

SECURITIES AND EXCHANGE COMMISSION

FORM 497

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FILER

PIMCO FUNDS

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[TRANSLATION]

PIMCO

Monthly Distribution Type

PIMCO FUNDS - PIMCO TOTAL RETURN FUND (in Japanese)

PIMCO FUNDS - PIMCO TOTAL RETURN FUND (in English)

PROSPECTUS
January 2001

US Jurisdiction Open-Ended Contractual Type Foreign Investment Fund (denominated
in the US dollar)

Investment Advisor and Administrator:
Pacific Investment Management Company LLC

For purchase, contact:
Nikko Securities

(TRANSLATION)

SECURITIES REGISTRATION STATEMENT, AS AMENDED

To: Director of Kanto Local Finance Bureau
Filed as of December 15, 2000, as amended on December 22, 2000

Name of Trust: PIMCO FUNDS

Name of Trustees:
Brent R. Harris
Chairman of Board of Trustees and Trustee

Address of Head Office:
840 Newport Center Drive, Suite 300
Newport Beach, California 92660, U.S.A.

Name of Attorney-in-fact:
Nagashima Ohno & Tsunematsu
Hidetaka Mihara, Attorney-at-law

Signature (Signature) (Seal)

Address of Attorney-in-fact:

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Kioicho Building,
3-12, Kioicho, Chiyoda-ku, Tokyo

Name of Person to Contact with:
Yasuyuki Takayama, Attorney-at-law

Place to Contact with:
Same as the Address of the Attorney-in-fact

Telephone Number: 03-3288-7000

Offering for Subscription Covered by
this Securities Registration Statement, as Amended

Name of the Fund Concerning the Foreign Investment Trust Securities to be Offered for Subscription:

PIMCO FUNDS - PIMCO Total Return Fund

Type and Amount of the Foreign Investment Trust Securities to be Offered for Subscription:

Up to 300 million Administrative Class Shares.

Up to the total amount aggregating the amounts calculated by multiplying the respective net asset value per Administrative Class Share by the respective number of Administrative Class Shares in respect of 300 million Administrative Class Shares (The maximum amount expected to be sold is U.S.\$3,030 million (Yen 330.4 billion)).

Note 1: U.S.\$ amount is translated into Japanese Yen at the rate of U.S.\$1.00=Yen 109.05, the mean of the exchange rate quotations by The Bank of Tokyo-Mitsubishi, Ltd. for buying and selling spot dollars by telegraphic transfer against yen on October 31, 2000.

Note 2: The maximum amount expected to be sold is an amount calculated by multiplying the net asset value per Administrative Class Share as of October 31, 2000 (U.S.\$10.10) by 300 million Administrative Class Shares for convenience.

The Place(s) at Which Copies of
this Securities Registration Statement, as Amended
Are Made Available for Public Inspection

Not Applicable

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PART I. INFORMATION CONCERNING SECURITIES

1. NAME OF FUND

PIMCO FUNDS (hereinafter referred to as the "Trust")

The Trust is an umbrella fund consisting of sub-funds, the sub-fund shares of which will be offered in Japan is the following:

PIMCO Total Return Fund (hereinafter referred to as the "Fund").

2. NATURE OF FOREIGN INVESTMENT FUND SECURITIES CERTIFICATES:
Registered shares with par value of \$0.0001 each

The Trust consists of the following 47 sub-funds, and its shares are divided into at most 8 classes: Institutional Class, Administrative Class, Class A, Class B, Class C, Class D, Class J and Class K.

1. Money Market Fund
2. Short-Term Fund
3. Low Duration Fund
4. Low Duration Fund II
5. Low Duration Fund III
6. GNMA Fund
7. Moderate Duration Fund
8. Real Return Bond Fund
9. Total Return Fund
10. Total Return Fund II
11. Total Return Fund III
12. Total Return Mortgage Fund
13. Investment Grade Corporate Bond Fund
14. High Yield Fund
15. Long-Term U.S. Government Fund
16. Long Duration Fund
17. Short Duration Municipal Income Fund
18. Municipal Bond Fund
19. California Intermediate Municipal Bond Fund
20. California Municipal Bond Fund
21. New York Municipal Bond Fund
22. Global Bond Fund
23. Global Bond Fund II
24. Foreign Bond Fund
25. Emerging Markets Bond Fund
26. Strategic Balanced Fund
27. Convertible Fund
28. European Convertible Fund
29. Commercial Mortgage Securities Fund
30. StocksPLUS Fund
31. StocksPLUS Short Strategy Fund
32. Loan Obligation Fund
33. Short-Term Portfolio
34. Short-Term Portfolio II
35. U.S. Government Sector Portfolio
36. U.S. Government Sector Portfolio II
37. Mortgage Portfolio
38. Mortgage Portfolio II
39. Investment Grade Corporate Portfolio
40. High Yield Portfolio
41. Municipal Sector Portfolio
42. International Portfolio
43. Emerging Markets Portfolio
44. Short-Term Emerging Markets Portfolio
45. Real Return Bond Portfolio
46. Asset-Backed Securities Portfolio
47. Asset-Backed Securities Portfolio II

In Japan, Administrative Class Shares (hereinafter referred to as the "Shares") of the following sub-fund are for public offering. No rating has been acquired.

PIMCO Total Return Fund

3. NUMBER OF SHARES TO BE OFFERED FOR SALE (IN JAPAN)

Up to 300 million Shares

4. TOTAL AMOUNT OF OFFERING PRICE:

Up to the total amount aggregating the amounts calculated by multiplying the respective net asset value per Share by the respective number of Shares in respect of 300 million Shares. (The maximum amount expected to be sold is U.S.\$3,030 million (Yen 330.4 billion).)

Note 1: The maximum amount expected to be sold is the amount calculated, for convenience, by multiplying the net asset value per Share as of October 31, 2000 (\$10.10) by the number of Shares to be offered (300 million). "U.S. \$" may be referred to hereafter as

None.

10. PLACE OF SUBSCRIPTION:

The Nikko Securities Co., Ltd. (hereinafter referred to as "Nikko") at 3-1, Marunouchi 3-chome, Chiyoda-ku, Tokyo

Note: The subscription is handled at the head office and the branch offices in Japan of the above-mentioned securities company.

11. DATE AND PLACE OF PAYMENT:

Investors shall pay the subscription amount in yen to Nikko on the third business day in Japan from the day (which is a business day in Japan) when Nikko receives confirmation from the Trust of the execution of the order (the "Trade Day") (see "Part II. Information Concerning Issuer, I. Description of the Fund, 3. Management Structure, (A) C. Sales, Repurchase and Custody" below.). Nikko shall pay such subscription amount in U.S. dollars to the Trust, or its designee, on the date in the U.S. corresponding to the date in Japan Nikko receives the subscription amount from investors ("Payment Date") or such other time as may be required by laws of U.S.

12. OUTLINE OF UNDERWRITING, ETC.:

- (A) Nikko undertakes to make a public offering of up to 300 million Shares in accordance with an agreement dated May 5, 2000 entered into with the Distributor in connection with the sale of the Shares in Japan.
- (B) During the subscription period, Nikko will forward the purchase orders and repurchase requests of the Shares received directly or indirectly through other handling securities companies (the "Handling Securities Companies") to the Distributor.
- (C) The Fund has appointed Nikko as the Agent JSDA Member in Japan.

Note: "The Agent JSDA Member" shall mean a financial institution which, under a contract made with a foreign issuer of investment securities, makes public the information concerning the net asset value per Share and submits or forwards the financial reports or other documents to the Japan Securities Dealers Association ("JSDA") and other handling securities companies rendering such other services.

13. MISCELLANEOUS:

(A) Method of Subscription:

Investors who subscribe for Shares shall enter into an agreement with a Handling Securities Company concerning transactions of foreign securities. A Handling Securities Company shall provide to the investors a Contract Concerning a Foreign Securities Transactions Account ("Contract") and the investors submit to the Handling Securities Company an application for requesting the opening of a transactions account under the Contract. The subscription amount shall be paid in yen and the yen exchange rate shall be the exchange rate which shall be based on the foreign exchange rate quoted in the Tokyo Foreign Exchange Market on the Trade Day of each subscription and which shall be determined by such Handling Securities Company. Provided, however, that such subscription amount may be paid in dollars to the extent acceptable to the Handling Securities Company, such as by means of wire transfer through banks.

The subscription amount shall be paid in dollars to the Trust, or its designee, by Nikko on the Payment Date or such other time as may be required by laws of U.S..

(B) Custody of Shares

In the interest of economy and convenience, certificates for shares will not be issued to investors in the U.S. To shareholders in Japan, the Trust shall issue a global certificate representing Shares of such Shareholders, and such global certificate shall be held in custody in the name of Nikko by the Custodian, the Distributor or any designated entity thereof; provided, however, that neither Nikko nor shareholders in Japan can withdraw the said global certificate or any part of it from the custody, or request the Trust to issue any certificate (in definitive form or otherwise) representing any Share. Shareholders in Japan shall be required to entrust the custody of their Shares with Nikko.

The matters concerning the receipt are in accordance with the Contract.

(C) Expenses summary:

Expenses are one of several factors to consider when investing. The following table summarizes an investor's maximum transaction costs from investing in Shares of the Fund and expenses incurred in respect of Shares in the most recent fiscal year.

Shareholder transaction expenses

Sales load imposed on purchases	(Notes)
Redemption fee	None

Annual Fund operating expenses
(as a percentage of average net assets)

Advisory fees	0.25%
12b-1 (service) fees	0.25%
Other expenses *	0.29%

Total Fund operating expenses	0.79%

* Other expenses reflect an Administrative fee of 0.18% and interest expense of 0.11% paid during the most recent fiscal year. Total Fund operating expenses excluding interest expense is 0.68%. Interest expense is generally incurred as a result of investment management activities.

The table is provided to help you understand the expenses of investing in Shares of the Fund and of your share of the operating expenses. The expenses shown in the table do not reflect the application of credits that reduce certain Fund expenses.

(Note) See 6. "Sales Charge" above.

PART II. INFORMATION CONCERNING ISSUER

I. DESCRIPTION OF THE FUND

1. GENERAL INFORMATION

(A) Outline of Laws Regulating the Fund in the Jurisdiction Where Established:

(1) Name of the Fund:

PIMCO FUNDS (the "Trust")

The Trust is an umbrella fund consisting of sub-funds, the sub-fund shares of which will be offered in Japan is PIMCO Total Return Fund (the "Fund").

(2) Form of the Fund

The Fund is a diversified series of the Trust, a Massachusetts business trust organized on February 19, 1987. The Trust was created under, and is subject to, the General Laws of the Commonwealth of Massachusetts. A Massachusetts business trust is an association organized by the execution and delivery of a declaration of trust, which establishes the rights and obligations of the trustees of the trust and the holders of its shares of beneficial interest. Unlike a corporation, which is a form of organization created through compliance with applicable state statutes, a Massachusetts business trust is created by agreement (i.e., the declaration of trust). While the General Laws of Massachusetts require that a Massachusetts business trust file its declaration of trust with the Commonwealth of Massachusetts, such filing is not a condition precedent to the existence of the trust. As such, the Fund is a contract type of investment fund. A copy of the Trust's Amended and Restated Declaration of Trust is on file with the Secretary of State of the Commonwealth of Massachusetts.

The Trust is an open-end management investment fund with an unlimited number of authorized shares of beneficial interest which may be divided without shareholder approval into two or more series or classes of shares having such preferences and special or relative rights and privileges as the Trustees of the Trust determine. The Trust's shares currently are divided into forty-seven series, one of which is this PIMCO Total Return Fund, and the Fund's shares are divided into eight classes. The Fund's Administrative Class shares are currently offered in Japan. On May 26, 1999, the Trust registered with the United States Securities and Exchange Commission (the "SEC") Class J shares and Class K shares for 15 of the Trust's series to be offered and sold solely in Japan. As of the date of this document, no Class J shares or Class K shares have been offered in Japan. The Fund also offers in the United States of America other classes of shares with different sales charges and expenses. Because of these different sales charges and expenses, the investment performance of the classes will vary.

Each share has one vote, with fractional shares voting proportionally. Shares of all classes will vote together as a single class except when otherwise required by law or as determined by the Trustees. Shares are freely transferable, are entitled to dividends as declared by the Trustees, and, if the Fund were liquidated, would receive the net residual assets of the Fund. The Fund may suspend the sale of shares at any time and may refuse any order to purchase shares. Although the Fund is not required to hold annual meetings of its shareholders, shareholders holding at least 10% of the outstanding shares of the Trust have the right to call a meeting to consider the removal of a Trustee.

(3) Governing Law

The Trust is registered with the SEC as an investment company and is therefore subject to regulation under the United States Investment Company Act of 1940, as amended (the "1940 Act"). The sale of the Fund's shares is subject to, among other things, the United States Securities Act of 1933, as amended (the "1933 Act"). The Fund also intends to qualify each year and elect to be taxed as a regulated investment company under the United States Internal Revenue Code of 1986, as amended.

The following is a brief outline of certain of the principal statutes regulating the operations of the Fund in the U.S.:

a. Massachusetts General Laws, Chapter 182 - Voluntary Associations and Certain Trusts, which provides, inter alia, as follows:

A copy of the Amended and Restated Declaration of Trust must be filed with the Secretary of State of the Commonwealth of Massachusetts. Any amendment of the Amended and Restated Declaration of Trust must be filed with the Secretary within thirty days after the adoption of such amendment.

The Trust must annually file with the Secretary of State on or before June 1 a report providing the name of the Trust, its address, number of shares outstanding and the names and address of its trustees.

Penalties may be assessed against the Trust for failure to comply with certain of the provisions of Chapter 182.

b. Investment Company Act of 1940

The 1940 Act generally requires investment companies to register as such with the SEC, and to comply with a number of substantive regulations of their operations. The 1940 Act requires, among other things, that an investment company provide periodic reports to its shareholders, generally limits an investment company's ability to engage in transactions with its affiliates, and requires that the company's contract with its investment manager be approved by shareholders and the independent members of the investment company's governing board. The 1940 Act also imposes limits on the capital structure of an open-end investment company by effectively limiting the securities that such an investment company may issue to common shares and by restricting the investment company's ability to incur debt.

c. Securities Act of 1933

The 1933 Act regulates sales of securities unless the securities are exempt or excluded from regulation under that Act. The 1933 Act, among other things, imposes various registration requirements upon issuers of securities and provides for various liabilities for failures to comply with its provisions or in respect of other specified matters.

d. Securities Exchange Act of 1934

The Securities Exchange Act of 1934, as amended (the "1934 Act"), regulates a variety of matters involving, among other things, the secondary trading of securities, periodic reporting by the issuers of securities, and certain of the activities of transfer agents, brokers, and dealers.

e. The Internal Revenue Code

The Fund intends to qualify as a "regulated investment company" for U.S. federal income tax purposes, which will subject the Fund to restrictions applicable to the sources from which it derives its gross income, the diversification of its assets and the distribution of its investment company taxable income and tax exempt interest, and to meet all other requirements necessary for it to be relieved of U.S. federal taxes on income and gains it distributes to shareholders. Shareholders that are not exempt from taxation must pay tax on their distributions even if they reinvest their dividends in the Fund.

f. Other Laws

The Fund is subject to the provisions of other laws, rules, and regulations applicable to the Fund or its operations, such as, for example, various state laws regarding the registration of the Fund's shares.

(B) Outline of the Competent Authorities

Among the regulatory authorities having jurisdiction over the Trust or certain of its operations are the SEC, the Internal Revenue Service, and state regulatory agencies or authorities.

- a. The SEC has broad authority to oversee the application and enforcement of the federal securities laws, including the 1940 Act, the 1933 Act, and the 1934 Act, among others, to the Trust and the Fund. The 1940 Act provides the SEC with broad authority to inspect the records of investment companies, to exempt investment companies or certain practices from the provisions of the 1940 Act, and otherwise to enforce the provisions of the 1940 Act.
- b. The Internal Revenue Service has broad authority to administer and enforce the federal tax laws, including the authority to inspect the records of the Trust and the Fund to monitor compliance with applicable tax laws and regulations.
- c. State authorities have the authority to require the registration of investment company securities sold to their residents or within their jurisdictions and to regulate the activities of brokers, dealers, or other persons directly or indirectly engaged in related activities.

(C) Objects and Basic Nature of the Fund:

The Fund, a diversified mutual fund, seeks to maximize total return, consistent with preservation of capital and prudent investment management. The Fund is not intended to be a complete investment program, and there is no assurance it will achieve its objective.

(D) History of the Fund:

- February 19, 1987: Organization in the name of Pacific Investment Management Institutional Trust as a Massachusetts business trust issuing a single class of shares, (subsequently designated the "Institutional Class"). Adoption of Declaration of Trust
- February 25, 1992: Change of the name of the Trust to PIMCO Funds. Amendment of Declaration of Trust Amended and Restated Establishment and Designation of Total Return Portfolio as Total Return Fund
- May 31, 1994: Amended and Restated Establishment and Designation of Total Return Fund so as to establish and designate Class A (redesignated "Institutional Class") and Class B (redesignated "Administrative Class") shares.
- August 27, 1996: Amended and Restated Establishment and Designation of Total Return Fund so as to establish and designate three new classes of Shares, designated Class A, Class B and Class C shares.
- February 24, 1998: Amended and Restated Establishment and Designation of Total Return Fund so as to establish and designate an additional class of shares, Class D shares.
- July 22, 1998: Commencement of public offering of the Administrative Class Shares of Total Return Fund in Japan.
- May 26, 1999: Amended and Restated Establishment and Designation of Total Return Fund so as to establish and designate Class J shares and Class K shares.
- March 16, 2000: Approval by Shareholders of Amended and Restated Declaration of Trust.
- March 31, 2000: Amended and Restated Declaration of Trust filed with the Secretary of State of the Commonwealth of Massachusetts.

changed without shareholder approval by vote of a majority of the outstanding shares of the Fund. If there is a change in the Fund's investment objective, including a change approved by a shareholder vote, shareholders should consider whether the Fund remains an appropriate investment in light of their then current financial position and needs.

Specific portfolio securities eligible for purchase by the Fund, investment techniques that may be used by the Fund, and the risks associated with these securities and techniques are described more fully below under "Summary of Principal Risks" and "Characteristics and Risks of Securities and Investment Techniques".

Total Return Fund Description

The investment objective of the Fund is to seek to maximize total return, consistent with preservation of capital and prudent investment management.

The Fund seeks to achieve its investment objective by investing under normal circumstances at least 65% of its assets in a diversified portfolio of the following types of securities, which may have a variety of maturities: securities issued or guaranteed by the U.S. Government, its agencies or instrumentalities ("U.S. Government securities"); corporate debt securities of U.S. and non-U.S. issuers, including convertible securities and corporate commercial paper; mortgage-backed and other asset-backed securities; inflation-indexed bonds issued both by governments and corporations; structured notes, including hybrid or "indexed" securities, event-linked bonds, and loan participations; delayed funding loans and revolving credit facilities; bank certificates of deposit, fixed time deposits and bankers' acceptances; repurchase agreements and reverse repurchase agreements; debt securities issued by states or local governments and their agencies, authorities and other instrumentalities; obligations of non-U.S. governments or their subdivisions, agencies and instrumentalities; and obligations of international agencies or supranational entities. Fixed income securities may have fixed, variable, or floating rates of interest, including rates of interest that vary inversely at a multiple of a designated or floating rate, or that vary according to changes in relative values of currencies.

The average portfolio duration of the Fund will normally vary within a three- to six-year time frame based on the Advisor's forecast for interest rates. The Fund invests primarily in investment grade debt securities, but may invest up to 10% of its assets in fixed income securities that are rated below investment grade (i.e., securities rated at least Baa by Moody's Investors Service, Inc. ("Moody's") or BBB by Standard & Poor's Ratings Services ("S&P")) but rated B or higher by Moody's or S&P (or, if unrated, determined by the Advisor to be of comparable quality). For information on the risks associated with investments in securities rated below investment grade, see "Description of Securities Ratings." The Fund may also invest up to 20% of its assets in securities denominated in foreign currencies, and may invest beyond this limit in U.S. dollar-denominated securities of foreign issuers.

The Fund may invest all of its assets in derivative instruments, such as options, futures contracts or swap agreements, or in mortgage- or asset-backed securities. The Fund may lend its portfolio securities to brokers, dealers and other financial institutions to earn income. The Fund may, without limitation, seek to obtain market exposure to the securities in which it primarily invests by entering into a series of purchase and sale contracts or by using other investment techniques (such as buy backs or dollar rolls). The "total return" sought by the Fund consists of income earned on the Fund's investments, plus capital appreciation, if any, which generally arises from decreases in interest rates or improving credit fundamentals for a particular sector or security.

As a non-fundamental, operating policy, the Advisor intends to use foreign currency-related derivative instruments (currency futures and related options, currency options, forward contracts and swap agreements) in an effort to hedge foreign currency risk with respect to at least 75% of the assets of the Fund denominated in currencies other than the U.S. dollar. There can be no assurance that the Advisor will be successful in doing so. The active use of currency derivatives involves transaction costs which may adversely affect yield and return.

Among the principal risks of investing in the Fund, which could adversely affect its net asset value, yield and total return, are:

<TABLE>					
<S>	<C>	<C>	<C>	<C>	<C>
o	Interest Rate Risk	o	Derivatives Risk	o	Currency Risk
o	Credit Risk	o	Liquidity Risk	o	Leveraging Risk
o	Market Risk	o	Mortgage Risk	o	Management Risk
o	Issuer Risk	o	Foreign Investment Risk		
</TABLE>					

Please see "Summary of Principal Risks" for a description of these and other risks of investing in the Fund.

Duration

In managing fixed income securities, one of the principal tools generally used by the Advisor is "duration," which is a measure of the expected life of a fixed income security on a present value basis, incorporating a bond's yield, coupon interest payments, final maturity and call features. See "Description of Duration." Generally, when interest rates are falling, a portfolio with a shorter duration will not generate as high a level of total return as a portfolio with a longer duration. Conversely, when interest rates are rising, a portfolio with a shorter duration will generally outperform longer duration portfolios. When interest rates are flat, shorter duration portfolios generally will not generate as high a level of total return as longer duration portfolios (assuming that long-term interest rates are higher than short-term rates, which is commonly the case). With respect to the composition of any fixed income portfolio, the longer the duration of the portfolio, the greater the anticipated potential for total return, with, however, greater attendant market risk and price volatility than for a portfolio with a shorter duration. The market value of fixed income securities denominated in currencies other than the U.S. dollar also may be affected by movements in foreign currency exchange rates.

Summary of Principal Risks

The value of an investment in the Fund changes with the values of the Fund's investments. Many factors can affect those values. The factors that are most likely to have a material effect on a particular Fund's portfolio as a whole are called "principal risks." The principal risks of the Fund are summarized in this section. The Fund may be subject to additional principal risks and risks other than those described below because the types of investments made by the Fund can change over time. "Characteristics and Risks of Securities and Investment Techniques" includes more information about the Fund, its investments and the related risks. There is no guarantee that the Fund will be able to achieve its investment objective.

Interest Rate Risk. As interest rates rise, the value of fixed income securities in the Fund's portfolio are likely to decrease. Securities with longer durations tend to be more sensitive to changes in interest rates, usually making them more volatile than securities with shorter durations.

Credit Risk. The Fund could lose money if the issuer or guarantor of a fixed income security, or the counterparty to a derivatives contract, repurchase agreement or a loan of portfolio securities, is unable or unwilling to make timely principal and/or interest payments, or to otherwise honor its obligations. Securities are subject to varying degrees of credit risk, which are often reflected in credit ratings.

High Yield Risk. Non-investment grade high yield securities are considered predominately speculative with respect to the issuer's continuing ability to make principal and interest payments. An economic downturn or period of rising interest rates could adversely affect the market for high yield securities and reduce the Fund's ability to sell its high yield securities (liquidity risk).

Market Risk. The market price of securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. Securities may decline in value due to factors affecting securities markets generally or particular industries represented in the securities markets. The value of a security may decline due to general market conditions which are not specifically related to a particular company, such as real or perceived adverse economic conditions, changes in the general outlook for corporate earnings, changes in interest or currency rates or adverse investor sentiment generally. They may also decline due to factors which affect a particular industry or industries, such as labor shortages or increased production costs and competitive conditions within an industry. Equity securities generally have greater price volatility than fixed income securities.

Issuer Risk. The value of a security may decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

Liquidity Risk. Liquidity risk exists when particular investments are difficult to purchase or sell. The Fund's investments in illiquid securities may reduce the returns of the Fund because it may be unable to sell the illiquid securities at an advantageous time or price. Fund investments in foreign securities, derivatives or securities with substantial market and/or credit risk tend to have the greatest exposure to liquidity risk.

Derivatives Risk. The Fund may use derivatives, which are financial contracts whose value depends on, or is derived from, the value of an underlying asset, reference rate or index. The various derivative instruments that the Fund may use are described in more detail under "Characteristics and Risks of Securities and Investment Techniques - Derivative Instruments". The Fund may typically use derivatives as a substitute for taking a position in the underlying asset and/or as part of a strategy designed to reduce exposure to other risks, such as interest rate risk. The Fund may also use derivatives for

leverage, in which case its use would involve leveraging risk (referred to below). The Fund's use of derivative instruments involves risks different from, or greater than, the risks associated with investing directly in securities and other traditional investments. Derivatives are subject to a number of risks described elsewhere in this section, such as liquidity risk, interest rate risk, market risk, credit risk and management risk. They also involve the risk of mispricing or improper valuation and the risk that changes in the value of the derivative may not correlate perfectly with the underlying asset, rate or index. The Fund could lose more than the principal amount invested by investing in a derivative instrument. Also, suitable derivative transactions may not be available in all circumstances and there can be no assurance that the Fund will engage in these transactions to reduce exposure to other risks when that would be beneficial.

Mortgage Risk. When it purchases mortgage-related securities, the Fund is subject to certain additional risks. Rising interest rates tend to extend the duration of mortgage-related securities, making them more sensitive to changes in interest rates. As a result, in a period of rising interest rates, the Fund may exhibit additional volatility if it holds mortgage-related securities. This is known as extension risk. When interest rates decline, borrowers may pay off their mortgages sooner than expected. This can reduce the returns of the Fund because the Fund will have to reinvest that money at the lower prevailing interest rates.

Non-U.S. Investment Risk. The securities markets of many countries are relatively small, with a limited number of companies representing a small number of industries. Additionally, non-U.S. issuers are usually not subject to the same degree of regulation as U.S. issuers. Reporting, accounting and auditing standards of non-U.S. countries differ, in some cases significantly, from U.S. standards. Also, nationalization, expropriation or confiscatory taxation, currency blockage, political changes or diplomatic developments could adversely affect the Fund's investments in a country other than the U.S. In the event of nationalization, expropriation or other confiscation, the Fund could lose its entire investment in non-U.S. securities. Adverse conditions in a certain region can adversely affect securities of other countries whose economies appear to be unrelated. To the extent that the Fund invests a significant portion of its assets in a concentrated geographic area like Eastern Europe or Asia, the Fund will generally have more exposure to regional economic risks associated with foreign investments.

Emerging Markets Risk. Non-U.S. investment risk may be particularly high to the extent that the Fund invests in emerging market securities of issuers based in countries with developing economies. These securities may present market, credit, currency, liquidity, legal, political and other risks different from, or greater than, the risks of investing in developed non-U.S. countries.

Currency Risk. Funds that invest directly in non-U.S. currencies or in securities that trade in, and receive revenues in, foreign currencies are subject to the risk that those currencies will decline in value relative to the U.S. Dollar, or, in the case of hedging positions, that the U.S. Dollar will decline in value relative to the currency being hedged. Currency rates may fluctuate significantly over short periods of time for a number of reasons, including changes in interest rates, intervention (or the failure to intervene) by U.S. or other governments, central banks or supranational entities such as the International Monetary Fund, or by the imposition of currency controls or other political developments in the U.S. or abroad. As a result, the Fund's investments in non-U.S. currency-denominated securities may reduce the returns of the Fund.

Leveraging Risk. The Fund may engage in transactions that give rise to a form of leverage. Such transactions may include, among others, reverse repurchase agreements, loans of portfolios securities, and the use of when-issued, delayed delivery or forward commitment transactions. The use of derivatives may also create leveraging risk. To mitigate leveraging risk, the Advisor will segregate liquid assets or otherwise cover the transactions that may give rise to such risk. The use of leverage may cause the Fund to liquidate portfolio positions when it may not be advantageous to do so to satisfy its obligations or to meet segregation requirements. Leverage, including borrowing, will cause the Fund to be more volatile than if the Fund had not been leveraged. This is because leverage tends to exaggerate the effect of any increase or decrease in the value of a Fund's portfolio securities.

Management Risk. The Fund is subject to management risk because it is an actively managed investment portfolio. The Advisor and the portfolio manager will apply investment techniques and risk analyses in making investment decisions for the Fund, but there can be no guarantee that these will produce the desired results.

Characteristics and Risks of Securities and Investment Techniques

This section provides additional information about some of the principal investments and related risks of the Fund. It also describes characteristics and

risks of additional securities and investment techniques that may be used by the Fund from time to time. Most of these securities and investment techniques are discretionary, which means that the Advisor can decide whether to use them or not. This document does not attempt to disclose all of the various types of securities and investment techniques that may be used by the Fund. As with any mutual fund, investors in the Fund rely on the professional investment judgment and skill of the Adviser and the portfolio manager.

Securities Selection

The Fund seeks maximum total return. The total return sought by the Fund consists of both income earned on the Fund's investments and capital appreciation, if any, arising from increases in the market value of the Fund's holdings. Capital appreciation of fixed income securities generally results from decreases in market interest rates or improving credit fundamentals for a particular market sector or security.

In selecting securities for the Fund, the Advisor develops an outlook for interest rates, foreign currency exchange rates and the economy; analyzes credit and call risks, and uses other security selection techniques. The proportion of the Fund's assets committed to investment in securities with particular characteristics (such as quality, sector, interest rate or maturity) varies based on the Advisor's outlook for the U.S. and other economies, the financial markets and other factors.

The Advisor attempts to identify areas of the bond market that are undervalued relative to the rest of the market. The Advisor identifies these areas by grouping bonds into the following sectors: money markets, governments, corporates, mortgages, asset-backed and international. Sophisticated proprietary software then assists in evaluating sectors and pricing specific securities. Once investment opportunities are identified, the Advisor will shift assets among sectors depending upon changes in relative valuations and credit spreads. There is no guarantee that the Advisor's security selection techniques will produce the desired results.

U.S. Government Securities

U.S. Government securities are obligations of, or guaranteed by, the U.S. Government, its agencies or government-sponsored enterprises. The U.S. Government does not guarantee the net asset value of the Fund's shares. Some U.S. Government securities, such as Treasury bills, notes and bonds, and securities guaranteed by the Government National Mortgage Association ("GNMA"), are supported by the full faith and credit of the United States; others, such as those of the Federal Home Loan Banks, are supported by the right of the issuer to borrow from the U.S. Treasury; others, such as those of the Federal National Mortgage Association ("FNMA"), are supported by the discretionary authority of the U.S. Government to purchase the agency's obligations; and still others, such as those of the Student Loan Marketing Association, are supported only by the credit of the instrumentality. U.S. Government securities include securities that have no coupons, or have been stripped of their unmatured interest coupons, individual interest coupons from such securities that trade separately, and evidences of receipt of such securities. Such securities may pay no cash income, and are purchased at a deep discount from their value at maturity. Because interest on zero coupon securities is not distributed on a current basis but is, in effect, compounded, zero coupon securities tend to be subject to greater market risk than interest-paying securities of similar maturities. Custodial receipts issued in connection with so-called trademark zero coupon securities, such as CATs and TIGRs, are not issued by the U.S. Treasury, and are therefore not U.S. Government securities, although the underlying bond represented by such receipt is a debt obligation of the U.S. Treasury. Other zero coupon Treasury securities (STRIPs and CUBEs) are direct obligations of the U.S. Government.

Corporate Debt Securities

Corporate debt securities include corporate bonds, debentures, notes and other similar corporate debt instruments, including convertible securities. Debt securities may be acquired with warrants attached. Corporate income-producing securities may also include forms of preferred or preference stock. The rate of interest on a corporate debt security may be fixed, floating or variable, and may vary inversely with respect to a reference rate. See "Variable and Floating Rate Securities" below. The rate of return or return of principal on some debt obligations may be linked or indexed to the level of exchange rates between the U.S. dollar and a foreign currency or currencies.

Investments in corporate debt securities that are rated below investment grade (rated below Baa (Moody's) or BBB (S&P)) are described as "speculative" both by Moody's and S&P. Such securities are sometimes referred to as "junk bonds," and may be subject to greater market fluctuations, less liquidity and greater risk of loss of income or principal, including a greater possibility of default or bankruptcy of the issuer of such securities, than are more highly rated debt securities. Moody's also describes securities rated Baa as having speculative characteristics. The Advisor seeks to minimize these risks through diversification, in-depth credit analysis and attention to current developments

in interest rates and market conditions. See "Description of Securities Ratings." Investments in high yield securities are discussed separately below under "High Yield Securities ("Junk Bonds")."

Convertible and Equity Securities

The Fund may invest in convertible securities, which may offer higher income than the common stocks into which they are convertible. Typically, convertible securities are callable by the company, which may, in effect, force conversion before the holder would otherwise choose.

The convertible securities in which the Fund may invest consist of bonds, notes, debentures and preferred stocks which may be converted or exchanged at a stated or determinable exchange ratio into underlying shares of common stock. The Fund may be required to permit the issuer of a convertible security to redeem the security, convert it into the underlying common stock, or sell it to a third party. Thus, the Fund may not be able to control whether the issuer of a convertible security chooses to convert that security. If the issuer chooses to do so, this action could have an adverse effect on the Fund's ability to achieve its investment objectives.

While the Fund intends to invest primarily in fixed income securities, it may invest in convertible securities or equity securities. While some countries or companies may be regarded as favorable investments, pure fixed income opportunities may be unattractive or limited due to insufficient supply, legal or technical restrictions. In such cases, the Fund may consider equity securities or convertible bonds to gain exposure to such investments.

Equity securities generally have greater price volatility than fixed income securities. The market price of equity securities owned by the Fund may go up or down, sometimes rapidly or unpredictably. Equity securities may decline in value due to factors affecting equity securities markets generally or particular industries represented in those markets. The value of an equity security may also decline for a number of reasons which directly relate to the issuer, such as management performance, financial leverage and reduced demand for the issuer's goods or services.

Loan Participations and Assignments

The Fund may invest in fixed- and floating-rate loans arranged through private negotiations between an issuer of debt instruments and one or more financial institutions ("lenders"). Generally, the Fund's investments in loans are expected to take the form of loan participations and assignments of portions of loans from third parties.

Large loans to corporations or governments may be shared or syndicated among several lenders, usually banks. The Fund may participate in such syndicates, or can buy part of a loan, becoming a direct lender. Participations and assignments involve special types of risk, including limited marketability and the risks of being a lender. See "Illiquid Securities" for a discussion of the limits on the Fund's investments in loan participations and assignments with limited marketability. If the Fund purchases a participation, it may only be able to enforce its rights through the lender, and may assume the credit risk of the lender in addition to the borrower. In assignments, the Fund's rights against the borrower may be more limited than those held by the original lender.

Delayed Funding Loans and Revolving Credit Facilities

The Fund may also enter into, or acquire participations in, delayed funding loans and revolving credit facilities. Delayed funding loans and revolving credit facilities are borrowing arrangements in which the lender agrees to make loans up to a maximum amount upon demand by the borrower during a specified term. A revolving credit facility differs from a delayed funding loan in that as the borrower repays the loan, an amount equal to the repayment may be borrowed again during the term of the revolving credit facility. These commitments may have the effect of requiring the Fund to increase its investment in a company at a time when it might not otherwise decide to do so (including at a time when the company's financial condition makes it unlikely that such amounts will be repaid).

The Fund may acquire a participation interest in delayed funding loans or revolving credit facilities from a bank or other financial institution. See "Loan Participations and Assignments." The terms of the participation require the Fund to make a pro rata share of all loans extended to the borrower and entitles the Fund to a pro rata share of all payments made by the borrower. Delayed funding loans and revolving credit facilities usually provide for floating or variable rates of interest. To the extent that the Fund is committed to advance additional funds, it will at all times segregate assets, determined to be liquid by the Advisor in accordance with procedures established by the Board of Trustees, in an amount sufficient to meet such commitments.

Variable and Floating Rate Securities

Variable and floating rate securities provide for a periodic adjustment in the interest rate paid on the obligations. The terms of such obligations must provide that interest rates are adjusted periodically based upon an interest rate adjustment index as provided in the respective obligations. The adjustment intervals may be regular, and range from daily up to annually, or may be event based, such as based on a change in the prime rate.

The Fund may invest in floating rate debt instruments ("floaters") and engage in credit spread trades. The interest rate on a floater is a variable rate which is tied to another interest rate, such as a money-market index or Treasury bill rate. The interest rate on a floater resets periodically, typically every six months. While, because of the interest rate reset feature, floaters provide the Fund with a certain degree of protection against rises in interest rates, the Fund will participate in any declines in interest rates as well. A credit spread trade is an investment position relating to a difference in the prices or interest rates of two securities or currencies, where the value of the investment position is determined by movements in the difference between the prices or interest rates, as the case may be, of the respective securities or currencies.

The Fund may also invest in inverse floating rate debt instruments ("inverse floaters"). The interest rate on an inverse floater resets in the opposite direction from the market rate of interest to which the inverse floater is indexed. An inverse floating rate security may exhibit greater price volatility than a fixed rate obligation of similar credit quality. The Fund has adopted a policy under which the Fund will invest no more than 5% of its net assets in any combination of inverse floater, interest only ("IO"), or principal only ("PO") securities. See "Mortgage-Related and Other Asset-Backed Securities" for a discussion of IOs and POs.

Inflation-Indexed Bonds

Inflation-indexed bonds are fixed income securities whose principal value is periodically adjusted according to the rate of inflation. Two structures are common. The U.S. Treasury and some other issuers use a structure that secures inflation into the principal value of the bond. Most other issuers pay out the CPI accruals ("CPI" means "consumer price index") as part of a semi-annual coupon.

Inflation-indexed securities issued by the U.S. Treasury have maturities of five, ten or thirty years, although it is possible that securities with other maturities will be issued in the future. The securities will pay interest on a semi-annual basis, equal to a fixed percentage of the inflation-adjusted principal amount. For example, if an investor purchased an inflation-indexed bond with a par value of \$1,000 and a 3% real rate of return coupon (payable 1.5% semi-annually), and inflation over the first six months were 1%, the mid-year par value of the bond would be \$1,010 and the first semi-annual interest payment would be \$15.15 (\$1,010 times 1.5%). If inflation during the second half of the year resulted in the whole years' inflation equaling 3%, the end-of-year par value of the bond would be \$1,030 and the second semi-annual interest payment would be \$15.45 (\$1,030 times 1.5%).

If the periodic adjustment rate measuring inflation falls, the principal value of inflation-indexed bonds will be adjusted downward, and consequently the interest payable on these securities (calculated with respect to a smaller principal amount) will be reduced. Repayment of the original bond principal upon maturity (as adjusted for inflation) is guaranteed in the case of U.S. Treasury inflation-indexed bonds, even during a period of deflation. However, the current market value of the bonds is not guaranteed, and will fluctuate. The Fund may also invest in other inflation related bonds which may or may not provide a similar guarantee. If such a guarantee of principal is not provided, the adjusted principal value of the bond repaid at maturity may be less than the original principal.

The value of inflation-indexed bonds is expected to change in response to changes in real interest rates. Real interest rates in turn are tied to the relationship between nominal interest rates and the rate of inflation. Therefore, if inflation were to rise at a faster rate than nominal interest rates, real interest rates might decline, leading to an increase in value of inflation-indexed bonds. In contrast, if nominal interest rates increased at a faster rate than inflation, real interest rates might rise, leading to a decrease in value of inflation-indexed bonds.

While these securities are expected to be protected from long-term inflationary trends, short-term increases in inflation may lead to a decline in value. If interest rates rise due to reasons other than inflation (for example, due to changes in currency exchange rates), investors in these securities may not be protected to the extent that the increase is not reflected in the bond's inflation measure.

The periodic adjustment of U.S. inflation-indexed bonds is tied to the Consumer Price Index for Urban Consumers ("CPI-U"), which is calculated monthly by the U.S. Bureau of Labor Statistics. The CPI-U is a measurement of changes in the cost of living, made up of components such as housing, food, transportation

and energy. Inflation-indexed bonds issued by a foreign government are generally adjusted to reflect a comparable inflation index, calculated by that government. There can be no assurance that the CPI-U or any foreign inflation index will accurately measure the real rate of inflation in the prices of goods and services. Moreover, there can be no assurance that the rate of inflation in a foreign country will be correlated to the rate of inflation in the United States.

Any increase in the principal amount of an inflation-indexed bond will be considered taxable ordinary income, even though investors do not receive their principal until maturity.

Mortgage-Related and Other Asset-Backed Securities

The Fund may invest all of its assets in mortgage- or other asset-backed securities. The value of some mortgage- or asset-backed securities in which the Fund invests may be particularly sensitive to changes in prevailing interest rates, and, like the other investments of the Fund, the ability of the Fund to successfully utilize these instruments may depend in part upon the ability of the Advisor to forecast interest rates and other economic factors correctly.

Mortgage-Pass-Through Securities are securities representing interests in "pools" of mortgage loans secured by residential or commercial real property in which payments of both interest and principal on the securities are generally made monthly, in effect "passing through" monthly payments made by the individual borrowers on the mortgage loans which underlie the securities (net of fees paid to the issuer or guarantor of the securities). Early repayment of principal on some mortgage-related securities (arising from prepayments of principal due to sale of the underlying property, refinancing, or foreclosure, net of fees and costs which may be incurred) may expose the Fund to a lower rate of return upon reinvestment of principal. Also, if a security subject to prepayment has been purchased at a premium, the value of the premium would be lost in the event of prepayment. Like other fixed income securities, when interest rates rise, the value of a mortgage-related security generally will decline; however, when interest rates are declining, the value of mortgage-related securities with prepayment features may not increase as much as other fixed income securities. The rate of prepayments on underlying mortgages will affect the price and volatility of a mortgage-related security, and may have the effect of shortening or extending the effective maturity of the security beyond what was anticipated at the time of purchase. To the extent that unanticipated rates of prepayment on underlying mortgages increase the effective maturity of a mortgage-related security, the volatility of such security can be expected to increase.

Payment of principal and interest on some mortgage pass-through securities (but not the market value of the securities themselves) may be guaranteed by the full faith and credit of the U.S. Government (in the case of securities guaranteed by GNMA); or guaranteed by agencies or instrumentalities of the U.S. Government (in the case of securities guaranteed by FNMA or the Federal Home Loan Mortgage Corporation ("FHLMC"), which are supported only by the discretionary authority of the U.S. Government to purchase the agency's obligations). Mortgage-related securities created by non-governmental issuers (such as commercial banks, savings and loan institutions, private mortgage insurance companies, mortgage bankers and other secondary market issuers) may be supported by various forms of insurance or guarantees, including individual loan, title, pool and hazard insurance and letters of credit, which may be issued by governmental entities, private insurers or the mortgage poolers.

Collateralized Mortgage Obligations ("CMOs") are hybrid mortgage-related instruments. Interest and pre-paid principal on a CMO are paid, in most cases, on a monthly basis. CMOs may be collateralized by whole mortgage loans but are more typically collateralized by portfolios of mortgage pass-through securities guaranteed by GNMA, FHLMC, or FNMA. CMOs are structured into multiple classes, with each class bearing a different stated maturity. Monthly payments of principal, including prepayments, are first returned to investors holding the shortest maturity class; investors holding the longer maturity classes receive principal only after the first class has been retired. CMOs that are issued or guaranteed by the U.S. Government or by any of its agencies or instrumentalities will be considered U.S. Government securities by the Fund, while other CMOs, even if collateralized by U.S. Government securities, will have the same status as other privately issued securities for purposes of applying the Fund's diversification tests.

Commercial Mortgage-Backed Securities include securities that reflect an interest in, and are secured by, mortgage loans on commercial real property. The market for commercial mortgage-backed securities developed more recently and in terms of total outstanding principal amount of issues is relatively small compared to the market for residential single-family mortgage-backed securities. Many of the risks of investing in commercial mortgage-backed securities reflect the risks of investing in the real estate securing the underlying mortgage loans. These risks reflect the effects of local and other economic conditions on real estate markets, the ability of tenants to make loan payments, and the ability of a property to attract and retain tenants. Commercial mortgage-backed

securities may be less liquid and exhibit greater price volatility than other types of mortgage-related or asset-backed securities.

Mortgage-Related Securities include securities other than those described above that directly or indirectly represent a participation in, or are secured by and payable from, mortgage loans on real property, such as mortgage dollar rolls (see "Reverse Repurchase Agreements, Dollar Rolls, and Borrowings"), CMO residuals or stripped mortgage-backed securities ("SMBS"), and may be structured in classes with rights to receive varying proportions of principal and interest.

A common type of SMBS will have one class receiving some of the interest and most of the principal from the mortgage assets, while the other class will receive most of the interest and the remainder of the principal. In the most extreme case, one class will receive all of the interest (the interest-only, or "IO" class), while the other class will receive all of the principal (the principal-only, or "PO" class). The yield to maturity on an IO class is extremely sensitive to the rate of principal payments (including prepayments) on the related underlying mortgage assets, and a rapid rate of principal payments may have a material adverse effect on the Fund's yield to maturity from these securities. The Fund has adopted a policy under which the Fund will invest no more than 5% of its net assets in any combination of IO, PO, or inverse floater securities. The Fund may invest in other asset-backed securities that have been offered to investors.

Repurchase Agreements

For the purpose of achieving income, the Fund may enter into repurchase agreements, which entail the purchase of a portfolio-eligible security from a bank or broker-dealer that agrees to repurchase the security at the Fund's cost plus interest within a specified time (normally one day). If the party agreeing to repurchase should default, as a result of bankruptcy or otherwise, the Fund will seek to sell the securities which it holds, which action could involve procedural costs or delays in addition to a loss on the securities if their value should fall below their repurchase price. The Fund will invest no more than 15% of its net assets (taken at current market value) in repurchase agreements maturing in more than seven days.

Reverse Repurchase Agreements, Dollar Rolls, and Borrowings

A reverse repurchase agreement involves the sale of a security by the Fund and its agreement to repurchase the instrument at a specified time and price. Under a reverse repurchase agreement, the Fund continues to receive any principal and interest payments on the underlying security during the term of the agreement. The Fund generally will segregate assets determined to be liquid by the Advisor in accordance with procedures established by the Board of Trustees to cover its obligations under reverse repurchase agreements and, to this extent, a reverse repurchase agreement (or economically similar transaction) will not be considered a "senior security" subject to the 300% asset coverage requirements otherwise applicable to borrowings by the Fund.

The Fund may enter into dollar rolls, in which the Fund sells mortgage-backed or other securities for delivery in the current month and simultaneously contracts to purchase substantially similar securities on a specified future date. In the case of dollar rolls involving mortgage-backed securities, the mortgage-backed securities that are purchased will be of the same type and will have the same interest rate as those sold, but will be supported by different pools of mortgages. The Fund forgoes principal and interest paid during the roll period on the securities sold in a dollar roll, but the Fund is compensated by the difference between the current sales price and the lower price for the future purchase as well as by any interest earned on the proceeds of the securities sold. The Fund also could be compensated through the receipt of fee income equivalent to a lower forward price. The Fund will segregate assets determined to be liquid by the Advisor in accordance with procedures established by the Board of Trustees to cover its obligations under dollar rolls.

To the extent that positions in reverse repurchase agreements, dollar rolls or similar transactions are not covered through the maintenance of segregated liquid assets at least equal to the amount of any forward purchase commitment, such transactions would be subject to the Fund's limitations on borrowings, which would restrict the aggregate of such transactions (plus any other borrowings) to 33 1/3% of the Fund's total assets. The Fund may borrow money to the extent permitted under the 1940 Act. This means that, in general, the Fund may borrow money from banks for any purpose on a secured basis in an amount up to 1/3 of the Fund's total assets. The Fund may also borrow money for temporary administrative purposes on an unsecured basis in an amount not to exceed 5% of the Fund's total assets.

Loans of Portfolio Securities

For the purpose of achieving income, the Fund may lend its portfolio securities to brokers, dealers, and other financial institutions, provided:

- (i) the loan is secured continuously by collateral consisting of U.S. Government securities, cash or cash equivalents (negotiable certificates of deposit, bankers' acceptances or letters of credit) maintained on a daily mark-to-market basis in an amount at least equal to the current market value of the securities loaned;
- (ii) the Fund may at any time call the loan and obtain the return of the securities loaned;
- (iii) the Fund will receive any interest or dividends paid on the loaned securities; and
- (iv) the aggregate market value of securities loaned will not at any time exceed 33 1/3% of the total assets of the Fund.

The Fund's performance will continue to reflect changes in the value of the securities loaned and will also reflect the receipt of either interest, through investment of cash collateral by the Fund in permissible investments, or a fee, if the collateral is U.S. Government securities. Securities lending involves the risk of loss of rights in the collateral or delay in recovery of the collateral should the borrower fail to return the security loaned or become insolvent. The Fund may pay lending fees to the party arranging the loan.

When-Issued, Delayed Delivery and Forward Commitment Transactions

The Fund may purchase or sell securities on a when-issued, delayed delivery, or forward commitment basis. These transactions involve a commitment by the Fund to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place more than seven days in the future, or after a period longer than the customary settlement period for that type of security. When such purchases are outstanding, the Fund will segregate until the settlement date, assets determined to be liquid by the Advisor in accordance with procedures established by the Board of Trustees, in an amount sufficient to meet the purchase price. Typically, no income accrues on securities the Fund has committed to purchase prior to the time delivery of the securities is made, although the Fund may earn income on securities it has segregated.

When purchasing a security on a when-issued, delayed delivery, or forward commitment basis, the Fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and takes such fluctuations into account when determining its net asset value. Because the Fund is not required to pay for the security until the delivery date, these risks are in addition to the risks associated with the Fund's other investments. If the Fund remains substantially fully invested at a time when when-issued, delayed delivery, or forward commitment purchases are outstanding, the purchases may result in a form of leverage.

When the Fund has sold a security on a when-issued, delayed delivery, or forward commitment basis, the Fund does not participate in future gains or losses with respect to the security. If the other party to a transaction fails to deliver or pay for the securities, the Fund could miss a favorable price or yield opportunity or could suffer a loss. The Fund may dispose of or renegotiate a transaction after it is entered into, and may sell when-issued, delayed delivery or forward commitment securities before they are delivered, which may result in a capital gain or loss. There is no percentage limitation on the extent to which the Fund may purchase or sell securities on a when-issued, delayed delivery, or forward commitment basis.

Short Sales

The Fund may from time to time effect short sales as part of its overall portfolio management strategies, including the use of derivative instruments, or to offset potential declines in value of long positions in similar securities as those sold short. A short sale is a transaction in which the Fund sells a security it does not own at the time of the sale in anticipation that the market price of that security will decline. To the extent that the Fund engages in short sales, it must maintain asset coverage in the form of segregated assets determined to be liquid by the Advisor in accordance with procedures established by the Board of Trustees, or otherwise cover its position in a permissible manner.

Non-U.S. Securities

The Fund may invest directly in fixed income securities of non-U.S. issuers. The Fund will concentrate its non-U.S. investments in securities of issuers based in developed countries; however, the Fund may invest up to 10% of its assets in securities of issuers based in a country that is defined as an emerging or developing economy by any of the following: the International Bank for Reconstruction and Development (i.e., the World Bank), including its various offshoots, such as the International Finance Corporation, or the United Nations or its authorities.

Individual non-U.S. economies may differ favorably or unfavorably from

the U.S. economy in such respects as growth of gross domestic product, rate of inflation, capital reinvestment, resources, self-sufficiency and balance of payments positions. The securities markets, values of securities, yields and risks associated with securities markets in different countries may change independently of each other. Investing in the securities of issuers in any non-U.S. country involves special risks and considerations not typically associated with investing in U.S. companies. Shareholders should consider carefully the substantial risks involved in investing in securities issued by companies and governments of foreign nations. These risks include: differences in accounting, auditing and financial reporting standards; generally higher commission rates on non-U.S. portfolio transactions; the possibility of nationalization, expropriation or confiscatory taxation; adverse changes in investment or exchange control regulations (which may include suspension of the ability to transfer currency from a country); and political instability which could affect U.S. investments in non-U.S. countries. Additionally, non-U.S. securities and dividends and interest payable on those securities may be subject to non-U.S. taxes, including taxes withheld from payments on those securities. Non-U.S. securities often trade with less frequency and volume than U.S. securities and therefore may exhibit greater price volatility. Additional costs associated with an investment in non-U.S. securities may include higher custodial fees than apply to U.S. custodial arrangements and transaction costs of non-U.S. currency conversions. Changes in foreign exchange rates also will affect the value of securities denominated or quoted in currencies other than the U.S. dollar.

The Fund may invest in the securities of issuers based in countries with developing economies. Investing in developing (or "emerging market") countries involves certain risks not typically associated with investing in U.S. securities, and imposes risks greater than, or in addition to, risks of investing in non-U.S., developed countries. A number of emerging market countries restrict, to varying degrees, foreign investment in securities. Repatriation of investment income, capital, and the proceeds of sales by foreign investors may require governmental registration and/or approval in some emerging market countries. A number of the currencies of emerging market countries have experienced significant declines against the U.S. dollar in recent years, and devaluation may occur subsequent to investment in these currencies by the Fund. Inflation and rapid fluctuations in inflation rates have had, and may continue to have, negative effects on the economies and securities markets of certain emerging market countries. Many of the emerging securities markets are relatively small, have low trading volumes, suffer periods of relative illiquidity, and are characterized by significant price volatility. There is a risk in emerging market countries that a future economic or political crisis could lead to price controls, forced mergers of companies, expropriation or confiscatory taxation, seizure, nationalization, or creation of government monopolies, any of which may have a detrimental effect on the Fund's investment.

Additional risks of investing in emerging market countries may include: currency exchange rate fluctuations; greater social, economic and political uncertainty and instability (including the risk of war); more substantial governmental involvement in the economy; less governmental supervision and regulation of the securities markets and participants in those markets; unavailability of currency hedging techniques in certain emerging market countries; the fact that companies in emerging market countries may be newly organized and may be smaller and less seasoned companies; the difference in, or lack of, auditing and financial reporting standards, which may result in unavailability of material information about issuers; the risk that it may be more difficult to obtain and/or enforce a judgment in a court outside the United States; and significantly smaller market capitalization of securities markets. Also, any change in the leadership or policies of Eastern European countries, or the countries that exercise a significant influence over those countries, may halt the expansion of or reverse the liberalization of foreign investment policies now occurring and adversely affect existing investment opportunities.

Emerging securities markets may have different clearance and settlement procedures, which may be unable to keep pace with the volume of securities transactions or otherwise make it difficult to engage in such transactions. Settlement problems may cause the Fund to miss attractive investment opportunities, hold a portion of its assets in cash pending investment, or delay in disposing of a portfolio security. Such a delay could result in possible liability to a purchaser of the security.

The Fund may invest in Brady Bonds, which are securities created through the exchange of existing commercial bank loans to sovereign entities for new obligations in connection with debt restructurings under a debt restructuring plan introduced by former U.S. Secretary of the Treasury, Nicholas F. Brady. Brady Bonds have been issued only recently, and for that reason do not have a long payment history. Brady Bonds may be collateralized or uncollateralized, are issued in various currencies (but primarily the U.S. dollar), and are actively traded in the over-the-counter secondary market. Brady Bonds are not considered to be U.S. Government securities. In light of the residual risk of Brady Bonds and, among other factors, the history of defaults with respect to commercial bank loans by public and private entities in countries issuing Brady Bonds, investments in Brady Bonds may be viewed as speculative. There can be no assurance that Brady Bonds acquired by the Fund will not be subject to

restructuring arrangements or to requests for new credit, which may cause the Fund to suffer a loss of interest or principal on any of its holdings.

The Fund's investments in non-U.S. dollar denominated debt obligations and hedging activities will likely produce a difference between its book income and its taxable income. This difference may cause a portion of the Fund's income distributions to constitute returns of capital for tax purposes or require the Fund to make distributions exceeding book income to qualify as a regulated investment company for U.S. federal tax purposes.

Foreign Currency Transactions

Foreign currency exchange rates may fluctuate significantly over short periods of time. They generally are determined by the forces of supply and demand in the foreign exchange markets and the relative merits of investments in different countries, actual or perceived changes in interest rates and other complex factors, as seen from an international perspective. Currency exchange rates also can be affected unpredictably by intervention (or the failure to intervene) by U.S. or foreign governments or central banks, by currency controls or political developments in the U.S. or abroad. For example, uncertainty surrounds the introduction of the euro (a common currency unit for the European Union) and the effect it may have on the value of European currencies as well as securities denominated in local European currencies. These and other currencies in which the Fund's assets are denominated may be devalued against the U.S. dollar, resulting in a loss to the Fund.

The Fund may buy and sell foreign currencies on a spot and forward basis to reduce the risks of adverse changes in foreign exchange rates. A forward foreign currency exchange contract involves an obligation to purchase or sell a specific currency at a future date, which may be any fixed number of days from the date of the contract agreed upon by the parties, at a price set at the time of the contract. By entering into a forward foreign currency exchange contract, the Fund "locks in" the exchange rate between the currency it will deliver and the currency it will receive for the duration of the contract. As a result, the Fund reduces its exposure to changes in the value of the currency it will deliver and increases its exposure to changes in the value of the currency it will exchange into. The effect on the value of the Fund is similar to selling securities denominated in one currency and purchasing securities denominated in another. Contracts to sell foreign currency would limit any potential gain which might be realized by the Fund if the value of the hedged currency increases. The Fund may enter into these contracts for the purpose of hedging against foreign exchange risk arising from the Fund's investment or anticipated investment in securities denominated in non-U.S. currencies. The Fund also may enter into these contracts for purposes of increasing exposure to a non-U.S. currency or to shift exposure to non-U.S. currency fluctuations from one country to another. The Fund may use one currency (or a basket of currencies) to hedge against adverse changes in the value of another currency (or a basket of currencies) when exchange rates between the two currencies are positively correlated. The Fund will segregate assets determined to be liquid by the Advisor in accordance with procedures established by the Board of Trustees to cover its obligations under forward non-U.S. currency exchange contracts entered into for non-hedging purposes.

The Fund may invest in options on non-U.S. currencies and non-U.S. currency futures and options thereon. The Fund also may invest in non-U.S. currency exchange-related securities, such as non-U.S. currency warrants and other instruments whose return is linked to non-U.S. currency exchange rates. The Fund will use these techniques to hedge at least 75% of its exposure to non-U.S. currency. For a description of these instruments, see "Derivative Instruments" below.

High Yield Securities ("Junk Bonds")

The Fund may invest up to 10% of its assets in fixed income securities rated lower than Baa by Moody's or lower than BBB by S&P but rated at least B by Moody's or S&P (or, if not rated, of comparable quality). Securities rated lower than Baa by Moody's or lower than BBB by S&P are sometimes referred to as "high yield" or "junk" bonds. Securities rated Baa are considered by Moody's to have some speculative characteristics. Investors should consider the following risks associated with high yield securities before investing in the Fund.

Investing in high yield securities involves special risks in addition to the risks associated with investments in higher rated fixed income securities. High yield securities may be regarded as predominately speculative with respect to the issuer's continuing ability to meet principal and interest payments. Analysis of the creditworthiness of issuers of high yield securities may be more complex than for issuers of higher quality debt securities, and the ability of the Fund to achieve its investment objective may, to the extent of its investments in high yield securities, be more dependent upon such creditworthiness analysis than would be the case if the Fund were investing in higher quality securities.

High yield securities may be more susceptible to real or perceived

adverse economic and competitive industry conditions than higher grade securities. The prices of high yield securities have been found to be less sensitive to interest rate changes than more highly rated investments, but more sensitive to adverse economic downturns or individual corporate developments. A projection of an economic downturn or of a period of rising interest rates, for example, could cause a decline in high yield security prices because the advent of a recession could lessen the ability of a highly leveraged company to make principal and interest payments on its debt securities. If the issuer of high yield securities defaults, the Fund may incur additional expenses to seek recovery. In the case of high yield securities structured as zero coupon or payment-in-kind securities, the market prices of such securities are affected to a greater extent by interest rate changes, and therefore tend to be more volatile than securities which pay interest periodically and in cash.

The secondary markets on which high yield securities are traded may be less liquid than the market for higher grade securities. Less liquidity in the secondary trading markets could adversely affect and cause large fluctuations in the daily net asset value of the Fund's shares. Adverse publicity and investor perceptions, whether or not based on fundamental analysis, may decrease the values and liquidity of high yield securities, especially in a thinly traded market.

The use of credit ratings as the sole method of evaluating high yield securities can involve certain risks. For example, credit ratings evaluate the safety of principal and interest payments, not the market value risk of high yield securities. Also, credit rating agencies may fail to change credit ratings in a timely fashion to reflect events since the security was last rated. The Advisor does not rely solely on credit ratings when selecting securities for the Fund, and develops its own independent analysis of issuer credit quality. If a credit rating agency changes the rating of a portfolio security held by the Fund, the Fund may retain the portfolio security if the Advisor deems it in the best interest of shareholders.

Derivative Instruments

The Fund may purchase and write call and put options on securities, swap agreements, securities indexes and non-U.S. currencies, and enter into futures contracts and use options on futures contracts as further described below. The Fund also may enter into swap agreements with respect to non-U.S. currencies, interest rates, and securities indexes. The Fund may use these techniques to hedge against changes in interest rates, foreign currency exchange rates or securities prices or as part of its overall investment strategies. The Fund may also purchase and sell options relating to non-U.S. currencies for purposes of increasing exposure to a non-U.S. currency or to shift exposure to non-U.S. currency fluctuations from one country to another. The Fund will segregate assets determined to be liquid by the Advisor in accordance with procedures established by the Board of Trustees (or, as permitted by applicable regulation, enter into certain offsetting positions) to cover its obligations under options, futures, and swaps to limit leveraging of the Fund.

Derivative instruments are considered for these purposes to consist of securities or other instruments whose value is derived from or related to the value of some other instrument or asset, and not to include those securities whose payment of principal and/or interest depends upon cash flows from underlying assets, such as mortgage-related or asset-backed securities. The Fund may invest some or all of its assets in derivative instruments. The value of some derivative instruments in which the Fund invests may be particularly sensitive to changes in prevailing interest rates, and, like the other investments of the Fund, the ability of the Fund to successfully utilize these instruments may depend in part upon the ability of the Advisor to forecast interest rates and other economic factors correctly. If the Advisor incorrectly forecasts such factors and has taken positions in derivative instruments contrary to prevailing market trends, the Fund could be exposed to the risk of loss.

The Fund might not employ any of the strategies described below, and no assurance can be given that any strategy used will succeed. If the Advisor incorrectly forecasts interest rates, market values or other economic factors in utilizing a derivatives strategy for the Fund, the Fund might have been in a better position if it had not entered into the transaction at all. Also, suitable derivative instruments may not be available in all circumstances. The use of these strategies involves certain special risks, including a possible imperfect correlation, or even no correlation, between price movements of derivative instruments and price movements of related investments. While some strategies involving derivative instruments can reduce the risk of loss, they can also reduce the opportunity for gain or even result in losses by offsetting favorable price movements in related investments, or due to the possible inability of the Fund to purchase or sell a portfolio security at a time that otherwise would be favorable for it to do so, or the possible need for the Fund to sell a portfolio security at a disadvantageous time, because the Fund is required to maintain asset coverage or offsetting positions in connection with transactions in derivative instruments, and the possible inability of the Fund to close out or to liquidate its derivatives positions. In addition, the Fund's use of such instruments may cause the Fund to realize higher amounts of

short-term capital gains (generally taxed at ordinary income tax rates) than if it had not used such instruments.

Options on Securities, Swap Agreements, Securities Indexes, and Currencies. The Fund may purchase put options on securities, swap agreements and indexes. One purpose of purchasing put options is to protect holdings in an underlying or related security against a substantial decline in market value. The Fund may also purchase call options on securities, swap agreements and indexes. One purpose of purchasing call options is to protect against substantial increases in prices of securities the Fund intends to purchase pending its ability to invest in such securities in an orderly manner. An option on a security (or index) is a contract that gives the holder of the option, in return for a premium, the right to buy from (in the case of a call) or sell to (in the case of a put) the writer of the option the security underlying the option (or the cash value of the index) at a specified exercise price at any time during the term of the option. The writer of an option on a security has the obligation upon exercise of the option to deliver the underlying security upon payment of the exercise price or to pay the exercise price upon delivery of the underlying security. Upon exercise, the writer of an option on an index is obligated to pay the difference between the cash value of the index and the exercise price multiplied by the specified multiplier for the index option. An index is designed to reflect specified facets of a particular financial or securities market, a specific group of financial instruments or securities, or certain economic indicators.

The Fund may sell put or call options it has previously purchased, which could result in a net gain or loss depending on whether the amount realized on the sale is more or less than the premium and other transaction costs paid on the put or call option which is sold. The Fund may write a call or put option only if the option is "covered" by the Fund holding a position in the underlying securities or by other means which would permit immediate satisfaction of the Fund's obligation as writer of the option. Prior to exercise or expiration, an option may be closed out by an offsetting purchase or sale of an option of the same series.

The Fund may write covered straddles consisting of a combination of a call and a put written on the same underlying security. A straddle will be covered when sufficient assets are deposited to meet the Fund's immediate obligations. The Fund may use the same liquid assets to cover both the call and put options where the exercise price of the call and put are the same, or the exercise price of the call is higher than that of the put. In such cases, the Fund will also segregate liquid assets equivalent to the amount, if any, by which the put is "in the money."

The purchase and writing of options involves certain risks. During the option period, the covered call writer has, in return for the premium on the option, given up the opportunity to profit from a price increase in the underlying security above the exercise price, but, as long as its obligation as a writer continues, has retained the risk of loss should the price of the underlying security decline. The writer of an option has no control over the time when it may be required to fulfill its obligation as a writer of the option. Once an option writer has received an exercise notice, it cannot effect a closing purchase transaction in order to terminate its obligation under the option and must deliver the underlying security at the exercise price. If a put or call option purchased by the Fund is not sold when it has remaining value, and if the market price of the underlying security remains equal to or greater than the exercise price (in the case of a put), or remains less than or equal to the exercise price (in the case of a call), the Fund will lose its entire investment in the option. Also, where a put or call option on a particular security is purchased to hedge against price movements in a related security, the price of the put or call option may move more or less than the price of the related security. There can be no assurance that a liquid market will exist when the Fund seeks to close out an option position. Furthermore, if trading restrictions or suspensions are imposed on the options markets, the Fund may be unable to close out a position.

The Fund may buy or sell put and call options on non-U.S. currencies. Currency options traded on U.S. or other exchanges may be subject to position limits which may limit the ability of the Fund to reduce non-U.S. currency risk using such options. Over-the-counter options differ from traded options in that they are two-party contracts, with price and other terms negotiated between buyer and seller, and generally do not have as much market liquidity as exchange-traded options. The Fund may be required to treat as illiquid over-the-counter options purchased and securities being used to cover certain written over-the-counter options.

Swap Agreements. The Fund may enter into interest rate, index, credit, equity and currency exchange rate swap agreements. The Fund may also enter into options on swap agreements ("swap options"). These transactions would be entered into in an attempt to obtain a particular return when it is considered desirable to do so, possibly at a lower cost to the Fund than if the Fund had invested directly in the asset that yielded the desired return. Swap agreements are two-party contracts entered into primarily by institutional investors for periods ranging

from a few weeks to more than one year. In a standard swap transaction, two parties agree to exchange the returns (or differentials in rates of return) earned or realized on particular predetermined investments or instruments, which may be adjusted for an interest factor. The gross returns to be exchanged or "swapped" between the parties are generally calculated with respect to a "notional amount," i.e., the return on or increase in value of a particular dollar amount invested at a particular interest rate, in a particular foreign currency, or in a "basket" of securities representing a particular index. Forms of swap agreements include interest rate caps, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates exceed a specified rate, or "cap"; interest rate floors, under which, in return for a premium, one party agrees to make payments to the other to the extent that interest rates fall below a specified level, or "floor"; and interest rate collars, under which a party sells a cap and purchases a floor or vice versa in an attempt to protect itself against interest rate movements exceeding given minimum or maximum levels. A swap option is a contract that gives a counterparty the right (but not the obligation) to enter into a new swap agreement or to shorten, extend, cancel or otherwise modify an existing swap agreement, at some designated future time or specified terms the Fund may write (sell) and purchase put and call swap options.

Most swap agreements entered into by the Fund calculate the obligations of the parties to the agreement on a "net basis." Consequently, the Fund's current obligations (or rights) under a swap agreement will generally be equal only to the net amount to be paid or received under the agreement based on the relative values of the positions held by each party to the agreement (the "net amount"). The Fund's current obligations under a swap agreement will be accrued daily (offset against amounts owed to the Fund), and any accrued but unpaid net amounts owed to a swap counterparty will be covered by the segregation of assets determined to be liquid by the Advisor in accordance with procedures established by the Board of Trustees, to limit any potential leveraging of the Fund's portfolio. Obligations under swap agreements so covered will not be construed to be "senior securities" for purposes of the Fund's investment restriction concerning senior securities. The Fund will not enter into a swap agreement with any single party if the net amount owed or to be received under existing contracts with that party would exceed 5% of the Fund's assets.

Whether the Fund's use of swap agreements or swap options will be successful in furthering its investment objective will depend on the Advisor's ability to predict correctly whether certain types of investments are likely to produce greater returns than other investments. Because they are two-party contracts and because they may have terms of greater than seven days, swap agreements may be considered to be illiquid investments. Moreover, the Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a swap agreement counterparty. The Fund will enter into swap agreements only with counterparties that meet certain standards for creditworthiness (generally, such counterparties would have to be eligible counterparties under the terms of the Fund's repurchase agreement guidelines). Certain restrictions imposed on the Fund by the U.S. Internal Revenue Code may limit the Fund's ability to use swap agreements. The swaps market is a relatively new market and is largely unregulated. It is possible that developments in the swaps market, including potential government regulation, could adversely affect the Fund's ability to terminate existing swap agreements or to realize amounts to be received under such agreements.

Depending on the terms of the particular option agreement, the Fund will generally incur a greater degree of risk when it writes a swap option than it will incur when it purchases a swap option. When the Fund purchases a swap option, it risks losing only the amount of the premium it has paid should it decide to let the option expire unexercised. However, when the Fund writes a swap option, upon exercise of the option the Fund will become obligated according to the terms of the underlying agreement.

Futures Contracts and Options on Futures Contracts. The Fund may invest in interest rate futures contracts and options thereon ("futures options"), and to the extent it may invest in non-U.S. dollar currency-denominated securities, may also invest in non-U.S. currency futures contracts and options thereon.

There are several risks associated with the use of futures and futures options for hedging purposes. There can be no guarantee that there will be a correlation between price movements in the hedging vehicle and in the portfolio securities being hedged. An incorrect correlation could result in a loss on both the hedged securities in the Fund and the hedging vehicle, so that the portfolio return might have been greater had hedging not been attempted. There can be no assurance that a liquid market will exist at a time when the Fund seeks to close out a futures contract or a futures option position. Most futures exchanges and boards of trade limit the amount of fluctuation permitted in futures contract prices during a single day; once the daily limit has been reached on a particular contract, no trades may be made that day at a price beyond that limit. In addition, certain of these instruments are relatively new and without a significant trading history. As a result, there is no assurance that an active secondary market will develop or continue to exist. Lack of a liquid market for any reason may prevent the Fund from liquidating an unfavorable position, and

the Fund would remain obligated to meet margin requirements until the position is closed.

The Fund may write covered straddles consisting of a call and a put written on the same underlying futures contract. A straddle will be covered when sufficient assets are deposited to meet the Fund's immediate obligations. The Fund may use the same liquid assets to cover both the call and put options where the exercise price of the call and put are the same, or the exercise price of the call is higher than that of the put. In such cases, the Fund will also segregate liquid assets equivalent to the amount, if any, by which the put is "in the money."

The Fund will only enter into futures contracts or futures options which are standardized and traded on a U.S. or non-U.S. exchange or board of trade, or similar entity, or quoted on an automated quotation system. The Fund will use financial futures contracts and related options only for "bona fide hedging" purposes, as such term is defined in applicable regulations of the U.S. Commodity Futures Trading Commission ("CFTC") or, with respect to positions in financial futures and related options that do not qualify as "bona fide hedging" positions, will enter such positions only to the extent that aggregate initial margin deposits plus premiums paid by it for open futures option positions, less the amount by which any such positions are "in-the-money," would not exceed 5% of the Fund's net assets.

Hybrid Instruments

A hybrid instrument can combine the characteristics of securities, futures, and options. For example, the principal amount or interest rate of a hybrid could be tied (positively or negatively) to the price of some commodity, currency or securities index or another interest rate (each a "benchmark"). The interest rate or (unlike most fixed income securities) the principal amount payable at maturity of a hybrid security may be increased or decreased, depending on changes in the value of the benchmark.

Hybrids can be used as an efficient means of pursuing a variety of investment goals, including currency hedging, duration management, and increased total return. Hybrids may not bear interest or pay dividends. The value of a hybrid or its interest rate may be a multiple of a benchmark and, as a result, may be leveraged and move (up or down) more steeply and rapidly than the benchmark. These benchmarks may be sensitive to economic and political events, such as commodity shortages and currency devaluations, which cannot be readily foreseen by the purchaser of a hybrid. Under certain conditions, the redemption value of a hybrid could be zero. Thus, an investment in a hybrid may entail significant market risks that are not associated with a similar investment in a traditional, U.S. dollar-denominated bond that has a fixed principal amount and pays a fixed rate or floating rate of interest. The purchase of hybrids also exposes the Fund to the credit risk of the issuer of the hybrids. These risks may cause significant fluctuations in the net asset value of the Fund. Accordingly, the Fund will invest no more than 5% of its assets in hybrid instruments.

Certain issuers of structured products such as hybrid instruments may be deemed to be investment companies as defined in the 1940 Act. As a result, the Fund's investments in these products will be subject to limits applicable to investments in investment companies and may be subject to restrictions contained in the 1940 Act.

Event-Linked Bonds

The Fund may invest in "event-linked bonds." Event-linked bonds are fixed income securities, for which the return of principal and payment of interest is contingent on the non-occurrence of a specific "trigger" event, such as a hurricane, earthquake or other physical or weather-related phenomenon. They may be issued by government agencies, insurance companies, reinsurers, special purpose corporations or other entities. Some event-linked bonds are commonly referred to as "catastrophe bonds". If a trigger event causes losses exceeding a specific amount in the geographic region and time period specified in a bond, the Fund may lose a portion or all of its principal invested in the bond. If no trigger event occurs, the Fund will recover its principal plus interest. For some event-linked bonds, the trigger event or losses may be based on companywide losses, index portfolio losses, industry indexes, or readings of scientific instruments rather than specified actual losses. Often the event-linked bonds provide for extensions of maturity that are mandatory, or optional at the discretion of the issuer, in order to process and audit loss claims in those cases where a trigger event has, or possibly has, occurred. In addition to the specified trigger events, event-linked bonds may also expose the Fund to certain unanticipated risks including but not limited to issuer (credit) default, adverse regulatory or jurisdictional interpretations, and adverse tax consequences.

Event-linked bonds are a relatively new type of financial instrument. As such, there is no significant trading history of these securities, and there can be no assurance that a liquid market in these instruments will develop. Lack of a liquid market may impose the risk of higher transaction costs and the

possibility that the Fund may be forced to liquidate positions when it would not be advantageous to do so. Event-linked bonds are typically rated, and the Fund will only invest in event-linked bonds that meet the credit quality requirements for the Fund.

Investment in Investment Companies

The Fund may invest up to 10% of its assets in securities of other investment companies, such as closed-end management investment companies, or in pooled accounts or other investment vehicles. As a shareholder of an investment company, the Fund may indirectly bear service and other fees which are in addition to the fees the Fund pays its service providers.

Subject to the restrictions and limitations of the 1940 Act, the Fund may, in the future, elect to pursue its investment objective by investing in one or more underlying investment vehicles or companies that have substantially similar investment objectives, policies and limitations as the Fund.

Portfolio Turnover

The length of time the Fund has held a particular security is not generally a consideration in investment decisions. The investment policies of the Fund may lead to frequent changes in the Fund's investments, particularly in periods of volatile market movements. A change in the securities held by the Fund is known as "portfolio turnover." High portfolio turnover (e.g., over 100%) involves correspondingly greater expenses to the Fund, including brokerage commissions or dealer mark-ups and other transaction costs on the sale of securities and reinvestments in other securities. Such sales may result in realization of taxable capital gains.

Illiquid Securities

The Fund may invest up to 15% of its net assets in illiquid securities. Certain illiquid securities may require pricing at fair value as determined in good faith under the supervision of the Board of Trustees. The Advisor may be subject to significant delays in disposing of illiquid securities, and transactions in illiquid securities may entail registration expenses and other transaction costs that are higher than transactions in liquid securities. The term "illiquid securities" for this purpose means securities that cannot be disposed of within seven days in the ordinary course of business at approximately the amount at which the Fund has valued the securities. Illiquid securities are considered to include, among other things, written over-the-counter options, securities or other liquid assets being used as cover for such options, repurchase agreements with maturities in excess of seven days, certain loan participation interests, fixed time deposits which are not subject to prepayment or provide for withdrawal penalties upon prepayment (other than overnight deposits), securities that are subject to legal or contractual restrictions on resale (such as privately placed debt securities) and other securities whose disposition is restricted under the federal securities laws (other than securities issued pursuant to Rule 144A under the 1933 Act and certain commercial paper that the Advisor has determined to be liquid under procedures approved by the Board of Trustees).

Illiquid securities may include privately placed securities, which are sold directly to a small number of investors, usually institutions. Unlike public offerings, such securities are not registered under the U.S. federal securities laws. Although certain of these securities may be readily sold, for example, under Rule 144A, others may be illiquid, and their sale may involve substantial delays and additional costs.

Temporary Defensive Strategies

For temporary or defensive purposes, the Fund may invest without limit in U.S. debt securities, including short-term money market securities, when the Advisor deems it appropriate to do so. When the Fund engages in such strategies, it may not achieve its investment objective.

Percentage Investment Limitations

Unless otherwise stated, all percentage limitations on Fund investments will apply at the time of investment. The Fund would not violate these limitations unless an excess or deficiency occurs or exists immediately after and as a result of an investment.

Other Investments and Techniques

The Fund may invest in other types of securities and use a variety of investment techniques and strategies which are not described herein. These securities and techniques may subject the Fund to additional risks.

Description of Duration

Duration is a measure of the expected life of a fixed income security

that was developed as a more precise alternative to the concept of "term to maturity." Traditionally, a fixed income security's "term to maturity" has been used as a proxy for the sensitivity of the security's price to changes in interest rates (which is the "interest rate risk" or "volatility" of the security). However, "term to maturity" measures only the time until a fixed income security provides its final payment, taking no account of the pattern of the security's payments prior to maturity. In contrast, duration incorporates a bond's yield, coupon interest payments, final maturity and call features into one measure. Duration management is one of the fundamental tools used by the Advisor.

Duration is a measure of the expected life of a fixed income security on a present value basis. Duration takes the length of the time intervals between the present time and the time that the interest and principal payments are scheduled or, in the case of a callable bond, expected to be received, and weights them by the present values of the cash to be received at each future point in time. For any fixed income security with interest payments occurring prior to the payment of principal, duration is always less than maturity. In general, all other things being equal, the lower the stated or coupon rate of interest of a fixed income security, the longer the duration of the security; conversely, the higher the stated or coupon rate of interest of a fixed income security, the shorter the duration of the security.

Futures, options and options on futures have durations which, in general, are closely related to the duration of the securities which underlie them. Holding long futures or call option positions (backed by a segregated account of cash and cash equivalents) will lengthen the Fund's duration by approximately the same amount that holding an equivalent amount of the underlying securities would.

Short futures or put option positions have durations roughly equal to the negative duration of the securities that underlie these positions, and have the effect of reducing portfolio duration by approximately the same amount that selling an equivalent amount of the underlying securities would.

There are some situations where even the standard duration calculation does not properly reflect the interest rate exposure of a security. For example, floating and variable rate securities often have final maturities of ten or more years; however, their interest rate exposure corresponds to the frequency of the coupon reset. For inflation-indexed bonds, duration is calculated on the basis of modified real duration, which measures price changes of inflation-indexed bonds on the basis of changes in real, rather than nominal, interest rates. Another example where the interest rate exposure is not properly captured by duration is the case of mortgage pass-through securities. The stated final maturity of such securities is generally 30 years, but current prepayment rates are more critical in determining the securities' interest rate exposure. Finally, the duration of a fixed income security may vary over time in response to changes in interest rates and other market factors. In these and other similar situations, the Advisor will use more sophisticated analytical techniques that incorporate the anticipated economic life of a security into the determination of its interest rate exposure.

Description of Securities Ratings

The Fund's investments may range in quality from securities rated in the lowest category in which the Fund is permitted to invest to securities rated in the highest category (as rated by Moody's or S&P or, if unrated, determined by the Advisor to be of comparable quality). The percentage of the Fund's assets invested in securities in a particular rating category will vary. Following is a description of Moody's and S&P's ratings applicable to fixed income securities.

Moody's Investors Service, Inc.

Corporate and Municipal Bond Ratings

Aaa: Bonds which are rated Aaa are judged to be of the best quality. They carry the smallest degree of investment risk and are generally referred to as "gilt edge." Interest payments are protected by a large or by an exceptionally stable margin and principal is secure. While the various protective elements are likely to change, such changes as can be visualized are most unlikely to impair the fundamentally strong position of such issues.

Aa: Bonds which are rated Aa are judged to be of high quality by all standards. Together with the Aaa group they comprise what are generally known as high-grade bonds. They are rated lower than the best bonds because margins of protection may not be as large as in Aaa securities or fluctuation of protective elements may be of greater amplitude or there may be other elements present that make the long-term risks appear somewhat larger than with Aaa securities.

A: Bonds which are rated A possess many favorable investment attributes and are to be considered as upper-medium-grade obligations. Factors giving security to principal and interest are considered adequate but elements may be present that suggest a susceptibility to impairment sometime in the future.

Baa: Bonds which are rated Baa are considered as medium-grade obligations (i.e., they are neither highly protected nor poorly secured). Interest payments and principal security appear adequate for the present but certain protective elements may be lacking or may be characteristically unreliable over any great length of time. Such bonds lack outstanding investment characteristics and in fact have speculative characteristics as well.

Ba: Bonds which are rated Ba are judged to have speculative elements; their future cannot be considered as well-assured. Often the protection of interest and principal payments may be very moderate and thereby not well safeguarded during both good and bad times over the future. Uncertainty of position characterizes bonds in this class.

B: Bonds which are rated B generally lack characteristics of a desirable investment. Assurance of interest and principal payments or of maintenance of other terms of the contract over any long period of time may be small.

Caa: Bonds which are rated Caa are of poor standing. Such issues may be in default or there may be present elements of danger with respect to principal or interest.

Ca: Bonds which are rated Ca represent obligations which are speculative in a high degree. Such issues are often in default or have other marked shortcomings.

C: Bonds which are rated C are the lowest rated class of bonds and issues so rated can be regarded as having extremely poor prospects of ever attaining any real investment standing.

Moody's applies numerical modifiers, 1, 2, and 3 in each generic rating classified from Aa through B in its corporate bond rating system. The modifier 1 indicates that the security ranks in the higher end of its generic rating category; the modifier 2 indicates a mid-range ranking; and the modifier 3 indicates that the issue ranks in the lower end of its generic rating category.

Corporate Short-Term Debt Ratings

Moody's short-term debt ratings are opinions of the ability of issuers to repay punctually senior debt obligations which have an original maturity not exceeding one year. Obligations relying upon support mechanisms such as letters of credit and bonds of indemnity are excluded unless explicitly rated.

Moody's employs the following three designations, all judged to be investment grade, to indicate the relative repayment ability of rated issuers:

PRIME-1: Issuers rated Prime-1 (or supporting institutions) have a superior ability for repayment of senior short-term debt obligations. Prime-1 repayment ability will often be evidenced by many of the following characteristics: leading market positions in well-established industries; high rates of return on funds employed; conservative capitalization structure with moderate reliance on debt and ample asset protection; broad margins in earnings coverage of fixed financial charges and high internal cash generation; and well-established access to a range of financial markets and assured sources of alternate liquidity.

PRIME-2: Issuers rated Prime-2 (or supporting institutions) have a strong ability for repayment of senior short-term debt obligations. This will normally be evidenced by many of the characteristics cited above but to a lesser degree. Earnings trends and coverage ratios, while sound, may be more subject to variation. Capitalization characteristics, while still appropriate, may be more affected by external conditions. Ample alternate liquidity is maintained.

PRIME-3: Issuers rated Prime-3 (or supporting institutions) have an acceptable ability for repayment of senior short-term obligations. The effect of industry characteristics and market compositions may be more pronounced. Variability in earnings and profitability may result in changes in the level of debt protection measurements and may require relatively high financial leverage. Adequate alternate liquidity is maintained.

NOT PRIME: Issuers rated Not Prime do not fall within any of the Prime rating categories.

Standard & Poor's Ratings Services

Corporate and Municipal Bond Ratings

Investment Grade

AAA: Debt rated AAA has the highest rating assigned by S&P. Capacity to pay interest and repay principal is extremely strong.

AA: Debt rated AA has a very strong capacity to pay interest and repay

principal and differs from the highest rated issues only in small degree.

A: Debt rated A has a strong capacity to pay interest and repay principal although it is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than debt in higher rated categories.

BBB: Debt rated BBB is regarded as having an adequate capacity to pay interest and repay principal. Whereas it normally exhibits adequate protection parameters, adverse economic conditions, or changing circumstances are more likely to lead to a weakened capacity to pay interest and repay principal for debt in this category than in higher-rated categories.

Speculative Grade

Debt rated BB, B, CCC, CC, and C is regarded as having predominantly speculative characteristics with respect to capacity to pay interest and repay principal. BB indicates the least degree of speculation and C the highest. While such debt will likely have some quality and protective characteristics, these are outweighed by large uncertainties or major exposures to adverse conditions.

BB: Debt rated BB has less near-term vulnerability to default than other speculative issues. However, it faces major ongoing uncertainties or exposure to adverse business, financial, or economic conditions which could lead to inadequate capacity to meet timely interest and principal payments. The BB rating category is also used for debt subordinated to senior debt that is assigned an actual or implied BBB- rating.

B: Debt rated B has a greater vulnerability to default but currently has the capacity to meet interest payments and principal repayments. Adverse business, financial, or economic conditions will likely impair capacity or willingness to pay interest and repay principal. The B rating category is also used for debt subordinated to senior debt that is assigned an actual or implied BB or BB- rating.

CCC: Debt rated CCC has a currently identifiable vulnerability to default and is dependent upon favorable business, financial, and economic conditions to meet timely payment of interest and repayment of principal. In the event of adverse business, financial or economic conditions, it is not likely to have the capacity to pay interest and repay principal. The CCC rating category is also used for debt subordinated to senior debt that is assigned an actual or implied B or B- rating.

CC: The rating CC is typically applied to debt subordinated to senior debt that is assigned an actual or implied CCC rating.

C: The rating C is typically applied to debt subordinated to senior debt that is assigned an actual or implied CCC- debt rating. The C rating may be used to cover a situation where a bankruptcy petition has been filed, but debt service payments are continued.

CI: The rating CI is reserved for income bonds on which no interest is being paid.

D: Debt rated D is in payment default. The D rating category is used when interest payments or principal payments are not made on the date due even if the applicable grace period has not expired, unless S&P believes that such payments will be made during such grace period. The D rating will also be used upon the filing of a bankruptcy petition if debt service payments are jeopardized.

Plus (+) or Minus (-): The ratings from AA to CCC may be modified by the addition of a plus or minus sign to show relative standing within the major rating categories.

Provisional ratings: The letter "p" indicates that the rating is provisional. A provisional rating assumes the successful completion of the project being financed by the debt being rated and indicates that payment of debt service requirements is largely or entirely dependent upon the successful and timely completion of the project. This rating, however, while addressing credit quality subsequent to completion of the project, makes no comment on the likelihood of, or the risk of default upon failure of, such completion. The investor should exercise his own judgment with respect to such likelihood and risk.

r: The "r" is attached to highlight derivative, hybrid, and certain other obligations that S&P believes may experience high volatility or high variability in expected returns due to non-credit risks. Examples of such obligations are: securities whose principal or interest return is indexed to equities, commodities, or currencies; certain swaps and options; and interest only and principal only mortgage securities.

The absence of an "r" symbol should not be taken as an indication that an obligation will exhibit no volatility or variability in total return.

N.R.: Not rated.

Debt obligations of issuers outside the United States and its territories are rated on the same basis as domestic corporate and municipal issues. The ratings measure the creditworthiness of the obligor but do not take into account currency exchange and related uncertainties.

Commercial Paper Rating Definitions

An S&P commercial paper rating is a current assessment of the likelihood of timely payment of debt having an original maturity of no more than 365 days. Ratings are graded into several categories, ranging from A for the highest quality obligations to D for the lowest. These categories are as follows:

A-1: This highest category indicates that the degree of safety regarding timely payment is strong. Those issues determined to possess extremely strong safety characteristics are denoted with a plus sign (+) designation.

A-2: Capacity for timely payment on issues with this designation is satisfactory. However, the relative degree of safety is not as high as for issues designated A-1.

A-3: Issues carrying this designation have adequate capacity for timely payment. They are, however, more vulnerable to the adverse effects of changes in circumstances than obligations carrying the higher designations.

B: Issues rated B are regarded as having only speculative capacity for timely payment.

C: This rating is assigned to short-term debt obligations with a doubtful capacity for payment.

D: Debt rated D is in payment default. The D rating category is used when interest payments or principal payments are not made on the date due, even if the applicable grace period has not expired, unless S&P believes that such payments will be made during such grace period.

A commercial paper rating is not a recommendation to purchase, sell or hold a security inasmuch as it does not comment as to market price or suitability for a particular investor. The ratings are based on current information furnished to S&P by the issuer or obtained from other sources it considers reliable. S&P does not perform an audit in connection with any rating and may, on occasion, rely on unaudited financial information. The ratings may be changed, suspended, or withdrawn as a result of changes in or unavailability of such information.

(B) Restrictions of Investment:

The Fund's investment objective as set forth under "Investment Objective and Policies," and the investment restrictions set forth below are fundamental policies of the Fund and may not be changed with respect to the Fund without shareholder approval by vote of a majority of the outstanding shares of the Fund. Under these restrictions:

- (1) the Fund may not concentrate its investments in a particular industry, as that term is used in the Investment Company Act of 1940, as amended, and as interpreted, modified, or otherwise permitted by regulatory authority having jurisdiction, from time to time;
- (2) the Fund may not, with respect to 75% of the Fund's total assets, purchase the securities of any issuer, except securities issued or guaranteed by the U.S. government or any of its agencies or instrumentalities, if, as a result (i) more than 5% of the Fund's total assets would be invested in the securities of that issuer, or (ii) the Fund would hold more than 10 % of the outstanding voting securities of that issuer;
- (3) the Fund may not purchase or sell real estate, although it may purchase securities secured by real estate or interests therein, or securities issued by companies which invest in real estate or interests therein;
- (4) the Fund may not purchase or sell commodities or commodities contracts or oil, gas or mineral programs. This restriction shall not prohibit the Fund, subject to restrictions described in the prospectus filed in the U.S. and in the statement of additional information relating thereto, from purchasing, selling or entering into futures contracts, options on futures contracts, foreign currency forward contracts, foreign currency options, or any interest rate, securities-related or foreign currency-related hedging instrument, including swap agreements and other derivative instruments, subject to compliance with any applicable provisions of the federal securities or commodities laws;
- (5) the Fund may borrow money or issue any senior security, only as permitted

under the Investment Company Act of 1940, as amended, and as interpreted, modified, or otherwise permitted by regulatory authority having jurisdiction, from time to time;

- (6) the Fund may make loans only as permitted under the Investment Company Act of 1940, as amended, and as interpreted, modified, or otherwise permitted by regulatory authority having jurisdiction, from time to time;
- (7) the Fund may not act as an underwriter of securities of other issuers, except to the extent that in connection with the disposition of portfolio securities, it may be deemed to be an underwriter under the federal securities laws; or
- (8) Notwithstanding any other fundamental investment policy or limitation, it is a fundamental policy of the Fund that it may pursue its investment objective by investing in one or more underlying investment companies or vehicles that have substantially similar investment objectives, policies and limitations as the Fund.

To the extent the Fund covers its commitment under a reverse repurchase agreement (or economically similar transaction) by the maintenance of segregated assets determined to be liquid in accordance with procedures adopted by the Trustees, equal in value to the amount of the Fund's commitment to repurchase, such an agreement will not be considered a "senior security" by the Fund and therefore will not be subject to the asset coverage requirements of the 1940 Act otherwise applicable to borrowing by the Fund.

The Fund interprets its policies with respect to borrowing and lending to permit such activities as may be lawful for the Fund, to the full extent permitted by the 1940 Act or by exemption from the provisions therefrom pursuant to exemptive order of the SEC. The Fund is included in an application seeking an order from the SEC to permit the Fund and the other sub-funds of the Trust to enter into transactions among themselves with respect to the investment of daily cash balances of the Fund in shares of the PIMCO Money Market Fund, another sub-fund of the Trust, as well as the use of daily excess cash balances of the PIMCO Money Market Fund in inter-fund lending transactions with the Fund and the other sub-funds for temporary cash management purposes. The interest paid by the Fund in such an arrangement will be less than that otherwise payable for an overnight loan, and will be in excess of the overnight rate the PIMCO Money Market Fund could otherwise earn as lender in such a transaction.

The Fund is also subject to non-fundamental restrictions and policies (which may be changed without shareholder approval) relating to the investment of its assets and activities.

Unless otherwise indicated, all limitations applicable to Fund investments (as stated above and in the prospectus filed in the U.S. and in the statement of additional information relating thereto) apply only at the time a transaction is entered into. Any subsequent change in a rating assigned by any rating service to a security (or, if unrated, deemed to be of comparable quality), or change in the percentage of Fund assets invested in certain securities or other instruments, or change in the average duration of the Fund's investment portfolio, resulting from market fluctuations or other changes in the Fund's total assets will not require the Fund to dispose of an investment until the Advisor determines that it is practicable to sell or close out the investment without undue market or tax consequences to the Fund. In the event that ratings services assign different ratings to the same security, the Advisor will determine which rating it believes best reflects the security's quality and risk at that time, which may be the higher of the several assigned ratings.

Investment Restriction Pursuant to Japanese Regulations

In addition, the Fund will, so long as the Shares are being offered for subscription by the Fund in Japan, comply with the following standards of selection under Article 26 of the "Rules Concerning Transactions of Foreign Securities" of the Japan Securities Dealers Association;

1. The Trust will not sell the Shares in Japan except through PIMCO Funds Distributors LLC.
2. The Trust has appointed, and will maintain the appointment of, a bank or trust company as the place for safe-keeping of its assets in connection with the Fund.
3. The Tokyo District Court shall have the jurisdiction over any and all litigation related to transactions in any class of shares of the Fund acquired by Japanese investors as required by Article 26, Item 4 of the Rules Concerning Transactions of Foreign Securities of the Japan Securities Dealers Association.
4. The Fund may not make short sales of securities or maintain a short position for the account of the Fund unless the total current value of the securities being the subject of the short sales or the short position is equal to or less than the net asset value of the Fund.

5. The Fund may not borrow money in excess of 10% of the value (taken at the lower of cost or current value) of its total assets (not including the amount borrowed) at the time the borrowing is made, except for extraordinary or emergency purposes, such as in the case of a merger, amalgamation or the like.
6. The Fund may not acquire more than 50% of the outstanding voting securities of any issuer, if aggregated with the portion of holding in such securities by any and all other mutual funds managed by Pacific Investment Management Company LLC.
7. The Fund may not invest more than 15% of its total assets in voting securities privately placed, mortgage securities or unlisted voting securities which cannot be readily disposed of. This restriction shall not be applicable to securities determined by Pacific Investment Management Company LLC to be liquid and for which a market price (including a dealer quotation) is generally obtainable or determinable.
8. None of the portfolio securities of the Fund may be purchased from or sold or loaned to any Trustee of the Trust, Pacific Investment Management Company LLC, acting as investment adviser of the Trust, or any affiliate thereof or any of their directors, officers or employees, or any major shareholder thereof (meaning a shareholder who holds to the actual knowledge of Pacific Investment Management Company LLC, on his own account whether in his own or other name (as well as a nominee's name), 10% or more of the total issued outstanding shares of such a company) acting as principal or for their own account unless the transaction is made within the investment restrictions set forth in the Fund's prospectus and statement of additional information and either (i) at a price determined by current publicly available quotations (including a dealer quotation) or (ii) at competitive prices or interest rates prevailing from time to time on internationally recognized securities markets or internationally recognized money markets (including a dealer quotation).

All percentage limitations on investments will apply at the time of the making of an investment and shall not be considered violated unless an excess or deficiency occurs or exists immediately after and as a result of such investment. If any violation of the foregoing investment restrictions occurs, the Trust will, promptly after discovery of the violation, take such action as may be necessary to cause the violation to cease, which shall be the only obligation of the Trust and the only remedy in respect of the violation.

If any of the foregoing standards shall, at any time when the Shares are being offered for subscription by the Trust in Japan or thereafter, no longer be required in accordance with the standards of the Japanese Securities Dealers Association, then such standards shall no longer apply.

(C) Distribution Method:

Shares begin earning dividends on the effective date of purchase, which shall be the payment date on which the subscription amount of the relevant Shares is received by the Trust. Dividends are declared daily from net investment income to shareholders of record at the close of the previous business day, and distributed to shareholders monthly. Any net realized capital gains from the sale of portfolio securities will be distributed no less frequently than once yearly. Dividend and capital gain distributions of the Fund will be reinvested in additional Shares unless the shareholder elects to have them paid in cash, though shareholders in Japan may only elect to receive them in cash. The dividend may, in certain circumstances, be set off with a Sales Charge, and is closely connected to the terms of the subscription and repurchase; the details thereof are set out in "3. Management Structure, (A) C. Sales, Repurchase and Custody, (1) b. Sales in Japan and (2) b. Repurchase in Japan" below.

(D) Others:

Morningstar, a leading independent servicer for evaluating mutual funds in the U.S., evaluates certain mutual funds advised by PIMCO, including the Administrative Class Shares of PIMCO Funds - PIMCO Total Return Fund.

3. MANAGEMENT STRUCTURE

(A) Outline of Management of Assets, etc.:

A. Valuation of assets:

The net asset value per share of Shares of the Fund will be determined once on each day on which the New York Stock Exchange (the "Exchange") is open as of the close of regular trading (normally 4:00 p.m., Eastern time) on the Exchange by dividing the total market value of the Fund's portfolio investments

and other assets attributable to Administrative Class shares of the Fund, less any liabilities, by the number of total outstanding shares of that class. Net asset value will not be determined on the following days on which the Exchange is closed: Sunday, Saturday, New Year's Day, Martin Luther King, Jr. Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Portfolio securities and other assets for which market quotations are readily available are stated at market value. Market value is determined on the basis of last reported sales prices, or if no sales are reported, as is the case for most securities traded over-the-counter, at the mean between representative bid and asked quotations obtained from a quotation reporting system or from established market makers. Fixed income securities, including those to be purchased under firm commitment agreements (other than obligations having a maturity of 60 days or less), are normally valued on the basis of quotations obtained from brokers and dealers or pricing services, which take into account appropriate factors such as institutional-sized trading in similar groups of securities, yield, quality, coupon rate, maturity, type of issue, trading characteristics, and other market data.

Quotations of non-U.S. securities in non-U.S. currency are converted to U.S. dollar equivalents using foreign exchange quotations received from independent dealers. Short-term investments having a maturity of 60 days or less are valued at amortized cost, when the Board of Trustees determines that amortized cost is their fair value. Certain fixed income securities for which daily market quotations are not readily available may be valued, pursuant to guidelines established by the Board of Trustees, with reference to fixed income securities whose prices are more readily obtainable and whose durations are comparable to the securities being valued. Subject to the foregoing, other securities for which market quotations are not readily available are valued at fair value as determined in good faith by the Board of Trustees.

The Fund's liabilities are allocated among its classes. The total of such liabilities allocated to a class plus that class's distribution and/or servicing fees and any other expenses specially allocated to that class are then deducted from the class's proportionate interest in the Fund's assets, and the resulting amount for each class is divided by the number of shares of that class outstanding to produce the class's "net asset value" per share.

B. Management Fee, etc.:

(1) Advisory and Administrative Fees:

Investment Advisor

Pacific Investment Management Company LLC serves as Investment Advisor to the Fund pursuant to an investment advisory contract. The Investment Advisor manages the investment and reinvestment of the assets of the Fund. The Investment Advisor is responsible for placing orders for the purchase and sale of the Fund's investments directly with brokers or dealers selected by it in its discretion.

Fund Administrator

Pacific Investment Management Company LLC also serves as Administrator for the Fund's Administrative Class Shares pursuant to an administration agreement with the Trust. The Administrator provides administrative services for Administrative Class shareholders of the Fund, which include clerical help and accounting, bookkeeping, internal audit services, and certain other services required by the Fund, preparation of reports to the Fund's shareholders and regulatory filings. In addition, the Administrator, at its own expense, arranges for the provision of legal, audit, custody, transfer agency and other services for the Fund, and is responsible for the costs of registration of the Fund's shares and the printing of prospectuses and shareholder reports for current shareholders.

The Fund (and not the Administrator) is responsible for the following expenses: (i) salaries and other compensation of any of the Trust's executive officers and employees who are not officers, directors, stockholders or employees of the Administrator or its subsidiaries or affiliates; (ii) taxes and governmental fees; (iii) brokerage fees and commissions and other portfolio transaction expenses; (iv) the costs of borrowing money, including interest expenses; (v) fees and expenses of the Trustees who are not "interested persons" of Pacific Investment Management Company LLC or the Trust, and any counsel retained exclusively for their benefit; (vi) extraordinary expenses, including costs of litigation and indemnification expenses; (vii) expenses, such as organizational expenses, which are capitalized in accordance with generally accepted accounting principles; and (viii) any expenses allocated or allocable to a specific class of shares, which include servicing fees payable with respect to Shares, and may include certain other expenses as permitted by the Trust's Multi-Class Plan adopted pursuant to Rule 18f-3 under the 1940 Act, subject to review and approval by the Trustees.

Advisory and Administrative Fees

The Fund features fixed advisory and administrative fee rates. For providing investment advisory and administrative services to the Fund as described above, Pacific Investment Management Company LLC receives monthly fees from the Fund at an annual rate based on the average daily net assets of the Fund as follows:

Advisory Fee Rate	Administrative Fee Rate
0.25%	0.18%

Both the investment advisory contract and administration agreement with respect to the Fund may be terminated by the Trustees at any time on 60 days' written notice. The investment advisory contract may be terminated by the Investment Advisor on 60 days' written notice. Following the expiration of the two-year period commencing with the effectiveness of the administration agreement, it may be terminated by the Administrator on 60 days' written notice. Following their initial two-year terms, the investment advisory contract and administration agreement will continue from year to year if approved by the Trustees.

For the fiscal years ended March 31, 2000, 1999 and 1998, the aggregate amount of the advisory fees paid by the Fund was as follows:

Year Ended 3/31/2000	Year Ended 3/31/1999	Year Ended 3/31/1998
\$72,341,826	\$55,229,968	\$38,327,843

For the fiscal years ended March 31, 2000, 1999 and 1998, the aggregate amount of the administration fees paid by the Fund was as follows:

Year Ended 3/31/2000	Year Ended 3/31/1999	Year Ended 3/31/1998
\$58,764,667	\$43,425,035	\$29,219,721

(2) Administrative Class Servicing Fees

The Distributor, a wholly owned subsidiary of PIMCO Advisors L.P., serves as the principal underwriter of the Fund's shares pursuant to a Distribution Contract. The Distributor is a broker-dealer registered with the SEC.

The Distribution Contract is terminable with respect to the Fund or Shares without penalty, at any time, by the Fund or Administrative Class Shares by not more than 60 days' nor less than 30 days' written notice to the Distributor, or by the Distributor upon not more than 60 days' nor less than 30 days' written notice to the Trust. The Distributor is not obliged to sell any specific amount of Trust shares.

The Distribution Contract will continue in effect with respect to the Fund or Shares for successive one - year periods, provided that such continuance is specifically approved (i) by the vote of a majority of the Trustees who are not interested persons of the Trust (as defined in the 1940 Act) and who have no direct or indirect financial interest in the Distribution Contract, the Administration Agreement or the Distribution and/or Administrative Servicing Plans described below; and (ii) by the vote of a majority of the entire Board of Trustees cast in person at a meeting called for that purpose.

Service and Distribution Fees

The Trust has adopted an Administrative Service Plan and a Distribution Plan (the "Plans") with respect to the Administrative Class shares of the Fund. Under the terms of the Plans, the Trust is permitted to reimburse, out of the assets attributable to the Administrative Class shares of the Fund, in an amount up to 0.25% on an annual basis of the average daily net assets of that class, financial intermediaries that provide services in connection with the distribution and marketing of Shares and/or the provision of certain shareholder services (in the case of the Distribution Plan) or the administration of plans or programs that use Shares as their funding medium (in the case of the Administrative Services Plan), and to reimburse certain other related expenses.

Under the terms of the Administrative Class Distribution Plan, these services may include, but are not limited to, the following functions: providing facilities to answer questions from prospective investors about the Fund; receiving and answering correspondence, including requests for prospectuses and statements of additional information relating thereto; preparing, printing and delivering prospectuses and shareholder reports to prospective shareholders; complying with federal and state securities laws pertaining to the sale of Shares; and assisting investors in completing application forms and selecting dividend and other account options. Under the terms of the Administrative Services Plan, the services may include, but are not limited to, the following

functions: receiving, aggregating and processing shareholder orders; furnishing shareholder sub-accounting; providing and maintaining elective shareholder services such as check writing and wire transfer services; providing and maintaining pre-authorized investment plans; communicating periodically with shareholders; acting as the sole shareholder of record and nominee for shareholders; maintaining accounting records for shareholders; answering questions and handling correspondence from shareholders about their accounts; and performing similar account administrative services.

The same entity may not receive both distribution and administrative services fees with respect to the same assets but may with respect to separate assets receive fees under both a Distribution Plan and Administrative Services Plan.

Each Plan provides that it may not be amended to materially increase the costs which shareholders of Shares may bear under the Plan without the approval of a majority of the outstanding voting securities of the Administrative Class, and by vote of a majority of both (i) the Trustees of the Trust and (ii) those Trustees who are not "interested persons" of the Trust (as defined in the 1940 Act) and who have no direct or indirect financial interest in the operation of the Plan or any agreements related to it (the "Plan Trustees"), cast in person at a meeting called for the purpose of voting on the Plan and any related amendments.

Each Plan provides that expenses payable under the Plan may be carried forward for reimbursement for up twelve months beyond the date in which the expense is incurred, subject to the limit that not more than 0.25% of the average daily net assets of Shares may be used in any month to pay expenses under the Plan. Each Plan requires that Administrative Class shares incur no interest or carrying charges.

Rules of the National Association of Securities Dealers, Inc. (the "NASD") limit the amount of distribution fees that may be paid by mutual funds. "Service fees," defined to mean fees paid for providing shareholder services or the maintenance of accounts (but not transfer agency services) are not subject to the limits. The Trust believes that some, if not all, of the fees paid pursuant to both Plans will qualify as "service fees" and therefore will not be limited by NASD rules.

Each Plan has been adopted in accordance with the requirements of Rule 12b-1 under the 1940 Act and will be administered in accordance with the provisions of that rule, except that shareholders will not have the voting rights set forth in Rule 12b-1 with respect to the Administrative Service Plan that they will have with respect to the Distribution Plan.

For the fiscal year ended March 31, 2000, the Administrative Class Shares of the Fund paid aggregate fees under the Plans to qualified service providers in the amount of \$6,890,843.

(3) Other Expenses:

Except for the expenses paid by PIMCO, the Trust bears all costs of its operations. The series of the Trust are responsible for: (i) salaries and other compensation of any of the Trust's executive officers and employees who are not officers, directors, stockholders, or employees of PIMCO or its subsidiaries or affiliates; (ii) taxes and governmental fees; (iii) brokerage fees and commissions and other portfolio transaction expenses; (iv) costs of borrowing money, including interest expenses; (v) fees and expenses of the Trustees who are not "interested persons" of PIMCO or the Trust, and any counsel retained exclusively for their benefit; (vi) extraordinary expenses, including costs of litigation and indemnification expenses; (vii) expenses, such as organizational expenses; which are capitalized in accordance with generally accepted accounting principles; and (viii) any expenses allocated or allocable to a specific class of shares.

Trustee Compensation Table

The following table sets forth information regarding compensation received by the Trustees from the Trust and certain other investment companies for which the Investment Advisor provides investment advisory services for the fiscal year ended March 31, 2000.

<TABLE>

Name	Aggregate Compensation from Trust (1)	Total Compensation from Trust and Fund Complex Paid to Trustee (2)
----- Guilford C. Babcock	\$55,000	\$74,000
----- E. Philip Cannon	0 (3)	\$63,753 (4)

Vern O. Curtis	\$59,000	\$80,750
J. Michael Hagan	0 (3)	0 (3)
Thomas P. Kemp	\$57,500	\$78,250
William J. Popejoy	\$57,500	\$78,250

</TABLE>

(1) Each Trustee, other than those affiliated with the Investment Advisor or its affiliates, received an annual retainer of \$45,000 plus \$3,000 for each Board of Trustees meeting attended in person and \$500 for each meeting attended telephonically, plus reimbursement of related expenses. In addition, a Trustee serving as a Committee Chair, other than those affiliated with the Advisor or its affiliates, receives an additional annual retainer of \$1,500. For the fiscal year ended March 31, 2000, the unaffiliated Trustees as a group received compensation in the amount of \$231,546. Effective January 1, 2001, each Trustee, other than those affiliated with PIMCO or its affiliates, will receive an annual retainer of \$60,000 plus \$3,000 for each Board of Trustees meeting attended in person and \$500 for each meeting attended telephonically, plus reimbursement of related expenses.

(2) Each Trustee also serves as a Director of PIMCO Commercial Mortgage Securities Trust, Inc., a registered closed-end management investment company, and as a Trustee of PIMCO Variable Insurance Trust, a registered open-end management investment company. For their services to PIMCO Commercial Mortgage Securities Trust, Inc., the Directors listed above received an annual retainer of \$6,000 plus \$1,000 for each Board of Directors meeting attended in person and \$500 for each meeting attended telephonically plus reimbursement of related expenses. In addition, a Director serving as a Committee Chair, other than those affiliated with the Advisor or its affiliates, receives an additional annual retainer of \$500. For the fiscal year ended December 31, 1999, the unaffiliated Directors as a group received compensation in the amount of \$42,786.

The Trustees listed above, for their services as Trustees of PIMCO Variable Insurance Trust, receive an annual retainer of \$4,000 plus \$1,500 for each Board of Trustees meeting attended in person and \$500 for each meeting attended telephonically, plus reimbursement of related expenses. In addition, a Trustee serving as a Committee Chair, other than those affiliated with the Advisor or its affiliates, receives an additional annual retainer of \$500. For the fiscal year ended December 31, 1999, the unaffiliated Trustees as a group received compensation in the amount of \$41,786.

(3) Messrs. Cannon and Hagan joined the Board on May 16, 2000 and therefore received no compensation from the Trust for the fiscal year ending March 31, 2000. Messrs. Cannon and Hagan also received no compensation from PIMCO Variable Insurance Trust or PIMCO Commercial Mortgage Securities Trust, Inc. for the fiscal year ended December 31, 1999.

(4) Mr. Cannon also serves as a Trustee of PIMCO Funds: Multi-Manager Series which has adopted a deferred compensation plan. Mr. Cannon elected to have \$63,750 in compensation deferred from that Trust.

C. Sales, Repurchases and Custody:

(1) Sales of Shares:

a. Sales in the United States

Shares of the Administrative Class are offered primarily through employee benefit plan alliances, broker-dealers, and other intermediaries, and the Fund pays service and/or distribution fees to such entities for services they provide to shareholders of that class.

The Administrative Class Shares may be purchased at the relevant net asset value of the Administrative Class without a sales charge. The minimum initial investment for shares of the Administrative Class is \$ 5 million.

An account may be opened by completing and signing a Client Registration Application and mailing it to the Trust.

Purchases of Shares of Administrative Class generally can only be made by wiring federal funds to National Financial Data Services (the "Transfer Agent"). Before wiring federal funds, the investor must first telephone the Trust to receive instructions for wire transfer, and the following information will be requested: name of authorized person; shareholder name; shareholder account number; name of Fund and share

class; amount being wired; and wiring bank name.

A purchase order, together with payment in proper form, received by the Transfer Agent prior to the close of business (ordinarily, 4:00 p.m., Eastern time) on a day the Trust is open for business will be effected at that day's net asset value. An order received after the close of business will generally be effected at the net asset value determined on the next business day. However, orders received by certain retirement plans and other financial intermediaries by the close of, business and communicated to the Transfer Agent by 9:00 a.m. Eastern time, on the following business day will be effected at the net asset value determined on the prior business day. The Trust is "open for business" on each day the Exchange is open for trading, which excludes the following days: Sunday, Saturday, New Year's Day, Martin Luther King, Jr. Day, President's Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day. Purchase orders will be accepted only on days on which the Trust is open for business.

b. Sales in Japan

The terms applicable to an investor's account may restrict the frequency or timing of purchases or redemptions, which may have the effect of limiting an investor's ability to respond to changing market conditions.

The offer for subscription of the Shares may be made in Japan on any date (which is a Fund Business Day and a business day in Japan), during the subscription period, referred to in "Part I. Information Concerning Securities, 8. Period of Subscription" of the Securities Registration Statement filed by the Trust in accordance with the terms set forth in "Part I. Information Concerning Securities" of the Securities Registration Statement.

A Handling Securities Company shall provide to the investors a Contract Concerning a Foreign Securities Transaction Account ("Contract") and receive from such investors an application for requesting the opening of a transactions account under the Contract. The purchase shall be made in the minimum investment of 100 Shares and in integral multiples of 10 Shares for the initial subscription and the same for any subsequent subscription.

The issue price per Share shall be, in principle, the net asset value per Share, next calculated on a Fund Business Day on which the Trust has received the application for purchase of such Share. The Trade Day in Japan is the day (which shall be a business day in Japan) on which the Handling Securities Company obtains a confirmation from the Trust to the effect that the relevant order is executed; such Trade Day is ordinarily the business day in Japan immediately following the day on which the relevant application for purchase of Shares is made to the Handling Securities Company. The settlement shall be made with the investors on the third business day (which is the business day in Japan) after the Trade Day.

The dividend is declared on a daily basis and shall be calculated as of the last Fund Business Day of each month, so that the dividend shall be paid out with respect of such month. The dividend shall be paid out by the Trust on the first Fund Business Day of each month, and such dividend shall be paid in yen to the investors in Japan on the business day in Japan immediately following the business day in Japan on which the Handling Securities Company confirms its receipt of dividend (which confirmation may ordinarily be made on the business day in Japan following the date the dividend is paid out from overseas). The details of payment method of such dividend to each investor is determined by the Handling Securities Company and each such investor. The dividend shall be attributable to the shareholders from and including the business day in Japan on which the settlement is made (such date is usually the fourth business day after the date of application for purchase made to the Handling Securities Company).

A Sales Charge shall be payable monthly at a rate equal to 0.15% of the net asset value per Share (determined on the last Fund Business Day of the month in respect of which the relevant dividend, set forth in the next sentence, is calculated) in equal monthly installments up to 24 times, depending on the number of Shares to which the investor subscribes, as set forth in "Part I. Information Concerning Securities, 6. Sale Charge" in the Securities Registration Statement of the Trust. Such Sales Charge shall become payable, by deducting from the dividend, starting two months after the month in which the application for purchase is made. If (i) no dividend is paid in any month or (ii) the amount of any dividend to be paid in any month is less than the amount of the Sales Charge payable with respect to such month, then the relevant Sales Charge with respect to such month shall not be paid in such month, but shall be payable in the next month.

The Shareholders in Japan are required to entrust the custody of their Shares represented by a global certificate with Nikko. The matters concerning the receipt are in accordance with the Contract.

The subscription amount of Shares shall be paid in yen and the yen exchange rate shall be the exchange rate which shall be based on the foreign exchange rate quoted in the Tokyo Foreign Exchange Market on the Trade Day of each subscription and which shall be determined by such Handling Securities Company. Provided, however, that such subscription amount may be paid in dollars to the extent acceptable to Handling Securities Company, such as by means of wire transfer through banks.

In addition, the Handling Securities Companies in Japan who are members of the Japan Securities Dealers Association cannot continue sales of the Shares in Japan when the net assets of the Fund are less than Yen 100,000,000 or the Shares otherwise cease to comply with the "Standards of Selection of Foreign Investment Fund Securities" established by the Japan Securities Dealers Association.

c. Other Purchase Information

In the interest of economy and convenience, certificates for Shares will not be issued to the investors in the U.S. For description of the Shares of the investors in Japan, see "(5) Custody of Shares" below.

The Trust and the Distributor each reserves the right, in its sole discretion, to suspend the offering of Administrative Class Shares or to reject any purchase order, in whole or in part, or to redeem Administrative Class Shares, in whole or in part, when, in the judgment of management, such suspension or rejection is in the best interests of the Trust. The Trust and the Distributor may also waive the minimum initial investment for certain investors.

The Trust and Advisor each reserves the right to restrict purchases of Administrative Class Shares when a pattern of frequent purchases and sales made in response to short-term fluctuation in share price appears evident.

(2) Repurchase of Shares:

a. Repurchase in the United States

Redemptions by Mail

Administrative Class Shares may be redeemed by submitting a written request to the Trust, stating the Fund from which the Administrative Class Shares are to be redeemed, the class of shares, the number or dollar amount of the Shares to be redeemed and the account number. The request must be signed exactly as the names of the registered owners appear on the Trust's account records, and the request must be signed by the minimum number of persons designated on the Client Registration Application that are required to effect a redemption.

Redemptions by Telephone or Other Wire Communication

If an election is made on the Client Registration Application (or subsequently in writing), redemptions of Administrative Class Shares may be requested by calling the Trust or by other means of wire communication. Investors should state the Fund and class from which the Administrative Class Shares are to be redeemed, the number or dollar amount of the Administrative Class Shares to be redeemed and the account number. Redemption requests of an amount of \$10 million or more may be initiated by telephone, but must be confirmed in writing by an authorized party prior to processing.

In electing a telephone redemption, the investor authorizes PIMCO and the Transfer Agent to act on telephone instructions from any person representing himself to be the investor, and reasonably believed by PIMCO and the Transfer Agent to be genuine. Neither the Trust nor its Transfer Agent will be liable for any loss, cost or expense for acting on instructions (whether in writing or by telephone) believed by the party receiving such instructions to be genuine and in accordance with the procedures described in the prospectus describing the Shares. Shareholders should realize that by electing the telephone or wire redemption option, they may be giving up a measure of security that they might have if they were to redeem their shares in writing. Furthermore, interruptions in telephone service may mean that a shareholder will be unable to effect a redemption by telephone when desired. The Transfer Agent provides written confirmation of transactions initiated by telephone as a procedure designed to confirm that telephone instructions are genuine (written confirmation is also provided for redemption requests received in writing). All telephone transactions are recorded, and PIMCO or the Transfer Agent may request certain information in order to verify that the person giving instructions is authorized to do so. All redemptions, whether initiated by letter or telephone, will be

processed in a timely manner and proceeds will be forwarded by wire in accordance with the redemption policies of the Trust detailed below.

Shareholders may decline telephone redemption privileges after an account is opened by instructing the Transfer Agent in writing at least seven business days prior to the date the instruction is to be effective. Shareholders may experience delays in exercising telephone redemption privileges during periods of abnormal market activity. During periods of volatile economic or market conditions, shareholders may wish to consider transmitting redemption orders by telegram, facsimile or overnight courier.

Other Redemption Information

Redemption requests for Shares are effected at the net asset value per share next determined after receipt in good order of the redemption request by the Trust or its designee. A redemption request received by the Trust or its designee prior to 4:00 p.m. Eastern time on a day the Trust is open for business is effective on that day. A redemption request received after that time becomes effective on the next business day.

Payment of the redemption price will ordinarily be wired to the investor's bank one business day after the redemption request, but may take up to seven business days. Redemption proceeds will be sent by wire only to the bank name designated on the Client Registration Application.

For shareholder protection, a request to change information contained in an account registration (for example, a request to change the bank designated to receive wire redemption proceeds) must be received in writing, signed by the minimum number of persons designated on the Client Registration Application that are required to effect a redemption, and accompanied by a signature guarantee from any eligible guarantor institution, as determined in accordance with the Trust's procedures.

b. Repurchase in Japan

The Shareholders in Japan may request for repurchase of their Shares only on the last Fund Business Day in each month. For such purpose, such Shareholders may entrust the repurchase (as of the last Fund Business Day in each month) with the Handling Securities Company during the period of five business days in Japan on and prior to the last Fund Business Day in each month. The request for repurchase is made to the Trust through PIMCO Funds Distributors LLC, the Distributor, and through the Handling Securities Company. The repurchase may be made per Share. The repurchase price is equal to the net asset value per Share on the Fund Business Day on which the Trust receives the request for repurchase. The Trade Day for each repurchase is the business day in Japan on which the Handling Securities Company receives a confirmation from the Trust or any designated entity thereof to the effect that the repurchase order is executed (such confirmation may usually be received in Japan on the business day in Japan immediately after the last Fund Business Day on which the relevant request for repurchase is made). The settlement is usually made on the third business day in Japan immediately after the Trade Day for the relevant repurchase. Provided, however, that the Shareholder in Japan who requests the repurchase of Share will cease to be a Shareholder as of the date on which the Trust receives, through the Handling Securities Company, and confirms the execution of, the relevant repurchase. In case the request for repurchase is made, the dividend shall be paid from and including the date of settlement of each subscription of Shares on which the subscription amount of Shares is received by the Trust (or, if any dividend is already paid, from the first Fund Business Day of the month in which the request for repurchase is made) to and including the date immediately prior to the first Fund Business Day of the next month. If all or any part of the Sales Charge is not yet paid when the request for repurchase is made, then the unpaid Sales Charge shall be deducted from the repurchase price. The repurchase shall be paid in yen through the Handling Securities Company in accordance with the Contract. The yen exchange rate therefor shall be the exchange rate which shall be based on the foreign exchange rate quoted in the Tokyo Foreign Exchange Market on the Trade Day of each repurchase and which shall be determined by such Handling Securities Company; provided, however, that such repurchase price may be paid in dollars to the extent acceptable to the Handling Securities Company, such as by means of wire transfer to banks.

(3) Suspension of Repurchase:

The Fund may suspend shareholders' right of redemption, or postpone payment for more than seven days, if the Exchange is closed for other than customary weekends or holidays, or if permitted by the rules of the SEC during periods when trading on the Exchange is restricted or during any emergency which makes it impracticable for the Fund to dispose of its securities or to determine fairly the value of its net assets, or during any other period permitted by order of the SEC for protection of investors.

(4) Trust's right to redeem Shares

Due to the relatively high cost of maintaining small accounts, the Trust

reserves the right to redeem Administrative Class Shares of the Trust in any account for their then-current value (which will be promptly paid to the investor) if at any time, due to redemption by the investor, the Administrative Class Shares in the account do not have a value of at least \$100,000. A shareholder will receive advance notice of a mandatory redemption and will be given at least 30 days to bring the value of its account up to at least \$100,000, or \$10,000 as the case may be. This mandatory redemption policy does not apply to participants in PIMCO Advisors Portfolio Strategies, managed product sponsored by PIMCO Advisors.

The Trust agrees to redeem shares of the Fund solely in cash up to the lesser of \$250,000 or 1% of the net assets during any 90-day period for any one shareholder. In consideration of the best interests of the remaining shareholders, the Trust reserves the right to pay any redemption proceeds exceeding this amount in whole or in part by a distribution in kind of securities held by the Fund in lieu of cash. It is highly unlikely that Administrative Class Shares would ever be redeemed in kind. If Administrative Class Shares are redeemed in kind, however, the redeeming shareholder should expect to incur transaction costs upon the disposition of the securities received in the distribution.

(5) Custody of Shares:

In the interest of economy and convenience, certificates for Shares will not be issued to shareholders in the U.S.

To shareholders in Japan, the Trust shall issue a global certificate representing Shares held by such shareholders, and such global certificate shall be held in custody in the name of Nikko by the Custodian, the Distributor or any designated entity thereof; provided, however, that neither Nikko nor shareholders in Japan can withdraw the said global certificate or any part thereof from the custody, or request the Trust to issue of any certificate (in definitive form or otherwise) representing any Share. Shareholders in Japan shall be required to entrust the custody of their Shares with Nikko.

D. Miscellaneous:

(1) Duration and Liquidation:

Unless terminated, the Fund shall continue without limitation of time. The Fund may be terminated at any time by a vote of the Shareholders holding a majority of the shares entitled to a vote or by written instrument signed by a majority of the Trustees.

(2) Accounting Year:

The accounts of the Fund will be closed each year on March 31.

(3) Authorized Shares:

There is no prescribed authorized number of shares, and shares may be issued from time to time.

(4) Amended and Restated Declaration of Trust:

Originals or copies of the Amended and Restated Declaration of Trust, as amended, are maintained in the office of the Trust and are made available for public inspection for the shareholders on such terms as are conferred by law or authorized by the Trustees or by resolutions of the shareholders. Originals or copies of the Amended and Restated Declaration of Trust, as amended, are on file in the United States with the Secretary of State of the Commonwealth of Massachusetts.

The Amended and Restated Declaration of Trust may be amended at any time by vote of shareholders holding a majority of the shares entitled to vote, except that an amendment which shall affect the holders of one or more series or classes of shares but not the holders of all outstanding series and classes shall be authorized by vote of the shareholders holding a majority of the shares entitled to vote of each series and class affected and no vote of shareholders of a series or class not affected shall be required. Amendments having the purpose of changing the name of the Trust or of supplying any omission, or curing, correcting or supplementing any ambiguous, defective or inconsistent provision contained in the Amended and Restated Declaration of Trust, or of making any other change that does not materially adversely affect the rights of shareholders, or if the Trustees deem it necessary to conform the Amended and Restated Declaration of Trust to the requirements of applicable state or federal laws or regulations, including the U.S. Internal Revenue Code, shall not require authorization by shareholder vote.

In Japan, material changes in the Amended and Restated Declaration of Trust shall be published or notice thereof shall be sent to the Japanese Shareholders.

(5) Issue of Warrants, Subscription Rights, etc.:

The Trust may not grant privileges to purchase shares of the Fund to shareholders or investors by issuing warrants, subscription rights or options, or other similar rights.

(6) How Performance Is Shown:

The Trust may, from time to time, include the yield and total return for Administrative Class Shares of the Fund in advertisements or reports to shareholders or prospective investors. Quotations of yield will be based on the investment income per share (as defined by the SEC) during a particular 30-day (or one-month) period (including dividends and interest), less expenses accrued during the period ("net investment income"), and will be computed by dividing net investment income by the maximum public offering price per share on the last day of the period.

Quotations of average annual total return will be expressed in terms of the average annual compounded rate of return of a hypothetical investment over periods of one, five and ten years (up to the life of the Fund), reflect the deduction of a proportional share of expenses (on an annual basis), and assume that all dividends and distributions are reinvested when paid. Total return is measured by comparing the value of an investment in the Fund at the beginning of the relevant period to the redemption value of the investment in the Fund at the end of the period (assuming immediate reinvestment of any dividends or capital gains distributions at net asset value). The Fund may advertise total return using alternative methods that reflect all elements of return, but that may be adjusted to reflect the cumulative impact of alternative fee and expense structures, such as the currently effective advisory and administrative fees for the Fund. Consistent with SEC rules and informal guidance, for periods prior to the initial offering date of Administrative Class Shares of the Fund, total return presentations for the class will be based on the historical performance of an older class of the Fund (the "Institutional Class"), but not reflecting any higher operating expenses (such as distribution and servicing fees) associated with the Shares. All other things being equal, such higher expenses would have adversely affected (i.e., reduced) total return for Administrative Class Shares by the amount of such higher expenses, compounded over the relevant period. For the one-year, and five-year periods ended March 31, 2000, the average annual total return for Shares of the Fund was 2.07% and 7.75%, respectively. For the period from the September 8, 1994 inception of the Administrative Class of the Fund through March 31, 2000, the annualized total return of the Shares of the Fund was 7.66%. The 30-day yield for the Shares of the Fund for the period ended March 31, 2000 was 6.56%. The Trust also may provide current distribution information to its shareholders in shareholder reports or other shareholder communications, or in certain types of sales literature provided to prospective investors. Current distribution information for the Administrative Class Shares of the Fund will be based on distributions for a specified period (i.e., total dividends from net investment income), divided by the class net asset value per share on the last day of the period and annualized. The rate of current distributions does not reflect deductions for unrealized losses from transactions in derivative instruments such as options and futures, which may reduce total return. Current distribution rates differ from standardized yield rates in that they represent what the Administrative Class Shares of the Fund has declared and paid to shareholders as of the end of a specified period rather than the Fund's actual net investment income for that period.

Performance information for the Trust may also be compared to various unmanaged indexes, as well as to indexes prepared for entities or organizations which track the performance of investment companies or investment advisors. Unmanaged indexes generally do not reflect deductions for administrative and management costs and expenses. PIMCO may also report to shareholders or to the public in advertisements concerning the performance of PIMCO as advisor to clients other than the Trust, and on the comparative performance or standing of PIMCO in relation to other money managers. Such comparative information may be compiled or provided by independent ratings services or by news organizations. Any performance information, whether related to the Fund or to the Advisor, should be considered in light of the Fund's investment objective and policies, characteristics and quality of the portfolio, and the market conditions during the time period indicated, and should not be considered to be representative of what may be achieved in the future.

Investment results will fluctuate over time, and any presentation of total return or yield for any prior period should not be considered as a representation of what an investor's total return or yield may be in any future period.

(B) Outline of Disclosure System:

(1) Disclosure in U.S.A.:

(i) Disclosure to shareholders

In accordance with the 1940 Act, the Trust is required to send to

its shareholders annual and semi-annual reports containing financial information.

(ii) Disclosure to the SEC

The Trust has filed a registration statement with the SEC on Form N-1A; the Trust updates that registration statement periodically in accordance with the 1933 Act and the 1940 Act.

(2) Disclosure in Japan:

a. Disclosure to the Supervisory Authority:

(i) Disclosure under the Securities and Exchange Law

When the Fund intends to offer the shares amounting to more than 100 million yen in Japan, it shall submit to the Director of Kanto Local Finance Bureau of Japan securities registration statements together with the copies of the Amended and Restated Declaration of Trust and the agreements with major related companies as attachments thereto. The said documents are made available for public inspection for investors and any other persons who desire at the Kanto Local Finance Bureau.

The Handling Securities Companies of the shares shall deliver to the investors prospectuses the contents of which are substantially identical to Part I and Part II of the securities registration statements. For the purpose of disclosure of the financial conditions, etc., the Trustees shall submit to the Director of Kanto Local Finance Bureau of Japan securities reports within 6 months of the end of each fiscal year, semi-annual reports within 3 months of the end of each semi-annual period and extraordinary reports from time to time when changes occur as to material subjects of the Fund. These documents are available for public inspection for the investors and any other persons who desire at the Kanto Local Finance Bureau.

(ii) Notification, etc. under the Law Concerning Securities Investment Trusts and Securities Investment Corporations

In order to deal with the subscription, etc. of the Shares, the Fund shall, in advance, notify certain matters concerning the Fund to the Head of the Financial Supervisory Agency in accordance with the Law Concerning Securities Investment Trusts and Securities Investment Corporations (Law No. 198 of 1951) (hereinafter referred to as the "Investment Trust Law"). Also, in case of an amendment to the Amended and Restated Declaration of Trust of the Fund and the agreements of the Fund, the Fund shall, in advance, notify such effect and contents thereof to the Head of the Financial Supervisory Agency. Furthermore, the Fund shall, promptly after each fiscal period of the Fund is closed, make and file with the Head of the Financial Supervisory Agency an investment report on certain matters concerning the assets of the Fund in accordance with the Investment Trust Law.

b. Disclosure to Japanese Shareholders:

The Japanese Shareholders will be notified of the material facts which would change their position, including material amendments to the Amended and Restated Declaration of Trust of the Trust, and of notices from the Trustees, through the Handling Securities Companies.

The financial statements shall be sent to the Japanese shareholders through the Handling Securities Companies or the summary thereof shall be carried in daily newspapers.

(C) Restrictions on Transactions with Interested Parties:

None of the portfolio securities of the Fund may be purchased from or sold or loaned to any Trustee of the Trust, Pacific Investment Management Company LLC, acting as investment adviser of the Trust, or any affiliate thereof or any of their directors, officers or employees, or any major shareholder thereof (meaning a shareholder who holds to the actual knowledge of Pacific Investment Management Company LLC, on his own account whether in his own or other name (as well as a nominee's name), 10% or more of the total issued outstanding shares of such a company) acting as principal or for their own account unless the transaction is made within the investment restriction and set forth in the Fund's prospectus and statement of additional information and either (i) at a price determined by current publicly available quotations (including a dealer quotation) or (ii) at competitive prices or interest rates prevailing from time to time on internationally recognized securities markets or internationally recognized money markets (including dealer quotation).

4. INFORMATION CONCERNING THE EXERCISE OF RIGHTS BY SHAREHOLDERS, ETC.

(A) Rights of Shareholders and Procedures for Their Exercise:

Shareholders must register their shares in their own name in order to exercise directly their rights as shareholders. Therefore, shareholders in Japan cannot exercise directly their shareholders' rights, because their Shares are registered in the name of Nikko. Shareholders in Japan may have the Handling Securities Companies exercise their rights on their behalf in accordance with the Account Agreement with the Handling Securities Companies. The major rights enjoyed by Shareholders are as follows:

(i) Voting rights

Each share has one vote, with fractional shares voting proportionally. Shares of the Fund will vote together as a single class except when otherwise required by law or as determined by the Trustees. Although the Fund is not required to hold annual meetings of its shareholders, shareholders holding at least 10% of the outstanding shares entitled to vote have the right to call a meeting for the purpose of removing a Trustee.

(ii) Repurchase rights

Shareholders are entitled to request repurchase of shares at their net asset value at any time.

(iii) Rights to receive dividends

Shareholders are entitled to receive any distribution declared by the Trustees. Distributions are generally made from net investment income monthly and from any net realized capital gains at least annually.

Shareholders may choose two distribution options, though investors in Japan may only choose the last alternative.

- Reinvest all distributions in additional Shares without a sales charge; or
- Receive distributions from net investment income and capital gains distributions in cash.

(iv) Right to receive distributions upon dissolution

Shareholders of the Fund are entitled to receive distributions upon dissolution in proportion to the number of shares then held by them, except as otherwise required.

(v) Right to inspect accounting books and the like

The Trustees shall from time to time determine whether and to what extent, and at what times and places, and under what conditions and regulations the accounts and books of the Trust or any of them shall be open to the inspection of the shareholders; and no shareholder shall have any right to inspect any account or book or document of the Trust except as conferred by laws or authorized by the Trustees or by resolution of the shareholders.

(vi) Right to transfer shares

Shares are transferable without restriction except as limited by applicable law.

(vii) Rights with respect to the U.S. registration statement

If, under the 1933 Act, there is any false statement concerning any material information in the U.S. registration statement, or any omission of any statement of material information necessary to be stated therein to avoid materially misleading investors, shareholders are generally entitled to institute a lawsuit, against a person who signed the relevant registration statement, including a trustee of the issuer (or any person placed in the same position) at the time of filing such statement, as well as certain persons involved in preparing such statement.

(B) Tax Treatment of Shareholders in Japan:

The tax treatment of shareholders in Japan shall be as follows:

(1) The distributions to be made by the Fund will be treated as distributions made by a domestic investment trust.

- a. The distributions to be made by the Fund to Japanese individual shareholders will be subject to separate taxation from other income (i.e. withholding of income tax at the rate of 15% and withholding of local taxes at the rate of 5% in Japan). In this case, no report concerning distributions will be filed with the

Japanese tax authorities.

- b. The distributions to be made by the Fund to Japanese corporate shareholders will be subject to withholding of income tax at the rate of 15% and to withholding of local taxes at the rate of 5% in Japan. In certain cases, the Handling Securities Companies will prepare a report concerning distributions and file such report with the Japanese tax authorities.
- c. Net investment returns such as dividends, etc. and distributions of short-term net realized capital gain, among distributions on shares of the Fund, will be, in principle, subject to withholding of U.S. federal income tax at the rate of 15% and the amount obtained after such deduction will be paid in Japan.

Distributions of long-term net realized capital gain will not be subject to withholding of U.S. federal income tax and the full amount thereof will be paid in Japan. The amount subject to withholding of U.S. federal income tax may be deducted from the tax levied on a foreign entity in Japan.

The Japanese withholding tax imposed on distributions as referred to in a. and b. above will be collected by way of so-called "difference collecting method." In this method only the difference between the amount equivalent to 20% of the distributions before U.S. withholding tax and the amount of U.S. withholding tax withheld in the U.S. will be collected in Japan.

- (2) The provisions of Japanese tax laws giving the privilege of a certain deduction from taxable income to corporations, which may apply to dividends paid by a domestic corporation, shall not apply.
- (3) Capital gains and losses arising from purchase and repurchase of the Shares shall be treated in the same way as those arising from purchase and sale of a domestic investment trust. The distribution of the net liquidation assets shall be also treated in the same way as those arising from liquidation of a domestic investment trust.

(C) Foreign Exchange Control in U.S.A.:

In the United States, there are no foreign exchange control restrictions on remittance of dividends, repurchase money, etc. of the Shares to Japanese shareholders.

(D) Agent in Japan:

Hidetaka Mihara
Attorney-at-law
Nagashima Ohno & Tsunematsu
Kioicho Building,
3-12, Kioicho, Chiyoda-ku, Tokyo

The foregoing law firm is the true and lawful agent of the Trust to represent and act for the Trust in Japan for the purpose of;

- (1) the receipt of any and all communications, claims as to matters involving problems under the laws and the rules and regulations of the JSDA and
- (2) any and all judicial and extra-judicial acts and things on behalf of the Trust in connection with any and all disputes, and legal proceedings relating to the sale, offer and repurchase transactions in Japan of the Shares of the Fund.

The agent for the registration with the Director of Kanto Local Finance Bureau of the continuous disclosure is each of the following persons:

Hidetaka Mihara
Yasuyuki Takayama
Attorneys-at-law
Nagashima Ohno & Tsunematsu
Kioicho Building,
3-12, Kioicho, Chiyoda-ku, Tokyo

(E) Jurisdiction:

Limited only to litigation brought by Japanese investors regarding transactions relating to (D) (2) above, the Fund has agreed that the following court has jurisdiction over such litigation and the Japanese law is applicable thereto:

Tokyo District Court
1-4, Kasumigaseki 1-chome
Chiyoda-ku, Tokyo

5. INVESTMENT CONDITIONS

A. Conditions of the Investment

(As of September 30, 2000)

Kinds of Assets	Name of country	Total Value (rounded in thousands)	Investment Ratio(%)
US Treasury Obligation	U.S.	4,852,539	13.7
US Agency Obligation	U.S.	292,846	0.8
Mortgage-Backed Securities	U.S.	26,058,715	73.3
Asset-Backed Securities	U.S.	2,931,252	8.2
Corporate Bonds	U.S.	14,554,070	40.9
Foreign Currency-Denominated Issues	Argentina	52,320	0.1
	Austria	789	0.0
	Brazil	1,797	0.0
	Canada	6,299	0.0
	Chanel Islands	7,501	0.0
	Germany	185,425	0.5
	Mexico	262,759	0.7
	Netherlands	95,762	0.3
	New Zealand	31,155	0.1
	Philippines	9,171	0.0
	Scotland	214,381	0.6
	South Korea	101,229	0.3
	United Kigdom	14,244	0.0
			2.8
Sovereign Issues (US Dollar)	Argentina	1,311	0.0
	Brazil	197,084	0.6
	Bulgaria	82,370	0.2
	Canada	65,050	0.2
	Chile	23,528	0.1
	Columbia	9,946	0.0
	Croatia	7,489	0.0
	Greece	20,294	0.1
	Israel	25	0.0
	Jordan	10,462	0.0
	Kazakhstan	4,936	0.0
	Mexico	153,500	0.4
	Panama	9,972	0.0
	Peru	9,742	0.0
	Philippines	17,128	0.0
	Poland	42,700	0.1
	Sweden	593	0.0

	Uruguay	2,291	0.0
	Venezuela	13,937	0.0
			1.9
Preferred Stock	U.S.	63,315	0.2
Convertible Bonds & Notes	U.S.	1,454	0.0
Net Cash & Equivalents	U.S.	2,954,716	8.3
Municipal Bonds & Notes	U.S.	316,367	0.9
Preferred Security	U.S.	352,379	1.0
Purchase Call Options	U.S.	16,246	0.0
Purchase Put Options	U.S.	490	0.0
Written Options		(35,447)	-0.1
Other Assets & Liabilities		(18,465,617)	-51.9
Net Assets		\$35,548,715	100.0

</TABLE>

* Investment ratio is calculated by dividing each asset at its market value by the total Net Asset Value of the Fund.

As of March 31, 2000, 58.6%, 7.2%, 18.1%, 12.2%, 3.4% and 0.5% of the total Net Assets of the Fund was invested in securities rated AAA (or its equivalent), AA (or its equivalent), A (or its equivalent), BBB (or its equivalent), BB (or its equivalent) and B (or its equivalent) respectively.

B. Results of Investment

(1) Movement in Net Assets (Administrative Class Shares)

- (i) Movement in Net Assets as of the end of the indicated fiscal years and as of the end of each month within one year prior to September 30, 2000 is as follows:

<TABLE>

<S>	<C>		<C>	
	Dollar (Thousand)	Yen (Million)	Dollar	Yen
	Total Net Asset		Net Asset Value per Share	
The First FY End of March 1995	9,037	985.5	10.01	1,091.6
The Second FY End of March 1996	104,618	11,408.6	10.29	1,122.1
The Third FY End of March 1997	151,194	16,487.7	10.27	1,119.9
The Fourth FY End of March 1998	481,730	52,532.7	10.62	1,158.1
The Fifth FY End of March 1999	1,972,984	215,153.9	10.36	1,129.8
The Sixth FY End of March 2000	3,226,218	351,819.1	9.96	1,086.1
End of April, 1999	2,040,322	222,497.1	10.36	1,129.8
May, 1999	2,150,743	234,538.5	10.20	1,112.3
June, 1999	2,364,987	257,901.8	10.13	1,104.7
July, 1999	2,495,676	272,153.5	10.04	1,094.9

August, 1999	2,759,113	300,881.3	10.00	1,090.5
September, 1999	2,873,555	313,361.2	10.06	1,097.0
October, 1999	3,079,780	335,850.0	10.04	1,094.9
November, 1999	3,104,747	338,572.7	10.01	1,091.6
December, 1999	3,111,352	339,292.9	9.90	1,079.6
January, 2000	3,058,126	333,488.6	9.80	1,068.7
February, 2000	3,095,870	337,604.6	9.87	1,076.3
March, 2000	3,226,218	351,819.1	9.96	1,086.1
April, 2000	3,285,537	358,287.8	9.88	1,077.4
May, 2000	3,326,628	362,768.8	9.82	1,070.9
June, 2000	3,469,570	378,356.6	9.97	1,087.2
July, 2000	3,609,016	393,563.2	10.01	1,091.6
August, 2000	3,722,153	405,900.8	10.11	1,102.5
September, 2000	3,800,522	414,446.9	10.09	1,100.3

(Note) Operations of Administrative Class Shares were commenced on September 8, 1994.

</TABLE>

(2) Movement in Dividend (Administrative Class Shares)

Movement in Dividend for the indicated periods is as follows:

<TABLE>

Period	Income Dividend	Capital Gain Dividend
1st FY September 7, 1994-March 31, 1995	0.354382150	0
2nd FY April 1, 1995-March 31, 1996	0.685025997	0.11994
3rd FY April 1, 1996-March 31, 1997	0.656652864	0
4th FY April 1, 1997-March 31, 1998	0.618120145	0.26963
5th FY April 1, 1998-March 31, 1999	0.606797018	0.41889
6th FY April 1, 1999-March 31, 2000	0.602168313	0
April, 2000	0.050489875	0
May, 2000	0.056365851	0
June, 2000	0.056038990	0
July, 2000	0.049865001	0
August, 2000	0.055589744	0
September, 2000	0.053521880	0

</TABLE>

C. Results of Sales and Repurchases

Results of sales and repurchases during each of the following periods and number of outstanding shares of the Fund as of the end of such periods are as follows:

<TABLE>

Number of	in Japan	Number of	in Japan	Number of	in Japan
Shares		Shares		Outstanding	

	Shares sold		repurchased		Shares	
1st FY 1994/9/7-1995/3/31	942,000	0	40,000	0	902,000	0
2nd FY 1995/4/1-1996/3/31	11,624,000	0	2,359,000	0	10,167,000	0
3rd FY 1996/4/1-1997/3/31	13,723,000	0	9,168,000	0	14,722,000	0
4th FY 1997/4/1-1998/3/31	41,794,000	0	11,156,000	0	45,360,000	0
5th FY 1998/4/1-1999/3/31	172,829,000	71,631,940	27,767,000	2,534,042	190,436,000	69,097,898
6th FY 1999/4/1-2000/3/31	229,605,000	33,617,700	95,333,000	18,783,550	324,708,000	83,932,048
April, 2000	14,617,466	263,470	8,007,788	1,192,335	332,545,590	83,014,513
May, 2000	10,532,090	206,730	6,830,211	1,102,655	338,798,201	82,198,588
June, 2000	10,867,437	406,790	4,410,742	897,275	346,612,280	81,708,103
July, 2000	13,442,007	498,310	6,511,520	3,159,925	360,665,024	79,046,488
August, 2000	13,729,450	837,870	7,770,902	2,126,290	369,125,842	77,758,068
September, 2000	13,128,958	1,440,620	5,783,804	1,775,948	377,052,428	77,422,740

</TABLE>

(Note) The Shares were sold in Japan starting on July 22, 1998. Due to rounding, the figures in the table may not be aggregated up.

II. OUTLINE OF THE TRUST

1. Trust

(A) Law of Place of Organization

PIMCO Total Return Fund is a diversified series of PIMCO Funds, a Massachusetts business trust organized in Massachusetts, U.S.A. on February 19, 1987.

Chapter 182 of the Massachusetts General Laws prescribes the fundamental matters in regard to the operations of certain business trusts constituting voluntary associations under that chapter.

The Trust is an open-end, management investment company under the Investment Company Act of 1940.

(B) Outline of the Supervisory Authority

Refer to I - 1 (B) Outline of the Supervisory Authority.

(C) Purpose of the Trust

The purpose of the Trust is to provide investors a trust for the investment and reinvestment of funds contributed thereto.

(D) History of the Trust

Refer to I-I (D) History of the Fund

(E) Amount of Capital

Not applicable.

(F) Structure of the management of the Trust

The Trustees are responsible for generally overseeing the conduct of the Trust's business. The Amended and Restated Declaration of Trust provides that they shall have all powers necessary, proper or desirable to promote the interests of the Trust. The number of Trustees is fixed by the Trustees and may not be less than one nor more than fifteen. Trustees are elected by the shareholders, except that, in the event of a vacancy on the board, a Trustee may be appointed by the Trustees. At any meeting called for the purpose or by declaration in writing, a Trustee may be removed by vote of two-thirds of the outstanding shares of the Trust. Each Trustee shall serve until he or she

retires, resigns, is removed, or dies, or until such time as less than a majority of Trustees holding office have been elected by shareholders, and thereafter until the holding of a shareholders' meeting for the election of Trustees.

The Trustees of the Trust are authorized by the Amended and Restated Declaration of Trust to issue shares of the Trust in one or more series with variations in relative rights and preferences as fixed and determined by the Trustees. The Trustees may amend the Amended and Restated Declaration of Trust, at any time and from time to time, in such manner as the Trustees may determine in their sole discretion to add to, delete, replace or otherwise modify any provisions relating to the shares contained in the Amended and Restated Declaration of Trust, provided that shareholder approval of such action shall be obtained to the extent required by the 1940 Act, as amended from time to time, or other applicable law.

Under the Amended and Restated Declaration of Trust the shareholders shall have power, as and to the extent provided therein, to vote only (i) for the election of Trustees, to the extent provided therein (ii) for the removal of Trustees, to the extent provided therein (iii) with respect to any investment advisory contract, to the extent provided therein (iv) with respect to termination of the Trust, to the extent provided therein (v) with respect to incorporation of the Trust to the extent provided therein, (vi) with respect to certain amendments of the Amended and Restated Declaration of Trust, to the extent provided therein, (vii) to the same extent as the stockholders of a Massachusetts business corporation as to whether or not a court action, proceeding, or claim should or should not be brought or maintained derivatively or as a class action on behalf of the Trust or the shareholders, and (viii) with respect to such additional matters relating to the Trust as may be required by the Amended and Restated Declaration of Trust, the By-laws of the Trust, or any registration of the Trust with the SEC (or any successor agency) or as the Trustees may consider necessary or desirable. Certain of the foregoing actions may, in addition, be taken by the Trustees without vote of the shareholders of the Trust.

Each share of the Fund shall be entitled to one vote (or fraction thereof in respect of a fractional share) on matters on which such shares of the Fund shall be entitled to vote. Shareholders of each series shall vote separately as a class on any matter, except, consistent with the 1940 Act, as amended from time to time, and the rules and the Trust's registration statement thereunder, with respect to (i) the election of Trustees, (ii) any amendment of the Amended and Restated Declaration of Trust, unless the amendment affects fewer than all classes of shares, in which case only shareholders of the affected classes shall vote, and (iii) ratification of the selection of auditors, and except when the Trustees have determined that the matter affects only the interests of shareholders of a particular class of shares, in which case only the shareholders of such class shall be entitled to vote thereon. In each case of separate voting, the Trustees shall determine whether, for the matter to be effectively acted upon within the meaning of Rule 18f-2 under the 1940 Act (or any successor rule) as to a series or class, the applicable percentage (as specified in the Amended and Restated Declaration of Trust, or the 1940 Act and the rules thereunder) of the shares of that series or class alone must be voted in favor of the matter, or whether the favorable vote of such applicable percentage of the shares of each series or class entitled to vote on the matter is required. There is no cumulative voting.

Meetings of shareholders shall be held whenever ordered in writing or by resolution of a majority of the Trustees. Written notice of any meeting of shareholders must be given by mailing the notice at least ten days before the meeting. A majority of shares entitled to vote on a particular matter is a quorum for the transaction of business on that matter at a shareholders' meeting, except that, where any provision of law or of the Amended and Restated Declaration of Trust permits or requires that holders of any series or class vote as an individual series or class, then a majority of the aggregate number of shares of that series or class entitled to vote are necessary to constitute a quorum for the transaction of business by that series or class. For the purpose of determining the shareholders of any class or series of shares who are entitled to vote or act at any meeting, or who are entitled to receive payment of any dividend or other distribution, the Trustees are authorized to fix record dates, which may not be more than 60 days before the date of any meeting of shareholders or distribution or other action, except for dividend payments.

The Trustees are authorized by the Amended and Restated Declaration of Trust to adopt Bylaws not inconsistent with the Amended and Restated Declaration of Trust providing for the conduct of the business of the Trust. The Bylaws contemplate that the Trustees shall elect the President, the Treasurer, and the Secretary of the Trust, and that other officers, if any, may be elected or appointed by the Trustees at any time. The By-laws may be amended or repealed, in whole or in part, by a majority of the Trustees or a majority of the shares outstanding and entitled to vote.

Regular meetings of the Trustees may be held without notice at such places and at such times as the Trustees may from time to time determine. It

shall be sufficient notice to a Trustee of a special meeting to send notice by mail at least two days or by telegraph, cable, wireless or personal delivery at least one day before the meeting. Such notice may be waived by a Trustee.

At any meeting of Trustees, a majority of the Trustees then in office shall constitute a quorum.

Except as otherwise provided by law, the Amended and Restated Declaration of Trust or the Bylaws, any action to be taken by the Trustees may be taken by a majority of the Trustees present at a meeting (a quorum being present), or by written consents of a majority of the Trustees then in office.

Subject to any necessary shareholder approval, the Trustees may contract for exclusive or nonexclusive advisory, management or administrative services.

The Amended and Restated Declaration of Trust contains provisions for the indemnification of Trustees, officers, and shareholders of the Trust under the circumstances and on the terms specified therein.

The Trust or any series of the Trust may be terminated at any time by vote of shareholders holding a majority of the shares outstanding and entitled to vote, or by a majority of the Trustees by signed written instrument.

The foregoing is a general summary of certain provisions of the Amended and Restated Declaration of Trust and By-laws of the Trust, and is qualified in its entirety by reference to each of those documents.

(G) Information Concerning Major Shareholders

Not applicable.

(H) Information Concerning Directors, Officers and Employees

(1) Trustees and Officers of the Trust

<TABLE>

<S> <C> <C> <C> <C> <C>

(as of the filing date of this document)

Name	Office and Title	Resume	Shares owned
Brent R. Harris	Chairman of the Board and Trustee	Managing Director, PIMCO; Board of Governors, Investment Company Institute; Chairman and Director, PIMCO Commercial Mortgage Securities Trust, Inc.; Chairman and Trustee, PIMCO Variable Insurance Trust.	None
R. Wesley Burns	President and Trustee	Managing Director, PIMCO; President and Director, PIMCO Commercial Mortgage Securities Trust, Inc.; President and Trustee, PIMCO Variable Insurance Trust. Executive Vice President, PIMCO Funds: Multi-Manager Series. Formerly Executive Vice President, PIMCO.	None
Guilford C. Babcock	Trustee	Associate Professor of Finance, University of Southern California; Director, PIMCO Commercial Mortgage Securities Trust, Inc.; Trustee, PIMCO Variable Insurance Trust; Director, Growth Fund of America and Fundamental Investors Fund of the Capital Group; Director, Good Hope Medical Foundation.	None
E. Philip Cannon	Trustee	Proprietor, Cannon & Company, an affiliate of Inverness Management LLC, a private equity investment firm; Director, PIMCO Commercial Mortgage Securities Trust, Inc.; Trustee, PIMCO Variable Insurance Trust; Trustee of PIMCO Funds: Multi-Manager Series. Formerly, Headmaster, St. John's School, Houston, Texas; Trustee of PIMCO Advisors Funds ("PAF") and Cash Accumulation Trust ("CAT"); General Partner, J.B. Poindexter & Co., Houston, Texas, a private equity investment firm; and Partner, Iberia	None

		Petroleum Company, an oil and gas production company.	
Vern O. Curtis	Trustee	Private Investor; Director, PIMCO Commercial Mortgage Securities Trust, Inc.; Trustee, PIMCO Variable Insurance Trust; Director, Public Storage Business Parks, Inc., a Real Estate Investment Trust; Director, Fresh Choice, Inc. (restaurant company). Formerly charitable work, The Church of Jesus Christ of Latter Day Saints.	56,049.288
J. Michael Hagan	Trustee	Private Investor; Director, PIMCO Commercial Mortgage Securities Trust, Inc.; Trustee, PIMCO Variable Insurance Trust. Board of Directors for Ameron International (manufacturing), Freedom Communications, Remedy Temp (staffing) and Saint Gobain Company. Member of the Board of Regents at Santa Clara University, the Board of Taller San Jose, and the Board of Trustees of the South Coast Repertory Theater. Formerly, Chairman and CEO, Furon Company (manufacturing).	None
Thomas P. Kemp	Trustee	Private Investor, Director, PIMCO Commercial Mortgage Securities Trust, Inc.; Trustee, PIMCO Variable Insurance Trust. Formerly Co-Chairman, U.S. Committee to Assist Russian Reform; Director, Union Financial Corp.	2,026.875
William J. Popejoy	Trustee	President, Pacific Capital Investors; Chairman, PacPro (vinyl assembly products; formerly Western Printing); Director, PIMCO Commercial Mortgage Securities Trust, Inc.; Trustee, PIMCO Variable Insurance Trust. Formerly Director, California State Lottery; Chief Executive Officer, Orange County, California.	None
William H. Gross	Senior Vice President	Managing Director, PIMCO; Senior Vice President, PIMCO Variable Insurance Trust.	None
Margaret Isberg	Senior Vice President	Managing Director, PIMCO.	None
Jeffrey M. Sargent	Senior Vice President	Senior Vice President and Manager of Investment Operations Shareholder Services, PIMCO; Senior Vice President, PIMCO Commercial Mortgage Securities Trust, Inc. and PIMCO Variable Insurance Trust; Vice President, PIMCO Funds: Multi-Manager Series; Formerly, Vice President, PIMCO.	None
Leland T. Scholey	Senior Vice President	Senior Vice President, PIMCO. Formerly Vice President, PIMCO.	None
Michael G. Dow	Senior Vice President	Senior Vice President, PIMCO. Formerly Fixed Income Specialist, Salomon Brothers, Inc.; Vice President Operations, Citibank NA Global Consumer Banking Group.	None
Raymond C. Hayes	Vice President	Vice President, PIMCO. Formerly Marketing Director, Pacific Financial Asset Management Corporation.	None
Thomas J. Kelleher, III	Vice President	Vice President, PIMCO. Previously associated with Delaware Trust, Mellon Bank and Girard Trusts (bank trust departments).	None

Henrik P. Larsen	Vice President	Vice President and Manager, Fund Administration, PIMCO; Vice President, PIMCO Commercial Mortgage Securities Trust, Inc. and PIMCO Variable Insurance Trust. Formerly Supervisor, PIMCO.	None
Daniel T. Ludwig	Vice President	Account Manager, PIMCO. Formerly Vice President, Fidelity Investments; Institutional Sales Representative, CS First Boston.	None
Andre Mallegol	Vice President	Vice President, PIMCO. Formerly associated with Fidelity Investments Institutional Services Company.	None
Scott Millimet	Vice President	Vice President, PIMCO. Formerly Executive Vice President with Back Bay Advisors.	
James F. Muzzy	Vice President	Managing Director, PIMCO; Senior Vice President, PIMCO Variable Insurance Trust.	1,000,357.115
Douglas J. Ongaro	Vice President	Vice President, PIMCO. Formerly Regional Marketing Manager, Charles Schwab & Co., Inc.	None
David J. Pittman	Vice President	Vice President, PIMCO. Formally a senior executive with Bank of America, the Northern Trust Co. and NationsBank.	None
Mark Romano	Vice President	Vice President, PIMCO. Previously associated with Wells Fargo's institutional money management group and First Interstate's Pacifica family of mutual funds.	None
William S. Thompson, Jr.	Vice President	Chief Executive Officer and Managing Director, PIMCO; Senior Vice President, PIMCO Variable Insurance Trust. Vice President, PIMCO Commercial Mortgage Securities Trust, Inc.	None
John P. Hardaway	Treasurer	Senior Vice President, PIMCO; Treasurer, PIMCO Commercial Mortgage Securities Trust, Inc., PIMCO Funds: Multi-Manager Series and PIMCO Variable Insurance Trust. Formerly, Vice President of PIMCO.	105.759
Garlin G. Flynn	Secretary	Specialist, PIMCO; Secretary, PIMCO Commercial Mortgage Securities Trust, Inc. and PIMCO Variable Insurance Trust; Assistant Secretary, PIMCO Funds; Multi-Manager Series. Formerly Senior Fund Administrator, PIMCO.	None
Michael J. Willemsen	Assistant Secretary	Manager, PIMCO; Assistant Secretary, PIMCO Commercial Mortgage Securities Trust, Inc. and PIMCO Variable Insurance Trust. Formerly Project Lead, PIMCO.	None

</TABLE>

(2) Employees of the Trust

The Trust does not have any employees.

(I) Description of Business and Outline of Operation

The Trust may carry out any administrative and managerial act, including the purchase, sale, subscription and exchange of any securities, and the exercise of all rights directly or indirectly pertaining to the Fund's assets. The Trust has retained Pacific Investment Management Company LLC, the Investment Adviser and the Administrator, to render investment advisory and administrative services, State Street Bank and Trust Company to hold the assets of the Fund in

custody, and National Financial Data Services to act as the Transfer Agent and dividend disbursing agent.

(J) Miscellaneous

(1) Changes of Trustees and Officers

Trustees may be removed by a vote of two-thirds of the outstanding shares of the Trust at a meeting called for the purpose or by declaration in writing. In the event of vacancy, the remaining Trustees may fill such vacancy by appointing for the remaining term of the predecessor Trustee such other person as they in their discretion shall see fit. The Trustees may add to their number as they consider appropriate subject to having no more than fifteen Trustees serve on the Board. The Trustees may elect and remove officers as they consider appropriate.

(2) Amendment to the Amended and Restated Declaration of Trust

The Amended and Restated Declaration of Trust may be amended at any time by vote of shareholders holding a majority of the shares entitled to vote, except that an amendment which shall affect the holders of one or more series or classes of shares but not the holders of all outstanding series and classes shall be authorized by vote of the shareholders holding a majority of the shares entitled to vote of each series and class affected and no vote of shareholders of a series or class not affected shall be required. Amendments having the purpose of changing the name of the Trust or of supplying any omission, or curing, correcting or supplementing any ambiguous, defective or inconsistent provision contained in the Amended and Restated Declaration of Trust, or of making any other changes in the Amended and Restated Declaration of Trust that do not materially adversely affect the rights of shareholders, or if the Trustees deem it necessary to conform the Amended and Restated Declaration of Trust to the requirements of applicable state or federal laws or regulations, including the U.S. Internal Revenue Code, shall not require authorization by shareholder vote.

(3) Litigation and Other Significant Events

Nothing which has or which would have a material adverse effect on the Trust has occurred which has not been disclosed. The fiscal year end of the Trust is March 31. The Trust is established for an indefinite period and may be dissolved at any time by vote of the shareholders holding at least a majority of the shares entitled to vote or by written instrument signed by a majority of the Trustees.

2. Pacific Investment Management Company LLC (Administrator, Investment Advisor)

(A) Law of Place of Organization

Pacific Investment Management Company LLC was formed in 1971 under the laws of the state of California ("PIMCO California"). In September 1994, all of the assets of PIMCO California were contributed to Pacific Investment Management Company LLC a Delaware general partnership. In May 2000, the Investment Advisor was reorganized as a Delaware limited liability company.

Its investment advisory business primarily is regulated under the Investment Advisers Act of 1940, as amended ("Advisers Act"). Under the Advisers Act, an investment adviser includes, with certain exceptions, any person who, for compensation, engages in the business of advising others, either directly or through publications or writings, as to the value of securities or as to the advisability of investing in, purchasing or selling securities, or who, for compensation and as part of a regular business, issues analyses or reports concerning securities. Investment advisers under the Advisers Act may not conduct their business unless they are registered with the SEC or exempt from registration.

(B) Outline of the Supervisory Authority

The Investment Advisor is registered as an investment adviser under the Advisers Act.

(C) Purpose of the Company

The principal purpose and business of the Investment Advisor is to own and conduct investment management business activities, directly or indirectly through subsidiary entities, as the same may be developed and/or changed, and to engage in and enter into any and all activities, contracts, joint ventures and agreements related or incident to the operation and development of such investment management business activities. The Investment Advisor is also authorized to engage in any other lawful activity for which limited liability companies may be organized under Delaware law, subject to the receipt of necessary approvals and consents.

(D) History of the Company

The Investment Advisor is an investment counseling firm founded in 1971, and had approximately \$210.3 billion in assets under management as of October 31, 2000. PIMCO is a subsidiary of PIMCO Advisors L.P. ("PIMCO Advisors"). PIMCO Advisors was organized as a limited partnership under Delaware law in 1987. PIMCO Advisors' sole general partner is Pacific-Allianz Partners LLC. Pacific-Allianz Partners LLC is a Delaware limited liability company with two members, Allianz GP Sub LLC, a Delaware limited liability company, and Pacific Asset Management LLC, a Delaware limited liability company. Allianz GP Sub LLC is a wholly-owned subsidiary of Allianz of America, which is wholly owned by Allianz AG. Pacific Asset Management LLC is a wholly-owned subsidiary of Pacific Life Insurance Company, which is a wholly-owned subsidiary of Pacific Mutual Holding Company.

On May 5, 2000 the general partners of PIMCO Advisors closed the transactions contemplated by the Implementation and Merger Agreement dated as of October 31, 1999 ("Implementation Agreement"), as amended March 3, 2000, with Allianz of America, Pacific Asset Management LLC, PIMCO Partners, LLC, PIMCO Holding LLC, PIMCO Partners, G.P., and other parties to the Implementation Agreement. As a result of completing these transactions, PIMCO Advisors is now majority-owned indirectly by Allianz AG, with subsidiaries of Pacific Life Insurance Company retaining a significant minority interest. Allianz AG is a German based insurer. Pacific Life Insurance Company is a Newport Beach, California based insurer.

In connection with the closing, Allianz of America entered into a put/call arrangement for the possible disposition of Pacific Life Insurance Company's indirect interest in PIMCO Advisors. The put option held by Pacific Life Insurance Company will allow it to require Allianz of America, on the last business day of each calendar quarter following the closing, to purchase at a formula-based price all of the PIMCO Advisors' units owned directly or indirectly by Pacific Life Insurance Company. The call option held by Allianz of America will allow it, beginning January 31, 2003 or upon a change in control of Pacific Life Insurance Company, to require Pacific Life Insurance Company to sell or cause to be sold to Allianz of America, at the same formula-based price, all of the PIMCO Advisors' units owned directly or indirectly by Pacific Life Insurance Company. Allianz AG's address is Koniginstrasse 28, D-80802, Munich, Germany.

Allianz AG, the parent of Allianz of America is a publicly traded German company which, together with its subsidiaries, comprises the world's second largest insurance company as measured by premium income. Allianz AG is a leading provider of financial services, particularly in Europe, and is represented in 68 countries world-wide through subsidiaries, branch and representative offices, and other affiliated entities. As of June 30, 2000, the Allianz Group (including PIMCO) had assets under management of more than \$650 billion, and in its last fiscal year wrote approximately \$50 billion in gross insurance premiums.

Significant institutional shareholders of Allianz AG currently include Dresdner Bank AG, Deutsche Bank AG, Munich Reinsurance and HypoVereinsbank. BNP Paribas, Credit Lyonnais, Munich Reinsurance, HypoVereinsbank, Dresdner Bank AG and Deutsche Bank AG, as well as certain broker-dealers that might be controlled by or affiliated with these entities, such as DB Alex. Brown LLC, Deutsche Bank Securities, Inc. and Dresdner Kleinwort Benson North America LLC (collectively, the "Affiliated Brokers"), may be considered to be affiliated persons of PIMCO. Absent an SEC exemption or other relief, the Fund generally are precluded from effecting principal transactions with the Affiliated Brokers, and its ability to purchase securities being underwritten by an Affiliated Broker or to utilize the Affiliated Brokers for agency transactions is subject to restrictions. The Investment Advisor does not believe that the restrictions on transactions with the Affiliated Brokers described above materially adversely affect its ability to provide services to the Fund, the Fund's ability to take advantage of market opportunities, or the Fund's overall performance.

(E) Amount of Capital (as of the end of March 2000)

1. Amount of Capital
\$32,260,501
2. Number of authorized units of limited liability company interest:
There are 1,000,000 limited liability company interests authorized, represented by units. There are 850,000 Class A units authorized and 150,000 Class B units authorized.
3. Number of outstanding units of limited liability company interest:
There are 850,000 Class A units outstanding and 30,000 Class B units outstanding.
4. Amount of Capital for the past five years

Year	Amount of Capital (In Thousands)
End of 1995	\$26,083
End of 1996	\$25,709

End of 1997	\$29,145
End of 1998	\$33,082
End of 1999	\$29,624

(F) Structure of the Management of the Company

The Investment Advisor is managed by a management board consisting of its Managing Directors pursuant to an irrevocable delegation from the Investment Advisor's Managing Member. The approval of the Managing Member (PIMCO Advisors) must be obtained prior to certain acts. Each fund managed by the Investment Advisor is managed by one or more portfolio managers. These managers, in coordination with analysts who research specific securities and other members of the relevant investment group, provide a continuous investment program for the Fund and place all orders for the purchase and sale of portfolio securities. The investment performance and portfolio of the Fund is overseen by the Trust's Board of Trustees, a majority of whom are not affiliated with the Investment Advisor. The Trustees meet at least four times a year and review the performance of the Fund at least quarterly. In selecting portfolio securities for the Fund, the Investment Advisor utilizes economic forecasting, interest rate anticipation, credit and call risk analysis, foreign currency exchange rate forecasting, and other security selection techniques. The proportion of the Fund's assets committed to investment in securities with particular characteristics (such as maturity, type and coupon rate) will vary based on the Investment Advisor's outlook for the U.S. and non-U.S. economies, the financial markets, and other factors. The Investment Advisor is one of the largest managers of fixed income investments in the United States. The following officer of the Investment Advisor has had primary responsibility for the day-to-day management of the Fund's portfolio since 1987.

<S>	<C>	<C>
	Name	Business Experience (at least 5 years)
	William H. Gross	Managing Director, Pacific Investment Management Company LLC. A Fixed Income Portfolio Manager, Mr. Gross is one of the founders of Pacific Investment Management Company LLC and has managed the Fund since its inception, May 11, 1987.

</TABLE>

(G) Information Concerning Major Shareholders

The membership interest of the Administrator and the Investment Advisor are held 97.0% by PIMCO Advisors L.P. and 3.0% by the managing directors of Pacific Investment Management Company LLC as of September 30, 2000.

(H) Information Concerning Officers and Directors

The following table lists the names of various officers and directors and also their respective positions with the Investment Advisor. For each named individual, the table lists: (i) any other organizations (excluding other funds for which the Investment Advisor acts as investment advisor) with which the officer and/or director has recently had substantial involvement; and (ii) positions held with such organization:

(as of the filing date of this document)

Name	Title	Other Connections
Arnold, Tamara J.	Executive Vice President, PIMCO.	
Asay, Michael R.	Senior Vice President, PIMCO.	
Baker, Brian P.	Senior Vice President, PIMCO.	
Barbi, Leslie A.	Executive Vice President, PIMCO.	
Beaumont, Stephen B.	Vice President, PIMCO.	
Benz, William R. II	Managing Director, PIMCO.	
Bhansali, Vineer	Executive Vice President, PIMCO.	
Bishop, Gregory A.	Vice President, PIMCO.	
Boutilier, Patricia A.	Vice President, PIMCO.	
Brynjolfsson, John B.	Senior Vice President, PIMCO.	
Burns, R. Wesley	Managing Director and Executive	

	Committee Member, PIMCO.
Callin, Sabrina C.	Vice President, PIMCO.
Clark, Marcia K.	Vice President, PIMCO.
Conseil, Cyrille	Vice President, PIMCO.
Cummings, Doug	Vice President, PIMCO.
Cupps, Wendy W.	Executive Vice President, PIMCO.
Dialynas, Chris	Managing Director, PIMCO.
Dorff, David J.	Vice President, PIMCO.
Dow, Michael	Senior Vice President, PIMCO.
Dunn, Anita	Vice President, PIMCO.
Durn, Sandra	Vice President, PIMCO.
Ehlert, A. Benjamin	Executive Vice President, PIMCO.
El-Erian, Mohamed A.	Managing Director, PIMCO.
Estep, Beet W.	Vice President, PIMCO.
Ettl, Robert A.	Executive Senior Vice President, PIMCO.
Evans, Stephanie D.	Vice President, PIMCO.
Fisher, Marcellus <TABLE> <S>	Vice President, PIMCO. <C>
Fitzgerald, Robert M.	Chief Financial Officer and Treasurer, PIMCO, Cadence Capital Management, Inc., NFJ Investment Group, NFJ Management, Inc., Parametric Portfolio Associates, Parametric Management Inc., StocksPLUS Management Inc. and PIMCO Funds Distributors LLC; Chief Financial Officer and Assistant Treasurer, Cadence Capital Management; Director, Senior Vice President and Chief Financial Officer, Oppenheimer Group Inc.; Chief Financial Officer and Senior Vice President, PIMCO Advisors; Chief Financial Officer, PIMCO Global Advisors LLC.
Frisch, Ursula T.	Vice President, PIMCO.
Garbuzov, Yuri P.	Vice President, PIMCO.
Gleason, G. Steven	Vice President, PIMCO.
Goldman, Stephen S.	Vice President, PIMCO.
Gross, William H.	Managing Director, PIMCO; Director and Vice President, StocksPLUS Management, Inc.
Hague, John L.	Managing Director and Executive Committee Member, PIMCO.
Hally, Gordon C.	Executive Vice President, PIMCO.
Hamalainen, Pasi M.	Managing Director, PIMCO.
Hardaway, John P.	Senior Vice President, PIMCO; Treasurer of PIMCO Funds: Multi-Manager Series.
Harris, Brent R.	Managing Director, PIMCO; Director and Vice President, StocksPLUS Management, Inc.; Chairman, PIMCO Variable Insurance Trust.
Hayes, Raymond C.	Vice President, PIMCO.
Hinman, David C.	Senior Vice President, PIMCO.
Hodge, Douglas M.	Executive Vice President, PIMCO.
Holden, Brent L.	Managing Director, PIMCO.
Holloway, Dwight F., Jr.	Senior Vice President, PIMCO.
Hudson, James	Vice President, PIMCO.
Hudoff, Mark	Senior Vice President, PIMCO.
Isberg, Margaret E.	Managing Director, PIMCO.

Ivascyn, Daniel J.	Vice President, PIMCO.
Jacobs, Lew W.	Vice President, PIMCO.
Kelleher, Thomas J.	Vice President, PIMCO .
Keller, James M.	Executive Vice President, PIMCO.
Kennedy, Raymond G.	Senior Vice President, PIMCO.
Kiesel, Mark R.	Vice President, PIMCO.
Kirkbaumer, Steven P.	Vice President, PIMCO.
Larsen, Henrik P.	Vice President and Manager, Fund Administration, PIMCO.
Loftus, John S.	Managing Director, PIMCO; Vice President and Assistant Secretary, StocksPLUS Management, Inc.
Lown, David	Senior Vice President, PIMCO.
Ludwig, Daniel T.	Account Manager, PIMCO.
Mallegol, Andre J.	Vice President, PIMCO.
Mariappa, Sudesh N.	Executive Vice President, PIMCO.
Martin, Scott W.	Vice President, PIMCO.
Martini, Michael E.	Senior Vice President, PIMCO.
Mather, Scott A.	Executive Vice President, PIMCO.
Mayer, Benjamin L.	Vice President, PIMCO.
McCray, Mark V.	Senior Vice President, PIMCO.
McCulley, Paul A.	Executive Vice President, PIMCO.
McDevitt, Joseph E.	Executive Vice President, PIMCO; Director and Chief Executive Officer, PIMCO Global Advisors (Europe) Limited.
Meiling, Dean S.	Managing Director, PIMCO; Director, PIMCO Funds: Global Investors Series plc. and PIMCO Global Advisors (Ireland) Limited.
Metsch, Mark E.	Vice President, PIMCO.
Mewbourne, Curtis	Vice President, PIMCO.
Milliment, Scott	Vice President, PIMCO.
Moll, Jonathan D.	Vice President, PIMCO.
Monson, Kirsten S.	Senior Vice President, PIMCO.
Muzzy, James F.	Managing Director and Executive Committee Member, PIMCO; Director and Vice President, StocksPLUS Management, Inc.
Norris, John	Vice President, PIMCO.
Nguyen, Vinh T.	Controller, PIMCO; Vice President and Controller, PIMCO Advisors, Cadence Capital Management, Inc., NFJ Management, Inc., Parametric Management, Inc., StocksPLUS Management, Inc., PIMCO Funds Distributors LLC, and PIMCO Global Advisors LLC.
Ongaro, Douglas J.	Vice President, PIMCO.
Otterbein, Thomas J.	Executive Vice President, PIMCO.
Palghat, Kumar N.	Senior Vice President, PIMCO.
Paulson, Brad	Senior Vice President, PIMCO.
Perez, Keith	Vice President, PIMCO.
Phansalkar, Mohan V.	Senior Vice President, Senior Lead Officer and Assistant Secretary, PIMCO; Vice President and Assistant Secretary, StockPLUS Management, Inc.
Philipp, Elizabeth M.	Vice President, PIMCO.
Pittman, David J.	Vice President, PIMCO.

Podlich, William F. III	Managing Director, PIMCO.
Porterfield, Mark	Vice President, PIMCO.
Powers, William C.	Managing Director, PIMCO.
Reist, Paul	Vice President, PIMCO.
Romano, Mark	Vice President, PIMCO.
Roney, Scott L.	Senior Vice President, PIMCO; Director and Chief Executive Officer, PIMCO Global Advisors (Japan) Limited.
Rosborough, Michael J.	Senior Vice President, PIMCO.
Rowe, Cathy T.	Vice President, PIMCO.
Ruthen, Seth R.	Senior Vice President, PIMCO.
Sargent, Jeffrey M.	Senior Vice President, PIMCO; Vice President, PIMCO Funds: Multi-Manager Series.
Schmider, Ernest L.	Managing Director and Secretary, PIMCO; Secretary, PIMCO Partners LLC; Director and Assistant Secretary, StocksPLUS Management, Inc.; Senior Vice President, PIMCO Advisors.
Scholey, Leland T.	Senior Vice President, PIMCO.
Schucking, Ivor	Senior Vice President, PIMCO.
Schulist, Stephen O.	Vice President, PIMCO.
Scibisz, Iwona E.	Vice President, PIMCO.
Seliga, Denise C.	Vice President, PIMCO.
Sellers, Devin	Vice President, PIMCO.
Simon, Scott	Executive Vice President, PIMCO.
Sullivan, Christopher	Senior Vice President, PIMCO.
Theodore, Kyle J.	Vice President, PIMCO.
Thomas, Lee R.	Managing Director, PIMCO.
Thompson, William S. Jr.	Chief Executive Officer, Managing Director and Executive Committee Member, PIMCO; Director and President, StocksPLUS Management, Inc.
Trosky, Benjamin L.	Managing Director, PIMCO.
Tyson, Rich	Senior Vice President, PIMCO.
Van de Zilver, Peter A.	Vice President, PIMCO.
Vick, Dave	Vice President, PIMCO.
Watanabe, Koichi	Vice President, PIMCO; Executive Vice President and Director, PIMCO Global Advisors (Japan) Limited.
Weil, Richard M.	Chief Operating Officer, PIMCO; Assistant Secretary, Cadence Capital Management and PIMCO Funds Distributors LLC; General Counsel and Senior Vice President, PIMCO Advisors; Secretary, Cadence Capital Management, Inc., NFJ Management, Inc., Parametric Management, Inc., NFJ Investment Group, Parametric Portfolio Associates, and StocksPLUS Management, Inc.; Vice President, PIMCO Funds: Multi-Manager Series; Senior Vice President, General Counsel and Assistant Secretary, PIMCO Global Advisors LLC.
Weinberger, Michele	Vice President, PIMCO.
Wilson, John	Vice President, PIMCO.
Wilson, Susan	Vice President, PIMCO.
Wood, George H.	Executive Vice President, PIMCO.
Yetter, Michael A.	Senior Vice President, PIMCO.
Young, David	Vice President, PIMCO and PIMCO Global Advisors (Europe) Limited.
Yu, Cheng-Yuan	Vice President, PIMCO.

(I) Description of Business and Outline of Operation

The Administrator and the Investment Advisor is engaged in the business of providing investment advisory services. As of March 31, 2000, the Investment Advisor managed, advised, and/or administered the following twelve different styles of accounts (having an aggregate net asset value of approximately \$193.0 billion).

Style	Assets (in millions)
Total Return	\$ 109,945
Low Duration	\$ 7,729
Moderate Duration	\$ 6,693
Long Duration	\$ 16,373
Short Term	\$ 3,965
Mortgage	\$ 4,581
Global/Non-US Bond	\$ 8,473
High Yield	\$ 9,233
Other	\$ 5,314
Strategic Balanced	\$ 153
StocksPLUS	\$ 20,542

As of March 31, 2000, the Investment Advisor managed, advised, and/or administered the following 63 mutual funds and fund portfolios (having an aggregate net asset value of approximately \$54.9 billion):

<S>	<C>	<C>	<C>	<C>	<C>	in U.S. \$
	Name	Month/Date Year Established	Principal Characteristics	Total Net Asset Value as of March 31, 2000 (\$million)	Net Asset Value per share as of March 31, 2000	
1	PIMCO Funds					
	NAME OF FUND					
1	Total Return Fund	5/11/87	Open-end, fixed income	\$31,536.3	9.96	
2	International Bond Fund	12/13/89	Open-end, fixed income	1,137.2	6.73	
3	Low Duration Fund	5/11/87	Open-end, fixed income	3,979.5	9.81	
4	Foreign Bond Fund	12/3/92	Open-end, fixed	544.6	10.03	
5	High Yield Fund	12/16/92	Open-end, fixed income	3,211.3	10.22	
6	Low Duration Fund II	11/1/91	Open-end, fixed income	474.5	9.69	
7	Total Return Fund III	5/1/91	Open-end, fixed	650.0	8.74	
8	Short-Term Fund	10/7/87	Open-end, fixed income	735.4	9.95	
9	Strategic Balanced Fund	6/28/96	Open-end, balanced	153.4	12.80	
10	Low Duration III	12/31/96	Open-end, fixed income	32.3	9.66	
11	Moderate Duration Fund	12/31/96	Open-end, fixed income	379.2	9.52	
12	Long-Term US Gov't Fund	7/1/91	Open-end, fixed income	352.9	9.79	

13	Global Bond Fund	16/23/93	Open-end, fixed income	276.3	9.01
14	StocksPLUS Fund	5/14/93	Open-end, growth and income	1,478.8	14.15
15	Money Market Fund	3/1/91	Open-end, fixed income (money market)	661.8	1.00
16	Total Return Fund II	12/30/91	Open-end, fixed income	1,315.7	9.67
17	Global Bond Fund II	10/2/95	Open-end, fixed income	97.3	9.41
18	Real Return Bond Fund	1/29/97	Open-end, fixed income	270.6	9.92
19	Emerging Markets Bond Fund	7/31/97	Open-end, fixed income	28.2	8.61
20	Emerging Markets Bond Fund II	4/3/98	Open-end, fixed income	356.7	9.84
21	Total Return Mortgage Fund	7/31/97	Open-end, fixed income	4.1	9.97
22	Low Duration Mortgage Fund	7/31/97	Open-end, fixed income	4.3	9.89
23	Municipal Bond Fund	4/1/98	Open-end, fixed income	52.6	9.47
24	Convertible Bond Fund	3/31/99	Open-end, fixed income	179.7	15.77
25	Short Duration Municipal Bond	8/31/99	Open-end, fixed income	10.7	9.99
26	Calif Interm Municipal Bond	8/31/99	Open-end, fixed income	10.2	10.05
27	New York Municipal Bond	8/31/99	Open-end, fixed income	3.0	9.94
2	PIMCO Variable Insurance Trust				
	NAME OF FUND				
1	Total Return Bond Portfolio	1/2/98	Open-end, fixed income	4.2	9.44
2	High Yield Bond Portfolio	5/1/98	Open-end, fixed income	142.6	8.74
3	StockPLUS Growth & Inc. Portfolio	12/31/97	Open-end, growth and income	265.4	13.63
4	Low Duration Bond Portfolio	2/16/99	Open-end, fixed income	5.2	9.68
5	Foreign Bond Portfolio	2/16/99	Open-end, fixed income	5.4	9.46
3	Frank Russell Investment Management Company				
	NAME OF FUND				
1	Fixed Income I Fund	7/3/89	Open-end, fixed income	161.8	(1)
2	Diversified Bond Fund	7/3/89	Open-end, fixed income	107.3	(1)
3	Fixed Income III Fund	2/9/93	Open-end, fixed income	166.5	(1)
4	Multistrategy Bond Fund	2/9/93	Open-end, fixed income	202.7	(1)
4	Russell Insurance Funds				

	NAME OF FUND				
1	Core Bond Fund	1/2/97	Open-end, fixed income	43.5	(1)

5	The Harbor Group				

	NAME OF FUND				
1	Harbor Bond Fund	1/4/88	Open-end, fixed income	609.2	10.74

6	Pacific Select Fund				

	NAME OF FUND				
1	Managed Bond Series	1/4/88	Open-end, fixed income	1,153.6	10.44

2	Government Securities Series	1/4/88	Open-end, fixed income	454.5	10.22

7	Prudential Securities TARGET Portfolio Trust				

	NAME OF FUND				
1	Intermediate Term Bond Portfolio	1/4/93	Open-end, fixed income	109.2	9.86

2	Total Return Bond Portfolio	1/4/93	Open-end, fixed income	64.4	9.96

8	PIMCO Commercial Mortgage Securities Trust, Inc.				

	NAME OF FUND				
1	PIMCO Commercial Mortgage Securities Trust, Inc.	9/2/93	Closed-end, fixed income	143.8	12.81

9	American Skandia Trust				

	NAME OF FUND				
1	Total Return Bond Portfolio	1/3/94	Open-end, fixed income	1,020.1	10.45

2	Limited Maturity Bond Portfolio	5/1/95	Open-end, fixed income	375.1	10.37

3	Master Trust Total Return	6/18/97	Open-end, fixed income	173.5	11.44

10	Fremont Mutual Funds, Inc.				

	NAME OF FUND				
1	Total Return Fund	3/1/94	Open-end, fixed income	160.4	9.85

2	Global Bond Fund	4/19/99	Open-end, fixed income	25.0	15.19

11	PaineWebber Managed Investment Trust				

	NAME OF FUND				
1	LD US Gov't Income Fund	10/20/94	Open-end, fixed income	156.2	2.30

12	PaineWebber Series Trust				

	NAME OF FUND				
1	Strategic Fixed Income	8/24/95	Open-end, fixed income	5.5	9.72

13	PaineWebber Managed Accounts Services				

Portfolio Trust					
1	PACE Govt Securities Fixed Inc.	8/24/95	Open-end, fixed income	199.4	12.07
2	PACE Strategic Fixed Income Inv.	8/24/95	Open-end, fixed income	230.6	12.23

14	Prudential Investments Fund Management LLC				
	NAME OF FUND				
1	Prudential Diversified Moderate Growth	11/18/98	Open-end, fixed income	31.0	(1)
2	Prudential Diversified Conservative Growth	11/18/98	Open-end, fixed income	30.3	(1)
3	Prudential Diversified Conservative Portfolio	5/3/99	Open-end, fixed income	53.9	(1)

15	JNL Series Trust				
	NAME OF FUND				
1	JNL Series Trust	3/2/98	Open-end, fixed income	11.2	9.87

16	Manulife				
	NAME OF FUND				
1	Manulife Global Bond Trust	5/3/99	Open-end, fixed income	129.4	11.53
2	Manulife Total Return Trust	5/3/99	Open-end, fixed income	276.7	12.54

17	Prudential Target Funds				
	NAME OF FUND				
1	Prudential Total Return Bond Fund of Target Funds	11/3/99	Open-end, fixed income	24.7	9.94

18	Salomon Smith Barney Consulting Groups Capital Market Fund				
	NAME OF FUND				
1	International fixed Income Investment Portfolio	4/1/99	Open-end, fixed income	302.1	(2)

19	Oppenheimer Capital				
	NAME OF FUND				
1	OCC Accumulation Fund	3/9/00	Open-end, fixed income	76.1	(2)

20	FISH				
	NAME OF FUND				
1	Fixed Income Shares M	3/17/00	Open-end, fixed income	5.0	10.05
2	FISH Series C	3/17/00	Open-end, fixed income	5.0	10.03

Notes	(1):Each fund is part of larger portfolio. NAV per share is not available. (2):NAV per share of each fund is not available.				

</TABLE>

(J) Miscellaneous

1. Election and Removal of Directors

Managing Directors of the Administrator and the Investment Advisor are admitted or removed from office by the Management Board with the prior approval of the Managing Member (PIMCO Advisors) in accordance with the Limited Liability

Company Agreement of the Administrator and the Investment Advisor.

2. Election and Removal of Officers

Officers are elected by the Management Board. The Management Board may remove any officer without cause, except for the Chief Executive Officer, which requires the prior approval of the Managing Member (PIMCO Advisors).

3. Supervision by SEC of Changes in Directors and Certain Officers.

The Investment Advisor files certain reports with the SEC in accordance with Sections 203 and 204 of the Advisers Act, which reports, lists and provides certain information relating to Directors and Officers of the Investment Advisor.

The SEC may prohibit any such Directors or Officers, or other person, from serving or acting as an employee, officer, trustee, investment advisor, or principal underwriter of the Trust under Section 9(b) of the 1940 Act under some certain circumstances including in the event that such person has willfully violated any provision of the 1933 Act, the 1934 Act, of the 1940 Act or otherwise.

4. Amendment to the Articles of Organization, Transfer of Business and Other Important Matters

- a) The Limited Liability Company Agreement of the Administrator and the Investment Advisor may be amended, under the law of Delaware by the Managing Member, except under certain circumstances that require the consent of all members of the Investment Advisor.
- b) Under the laws of the state of Delaware and the Limited Liability Company Agreement, transfer of business requires the agreement of the members of the Investment Advisor, and would be subject to the restrictions regarding receipt of Compensation imposed by Section 15 of the 1940 Act.
- c) Under the Investment Advisor's Limited Liability Company Agreement, a member may transfer its interest in the Investment Advisor with the approval of the Managing Member of the Investment Advisor.
- d) The Investment Advisor may be dissolved upon the agreement of the Managing Member and the approval of a super-majority of the Investment Advisor's Class B unit holders.
- e) The Administrator and the Investment Advisor has no direct subsidiaries other than StocksPLUS Management, Inc.

5. Litigation, etc.

There are no known facts, such as legal proceedings, which are expected to materially affect the Trust and / or the Administrator and the Investment Advisor within the six-month period proceeding the filing of this document.

III. OUTLINE OF THE OTHER RELATED COMPANIES

(A) State Street Bank and Trust Company (the "Custodian")

(1) Amount of Capital

U.S. \$60,896,000 as of December 31, 1999.

(2) Description of Business

State Street Bank and Trust Company is a Massachusetts corporation that provides custody, investment accounting and recordkeeping services to mutual funds, including the Fund.

(3) Outline of Business Relationship with the Fund

State Street Bank and Trust Company provides custody, investment accounting and recordkeeping services to the Institutional and Administrative Class Shares of the Fund.

(B) National Financial Data Services (the "Transfer Agent")

(1) Amount of Capital

National Financial Data Services is not a publicly traded company

and does not have a stated capitalization. It is a wholly owned subsidiary of Boston Financial Data Services, a joint venture owned by DST Systems, Inc. and State Street Bank and Trust Company (see above).

(2) Description of Business

National Financial Data Services provides transfer agency and dividend disbursement services to investment companies.

(3) Outline of Business Relationship with the Fund

National Financial Data Services serves as transfer agent and dividend disbursing agent with respect to the Institutional Class, Administrative Class, Class J and Class K shares of the Fund.

(C) PIMCO Funds Distributors LLC (the "Distributor")

(1) Amount of Capital

U.S. \$35,035,010 as of March 31, 2000.

(2) Description of business

PIMCO Funds Distributors LLC, a wholly owned subsidiary of PIMCO Advisors L.P. and a Delaware limited liability company, is the principal underwriter of the shares of the Trust, including the Fund.

(3) Outline of Business Relationship with the Fund

PIMCO Funds Distributors LLC engages in providing marketing and distribution services to the Fund.

(D) The Nikko Securities Co., Ltd. ("Distributor in Japan" and "Agent JSDA Member")

(1) Amount of Capital

Yen 208,831.5 million as of March 31, 2000.

(2) Description of Business

The Nikko Securities Co., Ltd. is a diversified securities company in Japan.

(3) Outline of Business Relationship with the Fund

The Nikko Securities Co., Ltd. acts as a distributor in Japan and Agent JSDA Member for the Fund in connection with the offering of Shares in Japan.

(E) Capital Relationship

The membership interests of Pacific Investment Management Company LLC are held 97.0% by PIMCO Advisors L.P. and 3.0% by the managing directors of Pacific Investment Management Company LLC as of September 30, 2000.

PIMCO Funds Distributors LLC is a wholly owned subsidiary of PIMCO Advisors L.P.

(F) Interlocking Directors

Names and functions of Trustees or officers of the Trust who also are officers of the related companies are as follows:

<S>	<C>	<C>
Name	Position with Trust	Position with Administrator and Investment Advisor
----	-----	-----
Brent R. Harris	Chairman of the Board and Trustee	Managing Director
R. Wesley Burns	President and Trustee	Managing Director
William H. Gross	Senior Vice President	Managing Director
Margaret Isberg	Senior Vice President	Managing Director
Leland T. Scholey	Senior Vice President	Senior Vice President
Jeffrey M. Sargent	Senior Vice President	Vice President and Manager of Investment Operations
		Shareholder Services
Thomas J. Kelleher, III	Vice President	Vice President
Andre Mallegol	Vice President	Vice President

James F. Muzzy
 David J. Pittman
 William S. Thompson, Jr.

Vice President
 Vice President
 Vice President

Managing Director
 Vice President
 Chief Executive Officer and
 Managing Director
 Vice President
 Senior Vice President

Henrick P. Larsen
 John P. Hardaway

Vice President
 Treasurer

</TABLE>

No Trustee or Officer of the Trust is an officer of the Custodian, the Transfer Agent or the Distributor.

IV. FINANCIAL CONDITIONS OF THE FUND

a. Financial Statements in Japanese language of the Fund for the last two fiscal years are translated from the English version of audited financial statements, which are prepared by the Trust pursuant to the provisions of Article 127 (5) proviso of the "Regulations Concerning Terminology, Forms and Method of Preparation of Financial Statements, etc." (Ministry of Finance (MOF) ordinance No. 59 of 1963) under the "Ordinance Concerning the Disclosure of the Content, etc. of the Specific Securities" (MOF ordinance No. 22 of 1993), except the parts presented in yen translated from dollars.

The aforesaid financial statements have been audited by PricewaterhouseCoopers LLP, the accountants in the U.S. of the Trust, and their Auditor's report as included herein has been received by the Trust.

b. The original financial statements of the Fund are presented in U.S. dollars. The Japanese translation of the financial statements are also presented in Japanese yen translated from the U.S. dollars. The amount presented in Japanese yen are translated solely for convenience from the amounts in U.S. dollars at the exchange rate of U.S.\$1.00=Yen 109.05, being the mean of telegraphic transfer selling and buying exchange rate vis-a-vis Customers quoted from The Bank of Tokyo-Mitsubishi as of October 31, 2000. Amounts less than one million yen are rounded up or down to nearer one million yen.

c. The signed originals of the Auditors Reports and the Consent Letters for the aforementioned financial statements of the Fund with respect to the year ended March 31, 2000 are included in the Amendment Report to the Securities Report of the Fund dated November 20, 2000; accordingly, the Auditors Reports and Consent Letters included herein are the copies of such signed originals of the Auditors Reports and Consent Letters included in the Amendment Report to the Securities Report.

2. CONDITIONS OF THE FUND

(A) Statements of Net Assets

<TABLE>

<S>	<C>	<C>	<C>
			(As of September 30, 2000)
		US Dollar	Yen
I. Aggregate Amount of Assets		55,337,118,000	6,034,512,717,900
II. Aggregate Amount of Liabilities		19,788,403,000	2,157,925,347,150
III. Aggregate Amount of Net Assets (I-II)			
	Inst.	27,794,010,466	3,030,936,841,317
	Admin.	3,800,522,217	414,446,947,764
	A.	2,236,201,324	243,857,754,382
	B.	706,093,538	76,999,500,319
	C.	772,564,657	84,248,175,846
	D.	134,798,384	14,699,763,775
	Total	35,444,190,586	3,865,188,983,403
IV. Quantity of Outstanding Shares			
	Inst.	2,754,609,560.586	
	Admin.	376,662,261.326	
	A.	221,625,502.885	
	B.	69,979,537.929	
	C.	76,567,359.478	
	D.	13,359,602.021	
V. Net Asset Value per Share (III/IV)			
	Inst.	\$ 10.09	Yen 1,100.31
	Admin.	\$ 10.09	1,100.31
	A.	\$ 10.09	1,100.31
	B.	\$ 10.09	1,100.31
	C.	\$ 10.09	1,100.31
	D.	\$ 10.09	1,100.31

</TABLE>

(B) Names of Major Investment Portfolios other than Equity Shares
(Top 30 Names)

Major investment portfolios of Total Return Fund are securities other than shares except for short-term securities and some preferred stocks.

(As of September 30, 2000)

<TABLE>

<S> <C> <C> <C>

Rank	Name	Interest rate	Redemption date
1	Government National Mortgage Association	6.500	10/21/2029
2	Government National Mortgage Association	7.500	10/23/2030
3	Government National Mortgage Association	7.000	10/23/2030
4	Government National Mortgage Association	6.000	10/23/2030
5	Treasury Inflation Protected Securities	3.630	07/15/2002
6	UBS Finance LLC	6.680	10/02/2000
7	Government National Mortgage Association	8.000	10/23/2030
8	U.S. Treasury Bonds	6.250	05/15/2030
9	U.S. Treasury Bonds	0.000	08/15/2020
10	Treasury Inflation Protected Securities	3.630	01/15/2008
11	Federal National Mortgage Association	7.000	10/16/2030
12	Federal National Mortgage Association	8.000	10/16/2030
13	DG Funding Trust	9.030	12/29/2049
14	Federal National Mortgage Association	6.000	10/16/2030
15	Racers	6.930	03/03/2003
16	U.S. Treasury Bonds	0.000	02/15/2015
17	Government National Mortgage Association	8.000	10/23/2030
18	Ford Motor Credit Corp.	6.810	02/13/2003
19	U.S. Treasury Notes	6.750	05/15/2005
20	Federal Home Loan Mortgage Corporation	6.000	10/16/2030
21	Treasury Inflation Protected Securities	3.380	01/15/2007
22	U.S. Treasury Strips	0.000	11/15/2021
23	General Motors Acceptance Corp.	6.840	04/29/2002
24	Treasury Inflation Protected Securities	3.880	01/15/2009
25	Texas Utilities Co.	7.590	09/24/2001
26	U.S. Treasury Bonds	0.000	02/15/2026
27	Ford Motor Credit Corp.	7.170	07/18/2005
28	Ford Motor Credit Corp.	7.080	07/19/2004
29	U.S. Treasury Bonds	8.000	11/15/2021
30	Republic of Brazil	7.380	04/15/2006

Rank	Acquisition Cost	Principal Amount	Value	Country	Investment Ratio %
1	4,824,910,123	5,039,504,000	4,853,697,488	U.S.	13.65%
2	2,873,855,004	2,876,774,000	2,884,857,735	U.S.	8.12%
3	1,950,860,012	1,988,520,000	1,958,692,200	U.S.	5.51%
4	1,297,746,453	1,393,150,000	1,306,955,810	U.S.	3.68%
5	1,112,137,034	1,115,949,487	1,115,601,311	U.S.	3.14%
6	1,000,000,000	1,000,000,000	1,000,000,000	U.S.	2.81%
7	963,317,705	948,760,000	965,657,416	U.S.	2.72%
8	576,984,080	535,200,000	562,796,518	U.S.	1.58%
9	441,936,160	349,245,000	453,691,257	U.S.	1.28%
10	446,163,809	453,052,537	442,717,503	U.S.	1.25%
11	422,926,641	433,500,000	424,561,230	U.S.	1.19%
12	367,503,078	363,800,000	368,576,694	U.S.	1.04%
13	351,502,334	35,150	352,378,750	U.S.	0.99%
14	303,911,500	326,600,000	304,962,750	U.S.	0.86%
15	282,400,000	282,400,000	282,400,000	U.S.	0.79%
16	279,277,769	188,900,000	280,811,751	U.S.	0.79%
17	264,658,670	261,600,000	265,156,125	U.S.	0.75%
18	249,931,359	250,185,000	249,874,520	U.S.	0.70%
19	243,346,794	235,000,000	243,518,750	U.S.	0.69%
20	237,710,925	255,000,000	238,266,900	U.S.	0.67%
21	230,120,073	237,982,517	230,173,835	U.S.	0.65%
22	220,904,451	795,000,000	222,562,635	U.S.	0.63%
23	221,055,418	221,144,000	221,840,161	U.S.	0.62%
24	211,143,299	213,528,003	211,793,088	U.S.	0.60%
25	208,805,967	208,800,000	209,906,640	U.S.	0.59%
26	182,845,191	184,400,000	182,728,967	U.S.	0.51%
27	182,100,083	182,100,000	182,417,765	U.S.	0.51%
28	174,284,479	174,500,000	174,655,829	U.S.	0.49%
29	164,056,300	142,620,000	174,263,813	U.S.	0.49%
30	163,394,052	177,044,100	166,651,611	Brazil	0.47%

</TABLE>

V. SUMMARY OF INFORMATION CONCERNING FOREIGN INVESTMENT TRUST SECURITIES

1. Transfer of the Shares

The transfer agent for the Shares is as follows:

Agent: National Financial Data Services

Address: 330 W, 9th Street, 4th Floor, Kansas City, MO 64105, U.S.A.

Because shareholders in Japan are required to entrust the custody of a global certificate representing their Shares and to register their Shares in the name of Nikko, they may not register their Shares in their own name directly. No fee is chargeable for the transfer of Shares.

2. The Closing Period of the Shareholders' Book

No provision is made.

3. Shareholders' Meeting

There are no annual shareholders' meetings. Special shareholders' meeting may be held whenever ordered by the Trustees or requested in writing by the holder or holders of at least one-tenth of the outstanding shares of the Trust for the purpose of considering the removal of a Trustee.

4. Special Privilege to Shareholders, Restriction on Transfer

No special privilege is granted to shareholders.

The acquisition of Shares by any person may be restricted.

<TABLE>

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Statement of Assets and Liabilities

March 31, 2000

Amounts in thousands, except per share amounts

Total Return Fund

Assets:	
Investments, at value	\$41,494,212
Cash and foreign currency	12,437
Receivable for investments sold and forward foreign currency contracts	702,805
Receivable for Fund shares sold	112,052
Variation margin receivable	12,351
Interest and dividends receivable	375,681
Other assets	2,610

42,712,148
=====

Liabilities:

Payable for investments purchased and forward foreign currency contracts	\$6,321,535
Payable for financing transactions	4,055,744
Notes Payable	551,828
Written options outstanding	45,441
Payable for Fund shares redeemed	116,224
Dividends payable	38,087
Accrued investment advisory fee	6,927
Accrued administration fee	5,644
Accrued distribution fee	1,566
Accrued servicing fee	758
Variation margin payable	14,848
Other liabilities	17,273

11,175,875
=====

Net Assets

\$31,536,273
=====

Net Assets Consist of:

Paid in capital	\$33,008,257
Undistributed (overdistributed) net investment income	(57,894)
Accumulated undistributed net realized gain (loss)	(1,057,756)
Net unrealized appreciation (depreciation)	(356,334)

\$31,536,273
=====

Net Assets:

Administrative Class	\$3,233,785
Other Classes	28,302,488

Shares Issued and Outstanding:

Administrative Class	324,708
----------------------	---------

Net Asset Value and Redemption Price Per Share (Net Assets Per Share Outstanding):

Administrative Class	\$9.96
----------------------	--------

=====

Cost of Investments Owned

\$41,850,196

=====

Cost of Foreign Currency Held

\$57,001

=====

</TABLE>

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Statements of Operations
For the year or period ended March 31, 2000

Amounts in thousands

	Total Return Fund
Investment Income:	
Interest	\$1,949,659
Dividends	14,565
Miscellaneous Income	626

Total Income	1,964,850

Expenses:	
Investment advisory fees	72,342
Administration fees	58,765
Distribution and/or servicing fees - Administrative Class	6,891
Distribution and/or servicing fees - Other Classes	18,157
Trustees' fees	189
Organization costs	0
Interest expense	30,200

Total expenses	186,544

Net Investment Income	1,778,306
	=====
Net Realized and Unrealized Gain (Loss):	
Net realized gain (loss) on investments	(499,631)
Net realized gain (loss) on futures contracts and written options	(365,560)
Net realized gain (loss) on foreign currency transactions	17,803
Net change in unrealized appreciation (depreciation) on investments	(260,654)
Net change in unrealized appreciation (depreciation) on futures contracts and written options	32,658
Net change in unrealized appreciation (depreciation) on translation of assets and liabilities denominated in foreign currencies	(14,142)

Net Gain (Loss)	(1,089,526)

Net Increase (Decrease) in Assets Resulting from Operations	\$688,780
	=====

Statements of Changes in Net Assets

Amounts in thousands	Total Return Fund	
	Year Ended March 31, 2000	Year Ended March 31, 1999
Increase (Decrease) in Net Assets from:		
Operations:		
Net investment income	\$1,778,306	\$1,285,330
Net realized gain (loss)	(847,388)	472,416
Net change in unrealized appreciation (depreciation)	(242,138)	(239,440)
	-----	-----
Net increase (decrease) resulting from operations	688,780	1,518,306
	-----	-----
Disistributions to Shareholders:		
From net investment income		
Administrative Class	(158,773)	(62,402)
Other Classes	(1,542,465)	(1,223,491)
In excess of net investment income		
Administrative Class	(6,817)	0
Other Classes	(66,229)	
From net realized capital gains		
Administrative Class	0	(31,973)
Other Classes	0	(480,591)
In excess of net realized capital gains		
Administrative Class	0	(23,987)
Other Classes	0	(360,558)
	-----	-----
Total Distributions	(1,774,284)	(2,183,002)
	-----	-----
Fund Share Transactions:		
Receipts for shares sold		
Administrative Class	2,193,159	1,767,082
Other Classes	11,309,212	10,927,679

Issued as reinvestment of distributions		
Administrative Class	113,239	79,793
Other Classes	1,300,711	1,748,338
Cost of shares redeemed		
Administrative Class	(953,360)	(296,106)
Other Classes	(7,465,688)	(5,529,297)
Net increase (decrease) resulting from Fund share transactions	6,497,273	8,697,489
Total Increase (Decrease) in Net Assets	5,411,769	8,032,793
Net Assets:		
Beginning of period	26,124,504	18,091,711
End of period *	\$31,536,273	\$26,124,504
*Including net undistributed (overdistributed) investment income of:	(\$57,894)	(\$77,068)

</TABLE>

Financial Highlights

Total Return Fund

Administrative Class

<TABLE>

<S>	<C>	<C>	<C>	<C>	<C>
	03/31/2000	03/31/1999	03/31/1998	03/31/1997	03/31/1996
Selected Per Share Data for the Year Ended:					
Net asset value beginning of period	10.36	10.62	\$ 10.27	\$ 10.29	\$ 10.01
Net investment income	0.61 (a)	0.61 (a)	0.61 (a)	0.66 (a)	0.80
Net realized and unrealized gain (loss)	(0.41) (a)	0.16 (a)	0.63 (a)	(0.02) (a)	0.29
Total income from investment operations	0.20	0.77	1.24	0.64	1.09
Dividends from net investment income	(0.58)	-0.61	-0.60	-0.64	-0.60
Dividends in excess of net investment income	(0.02)	0.00	-0.02	-0.02	-0.09
Distributions from net realized capital gains	0.00	-0.24	-0.27	0.00	-0.12
Distributions in excess of net realized capital gains	0.00	-0.18	0.00	0.00	0.00
Tax basis return of capital	0.00	0.00	0.00	0.00	0.00
Total distributions	(0.60)	-1.03	-0.89	-0.66	-0.81
Net asset value end of period	\$ 9.96	\$ 10.36	\$ 10.62	\$ 10.27	\$ 10.29
Total return	2.07%	7.33%	12.36%	6.34%	10.99%
Net assets end of period (000's)	\$ 3,233,785	\$1,972,984	\$481,730	\$151,194	\$ 104,618
Ratio of expenses to average net assets	0.79% (b)	0.68%	0.68%	0.68%	0.68%
Ratio of net investment income to average net assets	6.01%	5.52%	6.35%	6.35%	6.64%
Portfolio turnover rate	223%	154%	173%	173%	221%

</TABLE>

(a) Per share amounts based on average number of shares outstanding during the period.

(b) Ratio of expenses to average net assets excluding interest expense is 0.68%.

Notes to Financial Statements

March 31, 2000

1. Organization

PIMCO Funds: Pacific Investment Management Series (the "Trust") was established as a Massachusetts business trust on February 19, 1987. The Trust is registered under the Investment Company Act of 1940 (the "Act"), as amended, as an open-end investment management company. The Trust currently consists of 30 separate investment funds (the "Funds"). The Trust may offer up to six classes of shares: Institutional, Administrative, A, B, C and D. Each share class has identical voting rights (except that shareholders of a class have exclusive voting rights regarding any matter relating solely to that class of shares). Information presented in these financial statements pertains to the Administrative Class of the Total Return Fund. Certain detailed financial information for the Institutional, A, B, C and D Classes (the "Other Classes") is provided separately and is available upon request.

2. Significant Accounting Policies

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

Security Valuation. Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is determined on the basis of last reported sales prices, or if no sales are reported, as is the case for most securities traded over-the-counter, the mean between representative bid and asked quotations obtained from a quotation reporting system or from established market makers. Fixed income securities, including those to be purchased under firm commitment agreements, are normally valued on the basis of quotes obtained from brokers and dealers or pricing services. Short-term investments which mature in 60 days or less are valued at amortized cost, which approximates market value. Certain fixed income securities for which daily market quotations are not readily available may be valued, pursuant to guidelines established by the Board of Trustees, with reference to fixed income securities whose prices are more readily obtainable.

Securities Transactions and Investment Income. Securities transactions are recorded as of the trade date. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, are recorded as soon as the Fund is informed of the ex-dividend date. Interest income, adjusted for the accretion of discounts and amortization of premiums, is recorded on the accrual basis.

Dividends and Distributions to Shareholders. Dividends from net investment income, if any, of the Fund are declared on each day the Trust is open for business and are distributed to shareholders monthly. Net realized capital gains earned by the Fund, if any, will be distributed no less frequently than once each year.

Income dividends and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. These differences are primarily due to differing treatments for such items as wash sales, foreign currency transactions, net operating losses and capital loss carryforwards.

Distributions reflected as a tax basis return of capital in the accompanying Statements of Changes in Net Assets have been reclassified to paid in capital. In addition, other amounts have been reclassified between undistributed net investment income, accumulated undistributed net realized gains or losses and paid in capital to more appropriately conform financial accounting to tax characterizations of dividend and distributions.

Foreign Currency. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period. Fluctuations in the value of these assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains (losses). Realized gains (losses) and unrealized appreciation (depreciation) on investment securities and income and expenses are translated on the respective dates of such transactions. The effect of changes in foreign currency exchange rates on investments in securities are not segregated in the Statements of Operations from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investment securities.

Multiclass Operations. Each class offered by the Trust has equal rights as to assets and voting privileges. Income and non-class specific expenses of the Fund are allocated daily to each class of shares based on the relative value of settled shares. Realized and unrealized capital gains and losses of the Fund are allocated daily to each class of shares based on the relative net assets of each class.

Federal Income Taxes. The Fund intends to qualify as a regulated investment company and distribute all of its taxable income and net realized gains, if applicable, to shareholders. Accordingly, no provision for Federal income taxes has been made.

Financing Transactions. The Fund may enter into financing transactions consisting of the sale by the Fund of securities, together with a commitment to repurchase similar securities at a future date. The difference between the selling price and the future purchase price is an adjustment to interest income. If the counterparty to whom the Fund sells the security becomes insolvent, the Fund's right to repurchase the security may be restricted; the value of the security may change over the term of the financing transaction and the return earned by the Fund with the proceeds of a financing transaction may not exceed transaction costs.

Futures and Options. The Fund is authorized to enter into futures contracts and options. The Fund may use futures contracts and options to manage its exposure to the securities markets or to movements in interest rates and currency values. The primary risks associated with the use of futures contracts and options are imperfect correlation between the change in market value of the securities held by the Fund and the prices of futures contracts and options, the possibility of an illiquid market, and the inability of the counterparty to meet the terms of the contract. Futures contracts and purchased options are valued based upon

their quoted daily settlement prices. The premium received for a written option is recorded as an asset with an equal liability which is marked to market based on the option's quoted daily settlement price. Fluctuations in the value of such instruments are recorded as unrealized appreciation (depreciation) until terminated, at which time realized gains and losses are recognized.

Forward Currency Transactions. The Fund is authorized to enter into forward foreign exchange contracts for the purpose of hedging against foreign exchange risk arising from the Fund's investment or anticipated investment in securities denominated in foreign currencies. The Fund also may enter into these contracts for purposes of increasing exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one country to another. All commitments are marked to market daily at the applicable translation rates and any resulting unrealized gains or losses are recorded. Realized gains or losses are recorded at the time the forward contract matures or by delivery of the currency. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

Swaps. The Fund is authorized to enter into interest rate, total return and currency exchange swap agreements in order to obtain a desired return at a lower cost than if the Fund had invested directly in the asset that yielded the desired return. Swaps involve commitments to exchange components of income (generally interest or returns) pegged to the underlying assets based on a notional principal amount. Swaps are marked to market daily based upon quotations from market makers and the change, if any, is recorded as unrealized gains or losses in the Statements of Operations. The Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a counterparty.

Stripped Mortgage-Backed Securities (SMBS). SMBS represent a participation in, or are secured by and payable from, mortgage loans on real property, and may be structured in classes with rights to receive varying proportions of principal and interest. SMBS include interest-only securities (IOs), which receive all of the interest, and principal-only securities (POs), which receive all of the principal. If the underlying mortgage assets experience greater than anticipated payments of principal, the Fund may fail to recoup some or all of its initial investment in these securities. The market value of these securities is highly sensitive to changes in interest rates.

Delayed Delivery Transactions. The Fund may purchase or sell securities on a when-issued or delayed delivery basis. These transactions involve a commitment by the Fund to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed delivery purchases are outstanding, the Fund will set aside and maintain until the settlement date in a segregated account, liquid assets in an amount sufficient to meet the purchase price. When purchasing a security on a delayed delivery basis, the Fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and takes such fluctuations into account when determining its net asset value. The Fund may dispose of or renegotiate a delayed delivery transaction after it is entered into, and may sell when-issued securities before they are delivered, which may result in a capital gain or loss. When the Fund has sold a security on a delayed delivery basis, the Fund does not participate in future gains and losses with respect to the security. Forward sales commitments are accounted for by the Fund in the same manner as forward currency contracts discussed above.

Inflation-Indexed Bonds. Inflation-indexed bonds are fixed income securities whose principal value is periodically adjusted to the rate of inflation. The interest rate on these bonds is generally fixed at issuance at a rate lower than typical bonds. Over the life of an inflation-indexed bond, however, interest will be paid based on a principal value which is adjusted for inflation. Any increase in the principal amount of an inflation-indexed bond will be considered interest income, even though investors do not receive their principal until maturity.

Repurchase Agreements. The Fund may engage in repurchase transactions. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time. The market value of the collateral must be equal at all times to the total amount of the repurchase obligations, including interest. Generally, in the event of counterparty default, the Fund has the right to use the collateral to offset losses incurred.

Reverse Repurchase Agreements. The Fund is authorized to enter into reverse repurchase agreements. In a reverse repurchase agreement, the Fund sells to a financial institution a security that it holds with an agreement to repurchase the same security at an agreed-upon price and date. A reverse repurchase agreement involves the risk that the market value of the security sold by the Fund may decline below the repurchase price of the security.

Restricted Securities. The Fund is permitted to invest in securities that are subject to legal or contractual restrictions on resale. These securities

generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at an acceptable price may be difficult.

3. Fees, Expenses, and Related Party Transactions

Investment Advisory Fee. Pacific Investment Management Company (PIMCO) is a wholly-owned subsidiary partnership of PIMCO Advisors L.P. and serves as investment adviser (the "Adviser") to the Trust, pursuant to an investment advisory contract. The Adviser receives a monthly fee from the Fund at an annual rate of 0.25% based on average daily net assets of the Fund.

Administration Fee. Pacific Investment Management Company (PIMCO) is a wholly-owned subsidiary partnership of PIMCO Advisors L.P. and also serves as administrator (the "Administrator"), and provides administrative services to the Trust for which it receives from each Fund a monthly administrative fee based on each share class' average daily net assets. The Administration Fee for the Administrative Class and Institutional Class is charged at the annual rate of 0.18%. The Administration Fee for the A, B and C Classes is charged at an annual rate of 0.40%. The Administration Fee for Class D is charged at the annual rate of 0.25%.

Distribution and Servicing Fees. PIMCO Funds Distributors LLC, ("PFD"), a wholly-owned subsidiary of PIMCO Advisors L.P., serves as the distributor of the Trust's shares.

The Trust is permitted to reimburse, out of the Administrative Class assets of the Fund in an amount up to 0.25% on an annual basis of the average daily net assets of that class, financial intermediaries that provide services in connection with the distribution of shares or administration of plans or programs that use Fund shares as their funding medium. The effective rate paid to PFD was 0.25% during current fiscal year.

Pursuant to the Distribution and Servicing Plans adopted by the A, B, C and D Classes of the Trust, the Trust compensates PFD or an affiliate with respect to Class D for services provided and expenses incurred in connection with assistance rendered in the sale of shares and services rendered to shareholders and for maintenance of shareholder accounts of the A, B, C and D Classes. The Trust paid PFD distribution and servicing fees at an effective rate as set forth below (calculated as a percentage of the Fund's average daily net assets attributable to each class):

	Distribution Fee (%)	Servicing Fee (%)
Class A	-	0.25
Class B	0.75	0.25
Class C	0.75	0.25
Class D	-	0.25

PFD also receives the proceeds of the initial sales charges paid by the shareholders upon the purchase of Class A shares, and the contingent deferred sales charges paid by the shareholders upon certain redemptions of A, B and C Class shares. For the period ended March 31, 2000, PFD received \$11,859,369 representing commissions (sale charges) and contingent deferred sales charges.

Expenses. The Trust is responsible for the following expenses: (i) salaries and other compensation of any of the Trust's executive officers and employees who are not officers, directors, stockholders or employees of PIMCO or its subsidiaries or affiliates; (ii) taxes and governmental fees; (iii) brokerage fees and commissions and other portfolio transaction expenses; (iv) the cost of borrowing money, including interest expense; (v) fees and expenses of the Trustees who are not "interested persons" of PIMCO or the Trust, and any counsel retained exclusively for their benefit; (vi) extraordinary expenses, including costs of litigation and indemnification expenses; (vii) organization expense; and (viii) any expenses allocated or allocable to a specific class of shares, which include service fees payable with respect to the Administrative Class shares and may include certain other expenses as permitted by the Trust's Multiple Class Plan adopted pursuant to Rule 18f-3 under the Act and subject to review and approval by the Trustees. The ratio of expenses to average net assets per share class, as disclosed in Financial Highlights, may differ from the annual fund operating expenses per share class as disclosed in the Prospectus for the reasons set forth above. Each unaffiliated Trustee receives an annual retainer of \$45,000, plus \$3,000 for each Board of Trustees meeting attended in person and \$500 for each meeting attended telephonically, plus reimbursement of related expenses. In addition, each committee chair receives an annual retainer of \$1,500. These expenses are allocated to the Funds of the Trust according to their respective net assets.

4. Purchases and Sales of Securities

Purchases and sales of securities (excluding short-term investments) for the period ended March 31, 2000 were as follows (amounts in thousands):

	<C>	<C>	<C>	<C>
	U.S. Government/Agency Purchases	Sales	All Other Purchases	Sales
Total Return Fund	\$ 56,671,088	\$ 70,114,485	\$35,320,326	\$9,011,674

5. Shares of Beneficial Interest

The Trust may issue an unlimited number of shares of beneficial interest with a \$.0001 par value. Changes in shares of beneficial interest were as follows (shares and amounts in thousands):

	Total Return Fund			
	Year Ended 03/31/2000		Year Ended 03/31/1999	
	Shares	Amount	Shares	Amount
Receipts for shares sold				
Administrative Class	218,285	2,193,159	165,308	1,767,082
Other Classes	1,126,853	11,309,212	1,025,586	10,927,649
Issued as reinvestment of distributions				
Administrative Class	11,320	113,239	7,521	79,793
Other Classes	129,764	1,300,711	164,549	1,748,338
Cost of shares redeemed				
Administrative Class	(95,333)	(953,360)	(27,767)	(296,106)
Other Classes	(745,907)	(7,465,688)	(517,630)	(5,529,297)
Net increase resulting from Fund share transactions	644,982	6,497,273	817,567	8,697,489

6. Transactions in Written Call and Put Options

Transactions in written call and put options were as follows (amounts in thousands):

	Total Return Premium
Balance at 03/31/1999	\$ 35,106
Sales	130,952
Closing Buys	(21,392)
Expirations	(106,510)
Exercised	(6,434)
Balance at 03/31/2000	\$ 31,722

7. Line of Credit

Effective December 30, 1999, the Fund, along with certain other funds managed by PIMCO, entered into an unsecured \$100,000,000 bank line of credit agreement with State Street Bank & Trust Company. Borrowings under the agreement bear interest at the Fed Funds plus 50 basis points or the Base Rate, which is typically the Prime Rate. The funds may borrow money solely for temporary purposes to fund shareholder redemptions. The Funds did not borrow from the line during the period December 30, 1999 through March 31, 2000.

8. Acquisition by Allianz AG

On October 31, 1999 PIMCO Advisors L.P. and related companies entered into an Implementation and Merger Agreement with Allianz of America, Inc. Pursuant to the merger agreement, Allianz AG, as the ultimate parent of Allianz of America, Inc. would acquire a majority ownership (approximately 70%) of PIMCO Advisors L.P. The consummation of the transaction is subject to certain consents and approvals. The transaction closed on May 5, 2000.

9. Federal Income Tax Matters

As of March 31, 2000, the Fund had remaining capital loss carryforwards that were realized or acquired in prior years in the amount listed below.

<S>	<C>	<C>	<C>
	Capital Loss Carryforwards	Acquired Losses	Expiration
	Realized Losses		
Total Return Fund	750,096,993	0	03/31/2008

The Total Return Fund realized capital loss and/or foreign currency loss of \$243,968,849 during the period November 1, 1999 through March 31, 2000 which the Fund elected to defer to the following fiscal year pursuant to U.S. income tax regulations.

The Fund will resume capital gain distributions in the future to the extent gains are realized in excess of the available carryforwards.

10. In-kind Transactions

For the period ended March 31, 2000, the Fund realized losses from in-kind redemptions of approximately \$1,063,000.

Federal Income Tax Information (unaudited)

Dividend Received Deduction. Corporate shareholders are generally entitled to take the dividend received deduction on the portion of the Fund's dividend distribution that qualifies under tax law. The percentage of the Fund's fiscal 2000 ordinary income dividends that qualifies for the corporate dividend received deduction is set forth below:

Total Return Fund 0.26%

Shareholders are advised to consult their own tax advisor with respect to the tax consequences of their investment in the Trust.

Schedule of Investments

Total Return Fund

March 31, 2000

<S>	<C>	<C>	<C>	<C>
			Principal Amount (000s)	Value (000s)
CORPORATE BONDS & NOTES 47.3%				
Banking & Finance 31.6%				
Abbey National Capital Trust I	8.963% due	12/29/2049	\$23,400	\$23,905
Abbey National PLC	6.700% due	06/29/2049	5,000	4,546
Abbey National Treasury Service	6.625% due	05/23/2001	240	240
ABN AMRO Mortgage Corp.	7.250% due	05/31/2005	150	148
Aetna, Inc.	6.750% due	08/15/2001	250	247
	7.250% due	08/15/2023	50	44
Ahmanson (H.F.) & Co.	7.650% due	04/15/2000	175	175
Allstate Corp.	6.750% due	05/15/2018	280	246
	6.900% due	05/15/2038	77,200	65,781
American Express	8.500% due	08/15/2001	350	356
	5.625% due	01/22/2004	8,700	8,179
	6.250% due	08/10/2005	1,000	981
American General Finance	7.250% due	04/15/2000	500	500
	6.270% due	06/09/2000	800	799
	5.875% due	07/01/2000	75	75
	6.050% due	07/02/2001	3,000	2,953
	7.450% due	07/01/2002	200	200
	6.250% due	12/18/2002	1,165	1,129
	6.375% due	03/01/2003	350	340
	8.125% due	03/15/2046	270	258
American Health Properties, Inc.				

Anthem Insurance	7.050% due	01/15/2002	700	676
	9.000% due	04/01/2027	210	196
AON Capital Trust 'A'				
	8.205% due	01/01/2027	725	691
Aristar, Inc.				
	7.375% due	09/01/2004	20,000	19,786
Associates Corp. of North America				
	6.000% due	06/15/2000	2,684	2,679
	6.310% due	06/16/2000	500	500
	6.250% due	09/15/2000	200	199
	6.625% due	05/15/2001	1,300	1,291
	6.700% due	05/29/2001	100	99
	6.750% due	07/15/2001	24,000	23,834
	7.000% due	07/23/2001	500	499
	6.210% due	08/27/2001 (d)	13,500	13,494
	6.450% due	10/15/2001	23,600	23,303
	7.500% due	04/15/2002	185	185
	6.500% due	07/15/2002	750	736
	5.750% due	11/01/2003	4,875	4,619
	5.800% due	04/20/2004	150	141
Associates First Capital Corp.				
	6.000% due	12/01/2002	500	483
AT&T Capital Corp.				
	7.500% due	11/15/2000	5,000	5,014
	6.730% due	12/01/2000 (d)	1,900	1,908
	6.875% due	01/16/2001	230	230
	6.800% due	02/01/2001	24,900	24,836
	6.250% due	05/15/2001	19,443	19,245
	7.000% due	08/15/2001	16,600	16,539
	7.110% due	09/13/2001 (d)	1,030	1,027
	6.900% due	01/30/2002	1,000	992
	6.750% due	02/04/2002	1,925	1,904
	6.310% due	04/23/2002 (d)	74,000	74,208
AVCO Financial Services				
	6.350% due	09/15/2000	100	100
	7.375% due	08/15/2001	300	300
Banco Latinoamericano SA				
	6.500% due	04/02/2001	950	944
Banco Nacional de Comercio Exterior				
	8.000% due	04/14/2000	\$4,600	\$4,598
	7.500% due	07/01/2000	2,000	2,005
	7.250% due	02/02/2004	15,050	14,373
Banesto Delaware				
	8.250% due	07/28/2002	28,900	29,355
Bank of Hawaii				
	6.875% due	06/01/2003	750	733
Bank of Tokyo - Mitsubishi				
	8.400% due	04/15/2010	112,000	113,864
Bank One Corp.				
	6.086% due	04/19/2001 (d)	2,000	2,006
	6.169% due	09/04/2001 (d)	14,000	13,977
	6.281% due	06/26/2002 (d)	4,000	3,997
BankAmerica Corp.				
	5.375% due	04/15/2000	750	750
	6.160% due	02/26/2001 (d)	3,000	3,001
	6.170% due	03/05/2001 (d)	44,000	43,954
	6.173% due	02/20/2002 (d)	35,180	35,110
	8.125% due	06/15/2002	350	354
	7.750% due	07/15/2002	360	363
	7.200% due	09/15/2002	1,000	995
	7.500% due	10/15/2002	1,200	1,203
	6.850% due	03/01/2003	65	64
	6.875% due	06/01/2003	100	98
	6.375% due	05/15/2005	1,000	948
	7.125% due	05/01/2006	500	490
	8.375% due	05/01/2007	2	2
	9.375% due	09/15/2009	12,950	14,387
	7.800% due	02/15/2010	84,000	84,805
	8.570% due	11/15/2024	125	140
BankBoston Corp.				
	6.125% due	03/15/2002	12,500	12,172
Bankers Trust				
	8.090% due	12/01/2026	275	266
Bankers Trust Corp.				
	9.400% due	03/01/2001	385	392
	6.750% due	10/03/2001	500	496
	8.125% due	05/15/2002	300	303
	6.066% due	07/03/2002 (d)	10,000	9,972
	7.125% due	07/31/2002	150	148
	6.200% due	05/11/2003 (d)	82,800	82,775
	6.000% due	10/15/2008	500	448
Banponce Financial Corp.				

Bayerische Landesbank NY	6.463% due	11/13/2001	13,000	12,756
	0.000% due	05/17/2000 (d)	306,000	300,370
	6.200% due	02/09/2006	250	234
Bear Stearns Co., Inc.	6.750% due	08/15/2000	50	50
	6.500% due	01/08/2001 (d)	8,100	8,134
	6.228% due	01/28/2002 (d)	11,250	11,232
	6.323% due	04/05/2002 (d)	25,000	25,009
	6.348% due	05/07/2002 (d)	4,300	4,299
	6.424% due	08/01/2002 (d)	53,600	53,722
	6.510% due	12/16/2002 (d)	46,100	46,097
	6.125% due	02/01/2003	25	24
	6.596% due	03/28/2003 (d)	15,800	15,809
	6.750% due	04/15/2003	105	102
	6.418% due	05/06/2003 (d)	13,000	13,034
	6.415% due	05/16/2003 (d)	39,200	39,298
	6.130% due	07/22/2003 (d)	19,000	19,022
	6.150% due	03/02/2004	150	142
	8.750% due	03/15/2004	75	78
	6.521% due	06/01/2004 (d)	9,265	9,299
	6.625% due	10/01/2004	250	240
	6.566% due	03/18/2005 (d)	37,000	37,026
	6.250% due	07/15/2005	25,000	23,409
	6.750% due	12/15/2007	2,000	1,892
Bell Atlantic Financial				
	5.750% due	04/01/2003	1,500	1,524
Beneficial Corp.				
	5.950% due	07/25/2000	\$5,000	\$4,991
	6.730% due	01/09/2001 (d)	16,000	15,994
	6.110% due	01/09/2002 (d)	500	502
	6.210% due	01/23/2002 (d)	5,000	5,001
	6.291% due	03/01/2002 (d)	50,000	50,063
	8.000% due	06/18/2002	400	405
	6.030% due	01/14/2003	320	308
Bombardier Capital, Inc.				
	6.000% due	01/15/2002	28,000	27,227
	7.300% due	12/15/2002	9,000	8,862
	6.700% due	06/09/2032 (d)	16,150	16,000
BTM Holdings				
	6.680% due	09/29/2049 (d)	6,000	6,000
Caithness Coso Fund Corp.				
	6.800% due	12/15/2001	11,988	11,852
Capital One Bank				
	6.750% due	07/28/2003 (d)	2,200	2,199
Case Credit Corp.				
	5.950% due	08/01/2000	2,375	2,367
	5.850% due	02/20/2001 (d)	1,600	1,579
Caterpillar Financial Service Corp.				
	6.151% due	05/27/2001 (d)	10,000	9,997
	6.480% due	12/12/2001	575	568
	6.300% due	02/11/2002 (d)	700	702
Central Hispano Financial Services				
	6.540% due	04/28/2005 (d)	5,000	5,002
Chase Manhattan Corp.				
	8.500% due	02/15/2002	200	204
	5.750% due	04/15/2004	150	142
	6.000% due	02/15/2009	800	721
Chemical Banking Corp.				
	6.125% due	11/01/2008	400	360
Chrysler Financial Co. LLC				
	5.860% due	01/16/2001	500	496
	6.034% due	06/11/2001 (d)	21,400	21,402
	5.690% due	11/15/2001	650	636
	5.400% due	01/15/2002	15,750	15,251
	6.950% due	03/25/2002	50	50
	6.129% due	07/17/2002 (d)	20,000	20,000
	6.144% due	08/08/2002 (d)	37,000	37,034
	6.184% due	02/03/2003 (d)	35,000	35,020
	6.174% due	03/06/2003 (d)	25,000	25,184
	6.164% due	03/10/2003 (d)	10,000	10,072
	6.124% due	06/18/2003	35,000	34,990
Chubb Capital Corp.				
	6.875% due	02/01/2003	100	99
Cigna Corp.				
	8.250% due	01/01/2007	250	252
Cincinnati Financial Corp.				
	6.900% due	05/15/2028	80,925	73,136
CIT Group, Inc.				
	6.200% due	10/20/2000	525	523
	6.750% due	05/14/2001	30,000	29,829

CIT Holdings LLC	6.393% due	10/01/2002 (d)	600	601
	6.875% due	02/16/2005	7,500	7,295
Citicorp	6.235% due	05/24/2001 (d)	139,000	139,046
	6.223% due	09/17/2001 (d)	65	65
	6.179% due	11/13/2001 (d)	10,000	10,002
	6.231% due	06/27/2002 (d)	11,450	11,411
	6.186% due	08/15/2002 (d)	11,500	11,490
	6.224% due	11/12/2002 (d)	30,000	29,974
	8.000% due	02/01/2003	250	253
	7.125% due	09/01/2005	400	393
	7.250% due	09/01/2008	500	491
Citifinancial	6.375% due	09/15/2002	115	112
	6.500% due	08/01/2004	400	387
Comerica, Inc.	7.250% due	06/15/2007	200	195
Commercial Credit Co.	6.750% due	05/15/2000	\$100	\$100
	6.000% due	06/15/2000	300	300
	5.550% due	02/15/2001	1,300	1,284
	8.250% due	11/01/2001	2,500	2,540
	6.875% due	05/01/2002	335	332
	7.750% due	03/01/2005	550	556
Countrywide Home Loans	6.250% due	04/15/2009	600	541
Credit Asset Receivable	6.274% due	10/31/2003	41,870	40,921
Credit Lyonnais	5.688% due	07/21/2000 (d)	6,750	6,736
Deutsche Bank Capital Trust I	7.872% due	12/29/2049	20,875	19,848
Deutsche Bank Financial	7.500% due	04/25/2009	3,000	2,955
Donaldson, Lufkin & Jenrette	6.400% due	09/18/2002 (d)	13,600	13,589
	6.170% due	07/15/2003	20,000	19,168
Dow Capital BV	7.125% due	01/15/2003	100	99
Dresdner Bank-New York	6.625% due	09/15/2005	1,000	957
Dresdner Funding Trust I	8.151% due	06/30/2031	17,500	16,418
Duke Capital Corp.	7.250% due	10/01/2004	19,000	18,789
Edison Funding	6.950% due	12/19/2000	7,000	7,002
EOP Operating LP	6.376% due	02/15/2002	26,310	25,638
Export Credit Bank of Turkey	8.385% due	08/18/2000 (d)	10,740	10,750
	8.820% due	08/18/2000	2,923	2,915
Export-Import Bank Korea	6.500% due	11/15/2006	5,000	4,765
Exxon Capital Corp.	7.450% due	12/15/2001	250	252
	6.125% due	09/08/2008	2,000	1,864
Farmers Insurance	8.625% due	05/01/2024	275	281
Finova Capital Corp.	5.875% due	10/15/2001	1,000	976
	6.720% due	11/08/2002 (d)	52,250	52,448
	6.480% due	04/08/2003 (d)	300	300
	6.390% due	06/18/2003 (d)	32,300	32,289
	6.330% due	11/24/2003	700	652
First Chicago Corp.	6.230% due	03/11/2002 (d)	10,000	10,016
	6.230% due	02/18/2003 (d)	10,000	9,939
	6.165% due	07/28/2003 (d)	50	50
First Interstate Bancorp	8.875% due	01/01/2009 (1)	162	163
First Union Corp.	7.100% due	08/15/2004	3,000	2,959
	7.700% due	02/15/2005	4,000	4,051
	6.375% due	01/15/2009	500	457
Fleet Financial Group	9.900% due	06/15/2001	200	206
Ford Capital BV	9.500% due	06/01/2010	200	220
Ford Motor Credit Corp.	6.375% due	10/06/2000	1,300	1,296
	6.250% due	11/08/2000	750	747

	7.020% due	06/07/2001	1,000	999
	6.710% due	07/13/2001 (d)	46,500	46,747
	6.210% due	08/27/2001 (d)	27,500	27,497
	6.249% due	09/03/2001 (d)	27,000	27,020
	7.000% due	09/25/2001	1,125	1,121
	6.160% due	10/15/2001 (d)	13,000	13,012
	6.240% due	11/16/2001 (d)	76,800	76,860
	8.240% due	01/15/2002	85	86
	6.165% due	01/17/2002 (d)	53,945	53,769
	8.200% due	02/15/2002	\$500	\$507
	6.500% due	02/28/2002	1,710	1,684
	6.341% due	03/19/2002 (d)	28,208	28,283
	6.200% due	04/29/2002 (d)	33,000	33,016
	6.298% due	05/23/2002	14,000	14,000
	6.269% due	06/04/2002 (d)	2,000	2,000
	6.300% due	07/16/2002 (d)	98,480	98,718
	6.550% due	09/10/2002	4,000	3,930
	6.190% due	10/15/2002 (d)	14,000	13,995
	7.750% due	11/15/2002	5,730	5,772
	6.320% due	12/16/2002 (d)	56,000	55,864
	6.000% due	01/14/2003	1,000	963
	7.500% due	01/15/2003	250	250
	6.218% due	02/03/2003 (d)	30,000	29,931
	6.224% due	02/13/2003 (d)	250,185	249,587
	6.199% due	02/13/2003 (d)	100,000	99,956
	6.330% due	03/17/2003 (d)	13,000	13,000
	6.125% due	04/28/2003	25,580	24,655
	6.625% due	06/30/2003	775	758
	6.370% due	11/24/2003 (d)	32,000	32,063
	5.750% due	02/23/2004	620	584
	6.310% due	05/21/2004 (d)	22,200	22,246
	6.309% due	06/02/2004 (d)	1,500	1,495
	6.700% due	07/16/2004	92,305	89,590
	8.250% due	02/23/2005	2,500	2,577
	7.500% due	03/15/2005	17,000	16,959
	6.228% due	04/28/2005 (d)	58,000	57,831
	6.125% due	01/09/2006	25	23
	5.800% due	01/12/2009	155	137
Fuji Bank				
	9.870% due	12/31/2049 (d)	17,875	17,786
GATX Capital Corp.				
	6.440% due	06/09/2000	3,000	2,998
General Electric Capital Corp.				
	6.875% due	04/15/2000	200	200
	8.375% due	03/01/2001	1,415	1,432
	6.020% due	05/04/2001	1,000	990
	5.500% due	11/01/2001	50	49
	5.650% due	03/31/2003	125	120
	6.210% due	12/09/2005	400	382
	8.300% due	09/20/2009	1,125	1,211
General Motors Acceptance Corp.				
	9.375% due	04/01/2000 (d)	235	235
	5.800% due	04/09/2001	8,340	8,239
	6.800% due	04/17/2001	4,800	4,790
	5.950% due	04/20/2001	22,150	21,904
	6.700% due	04/30/2001	3,000	2,988
	7.125% due	05/01/2001	44,395	44,355
	6.750% due	06/05/2001	880	876
	6.875% due	07/15/2001	1,000	996
	6.310% due	08/23/2001 (d)	48,000	48,189
	6.060% due	10/22/2001 (d)	25,700	25,658
	6.485% due	11/26/2001 (d)	19,000	19,127
	6.375% due	12/01/2001	265	261
	6.230% due	12/10/2001 (d)	2,200	2,199
	9.625% due	12/15/2001	5,650	5,844
	6.548% due	12/17/2001 (d)	13,000	13,090
	6.130% due	01/08/2002 (d)	3,000	3,007
	6.625% due	01/10/2002	500	493
	6.140% due	01/28/2002 (d)	3,000	3,000
	6.130% due	02/01/2002 (d)	36,700	36,701
	6.750% due	02/07/2002	1,590	1,571
	6.330% due	03/15/2002 (d)	10,215	10,251
	7.750% due	03/25/2002	125	126
	6.165% due	04/29/2002 (d)	221,144	221,238
	7.000% due	09/15/2002	250	247
	6.625% due	10/01/2002	5,000	4,908
	6.330% due	10/07/2002 (d)	1,100	1,101
	6.199% due	11/12/2002 (d)	10,200	10,180
	6.299% due	11/12/2002 (d)	19,595	19,621
	6.327% due	12/09/2002 (d)	64,050	64,093
	6.200% due	12/15/2002	500	485
	5.480% due	12/16/2002	150	143

	6.000% due	01/15/2003	990	953
	5.875% due	01/22/2003	30,500	29,268
	6.750% due	03/15/2003	\$40,125	\$39,384
	7.125% due	05/01/2003	36,000	35,648
	6.681% due	07/20/2003 (d)	9,956	9,947
	6.190% due	08/18/2003 (d)	89,940	89,459
	5.550% due	09/15/2003	32,000	30,201
	6.625% due	10/20/2003	2,000	1,951
	5.750% due	11/10/2003	1,000	946
	6.251% due	04/05/2004 (d)	35,200	35,122
	6.351% due	05/28/2004 (d)	73,000	73,644
	6.850% due	06/17/2004	1,000	975
	6.551% due	09/20/2004 (d)	20,137	20,119
	6.650% due	11/17/2005	500	480
	6.150% due	04/05/2007	150	139
	8.950% due	07/02/2009	21,483	22,321
Golden State Holdings				
	2.281% due	01/02/2000	15	335
	6.750% due	08/01/2001	1,950	1,881
Goldman Sachs Group				
	6.200% due	12/15/2000	6,500	6,468
	6.210% due	01/09/2001 (d)	75,000	75,150
	6.456% due	01/12/2001 (d)	25,000	25,103
	6.469% due	01/16/2001 (d)	39,000	39,112
	6.220% due	01/25/2001 (d)	27,400	27,426
	6.340% due	02/20/2001 (d)	3,000	3,008
	6.773% due	04/16/2001 (d)	18,000	18,008
	6.390% due	12/07/2001 (d)	25,000	25,060
	6.496% due	12/24/2001 (d)	6,000	6,014
	6.490% due	02/18/2002 (d)	2,300	2,312
	6.340% due	02/22/2002 (d)	3,500	3,504
	6.370% due	01/16/2003 (d)	15,000	15,079
	6.270% due	01/17/2003 (d)	145,000	145,089
	6.349% due	02/10/2004 (d)	10,000	9,806
	6.640% due	02/19/2004 (d)	10,000	10,147
	6.800% due	02/09/2009 (d)	10,000	10,463
	6.500% due	02/25/2009	140	130
Hansol Paper Co. Ltd.				
	7.934% due	05/24/2001 (d)	20,000	20,200
Hartford Life, Inc.				
	6.900% due	06/15/2004	600	586
Heller Financial, Inc.				
	6.240% due	08/25/2000 (d)	3,000	3,002
	6.477% due	09/12/2000	5,000	4,989
	6.448% due	02/05/2001	13,000	13,017
	6.250% due	03/01/2001	25,000	24,774
	6.441% due	06/25/2001 (d)	74,550	74,718
	5.750% due	09/25/2001	1,400	1,367
	6.370% due	10/22/2001 (d)	19,200	19,250
	6.500% due	11/01/2001	250	247
	7.000% due	11/09/2001 (d)	2,500	2,522
	6.220% due	04/26/2002 (d)	12,000	11,979
	6.280% due	05/07/2002 (d)	2,000	1,997
	6.269% due	05/13/2002 (d)	10,000	9,980
	6.460% due	06/24/2002 (d)	5,100	5,095
	6.270% due	04/28/2003 (d)	26,000	25,971
	6.300% due	04/28/2003 (d)	55,750	55,524
Hertz Corp.				
	7.000% due	07/15/2003	13,300	13,111
Hitachi Credit America				
	6.221% due	05/15/2000	25,000	25,008
	6.280% due	07/07/2000 (d)	40,000	40,015
Home Savings of America				
	6.000% due	11/01/2000	14,175	14,075
Household Bank				
	6.341% due	09/26/2001 (d)	9,000	9,002
	6.228% due	10/22/2003 (d)	15,000	14,936
Household Capital Trust				
	6.531% due	06/26/2004 (d)	13,925	13,850
Household Finance Corp.				
	6.349% due	06/22/2001 (d)	3,000	3,007
	6.199% due	08/01/2001 (d)	1,500	1,500
	6.199% due	11/01/2001 (d)	5,000	5,000
	6.223% due	05/07/2002 (d)	40,850	40,868
	6.310% due	05/24/2002 (d)	113,800	113,762
	7.080% due	06/03/2002	15,000	14,893
	5.875% due	11/01/2002	200	193
	6.430% due	06/24/2003	\$35,000	\$34,990
	6.506% due	06/24/2003 (d)	31,000	30,982
	7.000% due	08/01/2003	20,000	19,675
	6.500% due	11/15/2008	2,000	1,844

Household Netherlands BV	6.125% due	03/01/2003	18,100	17,282
Hyatt Equities LLC	6.800% due	05/15/2000	1,040	1,039
Inter-American Development Bank	5.750% due	04/15/2004	57,400	26,690
	8.875% due	06/01/2009	200	224
	7.375% due	01/15/2010	4,200	4,267
International Bank for Reconstruction & Development	7.000% due	01/27/2005	1,000	1,010
International Lease Finance	7.000% due	05/15/2000	500	500
	6.420% due	09/11/2000	500	500
	5.930% due	07/15/2003	14,000	13,435
J.P. Morgan & Co.	6.250% due	12/15/2005	200	188
JET Equipment Trust	10.000% due	06/15/2012	80	89
	10.690% due	11/01/2013	100	117
John Hancock	7.375% due	02/15/2024	360	340
KBC Bank Fund Trust III	9.860% due	11/29/2049 (d)	5,700	6,046
KBC Bank Fund Trust IV	8.220% due	11/29/2049	20,764	20,992
Key Bank NA	7.550% due	09/15/2006	350	349
Kimco Realty Corp.	6.500% due	10/01/2003	200	192
Korea Development Bank	7.154% due	10/06/2000 (d)	5,000	5,001
	6.500% due	11/15/2002	440	422
	7.125% due	04/22/2004	19,125	18,371
	7.375% due	09/17/2004	15,000	14,515
	6.750% due	12/01/2005	55	51
	7.250% due	05/15/2006	50	47
	6.510% due	10/20/2000	11,000	10,948
	6.000% due	03/07/2001	350,000	3,582
	8.600% due	03/25/2002	5,600	5,631
Korean Export-Import Bank	7.250% due	06/25/2001	2,600	2,591
	7.125% due	09/20/2001	10,000	9,853
	6.500% due	02/10/2002	12,391	12,025
	7.100% due	03/15/2007	1,600	1,580
LB Rheinland - PFALZ	5.000% due	02/23/2028	3,400	3,229
Lehman Brothers Holdings, Inc.	7.120% due	07/27/2000 (d)	8,000	7,975
	6.400% due	08/30/2000	200	200
	6.538% due	12/01/2000 (d)	500	501
	6.125% due	02/01/2001	2,000	1,977
	6.610% due	02/20/2001	1,500	1,500
	6.000% due	02/26/2001	700	692
	6.138% due	06/01/2001 (d)	101,600	101,601
	6.604% due	07/03/2001 (d)	10,000	10,055
	6.904% due	04/02/2002 (d)	64,150	64,528
	6.375% due	05/07/2002	26,395	25,763
	6.798% due	05/07/2002 (d)	42,100	42,255
	6.840% due	07/15/2002 (d)	43,051	43,319
	6.419% due	08/12/2002 (d)	6,500	6,472
	6.880% due	08/28/2002 (d)	6,500	6,547
	6.410% due	09/03/2002 (d)	14,000	13,870
	6.690% due	12/12/2002 (d)	57,100	57,266
	6.690% due	04/04/2003 (d)	123,100	124,902
	7.000% due	05/15/2003	150	147
	6.625% due	04/01/2004	65	63
	7.625% due	06/01/2006	350	344
	8.500% due	05/01/2007	1,475	1,519
LG&E Capital Corp.	6.205% due	05/01/2004	\$1,000	\$954
	6.460% due	01/15/2008	3,000	2,816
Liberty Mutual Insurance	8.200% due	05/04/2007	17,510	17,654
Limestone Electron Trust	8.625% due	03/15/2003	71,000	71,451
Marine Midland	6.313% due	12/16/2000 (d)	3,700	3,698
MBNA America Bank NA	6.199% due	05/01/2000 (d)	400	400
	6.290% due	04/25/2002 (d)	1,000	996
	6.875% due	07/15/2004	46,000	44,467
MBNA Corp.	6.990% due	05/24/2002	1,000	987

	6.600% due	09/10/2002 (d)	5,000	5,015
	6.505% due	12/10/2002	2,100	2,062
MCN Investment Corp.				
	6.030% due	02/01/2001	6,850	6,766
	7.120% due	01/16/2004	7,500	7,144
	6.300% due	04/02/2011	7,500	7,392
Mellon Bank Corp.				
	6.500% due	08/01/2005	75	72
Mellon Financial Co.				
	6.300% due	06/01/2000	250	250
Mercury Finance Co.				
	10.000% due	03/23/2001	2,050	1,989
Merrill Lynch & Co.				
	6.620% due	06/06/2000	500	500
	6.450% due	06/20/2000	350	350
	6.250% due	07/25/2000	490	490
	6.298% due	09/25/2000 (d)	5,000	5,005
	6.054% due	10/03/2000 (d)	2,000	2,000
	6.770% due	12/05/2000 (d)	89,000	89,004
	6.000% due	03/01/2001	1,325	1,311
	6.500% due	04/01/2001	400	397
	6.750% due	04/30/2001	2,775	2,769
	6.208% due	05/08/2001 (d)	54,900	54,660
	6.310% due	05/30/2001 (d)	3,800	3,801
	6.189% due	06/04/2001 (d)	30,000	30,001
	6.129% due	11/01/2001 (d)	35,000	34,977
	6.180% due	11/09/2001 (d)	16,000	15,869
	6.480% due	01/11/2002 (d)	4,000	4,011
	6.140% due	01/15/2002 (d)	17,000	16,845
	8.000% due	02/01/2002	400	404
	6.424% due	02/01/2002 (d)	33,000	33,049
	7.375% due	08/17/2002	300	299
	8.300% due	11/01/2002	200	204
	6.000% due	02/12/2003	500	482
	6.875% due	03/01/2003	140	138
	6.396% due	06/24/2003 (d)	27,000	26,897
	6.154% due	10/01/2003 (d)	9,500	9,480
	5.880% due	01/15/2004	600	567
	6.550% due	08/01/2004	100	97
	7.000% due	03/15/2006	1,500	1,460
	6.560% due	12/16/2007	50	47
	7.000% due	04/27/2008	100	96
	6.375% due	10/15/2008	17,000	15,652
Metropolitan Life Insurance Co.				
	6.300% due	11/01/2003	6,800	6,503
Mexico Credit Link				
	11.384% due	02/22/2002 (d)	29,500	29,706
MFN Financial Corp.				
	6.460% due	09/13/2001 (d)	10,300	10,279
MIC Financing Trust				
	8.375% due	02/01/2027	36,000	33,552
Morgan Stanley, Dean Witter, Discover and Co.				
	5.820% due	06/19/2000 (d)	152,000	150,005
	5.750% due	02/15/2001	400	395
	6.700% due	05/01/2001	600	597
	9.375% due	06/15/2001	300	307
	6.353% due	12/17/2001 (d)	5,000	5,004
	6.313% due	12/19/2001 (d)	19,700	19,677
	6.165% due	01/28/2002 (d)	35,700	35,705
	6.190% due	04/15/2002 (d)	300	300
	6.310% due	02/21/2003 (d)	\$25,000	\$25,029
	6.308% due	03/11/2003 (d)	11,500	11,465
	6.375% due	12/15/2003	150	145
	5.625% due	01/20/2004	1,100	1,035
	6.290% due	04/22/2004 (d)	68,500	68,438
Morgan, J.P. & Co., Inc.				
	5.750% due	02/25/2004	22,800	21,578
	6.000% due	01/15/2009	34,000	30,309
Nacional Financiera				
	8.000% due	06/19/2000	4,500	4,496
	9.549% due	12/01/2000 (d)	25,760	25,644
	22.000% due	05/20/2002	70,000	7,386
NationsBank Corp.				
	6.750% due	02/26/2001	500	499
	7.000% due	09/15/2001	1,500	1,493
	6.300% due	06/17/2002 (d)	10,000	9,991
	6.125% due	07/15/2004	600	570
NCNB Corp.				
	7.750% due	08/01/2002	896	895
Noble Affiliates, Inc.				
	8.950% due	12/15/2004	10,500	10,336
Nordbanken				
	7.250% due	11/12/2009	21,250	20,626

Nordstrom Credit, Inc.	7.250% due	04/30/2002	1,000	995
Norwest Financial, Inc.	6.375% due	07/16/2002	500	490
	6.250% due	11/01/2002	100	97
	7.000% due	01/15/2003	300	295
	6.000% due	02/01/2004	50	48
Okobank	6.460% due	05/23/2006 (d)	10,000	10,329
Orix Credit Alliance	7.640% due	09/17/2001	13,000	12,908
Osprey Trust	8.310% due	01/15/2003	75,000	75,000
Paccar Financial Corp.	6.740% due	09/15/2000	250	250
Pacific Mutual Life	7.900% due	12/30/2023	8,000	8,261
PaineWebber	6.400% due	02/18/2002 (d)	5,000	4,969
	6.520% due	05/20/2002 (d)	1,000	994
Parker Retirement Savings Plan	6.340% due	07/15/2008	891	841
PDVSA Finance Ltd.	7.400% due	08/15/2016	1,200	919
Pemex Finance Limited	6.125% due	11/15/2003	25,000	24,265
Pinnacle Holdings, Inc.	5.500% due	09/15/2007	3,800	3,506
PNC Bank Corp.	5.863% due	06/01/2000 (d)	243,000	242,982
	6.224% due	01/24/2002 (d)	49,000	48,952
	6.066% due	08/15/2002 (d)	5,000	5,003
PNC Funding Corp.	6.875% due	03/01/2003	100	99
	7.000% due	09/01/2004	15,000	14,797
PNC Institutional Capital Association	7.950% due	12/15/2026	150	139
Popular North American, Inc.	7.375% due	09/15/2001	25,000	24,854
Popular, Inc.	6.715% due	06/06/2000	6,000	5,997
	6.550% due	10/10/2000	2,485	2,476
	6.540% due	11/06/2001	18,705	18,380
	6.625% due	01/15/2004	19,500	18,677
Prime Property Funding II	7.000% due	08/15/2004	110	105
Prudential Funding Corp.	6.620% due	08/01/2000 (d)	2,000	1,993
	6.240% due	10/02/2000 (d)	20,000	20,032
	6.375% due	07/23/2006	55,000	51,468
	6.625% due	04/01/2009	17,000	15,287
PSE&G Capital Corp.	6.740% due	10/23/2001	\$1,400	\$1,392
Racers	6.340% due	03/03/2003 (d)	282,400	282,400
Reliance Group Holdings	9.000% due	11/15/2000	19,000	17,813
	9.750% due	11/15/2003	10,000	7,200
Reliant Energy Financial Co.	7.150% due	12/10/2001 (d)	51,000	50,951
Residential Reinsurance	9.761% due	06/01/2000 (d)	11,500	11,417
Royal Bank of Scotland plc	6.400% due	04/01/2009	15,000	13,707
	8.817% due	03/31/2049	38,600	39,397
	6.770% due	12/31/2049	113,800	109,943
	9.118% due	12/31/2049	65,500	67,552
Safeco Corp.	7.260% due	08/12/2002	500	501
Sakura Capital Funding	7.320% due	08/29/2049	20,000	18,939
	7.020% due	09/29/2049 (d)	100,000	96,390
Salomon, Inc.	6.650% due	07/15/2001	600	596
	7.000% due	03/04/2002	18,850	18,736
	6.470% due	05/16/2002 (d)	23,000	22,987
Salomon, Smith Barney Holdings	5.980% due	03/26/2001	250	248
	3.650% due	02/14/2002 (d) (h)	29,036	28,528
	6.240% due	04/15/2002 (d)	35,090	35,054
	6.279% due	05/14/2002 (d)	26,715	26,675

	6.320% due	07/23/2002 (d)	53,400	53,339
	6.125% due	01/15/2003	290	280
	6.320% due	02/11/2003 (d)	44,200	44,205
Sanwa Business Credit				
	6.540% due	06/20/2000	1,000	1,000
Sanwa Finance Aruba AEC				
	8.350% due	07/15/2009	69,740	69,504
Sears Roebuck Acceptance				
	6.204% due	06/27/2000 (d)	5,000	5,001
	6.800% due	05/07/2001	500	496
	6.790% due	05/21/2001	500	498
	7.110% due	06/19/2001	1,000	995
	9.400% due	08/02/2001	250	257
	6.860% due	08/06/2001	400	397
	6.710% due	08/13/2001	80	79
	6.360% due	12/04/2001	290	284
	6.120% due	12/13/2001	260	255
	8.390% due	02/14/2002	240	243
	6.950% due	05/15/2002	300	296
	6.000% due	03/20/2003	149,750	143,579
	7.260% due	04/21/2003	3,000	2,967
	7.140% due	05/02/2003	5,000	4,928
	6.560% due	11/20/2003	1,178	1,138
	6.250% due	01/15/2004	300	286
	6.750% due	09/15/2005	785	748
	6.700% due	11/15/2006	500	471
Security Pacific Corp.				
	6.000% due	05/01/2000	600	600
	11.500% due	11/15/2000	4,000	4,107
Seismic Ltd.				
	0.000% due	01/01/2002 (d)	32,500	32,500
Simon Property Group, Inc.				
	9.000% due	03/15/2002	2,000	2,018
Skandinaviska Enskilda				
	7.500% due	03/29/2049	650	580
Socgen Real Estate LLC				
	7.640% due	12/29/2049	3,000	2,797
Societe Generale				
	7.400% due	06/01/2006	1,500	1,476
Sovereign Bancorp				
	6.625% due	03/15/2001	13,500	13,186
Spieker Properties				
	6.800% due	12/15/2001	5,500	5,385
	6.800% due	05/01/2004	1,000	948
Steers				
	9.848% due	08/07/2002 (d)	20,000	20,018
Sumitomo Bank International Finance NV				
	8.500% due	06/15/2009	3,100	3,150
Sumitomo Bank Treasury Co.				
	9.400% due	12/29/2049 (d)	33,750	33,786
Sun Life of Canada (U.S.)				
	8.526% due	05/29/2049	250	233
Telewest Credit Links				
	7.500% due	04/16/2004	30,000	28,473
Textron Financial Corp.				
	6.460% due	05/28/2002 (d)	41,900	41,799
Tokai Capital Corp.				
	9.980% due	12/29/2049 (d)	\$13,050	\$13,171
Toyota Motor Credit Corp.				
	5.707% due	02/15/2002	40,000	38,961
Transamerica Finance Corp.				
	6.423% due	09/17/2001 (d)	20,000	19,998
	6.125% due	11/01/2001	24,000	23,495
	6.394% due	12/14/2001 (d)	39,700	39,677
	7.250% due	08/15/2002	79,000	78,620
	7.500% due	03/15/2004	270	267
	6.750% due	11/15/2006	650	607
Travelers Group, Inc.				
	7.200% due	02/01/2004	38,480	38,145
U.S. Bancorp				
	6.134% due	01/16/2002 (d)	49,000	48,997
	6.279% due	02/03/2003 (d)	18,100	18,097
U.S. West Capital Funding, Inc.				
	6.875% due	08/15/2001	400	397
Wachovia Corp.				
	6.805% due	05/02/2005 (d)	49,600	49,600
Washington Mutual, Inc.				
	6.375% due	07/01/2000	3,000	2,994
	8.206% due	02/01/2027	150	141
	8.375% due	06/01/2027	235	226
Wells Fargo & Co.				
	5.625% due	02/05/2001	400	395
	8.750% due	05/01/2002	100	103

	6.625% due	07/15/2004	47,100	46,021
	6.780% due	05/02/2005 (d)	67,700	67,700
Westdeutsche Landesbank				
	6.750% due	06/15/2005	4,000	3,880
	6.050% due	01/15/2009	62,500	55,933

				9,975,463

Industrials 9.2%				
Ahold Finance USA, Inc.				
Akzo Nobel, Inc.	6.875% due	05/01/2029	115	99
Albertson's, Inc.	6.000% due	11/15/2003	32,000	30,255
Alcan Aluminum Ltd.	6.375% due	06/01/2000	150	150
Allied Waste North America, Inc.	5.875% due	04/01/2000	250	251
Amerco, Inc.	7.375% due	01/01/2004	18,925	16,276
America West Airlines	7.135% due	10/15/2002	15,000	14,367
American Airlines	6.870% due	07/02/2018	1,956	1,824
Amerigas Partners LP	10.610% due	03/04/2011	1,895	2,175
	10.125% due	04/15/2007	1,730	1,765
AMR Corp.				
	10.610% due	01/11/2001	4,000	4,084
	10.570% due	01/15/2001	3,000	3,072
	10.590% due	01/31/2001	3,000	3,076
	10.000% due	02/01/2001	2,000	2,033
	9.400% due	05/08/2001	3,000	3,049
	9.500% due	05/15/2001	3,480	3,536
	9.130% due	10/25/2001	2,000	2,039
	8.470% due	02/20/2002	2,000	2,019
	8.500% due	02/26/2002	1,000	1,010
	10.210% due	01/01/2010	6,500	7,234
Arrow Electronics, Inc.				
	6.860% due	11/24/2000 (d)	9,200	9,197
AT&T Canada, Inc.				
	7.650% due	09/15/2006	140	140
	10.750% due	11/01/2007	1,000	857
AT&T Corp.				
	8.650% due	09/15/2004	625	655
Atlas Air, Inc.				
	9.820% due	04/04/2003 (d)	3,000	3,000
	8.820% due	04/04/2003 (d)	20,000	20,000
Aventis SA				
	8.620% due	01/05/2021	250	264
Baxter International, Inc.				
	9.500% due	06/15/2008	\$200	\$227
Bayer Corp.				
	6.500% due	10/01/2002	250	246
Bellat Racers				
	6.209% due	04/01/2003	20,000	19,956
Bellsouth Telecommunication				
	6.000% due	06/15/2002	10,000	9,755
BOC Group PLC				
	5.875% due	01/29/2001	250	248
Boeing Co.				
	8.375% due	02/15/2001	900	909
	6.350% due	06/15/2003	750	724
Boise Cascade Co.				
	7.150% due	05/15/2001	10,000	9,924
BP Amoco PLC				
	6.250% due	10/15/2004	1,000	975
Browning-Ferris Industries, Inc.				
	6.100% due	01/15/2003	6,000	5,414
Cabot Corp.				
	7.280% due	10/21/2027	5,160	4,819
Campbell Soup Co.				
	4.750% due	10/01/2003	500	465
Case Credit Corp.				
	6.318% due	05/05/2000 (d)	13,000	13,002
Cemex SA				
	10.750% due	07/15/2000	6,250	6,310
	8.500% due	08/31/2000	10,000	10,039
	9.250% due	06/17/2002	48,500	49,349
Centerior Fuel Corp.				
	9.750% due	08/02/2000 (1)	8,000	8,120
Century Communications Corp.				
	9.500% due	08/15/2000	6,250	6,266

CF Cable TV, Inc.	0.000% due	03/15/2003	10,515	7,729
Champion International Corp.	9.125% due	07/15/2007	1,600	1,699
Chancellor AMFM, Inc.	9.700% due	05/01/2001	4,000	4,079
Circus Circus Enterprises	8.000% due	11/01/2008	5,000	4,956
Coastal Corp.	6.750% due	07/15/2003	4,500	4,028
	10.375% due	10/01/2000	8,500	8,623
	6.569% due	03/06/2002 (d)	153,550	153,550
Coca-Cola Co.	6.375% due	08/01/2001	200	198
	7.875% due	02/01/2002	600	606
	6.000% due	07/15/2003	250	240
Colgate-Palmolive Co.	6.000% due	08/15/2003	45	44
Coltec Industries, Inc.	7.500% due	04/15/2008	2,200	2,148
Columbia/HCA Healthcare	8.020% due	08/05/2002	9,000	8,715
	8.130% due	08/04/2003	7,300	7,048
	6.630% due	07/15/2045	10,000	9,509
Comcast Corp.	9.375% due	05/15/2005	34,995	36,682
	8.375% due	05/01/2007	145	148
Conagra, Inc.	6.340% due	06/12/2000 (d)	83,300	83,266
Conexant Systems, Inc.	4.000% due	01/02/2007	800	732
Conoco, Inc.	6.350% due	04/15/2009	1,900	1,773
Continental Airlines	9.500% due	12/15/2001	385	387
	6.954% due	02/02/2011	25,113	24,082
	6.900% due	01/02/2018	666	633
Cox Communications, Inc.	6.500% due	11/15/2002	200	195
Cox Enterprises, Inc.	8.000% due	02/15/2007	5,000	4,976
Credit Lyon Capital	2.375% due	01/02/2000	\$1,300	\$31,200
CSX Corp.	6.430% due	06/15/2000 (d)	30,500	30,485
	9.500% due	08/01/2000	3,385	3,405
DaimlerChrysler Holdings	6.160% due	01/18/2002	18,900	18,902
	6.380% due	08/23/2002 (d)	6,410	6,431
Dayton Hudson Corp.	10.000% due	12/01/2000	1,000	1,017
Delphi Auto Systems Corp.	6.125% due	05/01/2004	20,000	18,730
Delta Air Lines, Inc.	9.875% due	05/15/2000	9,275	9,298
	6.650% due	03/15/2004	13,500	12,770
	10.430% due	01/02/2011	850	962
	10.140% due	08/14/2012	1,000	1,131
	9.200% due	09/23/2014	6,000	6,009
	10.500% due	04/30/2016	3,000	3,574
Diamond Cable Communication Co.	0.000% due	12/15/2005 (d) (k)	3,500	3,290
Disney (Walt) Co.	6.375% due	03/30/2001	1,100	1,093
	6.750% due	03/30/2006	100	98
DTE Capital Corp.	8.350% due	11/15/2038 (d)	52,750	50,790
E.I. Du Pont de Nemours	9.150% due	04/15/2000	100	100
Eastman Chemical Co.	6.375% due	01/15/2004	5,750	5,458
Electric Lightwave, Inc.	6.050% due	05/15/2004	15,700	14,960
Eli Lilly & Co.	8.125% due	12/01/2001	500	507
Embotelladora Arica S.A.	9.875% due	03/15/2006	8,500	8,764
Enron Corp.	6.400% due	07/15/2006	150	139
Federal Express Corp.	6.845% due	01/15/2019	834	795

Ford Motor Co.	9.000% due	09/15/2001	880	900
	6.625% due	10/01/2028	115,800	102,135
	7.450% due	07/16/2031	10,000	9,716
Fortune Brands	8.500% due	10/01/2003	500	520
Fred Meyer, Inc.	7.150% due	03/01/2003	11,000	10,763
	7.375% due	03/01/2005	38,100	37,190
	7.450% due	03/01/2008	300	291
General Motors Acceptance Corp.	6.250% due	05/01/2005	300	284
	7.100% due	03/15/2006	250	246
Gillette Co.	6.250% due	08/15/2003	750	734
	5.750% due	10/15/2005	1,500	1,417
Global Crossing Holding Ltd.	9.625% due	05/15/2008	15,000	14,550
Gold Eagle	11.453% due	04/16/2001	43,300	43,248
Gulf Canada Resources	9.250% due	01/15/2004	7,250	7,329
	9.625% due	07/01/2005	2,000	2,005
H.J. Heinz Co.	7.500% due	04/26/2000	150	150
Hanson Overseas BV	6.750% due	09/15/2005	225	216
Harrahs Operating Co., Inc.	7.875% due	12/15/2005	5,000	4,650
Hollinger International Publishing	9.250% due	02/01/2006	3,000	2,820
Houghton Mifflin Co.	5.990% due	12/03/2001	3,000	2,918
Hyder PLC	6.500% due	12/15/2008	10,000	8,774
IBM Corp.	7.250% due	11/01/2002	\$450	\$452
	6.450% due	08/01/2007	500	479
ICI Wilmington	6.750% due	09/15/2002	10,000	9,800
IMEXSA Export Trust	10.125% due	05/31/2003	529	516
Imperial Tobacco	7.125% due	04/01/2009	21,000	18,922
Inco Ltd.	9.875% due	06/15/2019	5,000	5,195
Ingersoll-Rand Co.	6.255% due	02/15/2001	295	293
International Game Technology	7.875% due	05/15/2004	24,500	22,969
	6.875% due	07/10/2000	4,260	4,251
International Paper Co.	9.050% due	02/08/2001	100	101
	9.750% due	02/15/2002	6,250	5,953
ISP Holdings, Inc.	9.000% due	10/15/2003	5,000	4,500
	6.526% due	04/10/2000 (d)	94,000	92,590
J Seagram & Sons	6.250% due	12/15/2001	51,000	49,774
	8.190% due	11/24/2003	5,000	4,846
K Mart Corp.	6.450% due	03/01/2003	240	232
K N Energy, Inc.	5.750% due	02/02/2001	86,925	85,902
Kellogg	8.500% due	02/01/2006	4,000	3,820
K-III Communications Co.	8.125% due	06/01/2009	5,000	4,825
KPNQWest BV	6.000% due	07/01/2000	14,000	13,945
Kroger Co.	7.063% due	10/01/2010 (d)	54,000	53,992
	4.750% due	11/01/2006	750	1,376
Lattice Semiconductor Co.	7.960% due	05/15/2005	90	84
Lear Corp.	8.375% due	11/01/2005	5,000	5,209
Lenfest Communications	7.800% due	05/15/2002	500	502
Limited, Inc.	6.850% due	05/15/2001	7,000	6,910
Lockheed Martin Corp.				
Loyola University of Chicago				

Lucent Technologies	6.030% due	06/15/2000 (d)	16,100	16,017
	7.250% due	07/15/2006	150	150
Mallinckrodt, Inc.	6.300% due	03/15/2001 (d)	12,375	12,196
Marlin Water Trust	7.090% due	12/15/2001	20,241	19,935
Mazda Manufacturing Corp.	10.500% due	07/01/2008 (l)	1,980	2,334
McDonald's Corp.	6.500% due	08/01/2007	250	242
McLeodUSA, Inc.	0.000% due	03/01/2007 (k)	5,000	3,938
	8.125% due	02/15/2009	1,200	1,062
Mobil Corp.	8.375% due	02/12/2001	340	344
Monsanto Co	6.000% due	12/01/2005	250	231
Motorola, Inc.	7.600% due	01/01/2007	200	204
Nabisco, Inc.	6.000% due	02/15/2001 (d)	11,240	11,080
	6.800% due	09/01/2001	3,000	2,964
	6.700% due	06/15/2002	9,000	8,783
	6.125% due	02/01/2033	15,000	14,327
Nabors Industries, Inc.	6.800% due	04/15/2004	9,250	8,975
New York Times Co.	7.625% due	03/15/2005	\$1,000	\$1,020
News America Holdings Corp.	7.450% due	06/01/2000	3,000	2,999
	8.625% due	02/01/2003	750	767
Nike, Inc.	6.510% due	06/16/2000	1,000	1,000
Nisource Capital Markets	7.290% due	09/28/2000	59,000	58,982
Norfolk Southern Corp.	6.700% due	05/01/2000	7,165	7,161
	7.875% due	02/15/2004	50	50
Northwest Airlines, Inc.	8.970% due	01/02/2015	1,644	1,665
Occidental Petroleum	6.704% due	04/03/2000	34,300	34,321
	6.400% due	04/01/2003	7,710	7,350
Owens Corning	7.000% due	05/15/2000	200	200
Owens-Illinois, Inc.	7.850% due	05/15/2004	2,600	2,499
	7.150% due	05/15/2005	10,000	9,244
Packaging Corp. of America	9.625% due	04/01/2009	2,500	2,475
Pepsico, Inc.	5.750% due	01/15/2008	500	458
Petroleos Mexicanos	8.402% due	07/15/2005 (d)	118,650	117,167
	8.850% due	09/15/2007	1,800	1,751
	9.375% due	12/02/2008	36,650	37,658
Philip Morris Cos., Inc.	9.000% due	01/01/2001	300	303
	8.750% due	06/01/2001	5,515	5,514
	7.250% due	09/15/2001	70	69
	7.500% due	01/15/2002	50	49
	6.800% due	12/01/2003	48,345	45,465
	7.000% due	07/15/2005	1,125	1,039
	7.200% due	02/01/2007	34,000	31,134
Phillips Petroleum Co.	6.375% due	03/30/2009	31,000	27,895
Pr-b Interest Owners Tr Nt (ene)	7.535% due	06/30/2000 (d) (l)	29,419	29,384
Procter & Gamble Co.	5.250% due	09/15/2003	35,600	33,509
Qwest Communications International, Inc.	0.000% due	10/15/2007 (k)	2,500	2,038
Racers	8.090% due	04/28/2003 (d)	30,000	30,000
Racers Bellat	6.160% due	09/15/2005 (d)	15,000	14,967
Raytheon Co.	6.300% due	08/15/2000	32,000	31,869
Reliant Energy, Inc.	8.930% due	05/14/2001	5,300	5,389
	8.920% due	05/15/2001	6,500	6,609
	6.375% due	11/01/2003	14,000	13,478

Residential Reinsurance	9.163% due	06/01/2000 (d)	1,800	1,771
Reynolds & Reynolds	6.120% due	03/02/2001	4,000	3,946
Rochester Telecom	8.950% due	08/07/2001	3,000	3,073
Rogers Cablesystems, Inc.	10.000% due	12/01/2007	5,000	5,238
Rogers Cantel Mobile Communications, Inc.	9.375% due	06/01/2008	2,750	2,798
Safeco	9.630% due	05/31/2000 (1)	6,500	6,544
	9.590% due	05/31/2001 (1)	3,000	3,085
Safeway, Inc.	5.750% due	11/15/2000	150	149
	7.000% due	09/15/2002	625	617
	6.850% due	09/15/2004	250	243
Sara Lee Corp.	6.300% due	11/07/2005	500	476
Scotia Pacific Co. LLC	7.710% due	01/20/2014	\$305	\$254
Semtech Corp.	4.500% due	02/01/2007	4,500	4,269
Smithfield Foods	7.625% due	02/15/2008	2,000	1,740
Smithkline Beecham	7.375% due	04/15/2005	150	151
Stone Container Corp.	10.750% due	10/01/2002	2,500	2,534
Swiss Life Financial Ltd.	2.000% due	05/20/2005	3,000	2,953
TCI Communications, Inc.	6.855% due	09/11/2000 (d)	63,500	63,428
	6.900% due	12/20/2000 (d)	10,000	10,006
	6.750% due	03/12/2001 (d)	14,700	14,820
	6.375% due	05/01/2003	3,280	3,194
Telecommunications, Inc.	8.250% due	01/15/2003	43,125	44,401
Telewest Communications PLC	9.625% due	10/01/2006	5,000	4,850
Tenet Healthcare Corp.	7.875% due	01/15/2003	5,000	4,813
	8.625% due	12/01/2003	1,200	1,176
	8.000% due	01/15/2005	2,000	1,900
	7.625% due	06/01/2008	12,000	10,740
Texaco Capital	8.500% due	02/15/2003	700	720
	6.000% due	06/15/2005	400	376
Textron, Inc.	6.750% due	09/15/2002	225	221
Time Warner, Inc.	6.100% due	12/30/2001	39,775	38,891
	7.975% due	08/15/2004	59,770	60,938
	7.250% due	09/01/2008	125	122
Times Mirror Co.	6.650% due	10/15/2001	300	297
TRW, Inc.	6.601% due	06/28/2000 (d)	30,200	30,195
	6.450% due	06/15/2001	20,000	19,669
Tyco International Group SA	6.819% due	03/05/2001 (d)	15,000	14,992
Union Pacific Corp.	6.354% due	05/22/2000 (d)	60,000	59,886
	7.875% due	02/15/2002	8,000	8,025
	6.930% due	06/01/2003	1,000	983
	6.000% due	09/01/2003	8,000	7,569
	6.120% due	02/01/2004	250	237
United Air Lines	9.000% due	12/15/2003	1,000	1,011
	10.670% due	05/01/2004	2,050	2,204
US Airways	6.850% due	01/30/2018	147	134
USA Waste Services, Inc.	6.125% due	07/15/2001	23,500	22,466
UST, Inc.	7.250% due	06/01/2009	25,000	24,067
USX Corp.	9.800% due	07/01/2001	\$300	\$307
Viacom, Inc.	5.875% due	07/15/2000	6,200	6,176
Wal-Mart Stores, Inc.				

	9.100% due	07/15/2000	250	251
	8.625% due	04/01/2001	2,450	2,487
	6.150% due	08/10/2001	450	445
	6.750% due	05/24/2002	170	169
	6.875% due	08/10/2009	900	878
Walt Disney Co.				
	5.125% due	12/15/2003	500	466
Waste Management, Inc.				
	6.375% due	12/01/2003	200	180
	6.500% due	05/14/2004	89,000	79,617
Westpoint Stevens, Inc.				
	7.875% due	06/15/2005	8,000	7,026
Westvaco Corp.				
	9.650% due	03/01/2002	150	156
Whitman Corp.				
	6.250% due	05/01/2000	15,800	15,800
Williams Communications Group, Inc.				
	6.540% due	11/15/2001	8,800	8,800
WMX Technologies				
	6.700% due	05/01/2001	10,000	9,684
	7.000% due	10/15/2006	500	435
Wr-b Interest Owners Tr Nt (ene)				
	7.410% due	06/30/2000 (d) (1)	25,802	25,771
Xerox Corp.				
	5.875% due	06/01/2000	22,500	22,459
	6.500% due	06/29/2000	280	280
	5.750% due	07/21/2000	500	499
	5.400% due	09/11/2000	400	398
	7.410% due	05/15/2001	1,000	1,004
Yorkshire Power				
	6.154% due	02/25/2003	17,000	16,208

				2,883,351

Utilities 6.5%				
AEP Resources, Inc.				
	6.500% due	12/01/2003	20,000	19,056
Alabama Power Co.				
	5.350% due	11/15/2003	1,600	1,501
Arizona Public Service				
	5.750% due	09/15/2000	250	248
	6.490% due	06/30/2001	13,757	13,692
Ashland, Inc.				
	8.450% due	12/05/2001	3,000	3,056
AT&T Corp.				
	5.125% due	04/01/2001	600	589
	7.350% due	08/27/2001	7,200	7,219
	7.125% due	01/15/2002	275	274
	7.000% due	05/15/2005	200	197
	6.000% due	03/15/2009	50	45
	6.500% due	03/15/2029	170	147
Baltimore Gas & Electric				
	6.125% due	07/01/2003	150	144
Beaver Valley Funding Corp.				
	8.250% due	06/01/2003	596	592
	8.625% due	06/01/2007	5,000	5,004
	9.000% due	06/01/2017	235	240
BellSouth Telecommunications, Inc.				
	7.500% due	06/15/2033	185	172
Calpine Corp.				
	9.250% due	02/01/2004	4,150	4,181
	7.625% due	04/15/2006	7,000	6,620
	7.875% due	04/01/2008	2,500	2,353
Central Maine Power Co.				
	6.500% due	06/14/2000	5,500	5,489
Central Power & Light Co.				
	6.710% due	11/23/2001 (d)	18,100	18,105
Chesapeake & Potomac Telephone				
	5.625% due	03/01/2007	500	445
	8.000% due	10/15/2029	1,125	1,180
Cleveland Electric Illuminating Co.				
	9.500% due	05/15/2005	13,000	13,203
CMS Energy				
	7.375% due	11/15/2000	\$76,695	\$75,972
	8.125% due	05/15/2002	18,725	18,462
	8.375% due	07/01/2003	15,000	14,514
	7.000% due	01/15/2005	30,000	27,416
Commonwealth Edison				
	6.210% due	06/15/2002 (d)	1,000	999
	6.625% due	07/15/2003	1,000	973
	9.875% due	06/15/2020	11,700	12,869
Connecticut Light & Power Co.				

	5.750% due	07/01/2000	1,590	1,585
	7.875% due	06/01/2001	100	100
	7.750% due	06/01/2002	5,000	4,990
	8.590% due	06/05/2003	27,000	26,127
Consolidated Edison				
	6.250% due	12/15/2001 (d)	10,000	10,009
	6.625% due	02/01/2002	100	99
Consolidated Natural Gas				
	7.250% due	10/01/2004	43,750	43,111
Cox Enterprises, Inc.				
	6.625% due	06/14/2002	5,250	5,116
Duke Energy Corp.				
	7.000% due	06/01/2000	700	700
	5.875% due	06/01/2001	250	246
	6.750% due	08/01/2025	25	22
Duquestne Light Co.				
	6.100% due	05/10/2000	1,000	1,000
Dynegy, Inc.				
	7.500% due	06/15/2009	12,000	11,764
East Coast Power LLC				
	6.737% due	03/31/2008	17,981	16,950
El Paso Electric Co.				
	9.400% due	05/01/2011	7,455	7,907
Enron Corp.				
	7.660% due	01/14/2002	5,000	5,025
Entergy Mississippi, Inc.				
	6.699% due	05/03/2004 (d)	31,000	30,881
Flag Ltd.				
	8.250% due	01/30/2008	1,200	1,068
GTE Corp.				
	5.500% due	01/15/2009	100	87
	7.510% due	04/01/2009	175	174
Hughes Electric				
	7.451% due	10/23/2000	10,000	9,991
Indiana Bell Telephone Co., Inc.				
	5.500% due	04/01/2007	500	446
Indiana Michigan Power				
	6.530% due	11/22/2000 (d)	2,500	2,506
Indianapolis Power & Light				
	7.375% due	08/01/2007	225	224
Kansai Electric Power Co.				
	7.250% due	09/25/2006	2,000	1,973
Kentucky Power Co.				
	6.569% due	11/02/2000 (d)	7,300	7,300
Kerr-McGee Corp.				
	10.000% due	04/01/2001	9,663	9,881
	6.414% due	08/01/2001 (d)	22,100	22,101
	6.703% due	11/01/2001	80,500	80,170
Korea Electric Power				
	7.000% due	10/01/2002	180	174
	3.882% due	10/31/2002 (d)	18,900	8,896
	6.375% due	12/01/2003	220	206
Louisiana Power & Light Co.				
	7.740% due	07/01/2002	599	596
MCI Worldcom, Inc.				
	6.270% due	08/17/2000 (d)	20,000	20,003
	6.125% due	08/15/2001	1,330	1,314
	6.125% due	04/15/2002	1,250	1,219
	8.875% due	01/15/2006	24,529	25,560
Montana Power Co.				
	6.293% due	04/06/2001 (d)	15,000	15,003
National Power Corp.				
	9.625% due	05/15/2028	16,000	13,443
National Rural Utilities Cooperative				
	6.250% due	04/15/2003	50,000	48,189
New Century Energies, Inc.				
	5.860% due	05/30/2000	\$24,400	\$24,350
New England Telephone & Telegraph Co.				
	6.375% due	09/01/2008	1,350	1,262
New Jersey Bell Telephone				
	4.875% due	11/01/2000	800	790
New York Telephone Co.				
	6.250% due	02/15/2004	150	144
	6.000% due	04/15/2008	45	41
	6.125% due	01/15/2010	80	72
Niagara Mohawk Power				
	7.000% due	10/01/2000	60,235	60,122
	7.125% due	07/01/2001	20,604	20,323
	7.250% due	10/01/2002	24,783	24,481
	7.375% due	07/01/2003	39,162	38,189
	7.375% due	08/01/2003	1,645	1,642
North Atlantic Energy				
	9.050% due	06/01/2002	5,995	5,940

Northern Illinois Gas Co.	6.450% due	08/01/2001	1,450	1,437
Northern Telecom Ltd.	8.750% due	06/12/2001	300	305
NRG Energy, Inc.	8.000% due	11/01/2003	6,000	5,956
Nynex Corp.	9.550% due	05/01/2010	6,516	6,990
Ohio Bell Telephone Co.	5.375% due	03/01/2007	950	839
Ohio Power Co.	7.000% due	07/01/2004	24,000	23,213
Oxymar	7.500% due	02/15/2016	100	73
Pacific Gas & Electric Co.	6.750% due	12/01/2000	3,049	3,049
Pacific Northwest Bell	4.375% due	09/01/2002	50	47
Pennsylvania Power & Light	6.000% due	06/01/2000	500	499
Philadelphia Electric	5.625% due	11/01/2001	22,350	21,781
Philippine Long Distance Telephone Co.	7.850% due	03/06/2007	5,000	4,326
	10.500% due	04/15/2009	6,000	5,914
PP&L, Inc.	6.125% due	05/01/2001 (d)	16,102	15,949
	6.550% due	03/01/2006	500	475
PSEG Energy Holdings	9.125% due	02/10/2004	120	120
Public Service Co. of Colorado	6.000% due	04/15/2003	750	721
Public Service Electric & Gas	6.500% due	06/01/2000	500	500
	7.250% due	04/01/2001 (d)	3,191	3,187
	6.125% due	08/01/2002	1,000	976
	6.250% due	01/01/2007	1,500	1,401
Public Service Enterprise Group, Inc.	6.710% due	11/22/2000 (d)	11,000	11,013
	6.350% due	06/15/2001 (d)	156,200	156,290
Queststar Pipeline	9.375% due	06/01/2021	200	219
RAS LAFFAN Liquid Natural Gas	8.294% due	03/15/2014	145	141
Reliant Energy, Inc.	8.750% due	03/01/2022	10,000	10,224
Scana Corp.	6.590% due	02/08/2002 (d)	3,100	3,100
Sierra Pacific Power Co.	6.900% due	10/13/2000	29,000	28,998
Sierra Pacific Resources	7.060% due	05/01/2000	6,000	5,999
	6.830% due	10/06/2000 (d)	35,000	34,990
	6.200% due	04/15/2004	20,000	18,906
SK Telecom Co. Ltd.	7.750% due	04/29/2004	5,000	4,883
Southern Energy	7.900% due	07/15/2009	\$175	\$173
Sprint Capital Corp.	6.386% due	11/15/2001 (d)	100,000	100,079
	6.500% due	11/15/2001	370	365
	8.125% due	07/15/2002	10,378	10,513
	5.875% due	05/01/2004	43,500	41,203
System Energy Resources	7.380% due	10/01/2000	5,000	4,997
	7.710% due	08/01/2001	14,850	14,845
Teco Energy, Inc.	5.540% due	09/15/2001	44,630	43,652
Telekomunikacja Polska SA	7.125% due	12/10/2003	12,200	11,704
	7.750% due	12/10/2008	13,600	13,202
Tennessee Valley Authority	3.375% due	01/15/2007 (h)	10,647	9,897
	0.000% due	04/15/2042 (k)	855	319
Texas Utilities Co.	6.310% due	04/24/2000 (d)	65,100	65,094
	6.791% due	06/25/2001	130,200	130,085
	6.370% due	08/16/2001	1,000	985
	7.105% due	09/24/2001	208,800	209,907
	5.940% due	10/15/2001	3,000	2,941
	6.500% due	08/16/2002	1,000	987

Texas-New Mexico Power	10.750% due	09/15/2003	11,450	11,589
Toledo Edison Co.	8.180% due	07/30/2002	1,400	1,415
	8.700% due	09/01/2002	14,500	14,569
	7.850% due	03/31/2003	7,000	7,017
	7.875% due	08/01/2004	500	495
Tucson Electric Power	8.500% due	10/01/2009	454	463
TXU Eastern Funding	6.150% due	05/15/2002	53,800	52,321
	6.450% due	05/15/2005	8,045	7,486
U.S. West Communications, Inc.	5.650% due	11/01/2004	9,000	8,385
	6.625% due	09/15/2005	400	385
	6.125% due	11/15/2005	400	376
Union Electric Co.	8.000% due	12/15/2022	1,000	1,027
United Telecom, Inc.	9.500% due	06/06/2001	150	154
Western Massachusetts Electric	7.375% due	07/01/2001	7,000	6,967
Western Resources, Inc.	6.250% due	08/15/2003	13,500	11,621
Wilmington Trust Co. - Tucson Electric	10.732% due	01/01/2013 (1)	991	1,024
WorldCom, Inc.	6.400% due	08/15/2005	1,625	1,553
YPF Sociedad Anonima	7.250% due	03/15/2003	16,475	16,044

				2,044,829

Total Corporate Bonds & Notes				14,903,643

(Cost \$15,074,637)				
MUNICIPAL BONDS & NOTES 0.5%				
Alabama 0.0%				
Jefferson County Alabama Revenue, (FGIC Insured), Series 1999				
	5.125% due	02/01/2029	9,000	8,055
	5.000% due	02/01/2033	1,250	1,083

				9,138
California 0.0%				
San Francisco California City & County Airport Community Revenue, (MBIA Insured), Series 1998				
	4.500% due	05/01/2028	6,700	5,468
				5,468
Florida 0.1%				
Florida State Bridge Capital Outlay, (FGIC Insured)				
	Series 1999 4.500% due	06/01/2023	7,000	5,801
Florida State Government Utilities Authority, (AMBAC Insured), Series 1999				
	5.000% due	10/01/2029	\$6,205	\$5,468
	5.000% due	10/01/2029	6,700	5,904
Florida State Turnpike Authority Revenue, Series 1998 4.500% due 07/01/2027				
			11,500	9,424
Greater Orlando Aviation Authority, Orlando Florida Airport Facilities Revenue Bonds, (FGIC Insured), Series 1999				
	5.125% due	10/01/2028	2,000	1,783
Lakeland Florida Electric & Water Revenue, (MBIA Insured), Series 1999 5.000% due 10/01/2028				
			5,350	4,723

				33,103
Georgia 0.1%				
Georgia Government Partnership, (MBIA Insured)				
	4.750% due	06/01/2028	18,700	15,785
Hawaii 0.1%				
Honolulu Hawaii City & County Wastewater System Revenue, (FGIC Insured), Series 1998 4.750% due 07/01/2028				
			14,400	12,170
Illinois 0.0%				
Chicago Illinois Lakefront Millennium Package Facilities, (MBIA Insured), Series 1998 5.125% due 01/01/2028				
			6,200	5,466
Massachusetts 0.1%				

Massachusetts Bay Transportation Authority, (MBIA Insured), Series 1998 4.750% due 03/01/2021		8,300	7,197
Massachusetts State Turnpike Authority Metro Highway System, (AMBAC Insured), Series 1999 5.000% due 01/01/2039		11,300	9,681

			16,878
Mississippi 0.0% Mississippi Development Bank Obligation, (AMBAC Insured), Series 1999 5.000% due 07/01/2024		5,000	4,458
Nevada 0.0% Clark County Nevada Passenger Facility Charge Revenue, (MBIA Insured), Series 1998 4.750% due 07/01/2022		6,000	5,137
New York 0.1% Long Island Power Authority New York Electric System, (FSA Insured), Series 1998 5.125% due 12/01/2022		9,000	8,149
New York City Municipal Bond, Series 1997 6.346% due 08/01/2002 (d)		11,058	11,047
New York City Transitional Finance Authority Revenue, (FGIC Insured), Series 1998 4.750% due 11/15/2023		5,000	4,283
New York City, New York, Series D 6.346% due 08/01/2002 (d)		14,815	14,815
New York State Dorm Authority Lease Revenue 4.750% due 01/15/2029		3,850	3,198
5.625% due 04/01/2029		1,000	959

			42,451
Pennsylvania 0.0% Philadelphia PA School District, (MBIA Insured), Series 1998 4.750% due 04/01/2027		6,300	5,305
Pittsburgh & Allegheny County Pa, (AMBAC Insured), Series 1999 5.000% due 02/01/2029		500	436

			5,741
Texas 0.0% Houston Texas Airport System Revenue, (FGIC Insured), Series 1998 5.000% due 07/01/2025		5,500	4,808
Utah 0.0% Weber County, Utah Hospital Revenue Bonds, Series 1999 5.000% due 08/15/2030		\$500	\$419
Washington State 0.0% Seattle Washington, General Obligation Limited, Series F 5.125% due 12/15/2028		6,000	5,318

Total Municipal Bonds & Notes			166,340

(Cost \$165,094)			
U.S. GOVERNMENT AGENCIES 2.5% A.I.D. Housing Guarantee - Peru	9.980% due	08/01/2008	935
Federal Home Loan Bank	0.000% due	05/12/2000 (d)	185,400
	5.500% due	07/14/2000	1,150
	5.663% due	02/15/2002 (d)	17,000
	5.135% due	09/22/2003	600
	6.000% due	06/30/2004	1,000
	5.365% due	12/11/2008	600
Federal Home Loan Mortgage Corp.	7.000% due	02/15/2003	500
Federal National Mortgage Assn.	9.050% due	04/10/2000	400
	5.650% due	06/12/2000	50
	5.560% due	07/24/2000	440
	5.375% due	03/15/2002	750
	7.250% due	06/20/2002	55,000
	6.000% due	03/03/2003	500
	5.750% due	06/15/2005	750
	6.560% due	12/10/2007	190
Student Loan Marketing Assn.	5.129% due	06/30/2000 (d)	63,700
	5.711% due	04/25/2004 (d)	10,916

	6.365% due	07/25/2004 (d)	1,059	1,055
	6.375% due	10/25/2004 (d)	19,319	19,255
	6.395% due	10/25/2004 (d)	32,283	32,206
	5.770% due	10/25/2005 (d)	17,554	17,471
	6.089% due	10/25/2005 (d)	26,225	26,103
	5.909% due	04/25/2006 (d)	97,402	97,034
	6.635% due	07/25/2006 (d)	31,287	31,182
	6.595% due	01/25/2007 (d)	89,311	89,217
	6.565% due	04/25/2007 (d)	165,769	164,952
Total U.S. Government Agencies				790,014
(Cost \$791,398)				
U.S. TREASURY OBLIGATIONS 12.5%				
Treasury Inflation Protected Securities				
	3.625% due	07/15/2002 (h)	1,027,517	1,024,628
	3.375% due	01/15/2007 (h)	228,023	220,573
	3.625% due	01/15/2008 (h)	416,333	405,404
	3.875% due	01/15/2009 (h)	207,773	205,631
	3.625% due	04/15/2028 (h)	132,570	125,858
	3.875% due	04/15/2029 (h)	127,762	126,724
U.S. Treasury Bonds				
	12.375% due	05/15/2004	1,000	1,213
	10.375% due	11/15/2012	250	308
	12.000% due	08/15/2013	6,000	8,115
	6.500% due	02/15/2015 (j)	287,500	425,231
	10.625% due	08/15/2015	144,600	206,552
	9.250% due	02/15/2016	250	325
	7.250% due	05/15/2016	275	304
	7.500% due	11/15/2016	500	567
	8.750% due	05/15/2017	300	379
	8.875% due	08/15/2017	1,375	1,759
	8.125% due	08/15/2019	41,000	49,841
	8.750% due	08/15/2020	214,600	277,706
	8.125% due	08/15/2021	305	375
	8.000% due	11/15/2021	417,600	508,559
	7.125% due	02/15/2023	500	560
	6.375% due	08/15/2027	100	104
	6.250% due	05/15/2030	21,340	22,580
U.S. Treasury Notes				
	5.125% due	08/31/2000 (b)	\$96,835	\$96,411
	6.625% due	05/15/2007 (j)	36,800	37,525
	6.125% due	08/15/2007	1,525	1,511
	6.500% due	02/15/2010	21,100	21,845
U.S. Treasury Strips				
	0.000% due	11/15/2006	270	178
	0.000% due	02/15/2019	80,000	25,699
	0.000% due	05/15/2020	185,600	55,417
	0.000% due	11/15/2021	316,200	87,553
Total U.S. Treasury Obligations				3,939,435
(Cost \$3,848,029)				
MORTGAGE-BACKED SECURITIES 51.1%				
Collateralized Mortgage Obligations 21.6%				
ABN AMRO Mortgage Corp.				
	6.500% due	06/25/2029	7,093	6,438
American Southwest Financial Securities Corp.				
	7.400% due	11/17/2004	36,860	36,882
	12.250% due	11/01/2014	38	37
	12.500% due	04/01/2015	288	289
	12.000% due	05/01/2015	630	644
	11.400% due	09/01/2015	422	421
	7.248% due	11/25/2038	52,881	50,270
Bank of America Mortgage Securities				
	6.250% due	07/25/2014	10,272	9,532
	6.250% due	08/25/2028	25,000	22,240
	6.500% due	05/25/2029	35,732	32,620
	7.250% due	10/25/2029	10,003	8,790
Bankers Trust Co.				
	8.625% due	04/01/2018	41	41
Bear Stearns Mortgage Securities, Inc.				
	7.000% due	09/20/2012	34,576	33,528
	7.000% due	08/20/2018	10,000	9,528
	6.625% due	10/25/2023 (d)	3,510	3,536
	10.000% due	08/25/2024	5,000	5,440
	7.000% due	03/25/2027	7,000	6,585
	8.125% due	09/25/2027	3,000	3,020
	7.000% due	02/25/2028	10,000	9,498
Cendant Mortgage Corp.				
	6.503% due	11/18/2028 (d)	13,937	13,118

Centre Re Series 1999 - ZC - 1	6.503% due	11/18/2028 (d)	5,762	4,900
	6.715% due	02/01/2009	30,859	29,209
Chase Mortgage Finance Corp.	8.250% due	10/25/2010	424	422
	7.000% due	07/25/2024	3,604	3,579
	7.000% due	08/25/2024	3,052	2,941
	6.750% due	03/25/2025	8,525	7,153
	6.203% due	04/25/2025 (d)	21,540	21,894
	6.350% due	07/25/2029	74,414	72,730
Chemical Mortgage Securities	7.250% due	01/25/2026	11,575	11,262
Citicorp Mortgage Securities, Inc.	7.030% due	10/25/2022 (d)	10,949	10,985
	6.250% due	04/25/2024	11,796	10,001
	7.250% due	10/25/2027	20,462	19,429
	6.750% due	09/25/2028	8,859	8,276
	5.900% due	05/25/2029	21,125	20,903
CMC Securities Corp.	7.373% due	09/25/2023 (d)	4,376	4,350
	7.862% due	04/25/2025 (d)	183	185
	7.250% due	11/25/2027	9,349	9,049
	6.750% due	05/25/2028	5,000	4,648
Collateralized Mortgage Obligation Trust	10.200% due	02/01/2016	2,567	2,598
	7.250% due	04/23/2017	70	69
	8.000% due	09/20/2021	6,962	6,991
Collateralized Mortgage Securities Corp.	11.450% due	09/01/2015	1,068	1,076
	11.450% due	11/01/2015 (d)	140	141
	8.750% due	04/20/2019	465	473
Comm	6.145% due	02/15/2008	\$16,056	\$15,289
	6.488% due	12/16/2011 (d)	9,000	9,014
Countrywide Home Loans	6.500% due	07/25/2013	5,676	5,218
	7.334% due	07/25/2024 (d)	3,898	3,889
	6.750% due	11/25/2025	25,567	22,873
	7.500% due	06/25/2027	12,194	12,021
	7.500% due	09/25/2027	20,000	19,435
	7.250% due	12/25/2027	6,224	6,028
	7.250% due	02/25/2028	57,846	54,913
	6.750% due	06/25/2028	15,103	13,339
	6.750% due	08/25/2028	12,807	12,631
	6.750% due	11/25/2028	3,000	2,819
	6.500% due	01/25/2029	24,978	22,844
	6.500% due	03/25/2029	16,744	15,230
	6.050% due	04/25/2029	965	945
	7.250% due	08/25/2029	5,700	5,353
Crusade Global Trust	6.400% due	02/15/2030 (d)	100,000	100,250
CS First Boston Mortgage Securities	6.750% due	12/27/2028	12,189	10,494
DLJ Mortgage Acceptance Corp.	8.154% due	05/25/2024 (d)	117	119
	6.850% due	12/17/2027	6,605	6,516
Donaldson, Lufkin & Jenrette	6.446% due	08/01/2021 (d) (1)	4,540	4,606
	7.922% due	12/25/2022 (d)	1,917	1,938
	8.112% due	03/25/2024 (d)	541	550
Drexel Mortgage Funding	9.500% due	11/20/2017	715	707
	8.600% due	03/01/2018	180	180
FBS Mortgage Corp.	7.136% due	11/25/2024	518	516
Federal Home Loan Mortgage Corp.	6.750% due	10/15/2003	16,183	15,917
	7.000% due	10/15/2003	4,007	3,991
	7.500% due	11/01/2003	5,165	5,147
	6.000% due	06/15/2005	2,692	2,686
	10.150% due	04/15/2006	6	6
	6.500% due	07/15/2006	11,069	11,003
	6.500% due	08/15/2006	710	706
	7.500% due	05/01/2007	1,526	1,532
	5.500% due	10/15/2007	5,782	5,705
	6.500% due	05/15/2008	1,000	982
	4.675% due	06/15/2008 (d)	169	150
	6.000% due	11/15/2008	225	213
	6.200% due	12/15/2008	4,350	3,900
	6.000% due	03/15/2009	265	252

7.550% due	03/15/2012	180	179
8.500% due	08/15/2013	2,000	2,039
8.500% due	09/15/2013	5,941	6,038
6.000% due	11/15/2014	400	354
5.400% due	05/25/2016	18,502	18,368
7.000% due	11/15/2016	2,922	2,917
6.250% due	10/15/2017	21,354	21,131
5.900% due	03/15/2018	5,533	5,482
6.350% due	03/25/2018	200	197
5.250% due	05/15/2018	316	313
10.000% due	08/01/2018	65	70
6.400% due	02/15/2019	16,934	16,763
6.500% due	05/15/2019	277	276
6.250% due	07/15/2019	27,756	27,532
5.000% due	08/15/2019	118	115
7.500% due	01/15/2020	4,037	4,043
6.388% due	06/15/2020 (d)	89	89
5.250% due	07/15/2020	382	374
5.500% due	10/15/2020	72	71
9.500% due	11/15/2020	3,855	3,948
9.000% due	12/15/2020	2,724	2,806
8.750% due	12/15/2020	1,265	1,277
6.000% due	12/15/2020	282	267
6.250% due	01/15/2021	200	193
9.500% due	01/15/2021	2,234	2,313
8.000% due	04/15/2021	96	97
6.500% due	05/15/2021	\$119	\$117
6.500% due	05/17/2021	72	68
8.500% due	06/15/2021	26,071	26,729
6.950% due	07/15/2021	505	493
8.000% due	07/15/2021	11,237	11,280
9.000% due	07/15/2021	1,998	2,077
9.500% due	07/15/2021	1,618	1,650
8.000% due	08/15/2021	23,472	23,620
6.200% due	08/15/2021	1,467	1,447
6.950% due	08/15/2021	166	163
6.500% due	09/15/2021	1,049	1,008
7.000% due	09/15/2021	171	167
6.500% due	09/15/2021	28,978	28,343
7.000% due	09/15/2021	131	128
7.000% due	10/15/2021	12	12
8.000% due	12/15/2021	17,686	17,918
6.850% due	01/15/2022	700	686
8.250% due	06/15/2022	5,000	5,079
7.000% due	07/15/2022	9,075	8,756
8.500% due	10/15/2022	7,618	7,802
7.500% due	01/15/2023	17,089	16,562
7.000% due	05/15/2023	8,532	7,871
7.000% due	07/15/2023	261	242
6.500% due	07/15/2023	272	259
7.500% due	07/15/2023	395	397
6.500% due	08/15/2023	162,855	159,490
7.500% due	01/20/2024	135	134
6.500% due	02/15/2024	22	21
5.000% due	02/15/2024	116	99
8.000% due	04/25/2024	457	465
6.250% due	05/15/2024	12,947	11,290
7.250% due	08/15/2024	190	188
8.000% due	09/15/2024	16,250	16,431
7.000% due	11/17/2025	40	39
6.500% due	03/15/2026	110	102
7.162% due	10/01/2026 (d)	3,198	3,294
6.000% due	11/15/2026	550	497
7.500% due	01/15/2027	24,258	23,972
8.000% due	02/15/2027	33,246	33,550
7.500% due	03/17/2027	20,000	19,925
6.750% due	05/15/2027	1,489	1,437
7.500% due	06/20/2027	18,850	18,121
6.500% due	08/15/2027	15,143	12,979
6.500% due	10/15/2027	32,300	28,817
6.000% due	11/15/2027	665	602
6.500% due	01/25/2028	8,691	7,605
7.000% due	02/15/2028	1,735	1,598
6.500% due	04/15/2028	157,334	143,400
6.500% due	05/15/2028	48,000	41,416
6.500% due	06/15/2028	56,878	47,571
6.500% due	06/20/2028	22,646	19,079
6.500% due	07/15/2028	68,191	54,516
6.500% due	08/15/2028	267,517	223,489
7.000% due	11/15/2028	9,000	8,487
6.500% due	12/15/2028	6,832	5,406
6.000% due	12/15/2028	22,772	18,773

6.500% due	01/15/2029	10,411	9,564
6.000% due	02/15/2029	3,758	2,820
6.500% due	03/15/2029	25,470	22,928
6.500% due	06/01/2029	110	103
6.500% due	07/01/2029	1,119	1,051
8.000% due	07/15/2029	1,250	1,210
6.165% due	08/15/2032 (d)	28,544	27,409
Federal National Mortgage Assn.			
9.100% due	02/25/2002	1,033	1,036
7.500% due	05/25/2005	6,700	6,724
7.500% due	02/25/2006	375	373
6.500% due	05/01/2006	172	169
6.500% due	07/25/2006	68	68
8.000% due	11/25/2006	30	30
6.500% due	05/25/2007	8,425	8,284
6.000% due	07/25/2007	300	293
8.804% due	08/25/2007 (d)	10	9
6.270% due	09/25/2007	3,000	2,842
7.000% due	10/25/2007	200	198
6.500% due	05/25/2008	\$500	\$490
10.500% due	08/25/2008	7,146	7,737
6.000% due	08/25/2008	86	85
7.452% due	09/25/2008 (d)	1,606	1,433
6.750% due	11/25/2010	1,117	1,109
7.000% due	01/25/2011	198	197
6.000% due	03/18/2015	15,908	15,714
8.000% due	12/25/2016	199	197
9.250% due	04/25/2018	192	201
9.300% due	05/25/2018	730	756
6.425% due	06/25/2018 (d)	3	3
9.500% due	06/25/2018	420	442
5.500% due	07/25/2018	6	6
9.500% due	11/25/2018	8,826	9,041
6.000% due	02/25/2019	5,000	4,916
6.500% due	03/25/2019	885	862
9.500% due	06/25/2019	1,466	1,527
5.650% due	07/25/2019	1,500	1,488
9.300% due	08/25/2019	81	85
6.350% due	08/25/2019	277	273
8.000% due	10/25/2019	1,718	1,718
9.000% due	12/25/2019	6,578	6,718
7.500% due	12/25/2019	81	80
6.500% due	03/25/2020	69	69
7.500% due	05/25/2020	3,630	3,612
6.750% due	06/25/2020	759	756
6.356% due	07/18/2020 (d)	62	62
7.000% due	09/25/2020	15,966	15,832
5.000% due	09/25/2020	200	186
9.000% due	09/25/2020	3,811	3,926
8.000% due	12/25/2020	25,229	25,476
6.375% due	12/25/2020 (d)	19	19
9.000% due	01/25/2021	5,999	6,218
8.750% due	01/25/2021	3,469	3,532
5.750% due	02/18/2021	100	94
9.000% due	03/25/2021	524	536
7.500% due	03/25/2021	5,480	5,468
7.000% due	05/25/2021	300	289
7.500% due	06/25/2021	70	70
6.500% due	06/25/2021	5,932	5,636
8.000% due	07/25/2021	16,336	16,372
8.500% due	09/25/2021	5,851	5,957
7.000% due	10/25/2021	8,997	8,756
8.000% due	10/25/2021	22,645	22,812
7.000% due	11/25/2021	24,015	23,679
6.000% due	12/25/2021	45	44
8.000% due	01/25/2022	21,700	21,742
8.000% due	03/25/2022	96	96
7.000% due	04/25/2022	17,091	16,274
10.000% due	05/01/2022	152	162
7.375% due	05/25/2022	8,894	8,688
8.000% due	06/25/2022	3,710	3,715
7.000% due	06/25/2022	1,416	1,381
8.000% due	07/25/2022	58,786	59,172
7.000% due	07/25/2022	6,172	6,056
6.500% due	10/25/2022	3,919	3,507
7.800% due	10/25/2022	3,674	3,654
6.500% due	12/25/2022	230	222
3.663% due	02/25/2023 (d)	14,032	660
7.000% due	03/25/2023	27,899	26,411
6.500% due	05/18/2023	12,369	12,134
6.900% due	05/25/2023	154	142
7.000% due	06/25/2023	4,805	4,155
6.000% due	08/25/2023	10,794	8,728

6.500% due	08/25/2023	44	41
6.000% due	08/25/2023	2,703	2,484
6.750% due	09/25/2023	3,840	3,477
1.000% due	09/25/2023	299	269
7.500% due	10/25/2023	58	57
6.750% due	10/25/2023	578	524
6.500% due	11/25/2023	90	87
7.100% due	12/25/2023	6,769	6,476
6.500% due	12/25/2023	1,125	971
6.500% due	01/25/2024	2,572	2,222
6.500% due	02/25/2024	5,150	4,801
7.250% due	02/25/2024	\$29	\$29
7.500% due	06/20/2024	120	119
7.000% due	02/18/2025	140	139
6.600% due	05/18/2025	219	205
7.500% due	11/17/2025	289	285
7.500% due	12/25/2025	360	356
7.000% due	02/15/2026	180	175
7.000% due	07/18/2026	450	433
6.500% due	09/18/2026	120	113
7.000% due	12/18/2026	15,751	14,562
6.000% due	12/25/2026	170	156
6.000% due	03/25/2027	320	293
6.000% due	05/17/2027	5,470	4,694
7.000% due	07/18/2027	460	447
8.000% due	08/18/2027	309	93
6.280% due	04/18/2028 (d)	138	137
6.500% due	06/25/2028	3,400	3,046
6.000% due	07/18/2028	8,394	6,982
6.500% due	07/18/2028	67,412	61,660
9.079% due	09/25/2028	23,805	24,750
6.000% due	04/25/2029	10,490	8,172
6.300% due	10/17/2038	14,993	12,996
First Commonwealth Savings & Loan			
10.375% due	04/01/2005	17	18
First Nationwide Trust			
6.750% due	07/25/2029	11,223	11,081
First Union Residential Securitization, Inc.			
7.000% due	04/25/2025	361	345
6.750% due	08/25/2028	9,048	7,987
Gaston Oaks plc			
6.930% due	01/01/2036	5,507	5,534
General Electric Capital Mortgage Services, Inc.			
6.750% due	12/25/2012	2,889	2,845
6.500% due	09/25/2023	1,175	1,005
6.500% due	12/25/2023	8,631	7,409
6.500% due	01/25/2024	3,895	3,326
6.500% due	02/25/2024	2	2
6.500% due	03/25/2024	63,792	57,007
6.500% due	04/25/2024	64,524	52,207
7.000% due	10/25/2027	14,586	13,633
7.500% due	06/25/2027	3,438	3,368
7.500% due	07/25/2027	10,223	9,980
7.000% due	11/25/2027	72,500	68,902
6.750% due	05/25/2028	23,934	21,610
6.650% due	05/25/2028	7,914	7,756
6.550% due	06/25/2028	23,450	22,312
6.750% due	06/25/2028	21,926	20,474
6.750% due	10/25/2028	9,364	8,722
6.500% due	12/25/2028	19,500	17,767
6.250% due	12/25/2028	55,266	49,490
6.500% due	05/25/2029	9,858	8,941
6.750% due	05/25/2029	20,000	18,562
6.500% due	07/25/2029	95,240	86,391
5.950% due	07/25/2029	24,794	24,274
6.250% due	07/25/2029	132,674	126,507
6.000% due	07/25/2029	18,307	17,753
7.250% due	08/25/2029	8,000	7,513
7.000% due	09/25/2029	15,839	15,066
General Motors Acceptance Corp.			
6.700% due	03/15/2008	29,732	28,136
GGP-Homart			
6.202% due	06/10/2003 (d)	19,735	19,729
GMAC Commercial Mortgage Securities, Inc.			
6.150% due	11/15/2007	21,020	20,003
6.974% due	05/15/2008	29,204	28,578
6.945% due	09/15/2033	24,060	22,829
6.570% due	09/15/2033	31,174	29,851
Goldman Sachs Mortgage Corp.			
6.000% due	12/31/2007 (1)	9,086	8,216
Government National Mortgage Assn.			

	6.250% due	06/20/2022	53,459	52,725
	7.250% due	12/16/2023	8,617	8,577
	7.000% due	01/15/2024	431	420
	8.000% due	05/16/2024	95	95
	7.000% due	03/20/2026	320	302
	7.000% due	08/20/2026	\$126	\$120
	7.500% due	02/16/2027	19	19
	7.500% due	07/16/2027	28,821	27,635
	6.500% due	06/20/2028	29,978	26,418
	6.500% due	07/20/2028	37,879	29,249
	6.500% due	09/20/2028	27,553	22,863
	6.500% due	01/20/2029	26,964	21,882
	6.500% due	03/20/2029	16,259	14,562
	6.000% due	05/20/2029	10,511	8,258
Greenwich				
	7.272% due	04/25/2022 (d)	594	592
	7.352% due	07/25/2022 (d)	1,280	1,275
	7.337% due	10/25/2022 (d)	79	79
	7.428% due	04/25/2023 (d)	1,141	1,136
	7.956% due	04/25/2024 (d)	1,249	1,261
	8.423% due	06/25/2024 (d)	1,177	1,201
	9.007% due	08/25/2024 (d)	1,700	1,725
	8.869% due	11/25/2024 (d)	390	391
GS Mortgage Securities Corp.				
	6.060% due	10/18/2030	32,437	30,901
Headlands Mortgage Securities, Inc.				
	7.250% due	11/25/2012	2,350	2,330
	7.155% due	12/25/2012	827	815
	7.250% due	11/25/2027	5,000	4,851
	6.650% due	02/25/2029	1,418	1,415
ICI Funding Corp. Secured Assets Corp.				
	7.250% due	09/25/2027	18,068	17,415
	7.750% due	03/25/2028	1,881	1,807
Imperial CMB Trust				
	6.820% due	09/25/2026 (d)	7,212	7,215
	6.650% due	11/25/2029	1,178	1,159
Independent National Mortgage Corp.				
	6.650% due	10/25/2024	2,723	2,583
	7.218% due	11/25/2024 (d)	1,744	1,769
	8.750% due	12/25/2024	30	31
	8.539% due	01/25/2025 (d)	142	145
	8.000% due	06/25/2025	22	21
	7.475% due	07/25/2025 (d)	8,458	8,581
	7.416% due	07/25/2025 (d)	3,603	3,624
	7.500% due	09/25/2025	1,191	1,187
International Mortgage Acceptance Corp.				
	12.250% due	03/01/2014	274	307
J.P. Morgan Commercial Mortgage Finance Corp.				
	9.000% due	10/20/2020	10,667	10,631
	8.218% due	04/25/2028	1,615	1,574
	6.533% due	01/15/2030	20,000	19,062
	7.325% due	07/15/2031	0	0
Kidder Peabody Acceptance Corp.				
	8.214% due	09/25/2024 (d)	9,678	9,655
LB Mortgage Trust				
	8.396% due	01/20/2017	13,047	13,484
Mellon Residential Funding Corp.				
	6.350% due	06/25/2028	22,000	21,168
	6.110% due	01/25/2029	23,900	22,728
	6.570% due	07/25/2029	44,000	42,585
	6.580% due	07/25/2029	55,500	54,918
Merrill Lynch Mortgage Investors, Inc.				
	7.068% due	06/15/2021 (d)	4,906	4,785
	6.658% due	06/15/2021	2,552	2,523
	6.808% due	06/15/2021 (d)	5,229	5,079
	6.950% due	06/18/2029	40,148	39,744
Midland Realty Acceptance Corp.				
	7.020% due	01/25/2029	23,022	22,658
Morgan Stanley Capital				
	6.860% due	05/15/2006	2,386	2,349
	6.190% due	01/15/2007	25,166	24,192
	6.160% due	04/03/2009	14,006	13,297
	7.460% due	02/15/2020	11,450	11,457
	6.590% due	10/03/2030	5,806	5,646
Morgan Stanley, Dean Witter, Discover and Co.				
	6.044% due	07/25/2027 (d)	988	983
Mortgage Capital Funding, Inc.				
	7.800% due	04/15/2006	500	501
	7.008% due	09/20/2006	15,545	15,061
Nacional Financiera				
	22.000% due	05/20/2002 (d)	\$300,000	\$35,685
NationsBanc Montgomery Funding Corp.				
	6.500% due	07/25/2028	14,470	13,159

Nationslink Funding Corp.	6.250% due	10/25/2028	2,000	1,780
	5.805% due	02/10/2001	23,781	23,613
	6.333% due	10/22/2004	7,172	6,991
	6.240% due	04/10/2007 (d)	8,163	8,166
Nomura Asset Securities Corp.				
	7.602% due	05/25/2024 (d)	2,934	3,007
Norwest Asset Securities Corp.				
	6.750% due	12/25/2012	18,016	17,444
	6.750% due	09/25/2027	3,591	3,464
	6.350% due	04/25/2028	2,443	2,412
	6.750% due	05/25/2028	5,000	4,585
	6.250% due	08/25/2028	5,356	5,276
	6.750% due	10/25/2028	17,236	16,047
	6.500% due	12/25/2028	20,000	18,203
	6.500% due	01/25/2029	1,072	866
	6.500% due	02/25/2029	60,000	54,770
	5.950% due	04/25/2029	112,115	106,793
	6.500% due	04/25/2029	26,751	24,314
	6.300% due	04/25/2029	9,559	9,106
	6.200% due	04/25/2029	77,385	73,515
	5.950% due	04/25/2029	17,152	16,809
	6.000% due	05/25/2029	19,713	19,102
	6.500% due	06/25/2029	46,178	41,895
	6.750% due	08/25/2029	787	772
	7.000% due	09/25/2029	3,333	2,889
	6.500% due	10/25/2029	1,990	1,811
	7.000% due	11/25/2029	14,942	14,149
PaineWebber Mortgage				
	6.000% due	04/25/2009	11,951	11,246
PNC Mortgage Securities Corp.				
	6.750% due	06/25/2016	12,180	11,924
	7.000% due	10/25/2027	36,240	34,316
	6.750% due	12/25/2027	7,230	6,446
	6.500% due	02/25/2028	1,777	1,763
	7.000% due	02/25/2028	25,767	24,508
	6.984% due	02/25/2028	9,666	9,304
	6.625% due	03/25/2028	926	899
	7.000% due	05/25/2028	6,918	6,785
	6.550% due	07/25/2028	24,500	24,071
	6.750% due	07/25/2028	3,527	3,282
	6.750% due	09/25/2028	4,000	3,721
	6.750% due	10/25/2028	26,133	24,441
	6.750% due	12/25/2028	21,709	20,160
	6.250% due	01/25/2029	9,263	8,291
	6.300% due	03/25/2029	10,000	8,937
	6.500% due	06/25/2029	48,600	44,114
	6.200% due	06/25/2029	54,237	51,956
Prudential Bache				
	6.151% due	09/01/2018 (d)	234	229
	8.400% due	03/20/2021	6,706	6,770
Prudential Home Mortgage Securities				
	2.109% due	12/25/2000 (d)	209	203
	7.000% due	01/25/2008	23,860	23,472
	6.400% due	04/25/2009	1,158	1,150
	6.950% due	11/25/2022	222	202
	7.000% due	07/25/2023	12,657	12,463
	6.750% due	10/25/2023	9,293	7,385
	7.756% due	11/25/2023 (d)	872	868
	5.900% due	12/25/2023	7,323	7,203
	6.050% due	04/25/2024	3,571	3,524
	6.800% due	05/25/2024	10,605	9,605
	6.000% due	05/25/2024	4	4
	6.450% due	11/25/2025	5,264	4,533
	2.601% due	12/25/2025 (d)	281	273
Prudential Securities Secured Financing Corp.				
	6.074% due	01/15/2008	12,945	12,247
	6.955% due	06/15/2008	20,169	19,738
PSB Financial Corp.				
	11.050% due	12/01/2015	477	479
Resecuritization Mortgage Trust				
	6.750% due	06/19/2028	\$18,343	\$17,236
Residential Accredit Loans, Inc.				
	6.250% due	03/25/2014	318	301
	7.250% due	06/25/2027	2,100	2,028
	7.500% due	08/25/2027	15,000	14,621
	7.000% due	02/25/2028	41,115	39,084
	6.500% due	12/25/2028	400	364
	6.500% due	05/25/2029	3,000	2,727
	6.750% due	06/25/2029	963	923
Residential Asset Securitization Trust				
	7.375% due	03/25/2027	5,142	4,949
	7.000% due	03/25/2027	18	18

	7.000% due	10/25/2027	19,642	18,452
	6.750% due	06/25/2028	18,259	17,775
	6.500% due	12/25/2028	1,250	1,116
	6.500% due	03/25/2029	22,700	21,260
Residential Funding Mortgage Securities, Inc.				
	7.000% due	08/25/2008	6,650	6,606
	7.500% due	09/25/2011	19,385	19,270
	7.000% due	05/25/2012	3,095	2,977
	6.500% due	12/25/2012	18,126	17,105
	7.750% due	09/25/2022	444	441
	8.000% due	01/25/2023	3,045	3,055
	8.000% due	02/25/2023	9,298	9,273
	6.500% due	11/25/2023	1,660	1,487
	7.500% due	09/25/2025	14,305	14,226
	7.500% due	12/25/2025	952	939
	7.750% due	11/25/2026	9,000	9,007
	7.500% due	04/25/2027	6,253	6,106
	7.500% due	06/25/2027	51,535	50,361
	7.500% due	07/25/2027	25,265	25,123
	7.250% due	08/25/2027	16,000	15,475
	7.250% due	10/25/2027	43,645	42,043
	7.000% due	11/25/2027	17,000	16,010
	6.750% due	02/25/2028	14,038	13,560
	6.750% due	05/25/2028	60,741	55,992
	6.750% due	06/25/2028	72,098	65,971
	6.750% due	08/25/2028	10,000	9,381
	6.750% due	09/25/2028	65,993	61,301
	6.500% due	10/25/2028	52,000	47,338
	6.250% due	11/25/2028	3,000	2,677
	6.500% due	12/25/2028	23,400	21,216
	6.500% due	01/25/2029	72,314	65,973
	6.500% due	03/25/2029	6,980	6,370
	6.200% due	05/25/2029	89,761	88,290
	6.500% due	06/25/2029	10,974	8,055
	6.750% due	07/25/2029	22,600	20,923
	7.000% due	10/25/2029	25,260	23,877
	7.500% due	11/25/2029	12,338	11,793
Resolution Trust Corp.				
	6.180% due	09/25/2020 (d) (m)	12,262	4,537
	7.331% due	09/25/2020 (d)	1,759	1,547
	8.560% due	06/25/2021 (d)	277	276
	8.686% due	08/25/2021	7,297	7,268
	8.138% due	10/25/2021 (d)	158	157
	8.625% due	10/25/2021	145	145
	5.585% due	10/25/2021 (d)	139	137
	8.640% due	05/25/2022 (d)	1,536	1,524
	7.875% due	08/25/2023 (d)	2,001	2,003
	8.835% due	12/25/2023	3,300	3,347
	9.450% due	05/25/2024	9,677	9,640
	7.100% due	12/25/2024	643	640
	7.654% due	10/25/2028 (d)	5,814	5,832
	6.824% due	10/25/2028 (d)	15,215	15,311
	7.515% due	05/25/2029 (d)	2,950	2,921
	6.788% due	05/25/2029 (d)	2,854	2,830
RMF Commercial Mortgage Securities, Inc.				
	6.715% due	01/15/2019	235	225
Ryan Mortgage Acceptance Corp.				
	9.450% due	10/01/2016	81	83
Ryland Acceptance Corp.				
	11.500% due	12/25/2016	97	97
	8.200% due	09/25/2022	30	30
	14.000% due	11/25/2031	896	943
Ryland Mortgage Securities Corp.				
	8.200% due	06/25/2021	\$35	\$35
	7.706% due	08/25/2022 (d)	1,995	2,043
	7.132% due	08/25/2029 (d)	2,769	2,785
	6.816% due	10/25/2031 (d)	4,546	4,501
Salomon Brothers Mortgage Securities				
	7.669% due	11/25/2022 (d)	585	585
	8.528% due	07/01/2024 (d)	4,525	4,584
	6.219% due	04/25/2029 (d)	27,697	27,699
	6.259% due	04/25/2029 (d)	7,169	7,170
Santa Barbara Savings				
	9.500% due	11/20/2018	2,228	2,224
Saxon Mortgage				
	6.250% due	04/25/2009	4,225	4,181
	6.500% due	02/25/2024	2,082	2,033
	8.459% due	09/25/2024 (d)	4,464	4,526
Securitized Asset Sales, Inc.				
	7.707% due	10/25/2023 (d)	1,534	1,528
	7.585% due	12/26/2023 (d)	1,321	1,299
	7.410% due	09/25/2024 (d)	9,900	9,816

Security Pacific National Bank	6.004% due	03/25/2018 (d)	91	89
Small Business Investment Co.	7.540% due	08/10/2009	87,128	87,396
	8.017% due	02/10/2010	104,000	106,791
	7.640% due	03/26/2010	69,185	68,860
Southern Pacific Secured Assets Corp.	6.049% due	06/25/2028 (d)	41,153	40,748
Starwood Commercial Mortgage	6.600% due	02/03/2009	12,054	11,684
Structured Asset Mortgage Investments, Inc.	6.905% due	06/25/2028 (d)	40,348	38,812
	6.250% due	11/25/2028	14,878	13,263
	6.750% due	01/25/2029	10,000	9,281
	6.300% due	05/25/2029	21,766	20,944
	6.585% due	06/25/2029 (d)	31,842	31,570
	7.250% due	07/25/2029	27,623	27,171
	6.750% due	05/02/2030	22,701	20,970
Structured Asset Notes Transactions Ltd.	6.650% due	08/30/2005	21,085	20,190
Structured Asset Securities Corp.	7.000% due	12/25/2027	51,500	48,812
TMA Mortgage Funding Trust	6.259% due	01/25/2029	37,974	37,974
Union Planters Mortgage Finance Corp.	6.750% due	01/25/2028	4,000	3,729
	6.800% due	01/25/2028	15,000	14,343
Vendee Mortgage Trust	7.750% due	03/15/2016	427	427
	7.500% due	08/15/2017	370	371
	7.750% due	05/15/2018	550	554
	6.500% due	05/15/2020	27,833	25,449
	6.836% due	01/15/2030	16,957	16,160
Western Federal Savings & Loan	7.235% due	06/25/2021 (d)	3,808	3,794

				6,822,531

Federal Home Loan Mortgage Corporation 1.5%	5.000% due	10/15/2020	1,000	939
	5.500% due	04/01/2001-04/13/2030 (g)	6,105	5,446
	5.750% due	08/15/2020	300	292
	5.861% due	12/01/2026 (d)	6,618	6,484
	6.000% due	12/01/2000-02/15/2025 (g)	44,777	43,360
	6.125% due	04/01/2017-06/01/2017 (d) (g)	56	56
	6.340% due	10/25/2023 (d)	16,742	17,209
	6.500% due	07/01/2001-05/01/2029 (g)	169,067	153,868
	6.537% due	11/01/2026 (d)	8,141	8,191
	6.704% due	11/01/2028 (d)	26,446	25,833
	6.750% due	01/17/2025	10,220	10,082
	6.775% due	11/01/2003	69	68
	6.826% due	07/01/2022 (d)	1,064	1,091
	6.863% due	07/01/2025 (d)	7,207	7,239
	6.900% due	07/01/2023 (d)	604	629
	6.922% due	05/01/2023 (d)	986	1,017
	6.945% due	08/01/2023 (d)	1,069	1,109
	6.957% due	08/01/2023 (d)	5,750	6,004
	7.000% due	05/01/2000-07/01/2028 (g)	\$14,663	\$14,478
	7.014% due	08/01/2024 (d)	208	216
	7.062% due	08/01/2023 (d)	514	530
	7.085% due	05/01/2027 (d)	1,045	1,080
	7.130% due	09/01/2023 (d)	2,562	2,675
	7.141% due	09/01/2023 (d)	10,793	11,178
	7.168% due	10/01/2023-07/01/2024 (d) (g)	3,256	3,374
	7.200% due	10/01/2006	73,733	72,409
	7.243% due	09/01/2023 (d)	1,547	1,602
	7.269% due	04/01/2024 (d)	7,202	7,387
	7.281% due	09/01/2027 (d)	2,949	2,966
	7.324% due	10/01/2023 (d)	1,820	1,869
	7.329% due	08/01/2023 (d)	9	10
	7.342% due	06/01/2024 (d)	1,143	1,180
	7.347% due	10/01/2023 (d)	994	1,021
	7.492% due	04/01/2029 (d)	1,421	1,462
	7.498% due	01/01/2024 (d)	536	550
	7.500% due	09/01/2003-08/01/2027 (g)	11,158	11,134
	7.625% due	01/01/2019 (d)	8	8
	7.631% due	09/01/2023 (d)	1,513	1,549
	7.750% due	04/01/2007	27	27
	7.751% due	05/01/2023 (d)	1,832	1,868
	7.777% due	04/01/2023 (d)	524	536
	7.818% due	01/01/2024 (d)	488	502
	7.834% due	07/01/2023 (d)	1,977	2,032
	7.907% due	10/01/2023 (d)	507	524

7.954% due	11/01/2023 (d)	416	426
7.957% due	10/01/2023 (d)	1,207	1,251
7.980% due	11/01/2023 (d)	316	325
8.000% due	01/01/2002-09/01/2018 (g)	3,279	3,279
8.188% due	11/01/2023 (d)	347	350
8.250% due	08/01/2007-12/01/2009 (g)	192	196
8.500% due	09/01/2001-11/01/2024 (g)	5,353	5,458
8.750% due	02/01/2001-12/01/2010 (g)	149	150
8.900% due	11/15/2020	13,289	13,526
9.000% due	01/01/2002-09/15/2020 (g)	638	649
9.250% due	06/01/2009-11/01/2013 (g)	104	108
9.500% due	08/01/2001-12/01/2022 (g)	1,447	1,509
9.750% due	03/01/2001-05/01/2009 (g)	62	64
10.000% due	06/01/2004-03/01/2021 (g)	1,134	1,185
10.100% due	09/01/2016	321	341
10.250% due	03/15/2009-05/01/2009 (g)	1,200	1,271
10.500% due	10/01/2017-01/01/2021 (g)	448	481
11.000% due	11/01/2009-05/01/2020 (g)	682	729
11.250% due	10/01/2009-09/01/2015 (g)	133	143
11.500% due	05/01/2000-01/01/2018 (g)	80	87
12.500% due	12/01/2012	19	20
13.250% due	10/01/2013	80	90
14.000% due	04/01/2016	21	24
15.500% due	08/01/2011-11/01/2011 (g)	16	18
16.250% due	05/01/2011	3	3

462,767

Federal Housing Administration 1.5%

6.500% due	02/15/2001-03/01/2040 (g)	8,005	7,322
6.630% due	05/28/2039-07/01/2040 (g)	3,091	2,843
6.687% due	07/25/2040	6,054	5,676
6.750% due	07/15/2001	6,157	5,790
6.755% due	06/25/2039-03/01/2041 (g)	17,647	16,206
6.780% due	05/28/2039	3,908	3,691
6.790% due	05/01/2039	10,902	10,688
6.830% due	12/01/2039	3,497	3,313
6.875% due	11/01/2015	3,153	2,960
6.880% due	10/25/2040-02/01/2041 (g)	22,283	20,728
6.896% due	07/01/2020	24,393	22,929
6.900% due	12/01/2040	22,769	21,502
6.930% due	01/01/2036	15,969	15,800
7.000% due	11/15/2040	1,801	1,693
7.050% due	03/25/2040	4,517	4,238
7.125% due	03/01/2034	4,427	4,246
7.211% due	12/01/2021	2,741	2,723
7.250% due	12/01/2021-06/01/2040 (g)	19,996	19,652
7.310% due	06/01/2041	23,566	22,851
7.315% due	08/01/2019	34,187	32,638
7.317% due	05/01/2019	4,850	4,658
7.350% due	11/01/2022	6,080	6,032
7.375% due	03/01/2019-01/01/2024 (g)	\$15,732	\$15,384
7.400% due	02/01/2021	2,290	2,284
7.430% due	12/01/2016-05/01/2025 (g)	116,016	115,048
7.450% due	04/01/2040	2,507	2,464
7.465% due	11/01/2019	31,958	31,896
7.500% due	03/01/2032-09/30/2039 (g)	12,885	12,626
7.580% due	04/01/2040	5,109	5,020
7.630% due	08/01/2041	17,187	16,856
7.650% due	11/01/2018-11/01/2040 (g)	7,560	7,449
7.700% due	03/15/2041	5,557	5,521
7.750% due	11/15/2039	5,538	5,488
7.880% due	12/01/2039	13,423	13,462
8.250% due	10/29/2023-01/01/2041 (g)	9,545	9,628

481,305

Federal National Mortgage Association 1.2%

4.750% due	11/14/2003	250	232
5.000% due	12/25/2021-04/18/2027 (g)	2,000	1,768
5.500% due	02/01/2014-12/01/2028 (g)	258	235
5.650% due	04/25/2005	40	39
5.911% due	09/01/2017 (d)	4,592	4,406
5.919% due	09/01/2024 (d)	2,201	2,145
5.922% due	11/01/2035 (d)	0	0
6.000% due	05/01/2000-05/01/2029 (g)	46,987	43,790
6.090% due	12/01/2008	49	46
6.190% due	04/01/2027 (d)	148	146
6.200% due	04/25/2005	31	31
6.250% due	07/25/2007	100	99
6.390% due	05/25/2036	28,696	24,160

6.420% due	12/01/2007	150	142
6.450% due	09/25/2016	2,461	2,437
6.500% due	04/01/2003-06/17/2038 (g)	50,514	46,674
6.573% due	04/01/2026 (d)	1,286	1,292
6.600% due	09/25/2018	3,376	3,359
6.633% due	12/01/2027 (d)	9,222	9,224
6.687% due	08/01/2027 (d)	45,986	45,640
6.750% due	08/01/2003	296	295
6.752% due	09/01/2024 (d)	1,442	1,479
6.835% due	07/01/2003	67	66
6.843% due	07/01/2024 (d)	4,961	5,076
6.925% due	10/01/2027 (d)	5,509	5,529
6.950% due	03/25/2026	300	296
7.000% due	07/01/2001-12/20/2027 (g)	124,671	122,451
7.030% due	11/01/2025 (d)	1,409	1,450
7.050% due	11/01/2025 (d)	4,246	4,431
7.102% due	05/01/2024 (d)	2,549	2,692
7.136% due	09/01/2022 (d)	1,330	1,358
7.190% due	05/01/2026 (d)	652	675
7.227% due	09/01/2025 (d)	2,049	2,105
7.250% due	05/01/2002-01/01/2023 (g)	11,048	10,732
7.261% due	09/01/2022 (d)	1,387	1,407
7.289% due	03/01/2025 (d)	3,356	3,455
7.332% due	11/01/2025 (d)	2,193	2,253

7.340% due	01/01/2026 (d)	1,329	1,365
7.350% due	09/01/2027 (d)	2,003	2,055
7.409% due	11/01/2023 (d)	1,050	1,077
7.450% due	11/01/2023 (d)	167	172
7.465% due	10/01/2023 (d)	382	394
7.491% due	01/01/2024 (d)	2,014	2,068
7.500% due	10/01/2002-12/01/2022 (g)	4,098	4,093
7.555% due	12/01/2023 (d)	889	904
7.565% due	12/01/2023 (d)	1,102	1,127
7.566% due	09/01/2023 (d)	3,137	3,284
7.579% due	01/01/2024 (d)	424	431
7.652% due	02/01/2026 (d)	592	602
7.690% due	01/01/2024 (d)	696	707
7.750% due	06/01/2009	170	171
7.853% due	03/01/2026 (d)	2,344	2,395
7.896% due	01/01/2024 (d)	197	202
8.000% due	09/01/2001-02/17/2025 (g)	3,090	3,120
8.250% due	10/01/2008-02/01/2017 (g)	538	547
8.500% due	07/01/2001-02/01/2022 (g)	2,309	2,355
9.000% due	10/01/2004-04/01/2017 (g)	897	924
9.250% due	10/01/2001	6	6
9.500% due	12/01/2006-07/01/2022 (g)	76	80
9.750% due	11/01/2008	\$60	\$63
10.000% due	09/01/2003-05/01/2022 (g)	904	960
10.500% due	01/01/2016-04/01/2022 (g)	601	645
10.750% due	03/01/2014	25	27
11.000% due	09/01/2019-11/01/2020 (g)	149	163
11.500% due	08/20/2016-11/01/2019 (g)	92	100
12.000% due	05/01/2016	10	11
12.500% due	10/01/2015	37	41
13.000% due	09/01/2013	35	39
13.250% due	09/01/2011	14	16
14.500% due	11/01/2011-01/01/2013 (g)	49	55
14.750% due	08/01/2012-11/01/2012 (g)	177	208
15.000% due	10/15/2012	95	112
15.500% due	10/01/2012-12/01/2012 (g)	16	19
15.750% due	12/01/2011-08/01/2012 (g)	111	130
16.000% due	09/01/2012	125	144

382,427

Government National Mortgage Association 24.6%

5.500% due	04/20/2024-04/19/2030 (d) (g)	104,876	100,405
5.650% due	10/15/2012	11	10
6.000% due	10/15/2008-04/19/2030 (d) (g)	1,991,708	1,832,909
6.125% due	11/20/2027 (d)	283	285
6.320% due	02/16/2030 (d)	14,749	14,729
6.375% due	06/20/2021-03/20/2028 (d) (g)	536,285	538,203
6.500% due	05/15/2001-10/15/2038 (d) (g)	2,645,136	2,493,882
6.625% due	01/15/2040	9,635	9,069
6.750% due	07/15/2001-06/20/2028 (d) (g)	434,602	432,182
6.800% due	09/15/2001-10/15/2040	3,000	2,886
6.820% due	09/15/2001	15,415	14,872
6.850% due	10/15/2040	1,706	1,607
6.875% due	04/20/2023 (d)	341	347
7.000% due	10/15/2001-04/19/2030 (g)	551,688	533,275
7.125% due	12/20/2020-12/20/2027 (d) (g)	375,938	380,367
7.250% due	08/20/2027 (d)	50	51
7.500% due	01/15/2003-05/22/2030 (d) (g)	1,290,953	1,279,342

7.700% due	02/15/2002		1,196	1,185
7.750% due	07/15/2001		1,520	1,509
8.000% due	05/15/2001-04/19/2030	(g)	78,758	79,383
8.125% due	07/15/2001-12/01/2039	(g)	3,680	3,722
8.250% due	08/15/2004-05/15/2022	(g)	460	469
8.500% due	06/15/2001-01/20/2027	(g)	6,370	6,506
8.750% due	03/15/2007-07/15/2007	(g)	100	101
9.000% due	06/15/2001-07/20/2022	(g)	4,910	5,116
9.250% due	07/15/2003-12/20/2016	(g)	199	205
9.500% due	04/15/2001-08/15/2023	(g)	4,746	4,999
9.750% due	09/15/2002-01/15/2021	(g)	136	140
10.000% due	04/15/2001-02/15/2025	(g)	5,751	6,136
10.250% due	02/20/2019		28	30

10.500% due	06/15/2004-09/15/2021	(g)	788	848
11.000% due	01/15/2001-03/15/2019	(g)	261	282
11.250% due	03/15/2001-12/20/2015	(g)	37	40
11.500% due	10/15/2010-10/15/2013	(g)	50	56
12.000% due	11/15/2012-05/15/2016	(g)	262	293
12.500% due	01/15/2011		1	1
13.000% due	12/15/2012-10/15/2014	(g)	20	23
13.250% due	10/20/2014		20	23
13.500% due	10/15/2012-11/15/2014	(g)	108	124
15.000% due	02/15/2012-10/15/2012	(g)	99	118
16.000% due	01/15/2012-05/15/2012	(g)	72	86
17.000% due	11/15/2011-12/15/2011	(g)	71	87

7,745,903

Other Mortgage-Backed Securities 0.7%
Bank of America

CDC Depositor Trust I	9.000% due	03/01/2008	40	41
Citibank, NA	6.212% due	01/15/2003 (d)	20,709	20,632
Commercial Mortgage Asset Trust	8.000% due	07/25/2018	45	45
Countrywide Funding Corp.	6.640% due	09/17/2010	455	426
DBL Mortgage Funding	6.750% due	03/25/2024	11,854	10,313
Federal Home Loan Mortgage Corp.	9.500% due	08/01/2019	8	8
FFCA Secured Lending Corp.	11.875% due	06/15/2013	\$40	\$42
First Interstate Bancorp	7.850% due	05/18/2017	28,900	28,778
General Electric Capital Mortgage Services, Inc.	9.125% due	01/01/2009 (l)	10	10
General Electric Credit Corp.	7.250% due	07/25/2011	2,638	2,630
German American Capital Corp.	8.000% due	03/01/2002 (l)	13	14
Great Western Savings & Loan	8.360% due	09/30/2002	965	940
Guardian	4.306% due	07/01/2018 (d)	8,531	8,321
Home Savings of America	5.952% due	08/01/2017 (d)	127	122
Imperial Savings & Loan	6.521% due	12/25/2018 (d)	50	50
LTC Commercial Corp.	8.464% due	08/01/2006	56	55
Merrill Lynch Mortgage	5.722% due	05/25/2027 (d)	2,315	2,196
Mid-State Trust	6.066% due	08/20/2029 (d)	8,761	8,597
Morgan Stanley Mortgage Trust	8.221% due	01/25/2017 (d)	63	63
Resolution Trust Corp.	8.847% due	07/25/2017 (d)	248	247
Salomon Brothers Mortgage Securities	7.100% due	11/28/2012	3,232	3,201
Sasco Floating Rate Commercial Mortgage	7.428% due	06/15/2021 (d)	1,089	1,065
Sears Mortgage	8.330% due	04/01/2030	66,403	67,037
	8.150% due	07/20/2021	5	5
	7.408% due	09/25/2020 (d)	218	205
	6.897% due	05/25/2029 (d)	3,504	3,462
	11.500% due	09/01/2015	819	820
	6.280% due	11/20/2001 (d)	58,183	58,326

	12.000% due	02/25/2014	617	615
TIAA Retail Commercial Mortgage	7.431% due	10/25/2022 (d)	2,135	2,159
	7.170% due	04/15/2008	9,563	9,394
Western Federal Savings & Loan	6.523% due	11/25/2018 (d)	6	6

				229,825

Stripped Mortgage-Backed Securities 0.0%				
Bear Stearns Mortgage Securities, Inc. (IO)				
	7.200% due	07/25/2024	339	33
Federal Home Loan Mortgage Corp. (IO)	6.500% due	08/15/2006	244	6
	6.500% due	11/15/2006	606	14
	6.500% due	03/15/2007	726	15
	5.750% due	09/15/2007 (d)	5,714	348
	6.000% due	10/15/2007	275	18
	6.000% due	01/15/2008	128	7
	5.428% due	02/15/2008 (d)	576	50
	6.400% due	10/15/2008	87	8
	6.500% due	08/15/2016	742	12
	6.500% due	08/15/2017	189	4
	7.000% due	04/15/2018	873	56
	7.500% due	08/15/2018	39	1
	8.845% due	01/15/2021	2	45
	9.000% due	05/15/2022	103	27
	6.500% due	09/15/2023	335	42
Federal National Mortgage Association (IO)	6.500% due	07/25/2006	1,143	35
	7.272% due	09/25/2006	3	24
	6.500% due	02/25/2007	1,579	95
	6.500% due	07/25/2007	418	18
	6.500% due	09/25/2007	2,093	137
	6.500% due	10/25/2007	660	37
	6.500% due	03/25/2009 (d)	28,048	546
	7.000% due	08/25/2016	48	0
	6.500% due	08/25/2020	\$2,666	\$264
	10.070% due	01/25/2021	0	4
	7.500% due	04/25/2021	1,700	282
	9.032% due	08/25/2021	6	160
	0.950% due	11/25/2021 (d)	26,064	387
	6.500% due	10/25/2022	166	15
	6.500% due	01/25/2023	3,029	486
Federal National Mortgage Association (PO)	0.000% due	09/01/2007	752	593
	0.000% due	02/25/2021	606	592
	0.000% due	06/25/2022	589	560
PaineWebber (IO)	0.000% due	08/25/2023	295	197
Vendee Mortgage Trust (IO)	13.595% due	08/01/2019	1	43
	0.542% due	06/15/2023 (d)	161,672	2,854

				8,015

Total Mortgage-Backed Securities				16,132,773

(Cost \$16,410,409)				
ASSET-BACKED SECURITIES 8.0%				
Advanta Mortgage Loan Trust				
	6.325% due	05/25/2027 (d)	667	657
	6.525% due	08/25/2029 (d)	3,040	3,050
Advanta Revolving Home Equity Loan Trust	6.249% due	01/25/2024 (d)	32,588	32,609
AFC Home Equity Loan Trust	6.806% due	10/25/2026 (d)	2,711	2,727
Allied Waste Industries, Inc.	8.938% due	07/30/2006	9,736	8,838
Allied Waste North America, Inc.	8.938% due	07/30/2006 (d)	17,309	15,713
	9.125% due	07/30/2007 (d)	24,881	22,587
	9.188% due	07/30/2007 (d)	7,573	6,875
America West Airlines	10.500% due	01/02/2004 (d)	20	20
American Express Credit Account Master Trust	6.800% due	12/15/2003	1,500	1,496
American Express Master Trust	7.850% due	08/15/2005	220	225
American Stores Co.	6.504% due	08/30/2004	20,000	19,776
Americredit Automobile Receivable Trust	6.540% due	05/12/2001	222	222

	5.304% due	10/12/2002	17,594	17,494
	5.780% due	05/12/2003	43,000	42,272
Amresco Residential Securities Mortgage Loan Trust				
	6.325% due	10/25/2027 (d)	2,920	2,919
	6.280% due	05/25/2028 (d)	18,759	18,748
	7.875% due	09/25/2028 (d)	2,448	2,356
Arcadia Automobile Receivables Trust				
	6.250% due	09/15/2002	45,649	45,611
	5.900% due	11/15/2002	17,289	17,248
	6.300% due	07/15/2003	26,025	25,735
	6.900% due	12/15/2003	19,431	19,333
Associates Manufactured Housing				
	7.000% due	03/15/2027	6,258	6,256
Banc One Home Equity Trust				
	6.460% due	06/25/2029	30,682	30,508
BankBoston Home Equity Loan Trust				
	6.280% due	11/25/2010	82	82
Bayview Financial Acquisition				
	6.429% due	02/25/2029 (d)	5,593	5,597
Brazos Student Loan Finance Co.				
	6.430% due	06/01/2023 (d)	32,700	32,368
	6.093% due	12/01/2025 (d)	22,750	22,797
California Infrastructure				
	6.150% due	06/25/2002	1,143	1,142
Champion Home Equity Loan Trust				
	6.139% due	03/25/2029 (d)	5,467	5,431
Charter Commercial Holdings LLC				
	8.540% due	03/31/2008	19,297	19,134
	8.580% due	03/31/2008	22,703	22,510
Chase Credit Card Master Trust				
	6.660% due	01/15/2007	\$645	\$631
Chase Manhattan Auto Owner Trust				
	5.750% due	10/15/2001	221	221
Chase Manhattan Grantor Trust				
	5.200% due	02/15/2002	157	156
	6.610% due	09/15/2002	1,119	1,119
Chase Mortgage Finance Corp.				
	6.750% due	10/25/2028	39,000	36,191
Citibank Credit Card Master Trust				
	6.473% due	05/15/2002	600	600
CMC Securities Corp. IV				
	7.250% due	11/25/2027	1,221	1,184
Columbia/HCA Healthcare				
	6.730% due	07/15/2045	14,760	13,682
Community Program Loan Trust				
	4.500% due	10/01/2018	25,435	22,574
	4.500% due	04/01/2029	26,000	19,159
Conseco Finance				
	6.290% due	10/15/2030	20,072	20,042
Contimortgage Home Equity Loan Trust				
	6.174% due	10/15/2012 (d)	6,628	6,622
	6.130% due	03/15/2013	4,262	4,242
	6.420% due	04/25/2014	494	491
	6.400% due	06/15/2014	2,000	1,978
	6.770% due	01/25/2018	41,700	40,722
	6.990% due	03/15/2021	350	348
	6.930% due	11/25/2022	36,800	36,249
	7.220% due	01/15/2028	80	79
	6.144% due	06/15/2028 (d)	3,780	3,774
	6.214% due	08/15/2028 (d)	1,393	1,392
Copelco Capital Funding Corp.				
	6.340% due	07/20/2004	13	13
CPS Auto Trust				
	5.995% due	06/15/2002	7,000	6,993
Cross Country Master Credit				
	6.281% due	06/15/2006 (d)	300	300
CS First Boston Mortgage Securities Corp.				
	6.750% due	09/25/2028	6,960	6,475
Daimler-Benz Vehicle Trust				
	5.230% due	12/20/2001	110	110
	6.050% due	03/31/2005	3,224	3,208
Delta Air Lines Equipment Trust				
	9.230% due	07/02/2002 (1)	7,081	7,211
	10.500% due	01/02/2007 (1)	6,167	6,756
	10.570% due	01/02/2007 (1)	15,881	18,105
	9.550% due	01/02/2008 (1)	7,773	8,138
	10.430% due	01/02/2011	960	1,042
	10.000% due	06/05/2013	10,828	11,795
Delta Funding Home Equity Loan				
	6.140% due	02/15/2018	38,082	37,907
	6.191% due	09/15/2029 (d)	12,019	12,072
Discover Card Master Trust				
	5.600% due	05/16/2006	1,600	1,518

Duck Auto Grantor Trust	6.260% due	10/16/2013 (d)	400	404
DVI Business Credit Receivable	5.650% due	03/15/2004	8,073	7,950
	6.461% due	10/15/2003 (d)	3,850	3,894
EQCC Home Equity Loan Trust	6.235% due	04/15/2008	10	10
	6.050% due	01/25/2010	254	253
	6.548% due	04/25/2010	446	443
	6.710% due	07/15/2011	226	226
	6.045% due	10/15/2027 (d)	988	987
	5.770% due	03/20/2029	249	247
Equivantage Home Equity Loan Trust	6.550% due	10/25/2025	87	85
Felco Funding LLC	5.980% due	09/15/2001	453	451
Fidelity Equipment Lease Trust	5.860% due	09/15/2001	27,949	27,823
First Alliance Mortgage Loan Trust	6.451% due	03/20/2031 (d)	17,761	17,772
First Merchants Auto Trust	6.850% due	11/15/2002	\$34	\$34
First Omni Bank	6.650% due	09/15/2003 (d)	1,500	1,495
First Plus Home Loan Trust	6.800% due	03/10/2012	9,940	9,929
First Security Auto Grantor Trust	6.100% due	04/15/2003	1,126	1,123
	5.970% due	04/15/2004	168	166
First Security Auto Owner Trust	5.492% due	04/15/2002	200	200
First Security Corp.	5.875% due	11/01/2003	9,000	8,520
First Union Master Credit Card Trust	6.633% due	09/15/2003	88,750	88,900
First USA Credit Card Master Trust	6.125% due	09/17/2003 (d)	300	300
FMAC Loan Receivables Trust	6.200% due	09/15/2020	300	289
	6.500% due	09/15/2020	246	222
	6.830% due	09/15/2020	680	612
Ford Credit Auto Owner Trust	6.050% due	04/15/2001	66	66
	5.310% due	04/16/2001	71	71
	5.470% due	09/15/2001	560	558
	5.650% due	10/15/2001	106	105
	5.770% due	11/15/2001	20,799	20,747
	6.200% due	04/15/2002	721	720
Ford Motor Credit Corp.	5.500% due	02/15/2003	5,300	5,234
Fred Meyer, Inc.	6.813% due	03/19/2003 (d)	12,405	12,261
General Motors Acceptance Corp.	6.500% due	04/15/2002	7,182	7,160
GMAC Mortgage Corp. Loan	6.270% due	11/18/2025 (d)	46,648	46,672
	7.930% due	03/25/2030	42,000	41,905
Green Tree Financial Corp.	7.150% due	07/15/2027	448	449
	6.490% due	03/15/2028	50,107	49,789
	6.420% due	11/15/2028	2,060	2,050
	5.850% due	11/01/2029	104	104
	6.870% due	04/01/2030	1,105	1,047
	6.660% due	06/01/2030	1,405	1,301
	5.600% due	12/01/2030	322	320
	5.510% due	02/01/2031	474	472
Green Tree Floorplan Receivables Master Trust	6.811% due	11/01/2004 (d)	46,000	46,273
Green Tree Home Equity Loan Trust	5.590% due	02/15/2013	149	149
	6.040% due	06/15/2029	144	144
	5.990% due	07/15/2030	506	504
Green Tree Home Improvement Loan	5.907% due	08/15/2007	120	120
	6.390% due	01/15/2029	7,984	7,983
Green Tree Lease Finance	6.170% due	09/20/2005	146	146
Green Tree Recreational Equipment	6.430% due	04/17/2006	3,300	3,273
Harley-Davidson Eaglemark	5.250% due	07/15/2003	172	170

HFC Home Equity Loan	6.830% due	12/20/2016	413	411
Honda Auto Receivables Grantor	5.850% due	02/15/2003	69	69
	5.950% due	05/15/2003	98	98
Household Consumer Loan Trust	6.305% due	08/15/2006 (d)	22,543	22,296
IKON Receivables LLC	5.600% due	05/15/2005	31,029	30,961
IMC Home Equity Loan Trust	6.310% due	12/20/2012	117	117
	7.210% due	07/25/2026 (d)	795	783
IMPAC Secured Assets CMN Owner	7.770% due	07/25/2025	2,000	1,919
Indymac Home Equity Loan	6.149% due	10/25/2029 (d)	\$17,490	\$17,468
Indymac Manufactured Housing	6.170% due	12/25/2011	6,000	5,906
Korea National Housing	9.313% due	05/23/2001 (1)	94,000	94,940
Long Beach Acceptance Auto	6.940% due	09/19/2007	4,750	4,727
Lyondell Petroleum	9.383% due	06/17/2003	962	961
	9.613% due	12/31/2003 (d)	79,088	79,717
MBNA Master Credit Card Trust	6.050% due	11/15/2002	245	245
Mellon Bank Home Equity	5.900% due	10/25/2010	17,301	17,141
Merit Securities Corp.	6.160% due	07/28/2033	8,909	8,830
	7.880% due	12/28/2033	34,400	34,529
Metlife Capital Equipment Loan Trust	6.850% due	05/20/2008 (d)	320	317
Metris Master Trust	6.721% due	04/20/2006 (d)	20,000	20,118
Metropolitan Asset Funding, Inc.	6.585% due	04/25/2029 (d)	14,188	14,095
MMCA Automobile Trust	6.300% due	06/15/2002	616	616
Money Store Home Equity Trust	7.380% due	03/15/2017	29	29
	7.550% due	02/15/2020	500	500
	6.345% due	11/15/2021 (d)	1,157	1,148
	6.015% due	05/15/2025 (d)	3,948	3,951
	6.490% due	10/15/2026	17,000	16,915
MPC Natural Gas Funding Trust	6.200% due	03/15/2013	9,546	9,155
Myra Ums Tranche	5.733% due	12/23/2006	1,561	1,430
Myra-United Mexican States	5.813% due	10/20/2006 (d)	444	417
	7.000% due	12/23/2006 (d)	2,984	2,805
	7.163% due	12/23/2006 (d)	7,976	7,252
	7.063% due	12/23/2006 (d)	951	858
	7.000% due	12/23/2006 (d)	2,251	2,061
	6.188% due	12/23/2006 (d)	31	29
	5.813% due	12/23/2006 (d)	4,193	3,783
	7.000% due	12/23/2006 (d)	876	771
National Medical Care	7.188% due	09/30/2003	24,597	24,305
	7.250% due	09/30/2003 (d)	28,486	28,148
NationsBanc Montgomery Funding Corp.	6.750% due	06/25/2028	10,000	9,298
	6.750% due	08/25/2028	20,009	17,579
Nationsbank Credit Card Master Trust	6.450% due	04/15/2003	225	225
New Holland Equipment Receivables	6.390% due	10/15/2002	525	523
Newcourt Receivable Asset Trust	6.240% due	12/20/2004	3	3
Nissan Auto Receivables	6.390% due	10/15/2002	73	73
Nomura CBO Ltd.	6.670% due	05/15/2009	1,900	1,927
Norwest Asset Securities Corp.	6.500% due	04/25/2013	20,642	19,526
	6.500% due	06/25/2013	10,696	10,113
	7.500% due	03/25/2027	40,787	39,519
	6.750% due	05/25/2028	27,707	25,273
	6.750% due	07/25/2028	12,657	11,465
	6.200% due	09/25/2028	19,077	18,905
NPF XI, Inc.				

NPF XII, Inc.	6.815% due	07/01/2001	8,960	8,959
Olympic Automobile Receivable Trust	7.050% due	06/01/2003	31,000	30,666
Option One Mortgage Loan Trust	6.050% due	08/15/2002	10,368	10,364
PP&L Transition Bond Co.	5.880% due	05/25/2029	\$238	\$237
Premier Auto Trust	6.830% due	03/25/2007	28,800	28,354
Primedia, Inc.	5.770% due	01/06/2002	9,780	9,765
Republic of Korea	5.820% due	02/08/2002	870	868
Residential Asset Securities Corp.	8.740% due	07/31/2004 (d)	20,000	19,860
RJR Nabisco	8.063% due	04/08/2001 (d)	5,204	5,224
Salomon Brothers Mortgage Securities	5.979% due	04/25/2014 (d)	439	439
	6.960% due	07/25/2014	43,712	43,547
	6.240% due	02/25/2017	5,941	5,888
	6.600% due	01/25/2020	5,200	5,140
	7.075% due	09/25/2020	190	189
	7.998% due	10/25/2024 (d)	6,329	6,284
	6.781% due	10/25/2027 (d)	2,963	2,954
	6.750% due	03/25/2028	40,000	36,659
Saxon Asset Securities Trust	7.500% due	12/31/2001 (d)	24,948	24,948
Sears Credit Account Master Trust	6.179% due	06/25/2029 (d)	47,846	47,809
	6.305% due	11/15/2029 (d)	21,011	21,024
	7.043% due	11/15/2029 (d)	5,800	5,799
Stone Container Corp.	6.355% due	05/25/2029 (d)	11,362	11,336
Texas Cable Partners	6.050% due	01/16/2008	500	485
Total Renal Care	7.000% due	07/15/2008	500	498
Toyota Auto Lease Trust	9.500% due	10/01/2003	2,716	2,716
UCFC Home Equity Loan	9.688% due	10/01/2003 (d)	2,716	2,716
UCFC Manufactured Housing	7.680% due	06/24/2007	5,000	4,975
UniCapital Corp.	10.250% due	03/31/2008	47,040	40,572
United Air Lines Equipment Trust	6.450% due	04/26/2004	300	298
USAA Auto Loan Grantor Trust	6.475% due	06/15/2012	36	36
	8.200% due	09/15/2027	70	71
	6.870% due	07/15/2029	70	65
WFS Financial Owner Trust	5.945% due	01/15/2010 (d)	8,324	8,331
WMC Mortgage Loan	6.540% due	07/23/2002	39,800	39,682
Ziff-Davis, Inc.	9.200% due	03/22/2008	3,950	4,142
	10.360% due	11/13/2012	7,000	7,859
	10.020% due	03/22/2014	6,925	7,588
	10.850% due	07/05/2014	34,111	39,726
	10.850% due	02/19/2015	1,500	1,736
	10.125% due	03/22/2015	14,300	16,464
	9.060% due	06/17/2015	5,000	5,367
	9.210% due	01/21/2017	2,000	2,078
	6.150% due	05/15/2004	2,013	2,004
	5.800% due	01/15/2005	3,862	3,825
	6.100% due	03/20/2002	43	43
	6.411% due	07/20/2002	43,500	43,440
	6.920% due	01/20/2004	27,125	27,039
	6.335% due	10/15/2029	94,586	94,645
	9.125% due	03/31/2006	2,850	2,846
Total Asset-Backed Securities				2,507,373
(Cost \$2,536,355)				
SOVEREIGN ISSUES 2.8%				
African Development Bank	9.300% due	07/01/2000	\$200	\$201
Central Bank Philippines	6.500% due	06/01/2008 (d)	368	353
Government of Brazil				

	7.000% due	01/01/2001 (d)	29,372	29,264
	6.938% due	04/15/2006 (d)	43,287	39,283
Hellenic Republic				
	6.684% due	06/06/2001 (d)	20,000	20,327
Hydro Quebec				
	7.375% due	02/01/2003	150	150
Kingdom of Jordan				
	5.500% due	12/23/2023	18,000	12,303
Kingdom of Sweden				
	10.250% due	11/01/2015	500	589
Nacional Financiera				
	9.750% due	03/12/2002	10,000	10,285
	7.975% due	05/08/2003 (d)	7,750	7,694
New Brunswick				
	7.125% due	10/01/2002	1,700	1,696
Nova Scotia Province				
	6.099% due	05/14/2001 (d)	5,000	4,991
Providence of Newfoundland				
	9.000% due	06/01/2019	500	572
Province of Nova Scotia				
	9.375% due	07/15/2002	1,000	1,043
Province of Ontario				
	6.125% due	06/28/2000	800	801
	7.750% due	06/04/2002	200	202
	7.625% due	06/22/2004	1,000	1,016
	7.000% due	08/04/2005	1,000	990
	6.000% due	02/21/2006	1,800	1,691
	5.500% due	10/01/2008	12,000	10,656
Province of Quebec				
	7.500% due	07/15/2002	6,000	6,031
	8.800% due	04/15/2003	100	104
	6.270% due	06/11/2004 (d)	15,500	15,464
Republic of Argentina				
	11.786% due	04/10/2005 (d)	162,145	152,011
Republic of Bulgaria				
	7.063% due	07/28/2011 (d)	2,500	1,981
	2.750% due	07/28/2012 (d)	20,000	14,421
	7.063% due	07/28/2024 (d)	32,000	25,722
Republic of Chile				
	6.875% due	04/28/2009	25,000	23,255
Republic of Colombia				
	9.750% due	04/23/2009	16,150	15,100
	8.700% due	02/15/2016	115	87
Republic of Croatia				
	7.000% due	02/27/2002	5,650	5,483
Republic of Korea				
	7.594% due	04/08/2000 (d)	7,132	7,159
	8.281% due	04/08/2000 (d)	9,899	9,936
	8.594% due	04/08/2000 (d)	26,120	26,218
Republic of Panama				
	7.875% due	02/13/2002	500	490
	7.001% due	05/14/2002 (d)	930	908
	4.250% due	07/17/2014	6,250	5,051
Republic of Peru				
	3.750% due	03/07/2017	2,000	1,226
	4.500% due	03/07/2017 (d)	5,750	3,853
Republic of Philippines				
	6.938% due	01/05/2005 (d)	8,830	8,796
	6.500% due	12/01/2017	7,000	6,416
	9.875% due	01/15/2019	5,800	5,249
	9.500% due	10/21/2024	55,702	53,613
Republic of Poland				
	3.500% due	10/27/2024 (d)	77,040	47,765
	4.000% due	10/27/2024	3,000	2,003
Republica Orient Uruguay				
	7.250% due	05/04/2009	2,500	2,369
State of Israel				
	6.200% due	06/14/2003	25	24
United Mexican States				
	6.930% due	04/07/2000 (d)	\$81,590	\$81,657
	7.439% due	06/27/2002 (d)	94,250	92,916
	6.263% due	04/07/2004 (d)	17,681	17,672
	9.780% due	04/07/2004 (d)	45,236	47,298
	7.500% due	03/08/2010	15,000	14,555
	6.250% due	12/31/2019	38,110	32,526
Total Sovereign Issues				871,466
(Cost \$862,873)				

FOREIGN CURRENCY-DENOMINATED ISSUES (e) (f) 1.9%

AXA	2.500% due	01/01/2014	EC	2,475	2,346
City of Montreal	11.500% due	09/20/2000	C\$	7,000	4,948
Commonwealth of New Zealand	10.000% due	03/15/2002	(j) N\$	102,500	53,587
	5.500% due	04/15/2003		80,000	38,067
	4.500% due	02/15/2016		73,000	35,553
Export-Import Bank Korea	3.840% due	10/06/2000	(d) DM	5,000	2,427
France Telecom	2.000% due	01/01/2004		9,761	3,197
Halifax Group Euro Finance	7.627% due	12/29/2049	(d) EC	8,500	8,240
International Bank for Reconstruction & Development	7.250% due	05/27/2003	(j) N\$	32,500	15,846
Korea Development Bank	3.610% due	05/14/2001	(d) DM	70,000	33,751
	2.560% due	06/26/2001	JY	4,000,000	39,536
Newcourt Credit Group	7.625% due	06/28/2001	C\$	9,400	6,589
Republic of Argentina	5.500% due	03/27/2001	JY	4,290,000	41,416
Republic of Brazil	8.250% due	11/26/2001	EC	2,000	1,957
Republic of Philippines	8.000% due	09/17/2004		10,290	9,950
Reynolds, R.J.	6.875% due	11/22/2000	DM	9,500	4,658
Tecnost International NV	5.616% due	06/23/2004	(d) EC	102,284	100,402
United Mexican States	6.000% due	03/28/2002	JY	100,000	1,040
	3.100% due	04/24/2002		2,542,000	24,982
	8.750% due	05/30/2002	BP	23,000	36,995
	10.375% due	01/29/2003	DM	200	107
	7.000% due	06/02/2003	C\$	30,200	20,031
	6.750% due	06/06/2006	JY	2,000,000	23,371
	6.630% due	12/31/2019	FF	60,000	9,520
	1.103% due	12/31/2019	(d) JY	1,662,500	15,866
	3.850% due	12/31/2019		9,145,000	76,943
Total Foreign Currency-Denominated Issues					611,325
(Cost \$601,914)					
PURCHASED CALL OPTIONS 0.1% Eurodollar vs. U.S. Dollar (OTC)					
	Strike @ 0.870 Exp. 06/27/2000			\$200,000	22,118
Total Purchased Call Options					22,118
(Cost \$21,172)					
CONVERTIBLE BONDS & NOTES 0.4% Banking & Finance 0.2% ACOM Co. Ltd.					
Bell Atlantic Financial Services	0.000% due	03/31/2002		150,000	1,729
Deutsche Bank Financial	5.750% due	04/01/2003		7,000	7,000
Fuji International Finance Trust	0.000% due	02/12/2017		4,850	2,287
Hellenic Finance	0.250% due	02/01/2002		540,000	4,338
Morgan Stanley, Dean Witter, Discover and Co.	2.000% due	07/15/2003		2,000	1,919
Northern Rock plc	0.000% due	03/02/2006		\$5,860	\$4,952
Swiss Life Financial Ltd.	2.000% due	01/02/2000		1,060	23,108
	2.000% due	05/20/2003		1,500	1,452
					46,785
Consumer Discretionary 0.0% Costco Wholesale Corp.					
	0.000% due	08/19/2017		2,000	2,390
Energy 0.0% Devon Energy Corp.					
	4.900% due	08/15/2008		2,000	2,013
Diamond Offshore Drill					

	3.750% due	02/15/2007	2,250	2,585

				4,598

Health Care 0.0%				
Athena Neurosciences, Inc.	4.750% due	11/15/2004	2,000	2,765
Wellpoint Health Network	0.000% due	07/02/2019	1,500	1,014

				3,779

Industrial 0.1%				
Centocor, Inc.	4.750% due	02/15/2005	1,900	2,114
Hercules Trust VI	8.625% due	12/29/2000 (d)	9,950	9,947
Roche Holdings, Inc.	0.000% due	01/19/2015	1,000	846
Solelectron Corp.	0.000% due	01/27/2019	785	527
Toyoda Automatic Loom	0.350% due	09/30/2003	200,000	2,234
Young & Rubicam, Inc.	3.000% due	01/15/2005	1,090	1,014

				16,682

Technology 0.1%				
Aether Systems, Inc.	6.000% due	03/22/2005	400	384
Affiliated Computer Services	4.000% due	03/15/2005	1,000	1,021
American Tower Corp.	5.000% due	02/15/2010	2,000	2,291
ASM Lithography Holding	2.500% due	04/09/2005	1,500	1,302
Clear Channel Communications	1.500% due	12/01/2002	1,800	1,683
	2.625% due	04/01/2003	1,200	1,479
Commscope, Inc.	4.000% due	12/15/2006	1,000	1,200
Conexant Systems, Inc.	4.250% due	05/01/2006	500	1,596
Cymer, Inc.	3.500% due	08/06/2004	2,000	2,340
EMC Corp.	6.000% due	05/15/2004	2,600	3,998
Hewlett-Packard Co.	0.000% due	10/14/2017	2,000	1,545
Intel Corp.	4.000% due	09/01/2004	450	1,954
Internet Capital Group, Inc.	5.500% due	12/21/2004	1,000	888
Interpublic Group Co., Inc.	1.870% due	06/01/2006	1,500	1,521
Juniper Networks, Inc.	4.750% due	03/15/2007	1,000	998
Stmicroelectron	0.000% due	09/22/2009	1,250	2,125
U.S. Cellular Corp.	0.000% due	06/15/2015	3,500	2,393
Veritas Software Corp.	1.856% due	08/13/2006	750	2,878
Xerox Corp.	0.570% due	04/21/2018	2,500	1,350

				32,946

Utilities 0.0%				
Alliant Energy Resources	7.250% due	01/02/2000	\$22	\$1,755
Liberty Media Group	4.000% due	11/15/2029	1,000	1,564
Telefonos De Mexico S.A.	4.250% due	06/15/2004	1,400	2,182
				5,501

Total Convertible Bonds & Notes				112,681

(Cost \$104,700)				
PREFERRED STOCK 0.2%				

			Shares	
Banco Bilbao Vizcaya International	2.438% due	01/02/2000	266,217	6,755
Barclays Bank	2.875% due	01/02/2000	215,500	5,576
Centaur Funding Corp.	90.800% due	01/02/2000	125	131
CSC Holdings, Inc.	11.931% due	01/02/2000	24,904	2,677
Fortis Amev NV	6.430% due	01/02/2000 (d)	171	21,067
Fresenius Medical Care	7.875% due	02/02/2008	4,000	3,565
Home Ownership Funding	133.310% due	01/02/2000	1,125	898
SI Financing Trust	2.375% due	01/02/2000	396,194	10,053
TCI Communications, Inc.	2.500% due	01/02/2000	49,000	1,250
	2.430% due	01/02/2000	622,553	16,070
Total Preferred Stock				68,042
(Cost \$70,647)				-----
CONVERTIBLE PREFERRED STOCK 0.1%				
Banking & Finance 0.0%				
Tokai Bank Cvt. Pfd.	2.750% due	10/01/2004	72,000	500
Energy 0.1%				
AES Trust III	3.375% due	01/02/2000	40,000	2,700
Apache Corp. Cvt. Pfd.	2.015% due	01/02/2000	60,000	2,700
Coastal Corp. Cvt. Pfd.	1.656% due	01/02/2000	85,000	2,407
Kerr-McGee Corp. Cvt. Pfd.	1.825% due	01/02/2000	87,000	3,915

				11,722

Industrial 0.0%				
Decs Trust VI Cvt. Pfd.	2.465% due	01/02/2000	45,000	3,825
Qwest Trends Trust Cvt. Pfd.	2.401% due	01/02/2000	14,000	1,099
Tribune Co. Cvt. Pfd.	3.140% due	05/15/2029	4,500	637

				5,561

Technology 0.0%				
Verio, Inc. Cvt. Pfd.	3.375% due	01/02/2000	20,000	1,125
Utilities 0.0%				
Cox Communications, Inc. Cvt. Pfd.	3.500% due	01/02/2000	33,300	2,115
Reliant Energy, Inc. Cvt. Pfd.	3.216% due	01/02/2000	20,000	3,180
Utilicorp United Cvt. Pfd.	2.438% due	01/02/2000	100,000	2,225

				7,520

Total Convertible Preferred Stock				26,428
(Cost \$20,948)				-----
PREFERRED SECURITY 1.1%				
			Shares	
DG Funding Trust	618.125% due	12/29/2049	35,090	\$352,266
Total Preferred Security				352,266
(Cost \$350,900)				-----
SHORT-TERM INSTRUMENTS 3.1%				
			Principal Amount (000s)	

Certificates of Deposit 0.6%
Commerzbank AG

	6.200% due	05/10/2000	\$85,500	85,500
Dominion Residential, Inc.	6.195% due	01/26/2001	120,800	120,026

				205,526

Commercial Paper 0.7% Abbott Laboratories	6.020% due	05/02/2000	1,500	1,493
Aristar, Inc.	6.050% due	05/30/2000	2,000	1,980
Bank One Corp.	5.920% due	05/15/2000	1,500	1,490
	6.060% due	05/22/2000	5,000	4,959
Bellsouth Telecom	5.840% due	04/03/2000	1,100	1,100
	5.820% due	04/05/2000	300	300
British Telecom	5.840% due	04/26/2000	2,900	2,889
Coca-Cola Co.	5.790% due	04/04/2000	1,500	1,500
	6.020% due	06/06/2000	15,000	14,831
	6.010% due	06/07/2000	1,800	1,779
Conoco, Inc.	5.860% due	04/05/2000	1,600	1,599
	5.970% due	04/07/2000	500	500
Cox Communication	6.050% due	04/10/2000	800	799
DaimlerChrysler AG	5.820% due	04/19/2000	400	399
	6.100% due	06/29/2000	7,000	6,894
Deutsche Bank Financial	5.930% due	05/30/2000	1,800	1,782
Dominion Residential, Inc.	6.170% due	05/17/2000	18,700	18,559
E.I. Du Pont de Nemours	5.860% due	05/18/2000	400	397
	6.030% due	06/08/2000	700	692
Emerson Electric	5.800% due	04/05/2000	300	300
	5.840% due	04/05/2000	600	600
Federal Home Loan Mortgage Corp.	5.880% due	04/18/2000	280	279
	5.970% due	05/02/2000	6,500	6,469
	5.970% due	05/23/2000	16,000	15,867
Finova Capital Corp.	6.110% due	05/10/2000	28,000	27,824
	6.020% due	06/06/2000	12,000	11,865
General Electric Capital Corp.	6.060% due	05/04/2000	200	199
	5.910% due	05/18/2000	1,000	993
	6.060% due	06/07/2000	17,000	16,805
General Motors Acceptance Corp.	6.100% due	04/05/2000	600	600
	6.040% due	05/03/2000	700	696
	5.920% due	05/22/2000	1,700	1,686
Heinz Corp.	6.030% due	05/02/2000	100	100
Honeywell, Inc.	5.820% due	04/12/2000	900	899
	6.000% due	04/26/2000	\$400	\$398
KFW International Finance	5.870% due	05/09/2000	500	497
	5.910% due	06/05/2000	5,500	5,439
Monsanto Co.	5.930% due	05/31/2000	2,000	1,979
	6.060% due	06/01/2000	2,200	2,177
	6.000% due	06/07/2000	200	198
Motorola, Inc.	5.900% due	05/26/2000	3,000	2,974
	6.090% due	06/30/2000	200	197
Nike, Inc.	5.830% due	04/04/2000	3,000	3,000
	5.830% due	04/17/2000	1,200	1,197
Procter & Gamble Co.	6.080% due	06/02/2000	3,000	2,968
Reseau Ferre De France	5.900% due	05/30/2000	2,000	1,980
	6.050% due	06/05/2000	3,000	2,967
Sumitomo Bank	6.050% due	04/13/2000	2,000	1,997

	6.090% due	04/13/2000	100	100
	6.080% due	04/26/2000	1,600	1,594
	6.110% due	04/26/2000	1,700	1,693
Texas Utilities Co.				
	6.100% due	04/17/2000	5,100	5,088
Textron, Inc.				
	5.940% due	05/17/2000	1,500	1,489
	5.900% due	05/17/2000	1,200	1,191
TRW, Inc.				
	6.060% due	04/17/2000	10,000	9,976
UBS Finance				
	5.820% due	04/06/2000	4,000	3,998
United Parcel Service				
	5.890% due	06/01/2000	2,700	2,672
Washington Post				
	6.020% due	06/02/2000	14,600	14,445
Xerox Credit Corp.				
	6.050% due	05/16/2000	100	99
	6.090% due	06/06/2000	6,500	6,427
	6.110% due	06/12/2000	200	198
Yorkshire Building Society				
	5.850% due	04/07/2000	1,000	999
	5.990% due	06/13/2000	300	296

				227,357

Repurchase Agreement 1.7%				
State Street Bank				
	5.600% due	04/03/2000	170,786	170,786
(Dated 03/31/2000. Collateralized by Federal National Mortgage Association 7.050% due 12/01/2004 valued at \$21,174, Federal National Mortgage Association 7.125% due 01/15/2030 valued at \$51,004, Federal Home Loan Mortgage Corporation 5.150% due 02/02/2001 valued at \$102,006, and Federal National Mortgage Association 0.000% due 08/01/2000 valued at \$34. Repurchase proceeds are \$170,865.)				
Daiwa Securities				
	6.180% due	04/03/2000	350,000	350,000
(Dated 03/31/2000. Collateralized by U.S. Treasury Inflation Protected Securities 3.625% due 07/15/2002 valued at \$292,287. and U.S. Treasury Bill due 11/09/2000 valued at \$48,185. and U.S. Treasury Note 8.375% due 08/15/2008 valued at \$16,836. Repurchase proceeds are \$350,180.)				
				520,786
U.S. Treasury Bills (b) (g) 0.1%				
	5.528% due	04/27/2000	36,775	36,639

Total Short-Term Instruments				990,308
(Cost \$991,120)				-----
Total Investments (a) 131.6%				\$41,494,212
(Cost \$41,850,196)				-----
Written Options (c) (0.2%) (Premiums \$31,722)				(45,441)
Other Assets and Liabilities (Net) (31.4%)				(9,912,498)

Net Assets 100.0%				\$31,536,273
</TABLE>				

Notes to Schedule of Investments (amounts in thousands):

(a) At March 31, 2000, the net unrealized appreciation (depreciation) of investments based on cost for federal income tax purposes of \$41,849,408 was as follows:

Aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost.

\$315,646

Aggregate gross unrealized depreciation for all

investments in which there was an excess of tax cost over value. (670,842)

Unrealized depreciation-net (\$355,196)

(b) Securities with an aggregate market value of \$133,050 have been segregated with the custodian to cover margin requirements for the following open futures contracts at March 31, 2000:

Type	# of Contracts	Unrealized Appreciation/ (Depreciation)
Eurodollar December Futures (03/2001)	10,536	(\$4,394)
Municipal Bond CBT (06/2000)	1,835	3,003
EuroBond 10 Year Note (06/2000)	16,400	(36,867)
Government of Japan 10 Year Note (06/2000)	358	(3,144)
U.S. Treasury 5 Year Note (06/2000)	516	(321)
U.S. Treasury 10 Year Note (06/2000)	35,208	78,682
U.S. Treasury 30 Year Bond (06/2000)	4,445	5,158
Euribor Futures (09/2000)	58	(11)
United Kingdom 90 Day LIBOR Futures (06/2000)	179	117
United Kingdom 90 Day LIBOR Futures (09/2000)	3,892	2,842

		\$45,065

(c) Premiums received on written options:

Type	# of Contracts	Premium	Value
Call - CME Eurodollar December Futures Strike @ 92.75 Exp. 12/18/2000	1,500	\$1,061	\$1,181
Call - CBOT U.S. Treasury Bond June Futures Strike @ 98.00 Exp. 05/20/2000	4,658	2,555	4,876
Put - CBOT U.S. Treasury Note June Futures Strike @ 96.00 Exp. 05/20/2000	11,264	3,119	704
Put - OTC Eurodollar vs. U.S. Dollar Strike @ 0.93 Exp. 04/19/2000	EC 800,000,000	1456	1376
Put - OTC Eurodollar vs. U.S. Dollar Strike @ 0.93 Exp. 04/19/2000	EC 318,030,000	734	547
Put - CBOT U.S. Treasury Note June Futures Strike @ 95.00 Exp. 05/20/2000	2,134	866	334
Call - CBOT U.S. Treasury Note June Futures Strike @ 98.00 Exp. 05/20/2000	2,136	1243	2,537
Put - CME Eurodollar December Futures Strike @ 93.00 Exp. 12/18/2000	5,644	5,314	4,868
Call - CBOT U.S. Treasury Bond June Futures Strike @ 100.00 Exp. 05/20/2000	3,355	1,030	1,625
Put - CME Eurodollar December Futures Strike @ 93.50 Exp. 12/18/2000	13,870	14,344	27,393
		-----	-----
		\$31,722	\$45,441
		-----	-----

(d) Variable rate security. The rate listed is as of March 31, 2000.

(e) Foreign forward currency contracts outstanding at March 31, 2000:

Type	Currency	Principal Amount Covered by Contract	Settlement Month	Unrealized Appreciation/ (Depreciation)
Sell	BP	26,011	04/2000	(\$463)
Sell	C\$	9,841	05/2000	(21)
Sell		33,873	06/2000	(141)
Sell	EC	285,703	04/2000	3,953
Buy		87,996	04/2000	(1,455)
Buy	HF	2,000,000	09/2000	(143)
Sell	JY	3,029,980	04/2000	(1,168)

Buy		3,029,980	04/2000	772
Sell		4,519,202	04/2001	(5,239)
Sell		20,174,266	05/2000	(4,998)
Sell	N\$	50,843	04/2000	(729)
Sell		128,045	05/2000	(998)
Buy	PZ	7,000	04/2000	50
Sell		7,000	04/2000	(16)
Buy		45,000	01/2001	(72)
Buy		40,000	02/2001	230
Buy		17,000	03/2001	39

				(\$10,399)

</TABLE>

(f) Principal amount denoted in indicated currency:

AS	- Austrian Schilling
A\$	- Australian Dollars
BP	- British Pound
C\$	- Canadian Dollar
DM	- German Mark
EC	- Euro
FF	- French Franc
HF	- Hungarian Forint
JY	- Japanese Yen
MP	- Mexican Peso
N\$	- New Zealand Dollar
PZ	- Polish Zloty

(g) Securities are grouped by coupon or range of coupons and represent a range of maturities.

(h) Principal amount of the security is adjusted for inflation.

(i) Swap agreements outstanding at March 31, 2000:

<TABLE>
<S>

	<C>	<C>	<C>
Type	Notional Amount	Unrealized Appreciation/Depreciation	
Receive floating rate based on 3 month LIBOR and pay fixed rate equal to 7.481%.			
Broker: Morgan Stanley Exp. 02/11/2010		\$230,600	(\$2,995)
Receive floating rate based on 6 month JY-LIBOR and pay fixed rate equal to 2.340%.			
Broker: Deutsche Bank AG New York Exp. 10/08/2007	JY24,500,000		(8,546)
Receive floating rate based on 6 month JY-LIBOR and pay fixed rate equal to 2.295%.			
Broker: Deutsche Bank AG New York Exp. 04/14/2008	JY11,635,000		(3,342)
Receive floating rate based on 6 month JY-LIBOR and pay fixed rate equal to 2.305%.			
Broker: Deutsche Bank AG New York Exp. 04/15/2008	JY 7,563,000		(2,235)
Receive floating rate based on 6 month JY-LIBOR and pay fixed rate equal to 1.495%.			
Broker: Deutsche Bank AG New York Exp. 09/16/2008	JY 7,000,000		2,467
Receive floating rate based on 3 month LIBOR and pay fixed rate equal to 7.466%.			
Broker: Morgan Stanley Exp. 02/11/2005		\$277,400	(2,357)
Receive floating rate based on 3 month LIBOR and pay fixed rate equal to 7.413%.			
Broker: Goldman Sachs			

Exp. 02/17/2005	277,000	(1,789)
Receive floating rate based on 3 month LIBOR and pay fixed rate equal to 7.408%.		
Broker: Goldman Sachs Exp. 02/25/2005	167,400	(1,024)
Receive floating rate based on 3 month LIBOR and pay fixed rate equal to 7.309%.		
Broker: Goldman Sachs Exp. 03/24/2010	300,000	(378)
Receive floating rate based on 3 month LIBOR and pay fixed rate equal to 7.413%.		
Broker: Goldman Sachs Exp. 02/17/2005	160,000	(1,046)
Receive floating rate based on 3 month LIBOR and pay fixed rate equal to 7.374%.		
Broker: Lehman Brothers, Inc. Exp. 03/29/2010	100,000	(572)
Receive floating rate based on 3 month LIBOR and pay fixed rate equal to 7.369%.		
Broker: Goldman Sachs Exp. 03/29/2010	\$100,000	(\$539)
Receive floating rate based on 3 month LIBOR and pay fixed rate equal to 7.366%.		
Broker: Lehman Brothers, Inc. Exp. 03/30/2010	100,000	(517)
Receive floating rate based on 3 month LIBOR and pay fixed rate equal to 7.426%.		
Broker: Lehman Brothers, Inc. Exp. 03/31/2010	100,000	(959)
Receive floating rate based on 6 months LIBOR and pay floating rate based on 6 months LIBOR plus 5.950%. In the event of default of Republic of Argentina Floating Rate Notes and/or Spread-Adjusted Notes, the Fund can put the bond to the counterparty at par.		
Broker: Deutsche Bank AG New York Exp. 03/17/2001	22,800	(1,169)
Receive floating rate based on 6 months LIBOR and pay floating rate based on 6 months LIBOR plus 5.700%. In the event of default of Republic of Argentina Floating Rate Notes and/or Spread-Adjusted Notes, the Fund can put the bond to the counterparty at par.		
Broker: Deutsche Bank AG New York Exp. 03/28/2001	1,300	(60)
Receive floating rate based on 6 months LIBOR and pay floating rate based on 6 months LIBOR plus 6.150%. In the event of default of Republic of Argentina Floating Rate Notes and/or Spread-Adjusted Notes, the Fund can put the bond to the counterparty at par.		
Broker: Deutsche Bank AG New York Exp. 03/22/2001	31,200	(1,663)
Receive floating rate based on 6 months LIBOR and pay floating rate based on 6 months LIBOR plus 5.050%. In the event of default of Republic of Argentina Floating Rate Notes and/or Spread-Adjusted Notes, the Fund can put the bond to the counterparty at par.		
Broker: Deutsche Bank AG New York Exp. 05/03/2001	35,000	(1,171)
Receive fixed rate equal to 0.34% and the Fund will pay to the counterparty at par in the event of default of Time Warner, Inc. 7.750% due 06/15/2005.		

Broker: J.P. Morgan Exp. 07/31/2000	30,000	1
Receive fixed rate equal to 0.65% and the Fund will pay to the counterparty at par in the event of default of Niagara Mohawk Corp. 7.750% due 10/01/2008.		
Broker: Lehman Brothers Exp. 12/31/2004	50,000	3
Receive fixed rate equal to 0.15% and the Fund will pay to the counterparty at par in the event of default of IBM Corp. 5.375% due 02/01/2009.		
Broker: Goldman Sachs Exp. 02/26/2002	30,000	0
Receive fixed rate equal to 0.40% and the Fund will pay to the counterparty at par in the event of default of Time Warner, Inc. 7.400% due 02/01/2004.		
Broker: Goldman Sachs Exp. 11/10/2002	\$20,000	\$1
Receive fixed rate equal to 0.51% and the Fund will pay to the counterparty at par in the event of default of Time Warner, Inc. 7.750% due 06/15/2005.		
Broker: Lehman Brothers Exp. 01/25/2005	10,000	1
Receive fixed rate equal to 0.60% and the Fund will pay to the counterparty at par in the event of default of Niagara Mohawk Corp. 7.625% due 10/01/2005.		
Broker: Merrill Lynch Exp. 06/01/2000	20,000	1
Receive fixed rate equal to 0.65% and the Fund will pay to the counterparty at par in the event of default of Philip Morris Co. 7.200% due 02/01/2007.		
Broker: Goldman Sachs Exp. 12/22/2000	17,000	1
Receive fixed rate equal to 0.25% and the Fund will pay to the counterparty at par in the event of default of Pacific Gas & Electric 6.550% due 12/08/2005.		
Broker: J.P. Morgan Exp. 05/23/2003	22,000	1
Receive fixed rate equal to 0.14% and the Fund will pay to the counterparty at par in the event of default of General Motors Acceptance Corp. 6.253% due 07/20/2000.		
Broker: Warburg Dillon Read LLC Exp. 06/30/2000	21,000	0
Receive fixed rate equal to 5.600% and the Fund will pay to the counterparty at par in the event of default of the Republic of Venezuela 9.250% due 09/15/2027.		
Broker: Deutsche Bank AG New York Exp. 04/04/2001	25,000	0

(\$27,886)

Type	Fixed Spread (%)	Notional Amount	Unrealized Appreciation/Depreciation
Receive the 30-year Swap Spread and pay a fixed spread. The 30-year Swap Spread is the difference between the 30-year Swap Rate and the 30-year Treasury Rate.			
Broker: Goldman Sachs Exp. 02/15/2005	1.085	\$189,500	(\$6,788)

Broker: Goldman Sachs Exp. 02/16/2005	1.112	121,700	1,319
Broker: Goldman Sachs Exp. 08/14/2000	1.15	93,000	191
Broker: Goldman Sachs Exp. 08/14/2000	1.15	95,100	195
Broker: Goldman Sachs Exp. 02/16/2005	1.112	37,700	428
Broker: Goldman Sachs Exp. 04/04/2005	1.39	250,000	0

Receive the 10-year Swap Spread and pay a fixed spread.
The 10-year Swap Spread is the difference between the
10-year Swap Rate and the 10-year Treasury Rate.

Broker: Goldman Sachs Exp. 02/15/2005	0.8675	\$258,500	\$4,230
Broker: Goldman Sachs Exp. 08/14/2000	0.8513	474,300	1,820
Broker: Deutsche Bank AG New York Exp. 08/14/2000	0.9175	220,900	701
Broker: Goldman Sachs Exp. 08/14/2000	0.947	220,900	636
Broker: Goldman Sachs Exp. 09/22/2000	1.0085	74,900	170
Broker: Goldman Sachs Exp. 08/14/2000	0.8513	12,100	46
Broker: Goldman Sachs Exp. 09/22/2000	1.085	21,100	48
			----- \$2,996 -----

</TABLE>

(j) Subject to financing transaction.

(k) Security becomes interest bearing at a future date.

(l) Restricted security.

(m) Security is in default.

(n) Reverse repurchase agreements were entered into March 23, 2000 paying interest at 6.00%. The following securities were segregated with collateral for reverse repurchase agreements.

Type	Maturity	Value
Federal National Mortgage Assn. 7.000%	10/01/2003	\$48,392
Federal National Mortgage Assn. 6.687%	08/01/2027	45,640
Government National Mortgage Assn. 6.000%	05/20/2028	30,226
Government National Mortgage Assn. 6.375%	06/20/2027	25,631
Government National Mortgage Assn. 6.375%	01/20/2024	28,372
Government National Mortgage Assn. 7.125%	10/20/2024	30,361
Government National Mortgage Assn. 6.375%	04/20/2027	26,513
Government National Mortgage Assn. 6.375%	01/20/2024	29,846
Government National Mortgage Assn. 6.750%	09/20/2024	26,613
Government National Mortgage Assn. 6.750%	08/20/2023	32,707
Government National Mortgage Assn. 7.125%	10/20/2023	73,363
Government National Mortgage Assn. 6.375%	04/20/2023	32,460
Government National Mortgage Assn. 6.375%	05/20/2023	32,386
Government National Mortgage Assn. 6.375%	06/20/2025	25,409
Government National Mortgage Assn. 6.751%	07/20/2027	43,949
Government National Mortgage Assn. 7.125%	10/20/2023	27,819
		----- \$559,687 -----

</TABLE>

<TABLE>

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Statement of Assets and Liabilities
March 31, 1999

Amounts in thousands, except per share amounts	Total Return Fund
Assets:	
Investments, at value	\$ 32,325,240
Cash and foreign currency	48,286
Receivable for investments and foreign currency sold	2,629,053
Receivable for Fund shares sold	127,001
Interest and dividends receivable	256,572
	35,386,152
Liabilities:	
Payable for investments and foreign currency purchased	\$ 8,369,974
Payable for financing transactions	762,558
Written options outstanding	25,999
Payable for Fund shares redeemed	40,546
Dividends payable	26,551
Accrued investment advisory fee	5,593
Accrued administration fee	4,479
Accrued distribution fee	1,190
Accrued servicing fee	518
Variation margin payable	10,570
Other liabilities	13,670
	9,261,648
Net Assets	\$ 26,124,504
Net Assets Consist of:	
Paid in capital	\$ 26,512,047
Undistributed (overdistributed) net investment income	(77,068)
Accumulated undistributed net realized gain (loss)	(196,279)
Net unrealized appreciation (depreciation)	(114,196)
	\$ 26,124,504
Net Assets:	
Institutional Class	\$ 21,711,396
Administrative Class	1,972,984
Other Classes	2,440,124
Shares Issued and Outstanding:	
Institutional Class	2,095,627
Administrative Class	190,436
Net Asset Value and Redemption Price Per Share (Net Assets Per Share Outstanding):	
Institutional Class	\$ 10.36
Administrative Class	10.36
Cost of Investments Owned	
Cost of Investments Owned	\$ 32,423,650
Cost of Foreign Currency Held	\$ 26,491

Statement of Operations
For the year ended March 31, 1999

Amount in thousands	Total Return Fund
Investment Income:	
Interest	\$ 1,393,913
Dividends, net of foreign taxes	3,698
Total Income	1,397,611
Expenses:	
Investment advisory fees	55,230
Administration fees	43,425
Distribution and/or servicing fees - Administrative Class	2,826
Distribution and/or servicing fees - Other Classes	10,685
Trustees' fees	115
Total expenses	112,281
Net Investment Income	1,285,330
Net Realized and Unrealized Gain (Loss):	
Net realized gain on investments	395
Net realized gain on futures contracts and written options	489,366
Net realized (loss) on foreign currency transactions	(17,345)
Net change in unrealized (depreciation) on investments	(229,686)
Net change in unrealized (depreciation) on futures contracts and written options	(3,574)
Net change in unrealized (depreciation) on translation of assets and liabilities denominated in foreign currencies	-(6,180)
Net Gain	232,976

See accompanying notes

Statement of Changes in Net Assets

Amounts in thousands

	Total Return Fund	
	Year Ended March 31, 1999	Year Ended March 31, 1998
Increase (Decrease) in Net Assets from:		
Operations		
Net investment income (loss)	\$ 1,285,330	\$ 920,708
Net realized gain (loss)	472,416	644,154
Net change in unrealized appreciation (depreciation)	(239,440)	196,253
Net increase (decrease) resulting from operations	1,518,306	1,761,115
Distributions to Shareholders:		
From net investment income		
Institutional Class	(1,140,361)	(843,692)
Administrative Class	(62,402)	(15,470)
Other Classes	(83,130)	(36,268)
In excess of net investment income		
Institutional Class	0	(23,175)
Administrative Class	0	(425)
Other Classes	0	(996)
From net realized capital gains		
Institutional Class	(438,875)	(375,236)
Administrative Class	(31,973)	(8,344)
Other Classes	(41,716)	(20,592)
In excess of net realized capital gains		
Institutional Class	(329,261)	0
Administrative Class	(23,987)	0
Other Classes	(31,297)	0
Total Distributions	(2,183,002)	(1,324,198)
Fund Share Transactions		
Receipts for shares sold		
Institutional Class	9,217,995	6,060,910
Administrative Class	1,767,082	420,992
Other Classes	1,709,684	730,357
Issued as reinvestment of distributions		
Institutional Class	1,621,248	1,031,930
Administrative Class	79,793	23,828
Other Classes	127,090	46,126
Cost of shares redeemed		
Institutional Class	(5,071,068)	(3,556,685)
Administrative Class	(296,106)	(117,585)
Other Classes	(458,229)	(183,785)
Net increase (decrease) resulting from Fund share transactions	8,697,489	4,456,088
Total Increase (Decrease) in Net Assets	8,032,793	4,893,005
Net Assets		
Beginning of period	18,091,711	13,198,706
End of period *	\$ 26,124,504	\$ 18,091,711
*Including net undistributed (overdistributed) investment income of:	\$ (77,068)	\$ 111,760

See accompanying notes

</TABLE>

Financial Highlights

Total Return Fund
Administrative Class

<TABLE>

<S>	<C>	<C>	<C>	<C>	<C>
Selected Per Share Data for the Year or Period Ended:	03/31/1999	03/31/1998	03/31/1997	03/31/1996	09/07/1994- 03/31/1995
Net asset value beginning of period	\$ 10.62	\$ 10.27	\$ 10.29	\$ 10.01	\$ 10.00
Net investment income	0.61 (a)	0.61 (a)	0.66 (a)	0.80	0.31
Net realized and unrealized gain (loss)	0.16 (a)	0.63 (a)	(0.02) (a)	0.29	0.06
Total income from investment operations	0.77	1.24	0.64	1.09	0.37
Dividends from net investment income	(0.61)	(0.60)	(0.64)	(0.60)	(0.32)
Dividends in excess of net investment income	0.00	(0.02)	(0.02)	(0.09)	(0.03)
Distributions from net realized capital gains	(0.24)	(0.27)	0.00	(0.12)	0.00
Distributions in excess of net realized capital gains	(0.18)	0.00	0.00	0.00	0.00

Tax basis return of capital	0.00	0.00	0.00	0.00	(0.01)
Total distributions	(1.03)	(0.89)	(0.66)	(0.81)	(0.36)
Net asset value end of period	\$ 10.36	\$ 10.62	\$ 10.27	\$ 10.29	\$ 10.01
Total return	7.33%	12.36%	6.34%	10.99%	3.76%
Net assets end of period (000s)	\$ 1,972,984	\$ 481,730	\$ 151,194	\$ 104,618	\$ 9,037
Ratio of expenses to average net assets	0.68%	0.68%	0.68%	0.68%	0.66%+
Ratio of net investment income to average net assets	5.52%	5.74%	6.35%	6.64%	6.54%+
Portfolio turnover rate	154%	206%	173%	221%	98%

+ Annualized

(a) Per share amounts based on average number of shares outstanding during the period.

</TABLE>

Notes to Financial Statements

March 31, 1999

1. Organization

PIMCO Funds: Pacific Investment Management Series (the "Trust") was established as a Massachusetts business trust on February 19, 1987. The Trust is registered under the Investment Company Act of 1940 (the "Act"), as amended, as an open-end investment management company. The Trust currently consists of - 26 separate investment funds (the "Funds"). The Trust may offer up to six classes of shares: Institutional, Administrative, A, B, C and D. Each share class has identical voting rights (except that shareholders of a class have exclusive voting rights regarding any matter relating solely to that class of shares). Information presented in these financial statements pertains to the Administrative Class of the Total Return Fund. Certain detailed financial information for the Institutional, A, B, C and D Classes (the "Other Classes") is provided separately and is available upon request.

2. Significant Accounting Policies

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

Security Valuation. Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is determined on the basis of last reported sales prices, or if no sales are reported, as is the case for most securities traded over-the-counter, the mean between representative bid and asked quotations obtained from a quotation reporting system or from established market makers. Fixed income securities, including those to be purchased under firm commitment agreements, are normally valued on the basis of quotes obtained from brokers and dealers or pricing services. Short-term investments which mature in 60 days or less are valued at amortized cost, which approximates market value. Certain fixed income securities for which daily market quotations are not readily available may be valued, pursuant to guidelines established by the Board of Trustees, with reference to fixed income securities whose prices are more readily obtainable.

Securities Transactions and Investment Income. Securities transactions are recorded as of the trade date. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, are recorded as soon as the Fund is informed of the ex-dividend date. Interest income, adjusted for the accretion of discounts and amortization of premiums, is recorded on the accrual basis.

Dividends and Distributions to Shareholders. Dividends from net investment income, if any, of the Fund are declared on each day the Trust is open for business and are distributed to shareholders monthly. Net realized capital gains earned by the Fund, if any, will be distributed no less frequently than once each year.

Income dividends and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles. These differences are primarily due to differing treatments for such items as wash sales, foreign currency transactions, net operating losses and capital loss carryforwards.

Distributions reflected as a tax basis return of capital in the accompanying Statements of Changes in Net Assets have been reclassified to paid in capital. In addition, other amounts have been reclassified between undistributed net investment income, accumulated undistributed net realized gains or losses and paid in capital to more appropriately conform financial accounting to tax

characterizations of dividend and distributions.

Foreign Currency. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period. Fluctuations in the value of these assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains (losses). Realized gains (losses) and unrealized appreciation (depreciation) on investment securities and income and expenses are translated on the respective dates of such transactions. The effect of changes in foreign currency exchange rates on investments in securities are not segregated in the Statements of Operations from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investment securities.

Multiclass Operations. Each class offered by the Trust has equal rights as to assets and voting privileges. Income and non-class specific expenses of the Fund are allocated daily to each class of shares based on the relative value of settled shares. Realized and unrealized capital gains and losses of the Fund are allocated daily to each class of shares based on the relative net assets of each class.

Federal Income Taxes. The Fund intends to qualify as a regulated investment company and distribute all of its taxable income and net realized gains, if applicable, to shareholders. Accordingly, no provision for Federal income taxes has been made.

Financing Transactions. The Fund may enter into financing transactions consisting of the sale by the Fund of securities, together with a commitment to repurchase similar securities at a future date. The difference between the selling price and the future purchase price is an adjustment to interest income. If the counterparty to whom the Fund sells the security becomes insolvent, the Fund's right to repurchase the security may be restricted; the value of the security may change over the term of the financing transaction and the return earned by the Fund with the proceeds of a financing transaction may not exceed transaction costs.

Futures and Options. The Fund is authorized to enter into futures contracts and options. The Fund may use futures contracts and options to manage its exposure to the securities markets or to movements in interest rates and currency values. The primary risks associated with the use of futures contracts and options are imperfect correlation between the change in market value of the securities held by the Fund and the prices of futures contracts and options, the possibility of an illiquid market, and the inability of the counterparty to meet the terms of the contract. Futures contracts and purchased options are valued based upon their quoted daily settlement prices. The premium received for a written option is recorded as an asset with an equal liability which is marked to market based on the option's quoted daily settlement price. Fluctuations in the value of such instruments are recorded as unrealized appreciation (depreciation) until terminated, at which time realized gains and losses are recognized.

Forward Currency Transactions. The Fund is authorized to enter into forward foreign exchange contracts for the purpose of hedging against foreign exchange risk arising from the Fund's investment or anticipated investment in securities denominated in foreign currencies. The Fund also may enter into these contracts for purposes of increasing exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one country to another. All commitments are marked to market daily at the applicable translation rates and any resulting unrealized gains or losses are recorded. Realized gains or losses are recorded at the time the forward contract matures or by delivery of the currency. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

Swaps. The Fund is authorized to enter into interest rate, total return and currency exchange swap agreements in order to obtain a desired return at a lower cost than if the Fund had invested directly in the asset that yielded the desired return. Swaps involve commitments to exchange components of income (generally interest or returns) pegged to the underlying assets based on a notional principal amount. Swaps are marked to market daily based upon quotations from market makers and the change, if any, is recorded as unrealized gains or losses in the Statements of Operations. The Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a counterparty.

Stripped Mortgage-Backed Securities (SMBS). SMBS represent a participation in, or are secured by and payable from, mortgage loans on real property, and may be structured in classes with rights to receive varying proportions of principal and interest. SMBS include interest-only securities (IOs), which receive all of the interest, and principal-only securities (POs), which receive all of the principal. If the underlying mortgage assets experience greater than anticipated payments of principal, the Fund may fail to recoup some or all of its initial investment in these securities. The market value of these securities is highly sensitive to changes in interest rates.

Delayed Delivery Transactions. The Fund may purchase or sell securities on a when-issued or delayed delivery basis. These transactions involve a commitment by the Fund to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed delivery purchases are outstanding, the Fund will set aside and maintain until the settlement date in a segregated account, liquid assets in an amount sufficient to meet the purchase price. When purchasing a security on a delayed delivery basis, the Fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and takes such fluctuations into account when determining its net asset value. The Fund may dispose of or renegotiate a delayed delivery transaction after it is entered into, and may sell when-issued securities before they are delivered, which may result in a capital gain or loss. When the Fund has sold a security on a delayed delivery basis, the Fund does not participate in future gains and losses with respect to the security. Forward sales commitments are accounted for by the Fund in the same manner as forward currency contracts discussed above.

Inflation-Indexed Bonds. Inflation-indexed bonds are fixed income securities whose principal value is periodically adjusted to the rate of inflation. The interest rate on these bonds is generally fixed at issuance at a rate lower than typical bonds. Over the life of an inflation-indexed bond, however, interest will be paid based on a principal value which is adjusted for inflation. Any increase in the principal amount of an inflation-indexed bond will be considered interest income, even though investors do not receive their principal until maturity.

Repurchase Agreements. The Fund may engage in repurchase transactions. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time. The market value of the collateral must be equal at all times to the total amount of the repurchase obligations, including interest. Generally, in the event of counterparty default, the Fund has the right to use the collateral to offset losses incurred.

Restricted Securities. The Fund is permitted to invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at an acceptable price may be difficult.

3. Fees, Expenses, and Related Party Transactions

Investment Advisory Fee. Pacific Investment Management Company (PIMCO) is a wholly-owned subsidiary partnership of PIMCO Advisors L.P. which serves as investment adviser (the "Adviser") to the Trust, pursuant to an investment advisory contract. The Adviser receives a monthly fee from the Fund at an annual rate of 0.25% based on average daily net assets of the Fund.

Administration Fee. Pacific Investment Management Company (PIMCO) is a wholly owned subsidiary partnership of PIMCO Advisors L.P. which also serves as administrator (the "Administrator"), and provides administrative services to the Trust for which it receives from each Fund a monthly administrative fee based on each share class's average daily net assets. The Administration Fee for the Administrative Class and Institutional Class is charged at the annual rate of 0.18%. The Administration Fee for the A, B and C Classes is charged at an annual rate of 0.40%. The Administration Fee for Class D is charged at the annual rate of 0.25%.

Distribution and Servicing Fees. PIMCO Funds Distributors LLC, ("PFD"), formerly PIMCO Funds Distribution Company, a wholly-owned subsidiary of PIMCO Advisors L.P., serves as the distributor of the Trust's shares. The Trust is permitted to reimburse, out of the Administrative Class assets of the Fund in an amount up to 0.25% on an annual basis of the average daily net assets of that class, financial intermediaries that provide services in connection with the distribution of shares or administration of plans or programs that use Fund shares as their funding medium. The effective rate paid to PFD was 0.25% during current fiscal year.

Pursuant to the Distribution and Servicing Plans adopted by the A, B, C and D Classes of the Trust, the Trust compensates PFD or an affiliate with respect to Class D for services provided and expenses incurred in connection with assistance rendered in the sale of shares and services rendered to shareholders and for maintenance of shareholder accounts of the A, B, C and D Classes. The Trust pays PFD distribution and servicing fees at rates as agreed to by each share class out of each respective A, B, C and D Classes' net assets. PFD also receives the proceeds of the initial sales charges paid by the shareholders upon the purchase of Class A shares, and the contingent deferred sales charges paid by the shareholders upon certain redemptions of A, B and C Class shares.

Expenses. The Trust is responsible for the following expenses: (i) salaries and other compensation of any of the Trust's executive officers and employees who are not officers, directors, stockholders or employees of PIMCO or its

subsidiaries or affiliates; (ii) taxes and governmental fees; (iii) brokerage fees and commissions and other portfolio transaction expenses; (iv) the cost of borrowing money, including interest expense; (v) fees and expenses of the Trustees who are not "interested persons" of PIMCO or the Trust, and any counsel retained exclusively for their benefit; (vi) extraordinary expenses, including costs of litigation and indemnification expenses; (vii) expenses, such as organizational expenses, which are capitalized in accordance with generally accepted accounting principles; and (viii) any expenses allocated or allocable to a specific class of shares, which include service fees payable with respect to the Administrative Class shares and may include certain other expenses as permitted by the Trust's Multiple Class Plan adopted pursuant to Rule 18f-3 under the Act and subject to review and approval by the Trustees. The ratio of expenses to average net assets per share class, as disclosed in Financial Highlights, may differ from the annual fund operating expenses per share class as disclosed in the Prospectus for the reasons set forth above. Each unaffiliated Trustee receives an annual retainer of \$45,000, plus \$3,000 for each Board of Trustees meeting attended in person and \$500 for each meeting attended telephonically, plus reimbursement of related expenses. In addition, each committee chair receives an annual retainer of \$1,500. These expenses are allocated to the Fund of the Trust according to their respective net assets.

4. Purchases and Sales of Securities

Purchases and sales of securities (excluding short-term investments) for the period ended March 31, 1999 were as follows (amounts in thousands):

U.S. Government/Agency		All Other	
Purchases	Sales	Purchases	Sales
\$56,153,806	\$50,784,821	\$14,567,264	\$5,013,754

5. Transactions in Written Call and Put Options

Transactions in written call and put options were as follows (amounts in thousands):

Balance at 04/01/1998	\$ 3,653
Sales	57,683
Closing Buys	0
Expirations	(25,302)
Exercised	(928)
Balance at 03/31/1999	\$35,106

6. Shares of Beneficial Interest

The Trust may issue an unlimited number of shares of beneficial interest with a \$.0001 par value. Changes in shares of beneficial interest were as follows (shares and amounts in thousands):

March 31, 1999

<TABLE>

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Total Return Fund

	Year Ended 3/31/1999		Year Ended 3/31/1998	
	Shares	Amount	Shares	Amount
Receipts for shares sold				
Administrative Class	165,308	\$1,767,082	39,423	\$420,992
Other Classes	1,025,586	10,927,679	638,154	6,791,267
Issued as reinvestment of distributions				
Administrative Class	7,521	79,793	2,241	23,828
Other Classes	164,549	1,748,338	101,472	1,078,056
Cost of shares redeemed				
Administrative Class	(27,767)	(296,106)	(11,009)	(117,585)
Other Classes	(517,630)	(5,529,297)	(351,155)	(3,740,470)
	Year Ended 3/31/1999		Year Ended 3/31/1998	
	Shares	Amount	Shares	Amount
Net increase resulting from Fund share transactions	817,567	\$ 8,697,489	419,126	\$ 4,456,088

</TABLE>

7. Federal Income Tax Matters

The Total Return Fund realized capital loss and/or foreign currency loss of \$261,459,467 during the period November 1, 1998 through March 31, 1999 which the Fund elected to defer to the following fiscal year pursuant to income tax regulations.

Schedule of Investments

Total Return Fund

March 31, 1999

<TABLE> <S>	<C>	<C>	<C>	<C>	<C>	Principal Amount (000s)	Value (000s)
CORPORATE BONDS & NOTES 36.3%							
Banking & Finance 23.2%							
Abbey National PLC	6.625%	due	05/23/2001		\$	240	240
	6.700%	due	06/29/2049			5,000	4,888
ABN-AMRO Bank NV							
	7.250%	due	05/31/2005			150	156
Aetna, Inc.							
	7.250%	due	08/15/2023			50	49
Ahmanson (H.F.) & Co.							
	7.650%	due	04/15/2000			175	178
Allstate Corp.							
	6.750%	due	05/15/2018			280	282
	6.900%	due	05/15/2038			60,400	59,830
American Express							
	8.500%	due	08/15/2001			350	371
	5.625%	due	01/22/2004			3,700	3,655
American General Finance							
	7.250%	due	04/15/2000			500	509
	6.270%	due	06/09/2000			800	808
	5.875%	due	07/01/2000			75	75
	7.450%	due	07/01/2002			200	209
	6.250%	due	12/18/2002			1,080	1,092
	6.375%	due	03/01/2003			350	356
AON Capital Trust 'A'							
	8.205%	due	01/01/2027			725	808
Associates Corp. of North America							
	7.250%	due	09/01/1999			285	287
	6.750%	due	10/15/1999			90	91
	7.850%	due	10/20/1999			500	507
	8.250%	due	12/01/1999			200	204
	7.250%	due	12/17/1999			660	669
	7.470%	due	03/27/2000			1,000	1,020
	6.000%	due	06/15/2000			2,634	2,650
	6.310%	due	06/16/2000			500	506
	6.250%	due	09/15/2000			200	201
	6.625%	due	05/15/2001			300	306
	6.700%	due	05/29/2001			100	102
	7.000%	due	07/23/2001			500	515
	5.104%	due	08/27/2001	(d)		3,500	3,509
	6.450%	due	10/15/2001			23,600	24,063
	7.500%	due	04/15/2002			185	194
	6.500%	due	07/15/2002			750	767
	5.750%	due	11/01/2003			4,175	4,140
	6.000%	due	07/15/2005			60,365	59,571
AT&T Capital Corp.							
	5.438%	due	04/01/1999	(d)		175,500	175,500
	6.410%	due	08/13/1999			4,000	4,015
	6.580%	due	09/03/1999			500	502
	5.337%	due	09/20/1999	(d)		9,000	8,995
	6.230%	due	10/15/1999			2,000	2,011
	6.160%	due	12/03/1999			1,000	1,005
	5.405%	due	03/21/2000	(d)		31,100	31,054
	6.900%	due	01/30/2002			1,000	1,025
	6.750%	due	02/04/2002			1,925	1,970
AVCO Financial Services							
	6.350%	due	09/15/2000			100	101
	7.375%	due	08/15/2001			300	310
Banco Latino Americano SA							
	6.310%	due	10/18/1999			850	854
Banco Nacional de Comercio Exterior							
	8.000%	due	04/14/2000			4,600	4,609
Banesto Delaware							
	8.250%	due	07/28/2002			28,900	30,639
BankAmerica Corp.							
	5.370%	due	11/01/1999	(d)		3,000	3,008
	5.240%	due	03/05/2001	(d)		36,000	36,138
	5.312%	due	02/20/2002	(d)		35,180	35,091
	8.125%	due	06/15/2002			350	374
	7.750%	due	07/15/2002			360	380
	7.200%	due	09/15/2002			400	416
	7.500%	due	10/15/2002			1,000	1,050
	6.850%	due	03/01/2003			65	67
	6.875%	due	06/01/2003			100	103
	8.950%	due	11/15/2004			500	506

	8.375%	due	05/01/2007		2	2
	8.570%	due	11/15/2024		125	147
BankBoston Corp.						
	6.125%	due	03/15/2002		12,500	12,582
Bankers Trust Corp.						
	6.750%	due	10/03/2001		500	508
	8.125%	due	05/15/2002		300	315
	5.139%	due	07/03/2002	(d)	10,000	9,766
	7.125%	due	07/31/2002		150	153
	5.100%	due	05/11/2003	(d)	82,800	83,209
	6.000%	due	10/15/2008		500	478
Banponce Corp.						
	6.164%	due	12/15/1999		5,000	5,002
Bear Stearns Co., Inc.						
	5.138%	due	09/10/1999	(d)	0	0
	7.625%	due	09/15/1999		550	556
	4.440%	due	06/12/2000	(d)	8,700	8,708
	4.520%	due	06/20/2000	(d)	7,700	7,706
	6.750%	due	08/15/2000		50	51
	5.100%	due	08/25/2000	(d)	1,400	1,400
	5.230%	due	08/29/2000	(d)	39,800	39,858
	5.821%	due	02/06/2001	(d)	2,400	2,414
	5.138%	due	02/16/2001	(d)	2,000	1,996
	5.139%	due	03/02/2001	(d)	7,500	7,485
	5.407%	due	01/28/2002	(d)	11,250	11,226
	5.280%	due	04/05/2002	(d)	25,000	25,000
	6.125%	due	02/01/2003		25	25
	6.750%	due	04/15/2003		105	107
	5.185%	due	07/22/2003	(d)	19,000	18,840
	8.750%	due	03/15/2004		75	83
	6.625%	due	10/01/2004		250	253
	5.601%	due	03/18/2005	(d)	31,000	31,065
	6.250%	due	07/15/2005		25,000	24,711
Bell Atlantic Financial						
	5.750%	due	04/01/2003		1,000	1,058
Beneficial Corp.						
	5.950%	due	07/25/2000		5,000	4,995
	5.360%	due	11/27/2000	(d)	90,000	90,170
	4.790%	due	01/09/2001	(d)	9,000	8,988
	5.115%	due	01/09/2002	(d)	500	497
	5.358%	due	01/23/2002	(d)	5,000	5,012
	5.451%	due	03/01/2002	(d)	40,000	40,173
	6.030%	due	01/14/2003		320	317
Bombardier Capital, Inc.						
	6.000%	due	01/15/2002		28,000	27,864
BT Securities Corp.						
	5.290%	due	08/16/1999	(d)	10,000	9,951
Capital One Bank						
	6.830%	due	08/16/1999		275	276
Caterpillar Financial Service Corp.						
	5.370%	due	06/08/2000		500	501
	5.300%	due	05/29/2001	(d)	10,000	9,988
	6.480%	due	12/12/2001		575	586
Central Hispano Financial Services						
	5.720%	due	04/29/2005	(d)	5,000	5,018
Chase Manhattan Bank USA NA						
	5.875%	due	08/04/1999		400	400
	8.500%	due	02/15/2002		200	214
Chemical Banking Corp.						
	6.125%	due	11/01/2008		400	400
Chrysler Financial Co. LLC						
	6.350%	due	06/22/1999		8,000	8,020
	8.460%	due	01/19/2000		700	717
	6.250%	due	03/06/2000		14,735	14,884
	4.250%	due	07/28/2000	(d)	100	100
	6.625%	due	08/15/2000		300	305
	5.860%	due	01/16/2001		500	504
	4.968%	due	06/11/2001	(d)	6,000	6,003
	5.690%	due	11/15/2001		150	150
	5.400%	due	01/15/2002		15,250	15,103
	5.080%	due	07/17/2002	(d)	20,000	20,019
	5.077%	due	08/08/2002	(d)	34,000	34,057
	5.118%	due	02/03/2003	(d)	15,000	15,007
	5.108%	due	03/06/2003	(d)	5,000	5,020
	5.058%	due	06/18/2003		35,000	35,038
Chubb Capital Corp.						
	8.750%	due	11/15/1999		40	40
	6.875%	due	02/01/2003		100	104
Cincinnati Financial Corp.						
	6.900%	due	05/15/2028		34,125	33,656
CIT Group, Inc.						
	6.200%	due	10/20/2000		1,225	1,235

Citicorp	6.750%	due	05/14/2001		30,000	30,631
	9.750%	due	08/01/1999		2,200	2,231
	5.619%	due	10/20/1999	(d)	10,000	10,027
	5.371%	due	10/25/1999	(d)	11,000	11,031
	5.230%	due	05/23/2000	(d)	25,000	25,102
	5.491%	due	06/01/2000		5,000	5,021
	5.500%	due	11/28/2000	(d)	5,000	5,025
	5.250%	due	02/01/2001	(d)	10,000	10,056
	5.375%	due	05/24/2001	(d)	69,000	69,158
	5.480%	due	11/13/2001	(d)	10,000	10,022
	5.300%	due	06/27/2002	(d)	11,450	11,398
	5.090%	due	08/15/2002	(d)	11,500	11,543
	5.527%	due	11/12/2002	(d)	30,000	30,081
	8.000%	due	02/01/2003		250	266
	7.125%	due	09/01/2005		100	103
	7.250%	due	09/01/2008		500	527
Comerica, Inc.	7.250%	due	06/15/2007		200	212
Commercial Credit Co.	6.750%	due	05/15/2000		100	101
	6.000%	due	06/15/2000		300	302
	5.550%	due	02/15/2001		1,300	1,298
	8.250%	due	11/01/2001		2,500	2,643
	7.750%	due	03/01/2005		550	589
Conseco Finance Trust	8.796%	due	04/01/2027		125	117
Credit Asset Receivable	6.274%	due	10/30/2003		49,343	50,345
Dean Witter Discover	5.584%	due	06/27/2000	(d)	1,900	1,894
	6.750%	due	08/15/2000		100	102
Deutsche Bank Financial	7.500%	due	04/25/2009		3,000	3,203
Donaldson, Lufkin & Jenrette	5.470%	due	09/18/2002	(d)	13,600	13,650
	6.170%	due	07/15/2003		20,000	19,902
Dow Capital BV	7.125%	due	01/15/2003		100	104
Edison Funding	6.000%	due	09/20/1999		5,000	5,021
	6.000%	due	12/20/1999		5,000	5,007
Exxon Capital Corp.	7.450%	due	12/15/2001		250	261
First Chicago Corp.	5.614%	due	02/10/2000	(d)	20,000	20,061
	5.300%	due	03/11/2002	(d)	10,000	10,063
	5.547%	due	02/18/2003	(d)	10,000	9,848
	5.344%	due	07/28/2003	(d)	50	50
First Interstate Bancorp	8.875%	due	01/01/2009	(j)	181	188
First Union Corp.	6.375%	due	01/15/2009		500	501
Fleet Financial Group	9.900%	due	06/15/2001		200	216
Ford Holdings, Inc.	9.250%	due	03/01/2000		9,190	9,490
Ford Motor Credit Corp.	8.875%	due	06/15/1999		100	101
	6.375%	due	04/15/2000		250	253
	6.950%	due	05/15/2000		8,450	8,604
	4.550%	due	08/14/2000	(d)	75,800	76,050
	6.850%	due	08/15/2000		1,500	1,525
	6.375%	due	10/06/2000		1,000	1,013
	7.020%	due	10/10/2000		71,250	72,943
	6.250%	due	11/08/2000		750	759
	5.250%	due	03/05/2001	(d)	5,000	5,015
	5.803%	due	04/10/2001	(d)	10,850	10,850
	7.020%	due	06/07/2001		1,000	1,028
	4.970%	due	07/13/2001	(d)	36,500	36,680
	5.104%	due	08/27/2001	(d)	27,500	27,454
	5.166%	due	09/03/2001	(d)	11,000	11,008
	7.000%	due	09/25/2001		1,125	1,160
	5.468%	due	10/15/2001	(d)	13,000	13,014
	5.130%	due	01/17/2002	(d)	53,945	53,755
	8.200%	due	02/15/2002		11,600	12,315
	6.500%	due	02/28/2002		1,560	1,592
	5.150%	due	03/19/2002		28,208	28,175
	5.382%	due	04/29/2002	(d)	33,000	33,001
	7.320%	due	05/23/2002		14,000	14,032
	5.425%	due	06/04/2002	(d)	2,000	2,004
	5.180%	due	10/15/2002	(d)	4,000	3,989
	7.750%	due	11/15/2002		5,430	5,763

	7.500%	due	01/15/2003		250	263
	5.109%	due	02/03/2003	(d)	30,000	30,043
	5.100%	due	02/13/2003	(d)	100,000	100,159
	5.525%	due	02/13/2003	(d)	190,985	190,334
	6.125%	due	04/28/2003		580	585
	6.625%	due	06/30/2003		775	794
	5.226%	due	06/02/2004	(d)	1,500	1,504
	8.250%	due	02/23/2005		2,500	2,757
	5.407%	due	04/28/2005	(d)	50,000	49,677
	6.125%	due	01/09/2006		25	25
	7.700%	due	05/15/2007		450	489
General Electric Capital Corp.						
	8.375%	due	03/01/2001		665	699
	5.500%	due	11/01/2001		50	50
	6.210%	due	12/09/2005		400	404
	8.300%	due	09/20/2009		150	176
General Motors Acceptance Corp.						
	8.400%	due	10/15/1999		360	366
	8.170%	due	01/02/2000		312	320
	6.500%	due	01/17/2000		46,110	46,256
	6.650%	due	05/05/2000		6,500	6,578
	6.875%	due	06/01/2000		10,250	10,405
	7.500%	due	06/09/2000		1,000	1,024
	5.699%	due	11/20/2000		66,690	66,950
	5.500%	due	01/16/2001		15,000	14,984
	8.625%	due	01/18/2001		15,000	15,771
	8.500%	due	01/19/2001		3,675	3,858
	5.800%	due	04/09/2001		8,340	8,373
	6.800%	due	04/17/2001		4,800	4,909
	5.950%	due	04/20/2001		22,150	22,299
	6.700%	due	04/30/2001		3,000	3,064
	7.125%	due	05/01/2001		44,095	45,291
	6.750%	due	06/05/2001		880	900
	4.991%	due	10/22/2001	(d)	25,000	25,008
	9.625%	due	12/15/2001		5,650	6,191
	5.375%	due	12/17/2001	(d)	13,000	13,064
	5.160%	due	01/08/2002	(d)	3,000	3,004
	6.625%	due	01/10/2002		500	510
	6.750%	due	02/07/2002		1,590	1,632
	5.180%	due	03/15/2002	(d)	6,215	6,215
	5.095%	due	04/29/2002	(d)	168,184	167,864
	7.000%	due	09/15/2002		250	259
	6.625%	due	10/01/2002		5,000	5,118
	5.100%	due	11/12/2002	(d)	10,200	10,202
	6.200%	due	12/15/2002		500	508
	6.000%	due	01/15/2003		990	995
	5.875%	due	01/22/2003		30,500	30,503
	6.750%	due	03/15/2003		40,125	41,298
	7.125%	due	05/01/2003		36,000	37,492
	5.100%	due	08/18/2003	(d)	34,740	34,578
	5.550%	due	09/15/2003		32,000	31,495
	6.625%	due	10/20/2003		2,000	2,052
	5.750%	due	11/10/2003		1,000	992
	8.950%	due	07/02/2009		21,500	23,597
Golden State Holdings						
	6.750%	due	08/01/2001		1,250	1,254
Goldman Sachs Group						
	5.030%	due	07/31/2000	(d)	26,000	26,058
	5.150%	due	11/21/2000	(d)	20,000	19,894
	5.210%	due	11/24/2000	(d)	108,000	108,305
	6.200%	due	12/15/2000		6,500	6,529
	5.150%	due	12/22/2000	(d)	17,000	17,089
	5.237%	due	01/09/2001	(d)	105,000	104,865
	5.490%	due	01/16/2001	(d)	14,000	14,078
	5.151%	due	01/25/2001	(d)	77,000	77,185
	5.230%	due	02/20/2001	(d)	3,000	3,002
	5.431%	due	04/16/2001	(d)	18,000	18,001
	5.300%	due	12/07/2001	(d)	25,000	25,105
	5.250%	due	12/24/2001	(d)	900	904
	5.400%	due	02/19/2002	(d)	2,300	2,300
Hartford Life						
	7.650%	due	06/15/2027		15,000	16,281
Heller Financial, Inc.						
	5.103%	due	04/01/1999	(d)	19,000	19,005
	5.217%	due	04/27/1999	(d)	20,000	20,008
	6.640%	due	05/13/1999		2,000	2,002
	5.352%	due	09/03/1999	(d)	4,000	4,003
	6.405%	due	10/15/1999		10,000	10,059
	5.381%	due	12/01/1999	(d)	25,000	25,030
	6.520%	due	12/06/1999		8,750	8,819
	5.443%	due	01/18/2000		2,000	2,002

	5.625%	due	03/15/2000		200	200
	6.500%	due	05/15/2000		12,000	12,113
	5.280%	due	07/07/2000	(d)	60,000	60,144
	5.380%	due	08/25/2000	(d)	11,000	11,004
	5.330%	due	09/25/2000	(d)	14,500	14,532
	6.500%	due	11/01/2001		250	254
Hitachi Credit America						
	5.125%	due	05/15/2000		25,000	25,027
	5.310%	due	07/07/2000	(d)	40,000	40,071
Household Bank						
	5.410%	due	09/26/2001	(d)	9,000	9,011
	5.159%	due	10/22/2003	(d)	15,000	14,919
Household Capital Trust						
Household Finance Corp.						
	5.600%	due	06/26/2004	(d)	3,075	3,072
	6.580%	due	05/17/1999		165	165
	5.369%	due	08/01/2001	(d)	1,500	1,503
	5.369%	due	11/01/2001	(d)	5,000	5,012
	5.096%	due	05/07/2002	(d)	40,850	40,869
	5.260%	due	06/24/2003	(d)	31,000	31,149
	5.500%	due	06/24/2003		35,000	35,168
Household Netherlands BV						
	6.125%	due	03/01/2003		18,100	17,921
Inter-American Development Bank						
	8.875%	due	06/01/2009		200	245
International Lease Finance						
	5.750%	due	12/15/1999		50	50
	7.000%	due	05/15/2000		500	508
	6.420%	due	09/11/2000		500	505
	5.930%	due	07/15/2003		14,000	13,959
J.P. Morgan & Co.						
	6.250%	due	12/15/2005		200	198
Key Bank NA						
	7.550%	due	09/15/2006		350	375
Kimco Realty Corp.						
	6.500%	due	10/01/2003		200	198
Korea Development Bank						
	6.250%	due	05/01/2000		5,000	4,936
	6.750%	due	12/01/2005		55	51
	7.250%	due	05/15/2006		50	48
Korean Export-Import Bank						
	6.500%	due	10/06/1999		8,000	7,952
LB Rheinland - PFALZ						
	5.000%	due	02/23/2028		3,400	3,440
Lehman Brothers Holdings, Inc.						
	7.110%	due	09/27/1999		20	20
	4.990%	due	08/11/2000	(d)	30,000	29,890
	5.900%	due	04/01/2002	(d)	56,850	56,850
Lehman Brothers, Inc.						
	7.410%	due	05/25/1999		500	501
	4.590%	due	09/01/1999	(d)	10,000	9,965
	7.140%	due	09/24/1999		34	34
	6.150%	due	03/15/2000		7,700	7,702
	5.376%	due	04/03/2000	(d)	30,000	29,847
	6.500%	due	07/18/2000		3,000	3,011
	6.650%	due	07/27/2000	(d)	8,000	7,990
	6.330%	due	08/01/2000		666	667
	6.400%	due	08/30/2000		1,500	1,508
	6.500%	due	09/25/2000		11,200	11,278
	5.390%	due	09/26/2000	(d)	5,000	4,957
	5.346%	due	11/06/2000	(d)	30,910	30,933
	5.702%	due	12/01/2000	(d)	500	497
	6.125%	due	02/01/2001		2,000	1,992
	5.750%	due	02/20/2001		1,500	1,502
	5.287%	due	02/27/2001	(d)	76,400	75,978
	5.164%	due	06/01/2001	(d)	100,000	99,081
	6.020%	due	08/28/2002	(d)	6,500	6,452
	5.577%	due	09/03/2002	(d)	14,000	14,009
Liberty Mutual Insurance						
	8.200%	due	05/04/2007		17,510	18,963
Marine Midland						
	5.375%	due	12/20/2000	(d)	3,700	3,709
MBNA Corp.						
	5.661%	due	12/01/1999	(d)	66,900	66,922
	5.320%	due	09/13/2001	(d)	1,000	996
	6.990%	due	05/24/2002		1,000	1,003
	5.619%	due	12/10/2002		2,100	2,057
MCN Investment Corp.						
	6.030%	due	02/01/2001		6,850	6,766
	6.300%	due	04/02/2001		7,500	7,485
	7.120%	due	01/16/2004		7,500	7,601
Meditrust						
	7.375%	due	07/15/2000		345	334

Mellon Bank Corp.	6.500%	due	08/01/2005		75	76
Merrill Lynch & Co.	8.250%	due	11/15/1999		250	254
	6.620%	due	06/06/2000		500	505
	6.450%	due	06/20/2000		350	355
	6.250%	due	07/25/2000		490	495
	5.269%	due	08/03/2000	(d)	5,000	5,013
	5.300%	due	09/25/2000	(d)	5,000	5,008
	5.362%	due	10/03/2000	(d)	20,000	20,002
	5.440%	due	12/05/2000	(d)	89,000	89,032
	6.500%	due	04/01/2001		400	406
	6.750%	due	04/30/2001		2,775	2,838
	5.081%	due	05/08/2001		54,900	55,006
	5.204%	due	05/30/2001	(d)	3,800	3,784
	5.345%	due	06/04/2001	(d)	30,000	29,963
	7.050%	due	06/04/2001		6,175	6,356
	5.299%	due	11/01/2001	(d)	30,000	30,004
	5.457%	due	11/09/2001	(d)	10,000	10,011
	5.130%	due	01/15/2002	(d)	17,000	17,024
	5.345%	due	02/01/2002	(d)	4,000	4,011
	8.000%	due	02/01/2002		400	421
	7.375%	due	08/17/2002		300	313
	8.300%	due	11/01/2002		200	214
	6.000%	due	02/12/2003		500	502
	6.875%	due	03/01/2003		140	144
	5.400%	due	06/24/2003	(d)	27,000	26,884
	5.226%	due	10/01/2003	(d)	5,000	5,001
	7.000%	due	03/15/2006		1,500	1,545
	7.000%	due	04/27/2008		100	104
	6.375%	due	10/15/2008		17,000	16,896
Metropolitan Life Insurance Co.	6.300%	due	11/01/2003		6,800	6,829
Mexico Credit Link	10.508%	due	02/22/2002	(d)	29,500	30,527
MIC Financing Trust	8.375%	due	02/01/2027		36,000	35,442
Morgan Stanley Group, Inc.	6.375%	due	12/15/2003		150	152
Morgan Stanley, Dean Witter, Discover and Co.	5.657%	due	02/06/2001		1,190	1,195
	5.412%	due	04/16/2001	(d)	25,000	24,998
	6.700%	due	05/01/2001		600	610
	9.375%	due	06/15/2001		300	322
	5.150%	due	12/19/2001	(d)	19,700	19,696
	5.429%	due	03/11/2003	(d)	10,000	9,950
Morgan, J.P. & Co., Inc.	5.750%	due	02/25/2004		22,800	22,545
	6.000%	due	01/15/2009		27,000	26,091
Nacional Financiera	8.000%	due	06/19/2000		4,500	4,496
	8.649%	due	12/01/2000	(d)	25,250	25,755
NationsBank Corp.	6.750%	due	02/26/2001		500	511
	7.000%	due	09/15/2001		1,500	1,543
	5.650%	due	06/17/2002	(d)	10,000	9,954
NCNB Corp.	7.750%	due	08/01/2002		796	797
Norwest Financial, Inc.	7.000%	due	01/15/2003		300	312
	6.000%	due	02/01/2004		50	50
Okobank	5.350%	due	05/23/2006	(d)	10,000	9,882
Paccar Financial Corp.	6.740%	due	09/15/2000		250	254
PaineWebber	5.520%	due	10/04/1999		4,000	4,000
	7.000%	due	03/01/2000		200	202
	6.950%	due	03/31/2000		120	121
	6.538%	due	05/09/2000	(d)	5,000	5,010
	5.470%	due	02/18/2002	(d)	5,000	4,965
	5.590%	due	05/20/2002	(d)	1,000	988
Pemex Finance Limited	6.125%	due	11/15/2003		15,000	14,892
Pitney Bowes Credit Corp.	6.540%	due	07/15/1999		400	402
PNC Bank Corp.	4.913%	due	06/01/2000	(d)	217,000	216,768
	5.100%	due	01/24/2002	(d)	49,000	48,657
	5.001%	due	08/15/2002	(d)	5,000	5,009
PNC Funding Corp.	6.875%	due	03/01/2003		100	103

Popular, Inc.	6.715%	due	06/06/2000		20,000	20,069
	6.625%	due	01/15/2004		19,500	19,240
Prudential Insurance Co.	6.375%	due	07/23/2006		15,000	14,938
Prudential Property Investment	6.625%	due	04/01/2009		17,000	16,863
Reliance Group Holdings	9.000%	due	11/15/2000		19,000	19,557
	9.750%	due	11/15/2003		10,000	10,388
Residential Reinsurance	9.180%	due	06/01/1999	(d)	39,500	39,944
Safeco Corp.	7.260%	due	08/12/2002		500	520
Salomon, Inc.	4.704%	due	04/05/1999	(d)	5,500	5,500
	7.000%	due	05/15/1999		26,090	26,135
	4.370%	due	06/24/1999	(d)	9,000	8,992
	7.590%	due	01/28/2000		150	152
	6.500%	due	03/01/2000		18,350	18,540
	6.625%	due	11/30/2000		235	238
	6.650%	due	07/15/2001		600	611
	7.000%	due	03/04/2002		5,000	5,122
	5.400%	due	05/16/2002	(d)	23,000	23,026
Salomon, Smith Barney Holdings	7.980%	due	03/01/2000		12,000	12,249
	6.625%	due	06/01/2000		95	96
	5.875%	due	02/01/2001		4,000	4,006
	3.650%	due	02/14/2002		17,610	17,158
Sanwa Business Credit	6.540%	due	06/20/2000		1,000	1,010
	5.695%	due	07/13/2001	(d)	1,000	1,002
Sears Roebuck Acceptance	6.000%	due	03/20/2003		149,750	149,968
Security Pacific Corp.	6.000%	due	05/01/2000		600	600
	11.500%	due	11/15/2000		4,000	4,326
Signet Bank Corp.	9.625%	due	06/01/1999		6,500	6,540
Societe Generale	7.400%	due	06/01/2006		1,500	1,576
Sparbanken Sverige AB	8.490%	due	10/29/2049	(d)	12,670	12,670
Sumitomo	9.400%	due	12/29/2049	(d)	19,500	18,330
Sun Life of Canada (U.S.)	8.526%	due	05/29/2049		250	263
Swedbank	7.531%	due	10/29/2049	(d)	12,000	12,161
Textron Financial Corp.	5.100%	due	11/24/1999	(d)	10,000	10,014
Tokai Capital Corp.	9.980%	due	12/29/2049	(d)	13,050	11,646
Toronto-Dominion Bank	7.875%	due	08/15/2004		50	53
Toyota Motor Credit Corp.	4.659%	due	02/15/2002		40,000	38,495
TPSA Finance BV	7.125%	due	12/10/2003		12,200	12,054
	7.750%	due	12/10/2008		10,000	9,767
Transamerica Corp.	6.750%	due	11/15/2006		500	513
Transamerica Financial Corp.	4.703%	due	04/20/1999	(d)	500	500
	7.400%	due	07/29/1999		2,000	2,012
	5.469%	due	09/17/2001	(d)	20,000	19,970
	7.500%	due	03/15/2004		270	285
Travelers Group, Inc.	7.200%	due	02/01/2004		38,480	40,204
Trinet Corp. Realty Trust	6.750%	due	03/01/2003		45	45
Trizec Finance Limited	10.875%	due	10/15/2005		2,489	2,725
U.S. Bancorp	5.085%	due	01/16/2002	(d)	49,000	49,040
Wachovia Corp.	6.700%	due	04/14/1999		500	500
	7.000%	due	12/15/1999		100	101
Wells Fargo & Co.	5.625%	due	02/05/2001		400	401
	8.750%	due	05/01/2002		100	108
Westdeutsche Landesbank						

	6.750%	due	06/15/2005		4,000	4,083
	6.050%	due	01/15/2009		30,000	29,438
World Savings & Loan						
Xerox Corp.	9.900%	due	07/01/2000		250	250
	7.010%	due	04/30/1999		120	120
						6,050,090
Industrials 9.3%						
AK Steel Corp.	10.750%	due	04/01/2004		22,050	22,939
Akzo Nobel, Inc.	6.000%	due	11/15/2003		32,000	31,642
Albertson's, Inc.	6.375%	due	06/01/2000		150	152
Allied Waste North America, Inc.	7.375%	due	01/01/2004		18,925	18,483
Amerco, Inc.	7.135%	due	10/15/2002		15,000	14,730
American Home Products Corp.	7.700%	due	02/15/2000		550	561
Amerigas Partners LP	10.125%	due	04/15/2007		1,730	1,808
AMR Corp.	9.750%	due	03/15/2000		10,760	11,134
	10.610%	due	01/11/2001		4,000	4,305
	10.570%	due	01/15/2001		3,000	3,226
	10.590%	due	01/31/2001		3,000	3,231
	10.000%	due	02/01/2001		2,000	2,130
	9.400%	due	05/08/2001		3,000	3,195
	9.500%	due	05/15/2001		2,250	2,399
	9.130%	due	10/25/2001		2,000	2,133
	8.470%	due	02/20/2002		2,000	2,119
	8.500%	due	02/26/2002		1,000	1,061
	10.210%	due	01/01/2010		6,500	8,143
Baxter International, Inc.	9.500%	due	06/15/2008		200	241
Bellat Racers	5.969%	due	04/01/2003		20,000	20,000
BOC Group PLC	5.875%	due	01/29/2001		250	251
Boeing Co.	8.375%	due	02/15/2001		150	157
	6.350%	due	06/15/2003		750	761
Boise Cascade Co.	9.900%	due	03/15/2000		275	282
Browning-Ferris Industries, Inc.	6.080%	due	01/18/2002	(d)	51,750	51,239
	6.100%	due	01/15/2003		6,000	5,676
Canadian Pacific Limited	9.450%	due	08/01/2021		2,750	3,314
CBS, Inc.	7.625%	due	01/01/2002		100	103
Cemex SA	10.000%	due	11/05/1999		1,000	1,018
	8.500%	due	08/31/2000		10,000	10,132
Centerior Fuel Corp.	9.540%	due	08/02/1999	(j)	10,000	10,394
	9.750%	due	08/02/2000	(j)	8,000	8,585
Century Communications Corp.	9.500%	due	08/15/2000		6,000	6,150
	0.000%	due	03/15/2003		10,515	7,597
CF Cable TV, Inc.	9.125%	due	07/15/2007		1,600	1,708
Circus Circus Enterprises	6.750%	due	07/15/2003		4,500	4,292
Coca-Cola Co.	6.375%	due	08/01/2001		200	203
	7.875%	due	02/01/2002		600	633
Coltec Industries, Inc.	7.500%	due	04/15/2008		4,400	4,488
Columbia/HCA Healthcare	8.020%	due	08/05/2002		3,880	3,789
	8.130%	due	08/04/2003		7,000	6,824
	6.630%	due	07/15/2045		10,000	9,477
	6.730%	due	07/15/2045		14,760	14,030
Comverse Technology, Inc.	4.500%	due	07/01/2005		2,000	2,913
Continental Airlines	6.954%	due	02/02/2011		26,000	26,034
Continental Cablevision	11.000%	due	06/01/2007		4,536	4,819
	9.500%	due	08/01/2013		27,000	32,204
CSC Holdings, Inc						

Cumberland Farms	7.625%	due	07/15/2018		22,000	22,003
Dayton Hudson Corp.	10.500%	due	10/01/2003		2,711	2,697
Delta Air Lines, Inc.	10.000%	due	12/01/2000		1,000	1,068
	9.875%	due	05/15/2000		8,700	9,054
	6.650%	due	03/15/2004		13,500	13,508
	10.140%	due	08/14/2012		1,000	1,249
	9.200%	due	09/23/2014		6,000	7,053
Disney (Walt) Co.	6.375%	due	03/30/2001		250	255
	6.750%	due	03/30/2006		100	104
DTE Capital Corp.	8.350%	due	11/15/2003	(d)	48,000	47,660
E.I. Du Pont de Nemours	9.150%	due	04/15/2000		100	104
Eastman Chemical Co.	6.375%	due	01/15/2004		5,750	5,735
Eli Lilly & Co.	8.125%	due	02/07/2000		387	395
	8.125%	due	12/01/2001		500	533
Enron Corp.	5.557%	due	11/18/1999	(d)	35,000	35,048
	6.532%	due	12/30/1999	(d)	29,419	29,419
	6.532%	due	12/30/1999	(d)	25,802	25,802
Flag Limited	6.900%	due	12/15/2004		515	503
Ford Motor Co.	9.000%	due	09/15/2001		880	945
	6.625%	due	10/01/2028		115,800	111,471
Fortune Brands	8.500%	due	10/01/2003		500	557
Fred Meyer, Inc.	7.150%	due	03/01/2003		6,000	6,168
	7.375%	due	03/01/2005		39,325	40,933
	7.450%	due	03/01/2008		300	317
General Motors Acceptance Corp.	9.625%	due	12/01/2000		525	558
	7.100%	due	03/15/2006		250	262
Gillette Co.	5.750%	due	10/15/2005		1,500	1,497
Great Atlantic & Pac Tea	7.750%	due	04/15/2007		150	149
Gulf Canada Resources	9.250%	due	01/15/2004		7,250	7,385
	9.625%	due	07/01/2005		2,000	2,045
H.J. Heinz Co.	7.500%	due	04/26/2000		150	153
Hollinger International Publishing	9.250%	due	02/01/2006		3,000	3,135
Hyder PLC	6.500%	due	12/15/2008		10,000	9,870
IBM Corp.	5.732%	due	11/01/1999	(d)	35,000	34,956
	7.250%	due	11/01/2002		100	105
	7.125%	due	12/01/2096		2,500	2,599
Inco Limited	9.875%	due	06/01/2019		5,000	5,226
Ingersoll-Rand Co.	6.255%	due	02/15/2001		295	298
Intermedia Communications, Inc.	0.000%	due	05/15/2006	(i)	2,500	2,175
ISP Holdings, Inc.	9.750%	due	02/15/2002		4,500	4,658
	9.000%	due	10/15/2003		5,000	5,125
ITT Corp.	6.250%	due	11/15/2000		10,070	9,814
J Seagram & Sons	6.250%	due	12/15/2001		51,000	51,258
Jones International Networks Limited	11.750%	due	07/01/2005		55	41
K Mart Corp.	8.190%	due	11/24/2003		5,000	5,039
K-III Communications Co.	8.500%	due	02/01/2006		4,000	4,090
Kellogg	5.750%	due	02/02/2001		74,850	74,894
Langdell	9.978%	due	07/30/1999	(d)	9,800	9,861
Lenfest Communications						

Limited, Inc.	8.375%	due	11/01/2005		5,000	5,350
	7.800%	due	05/15/2002		500	524
Loyola University of Chicago	6.030%	due	06/15/2000	(d)	16,100	16,188
Mallinckrodt, Inc.	6.300%	due	03/15/2011	(d)	10,000	9,971
Marlin Water Trust	7.090%	due	12/15/2001		20,000	20,276
Mazda Manufacturing Corp.	10.500%	due	07/01/2008	(j)	1,980	2,596
McDonald's Corp.	6.500%	due	08/01/2007		250	257
Mobil Corp.	8.375%	due	02/12/2001		340	356
Motorola, Inc.	7.600%	due	01/01/2007		200	218
Nabisco, Inc.	6.800%	due	09/01/2001		3,000	3,052
	6.125%	due	02/01/2033		15,000	14,733
Nabors Industries, Inc.	6.800%	due	04/15/2004		9,250	9,298
New York Times Co.	7.625%	due	03/15/2005		1,000	1,082
News America Holdings Corp.	8.625%	due	02/01/2003		750	814
News Corp Limited	0.000%	due	06/15/1999	(i)	900	845
Nike, Inc.	6.510%	due	06/16/2000		1,000	1,017
Noranda, Inc.	7.000%	due	07/15/2005		1,800	1,747
Occidental Petroleum	6.400%	due	04/01/2003		6,510	6,441
	8.500%	due	09/15/2004		5,000	5,023
Owens Corning	7.000%	due	05/15/2000		200	201
Owens-Illinois, Inc.	7.850%	due	05/15/2004		2,600	2,665
	7.150%	due	05/15/2005		10,000	9,862
Pennzoil Co.	9.625%	due	11/15/1999		5,000	5,101
Pepsi Bottling Group, Inc.	5.250%	due	03/06/2000	(d)	376,000	375,846
Petroleos Mexicanos	9.857%	due	07/15/2005	(d)	32,500	30,266
Philip Morris Cos., Inc.	6.150%	due	03/15/2000		20,000	20,109
	9.000%	due	01/01/2001		300	316
	7.250%	due	09/15/2001		70	72
	7.500%	due	01/15/2002		50	52
	6.800%	due	12/01/2003		48,345	49,513
	7.000%	due	07/15/2005		1,125	1,156
	7.200%	due	02/01/2007		32,000	33,416
Phillips Petroleum Co.	6.375%	due	03/30/2009		31,000	30,894
	7.000%	due	03/30/2029		16,000	15,940
Procter & Gamble Co.	5.250%	due	09/15/2003		35,000	34,462
Qwest Communications International, Inc.	0.000%	due	10/15/2007	(i)	2,507	2,000
R & B Falcon Corp.	6.500%	due	04/15/2003		1,000	855
Racers	7.709%	due	04/28/2003	(d)	30,000	27,713
Reliant Energy, Inc.	8.920%	due	05/15/2001		6,500	6,860
	6.375%	due	11/01/2003		14,000	13,818
RJR Nabisco	8.000%	due	01/15/2000		6,777	6,860
	7.625%	due	09/01/2000		6,000	6,104
	8.000%	due	07/15/2001		35,630	36,589
	8.625%	due	12/01/2002		10,920	11,353
	7.625%	due	09/15/2003		9,000	9,211
	8.750%	due	04/15/2004		23,800	25,538
	8.250%	due	07/01/2004		2,000	2,105
	8.750%	due	07/15/2007		25,000	27,212
Rogers Cablesystems Limited	10.000%	due	12/01/2007		5,000	5,613
Rogers Cantel Mobile Communications, Inc.	9.375%	due	06/01/2008		2,750	3,032
Saferco	9.460%	due	05/31/1999	(j)	1,000	1,007

	9.630%	due	05/31/2000	(j)	6,500	6,833
	9.590%	due	05/31/2001	(j)	3,000	3,251
Safeway, Inc.						
	5.750%	due	11/15/2000		150	150
	6.850%	due	09/15/2004		250	259
Sara Lee Corp.						
	6.300%	due	11/07/2005		500	506
Sears Roebuck & Co.						
	6.800%	due	05/07/2001		500	510
	6.790%	due	05/21/2001		500	510
	9.400%	due	08/02/2001		250	269
	7.260%	due	04/21/2003		3,000	3,123
	6.250%	due	01/15/2004		300	303
	6.750%	due	09/15/2005		785	804
Sears Roebuck Acceptance						
	5.155%	due	06/27/2000	(d)	5,000	5,008
	7.110%	due	06/19/2001		1,000	1,026
	6.120%	due	12/13/2001		260	262
	6.950%	due	05/15/2002		300	309
	7.140%	due	05/02/2003		5,000	5,184
	6.560%	due	11/20/2003		1,178	1,198
	6.700%	due	11/15/2006		500	511
Shell Oil Co.						
	7.250%	due	02/15/2002		50	50
Smithfield Foods						
	7.625%	due	02/15/2008		2,000	1,935
Smithkline Beecham						
	7.375%	due	04/15/2005		150	161
Solelectron Corp.						
	0.000%	due	01/27/2019		4,000	1,975
SUPERVALU, Inc.						
	6.500%	due	10/06/2000		140	142
TCI Communications, Inc.						
	7.250%	due	06/15/1999		4,800	4,822
	6.375%	due	09/15/1999		39,175	39,398
	5.080%	due	02/02/2000	(d)	50,000	49,951
	5.395%	due	09/11/2000	(d)	48,500	48,362
	5.750%	due	12/20/2000	(d)	10,000	10,034
	6.375%	due	05/01/2003		3,200	3,271
Telecommunications, Inc.						
	7.375%	due	02/15/2000		12,000	12,213
	8.250%	due	01/15/2003		43,125	46,777
Telewest Communications						
	9.625%	due	10/01/2006		5,000	5,313
Tenet Healthcare Corp.						
	8.625%	due	12/01/2003		1,200	1,228
	7.625%	due	06/01/2008		27,000	26,190
Texaco Capital						
	8.500%	due	02/15/2003		700	767
	6.000%	due	06/15/2005		400	400
Time Warner, Inc.						
	7.550%	due	02/01/2000		5,735	5,844
	6.100%	due	12/30/2001		1,375	1,382
	7.975%	due	08/15/2004		31,803	34,403
	8.110%	due	08/15/2006		80,929	89,539
	8.180%	due	08/15/2007		2,400	2,695
	7.250%	due	09/01/2008		125	134
Union Pacific Corp.						
	5.945%	due	05/22/2000	(d)	60,000	59,963
	6.930%	due	06/01/2003		1,000	1,020
	6.000%	due	09/01/2003		8,000	7,901
	6.120%	due	02/01/2004		250	245
United Airlines						
	9.000%	due	12/15/2003		1,000	1,092
USA Waste Services, Inc.						
	6.125%	due	07/15/2001		23,500	23,628
USX Corp.						
	9.800%	due	07/01/2001		300	324
Wal-Mart Stores, Inc.						
	9.100%	due	07/15/2000		100	105
	8.625%	due	04/01/2001		1,450	1,536
Waste Management, Inc.						
	6.250%	due	04/01/1999		1,000	1,000
	4.000%	due	02/01/2002		3,000	3,536
Westpoint Stevens, Inc.						
	7.875%	due	06/15/2005		8,000	8,220
Westvaco Corp.						
	9.650%	due	03/01/2002		150	165
Williams Co.						
	5.250%	due	01/30/2000	(d)	23,000	23,034
WMX Technologies						
	6.700%	due	05/01/2001		10,000	10,152
	7.000%	due	10/15/2006		500	521

Xerox Corp.	7.040%	due	04/30/1999		770	771
	6.500%	due	06/29/2000		280	285
	5.750%	due	07/21/2000		500	503
	7.410%	due	05/15/2001		1,000	1,030
Utilities 3.8%						2,426,041
AES Corp.	10.250%	due	07/15/2006		4,500	4,770
Alabama Power Co.	5.350%	due	11/15/2003		600	587
Appalachian Power Co.	6.350%	due	03/01/2000		500	504
AT&T Corp.	7.125%	due	01/15/2002		75	78
	7.000%	due	05/15/2005		200	211
Baltimore Gas & Electric	6.125%	due	07/01/2003		150	152
Beaver Valley Funding Corp.	8.250%	due	06/01/2003		779	795
	8.625%	due	06/01/2007		5,000	5,339
BellSouth Telecommunications, Inc.	7.500%	due	06/15/2033		185	191
California Energy	9.500%	due	09/15/2006		12,040	13,270
Calpine Corp.	9.250%	due	02/01/2004		4,150	4,275
	7.625%	due	04/15/2006		7,000	7,035
	7.875%	due	04/01/2008		2,500	2,556
Central Maine Power Co.	6.350%	due	09/20/1999		30,000	30,022
	6.413%	due	10/25/1999		39,000	39,195
	6.463%	due	11/01/1999	(d)	6,800	6,834
	6.500%	due	06/14/2000		5,500	5,492
Chesapeake & Potomac Telephone	5.625%	due	03/01/2007		500	481
	8.000%	due	10/15/2029		1,125	1,306
Cleveland Electric Illuminating Co.	7.850%	due	11/01/1999		6,000	6,070
	7.420%	due	08/01/2001		10,000	10,280
	9.500%	due	05/15/2005		13,000	14,079
Cleveland Electric/Toledo Edison	7.190%	due	07/01/2000		20,400	20,570
CMS Energy	7.375%	due	11/15/2000		57,535	58,102
	8.125%	due	05/15/2002		5,000	5,140
	7.000%	due	01/15/2005		30,000	29,263
Coastal Corp.	8.750%	due	05/15/1999		4,300	4,314
Commonwealth Edison	6.500%	due	04/15/2000		6,185	6,248
	5.060%	due	06/15/2002	(d)	1,000	1,003
	6.625%	due	07/15/2003		1,000	1,024
	9.875%	due	06/15/2020		11,700	13,837
Connecticut Light & Power Co.	7.250%	due	07/01/1999		4,485	4,487
	5.750%	due	07/01/2000		2,000	1,994
	7.750%	due	06/01/2002		5,000	5,183
	8.590%	due	06/05/2003		27,000	26,823
Consolidated Edison	7.600%	due	01/15/2000		100	102
	5.321%	due	12/15/2001	(d)	10,000	9,974
Detroit Edison Co.	6.450%	due	04/01/1999		10,500	10,500
Duke Energy Corp.	5.780%	due	07/08/1999		500	501
	8.000%	due	11/01/1999		40	41
	7.000%	due	06/01/2000		700	713
	6.750%	due	08/01/2025		25	24
Eastern Edison Co.	7.780%	due	07/30/2002		9,000	9,407
El Paso Electric Co.	9.400%	due	05/01/2011		7,455	8,606
Houston Lighting & Power Co.	6.100%	due	03/01/2000		250	251
Indiana Bell Telephone Co., Inc.	5.500%	due	04/01/2007		500	478
Indianapolis Power & Light	7.375%	due	08/01/2007		225	245
Korea Electric Power	6.375%	due	12/01/2003		170	160

Long Island Lighting Co.	7.300%	due	07/15/1999		76,085	76,461
Louisiana Power & Light Co.	7.740%	due	07/01/2002		1,900	1,934
MCI Communications Corp.	6.125%	due	04/15/2002		1,250	1,262
MCI Worldcom, Inc.	8.875%	due	01/15/2006		24,529	26,428
National Power Corp.	9.625%	due	05/15/2028		16,000	14,185
National Rural Utilities Cooperative	6.250%	due	04/15/2003		50,000	49,853
Nevada Power Co.	6.200%	due	04/15/2004		20,000	19,951
New Century Energies, Inc.	5.860%	due	05/30/2000		15,000	14,986
New England Telephone & Telegraph Co.	6.375%	due	09/01/2008		1,350	1,320
New Jersey Bell Telephone	7.850%	due	11/15/2029		70	79
New York Telephone Co.	6.250%	due	02/15/2004		150	153
Niagara Mohawk Power	6.500%	due	07/01/1999		25,000	25,032
	7.000%	due	10/01/2000		35,000	35,359
	7.125%	due	07/01/2001		27,250	27,702
	7.250%	due	10/01/2002		32,777	33,386
	7.375%	due	07/01/2003		28,000	29,356
	7.375%	due	08/01/2003		1,645	1,732
	7.750%	due	10/01/2008		25,200	27,057
North Atlantic Energy	9.050%	due	06/01/2002		8,042	8,297
Northern Illinois Gas Co.	6.450%	due	08/01/2001		1,450	1,461
Northern Telecom Limited	8.750%	due	06/12/2001		300	319
Ohio Bell Telephone Co.	5.375%	due	03/01/2007		950	909
Ohio Edison	6.875%	due	09/15/1999		5,750	5,781
Ohio Power Co.	6.875%	due	06/01/2003		3,000	3,062
Pacific Gas & Electric Co.	6.750%	due	12/01/2000		3,049	3,060
Pacific Northwest Bell	4.375%	due	09/01/2002		50	48
Pennsylvania Power & Light	6.000%	due	06/01/2000		500	503
Philadelphia Electric	5.625%	due	11/01/2001		17,000	16,980
PP&L, Inc.	6.125%	due	05/01/2001	(d)	5,000	5,049
Public Service Electric & Gas	8.750%	due	07/01/1999		90	91
	7.625%	due	02/01/2000		150	153
	6.500%	due	06/01/2000		500	505
	6.125%	due	08/01/2002		1,000	1,014
Public Service Enterprise Group, Inc.	5.750%	due	11/22/2000	(d)	10,000	10,007
	5.780%	due	11/22/2000	(d)	2,000	2,002
Queststar Pipeline	9.375%	due	06/01/2021		200	225
Reliant Energy Inc.	8.750%	due	03/01/2022		10,000	10,862
Southwestern Bell Telephone Co.	6.125%	due	03/01/2000		50	50
Sprint Corp.	8.125%	due	07/15/2002		10,378	11,010
System Energy Resources	7.380%	due	10/01/2000		5,000	5,081
	7.710%	due	08/01/2001		14,850	15,371
Tennessee Valley Authority	0.000%	due	04/15/2042	(i)	855	360
Texas Utilities Co.	6.250%	due	01/31/2000		6,000	6,033
	6.270%	due	02/01/2000		11,000	11,087
	5.241%	due	04/24/2000	(d)	54,700	54,804
	6.370%	due	08/16/2001		1,000	1,005
	5.940%	due	10/15/2001		3,000	3,001
	6.500%	due	08/16/2002		1,000	1,006
Texas-New Mexico Power	10.750%	due	09/15/2003		4,950	5,243
Toledo Edison Co.						

	8.180%	due	07/30/2002		1,400	1,470
	8.700%	due	09/01/2002		10,000	10,488
	7.850%	due	03/31/2003		7,000	7,290
	7.875%	due	08/01/2004		500	520
Tuscon Electric Power						
	8.500%	due	10/01/2009		454	468
U.S. West Communications, Inc.						
	6.625%	due	09/15/2005		300	311
	6.125%	due	11/15/2005		400	405
United Air Lines						
	10.670%	due	05/01/2004		2,050	2,388
United Telecom, Inc.						
	9.440%	due	08/15/2001		10,000	10,738
Western Massachusetts Electric						
	6.875%	due	01/01/2000		700	704
	7.375%	due	07/01/2001		7,000	7,085
Western Resources, Inc.						
	6.250%	due	08/15/2003		8,500	8,534
Wilmington Trust Co. - Tucson Electric						
	10.732%	due	01/01/2013	(j)	991	1,142
WorldCom, Inc.						
	6.125%	due	08/15/2001		250	252
	6.400%	due	08/15/2005		1,000	1,016
						995,938
Total Corporate Bonds & Notes (Cost \$9,450,839)						9,472,069
U.S. GOVERNMENT AGENCIES 3.7% A.I.D. Housing Guarantee						
	9.980%	due	08/01/2008		1,045	1,137
Federal Home Loan Bank						
	6.400%	due	09/10/2008		525	520
Federal Home Loan Mortgage Corp.						
	6.140%	due	03/03/2003		500	502
	6.000%	due	11/18/2003		750	747
	5.580%	due	12/10/2003		500	494
	7.030%	due	04/05/2004		125	125
	7.540%	due	05/03/2004		20	20
	5.500%	due	12/21/2004		1,000	981
	5.900%	due	12/02/2005		1,300	1,282
	6.375%	due	09/25/2006		1,250	1,241
	6.350%	due	10/13/2006		1,000	992
	6.350%	due	11/28/2006		100	99
	6.690%	due	04/23/2008		1,250	1,246
	6.220%	due	06/24/2008		1,850	1,847
	6.250%	due	08/11/2008		1,000	987
	6.300%	due	09/10/2008		260	256
Federal National Mortgage Assn.						
	9.050%	due	04/10/2000		400	415
	5.160%	due	02/02/2001		800	795
	5.125%	due	02/13/2004		21,716	21,340
	5.350%	due	10/29/2004		1,000	971
	5.750%	due	10/28/2005		1,500	1,464
	5.780%	due	11/02/2005		500	489
	6.000%	due	11/24/2006		700	686
	7.240%	due	01/04/2007		255	257
	6.490%	due	08/27/2007		56,000	58,100
	6.000%	due	09/14/2007		200	195
	6.470%	due	02/22/2008		700	692
	6.560%	due	03/03/2008		250	248
	6.125%	due	08/28/2008		1,000	985
	5.990%	due	10/27/2008		125	121
Housing & Urban Development Corp.						
	8.810%	due	08/01/2005		285	328
New York City						
	5.278%	due	08/01/2002	(d)	35,487	35,330
Resolution Funding						
	0.000%	due	01/15/2007		800	520
Student Loan Marketing Assn.						
	4.129%	due	02/20/2000	(d)	134,700	133,361
	5.684%	due	06/30/2000	(d)	63,700	63,584
	5.248%	due	01/25/2003	(d)	41,537	41,600
	5.070%	due	04/25/2004	(d)	20,459	20,255
	4.988%	due	10/25/2004	(d)	27,806	27,743
	5.008%	due	10/25/2004	(d)	50,033	49,946
	4.958%	due	10/25/2005	(d)	11,583	11,546
	5.038%	due	10/25/2005	(d)	36,723	36,629
	5.098%	due	04/25/2006	(d)	119,639	119,236
	5.208%	due	01/25/2007	(d)	114,483	114,439
	5.178%	due	04/25/2007	(d)	210,062	210,093
Total U.S. Government Agencies (Cost \$966,749)						963,844
U.S. TREASURY OBLIGATIONS 12.5%						

Treasury Inflation Protected Securities		3.625%	due	07/15/2002	(h) (1)	695,560	691,213
		3.375%	due	01/15/2007	(h) (1)	69,478	66,917
		3.625%	due	01/15/2008	(h)	248,671	242,998
		3.875%	due	01/15/2009	(h) (1)	114,600	114,278
		3.625%	due	04/15/2028	(h)	102,194	97,787
U.S. Treasury Bonds		12.375%	due	05/15/2004		1,000	1,313
		10.375%	due	11/15/2012		10,820	14,272
		12.000%	due	08/15/2013	(1)	8,845	12,892
		13.250%	due	05/15/2014		16,500	26,070
		9.250%	due	02/15/2016	(1)	301,500	409,946
		7.250%	due	05/15/2016		107,450	123,333
		8.750%	due	05/15/2017	(1)	9,460	12,455
		8.875%	due	08/15/2017	(1)	544,900	726,420
		9.125%	due	05/15/2018		234,900	321,226
		8.125%	due	05/15/2021		225,000	285,891
		8.000%	due	11/15/2021		66,145	83,198
		7.125%	due	02/15/2023		1,650	1,906
		6.500%	due	11/15/2026		130	141
		6.625%	due	02/15/2027		3,165	3,486
		6.375%	due	08/15/2027		2,225	2,377
		6.125%	due	11/15/2027		1,650	1,710
U.S. Treasury Notes		7.750%	due	11/30/1999		1,100	1,121
		5.375%	due	07/31/2000		20,000	20,106
		4.500%	due	01/31/2001		775	768
		7.500%	due	11/15/2001		1,350	1,428
		6.250%	due	02/15/2003		1,200	1,244
		5.875%	due	02/15/2004		1,200	1,236
		4.750%	due	11/15/2008		1,000	963
Total U.S. Treasury Obligations (Cost \$3,389,678)							3,266,695
MORTGAGE-BACKED SECURITIES 52.7%							
Collateralized Mortgage Obligations 18.4%							
American Southwest Financial		0.000%	due	06/04/2013	(i)	64,050	70,617
		12.250%	due	11/01/2014		57	59
		12.500%	due	04/01/2015		437	486
		12.000%	due	05/01/2015		892	932
		11.400%	due	09/01/2015		661	690
Aspetuck Trust		5.151%	due	08/02/1999	(d)	80,000	79,975
BA Mortgage Securities, Inc.		6.250%	due	08/25/2028		25,000	23,632
Bankers Trust Co.		8.625%	due	04/01/2018		77	78
Bear Stearns Mortgage Securities, Inc.		5.688%	due	10/25/2023	(d)	5,267	5,406
		10.000%	due	08/25/2024		7,463	7,824
		7.000%	due	03/25/2027		7,000	7,076
Cendant Mortgage Corp.		6.499%	due	11/18/2028	(d)	5,400	4,860
		6.499%	due	11/18/2028	(d)	14,333	14,019
Chase Mortgage Finance Corp.		8.250%	due	10/25/2010		1,429	1,425
		6.204%	due	04/25/2025	(d)	29,846	30,273
		6.550%	due	08/25/2028		3,000	3,029
Citicorp Mortgage Securities, Inc.		9.500%	due	09/25/2019		250	249
		6.906%	due	10/25/2022	(d)	13,664	13,698
		6.250%	due	04/25/2024		11,796	11,036
		7.250%	due	10/25/2027		20,462	20,823
CMC Securities Corp.		6.239%	due	09/25/2023	(d)	6,859	6,922
		7.440%	due	04/25/2025	(d)	232	232
		7.250%	due	11/25/2027		9,453	9,678
Collateralized Mortgage Obligation Trust		10.200%	due	02/01/2016		467	489
		8.000%	due	09/20/2021		8,833	8,856
Collateralized Mortgage Securities Corp.		11.500%	due	09/01/2015		34	36
		11.450%	due	11/01/2015	(d)	203	204
		8.750%	due	04/20/2019		687	693
Comm		6.145%	due	02/15/2008		5,000	5,109
Countrywide Home Loans		6.500%	due	07/25/2013		5,676	5,656
		7.936%	due	07/25/2024	(d)	6,892	6,991
		6.750%	due	11/25/2025		25,567	25,571

	7.500%	due	06/25/2027		12,364	12,695
	7.250%	due	12/25/2027		6,224	6,321
	7.250%	due	02/25/2028		57,846	58,790
	6.050%	due	04/25/2029		56,000	55,257
DLJ Mortgage Acceptance Corp.						
	7.413%	due	08/01/2021	(d) (j)	5,325	5,395
	7.807%	due	12/25/2022	(d)	2,800	2,841
	8.122%	due	03/25/2024	(d)	813	824
	6.500%	due	04/25/2024		1	1
	8.365%	due	05/25/2024	(d)	192	195
	6.850%	due	12/17/2027		6,605	6,663
	6.750%	due	06/19/2028		128,425	128,412
Drexel Mortgage Funding						
	9.500%	due	11/20/2017		1,153	1,175
	8.600%	due	03/01/2018		367	369
Federal Home Loan Mortgage Corp.						
	7.000%	due	05/15/1999		11	11
	6.500%	due	03/15/2000		355	356
	7.000%	due	10/15/2003		4,974	5,077
	7.500%	due	11/01/2003		8,229	8,426
	6.000%	due	06/15/2005		9,904	9,949
	6.500%	due	07/25/2005		15,200	15,181
	6.500%	due	07/15/2006		1,075	1,088
	6.500%	due	08/15/2006		710	718
	6.500%	due	05/15/2008		1,000	1,012
	6.200%	due	12/15/2008		4,089	3,915
	6.000%	due	03/15/2009		265	266
	8.500%	due	08/15/2013		2,000	2,101
	8.500%	due	09/15/2013		5,941	6,240
	11.000%	due	11/30/2015		10,791	11,934
	7.000%	due	03/15/2016		33	33
	5.400%	due	05/25/2016		52,514	51,382
	7.000%	due	11/15/2016		9,540	9,617
	6.210%	due	08/15/2017		104	104
	5.900%	due	03/15/2018		10,961	10,203
	6.350%	due	03/25/2018		200	202
	5.250%	due	05/15/2018		635	634
	6.500%	due	12/15/2018		4,004	4,023
	6.500%	due	05/15/2019		615	618
	6.250%	due	07/15/2019		56,551	56,735
	5.000%	due	08/15/2019		178	176
	9.125%	due	06/15/2020		222	222
	5.250%	due	07/15/2020		598	594
	5.500%	due	10/15/2020		154	153
	9.500%	due	11/15/2020		6,338	6,701
	9.000%	due	12/15/2020		2,753	2,868
	6.000%	due	12/15/2020		413	411
	9.000%	due	12/15/2020		1,342	1,400
	8.750%	due	12/15/2020		1,265	1,310
	6.250%	due	01/15/2021		200	200
	6.500%	due	05/15/2021		159	160
	6.500%	due	05/17/2021		113	111
	8.500%	due	06/15/2021		36,377	37,764
	6.950%	due	07/15/2021		700	709
	8.000%	due	07/15/2021		10,375	10,682
	9.500%	due	07/15/2021		3,142	3,253
	9.000%	due	07/15/2021		2,551	2,689
	6.950%	due	08/15/2021		185	188
	8.000%	due	08/15/2021		23,472	24,289
	6.200%	due	08/15/2021		1,500	1,514
	6.500%	due	09/15/2021		1,543	1,549
	8.000%	due	09/15/2021		36	37
	7.000%	due	09/15/2021		423	426
	7.000%	due	10/15/2021		24	24
	8.000%	due	12/15/2021		16,222	17,023
	6.850%	due	01/15/2022		700	712
	8.250%	due	06/15/2022		5,000	5,228
	7.000%	due	07/15/2022		8,539	8,557
	8.500%	due	10/15/2022		11,001	11,395
	7.500%	due	01/15/2023		15,858	16,318
	7.000%	due	07/15/2023		244	239
	7.250%	due	07/15/2023		20	20
	6.500%	due	07/15/2023		107	107
	7.500%	due	01/20/2024		243	246
	5.000%	due	02/15/2024		116	104
	6.500%	due	02/15/2024		27	27
	6.250%	due	05/15/2024		12,165	11,193
	7.250%	due	08/15/2024		190	193
	8.000%	due	09/15/2024		16,250	17,292
	7.000%	due	11/17/2025		40	40
	7.310%	due	10/01/2026	(d)	4,113	4,202
	7.500%	due	01/15/2027		22,511	23,016

	7.500%	due	03/17/2027		20,000	20,444
	7.500%	due	06/20/2027		17,492	17,658
	6.500%	due	08/15/2027		14,193	12,405
	6.500%	due	10/15/2027		32,300	31,636
	6.500%	due	01/25/2028		8,691	8,442
	7.000%	due	02/15/2028		1,608	1,557
	6.500%	due	04/15/2028		155,706	152,411
	6.500%	due	05/15/2028		48,000	46,777
	6.500%	due	06/15/2028		53,308	48,508
	6.500%	due	06/20/2028		21,224	18,918
	6.500%	due	07/15/2028		27,365	25,308
	6.500%	due	08/15/2028		251,255	230,348
	7.000%	due	11/15/2028		9,000	9,146
	6.000%	due	12/15/2028		22,146	19,742
	6.500%	due	12/15/2028		6,403	5,804
	6.500%	due	01/15/2029		10,411	10,245
	6.500%	due	03/15/2029		11,221	10,504
	6.181%	due	08/15/2032	(d)	34,712	34,989
Federal Housing Administration						
	7.430%	due	01/01/2024		1,044	1,094
Federal National Mortgage Assn.						
	9.100%	due	02/25/2002		3,074	3,129
	7.500%	due	05/25/2005		6,700	6,901
	7.500%	due	02/25/2006		375	387
	6.500%	due	05/01/2006		277	279
	6.500%	due	07/25/2006		75	76
	8.000%	due	11/25/2006		30	31
	6.000%	due	07/25/2007		300	301
	8.638%	due	08/25/2007	(d)	42	43
	6.270%	due	09/25/2007		3,000	3,002
	7.000%	due	10/25/2007		200	206
	6.500%	due	05/25/2008		500	509
	10.500%	due	08/25/2008		7,146	8,310
	6.750%	due	11/25/2010		1,300	1,311
	7.000%	due	01/25/2011		500	504
	7.500%	due	01/20/2012		8	8
	9.670%	due	01/25/2017		143	144
	9.200%	due	12/25/2017		107	107
	9.300%	due	05/25/2018		1,082	1,136
	9.500%	due	06/25/2018		579	628
	5.488%	due	06/25/2018	(d)	5	5
	6.500%	due	06/25/2018		2,557	2,557
	5.500%	due	07/25/2018		115	115
	9.500%	due	11/25/2018		15,513	16,111
	6.000%	due	12/25/2018		44	44
	6.500%	due	03/25/2019		885	890
	6.250%	due	04/18/2019		6,241	6,246
	9.500%	due	06/25/2019		2,149	2,268
	5.650%	due	07/25/2019		3,650	3,649
	6.350%	due	08/25/2019		435	436
	8.000%	due	10/25/2019		7,122	7,206
	7.500%	due	12/25/2019		115	118
	9.000%	due	12/25/2019		9,287	9,853
	6.500%	due	03/25/2020		3,965	3,980
	7.500%	due	05/25/2020		5,240	5,367
	6.000%	due	06/25/2020		4,167	4,164
	9.000%	due	09/25/2020		5,840	6,109
	7.000%	due	09/25/2020		25,000	25,285
	8.000%	due	12/25/2020		23,440	24,548
	9.000%	due	01/25/2021		8,602	9,012
	8.750%	due	01/25/2021		5,031	5,260
	7.500%	due	02/17/2021		196	197
	9.000%	due	03/25/2021		736	778
	7.500%	due	03/25/2021		18,805	18,987
	7.000%	due	05/25/2021		300	307
	6.500%	due	06/25/2021		5,355	5,339
	7.500%	due	06/25/2021		187	189
	8.000%	due	07/25/2021		24,214	24,963
	8.500%	due	09/25/2021		8,427	8,775
	7.000%	due	10/25/2021		8,390	8,454
	8.000%	due	10/25/2021		22,430	23,329
	7.000%	due	11/25/2021		24,015	24,212
	6.000%	due	12/25/2021		87	87
	8.000%	due	01/25/2022		21,700	22,408
	8.000%	due	03/25/2022		208	212
	7.000%	due	04/25/2022		17,091	17,203
	10.000%	due	05/01/2022		220	238
	7.000%	due	06/25/2022		1,928	1,957
	8.000%	due	06/25/2022		3,426	3,673
	8.000%	due	07/25/2022		25,524	26,646
	7.000%	due	07/25/2022		8,598	8,727

	8.000%	due	07/25/2022		28,757	29,826
	7.800%	due	10/25/2022		5,131	5,290
	6.500%	due	10/25/2022		3,673	3,473
	6.500%	due	12/25/2022		459	460
	7.000%	due	03/25/2023		26,170	26,225
	6.500%	due	05/18/2023		11,418	11,497
	6.900%	due	05/25/2023		143	143
	7.000%	due	06/25/2023		4,481	4,292
	6.500%	due	08/25/2023		64	65
	6.000%	due	08/25/2023		3,068	3,013
	6.750%	due	09/25/2023		3,590	3,518
	1.000%	due	09/25/2023		350	309
	6.750%	due	10/25/2023		540	519
	7.500%	due	10/25/2023		89	90
	6.500%	due	11/25/2023		170	170
	6.500%	due	12/25/2023		1,054	968
	6.500%	due	01/25/2024		2,410	2,287
	7.250%	due	02/25/2024		50	50
	7.500%	due	06/20/2024		120	122
	7.000%	due	02/18/2025		140	142
	7.500%	due	12/25/2025		120	124
	7.000%	due	02/15/2026		180	183
	7.000%	due	07/18/2026		210	208
	7.000%	due	12/18/2026		14,689	14,409
	6.000%	due	05/17/2027		5,470	5,127
	6.500%	due	03/01/2028		599	598
	6.500%	due	06/25/2028		3,400	3,316
	6.500%	due	07/18/2028		67,412	64,104
	6.000%	due	04/25/2029		9,881	8,104
First Commonwealth Savings & Loan						
	10.375%	due	04/01/2005		19	20
First Union Residential Securitization, Inc.						
	6.750%	due	08/25/2028		9,048	8,802
GE Capital Mortgage Services, Inc.						
	6.750%	due	12/25/2012		4,353	4,394
	6.500%	due	09/25/2023		1,175	1,110
	6.500%	due	02/25/2024		9	9
	6.500%	due	03/25/2024		53,964	52,601
	6.500%	due	04/25/2024		60,500	56,518
	7.500%	due	07/25/2027		10,329	10,467
	7.000%	due	11/25/2027		37,500	37,943
	6.650%	due	05/25/2028		9,064	9,146
	6.750%	due	05/25/2028		23,934	23,713
	6.550%	due	06/25/2028		23,450	23,597
	6.750%	due	06/25/2028		2,814	2,830
	6.500%	due	12/25/2028		19,500	18,993
General Motors Acceptance Corp.						
	6.700%	due	03/15/2008		1,000	1,021
Goldman Sachs Mortgage Corp.						
	6.000%	due	12/31/2007	(j)	9,948	9,941
Government National Mortgage Assn.						
	7.500%	due	07/20/2020		178	179
	7.000%	due	01/15/2024		500	510
	8.000%	due	05/16/2024		120	123
	7.000%	due	08/20/2026		150	147
	7.500%	due	02/16/2027		119	116
	7.500%	due	07/16/2027		26,744	27,280
	6.500%	due	06/20/2028		10,274	9,236
	6.500%	due	07/20/2028		35,502	32,590
	6.500%	due	09/20/2028		25,824	23,036
Greenwich						
	6.844%	due	04/25/2022	(d)	1,104	1,118
	6.840%	due	07/25/2022	(d)	4,571	4,622
	6.818%	due	10/25/2022	(d)	159	161
	6.892%	due	04/25/2023	(d)	2,032	2,053
	7.485%	due	04/25/2024	(d)	2,538	2,614
	8.040%	due	06/25/2024	(d)	2,518	2,623
	8.131%	due	08/25/2024	(d)	4,087	4,117
	8.733%	due	11/25/2024	(d)	1,190	1,201
Headlands Mortgage Securities, Inc.						
	7.250%	due	11/25/2012		3,445	3,511
	6.750%	due	12/25/2028		59,468	59,344
	6.650%	due	02/25/2029		165,866	164,917
ICI Funding Corp. Secured Assets Corp.						
	7.250%	due	09/25/2027		18,068	18,411
Imperial CMB Trust						
	5.320%	due	09/25/2026	(d)	11,842	11,920
	6.650%	due	11/25/2029		1,702	1,725
Independent National Mortgage Corp.						
	6.650%	due	10/25/2024		2,723	2,722
	7.784%	due	11/25/2024	(d)	4,213	4,321
	8.750%	due	12/25/2024		30	31
	7.978%	due	01/25/2025	(d)	328	334

	8.000%	due	06/25/2025		75	76
	6.569%	due	07/25/2025	(d)	15,098	15,436
	7.559%	due	07/25/2025	(d)	11,679	11,920
International Mortgage Acceptance Corp.						
	12.500%	due	03/01/2014		400	448
J.P. Morgan & Co.						
	9.000%	due	10/20/2020		15,380	15,843
J.P. Morgan Commercial Mortgage Finance Corp.						
	6.533%	due	01/15/2030		20,000	20,369
Kidder Peabody Acceptance Corp.						
	8.390%	due	05/20/2018		277	280
	7.927%	due	09/25/2024	(d)	20,000	20,084
Marine Midland						
	8.000%	due	10/25/2023		143	142
Mellon Residential Funding Corp.						
	6.350%	due	06/25/2028		22,000	22,100
Merrill Lynch Mortgage						
	7.428%	due	06/15/2021	(d)	6,660	6,741
	7.688%	due	06/15/2021	(d)	6,248	6,381
	8.339%	due	06/25/2022	(d)	648	648
Midland Realty Acceptance Corp.						
	7.020%	due	01/25/2029		21,645	22,105
Morgan Stanley Mortgage Trust						
	8.250%	due	07/01/2018		6,355	6,421
Mortgage Capital Funding, Inc.						
	7.008%	due	09/20/2006		15,545	15,978
Mortgage Capital Trust V						
	8.875%	due	04/01/2018		115	118
NationsBanc Montgomery Funding Corp.						
	6.500%	due	07/25/2028		9,000	8,732
	6.250%	due	10/25/2028		1,000	950
Nomura Asset Securities Corp.						
	7.492%	due	05/25/2024	(d)	6,606	6,790
Norwest Asset Securities Corp.						
	6.250%	due	11/25/2013		45,716	45,414
	6.350%	due	04/25/2028		2,500	2,515
	6.500%	due	12/25/2028		20,000	19,476
	6.500%	due	02/25/2029		55,000	52,645
	6.500%	due	03/25/2029		12,200	11,828
	5.950%	due	03/30/2029		128,513	127,225
	6.300%	due	03/30/2029		11,419	11,414
	5.950%	due	04/30/2029		16,347	16,286
Norwest Mortgage						
	12.500%	due	02/01/2014		794	848
	12.250%	due	04/01/2014		64	59
PaineWebber Mortgage						
	6.000%	due	04/25/2009		11,951	11,814
PNC Mortgage Securities Corp.						
	7.000%	due	10/25/2027		36,616	36,983
	6.500%	due	02/25/2028		2,500	2,518
	7.000%	due	05/25/2028		10,144	10,260
	6.750%	due	07/25/2028		2,027	2,015
	6.750%	due	09/25/2028		4,000	3,975
	6.200%	due	04/30/2029		30,000	29,850
Prudential Bache						
	5.941%	due	09/01/2018	(d)	320	316
	8.400%	due	03/20/2021		3,105	3,199
Prudential Home Mortgage Securities						
	6.400%	due	04/25/2009		2,482	2,488
	8.000%	due	06/25/2022		1,668	1,663
	6.950%	due	11/25/2022		222	220
	6.750%	due	10/25/2023		8,688	8,114
	7.995%	due	11/25/2023	(d)	3,736	3,784
	5.900%	due	12/25/2023		11,816	11,813
	6.050%	due	04/25/2024		4,743	4,738
	6.000%	due	05/25/2024		13	13
	6.450%	due	11/25/2025		5,264	5,017
PSB Financial Corp.						
	11.050%	due	12/01/2015		662	713
Residential Accredit Loans, Inc.						
	7.000%	due	02/25/2028		41,115	41,624
	6.500%	due	10/25/2028		17,928	17,838
Residential Asset Securities Corp.						
	7.000%	due	03/25/2027		94	95
	7.250%	due	05/25/2027		162	163
Residential Asset Securitization Trust						
	7.375%	due	03/25/2027		5,142	5,260
	7.000%	due	10/25/2027		19,832	20,020
	6.750%	due	06/25/2028		32,549	32,764
	6.500%	due	12/25/2028		1,250	1,204
Residential Funding Mortgage Securities, Inc.						
	7.000%	due	08/25/2008		11,901	12,011
	6.500%	due	09/25/2008		7,000	7,047

	6.250%	due	10/25/2008		2,161	2,159
	6.500%	due	12/25/2012		19,016	19,068
	6.500%	due	01/25/2013		167,527	167,929
	8.500%	due	05/25/2017		65	68
	7.750%	due	09/25/2022		933	949
	8.000%	due	01/25/2023		5,489	5,592
	7.400%	due	09/25/2025		45	45
	7.500%	due	09/25/2025		18,183	18,507
	7.500%	due	12/25/2025		966	994
	7.500%	due	06/25/2027		51,535	52,836
	7.500%	due	07/25/2027		25,265	25,528
	7.250%	due	10/25/2027		24,000	24,377
	7.000%	due	11/25/2027		7,000	7,049
	6.750%	due	02/25/2028		4,572	4,598
	6.750%	due	05/25/2028		60,741	61,114
	6.750%	due	09/25/2028		61,993	61,561
	6.500%	due	10/25/2028		52,000	50,650
	6.250%	due	11/25/2028		3,000	2,863
	6.500%	due	01/25/2029		52,231	50,757
Resolution Trust Corp.						
	7.649%	due	02/25/2020	(d)	143	143
	6.671%	due	09/25/2020	(d) (n)	12,307	2,831
	6.925%	due	09/25/2020	(d)	2,121	1,795
	5.977%	due	01/25/2021	(d)	799	797
	8.417%	due	06/25/2021	(d)	584	582
	8.689%	due	08/25/2021	(d)	9,244	9,285
	8.694%	due	08/25/2021		8,000	8,091
	7.250%	due	09/25/2021	(d)	2,301	2,291
	6.000%	due	10/25/2021	(d)	196	197
	5.642%	due	10/25/2021	(d)	159	157
	8.625%	due	10/25/2021		210	209
	8.141%	due	10/25/2021	(d)	207	207
	7.632%	due	03/25/2022	(d)	6,691	6,752
	8.579%	due	05/25/2022	(d)	2,073	2,151
	7.625%	due	08/25/2023	(d)	2,001	2,003
	9.450%	due	05/25/2024		19,693	19,695
	7.100%	due	12/25/2024		1,500	1,488
	7.010%	due	07/25/2028	(d)	14,001	13,946
	7.189%	due	10/25/2028	(d)	8,500	8,541
	6.987%	due	10/25/2028	(d)	19,546	19,646
	7.068%	due	05/25/2029	(d)	3,497	3,568
	7.490%	due	05/25/2029	(d)	4,660	4,654
Rural Housing Trust						
	3.330%	due	10/01/2028		152	141
Ryan Mortgage Acceptance Corp.						
	9.450%	due	10/01/2016		118	125
Ryland Acceptance Corp.						
	9.000%	due	12/01/2016		614	627
	11.500%	due	12/25/2016		125	125
	8.200%	due	09/25/2022		70	71
	14.000%	due	11/25/2031		1,221	1,353
Ryland Mortgage Securities Corp.						
	7.381%	due	08/25/2022	(d)	2,615	2,651
	6.802%	due	08/25/2029	(d)	4,489	4,615
	6.803%	due	10/25/2031	(d)	7,946	8,027
Salomon Brothers Mortgage Securities						
	6.899%	due	11/25/2022	(d)	988	1,008
	7.871%	due	07/01/2024	(d)	8,064	8,225
	5.178%	due	06/25/2027	(d)	2,127	2,128
	5.277%	due	04/25/2029	(d)	37,223	37,206
Santa Barbara Savings						
	9.500%	due	11/20/2018		3,107	3,109
Saxon Mortgage						
	7.370%	due	08/25/2023	(d)	22,888	23,496
	7.968%	due	09/25/2024	(d)	10,508	10,882
Sears Mortgage						
	6.707%	due	09/25/2022	(d)	1,523	1,550
Securitized Asset Sales, Inc.						
	7.027%	due	10/25/2023	(d)	2,678	2,753
	7.304%	due	12/26/2023	(d)	1,937	1,966
	7.410%	due	09/25/2024	(d)	9,900	10,111
	5.944%	due	02/25/2028		3,200	3,199
Security Pacific National Bank						
	6.200%	due	03/01/2018	(d)	106	105
Southern Pacific Secured Assets Corp.						
	5.107%	due	06/25/2028	(d)	81,776	80,535
Structured Asset Mortgage Investments, Inc.						
	6.125%	due	11/25/2013		18,026	17,756
	6.300%	due	04/25/2024		22,500	22,386
	6.917%	due	06/25/2028	(d)	47,361	47,938
	6.250%	due	11/25/2028		9,878	9,530
	6.750%	due	01/25/2029		3,000	2,976
	6.580%	due	06/25/2029	(d)	32,620	32,996

Structured Asset Securities Corp.	5.439%	due	10/25/2028	(d)	5,214	5,224
TMA Mortgage Funding Trust	5.319%	due	01/25/2029		47,500	47,485
Union Planters Mortgage Finance Corp.	6.750%	due	01/25/2028		4,000	4,023
	6.800%	due	01/25/2028		15,000	15,082
Vendee Mortgage Trust	7.000%	due	02/15/2000		2,482	2,498
	7.750%	due	03/15/2016		600	610
	7.750%	due	05/15/2018		550	567
	6.500%	due	05/15/2020		26,086	25,721
Western Federal Savings & Loan	6.563%	due	06/25/2021	(d)	6,270	5,896
						4,807,440
Federal Home Loan Mortgage Corporation 12.4%						
	5.000%	due	04/01/1999		33	33
	5.500%	due	04/01/2001-05/15/2029	(g)	243,464	229,629
	5.750%	due	08/15/2020		300	299
	6.000%	due	12/01/2000-05/17/2029	(g)	2,277,099	2,224,480
	6.171%	due	12/01/2026	(d)	8,125	8,184
	6.250%	due	03/15/2028		38,700	37,502
	6.500%	due	07/01/2001-05/17/2029	(g)	488,256	484,540
	6.625%	due	01/01/2019	(d)	13	14
	6.750%	due	04/01/2017-01/17/2025	(d) (g)	17,222	17,346
	6.775%	due	11/01/2003		69	69
	6.832%	due	07/01/2023	(d)	2,607	2,682
	6.991%	due	01/01/2024	(d)	634	652
	6.999%	due	01/01/2024	(d)	646	662
	7.000%	due	01/01/2000-03/01/2026	(g)	17,163	17,399
	7.210%	due	05/01/2023-10/25/2023	(d) (g)	23,212	23,829
	7.279%	due	05/01/2027	(d)	1,709	1,742
	7.296%	due	07/01/2024	(d)	2,736	2,800
	7.299%	due	06/01/2024	(d)	1,532	1,578
	7.321%	due	04/01/2029	(d)	2,076	2,137
	7.354%	due	08/01/2023	(d)	13	14
	7.356%	due	07/01/2022	(d)	1,377	1,409
	7.377%	due	09/01/2023	(d)	15,417	15,704
	7.427%	due	04/01/2023	(d)	737	747
	7.461%	due	07/01/2023	(d)	801	818
	7.470%	due	11/01/2023	(d)	647	655
	7.500%	due	05/01/1999-04/14/2029	(g)	50,637	52,061
	7.528%	due	09/01/2023	(d)	2,147	2,185
	7.545%	due	08/01/2023	(d)	8,091	8,240
	7.552%	due	08/01/2023	(d)	1,464	1,517
	7.567%	due	10/01/2023	(d)	2,395	2,430
	7.568%	due	10/01/2023	(d)	1,514	1,536
	7.569%	due	05/01/2023	(d)	1,663	1,689
	7.572%	due	04/01/2024	(d)	9,631	9,884
	7.602%	due	09/01/2023	(d)	3,387	3,457
	7.609%	due	08/01/2024	(d)	377	382
	7.610%	due	09/01/2023	(d)	2,354	2,388
	7.643%	due	11/01/2023	(d)	874	893
	7.659%	due	08/01/2023	(d)	702	722
	7.723%	due	10/01/2023	(d)	2,521	2,563
	7.735%	due	11/01/2023	(d)	505	512
	7.750%	due	04/01/2007		42	43
	7.821%	due	10/01/2023	(d)	514	531
	7.909%	due	10/01/2023	(d)	1,462	1,517
	8.000%	due	10/01/2007-06/01/2026	(g)	5,138	5,351
	8.250%	due	08/01/2007-12/01/2009	(g)	273	283
	8.500%	due	09/01/2001-01/01/2028	(g)	36,816	38,734
	8.750%	due	02/01/2001-12/01/2010	(g)	228	234
	8.900%	due	11/15/2020		19,324	20,372
	9.000%	due	01/01/2002-09/15/2020	(g)	845	883
	9.250%	due	06/01/2009-11/01/2013	(g)	132	141
	9.500%	due	08/01/2001-06/01/2021	(g)	2,079	2,204
	9.750%	due	11/01/2004-05/01/2009	(g)	60	63
	10.000%	due	06/01/2004-11/15/2019	(g)	1,069	1,118
	10.250%	due	03/15/2009-05/01/2009	(g)	1,563	1,679
	11.000%	due	12/01/1999-07/01/2019	(g)	813	883
	11.250%	due	10/01/2009-09/01/2015	(g)	182	198
	11.500%	due	03/01/2000-05/01/2000	(g)	10	10
	13.250%	due	10/01/2013		82	93
	14.000%	due	04/01/2016		24	28
	15.500%	due	08/01/2011-11/01/2011	(g)	18	20
	16.250%	due	05/01/2011		3	3
						3,239,771
Federal Housing Administration 0.9%	6.000%	due	03/20/2028		23,900	23,139

6.500%	due	03/01/2040		5,000	4,915
6.875%	due	11/01/2015		3,153	3,164
7.125%	due	03/01/2034		4,458	4,581
7.211%	due	12/01/2021		2,816	2,908
7.250%	due	12/01/2021-04/30/2039	(g)	20,231	20,820
7.316%	due	05/01/2019		4,978	5,131
7.375%	due	03/01/2019-01/01/2024	(g)	16,093	16,651
7.400%	due	02/01/2021		2,522	2,630
7.430%	due	12/01/2016-05/01/2025	(g)	94,512	98,228
7.465%	due	11/01/2019		42,238	43,650
7.500%	due	04/30/2039		3,370	3,463
7.650%	due	11/01/2018		135	129

229,409

Federal National Mortgage Association 4.3%

5.500%	due	04/14/2029-05/17/2029	(g)	213,000	200,835
5.650%	due	04/25/2005		146	146
5.848%	due	09/01/2017	(d)	6,009	6,022
5.889%	due	08/01/2029	(d)	1,200	1,206
5.905%	due	04/01/2018-05/01/2036	(d) (g)	5,471	5,511
5.906%	due	05/01/2036	(d)	1,374	1,383
5.916%	due	05/01/2036	(d)	64,398	64,835
5.940%	due	07/01/2017-04/26/2029	(d) (g)	173,053	174,081
5.941%	due	07/01/2027-10/01/2028	(d) (g)	23,368	23,492
5.944%	due	10/01/2032	(d)	18,965	19,068
5.946%	due	11/01/2035	(d)	56,686	57,000
5.950%	due	05/01/2036	(d)	64,056	64,491
5.996%	due	09/01/2024	(d)	3,282	3,306
6.000%	due	12/01/2000-05/17/2029	(d) (g)	112,573	110,481
6.012%	due	03/01/2033	(d)	47,264	47,562
6.200%	due	04/25/2005		771	773
6.218%	due	04/01/2027	(d)	199	201
6.250%	due	07/25/2007		100	101
6.390%	due	05/25/2036		16,606	14,382
6.406%	due	12/01/2023	(d)	1,133	1,153
6.500%	due	11/01/2003-05/18/2029	(g)	111,996	111,380
6.585%	due	02/01/2026	(d)	728	749
6.600%	due	09/25/2018		6,485	6,547
6.622%	due	01/01/2024	(d)	551	568
6.690%	due	01/01/2024	(d)	1,157	1,196
6.750%	due	08/01/2003		468	478
6.805%	due	09/01/2022	(d)	1,845	1,863
6.834%	due	07/01/2003		68	70
6.909%	due	01/01/2024	(d)	253	261
6.950%	due	11/01/2023-03/25/2026	(d) (g)	469	477
6.983%	due	03/01/2026	(d)	4,590	4,719

6.990%	due	11/01/2025	(d)	2,932	3,014
7.000%	due	07/01/2001-12/20/2027	(g)	60,264	61,090
7.001%	due	03/01/2025	(d)	4,437	4,555
7.095%	due	01/01/2024	(d)	3,008	3,092
7.134%	due	09/01/2022	(d)	1,929	1,948
7.143%	due	01/01/2026	(d)	1,803	1,848
7.190%	due	09/01/2025	(d)	2,952	3,026
7.202%	due	11/01/2023	(d)	1,159	1,190
7.250%	due	05/01/2002-01/01/2023	(g)	11,284	11,536
7.252%	due	11/01/2025	(d)	2,029	2,071
7.308%	due	07/01/2024	(d)	7,334	7,551
7.310%	due	12/01/2023	(d)	1,600	1,646
7.338%	due	09/01/2024	(d)	2,169	2,219
7.410%	due	11/01/2025	(d)	5,811	5,946
7.500%	due	08/01/2003-07/01/2028	(g)	67,700	69,731
7.537%	due	05/01/2026	(d)	978	996
7.582%	due	09/01/2023	(d)	3,922	4,026
7.625%	due	10/01/2023	(d)	478	488
7.726%	due	05/01/2024	(d)	3,087	3,187
7.750%	due	06/01/2009		199	209
8.000%	due	09/01/2001-12/01/2026	(g)	6,897	7,173
8.250%	due	10/01/2008-02/01/2017	(g)	684	718
8.500%	due	07/01/1999-05/01/2027	(g)	3,662	3,836
9.000%	due	10/01/2004-04/01/2017	(g)	1,334	1,396
9.250%	due	10/01/2001		11	11
9.500%	due	12/01/2006-07/01/2022	(g)	109	118
9.750%	due	11/01/2008		83	88
10.000%	due	09/01/2003-05/01/2022	(g)	735	791
10.500%	due	12/01/2016-04/01/2022	(g)	702	762
10.750%	due	03/01/2014		26	29
12.000%	due	05/01/2016		14	16
13.000%	due	09/01/2013		43	48
13.250%	due	09/01/2011		17	19
14.500%	due	11/01/2011-01/01/2013	(g)	66	74
14.750%	due	08/01/2012-11/01/2012	(g)	234	275
15.500%	due	10/01/2012-12/01/2012	(g)	24	28
15.750%	due	12/01/2011-08/01/2012	(g)	140	168
16.000%	due	09/01/2012		156	182

Government National Mortgage Association 16.1%						1,129,438
4.500%	due	01/20/2024-06/20/2028	(d) (g)	69,382	70,012	
5.000%	due	04/20/2028-08/20/2028	(d) (g)	64,335	64,896	
5.650%	due	10/15/2012		12	12	
6.000%	due	10/15/2008-05/24/2029	(g)	542,357	528,412	
6.125%	due	12/20/2020-12/20/2027	(d) (g)	445,801	452,368	
6.500%	due	10/15/2008-09/15/2040	(g)	1,795,088	1,786,856	
6.625%	due	08/20/2020-01/15/2040	(d) (g)	517,273	525,268	
6.750%	due	06/20/2028		19,984	19,313	
6.800%	due	10/15/2040		3,000	3,057	
6.820%	due	10/15/2040		3,437	3,543	
6.850%	due	10/15/2038		13,685	13,718	
6.875%	due	06/20/2021-06/20/2027	(d) (g)	567,742	576,640	
6.880%	due	04/20/2027-06/20/2027	(d) (g)	78,458	79,591	
7.000%	due	07/15/2008-03/15/2028	(g)	17,315	17,641	
7.125%	due	08/20/2027	(d)	61	62	
7.375%	due	04/20/2023		505	512	
7.500%	due	04/15/2007-09/15/2028	(g)	34,230	35,335	
8.000%	due	05/15/2001-10/15/2025	(g)	2,413	2,522	
8.250%	due	08/15/2004-05/15/2022	(g)	606	639	
8.500%	due	06/15/2001-01/20/2027	(g)	10,189	10,685	
8.750%	due	03/15/2007-07/15/2007	(g)	120	125	
9.000%	due	06/15/2001-07/20/2022	(g)	6,028	6,475	
9.250%	due	10/15/2001-12/20/2016	(g)	342	359	
9.500%	due	04/15/2001-08/15/2023	(g)	5,392	5,825	
9.750%	due	09/15/2002-01/15/2021	(g)	182	193	
10.000%	due	04/15/2001-02/15/2025	(g)	4,617	5,095	
10.250%	due	10/15/1999-02/20/2019	(g)	33	36	
10.500%	due	06/15/2004		111	120	
11.000%	due	05/15/2004-03/15/2019	(g)	125	137	
11.250%	due	03/15/2001-12/20/2015	(g)	48	53	
11.500%	due	04/15/2013-05/15/2013	(g)	8	8	
12.000%	due	02/15/2000-01/15/2015	(g)	78	86	
12.500%	due	01/15/2011		1	2	
13.000%	due	12/15/2012-10/15/2014	(g)	37	43	
13.250%	due	10/20/2014		20	23	
13.500%	due	11/15/2012-12/15/2012	(g)	6	7	
15.000%	due	09/15/2012-10/15/2012	(g)	18	20	
16.000%	due	01/15/2012-04/15/2012	(g)	9	11	
17.000%	due	11/15/2011-12/15/2011	(g)	78	91	
Other Mortgage-Backed Securities 0.5%						4,209,791
Aames Mortgage Trust						
Bank of America	7.275%	due	05/15/2020	116	116	
Citibank, NA	9.000%	due	03/01/2008	58	58	
DBL Mortgage Funding	8.000%	due	07/25/2018	69	70	
First Interstate Bancorp	9.500%	due	08/01/2019	11	11	
GE Capital Mortgage Services, Inc.	9.125%	due	01/01/2009	(j)	11	12
General Electric Credit Corp.	7.250%	due	07/25/2011	8,821	8,886	
German American Capital Corp.	8.000%	due	03/01/2002	(j)	48	49
Great Western Savings & Loan	8.360%	due	09/30/2002	2,415	2,504	
Guardian	6.581%	due	07/01/2018	(d)	8,984	8,880
Home Savings of America	5.860%	due	08/01/2017	(d)	152	150
Imperial Savings & Loan	6.903%	due	12/25/2018	(d)	216	189
LTC Commercial Corp.	8.464%	due	08/01/2006	81	81	
MDC Mortgage Funding	5.641%	due	05/25/2027	(d)	2,856	2,791
Merrill Lynch Mortgage	6.393%	due	08/20/2029	(d)	11,453	11,550
Mid-State Trust	10.000%	due	09/01/2016	(j)	142	149
Morgan Stanley Mortgage	8.219%	due	01/25/2017	(d)	82	82
	8.850%	due	07/25/2017	(d)	317	316
	7.100%	due	11/28/2012	3,835	3,835	
	8.268%	due	01/25/2025	(d)	420	437
	9.250%	due	12/15/2009	2	2	
	8.048%	due	06/15/2021	(d)	1,387	1,416
	8.330%	due	04/01/2030	71,276	74,945	
	8.150%	due	07/20/2021	9	9	

Resolution Trust Corp.	6.653%	due	09/25/2020	(d)	456	392
	7.039%	due	05/25/2029	(d)	4,591	4,599
Salomon Brothers Mortgage Securities	11.500%	due	09/01/2015		1,163	1,225
Sears Mortgage	12.000%	due	02/25/2014		862	864
	6.499%	due	06/25/2022	(d)	534	540
	7.217%	due	10/25/2022	(d)	3,087	3,122
Western Federal Savings & Loan	6.512%	due	11/25/2018	(d)	136	136
	6.562%	due	03/25/2019	(d)	800	800
						128,216
Stripped Mortgage-Backed Securities 0.1% Bear Stearns Mortgage Securities, Inc. (IO)	7.200%	due	07/25/2024		548	34
Federal Home Loan Mortgage Corp. (IO)	6.500%	due	08/15/2006		581	31
	6.500%	due	11/15/2006		1,435	77
	6.500%	due	03/15/2007		2,028	95
	5.750%	due	09/15/2007	(d)	7,526	637
	6.000%	due	10/15/2007		585	42
	6.000%	due	01/15/2008		235	17
	5.428%	due	02/15/2008	(d)	748	76
	6.400%	due	10/15/2008		148	15
	11.651%	due	01/15/2016		11	0
	6.500%	due	08/15/2016		2,057	96
	6.500%	due	08/15/2017		431	23
	7.000%	due	04/15/2018		1,918	106
	7.500%	due	08/15/2018		163	7
	9.993%	due	11/15/2018		10	0
	8.845%	due	01/15/2021		295	60
	9.000%	due	05/15/2022		150	23
	6.500%	due	09/15/2023		450	64
Federal National Mortgage Association (IO)	6.750%	due	09/25/2004		30	1
	7.000%	due	06/25/2005		8	0
	10.458%	due	07/25/2005	(d)	98	2
	6.500%	due	07/25/2006		3,333	169
	7.272%	due	09/25/2006		4	46
	6.500%	due	02/25/2007		2,838	225
	6.500%	due	07/25/2007		1,156	64
	6.500%	due	09/25/2007		3,639	303
	6.500%	due	10/25/2007		1,393	97
	0.100%	due	03/25/2009	(d)	37,255	754
	7.000%	due	08/25/2015		1,607	43
	7.000%	due	08/25/2016		478	17
	6.500%	due	08/25/2020		2,666	411
	10.070%	due	01/25/2021		66	7
	7.500%	due	04/25/2021		2,222	320
	9.032%	due	08/25/2021		903	183
	0.950%	due	11/25/2021	(d)	37,145	546
	6.500%	due	10/25/2022		258	27
	6.500%	due	01/25/2023		3,632	672
Federal National Mortgage Association (PO)	0.000%	due	09/01/2007		972	872
	0.000%	due	02/25/2021		2,497	2,397
	0.000%	due	06/25/2022		1,585	1,479
	0.000%	due	08/25/2023		335	250
PaineWebber (IO)	13.595%	due	08/01/2019		189	66
Vendee Mortgage Trust (IO)	0.542%	due	06/15/2023	(d)	188,696	3,428
						13,782
Total Mortgage-Backed Securities (Cost \$13,747,931)						13,757,847
ASSET-BACKED SECURITIES 5.7% AFC Home Equity Loan Trust	6.903%	due	10/25/2026	(d)	5,329	5,424
America West Airlines	10.500%	due	01/02/2004	(d)	24	23
American Express Credit Account Master Trust	6.800%	due	12/15/2003		1,500	1,540
American Stores	5.300%	due	08/30/2004		20,000	19,775
Americredit Automobile Receivable Trust	6.540%	due	05/12/2001		500	506
Arcadia Automobile Receivables Trust	6.300%	due	07/16/2001		6,018	6,038

Aspetuck Trust	5.688%	due	09/01/1999	(d)	100,000	100,094
Associates Manufactured Housing	7.000%	due	03/15/2027		900	912
Auto Receivables Trust	6.500%	due	04/16/2003		10,003	10,015
Bridgestone/Firestone Master Trust	6.170%	due	07/01/2003		250	252
California Infrastructure	6.010%	due	06/25/2001		5,422	5,431
	6.150%	due	06/25/2002		19,500	19,656
Capita Equipment Receivables Trust	6.030%	due	02/15/2000		1,897	1,908
Case Equipment Loan Trust	6.150%	due	09/15/2002		729	730
Charter Commercial Holdings LLC	7.750%	due	03/31/2028		32,000	31,920
Chase Manhattan Auto Owner Trust	5.750%	due	10/15/2001		500	503
Chase Manhattan Grantor Trust	6.000%	due	09/17/2001		1,164	1,167
	5.900%	due	11/15/2001		3,564	3,571
	5.200%	due	02/15/2002		575	576
	6.610%	due	09/15/2002		2,825	2,860
Chase Mortgage Finance Corp.	6.750%	due	10/25/2028		30,000	27,694
Citibank N.A.	0.000%	due	09/27/1999		20,000	18,913
Citicorp Mortgage Securities, Inc.	6.750%	due	04/25/2028		16,297	16,308
CMC Securities Corporation IV	7.250%	due	11/25/2027		1,234	1,261
Columbia/HCA Healthcare	6.807%	due	09/30/2000		25,000	24,594
Community Program Loan Trust	4.500%	due	10/01/2018		26,079	24,528
	4.500%	due	04/01/2029		26,000	21,912
Conti Mortgage Home Equity Loan Trust	5.106%	due	10/15/2012	(d)	21,135	21,119
	6.990%	due	03/15/2021		350	359
	5.079%	due	06/15/2028	(d)	6,306	6,300
Copelco Capital Funding Corp.	6.340%	due	07/20/2004		33	34
CPS Auto Trust	6.070%	due	03/15/2003		103	103
CS First Boston Mortgage Securities Corp.	6.750%	due	09/25/2028		6,960	6,877
Daimler-Benz Vehicle Trust	5.850%	due	07/20/2003		9,252	9,278
	6.050%	due	03/31/2005		6,825	6,882
Delta Air Lines Equipment Trust	9.230%	due	07/02/2002	(j)	10,099	10,876
	10.500%	due	01/02/2007	(j)	7,412	9,064
	10.570%	due	01/02/2007	(j)	15,881	20,262
	9.550%	due	01/02/2008	(j)	7,773	8,996
	10.000%	due	06/05/2013		10,828	13,561
Discover Card Master Trust	5.600%	due	05/16/2006		1,600	1,589
	5.314%	due	10/16/2013	(d)	400	403
EQCC Home Equity Loan Trust	6.710%	due	07/15/2011		330	335
	5.160%	due	10/15/2027	(d)	1,697	1,684
Equivantage Home Equity Loan Trust	6.550%	due	04/01/2027		129	130
Felco Funding LLC	5.980%	due	09/15/2001		500	502
First Omni Bank	6.650%	due	09/15/2003	(d)	1,500	1,535
First Plus Home Loan Trust	6.230%	due	06/10/2010		3,000	3,013
First Security Auto Grantor Trust	6.100%	due	04/15/2003		1,971	1,988
First Security Corp.	5.875%	due	11/01/2003		9,000	8,884
First Union Master Credit Card Trust	5.760%	due	09/15/2003		88,750	88,931
Flag Limited	6.900%	due	12/15/2004	(d)	14,106	13,789
FMAC Loan Receivables Trust	6.830%	due	09/15/2020		680	640
	6.200%	due	09/15/2020		358	353
	6.500%	due	09/15/2020		258	255
Ford Credit Auto Owner Trust						

	6.750%	due	09/15/2000		1,611	1,621
	5.800%	due	10/15/2000		1,417	1,424
Ford Credit Grantor Trust						
	5.900%	due	10/15/2000		3,947	3,954
Ford Motor Credit Corp.						
	5.500%	due	02/15/2003		5,300	5,300
Fred Meyer, Inc.						
	5.937%	due	03/19/2003	(d)	111,918	110,938
General Motors Acceptance Corp.						
	6.500%	due	04/15/2002		20,395	20,509
Green Tree Financial Corp.						
	7.150%	due	07/15/2027		1,025	1,039
	6.870%	due	03/01/2028		1,105	1,113
	6.660%	due	05/01/2028		1,405	1,373
	6.170%	due	05/15/2029		450	451
IMC Home Equity Loan Trust						
	5.075%	due	05/21/2012	(d)	7,107	7,110
	7.352%	due	07/25/2026	(d)	941	948
Indymac Home Equity Loan						
	5.207%	due	10/25/2029	(d)	28,737	28,813
Integrated Health Services						
	6.750%	due	12/31/2005	(d)	14,813	14,109
Ip Timberland Limited						
	5.229%	due	11/13/1999	(d)	10,000	9,850
Korea National Housing						
	8.500%	due	05/23/2001		65,000	64,513
Lyondell Petroleum						
	6.937%	due	06/17/1999		20,000	19,750
	6.937%	due	06/17/2000		27,000	26,190
	6.943%	due	06/17/2003	(d)	4,005	3,985
	6.974%	due	06/17/2003		4,500	4,478
	7.219%	due	06/17/2003		2,500	2,488
	7.344%	due	06/17/2003		7,500	7,463
MBNA Master Credit Card Trust						
	5.083%	due	01/15/2002		73,635	73,725
	6.050%	due	11/15/2002		245	247
Metlife Capital Equipment Loan Trust						
	6.850%	due	05/20/2008	(d)	320	328
Money Store Home Equity Trust						
	6.520%	due	08/15/2009		11,552	11,569
	6.115%	due	06/15/2010		3,000	3,005
	7.550%	due	02/15/2020		500	508
	6.345%	due	11/15/2021	(d)	3,625	3,648
	5.069%	due	05/15/2025	(d)	16,255	16,257
Morgan Stanley Capital						
	5.170%	due	07/25/2027	(d)	2,573	2,564
MPC Natural Gas Funding Trust						
	6.200%	due	03/15/2013		10,000	9,712
Myra-United Mexican States						
	5.813%	due	12/23/2006		22,388	19,502
National Medical Care						
	6.375%	due	09/30/2003	(d)	58,333	57,487
NationsBank Auto Owner Trust						
	6.375%	due	07/15/2000		167	167
NationsBank Corp.						
	5.850%	due	06/15/2002		1,199	1,203
Newcourt Receivable Asset Trust						
	6.240%	due	12/20/2004		14	14
Norwest Asset Securities Corp						
	6.500%	due	04/25/2013		21,627	21,600
	6.500%	due	06/25/2013		11,204	11,187
	7.500%	due	03/25/2027		28,487	29,262
	6.750%	due	05/25/2028		27,707	27,577
	6.750%	due	07/25/2028		12,657	12,181
	6.200%	due	09/25/2028		19,077	19,145
Premiere Auto Trust						
	6.575%	due	10/06/2000		1,662	1,672
Republic of Korea						
	8.063%	due	04/08/2001	(d)	10,000	10,003
Residential Asset Securities Corp.						
	6.450%	due	10/25/2012		3,341	3,333
	8.000%	due	10/25/2024	(d)	9,440	9,880
	5.240%	due	10/25/2027	(d)	5,816	5,774
	6.750%	due	03/25/2028		40,000	39,607
Saxon Asset Securities Trust						
	6.475%	due	11/25/2020		144	145
Sears Credit Account Master Trust						
	6.050%	due	01/16/2008		500	507
	7.000%	due	07/15/2008		500	524
Stone Container Corp.						
	8.520%	due	10/01/2003	(d)	5,749	5,763
Total Renal Care Holdings						
	6.813%	due	03/31/2008	(b)	47,520	47,461

United Air Lines Equipment Trust	9.200%	due	03/22/2008		4,137	4,538
	10.360%	due	11/13/2012		7,000	8,666
	10.020%	due	03/22/2014		5,825	6,978
	10.850%	due	07/05/2014		34,111	44,124
	10.125%	due	03/22/2015		14,300	17,642
	9.060%	due	06/17/2015		5,000	5,483
	9.210%	due	01/21/2017		2,000	2,213
USAA Auto Loan Grantor Trust	5.800%	due	01/15/2005		7,241	7,289
WFS Financial Owner Trust	6.050%	due	07/20/2001		1,013	1,014
	6.500%	due	09/20/2001		4,468	4,501
Ziff-Davis, Inc.	7.437%	due	03/31/2006		15,000	15,009
Total Asset-Backed Securities (Cost \$1,471,064) SOVEREIGN ISSUES 3.6% Alcan Aluminum						1,486,286
Cemex SA	5.875%	due	04/01/2000		250	252
Central Bank Philippines	10.750%	due	07/15/2000		5,000	5,178
City of Buenos Aires	6.000%	due	06/01/2008	(d)	12,240	10,526
Embotelladora Arica SA	11.250%	due	04/11/2007		5,000	4,638
Hydro Quebec	9.875%	due	03/15/2006		8,500	8,607
	5.030%	due	04/15/1999	(d)	10,000	9,997
	7.375%	due	02/01/2003		150	158
	9.400%	due	02/01/2021		500	654
	8.500%	due	12/01/2029		5,085	6,154
	9.375%	due	04/15/2030		600	793
	9.500%	due	11/15/2030		2,370	3,205
Kingdom of Sweden	10.250%	due	11/01/2015		500	678
Korea Development Bank	6.172%	due	10/20/2000		11,000	10,892
	6.500%	due	11/15/2002		2,000	1,907
Korean Export-Import Bank	7.125%	due	03/15/2007		10,000	9,815
Nacional Financiera	8.649%	due	12/01/2000	(d)	510	514
	9.750%	due	03/12/2002		10,000	10,188
	6.875%	due	05/08/2003	(d)	4,750	4,168
Petroleos Mexicanos	7.750%	due	10/29/1999		1,000	1,005
Providence of Newfoundland	9.375%	due	12/02/2008		28,500	29,203
Province of Buenos Aires	9.000%	due	06/01/2019		500	627
Province of Nova Scotia	12.500%	due	03/15/2002		10,400	10,556
Province of Ontario	9.375%	due	07/15/2002		1,000	1,106
	6.125%	due	06/28/2000		50	51
	7.750%	due	06/04/2002		200	213
	7.625%	due	06/22/2004		1,000	1,085
	7.000%	due	08/04/2005		1,000	1,064
	5.500%	due	10/01/2008		10,000	9,685
Province of Quebec	5.340%	due	06/21/1999	(d)	50,000	50,041
	7.500%	due	07/15/2002		6,000	6,285
	8.800%	due	04/15/2003		100	110
	5.391%	due	06/11/2004	(d)	15,500	15,426
	7.125%	due	02/09/2024		710	742
Republic of Argentina	8.099%	due	08/15/1999	(d)	17,500	17,483
	10.950%	due	11/01/1999		4,075	4,162
	5.288%	due	04/01/2000	(d)	12,321	9,724
	4.940%	due	04/01/2001	(d)	57,501	53,160
	14.250%	due	11/30/2002	(d)	56,511	54,699
	5.937%	due	03/31/2005	(d)	209,204	179,142
	12.110%	due	04/10/2005	(d)	68,650	63,501
Republic of Columbia	8.750%	due	10/06/1999		500	506
Republic of Korea	8.281%	due	04/08/2000	(d)	31,044	31,160
	7.813%	due	04/08/2000	(d)	91,000	90,889
Republic of Philippines						

	5.885%	due	01/05/2005	(d)		18,166	16,256
	6.000%	due	12/01/2007			3,438	2,890
	6.500%	due	12/01/2017			4,216	3,757
Republic of Poland							
	5.000%	due	10/27/2014			25,000	23,063
Royal Bank of Scotland Group PLC							
	6.400%	due	04/01/2009			15,000	14,916
State of Israel							
	6.200%	due	06/14/2003			25	25
United Mexican States							
	5.560%	due	04/07/2000	(m)		52,855	52,855
	5.750%	due	04/07/2000	(d)		26,945	26,473
	6.250%	due	06/27/2002	(d)		84,250	80,243
Total Sovereign Issues (Cost \$946,410)							940,427
FOREIGN CURRENCY-DENOMINATED ISSUES (e) (f)	1.2%						
AXA							
	2.500%	due	01/01/2014		EC	2,475	2,765
City of Montreal							
	11.500%	due	09/20/2000		C\$	7,000	5,046
Commonwealth of Canada							
	6.500%	due	06/01/2004			1,000	707
	4.250%	due	12/01/2026	(h)		95,856	64,584
Commonwealth of New Zealand							
	10.000%	due	03/15/2002	(l)	N\$	23,100	14,011
	4.500%	due	02/15/2016			23,000	12,462
France Telecom							
	2.000%	due	01/01/2004		FF	9,761	1,820
Interamerican Development Bank							
	5.750%	due	04/15/2004		N\$	35,400	18,635
Korea Development Bank							
	3.258%	due	05/14/2001	(d)	DM	50,000	26,280
Province of Saskatchewan							
	9.125%	due	02/15/2021		\$	3,000	3,875
Republic of Argentina							
	5.500%	due	03/27/2001		JY	4,290,000	36,149
	3.011%	due	04/01/2001	(d)	AP	5,779	5,109
Reynolds, R.J.							
	6.875%	due	11/22/2000		DM	9,500	5,465
United Mexican States							
	3.100%	due	04/24/2002			1,500,000	11,896
	8.750%	due	05/30/2002		BP	14,000	21,976
	7.000%	due	06/02/2003		C\$	30,000	18,310
	3.850%	due	12/31/2019		JY	9,145,000	64,323
Total Foreign Currency-Denominated Issues (Cost \$320,042)							313,413
PURCHASED CALL OPTIONS 0.3%							
U.S. Treasury Bond (OTC)							
	7.250%	due	05/15/2016				
	Strike @	121.641	Exp.05/21/1999		\$	50,000	65
U.S. Treasury Note (OTC)							
	5.375%	due	07/31/2000				
	Strike @	98.453	Exp.06/12/1999			100,000	1,924
	5.375%	due	02/15/2001				
	Strike @	95.468	Exp.04/19/1999			140,000	7,221
	6.625%	due	06/30/2001				
	Strike @	95.453	Exp.04/19/1999			174,000	6,603
	6.625%	due	03/31/2002				
	Strike @	98.500	Exp.05/03/1999			242,000	13,308
	6.375%	due	08/15/2002				
	Strike @	98.187	Exp.04/12/1999			48,800	2,672
	5.750%	due	11/30/2002				
	Strike @	96.187	Exp.05/24/1999			336,400	18,539
	5.750%	due	11/30/2002				
	Strike @	96.156	Exp.05/17/1999			62,400	3,471
	5.500%	due	05/31/2003				
	Strike @	95.625	Exp.05/17/1999			82,300	4,409
	5.250%	due	08/15/2003				
	Strike @	99.469%	Exp. 08/27/1999			380,000	5,681
	5.250%	due	08/15/2003				
	Strike @	100.000	Exp. 08/20/1999			250,000	2,955
	5.250%	due	08/15/2003				
	Strike @	99.289	Exp. 08/20/1999			127,000	2,007
	4.750%	due	02/15/2004				
	Strike @	99.007	Exp.08/20/1999			79,000	748
	4.750%	due	02/15/2004				
	Strike @	98.609	Exp.08/20/1999			121,000	1,359
Total Purchased Call Options (Cost \$76,655)							70,962
PURCHASED PUT OPTIONS 0.0%							
U.S. Treasury Note (OTC)							
	5.250%	due	08/15/2003				
	Strike @	92.164	Exp. 08/20/1999			1,500,000	15

				15	
Total Purchased Put Options (Cost \$469)					
PREFERRED STOCK 0.1%					
				Shares	
Banco Bilbao Vizcaya International	2.438%	due	01/02/2000	266	7,171
Barclays Bank	2.875%	due	01/01/2000	216	5,926
CSC Holdings, Inc.	12.738%	due	01/02/2000	22	2,555
Fresenius Medical Care	78.750%	due	01/02/2000	4	3,910
Home Ownership Funding	133.310%	due	01/02/2000	1	1,029
TCI Communications, Inc.	2.500%	due	01/02/2000	49	1,326
	2.430%	due	01/02/2000	623	17,042
Unocal Capital Trust	3.125%	due	01/01/2000	0	22
Total Preferred Stock (Cost \$39,214)				38,981	
SHORT-TERM INSTRUMENTS 7.4%					
				Principal Amount (000s)	
Commercial Paper 5.1%					
American Express					
BellSouth Telecommunications, Inc.	4.840%	due	04/06/1999	300	300
	4.810%	due	05/07/1999	25,000	24,880
	4.810%	due	05/10/1999	1,200	1,194
Caisse d'Amortissement	4.780%	due	10/08/1999	10,000	9,710
Canadian Wheat Board	4.790%	due	06/21/1999	12,000	11,868
Coca-Cola Co.	4.810%	due	04/22/1999	2,300	2,294
	4.750%	due	04/28/1999	1,400	1,395
	4.810%	due	05/27/1999	11,700	11,612
	4.790%	due	05/28/1999	500	496
	4.790%	due	06/11/1999	800	792
	4.780%	due	06/21/1999	14,200	14,044
Commonwealth Bank of Australia	4.830%	due	08/10/1999	6,000	5,894
E.I. Du Pont de Nemours	4.840%	due	04/05/1999	1,500	1,499
	4.860%	due	04/05/1999	16,300	16,291
	4.830%	due	04/21/1999	100	100
	4.820%	due	04/23/1999	500	499
	4.800%	due	06/04/1999	1,000	991
	4.810%	due	06/07/1999	500	495
	4.800%	due	06/07/1999	18,600	18,431
Federal Home Loan Bank	4.760%	due	04/21/1999	21,900	21,842
	4.750%	due	04/21/1999	3,100	3,092
Federal Home Loan Mortgage Corp.	4.780%	due	04/09/1999	1,300	1,299
	4.740%	due	04/14/1999	36,000	35,938
	4.760%	due	04/14/1999	2,000	1,997
Federal National Mortgage Association	4.750%	due	04/08/1999	900	899
Florida Power Corp.	4.840%	due	04/21/1999	16,000	15,957
Ford Motor Credit Corp.	4.850%	due	04/08/1999	5,000	4,995
	4.840%	due	04/20/1999	146,100	145,727
	4.840%	due	04/23/1999	59,200	59,025
	4.840%	due	04/26/1999	123,600	123,185
	4.830%	due	04/28/1999	7,000	6,975
General Electric Capital Corp.	4.850%	due	04/26/1999	39,800	39,666
	4.840%	due	04/28/1999	9,100	9,067
	4.840%	due	04/30/1999	19,700	19,623
	4.840%	due	05/18/1999	285,000	283,199
General Motors Acceptance Corp.	4.810%	due	04/06/1999	4,000	3,997
	4.860%	due	04/07/1999	400	400
	4.840%	due	04/08/1999	8,700	8,692
IBM Corp.	4.880%	due	04/07/1999	13,800	13,789
	4.830%	due	04/09/1999	25,000	24,973
	4.820%	due	06/28/1999	14,000	13,833

Imperial Tobacco Financial	5.170%	due	07/29/1999	105,000	103,313
KFW International Finance, Inc.	4.790%	due	06/21/1999	6,100	6,033
	4.790%	due	06/23/1999	41,300	40,835
	4.790%	due	06/24/1999	15,900	15,719
Minnesota Mining & Manufacturing Co.	4.800%	due	06/21/1999	41,200	40,748
National Rural Utilities Cooperative	4.810%	due	05/25/1999	15,500	15,388
	4.820%	due	06/10/1999	6,000	5,943
	4.820%	due	06/11/1999	2,300	2,278
	4.820%	due	06/17/1999	300	297
Oesterreich Kontrollbank	4.870%	due	04/06/1999	1,000	999
Pfizer, Inc.	4.820%	due	05/17/1999	400	398
Proctor & Gamble Co.	4.810%	due	05/10/1999	71,500	71,127
	4.840%	due	05/26/1999	800	794
Province of British Columbia	4.800%	due	06/11/1999	8,097	8,019
	4.820%	due	08/18/1999	2,500	2,453
Shell Oil Co.	4.790%	due	06/04/1999	1,900	1,883
	4.780%	due	06/22/1999	50,000	49,445
USAA Capital Corp.	4.810%	due	05/17/1999	1,500	1,491
Wisconsin Electric Power & Light	4.850%	due	05/07/1999	2,000	1,990
					1,330,108
Repurchase Agreement 1.5% State Street Bank	4.000%	due	04/01/1999	120,000	120,000
(Dated 03/31/1999. Collateralized by U.S. Treasury Bond 8.500% 02/15/2020 valued at \$20,401,063 and U.S Treasury Note 5.500% 03/31/2000 valued at \$51,001,057 and U.S Treasury Note 6.000% 08/15/2000 valued at \$51,000,774. Repurchase proceeds are \$120,013,334.)					
Lehman Brothers, Inc.	4.900%	due	04/01/1999	68,200	68,200
(Dated 03/31/1999. Collateralized by U.S. Treasury Note 6.875% 05/15/2006 valued at \$68,662,137. Repurchase proceeds are \$68,209,283.)					
Daiwa Securities	4.920%	due	04/01/1999	195,700	195,700
(Dated 03/31/1999. Collateralized by U.S. Treasury Note 8.375% 08/15/2008 valued at \$198,529,948. Repurchase proceeds are \$195,726,746.)					
U.S. Treasury Bills (b) 1.1%					383,900
	4.438%	due	04/29/1999-03/30/2000 (g)	310,710	300,693
Total Short-Term Instruments (Cost \$2,014,599)					2,014,701
Total Investments (a) 123.8% (Cost \$32,423,650)					\$ 32,325,240
Written Options (c) (0.1%) (Premiums \$35,106)					(25,999)
Other Assets and Liabilities (Net) (23.7%)					(6,174,737)
Net Assets 100.0%					\$ 26,124,504
Notes to Schedule of Investments (amounts in thousands):					
(a) At March 31, 1999, the net unrealized appreciation (depreciation) of investments based on cost for federal income tax purposes of \$32,428,668 was as follows:					
Aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost.					\$ 186,591
Aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value.					(290,019)

Unrealized depreciation-net

\$ 103,428

(b) Securities with an aggregate market value of \$287,131 have been segregated with the custodian to cover margin requirements for the following open futures contracts at March 31, 1999:

Type	# of Contracts	Unrealized Appreciation/Depreciation
Eurodollar March Futures (03/2000)	2,804	\$ (3,618)
Eurodollar March Futures (03/2001)	58	(0)
Eurodollar June Futures (06/2000)	2,804	(3,725)
Eurodollar June Futures (06/2001)	58	(2)
Eurodollar September Futures (09/2000)	3,854	(3,273)
Eurodollar September Futures (09/2001)	1,715	285
Eurodollar December Futures (12/1999)	2,804	(2,742)
Eurodollar December Futures (12/2000)	1,058	270
U.S. Treasury 10 Year Note (06/1999)	32,633	(2,046)
U.S. Treasury 30 Year Bond (06/1999)	23	29
Municipal Bond Index (06/1999)	1,250	(855)
Government of Japan 10 Year Note (06/1999)	100	(2,221)
United Kingdom 90 Day LIBOR (03/2000)	1,016	(26)
United Kingdom 90 Day LIBOR (06/2000)	1,099	(300)
United Kingdom 90 Day LIBOR (09/1999)	291	183
United Kingdom 90 Day LIBOR (12/1999)	877	2,707
		\$ (15,334)

</TABLE>

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(c) Premiums received on written options:

Type	Par	Premium	Value
Call - CBOT U.S. Treasury Bond June Futures Strike @ 128.00 Exp. 05/22/1999	\$ 1,192,900	\$ 4,037	\$ 932
Put - CBOT U.S. Treasury Bond June Futures Strike @ 118.00 Exp. 05/22/1999	632,800	3,994	3,955
Call - CBOT U.S. Treasury Bond June Futures Strike @ 130.00 Exp. 05/22/1999	632,800	1,836	198
Put - CBOT U.S. Treasury Bond June Futures Strike @ 116.00 Exp. 05/22/1999	1,923,600	9,787	5,110
Call - CBOT U.S. Treasury Bond June Futures Strike @ 126.00 Exp. 05/22/1999	939,500	2,870	1,615
Call - CBOT U.S. Treasury Bond September Futures Strike @ 130.00 Exp. 08/21/1999	149,200	552	420
Put - CBOT U.S. Treasury Bond September Futures Strike @ 112.00 Exp. 08/21/1999	10,000	40	38
Call - CBOT U.S. Treasury Bond September Futures Strike @ 132.00 Exp. 08/21/1999	10,000	39	17
Call - OTC U.S. Treasury Note 5.250% due 08/03 Strike @ 101.25 Exp. 08/20/1999	127,000	466	828
Put - OTC U.S. Treasury Note 5.250% due 08/03 Strike @ 97.97 Exp. 08/20/1999	254,000	1,012	815
Call - OTC U.S. Treasury Note 5.250% due 08/03 Strike @ 101.60 Exp. 08/27/1999	250,000	859	1,405
Put - OTC U.S. Treasury Note 5.250% due 08/03 Strike @ 97.94 Exp. 08/27/1999	760,000	2,850	2,538
Call - OTC U.S. Treasury Note 5.250% due 08/03 Strike @ 101.60 Exp. 08/27/1999	130,000	447	731
Put - OTC U.S. Treasury Note 5.250% due 08/03 Strike @ 98.59 Exp. 08/20/1999	500,000	1,719	2,370
Call - OTC U.S. Treasury Note 5.250% due 08/03 Strike @ 101.79 Exp. 08/20/1999	250,000	1,172	1,215
Call - OTC U.S. Treasury Note 4.750% due 02/04 Strike @ 100.34 Exp. 08/20/1999	79,000	395	393
Put - OTC U.S. Treasury Note 4.750% due 02/04 Strike @ 97.54 Exp. 08/20/1999	79,000	401	616
Call - OTC U.S. Treasury Note 4.750% due 02/04 Strike @ 99.81 Exp. 08/20/1999	121,000	700	788
Put - OTC U.S. Treasury Note 4.750% due 02/04 Strike @ 97.05 Exp. 08/20/1999	121,000	520	740
Put - CME Eurodollar September Futures Strike @ 95.00 Exp. 09/13/1999	1,000,000	495	488
Put - CME Eurodollar September Futures Strike @ 94.75 Exp. 09/13/1999	1,000,000	320	225
Put - CME Eurodollar December Futures Strike @ 94.50 Exp. 12/13/1999	1,000,000	595	562
		\$ 35,106	\$ 25,999

(d) Variable rate security. The rate listed is as of March 31,1999.

(e) Foreign forward currency contracts outstanding at March 31, 1999:

Type	Currency	Principal Amount Covered by Contract	Settlement Month	Unrealized Appreciation/Depreciation
Buy	BP	26,299	04/1999	\$ 251
Sell		26,299	04/1999	(334)
Sell		26,300	08/1999	(251)
Sell	C\$	161,572	04/1999	670
Sell	EC	24,267	04/1999	591
Buy	JY	229,202	04/1999	(5)
Sell		2,607,903	04/1999	(101)
Buy		413,100	05/1999	(5)
Buy		1,331,429	02/2000	4
Sell		7,118,555	02/2000	2,388

Sell		229,202	04/2000	(16)
Sell		4,519,202	04/2001	(256)
Sell	N\$	54,210	04/1999	713
Buy		7,970	05/1999	(3)

\$ 3,646

</TABLE>

(f) Principal amount denoted in indicated currency:

AP	-	Argentine Peso
BP	-	British Pound
C\$	-	Canadian Dollar
DM	-	German Mark
EC	-	European Currency Unit
FF	-	French Franc
JY	-	Japanese Yen
N\$	-	New Zealand Dollar

(g) Securities are grouped by coupon or range of coupons and represent a range of maturities.

(h) Principal amount of the security is adjusted for inflation.

(i) Security becomes interest bearing at a future date.

(j) Restricted security.

(k) Swap agreements outstanding at March 31, 1999:

<TABLE>

Type	<C>	<C>	<C>
		Notional Amount	Unrealized Appreciation/ (Depreciation)
Receive floating rate based on 6 month JY-LIBOR and pay fixed rate equal to 2.340%			
Broker: Deutsche Bank AG New York Exp. 10/08/07	JY	24,500,000	\$ (9,299)
Receive floating rate based on 6 month JY-LIBOR and pay fixed rate equal to 2.295%.			
Broker: Deutsche Bank AG New York Exp. 04/14/2008	JY	11,635,000	(3,640)
Receive floating rate based on 6 month JY-LIBOR and pay fixed rate equal to 2.305%.			
Broker: Deutsche Bank AG New York Exp. 04/15/2008	JY	7,563,000	(2,418)
Receive floating rate based on 6 month JY-LIBOR and pay fixed rate equal to 1.495%.			
Broker: Deutsche Bank AG New York Exp. 09/16/2008	JY	7,000,000	2,204
Receive floating rate based on 6 month UMS-FRN and pay UMS fixed rate.			
Broker: Merrill Lynch Exp. 04/07/2000		\$ 52,855	(1,057)

			\$ (14,210)

</TABLE>

(l) Subject to a financing transaction.

(m) Subject to an asset swap.

(n) Security is in default.

<TABLE>

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Statement of Assets and Liabilities

September 30, 2000 (Unaudited)

Amounts in thousands, except per share amounts

Total Return Fund

Assets:

Investments, at value	\$ 54,049,779
Cash and foreign currency	10,032
Receivable for investments sold and forward foreign currency contracts	644,787
Receivable for Fund shares sold	192,212
Variation margin receivable	7,095
Interest and dividends receivable	433,213
Other assets	0

	55,337,118

Liabilities:

Payable for investments purchased and forward foreign currency contracts	\$ 14,893,787
Payable for financing transactions	4,370,371
Notes Payable	181,070
Written options outstanding	35,447
Payable for Fund shares redeemed	237,276
Dividends payable	39,459
Accrued investment advisory fee	7,463
Accrued administration fee	6,068
Accrued distribution fee	1,652
Accrued servicing fee	808
Variation margin payable	0
Other liabilities	15,002

	19,788,403

Net Assets \$ 35,548,715
=====

Net Assets Consist of:

Paid in capital	\$ 36,552,222
Undistributed (overdistributed) net investment income	(52,845)
Accumulated undistributed net realized gain (loss)	(641,460)
Net unrealized appreciation (depreciation)	(309,202)

	\$ 35,548,715
	=====

Net Assets:

Administrative Class	\$ 3,808,824
Other Classes	31,739,891

Shares Issued and Outstanding:

Administrative Class	377,249
----------------------	---------

Net Asset Value and Redemption Price Per Share (Net Assets Per Share Outstanding):

Administrative Class	\$ 10.09
----------------------	----------

Cost of Investments Owned \$ 54,354,587
=====

Cost of Foreign Currency Held \$ 55,419
=====

</TABLE>

<TABLE>

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Statement of Operations

For the year or period ended September 30, 2000 (Unaudited)

Amounts in thousands

Total Return Fund

Investment Income:

Interest	\$ 1,179,263
Dividends	20,491
Miscellaneous Income	245

Total Income	1,199,999

Expenses:

Investment advisory fees	41,399
Administration fees	33,656
Distribution and/or servicing fees - Administrative Class	3,731
Distribution and/or servicing fees - Other Classes	10,336
Trustees' fees	58
Organization costs	-
Interest expense	9,703

Total expenses	98,883

Net Investment Income	1,101,116

Net Realized and Unrealized Gain (Loss):	
Net realized gain (loss) on investments	345,059
Net realized gain (loss) on futures contracts and written options	85,018
Net realized gain (loss) on foreign currency transactions	(13,781)
Net change in unrealized appreciation (depreciation) on investments	69,578
Net change in unrealized appreciation (depreciation) on futures contracts and written options	(19,306)
Net change in unrealized appreciation (depreciation) on translation of assets and liabilities denominated in foreign currencies	(3,140)

Net Gain (Loss)	463,428

Net Increase (Decrease) in Assets Resulting from Operations	\$ 1,564,544
=====	

Statements of Changes in Net Assets

Amounts in thousands

	Total Return Fund	
	Six Months Ended September 30, 2000 (Unaudited)	Year Ended March 31, 2000
Increase (Decrease) in Net Assets from:		
Operations:		
Net investment income	\$ 1,101,116	\$ 1,778,306
Net realized gain (loss)	416,296	(847,388)
Net change in unrealized appreciation (depreciation)	47,132	(242,138)
-----		-----
Net increase (decrease) resulting from operations	1,564,544	688,780
-----		-----
Distributions to Shareholders:		
From net investment income		
Administrative Class	(112,911)	(158,773)
Other Classes	(983,156)	(1,542,465)
In excess of net investment income		
Administrative Class	0	(6,817)
Other Classes	0	(66,229)
From net realized capital gains		
Administrative Class	0	0
Other Classes	0	0
In excess of net realized capital gains		
Administrative Class	0	0
Other Classes	0	0
-----		-----
Total Distributions	(1,096,067)	(1,774,284)
-----		-----
Fund Share Transactions:		
Receipts for shares sold		
Administrative Class	830,924	2,193,159
Other Classes	5,891,784	11,309,212
Issued as reinvestment of distributions		
Administrative Class	85,971	113,239
Other Classes	777,415	1,300,711
Cost of shares redeemed		
Administrative Class	(392,867)	(953,360)
Other Classes	(3,649,262)	(7,465,688)
-----		-----
Net increase (decrease) resulting from Fund share transactions	3,543,965	6,497,273
-----		-----
Total Increase (Decrease) in Net Assets	4,012,442	5,411,769
-----		-----
Net Assets:		
Beginning of period	31,536,273	26,124,504
-----		-----
End of period *	\$ 35,548,715	\$ 31,536,273
-----		-----
*Including net undistributed (overdistributed) investment income of:	\$ (52,845)	\$ (57,894)
-----		-----

</TABLE>

Financial Highlights
Total Return Fund
Administrative Class

<TABLE>

<S>	<C>	<C>	<C>	<C>	<C>	<C>
	09/30/2000 (b)	03/31/2000	03/31/1999	03/31/1998	03/31/1997	03/31/1996
Selected Per Share Data for the Year or Period Ended:						
Net asset value beginning of period	\$ 9.96	\$ 10.36	\$ 10.62	\$ 10.27	\$ 10.29	\$ 10.01
Net investment income	0.32 (a)	0.61 (a)	0.61 (a)	0.61 (a)	0.66 (a)	0.80
Net realized/unrealized gain (loss) on investments	0.13 (a)	(0.41) (a)	0.16 (a)	0.63 (a)	(0.02) (a)	0.29
Total income from investment operations	0.45	0.20	0.77	1.24	0.64	1.09
Dividends from net investment income	(0.32)	(0.58)	(0.61)	(0.60)	(0.64)	(0.60)
Dividends in excess of net investment income	0.00	(0.02)	0.00	(0.02)	(0.02)	(0.09)
Distributions from net realized capital gains	0.00	0.00	(0.24)	(0.27)	0.00	(0.12)
Distributions in excess of net realized capital gains	0.00	0.00	(0.18)	0.00	0.00	0.00
Tax basis return of capital	0.00	0.00	0.00	0.00	0.00	0.00
Total distributions	(0.32)	(0.60)	(1.03)	(0.89)	(0.66)	(0.81)
Net asset value end of period	\$ 10.09	\$ 9.96	\$ 10.36	\$ 10.62	\$ 10.27	\$ 10.29
Total return	4.62%	2.07%	7.33%	12.36%	6.34%	10.99%
Net assets end of period (000's)	\$3,808,824	\$3,233,785	\$1,972,984	\$ 481,730	\$ 151,194	\$ 104,618
Ratio of expenses to average net assets	0.73%+	0.79% (c)	0.68%	0.68%	0.68%	0.68%
Ratio of net investment income to average net assets	6.40%+	6.01%	5.52%	5.74%	6.35%	6.64%
Portfolio turnover rate	186%	223%	154%	206%	173%	221%

</TABLE>

+ Annualized

(a) Per share amounts based on average number of shares outstanding during the period.

(b) Unaudited

(c) Ratio of expenses to average net assets excluding interest expense is 0.68%.

Notes to Financial Statements

September 30, 2000 (Unaudited)

1. Organization

PIMCO Funds: Pacific Investment Management Series (the "Trust") was established as a Massachusetts business trust on February 19, 1987. The Trust is registered under the Investment Company Act of 1940 (the "Act"), as amended, as an open-end investment management company. The Trust currently consists of 35 separate investment funds (the "Funds"). The Trust may offer up to six classes of shares: Institutional, Administrative, A, B, C and D. Each share class has identical voting rights (except that shareholders of a class have exclusive voting rights regarding any matter relating solely to that class of shares). Information presented in these financial statements pertains to the Administrative Class of the Total Return Fund. Certain detailed financial information for the Institutional, A, B, C and D Classes (the "Other Classes") is provided separately and is available upon request.

2. Significant Accounting Policies

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

Security Valuation. Portfolio securities and other financial instruments for which market quotations are readily available are stated at market value. Market value is determined on the basis of last reported sales prices, or if no sales are reported, as is the case for most securities traded over-the-counter, the mean between representative bid and asked quotations obtained from a quotation reporting system or from established market makers. Fixed income securities, including those to be purchased under firm commitment agreements, are normally valued on the basis of quotes obtained from brokers and dealers or pricing services. Short-term investments which mature in 60 days or less are valued at amortized cost, which approximates market value. Certain fixed income securities for which daily market quotations are not readily available may be valued, pursuant to guidelines established by the Board of Trustees, with reference to fixed income securities whose prices are more readily obtainable.

Securities Transactions and Investment Income. Securities transactions are recorded as of the trade date. Securities purchased or sold on a when-issued or delayed-delivery basis may be settled a month or more after the trade date. Realized gains and losses from securities sold are recorded on the identified cost basis. Dividend income is recorded on the ex-dividend date, except certain dividends from foreign securities where the ex-dividend date may have passed, are recorded as soon as the Fund is informed of the ex-dividend date. Interest

income, adjusted for the accretion of discounts and amortization of premiums, is recorded on the accrual basis.

Dividends and Distributions to Shareholders. Dividends from net investment income, if any, of the Fund are declared on each day the Trust is open for business and are distributed to shareholders monthly. Net realized capital gains earned by the Fund, if any, will be distributed no less frequently than once each year.

Income dividends and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States. These differences are primarily due to differing treatments for such items as wash sales, foreign currency transactions, net operating losses and capital loss carryforwards.

Distributions reflected as a tax basis return of capital in the accompanying Statements of Changes in Net Assets have been reclassified to paid in capital. In addition, other amounts have been reclassified between undistributed net investment income, accumulated undistributed net realized gains or losses and paid in capital to more appropriately conform financial accounting to tax characterizations of dividend and distributions.

Foreign Currency. Foreign currencies, investments, and other assets and liabilities are translated into U.S. dollars at the exchange rates prevailing at the end of the period. Fluctuations in the value of these assets and liabilities resulting from changes in exchange rates are recorded as unrealized foreign currency gains (losses). Realized gains (losses) and unrealized appreciation (depreciation) on investment securities and income and expenses are translated on the respective dates of such transactions. The effect of changes in foreign currency exchange rates on investments in securities are not segregated in the Statements of Operations from the effects of changes in market prices of those securities, but are included with the net realized and unrealized gain or loss on investment securities.

Multiclass Operations. Each class offered by the Trust has equal rights as to assets and voting privileges. Income and non-class specific expenses of the Fund are allocated daily to each class of shares based on the relative value of settled shares. Realized and unrealized capital gains and losses of the Fund are allocated daily to each class of shares based on the relative net assets of each class.

Federal Income Taxes. The Fund intends to qualify as a regulated investment company and distribute all of its taxable income and net realized gains, if applicable, to shareholders. Accordingly, no provision for Federal income taxes has been made.

Financing Transactions. The Fund may enter into financing transactions consisting of the sale by the Fund of securities, together with a commitment to repurchase similar securities at a future date. The difference between the selling price and the future purchase price is an adjustment to interest income. If the counterparty to whom the Fund sells the security becomes insolvent, the Fund's right to repurchase the security may be restricted; the value of the security may change over the term of the financing transaction; and the return earned by the Fund with the proceeds of a financing transaction may not exceed transaction costs.

Futures and Options. The Fund is authorized to enter into futures contracts and options. The Fund may use futures contracts and options to manage its exposure to the securities markets or to movements in interest rates and currency values. The primary risks associated with the use of futures contracts and options are imperfect correlation between the change in market value of the securities held by the Fund and the prices of futures contracts and options, the possibility of an illiquid market, and the inability of the counterparty to meet the terms of the contract. Futures contracts and purchased options are valued based upon their quoted daily settlement prices. The premium received for a written option is recorded as an asset with an equal liability which is marked to market based on the option's quoted daily settlement price. Fluctuations in the value of such instruments are recorded as unrealized appreciation (depreciation) until terminated, at which time realized gains and losses are recognized.

Forward Currency Transactions. The Fund is authorized to enter into forward foreign exchange contracts for the purpose of hedging against foreign exchange risk arising from the Fund's investment or anticipated investment in securities denominated in foreign currencies. The Fund also may enter into these contracts for purposes of increasing exposure to a foreign currency or to shift exposure to foreign currency fluctuations from one country to another. All commitments are marked to market daily at the applicable translation rates and any resulting unrealized gains or losses are recorded. Realized gains or losses are recorded at the time the forward contract matures or by delivery of the currency. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar.

Swaps. The Fund is authorized to enter into interest rate, total return and currency exchange swap agreements in order to obtain a desired return at a lower cost than if the Fund had invested directly in the asset that yielded the

desired return. Swaps involve commitments to exchange components of income (generally interest or returns) pegged to the underlying assets based on a notional principal amount. Swaps are marked to market daily based upon quotations from market makers and the change, if any, is recorded as unrealized gains or losses in the Statements of Operations. The Fund bears the risk of loss of the amount expected to be received under a swap agreement in the event of the default or bankruptcy of a counterparty.

Stripped Mortgage-Backed Securities (SMBS). SMBS represent a participation in, or are secured by and payable from, mortgage loans on real property, and may be structured in classes with rights to receive varying proportions of principal and interest. SMBS include interest-only securities (IOs), which receive all of the interest, and principal-only securities (POs), which receive all of the principal. If the underlying mortgage assets experience greater than anticipated payments of principal, the Fund may fail to recoup some or all of its initial investment in these securities. The market value of these securities is highly sensitive to changes in interest rates.

Delayed Delivery Transactions. The Fund may purchase or sell securities on a when-issued or delayed delivery basis. These transactions involve a commitment by the Fund to purchase or sell securities for a predetermined price or yield, with payment and delivery taking place beyond the customary settlement period. When delayed delivery purchases are outstanding, the Fund will set aside and maintain until the settlement date in a segregated account, liquid assets in an amount sufficient to meet the purchase price. When purchasing a security on a delayed delivery basis, the Fund assumes the rights and risks of ownership of the security, including the risk of price and yield fluctuations, and takes such fluctuations into account when determining its net asset value. The Fund may dispose of or renegotiate a delayed delivery transaction after it is entered into, and may sell when-issued securities before they are delivered, which may result in a capital gain or loss. When the Fund has sold a security on a delayed delivery basis, the Fund does not participate in future gains and losses with respect to the security. Forward sales commitments are accounted for by the Fund in the same manner as forward currency contracts discussed above.

Inflation-Indexed Bonds. Inflation-indexed bonds are fixed income securities whose principal value is periodically adjusted to the rate of inflation. The interest rate on these bonds is generally fixed at issuance at a rate lower than typical bonds. Over the life of an inflation-indexed bond, however, interest will be paid based on a principal value which is adjusted for inflation. Any increase in the principal amount of an inflation-indexed bond will be considered interest income, even though investors do not receive their principal until maturity.

Repurchase Agreements. The Fund may engage in repurchase transactions. Under the terms of a typical repurchase agreement, the Fund takes possession of an underlying debt obligation subject to an obligation of the seller to repurchase, and the Fund to resell, the obligation at an agreed-upon price and time. The market value of the collateral must be equal at all times to the total amount of the repurchase obligations, including interest. Generally, in the event of counterparty default, the Fund has the right to use the collateral to offset losses incurred.

Reverse Repurchase Agreements. The Fund is authorized to enter into reverse repurchase agreements. In a reverse repurchase agreement, the Fund sells to a financial institution a security that it holds with an agreement to repurchase the same security at an agreed-upon price and date. A reverse repurchase agreement involves the risk that the market value of the security sold by the Fund may decline below the repurchase price of the security.

Restricted Securities. The Fund is permitted to invest in securities that are subject to legal or contractual restrictions on resale. These securities generally may be resold in transactions exempt from registration or to the public if the securities are registered. Disposal of these securities may involve time-consuming negotiations and expense, and prompt sale at an acceptable price may be difficult.

3. Fees, Expenses, and Related Party Transactions

Investment Advisory Fee. Pacific Investment Management Company (PIMCO) is a wholly-owned subsidiary partnership of PIMCO Advisors L.P. and serves as investment adviser (the "Adviser") to the Trust, pursuant to an investment advisory contract. The Adviser receives a monthly fee from the Fund at an annual rate of 0.25% based on average daily net assets of the Fund.

Administration Fee. PIMCO serves as administrator (the "Administrator"), and provides administrative services to the Trust for which it receives from the Fund a monthly administrative fee based on each share class' average daily net assets. The Administration Fee for the Institutional Class is charged at the annual rate of 0.18%. The Administration Fee for the A, B and C Classes is

charged at an annual rate of 0.40%. The Administration Fee for Class D is charged at the annual rate of 0.25%.

Distribution and Servicing Fees. PIMCO Funds Distributors LLC, ("PFD"), a wholly-owned subsidiary of PIMCO Advisors L.P., serves as the distributor of the Trust's shares. The Trust is permitted to reimburse, out of the Administrative Class assets of the Fund in an amount up to 0.25% on an annual basis of the average daily net assets of that class, financial intermediaries that provide services in connection with the distribution of shares or administration of plans or programs that use Fund shares as their funding medium. The effective rate paid to PFD was 0.25% during current fiscal year.

Pursuant to the Distribution and Servicing Plans adopted by the A, B, C and D Classes of the Trust, the Trust compensates PFD or an affiliate with respect to Class D for services provided and expenses incurred in connection with assistance rendered in the sale of shares and services rendered to shareholders and for maintenance of shareholder accounts of the A, B, C and D Classes. The Trust paid PFD distribution and servicing fees at an effective rate as set forth below (calculated as a percentage of the Fund's average daily net assets attributable to each class):

	Distribution Fee (%)	Servicing Fee (%)
Class A	-	0.25
Class B	0.75	0.25
Class C	0.75	0.25
Class D	-	0.25

PFD also receives the proceeds of the initial sales charges paid by the shareholders upon the purchase of Class A shares, and the contingent deferred sales charges paid by the shareholders upon certain redemptions of A, B and C Class shares. For the period ended September 30, 2000, PFD received \$5,987,857 representing commissions (sales charges) and contingent deferred sales charges.

Expenses. The Trust is responsible for the following expenses: (i) salaries and other compensation of any of the Trust's executive officers and employees who are not officers, directors, stockholders or employees of PIMCO or its subsidiaries or affiliates; (ii) taxes and governmental fees; (iii) brokerage fees and commissions and other portfolio transaction expenses; (iv) the cost of borrowing money, including interest expense; (v) fees and expenses of the Trustees who are not "interested persons" of PIMCO or the Trust, and any counsel retained exclusively for their benefit; (vi) extraordinary expenses, including costs of litigation and indemnification expenses; (vii) organization expense and (viii) any expenses allocated or allocable to a specific class of shares, which include service fees payable with respect to the Administrative Class shares and may include certain other expenses as permitted by the Trust's Multiple Class Plan adopted pursuant to Rule 18f-3 under the Act and subject to review and approval by the Trustees. The ratio of expenses to average net assets per share class, as disclosed in Financial Highlights, may differ from the annual fund operating expenses per share class as disclosed in the Prospectus for the reasons set forth above. Each unaffiliated Trustee receives an annual retainer of \$45,000, plus \$3,000 for each Board of Trustees meeting attended in person and \$500 for each meeting attended telephonically, plus reimbursement of related expenses. In addition, each committee chair receives an annual retainer of \$1,500. These expenses are allocated to the Funds of the Trust according to their respective net assets.

4. Purchases and Sales of Securities

Purchases and sales of securities (excluding short-term investments) for the period ended September 30, 2000 were as follows (amounts in thousands):

	U.S. Government/Agency		All Other	
	Purchases	Sales	Purchases	Sales
Total Return Fund	\$ 83,997,342	\$ 74,490,752	\$ 9,558,193	\$ 7,800,637

</TABLE>

5. Shares of Beneficial Interest

The Trust may issue an unlimited number of shares of beneficial interest with a \$.0001 par value. Changes in shares of beneficial interest were as follows (shares and amounts in thousands):

	<C>	<C>	<C>	<C>
	Total Return Fund			
	Period Ended 09/30/2000		Year Ended 3/31/2000	

	Shares	Amount	Shares	Amount
Receipts for shares sold				
Administrative Class	83,277	\$ 830,924	218,285	\$ 2,193,159
Other Classes	590,919	5,891,784	1,126,853	11,309,212
Issued as reinvestment of distributions				
Administrative Class	8,610	85,971	11,320	113,239
Other Classes	77,878	777,415	129,764	1,300,711
Cost of shares redeemed				
Administrative Class	(39,346)	(392,867)	(95,333)	(953,360)
Other Classes	(366,945)	(3,649,262)	(745,907)	(7,465,688)
Net increase resulting from Fund share transactions	354,393	\$ 3,543,965	644,982	\$ 6,497,273

</TABLE>

6. Transactions in Written Call and Put Options

Transactions in written call and put options were as follows (amounts in thousands):

	Total Return Fund
Balance at 03/31/2000	\$ 31,722
Sales	57,025
Closing Buys	(29,554)
Expirations	(18,184)
Exercised	(216)
Balance at 09/30/2000	\$ 40,793

7. Line of Credit

Effective December 14, 1999, the Fund, along with certain other funds managed by PIMCO, entered into an unsecured \$100,000,000 bank line of credit agreement with State Street Bank & Trust Company. Borrowings under the agreement bear interest at the Fed Funds plus 50 basis points or the Base Rate, which is typically the Prime Rate. The funds may borrow money solely for temporary purposes to fund shareholder redemptions. The Funds did not borrow from the line during the period April 1, 2000 through September 30, 2000.

8. Acquisition by Allianz AG

On May 5, 2000, Allianz AG completed the acquisition of approximately 70% of the outstanding partnership interest in PIMCO Advisors L.P. ("PIMCO Advisors"), of which PIMCO is a subsidiary partnership. As a result of this transaction, PIMCO Advisors, and its subsidiaries, are now controlled by Allianz AG, a leading provider of financial services, particularly in Europe. PIMCO remains operationally independent, continues to operate under its existing name, and now leads the global fixed-income efforts of Allianz AG. Key employees at each PIMCO Advisors' investment units, including PIMCO's Bill Gross, have signed long-term employment contracts and have significant profit-sharing and retention arrangements to ensure continuity of the investment process and staff. With the addition of PIMCO Advisors, the Allianz Group manages assets of approximately US\$650 billion, including more than 300 mutual funds for retail and institutional clients around the world.

9. Federal Income Tax Matters

As of March 31, 2000, the Fund had remaining capital loss carryforwards that were realized or acquired in prior year in the amount listed below.

<TABLE>

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Capital Loss Carryforwards

	Realized Losses	Acquired Losses		Expiration
Total Return Fund	\$750,096,993	\$0		03/31/2008

The Total Return Fund realized capital loss and/or foreign currency loss of \$243,968,849 during the period November 1, 1999 through March 31, 2000 which the Fund elected to defer to the following fiscal year pursuant to U.S. income tax regulations.

The Fund will resume capital gain distributions in the future to the extent gains are realized in excess of the available carryforwards.

Schedule of Investments

Total Return Fund
September 30, 2000 (Unaudited)

	<C>	<C>	<C>	<C>
			Principal Amount (000s)	Value (000s)
CORPORATE BONDS & NOTES 41.0%				
Banking & Finance 27.9%				
AB Spintab				
6.80% due		12/29/2049	\$250	\$244
Abbey National Capital Trust I				
8.96% due		12/29/2049	24,700	24,842
Abbey National PLC				
6.70% due		06/29/2049	5,000	4,513
Abbey National Treasury Service				
6.63% due		05/23/2001	240	240
ABN AMRO Mortgage Corp.				
7.25% due		05/31/2005	150	151
Aetna, Inc.				
6.75% due		08/15/2001	250	249
7.25% due		08/15/2023	50	46
Air 2 US				
8.03% due		10/01/2020	300	305
Allstate Corp.				
6.75% due		05/15/2018	280	252
6.90% due		05/15/2038	87,200	74,575
Amerco, Inc.				
7.14% due		10/15/2002	15,000	14,439
American Express				
8.50% due		08/15/2001	350	355
5.63% due		01/22/2004	11,900	11,470
7.45% due		08/10/2005	1,000	1,008
American General Finance				
6.05% due		07/02/2001	3,000	2,985
6.88% due		12/14/2001	1,600	1,601
7.45% due		07/01/2002	200	202
6.25% due		12/18/2002	1,165	1,149
6.38% due		03/01/2003	350	346
8.13% due		03/15/2046	270	259
American Health Properties, Inc.				
7.05% due		01/15/2002	700	683
AON Capital Trust 'A'				
8.21% due		01/01/2027	725	667
Archstone Communities Trust				
6.75% due		10/23/2000	600	600
Aristar, Inc.				
7.38% due		09/01/2004	20,000	19,983
Associates Corp. of North America				
6.63% due		05/15/2001	1,300	1,299
6.70% due		05/29/2001	100	100
7.00% due		07/23/2001	500	501
6.78% due		08/27/2001 (d)	13,500	13,534
6.45% due		10/15/2001	23,600	23,530
7.50% due		04/15/2002	185	187
6.50% due		07/15/2002	750	747
5.75% due		11/01/2003	5,175	5,015
5.80% due		04/20/2004	450	434
6.63% due		06/15/2005	100	98
Associates First Capital Corp.				
6.00% due		12/01/2002	500	493
AT&T Capital Corp.				
7.50% due		11/15/2000	5,000	5,004
6.88% due		01/16/2001	230	230
6.25% due		05/15/2001	19,443	19,379

	7.00% due	08/15/2001	20,900	20,920
	7.11% due	09/13/2001 (d)	1,030	1,032
	6.90% due	01/30/2002	1,000	1,000
	6.75% due	02/04/2002	1,925	1,921
	7.01% due	04/23/2002 (d)	74,000	74,205
AVCO Financial Services				
	7.38% due	08/15/2001	300	301
	5.75% due	01/23/2006	125	125
Banco Latinoamericano SA				
	6.50% due	04/02/2001	950	947
	7.17% due	06/04/2001	5,000	4,998
	7.88% due	11/30/2001	9,500	9,528
Banco Nacional de Comercio Exterior				
	7.25% due	02/02/2004	25,050	24,236
	11.25% due	09/20/2005	14,250	14,254
Banesto Delaware				
	8.25% due	07/28/2002	28,900	29,377
Bank of America Corp.				
	6.73% due	02/26/2001 (d)	3,000	3,001
	6.68% due	03/05/2001 (d)	44,000	43,992
	9.50% due	04/01/2001	235	238
	6.75% due	02/20/2002 (d)	35,180	35,153
	8.13% due	06/15/2002	350	357
	7.75% due	07/15/2002	360	365
	7.20% due	09/15/2002	1,000	1,005
	7.50% due	10/15/2002	1,200	1,214
	6.85% due	03/01/2003	65	65
	6.88% due	06/01/2003	100	100
	6.38% due	05/15/2005	1,000	971
	7.88% due	05/16/2005	600	621
	8.38% due	05/01/2007	1	1
	9.38% due	09/15/2009	12,950	14,301
	7.80% due	02/15/2010	84,000	86,597
	8.57% due	11/15/2024	125	134
Bank of Tokyo - Mitsubishi				
	8.40% due	04/15/2010	112,200	114,369
Bank One Corp.				
	6.79% due	04/19/2001 (d)	2,000	2,003
	6.73% due	09/04/2001 (d)	14,000	14,005
BankBoston Corp.				
	6.13% due	03/15/2002	12,500	12,358
	6.88% due	07/14/2003 (d)	30,000	29,933
Bankers Trust Corp.				
	9.40% due	03/01/2001	385	389
	6.75% due	10/03/2001	500	499
	7.50% due	01/15/2002	250	252
	8.13% due	05/15/2002	300	305
	7.13% due	07/31/2002	150	150
	6.79% due	05/11/2003 (d)	82,800	82,787
	6.00% due	10/15/2008	500	448
	8.09% due	12/01/2026	275	251
Banponce Financial Corp.				
	6.46% due	11/13/2001	13,000	12,931
Barclays Bank PLC				
	8.55% due	09/29/2049	15,000	15,100
Bayerische Landesbank NY				
	6.20% due	02/09/2006	250	240
Bear Stearns Co., Inc.				
	9.38% due	06/01/2001	125	127
	6.90% due	01/28/2002 (d)	11,250	11,241
	7.04% due	04/05/2002 (d)	25,000	25,074
	6.96% due	05/07/2002 (d)	4,300	4,299
	7.09% due	08/01/2002 (d)	53,600	53,711
	7.01% due	12/16/2002 (d)	48,900	48,955
	6.13% due	02/01/2003	25	25
	7.13% due	03/28/2003 (d)	65,800	65,801
	6.75% due	04/15/2003	105	104
	7.03% due	05/06/2003 (d)	13,000	13,060
	7.01% due	05/16/2003 (d)	40,700	40,895
	6.87% due	07/22/2003 (d)	19,000	19,078
	6.15% due	03/02/2004	150	145
	8.75% due	03/15/2004	75	79
	7.10% due	06/01/2004 (d)	9,265	9,329
	6.63% due	10/01/2004	250	245
	7.36% due	11/30/2004 (d)	400	401
	7.04% due	03/18/2005 (d)	37,000	37,081
	6.25% due	07/15/2005	25,000	23,968
	6.75% due	12/15/2007	2,000	1,911
Beaver Valley Funding Corp.				
	8.25% due	06/01/2003	405	401
Beneficial Corp.				
	6.39% due	01/09/2001 (d)	16,000	16,001
	6.77% due	01/09/2002 (d)	500	502

	6.87% due	03/01/2002 (d)	50,000	50,078
	8.00% due	06/18/2002	400	406
	6.03% due	01/14/2003	320	313
Bombardier Capital, Inc.				
	6.00% due	01/15/2002	28,000	27,551
	7.30% due	12/15/2002	9,000	8,950
	7.21% due	06/09/2032 (d)	16,150	16,008
BTM Holdings				
	7.16% due	09/29/2049 (d)	6,000	6,000
Caithness Coso Fund Corp.				
	6.80% due	12/15/2001	9,441	9,348
Case Credit Corp.				
	5.85% due	02/20/2001 (d)	1,600	1,592
Caterpillar Financial Service Corp.				
	6.89% due	02/11/2002 (d)	700	701
	6.93% due	11/04/2002 (d)	1,000	1,001
	6.91% due	12/27/2002 (d)	25,000	24,990
Chase Manhattan Corp.				
	8.50% due	02/15/2002	200	204
	5.75% due	04/15/2004	150	144
Chemical Banking Corp.				
	6.13% due	11/01/2008	400	367
Chrysler Financial Co. LLC				
	5.86% due	01/16/2001	500	498
	6.65% due	06/11/2001 (d)	21,400	21,411
	5.69% due	11/15/2001	650	642
	5.40% due	01/15/2002	15,750	15,428
	6.95% due	03/25/2002	50	50
	6.75% due	07/17/2002 (d)	20,000	20,012
	6.76% due	08/08/2002 (d)	37,000	37,049
	6.80% due	02/03/2003 (d)	35,000	34,985
	6.79% due	03/06/2003 (d)	25,000	25,211
	6.78% due	03/10/2003 (d)	10,000	10,084
	6.74% due	06/18/2003	35,000	34,990
Chubb Capital Corp.				
	6.88% due	02/01/2003	100	100
Cincinnati Financial Corp.				
	6.90% due	05/15/2028	111,870	97,327
CIT Group, Inc.				
	6.20% due	10/20/2000	525	525
	6.81% due	09/13/2002 (d)	1,900	1,900
	7.11% due	10/01/2002 (d)	600	602
	7.38% due	03/15/2003	500	504
CIT Holdings LLC				
	6.88% due	02/16/2005	7,500	7,412
Citigroup, Inc.				
	6.82% due	05/24/2001 (d)	139,000	139,093
	6.71% due	09/17/2001 (d)	65	65
	6.71% due	06/27/2002 (d)	11,450	11,431
	6.38% due	09/15/2002	115	114
	6.81% due	11/12/2002 (d)	30,000	29,992
	8.00% due	02/01/2003	250	255
	5.80% due	03/15/2004	200	194
	6.50% due	08/01/2004	400	393
	7.75% due	06/15/2006	15,655	16,138
Comerica, Inc.				
	7.25% due	06/15/2007	200	198
Commercial Credit Co.				
	5.55% due	02/15/2001	1,300	1,294
	8.25% due	11/01/2001	2,500	2,536
	6.88% due	05/01/2002	335	335
	7.75% due	03/01/2005	550	564
Countrywide Home Loans				
	6.25% due	04/15/2009	600	547
Credit Asset Receivable				
	6.27% due	10/31/2003	38,322	37,814
DaimlerChrysler Financial Services LLC				
	6.79% due	02/10/2003 (d)	2,000	2,000
DBS Group Holdings Ltd.				
	7.88% due	08/10/2009	6,000	6,037
Deutsche Bank Capital Trust I				
	7.87% due	12/29/2049	5,875	5,606
Deutsche Bank Financial				
	7.50% due	04/25/2009	3,000	3,009
Dillard Investment Co., Inc.				
	9.25% due	02/01/2001	300	302
Donaldson, Lufkin & Jenrette, Inc.				
	6.91% due	09/18/2002 (d)	13,600	13,602
	6.17% due	07/15/2003	20,000	19,543
	5.63% due	02/15/2016	5,000	4,924
Dow Capital BV				
	7.13% due	01/15/2003	100	100

Dresdner Bank-New York	6.63% due	09/15/2005	1,000	975
Dresdner Funding Trust I	8.15% due	06/30/2031	36,805	33,004
Duke Capital Corp.	7.25% due	10/01/2004	19,000	19,139
Edison Funding	6.95% due	12/19/2000	7,000	6,999
Export-Import Bank Korea	7.25% due	06/25/2001	2,600	2,589
	7.13% due	09/20/2001	12,370	12,257
	6.50% due	02/10/2002	14,691	14,493
	6.50% due	11/15/2006	6,445	6,277
	7.10% due	03/15/2007	15,250	15,153
Exxon Capital Corp.	7.45% due	12/15/2001	250	252
	6.13% due	09/08/2008	2,000	1,911
Farmers Insurance	8.63% due	05/01/2024	275	271
Finova Capital Corp.	5.88% due	10/15/2001	1,000	845
	7.34% due	11/08/2002 (d)	51,350	41,760
	7.19% due	04/08/2003 (d)	300	256
	6.91% due	06/18/2003 (d)	32,300	28,263
	6.33% due	11/24/2003	1,300	979
First Chicago Corp.	9.25% due	11/15/2001	250	256
	6.74% due	03/11/2002 (d)	10,000	10,023
	6.84% due	07/28/2003 (d)	50	50
First Interstate Bancorp	10.88% due	04/15/2001	200	204
	8.88% due	01/01/2009 (1)	152	155
First National Bank Chicago	8.08% due	01/05/2018	250	262
First Security Corp.	5.88% due	11/01/2003	9,325	9,033
First Union Corp.	8.13% due	06/24/2002	150	152
	7.10% due	08/15/2004	3,000	2,987
	7.70% due	02/15/2005	4,000	4,080
	6.38% due	01/15/2009	500	461
Firststar Bank NA	7.80% due	07/05/2010	35,900	36,548
Fleet Financial Group, Inc.	9.90% due	06/15/2001	200	204
Ford Capital BV	9.50% due	06/01/2010	200	221
Ford Motor Credit Corp.	6.38% due	10/06/2000	1,300	1,300
	6.25% due	11/08/2000	750	750
	7.02% due	06/07/2001	1,000	1,001
	6.81% due	09/03/2001 (d)	27,000	27,039
	7.00% due	09/25/2001	1,125	1,127
	6.85% due	10/15/2001 (d)	13,000	13,012
	6.84% due	11/16/2001 (d)	76,800	76,868
	8.24% due	01/15/2002	85	86
	6.86% due	01/17/2002 (d)	53,945	53,762
	8.20% due	02/15/2002	500	508
	6.50% due	02/28/2002	1,710	1,702
	6.81% due	03/19/2002 (d)	28,208	28,329
	6.87% due	04/29/2002 (d)	33,000	33,033
	6.90% due	05/21/2002 (d)	4,000	4,004
	6.88% due	05/23/2002	14,000	14,001
	6.82% due	06/04/2002 (d)	12,000	12,002
	6.99% due	07/16/2002 (d)	111,680	111,920
	6.91% due	08/01/2002 (d)	36,000	36,002
	6.55% due	09/10/2002	4,000	3,979
	6.88% due	10/15/2002 (d)	14,000	13,993
	7.75% due	11/15/2002	5,730	5,824
	6.82% due	12/16/2002 (d)	56,000	55,859
	6.00% due	01/14/2003	1,000	978
	7.50% due	01/15/2003	250	252
	6.86% due	02/03/2003 (d)	30,000	29,925
	6.78% due	02/13/2003 (d)	100,000	100,041
	6.81% due	02/13/2003 (d)	250,185	249,875
	6.85% due	03/17/2003 (d)	21,000	20,973
	6.13% due	04/28/2003	26,130	25,566
	6.94% due	06/02/2003 (d)	38,100	38,142
	6.95% due	06/20/2003 (d)	10,000	10,007
	6.63% due	06/30/2003	775	766
	6.95% due	11/24/2003 (d)	32,000	31,989

	5.75% due	02/23/2004	1,620	1,547
	6.96% due	04/26/2004 (d)	53,000	52,926
	6.89% due	05/21/2004 (d)	22,200	22,102
	6.87% due	06/02/2004 (d)	1,500	1,492
	6.70% due	07/16/2004	92,905	91,080
	7.08% due	07/19/2004 (d)	174,500	174,656
	8.25% due	02/23/2005	2,500	2,592
	7.50% due	03/15/2005	17,000	17,107
	6.90% due	04/28/2005 (d)	58,000	57,841
	7.23% due	06/30/2005 (d)	65,000	65,025
	7.17% due	07/18/2005 (d)	182,100	182,418
	6.78% due	08/27/2006 (d)	27,500	27,503
	7.20% due	06/15/2007	25	25
	5.80% due	01/12/2009	155	138
Fuji Bank Ltd.				
	9.87% due	12/31/2049 (d)	25,475	24,953
General Electric Capital Corp.				
	8.38% due	03/01/2001	1,415	1,423
	6.02% due	05/04/2001	1,000	996
	5.50% due	11/01/2001	50	49
	5.65% due	03/31/2003	125	122
	6.21% due	12/09/2005	400	391
	7.88% due	12/01/2006	30	32
	8.30% due	09/20/2009	1,125	1,198
General Motors Acceptance Corp.				
	5.80% due	04/09/2001	8,340	8,302
	6.80% due	04/17/2001	4,800	4,800
	5.95% due	04/20/2001	22,150	22,059
	6.70% due	04/30/2001	3,000	2,999
	7.13% due	05/01/2001	44,395	44,461
	6.75% due	06/05/2001	880	880
	6.88% due	07/15/2001	1,000	1,000
	6.76% due	10/22/2001 (d)	25,700	25,685
	7.07% due	11/26/2001 (d)	19,000	19,119
	6.38% due	12/01/2001	765	762
	6.76% due	12/10/2001 (d)	2,200	2,200
	9.63% due	12/15/2001	5,650	5,824
	7.04% due	12/17/2001 (d)	13,000	13,084
	6.84% due	01/08/2002 (d)	3,000	3,011
	6.63% due	01/10/2002	500	497
	6.81% due	01/28/2002 (d)	13,000	13,007
	6.80% due	02/01/2002 (d)	36,700	36,724
	6.75% due	02/07/2002	1,590	1,587
	6.84% due	03/15/2002 (d)	10,215	10,268
	7.75% due	03/25/2002	125	127
	6.84% due	04/29/2002 (d)	221,144	221,840
	7.00% due	09/15/2002	250	251
	6.63% due	10/01/2002	5,000	4,968
	6.57% due	10/07/2002 (d)	1,100	1,101
	6.78% due	11/12/2002 (d)	10,200	10,198
	6.88% due	11/12/2002 (d)	22,995	23,022
	6.86% due	12/09/2002 (d)	64,050	64,114
	6.75% due	12/10/2002	500	499
	6.20% due	12/15/2002	500	493
	5.48% due	12/16/2002	150	146
	6.00% due	01/15/2003	990	971
	5.88% due	01/22/2003	75,500	73,769
	6.84% due	02/14/2003 (d)	10,000	9,986
	6.75% due	03/15/2003	40,125	39,928
	7.13% due	05/01/2003	36,000	36,171
	7.40% due	07/20/2003 (d)	9,577	9,569
	6.79% due	08/18/2003 (d)	102,940	102,690
	5.55% due	09/15/2003	32,000	30,830
	6.63% due	10/20/2003	2,000	1,982
	5.75% due	11/10/2003	1,000	965
	7.02% due	04/05/2004 (d)	27,900	27,861
	6.93% due	05/28/2004 (d)	73,000	73,801
	6.85% due	06/17/2004	1,200	1,190
	7.09% due	07/21/2004 (d)	10,000	10,009
	7.36% due	09/20/2004 (d)	20,058	20,040
	6.65% due	11/17/2005	500	489
	6.15% due	04/05/2007	150	140
	8.95% due	07/02/2009	19,971	20,803
Gold Eagle Capital Ltd.				
	12.13% due	04/15/2001	46,300	46,300
Golden State Holdings				
	2.28% due	01/01/2000	15	346
	6.75% due	08/01/2001	1,950	1,920
Goldman Sachs Group				
	6.20% due	12/15/2000	6,500	6,489
	6.71% due	01/12/2001 (d)	25,000	25,041
	6.90% due	01/25/2001 (d)	27,400	27,416

	6.92% due	02/20/2001 (d)	3,000	3,004
	7.00% due	04/16/2001 (d)	18,000	17,999
	6.92% due	12/07/2001 (d)	25,000	25,057
	7.09% due	02/18/2002 (d)	2,300	2,315
	7.06% due	01/16/2003 (d)	15,000	15,097
	6.96% due	01/17/2003 (d)	147,500	147,700
	7.07% due	05/23/2003 (d)	75,000	75,074
	6.93% due	02/10/2004 (d)	10,000	9,847
	7.22% due	02/19/2004 (d)	10,000	10,153
	6.92% due	06/02/2004 (d)	15,000	14,743
	6.63% due	12/01/2004	275	270
	7.63% due	08/17/2005	40,000	40,841
	7.39% due	02/09/2009 (d)	10,000	10,432
	6.50% due	02/25/2009	140	130
GS Escrow Corp.				
	7.71% due	08/01/2003 (d)	500	485
Hansol Paper Co. Ltd.				
	8.94% due	05/24/2001 (d)	20,000	20,200
Hartford Life, Inc.				
	6.90% due	06/15/2004	600	595
Heller Financial, Inc.				
	6.25% due	03/01/2001	25,000	24,943
	6.92% due	06/25/2001 (d)	76,050	76,106
	5.75% due	09/25/2001	1,400	1,380
	7.07% due	10/22/2001 (d)	19,200	19,240
	6.50% due	11/01/2001	250	249
	7.59% due	11/09/2001 (d)	2,500	2,517
	6.89% due	04/26/2002 (d)	12,000	11,988
	6.85% due	05/07/2002 (d)	2,000	1,998
	6.85% due	05/13/2002 (d)	10,000	9,988
	7.00% due	05/15/2002	900	897
	7.12% due	07/24/2002 (d)	16,200	16,223
	6.94% due	04/28/2003 (d)	26,000	25,911
	6.97% due	04/28/2003 (d)	55,750	55,509
Hertz Corp.				
	7.00% due	07/15/2003	13,300	13,155
Home Savings of America				
	6.00% due	11/01/2000	14,175	14,161
Household Bank				
	6.82% due	09/26/2001 (d)	9,000	8,999
	6.91% due	10/22/2003 (d)	15,000	14,952
Household Capital Trust				
	7.01% due	06/26/2004 (d)	13,925	13,302
Household Finance Corp.				
	6.78% due	06/22/2001 (d)	3,000	3,004
	6.86% due	08/01/2001 (d)	1,500	1,501
	6.86% due	11/01/2001 (d)	3,000	3,000
	6.84% due	05/07/2002 (d)	40,850	40,983
	6.89% due	05/24/2002 (d)	113,800	113,894
	7.08% due	06/03/2002	15,000	15,013
	5.88% due	11/01/2002	200	196
	6.91% due	06/24/2003	35,000	35,022
	6.92% due	06/24/2003 (d)	31,000	31,027
	7.00% due	08/01/2003	20,000	19,943
	6.50% due	11/15/2008	2,000	1,878
Household Netherlands BV				
	6.13% due	03/01/2003	18,100	17,646
HSBC Capital Funding LP				
	10.18% due	12/29/2049	10,000	11,086
	10.18% due	12/31/2049	106,400	112,685
HypoVereinsbank				
	8.74% due	06/30/2031	12,400	11,831
Industrial Bank of Korea				
	7.10% due	10/15/2001	3,290	3,224
Inter-American Development Bank				
	8.88% due	06/01/2009	200	227
	7.38% due	01/15/2010	4,200	4,374
International Bank for Reconstruction & Development				
	7.00% due	01/27/2005	1,000	1,018
International Lease Finance Corp.				
	5.78% due	03/01/2001	500	498
	5.93% due	07/15/2003	14,000	13,613
J.P. Morgan & Co.				
	5.75% due	02/25/2004	22,800	21,969
	6.70% due	11/01/2007	30	29
	6.00% due	01/15/2009	37,000	34,095
	8.08% due	02/15/2012	600	519
JET Equipment Trust				
	10.00% due	06/15/2012	80	88
	10.69% due	05/01/2015	100	117
John Hancock				
	7.38% due	02/15/2024	360	333
KBC Bank Fund Trust III				
	9.86% due	11/29/2049 (d)	5,700	5,965

Key Bank NA	7.55% due	09/15/2006	350	354
Kimco Realty Corp.	6.50% due	10/01/2003	200	195
Korea Development Bank	7.68% due	10/06/2000 (d)	5,000	5,000
	6.51% due	10/20/2000	11,000	10,976
	7.13% due	09/17/2001	10,055	10,041
	8.60% due	03/25/2002	6,600	6,723
	6.50% due	11/15/2002	440	431
	7.13% due	04/22/2004	19,125	18,771
	7.38% due	09/17/2004	16,500	16,264
	6.75% due	12/01/2005	55	52
	7.25% due	05/15/2006	50	48
LB Rheinland - PFALZ	5.00% due	02/23/2028	3,400	3,230
Lehman Brothers Holdings, Inc.	9.88% due	10/15/2000	150	150
	7.25% due	12/01/2000 (d)	500	500
	6.13% due	02/01/2001	2,000	1,994
	6.00% due	02/26/2001	700	698
	7.37% due	07/03/2001 (d)	10,000	10,036
	7.68% due	04/02/2002 (d)	64,750	65,327
	6.38% due	05/07/2002	28,695	28,481
	7.41% due	05/07/2002 (d)	42,100	42,363
	8.75% due	05/15/2002	219	225
	6.61% due	07/08/2002 (d)	101,600	101,691
	7.53% due	07/15/2002 (d)	43,051	43,408
	7.00% due	08/12/2002 (d)	6,500	6,499
	7.45% due	08/28/2002 (d)	6,500	6,508
	6.97% due	09/03/2002 (d)	14,000	13,991
	7.21% due	12/12/2002 (d)	57,900	58,152
	7.17% due	04/04/2003 (d)	134,300	134,342
	7.00% due	05/15/2003	150	150
	7.02% due	08/03/2003 (d)	1,500	1,485
	6.63% due	04/01/2004	65	64
	7.75% due	01/15/2005	150	153
	7.63% due	06/01/2006	350	352
	8.50% due	05/01/2007	1,475	1,548
LG&E Capital Corp.	6.21% due	05/01/2004	1,000	973
	6.46% due	01/15/2008	3,000	2,856
Liberty Mutual Insurance	8.20% due	05/04/2007	17,510	17,252
Limestone Electron Trust	8.63% due	03/15/2003	71,350	72,720
Marine Midland	6.75% due	12/12/2000 (d)	3,700	3,699
MBNA America Bank NA	6.97% due	04/25/2002 (d)	1,000	998
MBNA Corp.	6.99% due	05/24/2002	1,000	1,000
	7.13% due	09/10/2002 (d)	5,000	5,024
	7.04% due	12/10/2002	4,100	4,044
MCN Investment Corp.	6.03% due	02/01/2001	6,850	6,813
	7.12% due	01/16/2004	7,500	7,290
	6.30% due	04/02/2011	7,500	7,448
Merrill Lynch & Co.	6.83% due	10/03/2000 (d)	2,000	2,000
	6.43% due	12/05/2000 (d)	89,000	89,009
	6.00% due	03/01/2001	1,325	1,320
	6.50% due	04/01/2001	400	399
	6.75% due	04/30/2001	2,775	2,773
	6.82% due	05/08/2001 (d)	54,900	54,918
	6.88% due	05/30/2001 (d)	3,800	3,806
	6.79% due	11/01/2001 (d)	35,000	35,035
	6.77% due	11/09/2001 (d)	16,000	16,001
	6.83% due	01/15/2002 (d)	17,000	16,995
	7.09% due	02/01/2002 (d)	33,000	33,111
	8.00% due	02/01/2002	400	406
	7.38% due	08/17/2002	300	303
	8.30% due	11/01/2002	700	720
	6.00% due	02/12/2003	500	491
	6.88% due	03/01/2003	140	140
	6.81% due	06/24/2003 (d)	27,000	26,920
	6.99% due	08/01/2003 (d)	800	800
	6.92% due	10/01/2003 (d)	18,500	18,497
	5.88% due	01/15/2004	600	580
	6.55% due	08/01/2004	400	395
	7.00% due	03/15/2006	1,500	1,488

	7.00% due	04/27/2008	100	98
	6.38% due	10/15/2008	35,000	32,955
Merrill Lynch Mortgage Investors, Inc.				
	5.65% due	12/15/2030	441	424
Metropolitan Life Insurance Co.				
	6.30% due	11/01/2003	6,800	6,648
Mexico Credit Link				
	11.38% due	02/22/2002 (d)	29,500	30,760
	11.80% due	02/25/2002	2,000	2,119
MFN Financial Corp.				
	6.98% due	09/13/2001 (d)	10,300	10,305
MIC Financing Trust				
	8.38% due	02/01/2027	36,000	31,063
Monumental Global Funding II				
	6.91% due	09/26/2003 (d)	58,500	58,500
Morgan Stanley, Dean Witter, Discover and Co.				
	5.75% due	02/15/2001	400	399
	6.70% due	05/01/2001	600	600
	9.38% due	06/15/2001	300	305
	6.84% due	12/17/2001 (d)	5,000	5,006
	6.84% due	01/28/2002 (d)	35,700	35,762
	6.88% due	04/15/2002 (d)	300	300
	6.89% due	02/21/2003 (d)	25,000	25,046
	6.85% due	03/11/2003 (d)	11,500	11,484
	6.91% due	05/05/2003 (d)	23,000	23,041
	6.96% due	08/07/2003 (d)	140,800	140,900
	6.38% due	12/15/2003	150	148
	5.63% due	01/20/2004	1,100	1,058
	6.99% due	04/22/2004 (d)	68,500	68,577
Nacional Financiera				
	10.56% due	12/01/2000 (d)	10,760	10,712
National Westminster Bank PLC				
	9.38% due	11/15/2003	200	213
NationsBank Corp.				
	6.75% due	02/26/2001	500	499
	7.00% due	09/15/2001	1,500	1,503
	6.81% due	06/17/2002 (d)	10,000	10,003
	6.13% due	07/15/2004	600	582
NCNB Corp.				
	7.75% due	08/01/2002	896	896
Noble Affiliates, Inc.				
	8.95% due	12/15/2004	11,500	11,525
Nordbanken				
	7.25% due	11/12/2009	21,250	21,086
Nordstrom Credit, Inc.				
	7.25% due	04/30/2002	1,000	1,006
Northern Rock PLC				
	2.00% due	01/01/2000	1,060	20,670
Norwest Financial, Inc.				
	6.38% due	07/16/2002	500	497
	6.25% due	11/01/2002	100	99
	7.00% due	01/15/2003	380	382
	6.00% due	02/01/2004	50	49
Okobank				
	7.04% due	05/23/2006 (d)	10,000	10,018
Old Kent Bank				
	7.75% due	08/15/2010	6,500	6,512
Orix Credit Alliance				
	7.64% due	09/17/2001	13,000	13,077
Osprey Trust				
	8.31% due	01/15/2003	75,475	76,418
Pacific Mutual Life				
	7.90% due	12/30/2023	8,000	7,841
PaineWebber				
	7.03% due	05/20/2002 (d)	1,000	999
	7.29% due	07/15/2002 (d)	200	200
Parker Retirement Savings Plan				
	6.34% due	07/15/2008	841	791
PDVSA Finance Ltd.				
	7.40% due	08/15/2016	1,200	971
Pemex Finance Limited				
	6.13% due	11/15/2003	20,222	19,864
PNC Bank Corp.				
	6.72% due	01/24/2002 (d)	49,000	49,031
	6.68% due	08/15/2002 (d)	5,000	5,005
PNC Funding Corp.				
	6.88% due	03/01/2003	100	100
	7.00% due	09/01/2004	15,000	14,889
PNC Institutional Capital Association				
	7.95% due	12/15/2026	150	135
Popular North American, Inc.				
	7.38% due	09/15/2001	25,000	25,120
Popular, Inc.				

	6.55% due	10/10/2000	2,485	2,485
	6.20% due	04/30/2001	3,336	3,325
	6.54% due	11/06/2001	18,705	18,625
	6.63% due	01/15/2004	19,500	18,949
Prime Property Funding II				
	7.00% due	08/15/2004	110	107
Protective Life Funding Trust				
	7.09% due	01/17/2003 (d)	2,000	1,997
Prudential Funding Corp.				
	6.42% due	10/02/2000 (d)	20,000	20,004
	6.63% due	04/01/2009	17,000	15,484
PSE&G Capital Corp.				
	6.74% due	10/23/2001	1,400	1,398
Qwest Capital Funding, Inc.				
	6.88% due	08/15/2001	43,200	43,165
	7.20% due	07/08/2002 (d)	500	500
Reliance Group Holdings				
	9.00% due	11/15/2000 (m)	19,000	6,460
	9.75% due	11/15/2003 (m)	10,000	1,163
Reliant Energy Financial Co.				
	7.66% due	12/10/2001 (d)	53,100	52,989
Royal Bank of Scotland PLC				
	6.40% due	04/01/2009	15,000	13,983
	8.82% due	03/31/2049	38,600	40,300
	9.12% due	03/31/2049	66,400	69,856
Safeco Corp.				
	7.26% due	08/12/2002	500	505
Sakura Capital Funding				
	7.32% due	08/29/2049	20,000	19,244
	7.56% due	09/29/2049 (d)	59,000	57,230
Salomon, Inc.				
	6.63% due	11/30/2000	500	500
	6.65% due	07/15/2001	600	598
	7.00% due	03/04/2002	18,850	18,894
	6.75% due	02/15/2003	450	449
Salomon, Smith Barney Holdings				
	5.98% due	03/26/2001	250	249
	3.65% due	02/14/2002 (d) (j)	29,708	29,357
	6.93% due	04/15/2002 (d)	35,090	35,100
	6.86% due	05/14/2002 (d)	34,515	34,514
	7.02% due	07/23/2002 (d)	53,400	53,319
	6.13% due	01/15/2003	290	285
	6.91% due	02/11/2003 (d)	44,200	44,236
	6.96% due	04/28/2003 (d)	34,000	34,014
	7.06% due	07/18/2003 (d)	55,800	55,897
Sanwa Finance Aruba AEC				
	8.35% due	07/15/2009	94,740	94,604
Sears Roebuck Acceptance				
	6.80% due	05/07/2001	500	500
	6.79% due	05/21/2001	500	500
	7.19% due	06/18/2001	3,880	3,891
	7.11% due	06/19/2001	1,000	1,002
	9.40% due	08/02/2001	250	255
	6.86% due	08/06/2001	400	400
	6.71% due	08/13/2001	80	80
	6.36% due	12/04/2001	290	289
	6.12% due	12/13/2001	260	257
	8.39% due	02/14/2002	240	244
	6.95% due	05/15/2002	300	299
	6.00% due	03/20/2003	149,750	145,584
	7.26% due	04/21/2003	3,000	3,002
	7.14% due	05/02/2003	5,000	4,988
	6.56% due	11/20/2003	1,178	1,152
	6.25% due	01/15/2004	300	291
	6.75% due	09/15/2005	785	763
	6.70% due	11/15/2006	500	480
Security Pacific Corp.				
	11.50% due	11/15/2000	4,000	4,019
	11.00% due	03/01/2001	135	137
Seismic Ltd.				
	11.27% due	01/01/2002 (d)	32,500	32,500
Simon Property Group, Inc.				
	9.00% due	03/15/2002	2,000	2,027
Socgen Real Estate LLC				
	7.64% due	12/29/2049	3,000	2,803
Societe Generale				
	7.40% due	06/01/2006	1,500	1,503
Sovereign Bancorp, Inc.				
	6.63% due	03/15/2001	13,500	13,357
Spieker Properties				
	6.80% due	12/15/2001	5,500	5,456

Steers	6.80% due	05/01/2004	1,000	977
Sumitomo Bank International Finance NV	10.46% due	08/07/2002 (d)	20,000	20,114
Sumitomo Bank Treasury Co.	8.50% due	06/15/2009	6,600	6,747
Sun Life of Canada (U.S.)	9.40% due	12/29/2049 (d)	21,050	20,713
Telewest Credit Links	8.53% due	05/29/2049	250	225
Textron Financial Corp.	8.50% due	04/16/2004	30,000	28,878
The Money Store, Inc.	7.03% due	05/28/2002 (d)	41,900	41,849
	7.03% due	09/17/2002 (d)	2,000	2,003
Tokai Capital Corp.	8.05% due	04/15/2002	300	304
	7.30% due	12/01/2002	100	101
Toyota Motor Credit Corp.	9.98% due	12/29/2049 (d)	18,050	17,286
Transamerica Finance Corp.	7.32% due	02/15/2002 (d)	40,000	39,319
	6.91% due	09/17/2001 (d)	10,000	10,001
	6.13% due	11/01/2001	29,000	28,757
	6.91% due	12/14/2001 (d)	40,700	40,744
	7.25% due	08/15/2002	85,500	85,695
	7.50% due	03/15/2004	270	271
	6.75% due	11/15/2006	650	637
Travelers Group, Inc.	7.20% due	02/01/2004	38,480	38,677
U.S. Bancorp	6.75% due	01/16/2002 (d)	49,000	49,015
	6.94% due	02/03/2003 (d)	18,100	18,111
	6.50% due	06/15/2004	600	588
Wachovia Corp.	7.26% due	05/02/2005 (d)	53,100	53,047
Washington Mutual, Inc.	8.21% due	02/01/2027	150	132
	8.38% due	06/01/2027	235	212
Wells Fargo & Co.	5.63% due	02/05/2001	400	399
	8.75% due	05/01/2002	100	103
	6.63% due	07/15/2004	6,500	6,439
	7.22% due	05/02/2005 (d)	67,700	67,678
	7.80% due	06/15/2010	40,600	41,519
Westdeutsche Landesbank	6.75% due	06/15/2005	36,400	35,796
	6.05% due	01/15/2009	123,100	112,682

				\$9,923,058

Industrials 7.0%				
Ahold Finance USA, Inc.	6.88% due	05/01/2029	115	95
Akzo Nobel, Inc.	6.00% due	11/15/2003	32,000	30,896
Albertson's, Inc.	8.35% due	05/01/2010	5,000	5,147
Allied Waste North America, Inc.	7.38% due	01/01/2004	18,925	17,695
Alpha Wind	11.32% due	05/23/2001	17,200	17,200
America West Airlines, Inc.	6.87% due	07/02/2018	1,956	1,789
American Airlines	10.61% due	03/04/2011	1,895	2,165
AMR Corp.	10.61% due	01/11/2001	4,000	4,024
	10.57% due	01/15/2001	3,000	3,025
	10.59% due	01/31/2001	3,000	3,007
	10.00% due	02/01/2001	2,400	2,413
	9.40% due	05/08/2001	3,000	3,020
	9.43% due	05/10/2001	1,000	1,007
	9.50% due	05/15/2001	3,480	3,503
	9.13% due	10/25/2001	2,000	2,033
	8.47% due	02/20/2002	2,000	2,012
	8.50% due	02/26/2002	1,000	1,006
	10.21% due	01/01/2010	6,500	7,202
Anheuser-Busch Companies, Inc.	6.75% due	08/01/2003	500	503
Arrow Electronics, Inc.	7.44% due	11/24/2000 (d)	13,200	13,197
Atlas Air, Inc.				

	9.47% due	04/04/2003 (d)	22,700	22,700
	10.47% due	10/04/2004 (d)	3,000	3,000
Aventis SA				
	8.62% due	01/05/2021	250	261
Baxter International, Inc.				
	9.50% due	06/15/2008	200	221
Bayer Corp.				
	6.50% due	10/01/2002	250	248
BOC Group PLC				
	5.88% due	01/29/2001	250	249
Boeing Co.				
	8.38% due	02/15/2001	900	904
	6.35% due	06/15/2003	750	744
Boise Cascade Co.				
	7.15% due	05/15/2001	10,000	9,988
BP Amoco PLC				
	6.25% due	10/15/2004	1,000	991
Browning-Ferris Industries, Inc.				
	6.10% due	01/15/2003	6,000	5,632
Cabot Corp.				
	7.28% due	10/21/2027	5,160	4,383
Campbell Soup Co.				
	4.75% due	10/01/2003	500	474
Cemex SA				
	9.25% due	06/17/2002	5,000	5,100
	8.63% due	07/18/2003	48,250	48,853
Century Communications Corp.				
	0.00% due	03/15/2003	10,515	8,044
CF Cable TV, Inc.				
	9.13% due	07/15/2007	1,600	1,722
Champion International Corp.				
	9.70% due	05/01/2001	4,000	4,046
Clear Channel Communications, Inc.				
	7.21% due	06/15/2002 (d)	20,000	20,047
Coastal Corp.				
	10.38% due	10/01/2000	8,500	8,500
	7.29% due	03/01/2002 (d)	145,350	145,350
Coca-Cola Co.				
	6.38% due	08/01/2001	500	497
	7.88% due	02/01/2002	600	605
	6.00% due	07/15/2003	250	246
	5.75% due	11/01/2008	100	91
Colgate-Palmolive Co.				
	6.00% due	08/15/2003	45	44
Columbia/HCA Healthcare				
	8.02% due	08/05/2002	9,000	8,932
	8.13% due	08/04/2003	7,300	7,238
	6.91% due	06/15/2005	9,500	8,964
	6.63% due	07/15/2045	10,000	9,747
	6.73% due	07/15/2045	14,760	14,162
Comcast Cable Communications				
	8.38% due	05/01/2007	145	151
Comdisco, Inc.				
	6.13% due	08/01/2006	600	588
Conoco, Inc.				
	6.35% due	04/15/2009	1,900	1,804
Continental Airlines				
	6.41% due	04/15/2007	342	330
	6.80% due	07/02/2007	26	25
	6.95% due	02/02/2011	24,520	23,708
	6.90% due	01/02/2018	1,511	1,429
Cox Communications, Inc.				
	6.63% due	06/14/2002	7,250	7,174
	6.50% due	11/15/2002	200	198
	0.43% due	04/19/2020	25,000	10,500
Cox Enterprises, Inc.				
	8.00% due	02/15/2007	5,000	5,105
	7.61% due	05/01/2033 (d)	500	500
Credit Lyon Capital				
	2.38% due	01/01/2000	1,912	46,374
CSX Corporation				
	7.26% due	06/24/2002 (d)	25,100	25,102
DaimlerChrysler Holdings				
	6.63% due	09/21/2001	1,000	995
	6.86% due	01/18/2002	18,900	18,922
	7.75% due	05/27/2003	20,000	20,342
	7.00% due	08/16/2004 (d)	61,600	61,704
Dayton Hudson Corp.				
	10.00% due	12/01/2000	1,000	1,004
Delphi Auto Systems Corp.				
	6.13% due	05/01/2004	20,000	19,103
Delta Air Lines, Inc.				
	6.65% due	03/15/2004	13,500	12,809

	10.43% due	01/02/2011	850	969
	10.14% due	08/14/2012	1,000	1,144
	9.20% due	09/23/2014	6,000	6,083
	10.50% due	04/30/2016	4,550	4,994
Duty Free International, Inc.				
	7.00% due	01/15/2004	175	169
Eastman Chemical Co.				
	6.38% due	01/15/2004	5,750	5,535
Electric Lightwave, Inc.				
	6.05% due	05/15/2004	10,700	10,423
Eli Lilly & Co.				
	8.13% due	12/01/2001	500	507
	6.25% due	03/15/2003	100	99
Embotelladora Arica SA				
	9.88% due	03/15/2006	7,500	7,810
Enron Corp.				
	7.11% due	09/10/2001 (d)	7,000	7,001
	6.45% due	11/15/2001	275	273
	7.66% due	01/14/2002	5,000	5,040
	8.38% due	05/23/2005	12,000	12,550
Federal Express Corp.				
	6.85% due	01/15/2019	826	767
Ford Capital BV				
	9.38% due	05/15/2001	300	304
Ford Motor Co.				
	9.00% due	09/15/2001	880	893
	6.63% due	10/01/2028	115,800	97,647
	7.45% due	07/16/2031	10,000	9,325
Fortune Brands, Inc.				
	8.50% due	10/01/2003	500	521
Fred Meyer, Inc.				
	7.15% due	03/01/2003	11,000	10,927
	7.38% due	03/01/2005	38,100	37,726
	7.45% due	03/01/2008	300	291
General Foods Corp.				
	6.00% due	06/15/2001	200	197
General Motors Acceptance Corp.				
	6.25% due	05/01/2005	300	291
Gillette Co.				
	6.25% due	08/15/2003	750	749
	5.75% due	10/15/2005	1,500	1,453
Grupo Elektra SA				
	12.75% due	05/15/2001	1,000	1,035
Gulf Canada Resources Ltd.				
	9.25% due	01/15/2004	7,250	7,366
Harrahs Operating Co., Inc.				
	7.88% due	12/15/2005	5,000	4,825
Heinz (H.J.) Co.				
	6.88% due	01/15/2003	100	101
Hertz Corp.				
	6.00% due	02/01/2001	75	75
Hilton Hotels Corp.				
	7.38% due	06/01/2002	1,000	992
Houghton Mifflin Co.				
	5.99% due	12/03/2001	3,000	2,955
IBM Corp.				
	7.25% due	11/01/2002	450	455
ICI Wilmington				
	6.75% due	09/15/2002	10,000	9,882
IMEXSA Export Trust				
	10.13% due	05/31/2003	7,644	7,618
Imperial Tobacco				
	7.13% due	04/01/2009	21,785	19,906
Ingersoll-Rand Co.				
	6.26% due	02/15/2001	295	294
International Game Technology				
	7.88% due	05/15/2004	24,500	24,071
International Paper Co.				
	9.05% due	02/08/2001	100	100
	7.00% due	06/01/2001	2,000	1,994
ISP Holdings, Inc.				
	9.75% due	02/15/2002	6,750	6,075
ITT Corp.				
	6.25% due	11/15/2000	500	499
J Seagram & Sons				
	5.79% due	04/15/2001	1,800	1,783
	6.25% due	12/15/2001	6,545	6,475
K Mart Corp.				
	8.19% due	11/24/2003	5,000	4,675
Kellogg				
	5.75% due	02/02/2001	86,925	86,444

Kohls Corp.	7.38% due	10/15/2011	15	14
Kroger Co.	7.56% due	10/01/2010 (d)	54,000	54,098
Limited, Inc.	7.80% due	05/15/2002	500	504
Lockheed Martin Corp.	6.85% due	05/15/2001	30,315	30,205
Mallinckrodt, Inc.	6.30% due	03/15/2011 (d)	23,155	23,046
Mandalay Resort Group	6.75% due	07/15/2003	4,500	4,230
Marlin Water Trust	7.09% due	12/15/2001	11,238	11,174
Mazda Manufacturing Corp.	10.50% due	07/01/2008 (1)	1,980	2,362
Mobil Corp.				
	8.38% due	02/12/2001	340	341
Nabisco, Inc.	6.00% due	02/15/2001 (d)	11,990	11,900
	6.80% due	09/01/2001	3,000	2,962
	6.70% due	06/15/2002	9,000	8,811
	6.13% due	02/01/2033	15,000	14,356
Nabors Industries, Inc.	6.80% due	04/15/2004	9,250	9,150
News America Holdings Corp.	8.63% due	02/01/2003	750	775
Norfolk Southern Corp.	7.88% due	02/15/2004	50	51
Nortel Networks Corporation	6.88% due	10/01/2002	200	199
Northwest Airlines, Inc.	8.97% due	01/02/2015	1,636	1,659
	8.07% due	08/01/2021	400	411
Occidental Petroleum	6.40% due	04/01/2003	7,710	7,520
	7.36% due	10/03/2008	30,300	30,262
Park Place Entertainment Corp.	7.95% due	08/01/2003	18,500	18,523
Petroleos Mexicanos	8.13% due	07/15/2005 (d)	100,400	100,651
	8.85% due	09/15/2007	1,800	1,787
	9.38% due	12/02/2008	14,650	15,090
	9.50% due	09/15/2027	31,000	32,008
Philip Morris Cos., Inc.	9.00% due	01/01/2001	300	301
	8.75% due	06/01/2001	5,515	5,550
	7.25% due	09/15/2001	70	70
	7.50% due	01/15/2002	50	50
	6.80% due	12/01/2003	48,345	47,340
	7.00% due	07/15/2005	1,125	1,093
	6.95% due	06/01/2006	9,540	9,495
	7.20% due	02/01/2007	34,000	32,649
Philips Petroleum Co.	9.00% due	06/01/2001	2,000	2,016
Premium Asset Trust	7.03% due	09/08/2007	5,000	4,988
Proctor & Gamble Co.	5.25% due	09/15/2003	35,600	34,205
Qwest Corp.	7.20% due	11/01/2004	170	170
Racers	6.93% due	03/03/2003 (d)	282,400	282,400
	6.21% due	04/01/2003	20,000	19,956
	8.76% due	04/28/2003 (d)	30,000	30,690
	6.80% due	09/15/2005 (d)	15,000	14,967
Raytheon Co.	7.31% due	03/01/2002 (d)	8,650	8,668
Rogers Cantel, Inc.	9.38% due	06/01/2008	2,750	2,860
Saferco	9.59% due	05/31/2001 (1)	3,000	3,052
Safeway, Inc.	5.75% due	11/15/2000	3,150	3,144
	7.00% due	09/15/2002	1,125	1,124
	6.85% due	09/15/2004	250	247
Sara Lee Corp.	6.30% due	11/07/2005	500	486
Scotia Pacific Co. LLC	7.71% due	01/20/2014	305	200
SmithKline Beecham				

Sprint Capital Corp.	7.38% due	04/15/2005	150	153
	7.01% due	06/10/2002 (d)	1,000	1,000
	7.01% due	06/24/2002 (d)	50,000	50,020
Stone Container Corp.				
	10.75% due	10/01/2002	2,500	2,547
TCI Communications, Inc.				
	7.26% due	03/12/2001 (d)	14,700	14,756
	6.38% due	05/01/2003	3,280	3,234
	8.00% due	08/01/2005	450	463
Telecommunications, Inc.				
	8.25% due	01/15/2003	43,125	44,627
Tenet Healthcare Corp.				
	7.88% due	01/15/2003	5,000	4,988
	8.63% due	12/01/2003	1,200	1,209
Texaco Capital				
	8.50% due	02/15/2003	700	727
	6.00% due	06/15/2005	400	388
Textron, Inc.				
	6.75% due	09/15/2002	225	224
Time Warner, Inc.				
	6.10% due	12/30/2001	40,525	39,971
	7.98% due	08/15/2004	19,770	20,324
Times Mirror Co.				
	6.65% due	10/15/2001	300	299
TRW, Inc.				
	6.63% due	06/01/2004	2,425	2,340
Tyco International Group SA				
	7.37% due	03/05/2001 (d)	15,000	15,016
	6.88% due	09/05/2002	675	674
	6.25% due	06/15/2003	16,315	15,880
Union Pacific Corp.				
	7.88% due	02/15/2002	8,000	8,052
	7.33% due	07/01/2002 (d)	25,500	25,531
	6.93% due	06/01/2003	1,000	989
	6.00% due	09/01/2003	8,000	7,733
	6.12% due	02/01/2004	250	241
US Airways				
	6.85% due	01/30/2018	145	130
USA Waste Services, Inc.				
	6.13% due	07/15/2001	23,500	23,030
UST, Inc.				
	7.25% due	06/01/2009	25,000	22,408
USX Corp.				
	9.80% due	07/01/2001	24,050	24,446
Wal-Mart Stores, Inc.				
	8.63% due	04/01/2001	2,450	2,473
	6.15% due	08/10/2001	450	448
	6.75% due	05/24/2002	170	170
	6.50% due	06/01/2003	200	199
Walt Disney Co.				
	6.38% due	03/30/2001	1,100	1,097
	5.13% due	12/15/2003	500	475
Waste Management, Inc.				
	6.38% due	12/01/2003	200	189
	6.50% due	05/14/2004	89,000	83,904
Williams Communications Group, Inc.				
	7.18% due	11/15/2001	10,500	10,507
WMX Technologies				
	6.70% due	05/01/2001	10,000	9,911
	7.00% due	10/15/2006	500	467
Xerox Corp.				
	7.41% due	05/15/2001	1,000	1,003
Yorkshire Power				
	6.15% due	02/25/2003	17,000	16,360

				2,478,510

Utilities 6.1%				
AEP Resources, Inc.				
	6.50% due	12/01/2003	20,000	19,507
Alabama Power Co.				
	5.35% due	11/15/2003	1,600	1,528
Arizona Public Service				
	7.40% due	11/15/2001 (d)	1,000	1,000
Ashland, Inc.				
	8.45% due	12/05/2001	3,000	3,056
	7.25% due	03/07/2003 (d)	300	299
AT&T Corp.				
	5.13% due	04/01/2001	600	595
	7.35% due	08/27/2001	7,200	7,212

	7.13% due	01/15/2002	275	276
	5.63% due	03/15/2004	350	335
	8.65% due	09/15/2004	625	655
	7.00% due	05/15/2005	200	199
	7.65% due	09/15/2006	140	141
	0.00% due	11/01/2007	1,000	877
Baltimore Gas & Electric				
	6.13% due	07/01/2003	150	147
Bellsouth Telecom				
	6.00% due	06/15/2002	10,000	9,880
	7.50% due	06/15/2033	185	169
Calpine Corp.				
	9.25% due	02/01/2004	4,150	4,155
	7.63% due	04/15/2006	1,800	1,756
CE Electric Funding Company				
	6.85% due	12/30/2004	250	242
Central Maine Power Co.				
	7.43% due	08/25/2003	13,000	13,056
Central Power & Light Co.				
	7.29% due	11/23/2001 (d)	18,100	18,101
Chesapeake & Potomac Telephone				
	5.63% due	03/01/2007	500	461
	8.00% due	10/15/2029	1,125	1,150
Cleveland Electric Illuminating Co.				
	9.50% due	05/15/2005	33,000	33,794
CMS Energy				
	8.38% due	07/01/2003	15,000	14,661
	8.00% due	07/01/2011	1,000	991
	7.00% due	01/15/2005	30,000	27,636
Coastal Corp.				
	8.13% due	09/15/2002	250	257
Columbus Southern Power Co.				
	6.85% due	10/03/2005	10,000	9,797
Commonwealth Edison				
	6.72% due	06/15/2002 (d)	1,000	1,000
	6.63% due	07/15/2003	1,000	987
	9.88% due	06/15/2020	11,700	12,781
Connecticut Light & Power Co.				
	7.88% due	06/01/2001	100	100
	7.75% due	06/01/2002	5,000	5,048
	8.59% due	06/05/2003	27,000	26,646
Consolidated Edison				
	6.63% due	02/01/2002	100	100
Consolidated Natural Gas Co.				
	7.25% due	10/01/2004	43,750	43,749
Constellation Energy Group, Inc.				
	7.22% due	04/04/2003 (d)	15,000	14,961
Deutsche Telekom AG				
	7.75% due	06/15/2005	134,400	137,718
Dominion Resources, Inc.				
	7.03% due	01/26/2001 (d)	1,600	1,601
	7.60% due	07/15/2003	35,000	35,377
DTE Capital Corp.				
	8.35% due	11/15/2038 (d)	70,250	68,734
Duke Energy Corp.				
	5.88% due	06/01/2001	375	373
	6.75% due	08/01/2025	25	21
East Coast Power LLC				
	6.74% due	03/31/2008	17,772	16,968
Edison Mission Energy				
	7.33% due	06/15/2001 (d)	1,000	1,000
El Paso Electric Co.				
	9.40% due	05/01/2011	7,455	7,933
El Paso Energy Corp.				
	6.63% due	07/15/2001	12,000	11,917
El Paso Natural Gas Co.				
	7.75% due	01/15/2002	15,000	15,106
Entergy Arkansas, Inc.				
	7.00% due	03/01/2002	1,580	1,575
	7.72% due	03/01/2003	200	202
Entergy Louisiana, Inc.				
	8.50% due	06/01/2003	3,000	3,084
Entergy Mississippi, Inc.				
	7.36% due	05/03/2004 (d)	31,000	30,806
Georgia Power Co.				
	6.67% due	02/22/2002 (d)	15,000	14,990
GTE Corp.				
	7.25% due	08/01/2002	150	151
	5.50% due	01/15/2009	100	88
Gulf States Utilities				
	6.41% due	08/01/2001	5,800	5,760
Hughes Electric				
	7.56% due	10/23/2000 (j)	10,000	10,003

Indiana Bell Telephone Co., Inc.	5.50% due	04/01/2007	500	455
Indiana Michigan Power	7.27% due	11/22/2000 (d)	2,500	2,501
Indianapolis Power & Light	7.38% due	08/01/2007	225	227
K N Energy, Inc.	6.45% due	11/30/2001	10,000	9,902
	6.45% due	03/01/2003	240	236
Kansai Electric Power Co.	7.25% due	09/25/2006	2,000	2,021
Korea Electric Power	7.00% due	10/01/2002	380	374
	6.38% due	12/01/2003	220	211
Louisiana Power & Light Co.	7.74% due	07/01/2002	599	599
MCI Worldcom, Inc.	8.88% due	01/15/2006	34,150	35,261
	6.13% due	04/15/2012	1,250	1,235
Montana Power Co.	7.00% due	04/06/2001 (d)	15,000	15,004
National Power Corp.	9.63% due	05/15/2028	16,000	11,631
National Rural Utilities Cooperative	6.88% due	05/31/2002 (d)	10,000	9,996
	6.25% due	04/15/2003	50,000	48,982
Nevada Power Co.	7.27% due	08/20/2001 (d)	900	900
New England Telephone & Telegraph Co.	6.38% due	09/01/2008	1,350	1,267
New Jersey Bell Telephone	4.88% due	11/01/2000	800	799
New York Telephone Co.	6.25% due	02/15/2004	150	146
	6.00% due	04/15/2008	45	41
Niagara Mohawk Power	7.00% due	10/01/2000	60,235	60,235
	6.88% due	03/01/2001	21,538	21,516
	7.25% due	10/01/2002	24,783	24,676
	7.38% due	07/01/2003	39,162	39,255
	7.38% due	08/01/2003	1,645	1,658
North Atlantic Energy	9.05% due	06/01/2002	3,948	3,988
Northern Illinois Gas Co.	6.45% due	08/01/2001	1,450	1,447
Northern Telecom Ltd.	8.75% due	06/12/2001	300	303
NRG Energy, Inc.	8.00% due	11/01/2003	6,000	6,044
NRG Northeast Generating LLC	8.07% due	12/15/2004	500	503
Nynex Corp.	9.55% due	05/01/2010	5,941	6,360
Ohio Bell Telephone Co.	5.38% due	03/01/2007	950	865
Ohio Power Co.	7.00% due	07/01/2004	24,000	23,828
Oxymar	7.50% due	02/15/2016	200	149
Pacific Gas & Electric Co.	6.75% due	12/01/2000	3,049	3,048
Pacific Northwest Bell	4.38% due	09/01/2002	50	48
Philadelphia Electric	5.63% due	11/01/2001	22,350	22,026
Philippine Long Distance Telephone Co.	7.85% due	03/06/2007	5,000	4,088
	10.50% due	04/15/2009	5,000	4,515
PP&L, Inc.	6.13% due	05/01/2001 (d)	16,102	15,999
	6.55% due	03/01/2006	500	486
PSEG Energy Holdings	9.13% due	02/10/2004	120	123
Public Service Co. of Colorado	6.00% due	04/15/2003	750	732
Public Service Electric & Gas	7.25% due	04/01/2001 (d)	3,191	3,191
	6.13% due	08/01/2002	1,000	987
	6.25% due	01/01/2007	1,500	1,416
Public Service Enterprise Group, Inc.	7.01% due	11/22/2000 (d)	11,000	11,002
	7.04% due	06/15/2001 (d)	156,200	156,262
Queststar Pipeline				

RAS LAFFAN Liquid Natural Gas	9.38% due	06/01/2021	200	208
	8.29% due	03/15/2014	145	138
Reliant Energy, Inc.	9.38% due	06/01/2001	1,000	1,013
	6.38% due	11/01/2003	22,250	21,802
	8.75% due	03/01/2022	10,000	10,142
Rochester Telecom	8.95% due	08/07/2001	3,000	3,051
Scana Corp.	7.21% due	02/08/2002 (d)	3,100	3,102
	7.38% due	07/15/2002 (d)	27,000	27,037
Sierra Pacific Power Co.	7.16% due	06/12/2001 (d)	39,000	39,000
Sierra Pacific Resources	7.34% due	04/20/2003 (d)	2,000	2,001
	6.20% due	04/15/2004	20,000	19,009
SK Telecom Co. Ltd.	7.75% due	04/29/2004	5,000	4,961
Southern Energy	7.90% due	07/15/2009	175	166
Sprint Capital Corp.	6.50% due	11/15/2001	13,365	13,325
	6.97% due	11/15/2001 (d)	101,700	101,745
	8.13% due	07/15/2002	10,378	10,608
	5.88% due	05/01/2004	43,500	41,718
System Energy Resources	7.38% due	10/01/2000	5,000	5,000
	7.71% due	08/01/2001	5,800	5,817
Teco Energy, Inc.	5.54% due	09/15/2001	44,630	44,075
Telekomunikacja Polska SA	7.13% due	12/10/2003	12,200	11,935
	7.75% due	12/10/2008	13,600	13,117
Tennessee Valley Authority	3.38% due	01/15/2007 (i)	10,893	10,211
	0.00% due	04/15/2042	855	366
Texas Utilities Co.	6.66% due	12/01/2000	67,700	67,700
	7.21% due	06/25/2001	131,200	131,111
	6.37% due	08/16/2001	1,000	990
	7.59% due	09/24/2001	208,800	209,907
	5.94% due	10/15/2001	3,000	2,961
	6.50% due	08/16/2002	2,600	2,578
Toledo Edison Co.	8.18% due	07/30/2002	1,400	1,423
	8.70% due	09/01/2002	14,500	14,738
	7.85% due	03/31/2003	7,000	7,082
	7.88% due	08/01/2004	500	507
TXU Eastern Funding	6.15% due	05/15/2002	53,800	52,657
	6.45% due	05/15/2005	18,270	17,321
U.S. West Communications, Inc.	5.65% due	11/01/2004	9,000	8,470
	6.63% due	09/15/2005	400	389
	6.13% due	11/15/2005	400	380
Union Electric Co.	8.00% due	12/15/2022	1,000	981
United Telecom, Inc.	9.50% due	06/06/2001	150	152
Western Resources, Inc.	6.25% due	08/15/2003	6,600	5,932
Williams Cos., Inc.	6.13% due	02/01/2001	3,000	2,988
	6.20% due	08/01/2002	4,000	3,947
Wilmington Trust Co. - Tucson Electric	10.73% due	01/01/2013 (1)	991	1,038
WorldCom, Inc.	6.13% due	08/15/2001	2,030	2,018
	6.92% due	11/26/2001 (d)	12,700	12,713
	6.40% due	08/15/2005	1,625	1,576
YPF Sociedad Anonima	7.25% due	03/15/2003	16,475	16,146

				2,152,502

Total Corporate Bonds & Notes				14,554,070

(Cost \$14,785,594)				

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MUNICIPAL BONDS & NOTES 0.8%				
Alabama 0.0%				
Jefferson County Alabama Sewer Revenue Warrants, (FGIC Insured), Series 2000				
	6.560% due	2029/2/1	4,500	3,718
	5.910% due	2036/2/1	625	547
Montgomery Alabama Special Care Facilities Financing Authority Revenue Bonds, (MBIA Insured), Series 1998				
	5.000% due	2029/11/15	2,000	1,743

				6,008
California 0.1%				
California State Department of Water Resources Center Valley Project Revenue Bonds, Series 2000				
	6.030% due	2029/12/1	2,500	2,056
California State General Obligation, Series 2000				
	5.630% due	2026/5/1	5,270	5,342
	5.750% due	2030/5/1	1,000	1,023
Cook County Illinois General Obligation (FGIC Insured), Series 2000				
	5.000% due	2028/11/15	6,445	5,688
Los Angeles California Wastewater System Revenue Bonds, (FGIC Insured), Series 2000				
	5.900% due	2028/6/1	6,500	4,396
Los Angeles County Metropolitan Transportation Authority Sales Tax Revenue Bonds, (AMBAC Insured), Series 2000				
	5.740% due	2023/7/1	3,500	3,071
Orange County School Board, (MBIA Insured), Series 2000				
	5.710% due	2024/8/1	3,500	2,866
Port of Oakland California Revenue Bonds, (FGIC Insured), Series 2000				
	5.750% due	2029/11/1	1,000	1,019
San Diego Public Facilities Financing Authority Revenue Bonds, (FGIC Insured), Series 1999				
	5.000% due	2029/5/15	1,000	923
San Francisco California City & County Airport Community Revenue, (MBIA Insured), Series 1998				
	4.500% due	2028/5/1	6,700	5,650

				32,034
Colorado 0.0%				
E-470 Public Highway Authority Revenue Bonds, (MBIA Insured), Series 2000				
	5.750% due	2035/9/1	2,500	2,497
Florida 0.1%				
Broward County Florida Airport System Revenue, (AMBAC Insured), Series 2000				
	5.030% due	2023/10/1	1,328	1,024
Florida State Board of Education General Obligation, (FGIC Insured), Series 2000				
	4.710% due	2023/6/1	3,500	2,310
Florida State Governmental Utility Authority Utility Revenue, (AMBAC Insured), Series 2000				
	5.710% due	2029/10/1	6,453	5,267
Florida State Turnpike Authority Revenue Bonds, (FGIC Insured), Series 2000				
	4.440% due	2027/7/1	6,323	4,007
Greater Orlando Aviation Authority, Orlando Florida Airport Facilities Revenue Bonds, (FGIC Insured), Series 1999				
	5.130% due	2028/10/1	2,000	1,800
Lakeland Florida Electric & Water Revenue, Series 2000				
	5.00% due	2028/10/1	5,350	4,790
Modesto Public Financing Authority Lease Revenue, (AMBAC Insured), Series 2000				
	5.740% due	2029/9/1	2,500	2,125
Orange Tourist Florida Tourist Development				

Tax Revenue Bonds, (AMBAC Insured), Series 2000	5.500% due	2031/10/1	2,000	1,950
Tampa Florida Guaranteed Entitlement Revenue, (AMBAC Insured), Series 2001	6.000% due	2005/10/1	2,230	2,322
Tampa Florida Utility Tax & Special Revenue, (AMBAC Insured), Series 2001	6.000% due	2005/10/1	3,000	3,128
	6.000% due	2008/10/1	1,500	1,586

				30,309
Georgia 0.1%				
Atlanta Georgia Airport Revenue, (FGIC Insured),	5.50% due	2026/1/1	1,000	975
Atlanta Georgia Water & Wastewater Revenue, (FGIC Insured), Series 1999	5.000% due	2038/11/1	44,600	39,205
Georgia Local Government Certificate Of Participation, (MBIA Insured), Series 2000	5.810% due	2028/6/1	9,950	6,866

				47,046
Hawaii 0.0%				
Honolulu Hawaii City & County Wastewater System Revenue, (FGIC Insured), Series 1998	5.000% due	2023/7/1	6,935	6,231
Honolulu Hawaii City & County Wastewater System Revenue, (FGIC Insured), Series 2000	5.210% due	2028/7/1	7,200	4,941

				11,172
Illinois 0.0%				
Chicago Illinois Skyway Toll Bridge Revenue Bonds, (AMBAC Insured), Series 2000	5.500% due	2031/1/1	2,000	1,920
Chicago Illinois General Obligations Unlimited, (FGIC Insured), Series 2000	5.500% due	2040/1/1	3,500	3,321
Chicago Illinois Residual General Obligation, (MBIA Insured), Series 2000	5.960% due	2028/1/1	3,100	2,461

				7,702
Kansas 0.0%				
Wichita Kansas Hospital Revenue Bonds, Series 1999	6.250% due	2024/11/15	1,000	1,000
Maryland 0.0%				
Maryland St. Health & Higher Educational Facilities Authority Revenue Bonds, Series 1999	6.000% due	2039/7/1	3,000	3,096
Massachusetts 0.1%				
E-470 Public Highway Residual 144a Revenue Bonds, (MBIA Insured), Series 2000	5.710% due	2021/9/1/	2,590	2,104
Massachusetts Bay Transportation Authority Revenue Bonds, (MBIA Insured), Series 2000	5.260% due	2021/3/1	4,150	3,164
Massachusetts State Turnpike Authority Revenue Bonds, (AMBAC Insured), Series 2000	5.910% due	2039/1/1	10,250	7,982
Massachusetts State Turnpike Authority Revenue Bonds, (MBIA Insured), Series 2000	5.910% due	2037/1/1	13,550	10,620

				23,870
Minnesota 0.0%				
Minnesota Agricultural & Economic Development Board Revenue Bonds, Series 2000	6.380% due	2029/11/15	1,000	1,003
St. Cloud Minnesota Health Care Revenue Bonds,				

	5.75% due	2026/5/1	1,000	994
				1,997
Mississippi 0.0%				
Mississippi Development Bank Special Obligation, (AMBAC Insured), Series 2000				
	5.810% due	2024/7/1	2,500	2,103
Nevada 0.1%				
Clark County Nevada General Obligations, (MBIA Insured), Series 2000				
	8.440% due	2030/7/1	20,913	19,422
Clark County Passenger Facility Charge Revenue Bonds, (MBIA Insured), Series 2000				
	5.210% due	2022/7/1	4,750	3,622

				23,044
New Jersey 0.0%				
Essex County Improvement Authority Revenue Bonds, (FGIC Insured), Series 2000				
	5.750% due	2030/10/1	500	503
New Jersey Health Care Facilities Financing Authority Revenue Bonds, (MBIA Insured), Series 2000				
	5.130% due	2028/7/1	2,000	1,363

				1,866
New York 0.2%				
Long Island Power Authority Revenue Bonds, (FSA Insured), Series 2000				
	6.160% due	2022/12/1	4,500	3,876
Long Island Power Authority Revenue Bonds, (MBIA Insured), Series 2000				
	6.410% due	2026/12/1	5,500	4,806
New York City Municipal Bond, Series 1997				
	6.960% due	08/01/2002 (d)	6,108	6,102
New York City Municipal Water Finance Authority, (MBIA-IBC Insured), Series 2000				
	5.130% due	2025/6/15	6,565	4,743
New York City Transitional Finance Authority Revenue Bonds, (FGIC Insured), Series 1998				
	4.750% due	2023/11/15	5,000	4,321
New York City Transitional Finance Authority Revenue Bonds, Series 2000				
	5.500% due	2024/11/1	2,500	2,431
New York City, New York General Obligation, Series D				
	6.900% due	08/01/2002 (d)	14,815	14,815
New York State Dorm Authority Lease Revenue Bonds, (FSA Insured), Series 1998				
	4.750% due	2029/1/15	3,850	3,267
New York State Dormitory Authority Revenue Bonds, (MBIA Insured), Series 1998				
	5.000% due	2023/2/15	5,100	4,582
New York State Thruway Authority General Obligation, Series 1998				
	5.000% due	2025/1/1	300	267
Niagara Frontier Airport Revenue Bonds, (MBIA Insured), Series 1999				
	5.630% due	2029/4/1	1,000	969
Port Authority of New York & New Jersey Revenue Bonds, (MBIA Insured), Series 1997				
	5.750% due	2022/12/1	4,500	4,519

				54,698
North Dakota 0.0%				
Mercer County Improvement Authority Revenue Bonds, Series 1978				
	5.800% due	2018/1/1	6,460	6,678
Ohio 0.0%				

Hamilton County Ohio Sales Tax Revenue Bonds, (MBIA Insured), Series 2000	5.460% due	2027/12/1	3,250	2,637
Pennsylvania 0.0%				
Allegheny County Hospital Development Authority Revenue Bonds, (MBIA Insured), Series 2000 A	6.500% due	2030/11/15	1,000	1,053
Philadelphia School District General Obligation Unlimited, (MBIA Insured), Series 2000				
	5.210% due	20227/4/1	3,150	2,217
Pittsburgh & Allegheny County Revenue Bonds, (AMBAC Insured), Series 1999				
	5.000% due	2029/2/1	500	446

				3,716
Puerto Rico 0.0%				
Puerto Rico Commonwealth General Obligation, (MBIA Insured), Series 2000	5.875% due	2035/7/1	8,920	9,062
Texas 0.1%				
Dallas-Fort Worth International Airport Revenue, (FGIC Insured), Series 2000	6.000% due	2028/11/1	4,000	4,060
Harris County Health Facilities Development Corporation Revenue, (MBIA Insured), Series 2000				
	6.140% due	2021/7/1	3,500	2,993
Houston Independent School District General Obligation, (PSF Insured), Series 1999				
	4.750% due	2026/2/15	30,175	25,460
Houston Texas Airport System Revenue, (FGIC Insured), Series 1998				
	5.000% due	2025/7/1	5,500	4,904
Houston, Texas, Water & Sewer System Revenue, (FGIC Insured), Series 2000				
	5.250% due	2030/12/1	1,000	926

				38,343
Utah 0.0%				
Weber County, Utah Hospital Revenue Bonds, Series 1999	5.000% due	2030/8/15	500	423
Washington State 0.0%				
Seattle Washington General Obligation, Series 2000	5.960% due	2028/12/15	3,000	2,378
Washington, DC 0.0%				
Washington D.C. Convention Center Authority Dedicated Tax Revenue, (AMBAC Insured), Series 2000	5.030% due	2028/10/1	6,500	4,688

Total Municipal Bonds & Notes				316,367

(Cost \$315,244)				
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U.S. GOVERNMENT AGENCIES 0.8%				
A.I.D. Housing Guarantee - Peru	9.98% due	08/01/2008	935	957
Federal Farm Credit Bank				
	6.40% due	01/16/2002	100	100
	5.73% due	03/28/2003	300	295
Federal Home Loan Bank				
	7.27% due	02/15/2002 (d)	17,000	16,788
	6.21% due	12/30/2002	200	198
	5.13% due	09/15/2003	350	337
	5.14% due	09/22/2003	600	576
	6.00% due	06/30/2004	1,000	979
	6.25% due	08/13/2004	250	248
	6.03% due	01/22/2009	275	256
	0.00% due	09/29/2017	2,000	487
	0.00% due	09/10/2018	15,000	3,711
Federal Home Loan Mortgage Corp.				

	5.50% due	05/15/2002	435	429
	7.00% due	02/15/2003	500	506
	7.38% due	05/15/2003	3,500	3,574
	6.88% due	01/15/2005	95	96
	5.75% due	03/15/2009	1,955	1,824
	6.63% due	09/15/2009	1,335	1,321
	6.75% due	06/03/2013	400	373
Federal National Mortgage Assn.				
	0.00% due	08/15/2001	105	99
	6.10% due	09/14/2001	100	100
	5.38% due	03/15/2002	750	739
	6.25% due	11/15/2002	115	114
	6.00% due	03/03/2003	500	493
	6.10% due	03/20/2003	250	247
	5.50% due	12/29/2003	500	485
	5.75% due	06/15/2005	900	872
	6.56% due	12/10/2007	190	185
	5.25% due	01/15/2009	80	72
	6.63% due	09/15/2009	1,000	993
Small Business Administration				
	7.45% due	08/01/2010	107,300	109,273
Student Loan Marketing Assn.				
	6.84% due	04/25/2004 (d)	6,925	6,916
	6.48% due	07/25/2004 (d)	842	840
	6.74% due	10/25/2004 (d)	15,532	15,495
	6.83% due	10/25/2004 (d)	24,678	24,639
	6.71% due	10/25/2005 (d)	14,542	14,490
	6.92% due	04/25/2006 (d)	84,060	83,739
Total U.S. Government Agencies				292,846
(Cost \$282,885)				
U.S. TREASURY OBLIGATIONS 13.7%				
Treasury Inflation Protected Securities (i)				
	3.63% due	07/15/2002	1,118,428	1,118,079
	3.38% due	01/15/2007 (j)	239,835	231,965
	3.63% due	01/15/2008 (j)	456,306	445,897
	3.88% due	01/15/2009 (j)	218,316	216,542
	3.63% due	04/15/2028 (j)	70,496	67,015
	3.88% due	04/15/2029 (j)	6,703	6,661
U.S. Treasury Bonds				
	12.38% due	05/15/2004	1,000	1,206
	0.00% due	02/15/2015	188,900	280,812
	8.13% due	08/15/2019	31,000	37,859
	0.00% due	08/15/2020	349,245	453,691
	8.13% due	05/15/2021	57,500	70,887
	8.13% due	08/15/2021	134,200	165,653
	8.00% due	11/15/2021	142,620	174,264
	7.25% due	08/15/2022	275	313
	6.25% due	08/15/2023	1,425	1,452
	0.00% due	02/15/2026	184,400	182,729
	6.13% due	11/15/2027	200	202
	5.50% due	08/15/2028	59,900	55,613
	6.13% due	08/15/2029	8,000	8,173
	6.25% due	05/15/2030	535,200	562,797
U.S. Treasury Notes				
	6.75% due	05/15/2005	235,000	243,519
	5.63% due	05/15/2008	500	491
	6.50% due	02/15/2010	320	333
U.S. Treasury Strips				
	0.00% due	05/15/2013	4,500	2,096
	0.00% due	02/15/2014	64,900	28,801
	0.00% due	02/15/2015	135,000	56,298
	0.00% due	05/16/2015	152,700	62,719
	0.00% due	08/15/2015	170,400	68,833
	0.00% due	11/15/2018	108,200	35,915
	0.00% due	11/15/2021	795,000	222,563
	0.00% due	11/15/2024	207,000	49,161
Total U.S. Treasury Obligations				4,852,539
(Cost \$4,846,168)				
MORTGAGE-BACKED SECURITIES 73.3%				
Collateralized Mortgage Obligations 22.5%				
ABN AMRO Mortgage Corp.				
	6.75% due	09/25/2028	3,765	3,547
	6.50% due	06/25/2029	7,093	6,516
ABSC Long Beach Home Equity Loan Trust				
	6.88% due	08/31/2030 (d)	137,705	137,705
American Southwest Financial Securities Corp.				
	7.40% due	11/17/2004	34,802	35,077

	12.25% due	11/01/2014	32	32
	12.50% due	04/01/2015	279	281
	12.00% due	05/01/2015	498	507
	7.25% due	11/25/2038	54,826	53,198
Aurora Loan Services				
	7.34% due	05/25/2030 (d)	42,548	42,481
Banc of America Funding Corporation				
	6.75% due	11/20/2032	17,000	16,074
Bank of America Mortgage Securities, Inc.				
	6.25% due	07/25/2014	10,040	9,533
	6.25% due	08/25/2028	25,000	22,518
	6.50% due	05/25/2029	35,565	32,818
	7.25% due	10/25/2029	10,371	9,356
Bear Stearns Mortgage Securities, Inc.				
	7.00% due	08/20/2018	9,999	9,457
	7.38% due	10/25/2023 (d)	3,046	3,227
	6.35% due	08/25/2024	1,481	1,474
	10.00% due	08/25/2024	5,000	5,606
	7.00% due	03/25/2027	7,000	6,738
	8.13% due	09/25/2027	3,000	3,020
	7.45% due	12/25/2027	62	62
	7.00% due	02/25/2028	10,000	9,624
	7.00% due	05/20/2030	34,574	33,869
	7.17% due	06/25/2030	6,890	6,802
Capital Asset Research Funding LP				
	5.91% due	12/15/2005	153	152
Cendant Mortgage Corp.				
	7.25% due	04/18/2013	829	827
	6.51% due	11/18/2028 (d)	13,739	12,760
	6.50% due	11/18/2028 (d)	5,952	5,009
Centre Re				
	6.72% due	02/01/2009	30,620	29,308
Chase Mortgage Finance Corp.				
	8.25% due	10/25/2010	231	230
	7.00% due	07/25/2024	2,275	2,262
	7.00% due	08/25/2024	2,890	2,810
	6.75% due	03/25/2025	11,449	9,911
	6.32% due	04/25/2025 (d)	17,759	17,939
	6.75% due	10/25/2028	39,000	36,712
	6.35% due	07/25/2029	70,207	69,509
Chemical Mortgage Securities				
	7.25% due	01/25/2026	11,477	11,356
Citicorp Mortgage Securities, Inc.				
	7.65% due	10/25/2022 (d)	9,687	9,709
	6.25% due	04/25/2024	11,796	10,407
	6.25% due	05/25/2024	3,753	3,726
	7.25% due	10/25/2027	20,462	19,666
	6.75% due	09/25/2028	8,806	8,354
	5.90% due	05/25/2029	12,282	12,199
CMC Securities Corp.				
	7.52% due	09/25/2023 (d)	0	3,454
	8.42% due	04/25/2025 (d)	154	156
	7.25% due	11/25/2027	9,293	9,115
	6.15% due	05/25/2028 (d)	72	72
	6.75% due	05/25/2028	5,000	4,720
CMSI 2000				
	7.50% due	10/30/2030	11,233	10,524
Collateralized Mortgage Obligation Trust				
	10.20% due	02/01/2016	2,259	2,276
	7.25% due	04/23/2017	62	62
	8.00% due	09/20/2021	6,301	6,293
Collateralized Mortgage Securities Corp.				
	11.45% due	09/01/2015	969	979
	11.45% due	11/01/2015 (d)	2	2
	8.75% due	04/20/2019	403	411
COMM				
	6.15% due	02/15/2008	15,326	14,896
	6.49% due	12/16/2011 (d)	9,000	9,014
Countrywide Alternative Loan Trust				
	8.00% due	07/25/2030	21,089	21,340
Countrywide Funding Corp.				
	6.63% due	02/25/2024	33,827	31,226
Countrywide Home Loans				
	6.50% due	07/25/2013	5,676	5,293
	8.79% due	07/25/2024 (d)	2,314	2,332
	6.75% due	11/25/2025	25,567	22,795
	7.50% due	04/25/2027	1,534	1,533
	7.50% due	06/25/2027	12,122	12,142
	7.50% due	09/25/2027	20,000	19,704
	7.25% due	12/25/2027	6,224	5,965
	7.25% due	02/25/2028	57,846	55,542
	6.75% due	06/25/2028	15,103	13,461
	6.75% due	08/25/2028	10,024	9,945

	6.75% due	11/25/2028	3,000	2,803
	6.50% due	01/25/2029	24,978	23,306
	6.50% due	03/25/2029	21,744	20,032
	6.05% due	04/25/2029	1,337	1,320
	7.25% due	08/25/2029	5,700	5,381
	7.75% due	08/31/2030	29,310	27,761
Crusade Global Trust				
	7.01% due	05/15/2021 (d)	100,000	100,250
CS First Boston Mortgage Securities Corp.				
	6.75% due	12/27/2028	12,607	10,467
	6.96% due	06/20/2029	124	124
DLJ Commercial Mortgage Corp.				
	6.88% due	05/05/2003 (d)	31,164	31,183
DLJ Mortgage Acceptance Corp.				
	8.67% due	05/25/2024 (d)	107	109
	6.85% due	12/17/2027	6,605	6,585
Donaldson, Lufkin & Jenrette, Inc.				
	6.45% due	08/01/2021 (d) (1)	3,985	4,256
	8.41% due	12/25/2022 (d)	1,593	1,614
	8.58% due	03/25/2024 (d)	460	468
Drexel Mortgage Funding				
	9.50% due	11/20/2017	622	626
DVI Business Credit Receivable				
	6.46% due	10/15/2003 (d)	3,850	3,891
FBS Mortgage Corp.				
	7.14% due	11/25/2024	364	363
Federal Home Loan Mortgage Corp.				
	8.00% due	03/15/2002	103	103
	6.75% due	10/15/2003	14,399	14,364
	7.00% due	10/15/2003	3,497	3,498
	7.50% due	11/01/2003	4,476	4,513
	7.00% due	12/15/2003	89	89
	10.15% due	04/15/2006	8	8
	6.50% due	07/15/2006	7,832	7,799
	6.50% due	08/15/2006	523	520
	6.77% due	03/12/2007	400	403
	7.50% due	05/01/2007	1,345	1,363
	5.50% due	10/15/2007	4,494	4,450
	6.50% due	05/15/2008	1,000	993
	3.05% due	06/15/2008 (d)	157	144
	7.00% due	08/15/2008	3,353	361
	6.00% due	11/15/2008	225	218
	6.20% due	12/15/2008	4,487	4,164
	6.00% due	03/15/2009	265	258
	7.55% due	03/15/2012	180	181
	8.50% due	08/15/2013	2,000	2,051
	8.50% due	09/15/2013	5,941	6,066
	6.00% due	11/15/2014	400	360
	5.40% due	05/25/2016	1,675	1,664
	6.25% due	10/15/2017	16,572	16,466
	5.90% due	03/15/2018	3,420	3,399
	6.35% due	03/25/2018	179	177
	5.25% due	05/15/2018	156	155
	10.00% due	08/01/2018	57	60
	6.50% due	10/15/2018	480	19
	6.40% due	02/15/2019	13,420	13,329
	6.50% due	05/15/2019	173	172
	5.80% due	06/15/2019	5,032	5,004
	6.25% due	07/15/2019	18,216	18,086
	5.00% due	08/15/2019	85	84
	7.50% due	01/15/2020	2,676	2,671
	7.08% due	06/15/2020 (d)	88	88
	5.25% due	07/15/2020	304	299
	5.50% due	10/15/2020	55	54
	9.50% due	11/15/2020	3,189	3,366
	9.00% due	12/15/2020	795	822
	8.75% due	12/15/2020	1,265	1,295
	6.00% due	12/15/2020	252	242
	9.00% due	12/15/2020	1,602	1,653
	9.50% due	01/15/2021	1,955	2,056
	6.25% due	01/15/2021	200	196
	8.00% due	04/15/2021	89	91
	6.50% due	05/15/2021	104	103
	6.50% due	05/17/2021	57	55
	8.50% due	06/15/2021	24,203	24,926
	6.95% due	07/15/2021	439	441
	9.00% due	07/15/2021	1,969	2,051
	9.50% due	07/15/2021	1,203	1,310
	8.00% due	07/15/2021	9,502	9,533
	6.20% due	08/15/2021	1,158	1,148
	6.95% due	08/15/2021	157	154
	8.00% due	08/15/2021	23,472	23,808
	7.00% due	09/15/2021	274	272

6.50% due	09/15/2021	29,896	29,579
7.00% due	10/15/2021	9	9
8.00% due	12/15/2021	18,405	18,931
6.85% due	01/15/2022	700	692
8.25% due	06/15/2022	5,000	5,101
7.00% due	07/15/2022	9,380	9,144
8.50% due	10/15/2022	7,029	7,303
7.50% due	01/15/2023	17,740	17,313
7.00% due	05/15/2023	10,499	9,810

7.00% due	07/15/2023	270	246
7.50% due	07/15/2023	395	399
6.50% due	07/15/2023	272	266
6.50% due	08/15/2023	141,607	140,328
6.85% due	10/25/2023	3,059	2,992
6.50% due	11/15/2023	135	117
7.50% due	01/20/2024	103	103
5.00% due	02/15/2024	116	97
6.50% due	02/15/2024	21	21
6.50% due	03/15/2024	320	283
8.00% due	04/25/2024	475	484
6.25% due	05/15/2024	13,357	11,838
7.25% due	08/15/2024	190	190
8.00% due	09/15/2024	16,250	16,398
7.50% due	02/15/2025	3,620	3,639
7.00% due	09/17/2025	40	39
6.50% due	03/15/2026	110	104
8.02% due	10/01/2026 (d)	2,926	2,985
6.00% due	11/15/2026	550	510
7.50% due	01/15/2027	25,182	24,035
7.00% due	01/15/2027	61	61
8.00% due	02/15/2027	34,599	34,657
7.50% due	03/17/2027	20,000	19,806
6.75% due	05/15/2027	824	819
7.50% due	06/20/2027	19,568	18,783
6.50% due	08/15/2027	15,642	12,949
6.50% due	10/15/2027	32,300	29,407
6.00% due	11/15/2027	665	616
6.50% due	01/25/2028	8,691	7,893
7.00% due	02/15/2028	1,593	1,520
6.50% due	04/15/2028	158,188	144,424
6.50% due	05/15/2028	48,000	43,284
6.50% due	06/15/2028	61,318	51,465
6.50% due	06/20/2028	23,392	19,621
6.50% due	07/15/2028	70,438	58,390
6.50% due	08/15/2028	275,986	229,683
7.00% due	11/15/2028	9,000	8,570
6.50% due	12/15/2028	7,057	5,506
6.00% due	12/15/2028	23,099	18,817
6.25% due	12/15/2028	1,673	1,376
6.50% due	01/15/2029	10,411	9,614
6.00% due	02/15/2029	3,873	2,877
6.50% due	03/15/2029	25,864	22,421
6.50% due	06/01/2029	106	102
6.50% due	07/01/2029	1,084	1,043
8.00% due	07/15/2029	1,250	1,222
7.50% due	08/15/2030	201	192
7.00% due	09/15/2030 (d)	18,100	15,280
7.12% due	09/30/2030	15,200	15,053
7.50% due	10/15/2030	27,350	25,991
6.50% due	08/15/2032 (d)	26,172	25,687

Federal National Mortgage Assn.

9.10% due	02/25/2002	194	193
7.50% due	05/25/2005	6,700	6,757
7.50% due	02/25/2006	375	377
6.50% due	05/01/2006	142	141
6.50% due	07/25/2006	50	50
8.00% due	11/25/2006	30	30
6.35% due	12/25/2006	8	8
6.00% due	07/25/2007	300	296
5.58% due	08/25/2007 (d)	10	9
6.74% due	08/25/2007	145	142
6.27% due	09/25/2007	3,000	2,852
7.00% due	10/25/2007	200	200
6.50% due	05/25/2008	500	497
10.50% due	08/25/2008	7,146	7,851
6.00% due	08/25/2008	69	68
7.45% due	09/25/2008 (d)	1,606	1,463
6.75% due	11/25/2010	886	881
7.00% due	01/25/2011	100	99
6.00% due	03/18/2015	11,217	11,128
8.00% due	12/25/2016	181	183

9.25% due	04/25/2018	173	182
9.30% due	05/25/2018	672	699
9.50% due	06/25/2018	564	589
7.21% due	06/25/2018 (d)	3	3
9.50% due	11/25/2018	6,998	7,155
6.00% due	02/25/2019	4,242	4,195
6.50% due	03/25/2019	885	872
9.50% due	06/25/2019	1,339	1,400
5.65% due	07/25/2019	457	454
9.30% due	08/25/2019	73	77
6.35% due	08/25/2019	207	205
8.00% due	10/25/2019	620	618
9.00% due	12/25/2019	5,985	6,159
7.50% due	12/25/2019	74	73
7.50% due	05/25/2020	3,225	3,241
6.75% due	06/25/2020	248	247
7.08% due	07/18/2020 (d)	46	46
7.00% due	07/25/2020	327	326
9.00% due	09/25/2020	3,338	3,452
7.00% due	09/25/2020	12,693	12,648
6.50% due	09/25/2020	1,367	1,355
5.00% due	09/25/2020	200	190
8.00% due	12/25/2020	26,225	26,782
7.16% due	12/25/2020 (d)	10	10
8.75% due	01/25/2021	3,151	3,232
9.00% due	01/25/2021	5,264	5,483
5.75% due	02/18/2021	100	96
7.50% due	03/25/2021	2,159	2,150
9.00% due	03/25/2021	459	473
7.00% due	05/25/2021	300	293
7.50% due	06/25/2021	46	46
6.50% due	06/25/2021	6,096	5,834
8.00% due	07/25/2021	14,905	15,091
8.50% due	09/25/2021	5,376	5,544
7.00% due	10/25/2021	9,317	9,113
8.00% due	10/25/2021	22,645	22,940
7.00% due	11/25/2021	23,206	23,031
6.00% due	12/25/2021	34	34
4.00% due	01/25/2022	126	113
8.00% due	01/25/2022	21,700	21,968
8.00% due	03/25/2022	72	72
7.00% due	04/25/2022	17,091	16,299
5.00% due	04/25/2022	48	44
10.00% due	05/01/2022	133	141
7.38% due	05/25/2022	9,227	9,100
7.00% due	06/25/2022	1,276	1,249
8.00% due	06/25/2022	3,861	3,915
8.00% due	07/25/2022	60,892	61,455
7.00% due	07/25/2022	5,582	5,516
6.50% due	10/25/2022	4,048	3,672
7.80% due	10/25/2022	3,328	3,325
6.50% due	12/25/2022	195	192
7.00% due	03/25/2023	28,890	27,361
6.50% due	05/18/2023	10,717	10,601
6.90% due	05/25/2023	159	142
7.00% due	06/25/2023	5,258	4,769
6.00% due	08/25/2023	2,703	2,529
6.50% due	08/25/2023	35	34
6.00% due	08/25/2023	11,122	9,496
1.00% due	09/25/2023	226	204
6.75% due	09/25/2023	3,971	3,558
6.75% due	10/25/2023	597	512
7.50% due	10/25/2023	50	51
6.50% due	11/25/2023	85	83
6.50% due	12/25/2023	1,317	1,145
7.10% due	12/25/2023	6,769	6,465
6.50% due	01/25/2024	2,656	2,386
7.25% due	02/25/2024	17	17
6.50% due	02/25/2024	5,150	4,794
7.50% due	06/20/2024	106	107
6.50% due	08/17/2024	17,000	16,096
7.00% due	02/18/2025	121	121
6.60% due	05/18/2025	219	212
7.50% due	11/17/2025	289	286
7.50% due	12/25/2025	360	354
7.00% due	02/15/2026	180	178
7.00% due	07/18/2026	450	433
6.50% due	09/18/2026	120	114
7.00% due	12/18/2026	16,310	15,014
6.00% due	12/25/2026	170	157
6.00% due	03/25/2027	320	295
6.00% due	05/17/2027	5,470	4,756
6.50% due	07/18/2027	173	148

	7.00% due	07/18/2027	460	446
	8.00% due	08/18/2027	286	79
	7.50% due	08/20/2027	2,503	2,398
	6.89% due	02/01/2028 (d)	1,292	1,328
	7.02% due	04/18/2028 (d)	3,211	3,216
	6.50% due	06/25/2028	4,700	4,325
	6.50% due	07/18/2028	67,412	60,818
	6.00% due	07/18/2028	8,649	6,778
	9.10% due	09/25/2028	20,532	22,196
	6.25% due	02/25/2029	500	429
	6.00% due	04/25/2029	10,809	7,804
	7.12% due	08/25/2030 (d)	94,976	94,925
	7.07% due	09/01/2030 (d)	85,000	84,920
	6.30% due	10/17/2038	15,471	13,551
First Commonwealth Savings & Loan				
	10.38% due	04/01/2005	16	17
First Nationwide Trust				
	6.50% due	03/25/2029	4,400	4,128
	6.75% due	07/25/2029	5,498	5,462
	7.75% due	09/19/2030	6,000	5,544
First Union Residential Securitization, Inc.				
	7.00% due	04/25/2025	356	346
	6.75% due	08/25/2028	9,048	8,047
Gaston Oaks PLC				
	6.93% due	01/01/2036	4,922	4,871
General Electric Capital Mortgage Services, Inc.				
	6.00% due	01/25/2009	1,148	1,140
	6.75% due	12/25/2012	2,498	2,479
	6.50% due	09/25/2023	1,175	1,019
	6.50% due	12/25/2023	8,631	7,454
	6.50% due	01/25/2024	3,895	3,339
	6.50% due	02/25/2024	1	1
	6.50% due	03/25/2024	66,953	61,533
	6.50% due	04/25/2024	66,640	55,826
	7.25% due	05/25/2026	3,780	3,663
	7.50% due	06/25/2027	21,893	21,707
	7.50% due	07/25/2027	10,129	9,926
	7.00% due	10/25/2027	14,502	13,726
	7.00% due	11/25/2027	72,500	69,853
	6.65% due	05/25/2028	6,902	6,833
	6.75% due	05/25/2028	23,934	21,974
	6.75% due	06/25/2028	20,517	19,333
	6.55% due	06/25/2028	23,450	22,829
	6.60% due	06/25/2028	7,106	7,045
	6.75% due	06/25/2028	1,314	1,304
	6.75% due	10/25/2028	9,311	8,785
	6.25% due	12/25/2028	54,952	49,910
	6.50% due	12/25/2028	19,500	18,009
	6.50% due	05/25/2029	9,858	9,075
	6.75% due	05/25/2029	20,000	18,531
	6.50% due	07/25/2029	95,240	87,417
	5.95% due	07/25/2029	24,794	24,466
	6.00% due	07/25/2029	23,507	23,065
	6.25% due	07/25/2029	132,674	128,277
	7.25% due	08/25/2029	8,000	7,606
	7.00% due	09/25/2029	15,957	15,013
General Motors Acceptance Corp.				
	6.92% due	07/20/2002 (d)	3,287	3,287
	6.70% due	03/15/2008	29,732	28,905
GGP-Homart				
	7.04% due	06/10/2003 (d)	19,600	19,643
GMAC Commercial Mortgage Securities, Inc.				
	6.15% due	11/15/2007	264	256
	6.97% due	05/15/2008	28,427	28,360
	6.57% due	09/15/2033	30,119	29,617
	6.95% due	09/15/2033	25,060	24,703
GMAC Mortgage Corporation Loan Trust				
	7.50% due	05/25/2030	12,000	11,895
Goldman Sachs Mortgage Corp.				
	6.00% due	12/31/2007 (1)	8,635	8,030
Government National Mortgage Association				
	6.25% due	06/20/2022	43,622	43,216
	7.22% due	06/20/2023 (d)	48,214	48,122
	7.25% due	12/16/2023	7,444	7,468
	7.00% due	01/15/2024	414	409
	8.00% due	05/16/2024	73	73
	7.00% due	03/20/2026	320	310
	7.00% due	08/20/2026	114	111
	7.50% due	02/16/2027	1	1
	7.50% due	07/16/2027	29,918	28,903
	7.00% due	12/20/2027	18,416	17,479

	6.50% due	06/20/2028	30,965	25,382
	6.50% due	07/20/2028	39,127	31,695
	6.50% due	09/20/2028	28,461	23,948
	6.50% due	01/20/2029	27,852	23,106
	6.50% due	03/20/2029	16,259	14,914
	8.00% due	03/20/2029	7,151	7,305
	6.00% due	05/20/2029	10,831	8,518
	7.50% due	01/20/2030	315	310
	7.50% due	09/20/2030	5,000	4,774
	7.13% due	09/20/2030 (d)	13,800	13,797
	7.07% due	10/30/2030	58,500	58,518
Greenwich				
	7.98% due	04/25/2022 (d)	425	424
	7.81% due	07/25/2022 (d)	109	108
	8.15% due	10/25/2022 (d)	55	55
	8.19% due	04/25/2023 (d)	918	915
	8.78% due	04/25/2024 (d)	848	858
	8.86% due	06/25/2024 (d)	493	500
	9.69% due	08/25/2024 (d)	914	923
	9.48% due	11/25/2024 (d)	195	195
GS Mortgage Securities Corp.				
	6.06% due	10/18/2030	0	0
Harborview Mortgage Loan Trust				
	7.47% due	08/19/2030	22,975	23,176
Headlands Mortgage Securities, Inc.				
	7.25% due	11/25/2012	2,043	2,043
	7.16% due	12/25/2012	775	773
	7.25% due	11/25/2027	18,456	18,260
	7.00% due	02/25/2028	560	557
ICI Funding Corp. Secured Assets Corp.				
	7.25% due	09/25/2027	18,068	17,744
	7.75% due	03/25/2028	1,868	1,819
Impac CMB Trust				
	6.87% due	07/25/2028 (d)	1,061	1,062
Impac Secured Assets CMN Owner Trust				
	7.32% due	10/25/2030 (d)	62,000	62,000
Imperial CMB Trust				
	6.95% due	09/25/2026 (d)	6,035	6,039
	6.65% due	11/25/2029	1,063	1,055
Independent National Mortgage Corp.				
	6.65% due	10/25/2024	2,723	2,633
	9.14% due	11/25/2024 (d)	5	5
	8.56% due	11/25/2024 (d)	1,140	1,155
	8.75% due	12/25/2024	30	31
	9.07% due	01/25/2025 (d)	107	109
	8.00% due	06/25/2025	7	7
	8.23% due	07/25/2025 (d)	6,762	6,821
	7.50% due	09/25/2025	782	780
International Mortgage Acceptance Corp.				
	12.25% due	03/01/2014	255	291
J.P. Morgan Commercial Mortgage Finance Corp.				
	8.23% due	02/25/2028	1,615	1,617
	6.53% due	01/15/2030	20,000	19,545
Kidder Peabody Acceptance Corp.				
	8.31% due	09/25/2024 (d)	7,392	7,417
LB Mortgage Trust				
	8.40% due	01/20/2017	38,879	40,339
Mellon Residential Funding Corp.				
	6.50% due	02/25/2028	10,000	8,663
	6.35% due	06/25/2028	22,000	21,585
	6.11% due	01/25/2029	23,900	22,922
	6.57% due	07/25/2029	44,000	42,688
	6.58% due	07/25/2029	55,500	54,805
	6.46% due	07/25/2029	6,631	6,602
Merrill Lynch Mortgage Investors, Inc.				
	7.00% due	06/15/2021	2,182	2,187
	7.15% due	06/15/2021 (d)	4,694	4,617
	7.41% due	06/15/2021 (d)	4,404	4,340
	6.95% due	06/18/2029	36,420	36,421
Midland Realty Acceptance Corp.				
	7.02% due	01/25/2029	19,667	19,552
MLCC Mortgage Investors, Inc.				
	6.87% due	09/15/2026 (d)	18,580	18,556
Morgan Stanley Capital				
	6.86% due	05/15/2006	2,041	2,037
	6.19% due	01/15/2007	20,866	20,449
	6.16% due	04/03/2009	13,464	13,058
	7.46% due	02/15/2020	11,450	11,640
	6.59% due	10/03/2030	6,612	6,546
Morgan Stanley, Dean Witter, Discover and Co.				
	6.85% due	07/25/2027 (d)	677	673
Mortgage Capital Funding, Inc.				
	7.80% due	04/15/2006	500	510

	7.01% due	09/20/2006	15,545	15,399
	7.60% due	05/25/2027	12,959	13,133
NationsBanc Montgomery Funding Corp.				
	6.75% due	06/25/2028	10,000	9,419
	6.50% due	07/25/2028	14,470	13,325
	6.75% due	08/25/2028	20,009	18,191
	6.25% due	10/25/2028	2,000	1,804
Nationslink Funding Corp.				
	5.81% due	02/10/2001	14,502	14,444
	6.33% due	10/22/2004	6,542	6,447
	6.65% due	02/10/2006	12,124	11,968
	6.97% due	04/10/2007 (d)	7,417	7,419
Nomura Asset Securities Corp.				
	8.49% due	05/25/2024 (d)	1,701	1,743
Norwest Asset Securities Corp.				
	6.75% due	12/25/2012	16,624	16,427
	6.50% due	06/25/2013	3,129	3,059
	7.50% due	03/25/2027	1,943	1,938
	6.75% due	09/25/2027	2,957	2,899
	6.35% due	04/25/2028	1,747	1,733
	6.75% due	05/25/2028	5,000	4,587
	6.25% due	08/25/2028	4,355	4,307
	6.25% due	09/25/2028	418	377
	6.75% due	10/25/2028	18,215	17,208
	6.50% due	12/25/2028	20,000	18,448
	6.50% due	01/25/2029	373	279
	6.50% due	02/25/2029	67,312	62,208
	6.50% due	04/25/2029	26,751	24,622
	6.30% due	04/25/2029	8,082	7,847
	6.20% due	04/25/2029	77,385	74,553
	5.95% due	04/25/2029	111,948	108,611
	6.00% due	05/25/2029	19,713	19,332
	6.25% due	05/25/2029	504	485
	6.50% due	06/25/2029	46,178	42,395
	6.75% due	08/25/2029	1,267	1,255
	7.00% due	09/25/2029	3,451	2,888
	6.50% due	10/25/2029	1,980	1,824
	7.00% due	11/25/2029	14,870	14,238
	7.25% due	02/25/2030	19,756	18,206
PaineWebber Mortgage				
	6.00% due	04/25/2009	11,951	11,435
PHH Mortgage Services Corp.				
	7.18% due	11/18/2027	956	911
PNC Mortgage Securities Corp.				
	6.75% due	06/25/2016	10,346	10,242
	7.00% due	10/25/2027	36,034	34,747
	6.75% due	12/25/2027	7,230	6,507
	6.99% due	02/25/2028	9,574	9,358
	6.50% due	02/25/2028	1,221	1,213
	7.00% due	02/25/2028	25,604	24,686
	6.63% due	03/25/2028	1,750	1,723
	7.00% due	05/25/2028	6,422	6,373
	6.55% due	07/25/2028	24,500	24,240
	6.75% due	07/25/2028	3,527	3,326
	6.75% due	09/25/2028	3,996	3,766
	6.75% due	10/25/2028	26,133	24,476
	6.75% due	12/25/2028	21,709	20,402
	6.50% due	01/25/2029	999	922
	6.25% due	01/25/2029	9,263	8,352
	6.30% due	03/25/2029	10,000	9,051
	6.50% due	06/25/2029	48,600	44,628
	6.20% due	06/25/2029	50,581	49,496
	7.75% due	07/25/2030	78,448	78,300
	7.50% due	09/29/2030	500	501
Potomac Gurnee Finance Corp.				
	6.89% due	12/21/2026	47	46
Prudential Bache				
	6.71% due	09/01/2018 (d)	215	212
	8.40% due	03/20/2021	5,974	6,120
Prudential Home Mortgage Securities				
	7.00% due	01/25/2008	23,860	23,644
	6.75% due	08/25/2008	414	412
	6.40% due	04/25/2009	697	692
	6.95% due	11/25/2022	222	204
	7.00% due	07/25/2023	11,428	11,321
	6.75% due	10/25/2023	9,611	7,958
	5.90% due	12/25/2023	5,036	4,965
	6.05% due	04/25/2024	2,546	2,520
	6.80% due	05/25/2024	10,970	9,175
	6.45% due	11/25/2025	5,264	4,584
Prudential Securities Secured Financing Corp.				
	6.07% due	01/15/2008	12,480	12,061
	6.96% due	06/15/2008	20,592	20,555

PSB Financial Corp.	11.05% due	12/01/2015	440	448
Resecuritization Mortgage Trust	6.75% due	06/19/2028	18,235	17,146
Residential Accredit Loans, Inc.	7.45% due	04/25/2023	960	956
	7.50% due	08/25/2027	15,000	14,866
	6.50% due	02/25/2028	20,616	20,459
	7.00% due	02/25/2028	41,115	39,716
	6.50% due	12/25/2028	400	369
	6.50% due	05/25/2029	3,000	2,765
	6.75% due	06/25/2029	1,576	1,543
	7.00% due	07/25/2029	468	462
	7.75% due	03/25/2030	4,389	4,418
Residential Asset Securitization Trust	7.00% due	03/25/2027	10	10
	7.38% due	03/25/2027	5,142	5,026
	7.00% due	10/25/2027	19,541	19,097
	7.00% due	01/25/2028	20,000	18,906
	6.75% due	06/25/2028	14,914	14,701
	6.50% due	12/25/2028	1,250	1,132
	6.50% due	03/25/2029	22,700	21,416
	7.32% due	09/25/2030 (d)	16,648	16,768
Residential Funding Mortgage Securities, Inc.	7.00% due	08/25/2008	5,237	5,215
	7.50% due	09/25/2011	14,406	14,493
	7.00% due	05/25/2012	3,095	3,050
	6.50% due	12/25/2012	21,417	20,597
	7.75% due	09/25/2022	417	418
	8.00% due	01/25/2023	2,725	2,745
	8.00% due	02/25/2023	9,675	9,764
	6.50% due	11/25/2023	1,660	1,504
	6.00% due	03/25/2024	1,418	1,408
	7.50% due	09/25/2025	11,897	11,899
	7.50% due	12/25/2025	944	947
	7.75% due	11/25/2026	9,000	9,122
	7.50% due	04/25/2027	6,217	6,160
	7.50% due	06/25/2027	53,035	52,584
	7.50% due	07/25/2027	25,265	25,405
	7.25% due	08/25/2027	16,000	15,602
	7.25% due	10/25/2027	42,033	40,796
	7.00% due	11/25/2027	17,000	16,291
	6.75% due	02/25/2028	12,742	12,486
	6.75% due	05/25/2028	60,741	56,513
	6.75% due	06/25/2028	69,960	65,112
	6.75% due	07/25/2028	9,000	8,471
	6.75% due	08/25/2028	10,000	9,347
	6.75% due	09/25/2028	66,493	62,546
	6.50% due	10/25/2028	52,000	47,981
	6.25% due	11/25/2028	3,000	2,716
	6.50% due	12/25/2028	23,400	21,578
	6.50% due	01/25/2029	72,314	66,473
	6.50% due	03/25/2029	6,980	6,500
	6.20% due	05/25/2029	66,252	65,527
	6.50% due	06/25/2029	11,335	8,559
	6.75% due	07/25/2029	22,600	21,152
	7.00% due	10/25/2029	25,260	24,140
	7.50% due	11/25/2029	12,338	11,890
Resolution Trust Corp.	8.69% due	08/25/2021	6,609	6,582
	8.14% due	10/25/2021 (d)	142	141
	5.57% due	10/25/2021 (d)	133	130
	8.63% due	10/25/2021	129	129
	8.71% due	05/25/2022 (d)	1,356	1,329
	8.63% due	08/25/2023 (d)	1,850	1,853
	8.84% due	12/25/2023	3,300	3,372
	9.45% due	05/25/2024	1,431	1,425
	8.00% due	04/25/2025	167	161
	8.00% due	06/25/2026	253	248
	8.17% due	10/25/2028 (d)	5,276	5,399
	7.42% due	10/25/2028 (d)	13,604	13,501
	7.51% due	05/25/2029 (d)	2,670	2,675
	7.03% due	05/25/2029 (d)	2,631	2,588
RMF Commercial Mortgage Securities, Inc.	6.72% due	01/15/2019	235	229
Ryan Mortgage Acceptance Corp.	9.45% due	10/01/2016	78	81
Ryland Acceptance Corp.	11.50% due	12/25/2016	84	90
	8.20% due	09/25/2022	17	17
Ryland Mortgage Securities Corp.	8.20% due	06/25/2021	35	35
	8.43% due	08/25/2022 (d)	1,803	1,810

	8.02% due	08/25/2029 (d)	2,089	2,101
	7.24% due	10/25/2031 (d)	3,035	3,018
Salomon Brothers Mortgage Securities				
	9.11% due	07/01/2024 (d)	4,110	4,135
	6.96% due	04/25/2029 (d)	21,863	21,881
	7.00% due	04/25/2029 (d)	7,709	7,701
	6.92% due	06/25/2029 (d)	40,316	40,319
	7.02% due	09/25/2029 (d)	398	400
Salomon Smith Barney Holdings, Inc.				
	6.63% due	07/01/2002	55	55
Santa Barbara Savings				
	9.50% due	11/20/2018	2,032	2,058
Saxon Mortgage				
	6.25% due	04/25/2009	3,169	3,136
	6.50% due	02/25/2024	1,820	1,795
	9.07% due	09/25/2024 (d)	3,159	3,187
Sears Mortgage Securities				
	6.28% due	12/25/2028	281	274
Securitized Asset Sales, Inc.				
	8.50% due	10/25/2023 (d)	1,375	1,370
	8.51% due	12/26/2023 (d)	745	753
	7.41% due	09/25/2024 (d)	9,900	9,944
Security Pacific National Bank				
	6.38% due	03/25/2018 (d)	86	83
Sequoia Mortgage Trust				
	6.35% due	09/25/2025 (d)	6,000	5,847
Small Business Investment Co.				
	7.54% due	08/10/2009	75,600	77,349
	8.02% due	02/10/2010	102,039	107,158
	7.64% due	03/10/2010	69,731	71,581
	7.45% due	09/01/2010	15,860	15,884
Southern Pacific Secured Assets Corp.				
	6.79% due	07/25/2029 (d)	39,853	39,621
Starwood Commercial Mortgage				
	6.60% due	02/03/2009	11,556	11,404
Structured Asset Mortgage Investments, Inc.				
	6.75% due	03/25/2028	22,519	21,209
	6.91% due	06/25/2028 (d)	37,724	36,711
	6.25% due	11/25/2028	14,878	13,452
	6.75% due	01/25/2029	10,000	9,395
	6.30% due	05/25/2029	18,419	17,976
	6.58% due	06/25/2029 (d)	30,039	28,797
	7.25% due	07/25/2029	23,718	23,660
	7.23% due	02/25/2030	955	939
Structured Asset Notes Transactions Ltd.				
	6.65% due	08/30/2005	18,771	18,114
Structured Asset Securities Corp.				
	7.00% due	12/25/2027	51,500	48,812
Superannuation Members Home Loans Global Fund				
	7.02% due	06/15/2026 (d)	19,900	19,894
TMA Mortgage Funding Trust				
	7.00% due	01/25/2029 (d)	28,816	28,816
Union Planters Mortgage Finance Corp.				
	6.75% due	01/25/2028	4,000	3,668
	6.80% due	01/25/2028	15,000	14,498
Vendee Mortgage Trust				
	7.75% due	03/15/2016	104	103
	7.50% due	08/15/2017	333	334
	7.75% due	05/15/2018	550	555
	6.50% due	05/15/2020	28,750	27,199
	6.83% due	01/15/2030	16,470	16,111
Washington Mutual				
	6.78% due	07/26/2003 (d)	155,246	155,199
Western Federal Savings & Loan				
	7.93% due	06/25/2021 (d)	3,229	3,229

				7,986,226

Federal Home Loan Mortgage Corporation 2.4%				
	5.00% due	10/15/2020	1,000	958
	5.50% due	04/01/2001-10/14 (k) 29	3,113	2,863
	5.75% due	08/15/2020	300	295
	5.90% due	12/01/2026 (d)	5,871	5,751
	6.00% due	12/01/2000-10/16 (k) 30	282,314	264,740
	6.50% due	07/01/2001-05/01 (k) 29	167,130	155,382
	6.54% due	11/01/2026 (d)	6,846	6,831
	6.72% due	11/01/2028 (d)	23,564	23,205
	6.75% due	01/17/2025	8,349	8,304
	6.78% due	11/01/2003	68	67
	6.93% due	07/01/2025 (d)	6,508	6,588
	7.00% due	10/01/2002-11/12 (k) 30	113,851	111,878
	7.28% due	09/01/2027 (d)	2,796	2,782
	7.37% due	10/01/2023 (d)	881	900

7.39% due	10/01/2023 (d)	1,546	1,579
7.40% due	10/25/2023 (d)	14,975	15,449
7.50% due	09/01/2001-02/01 (d) (k)	13,182	13,303
7.63% due	06/01/2017-01/01 (d) (k)	26	27
7.65% due	05/01/2025	2,390	2,450
7.67% due	04/01/2029 (d)	1,266	1,302
7.75% due	04/01/2007-04/01 (d) (k)	50	49
7.79% due	04/01/2024 (d)	6,520	6,679
7.81% due	07/01/2030 (d)	140,578	141,539
7.82% due	08/01/2023 (d)	8,540	8,764
7.89% due	08/01/2023-01/01 (d) (k)	414	426
7.91% due	06/01/2024 (d)	1,025	1,051
8.00% due	01/01/2002-09/01 (k) 18	2,854	2,883
8.04% due	07/01/2024 (d)	1,429	1,464
8.19% due	09/01/2023 (d)	1,499	1,518
8.25% due	08/01/2007-05/01 (d) (k)	1,778	1,804
8.26% due	07/01/2022 (d)	937	960
8.32% due	09/01/2023 (d)	9,655	9,896
8.33% due	04/01/2023 (d)	440	448
8.34% due	07/01/2023 (d)	521	530
8.36% due	10/01/2023 (d)	438	445
8.42% due	05/01/2023-08/01 (d) (k)	5,971	6,126
8.45% due	08/01/2023-11/01 (d) (k)	2,537	2,601
8.48% due	11/01/2023 (d)	143	142
8.50% due	09/01/2001-11/01 (k) 24	5,047	5,181
8.51% due	10/01/2023 (d)	1,429	1,469
8.52% due	05/01/2027 (d)	634	652
8.58% due	09/01/2023 (d)	2,307	2,376
8.61% due	08/01/2024 (d)	207	213
8.63% due	08/01/2023 (d)	390	393
8.69% due	11/01/2023 (d)	344	346
8.75% due	02/01/2001-12/01 (k) 10	107	107
8.90% due	11/15/2020	11,207	11,674
9.00% due	01/01/2002-09/15 (k) 20	532	547
9.25% due	06/01/2009-11/01 (k) 13	99	100
9.50% due	08/01/2001-12/01 (k) 22	1,234	1,283
9.75% due	03/01/2001-05/01 (k) 09	45	46
10.00% due	06/01/2004-03/01 (k) 21	930	971
10.10% due	09/01/2016	241	256
10.25% due	03/15/2009-05/01 (k) 09	1,091	1,159
10.50% due	10/01/2017-01/01 (k) 21	376	403
11.00% due	11/01/2009-05/01 (k) 20	639	684
11.25% due	10/01/2009-09/01 (k) 15	92	100
11.50% due	01/01/2018	72	79
12.50% due	12/01/2012	16	18
13.25% due	10/01/2013	79	89
14.00% due	04/01/2016	19	21
15.50% due	08/01/2011-11/01 (k) 11	13	15
16.25% due	05/01/2011	3	3

840,164

Federal Housing Administration 1.4%

6.00% due	03/20/2028	1,739	1,629
6.50% due	02/15/2001-03/01 (k) 40	5,956	5,802
6.63% due	05/28/2039-07/01 (k) 40	3,091	2,905
6.75% due	07/15/2001	2,706	2,595
6.76% due	06/25/2039-03/01 (k) 41	16,214	15,032
6.78% due	07/25/2040	7,653	7,333
6.79% due	05/01/2039	10,902	10,677
6.83% due	12/01/2039	3,497	3,316
6.88% due	11/01/2015-02/01 (k) 41	24,874	23,656
6.90% due	07/01/2020-12/01 (k) 40	47,399	45,466
6.93% due	07/01/2014-01/01 (k) 36	17,075	16,620
7.00% due	11/15/2040	174	167
7.05% due	03/25/2040	4,516	4,359
7.13% due	03/01/2034	4,411	4,322
7.21% due	12/01/2021	2,700	2,691
7.25% due	06/01/2040	8,304	8,067
7.31% due	06/01/2041	23,567	22,800
7.32% due	05/01/2019-08/01 (k) 19	37,511	36,697
7.35% due	11/01/2022	6,028	5,985
7.38% due	02/01/2018-01/01 (k) 24	16,589	16,446
7.40% due	02/01/2021	2,191	2,187
7.43% due	12/01/2016-05/01 (k) 25	116,022	115,566
7.45% due	12/01/2021	11,589	11,578
7.47% due	11/01/2019	29,797	29,742
7.50% due	03/01/2032-09/30 (k) 39	6,672	6,569
7.58% due	04/01/2040-12/01 (k) 40	7,616	7,507
7.63% due	08/01/2041	17,747	17,552
7.65% due	11/01/2018-11/01 (k) 40	7,559	7,519
7.70% due	03/15/2041	2,720	2,697
7.75% due	11/15/2039	3,100	3,073

7.88% due	12/01/2039-03/01 (k) 41	13,423	13,479
7.93% due	05/01/2016	1,903	1,906
8.25% due	10/29/2023-01/01 (k) 41	9,512	9,675
8.38% due	11/01/2012	255	260
8.63% due	08/15/2030	34,293	35,457
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			501,332

Federal National Mortgage Association 4.4%

4.75% due	11/14/2003	250	238
5.00% due	12/25/2021-04/18 (k) 27	2,000	1,823
5.50% due	03/01/2013-12/01 (k) 28	20,616	18,641
5.92% due	11/01/2035 (d)	0	0
6.00% due	12/01/2000-10/16 (k) 30	377,190	352,973
6.09% due	12/01/2008	49	47
6.18% due	04/01/2027 (d)	110	109
6.25% due	07/25/2007	83	83
6.28% due	09/01/2029 (d)	608	583
6.34% due	09/01/2017-09/01 (d) (k)	6,014	5,883
6.39% due	05/25/2036	29,534	25,210
6.42% due	12/01/2007	150	146
6.45% due	09/25/2016	3,380	3,355
6.50% due	04/01/2003-06/17 (k) 38	60,401	55,193
6.58% due	04/01/2026 (d)	1,111	1,105
6.60% due	12/01/2003-09/25 (k) 18	1,993	1,980
6.63% due	12/01/2027 (d)	8,174	8,137
6.69% due	08/01/2027 (d)	39,409	39,604
6.75% due	08/01/2003	223	222
6.84% due	07/01/2003	62	61
6.92% due	10/01/2027 (d)	4,427	4,442
6.95% due	03/25/2026	273	271
7.00% due	07/01/2001-10/16 (k) 30	550,197	539,989
7.25% due	05/01/2002-01/01 (k) 23	10,183	10,064
7.35% due	09/01/2027 (d)	1,815	1,849
7.41% due	11/01/2023 (d)	881	901
7.45% due	11/01/2023 (d)	166	170
7.47% due	12/01/2023 (d)	166	169
7.48% due	01/01/2024-07/01 (d) (k)	2,742	2,777
7.50% due	10/01/2002-05/01 (k) 30	14,581	14,678
7.54% due	10/01/2023 (d)	345	355
7.55% due	05/01/2023 (d)	2,224	2,238
7.56% due	12/01/2023 (d)	882	898
7.57% due	01/01/2024 (d)	395	405
7.63% due	09/01/2022 (d)	958	978
7.66% due	02/01/2026 (d)	550	565
7.68% due	12/01/2023 (d)	1,052	1,089
7.69% due	01/01/2024 (d)	431	441
7.70% due	03/01/2025 (d)	2,940	3,026
7.73% due	11/01/2025 (d)	2,003	2,058
7.75% due	06/01/2009-01/01 (d) (k)	1,448	1,485
7.78% due	01/01/2018	2,239	2,377
7.79% due	09/01/2023-08/01 (d) (k)	3,947	4,053
7.81% due	11/01/2025 (d)	1,236	1,270
7.85% due	07/01/2018-01/01 (d) (k)	6,849	7,310
7.89% due	03/01/2026 (d)	1,979	2,041
7.90% due	09/01/2025 (d)	1,560	1,585
7.92% due	03/01/2018	2,755	2,960
7.93% due	09/01/2022 (d)	1,165	1,181
7.98% due	05/01/2030	6,704	6,843
8.00% due	09/01/2001-10/16 (k) 30	367,700	372,519
8.02% due	11/01/2025 (d)	3,478	3,580
8.06% due	04/01/2030	1,861	1,877
8.08% due	04/01/2030	1,018	1,028
8.12% due	07/01/2024 (d)	4,245	4,357
8.16% due	09/01/2024 (d)	1,410	1,441
8.25% due	10/01/2008-03/01 (k) 30	2,247	2,406
8.32% due	05/01/2026 (d)	577	597
8.49% due	06/01/2025	997	1,020
8.50% due	07/01/2001-08/01 (k) 26	3,079	3,149
8.56% due	05/01/2024 (d)	2,375	2,460
9.00% due	10/01/2004-12/01 (k) 27	9,369	9,756
9.25% due	10/01/2001	2	2
9.50% due	12/01/2006-07/01 (k) 26	9,370	9,692
9.75% due	11/01/2008	58	61
10.00% due	09/01/2003-05/01 (k) 22	1,085	1,146
10.50% due	01/01/2016-04/01 (k) 22	533	570
10.75% due	03/01/2014	24	26
11.00% due	09/01/2019-11/01 (k) 20	122	133
11.50% due	08/20/2016-11/01 (k) 19	82	90
12.00% due	05/01/2016	9	10
12.50% due	10/01/2015	29	32
13.00% due	09/01/2013	29	33
13.25% due	09/01/2011	12	14

14.50% due	11/01/2011-01/01 (k) 13	44	49
14.75% due	08/01/2012	167	194
15.00% due	10/01/2012	86	101
15.50% due	10/01/2012-12/01 (k) 12	16	19
15.75% due	12/01/2011-08/01 (k) 12	96	112
16.00% due	09/01/2012	108	123

			1,550,458

Government National Mortgage Association 42.0%

5.00% due	06/20/2022 (d)	327	330
5.50% due	06/20/2026-10/23 (d) (k)	70,410	67,522
5.65% due	10/15/2012	11	10
6.00% due	10/15/2008-10/23 (d) (k)	1,945,726	1,831,839
6.38% due	05/20/2027 (d)	2,430	2,447
6.50% due	05/15/2001-10/15 (d) (k)	5,403,660	5,203,229
6.63% due	01/15/2040	9,612	9,163
6.67% due	10/15/2001-07/16 (k) 38	1,036	1,010
6.75% due	07/15/2001-06/20 (d) (k)	411,113	411,178
6.80% due	09/15/2001-10/15 (k) 40	3,000	2,952
6.82% due	09/15/2001-10/15 (k) 40	16,978	16,955
6.88% due	02/20/2016-02/15 (d) (k)	1,187	1,156
7.00% due	10/15/2001-10/23 (d) (k)	2,305,309	2,271,274
7.12% due	02/16/2030 (d)	13,093	13,154
7.13% due	12/20/2017-12/20 (d) (k)	346,703	349,453
7.25% due	08/24/2024-08/20 (d) (k)	325	327
7.38% due	05/20/2017-05/20 (d) (k)	501,835	505,641
7.50% due	01/15/2003-10/23 (k) 30	2,917,919	2,925,968
7.70% due	02/15/2002	4,034	4,013
7.75% due	07/15/2001	3,958	3,942
7.88% due	04/20/2023 (d)	338	342
8.00% due	05/15/2001-10/23 (k) 30	1,228,446	1,248,773
8.13% due	07/15/2001-12/01 (k) 39	3,681	3,684
8.25% due	08/15/2004-05/15 (k) 22	414	423
8.50% due	06/15/2001-10/23 (k) 30	50,513	51,899
8.75% due	03/15/2007-07/15 (k) 07	92	95
9.00% due	06/15/2001-07/20 (k) 22	5,271	5,529
9.25% due	07/15/2003-12/20 (k) 16	166	170
9.50% due	04/15/2001-08/15 (k) 23	4,631	4,857
9.75% due	09/15/2002-07/15 (k) 04	80	82
10.00% due	04/15/2001-02/15 (k) 25	5,288	5,612
10.25% due	02/20/2019	22	23
10.50% due	06/15/2004-09/15 (k) 21	655	702
11.00% due	01/15/2001-03/15 (k) 19	212	229
11.25% due	03/15/2001-12/20 (k) 15	35	38
11.50% due	10/15/2010-10/15 (k) 13	48	52
12.00% due	11/15/2012-05/15 (k) 16	228	258
12.50% due	01/15/2011	1	1
13.00% due	12/15/2012-10/15 (k) 14	20	21
13.25% due	10/20/2014	19	22
13.50% due	10/15/2012-09/15 (k) 14	78	89
15.00% due	02/15/2012-10/15 (k) 12	97	113
16.00% due	10/15/2011-05/15 (k) 12	197	236
17.00% due	11/15/2011-12/15 (k) 11	60	72

			14,944,885

Other Mortgage-Backed Securities 0.6%
Bank of America Corp.

9.00% due	03/01/2008	34	35
CDC Depositor Trust I			
7.05% due	01/15/2003 (d)	19,302	19,231
Citibank, NA			
8.00% due	07/25/2018	41	42
Commercial Mortgage Asset Trust			
6.64% due	09/17/2010	455	439
Countrywide Funding Corp.			
6.75% due	03/25/2024	12,260	10,528
DBL Mortgage Funding			
9.50% due	08/01/2019	5	5
Federal Home Loan Mortgage Corp.			
11.88% due	06/15/2013	97	102
FFCA Secured Lending Corp.			
7.85% due	05/18/2017	28,900	28,872
First Interstate Bancorp			
9.13% due	01/01/2009 (d) (1)	10	10
General Electric Capital Mortgage Services, Inc.			
7.25% due	07/25/2011	1,550	1,544
General Electric Credit Corp.			

German American Capital Corp.	8.00% due	03/01/2002 (1)	4	4
	8.36% due	09/30/2002	462	445
	4.31% due	07/01/2018 (d)	8,197	8,014
Guardian Savings & Loan Assn.	6.91% due	12/25/2018 (d)	20	20
Home Savings of America	8.46% due	08/01/2006	45	44
	6.10% due	05/25/2027 (d)	2,589	2,522
	6.44% due	08/20/2029 (d)	23,756	23,240
Imperial Savings & Loan	8.23% due	01/25/2017 (d)	59	59
	8.85% due	07/25/2017 (d)	219	218
LTC Commercial Corp.	7.10% due	11/28/2012	3,187	3,191
Merrill Lynch Mortgage	7.77% due	06/15/2021 (d)	978	959
Mid-State Trust	8.33% due	04/01/2030	64,877	66,850
Morgan Stanley Mortgage Trust	8.15% due	07/20/2021	2	2
Resolution Trust Corp.	6.93% due	05/25/2029 (d)	3,190	3,186
Ryland Acceptance Corp.	14.00% due	11/25/2031	763	798
Salomon Brothers Mortgage Securities	11.50% due	09/01/2015	735	740
	8.40% due	11/25/2022 (d)	508	511
Sasco Floating Rate Commercial Mortgage	7.02% due	11/20/2001 (d)	54,440	54,536
Sears Mortgage	12.00% due	02/25/2014	542	560
	7.43% due	10/25/2022 (d)	1,844	1,865

				228,572

Stripped Mortgage-Backed Securities 0.0%				
Bear Stearns Mortgage Securities, Inc. (IO)	7.20% due	07/25/2024	301	29
Chase Mortgage Finance Corp. (IO)	9.00% due	08/25/2023	150	4
Collateralized Mortgage Obligation Trust (PO)	0.00% due	04/23/2017	12	10
Federal Home Loan Mortgage Corp. (IO)	6.50% due	08/15/2006	89	1
	6.50% due	11/15/2006	232	2
	6.50% due	03/15/2007	164	1
	5.75% due	09/15/2007 (d)	5,084	304
	6.00% due	10/15/2007	179	12
	6.00% due	01/15/2008	85	4
	5.43% due	02/15/2008 (d)	519	40
	6.40% due	10/15/2008	61	6
	0.00% due	08/15/2016	75	0
	6.50% due	08/15/2017	65	0
	7.00% due	04/15/2018	640	30
	7.50% due	08/15/2018	15	0
	8.85% due	01/15/2021	2	34
	9.00% due	05/15/2022	94	24
	6.50% due	09/15/2023	277	33
Federal National Mortgage Association (IO)	6.50% due	05/25/2005	679	69
	6.50% due	07/25/2006	410	16
	7.27% due	09/25/2006	2	14
	6.50% due	02/25/2007	1,102	59
	6.50% due	07/25/2007	218	9
	6.50% due	09/25/2007	1,461	83
	6.50% due	10/25/2007	407	22
	0.10% due	03/25/2009 (d)	23,966	407
	6.50% due	08/25/2020	2,649	185
	10.07% due	01/25/2021	0	3
	7.50% due	04/25/2021	1,486	226
	9.03% due	08/25/2021	5	147
	0.95% due	11/25/2021 (d)	22,673	362
	6.50% due	10/25/2022	122	11
	6.50% due	01/25/2023	2,726	430
	3.66% due	02/25/2023 (d)	12,307	579
Federal National Mortgage Association (PO)	0.00% due	09/01/2007	667	544
	0.00% due	02/25/2021	204	202
	0.00% due	06/25/2022	317	308
	0.00% due	08/25/2023	295	199
PaineWebber (IO)	13.60% due	08/01/2019	1	36

Vendee Mortgage Trust (IO)	0.54% due	06/15/2023 (d)	150,746	2,633

				7,078

Total Mortgage-Backed Securities				26,058,715

(Cost \$25,944,931)				
ASSET-BACKED SECURITIES 8.2%				
Advanta Mortgage Loan Trust				
	6.82% due	05/25/2027 (d)	667	665
	7.02% due	08/25/2029 (d)	2,709	2,719
	8.25% due	08/25/2030	7,954	8,147
Advanta Revolving Home Equity Loan Trust				
	6.99% due	01/25/2024 (d)	27,010	27,099
	6.87% due	08/25/2024 (d)	22,782	22,798
	6.87% due	02/25/2025 (d)	15,436	15,430
Aerco Ltd.				
	7.09% due	07/15/2025 (d)	38,200	38,204
Aesop Funding LLC				
	6.57% due	11/20/2006	15,000	15,000
AFC Home Equity Loan Trust				
	7.35% due	10/25/2026 (d)	1,628	1,634
Allied Waste Industries, Inc.				
	9.44% due	07/30/2006	24,774	24,039
	9.69% due	07/30/2007 (d)	4,955	4,808
	9.75% due	07/30/2007 (d)	3,964	3,846
	9.69% due	07/30/2007 (d)	20,809	20,193
American Express Credit Account Master Trust				
	6.80% due	12/15/2003	1,500	1,502
American Express Master Trust				
	7.85% due	08/15/2005	220	227
American Stores Co.				
	7.28% due	08/30/2004	20,000	19,776
Americredit Automobile Receivable Trust				
	6.54% due	05/12/2001	119	119
	5.30% due	10/12/2002	8,246	8,221
	5.78% due	05/12/2003	43,000	42,672
Amresco Residential Securities Mortgage Loan Trust				
	6.82% due	10/25/2027 (d)	1,032	1,033
	6.78% due	05/25/2028 (d)	7,676	7,671
Arcadia Automobile Receivables Trust				
	6.25% due	09/15/2002	23,250	23,247
	5.90% due	11/15/2002	7,449	7,442
	6.30% due	07/15/2003	26,025	25,922
	6.90% due	12/15/2003	19,431	19,482
Associates Manufactured Housing				
	7.00% due	03/15/2027	3,675	3,676
Banc One Home Equity Trust				
	6.46% due	06/25/2029	14,711	14,643
Bank One Heloc Trust				
	6.88% due	04/20/2020 (d)	44,075	44,119
BankBoston Home Equity Loan Trust				
	6.28% due	11/25/2010	43	43
Bayview Financial Acquisition Trust				
	7.17% due	02/25/2029 (d)	4,928	4,945
	7.03% due	02/25/2030 (d)	22,638	22,511
	7.01% due	07/25/2030 (d)	68,003	68,003
BMCA Receivables Master Trust				
	6.84% due	09/20/2002 (d)	12,000	11,993
Brazos Student Loan Finance Co.				
	6.90% due	06/01/2023 (d)	52,700	52,179
	7.17% due	12/01/2025 (d)	41,215	41,362
Captec Franchise Trust				
	7.89% due	10/15/2010	1,054	1,076
Champion Home Equity Loan Trust				
	6.88% due	03/25/2029 (d)	4,872	4,875
Charming Shoppes Master Trust				
	7.07% due	08/15/2008 (d)	250	252
Charter Commercial Holdings LLC				
	9.24% due	03/31/2008	22,000	21,971
Chase Credit Card Master Trust				
	6.66% due	01/15/2007	645	644
Chase Funding Mortgage Loan Asset-Backed Certificates				
	6.84% due	10/25/2030 (d)	58,500	58,500
Chase Manhattan Auto Owner Trust				
	5.75% due	10/15/2001	28	28
Chase Manhattan Grantor Trust				
	5.20% due	02/15/2002	50	50
	6.61% due	09/15/2002	564	565
CMC Securities Corp. IV				

Community Program Loan Trust	7.25% due	11/25/2027	1,212	1,193
	4.50% due	10/01/2018	24,009	21,540
	4.50% due	04/01/2029	26,000	19,151
Conseco Finance	7.52% due	05/15/2014	35,901	36,016
	6.29% due	10/15/2030	8,418	8,416
	6.99% due	10/15/2031 (d)	29,503	29,594
Conseco Finance Home Loan Trust	6.57% due	10/15/2006	26	26
	6.98% due	09/28/2030	18,500	18,500
Conseco Finance Lease LLC	7.25% due	04/20/2003	25,000	25,107
Conseco Finance Securitizations Corp.	7.18% due	07/15/2002	23,524	23,153
	7.97% due	05/01/2032	5,000	5,070
	8.31% due	05/01/2032	48,800	49,689
Contimortgage Home Equity Loan Trust	6.79% due	10/15/2012 (d)	1,361	1,362
	6.13% due	03/15/2013	1,584	1,580
	6.42% due	04/25/2014	286	285
	6.40% due	06/15/2014	2,000	1,993
	6.77% due	01/25/2018	41,700	41,391
	6.99% due	03/15/2021	350	349
	6.93% due	11/25/2022	36,800	36,618
	7.22% due	01/15/2028	80	80
	6.76% due	06/15/2028 (d)	2,279	2,276
	6.83% due	08/15/2028 (d)	243	242
Copelco Capital Funding Corp.	6.34% due	07/20/2004	7	7
CPS Auto Trust	6.00% due	06/15/2002	556	555
	6.00% due	08/15/2003	77	76
Cross Country Master Credit	7.15% due	06/15/2006 (d)	300	300
CS First Boston Mortgage Securities Corp.	6.75% due	09/25/2028	6,960	6,560
Daimler-Benz Vehicle Trust	6.05% due	03/31/2005	1,962	1,956
Delta Air Lines Equipment Trust	9.23% due	07/02/2002 (1)	1,956	1,997
	10.50% due	01/02/2007 (1)	6,167	6,833
	10.57% due	01/02/2007 (1)	15,881	18,150
	9.55% due	01/02/2008 (1)	7,773	8,271
	10.43% due	01/02/2011	960	1,053
	10.00% due	06/05/2013	10,828	11,560
Delta Funding Home Equity Loan Trust	6.14% due	03/15/2018	26,242	26,139
	7.03% due	09/15/2029 (d)	10,950	10,996
	6.94% due	06/15/2030 (d)	34,344	34,427
Discover Card Master Trust	7.00% due	10/16/2013 (d)	400	404
Duck Auto Grantor Trust	5.65% due	03/15/2004	4,854	4,799
	7.26% due	05/15/2005	43,105	43,126
EQCC Home Equity Loan Trust	6.05% due	01/25/2010	150	149
	6.55% due	04/25/2010	304	303
	5.82% due	10/15/2027 (d)	785	784
	5.77% due	03/20/2029	150	149
Equivantage Home Equity Loan Trust	6.55% due	10/25/2025	75	75
Federal Home Loan Mortgage Corp.	6.75% due	08/15/2026 (d)	56,100	56,100
Felco Funding LLC	5.98% due	09/15/2001	175	177
Fidelity Equipment Lease Trust	5.86% due	09/15/2001	8,481	8,453
First Alliance Mortgage Loan Trust	7.00% due	03/20/2031 (d)	14,818	14,827
First Merchants Auto Trust	6.85% due	11/15/2002	14	14
First Omni Bank	6.65% due	09/15/2003 (d)	1,500	1,500
First Security Auto Grantor Trust	6.10% due	04/15/2003	699	698
	5.97% due	04/15/2004	120	119
First Union Master Credit Card Trust	6.63% due	09/15/2003	88,750	88,845
First USA Credit Card Master Trust	6.13% due	09/17/2003 (d)	300	300
FMAC Loan Receivables Trust	7.90% due	04/15/2019	20	20

	6.83% due	09/15/2020	680	626
	6.20% due	09/15/2020	261	253
	6.50% due	09/15/2020	237	216
Ford Credit Auto Owner Trust				
	5.47% due	09/15/2001	175	174
	5.77% due	11/15/2001	8,771	8,762
	6.20% due	04/15/2002	407	407
Ford Motor Credit Corp.				
	5.50% due	02/15/2003	5,300	5,278
Fred Meyer, Inc.				
	7.38% due	03/19/2003 (d)	12,405	12,269
GMAC Mortgage Corp. Loan				
	7.01% due	11/18/2025 (d)	42,817	42,886
	7.93% due	03/25/2030	39,407	36,913
Green Tree Financial Corp.				
	7.15% due	07/15/2027	221	221
	6.49% due	03/15/2028	36,494	36,390
	6.42% due	11/15/2028	1,386	1,383
	5.85% due	11/01/2029	27	27
	6.87% due	04/01/2030	1,105	988
	6.66% due	06/01/2030	1,405	1,177
	5.60% due	12/01/2030	215	214
	5.51% due	02/01/2031	271	270
	7.86% due	04/01/2031	400	386
Green Tree Floorplan Receivables Master Trust				
	6.97% due	11/15/2004 (d)	46,000	46,098
Green Tree Home Equity Loan Trust				
	5.59% due	02/15/2013	32	32
	6.04% due	06/15/2029	49	49
	5.99% due	07/15/2030	209	209
Green Tree Home Improvement Loan Trust				
	5.91% due	08/15/2007	14	14
	7.27% due	09/15/2028 (d)	4,162	4,155
	6.39% due	01/15/2029	1,945	1,945
Green Tree Lease Finance				
	6.17% due	09/20/2005	56	56
Green Tree Recreational Equipment				
	6.43% due	04/17/2006	3,234	3,229
Harley-Davidson Eaglemark				
	5.25% due	07/15/2003	96	95
Headlands Home Equity Loan Trust				
	7.27% due	12/15/2024 (d)	529	532
HFC Home Equity Loan				
	6.83% due	12/20/2016	282	281
Honda Auto Receivables Grantor				
	5.95% due	05/15/2003	61	61
Household Consumer Loan Trust				
	7.04% due	08/15/2006 (d)	19,321	19,073
IMC Home Equity Loan Trust				
	7.25% due	07/25/2026 (d)	725	721
IMPAC Secured Assets CMN Owner				
	7.77% due	07/25/2025	2,000	1,981
Independent National Mortgage Corp.				
	8.25% due	05/25/2010	154	157
Indymac Home Equity Loan				
	6.89% due	10/25/2029 (d)	9,772	9,766
Indymac Manufactured Housing				
	6.17% due	12/25/2011	5,019	4,973
Long Beach Acceptance Auto				
	6.94% due	09/19/2007	3,944	3,948
Mellon Bank Home Equity				
	5.90% due	10/25/2010	14,019	13,905
Merit Securities Corp.				
	6.16% due	07/28/2033	6,424	6,377
	7.88% due	12/28/2033	34,400	33,803
Metlife Capital Equipment Loan Trust				
	6.85% due	05/20/2008 (d)	320	320
Metris Master Trust				
	7.27% due	04/20/2006 (d)	20,000	20,099
Metropolitan Asset Funding, Inc.				
	7.08% due	04/25/2029 (d)	13,174	13,047
MGM Grand Term Loan				
	7.87% due	05/06/2001 (d)	21,277	21,226
MMCA Automobile Trust				
	6.30% due	06/15/2002	357	356
Morgan Stanley ABS Capital I				
	6.93% due	08/25/2030 (d)	157,021	157,021
MPC Natural Gas Funding Trust				
	6.20% due	03/15/2013	9,546	9,331
MSDWCC Heloc Trust				
	6.91% due	09/25/2010 (d)	36,465	36,465
Myra Ums Tranche				
	7.42% due	12/23/2006	1,358	1,321

Myra-United Mexican States	5.81% due	10/20/2006 (d)	402	391
	7.80% due	12/23/2006 (d)	6,624	6,443
	7.75% due	12/23/2006 (d)	3,489	3,397
	7.63% due	12/23/2006 (d)	5,923	5,765
	7.06% due	12/23/2006 (d)	929	904
	7.80% due	12/23/2006 (d)	928	904
	7.63% due	12/23/2006 (d)	29	28
National Medical Care	7.63% due	09/30/2003 (d)	28,486	28,201
	7.69% due	09/30/2003	21,972	21,752
New Holland Equipment Receivables	6.39% due	10/15/2002	352	352
Nomura CBO Ltd.	6.67% due	05/15/2009	1,900	1,944
Norwest Asset Securities Corp.	6.50% due	04/25/2013	20,113	19,488
	6.50% due	06/25/2013	10,423	10,094
	7.50% due	03/25/2027	40,536	39,779
	6.75% due	05/25/2028	27,707	25,714
	6.75% due	07/25/2028	12,657	11,576
	6.20% due	09/25/2028	16,324	16,236
NPF XI, Inc.	6.82% due	07/01/2001	8,326	8,324
NPF XII, Inc.	7.05% due	06/01/2003	31,000	30,714
	7.27% due	11/01/2003 (d)	1,000	1,000
Olympic Automobile Receivable Trust	6.05% due	08/15/2002	3,178	3,178
Option One Mortgage Loan Trust	5.88% due	05/25/2029	129	128
	6.91% due	09/25/2030 (d)	49,816	49,816
PP&L Transition Bond Co. LLC	6.83% due	03/25/2007	28,800	28,860
Premier Auto Trust	5.77% due	01/06/2002	3,151	3,150
	5.82% due	02/08/2002	399	399
Provident Bank Home Equity Loan Trust	6.92% due	06/25/2021 (d)	36,381	36,381
Providian Gateway Master Trust	6.84% due	03/15/2007	28,900	28,900
	6.25% due	06/15/2007	25	25
	6.90% due	03/16/2009	300	300
Prudential Home Mortgage Securities	6.50% due	01/25/2024	1,225	1,216
Residential Asset Mortgage Products, Inc.	6.91% due	09/25/2030 (d)	50,000	50,000
Residential Asset Securities Corp.	6.72% due	04/25/2014 (d)	249	249
	6.96% due	07/25/2014	30,510	30,395
	6.24% due	02/25/2017	3,184	3,167
	6.60% due	01/25/2020	5,200	5,165
	7.08% due	09/25/2020	190	190
	8.00% due	10/25/2024 (d)	5,121	5,150
	6.92% due	10/25/2027 (d)	2,239	2,238
	6.75% due	03/25/2028	40,000	37,212
Residential Funding Mortgage Securities, Inc.	10.93% due	06/01/2001	72,450	72,450
RJR Nabisco	7.50% due	12/31/2001 (d)	24,948	24,948
Ryder Vehicle Lease Trust	6.43% due	01/15/2003	694	693
Saco Trust	8.13% due	07/25/2030	18,119	18,492
Salomon Brothers Mortgage Securities	7.04% due	11/15/2029 (d)	18,965	19,013
	7.10% due	12/15/2029 (d)	5,800	5,800
Saxon Asset Securities Trust	6.85% due	05/25/2029 (d)	8,721	8,729
Sears Credit Account Master Trust	6.05% due	01/15/2008	500	493
	7.00% due	07/15/2008	500	505
Small Business Administration	7.19% due	12/01/2019	493	493
Standard Credit Card Trust	8.25% due	11/07/2003	80	81
Student Loan Marketing Assn.	6.86% due	10/25/2005 (d)	21,703	21,623
Team Fleet Financing Corp.	7.35% due	05/15/2003	30	30
Texas Cable Partners				

	8.38% due	06/24/2007	2,500	2,489
	8.94% due	06/24/2007	2,500	2,489
The Money Store Home Equity Trust				
	7.55% due	02/15/2020	321	321
	6.35% due	11/15/2021 (d)	719	716
	6.75% due	05/15/2025 (d)	34	34
	6.49% due	10/15/2026	17,000	16,925
Total Renal Care				
	12.00% due	03/31/2008	37,442	36,506
Toyota Auto Lease Trust				
	6.35% due	04/26/2004	60	60
	6.45% due	04/26/2004	300	299
UCFC Home Equity Loan				
	8.20% due	09/15/2027	70	71
	6.87% due	07/15/2029	70	66
UCFC Manufactured Housing				
	6.68% due	01/15/2010 (d)	4,310	4,313
UniCapital Corp.				
	6.54% due	07/23/2002	26,018	25,977
United Air Lines Equipment Trust				
	9.20% due	03/22/2008	3,950	4,198
	10.36% due	11/13/2012	7,000	7,255
	10.02% due	03/22/2014	6,925	7,128
	10.85% due	07/05/2014	34,111	36,604
	10.85% due	02/19/2015	1,500	1,722
	10.13% due	03/22/2015	14,300	14,851
	9.06% due	06/17/2015	5,000	4,823
	9.21% due	01/21/2017	2,000	1,897
USAA Auto Loan Grantor Trust				
	6.15% due	05/15/2004	1,180	1,176
	5.80% due	01/15/2005	2,681	2,666
WFS Financial Owner Trust				
	6.41% due	07/20/2002	25,016	25,002
	6.92% due	01/20/2004	27,125	27,177
WMC Mortgage Loan				
	7.07% due	10/15/2029	87,787	87,842
Total Asset-Backed Securities				2,931,252
(Cost \$3,229,995)				
SOVEREIGN ISSUES 1.9%				
Central Bank Philippines				
	7.94% due	06/01/2008 (d)	3,875	3,468
Hellenic Republic				
	7.28% due	06/06/2001 (d)	20,000	20,294
Hydro-Quebec				
	7.38% due	02/01/2003	150	152
Kingdom of Jordan				
	6.00% due	12/23/2023	14,000	10,462
Kingdom of Sweden				
	10.25% due	11/01/2015	500	593
Nacional Financiera				
	9.75% due	03/12/2002	10,000	10,325
	8.57% due	05/08/2003 (d)	7,750	7,871
Providence of Newfoundland				
	9.00% due	06/01/2019	500	562
Province of New Brunswick				
	7.13% due	10/01/2002	1,700	1,712
Province of Nova Scotia				
	9.38% due	07/15/2002	1,000	1,041
Province of Ontario				
	7.75% due	06/04/2002	200	203
	7.63% due	06/22/2004	1,000	1,032
	7.00% due	08/04/2005	1,000	1,012
	6.00% due	02/21/2006	1,800	1,734
	5.50% due	10/01/2008	12,000	10,999
Province of Quebec				
	7.50% due	07/15/2002	6,000	6,073
	8.80% due	04/15/2003	100	105
	6.81% due	06/11/2004 (d)	15,500	15,486
	6.62% due	04/09/2026	25,000	24,939
Republic of Argentina				
	11.60% due	04/10/2005 (d)	1,380	1,283
	11.75% due	04/07/2009	30	28
Republic of Brazil				
	7.88% due	01/01/2001 (d)	3,481	3,481
	7.38% due	04/15/2006	187,832	176,807
	11.25% due	07/26/2007	5,750	5,773
	14.50% due	10/15/2009	6,000	6,615
	8.00% due	04/15/2014	31	24
	12.25% due	03/06/2030	900	819
	11.00% due	08/17/2040	4,462	3,565

Republic of Bulgaria	7.75% due	07/28/2011 (d)	2,000	1,515
	3.00% due	07/28/2012 (d)	20,000	14,568
	7.75% due	07/28/2024 (d)	86,650	66,287
Republic of Chile	6.88% due	04/28/2009	25,000	23,528
Republic of Colombia	10.88% due	03/09/2004	10,280	9,946
Republic of Croatia	7.00% due	02/27/2002	7,650	7,489
Republic of Panama	7.88% due	02/13/2002	1,850	1,830
	7.93% due	05/10/2002 (d)	1,975	1,940
	4.50% due	07/17/2014	7,675	6,202
Republic of Peru	3.75% due	03/07/2017	11,000	6,141
	4.50% due	03/07/2017 (d)	5,750	3,601
Republic of Philippines	7.81% due	01/05/2005 (d)	8,830	8,337
	6.50% due	12/01/2017	3,250	2,506
	9.50% due	10/21/2024	2,958	2,817
Republic of Poland	3.50% due	10/27/2024 (d)	64,540	40,660
	4.00% due	10/27/2024	3,000	2,040
Republic of Kazakhstan	8.38% due	10/02/2002	5,000	4,936
Republic of Venezuela	7.88% due	12/18/2007 (d)	16,250	13,937
Republica Orient Uruguay	7.25% due	05/04/2009	2,500	2,291
State of Israel	6.20% due	06/14/2003	25	25
United Mexican States	9.78% due	04/07/2004 (d)	3,650	3,789
	10.02% due	04/07/2004 (d)	5,186	5,393
	8.50% due	02/01/2006	107,500	107,554
	9.88% due	02/01/2010	10,000	10,655
	6.25% due	12/31/2019	8,860	7,913
Total Sovereign Issues				672,358

(Cost \$665,775)

FOREIGN CURRENCY-DENOMINATED ISSUES (f) (g)	2.8%			
Commonwealth of New Zealand	4.50% due	02/15/2016 (j)	N\$ 73,000	31,155
Export-Import Bank Korea	3.84% due	10/06/2000 (d)	DM 5,000	2,257
Halifax Group Euro Finance	7.63% due	12/29/2049 (d)	EC 8,500	7,501
KBC Bank Fund Trust IV	8.22% due	11/29/2049	20,764	18,605
Korea Development Bank	6.00% due	03/07/2001	JY 350,000	3,318
	4.80% due	05/14/2001 (d)	DM 70,000	31,318
	2.56% due	06/26/2001	JY 4,000,000	37,455
Korea Electric Power	3.88% due	10/31/2002 (d)	DM 18,900	8,276
Lloyds TSB Capital	7.38% due	02/07/2049	EC 16,000	14,244
Nacional Financiera	22.00% due	05/20/2002	MP 370,000	40,844
Newcourt Credit Group	7.63% due	06/28/2001	C\$ 9,400	6,299
Republic of Argentina	5.50% due	03/27/2001	JY 5,640,000	52,320
Republic of Austria	0.00% due	01/15/2010	EC 900	789
Republic of Brazil	8.25% due	11/26/2001	2,000	1,797
Republic of Germany	6.25% due	01/04/2024	26,310	25,082
	6.50% due	07/04/2027	111,630	109,577
	6.25% due	01/04/2030	47,920	46,473
Republic of Philippines	8.00% due	09/17/2004	10,290	9,171
R.J. Reynolds	6.88% due	11/22/2000	DM 9,500	4,293
Royal Bank of Scotland PLC	0.00% due	01/01/2000	BP 85,000	101,978
	6.77% due	03/31/2049	EC 126,500	112,403
Tecnost International NV	6.67% due	06/23/2004 (d)	107,384	95,762

United Mexican States

6.00% due	03/28/2002	JY	100,000	992
3.10% due	04/24/2002		2,542,000	24,052
8.75% due	05/30/2002	BP	23,000	34,446
10.38% due	01/29/2003	DM	200	97
7.00% due	06/02/2003	C\$	30,200	19,388
7.43% due	04/07/2004 (d)	EC	18,181	16,775
6.75% due	06/06/2006	JY2,000,000		21,853
7.50% due	03/08/2010	EC	5,000	4,315
6.63% due	12/31/2019	FF	60,000	7,006
1.10% due	12/31/2019 (d)	JY	1,662,500	15,086
3.85% due	12/31/2019		9,145,000	77,905

Total Foreign Currency-Denominated Issues 982,832

(Cost \$892,163)

PURCHASED CALL OPTIONS 0.0%
Eurodollar vs. U.S. Dollar (OTC)

Strike @ 0.81 Exp. 12/21/2000	\$200,000	16,246
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Total Purchased Call Options 16,246

(Cost \$16,759)

PURCHASED PUT OPTIONS 0.0%
Harborview Mortgage Loan Trust (OTC)

7.470% due 08/19/2030		
Strike @ 100.00 Exp. 05/01/2005	22,975	0

Interest Rate Swap (OTC)		
Strike @ 7.100% Exp. 08/12/2010	10,000	490

Total Purchased Put Options 490

(Cost \$380)

CONVERTIBLE BONDS & NOTES 0.0%
Banking & Finance 0.0%
Bell Atlantic Financial Services

5.75% due	04/01/2003	1,500	1,454
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Total Convertible Bonds & Notes 1,454

(Cost \$1,539)

PREFERRED SECURITY 1.0%

DG Funding Trust		Shares	
9.03% due	12/29/2049	35,150	352,379

Total Preferred Security 352,379

(Cost \$351,502)

PREFERRED STOCK 0.2%
Banco Bilbao Vizcaya International

Barclays Bank	9.75% due	11/19/2001	266,217	6,722
Centaur Funding Corp.	9.08% due	04/21/2020	215,500	5,549
CSC Holdings, Inc.	9.08% due	04/21/2020	125	127
Fortis Amev NV	11.13% due	04/01/2008	25,595	2,719
Home Ownership Funding	6.43% due	12/31/2049	171	20,134
SI Financing Trust	13.33% due	12/31/2049	1,125	859
TCI Communications, Inc.	9.50% due	06/30/2026	396,194	9,979
	9.72% due	12/31/2036	622,553	16,186
	10.00% due	05/31/2045	49,000	1,240

Total Preferred Stock 63,515

(Cost \$66,709)

SHORT-TERM INSTRUMENTS 8.3%

Certificates of Deposit 0.3%
Dominion Resources, Inc.

Principal
Amount
(000s)

	6.20% due	01/26/2001	98,900	98,989
Commercial Paper 8.0%				
Abbey National PLC				
	6.52% due	11/03/2000	12,700	12,626
	6.53% due	11/03/2000	900	895
Alcoa, Inc.				
	6.47% due	11/29/2000	53,000	52,417
	6.45% due	12/21/2000	6,200	6,107
American Electric Power, Inc.				
	6.70% due	10/04/2000	2,000	1,999
	6.76% due	10/04/2000	700	700
	6.70% due	10/18/2000	3,000	2,991
	6.75% due	10/18/2000	500	499
	6.70% due	10/25/2000	1,800	1,792
	6.70% due	10/30/2000	25,000	24,870
	6.70% due	11/01/2000	3,300	3,282
	6.70% due	11/02/2000	22,800	22,668
Anz, Inc.				
	6.55% due	11/03/2000	100	99
	6.52% due	11/03/2000	2,700	2,684
	6.48% due	11/28/2000	28,500	28,192
Associated Corp. of North America				
	6.58% due	11/16/2000	4,600	4,562
	6.57% due	11/29/2000	11,000	10,879
AT&T Corp.				
	6.58% due	10/23/2000	2,600	2,590
	6.51% due	11/08/2000	1,500	1,490
	6.52% due	11/08/2000	11,500	11,423
	6.53% due	11/15/2000	2,500	2,480
	6.47% due	11/29/2000	3,600	3,560
	6.52% due	11/29/2000	1,900	1,879
	6.51% due	12/13/2000	9,500	9,372
	6.52% due	12/13/2000	5,000	4,932
	6.53% due	12/13/2000	20,000	19,730
	6.51% due	12/20/2000	11,800	11,626
Bank One Corp.				
	6.50% due	11/03/2000	200	199
	6.50% due	11/15/2000	8,000	7,936
	6.53% due	11/15/2000	300	298
	6.47% due	12/06/2000	49,500	48,894
	6.48% due	12/06/2000	50,000	49,388
	6.47% due	12/19/2000	7,600	7,489
Bellsouth Capital Funding				
	6.46% due	12/06/2000	19,100	18,866
	6.47% due	12/12/2000	17,200	16,971
British Telecom PLC				
	6.60% due	11/09/2000	20,400	20,258
	6.56% due	11/09/2000	400	397
Campbell Soup Co.				
	6.46% due	12/06/2000	2,700	2,667
	6.52% due	12/07/2000	700	691
CBA (de) Finance				
	6.53% due	10/23/2000	4,700	4,682
CDC				
	6.52% due	11/01/2000	500	497
Coca-Cola Co.				
	6.51% due	10/31/2000	2,700	2,686
	6.48% due	12/13/2000	8,500	8,385
	6.49% due	12/13/2000	4,400	4,341
Compaq Computer Corp.				
	6.73% due	10/23/2000	20,000	19,921
Conagra, Inc.				
	6.73% due	10/04/2000	13,100	13,095
	6.67% due	10/06/2000	3,000	2,998
	6.67% due	10/18/2000	1,000	100
	6.68% due	11/08/2000	28,800	28,602
	6.67% due	11/15/2000	1,900	1,885
	6.67% due	11/16/2000	29,500	29,254
Cox Communications				
	6.70% due	10/04/2000	26,700	26,690
	6.70% due	11/06/2000	50,000	49,674
	6.73% due	11/06/2000	36,200	35,963
	6.72% due	11/07/2000	21,500	21,356
CSX Corp.				
	6.74% due	10/10/2000	1,000	999
	6.70% due	10/11/2000	21,700	21,663
DaimlerChrysler AG				
	6.58% due	11/20/2000	7,200	7,136
	6.58% due	11/22/2000	3,800	3,765
	6.59% due	11/29/2000	3,300	3,264
	6.59% due	12/06/2000	14,300	14,125
	6.54% due	12/07/2000	3,800	3,753

	6.50% due	12/13/2000	200	197
	6.52% due	12/13/2000	10,700	10,556
Dominion Resources, Inc.				
	6.71% due	10/18/2000	11,500	11,466
	6.71% due	11/06/2000	5,800	5,762
	6.71% due	11/09/2000	800	794
	6.71% due	11/16/2000	17,900	17,750
Duke Energy Field Service Corp.				
	6.70% due	10/19/2000	50,000	49,842
Eastman Kodak Co.				
	6.49% due	11/01/2000	2,900	2,884
	6.54% due	11/01/2000	3,300	3,282
	6.48% due	11/16/2000	900	893
Edison Midwest				
	6.72% due	10/18/2000	40,000	39,881
	6.72% due	10/25/2000	10,000	9,957
	6.72% due	11/01/2000	1,000	994
	6.75% due	11/01/2000	40,035	39,809
	6.70% due	11/08/2000	1,400	1,390
	6.74% due	11/08/2000	10,700	10,626
	6.71% due	11/15/2000	3,300	3,273
	6.73% due	11/15/2000	3,800	3,769
	6.80% due	11/15/2000	7,900	7,834
	6.71% due	11/15/2000	500	496
Federal Home Loan Mortgage Corp.				
	6.40% due	11/07/2000	745	740
	6.41% due	12/07/2000	743	734
Federal National Mortgage Assn.				
	6.40% due	12/14/2000	1,163	1,147
Florida Power Corp.				
	6.45% due	12/14/2000	8,500	8,384
	6.47% due	12/14/2000	100	99
Gannett Co.				
	6.50% due	10/25/2000	100	100
	6.49% due	11/20/2000	3,700	3,667
	6.47% due	11/20/2000	18,900	18,734
	6.50% due	11/21/2000	1,800	1,784
General Electric Capital Corp.				
	6.47% due	12/06/2000	200	198
	6.59% due	12/06/2000	11,300	11,162
	6.47% due	12/07/2000	25,000	24,689
	6.49% due	12/07/2000	300	296
	6.47% due	12/13/2000	700	691
	6.47% due	12/20/2000	600	591
	6.51% due	01/10/2001	7,000	6,870
	6.51% due	01/17/2001	900	882
	6.50% due	01/24/2001	37,400	36,613
General Motors Acceptance Corp.				
	6.56% due	11/15/2000	200	198
	6.52% due	11/27/2000	8,600	8,513
	6.55% due	12/06/2000	2,500	2,469
	6.51% due	12/13/2000	25,400	25,057
Gillette Co.				
	6.46% due	12/12/2000	800	789
Honeywell, Inc.				
	6.51% due	11/21/2000	20,000	19,819
	6.47% due	11/29/2000	5,800	5,736
Houston Industries				
	6.77% due	10/04/2000	6,200	6,198
	6.77% due	10/18/2000	3,700	3,689
	6.80% due	11/08/2000	6,200	6,157
	6.80% due	11/15/2000	50,000	49,584
Infinity Broadcasting Corp.				
	6.72% due	11/09/2000	900	894
	6.70% due	11/15/2000	600	595
	6.70% due	11/16/2000	1,400	1,388
	6.71% due	11/21/2000	1,900	1,882
	6.72% due	11/21/2000	27,800	27,541
	6.71% due	11/22/2000	6,800	6,735
Ingersoll-Rand Co.				
	6.68% due	10/02/2000	900	900
	6.84% due	10/02/2000	23,800	23,800
	6.69% due	10/04/2000	33,400	33,388
	6.70% due	11/01/2000	2,100	2,088
	6.72% due	11/01/2000	1,100	1,094
	6.70% due	11/08/2000	11,100	11,024
	6.70% due	11/13/2000	16,800	16,669
	6.70% due	11/15/2000	4,000	3,967
	6.74% due	11/15/2000	600	595
International Paper Co.				
	6.70% due	10/05/2000	700	700
	6.70% due	10/06/2000	34,700	34,674
	6.70% due	10/10/2000	4,400	4,393

	6.72% due	10/10/2000	700	699
	6.70% due	10/11/2000	41,000	40,931
	6.72% due	11/17/2000	300	297
	6.72% due	11/28/2000	10,600	10,485
KFW International Finance				
	6.51% due	10/12/2000	1,600	1,597
	6.48% due	12/06/2000	800	790
Minnesota Mining & Manufacturing				
	6.47% due	11/28/2000	1,500	1,484
	6.48% due	12/19/2000	700	690
Motorola, Inc.				
	6.48% due	11/28/2000	13,100	12,958
	6.52% due	12/13/2000	4,600	4,538
	6.45% due	12/27/2000	3,700	3,641
Nabisco, Inc.				
	6.70% due	10/18/2000	28,900	28,813
Natural Rural Utilities				
	6.48% due	10/18/2000	1,000	997
	6.48% due	11/07/2000	3,100	3,080
	6.52% due	11/15/2000	5,500	5,456
Nike, Inc.				
	6.48% due	10/12/2000	6,000	5,989
Norfolk Southern Corp.				
	6.72% due	11/01/2000	30,000	29,832
	6.72% due	11/07/2000	37,400	37,149
Pearson				
	6.73% due	10/25/2000	9,000	8,961
Proctor & Gamble Co.				
	6.48% due	11/29/2000	200	198
	6.51% due	11/29/2000	1,300	1,286
Reseau Ferre De France				
	6.52% due	10/26/2000	1,800	1,792
	6.48% due	11/30/2000	1,000	989
SBC Communications, Inc.				
	6.47% due	12/06/2000	200	198
	6.49% due	12/06/2000	3,100	3,062
Sprint Capital Corp.				
	6.70% due	10/25/2000	7,300	7,269
	6.70% due	11/01/2000	1,900	1,889
	6.70% due	11/03/2000	31,600	31,412
	6.72% due	11/08/2000	8,000	7,945
Sumitomo Bank				
	6.72% due	11/01/2000	15,000	14,916
Swedbank, Inc.				
	6.51% due	01/19/2001	10,000	9,799
Texas Utilities Co.				
	6.70% due	10/18/2000	7,100	7,079
	6.76% due	10/18/2000	3,600	3,589
Tyco International				
	6.74% due	10/18/2000	73,400	73,180
UBS Finance LLC				
	6.68% due	10/02/2000	1,000,000	1,000,000
Verizon Global Funding				
	6.49% due	11/08/2000	1,600	1,589
	6.49% due	11/09/2000	8,600	8,541
	6.46% due	12/01/2000	7,500	7,415
	6.48% due	12/06/2000	50,000	49,388
	6.46% due	12/07/2000	200	198
	6.46% due	12/11/2000	800	789
	6.47% due	12/14/2000	6,000	5,918
Washington Mutual				
	6.69% due	11/08/2000	12,000	11,917
Yorkshire Building Society				
	6.49% due	11/14/2000	1,800	1,786
	6.48% due	12/11/2000	33,700	33,257
	6.47% due	12/20/2000	1,500	1,478
	6.46% due	12/21/2000	4,300	4,236

				2,854,106

U.S. Treasury Bills (b) (k) 0.0%				
	5.93% due	02/01/2001	1,655	1,621

Total Short-Term Instruments				2,954,716

(Cost \$2,954,943)				
Total Investments (a) 152.0%				\$54,049,779

(Cost \$54,354,587)				
Written Options (c) (0.1%)				(35,447)

(Premiums \$40,793)

Other Assets and Liabilities (Net) (51.9%)

(18,465,617)

Net Assets 100.0%

\$35,548,715

Notes to Schedule of Investments (amounts in thousands):

(a) At September 30, 2000, the net unrealized appreciation (depreciation) of investments based on cost for federal income tax purposes was as follows:

Aggregate gross unrealized appreciation for all investments in which there was an excess of value over tax cost. \$ 295,213

Aggregate gross unrealized depreciation for all investments in which there was an excess of tax cost over value. (600,021)

Unrealized depreciation-net \$ (304,808)

(b) Securities with an aggregate market value of \$1,621 have been segregated with the custodian to cover margin requirements for the following open futures contracts at September 30, 2000:

</TABLE>

Type	# of Contracts	Unrealized Appreciation/Depreciation
Eurodollar December Futures (12/2000)	305	\$ (173)
Municipal Bond (12/2000)	2,371	(1,820)
EuroBond 10 Year Note (12/2000)	17,718	1,772
U.S. Treasury 5 Year Note (12/2000)	10,646	(6,488)
U.S. Treasury 10 Year Note (12/2000)	29,648	5,027
U.S. Treasury 30 Year Bond (12/2000)	4,844	(2,214)
EuroBond 10 Year Note Options (11/2000)	22,213	4,080
United Kingdom 10 Year Note (12/2000)	2,731	1,588
		\$ 1,772

(c) Premiums received on written options:

<TABLE>

<S>

Type	# of Contracts	Premium	Value
Call - TSE Government of Japan December Futures Strike @ 134.00 Exp. 11/30/2000	458	\$ 881	\$ 916
Put - OTC Japanese Interest Rate Swap December Futures Strike @ 2.305% Exp. 11/30/2000	10,800,000,000	86	372
Put - OTC Japanese Interest Rate Swap December Futures Strike @ 2.315% Exp. 11/30/2000	10,800,000,000	101	377
Call - CBOT U.S. Treasury Note December Futures Strike @ 103.00 Exp. 11/18/2000	10,716	1,364	1,172
Call - CBOT U.S. Treasury Note December Futures Strike @ 102.00 Exp. 11/18/2000	12,253	3,119	2,872
Put - CBOT U.S. Treasury Note December Futures Strike @ 98.00 Exp. 11/18/2000	4,528	1,662	778
Put - CBOT U.S. Treasury Note December Futures Strike @ 97.00 Exp. 11/18/2000	2,991	744	280
Put - CME Eurodollar December Futures Strike @ 93.00 Exp. 12/18/2000	5,644	5,314	141
Call - CME Eurodollar December Futures Strike @ 92.75 Exp. 12/18/2000	1,195	845	1,479
Put - CME Eurodollar March Futures Strike @ 92.75 Exp. 03/19/2001	7,127	2,736	267

Call - CME Eurodollar March Futures	Strike @ 93.25 Exp. 03/19/2001	18,834	4,726	13,890
Put - CME Eurodollar March Futures	Strike @ 92.50 Exp. 03/19/2001	7,225	4,582	181
Call - CME Eurodollar March Futures	Strike @ 93.00 Exp. 03/19/2001	5,000	2,098	6,313
Put - CME Eurodollar March Futures	Strike @ 92.25 Exp. 03/19/2001	8,769	5,077	110
Put - CME Eurodollar December Futures	Strike @ 92.25 Exp. 12/18/2000	2,902	1,109	18
Put - OTC 3 Month LIBOR Interest Rate Swap	Strike @ 8.250% Exp. 03/19/2001	560,000,000	2,226	11
Call - OTC 3 Month LIBOR Interest Rate Swap	Strike @ 6.750% Exp. 03/19/2001	560,000,000	603	2,750
Call - OTC 3 Month LIBOR Interest Rate Swap	Strike @ 6.500% Exp. 02/23/2001	275,000,000	1,760	1,760
Call - OTC 3 Month LIBOR Interest Rate Swap	Strike @ 6.500% Exp. 02/22/2001	275,000,000	1,760	1,760

			\$ 40,793	\$ 35,477

</TABLE>

(d) Variable rate security. The rate listed is as of September 30, 2000.

(e) Reverse repurchase agreements were entered into September 25, 2000 paying interest at 6.520%. The following securities were segregated with collateral for reverse repurchase agreements

Type	Maturity	Value
Federal National Mortgage Assn. 7.000%	10/01/2003	\$ 42,864
Federal National Mortgage Assn. 6.690%	08/01/2027	39,604
Government National Mortgage Assn. 7.130%	10/20/2030	65,131
Government National Mortgage Assn. 6.750%	07/20/2027	41,986

		\$ 189,585

(f) Foreign forward currency contracts outstanding at September 30, 2000:

<TABLE>				
<S>	<C>	<C>	<C>	<C>
Type	Currency	Principal Amount Covered by Contract	Settlement Month	Unrealized Appreciation/ (Depreciation)
Sell	C\$	43,714	10/2000	\$ 413
Buy		7,000	10/2000	(54)
Sell	EC	295,593	10/2000	8,049
Buy		393,768	10/2000	(1,541)
Buy		276,495	11/2000	502
Sell	BP	103,747	10/2000	(5,419)
Buy	HF	2,000,000	03/2001	181
Sell	JY	4,519,202	04/2001	(1,390)
Sell		20,157,034	10/2000	3,425
Buy		18,843,139	10/2000	71
Sell		18,843,139	11/2000	(100)
Sell	N\$	60,917	10/2000	565
Buy	PZ	45,000	01/2001	(543)
Buy		40,000	02/2001	(215)
Buy		17,000	03/2001	(168)

				\$ 3,776

</TABLE>

(g) Principal amount denoted in indicated currency:

BP	-	British Pound
C\$	-	Canadian Dollar
EC	-	Euro
HF	-	Hungarian Forint
JY	-	Japanese Yen
N\$	-	New Zealand Dollar

(h) Swap agreements outstanding at September 30, 2000:

<TABLE>

<S>

	<C>	<C>
Type	Notional Amount	Unrealized Depreciation
Receive floating rate based on 6-month JY-LIBOR and pay fixed rate equal to 2.340%. Broker: Deutsche Bank AG New York Exp. 10/08/2007	JY 24,500,000	(9,740)
Receive floating rate based on 6-month JY-LIBOR and pay fixed rate equal to 1.495%. Broker: Deutsche Bank AG New York Exp. 09/16/2008	7,000,000	1,709
Receive floating rate based on 3-month LIBOR plus 1.600% and pay a fixed rate equal to 0.426%. Broker: Lehman Brothers Exp. 04/19/2005	\$ 13,033	1
Receive floating rate based on 3-month LIBOR plus 0.500% and pay a fixed rate equal to 7.600%. Broker: Lehman Brothers Exp. 07/15/2003	35,000	(354)
Receive floating rate based on 6-month BP-LIBOR and pay a fixed rate equal to 5.930%. Broker: Goldman Sachs Exp. 08/25/2030	BP 50,000	(579)
Receive floating rate based on 3-month Canadian Bank Bill and pay a fixed rate equal to 6.302%. Broker: Goldman Sachs Exp. 07/13/2010	C\$ 40,000	(258)
Receive floating rate based on 6-month JY-LIBOR and pay a fixed rate equal to 2.295%. Broker: Goldman Sachs Exp. 04/14/2008	JY 11,635,000	(3,964)
Receive floating rate based on 6-month JY-LIBOR and pay a fixed rate equal to 2.305%. Broker: Goldman Sachs Exp. 04/15/2008	7,563,000	(2,621)
Receive floating rate based on 6-month JY-LIBOR and pay a fixed rate equal to 1.669%. Broker: Goldman Sachs Exp. 05/18/2007	51,000,000	(1,259)
Receive floating rate based on 6-month EURO-LIBOR and pay fixed rate equal to 6.175%. Broker: Goldman Sachs Exp. 05/22/2030	EC 94,820	(953)
Receive floating rate based on 6-month EURO-LIBOR plus 0.499% and pay a fixed rate equal to 6.000%. Broker: J.P. Morgan Exp. 01/04/2009	123,620	1,945
Receive floating rate based on 6-month EURO-LIBOR minus 0.54% and pay a fixed rate equal to 6.250%. Broker: J.P. Morgan Exp. 01/04/2024	26,270	320
Receive floating rate based on 3-month EURO-LIBOR and pay a fixed rate equal to 6.010%.		

Broker: Morgan Stanley Exp. 01/04/2030		83,670	(514)
Receive floating rate based on 6-month JY-LIBOR and pay a fixed rate equal to 2.305%.			
Broker: Goldman Sachs Exp. 04/15/2008	JY	377,000	29
Receive floating rate based on 6-month JY-LIBOR and pay a fixed rate equal to 1.669%.			
Broker: Goldman Sachs Exp. 05/18/2007		1,500,000	33
Receive floating rate based on 6-month JY-LIBOR and pay a fixed rate equal to 2.295%.			
Broker: Goldman Sachs Exp. 04/14/2008		580,000	47
Receive floating rate based on 3-month Canadian Bank Bill and pay a fixed rate equal to 6.317%.			
Broker: Goldman Sachs Exp. 07/12/2010	C\$	30,000	(213)
Receive a fixed rate equal to 7.317% and pay floating rate based on 3-month LIBOR.			
Broker: Morgan Stanley Exp. 11/15/2003	\$	85,000	1,117
Receive floating rate based on 3-month LIBOR and pay to the counterparty \$187,253 due 11/15/2021.			
Broker: Lehman Brothers Exp. 11/15/2021		42,600	(702)
Receive a fixed rate equal to 9.250% and pay a fixed rate equal to 5.950%. In the event of default of Republic of Argentina Floating Rate Notes and/or Spread-Adjusted Notes, the Fund can put the bond to the counterparty at par.			
Broker: Deutsche Bank AG New York Exp. 03/17/2001		3,200	0
Receive a fixed rate equal to 9.250% and pay a fixed rate equal to 6.150%. In the event of default of Republic of Argentina Floating Rate Notes and/or Spread-Adjusted Notes, the Fund can put the bond to the counterparty at par.			
Broker: Deutsche Bank AG New York Exp. 03/22/2001		3,200	(171)
Receive a fixed rate equal to 9.250% and pay a fixed rate equal to 5.050%. In the event of default of Republic of Argentina Floating Rate Notes and/or Spread-Adjusted Notes, the Fund can put the bond to the counterparty at par.			
Broker: Deutsche Bank AG New York Exp. 05/03/2001		6,000	(201)
Receive fixed rate equal to 0.650% and the Fund will pay to the counterparty at par in the event of default of Niagara Mohawk Corp. 7.750% due 10/01/2008.			
Broker: Lehman Brothers Exp. 12/31/2004		50,000	3
Receive fixed rate equal to 0.400% and the Fund will pay to the counterparty at par in the event of default of Time Warner, Inc. 7.400% due 02/01/2004.			
Broker: Goldman Sachs Exp. 11/10/2002		20,000	1
Receive fixed rate equal to 0.510% and the Fund will pay to the counterparty at par in the event of default of Time Warner, Inc. 7.750% due 06/15/2005.			
Broker: Lehman Brothers Exp. 01/25/2005		10,000	1

Receive fixed rate equal to 0.650% and the Fund will pay to the counterparty at par in the event of default of Philip Morris Co. 7.200% due 02/01/2007.

Broker: Goldman Sachs
Exp. 12/22/2000 17,000 1

Receive fixed rate equal to 0.250% and the Fund will pay to the counterparty at par in the event of default of Pacific Gas & Electric Corp. 6.550% due 12/08/2005.

Broker: J.P. Morgan
Exp. 05/23/2003 22,000 0

Receive fixed rate equal to 5.600% and the Fund will pay to the counterparty at par in the event of default of the Republic of Venezuela. 9.250% due 09/15/2027.

Broker: Deutsche Bank AG New York
Exp. 04/04/2001 25,000 14

Receive fixed rate equal to 5.850% and the Fund will pay to the counterparty at par in the event of default of the Republic of Venezuela. 9.250% due 09/15/2027.

Broker: Deutsche Bank AG New York
Exp. 04/17/2001 10,000 6

Receive fixed rate equal to 0.250% and the Fund will pay to the counterparty at par in the event of default of Wisconsin Electric Power. 6.625% due 11/16/2006.

Broker: Lehman Brothers
Exp. 04/18/2003 25,000 1

Receive fixed rate equal to 1.900% and the Fund will pay to the counterparty at par in the based on 6-month LIBOR plus 0.813% due 04/15/2006.

Broker: Credit Suisse First Boston International
Exp. 05/03/2001 50,000 9

Receive fixed rate equal to 1.300% and the Fund will pay to the counterparty at par in the event of default of United Mexican States. 9.875% due 01/15/2007.

Broker: Salomon Brothers, Inc.
Exp. 05/09/2002 50,000 7

Receive fixed rate equal to 0.100% and the Fund will pay to the counterparty at par in the event of default of Walmart Stores, Inc. 6.875% due 08/10/2009.

Broker: Credit Suisse First Boston International
Exp. 11/01/2000 100,000 1

Receive fixed rate equal to 0.100% and the Fund will pay to the counterparty at par in the event of default of General Electric Capital Corp. 7.250% due 02/02/2005.

Broker: J.P. Morgan
Exp. 05/19/2001 50,000 1

Receive fixed rate equal to 1.500% and the Fund will pay to the counterparty at par in the event of default of United Mexican States. 9.875% due 01/15/2007.

Broker: Salomon Brothers, Inc.
Exp. 06/13/2002 50,000 8

Receive fixed rate equal to 0.500% and the Fund will pay to the counterparty at par in the event of default of Raytheon Co. 6.500% due 07/15/2005.

Broker: Merrill Lynch
Exp. 06/30/2001 25,000 1

Receive fixed rate equal to 0.120% and the Fund will pay to the counterparty at par in the event of default of IBM Corp. 7.250% due 11/01/2002.

Broker: J.P. Morgan
Exp. 12/31/2000 50,000 1

Receive a fixed rate equal to 4.910% and pay floating rate based on 10-year Municipal Market Dataline Index.

Broker: Morgan Stanley
Exp. 11/07/2000

10,000	361

	\$ (15,912)

</TABLE>

<TABLE>

<S>	<C>	<C>	<C>
Type	Fixed Spread (%)	Notional Amount	Unrealized Appreciation/Depreciation
Receive the 10-year Swap Spread and pay a fixed spread. The 10-year Swap Spread is the difference between the 10-year Swap Rate and the 10-year Treasury Rate.			
Broker: Goldman Sachs Exp. 02/15/2005	0.8675	\$ 258,500	\$ 2,598
Broker: Morgan Stanley Exp. 02/28/2005	0.9925	25,000	(223)
Receive On-The-Run 30-year Swap Spread and pay a fixed spread. The on the-run 30-year Swap Spread is the difference between the 30-year Swap Rate and the 30-year Treasury Rate.			
Broker: Goldman Sachs Exp. 04/04/2005	1.3900	50,000	(591)
Receive the 30-year Swap Spread and pay a fixed spread. The 30-year Swap Spread is the difference between the 30-year Swap Rate and the 30-year Treasury Rate.			
Broker: Goldman Sachs Exp. 02/16/2005	1.1120	37,700	(329)
Broker: Goldman Sachs Exp. 02/15/2005	1.0850	10,000	(155)
Broker: Goldman Sachs Exp. 02/16/2005	1.1120	3,300	(52)
Receive the 5-year Swap Spread and pay a fixed spread. The 5-year Swap Spread is the difference between the 5-year Swap Rate and the 5-year Treasury Rate.			
Broker: Morgan Stanley Exp. 04/07/2005	0.9900	107,200	(294)
Broker: Lehman Brothers Exp. 04/10/2005	0.9500	130,000	(356)
Broker: Bank of America Exp. 04/11/2005	0.9675	250,000	(263)
Receive On-The-Run 2-year Swap Spread and pay a fixed spread. The On-The-Run 2-year Swap Spread is the difference between the 2-year Swap Rate and the 2-year Treasury Rate.			
Broker: Bank of America Exp. 07/19/2001	0.9250	100,000	(850)

			\$ (515)

</TABLE>

- (i) Principal amount of the security is adjusted for inflation.
- (j) Subject to financing transaction.
- (k) Securities are grouped by coupon or range of coupons and represent a range of maturities.
- (l) Restricted security.
- (m) Security is in default.

Consent of Independent Accountants

To the Trustees and Administrative Class Shareholders of the PIMCO Total Return Fund: Pacific Investment Management Series

You have informed us that the Report of Independent Accountants dated May 23, 2000 relating to the financial statements for the fiscal year ended March 31, 2000 of the Total Return Fund Administrative Class (the "Fund") is to be included in the amendment to the Securities Report and the Investment Report of the Fund.

We hereby consent to the inclusion in the amendment to the Securities Report and the Investment Report of our Report of Independent Accountants and any reference thereto and references to our name in the form and context in which they are included.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Kansas City, Missouri
October 20, 2000

Consent of Independent Accountants

To the Trustees and Administrative Class Shareholders of the PIMCO Total Return Fund: Pacific Investment Management Series

You have informed us that the Report of Independent Accountants dated May 19, 1999 relating to the financial statements for the fiscal year ended March 31, 1999 of the Total Return Fund Administrative Class (the "Fund") is to be included in IV, "Financial Conditions of the Fund" of the Securities Report of the Fund.

We hereby consent to the inclusion in the Securities Report of our Report of Independent Accountants and any reference thereto and references to our name in the form and context in which they are included.

/s/ PricewaterhouseCoopers LLP

PricewaterhouseCoopers LLP
Kansas City, Missouri
September 14, 1999

Report of Independent Accountants

To the Trustees and Administrative Class Shareholders of the PIMCO Total Return Fund: Pacific Investment Management Series

In our opinion, the accompanying statements of assets and liabilities, including the schedule of investments, and the related statements of operations, of changes in net assets and the financial highlights for the Administrative Class shares present fairly, in all material aspects, the financial position of the Total Return Fund (hereafter referred to as the "Fund") at March 31, 2000, the results of its operations, the changes in its net assets and the financial highlights for the Administrative Class shares for each of the periods indicated, in conformity with accounting principles generally accepted in the United States. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with auditing standards generally accepted in the United States which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audits, which included confirmation of securities at March 31, 2000 by correspondence with the custodian and brokers, provide a reasonable basis for the opinion expressed above.

/s/ PricewaterhouseCoopers LLP
Kansas City, Missouri
May 23, 2000

Report of Independent Accountants

To the Trustees and the Administrative Class Shareholders of the PIMCO Total Return Fund: Pacific Investment Management Series

In our opinion, the accompanying statement of assets and liabilities, including the schedule of investments, and the related statements of operations, changes in net assets and the financial highlights for the Total Return Fund Administrative Class shares present fairly, in all material respects, the financial position of the Total Return Fund Administrative Class shares (hereafter referred to as the "Fund") at March 31, 1999, the results of its operations, the changes in its net assets and the financial highlights for the Total Return Fund Administrative Class shares for each of the periods indicated, in conformity with generally accepted accounting principles. These financial

statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Fund's management; our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our audit, which included confirmation of securities at March 31, 1999 by correspondence with the custodian and brokers, provide a reasonable basis for the opinion expressed above.

/s/ PricewaterhouseCoopers LLP
Kansas City, Missouri
May 19, 1999

Representation Letter

January 31, 2001

VIA EDGAR

Securities and Exchange Commission
450 Fifth Street, N.W.
Washington, D.C. 20549

Re: PIMCO Funds
File No. 33-12113

Ladies and Gentlemen:

This letter serves as notification of the existence of a Japanese language prospectus describing the Administrative Class shares of the PIMCO Total Return Fund series of PIMCO Funds, for which I serve as a Senior Vice President. Pursuant to Rule 306 of Regulation S-T, I hereby represent that, to the best of my knowledge, the attached is a fair and accurate translation of the PIMCO Total Return Fund's Japanese language prospectus.

Please call Keith Robinson at 202.261.3386 with any questions or comments regarding the attached.

Sincerely,

/s/ Jeffrey M. Sargent

Attachment