

SECURITIES AND EXCHANGE COMMISSION

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FILER

IDS HIGH YIELD TAX EXEMPT FUND INC /MN/

CIK: **310187** | IRS No.: **411347174** | State of Incorpor.: **MN** | Fiscal Year End: **1231**
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AXP (SM)
High Yield
Tax-Exempt Fund

1999 SEMIANNUAL REPORT

(picture of) padlock

The goal of AXP High Yield Tax-Exempt Fund is to provide high yield generally exempt from federal income taxes.

Distributed by American Express Financial Advisors Inc.

AMERICAN EXPRESS Financial Advisors

More Yield, Less Taxes

Most of the time, making money means paying taxes. But investors still can enjoy income that generally is free from federal taxes by taking advantage of tax-exempt bonds. High Yield Tax-Exempt Fund strives to provide the maximum amount of tax-free income by focusing on municipal bonds that pay above-average interest. However, certain income may be subject to state or local or the alternative minimum tax. To reduce the investment risk, the Fund holds a large, widely diversified portfolio of bonds providing protection to shareholders seeking to avoid the impact of default by an individual bond. The result may be a superior after-tax return for investors in higher tax brackets.

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(picture of) Arne H. Carlson
Arne H. Carlson
Chairman of the board

From the Chairman
American Express(R) Funds held shareholder meetings in June 1999. Shareholders approved all of the proposals advanced by management. Among the proposals were:

- o The election of Board members and the selection of KPMG LLP as independent auditors.
- o Change in the Fund name from "IDS" to "AXP."
- o A new shareholder service and distribution plan.
- o Change with respect to fundamental investment policies.

No other business was presented at the meeting, which was concluded by a report to shareholders from the Investment Department of American Express Financial Corporation.

Thanks to all of you for your effort in reviewing the proxy material and voting your proxies.

Arne H. Carlson

(picture of) Kurt Larson
Kurt Larson
Portfolio manager

From the Portfolio Manager
Rising interest rates put a damper on the bond market during the first half of the Fund's fiscal year -- December 1998 through May 1999. The Fund's dividend was essentially unaffected, however, resulting in a positive total return of 0.95% for the Fund's Class A shares.

Last December, with worries about a potential global recession on the wane, investors refocused their attention on the remarkably robust U.S. economy. Despite ongoing reports of still-benign inflation, they concluded that an increase in consumer prices was becoming a greater possibility. The result was increased selling pressure on bonds, which in turn drove long-term interest rates up and bond prices down for much of the six months.

DEMAND MEETS SUPPLY

Looking at other market fundamentals, the supply of municipal bonds during the period slacked off from an unusually high level in previous months. On the demand side, both institutions and individuals maintained a healthy appetite, comfortably absorbing the amount of new issues.

As for changes to the portfolio, there is little to report. I kept the duration (a function of the average maturity of the bonds owned that determines the Fund's approximate sensitivity to interest-rate swings) in basically a neutral range. In the end, that meant the net asset value moved basically in tandem with changes in municipal-bond interest rates. My main focus continued to be on keeping the dividend as high as prudently possible. In keeping with that, I added to investments in bonds with ratings of BBB and below, which provided an ample level of interest income without exposing the Fund to undue credit risk.

At this writing (mid-June), I'm not expecting much change in the environment for bonds. While interest rates will almost certainly bounce around over the short term, I think they'll be confined to a reasonably narrow range. If that proves true, bond prices should be able to at least hold their own in the months ahead. Beyond that, concerns about a potential global economic upheaval stemming from the Y2K computer conversion could spark a run toward U.S. bonds late in 1999. That scenario is impossible to predict, of course, but if it happens, the resulting boost for the bond market would be positive for the Fund.

Kurt Larson

Fund Facts

Class A -- 6-month performance (All figures per share)

Net asset value (NAV)	
May 31, 1999	\$4.60
Nov. 30, 1998	\$4.68
Decrease	\$0.08
Distributions -- Dec. 1, 1998 - May 31, 1999	
From income	\$0.13
From capital gains	\$ --
Total distributions	\$0.13
Total return*	+0.95%**

Class B -- 6-month performance (All figures per share)

Net asset value (NAV)	
May 31, 1999	\$4.59
Nov. 30, 1998	\$4.68
Decrease	\$0.09
Distributions -- Dec. 1, 1998 - May 31, 1999	
From income	\$0.12
From capital gains	\$ --
Total distributions	\$0.12
Total return*	+0.59%**

Class Y -- 6-month performance (All figures per share)

Net asset value (NAV)	
May 31, 1999	\$4.59
Nov. 30, 1998	\$4.68
Decrease	\$0.09
Distributions -- Dec. 1, 1998 - May 31, 1999	
From income	\$0.13
From capital gains	\$ --

Total distributions \$0.13
 Total return* +0.99%**

*The prospectus discusses the effect of sales charges, if any, on the various classes.

**The total return is a hypothetical investment in the Fund with all distributions reinvested.

<TABLE>
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The 10 Largest Holdings

	Percent (of net assets)	Value (as of May 31, 1999)
New York City Municipal Water Financial Authority Water & Sewer System Revenue Bonds Series A <S> <C> 6.25% 2021	.98%	\$57,984,179
Eastern North Carolina Municipal Power Agency Power System Refunding Revenue Bonds Series 1991A 5.75% 2019	.93	54,868,551
New Hampshire Industrial Development Authority Pollution Control Revenue Bonds State Public Service Series 1991B 7.50% 2021	.92	54,082,419
Northern California Power Agency Geothermal 3 Revenue Bonds 5.00% 2009	.87	51,149,857
Utah Intermountain Power Agency Power Supply Refunding Revenue Bonds Series 1996C 5.70% 2017	.82	48,162,920
Monroe County Michigan Pollution Control Revenue Bonds Detroit Edison A.M.T. 7.75% 2019	.71	42,033,477
Dormitory Authority New York City University System Consolidated 2nd Generation Resource Revenue Bonds Series 1990C 6.00% 2016	.68	40,128,460
Puerto Rico Electric Power Agency Revenue Bonds Series N 6.00% 2010	.68	40,091,200
Washington Public Power Supply System Nuclear Project 1 Revenue Bonds Series 1990A 6.00% 2017	.68	39,981,382
Texas Alliance Airport Authority Special Facility Revenue Bonds American Airlines Series 1990 A.M.T. 7.50% 2029	.67	39,774,525

Note: Investment income from certain securities may be subject to the Alternative Minimum Tax (A.M.T.).

For further detail about these holdings, please refer to the section entitled "Investments in Securities."

(icon of) pie chart

The 10 holdings listed here
 make up 7.94% of net assets

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Financial Statements

Statement of assets and liabilities
 AXP High Yield Tax-Exempt Fund, Inc.

May 31, 1999 (Unaudited)

Assets			
<S>			<C>
Investment in Tax-Free High Yield Portfolio (Note 1)			\$5,892,286,924

Liabilities			
Dividends payable to shareholders			1,003,056
Accrued distribution fee			6,485
Accrued service fee			28,235
Accrued transfer agency fee			486
Accrued administrative services fee			4,856
Other accrued expenses			3,339

Total liabilities			1,046,457

Net assets applicable to outstanding capital stock			\$5,891,240,467
			=====
Represented by			
Capital stock-- \$.01 par value (Note 1)			\$ 12,821,006
Additional paid-in capital			5,487,587,448
Undistributed net investment income			653,695
Accumulated net realized gain (loss) (Note 4)			(122,252,973)
Unrealized appreciation (depreciation) on investments			512,431,291

Total-- representing net assets applicable to outstanding capital stock			\$5,891,240,467
			=====
Net assets applicable to outstanding shares:	Class A		\$5,574,286,103
	Class B		\$ 316,741,545
	Class Y		\$ 212,819
Net asset value per share of outstanding capital stock:	Class A shares	1,213,118,888	\$ 4.60
	Class B shares	68,935,392	\$ 4.59
	Class Y shares	46,320	\$ 4.59

See accompanying notes to financial statements.

</TABLE>

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Statement of operations
AXP High Yield Tax-Exempt Fund, Inc.

Six months ended May 31, 1999 (Unaudited)

Investment income			
Income:			
<S>			<C>
Interest			\$ 187,618,715

Expenses (Note 2):			
Expenses allocated from Tax-Free High Yield Portfolio			13,133,338
Distribution fee-- Class B			1,084,597
Transfer agency fee			1,187,684
Incremental transfer agency fee			
Class A			132,475
Class B			15,462
Service fee			
Class A			4,833,364
Class B			251,970
Class Y			1,582
Administrative services fees and expenses			899,231
Compensation of board members			8,285
Printing and postage			347,070
Registration fees			100,180
Audit fees			5,875
Other			16,411

Total expenses			22,017,524
Earnings credits on cash balances (Note 2)			(94,814)

Total net expenses			21,922,710

Investment income (loss) -- net			165,696,005

Realized and unrealized gain (loss) -- net	
Security transactions	(7,269,912)
Financial futures contracts	(69,926)

Net realized gain (loss) on investments	(7,339,838)
Net change in unrealized appreciation (depreciation) on investments	(106,376,516)

Net gain (loss) on investments	(113,716,354)

Net increase (decrease) in net assets resulting from operations	\$ 51,979,651
	=====

See accompanying notes to financial statements.

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Statements of changes in net assets
AXP High Yield Tax-Exempt Fund, Inc.

	May 31, 1999 Six months ended (Unaudited)	Nov. 30, 1998 Year ended
Operations and distributions		
<S>	<C>	<C>
Investment income (loss)-- net	\$ 165,696,005	\$ 332,169,566
Net realized gain (loss) on investments	(7,339,838)	(5,082,151)
Net change in unrealized appreciation (depreciation) on investments	(106,376,516)	61,776,386
	-----	-----
Net increase (decrease) in net assets resulting from operations	51,979,651	388,863,801
	-----	-----
Distributions to shareholders from:		
Net investment income		
Class A	(158,380,541)	(320,696,664)
Class B	(7,141,391)	(11,052,190)
Class Y	(88,956)	(291,004)
	-----	-----
Total distributions	(165,610,888)	(332,039,858)
	-----	-----
Capital share transactions (Note 3)		
Proceeds from sales		
Class A shares (Note 2)	1,260,529,947	2,190,389,184
Class B shares	69,789,114	103,906,651
Class Y shares	14,145,744	15,951,744
Reinvestment of distributions at net asset value		
Class A shares	111,556,751	217,522,599
Class B shares	5,910,747	8,764,909
Class Y shares	2,216	705
Payments for redemptions		
Class A shares	(1,412,152,581)	(2,525,842,128)
Class B shares (Note 2)	(22,836,087)	(35,324,448)
Class Y shares	(21,309,580)	(17,386,399)
	-----	-----
Increase (decrease) in net assets from capital share transactions	5,636,271	(42,017,183)
	-----	-----
Total increase (decrease) in net assets	(107,994,966)	14,806,760
Net assets at beginning of period	5,999,235,433	5,984,428,673
	-----	-----
Net assets at end of period	\$5,891,240,467	\$5,999,235,433
	=====	=====
Undistributed net investment income	\$ 653,695	\$ 568,578
	-----	-----

See accompanying notes to financial statements.

</TABLE>

Notes to Financial Statements

AXP High Yield Tax-Exempt Fund, Inc.
(Unaudited as to May 31, 1999)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Fund is registered under the Investment Company Act of 1940 (as amended) as a diversified, open-end management investment company. The Fund has 10 billion authorized shares of capital stock.

The Fund offers Class A, Class B and Class Y shares.

- o Class A shares are sold with a front-end sales charge.
- o Class B shares may be subject to a contingent deferred sales charge and automatically convert to Class A shares during the ninth calendar year of ownership.
- o Class Y shares have no sales charge and are offered only to qualifying institutional investors.

All classes of shares have identical voting, dividend and liquidation rights. The distribution fee, transfer agency fee and service fee (class specific expenses) differs among classes. Income, expenses (other than class specific expenses) and realized and unrealized gains or losses on investments are allocated to each class of shares based upon its relative net assets.

Investment in Tax-Free High Yield Portfolio

The Fund invests all of its assets in Tax-Free High Yield Portfolio (the Portfolio), a series of Tax-Free Income Trust (the Trust), an open-end investment company that has the same objectives as the Fund. The Portfolio invests primarily in medium- and lower-quality bonds and other debt obligations.

The Fund records daily its share of the Portfolio's income, expenses and realized and unrealized gains and losses. The financial statements of the Portfolio are included elsewhere in this report and should be read in conjunction with the Fund's financial statements.

The Fund records its investment in the Portfolio at the value that is equal to the Fund's proportionate ownership interest in the Portfolio's net assets. The percentage of the Portfolio owned by the Fund as of May 31, 1999 was 99.98%. Valuation of securities held by the Portfolio is discussed in Note 1 of the Portfolio's "Notes to financial statements" (included elsewhere in this report).

Use of estimates

Preparing financial statements that conform to generally accepted accounting principles requires management to make estimates (e.g., on assets and liabilities) that could differ from actual results.

Federal taxes

The Fund's policy is to comply with all sections of the Internal Revenue Code that apply to regulated investment companies and to distribute all of its taxable income to the shareholders. No provision for income or excise taxes is thus required.

Net investment income (loss) and net realized gains (losses) may differ for financial statement and tax purposes primarily because of deferred losses on certain futures contracts and losses deferred due to "wash sale" transactions. The character of distributions made during the year from net investment income or net realized gains may differ from their ultimate characterization for federal income tax purposes. Also, due to the timing of dividend distributions, the fiscal year in which amounts are distributed may differ from the year that the income or realized gains (losses) were recorded by the Fund.

Dividends to shareholders

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

2. EXPENSES AND SALES CHARGES

In addition to the expenses allocated from the Portfolio, the Fund accrues its own expenses as follows:

The Fund has an agreement with American Express Financial Corporation (AEFC) to provide administrative services. Under an Administrative Services Agreement, the Fund pays AEFC a fee for administration and accounting services at a percentage of the Fund's average daily net assets in reducing percentages from 0.04% to 0.02% annually. Additional administrative service expenses paid by the Fund are office expenses, consultants' fees and compensation of officers and employees. Under this agreement, the Fund also pays taxes, audit and certain legal fees, registration fees for shares, compensation of board members, corporate filing fees and any other expenses properly payable by the Fund and approved by the board.

Under a separate Transfer Agency Agreement, American Express Client Service Corporation (AECSC) maintains shareholder accounts and records. The Fund pays AECSC an annual fee per shareholder account for this service as follows:

- o Class A \$19.50
- o Class B \$20.50
- o Class Y \$17.50

Under terms of a prior agreement that ended Jan. 31, 1999, the Fund paid a transfer agency fee at an annual rate per shareholder account of \$15.50 for Class A and \$16.50 for Class B. Under terms of a prior agreement that ended March 31, 1999, the Fund paid a transfer agency fee at an annual rate per shareholder account of \$15.50 for Class Y.

The Fund has agreements with American Express Financial Advisors Inc. for distribution and shareholder services. Under a Plan and Agreement of Distribution, the Fund pays a distribution fee at an annual rate of 0.75% of the Fund's average daily net assets attributable to Class B shares. Effective July 1, 1999, the Fund will pay a distribution fee at an annual rate up to 0.25% of the Fund's average daily net assets attributable to Class A shares and up to 1.00% of the Fund's average daily net assets attributable to Class B shares.

Under a Shareholder Service Agreement, the Fund pays a fee for service provided to shareholders by financial advisors and other servicing agents. The fee is calculated at a rate of 0.175% of the Fund's average daily net assets attributable to Class A and Class B shares and 0.10% of the Fund's average daily net assets attributable to Class Y shares. Effective July 1, 1999, the Fund will convert the Shareholder Service Agreement with respect to Class A and Class B shares into the Plan and Agreement of Distribution discussed above.

Sales charges received by American Express Financial Advisors Inc. for distributing Fund shares were \$5,930,812 for Class A and \$186,774 for Class B for the six months ended May 31, 1999.

During the six months ended May 31, 1999, the Fund's transfer agency fees were reduced by \$94,814 as a result of earnings credits from overnight cash balances.

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3. CAPITAL SHARE TRANSACTIONS

Transactions in shares of capital stock for the periods indicated are as follows:

	Six months ended May 31, 1999		
	Class A	Class B	Class Y
<S>	<C>	<C>	<C>
Sold	270,789,098	14,989,398	3,043,763
Issued for reinvested distributions	24,000,681	1,272,065	480
Redeemed	(303,420,264)	(4,907,507)	(4,589,938)
	-----	-----	-----
Net increase (decrease)	(8,630,485)	11,353,956	(1,545,695)
	-----	-----	-----
		Year ended Nov. 30, 1998	
	Class A	Class B	Class Y
Sold	468,619,472	22,219,938	3,428,457
Issued for reinvested distributions	46,549,715	1,875,641	151
Redeemed	(539,880,213)	(7,554,155)	(3,697,495)
	-----	-----	-----
Net increase (decrease)	(24,711,026)	16,541,424	(268,887)
	-----	-----	-----

</TABLE>

4. CAPITAL LOSS CARRYOVER

For federal income tax purposes, the Fund has a capital loss carryover of \$47,884,156 as of Nov. 30, 1998, that will expire in 2002 through 2005 if not offset by subsequent capital gains. It is unlikely the board will authorize a distribution of any net realized capital gains until the available capital loss carryover has been offset or expires.

5. BANK BORROWINGS

The Fund has a revolving credit agreement with U.S. Bank, N.A., whereby the Fund is permitted to have bank borrowings for temporary or emergency purposes to fund

shareholder redemptions. The Fund must have asset coverage for borrowings not to exceed the aggregate of 333% of advances equal to or less than five business days plus 367% of advances over five business days. The agreement, which enables the Fund to participate with other American Express funds, permits borrowings up to \$200 million, collectively. Interest is charged to each Fund based on its borrowings at a rate equal to the Federal Funds Rate plus 0.30% or the Eurodollar Rate (Reserve Adjusted) plus 0.20%. Borrowings are payable up to 90 days after such loan is executed. The Fund also pays a commitment fee equal to its pro rata share of the amount of the credit facility at a rate of 0.05% per annum. The Fund had no borrowings outstanding during the six months ended May 31, 1999.

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6. FINANCIAL HIGHLIGHTS

The tables below show certain important financial information for evaluating the Fund's results.

Fiscal period ended Nov. 30,

Per share income and capital changesa

	Class A				
	1999b	1998	1997	1996	1995
<S>	<C>	<C>	<C>	<C>	<C>
Net asset value, beginning of period	\$4.68	\$4.64	\$4.56	\$4.66	\$4.18
Income from investment operations:					
Net investment income (loss)	.13	.26	.27	.27	.28
Net gains (losses) (both realized and unrealized)	(.08)	.04	.08	(.10)	.48
Total from investment operations	.05	.30	.35	.17	.76
Less distributions:					
Dividends from net investment income	(.13)	(.26)	(.27)	(.27)	(.28)
Net asset value, end of period	\$4.60	\$4.68	\$4.64	\$4.56	\$4.66
Ratios/supplemental data					
Net assets, end of period (in millions)	\$5,574	\$5,722	\$5,785	\$6,001	\$6,316
Ratio of expenses to average daily net assetsc	.71%e	.70%	.70%	.70%	.68%
Ratio of net investment income (loss) to average daily net assets	5.68%e	5.56%	5.85%	6.02%	6.31%
Portfolio turnover rate (excluding short-term securities)	6%	14%	4%	9%	14%
Total returnd	.95%	6.67%	7.86%	4.02%	18.64%

a For a share outstanding throughout the period. Rounded to the nearest cent.

b Six months ended May 31, 1999 (Unaudited).

c Effective fiscal year 1996, expense ratio is based on total expenses of the Fund before reduction of earnings credits on cash balances.

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

e Adjusted to an annual basis.

</TABLE>

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Fiscal period ended Nov. 30,

Per share income and capital changesa

Class B

Class Y

	1999b	1998	1997	1996	1995f	1999b	1998	1997	1996	1995f
Net asset value, beginning	<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
of period	\$4.68	\$4.64	\$4.56	\$4.66	\$4.46	\$4.68	\$4.64	\$4.56	\$4.66	\$4.46
Income from investment operations:										
Net investment										
income (loss)	.12	.22	.23	.24	.19	.13	.26	.27	.28	.22
Net gains (losses)										
(both realized and										
unrealized)	(.09)	.04	.08	(.10)	.20	(.09)	.04	.08	(.10)	.20
Total from investment										
operations	.03	.26	.31	.14	.39	.04	.30	.35	.18	.42
Less distributions:										
Dividends from net										
investment income	(.12)	(.22)	(.23)	(.24)	(.19)	(.13)	(.26)	(.27)	(.28)	(.22)
Net asset value, end										
of period	\$4.59	\$4.68	\$4.64	\$4.56	\$4.66	\$4.59	\$4.68	\$4.64	\$4.56	\$4.66
Ratios/supplemental data										
Net assets, end of period										
(in millions)	\$317	\$270	\$190	\$138	\$71	\$--	\$7	\$9	\$21	\$25
Ratio of expenses to										
average daily net assetsc	1.47%d	1.45%	1.46%	1.46%	1.48%d	.63%d	.62%	.61%	.53%	.54%d
Ratio of net investment										
income (loss) to average										
daily net assets	4.94%d	4.81%	5.06%	5.29%	5.36%d	5.46%d	5.63%	5.88%	6.15%	6.32%d
Portfolio turnover rate										
(excluding short-term										
securities)	6%	14%	4%	9%	14%	6%	14%	4%	9%	14%
Total returne	.59%	5.85%	7.08%	3.22%	9.02%	.99%	6.73%	7.96%	4.22%	9.15%

a For a share outstanding throughout the period. Rounded to the nearest cent.
b Six months ended May 31, 1999 (Unaudited).
c Effective fiscal year 1996, expense ratio is based on total expenses of the Fund before reduction of earnings credits on cash balances.
d Adjusted to an annual basis.
e Total return does not reflect payment of a sales charge.
f Inception date was March 20, 1995.

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Financial Statements

Statement of assets and liabilities Tax-Free High Yield Portfolio

May 31, 1999 (Unaudited)

Assets

Investments in securities, at value (Note 1)

<S>		<C>
(identified cost \$5,291,457,689)		\$5,804,059,440
Accrued interest receivable		107,192,658
Receivable for investment securities sold		23,235,757

Total assets		5,934,487,855

Liabilities

Disbursements in excess of cash on demand deposit		1,504,985
Payable for investment securities purchased		39,663,884
Accrued investment management services fee		71,411
Other accrued expenses		20,373

Total liabilities	41,260,653

Net assets	\$5,893,227,202
	=====

See accompanying notes to financial statements.
</TABLE>

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Statement of operations
Tax-Free High Yield Portfolio

Six months ended May 31, 1999 (Unaudited)

Investment income		
Income:		<C>
<S>		
Interest		\$187,649,289

Expenses (Note 2):		
Investment management services fee		12,943,100
Compensation of board members		12,687
Custodian fees		131,338
Audit fees		17,625
Other		46,425

Total expenses		13,151,175
Earnings credits on cash balances (Note 2)		(15,790)

Total net expenses		13,135,385

Investment income (loss) -- net		174,513,904

Realized and unrealized gain (loss) -- net Net realized gain (loss) on:		
Security transactions (Note 3)		(7,271,453)
Financial futures contracts		(69,937)

Net realized gain (loss) on investments		(7,341,390)
Net change in unrealized appreciation (depreciation) on investments		(106,393,203)

Net gain (loss) on investments		(113,734,593)

Net increase (decrease) in net assets resulting from operations		\$60,779,311
		=====

See accompanying notes to financial statements.

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Statements of changes in net assets
Tax-Free High Yield Portfolio

	May 31, 1999 Six months ended (Unaudited)	Nov. 30, 1998 Year ended
Operations		
<S>		<C>
Investment income (loss)-- net	\$ 174,513,904	\$ 348,535,304
Net realized gain (loss) on investments	(7,341,390)	(5,085,468)
Net change in unrealized appreciation (depreciation) on investments	(106,393,203)	61,787,273
	-----	-----
Net increase (decrease) in net assets resulting from operations	60,779,311	405,237,109
Net contributions (withdrawals) from partners	(173,247,067)	(387,941,646)
	-----	-----
Total increase (decrease) in net assets	(112,467,756)	17,295,463
Net assets at beginning of period	6,005,694,958	5,988,399,495
	-----	-----
Net assets at end of period	\$5,893,227,202	\$6,005,694,958
	=====	=====

See accompanying notes to financial statements.

</TABLE>

Notes to Financial Statements

Tax-Free High Yield Portfolio
(Unaudited as to May 31, 1999)

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Tax-Free High Yield Portfolio (the Portfolio) is a series of Tax-Free Income Trust (the Trust) and is registered under the Investment Company Act of 1940 (as amended) as a diversified, open-end management investment company. Tax-Free High Yield Portfolio invests primarily in medium- and lower-quality bonds and other debt obligations.

The Portfolios' significant accounting policies are summarized below:

Use of estimates

Preparing financial statements that conform to generally accepted accounting principles requires management to make estimates (e.g., on assets and liabilities) that could differ from actual results.

Valuation of securities

All securities are valued at the close of each business day. Securities traded on national securities exchanges or included in national market systems are valued at the last quoted sales price. Debt securities are generally traded in the over-the-counter market and are valued at a price that reflects fair value as quoted by dealers in these securities or by an independent pricing service. Securities for which market quotations are not readily available are valued at fair value according to methods selected in good faith by the board. Short-term securities maturing in more than 60 days from the valuation date are valued at the market price or approximate market value based on current interest rates; those maturing in 60 days or less are valued at amortized cost.

Option transactions

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

Option contracts are valued daily at the closing prices on their primary exchanges and unrealized appreciation or depreciation is recorded. The Portfolio will realize a gain or loss when the option transaction expires or closes. When options on debt securities or futures are exercised, the Portfolio will realize a gain or loss. When other options are exercised, the proceeds on sales for a written call option, the purchase cost for a written put option or the cost of a security for a purchased put or call option is adjusted by the amount of premium received or paid.

Futures transactions

To gain exposure to or protect itself from market changes, the Portfolio may buy and sell financial futures contracts. Risks of entering into futures contracts and related options include the possibility of an illiquid market and that a change in the value of the contract or option may not correlate with changes in the value of the underlying securities.

Upon entering into a futures contract, the Portfolio is required to deposit either cash or securities in an amount (initial margin) equal to a certain percentage of the contract value. Subsequent payments (variation margin) are made or received by the Portfolio each day. The variation margin payments are equal to the daily changes in the contract value and are recorded as unrealized gains and losses. The Portfolio recognizes a realized gain or loss when the contract is closed or expires.

Securities purchased on a when-issued basis

Delivery and payment for securities that have been purchased by the Portfolio on a forward-commitment or when-issued basis can take place one month or more after

the transaction date. During this period, such securities are subject to market fluctuations and they may affect the Portfolio's net assets the same as owned securities. The Portfolio designates cash or liquid high-grade short-term debt securities at least equal to the amount of its commitment. As of May 31, 1999 the Portfolio has entered into outstanding when-issued or forward-commitments of \$7,669,520.

Federal taxes

For federal income tax purposes the Portfolio qualifies as a partnership and each investor in the Portfolio is treated as the owner of its proportionate share of the net assets, income, expenses and realized and unrealized gains and losses of the Portfolio. As a "pass-through" entity, the Portfolio therefore does not pay any income dividends or capital gain distributions.

Other

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

2. FEES AND EXPENSES

The Trust, on behalf of the Portfolio, has an Investment Management Services Agreement with AEFC to manage its portfolio. Under this agreement, AEFC determines which securities will be purchased, held or sold. The management fee is a percentage of the Portfolio's average daily net assets in reducing percentages from 0.49% to 0.36% annually.

Under the agreement, the Trust also pays taxes, brokerage commissions and nonadvisory expenses, which include custodian fees, audit and certain legal fees, fidelity bond premiums, registration fees for units, office expenses, consultants' fees, compensation of trustees, corporate filing fees and any other expenses properly payable by the Trust or Portfolio and approved by the board.

During the six months ended May 31, 1999, the Portfolio's custodian fees were reduced by \$15,790 as a result of earnings credits from overnight cash balances. The Portfolio also pays custodian fees to American Express Trust Company, an affiliate of AEFC.

According to a Placement Agency Agreement, American Express Financial Advisors Inc. acts as placement agent of the Trust's units.

3. SECURITIES TRANSACTIONS

Cost of purchases and proceeds from sales of securities (other than short-term obligations) aggregated \$440,829,364 and \$345,125,588, respectively, for the six months ended May 31, 1999. For the same period, the portfolio turnover rate was 6%. Realized gains and losses are determined on an identified cost basis.

4. INTEREST RATE FUTURES CONTRACTS

As of May 31, 1999, investments in securities included securities valued at \$83,650 that were pledged as collateral to cover initial margin deposits on 250 open purchase contracts. The market value of the open purchase contracts as of May 31, 1999 was \$30,117,188 with a net unrealized loss of \$138,469. See "Summary of significant accounting policies."

<TABLE>
<CAPTION>

Investments in Securities

Tax-Free High Yield Portfolio
May 31, 1999 (Unaudited)

(Percentages represent value of investments compared to net assets)

Municipal bonds (98.4%)

Name of issuer and title of issue (b,f)	Coupon rate	Principal amount	Value (a)
Alabama (0.2%)			
Baldwin County Eastern Shore Health Care Authority Hospital Revenue Bonds Thomas Hospital Series 1991			
<S>	<C>	<C>	<C>
04-01-16	8.50%	\$4,765,000	\$5,238,784
Camden Industrial Development Board Solid Waste Disposal Revenue Bonds MacMillan Bloedel Series 1991A A.M.T.			
04-01-19	7.75	8,500,000	9,005,070

Total			14,243,854
Alaska (0.2%)			
Industrial Development & Exploration Authority			
Electric Power Revenue Bonds			
Upper Lynn Canal Regional Power			
Series 1997 A.M.T.			
01-01-18	5.80	830,000	810,503
01-01-32	5.88	1,800,000	1,746,576
North Slope Borough General Obligation Bonds			
Zero Coupon Series 1994B (CGIC Insured)			
06-30-04	7.05	7,000,000 (d)	5,631,710
06-30-05	7.15	7,000,000 (d)	5,360,810
Total			13,549,599
Arizona (1.3%)			
Chandler Industrial Development Authority			
Beverly Enterprises Series 1994			
09-01-08	7.63	2,660,000	2,748,658
Flagstaff Industrial Development Authority			
Lifecare Revenue Bonds Northern Arizona			
Senior Living Community Series 1998			
09-01-28	6.20	5,020,000	4,842,392
09-01-38	6.30	6,165,000	5,930,915
Maricopa County Hospital System Revenue Bonds			
Samaritan Health Services Series 1981			
01-01-08	12.00	255,000	388,125
Maricopa County Industrial Development Authority			
Multi-family Housing Revenue Bonds Series B			
07-01-26	7.38	2,295,000	2,768,803
Maricopa County Industrial Development Authority			
Senior Living Facilities Revenue Bonds Series 1997A			
04-01-27	7.88	15,000,000	16,152,450
Maricopa County Pollution Control Refunding			
Revenue Bonds Palo Verde Public Service			
08-15-23	6.38	3,500,000	3,627,330
Navajo Industrial Development Authority Revenue Bonds			
Stone Container Corporation Series 1997 A.M.T.			
06-01-27	7.20	3,000,000	3,274,050
Phoenix Civic Improvement Waste Water System			
Lease Refunding Revenue Bonds			
07-01-18	5.00	5,000,000	4,921,250
Phoenix Industrial Development Authority			
Refunding Revenue Bonds Christian Care Apartments			
01-01-26	6.50	9,525,000	10,073,069
PimaCounty Industrial Development Authority			
Multi-family Housing Revenue Bonds			
Las Villas De Kino Apartments Series 1997 A.M.T.			
08-01-29	6.90	7,000,000	7,178,990
PimaCounty Industrial Development Authority			
Multi-family Housing Revenue Bonds			
Las Villas De Kino Apartments Series 1998 A.M.T.			
08-01-30	6.25	3,920,000	3,845,755
Pima County Industrial Development Authority			
Revenue Bonds LaPosada Park Centre Series 1996A			
05-15-27	7.00	5,750,000	6,048,655
Scottsdale Industrial Development Authority			
Beverly Enterprises Series 1994			
09-01-08	7.63	2,940,000	3,038,049
Total			74,838,491
Arkansas (0.2%)			
PopeCounty Solid Waste Disposal Revenue Bonds			
Arkansas Power & Light Series 1991 A.M.T.			
01-01-21	8.00	3,250,000	3,456,375
Washington County District 5 General Obligation			
Refunding Improvement Bonds			
02-01-09	7.00	7,135,000	7,021,197
Total			10,477,572
California (8.9%)			
ABAG Financial Authority for Nonprofit Corporations			
Certificate of Participation International School			
Series 1996			
05-01-26	7.38	8,000,000	8,479,520
Community Development Authority Health Facilities			
Unihealth America Certificate of Participation			
Series 1993 Inverse Floater (AMBAC Insured)			
10-01-11	7.77	22,400,000 (c)	25,424,000

Contra Costa County Residential Rent Facility Multi-family Housing Revenue Bonds Cypress Meadows Series 1998E A.M.T. 09-01-28	7.00	5,000,000	4,833,600
East Bay Municipal Utility District Water Revenue Bonds Series 1993 Inverse Floater (MBIA Insured) 06-01-08	6.57	15,500,000 (c)	16,914,375
Foothill/Eastern Transportation Corridor Agency Toll Road Revenue Bonds Series 1995A 01-01-35	5.00	41,070,000	38,298,595
Fresno Health Facility Refunding Revenue Bonds Holy Cross Health System (MBIA Insured) 12-01-13	5.63	3,000,000	3,182,880
Irwindale Redevelopment Agency Subordinate Lien Tax Allocation Bonds 12-01-26	7.05	5,750,000	6,309,360
Lake Elsinore Public Financing Authority Local Agency Revenue Bonds Series 1997F 09-01-20	7.10	12,000,000	12,839,640
Los Angeles County Certificate of Participation 05-01-15	6.71	20,000,000	21,396,600
Los Angeles International Airport Regional Airports Improvement Corporation Refunding Revenue Bonds Delta Airlines 11-01-25	6.35	13,000,000	13,956,280
Los Angeles International Airport Regional Airports Improvement Corporation Refunding Revenue Bonds United Airlines Series 1984 11-15-21	8.80	11,650,000	12,568,020
Los Angeles Water & Power Electric Plant Refunding Revenue Bonds Series 1992 02-01-20	6.38	10,000,000	10,723,100
Millbrae Residential Facility Revenue Bonds Magnolia of Millbrae Series 1997A A.M.T. 09-01-27	7.38	2,500,000	2,664,150
Northern California Power Agency Geothermal 3 Revenue Bonds 07-01-09	5.00	49,635,000	51,149,857
Novato Community Facility District 1 Vintage Oaks Public Improvement Special Tax Refunding Bonds 08-01-21	7.25	5,000,000	5,402,100
Oceanside Certificate of Participation Refunding Bonds Oceanside Civic Center (MBIA Insured) 08-01-19	5.25	7,000,000	7,041,090
Orange County Special Tax Community Facilities Bonds Aliso Viejo District 88-1 Series 1992A 08-15-18	7.35	6,000,000	6,756,240
Pleasanton Joint Powers Financing Authority Reassessment Revenue Bonds Series 1993A 09-02-12	6.15	4,375,000	4,657,319
Sacramento Cogeneration Authority Revenue Bonds Procter & Gamble Series 1995 07-01-14	6.50	3,800,000	4,328,694
	6.50	8,000,000	9,113,040
Sacramento Municipal Utility District Electric Refunding Revenue Bonds Series 1993D Inverse Floater (FSA Insured) 11-15-05	7.12	15,800,000 (c)	17,893,500
	7.32	16,400,000 (c)	18,573,000
Sacramento Municipal Utility District Electric Refunding Revenue Bonds Series 1993D Inverse Floater (MBIA Insured) 11-15-15	7.77	15,000,000 (c)	16,181,250
Sacramento Power Authority Cogeneration Revenue Bonds Campbell Soup Series 1995 07-01-22	6.00	25,000,000	26,211,500
San Joaquin Hills Orange County Transportation Corridor Agency Senior Lien Toll Road Revenue Bonds 01-01-32	6.75	14,785,000	16,478,178
San Joaquin Hills Transportation Corridor Agency Capital Appreciation Toll Road Refunding Revenue Bonds Zero Coupon Series 1997A (MBIA Insured) 01-15-24	5.62	9,000,000 (d)	2,431,890
	5.03	69,375,000 (d)	17,739,881
	5.51	30,000,000 (d)	7,239,900
	5.51	6,670,000 (d)	1,523,561
	5.05	13,880,000 (d)	3,000,440
	5.41	27,000,000 (d)	4,685,310
	5.42	88,415,000 (d)	12,378,100

San Joaquin Hills Transportation Corridor Agency Senior Lien Toll Road Revenue Bonds Zero Coupon Escrowed to Maturity 01-01-17	5.35	34,860,000 (d)	14,226,715
San Jose Redevelopment Agency Merged Area Tax Allocation Bonds Series 1993 Inverse Floater (MBIA Insured) 08-01-14	6.81	33,600,000 (c)	35,657,999
Santa Nella County Water District Improvement Limited Obligation Refunding Improvement Bonds Series 1998 09-02-28	6.25	2,830,000	2,770,174
Sierra Unified School District Fresno County Certificate of Participation Capital Funding Refunding Bonds Series 1993 03-01-18	6.13	6,470,000	6,754,357
South Tahoe Joint Powers Financing Authority Refunding Revenue Bonds South Tahoe Area 1 Series 1995B 10-01-28	6.00	9,900,000	10,246,797
Southern California Public Power Authority Power Revenue Bonds Palo Verde Series 1993 Inverse Floater (FGIC Insured) 07-01-17	6.62	20,000,000 (c)	21,825,000
Ukiah Unified School District Mendocino County Certificate of Participation Series 1993 09-01-10	6.00	5,000,000	5,334,650
University of California Refunding Revenue Bonds Multiple Purpose Project (AMBAC Insured) 09-01-16	5.25	6,000,000	6,063,240
West Sacramento Financing Authority Special Tax Revenue Bonds Series 1999F 09-01-29	6.10	9,500,000	9,255,945
Total			522,509,847
Colorado (7.1%)			
Arapahoe County Industrial Development Revenue Bonds Dillion Real Estate-Kroger 04-01-09	8.00	4,000,000	4,426,560
Arapahoe County Public Highway Authority Capital Improvement Trust Fund E-470 Highway Revenue Bonds 08-31-26	7.00	22,000,000	25,878,379
Arapahoe County Public Highway Authority Capital Improvement Trust Fund E-470 Highway Revenue Bonds (MBIA Insured) 09-01-23	4.75	4,000,000	3,716,760
Aurora Centrettech Metropolitan District Arapahoe County Series 1987B 12-01-23	6.00	5,699,785	6,311,828
Bowles Metropolitan District General Obligation Bonds Series 1995 12-01-15	7.75	15,500,000	18,353,240
Briargate Public Building Authority Landowner Assessment Lien Bonds Series 1985A 12-15-00	10.25	3,880,190 (h)	3,492,171
Castle Rock Ranch Public Facility Improvement Revenue Bonds Series 1996 12-01-17	6.25	10,000,000	10,612,000
Colorado Springs Hospital Revenue Bonds Memorial Hospital Series 1990 12-15-10	7.88	5,000,000	5,320,000
Colorado Springs Utilities System Pre-refunded Revenue Bonds Series 1991C 11-15-15	6.50	1,505,000	1,631,586
Colorado Springs Utilities System Refunding Revenue Bonds Series 1991C 11-15-15	6.50	24,895,000	26,802,454
	6.75	30,000,000	32,573,179
Dawson Ridge Metropolitan District Refunding Revenue Bonds Zero Coupon Series B Escrowed to Maturity 10-01-22	5.21	40,000,000 (d)	10,225,200
Denver City & County Airport Systems Revenue Bonds Series 1991A A.M.T. 11-15-23	8.75	10,000,000	11,182,199
Denver City & County Airport Systems Revenue Bonds Series 1991D A.M.T.			

11-15-21 Denver City & County Airport Systems Revenue Bonds Series 1992A	7.75	8,650,000	9,446,685
11-15-25 Denver City & County Airport Systems Revenue Bonds Series 1992B A.M.T.	7.25	20,975,000	23,597,713
11-15-23 Denver City & County Airport Systems Revenue Bonds Series 1994A	7.25	20,500,000	22,592,529
11-15-12 Denver City & County Airport Systems Revenue Bonds Series 1994A A.M.T.	7.50	5,000,000	5,665,350
11-15-23 Denver City & County GVR Metropolitan District General Obligation Refunding Bonds Series 1991	7.50	19,340,000	22,039,528
12-01-06 Denver City & County GVR Metropolitan District General Obligation Refunding Bonds Series 1995B	8.00	1,385,000	1,656,045
12-01-06 Denver Special Facility Airport Revenue Bonds United Air Lines Series A A.M.T.	11.00	730,000	715,013
10-01-32 Denver Urban Renewal Authority Tax Increment Revenue Bonds Downtown Denver Redevelopment Adams Mark Hotel Series 1989 A.M.T.	6.88	25,400,000	26,994,357
09-01-15	8.00	16,285,000	18,698,926
09-01-16	8.00	1,785,000	2,049,591
09-01-17	8.00	1,930,000	2,216,084
05-01-16 Denver Urban Renewal Authority Tax Increment Revenue Bonds South Broadway Montgomery Ward Urban Renewal Series 1992	8.50	13,415,000	14,786,147
06-01-16 Denver West Metropolitan District General Obligation Bonds Series 1996	6.50	2,560,000	2,792,269
12-01-14 Denver West Metropolitan District General Obligation Refunding Improvement Bonds Series 1995	7.00	4,230,000	4,691,451
12-01-08 Edgewater Redevelopment Authority Tax Increment Refunding Revenue Bonds Edgewater Redevelopment Series 1999	5.50	3,935,000	3,841,190
09-01-09 Hotchkiss Industrial Development Revenue Bonds Dillion Real Estate-Kroger	8.00	1,500,000	1,662,300
08-01-11 Housing Finance Authority Single Family Program Senior Bonds Series 1991B (FGIC Insured)	7.25	1,750,000 (i)	1,829,853
02-01-18	7.30	1,590,000	1,661,200
12-01-10 Lowry Economic Redevelopment Authority Revenue Bonds Series 1996	7.50	19,000,000	21,795,090
12-01-10 Lowry Economic Redevelopment Authority Series A	7.00	3,600,000	4,019,148
12-01-16 Saddle Rock Metropolitan District Limited Tax General Obligation Bonds Series 1997	7.63	5,450,000	5,747,625
09-01-25 State Health Facility Authority Hospital Improvement Refunding Revenue Bonds Parkview Episcopal Medical Center Series 1995	6.13	7,000,000	7,281,820
07-15-22 State Health Facility Authority Revenue Bonds Liberty Heights Zero Coupon Escrowed to Maturity	7.50	81,465,000 (d)	22,402,060
12-01-13 Superior Metropolitan District 2 Limited Tax General Obligation Refunding Bonds MDC Holdings Series 1994B	8.25	2,580,000	3,117,104
12-01-13	8.50	12,000,000	13,257,480
09-01-09 Thornton Industrial Development Revenue Bonds Dillion Real Estate-Kroger	8.00	4,500,000	4,979,880
12-01-18 Trailmark Metropolitan District General Obligation Bonds Series 1999B	5.80	5,000,000	4,953,900
Westminster Industrial Development Revenue Bonds Dillion Real Estate-Kroger			

04-01-09	8.00	3,500,000	3,878,700
Total			418,894,594
Connecticut (0.2%)			
State Development Authority Pollution Control			
Refunding Revenue Bonds Connecticut Light & Power			
Series 1993B A.M.T.			
09-01-28	5.95	10,000,000	9,893,600
District of Columbia (0.7%)			
General Obligation Refunding Bonds Series 1994A			
(MBIA Insured)			
06-01-10	6.00	27,875,000	30,586,123
06-01-11	6.10	7,580,000	8,351,113
Housing Finance Agency Multi-family Mortgage			
Revenue Bonds Temple Courts Section 8			
Series 1985 (FHA Insured)			
02-01-22	12.00	1,305,000	1,492,855
Total			40,430,091
Florida (4.8%)			
Arbor Greene Community Development District			
Special Assessment Revenue Bonds Series 1996			
05-01-18	7.60	4,880,000	5,247,122
Arbor Greene Community Development District			
Special Assessment Revenue Bonds Series 1998			
05-01-19	6.30	1,390,000	1,398,382
Brooks of Bonita Springs Community			
Development District Special Assessment			
District Capital Improvement Revenue Bonds			
Series 1998A			
05-01-19	6.20	11,200,000	11,186,672
Brooks of Bonita Springs Community			
Development District Special Assessment			
District Capital Improvement Revenue Bonds			
Series 1998B			
05-01-06	5.65	2,750,000	2,725,058
Championship Community Development District			
Capital Improvement Revenue Bonds Series 1998A			
05-01-20	6.25	2,840,000	2,836,535
Championship Community Development District			
Capital Improvement Revenue Bonds Series 1998B			
05-01-05	5.70	1,515,000	1,510,410
Charlotte County Development Authority 1st Mortgage			
Refunding Revenue Bonds			
Royal Palm Retirement Centre Series 1991			
03-01-14	9.50	3,830,000	4,114,990
Crossings at Fleming Island Community Development			
District Special Assessment Bonds Series 1995			
05-01-16	8.25	9,810,000	10,731,551
Crossings at Fleming Island Community Development			
District Utility Revenue Bonds Series 1994			
10-01-19	7.38	13,250,000	13,971,860
Department of Transportation Turnpike Revenue Bonds			
Series 1991A (AMBAC Insured)			
07-01-20	6.25	20,000,000	21,024,800
Gateway Centre Development District Pinellas County			
Special Assessment Revenue Bonds Series 1988			
01-01-09	9.13	1,015,000	1,049,094
Grand Haven Community Development District			
Special Assessment Bonds Flagler County			
Series 1997A			
05-01-02	6.30	4,700,000	4,789,535
Grand Haven Community Development District			
Special Assessment Revenue Bonds			
Series 1998A			
05-01-19	6.90	1,000,000	1,032,620
Heritage Harbor Community Development District			
Special Assessment Revenue Bonds			
Series 1997B			
05-01-03	6.00	1,240,000	1,251,123
05-01-05	5.75	1,650,000	1,652,376
Heritage Palms Community Development District			
Capital Improvement Revenue Bonds			
Series 1998			
11-01-03	5.40	4,340,000	4,296,166
Hillsborough County Utility Refunding Revenue Bonds			
Series 1991A			
08-01-14	7.00	24,000,000	25,650,401

Hillsborough County Utility Refunding Revenue Bonds Series 1991A (MBIA Insured) 08-01-16	6.50	24,760,000	26,506,324
Lakewood Ranch Community Development District 1 Manatee County Benefit Special Assessment Bonds Series 1998 05-01-17	7.30	3,680,000	3,746,166
Lakewood Ranch Community Development District 1 Special Assessment Bonds Series 1994 05-01-14	8.25	2,310,000	2,498,588
Miami Health Facility Authorization Revenue Bonds Inverse Floater (AMBAC Insured) 08-15-15	7.04	3,500,000 (c)	3,591,875
North Springs Improvement Special Assessment District Revenue Bonds Heron Bay Series 1997 05-01-19	7.00	3,000,000	3,181,410
North Springs Improvement Special Assessment District Revenue Bonds Parkland Isles Series 1997B 05-01-05	6.25	2,800,000	2,845,024
Orange County Housing Finance Authority Multi-family Housing Revenue Bonds Dunwoodie Apartments Series 1999E A.M.T. 07-01-35	6.50	6,020,000	5,961,606
Palm Beach County Health Facilities Authority Hospital Revenue Bonds Good Samaritan Health Series 1993 10-01-22	6.30	3,750,000	4,145,625
Palm Beach County Housing Finance Authority Multi-family Revenue Bonds Lake Delray Series A A.M.T. 01-01-31	6.40	14,000,000	13,980,120
Polk County Industrial Development Authority 1st Mortgage Refunding Revenue Bonds Spring Haven II 12-01-14	8.75	5,945,000	6,410,850
Port Everglades Port Authority Revenue Bonds Junior Lien 09-01-16	5.00	18,635,000	18,400,385
River Ridge Community Development District Special Assessment Revenue Bonds Series 1998 05-01-08	5.75	3,600,000	3,584,916
Riverwood Community Development District Charlotte County Special Assessment Revenue Bonds Series 1992A-B 05-01-12	8.50	465,000	489,333
	8.50	4,925,000	5,182,725
State Housing Finance Revenue Bonds Westbrook Apartments Series U-1 A.M.T. 01-01-39	6.45	4,880,000	4,770,493
Stoneybrook Community Development District Capital Improvement Revenue Bonds Lee County Series 1998A 05-01-19	6.10	1,660,000	1,639,184
Stoneybrook Community Development District Capital Improvement Revenue Bonds Lee County Series 1998B 05-01-08	5.70	1,280,000	1,270,234
Sumter County Industrial Development Authority Industrial Development Revenue Bonds Little Sumter Utility Company Series 1997 A.M.T. 10-01-27	7.25	4,200,000	4,229,610
Sumter County Industrial Development Authority Industrial Development Water & Sewer Revenue Bonds Little Sumter Utility Company Series 1998 A.M.T. 10-01-27	6.75	2,950,000	2,904,983
Sumter County Village Community Development District 1 Capital Improvement Revenue Bonds Series 1992 05-01-12	8.40	605,000	643,496
Sunrise Utility System Refunding & Improvement Revenue Bonds 10-01-18	10.75	5,000,000	5,464,350
Tampa Health Systems Revenue Bonds Catholic Health East Obligation Group Series 1998A-2 (AMBAC Insured) 11-15-28	4.88	26,330,000	24,374,998
Village Center Community Development District Sub Recreational Revenue Bonds Series 1998C 01-01-19	7.38	2,640,000	2,647,418
Village Center Community District Recreational Revenue Bonds Series 1996B			

01-01-17	8.25	2,695,000	2,913,214
Village Community Development District 2 Special Assessment District Revenue Bonds Series 1996			
05-01-17	7.63	5,285,000	5,622,870
Volusia County Industrial Development Authority 1st Mortgage Refunding Revenue Bonds Series 1996			
11-01-26	7.63	10,925,000	13,216,191
Total			284,690,683
Georgia (2.0%)			
Atlanta Special Purpose Facility Revenue Bonds Delta Air Lines Series 1989B A.M.T.			
12-01-18	7.90	13,500,000	14,000,040
12-01-19	6.25	8,685,000	8,756,825
Colquitt County Development Authority Revenue Bonds Zero Coupon Escrowed to Maturity			
12-01-21	6.87	46,350,000 (d)	12,714,732
Effingham County Pollution Control Revenue Bonds Fort Howard Series 1988			
10-01-05	7.90	19,850,000	20,640,229
Fulco Hospital Authority Revenue Anticipation Certificate Georgia Baptist Health Care Systems Series 1992A			
09-01-22	6.38	20,300,000	22,153,592
George L. Smith II World Congress Center Authority Miscellaneous Revenue Bonds Dome Stadium Series 2000 (MBIA Insured) A.M.T.			
07-01-20	5.50	8,000,000 (g)	7,918,000
Municipal Electric Authority Power Revenue Bonds Series L			
01-01-20	5.00	1,150,000	1,102,850
Rockdale County Development Authority Solid Waste Disposal Revenue Bonds Visy Paper Series 1993 A.M.T.			
01-01-26	7.50	10,000,000	10,554,100
Savannah Economic Development Authority 1st Mortgage Revenue Bonds Zero Coupon Series 1991A			
12-01-21	5.40	13,755,000 (d)	3,773,272
Savannah Economic Development Authority Revenue Bonds Zero Coupon Escrowed to Maturity			
12-01-21	6.87	64,220,000 (d)	17,616,830
Total			119,230,470
Hawaii (0.4%)			
City & County of Honolulu Refunding & Improvement General Obligation Bonds Series 1993B Inverse Floater			
09-07-06	7.02	10,000,000 (c)	11,087,500
09-11-08	7.32	10,000,000 (c)	11,237,500
Total			22,325,000
Idaho (0.0%)			
State Building Authority Lease Revenue Bonds Series 1998A (MBIA Insured)			
09-01-25	4.75	750,000	700,883
Illinois (8.0%)			
Bradley Kankakee County Tax Increment Refunding Revenue Bonds Series 1993			
12-01-12	8.40	5,590,000	6,242,185
Broadview Cook County Senior Lien Tax Increment Revenue Bonds Series 1993			
07-01-13	8.25	11,360,000	13,518,741
Chicago Board of Education General Obligation Bonds Capital Appreciation Series B-1 (FGIC Insured)			
12-01-29	5.22	25,000,000 (d)	4,775,750
Chicago Board of Education School Reform Unlimited Tax General Obligation Refunding Bonds Zero Coupon Series 1999A (FGIC Insured)			
12-01-28	5.30	31,500,000 (d)	6,358,590
12-01-29	5.30	30,500,000 (d)	5,826,415
12-01-30	5.30	36,135,000 (d)	6,534,292
Chicago General Obligation Bonds Series 1991 (AMBAC Insured)			
01-01-16	6.00	6,170,000	6,604,183
Chicago General Obligation Bonds Series 1994A (AMBAC Insured)			
01-01-22	5.88	17,850,000	19,051,662
Chicago General Obligation Refunding Bonds Series 1995A (AMBAC Insured)			
01-01-18	5.50	20,000,000	20,903,400

Chicago O'Hare International Airport General Airport Refunding Revenue Bonds Series 1993A 01-01-16	5.00	14,450,000	14,005,807
Chicago O'Hare International Airport General Airport Revenue Bonds Series 1990A A.M.T. 01-01-16	7.50	21,000,000	21,805,560
01-01-18	6.00	29,000,000	29,631,619
Chicago O'Hare International Airport Special Facility Revenue Bonds United Airlines Series 1999A 09-01-16	5.35	5,000,000	4,911,200
Chicago O'Hare International Airport Special Revenue Bonds (FGIC Insured) A.M.T. 11-01-25	7.88	17,750,000	18,925,760
Chicago O'Hare International Airport Special Revenue Bonds A.M.T. 01-01-17	7.50	32,250,000	33,438,734
Chicago O'Hare International Airport Special Revenue Facility Bonds Delta Airlines Series 1992 05-01-18	6.45	10,000,000	10,586,500
Chicago Ridge Special Service Area 1 Unlimited Ad Valorem Tax Bonds Series 1990 12-01-08	9.00	2,700,000	2,962,980
Chicago Wastewater Transmission Revenue Bonds Series 1994 (MBIA Insured) 01-01-24	6.38	22,500,000	25,247,924
Cook County Bedford Park Senior Lien Tax Increment Revenue Bonds 01-01-06	7.00	990,000	1,055,746
01-01-12	7.38	1,700,000	1,830,679
Cook County Bedford Park Senior Lien Tax Increment Revenue Bonds Mark IV Series 1992 03-01-12	9.75	1,675,000	1,941,962
Development Finance Authority Lifecare Revenue Bonds Presbyterian Homes Series 1996B 09-01-31	6.40	6,700,000	7,323,770
Development Finance Authority Pollution Control Refunding Revenue Bonds Central Illinois Public Service 2nd Series 1993B 06-01-28	5.90	2,500,000	2,586,300
Development Finance Authority Pollution Control Refunding Revenue Bonds Commonwealth Edison Series 1994 01-15-09	5.70	2,000,000	2,148,560
01-15-14	5.85	4,500,000	4,912,875
Development Finance Authority Pollution Control Refunding Revenue Bonds Illinois Power Series 1991A 07-01-21	7.38	19,250,000	22,121,715
Development Finance Authority Retirement Housing Revenue Bonds Zero Coupon Escrowed to Maturity 04-15-20	7.75	68,000,000 (d)	19,868,920
DuPage County Tax Increment Revenue Bonds Series 1997 01-01-17	7.88	4,690,000	5,212,841
Educational Facilities Authority Refunding Revenue Bonds Lewis University Series 1996 10-01-26	6.13	8,780,000	8,989,140
Educational Facilities Authority Refunding Revenue Bonds Loyola University of Chicago Series 1993 Inverse Floater (FGIC Insured) 07-01-12	7.57	11,000,000 (c)	12,420,210
Granite City Madison County Hospital Refunding Revenue Bonds St. Elizabeth Medical Center Series 1989A 06-01-08	8.13	2,920,000	2,980,794
Health Facilities Authority Refunding Revenue Bonds Edwards Hospital Series 1993A 02-15-19	6.00	6,350,000	6,500,559
Health Facilities Authority Refunding Revenue Bonds Masonic Medical Center Series 1993 10-01-19	5.50	2,000,000	1,949,680
Health Facilities Authority Refunding Revenue Bonds Morris Hospital 12-01-23	6.13	3,005,000	3,129,888
Health Facilities Authority Refunding Revenue Bonds University of Chicago Series 1993 Inverse Floater (MBIA Insured)			

08-15-14	8.02	10,000,000 (c)	10,837,500
Health Facilities Authority Revenue Bonds Sarah Bush Lincoln Health Center Series 1992			
05-15-12	7.25	2,000,000	2,220,260
05-15-22	7.25	2,000,000	2,220,260
Health Facilities Authority Revenue Bonds Sarah Bush Lincoln Health Center Series 1996B			
02-15-22	5.75	2,915,000	2,923,308
Health Facility Authority Revenue Bonds South Suburban Hospital Series 1992			
02-15-09	7.00	4,000,000	4,482,833
02-15-18	7.00	5,000,000	5,751,737
Hodgkins General Obligation Tax Increment Bonds Series 1991			
12-01-09	9.50	11,800,000	13,546,908
Hodgkins General Tax Increment Bonds Series 1995A			
12-01-13	7.63	9,000,000	9,892,710
Huntley Special Tax Bonds Series 1998			
02-01-25	6.75	2,450,000	2,496,330
Huntley Special Tax Bonds Series 1999			
03-01-28	6.30	2,305,000	2,274,574
Lakemoor Special Tax Revenue Bonds Series 1997			
03-01-27	7.80	9,000,000	9,630,900
Lansing Tax Increment Refunding Revenue Bonds Landings Redevelopment Area Limited Sales Tax Pledge Series 1992			
12-01-08	7.00	10,000,000	10,902,100
Marion General Obligation Hospital Alternate Revenue Source Bonds Series 1991			
12-01-16	7.50	3,800,000	4,195,732
Metropolitan Pier & Exposition Authority Dedicated State Tax Refunding Revenue Bonds McCormick Place Zero Coupon (FGIC Insured)			
06-15-19	6.37	6,000,000 (d)	2,057,760
Metropolitan Pier & Exposition Authority Dedicated State Tax Refunding Revenue Bonds McCormick Place Zero Coupon (MBIA Insured)			
06-15-17	6.61	11,210,000 (d)	4,315,514
06-15-28	6.61	41,900,000 (d)	8,723,580
Metropolitan Pier & Exposition Authority Sales Tax & Miscellaneous Tax Revenue Capital Appreciation Refunding Bonds Zero Coupon Series 1996A (MBIA Insured)			
12-15-22	6.05	16,225,000 (d)	4,582,427
Regional Transportation Authority General Obligation Bonds Counties of Cook, DuPage, Kane, Lake, McHenry & Will Series 1992A (AMBAC Insured)			
06-01-22	6.13	7,200,000	7,557,336
Schaumburg Special Assessment District Revenue Bonds Woodfield Road Series 1998			
12-01-28	6.75	3,403,000	3,318,095
State Development Finance Authority Regency Park Retirement Housing Revenue Bonds Zero Coupon Series 1991B Escrowed to Maturity			
07-15-25	5.49	10,000,000 (d)	2,144,500
Tinley Park Cook & Will Counties Limited Sales Tax Revenue Bonds Series 1988			
11-01-99	10.25	895,000 (h)	322,200
Tinley Park Cook & Will Counties Unlimited Ad Valorem Tax Bonds of Special Service			
12-01-99	10.65	80,000	75,200
12-01-00	10.65	90,000	83,700
12-01-01	10.65	100,000	92,000
12-01-02	10.65	110,000	101,200
12-01-03	10.65	120,000	110,400
12-01-04	10.65	135,000	124,200
12-01-05	10.65	150,000	138,000
12-01-06	10.65	165,000	151,800
12-01-07	10.65	185,000	170,200
Total			471,748,205
Indiana (2.2%) Brazil 1st Mortgage Revenue Bonds Hoosier Care II Series 1990			

06-01-20	10.38	4,025,000	4,236,755
Carmel Retirement Rental Housing Refunding Revenue Bonds Beverly Enterprises Series 1992			
12-01-08	8.75	6,565,000	7,274,873
Development Finance Authority Environmental Improvement Refunding Revenue Bonds USX Corporation Series 1996			
07-15-30	6.25	2,000,000	2,113,900
East Chicago Elementary School Building Lake County 1st Mortgage Refunding Bonds Series 1996			
01-05-16	6.25	8,000,000	8,908,960
Hanover 1st Mortgage Revenue Bonds Hoosier Care II Series 1990			
06-01-20	10.38	6,590,000	6,936,700
Health Facility Authority Hospital Revenue Bonds Community Hospital of Anderson Series 1993			
01-01-23	6.00	10,000,000	10,170,000
Health Facility Authority Hospital Revenue Bonds Union Hospital Series 1993 (MBIA Insured)			
09-01-18	5.13	10,000,000	9,719,000
Health Facility Finance Authority Hospital Revenue Bonds Hancock Memorial Series 1996			
08-15-17	6.13	2,295,000	2,410,920
La Porte County Hospital Authority Hospital Refunding Revenue Bonds La Porte Hospital Series 1993			
03-01-12	6.25	5,070,000	5,338,051
03-01-23	6.00	2,990,000	3,070,042
Lawrenceburg Pollution Control Refunding Revenue Bonds Methodist Hospital Series 1989			
09-01-08	6.50	15,555,000	15,989,762
Marion County Hospital Authority Refunding Revenue Bonds Methodist Hospital Series 1989 (MBIA Insured)			
09-01-13	6.50	4,115,000	4,189,193
Rockport Pollution Control Refunding Revenue Bonds Indiana Michigan Electric Series B			
03-01-16	7.60	5,500,000	5,830,880
St. Joseph County Hospital Authority Health Systems Revenue Bonds Memorial Health System Series 1998A (MBIA Insured)			
08-15-28	4.63	30,000,000	26,203,201
St. Joseph County Hospital Facility Revenue Bonds Memorial Hospital of South Bend			
06-01-10	9.40	1,770,000	2,238,891
Vincennes Economic Development Revenue Bonds Southwest Indiana Regional Youth Village Facility Series 1993			
01-01-24	8.50	16,575,000	17,583,258
Total			132,214,386
Iowa (0.6%)			
Keokuk Hospital Facilities Refunding Revenue Bonds Keokuk Area Hospital Series 1991			
12-01-21	7.63	5,350,000	5,922,985
Muscataine Electric Refunding Revenue Bonds Series 1986			
01-01-05	6.00	10,845,000	10,864,738
01-01-06	6.00	11,330,000	11,350,621
01-01-07	5.00	2,250,000	2,250,540
01-01-08	5.00	5,100,000	5,100,357
Total			35,489,241
Kansas (0.1%)			
Wyandotte County Kansas City Multi-family Housing Revenue Bonds Park Victoria Apartments Series 1998 A.M.T.			
08-01-28	6.25	5,035,000	4,977,853
Kentucky (0.9%)			
Development Finance Authority Hospital Facility Revenue Bonds St. Luke Hospital Series 1989B			
10-01-19	6.00	22,695,000	23,237,637
Economic Development Finance Authority Hospital Refunding Revenue & Improvement Bonds Appalachian Regional Hospital Series 1997			
10-01-22	5.88	5,000,000	5,025,400
Muhlenberg County Hospital Refunding Revenue Bonds Muhlenberg Community Hospital Series 1996			
07-01-10	6.75	9,045,000	9,388,620

Turnpike Authority Economic Road Development Refunding Revenue Bonds Series 1993 Inverse Floater (AMBAC Insured) 06-06-12	7.84	15,000,000 (c)	16,593,750
Total			54,245,407
Louisiana (2.5%)			
Calcasieu Parish Industrial Development Pollution Control Refunding Revenue Bonds Gulf State Utilities Series 1992 10-01-12	6.75	10,500,000	11,080,020
Energy & Power Authority Refunding Revenue Bonds Rodemacher Unit 2 Series 1991 (FGIC Insured) 01-01-13	6.00	28,000,000	28,880,320
Hodge Village Combined Utility System Revenue Bonds Stone Container Series 1990 A.M.T. 03-01-10	9.00	23,000,000	23,970,370
New Orleans Audubon Park Commission Aquarium Revenue Bonds Series 1992A 04-01-12	8.00	7,100,000	7,971,809
Public Facilities Authority Revenue Bonds Glen Retirement Systems Series 1995 12-01-15	6.50	1,000,000	1,058,170
12-01-25	6.70	1,500,000	1,604,190
Southern Louisiana Port Commission Terminal Refunding Revenue Bonds GATX Terminal Series 1993 03-01-23	7.00	13,180,000	14,212,785
St. Charles Parish Pollution Control Revenue Bonds Louisiana Power & Light 2nd Series 1984 12-01-14	8.00	29,155,000	30,485,051
St. Charles Parish Pollution Control Revenue Bonds Louisiana Power & Light Series 1991 A.M.T. 06-01-21	7.50	20,700,000	22,039,704
West Feliciana Parish Demand Pollution Control Revenue Bonds Gulf State Utilities Series 1985B 05-01-15	9.00	6,000,000	6,415,440
Total			147,717,859
Maine (0.1%)			
Finance Authority Multi-family Housing Revenue Obligation Securities Huntington Common Series 1997A 09-01-27	7.50	5,000,000	5,110,300
Maryland (0.8%)			
Frederick County Economic Refunding Revenue Bonds Alumax Series 1992 04-01-17	7.25	9,880,000	10,642,440
Frederick County Obligation Special Tax Revenue Bonds Urbana Community Development Authority Series 1998 07-01-25	6.63	6,000,000	6,065,460
Harford County Industrial Development Revenue Bonds Dorsey 04-16-05	8.00	449,000	451,236
Prince George's County Hospital Revenue Bonds Dimensions Health Series 1992 07-01-17	7.25	11,400,000	12,703,932
07-01-22	7.00	7,000,000	7,754,530
State Transportation Authority Facility Capital Appreciation Revenue Bonds Zero Coupon Series 1992 (FGIC Insured) 07-01-10	6.33	3,000,000 (d)	1,763,130
07-01-11	6.33	6,700,000 (d)	3,718,098
State Transportation Authority Facility Revenue Bonds Zero Coupon Series 1992 (FGIC Insured) 07-01-12	6.35	5,000,000 (d)	2,619,300
Total			45,718,126
Massachusetts (3.3%)			
Bay Transportation Authority Refunding Revenue Bonds Series 1994A (MBIA Insured) 03-01-12	6.00	8,000,000	8,593,437
Health & Educational Facilities Authority Revenue Bonds Berkshire Health Systems Series C 10-01-11	5.90	1,800,000	1,837,350
10-01-20	6.00	4,000,000	4,098,680
Health & Educational Facilities Authority			

Revenue Bonds Beverly Hospital Inverse Floater (MBIA Insured) 06-18-20	7.92	8,000,000 (c)	8,650,000
Health & Educational Facilities Authority Revenue Bonds Charlton Memorial Hospital Series 1991B 07-01-13	7.25	6,455,000	7,010,905
Health & Educational Facilities Authority Revenue Bonds Holyoke Hospital Series B 07-01-15	6.50	500,000	527,505
Industrial Finance Agency Pollution Control Refunding Revenue Bonds Eastern Edison Series 1993 08-01-08	5.88	4,250,000	4,348,855
Industrial Finance Agency Resource Recovery Revenue Bonds SEMASS Series 1991A 07-01-15	9.00	18,885,000	20,791,818
Industrial Finance Agency Resource Recovery Revenue Bonds SEMASS Series 1991B A.M.T. 07-01-15	9.25	24,800,000	27,304,055
Municipal Wholesale Electric Power Supply System Pre-refunded Revenue Bonds Series 1992B 07-01-17	6.75	10,130,000	11,161,335
Municipal Wholesale Electric Power Supply System Revenue Bonds Series 1993A Inverse Floater (AMBAC Insured) 07-01-18	7.12	6,500,000 (c)	6,686,875
State Industrial Finance Agency Assisted Living Facility Revenue Bonds Marina Bay LLC Series 1997 A.M.T. 12-01-27	7.50	2,000,000	2,160,300
State Industrial Finance Agency Assisted Living Facility Revenue Bonds Newton Group Properties LLC Series 1997 A.M.T. 09-01-27	8.00	4,300,000	4,782,589
State Turnpike Authority Metro Highway System Senior Lien Revenue Bonds Toll Road Series 1997A (MBIA Insured) 01-01-37	5.00	24,500,000	22,966,055
State Water Authority Water & Sewer General Revenue Bonds Series 1998A (FSA Insured) 08-01-27	4.75	12,000,000	10,973,640
Water Resource Authority General Refunding Revenue Bonds Series 1992B 11-01-15	5.50	22,175,000	22,642,449
Water Resource Authority General Revenue Bonds Series 1992A 07-15-19	6.50	3,500,000	4,055,135
Water Resource Authority General Revenue Bonds Series 1993B-95B (MBIA Insured) 12-01-25	5.00	9,000,000	8,580,870
Water Resource Authority General Revenue Bonds Series B (MBIA Insured) 03-01-22	5.00	10,000,000	9,592,500
Water Resource Authority General Revenue Bonds Series D (MBIA Insured) 08-01-24	5.00	5,000,000	4,785,750
Total			191,550,103
Michigan (4.4%)			
Concord Academy Certificate of Participation Series 1998 10-01-19	7.00	1,000,000	976,590
Countryside Charter School Full Term Certificates of Participation Berrien County Series 1999 04-01-29	7.00	2,635,000	2,605,383
Crawford County Economic Development Corporation Environmental Improvement Revenue Bonds Weyerhaeuser Series 1991A 07-15-07	7.13	10,800,000	12,313,404
Detroit Unlimited Tax General Obligation Bonds Series 1993 04-01-14	6.35	5,510,000	5,938,127
Detroit Unlimited Tax General Obligation Bonds Series 1995A			

04-01-15 Lincoln Consolidated School District Unlimited Tax General Obligation Refunding Bonds (FGIC Insured)	6.80	1,375,000	1,568,408
05-01-18 Livingston Academy Certificate of Participation	5.85	6,455,000	7,023,967
05-01-27 Midland County Economic Development Corporation Pollution Control Limited Obligation Refunding Revenue Bonds Midland Cogeneration Series 1990 A.M.T.	7.00	3,080,000	3,075,934
07-23-09 Midland County Economic Development Corporation Pollution Control Limited Obligation Refunding Revenue Bonds Midland Cogeneration Series 1990C	9.50	35,200,000	37,222,943
07-23-09 Midland County Economic Development Corporation Pollution Control Limited Obligation Refunding Revenue Bonds Midland Cogeneration Series 1990C	8.50	18,900,000	19,806,633
12-01-19 Monroe County Pollution Control Revenue Bonds Detroit Edison A.M.T.	7.75	40,250,000	42,033,477
09-15-21 State Hospital Finance Authority Hospital Pre-refunded Revenue Bonds McLaren Obligated Group Series 1991A	7.50	7,500,000	8,248,875
01-01-26 State Hospital Finance Authority Hospital Refunding Revenue Bonds Sinai Hospital of Greater Detroit Series 1995	6.70	3,000,000	3,104,580
08-15-18 State Hospital Finance Authority Refunding Revenue Bonds Detroit Medical Center Series 1993A	6.50	10,000,000	10,167,000
01-01-16 State Hospital Finance Authority Refunding Revenue Bonds Sinai Hospital of Greater Detroit Series 1995	6.63	2,750,000	2,832,280
10-01-27 State Hospital Finance Authority Revenue Bonds Central Michigan Community Hospital	6.25	2,095,000	2,179,680
11-01-99 State Job Development Authority Pollution Control Revenue Bonds Chrysler	5.70	4,350,000	4,384,931
11-01-20 State Trunk Line Bonds Series 1998A (MBIA Insured)	4.75	10,500,000	9,803,430
08-01-12 Strategic Fund Environmental Improvement Limited Obligation Refunding Revenue Bonds Crown Paper Company Series 1997B	6.25	1,100,000	985,171
09-01-25 Strategic Fund Limited Obligation Refunding Revenue Bonds Detroit Edison Series 1995AA (MBIA Insured)	6.40	12,000,000	13,377,360
12-01-27 Strategic Fund Limited Obligation Refunding Revenue Bonds Great Lakes Pulp & Fibre Series 1994 A.M.T.	5.00	22,451,752	15,716,226
02-01-06 Strategic Fund Limited Tax Obligation Refunding Revenue Bonds Ford Motor Series 1991A	7.10	16,400,000	18,863,280
09-01-29 Summit Academy Certificates of Participation Junior High School Facility Series 1999	7.00	4,000,000	3,940,080
09-01-18 Summit Academy Certificates of Participation Series 1998	7.00	2,500,000	2,468,425
11-01-18 Troy City Downtown Development Authority County of Oakland Development Bonds Series 1995A (Asset Guaranty)	6.38	1,000,000	1,102,240
10-01-16 Van Buren Township Tax Increment Revenue Bonds Series 1994	8.40	3,970,000	4,471,570
12-01-28 Wayne Charter County Airport Revenue Bonds Detroit Metro Wayne County Series 1998A (MBIA Insured) A.M.T.	5.00	13,900,000	13,025,690
12-01-15 Wayne County Special Airport Facilities Refunding Revenue Bonds Northwest Airlines Series 1995	6.75	11,280,000	12,178,565

Total			259,414,249
Minnesota (4.2%)			
Becker Solid Waste Disposal Facility			
Revenue Bonds Liberty Paper Series 1994B A.M.T.			
08-01-15	9.00	16,800,000	17,201,352
Bloomington Health Care Facility Revenue Bonds			
Friendship Village of Bloomington Series 1992			
04-01-02	8.50	2,385,000	2,515,460
Brainerd Economic Development Authority			
Health Care Facility Revenue Bonds			
Benedictine Health System St. Joseph Medical Center			
Series 1990			
02-15-20	8.38	4,670,000	4,926,943
Duluth Economic Development Authority			
Health Care Facility Pre-refunded Revenue Bonds			
Benedictine Health System St. Mary's Medical Center			
Series 1990			
02-15-20	8.38	8,300,000	8,756,666
Fergus Falls Health Care Facilities Revenue Bonds			
LRHC Long-Term Care Facility Series 1995			
12-01-25	6.50	1,530,000	1,642,088
International Falls Solid Waste Disposal			
Revenue Bonds Boise Cascade			
Series 1990 A.M.T.			
01-01-15	7.75	10,000,000	10,299,800
Little Canada Multi-family Housing Revenue Bonds			
Housing Alternative Development Company			
Series 1997A			
12-01-27	6.25	1,755,000	1,768,794
Mahtomedi Multi-family Housing			
Revenue Bonds Briarcliff A.M.T.			
06-01-36	7.35	1,995,000	2,076,157
Maplewood Elder Care Facility Revenue Bonds			
Care Institute Series 1994			
01-01-24	7.75	8,000,000	8,281,840
Maplewood Multi-family Housing			
Refunding Revenue Bonds Carefree Cottages			
of Maplewood III Series 1995 A.M.T.			
11-01-32	7.20	4,930,000	5,065,230
Mille Lacs Capital Improvement Authority Infrastructure			
Revenue Bonds Series 1992A			
11-01-12	9.25	4,310,000	5,111,057
Minneapolis Housing & Healthcare Facility Revenue Bonds			
Augustana Chapel View Homes Incorporated Series 1997			
06-01-27	6.75	2,640,000	2,741,218
Richfield Multi-family Housing			
Refunding Revenue Bonds			
Village Shores Apartments Series 1996			
08-01-31	7.63	4,920,000	5,102,778
Robbinsdale Multi-family Housing Revenue Bonds			
Copperfield Hill Series 1996A			
12-01-31	7.35	3,500,000	3,579,135
Rochester Multi-family Housing Revenue Bonds			
Wedum Shorewood Campus			
06-01-36	6.60	10,000,000	9,999,900
Roseville Housing Facilities Nursing Home			
Refunding Revenue Bonds College Properties			
Incorporated Series 1998			
10-01-28	5.88	7,500,000	7,343,250
Southern Minnesota Municipal Power Agency			
Power Supply System Refunding Revenue Bonds			
Series 1992			
01-01-18	5.75	32,210,000	33,517,403
Southern Minnesota Municipal Power Agency			
Power Supply System Refunding Revenue Bonds			
Zero Coupon Series 1994A (MBIA Insured)			
01-01-21	6.87	13,500,000 (d)	4,354,155
Southern Minnesota Municipal Power Agency			
Power Supply System Revenue Bonds			
Zero Coupon Series 1994A (MBIA Insured)			
01-01-22	6.73	17,500,000 (d)	5,349,050
01-01-23	6.74	27,500,000 (d)	7,964,825
01-01-24	6.75	19,960,000 (d)	5,477,423
01-01-25	6.75	27,500,000 (d)	7,149,175
01-01-26	6.75	27,500,000 (d)	6,754,550
01-01-27	6.75	12,450,000 (d)	2,899,232
St. Louis Park Health Care Facilities			
Pre-refunded Revenue Bonds			

Park Nicollet Medical Center Series 1990A 01-01-20	9.25	6,000,000	6,325,260
St. Louis Park Health Care Facilities Revenue Bonds Healthsystem Minnesota Obligated Group Series 1993 Inverse Floater (AMBAC Insured) 07-01-05	5.43	10,200,000 (c)	10,569,750
St. Louis Park Health Care Facilities Revenue Bonds Healthsystem Minnesota Obligated Group Series 1993B Inverse Floater (AMBAC Insured) 07-01-13	6.28	18,000,000 (c)	18,269,999
St. Louis Park Multi-family Housing Refunding Revenue Bonds Park Boulevard Towers Series 1996A 04-01-31	7.00	11,415,000	11,823,999
St. Paul Housing & Redevelopment Authority Health Care Facility Revenue Bonds Lynghblomsten Care Center Series 1993A 11-01-06	7.13	1,610,000	1,675,125
11-01-17	7.13	2,635,000	2,784,536
St. Paul Housing & Redevelopment Authority Health Care Facility Revenue Bonds Lynghblomsten Multi-family Rental Housing Series 1993B 11-01-24	7.00	2,725,000	2,772,006
St. Paul Port Authority Redevelopment Multi-family Refunding Revenue Bonds Burlington Apartments Series A (GNMA Insured) 05-01-31	5.75	14,355,000	14,757,658
St. Paul Port Authority Redevelopment Multi-family Subordinate Refunding Revenue Bonds Burlington Apartments Series A 02-01-31	8.63	3,770,000	3,836,541
Vadnais Heights Multi-family Housing Refunding Revenue Bonds Cottages of Vadnais Heights Series 1995 A.M.T. 12-01-31	7.00	1,980,000	2,033,500
Washington County Housing & Redevelopment Authority Refunding Revenue Bonds Woodbury Multi-family Housing Series 1996 12-01-23	6.95	4,755,000	4,887,997
Total			249,613,852
Mississippi (1.0%)			
Claiborne County Pollution Control Refunding Revenue Bonds System Energy Resources Series 1995 05-01-25	7.30	4,000,000	4,191,880
Claiborne County Pollution Control Revenue Bonds Middle South Energy 12-01-13	9.50	1,195,000	1,233,814
Gulfport Urban Renewal Multi-family Housing Revenue Bonds Woodchase Apartments Series 1998 A.M.T. 12-01-28	6.75	3,100,000	2,962,980
Harrison County Waste Water Management District Refunding Bonds Series 1986 02-01-15	5.00	4,250,000	4,280,855
Jackson Industrial Development Revenue Bonds Dorsey 04-16-05	8.00	392,000	395,967
Long Beach Urban Renewal Multi-family Housing Revenue Bonds Long Beach Square Apartments Series 1998 A.M.T. 08-01-28	6.75	3,870,000	3,759,202
Lowndes County Solid Waste Disposal Pollution Control Refunding Revenue Bonds Weyerhaeuser Series 1989 Inverse Floater 04-01-22	8.80	4,000,000 (c)	4,695,040
Lowndes County Solid Waste Disposal Pollution Control Revenue Bonds Weyerhaeuser Series 1989 A.M.T. 12-01-05	7.88	12,250,000	12,803,088
Medical Center Educational Building Hospital Refunding Revenue Bonds University of Mississippi Medical Center Series 1998B (AMBAC Insured) 12-01-23	5.50	14,000,000	14,538,439
State Business Finance Pollution Control Refunding Revenue Bonds System Energy Resources			

Series 1999			
05-01-22	5.90	9,150,000	9,115,322
Total			57,976,587
Missouri (0.7%)			
Regional Convention & Sports Complex Authority Bonds			
St. Louis Sponsor Series 1991B			
08-15-21	7.00	5,810,000	6,486,458
Sikeston Electric System Refunding Revenue Bonds			
Series 1992 (MBIA Insured)			
06-01-02	5.80	4,165,000	4,387,578
St. Louis Industrial Development Authority			
Refunding Revenue Bonds Kiel Center			
Multi-purpose Arena Series 1992 A.M.T.			
12-01-24	7.88	15,400,000	16,580,410
St. Louis Regional Convention & Sports Complex Authority			
Refunding Revenue Bonds Series 1991C			
08-15-21	7.90	2,575,000	2,961,096
St. Louis Regional Convention & Sports Complex Authority			
Revenue Bonds Series 1991C			
08-15-21	7.90	125,000	136,406
State Environment & Improvement Energy Resources			
Authority Pollution Control Revenue Bonds Chrysler			
10-01-99	5.70	9,250,000	9,281,820
Total			39,833,768
Nebraska (--%)			
Omaha Public Power District Electric System			
Revenue Bonds Series 1986A			
02-01-15	6.00	1,370,000	1,511,425
Nevada (0.9%)			
Clark County Collateralized Pollution Control Revenue Bonds			
Nevada Power A.M.T.			
10-01-09	7.80	11,850,000	12,217,943
Clark County Industrial Development Revenue Bonds			
Nevada Power Series 1990 A.M.T.			
06-01-20	7.80	5,000,000	5,247,600
Clark County Passenger Facility Charge Airport			
Refunding Revenue Bonds			
Las Vegas McCarran Intl Airport			
Series 1998 (MBIA Insured)			
07-01-22	4.75	19,000,000	17,616,609
Las Vegas Redevelopment Agency Tax Increment			
Subordinate Lien Revenue Bonds Series 1994A			
06-15-10	6.00	2,000,000	2,093,760
06-15-14	6.10	2,750,000	2,857,443
Las Vegas Special Improvement District 707			
Local Improvement Bonds			
Summerlin Area Series 1996			
06-01-16	7.10	6,000,000	6,252,360
Washoe County Hospital Revenue Bonds			
Washoe Medical Center Series 1993A			
06-01-15	6.00	7,250,000	7,534,635
Total			53,820,350
New Hampshire (2.1%)			
Business Financial Authority Pollution Control			
& Solid Waste Disposal Refunding Revenue Bonds			
Crown Paper Company Series 1996			
01-01-22	7.75	4,255,000	4,197,472
Business Financial Authority Pollution Control			
Refunding Revenue Bonds United Illuminating			
Series 1993A			
10-01-33	5.88	13,200,000	13,358,796
Higher Education & Health Facilities Authority			
Lifecare Revenue Bonds Rivermead at Peterborough			
Retirement Community Series 1998			
07-01-18	5.63	1,365,000	1,311,847
07-01-28	5.75	2,500,000	2,422,675
Industrial Development Authority Pollution Control			
Revenue Bonds State Public Service Series 1991B			
05-01-21	7.50	51,485,000	54,082,419
Industrial Development Authority Pollution Control			
Revenue Bonds State Public Service Series 1991C A.M.T.			
05-01-21	7.65	25,000,000	26,305,250
Industrial Development Authority Pollution Control			
Revenue Bonds United Illuminating Series 1989A A.M.T.			
12-01-14	8.00	8,000,000	8,350,320

State Higher Education & Health Facility Authority Hospital			
Revenue Bonds Hitchcock Clinic Series 1994			
(MBIA Insured)			
07-01-24	6.00	13,000,000	13,815,360
Total			123,844,139
New Jersey (0.2%)			
Health Care Facility Finance Authority Revenue Bonds			
St. Peter Medical Center Series 1994F (MBIA Insured)			
07-01-16	5.00	10,000,000	9,752,700
New Mexico (1.9%)			
Albuquerque Health Care System Revenue Bonds			
Lovelace Medical Fund			
03-01-11	10.25	55,000	55,877
Bernalillo County Muti-family Housing Revenue Bonds			
Series 1997D			
04-01-27	7.70	14,845,000	15,286,045
Farmington Pollution Control Refunding Revenue Bonds			
Series 1996A-B			
12-01-16	6.30	10,000,000	10,514,400
Farmington Pollution Control Refunding Revenue Bonds			
Series 1997A			
10-01-20	6.95	4,000,000	4,332,080
Farmington Pollution Control Refunding Revenue Bonds			
State Public Service San Juan Series 1994A			
08-15-23	6.40	30,650,000	31,821,136
Farmington Power Refunding Revenue Bonds			
Generating Division			
01-01-13	9.88	5,000,000	6,464,150
Las Vegas Hospital Facility Refunding Revenue Bonds			
Northeastern Regional Hospital Series 1987			
08-01-13	9.63	5,370,000	5,455,222
Lordsberg Pollution Control Refunding Revenue Bonds			
Phelps Dodge			
04-01-13	6.50	20,000,000	21,725,000
Sandoval County Multi-family Housing			
Refunding Revenue Bonds Meadowlark Apartments			
Series 1998A A.M.T.			
07-01-38	6.38	11,300,000	11,334,804
Sandoval County Multi-family Housing			
Refunding Revenue Bonds Meadowlark Apartments			
Series 1998B A.M.T.			
07-01-01	6.38	1,000,000	1,000,890
Santa Fe County Lifecare Revenue Bonds			
El Castillo Retirement Series 1998A			
05-15-15	5.50	1,000,000	961,670
05-15-25	5.63	2,500,000	2,391,575
Total		111,342,849	
New York (8.4%)			
Battery Park City Authority Refunding Revenue Bonds			
Series 1993A			
11-01-10	5.50	9,940,000	10,292,572
Dormitory Authority New York City University System			
Consolidated 2nd Generation Resource Revenue Bonds			
Series 1990C			
07-01-16	6.00	39,465,000	40,128,460
07-01-17	5.00	20,820,000	19,980,954
Dormitory Authority New York City University System			
Consolidated 2nd Generation Resource Revenue Bonds			
Series 1990D			
07-01-09	7.00	5,000,000	5,709,500
Dormitory Authority New York City University System			
Consolidated 2nd Generation Resource Revenue Bonds			
Series 1994A			
07-01-18	5.75	5,500,000	5,856,235
Dormitory Authority New York Court Facility Lease			
Revenue Bonds Series 1993A			
05-15-16	5.38	11,000,000	10,969,420
Dormitory Authority New York State			
Memorial Sloan-Kettering Cancer Center			
Series 1998 (MBIA Insured)			
07-01-20	5.75	7,500,000	8,125,050
07-01-23	5.50	7,700,000	8,091,083
Dormitory Authority New York State			
University Education Facility Revenue Bonds			
Series 1993A			
05-15-13	5.50	24,530,000	25,903,435

Huntington Housing Authority Senior Housing Facilities Revenue Bonds Gurwin Jewish Senior Residences Series 1999A 05-01-39	6.00	2,000,000	1,975,100
Long Island Power Authority Revenue Bonds Series A 12-01-26	5.25	8,445,000	8,288,261
12-01-29	5.50	7,500,000	7,584,525
New York & New Jersey Port Authority Special Obligation Revenue Bonds KIAC Partners Series 4 A.M.T. 10-01-19	6.75	3,500,000	3,849,790
New York City General Obligation Bonds Series 1992B 02-01-00	7.40	30,000,000	30,803,999
New York City General Obligation Bonds Series 1996F-G 02-01-19	5.75	5,500,000	5,743,760
02-01-20	5.75	2,325,000	2,424,719
New York City General Obligation Bonds Series 1998H 08-01-22	5.00	30,000,000	28,689,300
New York City Municipal Water Finance Authority Water & Sewer System Refunding Revenue Bonds Series 1998D (MBIA Insured) 06-15-25	4.75	8,000,000	7,371,520
New York City Municipal Water Finance Authority Water & Sewer System Revenue Bonds Series 1994B Inverse Floater (MBIA Insured) 06-15-09	7.11	15,500,000 (c)	16,585,000
New York City Municipal Water Finance Authority Water & Sewer System Revenue Bonds Series A 06-15-21	6.25	55,500,000	57,984,179
New York City Municipal Water Finance Authority Water & Sewer System Revenue Bonds Series B 06-15-17	5.00	6,255,000	6,131,026
New York City Pre-refunded Unlimited General Obligation Bonds Series 1994B-1 08-15-16	7.00	16,500,000	18,874,680
New York City Unlimited Tax General Obligation Bonds Series 1996G 02-01-17	5.75	20,000,000	21,029,400
New York City Unlimited Tax General Obligation Bonds Series 1998F 08-01-23	5.00	7,235,000	6,902,624
New York City Unlimited Tax General Obligation Bonds Series 1998G 08-01-22	5.00	10,000,000	9,563,100
New York City Unlimited Tax General Obligation Bonds Series 1998J 08-01-23	5.00	10,760,000	10,265,686
North Hempstead Nassau County New York Various Purpose Bonds Series 1998A (FGIC Insured) 01-15-23	4.75	3,100,000	2,879,466
PortAuthority Special Project Bonds La Guardia Airport Passenger Terminal Continental & Eastern Airlines A.M.T. 12-01-06	9.00	2,645,000	2,859,060
PortAuthority Special Project Bonds La Guardia Airport Passenger Terminal Continental & Eastern Airlines Series 2 A.M.T. 12-01-10	9.00	8,800,000	9,512,184
12-01-15	9.13	17,500,000	18,947,775
State Dormitory Authority State University Education Facility Pre-refunded Revenue Bonds Series 1990A 05-15-12	7.70	10,000,000	10,610,200
State Housing Finance Agency Service Contract Obligation Revenue Bonds Series 1995A 03-15-25	6.50	12,475,000	14,144,612
State Housing Finance Agency State University Construction Refunding Bonds Series 1986A 05-01-13	6.50	3,500,000	4,076,310
State Medical Facilities Finance Agency Mental Health Services Improvement Refunding Revenue Bonds Series 1993D 08-15-23	5.25	15,000,000	14,716,650
State Medical Facilities Finance Agency Mental Health Services Improvement Refunding Revenue Bonds Series 1993F 02-15-19	5.25	5,790,000	5,712,588
State Urban Development Correctional Capital Facilities			

Refunding Revenue Bonds Series 1993A			
01-01-21	5.25	12,110,000	11,894,563
State Urban Development Correctional Facility			
Refunding Revenue Bonds Series A			
01-01-16	5.50	2,750,000	2,799,995
State Urban Development Correctional Facility			
Revenue Bonds Series 6			
01-01-25	5.38	9,000,000	8,993,340
State Urban Development Correctional Facility			
Services Contract Lease Revenue Bonds			
Series 1998A (FSA Insured)			
01-01-28	5.00	10,000,000	9,560,300
Total			495,830,421
North Carolina (3.6%)			
Eastern Municipal Power Agency Power System			
Refunding Revenue Bonds Series 1986A			
01-01-17	5.00	6,500,000	6,487,416
01-01-18	4.00	8,675,000	7,622,809
Eastern Municipal Power Agency Power System			
Refunding Revenue Bonds Series 1988A			
01-01-26	6.00	1,940,000	2,171,384
Eastern Municipal Power Agency Power System			
Refunding Revenue Bonds Series 1989A			
01-01-10	7.50	29,160,000	34,943,718
01-01-11	5.50	37,800,000	37,801,890
Eastern Municipal Power Agency Power System			
Refunding Revenue Bonds Series 1991A			
01-01-19	5.75	55,000,000	54,868,551
Eastern Municipal Power Agency Power System			
Refunding Revenue Bonds Series 1993B			
01-01-12	6.25	24,655,000	25,859,150
Eastern Municipal Power Agency Power System			
Refunding Revenue Bonds Series 1994B			
01-01-07	7.25	5,000,000	5,617,500
Eastern Municipal Power Agency Power System			
Refunding Revenue Bonds Series B			
01-01-09	6.13	10,000,000	10,559,600
Eastern Municipal Power Agency Power System			
Revenue Bonds Series 1993D			
01-01-13	5.88	2,300,000	2,352,003
Municipal Power Agency 1 Catawba Electric			
Revenue Bonds Series 1993			
Inverse Floater (MBIA Insured)			
01-01-12	7.22	7,400,000 (c)	7,936,500
01-01-20	7.42	15,000,000 (c)	15,543,750
Total			211,764,271
North Dakota (0.3%)			
Fargo Hospital Refunding Revenue & Improvement Bonds			
Dakota Hospital Series 1992			
11-15-12	6.88	3,000,000	3,322,470
11-15-22	7.00	4,250,000	4,723,833
Ward County Health Care Facilities			
Refunding Revenue Bonds Series 1996B			
07-01-21	6.25	4,000,000	4,209,160
Ward County Health Care Facilities			
Refunding Revenue Bonds Trinity Group Series 1996A			
07-01-26	6.25	6,110,000	6,429,491
Total			18,684,954
Ohio (3.3%)			
Air Quality Development Authority			
Pollution Control Refunding Revenue Bonds			
Cleveland Electric Company Series 1997B			
08-01-20	6.00	10,000,000	10,208,900
Air Quality Development Authority			
Pollution Control Refunding Revenue Bonds			
Ohio Edison Series A			
05-15-29	5.95	13,300,000	13,559,350
Air Quality Development Authority			
Pollution Control Revenue Bonds			
Ohio Edison Series 1989A			
07-01-23	7.63	6,750,000	6,909,368
Bellefontaine Hospital Facility			
Refunding Revenue Bonds			
Mary Rutan Health Association of Logan County			
Series 1993			
12-01-13	6.00	5,330,000	5,474,123

Butler County Hospital Facility Improvement Refunding Revenue Bonds Fort Hamilton-Hughes Memorial Center Series 1991 01-01-10	7.50	9,800,000	10,433,374
Carroll Water & Sewer District Unlimited Tax General Obligation Bonds 12-01-10	6.25	1,895,000	1,986,472
Carroll Water & Sewer District Water System Improvement Unlimited Tax General Obligation Bonds 12-01-10	6.25	7,855,000	8,286,082
Cleveland Parking Facilities Improvement Revenue Bonds Series 1992 09-15-22	8.10	15,000,000	17,127,900
Coshocton County Solid Waste Disposal Refunding Revenue Bonds Stone Container Series 1992 08-01-13	7.88	17,500,000	18,960,026
Cuyahoga County Health Care Facilities Lifecare Refunding Revenue Bonds Judson Retirement Community Series 1996A 11-15-13	7.25	2,080,000	2,237,602
Cuyahoga County Health Care Facilities Refunding Revenue Bonds Judson Retirement Community Series A 11-15-18	7.25	4,130,000	4,442,930
Erie County Hospital Improvement Refunding Revenue Bonds Firelands Community Hospital Series 1992 01-01-15	6.75	6,540,000	7,005,713
Franklin County Health Care Facilities Refunding Revenue Bonds Lutheran Senior City Incorporated Series 1999 12-15-28	6.13	4,705,000	4,534,067
Franklin County Multi-family Housing Refunding Revenue Bonds Jefferson Chase Apartments Series 1998B A.M.T. 11-01-35	6.40	1,465,000	1,442,556
Franklin County Multi-family Housing Refunding Revenue Bonds West Bay Apartments A.M.T. 12-01-25	6.38	8,365,000	8,422,551
Lorain County Independent Living & Hospital Facilities Refunding Revenue Bonds Elyria United Methodist Series 1996C 06-01-22	6.88	3,100,000	3,360,152
Marion County Health Care Facilities Improvement Refunding Revenue Bonds United Church Homes Series 1993 11-15-10	6.38	2,000,000	2,088,540
Marion County Health Care Facilities Refunding & Improvement Revenue Bonds United Church Homes Series 1993 11-15-15	6.30	1,800,000	1,872,432
Montgomery County Health Facilities Refunding Revenue Bonds Friendship Village Dayton Series 1990A 02-01-16	9.25	9,025,000	9,547,457
State Water & Air Quality Development Authority Pollution Control Refunding Revenue Bonds Cleveland Electric Illuminating Series 1995 08-01-25	7.70	13,000,000	14,690,390
State Water Development Authority Pollution Control Refunding Revenue Bonds Toledo Edison Series 1994A A.M.T. 10-01-23	8.00	10,000,000	11,304,600
Water Development Authority Collateralized Pollution Control Revenue Bonds Cleveland Electric Series 1989 A.M.T. 10-01-23	8.00	10,000,000	10,310,200
Water Development Authority Collateralized Pollution Control Revenue Bonds Toledo Edison Series 1989 A.M.T. 10-01-23	8.00	8,500,000	8,763,670
Water Development Authority Pollution Control Revenue Bonds Ohio Edison A.M.T. 10-01-23	8.10	10,000,000	10,365,800
Total			193,334,255

Oklahoma (1.0%)

Grand River Dam Authority Refunding Revenue Bonds Series 1987 06-01-12	5.00	10,105,000	10,106,415
Hinton Economic Development Authority Certificate of Participation Dominion Leasing Series 1990A 07-01-15	9.75	19,090,000	21,343,957
Hinton Economic Development Authority Certificate of Participation Series 1994 07-01-15	8.75	11,415,000	12,590,174
Jackson County Hospital Authority Refunding Revenue Bonds Jackson County Memorial Hospital Series 1994 08-01-15	7.30	6,580,000	7,038,231
Midwest City Memorial Hospital Authority Hospital Revenue Bonds Series 1992 04-01-22	7.38	7,815,000	8,651,439
Stillwater Medical Center Authority Hospital Revenue Bonds Series 1997B 05-15-19	6.50	1,750,000	1,858,675
Total			61,588,891
Oregon (0.6%)			
State Health Housing Educational & Cultural Facilities Authority Revenue Bonds Oregon Baptist Retirement Homes-Weidler Retirement Center Series 1995 11-15-26	8.00	7,645,000	8,429,301
Western Generation Agency Revenue Bonds Wauna Cogeneration Series 1994A 01-01-21	7.13	13,600,000	14,539,760
Western Generation Agency Revenue Bonds Wauna Cogeneration Series 1994B A.M.T. 01-01-16	7.40	9,000,000	9,718,290
Total			32,687,351
Pennsylvania (3.8%)			
Allegheny County Industrial Development Authority Environment Improvement Revenue Bonds USX Corporation Series 1994A 12-01-20	6.70	6,000,000	6,476,880
Beaver County Industrial Development Authority Collateralized Pollution Control Refunding Revenue Bonds Cleveland Electric Illuminating Series 1995 05-01-25	7.63	7,500,000	8,455,725
Beaver County Industrial Development Authority Collateralized Pollution Control Refunding Revenue Bonds Cleveland Electric Illuminating Series 1995A 07-15-25	7.75	21,150,000	24,047,762
Beaver County Industrial Development Authority Collateralized Pollution Control Refunding Revenue Bonds Toledo Edison Series 1995A 05-01-20	7.75	14,000,000	15,984,640
Beaver County Industrial Development Authority Pollution Control Revenue Bonds Ohio Edison 09-01-24	7.75	34,650,000	35,710,636
Beaver County Industrial Development Authority Pollution Control Revenue Bonds Toledo Edison-Beaver Valley Series 1995 05-01-20	7.63	11,700,000	13,190,931
Butler County Industrial Development Authority Health Care Refunding Revenue Bonds Pittsburgh Lifetime Care Community Sherwood Oaks Series 1993 06-01-11	5.75	2,000,000	2,036,520
	5.75	3,000,000	3,039,450
Convention Center Authority Refunding Revenue Bonds Philadelphia Series 1994A 09-01-19	6.75	5,300,000	5,844,310
Delaware County Authority 1st Mortgage Revenue Bonds Riddle Village Series 1996 06-01-26	7.00	10,000,000	10,360,200
Delaware County Authority 1st Mortgage Revenue Bonds Whitehorse Village Continuing Care Series 1989 07-01-09	9.70	1,000,000	1,035,420
	9.70	10,000,000	10,354,200
Delaware County Industrial Development Authority Pollution Control Refunding Revenue Bonds Philadelphia Electric Series A			

04-01-21	7.38	900,000	954,909
Harrisburg Dauphin County General Obligation Bonds Zero Coupon Series 1997F (AMBAC Insured)			
09-15-20	5.50	3,000,000 (d)	968,460
09-15-21	5.52	1,000,000 (d)	305,200
09-15-22	5.52	1,000,000 (d)	288,990
Montgomery County Higher Education & Health Authority Retirement Community Revenue Bonds G.D.L. Farms Series A			
01-01-20	9.50	3,000,000	3,164,100
Philadelphia Gas Works Revenue Bonds Series 13			
06-15-21	7.70	4,150,000	4,549,894
Philadelphia Municipal Authority Lease Refunding Revenue Bonds Series 1993D			
07-15-13	6.25	2,500,000	2,641,500
07-15-17	6.30	1,550,000	1,638,195
Philadelphia Water & Sewer Revenue Bonds Series 16			
08-01-10	7.50	13,200,000	14,475,912
08-01-18	7.00	14,000,000	14,955,920
Philadelphia Water & Wastewater Revenue Bonds Series 1993 (CGIC Insured)			
06-15-15	5.50	11,000,000	11,231,880
State Department of General Services Certificate of Participation Series 1994A (AMBAC Insured)			
07-01-15	5.00	25,000,000	24,272,500
Wilkins Industrial Development Authority Revenue Bonds Retirement Community Longwood at Oakmont Series 1991A			
01-01-21	10.00	8,495,000	9,522,046
Total			225,506,180
Puerto Rico (0.8%)			
Electric Power Agency Revenue Bonds Series N			
07-01-10	6.00	40,000,000	40,091,200
Electric Power Agency Revenue Bonds Series O			
07-01-10	6.00	5,305,000	5,317,095
Total			45,408,295
South Carolina (1.1%)			
Cherokee County Spring City Industrial Development Revenue Bonds Knitting Cluett Peabody			
09-01-09	7.40	5,200,000	6,166,680
Jobs Economic Development Authority 1st Mortgage Health Facilities Nursing Home Refunding Revenue Bonds Lutheran Homes Series 1998			
05-01-26	5.70	5,235,000	5,142,864
Piedmont Municipal Power Agency Electric Refunding Revenue Bonds Series 1986B			
01-01-24	5.75	7,550,000	7,448,830
Piedmont Municipal Power Agency Electric Refunding Revenue Bonds Series 1998A			
01-01-25	4.75	5,000,000	4,571,200
Public Service Authority Electric System Expansion Revenue Bonds Santee Cooper Series 1991D			
07-01-31	6.63	14,975,000	16,440,903
Public Service Authority Electric System Revenue Bonds Santee Cooper Series 1991B			
07-01-31	6.00	8,000,000	8,361,840
Public Service Authority Electric System Revenue Bonds Santee Cooper Series 1993A Inverse Floater (MBIA Insured)			
06-28-13	7.55	17,700,000 (c)	19,027,500
Total			67,159,817
South Dakota (0.6%)			
Heartland Consumers Power District Electric System Refunding Revenue Bonds Series 1986			
01-01-10	6.00	10,205,000	11,111,510
Sioux Falls Multi-family Housing Revenue Bonds Series 1996A			
12-01-34	7.50	12,200,000	13,019,474
State Lease Revenue Trust Certificates Series 1993 (CGIC Insured)			
09-01-17	6.70	7,260,000	8,599,906

Total			32,730,890
Tennessee (0.4%)			
Nashville & Davidson Counties Health & Education Facilities 1st Mortgage Revenue Bonds Blakeford at Green Hills CCRC 07-01-24	9.25	12,230,000	15,139,517
Nashville & Davidson Counties Health & Education Facilities Board Revenue Bonds Zero Coupon Escrowed to Maturity 06-01-21	5.38	29,109,000 (d)	8,359,523
Total			23,499,040
Texas (7.5%)			
Alliance Airport Authority Special Facility Revenue Bonds American Airlines Series 1990 A.M.T. 12-01-29	7.50	37,400,000	39,774,525
Austin Combined Utility Systems Refunding Revenue Bonds Series 1985 05-15-10	10.75	10,000,000	10,694,000
05-15-15	10.75	2,000,000	2,138,800
Austin Combined Utility Systems Refunding Revenue Bonds Series 1986 11-15-13	5.00	19,985,000	19,701,413
Board of Regents of the University System General Refunding Revenue Bonds Series 1986 08-15-07	6.50	2,565,000	2,849,869
Brazos River Authority Collateralized Pollution Control Revenue Bonds Texas Utility Electric Series 1990A A.M.T. 02-01-20	8.13	13,205,000	13,751,423
Brazos River Authority Collateralized Pollution Control Revenue Bonds Texas Utility Electric Series 1991A A.M.T. 03-01-21	7.88	24,450,000	26,346,831
Castlewood Municipal Utility District Water & Sewer Systems Unlimited Tax & Refunding Revenue Bonds Series 1997 04-01-14	6.75	2,820,000	2,957,644
Colony Municipal Utility District 1 Denton County Series 1980 08-01-07	9.25	1,000,000	1,326,240
Cypress Hill Municipal Utility District 1 General Obligation Bonds 09-01-22	5.30	2,045,000	1,952,791
Dallas & Fort Worth International Airport Special Facility Revenue Bonds American Airlines Series 1990 A.M.T. 11-01-25	7.50	26,200,000	27,801,082
Dallas & Fort Worth International Airport Special Facility Revenue Bonds Delta Air Lines Series 1991 A.M.T. 11-01-26	7.13	13,500,000	14,209,830
Dallas Civic Center Miscellaneous Refunding Revenue & Improvement Bonds Series 1998 (MBIA Insured) 08-15-23	4.88	29,850,000	28,050,941
Dallas Civic Center Revenue Bonds Series A (AMBAC Insured) 08-15-27	4.75	5,575,000	5,097,892
Denison Hospital Authority Hospital Revenue Bonds Texoma Medical Center Series 1994 08-15-24	7.10	3,950,000	4,394,665
Harris County Health Facilities Hospital Revenue Bonds Memorial Hospital Series 1992 06-01-15	7.13	16,000,000	17,760,320
Harris County Industrial Development Marine Terminal Refunding Revenue Bonds GATX Terminal Series 1992 02-01-22	6.95	15,000,000	15,999,000
Harris County Municipal Utilities District 196 Water & Sewer Revenue Bonds Series 1998 09-01-23	5.50	2,585,000	2,477,955
Hidalgo County Health Services Corporation Hospital Revenue Bonds Mission Hospital Series 1996 08-15-26	6.88	7,880,000	8,523,875
Houston Water & Sewer System Junior Lien Capital Appreciation Refunding Revenue Bonds Zero Coupon Series 1998A (FSA Insured) 12-01-25	5.50	30,000,000 (d)	7,268,700
12-01-28	5.50	50,000,000 (d)	10,268,500

Interstate Municipal Utility District Unlimited Tax Bonds Harris County Series 1996 09-01-21	6.75	3,020,000	3,230,041
Karnes County Public Facility Lease Revenue Bonds 03-01-15	9.20	15,270,000	19,055,280
Katy Development Authority Metro Contract Revenue Bonds Sales Tax Series 1999A 06-01-09	5.75	14,755,000	14,688,455
Kings Manor Municipal Utility District Waterworks & Sewer Systems Combination Unlimited Tax & Revenue Bonds Series 1995 03-01-18	6.88	2,470,000	2,679,011
Lubbock Health Facilities Development Corporation Fixed Rate 1st Mortgage Revenue Bonds Carillon Series 1999A 07-01-29	6.50	20,145,000	19,778,160
Midland County Hospital District Revenue Bonds Series 1992 06-01-16	7.50	3,025,000	3,346,406
Mineral Wells Independent School Districts Palo Pinto & Parker Counties Unlimited Tax General Obligation School Building & Refunding Bonds Series 1998 (Permanent School Fund Guarantee) 02-15-22	4.75	5,430,000	5,037,845
02-15-28	4.75	8,345,000	7,648,276
Municipal Power Agency Refunding Revenue Bonds (MBIA Insured) 09-01-09	5.25	8,000,000	8,414,160
Municipal Power Agency Revenue Bonds 09-01-13	5.50	7,410,000	7,415,928
Rio Grande City Consolidated Independent School District Public Facilities Lease Revenue Bonds Series 1995 07-15-10	6.75	4,000,000	4,338,200
Rolling Creek Utility District Unlimited Tax General Obligation Refunding Bonds Series 1998 03-01-15	5.75	3,660,000	3,663,038
Sabine River Authority Collateralized Pollution Control Revenue Bonds Texas Utilities Electric Series 1990A A.M.T. 02-01-20	8.13	30,500,000	31,763,614
Uvalde Consolidated Independent School District General Obligation Bonds (Permanent School Fund Guarantee) 08-01-22	4.50	5,100,000	4,571,436
WestSide Calhoun County Navigation District Solid Waste Disposal Revenue Bonds Union Carbide Chemical & Plastics Series 1991 A.M.T. 03-15-21	8.20	17,550,000	18,897,138
Wichita County Health Facilities Development Refunding Revenue Bonds Rolling Meadows Series 1998A 01-01-28	6.25	23,425,000	23,180,209
Total			441,053,493
Utah (1.8%)			
Carbon County Solid Waste Disposal Refunding Revenue Bonds Sunnyside Cogeneration Associates Series 1991 A.M.T. 07-01-18	9.25	25,350,000 (h)	13,942,500
Eagle Mountain Special Assessment Revenue Bonds Special Improvement District 98-1 Series 1999 12-15-12	6.25	12,105,000	11,737,613
Housing Finance Agency Single Family Mortgage Senior Bonds Series 1991C (FGIC Insured) 07-01-11	7.30	435,000	455,058
07-01-16	7.35	340,000	355,494
Hurricane Health Facilities Development Revenue Bonds Mission Health Services Series 1990 07-01-20	10.50	7,570,000	8,134,722
Intermountain Power Agency Power Supply Refunding Revenue Bonds Series 1993B Inverse Floater 07-01-11	7.57	7,600,000 (c)	8,217,500
Intermountain Power Agency Power Supply Refunding Revenue Bonds Series 1996C (MBIA Insured) 07-01-17	5.70	46,000,000	48,162,920
Intermountain Power Agency Power Supply Refunding Revenue Bonds Series F (AMBAC Insured) 07-01-13	5.00	5,000,000	4,989,750

Intermountain Power Agency Power Supply Revenue Bonds Series 1987A (MBIA Insured) 07-01-12	5.00	8,000,000	7,999,600
Tooele County Pollution Control Refunding Revenue Bonds Laidlaw Environmental Services Incorporated Series 1997A A.M.T. 07-01-27	7.55	4,000,000	4,357,000
Total			108,352,157
Virginia (0.7%)			
Fairfax County Economic Development Authority Educational Facilities Revenue Bonds Browne Academy Series 1998 10-01-08	6.00	1,500,000	1,493,505
10-01-23	6.45	5,200,000	5,204,420
Fairfax County Redevelopment & Housing Authority Multi-family Housing Revenue Bonds Burkeshire Commons Series 1996 10-01-36	7.60	13,105,000	14,226,526
Hopewell City Industrial Development Authority Pollution Control Refunding Revenue Bonds Stone Container Series 1992 05-01-10	8.25	3,170,000	3,462,464
Housing Development Authority Commonwealth Mortgage Bonds Series 1992A 01-01-33	7.15	11,890,000	12,406,264
Prince William County Service Authority Water & Sewer Systems Refunding Revenue Bonds Series 1997 (FGIC Insured) 07-01-29	4.75	1,875,000	1,728,581
Total			38,521,760
Washington (2.7%)			
King County Housing Authority Pooled Housing Refunding Revenue Bonds Series 1995A 03-01-26	7.20	4,000,000	4,135,960
Longview Industrial Development Corporation Solid Waste Revenue Bonds Weyerhaeuser Series 1991 A.M.T. 02-01-13	7.45	20,000,000	21,213,000
Public Power Supply System Nuclear Project 1 Refunding Revenue Bonds Bonneville Power Administration Series 1993A Inverse Floater (FSA Insured) 07-01-11	7.72	25,000,000 (c)	28,843,750
Public Power Supply System Nuclear Project 1 Refunding Revenue Bonds Series A 07-01-15	6.50	21,000,000	22,973,370
Public Power Supply System Nuclear Project 1 Revenue Bonds Series 1990A 07-01-17	6.00	38,875,000	39,981,382
Public Power Supply System Nuclear Project 2 Revenue Bonds Series 1994A 07-01-11	5.38	10,000,000	10,197,200
Snohomish County Public Utility District 1 Generation System Revenue Bonds Series 1986A 01-01-20	5.00	17,750,000	17,745,563
State General Obligation Refunding Revenue Bonds Zero Coupon Series 1997A 07-01-19	5.95	16,260,000 (d)	5,617,993
State Housing Finance Commission Refunding Revenue Bonds Horizon House Series 1995A (Asset Guaranty) 07-01-17	6.00	3,700,000	3,905,424
07-01-27	6.13	3,845,000	4,077,776
Total			158,691,418
West Virginia (1.2%)			
Kanawha County Pollution Control Revenue Bonds Union Carbide Series 1984 08-01-04	7.35	3,000,000	3,392,460
Mason County Pollution Control Refunding Revenue Bonds Appalachian Power Series 1992J 10-01-22	6.60	25,000,000	26,980,251
Pea Ridge Public Service District Sewer Refunding Revenue Bonds Series 1990 05-01-20	9.25	2,505,000	2,708,581
Putnam County Pollution Control Revenue Bonds Appalachian Power Series C			

07-01-19	6.60	10,600,000	11,327,796
School Building Authority Capital Improvement Revenue Bonds Series 1991A			
07-01-21	6.00	20,785,000	21,737,992
South Charleston Pollution Control Refunding Revenue Bonds Union Carbide Series 1985			
08-01-05	7.63	3,000,000	3,447,630
Total			69,594,710
Wisconsin (0.6%)			
Health & Educational Facilities Authority Revenue Bonds St. Clare Hospital			
02-15-22	7.00	12,115,000	13,254,295
Madison Industrial Development Refunding Revenue Bonds Madison Gas & Electric Series 1992B			
10-01-27	6.70	19,300,000	20,784,941
State Health & Education Facilities Authority Lifecare Revenue Bonds United Lutheran Program for the Aging - Luther Manor Series 1998			
03-01-28	5.70	3,250,000	3,147,073
Total			37,186,309
Wyoming (0.2%)			
Natrona County Hospital Revenue Bonds Wyoming Medical Center			
09-15-10	8.13	6,500,000	7,006,545
State Farm Loan Board Capital Facilities Revenue Bonds Series 1994			
04-01-24	6.10	5,000,000	5,392,600
Total			12,399,145
Total municipal bonds (Cost: \$5,289,057,689)			\$5,801,659,440
Mississippi Solid Waste			
Revenue Bonds 1995 V.R. A.M.T.			
07-01-25	3.30%	\$2,400,000	\$2,400,000
Total municipal note (Cost: \$2,400,000)			\$2,400,000
Total investments in securities (Cost: \$5,291,457,689) (j)			\$5,804,059,440

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

(a) Securities are valued by procedures described in Note 1 to the financial statements.

(b) The following abbreviations may be used in portfolio descriptions to identify the insurer of

the issue:

ACA	--	ACA Financial Guaranty Corporation
AMBAC	--	American Municipal Bond Association Corporation
BIG	--	Bond Investors Guarantee
CGIC	--	Capital Guaranty Insurance Company
FGIC	--	Financial Guarantee Insurance Corporation
FHA	--	Federal Housing Authority
FNMA	--	Federal National Mortgage Association
FSA	--	Financial Security Assurance
GNMA	--	Government National Mortgage Association
MBIA	--	Municipal Bond Investors Assurance

(c) Inverse floaters represent securities that pay interest at a rate that increases (decreases) in the same magnitude as, or in a multiple of, a decline (increase) in market short-term rates. Interest rate disclosed is the rate in effect on May 31, 1999. Inverse floaters in the aggregate represent 6.16% of the Fund's net assets as of May 31, 1999.

(d) For zero coupon bonds, the interest rate disclosed represents the annualized effective yield on the date of acquisition.

(e) The Portfolio is entitled to receive principal amount from issuer or

corporate guarantor, if indicated in parentheses, after a day or a week's notice. The maturity date disclosed represents the final maturity. Interest rate varies to reflect current market conditions; rate shown is the effective rate on May 31, 1999.

(f) The following abbreviations may be used in the portfolio descriptions:

A.M.T.	--	Alternative Minimum Tax -- As of May 31, 1999, the value of securities subject to alternative minimum tax represented 16.62% of net assets.
B.A.N.	--	Bond Anticipation Note
C.P.	--	Commercial Paper
R.A.N.	--	Revenue Anticipation Note
T.A.N.	--	Tax Anticipation Note
T.R.A.N.	--	Tax & Revenue Anticipation Note
V.R.	--	Variable Rate
V.R.D.B.	--	Variable Rate Demand Bond
V.R.D.N.	--	Variable Rate Demand Note

(g) At May 31, 1999, the cost of securities purchased, including interest purchased, on a when-issued basis was \$7,669,520.

(h) Non-income producing. Item identified is in default as to payment of interest and/or principal.

(i) Partially pledged as initial deposit on the following open interest rate futures contracts (see Note 4 to the financial statements):

Type of security	Notional amount
Purchase contracts	
Municipal Bonds, Sept. 1999	\$250,000

(j) At May 31, 1999, the cost of securities for federal income tax purposes was approximately \$5,291,457,000 and the approximate aggregate gross unrealized appreciation and depreciation based on that cost was:

Unrealized appreciation	\$542,753,000
Unrealized depreciation	(30,151,000)

Net unrealized appreciation	\$512,602,000

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