

SECURITIES AND EXCHANGE COMMISSION

FORM 485BPOS

Post-effective amendments [Rule 485(b)]

Filing Date: **1994-01-26**
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FILER

IDS SELECTIVE FUND INC

CIK: **52407** | IRS No.: **410839316** | State of Incorporation: **MN** | Fiscal Year End: **1130**
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Business Address
*80 SOUTH 8TH STREET
T33/52
MINNEAPOLIS MN 55440
6123722772*

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933

Post-Effective Amendment No. 77 (File No. 2-10700) X

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940

Amendment No. 27 (File No. 811-499) X

IDS SELECTIVE FUND

IDS Tower 10, Minneapolis, MN 55440

Leslie L. Ogg - 901 S. Marquette Avenue, Suite 2810,
 Minneapolis, MN 55402-3268
 (612) 330-9283

Approximate Date of Proposed Public Offering:

It is proposed that this filing will become effective (check appropriate box)

immediately upon filing pursuant to paragraph (b)

X on Jan. 28, 1994 pursuant to paragraph (b) of rule 485

60 days after filing pursuant to paragraph (a)

on (date) pursuant to paragraph (a) of rule 485

The Registrant has registered an indefinite number or amount of securities under the Securities Act of 1933 pursuant to Section 24(f) of the Investment Company Act of 1940. Registrant's Rule 24f-2 Notice for its most recent fiscal year ended November 30, 1993 was filed on or about Jan. 28, 1994.

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Cross reference sheet showing location in the prospectus and the statement of additional information of the information called for by the items enumerated in Parts A and B of Form N-1A.

Negative answers omitted from prospectus are so indicated.

<TABLE>

<CAPTION>

PART A		PART B	
Item No.	Page Number in Prospectus	Item No.	Page Number in Statement of Additional Information
<C>	<C>	<C>	<C>
1	3	10	26
2	5-6	11	27
3 (a)	6-7	12	NA
(b)	NA		
(c)	6-9	13 (a)	28-31;51-63
		(b)	28-31
4 (a)	5;18-21;21-24	(c)	28
(b)	18-21	(d)	33
(c)	18-21		
5 (a)	22-23	14 (a)	22-23*
(b)	24-25	(b)	22-23*
(c)	NA	(c)	23*
(d)	23		
(e)	24	15 (a)	NA
(f)	24-25	(b)	NA
		(c)	23*
6 (a)	21		
(b)	NA	16 (a)	24-25*
(c)	NA	(b)	44-45

(d)	NA	(c)	NA
(e)	3	(d)	None
(f)	16	(e)	NA
(g)	17-18	(f)	46-47
		(g)	NA
7(a)	24	(h)	50;50
(b)	9	(i)	45;50
(c)	14-15		
(d)	10-11	17(a)	31-33
(e)	NA	(b)	33
(f)	24	(c)	31-33
		(d)	33
8(a)	11-12	(e)	33
(b)	NA		
(c)	11	18(a)	21*
(d)	10;13	(b)	NA
9	None	19(a)	37-41
		(b)	35-37
		(c)	NA
		20	43-44
		21(a)	45-46
		(b)	46
		(c)	NA
		22(a)	NA
		(b)	34-35
		23	50

</TABLE>

*Designates page number in prospectus, which is hereby incorporated in this Statement of Additional Information.

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IDS Selective Fund

Prospectus
Jan. 28, 1994

The goals of IDS Selective Fund, Inc. are current income and the preservation of capital by investing in investment-grade bonds.

This prospectus contains facts that can help you decide if the fund is the right investment for you. Read it before you invest and keep it for future reference.

Additional facts about the fund are in a Statement of Additional Information (SAI), filed with the Securities and Exchange Commission. The SAI, dated Jan. 28, 1994, is incorporated here by reference. For a free copy contact IDS Shareholder Service.

THESE SECURITIES HAVE NOT BEEN APPROVED OR DISAPPROVED BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION, NOR HAS THE SECURITIES AND EXCHANGE COMMISSION OR ANY STATE SECURITIES COMMISSION PASSED UPON THE ACCURACY OR ADEQUACY OF THIS PROSPECTUS. ANY REPRESENTATION TO THE CONTRARY IS A CRIMINAL OFFENSE.

SHARES IN THE FUND ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY BANK, AND SHARES ARE NOT FEDERALLY INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD, OR ANY OTHER AGENCY.

IDS Shareholder Service
P.O. Box 534
Minneapolis, MN
55440-0534
612-671-3733
TTY: 800-846-4852

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The fund in brief

Goals

IDS Selective Fund seeks to provide shareholders with current income and preservation of capital by investing in investment-grade bonds. Because any investment involves risk, achieving these goals cannot be guaranteed. Only shareholders can change the goals.

Types of fund investments

The fund is a diversified mutual fund that invests at least 90% of its net assets, based on market value, in the four highest investment grades of corporate debt securities, certain unrated debt securities the portfolio manager believes have the same investment qualities, government securities, derivative instruments and money market securities. Other investments may include common and preferred stocks and convertible securities. The investments are both U.S. and foreign. Some of the fund's investments may be considered speculative and involve additional investment risks.

Manager and distributor

The fund is managed by IDS Financial Corporation (IDS), a provider of financial services since 1894. IDS currently manages more than \$35 billion in assets for the IDS MUTUAL FUND GROUP. Shares of the fund are sold through IDS Financial Services Inc., a wholly owned subsidiary of IDS.

Portfolio manager

Ray Goodner joined IDS in 1977 and serves as vice president and senior portfolio manager. He has managed this fund since 1985. He also serves as portfolio manager for IDS Global Bond Fund.

Sales charge and fund expenses

Sales charge

When you buy shares, you pay a maximum sales charge of 5% of the public offering price. This charge can be reduced, depending on

your total investments in IDS funds. See "Reductions of the sales charge."

Shareholder transaction expenses
 Maximum sales charge on purchases
 (as a percent of offering price).....5%

Operating expenses

The fund pays certain expenses out of its assets; the expenses are reflected in the fund's daily share price and dividends, and are not charged directly to shareholder accounts. The following chart gives a projection of these expenses -- based on historical expenses.

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Annual fund operating expenses
 (% of average daily net assets):
 Management fee 0.53%
 12b-1 fee 0.04%
 Other expenses 0.15%
 Total 0.72%

Example: Suppose for each year for the next 10 years, fund expenses are as above and annual return is 5%. If you sold your shares at the end of the following years, for each \$1,000 invested, you would pay total expenses of:

1 year	3 years	5 years	10 years
\$57	\$72	\$88	\$135

This example does not represent actual expenses, past or future. Actual expenses may be higher or lower than those shown. Because the fund pays annual distribution fees, shareholders who stay in the fund for more than 20 years may indirectly pay an equivalent of more than a 7.25% sales charge, the maximum permitted by the National Association of Securities Dealers.

Fund expenses include fees paid to IDS for:

- o managing its portfolio, providing investment research and administrative services
- o distribution (known as 12b-1 fees, after the federal rule that authorizes them)
- o transfer agent services, including handling shareholder accounts and records.

Performance

Financial highlights

The information in this table has been audited by KPMG Peat Marwick, independent auditors. The auditors' report and additional information about the performance of the fund is contained in the fund's annual report which, if not included with this prospectus, may be obtained without charge.

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Performance

Financial highlights

Fiscal year ended Nov. 30,
 Per share income and capital changes*

<TABLE>

<CAPTION>

	1993	1992	1991	1990	1989	1988	1987	1986	1985	1984
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value beginning of year	\$9.20	\$8.93	\$8.41	\$8.69	\$8.44	\$8.27	\$9.03	\$8.24	\$7.69	\$8.01
	Income from investment operations:									
Net investment income	.63	.66	.69	.70	.72	.74	.77	.81	.89	.93
Net gains (losses) on securities (both realized and unrealized)	.69	.27	.52	(.30)	.27	.17	(.71)	.79	.55	(.32)
Total from investment operations	1.32	.93	1.21	.40	.99	.91	.06	1.60	1.44	.61
	Less distributions:									

Dividends from net investment income	(.64)	(.66)	(.69)	(.68)	(.74)	(.74)	(.77)	(.81)	(.89)	(.93)
Distributions from realized gains	(.11)	--	--	--	--	--	(.05)	--	--	--
Total distributions	(.75)	(.66)	(.69)	(.68)	(.74)	(.74)	(.82)	(.81)	(.89)	(.93)
Net asset value, end of year	\$9.77	\$9.20	\$8.93	\$8.41	\$8.69	\$8.44	\$8.27	\$9.03	\$8.24	\$7.69

Ratios/supplemental data

Net assets, end of year (in millions)	\$1,737	\$1,541	\$1,403	\$1,196	\$1,167	\$1,081	\$1,101	\$1,181	\$906	\$757
Ratio of expenses to average daily net assets	.72%	.74%	.77%	.76%	.77%	.74%	.75%	.66%	.61%	.63%
Ratio of net income to average daily net assets	6.57%	7.32%	7.94%	8.58%	8.42%	8.67%	8.80%	9.29%	11.37%	12.27%
Portfolio turnover rate (excluding short-term securities)**	30%	62%	59%	54%	79%	86%	74%	108%	176%	92%
Total return***	14.8%	10.8%	15.0%	4.8%	12.3%	11.3%	0.6%	20.2%	19.7%	8.4%

*For a share outstanding throughout the year. Rounded to the nearest cent.

**Portfolio turnover rate for the year 1984 also exclude U.S. government obligations.

***Total return does not reflect payment of a sales charge.

</TABLE>

Total returns

Average annual total returns as of Nov. 30, 1993, on purchases made 1, 5 and 10 years earlier

Purchase made	1 year ago	5 years ago	10 years ago
Selective	+ 9.1%	+10.3%	+11.1%
Lehman Aggregate Bond Index	+10.9%	+11.2%	+11.8%

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Cumulative total returns as of Nov. 30, 1993, on purchases made 1, 5 and 10 years earlier

Purchase made	1 year ago	5 years ago	10 years ago
Selective	9.1%	63.5%	185.7%
Lehman Aggregate Bond Index	10.9%	69.9%	205.6%

These examples show total returns from hypothetical investments in the fund. These returns are compared to those of a popular index for the same periods.

For purposes of calculation, information about the fund assumes a sales charge of 5%, makes no adjustments for taxes an investor may have paid on the reinvested income and capital gains, and covers a period of widely fluctuating securities prices. Returns shown should not be considered a representation of the fund's future performance.

The fund invests primarily in debt securities that may be different from those in the index. The index reflects reinvestment of all distributions and changes in market prices, but excludes brokerage commissions or other fees.

Lehman Aggregate Bond Index is made up of a representative list of government and corporate bonds as well as asset-backed securities and mortgage-backed securities. The index is frequently used as a general measure of bond market performance. However, the securities used to create the index may not be representative of the bonds held in the fund.

Yield

The fund's annualized yield for the 30-day period ended Nov. 30, 1993, was 5.32%.

The fund calculates this 30-day annualized yield by dividing:

- o net investment income per share deemed earned during a 30-day period by

- o the public offering price per share on the last day of the period, and
- o converting the result to a yearly equivalent figure.

The fund's yield varies from day to day, mainly because share values and offering prices (which are calculated daily) vary in response to changes in interest rates. Net investment income normally changes much less in the short run. Thus, when interest rates rise and share values fall, yield tends to rise. When interest rates fall, yield tends to follow.

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Past yields should not be considered an indicator of future yields.

Key terms

Net asset value (NAV) - Value of a single fund share. It is the total market value of all of a fund's investments and other assets, less any liabilities, divided by the number of shares outstanding.

The NAV is the price you receive when you sell your shares. It usually changes from day to day, and is calculated at the close of business, normally 3 p.m. Central time, each business day (any day the New York Stock Exchange is open). NAV generally declines as interest rates increase and rises as interest rates decline.

Public offering price - Price at which you buy shares. It is the NAV plus the sales charge. NAVs and public offering prices of IDS funds are listed each day in major newspapers and financial publications.

Investment income - Dividends and interest earned on securities held by the fund.

Capital gains or losses - Increase or decrease in value of the securities the fund holds. Gains are realized when securities that have increased in value are sold. A fund may also have unrealized gains or losses when securities increase or decrease in value but are not sold.

Distributions - Payments to shareholders of two types: investment income (dividends) and realized net long-term capital gains (capital gains distributions).

Total return - Sum of all of your returns for a given period, assuming you reinvest all distributions. Calculated by taking the total value of shares you own at the end of the period (including shares acquired by reinvestment), less the price of shares you purchased at the beginning of the period.

Average annual total return - The annually compounded rate of return over a given time period (usually two or more years) -- total return for the period converted to an equivalent annual figure.

Yield - Net investment income earned per share for a specified time period, divided by the offering price at the end of the period.

How to buy, exchange or sell shares

How to buy shares

If you're investing in this fund for the first time, you'll need to set up an account. Your financial planner will help you fill out and submit an application. Once your account is set up, you can choose among several convenient ways to invest.

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Important: When opening an account, you must provide IDS with your correct Taxpayer Identification Number (Social Security or Employer Identification number). See "Distributions and taxes."

When you buy shares for a new or existing account, the price you pay per share is determined at the close of business on the day your investment is received and accepted at the Minneapolis headquarters.

Purchase policies:

- o Investments must be received and accepted in the Minneapolis headquarters on a business day before 3 p.m. Central time to be included in your account that day and to receive that day's

share price. Otherwise your purchase will be processed the next business day and you will pay the next day's share price.

- o The minimums allowed for investment may change from time to time.
- o Wire orders can be accepted only on days when your bank, IDS, the fund and Norwest Bank Minneapolis are open for business.
- o Wire purchases are completed when wired payment is received and the fund accepts the purchase.
- o IDS and the fund are not responsible for any delays that occur in wiring funds, including delays in processing by the bank.
- o You must pay any fee the bank charges for wiring.
- o The fund reserves the right to reject any application for any reason.

<TABLE>

<CAPTION>

Three ways to invest

<S>	<C>	<C>
1		
By regular account	Send your check and application (or your name and account number if you have an established account) to: IDS Financial Services Inc. P.O. Box 74 Minneapolis, MN 55440-0074	Minimum amounts Initial investment: \$2,000 Additional investments: \$ 100 Account balances: \$ 300* Qualified retirement accounts: none

Your financial planner will help you with this process.

2		
By scheduled investment plan	Contact your financial planner to set up one of the following scheduled plans: <ul style="list-style-type: none">o automatic payroll deductiono bank authorizationo direct deposit of Social Security checko other plan approved by the fund	Minimum amounts Initial investment: \$100 Additional investments: \$100/mo Account balances: none (on active plans of monthly payments)

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3

By wire	If you have an established account, you may wire money to: Norwest Bank Minneapolis Routing No. 091000019 Minneapolis, MN Attn: Domestic Wire Dept. Give these instructions: Credit IDS Account #00-30-015 for personal account # (your account number) for (your name).	If this information is not included, the order may be rejected and all money received by the fund, less any costs the fund or IDS incurs, will be returned promptly. Minimum amounts Each wire investment: \$1,000
---------	---	--

*If your account balance falls below \$300, IDS will ask you in writing to bring it up to \$300 or establish a scheduled investment plan. If you don't do so within 30 days, your shares can be redeemed and the proceeds mailed to you.

</TABLE>

How to exchange shares

You can exchange your shares of the fund at no charge for shares of any other publicly offered fund in the IDS MUTUAL FUND GROUP available in your state, except IDS Planned Investment Account. For complete information, including fees and expenses, read the prospectus carefully before exchanging into a new fund.

If your exchange request arrives at the Minneapolis headquarters before the close of business, your shares will be redeemed at the net asset value set for that day. The proceeds will be used to purchase new fund shares the same day. Otherwise, your exchange will take place the next business day at that day's net asset value.

For tax purposes, an exchange represents a sale and purchase and may result in a gain or loss. However, you cannot create a tax loss (or reduce a taxable gain) by exchanging from the fund within 91 days of your purchase. For further explanation, see the SAI.

How to sell shares

You can sell (redeem) your shares at any time. IDS Shareholder Service will mail payment within seven days after receiving your request.

When you sell shares, the amount you receive may be more or less than the amount you invested. Your shares will be redeemed at net asset value at the close of business on the day your request is accepted at the Minneapolis headquarters. If your request arrives after the close of business, the price per share will be the net asset value at the close of business on the next business day.

A redemption is a taxable transaction. If the fund's net asset value when you sell shares is more or less than the cost of your shares, you will have a gain or loss, which can affect your tax liability. Redeeming shares held in an IRA or qualified retirement account may subject you to certain federal taxes, penalties and reporting requirements. Consult your tax adviser.

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<TABLE>
<CAPTION>

Two ways to request an exchange or sale of shares

<S>

<C>

1

By letter

Include in your letter:

- o the name of the fund(s)
- o your account number(s) (for exchanges, both funds must be registered in the same ownership)
- o your Taxpayer Identification Number (TIN)
- o the dollar amount or number of shares you want to exchange or sell
- o signature of all registered account owners
- o for redemptions, indicate how you want your sales proceeds delivered to you
- o any paper certificates of shares you hold

Regular mail:

IDS Shareholder Service
Attn: Redemptions
PO Box 534
Minneapolis, MN
55440-0534

Express mail:

IDS Shareholder Service
Attn: Redemptions
733 Marquette Ave
Minneapolis, MN 55402

2

By phone

IDS Telephone Transaction
Service
800-437-3133 or
612-671-3800

- o The fund and IDS will honor any telephone exchange or redemption request believed to be authentic and will use reasonable procedures to confirm that they are. This includes asking identifying questions and tape recording calls. So long as reasonable procedures are followed, neither the fund nor IDS will be liable for any loss resulting from fraudulent requests.
- o Phone exchange and redemption privileges automatically apply to all accounts except custodial, corporate or qualified retirement accounts unless you request these privileges NOT apply by writing IDS Shareholder Service. Each registered owner must sign the request.
- o IDS answers phone requests promptly, but you may experience delays when call volume is high. If you are unable to get through, use mail procedure as an alternative.
- o Phone privileges may be modified or discontinued at any time.

Minimum amount
Redemption: \$100

Maximum amount
Redemption: \$50,000

</TABLE>

Exchange policies

o You may make up to three exchanges within any 30-day period, with each limited to \$300,000. These limits do not apply to scheduled exchange programs and certain employee benefit plans or other arrangements through which one shareholder represents the

interests of several. Exceptions may be allowed with pre-approval of the fund.

- o If your exchange creates a new account, it must satisfy the minimum investment amount for new purchases.
- o Once we receive your exchange request, you cannot cancel it.
- o Shares of the new fund may not be used on the same day for another exchange.

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- o If your shares are pledged as collateral, the exchange will be delayed until written approval is obtained from the secured party.
- o IDS and the fund reserve the right to reject any exchange, limit the amount, or modify or discontinue the exchange privilege, to prevent abuse or adverse effects on the fund and its shareholders. For example, if exchanges are too numerous or too large, they may disrupt the fund's investment strategies or increase its costs.

Redemption policies

- o A "change of mind" option allows you to change your mind after requesting a redemption and to use all or part of the proceeds to buy new shares in the same account at the net asset value, rather than the offering price on the date of a new purchase. To do so, send a written request within 30 days of the date your redemption request was received. Include your account number and mention this option. This privilege may be limited or withdrawn at any time, and it may have tax consequences.
- o A telephone redemption request will not be allowed within 30 days of a phoned-in address change.

Important: If you request a redemption of shares you recently purchased by a check or money order that is not guaranteed, the fund will wait for your check to clear. Please expect a minimum of 10 days from the date of purchase before IDS mails a check to you. (A check may be mailed earlier if your bank provides evidence satisfactory to the fund and IDS that your check has cleared.)

<TABLE>
<CAPTION>

Three ways to receive payment when you sell shares

<S>
1

<C>

By regular or express mail

- o Mailed to the address of record.
- o Payable to names listed on the account.
NOTE: The express mail delivery charges you pay will vary depending on the courier you select.

2

By wire

- o Minimum wire redemption: \$1,000.
- o Request that money be wired to your bank.
- o Bank account must be in the same ownership as the IDS account.
NOTE: Pre-authorization required. For instructions, contact your financial planner or IDS Shareholder Service.

3

By scheduled payout plan

- o Minimum payment: \$50.
- o Contact your financial planner or IDS Shareholder Service to set up regular payments to you on a monthly, bimonthly, quarterly, semiannual or annual basis.
- o Buying new shares while under a payout plan may be disadvantageous because of sales charges.

</TABLE>

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Reductions of the sales charge

You pay a 5% sales charge on the first \$50,000 of your total investment and less on investments after the first \$50,000:

Total investment Sales charge as a

percent of: *

	Public offering price	Net amount invested
Up to \$50,000	5.0%	5.26%
Next \$50,000	4.5	4.71
Next \$150,000	4.0	4.17
Next \$250,000	3.0	3.09
Next \$500,000	2.0	2.04
Next \$2,000,000	1.0	1.01
More than \$3,000,000	0.5	0.50

* To calculate the actual sales charge on an investment greater than \$50,000, amounts for each applicable increment must be totaled. See the SAI.

Your sales charge may be reduced, depending on the totals of:

- o the amount you are investing in this fund now,
- o the amount of your existing investment in this fund, if any, and
- o the amount you and your immediate family (spouse or unmarried children under 21) are investing or have in other funds in the IDS MUTUAL FUND GROUP that carry a sales charge.

Other policies that affect your sales charge:

- o IDS Cash Management Fund, IDS Tax-Free Money Fund and IDS Planned Investment Account do not carry sales charges. However, you may count investments in these funds if you acquired shares in them by exchanging shares from IDS funds that carry sales charges.
- o IRA purchases or other employee benefit plan purchases made through a payroll deduction plan or through a plan sponsored by an employer, association of employers, employee organization or other similar entity, may be added together to reduce sales charges for all shares purchased through that plan.

For more details, see the SAI.

Waivers of the sales charge

Sales charges do not apply to:

- o Current or retired trustees, directors, officers or employees of the fund or IDS or its subsidiaries, their spouses and unmarried children under 21.

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- o Current or retired IDS planners, their spouses and unmarried children under 21.

- o Qualified employee benefit plans* if the plan:
 - has at least \$1 million invested in funds of the IDS MUTUAL FUND GROUP; or
 - has 500 or more participants; or
 - uses a daily transfer recordkeeping service offering participants daily access to IDS funds.

(Participants in certain qualified plans for which the initial sales charge is waived may be subject to a deferred sales charge of up to 4% on certain redemptions. For more information, see the SAI.)

- o Trust companies or similar institutions, and charitable organizations that meet the definition in Section 501(c)(3) of the Internal Revenue Code*. These must have at least \$1 million invested in funds of the IDS MUTUAL FUND GROUP.

- o Purchases made within 30 days after a redemption of shares (1) of an IDS product in a qualified plan subject to a deferred sales charge or (2) in IDS Strategy Fund, up to the amount redeemed. Send the fund a written request along with your payment, indicating the amount of the redemption and the date on which it occurred.

- o Purchases made with dividend or capital gain distributions from another fund in the IDS MUTUAL FUND GROUP that has a sales charge.

*Eligibility must be determined in advance by IDS. To do so, contact your financial planner.

Special shareholder services

Services

To help you track and evaluate the performance of your investments, IDS provides these services:

Quarterly statements listing all of your holdings and transactions during the previous three months.

Yearly tax statements featuring average-cost-basis reporting of capital gains or losses if you redeem your shares along with distribution information - which simplifies tax calculations.

A personalized mutual fund progress report detailing returns on your initial investment and cash-flow activity in your account. It calculates a total return to reflect your individual history in owning fund shares. This report is available from your financial planner.

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Quick telephone reference

IDS Telephone Transaction Service

Redemptions and exchanges, dividend payments or reinvestments and automatic payment arrangements

National/Minnesota: 800-437-3133

Mpls./St. Paul area: 671-3800

IDS Shareholder Service

Fund performance, objectives and account inquiries
612-671-3733

TTY Service

For the hearing impaired
800-846-4852

IDS Infoline

Automated account information (TouchToneR phones only), including current fund prices and performance, account values and recent account transactions

National/Minnesota: 800-272-4445

Mpls./St. Paul area: 671-1630

Distributions and taxes

The fund distributes to shareholders investment income and net capital gains. It does so to qualify as a regulated investment company and to avoid paying corporate income and excise taxes. Dividend and capital gains distributions will have tax consequences you should know about.

Dividend and capital gain distributions

The fund distributes its net investment income (dividends and interest earned on securities held by the fund, less operating expenses) to shareholders of record monthly. Short-term capital gains distributed are included in the investment income. Net realized capital gains, if any, from selling securities are distributed at the end of the calendar year. Before they're distributed, net capital gains are included in the value of each share. After they're distributed, the value of each share drops by the per-share amount of the distribution. (If your distributions are reinvested, the total value of your holdings will not change.)

Reinvestments

Dividends and capital gain distributions are automatically reinvested in additional shares of the fund, unless:

- o you request the fund in writing or by phone to pay distributions to you in cash, or
- o you direct the fund to invest your distributions in any publicly available IDS fund for which you've previously opened an account, except for IDS Planned Investment Account.

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You pay no sales charge on shares purchased through reinvestment in any IDS fund. The reinvestment price is the net asset value at close of business on the day the distribution is paid. (Your quarterly statement from IDS will confirm the amount invested and the number of shares purchased.)

If you choose cash distributions, you will receive only those declared after your request has been processed.

If the U.S. Postal Service cannot deliver the checks for the cash distributions, we will reinvest the checks into your account at the then-current net asset value and make future distributions in the form of additional shares.

Taxes

Distributions are subject to federal income tax and may also be subject to state and local taxes. Distributions are taxable in the year the fund pays them regardless of whether you take them in cash or reinvest them.

Each January, IDS sends you a statement showing the kinds and total amount of all distributions you received during the previous year. You must report all distributions on your tax returns, even if they are reinvested in additional shares.

"Buying a dividend" creates a tax liability. This means buying shares shortly before an income or a capital gain distribution. You pay the full pre-distribution price for the shares, then receive a portion of your investment back as a distribution, which is taxable.

Redemptions and exchanges subject you to a tax on any capital gain. If you sell shares for more than their cost, the difference is a capital gain. Your gain may be either short term (for shares held for one year or less) or long term (for shares held for more than one year).

Your Taxpayer Identification Number (TIN) is important. As with any financial account you open, you must list your current and correct Taxpayer Identification Number (TIN) -- either your Social Security or Employer Identification number. The TIN must be certified under penalties of perjury on your application when you open an account at IDS.

If you don't provide the TIN to IDS, or the TIN you report is incorrect, you could be subject to backup withholding of 31% of taxable distributions and proceeds from certain sales and exchanges. You could also be subject to further penalties, such as:

- o a \$50 penalty for each failure to supply your correct TIN
- o a civil penalty of \$500 if you make a false statement that results in no backup withholding
- o criminal penalties for falsifying information

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You could also be subject to backup withholding because you failed to report interest or dividends on your tax return as required.

How to determine the correct TIN

For this type of account:	Use the Social Security or Employer Identification number of:
Individual or joint account	The individual or first person listed on the account
Custodian account of a minor (Uniform Gifts/Transfer to Minors Act)	The minor
A living trust	The grantor-trustee (the person who puts the money into the trust)
An irrevocable trust, pension trust or estate	The legal entity (not the personal representative or trustee, unless no legal entity is designated in the account title)
Sole proprietorship or partnership	The owner or partnership
Corporate	The corporation
Association, club or	The organization

tax-exempt organization

For details on TIN requirements, ask your financial planner or local IDS office for federal Form W-9, "Request for Taxpayer Identification Number and Certification."

Important: This information is a brief and selective summary of certain federal tax rules that apply to this fund. Tax matters are highly individual and complex, and you should consult a qualified tax adviser about your personal situation.

Investment policies

The fund invests in the four highest investment grades of marketable corporate debt securities, certain unrated debt securities the portfolio manager believes have the same investment qualities, government securities, derivative instruments and money market instruments. Under normal market conditions, at least 90% of the fund's net assets, based on market value, will be in these investments. The remaining 10% of the fund's assets may be invested in common and preferred stocks and convertible securities. The investments are both U.S. and foreign.

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The various types of investments the portfolio manager uses to achieve investment performance are described in more detail in the next section and in the SAI.

Facts about investments and their risks

Debt securities: The price of an investment-grade bond fluctuates as interest rates change or if its credit rating is upgraded or downgraded. The fund does not invest in securities considered by the portfolio manager to have investment qualities lower than investment grade. Securities that are subsequently downgraded in quality may continue to be held by the fund and will be sold only if the fund's portfolio manager believes it is advantageous to do so.

Common stocks: Common stocks are subject to market fluctuations. Stocks of larger, established companies that pay dividends may be less volatile than the stock market as a whole.

Preferred stocks: If a company earns a profit, it generally must pay its preferred stockholders a dividend at a pre-established rate.

Convertible securities: These securities generally are preferred stocks or bonds that can be exchanged for other securities, usually common stock, at pre-stated prices. When the trading price of the common stock makes the exchange likely, the convertible securities trade more like common stock.

Foreign investments: Securities of foreign companies and governments may be traded in the United States, but often they are traded only on foreign markets. Frequently, there is less information about foreign companies and less government supervision of foreign markets. Foreign investments are subject to political and economic risks of the countries in which the investments are made including the possibility of seizure or nationalization of companies, imposition of withholding taxes on income, establishment of exchange controls or adoption of other restrictions that might affect an investment adversely. If an investment is made in a foreign market, the local currency must be purchased. This is done by using a forward contract in which the price of the foreign currency in U.S. dollars is established on the date the trade is made, but delivery of the currency is not made until the securities are received. As long as the fund holds foreign currencies or securities valued in foreign currencies, the price of a fund share will be affected by changes in the value of the currencies relative to the U.S. dollar. Because of the limited trading volume in some foreign markets, efforts to buy or sell a security may change the price of the security, and it may be difficult to complete the transaction. The fund may invest up to 25% of its total assets in foreign investments.

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Derivative instruments: The portfolio manager may use derivative instruments in addition to securities to achieve investment performance. Derivative instruments include futures, options and forward contracts. Such instruments may be used to maintain cash reserves while remaining fully invested, to offset anticipated declines in values of investments, to facilitate trading, to reduce

transaction costs, or to pursue higher investment returns. Derivative instruments are characterized by requiring little or no initial payment and a daily change in price based on or derived from a security, a currency, a group of securities or currencies, or an index. A number of strategies or combination of instruments can be used to achieve the desired investment performance characteristics. A small change in the value of the underlying security, currency or index will cause a sizable gain or loss in the price of the derivative instrument. Derivative instruments allow the portfolio manager to change the investment performance characteristics very quickly and at lower costs. Risks include losses of premiums, rapid changes in prices, defaults by other parties, and inability to close such instruments. The fund will use derivative instruments only to achieve the same investment performance characteristics it could achieve by directly holding those securities and currencies permitted under the investment policies. Subject to SEC guidelines, the fund will set aside cash or appropriate liquid assets in a segregated account to cover its portfolio obligations. No more than 5% of the fund's net assets can be used at any one time for good faith deposits on futures and premiums for options on futures that do not offset existing investment positions. For further information, see the options and futures appendix in the SAI.

Securities and derivative instruments that are illiquid: Illiquid means the security or derivative instrument cannot be sold quickly in the normal course of business. Some investments cannot be resold to the U.S. public because of their terms or government regulations. All securities and derivative instruments, however, can be sold in private sales, and many may be sold to other institutions and qualified buyers or on foreign markets. The portfolio manager will follow guidelines established by the board of directors and consider relevant factors such as the nature of the security and the number of likely buyers when determining whether a security is illiquid. No more than 10% of the fund's net assets will be held in securities and derivative instruments that are illiquid.

Money market instruments: Short-term debt securities rated in the top two grades are used to meet daily cash needs and at various times to hold assets until better investment opportunities arise. Generally less than 25% of the fund's assets are in these money market instruments. However, for temporary defensive purposes these investments could exceed that amount for a limited period of time.

The investment policies described above may be changed by the board of directors.

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Lending portfolio securities: The fund may lend its securities to earn income so long as borrowers provide collateral equal to the market value of the loans. The risks are that borrowers will not provide collateral when required or return securities when due. Unless shareholders approve otherwise, loans may not exceed 30% of the fund's net assets.

Valuing assets

- o Securities (except bonds) and assets with available market values are valued on that basis.
- o Securities maturing in 60 days or less are valued at amortized cost.
- o Bonds and assets without readily available market values are valued according to methods selected in good faith by the board of directors.

How the fund is organized

The fund is a diversified, open-end management investment company, as defined in the Investment Company Act of 1940. Originally incorporated on Feb. 10, 1945 in Nevada, the fund changed its state of incorporation on June 13, 1986 by merging into a Minnesota corporation incorporated on April 7, 1986. The fund headquarters are at 901 S. Marquette Ave., Suite 2810, Minneapolis, MN 55402-3268.

Shares

The fund is owned by its shareholders. All shares issued by the

fund are of the same class -- capital stock. Par value is 1 cent per share. Both full and fractional shares can be issued.

The fund no longer issues stock certificates.

Voting rights

As a shareholder, you have voting rights over the fund's management and fundamental policies. You are entitled to one vote for each share you own.

Shareholder meetings

The fund does not hold annual shareholder meetings. However, the directors may call meetings at their discretion, or on demand by holders of 10% or more of the outstanding shares, to elect or remove directors.

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Directors and officers

Shareholders elect a board of directors who oversee the operations of the fund and choose its officers. Its officers are responsible for day-to-day business decisions based on policies set by the board. The board has named an executive committee that has authority to act on its behalf between meetings. The directors also serve on the boards of all of the other funds in the IDS MUTUAL FUND GROUP, except for Mr. Dudley, who is a director of all publicly offered funds.

Directors and officers of the fund

President and interested director

William R. Pearce
President of all funds in the IDS MUTUAL FUND GROUP.

Independent directors

Robert F. Froehlke
Former president of all funds in the IDS MUTUAL FUND GROUP.

Donald M. Kendall
Former chairman and chief executive officer, PepsiCo, Inc.

Melvin R. Laird
Senior counsellor for national and international affairs, The Reader's Digest Association, Inc.

Lewis W. Lehr
Former chairman and chief executive officer, Minnesota Mining and Manufacturing Company (3M).

Edson W. Spencer
Former chairman and chief executive officer, Honeywell, Inc.

Wheelock Whitney
Chairman, Whitney Management Company.

Interested directors who are partners in law firms that have represented IDS subsidiaries

Anne P. Jones
Partner, law firm of Sutherland, Asbill & Brennan.

Aulana L. Peters
Partner, law firm of Gibson, Dunn & Crutcher.

Interested directors who are officers and/or employees of IDS

William H. Dudley
Executive vice president, IDS.

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David R. Hubers
President and chief executive officer, IDS.

John R. Thomas
Senior vice president, IDS.

Other officer

Leslie L. Ogg
Vice president of all funds in the IDS MUTUAL FUND GROUP and
general counsel and treasurer of the publicly offered funds.

Refer to the SAI for the directors' and officers' biographies.

Investment manager and transfer agent

The fund pays IDS for managing its portfolio, providing
administrative services and serving as transfer agent (handling
shareholder accounts).

Under its Investment Management and Services Agreement, IDS
determines which securities will be purchased, held or sold
(subject to the direction and control of the fund's board of
directors). For these services the fund pays IDS a two-part fee.

The first part is based on the combined average daily net assets of
all funds in the IDS MUTUAL FUND GROUP, as follows:

Net assets of	
IDS MUTUAL	Annual
FUND GROUP*	fee
First \$5 billion	0.46%
Each additional	Decreasing
\$5 billion	percentages
More than \$50 billion	0.32%

*Includes all funds except the money market funds.

The second part is equal to 0.13% of the fund's average daily net
assets during the fiscal year.

For the fiscal year ended Nov. 30, 1993, the fund paid IDS a total
investment management fee of 0.53% of its average daily net assets.
Under the Agreement, the fund also pays taxes, brokerage
commissions and nonadvisory expenses.

In addition, under a separate Transfer Agency Agreement, IDS
maintains shareholder accounts and records. The fund pays IDS an
annual fee of \$15.50 per shareholder account for this service.

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Distributor

The fund sells shares through IDS Financial Services Inc., a wholly
owned subsidiary of IDS, under a Distribution Agreement. Financial
planners representing IDS Financial Services Inc. provide
information to investors about individual investment programs, the
fund and its operations, new account applications, exchange and
redemption requests. The cost of these services is paid partially
by the fund's sales charge.

Portions of sales charges may be paid to securities dealers who
have sold the fund's shares, or to banks and other financial
institutions. The proceeds paid to others range from 0.8% to 4% of
the fund's offering price depending on the monthly sales volume.

To help defray costs not covered by sales charges, including costs
for marketing, sales administration, training, overhead, direct
marketing programs, advertising and related functions, the fund
pays IDS a 12b-1 fee. This fee is paid under a Plan and
Supplemental Agreement of Distribution that follows the terms of
Rule 12b-1 of the Investment Company Act of 1940 (and a Securities
and Exchange Commission order). Under this Agreement, the fund
pays IDS \$6 per shareholder account per year. The total 12b-1 fee
paid by the fund for the year ended Nov. 30, 1993 was 0.04% of its
average daily net assets. This fee will not cover all of the costs
incurred by IDS.

Total management and distribution fees and expenses paid by the
fund in the fiscal year ended Nov. 30, 1993 were 0.72% of its
average daily net assets.

Total fees and expenses (excluding taxes and brokerage commissions)
cannot exceed the most restrictive applicable state expense
limitation.

General information

The IDS family of companies offers not only mutual funds but also insurance, annuities, investment certificates and a broad range of financial management services.

Besides managing investments for all publicly offered funds in the IDS MUTUAL FUND GROUP, IDS also manages investments for itself and its subsidiaries, IDS Certificate Company and IDS Life Insurance Company. Total assets under management on Nov. 30, 1993 were more than \$97 billion.

IDS Financial Services Inc. serves individuals and businesses through its nationwide network of more than 175 offices and more than 7,500 planners.

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Other IDS subsidiaries provide investment management and related services for pension, profit sharing, employee savings and endowment funds of businesses and institutions.

IDS is located at IDS Tower 10, Minneapolis, MN 55440-0010. It is a wholly owned subsidiary of American Express Company, a financial services company with headquarters at American Express Tower, World Financial Center, New York, NY 10285. The fund may pay brokerage commissions to broker-dealer affiliates of American Express and IDS.

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STATEMENT OF ADDITIONAL INFORMATION

FOR

IDS SELECTIVE FUND

Jan. 28, 1994

This Statement of Additional Information (SAI) is not a prospectus. It should be read together with the fund's prospectus and the financial statements contained in the fund's Annual Report which may be obtained from your IDS personal financial planner or by writing to IDS Shareholder Service, P.O. Box 534, Minneapolis, MN 55440-0534.

This SAI is dated Jan. 28, 1994, and it is to be used with the fund's prospectus dated Jan. 28, 1994, and the fund's Annual Report for the fiscal year ended Nov. 30, 1993.

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ADDITIONAL INVESTMENT POLICIES

In addition to the investment goals and policies presented in the prospectus, the fund has investment policies stated below that will not be changed unless holders of a majority of the outstanding shares agree to make the change.

These policies state the fund will not:

'Invest more than 5% of its total assets, at market value, in securities of any one company, government or political subdivision thereof, except the limitation will not apply to investments in securities issued by the U.S. government, its agencies or instrumentalities, and except that up to 25% of the fund's total assets may be invested without regard to this 5% limitation.

'Purchase more than 10% of the outstanding voting securities of an issuer.

'Concentrate in any one industry. According to the present interpretation by the Securities and Exchange Commission (SEC), this means no more than 25% of the fund's total assets, based on current market value at time of purchase, can be invested in any one industry.

'Invest more than 5% of its total assets, at cost, in securities of companies, including any predecessors, that have a record of less than three years continuous operations.

'Invest in securities of investment companies except by purchases in the open market where the dealer's or sponsor's profit is the regular commission.

'Buy or sell real estate, commodities or commodity contracts, except the fund may enter into interest rate futures contracts and make deposits or have similar arrangements in connection therewith.

'Buy on margin or sell short, except it may enter into interest rate futures contracts.

'Invest in a company to control or manage it.

'Pledge or mortgage its assets beyond 30% of the cost of total assets. If the fund were ever to do so, valuation of the pledged or mortgaged assets would be based on market values. For purposes of this restriction, collateral arrangements for margin deposits on interest rate futures contracts are not deemed to be a pledge of assets.

'Borrow money or property, except as a temporary measure for extraordinary or emergency purposes, in an amount not exceeding one-third of the market value of its total assets (including borrowings) less liabilities (other than borrowings) immediately after the borrowing. The fund has not borrowed in the past and has no present intention to borrow.

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'Make cash loans. The fund, however, does make investments in debt securities where the seller agrees to repurchase the securities at cost plus an agreed-upon interest rate within a specified period of time.

'Act as an underwriter (sell securities for others). However, under the securities laws, the fund may be deemed to be an underwriter when it purchases securities directly from the issuer and later resells them.

'Make a loan of any part of its assets to IDS Financial Corporation (IDS), to the directors and officers of IDS or to its own directors and officers.

'Buy any property or security (other than securities issued by the fund) from any director or officer of IDS or the fund, nor will the fund sell any property or security other than securities issued by the fund to them.

'Purchase securities of an issuer if the directors and officers of the fund and of IDS hold more than a certain percentage of the issuer's outstanding securities. The holdings of all directors and officers of the fund and of IDS who own more than 0.5% of an issuer's securities are added together, and if in total they own more than 5%, the fund will not purchase securities of that issuer.

'Lend portfolio securities in excess of 30% of its net assets, at market value. This policy may not be changed without shareholder approval. The current policy of the fund's board of directors is to make these loans, either long- or short-term, to broker-dealers. In making such loans the fund gets the market price in cash, U.S. government securities, letters of credit or such other collateral as may be permitted by regulatory agencies and approved by the board of directors. If the market price of the loaned securities goes up, the fund will get additional collateral on a daily basis. The risks are that the borrower may not provide additional collateral when required or return the securities when due. During the existence of the loan, the fund receives cash payments equivalent to all interest or other distributions paid on the loaned securities. A loan will not be made unless the investment manager believes the opportunity for additional income outweighs the risks.

Unless changed by the board of directors, the fund will not:

'Invest in exploration or development programs, such as oil, gas or mineral programs.

'Invest more than 5% of its net assets in warrants. Under one state's law no more than 2% of the fund's net assets may be invested in warrants not listed on an exchange.

'Invest more than 10% of the fund's net assets in illiquid securities and derivative instruments. For purposes of this policy illiquid securities include some privately placed securities,

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public securities and Rule 144A securities that for one reason or another may no longer have a readily available market, repurchase agreements with maturities greater than seven days, non-negotiable fixed-time deposits and over-the-counter options.

The fund may invest in Rule 144A securities, which are unregistered securities offered to qualified institutional buyers, and interest-only and principal-only fixed mortgage-backed securities (IOs and POs) issued by the United States government or its agencies and instrumentalities. In determining the liquidity of Rule 144A securities, IOs and POs, the investment manager, under guidelines established by the board of directors, will consider any relevant factors including the frequency of trades, the number of dealers willing to purchase or sell the security and the nature of marketplace trades.

The fund may invest in commercial paper issued in transactions not involving a public offering under Section 4(2) of the Securities

Act of 1933 (4(2) paper). In determining the liquidity of 4(2) paper, the investment manager, under guidelines established by the board of directors, will evaluate relevant factors such as the issuer and the size and nature of its commercial paper programs, the willingness and ability of the issuer or dealer to repurchase the paper, and the nature of the clearance and settlement procedures for the paper.

The fund may maintain a portion of its assets in cash and cash-equivalent investments. The cash-equivalent investments the fund may use are short-term U.S. and Canadian government securities and negotiable certificates of deposit, non-negotiable fixed-time deposits, bankers' acceptances and letters of credit of banks or savings and loan associations having capital, surplus and undivided profits (as of the date of its most recently published annual financial statements) in excess of \$100 million (or the equivalent in the instance of a foreign branch of a U.S. bank) at the date of investment. Any cash-equivalent investments in foreign securities will be subject to the limitations on foreign investments described above. The fund also may purchase short-term corporate notes and obligations rated in the top two classifications by Moody's or S&P or the equivalent and may use repurchase agreements with broker-dealers registered under the Securities Exchange Act of 1934 and with commercial banks. A risk of a repurchase agreement is that if the seller seeks the protection of the bankruptcy laws, the fund's ability to liquidate the security involved could be impaired.

The fund may purchase some debt securities on a when-issued basis, which means that it may take as long as 45 days after the purchase before the securities are delivered to the fund. Payment and interest terms, however, are fixed at the time the purchaser enters into the commitment. Under normal market conditions, the fund does not intend to commit more than 5% of its total assets to these practices. The fund does not pay for the securities or start earning interest on them until the contractual settlement date. When-issued securities are subject to market fluctuations and may affect the fund's total assets the same as owned securities.

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For a description of corporate bond ratings and additional information on investment policies, see Appendix A. For a discussion about foreign currency transactions, see Appendix B. For a discussion on options and interest rate futures contracts, see Appendix C.

PORTFOLIO TRANSACTIONS

Subject to policies set by the board of directors, IDS is authorized to determine, consistent with the fund's investment goals and policies, which securities will be purchased, held or sold. In determining where the buy and sell orders are to be placed, IDS has been directed to use its best efforts to obtain the best available price and most favorable execution except where otherwise authorized by the board of directors.

Normally, the fund's securities are traded on a principal rather than an agency basis. In other words, IDS will trade directly with the issuer or with a dealer who buys or sells for its own account, rather than acting on behalf of another client. IDS does not pay the dealer commissions. Instead, the dealer's profit, if any, is the difference, or spread, between the dealer's purchase and sale price for the security.

Each investment decision made for the fund is made independently from any decision made for another fund in the IDS MUTUAL FUND GROUP or other account advised by IDS or any IDS subsidiary. When the fund buys or sells the same security as another fund or account, IDS carries out the purchase or sale in a way the fund agrees in advance is fair. Although sharing in large transactions may adversely affect the price or volume purchased or sold by the fund, the fund hopes to gain an overall advantage in execution.

On occasion, it may be desirable to compensate a broker for research services or for brokerage services by paying a commission that might not otherwise be charged or a commission in excess of the amount another broker might charge. The board of directors has adopted a policy authorizing IDS to do so to the extent authorized by law, if IDS determines, in good faith, that such commission is reasonable in relation to the value of the brokerage or research services provided by a broker or dealer, viewed either in the light of that transaction or IDS' overall responsibilities to the funds in the IDS MUTUAL FUND GROUP.

Research provided by brokers supplements IDS' own research

activities. Such services include economic data on, and analysis of, U.S. and foreign economies; information on specific industries; information about specific companies, including earnings estimates; purchase recommendations for stocks and bonds; portfolio strategy services; political, economic, business and industry trend assessments; historical statistical information; market data services providing information on specific issues and prices; and technical analysis of various aspects of the securities markets, including technical charts. Research services may take the form of

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written reports, computer software or personal contact by telephone or at seminars or other meetings. IDS has obtained, and in the future may obtain, computer hardware from brokers, including but not limited to personal computers that will be used exclusively for investment decision-making purposes, which include the research, portfolio management and trading functions and other services to the extent permitted under an interpretation by the SEC.

When paying a commission that might not otherwise be charged or a commission in excess of the amount another broker might charge, IDS must follow procedures authorized by the board of directors. To date, three procedures have been authorized. One procedure permits IDS to direct an order to buy or sell a security traded on a national securities exchange to a specific broker for research services it has provided. The second procedure permits IDS, in order to obtain research, to direct an order on an agency basis to buy or sell a security traded in the over-the-counter market to a firm that does not make a market in that security. The commission paid generally includes compensation for research services. The third procedure permits IDS, in order to obtain research and brokerage services, to cause the fund to pay a commission in excess of the amount another broker might have charged. IDS has advised the fund it is necessary to do business with a number of brokerage firms on a continuing basis to obtain such services as the handling of large orders, the willingness of a broker to risk its own money by taking a position in a security, and the specialized handling of a particular group of securities that only certain brokers may be able to offer. As a result of this arrangement, some portfolio transactions may not be effected at the lowest commission, but IDS believes it may obtain better overall execution. IDS has assured the fund that under all three procedures the amount of commission paid will be reasonable and competitive in relation to the value of the brokerage services performed or research provided.

All other transactions shall be placed on the basis of obtaining the best available price and the most favorable execution. In so doing, if in the professional opinion of the person responsible for selecting the broker or dealer, several firms can execute the transaction on the same basis, consideration will be given by such person to those firms offering research services. Such services may be used by IDS in providing advice to all the funds in the IDS MUTUAL FUND GROUP and other accounts advised by IDS, even though it is not possible to relate the benefits to any particular fund or account.

Each investment decision made for the fund is made independently from any decision made for another fund in the IDS MUTUAL FUND GROUP or other account advised by IDS or any of its subsidiaries. When the fund buys or sells the same security as another fund or account, IDS carries out the purchase or sale in a way the fund agrees in advance is fair. Although sharing in large transactions may adversely affect the price or volume purchased or sold by the fund, the fund hopes to gain an overall advantage in execution. IDS has assured the fund it will continue to seek ways to reduce brokerage costs.

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On a periodic basis, IDS makes a comprehensive review of the broker-dealers and the overall reasonableness of their commissions. The review evaluates execution, operational efficiency and research services.

The fund paid total brokerage commissions of \$7,120 for the fiscal year ended Nov. 30, 1993, \$96,633 for fiscal year 1992, and \$230,526 for fiscal year 1991. Substantially all firms through whom transactions were executed provide research services.

No transactions were directed to brokers because of research services they provided to the fund.

The fund's acquisition during the fiscal year ended Nov. 30, 1993, of securities of its regular brokers or dealers or of the parent of

those brokers or dealers that derived more than 15% of gross revenue from securities-related activities is presented below:

Name of Issuer	Value of Securities Owned at End of Fiscal Year
Bank America	\$ 9,404,675
Goldman Sachs Group	12,435,000
Salomon Brothers	15,150,000

The portfolio turnover rate was 62% in the fiscal year ended Nov. 30, 1992, and 30% in fiscal year 1993.

BROKERAGE COMMISSIONS PAID TO BROKERS AFFILIATED WITH IDS

Affiliates of American Express Company (American Express) (of which IDS is a wholly owned subsidiary) may engage in brokerage and other securities transactions on behalf of the fund according to procedures adopted by the fund's board of directors and to the extent consistent with applicable provisions of the federal securities laws. IDS will use an American Express affiliate only if (i) IDS determines that the fund will receive prices and executions at least as favorable as those offered by qualified independent brokers performing similar brokerage and other services for the fund and (ii) the affiliate charges the fund commission rates consistent with those the affiliate charges comparable unaffiliated customers in similar transactions and if such use is consistent with terms of the Investment Management and Services Agreement.

No brokerage commissions were paid to brokers affiliated with IDS for the three most recent fiscal years.

PAGE 34 PERFORMANCE INFORMATION

The fund may quote various performance figures to illustrate past performance. Average annual total return and current yield quotations used by the fund are based on standardized methods of computing performance as required by the SEC. An explanation of these and any other methods used by the fund to compute performance follows below.

Average annual total return

The fund may calculate average annual total return for certain periods by finding the average annual compounded rates of return over the period that would equate the initial amount invested to the ending redeemable value, according to the following formula:

$$P(1+T)^n = ERV$$

where: P = a hypothetical initial payment of \$1,000
T = average annual total return
n = number of years
ERV = ending redeemable value of a hypothetical \$1,000 payment, made at the beginning of a period, at the end of the period (or fractional portion thereof)

Aggregate total return

The fund may calculate aggregate total return for certain periods representing the cumulative change in the value of an investment in the fund over a specified period of time according to the following formula:

$$\frac{ERV - P}{P}$$

where: P = a hypothetical initial payment of \$1,000
ERV = ending redeemable value of a hypothetical \$1,000 payment, made at the beginning of a period, at the end of the period (or fractional portion thereof)

Annualized yield

The fund may calculate an annualized yield by dividing the net investment income per share deemed earned during a period by the net asset value per share on the last day of the period and annualizing the results.

Yield is calculated according to the following formula:

$$\text{Yield} = \frac{2[(a-b + 1)6 - 1]}{cd}$$

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where: a = dividends and interest earned during the period
 b = expenses accrued for the period (net of reimbursements)
 c = the average daily number of shares outstanding during the period that were entitled to receive dividends
 d = the maximum offering price per share on the last day of the period

The fund's annualized yield was 5.32% for the 30-day period ended Nov. 30, 1993.

The fund's yield, calculated as described above according to the formula prescribed by the SEC, is a hypothetical return based on market value yield to maturity for the fund's securities. It is not necessarily indicative of the amount which was or may be paid to the fund's shareholders. Actual amounts paid to fund shareholders are reflected in the distribution yield.

Distribution yield

Distribution yield is calculated according to the following formula:

$$\frac{D}{30} \text{ divided by } \frac{POP}{30} \text{ F equals DY}$$

where: D = sum of dividends for 30-day period
 POP = sum of public offering price for 30-day period
 F = annualizing factor
 DY = distribution yield

The fund's distribution yield was 10.28% for the 30-day period ended Nov. 30, 1993.

In its sales material and other communications, the fund may quote, compare or refer to rankings, yields or returns as published by independent statistical services or publishers and publications such as The Bank Rate Monitor National Index, Barron's, Business Week, Donoghue's Money Market Fund Report, Financial Services Week, Financial Times, Financial World, Forbes, Fortune, Global Investor, Institutional Investor, Investor's Daily, Kiplinger's Personal Finance, Lipper Analytical Services, Money, Mutual Fund Forecaster, Newsweek, The New York Times, Personal Investor, Stanger Report, Sylvia Porter's Personal Finance, USA Today, U.S. News and World Report, The Wall Street Journal and Wiesenberger Investment Companies Service.

VALUING FUND SHARES

The value of an individual share is determined by using the net asset value before shareholder transactions for the day. On Dec. 1, 1993, the first business day following the end of the fiscal year, the computation looked like this:

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<TABLE>
 <CAPTION>

Net assets before shareholder transactions		Shares outstanding at end of previous day		Net asset value of one share
<C>	<C>	<C>	<C>	<C>
\$1,739,598,561	divided by	177,801,940	equals	\$9.78

In determining net assets before shareholder transactions, the fund's portfolio securities are valued as follows as of the close of business of the New York Stock Exchange:

'Securities, except bonds other than convertibles, traded on a securities exchange for which a last-quoted sales price is readily available are valued at the last-quoted sales price on the exchange where such security is primarily traded.

'Securities traded on a securities exchange for which a last-quoted sales price is not readily available are valued at the mean of the closing bid and asked prices, looking first to the bid and asked prices on the exchange where the security is primarily traded and,

if none exist, to the over-the-counter market.

'Securities included in the NASDAQ National Market System are valued at the last-quoted sales price in this market.

'Securities included in the NASDAQ National Market System for which a last-quoted sales price is not readily available, and other securities traded over-the-counter but not included in the NASDAQ National Market System are valued at the mean of the closing bid and asked prices.

'Futures and options traded on major exchanges are valued at the last-quoted sales price on their primary exchange.

'Foreign securities traded outside the United States are generally valued as of the time their trading is complete, which is usually different from the close of the New York Stock Exchange. Foreign securities quoted in foreign currencies are translated into U.S. dollars at the current rate of exchange. Occasionally, events affecting the value of such securities may occur between such times and the close of the New York Stock Exchange that will not be reflected in the computation of the fund's net asset value. If events materially affecting the value of such securities occur during such period, these securities will be valued at their fair value according to procedures decided upon in good faith by the fund's board of directors.

'Short-term securities maturing more than 60 days from the valuation date are valued at the readily available market price or approximate market value based on current interest rates. Short-term securities maturing in 60 days or less that originally had maturities of more than 60 days at acquisition date are valued at amortized cost using the market value on the 61st day before maturity. Short-term securities maturing in 60 days or less at

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acquisition date are valued at amortized cost. Amortized cost is an approximation of market value determined by systematically increasing the carrying value of a security if acquired at a discount, or reducing the carrying value if acquired at a premium, so that the carrying value is equal to maturity value on the maturity date.

'Securities without a readily available market price, bonds other than convertibles and other assets are valued at fair value as determined in good faith by the board of directors. The board of directors is responsible for selecting methods it believes provide fair value. When possible, bonds are valued by a pricing service independent from the fund. If a valuation of a bond is not available from a pricing service, the bond will be valued by a dealer knowledgeable about the bond if such a dealer is available.

The New York Stock Exchange, IDS and the fund will be closed on the following holidays: New Year's Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

INVESTING IN THE FUND

Sales Charge

Shares of the fund are sold at the public offering price determined at the close of business on the day an application is accepted. The public offering price is the net asset value of one share plus a sales charge. The public offering price for an investment of less than \$50,000, made Dec. 1, 1993, was determined by dividing the net asset value of one share, \$9.78, by 0.95 (1.00-0.05 for a maximum 5% sales charge) for a public offering price of \$10.30. The sales charge is paid to IDS Financial Services Inc. by the person buying the shares.

Calculation of the Sales Charge

Sales charges are determined as follows:

<TABLE>

<CAPTION>

Within each increment,
sales charge as a
percentage of:

Amount of Investment	Public Offering Price	Net Amount Invested
<S>	<C>	<C>
First \$ 50,000	5.0%	5.26%
Next 50,000	4.5	4.71

Next	150,000	4.0	4.17
Next	250,000	3.0	3.09
Next	500,000	2.0	2.04
Next	2,000,000	1.0	1.01
More than	3,000,000	0.5	0.50

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Sales charges on an investment greater than \$50,000 are calculated for each increment separately and then totaled. The resulting total sales charge, expressed as a percentage of the public offering price and of the net amount invested, will vary depending on the proportion of the investment at different sales charge levels.

For example, compare an investment of \$60,000 with an investment of \$85,000. The \$60,000 investment is composed of \$50,000 that incurs a sales charge of \$2,500 (5.0% x \$50,000) and \$10,000 that incurs a sales charge of \$450 (4.5% x \$10,000). The total sales charge of \$2,950 is 4.92% of the public offering price and 5.17% of the net amount invested.

In the case of the \$85,000 investment, the first \$50,000 also incurs a sales charge of \$2,500 (5.0% x \$50,000) and \$35,000 incurs a sales charge of \$1,575 (4.5% x \$35,000). The total sales charge of \$4,075 is 4.79% of the public offering price and 5.04% of the net amount invested.

The following table shows the range of sales charges as a percentage of the public offering price and of the net amount invested on total investments at each applicable level.

<TABLE>

<CAPTION>

Amount of Investment	On total investment, sales charge as a percentage of	
	Public Offering Price	Net Amount Invested
<S>	ranges from:	
First \$ 50,000	<C> 5.00%	<C> 5.26%
More than 50,000 to 100,000	5.00-4.75	5.26-4.99
More than 100,000 to 250,000	4.75-4.30	4.99-4.49
More than 250,000 to 500,000	4.30-3.65	4.49-3.79
More than 500,000 to 1,000,000	3.65-2.83	3.79-2.91
More than 1,000,000 to 3,000,000	2.83-1.61	2.91-1.63
More than 3,000,000	1.61-0.50	1.63-0.50

</TABLE>

The initial sales charge is waived for certain qualified plans that meet the requirements set forth in the prospectus. Participants in those qualified plans who redeem shares in circumstances unrelated to death, disability, retirement, attaining age 59 1/2, loans or hardship withdrawals may be subject to a deferred sales charge. The deferred sales charge varies depending on the number of participants in the qualified plan and total plan assets as follows:

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Deferred Sales Charge

Total Plan Assets	Number of Participants		
	1-199	200-499	500 or more
Less than \$1 million	4%	2%	0%
\$1 million but less than \$3 million	2	2	0
\$3 million or more	0	0	0

Reducing the Sales Charge

Sales charges are based on the total amount of your investments in the fund. The amount of all prior investments plus any new purchase is referred to as your "total amount invested." For example, suppose you have made an investment of \$20,000 and later decide to invest \$40,000 more. Your total amount invested would be \$60,000. As a result, \$10,000 of your \$40,000 investment qualifies for the lower 4.5% sales charge that applies to investments of more than \$50,000 to \$100,000.

The total amount invested includes any shares held in the fund in the name of a member of your immediate family (spouse and unmarried children under 21). For instance, if your spouse already has invested \$20,000 and you want to invest \$40,000, your total amount invested will be \$60,000 and therefore you will pay the lower charge of 4.5% on \$10,000 of the \$40,000.

Until a spouse remarries, the sales charge is waived for spouses and unmarried children under 21 of deceased trustees, directors, officers or employees of the fund or IDS or its subsidiaries and deceased planners.

The total amount invested also includes any investment you or your immediate family already have in the other publicly offered funds in the IDS MUTUAL FUND GROUP where the investment is subject to a sales charge. For example, suppose you already have an investment of \$25,000 in IDS Growth Fund and \$5,000 in this fund. If you invest \$40,000 more in this fund, your total amount invested in the funds will be \$70,000 and therefore \$20,000 of your \$40,000 investment will incur a 4.5% sales charge.

Finally, Individual Retirement Account (IRA) purchases, or other employee benefit plan purchases made through a payroll deduction plan or through a plan sponsored by an employer, association of employers, employee organization or other similar entity, may be added together to reduce sales charges for shares purchased through that plan.

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Systematic Investment Programs

After you make your initial investment of \$2,000 or more, you can arrange to make additional payments of \$100 or more on a regular basis. These minimums do not apply to all systematic investment programs. You decide how often to make payments - monthly, quarterly or semiannually. You are not obligated to make any payments. You can omit payments or discontinue the investment program altogether. The fund also can change the program or end it at any time. If there is no obligation, why do it? Putting money aside is an important part of financial planning. With a systematic investment program, you have a goal to work for.

How does this work? When you send in your payment, your money is invested at the public offering price. Your regular investment amount will purchase more shares when the net asset value per share decreases, and fewer shares when the net asset value per share increases. Each purchase is a separate transaction. After each purchase your new shares will be added to your account. Shares bought through these programs are exactly the same as any other fund shares. They can be bought and sold at any time. A systematic investment program is not an option or an absolute right to buy shares.

The systematic investment program itself cannot ensure a profit, nor can it protect against a loss in a declining market. If you decide to discontinue the program and redeem your shares when their net asset value is less than what you paid for them, you will incur a loss.

For a discussion on dollar-cost averaging, see Appendix D.

Automatic Directed Dividends

Dividends, including capital gain distributions, paid by another fund in the IDS MUTUAL FUND GROUP subject to a sales charge, may be used to automatically purchase shares of this fund without paying a sales charge. Dividends may be directed to existing accounts only. Dividends declared by a fund are exchanged to this fund the following day. Dividends can be exchanged into one fund but cannot be split to make purchases in two or more funds. Automatic directed dividends are available between accounts of any ownership except:

'Between a non-custodial account and an IRA, or 401(k) plan account or other qualified retirement account of which IDS Bank & Trust acts as custodian;

'Between two IDS Bank & Trust custodial accounts with different owners (for example, you may not exchange dividends from your IRA to the IRA of your spouse);

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'Between different kinds of custodial accounts with the same ownership (for example, you may not exchange dividends from your

IRA to your 401(k) plan account, although you may exchange dividends from one IRA to another IRA).

Moreover, dividends may be directed from accounts established under the Uniform Gifts to Minors Act (UGMA) or Uniform Transfers to Minors Act (UTMA) only into other UGMA or UTMA accounts with identical ownership.

Each fund has a different investment goal described in its prospectus along with other information, including fees and expense ratios. Before exchanging dividends into another fund, you should read its prospectus. You will receive a confirmation that the automatic directed dividend service has been set up for your account.

REDEEMING SHARES

You have a right to redeem your shares at any time. For an explanation of redemption procedures, please see the prospectus.

During an emergency, the board of directors can suspend the computation of net asset value, stop accepting payments for purchase of shares or suspend the duty of the fund to redeem shares for more than seven days. Such emergency situations would occur if:

'The New York Stock Exchange closes for reasons other than the usual weekend and holiday closings or trading on the Exchange is restricted, or

'Disposal of the fund's securities is not reasonably practicable or it is not reasonably practicable for the fund to determine the fair value of its net assets, or

'The SEC, under the provisions of the Investment Company Act of 1940, as amended, declares a period of emergency to exist.

Should the fund stop selling shares, the directors may make a deduction from the value of the assets held by the fund to cover the cost of future liquidations of the assets so as to distribute fairly these costs among all shareholders.

PAY-OUT PLANS

You can use any of several pay-out plans to redeem your investment in regular installments at no extra cost. While the plans differ on how the pay-out is figured, they all are based on the redemption of your investment. Net investment income dividends and any capital gain distributions will automatically be reinvested, unless you elect to receive them in cash. If you are redeeming a tax-qualified plan account for which IDS Bank & Trust acts as custodian, you can elect to receive your dividends and other distributions in cash when permitted by law. If you redeem an IRA

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or a qualified retirement account, certain restrictions, federal tax penalties and special federal income tax reporting requirements may apply. You should consult your tax adviser about this complex area of the tax law.

IDS normally will not accept applications for a systematic investment in any fund in the IDS MUTUAL FUND GROUP subject to a sales charge while a pay-out plan for any of those funds is in effect. Occasional investments, however, may be accepted.

To start any of these plans, please submit an authorization form supplied by IDS Shareholder Service. For a copy, write or call IDS Shareholder Service, P.O. Box 534, Minneapolis, MN 55440-0534, 612-671-3733. Your authorization must be received in the Minneapolis headquarters at least five days before the date you want your payments to begin. The initial payment must be at least \$50. Payments will be made on a monthly, bimonthly, quarterly, semiannual or annual basis. Your choice is effective until you change or cancel it.

The following pay-out plans are designed to take care of the needs of most shareholders in a way IDS can handle efficiently and at a reasonable cost. If you need a more irregular schedule of payments, it may be necessary for you to make a series of individual redemptions, in which case you will have to send in a separate redemption request for each pay-out. The fund reserves the right to change or stop any pay-out plan and to stop making such plans available.

Plan #1: Pay-out for a fixed period of time

If you choose this plan, a varying number of shares will be redeemed at net asset value at regular intervals during the time period you choose. This plan is designed to end in complete redemption of all shares in your account by the end of the fixed period.

Plan #2: Redemption of a fixed number of shares

If you choose this plan, a fixed number of shares will be redeemed at net asset value for each payment and that amount will be sent to you. The length of time these payments continue is based on the number of shares in your account.

Plan #3: Redemption of a fixed dollar amount

If you decide on a fixed dollar amount, whatever number of shares is necessary to make the payment will be redeemed in regular installments until your account is closed.

Plan #4: Redemption of a percentage of net asset value

Payments are made based on a fixed percentage of the net asset value of the shares in the account computed on the day of each payment. Percentages range from 0.25% to 0.75%. For example, if

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you are on this plan and arrange to take 0.5% each month, you will get \$50 if the value of your account is \$10,000 on the payment date.

EXCHANGES

If you buy shares in the fund and then exchange into another fund, it is considered a sale and subsequent purchase of shares. Under the tax laws, if this exchange is done within 91 days, any sales charge waived on a subsequent purchase of shares applies to the new shares acquired in the exchange. Therefore, you cannot create a tax loss or reduce a tax gain attributable to the sales charge when exchanging shares within 91 days.

Retirement Accounts

If you have a nonqualified investment in the fund and you wish to move part or all of those shares to an IRA or qualified retirement account in this fund, you can do so without paying a sales charge. However, this type of exchange is considered a sale of shares and may result in a gain or loss for tax purposes. In addition, this type of exchange may result in an excess contribution under IRA or qualified plan regulations if the amount exchanged plus the amount of the initial sales charge applied to the amount exchanged exceeds annual contribution limitations. For example: If you were to exchange \$2,000 in shares from a nonqualified account to an IRA without considering the 5% (\$100) initial sales charge applicable to that \$2,000, you may be deemed to have exceeded current IRA annual contribution limitations. You should consult your tax adviser for further details about this complex subject.

TAXES

Net investment income dividends received should be treated as dividend income for federal income tax purposes. Corporate shareholders are generally entitled to a deduction equal to 70% of that portion of the fund's dividend that is attributable to dividends the fund received from domestic (U.S.) securities. For the fiscal year ended Nov. 30, 1993, 0.26% of the fund's net investment income dividends qualified for the corporate deduction.

Capital gain distributions received by individual and corporate shareholders, if any, should be treated as long-term capital gains regardless of how long they owned their shares. Short-term capital gains earned by the fund are paid to shareholders as part of their ordinary income dividend and are taxable.

Under federal tax law and an election made by the fund under federal tax regulations, by the end of a calendar year the fund must declare and pay dividends representing 98% of ordinary income for that calendar year and 98% of net capital gains (both long-term and short-term) for the 12-month period ending Oct. 31 of that

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calendar year. The fund is subject to an excise tax equal to 4% of the excess, if any, of the amount required to be distributed over

the amount actually distributed. The fund intends to comply with federal tax law and avoid any excise tax.

The fund may be subject to U.S. taxes resulting from holdings in a passive foreign investment company (PFIC). A foreign corporation is a PFIC when 75% or more of its gross income for the taxable year is passive income or if 50% or more of the average value of its assets consists of assets that produce or could produce passive income. The fund has no current intention to invest in PFICs.

This is a brief summary that relates to federal income taxation only. Shareholders should consult their tax adviser as to the application of federal, state and local income tax laws to fund distributions.

AGREEMENTS

Investment Management and Services Agreement

The fund has an Investment Management and Services Agreement with IDS. For its services, IDS is paid a fee composed of an asset charge in two parts. The first part, the group asset charge, is based on the combined daily net assets of all funds in the IDS MUTUAL FUND GROUP, except the money market funds, including any new fund that may be organized in the future. The daily rate of the group asset charge is based upon the following schedule:

Group Asset Charge

Group assets (billions)	Annual rate at each asset level	Effective annual rate
First \$5	0.460%	0.460%
Next \$5	0.440	0.450
Next \$5	0.420	0.440
Next \$5	0.400	0.430
Next \$5	0.390	0.422
Next \$5	0.380	0.415
Next \$5	0.360	0.407
Next \$5	0.350	0.400
Next \$5	0.340	0.393
Next \$5	0.330	0.387
Over \$50	0.320	

The aggregate net assets of all non-money market funds in the IDS MUTUAL FUND GROUP were \$41,214,914,729 on Nov. 30, 1993, and the daily rate applied to the fund's assets was equal to approximately 0.40% on an annual basis.

The second part of the asset charge is calculated at an annual rate of 0.13 percent and is based on the unique characteristics of the fund, including the fund's use of services provided by IDS in the areas of investment research, portfolio management, investment

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services and fund accounting. The total fee is calculated for each calendar day on the basis of net assets as of the close of business two business days prior to the day for which the calculation is made.

The management fee is paid monthly. The total amount paid was \$8,932,798 for the fiscal year ended Nov. 30, 1993, \$8,159,007 for fiscal year 1992, and \$8,129,038 for fiscal year 1991.

Under the current Agreement, the fund also pays taxes, brokerage commissions and nonadvisory expenses, that include custodian fees; audit and certain legal fees; fidelity bond premiums; registration fees for shares; fund office expenses; consultants' fees; compensation of directors, officers and employees; corporate filing fees; Investment Company Institute dues; organizational expenses; expenses incurred in connection with lending portfolio securities of the fund; and expenses properly payable by the fund, approved by the board of directors. The fund paid nonadvisory expenses of \$778,877 for the fiscal year ended Nov. 30, 1993, \$654,094 for fiscal year 1992, and \$751,086 for fiscal year 1991.

Transfer Agency Agreement

The fund has a Transfer Agency Agreement with IDS. This agreement governs IDS' responsibility for administering and/or performing transfer agent functions, for acting as service agent in connection with dividend and distribution functions and for performing shareholder account administration agent functions in connection

with the issuance, exchange and redemption or repurchase of the fund's shares. Under the agreement, IDS will earn a fee from the fund determined by multiplying the number of shareholder accounts at the end of the day by a rate of \$15.50 per year and dividing by the number of days in the year. The fees paid to IDS may be changed from time to time upon agreement of the parties without shareholder approval. The fund paid fees of \$1,697,473 for the fiscal year ended Nov. 30, 1993.

Distribution Agreement

Under a Distribution Agreement, sales charges deducted for distributing fund shares are paid to IDS Financial Services Inc. daily. These charges amounted to \$7,381,370 for the fiscal year ended Nov. 30, 1993. After paying commissions to personal financial planners, and other expenses, the amount retained was \$2,611,931. The amounts were \$7,205,702 and \$2,577,031 for fiscal year 1992, and \$6,569,502 and \$2,293,502 for fiscal year 1991.

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Additional information about commissions and compensation for the fiscal year ended Nov. 30, 1993, is contained in the following table:

<TABLE>
<CAPTION>

(1)	(2)	(3)	(4)	(5)
Name of Principal Underwriter	Net Underwriting Discounts and Commissions	Compensation on Redemption and Repurchases	Brokerage Commissions	Other Compensation
<S>	<C>	<C>	<C>	<C>
IDS	None	None	None*	\$666,796**
IDS Financial Services Inc.	\$7,381,370	None	None	None

</TABLE>

*For further information see "Brokerage Commissions Paid to Brokers Affiliated with IDS."

**Distribution fees paid pursuant to the Plan and Supplemental Agreement of Distribution.

Plan and Supplemental Agreement of Distribution

To help IDS defray the cost of distribution and servicing, not covered by the sales charges received under the Distribution Agreement, the fund and IDS entered into a Plan and Supplemental Agreement of Distribution (Plan). These costs cover almost all aspects of distributing the fund shares except compensation to the sales force. A substantial portion of the costs are not specifically identified to any one fund in the IDS MUTUAL FUND GROUP. Under the Plan, IDS is paid a fee determined by multiplying the number of shareholder accounts at the end of each day by a rate of \$6 per year and dividing by the number of days in the year.

The Plan must be approved annually by the directors, including a majority of the disinterested directors, if it is to continue for more than a year. At least quarterly, the directors must review written reports concerning the amounts expended under the Plan and the purposes for which such expenditures were made. The Plan and any agreement related to it may be terminated at any time by vote of a majority of directors who are not interested persons of the fund and have no direct or indirect financial interest in the operation of the Plan or in any agreement related to the Plan, or by vote of a majority of the outstanding voting securities of the fund or by IDS. The Plan (or any agreement related to it) shall terminate in the event of its assignment, as that term is defined in the Investment Company Act of 1940, as amended. The Plan may not be amended to increase the amount to be spent for distribution without shareholder approval, and all material amendments to the Plan must be approved by a majority of the directors, including a majority of the directors who are not interested persons of the fund and who do not have a financial interest in the operation of the Plan or any agreement related to it. The selection and

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nomination of such disinterested directors is the responsibility of such disinterested directors. No interested person of the fund, and no director who is not an interested person, has any direct or indirect financial interest in the operation of the Plan or any related agreement.

Total fees and nonadvisory expenses cannot exceed the most restrictive applicable state limitation. Currently, the most restrictive applicable state expense limitation, subject to exclusion of certain expenses, is 2.5% of the first \$30 million of the fund's average daily net assets, 2% of the next \$70 million and 1.5% of average daily net assets over \$100 million, on an annual basis. At the end of each month, if the fees and expenses of the fund exceed this limitation for the fund's fiscal year in progress, IDS will assume all expenses in excess of the limitation. IDS then may bill the fund for such expenses in subsequent months up to the end of that fiscal year, but not after that date. No interest charges are assessed by IDS for expenses it assumes.

DIRECTORS AND OFFICERS

The following is a list of the fund's directors who, except for Mr. Dudley, also are directors of all other funds in the IDS MUTUAL FUND GROUP. Mr. Dudley is a director of all publicly offered funds. All shares have cumulative voting rights when voting on the election of directors.

William H. Dudley***
2900 IDS Tower
Minneapolis, MN

Executive vice president and director of IDS.

Robert F. Froehlke+
901 S. Marquette Ave.
Minneapolis, MN

Former president of all funds in the IDS MUTUAL FUND GROUP. Director, the ICI Mutual Insurance Co., Institute for Defense Analyses, Marshall Erdman and Associates, Inc. (architectural engineering) and Public Oversight Board of the American Institute of Certified Public Accountants.

David R. Hubers**
2900 IDS Tower
Minneapolis, MN

President, chief executive officer and director of IDS. Previously, senior vice president, finance and chief financial officer of IDS.

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Anne P. Jones***
Sutherland, Asbill & Brennan
1275 Pennsylvania Ave., N.W.
Washington, D.C.

Partner, law firm of Sutherland, Asbill & Brennan. Director, Motorola, Inc. and C-Cor Electronics, Inc.

Donald M. Kendall
PepsiCo, Inc.
Purchase, NY

Former chairman and chief executive officer, PepsiCo, Inc. Director, Atlantic Richfield Company.

Melvin R. Laird
Reader's Digest Association, Inc.
1730 Rhode Island Ave., N.W.
Washington, D.C.

Senior counsellor for national and international affairs, The Reader's Digest Association, Inc. Chairman of the board, COMSAT Corporation, former nine-term congressman, secretary of defense and presidential counsellor. Director, Martin Marietta Corp., Metropolitan Life Insurance Co., The Reader's Digest Association, Inc., Science Applications International Corp., Wallace Reader's Digest funds and Public Oversight Board (SEC Practice Section, American Institute of Certified Public Accountants).

Lewis W. Lehr'
3050 Minnesota World Trade Center
30 E. Seventh St.
St. Paul, MN

Former chairman of the board and chief executive officer, Minnesota

Mining and Manufacturing Company (3M). Director, Jack Eckerd Corporation (drugstores). Advisory Director, Peregrine Inc. (microelectronics).

William R. Pearce+*
901 S. Marquette Ave.
Minneapolis, MN

President of all funds in the IDS MUTUAL FUND GROUP since June 1993. Previously, vice chairman of the board, Cargill, Incorporated (commodity merchants and processors).

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Aulana L. Peters'***
Gibson, Dunn & Crutcher
333 S. Grand Ave.
Los Angeles, CA

Partner, law firm of Gibson, Dunn & Crutcher from January 1980 to May 1984 and since August 1988. Commissioner, Securities and Exchange Commission (SEC) from June 1984 to July 1988. Director, American Institute of CPA's (accounting), Minnesota Mining and Manufacturing Company (3M), Mobil Corporation (energy), New York Stock Exchange and Northrop Corporation (defense).

Edson W. Spencer+
840 TCF Tower
Minneapolis, MN

President, Spencer Associates Inc. (consulting). Chairman of the board, Mayo Foundation (healthcare). Former chairman of the board and chief executive officer, Honeywell, Inc. Director, Boise Cascade Corporation (forest products) and CBS Inc. Member of International Advisory Councils, Robert Bosch (Germany) and NEC (Japan).

John R. Thomas**
2900 IDS Tower
Minneapolis, MN

Senior vice president and director of IDS.

Wheelock Whitney+
1900 Foshay Tower
821 Marquette Ave.
Minneapolis, MN

Chairman, Whitney Management Company (manages family assets).

+ Member of executive committee.

' Member of joint audit committee.

* Interested person by reason of being an officer and employee of the fund.

**Interested person by reason of being an officer, director, employee and/or shareholder of IDS or American Express.

***Interested person by reason of being a partner in a law firm that has represented IDS or its subsidiaries.

The board also has appointed officers who are responsible for day-to-day business decisions based on policies it has established.

Besides Mr. Pearce, who is president, the fund's other officer is:

Leslie L. Ogg
901 S. Marquette Ave.
Minneapolis, MN

Vice president of all funds in the IDS MUTUAL FUND GROUP and general counsel and treasurer of the publicly offered funds.

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On Nov. 30, 1993, the fund's directors and officers as a group owned less than 1% of the outstanding shares. During the fiscal year ended Nov. 30, 1993, no director or officer earned more than \$60,000 from this fund. All directors and officers as a group earned \$81,525, including \$30,328 of retirement plan expense, from this fund.

CUSTODIAN

The fund's securities and cash are held by First Bank National Association, 180 E. Fifth St., St. Paul, MN 55101-1631, through a

custodian agreement. The custodian is permitted to deposit some or all of its securities in central depository systems as allowed by federal law.

INDEPENDENT AUDITORS

The fund's financial statements contained in its Annual Report to shareholders, for the fiscal year ended Nov. 30, 1993, were audited by independent auditors, KPMG Peat Marwick, 4200 Norwest Center, 90 S. Seventh St., Minneapolis, MN 55402-3900. The independent auditors also provide other accounting and tax-related services as requested by the fund.

FINANCIAL STATEMENTS

The Independent Auditors' Report and the Financial Statements, including Notes to the Financial Statements and the Schedule of Investments in Securities, contained in the 1993 Annual Report to IDS Selective Fund, shareholders, pursuant to Section 30(d) of the Investment Company Act of 1940, as amended, are hereby incorporated in this SAI by reference. No other portion of the Annual Report, however, is incorporated by reference.

PROSPECTUS

The prospectus dated Jan. 28, 1994, is hereby incorporated in this SAI by reference.

PAGE 51 APPENDIX A

DESCRIPTION OF CORPORATE BOND RATINGS AND ADDITIONAL INFORMATION ON INVESTMENT POLICIES

Bond Ratings

The ratings concern the quality of the issuing corporation. They are not an opinion of the market value of the security. Such ratings are opinions on whether the principal and interest will be repaid when due. A security's rating may change which could affect its price. The four highest ratings by Moody's Investors Service, Inc. are Aaa, Aa, A and Baa. The four highest ratings by Standard & Poor's Corporation are AAA, AA, A and BBB.

Bonds rated Aaa and AAA are judged to be of the best quality and carry the smallest degree of investment risk. Interest and principal are secure. Prices are responsive only to interest rate fluctuations.

Bonds rated Aa and AA are also judged to be high-grade although margins of protection for interest and principal may not be quite as good as Aaa or AAA rated securities. Long-term risk may appear greater than the Aaa or AAA group. Prices are primarily responsive to interest rate fluctuations.

Bonds rated A are considered upper-medium grade. Protection for interest and principal is deemed adequate but susceptible to future impairment. The market prices of such obligations move primarily with interest rate fluctuations but also with changing economic or trade conditions.

Bonds rated Baa and BBB are considered medium-grade obligations. Protection for interest and principal is adequate over the short-term; however, these obligations have certain speculative characteristics. They are susceptible to changing economic conditions and require constant review. Such bonds are more responsive to business and trade conditions than to interest rate fluctuations.

Stripped Mortgage-Backed Securities

The fund may invest in stripped mortgage-backed securities. Generally, there are two classes of stripped mortgage-backed securities: Interest Only (IO) and Principal Only (PO). IOs entitle the holder to receive distributions consisting of all or a portion of the interest on the underlying pool of mortgage loans or mortgage-backed securities. POs entitle the holder to receive distributions consisting of all or a portion of the principal of the underlying pool of mortgage loans or mortgage-backed securities. The cash flows and yields on IOs and POs are extremely sensitive to the rate of principal payments (including prepayments) on the underlying mortgage loans or mortgage-backed securities. A

rapid rate of principal payments may adversely affect the yield to

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maturity of IOs. A slow rate of principal payments may adversely affect the yield to maturity of POs. If prepayments of principal are greater than anticipated, an investor may incur substantial losses. If prepayments of principal are slower than anticipated, the yield on a PO will be affected more severely than would be the case with a traditional mortgage-backed security.

Inverse Floaters

The Fund may invest in securities called "inverse floaters". Inverse floaters are created by underwriters using the interest payments on mortgage-backed securities. A portion of the interest received is paid to holders of instruments based on current interest rates for short-term securities. What is left over, less a servicing fee, is paid to holders of the inverse floaters. As interest rates go down, the holders of the inverse floaters receive more income and an increase in the price for the inverse floaters. As interest rates go up, the holders of the inverse floaters receive less income and a decrease in the price for the inverse floaters.

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APPENDIX B

FOREIGN CURRENCY TRANSACTIONS

Since investments in foreign countries usually involve currencies of foreign countries, and since the fund may hold cash and cash-equivalent investments in foreign currencies, the value of the fund's assets as measured in U.S. dollars may be affected favorably or unfavorably by changes in currency exchange rates and exchange control regulations. Also, the fund may incur costs in connection with conversions between various currencies.

Spot Rates and Forward Contracts. The fund conducts its foreign currency exchange transactions either at the spot (cash) rate prevailing in the foreign currency exchange market or by entering into forward currency exchange contracts (forward contracts) as a hedge against fluctuations in future foreign exchange rates. A forward contract involves an obligation to buy or sell a specific currency at a future date, which may be any fixed number of days from the contract date, at a price set at the time of the contract. These contracts are traded in the interbank market conducted directly between currency traders (usually large commercial banks) and their customers. A forward contract generally has no deposit requirements. No commissions are charged at any stage for trades.

The fund may enter into forward contracts to settle a security transaction or handle dividend and interest collection. When the fund enters into a contract for the purchase or sale of a security denominated in a foreign currency or has been notified of a dividend or interest payment, it may desire to lock in the price of the security or the amount of the payment in dollars. By entering into a forward contract, the fund will be able to protect itself against a possible loss resulting from an adverse change in the relationship between different currencies from the date the security is purchased or sold to the date on which payment is made or received or when the dividend or interest is actually received.

The fund also may enter into forward contracts when management of the fund believes the currency of a particular foreign country may suffer a substantial decline against another currency. It may enter into a forward contract to sell, for a fixed amount of dollars, the amount of foreign currency approximating the value of some or all of the fund's portfolio securities denominated in such foreign currency. The precise matching of forward contract amounts and the value of securities involved generally will not be possible since the future value of such securities in foreign currencies more than likely will change between the date the forward contract is entered into and the date it matures. The projection of short-term currency market movements is extremely difficult and successful execution of a short-term hedging strategy is highly uncertain. The fund will not enter into such forward contracts or maintain a net exposure to such contracts when consummating the contracts would obligate the fund to deliver an amount of foreign currency in excess of the value of the fund's portfolio securities or other assets denominated in that currency.

The fund will designate cash or securities in an amount equal to the value of the fund's total assets committed to consummating forward contracts entered into under the second circumstance set forth above. If the value of the securities declines, additional cash or securities will be designated on a daily basis so that the value of the cash or securities will equal the amount of the fund's commitments on such contracts.

At maturity of a forward contract, the fund may either sell the portfolio security and make delivery of the foreign currency or retain the security and terminate its contractual obligation to deliver the foreign currency by purchasing an offsetting contract with the same currency trader obligating it to buy, on the same maturity date, the same amount of foreign currency.

If the fund retains the portfolio security and engages in an offsetting transaction, the fund will incur a gain or a loss (as described below) to the extent there has been movement in forward contract prices. If the fund engages in an offsetting transaction, it may subsequently enter into a new forward contract to sell the foreign currency. Should forward prices decline between the date the fund enters into a forward contract for selling foreign currency and the date it enters into an offsetting contract for purchasing the foreign currency, the fund will realize a gain to the extent that the price of the currency it has agreed to sell exceeds the price of the currency it has agreed to buy. Should forward prices increase, the fund will suffer a loss to the extent the price of the currency it has agreed to buy exceeds the price of the currency it has agreed to sell.

It is impossible to forecast what the market value of portfolio securities will be at the expiration of a contract. Accordingly, it may be necessary for the fund to buy additional foreign currency on the spot market (and bear the expense of such purchase) if the market value of the security is less than the amount of foreign currency the fund is obligated to deliver and a decision is made to sell the security and make delivery of the foreign currency. Conversely, it may be necessary to sell on the spot market some of the foreign currency received on the sale of the portfolio security if its market value exceeds the amount of foreign currency the fund is obligated to deliver.

The fund's dealing in forward contracts will be limited to the transactions described above. This method of protecting the value of the fund's portfolio securities against a decline in the value of a currency does not eliminate fluctuations in the underlying prices of the securities. It simply establishes a rate of exchange that can be achieved at some point in time. Although such forward contracts tend to minimize the risk of loss due to a decline in value of hedged currency, they tend to limit any potential gain that might result should the value of such currency increase.

Although the fund values its assets each business day in terms of U.S. dollars, it does not intend to convert its foreign currencies into U.S. dollars on a daily basis. It will do so from time to

time, and shareholders should be aware of currency conversion costs. Although foreign exchange dealers do not charge a fee for conversion, they do realize a profit based on the difference (spread) between the prices at which they are buying and selling various currencies. Thus, a dealer may offer to sell a foreign currency to the fund at one rate, while offering a lesser rate of exchange should the fund desire to resell that currency to the dealer.

Options on Foreign Currencies. The fund may buy put and write covered call options on foreign currencies for hedging purposes. For example, a decline in the dollar value of a foreign currency in which portfolio securities are denominated will reduce the dollar value of such securities, even if their value in the foreign currency remains constant. In order to protect against such diminutions in the value of portfolio securities, the fund may buy put options on the foreign currency. If the value of the currency does decline, the fund will have the right to sell such currency for a fixed amount in dollars and will thereby offset, in whole or in part, the adverse effect on its portfolio which otherwise would have resulted.

As in the case of other types of options, however, the benefit to the fund derived from purchases of foreign currency options will be reduced by the amount of the premium and related transaction costs. In addition, where currency exchange rates do not move in the

direction or to the extent anticipated, the fund could sustain losses on transactions in foreign currency options which would require it to forego a portion or all of the benefits of advantageous changes in such rates.

The fund may write options on foreign currencies for the same types of hedging purposes. For example, when the fund anticipates a decline in the dollar value of foreign-denominated securities due to adverse fluctuations in exchange rates, it could, instead of purchasing a put option, write a call option on the relevant currency. If the expected decline occurs, the option will most likely not be exercised and the diminution in value of portfolio securities will be fully or partially offset by the amount of the premium received.

As in the case of other types of options, however, the writing of a foreign currency option will constitute only a partial hedge up to the amount of the premium, and only if rates move in the expected direction. If this does not occur, the option may be exercised and the fund would be required to buy or sell the underlying currency at a loss which may not be offset by the amount of the premium. Through the writing of options on foreign currencies, the fund also may be required to forego all or a portion of the benefits which might otherwise have been obtained from favorable movements on exchange rates.

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All options written on foreign currencies will be covered. An option written on foreign currencies is covered if the fund holds currency sufficient to cover the option or has an absolute and immediate right to acquire that currency without additional cash consideration upon conversion of assets denominated in that currency or exchange of other currency held in its portfolio. An option writer could lose amounts substantially in excess of its initial investments, due to the margin and collateral requirements associated with such positions.

Options on foreign currencies are traded through financial institutions acting as market-makers, although foreign currency options also are traded on certain national securities exchanges, such as the Philadelphia Stock Exchange and the Chicago Board Options Exchange, subject to SEC regulation. In an over-the-counter trading environment, many of the protections afforded to exchange participants will not be available. For example, there are no daily price fluctuation limits, and adverse market movements could therefore continue to an unlimited extent over a period of time. Although the purchaser of an option cannot lose more than the amount of the premium plus related transaction costs, this entire amount could be lost.

Foreign currency option positions entered into on a national securities exchange are cleared and guaranteed by the OCC, thereby reducing the risk of counterparty default. Further, a liquid secondary market in options traded on a national securities exchange may be more readily available than in the over-the-counter market, potentially permitting the fund to liquidate open positions at a profit prior to exercise or expiration, or to limit losses in the event of adverse market movements.

The purchase and sale of exchange-traded foreign currency options, however, is subject to the risks of availability of a liquid secondary market described above, as well as the risks regarding adverse market movements, margining of options written, the nature of the foreign currency market, possible intervention by governmental authorities and the effects of other political and economic events. In addition, exchange-traded options on foreign currencies involve certain risks not presented by the over-the-counter market. For example, exercise and settlement of such options must be made exclusively through the OCC, which has established banking relationships in certain foreign countries for the purpose. As a result, the OCC may, if it determines that foreign governmental restrictions or taxes would prevent the orderly settlement of foreign currency option exercises, or would result in undue burdens on OCC or its clearing member, impose special procedures on exercise and settlement, such as technical changes in the mechanics of delivery of currency, the fixing of dollar settlement prices or prohibitions on exercise.

Foreign Currency Futures and Related Options. The fund may enter into currency futures contracts to sell currencies. It also may buy put and write covered call options on currency futures.

Currency futures contracts are similar to currency forward contracts, except that they are traded on exchanges (and have margin requirements) and are standardized as to contract size and delivery date. Most currency futures call for payment of delivery in U.S. dollars. The fund may use currency futures for the same purposes as currency forward contracts, subject to CFTC limitations, including the limitation on the percentage of assets that may be used, described in the prospectus. All futures contracts are aggregated for purposes of the percentage limitations.

Currency futures and options on futures values can be expected to correlate with exchange rates, but will not reflect other factors that may affect the values of the fund's investments. A currency hedge, for example, should protect a Yen-denominated bond against a decline in the Yen, but will not protect the fund against price decline if the issuer's creditworthiness deteriorates. Because the value of the fund's investments denominated in foreign currency will change in response to many factors other than exchange rates, it may not be possible to match the amount of a forward contract to the value of the fund's investments denominated in that currency over time.

The fund will not use leverage in its options and futures strategies. The fund will hold securities or other options or futures positions whose values are expected to offset its obligations. The fund will not enter into an option or futures position that exposes the fund to an obligation to another party unless it owns either (i) an offsetting position in securities or (ii) cash, receivables and short-term debt securities with a value sufficient to cover its potential obligations.

OPTIONS AND INTEREST RATE FUTURES CONTRACTS

The fund may buy put and call options, write covered call options and write cash-secured put options on debt securities. The fund may enter into interest rate futures contracts (futures contracts), buy put and call options on futures contracts and write covered put and call options on futures contracts. Options in the over-the-counter market will be purchased only when the investment manager believes a liquid secondary market exists for the options and only from dealers and institutions the investment manager believes present a minimal credit risk. Some options are exercisable only on a specific date. In that case, or if a liquid secondary market does not exist, the Fund could be required to buy or sell securities at disadvantageous prices, thereby incurring losses.

OPTIONS. An option is a contract. A person who buys a call option for a security has the right to buy the security at a set price for the length of the contract. A person who sells a call option is called a writer. The writer of a call option agrees to sell the security at the set price when the buyer wants to exercise the option, no matter what the market price of the security is at that time. A person who buys a put option has the right to sell a security at a set price for the length of the contract. A person who writes a put option agrees to buy the security at the set price if the purchaser wants to exercise the option, no matter what the market price of the security is at that time. An option is covered if the writer owns the security (in the case of a call) or sets aside the cash (in the case of a put) that would be required upon exercise.

The price paid by the buyer for an option is called a premium. In addition the buyer generally pays a broker a commission. The writer receives a premium, less a commission, at the time the option is written. The cash received is retained by the writer whether or not the option is exercised. A writer of a call option may have to sell the security for a below-market price if the market price rises above the exercise price. A writer of a put option may have to pay an above-market price for the security if its market price decreases below the exercise price.

Options can be used to produce incremental earnings, protect gains and facilitate buying and selling securities for investment purposes. The use of options and futures contracts may benefit the fund and its shareholders by improving the fund's liquidity and by helping to stabilize the value of its net assets.

Buying options. Put and call options may be used as a trading

technique to facilitate buying and selling securities for investment reasons. They also may be used for investment. Options are used as a trading technique to take advantage of any disparity between the price of the underlying security in the securities market and its price on the options market. It is anticipated the

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trading technique will be utilized only to effect a transaction when the price of the security plus the option price will be as good or better than the price at which the security could be bought or sold directly. When the option is purchased, the fund pays a premium and a commission. It then pays a second commission on the purchase or sale of the underlying security when the option is exercised. For record-keeping and tax purposes, the price obtained on the purchase of the underlying security will be the combination of the exercise price, the premium and both commissions. When using options as a trading technique, commissions on the option will be set as if only the underlying securities were traded.

Put and call options also may be held by the fund for investment purposes. Options permit the fund to experience the change in the value of a security with a relatively small initial cash investment. The risk the fund assumes when it buys an option is the loss of the premium. To be beneficial to the fund, the price of the underlying security must change within the time set by the option contract. Furthermore, the change must be sufficient to cover the premium paid, the commissions paid both in the acquisition of the option and in a closing transaction or in the exercise of the option and subsequent sale (in the case of a call) or purchase (in the case of a put) of the underlying security. Even then the price change in the underlying security does not ensure a profit since prices in the option market may not reflect such a change.

Writing covered options. The fund will write covered options when it feels it is appropriate and will follow these guidelines:

'Underlying securities will continue to be bought or sold solely on the basis of investment considerations consistent with the fund's goal.

'All options written by the fund will be covered. For covered call options if a decision is made to sell the security, the fund will attempt to terminate the option contract through a closing purchase transaction.

'The fund will write options only as permitted under federal or state laws or regulations, such as those that limit the amount of total assets subject to the options. While no limit has been set by the fund, it will conform to the requirements of those states. For example, California limits the writing of options to 50% of the assets of a fund. Some regulations also affect the Custodian. When a covered call option is written, the Custodian segregates the underlying securities and issues a receipt. There are certain rules regarding banks issuing such receipts that may restrict the amount of covered call options written. Furthermore, the fund is limited to pledging not more than 15% of the cost of its total assets.

Net premiums on call options closed or premiums on expired call options are treated as short-term capital gains. Since the fund is taxed as a regulated investment company under the Internal Revenue

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Code, any gains on options and other securities held less than three months must be limited to less than 30% of its annual gross income.

If a covered call option is exercised, the security is sold by the fund. The fund will recognize a capital gain or loss based upon the difference between the proceeds and the security's basis.

Options on many securities are listed on options exchanges. If the fund writes listed options, it will follow the rules of the options exchange. Options are valued at the close of the New York Stock Exchange. An option listed on a national exchange, CBOE or NASDAQ will be valued at the last quoted sales price or, if such a price is not readily available, at the mean of the last bid and asked prices.

FUTURES CONTRACTS. A futures contract is an agreement between two parties to buy and sell a security for a set price on a future date. They have been established by boards of trade which have been designated contracts markets by the Commodity Futures Trading

Commission (CFTC). Futures contracts trade on these markets in a manner similar to the way a stock trades on a stock exchange, and the boards of trade, through their clearing corporations, guarantee performance of the contracts. Currently, there are futures contracts based on such debt securities as long-term U.S. Treasury bonds, Treasury notes, GNMA modified pass-through mortgage-backed securities, three-month U.S. Treasury bills and bank certificates of deposit. While futures contracts based on debt securities do provide for the delivery and acceptance of securities, such deliveries and acceptances are very seldom made. Generally, the futures contract is terminated by entering into an offsetting transaction. An offsetting transaction for a futures contract sale is effected by the fund entering into a futures contract purchase for the same aggregate amount of the specific type of financial instrument and same delivery date. If the price in the sale exceeds the price in the offsetting purchase, the fund immediately is paid the difference and realizes a gain. If the offsetting purchase price exceeds the sale price, the fund pays the difference and realizes a loss. Similarly, closing out a futures contract purchase is effected by the fund entering into a futures contract sale. If the offsetting sale price exceeds the purchase price, the fund realizes a gain, and if the offsetting sale price is less than the purchase price, the fund realizes a loss. At the time a futures contract is made, a good-faith deposit called initial margin is set up within a segregated account at the fund's custodian bank. The initial margin deposit is approximately 1.5% of a contract's face value. Daily thereafter, the futures contract is valued and the payment of variation margin is required so that each day the fund would pay out cash in an amount equal to any decline in the contract's value or receive cash equal to any increase. At the time a futures contract is closed out, a nominal commission is paid, which is generally lower than the commission on a comparable transaction in the cash markets.

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The purpose of a futures contract, in the case of a portfolio holding long-term debt securities, is to gain the benefit of changes in interest rates without actually buying or selling long-term debt securities. For example, if the fund owned long-term bonds and interest rates were expected to increase, it might enter into futures contracts to sell securities which would have much the same effect as selling some of the long-term bonds it owned.

Futures contracts are based on types of debt securities referred to above, which have historically reacted to an increase or decline in interest rates in a fashion similar to the debt securities the fund owns. If interest rates did increase, the value of the debt securities in the portfolio would decline, but the value of the fund's futures contracts would increase at approximately the same rate, thereby keeping the net asset value of the fund from declining as much as it otherwise would have. If, on the other hand, the fund held cash reserves and interest rates were expected to decline, the fund might enter into interest rate futures contracts for the purchase of securities. If short-term rates were higher than long-term rates, the ability to continue holding these cash reserves would have a very beneficial impact on the fund's earnings. Even if short-term rates were not higher, the fund would still benefit from the income earned by holding these short-term investments. At the same time, by entering into futures contracts for the purchase of securities, the fund could take advantage of the anticipated rise in the value of long-term bonds without actually buying them until the market had stabilized. At that time, the futures contracts could be liquidated and the fund's cash reserves could then be used to buy long-term bonds on the cash market. The fund could accomplish similar results by selling bonds with long maturities and investing in bonds with short maturities when interest rates are expected to increase or by buying bonds with long maturities and selling bonds with short maturities when interest rates are expected to decline. But by using futures contracts as an investment tool, given the greater liquidity in the futures market than in the cash market, it might be possible to accomplish the same result more easily and more quickly. Successful use of futures contracts depends on the investment manager's ability to predict the future direction of interest rates. If the investment manager's prediction is incorrect, the fund would have been better off had it not entered into futures contracts.

OPTIONS ON FUTURES CONTRACTS. Options give the holder a right to buy or sell futures contracts in the future. Unlike a futures contract, which requires the parties to the contract to buy and sell a security on a set date, an option on a futures contract merely entitles its holder to decide on or before a future date

(within nine months of the date of issue) whether to enter into such a contract. If the holder decides not to enter into the contract, all that is lost is the amount (premium) paid for the option. Furthermore, because the value of the option is fixed at the point of sale, there are no daily payments of cash to reflect the change in the value of the underlying contract. However, since

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an option gives the buyer the right to enter into a contract at a set price for a fixed period of time, its value does change daily and that change is reflected in the net asset value of the fund.

RISKS. There are risks in engaging in each of the management tools described above. The risk the fund assumes when it buys an option is the loss of the premium paid for the option. Purchasing options also limits the use of monies that might otherwise be available for long-term investments.

The risk involved in writing options on futures contracts the fund owns, or on securities held in its portfolio, is that there could be an increase in the market value of such contracts or securities. If that occurred, the option would be exercised and the asset sold at a lower price than the cash market price. To some extent, the risk of not realizing a gain could be reduced by entering into a closing transaction. The fund could enter into a closing transaction by purchasing an option with the same terms as the one it had previously sold. The cost to close the option and terminate the fund's obligation, however, might be more or less than the premium received when it originally wrote the option. Furthermore, the fund might not be able to close the option because of insufficient activity in the options market.

A risk in employing futures contracts to protect against the price volatility of portfolio securities is that the prices of securities subject to futures contracts may not correlate perfectly with the behavior of the cash prices of the fund's portfolio securities. The correlation may be distorted because the futures market is dominated by short-term traders seeking to profit from the difference between a contract or security price and their cost of borrowed funds. Such distortions are generally minor and would diminish as the contract approached maturity.

Another risk is that the fund's investment manager could be incorrect in anticipating as to the direction or extent of various interest rate movements or the time span within which the movements take place. For example, if the fund sold futures contracts for the sale of securities in anticipation of an increase in interest rates, and interest rates declined instead, the fund would lose money on the sale.

TAX TREATMENT. As permitted under federal income tax laws, the fund intends to identify futures contracts as mixed straddles and not mark them to market, that is, not treat them as having been sold at the end of the year at market value. Such an election may result in the fund being required to defer recognizing losses incurred by entering into futures contracts and losses on underlying securities identified as being hedged against.

Federal income-tax treatment of gains or losses from transactions in options on futures contracts and indexes is presently unclear, although the fund's tax advisers currently believe marking to market is not required. Depending on developments, the fund may

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seek Internal Revenue Service (IRS) rulings clarifying questions concerning such treatment. Certain provisions of the Internal Revenue Code may also limit the fund's ability to engage in futures contracts and related options transactions. For example, at the close of each quarter of the fund's taxable year, at least 50% of the value of its assets must consist of cash, government securities and other securities, subject to certain diversification requirements. Less than 30% of its gross income must be derived from sales of securities held less than three months.

The IRS has ruled publicly that an exchange-traded call option is a security for purposes of the 50-percent-of-assets test and that its issuer is the issuer of the underlying security, not the writer of the option, for purposes of the diversification requirements. In order to avoid realizing a gain within the three-month period, the fund may be required to defer closing out a contract beyond the time when it might otherwise be advantageous to do so. The fund also may be restricted in purchasing put options for the purpose of hedging underlying securities because of applying the short sale holding period rules with respect to such underlying securities.

Accounting for futures contracts will be according to generally accepted accounting principles. Initial margin deposits will be recognized as assets due from a broker (the fund's agent in acquiring the futures position). During the period the futures contract is open, changes in value of the contract will be recognized as unrealized gains or losses by marking to market on a daily basis to reflect the market value of the contract at the end of each day's trading. Variation margin payments will be made or received depending upon whether gains or losses are incurred. All contracts and options will be valued at the last-quoted sales price on their primary exchange.

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APPENDIX D

DOLLAR-COST AVERAGING

A technique that works well for many investors is one that eliminates random buy and sell decisions. One such system is dollar-cost averaging. Dollar-cost averaging involves building a portfolio through the investment of fixed amounts of money on a regular basis regardless of the price or market condition. This may enable an investor to smooth out the effects of the volatility of the financial markets. By using this strategy, more shares will be purchased when the price is low and less when the price is high. As the accompanying chart illustrates, dollar-cost averaging tends to keep the average price paid for the shares lower than the average market price of shares purchased, although there is no guarantee.

While this does not ensure a profit and does not protect against a loss if the market declines, it is an effective way for many shareholders who can continue investing through changing market conditions to accumulate shares in a fund to meet long term goals.

Dollar-cost averaging

Regular Investment	Market Price of a Share	Shares Acquired
\$100	\$ 6.00	16.7
100	4.00	25.0
100	4.00	25.0
100	6.00	16.7
100	5.00	20.0
\$500	\$25.00	103.4

Average market price of a share over 5 periods:

\$5.00 (\$25.00 divided by 5).

The average price you paid for each share:

\$4.84 (\$500 divided by 103.4).

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Independent auditors' report

The board of directors and shareholders
IDS Selective Fund, Inc.:

We have audited the accompanying statement of assets and liabilities, including the schedule of investments in securities, of IDS Selective Fund, Inc. as of November 30, 1993, and the related statement of operations for the year then ended and the statements of changes in net assets for each of the years in the two-year period ended November 30, 1993, and the financial highlights for each of the years in the ten-year period ended November 30, 1993. These financial statements and the financial highlights are the responsibility of fund management. Our responsibility is to express an opinion on these financial statements and the financial highlights based on our audits.

We conducted our audits in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements and the financial highlights are free of

material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. Investment securities held in custody are confirmed to us by the custodian. As to securities purchased but not received and securities on loan, we request confirmations from brokers, and where replies are not received, we carry out other appropriate auditing procedures. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of IDS Selective Fund, Inc. at November 30, 1993, and the results of its operations for the year then ended and the changes in its net assets for each of the years in the two-year period ended November 30, 1993, and the financial highlights for the periods stated in the first paragraph above, in conformity with generally accepted accounting principles.

KPMG Peat Marwick
 Minneapolis, Minnesota
 January 7, 1994

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 Financial statements
 <TABLE>
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 Statement of assets and liabilities
 IDS Selective Fund, Inc.
 Nov. 30, 1993

Assets

<u><S></u>	<u><C></u>
Investments in securities, at value (Note 1) (identified cost \$1,566,258,656)	\$1,723,828,786
Dividends and accrued interest receivable	25,676,076
U.S. government securities held as collateral (Note 4)	78,044,226
<hr/>	
Total assets	1,827,549,088

Liabilities

Disbursements in excess of cash on demand deposit	2,085,815
Dividends payable to shareholders	2,097,787
Payable for investments securities purchased	46,875
Payable upon return of securities loaned (Note 4)	85,386,726
Accrued investment management and services fee	808,385
Accrued distribution fee	60,629
Accrued transfer agency fee	153,681
Other accrued expenses	318,055
<hr/>	
Total liabilities	90,957,953

Net assets applicable to outstanding capital stock	\$1,736,591,135
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Represented by

Capital stock -- authorized 10,000,000,000 shares of \$.01 par value; outstanding 177,801,940 shares	\$ 1,778,019
Additional paid-in capital	1,550,446,767
Undistributed net investment income	70,717
Accumulated net realized gain on investments (Note 1)	27,052,408
Unrealized appreciation of investments (Note 5)	157,243,224
<hr/>	

Total -- representing net assets applicable to outstanding capital stock	\$1,736,591,135
--	-----------------

Net asset value per share of outstanding capital stock	\$ 9.77
--	---------

See accompanying notes to financial statements.
</TABLE>

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Financial statements
<TABLE>
<CAPTION>
Statement of operations
IDS Selective Fund, Inc.
Year ended Nov. 30, 1993

Investment income	
<S>	<C>
Income:	
Interest	\$121,652,356
Dividends	309,076
Total income	121,961,432
Expenses (Note 2):	
Investment management and services fee	8,932,798
Distribution fee	666,796
Transfer agency fee	1,697,473
Compensation of directors	60,961
Compensation of officers	20,564
Custodian fees	141,537
Postage	269,865
Registration fees	110,008
Reports to shareholders	71,936
Audit fees	32,000
Administrative	31,953
Other	40,053
Total expenses	12,075,944
Investment income -- net	109,885,488

Realized and unrealized gain on investments and foreign currency -- net

Net realized gain on security transactions (including gain of \$37,692 from foreign currency transactions) (Note 3)	27,615,211
Net realized gain on closed interest rate futures contracts	22,200
Net realized gain on investments	27,637,411
Net change in unrealized appreciation or depreciation of investments	89,408,374
Net gain on investments	117,045,785
Net increase in net assets resulting from operations	\$226,931,273

See accompanying notes to financial statements.
</TABLE>

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Financial statements
<TABLE>
<CAPTION>
Statements of changes in net assets
IDS Selective Fund, Inc.
Year ended Nov. 30,

Operations and distributions	1993	1992
<S>	<C>	<C>
Investment income -- net	\$ 109,885,488	\$ 108,968,857
Net realized gain on investments	27,637,411	33,371,342
Net change in unrealized appreciation or depreciation of investments	89,408,374	9,273,125
Net increase in net assets resulting from operations	226,931,273	151,613,324

Distributions to shareholders from:		
Net investment income	(110,889,838)	(108,843,360)
Net realized gains on investments	(18,273,614)	--
Excess distribution of realized gain (Note 1)	(473,077)	(140,075)
<hr/>		
Total distributions	(129,636,529)	(108,983,435)
<hr/>		
Capital share transactions		
<hr/>		
Proceeds from sales of		
29,056,630 and 26,919,706 shares (Note 2)	280,546,936	246,466,878
Net asset value of 10,006,921 and 8,462,437 shares issued in reinvestment of distributions	95,735,511	77,361,930
Payments for redemptions of		
28,767,588 and 25,010,405 shares	(277,656,557)	(228,726,347)
<hr/>		
Increase in net assets from capital share transactions representing net addition of		
10,295,963 and 10,371,738 shares	98,625,890	95,102,461
<hr/>		
Total increase in net assets	195,920,634	137,732,350
<hr/>		
Net assets at beginning of year	1,540,670,501	1,402,938,151
<hr/>		
Net assets at end of year (including undistributed net investment income of \$70,717 and \$1,075,067)	\$1,736,591,135	\$1,540,670,501

See accompanying notes to financial statements.
</TABLE>

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Notes to financial statements

IDS Selective Fund, Inc.

1. Summary of significant accounting policies

The fund is registered under the Investment Company Act of 1940 (as amended) as a diversified, open-end management investment company. Significant accounting policies followed by the fund are summarized below:

Valuation of securities

All securities are valued at the close of each business day. Securities traded on national securities exchanges or included in national market systems are valued at the last quoted sales price; securities for which market quotations are not readily available are valued at fair value according to methods selected in good faith by the board of directors. Determination of fair value involves, among other things, reference to market indexes, matrixes and data from independent brokers. Short-term securities maturing in more than 60 days from the valuation date are valued at the market price or approximate market value based on current interest rates; those maturing in 60 days or less are valued at amortized cost.

Options transactions

In order to produce incremental earnings, protect gains, and facilitate buying and selling of securities for investment purposes, the fund may buy and sell put and call options and write covered call options on portfolio securities and may write cash-secured put options. The risk in writing a call option is that the fund gives up the opportunity of profit if the market price of the security increases. The risk in writing a put option is that the fund may incur a loss if the market price of the security decreases and the option is exercised. The risk in buying an option is that the fund pays a premium whether or not the option is exercised. The fund also has the additional risk of not being able to enter into a closing transaction if a liquid secondary market does not exist. The fund also may write over-the-counter options where the completion of the obligation is dependent upon the credit standing

of the other party.

Option contracts are valued daily at the closing prices on their primary exchanges and unrealized appreciation or depreciation is recorded. The fund will realize a gain or loss upon expiration or closing of the option transaction. When an option is exercised, the proceeds on sales for a written call option, the purchase cost for a written put option or the cost of a security for a purchased put or call option is adjusted by the amount of premium received or paid.

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Notes to financial statements

IDS Selective Fund, Inc.

1. Summary of significant accounting policies

Futures transactions

In order to gain exposure to or protect itself from changes in the market, the fund may buy and sell interest rate futures contracts. Risks of entering into futures contracts and related options include the possibility that there may be an illiquid market and that a change in the value of the contract or option may not correlate with changes in the value of the underlying securities. Upon entering into a futures contract, the fund is required to deposit either cash or securities in an amount (initial margin) equal to a certain percentage of the contract value. Subsequent payments (variation margin) are made or received by the fund each day. The variation margin payments are equal to the daily changes in the contract value and are recorded as unrealized gains and losses. The fund recognizes a realized gain or loss when the contract is closed or expires.

Foreign currency translations and forward foreign currency contracts

Securities and other assets and liabilities denominated in foreign currencies are translated daily into U.S. dollars at the closing rate of exchange. Foreign currency amounts related to the purchase or sale of securities and income and expenses are translated at the exchange rate on the transaction date. It is not practicable to identify that portion of realized and unrealized gain (loss) arising from changes in the exchange rates from the portion arising from changes in the market value of investments.

The fund may enter into forward foreign currency exchange contracts for operational purposes and to protect against adverse exchange rate fluctuation. The net U.S. dollar value of foreign currency underlying all contractual commitments held by the fund and the resulting unrealized appreciation or depreciation are determined using foreign currency exchange rates from an independent pricing service. The fund is subject to the credit risk that the other party will not complete the obligations of the contract.

Federal taxes

Since the fund's policy is to comply with all sections of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to shareholders, no provision for income or excise taxes is required.

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Notes to financial statements

IDS Selective Fund, Inc.

1. Summary of significant accounting policies

Net investment income (loss) and net realized gains (losses) may differ for financial statement and tax purposes primarily because of the deferral of losses on certain futures contracts, the recognition of certain foreign currency gains (losses) as ordinary income (loss) for tax purposes, and losses deferred due to "wash sale" transactions. The character of distributions made during the year from net investment income or net realized gains may differ from their ultimate characterization for federal income tax purposes. The effect on dividend distributions of certain book-to-tax differences is presented as "excess distributions" in the statement of changes in net assets. Also, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the year that the income or realized

gains (losses) were recorded by the fund.

Dividends to shareholders

Dividends from net investment income, declared daily and payable monthly, are reinvested in additional shares of the fund at net asset value or payable in cash. Capital gains, when available, are distributed along with the last income dividend of the calendar year.

Other

Security transactions are accounted for on the date securities are purchased or sold. Dividend income is recognized on the ex-dividend date and interest income, including level-yield amortization of premium and discount is accrued daily.

2. Expenses and sales charges

Under terms of an agreement dated Nov. 14, 1991, the fund pays IDS Financial Corporation (IDS) a fee for managing its investments, recordkeeping and other specified services. The fee is a percentage of the fund's average daily net assets consisting of a group asset charge in reducing percentages from 0.46% to 0.32% annually on the combined net assets of all non-money market funds in the IDS MUTUAL FUND GROUP and an individual annual asset charge of 0.13% of average daily net assets.

The fund also pays IDS a distribution fee at an annual rate of \$6 per shareholder account and a transfer agency fee at an annual rate of \$15.50 per shareholder account. The transfer agency fee is reduced by earnings on monies pending shareholder redemptions.

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Notes to financial statements

IDS Selective Fund, Inc.

2. Expenses and sales charges

IDS will assume and pay any expenses (except taxes and brokerage commissions) that exceed the most restrictive applicable state expense limitation.

Sales charges by IDS Financial Services Inc. for distributing fund shares were \$7,381,370 for the year ended Nov. 30, 1993.

The fund has a retirement plan for its independent directors. Upon retirement, directors receive monthly payments equal to one-half of the retainer fee for as many months as they served as directors up to 120 months. There are no death benefits. The plan is not funded but the fund recognizes the cost of payments during the time the directors serve on the board. The retirement plan expense amounted to \$30,328 for the year ended Nov. 30, 1993.

3. Securities transactions

Cost of purchases and proceeds from sales of securities (other than short-term obligations) aggregated \$576,285,566 and \$462,213,432, respectively, for the year ended Nov. 30, 1993. Realized gains and losses are determined on an identified cost basis.

4. Lending of portfolio securities

At Nov. 30, 1993, securities valued at \$75,488,428 were on loan to brokers. For collateral, the fund received \$7,342,500 in cash and U.S. government securities valued at \$78,044,226. Income from securities lending amounted to \$151,117 for the year ended Nov. 30, 1993. The risks to the fund of securities lending are that the borrower may not provide additional collateral when required or return the securities when due.

5. Interest rate futures contracts

At Nov. 30, 1993, investments in securities included securities valued at \$4,147,920 that were pledged as collateral to cover initial margin deposit on 100 purchase contracts. The market value of the open contracts at Nov. 30, 1993, was \$10,175,000 with a net unrealized loss of \$326,906.

6. Financial highlights

"Financial highlights" showing per share data and selected information is presented on page 5 of the prospectus.

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Investments in securities

<TABLE>

<CAPTION>

IDS Selective Fund, Inc.

Nov. 30, 1993

(Percentages represent value of investments compared to net assets)

Bonds (93.1%)

Issuer	Coupon rate	Maturity year	Principal amount	Value (a)
<S>	<C>	<C>	<C>	<C>
U.S. government obligations (29.1%)				
U.S. Treasury	7.50 %	2016	\$18,900,000	\$ 21,064,237
	7.98	2007	34,000,000 (c)	14,515,953
	8.00	2021	85,000,000	101,204,400
	8.625	1995-97	79,745,000	87,313,210
	10.375	2012	84,210,000 (b,i)	116,432,106
Resolution Funding Corp	7.60	2017	79,000,000 (c)	15,643,572
	7.89	2016	85,900,000 (b,c)	18,469,350
	7.98	2016	32,000,000 (c)	6,776,637
	8.07	2003	6,000,000 (c)	3,264,899
	8.11	2016	35,073,000 (c)	7,174,179
	8.12	2004	7,899,000 (c)	4,061,982
	8.16	2004	15,000,000 (c)	7,569,899
	8.18	2005	13,000,000 (c)	6,104,149
	8.19	2014	48,000,000 (c)	11,951,995
	8.20	2005	38,048,000 (c)	18,586,068
	8.27	2014	10,000,000 (c)	2,400,600
	8.35	2006	48,000,000 (c)	21,780,000
	8.94	2006	25,000,000 (c)	11,634,997
	8.95	2006	68,000,000 (c)	29,698,993
Total				505,647,226

Mortgage-backed securities (8.0%)

Federal Home Loan Mtge Corp

	5.823	1993-22	9,117,228	9,451,465
	8.00	1993-17	22,209	22,939
	8.50	1993-22	23,136,134	24,217,646
Collateralized Mtge Obligation	8.50	2019	12,000,000	12,563,160
	9.00	1993-21	13,667,066	14,412,173
Federal Housing Admin	7.43	1993-24	9,602,256	9,494,231
Federal Natl Mtge Assn	6.50	1993-23	14,832,845	14,619,622
Collateralized Mtge Obligation	6.50	2020	10,000,000	10,146,200
	8.00	2021	11,195,840	11,514,698
	8.50	2019	8,305,000	8,645,422
Principal Only	17.74	2020	3,193,191 (d)	2,817,991
Principal Only	8.05	2018	3,781,189 (d)	3,246,983

See accompanying notes to investments in securities.

</TABLE>

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Investments in securities

<TABLE>

<CAPTION>

IDS Selective Fund, Inc.

Nov. 30, 1993

(Percentages represent value of investments compared to net assets)

Bonds (continued)

Issuer	Coupon rate	Maturity year	Principal amount	Value (a)
<S>	<C>	<C>	<C>	<C>
Mortgage-backed securities (cont'd)				
Prudential Bache				
Collateralized Mtge Obligation	7.965%	2019	\$ 5,000,000	\$ 5,179,800
Salomon Brothers				
GNMA Collateralized Mtge Obligation	7.75	2012	9,200,142	9,498,227
WestAm				
Collateralized Mtge Obligation	8.95	2018	2,405,495	2,438,643
Total				138,269,200

Financial (14.8%)				
Banks and savings & loans (4.6%)				
BankAmerica				
Sub Nts	7.50	2002	8,810,000	9,404,675
Boatmen's Bancshares				
Sub Nts	9.25	2001	8,950,000	10,561,000
First Chicago				
Sr Nts	9.00	1999	7,900,000	9,035,625
First Security				
Sub Nts	7.50	2002	15,000,000	15,656,250
Golden West Financial				
Sub Nts	10.25	2000	9,500,000	11,661,250
Great Western Bank	10.25	2000	10,000,000	11,712,500
NCNB				
Sub Nts	9.125	2001	10,000,000	11,537,500
Total				79,568,800

Financial services (8.8%)				
Amer General Finance	6.35	1995	9,500,000	9,737,500
Sr Nts	8.375	1995	6,500,000	6,784,375
Aristar				
Sr Deb	8.875	1998	10,520,000	11,769,250
Sr Deb	14.25	1994	6,000,000	6,420,000
Beneficial	9.125	1998	10,000,000	11,312,500

See accompanying notes to investments in securities.
</TABLE>

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Investments in securities
<TABLE>
<CAPTION>
IDS Selective Fund, Inc.
Nov. 30, 1993

(Percentages represent value of
investments compared to net assets)

Bonds (continued)

Issuer	Coupon rate	Maturity year	Principal amount	Value (a)
<S>	<C>	<C>	<C>	<C>
Financial (cont'd)				
Financial services (cont'd)				
General Electric Capital				
Reset Nt	8.65%	1996	\$15,000,000 (e)	\$ 16,350,000
General Motors Acceptance	4.75	1994	6,900,000	6,925,875
	5.95	1998	8,000,000	7,940,000
	8.20	1994	9,000,000	9,225,000
	8.40	1995	7,000,000	7,393,750
Goldman Sachs Group LP	7.125	2003	12,000,000 (f)	12,435,000
Greyhound Financial	7.95	1999	9,600,000	10,440,000
	9.06	1999	10,000,000	11,412,500
Salomon Brothers	7.61	1994	15,000,000	15,150,000
SunAmerica	9.95	2012	8,000,000	9,830,000
Total				153,125,750

Insurance (1.4%)				
Berkley (WR)	8.70	2022	10,000,000	11,412,500
Massachusetts Mutual Life Insurance	7.625	2023	13,000,000 (f)	13,195,000
USLICO				
Cv	8.50	2014	600,000	621,000
Total				25,228,500

Industrial (12.8%)				
Aerospace & defense (0.7%)				
United Technologies	8.875	2019	10,000,000	11,825,000

Automotive & related (1.1%)				
Ford Capital B.V.				
Gtd Nts	9.00	1996	9,700,000	10,597,250
General Motors	8.875	2003	7,050,000	7,984,125
Total				18,581,375

Beverages & tobacco (0.6%)				
Philip Morris	8.10	1996	10,000,000	10,750,000

Chemicals (0.7%)				
Dow Chemical	8.85	2021	10,000,000	11,925,000

See accompanying notes to investments in securities.

</TABLE>

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Investments in securities

<TABLE>

<CAPTION>

IDS Selective Fund, Inc.

Nov. 30, 1993

(Percentages represent value of investments compared to net assets)

Bonds (continued)

Issuer	Coupon rate	Maturity year	Principal amount	Value (a)
<S>	<C>	<C>	<C>	<C>
Industrial (cont'd)				
Ecological services & equipment (0.5%)				
Browning-Ferris Inds	9.25	2021	\$ 7,000,000	\$ 8,575,000
Electronics (0.2%)				
Harris	10.375	2018	3,900,000	4,504,500
Energy (2.9%)				
PDV Amer	7.875	2003	13,000,000	13,195,000
Texaco Capital				
Gtd Deb	7.50	2043	12,000,000	12,315,000
Union Oil of California	9.25	2003	7,500,000	8,821,875
USX	9.125	2013	5,000,000	5,262,500
	9.375	2022	9,200,000	9,924,500
Total				49,518,875
Food (0.4%)				
RJR Nabisco	8.625	2002	7,000,000	6,912,500
Health care (1.0%)				
Foundation Health	7.75	2003	5,000,000	5,087,500
Schering-Plough	7.31	1996	15,000,000 (c, f)	12,918,750
Total				18,006,250
Industrial equipment & services (0.7%)				
Deere	8.95	2019	10,000,000	11,987,500
Media (0.7%)				
Time Warner Entertainment	8.375	2033	12,000,000 (f)	12,420,000
Multi-industrial (0.2%)				
Eastman Kodak				
Cv	6.51	2011	9,800,000 (c)	3,430,000

See accompanying notes to investments in securities.

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Investments in securities

<TABLE>

<CAPTION>

IDS Selective Fund, Inc.

Nov. 30, 1993

(Percentages represent value of investments compared to net assets)

Bonds (continued)

Issuer	Coupon rate	Maturity year	Principal amount	Value (a)
<S>	<C>	<C>	<C>	<C>
Industrial (cont'd)				
Paper & packaging (1.7%)				
Federal Paper Board	10.00 %	2011	\$14,775,000	\$ 18,043,969
Georgia-Pacific				
Credit Sensitive Nts	10.00	1997	10,000,000	11,175,000
Total				29,218,969
Retail (1.4%)				
Associated Dry Goods	8.85	2006	10,735,000	12,694,138
Dayton Hudson	10.00	2011	9,000,000	11,171,250
Total				23,865,388

Municipal (0.5%)				
Washington Public Power Supply System				
Bonneville Nuclear Project #1				
Refunding Revenue Bonds Series 1993C				
	5.375	2015	10,000,000	9,468,200
Transportation (1.0%)				
AMR				
	9.75	2021	2,500,000	2,812,500
	10.00	2021	8,000,000	9,210,000
	10.20	2020	5,000,000	5,850,000
Total				17,872,500
Utilities (12.1%)				
Electric (6.6%)				
Arizona Public Service				
1st Mtge	8.75	2024	5,000,000	5,700,000
Sale Lease-Backed Obligation	8.00	2015	9,000,000	9,438,750
Cajun Electric Power Cooperative				
Mtge Trust	8.92	2019	4,960,000	5,846,600
Cleveland Toledo Consolidated Mansfield Funds				
Sale Lease-Backed Obligation	10.25	2003	1,500,000	1,582,500
Commonwealth Edison				
	6.50	2000	9,000,000	9,146,250
Long Island Lighting				
	9.625	2024	4,600,000	5,244,000
Ohio Power Scherer Funding				
	9.70	2011	6,000,000	6,412,500
Public Service Electric & Gas				
1st Mtge	8.50	2022	13,859,000	15,192,929
RGS Funding				
Sale Lease-Backed Obligation	9.82	2022	9,952,508	12,303,788

See accompanying notes to investments in securities.
</TABLE>

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Investments in securities

<TABLE>

<CAPTION>

IDS Selective Fund, Inc.

Nov. 30, 1993

(Percentages represent value of
investments compared to net assets)

Bonds (continued)

Issuer	Coupon rate	Maturity year	Principal amount	Value (a)
<S>	<C>	<C>	<C>	<C>
Utilities (cont'd)				
Electric (cont'd)				
San Diego Gas & Electric				
1st Mtge	9.625%	2020	\$ 9,950,000	\$ 11,952,438
Southern California Edison				
1st Mtge	8.875	2023	13,000,000	14,478,750
Texas Utilities Electric				
1st Mtge	10.35	2018	1,500,000	1,681,875
1st Mtge	9.75	2021	7,000,000	8,295,000
1st Mtge	9.875	2019	6,000,000	6,607,500
Total				113,882,880
Gas (1.2%)				
Southern California Gas				
	7.375	2023	5,000,000	5,006,250
Williams Companies				
	7.50	1999	15,000,000	15,881,250
Total				20,887,500
Telephone (4.3%)				
GTE				
	8.50	2017	7,500,000	8,400,000
	10.25	2020	2,000,000	2,505,000
GTE South				
1st Mtge	9.375	2030	13,975,000	15,355,031
New York Tel				
	8.75	2023	19,000,000	19,997,500
	9.375	2031	7,000,000	8,426,250
1st Mtge	4.625	2004	6,300,000	5,481,000
U S WEST Communications				
	8.875	2031	12,660,000	14,606,475
Total				74,771,256
Foreign (14.8%) (g)				
ABN Amro Bank				
(U.S. Dollar)	7.125	2093	8,200,000	7,759,250
(U.S. Dollar)	7.75	2023	3,800,000	4,013,750
Alcan Aluminium				
(U.S. Dollar)	8.875	2022	9,600,000	10,596,000
Austria Republic Euro				

(U.S. Dollar)	10.00	1998	5,000,000	5,878,000
Banca Comm Italia (U.S. Dollar)	8.25	2007	5,000,000	5,375,000
Euratom Euro (U.S. Dollar)	7.75	1997	6,100,000	6,565,125

See accompanying notes to investments in securities.

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Investments in securities

<TABLE>

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IDS Selective Fund, Inc.

Nov. 30, 1993

(Percentages represent value of
investments compared to net assets)

Bonds (continued)

Issuer	Coupon rate	Maturity year	Principal amount	Value (a)
<S>	<C>	<C>	<C>	<C>
Foreign (cont'd)				
Govt of Canada (Canadian Dollar)	10.50 %	2001	\$17,000,000	\$ 15,461,599
Hanson Inds (British Pound) Cv	9.50	2006	3,000,000	5,567,040
Hong Kong & Shanghai Banking (U.S. Dollar)	7.40	2003	12,000,000 (b)	12,476,640
Intl Finance Euro (U.S. Dollar)	8.25	1996	8,000,000	8,690,000
Japan Finance (U.S. Dollar)	9.25	1998	25,950,000	30,037,125
KFW Intl Finance (U.S. Dollar)	8.50	1999	10,000,000	11,362,500
Kingdom of Denmark Euro (U.S. Dollar)	7.25	1996	8,000,000	8,487,280
Korea Development Bank (U.S. Dollar)	8.90	1996	9,000,000	9,663,750
Korea Electric Power (U.S. Dollar)	8.00	2002	9,000,000	9,810,000
Korea Telecom (U.S. Dollar)	7.40	1999	6,700,000	7,110,375
Malaysia Govt (U.S. Dollar)	9.875	2000	14,025,000	16,794,937
Natl Westminster Bank (U.S. Dollar) Sub Nts	9.45	2001	4,900,000	5,818,750
Norddeutsche LB Euro (U.S. Dollar)	6.875	2003	11,500,000	11,762,200
Province of Ontario (U.S. Dollar)	7.375	2003	5,000,000	5,312,500
Province of Quebec (U.S. Dollar)	11.00	2015	16,150,000	20,752,750
Republic of Italy (U.S. Dollar)	6.875	2023	17,000,000	16,235,000
Roche Holdings (U.S. Dollar)	2.75	2000	12,000,000	10,027,500
(U.S. Dollar)	4.75	2008	5,500,000 (c, f)	2,860,000
World Bank (U.S. Dollar)	12.375	2002	6,000,000	8,512,500
Total				256,929,571
Total bonds (Cost: \$1,459,934,109)				\$1,617,171,740

See accompanying notes to investments in securities.

</TABLE>

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Investments in securities

<TABLE>

<CAPTION>

IDS Selective Fund, Inc.

Nov. 30, 1993

(Percentages represent value of
investments compared to net assets)

Preferred stocks (0.4%)

Issuer	Shares	Value (a)
<S>	<C>	<C>
First Chicago 2.875% Cm Cv	60,000	\$ 3,120,000

Occidental Petroleum		
3.875% Cm Cv	41,000 (f)	2,193,500
Sonoco Products		
2.25% Cv	40,000	2,070,000

Total preferred stocks
(Cost: \$7,050,000) \$ 7,383,500

<CAPTION>
Short-term securities (5.7%)

Issuer	Annualized yield on date of purchase	Amount payable at maturity	Value (a)
<S>	<C>	<C>	<C>
U.S. government agencies (1.1%)			
Federal Home Loan Bank Disc Note			
12-17-93	3.07%	\$ 5,000,000	\$ 4,993,200
12-27-93	3.06	2,900,000	2,893,612
12-29-93	3.05	500,000	498,818
Federal Natl Mtge Assn Disc Note			
12-15-93	3.06	3,900,000	3,895,374
12-27-93	3.06	7,000,000	6,984,580
Total			19,265,584

Issuer	Annualized yield on date of purchase	Amount payable at maturity	Value (a)
Commercial paper (4.1%)			
Amer General Investments			
12-22-93	3.12	2,000,000 (h)	1,996,383
Amgen			
12-10-93	3.12	6,600,000	6,594,869
Associates Corp of North Amer			
12-17-93	3.13	8,000,000	7,988,907
Ciesco LP			
12-03-93	3.13	500,000	499,914
Colgate Palmolive			
12-13-93	3.11	7,800,000 (h)	7,791,940
Columbia Fuels			
12-16-93	3.11	900,000	898,823
CPC Intl			
12-09-93	3.11	5,800,000 (h)	5,796,004

See accompanying notes to investments in securities.
</TABLE>

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Investments in securities

<TABLE>
<CAPTION>
IDS Selective Fund, Inc. (Percentages represent value of investments compared to net assets)
Nov. 30, 1993

Short-term securities (continued)

Issuer	Annualized yield on date of purchase	Amount payable at maturity	Value (a)
<S>	<C>	<C>	<C>
Commercial paper (cont'd)			
Lincoln Natl			
12-14-93	3.12%	\$6,000,000 (h)	\$ 5,993,283
Mobil Australia Finance (Delaware)			
12-07-93	3.11	5,800,000 (h)	5,797,003
Natl Australia Funding			
12-21-93	3.10	5,400,000	5,390,730
PACCAR Financial			
12-15-93	3.11	5,000,000	4,993,972
Pennsylvania Power & Light			
01-10-94	3.39	5,600,000	5,578,049
PepsiCo			
12-20-93	3.11	1,500,000	1,497,546
Sandoz			
12-08-93	3.09	2,300,000	2,298,623
12-09-93	3.09	6,200,000	6,195,756
12-17-93	3.11	1,300,000	1,298,209
Total			70,610,011

Letters of credit (0.5%)

NationsBank North Carolina- Comdisco			
12-01-93	3.11	6,000,000	6,000,000
12-08-93	3.11	3,400,000	3,397,951
Total			9,397,951
<hr/>			
Total short-term securities (Cost: \$99,274,547)			\$ 99,273,546
<hr/>			
Total investments in securities (Cost: \$1,566,258,656) (j)			\$1,723,828,786
<hr/>			

See accompanying notes to investments in securities.

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Investments in securities

IDS Selective Fund, Inc.
Nov. 30, 1993

Notes to investments in securities

- (a) Securities are valued by procedures described in Note 1 to the financial statements.
(b) Security is partially or fully on loan. See Note 4 to the financial statements.
(c) For zero coupon bonds, the interest rate disclosed represents the annualized effective yield on the date of acquisition.
(d) Principal Only-interest rate disclosed for these securities represent current yields based upon estimated future cash flows.
(e) Interest rate varies, rate shown is the effective rate on Nov. 30, 1993.
(f) Represents a security sold under Rule 144A which is exempt from registration under the Securities Act of 1933, as amended. This security has been determined to be liquid under guidelines established by the board of directors.
(g) Foreign security values are stated in U.S. dollars; principal amounts are denominated in the currency indicated.
(h) Commercial paper sold within terms of a private placement memorandum, exempt from registration under Section 4(2) of the Securities Act of 1933, as amended, and may be sold only to dealers in that program or other "accredited investors". This security has been determined to be liquid under guidelines established by the board of directors.
(i) Partially pledged as initial deposit on the following open interest rate futures purchase contracts (see Note 5 to the financial statements):

Type of security	Par value
Municipal Bond, Dec. 1993	\$10,000,000

- (j) On Nov. 30, 1993, the cost of securities for federal income tax purposes was \$1,564,417,697 and the aggregate gross unrealized appreciation and depreciation based on that cost was:

Unrealized appreciation	\$161,854,162
Unrealized depreciation	(2,443,073)
Net unrealized appreciation	\$159,411,089

</TABLE>

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PART C. OTHER INFORMATION

Item 24. Financial Statements and Exhibits.

FINANCIAL STATEMENTS:

- (a) List of financial statements filed as part of this Post-Effective Amendment to the Registration Statement:

Independent Auditors' Report dated Jan. 7, 1994.
Statement of Assets and Liabilities, Nov. 30, 1993.
Statement of Operations, Year Ended Nov. 30, 1993.
Statement of Changes in Net Assets, for the two-year period ended Nov. 30, 1992 and 1993.
Notes to Financial Statements.
Investment in Securities, Nov. 30, 1993.
Notes to Investments in Securities.

- (b) EXHIBITS:

1. Articles of Incorporation, as amended October 17, 1988, filed electronically as Exhibit 1 to Registrant's Post-Effective Amendment No. 69 to Registration Statement No. 2-10700, is incorporated herein by reference.

2. By-laws, as amended January 12, 1989, filed electronically as Exhibit 2 to Registrant's Post-Effective Amendment No. 69 to Registration Statement No. 2-10700, is incorporated herein by reference.
3. Not Applicable.
4. Stock certificate, filed as Exhibit 3 to Registrant's Form N-1Q for the calendar quarter ended September 30, 1979, is incorporated herein by reference.
5. Investment Management and Services Agreement between Registrant and IDS Financial Corporation dated November 14, 1991, filed electronically as Exhibit 5 to Post-Effective Amendment No. 73 to Registrant's Registration Statement No. 2-10700, is incorporated herein by reference.
6. Distribution Agreement between Registrant and IDS Financial Services, Inc. dated January 1, 1987, filed as Exhibit 6 to Registrant's Post-Effective Amendment No. 64 to Registration Statement No. 2-10700, is incorporated herein by reference.
7. All employees who have attained age 21 and completed one year of service are eligible to participate in a thrift plan. Entry into the plan is Jan. 1 or July 1 following completion of the age and service requirements. The Registrant contributes each year an amount up to 15 percent of their annual salaries, the maximum amount permitted under Section 404(a) of the Internal Revenue Code, or up to a maximum of .08 of 1 percent of the Fund's net income before income taxes and other adjustments. Employees of the Registrant become

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eligible to participate in a retirement plan on Jan. 1 or July 1 following completion of one year of employment and attainment of age 21. Contributions to the retirement plan cease no later than the time at which the participant reaches the normal retirement age of 65.

8. Custodian Agreement, dated July 23, 1986, between Registrant and First National Bank of Minneapolis and Amendment to the Custodian Agreement, dated August 5, 1987, filed electronically as Exhibit 8 to Registrant's Post-Effective Amendment No. 69 to Registration Statement No. 2-10700, is incorporated herein by reference.
9. (a) Plan and Agreement of Merger dated April 10, 1986, filed as Exhibit 9 to Registrant's Post-Effective Amendment No. 62 to Registration Statement No. 2-10700, is incorporated herein by reference.
- (b) Transfer Agency Agreement between the Registrant and IDS Financial Corporation dated November 14, 1991, filed electronically as Exhibit 9(b) to Post-Effective Amendment No. 73 to Registrant's Registration Statement No. 2-10700, is incorporated herein by reference.
- (c) Copy of License Agreement, dated January 25, 1988, between IDS Financial Corporation and Registrant, filed electronically as Exhibit 9(c) to Registrant's Post Effective Amendment No. 69 to Registration Statement No. 2-10700, is incorporated herein by reference.
10. Not Applicable.
11. Independent Auditors' Consent is filed electronically.
12. None.
13. Not Applicable.
14. Forms of Keogh, IRA and other retirement plans, filed as Exhibits 14(a) through 14(n) to IDS Growth Fund, Inc., Post Effective Amendment No. 34 to Registration Statement No. 2-38355, are incorporated herein by reference.
15. Plan and Supplemental Agreement of Distribution between Registrant and IDS Financial Services Inc. dated January 1, 1987, filed as Exhibit 15 to Registrant's Post-Effective Amendment No. 64 to Registration Statement No. 2-10700, is incorporated herein by reference.
16. Copy of Schedule for computation of each performance quotation provided in the Registration Statement in response to Item

22(b), filed as Exhibit 16 to Post-Effective Amendment No. 75 to Registrant's Registration Statement No. 2-10700, is incorporated herein by reference.

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17.(a) Directors' Power of Attorney to sign Amendments to this Registration Statement, dated Oct. 14, 1993, filed concurrently as Exhibit 17(a) to Post-Effective Amendment No. 76 to Registration Statement No. 2-10700, is incorporated herein by reference.

(b) Officers' Power of Attorney to sign Amendments to this Registration Statement, dated June 1, 1993, filed concurrently as Exhibit 17(b) to Post-Effective Amendment No. 76 to Registration Statement No. 2-10700, is incorporated herein by reference.

Item 25. Persons Controlled by or Under Common Control with Registrant

None.

Item 26. Number of Holders of Securities

(1)	(2)
Title of Class	Number of Record Holders as of Jan. 14, 1994
Common Stock	89,683

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Item 27. Indemnification

The Articles of Incorporation of the registrant provide that the Fund shall indemnify any person who was or is a party or is threatened to be made a party, by reason of the fact that she or he is or was a director, officer, employee or agent of the Fund, or is or was serving at the request of the Fund as a director, officer, employee or agent of another company, partnership, joint venture, trust or other enterprise, to any threatened, pending or completed action, suit or proceeding, wherever brought, and the Fund may purchase liability insurance and advance legal expenses, all to the fullest extent permitted by the laws of the State of Minnesota, as now existing or hereafter amended. The By-laws of the registrant provide that present or former directors or officers of the Fund made or threatened to be made a party to or involved (including as a witness) in an actual or threatened action, suit or proceeding shall be indemnified by the Fund to the full extent authorized by the Minnesota Business Corporation Act, all as more fully set forth in the By-laws filed as an exhibit to this registration statement.

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the registrant pursuant to the foregoing provisions, or otherwise, the registrant has been advised that in the opinion of the Securities and Exchange Commission such indemnification is against public policy as expressed in the Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Act and will be governed by the final adjudication of such issue.

Any indemnification hereunder shall not be exclusive of any other rights of indemnification to which the directors, officers, employees or agents might otherwise be entitled. No indemnification shall be made in violation of the Investment Company Act of 1940.

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation)

Directors and officers of IDS Financial Corporation who are directors and/or officers of one or more other companies:

Ronald G. Abrahamson, Vice President--Field Administration

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President-Field Manager Support
--	---

Jerome R. Amundson, Vice President and Controller--Mutual Funds Operations

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President and Controller-Mutual Funds Operations
--	---

Douglas A. Alger, Vice President--Compensation and Benefits

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President- Compensation and Benefits
--	---

Peter J. Anderson, Director, Senior Vice President--Advisory Group and Equity Management

IDS Securities Corporation IDS Advisory Group Inc. IDS Tower 10 Minneapolis, MN 55440 IDS Capital Holdings Inc. IDS International, Inc.	Executive Vice President- Investments Director, President and Chairman of the Board Director and President Director, Chairman of the Board and Executive Vice President
IDS Financial Services Inc.	Senior Vice President- Advisory Group and Equity Management
IDS Fund Management Limited NCM Capital Management Group, Inc. 2 Mutual Plaza 501 Willard Street Durham, NC 27701	Director Director

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation)(cont'd)

Kent L. Ashton, Vice President--Group Management Office, Banking and Certificates Group

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	President-Group Management Office, Banking and Certificates
--	---

Timothy V. Bechtold, Vice President--Insurance Product Development

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440 IDS Life Insurance Company	Vice President-Insurance Product Development Vice President-Insurance Product Development
--	--

John D. Begley, Vice President--Mid-Central Region

IDS Insurance Agency of Alabama Inc.	Vice President-Mid-Central Region
IDS Insurance Agency of Arkansas Inc.	Vice President-Mid-Central Region
IDS Insurance Agency of Massachusetts Inc.	Vice President-Mid-Central Region
IDS Insurance Agency of New Mexico Inc.	Vice President-Mid-Central Region
IDS Insurance Agency of North Carolina Inc.	Vice President-Mid-Central Region
IDS Insurance Agency of Ohio Inc.	Vice President-Mid-Central Region
IDS Insurance Agency of Wyoming Inc.	Vice President-Mid-Central Region
IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President- Mid-Central Region

Carl E. Beihl, Vice President--Strategic Planning and Architecture

IDS Financial Services Inc.	Vice President,
-----------------------------	-----------------

IDS Tower 10
Minneapolis, MN 55440

Strategic Planning
and Architecture

Alan F. Bignall, Vice President--Financial Planning Systems

IDS Financial Services Inc.
IDS Tower 10
Minneapolis, MN 55440

Vice President-
Product Systems
Services

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Item 28a. Business and Other Connections of Investment Adviser (IDS
Financial Corporation) (cont'd)

Brent L. Bisson, Vice President--Northwest Region

IDS Financial Services Inc.
IDS Tower 10
Minneapolis, MN 55440

Vice President-
Northwest Region

IDS Insurance Agency of Alabama Inc.
IDS Insurance Agency of Arkansas Inc.
IDS Insurance Agency of Massachusetts
Inc.
IDS Insurance Agency of New Mexico
Inc.
IDS Insurance Agency of North Carolina
Inc.
IDS Insurance Agency of Ohio Inc.
IDS Insurance Agency of Wyoming Inc.

Vice President-
Northwest Region
Vice President-
Northwest Region

Thomas J. Brakke, Vice President--Investment Services and
Investment Research

IDS Financial Corporation
IDS Tower 10
Minneapolis, MN 55440

Vice President-Investment
Services and Investment
Research

Karl J. Breyer, Director, Senior Vice President and General Counsel

IDS Financial Services Inc.
IDS Tower 10
Minneapolis, MN 55440

Senior Vice President
and General Counsel

IDS Aircraft Services Corporation
Director and President

John L. Burbidge, Vice President--Government Relations

IDS Life Insurance Company
IDS Financial Services Inc.
IDS Tower 10
Minneapolis, MN 55440

Vice President-
Customer Relations

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Item 28a. Business and Other Connections of Investment Adviser (IDS
Financial Corporation) (cont'd)

Harold E. Burke, Vice President and Assistant General Counsel

IDS Financial Services Inc.
IDS Tower 10
Minneapolis, MN 55440

Vice President and
Assistant General
Counsel

Orison Y. Chaffee III, Vice President--Field Real Estate

IDS Financial Services Inc.
IDS Tower 10
Minneapolis, MN 55440

Vice President-Field
Real Estate

James Choat, Senior Region Vice President

IDS Financial Services Inc.
IDS Tower 10
Minneapolis, MN 55440

Senior Region Vice
President

IDS Insurance Agency of Alabama Inc.
IDS Insurance Agency of Arkansas Inc.
IDS Insurance Agency of Massachusetts
Inc.

Vice President--North
Central Region
Vice President--North
Central Region
Vice President--North
Central Region

IDS Insurance Agency of New Mexico Inc.	Vice President--North Central Region
IDS Insurance Agency of North Carolina Inc.	Vice President--North Central Region
IDS Insurance Agency of Ohio Inc.	Vice President--North Central Region
IDS Insurance Agency of Wyoming Inc.	Vice President-- North Central Region

Kenneth J. Ciak, Vice President and General Manager--IDS Property Casualty

IDS Property Casualty Insurance Co. 1 WEG Blvd DePere, Wisconsin 54115	Director, President
IDS Financial Services Inc.	Vice President and General Manager-IDS Property Casualty

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

Roger C. Corea, Vice President--Northeast Region

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President- Northeast Region
IDS Life Insurance Co. of New York Box 5144 Albany, NY 12205	Director
IDS Insurance Agency of Alabama Inc.	Vice President - Northeast Region
IDS Insurance Agency of Arkansas Inc.	Vice President - Northeast Region
IDS Insurance Agency of Massachusetts Inc.	Vice President - Northeast Region
IDS Insurance Agency of New Mexico Inc.	Vice President - Northeast Region
IDS Insurance Agency of North Carolina Inc.	Vice President - Northeast Region
IDS Insurance Agency of Ohio, Inc.	Vice President - Northeast Region
IDS Insurance Agency of Wyoming Inc.	Vice President - Northeast Region

Kevin F. Crowe, Vice President--Field Management Development

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President - Field Marketing Development
--	---

Alan R. Dakay, Vice President--Institutional Insurance Marketing

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President - Institutional Insurance Marketing
American Enterprise Life Insurance Co. IDS Life Insurance Company	Director Vice President - Institutional Insurance Marketing

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

William F. Darland, Vice President--South Central Region

IDS Insurance Agency of Alabama Inc.	Vice President- South Central Region
IDS Insurance Agency of Arkansas Inc.	Vice President - South Central Region
IDS Insurance Agency of Massachusetts Inc.	Vice President- South Central Region
IDS Insurance Agency of New Mexico Inc.	Vice President- South Central Region
IDS Insurance Agency of North Carolina Inc.	Vice President- South Central Region
IDS Insurance Agency of Ohio Inc.	Vice President- South Central Region
IDS Insurance Agency of Wyoming Inc.	Vice President-

IDS Financial Services Inc. South Central Region
IDS Tower 10 Vice President-
Minneapolis, MN 55440 South Central Region

Michael P. Ducar, Vice President--Investment Services

IDS Financial Services Inc. Vice President-
IDS Tower 10 Investment Services
Minneapolis, MN 55440

William H. Dudley, Director, Executive Vice President--Investment
and Brokerage Operations

IDS Financial Services Inc. Director, Executive Vice
IDS Tower 10 President-Investment and
Minneapolis, MN 55440 Brokerage Operations
IDS Capital Holdings Inc. Director
IDS Futures Corporation Director
IDS Advisory Group Inc. Director
IDS Futures III Corporation Director
IDS International, Inc. Director
IDS Securities Services Chairman, President and
Chief Executive Officer
IDS Securities Corporation Director, Chairman of the
Board, President and
Chief Executive Officer
IDS Life Insurance Company Vice President
American Enterprise Investment
Services Inc. Director
American Enterprise Investment
Services Inc. Director

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Item 28a. Business and Other Connections of Investment Adviser (IDS
Financial Corporation) (cont'd)

Roger S. Edgar, Director, Senior Vice President--Information
Systems

IDS Financial Services Inc. Senior Vice President-
IDS Tower 10 Information Systems
Minneapolis, MN 55440

Gordon L. Eid, Director, Senior Vice President and Deputy General
Counsel

IDS Insurance Agency of Alabama Inc. Director, Vice President
IDS Insurance Agency of Arkansas Inc. Director, Vice President
IDS Insurance Agency of Massachusetts Director, Vice President
Inc.
IDS Insurance Agency of New Mexico Inc. Director, Vice President
IDS Insurance Agency of North Carolina Director, Vice President
Inc.
IDS Insurance Agency of Ohio Inc. Director, Vice President
IDS Insurance Agency of Wyoming Inc. Director, Vice President
IDS Real Estate Services, Inc. Vice President
IDS Financial Services Inc. Senior Vice President and
IDS Tower 10 General Counsel
Minneapolis, MN 55440
Investors Syndicate Development Corp. Director

Edwin W. Elder III, Vice President--Operations/IDS Property
Casualty

IDS Property Casualty Insurance Co. Vice President-Operations
1 WEG Blvd.
Depere, WI 54115

Elizabeth A. Elder, Vice President--Systems Services

IDS Financial Services Inc. Vice President-Systems
IDS Tower 10 Services
Minneapolis, MN 55440

Mark A. Ernst, Vice President--Tax and Business Services

IDS Financial Services Inc. Vice President-Tax and
IDS Tower 10 Business Services
Minneapolis, MN 55440
IDS Tax and Business Services Vice President-Tax and
Business Services

Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

Gordon M. Fines, Vice President--Mutual Fund Equity Investments

IDS Financial Services Inc.	Vice President- Mutual Fund Equity Investments
IDS International Inc.	Vice President and Portfolio Manager
IDS Advisory Group Inc. IDS Tower 10 Minneapolis, MN 55440	Executive Vice President

Louis C. Fornetti, Director, Senior Vice President--Corporate Controller

IDS Financial Services Inc.	Senior Vice President- Corporate Controller
IDS Property Casualty Insurance Co. IDS Tower 10 Minneapolis, MN 55440	Director; Vice President
American Enterprise Investment Services Inc.	Vice President
IDS Capital Holdings Inc.	Director and Senior Vice President
IDS Certificate Company	Vice President
IDS Insurance Agency of Alabama Inc.	Vice President
IDS Insurance Agency of Arkansas Inc.	Vice President
IDS Insurance Agency of Massachusetts Inc.	Vice President
IDS Insurance Agency of New Mexico Inc.	Vice President
IDS Insurance Agency of North Carolina Inc.	Vice President
IDS Insurance Agency of Ohio Inc.	Vice President
IDS Insurance Agency of Wyoming Inc.	Vice President
IDS Life Series Fund, Inc.	Vice President
IDS Life Variable Annuity Funds A&B	Vice President
IDS Real Estate Services, Inc.	Vice President
IDS Securities Corporation	Vice President
Investors Syndicate Development Corp.	Vice President

Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

Douglas L. Forsberg, Vice President--Securities Services

IDS Financial Services Inc.	Vice President- Securities Services
IDS Securities Services	Vice President and General Manager
American Enterprise Investment Services Inc.	Director, President and Chief Executive Officer

Robert G. Gilbert, Vice President--Real Estate

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President- Real Estate
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John J. Golden, Vice President--Field Compensation Development

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President-Field Compensation
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Harvey Golub, Director

American Express Company American Express Tower World Financial Center New York, New York 10285	Director and President
American Express Travel Related Services Company, Inc.	Chairman and Chief Executive Officer
IDS Bond Fund, Inc.	Director
IDS California Tax-Exempt Trust	Trustee
IDS Discovery Fund, Inc.	Director
IDS Equity Plus Fund, Inc.	Director
IDS Extra Income Fund, Inc.	Director
IDS Federal Income Fund, Inc.	Director
IDS Global Series, Inc.	Director

IDS Growth Fund, Inc.	Director
IDS High Yield Tax-Exempt Fund, Inc.	Director
IDS International Fund, Inc.	Director
IDS Investors Series, Inc.	Director
IDS Managed Retirement Fund, Inc.	Director
IDS Market Advantage Series, Inc.	Director
IDS Money Market Series, Inc.	Director
IDS New Dimensions Fund, Inc.	Director

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

IDS Precious Metals Fund, Inc.	Director
IDS Progressive Fund, Inc.	Director
IDS Selective Fund, Inc.	Director
IDS Special Tax-Exempt Series Trust	Trustee
IDS Stock Fund, Inc.	Director
IDS Strategy Fund, Inc.	Director
IDS Tax-Exempt Bond Fund, Inc.	Director
IDS Tax-Free Money Fund, Inc.	Director
IDS Utilities Income Fund, Inc.	Director
IDS Life Capital Resource Fund, Inc.	Director
IDS Life Special Income Fund, Inc.	Director
IDS Life Managed Fund, Inc.	Director
IDS Life Moneyshare Fund, Inc.	Director
National Computer Systems, Inc.	Director
11000 Prairie Lakes Drive	
Minneapolis, MN 55440	

Morris Goodwin Jr., Vice President and Corporate Treasurer

American Express Minnesota Foundation	Director, Vice President and Treasurer
American Enterprise Investment Services Inc.	Vice President and Treasurer
IDS Aircraft Services Corporation	Vice President and Treasurer
IDS Advisory Group Inc.	Vice President and Treasurer
IDS Cable Corporation	Vice President and Treasurer
IDS Cable II Corporation	Vice President and Treasurer
IDS Capital Holdings Inc.	Vice President and Treasurer
IDS Certificate Company	Vice President and Treasurer
IDS Insurance Agency of Alabama Inc.	Vice President and Treasurer
IDS Insurance Agency of Arkansas Inc.	Vice President and Treasurer
IDS Insurance Agency of Massachusetts Inc.	Vice President and Treasurer
IDS Insurance Agency of New Mexico Inc.	Vice President and Treasurer
IDS Insurance Agency of North Carolina Inc.	Vice President and Treasurer
IDS Insurance Agency of Ohio Inc.	Vice President and Treasurer

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

IDS Insurance Agency of Wyoming Inc.	Vice President and Treasurer
IDS International, Inc.	Vice President and Treasurer
IDS Life Series, Inc.	Vice President and Treasurer
IDS Life Variable Annuity Funds A&B	Vice President and Treasurer
IDS Management Corporation	Vice President and Treasurer
IDS Partnership Leasing Corporation	Vice President and Treasurer
IDS Partnership Services Corporation	Vice President and Treasurer
IDS Plan Services of California, Inc.	Vice President and Treasurer
IDS Property Casualty Insurance Co.	Vice President and Treasurer
IDS Real Estate Services, Inc	Vice President and Treasurer

IDS Real Estate Corporation	Treasurer Vice President and Treasurer
IDS Realty Corporation	Vice President and Treasurer
IDS Securities Corporation	Vice President and Treasurer
Investors Syndicate Development Corp.	Vice President and Treasurer
Peninsular Properties, Inc.	Vice President and Treasurer
IDS Plan Services of California, Inc.	Vice President and Treasurer
IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President and Corporate Treasurer
Sloan Financial Group, Inc. 2 Mutual Plaza 501 Willard Street Durham, NC 27701	Director
NCM Capital Management Group, Inc. 2 Mutual Plaza 501 Willard Street Durham, NC 27701	Director

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Item 28a. Business and Other Connections of Investment Adviser (IDS
Financial Corporation) (cont'd)

Sara J. Grady, Vice President--Human Resources and Organizational
Development

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President--Human Resources and Organization Development
--	--

David A. Hammer, Vice President and Marketing Controller

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President and Marketing Controller
IDS Plan Services of California, Inc.	Director

Robert L. Harden, Vice President--Mid-Atlantic Region

IDS Insurance Agency of Alabama Inc.	Vice President-- Mid Atlantic Region
IDS Insurance Agency of Arkansas Inc.	Vice President-- Mid Atlantic Region
IDS Insurance Agency of Massachusetts Inc.	Vice President-- Mid Atlantic Region
IDS Insurance Agency of New Mexico Inc.	Vice President-- Mid Atlantic Region
IDS Insurance Agency of North Carolina Inc.	Vice President-- Mid Atlantic Region
IDS Insurance Agency of Ohio Inc.	Vice President-- Mid Atlantic Region
IDS Insurance Agency of Wyoming Inc.	Vice President-- Mid Atlantic Region
IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President-- Mid Atlantic Region

Lorraine R. Hart, Vice President--Insurance Investments

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President--Insurance Investments
American Enterprise Life Insurance Company	Vice President--Investments
IDS Life Insurance Company	Vice President--Investments

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Item 28a. Business and Other Connections of Investment Adviser (IDS
Financial Corporation) (cont'd)

Mark S. Hays, Vice President--Senior Portfolio Manager, IDS
International

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President--Senior Portfolio Manager, IDS International
IDS Fund Management Limited	Director
IDS International, Inc.	Senior Vice President

Robert H. Healy, Vice President--Senior Portfolio Manager

IDS Securities Corporation	Vice President and Chief Investment Officer
IDS Securities Services	Exec. Vice President and Chief Investment Officer
IDS Advisory Group Inc.	Senior Vice President
IDS Financial Services Inc.	Vice President-
IDS Tower 10	Senior Portfolio
Minneapolis, MN 55440	Manager

James G. Hirsh, Vice President and Assistant General Counsel

IDS Insurance Agency of Alabama Inc.	Vice President
IDS Insurance Agency of Arkansas Inc.	Vice President
IDS Insurance Agency of Massachusetts Inc.	Vice President
IDS Insurance Agency of New Mexico Inc.	Vice President
IDS Insurance Agency of North Carolina Inc.	Vice President
IDS Insurance Agency of Ohio Inc.	Vice President
IDS Insurance Agency of Wyoming Inc.	Vice President
IDS Financial Services Inc.	Vice President and Assistant General Counsel
IDS Securities Services	Vice President and General Counsel
IDS Securities Corporation	Director, Vice President and General Counsel
IDS Tower 10	
Minneapolis, MN 55440	

Raymond E. Hirsch, Vice President--Senior Portfolio Manager

IDS Financial Services Inc.	Vice President-Senior
IDS Tower 10	Portfolio Manager
Minneapolis, MN 55440	

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

Kevin P. Howe, Vice President--Government and Customer Relations

IDS Financial Services Inc.	Vice President-
IDS Tower 10	Government and
Minneapolis, MN 55440	Customer Relations
American Enterprise Investment Services Inc.	Vice President and Compliance Officer

David R. Hubers, Director; Senior Vice President--Finance, and Chief Financial Officer

IDS Financial Services Inc.	Senior Vice President-
IDS Tower 10	Finance and Chief
Minneapolis, MN 55440	Financial Officer
IDS Bank & Trust	Director
IDS Aircraft Services Corporation	Director and Vice President
IDS Capital Holdings Inc.	Director and Senior Vice President
IDS Certificate Company	Director
IDS Deposit Corp.	Director
IDS Life Insurance Company	Director
IDS Life Insurance Company of New York	Director
IDS Property Casualty Insurance Co.	Director and Chairman of the Board
Peninsular Properties, Inc.	Director and Chairman of Board

Marietta Johns, Director; Senior Vice President--ACUMA Ltd.

ACUMA Ltd.	Senior Vice President
ACUMA House	
The Glanty, Egham	
Surrey TW 20 9 AT	
UK	
IDS Financial Services Inc.	Senior Region Vice President
IDS Insurance Agency of Alabama Inc.	Vice President-Southwest Region
IDS Insurance Agency of Arkansas Inc.	Vice President-Southwest Region
IDS Insurance Agency of Massachusetts Inc.	Vice President-Southwest Region
IDS Insurance Agency of New Mexico Inc.	Vice President-

IDS Insurance Agency of North Carolina	Southwest Region
IDS Insurance Agency of Ohio Inc.	Vice President- Southwest Region
IDS Insurance Agency of Wyoming Inc.	Vice President- Southwest Region

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

Douglas R. Jordal, Vice President--Taxes

IDS Financial Services Inc.	Vice President-Taxes
IDS Tower 10	
Minneapolis, MN 55440	
IDS Aircraft Services Corporation	Vice President

Craig A. Junkins, Vice President--Financial Planning and Marketing

IDS Financial Services Inc.	Vice President-Financial
IDS Tower 10	Planning and Marketing
Minneapolis, MN 55440	

Susan D. Kinder, Director and Senior Vice President--Human Resources

IDS Financial Services Inc.	Director, Senior Vice
IDS Tower 10	President-Human Resources
Minneapolis, MN 55440	

Richard W. Kling, Vice President--Insurance Marketing and Products

IDS Financial Services Inc.	Vice President- Insurance Marketing and Products
IDS Insurance Agency of Alabama Inc.	Director; Executive Vice President
IDS Insurance Agency of Arkansas Inc.	Director; Executive Vice President
IDS Insurance Agency of Massachusetts Inc.	Director; Executive Vice President
IDS Insurance Agency of New Mexico Inc.	Director; Executive Vice President
IDS Insurance Agency of North Carolina Inc.	Director; Executive Vice President
IDS Insurance Agency of Ohio Inc.	Director; Executive Vice President
IDS Insurance Agency of Wyoming Inc.	Director; Executive Vice President
IDS Life Series Fund, Inc.	Director
IDS Life Variable Annuity Funds A&B	Member of Board of Managers
IDS Life Insurance Company	Director; Executive Vice President-Marketing and Products
IDS Tower 10	
Minneapolis, MN 55440	
IDS Life Insurance Company of New York	Director
P.O. Box 5144	
Albany, NY 12205	

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

Harold Knutson, Vice President--System Services

IDS Financial Services Inc.	Vice President--
IDS Tower 10	System Services
Minneapolis, MN 55440	

Paul F. Kolkman, Vice President--Corporate Actuary

IDS Financial Services Inc.	Vice President- Corporate Actuary
IDS Life Insurance Company	Director; Vice President- Finance
IDS Life Series Fund, Inc.	Vice President and Chief Actuary
IDS Tower 10	
Minneapolis, MN 55440	

Claire Kolmodin, Vice President--Service Quality

IDS Financial Services Inc. Vice President-
IDS Tower 10 Service Quality
Minneapolis, MN 55440

Christopher Kudrna, Vice President--Systems and Technology
Development

IDS Life Insurance Company Director; Vice President,
Systems and Technology
Development
IDS Financial Services Inc. Vice President--Systems and
IDS Tower 10 Technology Development
Minneapolis, MN 55440

Steven C. Kumagai, Director and Senior Vice President--Associate
General Sales Manager

IDS Financial Services Inc. Director; Senior Vice
IDS Tower 10 President--Associate
Minneapolis, MN 55440 General Sales Manager

Edward Labenski, Vice President--Senior Portfolio Manager

IDS Financial Services Inc. Vice President-
Senior Portfolio
Manager
IDS Advisory Group Inc. Senior Vice President
IDS Tower 10
Minneapolis, MN 55440

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Item 28a. Business and Other Connections of Investment Adviser (IDS
Financial Corporation) (cont'd)

Peter L. Lamaison, Vice President--IDS International Division

IDS Financial Services Inc. Vice President-
IDS International
Division
IDS Fund Management Limited Director and Chairman of
the Board
IDS International, Inc. Director; President and
IDS Tower 10 Chief Executive Officer
Minneapolis, MN 55440

Kurt A. Larson, Vice President--Senior Portfolio Manager

IDS Financial Services Inc. Vice President-
IDS Tower 10 Senior Portfolio Manager
Minneapolis, MN 55440

Ryan R. Larson, Vice President--Annuity Product Development

IDS Financial Services Inc. Vice President-
Annuity Product
Development
IDS Life Insurance Company Vice President,
IDS Tower 10 Annuity Product
Minneapolis, MN 55440 Development

Peter A. Lefferts, Director; Senior Vice President--Banking and
Certificates

IDS Deposit Corp. Director, President
and Chief Executive Officer
IDS Bank & Trust Director, President and
Chief Executive Officer
Investors Syndicate Development Corp. Director, Chairman of the
Board and President
IDS Plan Services of California, Inc. Director
IDS Sales Support Inc. Director
IDS Certificate Company Director, Chairman of the
IDS Tower 10 Board and President
Minneapolis, MN 55440

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Item 28a. Business and Other Connections of Investment Adviser (IDS
Financial Corporation) (cont'd)

Douglas A. Lennick, Director; Senior Vice President and General
Sales Manager

IDS Financial Services Inc. Director; Senior Vice
IDS Tower 10 President and General Sales

Minneapolis, MN 55440

Manager

Dickson W. Lewis, Vice President--Consumer and Business Marketing

IDS Financial Services Inc.

Vice President-

IDS Tower 10

Consumer and Business

Minneapolis, MN 55440

Marketing

Mary Malevich, Vice President--Senior Portfolio Manager

IDS Financial Services Inc.

Vice President-

Senior Portfolio

Manager

IDS International Inc.

Vice President and

Portfolio Manager

IDS Advisory Group Inc.

Executive Vice President

IDS Tower 10

Minneapolis, MN 55440

James M. McAlear, Jr., Vice President and Senior Portfolio Manager

IDS International

IDS Fund Management Limited

Director

IDS Financial Services Inc.

Vice President and

Senior Portfolio

Manager, IDS

International

IDS International, Inc.

Senior Vice President

IDS Tower 10

Minneapolis, MN 55440

William J. McKinney, Vice President--Field Management Support

IDS Financial Services Inc.

Vice President-Field

IDS Tower 10

Management Support

Minneapolis, MN 55440

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

Thomas Medcalf, Vice President--Senior Portfolio Manager

IDS Advisory Group Inc.

Executive Vice President

IDS Financial Services Inc.

Vice President-Senior

IDS Tower 10

Portfolio Manager

Minneapolis, MN 55440

William C. Melton, Vice President-Chief Economist

IDS Financial Services Inc.

Vice President-

IDS Tower 10

Chief Economist

Minneapolis, MN 55440

Earlon L. Milbrath, Vice President--U.K. Venture

IDS Financial Services Inc.

Vice President-

IDS Tower 10

U.K. Venture

Minneapolis, MN 55440

Janis E. Miller, Vice President--Mutual Funds Products and Marketing

IDS Financial Services Inc.

Vice President-Mutual Funds

IDS Tower 10

Products and Marketing

Minneapolis, MN 55440

James A. Mitchell, Director; Senior Vice President--Insurance Operations

American Enterprise Life Insurance Company

Director and Chairman of the Board

P.O. Box 534

Minneapolis, MN 55440

IDS Plan Services of California, Inc.

Director

IDS Property Casualty Insurance Co.

Director

IDS Insurance Agency of Alabama Inc.

Director and President

IDS Insurance Agency of Arkansas Inc.

Director and President

IDS Insurance Agency of Massachusetts Inc.

Director and President

IDS Insurance Agency of New Mexico Inc.

Director and President

IDS Insurance Agency of North Carolina Inc.

Director and President

Inc.

IDS Insurance Agency of Ohio Inc. Director and President
IDS Insurance Agency of Wyoming Inc. Director and President

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Item 28a. Business and Other Connections of Investment Adviser (IDS
Financial Corporation)(cont'd)

IDS Life Insurance Company Director and President
IDS Tower 10
Minneapolis, MN 55440
IDS Financial Services Inc. Senior Vice President-
Insurance Operations
IDS Life Series Fund, Inc. Director and President

IDS Life Variable Annuity Funds A Member of the Board of
and B Managers, Chairman and
President

IDS Life Capital Resource Fund, Inc. Director and Executive
Vice President

IDS Life Special Income Fund, Inc. Director and Executive
Vice President

IDS Life Managed Fund, Inc. Director and Executive
Vice President

IDS Life Moneyshare Fund, Inc. Director and Executive
IDS Tower 10 Vice President

Minneapolis, MN 55440
IDS Life Insurance Company Director and Chairman
of New York of the Board
P.O. Box 5144
Albany, NY 12205

Pamela J. Moret, Vice President and Assistant General Counsel

IDS Financial Services Inc. Vice President and
IDS Tower 10 Assistant General Counsel
Minneapolis, MN 55440

Robert J. Neis, Vice President--EDP Services

IDS Financial Services Inc. Vice President-
IDS Tower 10 EDP Services
Minneapolis, MN 55440

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Item 28a. Business and Other Connections of Investment Adviser (IDS
Financial Corporation)(cont'd)

Vernon F. Palen, Vice President--Rocky Mountain Region

IDS Financial Services Inc. Vice President-Rocky
IDS Tower 10 Mountain Region
Minneapolis, MN 55440

IDS Insurance Agency of Alabama Inc. Vice President-
Rocky Mountain Region

IDS Insurance Agency of Arkansas Inc. Vice President-
Rocky Mountain Region

IDS Insurance Agency of Massachusetts Vice President-
Inc. Rocky Mountain Region

IDS Insurance Agency of New Mexico Inc. Vice President-
Rocky Mountain Region

IDS Insurance Agency of North Carolina Vice President-
Inc. Rocky Mountain Region

IDS Insurance Agency of Ohio Inc. Vice President-
Rocky Mountain Region

IDS Insurance Agency of Wyoming Inc. Vice President-
Rocky Mountain Region

James R. Palmer, Vice President--Insurance Operations

IDS Financial Services Inc. Vice President-
IDS Tower 10 Insurance Operations
Minneapolis, MN 55440
IDS Life Insurance Company Vice President-Taxes

George M. Perry, Vice President--Corporate Strategy and Development

IDS Financial Services Inc. Vice President-
IDS Tower 10 Corporate Strategy
Minneapolis, MN 55440 and Development

IDS Property Casualty Insurance Co. Director
IDS Insurance Agency of Alabama Inc. Director and Executive
Vice President

IDS Insurance Agency of Arkansas Inc. Director and Executive

IDS Insurance Agency of Massachusetts Inc.	Vice President Director and Executive Vice President
IDS Insurance Agency of New Mexico Inc.	Director and Executive Vice President
IDS Insurance Agency of North Carolina Inc.	Director and Executive Vice President
IDS Insurance Agency of Ohio Inc.	Director and Executive Vice President
IDS Insurance Agency of Wyoming Inc.	Director and Executive Vice President

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

Susan B. Plimpton, Vice President -- American Express Marketing

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President-- American Express Marketing
--	--

Ronald W. Powell, Vice President and Assistant General Counsel

IDS Realty Corporation	Vice President and Secretary
IDS Financial Services Inc.	Vice President and Assistant General Counsel
IDS Cable Corporation	Vice President and Assistant Secretary
IDS Cable II Corporation	Vice President and Assistant Secretary
IDS Management Corporation	Vice President and Assistant Secretary
IDS Partnership Leasing Corporation	Vice President and Assistant Secretary
IDS Plan Services of California, Inc.	Vice President and Assistant Secretary
IDS Realty Corporation	Vice President and Assistant Secretary
IDS Life Series Fund, Inc.	Secretary
IDS Life Variable Annuity Funds A and B	Secretary
IDS Partnership Services Corporation IDS Tower 10 Minneapolis, MN 55440	Vice President and Assistant Secretary

James M. Punch, Vice President--TransAction Services

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President-Trans Action Services
--	---

Frederick C. Quirsfeld, Vice President--Taxable Mutual Fund Investments

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Vice President-- Taxable Mutual Fund Investments
--	--

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

James D. Robinson III, Director

American Express Company American Express Tower World Financial Center New York, New York 10285	Director, Chairman, Chief Executive Officer Chief Quality Officer
Union Pacific Corporation	Director
The Business Council of New York State, Inc.	Director
Advisory Committee for Trade Policy and Negotiations	Chairman
New York City Partnership	Chairman
New York Chamber of Commerce and Industry	Chairman
The Business Round Table	Co-Chairman
Board of Governors	Vice Chairman
United Way of America	Vice Chairman
Memorial Hospital for Cancer and Allied Diseases	Member, Board of Managers

Council on Foreign Relations	Member, Board of Directors
The Brookings Institution	Member, Board of Trustees
Japan Society	Member, Board of Directors
American Express Bank Ltd.	Director
Shearson Lehman Holdings Inc.	Director
Bristol-Meyers Squibb Company	Director
345 Park Avenue	
New York, NY	
Coca-Cola Company	Director
310 North Avenue, NW	
Atlanta, GA 30313	
Memorial Sloane-Kettering	Chairman Board of Managers
Cancer Center	Chairman Board of Overseers
New York, NY	

Roger B. Rogos, Vice President--Great Lakes Region

IDS Insurance Agency of Alabama Inc.	Vice President- Great Lakes Region
IDS Insurance Agency of Arkansas Inc.	Vice President- Great Lakes Region
IDS Insurance Agency of Massachusetts Inc.	Vice President- Great Lakes Region
IDS Insurance Agency of New Mexico Inc.	Vice President- Great Lakes Region
IDS Insurance Agency of North Carolina Inc.	Vice President- Great Lakes Region

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

IDS Insurance Agency of Ohio Inc.	Vice President- Great Lakes Region
IDS Insurance Agency of Wyoming Inc.	Vice President- Great Lakes Region
IDS Financial Services Inc.	Vice President-Great Lakes Region
IDS Tower 10	
Minneapolis, MN 55440	

ReBecca K. Roloff, Vice President--Insurance Operations

IDS Life Insurance Company	Director; Executive Vice President-Insurance Operations
IDS Tower 10	
Minneapolis, MN 55440	
IDS Financial Services Inc.	Vice President-Insurance Operations

Robert A. Rudell, Vice President--Sales and Marketing, IDS Institutional Marketing

IDS Financial Services Inc.	Vice President-Sales and Marketing, IDS Institutional Marketing
IDS Tower 10	
Minneapolis, Mn 55440	

John P. Ryan, Vice President and General Auditor

IDS Financial Services Inc.	Vice President and General Auditor
IDS Tower 10	
Minneapolis, MN 55440	

James H. Sadlowske, Vice President--System Services

IDS Financial Services Inc.	Vice President- System Services
IDS Tower 10	
Minneapolis, MN 55440	

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

Erven A. Samsel, Senior Region Vice President

IDS Financial Services Inc.	Senior Region Vice President
IDS Tower 10	
Minneapolis, MN 55440	

IDS Insurance Agency of Alabama Inc.	Vice President- New England Region
IDS Insurance Agency of Arkansas Inc.	Vice President- New England Region
IDS Insurance Agency of Massachusetts	Vice President- New England Region
IDS Insurance Agency of New Mexico Inc.	Vice President-

IDS Insurance Agency of North Carolina	New England Region Vice President-
	New England Region
IDS Insurance Agency of Ohio Inc.	Vice President-
	New England Region
IDS Insurance Agency of Wyoming Inc.	Vice President-
	New England Region

Carol A. Sander, Director, Senior Vice President--Communications

American Express Minnesota Foundation	Director
IDS Financial Services Inc.	Senior Vice President-
IDS Tower 10	Communications
Minneapolis, MN 55440	

R. Reed Saunders, Director; Senior Vice President-Financial Planning and Marketing

IDS Property Casualty Insurance Co.	Director
IDS Financial Services Inc.	Director and Senior Vice
IDS Tower 10	President-Financial
Minneapolis, MN 55440	Planning and Marketing

Stuart A. Sedlacek, Vice President--Quantitative Investment Management

IDS Financial Services Inc.	Vice President-
IDS Tower 10	Quantitative
Minneapolis, MN 55440	Investment Management

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

F. Dale Simmons, Vice President--Senior Portfolio Manager, Insurance Investments

IDS Financial Services Inc.	Vice President-Senior
IDS Tower 10	Portfolio Manager
Minneapolis, MN 55440	Insurance Investments
IDS Partnership Services Corporation	Vice President
IDS Real Estate Services Inc.	Vice President
IDS Realty Corporation	Vice President
Peninsular Properties, Inc.	Director and President

Julian W. Slotter, Vice President--Southeast Region

IDS Insurance Agency of Alabama Inc.	Vice President-
	Southeast Region
IDS Insurance Agency of Arkansas Inc.	Vice President-
	Southeast Region
IDS Insurance Agency of Massachusetts Inc.	Vice President-
	Southeast Region
IDS Insurance Agency of New Mexico Inc.	Vice President-
	Southeast Region
IDS Insurance Agency of North Carolina Inc.	Vice President-
	Southeast Region
IDS Insurance Agency of Ohio Inc.	Vice President-
	Southeast Region
IDS Insurance Agency of Wyoming Inc.	Vice President-
	Southeast Region
IDS Financial Services Inc.	Vice President--Southeast
IDS Tower 10	Region
Minneapolis, MN 55440	

William A. Smith, Director; Vice President--Finance and CFO/UK

IDS Financial Corporation	Vice President-
IDS Tower 10	Finance and CFO/UK
Minneapolis, MN 55440	
IDS Life Capital Resource Fund, Inc.	Treasurer
IDS Life Special Income Fund, Inc.	Treasurer
IDS Life Managed Fund, Inc.	Treasurer
IDS Life Moneyshare Fund, Inc.	Treasurer

James B. Solberg, Vice President--Advanced Financial Planning

IDS Financial Services Inc.	Vice President-
IDS Tower 10	Advanced Financial Planning
Minneapolis, MN 55440	

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

James W. Sowles, Vice President--Certificate Administration

IDS Financial Services Inc.	Vice President- Certificate Administration
IDS Certificate Company	Vice President- Administration
IDS Tower 10	
Minneapolis, MN 55440	

Bridget Sperl, Vice President--Human Resources Management Services

IDS Financial Services Inc.	Vice President-Human Resources Management
IDS Tower 10	
Minneapolis, MN 55440	

Jeffrey E. Stiefler, Director, President and Chief Executive Officer

IDS Financial Services Inc.	Chairman, President and Chief Executive Officer
IDS Tower 10	
Minneapolis, MN 55440	
American Express	Director
Minnesota Foundation	
IDS Advisory Group Inc.	Director
IDS Bank & Trust	Director
IDS Capital Holdings Inc.	Director
IDS Plan Services of California, Inc.	Director and Chairman of the Board
IDS Certificate Company	Director
IDS International, Inc.	Director
IDS Life Insurance Company	Director and Chairman of the Board
IDS Property and Casualty Insurance Company	Director

Lois A. Stilwell, Vice President--Sales Training and Communications

IDS Financial Services Inc.	Vice President- Sales Training and Communications
IDS Tower 10	
Minneapolis, MN 55440	

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

William A. Stoltzmann, Vice President and Assistant General Counsel

IDS Financial Services Inc.	Vice President and Assistant General Counsel
IDS Life Insurance Company	Vice President, General Counsel and Secretary
IDS Tower 10	
Minneapolis, MN 55440	
IDS Life Variable Annuity Funds A and B	General Counsel and Assistant Secretary
IDS Life Series Fund, Inc.	General Counsel and Assistant Secretary
American Enterprise Life Insurance Company	Director, Vice President, General Counsel and Secretary
P.O. Box 534	
Minneapolis, MN 55440	

James J. Strauss, Vice President--Corporate Planning and Analysis

IDS Financial Services Inc.	Vice President- Corporate Planning and Analysis
IDS Tower 10	
Minneapolis, MN 55440	

Fenton R. Talbott, Director

ACUMA Ltd.	President and Chief Executive Officer
ACUMA House	
The Glanty, Egham	
Surrey TW 20 9 AT	
UK	

Neil Taylor, Vice President--National Sales/UK

IDS Financial Services Inc.	Vice President - National Sales/UK
IDS Tower 10	
Minneapolis, MN 55440	

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Item 28a. Business and Other Connections of Investment Adviser (IDS Financial Corporation) (cont'd)

John R. Thomas, Director; Senior Vice President--Mutual Funds
Operations

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Senior Vice President- Mutual Funds Operations
IDS Blue Chip Advantage Fund	Director
IDS Bond Fund, Inc.	Director
IDS California Tax-Exempt Trust	Trustee
IDS Cash Management Fund, Inc.	Director
IDS Discovery Fund, Inc.	Director
IDS Diversified Equity Income Fund	Director
IDS Equity Plus Fund, Inc.	Director
IDS Extra Income Fund, Inc.	Director
IDS Federal Income Fund, Inc.	Director
IDS Global Bond Fund, Inc.	Director
IDS Global Growth Fund	Director
IDS Growth Fund, Inc.	Director
IDS High Yield Tax-Exempt Fund, Inc.	Director
IDS Managed Retirement Fund, Inc.	Director
IDS Market Advantage Series, Inc.	Director
IDS Mutual	Director
IDS New Dimensions Fund, Inc.	Director
IDS Planned Investment Account	Director
IDS Precious Metals Fund, Inc.	Director
IDS Progressive Fund, Inc.	Director
IDS Selective Fund, Inc.	Director
IDS Special Tax-Exempt Series Trust	Trustee
IDS Stock Fund, Inc.	Director
IDS Strategy Fund, Inc.	Director
IDS Tax-Exempt Bond Fund, Inc.	Director
IDS Tax-Free Money Fund, Inc.	Director
IDS Utilities Income Fund, Inc.	Director
American Express Minnesota Foundation	Director
IDS Cable Corporation	Director
IDS Cable II Corporation	Director
IDS Futures Corporation	Director and President
IDS Futures III Corporation	Director and President
IDS Management Corporation	Director and President
IDS Partnership Leasing Corporation	Director and President
IDS Partnership Services Corporation	Director
IDS Realty Corporation	Director and President

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Item 28a. Business and Other Connections of Investment Adviser (IDS
Financial Corporation) (cont'd)

Melinda S. Urion, Vice President--Insurance Controller

IDS Financial Corporation IDS Tower 10 Minneapolis, MN 55440	Vice President-Insurance Controller
IDS Life Insurance Company	Director, Vice President, Controller and Treasurer
IDS Life Series Fund, Inc.	Vice President and Controller
American Enterprise Life Insurance Company	Vice President, Controller and Treasurer

Wesley W. Wadman, Vice President--Senior Portfolio Manager

IDS Fund Management Limited	Director
IDS Financial Services Inc.	Vice President- Senior Portfolio Manager
IDS Advisory Group Inc.	Executive Vice President
IDS International, Inc. IDS Tower 10 Minneapolis, MN 55440	Senior Vice President

Norman Weaver, Jr., Senior Region Vice President

IDS Financial Services Inc. IDS Tower 10 Minneapolis, MN 55440	Senior Region Vice President
IDS Insurance Agency of Alabama Inc.	Vice President- Pacific Region
IDS Insurance Agency of Arkansas Inc.	Vice President- Pacific Region
IDS Insurance Agency of Massachusetts Inc.	Vice President- Pacific Region
IDS Insurance Agency of New Mexico Inc.	Vice President- Pacific Region
IDS Insurance Agency of North Carolina	Vice President-

Inc. Pacific Region
IDS Insurance Agency of Ohio Inc. Vice President-
Pacific Region
IDS Insurance Agency of Wyoming Inc. Vice President-
Pacific Region

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Item 28a. Business and Other Connections of Investment Adviser (IDS
Financial Corporation) (cont'd)

Michael L. Weiner, Vice President--Corporate Tax Operations

IDS Capital Holdings Inc. Vice President
IDS Financial Services Inc. Vice President-Corporate
Tax Operations
IDS Futures III Corporation Vice President, Treasurer
and Secretary
IDS Futures Brokerage Group Vice President
IDS Futures Corporation Vice President, Treasurer
and Secretary
IDS Tower 10
Minneapolis, MN 55440

William N. Westhoff, Director and Senior Vice President--Fixed
Income Management

IDS Financial Services Inc. Senior Vice President-
IDS Tower 10 Fixed Income Management
Minneapolis, MN 55440
American Enterprise Life Insurance Director, Vice President-
Company Investments
Investors Syndicate Development Corp. Director, Vice President
IDS Life Insurance Company of New York Investment Officer
IDS Partnership Services Corporation Director, Vice President
IDS Property Casualty Insurance Company Vice President-Investments
IDS Real Estate Services Inc. Director, Chairman of the
Board and President
IDS Realty Corporation Director, Vice President

Edwin Wistrand, Vice President and Assistant General Counsel

IDS Financial Services Inc. Vice President and
IDS Tower 10 Assistant General Counsel
Minneapolis, MN 55440

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Item 28a. Business and Other Connections of Investment Adviser (IDS
Financial Corporation) (cont'd)

Michael Woodward, Senior Region Vice President

IDS Financial Services Inc. Senior Region Vice
IDS Tower 10 President
Minneapolis, MN 55440

IDS Insurance Agency of Alabama Inc. Vice President-
Atlantic Region
IDS Insurance Agency of Arkansas Inc. Vice President-
Atlantic Region
IDS Insurance Agency of Massachusetts Vice President-
Inc. Atlantic Region
IDS Insurance Agency of New Mexico Inc. Vice President-
Atlantic Region
IDS Insurance Agency of North Carolina Vice President-
Inc. Atlantic Region
IDS Insurance Agency of Ohio Inc. Vice President-
Atlantic Region
IDS Insurance Agency of Wyoming Inc. Vice President-
Atlantic Region
IDS Life Insurance Company of New York Director

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Item 29. Principal Underwriters.

(a) IDS Financial Services Inc. acts as principal underwriter
for the following investment companies:

IDS Bond Fund, Inc.; IDS California Tax-Exempt Trust; IDS
Discovery Fund, Inc.; IDS Equity Plus Fund, Inc.; IDS Extra
Income Fund, Inc.; IDS Federal Income Fund, Inc.; IDS Global
Series, Inc.; IDS Growth Fund, Inc.; IDS High Yield Tax-Exempt
Fund, Inc.; IDS International Fund, Inc.; IDS Investor's
Series, Inc.; IDS Managed Retirement Fund, Inc.; IDS Market
Advantage Series, Inc.; IDS Money Market Series, Inc.; IDS New
Dimensions Fund, Inc.; IDS Precious Metals Fund, Inc.; IDS

Progressive Fund, Inc.; IDS Selective Fund, Inc.; IDS Special Tax-Exempt Series Trust; IDS Stock Fund, Inc.; IDS Strategy Fund, Inc.; IDS Tax-Exempt Bond Fund, Inc.; IDS Tax-Free Money Fund, Inc.; IDS Utilities Income Fund, Inc. and IDS Certificate Company.

(b) As to each director, officer or partner of the principal underwriter:

Name and Principal Business Address	Position and Offices with Underwriter	Positions and Offices with Registrant
Ronald G. Abrahamson IDS Tower 10 Minneapolis, MN 55440	Vice President- Field Administration	None
Jerome R. Amundson IDS Tower 10 Minneapolis, MN 55440	Vice President and Controller-Mutual Funds Operations	None
Douglas A. Alger IDS Tower 10 Minneapolis, MN 55440	Vice President- Compensation and Benefits	None
Peter J. Anderson IDS Tower 10 Minneapolis, MN 55440	Senior Vice President- Advisory Group and Equity Management	None
Kent L. Ashton IDS Tower 10 Minneapolis, MN 55440	Vice President-Group Management Office, Banking and Certificates	None
Timothy V. Bechtold IDS Tower 10 Minneapolis, MN 55440	Vice President-Insurance Product Development	None

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Item 29. (Continued)

Name and Principal Business Address	Position and Offices with Underwriter	Positions and Offices with Registrant
John D. Begley Olentangy Valley Center Suite 300 7870 Olentangy River Rd. Columbus, OH 43235	Vice President- Mid-Central Region	None
Carl E. Beihl IDS Tower 10 Minneapolis, MN 55440	Vice President- Strategic Planning and Architecture	None
Alan F. Bignall IDS Tower 10 Minneapolis, MN 55440	Vice President- Financial Planning Systems	None
Brent L. Bisson Seafirst Financial Center, Suite 1730 601 W. Riverside Ave. Spokane, WA 99201	Vice President- Northwest Region	None
Thomas J. Brakke IDS Tower 10 Minneapolis, MN 55440	Vice President- Investment Services and Investment Research	None
Karl J. Breyer IDS Tower 10 Minneapolis, MN 55440	Senior Vice President and Special Counsel	None
John L. Burbidge IDS Tower 10 Minneapolis, MN 55440	Vice President- Government Relations	None
Harold E. Burke IDS Tower 10 Minneapolis, MN 55440	Vice President and Assistant General Counsel	None
Orison Y. Chaffee III IDS Tower 10 Minneapolis, MN 55440	Vice President-Field Real Estate	None
James E. Choat	Senior Region Vice	None

Suite 124
6210 Campbell Rd.
Dallas, TX 75248

President

Kenneth J. Ciak
IDS Property Casualty
1400 Lombardi Avenue
Green Bay, WI 54304

Vice President and
General Manager-
IDS Property Casualty

None

Roger C. Corea
345 Woodcliff Drive
Fairport, NY 14450

Vice President-
Northeast Region

None

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Item 29. (continued)

Name and Principal
Business Address

Position and Offices
with Underwriter

Positions and
Offices with
Registrant

Kevin F. Crowe
IDS Tower 10
Minneapolis, MN 55440

Vice President-
Field Management
Development

None

Alan R. Dakay
IDS Tower 10
Minneapolis, MN 55440

Vice President-
Institutional Insurance
Marketing

None

William F. Darland
Suite 108C
301 Sovereign Court
Manchester, MO 63011

Vice President-
South Central Region

None

Michael P. Ducar
IDS Tower 10
Minneapolis, MN 55440

Vice President-
Investment Services

None

William H. Dudley
IDS Tower 10
Minneapolis MN 55440

Director, Executive
Vice President-
Investment and Brokerage
Operations

Director/
Trustee

Roger S. Edgar
IDS Tower 10
Minneapolis, MN 55440

Senior Vice President-
Information Systems

None

Gordon L. Eid
IDS Tower 10
Minneapolis, MN 55440

Senior Vice President
and General Counsel

None

Edwin W. Elder III
IDS Property Casualty Insurance Co.
1 WEG Blvd.
DePere, WI 54115

Vice President-Operations

None

Elizabeth A. Elder
IDS Tower 10
Minneapolis, MN 55440

Vice President-
Systems Services

None

Mark A. Ernst
IDS Tower 10
Minneapolis, MN 55440

Vice President-
Tax and Business Services

None

Gordon M. Fines
IDS Tower 10
Minneapolis MN 55440

Vice President-
Mutual Fund Equity
Investments

None

Louis C. Fornetti
IDS Tower 10
Minneapolis, MN 55440

Senior Vice President-
Corporate Controller

None

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Item 29. (Continued)

Name and Principal
Business Address

Position and Offices
with Underwriter

Positions and
Offices with
Registrant

Douglas L. Forsberg
IDS Tower 10
Minneapolis, MN 55440

Vice President-
Securities Services

None

Robert G. Gilbert
IDS Tower 10
Minneapolis, MN 55440

Vice President-
Real Estate

None

John J. Golden IDS Tower 10 Minneapolis, MN 55440	Vice President- Field Compensation Development	None
Morris Goodwin Jr. IDS Tower 10 Minneapolis, MN 55440	Vice President and Corporate Treasurer	None
Sara J. Grady IDS Tower 10 Minneapolis, MN 55440	Vice President-Human Resources and Organization Development	None
David A. Hammer IDS Tower 10 Minneapolis, MN 55440	Vice President and Marketing Controller	None
Robert L. Harden Suite 403 8500 Leesburg Pike Vienna, VA 22180	Vice President Mid-Atlantic Region	None
Lorraine R. Hart IDS Tower 10 Minneapolis, MN 55440	Vice President- Insurance Investments	None
Mark S. Hays IDS Tower 10 Minneapolis, MN 55440	Vice President-Senior Portfolio Manager, IDS International	None
Robert H. Healy IDS Tower 10 Minneapolis, MN 55440	Vice President- Senior Portfolio Manager	None
James G. Hirsh IDS Tower 10 Minneapolis, MN 55440	Vice President and Assistant General Counsel	None
Raymond E. Hirsch IDS Tower 10 Minneapolis, MN 55440	Vice President-Senior Portfolio Manager	None

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Item 29. (Continued)

Name and Principal Business Address	Position and Offices with Underwriter	Positions and Offices with Registrant
Kevin P. Howe IDS Tower 10 Minneapolis, MN 55440	Vice President- Government and Customer Relations	None
David R. Hubers IDS Tower 10 Minneapolis, MN 55440	Senior Vice President- Finance and Chief Financial Officer	None
Marietta Johns IDS Tower 10 Minneapolis, MN 55440	Senior Region Vice President	None
Douglas R. Jordal IDS Tower 10 Minneapolis, MN 55440	Vice President-Taxes	None
Craig A. Junkins IDS Tower 10 Minneapolis, MN 55440	Vice President - Financial Planning and Marketing	None
Susan D. Kinder IDS Tower 10 Minneapolis, MN 55440	Senior Vice President- Human Resources	None
Richard W. Kling IDS Tower 10 Minneapolis, MN 55440	Vice President- Insurance Marketing and Products	None
Harold Knutson IDS Tower 10 Minneapolis, MN 55440	Vice President- System Services	None
Paul F. Kolkman IDS Tower 10 Minneapolis, MN 55440	Vice President- Corporate Actuary	None

Claire Kolmodin IDS Tower 10 Minneapolis, MN 55440	Vice President- Service Quality	None
Christopher Kudrna IDS Tower 10 Minneapolis, MN 55440	Vice President- Systems and Technology Development	None
Steven C. Kumagai IDS Tower 10 Minneapolis, MN 55440	Director; Senior Vice President- Associate General Sales Manager	None
Edward Labenski IDS Tower 10 Minneapolis, MN 55440	Vice President- Senior Portfolio Manager	None

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Item 29. (Continued)

Name and Principal Business Address	Position and Offices with Underwriter	Positions and Offices with Registrant
Peter L. Lamaison One Broadgate London, England	Vice President- IDS International Division	None
Kurt A. Larson IDS Tower 10 Minneapolis, MN 55440	Vice President- Senior Portfolio Manager	None
Ryan R. Larson IDS Tower 10 Minneapolis, MN 55440	Vice President- Annuity Product Development	None
Douglas A. Lennick IDS Tower 10 Minneapolis, MN 55440	Director; Senior Vice President and General Sales Manager	None
Dickson W. Lewis IDS Tower 10 Minneapolis, MN 55440	Vice President- Consumer and Business Marketing	None
Mary J. Malevich IDS Tower 10 Minneapolis, MN 55440	Vice President- Senior Portfolio Manager	None
James M. McAlear, Jr. One Broadgate London, England	Vice President and Senior Portfolio Manager-IDS International	None
William J. McKinney IDS Tower 10 Minneapolis, MN 55440	Vice President- Field Management Support	None
Thomas Medcalf IDS Tower 10 Minneapolis, MN 55440	Vice President- Senior Portfolio Manager	None
William C. Melton IDS Tower 10 Minneapolis, MN 55440	Vice President- Chief Economist	None
Earlon L. Milbrath IDS Tower 10 Minneapolis, MN 55440	Vice President- U.K. Venture	None
Janis E. Miller IDS Tower 10 Minneapolis, MN 55440	Vice President-Mutual Funds Products and Marketing	None
James A. Mitchell IDS Tower 10 Minneapolis, MN 55440	Senior Vice President- Insurance Operations	None

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Item 29. (Continued)

Name and Principal Business Address	Position and Offices with Underwriter	Positions and Offices with Registrant
Pamela J. Moret IDS Tower 10	Vice President and Assistant General	None

Minneapolis, MN 55440	Counsel	
Robert J. Neis IDS Tower 10 Minneapolis, MN 55440	Vice President- EDP Services	None
Vernon F. Palen Suite D-222 7100 E. Lincoln Drive Scottsdale, AZ 85253	Vice President-Rocky Mountain Region	None
James R. Palmer IDS Tower 10 Minneapolis, MN 55440	Vice President- Insurance Operations	None
George M. Perry IDS Tower 10 Minneapolis, MN 55440	Vice President- Corporate Strategy and Development	None
Susan B. Plimpton IDS Tower 10 Minneapolis, MN 55440	Vice President- American Express Marketing	None
Ronald W. Powell IDS Tower 10 Minneapolis, MN 55440	Vice President and Assistant General Counsel	None
James M. Punch IDS Tower 10 Minneapolis, MN 55440	Vice President- TransAction Services	None
Frederick C. Quirsfeld IDS Tower 10 Minneapolis, MN 55440	Vice President-Taxable Mutual Fund Investments	None
Roger B. Rogos Suite 15, Parkside Place 945 Boardman-Canfield Rd Youngstown, Ohio 44512	Vice President- Great Lakes Region	None
ReBecca K. Roloff IDS Tower 10 Minneapolis, MN 55440	Vice President- Insurance Operations	None
Robert A. Rudell IDS Tower 10 Minneapolis, MN 55440	Vice President- Sales and Marketing, IDS Institutional Marketing	None

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Item 29. (Continued)

Name and Principal Business Address	Position and Offices with Underwriter	Positions and Offices with Registrant
John P. Ryan IDS Tower 10 Minneapolis, MN 55440	Vice President and General Auditor	None
James H. Sadlowske IDS Tower 10 Minneapolis, MN 55440	Vice President- System Services	None
Erven A. Samsel 45 Braintree Hill Park Braintree, MA 02184	Senior Region Vice President	None
Carol A. Sander IDS Tower 10 Minneapolis, MN 55440	Senior Vice President- Communications	None
R. Reed Saunders IDS Tower 10 Minneapolis, MN 55440	Director; Senior Vice President- Financial Planning and Marketing	None
Stuart A. Sedlacek IDS Tower 10 Minneapolis, MN 55440	Vice President- Quantitative Investment Management	None
F. Dale Simmons IDS Tower 10 Minneapolis, MN 55440	Vice President-Senior Portfolio Manager Insurance Investments	None

Julian W. Sloter 9040 Roswell Rd. River Ridge-Suite 600 Atlanta, GA 30350	Vice President- Southeast Region	None
William A. Smith IDS Tower 10 Minneapolis, MN 55440	Vice President- Finance and CFO/UK	None
James B. Solberg IDS Tower 10 Minneapolis, MN 55440	Vice President- Advanced Financial Planning	None
James W. Sowles IDS Tower 10 Minneapolis, MN 55440	Vice President- Certificate Administration	None
Bridget Sperl IDS Tower 10 Minneapolis, MN 55440	Vice President- Human Resources Management Services	None

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Item 29. (Continued)

Name and Principal Business Address	Position and Offices with Underwriter	Positions and Offices with Registrant
Jeffrey E. Stiefler IDS Tower 10 Minneapolis, MN 55440	Director, Chief Executive Officer and President	None
Lois Stilwell IDS Tower 10 Minneapolis, MN 55440	Vice President- Sales Training and Communications	None
William A. Stoltzmann IDS Tower 10 Minneapolis, MN 55440	Vice President and Assistant General Counsel	None
James J. Strauss IDS Tower 10 Minneapolis, MN 55440	Vice President- Corporate Planning and Analysis	None
Neil Taylor IDS Tower 10 Minneapolis, MN 55440	Vice President- National Sales/UK	None
John R. Thomas IDS Tower 10 Minneapolis, MN 55440	Senior Vice President- Mutual Funds Operations	Director/ Trustee
Melinda S. Urion IDS Tower 10 Minneapolis, MN 55440	Vice President- Insurance Controller	None
Wesley W. Wadman IDS Tower 10 Minneapolis, MN 55440	Vice President- Senior Portfolio Manager	None
Norman Weaver Jr. Suite 215 1501 Westcliff Drive Newport Beach, CA 92660	Senior Region Vice President	None
Michael L. Weiner IDS Tower 10 Minneapolis, MN 55440	Vice President- Corporate Tax Operations	None
William N. Westhoff IDS Tower 10 Minneapolis, MN 55440	Senior Vice President- Fixed Income Management	None
Edwin Wistrand IDS Tower 10 Minneapolis, MN 55440	Vice President and Assistant General Counsel	None

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Item 29. (Continued)

Name and Principal Business Address	Position and Offices with Underwriter	Positions and Offices with Registrant
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Michael Woodward Senior Region Vice None
Suite 815 President
8585 Broadway
Merrillville, IN 46410

Item 29(c). Not applicable.

Item 30. Location of Accounts and Records

IDS Financial Corporation
IDS Tower 10
Minneapolis, MN 55440

Item 31. Management Services

Not Applicable.

Item 32. Undertakings

(a) Not Applicable.

(b) Not Applicable.

(c) The Registrant undertakes to furnish each person to whom a prospectus is delivered with a copy of the Registrant's latest annual report to shareholders, upon request and without charge.

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SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant, IDS Selective Fund certifies that it meets all of the requirements for the effectiveness of this Amendment to its Registration Statement pursuant to Rule 485(b) under the Securities Act of 1933 and has duly caused this Amendment to its Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Minneapolis and State of Minnesota on the 26th day of January, 1994.

IDS SELECTIVE FUND

/s/ William R. Pearce**
William R. Pearce, President

Pursuant to the requirements of the Securities Act of 1933, this Amendment to the Registration Statement has been signed below by the following persons in the capacities indicated on the 26th day of January, 1994.

Signatures	Capacity
/s/ William R. Pearce** William R. Pearce	President, Principal Executive Officer and Director
/s/ Leslie L. Ogg** Leslie L. Ogg	Treasurer, Principal Financial Officer and Principal Accounting Officer
/s/ William H. Dudley* William H. Dudley	Director
/s/ Robert F. Froehlke* Robert F. Froehlke	Director
/s/ David R. Hubers* David R. Hubers	Director
/s/ Anne P. Jones* Anne P. Jones	Director
/s/ Donald M. Kendall*	Director

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Signatures	Capacity
/s/ Melvin R. Laird* Melvin R. Laird	Director
/s/ Lewis W. Lehr* Lewis W. Lehr	Director
/s/ Aulana L. Peters* Aulana L. Peters	Director
/s/ Edson W. Spencer* Edson W. Spencer	Director
/s/ John R. Thomas* John R. Thomas	Director
/s/ Wheelock Whitney* Wheelock Whitney	Director

*Signed pursuant to Directors' Power of Attorney dated Oct. 14, 1993, filed as Exhibit 17(a) concurrently with Registrant's Post-Effective Amendment No. 76 to Registration Statement No. 2-10700 by:

Leslie L. Ogg

**Signed pursuant to Officers' Power of Attorney dated June 1, 1993, filed as Exhibit 17(b) concurrently with Registrant's Post-Effective Amendment No. 76 to Registration Statement No. 2-10700 by:

Leslie L. Ogg

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CONTENTS OF THIS
POST-EFFECTIVE AMENDMENT NO. 77
TO REGISTRATION STATEMENT NO. 2-10700

This Post-Effective Amendment comprises the following papers and documents:

The facing sheet.

The cross-reference page.

Part A.

The prospectus.

Part B.

Statement of Additional Information.

Financial Statements.

Part C.

Other Information.

The signatures.

Exhibits.

11 Independent Auditors' Consent

INDEPENDENT AUDITORS' CONSENT

The Board of Directors and Shareholders
IDS Selective Fund, Inc.:

We consent to the use of our report incorporated herein by reference and to the references to our Firm under the headings "Financial Highlights" in Part A and "INDEPENDENT AUDITORS" in Part B of the Registration Statement.

KPMG Peat Marwick

Minneapolis, Minnesota
January 26, 1994