

U.S. Treasury, U.S. Government agencies and corporations, political subdivisions of the U.S., bankers acceptances, repurchase agreements, corporate debt securities and certificates of deposit with foreign or domestic banks. The U.S. Treasury and agency obligations and collateral for the repurchase agreements are held by the fund's agent in the fund's name.

The Pension Trust Fund, in accordance with Article 73 B, Section 160 of the Annotated Code of Maryland, is permitted to make investments subject to the terms, conditions, limitations, and restrictions imposed by the Board of Trustees of the Maryland State Retirement and Pension Systems. The law further provides that not more than 15% of the assets that are invested in common stocks may be invested in non-dividend paying common stocks. The pension trust fund's investments are commingled in three combined investment funds. Two investment funds consist principally of bonds and other fixed income investments while the other investment fund consists principally of common stocks. Certain amounts totalling \$945,072,000 (market value of \$945,072,000) are not invested in the investment funds, but are held as cash and short-term investments. Investments of the pension trust fund are stated at cost, adjusted for amortization of premiums and accretion of discounts.

The investments at June 30, 1991 for the enterprise and pension trust funds are as follows (amounts expressed in thousands):

	Category			Carrying Value	Market Value
	1	2	3		
U. S. Treasury and agency obligations	\$ 230,528			\$ 230,528	\$ 245,904
Repurchase agreements	365,094			365,094	365,094
Bonds	6,713,187			6,713,187	6,989,426
Corporate equity securities	3,105,432			3,105,432	4,058,484
Annuity contract	279,007			279,007	279,007
Other	173,152			173,152	172,181
	<u>\$10,866,400</u>			<u>10,866,400</u>	<u>12,110,096</u>
Mutual funds				525,827	476,827
Total				<u>\$11,392,227</u>	<u>\$12,586,923</u>

C. Higher Education Fund:

The bank deposits of the Higher Education Fund (Fund) as of June 30, 1991 were \$5,525,000. Of the bank balances other than those held at overseas locations, \$793,000 was covered by federal and private depository insurance, while \$113,000 was uninsured and uncollateralized. The remaining balance of bank deposits, \$4,619,000, was held at overseas locations. Of this amount, \$386,000 was covered by federal or foreign national government depository insurance, \$1,850,000 was collateralized by a pledge of securities held by federal depositories in the name of the banking institutions and \$2,383,000 was uninsured and uncollateralized. Overseas accounts are principally on deposit with financial institutions under contract with the U.S. Government.

Investment funds established by higher education institutions relate principally to endowment and trust accounts required by debt instruments. In general, endowment funds can be invested in debt and equity securities and trust accounts can be invested only in debt securities. These investments include U. S. Treasury and agency obligations, certificates of deposit, commercial paper, repurchase agreements, bankers acceptances and money market funds.

Investments of the higher education institutions are stated at cost, adjusted for amortization of premiums and accretion of discounts. Other short-term investments in the Fund aggregating \$30,055,000 at June 30, 1991, are reported as cash and short-term investments.

The investments at June 30, 1991 for the higher education fund are as follows (amounts expressed in thousands):

	Category			Carrying Value	Market Value
	1	2	3		
U. S. Treasury and agency obligations	\$ 26,861			\$ 26,861	\$ 27,013
Corporate debt securities	3,910			3,910	3,970
Corporate equity securities	20,252			20,252	28,229
Other	54,780	\$485		55,265	55,220
Total	<u>\$105,803</u>	<u>\$485</u>		<u>\$106,288</u>	<u>\$114,432</u>