

Minnesota Public Pension Funds Investment Disclosure Report

For the Fiscal Year 1998



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State of Minnesota

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**Preface
&
Report Summary**

Preface

Taxpayers, elected officials, plan fiduciaries, and members each have a conspicuous interest in assuring that retirement fund assets are invested in a prudent and effective manner. Sound pension asset management is the keystone completing the bridge between a lifetime of work, and a stable, financially secure retirement.

Investment gains account for over 75% of annual revenue to most large, defined benefit pension plans. Beyond annual state aid allocations, participants in local defined contribution plans often rely exclusively on investment income for plan asset accumulations.

The Legislature has assigned the Office of the State Auditor (hereinafter, "OSA") with the responsibility of collecting investment performance data on all public plans in the state. The OSA is required pursuant to Minn. Stat. §356.219, Subd. 6, to review, refine, and utilize this data to compute time-weighted rates of return (net of all fees and costs), and to publish a report disclosing the results.

This report is based on investment data from 717 pension funds, with over \$43 billion in assets. Many dedicated relief association officers, auditors, investment managers and municipal personnel contributed their valuable skills and time to the preparation and refinement of the information contained in this report. To each and all, State Auditor Judith Dutcher and her staff express sincere appreciation.

The reader is invited to direct any questions or suggestions for improving future issues of the report to:

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Report Summary

Background

Reporting Requirements

Minnesota Statute § 356.219 requires all public pension funds to disclose investment information to the Office of the State Auditor (hereinafter "OSA"). All public plans are required to provide the OSA with a copy of their investment policy statement and any subsequent amendments, including the effective date. Other reporting requirements depend on plan size and sponsor.

Plans with a market value of \$10 million or more must report on a monthly, total fund and investment account, investment portfolio or asset class basis. In addition, these large plans are required to submit the following: (1) the total time-weighted rate of return available from index-matching investments; and (2) an explanation as to which indices they used and why those indices were appropriate.

Plans with a market value of less than 10 million must report on a total fund, quarterly basis. Comparative index-matching rate of return data is not required of these plans.

The only exception to the investment reporting requirement applies to pension plans that are "fully invested" through the State Board of Investment (hereinafter "SBI"). A plan is "fully invested" if, on January 1 of any year, all of the assets of the plan, "beyond sufficient cash equivalent investments to cover six months expected expenses," are invested through the SBI. If the plan certifies to the OSA that it is "fully invested," responsibility for submitting the required investment disclosure forms is transferred to the SBI.

Data Sources

The information contained in this report represents a compilation of the pension fund investment disclosure data which was submitted to the OSA by 717 public plans. In many cases, forms were prepared by investment advisors or independent accountants under contract with the pension plans. After reviewing the market value and cash flow data submitted, and making any necessary corrections, the OSA calculated certain statistics, including time-weighted rates of return on investments for individual plans.

Structure of the Report

The investment performance data submitted by the pension funds is presented in two sections:

- **Small Funds - plans with less than \$10 million in assets**

This section includes summary data from 703 plans that reported to the OSA, discussion of investment performance for the entire group, and a table with details for each pension fund.

Most investment policy statements received by the OSA for this group of funds were brief and did not include asset allocation targets. Therefore, the actual asset allocation for these funds is detailed in the table.

This section focuses on the total fund rate of returns achieved by 703 plans. Returns for each fund are compared with the 5% statutory assumed rate of return applicable to all of the small funds.

- **Large Funds - plans with at least \$10 million in assets**

This section includes a summary table on investment performance, a discussion of outcomes for the group, along with a separate page with detailed information on each pension fund.

In general, investment policy statements for this group tend to be more thorough. There remains, however, considerable variance among plans in terms of the quality and detail exhibited in their policy statements. Only the asset allocation portion of these policies are reflected in the detail pages, along with data on *actual* asset allocations.

Returns for the large funds are also compared with the statutory assumed rate and performance benchmarks selected by the pension funds themselves.

Information on Market Indices

An index is a statistical composite that measures changes in the economy or in financial markets. The OSA has included a select group of indices within this report which may be used as a point of reference when analyzing a particular fund's investment performance for 1998.

- ! **Wilshire 5000 Stock Index** - This index is the broadest index for the U.S. Stock Market and includes all stocks traded over the counter and on exchanges, including the S&P 500.
- ! **Standard and Poor's 500 Index (S&P 500)** - This index is designed to measure performance of the broad domestic economy through changes in the value of 500 stocks representing all major industries. It is widely considered the benchmark for large-stock investors.
- ! **Russell 2000** - This index is widely used as a measure of small company stocks in the U.S.
- ! **Lehman Aggregate** - This index represents high quality, "investment grade" treasury/agency, corporate, and mortgage-backed securities in the U.S.
- ! **Lehman Government/Corporate** - This index represents a mix of U.S. high quality, "investment grade" government and corporate bonds.
- ! **Lehman Corporate Bonds** - This index represents a mix of U.S. high quality, "investment grade" corporate bonds.
- ! **Lehman Government Bonds** - This index represents U.S. government bonds.
- ! **Morgan Stanley Capital International Index of Europe, Australia and the Far East (EAFE)** - This index represents a measure of 20 international stock markets located in Europe, Australia, and the Far East.
- ! **Salomon Non U.S. Government Bonds** - This index represents a measure of non-U.S. government bonds.
- ! **91 Day U.S. Treasury Bills** - This index represents a measure for U.S. Treasury bills with an average maturity date of 91 days. The index may be used as a measure for short-term cash accounts, such as cash equivalents, checking, savings, money market accounts, and commercial paper.

Immediately following is a table with 12 and 24-month returns reported for these indices as of December 31, 1998.

Table 1

Returns for Broad Market Indices

	<u>Periods Ending December 31, 1998</u>	
	<u>One Year</u>	<u>Two Years</u>
Stocks		
Wilshire 5000 Stock Index - <i>All size U.S. stocks</i>	23.4%	27.3%
Dow Jones Industrials - <i>30 large industrial U.S. stocks</i>	18.1%	21.5%
S&P 500 - <i>Large company U.S. stocks</i>	28.9%	31.1%
Russell 2000 - <i>Small company U.S. stocks</i>	(2.4)%	9.2%
Bonds		
Lehman Aggregate - <i>All U.S. bond types</i>	8.7%	9.2%
Lehman Government/Corporate - <i>U.S. Government and corporate bond mix</i>	9.5%	9.6%
Lehman Corporate Bonds	8.6%	9.4%
Lehman Government Bonds	9.9%	9.7%
International Securities		
Morgan Stanley Capital International Index of Europe, Australia and the Far East (EAFE) - <i>International Stock</i>	10.5%	20.0%
Salomon Non U.S. Government Bond - <i>International bonds</i>	17.8%	6.2%
Short-term & Cash		
90 Day U.S. Treasury Bills - <i>Cash, savings, checking, money markets</i>	5.0%	5.2%
General Price Level		
Change in Consumer Price Index (CPI-U)	1.6%	1.7%

Report Findings

Investments play a critical role in financing pension benefit obligations. For large defined benefit programs, investment earnings typically account for over 75% of annual operating income. For smaller volunteer fire relief associations, the ratio is around 50%, though in recent years, the fraction has increased to over 60%.

As can be seen from the returns for various indices on the previous page, 1998, like the previous year, was a profitable one in most major domestic investment markets. These market trends proved very beneficial to most public pension funds in Minnesota.

The majority of large and small public plans did very well against their assumed rates of return. This is the first test of investment performance, since actuarial gains or losses against these required returns determine whether:

- 1) Underfunded plans are making progress toward amortizing their liabilities;
or,
- 2) Plans with surpluses can finance benefit improvements or tolerate contribution reductions.

Small Funds - Under \$10 Million in Assets

Continued strength in the economy generally, and domestic equity markets in particular, contributed to improved funding levels for most public pension plans. Of the 703 funds with less than \$10 million in assets reporting to the OSA, 88% exceeded the 5% actuarial assumed rate of return, with the weighted average rate of return for the entire group reaching 12.2%. Statewide, the approximate dollar value of this actuarial gain for 1998 was \$18 million.

Recent studies suggest that asset allocation choices are the most significant factor determining long-term investment performance. Investment policy statements for small funds, however, often lack specificity. Fewer than 20% include asset allocation targets as part of their policy statements. Small funds appear to be moving toward more diversified portfolios, but at the close of 1998, most still held large cash and bond positions, which caused them to miss out on the growth opportunities provided in the large domestic equity markets.

Only 17 pension plans (2% of all plans in this group) were "fully invested" through the SBI. Another 151 plans (22%) had some portion of their assets invested through the SBI. There were 45 plans (6% of the group total) with 75% or more of their assets invested through the SBI. Overall, plans with less than

\$10 million in assets invested 19% of their assets through the SBI in 1998. Plans investing all their assets outside the SBI numbered 535 (76%).

Large Funds - At Least \$10 Million in Assets

There were 14 pension funds in 1998 with at least \$10 million in assets which were included in the "large fund" group¹ Performance figures for this group in 1998 tended to be more uniformly positive, due to several factors:

- ! More in-house investment expertise
- ! Better optimized asset allocation policies
- ! More access to professional consultants
- ! More effective manager selection strategies

The most important news for 1998 is that all of the large defined benefit programs exceeded their statutory assumed rates of return. They continue to benefit from a decade of strong investment markets, and have realized significant improvement in their funded ratios, which benefits taxpayers and plan members.

The large defined contribution plans sponsored by the University of Minnesota, the Minnesota State Colleges and Universities, and the Historical Society, due to the nature of these plans, do not have statutory actuarial targets. However, they each appear to have achieved returns for members that met or exceeded the broad market indices.

With the exception of one large defined benefit plan, returns reported by the funds tracked very closely to those calculated by the OSA. Overall, the OSA found the rates reported by the plans to be quite accurate, and a reliable gauge of performance for trustees, members and policymakers.

¹ One of these funds, the Minnesota Historical Society's Individual Retirement Account Plan, held only \$1.2 million in assets on December 31, 1998. However, this plan is included in the "over \$10 million" group because it is subject to similar statutory reporting requirements.

**Public Pension Funds
with Assets
Less than \$10 Million**

Table 2

Summary for Plans with Less than \$10 Million in Assets

Plans Grouped by % of Assets with SBI ⁽¹⁾

Profile Data	75% or More	1%- 74%	Zero %	All Plans
Number of Plans	45	123	535	703
Members	1,452	3,630	14,927	20,009
Accrued Assets 1/1/98	25,782,207	60,013,869	172,842,039	258,638,115
State Aid	971,963	2,405,278	8,535,254	11,912,495
Municipal Contributions	382,157	824,268	3,302,338	4,508,763
Net Investment Income	4,493,681	7,908,532	18,636,642	31,038,855
Total Revenue	5,894,843	11,354,930	31,167,902	48,417,675
Total Assets 12/31/98	30,307,493	67,662,523	192,411,538	290,381,554
Funded Ratio (2)	115%	113%	110%	111%

Asset Allocations

Stocks (3)	68%	51%	48%	51%
Bonds (3)	26%	32%	27%	28%
Cash	6%	14%	23%	19%
Other (4)	0%	3%	2%	2%

ROR - Rate of Return

2 Year Period (1997-98)	18.1%	14.5%	12.1%	13.1%
Year Ended Dec. 31, 1998	17.7%	13.6%	11.1%	12.2%
Year Ended Dec. 31, 1997	18.4%	15.2%	12.6%	13.9%

1998 ROR Compared to Statutory Assumed ROR

Actuarial Target	5.0%	5.0%	5.0%	5.0%
Target in Dollars	1,289,110	3,000,693	8,642,102	12,931,906
Actuarial Gain: ROR minus 5%	12.7%	8.6%	6.1%	7.2%
Actuarial Gain in Dollars	3,204,571	4,907,839	9,994,540	18,106,949

(1) This table contains a broader and more representative control group (45 plans with 75% or more invested through the SBI) than was used for last year's report (12 plans "fully invested" through SBI).

(2) "Funded Ratio" = Total Assets divided by Total Liabilities.

(3) "Stocks" and "Bonds" include domestic and international securities.

(4) "Other" includes real estate, venture, limited partnerships, fixed and variable annuities.

Discussion of Small Plan Performance

Plans with less than \$10 million in assets as of January 1, 1998, were required to report to the OSA on a total fund, quarterly basis. This section of the report provides summary and detailed investment performance information for 703 pension plans. Most of these plans are relatively small volunteer fire relief associations, with less than \$400,000 in assets and fewer than 30 members.

Two tables in this section provide summary and detailed investment performance information, along with other information for each plan. Table 2 on the previous page provides information on plans grouped relative to the percentage of assets that were invested with the SBI as of December 31, 1998.² Summary statistics found in Table 2 are discussed in the narrative pages below. Table 3 in this section provides the following information for funds in the small plan group:

- 1) Plan type and membership;
- 2) Beginning assets, contributions and ending assets;
- 3) Asset allocation information; and
- 4) Time-weighted returns for 1997, 1998 and the 1997-98 two year period.

Returns Compared to the Actuarial Target

The assumed rate of return applicable to all local plans in this section is 5.0% (Minn. Stat. § 356.215, subd. 4d). If a plan fails to meet this rate of return, an actuarial loss occurs. All other relevant factors remaining constant, the result would be greater pressure on contributions and/or less assets available for future benefit increases. Conversely, if returns exceed 5.0%, actuarial *gains* occur, relieving pressure on contributions or freeing up assets to finance benefit improvements.

Of the 703 plans for which the OSA computed time-weighted returns for the year ended December 31, 1998, 88% exceeded the statutory assumed rate of return. The aggregate rate of return (hereinafter "ROR") for all plans was 12.2%. Eighty-three (12%) plans earned less than 5.0% for the year. The approximate dollar value of a 5% earning level against the total beginning asset base is \$12.9 million. Estimated earnings for the entire group were \$31 million. Hence, the actuarial gain on investments for all plans with less than \$10 million in assets in 1998 was 7.2% (12.2 minus 5.0), and the approximate dollar gain totaled \$18.1 million.

The OSA has collected data for all public funds for two years, and is able to report both

² The comparison group used in this report is comprised of 45 plans with at least 75% of assets invested with SBI. This is a broader and more representative sample than that applied in our report for 1997, which compared performance for all other plans to the 12 funds that were "fully invested" through the SBI at the end of 1997.

one and two-year time-weighted rates. For the entire group of 703 plans, the two-year time-weighted return was 13.1%, or 6.1% above the compounded statutory assumed rate of return. Combined actuarial gains for the two-year period 1997-98 were approximately \$38 million - significant by any measure.

Comparing performance to the actuarial assumed rate, most plans did very well, and exceeded the assumed rate by a significant margin. Those gains translated into less pressure on required contributions to the plans, and more funds available to pay benefits. Those results are definitely good news for plan members and taxpayers.

Investments appear to play a significant role in benefit increases. Almost 45% of all volunteer firefighter plans approved benefit increases for members in 1998. Of the plans with 75% or more of their assets invested through the SBI, 54% increased benefits by 31%. Of the plans with zero assets invested through the SBI, 44% increased benefits by 23%. It appears that both the frequency and magnitude of increases were intensified where investment returns were also higher.

Future benefit improvements for most plans will rely increasingly on investment performance. In 1998, normal costs for the defined benefit funds included in this report were roughly equivalent to all state and municipal contributions. Since these contributions are only sufficient to cover annual appreciation in liabilities due to service credit accumulations and deferred pension augmentations, it follows that the only other significant revenue source for these plans, investment earnings, must be relied upon to finance benefit improvements in the near term.

As defined in Minn. Stat. § 356.219, plans "fully invested" with the SBI in 1998 included the following volunteer firefighter relief associations:

BALSAM	LINWOOD
BROOKLYN PARK *	LITTLEFORK *
CHISAGO	MAPLEVIEW
CLEAR LAKE	NODINE
CRANE LAKE	RANDALL
DOVER *	RANDOLPH
GOLDEN VALLEY	VERMILLION LAKE *
HECTOR	WOODBURY
LAKE KABETOGE MA *	

Table 3 sets forth rates of return for the above entities. However, those marked with an asterisk above were not fully invested on December 31, 1997. For plans so marked, 1998 and 1997 data was reported on a different basis than that for all other plans, and it is not feasible to compute a "pure" two-year time-weighted rate of return for this limited group of plans. In these few cases, two-year return figures are derived using one-year rates weighted for beginning assets. The results should closely approximate the two-year time-weighted rate.

Notes to Table 3

Table 3 includes investment performance and other data on 703 plans with assets of less than \$10 million at the beginning of 1998. The plans are listed in alphabetical order.

Below is a description of data included in selected columns found in Table 3:

<u>Column Heading</u>	<u>Description</u>
Plan Type	LS = Lump Sum DC = Defined Contribution MO = Monthly ML = Monthly / Lump Sum
Members	Active plus Inactive members.
Beginning Assets	Cash plus net accruals at 1/1/98.
State Aid	Total of all Fire State Aid, Police State Aid and Supplemental Benefit Reimbursements received.
Municipal Contrib	Municipal Contributions.
Investment Earnings	Realized and unrealized investment gains, less investment management fees and investment advisor fees.
Ending Assets 12/31/98	Market value of assets, generally excluding accruals such as receivables and payables, but including interest and dividends receivable.
Assets @ SBI	Percent of assets invested through the SBI at 12/31/98.
Allocations 12/31/98	Stocks = domestic and international. Bonds = domestic and international. Cash = CD's, money market accounts, money market mutual fund shares, etc. Other = real estate, limited partnerships, venture.
Rates of Return	Actual time-weighted rate of return for each year and the two year period ending December 31, 1998.
Rank (%-ile) / 2 Yr Return	Percentile ranking among all 703 small funds based on two-year rate of return. <i>Example:</i> Adrian's rank = 81. That means Adrian's two-year rate of return put the fund in the 81 st percentile of all small plans (80% of all plans had a lower rate of return).

Table 3: Plans with Assets Less than \$10 Million

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
ADA	LS	23	177,275	9,427		8,703					100		3.4	4.9	4.1	3%
ADAMS	LS	25	109,061	7,400		5,963					100		3.2	6.7	5.0	8%
ADRIAN	LS	25	156,817	7,829	5,171	2,544	183,229		58	18	24		16.5	13.8	15.1	81%
AITKIN	LS	33	369,954	21,261	10,000	38,478	438,043		51	15	34		11.3	9.8	10.6	51%
ALASKA	DC	22	24,810	4,697		1,552	31,712				73	27	5.9	5.9	5.9	21%
ALBANY	DC	26	249,513	8,946	10,000	28,262	268,290		27	26	47		10.7	11.7	11.2	56%
ALBERT LEA	LS	24	224,538	4,697	16,700	16,499	256,629		50	36	14		12.2	6.3	9.2	42%
ALBERTVILLE	LS	34	104,576	12,257	6,861	14,928	141,193		50	4	46		6.0	15.1	10.5	51%
ALBORN	LS	16	54,786	5,637		5,528	65,793	48	35	12	53		13.2	9.6	11.3	57%
ALDEN	LS	28	72,605	7,202	1,050	6,315	79,682	31	54		46		6.3	7.7	7.0	28%
ALEXANDRIA	LS	36	1,146,538	59,558	50,933	178,157	1,383,820		69	14	17		6.7	14.2	10.4	50%
ALMELUND	LS	27	62,017	8,142		12,952	83,754	88	76	10	14		27.6	18.8	23.1	99%
ALPHA	LS	13	90,440	4,697		5,244	99,992		16		84		9.0	5.8	7.4	31%
ALTURA	LS	23	66,402	6,576		3,011	66,075				100		4.6	4.6	4.6	6%
AMBOY	LS	20	102,779	6,576		11,132	120,487	50	29	21	50		13.1	11.2	12.1	62%
ANDOVER	DC	66	1,042,465	57,830	33,750	110,743	1,104,209		50	32	7	11	16.9	11.6	14.2	77%
ANNANDALE	LS	31	208,177	19,248	6,000	2,917	195,463		3	33	64		5.0	1.7	3.3	2%
ANOKA-CHAMPLIN	DC	54	3,229,650	114,442		562,425	3,769,999		59	21	19	1	13.4	17.2	15.2	82%
APPLE VALLEY	ML	88	2,423,763	128,542	122,557	148,356	2,706,581		70	22	8		15.6	6.2	10.8	54%

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
APPLETON	LS	21	241,323	11,213		33,748		68	24	8		18.0	15.5	16.7	88%	
ARGYLE	LS	27	114,654	7,829		8,301	15	17	34	49		6.9	6.7	6.8	27%	
ARLINGTON	LS	33	180,021	10,935	56	7,221			60	31	9	8.6	5.7	7.1	29%	
ASHBY	DC	26	109,364	7,516	4,000	5,861	19	4	1	95		4.7	5.7	5.2	11%	
ASKOV	LS	20	72,805	5,637	500	7,827	41	26	13	61		11.0	10.2	10.6	52%	
ATWATER	LS	21	151,427	6,709		24,496		73	20	7		20.8	15.5	18.1	91%	
AUDUBON	LS	27	164,906	7,516		25,799		68	16	16		22.4	15.2	18.7	93%	
AURORA	LS	27	463,391	6,889	221	33,294	20	72	23	5		13.1	10.5	11.8	59%	
AUSTIN	DC	31	221,760	41,400		33,261	30	80	6	14		18.2	15.3	16.8	88%	
AVON	LS	25	155,424	14,360		9,920				100		5.4	5.5	5.4	14%	
BABBITT	LS	32	282,911	7,829	6,000	22,557		87	12	1		11.3	7.6	9.5	44%	
BACKUS	LS	20	235,786	6,795	13,500	18,531		40		60		5.0	7.5	6.3	24%	
BADGER	LS	25	118,649	5,637		1,059		40	30	30		6.1	0.7	3.3	1%	
BAGLEY	LS	32	261,492	11,319	747	17,175		5	22	73		7.9	7.2	7.5	32%	
BALATON	LS	26	100,717	8,142		3,713				100		7.2	3.6	5.4	14%	
BALSAM	LS	24	151,124	6,263	7,000	31,354	100	78	19	3		27.0	20.0	23.5	99%	
BARNESVILLE	LS	29	232,632	11,332	3,900	18,216		59	21	20		11.8	8.1	9.9	46%	
BARNUM	LS	23	213,844	7,829		7,834		59	32	9		14.1	3.1	8.5	38%	
BARRETT	LS	20	71,760	5,010		4,664				100		6.5	5.9	6.2	24%	
BATTLE LAKE	LS	21	197,284	10,844		13,465		1	91	8		8.2	6.7	7.5	31%	

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
BAUDETTE	LS	24	351,915	9,105		51,550		61	38	1		14.1	14.0	14.0	75%	
BAYPORT	LS	27	1,262,679	44,285		238,582		54	38	8		22.5	18.0	20.2	96%	
BEARDSLEY	LS	21	70,764	6,263		1,684		74	23	3		6.4	2.3	4.3	4%	
BEAVER BAY	LS	23	78,647	4,384	7,800	1,689				100		3.9	2.1	3.0	1%	
BEAVER CREEK	LS	18	89,971	5,010	1,000	11,131	15	36	7	57		5.9	17.8	11.7	59%	
BECKER	LS	37	748,557	35,736	4,500	28,624		56	34	10		16.4	3.9	10.0	46%	
BELGRADE	LS	26	178,139	7,829	3,000	20,308		35	12	53		9.8	12.0	10.9	54%	
BELLE PLAINE	LS	32	341,541	17,258	2,235	42,943	22	67	28	5		15.6	12.5	14.1	75%	
BELLINGHAM	LS	25	104,653	6,263		15,795		60	3	31	6	14.5	14.5	14.5	78%	
BELVIEW	LS	25	87,439	7,516	463	4,573				100		6.1	5.0	5.6	17%	
BEMIDJI PIONEER	LS	41	1,319,685	75,067	3,324	145,871		45	40	13	2	15.7	9.5	12.6	65%	
BENSON	ML	50	305,371	15,671	10,931	34,889	38	27	25	48		13.3	12.1	12.7	66%	
BERTHA	LS	21	82,928	6,263		4,349	26	16	9	75		5.1	7.0	6.1	23%	
BETHEL	LS	12	39,082	3,445		5,861		52	46	2		16.5	14.7	15.6	83%	
BIG LAKE	LS	33	255,656	26,510	6,000	18,814		25	46	29		6.3	5.8	6.1	23%	
BIGELOW	LS	21	25,754	2,070		2,377		21	79			8.2	7.4	7.8	34%	
BIGFORK	LS	21	193,370	9,649		23,916	54	52	3	45		11.8	12.0	11.9	60%	
BIRD ISLAND	LS	27	95,962	8,380	1,875	8,116	21	18	3	79		6.0	8.1	7.1	29%	
BIWABIK	LS	25	275,661	6,869	10,000	40,712		79	21			13.5	14.2	13.8	74%	
BIWABIK TWNSHP	LS	18	64,388	7,202	1,000	9,940	24	59	22	19		17.8	15.1	16.5	86%	

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
BLACKDUCK	LS	27	203,363	8,047	1,500	4,145	212,661		70	22	8		17.2	2.0	9.4	43%
BLACKHOOF	LS	21	45,471	6,263		3,348	54,870		36	41	23		14.0	7.4	10.7	52%
BLOMKEST	LS	18	103,748	5,189	1,500	5,909	115,943		9	10	81		4.9	6.1	5.5	15%
BLOOMING PRAIRIE	LS	27	257,087	15,074	4,078	15,355	274,534			92	8		4.7	6.2	5.4	14%
BLUE EARTH	LS	31	453,969	15,433	12,000	44,003	480,381		83	12	5		15.8	10.8	13.3	70%
BLUFFTON	LS	13	41,696	5,010		2,775	42,470				100		4.1	6.8	5.4	14%
BOVEY	LS	21	149,243	6,263	10,000	2,629	167,279		13	21	66		0.8	1.8	1.3	1%
BOWLUS	LS	20	85,792	6,576		3,980	96,094				87	13	5.9	4.6	5.3	12%
BOYD	LS	23	79,740	5,950		9,147	93,377		35		65		12.1	10.5	11.3	56%
BRAHAM	LS	32	236,895	12,523		18,440	260,028		65	27	8		17.1	12.0	14.5	78%
BRAINERD	LS	42	2,087,674	92,149	13,445	277,093	2,326,341		50	42	1	7	10.4	12.3	11.3	57%
BRANDON	LS	23	115,899	7,829	3,100	15,243	140,461		67	6	27		12.3	12.6	12.4	64%
BRECKENRIDGE	LS	31	377,540	14,860	8,000	27,653	343,681		16	76	8		12.0	7.8	9.9	46%
BREITUNG	LS	23	54,511	6,576	4,000	741	71,335		45	15	40		6.9	1.1	3.9	3%
BREVATOR	LS	14	47,256	6,263		9,628	58,812		44	51	5		16.2	19.9	18.0	91%
BREWSTER	DC	29	125,706	7,309		8,838	141,744		17		83		5.3	7.0	6.1	23%
BRICELYN	LS	23	99,663	6,889		14,364	121,716	92	58	30	12		9.3	14.1	11.7	59%
BRIMSON	LS	18	35,175	5,010		6,771	46,856		95	5			28.4	18.8	23.5	99%
BROOK PARK	LS	17	81,273	5,324		1,161	92,697			93	7		11.1	1.6	6.3	24%
BROOKLYN CENTER	ML	76	2,966,187	87,036	20,179	212,010	3,063,717		47	35	18		10.4	7.2	8.8	40%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr
																Return
BROOKLYN PARK	DC	110	4,733,615	180,170	17,405	861,138	5,459,953	100	71	25	4		9.0	18.6	14.1	76%
BROOTEN	LS	23	171,937	6,576	170	26,639	205,322	66	66		34		17.8	16.0	16.9	89%
BROWERVILLE	LS	25	175,397	6,951	800	10,192	174,970				100		6.1	6.1	6.1	24%
BROWNS VALLEY	LS	19	119,980	6,576	92	12,340	139,609		51		49		10.8	9.8	10.3	50%
BROWNSDALE	LS	20	110,119	6,263	72	-4,988	116,516		78	8	14		6.7	-4.5	0.9	0%
BROWNTON	LS	29	131,125	6,889	9,204	11,651	142,278		59	27	14		8.9	9.9	9.4	44%
BUFFALO	LS	28	473,885	41,413		40,441	471,546		65	17	18		19.4	8.4	13.7	73%
BUFFALO LAKE	LS	26	165,750	7,516	4,000	29,557	206,206	77	66	11	23		22.7	16.9	19.8	95%
BUHL	LS	21	104,453	5,637		16,085	124,975		66	7	23	4	11.3	16.1	13.7	73%
BUTTERFIELD	LS	26	102,365	7,516	3,500	5,049	117,825				100		4.7	4.0	4.4	5%
BYRON	LS	37	204,288	15,247	1,000	26,552	230,840		81	13	6		13.8	13.1	13.5	72%
CALEDONIA	LS	36	245,742	14,270	2,400	13,523	249,841	21	16	5	79		7.9	6.8	7.3	30%
CALLAWAY	DC	25	92,693	5,637		5,477	82,721				100		6.7	6.0	6.4	25%
CALUMET	LS	22	175,539	6,576	10,000	11,904	175,484				34	66	8.0	6.2	7.1	29%
CAMBRIDGE	LS	22	415,559	36,784		62,883	477,881		78	22			14.2	15.1	14.6	79%
CAMPBELL	LS	26	91,051	8,142		6,597	101,779		58	40	2		4.8	6.9	5.9	21%
CANBY	LS	27	434,234	9,590	3,000	61,775	507,093	34	56	39	5		17.6	14.0	15.8	85%
CANNON FALLS	LS	32	446,238	24,312		32,329	408,543		56	16	28		14.8	8.9	11.8	59%
CANOSIA	LS	21	115,657	6,263	5,000	4,659	117,829				100		5.0	4.2	4.6	6%
CANTON	LS	20	69,962	5,950		3,942	79,401				100		5.6	5.6	5.6	17%

- Table 3 continued -

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
CARLOS	LS	30	343,800	8,768	25,500	49,921	419,715		71	3	18	8	17.3	14.0	15.6	83%
CARLTON	LS	26	288,142	9,170	4,619	34,745	305,539	31	31	51	18		9.9	13.7	11.8	60%
CARSONVILLE	LS	21	56,472	5,950		5,779	72,201		28	21	42	9	14.6	16.9	15.8	84%
CARVER	LS	25	234,117	8,455	12,500	17,168	265,504		27	21	52		14.1	6.3	10.1	48%
CASS LAKE	LS	19	360,668	17,320	6,582	33,590	413,052		68	25	7		16.0	9.2	12.6	65%
CATARACT	LS	40	621,683	35,766	45,000	102,796	802,169	20	72	4	24		16.5	17.1	16.8	88%
CENTENNIAL	LS	57	999,087	56,717	29,750	133,366	1,213,945		71	20	9		17.9	13.1	15.5	82%
CENTER CITY	LS	22	184,761	5,637	5,000	23,240	209,329	35	49	9	42		14.9	12.7	13.8	74%
CEYLON	LS	24	94,208	6,576		9,669	111,636		49	6	45		5.3	9.6	7.4	31%
CHANDLER	LS	24	108,491	5,324	618	6,146	110,634				100		5.8	5.7	5.7	20%
CHANHASSEN	ML	58	1,057,098	61,426	10,574	135,936	1,217,686		42	38	7	13	18.4	12.6	15.4	82%
CHASKA	MO	67	2,060,802	47,860	104,393	182,780	2,263,939	25	39	32	15	14	14.6	9.5	12.0	61%
CHATFIELD	LS	26	189,348	12,665		12,017	197,031				100		6.4	6.4	6.4	25%
CHERRY	LS	21	75,936	6,263	100	10,506	93,140		85		15		14.4	13.6	14.0	75%
CHISAGO CITY	LS	26	448,822	15,029	14,677	64,603	493,615	98	48	47	5		19.4	15.2	17.3	89%
CHISHOLM	LS	29	673,339	17,277		141,707	829,649		80	11	7	2	17.8	20.9	19.3	94%
CHOKIO	LS	21	112,711	6,889		14,456	123,201		63	24	13		16.7	12.7	14.7	79%
CLARA CITY	LS	22	184,677	8,223		19,313	196,066		31	68	1		14.5	10.8	12.6	65%
CLAREMONT	LS	20	97,033	4,697	3,500	11,477	102,121		49		51		11.1	12.6	11.8	60%
CLARISSA	LS	22	94,236	7,516	1,933	6,220	73,152		66	7	27		8.7	7.7	8.2	36%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
CLARKFIELD	LS	35	172,506	8,768	750	27,057	208,302	88	54	32	14		22.1	16.0	19.0	94%
CLARKS GROVE	LS	25	125,083	5,850		13,962	146,539		54	33	13		15.2	10.9	13.0	68%
CLEAR LAKE	LS	26	217,633	12,416	6,163	21,009	259,881	100	82	16	2		23.5	20.4	21.9	98%
CLEARBROOK	LS	22	261,857	8,330		33,346	277,611		69	14	17		16.3	14.0	15.1	81%
CLEARWATER	LS	32	182,312	9,918	4,444	15,574	196,920		42	20	4	34	12.3	8.5	10.4	50%
CLEMENTS	LS	20	50,206	6,889	1,875	3,984	62,314		54	26	20		15.8	7.1	11.4	57%
CLEVELAND	LS	26	161,074	7,737	11,000	10,966	191,776	20	6	3	91		6.0	4.3	5.2	10%
CLIFTON	LS	24	89,619	6,263	2,200	12,731	110,940		36	58	6		14.3	14.0	14.1	76%
CLIMAX	LS	19	34,876	5,324		2,052	41,977				100		7.5	5.7	6.6	27%
CLINTON - Big Stone	LS	21	85,101	6,576	3,000	6,192	85,464				100		6.3	4.8	5.1	9%
CLINTON - St. Louis	LS	23	109,089	5,637		7,140	119,035		53	10	37		12.0	6.5	9.2	42%
COHASSET	LS	24	527,702	19,555	3,445	4,260	550,313			62	38		8.3	8.0	8.1	36%
COKATO	LS	27	303,862	13,884	5,400	38,240	339,495		72	22	6		11.6	12.4	12.0	61%
COLD SPRING	LS	34	442,643	19,959	12,995	65,726	539,363		60	15	25		14.2	13.3	13.7	74%
COLERAINE	LS	23	136,645	6,263	10,225	7,601	159,012		14	6	80		9.5	5.5	7.5	31%
COLOGNE	DC	39	141,805	8,455	1,500	20,576	171,423		91	6	3		14.5	13.7	14.1	76%
COLUMBIA HEIGHTS	DC	22	835,427	54,501		91,662	893,324		33	54	13		10.9	11.5	11.2	56%
COLVIN	LS	25	67,083	4,697	2,720	9,576	72,726		49	45	6		17.1	14.3	15.7	84%
COMFREY	LS	25	135,936	7,202	4,000	6,245	153,279				100		4.4	4.4	4.4	5%
COOK	LS	20	270,196	8,631	3,000	32,038	312,640		50	12	38		10.5	11.7	11.1	56%

- Table 3 continued -

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
COON RAPIDS	DC	54	2,980,870	170,214		272,758		36	57	7		15.4	9.1	12.2	62%	
COSMOS	LS	24	145,633	5,142		18,223		47	42	11		16.1	12.3	14.2	76%	
COTTAGE GROVE	LS	72	1,509,630	76,724		241,018		88	3	9		19.4	16.6	18.0	90%	
COTTON	LS	22	36,635	9,395		2,104			100			8.7	5.0	6.9	28%	
COTTONWOOD	LS	37	165,532	8,768		18,018		41	39	20		8.1	10.7	9.3	43%	
COURTLAND	LS	25	161,595	6,889	4,000	17,309		34	6	60		11.9	8.6	10.2	49%	
CRANE LAKE	DC	13	40,457	3,758		7,243	100	72	14	14		22.7	18.0	20.4	97%	
CROMWELL	LS	20	137,334	8,455	11,329	5,337		1	59	40		8.9	5.5	7.2	29%	
CROOKED LAKE	LS	18	62,859	5,950		10,539		45	26	29		21.0	16.2	18.6	93%	
CROOKSTON	LS	30	355,107	12,761	10,000	40,149		59	38	3		18.1	14.9	16.5	87%	
CROSBY	LS	32	389,221	11,641	13,000	34,194		65	26	9		15.7	8.9	12.2	63%	
CROSSLAKE	DC	35	419,853	13,956	12,650	38,734		53	27	20		14.1	9.2	11.6	59%	
CRYSTAL	DC	50	1,668,358	68,644	4,644	316,708		78	5	17		12.6	18.6	15.6	83%	
CURRIE	LS	20	102,661	6,889	1,189	8,782		22		78		6.4	8.8	7.6	32%	
CUYUNA	LS	21	69,532	7,517	1,260	3,052				100		4.5	4.4	4.5	5%	
CYRUS	LS	19	54,501	5,637		2,819		12		88		4.6	5.0	4.8	7%	
DALBO	DC	29	74,050	7,202		9,995		66	31	3		13.3	12.9	13.1	68%	
DALTON	LS	30	111,484	7,516	1,167	5,791				100		5.5	5.7	5.6	17%	
DANUBE	LS	22	106,675	5,637		5,334		36	28	36		9.3	5.1	7.2	29%	
DANVERS	LS	14	18,145	5,010		1,072				100		5.2	5.3	5.2	11%	

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
DARFUR	LS	19	56,607	5,010		2,772					100		11.2	3.3	7.2	29%
DASSEL	LS	34	446,704	14,833	20,241	38,032		66	23	11			13.7	8.2	10.9	54%
DAWSON	LS	29	303,774	9,812	12,000	55,883	85	67	16	17			22.9	17.8	20.3	96%
DAYTON	LS	30	246,234	14,818	6,000	20,408		27	44	6	23		10.2	8.0	9.1	41%
DEER CREEK	LS	18	62,891	6,263	2,260	10,228	84	61	20	19			5.1	16.0	10.4	51%
DEER RIVER	LS	26	246,130	15,193		40,597		62	24	12	2		20.0	16.4	18.2	91%
DEERWOOD	LS	22	129,244	8,946	6,000	17,434	63	40	21	39			15.1	12.9	14.0	75%
DELANO	LS	32	274,917	19,737	16,262	20,597		38	50	12			6.0	6.9	6.5	25%
DELAVAN	LS	20	109,969	5,950	1,600	5,452				100			5.5	5.2	5.4	13%
DENT	LS	23	51,043	7,516		4,541		68		32			16.4	7.7	12.0	61%
DETROIT	LS	52	761,655	39,726	8,355	71,213		32	47	21			9.5	9.2	9.4	43%
DEXTER	LS	21	70,815	5,010		3,642				100			6.9	5.2	6.0	22%
DILWORTH	LS	28	388,621	15,220	8,975	74,538		68	27	5			16.0	18.8	17.4	89%
DODGE CENTER	LS	21	239,975	8,594		21,695		54	12	34			11.5	9.8	10.6	52%
DONNELLY	DC	31	51,551	8,455		3,568		52	32	16			8.4	5.2	6.8	27%
DOVER	LS	23	105,204	6,576	6,110	12,811	98	36	36	28			13.9	12.4	13.1	69%
DUMONT	LS	23	43,465	6,263		2,093				100			4.5	4.7	4.6	6%
DUNNELL	LS	15	70,934	4,697		3,744				100			5.0	5.2	5.1	10%
EAGAN	DC	113	3,270,212	194,397	135,347	618,200	4,149,950	69	15	16			12.0	18.2	15.0	81%
EAGLE BEND	LS	27	119,043	7,829	5,245	5,221	127,403			100			4.9	3.8	4.3	5%

- Table 3 continued -

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
EAGLE LAKE	LS	29	258,544	8,509	16,741	12,092	208,360				100		6.7	5.3	6.0	22%
EAST BETHEL	LS	35	475,484	25,640	2,800	59,852	532,226		71	29			10.5	13.1	11.8	60%
EAST GRAND FORKS	LS	30	503,536	31,525		32,634	551,492				100		14.8	6.1	10.4	51%
EASTERN HUBBARD	LS	22	50,060	5,637	3,700	5,377	65,814		50		50		12.6	13.2	12.9	67%
EASTON	LS	25	140,853	7,202	1,260	17,463	166,081		53	3	44		9.7	12.1	10.9	55%
ECHO	LS	23	111,048	6,576	950	7,695	127,069		44	4	52		8.1	6.6	7.4	30%
EDEN PRAIRIE	ML	110	6,705,177	200,834	327,166	1,147,640	8,093,919		64	26	10		18.8	17.6	18.2	92%
EDEN VALLEY	LS	27	260,276	8,316	3,000	18,079	283,380		70	29	1		17.0	6.8	11.8	60%
EDGERTON	LS	24	148,194	7,944	3,972	23,399	183,288	76	58	16	26		17.8	15.2	16.5	87%
EDINA	DC	47	4,696,184	228,268		577,291	4,970,955	54	48	49	3		13.0	12.5	12.8	67%
EITZEN	LS	27	51,310	7,830	604	5,658	67,148		3	25	72		5.3	10.7	7.9	34%
ELBOW LAKE	DC	31	256,028	8,455	2,000	41,502	298,400	70	75	18	7		20.4	16.3	18.3	92%
ELBOW-TULABY LK	LS	15	14,854	2,818		1,013	18,536				100		6.2	6.0	6.1	23%
ELGIN	DC	41	164,647	9,543		12,477	186,210		28		72		7.2	7.3	7.2	30%
ELIZABETH	LS	23	138,222	6,576	1,000	12,402	151,920		56	31	13		14.3	12.6	13.4	72%
ELK RIVER	LS	34	1,192,103	59,352	20,150	120,631	1,389,970	29	29	40	31		10.1	9.9	10.0	46%
ELLENDALE	LS	24	56,253	5,950	3,000	3,686	68,819				100		5.3	6.0	5.6	18%
ELLSBURG	DC	10	0	703	440	118	1,618		100				0.0	10.7	10.7	52%
ELLSWORTH	LS	30	99,804	7,829		5,732	116,368				100		5.6	5.6	5.6	17%
ELMER	LS	15	24,070	5,010		1,109	29,929				100		4.9	4.5	4.7	6%

- Table 3 continued -

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
ELMORE	LS	20	108,058	7,516	600	9,976	123,193	16	64	24	12		11.3	8.7	10.0	47%
ELROSA	LS	34	101,536	9,395	8,000	14,716	132,852		38	51	9	2	16.4	13.2	14.8	80%
ELY	LS	30	464,702	21,683		52,858	476,688		48	43	9		13.3	12.1	12.7	66%
ELYSIAN	LS	25	137,923	6,576	1,026	12,166	132,072		25	38	37		7.4	9.0	8.2	37%
EMBARRASS	DC	27	66,534	5,950		2,950	67,940				100		5.6	4.9	5.2	11%
EMILY	LS	25	126,415	5,950	158	12,216	142,082				12	88	8.9	9.7	9.3	42%
EMMONS	LS	24	127,285	7,202		17,774	129,504	69	60	8	32		18.0	15.7	16.8	89%
ERSKINE	DC	23	48,773	5,950	2,000	5,176	60,526		19	32	49		5.5	10.6	8.0	35%
EVANSVILLE	LS	30	84,514	9,394		4,862	97,945				100		7.2	5.7	6.5	26%
EVELETH	LS	24	178,970	10,051	3,949	10,383	182,153		36	21	43		11.2	5.9	8.5	39%
EXCELSIOR	LS	39	1,654,208	68,584		303,152	2,017,704	92	69	21	10		20.2	17.8	19.0	93%
EYOTA	LS	17	123,056	8,402	1,700	6,398	122,915				100		6.6	5.5	6.0	22%
FAIRFAX	LS	29	406,279	9,045	4,759	21,892	440,006				100		5.6	5.4	5.5	14%
FAIRMONT	ML	50	2,006,916	43,786	22,730	197,191	2,066,823		54	37	6	3	12.7	10.3	11.5	58%
FAIRMONT POLICE	PP	16	6,561,652	5,829	8,011	708,163	6,947,227	38	30	54	2	14	13.2	11.5	12.4	64%
FALCON HEIGHTS	DC	43	790,427	27,652		121,774	908,787		73	20	7		17.6	15.4	16.5	87%
FAYAL	LS	20	138,103	6,889	6,000	17,245	168,237	27	54	43	2	1	14.5	12.1	13.3	71%
FEDERAL DAM	LS	15	11,611	2,818		1,005	15,434		94	1	5		41.1	9.1	24.1	100%
FERGUS FALLS	LS	55	1,094,982	49,959	1,700	75,495	1,180,685	68	46	42	12		9.5	6.8	8.1	36%
FERTILE	LS	26	121,198	8,051		19,519	148,768		75	10	2	13	28.0	15.2	21.4	98%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr
																Return
FIFTY LAKES	LS	16	69,351	4,071	2,500	4,328	74,199				100		4.5	6.3	5.4	13%
FINLAND	LS	19	58,456	6,889		3,476	68,991				100		5.5	5.8	5.7	18%
FINLAYSON	LS	25	36,847	9,394		2,267	48,396				100		5.8	5.9	5.8	21%
FISHER	DC	24	45,462	8,142		2,536	48,283		21	7	72		5.1	5.6	5.4	13%
FLENSBURG	LS	20	22,121	6,890		2,021	30,207		64	1	35		-0.2	7.0	3.3	2%
FLOODWOOD	LS	26	210,166	8,455	8,012	20,814	245,473		81	6	13		19.4	9.8	14.5	78%
FOLEY	LS	24	422,826	22,761	2,500	23,501	460,364		29	61	10		9.9	10.4	10.2	48%
FORADA	LS	26	96,077	7,516	3,028	7,636	113,527		38	7	55		8.5	7.9	8.2	37%
FOREST LAKE	LS	31	843,116	59,719		136,317	1,037,453	42	56	22	21	1	21.4	15.6	18.5	93%
FORESTON	LS	28	156,931	7,202	2,000	36,468	200,602		71		27	2	21.3	22.7	22.0	98%
FOSSTON	DC	26	177,736	10,296	2,000	7,309	180,208				100		5.3	4.5	4.9	8%
FOUNTAIN	DC	22	47,740	6,263		1,626	55,629			35	65		8.2	3.4	5.8	20%
FRANKLIN	LS	23	140,240	6,263	6,263	9,155	143,882				100		6.5	6.9	6.7	27%
FRAZEE	LS	26	201,159	10,370	2,760	7,689	209,314	7	82	4	4	10	13.2	5.6	9.3	43%
FREDENBERG	LS	17	71,726	4,697	1,000	8,493	85,566		37	31	26	6	18.3	11.5	14.9	80%
FREEPORT	DC	25	172,630	7,313	873	12,293	192,650		20	22	58		8.8	7.0	7.9	34%
FRENCH TWNSHP	LS	32	60,681	7,829	1,171	14,811	84,492		90	4	6		22.9	21.9	22.4	98%
FRIDLEY	DC	37	2,247,767	97,482		124,600	2,185,284		39	41	20		9.5	5.8	7.6	33%
FROST	LS	23	79,756	6,889	1,500	8,481	98,534	30	26	3	71		10.3	10.3	10.3	49%
FULDA	LS	27	301,860	10,079	4,000	19,506	332,765		2		98		6.3	6.4	6.3	25%

- Table 3 continued -

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
GARFIELD	LS	27	118,615	7,516	1,250	13,175	131,965		17	37	46		10.8	11.1	10.9	55%
GARRISON	LS	23	285,477	11,675	1,593	38,985	339,934		72	28			16.1	13.2	14.6	79%
GARVIN	LS	14	32,311	4,697		6,423	42,533		41	12	47		2.6	19.5	10.7	53%
GARY	DC	22	34,356	5,010		1,538	40,804				100		4.1	4.0	4.0	3%
GAYLORD	LS	28	332,658	10,843	2,600	68,884	413,627		77	8	15		15.4	20.6	18.0	90%
GENEVA	LS	19	0	2,718	6,792	-240	9,270		30	37	33		0.0	-3.9	-3.9	0%
GHENT	LS	16	44,237	5,010		3,915	50,673		7		93		8.0	9.2	8.6	39%
GIBBON	DC	26	257,530	8,570	1,000	13,802	221,809				100		5.8	5.6	5.7	19%
GILBERT	LS	22	276,364	6,263		42,730	323,149				43	57	16.2	15.4	15.8	85%
GLENCOE	ML	59	546,883	20,778	58,342	74,665	623,923		48	34	18		11.8	14.5	13.1	69%
GLENVILLE	DC	32	54,609	8,455		2,390	58,171		75		25		5.9	4.3	5.1	9%
GLENWOOD	LS	28	165,354	14,392	11,403	8,604	113,081			79	20	1	6.1	3.2	4.7	6%
GLYNDON	LS	27	179,097	8,142		15,784	175,255		23	69	8		11.2	9.9	10.6	51%
GNESEN	LS	26	166,269	7,829	6,400	6,860	157,529			66	34		6.6	4.8	5.7	18%
GOLDEN VALLEY	LS	67	2,935,948	85,940		571,400	3,488,961	97	78	17	5		27.0	20.0	23.5	99%
GONVICK	LS	20	83,369	6,263	5,000	10,248	98,264	54	44	8	48		15.4	11.3	13.3	71%
GOOD THUNDER	LS	29	284,020	7,817	5,000	39,853	324,693	83	74	11	15		16.6	14.0	15.3	82%
GOODHUE	DC	27	314,733	16,690		39,953	371,376		73		27		14.7	12.2	13.4	72%
GOODLAND	LS	18	26,712	5,637		2,386	33,890	24	24		76		5.3	8.9	7.1	29%
GOODVIEW	LS	33	282,907	9,394	2,000	24,487	288,866		63	24	13		18.5	9.0	13.6	73%

- Table 3 continued -

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
GRACEVILLE	LS	26	118,162	7,829	2,500	10,717		41	31	28		10.8	9.5	10.1	48%	
GRANADA	LS	18	122,743	5,324	2,000	15,115		61	13	23	3	13.9	13.7	13.8	74%	
GRAND LAKE	LS	30	134,467	9,394	3,500	13,238		35	36	29		10.9	9.7	10.3	50%	
GRAND MARAIS	LS	27	278,920	9,394		27,355	48	34	39	27		13.3	10.9	12.1	62%	
GRAND MEADOW	LS	29	138,231	8,729		22,518	60	63	26	11		23.0	15.9	19.4	94%	
GRAND RAPIDS	LS	28	1,235,786	57,201	5,000	59,465	1,114,869	68	31	1		14.9	4.9	9.7	45%	
GRANITE FALLS	LS	29	248,176	13,458		14,017	267,051		36	24	25	15	8.7	5.9	7.3	30%
GREEN ISLE	LS	25	166,847	7,516		10,894	177,618		90	6	4		14.5	10.4	12.4	64%
GREENBUSH	LS	33	90,688	6,356		12,718	109,430		68	3	28	1	22.6	13.9	18.2	92%
GREENWOOD	LS	22	148,827	9,394	8,693	21,582	165,724	58	60	19	21		16.7	14.3	15.5	83%
GREY EAGLE	LS	25	123,167	6,114	1,000	12,914	140,478	49	45	17	38		10.2	10.2	10.2	48%
GROVE CITY	LS	25	93,214	12,832		15,892	121,174		78	17	5		17.1	15.5	16.3	86%
GRYGLA	LS	20	36,384	6,263		5,437	47,859		49	25	26		11.4	14.9	13.1	69%
HACKENSACK	LS	22	131,656	7,241	11,500	10,989	161,766	18	11	6	83		10.0	8.1	9.1	41%
HALLOCK	LS	31	160,540	8,768		8,848	178,157				100		5.1	5.4	5.2	11%
HALSTAD	LS	26	69,227	7,516		3,535	80,278				100		5.2	4.8	5.0	9%
HAM LAKE	LS	32	549,157	31,570		68,094	646,545		66	29	5		13.9	11.8	12.8	67%
HAMBURG	LS	31	141,074	8,455	7,541	16,296	139,563		48	9	43		7.5	10.2	8.8	40%
HAMEL	LS	34	394,807	16,695	4,500	69,222	466,180	92	72	14	14		21.6	18.2	19.9	95%
HAMPTON	LS	21	105,927	5,324		24,404	132,775		81	14	5		23.3	22.5	22.9	99%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
HANCOCK	LS	24	108,031	7,202		4,124			35	65			5.2	3.8	4.5	5%
HANLEY FALLS	LS	29	64,116	7,202	200	2,954		18		82			5.0	4.8	4.9	8%
HANOVER	LS	29	140,206	16,192	6,500	12,276		39	58	3			7.9	8.1	8.0	35%
HANSKA	LS	26	90,657	7,829	100	5,179			1	99			5.2	5.7	5.5	15%
HARDWICK	DC	22	81,117	5,637		4,088				100			5.7	5.4	5.5	16%
HARMONY	LS	31	112,208	7,829		9,035	18	18		82			4.7	8.3	6.5	26%
HARRIS	LS	21	68,915	2,677	1,500	7,241		53	24	9	14		15.8	10.5	13.1	69%
HARTLAND	LS	25	102,620	6,576		5,792		2		98			5.7	5.8	5.7	19%
HASTINGS	LS	55	1,721,209	78,288		149,505	1,879,161	61	36	3			14.3	8.6	11.4	57%
HAWLEY	DC	25	233,008	10,350	5,500	28,498	276,095	37	30	59	10	1	11.9	12.1	12.0	61%
HAYFIELD	LS	29	191,836	11,295	12,448	11,982	209,060	37	28	35			10.7	6.3	8.5	38%
HAYWARD	LS	25	191,943	6,889	9,400	31,446	238,873	80	92	6	2		24.5	15.6	20.0	95%
HECTOR	LS	27	276,279	9,582	3,800	47,673	334,256	100	63	33	4		23.4	17.3	20.3	96%
HENDERSON	LS	25	154,324	7,516	802	12,364	157,449	60	7	33			13.8	13.3	13.5	73%
HENDRICKS	LS	30	121,905	7,829	2,883	5,843	140,354	11	5	83	1		5.5	4.7	5.1	9%
HENDRUM	LS	28	39,610	5,950		1,803	41,215			100			4.0	4.6	4.3	4%
HENNING	LS	25	156,737	7,516	3,363	21,546	172,162	69	19	12			16.9	14.2	15.5	83%
HERMAN	LS	25	88,676	7,829		7,461	88,072	47		53			7.5	9.4	8.4	38%
HERMANTOWN	LS	45	600,633	22,470	52,401	58,812	707,725	47	46	7			9.8	9.5	9.7	45%
HERON LAKE	LS	19	186,664	6,263	1,306	10,783	193,527			100			5.4	6.0	5.7	19%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr
																Return
HEWITT	LS	12	49,994	4,384		2,720					100		5.8	5.8	5.8	20%
HIBBING	LS	27	329,725			61,591	48	75	13	9	3		18.7	27.1	22.8	98%
HILL CITY	LS	31	76,394	7,202		9,907		72	19	9			16.6	12.9	14.7	80%
HILLS	LS	25	92,593	8,142	2,530	4,175		19	28	50	3		5.2	0.4	2.7	1%
HINCKLEY	LS	29	226,966	11,640	818	17,574	18	13	60	27			11.0	7.6	9.3	43%
HITTERDAL	LS	25	45,647	4,697	300	4,205		8	74	18			5.6	9.7	7.6	33%
HOFFMAN	LS	26	125,553	7,516		6,368				100			5.6	5.4	5.5	16%
HOKAH	LS	31	98,940	9,394		9,797		53		47			15.0	10.0	12.4	64%
HOLDINGFORD	LS	26	192,119	7,516	3,000	25,042	9	44	15	41			13.6	12.7	13.1	70%
HOLLAND	LS	20	50,479	6,263		6,768	100	46	29	25			10.1	13.9	12.0	61%
HOLYOKE	LS	10	10,867	2,818		477		29	7	59	5		2.4	4.4	3.4	2%
HOPKINS	LS	49	1,744,232	53,048	27,500	332,788		61	25	14			20.2	19.2	19.6	95%
HOUSTON	LS	31	154,764	7,829	2,957	8,420		41	20	38	1		11.8	5.4	8.5	39%
HOVLAND	LS	12	63,212	3,445	4,000	6,114	14	46	13	30	11		16.8	9.5	13.1	68%
HOWARD LAKE	LS	29	218,192	10,189	7,281	18,454		31	18	51			6.8	8.3	7.6	32%
HOYT LAKES	LS	29	445,449	7,829		59,093		73	23	4			11.7	14.3	13.0	68%
HUGO	LS	27	377,861	17,087		2,116		52	34	14			15.5	1.0	8.0	35%
HUTCHINSON	MO	86	984,804	51,212	24,070	107,617		29	39	32			10.6	11.1	10.8	54%
IDEAL	LS	22	288,110	8,767	14,059	39,481		67	25	8			20.8	15.3	18.0	91%
INDUSTRIAL	LS	20	95,406	5,324	5,000	14,313	23	55	27	18			19.5	13.7	16.6	88%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr
																Return
INTERNATIONAL FLS	LS	30	549,733	35,340		25,618		47	47	6		9.2	4.8	7.0	28%	
INVER GROVE HTS	LS	57	1,642,081	78,488	12,000	104,565	1,750,038	47	41	12		12.9	6.4	9.6	45%	
IONA	LS	13	54,879	2,818		1,716	58,963			100		3.6	3.2	3.4	2%	
IRONTON	LS	30	96,713	7,830	2,820	15,303	121,782		66	32	2	13.9	14.7	14.3	77%	
ISANTI	LS	35	466,905	20,649		57,117	555,522	66	66	26	8	14.6	15.8	15.2	81%	
ISLE	LS	23	153,468	11,940		10,412	174,477		10	71	11	8	12.5	6.8	9.6	44%
IVANHOE	DC	31	144,839	8,455	2,000	8,219	146,015		9		91	6.2	6.1	6.2	24%	
JACKSON	LS	36	425,452	18,450	2,347	34,927	482,425		56	41	1	2	12.2	8.1	10.1	48%
JACOBSON	LS	12	36,537	5,010		3,364	44,731	54	31	6	63	2.0	9.7	5.8	20%	
JANESVILLE	LS	27	140,256	10,406	3,463	13,954	135,947		43	10	47		10.3	12.1	11.2	56%
JASPER	LS	27	110,143	6,889	2,500	6,687	119,738	18	65	9	26	6.7	7.1	6.9	28%	
JEFFERS	LS	20	94,382	6,263		9,253	109,423			100		7.9	9.8	8.9	40%	
JORDAN	LS	32	404,862	15,940	16,142	54,083	451,523	23	61	30	9	19.1	13.7	16.3	86%	
KANDIYOHI	LS	24	180,352	6,263		20,567	206,850	19	47	32	21	17.7	11.3	14.5	78%	
KARLSTAD	LS	30	60,719	9,394		2,936	67,129				100	5.6	5.0	5.3	12%	
KASOTA	LS	24	172,490	9,950	3,000	10,178	195,818				100	6.0	5.7	5.9	21%	
KASSON	LS	29	271,623	14,928	6,297	26,731	289,989		41	31	28	11.5	10.0	10.8	53%	
KEEWATIN	LS	25	295,288	6,576	7,000	32,666	340,040		50	29	21	13.5	11.9	12.7	66%	
KELLIHER	LS	24	86,631	7,202		8,539	102,372	40	36	4	60	5.6	9.6	7.6	32%	
KELLOGG	LS	27	169,789	7,202	3,500	37,279	200,451		82		18	13.7	22.6	18.1	91%	

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
KENNEDY	LS	18	39,641	5,046		7,923		65		35			13.8	19.4	16.5	87%
KENSINGTON	LS	22	62,694	7,516		3,552				100			5.4	5.7	5.5	16%
KENYON	DC	31	183,576	12,620	3,000	30,970		78	18	4			21.3	16.3	18.7	93%
KERKHOVEN	DC	27	119,586	6,889	2,600	13,314	52	46	5	49			5.5	9.8	7.6	32%
KETTLE RIVER	LS	19	86,216	5,950	6	5,143				100			9.6	6.3	8.0	35%
KIESTER	DC	29	111,754	6,576		7,235	25	25		75			5.2	6.4	5.8	20%
KILKENNY	LS	20	90,848	6,889	3,500	6,909			29	71			2.6	7.8	5.2	11%
KIMBALL	LS	31	162,039	8,487	2,509	22,464	52	46	6	48			11.3	13.7	12.5	65%
KINNEY	LS	30	149,436	5,950		15,571		24	7	69			5.7	10.3	7.9	34%
LA CRESCENT	LS	26	330,921	18,208		23,657		13	20	67			7.4	7.4	7.4	30%
LAFAYETTE	LS	24	244,790	7,228	1,500	27,728	57	41	15	44			13.2	11.3	12.2	63%
LAKE BENTON	LS	25	113,024	7,516	1,000	5,212				100			4.7	4.5	4.6	6%
LAKE BRONSON	LS	16	32,335	4,384		1,709				35	65		5.9	5.3	5.6	17%
LAKE CITY	LS	21	373,457	22,973	8,657	52,294	89	56	29	15			21.0	14.8	17.8	90%
LAKE CRYSTAL	LS	29	275,939	13,856	5,000	49,591	84	76	8	16			21.8	18.8	20.3	96%
LAKE ELMO	LS	28	479,391	22,580	1,548	122,379		75	17	5	3		20.2	25.9	23.0	99%
LAKE GEORGE	DC	24	37,966	5,324		2,823			36	64			11.2	7.8	9.5	44%
LAKE HENRY	LS	23	53,401	5,637	116	3,229				100			5.8	6.0	5.9	21%
LAKE JOHANNA	MO	102	3,411,413	151,293	71,000	330,405	3,809,456	62	27	10	1		17.4	9.6	13.4	71%
LAKE KABETOGAMA	LS	14	51,847	5,950	75	11,232	63,053	99	99		1		31.9	23.6	27.9	100%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr
																Return
LAKE LILLIAN	LS	17	58,886	4,697	1,700	1,917	65,715		43	57			9.8	3.5	6.6	26%
LAKE PARK	LS	24	117,107	7,861	1,200	6,696	132,135		50	19	31		9.4	5.6	7.5	32%
LAKE WILSON	LS	17	105,621	5,324		4,887	110,574			100			3.8	4.8	4.3	4%
LAKEFIELD	LS	26	271,005	11,635	3,100	5,726	254,339		11	8	81		14.7	1.2	7.7	34%
LAKELAND	LS	13	35,922	5,324		6,230	42,152		50	34	11	5	14.0	17.3	15.7	84%
LAKEPORT	DC	21	46,490	4,384	1,493	5,759	54,227		58		42		13.4	12.9	13.2	70%
LAKEVILLE	LS	75	2,532,050	104,716	88,244	405,401	2,787,158	29	58	41	1		19.1	17.3	18.2	92%
LAKEWOOD	LS	26	112,593	7,829		8,446	119,854		65	10	25		17.5	7.5	12.4	64%
LAMBERTON	LS	22	118,626	6,414	1,000	14,666	140,866		61	30	9		14.1	11.9	13.0	68%
LANCASTER	LS	24	42,232	5,950		2,269	41,389				100		5.3	5.4	5.4	13%
LANESBORO	LS	23	116,775	6,889	4,517	10,600	121,743		30		70		8.6	8.9	8.7	40%
LASALLE	LS	19	13,800	4,071		855	18,821				100		4.7	4.8	4.8	7%
LE CENTER	DC	31	215,431	11,197	4,000	13,754	205,114		17	8	74	1	6.0	6.6	6.3	25%
LE SUEUR	LS	24	568,582	19,235	15,300	72,011	558,355		68	18	14		13.3	15.1	14.2	76%
LEAF VALLEY	LS	23	126,045	5,950	2,200	22,937	156,765	15	71	4	25		21.1	17.8	19.4	94%
LEROY	LS	30	108,894	7,516		5,686	114,641				100		5.5	5.5	5.5	16%
LESTER PRAIRIE	LS	30	214,818	9,394	6,500	34,758	263,719		55	12	33		13.3	15.9	14.6	79%
LEWISTON	LS	33	314,705	12,887		47,063	376,655	40	67	27	6		22.0	14.6	18.3	92%
LEWISVILLE	LS	17	97,704	5,652		4,759	94,788				100		5.0	5.4	5.2	10%
LEXINGTON	LS	22	311,522	7,829	7,700	14,877	291,297			9	62	29	5.9	5.5	5.7	19%

- Table 3 continued -

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
LINDSTROM	LS	26	506,554	14,765	12,240	69,790	592,384		70	25	5		16.2	13.5	14.9	80%
LINWOOD	LS	31	257,262	11,958	7,500	44,621	313,981	100	63	33	4		23.4	17.3	20.3	96%
LISMORE	LS	25	48,024	7,202		3,201	57,464	26	20	5	75		5.1	6.5	5.8	20%
LITCHFIELD	LS	32	395,255	29,598	5,332	27,076	413,277		60	27	13		13.8	6.8	10.2	49%
LITTLE CANADA	LS	36	1,023,967	28,890	18,000	126,124	1,143,742		35	47	18		12.7	13.0	12.8	67%
LITTLE FALLS	LS	31	455,643	34,331	7,000	31,321	488,125			49	51		5.8	7.3	6.5	26%
LITTLEFORK	LS	33	109,225	8,142	3,296	17,583	129,418	100	80	17	3		13.2	20.0	16.9	89%
LONDON	DC	17	39,387	4,384		3,099	46,455				100		5.6	7.7	6.6	27%
LONG LAKE	LS	35	632,410	32,741	18,000	69,720	769,940		36	24	39	1	7.6	10.7	9.1	41%
LONG PRAIRIE	LS	24	389,535	16,694	4,256	30,685	310,135		31	7	60	2	10.9	9.7	10.3	49%
LONGVILLE	DC	25	290,749	10,310	12,000	48,711	360,648		52		48		14.2	16.5	15.3	82%
LONSDALE	LS	30	349,078	16,097	15,500	22,789	281,333		22	12	65	1	8.8	7.7	8.3	37%
LORETTO	LS	38	487,194	12,597	20,000	50,445	557,189		63	35	2		15.8	10.3	13.0	67%
LOWER St CROIX VA	LS	29	570,996	24,599		77,472	635,110		51	45	4		19.3	13.8	16.5	88%
LOWRY	LS	25	111,303	7,202	5,000	17,104	145,109	25	54		46		17.7	14.9	16.3	86%
LUCAN	LS	21	51,434	6,889		1,943	54,119				100		8.1	5.7	6.9	28%
LUTSEN	LS	15	120,185	3,069	5,000	18,525	131,169		90	9	1		21.0	15.5	18.2	92%
LUVERNE	LS	47	427,083	18,370	1,023	37,618	472,216		52	42	6		11.9	9.2	10.5	51%
LYLE	DC	21	53,285	3,256		2,892	55,711				100		5.5	5.5	5.5	15%
LYND	LS	15	29,169	4,697		3,961	36,671		49	14	37		12.1	12.3	12.2	63%

- Table 3 continued -

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
MABEL	LS	20	60,019	6,263	3,198	3,622	64,437				100		4.8	6.1	5.5	15%
MADELIA	LS	31	250,913	11,168	2,444	19,812	268,235	14	14	51	9	26	8.9	8.3	8.6	39%
MADISON	LS	26	268,202	9,313	350	26,169	302,306	50	44	5	6	45	5.7	9.8	7.7	33%
MADISON LAKE	LS	26	167,424	7,516	725	24,494	201,046	24	74	6	20		5.7	14.1	9.8	45%
MAGNOLIA	DC	17	29,333	3,758	250	2,157	36,202				100		3.7	7.3	5.5	15%
MAHNOMEN	LS	24	227,121	8,597	700	20,483	258,865		82	12	6		18.5	8.8	13.5	72%
MAHTOMEDI	LS	31	520,470	30,292	19,250	86,102	658,632	46	56	40	2	2	17.3	16.4	16.8	88%
MAHTOWA	LS	20	52,499	5,010	4,858	2,923	62,549				100		5.2	5.4	5.3	12%
MAKINEN	LS	17	44,973	5,637	3,000	1,304	52,564			9	91		5.0	2.7	3.8	2%
MANTORVILLE	LS	24	114,359	5,902		14,391	134,652		49	15	36		9.4	11.0	10.2	48%
MAPLE GROVE	DC	101	2,956,961	146,453	142,363	354,590	3,590,739		72	27	1		15.3	11.3	13.3	70%
MAPLE HILL	LS	14	22,730	5,324		1,093	23,454				100		3.6	5.0	4.3	4%
MAPLE LAKE	LS	28	392,069	20,966	9,000	57,657	412,500		30		43	27	8.4	14.8	11.6	58%
MAPLE PLAIN	LS	36	620,559	18,768	6,875	66,723	711,076		24	17	59		10.8	9.8	10.3	50%
MAPLETON	LS	31	386,694	10,701	5,400	37,448	414,520	21	60	35	5		12.7	9.7	11.2	56%
MAPLEVIEW	LS	16	100,824	5,637	5,000	17,745	119,706	99	69	29	2		23.1	17.8	20.4	97%
MAPLEWOOD	LS	157	3,242,033	115,686	98,374	575,068	3,815,631		71	15	14		11.0	18.0	14.4	78%
MARBLE	LS	22	174,475	5,950	8,000	14,253	166,298		58	23	19		15.4	9.3	12.3	63%
MARINE-on-St-CROIX	DC	59	240,279	7,516	2,500	40,111	289,981	86	70	15	15		18.7	16.7	17.7	90%
MARSHALL	LS	45	1,230,366	48,516	10,400	269,950	1,490,197		58	34	8		14.0	22.2	18.0	91%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr
																Return
MAYER	LS	24	182,297	7,516	6,652	33,339	234,128	88	22	69	9		21.8	17.1	19.4	94%
MAYNARD	LS	20	131,122	7,202		18,030	156,354	42	47	44	8	1	16.5	13.3	14.9	80%
MAZEPPA	DC	28	112,632	7,516		16,150	130,490		50	11	39		12.2	14.4	13.3	71%
MCDAVITT	LS	26	116,193	5,637		16,946	138,776	74	52	21	27		11.9	14.4	13.1	70%
MCGRATH	LS	18	22,572	6,263	1,200	2,406	31,241	58	33	24	43		4.9	12.2	8.5	39%
MCGREGOR	LS	24	208,638	12,589		10,629	204,219		25	23	52		5.5	5.5	5.5	16%
MCINTOSH	LS	21	111,465	5,324		14,063	117,609	74	40	54	6		15.8	13.1	14.5	78%
MCKINLEY	LS	15	34,550	2,756		1,620	36,236				100		5.4	4.8	5.1	10%
MEDFORD	LS	28	84,679	7,829	1,250	3,984	97,117				100		5.0	4.7	4.9	8%
MEDICINE LAKE	DC	24	369,758	5,950	15,000	65,916	456,213	94	64	26	10		23.2	17.6	20.4	96%
MELROSE	LS	34	211,696	14,318	2,700	30,915	250,930		33	59	8		12.1	14.2	13.1	69%
MENAHGA	LS	21	152,459	6,263	2,000	12,812	173,534	50	16	77	7		12.5	8.3	10.4	50%
MENDOTA HEIGHTS	DC	42	1,353,603	52,922	28,006	128,466	1,457,300	35	71	16	13		9.2	9.2	9.2	42%
MENTOR	DC	20	42,744	3,445		5,699	49,359		62	11	27		16.8	13.2	15.0	81%
MIDDLE RIVER	LS	18	71,159	5,950		4,154	81,837				100		5.5	5.7	5.6	17%
MIESVILLE	LS	38	145,921	9,394	1,800	12,660	168,459		38	7	54	1	9.8	8.9	9.3	43%
MILACA	LS	26	396,189	17,322		28,926	406,645		22	40	38		8.6	7.6	8.1	35%
MILAN	LS	19	144,387	6,263		15,469	165,718	21	74	14	12		17.1	10.0	13.5	72%
MILLERVILLE	DC	22	155,859	5,324	2,000	16,747	189,953		58	9	33		11.2	10.4	10.8	53%
MILROY	DC	22	72,960	4,697		6,451	83,901				100		8.9	8.7	8.8	40%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr
																Return
MILTONA	LS	27	108,602	7,829	3,000	5,375	109,701				100		5.3	5.5	5.4	14%
MINNEOTA	LS	29	242,645	9,136	3,186	25,354	279,407	10	27	4	61	8	4.7	10.2	8.9	41%
MINNESOTA LAKE	LS	26	284,648	7,829	3,970	35,904	286,992		45	12	43		13.0	13.6	13.3	70%
MINNETONKA	ML	123	6,802,916	214,405		1,117,582	7,970,567	40	59	36	5		18.8	16.3	17.5	90%
MISSION	LS	15	49,794	7,282		3,294	56,140		36	34	30		15.6	6.6	11.0	55%
MONTEVIDEO	LS	32	415,919	19,168	460	36,538	472,085		37	36	27		10.1	18.9	14.4	77%
MONTGOMERY	LS	33	219,940	12,332	35,346	22,635	271,884		39	31	30		11.5	10.3	10.9	55%
MONTICELLO	LS	31	465,724	43,954		45,277	554,775		44	12	1	43	11.0	9.2	10.1	47%
MONTROSE	LS	22	144,097	6,263	13,263	22,112	177,717	12	69	15	16		18.0	15.0	16.5	87%
MOOSE LAKE	LS	29	167,706	11,777	3,000	14,974	187,946		42	23	33	2	4.7	8.0	6.0	22%
MORA	LS	30	313,096	24,956		47,021	365,064		59	16	25		9.2	15.2	12.2	62%
MORGAN	LS	25	260,565	8,125	2,377	29,113	298,962		55	31	14		13.7	11.0	12.3	64%
MORRIS	LS	29	349,703	19,775		59,264	413,132	33	72	16	2	10	19.3	16.9	18.1	91%
MORRISTOWN	LS	26	485,323	9,687	2,242	89,163	585,565	88	75	11	14		23.5	18.5	21.0	97%
MORTON	LS	28	116,823	6,263	2,000	16,491	140,928		66		34		11.5	13.5	12.5	65%
MOTLEY	LS	28	231,091	6,419	3,061	9,857	249,450		51	19	30		13.0	4.1	8.4	38%
MOUND	MO	73	2,478,000	64,712	92,360	221,539	2,712,188		46	36	3	15	17.3	9.0	13.1	69%
MOUNTAIN IRON	LS	22	350,351	8,855	9,600	23,344	376,422		16	27	47	10	7.3	6.7	7.0	28%
MOUNTAIN LAKE	LS	25	306,891	9,914	3,900	17,497	311,293				100		6.2	6.0	6.1	23%
MURDOCK	DC	24	81,802	5,010	1,700	5,499	94,011		48	12	40		6.2	6.7	6.4	25%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr
																Return
MYRTLE	DC	25	23,647	2,577		1,340		57	28	15		5.1	5.3	5.1	10%	
NASHWAUK	LS	26	255,028	8,455	11,216	19,261		39	7	54		10.2	8.2	9.2	42%	
NASHWAUK POLICE	PP	2	43,228			1,983				100		5.4	4.8	5.1	10%	
NASSAU	LS	17	26,827	6,263		1,355				100		3.2	4.9	4.0	3%	
NEVIS	LS	24	270,935	8,455	5,000	12,808		39	41	20		18.3	5.6	11.8	59%	
NEW AUBURN	LS	24	121,387	6,889	3,480	34,828		67	23	10		4.9	27.6	15.7	84%	
NEW BRIGHTON	ML	64	2,142,534	71,304	38,000	328,419	2,407,662	99	60	38	2	16.3	16.0	16.1	86%	
NEW GERMANY	LS	27	218,111	8,455	4,000	39,807	248,792	14	75	5	20	15.6	19.3	17.4	89%	
NEW HOPE	DC	47	989,969	68,092		167,190	1,220,652		78	3	19	11.0	17.1	14.0	75%	
NEW LONDON	LS	24	225,956	16,900	4,846	2,483	227,749			80	20	7.2	1.3	4.2	4%	
NEW MARKET	LS	25	190,334	12,532	4,961	9,075	198,649				100	5.2	4.9	5.1	9%	
NEW MUNICH	LS	18	35,496	5,324	2,000	2,840	46,560		17		83	7.6	7.9	7.8	34%	
NEW PRAGUE	LS	34	605,957	25,908	5,000	62,994	636,184		12		33	55	13.5	10.8	12.1	62%
NEW RICHLAND	LS	25	197,002	10,408	450	10,687	184,625				100	5.6	5.8	5.7	18%	
NEW SCANDIA	LS	27	272,314	15,039	10,000	32,470	262,783		42		58	12.8	12.7	12.8	67%	
NEW ULM	ML	67	1,616,994	48,558	37,924	247,867	1,841,370	17	63	21	14	2	17.5	15.4	16.4	86%
NEW YORK MILLS	LS	26	109,221	8,098	2,320	14,394	130,502	63	40	21	39		14.6	12.5	13.5	72%
NEWFOLDEN	LS	15	78,592	6,416		4,524	88,536				100	5.5	5.8	5.6	18%	
NEWPORT	LS	42	659,254	11,848	21,849	74,639	748,201		58	17	25		13.6	11.0	12.3	63%
NICOLLET	LS	26	194,344	13,644	4,200	14,607	221,176		58	42			10.3	5.1	7.7	33%

- Table 3 continued -

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
NISSWA	LS	29	298,782	20,589	6,999	31,234		42	1	57		7.9	11.8	9.9	45%	
NODINE	DC	25	44,418	5,324	800	6,834	57,376	100	62	38		17.7	15.4	16.5	87%	
NORTH BRANCH	LS	34	475,004	20,679	11,397	79,588	571,723	16	70	24	6	16.5	16.4	16.4	86%	
NORTH MANKATO	LS	38	402,378	33,384	11,561	85,658	516,803	53	88	4	8	29.5	20.8	25.1	100%	
NORTH ST. PAUL	LS	35	883,354	35,297		123,431	1,003,802		31	60	9	15.9	12.8	14.4	77%	
NORTH STAR	LS	20	9,169	3,445		786	14,076	57	57		43	4.6	5.2	4.9	8%	
NORTHFIELD	LS	33	1,561,905	65,807	2,900	297,881	1,765,372		81	16	3	19.2	19.9	19.6	95%	
NORTHLAND	LS	10	14,925	2,505		978	15,903		62		38	14.1	6.6	10.2	49%	
NORTHOME	LS	19	81,406	6,263		9,819	97,068		27	32	41	10.0	12.1	11.1	55%	
NORTHROP	DC	19	44,450	4,697	800	3,398	53,354	10	39	48	13	14.9	7.7	11.2	56%	
NORW \YOUNG AM	LS	53	376,608	13,563	10,130	54,209	446,297	10	59	11	30	14.6	14.1	14.3	77%	
OAK GROVE	LS	29	353,286	18,275	11,200	74,842	433,804	60	81	1	18	19.2	21.9	20.6	97%	
OAKDALE	LS	54	770,843	66,509	37,884	75,818	938,695		66	30	4	13.3	10.7	12.0	61%	
ODESSA FARM	DC	21	21,141	4,071		526	25,485				100	2.5	2.4	2.5	1%	
ODIN	LS	14	83,450	4,071		4,173	85,039				100	4.9	5.3	5.1	9%	
OGILVIE	LS	23	140,890	7,934	6,000	16,763	143,020		73	23	4	12.8	12.1	12.5	65%	
OKABENA	LS	20	97,337	6,263	101	6,089	108,621				100	5.2	6.2	5.7	19%	
OKLEE	DC	22	87,492	5,637		4,668	97,359				100	4.4	5.3	4.9	8%	
OLIVIA	LS	26	183,943	12,391		29,301	224,805		55	21	21	3	11.6	15.0	13.3	70%
ONAMIA	LS	24	267,890	8,493		17,443	291,417		59	39	2		13.8	6.3	10.0	47%

- Table 3 continued -

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
ORMSBY	LS	19	88,535	4,697		4,212					100		5.4	5.1	5.2	11%
ORONOCO	LS	19	145,966	6,889		7,133					100		5.8	4.9	5.3	12%
ORR	LS	17	74,045	3,555	1,500	7,433			46	14	40		9.1	10.8	9.9	46%
ORTONVILLE	LS	30	292,996	9,081	4,215	36,463			38	53	9		14.4	13.0	13.7	73%
OSAKIS	LS	21	236,116	11,473	11,000	23,437		64	43	21	36		15.9	9.6	12.7	66%
OSSEO	LS	26	368,386	9,498	36,100	32,353			45	38	17		12.2	9.0	10.6	52%
OSTRANDER	LS	16	57,125	4,384	200	3,166					100		7.1	5.5	6.3	24%
OTTERTAIL	LS	33	136,941	8,142	7,500	21,259		82	51	27	22		17.6	14.4	16.0	85%
OWATONNA	LS	34	1,003,974	83,176		163,531	1,184,051	61	61	10	29		8.8	17.4	13.1	68%
PALISADE	LS	21	95,102	5,950		7,669	88,965		33	40	27		9.9	8.3	9.1	41%
PALO	LS	20	193,810	7,829	6,500	11,248	137,026		39	42	19		8.5	7.7	8.1	36%
PARK RAPIDS	LS	27	529,477	33,057	1,330	52,266	573,861		52	35	13		13.9	10.2	12.1	61%
PARKERS PRAIRIE	LS	24	130,286	7,829	5,727	14,093	144,684		77		23		10.0	10.8	10.4	50%
PAYNESVILLE	LS	25	245,547	17,044		15,051	248,947			7	10	83	22.5	6.1	14.0	75%
PELICAN RAPIDS	LS	25	450,024	21,014		23,411	422,594		61	25	14		11.6	5.9	8.7	40%
PEMBERTON	LS	24	50,857	5,324	1,000	3,241	67,145				100		5.9	6.0	5.9	22%
PENNOCK	LS	26	128,123	6,385	2,000	8,559	137,837		96	1	3		7.0	6.7	6.9	28%
PEQUOT LAKES	LS	28	260,353	12,387	14,316	25,158	313,179		35	46	19		8.3	10.0	9.2	41%
PERHAM	LS	39	331,924	15,719	9,498	35,460	391,675			6	7	87	18.4	10.6	14.4	77%
PIERZ	LS	26	343,344	19,840		35,331	360,214		57	40	3		17.1	10.0	13.5	72%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
PIKE-SANDY-BRITT	LS	38	143,121	9,394		10,304		5	35	60		8.0	7.4	7.7	33%	
PILLAGER	LS	23	151,956	10,583		22,813		80	16	4		16.1	15.2	15.7	83%	
PINE CITY	MO	55	491,209	24,973	7,000	65,694		67	21	12		16.1	13.1	14.6	79%	
PINE ISLAND	LS	30	311,065	19,769	2,254	36,512	52	41	10	49		13.1	12.2	12.6	66%	
PINE RIVER	LS	29	492,630	11,652	11,402	37,112		28	60	12		9.9	7.4	8.7	40%	
PIPESTONE	ML	50	412,534	18,332	38,968	44,377	20	63	15	22		10.2	10.0	10.1	47%	
PLAINVIEW	DC	24	272,748	14,630	857	23,025		36	5	59		10.4	8.3	9.3	43%	
PLATO	LS	29	208,925	8,142	7,400	10,638		76	18	6		13.7	5.0	9.3	42%	
PLUMMER	DC	25	57,055	7,516		2,975				100		5.9	5.6	5.7	19%	
PLYMOUTH	ML	88	2,796,626	231,821		405,903	3,281,823	41	54	5		13.9	14.4	14.1	76%	
PORTER	LS	28	86,307	7,516		8,061	101,955			42	23	35	11.1	9.2	10.1	48%
PRESTON	LS	26	189,768	8,205	2,041	18,443	218,441		53	10	37		14.8	9.7	12.3	63%
PRINCETON	LS	39	757,122	38,671	15,287	67,325	781,825		37	59	4		11.5	9.0	10.2	49%
PRINSBURG	LS	20	114,107	6,263	2,510	6,211	126,781				100		5.7	5.5	5.6	17%
PRIOR LAKE	LS	48	857,148	65,746		81,221	1,004,072		59	19	22		16.3	9.0	12.6	65%
PROCTOR	LS	24	226,982	12,862		18,178	256,347		34	43	22	1	8.4	8.3	8.4	38%
RAMSEY	DC	45	262,738	44,532		25,212	332,213		70	25	5		16.4	8.7	12.5	64%
RANDALL	LS	25	195,628	10,678	5,000	45,718	256,344	100	95	5			26.8	22.4	24.6	100%
RANDOLPH	LS	42	213,114	9,320	4,000	33,371	191,452	77	63	10	27		21.3	20.6	21.0	97%
RAYMOND	LS	19	95,775	6,889	1,500	13,250	119,321		36		64		5.7	12.8	9.2	42%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr
																Return
RED LAKE	DC	25	138,715	7,250	2,000	7,507	155,097				100		5.7	5.3	5.5	16%
RED WING	LS	33	159,577	5,000		12,703	160,700		40	23	33	4	16.7	7.2	11.9	60%
REDWOOD FALLS	LS	35	599,214	22,817	15,600	69,510	707,164	10	39	25	34	2	20.6	11.2	15.8	84%
REMER	LS	18	162,571	5,983	7,234	9,428	130,108	6	6	1	93		7.5	7.4	7.5	31%
RENVILLE	LS	26	151,808	8,642	2,500	17,839	167,931	43	28	15	57		11.6	11.8	11.7	59%
REVERE	LS	13	12,769	6,264		191	18,220				100		2.7	1.5	2.1	1%
RICE	LS	23	146,950	8,580	1,839	12,539	166,660		36	37	10	17	13.5	8.7	11.0	55%
RICE LAKE	LS	31	357,997	10,367	9,810	64,064	442,238		59	33	6	2	21.0	17.4	19.2	94%
RICHMOND	LS	24	220,310	10,764	7,332	16,972	215,167		43	50	3	4	13.4	8.1	10.7	53%
ROBBINSDALE	ML	47	1,049,479	43,745	37,595	-242	976,217		56	28	16		16.0	-1.6	6.8	27%
ROCKFORD	LS	44	243,452	12,785		41,969	298,782		64	30	6		4.9	16.4	10.5	51%
ROCKVILLE	LS	28	153,859	9,765	5,078	13,622	184,287		54	34	12		13.7	8.2	10.9	54%
ROGERS	LS	27	358,254	21,719	2,000	20,446	379,132				77	23	5.2	5.7	5.5	15%
ROLLINGSTONE	LS	26	55,585	6,889		3,335	65,759			41	59		6.4	6.0	6.2	24%
ROSE CREEK	LS	25	95,299	6,576		4,757	97,460				100		5.1	4.9	5.0	9%
ROSEAU	LS	30	343,353	19,019	3,500	28,549	394,056		44	32	17	7	18.2	8.2	13.1	69%
ROSEMOUNT	LS	38	658,852	39,543	26,000	99,885	822,605	18	65	29	6		17.2	14.1	15.7	84%
ROSEVILLE	ML	124	5,113,397	125,126	165,690	851,734	5,955,146	98	62	36	2		16.6	16.9	16.7	88%
ROTHSAY	LS	26	184,215	6,889		12,578	193,673		23	4	73		8.2	6.9	7.5	32%
ROUND LAKE	DC	19	86,754	5,950		5,233	75,246			84	16		7.2	6.0	6.6	26%

- Table 3 continued -

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr
																Return
ROYALTON	LS	25	125,576	6,889	1,500	6,950	122,850		58	42			5.4	5.3	5.4	13%
RUSH CITY	LS	34	255,741	10,990	7,370	39,411	300,091	61	57	42	1		30.7	15.4	22.8	98%
RUSHFORD	DC	32	181,807	11,928	1,500	19,456	182,267	21	49		51		11.8	13.6	12.7	66%
RUSSELL	LS	22	39,360	6,263	1,400	1,887	40,766				100		6.2	4.8	5.5	15%
RUTHTON	LS	15	78,368	5,637	425	9,950	98,052		39		61		10.6	12.3	11.5	57%
SABIN-ELMWOOD	LS	21	102,521	6,576		8,270	113,704		20	66	14		8.6	8.2	8.4	37%
SACRED HEART	LS	27	160,211	7,829		8,967	148,672				100		6.0	6.0	6.0	22%
SAINT ANTHONY	LS	29	463,364	25,736	6,000	44,273	538,173		44	31	25		13.1	8.8	10.9	55%
SAINT BONIFACIUS	LS	23	286,330	14,766	9,000	34,630	341,076		73	14	3	10	18.7	11.8	15.2	82%
SAINT CHARLES	LS	30	312,705	12,608	1,005	66,650	378,913			85	15		16.7	22.0	19.3	94%
SAINT CLAIR	LS	30	283,449	11,297	5,000	19,285	319,665	7	6	40	54		7.9	6.7	7.3	30%
SAINT CLOUD TWNP	LS	32	589,536	36,416		53,709	672,098		31	54	15		10.9	9.3	10.1	47%
SAINT FRANCIS	LS	25	295,368	8,874		27,548	315,674		33	56	10	1	9.4	9.6	9.5	44%
SAINT HILAIRE	DC	25	54,778	5,950		3,495	63,738		19		81		4.3	6.2	5.3	11%
SAINT JAMES	LS	35	389,612	18,604	11,235	43,635	389,847	34	34	46	20		9.0	12.7	10.8	54%
SAINT JOSEPH	LS	31	536,523	21,411	5,621	75,795	609,350		54	38	8		17.1	14.8	16.0	85%
SAINT LEO	LS	23	53,703	7,516		2,451	53,398				100		4.5	5.1	4.8	7%
SAINT MARTIN	LS	26	107,643	7,516	4,000	3,160	115,674		35		65		6.4	3.0	4.7	7%
SAINT MICHAEL	LS	23	250,213	11,985		34,905	295,859	14	77	14	9		16.7	14.4	15.5	83%
SAINT PAUL PARK	LS	30	514,135	15,931		58,820	568,382		68	30	2		14.4	11.6	13.0	68%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
SAINT PETER	LS	36	687,166	31,932	4,338	53,041	700,388		31	69			8.2	8.2	8.2	36%
SAINT STEPHEN	LS	26	248,928	10,082	6,100	38,041	302,979		74	12	11	3	27.6	15.1	20.7	97%
SANBORN	LS	19	56,649	5,950	2,000	3,229	67,569				100		5.5	5.5	5.5	16%
SANDSTONE	LS	27	295,328	10,766		48,345	340,076	35	60	26	14		18.3	16.7	17.5	90%
SARTELL	LS	27	238,583	24,615	5,230	21,399	289,227		36	26	38		10.5	8.6	9.5	44%
SAUK CENTRE	LS	31	258,452	20,557	3,500	28,434	293,853		49	15	33	3	15.8	11.1	13.4	71%
SAUK RAPIDS	LS	29	752,899	44,634	9,515	76,812	827,713		56	2	42		12.9	9.8	11.3	57%
SAVAGE	ML	60	1,494,133	42,826	72,009	96,282	1,619,297		55	37	8		20.3	6.9	13.4	71%
SCANDIA VALLEY	LS	19	152,627	11,425	4,508	27,315	195,083	99	62	32	6		23.0	16.8	19.9	95%
SCANLON	LS	18	101,797	5,324	1,817	6,688	120,740		46	32	13	9	10.6	6.5	8.5	39%
SCHROEDER	LS	12	100,107	3,445	1,789	13,099	114,645	41	41	34	25		14.2	13.0	13.6	73%
SEAFORTH	DC	18	13,050	4,384		773	18,207				100		2.3	5.5	3.9	2%
SEBEKA	LS	20	233,455	8,676	2,000	4,620	227,716		44	25	31		13.8	2.0	7.7	33%
SHAFER	LS	26	114,494	6,889		6,072	131,268		15		85		5.3	5.2	5.3	12%
SHAKOPEE	LS	43	1,171,288	55,214	12,224	184,896	1,313,586	57	57	41	2		15.8	16.0	15.9	85%
SHELLY	LS	18	80,102	7,202	967	3,085	90,405				100		4.5	4.0	4.2	4%
SHERBURN	LS	23	195,939	7,829	8,000	24,834	235,347	59	37	19	44		14.7	12.8	13.8	74%
SHEVLIN	LS	25	83,969	6,263		5,070	95,400	21		49	51		8.7	6.1	7.4	31%
SILICA	LS	20	40,263	5,010		2,537	47,810			71	29		7.4	6.3	6.8	27%
SILVER BAY	LS	19	211,974	8,239		25,089	244,732	30	64	16	20		14.2	11.6	12.9	67%

- Table 3 continued -

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
SILVER LAKE	LS	33	182,876	8,455	9,961	8,240				100			4.8	4.8	4.8	7%
SLAYTON	LS	31	248,903	10,805	8,279	21,442		19		81			8.0	9.0	8.5	39%
SLEEPY EYE	LS	31	563,078	21,198	5,000	36,838			68	32			6.7	6.6	6.6	26%
SOLWAY RURAL	LS	18	29,822	5,950	150	1,410				100			3.7	4.7	4.2	4%
SOLWAY TOWNSHIP	LS	23	76,654	9,394	2,600	6,934	61	37	44	19			9.6	9.9	9.8	45%
SOUTH BEND	DC	23	134,625	5,950	8,258	25,110		95		5			5.3	18.1	11.5	58%
SOUTH HAVEN	LS	20	137,423	7,382	4,106	36,652		89	9	2			12.7	25.5	18.9	93%
SPICER	LS	24	235,289	11,332	2,970	45,239		17	55	28			14.3	18.8	16.5	87%
SPRING GROVE	LS	28	111,373	7,829	6,000	5,326				100			4.9	4.8	4.8	7%
SPRING LAKE PARK	MO	110	4,985,077	179,769	34,397	807,084	59	57	35	8			19.8	16.1	18.0	90%
SPRING VALLEY	LS	24	430,773	11,474		24,197		55	11	30	4		18.0	5.6	11.6	58%
SPRINGFIELD	LS	29	253,488	11,880	2,000	21,311		46	38	16			11.8	8.9	10.3	50%
SQUAW LAKE	LS	21	83,533	6,889		6,099		33		53	14		14.4	7.3	10.8	54%
STACY-LENT	LS	34	179,429	10,750	3,000	15,019		24	18	56	2		11.8	8.2	10.0	46%
STAPLES	LS	30	177,581	13,632	949	14,695			59	41			7.5	8.2	7.9	34%
STARBUCK	LS	24	116,584	8,881		8,762				100			6.1	6.1	6.1	23%
STEPHEN	LS	27	152,430	9,081	1,000	18,871	62	53	8	39			9.7	11.8	10.7	53%
STEWART	LS	25	138,507	7,516	10,000	16,815	47	10	36	54			8.8	12.5	10.7	53%
STEWARTVILLE	LS	27	320,198	22,815		31,181			47	53			10.6	9.9	10.2	49%
STILLWATER	LS	39	1,655,827	78,629		241,868	22	63	33	4			18.1	15.7	16.9	89%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr
																Return
STORDEN	LS	23	104,884	3,414		11,771		51	7	41	1	16.3	11.1	13.7	73%	
STURGEON LAKE	LS	13	31,787	4,384		4,194	59	43	16	41		18.1	13.4	15.7	84%	
SUNBURG	LS	23	37,394	7,343	1,501	2,366	50,258			100		6.4	5.4	5.9	22%	
SWANVILLE	DC	20	93,459	5,637	4,000	7,993	100,025		45	2	53	9.7	9.0	9.4	44%	
TACONITE	LS	18	94,797	4,384	3,719	-4,823	97,468		33	28	39	-3.1	-5.5	-4.3	0%	
TAUNTON	LS	14	12,004	3,507	180	683	16,374			100		3.4	4.8	4.1	3%	
TAYLORS FALLS	LS	28	412,610	7,829		28,712	447,475		75	13	8	4	17.0	7.0	11.9	60%
THIEF R FALLS FIRE	LS	27	573,018	29,882		105,333	660,548		47	39	14		13.9	18.3	16.1	85%
THIEF R FALLS POL	PP	5	147,440	7,534	11,654	11,404	142,441			100		7.6	8.3	7.9	35%	
THOMSON	LS	35	263,801	11,668	4,000	75,432	344,658	23	65	22	13	12.2	28.5	20.1	95%	
TOFTE	LS	10	48,364	3,445	3,000	9,718	64,288	99	80	17	3	20.7	20.2	20.4	97%	
TOIVOLA	DC	25	56,768	7,202		5,696	69,458		23	49	28	7.1	9.1	8.1	36%	
TOWER	LS	21	76,060	5,950	4,536	4,359	80,525			1	99	5.1	6.0	5.6	17%	
TRACY	LS	28	327,420	11,550	619	33,429	367,587		42	33	25	12.3	9.0	10.6	52%	
TRIMONT	LS	27	206,929	6,889	2,605	12,633	225,680			100		6.4	5.3	5.9	21%	
TRUMAN	LS	27	161,871	7,829		20,568	165,259	53	47	5	48	14.9	12.7	13.8	74%	
TWIN LKS -Freeborn	LS	20	81,786	5,950		3,436	29,794			85	15	7.3	-1.3	2.9	1%	
TWIN LKS -Mahnomon	LS	19	26,421	4,384		-381	80,338			100		5.2	4.4	4.8	7%	
TWIN VALLEY	LS	29	116,379	8,142		-5,182	117,290		93		7	16.3	-4.6	5.3	12%	
TWO HARBORS	LS	23	475,372	21,684		34,800	447,364	30	30	62	3	5	9.8	8.1	8.9	41%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
TYLER	LS	26	126,685	7,516		4,819		87	9	4		7.0	3.7	5.3	12%	
ULEN	DC	24	94,108	6,889	300	5,600				100		3.8	5.9	4.8	8%	
UNDERWOOD	DC	18	78,960	8,391	500	9,232		35	50	15		15.5	13.5	14.5	78%	
UPSALA	LS	24	90,406	5,324	1,500	2,634				83	17	4.2	2.9	3.6	2%	
VADNAIS HEIGHTS	LS	41	610,851	40,824	18,263	901	640,489		49	27	24	13.2	0.2	6.5	25%	
VERGAS	LS	23	124,815	5,843		18,137	148,672	76	48	25	27	14.8	14.0	14.4	77%	
VERMILION LAKE	DC	18	53,392	5,010	700	9,229	67,996	91	58	30	12	23.4	17.3	20.3	96%	
VERNDALE	LS	24	155,790	7,516	1,180	34,815	200,022		69	7	24	14.9	21.7	18.2	92%	
VERNON CENTER	LS	25	83,098	6,263		4,756	91,430				100	6.0	3.2	4.6	6%	
VESTA	LS	17	60,174	5,324		3,733	67,608				75	25	1.9	6.3	4.0	3%
VICTORIA	LS	29	258,241	14,444	20,451	17,516	279,352		25	24	42	9	8.9	7.4	8.2	36%
VILLARD	LS	25	48,631	7,516	4,000	3,439	63,018		20	20	59	1	6.7	6.6	6.6	26%
VINING	LS	17	43,373	4,697		4,782	53,072		38		62		8.0	12.0	10.0	47%
VIRGINIA FIRE	MO	20	2,791,597	83,451	175,783	200,964	2,798,891		30	65	5		12.8	7.5	10.1	47%
WABASHA	LS	30	247,435	12,062	25,122	23,099	282,265	15	47	7	46		6.4	8.9	7.6	33%
WABASSO	DC	24	120,872	6,889		12,000	132,692		61	9	30		13.2	10.0	11.6	58%
WACONIA	LS	37	510,078	21,341	12,500	29,499	568,239	27	76	11	8	5	19.7	5.5	14.6	79%
WADENA	LS	20	346,699	15,868	2,950	37,776	401,842		62	27	11		13.4	10.9	12.2	62%
WAITE PARK	LS	27	273,487	16,868	3,500	32,956	282,667			71	29		18.1	13.0	15.5	83%
WALDORF	LS	29	164,145	7,202		13,150	163,375		33	18	49		6.0	8.7	7.3	30%

- Table 3 continued -

Pension Plan Name	Plan Type/ Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr
																Return
WALKER	LS	25	262,873	16,476	10,250	44,400	333,472		88	12			15.9	16.3	16.1	85%
WALNUT GROVE	LS	24	102,885	6,263	500	5,054	114,702		10	2	88		6.5	4.8	5.6	18%
WALTERS	LS	19	17,876	5,324		1,116	24,546		24	21	55		2.5	5.8	4.1	3%
WANAMINGO	DC	33	90,864	9,785		10,994	109,987			100			16.0	12.1	14.0	75%
WANDA	DC	21	54,538	6,263		3,315	49,559				100		5.6	5.8	5.7	19%
WARBA-FEELY-SAG	LS	18	43,604	5,950	1,798	4,112	55,458	17	14	2	84		7.2	9.2	8.2	37%
WARREN	LS	26	70,563	11,878		12,443	83,675		68	12	20		20.1	17.0	18.6	93%
WARROAD	LS	25	109,605	15,964		18,192	143,588	99	62	32	6		8.6	16.1	12.3	63%
WASECA	LS	42	603,407	35,306	8,425	89,689	726,202		54	15	31		14.6	14.5	14.5	79%
WATERTOWN	LS	33	360,191	16,310	7,500	32,552	406,343		13	72	15		12.5	9.0	10.8	53%
WATERVILLE	LS	22	182,445	7,880		19,376	209,298		33	27	40		13.5	10.7	12.1	62%
WATKINS	LS	25	143,219	7,829	6,500	14,390	174,594		81	3	16		14.6	8.7	11.6	58%
WATSON	LS	17	130,568	6,263		11,145	129,024		39	18	43		10.2	9.0	9.6	45%
WAUBUN	LS	17	53,861	6,263		2,689	58,836				100		5.7	4.6	5.1	10%
WAVERLY	LS	25	132,598	6,509	10,000	7,555	132,551				100		5.6	6.0	5.8	20%
WAYZATA	LS	34	575,396	31,012	13,988	34,431	634,934			15	34	51	6.2	6.0	6.1	23%
WELCOME	LS	27	133,305	7,829	4,500	7,262	152,878				100		5.4	5.4	5.4	13%
WELLS	DC	25	261,872	12,169	1,750	27,293	276,474		38	3	59		6.5	10.5	8.4	38%
WENDELL	LS	20	87,677	6,263		4,825	80,742				100		5.1	5.7	5.4	14%
WEST CONCORD	LS	24	179,660	8,207		9,557	198,224				100		5.5	5.3	5.4	13%

- Table 3 continued -

Pension Plan Name	Plan Type / Members		Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)
				State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return
WESTBROOK	LS	21	137,345	6,408	1,000	9,316	126,559				100		7.3	7.7	7.5	31%
WHEATON	LS	26	325,427	10,448	12,639	34,916	324,204		79	16	5		18.2	11.5	14.8	80%
WHITE BEAR LAKE	MO	93	3,926,530	123,238	20,000	373,540	4,280,270		56	26	4	14	16.0	9.6	12.7	66%
WILLIAMS	DC	23	38,886	6,263		5,317	51,967	100	87	11	2		5.3	11.5	8.4	37%
WILLMAR	LS	45	1,158,730	55,384		79,559	1,234,582		72	28			16.6	6.7	11.6	58%
WILLOW RIVER	LS	15	67,404	5,010		10,183	75,892	76	53	23	24		12.9	15.4	14.1	76%
WILMONT	LS	28	85,103	7,516		4,304	96,731				100		6.3	5.1	5.7	18%
WILSON	LS	31	121,383	9,394	5,804	8,488	138,441		45	21	34		9.3	7.2	8.2	37%
WINDOM	LS	31	543,519	22,390	5,000	72,126	639,858		42	48	8	2	16.7	12.8	14.8	80%
WINNEBAGO	LS	27	133,413	9,034	2,000	10,186	142,957	15	10	41	49		9.1	7.7	8.4	38%
WINSTED	LS	33	231,509	9,394	12,700	42,515	286,004		55	20	25		15.1	14.7	14.9	81%
WINTHROP	DC	32	160,527	7,755	6,240	29,259	202,509		66	14	20		10.0	17.7	13.8	74%
WOLF LAKE	LS	25	115,849	6,576		15,183	137,968		41	26	15	18	7.3	14.0	10.6	52%
WOOD LAKE	LS	23	91,481	6,263	408	3,157	101,209		25	57	18		5.2	3.5	4.4	5%
WOODBURY	LS	84	2,416,594	104,930		453,937	2,834,394	99	77	17	6		24.3	18.8	21.5	98%
WOODSTOCK	LS	17	46,975	4,697		4,815	56,487	40	29	10	61		5.7	10.3	8.0	35%
WORTHINGTON	ML	68	840,296	32,781	66,870	96,417	948,547		68	14	17	1	18.7	11.4	15.0	81%
WRENSHALL	LS	27	129,358	5,950		8,753	142,567		4	20	76		7.1	6.7	9.9	46%
WRIGHT	LS	21	39,704	5,637	4,000	3,726	52,536	82	51	27	22		4.1	7.7	5.9	21%
WYKOFF	LS	19	144,419	6,263	2,700	32,405	185,802	37	78	12	10		26.2	21.4	23.8	99%

- Table 3 continued -

Pension Plan Name	Plan Type / Members	Beginning Assets 1/1/98	Major Revenue Sources			Ending Assets 12/31/98	% of Assets @ SBI	Allocations @ 12/31/98				Rates of Return			Rank (%-ile)	
			State Aid	Municipal Contrib	Investment Earnings			% Stock	% Bonds	% Cash	% Other	1997	1998	2 Year	2 Yr Return	
WYOMING	LS 29	174,056	12,122		14,416			34		66			0.5	8.8	4.5	5%
ZIMMERMAN	LS 29	474,237	17,623	30,000	57,821			72	4	24			8.9	13.9	11.4	57%
ZUMBRO FALLS	LS 21	152,353	7,361		21,256	76		47	26	27			16.0	14.4	15.2	82%
ZUMBROTA	DC 28	192,337	12,038	14,192	31,972			72		28			11.7	15.0	13.3	71%
TOTALS	20,009	258,638,115	11,912,495	4,508,763	31,038,855	290,381,554	19	51	28	19	2		14	12	13	

**Public Pension Funds
with Assets of
at Least \$10 Million**

Discussion of Large Plan Performance

Plans with at least \$10 million in assets as of January 1, 1998, were required to report to the OSA on a monthly, total fund and investment account, investment portfolio or asset class basis.³ The law also required the pension funds to submit the following:

- 1) the total time-weighted rate of return available from index-matching investments;
- 2) an explanation as to which indices were used and why those indices were appropriate; and,
- 3) the pension fund's written investment policy or any subsequent changes to it.

This section of the report provides summary and detailed investment performance information for the 14 largest public pension funds in Minnesota, with assets totaling \$43.5 billion. These 14 plans cover approximately 270,000 active and 150,000 inactive members. Rate of return and other information on funds invested through the State Board of Investment are reported on a combined basis within the Basic and Post Retirement Funds. Table 4 provides a list of all the large pension funds and their assets as of December 31, 1998.

Table 5 summarizes investment performance and other information for the large defined benefit plans. Detailed information by plan is provided at the end of this section of the report.

Table 6 compares rates of return reported by the large defined benefit pension funds, and those calculated by the OSA. Defined contribution plans which are sponsored by the University of Minnesota, the Minnesota State Colleges and Universities, and the Minnesota Historical Society, are not included in Table 6. For these plans, individual member accounts are self-directed, and return information for the investment options is not comparable to that of the defined benefit plans. In lieu of submitting monthly cash flow and market value information to the OSA, the administrators of those plans were allowed to submit computed time-weighted rates of return for each investment fund option, along with the total amounts invested by the members through each investment option.

The OSA has reviewed defined contribution plan data for logical consistency and completeness. We have not, as in the case of the large defined benefit plan funds, *independently* verified rate of return figures.

Investment policy statements for the defined benefit funds were generally very comprehensive, clearly defining objectives and parameters on virtually all aspects of

³ Once a public pension fund files a report as a large plan, it must continue to file as a large plan even if its assets drop below \$10 million in any subsequent year.

a fund's investment activity. However, only the asset allocation portion of those policies are reflected in the detail pages, along with data on *actual* asset allocations. In a few cases, it was difficult to ascertain what specific asset allocation mix, if any, was targeted by the trustees.

Table 4
Assets Held by Large Pension Plans

<u>Group / Fund</u>	<u>Assets on 12/31/98</u> <u>\$'s in Millions</u>
<u>Large Defined Benefit Plans:</u>	
Bloomington Firefighter	99.1
Duluth Teachers	225.3
Minneapolis Employees (Active and Retired)	1,525.0
Minneapolis Fire	307.8
Minneapolis Police	396.0
Minneapolis Teachers	927.9
Saint Paul Teachers	759.9
State Board of Investment - Basic Fund	19,243.6
State Board of Investment - Post Fund	17,742.8
<u>Higher education and other defined contribution plans:</u>	
Minnesota Historical Society	1.2
University of Minnesota Faculty 403 (b) (Pre-89)	1,151.9
University of Minnesota Faculty 401 (a) (Post-89)	645.3
University of Minnesota Faculty Supplemental ⁴	10.2
Minnesota State Colleges and Universities (MnSCU) ⁵	<u>444.8</u>
Total	<u>\$43,480.8</u>

⁴ Eligibility is restricted to faculty hired before 1963.

⁵ This fund includes the MNSCU Individual Retirement Account Plan (IRAP), and the MNSCU Supplemental Retirement Plan (SRP).

Table 5

Summary Data on Large Defined Benefit Plans

(\$'s in thousands)

Pension Fund	Assets 01/01/98	Assets 12/31/98	ROR 1998	Statutory Assumed Return	Fund Benchmark Return
Bloomington Fire	88,324	99,118	13.8%	5.0%	22.8%
Duluth TRA	207,188	225,301	11.1%	8.5%	13.3%
MPLS Employees	1,374,131	1,525,034	15.7%	5.0% (1)	16.4%
MPLS Fire	263,650	307,871	21.9%	6.0%	20.0%
MPLS Police	374,915	396,095	11.4%	6.0%	14.2%
MPLS TRA	833,261	927,900	14.2%	8.5%	17.5%
Saint Paul TRA	686,964	759,892	12.1%	7.5% (1)	15.8%
SBI - Basic	17,145,574	19,243,636	15.6%	8.5%	16.8%
SBI - Post	15,273,150	17,742,833	16.7%	8.5%	17.4%
Grand Totals (2)	36,247,157	41,227,680	15.9%	8.3%	17.0%

(1) MPLS Employees Retirement Fund and Saint Paul Teachers have different statutory assumed rates of return for the active and retired funds. The lower rate is used in each case.

(2) Grand Total percentage figures average returns weighted on 1-1-98 assets.

Returns Compared to Statutory Assumed Rates

The statutory assumed rates of return applicable to all public plans are stated in Minn. Stat. § 356.215. If a plan fails to meet this target, an actuarial loss occurs; and, all else remaining the same, greater pressure on contributions will result. Returns exceeding the assumed rate generate *actuarial gains*, and have a positive effect on plan funding. If sustained, this performance can relieve pressure on contributions or free up assets to finance benefit improvements.

For this group of pension plans, investments typically account for over 75% of annual operating revenue, and while rates of return to most major indices were down from those observed in 1997, the markets were still quite favorable. Gains obtained in 1998 mirror the sustained vigor of both the economy and investment environment.

Performance for all large plans exceeded the statutory assumed rate by significant margins, and 1998 can safely be characterized as a good year for plan members and taxpayers. Table 5 summarizes returns for the large defined benefit plans.

Reported Returns Compared to OSA Calculations

Overall, returns reported by the large pension funds tracked very closely with those calculated by the OSA. In the table below, the 1998 total portfolio rate of return reported by each pension fund is compared with that computed by the OSA.

Table 6

<u>Fund Name</u>	<u>Reported by Fund</u>	<u>Rates of Return (%)</u>	
		<u>Calculated by OSA</u>	<u>Difference</u>
Bloomington Fire	13.8	13.8	-
Duluth Teachers	13.0	11.1	(1.9) ⁶
Minneapolis Employees (MERF)	15.9	15.7	(0.2)
Minneapolis Fire	22.2	21.9	(0.3)
Minneapolis Police	11.0	11.4	0.4
Minneapolis Teachers	14.2	14.2	-
Saint Paul Teachers	12.4	12.1	(0.3)
Investment Board - Basic	15.6	15.6	-
Investment Board - Post Ret.	16.7	16.7	-

⁶ Among plans with at least \$10 million in assets, only the Duluth Teachers' Retirement Fund Association reported a 1998 total portfolio return significantly different from that calculated by the OSA (1.9%). This difference may be attributable to adjustments made to custodian bank estimates of market values for certain infrequently traded securities.

Bloomington Fire Department Relief Association

Year Ending December 31, 1998

Total Fund Returns & Investment Policy

Total Fund Actual & Target Rates of Return		Benchmark Components and Rates of Return		Policy Asset Allocation		Actual Asset Allocation	
Return Calculated by OSA	13.8 %	S & P 500	28.9 %	Cash	* Not specified *	Cash	8.7 %
Return Reported by Fund	13.8 %	Lehman Bros. Aggregate	8.7 %	Bonds	* Not specified *	Fixed Income	19.2 %
Benchmark Return	22.8 %			Stocks	20 - 70 %	Equities	71.8 %
Actuarial Assumed - Active	5.0 %			Other	* Not specified *	Limited Partnerships	0.2 %
Actuarial Assumed - Retired	5.0 %					Other	0.2 %
2 Year Return - OSA	16.7 %						

Market Values and Returns by Investment Account (\$'s in 000's)

<u>Investment Account</u>	<u>Investment Type</u>	<u>Beginning Asset Value</u>	<u>Net Cash Flows (Net of Fees)</u>	<u>Investment Return</u>	<u>Ending Asset Value</u>	<u>Rate of Return</u>
Internally Managed	Balanced	78,659	(923)	9,797	87,533	12.9 %
Morgan Stanley Dean Witter Advisors, Inc.	Balanced	4,198	(4,395)	202	5	3.9 %
Zaske, Sarafa & Associates	Balanced	5,467	3,995	2,118	11,580	28.5 %
	Total	88,324	(1,323)	12,117	99,118	

Duluth Teachers' Retirement Fund Association

Year Ending December 31, 1998

Total Fund Returns & Investment Policy

Total Fund Actual & Target Rates of Return		Benchmark Components and Rates of Return		Policy Asset Allocation		Actual Asset Allocation	
Return Calculated by OSA	11.1 %	90 Day U.S. Treasury Bills	5.0 %	Cash	0-5 %	Cash	1.1 %
Return Reported by Fund	13.0 %	Lehman Brothers Aggregate	8.7 %	Fixed Income	20-50 %	Fixed Income	35.6 %
Benchmark Return	13.3 %	S & P 500	28.9 %	Equities: Large Cap	25-35 %	Equities:	46.0 %
Actuarial Assumed - Active	8.5 %	Russell 2000	(2.5) %	Equities: Small Cap	10-20 %	<i>(Large and small cap)</i>	
Actuarial Assumed - Retired	8.5 %	EAFE	20.0 %	Equities: International	10-20 %	Equities: International	15.4 %
Two Year Rate of Return	13.3 %	NCREIF	16.3 %	Real Estate & Venture	0-5 %	Real Estate & Venture	1.9 %

Market Values and Returns by Investment Account (\$'s in 000's)

<u>Investment Account</u>	<u>Investment Type</u>	<u>Beginning Asset Value</u>	<u>Net Cash Flows (Net of Fees)</u>	<u>Investment Return</u>	<u>Ending Asset Value</u>	<u>Rate of Return</u>
Merrill Lynch Checking	Cash	2,721	(339)	91	2,473	4.5 %
US Bank Checking	Cash	34	12	0	46	0.0 %
Western Asset Management	Fixed Income	75,993	(2,279)	6,571	80,285	8.7 %
Scudder Kemper	International Stock	31,056	237	3,435	34,728	11.0 %
Construction	Real Estate	1,108	(1,045)	4	67	6.4 %
Real Estate - Pines I & II / Mortgages	Real Estate	1,879	1,940	309	4,128	10.3 %
Disciplined Growth	Stock	16,951	120	(1,841)	15,230	(10.9) %
Oppenheimer	Stock	36,630	(4,734)	3,850	35,746	11.1 %
MetWest (fka State Street)	Stock	27,747	1,509	8,236	37,492	28.9 %
Strong Capital	<u>Stock</u>	<u>13,069</u>	<u>5</u>	<u>2,032</u>	<u>15,106</u>	15.5 %
	Total	207,188	(4,574)	22,687	225,301	

Minneapolis Employees Retirement Fund (MERF)

Total Fund ⁽¹⁾

For the Year Ended December 31, 1998

Total Fund Returns & Investment Policy

Total Fund Actual & Target Rates of Return		Benchmark Components and Rates of Return		Policy Asset Allocation		Actual Asset Allocation	
Return Calculated by OSA	15.7 %	Custom Real Estate Index	1.5 %	Real Estate/Cash	5.0 %	Real Estate/Cash	5.9 %
Return Reported by Fund	15.9 %	Lehman Aggregate Bond	8.7 %	Fixed Income	30.0 %	Fixed Income	30.7 %
Benchmark Return	16.4 %	MSCI GDP EAFE Index	14.3 %	Int'l Equity	20.0 %	Int'l Equity	19.3 %
Actuarial Assumed - Active	6.0 %	Russell 3000 Index	24.1 %	U. S. Equity	45.0 %	U. S. Equity	44.1 %
Actuarial Assumed - Retired	5.0 %						

Market Values and Returns by Investment Account (\$'s in 000's)

Asset Class	Investment Type	Beginning Asset Value	Net Cash Flows (Net of Fees)	Investment Return	Ending Asset Value	Rate of Return
Cash/Real Estate	Cash/Real Estate	90,135	11,828	(11,702)	90,261	1.9 %
Bonds	Fixed Income	444,193	(27,609)	51,674	468,258	11.3 %
International Equities	International Equities	178,602	62,113	54,264	294,979	24.9 %
Domestic Equities	Domestic Equities	<u>661,201</u>	<u>(105,351)</u>	<u>115,686</u>	<u>671,536</u>	18.8 %
	Total	1,374,131	(59,019)	209,922	1,525,034	

(1) MERF 1998 investment information is for *both* the Basic and Post-retirement funds. These funds were reported separately in previous years.

Minneapolis Firefighter's Relief Association

Year Ending December 31, 1998

Investment Performance Profile

Total Fund Actual & Target Rates of Return		Benchmark Components and Rates of Return		Policy Asset Allocations		Actual Allocations	
Return Reported by OSA	21.9 %	S & P 500	55 %	This relief association's current investment policy does not designate specific allocations.		Cash	38.5 %
Return Reported by Fund	22.2 %	Lehman Brothers Aggregate	45 %			Bonds	25.3 %
Benchmark Return	20.0 %					Stocks	34.7 %
Actuarial Assumed - Active	6.0 %					International Equities	1.2 %
Actuarial Assumed - Retired	6.0 %					Real Estate & Venture	0.3 %
2 Year Return - OSA	22.6 %						

Market Values and Returns by Investment Account (\$'s in 000's)

<u>Investment Account</u>	<u>Investment Type</u>	<u>Beginning Asset Value</u>	<u>Net Cash Flows (Net of Fees)</u>	<u>Investment Return</u>	<u>Ending Asset Value</u>	<u>Rate of Return</u>
Alliance Capital Management	Balanced	159,816	(5,024)	52,843	207,635	33.6 %
Brinson Partners Fund	Balanced	8,220	6,190	904	15,314	10.0 %
Dean Witter Intercapital Management	Balanced	10,428	11,574	641	22,643	5.7 %
Mitchell Hutchins Asset Management	Balanced	81,187	(22,270)	2,369	61,286	2.7 %
Other Assets	Venture Capital	<u>3,999</u>	<u>(3,797)</u>	<u>791</u>	<u>993</u>	(6.8) %
	Total	263,650	(13,327)	57,548	307,871	

Minneapolis Police Relief Association

Year Ending December 31, 1998

Investment Performance Profile

Total Fund Actual & Target Rates of Return		Benchmark Components and Rates of Return		Policy Asset Allocations		Actual Allocations	
Return Reported by OSA	11.4 %	S & P 500	28.9 %	Cash	* %	Cash	30.6 %
Return Reported by Fund	11.0 %	Lehman Brothers Aggregate	8.7 %	Bonds	25-35 %	Bonds	25.3 %
Benchmark Return	14.2 %			Dom. Stocks	45-60 %	Domestic Equities	33.7 %
Actuarial Assumed - Active	6.0 %			Intl. Stocks	5-15 %	International Equities	8.0 %
Actuarial Assumed - Retired	6.0 %			Other	0-5 %	Real Estate & Venture	2.4 %
2 Year Return - OSA	12.1 %						

Market Values and Returns by Investment Account (\$'s in 000's)

<u>Investment Account**</u>	<u>Investment Type</u>	<u>Beginning Asset Value</u>	<u>Net Cash Flows (Net of Fees)</u>	<u>Investment Return</u>	<u>Ending Asset Value</u>	<u>Rate of Return</u>
NTQ Advisors (ANB)	Domestic Equities	60,676	12,000	12,416	85,092	26.3 %
IAI International, LTD.	Domestic Equities	34,469	(8,717)	4,991	30,743	15.1 %
IAI International, LTD. Emerging Markets	International Equities	2,930	(2,407)	(523)	0	(99.0) %
Alliance Capital Management	Balanced	12,375	36,187	7,410	55,972	29.6 %
American Express Asset Mgmt Group	Balanced	11,809	(243)	2,023	13,589	17.1 %
Dean Witter Intercapital Management	Balanced	52,738	(4,389)	2,656	51,005	5.0 %
Galliard Capital Mgmt.	Balanced	0	42,318	926	43,244	2.4 %
Investment Advisors, Inc.	Balanced	137,708	(145,193)	7,485	0	11.3 %
Mitchell Hutchins Asset Management	Balanced	33,763	(7,047)	1,002	27,718	2.6 %
SBI- Common Stock & Bond	Domestic Equities & Bonds	0	67,000	(5,146)	61,854	2.4 %
First American Asset Mgmt. (Piper)	Balanced	5,764	9,824	1,717	17,305	13.0 %
Other Assets	Real Estate & Venture Cap.	<u>22,683</u>	<u>(5,286)</u>	<u>(7,860)</u>	<u>9,537</u>	(45.4) %
	Total	374,915	(5,953)	27,097	396,059	

* The percentage of assets allocated to be invested in cash was not listed in the Investment Policy.

** Certain checking accounts are not included in the analysis as their effect on the overall rate of return is insignificant.

Minneapolis Teachers Retirement Fund Association

Year Ending December 31, 1998

Total Fund Returns & Investment Policy

Total Fund Actual & Target Rates of Return		Benchmark Components and Rates of Return		Policy Asset Allocation		Actual Asset Allocation	
Return Calculated by OSA	14.2 %	90-Day U.S. Treasury Bills	5.0 %	Cash	2 %	Cash	2.7 %
Return Reported by Fund	14.2 %	Lehman Brothers Aggregate	8.7 %	Fixed Income	28 %	Fixed Income	27.3 %
Benchmark Return	17.5 %	Wilshire 5000 Stock Index	23.4 %	Domestic Equities	50 %	Domestic Equities	53.6 %
Actuarial Assumed - Active	8.5 %	MSCI EAFE	20.0 %	International Equities	15 %	International Equities	14.1 %
Actuarial Assumed - Retired	8.5 %	90-Day U.S. Treasury Bills *	5.0 %	Real Estate & Venture	5 %	Real Estate & Venture	2.3 %
2 Year Return - OSA	14.9 %						

* The pension fund assigned the NCREIF Real Estate benchmark to the Real Estate & Venture asset class in 1997. However, the fund changed the benchmark for this asset class to 90-Day U.S. Treasury Bills in 1998.

Market Values and Returns by Investment Account (\$'s in 000's)

<u>Investment Account</u>	<u>Investment Type</u>	<u>Beginning Asset Value</u>	<u>Net Cash Flows (Net of Fees)</u>	<u>Investment Return</u>	<u>Ending Asset Value</u>	<u>Rate of Return</u>
Cash	Cash	39,768	(15,595)	1,011	25,184	4.9 %
Bonds	Fixed Income	225,771	18,000	10,053	253,824	4.4 %
Domestic Equities	Domestic Equities	425,845	(20,180)	91,496	497,161	22.0 %
International Equities	International Equities	107,986	12,715	9,822	130,523	9.3 %
Real Estate/Venture Capital	<u>Venture</u>	<u>33,891</u>	<u>(16,011)</u>	<u>3,328</u>	<u>21,208</u>	12.2 %
	Total	833,261	(21,071)	115,710	927,900	

St. Paul Teachers' Retirement Fund Association

Year Ending December 31, 1998

Total Fund Returns & Investment Policy

Total Fund Actual & Target Rates of Return		Benchmark Components and Rates of Return		Policy Asset Allocation		Actual Asset Allocation	
Return Calculated by OSA	12.1 %	S & P 500	28.9 %	Large Cap Domestic Equities	27.5 %	Large Cap Domestic Equities	39.1 %
Return Reported by Fund	12.4 %	S & P Midcap 400	(8.9) %	Mid Cap Domestic Equities	15.0 %	Mid Cap Domestic Equities	15.4 %
Benchmark Return	15.8 %	Russell 2000	(2.5) %	Small Cap Domestic Equities	7.5 %	Small Cap Domestic Equities	0.3 %
Assumed - Pre-retirement	8.5 %	SB Non-US Gvt Bond Index	17.8 %	Domestic Fixed Income	30.0 %	Domestic Fixed Income	31.6 %
Assumed - Post-retirement	7.5 %	EAFE	20.0 %	International Fixed Income	1.0 %	International Fixed Income	0.0 %
Two Year Return	15.6 %	Emerging Markets-Free	(25.3) %	International Equities	11.0 %	International Equities	9.5 %
		Lehman Aggregate Index	8.7 %	Int'l Emerging Market Equities	3.0 %	Int'l Emerging Market Equities	1.2 %
		NCREIF Property Index	16.3 %	Int'l Small Cap Equities	2.0 %	Int'l Small Cap Equities	1.2 %
		90 Day U.S. Treas Bills	5.0 %	Real Estate	1.0 %	Real Estate	0.0 %
				Cash	2.0 %	Cash	1.7 %

Market Values and Returns by Investment Account (\$'s in 000's)

Investment Account	Investment Type	Beginning Asset Value	Net Cash Flows (Net of Fees)	Investment Return	Ending Asset Value	Rate of Return
Cash	Cash	6,627	5,985	390	13,002	6.1 %
Domestic Equities	Stock	372,776	(10,253)	53,671	416,194	14.7 %
Domestic Fixed Income	Bonds	224,500	(4,964)	20,408	239,944	9.2 %
International Equities	Int'l Stock	83,061	65	7,626	90,752	9.2 %
	Total	686,964	(9,167)	82,095	759,892	

State Board of Investment - *Basic Fund*

Year Ending December 31, 1998

Total Fund Returns & Investment Policy

Total Fund Actual & Target Rates of Return	Benchmark Components and Rates of Return	Policy Asset Allocation	Actual Asset Allocation
Return Reported by Fund 15.6 %	Wilshire 5000 23.4 %	Domestic Equities 50.0 %	Domestic Equities 53.9 %
Benchmark Return 16.8 %	International Composite (1) 13.6 %	International Equities 15.0 %	International Equities 14.4 %
Assumed - Pre-Retirement 8.5 %	Lehman Bros. Aggregate 8.7 %	Bonds 24.0 %	Bonds 22.6 %
Two-Year Return 19.0 %	Real Estate (2) 3.5 %	Real Estate 4.0 %	Real Estate 3.7 %
	Venture (2) 8.7 %	Venture 5.0 %	Venture 4.4 %
	Resources (Oil & Gas) (2) (37.3) %	Oil & Gas 1.0 %	Oil & Gas 0.7 %
	90-Day U.S. Treasury Bill 5.0 %	Cash 1.0 %	Cash 0.4 %

500

(1) The *International Composite* benchmark is weighted 87% MCSI EAFE Free, and 13% Emerging Markets Free.

(2) There are no "benchmarks" for the *Real Estate*, *Venture* and *Resource* components. Actual returns are applied instead, making them neutral in effect.

Market Values and Returns by Investment Account (\$'s in 000's)

<u>Investment Account</u>	<u>Investment Type</u>	<u>Beginning Asset Value</u>	<u>Net Cash Flows (Net of Fees)</u>	<u>Investment Return</u>	<u>Ending Asset Value</u>	<u>Rate of Return</u>
Domestic Equities	Domestic Equities	9,195,845	(839,943)	2,007,309	10,363,213	23.4 %
International Equities	Int'l Equities	2,324,302	176,227	273,213	2,773,742	11.4 %
Fixed Income	Bonds	3,801,883	207,365	331,591	4,340,837	8.3 %
Real Estate	Real Estate	712,387	(29,518)	24,660	707,529	3.5 %
Venture Capital	Venture Capital	857,140	(71,599)	67,892	853,432	8.7 %
Resources	Resource	231,302	(19,996)	(79,165)	132,143	(37.3) %
Cash	Short term Investments	<u>22,714</u>	<u>41,943</u>	<u>8,083</u>	<u>72,742</u>	5.8 %
	Total	17,145,574	(535,521)	2,633,583	19,243,636	

State Board of Investment - *Post Fund*

Year Ending December 31, 1998

Total Fund Returns & Investment Policy

Total Fund Actual & Target Rates of Return		Benchmark Components and Rates of Return		Policy Asset Allocation		Actual Asset Allocation	
Return Reported by Fund	16.7 %	Wilshire 5000	23.4 %	Domestic Equities	50.0 %	Domestic Equities	53.2 %
Benchmark Return	17.4 %	International Composite (2)	14.1 %	International Equities	15.0 %	International Equities	14.4 %
Assumed - Post-Retirement	8.5 %	Lehman Bros. Aggregate	8.7 %	Bonds	31.0 %	Bonds	29.2 %
Two-Year Return (1)	18.5 %	Real Estate (3)	14.5 %	Real Estate	0.5 %	Real Estate	0.4 %
		Venture (3)	18.9 %	Venture	0.5 %	Venture	0.5 %
		Resources (Oil & Gas) (3)	4.0 %	Oil & Gas	0.0 %	Oil & Gas	0.1 %
		90-Day U.S. Treasury Bill	5.0 %	Cash	3.0 %	Cash	2.0 %

(1) The *Assumed Return* is comprised of a statutory 6.0% plus a guaranteed CPI-based COLA capped at 2.5%.

(2) The *International Composite* benchmark is weighted 87% MCSI EAFE Free, and 13% Emerging Markets Free.

(3) There are no "benchmarks" for the *Real Estate*, *Venture* and *Resource* components. Actual is used instead, making them neutral in effect.

Market Values and Returns by Investment Account (\$'s in 000's)

Investment Account	Investment Type	Beginning Asset Value	Net Cash Flows (Net of Fees)	Investment Return	Ending Asset Value	Rate of Return
Domestic Equities	Domestic Equities	8,351,887	(736,517)	1,829,905	9,445,277	23.5 %
International Equities	Int'l Equities	2,076,077	241,806	245,432	2,563,315	11.3 %
Fixed Income	Bonds	4,449,916	347,194	391,243	5,188,355	8.3 %
Real Estate	Real Estate	58,535	8,929	9,549	77,012	14.5 %
Venture Capital	Venture Capital	66,614	16,600	13,094	96,308	18.9 %
Resources	Resource	10,200	11,700	446	22,345	4.0 %
Cash	Short term Investments	<u>259,921</u>	<u>67,038</u>	<u>23,262</u>	<u>350,221</u>	7.5 %
	Total	15,273,150	(43,250)	2,512,931	17,742,833	

Minnesota Historical Society Defined Contribution Retirement Plan

Total Member Accumulations and Returns by Account

Year Ended December 31, 1998
(In Thousands)

TIAA-CREF

	<u>Assets</u>	<u>Return</u>
CREF Stock	\$304	22.9%
CREF Global Equities	165	18.6%
CREF Equity Index	102	24.1%
CREF Growth	275	32.9%
CREF Social Choice	125	18.6%
CREF Bond Market	49	8.6%
CREF Money Market	86	5.5%
CREF Inflation-Linked Bond	-	3.5%
TIAA Real Estate	22	8.1%
TIAA Traditional Annuity	<u>136</u>	6.7%
Total	<u>\$1,264</u>	

University of Minnesota Discontinued Faculty Retirement Plan 403(b)

Year Ending December 31, 1998
(In Thousands)

Market Value By Quarter

March 31, 1998	\$1,099,089
June 30, 1998	1,114,016
September 30, 1998	1,052,764
December 31, 1998	\$1,151,877

<u>Investment Account</u>	<u>Market Value 12-31-98</u>	<u>Rates of Return (Cal. 1998)</u>
General	\$ 347,081	6.2%
General Limited	172,907	6.8%
Separate A	445,974	30.1%
Vanguard Windsor II	48,542	16.3%
Vanguard Index Trust	30,765	28.6%
Vanguard Long Term	10,845	9.1%
Vanguard Prime Portfolio	4,859	5.3%
Vanguard Ginnie Mae	2,268	7.0%
Vanguard US Treasury	745	4.9%
Vanguard Wellington	11,364	12.0%
Vanguard International	3,884	19.3%
Fidelity OTC	2,546	40.0%
Fidelity Contra	7,255	31.1%
Fidelity Asset	1,387	18.0%
Bond	2,766	5.9%
Money Market	599	4.8%
 <u>TIAA-CREF</u>		
TIAA	16,854	6.7%
CREF Stock	35,654	22.9%
CREF Money Market	1,056	5.4%
CREF Bond	543	8.6%
CREF Social Choice	326	18.6%
CREF Global Equity	1,168	18.6%
CREF Growth	1,194	32.9%
CREF Equity Index	<u>1,295</u>	24.1%
Total	<u>\$1,151,877</u>	

University of Minnesota Faculty Retirement Plan 401(a)

Year Ending December 31, 1998

(In Thousands)

Market Value By Quarter

March 31, 1998	\$571,297
June 30, 1998	592,142
September 30, 1998	561,135
December 31, 1998	\$645,288

<u>Investment Account</u>	<u>Market Value</u> <u>12-31-98</u>	<u>Cal. 1998</u> <u>Rates of Return</u>
General	\$124,619	6.2%
General Limited	32,722	6.8%
Benham Target 2000	62	8.3%
Benham Target 2005	182	12.8%
Benham Target 2010	124	12.8%
Benham Target 2015	170	16.0%
Benham Target 2020	243	17.6%
Benham Target 2025	508	20.6%
Vanguard Windsor II	69,958	16.3%
Vanguard Inst. Index	202,995	28.6%
Vanguard Long Term	12,111	9.1%
Vanguard Prime	5,382	5.3%
Vanguard Ginnie Mae	3,603	7.0%
Vanguard US Treasury	738	4.9%
Vanguard Wellington	17,720	12.1%
Vanguard International	11,158	19.3%
Fidelity OTC	9,391	40.0%
Fidelity Contra	21,106	31.1%
Fidelity Asset	4,014	18.0%
 <u>TIAA-CREF</u>		
TIAA	30,465	6.7%
CREF Stock	56,546	22.9%
CREF Money Market	2,922	5.4%
CREF Bond	3,776	8.6%
CREF Social Choice	13,468	18.6%
CREF Global Equity	8,339	18.6%
CREF Growth	8,312	32.9%
CREF Equity Index	<u>4,654</u>	24.1%
 Total	 <u>\$645,288</u>	

University of Minnesota Faculty Supplemental Plan

Year Ending December 31, 1998
(In Thousands)

Market Value By Quarter

March 31, 1998	\$ 10,534
June 30, 1998	10,405
September 30, 1998	10,045
December 31, 1998	\$ 10,202

<u>Investment Account</u>	<u>Market Value 12-31-98</u>	<u>Rate of Return (Cal. 1998)</u>
Univ. of Minn. Group Income Pool	\$ 10,202	8.2%

Minnesota State Colleges and Universities Defined Contribution Retirement Plan

Combined SRP and IRAP Financial Statements

Year Ended June 30, 1998

(In Thousands)

<u>Provider</u>	<u>Assets 6-30-97</u>	<u>Cash Flow Annual</u>	<u>Assets 6-30-98</u>	<u>Inv. Income Annual</u>	<u>Return Annual</u>
State Board of MN	\$228,618	(\$4,635)	\$274,441	\$50,458	22.1%
Prudential	4,478	(490)	4,721	733	16.4%
Cref	95,493	10,134	122,472	16,845	17.6%
Great West	9,297	1,217	12,505	1,991	21.4%
Minnesota Mutual	3,389	760	5,048	899	26.5%
Variable Annuity Life	17,995	3,582	24,547	2,970	16.5%
Other	364	321	1,098	413	-
Totals	<u>\$359,634</u>	<u>\$10,889</u>	<u>\$444,832</u>	<u>\$74,309</u>	20.6%