

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)

Filing Date: **1997-03-10** | Period of Report: **1996-12-31**
SEC Accession No. **0000355348-97-000067**

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FILER

PRUDENTIAL SERIES FUND INC

CIK: **711175** | IRS No.: **860446842** | State of Incorpor.: **MD** | Fiscal Year End: **1231**
Type: **N-30D** | Act: **40** | File No.: **811-03623** | Film No.: **97553941**

Business Address
213 WASHINGTON STREET
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9084124032

REPORT OF INDEPENDENT ACCOUNTANTS

TO THE BOARD OF DIRECTORS AND SHAREHOLDERS OF THE PRUDENTIAL SERIES FUND, INC.:

In our opinion, the accompanying Statements of Assets and Liabilities, including the Schedules of Investments, and the related Statements of Operations and of Changes in Net Assets and the Financial Highlights present fairly, in all material respects, the financial position of each of the fifteen portfolios, Money Market, Diversified Bond, Government Income, Zero Coupon Bond 2000, Zero Coupon Bond 2005, Conservative Balanced, Flexible Managed, High Yield Bond, Stock Index, Equity Income, Equity, Prudential Jennison, Small Capitalization Stock, Global and Natural Resources, that comprise The Prudential Series Fund, Inc. (collectively the "Portfolios") at December 31, 1996, the results of each of their operations, the changes in each of their net assets, and each of their financial highlights for the year ended December 31, 1996, in conformity with generally accepted accounting principles. These financial statements and financial highlights (hereafter referred to as "financial statements") are the responsibility of the Portfolios' management; our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits of these financial statements in accordance with generally accepted auditing standards which require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements, assessing the accounting principles used and significant estimates made by management, and evaluating the overall financial statement presentation. We believe that our

audits, which included confirmation of securities at December 31, 1996 by correspondence with the custodian and brokers and the application of alternative auditing procedures where confirmations from brokers were not received, provide a reasonable basis for the opinion expressed above. The accompanying Statements of Changes in Net Assets and Financial Highlights of the Prudential Jennison Portfolio and Small Capitalization Stock Portfolio for the period April 25, 1995 through December 31, 1995, and the accompanying Statements of Changes in Net Assets for the year ended December 31, 1995, and Financial Highlights for each of the four years in the period ended December 31, 1995 for each of the other thirteen portfolios were audited by other independent accountants, whose opinion dated February 15, 1996 was unqualified.

PRICE WATERHOUSE LLP
 1177 Avenue of the Americas
 New York, NY 10036
 February 14, 1997

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BOARD OF
 DIRECTORS

THE PRUDENTIAL SERIES FUND, INC.

MENDEL A. MELZER	W. SCOTT McDONALD, JR.,	E.
MICHAEL CAULFIELD,		
CHAIRMAN,	PhD.	CEO,
THE PRUDENTIAL SERIES	EXECUTIVE VICE	
PRUDENTIAL INVESTMENTS		
FUND, INC.	PRESIDENT,	
PRESIDENT, THE		
	FAIRLEIGH DICKINSON	
PRUDENTIAL SERIES FUND,		
	UNIVERSITY	INC.
SAUL K. FENSTER, PhD.	JOSEPH WEBER,	
PhD.		
PRESIDENT, NEW JERSEY	VICE	
PRESIDENT,		
INSTITUTE OF TECHNOLOGY	INTERCLASS	
(INTERNATIONAL		
	CORPORATE	

TAX INFORMATION

Although we understand that the vast majority, if not all, of the shareholders/contract holders of the Series Fund currently maintain a tax deferred status, we are nevertheless required by the Internal Revenue Code to advise you within 60 days of the Series Fund's fiscal year end (December 31, 1996) as to the federal tax status of dividends paid by the Fund during such fiscal year. Accordingly, we are advising you that in 1996, the Fund paid dividends as follows:

Long-Term Capital Gains	Total Dividends	Ordinary Dividends	
		Income	Short-Term Capital Gains
Money Market Portfolio		\$ 0.510	
\$ 0.510			
Diversified Bond Portfolio		0.727	
0.727			
Government Income Portfolio		0.740	
0.740			
Zero Coupon Bond 2000 Portfolio		0.540	
0.540			
Zero Coupon Bond 2005 Portfolio		0.639	\$
0.138	0.777		
Conservative Balanced Portfolio		0.661	\$ 0.047
0.980	1.688		
Flexible Managed Portfolio		0.577	0.218
1.631	2.426		
High Yield Bond Portfolio		0.793	
0.793			
Stock Index Portfolio		0.404	0.066
0.207	0.677		
Equity Income Portfolio		0.711	0.121
0.384	1.216		
Equity Portfolio		0.671	0.319
2.282	3.272		
Prudential Jennison Portfolio		0.030	
0.030			
Small Capitalization Stock Portfolio		0.094	0.229
0.039	0.362		

Global Portfolio	0.107	0.082
0.546	0.735	
Natural Resources Portfolio	0.138	0.226
2.392	2.756	

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NOTES TO THE FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.

NOTE 1: GENERAL

The Prudential Series Fund, Inc. ("Series Fund"), a Maryland corporation, organized on November 15, 1982, is a diversified open-end management investment company registered under the Investment Company Act of 1940, as amended. The Series Fund is composed of fifteen Portfolios ("Portfolio" or "Portfolios"), each with a separate series of capital stock: Money Market Portfolio, Diversified Bond Portfolio, Government Income Portfolio, Zero Coupon Bond 2000 Portfolio, Zero Coupon Bond 2005 Portfolio, Conservative Balanced Portfolio, Flexible Managed Portfolio, High Yield Bond Portfolio, Stock Index Portfolio, Equity Income Portfolio, Equity Portfolio, Prudential Jennison Portfolio, Small Capitalization Stock Portfolio, Global Portfolio and Natural Resources Portfolio. Shares in the Series Fund are currently sold only to certain separate accounts of The Prudential Insurance Company of America ("The Prudential"), Pruco Life Insurance Company and Pruco Life Insurance Company of New Jersey (together referred to as the "Companies") to fund benefits under certain variable life insurance and variable annuity contracts ("contracts") issued by the Companies. The accounts invest in shares of the Series Fund through subaccounts that correspond to the portfolios. The accounts will redeem shares of the Series Fund to the extent necessary to provide benefits under the contracts or for such other purposes as may be consistent with the contracts.

NOTE 2: ACCOUNTING POLICIES

The following is a summary of significant accounting policies consistently followed by the Series Fund in preparation of its financial statements. These policies are in conformity with generally accepted accounting principles.

SECURITIES VALUATION: Securities traded on an exchange (whether domestic or foreign) are valued at the last reported sales price on the primary exchange on which they are traded. Securities traded in the over-the-counter market (including securities listed on exchanges for which a last sales price is not available) are valued at the average of the last reported bid and asked prices. Convertible debt securities are valued at the mean between the most recently quoted bid and asked prices provided by principal market makers. High yield bonds are valued either by quotes received from principal market makers or by an independent pricing service which determine prices by analysis of quality, coupon, maturity and other factors. Any security for which a reliable market quotation is unavailable is valued at fair value as determined in good faith by or under the direction of the Series Fund's Board of Directors.

The Money Market, Conservative Balanced and Flexible Managed Portfolios use amortized cost to value short-term securities. Short-term securities that are held in the other Portfolios which mature in more than 60 days are valued at current market quotations and those short-term securities which mature in 60 days or less are valued at amortized cost.

REPURCHASE AGREEMENTS: In connection with transactions in repurchase agreements with U.S. financial institutions, it is the Series Fund's policy that its custodian or designated subcustodians, as the case may be under triparty repurchase agreements, take possession of the underlying

collateral securities, the value of which exceeds the principal amount of the repurchase transaction including accrued interest. If the seller defaults and the value of the collateral declines or if bankruptcy proceedings are commenced with respect to the seller of the security, realization of the collateral by the Series Fund may be delayed or limited. (See Note 5).

FOREIGN CURRENCY TRANSLATION: The books and records of the Series Fund are maintained in U.S. dollars. Foreign currency amounts are translated into U.S. dollars on the following basis:

(i) market value of investment securities, other assets and liabilities - at the current rates of exchange.

(ii) purchases and sales of investment securities, income and expenses -at the rate of exchange prevailing on the respective dates of such transactions.

Although the net assets of the Series Fund are presented at the foreign exchange rates and market values at the close of the fiscal year, the Series Fund does not isolate that portion of the results of operations arising as a result of changes in the foreign exchange rates from the fluctuations arising from changes in the market prices of securities held at the end of the fiscal year.

Similarly, the Series Fund does not isolate the effect of changes

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in foreign exchange rates from the fluctuations arising from changes in the market prices of long-term portfolio securities sold during the fiscal year. Accordingly, these realized foreign currency gains (losses) are included in the reported net realized gains (losses) on investment transactions.

Net realized gains (losses) on foreign currency

transactions represent net foreign exchange gains or losses from holdings of foreign currencies, currency gains or losses realized between the trade and settlement dates on security transactions, and the difference between the amounts of dividends, interest and foreign taxes recorded on the Series Fund's books and the U.S. dollar equivalent amounts actually received or paid. Net unrealized currency gains or losses from valuing foreign currency denominated assets and liabilities (other than investments) at fiscal year end exchange rates are reflected as a component of net unrealized appreciation (depreciation) on investments and foreign currencies.

Foreign security and currency transactions may involve certain considerations and risks not typically associated with those of domestic origin as a result of, among other factors, the possibility of political and economic instability and the level of governmental supervision and regulation of foreign securities markets.

SHORT SALES: Certain portfolios of the Series Fund may sell a security it does not own in anticipation of a decline in the market value of that security (short sale). When the Portfolio makes a short sale, it must borrow the security sold short and deliver it to the broker-dealer through which it made the short sale as collateral for its obligation to deliver the security upon conclusion of the sale. The Portfolio may have to pay a fee to borrow the particular security and may be obligated to remit any interest or dividends received on such borrowed securities. A gain, limited to the price at which the Portfolio sold the security short, or a loss, unlimited in magnitude, will be recognized upon the termination of a short sale if the market price at termination is less than or greater than, respectively, the proceeds originally received.

OPTIONS: The Series Fund may either purchase or write options in order to hedge against adverse market movements or fluctuations in value with respect to securities which the Series Fund currently owns or intends to purchase. The Series Fund's principal reason for writing options is to realize, through receipts of premiums, a greater current return than would be realized on the underlying security alone. When the Series Fund purchases an option, it pays a premium and an amount equal to that premium is recorded as an investment. When the Series Fund writes an option, it receives a premium and an amount equal to that premium is recorded as a liability. The investment or liability is adjusted daily to reflect the current market value of the option. If an option expires unexercised, the Series Fund realizes a gain or loss to the extent of the premium received or paid. If an option is exercised, the premium received or paid is an adjustment to the proceeds from the sale or the cost of the purchase in determining whether the Series Fund has realized a gain or loss. The difference between the premium and the amount received or paid on effecting a closing purchase or sale transaction is also treated as a realized gain or loss. Gain or loss on purchased options is included in net realized gain (loss) on investment transactions. Gain or loss on written options is presented separately as net realized gain (loss) on written option transactions.

The Series Fund, as writer of an option, may have no control over whether the underlying securities may be sold (called) or purchased (put). As a result, the Series Fund bears the market risk of an unfavorable change in the price of the security underlying the written option. The Series Fund, as purchaser of an option, bears the risk of the potential inability of the counterparties to meet the terms of their contracts.

FINANCIAL FUTURES CONTRACTS: A financial futures contract is an agreement to purchase (long) or sell (short) an agreed amount of securities at a set price for delivery on a future date. Upon entering into a financial futures contract, the Series Fund is required to pledge to the broker an amount of cash and/or other assets equal to a certain percentage of the contract amount. This amount is known as the "initial margin". Subsequent payments, known as "variation margin", are made or received by the Series Fund each day, depending on the daily fluctuations in the value of the underlying security. Such variation margin is recorded for financial statement purposes on a daily basis as unrealized gain or loss. When the contract expires or is closed, the gain or loss is realized and is presented in the statement of operations as net realized gain (loss) on financial futures contracts.

The Series Fund invests in financial futures contracts in order to hedge its existing portfolio securities or securities the Series Fund intends to purchase, against fluctuations in value. Under a variety of circumstances, the Series Fund may not achieve the anticipated benefits of the financial futures contracts and may realize a loss. The use of futures transactions involves the risk of imperfect correlation in movements in the price of futures contracts and the underlying assets.

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SECURITIES TRANSACTIONS AND INVESTMENT INCOME: Securities transactions are recorded on the trade date. Realized gains and losses on sales of securities are calculated on the identified cost basis. Dividend income is recorded on the ex-dividend date; interest income, which is comprised of three elements: stated coupon, original issue discount and market discount, is recorded on the accrual basis. Certain Portfolios own shares of real estate

investment trusts ("REITs") which report information on the source of their distributions annually. A portion of distributions received from REITs during the year is estimated to be a return of capital and is recorded as a reduction of their costs. Expenses are recorded on the accrual basis which may require the use of certain estimates by management. The Series Fund expenses are allocated to the respective portfolios on the basis of relative net assets.

CUSTODY FEE CREDITS: The Series Fund, exclusive of the Global Portfolio, has an arrangement with its custodian bank, whereby uninvested monies earn credits which reduce the fees charged by the custodian. Such custody fee credits are presented as a reduction of gross expenses in the accompanying Statements of Operations.

TAXES: For federal income tax purposes, each portfolio in the Series Fund is treated as a separate taxpaying entity. It is the intent of the Series Fund to continue to meet the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its net income to shareholders. Therefore, no federal income tax provision is required.

Withholding taxes on foreign dividends, interest and capital gains have been provided for in accordance with the Series Fund's understanding of the applicable country's tax rules and regulations.

DIVIDENDS AND DISTRIBUTIONS: Dividends and distributions of each Portfolio are declared in cash and automatically reinvested in additional shares of the Fund. The Money Market Portfolio will declare and reinvest dividends from net investment income and net realized capital gain (loss) daily. Each other Portfolio will declare and distribute dividends from net investment income and distributions from net realized gains, if any, twice a

year. Dividends and distributions are recorded on the ex-dividend date.

Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from generally accepted accounting principles.

RECLASSIFICATION OF CAPITAL ACCOUNTS: The Series Fund accounts for and reports distributions to shareholders in accordance with the American Institute of Certified Public Accountants' Statement of Position 93-2: Determination, Disclosure, and Financial Statement Presentation of Income, Capital Gains, and Return of Capital Distributions by Investment Companies. As a result of this statement, the Series Fund changed the classification of distributions to shareholders to disclose the amounts of undistributed net investment income and accumulated net realized gain (loss) on investments available for distributions determined in accordance with income tax regulations. For the fiscal year ended December 31, 1996, the application of this statement increased (decreased) paid-in capital in excess of par (PC), undistributed net investment income ("UNI") and accumulated net realized gains (losses) on investments ("G/L") by the following amounts:

<TABLE>
<CAPTION>

UNI	G/L	PC
-----	-----	-----
<S>		<C>
<C>	<C>	
Diversified Bond Portfolio.....		\$ (7,574,364) \$
(617,274) \$ 8,191,638		
Government Income Portfolio.....		(16,529)
(1,481,055) 1,497,584		
Zero Coupon Bond 2000 Portfolio.....		(49,536)
49,665 (129)		
Conservative Balanced Portfolio.....		(15,661,578)
3,079,619 12,581,959		

Flexible Managed Portfolio.....	(31,413,181)
8,052,179 23,361,002	
High Yield Portfolio.....	(3,589,971)
2,838,653 751,318	
Stock Index Portfolio.....	(937,091)
448,481 488,610	
Equity Income Portfolio.....	(3,889,621)
11,442,266 (7,552,645)	
Equity Portfolio.....	(10,995,498)
6,099,985 4,895,513	
Prudential Jennison Portfolio.....	--
130,598 (130,598)	
Global Portfolio.....	(373,014)
5,985,915 (5,612,901)	
Natural Resources Portfolio.....	(39,838)
(86,067) 125,905	

Net investment income, net realized gains and net assets were not affected by these reclassifications.

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NOTE 3: AGREEMENTS

The Series Fund has an investment advisory agreement with The Prudential. Pursuant to this agreement The Prudential has responsibility for all investment advisory services and supervises the subadvisers' performance of such services. The Prudential has entered into a service agreement with The Prudential Investment Corporation ("PIC"), which provides that PIC will furnish to The Prudential such services as The Prudential may require in connection with the performance of its obligations under the investment advisory agreement with the Series Fund. In addition, The Prudential has entered into a subadvisory agreement with Jennison Capital Corp. ("Jennison"), under which Jennison furnishes investment advisory services in connection with the management of the Prudential Jennison Portfolio. The Prudential compensates Jennison for its services as follows: 0.75% on the first \$10 million of that Portfolio's average daily net assets, 0.50% on the next \$30 million, 0.35% on

the next \$25 million,
 0.25% on the next \$335 million, 0.22% on the next
 \$600 million and 0.20%
 thereafter. The Prudential pays for the cost of PIC's
 services, compensation of
 officers of the Series Fund, occupancy and certain
 clerical and administrative
 expenses of the Series Fund. The Series Fund bears all other
 costs and expenses.

The investment advisory fee paid The Prudential is
 computed daily and payable
 quarterly, at the annual rates specified below of the
 value of each of the
 Portfolios' average daily net assets:

<TABLE>

<CAPTION>

Fund	
Investment Advisory Fee	
<S>	<C>
Money Market Portfolio.....	
0.40%	
Diversified Bond Portfolio.....	
0.40	
Government Income Portfolio.....	
0.40	
Zero Coupon Bond 2000 Portfolio.....	
0.40	
Zero Coupon Bond 2005 Portfolio.....	
0.40	
Conservative Balanced Portfolio.....	
0.55	
Flexible Managed Portfolio.....	
0.60	
High Yield Bond Portfolio.....	
0.55	
Stock Index Portfolio.....	
0.35	
Equity Income Portfolio.....	
0.40	
Equity Portfolio.....	
0.45	
Prudential Jennison Portfolio.....	
0.60	
Small Capitalization Stock Portfolio.....	
0.40	
Global Portfolio.....	
0.75	
Natural Resources Portfolio.....	
0.45	

</TABLE>

The Prudential has agreed to refund to a Portfolio (other than the Global Portfolio), the portion of the investment advisory fee for that Portfolio equal to the amount that the aggregate annual ordinary operating expenses (excluding interest, taxes and brokerage commissions) exceeds 0.75% of the Portfolio's average daily net assets. No refund was required for the fiscal year ended December 31, 1996.

PIC and Jennison are indirect, wholly-owned subsidiaries of The Prudential.

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NOTE 4: OTHER TRANSACTIONS WITH AFFILIATES

For the fiscal year ended December 31, 1996, Prudential Securities Incorporated, an indirect, wholly owned subsidiary of The Prudential, earned \$961,524 in brokerage commissions from transactions executed on behalf of the Series Fund as follows:

<TABLE>

<CAPTION>

	Fund
Commission	
<S>	
<C>	
Conservative Balanced Portfolio.....	\$ 120,976
Flexible Managed Portfolio.....	582,317
Equity Income Portfolio.....	
66,311	
Equity Portfolio.....	
165,924	
Global Portfolio.....	
19,388	
Natural Resources Portfolio.....	6,608

\$ 961,524

</TABLE>

As of December 31, 1996, The Prudential had investments of \$14,361,824 in the Prudential Jennison Portfolio and \$14,367,378 in the Small Capitalization Stock Portfolio.

NOTE 5: JOINT REPURCHASE AGREEMENT ACCOUNT

The portfolios of the Series Fund (excluding Global Portfolio) may transfer uninvested cash balances into a single joint repurchase agreement account, the daily aggregate balance of which is invested in one or more repurchase agreements collateralized by U.S. Government obligations. The Series Fund's undivided interest in the joint repurchase agreement account represented \$868,381,000 as of December 31, 1996. The Portfolios of the Series Fund with cash invested in the joint account had the following principal amounts and percentage participation in the account:

<TABLE>

<CAPTION>

Principal	Percentage	
Amount	Interest	
-----	-----	-----
<S>		<C>
<C>		
Diversified Bond Portfolio.....		\$
15,414,000	1.78%	
Government Income Portfolio.....		
6,517,000	0.75	
Zero Coupon Bond 2000 Portfolio.....		
296,000	0.03	
Conservative Balanced Portfolio.....		
22,692,000	2.61	
Flexible Managed Portfolio.....		
70,099,000	8.07	
High Yield Bond Portfolio.....		
31,450,000	3.62	

Stock Index Portfolio.....		
53,762,000	6.19	
Equity Income Portfolio.....		
33,746,000	3.89	
Equity Portfolio.....		
599,921,000	69.09	
Prudential Jennison Portfolio.....		
10,688,000	1.23	
Small Capitalization Stock Portfolio.....		
15,582,000	1.79	
Natural Resources Portfolio.....		
8,214,000	0.95	

\$

868,381,000 100.00%

</TABLE>

As of such date, each repurchase agreement in the joint account and the collateral therefor were as follows:

Bear, Stearns & Co., Inc., 6.75%, in the principal amount of \$265,000,000, repurchase price \$265,099,375, due 1/2/97. The value of the collateral including accrued interest was \$270,501,866.

Goldman, Sachs & Co., Inc., 5.85%, in the principal amount of \$73,381,000, repurchase price \$73,404,849, due 1/2/97. The value of the collateral including accrued interest was \$75,883,443.

Smith Barney, Inc., 6.65%, in the principal amount of \$265,000,000, repurchase price \$265,097,902, due 1/2/97. The value of the collateral including accrued interest was \$270,820,275.

UBS Securities Corp., 6.65%, in the principal amount of \$265,000,000, repurchase price \$265,097,902, due 1/2/97. The value of the collateral including accrued interest was \$270,302,336.

The weighted average interest rate of these repurchase agreements was 6.613%.

NOTE 6: PORTFOLIO SECURITIES

The aggregate cost of purchase and the proceeds from the sales of securities (excluding short-term issues) for the fiscal year ended December 31, 1996 were as follows:

Cost of Purchases:

<TABLE>

<CAPTION>

	DIVERSIFIED		GOVERNMENT	ZERO
ZERO	CONSERVATIVE	FLEXIBLE	COUPON	HIGH
COUPON	BOND	MANAGED	YIELD	COUPON
2005	BALANCED		2000	BOND
<S>	<C>	<C>	<C>	<C>
<C>	<C>	<C>	<C>	<C>
Debt Securities...	\$1,474,912,068	\$473,601,266	\$22,217,643	\$5,528,123
	\$10,348,623,701	\$7,818,989,849	\$343,629,174	
Equity Securities.....	0	0	0	0
0	\$ 524,839,665	\$2,661,774,273	\$ 10,633,778	

</TABLE>

<TABLE>

<CAPTION>

	STOCK	EQUITY	
PRUDENTIAL	CAPITALIZATION	INCOME	NATURAL
JENNISON	INDEX	GLOBAL	EQUITY
	STOCK		RESOURCES
<S>	<C>	<C>	<C>
<C>	<C>	<C>	<C>
Debt Securities...	0	\$ 37,152,915	0
0	0	0	0
Equity Securities.....	\$322,878,792	\$282,895,367	\$644,784,097
\$203,871,305	\$ 87,947,226	\$ 271,345,027	\$179,453,886

</TABLE>

Proceeds From Sales:

<TABLE>

<CAPTION>

	DIVERSIFIED		GOVERNMENT	ZERO
ZERO	CONSERVATIVE	FLEXIBLE	COUPON	HIGH
COUPON	BOND	INCOME	YIELD	2000
2005	BALANCED	MANAGED	BOND	
<S>	<C>	<C>	<C>	<C>
<C>	<C>	<C>	<C>	<C>
Debt Securities...	\$1,351,233,287	\$433,921,140	\$3,706,830	\$2,335,050
	\$9,086,693,898	\$7,188,296,334	\$319,599,876	
Equity				
Securities.....	0	0	0	
0	\$ 797,513,299	\$2,656,626,154	\$ 8,018,168	

<TABLE>
<CAPTION>

	STOCK	EQUITY	NATURAL
PRUDENTIAL	CAPITALIZATION	INCOME	EQUITY
JENNISON	INDEX	GLOBAL	RESOURCES
	STOCK		
<S>	<C>	<C>	<C>
<C>	<C>	<C>	<C>
Debt Securities...	0	\$ 44,135,081	0
0	0	0	0
Equity			
Securities.....	\$ 13,326,025	\$197,334,087	\$653,768,417
\$61,951,658	\$ 10,754,845	\$ 187,932,378	\$130,313,128

Transactions in options written during the fiscal year ended December 31, 1996 were as follows:

<TABLE>
<CAPTION>

NATURAL RESOURCES	
CALL OPTIONS WRITTEN	
NUMBER OF CONTRACTS	PREMIUMS RECEIVED
<S>	<C>
<C>	<C>

Options outstanding at December 31, 1995.....	440	\$ 163,675
Options written.....	134	43,147
Options terminated in closing purchase transactions.....	(574)	(206,822)
	-----	-----
Options outstanding at December 31, 1996.....	0	0
	-----	-----
	-----	-----

</TABLE>

The federal income tax basis and unrealized appreciation/depreciation of the Fund's investments as of December 31, 1996 were as follows:

<TABLE>

<CAPTION>

ZERO	ZERO	DIVERSIFIED		GOVERNMENT
COUPON	COUPON	CONSERVATIVE	FLEXIBLE	
		BOND	INCOME	
2000	2005	BALANCED	MANAGED	
		-----	-----	-----
		-----	-----	-----
		-----	-----	-----
<S>		<C>		<C>
<C>	<C>	<C>		<C>
Gross Unrealized Appreciation...		\$16,153,798		\$
6,581,659	\$ 2,208,685	\$ 1,997,518		\$413,912,093
\$610,666,412				
Gross Unrealized Depreciation...		1,997,928		
4,229,749	--	89,880		67,562,846
36,056,964				
Total Net Unrealized.....		14,155,870		
2,351,910	2,208,685	1,907,638		346,349,247
574,609,448				
Tax Basis.....		729,283,625		
474,449,592	42,593,668	23,876,529		4,192,119,381
4,406,819,646				

<CAPTION>

SMALL		STOCK	EQUITY
PRUDENTIAL	CAPITALIZATION	INDEX	INCOME
EQUITY	JENNISON	STOCK	GLOBAL
		-----	-----
		-----	-----
		-----	-----

<S>	<C>	<C>	<C>	<C>
Gross Unrealized Appreciation...	\$546,264,662			
\$297,676,452	1\$,153,620,111	\$31,401,080	\$ 22,262,161	
\$127,364,695				
Gross Unrealized Depreciation...	13,128,946			
53,301,876	71,614,946	6,675,173	6,974,999	
16,756,986				
Total Net Unrealized.....	533,135,716			
244,374,576	1,082,005,165	24,725,907	15,287,162	
110,607,709				
Tax Basis.....	1,054,512,494			
1,107,858,205	3,719,947,601	205,701,495	136,009,633	
460,604,792				

<CAPTION>

	HIGH YIELD BOND
<S>	<C>
Gross Unrealized Appreciation...	\$ 20,260,380
Gross Unrealized Depreciation...	8,960,353
Total Net Unrealized.....	11,300,027
Tax Basis.....	415,325,778

	NATURAL RESOURCES
<S>	<C>
Gross Unrealized Appreciation...	\$ 90,880,549
Gross Unrealized Depreciation...	12,691,982
Total Net Unrealized.....	78,188,567
Tax Basis.....	359,799,612

For federal income tax purposes, the following Portfolios had post-October deferred losses during 1996 and capital loss carryforwards utilized during 1996 and available to offset future realized capital gains:

<TABLE>
<CAPTION>

CAPITAL LOSSES	POST OCTOBER LOSSES	CAPITAL LOSSES CARRYFORWARDS
		EXPIRATION

AVAILABLE	DATE	DEFERRED	UTILIZED IN 1996
<S>		<C>	<C>
<C>	<C>		
Government Income			
Portfolio.....		--	\$14,658,101
\$7,917,291	12/31/2003		
High Yield Bond			
Portfolio.....		\$ 2,303,758	818,030
972,998	12/31/1999		
3,273,984	12/31/2002		
15,084,494	12/31/2003		

19,331,476			
Prudential Jennison			
Portfolio.....		--	--
2,160,575	12/31/2004		
Natural Resources			
Portfolio.....		31,622	--
--	--		

</TABLE>

C6

FINANCIAL HIGHLIGHTS

<TABLE>
<CAPTION>

MARKET	MONEY		
ENDED	YEAR		
DECEMBER 31,			
<S>	<C>	<C>	
<C>	<C>	<C>	
1994 (A)	1993 (A)	1992 (A)	
	1996	1995 (A)	

PER SHARE OPERATING PERFORMANCE :

Net Asset Value, beginning of year.....	\$ 10.00	\$ 10.00	\$
10.00 \$ 10.00 \$ 10.00			

Income From Investment Operations:			
Net investment income and net realized gains.....	0.51	0.56	
0.40 0.29 0.37			
Dividends and distributions.....	(0.51)	(0.56)	
(0.40) (0.29) (0.37)			

Net Asset Value, end of year.....	\$ 10.00	\$ 10.00	\$
10.00 \$ 10.00 \$ 10.00			

TOTAL INVESTMENT RATE OF RETURN: (B)			
	5.22%	5.80%	
4.05% 2.95% 3.79%			
RATIOS/SUPPLEMENTAL DATA:			
Net assets, end of year (in millions).....	\$668.8	\$613.3	
\$583.3 \$474.7 \$528.7			
Ratios to average net assets:			
Expenses.....	0.44%	0.44%	
0.47% 0.45% 0.47%			
Net investment income.....	5.10%	5.64%	
4.02% 2.90% 3.72%			

</TABLE>

<TABLE>

<CAPTION>

DIVERSIFIED BOND

YEAR		
ENDED		
DECEMBER 31,		

<S>	<C>	<C>
<C> <C> <C>		
	1996	1995 (A)
1994 (A) 1993 (A) 1992 (A)		

PER SHARE OPERATING PERFORMANCE:

Net Asset Value, beginning of year.....	\$ 11.31	\$ 10.04	\$
11.10 \$ 10.83 \$ 11.00			
	-----	-----	--

INCOME FROM INVESTMENT OPERATIONS:			
Net investment income.....	0.76	0.76	
0.68 0.68 0.76			
Net realized and unrealized gains (losses) on investments.....	(0.27)	1.29	
(1.04) 0.40 0.01			
	-----	-----	--

Total from investment operations.....	0.49	2.05	
(0.36) 1.08 0.77			
	-----	-----	--

LESS DISTRIBUTIONS:			
Dividends from net investment income.....	(0.73)	(0.75)	
(0.68) (0.66) (0.72)			
Distributions from net realized gains.....	--	(0.03)	
(0.02) (0.15) (0.22)			
	-----	-----	--

Total distributions.....	(0.73)	(0.78)	
(0.70) (0.81) (0.94)			
	-----	-----	--

Net Asset Value, end of year.....	\$ 11.07	\$ 11.31	\$
10.04 \$ 11.10 \$ 10.83			
	-----	-----	--

TOTAL INVESTMENT RETURN: (B).....	4.40%	20.73%	
(3.23%) 10.13% 7.19%			
RATIOS/SUPPLEMENTAL DATA:			
Net assets, end of year (in millions).....	\$720.2	\$655.8	
\$541.6 \$576.2 \$428.8			
Ratios to average net assets:			
Expenses.....	0.45%	0.44%	
0.45% 0.46% 0.47%			
Net investment income.....	6.89%	7.00%	
6.41% 6.05% 6.89%			
Portfolio turnover rate.....	210%	199%	
32% 41% 61%			

</TABLE>

(a) Calculations are based on average month-end shares outstanding, where applicable.

(b) Total investment returns are at the portfolio level and exclude contract specific charges which would reduce returns.

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

D1

FINANCIAL HIGHLIGHTS

<TABLE>

<CAPTION>

GOVERNMENT INCOME

YEAR ENDED

DECEMBER 31,

<S> <C>	<C>	<C>	<C> 1996	<C> 1995 (A)
1994 (A)	1993 (A)	1992 (A)		
PER SHARE OPERATING PERFORMANCE:				
Net Asset Value, beginning of year.....				
11.78	\$ 11.09	\$ 11.13	\$ 11.72	\$ 10.46
INCOME FROM INVESTMENT OPERATIONS:				
Net investment income.....				
0.70	0.70	0.73	0.75	0.74
Net realized and unrealized gains (losses) on investments.....				
(1.31)	0.68	(0.09)	(0.51)	1.28
Total from investment operations.....				
			0.26	2.02

(0.61)	1.38	0.64			

LESS DISTRIBUTIONS:					
Dividends from net investment income.....			(0.74)	(0.76)	
(0.71)	(0.64)	(0.59)			
Distributions from net realized gains.....			--	--	
--	(0.05)	(0.09)			

Total distributions.....			(0.74)	(0.76)	
(0.71)	(0.69)	(0.68)			

Net Asset Value, end of year.....			\$ 11.22	\$ 11.72	\$
10.46	\$ 11.78	\$ 11.09			

TOTAL INVESTMENT RETURN: (B).....			2.22%	19.48%	
(5.16%)	12.56%	5.85%			
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of year (in millions).....			\$482.0	\$501.8	
\$487.6	\$540.1	\$315.5			
Ratios to average net assets:					
Expenses.....			0.46%	0.45%	
0.45%	0.46%	0.53%			
Net investment income.....			6.38%	6.55%	
6.30%	5.91%	6.58%			
Portfolio turnover rate.....			95%	195%	
34%	19%	81%			

</TABLE>
<TABLE>
<CAPTION>

ZERO

COUPON BOND 2000

YEAR ENDED

DECEMBER 31,

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

1994 (A)	1993 (A)	1992 (A)	1996	1995 (A)
PER SHARE OPERATING PERFORMANCE:				
Net Asset Value, beginning of year.....				
13.72	\$ 12.55	\$ 12.40	\$ 13.27	\$ 11.86
INCOME FROM INVESTMENT OPERATIONS:				
Net investment income.....				
0.92	0.85	0.89	0.55	0.59
Net realized and unrealized gains (losses) on investments.....				
(1.91)	1.16	0.14	(0.36)	1.95
Total from investment operations.....				
(0.99)	2.01	1.03	0.19	2.54
LESS DISTRIBUTIONS:				
Dividends from net investment income.....				
(0.85)	(0.84)	(0.88)	(0.54)	(0.60)
Distributions from net realized gains.....				
(0.02)	(0.01)	--	--	(0.53)
Total distributions.....				
(0.87)	(0.84)	(0.88)	(0.54)	(1.13)
Net Asset Value, end of year.....				
11.86	\$ 13.72	\$ 12.55	\$ 12.92	\$ 13.27
TOTAL INVESTMENT RETURN: (B).....				
(7.18%)	16.15%	8.59%	1.53%	21.56%
RATIOS/SUPPLEMENTAL DATA:				
Net assets, end of year (in millions).....				
\$20.6	\$22.2	\$16.7	\$44.7	\$25.3
Ratios to average net assets:				
Expenses.....				
0.51%	0.62%	0.66%	0.52%	0.48%

Net investment income.....			4.88%	4.53%
6.69%	6.21%	7.24%		
Portfolio turnover rate.....			13%	71%
9%	1%	--		

(a) Calculations are based on average month-end shares outstanding, where applicable.

(b) Total investment returns are at the portfolio level and exclude contract specific charges which would reduce returns.

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

D2

FINANCIAL HIGHLIGHTS

<TABLE>

<CAPTION>

ZERO

COUPON BOND 2005

YEAR ENDED

DECEMBER 31,

<S>	<C>			<C>	
<C>	<C>	<C>	1996	1995 (A)	
1994 (A)	1993 (A)	1992 (A)			
PER SHARE OPERATING PERFORMANCE:					
Net Asset Value, beginning of year.....			\$ 13.19	\$ 10.74	\$
12.68	\$ 11.03	\$ 10.87			
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income.....			0.66	0.66	
0.75	0.77	0.80			
Net realized and unrealized gains (losses) on investments.....			(0.82)	2.73	
(1.97)	1.62	0.21			

-----			-----	-----	---
Total from investment operations.....			(0.16)	3.39	
(1.22)	2.39	1.01			
-----			-----	-----	---
LESS DISTRIBUTIONS					
Dividends from net investment income.....			(0.64)	(0.65)	
(0.72)	(0.74)	(0.79)			
Distributions from net realized gains.....			(0.14)	(0.29)	
--	--	(0.06)			
-----			-----	-----	---
Total distributions.....			(0.78)	(0.94)	
(0.72)	(0.74)	(0.85)			
-----			-----	-----	---
Net Asset Value, end of year.....			\$ 12.25	\$ 13.19	\$
10.74	\$ 12.68	\$ 11.03			
-----			-----	-----	---
-----			-----	-----	---
TOTAL INVESTMENT RETURN: (B).....			(1.01%)	31.85%	
(9.61%)	21.94%	9.66%			
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of year (in millions).....			\$25.8	\$23.6	
\$16.5	\$14.5	\$9.8			
Ratios to average net assets:					
Expenses.....			0.53%	0.49%	
0.60%	0.66%	0.75%			
Net investment income.....			5.42%	5.32%	
6.53%	6.17%	7.46%			
Portfolio turnover rate.....			10%	69%	
6%	4%	11%			
</TABLE>					

<TABLE>
<CAPTION>

CONSERVATIVE BALANCED

YEAR

ENDED

DECEMBER 31,

			<C>	<C>	
			1996	1995 (A)	
<S>	<C>	<C>			
1994 (A)	1993 (A)	1992 (A)			
PER SHARE OPERATING PERFORMANCE:					
Net Asset Value, beginning of					
year.....			\$ 15.31	\$ 14.10	\$
14.91	\$ 14.24	\$ 14.32			
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income.....					
0.53	0.49	0.56	0.66	0.63	
Net realized and unrealized gains					
(losses) on investments.....			1.24	1.78	
(0.68)	1.23	0.41			
Total from investment					
operations.....			1.90	2.41	
(0.15)	1.72	0.97			
LESS DISTRIBUTIONS					
Dividends from net investment					
income.....			(0.66)	(0.64)	
(0.51)	(0.47)	(0.54)			
Distributions from net realized					
gains.....			(1.03)	(0.56)	
(0.15)	(0.58)	(0.51)			
Total distributions.....					
(0.66)	(1.05)	(1.05)	(1.69)	(1.20)	
Net Asset Value, end of year.....					
14.10	\$ 14.91	\$ 14.24	\$ 15.52	\$ 15.31	\$
TOTAL INVESTMENT RETURN: (B).....					
(0.97%)	12.20%	6.95%	12.63%	17.27%	
RATIOS/SUPPLEMENTAL DATA:					
Net assets, end of year (in					
millions).....			\$4,478.8	\$3,940.8	

\$3,501.1 \$3,103.2 \$2,114.0

Ratios to average net assets:

Expenses.....		0.59%	0.58%
0.61%	0.60%	0.62%	
Net investment income.....		4.13%	4.19%
3.61%	3.22%	3.88%	
Portfolio turnover rate.....		295%	201%
125%	79%	62%	
Average commission rate paid per share.....		\$0.0554	N/A
N/A	N/A	N/A	

</TABLE>

(a) Calculations are based on average month-end shares outstanding, where applicable.

(b) Total investment returns are at the portfolio level and exclude contract specific charges which would reduce returns.

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

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FINANCIAL HIGHLIGHTS

<TABLE>

<CAPTION>

FLEXIBLE MANAGED

-----			-----		
			YEAR		
ENDED					
DECEMBER 31,					
-----			-----		
<S>			<C>	<C>	
<C>	<C>	<C>			
			1996	1995 (A)	
1994 (A)	1993 (A)	1992 (A)	-----	-----	---
-----	-----	-----			
PER SHARE OPERATING PERFORMANCE:					
Net Asset Value, beginning of					
year.....			\$ 17.86	\$ 15.50	\$
16.96	\$ 16.01	\$ 16.29	-----	-----	---

INCOME FROM INVESTMENT OPERATIONS:			
Net investment income.....		0.57	0.56
0.47	0.57	0.58	
Net realized and unrealized gains			
(losses) on investments.....		1.79	3.15
(1.02)	1.88	0.61	

Total from investment			
operations.....		2.36	3.71
(0.55)	2.45	1.19	

LESS DISTRIBUTIONS			
Dividends from net investment			
income.....		(0.58)	(0.56)
(0.45)	(0.57)	(0.56)	
Distributions from net realized			
gains.....		(1.85)	(0.79)
(0.46)	(0.93)	(0.91)	

Total distributions.....		(2.43)	(1.35)
(0.91)	(1.50)	(1.47)	

Net Asset Value, end of year.....	\$	17.79	\$ 17.86
15.50	\$	16.96	\$ 16.01

TOTAL INVESTMENT RETURN:(B).....		13.64%	24.13%
(3.16%)	15.58%	7.61%	
RATIOS/SUPPLEMENTAL DATA:			
Net assets, end of year (in			
millions).....	\$4,896.9	\$4,261.2	
\$3,481.5	\$3,292.2	\$2,435.6	
Ratios to average net assets:			
Expenses.....	0.64%	0.63%	
0.66%	0.66%	0.67%	
Net investment income.....	3.07%	3.30%	
2.90%	3.30%	3.63%	
Portfolio turnover rate.....	233%	173%	
124%	63%	59%	
Average commission rate paid per			
share.....	\$0.0563	N/A	
N/A	N/A	N/A	

</TABLE>

<TABLE>
<CAPTION>

HIGH

YIELD BOND

YEAR

ENDED

DECEMBER 31,

			<C>	<C>	<C>
			1996	1995 (A)	
<S>	<C>	<C>			
1994 (A)	1993 (A)	1992 (A)			
PER SHARE OPERATING PERFORMANCE:					
Net Asset Value, beginning of					
year.....			\$ 7.80	\$ 7.37	\$
8.41	\$ 7.72	\$ 7.21			
INCOME FROM INVESTMENT OPERATIONS:					
Net investment income.....					
0.87	0.82	0.82	0.80	0.81	
Net realized and unrealized gains					
(losses) on investments.....					
(1.10)	0.63	0.42	0.06	0.46	
Total from investment					
operations.....					
(0.23)	1.45	1.24	0.86	1.27	
LESS DISTRIBUTIONS					
Dividends from net investment					
income.....					
(0.81)	(0.76)	(0.73)	(0.78)	(0.84)	
Dividends in excess of net					
investment income.....					
--	--	--	(0.01)	--	
Total distributions.....					
(0.81)	(0.76)	(0.73)	(0.79)	(0.84)	
Net Asset Value, end of year.....					
			\$ 7.87	\$ 7.80	\$

7.37 \$ 8.41 \$ 7.72

TOTAL INVESTMENT RETURN: (B)	11.39%	17.56%	
(2.72%) 19.27% 17.54%			
RATIOS/SUPPLEMENTAL DATA:			
Net assets, end of year (in millions).....			
	\$432.9	\$367.9	
\$306.2 \$282.9 \$153.7			
Ratios to average net assets:			
Expenses.....	0.63%	0.61%	
0.65% 0.65% 0.70%			
Net investment income.....	9.89%	10.34%	
9.88% 9.91% 10.67%			
Portfolio turnover rate.....	88%	139%	
69% 96% 75%			

(a) Calculations are based on average month-end shares outstanding, where applicable.

(b) Total investment returns are at the portfolio level and exclude contract specific charges which would reduce returns.

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

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FINANCIAL HIGHLIGHTS

<TABLE>
<CAPTION>

STOCK INDEX

YEAR ENDED

DECEMBER 31,

<S>			<C> <C>
<C>	<C>	<C>	1996 1995 (A)
1994 (A)	1993 (A)	1992 (A)	

PER SHARE OPERATING PERFORMANCE:

Net Asset Value, beginning of						
year.....	\$	19.96	\$	14.96	\$	
15.20	\$	14.22	\$	13.61		

INCOME FROM INVESTMENT OPERATIONS:

Net investment income.....		0.40		0.40		
0.38		0.36		0.35		
Net realized and unrealized gains						
(losses) on investments.....		4.06		5.13		
(0.23)		1.00		0.60		

Total from investment						
operations.....		4.46		5.53		
0.15		1.36		0.95		

LESS DISTRIBUTIONS

Dividends from net investment						
income.....		(0.40)		(0.38)		
(0.37)		(0.35)		(0.33)		
Distributions from net realized						
gains.....		(0.28)		(0.15)		
(0.02)		(0.03)		(0.01)		

Total distributions.....		(0.68)		(0.53)		
(0.39)		(0.38)		(0.34)		

Net Asset Value, end of year.....	\$	23.74	\$	19.96	\$	
14.96	\$	15.20	\$	14.22		

TOTAL INVESTMENT RETURN: (B).....		22.57%		37.06%		
1.01%		9.66%		7.13%		

RATIOS/SUPPLEMENTAL DATA:

Net assets, end of year (in						
millions).....	\$1,581.4		\$1,031.3			
\$664.5		\$615.1		\$433.5		
Ratios to average net assets:						
Expenses.....		0.40%		0.38%		
0.42%		0.42%		0.46%		
Net investment income.....		1.95%		2.27%		
2.50%		2.43%		2.56%		

Portfolio turnover rate.....		1%	1%
2%	1%	1%	
Average commission rate paid per share.....		\$0.0250	N/A
N/A	N/A	N/A	

<TABLE>
<CAPTION>

EQUITY INCOME

			YEAR	
ENDED				
DECEMBER 31,				
			1996	1995 (A)
PER SHARE OPERATING PERFORMANCE:				
Net Asset Value, beginning of year			\$ 16.27	\$ 14.48
15.66	\$ 13.67	\$ 13.21		
INCOME FROM INVESTMENT OPERATIONS:				
Net investment income.....			0.58	0.64
0.67	0.55	0.58		
Net realized and unrealized gains (losses) on investments.....			2.88	2.50
(0.45)	2.46	0.72		
Total from investment operations.....			3.46	3.14
0.22	3.01	1.30		
LESS DISTRIBUTIONS				
Dividends from net investment income.....			(0.71)	(0.62)
(0.56)	(0.50)	(0.52)		
Distributions from net realized gains.....			(0.51)	(0.73)
(0.82)	(0.52)	(0.32)		

Total distributions.....	(1.22)	(1.35)
(1.38) (1.02) (0.84)		
Net Asset Value, end of year.....	\$ 18.51	\$ 16.27
14.48 \$ 15.66 \$ 13.67		
TOTAL INVESTMENT RETURN: (B).....	21.74%	21.70%
1.44% 22.28% 10.14%		
RATIOS/SUPPLEMENTAL DATA:		
Net assets, end of year (in millions).....	\$1,363.5	\$1,110.0
\$859.7 \$602.8 \$234.4		
Ratios to average net assets:		
Expenses.....	0.45%	0.43%
0.52% 0.54% 0.57%		
Net investment income.....	3.36%	4.00%
3.92% 3.56% 4.32%		
Portfolio turnover rate.....	21%	64%
63% 41% 40%		
Average commission rate paid per share.....	\$0.0553	N/A
N/A N/A N/A		

</TABLE>

(a) Calculations are based on average month-end shares outstanding, where applicable.

(b) Total investment returns are at the portfolio level and exclude contract specific charges which would reduce returns.

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

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FINANCIAL HIGHLIGHTS

<TABLE>

<CAPTION>

EQUITY

YEAR

ENDED

DECEMBER 31,

-----			-----		
<S>			<C>	<C>	
<C>	<C>	<C>	1996	1995 (A)	
1994 (A)	1993 (A)	1992 (A)	-----	-----	---
-----			-----		
PER SHARE OPERATING PERFORMANCE:					
Net Asset Value, beginning of					
year.....			\$ 25.64	\$ 20.66	\$
21.49	\$ 18.90	\$ 17.91	-----	-----	---

INCOME FROM INVESTMENT OPERATIONS:					
Net investment income.....					
0.51	0.42	0.44	0.71	0.55	
Net realized and unrealized gains					
(losses) on investments.....			3.88	5.89	
0.05	3.67	2.05	-----	-----	---

Total from investment					
operations.....			4.59	6.44	
0.56	4.09	2.49	-----	-----	---

LESS DISTRIBUTIONS					
Dividends from net investment					
income.....			(0.67)	(0.52)	
(0.49)	(0.40)	(0.44)			
Distributions from net realized					
gains.....			(2.60)	(0.94)	
(0.90)	(1.10)	(1.06)	-----	-----	---

Total distributions.....					
(1.39)	(1.50)	(1.50)	(3.27)	(1.46)	

Net Asset Value, end of year.....					
20.66	\$ 21.49	\$ 18.90	\$ 26.96	\$ 25.64	\$

TOTAL INVESTMENT RETURN: (B)					
2.78%	21.87%	14.17%	18.52%	31.29%	

RATIOS/SUPPLEMENTAL DATA:

Net assets, end of year (in millions).....	\$4,814.0	\$3,813.8
\$2,617.8	\$2,186.5	\$1,416.6
Ratios to average net assets:		
Expenses.....	0.50%	0.48%
0.55%	0.53%	0.53%
Net investment income.....	2.54%	2.28%
2.39%	1.99%	2.33%
Portfolio turnover rate.....	20%	18%
7%	13%	16%
Average commission rate paid per share.....	\$0.0524	N/A
N/A	N/A	N/A

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<TABLE>

<CAPTION>

PRUDENTIAL JENNISON

<S>	<C>
	APRIL
	25,
	YEAR
	1995 (D)
	ENDED
	TO
	DECEMBER
	DECEMBER
	31, 1996
	31, 1995

PER SHARE OPERATING PERFORMANCE:

Net Asset Value, beginning of period	\$12.55	\$10.00

INCOME FROM INVESTMENT OPERATIONS:		
Net investment income.....	0.02	0.02
Net realized and unrealized gains (losses) on investments.....	1.78	2.54

Total from investment operations.....	1.80	2.56

LESS DISTRIBUTIONS		
Dividends from net investment income.....	(0.03)	(0.01)
Distributions from net realized gains.....	--	--

Total distributions.....	(0.03)	(0.01)

Net Asset Value, end of period.....	\$14.32	\$12.55

TOTAL INVESTMENT RETURN: (B)	14.41	%	24.2	%
RATIOS/SUPPLEMENTAL DATA:				
Net assets, end of period (in millions).....	\$226.5		\$63.1	
Ratios to average net assets:				
Expenses.....	0.66	%	0.79	%(c)
Net investment income.....	0.20	%	0.15	%(c)
Portfolio turnover rate.....	46	%	37	%
Average commission rate paid per share.....	\$0.0603		N/A	

(a) Calculations are based on average month-end shares outstanding, where applicable.

(b) Total investment returns are at the portfolio level and exclude contract specific charges which would reduce returns. Total return for periods of less than one year are not annualized.

(c) Annualized.

(d) Commencement of operations.

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

D6

FINANCIAL HIGHLIGHTS

<TABLE>
<CAPTION>

	SMALL CAPITALIZATION STOCK	

<S>	<C>	<C>
		APRIL
		25,
	YEAR	1995 (D)
	ENDED	TO
	DECEMBER	DECEMBER
	31, 1996	31, 1995
	-----	-----
PER SHARE OPERATING PERFORMANCE:		
Net Asset Value, beginning of period.....	\$11.83	\$10.00
	-----	-----

14.64 \$ 10.37 \$ 10.79

-----	-----	-----	---
INCOME FROM INVESTMENT OPERATIONS:			
Net investment income.....	0.11	0.06	
0.02 0.02 0.05			
Net realized and unrealized gains			
(losses) on investments.....	2.94	2.14	
(0.74) 4.44 (0.42)			
-----	-----	-----	---
Total from investment			
operations.....	3.05	2.20	
(0.72) 4.46 (0.37)			
-----	-----	-----	---
LESS DISTRIBUTIONS			
Dividends from net investment			
income.....	(0.11)	(0.24)	
(0.02) (0.08) (0.05)			
Distributions from net realized			
gains.....	(0.62)	(0.31)	
(0.02) (0.11) --			
-----	-----	-----	---
Total distributions.....	(0.73)	(0.55)	
(0.04) (0.19) (0.05)			
-----	-----	-----	---
Net Asset Value, end of year.....	\$ 17.85	\$ 15.53	\$
13.88 \$ 14.64 \$ 10.37			
-----	-----	-----	---
-----	-----	-----	---
TOTAL INVESTMENT RETURN: (B).....	19.97%	15.88%	
(4.89%) 43.14% (3.42%)			
RATIOS/SUPPLEMENTAL DATA:			
Net assets, end of year (in			
millions).....	\$580.6	\$400.1	
\$345.7 \$129.1 \$34.0			
Ratios to average net assets:			
Expenses.....	0.92%	1.06%	
1.23% 1.44% 1.87%			
Net investment income.....	0.64%	0.44%	
0.20% 0.18% 0.49%			
Portfolio turnover rate.....	41%	59%	
37% 55% 78%			
Average commission rate paid per			
share.....	\$0.0358	N/A	
N/A N/A N/A			

</TABLE>

(a) Calculations are based on average month-end shares outstanding, where applicable.

(b) Total investment returns are at the portfolio level and exclude contract specific charges which would reduce returns. Total investment return for periods of less than a full year are not annualized.

(c) Annualized.

(d) Commencement of operations.

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

D7

FINANCIAL HIGHLIGHTS

<TABLE>

<CAPTION>

			NATURAL		
RESOURCES			-----		
-----			YEAR		
ENDED					
DECEMBER 31,			-----		

<S>			<C>	<C>	
<C>	<C>	<C>	1996	1995 (A)	
1994 (A)	1993 (A)	1992 (A)	-----	-----	--

PER SHARE OPERATING PERFORMANCE:					
Net Asset Value, beginning of					
year.....			\$ 17.27	\$ 14.44	\$
15.56	\$ 12.95	\$ 12.45	-----	-----	--

INCOME FROM INVESTMENT OPERATIONS:					
Net investment income.....					
0.18	0.23	0.32	0.15	0.21	
Net realized and unrealized gains					

(losses) on investments.....	5.11	3.66	
(0.85) 3.00 0.59			

Total from investment operations.....	5.26	3.87	
(0.67) 3.23 0.91			

LESS DISTRIBUTIONS			
Dividends from net investment income.....	(0.14)	(0.21)	
(0.15) (0.21) (0.31)			
Distributions from net realized gains.....	(2.62)	(0.83)	
(0.30) (0.41) (1.00)			

Total distributions.....	(2.76)	(1.04)	
(0.45) (0.62) (0.41)			

Net Asset Value, end of year.....	\$ 19.77	\$ 17.27	\$
14.44 \$ 15.56 \$ 12.95			

TOTAL INVESTMENT RETURN: (B).....	30.88%	26.92%	
(4.30%) 25.15% 7.30%			
RATIOS/SUPPLEMENTAL DATA:			
Net assets, end of year (in millions).....	\$438.4	\$293.2	
\$227.3 \$158.8 \$77.5			
Ratios to average net assets:			
Expenses.....	0.52%	0.50%	
0.61% 0.60% 0.72%			
Net investment income.....	0.75%	1.25%	
1.09% 1.50% 2.44%			
Portfolio turnover rate.....	36%	46%	
18% 20% 29%			
Average commission rate paid per share.....	\$0.0454	N/A	
N/A N/A N/A			

</TABLE>

(a) Calculations are based on average month-end shares outstanding, where applicable.

(b) Total investment returns are at the portfolio level

and exclude contract
specific charges which would reduce returns.

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1
THROUGH C6.

D8

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
MONEY MARKET PORTFOLIO

<TABLE>

<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES

December 31, 1996

<S> <C>

ASSETS

Investments (amortized cost: \$663,894,267).....	\$
663,894,267	
Cash.....	
864	
Interest receivable.....	
5,663,807	
---	-----
Total Assets.....	
669,558,938	
---	-----

LIABILITIES

Payable to investment adviser.....	
653,175	
Accrued expenses.....	
137,642	
---	-----
Total Liabilities.....	
790,817	
---	-----

NET ASSETS.....	\$
668,768,121	
---	-----
---	-----

Net assets were comprised of:

Common stock, at \$0.01 par value.....	\$
668,768	

Paid-in capital in excess of par.....	
668,099,353	-----

Net assets, December 31, 1996.....	\$
668,768,121	-----

---	-----
Net asset value and redemption price per share of 66,876,812 outstanding shares of common stock (authorized 200,000,000 shares).....	\$
10.00	-----

---	-----

</TABLE>

<TABLE>

<CAPTION>

STATEMENT OF OPERATIONS

Year Ended December 31, 1996

<S> <C>

INVESTMENT INCOME	
Interest.....	\$
34,610,969	-----

EXPENSES	
Investment advisory fee.....	
2,495,613	
Shareholders' reports.....	
140,000	
Accounting fees.....	
87,000	
Custodian expense.....	
32,000	
Audit fees.....	
10,700	
Directors' fees.....	
2,000	
Legal fees.....	
400	
Miscellaneous expenses.....	
21	-----

2,767,734

NET INVESTMENT INCOME.....
31,843,235

NET REALIZED GAIN ON INVESTMENTS
Net realized gain on investments.....
1,246

NET INCREASE IN NET ASSETS RESULTING FROM
OPERATIONS..... \$
31,844,481

</TABLE>

<TABLE>

<CAPTION>

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31,

1996 1995

<S>

<C>

<C>

INCREASE (DECREASE) IN NET ASSETS
OPERATIONS:

Net investment income.....	\$	31,843,235	\$	33,920,243
Net realized gain on investments.....		1,246		--

NET INCREASE IN NET ASSETS RESULTING FROM
OPERATIONS.....
31,844,481 33,920,243

DIVIDENDS AND DISTRIBUTIONS:

Dividends from net investment

income.....		
(31,843,235)	(33,920,243)	
Distributions from net realized capital		
gains.....		
(1,246)	--	

TOTAL DIVIDENDS AND		
DISTRIBUTIONS.....		
.....	(31,844,481)	(33,920,243)

CAPITAL TRANSACTIONS:		
Capital stock sold [18,464,400 and 13,987,392 shares,		
respectively].....		184,644,000
139,873,920		
Capital stock issued in reinvestment of dividends and		
distributions [3,184,448 and		
3,392,024 shares,		
respectively].....		
.....	31,844,481	33,920,243
Capital stock repurchased [(16,104,000) and (14,375,600)		
shares, respectively].....		(161,040,000)
(143,756,000)		

NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL		
TRANSACTIONS.....		55,448,481
30,038,163		

TOTAL INCREASE IN NET		
ASSETS.....		
.....	55,448,481	30,038,163
NET ASSETS:		
Beginning of		
year.....		
.....	613,319,640	583,281,477

End of		
year.....		
.....	\$ 668,768,121	\$ 613,319,640

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1
THROUGH C6.

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
DIVERSIFIED BOND PORTFOLIO

<TABLE>

<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES

December 31, 1996

<S> <C>

ASSETS	
Investments, at value (cost: \$729,261,513)	\$
743,439,495	
Cash.....	
457	
Interest and dividends receivable.....	
11,451,464	
Receivable for investments sold short (Note 2).....	
26,546,678	
---	-----
Total Assets.....	
781,438,094	
---	-----
LIABILITIES	
Payable for investments purchased.....	
33,940,503	
Investments sold short at value (proceeds \$26,546,678 including accrued interest) (Note 2).....	
26,310,748	
Payable to investment adviser.....	
721,625	
Accrued expenses.....	
150,054	
Payable for capital stock repurchased.....	
98,583	
---	-----
Total Liabilities.....	
61,221,513	
---	-----
NET ASSETS.....	\$
720,216,581	

----		-----

	Net assets were comprised of:	
	Common stock, at \$0.01 par value.....	\$
650,871		
	Paid-in capital, in excess of par.....	
699,963,944		

700,614,815		
	Undistributed net investment income.....	
2,057,193		
	Accumulated net realized gains on	
	investments.....	
3,130,661		
	Net unrealized appreciation on	
	investments.....	
14,413,912		

	Net assets, December 31, 1996.....	\$
720,216,581		

	Net asset value and redemption price per	
	share of 65,087,090 outstanding shares of	
	common stock (authorized 200,000,000	
	shares).....	\$
11.07		

</TABLE>

<TABLE>

<CAPTION>

STATEMENT OF OPERATIONS

Year Ended December 31, 1996

<S>	<C>	<C>
	INVESTMENT INCOME	
	Interest.....	\$
49,692,559		
	Dividends.....	
89,819		

49,782,378

EXPENSES

Investment advisory fee.....
2,713,429
Shareholders' reports.....
205,000
Accounting fees.....
85,000
Custodian expense.....
43,000
Audit fees.....
11,600
Directors' fees.....
2,000
Legal fees.....
500
Miscellaneous expenses.....
332

Total expenses.....
3,060,861
Less: custodian fee credit.....
(5,308)

Net expenses.....
3,055,553

NET INVESTMENT INCOME.....
46,726,825

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS

Net realized gain on investments.....
3,227,785
Net change in unrealized appreciation on:
Investments.....
(19,084,958)
Short sales.....
235,930

(18,849,028)

gains.....
 -- (1,426,845)

 TOTAL DIVIDENDS AND
 DISTRIBUTIONS.....
 (44,766,756) (42,199,892)

 CAPITAL TRANSACTIONS:
 Capital stock sold [7,068,417 and 3,596,587 shares,
 respectively]..... 78,594,183
 39,971,262
 Capital stock issued in reinvestment of dividends and
 distributions [4,117,675 and
 3,793,654 shares,
 respectively].....
 44,766,756 42,199,892
 Capital stock repurchased [(4,070,327) and (3,376,822)
 shares, respectively]..... (45,319,610)
 (36,030,334)

 NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL
 TRANSACTIONS..... 78,041,329
 46,140,820

 TOTAL INCREASE IN NET
 ASSETS.....
 64,380,155 114,187,827

NET ASSETS:
 Beginning of
 year.....
 655,836,426 541,648,599

 End of
 year.....
 \$ 720,216,581 \$ 655,836,426

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1
 THROUGH C6.

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
GOVERNMENT INCOME PORTFOLIO

<TABLE>

<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES

December 31, 1996

<S> <C>

ASSETS	
Investments, at value (cost:	
\$474,449,592).....	\$
476,801,502	
Cash.....	
228	
Interest receivable.....	
5,874,562	

Total Assets.....	
482,676,292	

LIABILITIES	
Payable to investment adviser.....	
494,508	
Accrued expenses.....	
122,431	
Payable for capital stock repurchased.....	
23,913	

Total Liabilities.....	
640,852	

NET ASSETS.....	\$
482,035,440	

Net assets were comprised of:	
Common stock, at \$0.01 par value.....	\$
429,580	
Paid-in capital in excess of par.....	
487,138,074	

487,567,654	

Undistributed net investment income.....		
33,167		
Accumulated net realized losses on investments.....		
(7,917,291)		
Net unrealized appreciation on investments.....		
2,351,910		
---		-----
Net assets, December 31, 1996.....	\$	
482,035,440		-----
---		-----
---		-----
Net asset value and redemption price per share of 42,957,973 outstanding shares of common stock (authorized 100,000,000 shares).....	\$	
11.22		-----
---		-----
---		-----

</TABLE>

<TABLE>

<CAPTION>

STATEMENT OF OPERATIONS

Year Ended December 31, 1996

<S>	<C>	<C>
INVESTMENT INCOME		
Interest.....		\$
33,508,051		-----

EXPENSES		
Investment advisory fee.....		
1,957,623		
Shareholders' reports.....		
175,000		
Accounting fees.....		
95,000		
Custodian expense.....		
42,000		
Audit fees.....		
8,100		
Directors' fees.....		
2,000		
Legal fees.....		

300	Miscellaneous expenses.....	
37		-----

	Total expenses.....	
2,280,060		
	Less: custodian fee credit.....	
(14,020)		-----

	Net expenses.....	
2,266,040		-----

	NET INVESTMENT INCOME.....	
31,242,011		-----

	NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
	Net realized gain on investments.....	
14,328,542		
	Net change in unrealized appreciation on investments.....	
(35,068,717)		-----

	NET LOSS ON INVESTMENTS.....	
(20,740,175)		-----

	NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$
10,501,836		-----

----		-----

</TABLE>

<TABLE>

<CAPTION>

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31,

1996

1995

NET ASSETS:		
Beginning of		
year.....		
.....	501,775,305	487,574,305

End of		
year.....		
.....	\$ 482,035,440	\$ 501,775,305

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

A3

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
ZERO COUPON BOND 2000 PORTFOLIO

<TABLE>

<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES
December 31, 1996

<S>		<C>
ASSETS		
Investments, at value (cost:		
\$42,593,668).....		\$
44,802,353		
Interest receivable.....		
109		
---		-----
Total Assets.....		
44,802,462		
---		-----
LIABILITIES		
Payable to investment adviser.....		
45,050		
Accrued expenses.....		
18,242		
---		-----
Total Liabilities.....		
63,292		

---	NET ASSETS.....	\$
	44,739,170	
---		-----
---		-----
---	Net assets were comprised of:	
	Common stock, at \$0.01 par value.....	\$
	34,636	
	Paid-in capital in excess of par.....	
	42,136,569	

	42,171,205	
	Undistributed net investment income.....	
	8,384	
	Accumulated net realized gains on	
	investments.....	
	350,896	
	Net unrealized appreciation on	
	investments.....	
	2,208,685	

	Net assets, December 31, 1996.....	\$
	44,739,170	

---		-----

	Net asset value and redemption price per	
	share of 3,463,608 outstanding shares of	
	common stock (authorized 25,000,000	
	shares).....	\$
	12.92	

---		-----

	</TABLE>	
	<TABLE>	
	<CAPTION>	
	STATEMENT OF OPERATIONS	
	Year Ended December 31, 1996	
	<S>	<C>
	INVESTMENT INCOME	
	Interest.....	\$
	1,613,482	

EXPENSES	
Investment advisory fee.....	
119,545	
Custodian expense.....	
13,000	
Shareholders' reports.....	
11,000	
Accounting fees.....	
10,000	
Directors' fees.....	
2,000	
Audit fees.....	
400	
Legal fees.....	
100	

156,045	

NET INVESTMENT INCOME.....	
1,457,437	

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Net realized gain on investments.....	
350,896	
Net change in unrealized appreciation on investments.....	
(913,982)	

NET LOSS ON INVESTMENTS.....	
(563,086)	

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$
894,351	

</TABLE>

<TABLE>

<CAPTION>

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31,

1996	1995

<S>	
<C>	<C>
INCREASE (DECREASE) IN NET ASSETS	
OPERATIONS:	
Net investment	
income.....	.....
..... \$ 1,457,437	\$ 1,045,991
Net realized gain on	
investments.....	.....
..... 350,896	945,638
Net change in unrealized appreciation on	
investments.....	.....
(913,982)	2,457,617

NET INCREASE IN NET ASSETS RESULTING FROM	
OPERATIONS.....	.....
894,351	4,449,246

DIVIDENDS AND DISTRIBUTIONS:	
Dividends from net investment	
income.....	.....
(1,464,562)	(1,046,055)
Distributions from net realized capital	
gains.....	.....
--	(945,910)

TOTAL DIVIDENDS AND	
DISTRIBUTIONS.....	.....
..... (1,464,562)	(1,991,965)

CAPITAL TRANSACTIONS:	
Capital stock sold [1,886,245 and 111,200 shares,	
respectively].....	24,377,000
1,481,434	
Capital stock issued in reinvestment of dividends and	
distributions [114,738 and	
151,186 shares,	

respectively].....		
.....	1,464,562	1,991,965
Capital stock repurchased [(440,396) and (89,987) shares, respectively].....		(5,791,000)
(1,195,434)		
Initial capitalization repurchased by The Prudential [-0- and (8,965) shares,		
respectively].....		--
.....		
(111,423)		

NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL TRANSACTIONS.....		20,050,562
2,166,542		

TOTAL INCREASE IN NET ASSETS.....		
.....	19,480,351	4,623,823
NET ASSETS:		
Beginning of year.....		
.....	25,258,819	20,634,996

End of year.....		
.....	\$ 44,739,170	\$ 25,258,819

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
ZERO COUPON BOND 2005 PORTFOLIO

<TABLE>
<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES
December 31, 1996

<S> ASSETS <C>

Investments, at value (cost:		
\$23,876,529).....	\$	
25,784,167		
Cash.....		
69,821		
---		-----
Total Assets.....		
25,853,988		-----

LIABILITIES		
Payable to investment adviser.....		
26,141		
Accrued expenses.....		
13,117		-----

Total Liabilities.....		
39,258		-----

NET ASSETS.....	\$	
25,814,730		-----
---		-----

Net assets were comprised of:		
Common stock, at \$0.01 par value.....	\$	
21,066		
Paid-in capital in excess of par.....		
23,825,693		-----

23,846,759		
Undistributed net investment income.....		
60,333		
Net unrealized appreciation on		
investments.....		
1,907,638		-----

Net assets, December 31, 1996.....	\$	
25,814,730		-----
---		-----

Net asset value and redemption price per		

share of 2,106,585 outstanding shares of common stock (authorized 50,000,000 shares).....	\$
12.25	-----
---	-----

</TABLE>

<TABLE>
<CAPTION>

STATEMENT OF OPERATIONS
Year Ended December 31, 1996

<S>	<C>	<C>
INVESTMENT INCOME		
Interest.....		\$
1,442,897		-----

EXPENSES		
Investment advisory fee.....		
97,040		
Custodian expense.....		
10,613		
Accounting fees.....		
10,000		
Shareholders' reports.....		
9,000		
Directors' fees.....		
2,000		
Audit fees.....		
400		
Legal fees.....		
100		-----

Total expenses.....		
129,153		
Less: custodian fee credit.....		
(613)		-----

Net expenses.....		
128,540		-----

NET INVESTMENT INCOME.....		
1,314,357		-----

DIVIDENDS AND DISTRIBUTIONS:

Dividends from net investment income.....		
(1,273,302)	(1,031,193)	
Distributions from net realized capital gains.....		
(278,534)	(471,329)	

TOTAL DIVIDENDS AND DISTRIBUTIONS.....		
.....	(1,551,836)	(1,502,522)

CAPITAL TRANSACTIONS:

Capital stock sold [205,219 and 292,895 shares, respectively].....		2,571,000
3,700,000		
Capital stock issued in reinvestment of dividends and distributions [128,813 and 116,304 shares, respectively].....		
.....	1,551,836	1,502,522
Capital stock repurchased [20,262 and (152,641) shares, respectively].....		(250,000)
(1,898,000)		

NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL TRANSACTIONS.....		3,872,836
3,304,522		

TOTAL INCREASE IN NET ASSETS.....		
.....	2,167,611	7,141,421

NET ASSETS:		
Beginning of year.....		
.....	23,647,119	16,505,698

End of year.....		
.....	\$ 25,814,730	\$ 23,647,119

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1
THROUGH C6.

A5

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
CONSERVATIVE BALANCED PORTFOLIO

<TABLE>

<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES

December 31, 1996

<S> <C>

ASSETS

Investments, at value (cost:
\$4,188,354,768).....
\$4,538,468,628
Receivable for investments sold short (Note
2).....
111,621,197
Interest and dividends receivable.....
44,683,414
Receivable for investments sold.....
1,376,096

Total Assets.....
4,696,149,335

LIABILITIES

Investments sold short at value (proceeds
\$111,621,197 including accrued interest)
(Note 2).....
110,481,637
Payable for investments purchased.....
99,447,868
Payable to investment adviser.....
6,126,182
Accrued expenses.....
768,878
Bank overdraft.....
453,239
Payable for capital stock repurchased.....
62,998

Total Liabilities.....		
217,340,802		-----

NET ASSETS.....		
\$4,478,808,533		-----

Net assets were comprised of:		
Common stock, at \$0.01 par value.....	\$	
2,886,377		
Paid-in capital in excess of par.....		
4,094,460,572		-----

4,097,346,949		
Accumulated net realized gains on investments.....		
30,208,164		
Net unrealized appreciation on investments.....		
351,253,420		-----

Net assets, December 31, 1996.....		
\$4,478,808,533		-----

Net asset value and redemption price per share of 288,637,703 outstanding shares of common stock (authorized 300,000,000 shares).....	\$	
15.52		-----

</TABLE>

<TABLE>

<CAPTION>

STATEMENT OF OPERATIONS

Year Ended December 31, 1996

<S>	<C>	<C>
INVESTMENT INCOME		
Interest.....		\$

174,514,843	
Dividends (net of \$488,736 foreign withholding tax).....	
23,515,755	-----

198,030,598	-----

EXPENSES	
Investment advisory fee.....	
23,052,572	
Shareholders' reports.....	
1,367,000	
Custodian expense.....	
228,000	
Accounting fees.....	
127,000	
Audit fees.....	
70,400	
Legal fees.....	
2,900	
Directors' fees.....	
2,000	
Miscellaneous expenses.....	
736	-----

Total expenses.....	
24,850,608	
Less: custodian fee credit.....	
(103,584)	-----

Net expenses.....	
24,747,024	-----

NET INVESTMENT INCOME.....	
173,283,574	-----

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Net realized gain (loss) on:	
Investments.....	
270,207,375	
Short sales.....	
(100,129)	-----

270,107,246		-----

Net change in unrealized appreciation on:		
Investments.....		
60,263,761		
Short sales.....		
1,139,560		-----

61,403,321		-----

NET GAIN ON INVESTMENTS.....		
331,510,567		-----

NET INCREASE IN NET ASSETS RESULTING FROM		
OPERATIONS.....	\$	
504,794,141		-----

</TABLE>

<TABLE>

<CAPTION>

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31,

1996		1995	
-----		-----	
<S>			
<C>		<C>	
INCREASE (DECREASE) IN NET ASSETS			
OPERATIONS:			
Net investment			
income.....			
.....	\$	173,283,574	\$ 155,293,990
Net realized gain on investments and short			
sales.....			
270,107,246		167,342,297	

year.....		
.....	3,940,774,265	3,501,104,286
-----	-----	-----
End of		
year.....		
.....	\$ 4,478,808,533	\$ 3,940,774,265
-----	-----	-----
-----	-----	-----

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

A6

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
FLEXIBLE MANAGED PORTFOLIO

<TABLE>

<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES

December 31, 1996

<S> <C>

ASSETS

Investments, at value (cost:	
\$4,400,135,497).....	
\$4,981,429,094	
Cash.....	
52,238	
Receivable for securities sold short (Note	
2).....	
113,630,151	
Interest and dividends receivable.....	
33,277,907	
Receivable for investments sold.....	
31,241,005	
-----	-----
---	---
Total Assets.....	
5,159,630,395	
-----	-----

LIABILITIES

Payable for investments purchased.....	
141,168,642	
Investments sold short, at value (proceeds	
\$113,630,151 including accrued interest)	

(Note 2).....	
112,461,581	
Payable to investment adviser.....	
7,374,729	
Accrued expenses.....	
1,390,075	
Payable for capital stock repurchased.....	
312,681	-----

Total Liabilities.....	
262,707,708	-----

NET ASSETS.....	
\$4,896,922,687	-----

Net assets were comprised of:	
Common stock, at \$0.01 par value.....	\$
2,751,892	
Paid-in capital in excess of par.....	
4,273,689,804	-----

4,276,441,696	
Distributions in excess of net investment	
income.....	
(576,929)	
Accumulated net realized gains on	
investments.....	
38,595,752	
Net unrealized appreciation on	
investments.....	
582,462,168	-----

Net assets, December 31, 1996.....	
\$4,896,922,687	-----

Net asset value and redemption price per	
share, 275,189,159 shares of common stock	
outstanding (300,000,000 shares	
authorized).....	\$
17.79	

</TABLE>

<TABLE>

<CAPTION>

STATEMENT OF OPERATIONS

Year Ended December 31, 1996

<S> <C> <C>

INVESTMENT INCOME

Interest.....		\$
127,494,108		
Dividends (net of \$553,612 foreign withholding tax).....		
40,857,296		

168,351,404

EXPENSES

Investment advisory fee.....	
27,247,674	
Shareholders' reports.....	
1,423,000	
Custodian expense.....	
397,050	
Accounting fees.....	
122,000	
Audit fees.....	
75,600	
Legal fees.....	
3,100	
Directors' fees.....	
2,000	
Miscellaneous expenses.....	
165	

Total expenses.....	
29,270,589	
Less: custodian fee credit.....	
(131,050)	

Net expenses.....	
29,139,539	

	NET INVESTMENT INCOME.....	
	139,211,865	-----

	NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCIES	
	Net realized gain (loss) on:	
	Investments.....	
	408,037,782	
	Foreign currencies.....	
	(69,542)	
	Short sales.....	
	77,891	-----

	408,046,131	-----

	Net change in unrealized appreciation on:	
	Investments.....	
	40,562,155	
	Foreign currencies.....	
	(1,902)	
	Short sales.....	
	1,168,570	-----

	41,728,823	-----

	NET GAIN ON INVESTMENTS.....	
	449,774,954	-----

	NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$
	588,986,819	-----

</TABLE>

<TABLE>

<CAPTION>

STATEMENTS OF CHANGES IN NET ASSETS

1996	1995

<S>	
<C>	<C>
INCREASE (DECREASE) IN NET ASSETS OPERATIONS:	
Net investment	
income.....	.....
..... \$ 139,211,865	\$ 126,640,661
Net realized gain on investments, foreign currencies and	
short sales.....	408,046,131
292,267,835	
Net change in unrealized appreciation on investments,	
foreign currencies and short	
sales.....	.....
.....	41,728,823
410,041,102	

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	
588,986,819	828,949,598

DIVIDENDS AND DISTRIBUTIONS:	
Dividends from net investment	
income.....	.....
(142,089,785)	(124,621,227)
Distributions from net realized capital	
gains.....	.....
(458,909,559)	(176,844,671)

TOTAL DIVIDENDS AND DISTRIBUTIONS.....	
.....	(600,999,344)
	(301,465,898)

CAPITAL TRANSACTIONS:	
Capital stock sold [8,998,637 and 8,486,525 shares,	
respectively].....	166,455,957
146,641,074	
Capital stock issued in reinvestment of dividends and	
distributions [34,012,173 and	
17,050,711 shares,	

respectively].....		
.....	600,999,344	301,465,898
Capital stock repurchased [(6,420,074) and (11,612,102) shares, respectively].....		(119,724,926)
(195,926,134)		

NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL TRANSACTIONS.....		647,730,375
252,180,838		

TOTAL INCREASE IN NET ASSETS.....		
.....	635,717,850	779,664,538

NET ASSETS:		
Beginning of		
year.....		
.....	4,261,204,837	3,481,540,299

End of		
year.....		
.....	\$ 4,896,922,687	\$ 4,261,204,837

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

A7

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
HIGH YIELD BOND PORTFOLIO

<TABLE>

<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES
December 31, 1996

<S>

ASSETS		<C>
Investments, at value (cost:		
\$415,325,778).....		\$
426,625,805		
Interest and dividends receivable.....		
7,497,949		
Receivable for investments sold.....		

1,000,000

Total Assets.....

435,123,754

LIABILITIES

Payable for investments purchased.....

1,250,766

Payable to investment adviser.....

584,614

Accrued expenses and other liabilities.....

421,499

Total Liabilities.....

2,256,879

NET ASSETS..... \$

432,866,875

Net assets were comprised of:

Common stock, at \$0.01 par value..... \$

550,197

Paid-in capital in excess of par.....

442,651,885

443,202,082

Accumulated net realized losses on
investments.....

(21,635,234)

Net unrealized appreciation on
investments.....

11,300,027

Net assets, December 31, 1996..... \$

432,866,875

Net asset value and redemption price per
share of 55,019,693 outstanding shares of

common stock (authorized 100,000,000 shares).....	\$
7.87	-----
---	-----

</TABLE>

<TABLE>
<CAPTION>
STATEMENT OF OPERATIONS
Year Ended December 31, 1996

<S>	<C>	<C>
INVESTMENT INCOME		
Interest.....	\$	
41,382,142		
Dividends.....		
574,685		-----

41,956,827		-----

EXPENSES		
Investment advisory fee.....		
2,192,765		
Accounting fees.....		
166,000		
Shareholders' reports.....		
141,000		
Custodian expense.....		
61,200		
Audit fees.....		
6,800		
Directors' fees.....		
2,000		
Legal fees.....		
300		
Miscellaneous expenses.....		
53		-----

Total expenses.....		
2,570,118		
Less: custodian fee credit.....		
(38,238)		-----

Net expenses.....		

2,531,880

NET INVESTMENT INCOME.....	
39,424,947	-----

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Net realized loss on investments.....	
(1,288,395)	
Net change in unrealized appreciation on investments.....	
4,580,936	-----

NET GAIN ON INVESTMENTS.....	
3,292,541	-----

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$
42,717,488	-----

</TABLE>

<TABLE>

<CAPTION>

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31,

1996		1995	
-----		-----	
<S>		<C>	
<C>		<C>	
INCREASE (DECREASE) IN NET ASSETS OPERATIONS:			
Net investment income.....			
.....	\$	39,424,947	\$ 34,801,907
Net realized loss on investments.....			
.....	(1,288,395)		(14,399,977)

Net change in unrealized appreciation on
investments.....
4,580,936 33,692,744

NET INCREASE IN NET ASSETS RESULTING FROM
OPERATIONS.....
42,717,488 54,094,674

DIVIDENDS:
Dividends from net investment
income.....
(39,126,995) (36,032,307)
Dividends in excess of net investment
income.....
(495,859) --

TOTAL
DIVIDENDS.....
..... (39,622,854)
(36,032,307)

CAPITAL TRANSACTIONS:
Capital stock sold [5,685,336 and 4,596,182 shares,
respectively]..... 45,754,000
36,443,000
Capital stock issued in reinvestment of dividends
[5,088,084 and 4,650,470 shares,
respectively].....
..... 39,622,854
36,032,307
Capital stock repurchased [(2,919,156) and (3,656,896)
shares, respectively]..... (23,514,000)
(28,853,000)

NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL
TRANSACTIONS..... 61,862,854
43,622,307

TOTAL INCREASE IN NET
ASSETS.....
..... 64,957,488 61,684,674

NET ASSETS:
Beginning of
year.....

.....	367,909,387	306,224,713
-----	-----	-----
End of		
year.....		
.....	\$ 432,866,875	\$ 367,909,387
-----	-----	-----
-----	-----	-----

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

A8

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
STOCK INDEX PORTFOLIO

<TABLE>

<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES
December 31, 1996

<S>

<C>

ASSETS

Investments, at value (cost: \$1,054,471,251).....	
\$1,587,648,210	
Cash.....	
1,473	
Interest and dividends receivable.....	
2,655,364	
Receivable for investments sold.....	
1,824,157	
---	-----
Total Assets.....	
1,592,129,204	-----
---	-----

LIABILITIES

Payable for investments purchased.....	
8,163,338	
Payable to investment adviser.....	
1,337,596	
Due to broker -- variation margin.....	
937,100	
Accrued expenses.....	
259,878	

Payable for capital stock repurchased.....		
50,985		-----

Total Liabilities.....		-----
10,748,897		

NET ASSETS.....		-----
\$1,581,380,307		
---		-----

Net assets were comprised of:		
Common stock, at \$0.01 par value.....	\$	
665,994		
Paid-in capital in excess of par.....		-----
1,047,578,597		

1,048,244,591		
Distributions in excess of net realized		
gains on investments.....		
(757,443)		
Net unrealized appreciation on		
investments.....		-----
533,893,159		

Net assets, December 31, 1996.....		-----
\$1,581,380,307		
---		-----

Net asset value and redemption price per		
share of 66,599,412 outstanding shares of		
common stock (authorized 100,000,000		
shares).....	\$	
23.74		-----

---		-----

</TABLE>

<TABLE>

<CAPTION>

STATEMENT OF OPERATIONS

Year Ended December 31, 1996

<S>

<C>

INVESTMENT INCOME

Dividends (net of \$136,635 foreign
withholding tax)..... \$

27,163,285

Interest.....

2,879,860

30,043,145

EXPENSES

Investment advisory fee.....

4,488,042

Shareholders' reports.....

445,000

Accounting fees.....

73,000

Custodian expense.....

43,000

Audit fees.....

21,700

Directors' fees.....

2,000

Legal fees.....

900

Miscellaneous expenses.....

48

5,073,690

NET INVESTMENT INCOME.....

24,969,455

NET REALIZED AND UNREALIZED GAIN ON
INVESTMENTS

Net realized gain on:

Investments.....

6,152,350

Futures.....

6,312,835

12,465,185

Net change in unrealized appreciation on:

Investments.....

225,458,987

Futures.....

1,063,850

226,522,837

NET GAIN ON INVESTMENTS.....

238,988,022

NET INCREASE IN NET ASSETS RESULTING FROM

OPERATIONS..... \$

263,957,477

</TABLE>

<TABLE>

<CAPTION>

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31,

1996

1995

<S>

<C>

<C>

INCREASE (DECREASE) IN NET ASSETS

OPERATIONS:

Net investment

income.....

..... \$ 24,969,455 \$ 18,865,378

Net realized gain on

investments.....

..... 12,465,185 12,159,728

Net change in unrealized gain on

investments.....

226,522,837

225,882,882

NET INCREASE IN NET ASSETS RESULTING FROM
OPERATIONS.....

263,957,477	256,907,988
-------------	-------------

DIVIDENDS AND DISTRIBUTIONS:

Dividends from net investment
income.....

(25,100,782)	(18,734,051)
--------------	--------------

Distributions from net realized capital
gains.....

(17,273,757)	(7,293,493)
--------------	-------------

Distributions in excess of net realized capital
gains..... (196,333)

--

TOTAL DIVIDENDS AND
DISTRIBUTIONS.....

.....	(42,570,872)	(26,027,544)
-------	--------------	--------------

CAPITAL TRANSACTIONS:

Capital stock sold [14,156,009 and 7,147,197 shares,
respectively]..... 310,087,550

130,752,103

Capital stock issued in reinvestment of dividends and
distributions [1,875,670 and
1,331,092 shares,
respectively].....

.....	42,570,872	26,027,544
-------	------------	------------

Capital stock repurchased [(1,109,676) and (1,230,332)
shares, respectively]..... (23,942,788)

(20,916,230)

NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL
TRANSACTIONS..... 328,715,634

135,863,417

TOTAL INCREASE IN NET
ASSETS.....

.....	550,102,239	366,743,861
-------	-------------	-------------

NET ASSETS:

Beginning of
year.....

.....	1,031,278,068	664,534,207
-------	---------------	-------------

End of year.....		
.....	\$ 1,581,380,307	\$ 1,031,278,068

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

A9

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
EQUITY INCOME PORTFOLIO

<TABLE>

<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES

December 31, 1996

<S> <C>

ASSETS

Investments, at value (cost: \$1,104,105,583).....	
\$1,352,232,781	
Receivable for investments sold.....	
7,458,659	
Interest and dividends receivable.....	
6,009,058	
Other assets.....	
6,336	
---	-----
Total Assets.....	
1,365,706,834	-----

LIABILITIES

Payable to investment adviser.....	
1,320,276	
Bank overdraft.....	
591,012	
Accrued expenses.....	
233,969	
Payable for investments purchased.....	
86,962	-----

---	Total Liabilities.....	
	2,232,219	-----
---	NET ASSETS.....	
	\$1,363,474,615	-----
---		-----
---	Net assets were comprised of:	
	Common stock, at \$0.01 par value.....	\$
	736,622	
	Paid-in capital in excess of par.....	
	1,108,759,148	-----

	1,109,495,770	
	Undistributed net investment income.....	
	135,860	
	Accumulated net realized gains on	
	investments.....	
	5,715,787	
	Net unrealized appreciation on	
	investments.....	
	248,127,198	-----

	Net assets, December 31, 1996.....	
	\$1,363,474,615	-----
---		-----

---	Net asset value and redemption price per	
	share of 73,662,222 outstanding shares of	
	common stock (authorized 100,000,000	
	shares).....	\$
	18.51	-----
---		-----

</TABLE>

<TABLE>

<CAPTION>

STATEMENT OF OPERATIONS

Year Ended December 31, 1996

<S>

<C>

<C>

INVESTMENT INCOME

Dividends (net of \$421,846 foreign withholding tax).....	\$
41,128,940	
Interest.....	
5,218,900	

46,347,840	
------------	--

EXPENSES

Investment advisory fee.....	
4,863,078	
Shareholders' reports.....	
472,000	
Accounting fees.....	
92,000	
Audit fees.....	
20,000	
Custodian expense.....	
10,000	
Directors' fees.....	
2,000	
Legal fees.....	
800	
Miscellaneous expenses.....	
356	

Total expenses.....	
5,460,234	
Less: custodian fee credit.....	
(1,112)	

Net expenses.....	
5,459,122	

NET INVESTMENT INCOME.....	
40,888,718	

NET REALIZED AND UNREALIZED GAIN ON INVESTMENTS

Net realized gain on investments.....	
35,305,154	
Net change in unrealized appreciation on	

investments.....	
167,448,548	-----

NET GAIN ON INVESTMENTS.....	
202,753,702	-----

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$
243,642,420	-----

----	-----

</TABLE>

<TABLE>

<CAPTION>

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31,

1996	1995
------	------

<S>

<C>

<C>

INCREASE (DECREASE) IN NET ASSETS

OPERATIONS:

Net investment		
income.....		
.....	\$	40,888,718
	\$	39,916,318
Net realized gain on		
investments.....		
.....	35,305,154	61,266,793
Net change in unrealized appreciation on		
investments.....		
167,448,548	90,522,832	

NET INCREASE IN NET ASSETS RESULTING FROM
OPERATIONS.....

243,642,420	191,705,943
-------------	-------------

DIVIDENDS AND DISTRIBUTIONS:

Dividends from net investment

income.....		
(49,702,706)	(38,782,405)	
Distributions from net realized capital		
gains.....		
(35,958,853)	(46,564,566)	

TOTAL DIVIDENDS AND		
DISTRIBUTIONS.....		
.....	(85,661,559)	(85,346,971)

CAPITAL TRANSACTIONS:		
Capital stock sold [3,768,657 and 4,803,598 shares,		
respectively].....		65,526,000
76,990,000		
Capital stock issued in reinvestment of dividends and		
distributions [4,848,028 and		
5,213,794 shares,		
respectively].....		
.....	85,661,559	85,346,971
Capital stock repurchased [(3,172,167) and (1,152,259)		
shares, respectively].....		(55,657,000)
(18,404,000)		

NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL		
TRANSACTIONS.....		95,530,559
143,932,971		

TOTAL INCREASE IN NET		
ASSETS.....		
.....	253,511,420	250,291,943
NET ASSETS:		
Beginning of		
year.....		
.....	1,109,963,195	859,671,252

End of		
year.....		
.....	\$ 1,363,474,615	\$ 1,109,963,195

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1
THROUGH C6.

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
EQUITY PORTFOLIO

<TABLE>

<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES

December 31, 1996

<S> <C>

ASSETS

Investments, at value (cost: \$3,719,947,601).....	
\$4,801,952,766	
Cash.....	
12,981	
Interest and dividends receivable.....	
12,084,765	
Receivable for investments sold.....	
6,185,603	-----

Total Assets.....	
4,820,236,115	-----

LIABILITIES

Payable to investment adviser.....	
5,284,247	
Accrued expenses.....	
815,009	
Payable for capital stock repurchased.....	
167,783	-----

Total Liabilities.....	
6,267,039	-----

NET ASSETS.....	
\$4,813,969,076	-----

Net assets were comprised of:

Common stock, at \$0.01 par value.....	\$
1,785,273	
Paid-in capital in excess of par.....	

3,694,408,950

3,696,194,223

Undistributed net investment income.....

3,240,354

Accumulated net realized gains on
investments.....

32,529,334

Net unrealized appreciation on
investments.....

1,082,005,165

Net assets, December 31, 1996.....

\$4,813,969,076

Net asset value and redemption price per
share of 178,527,300 outstanding shares
of common stock (authorized 200,000,000
shares).....

\$

26.96

</TABLE>

<TABLE>

<CAPTION>

STATEMENT OF OPERATIONS

Year Ended December 31, 1996

<S> <C> <C>

INVESTMENT INCOME

Dividends (net of \$912,241 foreign
withholding tax).....

\$

71,930,568

Interest.....

57,390,582

129,321,150

EXPENSES

Investment advisory fee.....

19,216,733	Shareholders' reports.....	
1,485,000	Custodian expense.....	
136,400	Accounting fees.....	
93,000	Audit fees.....	
71,800	Legal fees.....	
2,900	Directors' fees.....	
2,000	Miscellaneous expenses.....	
173		-----

	Total expenses.....	
21,008,006	Less: custodian fee credit.....	
(65,416)		-----

	Net expenses.....	
20,942,590		-----

	NET INVESTMENT INCOME.....	
108,378,560		-----

	NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCIES	
	Net realized gain (loss) on:	
	Investments.....	
344,166,641	Foreign currencies.....	
(16,774)		-----

344,149,867		-----

	Net change in unrealized appreciation on:	
	Investments.....	
282,404,303	Foreign currencies.....	
6,569		-----

282,410,872

NET GAIN ON INVESTMENTS.....
626,560,739

NET INCREASE IN NET ASSETS
RESULTING FROM OPERATIONS..... \$
734,939,299

</TABLE>

<TABLE>

<CAPTION>

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31,

1996 1995

<S>

<C>

<C>

INCREASE (DECREASE) IN NET ASSETS

OPERATIONS:

Net investment
income.....

\$ 108,378,560 \$ 73,682,361

Net realized gain on investments and foreign
currencies.....

344,149,867 234,571,951

Net change in unrealized appreciation on investments and
foreign currencies..... 282,410,872

553,122,748

NET INCREASE IN NET ASSETS RESULTING FROM
OPERATIONS.....

734,939,299 861,377,060

DIVIDENDS AND DISTRIBUTIONS:

Dividends from net investment		
income.....		
(107,745,221)	(71,456,482)	
Distributions from net realized capital		
gains.....		
(422,203,368)	(132,219,093)	

TOTAL DIVIDENDS AND		
DISTRIBUTIONS.....		
.....	(529,948,589)	(203,675,575)

CAPITAL TRANSACTIONS:		
Capital stock sold [13,547,538 and 15,687,254 shares,		
respectively].....		368,210,773
374,478,697		
Capital stock issued in reinvestment of dividends and		
distributions [20,011,095 and		
8,038,373 shares,		
respectively].....		
.....	529,948,589	203,675,575
Capital stock repurchased [(3,776,507) and (1,673,110)		
shares, respectively].....		(102,985,123)
(39,823,647)		

NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL		
TRANSACTIONS.....		795,174,239
538,330,625		

TOTAL INCREASE IN NET		
ASSETS.....		
.....	1,000,164,949	1,196,032,110
NET ASSETS:		
Beginning of		
year.....		
.....	3,813,804,127	2,617,772,017

End of		
year.....		
.....	\$ 4,813,969,076	\$ 3,813,804,127

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
PRUDENTIAL JENNISON

<TABLE>

<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES

December 31, 1996

<S>

<C>

ASSETS	
Investments, at value (cost:	
\$204,769,558)	\$
230,427,402	
Cash.....	
397,490	
Receivable for investments sold.....	
646,413	
Interest and dividends receivable.....	
189,641	
---	-----
Total Assets.....	
231,660,946	
---	-----
LIABILITIES	
Payable for investments purchased.....	
4,759,087	
Payable to investment adviser.....	
311,027	
Accrued expenses.....	
47,684	
---	-----
Total Liabilities.....	
5,117,798	
---	-----
NET ASSETS.....	\$
226,543,148	
---	-----
---	-----
Net assets were comprised of:	
Common stock, at \$0.01 par value.....	\$
158,165	

Paid-in capital in excess of par.....		
203,756,863		-----

203,915,028		
Undistributed net investment income.....		
62,787		
Accumulated net realized losses on		
investments.....		
(3,092,511)		
Net unrealized appreciation on		
investments.....		
25,657,844		-----

Net assets, December 31, 1996.....	\$	
226,543,148		-----

---		-----

Net asset value and redemption price per		
share of 15,816,529 outstanding shares of		
common stock (authorized 50,000,000		
shares).....	\$	
14.32		-----

---		-----

</TABLE>

<TABLE>

<CAPTION>

STATEMENT OF OPERATIONS

Year Ended December 31, 1996

<S>	<C>	<C>
INVESTMENT INCOME		
Dividends (net of \$22,553 foreign		
withholding tax).....	\$	
922,433		
Interest.....		
252,927		-----

1,175,360		-----

EXPENSES

Investment advisory fee.....	
821,423	
Shareholders' reports.....	
40,000	
Accounting fees.....	
28,000	
Custodian expense.....	
14,000	
Audit fees.....	
2,700	
Directors' fees.....	
2,000	
Miscellaneous expenses.....	
1,143	
Legal fees.....	
100	

Total expenses.....	
909,366	
Less: custodian fee credit.....	
(4,670)	

Net expenses.....	
904,696	

NET INVESTMENT INCOME.....	
270,664	

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS	
Net realized loss on investments.....	
(3,092,511)	
Net change in unrealized appreciation on investments.....	
21,613,425	

NET GAIN ON INVESTMENTS.....	
18,520,914	

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$
18,791,578	

</TABLE>

<TABLE>

<CAPTION>

STATEMENTS OF CHANGES IN NET ASSETS

APRIL 25, 1995

(COMMENCEMENT OF

YEAR ENDED OPERATIONS) THROUGH

DECEMBER 31, 1996 DECEMBER 31, 1995

<S>

<C> <C>

INCREASE (DECREASE) IN NET ASSETS

OPERATIONS:

Net investment		
income.....		.....
.....	\$ 270,664	\$ 42,553
Net realized gain (loss) on		
investments.....		.....
(3,092,511)	130,598	
Net change in unrealized appreciation on		
investments.....		.....
21,613,425	4,044,419	

NET INCREASE IN NET ASSETS RESULTING FROM		
OPERATIONS.....		.....
18,791,578	4,217,570	

DIVIDENDS:		
Dividends from net investment		
income.....		.....
(373,490)	(7,538)	

CAPITAL TRANSACTIONS:		
Initial capitalization issued to The Prudential [-0- and		
990,000 shares,		
respectively].....		.....
.....		--
9,900,000		
Capital stock sold [11,292,685 and 4,215,890 shares,		
respectively].....		151,529,000
51,219,000		

Capital stock issued in reinvestment of dividends
 [27,287 and 667 shares,

respectively].....
 373,490
 7,538
 Capital stock repurchased [(531,868) and (188,132)
 shares, respectively]..... (6,868,000)
 (2,346,000)

 NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL
 TRANSACTIONS..... 145,034,490
 58,780,538

 TOTAL INCREASE IN NET
 ASSETS.....
 163,452,578 62,990,570
 NET ASSETS:
 Beginning of
 period.....
 63,090,570 100,000*

 End of
 period.....
 \$ 226,543,148 \$ 63,090,570

<CAPTION>

*Prior to April 25, 1995 (commencement of operations), the
 Portfolio issued 10,000 shares to The Prudential for
 \$100,000.

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1
 THROUGH C6.

A12

FINANCIAL STATEMENTS OF
 THE PRUDENTIAL SERIES FUND, INC.
 SMALL CAPITALIZATION STOCK

<TABLE>

<CAPTION>

<S> <C>

STATEMENT OF ASSETS AND LIABILITIES

<CAPTION>

December 31, 1996

<S> <C>

ASSETS

Investments, at value (cost: \$136,007,075).....	\$
151,296,795	
Receivable from broker -- variation margin.....	
215,925	
Interest and dividends receivable.....	
87,031	
---	-----
Total Assets.....	
151,599,751	
---	-----

LIABILITIES

Payable for investments purchased.....	
3,231,906	
Bank overdraft.....	
276,946	
Payable to investment adviser.....	
129,958	
Accrued expenses.....	
62,618	
---	-----
Total Liabilities.....	
3,701,428	
---	-----

NET ASSETS..... \$

147,898,323	
---	-----
---	-----

Net assets were comprised of:

Common stock, at \$0.01 par value.....	\$
107,236	
Paid-in capital in excess of par.....	
131,907,629	
---	-----
132,014,865	
Accumulated net realized gains on investments.....	

636,788
 Net unrealized appreciation on
 investments.....

15,246,670

Net assets, December 31, 1996..... \$

147,898,323

Net asset value and redemption price per
 share of 10,723,586 outstanding shares of
 common stock (authorized 50,000,000
 shares)..... \$

13.79

</TABLE>

<TABLE>

<CAPTION>

STATEMENT OF OPERATIONS

Year Ended December 31, 1996

<S> <C> <C>

INVESTMENT INCOME

Dividends (net of \$350 foreign withholding
 tax)..... \$

867,358

Interest.....

426,763

1,294,121

EXPENSES

Investment advisory fee.....

362,830

Custodian expense.....

70,866

Accounting fees.....

35,000

Shareholders' reports.....

33,000

Directors' fees.....

2,000

Audit fees.....	1,700	
Miscellaneous expenses.....	945	
Legal fees.....	100	
----		-----
Total expenses.....	506,441	
Less: custodian fee credit.....	(866)	
----		-----
Net expenses.....	505,575	
----		-----
NET INVESTMENT INCOME.....	788,546	
----		-----
NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS		
Net realized gain on:		
Investments.....	2,466,425	
Futures.....	377,916	
----		-----
	2,844,341	
----		-----
Net change in unrealized appreciation on:		
Investments.....	12,692,785	
Futures.....	(54,275)	
----		-----
	12,638,510	
----		-----
NET GAIN ON INVESTMENTS.....	15,482,851	
----		-----
NET INCREASE IN NET ASSETS RESULTING FROM		

OPERATIONS.....	\$
16,271,397	

</TABLE>
<TABLE>
<CAPTION>

STATEMENTS OF CHANGES IN NET ASSETS

APRIL 25, 1995

(COMMENCEMENT OF

YEAR ENDED OPERATIONS) THROUGH

DECEMBER 31, 1996 DECEMBER 31, 1995

<S>

<C> <C>

INCREASE (DECREASE) IN NET ASSETS

OPERATIONS:

Net investment		
income.....		
.....	\$	788,546
		\$ 175,519
Net realized gain on		
investments.....		
.....	2,844,340	801,247
Net change in unrealized gain on		
investments.....		
12,638,511	2,608,160	

NET INCREASE IN NET ASSETS

OPERATIONS.....	
16,271,397	3,584,926

DIVIDENDS AND DISTRIBUTIONS:

Dividends from net investment	
income.....	
(821,179)	(142,886)
Distributions from net realized capital	
gains.....	
(2,604,153)	(404,647)

TOTAL DIVIDENDS AND

DISTRIBUTIONS.....

..... (3,425,332) (547,533)

 CAPITAL TRANSACTIONS:

Initial capitalization issued to The Prudential [-0- and
 990,000 shares,

respectively].....

..... --
 9,900,000

Capital stock sold [7,144,721 and 3,181,402 shares,
 respectively]..... 92,968,000

36,389,000

Capital stock issued in reinvestment of dividends and
 distributions [259,822 and 46,817
 shares,

respectively].....

..... 3,425,332 547,533

Capital stock repurchased [(692,228) and (216,949)
 shares, respectively]..... (8,808,000)
 (2,507,000)

 NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL
 TRANSACTIONS..... 87,585,332
 44,329,533

 TOTAL INCREASE IN NET
 ASSETS.....
 100,431,397 47,366,926

NET ASSETS:
 Beginning of
 period.....
 47,466,926 100,000*

 End of
 period.....
 \$ 147,898,323 \$ 47,466,926

 <CAPTION>

*Prior to April 25, 1995 (commencement of operations), the
 Portfolio issued 10,000 shares to The Prudential for
 \$100,000.

</TABLE>

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
GLOBAL PORTFOLIO

<TABLE>

<CAPTION>

<S> <C>

STATEMENT OF ASSETS AND LIABILITIES

<CAPTION>

December 31, 1996

<S> <C>

ASSETS

Investments, at value (cost: \$460,602,835).....	\$
571,212,501	
Foreign currency, at value (cost: \$14,787,117).....	
14,798,221	
Receivable for investments sold.....	
4,069,896	
Forward currency contracts -- amount receivable from counterparties.....	
692,778	
Dividends and interest receivable.....	
483,593	
Other assets.....	
320,523	
---	-----
Total Assets.....	
591,577,512	
---	-----

LIABILITIES

Payable for investments purchased.....	
9,399,505	
Payable to investment adviser.....	
1,044,630	
Accrued expenses and other liabilities.....	
411,684	
Payable for capital stock repurchased.....	
91,654	
---	-----
Total Liabilities.....	
10,947,473	

---		-----
NET ASSETS.....	\$	
580,630,039		-----
---		-----
---		-----
Net assets were comprised of:		
Common stock, at \$0.01 par value.....	\$	
325,197		
Paid-in capital in excess of par.....		
467,274,634		-----
---		-----
467,599,831		
Undistributed net investment income.....		
1,317,330		
Accumulated net realized gains on investments.....		
489,279		
Net unrealized appreciation on investments and foreign currencies.....		
111,223,599		-----
---		-----
Net assets, December 31, 1996.....	\$	
580,630,039		-----
---		-----
---		-----
Net asset value and redemption price per share of 32,519,654 outstanding shares of common stock (authorized 100,000,000 shares).....	\$	
17.85		-----
---		-----
---		-----

</TABLE>

<TABLE>

<CAPTION>

STATEMENT OF OPERATIONS

Year Ended December 31, 1996

<S>

<C>

INVESTMENT INCOME

Dividends (net of \$555,343 foreign

withholding tax).....	\$
6,536,733	
Interest.....	
1,063,491	

7,600,224	

EXPENSES	
Investment advisory fee.....	
3,671,568	
Custodian expense.....	
400,000	
Shareholders' reports.....	
190,000	
Accounting fees.....	
177,000	
Audit fees.....	
41,000	
Directors' fees.....	
2,000	
Legal fees.....	
200	
Miscellaneous expenses.....	
8,534	

4,490,302	

NET INVESTMENT INCOME.....	
3,109,922	

REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCIES	
Net realized gain on:	
Investments.....	
15,872,383	
Foreign currencies.....	
3,900,113	

19,772,496	

Net change in unrealized appreciation on:	

Investments.....	
67,917,996	
Foreign currencies.....	
(2,616,550)	

65,301,446	

NET GAIN ON INVESTMENTS AND FOREIGN CURRENCIES.....	
85,073,942	

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....	\$
88,183,864	

</TABLE>

<TABLE>

<CAPTION>

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31,

1996	1995
-----	-----
<S>	
<C>	<C>
INCREASE (DECREASE) IN NET ASSETS OPERATIONS:	
Net investment income.....	
..... \$	3,109,922 \$
	1,620,950
Net realized gain on investments and foreign currencies.....	
19,772,496	13,763,168
Net change in unrealized appreciation on investments and foreign currencies.....	
	65,301,446
39,034,318	

NET INCREASE IN NET ASSETS RESULTING FROM

OPERATIONS.....
 88,183,864 54,418,436

 DIVIDENDS AND DISTRIBUTIONS:

Dividends from net investment
 income.....
 (3,109,922) (5,982,859)
 Distributions from net realized capital
 gains.....
 (19,019,488) (7,583,630)

 TOTAL DIVIDENDS AND
 DISTRIBUTIONS.....
 (22,129,410) (13,566,489)

 CAPITAL TRANSACTIONS:

Capital stock sold [7,307,979 and 2,817,622 shares,
 respectively]..... 123,508,873
 42,294,857
 Capital stock issued in reinvestment of dividends and
 distributions [1,310,966 and
 872,571 shares,
 respectively].....
 22,129,410 13,566,489
 Capital stock repurchased [1,820,909 and (2,794,423)
 shares, respectively]..... (30,587,232)
 (41,558,737)
 Initial capitalization repurchased by The Prudential
 [(36,088) and (48,679) shares,
 respectively].....
 (575,000)
 (789,000)

 NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL
 TRANSACTIONS..... 114,476,051
 13,513,609

 TOTAL INCREASE IN NET
 ASSETS.....
 180,530,505 54,365,556

NET ASSETS:
 Beginning of
 year.....
 400,099,534 345,733,978

End of year.....	\$	580,630,039	\$	400,099,534
------------------	----	-------------	----	-------------

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

A14

FINANCIAL STATEMENTS OF
THE PRUDENTIAL SERIES FUND, INC.
NATURAL RESOURCES PORTFOLIO

<TABLE>

<CAPTION>

STATEMENT OF ASSETS AND LIABILITIES

December 31, 1996

<S> <C>

ASSETS

Investments, at value (cost: \$359,799,612).....	\$	
437,988,179		
Cash.....		
8,706		
Interest and dividends receivable.....		
692,813		
Receivable for investments sold.....		
471,770		

Total Assets.....		
439,161,468		

LIABILITIES

Payable to investment adviser.....		
479,571		
Payable for investments purchased.....		
200,315		
Accrued expenses and other liabilities.....		
96,344		

Total Liabilities.....		
776,230		

withholding tax).....	\$
3,873,474	
Interest.....	
830,445	

4,703,919	

EXPENSES	
Investment advisory fee.....	
1,662,931	
Shareholders' reports.....	
140,000	
Accounting fees.....	
84,000	
Custodian expense.....	
28,900	
Audit fees.....	
6,400	
Directors' fees.....	
2,000	
Legal fees.....	
300	
Miscellaneous expenses.....	
168	

Total expenses.....	
1,924,699	
Less: custodian fee credit.....	
(5,847)	

Net expenses.....	
1,918,852	

NET INVESTMENT INCOME.....	
2,785,067	

NET REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS AND FOREIGN CURRENCIES	
Net realized gain (loss) on:	
Investments.....	
55,014,870	
Options written.....	
189,896	
Foreign currencies.....	

(91,558)

55,113,208

Net change in unrealized appreciation on:

Investments.....

36,084,029

Options written.....

(31,675)

Foreign currencies.....

(20)

36,052,334

NET GAIN ON INVESTMENTS AND FOREIGN

CURRENCIES.....

91,165,542

NET INCREASE IN NET ASSETS RESULTING FROM

OPERATIONS..... \$

93,950,609

</TABLE>

<TABLE>

<CAPTION>

STATEMENTS OF CHANGES IN NET ASSETS

YEARS ENDED DECEMBER 31,

1996

1995

<S>

<C>

<C>

INCREASE (DECREASE) IN NET ASSETS

OPERATIONS:

Net investment

income.....

.....	\$	2,785,067	\$	3,291,987
Net realized gain on investments and foreign currencies.....				
55,113,208		19,734,447		
Net change in unrealized appreciation on investments and foreign currencies.....				
39,062,266			36,052,334	

NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS.....				
93,950,609		62,088,700		

DIVIDENDS AND DISTRIBUTIONS:

Dividends from net investment income.....				
(2,609,058)		(3,370,234)		
Distributions from net realized capital gains.....				
(50,936,196)		(13,348,694)		

TOTAL DIVIDENDS AND DISTRIBUTIONS.....				
.....		(53,545,254)		(16,718,928)

CAPITAL TRANSACTIONS:

Capital stock sold [2,914,136 and 1,205,152 shares, respectively].....				
19,186,000			60,203,000	
Capital stock issued in reinvestment of dividends and distributions [2,739,322 and 981,450 shares, respectively].....				
.....		53,545,254		16,718,928
Capital stock repurchased [448,045 and (948,328) shares, respectively].....				
(15,377,000)			(8,940,000)	

NET INCREASE IN NET ASSETS RESULTING FROM CAPITAL TRANSACTIONS.....				
20,527,928			104,808,254	

TOTAL INCREASE IN NET ASSETS.....				
.....		145,213,609		65,897,700

NET ASSETS:

Beginning of		
year.....		
.....	293,171,629	227,273,929

-----	-----	
End of		
year.....		
.....	\$ 438,385,238	\$ 293,171,629

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

A15

THE PRUDENTIAL SERIES FUND, INC.
SCHEDULE OF INVESTMENTS
MONEY MARKET PORTFOLIO

DECEMBER 31, 1996

<TABLE>
<CAPTION>

PRINCIPAL

AMOUNT	VALUE
(000)	(NOTE 2)

<S>	<C>
<C>	

COMMERCIAL PAPER -- 52.9%	
ABN-Amro Bank North America,	
5.300%, 02/28/97.....	\$
2,000 \$ 1,983,217	
American Brands, Inc.,	
5.320%, 01/14/97.....	
3,900 3,893,084	
5.340%, 02/11/97-03/12/97.....	
2,000 1,983,832	
6.000%, 01/22/97.....	
1,000 996,667	
American Express Credit Corp.,	
5.300%, 02/28/97.....	
14,482 14,360,472	

Aristar, Inc.,	
5.410%, 03/14/97.....	
2,000	1,978,661
5.590%, 02/28/97.....	
4,500	4,460,171
Avco Financial Services Inc,	
5.600%, 03/06/97.....	
5,000	4,951,000
Avco Financial Services Inc.,	
5.440%, 02/28/97.....	
6,000	5,948,320
Barton Capital Corp.,	
5.360%, 01/15/97.....	
1,300	1,297,484
5.370%, 01/10/97.....	
13,000	12,984,487
5.400%, 02/21/97.....	
2,000	1,985,000
5.600%, 02/28/97.....	
1,000	991,133
BHF Finance, Inc.,	
5.310%, 01/30/97.....	
7,000	6,971,090
Bradford & Bingley Building Society,	
5.350%, 01/15/97.....	
5,000	4,990,340
Caterpillar Financial Services Corp.,	
5.350%, 05/16/97-06/16/97.....	
5,000	4,886,610
Ciba-Geigy Corp.,	
5.750%, 02/06/97.....	
1,000	994,410
CIT Group Holdings, Inc.,	
5.350%, 03/31/97.....	
4,000	3,947,689
Coca Cola Enterprises, Inc.,	
5.340%, 02/03/97.....	
4,000	3,981,013
Colonial Pipeline Co.,	
5.750%, 01/27/97.....	
6,100	6,075,642
Countrywide Home Loan,	
6.050%, 01/21/97.....	
2,000	1,993,614
6.200%, 01/15/97.....	
13,000	12,970,894
6.350%, 01/15/97-01/21/97.....	
18,000	17,956,603
CXC, Inc.,	
7.000%, 01/02/97.....	
21,862	21,862,000

	Engelhard Corp.,	
	5.580%, 02/24/97.....	
4,000		3,967,140
	Enterprise Funding Corp.,	
	5.340%, 03/18/97.....	
5,000		4,944,375
	Falcon Asset Securitization Corp.,	
	5.450%, 01/22/97.....	
2,975		2,965,992
	First Data Corp.,	
	5.400%, 03/18/97-03/25/97.....	
3,000		2,965,200
	5.460%, 03/25/97.....	
10,000		9,875,633
	Ford Motor Credit Co.,	
	5.350%, 03/03/97.....	
3,000		2,973,250
	General Electric Capital Corp.,	
	5.440%, 02/25/97.....	
30,000		29,755,200
	General Motors Acceptance Corp.,	
	5.390%, 03/31/97.....	
1,000		986,824
	General Signal Corp.,	
	5.800%, 02/06/97.....	
6,300		6,264,475
	5.900%, 02/05/97.....	
3,500		3,480,497
	GTE Corp.,	
	5.500%, 01/14/97.....	
1,000		998,167
	Heller Financial, Inc.,	
	5.570%, 01/13/97-01/14/97.....	
2,000		1,996,441
	5.800%, 01/21/97.....	
5,000		4,984,694
	Indosuez N. A., Inc.,	
	5.500%, 02/14/97.....	
5,000		4,967,153
	ITT Hartford Group, Inc.,	
	5.320%, 02/18/97.....	
2,000		1,986,109
	5.500%, 01/21/97.....	
2,000		1,994,194
	Johnson Controls, Inc.,	
	5.390%, 01/24/97.....	
5,000		4,983,531

</TABLE>

DECEMBER 31, 1996

<TABLE>

<CAPTION>

PRINCIPAL

AMOUNT

VALUE

(000) (NOTE 2)

<S>		<C>
<C>		
	Kredietbank NA Financial Corp.,	
	5.320%, 01/16/97.....	\$
3,000	\$ 2,993,793	
	Lehman Brothers Holding, Inc.,	
	6.700%, 01/07/97.....	
33,000	32,969,292	
	Merrill Lynch & Co., Inc.,	
	5.310%, 02/27/97.....	
8,000	7,933,920	
	5.330%, 01/24/97.....	
7,000	6,977,199	
	5.350%, 01/29/97.....	
9,000	8,963,887	
	5.450%, 01/22/97.....	
1,000	996,972	
	Mitsubishi International Corp.,	
	5.450%, 01/15/97.....	
4,000	3,992,128	
	5.750%, 02/10/97.....	
900	894,394	
	Morgan Stanley Group, Inc.,	
	5.320%, 01/21/97-01/29/97.....	
12,000	11,956,849	
	Nationwide Building Society,	
	5.310%, 02/19/97.....	
4,000	3,971,680	
	5.375%, 02/26/97.....	
1,000	991,788	
	5.550%, 02/26/97.....	
5,000	4,957,604	
	NYNEX Corp.,	
	5.410%, 02/13/97.....	
2,000	1,987,377	
	6.800%, 01/06/97.....	
4,760	4,756,404	
	PNC Funding Corp.,	
	5.360%, 01/22/97.....	
1,000	997,022	
	Preferred Receivables Funding Corp.,	
	5.320%, 02/06/97.....	

3,000	2,984,483
5.370%,	03/20/97.....
1,000	988,514
5.450%,	01/14/97.....
1,000	998,183
5.600%,	02/25/97.....
5,000	4,958,000
Sears Roebuck Acceptance Corp.,	
5.470%,	02/26/97.....
5,000	4,958,215
Triple-A One Funding Corp.,	
5.400%,	02/14/97.....
2,000	1,987,100
5.500%,	01/24/97.....
1,208	1,203,940
Union Pacific Resources,	
6.000%,	01/27/97.....
1,855	1,847,271
WCP Funding, Inc.,	
5.400%,	02/20/97.....
4,000	3,970,600

353,768,923

OTHER CORPORATE OBLIGATIONS -- 22.5%

Abbey National Treasury Services, PLC,	
5.500%,	11/26/97.....
10,000	9,990,924
Associates Corp. of North America,	
9.700%,	05/01/97.....
3,450	3,491,185
Beneficial Corp.,	
5.57%,	08/05/97 (a).....
9,000	9,003,377
7.250%,	06/09/97.....
750	753,620
9.050%,	03/14/97.....
1,100	1,106,958
Capital Equipment Receivable Trust,	
5.600%,	10/15/97.....
9,268	9,268,366
Ford Motor Credit Co.,	
5.625%,	03/03/97.....
1,000	999,287
6.300%,	04/23/97.....
1,000	1,000,733
6.450%,	07/21/97.....
500	500,812

6.070%, 01/15/97 (a).....	2,000	2,000,000
Nationsbank Auto Owner,		
5.776%, 08/15/97.....	1,681	1,680,604
Short Term Repack Asset,		
6.000%, 12/15/97 (a).....	9,000	8,998,169
SMM Trust 1995-Q,		
5.605%, 01/08/97 (a).....	19,000	18,999,971
Transamerica Financial Corp.,		
6.750%, 08/15/97.....	1,750	1,756,207

150,126,301

CERTIFICATES OF DEPOSIT-DOMESTIC -- 2.4%

Chase Manhattan Bank (USA),		
5.750%, 03/24/97.....	15,000	15,000,000
Mellon Bank, N.A.,		
5.550%, 02/18/97.....	1,000	1,000,080

16,000,080

CERTIFICATES OF DEPOSIT-EURODOLLAR -- 5.2%

Abbey National Treasury Services, PLC,		
5.410%, 01/30/97.....	5,000	5,000,093
Banco Bilbao Vizcaya S.A.,		
5.410%, 03/05/97.....	1,000	1,000,017
Bank of Nova Scotia,		
6.050%, 06/25/97.....	2,000	2,004,196
Bank of Scotland,		
5.430%, 06/05/97.....	15,000	14,999,802
Bayerische Hypotheken,		
5.740%, 05/27/97.....	11,000	11,004,501
Creditanstalt Bankverein,		
5.430%, 04/07/97.....		

1,000 1,000,017

35,008,626

CERTIFICATES OF DEPOSIT-YANKEE -- 10.6%

Abbey National, PLC,	
5.420%, 05/27/97.....	
10,000	9,998,273
Bank of Montreal,	
5.450%, 01/07/97.....	
5,000	5,000,000
Banque Nationale De Paris,	
5.440%, 03/17/97.....	
2,000	1,999,959
5.580%, 04/02/97.....	
30,000	29,991,911
Landesbank Hessen-Thuringen,	
6.050%, 06/13/97.....	
3,000	3,006,041
Midland Bank, PLC,	
5.500%, 04/10/97.....	
1,000	999,920
National Bank of Canada,	
5.438%, 03/10/97.....	
5,000	5,000,000
Societe Generale Bank,	
5.600%, 04/03/97.....	
15,000	15,003,658

70,999,762

BANK NOTES -- 3.7%

American Express Centurian Bank,	
5.532%, 10/09/97 (a).....	
1,000	999,923
5.575%, 01/14/97 (a).....	
2,000	1,999,932
5.575%, 04/15/97 (a).....	
2,000	1,999,887
5.595%, 03/19/97 (a).....	
3,000	2,999,879
5.595%, 12/22/97 (a).....	
1,000	999,904
FCC National Bank,	
5.770%, 04/15/97.....	

4,000	3,999,351	
	First Bank N.A., Minneapolis,	
	5.518%, 10/24/97 (a).....	
2,000	1,998,881	
	First National Bank of Seattle,	
	5.800%, 05/09/97.....	
5,000	4,999,001	
	Morgan Guaranty Trust Co.,	
	5.375%, 11/14/97 (a).....	
4,000	3,997,475	

</TABLE>

DECEMBER 31, 1996

<TABLE>
<CAPTION>

PRINCIPAL

AMOUNT	VALUE
(000)	(NOTE 2)

-----	-----	-----
<S>		<C>
<C>		
	PNC Bank N.A.,	
	5.564%, 02/20/97 (a).....	\$
1,000	\$ 999,897	

24,994,130

U. S. GOVERNMENT & AGENCY OBLIGATIONS -- 2.0%
Student Loan Marketing Association,
5.870%, 06/30/97.....

13,000	12,996,445
--------	------------

TOTAL INVESTMENTS -- 99.3%
(amortized cost: \$663,894,267
(b)..... 663,894,267

OTHER ASSETS IN EXCESS OF
LIABILITIES --
0.7%.....
4,873,854

TOTAL NET ASSETS --
100%..... \$

<FN>

The following abbreviations are used in portfolio descriptions:

PLC	Public Limited Company (British Corporation)
S.A. Corporation) or Societe	Sociedad Anonima (Spanish Anonyme (French Corporation)

(a) Indicates a variable rate security. The maturity date presented for these instruments is the later of the next date on which the security can be redeemed at par or the next date on which the rate of interest is adjusted.

(b) The cost of securities for federal income tax purposes is substantially the same as for financial reporting purposes.

</TABLE>

<TABLE>

<S>

<C>

The industry classification of portfolio holdings and other assets in excess of liabilities shown as a percentage of net assets as of December 31, 1996 was as follows:

Commercial Banks.....	31.2%
Security Brokers & Dealers.....	17.5
Asset Backed Securities.....	12.7
Short-Term Business Credit.....	11.2
Mortgage Banks.....	4.9
Finance Lessors.....	4.8
Personal Credit Institutions.....	4.7
Computer Rental & Leasing.....	1.9
Federal Credit Agencies.....	1.9
Electric Industry Apparatus.....	1.5
Telephone & Communications.....	1.2
Tobacco.....	1.0
Gas Pipelines.....	0.9
Commodity Trading.....	0.7
Regulating Controls.....	0.7
Beverages.....	0.6
Fire & Marine Casualty Insurance.....	0.6
Specialty Chemical.....	0.6
Equipment & Rental & Leasing.....	0.4
Crude Petroleum & Natural Gas.....	0.3

99.3

Other assets in excess of liabilities.....
0.7

100.0%

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1
THROUGH C6.

B2

DIVERSIFIED BOND PORTFOLIO

DECEMBER 31, 1996

<TABLE>

<CAPTION>

LONG-TERM INVESTMENTS -- 99.0%

<S> <C>

<C> <C>

MOODY'S PRINCIPAL

RATING AMOUNT

(UNAUDITED) (000) VALUE

LONG-TERM BONDS -- 98.7%

(NOTE 2)

<CAPTION>

<S> <C>

<C> <C>

DOMESTIC CORPORATE BONDS -- 62.8%

AGRICULTURAL EQUIPMENT -- 0.7%

Agco Corp.,			
8.50%, 03/15/06.....			Ba3
\$ 5,000	\$	5,059,000	

AIRLINES -- 5.2%

Boeing Co.,			
8.75%, 08/15/21.....			A1
6,250		7,356,125	
Delta Air Lines, Inc.,			

7.79%, 12/01/98.....	Baa3
1,000 1,020,710	
8.38%, 06/12/98.....	Baa3
2,000 2,054,340	
9.875%, 05/15/00.....	Baa3
6,000 6,499,320	
United Air Lines, Inc.,	
9.75%, 08/15/21.....	Baa3
4,500 5,333,580	
10.67%, 05/01/04.....	Baa3
7,000 8,278,830	
11.21%, 05/01/14.....	Baa3
5,000 6,555,850	

37,098,755

CABLE & PAY TELEVISION SYSTEMS -- 1.5%

Continental Cablevision, Inc.,	
8.30%, 05/15/06.....	Baa2
3,500 3,728,445	
Tele-Communications, Inc.,	
10.125%, 04/15/22.....	Ba1
6,300 6,917,526	

10,645,971

COMPUTERS -- 0.5%

Digital Equipment Corp.,	
7.125%, 10/15/02.....	Ba1
4,000 3,817,000	

ENTERTAINMENT -- 0.7%

Royal Caribbean Cruises Ltd.,	
11.375%, 05/15/02.....	Ba2
5,000 5,325,000	

FINANCIAL SERVICES -- 27.7%

Advanta Mortgage Loan Trust, Series 1994-3	
8.49%, 01/25/26.....	Aaa
8,500 8,802,812	
Aristar, Inc.,	
5.75%, 07/15/98.....	A3
2,000 1,987,160	

7.50%, 07/01/99.....	Baa1
2,000 2,050,740	
Associates Corp. of North America,	
8.375%, 01/15/98.....	Aa3
500 511,570	
Bank of New York,	
7.97%, 12/31/26.....	A1
5,000 5,049,700	
BankAmerica Corp.,	
6.031%, 05/17/99.....	A
10,000 10,075,000	
Chase Manhattan Corp.,	
8.00%, 06/15/99.....	A2
2,000 2,071,620	
Chemical Bank,	
6.625%, 08/15/05.....	A1
2,000 1,942,880	
Chrysler Financial Corp.,	
9.50%, 12/15/99.....	A3
5,000 5,406,550	
Conseco, Inc.,	
8.70%, 11/15/26.....	BBB
10,500 10,590,510	
CoreStates Financial Corp.,	
8.00%, 12/15/26.....	A1
10,000 10,000,600	
Enterprise Rent-A-Car USA Finance Co.,	
7.00%, 06/15/00.....	Baa3
9,000 9,108,900	
7.875%, 03/15/98.....	Baa2
5,000 5,111,250	
8.75%, 12/15/99.....	Baa2
3,000 3,177,300	

</TABLE>

DECEMBER 31, 1996

<TABLE>

<CAPTION>

MOODY'S PRINCIPAL

RATING AMOUNT VALUE
LONG-TERM BONDS (CONTINUED)
(UNAUDITED) (000) (NOTE 2)

<S> <C>

<C> <C>

First Tennessee National Corp., B.A.,	
8.07%, 01/06/27.....	A3
\$ 4,500 \$ 4,474,800	

First Union Corp.,		
7.85%, 01/01/27.....		A1
10,000	9,908,750	
Ford Motor Credit Co.,		
5.75%, 01/25/01.....		A1
4,000	3,872,240	
6.25%, 02/26/98.....		A1
3,000	3,007,470	
General Motors Acceptance Corp.,		
8.40%, 10/15/99.....		A3
3,700	3,887,627	
Lehman Brothers Holdings, Inc.,		
6.84%, 09/25/98.....		Baa1
5,000	5,037,850	
Liberty Mutual Insurance Co.,		
8.20%, 05/04/07.....		A2
8,250	8,761,005	
Mellon Bank Corp.,		
7.995%, 01/15/27.....		A2
10,000	9,875,000	
Nationwide CSN Trust,		
9.875%, 02/15/25.....		A1
5,000	5,559,500	
Principal Mutual Life Insurance,		
7.875%, 03/01/24.....		Aa3
5,000	4,901,550	
Reliastar Financial Corp.,		
6.625%, 09/15/03.....		A3
5,000	4,912,500	
Republic Bank of New York Corp.,		
7.53%, 12/04/26.....		A1
5,000	4,900,615	
Salomon, Inc.,		
5.98%, 02/02/98.....		Baa1
10,000	9,995,100	
7.00%, 05/15/99.....		Baa1
10,000	10,079,000	
7.25%, 05/01/01.....		Baa1
2,250	2,271,285	
State Street Capital Corp.,		
7.94%, 12/30/26.....		A1
12,000	11,952,000	
SunAmerica, Inc.,		
6.20%, 10/31/99.....		Baa1
5,000	4,975,000	
Union Planters Corp.,		
8.20%, 12/15/26.....		BB+
5,000	4,950,000	
Wells Fargo & Co.,		
7.96%, 12/15/26.....		A1
10,000	10,100,000	

199,307,884

FOREST PRODUCTS -- 1.0%

Boise Cascade Corp.,		
9.875%, 02/15/01.....		Baa3
1,000	1,058,790	
Westvaco Corp.,		
9.75%, 06/15/20.....		A1
5,000	6,269,800	

7,328,590

HEALTH CARE -- 2.9%

Columbia/HCA Healthcare Corp.,		
7.69%, 06/15/25.....		A2
12,000	12,355,680	
Tenet Healthcare Corp.,		
8.625%, 12/01/03.....		Ba1
6,500	6,857,500	
9.625%, 09/01/02.....		Ba1
1,500	1,642,500	

20,855,680

MACHINERY & EQUIPMENT -- 0.4%

Crane Co.,		
7.25%, 06/15/99.....		Baa2
3,000	3,028,560	

</TABLE>

B3

DIVERSIFIED BOND PORTFOLIO (CONTINUED)

DECEMBER 31, 1996

<TABLE>

<CAPTION>

MOODY'S PRINCIPAL

RATING AMOUNT VALUE
LONG-TERM BONDS (CONTINUED)
(UNAUDITED) (000) (NOTE 2)

-----			-----
<S>			<C>
<C>	<C>		
MEDIA -- 7.8%			
	News America Holdings, Inc.,		
	7.50%,	03/01/00.....	Baa3
\$ 6,000	\$	6,137,160	
	7.75%,	12/01/45.....	Baa3
7,000		6,518,330	
	Paramount Communications, Inc.,		
	7.50%,	01/15/02.....	Ba2
5,000		4,995,850	
	Time Warner, Inc.,		
	7.75%,	06/15/05.....	Ba1
9,800		9,858,114	
	8.18%,	08/15/07.....	Ba1
4,000		4,104,280	
	8.375%,	07/15/33.....	Baa3
6,000		6,021,540	
	Turner Broadcasting System, Inc.,		
	7.40%,	02/01/04.....	Ba1
13,500		13,374,855	
	Viacom, Inc.,		
	7.75%,	06/01/05.....	Ba2
5,000		4,923,350	

55,933,479

MISCELLANEOUS-CONSUMER GROWTH -- 0.4%

	Whitman Corp.,		
	7.50%,	08/15/01.....	Baa2
3,000		3,075,540	

OIL & GAS -- 2.3%

	Occidental Petroleum Corp.,		
	10.125%,	11/15/01.....	Baa2
5,000		5,695,150	
	11.125%,	08/01/10.....	Baa2
5,000		6,535,300	
	Parker & Parsley Petroleum Co.,		
	8.25%,	08/15/07.....	Baa3
4,000		4,300,600	

16,531,050

OIL & GAS EQUIPMENT & SERVICES -- 1.1%

B.J. Services Co.,		
7.00%, 02/01/06.....		Ba1
5,000	4,859,550	
Noble Drilling Corp.,		
9.125%, 07/01/06.....		Ba2
3,000	3,225,000	

8,084,550

RESTAURANTS -- 1.3%

Darden Restaurants, Inc.,		
7.125%, 02/01/16.....		Baa1
10,000	9,021,700	

RETAIL -- 3.7%

Federated Department Stores, Inc.,		
8.125%, 10/15/02.....		Ba1
9,000	9,225,000	
8.50%, 06/15/03.....		Ba1
11,000	11,440,000	
Kmart Corp.,		
9.80%, 06/15/98.....		Ba3
2,000	2,035,000	
Rite Aid Corp.,		
6.70%, 12/15/01.....		A3
4,000	3,986,000	

26,686,000

TELECOMMUNICATIONS -- 2.6%

Impsat Corp.,		
12.125%, 07/15/03.....		B2
3,000	3,180,000	
MFS Communications Co., Inc., Sr. Disc. Notes,		
Zero Coupon (until 01/15/99)		
9.375%, 01/15/04.....		B1
9,000	6,547,500	
TCI Communications, Inc.,		

6.875%, 02/15/06..... Ba1
 10,000 9,087,400

 18,814,900

 </TABLE>

DECEMBER 31, 1996

<TABLE>
 <CAPTION>

MOODY'S PRINCIPAL

RATING AMOUNT VALUE
 LONG-TERM BONDS (CONTINUED)
 (UNAUDITED) (000) (NOTE 2)

 <S> <C>
 <C> <C>
 UTILITIES -- 3.0%
 Arkla, Inc.,
 9.32%, 12/18/00..... Ba3
 \$ 2,000 \$ 2,136,280
 El Paso Electric Company,
 9.40%, 05/01/11..... Ba3
 4,000 4,240,000
 Pennsylvania Power & Light Co.,
 9.375%, 07/01/21..... A3
 1,150 1,288,840
 Texas Utilities Electric Co.,
 5.875%, 04/01/98..... Baa2
 4,000 3,991,560
 Transco Energy Co.,
 9.125%, 05/01/98..... Baa2
 3,000 3,113,820
 9.375%, 08/15/01..... Baa2
 6,000 6,613,920

 21,384,420

 FOREIGN CORPORATE BONDS -- 8.1%
 Australia & New Zealand Banking Group, Ltd.,
 (Australia)
 6.25%, 02/01/04..... A1

3,000	2,889,780	
	Banco de Comercio Exterior de Colombia, SA, (Colombia)	
	8.625%, 06/02/00.....	Baa3
2,000	2,077,500	
	Banco Ganadero, SA, (Colombia)	
	9.75%, 08/26/99.....	Baa3
4,100	4,315,250	
	Canadian Pacific Forest Products Ltd., (Canada)	
	10.25%, 01/15/03.....	Baa1
4,000	4,360,000	
	Compania Sud Americana de Vapores, SA, (Chile)	
	7.375%, 12/08/03.....	BBB
3,000	2,955,000	
	Deutsche Bank, (Germany)	
	6.70%, 12/13/06.....	Aa1
4,350	4,280,248	
	Kansallis-Osake Pankki, N.Y., (Finland)	
	8.65%, 01/01/49.....	A3
5,000	5,220,750	
	10.00%, 05/01/02.....	A3
5,000	5,674,500	
	National Australia Bank, Ltd., (Australia)	
	9.70%, 10/15/98.....	A1
1,700	1,801,609	
	National Power Corp., (Philippines)	
	8.40%, 12/15/16.....	Ba2
4,900	4,875,500	
	Ontario, Province of Canada, (Canada)	
	15.75%, 03/15/12.....	Aa3
3,475	3,756,127	
	Polysindo Int'l Finance Co., (Netherlands)	
	11.375%, 06/15/06.....	Ba3
5,000	5,462,500	
	PT Alatief Freeport Financial Co., (Netherlands)	
	9.75%, 04/15/01.....	Ba1
5,750	6,286,187	
	Rogers Cablesystems, Inc., (Canada)	
	10.00%, 03/15/05.....	Ba3
4,000	4,260,000	

58,214,951

</TABLE>

12.50%, 08/15/14.....
1,500 2,241,795

101,063,514

U.S. GOVERNMENT AGENCY MORTGAGE BACKED SECURITIES -- 4.6%

Federal National Mortgage Association,
Zero Coupon, 07/24/06.....
9,000 4,748,940

9.00%, 10/01/16-09/01/21.....
623 663,006

Government National Mortgage Association,
7.50%, 05/20/02-02/15/26.....
27,222 27,613,035

33,024,981

FOREIGN GOVERNMENT BONDS -- 9.2%

Republic of Argentina, (Argentina)
6.625%, 03/31/05..... B1
4,900 4,293,625

Republic of Colombia, (Colombia)
8.00%, 06/14/01..... Baa3
1,600 1,624,000

8.75%, 10/06/99..... Baa3
3,500 3,657,500

Republic of Philippines, (The Philippines)
8.75%, 10/07/16..... B1
4,675 4,819,925

Republic of Poland, (Poland)
4.00%, (until 10/27/98)
5.00%, (until 10/27/99)
6.00%, (until 10/27/02)
7.00%, 10/27/14..... Baa3
16,000 13,540,000

Republic of Venezuela, (Venezuela)
6.50%, 12/18/07 (a)..... Ba2
3,000 2,640,000

Rio de Janeiro, (Brazil)
10.375%, 07/12/99..... B1
5,000 5,137,500

United Mexican States, (Mexico)
7.562%, 08/06/01 (a)..... Baa3
25,000 25,058,750

11.50%, 05/15/26..... Ba2

5,000 5,287,500

66,058,800

TOTAL LONG-TERM BONDS

(cost	
\$696,315,713)	.....
.....	710,360,325

</TABLE>

DECEMBER 31, 1996

<TABLE>

<CAPTION>

MOODY'S

RATING	VALUE
PREFERRED STOCK -- 0.3%	
(UNAUDITED) SHARES	(NOTE 2)

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

GAS PIPELINES -- 0.3%	
TransCanada Pipelines, Ltd.	
(cost \$2,000,000 )	.....
80,000 \$	2,080,000

TOTAL LONG-TERM INVESTMENTS

(cost	
\$698,315,713)	.....
.....	712,440,325

PRINCIPAL

AMOUNT
SHORT-TERM INVESTMENTS -- 4.3%
(000)

CERTIFICATES OF DEPOSIT -- DOMESTIC -- 0.7%
Advanta National Bank, C.D.,

6.26%, 09/01/97..... Baa
\$ 5,000 5,005,000

OTHER CORPORATE OBLIGATIONS -- 1.4%

Citicorp,
8.50%, 02/24/97..... A1
3,000 3,010,410
General Motors Acceptance Corp.,
7.50%, 11/04/97..... A3
2,000 2,027,180
Mellon Bank Corp.,
6.50%, 12/01/97..... A2
2,000 2,007,580
Potomac Capital Investment Corp.,
6.19%, 04/28/97..... A3
3,500 3,535,000

10,580,170

REPURCHASE AGREEMENT -- 2.2%

Joint Repurchase Agreement Account,
6.613%, 01/02/97 (Note 5).....
15,414 15,414,000

TOTAL SHORT-TERM INVESTMENTS

(cost
\$30,945,800).....
..... 30,999,170

TOTAL INVESTMENTS BEFORE SHORT SALE -- 103.3%

(cost \$729,261,513; Note
6).....
743,439,495

INVESTMENT SOLD SHORT -- (3.6%)

United States Treasury Bond,
6.75%, 8/15/26
(proceeds \$26,546,678; Note 2).....
25,450 (26,310,748)

TOTAL INVESTMENTS, NET OF SHORT SALES --

99.7%.....

717,128,747
 OTHER ASSETS IN EXCESS OF
 LIABILITIES --
 0.3%.....
 3,087,834

 TOTAL NET ASSETS --
 100.0%..... \$
 720,216,581

<FN>

The following abbreviations are used in portfolio descriptions:

B.A.	Bankers' Acceptances
C.D.	Certificates of Deposit
SA	Sociedad Anonima (Spanish Corporation) or Societe Anonyme (French Corporation)

(a) Indicates a variable rate security.

(b) Deposited with the custodian to cover an open short sale transaction.

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

B5

GOVERNMENT INCOME PORTFOLIO

DECEMBER 31, 1996

<TABLE>

<CAPTION>

<S> <C>

<C>

LONG-TERM INVESTMENTS -- 97.6%

19,696	19,729,369
8.000%,	09/15/23-10/15/25.....
22,291	22,794,555

126,678,928

U.S. GOVERNMENT & AGENCY OBLIGATIONS -- 61.4%

	Israel AID,
	Zero Coupon, 03/15/06-08/15/09.....
38,272	18,501,606
	Resolution Funding Corp.,
	Zero Coupon, 07/15/16.....
30,000	7,764,600
	8.125%, 10/15/19.....
4,200	4,748,604
	Small Business Administration Participation
	Certificate,
	7.200%, 10/01/16.....
20,000	20,097,600
	Student Loan Marketing Association,
	5.880%, 02/06/01.....
19,290	18,861,955
	United States Treasury Bonds,
	8.125%, 08/15/19.....
35,000	40,485,200
	12.000%, 08/15/13.....
24,100	34,474,327
	United States Treasury Notes,
	6.250%, 04/30/01.....
15,000	15,032,850
	6.250%, 10/31/01.....
14,600	14,613,724
	6.500%, 05/31/01.....
5,000	5,054,700
	6.500%, 08/31/01.....
25,000	25,273,500
	6.500%, 11/15/26.....
5,000	4,907,050
	6.875%, 03/31/00.....
20,000	20,450,000
	7.750%, 12/31/99.....
55,000	57,526,700
	10.625%, 08/15/15.....
6,000	8,483,460

296,275,876

TOTAL LONG-TERM INVESTMENTS
(cost
\$467,932,592).....
470,284,502

</TABLE>

DECEMBER 31, 1996

<TABLE>
<CAPTION>

PRINCIPAL

AMOUNT	VALUE
SHORT-TERM INVESTMENT -- 1.3%	
(000)	(NOTE 2)

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

REPURCHASE AGREEMENT

Joint Repurchase Agreement Account, 6.613%, 01/02/97 (cost \$6,517,000) (Note 5)...	\$
6,517 \$ 6,517,000	

TOTAL INVESTMENTS -- 98.9%	
(cost \$474,449,592; Note	
6).....	476,801,502
OTHER ASSETS IN EXCESS OF	
LIABILITIES --	
1.1%.....	
5,233,938	

TOTAL NET ASSETS --	
100.0%.....	\$
482,035,440	

(a) The interest rate shown reflects the current rate
of
variable rate instruments.

</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

B6

ZERO COUPON BOND 2000 PORTFOLIO

DECEMBER 31, 1996

<TABLE>

<CAPTION>

LONG-TERM INVESTMENTS -- 99.5%

PRINCIPAL

<S> <C>

<C>

AMOUNT VALUE

(000) (NOTE 2)

LONG-TERM BONDS

<CAPTION>

<S> <C>

<C>

U.S. GOVERNMENT & AGENCY OBLIGATIONS

Federal National Mortgage Association,

Zero Coupon, 01/24/02..... \$

7,777 \$ 5,661,423

Zero Coupon, 07/24/02.....

5,527 3,887,028

United States Treasury Bonds,

Zero Coupon, 02/15/00.....

5,000 4,145,350

Zero Coupon, 11/15/00.....

21,630 17,106,302

Zero Coupon, 02/15/02.....

18,750 13,706,250

44,506,353

TOTAL LONG-TERM INVESTMENTS

(cost

\$42,297,668).....

44,506,353


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<S>
<C>
U.S. GOVERNMENT & AGENCY OBLIGATIONS -- 99.9%
  Federal National Mortgage Association,
    Zero Coupon, 07/24/05..... $
5,100 $ 2,906,184
  Financing Corp.,
    Zero Coupon, 03/07/04.....
3,350 2,102,393
  Resolution Funding Corp.,
    Zero Coupon, 07/15/07.....
5,000 2,497,100
  United States Treasury Bonds,
    Zero Coupon, 11/15/04.....
11,000 6,662,920
    Zero Coupon, 11/15/05.....
3,000 1,699,860
    Zero Coupon, 02/15/06.....
7,000 3,895,850
    Zero Coupon, 05/15/06.....
11,000 6,019,860

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TOTAL LONG-TERM INVESTMENTS
  (cost $23,876,529; Note
6)..... 25,784,167
OTHER ASSETS IN EXCESS OF LIABILITIES --
0.1%.....

30,563

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-----
TOTAL NET ASSETS --
100.0%..... $
25,814,730

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</TABLE>

SEE NOTES TO FINANCIAL STATEMENTS ON PAGES C1 THROUGH C6.

CONSERVATIVE BALANCED PORTFOLIO

DECEMBER 31, 1996

<TABLE>

<CAPTION>

LONG-TERM INVESTMENTS -- 91.2%

VALUE

COMMON STOCKS -- 36.7%

SHARES (NOTE 2)

<S>

<C>

<C>

AEROSPACE/DEFENSE -- 0.6%

GenCorp, Inc.....		
629,100	\$	11,402,438
Litton Industries, Inc. (a).....		
241,400		11,496,675
UNC, Inc. (a).....		
278,800		3,345,600

26,244,713

AIRLINES -- 1.2%

AMR Corp. (a).....		
378,700		33,372,937
USAir Group, Inc. (a).....		
776,100		18,141,337

51,514,274

AUTOS - CARS & TRUCKS -- 0.5%

A.O. Smith Corp.....		
450,000		13,443,750
Ford Motor Co.....		
295,900		9,431,812

22,875,562

AUTOMOBILES & TRUCKS -- 1.8%

Chrysler Corp.....		
929,500		30,673,500
General Motors Corp.....		
464,700		25,907,025

Goodyear Tire & Rubber Co.....		
250,800	12,884,850	
Mascotech, Inc.....		
604,200	9,893,775	

79,359,150

CHEMICALS -- 0.1%

Millenium Chemicals, Inc. (a).....		
188,227	3,341,029	

CHEMICALS - SPECIALTY -- 1.0%

Ferro Corp.....		
609,100	17,283,212	
M.A. Hanna Co.....		
689,950	15,092,656	
OM Group, Inc.....		
435,400	11,755,800	

44,131,668

COMMERCIAL SERVICES -- 0.3%

BW/IP, Inc. (Class 'A' Stock).....		
365,600	6,032,400	
IMO Industries, Inc. (a).....		
575,600	1,798,750	
Parker-Hannifin Corp.....		
197,450	7,651,187	

15,482,337

COMPUTER HARDWARE -- 1.4%

Amdahl Corp. (a).....		
836,600	10,143,775	
Digital Equipment Corp. (a).....		
293,500	10,676,063	
International Business Machines Corp.....		
278,900	42,113,900	

62,933,738

CONSTRUCTION -- 0.2%

McDermott International, Inc.....
481,900 10,601,800

CONSUMER SERVICES -- 0.4%

ADT Ltd. (a).....
576,300 13,182,863
SPS Transaction Services, Inc. (a).....
185,900 2,834,975

16,017,838

CONTAINERS & PACKAGING -- 0.2%

Sealed Air Corp. (a).....
183,600 7,642,350

DIVERSIFIED CONSUMER PRODUCTS -- 1.0%

RJR Nabisco Holdings Corp.....
791,400 26,907,600
Whitman Corp.....
849,000 19,420,875

46,328,475

DRUGS AND MEDICAL SUPPLIES -- 0.3%

United States Surgical Corp.....
339,700 13,375,688

ELECTRICAL EQUIPMENT -- 1.0%

Belden, Inc.....
457,600 16,931,200
Westinghouse Electric Corp.....
1,487,300 29,560,087

46,491,287

</TABLE>

DECEMBER 31, 1996

<TABLE>

<CAPTION>

VALUE

COMMON STOCKS (CONTINUED)

SHARES (NOTE 2)

<S> <C>

<C>

ELECTRONICS -- 1.3%

National Semiconductor Corp. (a).....

964,000 \$ 23,497,500

Texas Instruments, Inc.....

557,700 35,553,375

59,050,875

ENGINEERING & CONSTRUCTION -- 0.2%

Giant Cement Holdings, Inc. (a).....

400,400 6,456,450

FINANCIAL SERVICES -- 2.9%

Alex Brown, Inc.....

278,100 20,162,250

Lehman Brothers Holdings, Inc.....

1,597,400 50,118,425

Merrill Lynch & Co., Inc.....

185,900 15,150,850

Morgan Stanley Group, Inc.....

209,200 11,950,550

Salomon, Inc.....

650,700 30,664,237

128,046,312

FOREST PRODUCTS -- 1.7%

Champion International Corp.....

650,700 28,142,775

Louisiana-Pacific Corp.....

650,700	13,746,037
Mead Corp.....	
326,100	18,954,562
Willamette Industries, Inc.....	
238,100	16,577,712

77,421,086

GAS PIPELINES -- 0.3%

Western Gas Resources, Inc.....	
659,000	12,685,750

HOUSEHOLD PRODUCTS -- 0.3%

Jan Bell Marketing, Inc. (a).....	
964,200	1,988,663
Leggett & Platt, Inc.....	
366,600	12,693,525

14,682,188

HOUSING RELATED -- 1.1%

Hanson, PLC, ADR, (United Kingdom).....	
2,540,300	17,147,025
Owens Corning.....	
620,800	26,461,600

43,608,625

INSURANCE -- 3.0%

Allstate Corp.....	
124,999	7,234,317
Equitable of Iowa Companies.....	
346,500	15,895,687
Financial Security Assurance Holdings, Ltd.....	
218,100	7,170,037
PennCorp Financial Group, Inc.....	
513,500	18,486,000
Provident Companies, Inc.....	
170,900	8,267,287
Reinsurance Group of America, Inc.....	
487,800	22,987,575

TIG Holdings, Inc.....		
546,900	18,526,237	
Trenwick Group, Inc.....		
273,300	12,640,125	
W.R. Berkley Corp.....		
180,100	9,140,075	
Western National Corp.....		
836,600	16,104,550	

136,451,890

INTEGRATED PRODUCERS -- 0.2%

Murphy Oil Corp.....		
177,400	9,867,875	

MACHINERY -- 1.4%

Case Corp.....		
597,500	32,563,750	
DT Industries, Inc.....		
226,100	7,913,500	
Paxar Corp.....		
1,232,660	21,263,385	

61,740,635

MEDIA -- 1.6%

Central Newspapers, Inc. (Class 'A' Stock).....		
319,800	14,071,200	
Gannett Co., Inc.....		
185,900	13,919,262	
Hollinger International, Inc.....		
155,600	1,789,400	
Houghton Mifflin Co.....		
185,900	10,526,587	
Knight-Ridder, Inc.....		
371,800	14,221,350	
Lee Enterprises, Inc.....		
325,300	7,563,225	

</TABLE>

<TABLE>
<CAPTION>

VALUE
COMMON STOCKS (CONTINUED)
SHARES (NOTE 2)

<S> <C>
<C>

MEDIA -- CONT'D
McGraw-Hill, Inc.....
185,500 \$ 8,556,187
Media General, Inc. (Class 'A' Stock).....
59,000 1,784,750

72,431,961

METALS-NON FERROUS -- 1.1%
Aluminum Company of America.....
750,500 47,844,375

MISCELLANEOUS - BASIC INDUSTRY -- 2.0%
Danaher Corp.....
435,800 20,319,175
Donaldson, Inc.....
372,200 12,468,700
IDEX Corp.....
275,300 10,977,587
Mark IV Industries, Inc.....
558,793 12,642,692
Trinity Industries, Inc.....
358,300 13,436,250
Wolverine Tube, Inc. (a).....
259,800 9,157,950
York International Corp.....
185,000 10,336,875

89,339,229

MISCELLANEOUS - INDUSTRIAL -- 0.8%
Coltec Industries, Inc. (a).....

299,900	5,660,613
Global Industrial Technologies, Inc. (a).....	
390,700	8,644,238
Material Sciences Corp. (a).....	
649,600	11,692,800
Titan Wheel International, Inc.....	
695,550	8,868,263

34,865,914

OIL - EXPLORATION & PRO

</TABLE>