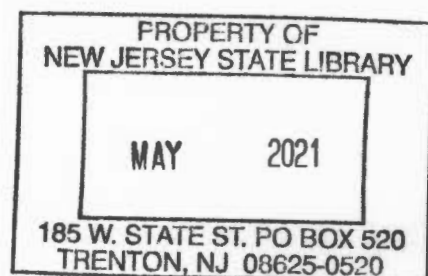


Eighteenth Annual Report

STATE INVESTMENT COUNCIL

STATE OF NEW JERSEY



For the Fiscal Year

Ending June 30, 1968

THE STATE INVESTMENT COUNCIL

June 30, 1968

By appointment of the Governor:

John P. Byram.....To serve until August 24, 1968
Harold J. Curry.....To serve until August 24, 1969
Carrol M. Shanks.....To serve until August 24, 1970
Mary G. Roebling.....To serve until August 24, 1971
William F. Greenley, Jr.....To serve until August 24, 1972

By designation of the Board of Trustees of the Consolidated Police
and Firemen's Pension Fund Commission to serve until July 1, 1968.

Harold C. Hoffman

By designation of the Board of Trustees of the Police and Firemen's
Retirement System to serve until July 1, 1968.

Daniel J. Moore

By designation of the Board of Trustees of the Public Employees'
Retirement System to serve until July 1, 1968.

Charles I. Levine

By designation of the Board of Trustees of the State Police
Retirement System to serve until July 1, 1968.

S. Jervis Brinton

By designation of the Board of Trustees of the Teachers' Pension
and Annuity Fund to serve until July 1, 1968.

Harold Ray

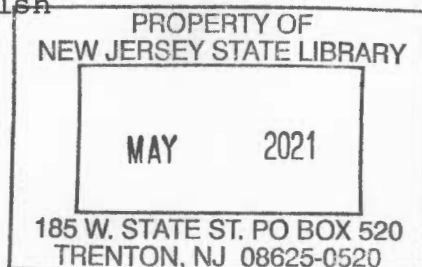
Chairman of the Council
Carrol M. Shanks

State Treasurer
John A. Kervick

Director, Division of Investment
Richard L. Stoddard

Secretary to the Council
John P. Walsh

Counsel, Deputy Attorney General
Franklin D. Renkoff





STATE OF NEW JERSEY
STATE INVESTMENT COUNCIL

November 15, 1968

To the Honorable:

The Governor;

The Legislature;

The State Treasurer.

It is our honor to submit our Annual Report
for the fiscal year ending June 30, 1968, as required
by the second paragraph of Section 13, Chapter 270,
P. L. 1950.

Respectfully submitted,

STATE INVESTMENT COUNCIL,
STATE OF NEW JERSEY

Carrol M. Shanks, Chairman

F O R E W O R D

The Eighteenth Annual Report of the State Investment Council covering the fiscal year ending June 30, 1968 is presented herewith.

The twenty-seven investment Funds under the supervision of the Council at the fiscal year end had a book value of \$1,977,141,943. This total represents an 8.7% increase compared to the 1967 fiscal year end figure of \$1,819,242,927.

Investment income for the year amounted to \$80,472,337 as compared to \$68,162,804 last year. The average effective rate of return on long-term securities purchased during the year showed a substantial rise. The rate was 6.10% as compared with 5.50% for the 1967 fiscal year.

The number of Funds under the jurisdiction of the Council decreased to twenty-seven from the twenty-eight reported in our last annual report.

During the year the Division of Investment purchased securities totalling \$1,490,968,296. \$1,273,023,500 of this total represented short-term investments. The Division also sold securities totalling \$117,544,414 as compared with \$97,458,674 in the previous year. Many of these sales were made to fill the need for money by various Funds while other sales were made in order to take advantage of market conditions and increase yields by reinvesting the proceeds of the sales at higher rates of return. The policy of transacting as much business as possible with security dealers operating within the State was continued.

In compliance with the provisions of Chapter 241, P. L. 1967, on December 5, 1967 securities having a par value of \$2,225,000 and a book value of \$2,194,953.15 plus cash amounting to \$805,046.85 were transferred from the Motor Vehicle Liability Security Fund to the Unsatisfied Claim and Judgment Fund.

As has been mentioned in previous annual reports, the Council constantly reviews its regulations which

govern the activities of the Director. As a result, one regulation was rewritten to provide for the purchase of preferred stocks and several were revised. These refinements keep the Council's policies abreast of economic and fiscal trends.

We wish to call attention to the summary of the survey made by Puder and Puder which is shown on the last page of this report. The Council is pleased to advise that no exceptions were taken as to operations or methods. The Council is also pleased to advise that no securities held by the Funds supervised by the Council are in default.

The State Treasurer and the staff of the Division of Investment have furnished the State Investment Council with the statistical data incorporated in this report. We trust that this information will be adequately informative to all interested parties.

For and on behalf of the Council,

CARROL M. SHANKS,

Chairman.

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PURCHASES - MATURITIES 12 MONTHS AND UNDER - BY FUND.

TYPE AND WEIGHTED AVERAGE EFFECTIVE RATE

7/1/67 - 6/30/68

(Par Value - 000's Omitted)

GROUP AND FUND	U. S. GOV'T		U. S. GOV'T AGENCIES		COMMERCIAL PAPER		TIME CERTIFICATES OF DEPOSIT		TOTALS	
	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE
GROUP I - PENSION & ANNUITY										
Consolidated Police & Firemen's Pension Fund Commission.....	\$ 742	5.38	\$ 4,115	5.29	\$ 19,565	5.43	\$ 2,300	5.34	\$ 26,722	5.40
Police & Firemen's Retirement System.....	8,425	5.21	1,950	5.75	39,570	5.46	- -	- -	49,945	5.43
Public Employees' Retirement System.....	12,825	4.80	11,715	4.72	99,610	5.14	- -	- -	124,150	5.07
State Police Retirement System.....	1,000	4.92	1,060	5.23	6,559	4.71	- -	- -	8,619	4.80
Teachers' Pension & Annuity Fund.....	11,000	4.91	21,000	4.59	150,515	4.97	1,200	5.21	183,715	4.93
GROUP TOTAL.....	\$ 33,992	4.95	\$ 39,840	4.77	\$ 315,819	5.11	\$ 3,500	5.30	\$ 393,151	5.07
GROUP II - STATIC										
Trustees for the Support of Public Schools.....	\$ 150	4.87	\$ - -	- -	\$ 150	5.78	\$ - -	- -	\$ 300	5.32
GROUP III - DEMAND										
Escheat Reserve Fund-Unclaimed Bank Deposits.....	\$ 15	5.98	\$ 15	5.30	\$ - -	- -	\$ - -	- -	\$ 30	5.64
Higher Education Assistance Fund.....	535	5.45	555	5.94	300	4.18	- -	- -	1,390	5.37
Motor Vehicle Liability Security Fund.....	2,045	5.79	850	5.81	- -	- -	- -	- -	2,895	5.79
State Disability Benefits Fund.....	- -	- -	- -	- -	25,790	5.42	- -	- -	25,790	5.42
Unsatisfied Claim & Judgment Fund.....	2,105	5.48	800	5.51	1,150	4.94	- -	- -	4,055	5.33
Workmen's Compensation Security Fund-Mutual.....	10	5.61	5	5.17	- -	- -	- -	- -	15	5.46
Workmen's Compensation Security Fund-Stock.....	- -	- -	5	5.17	- -	- -	- -	- -	5	5.17
GROUP TOTAL.....	\$ 4,710	5.61	\$ 2,230	5.73	\$ 27,240	5.39	\$ - -	- -	\$ 34,180	5.44
GROUP IV - TEMPORARY RESERVE										
General Investment Fund.....	\$134,000	5.07	\$128,000	5.77	\$315,500	5.33	\$199,500	5.41	\$ 777,000	5.38
General Trust Funds.....	20	5.88	10	5.65	- -	- -	- -	- -	30	5.80
Grade Crossing Elimination Fund.....	80	4.89	50	5.17	15	4.58	- -	- -	145	4.96
N. J. College of Medicine & Dentistry-Grant Fund.....	400	5.33	800	4.66	- -	- -	100	5.50	1,300	4.93
1964 Higher Education Construction Fund.....	4,300	5.56	1,500	5.72	15,650	5.05	- -	- -	21,450	5.20
School Building Aid-Capital Reserve Fund.....	300	5.86	25	5.22	135	4.57	- -	- -	460	5.45
State Higher Education Fund.....	600	4.70	600	4.53	1,000	5.10	- -	- -	2,200	4.83
State 1960 Institution Construction Fund.....	300	4.53	900	5.43	900	5.21	- -	- -	2,100	5.21
State 1964 Institution Construction Fund.....	1,000	5.19	3,100	5.66	8,450	5.29	2,000	5.50	14,550	5.39
State Recreation & Conservation Land Acquisition Fund.....	4,200	4.92	6,700	5.58	6,200	4.86	- -	- -	17,100	5.16
State Water Development Fund.....	950	5.84	2,525	5.56	1,400	5.07	- -	- -	4,875	5.47
Unemployment Compensation Auxiliary Fund.....	210	5.31	325	5.68	50	4.82	- -	- -	585	5.48
Veterans' Guaranteed Loan Fund.....	140	5.58	145	5.54	- -	- -	- -	- -	285	5.56
GROUP TOTAL.....	\$146,500	5.09	\$144,680	5.74	\$349,300	5.31	\$201,600	5.41	\$ 842,080	5.37
GROUP V - TRUST										
Supplemental Annuity Collective Trust.....	\$ - -	- -	\$ - -	- -	\$ 3,312.5	5.45	\$ - -	- -	\$ 3,312.5	5.45
TOTALS.....	\$185,352	5.08	\$186,750	5.53	\$695,821.5	5.22	\$205,100	5.41	\$1,273,023.5	5.28

PURCHASES - MATURITIES OVER 12 MONTHS - BY FUND.

TYPE AND WEIGHTED AVERAGE EFFECTIVE RATE

7/1/67 - 6/30/68

(Par Value - 000's Omitted)

GROUP AND FUND	U.S. GOV'T		U.S. GOV'T AGENCIES		CORPORATE (1)		CANADIAN (2)		MERCHANT MARINE		MORTGAGES (3)		INTER-AMER. DEV. BANK		INTERNATIONAL BANK		TOTALS	
	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE
GROUP I - PENSION & ANNUITY																		
Consolidated Police & Firemen's Pension Fund Comm.	\$ -	-	\$ -	-	\$ 1,320	6.03	\$ -	-	\$ 250	5.60	\$ -	-	\$ -	-	\$ -	-	\$ 1,570	5.96
Police & Firemen's Retirement System.....	100	5.75	1,750	6.28	20,510	6.44	1,900	6.86	500	5.80	-	-	200	6.55	600	5.60	25,560	6.43
Public Employees' Retirement System.....	1,188	5.71	4,000	6.29	39,415	6.20	3,550	6.65	1,250	5.84	6,055.568	5.96	1,000	6.55	1,650	5.71	58,108.568	6.18
State Police Retirement System.....	100	5.75	250	6.08	3,715	6.08	200	6.35	250	6.00	-	-	250	6.55	250	5.95	5,015	6.10
Teachers' Pension & Annuity Fund.....	1,188	5.70	4,000	6.29	55,165	6.02	3,300	6.44	2,000	5.90	13,639.661	5.89	1,000	6.55	2,500	5.71	82,792.661	6.02
GROUP TOTAL.....	\$ 2,576	5.71	\$ 10,000	6.28	\$ 120,125	6.15	\$ 8,950	6.61	\$ 4,250	5.86	\$ 19,695.229	5.91	\$ 2,450	6.55	\$ 5,000	5.71	\$ 173,046.229	6.14
GROUP II - STATIC																		
1837 Surplus Revenue Fund.....	\$ -	-	\$ -	-	\$ 27	4.10	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 27	4.10
Trustees for the Support of Public Schools.....	165	6.00	715	6.13	1,732	5.49	-	-	-	-	-	-	-	-	-	-	2,612	5.70
GROUP TOTAL.....	\$ 165	6.00	\$ 715	6.13	\$ 1,759	5.46	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 2,639	5.68
GROUP III - DEMAND																		
Escheat Reserve Fund-Unclaimed Bank Deposits.....	\$ 25	5.92	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 25	5.92
Higher Education Assistance Fund.....	1,565	5.46	839	5.85	-	-	-	-	-	-	-	-	-	-	-	-	2,395	5.60
Motor Vehicle Liability Security Fund.....	85	5.60	15	5.62	-	-	-	-	-	-	-	-	-	-	-	-	100	5.60
Workmen's Compensation Security Fund-Mutual.....	476	5.68	20	5.98	15	6.05	-	-	-	-	-	-	-	-	-	-	511	5.71
Workmen's Compensation Security Fund-Stock.....	1,230	5.69	445	5.99	297	6.05	-	-	-	-	-	-	-	-	-	-	1,972	5.81
GROUP TOTAL.....	\$ 3,381	5.58	\$ 1,310	5.90	\$ 312	6.05	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 5,003	5.70
GROUP IV - TEMPORARY RESERVE																		
N.J. College of Medicine & Dentistry-Grant Fund...	\$ 600	5.36	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 600	5.36
School Building Aid-Capital Reserve Fund.....	460	5.60	285	5.68	-	-	-	-	-	-	-	-	-	-	-	-	745	5.63
State 1964 Institution Construction Fund.....	-	-	2,900	5.82	-	-	-	-	-	-	-	-	-	-	-	-	2,900	5.82
State Recreation & Conservation Land Acq. Fund....	2,350	5.68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	2,350	5.68
State Water Development Fund.....	700	5.68	-	-	-	-	-	-	-	-	-	-	-	-	-	-	700	5.68
Unemployment Compensation Auxiliary Fund.....	1,390	5.65	950	5.99	-	-	-	-	-	-	-	-	-	-	-	-	2,340	5.78
GROUP TOTAL.....	\$ 5,500	5.63	\$ 4,135	5.85	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ -	-	\$ 9,635	5.72
TOTALS.....	\$ 11,622	5.64	\$ 16,160	6.13	\$ 122,196	6.14	\$ 8,950	6.61	\$ 4,250	5.86	\$ 19,695.229	5.91	\$ 2,450	6.55	\$ 5,000	5.71	\$ 190,323.229	6.10

(1) Please refer to page 9 for detail.

(2) Please refer to page 10 for detail.

(3) Please refer to page 11 for detail.

Note: Please see page 11 for stock purchases.

CORPORATE PURCHASES

7/1/67 - 6/30/68

(Par Value - 000's Omitted)

GROUP AND FUND	INDUSTRIALS		GAS & ELECTRIC		TELEPHONE		WATER		R.R. EQUIP. OBLIGATIONS		FINANCE COMPANIES SENIOR DEBT		BANK DEBENTURES		TOTALS	
	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE
GROUP I - PENSION & ANNUITY																
Consolidated Police & Firemen's Pension Fund Commission..	\$ 270	6.24	\$ 250	7.20	\$ - -	- -	\$ - -	- -	\$ - -	- -	\$ 300	6.42	\$ 500	5.11	\$ 1,320	6.03
Police & Firemen's Retirement System.....	11,010	6.31	6,500	6.76	2,000	6.54	200	6.25	- -	- -	300	6.42	500	5.11	20,510	6.44
Public Employees' Retirement System.....	23,165	6.08	10,050	6.56	4,550	6.14	300	6.25	- -	- -	750	6.42	600	4.93	39,415	6.20
State Police Retirement System.....	2,665	6.07	850	6.01	100	6.60	- -	- -	- -	- -	100	6.42	- -	- -	3,715	6.08
Teachers' Pension & Annuity Fund.....	32,865	5.87	12,350	6.37	7,950	6.09	500	6.25	- -	- -	1,000	6.42	500	5.11	55,165	6.02
GROUP TOTAL.....	\$69,975	6.02	\$30,000	6.51	\$14,600	6.17	\$1,000	6.25	\$ - -	- -	\$2,450	6.42	\$2,100	5.06	\$120,125	6.15
GROUP II - STATIC																
1837 Surplus Revenue Fund.....	\$ - -	- -	\$ 15	4.18	\$ 12	4.01	\$ - -	- -	\$ - -	- -	\$ - -	- -	\$ - -	- -	\$ 27	4.10
Trustees for the Support of Public Schools.....	250	5.70	1,080	5.61	290	4.46	- -	- -	112	6.47	- -	- -	- -	- -	1,732	5.49
GROUP TOTAL.....	\$ 250	5.70	\$ 1,095	5.59	\$ 302	4.44	\$ - -	- -	\$ 112	6.47	\$ - -	- -	\$ - -	- -	\$ 1,759	5.46
GROUP III - DEMAND																
Workmen's Compensation Security Fund-Mutual.....	\$ - -	- -	\$ 15	6.05	\$ - -	- -	\$ - -	- -	\$ - -	- -	\$ - -	- -	\$ - -	- -	\$ 15	6.05
Workmen's Compensation Security Fund-Stock.....	- -	- -	267	6.02	30	6.38	- -	- -	- -	- -	- -	- -	- -	- -	297	6.05
GROUP TOTAL.....	\$ - -	- -	\$ 282	6.02	\$ 30	6.38	\$ - -	- -	\$ - -	- -	\$ - -	- -	\$ - -	- -	\$ 312	6.05
TOTALS.....	\$70,225	6.02	\$31,377	6.47	\$14,932	6.14	\$1,000	6.25	\$ 112	6.47	\$2,450	6.42	\$2,100	5.06	\$122,196	6.14

CANADIAN PURCHASES

7/1/67 - 6/30/68

(Par Value - 000's Omitted)

<u>GROUP AND FUND</u>	<u>GOVERNMENT OF CANADA</u>		<u>PROVINCES OF CANADA</u>		<u>CANADIAN PROVINCIAL GUARANTEED</u>		<u>TOTALS</u>	
	<u>PAR VALUE</u>	<u>AVG. EFF. RATE</u>	<u>PAR VALUE</u>	<u>AVG. EFF. RATE</u>	<u>PAR VALUE</u>	<u>AVG. EFF. RATE</u>	<u>PAR VALUE</u>	<u>AVG. EFF. RATE</u>
<u>GROUP I - PENSION & ANNUITY</u>								
Police & Firemen's Retirement System...	\$500	6.90	\$1,150	6.95	\$ 250	6.35	\$1,900	6.86
Public Employees' Retirement System....	- -	- -	2,300	6.84	1,250	6.29	3,550	6.65
State Police Retirement System.....	- -	- -	100	6.45	100	6.25	200	6.35
Teachers' Pension & Annuity Fund.....	- -	- -	1,300	6.65	2,000	6.30	3,300	6.44
TOTALS.....	\$500	6.90	\$4,850	6.81	\$3,600	6.30	\$8,950	6.61

STOCK PURCHASES

7/1/67 - 6/30/68

FUND	COMMON STOCK								PREFERRED STOCK	
	BANKS		PUBLIC UTILITIES		OTHER		TOTALS		PUBLIC UTILITIES	
	BOOK VALUE	AVG. EFF. RATE	BOOK VALUE	AVG. EFF. RATE	BOOK VALUE	AVG. EFF. RATE	BOOK VALUE	AVG. EFF. RATE	BOOK VALUE	AVG. EFF. RATE
Consolidated Police & Firemen's Pension Fund Commission.....	\$ - -	- -	\$ - -	- -	\$ 9,736	2.26	\$ 9,736	2.26	\$ - -	- -
N. J. College of Medicine & Dentistry-Endowment Funds.....	- -	- -	5,494	4.37	7,134	3.36	12,628	3.80	- -	- -
Police & Firemen's Retirement System.....	- -	- -	604,133	4.64	542,535	2.66	1,146,668	3.70	- -	- -
Public Employees' Retirement System.....	353,841	1.84	4,598,042	4.66	4,692,213	2.91	9,644,096	3.71	42,600	6.50
State Police Retirement System.....	34,920	3.32	144,220	4.36	126,125	2.96	305,265	3.67	- -	- -
Supplemental Annuity Collective Trust.....	- -	- -	531,074	4.17	3,178,856	2.38	3,709,930	2.64	- -	- -
Teachers' Pension & Annuity Fund.....	442,653	1.85	6,019,319	4.76	6,239,472	3.03	12,701,444	3.81	49,200	6.50
TOTALS.....	\$831,414	1.91	\$11,902,282	4.68	\$14,796,071	2.84	\$27,529,767	3.61	\$91,800	6.50

MORTGAGE PURCHASES

7/1/67 - 6/30/68

(Par Value - 000's Omitted)

GROUP AND FUND	F. H. A. MORTGAGES		V. A. MORTGAGES		FARMERS HOME ADMINISTRATION		TOTALS	
	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE	PAR VALUE	AVG. EFF. RATE
GROUP I - PENSION & ANNUITY								
Public Employees' Retirement System.....	\$2,347.415	5.90	\$2,908.153	5.89	\$ 800	6.38	\$ 6,055.568	5.96
Teachers' Pension & Annuity Fund.....	4,680.385	5.87	3,950.276	5.84	5,000	5.95	13,639.661	5.89
TOTALS.....	\$7,027.800	5.88	\$6,867.429	5.86	\$5,800	6.01	\$19,695.229	5.91

PURCHASES - MATURITIES OVER 12 MONTHS - EXPIRATION DATING

7/1/67 - 6/30/68

(Par Value - 100's Omitted)

TYPE OF SECURITY	Aaa			Aa			A			Baa* and Ba**			NOT RATED			TOTALS		
	PAR VALUE	PERCENT	AVG. EFF. RATE	PAR VALUE	PERCENT	AVG. EFF. RATE	PAR VALUE	PERCENT	AVG. EFF. RATE	PAR VALUE	PERCENT	AVG. EFF. RATE	PAR VALUE	PERCENT	AVG. EFF. RATE	PAR VALUE	PERCENT	AVG. EFF. RATE
U. S. Government.....	\$11,622	17.49	5.64	\$ - -	- -	- -	\$ - -	- -	- -	\$ - -	- -	- -	\$ - -	- -	- -	\$ 11,622	6.11	5.64
U. S. Government Agencies.....	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	16,160	34.20	6.13	16,160	8.49	6.13
Industrials.....	26,100	39.27	5.84	23,870	40.98	6.08	20,050	70.51	6.20	205*	100.00	4.06	- -	- -	- -	70,225	36.90	6.02
Gas & Electric.....	7,167	10.78	6.25	20,025	41.93	6.57	3,185	11.20	6.47	- -	- -	- -	1,000	2.12	6.25	31,377	16.49	6.47
Telephone.....	11,620	18.99	6.10	- -	- -	- -	- -	- -	- -	212**	100.00	3.73	3,100	4.44	6.44	14,932	7.85	6.14
Water.....	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	1,000	2.12	6.25	1,000	.53	6.25
R. R. Equipment Obligations.....	- -	- -	- -	112	.23	6.47	- -	- -	- -	- -	- -	- -	- -	- -	- -	112	.06	6.47
Merchant Marine.....	1,500	2.26	5.60	- -	- -	- -	- -	- -	- -	- -	- -	- -	2,750	5.82	6.00	4,250	2.23	5.86
Finance Companies-Senior Debt.....	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	2,450	5.19	6.42	2,450	1.28	6.42
Bank Debentures.....	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	2,100	4.44	5.06	2,100	1.10	5.06
Inter-American Development Bank.....	2,450	3.69	6.55	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	2,450	1.28	6.55
International Bank.....	5,000	7.52	5.71	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	5,000	2.63	5.71
Government of Canada.....	- -	- -	- -	500	1.05	6.90	- -	- -	- -	- -	- -	- -	- -	- -	- -	500	.26	6.90
Provinces of Canada.....	- -	- -	- -	1,500	3.14	6.96	3,350	11.78	6.74	- -	- -	- -	- -	- -	- -	4,850	2.55	6.81
Canadian Provincial Guaranteed.....	- -	- -	- -	1,750	3.67	6.35	1,250	6.51	6.25	- -	- -	- -	- -	- -	- -	3,600	1.89	6.30
Farmers Home Administration.....	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	5,800	12.27	6.01	5,800	3.05	6.01
Mortgages.....	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	- -	13,895	29.40	5.87	13,895	7.30	5.87
TOTALS.....	\$65,459	100.0	5.91	\$47,757	100.00	6.33	\$28,435	100.00	6.30	\$417	- -	3.89	\$48,255	100.00	6.93	\$190,323	100.00	6.10

SALES

7/1/67 - 6/30/68

(Par Value - 100% omitted)

FUND	SHORT TERM					LONG TERM				
	U. S. GOV'T	U. S. GOV'T AGENCIES	COMMERCIAL PAPER	TIME CERTIFICATES OF DEPOSIT	TOTAL SHORT TERM	U. S. GOV'T	U. S. GOV'T AGENCIES	INDUSTRIALS	MORTGAGES	TOTAL LONG TERM
General Investment Fund.....	\$41,000	\$10,000	\$ - -	\$ - -	\$51,000	\$ - -	\$ - -	\$ - -	\$ - -	\$ - -
Grade Crossing Elimination Fund.....	50	50	- -	- -	100	- -	- -	- -	- -	- -
N. J. College of Medicine & Dentistry-Grant Fund.....	200	- -	- -	- -	200	- -	- -	- -	- -	- -
1964 Higher Education Construction Fund.....	300	4,150	500	2,000	6,950	1,000	1,100	- -	- -	2,100.
Police & Firemen's Retirement System.....	1,200	- -	2,000	- -	3,200	- -	- -	5	- -	5.
Public Employees' Retirement System.....	3,250	- -	900	- -	4,150	- -	- -	25	15,614	40,614
School Building Aid-Capital Reserve Fund.....	5	- -	- -	- -	5	125	350	- -	- -	475.
State Disability Benefits Fund.....	- -	- -	- -	- -	- -	7,150	- -	- -	- -	7,150.
State 1964 Institution Construction Fund.....	500	5,250	- -	- -	5,750	4,700	2,500	- -	- -	7,200.
State Police Retirement System.....	550	490	- -	- -	1,040	- -	- -	- -	- -	- -
State Recreation & Conservation Land Acquisition Fund.....	1,500	700	- -	- -	2,200	- -	4,050	- -	- -	4,050.
Teachers' Pension & Annuity Fund.....	7,650	10,000	1,050	- -	18,700	- -	- -	25	51,885	76,885
Trustees for the Support of Public Schools.....	25	- -	- -	- -	25	500	- -	55	- -	555.
Unemployment Compensation Auxiliary Fund.....	- -	200	- -	- -	200	50	125	- -	- -	175.
Veterans' Guaranteed Loan Fund.....	- -	40	- -	- -	40	- -	- -	- -	- -	- -
TOTALS.....	\$56,230	\$30,880	\$4,450	\$2,000	\$93,560	\$13,525	\$8,125	\$110	\$67,499	\$21,827,499

SALES - COMMON STOCK

7/1/67 - 6/30/68

FUND	BANKS	INDUSTRIALS	TOTALS
	BOOK VALUE	BOOK VALUE	BOOK VALUE
N. J. College of Medicine & Dentistry-Endowment Funds.....	\$ - -	\$ 11,939	\$ 11,939
Public Employees' Retirement System.....	97,431	735,092	832,523
Supplemental Annuity Collective Trust.....	- -	554,097	554,097
Teachers' Pension & Annuity Fund.....	125	758,231	758,356
TOTALS.....	\$97,556	\$2,059,359	\$2,156,915

REDEMPTIONS AND PREPAYMENTS

7/1/67 - 6/30/68

(Par Value - 000's omitted)

<u>FUND</u>	<u>MUNICIPALS</u>	<u>INDUSTRIALS</u>	<u>TELEPHONE</u>	<u>MERCHANT MARINE</u>	<u>PROVINCES OF CANADA</u>	<u>CANADIAN PROVINCIAL GUARANTEED</u>	<u>FARMERS HOME ADMINISTRATION</u>	<u>MORTGAGES</u>	<u>TOTALS</u>
Consolidated Police & Firemen's Pension Fund Commission...	\$ -	\$ 4	\$ -	\$ 20	\$ -	\$ -	\$ -	\$ -	\$ 24.
1964 Higher Education Construction Fund.....	-	-	-	-	-	-	779.170	-	779.170
Police & Firemen's Retirement System.....	6	43	3,500	33	-	-	19.050	-	104.550
Public Employees' Retirement System.....	8	275	3.	59	20	11	44.567	129.011	549.578
State Disability Benefits Fund.....	8	-	-	-	-	-	-	-	8.
State 1964 Institution Construction Fund.....	-	-	-	-	-	-	4,294.079	-	4,294.079
State Police Retirement System.....	21	-	2,500	-	-	-	-	-	23.500
Teachers' Pension & Annuity Fund.....	-	628	6.	79	20	16	298.399	204.155	1,251.554
Trustees for the Support of Public Schools.....	9	-	-	-	-	-	16.376	-	25.376
TOTALS.....	\$52	\$950	\$15.	\$191	\$40	\$27	\$5,451.641	\$333.166	\$7,059.807

MATURITIES

7-1 67 - 6/30/68

(Par Value - 100's Omitted)

FUND	U.S. GOV'T	U.S. GOV'T AGENCIES	MUNICIPALS	R.R. EQUIP. OBLIGATIONS	COMMERCIAL PAPER	TIME CERTIFICATES OF DEPOSIT	INTERNATIONAL BANK	CAPEHART MORTGAGES	INSURED MORTGAGES	FARMERS HOME ADMINISTRATION	REAL ESTATE	TOTALS
Consolidated Police & Firemen's Pension Fund Comm.....	\$ 742	\$ 2,615	\$ 73	\$ 600	\$ 19,315	\$ 2,390	\$ 500	\$ 224,250	\$ -	\$ 6,899	\$ -	\$ 26,376,158
1837 Surplus Revenue Fund.....	-	-	22	7	-	-	-	-	-	-	-	29.
Fascheat Reserve Fund-Unclaimed Bank Deposits.....	-	45	-	-	-	-	-	-	-	-	-	45.
General Investment Fund.....	78,000	22,000	37	-	333,500	266,500	-	-	-	-	-	700,037.
General Trust Funds.....	-	30	-	-	-	-	-	-	-	-	-	30.
Grade Crossing Elimination Fund.....	30	115	-	-	40	-	-	-	-	-	-	185.
Higher Education Assistance Fund.....	-	1,405	-	118	325	-	-	-	-	-	-	1,848.
Motor Vehicle Liability Security Fund.....	-	1,710	-	210,854	-	-	-	-	-	-	-	1,920,854
N.J. College of Medicine & Dentistry-Grant Fund.....	-	800	-	-	800	100	-	-	-	-	-	1,700.
1964 Higher Education Construction Fund.....	1,200	14,675	-	-	15,100	-	-	-	-	10,381	-	30,985,381
Police & Firemen's Retirement System.....	5,250	-	10	601	39,720	-	325	638,021	-	29,497	-	46,663,518
Public Employees' Retirement System.....	9,575	11,715	821	699	102,085	-	-	932,527	92,903	47,941	-	125,868,371
School Building Aid-Capital Reserve Fund.....	-	485	-	-	270	-	-	-	-	-	-	755.
State Disability Benefits Fund.....	-	-	211	325	25,185	-	700	-	-	-	-	26,421.
State Higher Education Fund.....	690	1,450	-	-	1,450	-	-	-	-	-	-	3,590.
State 1960 Institution Construction Fund.....	300	1,200	-	-	1,300	-	-	-	-	-	-	2,800.
State 1964 Institution Construction Fund.....	-	9,750	-	-	9,875	2,000	-	-	-	54,219	-	21,679,219
State Police Retirement System.....	450	995	31	124	6,750	-	-	-	-	10,999	-	8,369,999
State Recreation & Conservation Land Acq. Fund.....	2,000	12,900	-	337,517	8,300	-	-	-	-	-	-	23,537,517
State Water Development Fund.....	-	3,850	-	-	1,950	-	-	-	-	-	-	5,800.
Supplemental Annuity Collective Trust.....	-	-	-	-	3,250	-	-	-	-	-	-	3,250.
Teachers' Pension & Annuity Fund.....	3,350	11,000	144	507	147,015	1,200	290	1,287,815	131,121	157,507	446,857	166,229,300
Trustees for the Support of Public Schools.....	290	160	143,750	231	340	-	-	-	-	7,491	-	1,172,151
Unemployment Compensation Auxiliary Fund.....	-	1,475	-	-	30	-	-	-	-	-	-	1,505.
Unsatisfied Claim & Judgment Fund.....	900	1,830	-	-	1,900	-	-	-	-	-	-	4,630.
Veterans' Guaranteed Loan Fund.....	-	125	-	-	85	-	-	-	-	-	-	210.
Workmen's Compensation Security Fund-Mutual.....	55	130	-	10	-	-	-	-	-	-	-	195.
Workmen's Compensation Security Fund-Stock.....	170	400	-	30	230	-	-	-	-	-	-	850.
TOTALS.....	\$102,912	\$100,690	\$1,490,750	\$3,980,371	\$718,844	\$272,100	\$1,725	\$3,682,022	\$224,024	\$324,754	\$446,857	\$1,206,612,378

RECAPITULATION - SECURITIES TRANSACTION

1967 - 6/30/68

(Par Value - 000's Omitted)

GROUP AND FUND	PURCHASES		SALES		REDEMPTIONS AND PREPAYMENTS		MATURITIES		EXCHANGES		TOTALS		
	NO.	PAR VALUE	NO.	PAR VALUE	NO.	PAR VALUE	NO.	PAR VALUE	NO.	PAR VALUE	NO.	PAR VALUE	
GROUP I - PENSION & ANNUITY													
Consolidated Police & Firemen's Pension Fund Commission	67	\$ 28,301.736	-	\$ -	3	\$ 24.	128	\$ 26,376.158	10	\$ 1,297.	\$ 1,305.	208	\$ 57,303.894
Police & Firemen's Retirement System.....	396	76,651.668	7	3,205.	9	104,550	242	46,663.518	20	3,200.	3,216.	674	133,040.736
Public Employees' Retirement System.....	1,383	191,945.264	21	5,023.137	21	549,578	547	125,868.371	50	4,467.	4,512.	2,022	332,365.350(1)
State Police Retirement System.....	136	13,939.265	5	1,040.	3	23,500	45	8,369.909	4	375.	375.	193	24,122.674
Teachers' Pension & Annuity Fund.....	2,112	279,258.305	29	19,535.241	45	1,251.554	703	166,229.300	41	19,842.	19,926.	2,930	506,042.400(2)
GROUP TOTAL.....	4,094	\$ 590,096.238	62	\$ 28,803.378	81	\$ 1,953.182	1,665	\$ 373,507.256	125	\$ 29,181.	\$ 29,334.	6,027	\$ 1,052,875.054
GROUP II - STATIC													
1837 Surplus Revenue Fund.....	4	\$ 27.	-	\$ -	-	\$ -	6	\$ 29.	13	\$ 177.	\$ 179.	23	\$ 412.
Trustees for the Support of Public Schools.....	57	2,912.	7	580.	2	25.376	36	1,172.151	31	3,133.	3,197.	133	11,019.527
GROUP TOTAL.....	61	\$ 2,939.	7	\$ 580.	2	\$ 25.376	42	\$ 1,201.151	44	\$ 3,310.	\$ 3,376.	156	\$ 11,431.527
GROUP III - DEMAND													
Escheat Reserve Fund-Unclaimed Bank Deposits.....	3	\$ 55.	-	\$ -	-	\$ -	3	\$ 45.	14	\$ 300.	\$ 300.	20	\$ 700.
Higher Education Assistance Fund.....	28	3,785.	-	-	-	-	16	1,848.	-	-	-	44	5,633.
Motor Vehicle Liability Security Fund.....(3).....	17	2,995.	-	-	-	-	8	1,920.854	-	-	-	25	4,915.854
State Disability Benefits Fund.....	41	25,790.	6	7,150.	2	8.	68	26,421.	12	5,050.	5,050.	129	69,469.
Unsatisfied Claim & Judgment Fund.....	18	4,055.	-	-	-	-	20	4,630.	-	-	-	38	8,685.
Workmen's Compensation Security Fund-Mutual.....	22	526.	-	-	-	-	10	195.	5	255.	255.	37	1,231.
Workmen's Compensation Security Fund-Stock.....	32	1,977.	-	-	-	-	14	850.	5	830.	830.	51	4,487.
GROUP TOTAL.....	161	\$ 39,183.	6	\$ 7,150.	2	\$ 8.	139	\$ 35,909.854	36	\$ 6,435.	\$ 6,435.	344	\$ 95,120.854
GROUP IV - TEMPORARY RESERVE													
General Investment Fund.....(4).....	161	\$ 777,000.	8	\$ 51,000.	-	\$ -	164	\$ 700,937.	2	\$ 5,000.	\$ 5,200.	335	\$ 1,538,237.
General Trust Funds.....	3	30.	-	-	-	-	3	30.	-	-	-	6	60.
Grade Crossing Elimination Fund.....	6	145.	2	100.	-	-	8	185.	-	-	-	16	430.
N.J. College of Medicine & Dentistry-Grant Fund.....	8	1,900.	2	200.	-	-	3	1,700.	-	-	-	13	3,800.
1964 Higher Education Construction Fund.....	43	21,450.	16	9,050.	2	770.170	39	30,985.381	-	-	-	100	62,264.551
School Building Aid-Capital Reserve Fund.....	16	1,205.	3	480.	-	-	4	755.	-	-	-	23	2,440.
State Higher Education Fund.....	8	2,200.	-	-	-	-	12	3,500.	-	-	-	20	5,700.
State 1960 Institution Construction Fund.....	16	2,100.	-	-	-	-	12	2,800.	-	-	-	28	4,900.
State 1964 Institution Construction Fund.....	68	17,450.	14	12,950.	10	4,294.079	29	21,679.219	-	-	-	121	56,373.298
State Recreation & Conservation Land Acquisition Fund..	71	19,450.	11	6,250.	-	-	26	23,537.517	-	-	-	108	49,237.517
State Water Development Fund.....	34	5,575.	-	-	-	-	22	5,800.	-	-	-	56	11,375.
Unemployment Compensation Auxiliary Fund.....	35	2,925.	4	375.	-	-	14	1,525.	-	-	-	53	4,825.
Veterans' Guaranteed Loan Fund.....	15	285.	1	40.	-	-	16	210.	-	-	-	32	535.
GROUP TOTAL.....	484	\$ 851,715.	61	\$ 80,445.	12	\$ 5,073.249	352	\$ 792,744.117	2	\$ 5,000.	\$ 5,200.	911	\$ 1,740,177.366
GROUP V - TRUST													
N.J. College of Medicine & Dentistry-Endowment Funds...	2	\$ 12,628	5	\$ 11,939	-	\$ -	-	\$ -	-	\$ -	\$ -	7	24.567
Supplemental Annuity Collective Trust.....	293	7,022.430	10	554.997	-	-	47	3,250.	-	-	-	350	10,826.527
GROUP TOTAL.....	295	\$ 7,035.058	15	\$ 566.936	-	\$ -	47	\$ 3,250.	-	\$ -	\$ -	357	\$ 10,851.094
TOTALS.....	5,095	\$ 1,490,908.206	151	\$ 117,544.414	97	\$ 7,050.897	2,245	\$ 1,206,612.378	207	\$ 43,926.	\$ 44,345.	7,795	\$ 2,910,455.895

(1) Does not include a capital gains distribution of \$21,000 recorded in the investment ledger as a reduction of original cost.

(2) Does not include a capital gains distribution of \$42,000 recorded in the investment ledger as a reduction of original cost.

(3) Does not include transfer of \$2,225,000 par value of securities from Motor Vehicle Liability Security Fund into the Unsatisfied Claim & Judgment Fund.

(4) Does not include 1,887 shares of United New Jersey Railroad and Canal Company common stock in the amount of \$188,700 recorded in the investment ledger of the Division of Investment on February 19, 1968 upon instructions from the Division of Budget and Accounting.

DISTRIBUTION OF SECURITIES TRANSACTIONS
AMONG INVESTMENT FIRMS

The practice of maintaining conditions of competition among investment firms undertaking securities transactions with the State of New Jersey - Division of Investment was continued during the fiscal year 1967-68. During this period, the number of such firms was two hundred and five, compared with one hundred eighty-six in the preceding fiscal year. Included in these totals are firms acting as principals or agents in the issuance of commercial and financial paper, as well as banks from whom certificates of deposit were obtained on a competitive basis. Also included are investment firms that served as agents in the direct placement of unregistered securities, and suppliers of FHA-insured single-dwelling mortgages.

Transactions involving the purchase or sale of securities during the fiscal year 1967-68 were recorded with the following:

Adams & Peck	Farmers Home Administration
Allen & Co.	Fahnestock & Co.
American Securities Corp.	Faulkner, Dawkins & Sullivan
Ames, A. E. & Co., Inc.	Fidelity Union Trust Co.
Amott, Baker & Co., Inc.	First Boston Corp.
Anderson & Strudwick	*First Hanover Corp.
*Andresen & Co.	First of Michigan Corp.
Arnhold & S. Bleichroeder, Inc.	First National Bank of Boston
Associates Investment Co.	First National Bank of Chicago
Auchincloss, Parker & Redpath	First National City Bank
Bache & Co., Inc.	First National State Bank of N. J.
Bacon, Whipple & Co.	First Pennsylvania Banking & Trust Co.
Baker, Watts & Co.	*First Trenton National Bank
Bankers Trust Co.	Ford Motor Credit Co.
Bank of America, N.T. & S.A.	Freeman & Co.
Bank of New York	Gairdner & Co., Inc.
Barth, J. & Co.	Garrett, Robert & Sons, Inc.
Baxter & Co., Inc.	General Electric Credit Corp.
Bear, Stearns & Co.	General Motors Acceptance Corp.
Becker, A. G. & Co., Inc.	General Telephone & Electronics Corp.
Bell, Gouinlock & Co., Inc.	Glore Forgan, Wm. R. Staats, Inc.
Blair & Co., Inc.	Goldman, Sachs & Co.
Blyth & Co., Inc.	Goodbody & Co.
Boettcher & Co.	Greenshields & Co., Inc.
Bradford, J. C. & Co.	Gregory & Sons
Briggs, Schaedle & Co., Inc.	Halle & Stieglitz
Brown, Alex. & Sons	Hallgarten & Co.
Bruns, Nordeman & Co.	Hallowell, Sulzberger, Jenks, Kirkland & Co.
Burnham & Co.	Halsey, Stuart & Co., Inc.
Burns Bros. & Denton, Inc.	Harris & Partners, Inc.
Butcher & Sherrerd	Harris Trust & Savings Bank
Carter, Berlind & Weill	Harris, Upham & Co.
Chase Manhattan Bank, N.A.	Hayden, Stone Inc.
Chemical Bank New York Trust Co.	*Hertz, Warner & Co.
C.I.T. Financial Corp.	Hirsch & Co.
Clark, Dodge & Co., Inc.	Hornblower & Weeks-Hemphill, Noyes
Commercial Credit Co.	Hutton, E. F. & Co., Inc.
Commercial Mortgage Co.	Hutton, W. E. & Co.
Continental Illinois Nat'l Bank & Trust Co. of Chicago	Janney, Battles & E. W. Clark, Inc.
Courts & Co.	Jersey Mortgage Co.
Davis, Edwin L. & Co.	*Johnson, Hugh L. & Co.
DeHaven & Townsend, Crouter & Bodine	Keefe, Bruyette & Woods, Inc.
Dempsey-Tegeler & Co., Inc.	Kidder, Peabody & Co., Inc.
Dick & Merle-Smith	Kislak, J. I. Mortgage Corp.
Dillon, Read & Co., Inc.	*Kohlmeyer & Co.
Discount Corp. of N. Y.	Kuhn, Loeb & Co., Inc.
Dominick & Dominick, Inc.	Ladenburg, Thalmann & Co.
Dominion Securities Corp.	Laidlaw & Co.
Donaldson, Lufkin & Jenrette, Inc.	Laird, Bissell & Meeds
Dougherty, A. Webster & Co.	Langley, W. C. & Co.
Drexel Harriman Ripley, Inc.	Lanston, Aubrey G. & Co., Inc.
Dreyfus Corp.	Lazard Freres & Co.
duPont, Francis I. & Co.	Legg & Co.
Eastman Dillon, Union Securities & Co.	Lehman Bros.
Eberstadt, F. & Co.	Lehman Commercial Paper, Inc.
Elkins, Morris, Stroud & Co.	Loeb, Rhoades & Co.
Emanuel, Deetjen & Co.	Manufacturers Hanover Trust Co.
Equisec-Canada, Inc.	Mathis, L. E. & Co.
Equitable-Canada, Inc.	McDonnell & Co., Inc.
Equitable Securities Corp.	McKelvy & Co.
Equitable Securities, Morton & Co., Inc.	McLeod, Young, Weir, Inc.
*Edwards & Hanly	Mellon National Bank & Trust Co.
Estabrook & Co.	Merrill Lynch, Pierce, Fenner & Smith, Inc.
	Midland Canadian Corp.

* New Vendors

LIST OF VENDORS - CONTINUED

Mills, Spence & Co.
Model, Roland & Co., Inc.
Montgomery Ward Credit Corp.
Moore, Leonard & Lynch, Inc.
Morgan Guaranty Trust Co. of N. Y.
Morgan Stanley & Co.
Morton, W. H. & Co., Inc.
Moseley, F. S. & Co., Inc.
Newbold's, W. H. Son & Co.
Nebitt, Thomson & Co., Inc.
Newburger & Co.
*Newhard, Cook & Co.
*New Jersey Realty Co.
New York Manseatic Corp.
Northern Trust Co.
Nugent & Igou
*Nuveen, John & Co., Inc.
Ohio Co. (The)
Orvis Bros. & Co.
Pacific Finance Corp.
Paine, Webber, Jackson & Curtis
Paribas Corp.
Pomroy, J. C. Credit Corp.
*Pittfield, Mackay & Co., Inc.
Pollock, Wm. E. & Co., Inc.
Pressman, Frohlich & Frost
Pressprich, R. W. & Co.
Putnam, Coffin & Burr
Putnam, Coffin & Burr, Doolittle, Inc.
Quincey, Chas. E. & Co.
Reinholdt & Gardner
Reynolds & Co., Inc.
Richardson Securities, Inc.
Riter & Co.
Rothschild, T. F. & Co.
Royal Securities Inc.
Salomon Brothers & Hutzler
Schapiro, M. A. & Co., Inc.
Schmidt, Roberts & Parke, Inc.
Schwabacher & Co.
Sears Roebuck Acceptance Corp.
Second District Securities Co., Inc.
Shearson, Hammill & Co., Inc.
*Shelby Cullom Davis & Co.
Shields & Co.
Singer, Deane & Scribner
Smith, Barney & Co., Inc.
Smithers, F. S. & Co.
South Jersey Mortgage Co.
Sparks, J. W. & Co.
Spencer Trask & Co.
Spingarn, Heine & Co.
Stein Bros. & Boyce, Inc.
*Stifel, Nicolaus & Co., Inc.
Stone & Webster Securities Corp.
*Suplee, Mosley, Close & Kerner, Inc.
Swiss American Corp.
Thomas, L. O. & Co.
Thomson & McKinnon
*Transamerica Financial Corp.
Treasurer of the United States
*Trenton Trust Co.
Tucker, Anthony & R. L. Day
Underwood Mortgage & Title Co.
Van Alstyne, Noel & Co.
Wainwright, H. C. & Co.
Walker, G. H. & Co.
Walston & Co., Inc.
Watson, T. L. & Co.
Weeden & Co., Inc.
*Wechsler & Krumholz
Wertheim & Co.
White, Weld & Co.
Winslow, Cohn & Stetson
Witter, Dean & Co.
Wood, Gandy & Co., Inc.
Wood, Struthers & Winthrop
Yarnell, Biddle & Co.

* New Vendors

NET INVESTMENT EARNINGS

(July 1 - June 30)

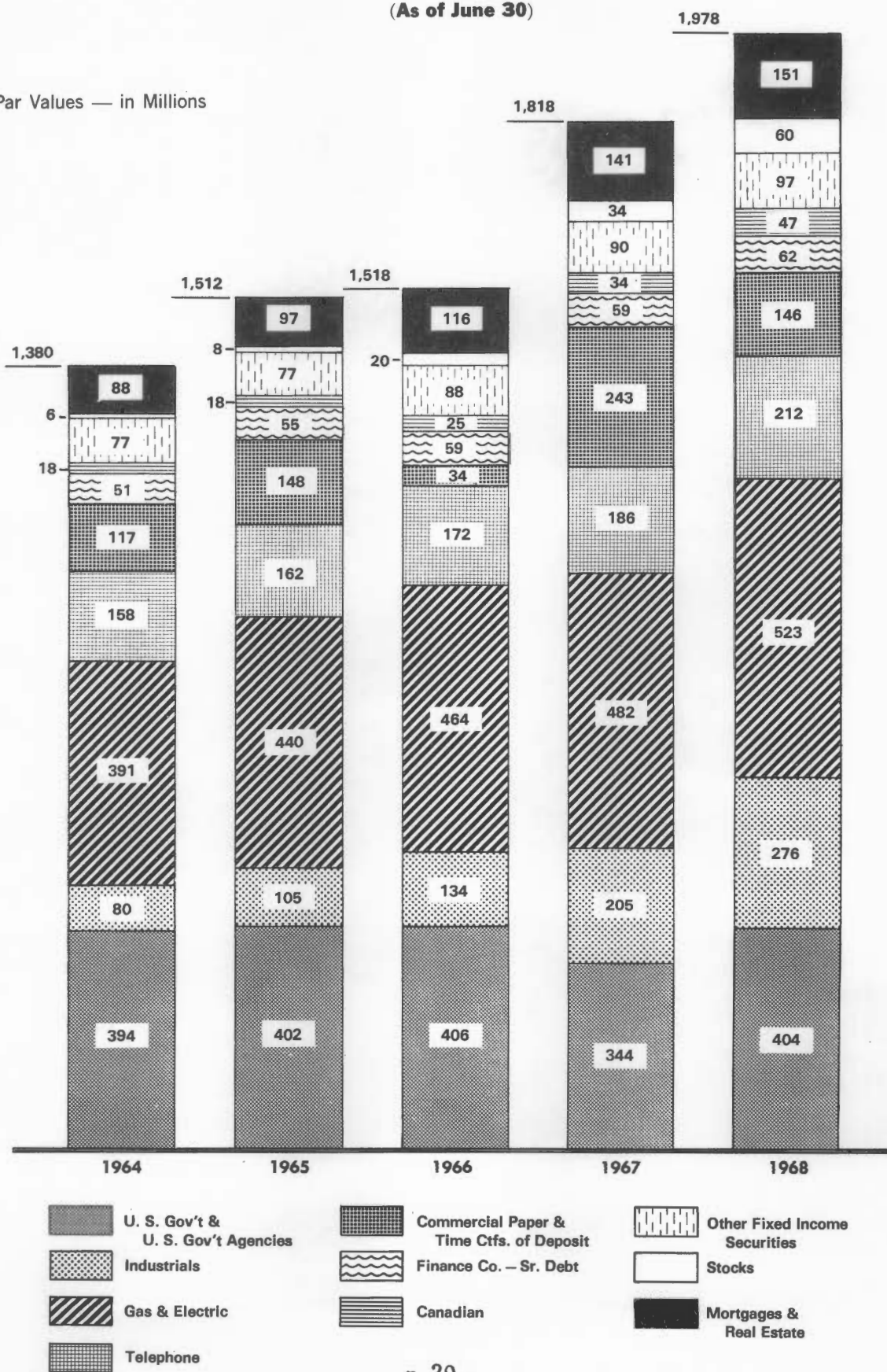
GROUP AND FUND	1967		1968	
	AMOUNT	PERCENT	AMOUNT	PERCENT
<u>GROUP I - PENSION AND ANNUITY</u>				
Consolidated Police & Firemen's Pension Fund Commission..	\$ 2,720,285	3.99	\$ 2,840,584	3.53
Police and Firemen's Retirement System.....	7,313,565	10.73	8,712,192	10.83
Prison Officers' Pension Fund.....	684	Nil	- - -	- - -
Public Employees' Retirement System.....	14,492,889	21.26	17,137,967	21.30
State Police Retirement System.....	396,577	.58	639,272	.79
Teachers' Pension & Annuity Fund.....	29,407,180	43.15	33,737,040	41.92
GROUP TOTAL.....	\$54,331,180	79.71	\$63,067,055	78.37
<u>GROUP II - STATIC</u>				
1837 Surplus Revenue Fund.....	\$ 26,893	.04	\$ 27,420	.03
Trustees for the Support of Public Schools.....	808,099	1.19	950,224	1.18
GROUP TOTAL.....	\$ 834,992	1.23	\$ 977,644	1.21
<u>GROUP III - DEMAND</u>				
Escheat Reserve Fund-Unclaimed Bank Deposits.....	\$ 19,577	.03	\$ 18,828	.02
Higher Education Assistance Fund.....	175,527	.25	263,174	.33
Motor Vehicle Liability Security Fund.....	565,665	.83	487,611	.61
State Disability Benefits Fund.....	2,193,700	3.22	2,117,668	2.63
State Society of the Battleship New Jersey.....	191	Nil	- - -	- - -
Unsatisfied Claim and Judgment Fund.....	123,851	.18	78,692	.10
Workmen's Compensation Security Fund-Mutual.....	72,526	.11	82,795	.10
Workmen's Compensation Security Fund-Stock.....	242,447	.36	271,229	.34
GROUP TOTAL.....	\$ 3,393,484	4.98	\$ 3,319,997	4.13
<u>GROUP IV - TEMPORARY RESERVE</u>				
General Investment Fund.....	\$ 4,718,027	6.92	\$ 8,178,510	10.16
General Trust Funds.....	2,817	Nil	1,558	Nil
Grade Crossing Elimination Fund.....	11,153	.02	5,576	.01
N.J. College of Medicine and Dentistry-Grant Fund.....	42,420	.06	37,453	.05
1964 Higher Education Construction Fund.....	1,044,941	1.54	1,056,183	1.31
School Building Aid-Capital Reserve Fund.....	96,999	.14	95,670	.12
State Higher Education Fund.....	207,181	.30	43,391	.06
State 1960 Institution Construction Fund.....	249,329	.37	35,455	.04
State 1964 Institution Construction Fund.....	970,375	1.42	1,995,418	2.48
State Recreation and Conservation Land Acquisition Fund..	1,678,494	2.46	939,814	1.17
State Water Development Fund.....	231,070	.34	192,201	.24
Unemployment Compensation Auxiliary Fund.....	140,796	.21	207,401	.26
Veterans' Guaranteed Loan Fund.....	9,091	.01	10,903	.01
GROUP TOTAL.....	\$ 9,402,693	13.79	\$12,799,533	15.91
<u>GROUP V - TRUST</u>				
N.J. College of Medicine and Dentistry-Endowment Funds...	\$ 2,745	Nil	\$ 2,111	Nil
Supplemental Annuity Collective Trust.....	197,710	.29	305,997	.38
GROUP TOTAL.....	\$ 200,455	.29	\$ 308,108	.38
TOTALS.....	\$68,162,804	100.00	\$80,472,337	100.00

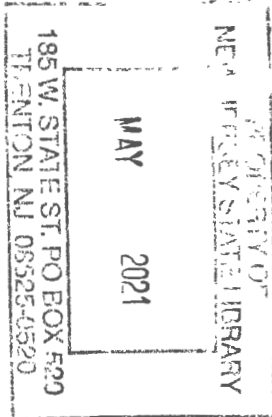
HOLDINGS

ALL INVESTMENT FUNDS

(As of June 30)

Par Values — in Millions





COMPARATIVE SUMMARY OF ALL PORTFOLIOS BY TYPE OF SECURITY

(As of June 30)

TYPE OF SECURITY	1967			1968		
	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	PERCENT	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	PERCENT
U. S. Government.....	244,713,500	245,153,385	13.5	241,886,500	241,988,682	12.2
U. S. Government Agencies.....	99,292,000	99,468,863	5.5	162,417,000	161,949,050	8.2
Merchant Marine (U.S. Gov't Insured).....	7,726,000	7,726,000	0.4	11,366,000	11,366,000	0.6
Municipal General Obligations.....	9,959,200	9,967,516	0.5	8,101,450	8,082,773	0.4
Municipal Revenues (1).....	12,601,000	12,565,107	0.7	12,197,000	12,170,407	0.6
Industrials.....	204,699,000	204,240,111	11.3	276,164,000	275,229,209	14.0
Gas and Electric.....	481,405,000	483,655,200	26.5	522,870,000	524,884,140	26.4
Telephone.....	186,317,000	187,658,658	10.3	211,954,000	213,086,809	10.7
Water.....	3,600,000	3,596,174	0.2	4,600,000	4,596,564	0.2
Railroad Equipment Trust Ctfs.....	20,847,899	20,883,834	1.1	17,253,528	17,280,923	0.9
Commercial Paper.....	105,547,500	105,187,646	5.8	78,275,000	78,110,192	4.0
Time Certificates of Deposit.....	137,000,000	137,001,197	7.5	68,000,000	67,999,626	3.4
Finance Companies - Senior Debt.....	59,177,000	58,882,703	3.3	61,627,000	61,331,770	3.1
Bank Debentures.....	14,300,000	14,288,823	0.8	16,400,000	16,323,142	0.8
Government of Canada.....	615,000	577,808	Nil	1,115,000	1,080,933	0.1
Provinces of Canada.....	14,169,000	13,997,389	0.8	19,991,000	19,657,827	1.0
Canadian Provincial Guaranteed.....	19,132,000	18,901,182	1.1	26,230,000	25,892,521	1.3
Inter - American Development Bank.....	9,450,000	9,416,241	0.5	11,900,000	11,849,972	0.6
International Bank.....	11,813,000	11,802,516	0.6	15,558,000	15,525,875	0.8
Preferred Stocks.....	- -	- -	- -	91,800	91,800	Nil
Common Stocks - Banks.....	3,948,871	3,948,871	0.2	5,294,729	5,294,729	0.3
Common Stocks - Public Utilities.....	14,821,678	14,821,678	0.8	26,723,959	26,723,959	1.4
Common Stocks - Other.....	15,244,676	15,244,676	0.8	27,495,089	27,495,089	1.4
Capehart Mortgages (Guar. by U.S.).....	94,035,915	93,321,919	5.2	90,353,293	89,692,599	4.6
FHA Mortgages.....	5,902,801	5,736,964	0.3	12,578,792	12,231,461	0.6
VA Mortgages.....	5,264,692	5,099,709	0.3	11,859,242	11,530,385	0.6
Farmers Home Administration.....	25,263,618	25,263,618	1.4	25,287,223	25,287,223	1.3
Real Estate.....	10,835,139	10,835,139	0.6	10,388,283	10,388,283	0.5
TOTALS.....	1,817,681,489	1,819,242,927	100.0	1,977,977,888	1,977,141,943	100.0

(1) Housing Authority Bonds Included
with Revenue Bonds.

The following tabulation classifies the separate Funds according to their proper investment group and also provides a comparison of 1967 and 1968 holdings of each Fund and each Group.

	B O O K V A L U E S	
	June 30, 1967	June 30, 1968
<u>PENSION AND ANNUITY GROUP</u>		
Consolidated Police & Firemen's Pension Fund Commission.....	\$ 64,597,803	\$ 66,503,907
Police & Firemen's Retirement System.....	188,504,341	215,065,360
Public Employees' Retirement System.....	361,988,480	422,063,930
State Police Retirement System.....	10,126,534	14,616,503
Teachers' Pension & Annuity Fund.....	727,826,803	819,471,030
Group Total.....	<u>\$1,353,043,961</u>	<u>\$1,537,720,730</u>
<u>STATIC GROUP</u>		
1837 Surplus Revenue Fund.....	751,420	749,683
Trustees for the Support of Public Schools.....	23,557,575	24,670,216
Group Total.....	<u>\$ 24,308,995</u>	<u>\$ 25,419,899</u>
<u>DEMAND GROUP</u>		
Escheat Reserve Fund-Unclaimed Bank Deposits.....	557,919	581,009
Higher Education Assistance Fund.....	4,084,307	6,002,682
Motor Vehicle Liability Security Fund.....	13,025,528	11,857,872
State Disability Benefits Fund.....	78,594,362	70,651,149
Unsatisfied Claim & Judgment Fund.....	998,657	2,619,197
Workmen's Compensation Security Fund-Mutual.....	2,087,763	2,412,554
Workmen's Compensation Security Fund-Stock.....	6,706,180	7,732,132
Group Total.....	<u>\$ 106,054,716</u>	<u>\$ 101,856,595</u>
<u>TEMPORARY RESERVE GROUP</u>		
General Investment Fund.....	222,964,902	248,678,836
General Trust Funds.....	25,002	24,536
Grade Crossing Elimination Fund.....	140,001	---
N.J. College of Medicine & Dentistry-Grant Fund..	798,729	797,119
1964 Higher Education Construction Fund.....	24,197,449	4,763,814
School Building Aid-Capital Reserve Fund.....	1,922,053	1,870,143
State Higher Education Fund.....	1,299,808	---
State 1960 Institution Construction Fund.....	1,100,058	399,470
State 1964 Institution Construction Fund.....	44,627,503	23,155,267
State Recreation & Conservation Land Acq. Fund...	22,507,920	12,179,227
State Water Development Fund.....	4,099,845	3,857,167
Unemployment Compensation Auxiliary Fund.....	3,674,985	4,681,458
Veterans' Guaranteed Loan Fund.....	104,519	227,890
Group Total.....	<u>\$ 327,552,774</u>	<u>\$ 300,643,927</u>
<u>TRUST GROUP</u>		
N.J. College of Medicine & Dentistry-Endow. Funds	57,961	58,627
Supplemental Annuity Collective Trust.....	8,224,520	11,442,165
Group Total.....	<u>\$ 8,282,481</u>	<u>\$ 11,500,792</u>
<u>GRAND TOTAL.....</u>		
	<u>\$1,810,242,927</u>	<u>\$1,977,141,943</u>

PORTFOLIO BY FUND GROUPS

(As of June 30)

GROUP AND FUND	1967				1968			
	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE
GROUP I - PENSION & ANNUITY								
Consolidated Police & Firemen's Pension Fund Commission								
U. S. Government.....	5,518,000	5,455,540	3.58	8.5	4,386,000	4,348,533	3.60	6.6
U. S. Government Agencies.....	1,235,000	1,221,666	4.02	1.0	2,735,000	2,723,438	5.33	4.1
Merchant Marine (U.S. Gov't Insured)...	583,000	583,000	4.51	0.0	813,000	813,000	4.85	1.2
Municipal General Obligations.....	157,000	148,551	4.05	0.2	84,000	76,525	3.99	0.1
Municipal Revenues.....	475,000	468,165	4.57	0.8	475,000	468,740	4.57	0.7
Industrials.....	7,577,000	7,530,044	4.40	11.7	8,143,000	8,101,280	4.58	12.2
Gas and Electric.....	23,842,000	23,926,404	3.73	36.8	24,002,000	24,180,832	3.78	36.1
Telephone.....	8,792,000	8,852,768	4.01	13.6	8,792,000	8,854,158	4.01	13.2
Railroad Equipment Trust Cifs.....	3,741,000	3,733,970	3.97	5.8	3,141,000	3,135,572	4.08	4.7
Commercial Paper.....	800,000	795,100	4.55	1.2	1,050,000	1,045,415	6.24	1.6
Finance Companies - Senior Debt.....	3,175,000	3,166,175	4.82	4.9	3,475,000	3,465,144	4.96	5.2
Bank Debentures.....	- - -	- - -	- - -	- - -	500,000	483,802	5.11	0.8
Provinces of Canada.....	800,000	770,226	4.27	1.2	800,000	772,484	4.27	1.2
Canadian Provincial Guaranteed.....	512,000	496,208	4.46	0.8	1,012,000	973,194	4.67	1.5
Inter-American Development Bank.....	200,000	198,175	4.58	0.3	200,000	198,246	4.58	0.3
International Bank.....	600,000	593,607	4.23	0.9	440,000	418,458	5.32	0.7
Common Stocks - Other.....	- - -	- - -	- - -	- - -	9,736	9,736	2.26	Nil
Capehart Mortgages (Guar. by U.S.).....	6,069,457	5,969,574	4.53	9.4	5,845,109	5,753,819	4.53	8.8
Farmers Home Administration.....	688,420	688,420	5.62	1.1	681,521	681,521	5.62	1.0
FUND TOTAL.....	64,764,877	64,597,893	4.97	100.0	66,674,456	66,503,997	4.21	100.0

PORTFOLIO BY FUND GROUPS

(As of June 30)

<u>GROUP AND FUND</u>	<u>1967</u>				<u>1968</u>			
	<u>PAR VALUE</u> <u>(DOLLARS)</u>	<u>BOOK VALUE</u> <u>(DOLLARS)</u>	<u>EFF.*</u> <u>RATE</u> <u>(%)</u>	<u>PERCENT</u> <u>BY</u> <u>TYPE</u>	<u>PAR VALUE</u> <u>(DOLLARS)</u>	<u>BOOK VALUE</u> <u>(DOLLARS)</u>	<u>EFF.*</u> <u>RATE</u> <u>(%)</u>	<u>PERCENT</u> <u>BY</u> <u>TYPE</u>
<u>Police & Firemen's Retirement System</u>								
U. S. Government.....	7,269,000	7,276,971	3.44	3.9	6,710,000	6,710,587	4.34	3.1
U. S. Government Agencies.....	4,230,000	4,224,931	4.76	2.2	7,930,000	7,917,061	5.35	3.7
Merchant Marine (U.S. Gov't Insured)...	2,290,000	2,290,000	4.78	1.2	2,491,000	2,491,000	5.05	1.1
Municipal General Obligations.....	10,000	9,977	2.50	Nil	- - -	- - -	- - -	- - -
Municipal Revenues.....	1,070,000	1,071,121	4.28	0.6	1,064,000	1,065,026	4.29	0.5
Industrials.....	40,107,000	40,014,719	4.87	21.3	52,069,000	51,928,752	5.18	24.2
Gas and Electric.....	64,803,000	65,172,731	4.33	34.4	72,639,000	73,014,245	4.54	33.8
Telephone.....	21,195,000	21,318,045	4.31	11.2	23,191,500	23,293,596	4.50	10.8
Water.....	1,000,000	1,000,000	4.96	0.5	1,200,000	1,200,000	5.17	0.6
Railroad Equipment Trust Ctf's.....	3,439,656	3,436,669	4.07	1.8	2,748,656	2,747,117	4.17	1.3
Commercial Paper.....	4,200,000	4,187,257	4.52	2.2	2,050,000	2,041,290	6.29	1.0
Finance Companies - Senior Debt.....	7,475,000	7,431,380	4.76	4.0	7,775,000	7,731,627	4.82	3.6
Bank Debentures.....	2,500,000	2,489,395	4.91	1.3	3,000,000	2,973,428	4.94	1.4
Government of Canada.....	165,000	157,124	3.44	0.1	665,000	656,751	6.07	0.3
Provinces of Canada.....	2,000,000	1,981,471	5.10	1.1	3,150,000	3,115,157	5.77	1.5
Canadian Provincial Guaranteed.....	2,663,000	2,622,613	5.12	1.4	3,363,000	3,285,064	5.22	1.6
Inter-American Development Bank.....	1,800,000	1,795,438	4.67	1.0	2,000,000	1,994,384	4.86	0.9
International Bank.....	1,860,000	1,859,812	4.70	1.0	2,265,000	2,264,179	5.05	1.0
Common Stocks - Public Utilities.....	- - -	- - -	- - -	- - -	604,133	604,133	4.65	0.3
Common Stocks - Other.....	- - -	- - -	- - -	- - -	542,535	542,535	2.70	0.2
Capehart Mortgages (Guar. By U.S.)....	16,856,707	16,722,422	4.38	9.0	16,218,687	16,095,711	4.38	7.5
Farmers Home Administration.....	3,442,265	3,442,265	5.38	1.8	3,393,717	3,393,717	5.38	1.6
 FUND TOTAL.....	 188,375,628	 188,504,341	 4.50	 100.0	 215,070,228	 215,065,360	 4.79	 100.0

PORTFOLIO BY FUND GROUPS

(As of June 30)

GROUP AND FUND	1967				1968			
	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE
<u>Public Employees' Retirement System</u>								
U. S. Government.....	20,750,000	20,902,772	3.61	5.7	18,688,000	18,824,653	3.81	4.4
U. S. Government Agencies.....	3,180,000	3,233,198	4.05	0.9	7,180,000	7,204,620	5.30	1.7
Merchant Marine (U.S. Gov't Insured)...	1,735,000	1,735,000	4.36	0.5	2,926,000	2,926,000	5.00	0.7
Municipal General Obligations.....	4,525,500	4,510,089	2.64	1.2	3,361,500	3,328,490	2.65	0.8
Municipal Revenues.....	3,311,000	3,303,893	3.89	0.9	3,278,000	3,270,106	3.91	0.8
Industrials.....	54,246,000	54,124,331	4.80	15.0	78,111,000	77,774,327	5.17	18.5
Gas and Electric.....	127,080,000	127,750,746	4.19	35.2	137,880,000	138,568,991	4.37	32.7
Telephone.....	49,800,000	50,168,944	4.31	13.8	54,882,000	55,249,546	4.46	13.0
Water.....	1,450,000	1,446,046	4.38	0.4	1,750,000	1,746,449	4.70	0.4
Railroad Equipment Trust Ctfs.....	5,603,000	5,596,717	4.06	1.6	5,047,000	5,041,297	4.16	1.2
Commercial Paper.....	10,675,000	10,630,969	4.58	3.0	7,300,000	7,269,423	6.25	1.7
Finance Companies - Senior Debt.....	18,132,000	18,022,915	4.83	5.0	18,882,000	18,773,883	4.90	4.5
Bank Debentures.....	4,000,000	4,006,297	4.55	1.1	4,600,000	4,589,042	4.60	1.1
Government of Canada.....	450,000	420,684	3.77	0.1	450,000	424,182	3.77	0.1
Provinces of Canada.....	4,101,000	4,041,104	4.60	1.1	6,616,000	6,511,808	5.37	1.6
Canadian Provincial Guaranteed.....	5,497,000	5,446,118	4.92	1.5	7,736,000	7,674,799	5.09	1.8
Inter-American Development Bank.....	2,250,000	2,240,876	4.63	0.6	3,250,000	3,233,849	5.27	0.8
International Bank.....	2,844,000	2,839,724	4.68	0.8	4,494,000	4,488,184	5.16	1.1
Preferred Stocks.....	- - -	- - -	- - -	- - -	42,600	42,600	6.50	Nil
Common Stocks - Banks.....	731,839	731,839	3.80	0.2	1,192,249	1,192,249	3.40	0.3
Common Stocks - Public Utilities.....	6,925,320	6,925,320	4.43	1.9	11,523,362	11,523,362	4.71	2.7
Common Stocks - Other.....	4,404,182	4,404,182	4.06	1.2	8,136,303	8,136,303	3.38	1.9
Capehart Mortgages (Guar. By U.S.)....	21,516,969	21,380,957	4.30	6.0	20,684,441	20,561,144	4.30	4.9
FHA Mortgages.....	2,246,819	2,166,020	5.82	0.6	4,483,448	4,338,173	5.85	1.1
VA Mortgages.....	2,486,243	2,407,776	5.74	0.7	5,267,655	5,111,003	5.82	1.2
Farmers Home Administration.....	3,551,954	3,551,954	5.68	1.0	4,259,447	4,259,447	5.81	1.0
 FUND TOTAL.....	 361,492,826	 361,988,480	 4.35	 100.0	 422,021,005	 422,063,930	 4.64	 100.0

PORTFOLIO BY FUND GROUPS

(As of June 30)

GROUP AND FUND	1967				1968			
	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE
<u>State Police Retirement System</u>								
U. S. Government.....	1,695,000	1,690,309	4.02	16.7	1,420,000	1,416,935	4.17	9.7
U. S. Government Agencies.....	640,000	639,810	4.32	6.3	465,000	464,011	5.24	3.2
Merchant Marine (U.S. Gov't Insured)..	- - -	- - -	- - -	- - -	250,000	250,000	6.00	1.7
Municipal General Obligations.....	355,000	357,308	2.91	3.5	324,000	325,416	2.86	2.2
Municipal Revenues.....	178,000	178,845	2.86	1.8	157,000	157,679	2.85	1.1
Industrials.....	1,925,000	1,924,245	5.64	19.0	4,590,000	4,580,591	5.89	31.4
Gas and Electric.....	1,871,000	1,877,812	4.45	18.5	2,946,000	2,952,813	4.96	20.1
Telephone.....	1,000,000	1,001,936	5.03	9.9	1,247,500	1,248,663	5.30	8.5
Railroad Equipment Trust Ctfs.....	773,000	772,596	4.31	7.6	649,000	648,726	4.43	4.4
Commercial Paper.....	200,000	199,425	4.58	2.0	- - -	- - -	- - -	- - -
Finance Companies - Senior Debt.....	- - -	- - -	- - -	- - -	100,000	99,514	6.42	0.7
Provinces of Canada.....	8,000	7,489	4.57	0.1	108,000	105,055	6.32	0.7
Canadian Provincial Guaranteed.....	100,000	100,000	6.00	1.0	200,000	200,000	6.13	1.4
Inter-American Development Bank.....	- - -	- - -	- - -	- - -	250,000	248,461	6.55	1.7
International Bank.....	100,000	100,346	4.47	1.0	350,000	347,869	5.52	2.4
Common Stocks - Banks.....	- - -	- - -	- - -	- - -	34,920	34,920	3.44	0.2
Common Stocks - Public Utilities.....	- - -	- - -	- - -	- - -	144,220	144,220	4.47	1.0
Common Stocks - Other.....	- - -	- - -	- - -	- - -	126,126	126,126	3.09	0.9
Farmers Home Administration.....	1,276,413	1,276,413	5.56	12.6	1,265,504	1,265,504	5.56	8.7
FUND TOTAL.....	10,121,413	10,126,534	4.72	100.0	14,627,270	14,616,503	5.24	100.0

PROPERTY OF
NEW JERSEY STATE LIBRARY

MAY 2021

185 W. STATE ST. PO BOX 520
TRENTON, NJ 08625-0520

PORTFOLIO BY FUND GROUPS

(As of June 30)

GROUP AND FUND	1967				1968			
	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE
<u>Teachers' Pension & Annuity Fund</u>								
U. S. Government.....	109,025,000	109,676,152	3.48	15.0	102,538,000	103,073,906	3.53	12.5
U. S. Government Agencies.....	5,331,000	5,331,676	4.63	0.7	9,331,000	9,306,990	5.34	1.1
Merchant Marine (U.S. Gov't Insured)....	3,118,000	3,118,000	4.72	0.4	4,886,000	4,886,000	5.23	0.6
Municipal General Obligations.....	320,200	321,051	4.35	0.1	201,200	201,455	4.30	Nil
Municipal Revenues.....	3,980,000	3,974,036	4.40	0.6	3,955,000	3,948,642	4.41	0.5
Industrials.....	100,348,000	100,156,900	4.85	13.8	132,560,000	132,176,348	5.11	16.2
Gas and Electric.....	243,812,000	244,895,113	4.08	33.6	258,422,000	259,470,315	4.20	31.6
Telephone.....	98,385,000	99,151,815	4.22	13.5	109,629,000	110,469,876	4.36	13.4
Water.....	1,000,000	1,000,000	5.25	0.1	1,500,000	1,500,000	5.58	0.2
Railroad Equipment Trust Ctfs.....	4,200,688	4,199,246	4.27	0.6	3,603,688	3,603,349	4.44	0.4
Commercial Paper.....	1,950,000	1,945,990	4.45	0.3	4,400,000	4,400,000	5.20	0.5
Finance Companies - Senior Debt.....	30,395,000	30,262,233	4.75	4.2	31,395,000	31,261,602	4.80	3.8
Bank Debentures.....	7,800,000	7,793,131	4.76	1.1	8,300,000	8,276,870	4.78	1.0
Provinces of Canada.....	7,060,000	6,999,188	4.93	1.0	9,117,000	8,955,130	5.20	1.1
Canadian Provincial Guaranteed.....	10,360,000	10,236,243	5.00	1.4	13,919,000	13,759,464	5.14	1.7
Inter-American Development Bank.....	5,200,000	5,181,752	4.61	0.7	6,200,000	6,175,032	5.16	0.8
International Bank.....	3,238,000	3,234,111	4.78	0.5	5,538,000	5,525,609	5.23	0.7
Preferred Stocks.....	- - -	- - -	- - -	- - -	49,200	49,200	6.50	Nil
Common Stocks - Banks.....	3,184,634	3,184,634	3.73	0.4	4,035,162	4,035,162	3.82	1.2
Common Stocks - Public Utilities.....	6,055,772	6,055,772	4.23	0.8	12,075,090	12,075,090	4.66	1.5
Common Stocks - Other.....	4,658,803	4,658,803	4.05	0.6	9,690,044	9,690,044	3.37	0.5
Capehart Mortgages (Guar. By U.S.).....	49,592,782	49,248,966	4.19	6.8	47,604,966	47,281,915	4.19	5.8
FHA Mortgages.....	3,655,982	3,570,935	5.51	0.5	8,095,344	7,893,288	5.72	1.0
VA Mortgages.....	2,778,449	2,691,933	5.62	0.4	6,591,587	6,419,382	5.75	0.8
Farmers Home Administration.....	10,103,984	10,103,984	5.60	1.4	14,648,078	14,648,078	5.71	1.8
Real Estate.....	10,835,139	10,835,139	4.00	1.5	10,388,283	10,388,283	4.00	1.3
FUND TOTAL.....	726,388,433	727,826,803	4.23	100.0	818,672,642	819,471,030	4.43	100.0
GROUP TOTAL.....	1,351,143,177	1,353,043,961	4.30	- - -	1,537,065,601	1,537,720,730	4.54	- - -

PORTFOLIO BY FUND GROUPS

(As of June 30)

<u>GROUP AND FUND</u>	<u>1967</u>				<u>1968</u>			
	<u>PAR VALUE</u> <u>(DOLLARS)</u>	<u>BOOK VALUE</u> <u>(DOLLARS)</u>	<u>EFF.*</u> <u>RATE</u> <u>(%)</u>	<u>PERCENT</u> <u>BY</u> <u>TYPE</u>	<u>PAR VALUE</u> <u>(DOLLARS)</u>	<u>BOOK VALUE</u> <u>(DOLLARS)</u>	<u>EFF.*</u> <u>RATE</u> <u>(%)</u>	<u>PERCENT</u> <u>BY</u> <u>TYPE</u>
<u>GROUP II - STATIC</u>								
<u>1837 Surplus Revenue Fund</u>								
U. S. Government.....	347,000	342,149	3.96	45.6	175,000	173,795	4.21	23.0
U. S. Government Agencies.....	20,000	19,987	4.33	2.6	20,000	19,990	4.33	2.6
Municipal General Obligations.....	159,000	160,699	2.80	20.9	137,000	138,311	2.81	18.0
Gas and Electric.....	153,000	147,983	3.61	20.1	273,000	265,262	3.77	35.9
Telephone.....	30,000	28,690	4.17	4.0	42,000	40,887	4.12	5.5
Railroad Equipment Trust Ctfs.....	52,000	51,912	3.40	6.8	114,000	111,438	4.27	15.0
FUND TOTAL.....	761,000	751,420	3.62	100.0	761,000	749,683	3.80	100.0
<u>Trustees for the Support of Public Schools</u>								
U. S. Government.....	9,018,000	8,966,958	3.98	38.3	7,122,000	7,096,484	4.28	28.8
U. S. Government Agencies.....	2,890,000	2,921,445	4.41	12.3	3,445,000	3,473,463	4.78	13.9
Municipal General Obligations.....	1,363,500	1,375,168	2.52	5.8	1,172,750	1,179,857	2.50	4.8
Municipal Revenues.....	1,248,000	1,234,519	2.22	5.3	937,000	933,804	2.28	3.8
Industrials.....	496,000	489,872	4.66	2.1	691,000	667,911	5.08	2.8
Gas and Electric.....	3,563,000	3,539,991	4.13	15.1	5,655,000	5,575,069	4.42	22.8
Telephone.....	1,804,000	1,796,179	4.07	7.7	2,829,000	2,788,416	4.20	11.4
Railroad Equipment Trust Ctfs.....	1,129,000	1,185,470	4.08	4.8	1,072,000	1,116,081	4.44	4.3
Commercial Paper.....	190,000	189,699	4.47	0.8	- - -	- - -	- - -	- - -
International Bank.....	550,000	550,036	2.84	2.3	550,000	554,670	4.29	2.2
Common Stocks - Banks.....	32,398	32,398	17.30	0.1	32,398	32,398	20.18	0.1
Common Stocks - Other.....	310,295	310,295	4.37	1.3	310,295	310,295	4.37	1.3
Farmers Home Administration.....	965,545	965,545	5.69	4.1	941,768	941,768	5.69	3.8
FUND TOTAL.....	23,559,738	23,557,575	3.97	100.0	24,758,211	24,670,216	4.32	100.0
GROUP TOTAL.....	24,320,738	24,308,995	3.96	- - -	25,519,211	25,419,899	4.30	- - -

PORTFOLIO BY FUND GROUPS

(As of June 30)

<u>GROUP AND FUND</u>	1967				1968			
	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE
<u>GROUP III - DEMAND</u>								
<u>Escheat Reserve Fund-Unclaimed Bank Deposits</u>								
U. S. Government.....	445,000	443,527	3.13	79.5	185,000	183,489	5.01	32.5
U. S. Government Agencies.....	115,000	114,392	5.10	20.5	385,000	397,520	3.88	67.5
FUND TOTAL.....	560,000	557,919	3.53	100.0	570,000	581,009	4.24	100.0
<u>Higher Education Assistance Fund</u>								
U. S. Government.....	1,215,000	1,205,223	4.62	29.6	3,315,000	3,288,381	5.15	54.9
U. S. Government Agencies.....	2,685,000	2,677,091	4.99	65.5	2,665,000	2,655,301	5.63	44.1
Railroad Equipment Trust Ctfs.....	177,000	177,000	4.70	4.3	59,000	59,000	4.70	1.0
Commercial Paper.....	25,000	24,993	4.74	0.6	- - -	- - -	- - -	- - -
FUND TOTAL.....	4,102,000	4,084,307	4.87	100.0	6,039,000	6,002,682	5.36	100.0
<u>Motor Vehicle Liability Security Fund</u>								
U. S. Government.....	6,898,000	6,701,856	4.12	51.6	8,243,000	8,110,026	4.43	68.5
U. S. Government Agencies.....	5,715,000	5,695,227	4.56	43.4	3,340,000	3,325,353	5.09	27.8
Gas and Electric.....	186,000	161,629	5.50	1.4	186,000	164,037	5.49	1.5
Telephone.....	161,000	150,535	4.66	1.2	161,000	153,029	4.66	1.3
Railroad Equipment Trust Ctfs.....	316,281	316,281	4.70	2.4	105,427	105,427	4.70	0.9
FUND TOTAL.....	13,186,281	13,025,528	4.35	100.0	12,035,427	11,857,872	4.63	100.0

PORTFOLIO BY FUND GROUPS

(As of June 30)

<u>GROUP AND FUND</u>	<u>1967</u>				<u>1968</u>			
	<u>PAR VALUE</u> <u>(DOLLARS)</u>	<u>BOOK VALUE</u> <u>(DOLLARS)</u>	<u>EFF.*</u> <u>RATE</u> <u>(%)</u>	<u>PERCENT</u> <u>BY</u> <u>TYPE</u>	<u>PAR VALUE</u> <u>(DOLLARS)</u>	<u>BOOK VALUE</u> <u>(DOLLARS)</u>	<u>EFF.*</u> <u>RATE</u> <u>(%)</u>	<u>PERCENT</u> <u>BY</u> <u>TYPE</u>
<u>State Disability Benefits Fund</u>								
U. S. Government.....	45,733,000	45,749,677	2.69	58.4	34,183,000	34,185,645	2.82	48.5
U. S. Government Agencies.....	1,227,000	1,290,743	2.87	1.5	1,227,000	1,279,722	2.87	1.7
Municipal General Obligations.....	1,852,000	1,853,859	2.63	2.4	1,641,000	1,642,251	2.64	2.3
Municipal Revenues.....	1,676,000	1,692,925	2.79	2.1	1,668,000	1,683,762	2.79	2.4
Gas and Electric.....	15,621,000	15,734,563	3.04	19.9	20,021,000	20,008,624	3.19	28.4
Telephone.....	4,935,000	4,992,529	2.99	6.3	4,935,000	4,988,955	3.00	7.0
Water.....	150,000	150,128	2.61	0.2	150,000	150,115	2.61	0.2
Railroad Equipment Trust Ctfs.....	870,000	867,680	3.53	1.1	545,000	544,159	3.52	0.8
Commercial Paper.....	3,445,000	3,439,497	4.53	4.4	4,050,000	4,042,817	6.35	5.7
Provinces of Canada.....	200,000	197,911	3.43	0.3	200,000	198,193	3.43	0.3
International Bank.....	2,621,000	2,624,850	3.43	3.4	1,921,000	1,926,906	3.07	2.7
FUND TOTAL.....	78,330,000	78,594,362	2.90	100.0	70,541,000	70,651,149	3.15	100.0
<u>Unsatisfied Claim & Judgment Fund</u>								
U. S. Government.....	250,000	249,845	3.82	25.0	2,150,000	2,119,197	5.57	81.1
U. S. Government Agencies.....	- - -	- - -	- - -	- - -	500,000	500,000	5.47	18.9
Commercial Paper.....	750,000	748,812	4.55	75.0	- - -	- - -	- - -	- - -
FUND TOTAL.....	1,000,000	998,657	4.37	100.0	2,650,000	2,619,197	5.55	100.0
<u>Workmen's Compensation Security Fund-Mutual</u>								
U. S. Government.....	1,185,000	1,177,111	3.71	56.0	1,416,000	1,409,076	4.61	57.9
U. S. Government Agencies.....	688,000	685,557	4.78	32.6	583,000	580,678	4.82	23.9
Gas and Electric.....	100,000	95,775	3.34	4.7	115,000	108,982	3.66	4.7
Telephone.....	130,000	119,315	4.39	6.2	330,000	313,818	3.88	13.5
Railroad Equipment Trust Ctfs.....	10,000	10,005	5.30	0.5	- - -	- - -	- - -	- - -
FUND TOTAL.....	2,113,000	2,087,763	4.00	100.0	2,444,000	2,412,554	4.52	100.0

PORTFOLIO BY FUND GROUPS

(As of June 30)

<u>GROUP AND FUND</u>	1967				1968			
	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE
<u>Workmen's Compensation Security Fund-Stock</u>								
U. S. Government.....	3,980,000	3,955,283	3.74	58.8	4,440,000	4,395,100	4.54	56.2
U. S. Government Agencies.....	2,075,000	2,062,084	4.76	30.6	2,105,000	2,077,564	5.11	26.6
Gas and Electric.....	374,000	352,363	3.56	5.5	641,000	574,970	4.50	8.1
Telephone.....	85,000	77,902	4.91	1.3	715,000	684,498	3.83	9.1
Railroad Equipment Trust Ctfs.....	30,000	30,014	5.30	0.4	- - -	- - -	- - -	- - -
Commercial Paper.....	230,000	228,534	4.59	3.4	- - -	- - -	- - -	- - -
FUND TOTAL.....	6,774,000	6,706,180	4.10	100.0	7,901,000	7,732,132	4.62	100.0
GROUP TOTAL.....	106,065,281	106,054,716	3.27	- - -	102,180,427	101,856,595	3.67	- - -
<u>GROUP IV - TEMPORARY RESERVE</u>								
<u>General Investment Fund</u>								
U. S. Government.....	11,200,500	11,204,504	2.42	5.0	21,200,500	21,106,628	4.73	8.5
U. S. Government Agencies.....	136,000	153,671	3.22	0.1	96,136,000	95,656,394	5.87	38.5
Municipal General Obligations.....	1,217,000	1,230,814	2.87	0.5	1,180,000	1,190,468	2.89	0.5
Municipal Revenues.....	663,000	641,603	1.59	0.3	663,000	642,648	1.59	0.3
Telephone.....	- - -	- - -	- - -	- - -	5,200,000	5,001,367	3.66	2.1
Commercial Paper.....	75,000,000	74,734,310	4.53	33.6	57,000,000	56,893,005	6.01	22.8
Time Certificates of Deposit.....	135,000,000	135,000,000	4.69	60.5	68,000,000	67,999,626	5.76	27.2
Common Stocks - Other.....	- - -	- - -	- - -	- - -	188,700	188,700	10.00	0.1
FUND TOTAL.....	223,216,500	222,964,902	4.51	100.0	249,568,200	248,678,836	5.71	100.0

PORTFOLIO BY FUND GROUPS

(As of June 30)

<u>GROUP AND FUND</u>	<u>1967</u>				<u>1968</u>			
	<u>PAR VALUE</u> <u>(DOLLARS)</u>	<u>BOOK VALUE</u> <u>(DOLLARS)</u>	<u>EFF.*</u> <u>RATE</u> <u>(%)</u>	<u>PERCENT</u> <u>BY</u> <u>TYPE</u>	<u>PAR VALUE</u> <u>(DOLLARS)</u>	<u>BOOK VALUE</u> <u>(DOLLARS)</u>	<u>EFF.*</u> <u>RATE</u> <u>(%)</u>	<u>PERCENT</u> <u>BY</u> <u>TYPE</u>
<u>General Trust Funds</u>								
U. S. Government.....	- - -	- - -	- - -	- - -	20,000	19,536	5.88	80.0
U. S. Government Agencies.....	25,000	25,002	4.65	100.0	5,000	5,000	5.95	20.0
FUND TOTAL.....	25,000	25,002	4.65	100.0	25,000	24,536	5.89	100.0
<u>Grade Crossing Elimination Fund</u>								
U. S. Government Agencies.....	115,000	115,015	4.94	82.1	- - -	- - -	- - -	- - -
Commercial Paper.....	25,000	24,986	5.27	17.9	- - -	- - -	- - -	- - -
FUND TOTAL.....	140,000	140,001	5.00	100.0	- - -	- - -	- - -	- - -
<u>N. J. College of Medicine & Dentistry -</u> <u>Grant Fund</u>								
U. S. Government.....	- - -	- - -	- - -	- - -	800,000	797,119	5.46	100.0
Commercial Paper.....	800,000	798,729	4.48	100.0	- - -	- - -	- - -	- - -
FUND TOTAL.....	800,000	798,729	4.48	100.0	800,000	797,119	5.46	100.0
<u>1964 Higher Education Construction Fund</u>								
U. S. Government.....	2,000,000	1,999,362	4.53	8.3	3,800,000	3,766,167	5.36	79.2
U. S. Government Agencies.....	18,425,000	18,459,504	4.77	76.2	- - -	- - -	- - -	- - -
Commercial Paper.....	950,000	947,835	4.92	3.9	1,000,000	997,647	6.21	20.8
Time Certificates of Deposit.....	2,000,000	2,001,197	5.17	8.3	- - -	- - -	- - -	- - -
Farmers Home Administration.....	789,551	789,551	6.25	3.3	- - -	- - -	- - -	- - -
FUND TOTAL.....	24,164,551	24,197,449	4.84	100.0	4,800,000	4,763,814	5.53	100.0

PORTFOLIO BY FUND GROUPS

(As of June 30)

<u>GROUP AND FUND</u>	<u>1967</u>				<u>1968</u>			
	<u>PAR VALUE</u> <u>(DOLLARS)</u>	<u>BOOK VALUE</u> <u>(DOLLARS)</u>	<u>EFF.*</u> <u>RATE</u> <u>(%)</u>	<u>PERCENT</u> <u>BY</u> <u>TYPE</u>	<u>PAR VALUE</u> <u>(DOLLARS)</u>	<u>BOOK VALUE</u> <u>(DOLLARS)</u>	<u>EFF.*</u> <u>RATE</u> <u>(%)</u>	<u>PERCENT</u> <u>BY</u> <u>TYPE</u>
<u>School Building Aid-Capital Reserve Fund</u>								
U. S. Government.....	125,000	124,998	5.63	6.5	755,000	740,441	5.70	39.8
U. S. Government Agencies.....	1,665,000	1,662,256	5.14	86.5	1,140,000	1,138,702	5.43	60.2
Commercial Paper.....	135,000	134,799	5.01	7.0	- - -	- - -	- - -	- - -
FUND TOTAL.....	1,925,000	1,922,053	5.16	100.0	1,895,000	1,879,143	5.54	100.0
<u>State Higher Education Fund</u>								
U. S. Government Agencies.....	1,050,000	1,049,872	4.60	80.8	- - -	- - -	- - -	- - -
Commercial Paper.....	250,000	249,936	4.74	19.2	- - -	- - -	- - -	- - -
FUND TOTAL.....	1,300,000	1,299,808	4.62	100.0	- - -	- - -	- - -	- - -
<u>State 1960 Institution Construction Fund</u>								
U. S. Government Agencies.....	600,000	600,620	4.54	54.5	300,000	300,000	5.75	75.0
Commercial Paper.....	500,000	499,438	4.58	45.5	100,000	99,470	6.29	25.0
FUND TOTAL.....	1,100,000	1,100,058	4.56	100.0	400,000	399,470	5.88	100.0
<u>State 1964 Institution Construction Fund</u>								
U. S. Government.....	14,800,000	14,717,052	4.64	33.1	10,600,000	10,554,821	4.59	45.7
U. S. Government Agencies.....	24,000,000	24,045,235	4.89	53.7	12,500,000	12,503,258	5.14	53.9
Commercial Paper.....	1,425,000	1,419,730	4.65	3.2	- - -	- - -	- - -	- - -
Farmers Home Administration.....	4,445,486	4,445,486	5.10	10.0	97,188	97,188	6.00	0.4
FUND TOTAL.....	44,670,486	44,627,503	4.82	100.0	23,197,188	23,155,267	4.89	100.0

PORTFOLIO BY FUND GROUPS

(As of June 30)

<u>GROUP AND FUND</u>	1967				1968			
	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE	PAR VALUE (DOLLARS)	BOOK VALUE (DOLLARS)	EFF.* RATE (%)	PERCENT BY TYPE
<u>State Recreation & Conservation Land</u>								
<u>Acquisition Fund</u>								
U. S. Government.....	2,800,000	2,761,425	4.68	12.4	5,850,000	5,811,536	5.17	47.9
U. S. Government Agencies.....	16,450,000	16,445,967	4.87	72.9	5,500,000	5,500,006	5.56	45.0
Railroad Equipment Trust Cths.....	506,274	506,274	4.70	2.3	168,757	168,757	4.70	1.4
Commercial Paper.....	2,800,000	2,794,254	4.64	12.4	700,000	698,928	6.24	5.7
FUND TOTAL.....	22,556,274	22,507,920	4.81	100.0	12,218,757	12,179,227	5.40	100.0
<u>State Water Development Fund</u>								
U. S. Government.....	- - -	- - -	- - -	- - -	1,650,000	1,631,096	5.77	42.6
U. S. Government Agencies.....	3,550,000	3,551,460	4.78	86.6	2,225,000	2,226,071	5.48	57.4
Commercial Paper.....	550,000	548,385	4.69	13.4	- - -	- - -	- - -	- - -
FUND TOTAL.....	4,100,000	4,099,845	4.76	100.0	3,875,000	3,857,167	5.60	100.0
<u>Unemployment Compensation Auxiliary Fund</u>								
U. S. Government.....	550,000	552,671	4.90	15.0	2,100,000	2,087,641	5.41	44.7
U. S. Government Agencies.....	3,125,000	3,122,314	4.93	85.0	2,600,000	2,593,817	5.43	55.3
FUND TOTAL.....	3,675,000	3,674,985	4.92	100.0	4,700,000	4,681,458	5.43	100.0

PORTFOLIO BY FUND GROUPS

(As of June 30)

<u>GROUP AND FUND</u>	<u>1967</u>				<u>1968</u>			
	<u>PAR VALUE (DOLLARS)</u>	<u>BOOK VALUE (DOLLARS)</u>	<u>EFF.* RATE (%)</u>	<u>PERCENT BY TYPE</u>	<u>PAR VALUE (DOLLARS)</u>	<u>BOOK VALUE (DOLLARS)</u>	<u>EFF.* RATE (%)</u>	<u>PERCENT BY TYPE</u>
<u>Veterans' Guaranteed Loan Fund</u>								
U. S. Government.....	- - -	- - -	- - -	- - -	140,000	137,892	5.58	60.9
U. S. Government Agencies.....	110,000	110,026	5.42	56.4	90,000	89,998	5.73	39.1
Commercial Paper.....	85,000	84,493	4.55	43.6	- - -	- - -	- - -	- - -
FUND TOTAL.....	195,000	194,519	5.04	100.0	230,000	227,890	5.64	100.0
GROUP TOTAL.....	327,867,811	327,552,774	4.61	- - -	301,709,145	300,643,927	5.62	- - -
<u>GROUP V - TRUST</u>								
<u>N. J. College of Medicine & Dentistry - Endowment Funds</u>								
U. S. Government Agencies.....	10,000	10,114	4.85	17.3	10,000	10,091	4.85	17.1
Common Stocks - Public Utilities.....	10,835	10,835	4.18	18.7	16,329	16,329	4.36	27.9
Common Stocks - Other.....	37,012	37,012	3.55	64.0	32,207	32,207	3.87	55.0
FUND TOTAL.....	57,847	57,961	3.89	100.0	58,536	58,627	4.18	100.0
<u>Supplemental Annuity Collective Trust</u>								
Commercial Paper.....	562,500	560,385	4.58	6.8	625,000	622,197	6.25	5.5
Common Stocks - Public Utilities.....	1,829,751	1,829,751	3.94	22.3	2,360,825	2,360,825	4.19	20.6
Common Stocks - Other.....	5,834,384	5,834,384	2.90	70.9	8,459,143	8,459,143	2.81	73.9
FUND TOTAL.....	8,226,635	8,224,520	3.25	100.0	11,444,968	11,442,165	3.28	100.0
GROUP TOTAL.....	8,284,482	8,282,481	3.25	- - -	11,503,504	11,500,792	3.28	- - -
TOTAL - ALL GROUPS.....	1,817,681,489	1,810,242,927	4.28	- - -	1,977,977,888	1,977,141,943	4.65	- - -

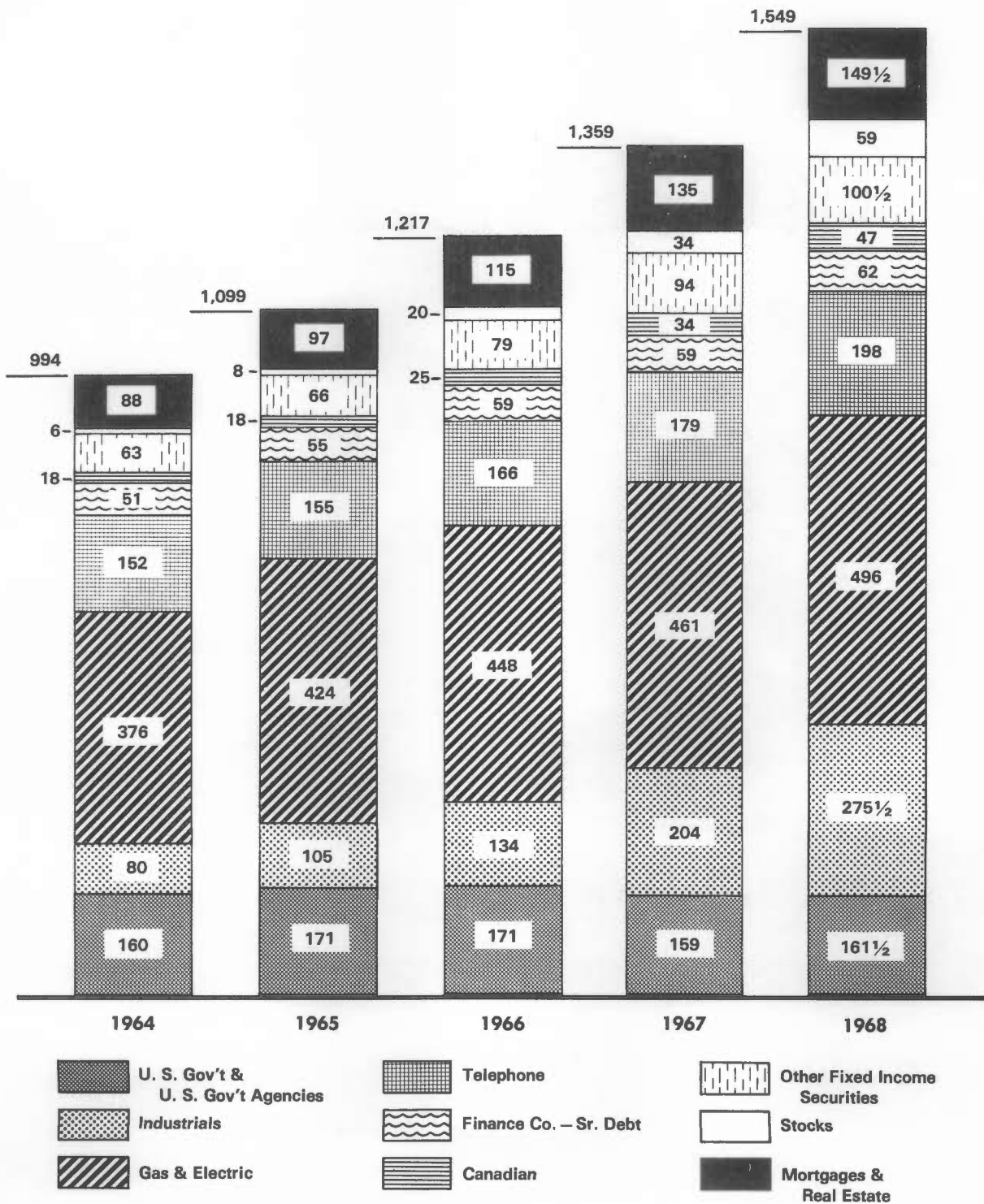
* Weighted Average

HOLDINGS

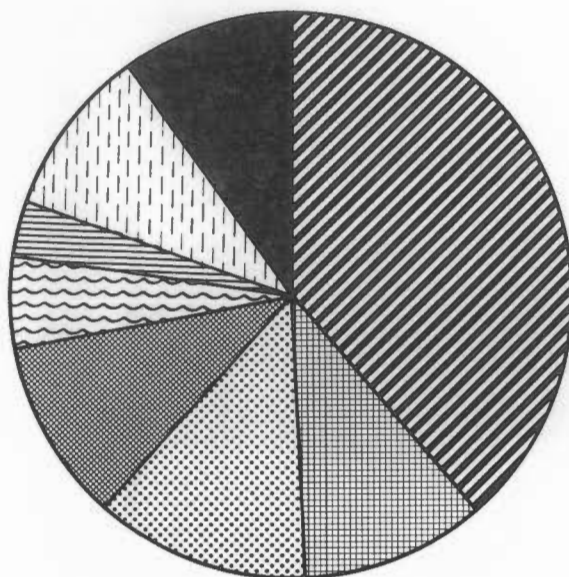
PENSION AND ANNUITY FUNDS

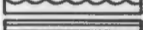
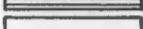
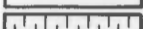
(As of June 30)

Par Values — in Millions



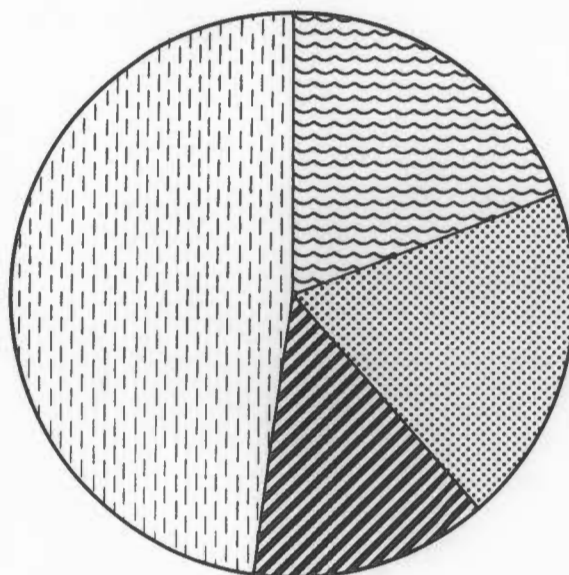
CONSOLIDATED POLICE AND FIREMEN'S PENSION FUND COMMISSION

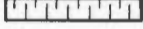


Type	
	Gas & Electric
	Telephone
	Industrials
	U. S. Gov't & U. S. Gov't Agencies
	Mortgages & Real Estate
	Finance Co. — Sr. Debt
	Canadian
	Stocks
	Other Fixed Income Securities:
	R. R. Equip. Tr. Ctfs. \$3,135,572
	Commercial Paper 1,045,415
	Merchant Marine (U. S. Gov't Insured) 813,000
	Municipals 545,265
	Bank Debentures 483,802
	International Bank 418,458
	Inter-Amer. Dev. Bk. 198,246
Totals	

HOLDINGS AT JUNE 30, 1968

Book Values	Weighted Average Effective Rates	Percent
\$ 24,180,832	3.78%	36.1
8,854,158	4.01	13.2
8,101,280	4.58	12.2
7,071,971	4.26	10.7
6,435,350	4.64	9.8
3,465,144	4.96	5.2
1,745,678	4.49	2.7
9,736	2.26	Nil
6,639,758	4.72	10.1
\$ 66,503,907	4.21%	100.0



Type	
	Finance Co. — Sr. Debt
	Industrials
	Gas & Electric
	Other Fixed Income Securities:
	Bank Debentures \$500,000
	Merchant Marine (U. S. Gov't Insured) 250,000
Totals	

LONG-TERM PURCHASES* During Fiscal Year Ending June 30, 1968

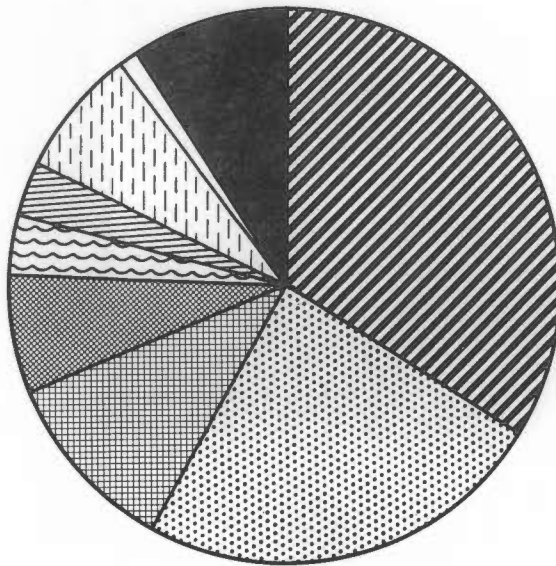
Par Values	Weighted Average Effective Rates	Percent
\$ 300,000	6.42%	19.1
270,000	6.24	17.2
250,000	7.20	15.9
750,000	5.27	47.8
\$ 1,570,000	5.96%	100.0

Temporary Short-Term purchases during the year amounted to \$26,722,000.

*Excludes stocks with a book value of \$9,736.

POLICE AND FIREMEN'S RETIREMENT SYSTEM

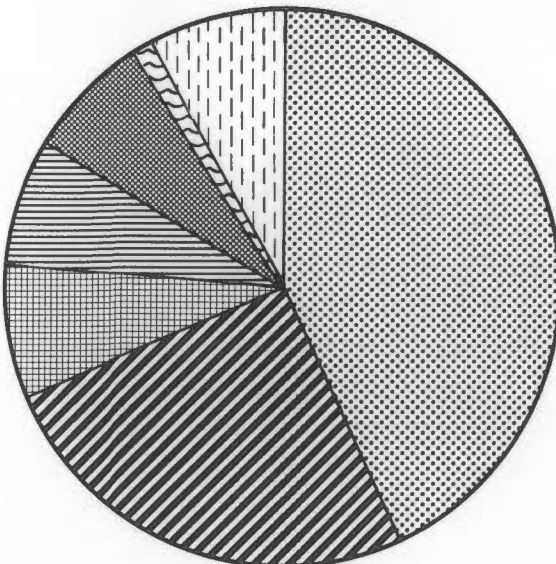
HOLDINGS AT JUNE 30, 1968



Type	Book Values	Weighted Average Effective Rates	Percent
Gas & Electric	\$ 73,014,245	4.54%	33.8
Industrials	51,928,752	5.18	24.2
Telephone	23,293,596	4.50	10.8
Mortgages & Real Estate	19,489,428	4.55	9.1
U. S. Gov't & U. S. Gov't Agencies	14,627,648	4.89	6.8
Finance Co. — Sr. Debt	7,731,627	4.82	3.6
Canadian	7,056,972	5.54	3.4
Stocks	1,146,668	3.73	0.5
Other Fixed Income Securities:			
Bank Debentures	\$2,973,428		
R. R. Equip. Tr. Ctfs.	2,747,117		
Merchant Marine			
(U. S. Gov't Insured)	2,491,000		
International Bank	2,264,179		
Commercial Paper	2,041,290		
Inter-Amer. Dev. Bk.	1,994,384		
Water	1,200,000		
Municipals	1,065,026		
Totals	\$215,065,360	4.79%	100.0

LONG-TERM PURCHASES *

During Fiscal Year Ending June 30, 1968



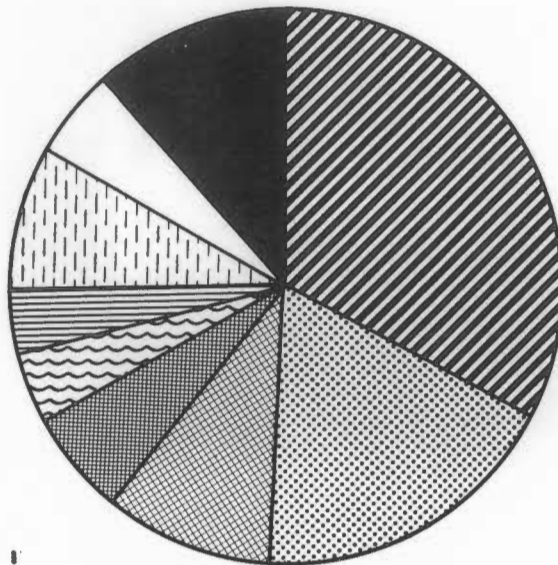
Type	Par Values	Weighted Average Effective Rates	Percent
Industrials	\$ 11,010,000	6.31%	43.1
Gas & Electric	6,500,000	6.76	25.5
Telephone	2,000,000	6.54	7.8
Canadian	1,900,000	6.86	7.4
U. S. Gov't & U. S. Gov't Agencies	1,850,000	6.25	7.2
Finance Co. — Sr. Debt	300,000	6.42	1.2
Other Fixed Income Securities:			
International Bank	\$600,000		
Merchant Marine			
(U. S. Gov't Insured)	500,000		
Bank Debentures	500,000		
Inter-Amer. Dev. Bk.	200,000		
Water	200,000		
Totals	\$ 25,560,000	6.43%	100.0

Temporary Short-Term purchases during the year amounted to \$49,945,000.

*Excludes stocks with a book value of \$1,146,668.

PUBLIC EMPLOYEES' RETIREMENT SYSTEM

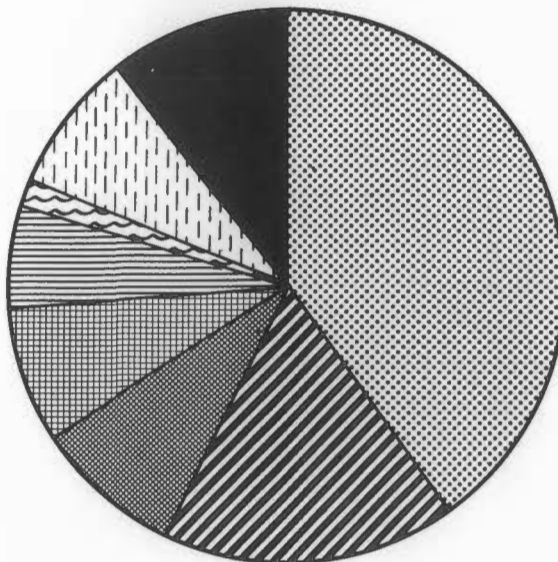
HOLDINGS AT JUNE 30, 1968



Type	Book Values	Weighted Average Effective Rates	Percent
Gas & Electric	\$138,568,991	4.37%	32.7
Industrials	77,774,327	5.17	18.5
Telephone	55,249,546	4.46	13.0
Mortgages & Real Estate	34,269,767	4.92	8.2
U. S. Gov't & U. S. Gov't Agencies	26,029,273	4.22	6.1
Stocks	20,894,514	4.12	4.9
Finance Co. — Sr. Debt	18,773,883	4.90	4.5
Canadian	14,610,789	5.18	3.5
Other Fixed Income Securities:			
Commercial Paper	\$7,269,423		
Municipals	6,598,596		
R. R. Equip. Tr. Ctfs.	5,041,297		
Bank Debentures	4,589,042		
International Bank	4,488,184		
Inter-Amer. Dev. Bk.	3,233,849		
Merchant Marine			
(U. S. Gov't Insured)	2,926,000		
Water	1,746,449		
	35,892,840	4.80	8.6
Totals	\$422,063,930	4.64%	100.0

LONG-TERM PURCHASES *

During Fiscal Year Ending June 30, 1968



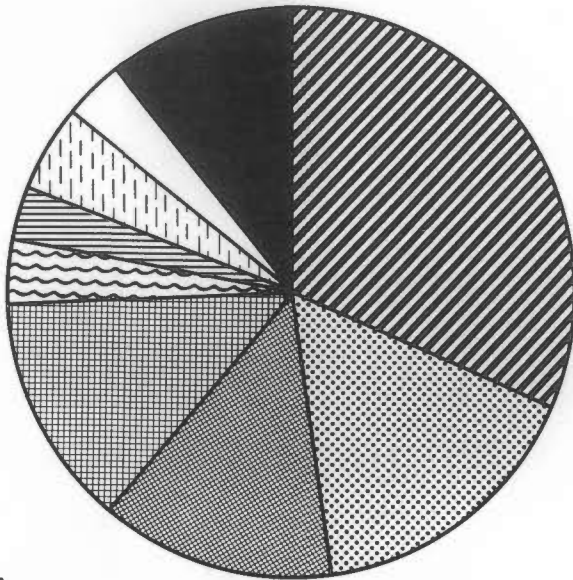
Type	Par Values	Weighted Average Effective Rates	Percent
Industrials	\$ 23,165,000	6.08%	39.9
Gas & Electric	10,050,000	6.56	17.3
Mortgages & Real Estate	6,055,568	5.96	10.4
U. S. Gov't & U. S. Gov't Agencies	5,188,000	6.16	8.9
Telephone	4,550,000	6.14	7.8
Canadian	3,550,000	6.65	6.1
Finance Co. — Sr. Debt	750,000	6.42	1.3
Other Fixed Income Securities:			
International Bank	\$1,650,000		
Merchant Marine			
(U. S. Gov't Insured)	1,250,000		
Inter-Amer. Dev. Bk.	1,000,000		
Bank Debentures	600,000		
Water	300,000		
	4,800,000	5.86	8.3
Totals	\$ 58,108,568	6.18%	100.0

Temporary Short-Term purchases during the year amounted to \$124,150,000.

*Excludes stocks with a book value of \$9,686,696.

TEACHERS' PENSION AND ANNUITY FUND

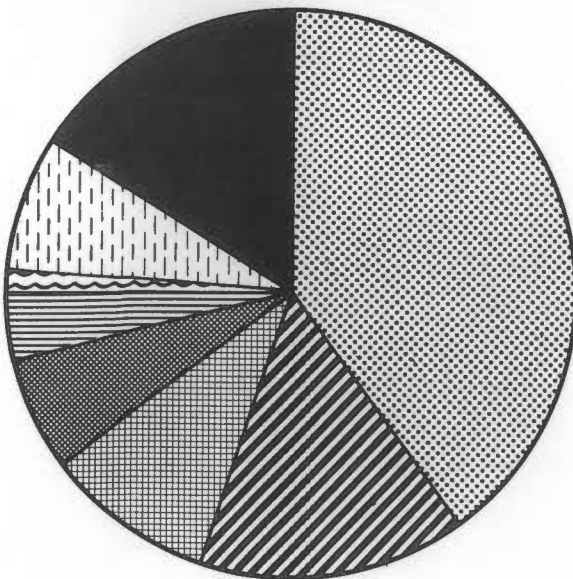
HOLDINGS AT JUNE 30, 1968



Type	Book Values	Weighted Average Effective Rates	Percent
Gas & Electric	\$259,470,315	4.20%	31.6
Industrials	132,176,348	5.11	16.2
U. S. Gov't & U. S. Gov't Agencies	112,380,896	3.68	13.6
Telephone	110,469,876	4.36	13.4
Mortgages & Real Estate	86,630,946	4.68	10.7
Finance Co. — Sr. Debt	31,261,602	4.80	3.8
Stocks	25,849,496	4.05	3.2
Canadian	22,714,594	5.16	2.8
Other Fixed Income Securities:			
Bank Debentures	\$8,276,870		
Inter-Amer. Dev. Bk.	6,175,032		
International Bank	5,525,609		
Merchant Marine (U. S. Gov't Insured)	4,886,000		
Commercial Paper	4,400,000		
Municipals	4,150,097		
R. R. Equip. Tr. Ctfs.	3,603,349		
Water	1,500,000		
Totals	\$819,471,030	4.43%	100.0

LONG-TERM PURCHASES*

During Fiscal Year Ending June 30, 1968



Type	Par Values	Weighted Average Effective Rates	Percent
Industrials	\$ 32,865,000	5.87%	39.7
Mortgages & Real Estate	13,639,661	5.89	16.5
Gas & Electric	12,350,000	6.37	14.9
Telephone	7,950,000	6.09	9.6
U. S. Gov't & U. S. Gov't Agencies	5,188,000	6.15	6.3
Canadian	3,300,000	6.44	4.0
Finance Co. — Sr. Debt	1,000,000	6.42	1.2
Other Fixed Income Securities:			
International Bank	\$2,500,000		
Merchant Marine (U. S. Gov't Insured)	2,000,000		
Inter-Amer. Dev. Bk.	1,000,000		
Bank Debentures	500,000		
Water	500,000		
Totals	\$ 82,792,661	6.02%	100.0

Temporary Short-Term purchases during the year amounted to \$183,715,000.

*Excludes stocks with a book value of \$12,750,644.

EXAMINATION

Messrs. Puder and Puder, Certified Public Accountants, were retained by the Council to examine the records and review the procedures relating to all the security transactions completed during the fiscal year ended June 30, 1968. The report of the examination was distributed to the members of the State Investment Council on October 14, 1968, copies of which were subsequently made available to the Trustees of the various investment Funds.

Among the items reported upon by Puder and Puder were the following:

1. The securities owned as of June 30, 1968 were verified through confirmation reports submitted by the various custodian banks.
2. All acquisition costs of securities during the fiscal year were verified and all the Director's purchases were supported by acceptances from Funds for which the acquisitions were made.
3. Proceeds from Sales, Maturities, Redemptions, and Exchanges during this period were verified and all sales and exchanges were supported by proper acceptances by the various Funds.
4. The Director has complied with the applicable statute in reporting the operations of the Division of Investment to the State Treasurer, the State Investment Council, the press and the public.
5. All securities transactions were made in accordance with the governing statutes.
6. All investments recommended by the Director conformed with the appropriate regulations of the Council then in effect.
7. The system of internal control was evaluated and found to provide effective control over the activities of the Division of Investment and the accountability of investments entrusted to it.

