

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

COUNTRYBASKET INDEX FUND INC /NY/

CIK: **33732** | IRS No.: **132730828** | State of Incorporation: **MD** | Fiscal Year End: **1231**
Type: **N-30D** | Act: **40** | File No.: **811-08734** | Film No.: **96687637**

Mailing Address	Business Address
DEUTSCH BANK SECURITIES CORP INVESTMENT ADVISOR 31 WEST 52ND ST NY 10019	31 W 52ND ST C/O DEUTSCHE BANK SECURITIES CORP NEW YORK NY 10019 2124748000

December 24, 1996

Dear Stockholder,

We regret to inform you that on December 20, 1996, the Board of Directors of The CountryBaskets(SM) Index Fund, Inc. (the 'Fund') approved a Plan for Complete Liquidation and Dissolution of the Fund (the 'Plan'). A special stockholders' meeting to consider the Plan is scheduled for February 7, 1997 for stockholders of record on January 7, 1997.

The Board's action was taken on the recommendation of Deutsche Morgan Grenfell Inc. ('DMG'), the Fund's investment adviser. DMG based its recommendation principally on the Fund's inability to attract significant levels of assets. The Board of Directors considered several alternatives to liquidation, including the appointment of a successor to DMG as investment adviser or the merger or sale of one or more Series, but concluded that such alternatives were not feasible. A proxy statement describing the background for the Board of Directors' approval of the Plan and including a copy of the Plan will be sent to stockholders in advance of the stockholders' meeting.

To protect stockholder interests, DMG will maintain, at its expense, a cap on the annualized operating expense ratio of each Series of 1.0% through December 31, 1996. Thereafter, the expense ratio will be capped at 2.5% or the actual expense ratio, before fee waivers and expense reimbursements, of each Series for the fiscal period ended October 31, 1996, whichever is lower. This cap will be maintained through the completion of the distribution of net assets of each Series or, if the Plan is not approved by stockholders, through the date of the stockholders' meeting. DMG has also undertaken to pay the costs of liquidation, including the expenses of the stockholders' meeting.

As stockholders, you will receive all necessary accounting and tax information required for your records. We thank you for your interest in The CountryBaskets(SM) Index Fund, Inc.

Sincerely,

/s/ W. Carter McClelland

/s/ Joseph A. La Corte

W. Carter McClelland
Chairman

Joseph A. La Corte
President

1

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT IN
THE AUSTRALIA INDEX SERIES AND
FT/S&P ACTUARIES WORLD INDICES(TM) (THE "FT/S&P INDEX) AUSTRALIA INDEX
(3/22/96-10/31/96)

[PERFORMANCE GRAPH]

Date	Australia Index Series	FT/S&P Index
3/22/96	\$ 10,000	\$ 10,000
3/25/96	\$ 10,000	\$ 9,986
3/26/96	\$ 10,031	\$ 10,022
3/27/96	\$ 10,076	\$ 10,067
3/28/96	\$ 10,041	\$ 10,039
3/29/96	\$ 10,000	\$ 10,003
4/1/96	\$ 10,086	\$ 10,077
4/2/96	\$ 10,076	\$ 10,062
4/3/96	\$ 10,046	\$ 10,028
4/4/96	\$ 10,000	\$ 9,976
4/8/96	\$ 10,005	\$ 9,989
4/9/96	\$ 10,051	\$ 10,041
4/10/96	\$ 10,112	\$ 10,094
4/11/96	\$ 10,178	\$ 10,159
4/12/96	\$ 10,264	\$ 10,246
4/15/96	\$ 10,351	\$ 10,338
4/16/96	\$ 10,285	\$ 10,271
4/17/96	\$ 10,295	\$ 10,283
4/18/96	\$ 10,208	\$ 10,197
4/19/96	\$ 10,229	\$ 10,220
4/22/96	\$ 10,290	\$ 10,284
4/23/96	\$ 10,508	\$ 10,512
4/24/96	\$ 10,498	\$ 10,501
4/25/96	\$ 10,539	\$ 10,539
4/26/96	\$ 10,605	\$ 10,608

4/29/96	\$ 10,534	\$ 10,541
4/30/96	\$ 10,498	\$ 10,507
5/1/96	\$ 10,524	\$ 10,537
5/2/96	\$ 10,651	\$ 10,664
5/3/96	\$ 10,559	\$ 10,578
5/6/96	\$ 10,554	\$ 10,575
5/7/96	\$ 10,661	\$ 10,687
5/8/96	\$ 10,646	\$ 10,670
5/9/96	\$ 10,544	\$ 10,546
5/10/96	\$ 10,508	\$ 10,509
5/13/96	\$ 10,458	\$ 10,467
5/14/96	\$ 10,513	\$ 10,522
5/15/96	\$ 10,488	\$ 10,498
5/16/96	\$ 10,427	\$ 10,442
5/17/96	\$ 10,442	\$ 10,457
5/20/96	\$ 10,351	\$ 10,375
5/21/96	\$ 10,290	\$ 10,312
5/22/96	\$ 10,290	\$ 10,317
5/23/96	\$ 10,381	\$ 10,408
5/24/96	\$ 10,320	\$ 10,352
5/28/96	\$ 10,407	\$ 10,444
5/29/96	\$ 10,473	\$ 10,511
5/30/96	\$ 10,361	\$ 10,383
5/31/96	\$ 10,442	\$ 10,471
6/3/96	\$ 10,310	\$ 10,339
6/4/96	\$ 10,320	\$ 10,340
6/5/96	\$ 10,224	\$ 10,239
6/6/96	\$ 10,051	\$ 10,068
6/7/96	\$ 10,153	\$ 10,171
6/10/96	\$ 10,168	\$ 10,197
6/11/96	\$ 10,178	\$ 10,205
6/12/96	\$ 10,127	\$ 10,154
6/13/96	\$ 10,107	\$ 10,108
6/14/96	\$ 10,153	\$ 10,159
6/17/96	\$ 10,107	\$ 10,118
6/18/96	\$ 10,163	\$ 10,164
6/19/96	\$ 10,173	\$ 10,182
6/20/96	\$ 10,264	\$ 10,274
6/21/96	\$ 10,320	\$ 10,321
6/24/96	\$ 10,330	\$ 10,348
6/25/96	\$ 10,310	\$ 10,324
6/26/96	\$ 10,300	\$ 10,311
6/27/96	\$ 10,239	\$ 10,238
6/28/96	\$ 10,229	\$ 10,207
7/1/96	\$ 10,249	\$ 10,230
7/2/96	\$ 10,239	\$ 10,223
7/3/96	\$ 10,122	\$ 10,103
7/5/96	\$ 10,203	\$ 10,186
7/8/96	\$ 10,061	\$ 10,049
7/9/96	\$ 10,071	\$ 10,059
7/10/96	\$ 10,168	\$ 10,158
7/11/96	\$ 10,071	\$ 10,062
7/12/96	\$ 9,959	\$ 9,951
7/15/96	\$ 9,868	\$ 9,864
7/16/96	\$ 9,629	\$ 9,626
7/17/96	\$ 9,568	\$ 9,570
7/18/96	\$ 9,741	\$ 9,746
7/19/96	\$ 9,924	\$ 9,932
7/22/96	\$ 9,914	\$ 9,922
7/23/96	\$ 9,837	\$ 9,851
7/24/96	\$ 9,731	\$ 9,744
7/25/96	\$ 9,690	\$ 9,705
7/26/96	\$ 9,847	\$ 9,861
7/29/96	\$ 9,797	\$ 9,817
7/30/96	\$ 9,710	\$ 9,731
7/31/96	\$ 9,827	\$ 9,849
8/1/96	\$ 9,868	\$ 9,889
8/2/96	\$ 9,939	\$ 9,960
8/5/96	\$ 10,046	\$ 10,065
8/6/96	\$ 10,025	\$ 10,053
8/7/96	\$ 10,036	\$ 10,059
8/8/96	\$ 10,097	\$ 10,118
8/9/96	\$ 10,076	\$ 10,097
8/12/96	\$ 10,041	\$ 10,070
8/13/96	\$ 10,122	\$ 10,150
8/14/96	\$ 10,097	\$ 10,125
8/15/96	\$ 10,132	\$ 10,163
8/16/96	\$ 10,208	\$ 10,238
8/19/96	\$ 10,432	\$ 10,470
8/20/96	\$ 10,386	\$ 10,425

8/21/96	\$ 10,534	\$ 10,570
8/22/96	\$ 10,508	\$ 10,548
8/23/96	\$ 10,549	\$ 10,588
8/26/96	\$ 10,503	\$ 10,545
8/27/96	\$ 10,361	\$ 10,387
8/28/96	\$ 10,498	\$ 10,523
8/29/96	\$ 10,488	\$ 10,515
8/30/96	\$ 10,422	\$ 10,457
9/3/96	\$ 10,315	\$ 10,347
9/4/96	\$ 10,386	\$ 10,420
9/5/96	\$ 10,397	\$ 10,434
9/6/96	\$ 10,346	\$ 10,380
9/9/96	\$ 10,463	\$ 10,499
9/10/96	\$ 10,463	\$ 10,500
9/11/96	\$ 10,437	\$ 10,476
9/12/96	\$ 10,341	\$ 10,374
9/13/96	\$ 10,381	\$ 10,419
9/16/96	\$ 10,386	\$ 10,428
9/17/96	\$ 10,341	\$ 10,384
9/18/96	\$ 10,229	\$ 10,268
9/19/96	\$ 10,315	\$ 10,357
9/20/96	\$ 10,310	\$ 10,354
9/23/96	\$ 10,208	\$ 10,249
9/24/96	\$ 10,229	\$ 10,265
10/31/96	\$ 10,966	\$ 10,989

Past performance is not predictive of future performance Correlation: .9973

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT IN
THE FRANCE INDEX SERIES AND
FT/S&P FRANCE INDEX (3/27/96-10/31/96)

[PERFORMANCE GRAPH]

Date	France Index Series	FT/S&P Index
3/27/96	\$ 10,000	\$ 10,000
3/28/96	\$ 10,024	\$ 10,014
3/29/96	\$ 10,151	\$ 10,146
4/1/96	\$ 10,178	\$ 10,172
4/2/96	\$ 10,239	\$ 10,232
4/3/96	\$ 10,223	\$ 10,216
4/4/96	\$ 10,263	\$ 10,258
4/8/96	\$ 10,276	\$ 10,274
4/9/96	\$ 10,212	\$ 10,212
4/10/96	\$ 10,233	\$ 10,236
4/11/96	\$ 10,130	\$ 10,134
4/12/96	\$ 10,130	\$ 10,137
4/15/96	\$ 10,111	\$ 10,123
4/16/96	\$ 10,183	\$ 10,197
4/17/96	\$ 10,106	\$ 10,121
4/18/96	\$ 10,146	\$ 10,160
4/19/96	\$ 10,223	\$ 10,240
4/22/96	\$ 10,281	\$ 10,304
4/23/96	\$ 10,260	\$ 10,279
4/24/96	\$ 10,294	\$ 10,319
4/25/96	\$ 10,228	\$ 10,247
4/26/96	\$ 10,337	\$ 10,357
4/29/96	\$ 10,347	\$ 10,371
4/30/96	\$ 10,329	\$ 10,355
5/1/96	\$ 10,326	\$ 10,356
5/2/96	\$ 10,313	\$ 10,337
5/3/96	\$ 10,236	\$ 10,262
5/6/96	\$ 10,146	\$ 10,177
5/7/96	\$ 10,151	\$ 10,177
5/8/96	\$ 10,162	\$ 10,188
5/9/96	\$ 10,156	\$ 10,182
5/10/96	\$ 10,210	\$ 10,240
5/13/96	\$ 10,141	\$ 10,156
5/14/96	\$ 10,191	\$ 10,209
5/15/96	\$ 10,220	\$ 10,238
5/16/96	\$ 10,202	\$ 10,221
5/17/96	\$ 10,324	\$ 10,344
5/20/96	\$ 10,223	\$ 10,237
5/21/96	\$ 10,220	\$ 10,237
5/22/96	\$ 10,130	\$ 10,146
5/23/96	\$ 10,162	\$ 10,179
5/24/96	\$ 10,183	\$ 10,204
5/28/96	\$ 10,204	\$ 10,228
5/29/96	\$ 10,164	\$ 10,184
5/30/96	\$ 10,199	\$ 10,222
5/31/96	\$ 10,239	\$ 10,259

6/3/96	\$ 10,302	\$ 10,313
6/4/96	\$ 10,247	\$ 10,257
6/5/96	\$ 10,273	\$ 10,285
6/6/96	\$ 10,329	\$ 10,344
6/7/96	\$ 10,180	\$ 10,191
6/10/96	\$ 10,257	\$ 10,254
6/11/96	\$ 10,302	\$ 10,299
6/12/96	\$ 10,294	\$ 10,289
6/13/96	\$ 10,255	\$ 10,249
6/14/96	\$ 10,300	\$ 10,281
6/17/96	\$ 10,350	\$ 10,328
6/18/96	\$ 10,361	\$ 10,311
6/19/96	\$ 10,302	\$ 10,252
6/20/96	\$ 10,178	\$ 10,125
6/21/96	\$ 10,172	\$ 10,120
6/24/96	\$ 10,228	\$ 10,180
6/25/96	\$ 10,321	\$ 10,262
6/26/96	\$ 10,353	\$ 10,280
6/27/96	\$ 10,406	\$ 10,327
6/28/96	\$ 10,496	\$ 10,392
7/1/96	\$ 10,477	\$ 10,359
7/2/96	\$ 10,427	\$ 10,308
7/3/96	\$ 10,462	\$ 10,340
7/5/96	\$ 10,406	\$ 10,277
7/8/96	\$ 10,302	\$ 10,170
7/9/96	\$ 10,316	\$ 10,184
7/10/96	\$ 10,340	\$ 10,205
7/11/96	\$ 10,324	\$ 10,189
7/12/96	\$ 10,207	\$ 10,069
7/15/96	\$ 10,130	\$ 9,990
7/16/96	\$ 10,114	\$ 9,967
7/17/96	\$ 10,188	\$ 10,042
7/18/96	\$ 10,204	\$ 10,060
7/19/96	\$ 10,175	\$ 10,031
7/22/96	\$ 10,045	\$ 9,903
7/23/96	\$ 10,114	\$ 9,973
7/24/96	\$ 9,987	\$ 9,843
7/25/96	\$ 10,143	\$ 10,005
7/26/96	\$ 10,058	\$ 9,923
7/29/96	\$ 10,064	\$ 9,931
7/30/96	\$ 10,103	\$ 9,972
7/31/96	\$ 10,255	\$ 10,123
8/1/96	\$ 10,310	\$ 10,181
8/2/96	\$ 10,353	\$ 10,223
8/5/96	\$ 10,271	\$ 10,144
8/6/96	\$ 10,175	\$ 10,054
8/7/96	\$ 10,138	\$ 10,017
8/8/96	\$ 10,159	\$ 10,040
8/9/96	\$ 10,138	\$ 10,021
8/12/96	\$ 10,095	\$ 9,981
8/13/96	\$ 10,085	\$ 9,973
8/14/96	\$ 10,053	\$ 9,943
8/15/96	\$ 10,042	\$ 9,933
8/16/96	\$ 9,989	\$ 9,882
8/19/96	\$ 10,027	\$ 9,923
8/20/96	\$ 10,170	\$ 10,066
8/21/96	\$ 10,122	\$ 10,019
8/22/96	\$ 10,135	\$ 10,034
8/23/96	\$ 10,202	\$ 10,102
8/26/96	\$ 10,257	\$ 10,170
8/27/96	\$ 10,233	\$ 10,147
8/28/96	\$ 10,178	\$ 10,090
8/29/96	\$ 10,034	\$ 9,949
8/30/96	\$ 10,032	\$ 9,950
9/3/96	\$ 9,984	\$ 9,904
9/4/96	\$ 10,056	\$ 9,978
9/5/96	\$ 10,122	\$ 10,041
9/6/96	\$ 10,159	\$ 10,079
9/9/96	\$ 10,199	\$ 10,123
9/10/96	\$ 10,196	\$ 10,124
9/11/96	\$ 10,170	\$ 10,098
9/12/96	\$ 10,265	\$ 10,197
9/13/96	\$ 10,326	\$ 10,259
9/16/96	\$ 10,382	\$ 10,316
9/17/96	\$ 10,350	\$ 10,286
9/18/96	\$ 10,329	\$ 10,269
9/19/96	\$ 10,329	\$ 10,270
9/20/96	\$ 10,353	\$ 10,294
9/23/96	\$ 10,313	\$ 10,257
9/24/96	\$ 10,382	\$ 10,329

Past performance is not predictive of future performance

Correlation: .9966

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT IN
THE GERMANY INDEX SERIES AND
FT/S&P GERMANY INDEX (3/21/96-10/31/96)

[PERFORMANCE GRAPH]

Date	Germany Index Series	FT/S&P Index
3/21/96	\$ 10,000	\$ 10,000
3/22/96	\$ 10,052	\$ 10,020
3/25/96	\$ 10,029	\$ 10,020
3/26/96	\$ 10,026	\$ 9,980
3/27/96	\$ 10,023	\$ 10,007
3/28/96	\$ 10,058	\$ 10,008
3/29/96	\$ 9,977	\$ 9,948
4/1/96	\$ 9,960	\$ 9,926
4/2/96	\$ 9,997	\$ 9,989
4/3/96	\$ 10,026	\$ 9,984
4/4/96	\$ 10,017	\$ 9,967
4/8/96	\$ 10,032	\$ 9,987
4/9/96	\$ 9,928	\$ 9,931
4/10/96	\$ 9,980	\$ 9,980
4/11/96	\$ 9,925	\$ 9,899
4/12/96	\$ 9,879	\$ 9,863
4/15/96	\$ 9,925	\$ 9,938
4/16/96	\$ 9,911	\$ 9,916
4/17/96	\$ 9,913	\$ 9,873
4/18/96	\$ 9,853	\$ 9,860
4/19/96	\$ 9,879	\$ 9,906
4/22/96	\$ 9,870	\$ 9,870
4/23/96	\$ 9,873	\$ 9,864
4/24/96	\$ 9,804	\$ 9,800
4/25/96	\$ 9,723	\$ 9,741
4/26/96	\$ 9,761	\$ 9,742
4/29/96	\$ 9,743	\$ 9,679
4/30/96	\$ 9,570	\$ 9,594
5/1/96	\$ 9,570	\$ 9,594
5/2/96	\$ 9,611	\$ 9,588
5/3/96	\$ 9,510	\$ 9,471
5/6/96	\$ 9,527	\$ 9,516
5/7/96	\$ 9,590	\$ 9,590
5/8/96	\$ 9,616	\$ 9,577
5/9/96	\$ 9,593	\$ 9,577
5/10/96	\$ 9,533	\$ 9,507
5/13/96	\$ 9,573	\$ 9,542
5/14/96	\$ 9,645	\$ 9,614
5/15/96	\$ 9,697	\$ 9,664
5/16/96	\$ 9,680	\$ 9,647
5/17/96	\$ 9,781	\$ 9,747
5/20/96	\$ 9,775	\$ 9,744
5/21/96	\$ 9,804	\$ 9,780
5/22/96	\$ 9,784	\$ 9,754
5/23/96	\$ 9,778	\$ 9,746
5/24/96	\$ 9,712	\$ 9,670
5/28/96	\$ 9,723	\$ 9,679
5/29/96	\$ 9,703	\$ 9,649
5/30/96	\$ 9,697	\$ 9,641
5/31/96	\$ 9,787	\$ 9,724
6/3/96	\$ 9,752	\$ 9,695
6/4/96	\$ 9,769	\$ 9,709
6/5/96	\$ 9,824	\$ 9,764
6/6/96	\$ 9,815	\$ 9,759
6/7/96	\$ 9,818	\$ 9,761
6/10/96	\$ 9,810	\$ 9,755
6/11/96	\$ 9,763	\$ 9,710
6/12/96	\$ 9,847	\$ 9,795
6/13/96	\$ 9,850	\$ 9,798
6/14/96	\$ 9,867	\$ 9,816
6/17/96	\$ 9,890	\$ 9,841
6/18/96	\$ 9,922	\$ 9,877
6/19/96	\$ 9,913	\$ 9,867
6/20/96	\$ 9,836	\$ 9,790
6/21/96	\$ 9,827	\$ 9,782
6/24/96	\$ 9,919	\$ 9,876
6/25/96	\$ 9,939	\$ 9,893
6/26/96	\$ 9,988	\$ 9,931
6/27/96	\$ 9,965	\$ 9,909

6/28/96	\$ 10,029	\$ 9,951
7/1/96	\$ 10,032	\$ 9,950
7/2/96	\$ 10,029	\$ 9,945
7/3/96	\$ 10,009	\$ 9,927
7/5/96	\$ 10,032	\$ 9,947
7/8/96	\$ 9,928	\$ 9,844
7/9/96	\$ 10,003	\$ 9,920
7/10/96	\$ 10,020	\$ 9,937
7/11/96	\$ 10,069	\$ 9,986
7/12/96	\$ 9,960	\$ 9,877
7/15/96	\$ 10,009	\$ 9,925
7/16/96	\$ 9,876	\$ 9,796
7/17/96	\$ 10,023	\$ 9,939
7/18/96	\$ 10,017	\$ 9,933
7/19/96	\$ 10,089	\$ 10,007
7/22/96	\$ 9,957	\$ 9,876
7/23/96	\$ 9,905	\$ 9,831
7/24/96	\$ 9,821	\$ 9,755
7/25/96	\$ 9,951	\$ 9,881
7/26/96	\$ 9,945	\$ 9,877
7/29/96	\$ 9,983	\$ 9,917
7/30/96	\$ 9,925	\$ 9,859
7/31/96	\$ 10,017	\$ 9,953
8/1/96	\$ 10,063	\$ 10,019
8/2/96	\$ 10,110	\$ 10,046
8/5/96	\$ 10,136	\$ 10,076
8/6/96	\$ 10,150	\$ 10,089
8/7/96	\$ 10,213	\$ 10,152
8/8/96	\$ 10,228	\$ 10,167
8/9/96	\$ 10,225	\$ 10,166
8/12/96	\$ 10,260	\$ 10,203
8/13/96	\$ 10,288	\$ 10,229
8/14/96	\$ 10,222	\$ 10,167
8/15/96	\$ 10,237	\$ 10,181
8/16/96	\$ 10,179	\$ 10,123
8/19/96	\$ 10,262	\$ 10,211
8/20/96	\$ 10,242	\$ 10,191
8/21/96	\$ 10,231	\$ 10,179
8/22/96	\$ 10,182	\$ 10,131
8/23/96	\$ 10,231	\$ 10,182
8/26/96	\$ 10,283	\$ 10,237
8/27/96	\$ 10,314	\$ 10,266
8/28/96	\$ 10,335	\$ 10,289
8/29/96	\$ 10,286	\$ 10,244
8/30/96	\$ 10,234	\$ 10,193
9/3/96	\$ 10,058	\$ 10,020
9/4/96	\$ 10,156	\$ 10,119
9/5/96	\$ 10,133	\$ 10,095
9/6/96	\$ 10,066	\$ 10,031
9/9/96	\$ 10,164	\$ 10,131
9/10/96	\$ 10,130	\$ 10,098
9/11/96	\$ 10,107	\$ 10,072
9/12/96	\$ 10,107	\$ 10,074
9/13/96	\$ 10,199	\$ 10,169
9/16/96	\$ 10,346	\$ 10,316
9/17/96	\$ 10,291	\$ 10,261
9/18/96	\$ 10,326	\$ 10,296
9/19/96	\$ 10,280	\$ 10,251
9/20/96	\$ 10,337	\$ 10,310
9/23/96	\$ 10,274	\$ 10,250
9/24/96	\$ 10,314	\$ 10,291
10/31/96	\$ 10,441	\$ 10,439

Past performance is not predictive of future performance Correlation: .9630

2

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT IN
THE HONG KONG INDEX SERIES AND
FT/S&P HONG KONG INDEX (3/22/96-10/31/96)

[PERFORMANCE GRAPH]

Date	Hong Kong Index Series	FT/S&P Index
3/22/96	\$ 10,000	\$ 10,000
3/25/96	\$ 10,100	\$ 10,102
3/26/96	\$ 9,976	\$ 9,978
3/27/96	\$ 10,065	\$ 10,058
3/28/96	\$ 10,031	\$ 10,029

3/29/96	\$ 9,976	\$ 9,979
4/1/96	\$ 9,945	\$ 9,930
4/2/96	\$ 10,130	\$ 10,115
4/3/96	\$ 10,134	\$ 10,120
4/4/96	\$ 10,141	\$ 10,131
4/8/96	\$ 10,120	\$ 10,115
4/9/96	\$ 10,124	\$ 10,110
4/10/96	\$ 10,100	\$ 10,087
4/11/96	\$ 9,959	\$ 9,940
4/12/96	\$ 9,894	\$ 9,877
4/15/96	\$ 9,979	\$ 9,946
4/16/96	\$ 10,045	\$ 10,012
4/17/96	\$ 10,000	\$ 9,971
4/18/96	\$ 9,973	\$ 9,945
4/19/96	\$ 9,897	\$ 9,868
4/22/96	\$ 9,938	\$ 9,910
4/23/96	\$ 9,918	\$ 9,889
4/24/96	\$ 9,914	\$ 9,888
4/25/96	\$ 9,811	\$ 9,779
4/26/96	\$ 9,791	\$ 9,754
4/29/96	\$ 9,866	\$ 9,834
4/30/96	\$ 10,000	\$ 9,970
5/1/96	\$ 9,962	\$ 9,933
5/2/96	\$ 9,993	\$ 9,954
5/3/96	\$ 9,825	\$ 9,783
5/6/96	\$ 9,804	\$ 9,763
5/7/96	\$ 9,818	\$ 9,761
5/8/96	\$ 9,760	\$ 9,703
5/9/96	\$ 9,712	\$ 9,658
5/10/96	\$ 9,715	\$ 9,663
5/13/96	\$ 9,839	\$ 9,788
5/14/96	\$ 9,907	\$ 9,848
5/15/96	\$ 9,942	\$ 9,885
5/16/96	\$ 9,925	\$ 9,869
5/17/96	\$ 9,928	\$ 9,872
5/20/96	\$ 10,055	\$ 10,004
5/21/96	\$ 10,130	\$ 10,081
5/22/96	\$ 10,127	\$ 10,076
5/23/96	\$ 10,103	\$ 10,055
5/24/96	\$ 10,096	\$ 10,046
5/28/96	\$ 10,158	\$ 10,115
5/29/96	\$ 10,213	\$ 10,170
5/30/96	\$ 10,206	\$ 10,133
5/31/96	\$ 10,299	\$ 10,226
6/3/96	\$ 10,110	\$ 10,043
6/4/96	\$ 10,141	\$ 10,073
6/5/96	\$ 10,127	\$ 10,064
6/6/96	\$ 10,223	\$ 10,159
6/7/96	\$ 10,202	\$ 10,141
6/10/96	\$ 10,165	\$ 10,108
6/11/96	\$ 10,021	\$ 9,965
6/12/96	\$ 9,986	\$ 9,932
6/13/96	\$ 9,890	\$ 9,839
6/14/96	\$ 9,921	\$ 9,871
6/17/96	\$ 9,914	\$ 9,870
6/18/96	\$ 9,993	\$ 9,949
6/19/96	\$ 9,959	\$ 9,917
6/20/96	\$ 9,969	\$ 9,927
6/21/96	\$ 9,928	\$ 9,888
6/24/96	\$ 10,010	\$ 9,974
6/25/96	\$ 10,038	\$ 10,001
6/26/96	\$ 10,113	\$ 10,071
6/27/96	\$ 10,079	\$ 10,031
6/28/96	\$ 10,120	\$ 10,050
7/1/96	\$ 10,093	\$ 10,027
7/2/96	\$ 10,151	\$ 10,087
7/3/96	\$ 10,110	\$ 10,048
7/5/96	\$ 10,185	\$ 10,125
7/8/96	\$ 9,928	\$ 9,870
7/9/96	\$ 9,969	\$ 9,914
7/10/96	\$ 9,966	\$ 9,904
7/11/96	\$ 9,962	\$ 9,904
7/12/96	\$ 9,859	\$ 9,803
7/15/96	\$ 9,849	\$ 9,795
7/16/96	\$ 9,715	\$ 9,662
7/17/96	\$ 9,688	\$ 9,636
7/18/96	\$ 9,763	\$ 9,713
7/19/96	\$ 9,887	\$ 9,837
7/22/96	\$ 9,822	\$ 9,775
7/23/96	\$ 9,842	\$ 9,796
7/24/96	\$ 9,681	\$ 9,637

7/25/96	\$ 9,674	\$ 9,632
7/26/96	\$ 9,667	\$ 9,626
7/29/96	\$ 9,619	\$ 9,578
7/30/96	\$ 9,554	\$ 9,516
7/31/96	\$ 9,633	\$ 9,596
8/1/96	\$ 9,743	\$ 9,707
8/2/96	\$ 9,883	\$ 9,852
8/5/96	\$ 9,986	\$ 9,956
8/6/96	\$ 9,976	\$ 9,948
8/7/96	\$ 9,990	\$ 9,962
8/8/96	\$ 9,997	\$ 9,971
8/9/96	\$ 9,945	\$ 9,919
8/12/96	\$ 10,038	\$ 10,016
8/13/96	\$ 10,027	\$ 10,004
8/14/96	\$ 10,024	\$ 10,002
8/15/96	\$ 10,003	\$ 9,982
8/16/96	\$ 10,010	\$ 9,993
8/19/96	\$ 10,065	\$ 10,051
8/20/96	\$ 10,165	\$ 10,150
8/21/96	\$ 10,254	\$ 10,241
8/22/96	\$ 10,305	\$ 10,294
8/23/96	\$ 10,257	\$ 10,246
8/26/96	\$ 10,254	\$ 10,249
8/27/96	\$ 10,196	\$ 10,190
8/28/96	\$ 10,233	\$ 10,217
8/29/96	\$ 10,196	\$ 10,176
8/30/96	\$ 10,038	\$ 10,023
9/3/96	\$ 9,887	\$ 9,872
9/4/96	\$ 9,983	\$ 9,970
9/5/96	\$ 9,952	\$ 9,940
9/6/96	\$ 9,921	\$ 9,907
9/9/96	\$ 10,069	\$ 10,058
9/10/96	\$ 10,079	\$ 10,068
9/11/96	\$ 10,093	\$ 10,082
9/12/96	\$ 10,106	\$ 10,088
9/13/96	\$ 10,209	\$ 10,181
9/16/96	\$ 10,360	\$ 10,338
9/17/96	\$ 10,419	\$ 10,398
9/18/96	\$ 10,408	\$ 10,389
9/19/96	\$ 10,377	\$ 10,356
9/20/96	\$ 10,367	\$ 10,350
9/23/96	\$ 10,388	\$ 10,373
9/24/96	\$ 10,316	\$ 10,302
10/31/96	\$ 11,002	\$ 10,978

Past performance is not predictive of future performance Correlation: .9975

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT IN
THE ITALY INDEX SERIES AND
FT/S&P ITALY INDEX (3/27/96-10/31/96)

[PERFORMANCE GRAPH]

Date	Italy Index Series	FT/S&P Index
3/27/96	\$ 10,000	\$ 10,000
3/28/96	\$ 10,065	\$ 10,065
3/29/96	\$ 10,191	\$ 10,202
4/1/96	\$ 10,167	\$ 10,176
4/2/96	\$ 10,289	\$ 10,297
4/3/96	\$ 10,260	\$ 10,272
4/4/96	\$ 10,451	\$ 10,469
4/8/96	\$ 10,443	\$ 10,365
4/9/96	\$ 10,427	\$ 10,448
4/10/96	\$ 10,670	\$ 10,695
4/11/96	\$ 10,605	\$ 10,630
4/12/96	\$ 10,691	\$ 10,717
4/15/96	\$ 10,719	\$ 10,751
4/16/96	\$ 10,691	\$ 10,722
4/17/96	\$ 10,597	\$ 10,631
4/18/96	\$ 10,764	\$ 10,800
4/19/96	\$ 10,951	\$ 10,989
4/22/96	\$ 11,690	\$ 11,737
4/23/96	\$ 11,698	\$ 11,744
4/24/96	\$ 11,731	\$ 11,779
4/25/96	\$ 11,690	\$ 11,740
4/26/96	\$ 11,820	\$ 11,874
4/29/96	\$ 11,609	\$ 11,665
4/30/96	\$ 11,727	\$ 11,783
5/1/96	\$ 11,719	\$ 11,773
5/2/96	\$ 11,768	\$ 11,823

5/3/96	\$ 11,723	\$ 11,785
5/6/96	\$ 11,678	\$ 11,749
5/7/96	\$ 11,715	\$ 11,794
5/8/96	\$ 11,536	\$ 11,614
5/9/96	\$ 11,585	\$ 11,660
5/10/96	\$ 11,613	\$ 11,686
5/13/96	\$ 11,670	\$ 11,746
5/14/96	\$ 11,711	\$ 11,789
5/15/96	\$ 11,658	\$ 11,741
5/16/96	\$ 11,585	\$ 11,674
5/17/96	\$ 11,894	\$ 11,984
5/20/96	\$ 12,056	\$ 11,925
5/21/96	\$ 11,934	\$ 11,837
5/22/96	\$ 11,776	\$ 11,776
5/23/96	\$ 11,735	\$ 11,740
5/24/96	\$ 11,646	\$ 11,651
5/28/96	\$ 11,678	\$ 11,683
5/29/96	\$ 11,764	\$ 11,773
5/30/96	\$ 11,703	\$ 11,715
5/31/96	\$ 11,755	\$ 11,772

6/3/96	\$ 11,633	\$ 11,662
6/4/96	\$ 11,678	\$ 11,700
6/5/96	\$ 11,629	\$ 11,650
6/6/96	\$ 11,690	\$ 11,706
6/7/96	\$ 11,524	\$ 11,540
6/10/96	\$ 11,548	\$ 11,565
6/11/96	\$ 11,475	\$ 11,490
6/12/96	\$ 11,495	\$ 11,518
6/13/96	\$ 11,451	\$ 11,477
6/14/96	\$ 11,447	\$ 11,477
6/17/96	\$ 11,589	\$ 11,630
6/18/96	\$ 11,820	\$ 11,863
6/19/96	\$ 11,808	\$ 11,845
6/20/96	\$ 11,804	\$ 11,856
6/21/96	\$ 11,743	\$ 11,788
6/24/96	\$ 11,658	\$ 11,651
6/25/96	\$ 11,776	\$ 11,773
6/26/96	\$ 11,686	\$ 11,677
6/27/96	\$ 11,609	\$ 11,590
6/28/96	\$ 11,670	\$ 11,642
7/1/96	\$ 11,564	\$ 11,533
7/2/96	\$ 11,508	\$ 11,481
7/3/96	\$ 11,609	\$ 11,579
7/5/96	\$ 11,776	\$ 11,730
7/8/96	\$ 11,629	\$ 11,585
7/9/96	\$ 11,625	\$ 11,582
7/10/96	\$ 11,597	\$ 11,563
7/11/96	\$ 11,560	\$ 11,529
7/12/96	\$ 11,390	\$ 11,354
7/15/96	\$ 10,987	\$ 10,943
7/16/96	\$ 10,809	\$ 10,776
7/17/96	\$ 10,987	\$ 10,956
7/18/96	\$ 11,174	\$ 11,152
7/19/96	\$ 11,191	\$ 11,166
7/22/96	\$ 11,215	\$ 11,124
7/23/96	\$ 11,227	\$ 11,151
7/24/96	\$ 10,996	\$ 10,910
7/25/96	\$ 10,878	\$ 10,781
7/26/96	\$ 10,813	\$ 10,721
7/29/96	\$ 10,691	\$ 10,605
7/30/96	\$ 10,691	\$ 10,614
7/31/96	\$ 10,898	\$ 10,827
8/1/96	\$ 11,077	\$ 11,008
8/2/96	\$ 11,191	\$ 11,130
8/5/96	\$ 11,150	\$ 11,092
8/6/96	\$ 11,109	\$ 11,053
8/7/96	\$ 10,987	\$ 10,926
8/8/96	\$ 11,048	\$ 10,986
8/9/96	\$ 10,886	\$ 10,822
8/12/96	\$ 10,910	\$ 10,845
8/13/96	\$ 10,902	\$ 10,838
8/14/96	\$ 10,918	\$ 10,854
8/15/96	\$ 10,943	\$ 10,879
8/16/96	\$ 10,971	\$ 10,905

8/19/96	\$ 10,841	\$ 10,785
8/20/96	\$ 10,906	\$ 10,850
8/21/96	\$ 10,918	\$ 10,865
8/22/96	\$ 10,987	\$ 10,938
8/23/96	\$ 11,069	\$ 11,027
8/26/96	\$ 10,943	\$ 10,908

8/27/96	\$ 11,016	\$ 10,982
8/28/96	\$ 10,943	\$ 10,912
8/29/96	\$ 10,898	\$ 10,866
8/30/96	\$ 10,821	\$ 10,791
9/3/96	\$ 10,540	\$ 10,502
9/4/96	\$ 10,536	\$ 10,503
9/5/96	\$ 10,488	\$ 10,463
9/6/96	\$ 10,642	\$ 10,627
9/9/96	\$ 10,707	\$ 10,693
9/10/96	\$ 10,683	\$ 10,670
9/11/96	\$ 10,557	\$ 10,541
9/12/96	\$ 10,557	\$ 10,543
9/13/96	\$ 10,764	\$ 10,749
9/16/96	\$ 10,768	\$ 10,753
9/17/96	\$ 10,642	\$ 10,640
9/18/96	\$ 10,585	\$ 10,578
9/19/96	\$ 10,670	\$ 10,661
9/20/96	\$ 10,707	\$ 10,697
9/23/96	\$ 10,719	\$ 10,714
9/24/96	\$ 10,630	\$ 10,622
10/31/96	\$ 10,825	\$ 10,852

Past performance is not predictive of future performance Correlation: .9845

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT IN
THE JAPAN INDEX SERIES AND
FT/S&P JAPAN INDEX (3/21/96-10/31/96)

[PERFORMANCE GRAPH]

Date	Japan Index Series	FT/S&P Index
-----	-----	-----
3/21/96	\$ 10,000	\$ 10,000
3/22/96	\$ 9,963	\$ 9,963
3/25/96	\$ 10,118	\$ 10,113
3/26/96	\$ 10,169	\$ 10,126
3/27/96	\$ 10,229	\$ 10,182
3/28/96	\$ 10,261	\$ 10,213
3/29/96	\$ 10,324	\$ 10,275
4/1/96	\$ 10,326	\$ 10,274
4/2/96	\$ 10,321	\$ 10,281
4/3/96	\$ 10,332	\$ 10,289
4/4/96	\$ 10,292	\$ 10,252
4/8/96	\$ 10,266	\$ 10,228
4/9/96	\$ 10,313	\$ 10,275
4/10/96	\$ 10,313	\$ 10,275
4/11/96	\$ 10,319	\$ 10,285
4/12/96	\$ 10,295	\$ 10,264
4/15/96	\$ 10,384	\$ 10,354
4/16/96	\$ 10,382	\$ 10,357
4/17/96	\$ 10,358	\$ 10,339
4/18/96	\$ 10,403	\$ 10,371
4/19/96	\$ 10,495	\$ 10,464
4/22/96	\$ 10,637	\$ 10,609
4/23/96	\$ 10,703	\$ 10,670
4/24/96	\$ 10,727	\$ 10,699
4/25/96	\$ 10,761	\$ 10,732
4/26/96	\$ 10,864	\$ 10,834
4/29/96	\$ 10,979	\$ 10,951
4/30/96	\$ 10,922	\$ 10,896
5/1/96	\$ 10,779	\$ 10,755
5/2/96	\$ 10,742	\$ 10,716
5/3/96	\$ 10,737	\$ 10,711
5/6/96	\$ 10,727	\$ 10,703
5/7/96	\$ 10,606	\$ 10,582
5/8/96	\$ 10,656	\$ 10,631
5/9/96	\$ 10,592	\$ 10,569
5/10/96	\$ 10,482	\$ 10,457
5/13/96	\$ 10,421	\$ 10,400
5/14/96	\$ 10,390	\$ 10,371
5/15/96	\$ 10,550	\$ 10,532
5/16/96	\$ 10,613	\$ 10,593
5/17/96	\$ 10,527	\$ 10,505
5/20/96	\$ 10,506	\$ 10,488
5/21/96	\$ 10,519	\$ 10,500
5/22/96	\$ 10,490	\$ 10,471
5/23/96	\$ 10,371	\$ 10,353
5/24/96	\$ 10,308	\$ 10,289
5/28/96	\$ 10,287	\$ 10,263
5/29/96	\$ 10,308	\$ 10,293
5/30/96	\$ 10,371	\$ 10,356

5/31/96	\$ 10,379	\$ 10,358
6/3/96	\$ 10,240	\$ 10,230
6/4/96	\$ 10,271	\$ 10,261
6/5/96	\$ 10,282	\$ 10,272
6/6/96	\$ 10,213	\$ 10,203
6/7/96	\$ 10,182	\$ 10,174
6/10/96	\$ 10,169	\$ 10,162
6/11/96	\$ 10,187	\$ 10,182
6/12/96	\$ 10,292	\$ 10,287
6/13/96	\$ 10,326	\$ 10,320
6/14/96	\$ 10,442	\$ 10,451
6/17/96	\$ 10,387	\$ 10,382
6/18/96	\$ 10,508	\$ 10,504
6/19/96	\$ 10,498	\$ 10,491
6/20/96	\$ 10,500	\$ 10,496
6/21/96	\$ 10,490	\$ 10,485
6/24/96	\$ 10,537	\$ 10,536
6/25/96	\$ 10,516	\$ 10,515
6/26/96	\$ 10,516	\$ 10,511
6/27/96	\$ 10,474	\$ 10,466
6/28/96	\$ 10,442	\$ 10,430
7/1/96	\$ 10,432	\$ 10,422
7/2/96	\$ 10,319	\$ 10,308
7/3/96	\$ 10,271	\$ 10,264
7/5/96	\$ 10,195	\$ 10,189
7/8/96	\$ 10,071	\$ 10,066
7/9/96	\$ 10,108	\$ 10,104
7/10/96	\$ 10,055	\$ 10,049
7/11/96	\$ 10,061	\$ 10,053
7/12/96	\$ 9,932	\$ 9,927
7/15/96	\$ 9,950	\$ 9,943
7/16/96	\$ 9,926	\$ 9,921
7/17/96	\$ 9,971	\$ 9,967
7/18/96	\$ 10,045	\$ 10,038
7/19/96	\$ 10,039	\$ 10,034
7/22/96	\$ 9,918	\$ 9,914
7/23/96	\$ 9,945	\$ 9,942
7/24/96	\$ 9,763	\$ 9,759
7/25/96	\$ 9,805	\$ 9,805
7/26/96	\$ 9,884	\$ 9,886
7/29/96	\$ 9,858	\$ 9,863
7/30/96	\$ 9,863	\$ 9,869
7/31/96	\$ 9,934	\$ 9,942
8/1/96	\$ 10,011	\$ 10,018
8/2/96	\$ 9,992	\$ 9,999
8/5/96	\$ 10,050	\$ 10,059
8/6/96	\$ 9,916	\$ 9,923
8/7/96	\$ 9,737	\$ 9,746
8/8/96	\$ 9,768	\$ 9,778
8/9/96	\$ 9,710	\$ 9,723
8/12/96	\$ 9,789	\$ 9,802
8/13/96	\$ 9,839	\$ 9,854
8/14/96	\$ 9,876	\$ 9,891
8/15/96	\$ 9,853	\$ 9,866
8/16/96	\$ 9,824	\$ 9,836
8/19/96	\$ 9,858	\$ 9,869
8/20/96	\$ 9,839	\$ 9,853
8/21/96	\$ 9,916	\$ 9,928
8/22/96	\$ 9,955	\$ 9,970
8/23/96	\$ 9,916	\$ 9,928
8/26/96	\$ 9,837	\$ 9,852
8/27/96	\$ 9,821	\$ 9,841
8/28/96	\$ 9,692	\$ 9,716
8/29/96	\$ 9,613	\$ 9,636
8/30/96	\$ 9,502	\$ 9,524
9/3/96	\$ 9,458	\$ 9,483
9/4/96	\$ 9,479	\$ 9,503
9/5/96	\$ 9,539	\$ 9,565
9/6/96	\$ 9,450	\$ 9,478
9/9/96	\$ 9,452	\$ 9,480
9/10/96	\$ 9,494	\$ 9,523
9/11/96	\$ 9,460	\$ 9,488
9/12/96	\$ 9,455	\$ 9,485
9/13/96	\$ 9,547	\$ 9,580
9/16/96	\$ 9,552	\$ 9,586
9/17/96	\$ 9,750	\$ 9,785
9/18/96	\$ 9,808	\$ 9,842
9/19/96	\$ 9,821	\$ 9,857
9/20/96	\$ 9,713	\$ 9,748
9/23/96	\$ 9,708	\$ 9,744
9/24/96	\$ 9,702	\$ 9,741

Past performance is not predictive of future performance

Correlation: .9977

3

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT IN
THE SOUTH AFRICA INDEX SERIES AND
FT/S&P SOUTH AFRICA INDEX (3/29/96-10/31/96)

[PERFORMANCE GRAPH]

Date	South Africa Index Series	FT/S&P Index
3/29/96	\$ 10,000	\$ 10,000
4/1/96	\$ 9,886	\$ 9,854
4/2/96	\$ 9,841	\$ 9,812
4/3/96	\$ 9,573	\$ 9,527
4/4/96	\$ 9,593	\$ 9,555
4/8/96	\$ 9,642	\$ 9,610
4/9/96	\$ 9,493	\$ 9,461
4/10/96	\$ 9,364	\$ 9,338
4/11/96	\$ 9,449	\$ 9,427
4/12/96	\$ 9,508	\$ 9,487
4/15/96	\$ 9,409	\$ 9,390
4/16/96	\$ 9,608	\$ 9,584
4/17/96	\$ 9,652	\$ 9,629
4/18/96	\$ 9,637	\$ 9,615
4/19/96	\$ 9,712	\$ 9,695
4/22/96	\$ 9,921	\$ 9,894
4/23/96	\$ 9,851	\$ 9,835
4/24/96	\$ 9,712	\$ 9,700
4/25/96	\$ 9,459	\$ 9,452
4/26/96	\$ 9,483	\$ 9,479
4/29/96	\$ 9,478	\$ 9,491
4/30/96	\$ 9,627	\$ 9,617
5/1/96	\$ 9,613	\$ 9,601
5/2/96	\$ 9,533	\$ 9,533
5/3/96	\$ 9,384	\$ 9,392
5/6/96	\$ 9,270	\$ 9,304
5/7/96	\$ 9,339	\$ 9,346
5/8/96	\$ 9,061	\$ 9,065
5/9/96	\$ 8,862	\$ 8,873
5/10/96	\$ 9,255	\$ 9,264
5/13/96	\$ 9,300	\$ 9,314
5/14/96	\$ 9,478	\$ 9,494
5/15/96	\$ 9,439	\$ 9,459
5/16/96	\$ 9,285	\$ 9,320
5/17/96	\$ 9,295	\$ 9,320
5/20/96	\$ 9,195	\$ 9,220
5/21/96	\$ 9,160	\$ 9,185
5/22/96	\$ 9,121	\$ 9,142
5/23/96	\$ 9,076	\$ 9,104
5/24/96	\$ 9,131	\$ 9,161
5/28/96	\$ 9,165	\$ 9,204
5/29/96	\$ 9,220	\$ 9,247
5/30/96	\$ 9,220	\$ 9,248
5/31/96	\$ 9,389	\$ 9,420
6/3/96	\$ 9,404	\$ 9,437
6/4/96	\$ 9,359	\$ 9,384
6/5/96	\$ 9,324	\$ 9,350
6/6/96	\$ 9,404	\$ 9,418
6/7/96	\$ 9,334	\$ 9,361
6/10/96	\$ 9,374	\$ 9,393
6/11/96	\$ 9,285	\$ 9,309
6/12/96	\$ 9,379	\$ 9,401
6/13/96	\$ 9,444	\$ 9,469
6/14/96	\$ 9,319	\$ 9,344
6/17/96	\$ 9,329	\$ 9,356
6/18/96	\$ 9,344	\$ 9,369
6/19/96	\$ 9,399	\$ 9,420
6/20/96	\$ 9,344	\$ 9,371
6/21/96	\$ 9,354	\$ 9,383
6/24/96	\$ 9,389	\$ 9,401
6/25/96	\$ 9,439	\$ 9,454
6/26/96	\$ 9,523	\$ 9,532
6/27/96	\$ 9,493	\$ 9,499
6/28/96	\$ 9,439	\$ 9,428
7/1/96	\$ 9,399	\$ 9,387
7/2/96	\$ 9,459	\$ 9,444

7/3/96	\$ 9,483	\$ 9,478
7/5/96	\$ 9,468	\$ 9,456
7/8/96	\$ 9,424	\$ 9,413
7/9/96	\$ 9,498	\$ 9,494
7/10/96	\$ 9,518	\$ 9,512
7/11/96	\$ 9,394	\$ 9,392
7/12/96	\$ 9,106	\$ 9,100
7/15/96	\$ 9,071	\$ 9,068
7/16/96	\$ 8,838	\$ 8,834
7/17/96	\$ 8,992	\$ 8,990
7/18/96	\$ 9,021	\$ 9,020
7/19/96	\$ 9,151	\$ 9,150
7/22/96	\$ 9,081	\$ 9,093
7/23/96	\$ 8,997	\$ 9,001
7/24/96	\$ 8,828	\$ 8,829
7/25/96	\$ 8,862	\$ 8,866
7/26/96	\$ 8,773	\$ 8,775
7/29/96	\$ 8,798	\$ 8,805
7/30/96	\$ 8,723	\$ 8,731
7/31/96	\$ 8,584	\$ 8,591
8/1/96	\$ 8,589	\$ 8,596
8/2/96	\$ 8,778	\$ 8,789
8/5/96	\$ 8,952	\$ 8,957
8/6/96	\$ 8,907	\$ 8,917
8/7/96	\$ 8,803	\$ 8,812
8/8/96	\$ 8,654	\$ 8,666
8/9/96	\$ 8,644	\$ 8,657
8/12/96	\$ 8,644	\$ 8,653
8/13/96	\$ 8,684	\$ 8,692
8/14/96	\$ 8,530	\$ 8,540
8/15/96	\$ 8,435	\$ 8,449
8/16/96	\$ 8,400	\$ 8,413
8/19/96	\$ 8,356	\$ 8,369
8/20/96	\$ 8,217	\$ 8,231
8/21/96	\$ 8,187	\$ 8,201
8/22/96	\$ 8,301	\$ 8,316
8/23/96	\$ 8,495	\$ 8,507
8/26/96	\$ 8,510	\$ 8,520
8/27/96	\$ 8,629	\$ 8,645
8/28/96	\$ 8,773	\$ 8,792
8/29/96	\$ 8,803	\$ 8,819
8/30/96	\$ 8,838	\$ 8,854
9/3/96	\$ 8,872	\$ 8,890
9/4/96	\$ 8,992	\$ 9,009
9/5/96	\$ 8,997	\$ 9,018
9/6/96	\$ 8,982	\$ 8,994
9/9/96	\$ 9,076	\$ 9,083
9/10/96	\$ 9,016	\$ 9,025
9/11/96	\$ 9,026	\$ 9,036
9/12/96	\$ 9,031	\$ 9,040
9/13/96	\$ 9,106	\$ 9,119
9/16/96	\$ 9,235	\$ 9,228
9/17/96	\$ 9,265	\$ 9,261
9/18/96	\$ 9,175	\$ 9,174
9/19/96	\$ 9,205	\$ 9,215
9/20/96	\$ 9,175	\$ 9,171
9/23/96	\$ 9,111	\$ 9,113
9/24/96	\$ 9,111	\$ 9,111
10/31/96	\$ 8,783	\$ 8,801

Past performance is not predictive of future performance Correlation: .9978

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT IN
THE UK INDEX SERIES AND
FT/S&P UK INDEX (3/25/96-10/31/96)

[PERFORMANCE GRAPH]

Date	U.K. Index Series	FT/S&P Index
3/25/96	\$ 10,000	\$ 10,000
3/26/96	\$ 9,935	\$ 9,932
3/27/96	\$ 9,943	\$ 9,938
3/28/96	\$ 9,958	\$ 9,970
3/29/96	\$ 10,078	\$ 10,061
4/1/96	\$ 10,120	\$ 10,103
4/2/96	\$ 10,135	\$ 10,131
4/3/96	\$ 10,151	\$ 10,137
4/4/96	\$ 10,250	\$ 10,232
4/8/96	\$ 10,268	\$ 10,259
4/9/96	\$ 10,242	\$ 10,225

4/10/96	\$ 10,206	\$ 10,193
4/11/96	\$ 10,138	\$ 10,121
4/12/96	\$ 10,172	\$ 10,165
4/15/96	\$ 10,203	\$ 10,192
4/16/96	\$ 10,318	\$ 10,300
4/17/96	\$ 10,258	\$ 10,256
4/18/96	\$ 10,297	\$ 10,295
4/19/96	\$ 10,458	\$ 10,459
4/22/96	\$ 10,403	\$ 10,410
4/23/96	\$ 10,380	\$ 10,384
4/24/96	\$ 10,328	\$ 10,334
4/25/96	\$ 10,328	\$ 10,336
4/26/96	\$ 10,359	\$ 10,364
4/29/96	\$ 10,292	\$ 10,298
4/30/96	\$ 10,252	\$ 10,263
5/1/96	\$ 10,190	\$ 10,206
5/2/96	\$ 10,138	\$ 10,152
5/3/96	\$ 10,096	\$ 10,111
5/6/96	\$ 10,122	\$ 10,142
5/7/96	\$ 10,099	\$ 10,111
5/8/96	\$ 10,083	\$ 10,103
5/9/96	\$ 10,180	\$ 10,202
5/10/96	\$ 10,239	\$ 10,261
5/13/96	\$ 10,148	\$ 10,170
5/14/96	\$ 10,198	\$ 10,223
5/15/96	\$ 10,208	\$ 10,245
5/16/96	\$ 10,154	\$ 10,179
5/17/96	\$ 10,268	\$ 10,299
5/20/96	\$ 10,226	\$ 10,252
5/21/96	\$ 10,263	\$ 10,288
5/22/96	\$ 10,172	\$ 10,199
5/23/96	\$ 10,141	\$ 10,175
5/24/96	\$ 10,159	\$ 10,186
5/28/96	\$ 10,172	\$ 10,208
5/29/96	\$ 10,255	\$ 10,295
5/30/96	\$ 10,284	\$ 10,328
5/31/96	\$ 10,401	\$ 10,436
6/3/96	\$ 10,380	\$ 10,419
6/4/96	\$ 10,416	\$ 10,457
6/5/96	\$ 10,393	\$ 10,436
6/6/96	\$ 10,367	\$ 10,405
6/7/96	\$ 10,226	\$ 10,268
6/10/96	\$ 10,216	\$ 10,258
6/11/96	\$ 10,310	\$ 10,352
6/12/96	\$ 10,336	\$ 10,380
6/13/96	\$ 10,289	\$ 10,332
6/14/96	\$ 10,312	\$ 10,365
6/17/96	\$ 10,393	\$ 10,443
6/18/96	\$ 10,375	\$ 10,418
6/19/96	\$ 10,359	\$ 10,412
6/20/96	\$ 10,286	\$ 10,334
6/21/96	\$ 10,260	\$ 10,310
6/24/96	\$ 10,237	\$ 10,284
6/25/96	\$ 10,151	\$ 10,198
6/26/96	\$ 10,200	\$ 10,249
6/27/96	\$ 10,193	\$ 10,229
6/28/96	\$ 10,349	\$ 10,363
7/1/96	\$ 10,396	\$ 10,425
7/2/96	\$ 10,411	\$ 10,431
7/3/96	\$ 10,390	\$ 10,423
7/5/96	\$ 10,440	\$ 10,475
7/8/96	\$ 10,422	\$ 10,461
7/9/96	\$ 10,437	\$ 10,473
7/10/96	\$ 10,487	\$ 10,524
7/11/96	\$ 10,455	\$ 10,499
7/12/96	\$ 10,383	\$ 10,420
7/15/96	\$ 10,312	\$ 10,353
7/16/96	\$ 10,177	\$ 10,216
7/17/96	\$ 10,177	\$ 10,220
7/18/96	\$ 10,247	\$ 10,294
7/19/96	\$ 10,312	\$ 10,357
7/22/96	\$ 10,247	\$ 10,298
7/23/96	\$ 10,331	\$ 10,377
7/24/96	\$ 10,242	\$ 10,287
7/25/96	\$ 10,307	\$ 10,355
7/26/96	\$ 10,271	\$ 10,317
7/29/96	\$ 10,305	\$ 10,357
7/30/96	\$ 10,268	\$ 10,321
7/31/96	\$ 10,362	\$ 10,416
8/1/96	\$ 10,437	\$ 10,499
8/2/96	\$ 10,435	\$ 10,494

8/5/96	\$ 10,510	\$ 10,559
8/6/96	\$ 10,476	\$ 10,520
8/7/96	\$ 10,567	\$ 10,613
8/8/96	\$ 10,622	\$ 10,671
8/9/96	\$ 10,622	\$ 10,671
8/12/96	\$ 10,645	\$ 10,677
8/13/96	\$ 10,695	\$ 10,728
8/14/96	\$ 10,708	\$ 10,742
8/15/96	\$ 10,726	\$ 10,764
8/16/96	\$ 10,799	\$ 10,840
8/19/96	\$ 10,773	\$ 10,801
8/20/96	\$ 10,836	\$ 10,867
8/21/96	\$ 10,830	\$ 10,862
8/22/96	\$ 10,867	\$ 10,902
8/23/96	\$ 10,950	\$ 10,989
8/26/96	\$ 10,968	\$ 11,011
8/27/96	\$ 10,953	\$ 10,995
8/28/96	\$ 11,020	\$ 11,066
8/29/96	\$ 10,921	\$ 10,966
8/30/96	\$ 10,919	\$ 10,964
9/3/96	\$ 10,895	\$ 10,945
9/4/96	\$ 10,934	\$ 10,985
9/5/96	\$ 10,979	\$ 11,033
9/6/96	\$ 10,958	\$ 11,014
9/9/96	\$ 10,994	\$ 11,049
9/10/96	\$ 10,989	\$ 11,047
9/11/96	\$ 10,945	\$ 11,002
9/12/96	\$ 11,018	\$ 11,078
9/13/96	\$ 11,098	\$ 11,168
9/16/96	\$ 11,143	\$ 11,214
9/17/96	\$ 11,119	\$ 11,187
9/18/96	\$ 11,109	\$ 11,178
9/19/96	\$ 11,088	\$ 11,154
9/20/96	\$ 11,098	\$ 11,165
9/23/96	\$ 10,999	\$ 11,058
9/24/96	\$ 10,981	\$ 11,041
10/31/96	\$ 11,645	\$ 11,750

Past performance is not predictive of future performance Correlation: .9948

COMPARISON OF CHANGE IN VALUE OF \$10,000 INVESTMENT IN
THE US INDEX SERIES AND
FT/S&P US INDEX (3/19/96-10/31/96)

[PERFORMANCE GRAPH]

Date	U.S. Index Series	FT/S&P Index
3/19/96	\$ 10,000	\$ 10,000
3/20/96	\$ 9,974	\$ 9,973
3/21/96	\$ 9,962	\$ 9,963
3/22/96	\$ 9,981	\$ 9,983
3/25/96	\$ 9,964	\$ 9,969
3/26/96	\$ 10,002	\$ 10,008
3/27/96	\$ 9,949	\$ 9,955
3/28/96	\$ 9,951	\$ 9,957
3/29/96	\$ 9,904	\$ 9,911
4/1/96	\$ 10,028	\$ 10,036
4/2/96	\$ 10,047	\$ 10,054
4/3/96	\$ 10,056	\$ 10,065
4/4/96	\$ 10,056	\$ 10,067
4/8/96	\$ 9,876	\$ 9,885
4/9/96	\$ 9,846	\$ 9,856
4/10/96	\$ 9,708	\$ 9,719
4/11/96	\$ 9,661	\$ 9,672
4/12/96	\$ 9,753	\$ 9,765
4/15/96	\$ 9,836	\$ 9,852
4/16/96	\$ 9,880	\$ 9,897
4/17/96	\$ 9,825	\$ 9,843
4/18/96	\$ 9,865	\$ 9,884
4/19/96	\$ 9,887	\$ 9,908
4/22/96	\$ 9,932	\$ 9,956
4/23/96	\$ 9,987	\$ 10,012
4/24/96	\$ 9,970	\$ 9,995
4/25/96	\$ 10,011	\$ 10,037
4/26/96	\$ 10,021	\$ 10,048
4/29/96	\$ 10,030	\$ 10,060
4/30/96	\$ 10,030	\$ 10,060
5/1/96	\$ 10,041	\$ 10,073
5/2/96	\$ 9,872	\$ 9,902
5/3/96	\$ 9,848	\$ 9,878

5/6/96	\$ 9,831	\$ 9,862
5/7/96	\$ 9,789	\$ 9,822
5/8/96	\$ 9,878	\$ 9,911
5/9/96	\$ 9,891	\$ 9,920
5/10/96	\$ 9,998	\$ 10,028
5/13/96	\$ 10,139	\$ 10,173
5/14/96	\$ 10,201	\$ 10,235
5/15/96	\$ 10,198	\$ 10,231
5/16/96	\$ 10,192	\$ 10,225
5/17/96	\$ 10,254	\$ 10,289
5/20/96	\$ 10,316	\$ 10,353
5/21/96	\$ 10,307	\$ 10,345
5/22/96	\$ 10,384	\$ 10,423

5/23/96	\$ 10,352	\$ 10,390
5/24/96	\$ 10,384	\$ 10,424
5/28/96	\$ 10,288	\$ 10,332
5/29/96	\$ 10,226	\$ 10,268
5/30/96	\$ 10,282	\$ 10,324
5/31/96	\$ 10,247	\$ 10,289
6/3/96	\$ 10,222	\$ 10,267
6/4/96	\$ 10,301	\$ 10,349
6/5/96	\$ 10,393	\$ 10,440
6/6/96	\$ 10,316	\$ 10,361
6/7/96	\$ 10,314	\$ 10,361
6/10/96	\$ 10,295	\$ 10,345
6/11/96	\$ 10,277	\$ 10,327
6/12/96	\$ 10,258	\$ 10,306
6/13/96	\$ 10,243	\$ 10,290
6/14/96	\$ 10,209	\$ 10,256
6/17/96	\$ 10,194	\$ 10,244
6/18/96	\$ 10,143	\$ 10,195
6/19/96	\$ 10,141	\$ 10,192
6/20/96	\$ 10,135	\$ 10,188
6/21/96	\$ 10,203	\$ 10,257
6/24/96	\$ 10,230	\$ 10,286
6/25/96	\$ 10,222	\$ 10,279
6/26/96	\$ 10,164	\$ 10,211
6/27/96	\$ 10,230	\$ 10,273
6/28/96	\$ 10,288	\$ 10,313
7/1/96	\$ 10,376	\$ 10,403
7/2/96	\$ 10,346	\$ 10,372
7/3/96	\$ 10,320	\$ 10,346
7/5/96	\$ 10,094	\$ 10,119
7/8/96	\$ 10,017	\$ 10,042
7/9/96	\$ 10,053	\$ 10,076
7/10/96	\$ 10,064	\$ 10,088
7/11/96	\$ 9,904	\$ 9,926
7/12/96	\$ 9,913	\$ 9,936
7/15/96	\$ 9,667	\$ 9,689
7/16/96	\$ 9,641	\$ 9,663
7/17/96	\$ 9,740	\$ 9,765
7/18/96	\$ 9,887	\$ 9,914
7/19/96	\$ 9,814	\$ 9,838
7/22/96	\$ 9,738	\$ 9,765
7/23/96	\$ 9,631	\$ 9,657
7/24/96	\$ 9,624	\$ 9,650
7/25/96	\$ 9,697	\$ 9,725
7/26/96	\$ 9,776	\$ 9,806
7/29/96	\$ 9,701	\$ 9,730
7/30/96	\$ 9,765	\$ 9,796
7/31/96	\$ 9,836	\$ 9,866
8/1/96	\$ 9,998	\$ 10,029
8/2/96	\$ 10,188	\$ 10,223
8/5/96	\$ 10,147	\$ 10,184
8/6/96	\$ 10,181	\$ 10,217
8/7/96	\$ 10,213	\$ 10,250
8/8/96	\$ 10,190	\$ 10,228

8/9/96	\$ 10,183	\$ 10,218
8/12/96	\$ 10,233	\$ 10,272
8/13/96	\$ 10,152	\$ 10,188
8/14/96	\$ 10,188	\$ 10,225
8/15/96	\$ 10,201	\$ 10,237
8/16/96	\$ 10,239	\$ 10,276
8/19/96	\$ 10,256	\$ 10,295
8/20/96	\$ 10,241	\$ 10,280
8/21/96	\$ 10,231	\$ 10,272
8/22/96	\$ 10,320	\$ 10,361
8/23/96	\$ 10,269	\$ 10,310
8/26/96	\$ 10,220	\$ 10,265
8/27/96	\$ 10,260	\$ 10,305

8/28/96	\$ 10,243	\$ 10,287
8/29/96	\$ 10,134	\$ 10,176
8/30/96	\$ 10,055	\$ 10,096
9/3/96	\$ 10,087	\$ 10,132
9/4/96	\$ 10,105	\$ 10,146
9/5/96	\$ 10,011	\$ 10,053
9/6/96	\$ 10,109	\$ 10,152
9/9/96	\$ 10,230	\$ 10,274
9/10/96	\$ 10,231	\$ 10,276
9/11/96	\$ 10,282	\$ 10,327
9/12/96	\$ 10,348	\$ 10,391
9/13/96	\$ 10,489	\$ 10,533
9/16/96	\$ 10,538	\$ 10,586
9/17/96	\$ 10,529	\$ 10,577
9/18/96	\$ 10,506	\$ 10,556
9/19/96	\$ 10,531	\$ 10,580
9/20/96	\$ 10,589	\$ 10,640
9/23/96	\$ 10,575	\$ 10,630
9/24/96	\$ 10,564	\$ 10,619
10/31/96	\$ 10,850	\$ 10,920

Past performance is not predictive of future performance Correlation: .9958

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4

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
 AUSTRALIA INDEX SERIES
 SCHEDULE OF INVESTMENTS
 OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Broken Hill Proprietary Co.....	107,258	\$ 1,424,729	13.20%
National Australia Bank.....	80,279	881,738	8.17%
Westpac Bank Corp.....	99,555	568,438	5.26%
CRA Ltd.....	34,891	547,302	5.07%
Australia & NZ Bank Group.....	80,052	467,872	4.33%
Coca Cola Amatil.....	29,890	411,257	3.81%
WMC Ltd.....	61,313	385,579	3.57%
Woodside Petroleum Ltd.....	36,016	254,199	2.35%
News Corp.....	42,648	242,835	2.25%
Commonwealth Bank.....	24,585	231,034	2.14%
Lend Lease Corp.....	13,201	223,926	2.07%
Coles Myer Ltd.....	59,961	219,209	2.03%
Amcor Ltd.....	34,701	215,747	2.00%
Brambles Industries Ltd.....	12,299	203,847	1.89%
Fosters Brewing Group.....	105,315	192,090	1.78%
CSR Ltd.....	54,583	183,532	1.70%
Comalco Ltd.....	30,539	158,872	1.47%
ICI Australia.....	16,080	158,123	1.46%
Boral Ltd.....	60,160	149,805	1.39%
Woolworths Ltd.....	61,032	140,844	1.30%
Pioneer International Ltd.....	49,602	132,168	1.22%
Pacific Dunlop Ltd.....	56,722	125,950	1.17%
Normandy Mining Ltd.....	88,441	120,634	1.12%
Santos Ltd.....	30,132	120,433	1.12%
Commonwealth Bank of Australia Installment Receipts.....	19,869	119,908	1.11%
General Property Trust.....	63,368	119,098	1.10%
Westfield Trust.....	63,360	119,083	1.10%
North Ltd.....	39,653	112,891	1.05%
MIM Holdings Ltd.....	86,630	112,668	1.04%
Mayne Nickless Ltd.....	16,791	111,586	1.03%
Advance Bank Australia.....	19,277	103,647	0.96%
Southcorp Holdings Ltd.....	30,944	94,231	0.87%
GIO Australia Holding.....	33,462	86,243	0.80%
Westfield Holdings.....	5,317	85,174	0.79%
Australia Gas & Light.....	15,505	85,087	0.79%

Smith (Howard).....	10,593	83,165	0.77%
Wesfarmers.....	12,215	81,369	0.75%
QBE Insurance Group.....	15,198	80,510	0.75%
St. George Bank Ltd.....	11,076	79,491	0.74%
Goodman Fielder Ltd.....	66,161	77,652	0.72%
Pasminco Ltd.....	43,103	66,996	0.62%
T.N.T. Ltd.*.....	31,500	60,702	0.56%
Hardie James Industries.....	20,853	54,572	0.51%
Australia Foundation Investor.....	32,437	52,733	0.49%
RGC Ltd.....	11,226	50,744	0.47%
Arnotts Ltd.....	7,550	50,593	0.47%
QCT Resources.....	35,408	48,858	0.45%
Plutonic Resources.....	10,195	48,509	0.45%
Bank of Melbourne.....	6,948	47,937	0.44%
Newcrest Mining.....	13,719	47,435	0.44%
Burns Philp & Co.....	29,640	47,011	0.44%
F.H. Faulding & Co.....	6,384	43,944	0.41%
Email Ltd.....	15,521	42,711	0.40%
Rothmans Holdings.....	6,613	42,479	0.39%
Stockland Trust Group.....	17,230	42,358	0.39%
Australia National Industries.....	42,637	41,251	0.38%
Sons of Gwalia Ltd.....	6,118	39,542	0.37%
Schroders Property Fund.....	20,677	38,206	0.35%
Fairfax (John) Holding.....	16,344	35,125	0.33%
Davids Ltd.....	24,536	32,494	0.30%
Caltex Australia.....	9,766	32,218	0.30%
Gandel Retail Trust.....	39,181	28,275	0.26%
Franked Income Fund.....	12,800	24,869	0.23%
Foodland Associated.....	5,478	23,719	0.22%
Ashton Mining Ltd.....	15,191	23,491	0.22%
Metal Manufactures.....	10,310	23,138	0.21%
Simsmetal Ltd.....	4,199	22,544	0.21%
National Foods Ltd.....	14,386	17,683	0.16%
AAPC Ltd.....	28,939	17,442	0.16%
OPSM Protector Ltd.....	7,744	16,827	0.16%
Capital Property Trust.....	9,145	16,318	0.15%
Publishing & Broadcasting Ltd.....	3,594	16,189	0.15%
Orbital Engine Corp.*.....	17,539	13,909	0.13%
Aberfoyle.....	5,129	10,738	0.10%
Seven Network Ltd.....	3,094	9,569	0.09%
Publishing & Broadcasting Ltd.....	1,877	8,395	0.08%
Kidston Gold Mines.....	6,782	8,229	0.08%
Bougainville Copper Ltd.*.....	21,760	7,593	0.07%
PORTFOLIO OF SECURITIES			
(Cost \$9,845,056).....		10,567,312	97.88%
OTHER INVESTMENT+			
(Cost \$2,908,388).....		2,908,388	26.94%
TOTAL INVESTMENTS, AT VALUE			
(Cost \$12,753,444).....		13,475,700	124.82%
LIABILITIES IN EXCESS OF OTHER ASSETS.....		(2,679,699)	(24.82%)
NET ASSETS.....		\$10,796,001	100.00%

* Non-income producing securities.

+ Investment of cash collateral received for securities loaned in State Street Bank and Trust Company of New Hampshire, NA Securities Lending Quality Trust.

The accompanying notes are an integral part of the financial statements.

5

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
 AUSTRALIA INDEX SERIES
 SCHEDULE OF INVESTMENTS BY MARKET SECTOR
 OCTOBER 31, 1996

INDUSTRY	VALUE	% OF PORTFOLIO
Mining, metals and minerals.....	\$ 2,878,112	27.2%
Commercial banks and other banks.....	2,500,065	23.7%
Real estate.....	672,438	6.4%
Construction and building materials.....	520,076	4.9%

Diversified holdings.....	475,094	4.5%
Oil.....	406,850	3.9%
Diversified industrials.....	382,430	3.6%
Transportation and services.....	376,135	3.6%
Retail trade.....	360,053	3.4%
Media.....	312,113	3.0%
Precious metals and minerals.....	287,840	2.7%
Food and paper products.....	227,297	2.2%
Forestry and paper products.....	215,747	2.0%
Insurance--multiline and property and casualty....	166,753	1.6%
Chemicals.....	158,123	1.5%
Beverage industries and tobacco manufacturing....	136,710	1.3%
Non-oil energy equipment and services.....	132,024	1.2%
Utilities.....	85,087	0.8%
Financial institutions and services.....	77,602	0.7%
Wholesale trade.....	56,214	0.5%
Health and personal care.....	43,944	0.4%
Household durables and appliances.....	42,711	0.4%
Machinery and engineering services.....	36,452	0.3%
Entertainment and leisure toys.....	17,442	0.2%

PORTFOLIO OF SECURITIES		
(Cost \$9,845,056).....	10,567,312	100.0%

OTHER INVESTMENT+		
(Cost \$2,908,388).....	2,908,388	

TOTAL INVESTMENTS, AT VALUE		
(Cost \$12,753,444).....	\$13,475,700	

Cost of investments for Federal income tax		
purposes.....	\$12,799,623	

Aggregate gross unrealized appreciation.....	\$ 959,295	
Aggregate gross unrealized depreciation.....	(283,218)	

Aggregate net unrealized appreciation.....	\$ 676,077	

+ Investment of cash collateral received for securities loaned in State Street Bank and Trust Company of New Hampshire, NA Securities Lending Quality Trust.

The accompanying notes are an integral part of the financial statements.

6

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
FRANCE INDEX SERIES
SCHEDULE OF INVESTMENTS
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
L' Oreal.....	7,209	\$ 2,442,890	5.48%
Elf Aquitaine SA.....	29,088	2,327,858	5.22%
Carrefour.....	4,095	2,274,286	5.10%
LVMH (Moet Hennessy Louis Vuitton).....	9,287	2,128,943	4.78%
Total 'B' Shares.....	25,626	2,006,153	4.50%
Eaux Cie Generale.....	13,098	1,566,672	3.51%
Alcatel Alsthom.....	17,232	1,470,801	3.30%
AXA.....	20,597	1,287,463	2.89%
Cie de St Gobain.....	9,234	1,247,299	2.80%
L' Air Liquide.....	7,724	1,193,029	2.68%
Danone.....	7,808	1,069,965	2.40%
Societe Generale SA.....	9,706	1,046,944	2.35%
Rhone Poulenc SA.....	34,990	1,037,740	2.33%
Sanofi.....	11,129	1,008,934	2.26%
Pingst--Printemps/La Redoute.....	2,384	899,798	2.02%
Cie Finance Paribas.....	13,309	857,182	1.92%
Banque Nationale de Paris.....	21,917	820,782	1.84%
Roussel Uclaf.....	2,930	776,063	1.74%
Cie de Suez.....	17,548	756,100	1.70%
Union des Assurances de Paris.....	36,125	751,042	1.68%
Schneider SA.....	14,362	702,889	1.58%
Canal Plus.....	2,655	658,006	1.48%

Christian Dior.....	4,577	609,287	1.37%
Michelin CGDE.....	12,442	600,397	1.35%
Lafarge.....	9,957	598,020	1.34%
Peugeot SA.....	5,424	565,951	1.27%
Renault Regie Nationale.....	25,633	553,486	1.24%
Lyonnais des Eaux SA.....	6,252	553,209	1.24%
Promodes.....	1,998	539,767	1.21%
Synthelabo.....	5,204	497,152	1.12%
Valeo.....	7,573	454,836	1.02%
Havas.....	6,891	452,996	1.02%
Accor.....	3,571	448,804	1.01%
BIC.....	2,888	433,635	0.97%
Erid Beghin Say.....	2,705	431,046	0.97%
Assurances Generales de France.....	14,140	417,429	0.94%
CSF Thomson.....	12,682	395,986	0.89%
Legrand.....	2,243	389,480	0.87%
Usinor Sacilor.....	25,448	377,869	0.85%
Pechiney 'A'.....	8,335	358,156	0.80%
Credit Commerce France.....	7,718	347,357	0.78%
Credit Local de Fractional.....	3,946	339,738	0.76%
S.E.B. SA.....	1,636	331,479	0.74%
Pernod Ricard.....	5,895	318,511	0.71%
Lagardere Groupe.....	10,008	316,411	0.71%
Cap. Gemini Sogeti*.....	6,320	308,069	0.69%
Casino Guichard Perrachon.....	6,543	297,933	0.67%
Cie Bancaire.....	2,953	294,826	0.66%
Castorama Dubois.....	1,637	280,407	0.63%
Comptoirs Modernes.....	552	264,318	0.59%
Imetal.....	1,599	249,482	0.56%
Bouygues.....	2,492	244,409	0.55%
Saint Louis.....	871	221,151	0.50%
Essilor International.....	816	214,854	0.48%
Sidel.....	2,956	197,387	0.44%
Sagem SA.....	303	188,626	0.42%
Worms & Cie.....	3,539	181,515	0.41%
Eurafrance.....	396	173,262	0.39%
Euro Disney SCA*.....	79,859	157,116	0.35%
Compagnie Generale d'Industrie et de Participations.....	695	155,376	0.35%
Salomon SA.....	1,650	147,938	0.33%
Simco.....	1,616	137,298	0.31%
Fromageries Belgique.....	154	136,569	0.31%
Sefimeg.....	1,709	132,151	0.30%
Gaz Et Eaux.....	297	125,237	0.28%
Unibail SA.....	1,014	101,039	0.23%
Club Mediterranee.....	1,443	90,932	0.20%
Compagnie Parisienne de Reecompte.....	1,088	86,474	0.19%
Bongrain SA.....	209	84,693	0.19%
Credit National.....	1,548	81,821	0.18%
GTM Entrepose.....	1,577	74,864	0.17%
Eurotunnel*.....	49,515	72,215	0.16%
Labinal.....	442	70,520	0.16%
Union Immobiliere France.....	893	69,227	0.16%
Silic.....	486	68,502	0.15%
Havas Advertising.....	585	68,484	0.15%
Sommer Allibert.....	2,306	64,103	0.14%
Bertrand Faure SA.....	1,819	62,316	0.14%
Fonciere Lyonnaise.....	587	61,019	0.14%
Casino Guichard Perrachon (preferred)...	1,841	60,908	0.14%

7

THE COUNTRYBASKETS (SM) INDEX FUND, INC.
FRANCE INDEX SERIES
SCHEDULE OF INVESTMENTS (CONTINUED)
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Moulinex.....	3,022	\$ 57,977	0.13%
Damart SA.....	66	53,620	0.12%
UFB Locabail.....	607	53,235	0.12%
Vallourec SA.....	882	49,278	0.11%
Societe de Immeubles de France	739	46,873	0.11%
Nord Est SA.....	1,520	38,326	0.09%
Legris.....	926	36,056	0.08%
Interbail Societe Financiere.....	561	24,381	0.05%
Cie General Geophysique*.....	330	23,580	0.05%

Finextel Society Finance.....	1,212	19,456	0.04%
Dollfus-Mieg Ascie.....	706	18,865	0.04%
Taittinger.....	66	18,747	0.04%
PORTFOLIO OF SECURITIES			
(Cost \$42,309,182).....		\$ 44,327,276	99.45%
OTHER INVESTMENT+			
(Cost \$12,279,368).....		12,279,368	27.55%

TOTAL INVESTMENTS, AT VALUE			
(Cost \$54,588,550).....		56,606,644	127.00%
LIABILITIES IN EXCESS OF OTHER ASSETS...		(12,032,730)	(27.00%)

NET ASSETS.....		\$ 44,573,914	100.00%

* Non-income producing securities.

+ Investment of cash collateral received for securities loaned in State Street Bank and Trust Company of New Hampshire, NA Securities Lending Quality Trust.

The accompanying notes are an integral part of the financial statements.

8

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
FRANCE INDEX SERIES
SCHEDULE OF INVESTMENTS BY MARKET SECTOR
OCTOBER 31, 1996

INDUSTRY	VALUE	% OF PORTFOLIO
Health and personal care.....	\$ 5,549,179	12.5%
Retail trade.....	4,617,416	10.4%
Oil.....	4,334,011	9.8%
Commercial banks and other banks.....	3,534,244	8.0%
Construction and building materials.....	2,867,482	6.5%
Beverage industries and tobacco manufacturing....	2,466,202	5.5%
Insurance--multiline and property and casualty....	2,455,933	5.5%
Chemicals.....	2,230,769	5.0%
Utilities.....	2,119,880	4.8%
Food and grocery products.....	1,943,424	4.4%
Computers and communications and office equipment.....	1,787,212	4.0%
Financial institutions and services.....	1,536,855	3.5%
Media.....	1,179,487	2.7%
Automobiles.....	1,119,437	2.5%
Auto components.....	1,117,550	2.5%
Entertainment and leisure toys.....	844,791	1.9%
Mining, metals and minerals.....	676,629	1.5%
Electrical equipment.....	578,106	1.3%
Diversified holdings.....	500,454	1.1%
Household durables and appliances.....	453,558	1.0%
Real estate.....	446,568	1.0%
Diversified consumer goods.....	433,635	1.0%
Electronics and instrumentation.....	395,986	0.9%
Fabricated metal products.....	358,156	0.8%
Business services and computer software.....	308,069	0.7%
Machinery and engineering services.....	233,443	0.5%
Textiles and wearing apparel.....	72,485	0.2%
Transportation and storage.....	72,215	0.2%
Aerospace and defense components.....	70,520	0.2%
Non-oil energy equipment services.....	23,580	0.1%

PORTFOLIO OF SECURITIES		
(Cost \$42,309,182).....	44,327,276	100.0%

OTHER INVESTMENT+		
(Cost \$12,279,368).....	12,279,368	

TOTAL INVESTMENTS, AT VALUE		
(Cost \$54,588,550).....	\$56,606,644	

Cost of investments for Federal income tax purposes.....	\$54,618,558	

Aggregate gross unrealized appreciation.....	\$ 3,488,203
Aggregate gross unrealized depreciation.....	(1,500,117)
Aggregate net unrealized appreciation.....	\$ 1,988,086

+ Investment of cash collateral received for securities loaned in State Street Bank and Trust Company of New Hampshire, NA Securities Lending Quality Trust.

The accompanying notes are an integral part of the financial statements.

THE COUNTRYBASKETS (SM) INDEX FUND, INC.
GERMANY INDEX SERIES
SCHEDULE OF INVESTMENTS
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Allianz AG Holdings.....	1,130	\$ 2,029,695	9.34%
Daimler Benz AG*.....	24,860	1,460,514	6.72%
Siemens AG.....	26,200	1,354,841	6.23%
Bayer AG.....	33,880	1,281,133	5.89%
VEBA AG.....	23,524	1,255,637	5.78%
Deutsche Bank AG (a).....	23,568	1,092,424	5.03%
Hoechst AG.....	28,160	1,059,813	4.88%
Munchener Ruckversicherungs AG (registered) ..	390	932,988	4.29%
BASF AG.....	28,980	926,929	4.26%
Mannesmann AG.....	1,770	687,786	3.16%
RWE AG.....	15,644	644,492	2.97%
Dresdner Bank AG.....	21,982	588,335	2.71%
Volkswagen AG (registered).....	1,316	518,546	2.39%
Commerzbank AG.....	23,060	516,609	2.38%
Bayerische Motoren Werke AG.....	880	515,251	2.37%
Bayerische Vereinsbank.....	11,358	427,463	1.97%
VIAG AG.....	978	361,934	1.67%
Bayerische Hypotheken--und Wechsel--Bank AG..	12,300	360,497	1.66%
Metro AG*.....	4,359	357,792	1.65%
RWE AG (preferred).....	9,640	327,448	1.51%
SAP AG.....	2,124	286,063	1.32%
Thyssen AG.....	1,506	269,710	1.24%
Schering AG.....	3,208	258,323	1.19%
Linde AG.....	394	244,101	1.12%
Lufthansa AG.....	18,420	241,022	1.11%
Gehe AG.....	3,500	235,923	1.09%
VEW AG.....	642	213,830	0.98%
Beiersdorf AG.....	4,080	206,534	0.95%
Preussag AG.....	774	186,492	0.86%
Adidas AG.....	2,106	180,649	0.83%
AMB Aachener & Muencher Beteil AG (registered).....	198	179,262	0.82%
Degussa AG.....	420	164,869	0.76%
Berliner Kraft und Licht AG.....	522	154,544	0.71%
Altana AG.....	192	153,529	0.71%
Karstadt AG.....	414	151,105	0.70%
Hochtief AG.....	3,420	140,353	0.65%
Heidelberg Zement AG.....	1,860	137,668	0.63%
Manitoba AG.....	540	131,502	0.61%
Henkel KGAA*.....	2,840	127,529	0.59%
Rheinelektra AG.....	138	111,261	0.51%
VIAG AG.....	288	104,869	0.48%
Victoria Holding AG.....	164	104,044	0.48%
BHF Bank AG.....	4,038	100,069	0.46%
Metallgesellschaft AG.....	5,246	96,620	0.44%
Volkswagen AG (preferred).....	318	96,564	0.44%
CKAG Colonia Konzern AG.....	1,260	94,092	0.43%
Continental AG.....	4,656	81,538	0.38%
Bilfinger & Berger AG.....	1,740	70,488	0.32%
Douglas Holding AG.....	1,470	61,687	0.28%
Holzmann Philipp AG.....	216	53,529	0.25%
PWA Papier Waldhof AG.....	348	49,905	0.23%
Manitoba AG (preferred).....	216	42,609	0.20%
AMB Aachener & Muencher Beteil AG C BEARER...	42	30,809	0.14%
AGIV AG.....	1,962	28,525	0.13%
Bayerische Motoren Werke AG (preferred).....	60	24,901	0.11%

Metro AG* (preferred).....	384	23,220	0.11%
Deutsche Babcock AG.....	342	9,764	0.04%

PORTFOLIO OF SECURITIES			
(Cost \$20,796,542).....		21,547,629	99.16%
OTHER INVESTMENT+			
(Cost \$1,099,739).....		1,099,739	5.06%

TOTAL INVESTMENTS, AT VALUE			
(Cost \$21,896,281).....		22,647,368	104.22%
LIABILITIES IN EXCESS OF OTHER ASSETS.....		(916,277)	(4.22%)

NET ASSETS.....		\$21,731,091	100.00%

(a) Represents investment in an affiliate.

* Non-income producing securities.

+ Investment of cash collateral received for securities loaned in State Street Bank and Trust Company of New Hampshire, NA Securities Lending Quality Trust.

The accompanying notes are an integral part of the financial statements.

10

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
GERMANY INDEX SERIES
SCHEDULE OF INVESTMENTS BY MARKET SECTOR
OCTOBER 31, 1996

INDUSTRY	VALUE	% OF PORTFOLIO
Chemicals.....	\$ 3,653,727	17.0%
Financial institutions and services.....	3,370,889	15.7%
Commercial banks and other banks.....	3,085,397	14.3%
Automobiles.....	2,615,776	12.1%
Electrical equipment.....	1,466,102	6.8%
Utilities.....	1,340,314	6.2%
Diversified holding companies.....	1,255,637	5.8%
Machinery and engineering services.....	1,115,763	5.2%
Mining, metals and minerals.....	1,019,626	4.7%
Retail trade.....	593,804	2.8%
Construction and building materials.....	402,037	1.9%
Health and personal care.....	360,063	1.7%
Business services and computer software.....	286,063	1.3%
Transportation and storage.....	241,022	1.1%
Wholesale trade.....	235,923	1.1%
Entertainment and leisure toys.....	180,649	0.8%
Precious metals and minerals.....	164,869	0.8%
Auto components.....	81,538	0.4%
Forestry and paper products.....	49,905	0.2%
Diversified industrials.....	28,525	0.1%

PORTFOLIO OF SECURITIES		
(Cost \$20,796,542).....	21,547,629	100.0%

OTHER INVESTMENT+		
(Cost \$1,099,739).....	1,099,739	

TOTAL INVESTMENTS, AT VALUE		
(Cost \$21,896,281).....	\$22,647,368	

Cost of investments for Federal income tax purposes.....	\$21,896,398	

Aggregate gross unrealized appreciation.....	\$ 1,405,244	
Aggregate gross unrealized depreciation.....	(654,274)	

Aggregate net unrealized appreciation.....	\$ 750,970	

+ Investment of cash collateral received for securities loaned in State Street Bank and Trust Company of New Hampshire, NA Securities Lending Quality Trust.

The accompanying notes are an integral part of the financial statements.

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
HONG KONG INDEX SERIES
SCHEDULE OF INVESTMENTS
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Sun Hung Kai Properties.....	138,000	\$ 1,570,552	9.79%
Hutchison Whampoa.....	208,000	1,452,605	9.05%
Hang Seng Bank.....	112,000	1,328,968	8.28%
Hong Kong Telecommunications.....	662,200	1,168,994	7.28%
Cheung Kong Holdings.....	133,000	1,066,434	6.65%
Henderson Land Development.....	99,000	880,235	5.49%
New World Development Co.....	102,000	593,613	3.70%
Citic Pacific Ltd.....	122,000	593,251	3.70%
Wharf Holdings.....	131,000	540,446	3.37%
China Light & Power.....	115,000	533,928	3.33%
Swire Pacific ('A').....	56,000	494,289	3.08%
Hong Kong Electric.....	117,000	374,500	2.33%
Hong Kong Land Holdings.....	154,000	343,420	2.14%
Cathay Pacific Air.....	198,000	309,843	1.93%
Hong Kong & China Gas.....	173,000	304,282	1.90%
Wheelock & Co.....	115,000	258,784	1.61%
Swire Pacific ('B').....	176,500	247,665	1.54%
Bank of East Asia.....	63,000	246,058	1.53%
Jardine Matheson.....	42,000	237,300	1.48%
Jardine Strategic.....	62,000	202,120	1.26%
Hysan Development.....	60,000	192,439	1.20%
First Pacific Co.....	133,000	183,186	1.14%
Henderson Investor.....	165,000	180,315	1.12%
Amoy Properties.....	145,000	179,086	1.12%
Dao Heng Bank Group.....	40,000	175,885	1.10%
Sino Land Co.....	154,000	171,281	1.07%
Hopewell Holdings.....	253,000	170,143	1.06%
Hang Lung Development Co.....	76,000	150,382	0.94%
Guoco Group.....	25,000	132,237	0.82%
Shangri La Asia Ltd.....	89,000	127,187	0.79%
Hong Kong & Shanghai Hotel.....	60,000	110,187	0.69%
National Mutual Asia.....	129,000	108,441	0.68%
Chinese Estates.....	112,000	102,117	0.64%
Television Broadcasting.....	25,000	87,619	0.55%
South China Morning Post.....	102,000	87,063	0.54%
Great Eagle Holdings.....	27,000	86,772	0.54%
New Asia Realty.....	20,000	81,476	0.51%
Miramar Hotel & Investor.....	31,000	60,137	0.37%
CDL Hotels International.....	114,000	58,973	0.37%
Shun Tak Holdings.....	89,000	58,702	0.37%
Dairy Farm International.....	97,000	58,685	0.37%
Dickson Concept.....	17,000	56,723	0.35%
Mandarin Oriental.....	41,000	55,350	0.35%
Johnson Electric Holdings.....	21,000	45,898	0.29%
Realty Development Corp.....	11,000	42,109	0.26%
Kowloon Motor Bus.....	21,800	36,511	0.23%
Semi Tech Global.....	20,000	35,695	0.22%
Jardine International Motor.....	28,000	35,125	0.22%
Sime Darby HK.....	29,000	34,317	0.21%
Varitronix International.....	15,000	27,353	0.17%
Hong Kong Aircraft.....	10,000	25,478	0.16%
Harbour Centre Development.....	17,000	23,085	0.14%
Chen Hsong Holding.....	39,000	22,445	0.14%
Shaw Brothers HK Ltd.....	21,000	22,270	0.14%
Cross Harbour Tunnel.....	10,000	21,727	0.14%
China Motor Bus Co.....	2,000	19,787	0.12%
Wing On Company International Ltd.....	15,000	15,616	0.10%
Sun Hung Kai Co.....	40,000	10,475	0.07%
Winsor Property Holdings Ltd.*#.....	7,500	8,730	0.05%
Winsor Industrial.....	15,000	3,492	0.02%
Sun Hung Kai Co. (rights)*#.....	16,000	0	0.00%
PORTFOLIO OF SECURITIES (Cost \$14,755,328).....		15,851,786	98.81%
OTHER INVESTMENT+			

(Cost \$226,380).....	226,380	1.41%
TOTAL INVESTMENTS, AT VALUE		
(Cost \$14,981,708).....	16,078,166	100.22%
LIABILITIES IN EXCESS OF OTHER ASSETS.....	(34,948)	(0.22)%
NET ASSETS.....	\$16,043,218	100.00%

Fair valued security.

* Non-income producing securities.

+ Investment of cash collateral received for securities loaned in State Street Bank and Trust Company of New Hampshire, NA Securities Lending Quality Trust.

The accompanying notes are an integral part of the financial statements.

12

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
HONG KONG INDEX SERIES
SCHEDULE OF INVESTMENTS BY MARKET SECTOR
OCTOBER 31, 1996

INDUSTRY	VALUE	% OF PORTFOLIO
Real estate.....	\$ 6,412,354	40.5%
Utilities.....	2,381,704	15.0%
Commercial banks and other banks.....	1,750,912	11.0%
Diversified consumer goods and services.....	1,689,905	10.7%
Diversified holding companies.....	1,667,707	10.5%
Entertainment and leisure toys.....	460,681	2.9%
Transportation and storage.....	446,569	2.8%
Retail trade.....	389,808	2.5%
Media.....	174,683	1.1%
Financial institutions and services.....	142,713	0.9%
Insurance--multiline and property and casualty...	108,441	0.7%
Electrical equipment.....	45,898	0.3%
Automobiles.....	35,125	0.2%
Household durables and appliances.....	35,694	0.2%
Wholesale trade.....	34,317	0.2%
Electronics and instrumentation.....	27,353	0.2%
Aerospace and defense composite.....	25,477	0.2%
Machinery and engineering services.....	22,445	0.1%
PORTFOLIO OF SECURITIES		
(Cost \$14,755,328).....	15,851,786	100.0%
OTHER INVESTMENT+		
(Cost \$226,380).....	226,380	
TOTAL INVESTMENTS, AT VALUE		
(Cost \$14,981,708).....	\$16,078,166	
Cost of investments for Federal income tax purposes.....	\$14,981,708	
Aggregate gross unrealized appreciation.....	\$ 1,464,405	
Aggregate gross unrealized depreciation.....	(367,947)	
Aggregate net unrealized appreciation.....	\$ 1,096,458	

+ Investment of cash collateral received for securities loaned in State Street Bank and Trust Company of New Hampshire, NA Securities Lending Quality Trust.

The accompanying notes are an integral part of the financial statements.

13

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
ITALY INDEX SERIES

SCHEDULE OF INVESTMENTS
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Telecom Italia.....	1,373,805	\$ 3,062,262	9.57%
Telecom Italia Mobile.....	1,415,256	2,925,991	9.15%
Stet.....	776,747	2,684,178	8.39%
Assicurazioni Generali.....	137,219	2,651,443	8.29%
Fiat SpA.....	659,846	1,764,551	5.52%
Istituto Nazionale Assicurazioni.....	997,061	1,377,546	4.31%
Eni SpA.....	268,763	1,287,673	4.02%
Alleanza Assicurazioni.....	175,592	1,239,051	3.87%
Istituto Mobilitare Italiano.....	139,902	1,107,609	3.46%
Mediaset*.....	233,200	1,096,525	3.43%
Istituto Bancario san Paolo di Torino....	172,497	1,023,822	3.20%
Banca Commerce Italiana.....	412,587	711,521	2.22%
RAS.....	72,475	686,346	2.15%
Stet RISP.....	250,559	667,562	2.09%
Italgas Society Italiana.....	178,924	660,780	2.07%
Pirelli SpA.....	372,292	660,445	2.06%
Montedison SpA*.....	946,756	619,370	1.94%
Mediobanca SpA.....	118,148	617,485	1.93%
Telecom Italia (savings).....	249,859	476,204	1.49%
Sirti SpA.....	79,230	476,002	1.49%
Saipem.....	90,806	463,507	1.45%
Credito Italiano.....	406,320	415,069	1.30%
Telecom Italia Mobile (savings).....	344,513	393,054	1.23%
SAI SpA.....	46,104	363,335	1.14%
Gemina*.....	761,744	340,596	1.06%
Olivetti & Cia SpA.....	999,063	290,557	0.91%
Alleanza Assicurazioni (savings).....	54,594	282,988	0.88%
La Fondiaria Assicurazioni SpA.....	73,724	253,793	0.79%
Banca Ambros Veneto.....	110,510	222,281	0.69%
Burgo Cartiere SpA.....	43,398	219,373	0.69%
Toro Assicurazioni.....	17,140	218,157	0.68%
La Rinascente SpA.....	36,170	213,964	0.67%
IFI Istituto Finanziario.....	25,819	210,284	0.66%
RAS (savings).....	39,788	192,203	0.60%
Ifil 1st Finance Italia.....	116,459	187,397	0.59%
Ifil 1st Finance Italia (savings).....	69,941	181,961	0.57%
Fiat SpA (preferred).....	117,793	167,016	0.52%
Marzotto & Figli.....	24,032	142,083	0.44%
Italcementi.....	26,103	138,317	0.43%
Fiat SpA (savings).....	93,956	136,316	0.43%
Editor L'Espresso*.....	49,684	124,509	0.39%
Cir Compagnie Industries*.....	248,372	117,442	0.37%
Unicem*.....	16,937	112,813	0.35%
Magneti Marelli.....	98,564	95,551	0.30%
Montedison SpA* (savings).....	149,688	94,767	0.30%
Banca Ambros Veneto.....	46,320	71,327	0.22%
Milano Assicurazioni.....	29,904	66,756	0.21%
Toro Assicurazioni.....	13,126	64,403	0.20%
SAI Society Assic (savings).....	20,220	63,206	0.20%
Toro Assicurazioni (savings).....	12,427	61,383	0.19%
Sasib.....	17,352	56,015	0.18%
Unicem (savings).....	14,328	36,757	0.11%
Sasib (savings).....	13,308	23,038	0.07%
Banca Commerce Italiana (savings).....	10,228	18,617	0.06%
Cir Compagnie Industries* (savings).....	59,256	12,896	0.04%
Rinascente SpA* (warrants).....	1	0	0.00%
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PORTFOLIO OF SECURITIES			
(Cost \$30,175,179).....		31,848,097	99.57%
OTHER INVESTMENT+			
(Cost \$10,179,669).....		10,179,669	31.83%
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TOTAL INVESTMENTS, AT VALUE			
(Cost \$40,354,848).....		42,027,766	131.40%
LIABILITIES IN EXCESS OF OTHER ASSETS.....		(10,042,886)	(31.40%)
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NET ASSETS.....		\$ 31,984,880	100.00%
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* Non-income producing securities.

+ Investment of cash collateral received for securities loaned in State Street Bank and Trust Company of New Hampshire, NA Securities Lending Quality Trust.

The accompanying notes are an integral part of the financial statements.

14

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
 ITALY INDEX SERIES
 SCHEDULE OF INVESTMENTS BY MARKET SECTOR
 OCTOBER 31, 1996

INDUSTRY	VALUE	% OF PORTFOLIO
Utilities.....	\$10,870,030	34.1%
Insurance--multiline and property and casualty....	6,143,063	19.3%
Commercial banks and other banks.....	2,462,637	7.7%
Automobiles.....	2,067,883	6.5%
Financial institutions and services.....	2,065,690	6.5%
Insurance--life and agents and brokers.....	1,377,546	4.3%
Oil.....	1,287,673	4.0%
Media.....	1,221,034	3.8%
Diversified holding companies.....	1,054,759	3.3%
Computer and communications and office equipment.....	766,559	2.4%
Auto components.....	755,996	2.4%
Non-oil energy equipment and services.....	463,507	1.5%
Food and grocery products.....	369,359	1.2%
Construction and building materials.....	287,887	0.9%
Forestry and paper products.....	219,373	0.7%
Retail trade.....	213,965	0.6%
Textiles and wearing apparel.....	142,083	0.5%
Machinery and engineering services.....	79,053	0.3%
PORTFOLIO OF SECURITIES (Cost \$30,175,179).....	31,848,097	100.0%
OTHER INVESTMENT+ (Cost \$10,179,669).....	10,179,669	
TOTAL INVESTMENTS, AT VALUE (Cost \$40,354,848).....	\$42,027,766	
Cost of investments for Federal income tax purposes.....	\$40,570,305	
Aggregate gross unrealized appreciation.....	\$ 3,187,161	
Aggregate gross unrealized depreciation.....	(1,729,700)	
Aggregate net unrealized appreciation.....	\$ 1,457,461	

+ Investment of cash collateral received for securities loaned in State Street Bank and Trust Company of New Hampshire, NA Securities Lending Quality Trust.

The accompanying notes are an integral part of the financial statements.

15

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
 JAPAN INDEX SERIES
 SCHEDULE OF INVESTMENTS
 OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Bank of Tokyo Mitsubishi.....	127,800	\$2,606,816	3.74%
Toyota Motor Corp.....	104,000	2,459,644	3.53%
Sumitomo Bank.....	88,000	1,547,388	2.22%
Fuji Bank.....	80,000	1,441,884	2.07%
Dai Ichi Kangyo Bank.....	85,000	1,382,538	1.99%
Bank of Japan Industries.....	69,000	1,377,087	1.98%
Sanwa Bank.....	80,000	1,364,515	1.96%
Sakura Bank.....	96,000	911,552	1.31%

Matsushita Electric Industries.....	56,000	896,078	1.29%
Nomura Securities.....	53,000	876,033	1.26%
Tokyo Electric Power.....	37,600	862,809	1.24%
Hitachi.....	94,000	834,710	1.20%
Mitsubishi Heavy Industry.....	88,000	676,982	0.97%
Asahi Bank.....	64,000	658,343	0.95%
Tokai Bank.....	56,000	649,903	0.93%
Seven Eleven Japan.....	11,000	640,232	0.92%
Sony Corp.....	10,400	624,512	0.90%
Honda Motor Co.....	26,000	621,769	0.89%
Nippon Telephone & Telegraph Corp.....	88	615,087	0.88%
Seibu Railway Co.....	12,000	574,995	0.83%
Kansai Electric Power.....	27,200	571,549	0.82%
Nippon Steel Corp.....	192,000	560,436	0.80%
Toshiba Corp.....	88,000	550,870	0.79%
Ito Yokado Co.....	11,000	549,323	0.79%
Mitsubishi Trust & Banking.....	35,000	516,968	0.74%
East Japan Railway.....	112	514,999	0.74%
Nippondenso Co.....	24,000	497,978	0.72%
Nissan Motor Co.....	64,000	484,473	0.70%
Sharp Corp.....	30,000	456,304	0.66%
Mitsubishi Corp.....	40,000	446,632	0.64%
Tokio Marine & Fire.....	40,000	439,599	0.63%
NEC Corp.....	40,000	436,082	0.63%
Chubu Electric Power.....	20,800	429,752	0.62%
Long Term Credit Bank of Japan.....	64,000	424,828	0.61%
Fujitsu.....	48,000	422,015	0.61%
Canon Inc.....	22,000	421,663	0.61%
Takeda Chemical Industries.....	24,000	411,465	0.59%
Fuji Photo Film Co.....	14,000	402,497	0.58%
Mitsubishi Estate.....	32,000	399,507	0.57%
Kyocera Corp.....	6,000	396,166	0.57%
Daiwa Securities.....	36,000	389,309	0.56%
Nikko Securities.....	40,000	383,330	0.55%
Bridgestone Corp.....	21,000	354,493	0.51%
Sumitomo Trust & Banking.....	32,000	354,493	0.51%
Asahi Glass Co.....	32,000	337,612	0.48%
Dai Nippon Printing.....	20,000	337,612	0.48%
Mitsubishi Electric Corp.....	56,000	324,459	0.47%
Mitsui & Co.....	40,000	323,545	0.46%
Mitsui Trust & Banking.....	32,000	309,478	0.44%
Kirin Brewery Co.....	29,000	298,312	0.43%
Sankyo Co.....	12,000	297,521	0.43%
Tohoku Electric Power.....	13,600	276,209	0.40%
Kinki Nippon Railway.....	41,200	273,483	0.39%
Mitsui Fudosan Co.....	22,000	272,727	0.39%
Kawasaki Steel Corp.....	88,000	271,567	0.39%
Kyushu Electric Power.....	12,800	262,212	0.38%
Asahi Chemical Industries.....	40,000	249,692	0.36%
Nippon Express Co.....	30,000	243,977	0.35%
Sumitomo Corp.....	30,000	242,395	0.35%
Sumitomo Metal Industries.....	88,000	242,166	0.35%
Itochu Corp.....	40,000	241,604	0.35%
NKK Corp.*.....	96,000	241,393	0.35%
Shizuoka Bank.....	21,000	240,021	0.34%
Secom Co.....	4,000	238,438	0.34%
Jusco Co.....	8,000	237,735	0.34%
Bank of Yokohama.....	32,000	237,454	0.34%
Rohm Co.....	4,000	237,383	0.34%
TDK Corp.....	4,000	234,922	0.34%
Sanyo Electric Co.....	48,000	232,952	0.33%
Mitsubishi Chemical.....	56,000	228,943	0.33%
Daiwa Bank.....	40,000	226,833	0.33%
Murata Manufacturing Co.....	7,000	225,250	0.32%
Tokyo Gas Co.....	72,000	224,723	0.32%
Sumitomo Electric Industries.....	16,000	211,007	0.30%
Chugoku Electric Power.....	10,400	209,390	0.30%
Kajima Corp.....	24,000	206,576	0.30%
Fanuc.....	6,400	205,381	0.29%
Tonen Corp.....	16,000	205,381	0.29%
Nintendo Co.....	3,200	204,818	0.29%
Mitsubishi Motor.....	24,000	198,769	0.29%
Osaka Gas Co.....	64,000	198,066	0.28%
Komatsu.....	24,000	196,659	0.28%
Toppan Printing Co.....	16,000	195,534	0.28%
Toray Industries Inc.....	32,000	193,283	0.28%
Shimizu Corp.....	21,000	190,170	0.27%
Toyo Seikan Kaisha.....	6,000	189,907	0.27%
Kao Corp.....	16,000	188,500	0.27%
Toyo Trust & Banking.....	22,000	188,008	0.27%
Marubeni Corp.....	40,000	185,335	0.27%

Nippon Oil Co.....	32,000	182,873	0.26%
Kubota Corp.....	32,000	181,185	0.26%
Daiwa House Industries.....	13,000	180,587	0.26%
Yamaichi Securities Co.....	32,000	178,372	0.26%
Tostem Corp.....	6,000	172,499	0.25%
Kobe Steel*.....	72,000	170,916	0.25%
Sumitomo Chemical.....	40,000	170,916	0.25%
Ajinomoto Co. Inc.....	16,000	170,213	0.24%
Sekisui House.....	16,000	168,806	0.24%
Sekisui Chemical.....	15,000	167,487	0.24%
Yamanouchi Pharmaceutical.....	8,000	162,476	0.23%
Tokyu Corp.....	24,000	161,421	0.23%
Hachijuni Bank.....	16,000	160,366	0.23%
Nippon Yusen.....	32,000	160,366	0.23%
Ricoh Co.....	16,000	158,959	0.23%
Taisho Pharmaceutical Co.....	8,000	158,959	0.23%

16

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
JAPAN INDEX SERIES
SCHEDULE OF INVESTMENTS (CONTINUED)
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Matsushita Electric Works.....	16,000	\$ 154,739	0.22%
Yasuda Fire & Marine Insurance.....	24,000	152,558	0.22%
Eisai Co.....	8,400	150,659	0.22%
Marui Co.....	8,000	148,409	0.21%
Toyoda Auto Loom.....	8,000	148,409	0.21%
Ishi Kawajima-Harima Heavy Industry.....	32,000	147,705	0.21%
Taisei Corp.....	24,000	147,705	0.21%
Kawasaki Heavy Industries.....	32,000	146,580	0.21%
Shikoku Electric Power.....	7,200	145,595	0.21%
Shin Etsu Chemical Co.....	8,400	144,013	0.21%
Omron Corp.....	8,000	142,782	0.21%
Daiei Inc.....	16,000	142,078	0.20%
Nippon Credit Bank.....	47,000	141,735	0.20%
Isuzu Motors.....	28,000	138,597	0.20%
Nippon Paper Industries.....	24,000	135,467	0.19%
Tobu Railway Co.....	24,000	135,256	0.19%
Suzuki Motor Corp.....	13,000	132,583	0.19%
Matsushita Commerce.....	5,000	132,319	0.19%
Hoya Corp.....	4,000	131,528	0.19%
Bank of Fukuoka.....	17,200	129,295	0.19%
Tokyo Electron.....	5,000	128,802	0.18%
Yamazaki Baking Co.....	8,000	127,308	0.18%
Japan Tobacco Inc.....	18	127,237	0.18%
Ono Pharmaceutical.....	4,000	124,846	0.18%
Obayashi Corp.....	16,000	123,510	0.18%
Mycal Corp.....	8,000	123,088	0.18%
Kinden Corp.....	8,800	123,017	0.18%
Mitsukoshi.....	14,000	121,980	0.18%
Yamaha Corp.....	8,000	121,681	0.17%
Hankyu Corp.....	24,000	120,696	0.17%
Chiba Bank.....	16,000	120,415	0.17%
Yamaguchi Bank.....	8,000	119,571	0.17%
Sumitomo Metal Mining.....	15,000	117,769	0.17%
Hitachi Zosen Corp.....	24,000	117,320	0.17%
New Oji Paper Co.....	16,000	117,179	0.17%
Yasuda Trust & Banking.....	24,000	117,109	0.17%
Aisin Seiki Co.....	8,000	116,054	0.17%
Matsushita Kotobuk.....	5,000	115,614	0.17%
Gunma Bank.....	13,000	115,439	0.17%
Daiichi Pharmaceutical Co.....	8,000	115,351	0.17%
Ebara Corp.....	8,000	115,351	0.17%
Sumitomo Marine & Fire.....	16,000	114,788	0.16%
Takashimaya Co.....	8,000	114,647	0.16%
Hokkaido Electric Power.....	5,600	112,256	0.16%
Hokuriku Electric Power.....	5,600	111,764	0.16%
Teijin.....	24,000	111,201	0.16%
All Nippon Airways.....	13,000	108,467	0.16%
Isetan Co.....	8,000	106,910	0.15%
Mitsubishi Materials.....	24,000	106,770	0.15%
Mazda Motor Corp.....	24,000	106,559	0.15%
Joyo Bank.....	16,000	105,785	0.15%

Nippon Meat Packer.....	8,000	104,800	0.15%
Toto.....	8,000	104,800	0.15%
Mitsui Marine & Fire.....	16,000	104,097	0.15%
Uny Co.....	6,000	103,921	0.15%
Terumo Corp.....	8,000	102,690	0.15%
Banyu Pharmaceutical.....	8,000	101,987	0.15%
Odakyu Electric Railway.....	16,480	101,859	0.15%
Canon Sales Co. Inc.....	4,000	101,635	0.15%
Familymart Co.....	2,400	100,440	0.14%
Yakult Honsha Co.....	8,000	99,877	0.14%
NSK.....	15,000	99,437	0.14%
Kokuyo Co.....	4,000	99,173	0.14%
Pioneer Electronic.....	5,000	98,910	0.14%
Sega Enterprises.....	2,400	97,063	0.14%
Japan Telecom Co.....	4	96,360	0.14%
Hankyu Department Stores.....	8,000	95,657	0.14%
Nissho Iwai Corp.....	21,000	95,270	0.14%
Kandenko Co.....	8,800	95,164	0.14%
Tokyo Dome Corp.....	5,000	94,074	0.14%
Shiseido Co.....	8,000	93,547	0.13%
Keyence Corp.....	800	92,843	0.13%
Sony Music Entertainment.....	2,400	92,632	0.13%
Japan Air Lines Co.....	16,000	91,437	0.13%
Nissin Food Products.....	4,000	90,382	0.13%
Victor Co. of Japan.....	8,000	90,030	0.13%
Oki Electric Industries.....	16,000	89,186	0.13%
Nikon Corp.....	8,000	88,623	0.13%
Kurita Water Industries.....	4,400	88,588	0.13%
Hokuriku Bank.....	16,000	88,482	0.13%
Cosmo Oil Co.....	16,000	86,654	0.12%
Hiroshima Bank.....	16,000	86,513	0.12%
Ashikaga Bank.....	16,000	85,669	0.12%
Furukawa Electric.....	16,000	84,966	0.12%
Jgc Corp.....	8,000	84,403	0.12%
Keio Teito Electric Railway.....	16,000	84,403	0.12%
Matsuzakaya Co.....	8,000	84,403	0.12%
Nippon Fire & Marine.....	16,000	84,403	0.12%
Kokusai Securities.....	7,000	84,315	0.12%
Yamato Transport.....	8,000	82,996	0.12%
Asahi Breweries.....	8,000	82,293	0.12%
NGK Spark Plug Co.....	8,000	82,293	0.12%
Chuo Trust & Banking.....	8,000	81,590	0.12%
NGK Insulators.....	8,000	80,886	0.12%
Seiyu.....	8,000	80,886	0.12%
NCR Japan Ltd.....	8,000	80,183	0.12%
Japan Energy Corp.....	24,000	78,917	0.11%
Kuraray Co.....	8,000	77,369	0.11%
Mitsubishi Logistics Corp.....	5,000	76,930	0.11%
Toho Co.....	500	76,930	0.11%
Okuma Corp.*.....	8,000	76,666	0.11%
Nippon Electric Glass.....	5,000	76,490	0.11%
Chiyoda Corp.....	8,000	75,963	0.11%
Daikin Industries.....	8,000	75,963	0.11%

17

THE COUNTRYBASKETS (SM) INDEX FUND, INC.
 JAPAN INDEX SERIES
 SCHEDULE OF INVESTMENTS (CONTINUED)
 OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Nankai Electric Rail.....	13,250	\$ 75,837	0.11%
Chichibu Onoda Cement.....	16,000	75,681	0.11%
77 Bank.....	8,000	75,259	0.11%
Ezaki Glico Co.....	8,000	74,556	0.11%
Fuji Heavy Industries.....	16,000	74,556	0.11%
Showa Shell Sekiyu.....	8,000	74,556	0.11%
Nitto Denko Corp.....	5,000	74,292	0.11%
Nisshin Steel Co.....	24,000	74,275	0.11%
Nishimatsu Construction.....	8,000	73,853	0.11%
Chugai Pharmaceutical Co.....	8,000	73,149	0.11%
Fujita Kanko Inc.....	4,000	73,149	0.11%
Fuji Electric Co.....	16,000	72,727	0.10%
Nippon Sharyo.....	8,000	72,446	0.10%
Noritake Co.....	8,000	72,446	0.10%
National House Industrial.....	5,000	72,094	0.10%

Olympus Optical Co.....	8,000	71,743	0.10%
Nisshin Flour Mill.....	6,300	71,452	0.10%
Shimano Inc.....	4,000	71,391	0.10%
Yokogawa Electric.....	8,000	71,039	0.10%
Sumitomo Forestry.....	5,000	70,775	0.10%
Fujisawa Pharmaceutical Co.....	8,000	70,336	0.10%
Koyo Seiko Co.....	8,000	70,336	0.10%
Takara Shuzo Co.....	8,000	70,336	0.10%
Sapporo Breweries.....	8,000	70,125	0.10%
Onward Kashiwama.....	5,000	69,896	0.10%
Nisshinbo Industries Inc.....	8,000	69,703	0.10%
Sanyo Chemical Industries.....	8,000	69,632	0.10%
Hitachi Credit Corp.....	4,000	69,281	0.10%
House Food Corp.....	4,000	69,281	0.10%
Kokusai Densetsu.....	800	69,281	0.10%
Amada Co.....	8,000	68,929	0.10%
Makita Corp.....	5,000	68,577	0.10%
Dainippon Ink & Chemicals.....	16,000	68,507	0.10%
Hino Motors.....	8,000	68,296	0.10%
Nagase & Co.....	8,000	68,226	0.10%
Inax Corp.....	8,000	68,085	0.10%
Fukuyama Transport.....	8,000	67,804	0.10%
Minebea Co.....	8,000	67,452	0.10%
Yoshitomi Pharmaceutical.....	8,400	67,354	0.10%
Hitachi Koki Co.....	8,000	67,171	0.10%
Mitsui Osk Lines*.....	24,000	67,100	0.10%
Nippon Shokubai Co.....	8,000	66,678	0.10%
Sanwa Shutter Corp.....	8,000	66,186	0.10%
Hitachi Metals.....	8,000	65,905	0.09%
Casio Computer Co.....	8,000	65,764	0.09%
Maeda Corp.....	8,000	65,061	0.09%
Kyowa Hakko Kogyo.....	8,000	64,920	0.09%
Misawa Homes Co.....	8,000	64,850	0.09%
Nagoya Railroad Co.....	16,000	64,850	0.09%
Showa Denko K.K.*.....	24,000	63,935	0.09%
Toda Corp.....	8,000	63,373	0.09%
Autobacs Seven Co.....	800	63,162	0.09%
Mitsubishi Rayon.....	16,000	62,880	0.09%
Tosoh Corp.*.....	16,000	62,599	0.09%
Shionogi & Co.....	8,000	62,247	0.09%
General Sekiyu.....	8,000	62,107	0.09%
Alps Electric Co.....	5,000	61,983	0.09%
Mitsui Soko Co.....	8,000	61,966	0.09%
Mizuno Corp.....	8,000	61,966	0.09%
Tokyo Steel Manufacturing.....	4,000	61,896	0.09%
Mercian Corp.....	8,000	61,685	0.09%
Kyushu Matsushita.....	4,000	61,544	0.09%
Fujikura.....	8,000	60,981	0.09%
Citizen Watch Co.....	8,000	60,840	0.09%
Wacoal Corp.....	5,000	59,785	0.09%
Tanabe Seiyaku Co.....	8,000	59,715	0.09%
Sanden Corp.....	8,000	59,645	0.09%
Hirose Electric.....	1,000	59,434	0.09%
Hitachi Maxell.....	3,000	59,346	0.09%
Mitsubishi Oil Co.....	8,000	59,012	0.08%
Toei Co.....	8,000	58,871	0.08%
Seiko Corp.*.....	8,000	58,379	0.08%
Sumitomo Realty & Development.....	8,000	58,238	0.08%
Hitachi Cable.....	8,000	58,027	0.08%
Calsonic Corp.....	8,000	57,675	0.08%
Nippon Road Co.....	8,000	57,464	0.08%
Nisshin Oil Mills.....	8,000	57,183	0.08%
Kikkoman Corp.....	8,000	56,761	0.08%
Sumitomo Heavy Industries*.....	16,000	56,409	0.08%
Hokkaido Takushoku.....	24,000	56,339	0.08%
Okumura Corp.....	8,000	56,269	0.08%
Mitsui Toatsu Chemical.....	16,000	55,987	0.08%
Nippon Hodo Co.....	4,000	55,917	0.08%
Seino Transportation.....	4,000	55,565	0.08%
Matsushita Refrigeration.....	8,000	55,214	0.08%
Yomiuri Land Co.....	8,000	55,143	0.08%
Skylark Co.....	3,000	54,334	0.08%
Kaken Pharmaceutical.....	8,000	54,299	0.08%
Gakken Co.....	8,000	54,159	0.08%
Koito Manufacturing Co.....	8,000	54,159	0.08%
Konica Corp.....	8,000	53,526	0.08%
Japan Radio Co.....	4,000	53,455	0.08%
Nok Corp.....	8,000	53,315	0.08%
Nippon Kayaku Co.....	8,000	53,104	0.08%
Japan Synthetic Rubber.....	8,000	52,963	0.08%
Tomen Corp.....	16,000	52,471	0.08%

Nichido Fire & Marine.....	8,400	52,435	0.08%
Itoham Foods Inc.....	8,000	52,048	0.07%
Sumitomo Bakelite.....	8,000	52,049	0.07%
Ube Industries.....	16,000	51,767	0.07%
Tekken Corp.....	8,000	51,064	0.07%
Fudo Construction.....	8,000	50,923	0.07%
Nihon Cement Co.....	8,000	50,782	0.07%
Kumagai Gumi Co.....	16,000	50,642	0.07%
Sumitomo Warehouse.....	8,000	50,431	0.07%

18

THE COUNTRYBASKETS (SM) INDEX FUND, INC.
 JAPAN INDEX SERIES
 SCHEDULE OF INVESTMENTS (CONTINUED)
 OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Nissan Fire & Marine Insurance.....	8,000	\$ 50,290	0.07%
Dai Tokyo Fire & Marine.....	8,000	50,009	0.07%
Daikyo Inc.....	8,000	49,798	0.07%
Maruichi Steel Tube.....	3,000	49,587	0.07%
Snow Brand Milk.....	8,000	49,587	0.07%
Marudai Food Co.....	8,000	49,305	0.07%
Daifuku Co.....	4,000	49,235	0.07%
Orient Corp.....	8,000	49,165	0.07%
Teikoku Oil Co.....	8,000	49,165	0.07%
Tsubakimoto Chain.....	8,000	49,165	0.07%
Toyobo Co.....	16,000	49,094	0.07%
Nissin Electric.....	8,000	48,954	0.07%
Dainippon Pharmaceutical.....	5,000	48,795	0.07%
Oji Paper Co.....	6,667	48,766	0.07%
Mitsui Petrochemical.....	8,000	48,602	0.07%
Ntn Corp.....	8,000	48,602	0.07%
Nippon Shinpan Co.....	8,000	48,461	0.07%
Minolta Co.....	8,000	48,321	0.07%
Daimaru Inc.....	8,000	48,250	0.07%
Japan Storage Battery Co.....	8,000	48,250	0.07%
Nichirei Corp.....	8,000	47,899	0.07%
Izumiya Co.....	3,000	47,740	0.07%
Daishowa Paper Manufacturing*.....	8,000	47,266	0.07%
CSK Corp.....	1,600	47,125	0.07%
Zexel Corp.....	8,000	46,914	0.07%
Meiji Milk Product.....	8,000	46,844	0.07%
Stanley Electric.....	8,000	46,773	0.07%
Toa Corp.....	8,000	46,562	0.07%
Toyota Tsusho Corp.....	8,000	46,492	0.07%
Tokyu Department Store.....	8,000	45,718	0.07%
Tokyo Style Co.....	3,000	45,630	0.07%
Mochida Pharmaceutical Co.....	4,000	45,367	0.06%
Gunze Ltd.....	8,000	45,015	0.06%
Kaneka Corp.....	8,000	45,015	0.06%
Meiji Seika Kaisha.....	8,000	44,734	0.06%
Penta Ocean Construction.....	8,000	44,452	0.06%
Tokuyama Corp.....	8,000	44,452	0.06%
Mori Seiki Co.....	3,000	44,312	0.06%
Nagasakiya Co.....	8,000	44,241	0.06%
Heiwa Corp.....	2,500	43,740	0.06%
Yokohama Rubber Co.....	8,000	43,608	0.06%
Bank of Kyoto.....	8,000	43,538	0.06%
Keihin Electric Express Railway.....	8,240	42,816	0.06%
Yuasa Corp.*.....	8,000	42,553	0.06%
Kawasaki Kisen*.....	16,000	42,483	0.06%
Hitachi Chemical.....	5,000	42,289	0.06%
Showa Aluminium Co.....	8,000	42,131	0.06%
Nippon Flour Mills.....	8,000	41,498	0.06%
Toshoku.....	8,000	41,498	0.06%
Chiyoda Fire & Marine.....	8,000	41,287	0.06%
Aoyama Trading Co.....	1,600	40,935	0.06%
Mitsubishi Steel.....	8,000	40,865	0.06%
Shima Seiki Manufacturing.....	800	40,865	0.06%
Mabuchi Motor Co.....	800	40,795	0.06%
Mitsuboshi Belting.....	8,000	40,795	0.06%
Lion Corp.....	8,000	40,724	0.06%
Daicel Chemical Industries.....	8,000	40,513	0.06%
Daito Trust Construct Co. Ltd.....	3,200	40,513	0.06%

Mitsui Engineer & Shipbuilding.....	16,000	40,373	0.06%
Toyo Ink Manufacturing Co.	8,000	40,373	0.06%
Anritsu Corp.....	3,000	40,091	0.06%
Iwatani International Corp.....	8,000	40,091	0.06%
Brother Industries.....	8,000	39,951	0.06%
Dowa Fire & Marine.....	8,000	39,599	0.06%
Nissan Diesel Motor.....	8,000	39,107	0.06%
Nippon Zeon Co.....	8,000	39,036	0.06%
Mitsubishi Paper.....	8,000	38,544	0.06%
Nippon Light Metal.....	8,000	38,544	0.06%
Sato Kogyo Co.....	8,000	38,403	0.05%
Best Denki Co.....	3,000	37,981	0.05%
Showa Electric Wire.....	8,000	37,841	0.05%
New Japan Securities*.....	8,000	37,770	0.05%
Tokyu Land Corp.*.....	8,000	37,630	0.05%
Tokai Carbon Co.....	8,000	37,489	0.05%
Iwatsu Electric Co.....	8,000	37,348	0.05%
Kanematsu Corp.....	8,000	37,348	0.05%
Orix Corp.....	1,000	37,278	0.05%
Yamamura Glass Co.....	8,000	37,278	0.05%
Ryobi.....	8,000	36,504	0.05%
Fuji Fire & Marine.....	8,000	36,364	0.05%
Tokyo Car Corp.....	8,000	36,334	0.05%
Kureha Chemical Industries Co.....	8,000	36,293	0.05%
Amano Corp.....	3,000	35,871	0.05%
Tokyo Rope Manufacturing Co.....	8,000	35,731	0.05%
Kansai Paint Co.....	8,000	35,660	0.05%
Fujiya Co. Ltd.*.....	8,000	35,590	0.05%
Morinaga Milk Industries.....	8,000	35,309	0.05%
Showa Sangyo Co.....	8,000	34,957	0.05%
Takaoka Electric Manufacturing.....	8,000	34,887	0.05%
Dowa Mining Co.....	8,000	34,605	0.05%
Nippon Paint Co.....	8,000	34,535	0.05%
Asahi Optical Co.*.....	8,000	34,465	0.05%
Toshiba Machine Co.*.....	8,000	34,324	0.05%
Mitsubishi Plastic.....	8,000	34,183	0.05%
Nippon Sanso Corp.....	8,000	34,113	0.05%
Gun Ei Chemical Industries.....	8,000	33,972	0.05%
Arabian Oil Co.....	800	33,410	0.05%
Nippon Sheet Glass.....	8,000	33,410	0.05%

19

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
 JAPAN INDEX SERIES
 SCHEDULE OF INVESTMENTS (CONTINUED)
 OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Daido Steel Co.....	8,000	\$ 33,058	0.05%
Sankyu Inc.....	8,000	33,058	0.05%
NHK Spring Co.....	8,000	32,917	0.05%
Mitsubishi Gas Chemical.....	8,000	32,706	0.05%
Sumitomo Osaka Cement.....	8,000	32,706	0.05%
Atsugi Nylon Industrial.....	8,000	32,636	0.05%
Toyo Kanetsu.....	8,000	32,636	0.05%
Hanshin Electric Railway*.....	8,000	32,495	0.05%
Nachi Fujikoshi Co.*.....	8,000	32,425	0.05%
Tokico Co.....	8,000	32,214	0.05%
Toyo Construction.....	8,000	31,792	0.05%
Toyo Tire & Rubber.....	8,000	31,299	0.05%
Yaskawa Electric Corp.*.....	8,000	30,877	0.04%
Tokyu Construction.....	8,000	30,807	0.04%
Nippon Suisan*.....	8,000	30,666	0.04%
Japan Metal & Chemical.....	8,000	30,596	0.04%
Green Cross Corp.....	8,000	29,822	0.04%
Yamato Kogyo Co.....	3,000	29,805	0.04%
Fujita Corp.....	8,000	29,682	0.04%
Iseki & Co.*.....	8,000	29,541	0.04%
Nippon Yakin Kogyo.....	8,000	29,189	0.04%
Mitsui Mining & Smelting.....	8,000	29,049	0.04%
Nihon Nosan Kogyo.....	8,000	28,767	0.04%
Nichiro Corp.....	8,000	28,627	0.04%
Central Finance Co.*.....	8,000	28,486	0.04%
Hazama Corp.....	8,000	28,134	0.04%
Heiwa Real Estate.....	4,000	27,923	0.04%
Haseko Corp.*.....	8,000	27,220	0.04%

Sumitomo Light Metal*	8,000	26,798	0.04%
Tobishima Corp.*	8,000	26,728	0.04%
Kurabo Industries	8,000	26,446	0.04%
Prima Meat Packers	8,000	26,376	0.04%
York Benimaru Co.	800	26,306	0.04%
Central Glass Co.*	8,000	25,391	0.04%
Renown Inc.*	8,000	25,321	0.04%
Niigata England*	8,000	25,180	0.04%
Japan Wool Textile	3,000	25,057	0.04%
Maruha Corp.*	8,000	24,969	0.04%
Shokusan Jutaku Co.*	8,000	24,055	0.03%
Ishihara Sangyo*	8,000	23,985	0.03%
Hanwa Co.*	8,000	23,562	0.03%
Makino Milling	3,000	23,343	0.03%
Aoki Corp.*	8,000	23,281	0.03%
Nippon TV Network	80	23,211	0.03%
Nitto Boseki Co.*	8,000	22,507	0.03%
Asics Corp.	8,000	22,015	0.03%
Settsu Corp.*	8,000	21,663	0.03%
Japan Steel Works	8,000	21,382	0.03%
Unitika*	8,000	19,764	0.03%
Kanebo*	8,000	19,413	0.03%
Navix Line*	8,000	19,131	0.03%
Joyo Bank (rights)*#	1,600	0	0.00%
PORTFOLIO OF SECURITIES			
(Cost \$75,743,854)	69,310,628	99.55%	
OTHER INVESTMENT+			
(Cost \$6,978,725)	6,978,725	10.02%	
TOTAL INVESTMENTS, AT VALUE			
(Cost \$82,722,579)	76,289,353	109.57%	
LIABILITIES IN EXCESS OF OTHER ASSETS	(6,661,413)	(9.57%)	
NET ASSETS	\$69,627,940	100.00%	

Fair Valued Security.

* Non-income producing securities.

+ Investment of cash collateral received for securities loaned in State Street Bank and Trust Company of New Hampshire, NA Securities Lending Quality Trust.

The accompanying notes are an integral part of the financial statements.

20

THE COUNTRYBASKETS (SM) INDEX FUND, INC.
 JAPAN INDEX SERIES
 SCHEDULE OF INVESTMENTS BY MARKET SECTOR
 OCTOBER 31, 1996

INDUSTRY	VALUE	% OF PORTFOLIO
Commercial banks and other banks	\$14,397,540	20.8%
Automobiles	4,324,352	6.2%
Electronics and instrumentation	4,207,225	6.1%
Utilities	4,115,771	5.9%
Financial institutions and services	3,749,444	5.4%
Transportation and storage	3,392,719	4.9%
Retail trade	2,966,062	4.3%
Construction and building materials	2,955,582	4.3%
Household durables and appliances	2,876,981	4.2%
Health and personal care	2,348,608	3.4%
Chemicals	2,280,762	3.3%
Mining, metals and minerals	2,179,549	3.2%
Wholesale trade	1,899,612	2.8%
Auto components	1,877,474	2.7%
Diversified industrials	1,874,133	2.7%
Computers and communications and office equipment	1,795,691	2.6%
Food and grocery products	1,680,314	2.4%
Entertainment and leisure toys	1,655,626	2.4%
Machinery and engineering services	1,553,516	2.2%
Insurance--multiline and property and casualty	1,165,429	1.7%

Electrical equipment.....	1,134,868	1.6%
Real estate.....	796,026	1.1%
Oil.....	782,908	1.1%
Beverage industry and tobacco manufacturing.....	709,987	1.0%
Media.....	610,515	0.9%
Textiles and wearing apparel.....	512,520	0.7%
Fabricated metal products.....	502,620	0.7%
Forestry and paper products.....	479,661	0.7%
Business services and computer software.....	285,563	0.4%
Precious metals and minerals.....	117,769	0.2%
Non-oil energy, equipment and services.....	81,801	0.1%

PORTFOLIO OF SECURITIES		
(Cost \$75,743,854).....	69,310,628	100.0%

OTHER INVESTMENT+		
(Cost \$6,978,725).....	6,978,725	

TOTAL INVESTMENTS, AT VALUE		
(Cost \$82,722,579).....	\$76,289,353	

Cost of investments for Federal income tax purposes.....	\$82,725,412	

Aggregate gross unrealized appreciation.....	\$ 776,917	
Aggregate gross unrealized depreciation.....	(7,212,976)	

Aggregate net unrealized depreciation.....	\$(6,436,059)	

+ Investment of cash collateral received for securities loaned in State Street Bank and Trust Company of New Hampshire, NA Securities Lending Quality Trust.

The accompanying notes are an integral part of the financial statements.

21

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
SOUTH AFRICA INDEX SERIES
SCHEDULE OF INVESTMENTS
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Anglo America Corp. SA.....	29,734	\$ 1,788,280	11.23%
DeBeers Centenary.....	48,297	1,425,339	8.95%
South Africa Breweries.....	40,754	1,059,445	6.65%
Sasol.....	77,395	944,141	5.93%
Liberty Life Associates.....	31,716	866,731	5.44%
Gencor.....	189,557	658,379	4.13%
Standard Bank Investment Corp.....	15,329	587,942	3.69%
Rembrandt Group.....	66,198	578,332	3.63%
Liberty Holdings.....	6,248	442,671	2.78%
Nedcor Ltd.....	27,934	407,729	2.56%
Gold Fields of South Africa.....	12,540	400,809	2.52%
Driefontein Consolidated Ltd.	26,258	348,297	2.19%
Anglo America Industrial Corp.....	9,774	333,227	2.09%
Samancor Ltd.....	24,037	313,715	1.97%
First National Bank.....	56,063	307,611	1.93%
Smith C.G.....	60,563	291,652	1.83%
Rembrandt Controlling Investor	46,650	278,329	1.75%
Anglo America Gold.....	3,101	270,255	1.70%
Rustenberg Platinum.....	17,037	264,104	1.66%
Southern Life Association.....	23,938	258,864	1.63%
Nampak.....	65,556	258,424	1.62%
Tiger Oats.....	19,426	255,605	1.60%
Johnnies Indiana Corp.....	19,526	228,836	1.44%
Barlow Ltd.....	26,252	228,788	1.44%
Iscor.....	314,571	224,549	1.41%
JCI Ltd.....	19,455	201,058	1.26%
Anglovaal Industries.....	40,968	196,415	1.23%
Vaal Reefs Exploration & Mining.....	2,472	192,260	1.21%
Anglovaal Industries.....	6,005	183,617	1.15%
Sappi.....	20,288	179,405	1.13%
Safmarine & Rennie.....	70,173	177,937	1.12%

Middle Witwatersrand.....	41,808	174,608	1.10%
Kloof Gold Mining.....	17,096	158,465	0.99%
Premier Group.....	117,176	155,302	0.98%
Anglo America Plat Corp.....	22,946	151,571	0.95%
Tongaat Hulett Group Ltd.....	12,352	144,760	0.91%
Murray & Roberts.....	41,661	141,592	0.89%
Free State Consolidated Gold Mines Ltd.....	15,021	131,229	0.82%
Western Deep Levels.....	3,567	107,549	0.68%
Impala Platinum.....	7,857	100,452	0.63%
Reunert.....	24,174	97,870	0.61%
Wooltru Limited 'A' Shares.....	26,653	97,684	0.61%
Wooltru Limited.....	20,349	76,097	0.48%
Highveld Steel & Vanadium.....	11,718	46,193	0.29%

Anglo America Industrial Corp. (rights)#.....	1,065	2,927	0.02%

TOTAL INVESTMENTS, AT VALUE			
(Cost \$18,069,789).....		15,739,045	98.83%
OTHER ASSETS LESS LIABILITIES.....		187,069	1.17%

NET ASSETS.....		\$15,926,114	100.0%

Fair valued security.

The accompanying notes are an integral part of the financial statements.

22

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
SOUTH AFRICA INDEX SERIES
SCHEDULE OF INVESTMENTS BY MARKET SECTOR
OCTOBER 31, 1996

INDUSTRY	VALUE	% OF INVESTMENTS
Precious metals and minerals.....	\$ 6,372,654	40.5%
Beverage industry and tobacco manufacturing.....	1,637,777	10.4%
Insurance--life and agents and brokers.....	1,568,266	10.0%
Diversified holding companies.....	1,514,956	9.6%
Commercial banks and other banks.....	1,303,283	8.3%
Oil.....	944,141	6.0%
Mining, metals and minerals.....	584,456	3.7%
Food and grocery products.....	555,667	3.5%
Forestry and paper products.....	437,829	2.8%
Construction and building materials.....	370,428	2.4%
Transportation and storage.....	177,937	1.1%
Retail trade.....	173,781	1.1%
Electrical equipment.....	97,870	0.6%

TOTAL INVESTMENTS, AT VALUE		
(Cost \$18,069,789).....	\$15,739,045	100.0%

Cost of investments for Federal income tax purposes.....	\$18,071,931	

Aggregate gross unrealized appreciation.....	\$ 241,206	
Aggregate gross unrealized depreciation.....	(2,574,092)	

Aggregate net unrealized depreciation.....	\$(2,332,886)	

The accompanying notes are an integral part of the financial statements.

23

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
UK INDEX SERIES
SCHEDULE OF INVESTMENTS
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
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British Petroleum.....	58,279	\$ 627,299	4.67%
Glaxo Wellcome.....	36,471	572,513	4.26%
Shell Transport & Trading.....	34,228	561,549	4.17%
British Telecom.....	65,413	378,673	2.82%
HSBC HKD 10 Holdings.....	18,381	376,839	2.80%
Smithkline Beecham.....	28,261	349,063	2.60%
Lloyds TSB Group.....	52,664	334,456	2.49%
Zeneca Group.....	9,647	262,657	1.96%
Barclays Plc.....	15,594	244,918	1.82%
Marks & Spencer.....	28,859	242,254	1.80%
BAT Industries Plc.....	31,659	220,649	1.64%
Reuters Holdings.....	17,305	215,432	1.60%
National Westminster.....	17,313	197,770	1.47%
Cable & Wireless.....	23,923	190,496	1.42%
HSBC Holdings (ordinary).....	8,882	186,578	1.39%
Unilever.....	8,649	181,825	1.35%
RTZ Corp.....	11,340	181,429	1.35%
General Electric.....	28,347	175,178	1.30%
British Sky Broadcasting.....	18,198	171,431	1.28%
Grand Metropolitan.....	22,218	167,693	1.25%
BTR.....	39,693	166,438	1.24%
Prudential Corp.....	20,689	156,321	1.16%
Abbey National.....	14,363	149,454	1.11%
Guinness.....	20,738	148,587	1.11%
British Gas.....	47,479	148,058	1.10%
Granada Group.....	9,054	130,407	0.97%
Vodafone Group.....	32,427	125,410	0.93%
Tesco.....	22,863	123,790	0.92%
Bass.....	9,327	119,682	0.89%
J Sainsbury Plc.....	19,410	115,050	0.86%
Reed International.....	6,006	111,787	0.83%
Standard Chartered.....	10,335	111,580	0.83%
Royal Sun Alliance Group.....	16,126	110,684	0.82%
Great University Stores.....	10,674	106,375	0.79%
Rentokil Group.....	14,924	100,247	0.75%
Imperial Chemical Industries.....	7,692	98,827	0.74%
Boots Co.....	9,119	92,660	0.69%
EMI Group.....	4,569	89,840	0.67%
BAA.....	10,980	88,952	0.66%
Cadbury Schweppes.....	10,545	87,746	0.65%
National Power.....	13,063	86,576	0.64%
Allied Domecq Plc.....	10,995	85,045	0.63%
Siebe.....	5,151	81,069	0.60%
Commercial Union.....	7,368	77,807	0.58%
Kingfisher.....	7,107	75,630	0.56%
Lloyds Abbey Life.....	7,413	75,627	0.56%
Pearson.....	5,907	73,104	0.54%
Hanson.....	55,083	72,430	0.54%
BOC Group.....	5,112	72,131	0.54%
Safeway Plc.....	12,117	71,921	0.54%
Royal Bank of Scotland Group.....	8,583	71,211	0.53%
GKN.....	3,705	69,684	0.52%
Legal & General Group.....	13,095	68,983	0.51%
Scot & Newcastle.....	6,504	67,624	0.50%
Associated British Foods.....	9,546	65,599	0.49%
Powergen.....	7,728	64,180	0.48%
Land Securities.....	5,415	63,135	0.47%
Peninsula & Oriental Steam.....	6,420	63,092	0.47%
Lucas Variety*.....	15,306	61,937	0.46%
General Accident.....	5,091	60,726	0.45%
Whitbread.....	5,127	60,195	0.45%
British Steel.....	21,600	60,059	0.45%
Scottish Power.....	11,666	59,745	0.44%
Asda Group.....	31,038	59,387	0.44%
Rank Group.....	8,841	58,810	0.44%
Bank of Scotland.....	12,552	57,844	0.43%
United News & Media Plc.....	4,947	54,255	0.40%
Tomkins.....	12,603	52,949	0.39%
National Grid Group.....	17,949	52,903	0.39%
Reckitt & Colman.....	4,506	52,170	0.39%
United Utilities.....	5,547	51,487	0.38%
Blue Circle Industries.....	7,782	50,499	0.38%
RMC Group.....	2,834	50,095	0.37%
Carlton Communications.....	6,183	49,536	0.37%
3I Group.....	6,240	49,129	0.37%
Wolseley.....	6,262	48,640	0.36%
Enterprise Oil.....	5,232	47,413	0.35%
TI Group.....	4,983	46,130	0.34%
Smiths Industries.....	3,207	42,823	0.32%
Ladbroke Group.....	12,378	40,212	0.30%

Guardian Royal Exchange Plc.....	9,546	39,406	0.29%
Severn Trent.....	3,891	39,157	0.29%
Thames Water.....	4,284	38,682	0.29%
Dixons Group.....	4,263	38,076	0.28%
Argos.....	3,018	37,915	0.28%
Redland.....	5,511	37,781	0.28%
Burmah Castrol Plc.....	2,160	37,759	0.28%
Burton Group.....	15,114	36,733	0.27%
Williams Holdings.....	6,159	36,406	0.27%
Schroders.....	1,599	36,323	0.27%
Next.....	3,972	36,221	0.27%
Tate & Lyle.....	4,641	36,049	0.27%
Lasmo.....	10,248	35,712	0.27%
Smith & Nephew.....	11,691	35,696	0.27%
Mercury Asset Manitoba Group.....	1,938	35,645	0.27%
Vendome Luxury Group SA.....	3,702	34,874	0.26%
British Land Co.....	4,572	34,136	0.25%
Hays.....	4,000	33,447	0.25%
Orange.....	11,000	33,227	0.25%
Imperial Tobacco.....	5,508	32,156	0.24%
Premier Farnell Plc.....	2,858	31,996	0.24%
Courtaulds.....	4,302	31,944	0.24%

24

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
UK INDEX SERIES
SCHEDULE OF INVESTMENTS (CONTINUED)
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
BPB Industries.....	5,355	\$ 31,610	0.24%
MEPC.....	4,530	31,535	0.23%
Rexam.....	5,346	30,556	0.23%
Electrocomponents.....	4,494	30,260	0.23%
Compass Group.....	3,000	29,800	0.22%
Pilkington.....	10,653	29,664	0.22%
Greenalls Group.....	3,159	29,244	0.22%
Southern Electric.....	2,703	28,324	0.21%
Foreign & Colonial Investor Trust.....	11,154	27,290	0.20%
Cookson Group.....	7,227	26,655	0.20%
Inchcape.....	5,604	26,418	0.20%
WPP Group.....	7,000	25,989	0.19%
Thorn*.....	4,569	25,780	0.19%
BBA Group.....	4,392	25,640	0.19%
British Aerospace.....	1,341	25,440	0.19%
Anglian Water.....	2,853	25,389	0.19%
Caradon Plc.....	6,363	25,023	0.19%
Securicor.....	5,500	24,943	0.19%
Johnson Matthey.....	2,492	24,693	0.18%
Laporte.....	2,049	23,940	0.18%
Arjo Wiggins Apple.....	8,712	23,408	0.17%
Emap.....	2,000	23,302	0.17%
NFC.....	7,377	23,185	0.17%
IMI.....	3,648	23,108	0.17%
Sears.....	16,158	23,023	0.17%
British Airways.....	2,547	22,977	0.17%
De La Rue.....	2,373	22,779	0.17%
Yorkshire Electric Group.....	1,885	22,392	0.17%
Smith (WH) Group.....	2,979	22,290	0.17%
Telewest*.....	9,762	22,017	0.16%
Provident Financial.....	2,868	21,506	0.16%
British Biotech*.....	5,800	21,392	0.16%
Hillsdown Holdings.....	7,422	21,211	0.16%
BICC.....	4,442	21,158	0.16%
FKI.....	5,988	20,477	0.15%
Stagecoach Holdings.....	2,200	20,366	0.15%
Storehouse.....	4,446	20,163	0.15%
Lonrho.....	8,259	20,106	0.15%
Northern Foods.....	6,147	19,919	0.15%
London Electricity.....	2,006	19,893	0.15%
Daily Mail & General Trust.....	900	19,580	0.15%
United Biscuits.....	5,613	19,012	0.14%
Rolls Royce.....	4,596	19,010	0.14%
Hammerson Plc.....	3,009	18,693	0.14%
East Midlands Electric.....	2,106	18,605	0.14%

Coats Viyella.....	7,443	18,544	0.14%
Alliance Trust.....	500	18,470	0.14%
Scottish Hydro.....	4,077	18,257	0.14%
Bunzl.....	4,716	18,239	0.14%
Morgan Crucible Co.....	2,346	18,146	0.14%
Associates British Ports.....	4,050	17,905	0.13%
Unigate.....	2,499	17,580	0.13%
Witan Investment.....	3,984	17,484	0.13%
Edinburgh Investor Trust.....	3,117	17,308	0.13%
Slough Estates.....	4,146	16,743	0.12%
Vickers.....	3,540	16,717	0.12%
Millennium Chemicals Inc.*.....	787	15,935	0.12%
Bowthorpe.....	2,055	15,812	0.12%
Booker.....	2,394	15,788	0.12%
Harrisons & Crosfield.....	7,545	15,726	0.12%
Dalgety.....	3,066	15,552	0.12%
Glynwed International.....	2,589	14,840	0.11%
M & G Group.....	792	14,393	0.11%
Tarmac.....	9,819	14,390	0.11%
Scottish Mortgage and Trust Plc.....	3,000	13,471	0.10%
Allied Colloids.....	5,655	13,398	0.10%
Spirax Sarco Engineering.....	1,084	12,948	0.10%
Hepworth.....	2,589	12,521	0.09%
Electra Investor Trust.....	1,836	12,512	0.09%
Barratt Development.....	2,959	12,311	0.09%
Charter.....	921	12,260	0.09%
Racal Electronics.....	2,700	12,179	0.09%
Sedgwick Group.....	5,799	11,757	0.09%
T & N.....	5,637	11,749	0.09%
Cowie Group Plc.....	2,000	11,692	0.09%
Rugby Group.....	6,798	11,181	0.08%
Invesco Plc.....	2,835	10,733	0.08%
Scapa Group.....	2,532	10,617	0.08%
Great Portland Estates Plc.....	3,432	10,535	0.08%
Taylor Woodrow.....	4,095	10,336	0.08%
First Leisure Corp.....	1,737	10,310	0.08%
English China Clay.....	3,252	9,956	0.07%
McKechnie Plc.....	1,044	9,741	0.07%
Halma.....	2,838	9,428	0.07%
Meyer International.....	1,344	9,050	0.07%
Schroders (non-voting).....	468	8,955	0.07%
Willis Corroon Group.....	4,452	8,845	0.07%
Kwik Save Group.....	1,650	8,558	0.06%
Fleming Mercantile Investment Trust.....	1,533	8,163	0.06%
Wimpey George.....	3,840	7,848	0.06%
City of London Trust.....	2,799	7,748	0.06%
Marley.....	3,564	7,632	0.06%
Highland Distilleries.....	1,413	7,605	0.06%
Hambros.....	1,878	7,554	0.06%
Brixton Estate.....	2,478	7,203	0.05%
Eurotunnel SA*.....	4,881	7,034	0.05%
Christies International.....	1,743	7,025	0.05%
Trust Small Companies Investor Trust.....	1,890	6,956	0.05%
Bryant Group.....	2,970	6,577	0.05%
Vaux Group.....	1,494	6,094	0.05%

25

THE COUNTRYBASKETS (SM) INDEX FUND, INC.
 UK INDEX SERIES
 SCHEDULE OF INVESTMENTS (CONTINUED)
 OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Bradford Property Trust.....	1,551	\$ 5,986	0.04%
Wilson C Holdings.....	2,097	5,327	0.04%
Courtaulds Textile.....	1,101	5,002	0.04%
Albert Fisher Group.....	7,563	4,926	0.04%
Diploma.....	594	3,806	0.03%
Amstrad.....	1,236	3,069	0.02%

TOTAL INVESTMENTS, AT VALUE			
(Cost \$11,617,142).....		13,257,922	98.68%
OTHER ASSETS LESS LIABILITIES.....		177,179	1.32%

NET ASSETS.....		\$13,435,101	100.00%

* Non-income producing securities.

The accompanying notes are an integral part of the financial statements.

26

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
 UK INDEX SERIES
 SCHEDULE OF INVESTMENTS BY MARKET SECTOR
 OCTOBER 31, 1996

INDUSTRY	VALUE	% OF INVESTMENTS
Commercial banks and other banks.....	\$ 1,730,649	13.0%
Utilities.....	1,448,415	10.9%
Oil.....	1,309,731	9.9%
Health and personal care.....	1,293,492	9.7%
Retail trade.....	1,142,851	8.6%
Beverage industry and tobacco manufacturing.....	944,575	7.1%
Media.....	857,036	6.5%
Food and grocery products.....	480,281	3.6%
Construction and building materials.....	392,700	3.0%
Chemicals.....	383,078	2.9%
Diversified industrials.....	324,426	2.4%
Insurance--life and agents and brokers.....	321,532	2.4%
Financial institutions.....	313,640	2.4%
Insurance--multiline and property and casualty...	288,623	2.2%
Entertainment and leisure toys.....	269,538	2.0%
Electronics and instrumentation.....	260,121	2.0%
Transportation and storage.....	255,204	1.9%
Mining, metals and minerals.....	241,488	1.8%
Real estate.....	187,965	1.4%
Auto components.....	157,260	1.2%
Machinery and engineering services.....	120,539	0.9%
Diversified holdings.....	92,537	0.7%
Aerospace and defense components.....	87,272	0.7%
Fabricated metal products.....	85,798	0.6%
Forestry and paper products.....	72,203	0.5%
Wholesale trade.....	47,071	0.4%
Diversified consumer goods.....	34,874	0.3%
Business services and computer software.....	33,447	0.3%
Precious metals.....	24,693	0.2%
Textiles and wearing apparel.....	23,546	0.2%
Electrical equipment.....	21,158	0.2%
Computers and office equipment.....	12,179	0.1%
TOTAL INVESTMENTS, AT VALUE (Cost \$11,617,142).....	\$13,257,922	100.0%
Cost of investments for Federal income tax purposes.....	\$11,634,735	
Aggregate gross unrealized appreciation.....	\$ 1,848,210	
Aggregate gross unrealized depreciation.....	(225,023)	
Aggregate net unrealized appreciation.....	\$ 1,623,187	

The accompanying notes are an integral part of the financial statements.

27

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
 US INDEX SERIES
 SCHEDULE OF INVESTMENTS
 OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
General Electric Co.....	4,998	\$ 483,556	2.81%

Coca Cola Co.....	7,641	385,870	2.24%
Exxon Corp.....	3,759	333,141	1.94%
Intel Corp.....	2,481	272,600	1.59%
Merck & Co. Inc.....	3,667	271,816	1.58%
Microsoft Corp.*.....	1,788	245,403	1.43%
Philip Morris Companies, Inc.....	2,544	235,638	1.37%
International Business Machines.....	1,633	210,657	1.23%
Procter & Gamble Co.....	2,085	206,415	1.20%
Johnson & Johnson.....	4,035	198,724	1.16%
Wal Mart Stores Inc.....	6,951	185,070	1.08%
AT & T Corp.....	4,815	167,923	0.98%
Bristol Myers Squibb Co.....	1,533	162,115	0.94%
Pfizer Inc.....	1,917	158,632	0.92%
American International Group Inc.....	1,437	156,094	0.91%
Du Pont (E I) De Nemours & Co.....	1,662	154,150	0.90%
Citicorp.....	1,488	147,312	0.86%
Pepsico Inc.....	4,806	142,378	0.83%
Mobil Corp.....	1,194	139,399	0.81%
Hewlett Packard Co.....	3,075	135,684	0.79%
Disney (Walt) Co.....	2,049	134,978	0.79%
Chevron Corp.....	1,974	129,790	0.76%
Berkshire Hathaway Inc.*.....	4	129,600	0.75%
Federal National Mortgage Association.....	3,306	129,347	0.75%
Abbott Laboratories.....	2,430	123,019	0.72%
GTE Corp.....	2,919	122,963	0.72%
Cisco Systems Inc.*.....	1,986	122,884	0.71%
Bellsouth Corp.....	3,012	122,739	0.71%
General Motors Corp.....	2,247	121,057	0.70%
Lilly Eli & Co.....	1,671	117,805	0.69%
Ford Motor Co.....	3,643	113,844	0.66%
Chase Manhattan Corp.....	1,324	113,533	0.66%
American Home Products Corp.....	1,833	112,271	0.65%
Amoco Corp.....	1,467	111,125	0.65%
BankAmerica Corp.....	1,155	105,682	0.61%
Gillette Co.....	1,338	100,015	0.58%
Minnesota Mining & Manufacturing Co.....	1,275	97,697	0.57%
Boeing Co.....	1,023	97,569	0.57%
McDonald's Corp.....	2,103	93,321	0.54%
Ameritech Corp.....	1,680	91,980	0.54%
Lucent Technologies Inc.....	1,925	90,497	0.53%
SBC Communications Inc.....	1,851	90,005	0.52%
Nationsbank Corp.....	891	83,977	0.49%
Oracle Systems Corp. *.....	1,977	83,652	0.49%
Eastman Kodak Co.....	1,044	83,259	0.48%
Motorola Inc.....	1,788	82,248	0.48%
Texaco Inc.....	801	81,402	0.47%
Wells Fargo & Co.....	302	80,672	0.47%
Chrysler Corp.....	2,379	79,994	0.47%
Bell Atlantic Corp.....	1,320	79,530	0.46%
Home Depot Inc.....	1,440	78,840	0.46%
Kimberly Clark Corp.....	837	78,050	0.45%
Travelers Group Inc.....	1,437	77,957	0.45%
Allstate Corp.....	1,359	76,274	0.44%
Schlumberger Ltd.....	723	71,667	0.42%
Columbia/HCA Healthcare Corp.....	1,993	71,250	0.41%
American Express Co.....	1,488	69,936	0.41%
Schering Plough Corp.....	1,089	69,696	0.41%
Monsanto Co.....	1,746	69,185	0.40%
Electronic Data Systems Corp. (new).....	1,485	66,825	0.39%
Computer Associates International Inc.....	1,095	64,742	0.38%
Dow Chemical Co.....	831	64,610	0.38%
Atlantic Richfield Co.....	486	64,395	0.37%
Time Warner Inc.....	1,716	63,930	0.37%
First Union Corp.....	870	63,292	0.37%
Campbell Soup Co.....	759	60,720	0.35%
Anheuser Busch Cos., Inc.....	1,572	60,522	0.35%
Emerson Electric Co.....	675	60,075	0.35%
NYNEX Corp.....	1,281	57,004	0.33%
Sears Roebuck & Co.....	1,170	56,599	0.33%
Allied Signal Inc.....	858	56,199	0.33%
Compaq Computer Corp.*.....	804	55,978	0.33%
Federal Home Loan Mortgage Corp.....	552	55,752	0.32%
Banc One Corp.....	1,290	54,664	0.32%
Sprint Corp.....	1,389	54,518	0.32%
Pharmacia & Upjohn Inc.....	1,509	54,324	0.32%
Lockheed Martin Corp.....	603	54,044	0.31%
First Data Corp.....	672	53,592	0.31%
Sara Lee Corp.....	1,461	51,865	0.30%
Warner Lambert Co.....	813	51,727	0.30%
MCI Communications Corp.....	2,034	51,104	0.30%
Nike Inc.....	864	50,868	0.30%

First Chicago NBD Corp.....	981	50,031	0.29%
WMX Technologies Inc.....	1,446	49,706	0.29%
Morgan (J P) & Co. Inc.....	567	48,975	0.28%
Amgen Inc.*.....	789	48,376	0.28%
United Technologies Corp.....	372	47,895	0.28%
Norwest Corp.....	1,029	45,147	0.26%
Xerox Corp.....	972	45,076	0.26%
Medtronic Inc.....	699	44,998	0.26%
Southern Co.....	2,004	44,338	0.26%
Pacific Telesis Group.....	1,299	44,166	0.26%
Kellogg Co.....	675	42,862	0.25%
U.S. West Inc.....	1,410	42,829	0.25%
Fleet Financial Group Inc.....	816	40,698	0.24%
Colgate Palmolive Co.....	441	40,572	0.24%

28

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
US INDEX SERIES
SCHEDULE OF INVESTMENTS (CONTINUED)
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Caterpillar Inc.....	588	\$ 40,351	0.23%
H.J. Heinz Co.....	1,116	39,618	0.23%
Airtouch Communications Inc.*.....	1,491	38,952	0.23%
Merrill Lynch & Co. Inc.....	543	38,146	0.22%
McDonnell Douglas Corp.....	699	38,095	0.22%
Bank of New York Inc.....	1,149	38,061	0.22%
International Paper Co.....	888	37,962	0.22%
Conagra Inc.....	756	37,705	0.22%
PNC Bank Corp.....	1,032	37,410	0.22%
General Re Corp.....	252	37,107	0.22%
Automatic Data Processing Inc.....	885	36,838	0.21%
Raytheon Co.....	744	36,642	0.21%
Norfolk Southern Corp.....	408	36,363	0.21%
Archer Daniels Midland Co.	1,655	35,996	0.21%
Rockwell International Corp.	654	35,970	0.21%
May Department Stores Co.....	753	35,673	0.21%
Penney (J.C.) Co., Inc.....	675	35,437	0.21%
Burlington Northern Santa Fe	429	35,339	0.21%
Enron Corp.....	759	35,293	0.21%
CPC International Inc.....	444	35,021	0.20%
Union Pacific Corp.....	618	34,685	0.20%
Keycorp (new).....	732	34,130	0.20%
Baxter International Inc.....	819	34,091	0.20%
PPG Industries Inc.....	597	34,029	0.20%
Sun Microsystems Inc.*.....	552	33,672	0.20%
Deere & Co.....	798	33,317	0.19%
3Com Corp.*.....	492	33,272	0.19%
Phillips Petroleum Co.....	792	32,472	0.19%
Aluminum Co. America.....	549	32,185	0.19%
Suntrust Banks Inc.....	687	32,031	0.19%
Gannett Inc.....	420	31,868	0.19%
Boston Scientific Corp.*.....	581	31,592	0.18%
Viacom Inc.*.....	966	31,516	0.18%
Dean Witter Discover & Co.	528	31,086	0.18%
Duke Power Co.....	621	30,351	0.18%
Aetna Inc.....	453	30,294	0.18%
CUC International Inc.*.....	1,236	30,282	0.18%
First Bank Systems Inc.....	456	30,096	0.18%
Loews Corp.....	363	29,993	0.17%
Pacific Gas & Electric Co.....	1,275	29,963	0.17%
Boatmens Bancshares Inc.....	491	29,828	0.17%
Cigna Corp.....	228	29,754	0.17%
Dun & Bradstreet Corp.....	513	29,690	0.17%
Bank of Boston Corp.....	457	29,248	0.17%
Corestates Financial Corp.....	594	28,883	0.17%
Weyerhaeuser Co.....	624	28,626	0.17%
Mellon Bank Corp.....	438	28,525	0.17%
American Brands Inc.....	597	28,507	0.17%
Worldcom Inc.*.....	1,164	28,373	0.17%
Walgreen Co.....	747	28,199	0.16%
Wachovia Corp. (new).....	522	28,058	0.16%
Toys R Us Inc.*.....	825	27,947	0.16%
Texas Utilities Co.....	684	27,702	0.16%
Texas Instruments Inc.....	573	27,576	0.16%

CSX Corp.....	636	27,428	0.16%
General Mills Inc.....	477	27,249	0.16%
Unocal Corp.....	741	27,139	0.16%
Safeway Inc.*.....	630	27,011	0.16%
Rhone Poulenc Rorer Inc.....	402	26,984	0.16%
Corning Inc.....	693	26,854	0.16%
Household International Inc.	303	26,816	0.16%
Edison International.....	1,356	26,781	0.16%
Albertsons Inc.....	771	26,503	0.15%
National City Corp.....	609	26,415	0.15%
Chubb Corp.....	522	26,100	0.15%
FPL Group Inc.....	567	26,082	0.15%
Tenneco Inc.....	525	25,988	0.15%
Pitney Bowes Inc.....	465	25,982	0.15%
Carnival Corp.....	846	25,486	0.15%
MBNA Corp.....	675	25,481	0.15%
Gap Inc.....	876	25,404	0.15%
Mattel Inc.....	837	24,168	0.14%
Morgan Stanley Group Inc.....	480	24,120	0.14%
Honeywell Inc.....	387	24,042	0.14%
Duracell International Inc.....	360	24,030	0.14%
Textron Inc.....	270	23,963	0.14%
RJR Nabisco Holdings Corp.	828	23,909	0.14%
Tele Communications Inc. (new)*.....	1,917	23,843	0.14%
Dell Computer Corp.*.....	291	23,680	0.14%
Occidental Petroleum Corp.....	960	23,520	0.14%
American Electric Power Inc.	561	23,282	0.14%
Marsh & McLennan Cos., Inc.	222	23,116	0.13%
Hershey Foods Corp.....	474	22,930	0.13%
Tyco Interest Ltd.....	462	22,927	0.13%
American General Corp.....	615	22,909	0.13%
Tellabs Inc.*.....	267	22,728	0.13%
Avon Products Inc.....	417	22,622	0.13%
Illinois Tool Works Inc.....	321	22,550	0.13%
Dayton Hudson Corp.....	651	22,541	0.13%
Amp Inc.....	660	22,358	0.13%
U.S. West Inc.*.....	1,428	22,313	0.13%
ITT Hartford Group Inc.....	351	22,113	0.13%
Barnett Banks Inc.....	576	21,960	0.13%
Ralston Purina Co.....	324	21,425	0.12%
Conrail Inc.....	225	21,403	0.12%
Wrigley (WM) Jr. Co.....	354	21,329	0.12%
Westinghouse Electric Corp.....	1,245	21,321	0.12%
Marriot International Inc.....	372	21,158	0.12%
Georgia Pacific Corp.....	279	20,925	0.12%
Goodyear Tire & Rubber.....	456	20,919	0.12%
Consolidated Edison Co. New York Inc.....	708	20,709	0.12%
Service Corp. International.....	708	20,178	0.12%

29

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
US INDEX SERIES
SCHEDULE OF INVESTMENTS (CONTINUED)
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Air Products & Chemicals Inc.....	336	\$ 20,160	0.12%
Bankers Trust New York Corp.....	237	20,027	0.12%
Public Service Enterprise Group.....	738	19,834	0.12%
Dominion Resources Inc.....	525	19,819	0.12%
Federated Department Stores Inc.*.....	600	19,800	0.12%
Comerica Inc.....	369	19,603	0.11%
Halliburton Co.....	345	19,536	0.11%
Entergy Corp.....	687	19,236	0.11%
Genentech Inc.*.....	357	19,233	0.11%
Freeport McMoran Copper & Gold.....	633	19,227	0.11%
Burlington Resources Inc.....	381	19,193	0.11%
USX Marathon Group.....	873	19,097	0.11%
Sysco Corp.....	561	19,074	0.11%
Delta Air Lines Inc.....	269	19,065	0.11%
U.S. Healthcare Corp.....	501	18,975	0.11%
Fifth Third Bancorp.....	300	18,787	0.11%
Pacificorp.....	885	18,696	0.11%
Seagate Technology*.....	279	18,623	0.11%
Parametric Technology Corp.*.....	381	18,621	0.11%
Aon Corp.....	321	18,538	0.11%

American Stores Co. (new).....	447	18,495	0.11%
Houston Industries Inc.....	798	18,254	0.11%
Dresser Industries Inc.....	555	18,246	0.11%
TRW Inc.....	201	18,190	0.11%
Aflac Inc.....	453	18,177	0.11%
Lowes Cos., Inc.....	450	18,169	0.11%
Union Carbide Corp.....	426	18,158	0.11%
Alco Standard Corp.....	387	17,947	0.10%
Crown Cork & Seal Inc.....	369	17,712	0.10%
UST Inc.....	612	17,671	0.10%
Dover Corp.....	342	17,570	0.10%
Hilton Hotels Corp.....	576	17,496	0.10%
Morton International Inc.....	444	17,482	0.10%
Alltel Corp.....	573	17,476	0.10%
Carolina Power & Light Co.	483	17,448	0.10%
U.S. Bancorp (Oregon).....	435	17,400	0.10%
Clorox Co.....	159	17,351	0.10%
Franklin Resources Inc.....	246	17,343	0.10%
Panenergy Corp.....	450	17,325	0.10%
Pioneer Hawaii Bred International Inc.....	258	17,318	0.10%
Computer Sciences Corp.*.....	232	17,226	0.10%
Tribune Co. (new).....	210	17,167	0.10%
Student Loan Marketing Association.....	207	17,129	0.10%
Becton Dickinson & Co.....	393	17,095	0.10%
Browning Ferris Industries Inc.....	645	16,931	0.10%
Unicom Corp.....	651	16,926	0.10%
Peco Energy Co.....	669	16,892	0.10%
Fluor Corp.....	255	16,702	0.10%
Genuine Parts Co.....	378	16,537	0.10%
Central & South West Corp.	621	16,456	0.10%
Hercules Inc.....	345	16,431	0.10%
Green Tree Financial Corp.....	414	16,405	0.10%
State Street Boston Corp.....	258	16,351	0.10%
Kroger Co.*.....	366	16,333	0.10%
Praxair Inc.....	366	16,195	0.09%
Coca Cola Enterprises Inc.....	378	16,112	0.09%
United States Robotics Corp.	255	16,033	0.09%
Times Mirror Co. (new).....	345	15,956	0.09%
AMR Corp.*.....	189	15,876	0.09%
E M C Corp.*.....	603	15,829	0.09%
Cinergy Corp.....	477	15,801	0.09%
Micron Technology Inc.....	621	15,758	0.09%
Transamerica Corp.....	207	15,706	0.09%
Grace (W R) & Company Delaware*.....	294	15,582	0.09%
Winn Dixie Stores Inc.....	465	15,519	0.09%
Williams Companies, Inc.....	297	15,518	0.09%
ITT Corp. (new)*.....	369	15,498	0.09%
Amerada Hess Corp.....	279	15,450	0.09%
Baker Hughes Inc.....	432	15,390	0.09%
General Motors Corp.....	288	15,372	0.09%
Limited Inc.....	834	15,325	0.09%
Masco Corp.....	486	15,248	0.09%
Lincoln National Corp.....	312	15,132	0.09%
Consolidated Natural Gas Co.	282	14,981	0.09%
Progressive Corp.....	216	14,850	0.09%
Rohm & Haas Co.....	207	14,775	0.09%
Salomon Inc.....	327	14,756	0.09%
Equifax Inc.....	486	14,458	0.08%
Safeco Corp.....	381	14,383	0.08%
Applied Materials Inc.*.....	543	14,356	0.08%
McGraw Hill Cos., Inc.....	306	14,344	0.08%
Quaker Oats Co.....	402	14,271	0.08%
St. Paul Companies, Inc.....	261	14,192	0.08%
Eaton Corp.....	237	14,161	0.08%
Donnelley (R R) & Sons Co.	465	14,124	0.08%
Allegheny Teldyne Inc.....	658	14,065	0.08%
International Flavours.....	339	14,026	0.08%
Federal Express Corp.*.....	174	14,007	0.08%
Providian Corp.....	297	13,959	0.08%
Phelps Dodge Corp.....	222	13,958	0.08%
Ingersoll Rand Co.....	333	13,861	0.08%
UNUM Corp.....	219	13,770	0.08%
Coastal Corp.....	318	13,674	0.08%
Newell Co.....	480	13,620	0.08%
Digital Equipment Corp.*.....	459	13,540	0.08%
Cabletron Systems Inc.*.....	216	13,473	0.08%
Charles Schwab Corp.....	528	13,200	0.08%

THE COUNTRYBASKETS (SM) INDEX FUND, INC.
 US INDEX SERIES
 SCHEDULE OF INVESTMENTS (CONTINUED)
 OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
DTE Energy Co.....	438	\$ 13,195	0.08%
General Dynamics Corp.....	192	13,176	0.08%
Eastman Chemical Co.....	249	13,135	0.08%
Equitable Cos., Inc.....	555	13,042	0.08%
Cooper Industries Inc.....	324	13,041	0.08%
Republic New York Corp.....	171	13,039	0.08%
Thermo Electron Corp.....	354	12,921	0.08%
Champion International Corp.	297	12,919	0.08%
Sherwin Williams Co.....	255	12,782	0.07%
Tenet Healthcare Corp.....	612	12,775	0.07%
K Mart Corp.*.....	1,308	12,753	0.07%
V F Corp.....	195	12,748	0.07%
ADC Telecommunications Inc.*.....	186	12,718	0.07%
Sonat Inc.....	258	12,706	0.07%
Nucor Corp.....	267	12,649	0.07%
Newmont Mining Corp.....	273	12,626	0.07%
Baltimore Gas & Electric Co.	450	12,262	0.07%
Sunamerica Inc.....	324	12,150	0.07%
Mirage Resorts Inc.*.....	552	12,144	0.07%
Jefferson Pilot Corp.....	213	12,114	0.07%
Union Electric Co.....	312	12,051	0.07%
Melville Corp.....	321	11,957	0.07%
MGIC Investment Corp.....	174	11,941	0.07%
GPU Inc.....	363	11,934	0.07%
Price Costco Inc.*.....	588	11,686	0.07%
Golden West Financial Corp.....	180	11,677	0.07%
Great Western Financial Corp.....	414	11,592	0.07%
Rubbermaid Inc.....	498	11,578	0.07%
Ahmanson H F & Co.....	369	11,577	0.07%
Grainger (W W), Inc.....	156	11,563	0.07%
Readers Digest Association Inc.....	324	11,542	0.07%
Anadarko Petroleum Corp.....	180	11,452	0.07%
Scripps (E W) Co.....	240	11,370	0.07%
Omnicom Group.....	228	11,343	0.07%
Willamette Industries Inc.....	168	11,340	0.07%
Firststar Corp. (new).....	231	11,319	0.07%
Autozone Inc.*.....	441	11,301	0.07%
Huntington Bancshares Inc.....	470	11,280	0.07%
Chiron Corp.*.....	492	11,254	0.07%
Summit Bancorp.....	275	11,241	0.07%
Western Atlas Inc.*.....	162	11,239	0.07%
Northern Trust Corp.....	162	11,218	0.07%
Interpublic Group Cos., Inc.....	231	11,203	0.07%
MBIA Inc.....	126	11,167	0.06%
P P & L Resources Inc.....	474	11,080	0.06%
Bay Networks Inc.*.....	546	11,056	0.06%
Harcourt General Inc.....	222	11,044	0.06%
Reynolds Metals Co.....	195	10,969	0.06%
Molex Inc.....	303	10,908	0.06%
Southern National Corp.....	315	10,907	0.06%
Dillard Department Stores Inc.....	342	10,858	0.06%
Washington Post Co.....	33	10,857	0.06%
Allegheny Power Systems Inc.....	363	10,845	0.06%
Comcast Corp.....	735	10,841	0.06%
Knight Ridder Inc.....	288	10,764	0.06%
Novell Inc.*.....	1,158	10,711	0.06%
Avery Dennison Corp.....	162	10,672	0.06%
First America Bank Corp.....	195	10,603	0.06%
Torchmark Inc.....	219	10,594	0.06%
Circus Circus Enterprises Inc.*.....	306	10,557	0.06%
Whirlpool Corp.....	222	10,489	0.06%
LSI Logic Corp. *.....	393	10,414	0.06%
New York Times Co.....	288	10,404	0.06%
Synovus Financial Corp.....	348	10,396	0.06%
Union Camp Corp.....	213	10,384	0.06%
Hasbro Inc.....	267	10,380	0.06%
IMC Global Inc.....	276	10,350	0.06%
Great Lakes Chemical Corp.	198	10,321	0.06%
Raychem Corp.....	132	10,312	0.06%
Northrop Grumman Corp.....	126	10,174	0.06%
Informix Corp.....	450	9,984	0.06%
Kerr Mcgee Corp.....	159	9,977	0.06%

Case Corp.....	210	9,765	0.06%
Black & Decker Corp.....	261	9,755	0.06%
Southwest Airlines Co.....	432	9,720	0.06%
Florida Progress Corp.....	291	9,712	0.06%
Mallinckrodt Inc. (new).....	222	9,657	0.06%
Ohio Edison Co.....	462	9,644	0.06%
Circuit City Stores Inc.....	294	9,628	0.06%
Dow Jones & Co. Inc.....	291	9,603	0.06%
Regions Financial Corp.....	192	9,600	0.06%
Northern States Power Co.....	204	9,588	0.06%
Tupperware Corp.....	186	9,556	0.06%
Mead Corp.....	168	9,534	0.06%
Ceridian Corp.*.....	192	9,528	0.06%
Liz Claiborne.....	225	9,506	0.06%
Cincinnati Financial Corp.....	165	9,487	0.06%
First USA Inc.....	165	9,487	0.06%
Beneficial Corp.....	162	9,477	0.06%
American Re Corp.....	144	9,270	0.05%
Marshall & Ilsley Corp.....	288	9,252	0.05%
Wheelabrator Technologies Inc.....	594	9,207	0.05%
Johnson Controls Inc.....	126	9,198	0.05%
Office Depot Inc.*.....	468	9,184	0.05%
Potomac Electric Power Co.....	357	9,148	0.05%
Washington Mutual Inc.....	216	9,126	0.05%
General Instrument Corp.*.....	453	9,117	0.05%
Dana Corp.....	306	9,065	0.05%

31

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
US INDEX SERIES
SCHEDULE OF INVESTMENTS (CONTINUED)
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Wisconsin Energy Corp.....	333	\$ 9,033	0.05%
Sigma Aldrich.....	153	8,989	0.05%
Bear Stearns Cos., Inc.....	380	8,977	0.05%
Pall Corp.....	348	8,917	0.05%
Analog Devices Inc.*.....	342	8,892	0.05%
Humana Inc.*.....	486	8,869	0.05%
Countrywide Credit Industries Inc.....	309	8,806	0.05%
Temple Inland Inc.....	171	8,764	0.05%
Nordstrom Inc.....	243	8,763	0.05%
Silicon Graphics Inc.*.....	468	8,658	0.05%
Teco Energy Inc.....	351	8,643	0.05%
TJX Cos., Inc. (new).....	216	8,640	0.05%
Rite Aid Corp.....	252	8,568	0.05%
Apple Computer.....	372	8,556	0.05%
Westvaco Corp.....	300	8,550	0.05%
Northwest Airlines Corp.*.....	258	8,546	0.05%
CMS Energy Corp.....	270	8,539	0.05%
ITT Industries Inc.....	366	8,509	0.05%
Reebok International Ltd.....	237	8,473	0.05%
Woolworth Corp.*.....	402	8,442	0.05%
Parker Hannifin Corp.....	222	8,408	0.05%
Amsouth BanCorp.....	180	8,347	0.05%
Andrew Corp.*.....	171	8,336	0.05%
Lehman Brothers Holdings Inc.....	330	8,291	0.05%
Ashland Inc.....	195	8,287	0.05%
Southtrust Corp.....	249	8,248	0.05%
Pinnacle West Capital Corp.....	267	8,244	0.05%
De Luxe Corp.....	252	8,221	0.05%
Star Banc Corp.....	90	8,100	0.05%
James River Corp. of Virginia.....	255	8,033	0.05%
Columbia Gas Systems Inc.....	132	8,019	0.05%
Freeport McMoran Copper & Gold.....	276	8,004	0.05%
FMC Corp.*.....	108	7,952	0.05%
Engelhard Corp.....	435	7,939	0.05%
Pacific Enterprises.....	258	7,934	0.05%
Tandy Corp.....	210	7,901	0.05%
Enova Corp.....	351	7,898	0.05%
Hillenbrand Industries Inc.....	213	7,881	0.05%
Sundstrand Corp.....	195	7,849	0.05%
Block H & R Inc.....	315	7,796	0.05%
Diebold Inc.....	135	7,763	0.05%
Whitman Corp.....	318	7,712	0.04%

Adobe Systems Inc.....	222	7,687	0.04%
Stanley Works.....	267	7,543	0.04%
UAL Corp.*.....	159	7,533	0.04%
Harris Corp.....	120	7,515	0.04%
Atmel Corp.*.....	294	7,460	0.04%
Advanced Micro Devices Inc.	420	7,455	0.04%
Linear Technology Corp.....	222	7,437	0.04%
Greenpoint Financial Corp.....	159	7,394	0.04%
Viacom Inc.*.....	225	7,341	0.04%
First Tennessee National Corp.....	201	7,311	0.04%
Nalco Chemical Co.....	201	7,311	0.04%
Manor Care Inc.....	186	7,301	0.04%
Sonoco Products Co.....	273	7,269	0.04%
Armstrong World Industries Inc.....	108	7,209	0.04%
Paine Webber Group Inc.....	306	7,191	0.04%
Pennzoil Co.....	141	7,191	0.04%
Dole Food Inc.....	183	7,137	0.04%
St. Jude Medical Inc.*.....	180	7,110	0.04%
Perkin Elmer Corp.....	132	7,079	0.04%
Ecolab Inc.....	192	7,008	0.04%
Leggett & Platt Inc.....	234	6,991	0.04%
Ryder Systems Inc.....	234	6,962	0.04%
Xilinx Inc.*.....	210	6,878	0.04%
Mckesson Corp. (new).....	138	6,866	0.04%
Goodrich (B F) Co.....	162	6,865	0.04%
Tyson Foods Inc.....	231	6,815	0.04%
Old Kent Financial Corp.....	151	6,814	0.04%
DQE.....	237	6,814	0.04%
Maytag Corp.....	342	6,797	0.04%
USX United States Steel Group.....	249	6,785	0.04%
Consolidated Papers Inc.....	135	6,767	0.04%
Ambac Inc.....	108	6,750	0.04%
Louisiana Pacific Corp.....	321	6,701	0.04%
American Greetings Corp.....	228	6,683	0.04%
New England Electric Systems.....	198	6,683	0.04%
Avnet Inc.....	132	6,650	0.04%
Long Island Lighting Co.....	366	6,634	0.04%
Brunswick Corp.....	282	6,627	0.04%
First Security Corp.....	225	6,609	0.04%
Vulcan Materials Co.....	108	6,561	0.04%
Loctite Corp.....	111	6,507	0.04%
Meditrust.....	180	6,480	0.04%
National Semiconductor Corp.*.....	336	6,468	0.04%
Olin Corp.....	150	6,375	0.04%
Food Lion Inc.....	744	6,371	0.04%
Paccar Inc.....	114	6,356	0.04%
Kansas City Southern Industries Inc.....	135	6,345	0.04%
Litton Industries Inc.*.....	141	6,327	0.04%
Cyprus Amax Minerals Co.....	279	6,312	0.04%
Illinova Corp.....	231	6,295	0.04%
Mercantile Bancorp. Inc.....	126	6,253	0.04%
St. Joe Paper Co.....	93	6,231	0.04%
PMI Group Inc.....	108	6,170	0.04%
Capital One Financial Corp.....	198	6,163	0.04%

32

THE COUNTRYBASKETS (SM) INDEX FUND, INC.
US INDEX SERIES
SCHEDULE OF INVESTMENTS (CONTINUED)
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Supervalu Inc.....	207	\$ 6,158	0.04%
Battle Mountain Gold Co.....	805	6,138	0.04%
Food Lion Inc.....	732	6,131	0.04%
Provident Cos., Inc.....	165	6,126	0.04%
Illinois Central Corp.....	189	6,119	0.04%
Mercury Finance Co.....	528	6,072	0.04%
Oryx Energy Co.*.....	315	6,064	0.04%
Owens Corning.....	156	6,045	0.04%
USF& G Corp.....	318	6,042	0.04%
Unitrin Inc.....	117	6,026	0.04%
Arrow Electronics Inc.*.....	126	6,001	0.03%
Echlin Inc.....	183	5,970	0.03%
Snap On Inc.....	184	5,911	0.03%
Crestar Financial Corp.....	96	5,904	0.03%

American Power Conversion Corp.*	276	5,900	0.03%
Ivax Corp.	357	5,891	0.03%
Lubrizol Corp.	198	5,891	0.03%
Reliastar Financial Corp.	111	5,883	0.03%
Bausch & Lomb Inc.	174	5,873	0.03%
Host Marriott Corp.	378	5,812	0.03%
Worthington Industries	273	5,665	0.03%
A G Edwards Inc.	189	5,646	0.03%
Louisiana Land & Exploration Co.	99	5,631	0.03%
Polaroid Corp.	138	5,606	0.03%
Homestake Mining Co.	390	5,558	0.03%
Harnischfeger Industries Inc.	138	5,520	0.03%
Hubbell Inc.	135	5,518	0.03%
General Signal Corp.	135	5,501	0.03%
Citizens Utilities Co.	496	5,394	0.03%
American Financial Group Inc.	150	5,381	0.03%
TIG Holdings Inc.	186	5,371	0.03%
Mercantile Stores Inc.	108	5,360	0.03%
Mylan Labs Inc.	354	5,354	0.03%
Old Republic International Corp.	216	5,346	0.03%
Nicor Inc.	153	5,336	0.03%
Brown Forman Corp.	123	5,320	0.03%
American National Insurance Co.	81	5,306	0.03%
Noram Energy Corp.	342	5,258	0.03%
Allmerica Property & Casualty Companies, Inc.	189	5,221	0.03%
Witco Corp.	168	5,208	0.03%
Harrahs Entertainment Inc.*	309	5,176	0.03%
Sun Inc.	231	5,169	0.03%
Cabot Corp.	213	5,139	0.03%
Cummins Engine Inc.	123	5,120	0.03%
Signet Banking Corp.	177	5,111	0.03%
National Service Industries Inc.	147	5,072	0.03%
Bancorp Hawaii Inc.	126	4,993	0.03%
Transatlantic Holdings Inc.	69	4,968	0.03%
Tri Continental Corp.	195	4,899	0.03%
Wendys International Inc.	237	4,888	0.03%
Shaw Industries Inc.	414	4,865	0.03%
Security Capital Pacific Trust	216	4,860	0.03%
Molex Inc.	150	4,856	0.03%
Millipore Corp.	138	4,830	0.03%
DSC Communications Corp.*	342	4,745	0.03%
Central Fidelity Banks Inc.	186	4,720	0.03%
Santa Fe Pacific Gold Corp.	396	4,703	0.03%
Stone Container Corp.	303	4,621	0.03%
Tambrands Inc.	108	4,604	0.03%
Simon De Bartolo Group Inc.	174	4,589	0.03%
First Virginia Banks Inc.	102	4,565	0.03%
Tandem Computers Inc.*	354	4,469	0.03%
Bowater Inc.	126	4,457	0.03%
Enserch Corp.	204	4,386	0.03%
Boise Cascade Corp.	141	4,371	0.03%
Trinity Industries Inc.	126	4,363	0.03%
Centerior Energy Corp.	447	4,358	0.03%
Leucadia National Corp.	183	4,323	0.03%
Puget Sound Power & Light Co.	195	4,314	0.03%
Brooklyn Union Gas Co.	147	4,263	0.02%
Weis Markets Inc.	135	4,134	0.02%
Bandag Inc.	87	4,133	0.02%
Equity Income Fund.	54	4,124	0.02%
Tektronix Inc.	105	4,108	0.02%
Viad Corp.	282	4,089	0.02%
Northeast Utilities	378	4,064	0.02%
Pacificare Health Systems Inc.*	57	4,004	0.02%
Darden Restaurants Inc.	477	3,995	0.02%
Teradyne Inc.*	249	3,953	0.02%
King World Productions Inc.*	108	3,888	0.02%
Premark International Inc.	183	3,820	0.02%
Foster Wheeler Corp.	93	3,813	0.02%
Belo (A H) Corp.	96	3,744	0.02%
Rouse Co.	147	3,730	0.02%
Niagara Mohawk Power Corp.	435	3,698	0.02%
Delmarva Power & Light Co.	186	3,697	0.02%
Sensormatic Electrics Corp.	225	3,684	0.02%
Amdahl Corp.*	357	3,659	0.02%
Beverly Enterprises Inc.*	294	3,638	0.02%
KLA Instruments Corp.*	150	3,638	0.02%
Peoples Energy Corp.	102	3,596	0.02%
Pittston Brinks Group	126	3,591	0.02%
Brown Forman Corp.	84	3,581	0.02%
Great Atlantic & Pacific Tea Inc.	117	3,510	0.02%

THE COUNTRYBASKETS (SM) INDEX FUND, INC.
US INDEX SERIES
SCHEDULE OF INVESTMENTS (CONTINUED)
OCTOBER 31, 1996

SECURITY DESCRIPTION	SHARES	VALUE	% OF NET ASSETS
Russell Corp.....	123	\$ 3,490	0.02%
Briggs & Stratton Corp.....	87	3,480	0.02%
Shared Medical System.....	72	3,474	0.02%
Chris Craft Industries Inc.*.....	87	3,426	0.02%
Alexander & Baldwin Inc.....	138	3,398	0.02%
Scientific Atlanta Inc.....	234	3,393	0.02%
Comsat Corp.....	141	3,314	0.02%
Asarco Inc.....	126	3,308	0.02%
USLIFE Corp.....	105	3,281	0.02%
Advanta Corp.....	69	3,226	0.02%
Unisys Corp.*.....	513	3,206	0.02%
USAir Group Inc.*.....	183	3,180	0.02%
Consolidated Freightways Inc.....	129	3,096	0.02%
EG & G Inc.....	174	3,067	0.02%
Washington Gas Light Co.....	132	2,954	0.02%
Ethyl Corp.....	357	2,945	0.02%
McDermott International Inc.	162	2,876	0.02%
Cypress Semiconductor Corp.*.....	267	2,870	0.02%
Trinova Corp.....	87	2,860	0.02%
Autodesk Inc.....	123	2,814	0.02%
Bethlehem Steel Corp.*.....	345	2,803	0.02%
Safety Kleen Corp.....	177	2,766	0.02%
Pacificare Health Systems Inc.*.....	39	2,623	0.02%
Advanta Corp.....	54	2,609	0.02%
Gaylord Entertainment Co.....	119	2,350	0.01%
Inland Steel Industries Inc.....	144	2,322	0.01%
Arco Chemical Co.....	48	2,292	0.01%
Citizens Utilities Co.....	207	2,277	0.01%
Ball Corp.....	93	2,244	0.01%
Freeport McMoran Inc.....	69	2,199	0.01%
Navistar International Corp. Inc.*.....	219	2,026	0.01%
Caliber Systems Inc.....	120	2,025	0.01%
Alexander & Alexander Services.....	132	2,013	0.01%
Fleming Companies, Inc.....	111	1,929	0.01%
Comcast Corp.....	120	1,725	0.01%
Cincinnati Milacron Inc.....	87	1,664	0.01%
Mentor Graphics Corp.*.....	183	1,556	0.01%
NL Industries Inc.....	156	1,326	0.01%
Armco Inc.*.....	321	1,204	0.01%
Imation Corp.*.....	1	16	0.00%
Allegiance Corp.*.....	1	15	0.00%
Footstar Inc.*.....	0	9	0.00%

TOTAL INVESTMENTS, AT VALUE			
(Cost \$15,818,622).....		17,049,341	99.19%
OTHER ASSETS LESS LIABILITIES		139,798	0.81%

NET ASSETS.....		\$17,189,139	100.00%

* Non-income producing securities.

The accompanying notes are an integral part of the financial statements.

THE COUNTRYBASKETS (SM) INDEX FUND, INC.
US INDEX SERIES
SCHEDULE OF INVESTMENTS BY MARKET SECTOR
OCTOBER 31, 1996

INDUSTRY	VALUE	% OF INVESTMENTS
Health and personal care.....	\$ 1,869,711	11.0%

Utilities.....	1,748,956	10.3%
Commercial and other banks.....	1,553,473	9.1%
Oil.....	1,079,670	6.3%
Computer and communications and office equipment.....	966,607	5.7%
Beverage industries and tobacco manufacturing....	919,508	5.4%
Retail trade.....	797,421	4.7%
Food and grocery products.....	714,310	4.2%
Business services and computer software.....	686,232	4.0%
Electrical equipment.....	652,156	3.8%
Financial institutions and services.....	629,112	3.7%
Chemicals.....	569,634	3.3%
Insurance--multiline and property and casualty....	563,491	3.3%
Electronics and instrumentation.....	562,357	3.3%
Entertainment and leisure toys.....	482,898	2.8%
Media.....	387,598	2.3%
Aerospace and defense composite.....	315,219	1.8%
Automobiles.....	314,895	1.8%
Forestry and paper products.....	293,450	1.7%
Diversified industrials.....	265,040	1.6%
Transportation and storage.....	264,680	1.6%
Machinery and engineering services.....	228,136	1.3%
Diversified holding companies.....	183,711	1.1%
Non-oil energy, and equipment services.....	136,077	0.8%
Diversified consumer goods and services.....	134,992	0.8%
Insurance--life and agents and brokers.....	134,767	0.8%
Auto components.....	144,638	0.7%
Mining, metals and minerals.....	98,160	0.6%
Textiles and wearing apparel.....	85,085	0.5%
Household durables and appliances.....	67,716	0.4%
Precious metals and minerals.....	58,455	0.3%
Construction and building materials.....	46,669	0.3%
Wholesale trade.....	45,713	0.3%
Fabricated metal products.....	39,567	0.2%
Real estate.....	19,659	0.1%
Heavy engineering and shipbuilding.....	19,578	0.1%
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TOTAL INVESTMENTS, AT VALUE (Cost \$15,818,622).....	\$17,049,341	100.0%
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Cost of investments for Federal income tax purposes.....	\$15,818,647	

Aggregate gross unrealized appreciation.....	\$ 1,833,217	
Aggregate gross unrealized depreciation.....	(602,523)	

Aggregate net unrealized appreciation.....	\$ 1,230,694	

The accompanying notes are an integral part of the financial statements.

35

THE COUNTRYBASKETS (SM) INDEX FUND, INC.
STATEMENTS OF ASSETS AND LIABILITIES
OCTOBER 31, 1996

	AUSTRALIA INDEX SERIES	FRANCE INDEX SERIES
	-----	-----
ASSETS		
Investments, at value.....	\$13,475,700	\$56,606,644
Foreign currency.....	135,859	95,750
Cash.....	18,044	7,480
Interest receivable.....	1,608	5,341
Dividends receivable.....	53,271	4,349
Foreign withholding tax reclaim receivable....	0	234,031
Deferred organization costs.....	218,104	218,512
Prepaid expenses.....	1,102	3,616
Receivable from Adviser for expense reimbursement.....	912	0
	-----	-----
TOTAL ASSETS.....	13,904,600	57,175,723
	-----	-----
LIABILITIES		

Payable upon return of securities loaned.....	2,908,388	12,279,368
Distribution fees payable.....	3,212	18,222
Organization costs payable.....	0	93,953
Accounts payable and accrued expenses.....	196,999	210,266
	-----	-----
TOTAL LIABILITIES.....	3,108,599	12,601,809
	-----	-----
NET ASSETS.....	\$10,796,001	\$44,573,914
	-----	-----

NET ASSETS CONSIST OF:

Paid-in capital, \$.001 par value (Authorized 200,000,000 shares per Series).....	\$ 9,795,011	\$41,715,353
Undistributed net investment income.....	278,856	641,380
Undistributed and accumulated net realized gain (loss) on investments and foreign currency.....	(379)	195,247
Net unrealized appreciation (depreciation) of investments and foreign currency.....	722,513	2,021,934
	-----	-----
NET ASSETS.....	\$10,796,001	\$44,573,914
	-----	-----

Shares outstanding at end of period.....	500,584	1,100,305
Net asset value, offering and redemption price per share.....	\$ 21.57	\$ 40.51
Cost of investments.....	\$12,753,444	\$54,588,550
Cost of foreign currency.....	\$ 135,680	\$ 94,799

The accompanying notes are an integral part of the financial statements.

<TABLE>
<CAPTION>

	GERMANY INDEX SERIES	HONG KONG INDEX SERIES	ITALY INDEX SERIES	JAPAN INDEX SERIES	SOUTH AFRICA INDEX SERIES
<S>	<C>	<C>	<C>	<C>	<C>
ASSETS					
Investments, at value.....	\$22,647,368	\$16,078,166	\$42,027,766	\$76,289,353	\$15,739,045
Foreign currency.....	153,218	129,155	178,245	338,153	122,884
Cash.....	13,877	40,786	19,205	17,272	31,859
Interest receivable.....	541	823	4,025	3,848	0
Dividends receivable.....	0	69,139	0	213,687	35,628
Foreign withholding tax reclaim receivable..	39,080	0	0	0	0
Deferred organization costs.....	217,697	218,104	218,512	217,696	219,055
Prepaid expenses.....	1,854	2,497	2,983	6,776	1,519
Receivable from Adviser for expense reimbursement.....	0	0	0	0	0
	-----	-----	-----	-----	-----
TOTAL ASSETS.....	23,073,635	16,538,670	42,450,736	77,086,785	16,149,990
	-----	-----	-----	-----	-----
LIABILITIES					
Payable upon return of securities loaned....	1,099,739	226,380	10,179,669	6,978,725	0
Distribution fees payable.....	7,929	9,709	14,003	35,486	5,510
Organization costs payable.....	34,399	51,372	67,883	166,321	22,679
Accounts payable and accrued expenses.....	200,477	207,991	204,301	278,313	195,687
	-----	-----	-----	-----	-----
TOTAL LIABILITIES.....	1,342,544	495,452	10,465,856	7,458,845	223,876
	-----	-----	-----	-----	-----
NET ASSETS.....	\$21,731,091	\$16,043,218	\$31,984,880	\$69,627,940	\$15,926,114
	-----	-----	-----	-----	-----
NET ASSETS CONSIST OF:					
Paid-in capital, \$.001 par value (Authorized 200,000,000 shares per Series).....	\$20,814,513	\$14,343,271	\$29,562,377	\$75,983,580	\$18,141,750
Undistributed net investment income.....	158,608	590,807	475,728	0	133,106
Undistributed and accumulated net realized gain (loss) on investments and foreign currency.....	5,435	12,694	273,922	87,544	(15,281)
Net unrealized appreciation (depreciation) of investments and foreign currency.....	752,535	1,096,446	1,672,853	(6,443,184)	(2,333,461)
	-----	-----	-----	-----	-----
NET ASSETS.....	\$21,731,091	\$16,043,218	\$31,984,880	\$69,627,940	\$15,926,114
	-----	-----	-----	-----	-----

Shares outstanding at end of period.....	600,331	500,394	1,200,467	2,000,302	900,571
Net asset value, offering and redemption price per share.....	\$ 36.20	\$ 32.06	\$ 26.64	\$ 34.81	\$ 17.68
Cost of investments.....	\$21,896,281	\$14,981,708	\$40,354,848	\$82,722,579	\$18,069,789
Cost of foreign currency.....	\$ 152,199	\$ 129,164	\$ 178,310	\$ 342,290	\$ 123,073

</TABLE>

37

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
STATEMENTS OF ASSETS AND LIABILITIES
OCTOBER 31, 1996

	UK INDEX SERIES	US INDEX SERIES
	-----	-----
ASSETS		
Investments, at value.....	\$ 13,257,922	\$ 17,049,341
Foreign currency.....	57,489	0
Cash.....	15,366	163,855
Interest receivable.....	195	0
Dividends receivable.....	74,238	24,632
Foreign withholding tax reclaim receivable....	16,972	0
Deferred organization costs.....	218,240	217,425
Prepaid expenses.....	1,095	2,388
Receivable from Adviser for expense reimbursement.....	10,794	0
TOTAL ASSETS.....	13,652,311	17,457,641
LIABILITIES		
Payable upon return of securities loaned.....	0	0
Distribution fees payable.....	3,542	9,476
Organization costs payable.....	0	43,213
Accounts payable and accrued expenses.....	213,668	215,813
TOTAL LIABILITIES.....	217,210	268,502
NET ASSETS.....	\$ 13,435,101	\$ 17,189,139
NET ASSETS CONSIST OF:		
Paid-in capital, \$.001 par value (Authorized 200,000,000 shares per Series).....	\$ 11,539,203	\$ 15,873,881
Undistributed net investment income.....	213,332	65,354
Undistributed net realized gain on investments and foreign currency.....	36,498	19,185
Net unrealized appreciation of investments and foreign currency.....	1,646,068	1,230,719
NET ASSETS.....	\$ 13,435,101	\$ 17,189,139
Shares outstanding at end of period.....		
Net asset value, offering and redemption price per share.....	\$ 44.74	\$ 57.26
Cost of investments.....	\$ 11,617,142	\$ 15,818,622
Cost of foreign currency.....	\$ 55,593	\$ 0

The accompanying notes are an integral part of the financial statements.

38

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
STATEMENTS OF OPERATIONS
FOR THE PERIOD FROM COMMENCEMENT OF OPERATIONS TO OCTOBER 31, 1996

<TABLE>
<CAPTION>

AUSTRALIA INDEX SERIES	FRANCE INDEX SERIES
-----	-----
(3/25/96 - 10/31/96)	(3/28/96 - 10/31/96)
<C>	<C>

<S>

INVESTMENT INCOME		
Dividend income.....	\$ 352,753	\$ 976,642
Less: foreign withholding taxes.....	(6,218)	(122,817)
	-----	-----
Net dividend income.....	346,535	853,825
Interest income.....	1,394	823
Interest income from securities lending.....	6,067	32,452
	-----	-----
TOTAL INCOME.....	353,996	887,100
	-----	-----
EXPENSES		
Investment management fees.....	24,739	84,540
Distribution fees.....	18,594	59,633
Administration fees.....	63,046	62,186
Custody and accounting fees.....	62,462	63,510
Transfer agent fees.....	26,369	26,010
Legal fees.....	28,521	28,520
Audit fees.....	18,500	26,500
Directors' fees and expenses.....	6,297	6,297
Reports to shareholders.....	20,842	20,842
Registration fees.....	3,227	12,878
NYSE listing fees.....	11,319	17,303
Amortization of organization costs.....	29,896	29,488
Other expenses.....	18,441	22,779
	-----	-----
TOTAL EXPENSES.....	332,253	460,486
Administration fees waived by Administrator.....	(10,316)	(9,457)
Investment management fees waived by Adviser.....	(24,739)	(84,540)
Expenses borne by Adviser.....	(222,822)	(127,957)
	-----	-----
NET EXPENSES.....	74,376	238,532
	-----	-----
NET INVESTMENT INCOME.....	279,620	648,568
	-----	-----
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY		
Net realized gain (loss) on:		
Investments.....	22,714	295,487
Foreign currency transactions.....	(764)	(7,188)
Net change in unrealized appreciation/depreciation on:		
Investments.....	722,256	2,018,094
Foreign currency translation.....	257	3,840
	-----	-----
NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS AND FOREIGN CURRENCY.....	744,463	2,310,233
	-----	-----
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$1,024,083	\$2,958,801
	-----	-----

</TABLE>

The accompanying notes are an integral part of the financial statements.

39

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
STATEMENTS OF OPERATIONS
FOR THE PERIOD FROM COMMENCEMENT OF OPERATIONS TO OCTOBER 31, 1996

<TABLE>

<CAPTION>

	GERMANY INDEX SERIES	HONG KONG INDEX SERIES
	-----	-----
	(3/22/96 - 10/31/96)	(3/25/96 - 10/31/96)
<S>		
<C>		
<C>		
INVESTMENT INCOME		
Dividend income.....	\$ 315,009	\$ 750,018
Less: foreign withholding taxes.....	(31,501)	0
	-----	-----
Net dividend income.....	283,508	750,018
Interest income.....	369	294
Interest income from securities lending.....	2,320	3,817
	-----	-----
TOTAL INCOME.....	286,197	754,129

EXPENSES		
Investment management fees.....	39,231	74,908
Distribution fees.....	31,919	40,767
Administration fees.....	63,905	63,045
Custody and accounting fees.....	63,030	72,974
Transfer agent fees.....	26,729	26,369
Legal fees.....	28,521	28,521
Audit fees.....	18,500	18,500
Directors' fees and expenses.....	6,297	6,297
Reports to shareholders.....	20,842	20,842
Registration fees.....	6,571	4,501
NYSE listing fees.....	9,849	11,316
Amortization of organization costs.....	30,303	29,896
Other expenses.....	19,810	20,897
TOTAL EXPENSES.....	365,507	418,833
Administration fees waived by Administrator.....	(11,176)	(10,316)
Investment management fees waived by Adviser.....	(39,231)	(74,908)
Expenses borne by Adviser.....	(187,511)	(170,538)
NET EXPENSES.....	127,589	163,071
NET INVESTMENT INCOME.....	158,608	591,058
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY		
Net realized gain (loss) on:		
Investments.....	4,581	374,442
Foreign currency transactions.....	854	(251)
Net change in unrealized appreciation/depreciation on:		
Investments.....	751,087	1,096,458
Foreign currency translation.....	1,448	(12)
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY.....	757,970	1,470,637
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....	\$ 916,578	\$2,061,695

</TABLE>

The accompanying notes are an integral part of the financial statements.

<TABLE>
<CAPTION>

	ITALY INDEX SERIES	JAPAN INDEX SERIES	SOUTH AFRICA INDEX SERIES	UK INDEX SERIES	US INDEX SERIES
	(3/28/96 10/31/96)	(3/22/96 - 10/31/96)	(4/1/96 - 10/31/96)	(3/26/96 - 10/31/96)	(3/20/96 - 10/31/96)
<S>	<C>	<C>	<C>	<C>	<C>
INVESTMENT INCOME					
Dividend income.....	\$ 755,098	\$ 536,079	\$ 245,526	\$333,663	\$349,538
Less: foreign withholding taxes.....	(109,766)	(80,413)	0	(48,243)	0
Net dividend income.....	645,332	455,666	245,526	285,420	349,538
Interest income.....	3,523	0	0	1,283	0
Interest income from securities lending.....	25,815	16,787	0	0	0
TOTAL INCOME.....	674,670	472,453	245,526	286,703	349,538
EXPENSES					
Investment management fees.....	69,272	146,763	43,588	22,011	33,415
Distribution fees.....	49,121	116,707	24,216	18,343	41,768
Administration fees.....	62,186	63,905	61,039	62,759	64,470
Custody and accounting fees.....	61,227	83,618	60,249	68,414	83,966
Transfer agent fees.....	26,010	26,729	25,530	26,249	26,969
Legal fees.....	28,521	28,521	28,521	28,521	28,521
Audit fees.....	26,500	36,500	18,500	18,500	18,500
Directors' fees and expenses.....	6,297	6,297	6,297	6,297	6,297
Reports to shareholders.....	20,842	20,842	20,842	20,842	20,842
Registration fees.....	9,222	23,289	5,761	3,761	4,982

NYSE listing fees.....	18,874	68,289	5,414	14,238	9,847
Amortization of organization costs.....	29,488	30,304	28,945	29,760	30,575
Other expenses.....	21,681	28,590	19,090	18,421	20,801
	-----	-----	-----	-----	-----
TOTAL EXPENSES.....	429,241	680,354	347,992	338,116	390,953
Administration fees waived by Administrator.....	(9,457)	(11,176)	(8,310)	(10,030)	(11,742)
Investment management fees waived by Adviser.....	(69,272)	(146,763)	(43,588)	(22,011)	(33,415)
Expenses borne by Adviser.....	(154,027)	(55,587)	(199,231)	(232,704)	(178,696)
	-----	-----	-----	-----	-----
NET EXPENSES.....	196,485	466,828	96,863	73,371	167,100
	-----	-----	-----	-----	-----
NET INVESTMENT INCOME.....	478,185	5,625	148,663	213,332	182,438
	-----	-----	-----	-----	-----
REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY					
Net realized gain (loss) on:					
Investments.....	273,922	100,861	(15,281)	30,567	321,969
Foreign currency transactions.....	(2,457)	(18,942)	(15,557)	5,931	0
Net change in unrealized appreciation/depreciation on:					
Investments.....	1,672,918	(6,433,226)	(2,330,744)	1,640,780	1,230,719
Foreign currency translation.....	(65)	(9,958)	(2,717)	5,288	0
	-----	-----	-----	-----	-----
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY.....	1,944,318	(6,361,265)	(2,364,299)	1,682,566	1,552,688
	-----	-----	-----	-----	-----
NET INCREASE (DECREASE) IN NET ASSETS RESULTING FROM OPERATIONS.....	\$2,422,503	\$(6,355,640)	\$(2,215,636)	\$1,895,898	\$1,735,126
	-----	-----	-----	-----	-----

</TABLE>

41

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE PERIOD FROM COMMENCEMENT OF OPERATIONS TO OCTOBER 31, 1996

<TABLE>
<CAPTION>

	AUSTRALIA INDEX SERIES	FRANCE INDEX SERIES
	-----	-----
<S>	<C> (3/25/96 - 10/31/96)	<C> (3/28/96 - 10/31/96)
INCREASE (DECREASE) IN NET ASSETS		
Operations:		
Net investment income.....	\$ 279,620	\$ 648,568
Net realized gain (loss) on:		
Investments.....	22,714	295,487
Foreign currency transactions.....	(764)	(7,188)
Net change in unrealized appreciation/depreciation on:		
Investments.....	722,256	2,018,094
Foreign currency translation.....	257	3,840
	-----	-----
Net increase (decrease) in net assets resulting from operations.....	1,024,083	2,958,801
	-----	-----
Dividends and distributions to shareholders from:		
Net investment income.....	0	0
	-----	-----
Capital share transactions (1):		
Net proceeds from sale of shares.....	13,772,077	49,252,505
Net cost of redemptions.....	(4,011,646)	(7,648,891)
	-----	-----
Net increase in net assets from capital share transactions.....	9,760,431	41,603,614
	-----	-----
Total increase.....	10,784,514	44,562,415
	-----	-----
Net assets:		
Beginning of period.....	11,487	11,499
	-----	-----
End of period (2).....	\$10,796,001	\$44,573,914

(1) Shares sold.....	700,000	1,300,000
Shares redeemed.....	(200,000)	(200,000)
Net increase in shares outstanding.....	500,000	1,100,000
(2) Including undistributed net investment income.....	\$ 278,856	\$ 641,380

</TABLE>

The accompanying notes are an integral part of the financial statements.

42

<TABLE>
<CAPTION>

	GERMANY INDEX SERIES	HONG KONG INDEX SERIES	ITALY INDEX SERIES
<S>	<C>	<C>	<C>
	(3/22/96 - 10/31/96)	(3/25/96 - 10/31/96)	(3/28/96 - 10/31/96)
INCREASE (DECREASE) IN NET ASSETS			
Operations:			
Net investment income.....	\$ 158,608	\$ 591,058	\$ 478,185
Net realized gain (loss) on:			
Investments.....	4,581	374,442	273,922
Foreign currency transactions.....	854	(251)	(2,457)
Net change in unrealized appreciation/depreciation on:			
Investments.....	751,087	1,096,458	1,672,918
Foreign currency translation.....	1,448	(12)	(65)
Net increase (decrease) in net assets resulting from operations.....	916,578	2,061,695	2,422,503
Dividends and distributions to shareholders from:			
Net investment income.....	0	0	0
Capital share transactions (1):			
Net proceeds from sale of shares.....	20,803,037	29,252,928	29,550,884
Net cost of redemptions.....	0	(15,282,886)	0
Net increase in net assets from capital share transactions.....	20,803,037	13,970,042	29,550,884
Total increase.....	21,719,615	16,031,737	31,973,387
Net assets:			
Beginning of period.....	11,476	11,481	11,493
End of period (2).....	\$21,731,091	\$16,043,218	\$31,984,880
(1) Shares sold.....	600,000	1,000,000	1,200,000
Shares redeemed.....	0	(500,000)	0
Net increase in shares outstanding.....	600,000	500,000	1,200,000
(2) Including undistributed net investment income.....	\$ 158,608	\$ 590,807	\$ 475,728

<CAPTION>

	JAPAN INDEX SERIES	SOUTH AFRICA INDEX SERIES
<S>	<C>	<C>
	(3/22/96 - 10/31/96)	(4/1/96 - 10/31/96)
INCREASE (DECREASE) IN NET ASSETS		

Operations:		
Net investment income.....	\$ 5,625	\$ 148,663
Net realized gain (loss) on:		
Investments.....	100,861	(15,281)
Foreign currency transactions.....	(18,942)	(15,557)
Net change in unrealized appreciation/depreciation on:		
Investments.....	(6,433,226)	(2,330,744)
Foreign currency translation.....	(9,958)	(2,717)
	-----	-----
Net increase (decrease) in net assets resulting from operations.....	(6,355,640)	(2,215,636)
	-----	-----
Dividends and distributions to shareholders from:		
Net investment income.....	0	0
	-----	-----
Capital share transactions (1):		
Net proceeds from sale of shares.....	75,972,110	18,130,256
Net cost of redemptions.....	0	0
	-----	-----
Net increase in net assets from capital share transactions.....	75,972,110	18,130,256
	-----	-----
Total increase.....	69,616,470	15,914,620
	-----	-----
Net assets:		
Beginning of period.....	11,470	11,494
	-----	-----
End of period (2).....	\$69,627,940	\$15,926,114
	-----	-----
	-----	-----
(1) Shares sold.....	2,000,000	900,000
Shares redeemed.....	0	0
	-----	-----
Net increase in shares outstanding.....	2,000,000	900,000
	-----	-----
	-----	-----
(2) Including undistributed net investment income.....	\$ 0	\$ 133,106

43

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
STATEMENTS OF CHANGES IN NET ASSETS
FOR THE PERIOD FROM COMMENCEMENT OF OPERATIONS TO OCTOBER 31, 1996

</TABLE>
<TABLE>
<CAPTION>

	UK INDEX SERIES	US INDEX SERIES
	(3/26/96 - 10/31/96)	(3/20/96 - 10/31/96)
	<C>	<C>
<S> INCREASE (DECREASE) IN NET ASSETS		
Operations:		
Net investment income.....	\$ 213,332	\$ 182,438
Net realized gain on:		
Investments.....	30,567	321,969
Foreign currency transactions.....	5,931	0
Net change in unrealized appreciation/depreciation on:		
Investments.....	1,640,780	1,230,719
Foreign currency translation.....	5,288	0
	-----	-----
Net increase in net assets resulting from operations.....	1,895,898	1,735,126
	-----	-----
Dividends and distributions to shareholders from:		
Net investment income.....	0	(117,084)
	-----	-----

Capital share transactions (1):		
Net proceeds from sale of shares.....	11,527,715	31,884,000
Net cost of redemptions.....	0	(16,324,381)
	-----	-----
Net increase in net assets from capital share transactions.....	11,527,715	15,559,619
	-----	-----
Total increase.....	13,423,613	17,177,661
Net assets:		
Beginning of period.....	11,488	11,478
	-----	-----
End of period (2).....	\$ 13,435,101	\$ 17,189,139
	-----	-----
(1) Shares sold.....	300,000	600,000
Shares redeemed.....	0	(300,000)
	-----	-----
Net increase in shares outstanding.....	300,000	300,000
	-----	-----
(2) Including undistributed net investment income.....	\$ 213,332	\$ 65,354

</TABLE>

The accompanying notes are an integral part of the financial statements.

44

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
FINANCIAL HIGHLIGHTS
SELECTED DATA FOR A SHARE OF COMMON STOCK OUTSTANDING THROUGHOUT THE PERIOD
INDICATED

<TABLE>

<CAPTION>

	AUSTRALIA INDEX SERIES	FRANCE INDEX SERIES
	-----	-----
	(3/25/96 - 10/31/96)	(3/28/96 - 10/31/96)
<S>	<C>	<C>
Net asset value at beginning of period.....	\$ 19.67	\$ 37.70
	-----	-----
INVESTMENT OPERATIONS:		
Net investment income (a).....	0.56	0.59
Net realized and unrealized gain on investments and foreign currency.....	1.34	2.22
	-----	-----
INCREASE FROM INVESTMENT OPERATIONS.....	1.90	2.81
	-----	-----
DISTRIBUTIONS FROM NET INVESTMENT INCOME.....	0.00	0.00
	-----	-----
NET ASSET VALUE AT END OF PERIOD.....	\$ 21.57	\$ 40.51
	-----	-----
MARKET PRICE AT END OF PERIOD.....	\$ 21.50	\$ 40.625
	-----	-----
TOTAL RETURN BASED ON:		
Net asset value *(b).....	9.66%	7.45%
Market price *(b).....	7.50%	5.52%
RATIOS AND SUPPLEMENTAL DATA:		
Net assets at end of period (000's).....	\$ 10,796	\$ 44,574
Ratios to average net assets:		
Expenses **(a).....	1.00%	1.00%
Net investment income **(a).....	3.76%	2.72%
Portfolio turnover rate *(c).....	4.07%	7.82%
Average brokerage commissions (d).....	\$ 0.0074	\$ 0.0530

</TABLE>

* Not annualized.

** Annualized.

(a) Net of certain fees and expenses waived and/or reimbursed by the Administrator and the Adviser. Had the Administrator and the Adviser not

undertaken to waive and/or reimburse such fees and expenses, net investment income per share and the ratios of expenses to average net assets would have been as follows: Australia Index Series, \$0.04 and 4.47% and France Index Series, \$0.39 and 1.93%, respectively.

- (b) Total return based on net asset value, excluding the effect of shareholder transaction charges, assumes a purchase of common stock at the net asset value on the commencement date of operations and a sale on the last day of the period, also at net asset value. Total return based on market price, excluding the effect of brokerage commissions, assumes a purchase of common stock at the opening price on the New York Stock Exchange on the commencement date of trading and a sale on the last day of the period at the closing market price. During the period, total return based on net asset value would have been lower had certain fees and expenses not been waived and/or reimbursed by the Administrator and the Adviser.
- (c) Excludes securities received or delivered resulting from capital share transactions in Creation Unit(s).
- (d) Represents average brokerage commission rate per share of total security trades on which brokerage commissions were charged.

The accompanying notes are an integral part of the financial statements.

THE COUNTRYBASKETS(SM) INDEX FUND, INC.
FINANCIAL HIGHLIGHTS
SELECTED DATA FOR A SHARE OF COMMON STOCK OUTSTANDING THROUGHOUT THE PERIOD
INDICATED

	GERMANY INDEX SERIES	HONG KONG INDEX SERIES
	(3/22/96 - 10/31/96)	(3/25/96 - 10/31/96)
<S>	<C>	<C>
Net asset value at beginning of period.....	\$ 34.67	\$ 29.14
INVESTMENT OPERATIONS:		
Net investment income (a).....	0.26	1.18
Net realized and unrealized gain (loss) on investments and foreign currency.....	1.27	1.74
INCREASE (DECREASE) FROM INVESTMENT OPERATIONS....	1.53	2.92
DISTRIBUTIONS FROM NET INVESTMENT INCOME.....	0.00	0.00
NET ASSET VALUE AT END OF PERIOD.....	\$ 36.20	\$ 32.06
MARKET PRICE AT END OF PERIOD.....	\$ 36.125	\$ 32.00
TOTAL RETURN BASED ON:		
Net asset value *(b).....	4.41%	10.02%
Market price *(b).....	3.21%	8.02%
RATIOS AND SUPPLEMENTAL DATA:		
Net assets at end of period (000's).....	\$ 21,731	\$ 16,043
Ratios to average net assets:		
Expenses **(a).....	1.00%	1.00%
Net investment income **(a).....	1.24%	3.62%
Portfolio turnover rate *(c).....	2.83%	3.22%
Average brokerage commissions (d).....	\$ 0.0951	\$ 0.0041

</TABLE>

* Not annualized.

** Annualized.

- (a) Net of certain fees and expenses waived and/or reimbursed by the Administrator and the Adviser. Had the Administrator and the Adviser not undertaken to waive and/or reimburse such fees and expenses, net investment income per share and the ratios of expenses to average net assets would have been as follows: Germany Index Series, \$(0.13) and 2.86%; Hong Kong Index Series, \$0.67 and 2.57%; Italy Index Series, \$0.20 and 2.18%; Japan Index Series, \$(0.10) and 1.46%; South Africa Index Series, \$(0.11) and 3.59%; UK Index Series, \$(0.17) and 4.61%; and US Index Series, \$(0.14) and 2.34%.
- (b) Total return based on net asset value, excluding the effect of shareholder transaction charges, assumes a purchase of common stock at the net asset

value on the commencement date of operations and a sale on the last day of the period, also at net asset value. Total return based on market price, excluding the effect of brokerage commissions, assumes a purchase of common stock at the opening price on the New York Stock Exchange on the commencement date of trading and a sale on the last day of the period at the closing market price. During the period, total return based on net asset value would have been lower had certain fees and expenses not been waived and/or reimbursed by the Administrator and the Adviser.

- (c) Excludes securities received or delivered resulting from capital share transactions in Creation Unit(s).
- (d) Represents average brokerage commission rate per share of total security trades on which brokerage commissions were charged.

The accompanying notes are an integral part of the financial statements.

<TABLE>
<CAPTION>

	ITALY INDEX SERIES	JAPAN INDEX SERIES	SOUTH AFRICA INDEX SERIES
	(3/28/96 - 10/31/96)	(3/22/96 - 10/31/96)	(4/1/96 - 10/31/96)
<S>	<C>	<C>	
Net asset value at beginning of period.....	\$ 24.61	\$ 37.98	\$ 20.13
INVESTMENT OPERATIONS:			
Net investment income (a).....	0.40	0.00	0.17
Net realized and unrealized gain (loss) on investment and foreign currency.....	1.63	(3.17)	(2.62)
INCREASE (DECREASE) FROM INVESTMENT OPERATIONS....	2.03	(3.17)	(2.45)
DISTRIBUTIONS FROM NET INVESTMENT INCOME.....	0.00	0.00	0.00
NET ASSET VALUE AT END OF PERIOD.....	\$ 26.64	\$ 34.81	\$ 17.68
MARKET PRICE AT END OF PERIOD.....	\$ 26.75	\$34.875	\$ 17.75
TOTAL RETURN BASED ON:			
Net asset value *(b).....	8.25%	(8.35)%	(12.17%)
Market price *(b).....	7.00%	(10.86)%	(10.13%)
RATIOS AND SUPPLEMENTAL DATA:			
Net assets at end of period (000's).....	\$ 31,985	\$69,628	\$ 15,926
Ratios to average net assets:			
Expenses **(a).....	1.00%	1.00%	1.00%
Net investment income **(a).....	2.43%	0.01%	1.53%
Portfolio turnover rate *(c).....	18.49%	5.31%	2.19%
Average brokerage commissions (d).....	\$ 0.0030	\$0.0156	\$ 0.0163

<CAPTION>

	UK INDEX SERIES	US INDEX SERIES
	(3/26/96) - 10/31/96)	(3/20/96 - 10/31/96)
<S>	<C>	<C>
Net asset value at beginning of period.....	\$ 38.42	\$ 53.14
INVESTMENT OPERATIONS:		
Net investment income (a).....	0.71	0.61
Net realized and unrealized gain (loss) on investments and foreign currency.....	5.61	3.90
INCREASE (DECREASE) FROM INVESTMENT OPERATIONS....	6.32	4.51
DISTRIBUTIONS FROM NET INVESTMENT INCOME.....	0.00	(0.39)
NET ASSET VALUE AT END OF PERIOD.....	\$ 44.74	\$ 57.26

MARKET PRICE AT END OF PERIOD.....	\$ 45.00	\$ 57.00
	-----	-----
	-----	-----
TOTAL RETURN BASED ON:		
Net asset value *(b).....	16.45%	8.50%
Market price *(b).....	17.65%	7.29%
RATIOS AND SUPPLEMENTAL DATA:		
Net assets at end of period (000's).....	\$13,435	\$17,189
Ratios to average net assets:		
Expenses **(a).....	1.00%	1.00%
Net investment income **(a).....	2.91%	1.09%
Portfolio turnover rate *(c).....	3.19%	1.45%
Average brokerage commissions (d).....	\$0.0080	\$0.0419

</TABLE>

47

THE COUNTRYBASKETS (SM) INDEX FUND, INC.
NOTES TO FINANCIAL STATEMENTS
OCTOBER 31, 1996

NOTE 1 -- ORGANIZATION

The CountryBaskets(SM) Index Fund, Inc. (the 'Fund') was incorporated under the laws of the State of Maryland on August 8, 1994. The Fund is registered under the Investment Company Act of 1940 as an open-end, non-diversified management investment company. The Fund currently has outstanding shares of nine common stock series: the Australia Index Series; the France Index Series; the Germany Index Series; the Hong Kong Index Series; the Italy Index Series; the Japan Index Series; the South Africa Index Series; the UK Index Series; and the US Index Series (each, a 'Series').

The primary investment objective of each Series is to provide investment results that substantially correspond to the price and yield performance of a broad-based index of publicly traded equity securities in a particular country. To achieve this investment objective, each Series seeks to provide investment results that substantially correspond to the price and yield performance of its respective country component of the FT/S&P Actuaries World Indices (Trademark) (the 'FT Index').

The Series commenced operations on the following dates: the Australia Index Series, March 25, 1996; the France Index Series, March 28, 1996; the Germany Index Series, March 22, 1996; the Hong Kong Index Series, March 25, 1996; the Italy Index Series, March 28, 1996; the Japan Index Series, March 22, 1996; the South Africa Index Series, April 1, 1996; the UK Index Series, March 26, 1996; and the US Index Series, March 20, 1996.

NOTE 2 -- SIGNIFICANT ACCOUNTING POLICIES

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts and disclosures in the financial statements. Actual results could differ from those estimates. The following is a summary of significant accounting policies followed by the Fund:

SECURITY VALUATION: Portfolio securities of each Series other than equity securities held by the UK Index Series are valued at the last quoted sales price on the securities exchange or national securities market on which such securities are primarily traded. Equity securities held by the UK Index Series are valued based on the arithmetic mean of the closing bid and asked prices on the London Stock Exchange. Securities not listed on an exchange or national securities market, or securities for which there were no purchase or sale transactions, are valued at the arithmetic mean of the most recent bid and asked prices, or if no asked price is available, at the bid price. When market quotations are not readily available, portfolio securities are valued based on their fair value as determined in good faith by the Board of Directors. Other investments are valued at their redemption value.

48

INVESTMENT TRANSACTIONS: Investment transactions are recorded on the trade date. Cost of securities sold/delivered is calculated using the identified cost method. Dividend income is recorded on the ex-dividend date and interest income is recorded on an accrual basis. Such dividend income and interest income is recorded net of the unrecoverable portion of any applicable foreign withholding tax.

FOREIGN CURRENCY TRANSLATION: The books and records of the Fund are maintained in US dollars. Assets and liabilities denominated in foreign currency amounts are translated into US dollars at the relevant foreign exchange rate for each Series in effect at 4:00 p.m., London time. Purchases and sales of investment securities, income and expenses are reported at the prevailing exchange rate on the respective dates of such transactions. The resultant gains and losses arising from exchange rate fluctuations are identified separately in the Statements of Operations, except for such amounts attributable to investments which are included in net realized and unrealized gains and losses on investments. Foreign investments may involve certain considerations and risks not typically associated with those of domestic origin as a result of, among others, the possibility of political and economic developments and the level of governmental supervision and regulation of foreign securities markets.

FEDERAL INCOME TAXES: It is the policy of the Fund for each Series to qualify for and elect treatment as a 'regulated investment company' under Subchapter M of the Internal Revenue Code, as amended. Accordingly, each Series would not be subject to U.S. federal income taxes to the extent it distributes all of its taxable income including any net realized capital gains for each fiscal year. In addition, by distributing, during each calendar year, substantially all of its net investment income and capital gains, if any, each Series would not be subject to U.S. federal excise tax.

As of October 31, 1996, the following Series had net capital loss carryforwards which may be used to offset future capital gains:

SERIES	AMOUNT	EXPIRATION DATE
		OCTOBER 31,
Australia Index Series	\$ 379	2004
South Africa Index Series	13,139	2004

EXPENSES: Expenses are recorded on an accrual basis. Expenses of the Series which are directly identifiable to a specific Series are allocated to that Series. Expenses not directly attributed to a specific Series are allocated among the Series in such a manner as deemed equitable by the Board of Directors.

DISTRIBUTION TO SHAREHOLDERS: Dividends from net investment income of all Series other than the US Index Series are declared and paid at least annually and, in the case of the US Index Series, quarterly. Capital gains of each Series, if any, are distributed at least annually. Dividends and capital gains distributions are distributed by each Series in US dollars. The Fund records all distributions to shareholders on the ex-dividend date.

Income and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. These differences, which could be temporary or permanent in nature, may result in reclassification of distributions; however, net investment income, net realized gains and net assets are not affected.

During the period ended October 31, 1996, the Fund reclassified permanent book and tax differences as follows:

<TABLE>
<CAPTION>

SERIES	INCREASE (DECREASE) IN		
	UNDISTRIBUTED NET INVESTMENT INCOME	UNDISTRIBUTED AND ACCUMULATED NET REALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCY	PAID-IN CAPITAL
<S>	<C>	<C>	<C>
Australia Index Series.....	\$ (764)	\$ (22,329)	\$ 23,093
France Index Series.....	(7,188)	(93,052)	100,240
Germany Index series.....	0	0	0
Hong Kong Index Series.....	(251)	(361,497)	361,748
Italy Index Series.....	(2,457)	2,457	0
Japan Index Series.....	(5,625)	5,625	0
South Africa Index Series.....	(15,557)	15,557	0
UK Index Series.....	0	0	0
US Index Series.....	0	(302,784)	302,784

</TABLE>

DEFERRED ORGANIZATION COSTS: The costs of organizing the Fund were paid by Deutsche Morgan Grenfell Inc. ('DMG'), investment adviser to the Fund (the 'Adviser'). Such organization costs, for which DMG will be reimbursed by the Fund, have been deferred and are being amortized ratably over a period of sixty months from the respective commencement of operations for each of the Series. As of October 31, 1996, the amounts of organization costs payable to DMG, net of its investment management fees waivers and expense reimbursements, are shown in the statements of assets and liabilities.

In the event that during the amortization period the initial shares of each Series issued to the Fund's distributor, ALPS Mutual Funds Services, Inc., are redeemed, the redemption proceeds will be reduced by the pro rata share of the unamortized organization costs as of the date of such redemption.

LOANS OF PORTFOLIO SECURITIES: Each Series of the Fund, with the exception of the UK Index Series, may lend portfolio securities while it continues to earn dividends on such securities loaned. In connection with the lending of the

portfolio of securities, the Series receives total collateral in an amount at least equal to 105 percent of the market value of the securities loaned at the inception of the loan. The value of the portfolio securities loaned is marked-to-market on a daily basis and additional collateral is requested from the borrower, as necessary, to ensure that its value is at least equal to 100 percent of the securities loaned at all times. Cash collateral received is invested in a short-term instrument, State Street Bank and Trust Company of New Hampshire, NA Securities Lending Quality Trust. Interest income earned on the investment of the collateral plus reimbursement for management fees associated with such investment, in excess of rebates to the borrower, is recorded on an accrual basis. Income earned on non-cash collateral is based on a percentage of the market value of the securities loaned and is recorded on an accrual basis. If the borrower defaults and the value of the portfolio securities increases in excess of the collateral received or if bankruptcy proceedings commence with respect to the borrower of the security, realization of the value of the securities loaned may be delayed or limited.

NOTE 3 -- SIGNIFICANT AGREEMENTS AND TRANSACTIONS WITH AFFILIATES

The Fund has entered into an Investment Management Agreement (the 'Management Agreement') with DMG, an indirect subsidiary of Deutsche Bank AG. As the Adviser, DMG provides investment advisory, management and certain administrative services, including services in connection with the lending of portfolio securities. For its services, DMG is entitled to receive a fee from each Series at an annual rate of .20% of the average daily net assets, in the case of the US Index Series, .45% of the average daily net assets in the case of the Hong Kong

50

Index Series and the South Africa Index Series, and .30% of the average daily net assets of each other Series, plus, in the case of each Series, 40% of the gross investment income less dividends on securities held in the portfolio. The Management Agreement also provides that DMG will be reimbursed for out-of-pocket expenses incurred in providing certain administrative services.

The Fund has entered into an Administration Agreement with State Street Bank and Trust Company (the 'Administrator'). Under the Administration Agreement, the Fund pays compensation to the Administrator at the following annual rates based on the average daily net assets of each Series taken separately: .08% of the first \$125 million of each Series' average daily net assets, .06% of the next \$125 million of each Series' average daily net assets and .04% of each Series' average daily net assets in excess of \$250 million, subject to a minimum annual fee of \$95,000 per Series. State Street Bank and Trust Company also serves as custodian and transfer agent of the Fund, and the fees paid for such services are shown in the statements of operations.

ALPS Mutual Funds Services, Inc. (the 'Distributor') serves as distributor of the shares of the Series. The Fund has established a Rule 12b-1 plan for each Series (each, a 'Plan'), pursuant to which each Series pays the Distributor a distribution services fee for activities intended to result in the sale of shares of the Series. Under a separate marketing agreement, the Distributor is also paid a marketing fee, receives contributions from the Fund toward certain

bonus payments to be made to the Distributor, and is reimbursed for certain expenses. Each Series also pays certain expenses relating to printing and distributing prospectuses and makes payments due to dealers and other persons for marketing and stockholder services, including payments to each such person entering into an investor services agreement with the Distributor. All payments to the Distributor and such dealers and other persons by each Series, and all reimbursements to the Distributor or the Adviser for their respective costs incurred in producing advertising or marketing material prepared at the request

of the Series, are made under the Plan of such Series and will not exceed in the aggregate, on an annualized basis, .25% of the average daily net assets of the Series.

Pursuant to the Management Agreement with the Fund, DMG has entered into a Securities Lending Agency Agreement (the 'Lending Agreement') with State Street Bank and Trust Company ('SSBT' or the 'Lending Agent'), whereby DMG has authorized SSBT as its agent to lend available portfolio securities of each Series to, and receive and invest cash collateral from, approved borrowers in accordance with terms set forth in the Lending Agreement. In consideration of the Lending Agent's services rendered, SSBT is entitled to an agency fee (for lending available securities) and a management fee (for the investment of cash collateral).

As of October 31, 1996 DMG, or affiliates of DMG, owned the following shares of common stock (the 'CB Shares') in each Series:

SERIES	SHARES
Australia Index Series	311,300
France Index Series	364,995
Germany Index Series	320,787
Hong Kong Index Series	325,755
Italy Index Series	319,415
Japan Index Series	752,495
South Africa Index Series	299,500
UK Index Series	53,647
US Index Series	282,302

For the period ending October 31, 1996, DMG received brokerage commissions as a result of executing agency transactions in portfolio securities of the following Series: Australia Index Series, \$1,481; France Index Series,

51

\$384; Germany Index Series, \$570; Hong Kong Index Series, \$2,078; Italy Index Series, \$0; Japan Index Series, \$1,497; South Africa Index Series, \$270; UK Index Series, \$94; and US Index Series, \$57. Certain directors and officers of the Fund are also directors and officers of the Adviser.

FEE WAIVERS AND EXPENSE REIMBURSEMENTS: In order to maintain an expense limitation of 1.00% of the average daily net assets for each Series, the Administrator and the Adviser agreed to waive all or a portion of their respective fees. The Adviser waived its investment management fees and made

reimbursements so that the annualized ratio of operating expenses to average daily net assets of each Series would not exceed 1.00% for the fiscal period ended October 31, 1996.

NOTE 4 -- PORTFOLIO SECURITIES

Purchases and proceeds from the sale of securities, other than obligations of the US government and its agencies and short-term securities, and the value of portfolio securities received and delivered in exchange for CB Shares issued and redeemed, respectively, for the period ending October 31, 1996, were as follows:

<TABLE>
<CAPTION>

SERIES	PURCHASES	SECURITIES RECEIVED	SALES PROCEEDS	SECURITIES DELIVERED
<S>	<C>	<C>	<C>	<C>
Australia Index Series	\$ 829,057	\$13,501,490	\$ 508,009	\$4,000,196
France Index Series	3,398,152	49,367,460	3,121,560	7,630,357
Germany Index Series	602,655	20,779,723	590,417	0
Hong Kong Index Series	2,645,472	28,635,566	841,446	16,058,706
Italy Index Series	8,202,324	27,643,605	5,944,672	0
Japan Index Series	4,644,995	75,042,566	4,044,568	0
South Africa Index Series	990,985	17,454,241	360,156	0
UK Index Series	552,917	11,418,074	384,416	0
US Index Series	388,997	31,804,231	406,293	16,290,282

</TABLE>

NOTE 5 -- PORTFOLIO SECURITIES LOANED

As of October 31, 1996, the market value of the securities loaned and the amount of collateral received with respect to such loans were as follows:

MARKET
VALUE OF

SERIES	SECURITIES	COLLATERAL
	LOANED	RECEIVED
Australia Index Series	\$ 2,730,104	\$ 2,933,436
France Index Series	11,772,231	12,331,358
Germany Index Series	1,188,803	1,265,827
Hong Kong Index Series	212,996	226,380
Italy Index Series	9,375,695	10,179,669
Japan Index Series	6,689,044	7,043,475
South Africa Index Series	0	0
UK Index Series	0	0
US Index Series	0	0

52

NOTE 6 -- CAPITAL

The Fund is authorized to issue 5,000,000,000 shares of common stock. Currently the Board has authorized nine Series of stock and allocated 200,000,000 shares to each Series. The Fund sells and redeems Shares of each Series at their respective net asset value, principally for an in-kind portfolio of equity securities of the relevant FT Index component, together with a cash component. The Fund sells and redeems CB Shares of each Series only in aggregations of a specified number of shares (each, a 'Creation Unit'). The number of CB Shares constituting a Creation Unit is currently 250,000 CB Shares in the case of the Japan Index Series and 100,000 CB Shares in the case of each other Series.

The Fund imposes transaction fees on the cash portion of each purchase and redemption of Series shares (other than shares of the US Index Series). The percentage fee imposed on the cash portion of purchases and redemptions are as follows:

SERIES	PERCENTAGE FEE	PERCENTAGE FEE
	IMPOSED ON CASH PORTION OF PURCHASES	IMPOSED ON CASH PORTION OF REDEMPTIONS
Australia Index Series	1.15%	1.15%
France Index Series	1.00	1.00
Germany Index Series	1.00	1.00
Hong Kong Index Series	1.20	1.20
Italy Index Series	1.00	1.00
Japan Index Series	1.32	1.32
South Africa Index Series	2.00	1.00
UK Index Series	1.50	1.00
US Index Series	0.00	0.00

NOTE 7 -- DIVIDENDS

On December 4, 1996, the Board of Directors of the Fund declared the following dividend for each Series to stockholders of record December 4, 1996, payable on January 6, 1997:

SERIES	PER SHARE AMOUNT
Australia Index Series	\$ 0.78
France Index Series	1.13
Germany Index Series	0.30
Hong Kong Index Series	1.62
Italy Index Series	1.02
Japan Index Series	0.05
South Africa Index Series	0.29
UK Index Series	1.13
US Index Series	0.40

NOTE 8 -- SUBSEQUENT EVENT

On December 20, 1996, the Board of Directors approved and will recommend to stockholders a Plan of Complete Liquidation and Dissolution of the Fund (the 'Plan'). A special stockholders' meeting to consider the Plan is scheduled for

February 7, 1997 for stockholders of record on January 7, 1997. If a majority of the outstanding

53

shares of the Fund vote to approve the Plan, the Fund will be liquidated and the remaining net assets of each Series of the Fund will be distributed to the stockholders of that Series as soon as practicable.

Prior to approval of the Plan by stockholders, trading of the CB Shares on the New York Stock Exchange is expected to continue as before so long as publicly held shares are outstanding. Redemptions of Creation Units at their net asset value will continue to be made in accordance with usual procedures until stockholder approval of the Plan.

The Board of Directors approved the Plan on the recommendation of Deutsche Morgan Grenfell Inc. ('DMG'), the Fund's Adviser. DMG based its recommendation, among other reasons, on the continuing inability of the Fund to attract significant levels of assets.

To limit the per-share expenses absorbed by stockholders who continue to hold CB Shares through the liquidation period, DMG has agreed to maintain a cap on the annualized operating expense ratio of each Series by waiving its investment management fees and reimbursing the Fund for certain other expenses. Through December 31, 1996, the expense cap for all Series will remain at the current 1.00% level. After December 31, 1996, the expense cap for each Series will be revised as follows:

SERIES	REVISED EXPENSE CAP
Australia Index Series	2.50%
France Index Series	1.93
Germany Index Series	2.50
Hong Kong Index Series	2.50
Italy Index Series	2.18
Japan Index Series	1.46
South Africa Index Series	2.50
UK Index Series	2.50
US Index Series	2.33

The revised expense cap for each Series is equal to the operating expense ratio for that Series during fiscal year 1996, excluding the effect of the 1.0% cap in effect at that time, subject to a maximum of 2.5% per annum. DMG will continue to maintain the revised expense caps through the completion of the distribution of the net assets of each Series or, if the Plan is not approved by stockholders, through the date of the stockholders' meeting. DMG has also undertaken to pay the costs of the liquidation, including the expenses of the stockholders' meeting. If the Plan is not approved by stockholders at the special meeting, the Board expects to consider the alternatives then available for the Fund and its stockholders.

REPORT OF INDEPENDENT ACCOUNTANTS

To the Board of Directors and Shareholders of
The CountryBaskets(Service Mark) Index Fund, Inc.

In our opinion, the accompanying statements of assets and liabilities, including the schedules of investments, and the related statements of operations and of changes in net assets and the financial highlights present fairly, in all material respects, the financial position of the Australia Index Series, the France Index Series, the Germany Index Series, the Hong Kong Index Series, the Italy Index Series, the Japan Index Series, the South Africa Index Series, the UK Index Series, and the US Index Series (collectively, the 'Series', which constitute The CountryBaskets(Service Mark) Index Fund, Inc. hereafter referred to as the 'Fund') at October 31, 1996 and the results of each of their operations, the changes in each of their net assets and the financial highlights for the period from each Series' commencement of operations through October 31, 1996, in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as 'financial statements') are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation.

We believe that our audit, which included confirmation of securities at October 31, 1996 by correspondence with the custodian, provides a reasonable basis for the opinion expressed above.

As discussed in Note 8, on December 20, 1996, the Board of Directors approved a plan of liquidation for the Fund.

Price Waterhouse LLP
1177 Avenue of the Americas
New York, New York 10036
December 24, 1996

55

1996 U.S. TAX INFORMATION (UNAUDITED)

Each Series intends to make an election under Internal Revenue Code Section 853 to pass through foreign taxes paid by the Series to its shareholders. During the period ended October 31, 1996, the total amount of foreign taxes that will be passed through to the shareholders and the foreign source income for information reporting purposes are as follows:

<TABLE>
<CAPTION>

SERIES	FOREIGN TAXES PAID	FOREIGN SOURCE INCOME
<S>	<C>	<C>
Australia Index Series	\$ 5,424	\$ 281,024
France Index Series	122,818	658,464
Germany Index Series	48,782	201,778
Hong Kong Index Series	0	588,066
Italy Index Series	80,072	411,455
Japan Index Series	47,204	83,188
South Africa Index Series	0	148,663
UK Index Series	37,581	261,575
US Index Series	0	0

</TABLE>

This information is given to meet certain requirements of the Internal Revenue Code. Shareholders should refer to their Form 1099-DIV to determine the amounts includable on their respective tax returns for 1996.

56

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INVESTMENT ADVISER

Deutsche Morgan Grenfell Inc.
(formerly named 'Deutsche Morgan Grenfell/
C.J. Lawrence Inc.')
31 West 52nd Street
New York, New York 10019

ADMINISTRATOR, CUSTODIAN AND TRANSFER AGENT

State Street Bank and Trust Company
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Boston, Massachusetts 02110

DISTRIBUTOR

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370 Seventeenth Street, Suite 2700
Denver, Colorado 80202

LEGAL COUNSEL

Sullivan & Cromwell
125 Broad Street
New York, New York 10004

INDEPENDENT ACCOUNTANTS

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1177 Avenue of the Americas
New York, New York 10036

DIRECTORS AND OFFICERS

W. Carter McClelland, Chairman and Director
Joseph A. La Corte, President and Director
*+Warner Heineman, Director
*+Lawrence C. McQuade, Director
*+Karl M. von der Heyden, Director
*+Robert H. Wadsworth, Director
Thomas A. Curtis, Vice President and Secretary
Joseph M. Cheung, Vice President and Treasurer

* Directors who are not 'interested persons' of the Fund as such term is used in the Investment Company Act of 1940.

+ Member of the Audit Committee.

This report, including the financial statements herein, is intended for the information of shareholders of the Fund. It may be distributed to prospective investors only when preceded or accompanied by a current prospectus which contains important information concerning the Fund.

SUMMARY OF GENERAL INFORMATION

The CountryBaskets(SM) Index Fund, Inc. (the 'Fund') is a non-diversified management investment company organized as a series fund. The Fund currently has nine series (each, a 'Series'): the Australia Index Series, the France Index Series, the Germany Index Series, the Hong Kong Index Series, the Italy Index Series, the Japan Index Series, the South Africa Index Series, the UK Index Series and the US Index Series.

The primary investment objective of each Series is to provide investment results that substantially correspond to the price and yield performance of a broad-based index of publicly traded equity securities in a particular country. To achieve this investment objective, each Series seeks to provide investment results that substantially correspond to the price and yield performance of its respective country component of the FT/S&P Actuaries World Indices(Trademark).

Shares of each Series (the 'CB Shares(SM)') are listed on the New York Stock Exchange with the following trading symbols:

SERIES	TRADING SYMBOL
Australia CB Shares (SM)	GXA
France CB Shares (SM)	GXF
Germany CB Shares (SM)	GXG
Hong Kong CB Shares (SM)	GXH
Italy CB Shares (SM)	GXI
Japan CB Shares (SM)	GXJ
South Africa CB Shares (SM)	GXR
UK CB Shares (SM)	GXK
US CB Shares (SM)	GXU

SHAREHOLDER INFORMATION

Information about the Fund may be obtained from the Fund's Distributor,
ALPS Mutual Funds Services, Inc. (1-888-8CB-INFO).

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THE COUNTRYBASKETS (SM)
INDEX FUND, INC.

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