

SECURITIES AND EXCHANGE COMMISSION

FORM N-30D

Initial annual and semi-annual reports mailed to investment company shareholders pursuant to Rule 30e-1 (other than those required to be submitted as part of Form NCSR)

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FILER

AMERICAN SELECT PORTFOLIO INC

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AMERICAN SELECT

PORTFOLIO

* * *

SEMIANNUAL REPORT

1995

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AMERICAN SELECT PORTFOLIO

American Select Portfolio is a diversified, closed-end management investment company. The fund's primary objective is to provide a high level of current income, and its secondary objective is to seek capital appreciation. To realize its objectives, the fund emphasizes investments in mortgage-related assets that directly or indirectly represent a participation in or are secured by and payable from mortgage loans. It may also invest in asset-backed securities, U.S. government securities, corporate debt securities, municipal obligations, unregistered securities, mortgage-backed derivative securities and mortgage servicing rights. The fund may also borrow by entering into reverse repurchase agreements and may purchase securities through the sale-forward (dollar-roll) program. Use of these investments and investment techniques may cause the fund's net asset value (NAV) to fluctuate to a greater extent than would be expected from interest rate movements alone. As with other mutual funds, there can be no assurance the fund will achieve its objectives. The fund's credit rating was downgraded from Af to BBBf by Standard & Poor's Corporation (S&P) on December 29, 1994.* Fund shares trade on the New York Stock Exchange under the symbol SLA.

*THE FUND IS RATED BBBf, WHICH MEANS INVESTMENTS IN THE FUND HAVE AN OVERALL CREDIT QUALITY OF BBB. CREDIT QUALITIES ARE ASSESSED BY STANDARD & POOR'S MUTUAL FUNDS RATING GROUP. S&P DOES NOT EVALUATE THE MARKET RISK OF AN INVESTMENT WHEN ASSIGNING A CREDIT RATING. SEE STANDARD & POOR'S CORPORATE AND MUNICIPAL RATING DEFINITIONS FOR AN EXPLANATION OF BBB.

THE FUND HAS ALSO BEEN GIVEN A MARKET RISK RATING BY S&P, WHICH WE CANNOT PUBLISH DUE TO NASD REGULATIONS. RISK RATINGS EVALUATE VARIOUS INVESTMENT RISKS THAT CAN AFFECT THE PERFORMANCE OF A BOND FUND AND INDICATE THE FUND'S OVERALL STABILITY AND SENSITIVITY TO CHANGING MARKET CONDITIONS. THESE RATINGS ARE AVAILABLE BY CALLING S&P AT 1-800-424-FUND.

FUND PERFORMANCE

[Graph]

The average annual total returns for American Select Portfolio are based on the change in its net asset value (NAV), assume all distributions were reinvested and do not reflect sales charges. NAV-based performance is used to measure investment management results.

Average annual total returns based on the change in market price for the one-year and since inception periods ended May 31, 1995, were 5.97% and -7.82%, respectively. These figures assume reinvestment of distributions and do not reflect sales charges.

The Lehman Brothers Mutual Fund Government/Mortgage Index is comprised of all U.S. government agency and Treasury securities and agency mortgage-backed securities. Developed by Lehman Brothers for comparative use by the mutual fund industry, this index is unmanaged and does not include any fees or expenses in its total return figure.

The Lipper Closed-End U.S. Mortgage Funds Average represents the average total return, with distributions reinvested, of similar closed-end mutual funds as characterized by Lipper Analytical Services.

Past performance does not guarantee future results. The return and principal value of your investment will fluctuate so that shares, when sold, may be worth more or less than their original cost.

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AMERICAN SELECT PORTFOLIO

[Photo]

Mike Jansen, (above) IS PRIMARILY RESPONSIBLE FOR THE MANAGEMENT OF AMERICAN SELECT PORTFOLIO. HE HAS 14 YEARS OF FINANCIAL EXPERIENCE.

John Wenker, (below) ASSISTS WITH THE MANAGEMENT OF AMERICAN SELECT PORTFOLIO. HE HAS NINE YEARS OF FINANCIAL EXPERIENCE.
July 10, 1995

[Photo]

Dear Shareholders:

DECLINING INTEREST RATES HAVE FOSTERED AN IMPROVEMENT IN THE NET ASSET VALUE AND MARKET PRICE OF AMERICAN SELECT PORTFOLIO (SLA) OVER THE PAST SIX MONTHS. SLA's net asset value (NAV) total return for the six-month period ended May 31, 1995, was 12.94%. The fund's market price return for that period was 14.07%.* (All returns include reinvested distributions and do not include sales charges.) Unfortunately, the fund's market price continues to trade at a discount to its NAV. I believe this is due to the fund's erratic performance over the past year, which was largely related to the fund's holdings of mortgage-backed derivative securities. For performance comparison purposes, during the six-month period ended May 31, 1995, the Lehman Brothers Mutual Fund Government/Mortgage Index return was 11.01% and the Lipper Closed-End U.S. Mortgage Funds Average return was 13.39%.

AS I MENTIONED IN LAST JANUARY'S ANNUAL REPORT, WE HAVE REDUCED THE INTEREST RATE SENSITIVITY OF THE FUND. To do so, we suspended the sale-forward program, reduced the amount of borrowing and allowed some of the fund's mortgage-backed derivatives to pay off. We redirected these investments into mortgage loans and Treasury securities, investments that should be less sensitive to changes in interest rates.

* PAST PERFORMANCE DOES NOT GUARANTEE FUTURE RESULTS. THE RETURN AND PRINCIPAL VALUE OF YOUR INVESTMENT WILL FLUCTUATE SO THAT SHARES, WHEN SOLD, MAY BE WORTH MORE OR LESS THAN THEIR ORIGINAL COST.

[Graph]

INVESTMENT CATEGORIES REFLECT PERCENTAGE OF TOTAL ASSETS

TO PROVIDE GREATER NAV AND INCOME STABILITY, WE RECENTLY SOLD MOST OF THE PORTFOLIO'S MORTGAGE-BACKED DERIVATIVE SECURITIES. While there is no definition for derivatives that is universally agreed upon, as of June 30 the fund no longer owned any inverse floaters, principal-only strips, interest-only strips, inverse interest-only securities or Z-bonds. (Please note that the portfolio composition at left is as of May 31.) The fund still holds some subordinated mortgage-backed securities which, although are referred to as derivatives in the fund's prospectus, are not typically considered derivatives in the securities market nor are they perceived by us to have the same volatility characteristics as the derivative securities we sold. We currently do not intend to sell these subordinated bonds and may make additional investments in these securities in the future. While the derivative securities we sold offer potentially greater income than more traditional mortgage securities, their prices and income can also be much more volatile, as we experienced in 1994. The prices of SLA's mortgage-backed derivative securities dropped significantly last year and accounted for a disproportionate share of the fund's poor performance during 1994. This year, the prices of these derivative securities improved in response to the recovery of the bond market. Yet the income from some of these securities, such as the inverse floaters, declined. Consequently, we selectively sold these derivatives at improved prices and invested the proceeds into mortgage loans.

[Graph]

LOWER PORTFOLIO EARNINGS HAVE CAUSED THE FUND TO RELY ON ITS DIVIDEND RESERVE TO PAY ITS 9.3 CENTS PER SHARE MONTHLY DIVIDEND. On June 30, the fund's monthly earnings were approximately 8.5 cents per share, and its accumulated undistributed net investment income (dividend reserve) was approximately 22 cents per share. The dividend reserve may continue to decline in the coming months depending on the direction of interest rates. In the future, we intend to maintain a small dividend reserve in the fund. So should the dividend reserve continue to decline, the fund's dividend committee will make gradual changes to the dividend to bring it in line with the fund's earnings. Once the dividend reserve reaches our targeted range, the dividend committee will set a dividend level that it believes is sustainable, given the fund's income level at that time. Of course, the dividend is not fixed and may fluctuate. Keep in mind that any reduction in the dividend reserve reduces the fund's NAV penny for penny.

ALTHOUGH THE DERIVATIVE SECURITIES WE SOLD WERE AT IMPROVED PRICES, WE REALIZED LOSSES THAT MAY KEEP THE FUND FROM RETURNING TO ITS NAV LEVELS OF EARLY LAST YEAR. We are currently managing significantly less per share from SLA's original offering price of \$15, due to the fund's realized losses since inception and its initial offering and underwriting expenses. (See chart at left.) While the NAV could one day return to the \$14 to \$15 range, it would most likely take many years because of the fund's realized losses. Even though the NAV of the fund had improved to \$12.51 on May 31, 1995, from a low of \$11.35 on February 2, 1995, you should not expect future increases, should they occur, to be as significant.

[Graph]

WE DO NOT PLAN TO INVEST IN INVERSE FLOATERS, PRINCIPAL-ONLY STRIPS, INTEREST-ONLY STRIPS, INVERSE INTEREST-ONLY SECURITIES OR Z-BONDS IN THE FUTURE. We intend to focus our efforts on mortgage loans, which have consistently performed well for the fund. Also, we do not have any immediate plans to reinstate the sale-forward (dollar-roll) program. In the event that we will

again invest in these types of mortgage-backed derivatives or reinstate the sale-forward program, we will notify you in advance.

GOING FORWARD, THE FUND'S INVESTMENTS WILL BE MORE FOCUSED ON MORTGAGE LOANS AND TREASURY SECURITIES. As of the end of June, 78% of the fund's total assets were invested in multifamily (apartment) loans, 2% in single family (home) loans, 1% in private mortgage-backed securities, and 17% in Treasuries. We intend to maintain the fund's investments in mortgage loans and Treasuries at approximately these levels. We will also continue to use borrowing in the fund through reverse repurchase agreements, which as of June 30 accounted for 27% of the fund's total assets, and invest the proceeds in Treasury securities. Keep in mind that while borrowing can potentially increase the fund's income, it can also increase the fund's NAV volatility, which can in turn be reflected in the fund's market price.

OUR STRATEGY FOR INVESTING IN MORTGAGE LOANS REMAINS THE SAME. We purchase apartment loans that meet our strict underwriting standards. For instance, these loans are purchased at a level that we believe the property value exceeds the mortgage amount by a wide margin. In addition, we require borrowers to have a significant amount of their own money (equity) at risk. Any losses from these loans will first go against the borrowers' investment (equity). By assuming and managing the real estate

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risk of these loans, these investments offer potentially much greater yields than those offered by securities backed by mortgages, which frequently are guaranteed or backed by a letter of credit.

TO A MUCH SMALLER EXTENT, WE ALSO INVEST IN HOME LOANS, WHICH WE PURCHASE AT A DISCOUNT. We can purchase home loans at a discount for a number of reasons. Lenders find it difficult to sell loans that do not conform to industry standards. For example, many buyers will not purchase loans that have missing loan documents, unusual loan terms, delinquent payments or loans in bankruptcy or default. Unlike many buyers, we agree to purchase loan pools that may include such mortgages. Based on our credit analysis, we purchase these mortgages below what we believe to be the market value of the home backing the mortgage. For example, a loan with delinquent payments will typically be purchased at a deep discount to our estimated market value because of its greater potential for default. If we purchase the mortgage loans at an appropriate price, mortgage defaults will not have a negative impact on the fund. Of course, depending on the purchase price of the loan, we could recognize losses.

NOW THAT WE ARE FOCUSING EVEN MORE ON MORTGAGE LOANS, WE BELIEVE THE FUND'S PRIMARY RISKS ARE CREDIT RISK AND THE OTHER RISKS ASSOCIATED WITH INVESTMENTS IN REAL ESTATE. By selling most of the fund's mortgage-backed derivative securities, the fund has less market risk (the risk associated with changes in interest rates). But because most of the mortgages we purchase are not backed by the U.S. government or one of its agencies, they are subject to credit risk or the risk of failure to make payments. Apart from credit risk,

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these mortgages are also subject to property risk (physical condition and value of the property), prepayment risk (the risk that mortgages will be prepaid and the proceeds will have to be invested in lower-yielding loans), and the legal risks associated with holding any mortgage. As part of our strategy to manage the real estate risks of our apartment loans, we perform a detailed inspection of each property; study the competing properties in the area; interview the property manager; and obtain engineering and environmental reports from experts. The apartment mortgages we purchase are backed by property located throughout the country, which helps reduce the potential impact of a regional economic recession or natural disaster.

THE HOME LOANS WE BUY ARE GENERALLY OLDER MORTGAGES SECURED BY SMALLER HOMES LOCATED THROUGHOUT THE UNITED STATES. These loans usually have an established history of timely payments and are less likely to be delinquent. As part of our home loan risk analysis, we review the loan's legal documents, review the

borrower's mortgage payment history, assess the local market, and assess the property value. We perform a drive-by assessment of the property or we have a local real estate agent do the assessment for us when it is difficult or impossible for us to perform the assessment ourselves. Our risk analysis has helped the fund avoid recognizing any net losses on its investments in mortgage loans.

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THE CREDITWORTHINESS OF THE FUND'S LOANS ARE ANALYZED BY STANDARD & POOR'S CORPORATION (S&P), WHICH ISSUES A CREDIT RATING FOR THE FUND'S ENTIRE PORTFOLIO. The final step of our risk analysis is a credit rating by S&P. Each quarter we submit a report of the fund's loans to S&P for review. SLA has had a credit rating of BBBf since December 29, 1994. Prior to that, its credit rating was A-f.

Keep in mind that S&P does not evaluate the market risk of an investment when assigning a credit rating.

NOW THAT THE FUND IS FOCUSING EVEN MORE ON MORTGAGE LOANS, I BELIEVE IT WILL BE LESS VOLATILE AND EARN MORE CONSISTENT INCOME LEVELS THAN IN THE PAST. I hope this will attract more buyers to the fund and help narrow the current gap between the NAV and market price. Going forward, we intend to follow the investment strategy we have implemented during the past few months. If you have questions about your investment in American Select Portfolio, don't hesitate to contact your investment professional.

Sincerely,

/s/ Mike Jansen

Mike Jansen
Portfolio Manager

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FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF ASSETS AND LIABILITIES
MAY 31, 1995

<TABLE> <S>	<C>
ASSETS:	
Investments in securities at market value* (note 2) (including a repurchase agreement of \$7,390,000)	\$ 224,617,282
Open interest rate swap transactions at market value (note 2)	36,041
Cash in bank on demand deposit	639,037
Receivable for investment securities sold	6,919,977
Accrued interest receivable	1,781,308

Total assets	233,993,645

LIABILITIES:	
Open option contracts written at market value (premium received of \$92,109) (note 6)	562,422
Reverse repurchase agreements payable	65,000,000
Payable for fund shares retired	35,792
Accrued investment management fee	70,287
Accrued administrative fee	28,114
Accrued interest	207,294
Other accrued expenses	22,737

Total liabilities	65,926,646

Net assets applicable to outstanding capital stock	\$ 168,066,999

REPRESENTED BY:

Capital stock - authorized 1 billion shares of \$0.01 par value; outstanding, 13,438,367 shares	\$	134,384
Additional paid-in capital		189,356,041
Undistributed net investment income		3,057,474
Accumulated net realized loss on investments		(24,225,752)
Unrealized depreciation of investments		(255,148)

Total - representing net assets applicable to outstanding capital stock	\$	168,066,999

Net asset value per share of outstanding capital stock ...	\$	12.51

* Investments in securities at identified cost	\$	224,438,158

</TABLE>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

 FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF OPERATIONS
 FOR THE SIX MONTHS ENDED MAY 31, 1995

<TABLE>		<C>
<S>		
INCOME:		
Interest (net of interest expense of \$2,335,752)	\$	8,443,955

EXPENSES (NOTE 3):		
Investment management fee		396,871
Administrative fee		158,748
Custodian, accounting and transfer agent fees		83,260
Reports to shareholders		19,323
Mortgage servicing fees		109,570
Directors' fees		5,833
Audit and legal fees		59,206
Other expenses		26,998

Total expenses		859,809

Net investment income		7,584,146

NET REALIZED AND UNREALIZED GAINS (LOSSES) ON INVESTMENTS:		
Net realized loss on investments (note 4)		(12,432,464)
Net realized gain on closed or expired option contracts written (note 6)		41,914

Net realized loss on investments		(12,390,550)
Net change in unrealized appreciation or depreciation of investments		24,283,313

Net gain on investments		11,892,763

Net increase in net assets resulting from operations	\$	19,476,909

</TABLE>

 FINANCIAL STATEMENTS (UNAUDITED)

STATEMENT OF CASH FLOWS
 FOR THE SIX MONTHS ENDED MAY 31, 1995

<TABLE> <S>	<C>
CASH FLOWS FROM OPERATING ACTIVITIES:	
Interest income	\$ 8,443,955
Expenses	(859,809)

Net investment income	7,584,146

Adjustments to reconcile net investment income to net cash provided by operating activities:	
Change in accrued interest receivable	(212,696)
Net amortization of bond discount and premium	(32,349)
Change in accrued fees and expenses	(5,094)

Total adjustments	(250,139)

Net cash provided by operating activities	7,334,007

CASH FLOWS FROM INVESTMENT ACTIVITIES:	
Proceeds from sales of investments	44,640,458
Purchases of investments	(38,077,364)
Net purchases of short-term securities	(5,757,000)
Net premiums received for option contracts written	130,039

Net cash provided by investment activities	936,133

CASH FLOWS FROM FINANCING ACTIVITIES:	
Distributions paid to shareholders	(7,589,297)
Retirement of fund shares	(1,208,127)

Net cash used by financing activities	(8,797,424)

Net decrease in cash	(527,284)
Cash at beginning of period	1,166,321

Cash at end of period	\$ 639,037

Supplemental disclosure of cash flow information:	
Cash paid for interest on reverse repurchase agreements	\$ 2,304,725

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

 FINANCIAL STATEMENTS

STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>
 <CAPTION>

	Six Months Ended 5/31/95 (Unaudited)	Year Ended 11/30/94
<S>	<C>	<C>
OPERATIONS:		
Net investment income	\$ 7,584,146	16,509,450
Net realized loss on investments	(12,390,550)	(10,842,749)
Net change in unrealized appreciation or depreciation of investments	24,283,313	(19,368,250)
	-----	-----
Net increase (decrease) in net assets resulting from operations	19,476,909	(13,701,549)
	-----	-----
DISTRIBUTIONS TO SHAREHOLDERS:		
From net investment income	(7,589,297)	(15,304,416)
	-----	-----
CAPITAL SHARE TRANSACTIONS:		
Payments for retirement of 108,400 and 59,900 shares, respectively (note 7)	(1,173,601)	(637,852)
	-----	-----
Total increase (decrease) in net assets	10,714,011	(29,643,817)
Net assets at beginning of period	157,352,988	186,996,805
	-----	-----
Net assets at end of period	\$ 168,066,999	157,352,988
	-----	-----
	-----	-----
Undistributed net investment income	\$ 3,057,474	3,062,625
	-----	-----
	-----	-----

</TABLE>

SEE ACCOMPANYING NOTES TO FINANCIAL STATEMENTS.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

(1) ORGANIZATION

American Select Portfolio Inc. (the fund) is registered under the Investment Company Act of 1940 (as amended) as a diversified, closed-end management investment company. The fund commenced operations on September 21, 1993, upon completion of its initial public offering of common stock. Shares of the fund are listed on the New York Stock Exchange under the symbol SLA.

(2) SIGNIFICANT
ACCOUNTING
POLICIES

INVESTMENTS IN SECURITIES

The fund's mortgage-related investments such as whole loans, participation mortgages and mortgage servicing rights are initially valued at cost and their values are subsequently monitored and adjusted pursuant to a pricing model designed to reflect the present value of the projected stream of cash flows on such investments. The pricing model takes into account a number of relevant factors including the projected rate of prepayments, the projected rate and severity of defaults, the delinquency profile, the age of the underlying mortgages, the historical payment record thereon, the expected yield at purchase, changes in prevailing interest rates and changes in the real or perceived liquidity of whole loans, participation mortgages or mortgage servicing rights as the case may be. Certain elements of the pricing model involve subjective judgment. Additionally, certain other factors will be considered in the determination of the valuation of investments in multifamily loans, including but not limited to, results of annual inspections of the multifamily property by the adviser or a servicing agent retained by the adviser, reviews of annual

unaudited financial statements of the multifamily property, monitoring of local and other economic conditions and their impact on local real estate values and analyses of rental vacancy rates at the multifamily property. Subjective adjustments to the valuation of such investments in multifamily loans may be made based upon the adviser's analysis of such information. The actual values realized upon the sale of whole loans, participation mortgages and mortgage servicing rights can only be determined in negotiations between the fund and third parties.

The values of other fixed income securities are determined using pricing services or prices quoted by independent brokers. Exchange-listed options are valued at the last sales price and open financial futures contracts are valued at the last settlement price. When

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NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

market quotations for other fixed income securities are not readily available, such securities are valued at fair value according to methods selected in good faith by the board of directors.

Securities transactions are accounted for on the date the securities are purchased or sold. Realized gains and losses are calculated on the identified-cost basis. Interest income, including amortization of bond discount and premium computed on a level-yield basis, is accrued daily. Costs associated with acquiring whole loans, participation mortgages and mortgage servicing rights are capitalized and included in the cost basis of the loans purchased.

OPTION TRANSACTIONS

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

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

FUTURES TRANSACTIONS

In order to gain exposure to or protect against changes in the market, the fund may buy and sell financial futures contracts and related options. Risks of entering into futures contracts and related

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NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

options include the possibility there may be an illiquid market and that a change in the value of the contract or option may not correlate with changes in the value of the underlying securities.

Upon entering into a futures contract, the fund is required to

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

INTEREST RATE TRANSACTIONS

To preserve a return or spread on a particular investment or portion of its portfolio, to create synthetic adjustable-rate mortgage securities or for other nonspeculative purposes, the funds may enter into various hedging transactions, such as interest rate swaps and the purchase or sale of interest rate caps and floors. Interest rate swaps involve the exchange of commitments to pay or receive interest, e.g., an exchange of floating-rate payments for fixed rate payments. The purchase of an interest rate cap entitles the purchaser, to the extent that a specified index exceeds a predetermined interest rate, to receive payments of interest on a contractually based notional principal amount from the party selling the interest rate cap. The purchase of an interest rate floor entitles the purchaser, to the extent that a specified index falls below a predetermined interest rate, to receive payments of interest on a contractually based notional principal amount from the party selling the interest rate floor.

If forecasts of interest rates and other market factors are incorrect, investment performance will diminish compared to what performance would have been if these investment techniques were not used. Even if the forecasts are correct, there is risk that the positions may correlate imperfectly with the asset or liability being hedged. Other risks of entering into these transactions are that a liquid secondary market may not always exist, or that another party to a transaction may not perform.

 NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

For interest rate swaps, caps and floors, the fund records as an increase or decrease to interest income, the current net amount due to or owed by the fund. Interest rate swap, cap and floor valuations are based on prices quoted by independent brokers. These valuations represent the present value of all future cash settlement amounts based on implied forward interest rates.

As of May 31, 1995, SLA had entered into the following interest rate swap agreement. The terms provide for the interest rate differential to be settled on a monthly basis.

<TABLE>
 <CAPTION>

Swap Counter-Party	Notional Principal	Rate Paid by the Fund at 5/31/95	Rate Received by the Fund at 5/31/95	Floating Rate Index	Termination Date	Net Unrealized Gain
Morgan Stanley	\$ 15,000,000	6.08% (a)	6.06% (b)	1-Month LIBOR	3/15/99	\$ 36,041

</TABLE>

- (a) Fixed Rate
- (b) Floating Rate

WHOLE LOANS AND PARTICIPATION MORTGAGES

Whole loans and participation mortgages may bear a greater risk of loss arising from a default on the part of the borrower of the underlying loans than do traditional mortgage-backed securities. This is because whole loans and participation mortgages, unlike most mortgage-backed securities, generally are not backed by any government guarantee or private credit

enhancement. Such risk may be greater during a period of declining or stagnant real estate values. In addition, individual loans underlying whole loans and participation mortgages may be larger than those underlying mortgage-backed securities. At May 31, 1995, no loans were considered by the fund to be delinquent as to the timely monthly payment of principal and interest. The fund does not record past due interest as income until received.

There may be certain costs and delays in the event of a foreclosure. Also, there is no assurance that the subsequent sale of the property will produce an amount equal to the sum of the unpaid principal balance of the loan upon default as well as the accrued unpaid interest and all foreclosure expenses. In this case, the fund may

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NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

suffer a loss. Real estate acquired through foreclosure, if any, is recorded at estimated fair value. At May 31, 1995, the fund owned no real estate. Additionally, with respect to participation mortgages, the fund generally will not be able to unilaterally enforce its rights in the event of a default but, rather, will depend on the cooperation of the other participation holders.

SECURITIES PURCHASED ON A WHEN-ISSUED BASIS

Delivery and payment for securities that have been purchased by the fund on a forward-commitment or when-issued basis can take place a month or more after the transaction date. During this period, such securities do not earn interest, are subject to market fluctuation and may increase or decrease in value prior to their delivery. The fund maintains, in a segregated account with its custodian, assets with a market value equal to the amount of its purchase commitments. The purchase of securities on a when-issued or forward-commitment basis may increase the volatility of the fund's NAV to the extent the fund makes such purchases while remaining substantially fully invested. As of May 31, 1995, the fund had no outstanding when-issued or forward commitments.

In connection with its ability to purchase securities on a when-issued or forward-commitment basis, the fund may enter into mortgage "dollar rolls" in which the fund sells securities for delivery in the current month and simultaneously contracts with the same counterparty to repurchase similar (same type, coupon and maturity) but not identical securities on a specified future date. As an inducement to "roll over" its purchase commitments, the fund receives negotiated fees. For the six months ended May 31, 1995, the fund earned no such fees.

FEDERAL TAXES

The fund intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and not be subject to federal income tax. Therefore, no income tax provision is required.

Net investment income and net realized gains (losses) may differ for financial statement and tax purposes primarily because of losses deferred due to "wash sale" and "straddle" transactions, the timing

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NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

of recognition of income on certain interest-only securities and the non-deductibility of excise tax payments made. The character of distributions made during the year from net investment income or net realized gains may therefore differ from their ultimate characterization for federal income tax purposes. In addition, 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.

DISTRIBUTIONS

The fund pays monthly distributions from net investment income, and realized capital gains, if any, will be distributed on an annual basis. These distributions are recorded as of the close of business on the ex-dividend date. Such distributions are payable in cash or, pursuant to the fund's dividend reinvestment plan, reinvested in additional shares of the fund's capital stock. Under the plan, fund shares will be purchased in the open market. However, if the market price plus commission exceeds the net asset value by 5% or more, the fund will issue new shares at a discount of up to 5% from the current market price.

REPURCHASE AGREEMENTS

For repurchase agreements entered into with certain broker-dealers, the fund, along with other affiliated registered investment companies, may transfer uninvested cash balances into a joint trading account, the daily aggregate of which is invested in repurchase agreements secured by U.S. government and agency obligations. Securities pledged as collateral for all individual and joint repurchase agreements are held by the fund's custodian bank until maturity of the repurchase agreement. Provisions for all agreements ensure that the daily market value of the collateral is in excess of the repurchase amount in the event of default.

(3) EXPENSES

The fund has entered into the following agreements with Piper Capital Management Incorporated (the adviser and the administrator):

The investment advisory agreement provides the adviser with a monthly investment management fee based on the fund's average

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NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

weekly net assets computed at the per annum rate of 0.50%. For its fee, the advisor will provide investment advice and, in general, will conduct the management and investment activity of the fund.

The administration agreement provides the administrator with a monthly fee in an amount equal to an annualized rate of 0.20% of the fund's average weekly net assets. For its fee, the administrator will provide regulatory, reporting and record-keeping services for the fund.

When acquiring whole loans and participation mortgages, the fund enters into mortgage servicing agreements with mortgage servicers. For a fee, mortgage servicers maintain loan records such as insurance and taxes and the proper allocation of payments between principal and interest.

In addition to the advisory, administrative and mortgage servicing fees, the fund is responsible for paying most other operating expenses, including outside directors' fees and expenses, custodian fees, registration fees, printing and shareholder reports, transfer agent fees and expenses, legal, auditing and accounting services, organizational costs, insurance, interest, fees to outside parties retained to assist in conducting due diligence, taxes, and other miscellaneous expenses.

(4) SECURITIES TRANSACTIONS

Cost of purchases and proceeds from sales of securities (other than short-term securities) aggregated \$38,109,713 and \$51,560,435, respectively, for the six months ended May 31, 1995.

(5) CAPITAL LOSS CARRYOVER

For federal income tax purposes, the fund had a capital loss carryover at November 30, 1994 of \$11,835,202, which, if not offset by subsequent capital gains, will expire in the years 2001 and 2002. It is unlikely the board of directors will authorize a distribution of any net realized capital gains until the available capital loss carryover has been offset or expires.

 NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

(6) OPTION
 CONTRACTS
 WRITTEN

The number of contracts and premium amounts associated with call option contracts written for the six months ended May 31, 1995, were as follows:

<TABLE>
 <CAPTION>

	Number of Contracts	Premium Amount
	-----	-----
<S>	<C>	<C>
Balance at 11/30/94.....	10	\$ 3,984
Opened.....	375	160,000
Closed or expired.....	(165)	(65,781)
Exercised.....	(20)	(6,094)
	-----	-----
Balance at 5/31/95.....	200	\$ 92,109
	-----	-----
	-----	-----

</TABLE>

(7) RETIREMENT OF
 FUND SHARES

The fund's board of directors has approved a plan to repurchase shares of the fund in the open market and retire those shares. Repurchases may only be made when the previous day's closing market price was at a discount from net asset value. Daily repurchases are limited to 25% of the previous four weeks average daily trading volume on the New York Stock Exchange. Under the current plan, cumulative repurchases in the fund cannot exceed 3% of the total shares originally issued. The board of directors will review the plan every six months and may change the amount which may be repurchased. The plan was last reviewed and reapproved by the board of directors on May 19, 1995. Pursuant to the plan, the fund has cumulatively repurchased and retired 168,300 shares as of May 31, 1995, which represents 1.24% of the shares originally issued.

 NOTES TO FINANCIAL STATEMENTS

(8) FINANCIAL
 HIGHLIGHTS

Per-share data for a share of capital stock outstanding throughout each period and selected information for each period are as follows:

<TABLE>
 <CAPTION>

	Six Months Ended 5/31/95 (Unaudited)	Year Ended 11/30/94	Period from 9/21/93* to 11/30/93
	-----	-----	-----
<S>	<C>	<C>	<C>
PER-SHARE DATA			
Net asset value, beginning of period	\$ 11.62	13.74	14.07
	-----	-----	-----

Operations:			
Net investment income	0.56	1.22	0.22
Net realized and unrealized gain (loss) on investments	0.89	(2.21)	(0.46)
	-----	-----	-----
Total from operations	1.45	(0.99)	(0.24)
	-----	-----	-----
Distributions to shareholders from:			
Net investment income	(0.56)	(1.13)	(0.09)
	-----	-----	-----
Net asset value, end of period	\$ 12.51	11.62	13.74
	-----	-----	-----
Per-share market value, end of period	\$ 11.25	10.38	14.38
	-----	-----	-----

SELECTED INFORMATION

Total return, net asset value**	12.85%	(7.48%)	(1.75%)
Total return, market value***	14.07%	(20.78%)	(3.54%)
Net assets at end of year (in millions)	\$ 168	157	187
Ratio of expenses to average weekly net assets+++	1.08+	1.12%	0.79%+
Ratio of net investment income to average weekly net assets	9.56+	9.61%	8.23%+
Portfolio turnover rate (excluding short-term securities)	18%	110%	9%
Amount of borrowings outstanding at end of period (in millions) TRIANGLE	\$ 65	65	--
Per-share amount of borrowings outstanding at end of period	\$ 4.83	4.80	--
Per-share asset coverage of borrowings outstanding at end of period++	\$ 17.34	16.42	--

- </TABLE>
- * COMMENCEMENT OF OPERATIONS.
- ** BASED ON THE CHANGE IN NET ASSET VALUE OF A SHARE DURING THE PERIOD. ASSUMES REINVESTMENT OF DISTRIBUTIONS AT NET ASSET VALUE.
- *** BASED ON THE CHANGE IN MARKET PRICE OF A SHARE DURING THE PERIOD. ASSUMES REINVESTMENT OF DISTRIBUTIONS AT ACTUAL PRICES PURSUANT TO THE FUND'S DIVIDEND REINVESTMENT PLAN.
- + ADJUSTED TO AN ANNUAL BASIS.
- ++ REPRESENTS THE FUND'S NET ASSETS (EXCLUDING BORROWINGS) DIVIDED BY SHARES OUTSTANDING.
- +++ INCLUDES 0.05% FROM FEDERAL EXCISE TAXES IN FISCAL 1994.
- TRIANGLE SECURITIES PURCHASED ON A WHEN-ISSUED BASIS FOR WHICH LIQUID, HIGH GRADE DEBT OBLIGATIONS ARE MAINTAINED IN A SEGREGATED ACCOUNT ARE NOT CONSIDERED BORROWINGS. SEE FOOTNOTE 2 IN THE NOTES TO FINANCIAL STATEMENTS.

NOTES TO FINANCIAL STATEMENTS (UNAUDITED)

(9) QUARTERLY DATA

DOLLAR AMOUNTS

<TABLE>
<CAPTION>

	Total Investment Income	Net Investment Income	Net Realized and Unrealized Gains on Investments	Net Increase in Net Assets Resulting from Operations	Distributions from Net Investment Income
	-----	-----	-----	-----	-----
<S>	<C>	<C>	<C>	<C>	<C>
2/28/95	\$ 4,240,439	3,836,581	3,106,333	6,942,914	(3,802,341)
5/31/95	4,203,516	3,747,565	8,786,430	12,533,995	(3,786,956)
	-----	-----	-----	-----	-----
	\$ 8,443,955	7,584,146	11,892,763	19,476,909	(7,589,297)
	-----	-----	-----	-----	-----

</TABLE>

PER-SHARE AMOUNTS

<TABLE>
<CAPTION>

		Net Investment Income	Net Realized and Unrealized Gains on Investments	Net Increase in Net Assets Resulting from Operations	Distributions from Net Investment Income	Quarter End Net Asset Value
<S>	<C>		<C>	<C>	<C>	<C>
2/28/95	\$	0.28	0.23	0.51	(0.28)	11.85
5/31/95		0.28	0.66	0.94	(0.28)	12.51
	\$	0.56	0.89	1.45	(0.56)	

</TABLE>

INVESTMENTS IN SECURITIES (UNAUDITED)

AMERICAN SELECT PORTFOLIO
MAY 31, 1995

<TABLE>
<CAPTION>

Name of Issuer	Principal Amount	Market Value (a)
<S>	<C>	<C>
(PERCENTAGES OF EACH INVESTMENT CATEGORY RELATE TO TOTAL NET ASSETS)		
U.S. GOVERNMENT SECURITIES (12.3%):		
U.S. Treasury Note, 6.88%, 3/31/00 (cost: \$20,094,992)	\$ 20,000,000 (b) (d)	20,662,600
MORTGAGE-BACKED SECURITIES (6.0%):		
COLLATERALIZED MORTGAGE OBLIGATIONS (C) (6.0%):		
PRIVATE FIXED RATE (1.6%):		
8.60%, Chemical Mortgage Securities, Series 1991-1, Subordinated Class B, 9/25/21	478,426 (g)	455,406
9.25%, FBS Mortgage Corporation, Series 1991-B, Subordinated Class D, 11/1/31	966,889 (g)	930,026
9.35%, GMBS Inc., Series 1990-4, Subordinated Class S, 10/25/20	496,952 (g)	480,335
9.25%, Salomon Brothers Mortgage Securities VII, Series 1990-1, Class G-1, 8/25/20	480,160 (g)	460,721
9.25%, Salomon Brothers Mortgage Securities VII, Series 1990-1, Class G-2, 8/25/20	463,320 (g)	444,708
		2,771,196
U.S. AGENCY INVERSE FLOATER (4.4%):		
7.90%, FHLMC, Series 1552, Class LA, LIBOR, 8/15/23	1,798,410	1,402,760
7.87%, FHLMC, Series 1609, Class LB, COFI, 11/15/23	1,884,513	1,261,399
6.80%, FHLMC, Series 1659, Class SE, COFI, 1/15/09 ...	1,844,004	1,548,964
7.35%, FNMA, Series 1994-36, Class SA, COFI, 3/25/24	1,946,994	1,499,185
7.19%, FNMA, Series 1994-37, Class SC, COFI, 3/25/24	2,393,276	1,610,975
		7,323,283
Total Mortgage-Backed Securities (cost: \$12,478,847)		10,094,479
WHOLE LOANS (E, F, G) (110.9%):		

MULTIFAMILY LOANS (107.6%):

Aldrich Apartments, 9.75%, 5/31/01	793,459	808,773
Allumbaugh Square Apartments, 9.81%, 4/1/99	1,769,953 (b)	1,789,953
Arbor Glen Apartments, 9.63%, 5/1/99	1,288,031	1,315,724
Ashewood Apartments, 10.25%, 4/1/99	1,309,582 (b)	1,341,143
Autumn Chase Apartments, 9.93%, 5/1/09	3,072,825	3,144,422
Braesforest Apartments, 9.00%, 4/1/01	993,764	996,746
Brandywine II Apartments, 10.31%, 7/1/01	3,585,957	3,711,466
Brentwood Highlands Apartments, 8.63%, 4/1/01	4,463,932 (b)	4,416,615

</TABLE>

SEE ACCOMPANYING NOTES TO INVESTMENTS IN SECURITIES.

 INVESTMENTS IN SECURITIES (UNAUDITED)

AMERICAN SELECT PORTFOLIO
 (CONTINUED)

<TABLE>
 <CAPTION>

Name of Issuer	Principal Amount	Market Value (a)
<S>	<C>	<C>
Briarcliff Apartments, 9.25%, 5/1/01	\$ 668,397	680,362
Bridge Court Apartments, 10.13%, 5/1/09	1,840,855	1,840,855
Bryant Square Apartments, 8.75%, 4/1/01	1,398,972 (b)	1,389,319
Candlelite Apartments, 8.75%, 3/1/01	1,545,724 (b)	1,542,787
Cape Cod Apartments, 8.75%, 1/1/01	1,535,919	1,533,307
Casa Del Vista Apartments, 8.75%, 1/1/01	2,130,468 (b)	2,116,194
Centre Court Apartments, 8.75%, 1/1/01	1,182,382 (b)	1,174,579
Chapel Hill Apartments, 9.88%, 8/1/01	920,945	941,297
Chouteau Trace/Bay Apartments, 8.75%, 4/1/01	2,499,213 (b)	2,481,969
Collegeview Apartments, 10.00%, 8/1/01	1,191,549	1,221,457
Collegeview Towers, 10.00%, 8/1/01	4,580,346	4,695,313
Concordia Place Apartments, 9.38%, 5/1/01	990,416	1,008,046
Continental Gardens Apartments, 8.90%, 3/1/04	1,984,836 (b)	1,985,829
Country Club Apartments, 8.75%, 1/1/01	2,080,922	2,077,384
Country Village Apartments, 8.75%, 4/1/01	1,344,863 (b)	1,335,584
El Conquistador Apartments, 8.75%, 4/1/01	2,606,132 (b)	2,601,180
El Portal Apartments, 9.94%, 7/1/01	2,331,368	2,386,388
Emerald Shores Apartments, 8.75%, 2/1/01	3,176,860 (b)	3,106,334
Evergreen Square Apartments, 8.75%, 12/1/00	2,203,359	2,107,733
Evergreen Village Apartments, 8.75%, 11/1/00	4,035,555	4,029,502
Fairway Hills Apartments, 8.50%, 12/1/98	1,659,001	1,646,392
Foothills West Apartments, 8.75%, 2/1/01	2,173,479 (b)	2,169,350
Garcia Apartments, 9.88%, 6/1/01	1,393,183	1,430,939
Glen Hollow Apartments, 9.00%, 4/1/01	5,586,868 (b)	5,603,629
Goose Creek Apartments, 9.63%, 5/1/01	3,211,783	3,264,777
Green Acres Apartments, 8.75%, 1/1/01	1,379,446 (b)	1,377,239
Greenwood Apartments, 9.25%, 5/1/01	618,886	626,870
Heritage Apartments, 9.25%, 4/1/01	2,051,567	2,057,721
Heritage Green Apartments, 8.75%, 3/1/01	1,421,707 (b)	1,419,006
Hickory Ridge Apartments, 10.06%, 8/1/99	1,235,203	1,268,183
Hidden Colony Apartments, 9.00%, 4/1/01	3,317,181 (b)	3,327,133
High Vista Apartments, 9.00%, 4/1/01	4,245,793 (b)	4,279,760
Jackson Manor Townhomes, 9.38%, 5/1/01	671,100	683,247
Kingston Square Apartments, 8.75%, 4/1/01	4,167,175 (b)	4,159,257
La Arboleda Apartments, 8.75%, 1/1/01	4,135,089 (b)	4,128,060
Lakeville Apartments, 8.50%, 2/1/99	2,230,013 (b)	2,036,894
Lasalle Crossing Apartments, 8.75%, 1/1/01	2,893,472 (b)	2,888,554
Meadow Glen Apartments, 9.00%, 1/1/01	1,417,648	1,428,847
Mount Vernon Apartments, 8.75%, 1/1/01	951,207	945,119
Old Orchard Apartments, 8.75%, 12/1/00	9,760,336	9,723,458
Parc Du Lac Apartments, 8.50%, 2/1/99	5,352,032 (b)	5,310,286
Park Apartments, 8.75%, 2/1/01	1,338,595 (b)	1,336,186

</TABLE>

SEE ACCOMPANYING NOTES TO INVESTMENTS IN SECURITIES.

INVESTMENTS IN SECURITIES (UNAUDITED)

AMERICAN SELECT PORTFOLIO
(CONTINUED)

<TABLE>
<CAPTION>

Name of Issuer	Principal Amount	Market Value (a)
<S>	<C>	<C>
Philippe Landing Apartments, 10.06%, 5/1/99	\$ 3,277,219	3,312,285
Quail Bluff Apartments, 9.75%, 4/1/99	2,876,878 (b)	2,906,510
Revere Apartments, 8.75%, 4/1/01	814,106 (b)	812,559
Rush Creek Apartments, 8.19%, 4/1/99	2,565,707	2,574,687
Shadowood Apartments, 8.50%, 3/1/99	5,256,440 (b)	5,214,388
Sherwood Lake Apartments, 10.13%, 8/1/01	2,433,097	2,501,954
Sierra Vista Apartments, 9.50%, 2/1/01	1,377,438 (b)	1,408,155
Skyline Place Apartments, 8.75%, 4/1/01	4,368,374 (b)	4,337,795
Somerset Place Apartments, 9.00%, 4/1/04	2,345,276	2,345,980
Stonegate Apartments, 10.38%, 8/1/01	844,373	873,927
Sunset Rill Apartments, 10.38%, 5/1/99	3,084,415	3,175,406
Sunview Apartments, 9.88%, 2/1/01	1,840,992	1,890,883
Terrace Gardens Apartments, 9.80%, 5/1/04	2,486,774	2,573,811
The Oaks of Lake Bluff Apartments, 8.75%, 4/1/01	2,779,874 (b)	2,760,693
Timber Forest Apartments, 8.75%, 2/1/01	1,189,867 (b)	1,181,776
Tralee Terrace Apartments, 10.13%, 5/1/09	2,089,620	2,089,620
Trinity Place Apartments, 8.75%, 4/1/01	610,580	609,419
Waterford Apartments, 9.80%, 1/1/19	4,618,300 (b)	4,779,017
Westmont Apartments, 9.75%, 7/1/01	2,189,009	2,231,257
White Oaks Apartments, 8.75%, 1/1/01	837,521 (b)	836,181
Willow Brooke Apartments, 8.75%, 4/1/01	4,839,960 (b)	4,806,564
Willow Creek Apartments, 9.00%, 1/1/01	3,782,047 (b)	3,793,015
Willow Creek Apartments, 8.75%, 4/1/01	1,292,109 (b)	1,289,654
Willows Apartments, 10.00%, 6/1/01	3,580,864	3,670,744

		180,867,448

SINGLE FAMILY LOANS (3.3%):

President Homes 94-1A, Sales Inventory, 10.00%, 2/28/24	490,098	456,526
President Homes 94-1A, Warehouse Inventory, 10.00%, 2/28/24	313,972	282,574
President Homes 94-1B, Sales Inventory, 10.00%, 3/29/24	1,204,570	1,122,057
President Homes 94-1B, Warehouse Inventory, 10.00%, 3/29/24	700,941	630,847
President Homes 94-1C, Sales Inventory, 10.00%, 4/30/24	201,072	187,298
President Homes 94-1C, Warehouse Inventory, 10.00%, 4/30/24	508,667	457,800
President Homes 94-1D, Sales Inventory, 10.00%, 5/7/24	619,505	577,069
President Homes 94-1D, Warehouse Inventory, 10.00%, 5/7/24	1,137,686	1,023,918
President Homes 94-1E, Sales Inventory, 10.00%, 6/2/24	98,811	92,042

</TABLE>

SEE ACCOMPANYING NOTES TO INVESTMENTS IN SECURITIES.

INVESTMENTS IN SECURITIES (UNAUDITED)

AMERICAN SELECT PORTFOLIO
(CONTINUED)

<TABLE>
<CAPTION>

Name of Issuer	Principal Amount	Market Value (a)
----------------	------------------	------------------

<S>	President Homes 94-1E, Warehouse Inventory, 10.00%, 6/2/24	\$	858,472		772,624
					5,602,755
	Total Whole Loans (cost: \$184,474,319)				186,470,203
SHORT-TERM SECURITIES (4.4%):					
	Repurchase agreement with Morgan Stanley in a joint trading account, collateralized by U.S. government agency securities, acquired on 5/31/95, accrued interest at repurchase date of \$1,184, 5.85%, 6/1/95 (cost: \$7,390,000)		7,390,000		7,390,000
	Total Investments in Securities (cost: \$224,438,158) (h)	\$			224,617,282

</TABLE>

NOTES TO INVESTMENTS IN SECURITIES:

- (A) SECURITIES ARE VALUED IN ACCORDANCE WITH PROCEDURES DESCRIBED IN NOTE 2 TO THE FINANCIAL STATEMENTS.
- (B) ON MAY 31, 1995, SECURITIES VALUED AT \$118,105,747 WERE PLEDGED AS COLLATERAL FOR THE FOLLOWING OUTSTANDING REVERSE REPURCHASE AGREEMENTS:

<TABLE>
<CAPTION>

AMOUNT	ACQUISITION DATE	RATE*	DUE	ACCRUED INTEREST	NAME OF BROKER AND DESCRIPTION OF COLLATERAL
<S>	<C>	<C>	<C>	<C>	<C>
\$28,500,000	3/15/95	6.98%	3/15/96	\$ 93,872	(1)
16,000,000	4/03/95	6.98%	3/15/96	52,700	(1)
1,500,000	4/15/95	6.98%	3/15/96	4,941	(1)
4,000,000	4/24/95	6.13%	3/15/96	11,569	(2)
6,000,000	4/10/95	6.13%	3/15/96	17,354	(3)
5,000,000	5/22/95	6.13%	3/15/96	15,289	(4)
4,000,000	5/09/95	6.13%	3/15/96	11,569	(5)
\$65,000,000				\$207,294	

</TABLE>

*INTEREST RATE IS AS OF MAY 31, 1995. RATES ARE BASED ON THE LONDON INTERBANK OFFERED RATE (LIBOR) AND RESET MONTHLY.

INVESTMENTS IN SECURITIES (UNAUDITED)

<TABLE>
<S> <C>

- NAME OF BROKER AND DESCRIPTION OF COLLATERAL:
- (1) MORGAN STANLEY; ALLUMBAUGH SQUARE APARTMENTS, 9.81%, 4/1/99, \$1,769,953 PAR
 - ASHEWOOD APARTMENTS, 10.25%, 4/1/99, \$1,309,582 PAR
 - BRENTWOOD HIGHLANDS APARTMENTS, 8.63%, 4/1/01, \$4,463,932 PAR
 - BRYANT SQUARE APARTMENTS, 8.75%, 4/1/01, \$1,398,972 PAR
 - CANDLELITE APARTMENTS, 8.75%, 3/1/01, \$1,545,724 PAR
 - CASA DEL VISTA APARTMENTS, 8.75%, 1/1/01, \$2,130,468 PAR
 - CENTRE COURT APARTMENTS, 8.75%, 1/1/01, \$1,182,382 PAR
 - CHOUTEAU TRACE/BAY APARTMENTS, 8.75%, 4/1/01, \$2,499,213 PAR
 - CONTINENTAL GARDENS APARTMENTS, 8.90%, 3/1/04, \$1,984,836 PAR

COUNTRY VILLAGE APARTMENTS, 8.75%, 4/1/01, \$1,344,863 PAR
 EL CONQUISTADOR APARTMENTS, 8.75%, 4/1/01, \$2,606,132 PAR
 EMERALD SHORES APARTMENTS, 8.75%, 2/1/01, \$3,176,860 PAR
 FOOTHILLS WEST APARTMENTS, 8.75%, 2/1/01, \$2,173,479 PAR
 GLEN HOLLOW APARTMENTS, 9.00%, 4/1/01, \$5,586,868 PAR
 GREEN ACRES APARTMENTS, 8.75%, 1/1/01, \$1,379,446 PAR
 HERITAGE GREEN APARTMENTS, 8.75%, 3/1/01, \$1,421,707 PAR
 HIDDEN COLONY APARTMENTS, 9.00%, 4/1/01, \$3,317,181 PAR
 HIGH VISTA APARTMENTS, 9.00%, 4/1/01, \$4,245,793 PAR
 KINGSTON SQUARE APARTMENTS, 8.75%, 4/1/01, \$4,167,175 PAR
 LA ARBOLEDA APARTMENTS, 8.75%, 1/1/01, \$4,135,089 PAR
 LAKEVILLE APARTMENTS, 8.50%, 2/1/99, \$2,230,013 PAR
 LASALLE CROSSING APARTMENTS, 8.75%, 1/1/01, \$2,893,472 PAR
 PARC DU LAC APARTMENTS, 8.50%, 2/1/99, \$5,352,032 PAR
 PARK APARTMENTS, 8.75%, 2/1/01, \$1,338,595 PAR
 QUAIL BLUFF APARTMENTS, 9.75%, 4/1/99, \$2,876,878 PAR
 REVERE APARTMENTS, 8.75%, 4/1/01, \$814,106 PAR
 SHADOWOOD APARTMENTS, 8.50%, 3/1/99, \$5,256,440 PAR
 SIERRA VISTA APARTMENTS, 9.50%, 2/1/01, \$1,377,438 PAR
 SKYLINE PLACE APARTMENTS, 8.75%, 4/1/01, \$4,368,374 PAR
 THE OAKS OF LAKE BLUFF APARTMENTS, 8.75%, 4/1/01, \$2,779,874 PAR
 TIMBER FOREST APARTMENTS, 8.75%, 2/1/01, \$1,189,867 PAR
 WATERFORD APARTMENTS, 9.80%, 1/1/19, \$4,618,300 PAR
 WHITE OAKS APARTMENTS, 8.75%, 1/1/01, \$837,521 PAR
 WILLOW BROOKE APARTMENTS, 8.75%, 4/1/01, \$4,839,960 PAR
 WILLOW CREEK APARTMENTS, 9.00%, 1/1/01, \$3,782,047 PAR
 WILLOW CREEK APARTMENTS, 8.75%, 4/1/01, \$1,292,109 PAR
 (2) MORGAN STANLEY; U.S. TREASURY NOTE, 6.88%, 3/31/03, \$4,000,000 PAR
 (3) MORGAN STANLEY; U.S. TREASURY NOTE, 6.88%, 3/31/03, \$6,500,000 PAR
 (4) MORGAN STANLEY; U.S. TREASURY NOTE, 6.88%, 3/31/03, \$5,250,000 PAR
 (5) MORGAN STANLEY; U.S. TREASURY NOTE, 6.88%, 3/31/03, \$4,250,000 PAR
 </TABLE>

<TABLE>
 <S> <C>
 (C) DESCRIPTIONS OF CERTAIN COLLATERALIZED MORTGAGE OBLIGATIONS ARE AS
 FOLLOWS:
 LIBOR - LONDON INTERBANK OFFERED RATE.
 COFI (11TH DISTRICT) - COST OF FUNDS INDEX OF THE FEDERAL RESERVE'S
 11TH DISTRICT.
 INVERSE FLOATER - REPRESENTS SECURITIES THAT PAY INTEREST AT RATES
 THAT INCREASE (DECREASE) WITH A DECLINE (INCREASE) IN THE SPECIFIED
 INDEX. THE INTEREST RATE PAID BY THE INVERSE FLOATER WILL GENERALLY
 CHANGE AT A MULTIPLE OF ANY CHANGE IN THE INDEX. INTEREST RATES
 DISCLOSED ARE IN EFFECT ON MAY 31, 1995.
 </TABLE>

 INVESTMENTS IN SECURITIES (UNAUDITED)

<TABLE>
 <S> <C>
 (D) ISSUE IS IDENTIFIED IN CONNECTION WITH THE FOLLOWING OPEN CALL
 OPTIONS WRITTEN:
 </TABLE>

<TABLE>
 <CAPTION>

TYPE OF CONTRACT	NUMBER OF CALLS	EXERCISE PRICE	EXPIRATION DATE	MARKET VALUE
U.S. TREASURY NOTE 6.88%, 3/31/00	147.50	99.89	6/1/95	\$488,594
U.S. TREASURY NOTE 6.88%, 3/31/00	52.50	101.95	6/1/95	73,828
	200.00			\$562,422

</TABLE>

<TABLE>
 <S> <C>

- (E) INTEREST RATE AND MATURITY DATE DISCLOSED REPRESENT THE WEIGHTED AVERAGE COUPON AND WEIGHTED AVERAGE MATURITY FOR THE UNDERLYING MORTGAGE LOANS AS OF MAY 31, 1995.
- (F) FOR INVESTMENT SCHEDULE PRESENTATION, MULTIFAMILY MORTGAGES PURCHASED ARE SUMMARIZED BY THE PROPERTY NAME AND LOCATION TO WHICH THEY APPLY. SINGLE FAMILY MORTGAGES ARE SUMMARIZED BY THE INSTITUTION FROM WHICH THEY WERE PURCHASED AND DESCRIBE THE NUMBER OF LOANS AND GEOGRAPHICAL LOCATION.

MULTIFAMILY LOANS:

ALDRICH APARTMENTS - MINNEAPOLIS, MN
 ALLUMBAUGH SQUARE APARTMENTS - BOISE, ID
 ARBOR GLEN APARTMENTS - COLLEGE PARK, GA
 ASHEWOOD APARTMENTS - DENVER, CO
 AUTUMN CHASE APARTMENTS - JACKSONVILLE, FL
 BRAESFOREST APARTMENTS - HOUSTON, TX
 BRANDYWINE II APARTMENTS - WILMINGTON, DE
 BRENTWOOD HIGHLANDS APARTMENTS - BRENTWOOD, TN
 BRIARCLIFF APARTMENTS - ATLANTA, GA
 BRIDGE COURT APARTMENTS - OWATONNA, MN
 BRYANT SQUARE APARTMENTS - EDMUND, OK
 CANDLELITE APARTMENTS - GRANDVIEW, MO
 CAPE COD APARTMENTS - OKLAHOMA CITY, OK
 CASA DEL VISTA APARTMENTS - CARSON CITY, NV
 CENTRE COURT APARTMENTS - NORTH CANTON, OH
 CHAPEL HILL APARTMENTS - KANSAS CITY, MO
 CHOUTEAU TRACE/BAY APARTMENTS - PONTOON BEACH, IL
 COLLEGEVIEW APARTMENTS - POUGHKEEPSIE, NY
 COLLEGEVIEW TOWERS - POUGHKEEPSIE, NY
 CONCORDIA PLACE APARTMENTS - AUSTIN, TX
 CONTINENTAL GARDENS APARTMENTS - GRAND ISLAND, NE
 COUNTRY CLUB APARTMENTS - EL RENO, OK
 COUNTRY VILLAGE APARTMENTS - MORTON, IL
 EL CONQUISTADOR APARTMENTS - TUCSON, AZ
 EL PORTAL APARTMENTS - SWEETWATER, FL
 EMERALD SHORES APARTMENTS - PHOENIX, AZ
 EVERGREEN SQUARE APARTMENTS - BUFFALO, MN
 EVERGREEN VILLAGE APARTMENTS - DENVER, CO
 FAIRWAY HILLS APARTMENTS - RAPID CITY, SD
 FOOTHILLS WEST APARTMENTS - EL PASO, TX
 GARCIA APARTMENTS - MIAMI, FL

</TABLE>

 INVESTMENTS IN SECURITIES (UNAUDITED)

<TABLE>
 <S> <C>

GLEN HOLLOW APARTMENTS - CHARLOTTE, NC
 GOOSE CREEK APARTMENTS - BLOOMINGTON, IL
 GREEN ACRES APARTMENTS - MASSILLON, OH
 GREENWOOD APARTMENTS - ATLANTA, GA
 HERITAGE APARTMENTS - TULSA, OK
 HERITAGE GREEN APARTMENTS - NEWARK, OH
 HICKORY RIDGE APARTMENTS - HOPKINSVILLE, TN
 HIDDEN COLONY APARTMENTS - DORAVILLE, GA
 HIGH VISTA APARTMENTS - EL PASO, TX
 JACKSON MANOR TOWNHOMES - GREENVILLE, TX
 KINGSTON SQUARE APARTMENTS - KNOXVILLE, TN
 LA ARBOLEDA APARTMENTS - SAN ANTONIO, TX
 LAKEVILLE APARTMENTS - LAKEVILLE, MN
 LASALLE CROSSING APARTMENTS - SHERMAN, TX
 MEADOW GLEN APARTMENTS - MIDWEST CITY, OK
 MOUNT VERNON APARTMENTS - OKLAHOMA CITY, OK
 OLD ORCHARD APARTMENTS - GRAND RAPIDS, MI
 PARC DU LAC APARTMENTS - NEW ORLEANS, LA
 PARK APARTMENTS - COLORADO SPRINGS, CO
 PHILIPPE LANDING APARTMENTS - SAFETY HARBOR, FL
 QUAIL BLUFF APARTMENTS - OKLAHOMA CITY, OK
 REVERE APARTMENTS - REVERE, MA
 RUSH CREEK APARTMENTS - HOUSTON, TX
 SHADOWOOD APARTMENTS - NASHVILLE, TN
 SHERWOOD LAKE APARTMENTS - TAMPA, FL
 SIERRA VISTA APARTMENTS - BOISE, ID

SKYLINE PLACE APARTMENTS - DALLAS, TX
 SOMERSET PLACE APARTMENTS - TUCSON, AZ
 STONEGATE APARTMENTS - WINDSOR, CO
 SUNSET RILL APARTMENTS - KNOXVILLE, TN
 SUNVIEW APARTMENTS - RAYMOND, NH
 TERRACE GARDENS APARTMENTS - DENVER, CO
 THE OAKS OF LAKE BLUFF APARTMENTS - LAKE BLUFF, IL
 TIMBER FOREST APARTMENTS - PLANO, TX
 TRALEE TERRACE APARTMENTS - COON RAPIDS, MN
 TRINITY PLACE APARTMENTS - DEL CITY, OK
 WATERFORD APARTMENTS - ZION, IL
 WESTMONT APARTMENTS - NASHVILLE, TN
 WHITE OAKS APARTMENTS - MASSILLON, OH
 WILLOW BROOKE APARTMENTS - TAMPA, FL
 WILLOW CREEK APARTMENTS - LITTLE ROCK, AR
 WILLOW CREEK APARTMENTS - MIDWEST CITY, OK
 WILLOWS APARTMENTS - BAKERSFIELD, CA

</TABLE>

 INVESTMENTS IN SECURITIES (UNAUDITED)

<TABLE>

<S> <C>
 SINGLE FAMILY LOANS:
 PRESIDENT HOMES, SALES INVENTORY - 15 SINGLE FAMILY LOANS LOCATED
 THROUGHOUT THE MIDWESTERN STATES.
 PRESIDENT HOMES, WAREHOUSING INVENTORY - 23 SINGLE FAMILY LOANS
 LOCATED THROUGHOUT THE MIDWESTERN STATES.
 (G) SECURITIES PURCHASED AS PART OF A PRIVATE PLACEMENT WHICH HAVE NOT
 BEEN REGISTERED WITH THE SECURITIES AND EXCHANGE COMMISSION UNDER THE
 SECURITIES ACT OF 1933.
 (H) ALSO APPROXIMATES THE COST FOR FEDERAL INCOME TAX PURPOSES. THE
 AGGREGATE GROSS UNREALIZED APPRECIATION AND DEPRECIATION OF
 INVESTMENTS IN SECURITIES BASED ON THIS COST WERE AS FOLLOWS:

</TABLE>

<TABLE>

<S>	<C>
GROSS UNREALIZED APPRECIATION \$	3,145,106
GROSS UNREALIZED DEPRECIATION	(3,400,254)

NET UNREALIZED DEPRECIATION \$	(255,148)

</TABLE>

 SHAREHOLDER UPDATE

ANNUAL MEETING RESULTS

An annual meeting of the fund's shareholders was held on August 22, 1994. Each matter voted upon at the meeting, as well as the number of votes cast for, against or withheld, the number of absentions, and the number of broker non-votes with respect to such matter, are set forth below.

1. The fund's shareholders elected the following eight directors:

<TABLE>

<CAPTION>

	Shares Voted "For"	Shares Withholding Authority to Vote
	-----	-----
<S>	<C>	<C>
David T. Bennett.....	8,349,742	194,055
Jaye F. Dyer.....	8,350,904	192,892
William H. Ellis.....	8,351,412	192,384
Karol D. Emmerich....	8,346,212	197,584
Luella G. Goldberg...	8,348,198	195,598
John T. Golle*.....	8,335,101	208,695
Edward J. Kohler*....	8,349,732	194,064
George Latimer.....	8,335,252	208,545

<FN>

- * MR. KOHLER RESIGNED AS DIRECTOR OF THE FUND, EFFECTIVE NOVEMBER 30, 1994.
MR. GOLLE RESIGNED AS DIRECTOR OF THE FUND, EFFECTIVE JUNE 1, 1995.

</TABLE>

2. The fund's shareholders ratified the selection by a majority of the independent members of the fund's Board of Directors of KPMG Peat Marwick LLP as the independent public accountants for the fund for the fiscal year ending November 30, 1994. The following votes were cast regarding this matter:

<TABLE>

<CAPTION>

Shares Voted "For"	Shares Voted "Against"	Absentions	Broker Non-Votes
8,163,811	64,354	315,631	--

</TABLE>

SHARE REPURCHASE PROGRAM

Your fund's board of directors has reapproved the fund's share repurchase program, which enables the fund to "buy back" shares of its common stock in the open market. Repurchases may only be made when the previous day's closing market price per share was at a discount from net asset value. Repurchases cannot exceed 3% of the fund's originally issued shares.

WHAT EFFECT WILL THIS PROGRAM HAVE ON SHAREHOLDERS?

- - We do not expect any adverse impact on the adviser's ability to manage the fund.
- - Because repurchases will be at a price below net asset value, remaining shares outstanding may experience a slight increase in net asset value.

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SHAREHOLDER UPDATE

- - Although the effect of share repurchases on market price is less certain, the board of directors believes the program may have a favorable effect on the market price of fund shares.
- - We do not anticipate any material increase in the fund's expense ratio.

WHEN WILL SHARES BE REPURCHASED?

Share repurchases may be made from time to time and may be discontinued at any time. Share repurchases are not mandatory when fund shares are trading at a discount from net asset value; all repurchases will be at the discretion of the fund's investment adviser. The board of directors will consider whether to continue the share repurchase program on at least a semiannual basis and will notify shareholders of its determination in the next semiannual or annual report.

HOW WILL SHARES BE REPURCHASED?

We expect to finance the repurchase of shares by liquidating portfolio securities or using current cash balances. We do not anticipate borrowing in order to finance share repurchases.

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DIRECTORS AND OFFICERS

<TABLE>

<S>	<C>
DIRECTORS	David T. Bennett, CHAIRMAN, HIGHLAND HOMES, INC., USL PRODUCTS, INC., AND KIEFER BUILT, INC., OF COUNSEL, GRAY, PLANT, MOOTY, MOOTY & BENNETT, P.A. Jaye F. Dyer, PRESIDENT, DYER MANAGEMENT COMPANY William H. Ellis, PRESIDENT, PIPER JAFFRAY COMPANIES INC., PIPER CAPITAL MANAGEMENT INCORPORATED Karol D. Emmerich, PRESIDENT, THE PARACLETE GROUP Luella G. Goldberg, DIRECTOR, TCF FINANCIAL,

RELIASTAR CORP., HORMEL FOODS CORP.
George Latimer, DIRECTOR, SPECIAL ACTIONS OFFICE, OFFICE
OF THE SECRETARY, DEPARTMENT OF HOUSING AND URBAN
DEVELOPMENT

OFFICERS	William H. Ellis, CHAIRMAN OF THE BOARD Michael P. Jansen, PRESIDENT Worth Bruntjen, SENIOR VICE PRESIDENT Marijo A. Goldstein, SENIOR VICE PRESIDENT Robert H. Nelson, SENIOR VICE PRESIDENT John G. Wenker, SENIOR VICE PRESIDENT James A. Berman, VICE PRESIDENT Kevin A. Jansen, VICE PRESIDENT Thomas McGlinch, VICE PRESIDENT Charles N. Hayssen, TREASURER David E. Rosedahl, SECRETARY
INVESTMENT ADVISER	Piper Capital Management Incorporated 222 SOUTH NINTH STREET, MINNEAPOLIS, MN 55402
TRANSFER AGENT AND RECORD KEEPER	Investors Fiduciary Trust Company 127 WEST 10TH STREET, KANSAS CITY, MO 64105-1716
LEGAL COUNSEL	Dorsey & Whitney P.L.L.P. 220 SOUTH SIXTH STREET, MINNEAPOLIS, MN 55402
CUSTODIAN	First Trust 180 EAST FIFTH STREET, ST. PAUL, MN 55101

</TABLE>

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PIPER CAPITAL
MANAGEMENT

PIPER CAPITAL MANAGEMENT INCORPORATED
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MINNEAPOLIS, MN 55402-3804

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241-95 SLA-02

STAPLES