

SECURITIES AND EXCHANGE COMMISSION

FORM N-1A/A

Initial registration statement filed on Form N-1A for open-end management investment companies
[amend]

Filing Date: **1998-01-05**
SEC Accession No. **0000928385-98-000009**

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FILER

LASALLE REAL ESTATE SECURITIES FUND INC

CIK: **1046420** | IRS No.: **522055857** | State of Incorporation: **MD** | Fiscal Year End: **1231**
Type: **N-1A/A** | Act: **33** | File No.: **333-36161** | Film No.: **98500885**

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SECURITIES AND EXCHANGE COMMISSION
Washington, DC 20549

FORM N-1A

REGISTRATION STATEMENT UNDER THE SECURITIES ACT OF 1933 [X]
Pre-Effective Amendment No. 1 [X]
Post-Effective Amendment No. []

and/or

REGISTRATION STATEMENT UNDER THE INVESTMENT COMPANY ACT OF 1940 [X]
Amendment No. 1 [X]

(Check appropriate box or boxes.)

LaSalle Partners Funds, Inc.
(Exact Name of Registrant as Specified in Charter)

100 East Pratt Street
Baltimore, MD 21202
(Address of Principal Executive Office)

Registrant's Telephone Number, including Area Code: (410) 347-0600

William K. Morrill, Jr., President
LaSalle Partners Funds, Inc.
100 East Pratt Street
Baltimore, MD 21202
(Name and Address of Agent for Service)

Copies to:

Alan C. Porter, Esq.
Piper & Marbury L.L.P.
1200 Nineteenth Street, N.W.
Washington, DC 20036

Approximate Date of Proposed Offering: As soon as practicable after the effective date of this Registration Statement.

Declaration Pursuant to Rule 24f-2

The Registrant hereby elects to register an indefinite number of Retail Class and Institutional Class shares of the LaSalle Partners U.S. Real Estate Fund series of its Common Stock, par value \$.01 per share, pursuant to Rule 24f-2 under the Investment Company Act of 1940, as amended. The Registrant is a "feeder" fund within a "master-feeder" fund structure. The "master" fund within this structure has executed this Registration Statement.

The Registrant hereby amends the Registration Statement on such date or dates as may be necessary to delay its effective date until the Registrant shall file a further amendment which specifically states that this Registration Statement shall thereafter become effective in accordance with Section 8(a) of the Securities Act of 1933 or until the Registration Statement shall become effective on such date as the Commission, acting pursuant to Section 8(a), shall determine.

LA SALLE PARTNERS FUNDS, INC.

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REGISTRATION STATEMENT

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LA SALLE PARTNERS FUNDS, INC.

CROSS REFERENCE SHEET

PART A

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Form N-1A Item No. ----- <S>	Section in the Prospectus ----- <C>
1. Cover Page.....	Cover Page
2. Synopsis.....	Fees and Expenses
3. Condensed Financial Information.....	Performance Information
4. General Description of Registrant.....	Investment Objectives and Policies; General Information
5. Management of the Fund.....	Management
5A. Management's Discussion of Fund Performance.....	Not applicable
6. Capital Stock and Other Securities.....	Dividends and Taxes; General Information
7. Purchase of Securities Being Offered.....	How To Purchase Shares
8. Redemption or Repurchase.....	How To Redeem Shares
9. Pending Legal Proceedings.....	Not applicable

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+INFORMATION CONTAINED HEREIN IS SUBJECT TO COMPLETION OR AMENDMENT. A +
+REGISTRATION STATEMENT RELATING TO THESE SECURITIES HAS BEEN FILED WITH THE +
+SECURITIES AND EXCHANGE COMMISSION. THESE SECURITIES MAY NOT BE SOLD NOR MAY +
+OFFERS TO BUY BE ACCEPTED PRIOR TO THE TIME THE REGISTRATION STATEMENT +
+BECOMES EFFECTIVE. THIS PROSPECTUS SHALL NOT CONSTITUTE AN OFFER TO SELL OR +
+THE SOLICITATION OF AN OFFER TO BUY NOR SHALL THERE BE ANY SALE OF THESE +
+SECURITIES IN ANY STATE IN WHICH SUCH OFFER, SOLICITATION OR SALE WOULD BE +
+UNLAWFUL PRIOR TO REGISTRATION OR QUALIFICATION UNDER SECURITIES LAWS OF ANY +
+SUCH STATE. +
++++

SUBJECT TO COMPLETION JANUARY 5, 1998

PROSPECTUS

LA SALLE PARTNERS U.S. REAL ESTATE FUND

RETAIL CLASS AND INSTITUTIONAL CLASS SHARES

LaSalle Partners U.S. Real Estate Fund (the "Fund") is a mutual fund whose investment objective is total return primarily through investments in U.S. real estate securities. The Fund seeks to achieve its investment objective by investing all of its investable assets in the U.S. Real Estate Portfolio of LaSalle Partners Master Trust (the "Trust"), which is a separate mutual fund with an identical investment objective managed by LaSalle Partners Real Estate Securities. The Fund's investment experience will correspond directly with the investment experience of the Trust. This "master/feeder" structure differs from that of mutual funds which invest directly and manage their own portfolio securities.

This Prospectus relates to Retail Class and Institutional Class shares of the Fund. Retail Class shares are available through securities dealers and other financial services firms. Institutional Class shares are offered only to certain qualified investors. See "How To Purchase Shares."

This Prospectus sets forth basic information that investors should know about the Fund prior to investing and should be retained for future reference. A Statement of Additional Information dated January 5, 1998, has been filed with the Securities and Exchange Commission ("SEC") and is incorporated herein by reference. The Statement of Additional Information is available upon request and without charge by calling the Fund at 1-800-LaSalle. The SEC also maintains a Web site (<http://www.sec.gov>) that contains the Statement of Additional Information, material incorporated by reference, and other information regarding the Fund.

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THE FUND'S SHARES ARE NOT DEPOSITS OR OBLIGATIONS OF, OR GUARANTEED OR ENDORSED BY, ANY BANK. THE SHARES ARE NOT FEDERALLY INSURED BY THE FEDERAL DEPOSIT INSURANCE CORPORATION, THE FEDERAL RESERVE BOARD OR ANY OTHER GOVERNMENT AGENCY. INVESTMENT IN THE SHARES INVOLVES RISK, INCLUDING POSSIBLE LOSS OF PRINCIPAL.

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

DECEMBER , 1997

No person is authorized to give any information or to make any representation other than as contained in this Prospectus, and, if given or made, such information or representation must not be relied upon as having been authorized by the Fund or the Distributor. This Prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of the securities offered hereby by any person in any jurisdiction in which it is unlawful to make such an offer or solicitation.

SUMMARY

THE FUND

LaSalle Partners U.S. Real Estate Fund (the "Fund") is a separate series of LaSalle Partners Funds, Inc. (the "Company"), an open-end diversified investment management company. The investment objective of the Fund is total return primarily through investments in U.S. real estate securities. The Fund seeks to achieve its investment objective by investing all of its investable assets in the U. S. Real Estate Portfolio of LaSalle Partners Master Trust (the "Trust"), which has the same investment objective as the Fund. The Fund's

investment experience will correspond directly with the investment experience of the Trust. Under normal conditions, at least 85% of the Trust's total assets will be invested in equity securities of real estate investment trusts ("REITs") and other real estate industry companies that are publicly traded in the United States securities markets. See "Investment Objectives and Policies." and "General Information."

INVESTMENT MANAGER, DISTRIBUTOR AND ADMINISTRATOR

LaSalle Partners Real Estate Securities (the "Manager" or "LaSalle Securities") serves as the Trust's investment manager. Funds Distributor, Inc. (the "Distributor") serves as principal underwriter and distributor of the Fund's shares. PFPC Inc. serves as the Fund's administrator, and as transfer agent and dividend disbursing agent for the Fund's shares. See "Management" and "General Information."

PURCHASE AND REDEMPTION OF SHARES

Investors may purchase shares of the Fund at their net asset value through securities dealers and other financial services firms. Institutional Class shares may be purchased only by certain qualified investors. No sales load or charge is imposed on the purchase of any class of Fund shares. See "How To Purchase Shares." Shareholders may redeem all or any portion of their shares at the net asset value next determined after the Fund's transfer agent has received a redemption request in proper form. See "How To Redeem Shares."

RISKS TO CONSIDER

Because of its policy of concentration in securities of companies in the real estate industry, the Fund will be subject to risks similar to those associated with the direct ownership of real estate. These risks include economic, business or political developments adversely affecting the real estate industry. In addition, the Fund may be subject to the risks associated with foreign investments. The Fund's "master/feeder" structure differs from that of mutual funds which invest directly and manage their own portfolio securities. See "Risks To Consider."

INVESTOR INQUIRIES

Investors with questions regarding the Fund should contact their dealer or call the Fund directly at 1-800-LaSalle.

FEES AND EXPENSES

The following table provides a summary of expenses relating to purchases and sales of shares of the Fund, and the aggregate annual operating expenses of the Fund and the Trust, as a percentage of average net assets of the Fund. The Company's Board of Directors believes that the aggregate per share expenses of the Fund and the Trust will be less than or approximately equal to the expenses that the Fund would incur if the investable assets of the Fund were invested directly in the types of securities being held by the Trust.

SHAREHOLDER TRANSACTION EXPENSES

<TABLE>
<CAPTION>

	RETAIL CLASS	INSTITUTIONAL CLASS
<S>	<C>	<C>
Sales Load Imposed on Purchases.....	None	None
Sales Load Imposed on Reinvested Dividends....	None	None
Redemption Fee.....	None	None
Exchange Fee.....	None	None

</TABLE>

ANNUAL FUND OPERATING EXPENSES (AS A PERCENTAGE OF AVERAGE NET ASSETS) /1/

<TABLE>
<CAPTION>

	RETAIL CLASS	INSTITUTIONAL CLASS
<S>	<C>	<C>
Management Fees (after waiver)/2/	0.65%	0.65%
12b-1 Fees.....	0.25%	0.00%
Shareholder Services Fee.....	0.15%	0.00%
Other Expenses/3/	0.40%	0.40%
Total Fund Operating Expenses (after fee		

waiver)/2//4/..... 1.45% 1.05%
 </TABLE>

1. Expenses shown for the Fund include 12b-1, shareholder services and administration fees for the Fund and investment management fees and other expenses for the Trust.
2. The Manager has voluntarily agreed to waive its management fee to limit total operating expenses of the Fund during its first year of operations. Absent such waiver, the management fee would be 0.75%.
3. Other Expenses are based on estimates for the current fiscal year and include all expenses, except non-recurring account fees, brokerage commissions and other capital items, and investment management, 12b-1 and shareholder services fees.
4. The Manager has voluntarily agreed to waive its fee during the Fund's first year of operations so that Total Fund Operating Expenses will not exceed 1.45% for the Retail Class and 1.05% for the Institutional Class. In the absence of this waiver, Total Fund Operating Expenses for the Retail Class and Institutional Class would be 1.55% and 1.15%, respectively. For additional information regarding Fund expense limitations, see "Investment Manager" in the Statement of Additional Information.

EXAMPLE

<TABLE>

<CAPTION>

	ONE YEAR	THREE YEARS
	-----	-----
<S>	<C>	<C>
You would pay the following expenses on a \$1,000 investment, assuming		
(1) 5% annual return and (2) redemption at the end of each time period:		
Retail Class.....	\$15	\$46
Institutional Class.....	\$11	\$34

</TABLE>

The expense table and example above are provided to assist investors in understanding the expenses they will bear directly or indirectly as a shareholder in the Fund. For more information with respect to the expenses of the Fund and the Trust, see "Management." The above example should not be considered a representation of past or future expenses and actual expenses may be greater or less than those shown.

PERFORMANCE INFORMATION

INVESTMENT MANAGER'S PERFORMANCE

The chart below shows the historical performance of all private accounts having substantially the same investment objective as the Fund and the Trust for which the investment manager is LaSalle Securities, the Trust's investment manager. The data, calculated on an average annual total return basis, is provided to illustrate the Manager's past performance in managing accounts in accordance with the same strategy, research and analytical models utilized for the Trust. These accounts consist of separate and distinct portfolios and their performance is not indicative of or a substitute for the past or future performance of the Fund or the Trust. As of January 5, 1998, the Fund and the Trust had not commenced investment operations and therefore did not have a performance record of their own.

<TABLE>

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	YEARS ENDED DECEMBER 31,									
	1996	1995	1994	1993	1992	1991	1990	1989	1988	1987
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
LaSalle Securities Asset Weighted Rate of Return/1/.....	38.21%	16.28%	6.47%	18.01%	17.12%	35.57%	(18.32)%	10.92%	13.91%	(1.83)%
Mutual Fund/2/.....	32.70%	18.20%	--	--	--	--	--	--	--	--
NAREIT Equity/3/.....	35.27%	15.27%	3.17%	19.65%	14.59%	35.70%	(15.35)%	8.84%	13.49%	(3.64)%
NAREIT Composite/4/.....	35.75%	18.31%	0.81%	18.55%	12.18%	35.68%	(17.35)%	(1.81)%	11.36%	(10.67)%
Wilshire Real Estate Securities Index/5/....	36.87%	13.65%	1.64%	15.23%	7.40%	20.03%	(33.46)%	2.37%	24.18%	(7.86)%
Number of portfolios....	32	27	18	14	16	12	10	8	6	2

Assets, end of period
(millions)..... \$2,250.3 \$1,346.4 \$629.4 \$291.5 \$144.4 \$127.8 \$ 84.5 \$ 84.3 \$74.5 \$ 52.3
</TABLE>

1. The composite performance data shown above for the LaSalle Securities Asset Weighted Rate of Return (the "LaSalle Securities Composite") was developed from the aggregate performance of all private accounts that are managed on a basis substantially the same as the Manager employs in managing the assets of the Trust. The LaSalle Securities Composite includes all portfolios invested in U.S. based publicly traded real estate companies for which the Manager has full discretionary authority to manage in accordance with the Manager's strategy. The LaSalle Securities Composite excludes for each respective year one portfolio invested in international real estate securities and one portfolio invested in private commingled funds. The composite performance data has been calculated in accordance with recommended standards of the Association for Investment Management and Research ("AIMR"), which differs from the SEC's method of performance calculation and the effect of fees has been reflected as described below. Custodial fees and expenses have not been deducted from the performance results, but investment management fees have been deducted. The fees and expenses deducted from the composite performance data generally are substantially lower than the expenses incurred by the Fund and the Trust, and the composite performance figures would have been lower if they had been subject to the higher fees and expenses incurred by the Fund and the Trust. In addition, if the accounts within the composite had been regulated as investment companies under the federal securities and tax laws, the composite performance might have been adversely affected by the diversification requirements, tax restrictions and investment limitations to which the Fund and the Trust are subject.

2. The Manager is the subadviser of a mutual fund with substantially the same investment objective as the Fund and the Trust. The mutual fund's performance results were obtained from the mutual fund's annual reports. The performance results assume the reinvestment of dividends and capital gains distributions and exclude the impact of any sales charge. If the sales charge were reflected, the performance results would be lower.

3. The NAREIT Equity Index reflects the performance of all publicly traded Equity REITs.

4. The NAREIT Composite Index reflects the performance of all publicly traded REITs.

5. The Wilshire Real Estate Securities Index is a market capitalization weighted index of publicly traded real estate securities, such as REITs, real estate operating companies and partnerships. The Index is comprised of

companies whose charter is the equity ownership and operation of commercial real estate. The following security types are excluded from the Index: (i) Mortgage REITs, (ii) Health Care REITs, (iii) real estate finance companies, (iv) home builders, (v) large land owners and sub-dividers and (vi) Hybrid REITs. To be included on the Index, a company must (i) have a book value of real estate assets of at least \$100 million, (ii) have a market capitalization of at least \$100 million, and (iii) derive at least 75% of its total revenue from the ownership and operation of real estate assets.

THE MANAGER'S PERFORMANCE INFORMATION SHOULD BE CONSIDERED IN LIGHT OF THE FUND'S AND THE TRUST'S INVESTMENT OBJECTIVE AND POLICIES, AND MARKET CONDITIONS DURING THE TIME PERIODS FOR WHICH IT IS REPORTED. THE MANAGER'S HISTORICAL PERFORMANCE SHOULD NOT BE CONSIDERED AS REPRESENTATIVE OF THE FUTURE PERFORMANCE OF THE FUND OR THE TRUST.

FUND PERFORMANCE

The Fund may quote its yield and total return in advertisements and reports to shareholders and prospective investors. The Fund's performance may also be compared to that of other mutual funds with a similar investment objective and to stock or other relevant indices, such as the S&P 500, that are referenced in the Statement of Additional Information. Standard total return results reported by the Fund do not take into account recurring and non-recurring charges for optional services which only certain shareholders elect and which involve nominal fees.

The Fund's yield is calculated by dividing the net investment income earned by the Fund over a specified 30-day period, by the average number of shares entitled to receive dividends, and expressing the result as an annualized percentage rate based on the net asset value per share at the end of the 30-day period. The effective yield is calculated similarly but, when annualized, the

income earned by an investment in the Fund is assumed to be reinvested. The effective yield will be slightly higher than the yield because of the compounding effect of this assumed reinvestment.

The Fund's average annual total return is computed by determining the average annual compounded rate of return for a specific period which, when applied to a hypothetical \$1,000 investment in the Fund at the beginning of the period, would produce the redeemable value of that investment at the end of the period, assuming reinvestment of all dividends and distributions during the period.

Further information concerning the Fund's yield and total return is included in the Statement of Additional Information.

INVESTMENT OBJECTIVES AND POLICIES

The investment objective of the Fund is total return primarily through investments in U.S. real estate securities. The Fund seeks to achieve its investment objective by investing all of its investable assets in the Trust, which in turn invests in a diversified portfolio of securities. The Trust has the same investment objective, policies and restrictions as the Fund. The investment objective of each of the Fund and the Trust is not a fundamental policy and may be changed upon notice to, but without the approval of, the Fund's shareholders or the Trust's investors, respectively. There can be no assurance that either the Fund or the Trust will achieve its investment objective. The Fund's and the Trust's share prices and investment returns will fluctuate, and a shareholder's investment in the Fund when redeemed may be worth more or less than the original cost. See "Risks To Consider."

The Manager expects that, under normal conditions, at least 85% of the Trust's total assets will be invested in equity securities of real estate investment trusts ("REITs") and other real estate industry companies that are publicly traded in the United States securities markets. For this purpose, a "real estate industry company" is a company that derives at least 50% of its gross revenues or net profits from the ownership, development,

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construction, financing, management or sale of commercial, industrial or residential real estate. Equity securities of real estate industry companies in which the Trust will invest consist of common stock, shares of beneficial interest of REITs and securities with characteristics of common stock, such as preferred stock and debt securities convertible into common stock (for which no minimum rating is required). In addition to shares of REITs, the Manager expects to invest in the securities of real estate operating companies that acquire or develop real estate to be held for long-term investment purposes. The Trust may invest up to 10% of its total assets in foreign securities. See "Risks to Consider--Investment in Foreign Securities."

The Manager anticipates that the Trust's investments normally will be allocated among a number of companies, representing diverse investment policies and real property holdings, including, for example, certain securities selected for high current return and others chosen for the possibility of long-term capital appreciation from their underlying assets. The Trust seeks to provide investors with a current return from dividends and distributions received with respect to such securities, and with capital appreciation resulting from the selection of securities that the Manager believes are underpriced relative to their underlying intrinsic values. The Manager has amassed a solid track record in managing institutional accounts over the last decade by utilizing intensive top-down and bottom-up analysis that covers industry and market cycle trends as well as individual company research.

The Manager expects to invest a portion of the Trust's assets in money market instruments, including repurchase agreements, to provide flexibility in meeting redemptions and paying expenses of the Trust, and in the timing of new investments for the Trust's portfolio.

REAL ESTATE INVESTMENT TRUSTS

The Trust may invest without limitation in shares of REITs. REITs pool investors' funds for investment primarily in income producing real estate or real estate related loans or interests. A REIT is not taxed on income distributed to its shareholders if it complies with regulatory requirements relating to its organization, ownership, assets and income, and with a regulatory requirement that it distribute to its shareholders at least 95% of its taxable income for each taxable year. Generally, REITs can be classified as Equity REITs, Mortgage REITs and Hybrid REITs. Equity REITs invest the majority of their assets directly in real property and derive their income primarily from rents. Mortgage REITs invest the majority of their assets in

real estate mortgages and derive their income primarily from interest payments. Hybrid REITs combine the characteristics of both Equity and Mortgage REITs. The Manager expects to invest in common stock, preferred stock and other convertible securities of primarily Equity REITs.

RULE 144A SECURITIES

Subject to the Trust's limitations on investing in illiquid securities, the Trust may purchase Rule 144A securities. Rule 144A securities are restricted securities in that they have not been registered under the Securities Act of 1933, but they may be traded between certain qualified institutional investors, including investment companies. The presence or absence of a secondary market in these securities may affect their value. The Trust's Board of Trustees has established guidelines and procedures for determining the liquidity of Rule 144A securities.

REPURCHASE AGREEMENTS

The Trust may enter into repurchase agreements with respect to U.S. Treasury securities. In a repurchase agreement, the Trust buys a security and simultaneously agrees to sell it back at a higher price. In all cases, the Manager must find the creditworthiness of the other party to the transaction to be satisfactory. In addition, all repurchase agreements entered into by the Trust will be fully collateralized and marked to market daily. In the event of a default by, or bankruptcy proceedings with respect to, the other party to the repurchase agreement, the Trust could experience delays in recovering its cash and a loss to the extent that, in the meantime, the value of the securities repurchased has decreased.

PORTFOLIO TURNOVER

The Trust anticipates that its annual portfolio turnover rate will not exceed 50%, but the Trust's turnover rate will not be a limiting factor when the Manager deems portfolio changes appropriate.

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RISKS TO CONSIDER

INVESTMENT IN REAL ESTATE SECURITIES

Because of its policy of concentration in securities of companies in the real estate industry, the Fund will be subject to risks similar to those associated with the direct ownership of real estate. These risks include declines in the value of real estate, risks related to general and local economic conditions, dependency on management skill, heavy cash flow dependency, possible lack of availability of mortgage funds, overbuilding, extended vacancies of properties, increased competition, increases in property taxes and operating expenses, changes in zoning laws, losses due to costs resulting from the clean-up of environmental problems, liability to third parties for damages resulting from environmental problems, casualty or condemnation losses, limitations on rents, changes in neighborhood values and the appeal of properties to tenants, and changes in interest rates.

Investors in the Fund will also be subject to certain risks associated with a direct investment in REITs. Equity REITs may be affected by changes in the value of the underlying properties owned by the REITs, while Mortgage REITs may be affected by the quality of any credit extended. Further, Equity and Mortgage REITs are dependent upon management skills and generally may not be diversified. These REITs are also dependent on the income generated by the underlying properties to meet operating expenses and are subject to defaults by borrowers and self-liquidation. In addition, Equity and Mortgage REITs could possibly fail to qualify for tax-free pass-through of income under the Internal Revenue Code, or to maintain their exemptions from registration under the Investment Company Act of 1940. The above factors may also adversely affect a borrower's or a lessee's ability to meet its obligations to the REIT. In the event of a default by a borrower or a lessee, the REIT may experience delays in enforcing its rights as a mortgagee or lessor and may incur substantial costs associated with protecting its investments.

REITs (especially Mortgage REITs) are also subject to interest rate risk. When interest rates decline, the value of a REIT's investment in fixed rate obligations can be expected to rise. Conversely, when interest rates rise, the value of a REIT's investment in fixed rate obligations can be expected to decline. In contrast, as interest rates on adjustable rate mortgage loans are reset periodically, yields on a REIT's investments in such loans will gradually align themselves to reflect changes in market interest rates, causing the value of such investments to fluctuate less dramatically in response to interest rate fluctuations than would investments in fixed rate obligations.

INVESTMENT IN FOREIGN SECURITIES

Investing in foreign securities involves considerations and possible risks not typically associated with investing in domestic securities. The values of foreign investments are affected by changes in currency rates or exchange control regulations, application of foreign tax laws, including withholding taxes, changes in governmental administration or economic or monetary policy (in the United States or abroad) or changed circumstances in dealings between nations. Costs are incurred in connection with conversions between various currencies. In addition, foreign brokerage commissions are generally higher than in the United States, and foreign securities markets may be less liquid, more volatile and less subject to governmental supervision than in the United States. Investments in foreign countries could be affected by other factors not present in the United States, including expropriation, confiscatory taxation, lack of uniform accounting and auditing standards, potential difficulties in enforcing contractual obligations and the possibility of extended settlement periods.

MASTER/FEEDER FUND STRUCTURE

The Fund seeks to achieve its investment objective by investing all of its assets in the Trust, a separate series of a registered investment company with the same investment objective as the Fund. Therefore, an investor's interest in the Trust's securities is indirect. In addition to selling shares of beneficial interest to the Fund, the Trust may sell shares to other mutual funds or institutional investors. These investors will invest in the Trust under the same terms and conditions and will pay a proportionate share of the Trust's expenses. However, due to variations in distribution arrangements and operating expenses, the other funds investing in the Trust may sell their shares at a price which differs from that applicable to shares of the Fund. As a result, investors in the Fund may experience a return which varies from the returns experienced by investors in other funds investing in the Trust.

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Variations in returns are also experienced by investors in other mutual fund structures. The Fund is the only investment company investing in the Trust whose shares are currently being publicly offered in the United States. Information regarding the availability of other funds investing in the Trust can be obtained by calling 1-800-LaSalle.

The Board of Directors of the Company believes that the "master/feeder" fund structure offers opportunities for substantial growth in the assets of the Trust which may enable the Fund to realize economies of scale that could reduce the Fund's operating expenses. However, the Fund's investment in the Trust may be adversely affected by the actions of other funds investing in the Trust. For example, if a large fund withdraws from the Trust, the remaining funds may experience higher pro rata operating expenses, thereby producing lower returns (however, this possibility also exists for traditionally structured funds that have large institutional investors). Additionally, the Trust may become less diverse, resulting in increased portfolio risk. Funds with a greater pro rata ownership in the Trust could have effective voting control of the operations of the Trust.

Except as permitted by the SEC, whenever the Company is requested to vote on matters pertaining to the Trust, the Company will hold a meeting of Fund shareholders and will cast all of its votes in the same proportion as the votes of its shareholders. Shares of the Fund for which voting instructions have not been received will be voted by management in the same proportion as the shares voted by shareholders of the Fund.

Certain changes in the Trust's investment objective, policies or restrictions may require the Fund to withdraw its interest in the Trust. Any such withdrawal could result in a distribution "in kind" of portfolio securities (as opposed to a cash distribution) from the Trust. If securities are distributed, the Fund generally would incur brokerage, tax or other charges in converting the securities to cash. In addition, the distribution in kind may result in a less diversified portfolio of investments or adversely affect the liquidity of the Fund.

The Fund may withdraw its investment from the Trust at any time, if the Company's Board of Directors determines that it is in the best interest of the shareholders of the Fund to do so. Upon any such withdrawal, the Board of Directors would consider what action might be taken, including continuing to retain the Manager to manage the Fund's assets directly or investing all the assets of the Fund in another pooled investment entity having the same investment objective as the Fund.

The Trust's investment program is subject to a number of investment restrictions that reflect both self-imposed standards and regulatory limitations. Restrictions (1) and (2) are matters of fundamental policy and may only be changed with shareholder approval. Restrictions (3) and (4) may be changed by the Trust's Board of Trustees. The Trust will not:

(1) With respect to 75% of the value of its total assets, purchase the securities of any issuer (other than securities issued or guaranteed by the U.S. Government or its agencies or instrumentalities) if, as a result, more than 5% of the value of the Trust's total assets would be invested in the securities of such issuer or the Trust would hold more than 10% of the outstanding voting securities of such issuer.

(2) Concentrate its investments in any one industry (excluding securities of the U.S. Government and its agencies and instrumentalities), except that the Trust may invest more than 25% of the value of its total assets in the real estate industry.

(3) Invest more than 15% of its net assets in illiquid securities, including repurchase agreements with maturities of greater than seven days.

(4) Invest more than 10% of its net assets foreign securities.

The investment restrictions set forth above are also applicable to the Fund; restrictions (1) and (2) are matters of fundamental policy and restrictions (3) and (4) may be changed by the Company's Board of Directors. No investment restriction of the Fund prevents the Fund from investing all of its investable assets in the Trust.

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The Fund and the Trust are subject to additional investment restrictions which are described in the Statement of Additional Information.

MANAGEMENT

The business and affairs of the Fund are managed under the supervision of the Board of Directors of the Company, while the business and affairs of the Trust are managed under the supervision of its Board of Trustees. The Company's Board of Directors approves all significant agreements between the Company and persons or companies furnishing services to the Fund, including the agreements with the Fund's manager, distributor, administrator, transfer agent and custodian. A majority of the Company's directors are not affiliated with either the manager or the distributor of the Fund. The management of the Fund's day-to-day operations is delegated to its officers, manager and administrator, subject always to the general supervision of the Board of Directors.

INVESTMENT MANAGER

LaSalle Securities serves as manager of the Fund pursuant to a management agreement with the Company. Under the agreement, the Manager is responsible for monitoring the Fund's operations and the services provided to the Fund by others. The Manager receives no fee for providing these services and facilities to the Fund.

At the present time, the Fund seeks to achieve its investment objective by investing all of its investable assets in the Trust. The Manager also serves as the Trust's investment manager pursuant to an investment management agreement with the Trust. In the event the Company's Board of Directors determines that it is in the best interests of the Fund's shareholders to withdraw its investment in the Trust, the Manager would become responsible for directly managing the assets of the Fund under its management agreement with the Company. Under such management agreement the Manager would be entitled to receive an investment management fee from the Fund, accrued daily and paid monthly, at the annual rate of 0.75% of the Fund's average net assets.

Under its agreement with the Trust, the Manager manages the Trust's portfolio in accordance with its investment objective, policies and restrictions, makes investment decisions for the Trust, places orders for the purchase and sale of securities and other financial instruments on behalf of the Trust, and employs portfolio managers and securities analysts who provide research services to the Trust. For providing these services and facilities to the Trust, the Manager is entitled to receive an investment management fee from the Trust, computed daily and paid monthly, at the annual rate of 0.75% of the Trust's average net assets.

The Manager is a registered investment adviser and together with its

affiliates had as of September 30, 1997, approximately \$2.8 billion in real estate securities under management, almost all of which are U.S. real estate securities. The Manager was formed on November 1, 1994, to acquire a portion of the real estate securities investment advisory business of Alex. Brown Kleinwort Benson Realty Advisors Corporation. The Manager, together with its predecessors, has provided investment advice to pension funds and other institutional investors with respect to investments in real estate securities since 1985. The Manager's investment team has more than twelve years of experience in managing accounts in accordance with the same strategy utilized for the Trust and is supported by LaSalle Partners' extensive research and property management organization which consists of over 1,300 employees in ten corporate offices across the United States and seven international offices. The Manager utilizes the same research, analytical models and professional staff in managing the assets of the Trust.

The Manager is a Maryland limited partnership organized under the name ABKB/LaSalle Securities Limited, with its principal office located at 100 East Pratt Street, Baltimore, Maryland 21202. The Manager is one of several entities through which LaSalle Partners Incorporated and its affiliates conduct real estate investment advisory and related businesses. LaSalle Partners is a leading full-service real estate firm that provides management services, corporate and financial services and investment management services to corporations and other real estate owners, users and investors worldwide.

The Trust may, from time to time, consistent with its investment policies and applicable law, invest in securities of companies with which LaSalle Partners has a business relationship. Any such relationship will not be a factor considered by the Manager in making decisions regarding the securities to be purchased or sold for the Trust.

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Officers and employees of the Manager are permitted to engage in personal securities transactions subject to restrictions and procedures set forth in the Code of Ethics adopted by the Company and the Trust.

PORTFOLIO MANAGERS

William K. Morrill, Jr. and Keith R. Pauley, both Managing Directors of the Manager, share primary responsibility for managing the Trust's assets. Mr. Morrill has more than 17 years of investment experience and has been a portfolio manager with the Manager or its predecessors since 1985. Mr. Pauley has more than ten years of investment experience and has been a portfolio manager with the Manager or its predecessors since 1986.

PORTFOLIO TRANSACTIONS

Subject to the general supervision of the Board of Trustees of the Trust, the Manager is responsible for placing orders for securities transactions. Transactions involving equity securities will normally be conducted through broker-dealers who charge a commission for their services. The Trust has no obligation to enter into securities transactions with any particular broker-dealer, issuer, underwriter or other entity. In placing orders for the Trust, it is the policy of the Manager to obtain the most favorable execution. Where such execution may be obtained from more than one firm, securities transactions may be directed at higher commission rates to firms that provide research, statistical and other information to the Manager. If more than one account managed by the Manager is purchasing or selling the same security, the orders may be aggregated in the interest of achieving the most favorable execution.

ADMINISTRATOR

FFPC Inc. (the "Administrator"), 103 Bellevue Parkway, Wilmington, Delaware 19809, serves as administrator of both the Fund and the Trust pursuant to separate administration agreements. The Administrator provides certain fund accounting and administrative services to the Fund and the Trust including, among other services, accounting relating to the Fund and the Trust and their investment transactions, and computation of the net asset values of the Fund and Trust. The Administrator does not have any responsibility or authority for the management of the assets of the Fund or the Trust, the determination of their investment policies, or for any matter pertaining to the distribution of their shares.

As compensation for the services and facilities provided by the Administrator to the Trust, the Trust has agreed to pay a fee, computed daily and paid monthly, at the annual rate of 0.11% of the first \$250 million of the average net assets of the Trust, 0.085% of the next \$250 million of such assets, 0.06% of the next \$250 million of such assets, 0.05% of the next \$250 million of

such assets and 0.04% of such assets in excess of \$1 billion, subject to a minimum monthly fee of \$7,917, and to reimburse the Administrator for its out-of-pocket expenses. In addition, as compensation for the services and facilities provided by the Administrator to the Fund, the Fund has agreed to pay a monthly fee of \$2,000, and to reimburse the Administrator for its out-of-pocket expenses.

DISTRIBUTION ARRANGEMENTS

Shares of the Fund are distributed through Funds Distributor, Inc. (the "Distributor"), the principal underwriter and distributor of the Fund. The Distributor, located at 60 State Street, Suite 1300, Boston, Massachusetts 02109, is a registered broker-dealer and member firm of the National Association of Securities Dealers, Inc.

The Company has adopted a distribution plan for the Retail Class of the Fund pursuant to Rule 12b-1 under the Investment Company Act of 1940. The plan provides for the payment of a distribution fee from the assets of the Retail Class for activities primarily intended to result in the sale of Retail Class shares, including advertising, compensation to dealers and the preparation of sales literature. Distribution fees paid under the plan may not exceed 0.75% annually of the average net assets of the Retail Class, or such lesser amount as specified by the Company's Board of Directors. The Board of Directors has authorized payment of an annual distribution fee of 0.25%. The distribution fee is paid to the Distributor and financial services firms who assist in the distribution of Retail Class shares.

Under a shareholder services plan adopted for the Retail Class, the Fund may pay shareholder services fees to financial services firms and others who have entered into shareholder services agreements with the Company. These fees are paid for services provided to Retail Class shareholders, including shareholder assistance and communications, and maintenance of shareholder accounts. Shareholder services fees paid under the plan may

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not exceed 0.25% annually of the average net assets of the Retail Class attributable to applicable shareholder accounts, or such lesser amount as specified by the Company's Board of Directors. The Board of Directors has authorized payment of an annual shareholder services fee of 0.15%.

The distribution and shareholder services plans apply only to the Retail Class of the Fund. The fees paid under the plans are subject to the review and approval by the Company's directors who are not "interested persons" of the Company (as defined in the Investment Company Act of 1940) and who may reduce the fees or terminate the plans at any time.

HOW TO PURCHASE SHARES

The Company offers investors two classes of shares of the Fund -- Retail Class shares and Institutional Class shares. The different classes represent investments in the same portfolio of securities but are subject to different expenses and will likely have different share prices. Shares of the Fund may be purchased at the net asset value next determined after receipt of an order in proper form. There is no sales load or charge in connection with the purchase of any class of the Fund's shares; however, Retail Class shares are subject to distribution and shareholder services fees. See "Management--Distribution Arrangements."

Purchase orders for Fund shares which are received by the transfer agent in proper form prior to the close of regular trading hours (normally 4:00 p.m. Eastern Time) on the New York Stock Exchange (the "NYSE") on any day that the Fund's net asset value is calculated (a "business day") are priced at the net asset value per share determined that day. Purchase orders for shares of the Fund received after the close of the NYSE on a particular business day are priced as of the time the net asset value per share is next determined.

The Company and the Distributor reserve the right to reject any purchase order and to suspend the offering of shares of the Fund. The Company reserves the right to vary the initial investment minimums and to impose minimums for additional investments in any of the classes of the Fund's shares at any time. In addition, the Company may waive the minimum initial investment requirement for any investor.

RETAIL CLASS SHARES

Investors can purchase Retail Class shares through any securities dealer or other financial services firm that has a sales agreement with the Distributor, or directly through the Fund's transfer agent. The minimum initial investment

for Retail Class shares is \$10,000.

The Fund may accept telephone orders for shares from securities dealers and other financial services firms that have been previously approved by the Fund. It is the responsibility of these firms to forward purchase orders and payments for shares promptly. Financial services firms may charge the investor a transaction fee or other fee for their services at the time of purchase. These fees would not otherwise be charged if the shares were purchased directly through the Fund's transfer agent.

Shareholders may purchase additional shares for an existing account by mailing a check payable to "LaSalle Partners Funds, Inc.--LaSalle Partners U.S. Real Estate Fund" for the amount of the investment to the Company at the following address: LaSalle Partners Funds, Inc., c/o PFPC Inc., P.O. Box 8976, Wilmington, DE 19899-8976. Retail Class shares may not be purchased with a check issued by a third party and endorsed over to the Fund.

Retail Class shares may also be purchased for an existing shareholder account by wiring money to:

PNC Bank, N.A.
Philadelphia, Pennsylvania
ABA #0310-0005-3

For Credit to: LaSalle Partners Funds, Inc.--LaSalle Partners U.S. Real Estate Fund

Retail Class Shares

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Account No.:
Account Name:

The wire instructions must include the account number. An order to purchase shares by Federal Funds wire will be deemed to have been received on the business day of the wire, provided that shareholders notify the Fund's transfer agent at 1-800-LaSalle by 12:00 p.m. (Eastern Time) of their intention to wire money. The Company currently does not charge shareholders for the receipt of wire transfers, although your bank may charge you for their wiring services.

INSTITUTIONAL CLASS SHARES

Institutional Class shares are currently available only to certain qualified purchasers including, but not limited to, financial institutions (such as banks, savings institutions and credit unions), pension and profit sharing and employee benefit plans and trusts, insurance companies, investment companies, and investment advisers and broker-dealers acting for their own accounts or for the accounts of such institutional investors. The minimum initial investment for Institutional Class shares is \$250,000 (\$1,000 for LaSalle employee investment accounts). For more information contact the Fund at 1-800-LaSalle.

EMPLOYEE PURCHASE PROGRAM

Current and former directors and officers of the Company, current and retired officers, directors and regular employees of LaSalle Partners Incorporated and its direct and indirect subsidiaries, and their spouses and minor children may open an employee investment account directly with the Company by making an initial investment of \$1,000 or more. Institutional Class shares may be purchased for an employee investment account as described under "Retail Class Shares" above. To open an employee investment account, call 1-800-LaSalle to request an account application.

TAX-SHELTERED RETIREMENT PLANS

Fund shares are eligible for purchase by retirement plans which offer tax advantages to individuals. Investors in the Fund can establish an account under one of several tax-sheltered plans, including Individual Retirement Accounts (IRAs), which permit investment for retirement and shelter income and capital gains distributions from current taxes. For more information on retirement plans and their benefits, provisions and fees, contact your investment professional.

DETERMINATION OF NET ASSET VALUE

The Fund's net asset value is determined each business day as of the close of regular trading hours on the NYSE, which is normally 4:00 p.m. (Eastern Time). The net asset value per share of a class is calculated by valuing its share of

the Fund's assets (i.e., the value of its investment in the Trust and other assets), deducting all liabilities attributable to that class, and dividing the resulting amount by the number of shares of the class then outstanding. For this purpose, the Trust's portfolio securities are valued primarily on the basis of market quotations or, in the case of securities for which market values are not available, at their fair values determined in accordance with procedures established and monitored by the Board of Trustees of the Trust.

HOW TO REDEEM SHARES

Shareholders may redeem all or part of their investment on any business day by transmitting a redemption order through their dealer or by directly to the Fund's transfer agent. A redemption order will be effected at the net asset value per share next determined after its receipt in proper form. Redemption orders received after 4:00 p.m. (Eastern Time) or the close of regular trading hours on the NYSE, whichever is earlier, will be effected at the net asset value per share determined on the next business day. Payment for redeemed shares will be made by check and will be mailed within seven days after receipt of a redemption order fully completed and, as applicable, accompanied by the required documents.

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REDEEMING SHARES BY MAIL

Shareholders may redeem Fund shares directly by mail. Written requests for the redemption of Fund shares must be received in good order by the Fund's transfer agent to constitute a valid redemption order by mail. Shareholders redeeming shares by mail must send a letter of instruction, specifying (1) the shareholder's account number and (2) the number of shares or dollar amount to be redeemed, to the Company at the following address: LaSalle Partners Funds, Inc., c/o PFPC Inc., P.O. Box 8976, Wilmington, DE 19899-8976. The letter of instruction must be signed by all owners of the shares in the exact names in which their account is maintained. Additional documentation may be required for redemptions by corporations, partnerships, trusts or fiduciaries.

To protect shareholders and the Fund against fraud, a signature guarantee will be required if: (a) the redemption request is for an amount in excess of \$25,000; (b) redemption proceeds are to be sent to a name and/or address that differs from the registered name or address of record; or (c) a transfer of registration is requested. Otherwise, written redemption requests by mail may be accepted without a signature guarantee. A signature guarantee may be obtained from domestic banks or trust companies, brokers, dealers, clearing agencies or savings associations who are participants in a medallion program recognized by the securities transfer association. Please note that a notary public stamp or seal is not acceptable.

REDEEMING SHARES BY TELEPHONE

Shareholders who have completed the section of the account application authorizing telephone transactions may redeem Fund shares in amounts up to \$25,000, by notifying the Fund's transfer agent by telephone at 1-800-LaSalle. Payment for the redeemed shares will be made by check mailed to the address of record.

Neither the Fund nor its transfer agent will be responsible for any loss, liability, cost or expense for acting upon telephone instructions that it reasonably believes to be genuine. The Fund and the transfer agent will each employ reasonable procedures to confirm that instructions communicated by telephone are genuine. To ensure the authenticity of redemption instructions received by telephone, the transfer agent examines each shareholder request by verifying the account number and/or tax identification number at the time the request is made. The transfer agent subsequently sends confirmations of the transaction to the shareholder for verification. If reasonable procedures are not employed, the Fund and the transfer agent may be liable for any losses due to unauthorized or fraudulent telephone transactions.

REDEEMING SHARES THROUGH YOUR DEALER

The Distributor has made arrangements for securities dealers and other financial services firms to redeem shares on behalf of their customers. These firms may charge for this service.

OTHER INFORMATION

The Company will honor redemption requests of shareholders who recently purchased shares by check, but will not mail the proceeds until it is reasonably satisfied that the check for the purchase of Fund shares has cleared, which may take up to fifteen days from the purchase date.

Dividends payable up to the date of the redemption of shares will be paid on the next dividend payment date. If all of the shares in a shareholder's account have been redeemed on a dividend payment date, the dividend will be remitted by check to the shareholder.

The Company has the power under its charter to redeem the shares in any shareholder account with a value of less than the minimum initial investment for such shares upon 60 days' notice. Shares will not be redeemed involuntarily as a result of a decline in account value due solely to a decline in the Fund's net asset value.

DIVIDENDS AND TAXES

DIVIDENDS

The Company's policy is to make quarterly distributions from the net investment company taxable income of the Fund. Net capital gain (net long-term capital gain in excess of net short-term capital loss), if any, will be distributed at least annually. The Fund's investment company taxable income consists of all taxable income other

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than the excess, if any, of net long-term capital gain over net short-term capital loss, reduced by deductible expenses of the Fund. The Company currently expects that a portion of the Fund's dividends will consist of amounts in excess of investment company taxable income derived from non-taxable components of the cash flow from the real estate underlying the Trust's portfolio investments. These amounts will be considered a return of capital and thus will not be subject to current taxation.

Unless a shareholder elects payment by check, all income dividends and capital gain distributions, if any, will be reinvested in additional Fund shares of the same class at net asset value as of the reinvestment date. Shareholders may elect to terminate automatic reinvestment by giving written notice to the Fund's transfer agent (at the address listed in this Prospectus), either directly or through their dealer, at least five days before the next date on which dividends or distributions will be paid.

TAXES

The Fund and the Trust are treated as separate entities for federal tax purposes. The Fund intends to qualify for the special tax treatment afforded regulated investment companies under the Internal Revenue Code so that it will be relieved of federal income tax on net investment company taxable income and net capital gain distributed to shareholders. In addition, the Fund expects to make sufficient distributions prior to the end of each calendar year to avoid liability for federal excise tax. As a partnership under the Code, the Trust does not pay federal income or excise taxes.

Dividends from the Fund's net investment company taxable income are taxable to shareholders as ordinary income (whether received in cash or in additional shares) to the extent of the Fund's earnings and profits. Distributions of net capital gain that are designated by the Fund as capital gain dividends are taxable to shareholders as long-term capital gain, regardless of how long shareholders have held their shares and regardless of whether the distributions are received in cash or in additional shares. Only a portion of the dividends paid by the Fund is expected to qualify for the dividends received deduction available to corporate shareholders. The Fund provides shareholders annually with information regarding the federal income tax status of its dividends and distributions.

The net asset value of the Fund's shares will be reduced by the amount of any dividend or distribution on the record date for the distribution. An investor who purchases shares immediately prior to the record date will pay the full net asset value for the shares and will receive a distribution which, although in effect a return of capital to that shareholder, will be taxable as described above.

The sale or redemption of Fund shares is a taxable event for the shareholder.

Shareholders should consult their tax advisors regarding specific questions as to federal, state and local income taxes. The Statement of Additional Information contains additional information regarding taxes.

GENERAL INFORMATION

DESCRIPTION OF SHARES

The Fund is a series of the Company which is an open-end diversified management investment company incorporated under the laws of the State of Maryland. Each share of the Fund has one vote and is entitled to dividends and distributions when and if declared by the Company's Board of Directors. In the event of liquidation of the Fund or dissolution of the Company, each share would be entitled to its pro rata portion of the Fund's assets after all debts and expenses have been paid.

The Board of Directors of the Company is authorized to establish "series" of shares of capital stock, each of which would evidence interests in a separate portfolio of securities, and separate classes of shares of each series. Different classes of the Company's shares of any series may be offered to certain investors. All classes of a particular series share a common investment objective and portfolio of investments; however, the net asset values per share of the classes will differ to the extent there are different fees and expenses applicable to the classes.

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The shares offered by this Prospectus have been designated Retail Class and Institutional Class shares of the LaSalle Partners U.S. Real Estate Fund series. The Board of Directors of the Company may add one or more additional series or classes of shares in the future. Additional information concerning the Fund's shares may be obtained by calling 1-800-LaSalle.

The Trust, in which all of the investable assets of the Fund will be invested, is a series of a business trust organized under the laws of the State of Delaware. The Trust's Agreement and Declaration of Trust provides that the Fund and other entities investing in the Trust (e.g., other investment companies) will be liable for obligations of the Trust. However, the risk of the Fund incurring financial loss on account of such liability is limited to circumstances in which both inadequate insurance exists and the Trust itself is unable to meet its obligations. Accordingly, the Company's Board of Directors believes that neither the Fund nor its shareholders will be adversely affected by reason of the Fund's investing in the Trust.

ANNUAL MEETINGS

Unless required under applicable Maryland law, the Company does not expect to hold annual meetings of shareholders. However, shareholders of the Fund retain the right, under certain circumstances, to request that a meeting of shareholders be held for the purpose of considering the removal of a director from office, and if such a request is made, the Company will assist with the shareholder communications in connection with the meeting.

SHAREHOLDER REPORTS

The Company furnishes shareholders with semi-annual reports containing information about the Fund and its operations, including a list of investments held in the Trust's portfolio and financial statements. The annual financial statements will be audited by the Company's independent accountants, Coopers & Lybrand L.L.P.

OFFICERS AND DIRECTORS OF THE FUND

<TABLE>

<S>	<C>
Bruce D. Alexander	Director
Lawrence S. Bacow	Director
Richard A. Dobbins	Director
John W. McCarter, Jr.	Director
Lynn C. Thurber	Director
William K. Morrill, Jr.	Director and President
Keith R. Pauley	Director and Executive Vice President
Stephen A. Smith	Senior Vice President and Secretary
Audre' J. Melsbakas	Senior Vice President and Assistant Secretary
James A. Ulmer, III	Vice President
William E. Sullivan	Treasurer
Denise M. Ruth	Assistant Treasurer

</TABLE>

* Ms. Thurber and Messrs. Morrill and Pauley are directors who are "interested persons" of the Company within the meaning of the Investment Company Act of 1940.

CUSTODIAN

PNC Bank, National Association, 200 Stevens Drive, Lester, Pennsylvania 19113, serves as custodian of the Fund's and the Trust's assets consisting of cash

and securities.

TRANSFER AGENT

PFPC Inc., 103 Bellevue Parkway, Wilmington, Delaware 19809, serves as transfer agent and dividend paying agent for the Fund's shares.

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INDEPENDENT ACCOUNTANTS

Coopers & Lybrand L.L.P., 2400 Eleven Penn Center, Philadelphia, Pennsylvania 19103, has been selected as independent accountants for the Company and the Trust.

LEGAL COUNSEL

Piper & Marbury L.L.P., 36 South Charles Street, Baltimore, Maryland 21201, serves as counsel to the Company and the Trust.

INVESTOR INQUIRIES

Investors with questions regarding the Fund should contact their dealer or call the Company directly at 1-800-LaSalle.

ADDITIONAL INFORMATION

The Company and the Trust have filed with the Securities and Exchange Commission ("SEC") a Registration Statement with respect to the shares of the Fund offered hereby. This Prospectus and the Statement of Additional Information, which constitute part of the Registration Statement, do not contain all the information set forth in the Registration Statement, and the exhibits and schedules to the Registration Statement filed with the SEC. Copies of the Registration Statement, including those items omitted from this Prospectus, may be examined at the offices of the SEC in Washington, D.C. The SEC maintains a Web site (http://www.sec.gov) that contains the Registration Statement, material incorporated by reference and other information regarding the Fund and the Trust.

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LA SALLE PARTNERS FUNDS, INC.

CROSS REFERENCE SHEET

Part B

<TABLE>
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Table with 2 columns: Form N-1A Item No. and Section in Statement of Additional Information. Rows include Cover Page, Table of Contents, General Information and History, Investment Objectives and Policies, Management of the Fund, Control Persons and Principal Holders of Securities, Investment Advisory and Other Services, Brokerage Allocation and Other Practices, Capital Stock and Other Securities, Purchase, Redemption and Pricing of Securities Being Offered, Tax Status, Underwriters, Calculation of Performance Data, and Financial Statements.

Information contained herein is subject to completion or amendment. A registration statement relating to these securities has been filed with the Securities and Exchange Commission. These securities may not be sold nor may offers to buy be accepted prior to the time the registration statement becomes effective. This Statement of Additional Information and the related prospectus

shall not constitute an offer to sell or the solicitation of an offer to buy nor shall there be any sale of these securities in any State in which such offer, solicitation or sale would be unlawful prior to registration or qualification under securities laws of any such State.

Subject to Completion
January 5, 1998

LaSalle Partners U.S. Real Estate Fund

STATEMENT OF ADDITIONAL INFORMATION

January 5, 1998

This Statement of Additional Information is not a prospectus but provides additional information that should be read in conjunction with the Prospectus dated January 5, 1998 including any supplements thereto. To obtain additional copies of the Prospectus, please call 1-800-LaSalle.

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GENERAL INFORMATION

LaSalle Partners U.S. Real Estate Fund (the "Fund") is a series of LaSalle Partners Funds, Inc. (the "Company"), an open-end diversified management investment company. The Company currently offers two classes of shares of the Fund: Retail Class shares and Institutional Class shares.

Under the rules and regulations of the Securities and Exchange Commission (the "SEC"), all mutual funds are required to furnish prospective investors with certain information regarding the activities of the fund being considered for investment. Important information concerning the Company and the Trust is included in the Prospectus which may be obtained without charge from the Company's distributor or securities dealers and other financial institutions that have a sales agreement with the Company's distributor. Some of the information required to be in this Statement of Additional Information is also included in the Prospectus. To avoid unnecessary repetition, references are made to related sections of the Prospectus.

As described in the Prospectus, the Fund seeks to achieve its investment objective by investing all of its investable assets in a series of an open-end management investment company having the same investment objective as the Fund. The investment company is the U.S. Real Estate Portfolio of LaSalle Partners Master Trust (the "Trust") for which LaSalle Partners Real Estate Securities (the "Manager") serves as investment manager. Since the investment characteristics of the Fund will correspond directly to those of the Trust, the Prospectus and this Statement of Additional Information include a discussion of the various investments of and techniques employed by the Trust.

The Company was incorporated under the laws of the State of Maryland on September 19, 1997. The Company filed a registration statement with the SEC registering as an open-end diversified management investment company under the Investment Company Act of 1940, as amended (the "1940 Act"), and registering an indefinite number of its Retail Class and Institutional Class shares of the Fund under the Securities Act of 1933, as amended (the "1933 Act"). As of the date of this Statement of Additional Information, the Fund had not yet commenced

operations.

INVESTMENT POLICIES AND PRACTICES

The Fund's investment objective is total return primarily through investments in U.S. real estate securities. As described in the Prospectus, the Fund will attempt to achieve its objective by investing all of its investable assets in the Trust. The Trust will invest its assets primarily in equity securities of real estate investment trusts ("REITs") and other real estate industry companies that are publicly traded in the United States securities markets. There can be no assurance that either the Fund or the Trust will achieve its investment objective. The following information supplements, and should be read in conjunction with, the discussion in the Prospectus of the investment objective and policies of the Fund and the Trust.

Real Estate Investment Trusts

Real estate investment trusts ("REITs") pool investors' funds for investment primarily in income-producing commercial real estate or real estate related loans. A REIT is not taxed on income distributed to shareholders if it complies with several requirements relating to its organization, ownership, assets and income, and a requirement that it distribute to its shareholders at least 95% of its taxable income (other than net capital gains) for each taxable year.

REITs can generally be classified as follows:

- Equity REITs, which invest the majority of their assets directly in real property and derive their income primarily from rents. Equity REITs can also realize capital gains by selling properties that have appreciated in value.

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- Mortgage REITs, which invest the majority of their assets in real estate mortgages and derive their income primarily from interest payments.
- Hybrid REITs, which combine the characteristics of both Equity REITs and Mortgage REITs.

REITs are like closed-end investment companies in that they are essentially holding companies that rely on professional managers to supervise their investments.

Illiquid and Restricted Securities

As discussed in the Prospectus, the Trust may invest up to 15% of the value of its net assets, measured at the time of investment, in illiquid securities. Both restricted securities (other than Rule 144A securities that are deemed to be liquid as discussed below), which may not be resold to the public without registration under the 1933 Act, and securities that, due to their market or the nature of the security, have no readily available market for their disposition are considered to be not readily marketable or "illiquid". Limitations on resale and marketability may have the effect of preventing the Trust from disposing of a security at the time desired or at a reasonable price. In addition, in order to resell a restricted security, the Trust might have to bear the expense and incur the delays associated with registration. In purchasing illiquid securities, the Trust does not intend to engage in underwriting activities, except to the extent the Trust may be deemed to be a statutory underwriter under the 1933 Act in purchasing or selling such securities. Illiquid securities will be purchased for investment purposes only and not for the purpose of exercising control or management of other companies.

In recent years, a large institutional market has developed for certain securities that are not registered under the 1933 Act. Institutional investors generally will not seek to sell these instruments to the general public, but instead will often depend on an efficient institutional market in which such unregistered securities can be readily be resold or on an issuer's ability to honor a demand for repayment. Therefore, the fact that there are contractual or legal restrictions on resale to the general public or certain institutions is not dispositive of the liquidity of these investments.

Rule 144A under the 1933 Act establishes a "safe harbor" from the registration requirements of the 1933 Act for resales of certain securities to qualified institutional buyers. The Trust may invest in Rule 144A securities which, as disclosed in the Prospectus, are restricted securities which may or may not be readily marketable. Rule 144A securities are readily marketable if institutional markets for the securities develop pursuant to Rule 144A and

provide both readily ascertainable values for the securities and the ability to liquidate the securities when liquidation is deemed necessary or advisable. However, an insufficient number of qualified institutional buyers interested in purchasing a Rule 144A security held by the Fund could affect adversely the marketability of the security. In such an instance, the Trust might be unable to dispose of the security promptly or at a reasonable price.

Securities eligible for resale pursuant to Rule 144A will not be subject to the Trust's limitations on investing in securities that are not readily marketable, provided that the Manager determines that a liquid market exists for such securities under guidelines adopted and monitored by the Trust's Board of Trustees. In making this determination, the Manager will consider the following factors, among others: (1) the unregistered nature of a Rule 144A security; (2) the frequency of trades and quotes for the security; (3) the number of dealers willing to purchase or sell the security and the number of additional potential purchasers; (4) dealer undertakings to make a market in the security; and (5) the nature of the security and the nature of market place trades (e.g., the time needed to dispose of the security, the method of soliciting offers and the mechanics of transfers).

Money Market Instruments

From time to time the Trust may purchase high quality, short-term debt securities, commonly known as money market instruments. These securities include U.S. Government securities, obligations of U.S. commercial banks and commercial paper.

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U.S. Government securities include direct obligations of the U.S. Government, which consist of bills, notes and bonds issued by the U.S. Treasury, and obligations issued by agencies of the U.S. Government which, while not direct obligations of the U.S. Government, are either backed by the full faith and credit of the United States or are guaranteed by the U.S. Treasury or supported by the issuing agency's right to borrow from the U.S. Treasury.

The obligations of U.S. commercial banks include certificates of deposit and bankers' acceptances. Certificates of deposit are negotiable interest-bearing instruments with a specific maturity. Certificates of deposit are issued by banks in exchange for the deposit of funds and normally can be traded in the secondary market prior to maturity. Bankers' acceptances typically arise from short-term credit arrangements designed to enable businesses to obtain funds to finance commercial transactions. Generally, an acceptance is a time draft drawn on a bank by an exporter or importer to obtain a stated amount of funds to pay for specific merchandise. The draft is then "accepted" by a bank that, in effect, unconditionally guarantees to pay the face value of the instrument on its maturity date. The acceptance may then be held by the accepting bank as an earning asset or it may be sold in the secondary market at the going rate of discount for a specific maturity. Although maturities for acceptances can be as long as 270 days, most acceptances have maturities of six months or less.

Commercial paper consists of short-term (usually from one to 270 days) unsecured promissory notes issued by corporations to finance their current operations. A variable amount master demand note (which is a type commercial paper) represents a direct borrowing arrangement involving periodically fluctuating rates of interest under a letter agreement between a commercial paper issuer and an institutional lender pursuant to which the lender may determine to invest in varying amounts.

Repurchase Agreements

The Trust may enter into repurchase agreements with financial institutions, such as banks and broker-dealers, deemed by the Manager to be creditworthy under criteria established by the Board of Trustees. A repurchase agreement is a short-term investment in which the purchaser (i.e., the Trust) acquires ownership of a debt security and the seller agrees to repurchase the obligation at a future time and set price, usually not more than seven days from the date of purchase, thereby determining the yield during the purchaser's holding period. The value of underlying securities will be at least equal at all times to the total amount of the repurchase obligation, including the interest factor. The Trust makes payment for such securities only upon physical delivery or evidence of book-entry transfer to the account of its custodian bank or its agent. The underlying securities, which in the case of the Trust must be issued by the U.S. Treasury, may have maturity dates exceeding one year. The Trust does not bear the risk of a decline in value of the underlying securities unless the seller defaults under its repurchase obligation. In the event of a bankruptcy or other default of a seller of a repurchase agreement, the Trust could experience both delays in liquidating the underlying securities and loss including (a)

possible decline in the value of the underlying security while the Trust seeks to enforce its rights thereto, (b) possible subnormal levels of income and lack of access to income during this period and (c) expenses of enforcing its rights.

INVESTMENT RESTRICTIONS

The Fund's and the Trust's investment programs are subject to a number of restrictions that reflect self-imposed standards as well as regulatory limitations. The investment restrictions recited below are in addition to those described in the Prospectus. No investment restriction of the Fund prevents the Fund from investing all of its investable assets in an open-end investment company with substantially the same investment objective.

Investment restrictions which are designated as matters of fundamental policy may only be changed with the approval of a "majority of the outstanding voting securities" of the Fund or the Trust, as the case may be. Under the 1940 Act, the vote of a majority of the outstanding voting securities of a company means the vote, at an annual or a special meeting of the security holders of the company duly called, (i) of 67% or more of the voting securities

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present at such meeting, if the holders of more than 50% of the outstanding voting securities of such company are present or represented by proxy; or (ii) of more than 50% of the outstanding voting securities of such company, whichever is the less.

The Fund and the Trust may not as a matter of fundamental policy:

(1) Issue senior securities, except as permitted under the 1940 Act.

(2) Effect short sales of securities or sell any security which it does not own unless by virtue of its ownership of other securities it has, at the time of sale, a right to obtain securities, without payment of further consideration, equivalent in kind and amount to the securities sold and, provided that if such right is conditional, the sale is made upon the same conditions; or purchase securities on margin (but the Fund/Trust may obtain such short-term credits as may be necessary for the clearance of transactions).

(3) Borrow money, except that the Fund/Trust may borrow money for temporary or emergency purposes in an amount not exceeding 33 1/3% of the value of its total assets (including the amount borrowed) less liabilities (other than borrowings).

(4) Act as an underwriter of securities within the meaning of the U.S. federal securities laws, except insofar as it might be deemed to be an underwriter upon disposition of certain portfolio securities acquired within the limitation on purchases of illiquid securities.

(5) Purchase or sell real estate, provided that the Fund/Trust may invest in securities of companies in the real estate industry and may purchase securities secured or otherwise supported by interests in real estate.

(6) Purchase or sell commodities or commodities contracts, provided that the Fund/Trust may invest in financial futures and options on such futures.

(7) Make loans, except that the Fund/Trust may lend portfolio securities in accordance with its investment policies and may enter into, purchase or invest in repurchase agreements, debt instruments or other securities, whether or not the purchase is made upon the original issuance of the securities.

The Trust will invest more than 25% of its total assets in securities issued by companies in the real estate industry. Except as noted in the previous sentence, it is a fundamental policy of the Fund and the Trust not to concentrate its investments in securities of companies in any particular industry. Following the current opinion of the staff of the SEC, investments are concentrated in a particular industry if such investments (but not investments in U.S. Government securities) aggregate more than 25% of the Fund's/Trust's total assets.

The Trust does not intend to invest in or to enter into financial futures contracts or purchase options on such futures or to lend portfolio securities during the current fiscal year.

The following investment restrictions are not fundamental policies and may be changed by the Company's Board of Directors or by the Trust's Board of Trustees without shareholder approval. The Fund and the Trust will not as a matter of operating policy:

(1) Borrow money, except that the Fund/Trust may borrow money for temporary or emergency purposes in an amount not exceeding 10% of the value of its total assets at the time of such borrowing, provided that, while borrowings by the Fund/Trust equaling 5% or more of its total assets are outstanding, the Fund/Trust will not purchase securities for investment.

(2) Invest in shares of any other investment company registered under the 1940 Act, except as permitted by federal law.

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(3) Invest for the purpose of exercising control or management.

(4) Invest more than 10% of the its total assets in foreign securities.

(5) Invest more than 20% of its total assets in any one issuer.

PORTFOLIO TRANSACTIONS AND BROKERAGE

The Manager is responsible for decisions to buy and sell securities for the Trust, for the selection of brokers and dealers to execute securities transactions and for negotiation of commission rates. Purchases and sales of securities on a securities exchange will be effected through broker-dealers which charge a commission for their services. The Manager may direct purchase and sale orders to any registered broker-dealer. In the over-the-counter market, transactions are effected on a "net" basis with dealers acting as principal for their own accounts without charging a stated commission, although the price of the security usually includes a profit to the dealer based on the spread between the bid and asked price for the security. The prices of securities purchased from underwriters include a commission or concession paid by the issuer to the underwriter. On occasion, certain money market instruments may be purchased directly from an issuer without payment of a commission or concession.

The Manager's primary consideration in effecting securities transactions is to obtain the most favorable execution of orders on an overall basis. As described below, the Manager may, in its discretion, effect agency transactions with broker-dealers that furnish statistical, research or other information or services that are deemed by the Manager to be beneficial to the Trust's investment program. Certain research services furnished by broker-dealers may be useful to the Manager with clients other than the Trust. Similarly, any research services received by the Manager through placement of portfolio transactions of other clients may be of value to the Manager in fulfilling its obligations to the Trust. No specific value can be determined for research and statistical services furnished without cost to the Manager by a broker-dealer. The Manager is of the opinion that because the material must be analyzed and reviewed by its staff, its receipt does not tend to reduce expenses, but may be beneficial in supplementing the Manager's research and analysis. Therefore, it may tend to benefit the Trust by improving the Manager's investment advice.

The Manager's policy is to pay a broker-dealer commissions for particular transactions that are higher than might be charged if a different broker-dealer had been chosen when, in the Manager's opinion, this policy furthers the overall objective of obtaining the most favorable execution. The Manager is also authorized to pay broker-dealers higher commissions on brokerage transactions for the Trust in order to secure research and investment services described above.

The Manager manages other investment accounts. It is possible that, at times, identical securities will be acceptable for the Trust and one or more of such other accounts; however, the position of each account in the securities of the same issuer may vary and the length of time that each account may choose to hold its investment in such securities may likewise vary. The timing and amount of purchase by each account will also be determined by its cash position. If the purchase or sale of securities consistent with the investment policies of the Trust or one or more of these accounts is considered at or about the same time, transactions in such securities will be allocated among the accounts in a manner deemed equitable by the Manager.

The allocation of orders among broker-dealers and the commission rates paid by the Trust will be reviewed periodically by the Board of Trustees. The foregoing policy under which the Trust may pay higher commissions to certain broker-dealers in the case of agency transactions does not apply to transactions effected on a principal basis.

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VALUATION OF PORTFOLIO SECURITIES

The Fund's net asset value per share is determined daily as of the close of regular trading hours on the New York Stock Exchange (the "NYSE"), which is normally 4:00 p.m. (Eastern Time), each day on which the NYSE is open for business (a "business day"). The NYSE is open for business on all weekdays except for the following holidays: New Year's Day, Martin Luther King, Jr. Day, Presidents' Day, Good Friday, Memorial Day, Independence Day, Labor Day, Thanksgiving Day and Christmas Day.

Portfolio securities traded on a national exchange on the valuation date are valued at the last quoted sale price. Exchange traded securities for which there have been no reported sales on the valuation date and securities traded primarily in the over-the-counter market are valued at the last quoted bid prices. Securities or other assets for which market quotations are not readily available are valued at their fair value as determined in good faith under procedures established and monitored by the Trust's Board of Trustees. These procedures may include the use of an independent pricing service which calculates prices based upon yields or prices of securities of comparable quality, coupon, maturity and type; indications as to value from dealers; and general market conditions. Debt obligations with maturities of 60 days or less are valued at amortized cost. The net asset values of the Retail Class shares and Institutional Class shares will differ to the extent different fees and expenses are applicable to each class.

REDEMPTION OF SHARES

The Company may suspend the right of redemption or postpone the date of payment during any period when (a) trading on the NYSE is restricted by applicable rules and regulations of the SEC; (b) the NYSE is closed for other than customary weekend and holiday closings; (c) the SEC has by order permitted such suspension; or (d) an emergency exists as determined by the SEC so that valuation of the net assets of the Fund is not reasonably practicable.

Under normal circumstances, the Company will redeem shares by check as described in the Prospectus. However, if the Board of Directors determines that it would be in the best interests of the remaining shareholders to make payment of the redemption price in whole or in part by a distribution in kind of portfolio securities in lieu of cash, in conformity with applicable rules of the SEC, the Company will make such distributions in kind. If shares are redeemed in kind, the redeeming shareholder will incur brokerage costs in later converting the assets into cash. The method of valuing portfolio securities is described under "Valuation of Portfolio Securities" and such valuation will be made as of the same time the redemption price is determined. The Company and the Trust have elected to be governed by Rule 18f-1 under the 1940 Act pursuant to which the Company and the Trust are each obligated to redeem shares solely in cash up to the lesser of \$250,000 or 1% of the net asset value of the Fund/Trust during any 90-day period for any one shareholder.

The Trust has agreed to make a redemption in kind to the Fund whenever the Company wishes to make redemption in kind and therefore shareholders of the Fund that receive redemptions in kind will receive portfolio securities of the Trust, and in no case will a redeeming shareholder of the Fund receive a security issued by the Trust.

The Board of Directors of the Company may cause the redemption of a Retail Class share account with a balance of less than \$10,000, or an Institutional Class share account with a balance of less than \$250,000, provided (1) the value of the account has been reduced for reasons other than market action below the minimum initial investment in such shares at the time the account was established, (2) the account has remained below the minimum level for six months, and (3) 60 days' prior written notice of the proposed redemption has been sent to the shareholder. Shares will be redeemed at the net asset value on the date fixed for redemption by the Board of Directors. Prompt payment will be made by mail to the last known address of the shareholder.

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TAXATION

The following is only a summary of certain additional federal income tax considerations generally affecting the Fund and its shareholders. No attempt is made to present a detailed explanation of the federal, state or local tax treatment of the Fund or its shareholders, and the discussion

here and in the Fund's Prospectus is not intended as a substitute for careful tax planning.

The following discussion of federal income tax consequences is based on the Internal Revenue Code of 1986, as amended (the "Code"), and the regulations issued thereunder as in effect on the date of this Statement of Additional Information. New legislation, as well as administrative changes or court decisions, may significantly change the conclusions expressed herein, and may have a retroactive effect with respect to the transactions contemplated herein.

The Fund expects to qualify as a regulated investment company ("RIC") under Subchapter M of the Code. In order to qualify as a RIC for any taxable year, the Fund must derive at least 90% of its gross income from dividends, interest, certain payments with respect to securities loans and gains from the sale or other disposition of stock, securities or foreign currencies and other income (including, but not limited to, gains from options, futures or forward contracts) derived with respect to its business of investing in such stock, securities or currencies (the "Income Requirement"). In addition, at the close of each quarter of the Fund's taxable year, (1) at least 50% of the value of its assets must consist of cash and cash items, U.S. Government securities, securities of other RICs, and securities of other issuers (as to which the Fund has not invested more than 5% of the value of its total assets in securities of such issuer and as to which the Fund does not hold more than 10% of the outstanding voting securities of such issuer), and (2) no more than 25% of the value of its total assets may be invested in the securities of any one issuer (other than U.S. Government securities and securities of other RICs), or in two or more issuers that the Fund controls and that are engaged in the same or similar trades or businesses or related trades or businesses (the "Asset Diversification Test"). Generally, the Fund will not lose its status as a RIC if it fails to meet the Asset Diversification Test solely as a result of a fluctuation in value of portfolio assets not attributable to a purchase.

Under Subchapter M of the Code, the Fund is exempt from federal income tax on its taxable net investment income and net capital gains that it distributes to shareholders, provided generally that it distributes at least 90% of its investment company taxable income (net investment income and the excess of net short-term capital gains over net long-term capital loss) for the year (the "Distribution Requirement") and complies with the other requirements of the Code described above. The Distribution Requirement for any year may be waived if a RIC establishes to the satisfaction of the Internal Revenue Service that it is unable to satisfy the Distribution Requirement by reason of distributions previously made for the purpose of avoiding liability for federal excise tax (discussed below).

If for any taxable year the Fund does not qualify as a RIC, all of its taxable income will be subject to tax at regular corporate rates without any deduction for distributions to shareholders, and such distributions generally will be taxable as ordinary dividends to the extent of the Fund's current and accumulated earnings and profits. However, in the case of corporate shareholders, such distributions generally will be eligible for the 70% dividends received deduction for "qualifying dividends".

The Code imposes a nondeductible 4% excise tax on RICs that do not distribute in each calendar year an amount equal to 98% of their ordinary income for the calendar year plus 98% of their capital gains net income for the one-year period ending on October 31 of such calendar year. The balance of such income must be distributed during the next calendar year. For the foregoing purposes, a RIC will include in the amount distributed any amount taxed to the RIC as investment company taxable income or capital gains for any taxable year ending in such calendar year. The Fund intends to make sufficient distributions of its ordinary income and capital gains net income prior to the end of each calendar year to avoid liability for excise tax. However, the Fund may in certain circumstances be required to liquidate portfolio investments in order to make sufficient distributions to avoid excise tax liability.

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The Fund will invest all of its investable assets in the Trust. As a partnership, the Trust will not be subject to federal income or excise taxes under the Code. Instead, the Fund and other investors in the Trust must take into account, in computing their federal tax liability, their proportionate share of the Trust's income, gain, losses, deductions, credits and tax preference items, without regard to whether they have received any cash distributions from the Trust. In addition, the Fund will

be deemed to own a proportionate share of the Trust's assets and income for the purpose of determining whether the Fund qualifies as a regulated investment company. Accordingly, the Trust intends to conduct its operations so that the Fund will be able to satisfy applicable tax requirements.

If the Trust acquires stock in certain non-U.S. corporations ("passive foreign investment companies" or "PFICs") that receive at least 75% of their annual gross income from passive sources (such as interest, dividends, rents, royalties or capital gains) or at least 50% of whose average assets produce or are held for the production of such passive income, the Fund indirectly through its interest in the Trust could be subject to federal income tax and additional interest charges on "excess distributions" received from such companies or gain from the sale of stock in such companies, even if the Fund distributes its share of the PFIC income as a taxable dividend to its shareholders. A certain election (treating the PFIC as a "qualified electing fund") filed with the Fund's federal income tax return may, if available, ameliorate these adverse tax consequences, but any such election would require the Fund to recognize ordinary taxable income and net capital gain of the PFIC without the corresponding receipt of cash which may need to be distributed by the Company to satisfy the Distribution Requirement.

Pursuant to proposed regulations, open-end regulated investment companies such as the Fund would be entitled to avoid the tax consequences described in the preceding paragraph by electing to mark-to-market their stock in certain PFICs. Marking to market in this context means recognizing as gain for each taxable year the excess, as of the end of that year, of the fair market value of each PFIC's stock over the owner's adjusted basis in that stock (including mark-to-market gains of a prior year for which an election was in effect). Making the election could result in the recognition of gain without the corresponding receipt of cash which may need to be distributed by the Company to satisfy the Distribution Requirement.

Distributions received by the Fund from the Trust generally will not result in the Fund recognizing any gain or loss for federal income tax purposes, except that (i) gain will be recognized to the extent that any cash distributed exceeds the Fund's basis in its interest in the Trust prior to the distribution; (ii) income or gain may be realized if the distribution is made in liquidation of the Fund's entire interest in the Trust and includes a disproportionate share of any unrealized receivables held by the Trust; and (iii) loss may be recognized if the distribution is made in liquidation of the Fund's entire interest in the Trust and consists solely of cash and/or unrealized receivables. The Fund's basis in its interest in the Trust generally will equal the amount of cash and the basis of any property which the Fund invests in the Trust, increased by the Fund's share of income from the Trust, and decreased by the amount of any cash distributions and the basis of any property distributed from the Trust.

Distributions of net long-term capital gains, if any, are taxable to shareholders as long-term capital gains regardless of how long the shareholder has held the Fund's shares and regardless of whether the distribution is received in additional shares or in cash. Capital gains distributions are not eligible for the dividends received deduction. It is expected that the Treasury will issue regulations or other guidance to permit shareholders to take into account their proportionate share of the Fund's capital gains distributions that will be subject to a reduced tax rate under the Taxpayer Relief Act of 1997. The Taxpayer Relief Act reduces the maximum tax on long-term capital gains from 28% to 20%; however, it also generally lengthens the holding period required to obtain the lower rate from more than one year to more than 18 months. The lower rates do not apply to collectibles and certain other assets. Additionally, the maximum capital gain rate for assets that are held more than five years and that are acquired after December 31, 2000 is 18%. Distributions of earnings and profits of the Fund other than distributions of net long-term capital gains are taxable to shareholders as ordinary income.

If capital gain distributions have been made with respect to shares of the Fund that are sold at a loss after being held for six months or less, then the loss is treated as a long-term capital loss to the extent of the capital gain

distributions. Any gain or loss recognized on a sale or redemption of shares of the Fund by a shareholder who is not a dealer in securities generally will be treated as a long-term capital gain or loss if the shares have been held for more than twelve months and otherwise generally will be

treated as a short-term capital gain or loss.

The Fund will be required in certain cases to withhold and remit to the U.S. Treasury 31% of distributions payable to any shareholder who (i) has provided the Fund either an incorrect tax identification number or no number at all, (ii) is subject to backup withholding by the Internal Revenue Service for failure to properly report payments of interest or dividends, or (iii) has failed to certify to the Company that such shareholder is not subject to backup withholding.

Rules of state and local taxation of dividend and capital gains distributions from RICs often differ from the rules for federal income taxation described above. Shareholders are urged to consult their tax advisors as to the consequences of these and other state and local tax rules affecting an investment in the Fund and also as to the application of the rules set forth above to a shareholder's particular circumstances.

MANAGEMENT

Directors and Officers of the Company

The Board of Directors of the Company consists of seven directors. The directors and officers of the Company, their ages and their principal occupations during the last five years are set forth below. Each director who is an "interested person" of the Company (as defined in the 1940 Act) is indicated by an asterisk (*).

<TABLE>
<CAPTION>

NAME AND ADDRESS -----	AGE ---	POSITION(S) HELD WITH REGISTRANT -----	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS -----
<S>	<C>	<C>	<C>
Bruce D. Alexander 5062 Whetstone Road Columbia, MD 21044	54	Director	Adjunct Professor, Yale University School of Management; Senior Vice President and Director of New Business, The Rouse Company
Lawrence S. Bacow 75 Summit Newton, MA 02158	46	Director	Professor, Massachusetts Institute of Technology
Richard A. Dobbins 520 Washington Street Duxbury, MA 02331	52	Director	President, Historical Data Systems, Inc.; President, Municipal Market Data, Inc.
John W. McCarter, Jr. The Field Museum 1200 South Lake Shore Drive Chicago, IL 60605	59	Director	President and Chief Executive Officer of The Field Museum; Senior Vice President of Booz, Allen & Hamilton, Inc.
Lynn C. Thurber* 200 East Randolph Drive Chicago, IL 60601	50	Director	Director, LaSalle Partners Incorporated; Co-President, LaSalle Advisors Capital Management, Inc.; Managing Director, LaSalle Advisors Limited Partnership; Chief Executive Officer of ABKB/LaSalle Securities Limited; Chief Operating Officer and Director of Acquisitions, ABKB/LaSalle Securities Limited
William K. Morrill, Jr.* 100 East Pratt Street Baltimore, MD 21202	60	Director; President	Managing Director, ABKB/ LaSalle Securities Limited
Keith R. Pauley* 100 East Pratt Street Baltimore, MD 21202	36	Director; Executive Vice President	Managing Director/Portfolio Manager, ABKB/LaSalle Securities Limited
Stephen A. Smith 200 East Randolph Drive Chicago, IL 60601	39	Senior Vice President Secretary	Managing Director, Private Capital of LaSalle Advisors Limited Partnership
Audre' J. Melsbakas 200 East Randolph Drive Chicago, IL 60601	34	Senior Vice President Assistant Secretary	Principal, LaSalle Partners Incorporated; Associate, The Keystone Group

James A. Ulmer, III 100 East Pratt Street Baltimore, MD 21202	58	Vice President	Vice President, ABKB/LaSalle Securities Limited; Principal, AIRE Real Estate Services; Chairman and President, Enoch Pratt Free Library
William E. Sullivan 200 East Randolph Drive Chicago, IL 60601	42	Treasurer	Executive Vice President, Chief Financial Officer and Director of LaSalle Partners Incorporated; Executive Vice President and Chief Financial Officer of LaSalle Partners' predecessor partnerships; Managing Director of the special projects group of LaSalle Partners' predecessor partnerships; Senior Vice President of the special projects group of LaSalle Partners' predecessor partnerships
Denise M. Ruth 100 East Pratt Street Baltimore, MD 21202	26	Assistant Secretary	Operations Manager, ABKB/LaSalle Securities Limited; Assistant Accountant, T. Rowe Price, Inc.

</TABLE>

The Company's Articles of Incorporation require the Company to indemnify its directors and officers to the full extent permitted by Maryland law. Nothing in the charter or bylaws of the Company protects any director or officer against any liability to the Company or its shareholders to which he or she would otherwise be subject by reason of willful misfeasance, bad faith, gross negligence or reckless disregard of the duties involved in the conduct of his or her office.

The officers and directors of the Company who are "interested persons" of the Company within the meaning of the 1940 Act do not receive compensation directly from the Company for serving in the capacities described above. However, those officers and directors who are affiliated with the Manager may receive remuneration indirectly from the Company for services provided in their respective capacities with the Manager. Each of the non-interested directors is expected to receive for his service on the Board of Directors an annual fee, plus reimbursement for out-of-pocket expenses incurred in connection with attendance at board meetings. The following table sets forth the information concerning the compensation anticipated to be paid by the Company to directors in the current fiscal year. Neither the Company nor any investment company in the Fund Complex offers any pension or retirement benefits to its directors or trustees.

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NAME OF DIRECTOR -----	AGGREGATE COMPENSATION FROM THE COMPANY (1) -----	TOTAL COMPENSATION FROM THE COMPANY AND FUND COMPLEX (1) (2) -----
Bruce D. Alexander	\$6,000	\$12,000
Lawrence S. Bacow	\$6,000	\$12,000
Richard A. Dobbins	\$6,000	\$12,000
John W. McCarter, Jr.	\$6,000	\$12,000
William K. Morrill, Jr.	--	--
Keith R. Pauley	--	--
Lynn C. Thurber	--	--

- (1) The Company commenced operations in January, 1998. The amounts indicated are estimates of the compensation expected to be paid to directors of the Company during the Company's first fiscal year ending November 30, 1998.
- (2) As of the date hereof, the "Fund Complex" consisted of the Company and the Trust (which also commenced operations in January, 1998).

As of the date of this Statement of Additional Information, the officers, directors and trustees of the Company and the Trust, as a group, owned of record and beneficially less than 1% of the outstanding shares of the Fund.

Trustees and Officers of the Trust

The Board of Trustees of the Trust consists of seven trustees. The

trustees and officers of the Trust, their ages and their principal occupations during the last five years are set forth below. Each trustee who is an "interested person" of the Trust (as defined in the 1940 Act) is indicated by an asterisk (*).

<TABLE>
<CAPTION>

NAME AND ADDRESS -----	AGE ---	POSITION(S) HELD WITH REGISTRANT -----	PRINCIPAL OCCUPATION(S) DURING PAST FIVE YEARS -----
<S>	<C>	<C>	<C>
Bruce D. Alexander 5062 Whetstone Road Columbia, MD 21044	54	Director	Adjunct Professor, Yale University School of Management; Senior Vice President and Director of New Business, The Rouse Company
Lawrence S. Bacow 75 Summit Newton, MA 02158	46	Director	Professor, Massachusetts Institute of Technology
Richard A. Dobbins 520 Washington Street Duxbury, MA 02331	52	Director	President, Historical Data Systems, Inc.; President, Municipal Market Data, Inc.
John W. McCarter, Jr. The Field Museum 1200 South Lake Shore Drive Chicago, IL 60605	59	Director	President and Chief Executive Officer of The Field Museum; Senior Vice President of Booz, Allen & Hamilton, Inc.
Lynn C. Thurber* 200 East Randolph Drive Chicago, IL 60601	50	Director	Director, LaSalle Partners Incorporated; Co-President, LaSalle Advisors Capital Management, Inc.; Managing Director, LaSalle Advisors Limited Partnership; Chief Executive Officer of ABKB/LaSalle Securities Limited; Chief Operating Officer and Director of Acquisitions, ABKB/LaSalle Securities Limited
William K. Morrill, Jr.* 100 East Pratt Street Baltimore, MD 21202	60	Director; President	Managing Director, ABKB/LaSalle Securities Limited
Keith R. Pauley* 100 East Pratt Street Baltimore, MD 21202	36	Director; Executive Vice President	Managing Director/Portfolio Manager, ABKB/LaSalle Securities Limited
Stephen A. Smith 200 East Randolph Drive Chicago, IL 60601	39	Senior Vice President Secretary	Managing Director, Private Capital of LaSalle Advisors Limited Partnership
Audre' J. Melsbakas 200 East Randolph Drive Chicago, IL 60601	34	Senior Vice President Assistant Secretary	Principal, LaSalle Partners Incorporated; Associate, The Keystone Group
James A. Ulmer, III 100 East Pratt Street Baltimore, MD 21202	58	Vice President	Vice President, ABKB/LaSalle Securities Limited; Principal, AIRES Real Estate Services; Chairman and President, Enoch Pratt Free Library
William E. Sullivan 200 East Randolph Drive Chicago, IL 60601	42	Treasurer	Executive Vice President, Chief Financial Officer and Director of LaSalle Partners Incorporated; Executive Vice President and Chief Financial Officer of LaSalle Partners' predecessor partnerships; Managing Director of the special projects group of LaSalle Partners' predecessor partnerships; Senior Vice President of the special projects group of LaSalle Partners' predecessor partnerships
Denise M. Ruth 100 East Pratt Street	26	Assistant Secretary	Operations Manager, ABKB/LaSalle Securities Limited;

</TABLE>

Code of Ethics

The Board of Directors of the Company and the Board of Trustees of the Trust have adopted a Code of Ethics pursuant to Rule 17j-1 under the 1940 Act. The Code of Ethics applies to the personal investing activities of all directors/trustees and officers of the Company and the Trust, as well as to designated officers, directors and employees of the Manager and the Distributor. As described below, the Code of Ethics imposes significant restrictions on the Manager's investment personnel, including the portfolio managers and employees who execute or help execute a portfolio manager's decisions or who obtain contemporaneous information regarding the purchase or sale of a security by the Trust.

The Code of Ethics requires that covered employees of the Manager, and all Company directors and Trust trustees who are "interested persons", preclear personal securities investments (with certain exceptions, such as non-volitional purchases or purchases that are part of an automatic dividend reinvestment plan). The preclearance requirement and associated procedures are designed to identify any substantive prohibition or limitation applicable to the proposed investment. The substantive restrictions applicable to investment personnel include a ban on acquiring any securities in an initial public offering, a prohibition from profiting on short-term trading in securities and special preclearance of the acquisition of securities in private

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placements. Furthermore, the Code of Ethics provides for trading "blackout periods" that prohibit trading by investment personnel and certain other employees within periods of trading by the Trust in the same security. Officers, directors and employees of the Manager and the Distributor may comply with codes instituted by those entities so long as they contain similar requirements and restrictions.

INVESTMENT MANAGER

The Board of Directors of the Company has approved a Management Agreement between the Company and the Manager. Under the agreement, the Manager monitors the operations of the Fund. The Manager receives no fee for providing these monitoring services. In the event the Company's Board of Directors determines that it is in the best interests of the Fund's shareholders to withdraw its investment in the Trust, the Manager would become responsible for directly managing the assets of the Fund. In such event, the Manager would be entitled to receive an investment management fee, accrued daily and paid monthly, at the annual rate of 0.75% of the Fund's average net assets.

The Management Agreement will remain in effect for two years from the date of its initial execution and from year to year thereafter, so long as such continuance is specifically approved at least annually by the Board of Directors of the Company or by vote of a majority of the outstanding voting securities of the Fund (as defined in the 1940 Act) and by the vote of a majority of the directors who are not parties to the agreement or "interested persons" of any such party (as defined in the 1940 Act), cast in person at a meeting called for the purpose of voting on such approval. The Management Agreement may be terminated by either the Company or the Manager on 60 days' written notice. It will terminate automatically in the event of its assignment (as defined by the 1940 Act).

The Manager serves as the Trust's investment manager pursuant to an Investment Management Agreement with the Trust. Under the agreement, the Manager manages the Trust's investments subject to the supervision and direction of the Board of Trustees of the Trust. The Manager is responsible for providing a continuous investment program for the Trust, including the provision of investment research and management with respect to all securities and investments and cash equivalents purchased, sold or held in the Trust and the selection of brokers-dealers through which securities transactions for the Trust will be executed. In carrying out its responsibilities, the Manager is required to act in conformance with the Trust's Agreement and Declaration of Trust, the 1940 Act and the Investment Advisers Act of 1940, as amended.

The Manager bears all expenses in connection with the performance of services under its agreements with the Company and the Trust. Each of the Company and the Trust bear certain other expenses incurred in its operation, including: (i) the charges and expenses of any registrar, share transfer or dividend disbursing agent, custodian or depository appointed for the safekeeping of the Trust's cash, portfolio securities and other property; (ii) the charges and expenses of auditors; (iii) brokerage commissions for transactions in the portfolio securities of the Trust; (iv) all taxes, including issuance and transfer taxes, and fees payable by the Company/Trust to federal, state or other governmental agencies; (v) the cost of share certificates representing shares of the Company/Trust, (vi) fees involved in registering and maintaining registrations of the Company/Trust and of the Fund's shares with the SEC and various states and other jurisdictions; (vii) all expenses of shareholders' and directors'/trustees' meetings and of preparing, printing and mailing proxy statements, semi-annual and annual reports, and other communications (including prospectuses) to existing shareholders; (viii) compensation and travel expenses of directors/trustees who are not "interested persons" within the meaning of the 1940 Act; (ix) the expense of furnishing or causing to be furnished to each

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shareholder a statement of account, including the expense of mailing; (x) charges and expenses of legal counsel in connection with matters relating to the Company/Trust; (xi) membership or association dues for the Investment Company Institute or similar organizations; (xii) interest payable on Company/Trust borrowings; and (xiii) postage.

ADMINISTRATOR

PFPC Inc. (the "Administrator"), 103 Bellevue Parkway, Wilmington, Delaware 19809, a Delaware corporation which is an indirect wholly-owned subsidiary of PNC Financial Corp., serves as the administrator for both the Fund and the Trust. Pursuant to Administration Agreements between the Administrator and the Company and the Trust, respectively, the Administrator has agreed to provide certain fund accounting and administrative services to the Fund and the Trust, including among other services, accounting relating to the Fund and the Trust and the investment transactions of the foregoing; computing daily net asset values; monitoring the investments and income of the Fund and the Trust for compliance with applicable tax laws; preparing for execution and filing federal and state tax returns, and semi-annual and annual shareholder reports; preparing monthly financial statements including a schedule of investments; assisting in the preparation of registration statements and other filings related to the registration of shares; coordinating contractual relationships and communications between the Manager and the Fund's and the Trust's custodian; preparing and maintaining the Fund's and the Trust's books of account, records of securities transactions, and all other books and records in accordance with applicable laws, rules and regulations (including, but not limited to, those records required to be kept pursuant to the 1940 Act); and performing such other duties related to the administration of the Fund and the Trust as may be agreed upon in writing by the parties to the respective agreements.

Compensation for the services and facilities provided by the Administration Agreements includes payment of the Administrator's out-of-pocket expenses. The Administrator's reimbursable out-of-pocket expenses include, but are not limited to, postage and mailing, telephone, telex, Federal Express, independent pricing service charges and record retention/storage.

Because the Fund and the Trust will commence operations in January 1998, neither the Fund nor the Trust have paid any fees to the Administrator as

of January 5, 1998. The Administration Agreements will continue in effect until terminated by either party on 60 days' prior written notice to the other party.

DISTRIBUTION ARRANGEMENTS

Distributor

Funds Distributor, Inc. (the "Distributor"), located at 60 State Street, Suite 1300, Boston, Massachusetts 02109, serves as the principal underwriter and distributor for the Fund's shares pursuant to a Distribution Agreement with the Company. The Distribution Agreement was initially approved by the Board of Directors of the Company. The Distributor is a registered broker-dealer and a member of the National Association of Securities Dealers, Inc. The Distributor is an indirect wholly-owned subsidiary of Boston Institutional Group, Inc., a holding company all of whose outstanding shares are owned by key employees.

The Distributor offers shares of the Fund continuously and has agreed to use its best efforts to solicit purchase orders for shares. Retail Class shares are sold by securities dealers and other financial services firms which have executed sales agreements with the Distributor. The Distributor is not obligated to sell any specific amount of shares of the Fund. The Distributor bears all expenses of providing services pursuant to the Distribution Agreement. The Fund bears the expenses of registering its shares with the SEC and with applicable state regulatory authorities.

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The Distribution Agreement will remain in effect for two years from the date of its initial execution and from year to year thereafter, so long as such continuance is specifically approved at least annually by the Board of Directors of the Company or by vote of a majority of the outstanding voting securities of the Fund (as defined in the 1940 Act), and by the vote of a majority of the directors who are not parties to the agreement or "interested persons" of any such party (as defined in the 1940 Act), cast in person at a meeting called for the purpose of voting on such approval. The Distribution Agreement may be terminated by either the Company or the Distributor on 60 days' written notice. It will terminate automatically in the event of its assignment (as defined by the 1940 Act).

The Company and the Distributor reserve the right to reject any purchase order and to suspend the offering of shares of the Fund. The Company reserves the right to vary the initial investment minimums and to impose minimums for additional investments in any of the classes of the Fund's shares at any time. In addition, the Company may waive the minimum investment requirements for any investor. The factors to be considered in the waiver or variation of such minimum investments include, but are not limited to, the relationship of the investor to the Company, the amount of the proposed investment, and the type of investor.

Distribution Plan

The Company has adopted a Distribution Plan for the Retail Class of the Fund (the "Plan") pursuant to Rule 12b-1 under the 1940 Act. The Plan provides for the payment of a distribution fee from the assets of the Retail Class for activities primarily intended to result in the sale of Retail Class shares, including advertising, compensation to dealers and the preparation of sales literature. Distribution fees paid under the Plan may not exceed 0.75% annually of the average net assets of the Retail Class, or such lesser amount as may be specified by the Company's Board of Directors. The Board of Directors has authorized payment of an annual distribution fee of 0.25% to the Distributor and participating dealers who assist in the distribution of Retail Class shares. The Distributor may use the fees paid under the Plan and its other resources to pay expenses associated with activities primarily intended to result in the sale of Retail Class shares. Under the terms of the Plan, the Board of Directors of the Company receives a quarterly written report of the amounts expended pursuant to the Plan and the purposes for which such expenditures were made.

The Plan has been approved by the Board of Directors, including the majority of the directors who are not "interested persons" of the Company (as defined in the 1940 Act) and who do not have any direct or indirect financial interest in the operation of the Plan. In approving the Plan, the directors identified and considered a number of potential benefits which the Plan may provide and determined that there is a reasonable likelihood that the Plan will benefit the Retail Class and its shareholders.

The Plan is a compensation plan because the Distributor is paid a

fixed fee and is given discretion concerning what expenses are payable under the Plan. The Distributor may spend more for marketing and distribution than it receives in fees from the Retail Class. However, to the extent fees received exceed expenses, including indirect expenses such as overhead, the Distributor could be said to have received a profit. For example, if the Distributor pays \$1 for distribution related expenses and receives \$2 under the Plan, the \$1 difference could be said to be a profit for the Distributor. If after payments by the Distributor for marketing and distribution there are any remaining fees which have been paid under the Plan, they may be used as the Distributor may elect. Since the amounts payable under the Plan will be commingled with the Distributor's general funds, including the revenues it receives in the conduct of its business, it is possible that certain of the Distributor's overhead expenses will be paid out of distribution fees and that these expenses may include the costs of leases, depreciation, communications, salaries, training and supplies.

The Plan will remain in effect from year to year only so long as such continuance is specifically approved at least annually by a vote of the Board of Directors of the Company, and of the directors who are not "interested persons" of the Company (as defined in the 1940 Act) and have no direct or indirect financial interest in the operation of the Plan or in any agreements related to the Plan, cast in person at a meeting called for the purpose of voting on the Plan or such agreements. The Plan may be terminated at any time by vote of a majority of the directors who are not "interested persons" of the Company (as defined in the 1940 Act) and have no direct or indirect financial interest in the operation of the Plan or in any agreements related to the Plan, or by vote of a majority of the outstanding voting securities of the Fund.

The Company will commence operations in January, 1998 and, as of the date of this Statement of Additional Information, no fees have been paid under the Plan.

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Shareholder Services Plan

The Company has adopted a Shareholder Services Plan for the Retail Class of the Fund to compensate qualified recipients for individual shareholder services and account maintenance. These functions include, but are not limited to, answering shareholder questions and handling correspondence, assisting customers, and account record keeping and maintenance. For these services, the Fund may pay a qualified recipient a shareholder services fee at an annual rate not exceeding 0.25% of average net assets of the Retail Class attributable to its shareholder accounts, or such lesser amount as may be specified by the Company's Board of Directors. The Board of Directors has authorized payment of an annual shareholder services fee of 0.15%.

PERFORMANCE INFORMATION

The Fund may compare its performance to other funds or to relevant indices, such as the Wilshire Real Estate Index, the NAREIT Composite Index, the NAREIT Equity Index, the S&P 500, the Russell 2000, the S&P Utilities Index and the Lehman Brothers Fixed Income Index.

For purposes of quoting and comparing the performance of the Fund to that of other open-end diversified management investment companies and to stock or other relevant indices or averages in advertisements or in certain reports to shareholders, performance will generally be stated both in terms of total return and in terms of yield. However, the Fund may also from time to time state its performance solely in terms of total return.

Total Return Calculations

The total return quotations, under the rules of the SEC, must be calculated according to the following formula:

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

Where:

- P = a hypothetical initial payment of \$1,000
- T = average annual total return
- n = number of years (1, 5 or 10)
- ERV = ending redeemable value of the hypothetical \$1,000 payment made at the beginning of the designated period (or fractional portion)

thereof)

Under the foregoing formula, the time periods used in advertising will be based on rolling calendar quarters, updated to the last day of the most recent quarter prior to submission of the advertising for publication, and will cover one-, five-, and ten-year periods or a shorter period dating from the effectiveness of the Company's registration statement (or the later commencement of operations of the Fund or class). In calculating the ending redeemable value for a class of the Fund's shares, all dividends and distributions by the Fund are assumed to have been reinvested at net asset value as described in the Prospectus on the reinvestment dates during the period. "T" in the formula above is calculated by finding the average annual compounded rate of return over the period that would equate an assumed initial payment of \$1,000 to the ending redeemable value. Any sales loads that might in the future be made applicable at the time to investments or reinvestments would be included as would any recurring account charges that might be imposed by the Fund.

The Company may also from time to time include in such advertising total return figures that are not calculated according to the formula set forth above to compare more accurately the Fund's performance with other measures of investment return. For example, in comparing the Fund's total return with data published by Lipper Analytical

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Services, Inc., CDA/Weisenberger or Morningstar Inc., the Fund calculates its aggregate and average annual total return for the specified periods of time by assuming the investment of \$10,000 in shares and assuming the reinvestment of each dividend or other distribution at net asset value on the reinvestment date.

Alternative total return information will be given no greater prominence in such advertising than the information prescribed under SEC rules, and all advertisements containing performance data will include a legend disclosing that such performance data represent past performance and that the investment return and principal value of an investment will fluctuate so that an investor's shares, when redeemed, may be worth more or less than their original cost.

Yield Calculations

The yield of a class of Fund shares is computed by dividing the class's net investment income per share during a base period of 30 days, or one month, by the maximum offering price per share of the class on the last day of such base period in accordance with the following formula:

$$\text{YIELD} = 2 \left[\frac{(a - b + 1)/6}{cd} - 1 \right]$$

- Where:
- a = net investment income earned during the period attributable to the subject class
 - b = net expenses accrued for the period attributable to the subject class
 - c = the average daily number of shares of the subject class outstanding during the period that were entitled to receive dividends
 - d = the maximum offering price per share of the subject class

Net investment income will be determined in accordance with rules established by the SEC.

DESCRIPTION OF CAPITAL STOCK

The Company is authorized to issue 50 million Retail Class shares and 50 million Institutional Class shares of its LaSalle Partners U.S. Real Estate Fund series of Common Stock, par value \$.01 per share. The Board of Directors may increase or decrease the number of authorized shares without shareholder approval.

The Company's Articles of Incorporation provide for the establishment of separate series and separate classes of shares by the Board of Directors at any time. The Board has designated a single series of shares, the

LaSalle Partners U.S. Real Estate Fund, having two classes of shares: Retail Class shares and Institutional Class shares. In the event additional series are established, each series would be managed separately and shareholders of each series would have an undivided interest in the net assets of that series. For tax purposes, the series will be treated as separate entities. Generally, each class of shares issued by a particular series will be identical to every other class and expenses of the series (other than any applicable distribution or shareholder services fees) would be prorated between all classes of a series based upon the relative net assets of that class.

All shares of the Fund, regardless of class, have equal rights with respect to voting, except that the holders of a particular class of shares are not entitled to vote on any matter which does not affect any interest of that class. All classes of Fund shares vote together as a single class, except as otherwise required by applicable law. Shareholders of the Fund do not have cumulative voting rights, and therefore the holders of more than 50% of the outstanding shares voting together for election of directors may elect all the members of the Board of Directors of the Company. In such event, the remaining holders cannot elect any members of the Board of Directors.

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There are no preemptive, conversion or exchange rights applicable to any shares of the Fund. The outstanding shares are fully paid and non-assessable. In the event of liquidation of the Fund or dissolution of the Company, each share is entitled to its portion of the Fund's assets (or the assets allocated to a separate series of shares if there is more than one series) after all debts and expenses have been paid.

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FINANCIAL STATEMENTS

LA SALLE PARTNERS FUNDS, INC.

LASALLE PARTNERS U.S. REAL ESTATE FUND

STATEMENT OF ASSETS AND LIABILITIES

DECEMBER 29, 1997

<TABLE> <S>	<C>
ASSETS:	
Investment in LaSalle Partners Master Trust	
at Value (cost \$100,000).....	\$100,000
Prepaid State Registration Fees.....	29,710
Deferred Organization Expenses.....	95,063

Total Assets.....	224,773

LIABILITIES:	
Expenses Payable to the Manager.....	124,773

NET ASSETS:.....	\$100,000
	=====
NET ASSETS CONSIST OF:	
Capital stock, par value \$.01 per share, unlimited shares	
authorized.....	\$ 100
Additional paid-in capital.....	99,900

Total.....	\$100,000
	=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER INSTITUTIONAL CLASS SHARE	
(\$99,000 / 9,900 shares outstanding).....	\$ 10.00
	=====
NET ASSET VALUE, OFFERING AND REDEMPTION PRICE PER RETAIL CLASS SHARE	
(\$1,000 / 100 shares outstanding).....	\$ 10.00

</TABLE>

The accompanying notes are an integral part of this financial statement.

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LA SALLE PARTNERS FUNDS, INC.

LASALLE PARTNERS U.S. REAL ESTATE FUND

NOTES TO STATEMENT OF ASSETS AND LIABILITIES

DECEMBER 29, 1997

1. ORGANIZATION

LaSalle Partners Funds, Inc. (the "Company"), a Maryland Corporation, is registered under the Investment Company Act of 1940, as amended, as a diversified open-end management investment company currently offering one series: LaSalle Partners U.S. Real Estate Fund (the "Fund"). The Company has not commenced operations except those relating to organizational matters and the issuance of Institutional and Retail Class shares to LaSalle Partners Co-investment, Inc., the Fund's sponsor, and the investment proceeds in LaSalle Partners Master Trust U.S. Real Estate Portfolio (the "Portfolio"). The investment in the Portfolio is valued at the aggregate net asset value of the Portfolio multiplied by the Fund's proportionate share of the Portfolio.

2. SIGNIFICANT ACCOUNTING POLICIES

Organization expenses will be amortized on a straight line basis over a period not to exceed five years from the commencement date of operations. In the event LaSalle Partners Co-investment, Inc. redeems all or part of its initial investment in shares of the Fund, the proceeds will be reduced by the product of any unamortized organization expenses and the proportion of the number of shares redeemed to the initial shares invested.

The initial state registration costs have been deferred and will be charged to expense over the period that a benefit is expected to be realized.

3. INVESTMENT ADVISORY FEES, ADMINISTRATIVE FEES AND OTHER TRANSACTIONS WITH AFFILIATES

The Company has entered into (1) a Management Agreement with ABKB/LaSalle Securities Limited (the "Manager"), (2) Administration and Accounting and Transfer Agency Services Agreements with PFPC Inc. under which PFPC Inc. provides administration, accounting, and transfer agency services to the Company pursuant to the Agreements, and (3) a Distribution Agreement with Funds Distributor, Inc. ("FDI") under which FDI will distribute shares of the Fund and provide information to shareholders.

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REPORT OF INDEPENDENT ACCOUNTANTS

To the Shareholders and Board of Directors

of LaSalle Partners Funds, Inc.:

We have audited the accompanying Statement of Assets and Liabilities of LaSalle Partners Funds, Inc. (the "Fund") as of December 29, 1997. This financial statement is the responsibility of the Fund's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of LaSalle Partners Funds,

Inc. as of December 29, 1997 in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

2400 Eleven Penn Center

Philadelphia, Pennsylvania

December 29, 1997

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LA SALLE PARTNERS MASTER TRUST

U.S. REAL ESTATE PORTFOLIO

STATEMENT OF ASSETS AND LIABILITIES

DECEMBER 29, 1997

<TABLE>	
<S>	<C>
ASSETS:	
Cash	\$100,000
Deferred Organization Expenses.....	80,863

Total Assets.....	180,863

LIABILITIES:	
Organization Expenses Payable to the Manager.....	80,863

NET ASSETS:.....	\$100,000
	=====
</TABLE>	

The accompanying notes are an integral part of this financial statement.

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LA SALLE PARTNERS MASTER TRUST

U.S. REAL ESTATE PORTFOLIO

NOTES TO STATEMENT OF ASSETS AND LIABILITIES

DECEMBER 29, 1997

1. ORGANIZATION

LaSalle Partners Master Trust (the "Trust"), a Delaware Business Trust, is registered under the Investment Company Act of 1940, as amended, as a diversified open-end management investment company currently offering one portfolio: U.S. Real Estate Portfolio (the "Portfolio"). The Trust has not commenced operations except those relating to organizational matters and the sale of beneficial interest in the amount of \$100,000 to the LaSalle Partners U.S. Real Estate Fund (the "Fund").

2. SIGNIFICANT ACCOUNTING POLICIES

Organization expenses will be amortized on a straight line basis over a period not to exceed five years from the commencement date of operations. The Fund will reimburse the Portfolio for any unamortized organization expenses upon the withdrawal of any initial beneficial interest. The amount to be reimbursed will be determined by the proportion of the amount of initial beneficial interest withdrawn to the initial beneficial interest after taking into account any prior withdrawals of such initial beneficial interest.

The value of an investor's beneficial interest in the Portfolio is equal to the product of the aggregate net asset value of the Portfolio and the percentage representing that investor's share of the aggregate beneficial interest in the Portfolio effective for that day.

3. INVESTMENT ADVISORY FEES, ADMINISTRATIVE FEES AND OTHER TRANSACTIONS WITH AFFILIATES

The Trust has entered into an Investment Management Agreement with

REPORT OF INDEPENDENT ACCOUNTANTS

To the Investors and Board of Trustees

of LaSalle Partners Master Trust:

We have audited the accompanying Statement of Assets and Liabilities of LaSalle Partners Master Trust (the "Trust") as of December 29, 1997. This financial statement is the responsibility of the Trust's management. Our responsibility is to express an opinion on this financial statement based on our audit.

We conducted our audit in accordance with generally accepted auditing standards. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statement is free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statement. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statement referred to above presents fairly, in all material respects, the financial position of LaSalle Partners Master Trust as of December 29, 1997 in conformity with generally accepted accounting principles.

COOPERS & LYBRAND L.L.P.

2400 Eleven Penn Center

Philadelphia, Pennsylvania

PART C

OTHER INFORMATION

Item 24. Financial Statements and Exhibits

(a) Financial statements:

Included in Parts A and B:

Statement of Assets and Liabilities of the Registrant at
December 29, 1997.

Notes to Statement of Assets and Liabilities.
Report of Independent Accountants.

Statement of Assets and Liabilities of LaSalle Partners Master
Trust at December 29, 1997.

Notes to Statement of Assets and Liabilities.
Report of Independent Accountants.

Included in Part C:

Consent of Independent Accountants.

All other financial statements, schedules and historical financial information are omitted because the conditions requiring their filing do not exist.

(b) Exhibits:

- (1) (a) Articles of Incorporation of the Registrant. Incorporated by reference to Exhibit 1 to the Registration Statement.
- (b) Articles of Amendment of the Registrant.
- (c) Articles Supplementary of the Registrant.

- (2) By-Laws of the Registrant. Incorporated by reference to Exhibit 2 to the Registration Statement.
- (3) Not applicable.
- (4) Not applicable.
- (5) Management Agreement between the Registrant and ABKB/LaSalle Securities Limited.
- (6) Distribution Agreement between the Registrant and Funds Distributor, Inc.
- (7) Not applicable.
- (8) Custodian Services Agreement between the Registrant and PNC Bank, National Association.
- (9) (a) Administration and Accounting Services Agreement between the Registrant and PFPC Inc.
- (b) Transfer Agency Services Agreement between the Registrant and PFPC Inc.
- (c) License Agreement between LaSalle Partners Incorporated and the Registrant.
- (10) Opinion and Consent of Piper & Marbury L.L.P.
- (11) Consent of Independent Accountants.
- (12) Not applicable.
- (13) Initial Capital Agreement.
- (14) Not applicable.
- (15) (a) Distribution Plan.
- (b) Shareholder Services Plan.
- (16) Not applicable.
- (17) Not applicable.
- (18) Multiple Class Plan.

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

The Registrant invests all of its investable assets in LaSalle Partners Master Trust (the "Trust"), a separate investment company registered under the Investment Company Act of 1940 and may be deemed to control the Trust. The Registrant is not under common control with any person.

Item 26. Number of Holders of Securities

Title of Series/Class -----	Number of Record Holders* -----
LaSalle Partners U.S. Real Estate Fund	
Retail Class	1
Institutional Class	1

* As of January 5, 1998.

Item 27. Indemnification

Reference is made to Article Eighth, Section 5 of the Articles of Incorporation and Article VII of the By-Laws of the Registrant filed as Exhibits 1 and 2, respectively.

Insofar as indemnification for liability arising under the Securities Act of 1933 may be permitted to directors, officers and controlling persons of the

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

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Item 28. Business and Other Connections of Investment Adviser

A description of the directors and officers of the Registrant's investment adviser and other required information is incorporated herein by reference to the Form ADV and schedules thereto of ABKB/LaSalle Securities Limited, as amended, filed (File No. 801-48201) with the Securities and Exchange Commission under the Investment Advisers Act of 1940.

Item 29. Principal Underwriters

(a) Funds Distributor, Inc. services as principal underwriter and distributor for shares of the Registrant. Funds Distributor, Inc. also acts as distributor for:

BJB Investment Funds
 Burrige Funds
 The Brinson Funds
 Fremont Mutual Funds, Inc.
 Harris Insight Funds Trust
 HT Insight Funds, Inc., d/b/a Harris Insight Funds
 The JPM Advisor Funds
 The JPM Institutional Funds
 The JPM Pierpont Funds
 The JPM Series Trust
 The JPM Series Trust II
 LKCM Fund
 Monetta Fund, Inc.
 Monetta Trust
 The Montgomery Funds
 The Montgomery Funds II
 The Munder Framlington Funds Trust
 The Munder Funds Trust
 The Munder Funds, Inc.
 Orbitex Group of Funds
 The PanAgora Institutional Funds
 RCM Capital Funds, Inc.
 RCM Equity Funds, Inc.
 St. Clair Funds, Inc.
 The Skyline Funds
 Waterhouse Investors Cash Management Fund, Inc.
 WEBS Index Fund, Inc.

(b) The executive officers and directors of Funds Distributor, Inc. are as follows:

<TABLE>
 <CAPTION>

Name and Principal Business Address*	Positions and Offices with Underwriter	Positions and Offices with the Registrant
<S>	<C>	<C>
Marie E. Connolly	Director, President and Chief Executive Officer	None
Richard W. Ingram	Executive Vice President	None
Donald R. Roberson	Executive Vice President	None
Alan B. Closser	Senior Vice President	None

</TABLE>

Michael S. Petrucci	Senior Vice President	None
Joseph F. Tower, III	Director, Senior Vice President, Treasurer and Chief Financial Officer	None
Paula R. David	Senior Vice President	None
Bernard A. Whalen	Senior Vice President	None
William J. Nutt	Director	None

* 60 State Street, Suite 1300, Boston, Massachusetts 02109.

(c) Not applicable.

Item 30. Location of Accounts and Records

The Registrant maintains the records required by Section 31(a) of the Investment Company Act of 1940, as amended, and Rules 31a-1, 31a-2 and 31a-3 thereunder at its principal office located at 100 East Pratt Street, Baltimore, Maryland 21202. Certain records, including records relating to the Registrant's shareholders, may be maintained pursuant to Rule 31a-3 at the offices of the Registrant's transfer agent, PFPC Inc., located at 103 Bellevue Parkway, Wilmington, Delaware 19809. Certain records relating to the physical possession of the Registrant's securities may be maintained at the offices of the Registrant's custodian, PNC Bank, National Association, located at 200 Stevens Drive, Lester, Pennsylvania 19113.

Item 31. Management Services

Not applicable.

Item 32. Undertakings

- (a) Not applicable.
- (b) The Registrant undertakes to file a post-effective amendment, including financial statements which need not be audited, within four to six months from the effective date of this Registration Statement.
- (c) The Registrant undertakes to furnish each person to whom a prospectus is delivered with a copy of its latest annual report to shareholders upon request and without charge if the Registrant includes the information called for by Item 5A of Form N-1A in such annual report.

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933 and the Investment Company Act of 1940, the Registrant has duly caused this Registration Statement to be signed on its behalf by the undersigned, hereunto duly authorized, in the City of Baltimore, and State of Maryland, on the 5th day of January, 1998.

LA SALLE PARTNERS FUNDS, INC.

By: /s/ William K. Morrill, Jr.

William K. Morrill, Jr.
President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities and on the date indicated.

<TABLE>
<CAPTION>

Signature -----	Title -----	Date -----
<S> /s/ William K. Morrill, Jr. ----- William K. Morrill, Jr.	<C> President (principal executive officer) and Director	<C> January 5, 1998
 /s/ William E. Sullivan ----- William E. Sullivan	 Treasurer (principal financial and accounting officer)	 January 5, 1998
 * ----- Bruce D. Alexander	 Director	
 * ----- Lawrence S. Bacow	 Director	
 * ----- Richard A. Dobbins	 Director	
 * ----- John W. McCarter, Jr.	 Director	
 * ----- Keith R. Pauley	 Director	
 * ----- Lynn C. Thurber	 Director	
 *By: /s/ William K. Morrill, Jr. ----- William K. Morrill, Jr. Attorney-in-Fact		 January 5 1998

</TABLE>

SIGNATURES

Pursuant to the requirements of the Securities Act of 1933, LaSalle Partners Master Trust has duly caused this Registration Statement to be signed on its behalf by the undersigned, hereunto duly authorized, in the City of Baltimore, and State of Maryland, on the 5th day of January, 1998.

LA SALLE PARTNERS MASTER TRUST

By: /s/ William K. Morrill, Jr.

William K. Morrill, Jr.
President

Pursuant to the requirements of the Securities Act of 1933, this Registration Statement has been signed below by the following persons in the capacities with LaSalle Partners Master Trust and on the date indicated.

<TABLE>
<CAPTION>

Signature -----	Title -----	Date -----
<S>	<C>	<C>

/s/ William K. Morrill, Jr.

William K. Morrill, Jr. President (principal executive officer) January 5, 1998
and Trustee

/s/ William E. Sullivan

William E. Sullivan Treasurer (principal financial and January 5, 1998
accounting officer)

*

Bruce D. Alexander Trustee

*

Lawrence S. Bacow Trustee

*

Richard A. Dobbins Trustee

*

John W. McCarter, Jr. Trustee

*

Keith R. Pauley Trustee

*

Lynn C. Thurber Trustee

*By: /s/ William K. Morrill, Jr.

William K. Morrill, Jr. January 5 1998
Attorney-in-Fact

</TABLE>

POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS, that the undersigned directors and officers of LaSalle Partners Funds, Inc. (the "Fund") and trustees and directors of LaSalle Partners Master Trust do hereby constitute and appoint William K. Morrill, Jr., Keith R. Pauley and Alan C. Porter, and each of them severally, their true and lawful attorney-in-fact and agent, for them and in their names, place and stead, in any and all capacities, to sign one or more registration statements of the Fund to be filed with the Securities and Exchange Commission under the Securities act of 1933, as amended, and/or the Investment Company Act of 1940, as amended, and any and all amendments thereto, and any and all other documents required to be filed with any regulatory authority, federal or state, relating to the registration of the Fund of its shares of capital stock, without limitation, granting unto said attorneys-in-fact, and each of them severally, full power and order to effectuate the same as fully to all intents and purposes as they might or could do if personally present, including, but not limited to, the power to appoint a substitute or substitutes to act hereunder with the same power and authority as said attorneys-in-fact, or any of them, would have if acting personally, and hereby ratifying and confirming all that said attorneys-in-fact, or any of them, or any substitutes, may lawfully do or cause to be done by virtue hereof.

IN WITNESS WHEREOF, the undersigned have hereunto set their hand as of this 31st day of December, 1997.

/s/ Bruce D. Alexander

Bruce D. Alexander

/s/ Keith R. Pauley

Keith R. Pauley

/s/ Lawrence S. Bacow

Lawrence S. Bacow

/s/ Lynn C. Thurber

Lynn C. Thurber

/s/ Richard A. Dobbins

Richard A. Dobbins

/s/ William K. Morrill, Jr.

William K. Morrill, Jr.

/s/ John W. McCarter, Jr.

John W. McCarter, Jr.

EXHIBIT INDEX

<TABLE>
<CAPTION>

Exhibit No. -----	Description -----	Sequentially Numbered Page -----
<S>	<C>	<C>
(1) (a)	Articles of Incorporation. Incorporated by reference to Exhibit 1 to the Registration Statement	
(b)	Articles of Amendment	
(c)	Articles Supplementary	
(2)	By-Laws. Incorporated by reference to Exhibit 2 to the Registration Statement	
(5)	Management Agreement	
(6)	Distribution Agreement	
(8)	Custodian Services Agreement	
(9) (a)	Administration and Accounting Services Agreement	
(b)	Transfer Agency Services Agreement	
(c)	License Agreement	
(10)	Opinion and Consent of Piper & Marbury L.L.P.	
(11)	Consent of Independent Accountants	
(13)	Initial Capital Subscription and Investment Agreement	
(15) (a)	Distribution Plan	
(b)	Shareholder Services Plan	
(18)	Multiple Class Plan	

</TABLE>

LASALLE REAL ESTATE SECURITIES FUND, INC.

ARTICLES OF AMENDMENT
CHANGING NAMES OF CORPORATION
PURSUANT TO MGCL SECTION 2-605(a)(4)

LaSalle Real Estate Securities Fund, Inc., a Maryland corporation, having its principal office in Baltimore City, Maryland (hereinafter called the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: The Charter of the Corporation is hereby amended to provide as follows:

The name of the Corporation is hereby changed to "LaSalle Partners Funds, Inc."

SECOND: The amendment does not change the outstanding capital stock of the corporation or the aggregate par value thereof.

THIRD: The foregoing amendment to the Charter of the Corporation has been approved by the Board of Directors and is limited to a change expressly permitted by Section 2-605 of the Maryland General Corporation Law.

FOURTH: The Corporation is registered as an open-end company under the Investment Company Act of 1940.

IN WITNESS WHEREOF, the Corporation has caused these presents to be signed in its name and on its behalf by its Executive Vice President and witnessed by its Assistant Secretary on this day of December 30, 1997.

LASALLE REAL ESTATE SECURITIES FUND, INC.

By: /s/ Keith R. Pauley

Keith R. Pauley
Executive Vice President

ATTEST:

/s/ Audre' J. Melsbakas

Audre' J. Melsbakas

THE UNDERSIGNED, the Executive Vice President of LaSalle Real Estate Securities Fund, Inc. who executed on behalf of the Corporation the foregoing Articles of Amendment of which this certificate is made a part, hereby acknowledges in the name and on behalf of the Corporation the foregoing Articles of Amendment to be the corporate act of the Corporation and hereby certifies to the best of his knowledge, information and belief the matters and facts set forth herein with respect to the authorization and approval thereof are true in all material respects under the penalties of perjury.

/s/ Keith R. Pauley

Keith R. Pauley
Executive Vice President

The undersigned, Executive Vice President of LaSalle Partners Funds, Inc., who executed on behalf of said Corporation the foregoing Articles Supplementary of which this certificate is made a part, hereby acknowledges in the name and on behalf of said Corporation the foregoing Articles Supplementary to be the corporate act of said Corporation and hereby certifies that, to the best of his knowledge, information and belief, the matters and facts set forth therein with respect to the authorization and approval thereof are true in all material respects under the penalties of perjury.

/s/ Keith R. Pauley

Keith R. Pauley
Executive Vice President

LASALLE PARTNERS FUNDS, INC.

ARTICLES SUPPLEMENTARY

LaSalle Partners Funds, Inc., a Maryland corporation having its principal office in Baltimore City, Maryland (which is hereinafter called the "Corporation"), hereby certifies to the State Department of Assessments and Taxation of Maryland that:

FIRST: (a) The Board of Directors of the Corporation has classified 100,000,000 unissued shares of the authorized Common Stock, par value \$0.01 per share, of the Corporation as a single series, designated the "LaSalle Partners U.S. Real Estate Fund" and has divided and further classified the authorized shares of such series into two classes, designated Retail Class and Institutional Class, each such class of the series consisting, until further changed, of 50,000,000 shares.

(b) The preferences, conversion and other rights, voting powers, restrictions, limitations as to dividends, qualifications, and terms and conditions of redemption of the Retail Class and Institutional Class shares of the LaSalle Partners U.S. Real Estate Fund are set forth in the Charter of the Corporation.

SECOND: The foregoing amendment to the Charter of the Corporation does not increase the authorized capital stock of the Corporation.

THIRD: The aforesaid shares have been duly classified by the Board of Directors pursuant to authority and power contained in the Charter of the Corporation.

IN WITNESS WHEREOF, the Corporation has caused these presents to be signed in its name and on its behalf by its Executive Vice President and attested by its Assistant Secretary on this 30th day of December, 1997.

LASALLE PARTNERS FUNDS, INC.

BY: /s/ Keith R. Pauley

KEITH R. PAULEY

ATTEST:

/s/ Audre' J. Melsbakas

AUDRE' J. MELSBAKAS
ASSISTANT SECRETARY

MANAGEMENT AGREEMENT

AGREEMENT made as of the ___ day of _____, 1997, by and between LaSalle Partners Funds, Inc., a Maryland corporation (the "Company"), and ABKB/LaSalle Securities Limited d/b/a LaSalle Partners Real Estate Securities, a Maryland limited partnership (the "Manager").

WITNESSETH:

WHEREAS, the Company is engaged in business as an open-end management investment company and is so registered under the Investment Company Act of 1940, as amended (the "1940 Act"); and

WHEREAS, the Company currently has a single investment portfolio and may have additional investment portfolios from time to time; and

WHEREAS, the Manager is engaged in the business of providing investment management and advisory services and is registered under the Investment Advisers Act of 1940, as amended (the "Advisers Act"); and

WHEREAS, the Company desires to retain the Manager to provide investment management services to its investment portfolios listed in the Fee Schedule appended hereto (the "Funds"), as from time to time amended, and the Manager is willing to perform such services on the terms set forth herein; and

WHEREAS, the Company initially desires to invest all of the investable assets of each Fund in a separate investment portfolio (a "Portfolio") of another mutual fund (the "Trust") with the same investment objective, policies and restrictions, and the Trust has retained the Manager to provide investment management services to such Portfolios;

NOW, THEREFORE, in consideration of the premises and mutual covenants set forth herein, the parties hereto agree as follows:

1. Appointment of Manager. The Company hereby appoints the Manager as

 investment manager of the Funds for the period and on the terms set forth in this Agreement. The Manager accepts such appointment and agrees to furnish the services herein set forth for the compensation herein provided.

2. Duties of Manager. (a) The Manager shall be responsible for

 monitoring the investment management services provided to the Portfolios, including, among other things, review on a periodic basis of the investment programs and practices of each Portfolio and the composition of its portfolio

investments, and shall report to the Board of Directors of the Company with respect to such matters in connection with the Board's consideration of whether

continued investment exclusively in the Portfolios is in the best interests of shareholders of the Funds.

(b) In the event that the Board of Directors of the Company determines to withdraw the investment of any Fund in a Portfolio, the Manager shall be responsible, subject to the supervision of the Board of Directors, for providing a continuous investment program for that Fund, including the provision of investment research and management with respect to all securities and investments and cash equivalents purchased, sold or held by the Fund and the selection of brokers and dealers through which portfolio transactions for the Fund are to be executed. In carrying out its responsibilities under this paragraph (b), the Manager shall at all times act in accordance with the investment objectives, policies and restrictions of the Funds as stated in the Company's registration statement under the 1940 Act, as amended from time to time (the "Registration Statement"), as well as all applicable laws and regulations.

(c) The Manager agrees that it will:

(i) promptly advise the Company's custodian and accounting services agent of each purchase and sale, as the case may be, made on behalf of a Fund of any security or other investment specifying in each case: the name and quantity of the investment purchased or sold, the units and aggregate purchase or sale price, the commission paid, the market on which the transaction was effected, the trade date, the settlement date, the identity of the effecting broker or dealer, and such other information as the Company's custodian or accounting agent may reasonably request, all in such manner as the Company's custodian or accounting agent may from time to time reasonably request;

(ii) provide, in a timely manner, such information as the Company or its authorized agent may reasonably request in connection with the computation of the net asset value and net income of the Funds in accordance with the procedures prescribed in the Registration Statement, or more frequently as requested by the Board of Directors of the Company; provided, however, that the Manager shall not be responsible for any such computation or for the calculation of the net asset value per share of the Funds;

(iii) render regular reports to the Board of Directors of the Company concerning the Manager's performance of its responsibilities under this Agreement and such other periodic and special reports as the Board may request; in particular, the Manager agrees that it will attend meetings of the Board of Directors and the validly constituted committees thereof;

(iv) permit individuals who are officers or employees of the Manager to serve (if duly elected or appointed) as officers, directors or members of any advisory board or committee of the Company; and

(v) furnish office space, facilitates, equipment and personnel adequate for the performance of its duties under this Agreement.

3. Brokerage Transactions. (a) In the event that the Manager provides

services pursuant to paragraph (b) of Section 2, the Manager, subject to the control and direction of the Board of Directors of the Company, shall have authority and discretion to select brokers and dealers to execute portfolio transactions for each Fund, and to select the markets on or in which the transactions will be executed. In acting pursuant to this Section 3, the Manager shall place orders through such brokers or dealers in conformity with the policies with respect to portfolio transactions set forth in the Registration Statement. It is understood that neither the Company nor the Manager will adopt a formula for allocation of the brokerage of the Funds. It is understood that the Manager may, to the extent permitted by applicable laws and regulations, aggregate securities to be sold or purchased for a Fund and for other clients in order to obtain the most favorable execution. In such event, allocation for the securities purchased or sold, as well as expenses incurred in the transaction, shall be made by the Manager in the manner it considers to be the most equitable and consistent with its fiduciary obligations to the Fund and to its other clients. The Manager shall provide such reports as the Board of Directors may reasonably request with respect to each Fund's total brokerage and portfolio transaction activities, and the manner in which such transactions were allocated.

(b) The Manager agrees that in placing orders with brokers and dealers, it will attempt to obtain the best net results in terms of price and execution; provided that, on behalf of any Fund, the Manager may, in its discretion, purchase and sell portfolio securities through brokers-dealers that provide research services (within the meaning of Section 28(e) of the Securities Exchange Act of 1934), and the Manager may cause a Fund to pay those brokers-dealers, in return for such brokerage and research services, a higher commission than may be charged by other brokers-dealers, subject to the Manager determining in good faith that such commission is reasonable in terms either of the particular transaction or of the overall responsibility of the Manager to the Fund and its other clients.

4. Books and Records. The Manager shall create and maintain all necessary

books and records in accordance with all applicable laws and regulations, including but not limited to the records required by Section 31(a) of the 1940 Act and the rules thereunder, as the same may be amended from time to time, pertaining to the services performed by it hereunder which are not otherwise created and maintained by or on behalf of the Company. The Manager agrees to preserve for the periods prescribed by Rule 31a-2 under the 1940 Act the records required to be maintained by Rule 31a-1 under the 1940 Act. In compliance with the requirements of Rule 31a-3 under the 1940 Act, the Manager hereby agrees

that all records which it maintains for the Company or the Funds are the property of the Company. The Manager further agrees that the Company, or the Company's authorized representatives, shall have access to such books and records at all times during the Manager's normal business hours and that copies of any such books and records shall be provided to the Company promptly upon request by the Company or its authorized representative.

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5. Activities and Affiliates of Manager. (a) The services furnished by

the Manager hereunder shall not be deemed to be exclusive, the Manager being free to render investment management services to others and to engage in other activities; provided, however, that such services and activities do not, during the term of this Agreement, interfere, in a material manner, with the Manager's ability to meet its obligations to the Company and the Funds hereunder.

(b) The Company acknowledges that the Manager, or one or more of its affiliated persons, may have investment responsibilities or render investment advice to or perform other investment advisory services for other individuals or entities; and that the Manager, its affiliated persons or any of its or their directors, officers, agents or employees may buy, sell or trade in securities for its or their respective accounts ("Affiliated Accounts"). Subject to the provisions of Section 3, the Company agrees that the Manager or its affiliated persons may give advice or exercise investment responsibility and take such other action with respect to Affiliated Accounts which may differ from the advice given or the timing or nature of action taken with respect to the Funds, provided that the Manager acts in good faith. The Company acknowledges that one or more Affiliated Accounts may at any time hold, acquire, increase, decrease, dispose of or otherwise deal with positions in investments in which a Fund may have an interest. The Manager shall have no obligation to acquire for any Fund any investment that an Affiliated Account may acquire, and the Company shall have no first refusal, co-investment or other rights in respect of any such investment, either for the Funds or otherwise.

(c) Subject to and in accordance with the Company's Articles of Incorporation and By-Laws, as currently in effect and as amended from time to time, and the 1940 Act and the rules thereunder, it is understood that directors, officers, agents and shareholders of the Company are or may be interested in the Manager or its affiliated persons, as directors, officers, agents and shareholders or otherwise; that directors, officers, agents and shareholders of the Manager or its affiliated persons are or may be interested persons of the Company, as directors, officers, agents, shareholders or otherwise; that the Manager or its affiliated persons may be interested in the Company, as shareholders or otherwise; and that the effect of any such interests shall be governed by said Articles of Incorporation and By-Laws, and the 1940 Act and the rules thereunder.

6. Expenses. (a) The Manager agrees to bear all expenses incurred by it

in performing its duties under this Agreement. In addition, the Manager shall, at its own expense, pay the compensation of directors, officers and employees, if any, of the Company who are affiliated persons of the Manager or its affiliated persons.

(b) During the term of this Agreement, the Company shall bear all expenses, not specifically assumed by the Manager, incurred in the conduct of its operations, including, without limitation, the following: the expenses of organizing the Company and continuing its existence; fees and expenses of preparing and filing the Company's registration statement under the Securities Act of 1933 and the 1940 Act, and any amendments thereto; fees and expenses of

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directors and officers of the Company who are not affiliated persons of the Manager or its affiliated persons; fees for administrative services; expenses of preparing, printing and distributing prospectuses, shareholder reports and other materials to shareholders; interest; brokerage commissions; taxes and governmental fees; expenses of issue, purchase, repurchase and redemption of shares; charges and expenses of custodians, transfer agents, dividend disbursing agents and registrars; printing and mailing costs; expenses of auditing, accounting and legal services; expenses of meetings of the Board of Directors and shareholders and proxy solicitations; insurance expenses; association membership dues; and litigation and other extraordinary or non-recurring expenses.

7. Compensation. (a) For the services provided and the expenses assumed

by the Manager pursuant this Agreement, no fee shall be payable by the Company to the Manager; provided, however, that in the event the Manager begins performing services pursuant to paragraph (b) of Section 2, the Company shall pay the Manager a fee in accordance with the Fee Schedule appended to this Agreement. Such fee shall be accrued daily and paid monthly as soon as practicable after the end of each month. For purposes of calculating the Manager's fee, the value the net assets of the Funds shall be determined as described in the Registration Statement. If the Manager shall perform services under paragraph (b) of Section 2 for less than the whole of any month, the foregoing compensation shall be prorated.

(b) The Manager may, from time to time and for such periods as it deems appropriate, reduce its compensation from a Fund (and, if appropriate, assume expenses of one or more Funds or any class of shares thereof) to the extent the expenses of such Fund or class exceed such expense limitation as the Manager may, by notice to the Company, voluntarily declare to be effective with respect to the Fund or class.

(c) The Manager agrees to waive all or part of its fee hereunder, or reimburse expenses of a Fund, with the same frequency with which the fee is paid to the Manager, to the extent the expenses borne by the Fund exceed the applicable expense limitations imposed pursuant to the statutes or regulations

of any jurisdiction in which shares of the Fund are qualified or registered for offer and sale. To the extent the Manager has reimbursed Fund expenses or waived all or part of its fee, the Company agrees to reimburse the Manager, if so requested by the Manager, provided that such reimbursement does not cause the annual operating expenses of the Fund to exceed such expense limitations.

8. Liability of Manager. The Manager shall not be liable to the Company

or any shareholder for any act or omission in connection with the performance of its duties hereunder including, without limitation, losses that may be sustained in the purchase, holding or sale of any security or the making of any investment for or on behalf of the Funds, except for liability to which the Manager would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of its duties, or by reason of reckless disregard of its obligations and duties under this Agreement.

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9. Term and Termination. (a) This Agreement shall become effective for

each Fund as of the date of execution of the related Fee Schedule and shall continue in effect with respect to each Fund initially listed in the Fee Schedule (and any additional Funds added to the Fee Schedule during the initial term of this Agreement) for two years from the date of this Agreement, provided that this Agreement has first been approved by (i) the Board of Directors of the Company, including a majority of the directors who are not parties to this Agreement or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval, and (ii) the vote of a majority of the outstanding voting securities of the Company. Thereafter, this Agreement shall continue for successive periods of one year, but only so long as such continuance is specifically approved at least annually by (i) the Board of Directors or, with respect to any Fund, the vote of a majority of the outstanding voting securities of the Fund, and (ii) the vote of a majority of the directors of the Company who are not parties to this Agreement or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such approval.

(b) Notwithstanding any provision hereof, this Agreement may be terminated with respect to any Fund or the Company at any time, without payment of any penalty, by the Board of Directors of the Company or by the vote of a majority of the outstanding voting securities of the Fund or the Company, respectively, on 60 days' written notice to the Manager, or by the Manager on 60 days' written notice to the Company. Termination of this Agreement with respect to any Fund shall in no way affect the continued validity of this Agreement or performance hereunder with respect to any other Fund. This Agreement shall terminate automatically and immediately in the event of its assignment.

10. Amendment. No material provision of this Agreement may be changed,

waived, discharged or terminated except by an instrument in writing signed by

the party against which enforcement of the change, waiver, discharge or termination is sought, and no amendment of any material term of this Agreement shall be effective until it has been approved both by the Board of Directors of the Company, including a majority of the directors who are not parties to this Agreement or interested persons of any such party, cast in person at a meeting called for the purpose of voting on such amendment, and, when required by the 1940 Act with respect to any Fund, by a majority of the outstanding voting securities of the Fund.

11. Definitions. As used in this Agreement, the terms "affiliated

person", "assignment", "control", "interested person", and "vote of a majority of the outstanding voting securities" shall have the meanings given them in the 1940 Act, subject to any applicable orders of exemption issued by the Securities and Exchange Commission.

12. Governing Law. This Agreement shall be governed by and construed in

accordance with the laws of the State of Maryland, without giving effect to the choice of law principles thereof. To the extent applicable Maryland law or any provision of this Agreement conflicts with applicable provisions of the 1940 Act, the Advisers Act, or other applicable federal laws or regulations, the latter shall control.

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13. Miscellaneous. If any provision of this Agreement shall be held or

made invalid by a court decision, statute, rule or otherwise, the remainder shall not be affected thereby. The title of this Agreement and the headings of the sections herein are for convenience of the parties only, and are not intended to be part of or affect the meaning or interpretation of this Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the matters referred to herein, and no other agreement, verbal or otherwise, shall be binding as between the parties. No failure or delay on the part of any party hereto in exercising any right power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. Any waiver granted hereunder must be in writing and shall be valid only in the specific instance in which given.

IN WITNESS WHEREOF, this Agreement has been executed for and on behalf of the undersigned as of the day and year first above written.

Attest:

LA SALLE PARTNERS FUNDS, INC.

By:

Attest:

ABKB/LA SALLE SECURITIES LIMITED

By: -----

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FEE SCHEDULE

The fees payable to the Manager pursuant to Section 7 of the Agreement shall be as follows:

<TABLE>

<CAPTION>

Fund

Annual Fee Rate

<S>

<C>

LaSalle Partners U.S. Real Estate Fund

0.75% of average net assets

</TABLE>

Attest:

LA SALLE PARTNERS FUNDS, INC.

By: -----

Attest:

ABKB/LA SALLE SECURITIES LIMITED

By: -----

Dated: _____, 1997

DISTRIBUTION AGREEMENT

LASALLE PARTNERS FUNDS, INC.

_____, 1997

Funds Distributor, Inc.
60 State Street
Suite 1300
Boston, Massachusetts 02109

Dear Sirs:

This is to confirm that, in consideration of the agreements hereinafter contained, the above-named investment company (the "Fund") has agreed that you shall be, for the period of this agreement, the distributor of (a) shares of each Series of the Fund set forth on Exhibit A hereto, as such Exhibit may be revised from time to time (each, a "Series") or (b) if no Series are set forth on such Exhibit, shares of the Fund. For purposes of this agreement the term "Shares" shall mean the authorized shares of the relevant Series, if any, and otherwise shall mean the Fund's authorized shares.

1. Services as Distributor

1.1 You will act as agent for the distribution of Shares covered by, and in accordance with, the registration statement and prospectus then in effect under the Securities Act of 1933, as amended, and will transmit promptly any orders received by you for purchase or redemption of Shares to the Transfer and Dividend Disbursing Agent for the Fund of which the Fund has notified you in writing.

1.2 You agree to use your best efforts to solicit orders for the sale of Shares. It is contemplated that you may enter into sales or servicing agreements with securities dealers, financial institutions and other industry professionals, such as investment advisers, accountants and estate planning firms, and in so doing you will act only on your own behalf as principal.

1.3 You shall act as distributor of Shares in compliance with all applicable laws, rules and regulations, including, without limitations, the Investment Company Act of 1940, as amended, the Securities Act of 1933, as amended, the Securities Exchange Act of 1934, as amended and the National Association of Securities Dealers, Inc.'s (the "NASD") Conduct Rules, Constitution and By-Laws. You represent and warrant that you are a broker-dealer registered with the Securities and Exchange Commission and that you are

registered with the relevant securities regulatory agencies in all fifty states, the District of Columbia and Puerto Rico. You also represent and warrant that you are a member of the NASD.

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1.4 You shall file Fund advertisements, sales literature and other marketing and sales related materials with the appropriate regulatory agencies and shall obtain such approvals for their use as may be required by the Securities and Exchange Commission and the NASD.

1.5 Whenever in their judgment such action is warranted by unusual market, economic or political conditions, or by abnormal circumstances of any kind deemed by the parties hereto to render sales of a Fund's Shares not in the best interest of the Fund, the parties hereto may decline to accept any orders for, or make any sales of, any Shares until such time as those parties deem it advisable to accept such orders and to make such sales and each party shall advise promptly the other party of any such determination.

1.6 The Fund agrees to pay all costs and expenses in connection with the registration of Shares under the Securities Act of 1933, as amended, and all expenses in connection with maintaining facilities for the issue and transfer of Shares and for supplying information, prices and other data to be furnished by the Fund hereunder, and all expenses in connection with the preparation and printing of the Fund's prospectuses and statements of additional information for regulatory purposes and for distribution to shareholders; provided however, that the Fund shall not pay any of the costs of advertising or promotion for the sale of Shares, except for the payment of Rule 12b-1 fees under the terms of a written agreement.

1.7 The Fund agrees to execute any and all documents and to furnish any and all information and otherwise to take all actions which may be reasonably necessary in the discretion of the Fund's officers in connection with the qualification of Shares for sale in such states as you may designate to the Fund and the Fund may approve, and the Fund agrees to pay all expenses which may be incurred in connection with such qualification. You shall pay all expenses connected with your own qualification as a dealer under state or Federal laws and, except as otherwise specifically provided in this agreement, all other expenses incurred by you in connection with the sale of Shares as contemplated in this agreement.

1.8 The Fund shall furnish you from time to time, for use in connection with the sale of Shares, such information with respect to the Fund or any relevant Series and the Shares as you may reasonably request, all of which shall be signed by one or more of the Fund's duly authorized officers; and the Fund warrants that the statements contained in any such information, when so signed by the Fund's officers, shall be true and correct. The Fund also shall furnish you upon request with: (a) semi-annual reports and annual audited reports of the Fund's books and accounts made by independent public accountants regularly retained by the Fund, (b) quarterly earnings statements prepared by the Fund,

(c) a monthly itemized list of the securities in the Fund's or, if applicable, each Series' portfolio, (d) monthly balance sheets as soon as practicable after the end of each month, and (e) from time to time such additional information regarding the Fund's financial condition as you may reasonably request.

1.9 The Fund represents to you that all registration statements and prospectuses filed by the Fund with the Securities and Exchange Commission under the Securities Act of 1933, as amended, and under the Investment Company Act of 1940, as amended, with respect to the Shares have been carefully prepared in conformity with the requirements of said Acts and rules and regulations of the Securities and Exchange Commission thereunder. As used in this agreement the terms "registration statement" and "prospectus" shall mean any registration

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statement and prospectus, including the statement of additional information incorporated by reference therein, filed with the Securities and Exchange Commission and any amendments and supplements thereto which at any time shall have been filed with said Commission. The Fund represents and warrants to you that any registration statement and prospectus, when such registration statement becomes effective, will contain all statements required to be stated therein in conformity with said Acts and the rules and regulations of said Commission; that all statements of fact contained in any such registration statement and prospectus will be true and correct when such registration statement becomes effective; and that neither any registration statement nor any prospectus when such registration statement becomes effective will include an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein not misleading. The Fund may, but shall not be obligated to, propose from time to time such amendment or amendments to any registration statement and such supplement or supplements to any prospectus as, in the light of future developments, may, in the opinion of the Fund's counsel, be necessary or advisable. If the Fund shall not propose such amendment or amendments and/or supplement or supplements within fifteen days after receipt by the Fund of a written request from you to do so stating that your internal or external legal counsel believes such amendments or supplements to be legally required, you may, at your option, terminate this agreement or decline to make offers of the Fund's securities until such amendments are made. The Fund shall not file any material amendment to any registration statement or material supplement to any prospectus without giving you reasonable notice thereof in advance; provided, however, that nothing contained in this agreement shall in any way limit the Fund's right to file at any time such amendments to any registration statement and/or supplements to any prospectus, of whatever character, as the Fund may deem advisable, such right being in all respects absolute and unconditional.

1.10 The Fund authorizes you and any dealers with whom you have entered into dealer agreements to use any prospectus in the form furnished by the Fund in connection with the sale of Shares. The Fund agrees to indemnify, defend and hold you, your several officers and directors, and any person who controls you within the meaning of Section 15 of the Securities Act of 1933, as amended, free

and harmless from and against any and all claims, demands, liabilities and expenses (including the reasonable cost of investigating or defending such claims, demands or liabilities and any reasonable counsel fees incurred in connection therewith) which you, your officers and directors, or any such controlling persons, may incur under the Securities Act of 1933, as amended, the Investment Company Act of 1940, as amended, or common law or otherwise, arising out of or on the basis of any untrue statement, or alleged untrue statement, of a material fact required to be stated in either any then-current registration statement or any then-current prospectus or any then-current statement of additional information, or arising out of or based upon any omission, or alleged omission, to state a material fact required to be stated in any then-current registration statement, any then-current prospectus or any then-current statement of additional information or necessary to make the statements in any of them not misleading, except that the Fund's agreement to

indemnify you, your officers or directors, and any such controlling person will not be deemed to cover any such claim, demand, liability or expense to the extent that it arises out of or is based upon any such untrue statement, alleged untrue statement, omission or alleged omission made in any then-current registration statement, any then-current prospectus or any then-current statement of additional information in reliance upon information furnished by you, your officers, directors or any such controlling person to the Fund or its representatives for use in the preparation thereof, and except that the Fund's

agreement to

indemnify you and the Fund's representations and warranties set out in paragraph 1.9 of this Agreement will not be deemed to cover any liability to the Funds or their shareholders to which you would otherwise be subject by reason of willful misfeasance, bad faith or gross negligence in the performance of your duties, or by reason of your reckless disregard of your obligations and duties under this Agreement ("Disqualifying Conduct"). The Fund's agreement to indemnify you, your officers and directors, and any such controlling person, as aforesaid, is expressly conditioned upon the Fund's being notified of any action brought against you, your officers or directors, or any such controlling person, such notification to be given by letter, by facsimile or by telegram addressed to the Fund at its address set forth above within a reasonable period of time after the summons or other first legal process shall have been served. The failure so to notify the Fund of any such action shall not relieve the Fund from any liability which the Fund may have to the person against whom such action is brought by reason of any such untrue, or alleged untrue, statement or omission, or alleged omission, otherwise than on account of the Fund's indemnity agreement contained in this paragraph 1.10. The Fund will be entitled to assume the defense of any suit brought to enforce any such claim, demand or liability, but, in such case, such defense shall be conducted by counsel of good standing chosen by the Fund and approved by you. In the event the Fund elects to assume the defense of any such suit and retain counsel of good standing approved by you, the defendant or defendants in such suit shall bear the fees and expenses of any additional

counsel retained by any of them; but in case the Fund does not elect to assume the defense of any such suit, the Fund will reimburse you, your officers and directors, or the controlling person or persons named as defendant or defendants in such suit, for the reasonable fees and expenses of any counsel retained by you or them. The Fund's indemnification agreement contained in this paragraph 1.10 and the Fund's representations and warranties in this Agreement shall remain operative and in full force and effect regardless of any investigation made by or on behalf of you, your officers and directors, or any controlling person, and shall survive the delivery of any Shares. This agreement of indemnity will inure exclusively to your benefit, to the benefit of your several officers and directors, and their respective estates, and to the benefit of any controlling persons and their successors. The Fund agrees promptly to notify you of the commencement of any litigation or proceedings against the Fund or any of its officers or Board members in connection with the issue and sale of Shares.

1.11 You agree to indemnify, defend and hold the Fund, its several officers and Board members, and any person who controls the Fund within the meaning of Section 15 of the Securities Act of 1933, as amended, free and harmless from and against any and all claims, demands, liabilities and expenses (including the reasonable cost of investigating or defending such claims, demands or liabilities and any reasonable counsel fees incurred in connection therewith) which the Fund, its officers or Board members, or any such controlling person, may incur under the Securities Act of 1933, as amended, the Investment Company Act of 1940, as amended, or under common law or otherwise, but only to the extent that such liability or expense incurred by the Fund, its officers or Board members, or such controlling person resulting from such claims or demands, (a) shall arise out of or be based upon any unauthorized sales literature, advertisements, information, statements or representations or any Disqualifying Conduct in connection with the offering and sale of any Shares, or (b) shall arise out of or be based upon any untrue, or alleged untrue, statement of a material fact contained in information furnished in writing by you to the Fund specifically for use in the Fund's registration statement and used in the answers to any of the items of the registration statement or in the corresponding statements made in the prospectus or statement of additional information, or shall arise out of or be based

upon any omission, or alleged omission, to state a material fact in connection with such information furnished in writing by you to the Fund and required to be stated in such answers or necessary to make such information not misleading. Your agreement to indemnify the Fund, its officers and Board members, and any such controlling person, as aforesaid, is expressly conditioned upon your being notified of any action brought against the Fund, its officers or Board members, or any such controlling person, such notification to be given by letter, by facsimile or by telegram addressed to you at your address set forth above within a reasonable period of time after the summons or other first legal process shall have been served. You shall have the right to control the defense of such action, with counsel of your own choosing, satisfactory to the Fund, if such action is based solely upon such alleged misstatement or omission on your part,

and in any other event the Fund, its officers or Board members, or such controlling person shall each have the right to participate in the defense or preparation of the defense of any such action. The failure so to notify you of any such action shall not relieve you from any liability which you may have to the Fund, its officers or Board members, or to such controlling person by reason of any such untrue, or alleged untrue, statement or omission, or alleged omission, otherwise than on account of your indemnity agreement contained in this paragraph 1.11. This agreement of indemnity will inure exclusively to the Fund's benefit, to the benefit of the Fund's officers and Board members, and their respective estates, and to the benefit of any controlling persons and their successors. You agree promptly to notify the Fund of the commencement of any litigation or proceedings against you or any of your officers or directors in connection with the issue and sale of Shares.

1.12 No Shares shall be offered by either you or the Fund under any of the provisions of this agreement and no orders for the purchase or sale of such Shares hereunder shall be accepted by the Fund if and so long as the effectiveness of the registration statement then in effect or any necessary amendments thereto shall be suspended under any of the provisions of the Securities Act of 1933, as amended, or if and so long as a current prospectus as required by Section 10 of said Act, as amended, is not on file with the Securities and Exchange Commission; provided, however, that nothing contained in this paragraph 1.12 shall in any way restrict or have an application to or bearing upon the Fund's obligation to repurchase any Shares from any shareholder in accordance with the provisions of the Fund's prospectus or charter documents.

1.13 The Fund agrees to advise you immediately in writing:

(a) of any request by the Securities and Exchange Commission for amendments to the registration statement or prospectus then in effect or for additional information;

(b) in the event of the issuance by the Securities and Exchange Commission of any stop order suspending the effectiveness of the registration statement or prospectus then in effect or the initiation of any proceeding for that purpose;

(c) of the happening of any event which makes untrue any statement of a material fact made in the registration statement or prospectus then in effect or which requires the making of a change in such registration statement or prospectus in order to make the statements therein not misleading; and

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(d) of all actions of the Securities and Exchange Commission with respect to any amendments to any registration statement or prospectus which may from time to time be filed with the Securities and Exchange Commission.

2. Offering Price

Shares of any class of the Fund offered for sale by you shall be offered at a price per share (the "offering price") approximately equal to (a) the net asset value (determined in the manner set forth in the Fund's charter documents or then-current prospectus) plus (b) a sales charge, if any and except to those persons set forth in the then-current prospectus, which shall be the percentage of the offering price of such Shares as set forth in the Fund's then-current prospectus. The offering price, if not an exact multiple of one cent, shall be adjusted to the nearest cent. In addition, Shares of any class of the Fund offered for sale by you may be subject to a contingent deferred sales charge as set forth in the Fund's then-current prospectus. You shall be entitled to receive any sales charge or contingent deferred sales charge in respect of the Shares. Any payments to dealers shall be governed by a separate agreement between you and such dealer and the Fund's then-current prospectus.

3. Term

This Agreement shall become effective with respect to the Fund as of the date hereof and will continue for an initial two-year term and will continue thereafter so long as such continuance is specifically approved at least annually (i) by the Fund's Board or (ii) by a vote of a majority of the Shares of the Fund or the relevant Series, as the case may be, provided that in either event its continuance also is approved by a majority of the Board members who are not "interested persons" of any party to this Agreement, by vote cast in person at a meeting called for the purpose of voting on such approval. This agreement is terminable with respect to the Fund or a Series, without penalty, on not less than sixty days' notice, by the Fund's Board of Directors, by vote of a majority of the outstanding voting securities of such Fund, or by you. This Agreement will automatically and immediately terminate in the event of its "assignment." (As used in this Agreement, the terms "majority of the outstanding voting securities," "interested person" and "assignment" shall have the same meanings as such terms have in the Investment Company Act of 1940). You agree to notify the Fund immediately upon the event of your expulsion or suspension by the NASD. This Agreement will automatically and immediately terminate in the event of your expulsion or suspension by the NASD.

4. Miscellaneous

4.1 The Fund recognizes that, except to the extent otherwise agreed to by the parties hereto, your directors, officers and employees may from time to time serve as directors, trustees, officers and employees of corporations and business trusts (including other investment companies), and that you or your affiliates may enter into distribution or other agreements with such other corporations and trusts.

4.2 No provision of this Agreement may be changed, waived, discharged or terminated orally, but only by an instrument in writing signed by the party against which an enforcement of the change, waiver, discharge or termination is sought.

4.3 This Agreement shall be governed by the internal laws of the Commonwealth of Massachusetts without giving effect to principles of conflicts of laws.

4.4 If any provision of this Agreement shall be held or made invalid by a court decision, statute, rule, or otherwise, the remainder of this Agreement shall not be affected thereby. This Agreement shall be binding upon and shall inure to the benefit of the parties hereto and their respective successors.

Please confirm that the foregoing is in accordance with your understanding and indicate your acceptance hereof by signing below, whereupon it shall become a binding Agreement between us.

Very truly yours,

LASALLE PARTNERS FUNDS, INC.

By: _____

Name: _____

Title: _____

Accepted:

FUNDS DISTRIBUTOR, INC.

By: _____

Name: _____

Title: _____

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EXHIBIT A

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CUSTODIAN SERVICES AGREEMENT

THIS AGREEMENT is made as of December __, 1997 by and between PNC BANK, NATIONAL ASSOCIATION, a national banking association ("PNC Bank"), and LASALLE PARTNERS FUNDS, INC., a Maryland corporation (the "Fund").

W I T N E S S E T H:

WHEREAS, the Fund is registered as an open-end management investment company under the Investment Company Act of 1940, as amended (the "1940 Act"); and

WHEREAS, the Fund wishes to retain PNC Bank to provide custodian services, and PNC Bank wishes to furnish custodian services, either directly or through an affiliate or affiliates, as more fully described herein.

NOW, THEREFORE, In consideration of the premises and mutual covenants herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. DEFINITIONS. AS USED IN THIS AGREEMENT:

(a) "1933 Act" means the Securities Act of 1933, as amended.

(b) "1934 Act" means the Securities Exchange Act of 1934, as amended.

(c) "Authorized Person" means any officer of the Fund and any other person

duly authorized by the Fund's Board of Directors to give Oral Instructions and Written Instructions on behalf of the Fund and listed on the Authorized Persons Appendix attached hereto and made a part hereof or any amendment thereto as may be received by PNC Bank. An Authorized Person's scope of authority may be limited by the Fund by setting forth such limitation in the Authorized Persons Appendix.

(d) "Book-Entry System" means Federal Reserve Treasury book-entry system

for United States and federal agency securities, its successor or successors, and its nominee or nominees and any book-entry system maintained by an exchange registered with the SEC under the 1934 Act.

(e) "CEA" means the Commodities Exchange Act, as amended.

(f) "Oral Instructions" mean oral instructions received by PNC Bank from

an Authorized Person or from a person reasonably believed by PNC Bank to be an
Authorized Person.

(g) "PNC Bank" means PNC Bank, National Association or a subsidiary or

affiliate of PNC Bank, National Association.

(h) "SEC" means the Securities and Exchange Commission.

(i) "Securities Laws" mean the 1933 Act, the 1934 Act, the 1940 Act and

the CEA.

(j) "Shares" mean the shares of capital stock of any series or class of

the Fund.

(k) "Property" means:

- (i) any and all securities and other investment items which the Fund may from time to time deposit, or cause to be deposited, with PNC Bank or which PNC Bank may from time to time hold for the Fund;
- (ii) all income in respect of any of such securities or other investment items;
- (iii) all proceeds of the sale of any of such securities or investment items; and
- (iv) all proceeds of the sale of securities issued by the Fund, which are received by PNC Bank from time to time, from or on behalf of the Fund.

(l) "Written Instructions" mean written instructions signed by two

Authorized Persons and received by PNC Bank. The instructions may be delivered by hand, mail, tested telegram, cable, telex or facsimile sending device.

2. APPOINTMENT. The Fund hereby appoints PNC Bank to provide custodian

services to the Fund, on behalf of each of its investment portfolios (each, a "Portfolio"), and PNC Bank accepts such appointment and agrees to furnish such

services.

3. DELIVERY OF DOCUMENTS. The Fund has provided or, where applicable,

will provide PNC Bank with the following:

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- (a) certified or authenticated copies of the resolutions of the Fund's Board of Directors, approving the appointment of PNC Bank or its affiliates to provide services;
- (b) a copy of the Fund's most recent effective registration statement;
- (c) a copy of each Portfolio's advisory agreements;
- (d) a copy of the distribution agreement with respect to each class of Shares;
- (e) a copy of each Portfolio's administration agreement if PNC Bank is not providing the Portfolio with such services;
- (f) copies of any shareholder servicing agreements made in respect of the Fund or a Portfolio; and
- (g) certified or authenticated copies of any and all amendments or supplements to the foregoing.

4. COMPLIANCE WITH LAWS.

PNC Bank undertakes to comply with all applicable requirements of the Securities Laws and any laws, rules and regulations of governmental authorities having jurisdiction with respect to the duties to be performed by PNC Bank hereunder. Except as provided herein, PNC Bank assumes no responsibility for such compliance by the Fund or any Portfolio.

5. INSTRUCTIONS.

(a) Unless otherwise provided in this Agreement, PNC Bank shall act only upon Oral Instructions and Written Instructions.

(b) PNC Bank shall be entitled to rely upon any Oral Instructions and Written Instructions it receives from an Authorized Person (or from a person reasonably believed by PNC Bank to be an Authorized Person) pursuant to this Agreement. PNC Bank may assume that any Oral Instructions or Written Instructions received hereunder are not in any way inconsistent with the provisions of organizational documents of the Fund or of any vote, resolution or proceeding of the Fund's Board of Directors or of the Fund's

shareholders, unless and until PNC Bank receives Written Instructions to the contrary.

(c) The Fund agrees to forward to PNC Bank Written Instructions confirming Oral Instructions (except where such Oral Instructions are given by PNC Bank or its affiliates) so that PNC Bank receives the Written Instructions by the close of business on the same day that such Oral Instructions are received. The fact that such confirming Written Instructions are not received by PNC Bank shall in no way invalidate the transactions or enforceability of the transactions authorized by the Oral Instructions. Where Oral Instructions or Written Instructions reasonably appear to have been received from an Authorized Person, PNC Bank shall incur no liability to the Fund in acting upon such Oral Instructions or Written Instructions provided that PNC Bank's actions comply with the other provisions of this Agreement.

6. RIGHT TO RECEIVE ADVICE.

(a) Advice of the Fund. If PNC Bank is in doubt as to any action it

should or should not take, PNC Bank may request directions or advice, including Oral Instructions or Written Instructions, from the Fund.

(b) Advice of Counsel. If PNC Bank shall be in doubt as to any question

of law pertaining to any action it should or should not take, PNC Bank may request advice at its own cost from such counsel of its own choosing (who may be counsel for the Fund, the Fund's investment adviser or PNC Bank, at the option of PNC Bank).

(c) Conflicting Advice. In the event of a conflict between directions,

advice or Oral Instructions or Written Instructions PNC Bank receives from the Fund, and the advice it receives from counsel, PNC Bank shall be entitled to rely upon and follow the advice of counsel. In the event PNC Bank so relies on the advice of counsel, PNC Bank remains liable for any action or omission on the part of PNC Bank which constitutes willful misfeasance, bad faith, gross negligence or reckless disregard by PNC Bank of any duties, obligations or responsibilities set forth in this Agreement.

(d) Protection of PNC Bank. PNC Bank shall be protected in any action it

takes or does not take in reliance upon directions, advice or Oral Instructions or Written Instructions it receives from the Fund or from counsel and which PNC Bank believes, in good

faith, to be consistent with those directions, advice or Oral Instructions or Written Instructions. Nothing in this section shall be construed so as to impose an obligation upon PNC Bank (i) to seek such directions, advice or Oral Instructions or Written Instructions, or (ii) to act in accordance with such directions, advice or Oral Instructions or Written Instructions unless, under the terms of other provisions of this Agreement, the same is a condition of PNC Bank's properly taking or not taking such action.

7. RECORDS; VISITS. The books and records pertaining to the Fund and any

Portfolio, which are in the possession or under the control of PNC Bank, shall be the property of the Fund. Such books and records shall be prepared and maintained as required by the 1940 Act and other applicable securities laws, rules and regulations. The Fund and Authorized Persons shall have access to such books and records at all times during PNC Bank's normal business hours. Upon the reasonable request of the Fund, copies of any such books and records shall be provided by PNC Bank to the Fund or to an authorized representative of the Fund, at the Fund's expense.

8. CONFIDENTIALITY. PNC Bank agrees to keep confidential all records of

the Fund and information relating to the Fund and its shareholders, unless the release of such records or information is otherwise consented to, in writing, by the Fund. The Fund agrees that such consent shall not be unreasonably withheld and may not be withheld where (i) PNC Bank may be exposed to civil or criminal contempt proceedings or when required to divulge such information or records to duly constituted authorities; and (ii) where PNC Bank has notified the Fund of such release of confidential records.

9. COOPERATION WITH ACCOUNTANTS. PNC Bank shall cooperate with the Fund's

independent public accountants and shall take all reasonable action in the performance of its obligations under this Agreement to ensure that the necessary information is made available to such accountants for the expression of their opinion, as required by the Fund.

10. DISASTER RECOVERY. PNC Bank shall enter into and shall maintain in

effect with appropriate parties one or more agreements making reasonable provisions for emergency use of electronic data processing equipment to the extent appropriate equipment is available. In the

event of equipment failures, PNC Bank shall, at no additional expense to the Fund, take reasonable steps to minimize service interruptions. PNC Bank shall have no liability with respect to the loss of data or service interruptions caused by equipment failure provided such loss or interruption is not caused by PNC Bank's own willful misfeasance, bad faith, gross negligence or reckless

disregard of its duties or obligations under this Agreement.

11. COMPENSATION. As compensation for custody services rendered by PNC

Bank during the term of this Agreement, the Fund, on behalf of each of the Portfolios, will pay to PNC Bank a fee or fees as may be agreed to in writing from time to time by the Fund and PNC Bank.

12. INDEMNIFICATION. The Fund, on behalf of each Portfolio, agrees to

indemnify and hold harmless PNC Bank and its affiliates from all taxes, charges, expenses, assessments, claims and liabilities (including, without limitation, liabilities arising under the Securities Laws and any state and foreign securities and blue sky laws, and amendments thereto, and expenses, including (without limitation) attorneys' fees and disbursements, arising directly or indirectly from any action or omission to act which PNC Bank takes (i) at the request or on the direction of the Fund or (ii) upon Oral Instructions or Written Instructions. Neither PNC Bank, nor any of its affiliates, shall be indemnified against any liability (or any expenses incident to such liability) arising out of PNC Bank's or its affiliates' own willful misfeasance, bad faith, gross negligence or reckless disregard of its duties under this Agreement.

13. RESPONSIBILITY OF PNC BANK.

(a) PNC Bank shall be under no duty to take any action on behalf of the Fund or any Portfolio except as specifically set forth herein or as may be specifically agreed to by PNC Bank in writing. PNC Bank shall be obligated to exercise care and diligence in the performance of its duties hereunder, to act in good faith and to use its best efforts, within reasonable limits, in performing services provided for under this Agreement. PNC Bank shall be liable for any damages arising out of PNC Bank's failure to perform its duties under this agreement to the extent such damages arise out of PNC Bank's willful misfeasance, bad faith, gross negligence or reckless disregard of its duties under this Agreement.

(b) Without limiting the generality of the foregoing or of any other provision of this Agreement, (i) PNC Bank shall not be under any duty or obligation to inquire into and shall not be liable for (A) the validity or invalidity or authority or lack thereof of any Oral Instruction or Written Instruction, notice or other instrument which conforms to the applicable requirements of this Agreement, and which PNC Bank reasonably believes to be genuine; or (B) subject to section 10, delays or errors or loss of data occurring by reason of circumstances beyond PNC Bank's control, including acts of civil or military authority, national emergencies, fire, flood, catastrophe, acts of God, insurrection, war, riots or failure of the mails, transportation, communication or power supply.

(c) Notwithstanding anything in this Agreement to the contrary, neither PNC Bank nor its affiliates shall be liable to the Fund or to any Portfolio for any consequential, special or indirect losses or damages which the Fund may incur or suffer by or as a consequence of PNC Bank's or its affiliates' performance of the services provided hereunder, whether or not the likelihood of such losses or damages was known by PNC Bank or its affiliates.

14. DESCRIPTION OF SERVICES.

(a) Delivery of the Property. The Fund will deliver or arrange for

delivery to PNC Bank, all the Property owned by the Portfolios, including cash received as a result of the distribution of Shares, during the period that is set forth in this Agreement. PNC Bank will not be responsible for such property until actual receipt.

(b) Receipt and Disbursement of Money. PNC Bank, acting upon Written

Instructions, shall open and maintain separate accounts in the Fund's name using all cash received from or for the account of the Fund, subject to the terms of this Agreement. In addition, upon Written Instructions, PNC Bank shall open separate custodial accounts for each separate series or Portfolio of the Fund (collectively, the "Accounts") and shall hold in the Accounts all cash received from or for the Accounts of the Fund specifically designated to each separate series or Portfolio.

PNC Bank shall make cash payments from or for the Accounts of a Portfolio only for:

- (i) purchases of securities in the name of a Portfolio or PNC Bank or PNC Bank's nominee as provided in sub-section (j) and for which PNC Bank has received a copy of the broker's or dealer's confirmation or payee's invoice, as appropriate;
- (ii) purchase or redemption of Shares of the Fund delivered to PNC Bank;
- (iii) payment of, subject to Written Instructions, interest, taxes, administration, accounting, distribution, advisory, management fees or similar expenses which are to be borne by a Portfolio;
- (iv) payment to, subject to receipt of Written Instructions, the Fund's transfer agent, as agent for the shareholders, an amount equal to the amount of dividends and distributions stated in the Written Instructions to be distributed in cash by the transfer agent to shareholders, or, in lieu of paying the Fund's transfer agent, PNC Bank may arrange for the direct payment of cash

dividends and distributions to shareholders in accordance with procedures mutually agreed upon from time to time by and among the Fund, PNC Bank and the Fund's transfer agent.

- (v) payments, upon receipt Written Instructions, in connection with the conversion, exchange or surrender of securities owned or subscribed to by the Fund and held by or delivered to PNC Bank;
- (vi) payments of the amounts of dividends received with respect to securities sold short;
- (vii) payments made to a sub-custodian pursuant to provisions in sub-section (c) of this Section; and
- (viii) payments, upon Written Instructions, made for other proper Fund purposes.

PNC Bank is hereby authorized to endorse and collect all checks, drafts or other orders for the payment of money received as custodian for the Accounts.

(c) Receipt of Securities; Subcustodians.

- (i) PNC Bank shall hold all securities received by it for the Accounts in a separate account that physically segregates such securities from those of any other persons, firms or corporations, except for securities held in a Book-Entry System. All such securities shall be held or disposed of only upon Written Instructions of the Fund

pursuant to the terms of this Agreement. PNC Bank shall have no power or authority to assign, hypothecate, pledge or otherwise dispose of any such securities or investment, except upon the express terms of this Agreement and upon Written Instructions, accompanied by a certified resolution of the Fund's Board of Directors, authorizing the transaction. In no case may any member of the Fund's Board of Directors, or any officer, employee or agent of the Fund withdraw any securities.

At PNC Bank's own expense and for its own convenience, PNC Bank may enter into sub-custodian agreements with other United States banks or trust companies to perform duties described in this sub-section (c). Such bank or trust company shall have an aggregate capital, surplus and undivided profits, according to its last published report, of at least one million dollars (\$1,000,000), if it is a subsidiary or affiliate of PNC Bank, or at least twenty

million dollars (\$20,000,000) if such bank or trust company is not a subsidiary or affiliate of PNC Bank. In addition, such bank or trust company must be qualified to act as custodian and agree to comply with the relevant provisions of the 1940 Act and other applicable rules and regulations. Any such arrangement will not be entered into without prior written notice to the Fund.

PNC Bank shall remain responsible for the performance of all of its duties as described in this Agreement and shall hold the Fund and each Portfolio harmless from its own acts or omissions, under the standards of care provided for herein, or the acts and omissions of any sub-custodian chosen by PNC Bank under the terms of this sub-section (c).

(d) Transactions Requiring Instructions. Upon receipt of Oral Instructions

or Written Instructions and not otherwise, PNC Bank, directly or through the use of the Book-Entry System, shall:

- (i) deliver any securities held for a Portfolio against the receipt of payment for the sale of such securities;
- (ii) execute and deliver to such persons as may be designated in such Oral Instructions or Written Instructions, proxies, consents, authorizations, and any other instruments whereby the authority of a Portfolio as owner of any securities may be exercised;
- (iii) deliver any securities to the issuer thereof, or its agent, when such securities are called, redeemed, retired or otherwise become payable; provided that, in any such case, the cash or other consideration is to be delivered to PNC Bank;
- (iv) deliver any securities held for a Portfolio against receipt of other securities or cash issued or paid in connection with the liquidation, reorganization, refinancing, tender offer, merger, consolidation or recapitalization of any corporation, or the exercise of any conversion privilege;
- (v) deliver any securities held for a Portfolio to any protective committee, reorganization committee or other person in connection with the reorganization, refinancing, merger, consolidation, recapitalization or sale of assets of any corporation, and receive and hold under the terms of this Agreement such certificates of deposit, interim receipts or other instruments or documents as may be issued

to it to evidence such delivery;

- (vi) make such transfer or exchanges of the assets of the Portfolios and take such other steps as shall be stated in said Oral Instructions or Written Instructions to be for the purpose of effectuating a duly authorized plan of liquidation, reorganization, merger, consolidation or recapitalization of the Fund;
- (vii) release securities belonging to a Portfolio to any bank or trust company for the purpose of a pledge or hypothecation to secure any loan incurred by the Fund on behalf of that Portfolio; provided, however, that securities shall be released only upon payment to PNC Bank of the monies borrowed, except that in cases where additional collateral is required to secure a borrowing already made subject to proper prior authorization, further securities may be released for that purpose; and repay such loan upon redelivery to it of the securities pledged or hypothecated therefor and upon surrender of the note or notes evidencing the loan;
- (viii) release and deliver securities owned by a Portfolio in connection with any repurchase agreement entered into on behalf of the Fund, but only on receipt of payment therefor; and pay out moneys of the Fund in connection with such repurchase agreements, but only upon the delivery of the securities;
- (ix) release and deliver or exchange securities owned by the Fund in connection with any conversion of such securities, pursuant to their terms, into other securities;
- (x) release and deliver securities owned by the fund for the purpose of redeeming in kind shares of the Fund upon delivery thereof to PNC Bank; and

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- (xi) release and deliver or exchange securities owned by the Fund for other corporate purposes.

PNC Bank must also receive a certified resolution describing the nature of the corporate purpose and the name and address of the person(s) to whom delivery shall be made when such action is pursuant to sub-paragraph d.

(e) Use of Book-Entry System. The Fund shall deliver to PNC Bank certified

resolutions of the Fund's Board of Directors approving, authorizing and

instructing PNC Bank on a continuous basis, to deposit in the Book-Entry System all securities belonging to the Portfolios eligible for deposit therein and to utilize the Book-Entry System to the extent possible in connection with settlements of purchases and sales of securities by the Portfolios, and deliveries and returns of securities loaned, subject to repurchase agreements or used as collateral in connection with borrowings. PNC Bank shall continue to perform such duties until it receives Written Instructions or Oral Instructions authorizing contrary actions.

PNC Bank shall administer the Book-Entry System as follows:

- (i) With respect to securities of each Portfolio which are maintained in the Book-Entry System, the records of PNC Bank shall identify by Book-Entry or otherwise those securities belonging to each Portfolio. PNC Bank shall furnish to the Fund a detailed statement of the Property held for each Portfolio under this Agreement at least monthly and from time to time and upon written request.
- (ii) Securities and any cash of each Portfolio deposited in the Book-Entry System will at all times be segregated from any assets and cash controlled by PNC Bank in other than a fiduciary or custodian capacity but may be commingled with other assets held in such capacities. PNC Bank and its sub-custodian, if any, will pay out money only upon receipt of securities and will deliver securities only upon the receipt of money.
- (iii) All books and records maintained by PNC Bank which relate to the Fund's participation in the Book-Entry System will at all times during PNC Bank's regular business hours be open to the inspection of Authorized Persons, and PNC Bank will furnish to the Fund all information in respect of the services rendered as it may require.

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PNC Bank will also provide the Fund with such reports on its own system of internal control as the Fund may reasonably request from time to time.

(f) Registration of Securities. All Securities held for a Portfolio which

are issued or issuable only in bearer form, except such securities held in the Book-Entry System, shall be held by PNC Bank in bearer form; all other securities held for a Portfolio may be registered in the name of the Fund on behalf of that Portfolio, PNC Bank, the Book-Entry System, a sub-custodian, or any duly appointed nominees of the Fund, PNC Bank, Book-Entry System or sub-custodian. The Fund reserves the right to instruct PNC Bank as to the method of registration and safekeeping of the securities of the Fund. The Fund agrees to furnish to PNC Bank appropriate instruments to enable PNC Bank to hold or deliver in proper form for transfer, or to register in the name of its nominee

or in the name of the Book-Entry System, any securities which it may hold for the Accounts and which may from time to time be registered in the name of the Fund on behalf of a Portfolio.

(g) Voting and Other Action. Neither PNC Bank nor its nominee shall vote

any of the securities held pursuant to this Agreement by or for the account of a Portfolio, except in accordance with Written Instructions. PNC Bank, directly or through the use of the Book-Entry System, shall execute in blank and promptly deliver all notices, proxies and proxy soliciting materials to the registered holder of such securities. If the registered holder is not the Fund on behalf of a Portfolio, then Written Instructions or Oral Instructions must designate the person who owns such securities.

(h) Transactions Not Requiring Instructions. In the absence of contrary

Written Instructions, PNC Bank is authorized to take the following actions:

(i) Collection of Income and Other Payments.

- (A) collect and receive for the account of each Portfolio, all income, dividends, distributions, coupons, option premiums, other payments and similar items, included or to be included in the Property, and, in addition, promptly advise each Portfolio of such receipt and credit such income, as collected, to each Portfolio's custodian account;
- (B) endorse and deposit for collection, in the name of the Fund, checks, drafts, or other orders for the payment of money;
- (C) receive and hold for the account of each Portfolio all securities received as a distribution on the Portfolio's securities as a result of a stock dividend, share split-up or reorganization, recapitalization, readjustment or other rearrangement or distribution of rights or similar securities issued with respect to any securities belonging to a Portfolio and held by PNC Bank hereunder;
- (D) present for payment and collect the amount payable upon all securities which may mature or be called, redeemed, or retired, or otherwise become payable on the date such securities become payable; and
- (E) take any action which may be necessary and proper in connection with the collection and receipt of such income

and other payments and the endorsement for collection of checks, drafts, and other negotiable instruments.

(ii) Miscellaneous Transactions.

(A) deliver or cause to be delivered Property against payment or other consideration or written receipt therefor in the following cases:

- (1) for examination by a broker or dealer selling for the account of a Portfolio in accordance with street delivery custom;
- (2) for the exchange of interim receipts or temporary securities for definitive securities; and
- (3) for transfer of securities into the name of the Fund on behalf of a Portfolio or PNC Bank or nominee of either, or for exchange of securities for a different number of bonds, certificates, or other evidence, representing the same aggregate face amount or number of units bearing the same interest rate, maturity date and call provisions, if any; provided that, in any such case, the new securities are to be delivered to PNC Bank.

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(B) Unless and until PNC Bank receives Oral Instructions or Written Instructions to the contrary, PNC Bank shall:

- (1) pay all income items held by it which call for payment upon presentation and hold the cash received by it upon such payment for the account of each Portfolio;
- (2) collect interest and cash dividends received, with notice to the Fund, to the account of each Portfolio;
- (3) hold for the account of each Portfolio all stock dividends, rights and similar securities issued with respect to any securities held by PNC Bank; and
- (4) execute as agent on behalf of the Fund all necessary ownership certificates required by the Internal Revenue Code or the Income Tax Regulations of the United States Treasury Department or under the laws of any state now or hereafter in effect, inserting

the Fund's name, on behalf of a Portfolio, on such certificate as the owner of the securities covered thereby, to the extent it may lawfully do so.

(i) Segregated Accounts.

(i) PNC Bank shall upon receipt of Written Instructions or Oral Instructions establish and maintain a segregated accounts on its records for and on behalf of each Portfolio. Such accounts may be used to transfer cash and securities, including securities in the Book-Entry System:

(A) for the purposes of compliance by the Fund with the procedures required by a securities or option exchange, providing such procedures comply with the 1940 Act and any releases of the SEC relating to the maintenance of segregated accounts by registered investment companies; and

(B) Upon receipt of Written Instructions, for other proper corporate purposes.

(ii) PNC Bank shall arrange for the establishment of IRA custodian accounts for such shareholders holding Shares through IRA accounts, in accordance with the Fund's prospectuses, the Internal Revenue Code of 1986, as amended (including regulations

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promulgated thereunder), and with such other procedures as are mutually agreed upon from time to time by and among the Fund, PNC Bank and the Fund's transfer agent.

(j) Purchases of Securities. PNC Bank shall settle purchased securities

upon receipt of Oral Instructions or Written Instructions from the Fund or its investment advisers that specify:

(i) the name of the issuer and the title of the securities, including CUSIP number if applicable;

(ii) the number of shares or the principal amount purchased and accrued interest, if any;

(iii) the date of purchase and settlement;

(iv) the purchase price per unit;

- (v) the total amount payable upon such purchase;
- (vi) the Portfolio involved; and
- (vii) the name of the person from whom or the broker through whom the purchase was made. PNC Bank shall upon receipt of securities purchased by or for a Portfolio pay out of the moneys held for the account of the Portfolio the total amount payable to the person from whom or the broker through whom the purchase was made, provided that the same conforms to the total amount payable as set forth in such Oral Instructions or Written Instructions.

(k) Sales of Securities. PNC Bank shall settle sold securities upon -----
 receipt of Oral Instructions or Written Instructions from the Fund that specify:

- (i) the name of the issuer and the title of the security, including CUSIP number if applicable;
- (ii) the number of shares or principal amount sold, and accrued interest, if any;
- (iii) the date of trade and settlement;
- (iv) the sale price per unit;

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- (v) the total amount payable to the Fund upon such sale;
- (vi) the name of the broker through whom or the person to whom the sale was made;
- (vii) the location to which the security must be delivered and delivery deadline, if any; and
- (viii) the Portfolio involved.

PNC Bank shall deliver the securities upon receipt of the total amount payable to the Portfolio upon such sale, provided that the total amount payable is the same as was set forth in the Oral Instructions or Written Instructions. Subject to the foregoing, PNC Bank may accept payment in such form as shall be satisfactory to it, and may deliver securities and arrange for payment in accordance with the customs prevailing among dealers in securities.

(l) Reports; Proxy Materials.

- (i) PNC Bank shall furnish to the Fund the following reports:
 - (A) such periodic and special reports as the Fund may reasonably request;
 - (B) a monthly statement summarizing all transactions and entries for the account of each Portfolio, listing each Portfolio securities belonging to each Portfolio with the adjusted average cost of each issue and the market value at the end of such month and stating the cash account of each Portfolio including disbursements;
 - (C) the reports required to be furnished to the Fund pursuant to Rule 17f-4; and
 - (D) such other information as may be agreed upon from time to time between the Fund and PNC Bank.
- (ii) PNC Bank shall transmit promptly to the Fund any proxy statement, proxy material, notice of a call or conversion or similar communication received by it as custodian of the Property. PNC Bank shall be under no other obligation to inform the Fund as to such actions or events.

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(m) Collections. All collections of monies or other property in respect,

or which are to become part, of the Property (but not the safekeeping thereof upon receipt by PNC Bank) shall be at the sole risk of the Fund. If payment is not received by PNC Bank within a reasonable time after proper demands have been made, PNC Bank shall notify the Fund in writing, including copies of all demand letters, any written responses, memoranda of all oral responses and shall await instructions from the Fund. PNC Bank shall not be obliged to take legal action for collection unless and until reasonably indemnified to its satisfaction. PNC Bank shall also notify the Fund as soon as reasonably practicable whenever income due on securities is not collected in due course and shall provide the Fund with periodic status reports of such income collected after a reasonable time.

15. DURATION AND TERMINATION. This Agreement shall continue until

terminated by the Fund or by PNC Bank on sixty (60) days' prior written notice to the other party. In the event this Agreement is terminated (pending appointment of a successor to PNC Bank or vote of the shareholders of the Fund to dissolve or to function without a custodian of its cash, securities or other property), PNC Bank shall not deliver cash, securities or other property of the Portfolios to the Fund. It may deliver them to a bank or trust company of PNC Bank's choice, having an aggregate capital, surplus and undivided profits, as shown by its last published report, of not less than twenty million dollars

(\$20,000,000), as a custodian for the Fund to be held under terms similar to those of this Agreement. PNC Bank shall not be required to make any such delivery or payment until full payment shall have been made to PNC Bank of all of its fees, compensation, costs and expenses.

16. NOTICES. All notices and other communications, including Written

Instructions, shall be in writing or by confirming telegram, cable, telex or facsimile sending device. Notice shall be addressed (a) if to PNC Bank at Airport Business Center, International Court 2, 200 Stevens Drive, Lester, Pennsylvania 19113, marked for the attention of the Custodian Services Department (or its successor) (b) if to the Fund, at 100 East Pratt Street, Baltimore, MD 21202, Attn: Secretary, with a copy to Fund counsel or (c) if to neither of the foregoing, at such other

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address as shall have been given by like notice to the sender of any such notice or other communication by the other party. If notice is sent by confirming telegram, cable, telex or facsimile sending device, it shall be deemed to have been given on the day it is delivered. If notice is sent by first-class mail, it shall be deemed to have been given five days after it has been mailed. If notice is sent by messenger, it shall be deemed to have been given on the day it is delivered.

17. AMENDMENTS. This Agreement, or any term hereof, may be changed or

waived only by a written amendment, signed by the party against whom enforcement of such change or waiver is sought.

18. DELEGATION; ASSIGNMENT. PNC Bank may assign its rights and delegate

its duties hereunder to any wholly-owned direct or indirect subsidiary of PNC Bank, National Association or PNC Bank Corp., provided that (i) PNC Bank gives the Fund sixty (60) days' prior written notice; (ii) the delegate (or assignee) agrees with PNC Bank and the Fund to comply with all relevant provisions of the 1940 Act; and (iii) PNC Bank and such delegate (or assignee) promptly provide such information as the Fund may request, and respond to such questions as the Fund may ask, relative to the delegation (or assignment), including (without limitation) the capabilities of the delegate (or assignee).

19. COUNTERPARTS. This Agreement may be executed in two or more

counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. FURTHER ACTIONS. Each party agrees to perform such further acts and

execute such further documents as are necessary to effectuate the purposes hereof.

21. MISCELLANEOUS.

(a) Entire Agreement. This Agreement embodies the entire agreement and

understanding between the parties and supersedes all prior agreements and understandings relating to the subject matter hereof, provided that the parties may embody in one or more separate documents their agreement, if any, with respect to delegated duties and Oral Instructions.

(b) Captions. The captions in this Agreement are included for convenience

of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect.

(c) Governing Law. This Agreement shall be deemed to be a contract made in

Pennsylvania and governed by Pennsylvania law, without regard to principles of conflicts of law.

(d) Partial Invalidity. If any provision of this Agreement shall be held

or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby.

(e) Successors and Assigns. This Agreement shall be binding upon and

shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(f) Facsimile Signatures. The facsimile signature of any party to this

Agreement shall constitute the valid and binding execution hereof by such party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

PNC BANK, NATIONAL ASSOCIATION

By:

Title:

LASALLE PARTNERS FUNDS, INC.

By: _____

Title: _____

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AUTHORIZED PERSONS APPENDIX

NAME (TYPE)

SIGNATURE

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ADMINISTRATION AND ACCOUNTING SERVICES AGREEMENT

THIS AGREEMENT is made as of December __, 1997 by and between LA SALLE PARTNERS FUNDS, INC., a Maryland corporation (the "Fund"), and PFPC INC., a Delaware corporation ("PFPC"), which is an indirect wholly owned subsidiary of PNC Bank Corp.

W I T N E S S E T H :

WHEREAS, the Fund is registered as an open-end management investment company under the Investment Company Act of 1940, as amended (the "1940 Act"); and

WHEREAS, the Fund wishes to retain PFPC to provide administration and accounting services to its investment portfolios listed on Exhibit A attached hereto and made a part hereof, as such Exhibit A may be amended from time to time (each a "Portfolio"), and PFPC wishes to furnish such services.

NOW, THEREFORE, in consideration of the premises and the mutual covenants herein contained, and intending to be legally bound hereby the parties hereto agree as follows:

1. DEFINITIONS. AS USED IN THIS AGREEMENT:

(a) "1933 Act" means the Securities Act of 1933, as amended.

(b) "1934 Act" means the Securities Exchange Act of 1934, as amended.

(c) "Authorized Person" means any officer of the Fund and any other

person duly authorized by the Fund's Board of Directors to give Oral Instructions and Written Instructions on behalf of the Fund and listed on the Authorized Persons Appendix attached hereto and made a part hereof or any amendment thereto as may be received by PFPC. An Authorized Person's scope of authority may be limited by the Fund by setting forth such limitation in the Authorized Persons Appendix.

(d) "CEA" means the Commodities Exchange Act, as amended.

(e) "Oral Instructions" mean oral instructions received by PFPC from

an Authorized Person or from a person reasonably believed by PFPC to be an Authorized Person.

(f) "SEC" means the Securities and Exchange Commission.

(g) "Securities Laws" means the 1933 Act, the 1934 Act, the 1940 Act

and the CEA.

(h) "Shares" mean the shares of capital stock of any series or class

of the Fund.

(i) "Written Instructions" mean written instructions signed by an

Authorized Person and received by PFPC. The instructions may be delivered by hand, mail, tested telegram, cable, telex or facsimile sending device.

2. APPOINTMENT. The Fund hereby appoints PFPC to provide administration

and accounting services to the each of the Portfolios, in accordance with the terms set forth in this Agreement. PFPC accepts such appointment and agrees to furnish such services.

3. DELIVERY OF DOCUMENTS. The Fund has provided or, where applicable,

will provide PFPC with the following:

- (a) certified or authenticated copies of the resolutions of the Fund's Board of Directors, approving the appointment of PFPC or its affiliates to provide services to each Portfolio and approving this Agreement;
- (b) a copy of Fund's most recent effective registration statement;
- (c) a copy of each Portfolio's advisory agreement or agreements;
- (d) a copy of the distribution agreement with respect to each class of Shares representing an interest in a Portfolio;
- (e) a copy of any additional administration agreement with respect to a Portfolio;
- (f) a copy of any shareholder servicing agreement made in respect of the Fund or a Portfolio; and
- (g) copies (certified or authenticated, where applicable) of any and

all amendments or supplements to the foregoing.

4. COMPLIANCE WITH RULES AND REGULATIONS.

PFPC undertakes to comply with all applicable requirements of the Securities Laws, and any laws, rules and regulations of governmental authorities having jurisdiction with respect to the duties to be performed by PFPC hereunder. Except as provided herein, PFPC assumes no responsibility for such compliance by the Fund or any Portfolio.

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5. INSTRUCTIONS.

(a) Unless otherwise provided in this Agreement, PFPC shall act only upon Oral Instructions and Written Instructions.

(b) PFPC shall be entitled to rely upon any Oral Instructions and Written Instructions it receives from an Authorized Person (or from a person reasonably believed by PFPC to be an Authorized Person) pursuant to this Agreement. PFPC may assume that any Oral Instruction or Written Instruction received hereunder is not in any way inconsistent with the provisions of organizational documents or this Agreement or of any vote, resolution or proceeding of the Fund's Board of Directors or of the Fund's shareholders, unless and until PFPC receives Written Instructions to the contrary.

(c) The Fund agrees to forward to PFPC Written Instructions confirming Oral Instructions (except where such Oral Instructions are given by PFPC or its affiliates) so that PFPC receives the Written Instructions by the close of business on the same day that such Oral Instructions are received. The fact that such confirming Written Instructions are not received by PFPC shall in no way invalidate the transactions or enforceability of the transactions authorized by the Oral Instructions. Where Oral Instructions or Written Instructions reasonably appear to have been received from an Authorized Person, PFPC shall incur no liability to the Fund in acting upon such Oral Instructions or Written Instructions provided that PFPC's actions comply with the other provisions of this Agreement.

6. RIGHT TO RECEIVE ADVICE.

(a) Advice of the Fund. If PFPC is in doubt as to any action it should

or should not take, PFPC may request directions or advice, including Oral Instructions or Written Instructions, from the Fund.

(b) Advice of Counsel. If PFPC shall be in doubt as to any question

of law pertaining to any action it should or should not take, PFPC may request advice at its own cost from such counsel of its own choosing (who may be counsel for the Fund, the Fund's investment adviser or PFPC, at the option of PFPC).

(c) Conflicting Advice. In the event of a conflict between directions,

advice or Oral Instructions or Written Instructions PFPC receives from the Fund and the advice PFPC

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receives from counsel, PFPC may rely upon and follow the advice of counsel. In the event PFPC so relies on the advice of counsel, PFPC remains liable for any action or omission on the part of PFPC which constitutes willful misfeasance, bad faith, gross negligence or reckless disregard by PFPC of any duties, obligations or responsibilities set forth in this Agreement.

(d) Protection of PFPC. PFPC shall be protected in any action it takes

or does not take in reliance upon directions, advice or Oral Instructions or Written Instructions it receives from the Fund or from counsel and which PFPC believes, in good faith, to be consistent with those directions, advice and Oral Instructions or Written Instructions. Nothing in this section shall be construed so as to impose an obligation upon PFPC (i) to seek such directions, advice or Oral Instructions or Written Instructions, or (ii) to act in accordance with such directions, advice or Oral Instructions or Written Instructions unless, under the terms of other provisions of this Agreement, the same is a condition of PFPC's properly taking or not taking such action.

7. RECORDS; VISITS.

(a) The books and records pertaining to the Fund and the Portfolios which are in the possession or under the control of PFPC shall be the property of the Fund. Such books and records shall be prepared and maintained as required by the 1940 Act and other applicable securities laws, rules and regulations. The Fund and Authorized Persons shall have access to such books and records at all times during PFPC's normal business hours. Upon the reasonable request of the Fund, copies of any such books and records shall be provided by PFPC to the Fund or to an Authorized Person, at the Fund's expense.

(b) PFPC shall keep the following records:

(i) all books and records with respect to each Portfolio's books of account ;

(ii) records of each Portfolio's securities transactions; and

(iii) all other books and records as PFPC is required to maintain pursuant to Rule 31a-1 of the 1940 Act in connection with the

services provided hereunder.

8. CONFIDENTIALITY. PFPC agrees to keep confidential all records of the

Fund and information relating to the Fund and its shareholders, unless the release of such records or

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information is otherwise consented to, in writing, by the Fund. The Fund agrees that such consent shall not be unreasonably withheld and may not be withheld where (i) PFPC may be exposed to civil or criminal contempt proceedings or when required to divulge such information or records to duly constituted authorities; and (ii) where PFPC has notified the Fund of such release of confidential records.

9. LIAISON WITH ACCOUNTANTS. PFPC shall act as liaison with the Fund's

independent public accountants and shall provide account analyses, fiscal year summaries, and other audit-related schedules with respect to each Portfolio. PFPC shall take all reasonable action in the performance of its duties under this Agreement to assure that the necessary information is made available to such accountants for the expression of their opinion, as required by the Fund.

10. DISASTER RECOVERY. PFPC shall enter into and shall maintain in effect

with appropriate parties one or more agreements making reasonable provisions for emergency use of electronic data processing equipment to the extent appropriate equipment is available. In the event of equipment failures, PFPC shall, at no additional expense to the Fund, take reasonable steps to minimize service interruptions. PFPC shall have no liability with respect to the loss of data or service interruptions caused by equipment failure, provided such loss or interruption is not caused by PFPC's own willful misfeasance, bad faith, gross negligence or reckless disregard of its duties or obligations under this Agreement.

11. COMPENSATION. As compensation for services rendered by PFPC during

the term of this Agreement, the Fund, on behalf of each Portfolio, will pay to PFPC a fee or fees as may be agreed to in writing by the Fund and PFPC.

12. INDEMNIFICATION. The Fund, on behalf of each Portfolio, agrees to

indemnify and hold harmless PFPC and its affiliates from all taxes, charges, expenses, assessments, claims and liabilities (including, without limitation, liabilities arising under the Securities Laws and any state or foreign securities and blue sky laws, and amendments thereto), and expenses, including (without limitation) attorneys' fees and disbursements arising directly or indirectly from any action or omission to act which PFPC takes (i) at the request or on the direction of the Fund or (ii) upon Oral Instructions or

be indemnified against any liability (or any expenses incident to such liability) arising out of PFPC's or its affiliates' own willful misfeasance, bad faith, gross negligence or reckless disregard of its duties and obligations under this Agreement. Any amounts payable by the Fund hereunder shall be satisfied only against the relevant Portfolio's assets and not against the assets of any other investment portfolio of the Fund.

13. RESPONSIBILITY OF PFPC.

(a) PFPC shall be under no duty to take any action on behalf of the Fund or any Portfolio except as specifically set forth herein or as may be specifically agreed to by PFPC in writing. PFPC shall be obligated to exercise care and diligence in the performance of its duties hereunder, to act in good faith and to use its best efforts, within reasonable limits, in performing services provided for under this Agreement. PFPC shall be liable for any damages arising out of PFPC's failure to perform its duties under this Agreement to the extent such damages arise out of PFPC's willful misfeasance, bad faith, gross negligence or reckless disregard of such duties.

(b) Without limiting the generality of the foregoing or of any other provision of this Agreement, (i) PFPC shall not be liable for losses beyond its control, provided that PFPC has acted in accordance with the standard of care set forth above; and (ii) PFPC shall not be liable for (A) the validity or invalidity or authority or lack thereof of any Oral Instruction or Written Instruction, notice or other instrument which conforms to the applicable requirements of this Agreement, and which PFPC reasonably believes to be genuine; or (B) subject to Section 10, delays or errors or loss of data occurring by reason of circumstances beyond PFPC's control, including acts of civil or military authority, national emergencies, labor difficulties, fire, flood, catastrophe, acts of God, insurrection, war, riots or failure of the mails, transportation, communication or power supply.

(c) Notwithstanding anything in this Agreement to the contrary, neither PFPC nor its affiliates shall be liable to the Fund or to any Portfolio for any consequential, special or indirect losses or damages which the Fund or any Portfolio may incur or suffer by or as a consequence of PFPC's or any affiliates' performance of the services provided hereunder, whether or not the likelihood of such losses or damages was known by PFPC or its affiliates.

14. DESCRIPTION OF ACCOUNTING SERVICES ON A CONTINUOUS BASIS.

PFPC will perform the following accounting services with respect to each

Portfolio:

- (i) Journalize investment, capital share and income and expense activities;
- (ii) Verify investment buy/sell trade tickets when received from the investment adviser for a Portfolio (the "Adviser") and transmit trades to the Fund's custodian (the "Custodian") for proper settlement;
- (iii) Maintain individual ledgers for investment securities;
- (iv) Maintain historical tax lots for each security;
- (v) Reconcile cash and investment balances of the Fund with the Custodian, and provide the Adviser with the beginning cash balance available for investment purposes;
- (vi) Update the cash availability throughout the day as required by the Adviser;
- (vii) Post to and prepare the Statement of Assets and Liabilities and the Statement of Operations;
- (viii) Calculate various contractual expenses (e.g., advisory and

custody fees);
- (ix) Monitor the expense accruals and notify an officer of the Fund of any proposed adjustments;
- (x) Control all disbursements and authorize such disbursements upon Written Instructions;
- (xi) Calculate capital gains and losses;
- (xii) Determine net income;
- (xiii) Obtain security market quotes from independent pricing services approved by the Fund, or if such quotes are unavailable, then obtain such prices from the Adviser, and in either case calculate the market value of each Portfolio's Investments;
- (xiv) Transmit or mail a copy of the daily portfolio valuation to the Adviser;
- (xv) Compute net asset value;
- (xvi) Transmit or fax net asset value and related financial data to reporting agencies as required;

- (xvii) As appropriate, compute yields, total return, expense ratios, portfolio turnover rate, and, if required, portfolio average dollar-weighted maturity; and

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- (xviii) Prepare a monthly financial statement, which will include the following items:

- Schedule of Investments
- Statement of Assets and Liabilities
- Statement of Operations
- Statement of Changes in Net Assets
- Cash Statement
- Schedule of Capital Gains and Losses.

15. DESCRIPTION OF ADMINISTRATION SERVICES ON A CONTINUOUS BASIS.

PFPC will perform the following administration services with respect to each Portfolio:

- (i) Prepare quarterly broker security transactions summaries;
- (ii) Prepare monthly security transaction listings;
- (iii) Supply various normal and customary Portfolio and Fund statistical data as requested on an ongoing basis;
- (iv) Prepare for execution and file the Fund's Federal and state tax returns;
- (v) Prepare and file the Fund's Semi-Annual Reports with the SEC on Form N-SAR;
- (vi) Prepare and file with the SEC the Fund's annual, semi-annual, and quarterly shareholder reports;
- (vii) Assist in the preparation of registration statements and other filings relating to the registration of Shares;
- (viii) Monitor each Portfolio's status as a regulated investment company under Sub-chapter M of the Internal Revenue Code of 1986, as amended;
- (ix) Coordinate contractual relationships and communications between the Fund and its contractual service providers;
- (x) Monitor the Fund's compliance with the amounts and conditions of each state qualification; and

- (xi) Perform such additional administrative duties relating to the administration of the Portfolio as may subsequently be agreed upon in writing between the Fund and PFPC.

16. DURATION AND TERMINATION. This Agreement shall continue until

terminated by

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either party on sixty (60) days' prior written notice to the other party.

17. NOTICES. All notices and other communications, including Written

Instructions, shall be in writing or by confirming telegram, cable, telex or facsimile sending device. If notice is sent by confirming telegram, cable, telex or facsimile sending device, it shall be deemed to have been given on the day it is delivered. If notice is sent by first-class mail, it shall be deemed to have been given three days after it has been mailed. If notice is sent by messenger, it shall be deemed to have been given on the day it is delivered. Notices shall be addressed (a) if to PFPC, at 400 Bellevue Parkway, Wilmington, Delaware 19809; (b) if to the Fund, at 100 East Pratt Street, Baltimore, MD 21202, Attn: Secretary, with a copy to Fund counsel; or (c) if to neither of the foregoing, at such other address as shall have been provided by like notice to the sender of any such notice or other communication by the other party.

18. AMENDMENTS. This Agreement, or any term thereof, may be changed or

waived only by written amendment, signed by the party against whom enforcement of such change or waiver is sought.

19. DELEGATION; ASSIGNMENT. PFPC may assign its rights and delegate its

duties hereunder to any wholly-owned direct or indirect subsidiary of PNC Bank, National Association or PNC Bank Corp., provided that (i) PFPC gives the Fund sixty (60) days' prior written notice; (ii) the delegate (or assignee) agrees with PFPC and the Fund to comply with all relevant provisions of the 1940 Act; and (iii) PFPC and such delegate (or assignee) promptly provide such information as the Fund may request, and respond to such questions as the Fund may ask, relative to the delegation (or assignment), including (without limitation) the capabilities of the delegate (or assignee).

20. COUNTERPARTS. This Agreement may be executed in two or more

counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

21. FURTHER ACTIONS. Each party agrees to perform such further acts and

execute such further documents as are necessary to effectuate the purposes

hereof.

22. MISCELLANEOUS.

(a) Entire Agreement. This Agreement embodies the entire agreement

and

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understanding between the parties and supersedes all prior agreements and understandings relating to the subject matter hereof, provided that the parties may embody in one or more separate documents their agreement, if any, with respect to delegated duties and Oral Instructions.

(b) Captions. The captions in this Agreement are included for

convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect.

(c) Governing Law. This Agreement shall be deemed to be a contract

made in Delaware and governed by Delaware law, without regard to principles of conflicts of law.

(d) Partial Invalidity. If any provision of this Agreement shall

be held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby.

(e) Successors and Assigns. This Agreement shall be binding upon and

shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(f) Facsimile Signatures. The facsimile signature of any party to

this Agreement shall constitute the valid and binding execution hereof by such party.

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IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

PFPC INC.

By: _____

Title: _____

LA SALLE PARTNERS FUNDS, INC.

By: _____

Title: _____

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EXHIBIT A

THIS EXHIBIT A, dated as of December __, 1997, is Exhibit A to that certain Administration and Accounting Services Agreement dated as of December __, 1997 between PFPC Inc. La Salle Partners Funds, Inc..

FUNDS

[List all Funds here]

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AUTHORIZED PERSONS APPENDIX

NAME (TYPE)

SIGNATURE

TRANSFER AGENCY SERVICES AGREEMENT

THIS AGREEMENT is made as of December __, 1997 by and between PFPC INC., a Delaware corporation ("PFPC"), and LA SALLE PARTNERS FUNDS, INC., a Maryland corporation (the "Fund").

W I T N E S S E T H:

WHEREAS, the Fund is registered as an open-end management investment company under the Investment Company Act of 1940, as amended (the "1940 Act"); and

WHEREAS, the Fund wishes to retain PFPC to serve as transfer agent, registrar, dividend disbursing agent and shareholder servicing agent to its investment portfolios listed on Exhibit A attached hereto and made a part hereof, as such Exhibit A may be amended from time to time (each a "Portfolio"), and PFPC wishes to furnish such services.

NOW, THEREFORE, in consideration of the premises and mutual covenants herein contained, and intending to be legally bound hereby, the parties hereto agree as follows:

1. Definitions. As Used in this Agreement:

(a) "1933 Act" means the Securities Act of 1933, as amended.

(b) "1934 Act" means the Securities Exchange Act of 1934, as amended.

(c) "Authorized Person" means any officer of the Fund and any other person duly authorized by the Fund's Board of Directors to give Oral Instructions and Written Instructions on behalf of the Fund and listed on the Authorized Persons Appendix attached hereto and made a part hereof or any amendment thereto as may be received by PFPC. An Authorized Person's scope of authority may be limited by the Fund by setting forth such limitation in the Authorized Persons Appendix.

(d) "CEA" means the Commodities Exchange Act, as amended.

(e) "Oral Instructions" mean oral instructions received by PFPC

from an Authorized Person or from a person reasonably believed by PFPC to be an
Authorized Person.

(f) "SEC" means the Securities and Exchange Commission.

(g) "Securities Laws" mean the 1933 Act, the 1934 Act, the 1940

Act and the CEA.

(h) "Shares" mean the shares of capital stock of any series or

class of the Fund.

(i) "Written Instructions" mean written instructions signed by an

Authorized Person and received by PFPC. The instructions may be delivered by
hand, mail, tested telegram, cable, telex or facsimile sending device.

2. Appointment. The Fund hereby appoints PFPC to serve as transfer

agent, registrar, dividend disbursing agent and shareholder servicing agent to
the Fund in accordance with the terms set forth in this Agreement. PFPC accepts
such appointment and agrees to furnish such services.

3. Delivery of Documents. The Fund has provided or, where applicable,

will provide PFPC with the following:

(a) Certified or authenticated copies of the
resolutions of the Fund's Board of Directors, approving the
appointment of PFPC or its affiliates to provide services to the Fund
and approving this Agreement;

(b) A copy of the Fund's most recent effective
registration statement;

(c) A copy of the advisory agreement with respect to
each investment Portfolio of the Fund (each, a Portfolio);

(d) A copy of the distribution agreement with respect
to each class of Shares of the Fund;

(e) A copy of each Portfolio's administration
agreements if PFPC is not providing the Portfolio with such services;

(f) Copies of any shareholder servicing agreements made
in respect of the Fund or a Portfolio; and

(g) Copies (certified or authenticated where applicable) of any and all amendments or supplements to the foregoing.

4. Compliance with Rules and Regulations. PFPC undertakes to comply

with all applicable requirements of the Securities Laws and any laws, rules and regulations

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of governmental authorities having jurisdiction with respect to the duties to be performed by PFPC hereunder. Except as provided herein, PFPC assumes no responsibility for such compliance by the Fund or any of its investment portfolios.

5. Instructions.

(a) Unless otherwise provided in this Agreement, PFPC shall act only upon Oral Instructions and Written Instructions.

(b) PFPC shall be entitled to rely upon any Oral Instructions and Written Instructions it receives from an Authorized Person (or from a person reasonably believed by PFPC to be an Authorized Person) pursuant to this Agreement. PFPC may assume that any Oral Instruction or Written Instruction received hereunder is not in any way inconsistent with the provisions of organizational documents or this Agreement or of any vote, resolution or proceeding of the Fund's Board of Directors or of the Fund's shareholders, unless and until PFPC receives Written Instructions to the contrary.

(c) The Fund agrees to forward to PFPC Written Instructions confirming Oral Instructions so that PFPC receives the Written Instructions by the close of business on the same day that such Oral Instructions are received. The fact that such confirming Written Instructions are not received by PFPC shall in no way invalidate the transactions or enforceability of the transactions authorized by the Oral Instructions. Where Oral Instructions or Written Instructions reasonably appear to have been received from an Authorized Person, PFPC shall incur no liability to the Fund in acting upon such Oral Instructions or Written Instructions provided that PFPC's actions comply with the other provisions of this Agreement.

6. Right to Receive Advice.

(a) Advice of the Fund. If PFPC is in doubt as to any action it

should or should not take, PFPC may request directions or advice, including Oral Instructions or Written Instructions, from the Fund.

(b) Advice of Counsel. If PFPC shall be in doubt as to any question

of law pertaining to any action it should or should not take, PFPC may request advice at its own cost

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from such counsel of its own choosing (who may be counsel for the Fund, the Fund's investment adviser or PFPC, at the option of PFPC).

(c) Conflicting Advice. In the event of a conflict between

directions, advice or Oral Instructions or Written Instructions PFPC receives from the Fund, and the advice it receives from counsel, PFPC may rely upon and follow the advice of counsel. In the event PFPC so relies on the advice of counsel, PFPC remains liable for any action or omission on the part of PFPC which constitutes willful misfeasance, bad faith, gross negligence or reckless disregard by PFPC of any duties, obligations or responsibilities set forth in this Agreement.

(d) Protection of PFPC. PFPC shall be protected in any action it

takes or does not take in reliance upon directions, advice or Oral Instructions or Written Instructions it receives from the Fund or from counsel and which PFPC believes, in good faith, to be consistent with those directions, advice or Oral Instructions or Written Instructions. Nothing in this section shall be construed so as to impose an obligation upon PFPC (i) to seek such directions, advice or Oral Instructions or Written Instructions, or (ii) to act in accordance with such directions, advice or Oral Instructions or Written Instructions unless, under the terms of other provisions of this Agreement, the same is a condition of PFPC's properly taking or not taking such action.

7. Records; Visits. The books and records pertaining to the Fund, which

are in the possession or under the control of PFPC, shall be the property of the Fund. Such books and records shall be prepared and maintained as required by the 1940 Act and other applicable securities laws, rules and regulations. The Fund and Authorized Persons shall have access to such books and records at all times during PFPC's normal business hours. Upon the reasonable request of the Fund, copies of any such books and records shall be provided by PFPC to the Fund or to an Authorized Person, at the Fund's expense.

8. Confidentiality. PFPC agrees to keep confidential all records of the

Fund and information relating to the Fund and its shareholders, unless the release of such records or information is otherwise consented to, in writing, by the Fund. The Fund agrees that such consent shall not be unreasonably withheld and may not be withheld where (i) PFPC may be

exposed to civil or criminal contempt proceedings or when required to divulge such information or records to duly constituted authorities; and (ii) where PFPC has notified the Fund of such release of confidential records.

9. Cooperation with Accountants. PFPC shall cooperate with the Fund's

independent public accountants and shall take all reasonable actions in the performance of its obligations under this Agreement to ensure that the necessary information is made available to such accountants for the expression of their opinion, as required by the Fund.

10. Disaster Recovery. PFPC shall enter into and shall maintain in

effect with appropriate parties one or more agreements making reasonable provisions for emergency use of electronic data processing equipment to the extent appropriate equipment is available. In the event of equipment failures, PFPC shall, at no additional expense to the Fund, take reasonable steps to minimize service interruptions. PFPC shall have no liability with respect to the loss of data or service interruptions caused by equipment failure, provided such loss or interruption is not caused by PFPC's own willful misfeasance, bad faith, gross negligence or reckless disregard of its duties or obligations under this Agreement.

11. Compensation. As compensation for services rendered by PFPC during

the term of this Agreement, the Fund will pay to PFPC a fee or fees as may be agreed to from time to time in writing by the Fund and PFPC.

12. Indemnification. The Fund agrees to indemnify and hold harmless PFPC

and its affiliates from all taxes, charges, expenses, assessments, claims and liabilities (including, without limitation, liabilities arising under the Securities Laws and any state and foreign securities and blue sky laws, and amendments thereto), and expenses, including (without limitation) attorneys' fees and disbursements, arising directly or indirectly from (i) any action or omission to act which PFPC takes (a) at the request or on the direction of the Fund or (b) upon Oral Instructions or Written Instructions or (ii) the acceptance, processing and/or negotiation of checks or other methods utilized for the purchase of Shares. Neither PFPC, nor any of its affiliates, shall be indemnified against any liability (or any expenses incident to such liability) arising out of PFPC's

or its affiliates' own willful misfeasance, bad faith, gross negligence or

reckless disregard of its duties and obligations under this Agreement, provided that in the absence of a finding to the contrary the acceptance, processing and/or negotiation of a fraudulent payment for the purchase of Shares shall be presumed not to have been the result of PFPC's or its affiliates own willful misfeasance, bad faith, gross negligence or reckless disregard of such duties and obligations.

13. Responsibility of PFPC.

(a) PFPC shall be under no duty to take any action on behalf of the Fund except as specifically set forth herein or as may be specifically agreed to by PFPC in writing. PFPC shall be obligated to exercise care and diligence in the performance of its duties hereunder, to act in good faith and to use its best efforts, within reasonable limits, in performing services provided for under this Agreement. PFPC shall be liable for any damages arising out of PFPC's failure to perform its duties under this Agreement to the extent such damages arise out of PFPC's willful misfeasance, bad faith, gross negligence or reckless disregard of such duties.

(b) Without limiting the generality of the foregoing or of any other provision of this Agreement, (i) PFPC, shall not be liable for losses beyond its control, provided that PFPC has acted in accordance with the standard of care set forth above; and (ii) PFPC shall not be under any duty or obligation to inquire into and shall not be liable for (A) the validity or invalidity or authority or lack thereof of any Oral Instruction or Written Instruction, notice or other instrument which conforms to the applicable requirements of this Agreement, and which PFPC reasonably believes to be genuine; or (B) subject to Section 10, delays or errors or loss of data occurring by reason of circumstances beyond PFPC's control, including acts of civil or military authority, national emergencies, labor difficulties, fire, flood, catastrophe, acts of God, insurrection, war, riots or failure of the mails, transportation, communication or power supply.

(c) Notwithstanding anything in this Agreement to the contrary, neither PFPC nor its affiliates shall be liable to the Fund for any consequential, special or indirect losses or damages which the Fund may incur or suffer by or as a consequence of PFPC's or its affiliates'

performance of the services provided hereunder, whether or not the likelihood of such losses or damages was known by PFPC or its affiliates.

14. Description of Services.

(a) Services Provided on an Ongoing Basis, If Applicable.

- (i) Calculate 12b-1 payments;
- (ii) Maintain proper shareholder registrations;
- (iii) Review new applications and correspond with shareholders to complete or correct information;
- (iv) Direct payment processing of checks or wires;
- (v) Prepare and certify stockholder lists in conjunction with proxy solicitations;
- (vi) Countersign share certificates;
- (vii) Prepare and mail to shareholders confirmation of activity;
- (viii) Provide toll-free lines for direct shareholder use, plus customer liaison staff for on-line inquiry response;
- (ix) Mail duplicate confirmations to broker-dealers of their clients' activity, whether executed through the broker-dealer or directly with PFPC;
- (x) Provide periodic shareholder lists and statistics to the clients;
- (xi) Provide detailed data for underwriter/broker confirmations;
- (xii) Prepare periodic mailing of year-end tax and statement information;
- (xiii) Notify on a timely basis the investment adviser, accounting agent, and custodian of fund activity; and
- (xiv) Perform other participating broker-dealer shareholder services as may be agreed upon from time to time.

(b) Services Provided by PFPC Under Oral Instructions or Written

 Instructions.

- (i) Accept and post daily Fund purchases and redemptions;

(ii) Accept, post and perform shareholder transfers and exchanges;

(iii) Pay dividends and other distributions;

(iv) Solicit and tabulate proxies; and

(v) Issue and cancel certificates (when requested in writing by the shareholder).

(c) Purchase of Shares. PFPC shall issue and credit an account of an ----- investor, in the manner described in the Fund's prospectus, once it receives:

(i) A purchase order;

(ii) Proper information to establish a shareholder account; and

(iii) Confirmation of receipt or crediting of funds for such order to the Fund's custodian.

(d) Redemption of Shares. PFPC shall redeem Shares only if that ----- function is properly authorized by the certificate of incorporation or resolution of the Fund's Board of Directors. Shares shall be redeemed and payment therefor shall be made in accordance with the Fund's prospectus, when the recordholder tenders Shares in proper form and directs the method of redemption. If Shares are received in proper form, Shares shall be redeemed before the funds are provided to PFPC from the Fund's custodian (the "Custodian"). If the recordholder has not directed that redemption proceeds be wired, when the Custodian provides PFPC with funds, the redemption check shall be sent to and made payable to the recordholder, unless:

(i) the surrendered certificate is drawn to the order of an assignee or holder and transfer authorization is signed by the recordholder; or

(ii) Transfer authorizations are signed by the recordholder when Shares are held in book-entry form.

When a broker-dealer notifies PFPC of a redemption desired by a customer, and the Custodian provides PFPC with funds, PFPC shall prepare and send the redemption check to the broker-

dealer and made payable to the broker-dealer on behalf of its customer.

(e) Dividends and Distributions. Upon receipt of a resolution of the

Fund's Board of Directors authorizing the declaration and payment of dividends and distributions, PFPC shall issue dividends and distributions declared by the Fund in Shares, or, upon shareholder election, pay such dividends and distributions in cash, if provided for in the Fund's prospectus. Such issuance or payment, as well as payments upon redemption as described above, shall be made after deduction and payment of the required amount of funds to be withheld in accordance with any applicable tax laws or other laws, rules or regulations. PFPC shall mail to the Fund's shareholders such tax forms and other information, or permissible substitute notice, relating to dividends and distributions paid by the Fund as are required to be filed and mailed by applicable law, rule or regulation. PFPC shall prepare, maintain and file with the IRS and other appropriate taxing authorities reports relating to all dividends above a stipulated amount paid by the Fund to its shareholders as required by tax or other law, rule or regulation.

(f) Shareholder Account Services.

(i) PFPC may arrange, in accordance with the prospectus, for issuance of Shares obtained through:

- Any pre-authorized check plan; and
- Direct purchases through broker wire orders, checks and applications.

(ii) PFPC may arrange, in accordance with the prospectus, for a shareholder's:

- Exchange of Shares for shares of another fund with which the Fund has exchange privileges;
- Automatic redemption from an account where that shareholder participates in a automatic redemption plan; and/or
- Redemption of Shares from an account with a checkwriting privilege.

(g) Communications to Shareholders. Upon timely Written Instructions, PFPC

shall mail all communications by the Fund to its shareholders, including:

- (i) Reports to shareholders;
- (ii) Confirmations of purchases and sales of Fund shares;

- (iii) Monthly or quarterly statements;
- (iv) Dividend and distribution notices;
- (v) Proxy material; and
- (vi) Tax form information.

In addition, PFPC will receive and tabulate the proxy cards for the meetings of the Fund's shareholders.

(h) Records. PFPC shall maintain records of the accounts for each

shareholder showing the following information:

- (i) Name, address and United States Tax Identification or Social Security number;
- (ii) Number and class of Shares held and number and class of Shares for which certificates, if any, have been issued, including certificate numbers and denominations;
- (iii) Historical information regarding the account of each shareholder, including dividends and distributions paid and the date and price for all transactions on a shareholder's account;
- (iv) Any stop or restraining order placed against a shareholder's account;
- (v) Any correspondence relating to the current maintenance of a shareholder's account;
- (vi) Information with respect to withholdings; and
- (vii) Any information required in order for the transfer agent to perform any calculations contemplated or required by this Agreement.

(i) Lost or Stolen Certificates. PFPC shall place a stop notice against

any certificate reported to be lost or stolen and comply with all applicable federal regulatory

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requirements for reporting such loss or alleged misappropriation. A new certificate shall be registered and issued only upon:

- (i) The shareholder's pledge of a lost instrument bond or such other appropriate indemnity bond issued by a surety company approved by PFPC; and

(ii) Completion of a release and indemnification agreement signed by the shareholder to protect PFPC and its affiliates.

(j) Shareholder Inspection of Stock Records. Upon a request from any

Fund shareholder to inspect stock records, PFPC will notify the Fund and the Fund will issue instructions granting or denying each such request. Unless PFPC has acted contrary to the Fund's instructions, the Fund agrees and does hereby release PFPC from any liability for refusal of permission for a particular shareholder to inspect the Fund's stock records.

(k) Withdrawal of Shares and Cancellation of Certificates.

Upon receipt of Written Instructions, PFPC shall cancel outstanding certificates surrendered by the Fund to reduce the total amount of outstanding shares by the number of shares surrendered by the Fund.

15. DURATION AND TERMINATION. This Agreement shall continue until

terminated by the Fund or by PFPC on sixty (60) days' prior written notice to the other party.

16. NOTICES. All notices and other communications, including Written

Instructions, shall be in writing or by confirming telegram, cable, telex or facsimile sending device. Notices shall be addressed (a) if to PFPC, at 400 Bellevue Parkway, Wilmington, Delaware 19809; (b) if to the Fund, at 100 East Pratt Street, Baltimore, MD 21202, Attn: Secretary, with a copy to Fund counsel or (c) if to neither of the foregoing, at such other address as shall have been given by like notice to the sender of any such notice or other communication by the other party. If notice is sent by confirming telegram, cable, telex or facsimile sending device, it shall be deemed to have been given on the day it is delivered. If notice is sent by first-class mail, it shall be deemed to have been given three days after it has been mailed. If notice is sent by messenger, it shall be deemed to have been given on the day it is delivered.

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17. AMENDMENTS. This Agreement, or any term thereof, may be changed or

waived only by a written amendment, signed by the party against whom enforcement of such change or waiver is sought.

18. DELEGATION; ASSIGNMENT. PFPC may assign its rights and delegate its

duties hereunder to any wholly-owned direct or indirect subsidiary of PNC Bank, National Association or PNC Bank Corp., provided that (i) PFPC gives the Fund thirty (30) days' prior written notice; (ii) the delegate (or assignee) agrees

with PFPC and the Fund to comply with all relevant provisions of the 1940 Act; and (iii) PFPC and such delegate (or assignee) promptly provide such information as the Fund may request, and respond to such questions as the Fund may ask, relative to the delegation (or assignment), including (without limitation) the capabilities of the delegate (or assignee).

19. COUNTERPARTS. This Agreement may be executed in two or more

counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

20. FURTHER ACTIONS. Each party agrees to perform such further acts and

execute such further documents as are necessary to effectuate the purposes hereof.

21. MISCELLANEOUS.

(a) Entire Agreement. This Agreement embodies the entire agreement

and understanding between the parties and supersedes all prior agreements and understandings relating to the subject matter hereof, provided that the parties may embody in one or more separate documents their agreement, if any, with respect to delegated duties and Oral Instructions.

(b) Captions. The captions in this Agreement are included for

convenience of reference only and in no way define or delimit any of the provisions hereof or otherwise affect their construction or effect.

(c) Governing Law. This Agreement shall be deemed to be a contract

made in Delaware and governed by Delaware law, without regard to principles of conflicts of law.

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(d) Partial Invalidity. If any provision of this Agreement shall be

held or made invalid by a court decision, statute, rule or otherwise, the remainder of this Agreement shall not be affected thereby.

(e) Successors and Assigns. This Agreement shall be binding upon and

shall inure to the benefit of the parties hereto and their respective successors and permitted assigns.

(f) Facsimile Signatures. The facsimile signature of any party to

this Agreement shall constitute the valid and binding execution hereof by such party.

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be executed as of the day and year first above written.

PFPC INC.

By:

Title:

LA SALLE PARTNERS FUNDS, INC.

By:

Title:

EXHIBIT A

THIS EXHIBIT A, dated as of December __, 1997, is Exhibit A to that certain Transfer Agency Services Agreement dated as of December __, 1997 between PFPC Inc. and La Salle Real Estate Funds, Inc.

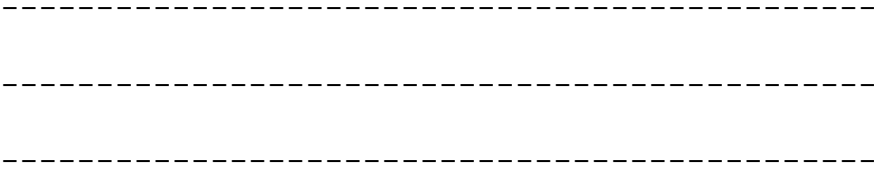
FUNDS

[List all Funds here]

AUTHORIZED PERSONS APPENDIX

Name (Type)

Signature



LICENSE AGREEMENT

This License Agreement dated as of [_____] , 1997, by and between LaSalle Partners Incorporated, a Maryland corporation ("Licensor"), and LaSalle Partners Funds, Inc.], a Maryland corporation ("Licensee").

W I T N E S S E T H:

WHEREAS, Licensee has retained an affiliate of Licensor to provide investment advisory services to Licensee; and

WHEREAS, Licensee desires to use the marks "LaSalle" and "LaSalle Partners" in its corporate name and business and Licensor is willing to permit the use of the marks by Licensee subject to the terms and conditions set forth herein;

NOW THEREFORE, it is hereby agreed between the parties hereto as follows:

1. License. Licensor grants to Licensee a non-exclusive, non-transferable

license (the "License") to use the marks in its corporate name and in connection with its activities as a registered open-end management investment company, and for no other purpose.

2. Use of Marks. Licensee agrees and warrants to Licensor that it shall

not at any time use the marks in connection with the sale of, or offer to sell, any security in violation of applicable federal and state laws and regulations. Licensor may license, use or grant to any other person the right to use the marks in any form, alone or in association with any other name or mark, in connection with the business of another investment company, or for any other purpose whatsoever.

3. Infringements. Licensee shall promptly notify Licensor of any

potential infringements of the marks by third persons which come to Licensee's attention. Licensor retains the exclusive right to determine what constitutes an infringement and to decide whether to take legal action. Licensee agrees to cooperate fully in any such undertaking, and Licensor shall maintain complete control over the action.

4. Termination. The License shall terminate: (i) upon 30 days' written

notice by Licensor to Licensee; (ii) automatically if Licensee shall become insolvent, make a general assignment for the benefit of creditors, suffer or permit the appointment of a receiver for its business or assets, become the

subject of any proceeding under any bankruptcy or insolvency law whether domestic or foreign, or have wound up its business or liquidated, whether voluntarily or otherwise; or (iii) automatically in the event that Licensor or its affiliates or subsidiaries shall cease to be the investment adviser to Licensee. Upon termination of the License, Licensee shall cease and desist from all use of the marks in any way.

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5. Ownership of the Marks. Licensee acknowledges Licensor's exclusive

right, title and interest in and to the marks and any registration that has issued or may issue thereon, and will not at any time do or cause to be done any act or thing contesting or in any way impairing or tending to impair such right, title and interest. Licensee further agrees to take all appropriate action, including the use of recognized symbols and abbreviations, to evidence Licensor's ownership of the marks.

6. Notices. Any notice or other communication shall be deemed

sufficiently given if given in writing and delivered in person or mailed by first class mail, postage prepaid, addressed as follows:

If to Licensor:

If to Licensee:

7. Governing Law. This Agreement shall be governed by and construed under

the laws of the State of Maryland, without giving effect to the conflict of laws provisions thereof.

8. Miscellaneous. If any provision of this Agreement shall be held or

made invalid by a court decision, statute, rule or otherwise, the remainder shall not be affected thereby. the title of this Agreement and the headings of the sections herein are for convenience of the parties only, and are not intended to be part of or affect the meaning or interpretation of this Agreement. This Agreement constitutes the entire agreement of the parties hereto with respect to the matters referred to herein, and no other agreement, verbal or otherwise, shall be binding as between the parties. No failure or delay on the part of any party hereto in exercising any right power or remedy hereunder shall operate as a waiver thereof, nor shall any single or partial exercise of any such right, power or remedy preclude any other or further exercise thereof or the exercise of any other right, power or remedy. Any waiver granted hereunder must be in writing and shall be valid only in the specific instance in which given.

[9. Limitation of Liability. The Adviser expressly acknowledges the

limitation of liability set forth in the Agreement and Declaration of Trust of the Trust. The Adviser agrees that the obligations assumed by the Trust pursuant to this Agreement shall be limited in any case to the assets of the Trust and the Adviser shall not seek satisfaction of any such obligations from the interestholders, trustees or officers of the Trust, or any of them.]

-2-

IN WITNESS WHEREOF, this Agreement has been executed for and on behalf of the undersigned as of the day and year first above written.

Attest:

LA SALLE PARTNERS INCORPORATED

Secretary

By:

[Name/Title]

Attest:

LASALLE PARTNERS FUNDS, INC.

By:

[Name/Title]

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December 31, 1997

LaSalle Partners Funds, Inc.
100 East Pratt Street
Baltimore, MD 21202

Re: Registration Statement on Form N-1A

Ladies and Gentlemen:

We have acted as counsel to LaSalle Partners Funds, Inc., a Maryland corporation (the "Company"), in connection with the filing with the Securities and Exchange Commission of a registration statement on Form N-1A (File Nos. 333-36161; 811-08373), as amended (the "Registration Statement"), registering an indefinite number of Retail Class and Institutional Class shares of the LaSalle Partners U.S. Real Estate Fund series of Common Stock, par value \$.01 per share (the "Shares"), of the Company under the Securities Act of 1933, as amended. In our capacity as counsel to the Company, we have examined the charter and bylaws of the Company, the Registration Statement, the corporate action taken by the Company that provides for the issuance of the Shares, and such other documents and matters as we have deemed necessary and appropriate to render the opinions set forth in this letter. In reaching the opinions set forth below, we have assumed all documents submitted to us as originals are authentic, all documents submitted to us as certified or photostatic copies conform to the original documents, all signatures on all documents submitted to us for examination are genuine, and all public records reviewed are accurate and complete.

Based upon and subject to the foregoing, we are of the opinion that the Shares have been duly authorized for issuance and, when issued and paid for as described in the Registration Statement, the Shares will be validly issued, fully paid and non-assessable.

LaSalle Partners Funds, Inc.
December 31, 1997
Page 2

We hereby consent to the filing of this opinion letter as an exhibit to the Registration Statement and to the reference to our firm and the opinions set forth herein in the prospectus included in the Registration Statement. In giving our consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Securities and Exchange Commission thereunder.

Very truly yours,

/s/ Piper & Marbury L.L.P.

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the inclusion of our report dated December 29, 1997 on our audit of the Statement of Assets and Liabilities of LaSalle Partners Funds, Inc. as of December 29, 1997 with respect to this Pre-Effective Amendment No. 1 to the Registration Statement (No. 333-36161) under the Securities Act of 1933 on Form N-1A. We also consent to the reference to our Firm under the heading "Independent Accountants" in the Prospectus and under the heading "Financial Statements" in the Statement of Additional Information.

COOPERS & LYBRAND L.L.P.

2400 Eleven Penn Center
Philadelphia, Pennsylvania

January 5, 1998

CONSENT OF INDEPENDENT ACCOUNTANTS

We consent to the inclusion of our report dated December 29, 1997 on our audit of the Statement of Assets and Liabilities of LaSalle Partners Master Trust as of December 29, 1997 with respect to this Pre-Effective Amendment No. 1 to the Registration Statement (No. 333-36161) under the Securities Act of 1933 on Form N-1A. We also consent to the reference to our Firm under the heading "Independent Accountants" in the Prospectus and under the heading "Financial Statements" in the Statement of Additional Information.

COOPERS & LYBRAND L.L.P.

2400 Eleven Penn Center
Philadelphia, Pennsylvania
January 5, 1998

INITIAL CAPITAL AGREEMENT

December __, 1997

LaSalle Partners Funds, Inc.
100 East Pratt Street
Baltimore, Maryland 21202

Ladies and Gentlemen:

LaSalle Partners Funds, Inc. (the "Company"), a newly-organized open-end management investment company registered under the Investment Company Act of 1940, as amended (the "1940 Act"), proposes to issue and sell to the public shares of its LaSalle Partners U.S. Real Estate Fund (the "Fund") pursuant to a registration statement on Form N-1A (File No. 333-36161), as from time to time amended (the "Registration Statement"), filed with the Securities and Exchange Commission. The Fund seeks to achieve its investment objective by investing all of its investable assets in LaSalle Partners Master Trust (the "Trust"), a newly-organized open-end management investment company registered under the 1940 Act. In order to provide the Company and the Trust with a net worth sufficient to commence operations and to meet the requirements of Section 14 of the 1940 Act, we agree to purchase shares of the Fund in accordance the terms and conditions set forth below.

We hereby agree to purchase from the Company _____ Institutional Class shares (the "Shares") of the Fund for an aggregate purchase price of \$_____. We shall deliver payment for the Shares in immediately available funds to the Company's custodian bank at least two business days prior to the date specified by the Company as the effective date of the Registration Statement.

We represent and warrant that we are acquiring the Shares for our own account for investment and not with a view to the resale or further distribution thereof, and that we have no present plan or intention to sell, redeem or otherwise dispose of the Shares or any part thereof. We acknowledge and agree that in the event that any of the Shares are redeemed prior to complete amortization of the deferred organizational expenses of the Fund, the proceeds of redemption of such Shares shall be reduced by the pro rata share (based on the number of Shares redeemed and the total number of Shares then outstanding) of the unamortized organizational expenses as of the date of such redemption.

If the foregoing is in accordance with your understanding of our agreement, please so indicate by signing in the space provided below, whereupon this letter

will become a binding agreement between us in accordance with its terms.

Very truly yours,

LA SALLE

By:

Name:
Title:

The foregoing Initial Capital Agreement
is hereby confirmed and accepted
as of the date first written above.

LA SALLE PARTNERS FUNDS, INC.

By:

Name:
Title:

DISTRIBUTION PLAN
Pursuant to Rule 12b1

This Distribution Plan is adopted as of December __, 1997, by LaSalle Partners Funds, Inc., a Maryland corporation (the "Fund"), with respect to its Retail Class of Common Stock, par value \$.01 per share (the "Retail Class").

1. Rule 12-1 Plan. This Plan is intended to be a written plan referred to

in Rule 12b-1 under the Investment Company Act of 1940, as amended (the "1940 Act").

2. Distribution Activities. This Plan is adopted to permit the Retail

Class to finance activities which are primarily intended to result in the sale of Retail Class shares, including, but not limited to, the following: (i) making payments to securities dealers and others engaged in the sale of Retail Class shares; (ii) providing training, marketing and support to securities dealers and others with respect to the sale of Retail Class shares; (iii) preparation, printing and distribution of sales literature; (iv) preparation, printing and distribution of prospectuses and shareholder reports to recipients other than existing shareholders; (v) formulation and implementation of marketing and promotional activities; and (vi) obtaining such information, analyses and reports with respect to marketing and promotional activities as the Fund's principal underwriter may from time to time deem advisable.

3. Authorized Payments. Payments made by the Fund pursuant to this Plan

shall not exceed 0.75% annually of the average net assets of the Retail Class. Subject to the foregoing and to the provisions of paragraph 2, the amount of such payments and the purposes for which they are made shall be determined by the Board of Directors of the Fund in its sole discretion. The Board of Directors may, at any time and from time to time, reduce the amount of any fee paid pursuant to this Plan to the Fund's principal underwriter or securities dealers and others engaged in the sale of Retail Class shares, or suspend payment of such fee, in such amount or for such period of time as it, in its sole discretion, may determine.

3. Related Agreements. Payment of a fee hereunder to the Fund's principal

underwriter or securities dealers and others engaged in the sale of Retail Class shares shall be made pursuant to a written agreement in the form approved by the Board of Directors. Any such related agreement shall provide that (i) it may be terminated in the manner provided in paragraph 7 and (ii) for its automatic termination in the event of its assignment.

4. Quarterly Reports. While this Plan is in effect, the Fund's principal

underwriter or any other person authorized to direct the disposition of moneys paid or payable hereunder shall provide to the Board of Directors of the Fund, and the Board of Directors shall review, at least quarterly, a written report of the amounts expended pursuant to this Plan and the purposes for which such expenditures were made.

5. Term. This Plan shall take effect as of the date hereof. Unless

sooner terminated as herein provided, this Plan shall continue in effect for successive periods of one year, but only so long as such continuance is specifically approved at least annually by a vote of the Board of Directors of the Fund, and of the directors who are not interested persons of the Fund and have no direct or indirect financial interest in the operation of the Plan or in any agreements related to the Plan, cast in person at a meeting called for the purpose of voting on the Plan.

6. Amendment. This Plan may not be amended to increase materially the

maximum expenditures permitted under paragraph 3 unless such amendment is approved by a vote of a majority of the outstanding voting securities of the Fund, and no material amendments of this Plan shall be effective unless approved in the manner provided in paragraph 5.

7. Termination. This Plan may be terminated at any time, without payment

of any penalty, by vote of a majority of the members of the Board of Directors who are not interested persons of the Fund and have no direct or indirect financial interest in the operation of the Plan or in any agreements related to the Plan, or by vote of a majority of the outstanding voting securities of the Fund.

8. Disinterested Directors. While this Plan is in effect, the selection

and nomination of those directors of the Fund who are not interested persons of the Fund shall be committed to the discretion of such disinterested directors.

9. Definitions. As used in this Plan, the terms "assignment", "interested

person", "principal underwriter" and "vote of a majority of the outstanding voting securities" shall have the meanings given them in the 1940 Act and the rules and regulations promulgated thereunder, subject to any applicable orders of exemption issued by the Securities and Exchange Commission.

SHAREHOLDER SERVICES PLAN

This Shareholder Services Plan is adopted as of December __, 1997, by LaSalle Partners Funds, Inc., a Maryland corporation (the "Fund"), with respect to its Retail Class of Common Stock, par value \$.01 per share (the "Retail Class").

1. Shareholder Services. The Fund may enter into agreements with

securities dealers and other financial institutions ("Agents") for the provision to Retail Class shareholders of personal and account maintenance services within the meaning of Conduct Rule 2830 of the National Association of Securities Dealers, Inc. Such services may include, but are not limited to, the following: (i) answering routine inquiries from shareholders regarding the Fund; (ii) providing shareholders with information on their investment in Retail Class shares; (iii) assisting in the establishment and maintenance of shareholder accounts or sub-accounts; (iv) making the Fund's investment plans and dividend payment options available to shareholders; and (v) providing such other information and shareholder liaison services and the maintenance of accounts, as the Fund or its principal underwriter may reasonably request.

2. Authorized Payments. Shareholder services fees paid by the Fund to a

particular Agent pursuant to this Plan shall not exceed 0.25% annually of the average net assets of the Retail Class attributable to such Agent. Subject to the foregoing and to the provisions of paragraph 1, the amount of the payments made hereunder and the purposes for which they are made shall be determined by the Board of Directors of the Fund in its sole discretion. The Board of Directors may, at any time and from time to time, reduce the amount of any fee pay paid pursuant to this Plan or suspend payment of such fee in such amount or for such period of time as it, in its sole discretion, may determine.

3. Related Agreements. Payment of a fee hereunder shall be made pursuant

to a written agreement the form approved by the Board of Directors. Any such related agreement shall provide that (i) it may be terminated in the manner provided in paragraph 6 and (ii) for its automatic termination in the event of its assignment.

4. Quarterly Reports. While this Plan is in effect, the Treasurer of the

Fund shall provide to the Board of Directors, and the Board of Directors shall review, at least quarterly, a written report of the amounts expended pursuant to this Plan and the purposes for which such expenditures were made.

5. Term. This Plan shall take effect as of the date hereof. Unless

sooner terminated as herein provided, this Plan shall continue in effect for successive periods of one year, but only so long as such continuance is specifically approved at least annually by a vote of the Board of Directors of the Fund, and of directors who are not interested persons of the Fund and have no direct or indirect financial interest in the operation of the Plan or in any agreements related to the Plan, cast in person at a meeting called for the purpose of voting on the Plan.

6. Amendment. No material amendments of this Plan shall be effective

unless approved in the manner provided in paragraph 5.

7. Termination. This Plan may be terminated at any time, without payment

of any penalty, by vote of a majority of the members of the Board of Directors who are not interested persons of the Fund and have no direct or indirect financial interest in the operation of the Plan or in any agreements related to the Plan, or by vote of a majority of the outstanding voting securities of the Fund.

8. Definitions. As used in this Plan, the terms "assignment", "interested

person", "principal underwriter" and "vote of a majority of the outstanding voting securities" shall have the meanings given them in the 1940 Act and the rules and regulations promulgated thereunder, subject to any applicable orders of exemption issued by the Securities and Exchange Commission.

LA SALLE PARTNERS FUNDS, INC.

Multiple Class Plan

This Multiple Class Plan (the "Plan") is adopted by LaSalle Partners Funds, Inc. (the "Company") with respect to the classes of shares (individually, a "Class") of the separate investment series (individually, a "Portfolio") set forth in Exhibit A hereto.

1. Purpose. This Plan is adopted pursuant to Rule 18f-3 under the

 Investment Company Act of 1940, as amended, for the Portfolios of the Company so that a Portfolio may issue more than one class of shares as contemplated under Rule 18f-3.

2. Designation of Classes. Each Portfolio may offer two classes of

 shares: Retail Class and Institutional Class.

3. Allocation of Fees and Expenses. Distribution and shareholder services

 fees shall be allocated exclusively to a Class in accordance with the terms of the then-effective distribution or shareholder services plan for that Class. The distribution and shareholder services fees currently authorized for each Class and Portfolio are as set forth in Exhibit A. Each Class shall bear such other expenses as are permitted to be allocated under applicable law and the governing documents of the Company.

4. Distribution of Shares. Retail and Institutional Class shares may be

 sold subject to such front-end or contingent deferred sales charges, or without a sales charge, as set forth in Exhibit A.

5. Exchange Privileges. A holder of Retail and Institutional Class shares

 of a Portfolio may exchange his or her shares for shares of the same Class of any other Portfolio for which such shareholder is eligible for investment. Exchanges shall be made on the basis of the relative net asset values of the shares being exchanged as next determined after receipt of the request for exchange in good order. Shares of any Class subject to a contingent deferred sales charge being which are being acquired in an exchange shall be deemed to have been acquired on the date of purchase of the exchanged shares for purposes of calculating such deferred sales charge.

6. Voting Rights. Each Class of shares subject to this Plan: (i) shall

 have exclusive voting rights on any matter submitted to shareholders relating solely its arrangement; and (ii) shall have separate voting rights on any matter submitted to a vote of shareholders in which the interests of one Class differ from the interests of any other Class.

7. Effective Date; Amendment. This Plan, and any material amendment

hereto, shall become effective following approval by a majority of the directors/trustees of the Company, and a majority of the directors/trustees who are not interested persons of the Company.

Adopted: December __, 1997

EXHIBIT A

<TABLE>
<CAPTION>

Portfolio/Class -----	Sales Charge -----	Distribution Fee -----	Shareholder Services Fee -----
<S> LaSalle Partners U.S. Real Estate Fund	<C>	<C>	<C>
Retail Class	None	0.25%	0.15%
Institutional Class	None	None	None

</TABLE>