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Semi-Annual Report

June 29, 2001

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AAL Small Cap Stock Portfolio

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Dear Member:

We are pleased to provide you with this semi-annual report. It provides performance, holdings and financial information for each Portfolio of the AAL Variable Product Series Fund, Inc., the underlying investment vehicle for the AAL Flexible Premium Deferred Variable Annuity, the AAL Single Premium Immediate Variable Annuity and the AAL Variable Universal Life insurance products.

Variable annuity and variable life insurance products may help you attain your financial goals. They offer flexibility, insurance protection and a variety of investment choices. These are important factors to consider when planning for your financial future. And, since goals change over a lifetime it is important to periodically review them. The information in this report can help you review your goals.

You should already have received information about a proposed merger between AAL and Lutheran Brotherhood. We believe that the merger of these two organizations will position us to help more people and meet more needs, and you will continue to receive the same personal service and attention that you have come to expect from AAL.

We would like to thank you for your continued confidence in AAL. We welcome the opportunity to meet your insurance and financial needs. We look forward to continuing our relationship and we encourage you to take full advantage of the services we offer. If you have questions about your variable product, contact your AAL representative or the AAL Variable Products Service Center at (800) 225-5225.

Best regards,

/s/Robert G. Same

Robert G. Same
Vice President
Aid Association for Lutherans
President
AAL Variable Product Series Fund, Inc.

The Economy and Markets in Review

The U.S. economy continued to expand at a pace well below its non-inflationary potential during the first half of 2001. First quarter's growth in Gross Domestic Product (GDP) of 1.3% increased only slightly from the fourth quarter's sluggish 1.0% pace. Surveys taken during the second quarter indicated that manufacturing continued to slow. Additionally, the historically resilient service sector also showed signs of contraction. As a further indication of economic weakness, unemployment continued to rise. As a result, the second quarter 2001 advanced release of GDP showed annualized growth of a mere 0.7%.

In response to the faltering economy, the Federal Open Market Committee (FOMC) initiated an aggressive easing campaign in January 2001. As of the end of the second quarter, the FOMC had cut short-term interest rates by a total of 2.75%. Stimulative monetary policy is expected to continue with the FOMC's next meeting in late August.

Equity market performance during the first half of 2001 can be characterized as a tale of two quarters. Most major indices fell sharply during the first three months of the year, but regained all or a portion of those losses during the second quarter. For example, the S&P 500® index of large-capitalization stocks lost 11.86% during the first quarter, rallied by 5.85% during the second, and finished the first half with a negative 6.70% total return. International equities have also languished, as demonstrated by the negative 14.61% return posted by Morgan Stanley's Europe, Australasia and Far East (EAFE) Index year-to-date. Technology stocks continue to be the most volatile sector of the general equity market. The technology-laden NASDAQ Composite Index, which fell 25.45% during quarter one, regained 17.53% during quarter two, and finished the first half down 12.38%. Finally, on a more positive note, small-capitalization stocks continued their recent streak of outperformance. The S&P SmallCap 600 index of small-capitalization stocks returned 6.23% during the first six months of the year.

While the near-term economic picture remains cloudy, the equity market's second quarter performance seems to indicate investors' willingness to "look-through" short-term economic weakness, in anticipation of a recovery.

Aided by Federal Reserve easing, the high-grade fixed-income market, has performed well year-to-date. Short- to intermediate-maturity bonds have performed very well. The widely followed Lehman Aggregate Bond Index had a total return of 3.62% for the first six months. Similarly, high-yield bonds, as represented by the Lehman U.S. Corporate High Yield Index, returned 3.93%.

Overall, the current economic and investment product outlooks are mired with uncertainty. Near-term economic weakness is likely, but may already be discounted in stock and bond prices. Furthermore, the Federal Reserve continues to be vigilant in its fight against a recession. Eventually, an economic recovery will materialize, it's only a question of when. During times of heightened uncertainty and volatility, the benefits of diversification and a disciplined investment approach should not be underestimated.

/s/James H. Abitz

James H. Abitz
Chief Investment Officer

Technology Stock Portfolio

The technology sector imploded over the last year as the combination of rising interest rates and energy prices significantly slowed the worldwide economy. As the economy slowed, businesses cut back on or delayed capital equipment expenditures. With technology expenditures now representing over 50% of total capital expenditure budgets versus approximately 25% in the early 1980s, it was virtually impossible for technology companies not to feel the effects of the slowdown. To compound the slowdown, companies spent aggressively on technology over the last few years as they prepared for Y2K and the Internet. Slowing growth combined with high valuations resulted in a disastrous year for technology stocks.

The AAL Technology Stock Portfolio missed most of this downturn as its inception date was March 1, 2001. The Portfolio was down 3.20% for the period March 1, 2001 through June 29, 2001. While it is hard to get excited about negative returns, the Portfolio did outperform the Goldman Sachs Technology Industry Composite Index which returned negative 4.20% for the same period. (Please see the Schedule of Investments for more information about the Portfolio's holdings.)

Top performers for the period:

- Intersil Corporation
- Microsoft Corporation
- NVIDIA Corporation
- AOL Time Warner, Inc.
- Macrovision Corporation.

Bottom performers for the period:

- Cisco Systems, Inc.
- CIENA Corporation
- Nortel Networks Corporation
- Tellabs, Inc.

We are left balancing between a grim near-term outlook and an accommodating Federal Reserve. With all of the negative technology news recently, it would be easy to be conservative with our portfolio strategy. However, we believe now is not time to be too conservative.

A good sign is the inventory level at technology companies. While many investors feared that the technology market would have months if not years of inventory to work through once the economy accelerated again, many technology companies, with the exception of the telecommunication equipment providers, managed their inventory levels better than most expected. While there still is a need for an increase in demand to sustain any rally in technology stocks, the current inventory situation should not be a major drag on the market.

At the beginning of 2001, technology management teams were selling their company shares at a record pace. However, this indicator has been less bearish as insiders have slowed down their selling. Before we take a more aggressive position, we would like to see some insiders begin purchasing to be confident business fundamentals are turning. We are also watching consolidation. We would like to see many of the third- and fourth-tier technology companies be acquired or go out of business. This consolidation would leave a bigger piece of the spending pie available for fewer players and, therefore, allow margins to expand. As we keep an eye on these factors, we continue with our pyramid strategy of holding technology leaders in established markets as the foundation of our Portfolio and holding baskets of companies in emerging technologies.

/s/Brian J. Flanagan

Brian J. Flanagan
Portfolio Manager

/s/James A. Grossman

James A. Grossman
Portfolio Manager

This Portfolio concentrates its assets in technology-related industries. As a result, the Portfolio's shares are likely to fluctuate in value more than those of a portfolio investing in a broader range of industries.

Since the Portfolio has been in existence for less than a year mountain chart performance has not been shown.

Cumulative Total Returns/1/ As of June 29, 2001	From Inception	Inception Date
Fund Portfolio/2/	(3.20)%	3/1/01
Deferred Variable Annuity Subaccount/3/	1.05%	3/2/01
SEC Deferred Variable Annuity Subaccount/3/	(5.31)%	3/2/01
Single Premium Immediate Variable Annuity Subaccount/4/	1.05%	3/2/01
Variable Universal Life Subaccount/5/	(1.99)%	3/2/01

Past performance is not an indication of future results.

/1/ Total Returns - Since the portfolio and subaccounts have been in existence for less than one year, the return from inception is presented on a cumulative basis (not annualized). Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or less than their original value. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect the deduction of a 0.75% maximum annual management fee, but do not reflect Fund Portfolio expenses which are voluntarily paid or reimbursed by AAL Capital Management Corporation (AALCMC). Without the payment and reimbursement of expenses by AALCMC, which can be changed on a 30-days' notice, these total returns would have been lower.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect the 0.75% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect the 0.75% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect the 0.75% management fee of the Fund Portfolio and the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. VUL returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence, the total return on a certificate's cash value would be significantly lower than the performance quoted above.

Aggressive Growth Portfolio

Six interest rate cuts by the Federal Reserve since January seemed to do little to boost the U.S. economy. Although consumer spending was steady, an anticipated round of lackluster second quarter corporate earnings, coupled with warnings of slow revenue growth and less capital spending in the near term, added to the economic gloom. As a result of these and other challenging economic developments, the Portfolio, since its inception of March 1, 2001, lagged its benchmark, the S&P 500®.

Among our disappointing stocks was Nokia Corporation, which fell in the wake of heightened perception that the cellular market had peaked, and that European licensing requirements to accommodate the "3G" or "third generation," mobile phone marketplace would strain telecom corporate resources. In our view, Nokia still shows key fundamental growth indicators, such as outstanding financial and operational management, which we feel may help the company create the next wave of innovative mobile units and supporting equipment.

(Please see the Schedule of Investments for more information about the Portfolio's holdings.)

Another underperformer was leading energy provider Enron Corporation, in part due to investors overestimating the company's stake in the California energy crisis. However, we believe Enron's limited liability in the California situation, growth initiatives in Canada and overseas, and a well-received on-line ordering platform may help provide some future price stability for the stock.

AOL Time Warner, Inc. performed well for the period, despite the technology downturn. The multimedia and entertainment giant's large subscriber base continued to reel in a strong monthly revenue stream. Moreover, management's cost-cutting measures, combined with strong cable and online services, helped AOL balance out a dip in advertising sales.

Looking forward, the economic picture is far from clear and markets will likely remain volatile. However, we will continue to rely on the talents of our entire research staff as we strive to find companies that can help lead the way to produce the results you've come to expect from us.

/s/Warren Lammert

Warren Lammert
Portfolio Manager

Stocks in companies that offer the potential for accelerated earnings or revenue growth are likely to have increased price volatility.

Since the Portfolio has been in existence for less than a year mountain chart performance has not been shown.

Cumulative Total Returns/1/
As of June 29, 2001

	From Inception	Inception Date
Fund Portfolio/2/	(5.10)%	3/1/01
Deferred Variable Annuity Subaccount/3/	(5.49)%	3/2/01
SEC Deferred Variable Annuity Subaccount/3/	(11.44)%	3/2/01
Single Premium Immediate Variable Annuity Subaccount/4/	(5.49)%	3/2/01
Variable Universal Life Subaccount/5/	(8.33)%	3/2/01

Past performance is not an indication of future results.

/1/ Total Returns - Since the portfolio and subaccounts have been in existence for less than one year, the return from inception is presented on a cumulative basis (not annualized). Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or less than their original value. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect the deduction of a 0.80% maximum annual management fee, but do not reflect Fund Portfolio expenses which are voluntarily paid or reimbursed by AAL Capital Management Corporation (AALCMC). Without the payment and reimbursement of expenses by AALCMC, which can be changed on a 30-days' notice, these total returns would have been lower.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect the 0.80% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect the 0.80% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect the 0.80% management fee of the Fund Portfolio and the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. VUL returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence, the total return on a certificate's cash value would be significantly lower than the performance quoted above.

Small Cap Stock Portfolio

The AAL Small Cap Stock Portfolio originated on March 1, 2001. The first four months of existence turned out to be profitable times for our investors. The Portfolio returned 7.90% during that time period, which compares to an 8.50% return for the S&P SmallCap 600 Index. Larger capitalization stocks did not fare as well, as the S&P 500® returned a negative 0.96% and the S&P Midcap 400 Index was up about 5.15%.

As with most investment periods during the past several years, volatility in share prices played a role during this four-month stretch. Small-cap stocks were down fairly hard during March, losing 4.5% to 6.0%. That was followed by a nice three-month rally in which small-cap stocks returned about 16% to 17%. The leaders in the rally were many of the struggling stocks of the past year. Technology stocks did well during this period. For example, the semiconductor index was up about 24%.

We have continued our strategy of being broadly diversified across all sectors of the stock market. Due to the volatile markets that we have experienced during the past few years, we try to maintain a relatively balanced Portfolio by making very few economic sector calls. Individual stocks and sectors can make extremely fast and exaggerated moves. If a portfolio is overweighted or underweighted in certain sectors, those volatile moves can cause extreme variances in performance. Our strategy is to try to invest in the best stocks within each sector. Any sector overweight or underweight relative to the S&P SmallCap 600 Index is usually insignificant. Another part of our strategy is to maintain a balance between growth stocks and value stocks. Growth stocks are companies that are growing revenues and earnings at a pretty rapid pace. Value stocks are companies that may not be growing revenues and earnings as quickly, but their share prices are less expensive. This balance between growth and value neutralizes the style emphasis of the Portfolio. Once again, our strategy is to find the best stocks, whether those are growth or value stocks.

The biggest story in the stock market over the past year has been the decline of the technology sector. After huge gains in technology stocks over the past couple of years, stock prices of tech companies dropped sharply. However, there are still some technology related stocks that have done well recently. One of the Portfolio's better performing stocks has been Pemstar, Inc., which is an electronic manufacturing service (EMS) company.

EMS companies provide outsourcing services for electronic companies. Pemstar has continued to gain customers during the current economic slowdown. While the focus of many investors has been to anxiously await an improved tech market, there have been some other sectors that have performed quite well. Among the sectors which have helped the Portfolio's performance have been the home builders, restaurants, and financials. One of the bigger positions and also one of the better performing positions has been Applebee's International, Inc. During the past four months the stock has been up nearly 50%. (Please see the Schedule of Investments for more information about the Portfolio's holdings.)

/s/Kevin Schmitting

Kevin Schmitting
Portfolio Manager

Small company stock prices are generally more volatile than large company stock prices.

Since the Portfolio has been in existence for less than a year mountain chart performance has not been shown.

Cumulative Total Returns/1/
As of June 29, 2001

	From Inception	Inception Date
Fund Portfolio/2/	7.90%	3/1/01

Deferred Variable Annuity Subaccount/3/	5.77%	3/2/01
SEC Deferred Variable Annuity Subaccount/3/	(0.89)%	3/2/01
Single Premium Immediate Variable Annuity Subaccount/4/	5.77%	3/2/01
Variable Universal Life Subaccount/5/	2.59%	3/2/01

Past performance is not an indication of future results.

/1/ Total Returns - Since the portfolio and subaccounts have been in existence for less than one year, the return from inception is presented on a cumulative basis (not annualized). Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or less than their original value. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect the deduction of a 0.70% maximum annual management fee, but do not reflect Fund Portfolio expenses which are voluntarily paid or reimbursed by AAL Capital Management Corporation (AALCMC). Without the payment and reimbursement of expenses by AALCMC, which can be changed on a 30-days' notice, these total returns would have been lower.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect the 0.70% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect the 0.70% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect the 0.70% management fee of the Fund Portfolio and the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. VUL returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence, the total return on a certificate's cash value would be significantly lower than the performance quoted above.

Small Cap Index Portfolio

The AAL Small Cap Index Portfolio was up 10.86% for the 12-month period June 30, 2000 through June 29, 2001. The return was comparable to the S&P SmallCap 600 Index return of 11.12%. The difference between the Portfolio and the Index is the result of expenses, transaction costs and cash. Expenses represented the majority of the return difference. Transaction costs are fairly small as the Portfolio is of sufficient size to easily replicate the Index. Finally, the Portfolio maintains less than 2% cash at all times; however, even maintaining a small amount of cash in an up market will result in some tracking variance versus the benchmark.

The goal of the Portfolio is to duplicate the performance of the S&P SmallCap 600 Index. We utilize a full replication strategy to match the performance of the Index. In other words, all 600 securities are purchased in approximately the same weight as the Index. The Portfolio also remains essentially fully invested. However, yearly Portfolio performance will usually be somewhat below that of the Index after transaction fees and expenses are deducted.

/s/Brian Flanagan

Brian Flanagan
Portfolio Manager

Small company stock prices are generally more volatile than large company stock prices. Individuals may not invest directly in any index. Index portfolios are subject to the same market risks associated with the stocks in their respective indexes.

Value of a \$10,000 Investment
[MOUNTAIN CHART OMITTED HERE]

Date	Small Cap Index Portfolio Value	S&P 600 Value
06/14/95	10,000.00	10,000.00
06/30/95	10,110.07	10,159.02
07/31/95	10,694.66	10,935.78
08/31/95	10,900.04	11,172.87
09/30/95	10,980.30	11,458.11
10/31/95	10,495.50	10,892.42
11/30/95	10,892.26	11,323.44
12/31/95	11,070.35	11,510.27
01/31/96	11,035.13	11,535.25
02/29/96	11,309.20	11,912.80
03/31/96	11,654.29	12,168.21
04/30/96	12,285.49	12,866.91
05/31/96	12,612.84	13,324.20
06/30/96	12,046.53	12,801.76
07/31/96	11,090.93	11,920.99
08/31/96	11,734.05	12,657.35
09/30/96	12,243.16	13,212.51
10/31/96	12,187.36	13,121.08
11/30/96	12,832.31	13,802.58
12/31/96	13,084.10	13,964.21
01/31/97	13,505.65	14,196.44
02/28/97	13,499.36	13,902.71
03/31/97	12,968.33	13,189.09
04/30/97	13,172.32	13,350.65
05/31/97	14,306.55	14,918.69
06/30/97	14,779.01	15,578.09
07/31/97	16,040.99	16,557.49
08/31/97	16,348.23	16,974.41
09/30/97	17,325.17	18,096.92
10/31/97	16,477.85	17,315.86
11/30/97	16,313.03	17,189.45
12/31/97	16,402.76	17,536.51
01/31/98	16,373.00	17,194.55
02/28/98	17,785.34	18,760.63

03/31/98	18,457.36	19,477.10
04/30/98	18,560.07	19,591.82
05/31/98	17,585.14	18,554.62
06/30/98	17,627.17	18,609.18
07/31/98	16,282.14	17,185.39
08/31/98	13,162.28	13,868.26
09/30/98	13,966.33	14,717.69
10/31/98	14,624.84	15,401.18
11/30/98	15,441.86	16,267.96
12/31/98	16,425.02	17,307.65
01/31/99	16,227.13	17,090.44
02/28/99	14,764.64	15,550.08
03/31/99	14,946.17	15,750.83
04/30/99	15,943.46	16,791.49
05/31/99	16,324.21	17,200.19
06/30/99	17,249.36	18,179.23
07/31/99	17,091.35	18,018.70
08/31/99	16,344.96	17,225.88
09/30/99	16,403.50	17,298.75
10/31/99	16,367.64	17,255.33
11/30/99	17,043.05	17,976.77
12/31/99	18,427.61	19,454.64
01/31/00	17,855.79	18,851.74
02/29/00	20,222.35	21,376.37
03/31/00	19,475.27	20,586.08
04/30/00	19,130.26	20,233.24
05/31/00	18,551.78	19,633.52
06/30/00	19,636.64	20,794.45
07/31/00	19,151.41	20,283.95
08/31/00	20,838.61	22,081.92
09/30/00	20,270.37	21,480.63
10/31/00	20,402.22	21,615.10
11/30/00	18,297.37	19,364.75
12/31/00	20,496.55	21,750.29
01/31/01	21,369.61	22,682.73
02/28/01	20,072.56	21,298.63
03/30/01	19,178.10	20,321.87
04/30/01	20,626.62	21,870.81
05/31/01	21,010.28	22,289.19
06/30/01	21,768.97	23,106.09

Average Annual Total Returns/1/
As of June 29, 2001

	Year-To-Date	1-Year	5-Year	From Inception	Inception Date
Fund Portfolio/2/	6.21%	10.86%	12.56%	13.73%	6/14/95
Deferred Variable Annuity Subaccount/3/	5.55%	9.49%	11.16%	12.25%	6/15/95
SEC Deferred Variable Annuity Subaccount/3/	(1.10)%	2.59%	10.56%	12.08%	6/15/95
Single Premium Immediate Variable Annuity Subaccount/4/	5.55%	9.49%	N/A	12.32%	8/2/99
Variable Universal Life Subaccount/5/	2.38%	6.21%	N/A	3.70%	5/15/98

Past performance is not an indication of future results.

/1/ Total Returns - Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or less than their original value. Periods less than one year are not annualized. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect a 0.39% maximum annual deduction for management fees and other expenses.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect all fees and expenses of the Fund Portfolio not reimbursed by AAL and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect all fees and expenses of the Fund Portfolio not reimbursed by AAL and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect all fees and expenses of the Fund Portfolio not reimbursed by AAL, the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. VUL returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence, the total return on a certificate's cash value would be significantly lower than the performance quoted above.

Mid Cap Stock Portfolio

So far in its very short existence, the AAL Mid Cap Stock Portfolio has had a difficult time. Since its inception on March 1, 2001, the Portfolio has returned 2.80%, notably less than the 5.15% return of the S&P MidCap 400 Index.

The key factors in the Portfolio's underperformance are the performance of energy holdings and consumer cyclical holdings. During the period, energy stocks in general lost nearly 16% of their value. The Portfolio was overweight in the sector and its holdings lost more than 20%. The Portfolio's selections in the consumer cyclical sector also underperformed the benchmark's holdings, contributing further to the underperformance. Offsetting these negatives were the positive sector returns of consumer staples, technology, and utilities. In each of these areas, the Portfolio's holdings outperformed the comparable benchmark results.

As far as individual stocks, the largest contributors during the short period were semiconductor stocks Intersil Corporation, NVIDIA Corporation and QLogic Corporation, each contributing over 0.5% to the Portfolio's return. Key disappointments during the period were Waters Corporation, a medical instrumentation company, and Nabors Industries, Inc., an oil field service company. Each of these detracted about 0.5% from the Portfolio's result. (Please see the Schedule of Investments for more information about the Portfolio's holdings.)

The Portfolio's approach of investing in a broadly diversified portfolio of mid-sized stocks while taking measured risks in areas of perceived opportunity has worked well over longer time periods in the past. The diversification allows the Portfolio to participate in the general return opportunities of the mid-cap market while selectively taking modest risks provides the opportunity to add value. This approach to managing risk, not just taking risk, should serve the Portfolio well into the future.

/s/Michael R. Hochholzer

Michael R. Hochholzer
Portfolio Manager

Mid-sized company stock prices are generally more volatile than large-company stock prices.

Since the Portfolio has been in existence for less than a year mountain chart performance has not been shown.

Cumulative Total Returns/1/
As of June 29, 2001

	From Inception	Inception Date
Fund Portfolio/2/	2.80%	3/1/01
Deferred Variable Annuity Subaccount/3/	2.18%	3/2/01
SEC Deferred Variable Annuity Subaccount/3/	(4.26)%	3/2/01
Single Premium Immediate Variable Annuity Subaccount/4/	2.18%	3/2/01
Variable Universal Life Subaccount/5/	(0.90)%	3/2/01

Past performance is not an indication of future results.

/1/ Total Returns - Since the portfolio and subaccounts have been in existence for less than one year, the return from inception is presented on a cumulative basis (not annualized). Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or less than their original value. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect the deduction of a 0.70% maximum annual management fee, but do not reflect Fund Portfolio expenses which are voluntarily paid or reimbursed by AAL Capital Management Corporation (AALCMC). Without the payment and reimbursement of expenses by AALCMC, which can be changed on a 30-days' notice, these total returns would have been lower.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect the 0.70% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect the 0.70% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect the 0.70% management fee of the Fund Portfolio and the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. VUL returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence, the total return on a certificate's cash value would be significantly lower than the performance quoted above.

Mid Cap Index Portfolio

So far in its very short existence, the AAL Mid Cap Index Portfolio has performed reasonably well. Since its inception on March 1, 2001, the Portfolio has returned 4.99%, only marginally less than the 5.15% return of the S&P MidCap 400 Index. This small difference in return is the result of expenses, transaction costs, and small mismatches between the Portfolio and the Index. The transaction costs associated with the startup of the Portfolio account for the bulk of the shortfall.

The primary drivers of performance in the mid-cap market during this very short time period include a sharp decline in energy shares offset by a sharp increase in healthcare stocks and very solid gains by financial and consumer cyclical holdings. Energy shares lost nearly 16% of their value during the period after a strong run in the prior 18 months. Healthcare stocks surged nearly 19%, led by biotechnology shares that came back into favor. Both financial and consumer cyclical holdings posted returns over 8% as the interest rate environment and consumer confidence continued to improve.

The AAL Mid Cap Index Portfolio is an index portfolio, which means that it is managed with the primary goal of replicating the S&P MidCap 400 Index as closely as possible. In this passive approach to managing the Portfolio, we simply purchase all 400 securities in proportions as close as practical to those of the Index. Differences in performance between the Portfolio and the Index are the result of management fees, costs for transacting and holding the securities, cash held by the Portfolio (the Index has none), and minor variances in the proportion of each security relative to the Index. The key issue in any decision made regarding the management of the Portfolio is the long-term minimization of the combination of these factors.

/s/Michael R. Hochholzer

Michael R. Hochholzer
Portfolio Manager

Mid-sized company stock prices are generally more volatile than large-company stock prices. Individuals may not invest directly in any index. Index portfolios are subject to the same market risks associated with the stocks in their respective indexes.

Since the Portfolio has been in existence for less than a year mountain chart performance has not been shown.

Cumulative Total Returns/1/
As of June 29, 2001

	From Inception	Inception Date
Fund Portfolio/2/	4.99%	3/1/01
Deferred Variable Annuity Subaccount/3/	3.63%	3/2/01
SEC Deferred Variable Annuity Subaccount/3/	(2.90)%	3/2/01
Single Premium Immediate Variable Annuity Subaccount/4/	3.63%	3/2/01
Variable Universal Life Subaccount/5/	0.51%	3/2/01

Past performance is not an indication of future results.

/1/ Total Returns - Since the portfolio and subaccounts have been in existence for less than one year, the return from inception is presented on a cumulative basis (not annualized). Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or less than their original value. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect the deduction of a 0.35% maximum annual management fee, but do not reflect Fund Portfolio expenses which are voluntarily paid or reimbursed by AAL Capital Management Corporation (AALCMC). Without the payment and reimbursement of expenses by AALCMC, which can be changed on a 30-days' notice, these total returns would have been lower.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect the 0.35% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect the 0.35% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect the 0.35% management fee of the Fund Portfolio and the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. VUL returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence, the total return on a certificate's cash value would be significantly lower than the performance quoted above.

International Portfolio

World stock markets ended the first half of 2001 on a pessimistic note that contrasted sharply with the optimism that surfaced briefly in April and May. This optimism was based on powerful forces; the Federal Reserve's aggressive rate cutting, Japan's new prime minister offering the best chance of substantive reform and the European Central Bank (ECB), which is on the verge of cutting rates. By June, however, a new round of corporate profit warnings, evidence of a slowdown in Europe and the ECB's reluctance to support the economy through more aggressive rate cuts had sapped investors of their conviction in the timing and strength of the global economic recovery. The MSCIEAFE index finished the period down substantially, at negative 14.61%, and the Portfolio underperformed for the period. Local market returns were better, as stock markets fell only 6.8% during the first half, but weakness in the yen and the euro depressed returns for dollar-based investors.

Continued earnings concerns in the technology and telecom areas combined with the Portfolio's modest overweight in the telecom sector to bring performance below the benchmark for the period. The Portfolio was particularly impacted by declines in Nortel Networks Corporation (-71%), Vodafone Group PLC (-40%), Cable & Wireless PLC (-56%) and Royal KPN NV (-50%). News that the introduction of new third generation, or "3G," mobile phone service would be delayed due to technical problems was not well received. However, we feel that the stocks currently reflect all of the problems and none of the solutions in the telecom arena. First, the delay of "3G" is not a bad thing insofar as it relieves immediate pressure on cash needs for capital expenditures. Second, the financial demands on many of these companies will be less than feared as partnerships and joint ventures to share the cost of system buildouts materialize. Third, companies in the sector have made sensible adjustments to their business strategies. Finally, new products and services such as short messaging service, which enables mobile phone users to send short text messages via their phones, provide the means for companies in the sector to improve their profitability. (Please see the Schedule of Investments for more information about the Portfolio's holdings.)

The performance of these telecom stocks offset a number of examples of strong stock selection across a variety of sectors in the first half of 2001. Investments in financial institutions like Dresdner Bank AG (+5%) and Nomura Securities Company, Ltd. (+7%), Japanese tire maker Bridgestone Corporation (+15%), and auto manufacturer Nissan Motor Company, Ltd. (+20%) contributed positively to performance.

Negative contributions came from other sectors, such as food company Diageo PLC (-2%) and drug maker GlaxoSmithKline PLC (0%). Finally, the Portfolio's relative performance was also helped by its hedge of nearly 10% from yen to U.S. dollar for much of the first half of the year. Weak macroeconomic fundamentals in Japan along with an increased willingness on the part of the Bank of Japan to accept a weaker currency signaled danger for the currency, and the yen fell more than 10% against the dollar while the Portfolio was hedged.

Uncertainty in markets is often highest at inflection points, as it is today when investors lose their faith that the global recovery will materialize in timely fashion. In recent weeks we have begun to move the Portfolio toward a more constructive stance, and we expect to continue this repositioning. Toward that end we bought Broken Hill Properties, the Australian mining and resource company, and added to several existing Japanese holdings.

We expect to continue the cautious process of re-orienting the Portfolio. Countries, sectors and stocks that will exceed consensus earnings projections occupy a priority position in our research right now.

/s/Kathleen M. Harris

Kathleen M. Harris
Portfolio Manager

/s/Sean Roche

Sean Roche
Portfolio Manager

Foreign investments involve additional risks, including currency fluctuations and greater political, economic and market instability and different accounting standards, as compared with domestic investments.

Value of a \$10,000 Investment
[MOUNTAIN CHART OMITTED HERE]

Date	International Portfolio Value	EAFE Idx Value
03/02/98	10,000.00	10,000.00
03/31/98	10,410.00	10,307.92
04/30/98	10,610.00	10,389.51
05/31/98	10,840.00	10,339.08
06/30/98	10,950.00	10,417.34
07/31/98	11,290.00	10,522.95
08/31/98	9,840.00	9,219.27
09/30/98	9,390.00	8,936.62
10/31/98	10,070.00	9,868.17
11/30/98	10,730.00	10,373.73
12/31/98	11,040.74	10,782.97
01/31/99	11,520.77	10,751.13
02/28/99	11,170.75	10,494.91
03/31/99	11,340.76	10,932.99
04/30/99	11,790.79	11,375.98
05/31/99	11,400.77	10,790.13
06/30/99	11,780.79	11,210.81
07/31/99	12,110.81	11,544.03

08/31/99	12,460.84	11,586.18
09/30/99	12,610.85	11,702.81
10/31/99	13,080.88	12,141.15
11/30/99	13,870.93	12,563.00
12/31/99	15,622.23	13,690.55
01/31/00	15,136.56	12,820.67
02/29/00	16,229.31	13,165.80
03/31/00	16,188.84	13,676.16
04/30/00	14,812.79	12,956.48
05/31/00	14,337.24	12,640.03
06/30/00	14,994.91	13,134.35
07/31/00	14,408.07	12,583.70
08/31/00	14,681.25	12,692.92
09/30/00	13,841.46	12,074.88
10/31/00	13,335.56	11,789.65
11/30/00	12,647.53	11,347.53
12/31/00	12,945.69	11,750.87
01/31/01	13,061.65	11,754.77
02/28/01	11,923.11	10,875.96
03/30/01	11,048.11	10,137.19
04/30/01	11,691.18	10,833.23
05/31/01	11,195.70	10,432.46
06/30/01	10,742.39	10,003.65

Average Annual Total Returns/1/
As of June 29, 2001 From Inception

	Year-To-Date	1-Year	Inception	Date
Fund Portfolio/2/	(17.02)%	(28.36)%	2.17%	3/2/98
Deferred Variable Annuity Subaccount/3/	(17.54)%	(29.25)%	0.91%	3/3/98
SEC Deferred Variable Annuity Subaccount/3/	(22.73)%	(33.71)%	(0.20)%	3/3/98
Single Premium Immediate Variable Annuity Subaccount/4/	(17.54)%	(29.25)%	(7.05)%	8/2/99
Variable Universal Life Subaccount/5/	(20.03)%	(31.43)%	(2.24)%	5/15/98

Past performance is not an indication of future results.

/1/ Total Returns - Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or less than their original value. Periods less than one year are not annualized. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect the deduction of a 0.80% maximum annual management fee, but do not reflect Fund Portfolio expenses, which are voluntarily paid or reimbursed by AAL Capital Management Corporation (AALCMC). Without the payment and reimbursement of expenses by AALCMC, which can be changed on a 30-days' notice, these total returns would have been lower.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect the 0.80% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect the 0.80% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect the 0.80% management fee of the Fund Portfolio and the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. VUL returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence, the total return on a certificate's cash value would be significantly lower than the performance quoted above.

Capital Growth Portfolio

Since inception on March 1, 2001, it has been a difficult period for the large capitalization equity market. The S&P 500® had a total return of negative 0.96% during this period. The AAL Capital Growth Portfolio under-performed the S&P 500® on a relative basis. The total return for the AAL Capital Growth Portfolio for the same period was negative 3.27%.

The main reason the AAL Capital Growth Portfolio under-performed the S&P 500® over the last four months was the Portfolio's exposure to the natural gas industry within the energy sector. Natural gas prices went from \$5.19 per million cubic feet (MCF) on March 1, 2001 to \$3.10 per MCF on June 29, 2001. The decline in natural gas prices had a negative impact on these stocks. This decline in price seems to have been caused by higher than expected fuel switching and higher than expected nuclear power plant utilization. Both of these causes are short term in nature. Once energy users have switched from gas to oil, they can only switch back to gas again at some point. Utilization rates have reached 98% of our nuclear power capacity and no new nuclear plants are being built. Long term, the outlook for natural gas remains very positive. New construction of power plants using natural gas continues to proceed at an accelerating pace.

The major change in the Portfolio was in the technology sector. At the beginning of the period the Portfolio was 7% underweighted in technology sector, but was almost market weighted at the end. The Portfolio increased its holdings in technology stocks in April of 2001, ending the period only about 1% underweighted because by the end of April technology stocks were much more reasonably priced relative to their future growth, having declined almost 50% over the previous year.

The market conditions that caused this decline were primarily the result of the monetary policy of the Federal Reserve. The Fed Funds rate peaked in May of 2000 at 6.5% and the Federal Reserve held rates there until January of 2001. These high rates caused the economy to slow down, and when it did, technology stocks took the brunt. Since January, the Federal Reserve has lowered interest rates faster than any time during Alan Greenspan's tenure as chairman of the Federal Reserve. Hopefully, this aggressive easing of monetary policy will keep the economic slowdown from turning into a recession.

The main things we are watching in this regard are insider buying and earnings estimate revisions. As of the end of June corporate insiders have not yet begun to buy aggressively, but they have at least slowed their selling significantly. Earnings estimate revisions still remain negative.

/s/Fredrick L. Plautz

Fredrick L. Plautz
Portfolio Manager

Since the Portfolio has been in existence for less than a year mountain chart performance has not been shown.

Cumulative Total Returns/1/
As of June 29, 2001

	From Inception	Inception Date
Fund Portfolio/2/	(3.27)%	3/1/01
Deferred Variable Annuity Subaccount/3/	(4.52)%	3/2/01
SEC Deferred Variable Annuity Subaccount/3/	(10.54)%	3/2/01
Single Premium Immediate Variable Annuity Subaccount/4/	(4.52)%	3/2/01
Variable Universal Life Subaccount/5/	(7.40)%	3/2/01

Past performance is not an indication of future results.

/1/ Total Returns - Since the portfolio and subaccounts have been in existence for less than one year, the return from inception is presented on a cumulative basis (not annualized). Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or less than their original value. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect the deduction of a 0.65% maximum annual management fee, but do not reflect Fund Portfolio expenses, which are voluntarily paid or reimbursed by AAL Capital Management Corporation (AALCMC). Without the payment and reimbursement of expenses by AALCMC, which can be changed on a 30-days' notice, these total returns would have been lower.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect the 0.65% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect the 0.65% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect the 0.65% management fee of the Fund Portfolio and the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. VUL returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence, the total return on a certificate's cash value would be significantly lower than the performance quoted above.

Large Company Index Portfolio

The Portfolio declined in value during the first half of the year with a negative return of 6.85% versus a negative return of 6.70% for the S&P 500. The difference was due to the Portfolio's expenses as, gross of expenses, the Portfolio's return was a negative 6.69%. The second quarter of 2001 showed a positive performance of 5.71% after a negative 11.88% return in the first quarter.

The Portfolio replicates the composition of the S&P 500 and the degree to which it matches the composition is monitored continuously. Since the Portfolio is relatively large, the ability to closely replicate the Index composition is high. With the Portfolio experiencing continuous withdrawals during the past year, the cash position has increased modestly to cover these withdrawals, causing the performance of the Portfolio to vary slightly from that of the S&P 500.

The S&P 500 performance in the first half of the year reflected investors concerns with the outlook for the economy and corporate profits. Corporate profits slowed dramatically in the fourth quarter of 2000 and continued to be soft through the first two quarters of 2001. This occurred after a period of robust economic growth characterized by general consumer spending and corporate spending on technology products at rates above historical trend lines. The Federal Reserve Board, worried about the effect that this spending would have on inflation rates, began to raise short term interest rates and tighten the growth of money supply beginning mid-year 1999. As a result of this tightening and the exhaustion of some amount of demand after a period of high spending rates, the economy and corporate profits experienced a slowdown that continues today.

What stock market investors are most concerned with is the length and depth of this economic and corporate profit slowdown. The Federal Reserve Board started to reduce interest rates and increase financial liquidity early in 2001, the impact of which will increasingly be felt later in the year. Some positive indicators are the stabilization of consumer confidence, the solid consumer spending in housing, retail and industrial sectors and moderate labor and energy costs. Areas of concern are: the rise in the unemployment rate and continuous major lay-off announcements by corporate America; slowing foreign economies and high consumer debt.

The S&P 500 performance was best for low valuation stocks in the first quarter and did not have a bias towards growth or value in the second quarter. Sectors that did best during the first half of 2001 included consumer cyclicals, basic materials and transportation. Sectors that performed poorly included technology, health care and utilities. While these cross currents can have a major impact on the performance of actively managed portfolios, a passively managed portfolio such as the AAL Large Company Index Portfolio has exposure to all stocks in the index and will not be affected by investors' biases towards one kind of stock or another.

This will be the last time I am writing to you as the manager of this Portfolio. Management has been assigned to Tim Utecht who I know will capably handle it going forward.

/s/David J. Schnarsky

David J. Schnarsky
Portfolio Manager

Individuals may not invest directly in any index. Index portfolios are subject to the same market risks associated with the stocks in their respective indexes.

Value of a \$10,000 Investment
[MOUNTAIN CHART OMITTED HERE]

Date	Large Company Index Portfolio Value	S&P 500 Value
06/14/95	10,000.00	10,000.00
06/30/95	10,190.02	10,162.74
07/31/95	10,521.32	10,499.74
08/31/95	10,544.42	10,526.09
09/30/95	10,993.27	10,970.29
10/31/95	10,947.97	10,931.13
11/30/95	11,423.28	11,411.00
12/31/95	11,638.63	11,630.78
01/31/96	12,033.08	12,026.69
02/29/96	12,144.27	12,138.18
03/31/96	12,253.65	12,255.07
04/30/96	12,438.43	12,435.71

05/31/96	12,753.33	12,756.43
06/30/96	12,793.10	12,805.03
07/31/96	12,236.19	12,239.30
08/31/96	12,484.20	12,497.43
09/30/96	13,181.09	13,200.78
10/31/96	13,543.00	13,564.86
11/30/96	14,510.47	14,590.23
12/31/96	14,254.38	14,301.20
01/31/97	15,136.66	15,194.74
02/28/97	15,254.07	15,313.86
03/31/97	14,633.96	14,684.62
04/30/97	15,496.63	15,561.29
05/31/97	16,426.36	16,508.66
06/30/97	17,150.16	17,248.25
07/31/97	18,503.94	18,620.69
08/31/97	17,469.03	17,577.56
09/30/97	18,395.93	18,540.28
10/31/97	17,784.63	17,921.04
11/30/97	18,519.60	18,750.60
12/31/97	18,900.26	19,072.55
01/31/98	19,106.39	19,283.49
02/28/98	20,462.17	20,674.22
03/31/98	21,500.11	21,732.94
04/30/98	21,701.77	21,951.58
05/31/98	21,322.57	21,574.23
06/30/98	22,182.55	22,450.58
07/31/98	21,944.45	22,211.48
08/31/98	18,821.53	19,000.14
09/30/98	20,002.88	20,217.29
10/31/98	21,633.91	21,861.77
11/30/98	22,936.94	23,186.81
12/31/98	24,259.71	24,522.83
01/31/99	25,264.09	25,548.38
02/28/99	24,482.94	24,754.33
03/31/99	25,438.47	25,744.75
04/30/99	26,406.67	26,741.85
05/31/99	25,775.24	26,110.47
06/30/99	27,189.31	27,559.60
07/31/99	26,342.83	26,699.19
08/31/99	26,222.38	26,567.03
09/30/99	25,508.14	25,838.83
10/31/99	27,093.30	27,473.91
11/30/99	27,633.30	28,032.45
12/31/99	29,236.74	29,683.57
01/31/00	27,790.25	28,192.26
02/29/00	27,233.71	27,658.58
03/31/00	29,870.82	30,364.42
04/30/00	28,997.18	29,450.76
05/31/00	28,421.75	28,846.43
06/30/00	29,100.79	29,557.49
07/31/00	28,663.21	29,095.51
08/31/00	30,422.93	30,902.63
09/30/00	28,823.40	29,271.28
10/31/00	28,688.05	29,147.46
11/30/00	26,430.34	26,849.48
12/31/00	26,553.25	26,980.77
01/31/01	27,487.85	27,938.05
02/28/01	24,977.71	25,390.66
03/30/01	23,399.45	23,782.16
04/30/01	25,199.88	25,630.27
05/31/01	25,359.00	25,801.99
06/30/01	24,734.67	25,173.97

Average Annual Total Returns/1/
As of June 29, 2001

	Year-To-Date	1-Year	5-Year	From Inception	Inception Date
Fund Portfolio/2/	(6.85)%	(15.00)%	14.09%	16.16%	6/14/95
Deferred Variable Annuity Subaccount/3/	(7.43)%	(16.06)%	12.68%	14.67%	6/15/95
SEC Deferred Variable Annuity Subaccount/3/	(13.26)%	(21.35)%	12.06%	14.49%	6/15/95
Single Premium Immediate Variable Annuity Subaccount/4/	(7.43)%	(16.06)%	N/A	(4.43)%	8/2/99
Variable Universal Life Subaccount/5/	(10.21)%	(18.61)%	N/A	2.10%	5/15/98

Past performance is not an indication of future results.

/1/ Total Returns - Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or less than their original value. Periods less than one year are not annualized. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect a 0.35% maximum annual deduction for management fees and other expenses.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect all fees and expenses of the Fund Portfolio not reimbursed by AAL and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect all fees and expenses of the Fund Portfolio not reimbursed by AAL and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect all fees and expenses of the Fund Portfolio not reimbursed by AAL, the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. VUL returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence, the total return on a certificate's cash value would be significantly lower than the performance quoted above.

Equity Income Portfolio

The AAL Equity Income Portfolio was introduced March 1, 2001, so the Portfolio was only four months old at the end of the second quarter of 2001. Approximately 70% of the Portfolio is invested in stocks of large size "value-oriented" companies with the remaining 30% invested in the stocks of mid and small size "value-oriented" companies. The first four months proved to be a very difficult investment environment for the Portfolio as the stocks of small and mid-size companies sharply outperformed stocks of large companies. The S&P 500® of large companies had a total return of negative 0.96% for the four months while the major mid- and small-company indexes were up between 4% and 9%. The Portfolio had a total return of negative 2.12% for the same period.

As has been the case over the last several years, volatility in share prices was quite dramatic during the four months.

The second quarter was characterized by outstanding performance from the two ends of the investment spectrum. On the one hand, the high-growth technology sector was up almost 17% for the quarter while at the other end of the investment spectrum both economically sensitive basic materials (chemicals, metals, etc.) and consumer cyclicals were up over 10%. The Portfolio is positioned in the middle of the investment spectrum with less growth or economic sensitivity and hence fared poorly on a relative basis.

The major area of weakness in the Portfolio was our exposure to mid-size energy companies involved in oil and natural gas drilling and services. Despite excellent earnings and continued good fundamentals, these energy companies were widely sold during the quarter due to declining natural gas prices. Instead, investors flocked to the more economically sensitive sectors of the economy (i.e. basic materials, consumer cyclicals, etc.) in anticipation of an economic recovery. Another area of sector weakness was in technology. While the Portfolio fared very well against the more "valued-oriented" technology stocks (7.36% vs. 1.26%), it significantly lagged the more "aggressive-growth" technology stocks (7.36% vs. 16.91%). An additional area of weakness during the quarter was a handful of large holdings that suffered disappointing earnings announcements and in one case (Honeywell International, Inc.) a failed merger attempt. (Please see the Schedule of Investments for more information about the Portfolio's holdings.)

The one area of real strength during the quarter was in the health care sector where the Portfolio had several winners while avoiding several other large, widely owned, but underperforming pharmaceutical stocks.

The major changes in the composition of the Portfolio have been in our energy and technology holdings. Due to declining energy prices, the overweighting in energy has been reduced and our weighting in the more cyclical technology stocks has been increased. These changes have helped bring the Portfolio into better balance in terms of our diversification across the major economic sectors of the market.

The investment strategy continues to be one of positioning the Portfolio as a "value" alternative to AAL's other equity portfolios, which have more of a growth focus. We attempt to accomplish this by trying to maximize value in the Portfolio as opposed to growth. The goal is to add value primarily through superior stock selection as opposed to sector allocation or sector rotation. The Portfolio tries to buy stocks not only at a discount to the market multiple, but also at a discount to their earnings growth rates. Through successfully buying quality companies at attractive prices, the Portfolio can usually be assured of good results from individual investment decisions.

/s/Lewis Bohannon

Lewis (Bo) Bohannon
Portfolio Manager

Since the Portfolio has been in existence for less than a year mountain chart performance has not been shown.

Cumulative Total Returns/1/
As of June 29, 2001

	From Inception	Inception Date
Fund Portfolio/2/	(2.12)%	3/1/01
Deferred Variable Annuity Subaccount/3/	(3.48)%	3/2/01
SEC Deferred Variable Annuity Subaccount/3/	(9.56)%	3/2/01
Single Premium Immediate Variable Annuity Subaccount/4/	(3.48)%	3/2/01
Variable Universal Life Subaccount/5/	(6.39)%	3/2/01

Past performance is not an indication of future results.

/1/ Total Returns - Since the portfolio and subaccounts have been in existence for less than one year, the return from inception is presented on a cumulative basis (not annualized). Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or less than their original value. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect the deduction of a 0.45% maximum annual management fee, but do not reflect Fund Portfolio expenses, which are voluntarily paid or reimbursed by AAL Capital Management Corporation (AALCMC). Without the payment and reimbursement of expenses by AALCMC, which can be changed on a 30-days' notice, these total returns would have been lower.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect the 0.45% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect the 0.45% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect the 0.45% management fee of the Fund Portfolio and the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. VUL returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence, the total return on a certificate's cash value would be significantly lower than the performance quoted above.

Balanced Portfolio

The AAL Balanced Portfolio invests in large company stocks, investment grade bonds and money market securities. The stock portion of the Portfolio replicates the composition of the S&P 500 by owning all 500 stocks in the S&P 500 in the same weighting that they represent in the S&P 500. The bond portion of the Portfolio is invested in a well-diversified sample of securities that approximate the key characteristics (sector weightings, maturity, credit quality distribution, yield curve exposure, and coupon rates) of the Lehman Aggregate Bond Index. The money market portion of the Portfolio is invested in high-quality

commercial paper. The weighting of each of the three components of the Portfolio were maintained during the first half of the year in the 53% to 58% range for stocks, 34% to 39% range for bonds, and 5% to 8% range for money market securities.

The Portfolio's performance for the first half of 2001 closely approximated the performance of a blended portfolio index, consisting of 55% S&P 500, 35% Lehman Aggregate Bond Index, and 10% Salomon Brothers Short-Term Index. After expenses, the Portfolio returned a negative 2.19% versus a negative 2.04% for the blended index. Before expenses, the Portfolio's return of negative 2.02% exceeded the return on the blended index.

The Portfolio benefited from the investments in bonds and commercial paper, which posted positive returns. It was hindered by its stock exposure, which posted negative returns. The Lehman Aggregate Bond Index had a return of 3.62%, the Salomon Brothers Short-Term Index was up 2.24%, and the S&P 500 was down 6.70%.

A weakening U.S. economic environment and a corporate profit slowdown affected equity and bond market performance during the first half. In response to a slower economic growth, the Federal Open Market Committee (FOMC) began an aggressive easing campaign early in the year to lower short-term interest rates and increase financial liquidity. Since the beginning of the year, the FOMC has lowered short-term interest rates by 2.75% in six separate moves. Yield levels on long-term Treasury securities have risen since the beginning of the year. This shift reflects bond investor expectations that a recession will be averted and a recovery is on the horizon. It appears stock market investors are most concerned with the length and depth of the economic and corporate profit slowdown. Although the FOMC has been aggressive in lowering short-term rates, inflation does not appear to be a concern.

/s/David J. Schnarsky

David J. Schnarsky
Portfolio Manager

/s/Gregory R. Anderson

Gregory R. Anderson
Portfolio Manager

Value of a \$10,000 Investment
[MOUNTAIN CHART OMITTED HERE]

Date	Balanced Portfolio Value	S&P 500 Value	Lehm. Bros. Aggr. Bond Value
06/14/95	10,000.00	10,000.00	10,000.00
06/30/95	10,107.03	10,162.74	9,987.90
07/31/95	10,295.35	10,499.74	9,965.62
08/31/95	10,350.66	10,526.09	10,085.80
09/30/95	10,634.88	10,970.29	10,184.04
10/31/95	10,678.32	10,931.13	10,316.43
11/30/95	10,977.44	11,411.00	10,470.97
12/31/95	11,145.53	11,630.78	10,617.98
01/31/96	11,378.40	12,026.69	10,688.38
02/29/96	11,372.13	12,138.18	10,502.62
03/31/96	11,393.63	12,255.07	10,429.62
04/30/96	11,465.65	12,435.71	10,371.01
05/31/96	11,618.25	12,756.43	10,349.95
06/30/96	11,695.00	12,805.03	10,488.95
07/31/96	11,429.30	12,239.30	10,517.69
08/31/96	11,549.92	12,497.43	10,500.13
09/30/96	11,983.70	13,200.78	10,682.94
10/31/96	12,261.69	13,564.86	10,919.67
11/30/96	12,803.24	14,590.23	11,106.72
12/31/96	12,666.29	14,301.20	11,003.43
01/31/97	13,111.18	15,194.74	11,037.10
02/28/97	13,183.24	15,313.86	11,064.47
03/31/97	12,848.42	14,684.62	10,941.88
04/30/97	13,336.77	15,561.29	11,105.79
05/31/97	13,820.06	16,508.66	11,210.74
06/30/97	14,225.12	17,248.25	11,343.81
07/31/97	14,998.94	18,620.69	11,649.53
08/31/97	14,480.11	17,577.56	11,550.27
09/30/97	15,001.28	18,540.28	11,720.64
10/31/97	14,803.71	17,921.04	11,890.71
11/30/97	15,171.11	18,750.60	11,945.40
12/31/97	15,415.64	19,072.55	12,065.57
01/31/98	15,583.41	19,283.49	12,220.50
02/28/98	16,189.40	20,674.22	12,211.33
03/31/98	16,667.14	21,732.94	12,253.34
04/30/98	16,799.21	21,951.58	12,317.30
05/31/98	16,703.72	21,574.23	12,434.07
06/30/98	17,130.67	22,450.58	12,539.51
07/31/98	17,040.96	22,211.48	12,566.09
08/31/98	15,800.38	19,000.14	12,770.67
09/30/98	16,475.90	20,217.29	13,069.63
10/31/98	17,193.64	21,861.77	13,000.62
11/30/98	17,790.79	23,186.81	13,074.21
12/31/98	18,386.59	24,522.83	13,113.56
01/31/99	18,841.63	25,548.38	13,207.19
02/28/99	18,405.37	24,754.33	12,976.59
03/31/99	18,839.99	25,744.75	13,048.61
04/30/99	19,256.22	26,741.85	13,089.98
05/31/99	18,938.07	26,110.47	12,975.31
06/30/99	19,494.89	27,559.60	12,933.92
07/31/99	19,146.09	26,699.19	12,878.95
08/31/99	19,108.47	26,567.03	12,872.38
09/30/99	18,907.78	25,838.83	13,021.70
10/31/99	19,586.44	27,473.91	13,069.75
11/30/99	19,810.64	28,032.45	13,068.83
12/31/99	20,408.99	29,683.57	13,005.84
01/31/00	19,822.46	28,192.26	12,963.31
02/29/00	19,712.83	27,658.58	13,120.04
03/31/00	20,815.36	30,364.42	13,292.83
04/30/00	20,522.18	29,450.76	13,254.95
05/31/00	20,291.45	28,846.43	13,248.85

06/30/00	20,710.20	29,557.49	13,524.42
07/31/00	20,603.65	29,095.51	13,647.23
08/31/00	21,415.80	30,902.63	13,845.11
09/30/00	20,847.23	29,271.28	13,932.20
10/31/00	20,844.15	29,147.46	14,024.29
11/30/00	20,075.12	26,849.48	14,253.73
12/31/00	20,272.93	26,980.77	14,518.13
01/31/01	20,834.44	27,938.05	14,755.50
02/28/01	19,850.19	25,390.66	14,884.02
03/30/01	19,177.89	23,782.16	14,958.74
04/30/01	19,978.01	25,630.27	14,896.66
05/31/01	20,088.35	25,801.99	14,986.64
06/30/01	19,829.04	25,173.97	15,043.14

Average Annual Total Returns/1/
As of June 29, 2001

	Year-To-Date	1-Year	5-Year	From Inception	Inception Date
Fund Portfolio/2/	(2.19)%	(4.25)%	11.14%	11.99%	6/14/95
Deferred Variable Annuity Subaccount/3/	(2.80)%	(5.44)%	9.76%	10.58%	6/15/95
SEC Deferred Variable Annuity Subaccount/3/ Single Premium Immediate Variable Annuity Subaccount/4/	(8.92)%	(11.40)%	9.16%	10.42%	6/15/95
Variable Universal Life Subaccount/5/	(2.80)%	(5.44)%	N/A	0.59%	8/2/99
	(5.72)%	(8.29)%	N/A	3.17%	5/15/98

Past performance is not an indication of future results.

/1/ Total Returns - Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or less than their original value. Periods less than one year are not annualized. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect a 0.35% maximum annual deduction for management fees and other expenses.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect all fees and expenses of the Fund Portfolio not reimbursed by AAL and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect all fees and expenses of the Fund Portfolio not reimbursed by AAL and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect all fees and expenses of the Fund Portfolio not reimbursed by AAL, the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. VUL returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence, the total return on a certificate's cash value would be significantly lower than the performance quoted above.

High Yield Bond Portfolio

The first half of 2001 was a volatile period for the high-yield market, as a strong January rally gave way to poor performance in the second quarter. Despite the increased volatility, high-yield bonds outperformed both investment-grade bonds and equities during the first half of 2001. The Merrill Lynch High Yield Master Index return was 4.87% compared to 3.62% for the Lehman Aggregate Bond Index and a negative 6.70% for the S&P 500®. Strong investor inflows and aggressive Federal Reserve easing, helped the broader high-yield market and reversed the trend in 2000. The market's largest industry, telecom, experienced dramatic underperformance as restricted access to capital resulted in liquidity concerns for many of these companies.

For the six months ending June 29, 2001, the Portfolio posted a total return of negative 0.24% versus 1.81% for the Lipper Variable Products High Yield Bond Peer Group median and 4.87% for the Merrill Lynch High Yield Master Index. The Portfolio's higher average credit quality and underweight of B rated issues was a positive for returns as Bs significantly underperformed BBs during the first half of 2001. An overweight to the telecom sector detracted from results as this was the market's worst performing sector. The Portfolio was also positioned to benefit from a slowing in the U.S. economy. An underweight to the consumer cyclicals sector hindered performance as the consumer continued to spend in excess of personal income. Overall security selection in the Portfolio was positive. Despite an increase in the market's default rate to over 9%, the Portfolio experienced only one default with the issuer World Wide Fiber, Inc., totaling 1% on a par weighted basis. (Please see the Schedule of Investments for more information about the Portfolio's holdings.)

We continue to position the Portfolio for a slowing U.S. economy and an accommodative Fed. We will avoid cyclical industries such as retail and basic materials in anticipation of weaker consumer spending. The Portfolio will also retain its exposure to BBB and B rated issues in order to take advantage of relative value opportunities in these quality sectors. Although we feel that the utility sector continues to show strong credit fundamentals, we will remain underweight in this sector as recent strong performance has resulted in limited value for many of these issuers. We will avoid "fallen angels" from investment-grade such as Lucent Technologies, Inc. and Xerox Corporation due to excessive volatility and poor credit fundamentals. While the energy sector has performed well this year, exposure may be reduced. The Portfolio's modest exposure to emerging market debt will be limited to the upper tier countries as we remain cautious about this sector.

/s/Benjamin L. Trosky

Benjamin L. Trosky
Portfolio Manager

High-yield bonds generally are subject to greater market fluctuations and risk of loss of income and principal than are investments in lower-yielding, fixed-income securities.

Value of a \$10,000 Investment
[MOUNTAIN CHART OMITTED HERE]

Date	High Yield Bond Portfolio Value	Merrill Lynch High Yield Bond Idx Value
03/02/98	10,000.00	10,000.00
03/31/98	10,090.00	10,097.10
04/30/98	10,139.37	10,145.06
05/31/98	10,168.85	10,215.67
06/30/98	10,218.87	10,266.24

07/31/98	10,265.11	10,324.76
08/31/98	9,538.89	9,879.23
09/30/98	9,475.07	9,898.99
10/31/98	9,224.32	9,736.45
11/30/98	9,710.21	10,179.85
12/31/98	9,674.88	10,183.21
01/31/99	9,802.69	10,283.92
02/28/99	9,645.65	10,205.45
03/31/99	9,689.70	10,293.42
04/30/99	9,828.09	10,454.41
05/31/99	9,668.12	10,381.86
06/30/99	9,627.66	10,362.34
07/31/99	9,629.74	10,377.57
08/31/99	9,488.46	10,272.24
09/30/99	9,328.23	10,232.80
10/31/99	9,078.84	10,172.93
11/30/99	9,155.37	10,289.31
12/31/99	9,244.66	10,343.33
01/31/00	9,228.82	10,292.03
02/29/00	9,284.36	10,300.88
03/31/00	9,126.00	10,156.87
04/30/00	9,147.25	10,160.43
05/31/00	9,014.97	10,048.56
06/30/00	9,171.22	10,220.59
07/31/00	9,100.09	10,294.28
08/31/00	9,247.39	10,419.98
09/30/00	9,168.70	10,359.12
10/31/00	9,004.83	10,055.19
11/30/00	8,788.13	9,740.16
12/31/00	9,109.36	9,951.42
01/31/01	9,521.06	10,544.83
02/28/01	9,562.54	10,711.33
03/30/01	9,407.22	10,569.62
04/30/01	9,301.13	10,454.20
05/31/01	9,351.77	10,655.34
06/30/01	9,087.65	10,435.62

Average Annual Total Returns/1/
As of June 29, 2001

	Year-To-Date	1-Year	From Inception	Inception Date
Fund Portfolio/2/	(0.24)%	(0.91)%	(2.83)%	3/2/98
Deferred Variable Annuity Subaccount/3/	(0.86)%	(2.14)%	(4.04)%	3/3/98
SEC Deferred Variable Annuity Subaccount/3/	(7.10)%	(8.30)%	(5.09)%	3/3/98
Single Premium Immediate Variable Annuity Subaccount/4/	(0.86)%	(2.14)%	(4.19)%	8/2/99
Variable Universal Life Subaccount/5/	(3.83)%	(5.07)%	(5.62)%	5/15/98

Past performance is not an indication of future results.

/1/ Total Returns - Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or less than their original value. Periods less than one year are not annualized. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect the deduction of a 0.40% maximum annual management fee, but do not reflect Fund Portfolio expenses which are voluntarily paid or reimbursed by AAL Capital Management Corporation (AALCMC). Without the payment and reimbursement of expenses by AALCMC, which can be changed on a 30-days' notice, these total returns would have been lower.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect the 0.40% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect the 0.40% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect the 0.40% management fee of the Fund Portfolio and the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. VUL returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence the total return on a certificate's cash value would be significantly lower than the performance quoted above.

Bond Index Fund

The economy continued to weaken during the first half of 2001. The Federal Open Market Committee (FOMC) began an aggressive easing campaign at the beginning of the year, lowering short-term rates by 2.75% in six separate moves. As of mid year, the economic slump has not fully run its course but there is growing optimism in the financial markets for an FOMC fueled recovery beginning late in the year or early 2002.

The AAL Bond Index Portfolio performance was slightly below that of the Lehman Aggregate Bond Index for the first half of the year. The Portfolio after expenses returned 3.36% versus a return of 3.62% for the Index during the first half. Most of the difference in return is attributed to expenses as the Portfolio returned 3.54% gross of expenses. For the last twelve months, the Portfolio returned 11.10% after expenses versus a return of 11.23% for the Index.

All sectors of the investment-grade bond market produced positive returns as the yield curve steepened dramatically. Short-term Treasury yields benefited the most from the aggressive FOMC easing. Since the beginning of the year, yields on two-year U.S. Treasury Notes fell 0.85% to 4.24%, while five-year Treasury yields declined by 0.03% to 4.88%. Yields on 10-year and 30-year U.S. Treasuries increased by 0.30% during the first half. The yield curve shift reflects bond investor expectations that a recession will be averted and a recovery is on the horizon. Corporate bonds led all sectors of the investment grade bond market

in return over the first six months of the year. Within the corporate bond sector, industrial bonds earned the highest returns. U.S. Treasury securities lagged all sectors of the investment grade bond market with long maturity Treasury securities producing the lowest returns.

The objective of the AAL Bond Index Portfolio is to achieve investment results that approximate the total return of the Lehman Aggregate Bond Index by investing primarily in investment grade bonds and other debt securities included in the Index. The Portfolio invests in a well-diversified sample of securities that replicate the key characteristics (sector weightings, maturity, credit quality distributions, yield curve exposure, and coupon rates) of the Index. To enhance performance versus the Index, we select securities in each sector that offer the best return potential relative to their risk. To minimize performance tracking in the investment grade corporate bond sector, the Portfolio maintains adequate exposure to a well-diversified sample of the largest corporate issuers in the Index.

The Federal Reserve has been aggressive in lowering short-term rates in response to weakening economic fundamentals and the consensus view is that the Federal Reserve's actions may provide the stimulus for an economic recovery. I feel inflation is well contained and not a threat in the near term.

/s/Gregory R. Anderson

Gregory R. Anderson
Portfolio Manager

Individuals may not invest directly in any index. Index portfolios are subject to the same market risks associated with the bonds in their respective indexes.

Value of a \$10,000 Investment
[MOUNTAIN CHART OMITTED HERE]

Date	Bond Portfolio Value	Lehm. Bros. Aggr. Bond Value
06/14/95	10,000.00	10,000.00
06/30/95	9,988.08	9,987.90
07/31/95	9,956.09	9,965.62
08/31/95	10,072.09	10,085.80
09/30/95	10,163.54	10,184.04
10/31/95	10,308.20	10,316.43
11/30/95	10,446.62	10,470.97
12/31/95	10,580.52	10,617.98
01/31/96	10,651.98	10,688.38
02/29/96	10,462.80	10,502.62
03/31/96	10,387.77	10,429.62
04/30/96	10,328.89	10,371.01
05/31/96	10,308.68	10,349.95
06/30/96	10,426.74	10,488.95
07/31/96	10,453.57	10,517.69
08/31/96	10,424.33	10,500.13
09/30/96	10,608.61	10,682.94
10/31/96	10,833.05	10,919.67
11/30/96	10,974.73	11,106.72
12/31/96	10,908.68	11,003.43
01/31/97	10,944.17	11,037.10
02/28/97	10,957.47	11,064.47
03/31/97	10,845.05	10,941.88
04/30/97	11,001.88	11,105.79
05/31/97	11,095.53	11,210.74
06/30/97	11,232.46	11,343.81
07/31/97	11,526.14	11,649.53
08/31/97	11,424.16	11,550.27
09/30/97	11,590.91	11,720.64
10/31/97	11,758.65	11,890.71
11/30/97	11,811.04	11,945.40
12/31/97	11,930.41	12,065.57
01/31/98	12,083.33	12,220.50
02/28/98	12,075.12	12,211.33
03/31/98	12,118.00	12,253.34
04/30/98	12,170.91	12,317.30
05/31/98	12,277.80	12,434.07
06/30/98	12,397.27	12,539.51
07/31/98	12,414.25	12,566.09
08/31/98	12,657.04	12,770.67
09/30/98	12,945.37	13,069.63
10/31/98	12,871.23	13,000.62
11/30/98	12,917.30	13,074.21
12/31/98	12,954.60	13,113.56
01/31/99	13,025.93	13,207.19
02/28/99	12,799.95	12,976.59
03/31/99	12,869.38	13,048.61
04/30/99	12,895.65	13,089.98
05/31/99	12,751.52	12,975.31
06/30/99	12,709.60	12,933.92
07/31/99	12,670.80	12,878.95
08/31/99	12,661.59	12,872.38
09/30/99	12,816.84	13,021.70
10/31/99	12,846.01	13,069.75
11/30/99	12,840.89	13,068.83
12/31/99	12,779.85	13,005.84
01/31/00	12,725.13	12,963.31
02/29/00	12,865.79	13,120.04
03/31/00	13,032.82	13,292.83
04/30/00	13,004.46	13,254.95
05/31/00	12,987.11	13,248.85
06/30/00	13,251.31	13,524.42
07/31/00	13,360.01	13,647.23
08/31/00	13,563.64	13,845.11
09/30/00	13,662.56	13,932.20
10/31/00	13,739.39	14,024.29
11/30/00	13,981.57	14,253.73
12/31/00	14,243.19	14,518.13
01/31/01	14,541.98	14,755.50

02/28/01	14,672.11	14,884.02
03/30/01	14,672.18	14,958.74
04/30/01	14,598.60	14,896.66
05/31/01	14,665.70	14,986.64
06/30/01	14,722.41	15,043.14

Average Annual Total Returns/1/
As of June 29, 2001

	Year-To-Date	1-Year	5-Year	From Inception	Inception Date
Fund Portfolio/2/	3.36%	11.10%	7.14%	6.61%	6/14/95
Deferred Variable Annuity Subaccount/3/	2.72%	9.73%	5.81%	5.32%	6/15/95
SEC Deferred Variable Annuity Subaccount/3/	(3.75)%	2.81%	5.23%	5.16%	6/15/95
Single Premium Immediate Variable Annuity Subaccount/4/	2.72%	9.73%	N/A	6.83%	8/2/99
Variable Universal Life Subaccount/5/	(0.35)%	6.46%	N/A	3.89%	5/15/98

Past performance is not an indication of future results.

/1/ Total Returns - Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or less than their original value. Periods less than one year are not annualized. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect the deduction of a 0.35% maximum annual management fee, but do not reflect Fund Portfolio expenses, which are voluntarily paid or reimbursed by AAL Capital Management Corporation (AALCMC). Without the payment and reimbursement of expenses by AALCMC, which can be changed on a 30-days' notice, these total returns would have been lower.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect the 0.35% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect the 0.35% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect the 0.35% management fee of the Fund Portfolio and the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. VUL returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence, the total return on a certificate's cash value would be significantly lower than the performance quoted above.

Money Market Portfolio

The AAL Money Market Portfolio performed well during the first half of 2001. Net of expenses, the AAL Money Market Portfolio generated a 2.41% return. The Portfolio has been a solid performer as is evidenced by its three-year annualized return (net of expenses) of 5.40%.

The AAL Money Market Portfolio invests in commercial paper issued by highly rated companies. All issuers in the Portfolio are monitored regularly to ensure safety of principal. We engage in extensive financial analysis on each issuer before adding its securities to the Portfolio, and continually monitor the issuer thereafter. Our analysis includes investigating and considering the issuer's profitability, leverage and liquidity. Issuers deemed appropriate for the Portfolio are placed on an "approved list" from which investments can be made. We will purchase securities only from the issuers on the approved list.

During the first half of 2001, the Federal Reserve cut its Target Rate to 3.75% from 6.00%. As such, the discount yield offered by the commercial paper that the Portfolio invests in has also declined. At its last meeting in June of 2001, the Fed left its bias at weakness, as economic data continues to recover slowly. However, further reductions in the target rate are expected to be minimal. The aggressive rate cuts, coupled with the Federal Tax Rebates are expected to buoy the economy during the later portion of 2001 and early 2002.

/s/Alan D. Onstad

Alan D. Onstad
Portfolio Manager

An investment in the Money Market Portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation (FDIC) or any other government agency. Although the Portfolio seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Portfolio.

Average Annual Total Returns/1/
As of June 29, 2001

	Year-To-Date	1-Year	5-Year	From Inception	Inception Date
Fund Portfolio/2/	2.41%	5.67%	5.37%	5.38%	6/14/95
Deferred Variable Annuity Subaccount/3/	1.77%	4.36%	4.07%	4.08%	6/15/95
SEC Deferred Variable Annuity Subaccount/3/	(4.64)%	(2.21)%	3.50%	3.92%	6/15/95
Single Premium Immediate Variable Annuity Subaccount/4/	1.77%	4.36%	N/A	4.35%	8/2/99
Variable Universal Life Subaccount/5/	(1.28)%	1.24%	N/A	3.11%	5/15/98

	7-Day Current	30-Day
Fund & Subaccount Yields/6/		
Fund Portfolio Yields	3.57%	3.66%
Deferred Variable Annuity Subaccount Yields	2.32%	2.41%
Single Premium Immediate Variable Annuity Subaccount Yields	2.32%	2.41%
Variable Universal Life Subaccount Yields/7/	2.82%	2.92%

Past performance is not an indication of future results.

/1/ Total Returns - Total returns and unit values are subject to fluctuation. Accumulation units, when redeemed, may be worth more or

less than their original value. Periods less than one year are not annualized. Total return calculations assume a \$10,000 initial investment.

/2/ Fund Portfolio - Average annual total returns reflect reinvestment of all dividends and capital gain distributions, but do not reflect separate account expenses or charges; however, total returns reflect the deduction of a 0.35% maximum annual management fee, but do not reflect Fund Portfolio expenses, which are voluntarily paid or reimbursed by AAL Capital Management Corporation (AALCMC). Without the payment and reimbursement of expenses by AALCMC, which can be changed on a 30-days' notice, these total returns would have been lower.

/3/ Deferred Variable Annuity Subaccount - Deferred Variable Annuity returns reflect the 0.35% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. The SEC Deferred Variable Annuity Subaccount total returns also reflect the maximum surrender charge of 7% for the first contract year, declining by 1% each year through the seventh, not to exceed 7.5% of total gross premiums paid.

/4/ Single Premium Immediate Variable Annuity (SPIVA) Subaccount - SPIVA returns reflect the 0.35% management fee of the Fund Portfolio and the deduction of a 1.25% mortality and expense risk charge. For more information on how Subaccount performance affects the amount of a periodic annuity payment, please refer to the account prospectus.

/5/ Variable Universal Life (VUL) Subaccount - VUL returns reflect the 0.35% management fee of the Fund Portfolio and the deduction of a 0.75% mortality and expense risk charge, a \$4.00 monthly administrative charge, and a 3% premium charge. Life returns do not reflect deductions for cost of insurance charges, surrender charges (for certificates surrendered or decreased within the first 10 years after issue or increase in coverage) or other charges and expenses related to the certificate's insurance coverage; hence, the total return on a certificate's cash value would be significantly lower than the performance quoted above.

/6/ Fund & Subaccount Yields - Yield is a measure of the net investment income earned over a specific period, expressed as a percentage of the value of the Fund Portfolio or Subaccount. For Subaccount yields, net investment income is reduced by the applicable mortality and expense risk charge. Yield is an annualized figure which assumes that the Fund/Subaccount generates the same level of net income over a given period. For the Money Market Fund Portfolio and Variable Annuity Subaccounts, yield is a better representation of current earnings than is the total return quotation.

/7/ Variable Universal Life Yields - VUL yields reflect the change in the accumulated unit value less a deduction for mortality and expense risk charges for 7-day and 30-day periods ended June 29, 2001. VUL yields do not reflect any other charges or deductions related to the certificate's insurance coverage; had these charges been included, the quoted yields would have been significantly lower.

AAL Technology Stock Portfolio

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio seeks long-term capital appreciation by investing primarily in a diversified portfolio of common stocks and securities convertible into common stocks.

Capital Goods (1.1%)

1,500	Jabil Circuit, Inc.*	\$46,290
1,200	Plexus Corporation*	39,600
	Total Capital Goods	85,890

Communication Services (2.8%)

1,300	BellSouth Corporation	52,351
3,200	Global Crossing, Ltd.*	27,648
4,100	Powerwave Technologies, Inc.*	59,450
1,400	Verizon Communications, Inc.	74,900
	Total Communication Services	214,349

Consumer Cyclical (1.7%)

3,100	Gemstar-TV Guide International, Inc.*	136,400
	Total Consumer Cyclical	136,400

Consumer Staples (7.9%)

8,200	AOL Time Warner, Inc.*	434,600
2,600	Comcast Corporation*	112,840
1,600	Pixar Animation Studios*	65,280
	Total Consumer Staples	612,720

Health Care (4.3%)

1,200	Cephalon, Inc.*	84,600
2,200	Digene Corporation*	89,760
1,800	InterMune, Inc.*	64,116
1,100	Protein Design Labs, Inc.*	95,436
	Total Health Care	333,912

Technology (77.8%)

5,300	ADC Telecommunications, Inc.*	34,980
8,100	Agere Systems, Inc.*	60,750
2,400	Agile Software Corporation*	40,800
1,900	Analog Devices, Inc.*	82,175
1,700	Applied Materials, Inc.*	83,470
1,500	Applied Micro Circuits Corporation*	25,800
1,800	BEA Systems, Inc.*	55,278

1,700	Brocade Communications Systems, Inc.*	74,783
1,700	Brooks Automation, Inc.*	78,370
1,300	CIENA Corporation*	49,400
5,400	Cirrus Logic, Inc.*	124,362
10,900	Cisco Systems, Inc.*	198,380
4,200	CNET Networks, Inc.*	54,600
4,800	Compaq Computer Corporation	74,352
700	Concord EFS, Inc.*	36,407
2,300	Corning, Inc.	38,433
6,000	Dell Computer Corporation*	155,700
900	eBay, Inc.*	61,641
1,700	Electronic Arts, Inc.*	98,430
3,600	EMC Corporation*	104,580
1,900	Extreme Networks, Inc.*	56,050
1,100	First Data Corporation	70,675
4,400	GlobeSpan, Inc.*	64,240
4,700	Homestore.com, Inc.*	164,312
2,700	Integrated Device Technology, Inc.*	85,563
6,700	Intel Corporation	195,975
2,600	International Business Machines Corporation	293,800
1,200	Internet Security Systems, Inc.*	58,272
4,500	Intersil Corporation*	163,800
18,400	InterTrust Technologies Corporation*	22,080
2,600	Interwoven, Inc.*	43,940
2,800	Intuit, Inc.*	111,972
2,700	JDS Uniphase Corporation*	34,425
1,500	Juniper Networks, Inc.*	46,650
1,000	Linear Technology Corporation	44,220
2,100	Macrovision Corporation*	143,850
3,150	MatrixOne, Inc.*	73,049
1,000	Mercury Interactive Corporation*	59,900
2,000	Micromuse, Inc.*	55,980
1,700	Micron Technology, Inc.*	69,870
7,700	Microsoft Corporation*	559,020
6,100	Motorola, Inc.	101,016
2,200	Netegrity, Inc.*	66,000
3,000	Nokia Corporation ADR	66,120
7,300	Nortel Networks Corporation	66,357
1,800	Novellus Systems, Inc.*	102,222
2,000	NVIDIA Corporation*	185,500
2,900	Openwave Systems, Inc.*	100,630
6,600	Oracle Corporation*	125,400
6,900	Parametric Technology Corporation*	96,531
900	PeopleSoft, Inc.*	44,307
2,500	PerkinElmer, Inc.	68,825
1,000	PMC-Sierra, Inc.*	31,070
700	Precise Software Solutions, Ltd.*	21,490
1,700	QLogic Corporation*	109,565
2,100	QUALCOMM, Inc.*	122,808
3,600	RealNetworks, Inc.*	42,300
2,400	Research in Motion, Ltd.*	77,400
1,300	Siebel Systems, Inc.*	60,970
1,300	STMicroelectronics NV	44,200
4,900	Sun Microsystems, Inc.*	77,028
4,700	Texas Instruments, Inc.	148,050
2,100	VeriSign, Inc.*	126,021
1,400	VERITAS Software Corporation*	93,142
1,700	Vitesse Semiconductor Corporation*	35,768
1,800	Xilinx, Inc.*	74,232
1,700	Yahoo!, Inc.*	33,983
	Total Technology	6,071,269

Total Common Stocks
(cost basis \$7,313,164) 7,454,540

Principal Amount	Short-Term Investments (3.5%)	Interest Rate/1/	Maturity Date	Market Value
\$271,000	General Electric Capital Corporation	3.790%	7/3/2001	\$270,914
Total Short-Term Investments (amortized cost basis \$270,914)				270,914
Total Investments (99.1%) (amortized cost basis \$7,584,078)				7,725,454
Other Assets, Less Liabilities (0.9%)				73,456
Net Assets (100.0%)				\$7,798,910

*Non-income producing security

/1/The interest rate reflects the discount rate at the date of purchase.

See page 139 for a complete discussion of investment terms.

AAL Aggressive Growth Portfolio

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio seeks long-term capital appreciation by investing primarily in a diversified portfolio of common stocks and securities convertible into common stocks.

Capital Goods (3.7%)

1,140	Boeing Company	\$63,384
4,200	Flextronics International, Ltd.*	109,662
4,315	Symbol Technologies, Inc.	95,793
	Total Capital Goods	268,839

Communication Services (6.8%)

1,975	America Movil SA de CV Class L ADR	41,198
3,725	AT&T Wireless Group*	60,904
12,000	China Mobile, Ltd.*	63,388
360	China Mobile, Ltd. ADR*	9,644
5,600	China Unicom, Ltd. ADR*	99,120
8	NTT DoCoMo, Inc.	139,197
2,280	Qwest Communications International, Inc.	72,664
	Total Communication Services	486,115

Consumer Cyclical (1.2%)

30	Tiffany & Company	1,086
1,470	TMP Worldwide, Inc.*	86,892
	Total Consumer Cyclical	87,978

Consumer Staples (23.4%)

1,385	Anheuser-Busch Companies, Inc	57,062
8,020	AOL Time Warner, Inc.*	425,060
3,190	Cablevision Systems Corporation*	186,615
1,610	Cardinal Health, Inc.	111,090
4,170	Charter Communications, Inc.*	97,369
6,460	Comcast Corporation*	280,364
2,070	Cox Communications, Inc.*	91,701
16,580	Liberty Media Group*	289,984
2,015	McKesson HBOC, Inc.	74,797
1,475	Rainbow Media Group*	38,055
630	Viacom, Inc., Class B*	32,603
	Total Consumer Staples	1,684,700

Energy (2.4%)

1,535	Anadarko Petroleum Corporation	82,936
3,500	Petroleo Brasileiro SA - Petrobras ADR	91,000
	Total Energy	173,936

Financials (6.1%)

10	Berkshire Hathaway, Inc., Class B*	23,000
3,325	Citigroup, Inc.	175,693
6,450	E*TRADE Group, Inc.*	41,603
605	Fifth Third Bancorp	36,330
730	Goldman Sachs Group, Inc.	62,634
2,165	J.P. Morgan Chase & Company	96,559
	Total Financials	435,819

Health Care (10.5%)

1,205	Bristol-Myers Squibb Company	63,022
2,650	Guidant Corporation*	95,400
3,690	HCA - The Healthcare Company	166,751
1,000	IVAX Corporation*	39,000
970	Laboratory Corporation of America Holdings*	74,593
5,440	Pfizer, Inc.	217,872
1,755	Tenet Healthcare Corporation*	90,540

80	UnitedHealth Group, Inc.	4,940
	Total Health Care	752,118

Technology (22.5%)

5,200	Amazon.com, Inc.*	73,580
5,065	Analog Devices, Inc.*	219,061
630	Applied Materials, Inc.*	30,933
3,295	ASM Lithography Holding NV ADR*	73,314
1,515	Brocade Communications Systems, Inc.*	66,645
2,835	Celestica, Inc.*	146,003
760	eBay, Inc.*	52,052
1,815	Electronic Arts, Inc.*	105,089
2,950	i2 Technologies, Inc.*	58,410
1,620	Juniper Networks, Inc.*	50,382
1,050	Maxim Integrated Products, Inc.*	46,421
16,390	Nokia Corporation	371,453
2,025	Nokia Corporation ADR	44,631
1,835	ONI Systems Corporation*	51,196
3,565	Openwave Systems, Inc.*	123,705
750	VeriSign, Inc.*	45,008
2,215	Waters Corporation*	61,156
	Total Technology	1,619,039

Utilities (3.9%)

1,125	Dominion Resources, Inc.	67,646
1,230	El Paso Energy Corporation	64,624
2,995	Enron Corporation	146,755
	Total Utilities	279,025

Total Common Stocks (cost basis \$5,997,640)	5,787,569
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Principal Amount	Short-Term Investments (18.1%)	Interest Rate/1/	Maturity Date	Market Value
\$1,300,000	Federal Home Loan Mortgage Corporation Discount Notes	3.940%	7/2/2001	\$1,299,715
	Total Short-Term Investments (amortized cost basis \$1,299,715)			1,299,715
	Total Investments (98.6%) (amortized cost basis \$7,297,355)			7,087,284
	Other Assets, Less Liabilities (1.4%)			97,876
	Net Assets (100.0%)			\$7,185,160

*Non-income producing security.

/1/The interest rate reflects the discount rate at the date of purchase.

See page 139 for a complete discussion of investment terms.

AAL Small Cap Stock Portfolio

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio seeks long-term capital growth by investing primarily in small company common stocks and securities convertible into small company common stocks.

Basic Materials (2.8%)

2,300	Cambrex Corporation	\$116,334
3,700	Delta and Pine Land Company	72,705
11,600	PolyOne Corporation	120,756
1,100	Stillwater Mining Company*	32,175
	Total Basic Materials	341,970

Capital Goods (12.3%)

1,000	Alliant Techsystems, Inc.*	89,900
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7,300	Artesyn Technologies, Inc.*	94,170
3,400	Astec Industries, Inc.*	58,650
1,200	Black Box Corporation*	80,832
5,100	Dycom Industries, Inc.*	116,943
1,900	EMCOR Group, Inc.*	68,685
2,900	Graco, Inc.	95,700
1,200	Harman International Industries, Inc.	45,708
1,000	IDEX Corporation	34,000
2,900	Nordson Corporation	67,599
1,500	Oshkosh Truck Corporation	66,375
8,700	Pemstar, Inc.*	127,716
3,000	Pentair, Inc.	101,400
1,300	Plexus Corporation*	42,900
3,100	Power-One, Inc.*	51,584
1,600	Regal-Beloit Corporation	33,280
1,400	Shaw Group, Inc.*	56,140
2,500	Stewart & Stevenson Services, Inc.	82,500
2,600	Teledyne Technologies, Inc.*	39,520
1,600	Woodward Governor Company	134,960
	Total Capital Goods	1,488,562

Communication Services (0.5%)

4,400	Powerwave Technologies, Inc.*	63,800
	Total Communication Services	63,800

Consumer Cyclicals (17.6%)

1,700	99 CENTS Only Stores*	50,915
6,200	Acxiom Corporation*	81,158
1,000	Cerner Corporation*	42,000
1,900	Ethan Allen Interiors, Inc.	61,750
4,600	Fossil, Inc.*	95,450
3,500	Furniture Brands International, Inc.*	98,000
23,100	Hasbro, Inc.	333,795
2,400	Insight Enterprises, Inc.*	58,800
4,600	JAKKS Pacific, Inc.*	86,020
3,100	Lands' End, Inc.*	124,465
1,500	Linens 'n Things, Inc.*	40,980
1,400	M.D.C. Holdings, Inc.	49,560
12,200	Management Network Group, Inc.*	74,420
9,800	Meade Instruments Corporation*	65,954
1,800	Michaels Stores, Inc.*	73,800
5,000	Nautica Enterprises, Inc.*	102,150
2,300	O'Reilly Automotive, Inc.*	66,010
2,200	OshKosh B'Gosh, Inc.	73,150
3,000	Pier 1 Imports, Inc.	34,500
6,900	Ross Stores, Inc.	165,255
11,500	ShopKo Stores, Inc.*	83,720
1,000	Toll Brothers, Inc.*	39,310
7,700	Tommy Hilfiger Corporation*	107,800
3,400	Ventiv Health, Inc.*	70,176
1,900	Zale Corporation*	64,030
	Total Consumer Cyclicals	2,143,168

Consumer Staples (11.8%)

1,000	Administaff, Inc.*	26,000
3,300	Applebee's International, Inc.	105,600
3,300	Banta Corporation	96,690
900	CEC Entertainment, Inc.*	44,415
3,400	Consolidated Graphics, Inc.*	57,800
3,900	Constellation Brands, Inc.*	159,900
2,100	Dreyer's Grand Ice Cream, Inc.	58,590
6,200	Elizabeth Arden, Inc.*	151,342
2,300	Emmis Communications Corporation*	70,725
8,300	Hall, Kinion & Associates, Inc.*	66,898
2,500	Jack in the Box, Inc.*	65,250
5,500	John H. Harland Company	128,150
2,300	Outback Steakhouse, Inc.*	66,240
3,800	Patterson Dental Company*	114,000
1,200	Priority Healthcare Corporation*	33,936
2,600	Radio One, Inc.*	59,800
3,200	Tetra Tech, Inc.*	87,040
1,300	Whole Foods Market, Inc.*	35,230
	Total Consumer Staples	1,427,606

Energy (4.3%)

1,700	Cabot Oil & Gas Corporation	41,480
1,500	Chieftain International, Inc.*	43,110
3,200	Energy Partners, Ltd.*	42,912
3,500	Key Energy Services, Inc.*	37,940
1,500	Louis Dreyfus Natural Gas Corporation*	52,275
1,200	Newfield Exploration Company*	38,472
2,100	Precision Drilling Corporation*	65,604
2,000	Pride International, Inc.*	38,000

900	Stone Energy Corporation*	39,870
1,600	TETRA Technologies, Inc.*	39,120
2,100	Vintage Petroleum, Inc.	39,270
3,450	XTO Energy, Inc.	49,508
	Total Energy	527,561

Financials (11.9%)

400	Affiliated Managers Group, Inc.*	24,600
4,600	Annuity and Life Re (Holdings), Ltd.	164,450
1,800	BOK Financial Corporation*	48,420
1,100	Commerce Bancorp, Inc.	77,110
4,900	Commercial Federal Corporation	113,190
3,100	Community First Bankshares, Inc.	71,300
1,700	Cullen/Frost Bankers, Inc.	57,545
1,200	Downey Financial Corporation	56,712
2,900	Fidelity National Financial, Inc.	71,253
3,600	HCC Insurance Holdings, Inc.	88,200
4,300	Hudson United Bancorp	109,650
5,000	IPC Holdings, Ltd.*	118,300
2,700	Raymond James Financial, Inc.	82,620
6,000	Riggs National Corporation	101,940
3,700	Tucker Anthony Sutro	81,400
9,200	Vesta Insurance Group, Inc.	100,740
3,400	Washington Federal, Inc.	83,368
	Total Financials	1,450,798

Health Care (9.9%)

900	AdvancePCS, Inc.*	57,645
1,600	Alpharma, Inc.	43,600
3,000	American Medical Systems Holdings, Inc.*	46,050
1,300	Cephalon, Inc.*	91,650
900	D&K Healthcare Resources, Inc.	33,165
3,900	Hooper Holmes, Inc.	39,975
1,500	InterMune, Inc.*	53,430
1,500	Invacare Corporation	57,945
3,100	Luminex Corporation*	61,969
900	Medicis Pharmaceutical Corporation*	47,700
4,300	Omnicare, Inc.	86,860
1,700	Orthodontic Centers of America, Inc.*	51,663
1,600	Pharmaceutical Product Development, Inc.*	48,816
1,100	Regeneron Pharmaceuticals, Inc.*	38,115
2,500	Respironics, Inc.*	74,400
2,900	STERIS Corporation*	58,145
1,600	Syncor International Corporation*	49,600
2,500	TECHNE Corporation*	81,250
1,900	Universal Health Services, Inc.*	86,450
1,300	Varian Medical Systems, Inc.*	92,950
	Total Health Care	1,201,378

Technology (16.7%)

1,500	Actel Corporation*	36,825
3,000	Alliance Semiconductor Corporation*	36,060
2,400	Alpha Industries, Inc.*	70,920
3,400	Anixter International, Inc.*	104,380
3,000	Axcelis Technologies, Inc.*	44,400
1,200	Brooks Automation, Inc.*	55,320
1,700	CACI International, Inc.*	79,900
26,200	CIBER, Inc.*	248,900
8,000	Computer Network Technology Corporation*	84,880
5,800	Credence Systems Corporation*	140,592
13,100	DMC Stratex Networks, Inc.*	131,000
1,100	DuPont Photomasks, Inc.*	53,075
1,400	FileNET Corporation*	20,720
2,700	Fisher Scientific International, Inc.*	78,300
2,400	Hyperion Solutions Corporation*	36,000
2,800	IXYS Corporation*	43,680
2,300	MatrixOne, Inc.*	53,337
1,400	Mercury Computer Systems, Inc.*	61,740
2,400	Plantronics, Inc.*	55,560
4,300	Power Integrations, Inc.*	67,080
1,400	RSA Security, Inc.*	43,330
3,400	RadiSys Corporation*	77,690
1,400	ScanSource, Inc.*	66,388
7,400	Somera Communications, Inc.*	52,984
2,800	Tollgrade Communications, Inc.*	79,800
3,200	Trimble Navigation, Ltd.*	62,368
1,200	Varian Semiconductor Equipment Associates, Inc.*	50,400
2,500	Verity, Inc.*	49,875
1,000	Zebra Technologies Corporation*	49,120
	Total Technology	2,034,624

Transportation (2.6%)

2,000	Atlantic Coast Airlines Holdings, Inc.*	59,980
4,100	Heartland Express, Inc.*	93,480
1,500	SkyWest, Inc.	42,000
4,100	USFreightways Corporation	120,950
	Total Transportation	316,410

Utilities (2.8%)

900	CH Energy Group, Inc.*	39,555
1,600	Energen Corporation	44,160
3,100	Philadelphia Suburban Corporation	79,050
2,200	Piedmont Natural Gas Company, Inc.	78,144
1,900	UniSource Energy Corporation	43,643
2,000	WGL Holdings, Inc.	54,220
	Total Utilities	338,772

Total Common Stocks (cost basis \$10,603,045)	11,334,649
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Principal Amount	Short-Term Investments (6.3%)	Interest Rate/1/	Maturity Date	Market Value
\$760,000	General Electric Capital Corporation	3.710-3.790%	7/2-7/3/2001	\$759,811
	Total Short-Term Investments (amortized cost basis \$759,811)			759,811
	Total Investments (99.5%) (amortized cost basis \$11,362,856)			12,094,460
	Other Assets, Less Liabilities (0.5%)			63,835
	Net Assets (100.0%)			\$12,158,295

*Non-income producing security.

/1/The interest rate reflects the discount rate at the date of purchase.

See page 139 for a complete discussion of investment terms.

AAL Small Cap Index Portfolio

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio strives for capital growth that approximates the performance of the S&P SmallCap 600 Index by investing primarily in common stocks comprising the Index.

Basic Materials (4.3%)

12,000	A.M. Castle & Company	\$161,760
18,900	Arch Chemicals, Inc.	393,687
29,200	Buckeye Technologies, Inc.*	420,480
21,900	Cambrex Corporation	1,107,702
23,700	Caraustar Industries, Inc.	218,040
12,100	ChemFirst, Inc.	317,020
12,900	Chesapeake Corporation	319,275
8,700	Cleveland-Cliffs, Inc.	160,950
11,100	Commercial Metals Company	355,533
14,000	Commonwealth Industries, Inc.	62,720
30,200	Corn Products International, Inc.	966,400
32,900	Delta and Pine Land Company	646,485
10,200	Deltic Timber Corporation	293,760
38,000	DIMON, Inc.	380,000
15,900	Florida Rock Industries, Inc.	745,710
27,100	Georgia Gulf Corporation	420,050
13,600	IMCO Recycling, Inc.*	96,560
26,900	MacDermid, Inc.	484,200
63,100	Massey Energy Company	1,246,856
12,500	Material Sciences Corporation*	123,500
22,300	Mississippi Chemical Corporation*	68,907
20,500	OM Group, Inc.	1,153,125
33,800	OMNOVA Solutions, Inc.	246,064
6,300	Penford Corporation	73,080
80,100	PolyOne Corporation	833,841
11,800	Pope & Talbot, Inc.	152,338
7,700	Quaker Chemical Corporation	146,300
11,500	Quanex Corporation	297,850
38,900	Steel Dynamics, Inc.*	486,250

8,700	Steel Technologies, Inc.	62,031
33,100	Stillwater Mining Company*	968,175
17,800	Texas Industries, Inc.	612,142
	Total Basic Materials	14,020,791

Capital Goods (13.2%)

23,000	AAR Corporation	393,300
27,100	Advanced Energy Industries, Inc.*	1,118,417
12,000	Alliant Techsystems, Inc.*	1,078,800
7,100	Amcast Industrial Corporation	60,705
20,100	A.O. Smith Corporation	359,790
30,600	AptarGroup, Inc.	992,358
34,800	APW, Ltd.*	353,220
19,600	Armor Holdings, Inc.*	294,000
32,600	Artesyn Technologies, Inc.*	420,540
16,500	Astec Industries, Inc.*	284,625
12,000	AstroPower, Inc.*	625,680
28,900	Baldor Electric Company	617,593
15,800	Barnes Group, Inc.	390,260
27,400	B/E Aerospace, Inc.*	521,970
21,000	Belden, Inc.	561,750
16,700	Benchmark Electronics, Inc.*	406,812
16,400	Black Box Corporation*	1,104,704
23,400	BMC Industries, Inc.	140,400
19,500	Brady Corporation	704,535
18,500	Briggs & Stratton Corporation	778,850
14,100	Brush Engineered Materials, Inc.	225,600
5,400	Butler Manufacturing Company	135,000
27,600	C-COR.net Corporation*	331,200
22,300	C&D Technologies, Inc.	691,300
26,100	Checkpoint Systems, Inc.*	464,580
20,900	CLARCOR, Inc.	561,165
37,200	Cognex Corporation*	1,259,220
17,400	Cohu, Inc.	391,500
23,700	CTS Corporation	485,850
14,000	CUNO, Inc.*	420,000
19,000	Dionex Corporation*	631,750
23,100	Electro Scientific Industries, Inc.*	880,110
17,600	Esterline Technologies Corporation*	382,800
12,900	Flow International Corporation*	139,320
34,800	Foster Wheeler Corporation	314,940
13,300	Gardner Denver, Inc.*	273,315
36,400	GenCorp, Inc.	465,920
26,300	Graco, Inc.	867,900
25,300	Griffon Corporation*	278,300
27,400	Harman International Industries, Inc.	1,043,666
26,000	IDEX Corporation	884,000
22,900	Insituform Technologies, Inc.*	835,850
13,221	Intermagnetics General Corporation*	428,361
14,800	Ionics, Inc.*	466,200
13,200	Itron, Inc.*	250,404
35,800	JLG Industries, Inc.	442,130
19,100	Kaman Corporation	338,070
8,300	Lawson Products, Inc.	243,190
10,050	Lindsay Manufacturing Company	190,950
13,500	Lydall, Inc.*	162,000
19,300	MagneTek, Inc.*	241,250
20,700	Manitowoc Company, Inc.	610,650
28,400	Milacron, Inc.	445,028
28,500	Mueller Industries, Inc.*	937,935
18,444	Myers Industries, Inc.	278,504
10,600	New England Business Service, Inc.	203,520
32,400	Orbital Sciences Corporation*	125,712
14,300	Oshkosh Truck Corporation	632,775
16,550	Park Electrochemical Corporation	436,920
36,100	Paxar Corporation*	519,840
17,800	Regal-Beloit Corporation	372,376
26,200	Reliance Steel & Aluminum Company	661,550
9,500	Robbins & Myers, Inc.	267,900
26,200	Roper Industries, Inc.	1,093,850
17,800	RTI International Metals, Inc.*	271,450
35,100	Shaw Group, Inc.*	1,407,510
29,800	SLI, Inc.	245,850
11,200	SPS Technologies, Inc.*	530,880
23,500	Standard Register Company	434,750
10,300	Standex International Corporation	243,080
54,701	Stratos Lightwave, Inc.*	711,113
28,700	Technitrol, Inc.	746,200
27,000	Teledyne Technologies, Inc.*	410,400
13,000	Thomas Industries, Inc.	383,500
18,199	Three-Five Systems, Inc.*	327,218
17,600	Titan International, Inc.	71,808
32,500	Tredegar Corporation	622,375
28,500	United Stationers, Inc.*	899,460
14,600	URS Corporation*	394,200
34,900	Valence Technology, Inc.*	224,407
21,000	Valmont Industries, Inc.	382,200
36,100	Vicor Corporation*	588,430

19,600	Wabash National Corporation	237,160
22,750	Watsco, Inc.	320,775
22,600	Watts Industries, Inc.	383,070
10,300	Wolverine Tube, Inc.*	170,671
9,700	Woodward Governor Company	818,195
	Total Capital Goods	43,345,412

Communication Services (0.5%)

14,500	Boston Communications Group, Inc.*	208,800
45,200	General Communication, Inc.*	546,920
13,700	Metro One Telecommunications, Inc.*	888,719
30,700	Pac-West Telecomm, Inc.*	59,558
	Total Communication Services	1,703,997

Consumer Cyclical (19.8%)

10,300	4Kids Entertainment, Inc.*	197,245
43,999	99 Cents Only Stores*	1,317,770
17,000	Aaron Rents, Inc.	289,000
13,700	Action Performance Companies, Inc.*	342,500
17,400	ADVO, Inc.*	594,210
12,742	Anchor Gaming*	823,388
7,300	Angelica Corporation	80,300
24,700	AnnTaylor Stores Corporation*	884,260
24,100	Apogee Enterprises, Inc.	301,009
16,700	Applied Industrial Technologies, Inc.	316,465
24,900	Arbitron, Inc.*	600,090
20,400	Arctic Cat, Inc.	295,800
11,200	Ashworth, Inc.*	61,824
14,500	A.T. Cross Company*	96,425
32,100	Aztar Corporation*	388,410
24,700	Bally Total Fitness Holding Corporation*	731,367
10,000	Bassett Furniture Industries, Inc.	125,800
13,500	Bell Microproducts, Inc.*	161,460
14,900	Brown Shoe Company, Inc.	268,945
10,900	Building Materials Holding Corporation*	165,789
37,800	Burlington Coat Factory Warehouse Corporation*	756,000
42,200	Casey's General Stores, Inc.	548,600
21,200	Cato Corporation	413,824
30,600	Central Parking Corporation	572,220
29,800	Cerner Corporation*	1,251,600
40,800	Champion Enterprises, Inc.*	464,304
8,400	Chemed Corporation	303,576
22,750	Chico's FAS, Inc.*	676,813
13,900	Christopher & Banks Corporation*	453,140
13,400	Coachmen Industries, Inc.	177,550
47,200	Copart, Inc.*	1,380,600
18,100	Corinthian Colleges, Inc.*	851,967
18,000	Cost Plus, Inc.*	540,000
6,600	CPI Corporation	161,700
16,000	Del Webb Corporation*	619,040
11,000	Department 56, Inc.*	84,150
14,200	Discount Auto Parts, Inc.*	154,070
15,700	Dress Barn, Inc.*	357,175
64,569	D.R. Horton, Inc.	1,465,716
16,400	Elcor Corporation	332,100
11,600	Enesco Group, Inc.*	70,180
33,650	Ethan Allen Interiors, Inc.	1,093,625
10,900	Factory 2-U Stores, Inc.*	319,915
26,900	Fedders Corporation	139,880
27,900	Fleetwood Enterprises, Inc.	392,832
17,000	Footstar, Inc.*	584,800
25,650	Fossil, Inc.*	532,237
16,900	Franklin Covey Company*	92,950
14,100	F.Y.I., Inc.*	578,100
17,600	G & K Services, Inc.	473,440
18,700	Genesco, Inc.*	628,320
27,700	Goody's Family Clothing, Inc.*	111,077
10,800	Gottschalks, Inc.*	35,640
16,600	Group 1 Automotive, Inc.*	491,360
22,100	Gymboree Corporation*	187,850
5,500	Haggar Corporation	56,925
14,700	Hancock Fabrics, Inc.	131,565
25,500	Hartmarx Corporation*	64,005
17,300	Hot Topic, Inc.*	538,030
8,700	Huffy Corporation*	83,868
20,200	Hughes Supply, Inc.	477,730
18,500	Information Holdings, Inc.*	597,550
24,800	Information Resources, Inc.*	256,432
35,375	Insight Enterprises, Inc.*	866,688
10,000	Insurance Auto Auctions, Inc.*	170,000
43,500	Interface, Inc.	326,250

21,600	Internet Corporation	122,040
20,300	ITT Educational Services, Inc.*	913,500
15,400	JAKKS Pacific, Inc.*	287,980
15,600	Jo-Ann Stores, Inc.*	63,180
15,300	K2, Inc.*	174,879
19,400	Kellwood Company	448,140
19,100	Kroll-O'Gara Company*	180,686
8,500	K-Swiss, Inc.	205,105
51,500	La-Z-Boy, Inc.	952,750
47,936	Lennox International, Inc.	524,899
34,600	Linens 'n Things, Inc.*	945,272
24,900	Marcus Corporation	347,355
16,500	Mayor's Jewelers, Inc.*	68,475
20,640	M.D.C. Holdings, Inc.	730,656
14,000	Meade Instruments Corporation*	94,220
13,100	MemberWorks, Inc.*	303,134
35,000	Men's Wearhouse, Inc.*	966,000
27,300	Michaels Stores, Inc.*	1,119,300
12,700	Midas, Inc.	161,290
32,151	Midway Games, Inc.*	594,793
16,200	Monaco Coach Corporation*	537,840
28,200	Nautica Enterprises, Inc.*	576,126
7,000	NVR, Inc.*	1,036,000
44,100	O'Reilly Automotive, Inc.*	1,265,670
10,500	OshKosh B'Gosh, Inc.	349,125
6,300	Oxford Industries, Inc.	138,600
27,750	Pacific Sunwear of California, Inc.*	622,433
20,900	Pegasus Solutions, Inc.*	241,395
27,300	Penton Media, Inc.	477,750
45,600	Pep Boys-Manny, Moe & Jack	512,088
23,400	Phillips-Van Heusen Corporation	336,960
82,300	Pier 1 Imports, Inc.	946,450
22,200	Pinnacle Entertainment, Inc.*	163,170
20,100	Polaris Industries, Inc.	920,580
18,200	Pre-Paid Legal Services, Inc.*	400,400
38,400	Prime Hospitality Corporation*	455,040
40,500	Profit Recovery Group International, Inc.*	464,130
19,400	Quiksilver, Inc.*	485,000
35,350	Regis Corporation	741,997
17,100	Russ Berrie and Company, Inc.	502,740
27,200	Russell Corporation	462,128
11,400	Ryland Group, Inc.	576,840
15,000	School Specialty, Inc.*	387,750
24,400	Scotts Company*	1,011,380
14,600	SCP Pool Corporation*	502,824
24,500	ShopKo Stores, Inc.*	178,360
10,400	Simpson Manufacturing Company, Inc.*	629,200
7,200	Skyline Corporation	195,840
15,400	Springs Industries, Inc.	679,140
10,600	Standard Motor Products, Inc.	140,980
25,800	Standard Pacific Corporation	597,270
12,000	StarTek, Inc.*	271,200
35,200	Stein Mart, Inc.*	363,968
35,600	Stride Rite Corporation	302,600
22,900	Sturm, Ruger & Company, Inc.	224,420
17,900	TBC Corporation*	171,482
32,100	Tenneco Automotive, Inc.*	104,646
12,200	Thomas Nelson, Inc.	85,766
10,100	Thor Industries, Inc.	332,997
33,700	Timberland Company*	1,331,487
31,200	Toll Brothers, Inc.*	1,226,472
10,900	Toro Company	489,955
37,600	Tower Automotive, Inc.*	385,400
9,400	Ultimate Electronics, Inc.*	304,748
16,900	Universal Forest Products, Inc.	380,250
13,170	WD-40 Company	343,737
27,100	Wellman, Inc.	485,090
12,300	Wet Seal, Inc.*	425,703
17,500	Winnebago Industries, Inc.	538,125
27,100	WMS Industries Inc.*	871,807
35,400	Wolverine World Wide, Inc.	632,598
29,400	Zale Corporation*	990,780
	Total Consumer Cyclical	64,909,542

Consumer Staples (9.7%)

20,300	ABM Industries, Inc.	756,175
116	Acclaim Warrants*	0
23,400	Administaff, Inc.*	608,400
15,000	American Italian Pasta Company*	696,000
31,500	Applebee's International, Inc.	1,008,000
19,700	Applica, Inc.*	156,812
28,200	Bowen & Company, Inc.	324,300
16,300	CDI Corporation*	276,937
23,650	CEC Entertainment, Inc.*	1,167,127
40,462	Cheesecake Factory, Inc.*	1,145,075
7,500	Coca-Cola Bottling Company Consolidated	295,125
11,100	Consolidated Graphics, Inc.*	188,700

35,900	Constellation Brands, Inc.*	1,471,900
36,200	Earthgrains Company	941,200
9,900	Edgewater Technology, Inc.*	34,650
37,400	Fleming Companies, Inc.	1,335,180
32,700	Great Atlantic & Pacific Tea Company, Inc.*	483,960
28,700	Hain Celestial Group, Inc.*	631,400
11,200	Hall, Kinion & Associates, Inc.*	90,272
16,400	Heidrick & Struggles International, Inc.*	333,412
17,200	IHOP Corporation*	461,820
16,000	International Multifoods Corporation	332,000
7,300	J & J Snack Foods Corporation*	161,695
33,300	Jack in the Box, Inc.*	869,130
24,800	John H. Harland Company	577,840
34,600	Labor Ready, Inc.*	181,304
18,400	Landry's Restaurants, Inc.	312,800
13,100	Libbey, Inc.	520,201
19,100	Luby's, Inc.*	186,989
9,900	Nash Finch Company	233,640
5,900	National Presto Industries, Inc.	175,230
13,800	Nature's Sunshine Products, Inc.	163,254
55,700	NBTY, Inc.*	692,908
15,700	O'Charley's, Inc.*	304,266
19,500	On Assignment, Inc.*	351,000
28,500	Owens & Minor, Inc.	541,500
11,900	Panera Bread Company*	375,683
57,700	Patterson Dental Company*	1,731,000
31,200	Performance Food Group Company*	943,176
10,200	P.F. Chang's China Bistro, Inc.*	386,580
38,832	Priority Healthcare Corporation*	1,098,169
25,500	Ralcorp Holdings, Inc.*	477,870
18,200	RARE Hospitality International, Inc.*	411,320
11,800	Royal Appliance Manufacturing Company*	71,744
54,800	Ruby Tuesday, Inc.	937,080
26,000	Ryan's Family Steak Houses, Inc.*	318,500
9,800	Salton, Inc.*	174,440
12,600	Schweitzer-Mauduit International, Inc.	297,360
45,400	Smithfield Foods, Inc.*	1,829,620
22,675	Sonic Corporation*	719,478
49,800	Spherion Corporation*	445,710
24,517	Steak n Shake Company*	226,782
34,725	Tetra Tech, Inc.*	944,520
19,000	Triarc Companies, Inc.*	497,800
15,800	United Natural Foods, Inc.*	331,010
13,000	Volt Information Sciences, Inc.*	227,500
45,800	Whole Foods Market, Inc.*	1,241,180
	Total Consumer Staples	31,696,724

Energy (6.2%)

11,800	Atwood Oceanics, Inc.*	414,180
28,541	Barrett Resources Corporation*	1,683,919
25,100	Cabot Oil & Gas Corporation	612,440
27,700	Cal Dive International, Inc.*	681,420
14,800	Dril-Quip, Inc.*	318,644
15,600	HS Resources, Inc.*	1,010,880
11,900	Key Production Company, Inc.*	198,135
21,200	Lone Star Technologies, Inc.*	767,440
37,500	Louis Dreyfus Natural Gas Corporation*	1,306,875
38,200	Newfield Exploration Company*	1,224,692
14,200	Nuevo Energy Company*	231,460
20,000	Oceaneering International, Inc.*	415,000
18,300	Offshore Logistics, Inc.*	347,700
16,700	Patina Oil & Gas Corporation	442,550
15,000	Plains Resources, Inc.*	356,400
45,800	Pogo Producing Company	1,099,200
62,900	Pride International, Inc.*	1,195,100
18,600	Remington Oil and Gas Corporation*	353,400
17,150	SEACOR SMIT, Inc.*	801,591
21,400	Seitel, Inc.*	280,340
24,100	St. Mary Land & Exploration Company	562,976
22,300	Stone Energy Corporation*	987,890
21,100	Swift Energy Company*	635,743
11,900	TETRA Technologies, Inc.*	290,955
33,400	Tom Brown, Inc.*	801,600
27,200	Veritas DGC, Inc.*	754,800
53,800	Vintage Petroleum, Inc.	1,006,060
104,750	XTO Energy, Inc.	1,503,162
	Total Energy	20,284,552

Financials (10.3%)

19,800	American Financial Holdings, Inc.	467,280
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19,500	Anchor Bancorp Wisconsin, Inc.	310,050
21,100	Cash America International, Inc.	179,350
22,000	Chittenden Corporation	740,300
27,519	Commerce Bancorp, Inc.	1,929,082
43,900	Commercial Federal Corporation	1,014,090
35,100	Community First Bankshares, Inc.	807,300
44,100	Cullen/Frost Bankers, Inc.	1,492,785
17,385	Delphi Financial Group, Inc.	669,323
24,165	Downey Financial Corporation	1,142,038
19,700	East West Bancorp, Inc.	531,900
66,820	Fidelity National Financial, Inc.	1,641,767
14,400	Financial Federal Corporation*	416,880
55,700	First American Corporation	1,054,958
22,700	First BanCorp	612,673
14,800	FirstFed Financial Corporation*	441,040
34,650	First Midwest Bancorp, Inc.	1,027,372
60,300	Fremont General Corporation	391,950
10,000	GBC Bancorp	285,500
11,600	Hilb, Rogal and Hamilton Company	507,500
40,089	Hudson United Bancorp	1,022,270
21,400	Jefferies Group, Inc.	693,360
15,400	LandAmerica Financial Group, Inc.	490,490
19,300	MAF Bancorp, Inc.	592,510
35,500	Mutual Risk Management, Ltd.	315,950
37,200	New York Community Bancorp, Inc.	1,400,580
11,600	Philadelphia Consolidated Holding Corporation*	403,448
21,864	Provident Bankshares Corporation	545,288
40,850	Raymond James Financial, Inc.	1,250,010
24,300	Riggs National Corporation	412,857
8,400	RLI Corporation	377,328
8,000	SCPIE Holdings, Inc.	161,600
21,600	Selective Insurance Group, Inc.	576,288
36,300	South Financial Group, Inc.	685,344
28,100	Southwest Bancorporation of Texas, Inc.*	848,901
13,410	Southwest Securities Group, Inc.	277,587
28,400	Staten Island Bancorp, Inc.	790,940
22,400	Sterling Bancshares, Inc.	429,632
33,500	Susquehanna Bancshares, Inc.	681,725
31,500	Trenwick Group, Ltd.	721,980
52,915	TrustCo Bank Corporation NY	706,415
20,900	Tucker Anthony Sutro	459,800
16,100	UCBH Holdings, Inc.	488,635
35,500	United Bankshares, Inc.	951,400
49,220	Washington Federal, Inc.	1,206,874
22,500	Whitney Holding Corporation	1,055,250
14,900	Zenith National Insurance Corporation	402,300
	Total Financials	33,611,900

Health Care (13.0%)

22,100	Accredo Health, Inc.*	821,899
54,800	Advanced Tissue Sciences, Inc.*	274,000
25,600	AdvancePCS, Inc.*	1,639,680
42,300	Alliance Pharmaceutical Corporation*	95,175
34,400	Alpharma, Inc.	937,400
17,300	ArQule, Inc.*	374,718
19,000	ArthroCare Corporation*	496,850
48,900	Bio-Technology General Corporation*	640,590
42,400	Cephalon, Inc.*	2,989,200
13,200	CONMED Corporation*	343,860
12,500	Cooper Companies, Inc.	642,500
55,300	Coventry Health Care, Inc.*	1,117,060
16,050	CryoLife, Inc.*	656,605
6,000	Curative Health Services, Inc.*	37,800
24,100	Cygnus, Inc.*	247,025
12,700	Datascope Corporation	585,343
24,000	Diagnostic Products Corporation	796,800
21,910	Enzo Biochem, Inc.*	751,513
21,700	Haemonetics Corporation*	661,850
13,200	Hologic, Inc.*	89,760
55,400	Hooper Holmes, Inc.	567,850
28,100	IDEXX Laboratories, Inc.*	878,125
13,700	IMPACT, Inc.*	606,910
17,500	INAMED Corporation*	427,875
26,100	Invacare Corporation	1,008,243
18,300	MAXIMUS, Inc.*	733,647
25,800	Medicis Pharmaceutical Corporation*	1,367,400
20,200	Mentor Corporation	575,700
17,800	MGI PHARMA, Inc.*	222,500
40,700	Mid Atlantic Medical Services, Inc.*	729,751
19,000	Noven Pharmaceuticals, Inc.*	744,800
29,400	Organogenesis, Inc.*	217,560
42,000	Orthodontic Centers of America, Inc.*	1,276,800

11,900	Osteotech, Inc.*	54,145
21,000	PAREXEL International Corporation*	409,500
20,000	Pediatrics Medical Group, Inc.*	664,000
44,100	Pharmaceutical Product Development, Inc.*	1,345,491
11,400	PolyMedica Corporation*	461,700
26,700	Province Healthcare Company*	942,243
37,200	Regeneron Pharmaceuticals, Inc.*	1,288,980
14,500	RehabCare Group, Inc.*	698,900
40,550	Renal Care Group, Inc.*	1,333,690
26,800	ResMed, Inc.*	1,354,740
25,900	Respironics, Inc.*	770,784
23,500	Sierra Health Services, Inc.*	164,735
20,200	Sola International, Inc.*	285,022
8,200	Spacelabs Medical, Inc.*	100,040
14,300	SurModics, Inc.*	840,840
32,200	Sybron Dental Specialties, Inc.*	659,778
20,900	Syncor International Corporation*	647,900
35,400	TECHNE Corporation*	1,150,500
25,200	Theragenics Corporation*	281,484
51,300	Universal Health Services, Inc.*	2,334,150
80,600	US Oncology, Inc.*	716,534
28,400	Varian Medical Systems, Inc.*	2,030,600
11,000	Vital Signs, Inc.	363,550
	Total Health Care	42,456,095

Technology (15.5%)

20,200	Actel Corporation*	495,910
84,200	Adaptec, Inc.*	836,948
50,850	Aeroflex, Inc.*	533,925
23,900	Allen Telecom, Inc.*	358,500
36,400	Alliance Semiconductor Corporation*	437,528
37,100	Alpha Industries, Inc.*	1,096,305
35,500	American Management Systems, Inc.*	837,800
11,100	Analogic Corporation	505,605
20,600	Analysts International Corporation	91,876
30,700	Anixter International, Inc.*	942,490
44,100	Aspect Communications Corporation*	308,259
26,100	Aspen Technology, Inc.*	631,620
25,800	ATMI, Inc.*	774,000
19,200	Audiovox Corporation*	213,120
38,500	Auspex Systems, Inc.*	274,890
31,900	Avant! Corporation*	424,270
22,000	Avid Technology, Inc.*	345,400
19,300	Aware, Inc.*	173,700
82,900	Axcelis Technologies, Inc.*	1,226,920
19,000	AXT, Inc.*	507,300
18,050	BARRA, Inc.*	706,658
9,100	Bel Fuse, Inc.	302,575
47,600	Brightpoint, Inc.*	138,040
14,900	Brooks Automation, Inc.*	686,890
10,300	Brooktrout, Inc.*	79,516
37,350	Cable Design Technologies Corporation*	603,576
9,700	CACI International, Inc.*	455,900
27,600	Captaris, Inc.*	57,408
18,600	Carreker Corporation*	399,900
11,100	Catapult Communications Corporation*	249,750
48,700	CIBER, Inc.*	462,650
23,700	Coherent, Inc.*	857,229
17,800	Computer Task Group, Inc.*	64,792
23,300	Concord Camera Corporation*	137,470
14,200	Concord Communications, Inc.*	127,800
26,100	Cymer, Inc.*	660,069
10,900	Davox Corporation*	90,470
33,800	Dendrite International, Inc.*	253,500
13,000	Digi International, Inc.*	113,620
63,000	DMC Stratex Networks, Inc.*	630,000
15,200	DuPont Photomasks, Inc.*	733,400
19,200	Elantec Semiconductor, Inc.*	648,768
17,900	Electroglas, Inc.*	316,830
20,400	ePresence, Inc.*	84,048
36,400	ESS Technology, Inc.*	254,800
28,200	FactSet Research Systems, Inc.	1,006,740
18,900	Fair, Isaac and Company, Inc.	1,168,398
30,100	FileNET Corporation*	445,480
32,300	General Semiconductor, Inc.*	337,858
18,800	Gerber Scientific, Inc.	205,860
30,880	Global Payments, Inc.	929,488
49,700	Harmonic, Inc.*	497,000
19,300	Helix Technology Corporation	588,264
29,600	HNC Software, Inc.*	577,200
21,300	Hutchinson Technology, Inc.*	405,765
27,580	Hyperion Solutions Corporation*	413,700
12,800	Innovex, Inc.*	46,976

43,600	Input/Output, Inc.*	553,720
30,400	International FiberCom, Inc.*	76,000
20,900	Inter-Tel, Inc.	248,919
28,300	InterVoice-Brite, Inc.*	311,300
13,500	Keithley Instruments, Inc.	287,550
55,400	Kopin Corporation*	672,556
10,650	Kronos, Inc.*	436,118
41,800	Kulicke and Soffa Industries, Inc.*	717,288
12,400	MapInfo Corporation*	272,800
18,600	Mercury Computer Systems, Inc.*	820,260
30,500	Methode Electronics, Inc.	262,300
12,000	Microsemi Corporation*	852,000
14,800	MICROS Systems, Inc.*	325,600
18,800	MRO Software, Inc.*	297,040
28,700	NDCHealth	929,880
18,600	Network Equipment Technologies, Inc.*	59,520
24,700	NYFIX, Inc.*	789,165
16,300	PCTEL, Inc.*	150,123
21,400	Pericom Semiconductor Corporation*	336,408
21,400	Phoenix Technologies, Ltd.*	312,440
10,900	Photon Dynamics, Inc.*	294,300
25,500	Photronics, Inc.*	654,330
43,700	Pinnacle Systems, Inc.*	264,385
23,500	Pioneer-Standard Electronics, Inc.	300,800
39,800	Polaroid Corporation*	103,480
23,500	Power Integrations, Inc.*	366,600
30,200	Progress Software Corporation*	489,240
23,000	Proxim, Inc.*	324,300
13,200	QRS Corporation*	219,120
23,700	Radiant Systems, Inc.*	382,044
14,700	RadiSys Corporation*	335,895
22,200	Rainbow Technologies, Inc.*	124,098
101,700	Read-Rite Corporation*	533,925
26,200	Remedy Corporation*	911,760
13,300	Rogers Corporation*	352,450
13,800	Roxio, Inc.*	179,400
48,800	RSA Security, Inc.*	1,510,360
12,100	SBS Technologies, Inc.*	228,932
13,000	SCM Microsystems, Inc.*	135,200
69,600	SONICblue, Inc.*	229,680
25,700	SpeedFam-IPEC, Inc.*	81,983
11,700	SPSS, Inc.*	184,977
13,700	Standard Microsystems Corporation*	245,230
10,500	Supertex, Inc.*	129,570
20,250	Symmetricom, Inc.*	296,460
28,000	Systems & Computer Technology Corporation*	253,400
18,250	THQ, Inc.*	1,088,247
20,700	Trimble Navigation, Ltd.*	403,443
18,900	Ultratech Stepper, Inc.*	484,785
27,700	Varian Semiconductor Equipment Associates, Inc.*	1,163,400
29,600	Verity, Inc.*	590,520
18,800	ViaSat, Inc.*	448,944
26,800	Visual Networks, Inc.*	234,500
18,200	X-Rite, Inc.	160,888
27,000	Zebra Technologies Corporation*	1,326,240
10,152	Zilog, Inc.*5	25,278
14,500	ZixIt Corporation*	132,675
	Total Technology	50,656,580

Transportation (2.9%)

17,400	Arkansas Best Corporation*	\$401,070
21,100	Arnold Industries, Inc.	408,496
36,800	Atlantic Coast Airlines Holdings, Inc.*	1,103,632
18,400	Forward Air Corporation*	551,080
23,900	Frontier Airlines, Inc.*	292,775
27,075	Heartland Express, Inc.*	617,310
49,800	Kansas City Southern Industries, Inc.*	786,840
20,500	Kirby Corporation*	505,325
7,300	Landstar System, Inc.*	496,546
28,800	Mesa Air Group, Inc.*	355,680
11,740	Midwest Express Holdings, Inc.*	203,689
16,500	Roadway Corporation	392,205
47,900	SkyWest, Inc.	1,341,200
22,400	USFreightways Corporation	660,800
40,275	Werner Enterprises, Inc.	976,669
20,600	Yellow Corporation*	390,988
	Total Transportation	9,484,305

Utilities (4.0%)

8,600	American States Water Company	292,400
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34,600	Atmos Energy Corporation	846,316
40,400	Avista Corporation	807,192
6,300	Bangor Hydro-Electric Company	167,454
9,400	Cascade Natural Gas Corporation	200,220
9,800	Central Vermont Public Service Corporation	185,318
14,000	CH Energy Group, Inc.	615,300
26,400	Energen Corporation	728,640
4,800	Green Mountain Power Corporation	76,608
16,100	Laclede Gas Company	408,940
15,200	New Jersey Resources Corporation	687,040
21,400	Northwest Natural Gas Company	532,860
20,200	NorthWestern Corporation	452,480
11,700	NUI Corporation	270,036
46,232	Philadelphia Suburban Corporation	1,178,916
27,400	Piedmont Natural Gas Company, Inc.	973,248
29,600	RGS Energy Group, Inc.	1,110,000
43,499	Southern Union Company*	887,380
27,300	Southwest Gas Corporation	646,464
21,500	Southwestern Energy Company*	263,375
23,200	UGI Corporation	626,400
12,300	UIL Holdings Corporation	597,657
28,500	UniSource Energy Corporation	654,645
	Total Utilities	13,208,889

Total Common Stocks
(cost basis \$320,242,834) 325,378,787

Principal Amount	Short-Term Investments (6.3%)	Interest Rate/1/	Maturity Date	Market Value
\$2,158,000	Countrywide Home Loans, Inc.	4.200%	7/2/2001	\$2,157,497
	Total Short-Term Investments (amortized cost basis \$2,157,497)			2,157,497
	Total Investments (100.1%) (amortized cost basis \$322,400,331)			327,536,284
	Other Assets, Less Liabilities (-0.1%)			(186,479)
	Net Assets (100.0%)			\$327,349,805

* Non-income producing security.

/1/The interest rate reflects the discount rate at the date of purchase.

/5/Illiquid security valued at fair value.

See page 139 for a complete discussion of investment terms.

AAL Mid Cap Stock Portfolio

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio seeks long-term capital growth by investing primarily in common stocks and securities convertible into common stocks of mid-sized companies.

Basic Materials (3.2%)

1,400	Bowater, Inc.	\$62,636
2,200	Cambrex Corporation	111,276
3,500	Peabody Energy Corporation*	114,625
5,100	Stillwater Mining Company*	149,175
	Total Basic Materials	437,712

Capital Goods (7.3%)

1,200	Alliant Techsystems, Inc.*	107,880
4,600	Goodrich Corporation	174,708
7,600	MasTec, Inc.*	100,320
3,600	Nordson Corporation	83,916
9,300	Republic Services, Inc.*	184,605
4,100	Shaw Group, Inc.*	164,410
1,400	SPX Corporation*	175,252
	Total Capital Goods	991,091

Communication Services (2.4%)

4,700	Broadwing, Inc.*	114,915
5,600	Powerwave Technologies, Inc.*	81,200
2,200	United States Cellular Corporation*	126,830
	Total Communication Services	322,945

Consumer Cyclical (9.5%)

1,800	BJ's Wholesale Club, Inc.*	95,868
3,300	Christopher & Banks Corporation*	107,580
4,700	Dollar Tree Stores, Inc.*	130,848
2,800	E. W. Scripps Company	193,200
5,800	Family Dollar Stores, Inc.	148,654
5,500	Harrah's Entertainment, Inc.*	194,150
1,000	International Game Technology*	62,750
5,100	Linens 'n Things, Inc.*	139,332
6,700	Reebok International, Ltd.*	214,065
	Total Consumer Cyclical	1,286,447

Consumer Staples (7.5%)

8,000	Hormel Foods Corporation	194,720
2,600	Insight Communications Company, Inc.*	65,000
2,200	Manpower, Inc.	65,780
2,700	Outback Steakhouse, Inc.*	77,760
4,800	Pixar Animation Studios*	195,840
8,400	Starbucks Corporation*	193,200
2,000	Univision Communications, Inc.*	85,560
4,000	Valassis*	143,200
	Total Consumer Staples	1,021,060

Energy (8.2%)

4,400	BJ Services Company*	124,872
1,700	Devon Energy Corporation	89,250
3,300	Enron Corporation	105,732
3,500	Nabors Industries, Inc.*	130,200
3,500	Noble Drilling Corporation*	114,625
4,500	Patterson-UTI Energy, Inc.*	80,415
5,000	Precision Drilling Corporation*	156,200
2,200	Smith International, Inc.*	131,780
5,000	Valero Energy Corporation	183,900
	Total Energy	1,116,974

Financials (15.0%)

9,200	Banknorth Group, Inc.	208,380
5,500	Charter One Financial, Inc.	175,450
2,900	Countrywide Credit Industries, Inc.	133,052
4,500	Dime Bancorp, Inc.	167,625
5,300	Fidelity National Financial, Inc.	130,221
2,900	LaBranche & Company, Inc.*	84,100
2,600	M&T Bank Corporation	196,300
3,200	Marshall & Ilsley Corporation	172,480
4,600	Protective Life Corporation	158,102
8,300	SouthTrust Corporation	215,800
5,100	TCF Financial Corporation	236,181
2,800	Zions Bancorporation	165,200
	Total Financials	2,042,891

Health Care (11.8%)

1,400	Cephalon, Inc.*	98,700
4,100	Cytoc Corporation*	94,505
2,400	Genzyme Corporation*	146,400
1,700	Gilead Sciences, Inc.*	98,923
11,600	Health Management Associates, Inc.*	244,064
2,900	IDEC Pharmaceuticals Corporation*	196,301
3,000	InterMune, Inc.*	106,860
4,950	IVAX Corporation*	193,050
2,900	Millennium Pharmaceuticals, Inc.*	103,182
2,500	Oxford Health Plans, Inc.*	71,500
1,400	Quest Diagnostics, Inc.*	104,790
600	Trigon Healthcare, Inc.*	38,910
1,800	Watson Pharmaceuticals, Inc.*	110,952
	Total Health Care	1,608,137

Technology (21.5%)

5,200	American Tower Corporation*	107,484
4,500	Andrew Corporation*	83,025
8,700	Atmel Corporation*	117,363

3,300	Cirrus Logic, Inc.*	75,999
3,700	Cypress Semiconductor Corporation*	88,245
2,600	DST Systems, Inc.*	137,020
7,000	eFunds Corporation*	130,200
2,100	Electronic Arts, Inc.*	121,590
1,300	Fiserv, Inc.*	83,174
4,200	Homestore.com, Inc.*	146,832
3,200	Integrated Device Technology, Inc.*	101,408
1,500	Internet Security Systems, Inc.*	72,840
4,600	Intersil Corporation*	167,440
4,100	Interwoven, Inc.*	69,290
3,600	Intuit, Inc.*	143,964
5,300	KPMG Consulting, Inc.*	81,355
2,000	Macrovision Corporation*	137,000
5,400	MatrixOne, Inc.*	125,226
2,200	Netegrity, Inc.*	66,000
1,600	NVIDIA Corporation*	148,400
2,300	Openwave Systems, Inc.*	79,810
6,700	Parametric Technology Corporation*	93,733
4,100	PerkinElmer, Inc.	112,873
1,800	QLogic Corporation*	116,010
1,600	Sabre Group Holdings, Inc.*	80,000
3,700	SunGard Data Systems, Inc.*	111,037
3,600	Vitesse Semiconductor Corporation*	75,744
2,200	Waters Corporation*	60,742
	Total Technology	2,933,804

Utilities (6.5%)

2,800	Allegheny Energy, Inc.	135,100
3,200	Constellation Energy Group, Inc.	136,320
2,500	MDU Resources Group, Inc.	79,100
2,600	National Fuel Gas Company	135,174
3,600	Nicor, Inc.	140,328
5,500	NiSource, Inc.	150,315
5,400	Vectren Corporation	111,780
	Total Utilities	888,117

Total Common Stocks
(cost basis \$12,419,782) 12,649,178

Shares	Preferred Stocks (0.9%)	Interest Rate	Maturity Date	Market Value
1,450	Calpine Capital Trust II Convertible	5.500%	2/1/2005	116,000

Total Preferred Stocks
(cost basis \$143,047) 116,000

Total Long-Term Investments
(amortized cost basis \$12,562,829) 12,765,178

Principal Amount	Short-Term Investments (5.4%)	Interest Rate/1/	Maturity Date	Market Value
\$742,000	General Electric Capital Corporation	3.710-3.790%	7/2-7/3/2001	\$741,802
	Total Short-Term Investments (amortized cost basis \$741,802)			741,802
	Total Investments (99.1%) (amortized cost basis \$13,304,631)			13,506,980
	Other Assets, Less Liabilities (0.9%)			121,532

Net Assets (100.0%) \$13,628,512

*Non-income producing security.

/1/The interest rate reflects the discount rate at the date of purchase.

See page 139 for a complete discussion of investment terms.

AAL Mid Cap Index Portfolio

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio seeks total returns that track the performance of the S&P MidCap 400 Index by investing primarily in common stocks comprising the Index.

Basic Materials (3.9%)

260	A. Schulman, Inc.	\$3,510
790	Airgas, Inc.*	9,401
1,250	AK Steel Holding Corporation	15,675
510	Albemarle Corporation	11,817
640	Bowater, Inc.	28,634
790	Cabot Corporation	28,456
200	Carpenter Technology Corporation	5,858
1,300	Crompton Corporation	14,170
460	Cytec Industries, Inc.*	17,480
400	Ferro Corporation	8,724
230	H.B. Fuller Company	11,477
1,320	IMC Global, Inc.	13,464
560	Longview Fibre Company	6,899
560	Lubrizol Corporation	17,388
1,340	Lyondell Chemical Company	20,609
520	Martin Marietta Materials, Inc.	25,735
280	Minerals Technologies, Inc.	12,018
500	Olin Corporation	8,495
480	P.H. Glatfelter Company	6,845
340	Rayonier, Inc.	15,793
1,200	RPM, Inc.	11,040
1,120	Solutia, Inc.*	14,280
1,080	Sonoco Products Company	26,870
910	Timber Company	32,532
500	UCAR International, Inc.*	5,975
340	Universal Corporation	13,484
580	Valspar Corporation	20,590
550	Wausau-Mosinee Paper Corporation	7,089
	Total Basic Materials	414,308

Capital Goods (6.6%)

830	AGCO Corporation	7,595
270	Albany International Corporation*	5,103
910	American Standard Companies, Inc.*	54,691
390	AMETEK, Inc.	11,915
370	Carlisle Companies, Inc.	12,902
500	Donaldson Company, Inc.	15,575
470	Dycom Industries, Inc.*	10,777
500	Federal Signal Corporation	11,735
430	Flowserve Corporation*	13,223
460	Granite Construction, Inc.	11,693
450	Harsco Corporation	12,208
890	Herman Miller, Inc.	21,538
750	Hillenbrand Industries, Inc.	42,832
630	HON INDUSTRIES, Inc.	15,259
630	Hubbell, Inc., Class B	18,270
330	Jacobs Engineering Group, Inc.*	21,526
370	Kaydon Corporation	9,491
980	KEMET Corporation*	19,414
370	Kennametal, Inc.	13,653
440	Lancaster Colony Corporation	14,511
520	MasTec, Inc.*	6,864
410	Newport News Shipbuilding, Inc.	25,112
390	Nordson Corporation	9,091
530	Pentair, Inc.	17,914
460	Plexus Corporation*	15,180
640	Precision Castparts Corporation	23,949
710	Quanta Services, Inc.*	15,648
220	Ryerson Tull, Inc.	2,968
1,690	SCI Systems, Inc.*	43,095
890	Sensormatic Electronics Corporation*	15,130
100	Sequa Corporation*	4,550
480	SPX Corporation*	60,086
350	Stewart & Stevenson Services, Inc.	11,550
270	Tecumseh Products Company	13,365
440	Teleflex, Inc.	19,360
430	Trinity Industries, Inc.	8,815
1,620	Vishay Intertechnology, Inc.*	37,260
460	Wallace Computer Services, Inc.	7,608
440	York International Corporation	15,409
	Total Capital Goods	696,865

Communication Services (2.0%)

2,510	Broadwing, Inc.*	61,369
660	Powerwave Technologies, Inc.*	9,570
600	Price Communications Corporation*	12,114
1,940	RF Micro Devices, Inc.*	51,992
720	Telephone and Data Systems, Inc.	78,300

Consumer Cyclical (14.5%)

1,180	Abercrombie & Fitch Company*	52,510
990	Acxiom Corporation*	12,959
810	American Eagle Outfitters, Inc.*	28,544
1,410	Apollo Group, Inc.*	59,855
730	ArvinMeritor, Inc.	12,220
180	Bandag, Inc.	4,914
770	Barnes & Noble, Inc.*	30,300
1,210	Belo Corporation	22,796
840	BJ's Wholesale Club, Inc.*	44,738
530	Blyth, Inc.	13,626
900	Borders Group, Inc.*	20,160
330	BorgWarner, Inc.	16,375
860	Callaway Golf Company	13,588
690	Catalina Marketing Corporation*	21,052
1,070	CDW Computer Centers, Inc.*	42,490
740	ChoicePoint, Inc.*	31,117
560	Claire's Stores, Inc.	10,842
1,620	Clayton Homes, Inc.	25,466
500	Coach, Inc.*	19,025
540	Covanta Energy Corporation*	9,968
820	DeVry, Inc.*	29,618
1,260	Dollar Tree Stores, Inc.*	35,078
920	Dun & Bradstreet Corporation*	25,944
2,010	Family Dollar Stores, Inc.	51,516
440	Fastenal Company*	27,271
540	Furniture Brands International, Inc.*	15,120
990	Galileo International, Inc.	32,175
860	Gentex Corporation*	23,968
410	GTECH Holdings Corporation*	14,559
700	Harte-Hanks, Inc.	17,332
370	Houghton Mifflin Company	22,174
940	International Game Technology*	58,985
670	International Speedway Corporation	28,140
1,460	Jones Apparel Group, Inc.*	63,072
370	Lands' End, Inc.*	14,856
770	Lear Corporation*	26,873
490	Lee Enterprises, Inc.	16,170
760	Lennar Corporation	31,692
870	Mandalay Resort Group*	23,838
300	Media General, Inc.	13,800
360	Modine Manufacturing Company	9,929
570	Mohawk Industries, Inc.*	20,064
330	NCO Group, Inc.*	10,207
520	Neiman Marcus Group, Inc.*	16,120
3,430	Park Place Entertainment Corporation*	41,503
300	Payless ShoeSource, Inc.*	19,410
560	Pittston Company	12,482
1,210	Reader's Digest Association, Inc.	34,788
270	Rollins, Inc.	5,376
930	Ross Stores, Inc.	22,274
1,650	Saks, Inc.*	15,840
410	Scholastic Corporation*	18,450
1,000	Six Flags, Inc.*	21,040
720	Sotheby's Holdings, Inc.*	11,614
330	Superior Industries International, Inc.	12,639
430	Sylvan Learning Systems, Inc.*	10,449
580	Tech Data Corporation*	19,349
580	Unifi, Inc.*	4,930
820	United Rentals, Inc.*	21,279
1,020	Viad Corporation	26,928
150	Washington Post Company	86,100
690	Williams-Sonoma, Inc.*	26,786
	Total Consumer Cyclical	1,532,283

Consumer Staples (7.7%)

660	AmeriSource Health Corporation*	36,498
320	Banta Corporation	9,376
1,590	Bergen Brunswig Corporation	30,560
410	Bob Evans Farms, Inc.	7,380
1,170	Brinker International, Inc.*	30,245
500	Carter-Wallace, Inc.	9,675
600	CBRL Group, Inc.*	10,170
410	Chris-Craft Industries, Inc.*	29,274
440	Church & Dwight Company, Inc.	11,198
420	Dean Foods Company	16,884
1,040	Dial Corporation	14,820
600	Dole Food Company, Inc.	11,430
350	Dreyer's Grand Ice Cream, Inc.	9,765
520	Emmis Communications Corporation*	15,990
1,050	Energizer Holdings, Inc.*	24,097
500	Entercom Communications Corporation*	26,805
1,260	Hispanic Broadcasting Corporation*	36,149

1,630	Hormel Foods Corporation	39,674
1,240	IBP, Inc.	31,310
550	Interstate Bakeries Corporation	8,800
310	J.M. Smucker Company	8,060
420	Kelly Services, Inc.	10,185
440	Korn/Ferry International*	6,820
260	Lance, Inc.	3,510
220	Lone Star Steakhouse & Saloon, Inc.	2,858
500	Longs Drug Stores Corporation*	10,775
870	Manpower, Inc.	26,013
810	McCormick & Company, Inc.	34,036
1,060	Modis Professional Services, Inc.*	7,314
880	Outback Steakhouse, Inc.*	25,344
200	Papa John's International, Inc.*	5,070
1,810	PepsiAmericas, Inc.	24,073
850	Perrigo Company*	14,186
1,200	R.J. Reynolds Tobacco Holdings, Inc.	65,520
510	Ruddick Corporation	8,645
530	Sensient Technologies Corporation	10,876
340	Suiza Foods Corporation*	18,054
653	Tootsie Roll Industries, Inc.	25,167
2,590	Tyson Foods, Inc.	23,854
580	Valassis*	20,764
1,270	Westwood One, Inc.*	46,799
	Total Consumer Staples	808,023

Energy (5.9%)

1,980	BJ Services Company*	56,192
680	Cooper Cameron Corporation*	37,944
1,630	ENSCO International, Inc.	38,142
2,060	Global Marine, Inc.*	38,378
1,260	Grant Prideco, Inc.*	22,037
720	Hanover Compressor Company*	23,825
640	Helmerich & Payne, Inc.	19,725
620	Marine Drilling Companies, Inc.*	11,848
600	Murphy Oil Corporation	44,160
910	National-Oilwell, Inc.*	24,388
700	Noble Affiliates, Inc.	24,745
1,980	Ocean Energy, Inc.	34,551
900	Pennzoil-Quaker State Company	10,080
1,100	Pioneer Natural Resources Company*	18,755
650	Smith International, Inc.*	38,935
700	Tidewater, Inc.	26,390
870	Ultramar Diamond Shamrock Corporation	41,108
740	Valero Energy Corporation	27,217
1,040	Varco International, Inc.*	19,354
1,370	Weatherford International, Inc.*	65,760
	Total Energy	623,534

Financials (16.7%)

920	A.G. Edwards, Inc.	41,400
670	Allmerica Financial Corporation*	38,525
790	American Financial Group, Inc.	23,937
990	AmeriCredit Corporation*	51,431
900	Arthur J. Gallagher & Company	23,400
790	Associated Banc-Corp	28,432
640	Astoria Financial Corporation	35,200
1,580	Banknorth Group, Inc.	35,787
620	City National Corporation	27,460
1,300	Colonial Bancgroup, Inc.	18,694
1,470	Compass Bancshares, Inc.	38,955
1,360	Dime Bancorp, Inc.	50,660
3,760	E*TRADE Group, Inc.*	24,252
800	Eaton Vance Corporation*	27,840
610	Everest Re Group, Ltd.	45,628
1,540	First Tennessee National Corporation	53,453
510	First Virginia Banks, Inc.	24,031
980	FirstMerit Corporation	25,872
1,600	Golden State Bancorp, Inc.	49,280
460	Greater Bay Bancorp	11,491
1,190	GreenPoint Financial Corporation	45,696
700	HCC Insurance Holdings, Inc.	17,150
1,800	Hibernia Corporation	32,040
460	Horace Mann Educators Corporation	9,913
700	IndyMac Bancorp, Inc.*	18,760
370	Investors Financial Services Corporation	24,790
630	LaBranche & Company, Inc.*	18,270
750	Legg Mason, Inc.	37,320
690	Leucadia National Corporation*	22,391
1,120	M&T Bank Corporation	84,560
1,220	Marshall & Ilsley Corporation	65,758
820	Mercantile Bankshares Corporation	32,087
640	MONY Group, Inc.*	25,683
2,420	National Commerce Financial Corporation	58,975
630	Neuberger Berman, Inc.	42,840

1,850	North Fork Bancorporation, Inc.	57,350
630	Ohio Casualty Corporation*	8,158
1,340	Old Republic International Corporation	38,860
900	Pacific Century Financial Corporation	23,211
590	PMI Group, Inc.	42,869
770	Protective Life Corporation	26,465
530	Provident Financial Group, Inc.	17,448
1,220	Radian Group, Inc.	49,349
750	Roslyn Bancorp, Inc.	19,725
1,270	SEI Investments Company	60,198
530	Silicon Valley Bancshares*	11,660
2,880	Sovereign Bancorp, Inc.	37,440
910	TCF Financial Corporation	42,142
800	Unitrin, Inc.	30,720
940	Waddell & Reed Financial, Inc.	29,845
530	Webster Financial Corporation	17,373
420	Westamerica Bancorporation	16,485
390	Wilmington Trust Corporation	24,434
	Total Financials	1,765,693

Health Care (13.2%)

1,230	Apogent Technologies, Inc.*	30,258
570	Apria Healthcare Group, Inc.*	16,445
410	Barr Laboratories, Inc.*	28,868
730	Beckman Coulter, Inc.	29,784
680	COR Therapeutics, Inc.*	20,740
610	Covance, Inc.*	13,817
660	Dentsply International, Inc.	29,271
720	Edwards Lifesciences Corporation*	18,979
980	Express Scripts, Inc.*	53,929
1,240	First Health Group Corporation*	29,909
2,280	Genzyme Corporation*	139,080
1,130	Gilead Sciences, Inc.*	65,755
2,850	Health Management Associates, Inc.*	59,964
1,380	Health Net, Inc.*	24,012
910	ICN Pharmaceuticals, Inc.	28,865
1,770	IDEC Pharmaceuticals Corporation*	119,811
770	Incyte Genomics, Inc.*	18,880
2,337	IVAX Corporation*	91,143
500	LifePoint Hospitals, Inc.*	22,140
1,320	Lincare Holdings, Inc.*	39,613
2,580	Millennium Pharmaceuticals, Inc.*	91,796
770	MiniMed, Inc.*	36,960
1,410	Mylan Laboratories, Inc.	39,663
1,020	Omnicare, Inc.	20,604
1,160	Oxford Health Plans, Inc.*	33,176
300	PacifiCare Health Systems, Inc.*	4,890
580	Protein Design Labs, Inc.*	50,321
1,120	Quest Diagnostics, Inc.*	83,832
950	Sepracor, Inc.*	37,810
800	STERIS Corporation*	16,040
800	Triad Hospitals, Inc.*	23,576
430	Trigon Healthcare, Inc.*	27,886
720	Vertex Pharmaceuticals, Inc.*	35,640
640	VISX, Inc.*	12,384
	Total Health Care	1,395,841

Technology (18.6%)

3,900	3Com Corporation*	18,525
440	ADTRAN, Inc.*	9,020
910	Advanced Fibre Communications, Inc.*	19,110
400	Advent Software, Inc.*	25,400
570	Affiliated Computer Services, Inc.*	40,989
440	ANTEC Corporation*	5,456
1,170	Arrow Electronics, Inc.*	28,419
5,420	Atmel Corporation*	73,116
1,320	Avnet, Inc.	29,594
480	Avocent Corporation*	10,920
700	BISYS Group, Inc.*	41,300
310	Cabot Microelectronics Corporation*	19,220
2,880	Cadence Design Systems, Inc.*	53,654
1,700	Ceridian Corporation*	32,589
880	CheckFree Corporation*	30,862
880	Cirrus Logic, Inc.*	20,266
550	CommScope, Inc.*	12,925
570	Credence Systems Corporation*	13,817
670	CSG Systems International, Inc.*	38,029
1,460	Cypress Semiconductor Corporation*	34,821
830	Diebold, Inc.	26,685
240	DSP Group, Inc.*	5,148
1,510	DST Systems, Inc.*	79,577
1,570	Electronic Arts, Inc.*	90,903
960	Gartner, Inc., Class B*	8,832
800	Harris Corporation	21,768
410	Imation Corporation*	10,332
440	InFocus Corporation*	8,972

3,380	Informix Corporation*	19,739
1,240	Integrated Device Technology, Inc.*	39,296
750	International Rectifier Corporation*	25,575
380	Investment Technology Group, Inc.	19,110
1,060	Jack Henry & Associates, Inc.	32,860
710	Keane, Inc.*	15,620
500	L-3 Communications Holdings, Inc.*	38,150
1,400	Lam Research Corporation*	41,510
1,250	Lattice Semiconductor Corporation*	30,500
970	Legato Systems, Inc.*	15,472
500	LTX Corporation*	12,780
670	Macromedia, Inc.*	12,060
640	Macrovision Corporation*	43,840
670	Mentor Graphics Corporation*	11,725
1,050	Micrel, Inc.*	34,650
1,540	Microchip Technology, Inc.*	52,745
440	MIPS Technologies, Inc., Class B*	4,224
550	National Instruments Corporation*	17,847
1,520	Network Associates, Inc.*	18,924
390	Newport Corporation	10,335
780	NOVA Corporation*	24,531
880	NVIDIA Corporation*	81,620
540	Plantronics, Inc.*	12,501
920	Polycom, Inc.*	21,243
1,720	Quantum Corporation*	17,355
2,390	Rational Software Corporation*	67,039
620	Retek, Inc.*	29,723
880	Reynolds & Reynolds Company	19,316
800	SanDisk Corporation*	22,312
480	Sawtek, Inc.*	11,294
790	Semtech Corporation*	23,700
1,210	Storage Technology Corporation*	16,650
420	Structural Dynamics Research Corporation*	10,290
3,160	SunGard Data Systems, Inc.*	94,832
1,180	Sybase, Inc.*	19,411
460	Sykes Enterprises, Inc.*	5,060
870	Symantec Corporation*	38,010
740	Synopsys, Inc.*	35,809
580	Titan Corporation*	13,282
420	Transaction Systems Architects, Inc.*	6,510
930	TranSwitch Corporation*	9,997
900	TriQuint Semiconductor, Inc.*	20,250
1,540	Waters Corporation*	42,519
850	Wind River Systems, Inc.*	14,841
	Total Technology	1,965,306

Transportation (1.8%)

530	Airborne, Inc.	6,143
340	Alaska Air Group, Inc.*	9,826
460	Alexander & Baldwin, Inc.	11,845
440	Atlas Air Worldwide Holdings, Inc.*	6,230
950	C.H. Robinson Worldwide, Inc.	26,496
530	CNF, Inc.	14,972
510	EGL, Inc.*	8,905
660	Expeditors International of Washington, Inc.	39,599
620	GATX Corporation	24,862
410	J.B. Hunt Transport Services, Inc.*	7,487
400	Overseas Shipholding Group, Inc.	12,216
860	Swift Transportation Company, Inc.*	16,564
510	Wisconsin Central Transportation Corporation*	8,532
	Total Transportation	193,677

Utilities (7.3%)

580	AGL Resources, Inc.	13,775
960	ALLETE, Inc.	21,600
900	Alliant Energy Corporation	26,235
1,170	American Water Works Company, Inc.	38,575
300	Black Hills Power, Inc.	12,069
500	Cleco Corporation	11,375
990	Conectiv	21,384
1,430	DPL, Inc.	41,413
600	DQE, Inc.	13,500
1,350	Energy East Corporation	28,229
800	Equitable Resources, Inc.	26,648
390	Hawaiian Electric Industries, Inc.	14,898
430	IDACORP, Inc.	14,998
750	Kansas City Power & Light Company	18,413
800	MDU Resources Group, Inc.	25,312
1,140	Montana Power Company*	13,224
450	National Fuel Gas Company	23,395
1,670	Northeast Utilities	34,652
670	NSTAR	28,515
890	OGE Energy Corporation	20,123
1,290	Potomac Electric Power Company	26,987

450	Public Service Company of New Mexico	14,445
960	Puget Energy, Inc.	25,152
910	Questar Corporation	22,532
1,230	SCANA Corporation	34,932
900	Sierra Pacific Resources	14,391
1,620	TECO Energy, Inc.	49,410
1,380	UtiliCorp United, Inc.	42,159
790	Vectren Corporation	16,353
400	Western Gas Resources, Inc.	13,040
820	Western Resources, Inc.	17,630
510	WGL Holdings, Inc.	13,826
1,370	Wisconsin Energy Corporation	32,565
	Total Utilities	771,755

Total Common Stocks
(cost basis \$9,934,527) 10,380,630

Principal Amount	Short-Term Investments (1.3%)	Interest Rate/1/	Maturity Date	Market Value
\$141,000	Countrywide Home Loans, Inc.	4.100%	7/5/2001	\$140,920
	Total Short-Term Investments (Amortized Cost Basis \$140,920)			140,920
	Total Investments (99.5%) (amortized cost basis \$10,075,447)			10,521,550
	Other Assets, Less Liabilities (0.5%)			49,189
	Net Assets (100.0%)			\$10,570,739

*Non-income producing security.

/1/The interest rate reflects the discount rate at the date of purchase.

See page 139 for a complete discussion of investment terms.

AAL International Portfolio

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio strives for long-term capital growth by investing primarily in foreign stocks.

Australia (1.1%)

66,107	BHP Billitition, Ltd.	Metals Mining	\$348,992
70,411	BHP Billitition, Ltd. (Rights)	Metals Mining	381,014
	Total Australia		730,006

Brazil (0.4%)

35,035	Embratel Participacoes SA ADR	Telephone	262,062
	Total Brazil		262,062

Canada (0.4%)

32,668	Nortel Networks Corporation	Communication Equipment	301,365
	Total Canada		301,365

France (15.5%)

39,860	Alstom*	Engineering & Construction	1,108,872
22,003	Aventis SA	Pharmaceuticals	1,756,589
14,283	Carrefour SA	Retail-Food Chains	755,746
51,991	European Aeronautic Defense and Space Company	Aerospace/Defense	957,335
12,874	Sanofi-Synthelabo SA	Drugs	844,679
45,175	Suez Lyonnaise des Eaux SA	Water Utilities	1,453,310
10,412	Total Fina Elf SA	Oil & Gas Exploration/Production	1,457,962
19,163	Valeo SA	Auto Parts & Equipment	773,691
23,214	Vivendi	Services-Commercial & Consumer	1,353,102
	Total France		10,461,286

Germany (6.8%)

5,169	Allianz AG*	Life & Health Insurance	1,517,179
17,244	DaimlerChrysler AG	Automotive	791,250
21,414	E.On AG	Manufacturing-Diversified	1,113,122
4,254	Muenchener Rueckversicherungs-Gesellschaft AG*	Property & Casualty Insurance	1,193,871
	Total Germany		4,615,422

Hong Kong (6.3%)			
243,500	China Mobile, Ltd.*	Telephone-Cellular & Wireless	\$1,286,245
598,000	China Unicom, Ltd.*	Telephone-Cellular & Wireless	1,042,720
60,700	Hutchison Whampoa, Ltd.	Financial-Diversified	612,868
75,000	MTR Corporation	Railroads	128,372
133,000	Sun Hung Kai Properties	Investment Bank/Broker	1,197,914
	Total Hong Kong		4,268,119

Italy (6.5%)			
325,328	Banca Nazionale del Lavoro	Banks-Major Regional	1,019,060
115,302	ENI SpA	Oil & Gas-Exploration & Production	1,405,640
30,511	Fiat SpA	Automotive	596,685
90,335	Mediaset SpA	TV, Radio, Cable	760,184
125,623	Telecom Italia Mobile SpA	Telephone-Cellular & Wireless	640,239
	Total Italy		4,421,808

Japan (20.1%)			
83,000	Bridgestone Corporation	Auto Parts & Equipment	868,496
18,000	Canon, Inc.	Communications Equipment	727,415
36,000	Fujitsu, Ltd.	Communications Equipment	378,140
37,000	Kao Corporation	Personal Care	919,693
236	Mizuho Holdings, Inc.	Financial-Diversified	1,097,537
9,300	Murata Manufacturing Company, Ltd.	Electronic Component Distributors	618,183
77	NTT DoCoMo	Telephone-Cellular & Wireless	1,339,768
219,000	Nissan Motor Company, Ltd.	Auto Parts & Equipment	1,511,912
62,000	Nomura Securities Company, Ltd.	Financial-Diversified	1,188,143
5,500	Rohm Company, Ltd.	Semiconductors	854,665
87,000	Sharp Corporation	Electronic Instruments	1,185,898
18,000	Shin-Etsu Chemical Company, Ltd.	Chemicals	661,024
3,110	Shohkoh Fund & Company, Ltd.*	Financial-Diversified	508,211
23,040	Takeda Chemical Industries, Ltd.	Pharmaceuticals	1,071,494
5,200	Takefuji Corporation	Financial-Diversified	472,403
6,000	Yamanouchi Pharmaceutical Company, Ltd.	Pharmaceuticals	168,383
	Total Japan		13,571,365

Netherlands (13.1%)			
9,981	Gucci Group NV	Retail-Specialty Apparel	\$835,909
56,102	Koninklijke Ahold NV	Retail-Food Chains	1,757,343
39,496	Koninklijke (Royal) Philips Electronics NV	Electronic Component Distributors	1,046,918
129,924	Royal KPN NV	Telephone	736,955
32,545	Unilever NV	Foods	1,950,716
44,610	Verenigde Nederlands Uitgeversbedrijven Verenigd Bezit	Publishing	1,510,667
37,219	Wolters Kluwer NV	Publishing	1,000,426
	Total Netherlands		8,838,934

Singapore (1.1%)			
100,000	DBS Group Holdings, Ltd.	Banks-Major Regional	735,456
	Total Singapore		735,456

South Korea (3.1%)			
30,526	Korea Telecom Corporation ADR	Telephone-Cellular & Wireless	670,962
17,134	Pohang Iron & Steel Company, Ltd. ADR*	Steel	337,882
25,119	SK Telecom Company, Ltd. ADR	Telephone-Cellular & Wireless	424,511
8,342	Samsung Electronics GDR*	Electronic Component Distributors	652,762
	Total South Korea		2,086,117

Spain (1.4%)			
56,827	Repsol YPF SA	Oil and Gas Exploration	938,136
	Total Spain		938,136

Sweden (0.8%)			

105,451	Telefonaktiebolaget LM Ericsson AB	Telephone-Cellular & Wireless	576,420
Total Sweden			576,420

Turkey (0.1%)

20,112	Turkcell Iletisim Hizmet ADR	Telephone	56,314
Total Turkey			56,314

United Kingdom (18.5%)

31,169	AstraZeneca Group plc	Pharmaceuticals	1,448,854
334,811	BAE SYSTEMS plc	Aerospace/Defense	1,602,243
151,196	British Telecommunications*	Telephone-Cellular & Wireless	950,557
44,087	British Airways plc	Aerospace/Defense	213,304
48,046	Colt Telecom Group plc*	Telephone-Cellular & Wireless	332,470
137,358	Diageo plc	Beverages-Non-Alcoholic	1,504,949
55,652	GlaxoSmithKline plc	Pharmaceuticals	1,559,978
103,667	HSBC Holdings plc	Banks-Regional	1,226,945
196,672	Marks & Spencer plc	Retail-Discounters	724,727
52,550	Railtrack Group plc	Railroads	245,751
169,049	Reed International plc	Publishing	1,497,903
70,162	Somerfield plc*	Retail-Food Chains	129,025
507,574	Vodafone Group plc	Telephone-Cellular & Wireless	1,120,803
Total United Kingdom			12,557,509

Total Common Stocks
(cost basis \$80,983,570) 64,420,319

Principal Amount/ Shares	Short-Term Investments (5.8%)	Interest Rate/1/	Maturity Date	Market Value
\$800,000	CDC Commerical Paper Corporation	4.120%	7/2/2001	\$799,817
3,000,000	Merrill Lynch & Company, Inc.	4.120	7/2/2001	2,999,313
106,735	Fidelity Domestic Portfolio Class III	3.430		106,735

(amortized cost \$3,905,865) Total Short-Term Investments
3,905,865

Total Investments (101.0%)
(amortized cost basis \$84,889,435) 68,326,184

Other Assets, Less Liabilities (-1.0%) (694,836)

Net Assets (100.0%) \$67,631,348

* Non-income producing security.

/1/The interest rate reflects the discount rate at the date of purchase.

See page 139 for a complete discussion of investment terms.

AAL Capital Growth Portfolio

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio seeks long-term capital growth by investing primarily in a diversified portfolio of common stocks and securities convertible into common stocks.

Basic Materials (0.2%)

300	Corn Products International, Inc.	\$9,600
1,100	Eastman Chemical Company	52,393
Total Basic Materials		61,993

Capital Goods (6.4%)

2,600	Dover Corporation	97,890
23,700	General Electric Company	1,155,375
4,300	Herman Miller, Inc.	104,060
2,000	Honeywell International, Inc.	69,980
700	PACCAR, Inc.	35,994
2,800	United Technologies Corporation	205,128

Total Capital Goods 1,668,427

Communication Services (2.3%)

104	MCI Group*	1,674
6,100	SBC Communications, Inc.	244,366
1,800	Sprint FON Corporation	38,448
900	Sprint PCS Group*	21,735
4,700	Verizon Communications, Inc.	251,450
3,100	WorldCom Group*	46,376
	Total Communication Services	604,049

Consumer Cyclical (7.4%)

2,300	Family Dollar Stores, Inc.	58,949
2,300	Gannett Company, Inc.	151,570
9,400	Harley-Davidson, Inc.	442,552
3,000	New York Times Company	126,000
1,600	Starwood Hotels & Resorts Worldwide, Inc.	59,648
14,500	Tiffany & Company	525,190
1,900	Tribune Company	76,019
10,300	Wal-Mart Stores, Inc.	502,640
	Total Consumer Cyclical	1,942,568

Consumer Staples (21.2%)

1,800	Adelphia Communications Corporation*	73,800
2,700	Alberto-Culver Company	113,508
7,500	AOL Time Warner, Inc.*	397,500
1,800	Cablevision Systems Corporation*	105,300
21,000	Comcast Corporation*	911,400
21,000	Cox Communications, Inc.*	930,300
800	Dean Foods Company	32,160
8,700	General Mills, Inc.	380,886
2,600	Kimberly-Clark Corporation	145,340
23,700	Liberty Media Corporation*	414,513
3,600	MediaOne Group, Inc. Convertible Securities	96,840
11,600	Philip Morris Companies, Inc.	588,700
950	Rainbow Media Group*	24,510
3,800	Safeway, Inc.*	182,400
26,500	Walgreen Company	904,975
8,300	Walt Disney Company*	239,787
	Total Consumer Staples	5,541,919

Energy (10.5%)

3,700	BJ Services Company*	105,006
4,400	BP plc ADR	219,340
3,100	Burlington Resources, Inc.	123,845
1,600	Chevron Corporation	144,800
2,900	ENSCO International, Inc.	67,860
14,100	EOG Resources, Inc.	501,255
7,600	Exxon Mobil Corporation	663,860
1,900	Global Marine, Inc.*	35,397
2,600	Halliburton Company	92,560
3,900	Nabors Industries, Inc.*	145,080
3,400	Noble Drilling Corporation*	111,350
4,800	Precision Drilling Corporation*	149,952
5,100	Royal Dutch Petroleum Company ADR	297,177
1,700	Smith International, Inc.*	101,830
	Total Energy	2,759,312

Financials (19.3%)

8,400	American Express Company	325,920
13,500	American International Group, Inc.	1,161,000
4,200	Bank of America Corporation	252,126
4,900	CIGNA Corporation	469,518
9,900	Citigroup, Inc.	523,116
4,800	Fannie Mae	408,720
3,500	Household International, Inc.	233,450
10,100	J.P. Morgan Chase & Company	450,460
6,700	MBNA Corporation	220,765
3,700	MGIC Investment Corporation	268,768
5,000	Morgan Stanley Dean Witter & Company	321,150
6,700	National City Corporation	206,226
1,300	Northern Trust Corporation	81,250
2,700	State Street Corporation	133,623
	Total Financials	5,056,092

Health Care (10.4%)

2,500	Elan Corporation plc ADR*	152,500
8,900	Johnson & Johnson	445,000
2,900	Medtronic, Inc.	133,429
10,500	Merck & Company, Inc.	671,055
23,600	Pfizer, Inc.	945,180
4,600	Schering-Plough Corporation	166,704
2,200	WellPoint Health Networks, Inc.*	207,328
	Total Health Care	2,721,196

Technology (18.2%)

37,600	ADC Telecommunications, Inc.*	248,160
12,500	Agere Systems, Inc.*	93,750
500	Agilent Technologies, Inc.*	16,250
1,800	Applied Materials, Inc.*	88,380
1,400	Arrow Electronics, Inc.*	34,006
10,500	Automatic Data Processing, Inc.	521,850
15,700	Cisco Systems, Inc.*	285,740
1,600	Computer Sciences Corporation*	55,360
5,900	Dell Computer Corporation*	153,105
4,800	EMC Corporation*	139,440
4,400	First Data Corporation	282,700
2,000	Gateway, Inc.*	32,900
2,000	Global Payments, Inc.	60,200
4,300	Hewlett-Packard Company	122,980
14,600	Intel Corporation	427,050
4,200	International Business Machines Corporation	474,600
12,200	Microsoft Corporation*	885,720
8,300	Motorola, Inc.	137,448
2,500	NDCHealth	81,000
12,400	Oracle Corporation*	235,600
7,000	Sun Microsystems, Inc.*	110,040
7,500	Tellabs, Inc.*	144,600
3,900	Texas Instruments, Inc.	122,850
	Total Technology	4,753,729

Transportation (0.1%)

600	CNF, Inc.	16,950
	Total Transportation	16,950

Utilities (0.2%)

1,600	Entergy Corporation	61,424
	Total Utilities	61,424

Total Common Stocks
(cost basis \$25,791,009) 25,187,659

Principal Amount	Short-Term Investments (5.9%)	Interest Rate/1/	Maturity Date	Market Value
\$451,000	Countrywide Home Loans, Inc.	4.100%	7/5/2001	\$450,743
534,000	Eaglefunding Capital Corporation	4.730	7/2/2001	533,883
574,000	General Electric Capital Corporation	3.790	7/3/2001	573,819
	Total Short-Term Investments (amortized cost basis \$1,558,445)			1,558,445
	Total Investments (102.1%) (amortized cost basis \$27,349,454)			26,746,104

Other Assets, Less Liabilities (-2.1%)

(560,607)

Net Assets (100.0%)

\$26,185,497

*Non-income producing security.

/1/The interest rate reflects the discount rate at the date of purchase.

See page 139 for a complete discussion of investment terms.

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio strives for investment results that approximate the performance of the S&P 500 Index by investing primarily in common stocks comprising the Index.

Basic Materials (2.6%)

17,200	Air Products and Chemicals, Inc.	\$786,900
24,000	Alcan, Inc.	1,008,480
64,664	Alcoa, Inc.	2,547,762
5,969	Allegheny Technologies, Inc.	107,979
46,846	Archer Daniels Midland Company	608,998
29,300	Barrick Gold Corporation	443,895
4,000	Bemis Company, Inc.	160,680
4,300	Boise Cascade Corporation	151,231
67,093	Dow Chemical Company	2,230,842
5,800	Eastman Chemical Company	276,254
9,600	Ecolab, Inc.	393,312
78,111	E.I. du Pont de Nemours and Company	3,768,075
9,500	Engelhard Corporation	245,005
2,400	FMC Corporation*	164,544
10,700	Freeport-McMoRan Copper & Gold, Inc.*	118,235
16,724	Georgia-Pacific Group	566,107
3,700	Great Lakes Chemical Corporation	114,145
7,500	Hercules, Inc.*	84,750
19,700	Homestake Mining Company*	152,675
13,600	Inco, Ltd.*	234,736
7,100	International Flavors & Fragrances, Inc.	178,423
36,071	International Paper Company	1,287,735
7,800	Louisiana-Pacific Corporation	91,494
7,400	Mead Corporation	200,836
14,248	Newmont Mining Corporation	265,155
5,800	Nucor Corporation	283,562
11,400	Pactiv Corporation*	152,760
5,870	Phelps Dodge Corporation	243,605
24,500	Placer Dome, Inc.	240,100
2,100	Potlatch Corporation	72,261
12,700	PPG Industries, Inc.	667,639
12,100	Praxair, Inc.	568,700
16,313	Rohm and Haas Company	536,698
5,700	Sigma-Aldrich Corporation	220,134
3,700	Temple-Inland, Inc.	197,173
6,600	USX-U.S. Steel Group	132,990
7,600	Vulcan Materials Company	408,500
7,500	Westvaco Corporation	182,175
16,200	Weyerhaeuser Company	890,514
8,400	Willamette Industries, Inc.	415,800
5,900	Worthington Industries, Inc.	80,240
	Total Basic Materials	21,481,099

Capital Goods (9.4%)

14,400	Allied Waste Industries, Inc.*	268,992
14,600	American Power Conversion Corporation*	229,950
8,300	Avery Dennison Corporation	423,715
2,100	Ball Corporation	99,876
65,460	Boeing Company	3,639,576
25,800	Caterpillar, Inc.	1,291,290
7,000	Cooper Industries, Inc.	277,130
4,450	Crane Company	137,950
3,100	Cummins, Inc.	119,970
10,700	Danaher Corporation	599,200
17,400	Deere & Company	658,590
15,300	Dover Corporation	576,045
5,200	Eaton Corporation	364,520
32,100	Emerson Electric Company	1,942,050
6,000	Fluor Corporation	270,900
15,100	General Dynamics Corporation	1,174,931
743,900	General Electric Company	36,265,125
7,800	Goodrich Corporation	296,244
60,775	Honeywell International, Inc.	2,126,517
22,800	Illinois Tool Works, Inc.	1,443,240
12,050	Ingersoll-Rand Company	496,460
6,600	ITT Industries, Inc.	292,050
14,300	Jabil Circuit, Inc.*	441,298
6,600	Johnson Controls, Inc.	478,302
32,400	Lockheed Martin Corporation	1,200,420
4,500	McDermott International, Inc.*	52,425
3,600	Millipore Corporation	223,128
29,700	Minnesota Mining and Manufacturing Company	3,388,770
14,600	Molex, Inc.	533,338
3,000	National Service Industries, Inc.	67,710
4,400	Navistar International Corporation*	123,772

6,400	Northrop Grumman Corporation	512,640
5,800	PACCAR, Inc.	298,236
8,900	Pall Corporation	209,417
18,600	Pitney Bowes, Inc.	783,432
5,500	Power-One, Inc.*	91,520
26,600	Raytheon Company	706,230
13,700	Rockwell International Corporation	522,244
23,900	Sanmina Corporation*	559,499
6,276	Sealed Air Corporation*	233,781
48,600	Soletron Corporation*	889,380
16,900	Symbol Technologies, Inc.	375,180
10,600	Textron, Inc.	583,424
13,300	Thermo Electron Corporation*	292,866
4,300	Thomas & Betts Corporation	94,901
4,100	Timken Company	69,454
145,107	Tyco International, Ltd.	7,908,332
35,300	United Technologies Corporation	2,586,078
46,699	Waste Management, Inc.*	1,439,263
	Total Capital Goods	77,659,361

Communication Services (5.6%)

23,500	ALLTEL Corporation	1,439,610
258,364	AT&T Corporation	5,684,008
140,400	BellSouth Corporation	5,653,908
10,500	CenturyTel, Inc.	318,150
19,800	Citizens Communications Company*	238,194
65,690	Global Crossing, Ltd.*	567,561
57,000	Nextel Communications, Inc.*	997,500
124,272	Qwest Communications International, Inc.	3,960,549
252,260	SBC Communications, Inc.	10,105,536
66,200	Sprint FON Group	1,414,032
70,000	Sprint PCS Group*	1,690,500
202,596	Verizon Communications, Inc.	10,838,886
216,173	WorldCom Group*	3,233,948
	Total Communication Services	46,142,382

Consumer Cyclical (8.7%)

4,700	American Greetings Corporation	51,700
8,400	AutoZone, Inc.*	315,000
21,600	Bed Bath & Beyond, Inc.*	648,000
15,700	Best Buy Company, Inc.*	997,264
8,400	Big Lots, Inc.*	114,912
6,100	Black & Decker Corporation	240,706
6,500	Brunswick Corporation	156,195
43,600	Carnival Corporation	1,338,520
63,460	Cendant Corporation*	1,237,470
4,400	Centex Corporation	179,300
12,700	Cintas Corporation	587,375
15,200	Circuit City Group	273,600
12,500	Convergys Corporation*	378,125
5,400	Cooper Tire & Rubber Company	76,680
33,800	Costco Wholesale Corporation*	1,388,504
11,066	Dana Corporation	258,280
41,594	Delphi Automotive Systems Corporation	662,592
6,300	Dillard's, Inc.	96,201
24,715	Dollar General Corporation	481,943
6,500	Dow Jones & Company, Inc.	388,115
14,900	Federated Department Stores, Inc.*	633,250
136,900	Ford Motor Company	3,360,895
19,900	Gannett Company, Inc.	1,311,410
64,162	Gap, Inc.	1,860,698
41,100	General Motors Corporation	2,644,785
12,700	Genuine Parts Company	400,050
11,600	Goodyear Tire & Rubber Company	324,800
6,900	H&R Block, Inc.	445,395
5,700	Harcourt General, Inc.	331,683
22,700	Harley-Davidson, Inc.	1,068,716
8,600	Harrah's Entertainment, Inc.*	303,580
12,850	Hasbro, Inc.	185,683
27,600	Hilton Hotels Corporation	320,160
174,800	Home Depot, Inc.	8,136,940
21,800	IMS Health, Inc.	621,300
27,800	Interpublic Group of Companies, Inc.	815,930
19,400	J.C. Penney Company, Inc.	511,384
3,300	Kaufman and Broad Home Corporation	99,561
36,100	Kmart Corporation*	414,067
5,500	Knight Ridder, Inc.	326,150
25,000	Kohl's Corporation*	1,568,250
14,400	Leggett & Platt, Inc.	317,232
31,904	Limited, Inc.	527,054
4,000	Liz Claiborne, Inc.	201,800
28,900	Lowe's Companies, Inc.	2,096,695
18,300	Marriott International, Inc.	866,322
34,200	Masco Corporation	853,632
32,250	Mattel, Inc.*	610,170

22,300	May Department Stores Company	763,998
5,400	Maytag Corporation	158,004
14,700	McGraw-Hill Companies, Inc.	972,405
3,700	Meredith Corporation	132,497
20,400	NIKE, Inc.	856,596
12,000	New York Times Company	504,000
10,000	Nordstrom, Inc.	185,500
21,700	Office Depot, Inc.*	225,246
13,900	Omnicom Group, Inc.	1,195,400
3,200	Pulte Homes, Inc.	136,416
13,700	RadioShack Corporation	417,850
4,300	Reebok International, Ltd.*	137,385
24,700	Sears, Roebuck & Company	1,045,057
11,700	Sherwin-Williams Company	259,740
4,300	Snap-on, Inc.	103,888
6,400	Stanley Works	267,968
34,150	Staples, Inc.*	546,059
14,700	Starwood Hotels & Resorts Worldwide, Inc.	548,016
67,300	Target Corporation	2,328,580
10,800	Tiffany & Company	391,176
20,800	TJX Companies, Inc.	662,896
8,000	TMP Worldwide, Inc.*	472,880
14,500	Toys "R" Us, Inc.*	358,875
22,400	Tribune Company	896,224
9,400	TRW, Inc.	385,400
8,200	VF Corporation	298,316
9,793	Visteon Corporation	179,995
334,900	Wal-Mart Stores, Inc.	16,343,120
5,000	Whirlpool Corporation	312,500
	Total Consumer Cyclical	72,114,061

Consumer Staples (12.8%)

2,800	Adolph Coors Company	140,504
4,300	Alberto-Culver Company	180,772
30,077	Albertson's, Inc.	902,009
67,400	Anheuser-Busch Companies, Inc.	2,776,880
331,850	AOL Time Warner, Inc.*	17,588,050
17,800	Avon Products, Inc.	823,784
5,200	Brown-Foreman Corporation, Class B	332,488
30,300	Campbell Soup Company	780,225
33,475	Cardinal Health, Inc.	2,309,775
44,000	Clear Channel Communications, Inc.*	2,758,800
17,700	Clorox Company	599,145
186,300	Coca-Cola Company	8,383,500
31,100	Coca-Cola Enterprises, Inc.	508,485
42,100	Colgate-Palmolive Company	2,483,479
70,800	Comcast Corporation*	3,072,720
40,200	ConAgra Foods, Inc.	796,362
29,600	CVS Corporation	1,142,560
8,800	Darden Restaurants, Inc.	245,520
5,000	Deluxe Corporation	144,500
11,500	Fortune Brands, Inc.	441,140
21,400	General Mills, Inc.	936,892
78,800	Gillette Company	2,284,412
10,300	Hershey Foods Corporation	635,613
26,200	H.J. Heinz Company	1,071,318
30,100	Kellogg Company	872,900
39,992	Kimberly-Clark Corporation	2,235,553
60,500	Kroger Company*	1,512,500
96,700	McDonald's Corporation*	2,616,702
21,242	McKesson HBOC, Inc.	788,503
19,673	Newell Rubbermaid, Inc.	493,792
10,800	Pepsi Bottling Group, Inc.	433,080
109,700	PepsiCo, Inc.	4,848,740
164,800	Philip Morris Companies, Inc.	8,363,600
97,000	Procter & Gamble Company	6,188,600
9,900	Quaker Oats Company	903,375
23,200	Ralston Purina Company	696,464
13,100	Robert Half International, Inc.*	326,059
8,500	R.R. Donnelley & Sons Company	252,450
38,000	Safeway, Inc.*	1,824,000
58,600	Sara Lee Corporation	1,109,884
28,200	Starbucks Corporation*	648,600
9,900	SUPERVALU, Inc.	173,745
50,100	SYSCO Corporation	1,360,215
11,020	TRICON Global Restaurants, Inc.*	483,778
4,300	Tupperware Corporation	100,749
42,971	Unilever N.V.	2,559,783
15,700	Univision Communications, Inc.*	671,646
12,200	UST, Inc.	352,092
133,344	Viacom, Inc., Class B*	6,900,552
76,200	Walgreen Company	2,602,230
156,447	Walt Disney Company*	4,519,754
8,500	Wendy's International, Inc.	217,090
10,500	Winn-Dixie Stores, Inc.	274,365
17,000	Wm. Wrigley Jr. Company	796,450
	Total Consumer Staples	106,466,184

Energy (6.6%)

6,700	Amerada Hess Corporation	541,360
18,886	Anadarko Petroleum Corporation	1,020,411
9,400	Apache Corporation*	477,050
5,200	Ashland, Inc.	208,520
25,000	Baker Hughes, Inc.	837,500
15,935	Burlington Resources, Inc.	636,603
48,100	Chevron Corporation	4,353,050
46,507	Conoco, Inc., Class B	1,344,052
9,700	Devon Energy Corporation	509,250
8,500	EOG Resources, Inc.	302,175
258,404	Exxon Mobil Corporation	22,571,589
32,200	Halliburton Company	1,146,320
7,124	Kerr-McGee Corporation	472,108
11,000	Nabors Industries, Inc.*	409,200
9,900	Noble Drilling Corporation*	324,225
27,700	Occidental Petroleum Corporation	736,543
19,200	Phillips Petroleum Company	1,094,400
7,700	Progress Energy, Inc. (CVO)*	0
7,000	Rowan Companies, Inc.*	154,700
160,600	Royal Dutch Petroleum Company ADR	9,358,162
43,100	Schlumberger, Ltd.	2,269,215
6,100	Sunoco, Inc.	223,443
41,300	Texaco, Inc.	2,750,580
11,600	Tosco Corporation	510,980
23,911	Transocean Sedco Forex, Inc.	986,329
18,100	Unocal Corporation	618,115
23,100	USX-Marathon Group	681,681
	Total Energy	54,537,561

Financials (18.0%)

39,200	AFLAC, Inc.	1,234,408
54,382	Allstate Corporation	2,392,264
8,000	Ambac Financial Group, Inc.	465,600
99,100	American Express Company	3,845,080
37,524	American General Corporation	1,742,990
174,604	American International Group, Inc.	15,015,944
27,350	AmSouth Bancorporation	505,702
19,525	Aon Corporation	683,375
120,089	Bank of America Corporation	7,208,943
55,200	Bank of New York Company, Inc.	2,649,600
87,253	BANK ONE Corporation	3,123,657
30,400	BB&T Corporation	1,115,680
7,931	Bear Stearns Companies, Inc.	467,691
15,700	Capital One Financial Corporation	942,000
103,525	Charles Schwab Corporation	1,583,932
15,295	Charter One Financial, Inc.	487,911
13,200	Chubb Corporation	1,022,076
11,300	CIGNA Corporation	1,082,766
12,100	Cincinnati Financial Corporation	477,950
376,639	Citigroup, Inc.	19,901,605
13,450	Comerica, Inc.	774,720
24,807	Conseco, Inc.*	338,615
8,900	Countrywide Credit Industries, Inc.	408,332
75,000	Fannie Mae	6,386,250
43,194	Fifth Third Bancorp	2,593,800
73,432	First Union Corporation	2,565,714
81,279	FleetBoston Financial Corporation	3,206,457
19,900	Franklin Resources, Inc.	910,823
51,900	Freddie Mac	3,633,000
11,900	Golden West Financial Corporation	764,456
17,800	Hartford Financial Services Group, Inc.	1,217,520
34,786	Household International, Inc.	2,320,226
18,771	Huntington Bancshares, Inc.	306,906
11,400	Jefferson-Pilot Corporation	550,848
23,200	John Hancock Financial Services, Inc.	934,032
148,748	J.P. Morgan Chase & Company	6,634,161
31,500	KeyCorp	820,575
18,500	Lehman Brothers Holdings, Inc.	1,438,375
14,100	Lincoln National Corporation	729,675
14,800	Loews Corporation	953,564
20,650	Marsh & McLennan Companies, Inc.	2,085,650
11,150	MBIA, Inc.	620,832
63,668	MBNA Corporation	2,097,861
35,900	Mellon Financial Corporation	1,651,400
63,000	Merrill Lynch & Company, Inc.	3,732,750
56,000	MetLife, Inc.*	1,734,880
8,100	MGIC Investment Corporation	588,384
11,600	Moody's Corporation	388,600
83,350	Morgan Stanley Dean Witter & Company	5,353,570
44,800	National City Corporation	1,378,944

16,700	Northern Trust Corporation	1,043,750
21,700	PNC Financial Services Group, Inc.	1,427,643
5,600	Progressive Corporation	757,064
21,500	Provident Financial Corporation	1,272,800
17,000	Regions Financial Corporation	544,000
9,500	SAFECO Corporation	280,250
25,200	SouthTrust Corporation	655,200
24,500	State Street Corporation	1,212,505
16,400	Stilwell Financial, Inc.	550,384
16,146	St. Paul Companies, Inc.	818,441
21,900	SunTrust Banks, Inc.	1,418,682
21,700	Synovus Financial Corporation	680,946
9,400	Torchmark Corporation	377,974
9,034	T. Rowe Price Group, Inc.	337,781
10,300	Union Planters Corporation	449,080
18,024	UNUMProvident	578,931
12,300	USA Education, Inc.	897,900
142,585	U.S. Bancorp	3,249,512
15,800	Wachovia Corporation	1,124,170
65,743	Washington Mutual, Inc.	2,468,649
128,600	Wells Fargo & Company	5,970,898
7,000	Zions Bancorporation	413,000
	Total Financials	149,599,654

Health Care (12.3%)

116,000	Abbott Laboratories	5,569,160
10,649	Aetna, Inc.*	275,489
9,900	Allergan, Inc.	846,450
98,500	American Home Products Corporation	5,756,340
78,200	Amgen, Inc.*	4,745,176
15,800	Applera Corporation	422,650
4,000	Bausch & Lomb, Inc.	144,960
44,500	Baxter International, Inc.	2,180,500
19,200	Becton, Dickinson and Company	687,168
11,200	Biogen, Inc.*	608,832
13,500	Biomet, Inc.*	648,810
29,700	Boston Scientific Corporation*	504,900
145,600	Bristol-Myers Squibb Company	7,614,880
14,300	Chiron Corporation*	729,300
3,800	C.R. Bard, Inc.	216,410
84,200	Eli Lilly and Company	6,230,800
13,200	Forest Laboratories, Inc.*	937,200
22,900	Guidant Corporation*	824,400
40,400	HCA - The Healthcare Company	1,825,676
28,800	HEALTHSOUTH Corporation*	459,936
12,700	Humana, Inc.*	125,095
226,840	Johnson & Johnson	11,342,000
12,900	King Pharmaceuticals, Inc.*	693,375
7,700	Manor Care, Inc.*	244,475
16,000	MedImmune, Inc.*	755,200
90,700	Medtronic, Inc.	4,173,107
171,800	Merck & Company, Inc.	10,979,738
472,775	Pfizer, Inc.	18,934,639
97,456	Pharmacia Corporation	4,478,103
8,700	Quintiles Transnational Corporation*	219,675
109,500	Schering-Plough Corporation	3,968,280
6,421	St. Jude Medical, Inc.*	385,260
14,800	Stryker Corporation	811,780
24,400	Tenet Healthcare Corporation*	1,258,796
23,800	UnitedHealth Group, Inc.	1,469,650
8,000	Watson Pharmaceuticals, Inc.*	493,120
4,800	WellPoint Health Networks, Inc.*	452,352
	Total Health Care	102,013,682

Technology (19.2%)

57,600	ADC Telecommunications, Inc.*	380,160
18,000	Adobe Systems, Inc.	846,000
25,500	Advanced Micro Devices, Inc.*	736,440
34,015	Agilent Technologies, Inc.*	1,105,488
28,700	Altera Corporation*	832,300
27,100	Analog Devices, Inc.*	1,172,075
6,075	Andrew Corporation*	112,084
26,100	Apple Computer, Inc.*	606,825
60,900	Applied Materials, Inc.*	2,990,190
22,500	Applied Micro Circuits Corporation*	387,000
4,000	Autodesk, Inc.	149,200
46,900	Automatic Data Processing, Inc.	2,330,930
20,776	Avaya, Inc.*	284,631
18,200	BMC Software, Inc.*	410,228
19,500	Broadcom Corporation*	833,820
19,300	BroadVision, Inc.*	96,500
14,100	Cabletron Systems, Inc.*	322,185
548,100	Cisco Systems, Inc.*	9,975,420
13,800	Citrix Systems, Inc.*	481,620
126,193	Compaq Computer Corporation	1,954,730
43,012	Computer Associates	

	International, Inc.	1,548,432
12,600	Computer Sciences Corporation*	435,960
27,500	Compuware Corporation*	384,725
12,900	Comverse Technology, Inc.*	743,298
18,100	Concord EFS, Inc.*	941,381
18,500	Conexant Systems, Inc.*	165,575
69,300	Corning, Inc.	1,158,003
194,700	Dell Computer Corporation*	5,052,465
21,800	Eastman Kodak Company	1,017,624
35,100	Electronic Data Systems Corporation	2,193,750
165,186	EMC Corporation*	4,798,653
10,600	Equifax, Inc.	388,808
29,400	First Data Corporation	1,888,950
9,400	Fiserv, Inc.*	601,412
23,800	Gateway, Inc.*	391,510
145,400	Hewlett-Packard Company	4,158,440
503,600	Intel Corporation	14,730,300
130,200	International Business Machines Corporation	14,712,600
15,700	Intuit, Inc.*	627,843
98,200	JDS Uniphase Corporation*	1,252,050
14,000	KLA-Tencor Corporation*	818,580
9,700	Lexmark International, Inc.*	652,325
23,900	Linear Technology Corporation	1,056,858
26,700	LSI Logic Corporation*	501,960
254,422	Lucent Technologies, Inc.	1,577,416
24,700	Maxim Integrated Products, Inc.*	1,091,987
6,200	Mercury Interactive Corporation*	371,380
44,800	Micron Technology, Inc.*	1,841,280
403,100	Microsoft Corporation*	29,265,060
164,290	Motorola, Inc.	2,720,642
12,700	National Semiconductor Corporation*	369,824
7,300	NCR Corporation*	343,100
23,900	Network Appliance, Inc.*	327,430
238,200	Nortel Networks Corporation	2,165,238
22,600	Novell, Inc.*	128,594
10,700	Novellus Systems, Inc.*	607,653
420,348	Oracle Corporation*	7,986,612
41,500	Palm, Inc.*	251,905
19,300	Parametric Technology Corporation*	270,007
8,750	Parker Hannifin Corporation	371,350
28,100	Paychex, Inc.	1,124,000
22,100	PeopleSoft, Inc.*	1,087,983
7,500	PerkinElmer, Inc.	206,475
6,900	QLogic Corporation*	444,705
56,900	QUALCOMM, Inc.*	3,327,512
9,949	Sabre, Inc.*	497,450
9,200	Sapient Corporation*	89,700
12,200	Scientific-Atlanta, Inc.	495,320
34,100	Siebel Systems, Inc.*	1,599,290
243,800	Sun Microsystems, Inc.*	3,832,536
7,000	Tektronix, Inc.*	190,050
30,300	Tellabs, Inc.*	584,184
12,900	Teradyne, Inc.*	426,990
130,000	Texas Instruments, Inc.	4,095,000
23,700	Unisys Corporation*	348,627
29,800	VERITAS Software Corporation*	1,982,594
13,700	Vitesse Semiconductor Corporation*	288,248
7,100	W.W. Grainger, Inc.	292,236
51,300	Xerox Corporation	490,941
25,000	Xilinx, Inc.*	1,031,000
42,100	Yahoo!, Inc.*	841,579
	Total Technology	159,195,226

Transportation (0.7%)

11,500	AMR Corporation*	415,495
29,092	Burlington Northern Santa Fe Corporation	877,705
15,800	CSX Corporation	572,592
9,300	Delta Air Lines, Inc.	409,944
23,060	FedEx Corporation*	927,012
28,800	Norfolk Southern Corporation	596,160
4,500	Ryder System, Inc.	88,200
56,700	Southwest Airlines Company	1,048,383
18,600	Union Pacific Corporation	1,021,326
5,000	US Airways Group, Inc.*	121,500
	Total Transportation	6,078,317

Utilities (3.7%)

40,000	AES Corporation*	1,722,000
9,400	Allegheny Energy, Inc.	453,550
10,300	Ameren Corporation	439,810
24,260	American Electric Power Company, Inc.	1,120,084
22,500	Calpine Corporation*	850,500

11,900	Cinergy Corporation	415,905
9,600	CMS Energy Corporation	267,360
15,900	Consolidated Edison, Inc.	632,820
12,300	Constellation Energy Group, Inc.	523,980
18,547	Dominion Resources, Inc.	1,115,231
12,400	DTE Energy Company	575,856
57,816	Duke Energy Corporation	2,255,402
24,500	Dynegy, Inc.	1,139,250
23,800	Edison International*	265,370
38,218	El Paso Corporation	2,007,974
56,000	Enron Corporation	2,744,000
16,600	Entergy Corporation	637,274
24,012	Exelon Corporation	1,539,650
16,600	FirstEnergy Corporation	533,856
13,200	FPL Group, Inc.	794,772
8,800	General Public Utilities Corporation	309,320
10,100	KeySpan Corporation	368,448
8,600	Kinder Morgan, Inc.	432,150
25,257	Mirant Corporation*	868,841
11,600	Niagara Mohawk Holdings, Inc.*	205,204
3,400	Nicor, Inc.	132,532
15,409	NiSource, Inc.	421,128
4,400	ONEOK, Inc.	86,680
28,500	Pacific Gas & Electric Company	319,200
2,700	Peoples Energy Corporation	108,540
6,400	Pinnacle West Capital Corporation	303,360
11,000	PPL Corporation	605,000
15,520	Progress Energy, Inc.	697,158
15,600	Public Service Enterprise Group, Inc.	762,840
22,273	Reliant Energy, Inc.	717,413
15,375	Sempra Energy	420,353
51,000	Southern Company	1,185,750
19,317	TXU Corporation	930,886
36,100	Williams Companies, Inc.	1,189,495
25,405	Xcel Energy, Inc.	722,772
	Total Utilities	30,821,714

Total Common Stocks
(cost basis \$721,457,265) 826,109,241

Principal Amount	Short-Term Investments (0.2%)	Interest Rate/1/	Maturity Date	Market Value
\$1,382,000	Countrywide Home Loans, Inc.	4.200%	7/2/2001	\$1,381,678

Total Short-Term Investments
(amortized cost basis \$1,381,678) 1,381,678

Total Investments (99.8%)
(amortized cost basis \$722,838,943) 827,490,919

Other Assets, Less Liabilities (0.2%) 1,465,604

Net Assets (100.0%) \$828,956,523

*Non-income producing security.

/1/The interest rate reflects the discount rate at the date of purchase.

See page 139 for a complete discussion of investment terms.

AAL Equity Income Portfolio

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio seeks current income, long-term income growth and capital growth by investing primarily in a diversified portfolio of income-producing equity securities.

Basic Materials (3.2%)

2,100	Alcoa, Inc.	\$82,740
2,300	International Paper Company	82,110
3,400	Plum Creek Timber Company, Inc.	95,642
3,800	USX - U.S. Steel Group	76,570
	Total Basic Materials	337,062

Capital Goods (8.1%)

1,900	Emerson Electric Company	114,950
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2,100	Flextronics International, Ltd.*	54,831
2,700	Goodrich Corporation	102,546
4,600	Honeywell International, Inc.	160,954
2,000	Jabil Circuit, Inc.*	61,720
1,700	Pitney Bowes, Inc.	71,604
1,300	Shaw Group, Inc.*	52,130
3,000	Soletron Corporation*	54,900
3,200	Tyco International, Ltd.	174,400
	Total Capital Goods	848,035

Communication Services (6.8%)

3,200	AT&T Corporation	70,400
3,000	Cable and Wireless plc ADR	54,000
3,800	SBC Communications, Inc.	152,228
3,500	Sprint FON Corporation	74,760
3,700	Telefonica SA ADR	137,788
3,400	Verizon Communications, Inc.	181,900
2,100	Vodafone Group plc ADR	46,935
	Total Communication Services	718,011

Consumer Cyclicals (8.7%)

1,700	Convergys Corporation*	51,425
5,200	Delphi Automotive Systems Corporation	82,836
4,200	Family Dollar Stores, Inc.	107,646
1,900	Ford Motor Company	46,645
1,500	Home Depot, Inc.	69,825
2,900	Lowe's Companies, Inc.	210,395
3,200	Masco Corporation	79,872
1,700	McGraw-Hill Companies, Inc.	112,455
900	New York Times Company	37,800
3,200	Target Corporation	110,720
	Total Consumer Cyclicals	909,619

Consumer Staples (7.9%)

2,600	CVS Corporation	100,360
4,100	Fox Entertainment Group, Inc.*	114,390
2,400	General Mills, Inc.	105,072
1,500	H.J. Heinz Company	61,335
1,500	Kimberly-Clark Corporation	83,850
4,800	Kroger Company*	120,000
6,500	Liberty Media Corporation*	113,685
100	Liberty Media Corporation, Class B*	1,815
2,600	Ralston Purina Company	78,052
2,900	Sara Lee Corporation	54,926
	Total Consumer Staples	833,485

Energy (13.2%)

5,100	BJ Services Company*	144,738
5,700	Conoco, Inc., Class B	164,730
3,100	EOG Resources, Inc.	110,205
2,400	Halliburton Company	85,440
2,700	Nabors Industries, Inc.*	100,440
3,600	Noble Drilling Corporation*	117,900
3,800	Phillips Petroleum Company	216,600
3,900	Precision Drilling Corporation*	121,836
3,100	Texaco, Inc.	206,460
3,200	Valero Energy Corporation	117,696
	Total Energy	1,386,045

Financials (25.1%)

3,500	ACE, Ltd.	136,815
1,800	Bank of America Corporation	108,054
2,500	Bank of New York Company, Inc.	120,000
2,800	BANK ONE Corporation	100,240
3,000	J.P. Morgan Chase & Company	133,800
1,400	CIGNA Corporation	134,148
4,400	Citigroup, Inc.	232,496
4,600	Crescent Real Estate Equities Company	113,022
2,200	Duke Realty Corporation	54,670
1,900	Equity Residential Properties Trust	107,445
3,200	Fannie Mae	272,480
3,100	First Industrial Realty Trust, Inc.	99,634
4,200	FleetBoston Financial Corporation	165,690
4,100	Freddie Mac	287,000
1,700	Hartford Financial Services Group, Inc.	116,280
2,500	Mellon Financial Corporation	115,000
1,800	Simon Property Group, Inc.	53,946
3,500	Wells Fargo & Company	162,505
1,400	XL Capital, Ltd.	114,940

Total Financials 2,628,165

Health Care (7.7%)

3,800	Baxter International, Inc.*	186,200
1,000	Elan Corporation plc ADR*	61,000
2,000	Johnson & Johnson	100,000
3,300	Pfizer, Inc.	132,165
4,200	Serono SA ADR	104,790
2,200	Tenet Healthcare Corporation*	113,498
1,800	Watson Pharmaceuticals, Inc.*	110,952
	Total Health Care	808,605

Technology (5.8%)

3,400	ADC Telecommunications, Inc.*	22,440
1,400	CIENA Corporation*	53,200
3,900	Compaq Computer Corporation	60,411
1,600	Corning, Inc.	26,736
2,700	First Data Corporation	173,475
1,700	International Business Machines Corporation	192,100
3,000	Oracle Corporation*	57,000
1,700	Parametric Technology Company*	23,783
	Total Technology	609,145

Utilities (10.1%)

1,200	Ameren Corporation	51,240
1,500	American Electric Power Company, Inc.	69,255
2,100	CMS Energy Corporation	58,485
800	Consolidated Edison, Inc.	31,840
1,600	Dominion Resources, Inc.	96,208
1,500	El Paso Corporation	78,810
2,000	National Fuel Gas Company	103,980
1,200	NSTAR	51,072
2,300	Pinnacle West Capital Corporation	109,020
3,200	Questar Corporation	79,232
2,900	TXU Corporation	139,751
2,400	Williams Companies, Inc.	79,080
3,800	Xcel Energy, Inc.	108,110
	Total Utilities	1,056,083

Total Common Stocks
(cost basis \$10,432,834) 10,134,255

Principal Amount	Short-Term Investments (7.1%)	Interest Rate/1/	Maturity Date	Market Value
\$217,000	Countrywide Home Loans, Inc.	4.100%	7/5/2001	\$216,877
522,000	General Electric Capital Corporation	3.710	7/2/2001	521,892

Total Short-Term Investments
(amortized cost basis \$738,769) 738,769

Total Investments (103.7%)
(amortized cost basis \$11,171,603) 10,873,024

Other Assets, Less Liabilities (-3.7%) (384,801)

Net Assets (100.0%) \$10,488,223

* Non income-producing security.

/1/The interest rate reflects the discount rate at the date of purchase.

See page 139 for a complete discussion of investment terms.

AAL Balanced Portfolio

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio strives for investment results that approximate the performance of the S&P 500 Index by investing primarily in common stocks comprising the Index.

Basic Materials (1.5%)

9,300	Air Products and Chemicals, Inc.	\$425,475
13,000	Alcan, Inc.	546,260
35,064	Alcoa, Inc.	1,381,522
3,181	Allegheny Technologies, Inc.	57,544
25,563	Archer Daniels Midland Company	332,319
16,000	Barrick Gold Corporation	242,400
2,100	Bemis Company, Inc.	84,357
2,300	Boise Cascade Corporation	80,891
36,477	Dow Chemical Company	1,212,860
3,100	Eastman Chemical Company	147,653
5,200	Ecolab, Inc.	213,044
42,319	E.I. du Pont de Nemours and Company	2,041,469
5,250	Engelhard Corporation	135,397
1,300	FMC Corporation*	89,128
5,800	Freeport-McMoRan Copper & Gold, Inc.*	64,090
9,183	Georgia-Pacific Group	310,845
2,000	Great Lakes Chemical Corporation	61,700
4,300	Hercules, Inc.*	48,590
10,600	Homestake Mining Company*	82,150
7,300	Inco, Ltd.*	125,998
3,900	International Flavors & Fragrances, Inc.	98,007
19,621	International Paper Company	700,470
4,200	Louisiana-Pacific Corporation	49,266
4,000	Mead Corporation	108,560
7,917	Newmont Mining Corporation	147,335
3,200	Nucor Corporation	156,448
6,400	Pactiv Corporation*	85,760
3,220	Phelps Dodge Corporation	133,630
13,300	Placer Dome, Inc.	130,340
1,100	Potlatch Corporation	37,851
6,800	PPG Industries, Inc.	357,476
6,500	Praxair, Inc.	305,500
8,911	Rohm and Haas Company	293,172
3,100	Sigma-Aldrich Corporation	119,722
2,000	Temple-Inland, Inc.	106,580
3,600	USX-U.S. Steel Group	72,540
4,100	Vulcan Materials Company	220,375
4,100	Westvaco Corporation	99,589
8,700	Weyerhaeuser Company	478,239
4,100	Willamette Industries, Inc.	202,950
3,400	Worthington Industries, Inc.	46,240
	Total Basic Materials	11,633,742

Capital Goods (5.4%)

8,000	Allied Waste Industries, Inc.*	149,440
7,900	American Power Conversion Corporation*	124,425
4,500	Avery Dennison Corporation	229,725
1,100	Ball Corporation	52,316
35,428	Boeing Company	1,969,797
13,900	Caterpillar, Inc.	695,695
3,800	Cooper Industries, Inc.	150,442
2,450	Crane Company	75,950
1,700	Cummins, Inc.	65,790
5,800	Danaher Corporation	324,800
9,500	Deere & Company	359,575
8,300	Dover Corporation	312,495
2,800	Eaton Corporation	196,280
17,400	Emerson Electric Company	1,052,700
3,200	Fluor Corporation	144,480
8,200	General Dynamics Corporation	638,042
403,300	General Electric Company	19,660,875
4,200	Goodrich Corporation	159,516
32,837	Honeywell International, Inc.	1,148,967
12,400	Illinois Tool Works, Inc.	784,920
6,500	Ingersoll-Rand Company	267,800
3,600	ITT Industries, Inc.	159,300
7,700	Jabil Circuit, Inc.*	237,622
3,500	Johnson Controls, Inc.	253,645
17,600	Lockheed Martin Corporation	652,080
2,400	McDermott International, Inc.*	27,960
1,900	Millipore Corporation	117,762
16,100	Minnesota Mining and Manufacturing Company	1,837,010
7,950	Molex, Inc.	290,413
1,600	National Service Industries, Inc.	36,112
2,400	Navistar International Corporation*	67,512
3,500	Northrop Grumman Corporation	280,350
3,100	PACCAR, Inc.	159,402
5,000	Pall Corporation	117,650
10,000	Pitney Bowes, Inc.	421,200
3,100	Power-One, Inc.*	51,584
14,400	Raytheon Company	382,320
7,400	Rockwell International Corporation	282,088
12,900	Sanmina Corporation*	301,989

3,364	Sealed Air Corporation*	125,309
26,500	Solelectron Corporation*	484,950
9,200	Symbol Technologies, Inc.	204,240
5,700	Textron, Inc.	313,728
7,300	Thermo Electron Corporation*	160,746
2,300	Thomas & Betts Corporation	50,761
2,400	Timken Company	40,656
78,663	Tyco International, Ltd.	4,287,133
19,100	United Technologies Corporation	1,399,266
25,330	Waste Management, Inc.*	780,671
	Total Capital Goods	42,087,489

Communication Services (3.2%)

12,700	ALLTEL Corporation	778,002
140,065	AT&T Corporation	3,081,430
76,100	BellSouth Corporation	3,064,547
5,750	CenturyTel, Inc.	174,225
10,600	Citizens Communications Company*	127,518
35,910	Global Crossing, Ltd.*	310,262
31,000	NEXTEL Communications, Inc.*	542,500
67,418	Qwest Communications International, Inc.	2,148,612
136,762	SBC Communications, Inc.	5,478,686
35,900	Sprint FON Group	766,824
38,000	Sprint PCS Group*	917,700
109,770	Verizon Communications, Inc.	5,872,695
117,221	WorldCom Group*	1,753,626
	Total Communication Services	25,016,627

Consumer Cyclicals (5.1%)

2,500	American Greetings Corporation	27,500
4,500	AutoZone, Inc.*	168,750
11,700	Bed Bath & Beyond, Inc.*	351,000
8,500	Best Buy Company, Inc.*	539,920
3,300	Black & Decker Corporation	130,218
3,500	Brunswick Corporation	84,105
23,700	Carnival Corporation	727,590
34,560	Cendant Corporation*	673,920
2,400	Centex Corporation	97,800
6,900	Cintas Corporation	319,125
8,400	Circuit City Stores, Inc. - Circuit City Group	151,200
4,500	Consolidated Stores Corporation	61,560
6,900	Convergys Corporation*	208,725
2,900	Cooper Tire & Rubber Company	41,180
18,300	Costco Wholesale Corporation*	751,764
5,979	Dana Corporation	139,550
22,676	Delphi Automotive Systems Corporation	361,229
3,400	Dillard's, Inc.	51,918
13,322	Dollar General Corporation	259,779
3,500	Dow Jones & Company, Inc.	208,985
8,000	Federated Department Stores, Inc.*	340,000
74,200	Ford Motor Company	1,821,610
10,800	Gannett Company, Inc.	711,720
34,900	Gap, Inc.	1,012,100
22,300	General Motors Corporation	1,435,005
7,000	Genuine Parts Company	220,500
6,400	Goodyear Tire & Rubber Company	179,200
3,700	H&R Block, Inc.	238,835
2,700	Harcourt General, Inc.	157,113
12,300	Harley-Davidson, Inc.	579,084
4,800	Harrah's Entertainment, Inc.*	169,440
7,000	Hasbro, Inc.	101,150
14,900	Hilton Hotels Corporation	172,840
94,700	Home Depot, Inc.	4,408,285
11,900	IMS Health, Inc.	339,150
16,000	Interpublic Group of Companies, Inc.	469,600
10,600	J.C. Penney Company, Inc.	279,416
1,800	KB Home	54,306
19,800	Kmart Corporation*	227,106
3,000	Knight Ridder, Inc.	177,900
13,500	Kohl's Corporation*	846,855
7,900	Leggett & Platt, Inc.	174,037
17,262	Limited, Inc.	285,168
2,100	Liz Claiborne, Inc.	105,945
15,600	Lowe's Companies, Inc.	1,131,780
9,900	Marriott International, Inc.	468,666
18,600	Masco Corporation	464,256
17,425	Mattel, Inc.*	329,681
12,100	May Department Stores Company	414,546
3,100	Maytag Corporation	90,706
7,900	McGraw-Hill Companies, Inc.	522,585
2,000	Meredith Corporation	71,620
11,000	NIKE, Inc.	461,890
6,500	New York Times Company	273,000
5,400	Nordstrom, Inc.	100,170
12,000	Office Depot, Inc.*	124,560

7,500	Omnicom Group, Inc.	645,000
1,700	Pulte Homes, Inc.	72,471
7,500	RadioShack Corporation	228,750
2,400	Reebok International, Ltd.*	76,680
13,300	Sears, Roebuck & Company	562,723
6,300	Sherwin-Williams Company	139,860
2,300	Snap-on, Inc.	55,568
3,500	Stanley Works	146,545
18,500	Staples, Inc.*	295,815
8,100	Starwood Hotels & Resorts Worldwide, Inc.	301,968
36,500	Target Corporation	1,262,900
5,900	Tiffany & Company	213,698
11,400	TJX Companies, Inc.	363,318
4,300	TMP Worldwide, Inc.*	254,173
8,000	Toys "R" Us, Inc.*	198,000
12,100	Tribune Company	484,121
5,100	TRW, Inc.	209,100
4,500	VF Corporation	163,710
5,256	Visteon Corporation	96,605
181,500	Wal-Mart Stores, Inc.	8,857,200
2,700	Whirlpool Corporation	168,750
	Total Consumer Cyclical	39,112,598

Consumer Staples (7.5%)

1,500	Adolph Coors Company	75,270
2,300	Alberto-Culver Company	96,692
16,422	Albertson's, Inc.	492,496
36,400	Anheuser-Busch Companies, Inc.	1,499,680
179,850	AOL Time Warner, Inc.*	9,532,050
9,600	Avon Products, Inc.	444,288
2,800	Brown-Forman Corporation, Class B	179,032
16,600	Campbell Soup Company	427,450
18,075	Cardinal Health, Inc.	1,247,175
23,900	Clear Channel Communications, Inc.*	1,498,530
9,600	Clorox Company	324,960
101,000	Coca-Cola Company	4,545,000
17,000	Coca-Cola Enterprises, Inc.	277,950
22,800	Colgate-Palmolive Company	1,344,972
38,400	Comcast Corporation*	1,666,560
21,800	ConAgra Foods, Inc.	431,858
16,000	CVS Corporation	617,600
4,800	Darden Restaurants, Inc.	133,920
2,800	Deluxe Corporation	80,920
6,200	Fortune Brands, Inc.	237,832
11,600	General Mills, Inc.	507,848
42,800	Gillette Company	1,240,772
5,600	Hershey Foods Corporation	345,576
14,150	H.J. Heinz Company	578,593
16,500	Kellogg Company	478,500
21,580	Kimberly-Clark Corporation	1,206,322
32,900	Kroger Company*	822,500
52,500	McDonald's Corporation*	1,420,650
11,580	McKesson HBOC, Inc.	429,850
10,826	Newell Rubbermaid, Inc.	271,732
5,800	Pepsi Bottling Group, Inc.	232,580
59,400	PepsiCo, Inc.	2,625,480
89,300	Philip Morris Companies, Inc.	4,531,975
52,600	Procter & Gamble Company	3,355,880
5,400	Quaker Oats Company	492,750
12,600	Ralston Purina Company	378,252
7,100	Robert Half International, Inc.*	176,719
4,700	R.R. Donnelley & Sons Company	139,590
20,500	Safeway, Inc.*	984,000
31,900	Sara Lee Corporation	604,186
15,400	Starbucks Corporation*	354,200
5,300	SUPERVALU, Inc.	93,015
27,300	SYSCO Corporation	741,195
5,930	TRICON Global Restaurants, Inc.*	260,327
2,300	Tupperware Corporation	53,889
23,182	Unilever N.V.	1,380,952
8,500	Univision Communications, Inc.*	363,630
6,600	UST, Inc.	190,476
72,325	Viacom, Inc., Class B*	3,742,819
41,300	Walgreen Company	1,410,395
84,787	Walt Disney Company*	2,449,496
4,600	Wendy's International, Inc.	117,484
5,700	Winn-Dixie Stores, Inc.	148,941
9,200	Wm. Wrigley Jr. Company	431,020
	Total Consumer Staples	57,715,829

Energy (3.8%)

3,600	Amerada Hess Corporation	290,880
10,218	Anadarko Petroleum Corporation	552,078
5,100	Apache Corporation*	258,825
2,800	Ashland, Inc.	112,280
13,620	Baker Hughes, Inc.	456,270

8,567	Burlington Resources, Inc.	342,252
26,100	Chevron Corporation	2,362,050
25,328	Conoco, Inc., Class B	731,979
5,300	Devon Energy Corporation	278,250
4,700	EOG Resources, Inc.	167,085
140,036	Exxon Mobil Corporation	12,232,145
17,400	Halliburton Company	619,440
3,880	Kerr-McGee Corporation	257,128
6,000	Nabors Industries, Inc.*	223,200
5,400	Noble Drilling Corporation*	176,850
15,000	Occidental Petroleum Corporation	398,850
10,400	Phillips Petroleum Company	592,800
3,600	Progress Energy, Inc. (CVO)*	0
3,800	Rowan Companies, Inc.*	83,980
87,100	Royal Dutch Petroleum Company	5,075,317
23,300	Schlumberger, Ltd.	1,226,745
3,400	Sunoco, Inc.	124,542
22,400	Texaco, Inc.	1,491,840
6,300	Tosco Corporation	277,515
12,936	Transocean Sedco Forex, Inc.	533,610
9,900	Unocal Corporation	338,085
12,500	USX-Marathon Group	368,875
	Total Energy	29,572,871

Financials (10.5%)

21,300	AFLAC, Inc.	670,737
29,396	Allstate Corporation	1,293,130
4,350	Ambac Financial Group, Inc.	253,170
53,700	American Express Company	2,083,560
20,316	American General Corporation	943,678
94,640	American International Group, Inc.	8,139,040
15,000	AmSouth Bancorporation	277,350
10,650	Aon Corporation	372,750
65,085	Bank of America Corporation	3,907,052
29,900	Bank of New York Company, Inc.	1,435,200
47,332	BANK ONE Corporation	1,694,486
16,500	BB&T Corporation	605,550
4,278	Bear Stearns Companies, Inc.	252,274
8,500	Capital One Financial Corporation	510,000
56,225	Charles Schwab Corporation	860,242
8,365	Charter One Financial, Inc.	266,843
7,100	Chubb Corporation	549,753
6,100	CIGNA Corporation	584,502
6,500	Cincinnati Financial Corporation	256,750
204,189	Citigroup, Inc.	10,789,347
7,300	Comerica, Inc.	420,480
13,699	Conseco, Inc.*	186,991
4,800	Countrywide Credit Industries, Inc.	220,224
40,600	Fannie Mae	3,457,090
23,416	Fifth Third Bancorp	1,406,131
39,810	First Union Corporation	1,390,961
43,959	FleetBoston Financial Corporation	1,734,183
10,700	Franklin Resources, Inc.	489,739
28,100	Freddie Mac	1,967,000
6,500	Golden West Financial Corporation	417,560
9,600	Hartford Financial Services Group, Inc.	656,640
18,899	Household International, Inc.	1,260,563
10,116	Huntington Bancshares, Inc.	165,397
6,200	Jefferson-Pilot Corporation	299,584
12,700	John Hancock Financial Services, Inc.	511,302
80,560	J.P. Morgan Chase and Company	3,592,976
17,200	KeyCorp	448,060
10,000	Lehman Brothers Holdings, Inc.	777,500
7,600	Lincoln National Corporation	393,300
8,000	Loews Corporation	515,440
11,250	Marsh & McLennan Companies, Inc.	1,136,250
6,000	MBIA, Inc.	334,080
34,537	MBNA Corporation	1,137,994
19,400	Mellon Financial Corporation	892,400
34,100	Merrill Lynch & Company, Inc.	2,020,425
30,400	MetLife, Inc.*	941,792
4,400	MGIC Investment Corporation	319,616
6,400	Moody's Corporation	214,400
45,190	Morgan Stanley Dean Witter & Company	2,902,554
24,400	National City Corporation	751,032
9,100	Northern Trust Corporation	568,750
11,800	PNC Financial Services Group, Inc.	776,322
3,000	Progressive Corporation	405,570
11,600	Provident Financial Corporation	686,720
9,200	Regions Financial Corporation	294,400
5,200	SAFECO Corporation	153,400
13,800	SouthTrust Corporation	358,800
13,200	State Street Corporation	653,268
8,900	Stilwell Financial, Inc.	298,684
8,722	St. Paul Companies, Inc.	442,118
11,900	SunTrust Banks, Inc.	770,882

11,750	Synovus Financial Corporation	368,715
5,100	Torchmark Corporation	205,071
5,000	T. Rowe Price Associates, Inc.	186,950
5,600	Union Planters Corporation	244,160
9,758	UNUMProvident	313,427
6,600	USA Education, Inc.	481,800
77,321	U.S. Bancorp	1,762,146
8,600	Wachovia Corporation	611,890
35,675	Washington Mutual, Inc.	1,339,596
69,660	Wells Fargo & Company	3,234,314
3,800	Zions Bancorporation	224,200
	Total Financials	81,088,261

Health Care (7.1%)

62,900	Abbott Laboratories	3,019,829
5,714	Aetna, Inc.*	147,821
5,400	Allergan, Inc.	461,700
53,400	American Home Products Corporation	3,120,696
42,400	Amgen, Inc.*	2,572,832
8,500	Applera Corporation	227,375
2,200	Bausch & Lomb, Inc.	79,728
24,100	Baxter International, Inc.	1,180,900
10,500	Becton, Dickinson and Company	375,795
6,100	Biogen, Inc.*	331,596
7,300	Biomet, Inc.*	350,838
16,200	Boston Scientific Corporation*	275,400
78,900	Bristol-Myers Squibb Company	4,126,470
7,700	Chiron Corporation*	392,700
2,100	C.R. Bard, Inc.	119,595
45,700	Eli Lilly and Company	3,381,800
7,200	Forest Laboratories, Inc.*	511,200
12,500	Guidant Corporation*	450,000
21,850	HCA - The Healthcare Company	987,401
15,800	HEALTHSOUTH Corporation*	252,326
6,800	Humana, Inc.*	66,980
122,906	Johnson & Johnson	6,145,300
7,000	King Pharmaceuticals, Inc.*	376,250
4,200	Manor Care, Inc.*	133,350
8,600	MedImmune, Inc.*	405,920
49,100	Medtronic, Inc.	2,259,091
93,100	Merck & Company, Inc.	5,950,021
256,250	Pfizer, Inc.	10,262,813
52,801	Pharmacia Corporation	2,426,206
4,700	Quintiles Transnational Corporation*	118,675
59,400	Schering-Plough Corporation	2,152,656
3,495	St. Jude Medical, Inc.*	209,700
8,000	Stryker Corporation	438,800
13,200	Tenet Healthcare Corporation*	680,988
12,900	UnitedHealth Group, Inc.	796,575
4,300	Watson Pharmaceuticals, Inc.*	265,052
2,600	WellPoint Health Networks, Inc.*	245,024
	Total Health Care	55,299,403

Technology (11.1%)

31,700	ADC Telecommunications, Inc.*	209,220
9,700	Adobe Systems, Inc.	455,900
13,900	Advanced Micro Devices, Inc.*	401,432
18,563	Agilent Technologies, Inc.*	603,298
15,700	Altera Corporation*	455,300
14,600	Analog Devices, Inc.*	631,450
3,300	Andrew Corporation*	60,885
14,100	Apple Computer, Inc.*	327,825
33,000	Applied Materials, Inc.*	1,620,300
12,100	Applied Micro Circuits Corporation*	208,120
2,200	Autodesk, Inc.	82,060
25,400	Automatic Data Processing, Inc.	1,262,380
11,439	Avaya, Inc.*	156,714
9,900	BMC Software, Inc.*	223,146
10,500	Broadcom Corporation*	448,980
11,100	BroadVision, Inc.*	55,500
7,600	Cabletron Systems, Inc.*	173,660
297,100	Cisco Systems, Inc.*	5,407,220
7,500	Citrix Systems, Inc.*	261,750
68,500	Compaq Computer Corporation	1,061,065
23,375	Computer Associates International, Inc.	841,500
6,800	Computer Sciences Corporation*	235,280
14,900	Compuware Corporation*	208,451
7,000	Comverse Technology, Inc.*	403,340
10,300	Concord EFS, Inc.*	535,703
10,000	Conexant Systems, Inc.*	89,500
37,700	Corning, Inc.	629,967
105,600	Dell Computer Corporation*	2,740,320
11,800	Eastman Kodak Company	550,824
19,000	Electronic Data Systems Corporation	1,187,500

89,524	EMC Corporation*	2,600,672
5,800	Equifax, Inc.	212,744
15,900	First Data Corporation	1,021,575
5,100	Fiserv, Inc.*	326,298
13,100	Gateway, Inc.*	215,495
78,900	Hewlett-Packard Company	2,256,540
273,000	Intel Corporation	7,985,250
70,600	International Business Machines Corporation	7,977,800
8,500	Intuit, Inc.*	339,915
53,400	JDS Uniphase Corporation*	680,850
7,500	KLA-Tencor Corporation*	438,525
5,200	Lexmark International, Inc.*	349,700
12,900	Linear Technology Corporation	570,438
14,600	LSI Logic Corporation*	274,480
138,175	Lucent Technologies, Inc.	856,685
13,300	Maxim Integrated Products, Inc.*	587,993
3,400	Mercury Interactive Corporation*	203,660
24,200	Micron Technology, Inc.*	994,620
218,500	Microsoft Corporation*	15,863,100
89,121	Motorola, Inc.	1,475,844
7,000	National Semiconductor Corporation*	203,840
3,900	NCR Corporation*	183,300
13,200	Network Appliance, Inc.*	180,840
129,260	Nortel Networks Corporation	1,174,973
12,800	Novell, Inc.*	72,832
5,800	Novellus Systems, Inc.*	329,382
227,800	Oracle Corporation*	4,328,200
23,000	Palm, Inc.*	139,610
10,700	Parametric Technology Corporation*	149,693
4,700	Parker Hannifin Corporation	199,468
15,150	Paychex, Inc.	606,000
11,900	PeopleSoft, Inc.*	585,837
4,100	PerkinElmer, Inc.	112,873
3,800	QLogic Corporation*	244,910
30,800	QUALCOMM, Inc.*	1,801,184
5,385	Sabre Holdings Corporation*	269,250
4,900	Sapient Corporation*	47,775
6,600	Scientific-Atlanta, Inc.	267,960
18,400	Siebel Systems, Inc.*	862,960
132,200	Sun Microsystems, Inc.*	2,078,184
3,800	Tektronix, Inc.*	103,170
16,600	Tellabs, Inc.*	320,048
7,100	Teradyne, Inc.*	235,010
70,500	Texas Instruments, Inc.	2,220,750
12,800	Unisys Corporation*	188,288
16,200	VERITAS Software Corporation*	1,077,786
7,400	Vitesse Semiconductor Corporation*	155,696
3,900	W.W. Grainger, Inc.	160,524
28,100	Xerox Corporation	268,917
13,500	Xilinx, Inc.*	556,740
23,000	Yahoo!, Inc.*	459,770
	Total Technology	86,346,544

Transportation (0.4%)

6,200	AMR Corporation*	224,006
15,892	Burlington Northern Santa Fe Corporation	479,462
8,700	CSX Corporation	315,288
5,000	Delta Air Lines, Inc.	220,400
12,440	FedEx Corporation*	500,088
15,600	Norfolk Southern Corporation	322,920
2,400	Ryder System, Inc.	47,040
30,880	Southwest Airlines Company	570,971
10,100	Union Pacific Corporation	554,591
2,700	US Airways Group, Inc.*	65,610
	Total Transportation	3,300,376

Utilities (2.2%)

21,600	AES Corporation*	929,880
5,100	Allegheny Energy, Inc.	246,075
5,600	Ameren Corporation	239,120
13,040	American Electric Power Company, Inc.	602,057
12,100	Calpine Corporation*	457,380
6,400	Cinergy Corporation	223,680
5,300	CMS Energy Corporation	147,605
8,600	Consolidated Edison, Inc.	342,280
6,700	Constellation Energy Group, Inc.	285,420
10,015	Dominion Resources, Inc.	602,202
6,700	DTE Energy Company	311,148
31,322	Duke Energy Corporation	1,221,871
13,200	Dynegy, Inc.	613,800
13,200	Edison International*	147,180
20,686	El Paso Energy Corporation	1,086,842
30,300	Enron Corporation	1,484,700
9,000	Entergy Corporation	345,510

12,987	Exelon Corporation	832,726
9,100	FirstEnergy Corporation	292,656
7,200	FPL Group, Inc.	433,512
4,800	General Public Utilities Corporation	168,720
5,600	KeySpan Corporation	204,288
4,700	Kinder Morgan, Inc.	236,175
13,734	Mirant Corporation*	472,450
6,500	Niagara Mohawk Holdings, Inc.*	114,985
1,800	Nicor, Inc.	70,164
8,334	NiSource, Inc.	227,768
2,400	ONEOK, Inc.	47,280
15,700	Pacific Gas & Electric Company	175,840
1,400	Peoples Energy Corporation	56,280
3,400	Pinnacle West Capital Corporation	161,160
5,900	PPL Corporation	324,500
8,391	Progress Energy, Inc.	376,924
8,500	Public Service Enterprise Group, Inc.	415,650
12,024	Reliant Energy, Inc.	387,293
8,287	Sempra Energy	226,567
27,800	Southern Company	646,350
10,470	TXU Corporation	504,549
19,700	Williams Companies, Inc.	649,115
13,910	Xcel Energy, Inc.	395,740
	Total Utilities	16,707,442

Total Common Stocks
(cost basis \$423,694,287) 447,881,182

Principal		Interest	Maturity	Market
Amount	Long-Term Fixed-Income Investments (34.5%)	Rate	Date	Value

Asset Backed Securities (1.5%)				

\$1,000,000	California Infrastructure PG&E-1 Series 1997-1 Class A8	6.480%	12/26/2009	\$1,014,359
944,214	Chase Manhattan Owner Trust Series 1998-A Class A4	5.800	12/16/2002	949,610
2,300,000	Citibank Credit Issuance Trust Series 2001-A6 Class A6	5.650	6/16/2008	2,275,852
700,000	Countrywide Asset Backed Certificates Series 2001-1 Class AF2	5.846	7/25/2020	707,149
1,500,000	EQCC Home Equity Loan Trust Series 1999-1 Class A3F	5.915	11/20/2024	1,514,319
1,900,000	Ford Credit Auto Owner Trust Series 2001-B Class A4	5.120	10/15/2004	1,912,738
858,029	Green Tree Financial Corporation Series 1993-2 Class A4	6.900	7/15/2018	882,255
200,000	NationsBank Credit Card Master Trust Series 1993-2 Class A	6.000	12/15/2005	204,438
1,700,000	Residential Asset Securities Corporation Series 2000-KS5 Class AI2	6.935	10/25/2020	1,739,931
	Total Asset Backed Securities			11,200,651

Finance (3.2%)

1,000,000	Allstate Corporation	6.750	5/15/2018	966,835
250,000	American Express Credit Corporation	6.125	11/15/2001	251,837
250,000	Associates Corporation of North America	6.250	11/1/2008	246,063
375,000	Associates Corporation of North America	6.000	12/1/2002	381,652
500,000	Avco Financial Services, Inc.	6.000	8/15/2002	507,284
1,000,000	Bank of America Corporation	7.400	1/15/2011	1,039,056
500,000	BankAmerica Corporation	6.625	8/1/2007	504,062
700,000	Cabot Industrial Properties, L.P.	7.125	5/1/2004	713,891
1,150,000	Camden Property Trust	7.000	4/15/2004	1,168,545
500,000	CIT Group Holdings, Inc.	6.375	10/1/2002	507,557
2,000,000	Citicorp	6.375	11/15/2008	1,976,754
1,250,000	Countrywide Home Loans, Inc.	6.935	7/16/2007	1,286,246
1,500,000	EOP Operating, L.P.	6.625	2/15/2005	1,508,313
2,000,000	Fleet Financial Group, Inc.	6.500	3/15/2008	1,979,812
500,000	General Electric Capital Corporation	8.090	4/1/2004	537,734
380,000	General Electric Capital Corporation	7.250	5/3/2004	401,544
250,000	Household Finance Corporation	7.250	7/15/2003	260,189
1,500,000	Household Finance Corporation	6.400	6/17/2008	1,471,866
340,000	J.P. Morgan & Company, Inc.	6.250	12/15/2005	342,953
1,000,000	Lehman Brothers Holdings, Inc.	6.250	5/15/2006	997,469
1,000,000	Merrill Lynch & Company, Inc.	6.000	2/17/2009	964,847
1,300,000	Morgan Stanley Dean Witter & Company	6.100	4/15/2006	1,298,883
500,000	Northern Trust Company	6.700	9/15/2005	515,272
1,500,000	ProLogis Trust	7.000	10/1/2003	1,531,424
1,000,000	U.S. Bancorp	7.625	5/1/2005	1,048,318
750,000	U.S. Bancorp	6.000	5/15/2004	758,409
1,000,000	Wells Fargo & Company	7.250	8/24/2005	1,050,341
250,000	Wells Fargo Financial, Inc.	7.000	1/15/2003	258,040
	Total Finance			24,475,196

Industrial-Basic Materials (0.4%)

250,000	Noranda, Inc.	8.000	6/1/2003	258,125
1,800,000	Praxair, Inc.	6.500	3/1/2008	1,786,729
1,000,000	Stora Enso Oyj	7.375	5/15/2011	1,012,848
	Total Industrial-Basic Materials			3,057,702

Industrial-Capital Goods (0.4%)

250,000	Honeywell, Inc.	8.625	4/15/2006	277,450
1,500,000	Raytheon Company	6.500	7/15/2005	1,474,647
1,400,000	Tyco International Group SA	6.375	2/15/2006	1,412,659
	Total Industrial-Capital Goods			3,164,756

Industrial-Communications (1.0%)				
1,400,000	Clear Channel Communications, Inc.	7.875	6/15/2005	1,470,437
1,000,000	Cox Communications, Inc.	6.400	8/1/2008	971,721
1,000,000	Pacific Bell	7.125	3/15/2026	990,214
1,550,000	Sprint Capital Corporation	5.700	11/15/2003	1,544,966
1,000,000	TELUS Corporation	8.000	6/1/2011	1,022,221
2,000,000	Verizon Global Funding Corporation/2/	7.250	12/1/2010	2,030,038
	Total Industrial-Communications			8,029,597

Industrial-Consumer Cyclical (0.8%)				
\$1,300,000	AOL Time Warner, Inc.	7.625	4/15/2031	1,305,002
1,750,000	Federated Department Stores, Inc.	6.625	4/1/2011	1,687,383
1,000,000	Ford Motor Credit Company	7.750	11/15/2002	1,034,769
1,000,000	Ford Motor Credit Company	7.450	7/16/2031	959,817
1,000,000	Ford Motor Credit Company	6.700	7/16/2004	1,020,630
500,000	General Motors Acceptance Corporation	9.625	12/15/2001	511,389
	Total Industrial-Consumer Cyclical			6,518,990

Industrial-Consumer Noncyclical (0.6%)				
250,000	Aventis SA	7.750	1/15/2002	253,957
1,000,000	Coca-Cola Enterprises, Inc.	6.750	9/15/2023	961,675
1,200,000	Hormel Foods Corporation/2/	6.625	6/1/2011	1,188,132
1,000,000	Kellogg Company/2/	6.000	4/1/2006	991,046
1,100,000	Kroger Company	7.650	4/15/2007	1,157,362
250,000	PennzEnergy Company	10.125	11/15/2009	299,002
	Total Industrial-Consumer Noncyclical			4,851,174

Industrial-Energy (0.5%)				
325,000	Baker Hughes, Inc.	8.000	5/15/2004	346,031
1,400,000	Texaco Capital, Inc.	8.500	2/15/2003	1,484,273
2,035,000	Union Pacific Resources Group, Inc.	6.750	5/15/2008	2,052,507
	Total Industrial-Energy			3,882,811

Industrial-Other (0.3%)				
500,000	Johnson Controls, Inc.	7.125	7/15/2017	468,877
1,500,000	Thermo Electron Corporation	7.625	10/30/2008	1,448,548
	Total Industrial-Other			1,917,425

Industrial-Technology (0.7%)				
1,300,000	Compaq Computer Corporation	6.200	5/15/2003	1,297,370
500,000	International Business Machines Corporation	7.500	6/15/2013	537,204
2,000,000	Matsushita Electric Industrial, Ltd.	7.250	8/1/2002	2,057,228
1,500,000	Nortel Networks, Ltd.	6.125	2/15/2006	1,294,411
	Total Industrial-Technology			5,186,213

Industrial-Transportation (0.6%)				
1,920,453	Delta Air Lines, Inc.	7.379	5/18/2010	2,011,579
500,000	Hertz Corporation	7.000	7/1/2004	513,125
2,000,000	Union Pacific Corporation	7.000	2/1/2006	2,031,920
	Total Industrial-Transportation			4,556,624

Mortgage Backed Securities (12.3%)				

Commercial Mortgage Backed Securities (0.7%)				
\$1,347,228	Bear Stearns Commerical Mortgage Securities Series 2000-WF2 Class A1	7.110	10/15/2032	1,392,865
1,000,000	First Union-Lehman Brothers-Bank of America Series 1998-C2 Class A2	6.560	11/15/2035	1,007,469
1,012,161	Morgan Stanley Capital I Series 1998-WF1 Class A1	6.250	3/15/2030	1,028,022
1,900,000	Nationslink Funding Corporation Series 1999-1 Class A2	6.316	1/20/2031	1,880,941
	Total Commercial Mortgage Backed Securities			5,309,297

Federal Home Loan Mortgage Corporation (4.1%)				
793,176	Federal Home Loan Mortgage Corporation Gold 7-Yr. Balloon	6.000	4/1/2006	803,042
123,376	Federal Home Loan Mortgage Corporation Gold 15-Yr. Pass Through	8.000	6/1/2012	128,021
780,505	Federal Home Loan Mortgage Corporation Gold 15-Yr. Pass Through	7.500	9/1/2014	803,522

71,944	Federal Home Loan Mortgage Corporation	Gold 15-Yr.	Pass Through	7.500	8/1/2010	74,356
210,498	Federal Home Loan Mortgage Corporation	Gold 15-Yr.	Pass Through	7.000	8/1/2012	215,446
606,760	Federal Home Loan Mortgage Corporation	Gold 15-Yr.	Pass Through	7.000	2/1/2011	623,332
83,074	Federal Home Loan Mortgage Corporation	Gold 15-Yr.	Pass Through	7.000	11/1/2010	85,343
863,734	Federal Home Loan Mortgage Corporation	Gold 15-Yr.	Pass Through	6.500	6/1/2014	870,553
542,984	Federal Home Loan Mortgage Corporation	Gold 15-Yr.	Pass Through	6.500	8/1/2013	548,502
277,250	Federal Home Loan Mortgage Corporation	Gold 15-Yr.	Pass Through	6.500	11/1/2012	280,471
108,278	Federal Home Loan Mortgage Corporation	Gold 15-Yr.	Pass Through	6.500	4/1/2009	110,432
802,963	Federal Home Loan Mortgage Corporation	Gold 15-Yr.	Pass Through	6.000	4/1/2014	797,952
789,748	Federal Home Loan Mortgage Corporation	Gold 15-Yr.	Pass Through	6.000	4/1/2014	783,565
804,111	Federal Home Loan Mortgage Corporation	Gold 15-Yr.	Pass Through	6.000	2/1/2014	797,816
355,676	Federal Home Loan Mortgage Corporation	Gold 15-Yr.	Pass Through	6.000	5/1/2012	354,309
777,580	Federal Home Loan Mortgage Corporation	Gold 15-Yr.	Pass Through	5.500	4/1/2014	758,781
31,451	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	9.000	4/1/2025	33,587
526,087	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	9.000	11/1/2024	562,169
130,794	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	8.500	7/1/2027	137,879
39,955	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	8.500	9/1/2025	42,203
663,096	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	8.000	8/1/2030	686,041
152,113	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	8.000	10/1/2027	157,964
388,349	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	8.000	6/1/2027	403,286
62,461	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	8.000	3/1/2027	65,136
63,777	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	8.000	11/1/2026	66,508
91,143	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	8.000	1/1/2026	95,205
864,565	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.500	1/1/2030	882,629
754,164	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.500	11/1/2029	770,000
218,004	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.500	5/1/2028	223,371
259,035	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.500	12/1/2027	265,412
219,329	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.500	11/1/2027	224,728
184,955	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.500	4/1/2027	189,508
86,989	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.500	1/1/2027	89,289
72,215	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.500	8/1/2026	74,124
52,884	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.500	7/1/2026	54,282
47,939	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.500	11/1/2025	49,235
1,993,799	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.000	5/1/2031	2,005,755
981,294	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.000	1/1/2030	987,746
846,099	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.000	10/1/2029	852,127
855,322	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.000	9/1/2029	861,415
834,997	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.000	5/1/2029	840,945
401,653	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.000	10/1/2028	404,864
563,290	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.000	7/1/2028	567,793
390,368	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.000	3/1/2028	393,488
255,169	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.000	9/1/2027	257,365
287,841	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.000	5/1/2027	290,318
258,414	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.000	2/1/2027	260,637
145,856	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.000	5/1/2026	147,414
103,528	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	7.000	9/1/2025	104,740
874,921	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.500	8/1/2029	864,246
897,158	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.500	7/1/2029	886,211
885,337	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.500	7/1/2029	874,535
873,259	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.500	4/1/2029	862,604
836,113	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.500	3/1/2029	826,971
924,119	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.500	1/1/2029	914,014
826,178	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.500	1/1/2029	817,145
790,872	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.500	11/1/2028	782,224
801,862	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.500	6/1/2028	793,094
382,744	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.500	12/1/2027	378,778
328,933	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.500	2/1/2027	325,524
136,312	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.500	5/1/2026	135,134
128,814	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.500	4/1/2024	128,121
891,527	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.000	5/1/2029	860,720
871,790	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.000	3/1/2029	841,664
168,238	Federal Home Loan Mortgage Corporation	Gold 30-Yr.	Pass Through	6.000	7/1/2026	163,077
	Total Federal Home Loan Mortgage Corporation					31,536,668

Federal National Mortgage Association (4.8%)

166,096	Federal National Mortgage Association	Conventional	7-Yr. Balloon	7.000	6/1/2004	169,601
92,368	Federal National Mortgage Association	Conventional	7-Yr. Balloon	6.500	11/1/2003	94,100
192,280	Federal National Mortgage Association	Conventional	7-Yr. Balloon	6.000	12/1/2003	194,607
21,811	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	9.000	4/1/2010	23,018
21,786	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	9.000	4/1/2010	22,991
88,288	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	8.000	5/1/2011	91,365
774,205	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	7.500	4/1/2015	797,326
74,742	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	7.500	7/1/2011	77,178
303,849	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	7.000	12/1/2012	310,632
518,599	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	7.000	10/1/2012	530,176
106,509	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	7.000	6/1/2011	109,154
722,515	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	6.500	6/1/2013	728,907
238,484	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	6.500	7/1/2012	240,964
649,543	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	6.500	5/1/2012	656,297
94,407	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	6.500	7/1/2011	95,622
840,558	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	6.000	12/1/2013	837,005
792,795	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	6.000	11/1/2013	787,640
671,283	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	6.000	3/1/2013	666,918
94,438	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	6.000	2/1/2011	94,210
773,668	Federal National Mortgage Association	Conventional	15-Yr. Pass Through	5.500	12/1/2013	753,587
54,218	Federal National Mortgage Association	Conventional	30-Yr. Pass Through	10.500	8/1/2020	59,724
36,293	Federal National Mortgage Association	Conventional	30-Yr. Pass Through	9.500	4/1/2025	38,841
67,826	Federal National Mortgage Association	Conventional	30-Yr. Pass Through	9.000	9/1/2026	71,999
629,424	Federal National Mortgage Association	Conventional	30-Yr. Pass Through	8.500	4/1/2030	663,030

95,226	Federal National Mortgage Association Conventional	30-Yr. Pass Through	8.500	10/1/2029	100,310
30,901	Federal National Mortgage Association Conventional	30-Yr. Pass Through	8.500	5/1/2026	32,651
57,953	Federal National Mortgage Association Conventional	30-Yr. Pass Through	8.500	11/1/2025	61,325
388,304	Federal National Mortgage Association Conventional	30-Yr. Pass Through	8.000	12/1/2027	403,137
667,116	Federal National Mortgage Association Conventional	30-Yr. Pass Through	8.000	9/1/2027	692,600
65,625	Federal National Mortgage Association Conventional	30-Yr. Pass Through	8.000	7/1/2027	68,132
64,243	Federal National Mortgage Association Conventional	30-Yr. Pass Through	8.000	11/1/2026	66,977
49,913	Federal National Mortgage Association Conventional	30-Yr. Pass Through	8.000	8/1/2026	52,037
67,870	Federal National Mortgage Association Conventional	30-Yr. Pass Through	8.000	1/1/2026	70,907
692,041	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	8/1/2030	706,517
599,465	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	3/1/2030	612,004
2,216,503	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	8/1/2029	2,263,774
397,955	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	3/1/2029	407,615
312,057	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	12/1/2027	319,632
391,079	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	8/1/2027	400,571
113,716	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	5/1/2027	116,476
72,640	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	2/1/2027	74,517
60,575	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	12/1/2026	62,140
35,892	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	9/1/2026	36,819
575,663	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	8/1/2026	590,537
86,669	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	7/1/2026	88,908
95,046	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	9/1/2025	97,574
102,497	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.500	10/1/2024	105,485
858,407	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	11/1/2029	863,565
836,012	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	11/1/2029	841,036
880,541	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	7/1/2029	885,832
819,725	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	2/1/2029	825,543
559,508	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	12/1/2028	563,479
116,897	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	11/1/2028	117,727
750,469	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	8/1/2028	755,795
541,914	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	2/1/2028	546,071
236,793	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	10/1/2027	238,609
282,054	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	7/1/2027	284,217
234,543	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	3/1/2027	236,838
185,233	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	1/1/2027	187,046
107,121	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	11/1/2026	108,169
97,233	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	3/1/2026	98,185
82,590	Federal National Mortgage Association Conventional	30-Yr. Pass Through	7.000	1/1/2026	83,478
885,384	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	8/1/2029	873,772
886,317	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	7/1/2029	874,693
910,309	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	6/1/2029	898,370
847,398	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	6/1/2029	836,284
801,349	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	11/1/2028	791,814
693,883	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	11/1/2028	685,626
802,430	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	10/1/2028	792,882
826,131	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	8/1/2028	816,301
598,246	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	7/1/2028	591,128
718,081	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	3/1/2028	709,536
752,121	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	2/1/2028	743,664
322,916	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	7/1/2027	319,285
143,694	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	4/1/2026	142,319
138,472	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.500	2/1/2026	137,147
1,541,612	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.000	5/1/2031	1,480,663
951,486	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.000	11/1/2029	917,737
884,753	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.000	7/1/2029	853,371
869,749	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.000	3/1/2029	838,899
738,427	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.000	12/1/2028	713,442
737,644	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.000	7/1/2028	712,686
156,883	Federal National Mortgage Association Conventional	30-Yr. Pass Through	6.000	5/1/2026	151,933
	Total Federal National Mortgage Association				37,062,679

Government National Mortgage Association (2.7%)

88,187	Government National Mortgage Association	15-Yr. Pass Through	7.500	7/15/2011	91,797
255,834	Government National Mortgage Association	15-Yr. Pass Through	7.000	4/15/2012	263,155
137,469	Government National Mortgage Association	15-Yr. Pass Through	6.500	6/15/2011	140,076
72,798	Government National Mortgage Association	15-Yr. Pass Through	6.500	5/15/2009	74,504
967,186	Government National Mortgage Association	15-Yr. Pass Through	6.000	7/15/2014	965,106
122,589	Government National Mortgage Association	15-Yr. Pass Through	6.000	4/15/2011	123,059
96,376	Government National Mortgage Association	30-Yr. Pass Through	9.500	1/15/2025	105,710
23,339	Government National Mortgage Association	30-Yr. Pass Through	9.500	12/15/2024	25,630
83,803	Government National Mortgage Association	30-Yr. Pass Through	9.000	12/15/2026	89,081
25,826	Government National Mortgage Association	30-Yr. Pass Through	9.000	8/15/2026	27,453
234,470	Government National Mortgage Association	30-Yr. Pass Through	9.000	3/15/2025	251,189
690,532	Government National Mortgage Association	30-Yr. Pass Through	8.500	9/15/2029	722,237
34,048	Government National Mortgage Association	30-Yr. Pass Through	8.500	11/15/2026	35,835
42,492	Government National Mortgage Association	30-Yr. Pass Through	8.500	7/15/2026	44,723
105,264	Government National Mortgage Association	30-Yr. Pass Through	8.500	6/15/2026	110,789
677,558	Government National Mortgage Association	30-Yr. Pass Through	8.000	5/15/2030	702,492
512,535	Government National Mortgage Association	30-Yr. Pass Through	8.000	3/15/2028	531,971
166,639	Government National Mortgage Association	30-Yr. Pass Through	8.000	8/15/2027	173,221
146,173	Government National Mortgage Association	30-Yr. Pass Through	8.000	6/20/2027	151,450
162,040	Government National Mortgage Association	30-Yr. Pass Through	8.000	11/15/2026	168,664
435,061	Government National Mortgage Association	30-Yr. Pass Through	8.000	9/15/2026	452,846
47,705	Government National Mortgage Association	30-Yr. Pass Through	8.000	4/15/2026	49,655
68,153	Government National Mortgage Association	30-Yr. Pass Through	8.000	6/1/2025	71,102
878,432	Government National Mortgage Association	30-Yr. Pass Through	7.500	1/15/2030	901,472
801,481	Government National Mortgage Association	30-Yr. Pass Through	7.500	8/15/2029	823,048
795,387	Government National Mortgage Association	30-Yr. Pass Through	7.500	7/15/2028	818,006
330,530	Government National Mortgage Association	30-Yr. Pass Through	7.500	11/15/2027	340,244
470,083	Government National Mortgage Association	30-Yr. Pass Through	7.500	4/15/2027	483,898

132,723	Government National Mortgage Association 30-Yr. Pass Through	7.500	1/15/2027	136,624
152,436	Government National Mortgage Association 30-Yr. Pass Through	7.500	10/15/2026	156,965
106,019	Government National Mortgage Association 30-Yr. Pass Through	7.500	10/15/2026	109,168
113,463	Government National Mortgage Association 30-Yr. Pass Through	7.500	5/15/2026	116,834
52,720	Government National Mortgage Association 30-Yr. Pass Through	7.500	4/15/2026	54,286
97,856	Government National Mortgage Association 30-Yr. Pass Through	7.500	8/15/2025	100,799
837,511	Government National Mortgage Association 30-Yr. Pass Through	7.000	6/15/2029	845,519
911,060	Government National Mortgage Association 30-Yr. Pass Through	7.000	4/15/2029	919,771
802,697	Government National Mortgage Association 30-Yr. Pass Through	7.000	7/15/2028	810,780
669,928	Government National Mortgage Association 30-Yr. Pass Through	7.000	11/15/2027	677,351
133,045	Government National Mortgage Association 30-Yr. Pass Through	7.000	11/15/2027	134,519
632,542	Government National Mortgage Association 30-Yr. Pass Through	7.000	10/15/2027	639,551
19,675	Government National Mortgage Association 30-Yr. Pass Through	7.000	10/15/2027	19,893
575,852	Government National Mortgage Association 30-Yr. Pass Through	7.000	6/15/2026	583,886
135,523	Government National Mortgage Association 30-Yr. Pass Through	7.000	5/15/2026	137,413
295,534	Government National Mortgage Association 30-Yr. Pass Through	7.000	4/15/2026	299,657
291,682	Government National Mortgage Association 30-Yr. Pass Through	7.000	1/15/2026	295,751
139,749	Government National Mortgage Association 30-Yr. Pass Through	7.000	1/15/2026	141,699
917,306	Government National Mortgage Association 30-Yr. Pass Through	6.500	4/15/2029	908,364
788,005	Government National Mortgage Association 30-Yr. Pass Through	6.500	3/15/2029	780,323
863,774	Government National Mortgage Association 30-Yr. Pass Through	6.500	1/15/2029	855,354
802,064	Government National Mortgage Association 30-Yr. Pass Through	6.500	9/15/2028	794,680
701,600	Government National Mortgage Association 30-Yr. Pass Through	6.500	7/15/2028	695,141
367,947	Government National Mortgage Association 30-Yr. Pass Through	6.500	10/15/2027	365,156
138,905	Government National Mortgage Association 30-Yr. Pass Through	6.500	3/15/2026	138,113
923,263	Government National Mortgage Association 30-Yr. Pass Through	6.000	6/15/2029	894,441
876,555	Government National Mortgage Association 30-Yr. Pass Through	6.000	12/15/2028	849,375
182,427	Government National Mortgage Association 30-Yr. Pass Through	6.000	5/15/2026	177,234
	Total Government National Mortgage Association			21,377,060

Total Mortgage Backed Securities

95,285,704

Non-Corporate (1.3%)

1,500,000	Canadian Government	5.250	11/5/2008	1,444,662
1,500,000	Export-Import Bank of Korea	6.500	11/15/2006	1,530,000
1,200,000	Inter-American Development Bank	5.375	11/18/2008	1,168,141
1,000,000	International Bank for Reconstruction and Development	5.625	3/17/2003	1,017,634
1,800,000	Mexico Government International Bond	9.875	1/15/2007	1,967,398
1,000,000	Ontario Electricity Financial Corporation	7.450	3/31/2013	1,083,952
250,000	Petro-Canada	8.600	1/15/2010	287,287
500,000	Province of British Columbia	7.250	9/1/2036	535,864
500,000	Province of Newfoundland	8.650	10/22/2022	592,728
500,000	Province of Saskatchewan	8.000	7/15/2004	536,762
	Total Non-Corporate			10,164,428

U.S. Government Obligations (10.2%)

U.S. Government Agency (3.6%)

2,020,000	Federal Home Loan Bank	6.625	8/27/2007	2,105,979
1,000,000	Federal Home Loan Bank	5.925	4/9/2008	1,002,372
500,000	Federal Home Loan Bank	5.865	6/2/2003	510,489
500,000	Federal Home Loan Mortgage Corporation	7.375	5/15/2003	524,258
2,000,000	Federal Home Loan Mortgage Corporation	6.250	7/15/2004	2,063,014
1,725,000	Federal Home Loan Mortgage Corporation	6.220	3/24/2003	1,772,337
1,330,000	Federal Home Loan Mortgage Corporation	5.990	12/1/2003	1,362,763
2,000,000	Federal Home Loan Mortgage Corporation	5.000	5/15/2004	1,996,350
1,000,000	Federal National Mortgage Association	7.125	1/15/2030	1,068,961
2,000,000	Federal National Mortgage Association	7.120	7/3/2006	2,134,010
2,000,000	Federal National Mortgage Association	6.250	2/1/2011	1,989,204
2,250,000	Federal National Mortgage Association	5.750	6/15/2005	2,284,335
1,500,000	Federal National Mortgage Association	5.625	4/17/2028	1,321,532
1,750,000	Federal National Mortgage Association	5.125	2/13/2004	1,758,281
845,000	Private Export Funding Corporation	8.400	7/31/2001	847,957
150,000	Private Export Funding Corporation	6.240	5/15/2002	152,883
1,000,000	Resolution Funding Corporation	8.625	1/15/2021	1,237,874
1,500,000	Student Loan Marketing Association	7.300	8/1/2012	1,625,871
2,000,000	Tennessee Valley Authority	6.375	6/15/2005	2,058,006
	Total U.S. Government Agency			27,816,476

U.S. Treasury Securities (6.6%)

200,000	U.S. Treasury Bonds	10.375	11/15/2012	253,234
2,025,000	U.S. Treasury Bonds	9.875	11/15/2015	2,822,048
1,925,000	U.S. Treasury Bonds	8.875	2/15/2019	2,549,944
1,975,000	U.S. Treasury Bonds	8.500	2/15/2020	2,548,514
1,850,000	U.S. Treasury Bonds	8.125	8/15/2019	2,302,969
600,000	U.S. Treasury Bonds	8.000	11/15/2021	747,234
1,500,000	U.S. Treasury Bonds	7.875	2/15/2021	1,839,102
250,000	U.S. Treasury Bonds	7.625	11/15/2022	301,513
1,100,000	U.S. Treasury Bonds	7.500	11/15/2024	1,320,630
400,000	U.S. Treasury Bonds	7.250	8/15/2022	463,794
1,750,000	U.S. Treasury Bonds	7.250	5/15/2016	1,991,334
625,000	U.S. Treasury Bonds	7.125	2/15/2023	716,481

1,500,000 U.S. Treasury Bonds

6.875 8/15/2025 1,684,529

2,475,000	U.S. Treasury Bonds	6.750	8/15/2026	2,745,894
1,000,000	U.S. Treasury Bonds	6.250	5/15/2030	1,060,468
1,500,000	U.S. Treasury Bonds	6.250	8/15/2023	1,561,200
2,325,000	U.S. Treasury Bonds	6.125	11/15/2027	2,395,503
1,250,000	U.S. Treasury Bonds	5.500	8/15/2028	1,185,227
1,600,000	U.S. Treasury Notes	11.875	11/15/2003	1,862,475
1,575,000	U.S. Treasury Notes	10.750	5/15/2003	1,754,719
1,500,000	U.S. Treasury Notes	10.750	2/15/2003	1,651,752
1,100,000	U.S. Treasury Notes	9.375	2/15/2006	1,297,915
2,400,000	U.S. Treasury Notes	7.500	2/15/2005	2,611,850
1,150,000	U.S. Treasury Notes	7.250	8/15/2004	1,234,894
500,000	U.S. Treasury Notes	7.250	5/15/2004	535,319
375,000	U.S. Treasury Notes	7.000	7/15/2006	406,851
1,500,000	U.S. Treasury Notes	6.625	5/15/2007	1,611,502
875,000	U.S. Treasury Notes	6.500	10/15/2006	930,605
1,000,000	U.S. Treasury Notes	6.500	5/31/2002	1,023,420
600,000	U.S. Treasury Notes	6.250	6/30/2002	613,637
1,700,000	U.S. Treasury Notes	6.125	8/15/2007	1,784,837
1,000,000	U.S. Treasury Notes	5.875	11/15/2005	1,035,712
2,000,000	U.S. Treasury Notes	5.875	2/15/2004	2,066,556
2,150,000	U.S. Treasury Notes	5.500	2/15/2008	2,182,764
	Total U.S. Treasury Securities			51,094,426

Total U.S. Government Obligations 78,910,902

Utilities (0.7%)

250,000	Columbia Energy Group	7.320	11/28/2010	244,800
2,000,000	El Paso Corporation	7.000	5/15/2011	1,925,278
1,500,000	Niagara Mohawk Power Corporation	7.750	10/1/2008	1,528,839
1,000,000	Public Service Electric and Gas Company	6.375	5/1/2008	966,478
500,000	Texas Utilities Electric Company	8.250	4/1/2004	531,131
545,000	Texas Utilities Electric Company	7.170	8/1/2007	566,089
	Total Utilities			5,762,615

Total Long-Term Fixed-Income Investments
(amortized cost basis \$263,655,422) 266,964,788

\$ 11,417,000	Alpine Securitization Corporation	3.800%	7/6/2001	\$11,409,769
11,561,000	American General Finance Corporation	3.920-3.870	7/2-7/9/2001	11,554,641
7,355,000	Countrywide Home Loans, Inc.	4.000	7/11/2001	7,346,010
14,298,000	Ford Motor Credit Company	3.880	7/3/2001	14,293,377
5,964,000	Household Finance Corporation	3.690	7/10/2001	5,957,887
7,065,000	Toyota Motor Credit Corporation	3.804	7/5/2001	7,061,271

Total Short-Term Investments
(amortized cost basis \$57,622,955) 57,622,955

Total Investments (99.7%)
(amortized cost basis \$744,972,664) 772,468,925

Other Assets, Less Liabilities (0.3%) 2,386,271

Net Assets (100.0%) \$774,855,196

*Non-income producing security.

/1/The interest rate reflects the discount rate at the date of purchase.

/2/144A Security

See page 139 for a complete discussion of investment terms.

AAL High Yield Bond Portfolio

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio strives for high current income and secondarily capital growth by investing primarily in high-risk, high-yield bonds commonly referred to as "junk bonds".

Finance (1.7%)

\$250,000	Forest City Enterprises, Inc.	8.500%	3/15/2008	\$235,000
250,000	Golden State Holdings, Inc.	7.000	8/1/2003	250,014
100,000	Golden State Holdings, Inc.	6.750	8/1/2001	99,946
	Total Finance			584,960

Industrial-Basic Materials (5.3%)

250,000	Abitibi-Consolidated, Inc.	8.300	8/1/2005	262,943
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250,000	Century Aluminum Company/2/	11.750	4/15/2008	260,000
300,000	Hercules, Inc./2/	11.125	11/15/2007	297,000
100,000	Huntsman Corporation/2/	9.500	7/1/2007	55,000
250,000	Huntsman ICI Chemicals LLC	10.125	7/1/2009	246,250
350,000	Lyondell Chemical Company	9.625	5/1/2007	348,250
150,000	MacDermid, Inc./2/	9.125	7/15/2011	150,750
200,000	Quebecor Media, Inc./2/	11.125	7/15/2011	194,771
	Total Industrial-Basic Materials			1,814,964

Industrial-Capital Goods (5.9%)

600,000	Allied Waste North America, Inc.	7.625	1/1/2006	593,250
200,000	Ball Corporation	7.750	8/1/2006	202,750
350,000	Building Materials Corporation of America	7.750	7/15/2005	213,500
250,000	Consolidated Container Company LLC	10.125	7/15/2009	251,875
250,000	L-3 Communications Corporation	10.375	5/1/2007	262,812
200,000	Silgan Holdings, Inc.	9.000	6/1/2009	198,000
300,000	Waste Management, Inc.	7.100	8/1/2026	305,674
	Total Industrial-Capital Goods			2,027,861

Industrial-Communications (34.2%)

350,000	Adelphia Business Solutions, Inc.	12.250	9/1/2004	288,750
250,000	Adelphia Communications Corporation	9.875	3/1/2007	247,500
250,000	American Cellular Corporation/2/	9.500	10/15/2009	235,000
250,000	American Media Operation, Inc.	10.250	5/1/2009	255,625
175,000	American Tower Corporation/2/	9.375	2/1/2009	163,188
250,000	AT&T Wireless Services, Inc./2/	7.875	3/1/2011	250,476
500,000	British Sky Broadcasting Group plc	7.300	10/15/2006	488,319
250,000	CanWest Media, Inc./2/	10.625	5/15/2011	253,750
250,000	Century Communications Corporation	8.750	10/1/2007	233,750
500,000	Charter Communications Holdings LLC	8.625	4/1/2009	475,000
500,000	Comcast Cable Communications, Inc.	6.200	11/15/2008	482,375
400,000	Crown Castle International Corporation	10.750	8/1/2011	387,000
300,000	CSC Holdings, Inc.	7.875	12/15/2007	301,034
150,000	CSC Holdings, Inc./2/	7.625	4/1/2011	143,101
250,000	Diamond Cable Communications plc	11.750	12/15/2005	170,000
200,000	Echostar DBS Corporation	10.375	10/1/2007	200,000
400,000	EchoStar DBS Corporation	9.250	2/1/2006	394,000
300,000	Flag, Ltd.	8.250	1/30/2008	243,000
300,000	Fox Sports Networks LLC	8.875	8/15/2007	312,000
250,000	France Telecom SA/2/	7.750	3/1/2011	254,734
200,000	Garden State Newspapers, Inc.	8.625	7/1/2011	190,000
750,000	Global Crossing Holding, Ltd.	9.125	11/15/2006	590,625
200,000	KPNQwest NV	8.125	6/1/2009	114,000
250,000	Level 3 Communications, Inc.	9.125	5/1/2008	103,750
300,000	LIN Television Corporation	8.375	3/1/2008	282,000
200,000	Mastec, Inc.	7.750	2/1/2008	168,000
500,000	McLeodUSA, Inc./6/	0.000	3/1/2007	265,000
500,000	McLeodUSA, Inc.	9.500	11/1/2008	280,000
250,000	Mediacom Broadbank LLC/2/	11.000	7/15/2013	254,375
150,000	Metromedia Fiber Network, Inc.	10.000	11/15/2008	57,000
150,000	Nextel Communications, Inc.	9.375	11/15/2009	118,875
300,000	Nextel Partners, Inc.	11.000	3/15/2010	236,250
350,000	NEXTLINK Communications, Inc.	10.750	6/1/2009	112,000
200,000	NTL, Inc./6/	9.750	4/1/2008	87,000
300,000	Price Communications Wireless, Inc.	9.125	12/15/2006	310,500
250,000	Primedia, Inc./2/	8.875	5/15/2011	231,250
250,000	Renaissance Media Group LLC6	9.125	12/15/2006	195,000
500,000	Rogers Cantel, Inc.	9.375	6/1/2008	491,250
250,000	Rural Cellular Corporation	9.625	5/15/2008	242,500
175,000	TeleCorp PCS, Inc.	10.625	7/15/2010	164,500
300,000	Telewest Communications plc	0.000	4/15/2009	147,000
300,000	Telewest Communications plc	11.000	10/1/2007	252,750
500,000	Tritel PCS, Inc.	10.375	1/15/2011	457,500
500,000	United Pan-Europe Communications NV	10.875	11/1/2007	187,500
200,000	Williams Communications Group, Inc.	10.875	10/1/2009	81,000
350,000	Worldwide Fiber, Inc./3/	12.000	8/1/2009	4,375
360,000	Young Broadcasting, Inc./2/	10.000	3/1/2011	345,600
	Total Industrial-Communications			11,748,202

Industrial-Consumer Cyclical (14.4%)

90,000	Cadmus Communications Corporation	9.750	6/1/2009	84,150
350,000	Harrah's Operating Company, Inc.	7.500	1/15/2009	348,524
500,000	HMH Properties, Inc.	7.875	8/1/2005	490,000
650,000	Horseshoe Gaming Holding Corporation	8.625	5/15/2009	650,000
350,000	International Game Technology	7.875	5/15/2004	354,375
250,000	John Q. Hammons Hotels, Inc.	9.750	10/1/2005	251,250
250,000	Lear Corporation	7.960	5/15/2005	254,472
500,000	MGM Mirage, Inc.	9.750	6/1/2007	533,750
350,000	Mirage Resorts, Inc.	7.250	10/15/2006	349,308
850,000	Park Place Entertainment Corporation	8.875	9/15/2008	873,375
250,000	R.H. Donnelley, Inc.	9.125	6/1/2008	253,750
250,000	Six Flags, Inc.	9.250	4/1/2006	248,750
250,000	Station Casinos, Inc.	8.875	12/1/2008	250,000
	Total Industrial-Consumer Cyclical			4,941,704

Industrial-Consumer Noncyclical (9.9%)

200,000	Abbey Healthcare Group, Inc.	9.500	11/1/2002	200,000
250,000	Bergen Brunswig Corporation	7.375	1/15/2003	244,684
250,000	Beverly Enterprises, Inc.	9.000	2/15/2006	252,500
250,000	Constellation Brands, Inc.	8.500	3/1/2009	251,563
350,000	HCA - The Healthcare Company	6.910	6/15/2005	344,642
300,000	HCA - The Healthcare Company	6.730	7/15/2045	300,541
500,000	Omnicare, Inc./2/	8.125	3/15/2011	505,000
100,000	Owens & Minor, Inc./2/	8.500	7/15/2011	100,750
150,000	Tenet Healthcare Corporation	7.625	6/1/2008	152,437
500,000	Tenet Healthcare Corporation	8.000	1/15/2008	513,125
500,000	Triad Hospitals Holdings, Inc.	11.000	5/15/2009	538,750
	Total Industrial-Consumer Noncyclical			3,403,992

Industrial-Energy (10.2%)

250,000	Chesapeake Energy Corporation	8.500	3/15/2012	240,000
200,000	Forest Oil Corporation/2/	8.000	6/15/2008	195,000
250,000	Giant Industries, Inc.	9.750	11/15/2003	250,000
150,000	HS Resources, Inc.	9.250	11/15/2006	157,125
250,000	HS Resources, Inc.	9.250	11/15/2006	261,875
350,000	Key Energy Services, Inc./2/	8.375	3/1/2008	353,500
500,000	Pioneer Natural Resources Company	9.625	4/1/2010	547,900
250,000	Pride Petroleum Services, Inc.	9.375	5/1/2007	262,500
2,491	TransTexas Gas Corporation	15.000	3/15/2005	1,862
200,000	Triton Energy, Ltd.	8.875	10/1/2007	205,000
1,000,000	Vintage Petroleum, Inc.	9.000	12/15/2005	1,030,000
	Total Industrial-Energy			3,504,762

Industrial-Other (1.5%)

465,342	Rocky River Private Placement/5/	8.810	4/14/2007	498,316
	Total Industrial-Other			498,316

Industrial-Transportation (0.7%)

250,000	US Airways, Inc.	9.625	9/1/2003	252,204
	Total Industrial-Transportation			252,204

Utilities (8.7%)

500,000	AES Corporation	9.500	6/1/2009	510,000
150,000	AES Corporation	9.375	9/15/2010	151,500
250,000	Azurix Corporation	10.375	2/15/2007	252,500
300,000	Calpine Corporation	8.500	2/15/2011	289,210
500,000	Calpine Corporation	7.625	4/15/2006	483,242
500,000	CMS Energy Corporation	7.500	1/15/2009	462,583
250,000	Ferrellgas Partners, L.P.	9.375	6/15/2006	251,250
150,000	Mission Energy Holding Company/2/	13.500	7/15/2008	147,750
180,000	Progress Energy, Inc.	6.550	3/1/2004	183,470
250,000	WCG Note Trust/WCG Note Corporation/2/	8.250	3/15/2004	249,030
	Total Utilities			2,980,535

Total Long-Term Fixed Income Investments
(amortized cost basis \$33,808,197) 31,757,500

Shares	Common Stocks (0.4%)	Value	Market
36,024	Abraxas Petroleum Corporation*		\$113,836
1	Pathmark Stores, Inc.*		24
308	TransTexas Gas Corporation*		3,388
	Total Common Stocks (cost basis \$56,182)		117,248

Shares	Preferred Stocks (2.0%)	Interest Rate	Maturity Date	Market Value
700	Fresenius Medical Care Capital Trust II	7.875%	2/1/2008	\$682,500
3,414	TransTexas Gas Corporation*			171
	Total Preferred Stocks (cost basis \$673,415)			682,671

Principal Amount/	Interest	Maturity	Market
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SharesShort-Term Investments (5.0%)		Rate/1/	Date	Value
\$100,000	Abbey National North America	3.690%	8/1/2001	\$99,672
400,000	General Electric Capital Corporation	3.550-3.670	8/16-10/2/2001	397,131
200,000	Halifax plc	4.080	10/22/2001	197,416
100,000	Swedbank	3.940	8/13/2001	99,519
900,000	UBS Finance Corporation	3.550-3.770	8/23-12/19/2001	893,780
34,738	Fidelity Domestic Portfolio Class III	3.430		34,738
Total Short-Term Investments (amortized cost basis \$1,722,256)				1,722,256
Total Investments (99.9%) (amortized cost basis \$36,260,050)				34,279,675
Other Assets, Less Liabilities (0.1%)		42,911		
Net Assets (100.0%)				\$34,322,586

* Non income-producing security.

/1/The interest rate reflects the discount rate at the date of purchase.

/2/144A Security.

/3/Security in default.

/5/Illicit security valued at fair value.

/6/Step Coupon Bond.

See page 139 for a complete discussion of investment terms.

AAL Bond Index Portfolio

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio strives for investment results similar to the total return of the Lehman Aggregate Bond Index by investing primarily in bonds and other debt securities comprising the Index.

Principal		Interest	Maturity	Market
Amount	Long-Term Fixed-Income Investments (98.2%)	Rate	Date	Value
Asset Backed Securities (3.2%)				
\$250,000	American Express Master Trust Series 1998-1 Class A	5.900%	4/15/2004	\$255,117
250,000	Chase Credit Card Master Trust Series 1997-5 Class A	6.194	8/15/2005	255,872
300,000	Citibank Credit Issuance Trust Series 2001-A6 Class A6	5.650	6/16/2008	296,850
200,000	Countrywide Asset Backed Certificates Series 2001-1 Class AF2	5.846	7/25/2020	202,042
400,000	Ford Credit Auto Owner Trust Series 2001-B Class A4	5.120	10/15/2004	402,682
250,000	NationsBank Credit Card Master Trust Series 1993-2 Class A	6.000	12/15/2005	255,548
250,000	PECO Energy Transition Trust Series 1999-A Class A6	6.050	3/1/2009	250,861
200,000	Residential Asset Securities Corporation Series 1993-2 Class A4	6.935	10/25/2020	204,698
270,000	Vanderbilt Mortgage Finance Corporation Series 2000-A Class AI3	7.820	11/7/2017	285,227
	Total Asset Backed Securities			2,408,897
Finance (7.9%)				
310,000	Allstate Corporation	7.200	12/1/2009	322,067
250,000	Associates Corporation of North America	6.250	11/1/2008	246,063
250,000	Avalon Properties, Inc.	6.625	1/15/2005	250,992
250,000	Bank of America Corporation	7.400	1/15/2011	259,764
300,000	Cabot Industrial Properties, L.P.	7.125	5/1/2004	305,954
250,000	Chase Manhattan Corporation	6.000	2/15/2009	240,531
300,000	Citigroup, Inc.	7.250	10/1/2010	312,065
250,000	Commercial Credit Company	6.625	11/15/2006	253,166
468,000	Countrywide Home Loans, Inc.	7.450	9/16/2003	491,186
250,000	General Electric Capital Corporation	8.750	5/21/2007	283,090
300,000	Heller Financial, Inc.	7.375	11/1/2009	310,073
300,000	Household Finance Corporation	6.400	6/17/2008	294,373
300,000	Lehman Brothers Holdings, Inc.	6.625	5/15/2006	299,241
300,000	Mack-Cali Realty LLP	7.000	3/15/2004	303,405
250,000	Merrill Lynch & Company, Inc.	6.000	2/17/2009	241,212
300,000	Morgan Stanley Dean Witter & Company	6.100	4/15/2006	299,742
300,000	PNC Funding Corporation	6.875	7/15/2007	305,581
200,000	ProLogis Trust	7.000	10/1/2003	204,190
250,000	U.S. Bancorp	7.625	5/1/2005	262,080
250,000	Wells Fargo & Company	7.250	8/24/2005	262,585
150,000	Wellsford Residential Property Trust	9.375	2/1/2002	153,790
	Total Finance			5,901,150

Industrial-Basic (1.1%)				
300,000	Potash Corporation of Saskatchewan, Inc.	7.750	5/31/2011	306,278
300,000	Praxair, Inc.	6.500	3/1/2008	297,788
200,000	Stora Enso Oyj	7.375	5/15/2011	202,570
	Total Industrial-Basic			806,636
Industrial-Capital Goods (1.4%)				
250,000	Caterpillar, Inc.	9.000	4/15/2006	280,791
250,000	Hanson plc	6.750	9/15/2005	252,732
300,000	Raytheon Company	6.500	7/15/2005	294,929
200,000	Tyco International Group SA	6.375	2/15/2006	201,808
	Total Industrial-Capital Goods			1,030,260
Industrial-Communications (2.2%)				
250,000	Comcast Cable Communications, Inc.	6.200	11/15/2008	241,188
300,000	Clear Channel Communications, Inc.	7.875	6/15/2005	315,094
250,000	Pacific Bell	7.125	3/15/2026	247,553
250,000	Sprint Capital Corporation	6.375	5/1/2009	232,533
300,000	TELUS Corporation	8.000	6/1/2011	306,666
300,000	Verizon Global Funding Corporation/2/	7.750	12/1/2030	308,558
	Total Industrial-Communications			1,651,592
Industrial-Consumer Cyclical (2.1%)				
400,000	AOL Time Warner, Inc.	7.625	4/15/2031	401,539
250,000	Federated Department Stores, Inc.	6.625	4/1/2011	241,055
250,000	Ford Motor Credit Company	8.200	2/15/2002	255,641
300,000	Ford Motor Credit Company	7.450	7/16/2031	287,945
400,000	General Motors Acceptance Corporation	7.500	7/15/2005	418,234
	Total Industrial-Consumer Cyclical			1,604,414
Industrial-Consumer Noncyclical (2.1%)				
400,000	Hormel Foods Corporation/2/	6.625	6/1/2011	396,044
300,000	Kellogg Company	6.000	4/1/2006	297,314
250,000	Kimberly-Clark Corporation	6.375	1/1/2028	233,944
300,000	Kroger Company	7.650	4/15/2007	315,644
305,000	Safeway, Inc.	7.500	9/15/2009	317,740
	Total Industrial-Consumer Noncyclical			1,560,686
Industrial-Energy (1.1%)				
200,000	Anadarko Finance Company/2/	6.750	5/1/2011	199,457
300,000	Tosco Corporation	7.250	1/1/2007	310,567
300,000	Union Pacific Resources, Inc.	6.750	5/15/2008	302,581
	Total Industrial-Energy			812,605
Industrial-Other (0.5%)				
350,000	Thermo Electron Corporation	7.625	10/30/2008	337,995
	Total Industrial-Other			337,995
Industrial-Technology (1.0%)				
300,000	Compaq Computer Corporation	6.200	5/15/2003	299,393
300,000	International Business Machines Corporation	7.250	11/1/2002	309,494
200,000	Nortel Networks, Ltd.	6.125	2/15/2006	172,588
	Total Industrial-Technology			781,475
Industrial-Transportation (0.7%)				
500,000	Union Pacific Corporation	7.000	2/1/2006	491,339
	Total Industrial-Transportation			491,339
Mortgage Backed Securities (34.4%)				
Commercial Mortgage Backed Securities (2.2%)				
240,576	Bear Stearns Commerical Mortgage Securities Series 2000-WF2 Class A1	7.110	10/15/2032	248,726
247,930	Bear Stearns Commerical Mortgage Securities Series 1999-C1 Class A1	5.910	2/14/2031	247,173
292,275	Morgan Stanley Capital, Inc. Series 1999-FNV1 Class A1	6.120	3/15/2031	293,285
428,222	Morgan Stanley Capital, Inc. Series 1998-WF1 Class A1	6.250	3/15/2030	434,933
450,000	Nationslink Funding Corporation Series 1999-1 Class A2	6.316	1/20/2031	445,486
	Total Commercial Mortgage Backed Securities			1,669,603

Federal Home Loan Mortgage Corporation (10.9%)

112,933	Federal Home Loan Mortgage Corporation	Gold 15-Yr. Pass Through	7.500	12/1/2009	116,819
325,278	Federal Home Loan Mortgage Corporation	Gold 15-Yr. Pass Through	7.000	10/1/2014	332,122
45,135	Federal Home Loan Mortgage Corporation	Gold 15-Yr. Pass Through	7.000	1/1/2011	46,368
485,310	Federal Home Loan Mortgage Corporation	Gold 15-Yr. Pass Through	6.500	3/1/2016	487,465
142,759	Federal Home Loan Mortgage Corporation	Gold 15-Yr. Pass Through	6.500	1/1/2013	144,210
167,842	Federal Home Loan Mortgage Corporation	Gold 15-Yr. Pass Through	6.500	10/1/2012	169,791
413,183	Federal Home Loan Mortgage Corporation	Gold 15-Yr. Pass Through	6.000	4/1/2014	410,605
203,987	Federal Home Loan Mortgage Corporation	Gold 15-Yr. Pass Through	6.000	9/1/2013	202,714
419,153	Federal Home Loan Mortgage Corporation	Gold 15-Yr. Pass Through	5.500	3/1/2014	409,019
114,152	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	8.500	11/1/2025	120,574
55,258	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	8.000	1/1/2026	57,721
624,748	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	7.500	10/1/2029	637,867
99,200	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	7.500	10/1/2027	101,643
105,214	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	7.500	7/1/2027	107,996
62,729	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	7.500	8/1/2025	64,425
500,000	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	7.000	6/1/2031	502,999
468,109	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	7.000	2/1/2031	471,187
388,686	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	7.000	7/1/2029	391,455
155,872	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	7.000	5/1/2028	157,118
338,212	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	7.000	8/1/2027	341,123
133,940	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	7.000	4/1/2027	135,093
86,218	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	7.000	6/1/2026	87,138
159,504	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	7.000	5/1/2024	161,468
498,614	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	6.500	5/1/2031	491,421
438,331	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	6.500	7/1/2029	432,983
206,850	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	6.500	2/1/2029	204,588
212,676	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	6.500	12/1/2028	210,350
230,899	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	6.500	10/1/2028	228,374
178,646	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	6.500	7/1/2028	176,693
104,323	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	6.500	4/1/2024	103,705
437,398	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	6.000	3/1/2029	422,284
211,900	Federal Home Loan Mortgage Corporation	Gold 30-Yr. Pass Through	6.000	8/1/2028	204,926
Total Federal Home Loan Mortgage Corporation					8,132,244

Federal National Mortgage Association (12.6%)

76,721	Federal National Mortgage Association	Conventional 15-Yr. Pass Through	8.000	7/1/2012	79,350
81,666	Federal National Mortgage Association	Conventional 15-Yr. Pass Through	7.500	7/1/2011	84,247
19,599	Federal National Mortgage Association	Conventional 15-Yr. Pass Through	7.000	9/1/2012	20,036
184,216	Federal National Mortgage Association	Conventional 15-Yr. Pass Through	6.500	6/1/2013	185,846
154,260	Federal National Mortgage Association	Conventional 15-Yr. Pass Through	6.500	12/1/2012	155,864
96,982	Federal National Mortgage Association	Conventional 15-Yr. Pass Through	6.000	4/1/2011	96,748
54,218	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	10.500	8/1/2020	59,724
124,144	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	9.000	11/1/2027	132,199
35,342	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	9.000	2/1/2025	37,636
44,515	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	8.500	12/1/2025	47,106
268,603	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	8.000	4/1/2030	277,722
68,307	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	8.000	9/1/2026	71,214
107,689	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	8.000	12/1/2024	112,843
438,855	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.500	12/1/2030	448,035
414,960	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.500	12/1/2029	423,809
443,301	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.500	8/1/2029	452,755
121,051	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.500	11/1/2027	123,989
75,643	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.500	2/1/2027	77,598
100,672	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.500	1/1/2026	103,350
445,837	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.000	9/1/2029	448,516
440,775	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.000	3/1/2029	443,423
150,738	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.000	12/1/2028	151,807
200,485	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.000	10/1/2028	201,908
120,235	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.000	1/1/2028	121,157
89,403	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.000	3/1/2027	90,278
123,765	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.000	2/1/2026	124,976
128,045	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	7.000	10/1/2025	129,422
413,780	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	6.500	8/1/2029	408,353
486,874	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	6.500	7/1/2029	480,489
199,174	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	6.500	2/1/2029	196,803
167,782	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	6.500	9/1/2028	165,785
209,436	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	6.500	9/1/2028	206,944
185,647	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	6.500	8/1/2027	183,560
140,826	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	6.500	5/1/2026	139,479
440,519	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	6.500	11/1/2025	437,446
998,773	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	6.000	5/1/2031	959,286
418,942	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	6.000	11/1/2029	404,767
434,016	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	6.000	3/1/2029	419,331
200,852	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	6.000	5/1/2028	194,057
382,730	Federal National Mortgage Association	Conventional 30-Yr. Pass Through	6.000	12/1/2013	380,241
94,328	Federal National Mortgage Association	Conventional 7-Yr. Balloon Pass Through	6.500	10/1/2003	96,096
Total Federal National Mortgage Association					9,374,195

Government National Mortgage Association (8.7%)

93,749	Government National Mortgage Association	15-Yr. Pass Through	6.500	6/15/2009	95,946
52,684	Government National Mortgage Association	30-Yr. Pass Through	9.000	9/15/2024	56,582
54,218	Government National Mortgage Association	30-Yr. Pass Through	8.500	12/15/2026	57,064
606,629	Government National Mortgage Association	30-Yr. Pass Through	8.000	10/15/2030	628,953

386,611	Government National Mortgage Association 30-Yr. Pass Through	8.000	12/15/2029	401,272
88,369	Government National Mortgage Association 30-Yr. Pass Through	8.000	10/15/2026	91,982
81,635	Government National Mortgage Association 30-Yr. Pass Through	8.000	9/15/2026	84,972
391,948	Government National Mortgage Association 30-Yr. Pass Through	8.000	7/15/2026	407,971
57,861	Government National Mortgage Association 30-Yr. Pass Through	8.000	6/15/2025	60,364
660,910	Government National Mortgage Association 30-Yr. Pass Through	7.500	1/15/2031	677,946
382,170	Government National Mortgage Association 30-Yr. Pass Through	7.500	11/15/2028	393,037
120,427	Government National Mortgage Association 30-Yr. Pass Through	7.500	10/15/2027	123,966
102,162	Government National Mortgage Association 30-Yr. Pass Through	7.500	3/15/2027	105,164
103,179	Government National Mortgage Association 30-Yr. Pass Through	7.500	3/15/2023	106,606
499,105	Government National Mortgage Association 30-Yr. Pass Through	7.000	4/15/2031	503,758
430,048	Government National Mortgage Association 30-Yr. Pass Through	7.000	4/15/2029	425,856
447,022	Government National Mortgage Association 30-Yr. Pass Through	7.000	3/15/2029	451,975
187,471	Government National Mortgage Association 30-Yr. Pass Through	7.000	8/15/2028	189,359
173,372	Government National Mortgage Association 30-Yr. Pass Through	7.000	1/15/2028	175,118
164,211	Government National Mortgage Association 30-Yr. Pass Through	7.000	11/15/2027	166,030
103,658	Government National Mortgage Association 30-Yr. Pass Through	7.000	1/15/2024	105,368
186,092	Government National Mortgage Association 30-Yr. Pass Through	7.000	1/15/2014	191,056
415,394	Government National Mortgage Association 30-Yr. Pass Through	6.500	3/15/2029	411,345
210,775	Government National Mortgage Association 30-Yr. Pass Through	6.500	12/15/2028	208,834
201,369	Government National Mortgage Association 30-Yr. Pass Through	6.500	7/15/2028	199,515
160,790	Government National Mortgage Association 30-Yr. Pass Through	6.000	5/15/2026	156,214
	Total Government National Mortgage Association			6,476,253

Total Mortgage Backed Securities

25,652,295

Non-Corporate (3.6%)

250,000	African Development Bank	6.875	10/15/2015	255,123
350,000	Canada Government	5.250	11/5/2008	337,088
500,000	Export-Import Bank of Korea	6.500	11/15/2006	510,000
400,000	Mexico Government International Bond	9.875	1/15/2007	437,200
250,000	Province of Nova Scotia	7.250	7/27/2013	265,516
250,000	Province of Ontario	6.000	2/21/2006	253,550
300,000	Province of Quebec	6.500	1/17/2006	307,598
300,000	Republic of Italy	7.250	2/7/2005	318,118
	Total Non-Corporate			2,684,193

U.S. Government Obligations (34.5%)

U.S. Government Agency (10.3%)

415,000	Federal Home Loan Bank	7.250	5/15/2003	433,888
250,000	Federal Home Loan Bank	6.500	11/29/2005	259,850
700,000	Federal Home Loan Bank	5.925	4/9/2008	701,660
495,000	Federal Home Loan Bank	5.440	10/15/2003	501,058
500,000	Federal Home Loan Mortgage Corporation	7.100	4/10/2007	533,117
300,000	Federal Home Loan Mortgage Corporation	6.250	10/15/2002	307,445
300,000	Federal Home Loan Mortgage Corporation	5.750	4/15/2008	297,774
500,000	Federal Home Loan Mortgage Corporation	5.750	7/15/2003	509,821
475,000	Federal Home Loan Mortgage Corporation	5.125	10/15/2008	452,532
600,000	Federal National Mortgage Association	6.500	8/15/2004	623,921
100,000	Federal National Mortgage Association	6.250	5/15/2029	95,632
350,000	Federal National Mortgage Association	6.250	2/1/2011	348,111
500,000	Federal National Mortgage Association	6.000	5/15/2008	503,167
500,000	Federal National Mortgage Association	5.960	9/11/2028	461,610
225,000	Federal National Mortgage Association	5.750	4/15/2003	229,844
200,000	Federal National Mortgage Association	5.625	5/14/2004	203,175
500,000	Federal National Mortgage Association	4.750	11/14/2003	499,410
250,000	Private Export Funding Corporation	6.240	5/15/2002	254,804
200,000	Resolution Funding Corporation	8.125	10/15/2019	235,501
250,000	Tennessee Valley Authority	6.000	3/15/2013	243,847
	Total U.S. Government Agency			7,696,167

U.S. Treasury Securities (24.2%)

250,000	U.S. Treasury Bonds	10.375	11/15/2012	316,543
500,000	U.S. Treasury Bonds	9.875	11/15/2015	696,802
350,000	U.S. Treasury Bonds	8.750	5/15/2017	453,772
600,000	U.S. Treasury Bonds	8.500	2/15/2020	774,232
250,000	U.S. Treasury Bonds	8.125	8/15/2021	314,560
445,000	U.S. Treasury Bonds	8.125	5/15/2021	559,195
475,000	U.S. Treasury Bonds	8.125	8/15/2019	591,303
290,000	U.S. Treasury Bonds	7.625	11/15/2022	349,755
260,000	U.S. Treasury Bonds	7.500	11/15/2024	312,149
300,000	U.S. Treasury Bonds	7.500	11/15/2016	349,294
550,000	U.S. Treasury Bonds	6.875	8/15/2025	617,660
300,000	U.S. Treasury Bonds	6.750	8/15/2026	332,836
465,000	U.S. Treasury Bonds	6.625	2/15/2027	509,380
500,000	U.S. Treasury Bonds	6.375	8/15/2027	531,439
300,000	U.S. Treasury Bonds	6.250	5/15/2030	318,141
475,000	U.S. Treasury Notes	7.875	11/15/2004	520,161
500,000	U.S. Treasury Notes	11.875	11/15/2003	582,024
460,000	U.S. Treasury Notes	7.500	2/15/2005	500,605
500,000	U.S. Treasury Notes	7.250	8/15/2004	536,910
575,000	U.S. Treasury Notes	7.250	5/15/2004	615,616
680,000	U.S. Treasury Notes	7.000	7/15/2006	737,756

400,000	U.S. Treasury Notes	6.750	5/15/2005	425,906
650,000	U.S. Treasury Notes	6.500	10/15/2006	691,307
665,000	U.S. Treasury Notes	6.500	8/15/2005	704,087
200,000	U.S. Treasury Notes	6.250	2/15/2007	210,890
370,000	U.S. Treasury Notes	6.250	2/15/2003	381,795
300,000	U.S. Treasury Notes	6.250	8/31/2002	307,549
500,000	U.S. Treasury Notes	6.125	8/15/2007	524,952
700,000	U.S. Treasury Notes	6.000	8/15/2009	727,952
500,000	U.S. Treasury Notes	6.000	7/31/2002	510,779
550,000	U.S. Treasury Notes	5.875	2/15/2004	568,303
300,000	U.S. Treasury Notes	5.750	11/15/2005	308,943
325,000	U.S. Treasury Notes	5.750	10/31/2002	331,919
500,000	U.S. Treasury Notes	5.625	2/15/2006	513,472
650,000	U.S. Treasury Notes	5.500	5/31/2003	664,232
330,000	U.S. Treasury Notes	5.500	1/31/2003	336,604
300,000	U.S. Treasury Notes	5.250	8/15/2003	305,385
	Total U.S. Treasury Securities			18,034,208

Total U.S. Government Obligations 25,730,375

Utilities (2.4%)

250,000	Columbia Energy Group	7.320	11/28/2010	244,800
300,000	DTE Energy Company	7.050	6/1/2011	301,333
300,000	El Paso Corporation	7.000	5/15/2011	288,792
400,000	Niagra Mohawk Power Corporation	7.750	10/1/2008	407,690
250,000	Texas Utilities Electric Company	7.375	8/1/2001	250,505
300,000	Texas Utilities Electric Company	7.170	8/1/2007	311,609
	Total Utilities			1,804,729

Total Long-Term Fixed Income Investments (amortized cost basis \$72,590,694) 73,258,641

Principal Amount	Short-Term Investments (1.6%)	Interest Rate/1/	Maturity Date	Market Value
\$1,174,000	Countrywide Home Loans, Inc.	4.200%	7/2/2001	\$1,173,726

Total Short-Term Investments (amortized cost basis \$1,173,726) 1,173,726

Total Investments (99.8%) (amortized cost basis \$73,764,420) 74,432,367

Other Assets, less Liabilities (0.2%) 178,572

Net Assets (100.0%) \$74,610,939

/1/The interest rate reflects the discount rate at the date of purchase.

/2/144A Security.

See page 139 for a complete discussion of investment terms.

AAL Money Market Portfolio

Schedule of Investments as of June 29, 2001

Investment Objective

The Portfolio strives for maximum current income, while maintaining liquidity and a constant net asset value of \$1.00 per share, by investing in high-quality, short-term money market instruments.

Principal Amount	Commercial Paper (99.8%)	Interest Rate Range*	Maturity Date Range	Market Value
\$1,658,000	Alabama Power Company/4/	3.618-3.735%	8/16-9/13/2001	\$1,646,649
1,017,000	Alpine Securitization Corporation/4/	3.983	7/3/2001	1,016,664
2,036,000	American Express Credit Corporation	3.846	7/23/2001	2,031,018
1,485,000	American General Finance Corporation	3.713	7/25/2001	1,481,184
670,000	Boeing Capital Corporation/4/	3.870	7/13/2001	669,064
1,266,000	CIT Group Holdings, Inc.	3.683	7/30/2001	1,262,128
1,766,000	Countrywide Home Loans, Inc.	3.734	7/31/2001	1,760,343
1,731,000	CXC, Inc./4/	3.716	8/3/2001	1,724,951
1,239,000	Duke Energy Corporation/4/	3.830	7/18/2001	1,236,627
1,468,000	Eaglefunding Capital Corporation/4/	3.977	7/16/2001	1,465,416
1,836,000	Edison Asset Securitization LLC4	3.940	7/2/2001	1,835,598
2,067,000	E.I. du Pont de Nemours & Company	3.694	8/6/2001	2,059,182
338,000	Falcon Asset Security Corporation/4/	3.710	8/1/2001	336,885
2,000,000	Ford Motor Credit Company	3.680	8/2/2001	1,993,253

1,900,000	Gannett Company, Inc./4/	3.880	7/5/2001	1,898,976
211,000	General Electric Capital Corporation	3.633	8/1/2001	210,321
1,601,000	Goldman Sachs Group, L.P.	3.978	7/10/2001	1,599,239
1,969,000	Household Finance Corporation	3.725	8/6/2001	1,961,492
1,461,000	John Deere Capital Corporation	3.880	7/13/2001	1,458,953
1,405,000	Knight Ridder, Inc./4/	3.972	7/20/2001	1,401,917
1,793,000	McGraw-Hill Companies, Inc.	3.878	8/24/2001	1,782,481
1,827,000	Merrill Lynch & Company, Inc.	3.890	7/11/2001	1,824,828
2,000,000	Pfizer, Inc./4/	3.850	7/12/2001	1,997,433
1,693,000	R.R. Donnelley & Sons Company/4/	3.827	7/24/2001	1,688,700
1,624,000	SBC Communications, Inc./4/	3.715	7/27/2001	1,619,493
1,882,000	Toyota Motor Credit Corporation/4/	3.900	7/6/2001	1,880,777
2,000,000	United Technologies Corporation/4/	3.880	7/19/2001	1,995,905
2,000,000	Verizon Network Funding	3.760	7/26/2001	1,994,569
1,244,000	Walt Disney Company	3.850	7/9/2001	1,242,803
1,573,000	Wisconsin Energy Corporation/4/	3.945-3.950	7/10-7/17/2001	1,570,341

(amortized cost basis \$46,647,190)		Total Commercial Paper (99.8%)	
		46,647,190	
		Other Assets, Less Liabilities (0.2%)	84,391
		Net Assets (100.0%)	\$46,731,581

* The interest rate shown reflects the coupon rate or, for the securities purchased at a discount, the discount rate at the date of purchase.

/4/ 4(2) commercial paper.

See page 139 for a complete discussion of investment terms.

AAL Variable Product Series Fund, Inc.
Statement of Assets and Liabilities
As of June 29, 2001

	Technology Stock Portfolio	Aggressive Growth Portfolio	Small Cap Stock Portfolio
Assets:			
Investments at cost	\$7,584,078	\$7,297,355	\$11,362,856
Investments at value	\$7,725,454	\$7,087,284	\$12,094,460
Cash	60,033	99,859	63,326
Dividends and interest receivable	278	792	2,696
Receivable for investments sold	-	13,391	-
Receivable for fund shares sold	20,483	12,272	84,991
Receivable for forward contracts	-	-	-
Total Assets	\$7,806,248	\$7,213,598	\$12,245,473
Liabilities:			
Payable for forward contracts	-	-	-
Payable for investments purchased	-	23,502	79,350
Income distributions payable	-	-	-
Payable for fund shares redeemed	3,027	540	1,854
Other accrued expenses	-	-	-
Investment advisory fees payable	4,311	4,396	5,974
Total Liabilities	\$7,338	\$28,438	\$87,178
Net Assets:			
Capital stock	7,815,464	7,476,497	11,361,800
Undistributed net investment income	(4,100)	16,274	8,888
Undistributed net realized gain/(loss)	(153,830)	(97,540)	56,003
Net unrealized appreciation/(depreciation) on investments	141,376	(210,071)	731,604
Net unrealized appreciation/(depreciation) on foreign currency contracts	-	-	-
Net unrealized appreciation/(depreciation) on currency related transactions	-	-	-
Total Net Assets	\$7,798,910	\$7,185,160	\$12,158,295
Total Liabilities & Capital	\$7,806,248	\$7,213,598	\$12,245,473
Capital Shares Outstanding (2 billion shares authorized)	805,504	757,174	1,127,030
Net Asset Value Per Share	\$9.68	\$9.49	\$10.79

Small Cap Index Portfolio	Mid Cap Stock Portfolio	Mid Cap Index Portfolio	International Portfolio	Capital Growth Portfolio	Large Company Index Portfolio
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\$322,400,331	\$13,304,631	\$10,075,447	\$84,889,435	\$27,349,454	\$722,838,943		
\$327,536,284	\$13,506,980	\$10,521,550	\$68,326,184	\$26,746,104	\$827,490,919		
741	43,558	670	-	7,427	155		
149,810	6,100	5,581	168,546	16,139	619,034		
294,624	68,029	3,908	756,182	-	2,088,851		
117,498	119,433	59,016	51,302	204,073	247,727		
-	-	-	2,154,023	-	-		
\$328,098,957	\$13,744,100	\$10,590,725	\$71,456,237	\$26,973,743	\$830,446,686		
-	-	-	2,151,941	-	-		
535,937	83,358	14,637	1,606,306	723,499	928,928		
-	-	-	-	-	-		
101,662	25,451	2,568	23,023	52,848	302,795		
25,909	-	-	-	-	47,869		
85,644	6,779	2,781	43,619	11,899	210,571		
\$749,152	\$115,588	\$19,986	\$3,824,889	\$788,246	\$1,490,163		
303,940,625	13,242,471	10,143,534	88,190,039	26,787,074	707,628,527		
57,645	15,639	1,280	393,844	1,773	104,953		
18,215,582	168,053	(20,178)	(4,383,806)	-	16,571,067		
5,135,953	202,349	446,103	(16,563,251)	(603,350)	104,651,976		
-	-	-	2,082	-	-		
-	-	-	(7,560)	-	-		
\$327,349,805	\$13,628,512	\$10,570,739	\$67,631,348	\$26,185,497	\$828,956,523		
\$328,098,957	\$13,744,100	\$10,590,725	\$71,456,237	\$26,973,743	\$830,446,686		
22,643,439	1,326,168	1,009,795	6,638,193	2,711,768	37,058,124		
\$14.46	\$10.28	\$10.47	\$10.19	\$9.66	\$22.37		
			Equity Income Portfolio	Balanced Portfolio	High Yield Bond Portfolio	Bond Index Portfolio	Money Market Portfolio
Assets:							
Investments at cost		\$11,171,603	\$744,972,664	\$36,260,050	\$73,764,420	\$46,647,190	
Investments at value		\$10,873,024	\$772,468,925	\$34,279,675	\$74,432,367	\$46,647,190	
Cash		234	899	-	187	415	
Dividends and interest receivable		10,814	3,669,262	696,280	918,484	-	
Receivable for investments sold		173,447	1,949,060	-	535,892	-	
Receivable for fund shares sold		18,228	157,844	4,544	4,781	164,875	
Receivable for forward contracts		-	-	-	-	-	
Total Assets		\$11,075,747	\$778,245,990	\$34,980,499	\$75,891,711	\$46,812,480	
Liabilities:							
Payable for forward contracts		-	-	-	-	-	
Payable for investments purchased		582,139	2,768,386	640,762	1,149,564	-	
Income distributions payable		-	-	-	-	4,515	
Payable for fund shares redeemed		1,922	388,055	6,083	110,670	63,289	
Other accrued expenses		-	37,860	-	-	-	
Investment advisory fees payable		3,463	196,493	11,068	20,538	13,095	
Total Liabilities		\$587,524	\$3,390,794	\$657,913	\$1,280,772	\$80,899	
Net Assets:							
Capital stock		10,786,489	745,528,273	47,521,979	74,975,898	46,731,581	
Undistributed net investment income		3,889	115,219	9,397	16,860	-	
Undistributed net realized gain/(loss)		(3,576)	1,715,443	(11,228,415)	(1,049,766)	-	
Net unrealized appreciation/(depreciation) on investments		(298,579)	27,496,261	(1,980,375)	667,947	-	
Net unrealized appreciation/(depreciation) on foreign currency contracts		-	-	-	-	-	
Net unrealized appreciation/(depreciation) on currency related transactions		-	-	-	-	-	
Total Net Assets		\$10,488,223	\$774,855,196	\$34,322,586	\$74,610,939	\$46,731,581	
Total Liabilities & Capital		\$11,075,747	\$778,245,990	\$34,980,499	\$75,891,711	\$46,812,480	
Capital Shares Outstanding (2 billion shares authorized)		1,076,155	52,085,802	5,267,888	7,425,819	46,731,581	
Net Asset Value Per Share		\$9.75	\$14.88	\$6.52	\$10.05	\$1.00	

AAL Variable Product Series Fund, Inc.
Statement of Operations
For the Period Ended June 29, 2001

	Technology Stock Portfolio/1/	Aggressive Growth Portfolio/1/	Small Cap Stock Portfolio/1/
Investment Income			
Dividends	\$2,002	\$8,244	\$12,705
Interest	9,077	23,790	14,156
Total Investment Income	\$11,079	\$32,034	\$26,861
Expenses			
Adviser fee	15,179	4,925	17,973
Sub-Adviser fees	-	10,835	-
Professional fees	8,413	8,414	8,413
Custody fees	3,471	723	8,023
Administrative service fees	11,896	11,831	12,098
Printing and postage	270	270	270
Director fees	1,650	1,650	1,650
Other expenses	489	489	489
Total Expenses Before Reimbursement	\$41,368	\$39,137	\$48,916
Less Reimbursement from Adviser	(26,189)	(23,377)	(30,943)
Total Net Expenses	\$15,179	\$15,760	\$17,973
Net Investment Income	\$ (4,100)	\$16,274	\$8,888
Realized and Unrealized Gains/(Losses) on Investments and Foreign Currency			
Net realized gains/(losses) on investments	(153,830)	(97,540)	56,003
Net realized gains/(losses) on foreign currency transactions	-	-	-
Change in net unrealized appreciation/depreciation on investments	141,376	(210,071)	731,604
Change in net unrealized appreciation/depreciation on foreign currency transactions	-	-	-
Net Realized and Unrealized Gains/(Losses) on Investments and Foreign Currency	\$ (12,454)	\$ (307,611)	\$787,607
Net Increase/(Decrease) in Net Assets From Operations	\$ (16,554)	\$ (291,337)	\$796,495

/1/Since inception, March 1, 2001.

Small Cap Index Portfolio	Mid Cap Stock Portfolio/1/	Mid Cap Index Portfolio/1/	International Portfolio	Capital Growth Portfolio/1/	Large Company Index Portfolio
\$1,136,967	\$21,251	\$28,164	\$640,207	\$42,668	\$5,161,045
60,294	14,133	7,862	46,308	23,681	69,000
\$1,197,261	\$35,384	\$36,026	\$686,515	\$66,349	\$5,230,045
517,089	19,745	9,826	127,463	30,089	1,329,252
-	-	-	160,777	-	-
15,375	8,414	7,663	16,125	8,414	15,125
30,705	10,579	5,499	45,045	13,850	24,084
17,074	14,618	12,774	24,697	11,936	16,616
28,118	270	405	7,058	270	80,871
1,651	1,650	1,650	1,650	1,650	1,651
489	489	489	489	489	489
\$610,501	\$55,765	\$38,306	\$383,304	\$66,698	\$1,468,088
(31,834)	(36,020)	(28,480)	(95,064)	(36,609)	(26,796)
\$578,667	\$19,745	\$9,826	\$288,240	\$30,089	\$1,441,292
\$618,594	\$15,639	\$26,200	\$398,275	\$36,260	\$3,788,753
1,826,442	168,053	(20,178)	(5,005,654)	-	13,614,427
-	-	-	691,989	-	-
16,557,386	202,349	446,103	(9,589,653)	(603,350)	(79,640,621)
-	-	-	(199,236)	-	-

\$18,383,828	\$370,402	\$425,925	\$ (14,102,554)	\$ (603,350)	\$ (66,026,194)
\$19,002,422	\$386,041	\$452,125	\$ (13,704,279)	\$ (567,090)	\$ (62,237,441)

	Equity Income Portfolio/1/	Balanced Portfolio	High Yield Bond Portfolio	Bond Index Portfolio	Money Market Portfolio
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Investment Income

Dividends	\$40,690	\$2,668,829	\$33,891	\$ -	\$ -
Interest	14,714	10,833,642	1,649,999	2,202,037	1,065,736
Total Investment Income	\$55,404	\$13,502,471	\$1,683,890	\$2,202,037	\$1,065,736

Expenses

Adviser fee	10,834	1,224,612	26,162	116,992	73,965
Sub-Adviser fees	-	-	43,604	-	-
Professional fees	8,414	15,375	16,025	15,125	13,375
Custody fees	4,300	27,143	2,516	6,011	2,735
Administrative service fees	14,581	28,688	19,692	22,470	14,975
Printing and postage	270	73,365	3,253	5,833	3,532
Director fees	1,650	1,650	1,651	1,651	1,651
Other expenses	489	489	489	489	489
Total Expenses Before Reimbursement	\$40,538	\$1,371,322	\$113,392	\$168,571	\$110,722

Less Reimbursement from Adviser	(29,704)	(42,525)	(43,626)	(51,579)	(36,757)
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Total Net Expenses	\$10,834	\$1,328,797	\$69,766	\$116,992	\$73,965
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Net Investment Income	\$44,570	\$12,173,674	\$1,614,124	\$2,085,045	\$991,771
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Realized and Unrealized Gains/(Losses) on Investments and Foreign Currency

Net realized gains/(losses) on investments	(3,576)	528,338	(1,694,191)	(178,253)	-
Net realized gains/(losses) on foreign currency transactions	-	-	-	-	-
Change in net unrealized appreciation/depreciation on investments	(298,579)	(30,765,997)	(63,596)	108,775	-
Change in net unrealized appreciation/depreciation on foreign currency transactions	-	-	-	-	-

Net Realized and Unrealized Gains/(Losses) on Investments and Foreign Currency	\$ (302,155)	\$ (30,237,659)	\$ (1,757,787)	\$ (69,478)	\$ -
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Net Increase/(Decrease) in Net Assets From Operations \$(257,585)	\$ (18,063,985)	\$ (143,663)	\$2,015,567	\$991,771	
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/1/Since inception, March 1, 2001.

AAL Variable Product Series Fund, Inc.
Statement of Changes in Net Assets
For the Period Ended June 29, 2001

	Technology Stock Portfolio Period ended 6/29/2001/1/	Aggressive Growth Portfolio Period ended 6/29/2001/1/	Small Cap Stock Portfolio Period ended 6/29/2001/1/
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Operations

Net investment income/(loss)	\$ (4,100)	\$16,274	\$8,888
Net realized gains/(losses) on investments	(153,830)	(97,540)	56,003
Net realized gains/(losses) on foreign currency transactions	-	-	-
Change in net unrealized appreciation/depreciation on investments	141,376	(210,071)	731,604
Change in net unrealized appreciation/depreciation on currency transactions	-	-	-
Net Increase/(Decrease) in Net Assets Resulting from Operations	\$ (16,554)	\$ (291,337)	\$796,495

Distributions to Shareholders

From net investment income	-	-	-
From net realized gains	-	-	-
Total Distributions to Shareholders	\$ -	\$ -	\$ -

Fund Share Transactions

Purchases of fund shares	7,949,042	7,518,466	11,496,571
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Income dividends reinvested	-	-	-
Capital gains reinvested	-	-	-
Redemption of fund shares	(133,578)	(41,969)	(134,771)
Net Increase/(Decrease) in Net Assets from Fund Share Transactions	\$7,815,464	\$7,476,497	\$11,361,800

Net Increase/(Decrease) in Net Assets	\$7,798,910	\$7,185,160	\$12,158,295

Net Assets Beginning of Period	\$ -	\$ -	\$ -

Net Assets End of Period	\$7,798,910	\$7,185,160	\$12,158,295

Accumulated Undistributed Net Investment Income/(Loss)	\$(4,100)	\$16,274	\$8,888

/1/Since inception, March 1, 2001.

Small Cap Index Portfolio Period Ended 6/29/2001	Small Cap Index Portfolio Year Ended 12/31/2000	Mid Cap Stock Portfolio Period Ended 6/29/20011	Mid Cap Index Portfolio Period Ended 6/29/20011	International Portfolio Period Ended 6/29/2001	International Portfolio Year Ended 12/31/2000	Capital Growth Portfolio Period Ended 6/29/20011
\$618,594	\$1,142,108	\$15,639	\$26,200	\$398,275	\$1,788,348	\$36,260
1,826,442	38,030,220	168,053	(20,178)	(5,005,654)	397,602	-
-	-	-	-	691,989	(28,065)	-
16,557,386	(11,042,410)	202,349	446,103	(9,589,653)	(17,543,293)	(603,350)
-	-	-	-	(199,236)	195,357	-
\$19,002,422	\$28,129,918	\$386,041	\$452,125	\$(13,704,279)	\$(15,190,051)	\$(567,090)

(566,781)	(1,136,276)	-	(24,920)	-	(1,764,714)	(34,487)
-	(20,803,249)	-	-	-	(1,422,348)	-
\$(566,781)	\$(21,939,525)	\$ -	\$(24,920)	\$ -	\$(3,187,062)	\$(34,487)

18,989,227	67,750,422	13,368,592	10,158,154	9,232,312	61,918,464	27,069,732
566,781	1,136,276	-	3,920	-	1,482,514	27,987
-	20,803,249	-	-	-	1,194,897	-
(15,379,559)	(17,094,552)	(126,121)	(18,540)	(7,476,826)	(10,655,938)	(310,645)
\$4,176,449	\$72,595,395	\$13,242,471	\$10,143,534	\$1,755,486	\$53,939,937	\$26,787,074

\$22,612,090	\$78,785,788	\$13,628,512	\$10,570,739	\$(11,948,793)	\$35,562,824	\$26,185,497

\$304,737,715	\$225,951,927	\$ -	\$ -	\$79,580,141	\$44,017,317	\$ -

\$327,349,805	\$304,737,715	\$13,628,512	\$10,570,739	\$67,631,348	\$79,580,141	\$26,185,497

\$57,645	\$5,832	\$15,639	\$1,280	\$393,844	\$(4,431)	\$1,773

	Large Company Index Portfolio Period Ended 6/29/2001	Large Company Index Portfolio Year Ended 12/31/2000	Equity Income Portfolio Period Ended 6/29/20011
Operations			

Operations

Net investment income/(loss)	\$3,788,753	\$8,073,950	\$44,570
Net realized gains/(losses) on investments	13,614,427	12,632,673	(3,576)
Net realized gains/(losses) on foreign currency transactions	-	-	-
Change in net unrealized appreciation/depreciation on investments	(79,640,621)	(109,481,142)	(298,579)
Change in net unrealized appreciation/depreciation on currency transactions	-	-	-
Net Increase/(Decrease) in Net Assets Resulting from Operations	\$(62,237,441)	\$(88,774,519)	\$(257,585)

Distributions to Shareholders

From net investment income	(3,692,282)	(8,073,388)	(40,681)
From net realized gains	-	(10,465,596)	-
Total Distributions to Shareholders	\$(3,692,282)	\$(18,538,984)	\$(40,681)

Fund Share Transactions

Purchases of fund shares	37,110,622	182,665,704	10,817,318
Income dividends reinvested	3,692,282	8,073,388	21,681
Capital gains reinvested	-	10,465,596	-
Redemption of fund shares	(50,758,624)	(62,810,827)	(52,510)

Net Increase/(Decrease) in Net Assets from Fund Share

Transactions	\$ (9,955,720)	\$138,393,861	\$10,786,489
Net Increase/(Decrease) in Net Assets	\$ (75,885,443)	\$31,080,358	\$10,488,223
Net Assets Beginning of Period	\$904,841,966	\$873,761,608	\$ -
Net Assets End of Period	\$828,956,523	\$904,841,966	\$10,488,223
Accumulated Undistributed Net Investment Income/(Loss)	\$104,953	\$8,482	\$3,889

/1/Since inception, March 1, 2001.

Balanced Portfolio Period Ended 6/29/2001	Balanced Portfolio Year Ended 12/31/2000	High Yield Bond Portfolio Period Ended 6/29/2001	High Yield Bond Portfolio Year Ended 12/31/2000	Bond Portfolio Period Ended 6/29/2001	Bond Portfolio Year Ended 12/31/2000
\$12,173,674	\$27,502,505	\$1,614,124	\$3,399,986	\$2,085,045	\$3,642,033
528,338	22,549,822	(1,694,191)	(8,590,533)	(178,253)	(559,779)
-	-	-	-	-	-
(30,765,997)	(55,286,043)	(63,596)	4,685,118	108,775	3,071,143
-	-	-	-	-	-
\$ (18,063,985)	\$ (5,233,716)	\$ (143,663)	\$ (505,429)	\$2,015,567	\$6,153,397
(12,090,138)	(27,512,526)	(1,607,272)	(3,401,723)	(2,070,456)	(3,644,111)
-	(30,143,410)	-	-	-	-
\$ (12,090,138)	\$ (57,655,936)	\$ (1,607,272)	\$ (3,401,723)	\$ (2,070,456)	\$ (3,644,111)
34,677,910	99,214,275	4,047,534	6,763,946	17,348,850	8,327,082
12,090,138	27,512,526	981,272	1,923,723	2,070,456	3,644,111
-	30,143,410	-	-	-	-
(45,346,270)	(68,038,642)	(2,558,647)	(4,339,982)	(4,608,287)	(10,986,532)
\$1,421,778	\$88,831,569	\$2,470,159	\$4,347,687	\$14,811,019	\$984,661
\$ (28,732,345)	\$25,941,917	\$719,224	\$440,535	\$14,756,130	\$3,493,947
\$803,587,541	\$777,645,624	\$33,603,362	\$33,162,827	\$59,854,809	\$56,360,862
\$774,855,196	\$803,587,541	\$34,322,586	\$33,603,362	\$74,610,939	\$59,854,809
\$115,219	\$31,683	\$9,397	\$2,545	\$16,860	\$2,271

	Money Market Portfolio Period Ended 6/29/2001	Money Market Portfolio Year Ended 12/31/2000
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Operations

Net investment income/(loss)	\$991,771	\$2,342,632
Net realized gains/(losses) on investments	-	-
Net realized gains/(losses) on foreign currency transactions	-	-
Change in net unrealized appreciation/depreciation on investments	-	-
Change in net unrealized appreciation/depreciation on currency transactions	-	-
Net Increase/(Decrease) in Net Assets Resulting from Operations	\$991,771	\$2,342,632

Distributions to Shareholders

From net investment income	(991,771)	(2,342,632)
From net realized gains	-	-
Total Distributions to Shareholders	\$ (991,771)	\$ (2,342,632)

Fund Share Transactions

Purchases of fund shares	59,995,633	149,607,080
Income dividends reinvested	1,005,636	2,331,418
Capital gains reinvested	-	-
Redemption of fund shares	(49,674,956)	(163,026,774)
Net Increase/(Decrease) in Net Assets from Fund Share Transactions	\$11,326,313	\$ (11,088,276)

Net Increase/(Decrease) in Net Assets	\$11,326,313	\$ (11,088,276)
Net Assets Beginning of Period	\$35,405,268	\$46,493,544
Net Assets End of Period	\$46,731,581	\$35,405,268
Accumulated Undistributed Net Investment Income/(Loss)	\$ -	\$ -

AAL Variable Product Series Fund, Inc.

Notes to Financial Statements

As of June 29, 2001

(A) Organization

The AAL Variable Product Series Fund, Inc. (the "Fund") is a corporation organized under the laws of the State of Maryland and registered under the Investment Company Act of 1940, as amended, as an open-end diversified management investment company. The Fund is a "series" fund consisting of fourteen separate investment portfolios (known as the AAL Technology Stock Portfolio, AAL Aggressive Growth Portfolio, AAL Small Cap Stock Portfolio, AAL Small Cap Index Portfolio, AAL Mid Cap Stock Portfolio, AAL Mid Cap Index Portfolio, AAL International Portfolio, AAL Capital Growth Portfolio, AAL Large Company Index Portfolio, AAL Equity Income Portfolio, AAL Balanced Portfolio, AAL High Yield Bond Portfolio, AAL Bond Index Portfolio, and AAL Money Market Portfolio, collectively the "Portfolios"). Shares of the Portfolios are currently sold only to the AAL Variable Annuity Account I, the AAL Variable Annuity Account II, and the AAL Variable Life Account I (the "Variable Accounts") to fund benefits under certificates of membership related to the flexible premium deferred variable annuity, the single premium immediate variable annuity and the flexible premium variable universal life insurance certificates issued by Aid Association for Lutherans ("AAL"), and as investment options in the AAL Employee Savings Plan in AAL Small Cap Index Portfolio, AAL International Portfolio, AAL Large Company Index Portfolio, and AAL High Yield Bond Portfolio.

On March 1, 2001, the AAL Technology Stock Portfolio, AAL Aggressive Growth Portfolio, AAL Small Cap Stock Portfolio, AAL Mid Cap Stock Portfolio, AAL Mid Cap Index Portfolio, AAL Capital Growth Portfolio and AAL Equity Income Portfolio commenced operations.

(B) Significant Accounting Policies

The Portfolios' principal accounting policies are:

Valuation of Investments: Securities traded on national securities exchanges are valued at the last reported sales prices. Each over-the-counter security for which the last sales price is available from NASDAQ is valued at that price. Interest bearing money market instruments are valued at a cost that approximates the market value. All other instruments held by the AAL Money Market Portfolio and money market investments with a remaining maturity of 60 days or less held by the other Portfolios are valued on an amortized cost basis. The AAL International Portfolio and the AAL Aggressive Growth Portfolio invest in foreign equity securities, whose values are subject to change in market conditions, as well as changes in political and regulatory environments. All other securities are valued at the latest bid quotation if such quotations are readily available. Otherwise, such securities are valued at a fair value as determined in good faith by the Investment Adviser under the supervision of the Fund's Board of Directors. At June 29, 2001, one security in the AAL Small Cap Index Portfolio and one security in the AAL High Yield Bond Portfolio were valued at fair value.

Foreign Currency Translation: The books and records of the Portfolios are maintained in U.S. dollars. The market values of securities and other assets and liabilities that are not traded in United States dollars are recorded in the financial statements after translation to U.S. dollars at the time net asset value is calculated. For federal income tax purposes, the AAL International Portfolio and AAL Aggressive Growth Portfolio treat the effect of changes in foreign exchange arising from actual foreign currency transactions and the effect of changes in foreign exchange rates from the fluctuations arising from trade date and settlement date differences as ordinary income.

Net realized and unrealized gains and losses on foreign currency transactions represent net gains and losses from sales and maturities of forward foreign currency exchange contracts, disposition of foreign currencies, and the difference between the amount of net investment income accrued and the U.S. dollar amount actually received. That portion of both realized and unrealized gains and losses on investments that result from fluctuations in foreign currency exchange rates is not separately disclosed.

Foreign Currency Contracts: In connection with purchases and sales of securities denominated in foreign currencies, the AAL Aggressive Growth Portfolio and the AAL International Portfolio may enter into forward currency contracts. Additionally, the AAL International Portfolio and the AAL Aggressive Growth Portfolio may enter into such contracts to hedge certain other foreign currency denominated investments. These contracts are recorded at market values, and the related realized and unrealized foreign exchange gains and losses are included in the statement of operations. In the event that counter-parties fail to settle these forward contracts, the AAL Aggressive Growth Portfolio and the AAL International Portfolio could be exposed to foreign currency fluctuations.

The Impact of Initial Public Offerings on Performance: The AAL Technology Stock Portfolio, AAL Aggressive Growth Portfolio, AAL Small Cap Stock Portfolio, AAL Mid Cap Stock Portfolio, AAL Capital Growth Portfolio, AAL Equity Income Portfolio, and AAL Balanced Portfolio may invest in an initial public offering ("IPO"). On occasion a Portfolio may participate in an oversubscribed IPO. Because the IPO is oversubscribed, this presents the Portfolio with the opportunity to "flip" or trade the security at higher prices resulting in a profit for the Portfolio. However, participation in an IPO may result in a loss for the Portfolio. Investments in IPO's may have a magnified performance impact on a Portfolio with a small asset base such as AAL Technology Portfolio, AAL Aggressive Growth Portfolio, AAL Small Cap Stock Portfolio, AAL Mid Cap Stock Portfolio, AAL Capital Growth Portfolio and AAL Equity Income Portfolio. A Portfolio may not experience similar performance as its assets grow.

Federal Income Taxes: Each Portfolio intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute substantially all of their taxable income to their shareholders. The Portfolios accordingly anticipate paying no federal income taxes and no federal income tax provision was required. Certain Portfolios may utilize earnings and profits distributed to shareholders on the redemption of shares as part of the dividend paid deduction.

Distributions to Shareholders: All of the Portfolios intend to distribute all their net investment income and net realized capital gains, if any, as dividends. The AAL Small Company Index Portfolio, AAL Mid Cap Stock Portfolio, the AAL Large Company Index Portfolio, the AAL Balanced Portfolio, the AAL High Yield Bond Portfolio and the AAL Bond Index Portfolio expect to declare and pay net investment income dividends monthly. Dividends from the AAL Capital Growth Portfolio are declared and paid semi-annually. Dividends from the AAL Equity Income Portfolio are declared and paid quarterly. The AAL International Portfolio, AAL Aggressive Growth Portfolio, AAL Technology Stock Portfolio, AAL Small Cap Portfolio, and AAL Mid Cap Index Portfolio expect to declare and pay net investment income dividends annually. The AAL Money Market Portfolio declares a daily dividend equal to its net investment income for that day, payable monthly. Dividends from net realized gains from securities transactions, if any, are distributed at least annually in the calendar year. Dividends and capital gains to shareholders are recorded on the ex-dividend date.

Credit Risk: The Portfolios may be susceptible to credit risk with respect to the extent the issuer defaults on its payment obligation. The Fund's policy is to monitor the creditworthiness of the issuer. Interest accruals on defaulted securities are monitored for ability to collect payments in default.

Use of Estimates: The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amount of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from these estimates.

Expenses: The Portfolios are charged for those expenses that are directly attributed to each Portfolio, such as advisory and custodian fees. Expenses that are not directly attributable to a Portfolio are typically allocated among the Fund's Portfolios in proportion to their respective net assets or other reasonable basis.

Other: For financial statement purposes investment transactions are accounted for on the trade date. Dividend income is recognized on the ex-dividend date, and interest income is recognized on the accrual basis and includes accretion of discounts. Realized gains and losses from investment transactions are determined on a specific cost identification basis.

In November 2000, a revised AICPA Audit and Accounting Guide, Audits of Investment Companies, was issued, and is effective for fiscal years beginning after December 15, 2000. The revised Guide will require the Portfolios to amortize premium and discount on all fixed-income securities. Upon initial adoption, the Portfolios will be required to adjust the cost of their fixed-income securities by the cumulative

amount of amortization that would have been recognized had premium amortization been in effect from the purchase date of each holding. Adopting this accounting principle will not affect the Portfolios' net asset value, but will change the classification of certain amounts between interest income and realized and unrealized gain/loss in the Statement of Operations.

The initial adjustment required upon adoption of premium amortization decreased the recorded cost of the Fund's investments (but not their market value) by approximately \$334,920 for the Bond Portfolio, \$1,996,458 for the Balanced Portfolio, and \$17,100 for the High Yield Bond Portfolio. Additionally, had this principle been in effect during the fiscal year ended December 31, 2000, the Fund estimates that net investment income would have decreased by approximately \$0.04 per share for the Bond Portfolio, \$0.02 per share for the Balanced Portfolio and \$0.01 per share for the High Yield Bond Portfolio, and realized and unrealized gain (loss) per share would have increased by the same amount.

(C) Investment Advisory Fees and Transactions with Related Parties

The Fund has since entered into an investment advisory agreement with AAL Capital Management Corporation (AALCMC) relating to the management of the Portfolios and AALCMC will be paid an investment advisory fee as compensation for services to the Fund.

(M-Millions)	\$0 to \$250M	Over \$250M
AAL Technology Stock Portfolio	0.75%	0.75%
AAL Aggressive Growth Portfolio	0.80%	0.80%
AAL Small Cap Stock Portfolio	0.70%	0.70%
AAL Small Cap Index Portfolio	0.35%	0.30%
AAL Mid Cap Stock Portfolio	0.70%	0.70%
AAL Mid Cap Index Portfolio	0.35%	0.35%
AAL International Portfolio	0.80%	0.80%
AAL Capital Growth Portfolio	0.65%	0.65%
AAL Large Company Index Portfolio	0.35%	0.30%
AAL Equity Income Portfolio	0.45%	0.45%
AAL Balanced Portfolio	0.35%	0.30%
AAL High Yield Bond Portfolio	0.40%	0.40%
AAL Bond Index Portfolio	0.35%	0.30%
AAL Money Market Portfolio	0.35%	0.30%

Additionally, AALCMC has entered into a sub-advisory agreement with Oechsle International Advisors L.L.C. (Sub-Adviser) for the AAL International Portfolio. The sub-advisory fee, which is paid by AALCMC out of its existing advisory fee, is equal to an annual fee of 0.54% on the first \$20 million of average daily net assets, 0.45% on the next \$30 million of average daily net assets, and 0.36% on average daily net assets over \$50 million.

AALCMC has entered into a sub-advisory agreement with Pacific Investment Management Company (PIMCO) for the AAL High Yield Bond Portfolio. The sub-advisory fee is 0.25% of average daily net assets and paid by AALCMC out of its existing advisory fees.

AALCMC has entered into a sub-advisory agreement with Janus Capital Corporation for the AAL Aggressive Growth Portfolio, which is paid 0.55% on the first \$100 million of average daily net assets, 0.50% on the next \$400 million of average daily net assets, and 0.45% on average daily net assets over \$500 million (payable from the annual advisory fee paid to the Adviser). Certain officers and directors of the Fund are also officers of AAL and AALCMC. Each director who is not affiliated with AAL or AALCMC receives an annual fee for services as a director and is eligible to participate in a deferred compensation plan with respect to these fees. Participants in the plan may designate their deferred director's fees as if invested in any one of the AAL Mutual Funds (AAL's public retail mutual fund offering). The value of each director's deferred compensation account will increase or decrease as if it were invested in shares of the selected AAL Mutual Funds. For the period ended June 29, 2001, directors of the Fund not affiliated with AAL or AALCMC received director fees in the aggregate amount of \$22,500. No remuneration has been paid by the Fund to officers or directors affiliated with AAL or AALCMC. At June 29, 2001, all of the shares of each Portfolio are owned by AAL, the AAL Variable Annuity Account I, the AAL Variable Annuity Account II, the AAL Variable Life Account I, and the AAL Employee Savings Plan.

As of March 31, 2001, the Adviser has discontinued the voluntary waiver of expenses for the AAL Small Cap Index Portfolio, the AAL Large Company Index Portfolio and the AAL Balanced Portfolio. The Adviser continues to voluntarily reimburse expenses in excess of each portfolio's advisory fees for the AAL Technology Portfolio, the AAL Aggressive Growth Portfolio, the AAL Small Cap Stock Portfolio, the AAL Mid Cap Stock Portfolio, the AAL Mid Cap Index Portfolio, the AAL International Portfolio, the AAL Capital Growth Portfolio, the AAL Equity Income Portfolio, the AAL High Yield Bond Portfolio, the AAL Bond Index Portfolio, and the AAL Money Market Portfolio. The voluntary waiver of expenses to these portfolios may be modified or discontinued at any time by the Adviser.

(D) Investment Transactions

For the period ended June 29, 2001, the cost of investment securities purchased and the proceeds from investment securities sold (not including short-term investments and U.S. government obligations) were as follows:

Portfolio	Purchases	Sales
AAL Technology Stock Portfolio	\$8,267,122	\$800,128
AAL Aggressive Growth Portfolio	7,402,744	1,307,564
AAL Small Cap Stock Portfolio	12,319,269	1,772,228
AAL Small Cap Index Portfolio	34,348,028	29,868,147
AAL Mid Cap Stock Portfolio	15,414,888	3,020,126
AAL Mid Cap Index Portfolio	10,475,686	520,981
AAL International Portfolio	19,081,277	17,372,090
AAL Capital Growth Portfolio	25,791,009	-
AAL Large Company Index Portfolio	17,446,555	28,414,033
AAL Equity Income Portfolio	10,869,177	411,516
AAL Balanced Portfolio	94,590,368	59,869,897
AAL High Yield Bond Portfolio	16,992,976	11,694,847
AAL Bond Index Portfolio	27,102,740	14,315,973

For the period ended June 29, 2001, the AAL Balanced Portfolio purchased \$5,588,652 and sold \$24,823,570 in U.S. Government Treasury Obligations.

For the period ended June 29, 2001, the AAL Bond Index Portfolio purchased \$5,688,086 and sold \$3,684,239 in U.S. Government Treasury Obligations.

At December 31, 2000, the following Portfolios had accumulated net realized capital loss carryovers expiring in the following years:

Year Loss Carryover Expires	High Yield Bond	Bond
2003	\$ -	\$2,187
2004	-	7,782
2005	-	22,409
2006	84,677	42,778
2007	846,530	127,197
2008	8,143,371	591,785

To the extent that these Portfolios realize net capital gains, taxable distributions to shareholders will be offset by any unused capital loss carryover.

The gross and net unrealized appreciation and depreciation on investments at June 29, 2001, were as follows:

Portfolio	Appreciation	(Depreciation)	Net Unrealized Appreciation (Depreciation)
Technology Stock	\$826,599	\$(685,223)	\$141,376
Aggressive Growth	342,122	(552,193)	(210,071)
Small Cap Stock	1,195,384	(463,780)	731,604
Small Cap Index	65,230,522	(60,094,569)	5,135,953
Mid Cap Stock	1,007,326	(804,977)	202,349
Mid Cap Index	1,028,200	(582,097)	446,103
International	3,415,142	(19,976,311)	(16,561,169)
Capital Growth	905,659	(1,509,009)	(603,350)
Large Company Index	226,048,399	(121,396,423)	104,651,976
Equity Income	385,062	(683,641)	(298,579)
Balanced	96,820,685	(69,324,424)	27,496,261
High Yield Bond	835,450	(2,815,825)	(1,980,375)
Bond Index	1,132,560	(464,613)	667,947

(E) Capital Share Transactions

Transactions in Fund shares for the period ended June 29, 2001 and the year ended December 31, 2000, were as follows:

AAL Technology Stock Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
Shares purchased	819,209	-
Income dividends reinvested-	-	-
Capital gains reinvested	-	-
Shares redeemed	(13,705)	-
Net increase in Fund shares	805,504	-

AAL Aggressive Growth Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
Shares purchased	761,474	-
Income dividends reinvested-	-	-
Capital gains reinvested	-	-
Shares Redeemed	(4,300)	-
Net increase in Fund shares	757,174	-

AAL Small Cap Stock Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
Shares purchased	1,139,863	-
Income dividends reinvested-	-	-
Capital gains reinvested	-	-
Shares redeemed	(12,833)	-
Net increase in Fund shares	1,127,030	-

AAL Small Cap Index Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
Shares purchased	1,396,483	4,870,300
Income dividends reinvested	41,937	82,070
Capital gains reinvested	-	1,498,793
Shares redeemed	(1,136,338)	(1,233,239)
Net increase in Fund shares	302,082	5,217,924

AAL Mid Cap Stock Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
Shares purchased	1,338,170	-
Income dividends reinvested-	-	-
Capital gains reinvested	-	-
Shares redeemed	(12,002)	-
Net increase in Fund shares	1,326,168	-

AAL Mid Cap Index Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
Shares purchased	1,011,203	-
Income dividends reinvested ³⁸⁰	-	-
Capital gains reinvested	-	-
Shares redeemed	(1,788)	-
Net increase in Fund shares	1,009,795	-

AAL International Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
Shares purchased	827,896	4,166,547
Income dividends reinvested-	121,917	-
Capital gains reinvested	-	98,265
Shares redeemed	(670,143)	(756,627)
Net increase in Fund shares	157,753	3,630,102

AAL Capital Growth Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
Shares purchased	2,740,255	-
Income dividends reinvested	2,894	-
Capital gains reinvested	-	-
Shares redeemed	(31,381)	-
Net increase in Fund shares	2,711,768	-

AAL Large Company Index Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
Shares purchased	1,626,674	6,924,198
Income dividends reinvested	163,207	310,181
Capital gains reinvested	-	429,270
Shares redeemed	(2,241,274)	(2,392,695)
Net increase (decrease) in Fund shares	(451,393)	5,270,954

AAL Equity Income Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
Shares purchased	1,079,139	-
Income dividends reinvested	2,221	-
Capital gains reinvested	-	-
Shares redeemed	(5,205)	-
Net increase in Fund shares	1,076,155	-

AAL Balanced Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
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Shares purchased	2,294,747	6,002,760
Income dividends reinvested	802,818	1,678,709
Capital gains reinvested	-	1,939,730
Shares redeemed	(3,009,004)	(4,125,668)
Net increase in Fund shares	88,561	5,495,531

AAL High Yield Bond Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
Shares purchased	582,340	929,943
Income dividends reinvested	143,375	268,373
Capital gains reinvested	-	-
Shares redeemed	(370,303)	(597,206)
Net oncrease in Fund shares	355,412	601,110

AAL Bond Index Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
Shares purchased	1,706,244	856,686
Income dividends reinvested	204,931	376,758
Capital gains reinvested	-	-
Shares redeemed	(454,442)	(1,137,923)
Net increase in Fund shares	1,456,733	95,521

AAL Money Market Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000
Shares purchased	59,995,633	149,607,080
Income dividends reinvested	1,005,636	2,331,418
Capital gains reinvested	-	-
Shares redeemed	(49,674,956)	(163,026,774)
Net increase (decrease) in Fund shares	11,326,313	(11,088,276)

(F) Forward Currency Contracts

As of June 29, 2001, the AAL International Portfolio had entered into forward currency contracts, as summarized below, resulting in net unrealized appreciation of \$2,082.

Purchased	Expiration Date	Quantity	Contract Amount	Market Value End of Period	Unrealized Appreciation/ (Depreciation)
EURO	7/3/2001	302,873	\$255,865	\$256,412	\$547
EURO	7/4/2001	555,696	472,063	470,450	(1,613)
Great Britain Pound	7/2/2001	39,984	56,745	56,236	(509)
Great Britain Pound	7/3/2001	87,518	123,223	123,092	(131)
Great Britain Pound	7/4/2001	18,330	25,925	25,780	(145)
Japanese Yen	7/2/2001	13,924,164	112,210	111,647	(563)
Japanese Yen	7/3/2001	9,048,510	72,541	72,553	12
Japanese Yen	7/4/2001	34,225,375	275,411	274,427	(984)
					(3,386)

Sold	Expiration Date	Quantity	Contract Amount	Market Value End of Period	Unrealized Appreciation/ (Depreciation)
EURO	7/2/2001	366,653	\$315,919	\$310,407	\$5,512
EURO	7/3/2001	284,359	240,223	240,737	(514)
Hong Kong Dollar	7/3/2001	239,226	30,670	30,672	(2)
Hong Kong Dollar	7/4/2001	94,506	12,116	12,117	(1)
Japanese Yen	7/2/2001	6,858,976	55,274	54,997	277
Japanese Yen	7/3/2001	6,758,839	54,185	54,194	(9)
Japanese Yen	7/4/2001	6,838,627	55,039	54,834	205

AAL Variable Product Series Fund, Inc. Financial

Highlights

The following table presents per share information for each Portfolio of the AAL Variable Product Series Fund, Inc. for the period presented, which should be read in conjunction with the financial statements and related notes.

	Technology Stock Portfolio Period Ended 6/29/2001 (c)	Aggressive Growth Portfolio Period Ended 6/29/2001 (c)
Net Asset Value, Beginning of Period	\$10.00	\$10.00
Income from Investment Operations		
Net investment income	(0.01)	0.02
Net realized and unrealized gain (loss) on investments	(0.31)	(0.53)
Total from Investment Operations	(0.32)	(0.51)
Less Distributions from:		
Net investment income	-	-
Net realized capital gains	-	-
Total Distributions	-	-
Net increase (decrease) in new asset value	(0.32)	(0.51)
Net asset value: End of period	\$9.68	\$9.49
Total return (a)	(3.20%)	(5.10%)
Net assets, end of period (in thousands)	\$7,799	\$7,185
Ratio of expenses to average net assets (b)	0.75%	0.80%
Ratio of net investment income (loss) to average net assets (b)	(0.20%)	0.83%
Portfolio turnover rate	16.12%	33.07%
Without reimbursements the above ratios would have been:		
Ratio of expenses to average net assets (b)	2.04%	1.98%
Ratio of net investment income (loss) to average net assets (b)	(1.49%)	(0.36%)

(a) Total return does not reflect expenses that apply at the Variable Account level. Inclusion of these expenses would reduce the total return for the periods shown. The Portfolios are reported as period-to-date total returns.

(b) Calculated on an annualized basis.

(c) Since inception March 1, 2001.

Small Cap Stock Portfolio

Small Cap Index Portfolio

Period Ended 6/29/2001 (c)	Period Ended 6/29/2001	Year Ended 12/31/2000	Year Ended 12/31/1999	Year Ended 12/31/1998	Year Ended 12/31/1997	Year Ended 12/31/1996
\$10.00	\$13.64	\$13.20	\$12.40	\$14.88	\$12.54	\$10.99
0.01	0.03	0.06	0.06	0.08	0.11	0.12
0.78	0.82	1.44	1.43	(0.13)	3.05	1.86
0.79	0.85	1.50	1.49	(0.05)	3.16	1.98
-	(0.03)	(0.06)	(0.06)	(0.08)	(0.11)	(0.12)
-	-	(1.00)	(0.63)	(2.35)	(0.71)	(0.31)
-	(0.03)	(1.06)	(0.69)	(2.43)	(0.82)	(0.43)
0.79	0.82	0.44	0.80	(2.48)	2.34	1.55
\$10.79	\$14.46	\$13.64	\$13.20	\$12.40	\$14.88	\$12.54
7.90%	6.21%	11.23%	12.19%	0.14%	25.37%	18.19%
\$12,158	\$327,350	\$304,738	\$225,952	\$198,321	\$152,928	\$70,209
0.70%	0.38%	0.35%	0.35%	0.35%	0.35%	0.35%
0.35%	0.41%	0.43%	0.49%	0.55%	0.81%	1.14%
26.97%	9.70%	46.38%	30.51%	103.70%	29.65%	20.14%

1.90%	0.40%	0.40%	0.41%	0.43%	0.45%	0.75%
(0.86%)	0.39%	0.37%	0.44%	0.47%	0.71%	0.74%

	Mid Cap Stock Portfolio Period Ended 6/29/2001 (c)	Mid Cap Index Portfolio Period Ended 6/29/2001 (c)
Net Asset Value, Beginning of Period	\$10.00	\$10.00

Income from Investment Operations		

Net investment income	0.01	0.03
Net realized and unrealized gain (loss) on investments	0.27	0.47
Total from Investment Operations	0.28	0.50

Less Distributions from:		

Net investment income	-	(0.03)
Net realized capital gains	-	-
Total Distributions	-	(0.03)

Net increase (decrease) in new asset value	0.28	0.47
Net asset value: End of period	\$10.28	\$10.47

Total return (a)	2.80%	4.99%
Net assets, end of period (in thousands)	\$13,629	\$10,571
Ratio of expenses to average net assets (b)	0.70%	0.35%
Ratio of net investment income (loss) to average net assets (b)	0.55%	0.93%
Portfolio turnover rate	40.63%	7.33%

Without reimbursements the above ratios would have been:

Ratio of expenses to average net assets (b)	1.97%	1.36%
Ratio of net investment income (loss) to average net assets (b)	(0.72%)	(0.08%)

(a) Total return does not reflect expenses that apply at the Variable Account level. Inclusion of these expenses would reduce the total return for the periods shown. The Portfolios are reported as period-to-date total returns.

(b) Calculated on an annualized basis.

(c) Since inception March 1, 2001.

(d) Since inception March 2, 1998.

Period Ended 6/29/2001	International Portfolio		Period Ended 12/31/98 (d)	Capital Growth Portfolio Period Ended 6/29/2001 (c)
	Year Ended 12/31/2000	Year Ended 12/31/1999		
\$12.28	\$15.44	\$11.05	\$10.00	\$10.00

0.06	0.28	0.06	0.09	0.01
(2.15)	(2.93)	4.51	0.96	(0.34)
(2.09)	(2.65)	4.57	1.05	(0.33)

-	(0.28)	(0.09)	-	(0.01)
-	(0.23)	(0.09)	-	-
-	(0.51)	(0.18)	-	(0.01)

(2.09)	(3.16)	4.39	1.05	(0.34)
\$10.19	\$12.28	\$15.44	\$11.05	\$9.66

(17.02%)	(17.13%)	41.50%	10.41%	(3.27%)
\$67,631	\$79,580	\$44,017	\$15,595	\$26,185
0.80%	0.80%	0.80%	0.80%	0.65%
1.11%	2.45%	0.74%	1.25%	0.78%
24.51%	29.60%	45.08%	32.66%	0.00%

1.06%	0.98%	1.13%	1.30%	1.43%
0.84%	2.27%	0.41%	0.75%	(0.01%)

Large Company Index Portfolio

	Period Ended 6/29/2001	Year Ended 12/31/2000	Year Ended 12/31/1999	Year Ended 12/31/1998	Year Ended 12/31/1997	Year Ended 12/31/1996
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Net Asset Value, Beginning of Period	\$24.12	\$27.10	\$22.90	\$18.06	\$13.83	\$11.51
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Income from Investment Operations						
Net investment income	0.10	0.23	0.25	0.24	0.23	0.23
Net realized and unrealized gain (loss) on investments	(1.75)	(2.70)	4.42	4.85	4.25	2.34
Total from Investment Operations	(1.65)	(2.47)	4.67	5.09	4.48	2.57

Less Distributions from:						
Net investment income	(0.10)	(0.23)	(0.25)	(0.24)	(0.23)	(0.23)
Net realized capital gains	-	(0.28)	(0.22)	(0.01)	(0.02)	(0.02)
Total Distributions	(0.10)	(0.51)	(0.47)	(0.25)	(0.25)	(0.25)

Net increase (decrease) in new asset value	(1.75)	(2.98)	4.20	4.84	4.23	2.32
Net asset value: End of period	\$22.37	\$24.12	\$27.10	\$22.90	\$18.06	\$13.83

Total return (a)	(6.85%)	(9.18%)	20.52%	28.36%	32.59%	22.47%
Net assets, end of period (in thousands)	\$828,957	\$904,842	\$873,762	\$572,361	\$318,475	\$120,089
Ratio of expenses to average net assets (b)	0.34%	0.31%	0.32%	0.33%	0.35%	0.35%
Ratio of net investment income (loss) to average net assets (b)	0.90%	0.87%	1.01%	1.20%	1.48%	1.97%
Portfolio turnover rate	2.04%	3.76%	2.69%	1.49%	1.00%	1.77%

Without reimbursements the above ratios would have been:

Ratio of expenses to average net assets (b)	0.35%	0.34%	0.35%	0.38%	0.43%	0.63%
Ratio of net investment income (loss) to average net assets (b)	0.89%	0.84%	0.98%	1.15%	1.39%	1.69%

(a) Total return does not reflect expenses that apply at the Variable Account level. Inclusion of these expenses would reduce the total return for the periods shown. The Portfolios are reported as period-to-date total returns.

(b) Calculated on an annualized basis.

(c) Since inception March 1, 2001.

Equity Income Portfolio Period Ended 6/29/2001(c)	Period Ended 6/29/2001	Year Ended 12/31/2000	Balanced Portfolio		Year Ended 12/31/1998	Year Ended 12/31/1997	Year Ended 12/31/1996
\$10.00	\$15.45	\$16.72	\$15.97	\$14.05	\$11.96	\$10.92	
0.04 (0.25) (0.21)	0.23 (0.57) (0.34)	0.56 (0.67) (0.11)	0.53 1.19 1.72	0.50 2.17 2.67	0.46 2.09 2.55	0.41 1.05 1.46	
(0.04) -	(0.23) -	(0.56) (0.60)	(0.53) (0.44)	(0.50) (0.25)	(0.46) -	(0.41) (0.01)	
(0.04)	(0.23)	(1.16)	(0.97)	(0.75)	(0.46)	(0.42)	
(0.25) \$9.75	(0.57) \$14.88	(1.27) \$15.45	0.75 \$16.72	1.92 \$15.97	2.09 \$14.05	1.04 \$11.96	
(2.12%) \$10,488 0.45%	(2.19%) \$744,855 0.34%	(0.67%) \$803,588 0.32%	11.00% \$777,646 0.32%	19.27% \$545,337 0.33%	21.71% \$306,501 0.35%	13.65% \$126,518 0.35%	
1.85% 6.74%	3.14% 11.75%	3.41% 18.27%	3.26% 16.91%	3.38% 21.39%	3.62% 6.86%	3.89% 5.43%	
1.68%	0.35%	0.35%	0.36%	0.39%	0.43%	0.60%	
0.62%	3.13%	3.37%	3.22%	3.32%	3.53%	3.65%	

High Yield Bond Portfolio
Period Ended Year Ended Year Ended Year Ended

Net Asset Value, Beginning of Period	\$6.84	\$7.69	\$8.95	\$10.00
Income from Investment Operations				
Net investment income	0.31	0.74	0.89	0.74
Net realized and unrealized gain (loss) on investments	(0.32)	(0.85)	(1.26)	(1.05)
Total from Investment Operations	(0.01)	(0.11)	(0.37)	(0.31)
Less Distributions from:				
Net investment income	(0.31)	(0.74)	(0.89)	(0.74)
Net realized capital gains	-	-	-	-
Total Distributions	(0.31)	(0.74)	(0.89)	(0.74)
Net increase (decrease) in new asset value	(0.32)	(0.85)	(1.26)	(1.05)
Net asset value: End of period	\$6.52	\$6.84	\$7.69	\$8.95
Total return (a)	(0.24%)	(1.46%)	(4.45%)	(3.25%)
Net assets, end of period (in thousands)	\$34,323	\$33,603	\$33,163	\$27,965
Ratio of expenses to average net assets (b)	0.40%	0.40%	0.40%	0.40%
Ratio of net investment income (loss) to average net assets (b)	9.26%	10.16%	10.70%	9.54%
Portfolio turnover rate	35.89%	98.80%	44.33%	25.43%

Without reimbursements the above ratios would have been:

Ratio of expenses to average net assets (b)	0.65%	0.53%	0.50%	0.54%
Ratio of net investment income (loss) to average net assets (b)	9.01%	10.03%	10.61%	9.40%

(a) Total return does not reflect expenses that apply at the Variable Account level. Inclusion of these expenses would reduce the total return for the periods shown. The Portfolios are reported as period-to-date total returns.

(b) Calculated on an annualized basis.

(d) Since inception on March 2, 1998.

Period Ended 6/29/2001	Year Ended 12/31/2000	Bond Index Portfolio				Year Ended 12/31/1996
		Year Ended 12/31/1999	Year Ended 12/31/1998	Year Ended 12/31/1997		
\$10.03	\$9.60	\$10.36	\$10.15	\$9.90	\$10.23	
0.31	0.64	0.62	0.64	0.64	0.63	
0.02	0.43	(0.76)	0.21	0.25	(0.33)	
0.33	1.07	(0.14)	0.85	0.89	0.30	
(0.31)	(0.64)	(0.62)	(0.64)	(0.64)	(0.63)	
-	-	-	-	-	-	
(0.31)	(0.64)	(0.62)	(0.64)	(0.64)	(0.63)	
0.02	0.43	(0.76)	0.21	0.25	(0.33)	
10.05	\$10.03	\$9.60	\$10.36	\$10.15	\$9.90	
3.36%	11.45%	(1.35%)	8.59%	9.37%	3.10%	
\$74,611	\$59,855	\$56,361	\$42,207	\$26,710	\$17,666	
0.35%	0.35%	0.35%	0.35%	0.35%	0.35%	
6.23%	6.53%	6.33%	6.26%	6.55%	6.51%	
27.25%	27.01%	19.50%	18.29%	18.41%	11.65%	
0.50%	0.44%	0.44%	0.48%	0.52%	0.68%	
6.08%	6.43%	6.23%	6.13%	6.38%	6.18%	

Period Ended 6/29/2001	Year Ended 12/31/2000	Money Market Portfolio				Year Ended 12/31/1996
		Year Ended 12/31/1999	Year Ended 12/31/1998	Year Ended 12/31/1997		
Net Asset Value, Beginning of Period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Income from Investment Operations						
Net investment income	0.02	0.05	0.05	0.05	0.05	0.05

Net realized and unrealized gain (loss) on investments	-	-	-	-	-	-
Total from Investment Operations	0.02	0.05	0.05	0.05	0.05	0.05

Less Distributions from:						
Net investment income	(0.02)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)
Net realized capital gains	-	-	-	-	-	-
Total Distributions	(0.02)	(0.05)	(0.05)	(0.05)	(0.05)	(0.05)

Net increase (decrease) in new asset value	-	-	-	-	-	-
Net asset value: End of period	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00

Total return (a)	2.41%	6.19%	4.94%	5.31%	5.33%	5.23%
Net assets, end of period (in thousands)	\$46,732	\$35,405	\$46,494	\$33,571	\$25,460	\$17,125
Ratio of expenses to average net assets (b)	0.35%	0.35%	0.35%	0.35%	0.35%	0.35%
Ratio of net investment income (loss) to average net assets (b)	4.69%	6.00%	4.85%	5.20%	5.24%	5.10%
Portfolio turnover rate	N/A	N/A	N/A	N/A	N/A	N/A

Without reimbursements the above ratios would have been:						
Ratio of expenses to average net assets (b)	0.52%	0.42%	0.41%	0.44%	0.46%	0.65%
Ratio of net investment income (loss) to average net assets (b)	4.52%	5.93%	4.79%	5.11%	5.13%	4.80%

(a) Total return does not reflect expenses that apply at the Variable Account level. Inclusion of these expenses would reduce the total return for the periods shown. The Portfolios are reported as period-to-date total returns.

(b) Calculated on an annualized basis.

Except for the historical information contained in the foregoing reports on each of the Portfolios, the matters discussed in those reports may constitute forward-looking statements that are made pursuant to the safe harbor provisions of the Securities Litigation Reform Act of 1995. These include discussions about each portfolio manager's predictions, assessments, analyses and outlooks for relevant securities and investment markets, market sectors, industries and individual stocks or other investment securities. These statements involve risks and uncertainties. In addition to the general risks described for each Portfolio in its current prospectus, other factors bearing on these reports include the accuracy of each portfolio manager's forecasts and predictions, the appropriateness of the investment strategies designed by the portfolio managers to capitalize on their forecasts and predictions should they prove true, and the ability of the portfolio managers to implement their strategies efficiently and effectively. Any one or more of these factors, as well as other risks affecting the securities markets and investment instruments generally, could cause the actual results of any Portfolio to differ materially from the projected results for the Portfolio, either on an overall basis or on a relative basis as compared to the benchmark index selected for the particular Portfolio.

Glossary of Terms

· Non income-producing security - A non income-producing security is a security which has not paid a dividend or interest payment in the past calendar year.

(1) The interest rate reflects the discount rate at the date of purchase.

(2) 144A security - A 144A security is a security that is exempt from registration under Rule 144A of the Securities Act of 1933. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

(3) Security in default - A security in default is a security that has missed its last interest payment.

(4) 4(2) Commercial paper - 4(2) commercial paper is a security that has not been fully registered with the SEC. Because the security has not been fully registered it is considered an illiquid or restricted security. Once the security is registered, it loses its 4(2) classification and is no longer restricted. These securities may be resold in transactions exempt from registration, normally to qualified institutional buyers.

(5) Illiquid security valued at fair value - A security that is not actively traded.

(6) Step-coupon bond - A debt instrument that pays a fixed rate for an initial period, then increases to a higher rate after a period of time.

Board of Directors	John O. Gilbert - Chairman of the Board F. Gregory Campbell Woodrow E. Eno Richard L. Gady Edward W. Smeds Lawrence M. Woods
Officers	Robert G. Same - President James H. Abitz - Vice President Woodrow E. Eno - Vice President Charles D. Gariboldi - Treasurer Frederick D. Kelsven - Secretary
Transfer Agent	Aid Association for Lutherans 4321 N. Ballard Rd. o Appleton, WI 54919
Sub-Adviser (High Yield Bond Portfolio)	Pacific Investment Management Company (PIMCO) 840 Newport Center Drive Suite 300, Newport Beach, CA 92660
Sub-Adviser (International Stock Portfolio)	Oechsle International Advisors LLC One International Place o Boston, MA 02110
Sub-Adviser (Aggressive Growth Portfolio)	Janus Capital Corporation 100 Fillmore Street o Denver, CO 80206
Investment Adviser & Distributor	AAL Capital Management Corporation 222 W. College Avenue o Appleton, WI 54919-0007
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This report is submitted for the information of the certificate owners of the AAL Variable Annuity Account I, AAL Variable Annuity Account II and AAL Variable Life Account I. It is not authorized for distribution to prospective certificate owners unless preceded or accompanied by a current prospectus for the AAL Variable Annuity Account I, AAL Variable Account II, AAL Variable Life Account I and the AAL Variable Product Series Fund, Inc.

[AAL LOGO] [AAL CMC LOGO]