOTION LTD.	601,886	815,433	0.00
NA	NA	1,025	REUNERT	9,760	6,416	6.50
NA	NA	25,000	RICOH CO.	532,348	451,865	2.00
NA	NA	3,900	RISO KAGAKU CORP.	54,000	54,929	2.80
NA	NA	3,994	ROHM CO.	346,522	230,209	2.00
NA	NA	1,519	ROTH & RAU AG	421,266	330,270	N/A
NA	NA	64,564	ROTORK	875,027	1,409,557	3.10
NA	NA	5,900	RYOSAN CO.	135,576	126,900	3.50
NA	NA	2,690	SAES GETTERS	70,764	63,362	10.40
NA	NA	2,409	SAFT GROUPE SA	101,543	105,173	0.00
NA	NA	70,710	SAGE GROUP	329,566	294,112	3.90
NA	NA	8,268	SAMSUNG ELECTRONIC LTD.	3,078,115	4,940,012	1.30
NA	NA	2,330	SAMSUNG ELECTRONIC LTD.	539,607	497,455	1.80
NA	NA	9,020	SAMSUNG ELECTRONIC LTD.	2,725,978	2,658,645	1.30
NA	NA	16,000	SANKEN ELECTRIC CO.	105,886	94,939	2.20
NA	NA	224,746	SAP AG	11,722,083	11,777,318	2.20
NA	NA	52,777	SATYAM COMPUTER SERVICES	1,569,744	1,294,092	0.70
NA	NA	400	SBI HOLDINGS INC.	108,484	87,694	5.10
NA	NA	11,562	SDL INTERNATIONAL	79,513	66,787	0.00
NA	NA	24,601	SEEK LIMITED	126,507	118,042	3.30
NA	NA	3,400	SEIKO EPSON CORP.	86,689	93,656	1.30
NA	NA	66,700	SEMCON AB	786,091	654,210	0.00
NA	NA	4,000	SHINKAWA	58,356	50,375	1.10
NA	NA	2,000	SHINKO ELECTRIC INDS.	43,010	24,735	1.50
NA	NA	24,600	SIERRA WIRELESS INC.	626,711	362,011	N/A
NA	NA	16,168	SILEX	105,664	123,504	0.00
NA	NA	2,996	SIMCORP	615,498	541,798	4.40
NA	NA	13,000	SMK CORP.	63,909	62,054	2.60
NA	NA	15	SO NET ENTERTAINMENT	60,977	53,771	N/A
NA	NA	27,200	SOFTBANK CORPORATION	529,460	459,299	0.10
NA	NA	2,854	SOFTWARE AG	200,844	173,300	3.70
NA	NR	1,050	SOHU COMPANY	75,160	73,962	0.00
NA	NA	10,189	SOITEC SECURITIES	101,784	62,608	0.00
NA	NA	827	SOPRA	68,772	65,162	3.30
NA	NA	48,000	SORUN CORPORATION	344,646	341,418	2.80
NA	NA	61,384	SPECTRIS	970,786	872,857	3.00
NA	NA	100,795	SPIRENT COMMUNICATIONS PLC.	137,175	131,391	0.00
NA	NA	22,000	SRA HOLDINGS	345,232	340,361	N/A
NA	NA	6,200	STAR MICRONICS CO.	101,888	97,675	3.60
NA	NA	38,525	STMICROELECTRONICS	645,756	401,275	3.50
NA	NA	6,413	SUMCO CORPORATION	274,029	142,168	2.40
NA	NA	18,400	SUMIDA CORP.	268,752	255,158	2.70

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Information Technology (continued)						
NA	NA	22,200	SUMISHO COMP SYS.	416,554	406,283	1.70
NA	NA	1,446	SWORD GROUP	60,194	44,312	N/A
NA	NA	532,540	TAIWAN SEMICONDUCTOR MFG. CO. LTD.	5,599,813	5,810,011	4.50
NA	NA	13,000	TAIYO YUDEN CO.	165,903	134,531	0.90
NA	NA	57,328	TANDBERG ASA	1,025,951	939,813	1.20
NA	NA	5,033	TDK CORP.	403,250	301,966	2.20
NA	NA	784	TELE ATLAS NV	35,470	36,007	0.00
NA	NA	55,486	TEMENOS GROUP AG	1,352,895	1,724,064	0.00
NA	NA	9,000	TENCENT HOLDINGS LTD.	46,750	69,600	N/A
NA	NA	1,126	THRANE AND THRANE	65,501	63,990	2.00
NA	NA	10,177	TIETOENATOR OYJ	262,368	211,974	3.80
NA	NA	51,813	TISCALI SPA	199,614	165,717	0.00
NA	NA	52,000	TOA CORP.	479,148	321,306	3.00
NA	NA	6,796	TOKYO ELECTRON	467,751	392,354	1.00
NA	NA	5,500	TOKYO SEIMITSU CO.	109,516	89,189	2.30
NA	NA	119,000	TOSHIBA CORP.	1,046,074	878,987	1.50
NA	NA	18,000	TOSHIBA TECHNICAL	120,325	112,580	1.80
NA	NA	5,100	TOYO CORPORATION	77,966	72,070	4.10
NA	NA	3,627	TRADEDOUBLER AB	80,620	61,803	2.70
NA	NA	3,000	TREND MICRO INC.	120,934	99,052	3.30
NA	NA	26,507	TT ELECTRONICS PLC.	68,243	60,666	8.60
NA	NA	13,782	UBISOFT ENTERTAIN	919,471	1,210,134	N/A
NA	NA	4,400	ULVACINC	177,211	154,408	0.50
NA	NA	9,000	UNIDEN CORP.	63,535	46,271	5.50
NA	NA	52,000	UNISTEEL TECHNOLOGY LTD.	60,569	72,337	4.50
NA	NA	2,676	UNIT 4 AGGRESSO	76,442	67,121	1.60
NA	NA	2,000	VENTURE CORP. LTD.	20,475	14,441	5.90
NA	NA	21,000	VTECH HOLDINGS	131,853	126,580	8.80
NA	NA	50	WACOM CO. LTD.	128,642	119,334	N/A
NA	NA	19,827	WINCOR NIXDORF AG	1,457,551	1,381,363	4.30
NA	NA	12,832	WIPRO LTD.	178,501	156,294	1.20
NA	NA	8,170	WIRECARD AG	177,576	104,909	N/A
NA	NA	17,832	WOLFSON MICROELECTRONICS PLC.	47,748	42,231	N/A
NA	NA	55	WORKPPLICATION	76,173	69,525	0.30
NA	NA	14,803	WOTIF COM HOLDINGS	57,078	40,060	N/A
NA	NA	27,097	XCHANGING PLC.	140,167	132,121	N/A
NA	NA	630	YAHOO JAPAN CORP.	223,407	243,072	0.30
NA	NA	8,700	YAMATAKE CORP.	241,881	227,338	2.20
NA	NA	82,000	YASKAWA ELECTRIC CORP.	920,923	805,264	1.20
NA	NA	4,600	YOKOGAWA ELECTRIC	56,602	42,136	1.60
Total Information Technology				111,843,692	112,346,423	
Materials						
NA	NA	13,394	ACERINOX SA	377,997	308,736	2.70
NA	NA	12,400	ADEKA CORPORATION	125,244	101,886	2.50
NA	NA	46,124	ADELAIDE BRIGHTON LIMITED	157,253	165,986	4.90
NA	NA	24,727	ADITYA BIRLA MINER	65,853	51,967	N/A
NA	NA	16,454	AFRICAN MINERALS	62,181	55,996	N/A
NA	NA	1,299	AGNICO EAGLE MINES LTD.	58,265	97,936	0.20
NA	NA	1,031	AGRIUM INC.	48,100	111,733	0.10
NA	NA	95,000	AICHI STEEL CORPORATION	529,112	411,349	2.20
NA	NA	17,000	AIR WATER	167,170	200,462	1.80
NA	NA	11,454	AKZO NOBEL NV	885,200	787,904	4.10
NA	NA	9,727	ALTRI SGPS SA	63,665	33,716	N/A
NA	NA	17,050	ALUMINA LIMITED	94,233	77,556	5.10
NA	NA	52,000	ALUMINIUM CORP. CHN	139,581	59,953	2.20
NA	NA	20,141	AMCOR LIMITED	120,645	97,608	6.70
NA	NA	2,584	AMG ADVANCED METAL	205,752	220,864	N/A
NA	NA	27,190	ANDEAN RESOURCES	42,092	40,574	0.00
NA	NA	10,200	ANGANG STEEL COMPANY LTD.	31,620	20,459	4.00
NA	NA	48,923	ANGLO AMERICAN	2,790,628	3,433,056	1.80
NA	NA	1,277	ANGLO PLATINUM LTD.	170,744	213,210	4.00
NA	NA	334,059	ANGLOGOLD ASHANTI LTD.	10,584,327	11,338,583	0.50
NA	NA	4,000	ANHUI CONCH CEMENT	28,217	26,752	0.00
NA	NA	7,918	ARACRUZ CELLULOSE SA	49,484	58,346	0.00
NA	NA	36,101	ARCELORMITTAL	2,307,387	3,571,997	1.90
NA	NA	107,122	ARCELORMITTAL	10,620,221	10,599,055	1.30
NA	NA	2,497	ARCELORMITTAL SA	42,541	71,132	1.90
NA	NA	7,324	ARKEMA	434,056	414,262	2.10
NA	NA	58,000	ASAHI KASEI CORP.	414,354	304,212	2.50
NA	NA	3,500	ASAHI PRETEC	99,964	109,287	1.70
NA	NA	25,191	ATLAS IRON LIMITED	91,572	88,962	N/A
NA	NA	2,461	AURIGA INDUSTRIES	95,725	114,122	1.80
NA	NA	18,406	AVOCA RESOURCES	43,858	39,566	N/A

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Materials (continued)						
NA	NA	12,844	AVOCET MINING	44,643	40,643	0.00
NA	NA	7,711	BANCA GENERALI EUR1	65,744	58,467	N/A
NA	NA	10,686	BARRICK GOLD CORP.	351,061	490,931	0.90
NA	NA	62,828	BASF SE	4,074,568	4,337,683	6.40
NA	NA	54,962	BE GROUP AB	686,369	527,659	6.10
NA	NA	451,868	BHP BILLITON LTD.	17,958,080	18,949,847	1.30
NA	NA	93,045	BHP BILLITON PLC.	2,678,490	3,555,329	1.50
NA	NA	6,668	BILLERUD	70,825	50,991	7.60
NA	NA	16,997	BLUESCOPE STEEL LTD.	147,555	184,969	4.20
NA	NA	4,038	BOEHLER UDDEHOLM	451,513	456,288	0.00
NA	NA	13,220	BOLIDEN AB (POST SPLIT)	264,044	107,908	N/A
NA	NA	425	BORAL LIMITED NEW	2,728	2,304	6.00
NA	NA	18,359	BUZZI UNICEM SPA	481,149	460,205	2.60
NA	NA	1,200	C UYEMURA & CO.	42,351	50,941	1.20
NA	NA	5,732	CAMECO CORP.	229,913	247,461	0.60
NA	NA	10,207	CEMENTIR SPA	89,528	68,829	2.80
NA	NA	1,532	CEMENTOS PORTLAND	150,119	116,342	6.20
NA	NA	108,201	CEMEX SAB DE CV	345,331	268,094	3.40
NA	NA	454,422	CENTENNIAL COAL CO.	2,100,322	2,442,081	1.70
NA	NA	183,436	CENTRAL AFRICAN MINING	157,488	202,611	N/A
NA	NA	76,000	CHINA SHENHUA ENERGY	353,223	298,251	1.90
NA	NA	9,000	CHUGOKU MAR PAINTS	75,100	62,148	1.80
NA	NA	16,895	CIA VALE RIO	442,500	609,728	0.00
NA	NA	9,208	CIBA HOLDING AG	352,351	266,857	8.50
NA	NA	84,762	CLARIANT	1,076,236	862,931	2.40
NA	NA	500,610	COMPANHIA VALE DO RIO DOCE	19,007,285	17,931,850	0.30
NA	NA	18,814	CRH GROUP	793,321	554,313	3.60
NA	NA	18,656	CRODA INTERNATIONAL	258,780	237,621	2.50
NA	NA	7,105	CSR LIMITED	19,058	16,705	6.10
NA	NA	1,000	DAICEL CHEMICAL INDS.	7,057	5,641	1.40
NA	NA	6,000	DAIDO STEEL CO.	46,879	33,564	1.40
NA	NA	13,000	DAINICHISEIKA C&C	45,819	47,215	2.60
NA	NA	98,000	DAIO PAPER CORP.	755,053	795,057	1.20
NA	NA	2,160	DC CHEMICAL CO.	626,498	728,914	0.30
NA	NA	3,000	DENKI KAGAKU KOGYO	15,296	11,150	2.40
NA	NA	16,000	DIC CORPORATION	63,617	46,337	2.00
NA	NA	65,900	DOMINION MINING	338,153	211,857	3.00
NA	NA	13,370	DONGKUK STEEL MILL	720,096	576,442	1.70
NA	NA	3,000	DOWA HOLDINGS	33,490	21,876	2.60
NA	NA	54,521	DS SMITH PLC.	158,164	122,882	7.70
NA	NA	18,156	DYCKERHOFF AG	1,322,172	1,252,929	4.30
NA	NA	863	EL EZZ STEEL REBAR	7,941	12,959	1.20
NA	NA	67,674	ELEMENTIS	106,271	105,388	3.30
NA	NA	11,285	ELVAL	41,425	30,404	2.90
NA	NA	1,385	EMS CHEMIE HOLDING AG	198,660	192,671	5.10
NA	NA	4,030	ENERPLUS RES. FUND	170,061	187,409	N/A
NA	NA	583	ERAMET GROUP	237,947	579,602	1.00
NA	NA	132,674	ERCROS SA	58,490	43,897	0.00
NA	NA	7,485	EUROPAC PAPELES Y	77,888	53,658	1.80
NA	NA	54,795	EUROPEAN NICKEL	35,091	30,534	N/A
NA	NA	10,423	FELIX RESOURCES	164,225	170,041	0.50
NA	NA	20,318	FERREXPO PLC.	152,379	159,722	N/A
NA	NA	34,894	FILTRONA PLC.	117,521	98,784	5.30
NA	B	432	FIRST QUANTUM MINERALS LTD.	32,670	29,955	N/A
NA	NA	16,888	FLETCHER BUILDING	137,330	81,619	7.10
NA	NA	1,480	FORDING CANADIAN COAL TRUST	49,152	142,231	N/A
NA	NA	29,834	FORTESCUE METAL GROUP	76,556	340,699	0.00
NA	NA	2,400	FP CORPORATION	56,181	63,733	2.10
NA	NA	4,700	FUJI SEAL INTERNATIONAL INC.	73,846	78,655	1.70
NA	NA	3,100	FUJIMI INC.	47,839	46,936	2.60
NA	NA	6,380	GEM DIAMONDS	144,752	135,860	N/A
NA	NA	3,820	GERDAU SA SIDERURG	36,771	74,959	0.00
NA	NA	5,090	GERDAU SA SIDERURG	59,503	122,890	0.00
NA	NA	3,528	GERRESHEIMER GROUP	195,750	179,874	N/A
NA	NA	46,780	GINDALBIE GOLD NL	53,481	64,870	0.00
NA	NA	55	GIVAUDAN AG	49,661	49,298	2.10
NA	NA	185,829	GLOUCESTER COAL LTD.	1,594,428	2,300,466	1.10
NA	NA	17,000	GODO STEEL	62,923	50,837	1.90
NA	NA	7,469	GOLD FIELDS	115,531	94,935	0.70
NA	NA	8,998	GOLDCORP. INC. NEW	219,297	416,930	0.40
NA	NA	56,265	GPO MEXICO SA	117,272	127,724	11.70
NA	NA	40,279	GREAT SOUTHERN PLANT	58,173	24,932	17.10
NA	NA	33,078	GRIFFIN MINING	51,885	37,688	2.70
NA	NA	9,284	GUALA CLOSURES	58,002	61,984	N/A

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Materials (continued)			
NA	NA	51,595	GUNNS LTD.	147,986	117,841	5.90
NA	NA	62	GURIT HEBERLEIN	54,789	58,372	0.70
NA	NA	2,548	H&R WASAG AG	70,507	53,152	6.00
NA	NA	20,950	HANSOL PAPER MFG.	287,081	276,383	0.00
NA	NA	2,832	HARMONY GOLD MINING	25,832	34,368	0.00
NA	NA	200	HENRIKSEN & HENRIK	62,384	47,745	2.70
NA	NA	2,102	HEXPOL	18,444	17,559	N/A
NA	NA	16,682	HIGHLAND GOLD MINING	59,232	58,099	N/A
		4,898	HINDALCO INDS. LTD.	19,112	16,555	1.60
NA	NA	10,294	HOCHSCHILD MINING PLC.	81,064	80,154	N/A
NA	NA	3,806	HOGANAG	85,143	62,322	6.40
NA	NA	251,000	HOKKAN HOLDINGS	894,737	715,079	2.50
NA	NA	16,500	HOKUETSU PAPER MILLS	68,474	68,020	2.70
NA	NA	4,877	HOLMEN AB	184,269	143,504	6.80
NA	NA	150,000	HUABAO INTERNATIONAL HOLDING	143,260	142,354	N/A
NA	NA	12,674	HUHTAMAKI OYJ	148,545	108,629	7.70
NA	NA	53,288	ILUKA RESOURCES	197,570	240,859	2.10
NA	NA	199	IMERYS	17,789	14,426	4.10
NA	NA	10,052	IMPALA PLATINUM	306,944	396,782	N/A
NA	NA	50,686	INCITEC PIVOT	7,674,777	8,998,548	2.10
NA	NA	14,373	INDEPENDENCE GROUP	103,823	70,345	2.40
NA	NA	1,455	INDUSTRIAS PENOLES	19,417	38,148	1.80
NA	NA	46,000	ISHIHARA SANGYO	92,864	73,336	0.00
NA	NA	1,132	ITALMOBILIARE	109,711	89,123	3.20
NA	NA	1,597	IVANHOE MINES LTD.	17,810	17,394	0.00
NA	NA	49,617	JABIRU METALS LTD.	39,958	27,379	0.00
NA	NA	21,200	JFE HOLDING INC.	1,318,610	1,069,950	2.30
NA	NA	17,000	JIANGXI COPPER CO.	41,373	33,357	2.20
NA	NA	14,178	JOHNSON MATTHEY	462,524	520,873	2.00
NA	NA	1,754	JSC POLYUS GOLD	36,722	50,866	0.20
NA	NA	6,700	JSR CORP.	150,996	133,362	1.50
NA	NA	2,914	K&G	1,374,849	1,681,739	0.80
NA	NA	164,000	K WAH INTERNATIONAL HOLDINGS	74,619	67,935	1.70
NA	NA	22,836	KAGARA LIMITED	118,081	100,807	2.60
NA	NA	5,000	KANEKA CORP.	39,197	34,102	2.20
NA	NA	8,547	KEMIRA OY	124,632	107,999	6.20
NA	NA	11,566	KINGSGATE CONSD LTD.	58,042	58,049	0.00
NA	NA	5,879	KINROSS GOLD CORP.	73,943	139,652	N/A
NA	NA	2,615	KLABIN SA	8,069	9,848	5.60
NA	NA	20,259	KLOECKNER & CO. SE	1,044,363	1,161,216	3.10
NA	NA	108,000	KOBE STEEL	376,146	309,721	2.40
NA	NA	4,161	KONE CORPORATION NPV	136,571	146,458	2.90
NA	NA	30,622	KONINKLIJKE DSM NV	1,481,519	1,802,971	3.20
NA	NA	572	KUMBA IRON ORE LTD.	17,164	23,017	N/A
NA	NA	9,000	KURARAY CO.	116,803	107,485	2.00
NA	NA	20,000	KUREHA CORPORATION	118,297	120,938	1.60
NA	NA	19,100	LABRADOR IRON ORE ROYALTY	824,325	1,048,613	N/A
NA	NA	7,433	LAFARGE	1,144,936	1,140,540	4.10
NA	NA	11,429	LANXESG	480,178	469,622	5.50
NA	NA	6,400	LEE & MAN PAPER	13,053	9,521	N/A
NA	NA	20,298	LIHIR GOLD LTD.	57,609	64,086	0.00
NA	NA	6,900	LINTEC CORP.	95,922	120,093	1.70
NA	NA	29,700	LONMIN	1,963,243	1,886,118	1.80
NA	NA	58,616	LONZA GROUP AG	5,395,049	8,154,219	1.20
NA	NA	3,159	LUNDIN MINING CORP.	35,230	19,367	N/A
NA	NA	84,458	LYNAS GOLD	111,737	105,365	0.00
NA	NA	26,332	M REAL OYJ	77,955	55,178	4.50
NA	NA	4,000	MAANSHAN IRON & STEEL	3,566	2,324	3.30
NA	NA	13,970	MACARTHUR COAL LTD.	230,244	226,164	0.60
NA	NA	7,005	MARAZZI GROUP	74,985	78,692	N/A
NA	NA	24,087	MARSHALLS PLC.	112,817	73,583	9.00
NA	NA	948	MAYR MELNHOF KARTO	100,374	89,602	2.80
NA	NA	1,643	MECHEL OAO	30,865	81,394	2.30
NA	NA	335	METHANEX CORP.	7,493	9,516	2.20
NA	NA	67,000	MIDAS HOLDINGS	50,637	43,889	N/A
NA	NA	16,113	MIDWEST CORP. LTD.	94,991	99,581	N/A
NA	NA	31,934	MINARA RESOURCES	179,049	99,598	12.30
NA	NA	26,480	MINCOR RESOURCES	89,359	84,366	3.60
NA	NA	57,500	MITSUBISHI CHEMICAL HOLDING	496,776	335,220	2.60
NA	NA	18,000	MITSUBISHI GAS CHEMICAL	149,125	130,069	2.10
NA	NA	56,000	MITSUBISHI MATERIAL	303,836	239,838	1.80
NA	NA	40,000	MITSUBISHI PAPER	90,162	105,278	1.80
NA	NA	17,000	MITSUBISHI RAYON	111,128	53,724	3.50
NA	NA	22,000	MITSUBISHI STEEL	87,941	101,486	1.80

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Materials (continued)			
NA	NA	24,000	mitsui chemicals I	207,084	118,410	2.50
NA	NA	17,000	mitsui mining & sm	67,868	50,196	3.80
NA	NA	21,500	mitsui mining co.	60,009	74,232	0.50
NA	NA	19,759	MONDI LTD.	186,525	116,594	N/A
NA	NA	96	MONDI LTD.	915	586	5.20
NA	NA	862,692	MOUNT GIBSON IRON	1,106,421	2,582,992	0.00
NA	NA	41,391	MURCHISON METALS	161,177	117,177	N/A
NA	NA	11,734	MYTILINEOS	165,233	136,068	6.90
NA	NA	18,000	NAKAYAMA STEEL WKS	45,378	49,752	2.00
NA	NA	4,294	NEOCHIMIKI LV LAVE	126,751	128,543	N/A
NA	NA	6,700	NETUREN CO.	70,366	63,963	1.70
NA	NA	4,864	NEWCREST MINING	98,028	136,765	0.20
NA	NA	30,600	NIFCO INC.	673,007	723,107	2.50
NA	NA	6,000	NIHON NOHYAKU CO.	53,216	57,563	0.90
NA	NA	7,000	NIHON PARKERIZING	103,854	114,108	1.40
NA	NA	25,000	NINE DRAGONS PAPER	73,024	19,494	N/A
NA	NA	12,000	NIPPON DENKO CO.	153,036	138,673	1.30
NA	NA	22,000	NIPPON KAYAKU CO.	147,546	136,975	3.00
NA	NA	228,000	NIPPON LIGHT METAL	515,977	374,247	1.70
NA	NA	18,000	NIPPON METAL INDS.	55,468	55,865	2.80
NA	NA	33,000	NIPPON PAINT CO.	127,463	143,201	1.80
NA	NA	21	NIPPON PAPER GROUP INC.	70,144	57,450	2.80
NA	NA	50,000	NIPPON PILLAR PACK	299,244	252,818	2.30
NA	NA	12,000	NIPPON SHOKUBAI CO.	95,331	86,147	2.20
NA	NA	20,000	NIPPON SODA CO.	75,598	63,393	1.80
NA	NA	220,525	NIPPON STEEL CORP.	1,474,692	1,196,188	2.00
NA	NA	9,000	NIPPON SYNTH CHEM	47,592	45,762	1.40
NA	NA	127,000	NIPPON YAKIN KOGYO	1,311,909	853,016	1.40
NA	NA	22,000	NIPPON ZEON CO.	113,345	88,411	2.80
NA	NA	2,000	NISSAN CHEMICAL INDS.	25,018	24,640	1.80
NA	NA	25,000	NISSHIN STEEL CO.	97,071	85,138	2.80
NA	NA	47,000	NITTETSU MINING CO.	300,304	205,726	1.50
NA	NA	25,000	NOF CORP.	110,753	119,334	2.10
NA	NA	22,537	NORSKE SKOGSINDUST	106,677	101,768	0.00
NA	NA	266	NOVA CHEMICALS CORP.	9,678	6,581	1.60
NA	NA	1,415	NOVOLIPETS IRON	45,705	80,655	N/A
NA	NA	1,393	NOVOZYMES B SHS	166,443	125,955	1.20
NA	NA	18,550	NUFARM	309,890	283,400	2.10
NA	NA	11,414	NYRSTAR NV	249,019	203,212	3.50
NA	NA	28,000	OJI PAPER CO.	138,048	131,805	2.40
NA	NA	184,704	ONESTEEL	412,636	1,318,748	2.50
NA	NA	6,348	ORICA LTD.	144,741	178,491	3.60
NA	NA	2,879	OUTOKUMPU OYJ	85,694	100,926	5.40
NA	NA	20,000	PACIFIC METALS CO.	192,254	164,332	4.30
NA	NA	192,494	PANAUST LIMITED	215,113	188,421	0.00
NA	NA	26,143	PANORAMIC RESOURCES LTD.	136,083	101,356	4.70
NA	NA	63,033	PAPERLINX	153,309	103,740	5.30
NA	NA	7,192	PETER HAMBRO MININ	189,699	183,638	0.60
NA	NA	19,386	PLATINUM AUSTRALIA	51,090	55,811	N/A
NA	NA	4,635	PORTMAN MINING LTD.	73,068	75,882	0.00
NA	NA	33,870	PORTUCEL EMP PROD.	126,860	108,329	5.20
NA	NA	11,780	POSCO	1,876,262	1,528,808	1.90
NA	NA	4,428	POTASH CORP. SASK INC.	411,553	1,032,509	0.20
NA	NA	5,669	PRETORIA PORTLAND CEMENT	36,169	20,777	N/A
NA	NA	31,000	RASA INDUSTRIES	60,019	58,780	2.50
NA	NA	13,359	RAUTARUUKKI OY	829,562	611,648	6.90
NA	NA	2,521	RECLYLEX SA	50,647	32,729	0.00
NA	NA	30,000	RENGO CO.	182,615	209,141	1.40
NA	NA	30,612	RESOLUTE MINING	65,388	56,550	0.00
NA	NA	38,213	REXAM	400,685	294,692	5.20
NA	NA	3,942	RHI AG	188,381	192,535	0.00
NA	NA	13,735	RHODIA	307,930	253,623	2.10
NA	NA	40,662	RIO TINTO LIMITED	2,846,250	4,862,689	1.20
NA	NA	71,591	RIO TINTO LIMITED	9,214,177	9,309,158	1.10
NA	NA	4,192	S&B INDUSTRIAL MINERALS	76,043	62,745	3.30
NA	NA	17,000	SAKAI CHEMICAL IND.	66,161	65,591	1.90
NA	NA	12,008	SALZGITTER AG	729,217	2,202,195	2.60
NA	NA	48,000	SANKYO TATETAMA HO	59,683	56,601	4.00
NA	NA	17,000	SANYO SPECIAL STEEL CO.	81,290	91,411	2.00
NA	NA	3,267	SAPPI PAPER	50,510	39,626	2.60
NA	NA	1,077	SCHMOLZ & BICKENBACH AG	94,087	85,591	1.50
NA	NA	1,290	SCHULTHESS GROUP	87,599	75,607	2.20
NA	NA	9,515	SEMAPA SOC. INVEST.	138,665	118,732	3.20
NA	NA	18,032	SHIN ETSU CHEMICAL CO.	1,256,465	1,119,292	1.50

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Materials (continued)						
NA	NA	38,000	SHOWA DENKO KK	132,783	101,090	2.30
NA	NA	6,350	SIDENOR METAL PRODUCTS	117,756	96,846	2.60
NA	NA	4,816	SIDER NACIONAL CIA	97,402	216,440	3.90
NA	NA	286	SIKA LTD.	490,972	451,490	2.80
NA	NA	36,072	SIMS GROUP LTD.	494,013	1,439,273	3.40
NA	NA	62,366	SIMS GROUP LTD.	1,729,140	2,495,126	3.30
NA	NA	26,226	SINO GOLD LTD.	136,575	146,728	0.00
NA	NA	4,580	SOCIEDAD QUIMICA MINERA DE CHI	73,001	213,428	0.70
NA	NA	2,119	SOLVAY	310,765	277,403	3.50
NA	NA	10,443	SONAE INDUSTRIA	77,123	42,614	10.80
NA	NA	12,649	SSAB (SVENSKT STAL)	439,760	410,043	2.60
NA	NA	4,067	SSAB (SVENSKT STAL)	120,252	116,290	2.90
NA	NA	621,222	ST BARBARA LIMITED	430,931	217,597	0.00
NA	NA	177,442	STORA ENSO OYJ	2,086,111	1,666,230	7.60
NA	NA	24,815	STRAITS RESOURCES	171,152	162,886	0.70
NA	NA	30,000	SUMITOMO BAKELITE	180,046	163,860	2.60
NA	NA	52,000	SUMITOMO LIGHT METAL	69,360	63,280	2.40
NA	NA	161,298	SUMITOMO METAL IND.	785,342	710,591	2.20
NA	NA	20,000	SUMITOMO METAL MINING	376,756	307,155	1.60
NA	NA	56,000	SUMITOMO OSAKA CEMENT	120,469	120,975	2.20
NA	NA	47,964	SVENSKA CELLULOSA	819,527	679,749	N/A
NA	NA	16,129	SYMRISE AG	373,524	350,686	N/A
NA	NA	30,000	TAIHEIYO CEMENT	115,401	60,280	1.90
NA	NA	2,900	TAIYO INK MFG. CO.	63,564	63,195	3.90
NA	NA	76,000	TAKASAGO INTERNATIONAL CORP.	426,137	434,470	1.50
NA	NA	997,000	TCC INTERNATIONAL HOLDINGS	732,997	724,979	0.00
NA	B+	5,831	TECK COMINCO LTD.	246,472	282,598	N/A
NA	NA	33,000	TEIJIN LTD.	161,919	113,315	2.20
NA	NA	9,261	TESSENDERLO CHEMIE	490,094	493,473	3.80
NA	NA	22,244	THYSSENKRUPP AG	1,283,532	1,397,656	4.70
NA	NA	43,347	TIMBERCORP LIMITED	48,682	31,822	9.20
NA	NA	663	TITAN CEMENT CO.	32,557	26,324	3.10
NA	NA	187,000	TOAGOSEI CO. LTD.	755,705	691,515	2.10
NA	NA	600	TOHO TITANIUM CO.	21,034	11,801	1.40
NA	NA	18,000	TOHO ZINC CO.	96,331	82,015	2.10
NA	NA	25,000	TOKAI CARBON CO.	263,895	254,941	0.80
NA	NA	7,000	TOKUYAMA CORP.	93,168	52,167	0.80
NA	NA	29,800	TOKYO OHKA KOGYO	608,258	556,334	1.80
NA	NA	3,000	TOKYO STEEL MFG.	40,860	34,725	1.60
NA	NA	34,000	TOPY INDUSTRIES	94,366	100,712	2.50
NA	NA	58,000	TORAY INDS. INC.	442,794	311,325	1.80
NA	NA	120,000	TOSOH CORP.	542,530	491,298	1.90
NA	NA	28,000	TOYO INK MFG. CO.	101,995	95,354	3.10
NA	NA	2,800	TOYO SEIKAN KAISHA	51,184	49,500	0.50
NA	NA	72,926	TUBACEX	711,664	877,825	1.60
NA	NA	85,700	TUBOS REUNIDOS	553,245	523,896	3.20
NA	NA	136,000	UBE INDUSTRIES	423,000	482,392	1.40
NA	NA	18,143	UK COAL PLC.	177,066	201,479	0.00
NA	NA	17,918	UMICORE	916,088	886,444	2.10
NA	NA	122,297	UPM KYMMENE OY	1,827,143	2,003,924	7.20
NA	NA	2,980	USIMINAS USI SD MG	78,390	148,016	3.00
NA	NA	2,288	VALLOUREC USINE AT	602,984	803,559	3.10
NA	NA	40,537	VEDANTA RESOURCES	1,777,573	1,764,355	1.00
NA	NA	380	VETROPACK HOLDING SA	955,159	924,072	1.40
NA	NA	11,090	VICTREX	158,716	164,869	2.40
NA	NA	11,116	VIOHALCO	113,071	93,183	2.40
NA	NA	3,932	VOESTALPINE AG	308,380	323,073	4.00
NA	NA	13,759	WESTERN AREAS NL	144,952	135,999	0.00
NA	NA	63,300	WESTERN CDN COAL CORP.	301,706	559,034	N/A
NA	NA	24,586	XSTRATA	1,460,809	1,968,930	0.60
NA	B-	3,221	YAMANA GOLD INC.	36,238	53,845	N/A
NA	NA	23,100	YAMATO KOGYO CO.	490,443	1,102,646	1.00
NA	NA	20,000	YANZHOU COAL MINING	35,714	37,192	1.30
NA	NA	4,186	YARA INTERNATIONAL	111,620	370,650	0.90
NA	NA	73,000	YODOGAWA STEEL WKS	392,117	377,378	2.60
NA	NA	19,278	YULE CATTO & CO.	56,429	47,382	7.70
NA	NA	26,000	ZIJIN MINING GROUP CO. LTD.	26,592	22,107	1.50
Total Materials				181,164,585	196,299,532	
Private Placement						
NA	NA	6,055	3I INFRASTRUCTURE			N/A
NA	NA	17,164	ACCSYS TECHNOLOGIE	65,057	75,720	N/A
NA	NA	31,015	AER LINGUS GROUP	89,795	68,412	N/A
NA	NA	46,652	AFREN	156,464	156,907	N/A

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Private Placement (continued)						
NA	NA	10,397	ALBIDON	44,748	42,305	N/A
NA	NA	10,224	ALMA MEDIA CORP.	146,390	138,855	10.40
NA	NA	14,426	AMPLIFON	45,569	39,548	N/A
NA	NA	117,557	ARICOM	198,017	189,504	N/A
NA	NA	6,171	ASOS PLC.	37,555	43,475	N/A
NA	NA	11,152	AWILCO OFFSHORE AS	145,848	161,584	N/A
NA	NA	3,197	BANIF SPGS	9,912	10,074	N/A
NA	NA	20,894	BCO PASTOR	311,592	296,276	N/A
NA	NA	27,771	BERGESEN WORLDWIDE	94,506	87,237	N/A
NA	NA	960,000	BIG MEDIA GROUP LT	63,828	62,790	N/A
NA	NA	10,009	BLACK EARTH FARMING	0	76,041	N/A
NA	NA	435	CENTHROTHERM PHOTOV	41,978	40,265	N/A
NA	NA	60,238	CHARLEMAGNE CAPITAL LIMITED	53,207	52,149	N/A
NA	NA	5,259	CLIMATE EXCHANGE PLC.	189,618	199,800	N/A
NA	NA	2,300	COCOKARA FINE HOLD	45,426	49,795	N/A
NA	NA	9,040	DOF SUBSEA ASA	59,944	52,357	N/A
NA	NA	13,547	DOMINOS PIZZA	57,008	49,068	N/A
NA	NA	2,746	EGYPT KUWAIT HOLDING	5,575	8,211	N/A
NA	NA	651	FORMUEPLEJE EPIKUR	91,015	79,768	N/A
NA	NA	14	GBL ONE REAL ESTATE INVNT.	160,778	158,483	6.80
NA	NA	3,253	GREAT WEST LIFECO INC.	109,730	93,497	N/A
NA	NA	45,166	HARTFORD EDUCATION	0	6,981	N/A
NA	NA	23,233	HINDALCO INDS.	91,770	78,528	N/A
NA	NA	260	INDEPENDENT TANKER	533	434	N/A
NA	NA	101,610	INVESTCO LTD.	1,302,454	2,436,608	N/A
NA	NA	848,000	LEROI HOLDINGS	38,724	26,971	N/A
NA	NA	12,302	MEARS GROUP	76,532	67,267	N/A
NA	NA	227,698	MECOM GROUP	143,938	97,428	N/A
NA	NA	427,137	MICRO FOCUS	2,247,175	2,227,173	2.50
NA	NA	7,718	MIRABELA NICKEL	50,955	46,735	N/A
NA	NA	35,617	MONEYSUPERMARKET.COM	79,687	69,465	N/A
NA	NA	28,000	MONGOLIA ENERGY CORPORATION LI	54,023	54,223	N/A
NA	NA	14,449	MOTA ENGIL SGPS	130,947	93,109	N/A
NA	NA	29	NEW CITY RESIDENCE	72,906	59,092	11.30
NA	NA	54,956	NEXUS ENERGY	92,297	88,073	N/A
NA	NA	7,204	NOVAE GROUP	50,450	42,868	N/A
NA	NA	17,527	ORIGIN ENTERPRISES	144,237	139,454	N/A
NA	NA	54,040	OXIANA LIMITED	226,088	135,353	N/A
NA	NA	20,835	PLATINUM ASSET MAN	82,635	62,182	N/A
NA	NA	215,000	POLYTEC ASSET HOLDING	62,787	56,801	N/A
NA	NA	3,107	POWER FINL. CORP.	120,200	101,551	N/A
NA	NA	8,574	Q MED AB	61,830	45,611	N/A
NA	NA	27,680	REGAL PETROLEUM	125,568	142,263	N/A
NA	NA	32,584	RESTAURANT GROUP	108,546	81,059	N/A
NA	NA	23,829	RUUKKI GROUP	76,768	88,228	N/A
NA	NA	124,203	SARAS RAFFINERIE	772,609	708,391	N/A
NA	NA	4,003	SEVERSTAL	68,251	103,678	N/A
NA	NA	13	SO NET M3 INC.	52,343	50,035	N/A
NA	NA	3,515	SPAREBK NORD NORGE	68,394	59,349	N/A
NA	NA	175,032	SUNDANCE RESOURCES	40,420	55,430	N/A
NA	NA	742	TELUS CORP.	39,174	31,353	N/A
NA	NA	18,041	URALS ENERGY	54,048	61,035	N/A
NA	NA	2,272	VTG AG	55,128	56,737	N/A
NA	NA	181,805	WEST SIBERIAN RESO	143,820	253,878	N/A
NA	NA	2,596	WILHELMSSEN	96,398	85,116	3.30
Total Private Placement				9,055,195	9,944,580	
Rights and Warrants						
NA	NA	14,183	ALTRAN TECHNOLOGIE	0	2,235	N/A
NA	NA	2,431	ALTRI SGPS	8,076	8,190	N/A
NA	NA	2,936	ASSYSTEM	0	46	N/A
NA	NA	3,197	BANIF SGPS	12,407	12,583	N/A
NA	NA	165,000	CLSA FINANCIAL PRODUCTS LTD.	6,160,328	6,160,328	N/A
NA	NA	68,545	HBOS PLC.	0	14,665	N/A
NA	NA	11,062	NORWEGIAN PROPERTY	0	174	N/A
Total Rights and Warrants				6,180,811	6,198,221	
Telecommunication Services						
NA	NA	485,649	AMERICA MOVIL SAB DE CV	14,704,773	13,690,461	4.40
NA	NA	3,778	BCE INC.	144,054	132,382	N/A
NA	NA	1,776	BELGACOM SA	75,556	76,670	8.00
NA	NA	9,114	BOUYGUES	687,726	605,399	3.60
NA	NA	691	BRASIL TELECOM PAR NEW	16,474	23,026	N/A
NA	NA	367,613	BT GROUP	2,261,454	1,462,478	8.00

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$		\$	\$	%
FOREIGN EQUITY SECURITIES (continued)						
Telecommunication Services (continued)						
NA	NA	346,054	CABLE & WIRELESS	1,236,641	1,038,558	5.10
NA	NA	267,500	CHINA MOBILE LTD.	1,952,026	3,595,278	2.00
NA	NA	10,914,000	CHINA TELECOM CORP.	6,047,532	5,934,679	2.00
NA	NA	118,745	CHUNGHWA TELECOM CO. LTD.	2,214,146	3,012,561	5.50
NA	NA	174,000	CITIC 1616 HOLDINGS	47,441	47,754	N/A
NA	NA	1,795	COMSTAR UNITED TEL	19,709	17,950	N/A
NA	NA	157,939	DEUTSCHE TELEKOM	2,915,100	2,587,944	10.70
NA	NA	10	DWANGO CO. NPV	27,645	22,452	0.80
NA	NA	1,543	ELISA CORPORATION	38,171	32,406	13.50
NA	NA	2,268	FASTWEB SPA	72,032	76,648	17.60
NA	NA	72,000	FOXCONN INTERNATIONAL HOLDINGS	189,655	69,807	0.00
NA	NA	426,206	FRANCE TELECOM	12,449,126	12,563,931	7.00
NA	NA	10,046	FREENET AG	158,421	185,187	N/A
NA	NA	600	HIKARI TSUSHIN INC.	19,686	19,810	1.70
NA	NA	56,945	INMARSAT	518,739	594,977	2.80
NA	NA	160,362	JAZZTEL	72,175	55,585	0.00
NA	NA	80,501	KCOM GROUP	85,549	62,882	7.40
NA	NA	104	KDDI CORP.	770,267	643,592	1.70
NA	NA	67,509	KONINKLIJKE KPN NV	1,069,062	1,159,365	5.00
NA	NA	3,115	MOBILE TELESYSTEMS	210,878	238,640	0.00
NA	NA	375,200	MOBILEONE	544,181	519,174	5.70
NA	NA	311	MOBINIL	10,847	9,733	10.30
NA	NA	6,562	MOBISTAR	529,626	531,929	13.20
NA	NA	238	NIPPON TEL. & TEL. CP	1,061,648	1,167,492	2.10
NA	NA	112,900	NOKIA CORP.	2,089,779	2,766,050	3.40
NA	NA	139,575	NOKIA OYJ	4,413,579	3,406,365	3.40
NA	NA	707	NTT DOCOMO	1,052,592	1,040,441	3.10
NA	NA	11,553	OPEN JT STK CO. VIMPEL	253,224	342,893	0.00
NA	NA	7,255	ORASCOM TEL. HOLDING	90,197	93,933	N/A
NA	NA	10,343	OTE (HELLENIC TLM)	331,218	260,735	4.70
NA	NA	558,846	PORTUGAL TCOM SGPS	5,509,934	6,348,332	8.00
NA	NA	37,732	PRYSMIAN SPA	892,308	956,529	2.60
NA	NA	12,015	QSC AG NPV	45,891	38,428	0.00
NA	NA	26,728	RELIANCE COMMUNICATION VENTURE	343,211	275,085	0.10
NA	B-	6,604	ROGERS COMMUNICATIONS INC.	297,978	257,508	2.50
NA	NA	899	ROSTELECOM	54,809	65,204	0.70
NA	NA	2,544,000	SINGAPORE TELECOMM	5,991,050	6,778,258	3.50
NA	NA	15,820	SK TELECOM LTD.	460,468	328,581	4.80
NA	NA	71,500	SMARTONE TELECOM	81,162	73,541	6.90
NA	NA	15,204	SONAECOM SGPS SA	55,444	50,784	0.00
NA	NA	177	SWISSCOM AG	62,067	59,211	5.30
NA	NA	915	TELE NORTE LESTE P	30,428	26,624	3.80
NA	NA	3,031	TELE NORTE LESTE P	64,321	76,590	4.40
NA	NA	14,589	TELE2 AB	261,543	286,185	2.70
NA	NA	1,637	TELECOM ARGENTINA S.A.	42,447	23,327	0.00
NA	NA	97,376	TELECOM CORP. OF NZ	291,671	264,583	16.60
NA	NA	8,024	TELECOM EGYPT	25,420	24,700	N/A
NA	NA	290,719	TELECOM ITALIA	633,247	471,784	8.80
NA	NA	332,622	TELECOM ITALIA	916,616	670,800	6.30
NA	NA	107,000	TELECOM PLUS	633,047	618,608	4.50
NA	NA	153,518	TELEFONICA	7,557,806	12,216,962	3.70
NA	NA	151,848	TELEFONICA SA	3,681,538	4,038,441	3.60
NA	NA	173,278	TELEFONOS DE MEXICO SAB DE CV	455,086	1,212,811	3.30
NA	NA	289,688	TELEKOM AUSTRIA	7,413,309	6,289,439	5.40
NA	NA	44,770	TELEMEX INTERNATIONAL B DE	217,316	720,797	0.00
NA	NA	6,575	TELENET GROUP HOLDING	160,818	149,069	N/A
NA	NA	466,832	TELENOR ASA	7,298,558	8,780,396	3.60
NA	NA	113,954	TELIASONERA AB	878,602	844,897	9.00
NA	NA	6,629	TELKOM SA	161,004	119,824	4.70
NA	NA	128,508	TELMEX INTERNACION	85,920	104,640	N/A
NA	NA	186,691	TELSTRA CORP.	676,996	759,630	6.60
NA	NA	2,251	TELUS CORP.	115,583	92,055	4.30
NA	NA	27,837	THUS GROUP	64,572	98,058	
NA	NA	7,540	TIM PARTICIPACOES	28,004	21,617	3.00
NA	NA	4,043	TKH GROUP NV	99,745	89,179	N/A
NA	NA	4,001	VERSATEL AG	109,521	87,559	N/A
NA	NA	4,229	VIVO PARTICIPACOES	19,157	27,360	0.20
NA	NA	5,125,756	VODAFONE GROUP	15,339,315	15,214,817	5.00
Total Telecommunications Services				<u>119,436,841</u>	<u>126,651,380</u>	
Utilities						
NA	NA	266,368	A2A SPA	772,916	976,796	4.20
NA	NA	11,904	ACEA SPA	232,925	226,752	5.10
NA	NA	313,679	APA GROUP	869,472	785,667	11.30

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Utilities (continued)			
NA	NA	35,100	ATCO LTD.	1,873,217	1,801,446	N/A
NA	NA	5,202	ATHENS WATER SUPPLY & SEWAGE	87,238	79,501	1.40
NA	NA	84,075	BABCOCK & BROWN PO COM STK	161,590	51,637	N/A
NA	NA	169,284	BRITISH ENERGY NEW	1,868,448	2,400,415	3.90
NA	NA	9,685	BW GASA	79,838	85,566	0.00
NA	NA	2,249	CEMIG CIA ENERGY MG	40,764	54,977	0.00
NA	NA	156,237	CENTRICA ORD.	1,176,167	964,675	4.20
NA	NA	1,000	CHEUNG KONG INFRAS	3,700	4,232	3.30
NA	NA	16,000	CHINA RES POWER HOLDING	47,426	38,987	1.30
NA	NA	158,000	CHINA WATER AFFAIR	58,326	46,605	N/A
NA	NA	23,500	CHUBU ELECTRIC POWER	620,225	574,171	2.40
NA	NA	91,800	CLP HOLDINGS	622,913	786,442	3.70
NA	NA	1,352	CONTACT ENERGY	8,680	8,222	5.50
NA	NA	47	COPEL PARANA ENERG	747	963	N/A
NA	NA	1,909	CPFL ENERGIA SA	32,229	43,569	9.00
NA	NA	16,000	DATANG INTERNATIONAL POWER	16,819	9,501	3.00
NA	NA	82,164	DRAX GROUP	1,051,517	1,208,402	3.00
NA	NA	84,732	DUET GROUP	270,041	209,788	10.80
NA	NA	79,784	E ON AG	11,414,318	16,108,927	4.60
NA	NA	96,898	EDP ENERGIAS PORTUGAL	530,586	506,093	3.80
NA	NA	4,000	ELECTRIC POWER DEV	138,956	148,672	1.80
NA	NA	6,549	ELETRORAS (CENTER)	82,292	117,179	0.00
NA	NA	3,303	EMPRESA NACIONAL DE ELECTRIC	146,587	141,236	1.80
NA	NA	653,330	ENAGAS SA	19,685,598	18,528,373	2.70
NA	B+	7,242	ENBRIDGE INC.	246,231	314,506	3.00
NA	NA	109	ENDEMOL	1,151	4,103	N/A
NA	NA	10,302	ENDESA S.A.	560,223	502,197	4.10
NA	NA	148,569	ENEL	1,523,785	1,413,830	8.10
NA	NA	24,289	ENERGY DEVELOPMENT	55,919	60,137	3.70
NA	NA	88,527	ENERGY WORLD CORP.	105,371	99,822	0.00
NA	NA	10,296	ENERSIS	185,122	160,412	2.40
NA	NA	8,255	FERSA ENERGIAS	61,895	57,877	N/A
NA	NA	2,531	GAS NATURAL SDG.	135,709	147,705	2.50
NA	NA	2,142	HAFSLUND ASA	46,404	44,577	2.80
NA	NA	48,070	HASTINGS DIVERSIFIED	124,808	94,567	13.70
NA	NA	78,134	HERA	301,957	319,455	3.10
NA	NA	79,500	HONG KONG ELECTRIC	395,716	475,627	4.30
NA	NA	130,819	HONGKONG & CHINA GAS	272,130	311,048	1.70
NA	NA	36,000	HUANENG POWER INTERNATIONAL	41,162	24,977	6.30
NA	NA	123,253	IBERDROLA SA	1,676,252	1,652,568	2.60
NA	NA	76,552	INTERNATIONAL POWER	632,910	658,151	2.50
NA	NA	47,434	IRIDE SPA	140,048	145,733	4.40
NA	NA	29,900	KANSAI ELECTRIC POWER	699,412	700,924	2.50
NA	NA	23,320	KOREA ELECTRIC POWER CORP.	512,360	338,840	2.50
NA	NA	8,300	KYUSHU ELECTRIC POWER	220,918	173,822	2.80
NA	NA	775,190	NATIONAL GRID	9,744,561	10,189,820	5.00
NA	NA	71,731	NORTHUMBRIAN WATER	447,476	448,966	N/A
NA	NA	1,861	OEST ELEKTRIZITATS	91,048	166,895	1.60
NA	NA	9,300	OKINAWA ELECTRIC POWER	467,404	460,591	1.20
NA	NA	35,000	OSAKA GAS CO.	127,853	128,437	1.80
NA	NA	47,615	PENNON GROUP	597,214	604,575	N/A
NA	NA	1,228	POWEO	53,550	54,367	N/A
NA	NA	51,352	RED ELECTRICA CORPORACION	2,910,472	3,345,531	2.20
NA	NA	25,006	REN REDES ENERGET	124,152	111,300	N/A
NA	A	400,000	ROYAL BANK SCOTLAND GROUP PLC.	400,000	365,732	N/A
NA	NA	2,913	RWE AG (NEU)	293,828	293,503	7.00
NA	NA	120,674	RWE AG (NEU)	14,554,899	15,253,963	5.60
NA	NA	914	SABESP CIA SANEAME	22,016	23,561	0.00
NA	NA	71,000	SAIBU GAS CO.	166,612	162,756	2.50
NA	NA	31,148	SCOT & SOUTHERN	880,511	869,708	4.40
NA	NA	13,343	SECHILLENNE SIDEC	955,422	1,047,765	N/A
NA	NA	36,490	SEVERN TRENT	1,039,127	932,448	5.10
NA	NA	10,000	SHIZUOKAGAS CO.	50,140	43,111	1.80
NA	NA	2,964,000	SINOLINK WORLDWIDE	760,441	429,540	5.80
NA	NA	4,885	SOLARWORLD AG	235,134	232,975	0.70
NA	NA	188,543	SP AUSNET	214,563	191,791	N/A
NA	NA	84,497	SUEZ	3,696,535	5,756,509	3.20
NA	NA	276,512	T.E.R.N.A	874,519	1,171,921	5.60
NA	NA	9,100	TOHOKU ELECTRIC POWER	213,131	198,306	2.70
NA	NA	49,500	TOKYO ELECTRIC POWER	1,291,310	1,274,798	2.50
NA	NA	68,000	TOKYO GAS CO.	326,445	274,553	1.90
NA	NA	1,936	TRACTEBEL ENERGIA	22,405	29,092	0.00
NA	NA	11,131	TRANSCANADA CORP.	390,159	433,369	3.70

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
		\$	FOREIGN EQUITY SECURITIES (continued)	\$	\$	%
			Utilities (continued)			
NA	NA	2,001	TRANSPORTADORA DE GAS DEL SUR	12,926	7,064	1.90
NA	NA	23,952	UNION FENOSA	1,086,355	1,397,045	3.60
NA	NA	41,391	UNITED UTILITIES	569,725	565,499	6.90
NA	NA	15,111	VEOLIA ENVIRONNEMENT	1,119,564	848,284	3.40
			Total Utilities	<u>93,572,515</u>	<u>100,923,447</u>	
			Foreign Real Estate			
NA	NA	269	BROOKFIELD INFRASTRUCTURE PART	5,427	5,272	N/A
NA	NA	81,000	CDL HOSPITALITY TR	115,617	104,928	N/A
NA	NA	200,000	CHAMPION REAL ESTA	104,182	92,594	N/A
NA	NA	48,320	CHARTER HALL GROUP	61,513	48,921	N/A
NA	NA	3,534	EUROBANK PROPRIETIE	45,156	42,874	N/A
NA	NA	14	FUKUOKA REIT CORP.	89,424	73,695	6.60
NA	NA	144,000	MACQUARIE PRIME REIT	124,141	109,167	N/A
NA	NA	20	PREMIER INV. CORP.	111,108	91,694	N/A
NA	NA	219,000	REGAL REAL ESTATE INVESTMENT	51,779	45,218	N/A
NA	NA	23	STOCKLAND NPV DFD	145	123	N/A
			Total Foreign Real Estate	<u>708,492</u>	<u>614,486</u>	
			Commingled and Other Assets			
NA	NA	293,900	ISHARES INC.	4,712,881	4,152,808	N/A
			Total Commingled and Other Assets	<u>4,712,881</u>	<u>4,152,808</u>	
			Foreign Preferred Stock			
NA	NA	5,539	ALL AMERICA LATINA	63,682	71,845	N/A
NA	NA	18,120	BCO ITAU HOLDING F	301,131	371,400	0.40
NA	NA	2,473	BRASIL TELECOM PAR	33,989	36,710	N/A
NA	NA	1,573	BRASKEM	13,311	12,620	5.10
NA	NA	1,134	CESP CIA ENERG SP	18,701	23,386	N/A
		21	CIA DE BEBIDAS DAS	1,571	1,628	N/A
NA	NA	338	DURATEX SA	8,578	7,225	N/A
NA	NA	585	ELETROPAULO ELECTRIC	8,363	13,763	N/A
NA	NA	2,096	NET SERVICOS DE CO. NEW	30,704	26,752	N/A
NA	NA	1,391	VOTORANTIM CELULOS	33,966	37,703	N/A
			Total Foreign Preferred Stock	<u>513,996</u>	<u>603,032</u>	
			TOTAL FOREIGN EQUITY SECURITIES	<u>2,010,002,447</u>	<u>1,984,917,495</u>	
			TOTAL EQUITY	<u>6,114,395,826</u>	<u>6,231,094,928</u>	
			REAL ESTATE			
			APOLLO REAL ESTATE INVESTMENT FUND III, LP	10,869,865	20,267,662	
			APOLLO REAL ESTATE INVESTMENT FUND IV, LP	7,617,820	9,553,497	
			ASLAN REALTY PARTNERS	0	61,228	
			BLACKSTONE REAL ESTATE PARTNER VI	12,527,059	14,063,322	
			CANYON JOHNSON URBAN FUND	1,411,293	1,392,410	
			CB RICHARD ELLIS INVESTORS	255,098,250	267,816,211	
			COLONY INVESTORS VIII	13,899,352	7,485,700	
			COMMONWEALTH REALTY ADVISORS	27,680,619	26,853,655	
			DLJ REAL ESTATE CAPITAL II LP	9,104,380	8,671,436	
			ING CLARION PARTNERS	183,973,152	197,678,437	
			JP MORGAN STRATEGIC PROPERTY FUND	173,036,497	224,968,578	
			KOLL BREN FUND VI	22,955,390	25,346,507	
			LF STRATEGIC REALTY INVESTORS	20,998,492	23,787,921	
			MAC FARLANE URBAN REAL ESTATE	9,032,820	8,201,192	
			MGA DEVELOPMENT ASSOC., LP	1	1,151,189	
			OLYMPUS REAL ESTATE FUND II	20,307,439	2,749,082	
			PREMIER PARTNERS V LP	32,869,745	36,310,093	
			PRUDENTIAL PRISA I	93,397,808	118,296,309	
			REALTY ASSOCIATES FUND V	20,508,964	29,412,812	
			REALTY ASSOCIATES FUND VIII	23,623,799	24,822,328	
			RLJ LODGING FUND II	23,610,402	25,321,418	
			RREEF AMERICA REIT II	104,021,243	120,823,900	
			RREEF AMERICA REIT III INC.	30,000,000	27,817,656	
			RREEF GLOBAL OPP FUND II	29,500,903	28,759,591	
			RREEF REAL ESTATE VENTURE CAPITAL	3,367,239	0	
			TISHMAN SPEYER REAL ESTATE VII	14,873,758	11,041,294	
			WALTON STREET REAL ESTATE FUND III	3,472,081	15,624,039	
			WALTON STREET REAL ESTATE FUND IV	16,174,930	24,375,338	
			WALTON STREET REAL ESTATE FUND V	27,810,749	29,827,543	
			WALTON STREET REAL ESTATE FUND VI	0	(398,999)	
			TOTAL REAL ESTATE	<u>1,191,744,050</u>	<u>1,332,081,349</u>	

PORTFOLIO OF INVESTMENTS

JUNE 30, 2008 (CONTINUED)

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value	Cost	Fair Value	Current Yield
		\$	\$	\$	%
FOREIGN EQUITY SECURITIES (continued)					
INFRASTRUCTURE					
			72,934,258	74,193,409	
			122,257,937	136,019,588	
			0	(237,479)	
			<u>195,192,195</u>	<u>209,975,518</u>	
PRIVATE EQUITY					
			4,617,225	11,346,969	
			7,316,025	2,740,835	
			9,677,201	9,859,577	
			12,077,439	13,866,601	
			13,903,427	12,881,474	
			5,933,314	3,722,075	
			8,387,743	5,391,486	
			5,554,549	4,532,429	
			5,383,615	579,089	
			9,137,833	8,483,802	
			2,516,207	1,910,182	
			5,549,866	17,756,380	
			415,710	381,477	
			5,222,101	124,310	
			2,748,713	4,324	
			0	762,138	
			25,252,417	6,410,920	
			8,718,716	7,671,388	
			400,734	1,625,028	
			6,504,337	6,739,752	
			5,000,000	1,866,682	
			6,372,972	792,250	
			4,811,934	662,254	
			17,317,276	11,116,450	
			16,791,626	13,335,900	
			19,148,949	14,943,278	
			7,046,435	5,147,758	
			59,218,446	6,269,374	
			1,274,461	1,950,205	
			17,083,755	11,726,612	
			3,552,183	850,933	
			12,965,681	4,285,277	
			22,386,229	33,474,110	
			27,667,734	28,856,403	
			4,689,208	4,770,167	
			884,316	666,484	
			2,719,725	8,952,391	
			8,791,810	380,892	
			63,045	888,673	
			1	176,139	
			2,154,793	0	
			9,990,602	520,352	
			16,830,900	23,906,881	
			4,105,120	4,604,562	
			12,118,578	9,316,994	
			8,466,664	5,427,063	
			6,911,886	5,679,545	
			1,934,192	1,281,666	
			2,488,269	315,369	
			4,608,385	1,203,737	
			15,692,788	18,575,298	
			12,955,316	12,791,967	
			9,040,094	12,398,902	
			9,537,490	7,313,385	
			17,382,260	24,360,008	
			12,573,938	4,822,792	
			6,118,044	5,622,109	
			7,819,901	854,550	
			10,032,026	6,483,715	
			21,541,817	41,762,321	
			28,350,385	32,199,302	
			8,120,000	6,184,340	
			5,990,092	1,025,213	
			24,732,388	7,927,314	
			12,186,518	16,928,366	
			4,291,307	5,220,370	
			<u>653,076,711</u>	<u>524,628,589</u>	

Moody's Quality Rating	S&P Quality Rating	Shares/ Par Value		Cost	Fair Value	Current Yield
			\$	\$	\$	%
			FOREIGN EQUITY SECURITIES (continued)			
			HEDGE FUNDS			
			ENTRUST CAPITAL LLC	119,620,000	117,949,563	
			GROSVENOR INSTITUTIONAL US HEDGED EQUITY	100,000,000	115,942,076	
			IVY ASSET MANAGEMENT	99,542,682	123,858,029	
			MESIROW PLAN EQUITY FUND LP	100,000,000	121,692,407	
			ROCK CREEK GROUP	100,000,000	119,543,327	
			TOTAL HEDGE FUNDS	519,162,682	598,985,402	
			MONEY MARKET			
			FEDERAL NATIONAL MTG. ASSOC. DISC. NOTES	12/15/08 0.010 453,919	454,803	
			LIQUIDITY MGMT. CONTROL SYS. III	07/01/08 0.450 874,621	874,621	
			MORGAN J.P. CHASE &	07/02/08 0.010 499,842	499,842	
			STATE STREET BANK & TRUST CO.	12/31/30 2.424 297,814,504	297,814,504	
			UNITED STATES TREASURY BILLS	09/11/08 0.010 7,826,231	7,837,734	
			TOTAL MONEY MARKET	307,469,117	307,481,504	
			FORWARDS			
			FORWARD FOREIGN CURRENCY CONTRACTS	0	(72,622)	
			TOTAL FORWARDS	0	(72,622)	
			TOTAL INVESTMENTS	11,278,041,108	11,429,528,114	
			OTHER ASSETS LESS LIABILITIES			
			Cash	43,663,986	43,667,005	
			Receivables			
			Foreign Taxes	2,336,921	2,336,921	
			Account Receivables	2,057,953	2,057,953	
			Investments Sold	146,645,830	146,645,830	
			Dividends & Interest	36,065,297	36,065,297	
			Prepaid Expenses	16,242	16,242	
			CAPITAL ITEMS	52,797	52,797	
			PAYABLES:			
			Investments Purchased	(338,142,727)	(338,215,349)	
			Operating Expenses	(7,101,649)	(7,101,649)	
			TOTAL OTHER ASSETS LESS LIABILITIES	(114,405,350)	(114,474,953)	
			NET ASSETS	11,163,635,758	11,315,053,161	

PORTFOLIO DATA

FISCAL YEARS ENDED JUNE 30

Fixed Income Portfolio* (Unaudited)	2008	2007
Average Duration	4.2 years	3.3 years
Average Coupon*	6.2%	5.9%
Average Quality	AA	AA
Quality Analysis		
	%	%
Government & Agency	42.1	34.9
AAA	6.8	23.7
AA	6.4	5.1
A	7.2	5.5
BAA	8.7	5.2
BA	7.0	8.0
B	14.4	10.7
CAA or lower	3.2	2.1
Not Rated	4.2	4.8
Industry Diversification		
	%	%
Government & Agency	42.1	47.6
Foreign	5.6	2.9
Bank & Finance	7.9	16.2
Collateralized Mortgage Obligations	6.7	4.5
Industrials	29.3	21.4
Miscellaneous	8.4	7.4

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

PORTFOLIO DATA

JUNE 30, 2008

Domestic Equity Portfolio* (Unaudited)

Five Largest Industry Positions	Percent of Equities Held	S&P 500
	%	%
Information Technology	16.7	16.3
Industrials	14.9	11.6
Financials	14.6	14.2
Energy	13.8	15.4
Healthcare	11.3	11.6

Fifteen Largest Holdings	Percent of Equities Held	(\$ in thousands) Fair Value
	%	\$
EXXON MOBIL	2.2	83,455
CHEVRON	1.6	59,757
AT&T INC	1.5	59,070
CONOCO PHILLIPS	1.5	56,313
MICROSOFT	1.2	47,595
PHILIP MORRIS INTERNATIONAL	1.2	45,414
INTERNATIONAL BUSINESS MACHINES	1.1	42,634
GENERAL ELECTRIC	1.0	36,934
JP MORGAN CHASE & CO.	1.0	36,446
HEWLETT PACKARD	0.9	35,708
JOHNSON & JOHNSON	0.9	33,404
PFIZER	0.9	32,878
VERIZON COMMUNICATIONS	0.9	32,600
BANK OF AMERICA	0.8	29,374
PROCTER & GAMBLE	0.8	29,306

Major Purchases	(\$ in thousands) Amount
	\$
AMERICAN INTERNATIONAL GROUP	22,438
HARTFORD FINANCIAL SERVICES GROUP	17,828
XTO ENERGY	16,214
HOLOGIC INC.	15,751
WACHOVIA CORP.	15,646
AT&T	14,994
CITIGROUP	14,593
FREEMONT McMORAN COPPER & GOLD	14,349

Major Sales	(\$ in thousands) Amount
	\$
HESS CORP.	30,303
JP MORGAN CHASE & CO.	27,876
XTO ENERGY	27,504
CONOCO PHILLIPS	26,502
EXXON MOBIL	23,915
MERCK & CO.	23,142
INTERNATIONAL BUSINESS MACHINES	21,735
NOBLE ENERGY	20,767

* Data does not include commingled equity funds.

INVESTMENT TRANSACTIONS WITH BROKERS AND DEALERS

FISCAL YEAR ENDED JUNE 30, 2008

Transactions Executed on a Net Basis* (Unaudited)

	Transaction Value		Transaction Value
Fixed Income Securities	\$	Fixed Income Securities	\$
Bank of America Securities Inc.	67,088,809	Merrill Lynch, Pierce, Fenner & Smith Inc.	21,706,039
Barclays Bank PLC	18,149,626	Miller Tabak Roberts	50,000
BB & T Capital Markets	1,330,000	Montrose Securities	226,717,399
BNP Paribas Securities	714,000	Morgan Dean Witter	104,892,575
Bonds Direct Securities	10,000	Morgan Stanley & Co. Inc.	9,944,000
Broadpoint Capital	852,000	Oppenheimer	165,000
Cabrera Capital Markets	14,598,408	RBC Dominion	160,078
Cantor Fitzgerald	1,750,000	Rediplus Inc.	131,487
Chase	7,920,000	Salomon Smith Barney	1,100,000
Citigroup	21,589,818	SLM Corporation	1,614,515
Corporate Actions	1,075,600	Stifel Nicolaus & Co.	10,016,863
Countrywide Securities	4,102,875	Toronto Dominion Bank	444,700,000
Credit Suisse First Boston Corp.	5,358,000	UBS Warburg LLC	22,219,111
CS First Boston	34,955,313	Utendahl Capital	16,340,695
Deutsche Banc Securities Inc.	17,562,000	Wachovia Securities	7,938,000
Finacorp Securities	88,665		
First Tennessee	5,712,260		
Goldman Sachs & Co.	107,509,599		
Greenwich Capital Markets Inc.	18,931,210		
J. P. Morgan Securities Inc.	28,363,137		
Jefferies Securities	1,905,525		
KBC Financial Products	2,075,345		
Lehman Brothers	532,062,555		
Libertas Partners LLC	48,000		
LLC Transactions	1,566,400		
Loop Capital Markets	475,766,325		

** 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			
Amhold & S Bleichroeder	8,266	Lynch Jones & Ryan	32,288
Banc of America Securities Inc.	108,533	Magna Securities	47,825
Bear Stearns Securities Corp.	53,069	Melvin Securities Corp	56,704
Bernstein Sanford & Co	13,854	Merrill Lynch Pierce Fenner & Smith	140,272
Blair, William & Co.	11,758	Midwest Research Securities	10,647
Bloomberg Tradebook	16,571	Morgan Stanley & Co.	128,821
BMO Capital Markets	13,059	MR Beal	76,532
BOE Securities	5,582	Muriel Siebert	11,274
Bridge Training	11,714	Nutmeg Securities	36,679
Cabrera Asset Management	107,363	NYFIX	6,898
Cantor Fitzgerald & Co.	49,362	Oppenheimer	10,931
Cheevers & Company	26,193	Pacific American	19,719
Citigroup Smith Barney Inc.	45,196	Pacific Crest Securities	9,415
Credit Suisse First Boston Corp.	133,521	Pipeline Trading Systems	8,256
DeMatteo Monness	5,861	Pulse Trading	88,922
Deutsche Banc Securities Inc.	224,293	Ramirez	26,199
ESP	26,765	Ramsey King	36,694
First Boston	11,770	Raymond James & Assoc.	13,142
First Honolulu	81,176	Reynolds Securities LLC	13,248
Fox Pitt Kelton	6,572	Robert W. Baird & Co.	22,749
Friedman Billings and Ramsey & Co. Inc.	15,062	Salomon Smith Barney	12,969
Future Trade	9,994	Sanford C. Bernstein	14,209
Gardner Rich & Co.	187,476	SG Cowen and Company	8,896
Goldman Sachs & Company	16,009	Stiffel, Nicolaus & Company Inc.	5,038
Guzman & Co.	20,980	U.S. Bancorp Piper Jaffray Inc.	7,572
Howard, Weill Labouisse, Fried	5,520	UBS Warburg Dillon Read	58,896
Instinet	7,073	Wachovia Securities	5,599
Investment Technology Group	32,511	Weeden & Co.	11,363
J.P. Morgan Securities, Inc.	315,908	Williams Capital Group	64,864
Jackson Securities	17,162	Various (Under \$5,000)	145,037
Jefferies & Company	51,075		<u>3,379,911</u>
Jones Trading	10,008		
Keefe Bruynette and Woods Inc.	7,149		
KeyBanc Capital Markets	8,005		
Knight Equity Markets LP	19,670		
Knight Securities	54,359		
Lehman Brothers Inc.	82,091		
Liquidnet Inc.	217,262		
Loop Capital Markets	198,816		
Loopus	11,645		

RESTRICTED INVESTMENTS

Public Act 95-0521 imposes investment restrictions on retirement systems governed by Article 1 of the Illinois Pension Code. Specifically, investment in certain forbidden entities with ties to the Government of Sudan are prohibited. Shown below is the List of Forbidden Entities as of August, 2008 which was adopted by the Board at the meeting held September 26, 2008.

Entity Name (Unaudited)

ABB LTD.	EMIRATES TELECOMMUNICATIONS CORP (ETISALAT)
ABU DHABI ISLAMIC BANK	ERICSSON (TELEFONAKTIEBOLAGET L M ERICSSON)
ADVANCE SYNERGY BHD	FAISAL ISLAMIC BANK OF EGYPT
AIR FRANCE KLM	FINMECCANICA SPA
ALCATEL LUCENT	HARBIN POWER EQUIPMENT CO.
ALLIANZ SE (FORMERLY ALLIANZ AG)	HIENERGY TECHNOLOGIES, INC.
AL-RAJHI BANK	HOLCIM LTD. (FORMERLY HOLDERBANK FINANCIERE GLARUS)
ALSTOM	HSBC HOLDINGS PLC
AMLAK FINANCE	HYUNDAI MOTOR CO.
ANIMAL RESOURCES BANK	I.C.S.A (INDIA) LTD
ARAB BANK PLC	INDIAN OIL CORPORATION LTD
ARAB BANKING CORP	INGERSOLL-RAND COMPANY LIMITED
AREF INVESTMENT GROUP CO	IVORY BANK
AREVA	KEJURUTERAAN SAMUDRA TIMUR BHD
ATLAS COPCO AB	KENCANA PETROLEUM BHD
AVICHINA INDUSTRY & TECHNOLOGY	KENYA AIRWAYS LTD. (KENYA)
BANK OF BEIRUT	KIA MOTORS
BANK OF CHINA LIMITED, BEIJING	KLM ROYAL DUTCH AIRLINE
BANK OF KHARTOUM	KOMATSU LTD.
BARCLAYS PLC	LA MANCHA RESOURCES INC.
BERU AG	LUNDIN PETROLEUM AB
BHARAT ELECTRONICS LTD	MANGALORE REFINERY & PETROCHEMICALS LTD.
BHARAT HEAVY ELECTRICALS LTD.	MASHREQ BANK PSC
BLUE NILE INSURANCE	MISC BERHAD (FORMERLY MALAYSIA INTERNATIONAL SHIPPING CORP.)
BNP PARIBAS	MITSUBISHI MOTORS CORP.
BOEWE SYSTEC AG	MMC CORPORATION BHD (FRMLY MALAYSIA MINING CORP. BHD)
BOLLORE	MOBILE TELECOMMUNICATIONS CO
BRITISH AIRWAYS PLC	MTN GROUP LTD. (FORMERLY M-CELL)
BYBLOS BANK SAL	MUHIBBAH ENGINEERING (M) BHD
CARPHONE WAREHOUSE GROUP PLC	NAM FATT CORPORATION BHD
CHINA PETROLEUM & CHEMICAL CORP.	NATIONAL REINSURANCE CO
CNPC HONG KONG LTD.	NATIXIS
COMMERZBANK AG	NIPPON YUSEN K.K.
CREDIT AGRICOLE S.A.	OIL & NATURAL GAS CORPORATION LTD.
CREDIT SUISSE GROUP (FORMERLY CS HOLDING)	OMDURMAN NATIONAL BANK
DAIHATSU MOTOR CO. LTD.	PECD BHD
DAIMLER AG	PETROCHINA COMPANY LIMITED
DEUTSCHE LUFTHANSA AG	PETROFAC LTD
DEUTSCHE POST AG	PETRONAS DAGANGAN BHD
DEUTZ AG (FORMERLY KLOECKNER-HUMBOLDT-DEUTZ AG)	PETRONAS GAS BHD
DONGFENG MOTOR GROUP COMPANY LTD	PRIMUS TELECOMMUNICATIONS GROUP, INC.
DUBAI ISLAMIC BANK LTD	PSL LTD.
EL EZZ ALDEKHELA STEEL - ALEXANDRIA	QATAR ISLAMIC BANK
ELECTRICITY GENERATING PUBLIC CO LTD	RANHILL BHD
ELECTROCOMPONENTS PLC	RELIANCE INDUSTRIES LTD.

Entity Name (continued)

RIYAD BANK
ROYAL DUTCH SHELL PLC
SARAWAK ENERGY BHD (FORMERLY SARAWAK ENTERPRISE CORP. BHD.)
SAUDI HOLLANDI BANK
SAUDI SUDANESE BANK
SCHLUMBERGER LTD.
SCOMI ENGINEERING BHD. (FORMERLY BELL & ORDER BHD *B&O)
SCOMI GROUP BHD
SHARJAH ISLAMIC BANK (FORMERLY NATIONAL BANK OF SHARJAH)
SINOPEC KANTONS HOLDINGS LTD
SINOPEC SHANGHAI PETROCHEMICAL CO.
(FORMERLY SHANGHAI PETROCHEMICAL CO LTD)
SK KAKEN CO. LTD.
SKF AB
SOJITZ CORPORATION (FORMERLY SOJITZ HOLDINGS CORP)
STRYKER CORP.
SUDAN TELECOM CO. LTD. (SUDATEL)
SUDANESE FREE ZONES AND MARKETS CO
SUDANESE FRENCH BANK
SUDANESE INSURANCE & REINSURANCE
SUDANESE ISLAMIC BANK
TADAMON ISLAMIC BANK
TENARIS SA
THE WEIR GROUP PLC
TOTAL SA
TOYOTA MOTOR CORP.
VOLVO AB
WARTSILA OYJ (FORMERLY METRA OY)
WATANIA CO-OPERATIVE INSURANCE
WATER CHEF INC.
WHITE NILE LTD
WORKERS NATIONAL BANK
XEROX CORP.

STAFF AND INVESTMENT MANAGERS

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*

Linsey Schoemehl
*Investment Compliance
Officer*

ADMINISTRATIVE STAFF

Alise M. White
Chief Fiscal Officer

Mary Jane Muscari
Administrative Assistant

Cecelia McNair
Private Secretary



*Seated left to right: Alejandra Garcia, William Atwood, Emily Reid and Cecelia McNair
Standing left to right: Mary Jane Muscari, Scott Richards, Johara El-Harazin, Tim Kominiarek,
Alise White, Linsey Schoemehl and Katherine Spinato*

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
Fiduciary Management Associates
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
William Blair & Company

International Equities

Franklin Templeton Investment Counsel
GlobeFlex Capital
State Street Global Advisors
Vontobel

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
McDonnell Investment Management
State Street Global Advisors
Trust Company of the West
Union Labor Life Insurance Company
Western Asset Management

Illinois State Board of Investment

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