

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: **1996-08-26** | Period of Report: **1996-08-26**
SEC Accession No. **0000950123-96-004721**

([HTML Version](#) on [secdatabase.com](#))

FILER

KEYNOTE SERIES ACCOUNT /NY/

CIK: **828684** | IRS No.: **123781854** | State of Incorporation: **NY** | Fiscal Year End: **1231**
Type: **N-30D** | Act: **40** | File No.: **811-05457** | Film No.: **96620801**

Mailing Address
500 FRANK W BURR BLVD
MAIL STOP 73-12
TEANECK NJ 07666-6888

Business Address
4 MANHATTANVILLE RD
PURCHASE NY 10577
9146973848

LOGO

 MUTUAL OF NEW YORK

SEMI-ANNUAL REPORT

JUNE 30, 1996

THIS REPORT IS NOT TO BE CONSTRUED AS AN OFFERING FOR SALE OF ANY CONTRACTS PARTICIPATING IN THE KEYNOTE SERIES ACCOUNT, OR AS A SOLICITATION AS AN OFFER TO BUY ANY CONTRACTS UNLESS PRECEDED BY OR ACCOMPANIED BY A CURRENT PROSPECTUS WHICH CONTAINS THE COMPLETE INFORMATION OF CHARGES AND EXPENSES.

MONY SERIES FUND, INC.

Dear Shareholder,

After a strong first half, which followed a very strong 1995, the stock market has recently experienced a sharp decline. Many investors felt that the market was due for a correction or consolidation after such strong recent performance, but as usual the timing and volatility of the decline came as a surprise.

The financial markets had become more uncertain on the near term outlook at the end of the second quarter. The bond market had been very concerned that growth was too strong and that rising inflation was a threat. Each economic news release produced an instant reaction in interest rates; strength drove rates up, weakness drove them lower.

The stock market generally reacted along with bonds but ironically also began to worry about corporate earnings. The market seemed to be concerned about too strong and too weak at the same time. The concern actually was that the bond market's negative reaction to good news could push interest rates high enough to cause problems for economic growth and thus for corporate earnings.

In addition, speculation, especially in small technology stocks, had been increasing and by the end of the second quarter had become excessive. Money poured into emerging growth and small capitalization funds, initial public offerings increased and anything to do with the Internet soared in price. Enthusiasm outran reality, valuations got way ahead of fundamentals and the market decline is tempering some of the speculative excesses.

This decline is thus far viewed as a correction rather than the beginning of a major bear market. It could turn into a more serious decline, especially if redemptions from mutual funds were to increase enough to force sales of stocks to meet them. But as of now, the preconditions for a major decline are not present in the strength usually seen at a market peak.

The economy and corporate profits are expected to moderate from the pace of the first half, but not collapse. The Federal Reserve could move rates up a bit, but is not expected to aggressively tighten credit. Inflation could become a problem, but it is not a problem now and long term interest rates have eased from their peak levels. Stock speculation has been extreme, this is the one measure that has been at market peak intensity, but the recent selloff should temper some of the excessive enthusiasm.

The decline has improved stock market valuations, but it is difficult to see the market making a complete turn and moving to new highs. It should rally from the lows, but then is likely to back and fill or consolidate to digest the changed conditions in the economy and the market. The bond market, which had its own correction earlier in the year, has become more attractive in the slower growth environment anticipated in the second half.

Sincerely,
 LOGO
 Kenneth M. Levine
 Chairman

KEYNOTE SERIES ACCOUNT

STATEMENTS OF ASSETS AND LIABILITIES

JUNE 30, 1996 (UNAUDITED)

<TABLE>
<CAPTION>

	IVA SUBACCOUNT		
	TAX-QUALIFIED SUBACCOUNT	NON-TAX QUALIFIED SUBACCOUNT	VARIABLE PAYOUTS SUBACCOUNT
<S>	<C>	<C>	<C>
ASSETS			
Investments at cost (Note 4).....	\$ 8,911,805	\$2,147,739	\$ 45,087
Investments in MONY Series Fund, Inc. at net asset value (Note 2).....	\$ 12,581,061	\$3,022,046	\$ 46,681
Amount due from MONY Series Fund, Inc.	0	400	0
Total assets.....	12,581,061	3,022,446	46,681
LIABILITIES			
Amount due to MONY.....	0	400	0
Net assets.....	\$ 12,581,061	\$3,022,046	\$ 46,681
Net assets consist of:			
Contractholders' net payments.....	\$ 3,336,740	\$1,099,764	\$ 28,808
Undistributed net investment income.....	3,343,437	687,644	9,333
Accumulated net realized gains on investments....	2,231,628	360,331	6,946
Unrealized appreciation of investments.....	3,669,256	874,307	1,594
Net assets.....	\$ 12,581,061	\$3,022,046	\$ 46,681
Number of units outstanding*.....	149,641	38,455	583
Net asset value per unit outstanding.....	\$84.07	\$78.59	\$80.10

</TABLE>

 * Units outstanding have been rounded for presentation purposes.

See notes to financial statements.

2

5

KEYNOTE SERIES ACCOUNT

STATEMENTS OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 1996 (UNAUDITED)

<TABLE>
<CAPTION>

	IVA SUBACCOUNT		
	TAX-QUALIFIED SUBACCOUNT	NON-TAX QUALIFIED SUBACCOUNT	VARIABLE PAYOUTS SUBACCOUNT
<S>	<C>	<C>	<C>
Dividend income.....	\$ 24,232	\$ 5,905	\$ 108
Mortality and expense risk charges (Note 3).....	64,106	15,379	0
Net investment income (loss).....	(39,874)	(9,474)	108
Realized and unrealized gains on investments (Note 2):			
Proceeds from sales.....	1,272,919	243,758	32,211
Cost of shares sold.....	848,576	162,422	30,513
Net realized gains on investments.....	424,343	81,336	1,698
Net increase in unrealized appreciation of investments.....	483,847	134,242	1,565
Net realized and unrealized gains on investments.....	908,190	215,578	3,263
Net increase in net assets resulting from operations....	\$ 868,316	\$206,104	\$ 3,371

</TABLE>

See notes to financial statements.

KEYNOTE SERIES ACCOUNT

STATEMENTS OF CHANGES IN NET ASSETS

<TABLE> <CAPTION>	IVA SUBACCOUNT					
	TAX-QUALIFIED SUBACCOUNT		NON-TAX QUALIFIED SUBACCOUNT		VARIABLE PAYOUTS SUBACCOUNT	
	FOR THE SIX MONTHS ENDED JUNE 30, 1996 (UNAUDITED) <C>	FOR THE YEAR ENDED DECEMBER 31, 1995 (UNAUDITED) <C>	FOR THE SIX MONTHS ENDED JUNE 30, 1996 (UNAUDITED) <C>	FOR THE YEAR ENDED DECEMBER 31, 1995 (UNAUDITED) <C>	FOR THE SIX MONTHS ENDED JUNE 30, 1996 (UNAUDITED) <C>	FOR THE YEAR ENDED DECEMBER 31, 1995 (UNAUDITED) <C>
From operations:						
Net investment income (loss).....	\$ (39,874)	\$ 535,275	\$ (9,474)	\$ 128,918	\$ 108	\$ 3,171
Net realized gains on investments.....	424,343	664,322	81,336	86,812	1,698	5,074
Net increase in unrealized appreciation of investments....	483,847	2,252,186	134,242	539,944	1,565	313
Net increase in net assets resulting from operations.....	868,316	3,451,783	206,104	755,674	3,371	8,558
From unit transactions:						
Net proceeds from the issuance of units.....	99,743	104,567	9,431	18,387	49,284	62,234
Net asset value of units redeemed or used to meet contract obligations.....	1,208,739	2,595,434	228,267	224,105	32,211	63,801
Net increase (decrease) from unit transactions.....	(1,108,996)	(2,490,867)	(218,836)	(205,718)	17,073	(1,567)
Net increase (decrease) in net assets.....	(240,680)	960,916	(12,732)	549,956	20,444	6,991
Net assets beginning of period.....	12,821,741	11,860,825	3,034,778	2,484,822	26,237	19,246
Net assets end of period*.....	\$12,581,061	\$12,821,741	\$3,022,046	\$3,034,778	\$46,681	\$26,237
Units outstanding beginning of period.....	163,054	198,896	41,289	44,577	352	344
Units issued during the period.....	1,227	1,545	124	294	640	952
Units redeemed during the period.....	14,640	37,387	2,958	3,582	409	944
Units outstanding end of period.....	149,641	163,054	38,455	41,289	583	352
*Includes undistributed net investment income of:.....	\$ 3,343,437	\$ 3,383,311	\$ 687,644	\$ 697,118	\$ 9,333	\$ 9,225

See notes to financial statements.

KEYNOTE SERIES ACCOUNT

NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND BUSINESS:

Keynote Series Account ("Keynote") is a separate investment account established on December 16, 1987 by The Mutual Life Insurance Company of New York ("MONY"), under the laws of the State of New York.

Keynote operates as a unit investment trust under the Investment Company Act of 1940 (the "1940 Act"). Keynote holds assets that are segregated from all of MONY's other assets and, at present, is used as a funding vehicle for retirement plans maintained by state educational organizations and certain other organizations to purchase tax-deferred annuities for their employees ("Group Plans") and as a funding vehicle for annuities purchased by individuals, principally for retirement purposes ("Individual Plans"). MONY is the legal holder of the assets in Keynote. This report contains information related to Individual Plans only.

There are three sub-accounts which are available to Individual Plans, all of which invest only in the Equity Income Portfolio (the "Portfolio") of the MONY Series Fund, Inc. (the "Fund"). The Fund is registered under the 1940 Act as an open end, diversified, management investment company.

The financial statements of the Portfolio, including the portfolio of investments, are contained on pages 7 through 16 of this report and should be read in conjunction with these financial statements.

The operations of Keynote form a part of, and are taxed with, the operations of MONY. MONY does not expect, based upon current tax law to incur any income tax burden upon the earnings or realized capital gains attributed to Keynote. Based upon this expectation, no charges are currently being deducted from Keynote for federal income tax purposes.

2. SIGNIFICANT ACCOUNTING POLICIES

Investments:

The investment in shares of the Fund is stated at the net asset value of the Equity Income Portfolio. The Fund's net asset value is based upon market valuations of the securities held.

3. RELATED PARTY TRANSACTIONS

Because Keynote purchases shares of the Fund, the net assets of Keynote reflect the investment management fee charged by MONY Life Insurance Company of America (a wholly-owned subsidiary of MONY), the investment adviser, which provides investment advice and related services for each of the Fund's portfolios.

Daily charges against Keynote for mortality and expense risks assumed by MONY are computed at an annual rate of 1.0% for the IVA Tax Qualified and Non-Tax Qualified subaccounts and no charges are made against the IVA Variable Payouts subaccount.

5

8

KEYNOTE SERIES ACCOUNT

NOTES TO FINANCIAL STATEMENTS (CONTINUED)

4. INVESTMENTS

Investments in the Equity Income Portfolio of MONY Series Fund, Inc. at cost, at June 30, 1996 (unaudited) consist of the following:

<TABLE>
<CAPTION>

IVA SUBACCOUNT

	TAX-QUALIFIED SUBACCOUNT	NON-TAX QUALIFIED SUBACCOUNT	VARIABLE PAYOUTS SUBACCOUNTS
<S>	<C>	<C>	<C>
Shares beginning of period:			
Shares.....	653,837	154,756	1,338
Amount.....	\$9,636,332	\$2,294,713	\$26,208
Share acquired:			
Shares.....	4,912	465	2,434
Amount.....	\$ 99,817	\$ 9,543	\$49,284
Shares received for reinvestment of dividends:			
Shares.....	1,164	284	5
Amount.....	\$ 24,232	\$ 5,905	\$ 108
Shares redeemed:			
Shares.....	61,670	11,804	1,557
Amount.....	\$ 848,576	\$ 162,422	\$30,513
Net change:			
Shares.....	(55,594)	(11,055)	882
Amount.....	\$ (724,527)	\$ (146,974)	\$18,879
Shares end of period:			
Shares.....	598,243	143,701	2,220
Amount.....	\$8,911,805	\$2,147,739	\$45,087

</TABLE>

6

MONY SERIES FUND, INC.

EQUITY INCOME PORTFOLIO

With the outlook indicating slower economic growth and with the trend of corporate earnings becoming more uncertain, strategy has turned more defensive. There appears to be little pricing power in most industries today. Many companies report difficulty in raising prices. Companies that need some degree of pricing power in order to prosper, primarily those in the basic materials sector, have been cut back. Positions in papers, forest products, and metals stocks have been reduced. Capital spending related stocks remain as an overweight. Export demand and proprietary products should cushion the cyclical influence in this sector.

The Portfolio is increasing holdings of stocks in more stable, assured growth sectors such as drugs, cosmetics and household products. Interest rate sensitive industries such as banks, savings and loans, and telephone and electric utilities are also being emphasized. Finally, the energy stocks, a defensive sector with some offensive characteristics, are being increased. Most of these stocks have above average yields and relatively stable earnings. The offensive element is in natural gas, prices are higher and supply--demand conditions are favorable. Pipelines and gas utility stocks have been added to the Portfolio, and oil service stocks have been increased.

7

10

MONY SERIES FUND, INC.
EQUITY INCOME PORTFOLIO
STATEMENT OF ASSETS AND LIABILITIES

JUNE 30, 1996 (UNAUDITED)

<TABLE>

<S>

	<C>
ASSETS	
Securities, at value (cost \$13,457,980) (Note 2).....	\$17,562,991
Cash.....	21,589
Dividends receivable.....	32,946
Receivable for fund shares sold.....	330
Receivable for securities sold.....	262,005
Prepaid expense.....	1,561

Total assets.....	17,881,422

LIABILITIES	
Payable for fund shares redeemed.....	582
Payable for securities purchased.....	38,076
Accrued expenses:	
Investment advisory fees.....	5,889
Custodian fees.....	1,017
Professional fees.....	15,665
Directors fees.....	932
Miscellaneous fees.....	1,403

Total liabilities.....	63,564

Net assets.....	\$17,817,858
	=====
Net assets consist of:	
Capital stock -- authorized 150,000,000 shares of \$.01 par value;	
outstanding, 847,107 shares.....	\$ 8,471
Additional paid-in capital.....	12,190,315
Undistributed net investment income.....	250,095
Accumulated undistributed net realized gain on investments.....	1,263,966
Net unrealized appreciation of investments.....	4,105,011

Total net assets.....	\$17,817,858
	=====
Net asset value per share of outstanding capital stock	
(\$17,817,858/847,107 shares).....	\$ 21.03
	=====

</TABLE>

See notes to financial statements.

8

11

MONY SERIES FUND, INC.
EQUITY INCOME PORTFOLIO

STATEMENT OF OPERATIONS

FOR THE SIX MONTHS ENDED JUNE 30, 1996 (UNAUDITED)

<TABLE>		<C>
<S>		
INVESTMENT INCOME:		
Dividends.....	\$ 288,328	
Interest.....	16,585	

Total investment income.....	304,913	

EXPENSES:		
Investment advisory fees (Note 3).....	36,380	
Custodian fees.....	5,419	
Professional fees.....	5,195	
Director fees.....	1,873	
Miscellaneous fees.....	1,238	

Total expenses.....	50,105	
Expense reduction.....	(710)	

Net expenses.....	49,395	

Net investment income.....	255,518	

REALIZED AND UNREALIZED GAIN ON INVESTMENTS (NOTE 2):		
Realized gain from security transactions:		
Proceeds from sales.....	4,026,306	
Cost of securities sold.....	2,761,816	

Net realized gain on investments.....	1,264,490	
Net decrease in unrealized appreciation of investments.....	(196,355)	

Net realized and unrealized gain on investments.....	1,068,135	

Net increase in net assets resulting from operations.....	\$1,323,653	
	=====	

</TABLE>

See notes to financial statements.

9

12

MONEY SERIES FUND, INC.
EQUITY INCOME PORTFOLIO
STATEMENTS OF CHANGES IN NET ASSETS

<TABLE>		FOR THE SIX MONTHS ENDED JUNE 30, 1996 (UNAUDITED)	FOR THE YEAR ENDED DECEMBER 31, 1995
<CAPTION>		<C>	<C>
FROM OPERATIONS:			
Net investment income.....	\$ 255,518	\$ 608,220	
Net realized gains on investments (Note 2).....	1,264,490	365,016	
Net increase (decrease) in unrealized appreciation of investments.....	(196,355)	3,968,525	
	-----	-----	
Net increase (decrease) in net assets resulting from operations.....	1,323,653	4,941,761	
	-----	-----	
DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS FROM:			
Net investment income (\$.04 and \$.65 per share) (Note 4).....	(34,413)	(567,903)	
Net realized gain from investment transactions (\$.0 and \$.41 per share) (Note 4).....	0	(365,016)	
	-----	-----	
Total dividends and distributions.....	(34,413)	(932,919)	
	-----	-----	
FROM CAPITAL STOCK TRANSACTIONS:			
Proceeds from issuance of shares (11,010 and 26,583 shares) (Note 5).....	224,882	489,847	
Proceeds from dividends and distributions reinvested (1,654 and 47,574 shares) (Note 4).....	34,413	932,919	
Net asset value of shares redeemed (88,314 and 195,103 shares).....	(1,821,712)	(3,545,498)	
	-----	-----	

Net decrease in net assets resulting from capital stock transactions.....	(1,562,417)	(2,122,732)
Net increase (decrease) in net assets.....	(273,177)	1,886,110
Net assets beginning of period.....	18,091,035	16,204,925
Net assets end of year (including undistributed net investment income of \$250,095 and \$28,990, respectively).....	\$17,817,858	\$18,091,035

</TABLE>

See notes to financial statements.

10

13

MONEY SERIES FUND, INC.
EQUITY INCOME PORTFOLIO
PORTFOLIO OF INVESTMENTS
JUNE 30, 1996 (UNAUDITED)

DESCRIPTION	SHARES	VALUE (NOTE 2)
<TABLE>		
<S>		
COMMON STOCKS -- 95.4%	<C>	<C>

AEROSPACE/DEFENSE -- 2.4%		
Northrop Grumman Corp.	3,000	\$ 204,375
TRW Inc.	500	44,938
United Technologies Corp.	1,500	172,500

		421,813
AUTOMOBILES -- 1.7%		
Chrysler Corp.	1,500	93,000
Ford Motor, Co.	3,000	97,125
General Motors, Corp.	2,000	104,750

		294,875
AUTO PARTS -- 1.9%		
Dana Corp.	8,000	248,000
Eaton Corp.	1,500	87,938

		335,938
BANKS -- 3.0%		
Bank of New York Co., Inc.	2,000	102,500
Bankamerica Corp.	2,000	151,500
Bankers Trust New York Corp.	2,000	147,750
Chase Manhattan Corp.	2,000	141,250

		543,000
BANK/REGIONAL -- 3.4%		
Banc One Corp.	4,000	136,000
First Union Corp.	3,000	182,625
Nationsbank Corp.	2,000	165,250
Wells Fargo & Co.	500	119,438

		603,313
CHEMICALS -- 4.7%		
Dow Chemical Co.	2,000	152,000
duPont (E.I.) de Nemours & Co.	2,500	197,813
Monsanto Co.	7,500	243,750
Olin Corp.	1,500	133,875
Witco Corp.	3,000	103,125

		830,563
CONGLOMERATES -- 4.0%		
Gatx Corp.	3,000	144,750
General Signal Corp.	3,500	132,563
Harsco Corp.	2,000	134,500
Ogden Corp.	8,000	145,000
Textron Inc.	2,000	159,750

		716,563
COSMETICS -- 1.3%		
Avon Products, Inc.	5,000	225,625
DRUGS -- 8.3%		
American Home Products Corp.	3,000	180,375
Baxter International, Inc.	3,000	141,750
Bristol Myers Squibb Co.	1,500	135,000
Merck and Co., Inc.	2,000	129,250
Pfizer Inc.	1,500	107,063
Pharmacia & Upjohn Inc.	5,000	221,875

Schering-Plough Corp.	2,000	125,500
Smithkline Beecham PLC	4,000	217,500
Warner Lambert Co.	4,000	220,000

		1,478,313
ELECTRICAL EQUIPMENT -- 3.5%		
Emerson Electric Co.	3,000	271,125
General Electric, Co.	4,000	346,000

		617,125
ELECTRONICS -- 3.7%		
AMP, Inc.	4,000	160,500
Harris Corp.	3,000	183,000
Honeywell Inc.	3,000	163,500
Thomas & Betts Corp.	4,000	150,000

		657,000
FOREST PRODUCTS -- 1.5%		
Georgia Pacific Corp.	2,000	142,000
Weyerhaeuser Co.	3,000	127,500

		269,500
HOSPITAL MANAGEMENT -- 0.9%		
U.S. Health Care Inc.	3,000	165,000
INSURANCE -- 3.0%		
Aetna Life & Casualty Co.	2,000	143,000
Allstate Corp.	3,000	136,875
CIGNA Corp.	1,000	117,875
Lincoln National Corp.	3,000	138,750

		536,500
MACHINERY -- 3.3%		
Cooper Industries, Inc.	3,000	124,500
Deere & Co.	5,000	200,000
Goulds Pumps, Inc.	4,000	102,500
Timken Co.	4,000	155,000

		582,000
METALS -- 3.5%		
Carpenter Technology Corp.	4,000	128,000
Freeport McMoRan Copper and Gold, Inc.	5,000	149,375
Phelps Dodge Corp.	2,000	124,750
Reynolds Metals Co.	2,000	104,250
USX-U.S. Steel	4,000	113,500

		619,875
MISCELLANEOUS -- 2.8%		
Grace (W.R.) & Co.	2,500	177,188
Minnesota Mining & Manufacturing Co.	2,500	172,500
Tenneco, Inc.	3,000	153,375

		503,063
MISCELLANEOUS FINANCE -- 1.8%		
American Express Co.	4,000	178,500
Federal National Mortgage Assn.	4,000	134,000

		312,500
NATURAL GAS -- 0.9%		
Consolidated Natural Gas Co.	1,000	52,250
Noram Energy Corp.	500	5,313
Questar Corp.	1,500	51,000
Sonat Inc.	1,000	45,000

		153,563
OFFICE & BUSINESS EQUIPMENT -- 2.6%		
Pitney-Bowes, Inc.	3,000	143,250
Xerox Corp.	6,000	321,000

		464,250
OIL -- DOMESTIC -- 1.8%		
Amoco Corp.	2,000	144,750
Atlantic Richfield Co.	1,500	177,750

		322,500

</TABLE>

UTILITIES -- TELEPHONE -- 6.0%		
Ameritech Corp.	2,000	118,750
Bell Atlantic Corp.	1,500	95,625
Bellsouth Corp.	3,000	127,125
GTE Corp.	2,500	111,875
NYNEX Corp.	2,000	95,000
Pacific Telesis Group	5,000	168,750
SBC Communications Inc.	2,000	98,500
Sprint Corp.	4,000	168,000
U.S. West Communications Inc.	3,000	95,621

		1,079,246
TOTAL COMMON STOCKS		
(COST \$12,885,087)		\$16,989,667

<CAPTION>

	PRINCIPAL AMOUNT	

<S>	<C>	<C>
COMMERCIAL PAPER -- 1.0%		
Prudential Life Insurance Co. of America, 5.3%, due 08/05/96 (cost \$174,097)	\$ 175,000	\$ 174,528
U.S. GOVERNMENT AGENCY OBLIGATIONS -- 2.2%		
Freddie Mac Discount Notes, 5.28%, due 07/22/96	\$ 100,000	\$ 99,692
Freddie Mac Discount Notes, 5.25%, due 07/18/96	50,000	49,876
Freddie Mac Discount Notes, 5.30%, due 07/22/96	250,000	249,228
TOTAL U.S. GOVERNMENT AGENCY OBLIGATIONS (COST \$398,796)		\$ 398,796
TOTAL INVESTMENTS (COST \$13,457,980) 98.6%		\$17,562,991
OTHER ASSETS LESS LIABILITIES -- 1.4%		254,867
NET ASSETS 100.0%		\$17,817,858

The aggregate cost of securities for federal income tax purpose at June 30, 1996 is \$13,457,980.

The following amounts are based on costs for federal income tax purposes:

Aggregate gross unrealized appreciation	\$ 4,299,978
Aggregate gross unrealized depreciation	(194,967)

Net unrealized appreciation	\$ 4,105,011
	=====

</TABLE>

See notes to financial statements.

Percentages are based on net assets.

MONY SERIES FUND, INC.
NOTES TO FINANCIAL STATEMENTS

1. ORGANIZATION AND BUSINESS

The MONY Series Fund, Inc. (the "Fund"), a Maryland corporation organized on December 14, 1984, is composed of seven different portfolios that are, in effect, separate investment funds: the Equity Growth Portfolio, the Equity Income Portfolio, the Intermediate Term Bond Portfolio, the Long Term Bond Portfolio, the Government Securities Portfolio (formerly the Intermediate Government Bond Portfolio), the Money Market Portfolio, and the Diversified Portfolio. The Fund issues a separate class of capital stock for each portfolio. Each share of capital stock issued with respect to a portfolio will have a pro-rata interest in the assets of that portfolio and will have no interest in the assets of any other portfolio. Each portfolio bears its own liabilities and also its proportionate share of the general liabilities of the Fund. The Fund is registered under the Investment Company Act of 1940 (the "1940 Act") as an open end, diversified, management investment company. This registration does not imply any supervision by the Securities and Exchange Commission over the Fund's management. The Equity Income Portfolio is presented here since it is the only portfolio available to the Individual Plans of the Keynote Series Account ("Keynote").

2. SIGNIFICANT ACCOUNTING POLICIES

A. PORTFOLIO VALUATIONS:

Short-term securities with 61 days or more to maturity at time of purchase are valued at market through the 61st day prior to maturity, based on quotations obtained from market makers or other appropriate sources; thereafter, any unrealized appreciation or depreciation existing on the 61st day is amortized on a straight-line basis over the remaining number of days to maturity. Short-term securities with 60 days or less to maturity at time of purchase are valued at amortized cost. The amortized cost of a security is determined by valuing it at original cost and thereafter amortizing any discount or premium at a constant rate until maturity. Securities in the Money Market Portfolio are valued at amortized cost.

Common stocks traded on national securities exchanges are valued at the last sales price as of the close of the New York Stock Exchange or at the last bid price for over-the-counter securities.

All other securities, when held by the Fund, including any restricted securities, are valued at their fair value as determined in good faith by the Board of Directors.

B. FEDERAL INCOME TAXES:

Each portfolio of the Fund is a separate entity for federal income tax purposes and intends to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute all of its taxable income to its shareholders. Therefore, no federal income tax provision is required.

C. SECURITY TRANSACTIONS AND INVESTMENT INCOME:

Security transactions are recorded as of the trade date.

Dividend income is recorded on the ex-dividend date, income from other investments is accrued as earned.

Realized gains and losses from investments sold are determined on the basis of identified cost for accounting and federal income tax purposes.

D. OTHER

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

Earnings credits received from the custodian are shown as a reduction of total expenses.

13

16

MONY SERIES FUND, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

3. INVESTMENT ADVISORY FEES AND RELATED PARTY TRANSACTIONS

Under an investment Advisory Agreement between the Fund and MONY Life Insurance Company of America ("Investment Adviser" or "MONY America"), a wholly-owned subsidiary of The Mutual Life Insurance Company of New York ("MONY"), the Investment Adviser provides investment advice and related services for each of the Fund's portfolios, administers the overall day-to-day affairs of the Fund, bears all expenses associated with calculating net asset values of the portfolios and compensates the directors, officers and employees of the Fund who are affiliated with the Investment Adviser.

For these services, the Investment Adviser receives an investment management fee. The fee is a daily charge equal to an annual rate of .40% of the first \$400,000,000 of the aggregate average daily net assets of the portfolios, .35% of the next \$400,000,000 of the aggregated average daily net assets of the portfolios and .30% of the aggregate average daily net assets of the portfolios in excess of \$800,000,000. Each daily charge is divided among the portfolios in proportion to their net assets on that date. The Investment Adviser will reimburse the portfolios for investment management fees charged to the extent that any portfolio's aggregate ordinary operating expense (excluding interest, taxes, brokerage fees and commissions, and extraordinary expenses) exceeds in any fiscal year 2.5% of the first \$30,000,000 of the average daily net assets of such portfolio, 2.0% of the next \$70,000,000 of the average daily net assets of such portfolio, and 1.5% of the daily net assets of the portfolio in excess of \$100,000,000. For the six months ended June 30, 1996, the fee incurred by the Equity Income Portfolio was \$36,380.

The Investment Adviser has a service agreement with MONY to provide it with personnel, services, facilities, supplies and equipment in order to carry out its duties to provide investment management services under the Investment Advisory Agreement. The Investment Adviser will pay MONY for its services.

Aggregate remuneration incurred to non-affiliated Directors of the Fund for the six months ended June 30, 1996, amounted to \$1,873 for the Equity Income Portfolio.

4. DIVIDENDS AND DISTRIBUTIONS TO SHAREHOLDERS

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

Dividends from investment income of the Equity Income Portfolio will normally be declared and reinvested annually in additional full and fractional shares.

The Fund will declare and distribute annually, before the close of its fiscal year, dividends from net realized capital gains.

Dividends from net investment income and distributions from net realized capital gains are determined in accordance with U.S. federal income tax regulations which may differ from generally accepted accounting principles. Distributions may differ from net investment income and net realized capital gains recognized for financial reporting purposes due to timing differences, primarily the deferral of wash sales, and post-October losses.

5. CAPITAL STOCK

A. AUTHORIZED CAPITAL STOCK:

The Fund has 2 billion authorized shares of capital stock with a par value of \$.01 per share. 1.15 million shares are reserved for issuance and divided into seven classes as follows: Equity Growth Portfolio (150 million shares); Equity Income Portfolio (150 million shares); Intermediate Term Bond Portfolio (150 million shares); Long Term Bond Portfolio (150 million shares); Government Securities Portfolio (150 million shares); Money Market Portfolio (250 million shares); and Diversified Portfolio (150 million shares). The remaining shares will be issued to any new or existing class upon approval of the Board of Directors.

Each outstanding share of capital stock has a pro-rata interest in the assets of the Portfolio to which the capital stock of that class relates and has no interest in the assets of any other portfolio.

B. PURCHASES OF FUND SHARES:

Shares of the Fund are sold to MONY Life Insurance Company of America and MONY for allocation to MONY America Variable Account L and MONY Variable Account L to fund benefits under Flexible Premium Variable Life

14

17

MONY SERIES FUND, INC.
NOTES TO FINANCIAL STATEMENTS (CONTINUED)

5. CAPITAL STOCK (CONTINUED)

B. PURCHASES OF FUND SHARES: (CONTINUED)

Insurance Contracts; to MONY America Variable Account S and MONY Variable Account S to fund benefits under Variable Life Insurance with Additional Premium Option Contracts; and to MONY America Variable Account A and MONY Variable Account A, to fund benefits under Flexible Payment Variable Annuity Contracts issued by those companies. Shares of the Fund are also sold to MONY for allocation to Keynote to fund benefits under Individual Plans issued by MONY.

6. PURCHASES AND SALES OF INVESTMENTS

The aggregate cost of investments purchased and proceeds from sales or maturities, other than short-term investments, for the six months ended June 30, 1996 were \$3,253,194 and \$4,373,805, respectively.

15

18

MONY SERIES FUND, INC.
EQUITY INCOME PORTFOLIO
FINANCIAL HIGHLIGHTS

FOR A SHARE OUTSTANDING THROUGHOUT THE PERIOD:

<TABLE>

<CAPTION>

	FOR THE SIX	FOR THE YEARS ENDED DECEMBER 31,					
	MONTHS ENDED	1995	1994	1993	1992	1991	1990
	JUNE 30,						
	1996						
	(UNAUDITED)						
<S>	<C>	<C>	<C>	<C>	<C>	<C>	<C>
Net asset value, beginning of period.....	\$ 19.61	\$ 15.53	\$ 16.43	\$ 15.56	\$ 14.64	\$ 12.70	\$ 14.26
Income from investment operations							
Net investment income.....	0.30	0.69	0.64	0.52	0.59	0.64	0.54
Net gains (losses) on investments (both realized and unrealized).....	1.16	4.45	(0.51)	1.68	0.92	1.94	(1.50)
Total from investment operations.....	1.46	5.14	0.13	2.20	1.51	2.58	(0.96)
Less distributions							
Dividends (from net investment income).....	(0.04)	(0.65)	(0.64)	(0.52)	(0.59)	(0.64)	(0.60)
Distributions (from realized capital gains).....	0.00	(0.41)	(0.39)	(0.81)	0.00*	0.00*	0.00
Total distributions.....	(0.04)	(1.06)	(1.03)	(1.33)	(0.59)	(0.64)	(0.60)
Net asset value, end of period.....	\$ 21.03	\$ 19.61	\$ 15.53	\$ 16.43	\$ 15.56	\$ 14.64	\$ 12.70
Total return.....	15.51%+	33.12%	0.78%	14.14%	10.31%	20.31%	(6.73%)
Ratios/Supplemental Data							
Net assets, end of period...	\$17,817,858	\$18,091,035	\$16,204,925	\$151,330,311	\$121,540,392	\$118,114,947	\$99,878,151
Average commission rate.....	\$ 0.05	N/A	N/A	N/A	N/A	N/A	N/A
Ratio of net investment income to average net assets.....	1.41%	3.54%	3.53%	3.22%	3.68%	4.46%	5.39%
Ratio of expenses to average net assets.....	0.28%	0.56%	0.48%	0.46%	0.46%	0.49%	0.52%
Portfolio turnover rate.....	18.58%	26.80%	32.48%	28.48%	35.62%	25.84%	8.89%

<CAPTION>

	1989	1988	1987	1986
<S>	<C>	<C>	<C>	<C>
Net asset value, beginning of period.....	\$ 12.67	\$ 12.03	\$ 13.03	\$ 11.30
Income from investment operations				
Net investment income.....	0.64	0.70	0.44	0.42
Net gains (losses) on investments (both realized and unrealized).....	2.20	1.64	0.54	1.74
Total from investment operations.....	2.84	2.34	0.98	2.16
Less distributions				
Dividends (from net investment income).....	(0.64)	(0.66)	(0.77)	(0.43)
Distributions (from realized capital gains).....	(0.61)	(1.04)	(1.21)	0.00
Total distributions.....	(1.25)	(1.70)	(1.98)	(0.43)
Net asset value, end of period.....	\$ 14.26	\$ 12.67	\$ 12.03	\$ 13.03
Total return.....	22.42%	19.45%	7.52%	19.12%
Ratios/Supplemental Data				
Net assets, end of period...	\$6,185,876	\$5,054,514	\$2,945,497	\$2,776,312
Average commission rate.....	N/A	N/A	N/A	N/A
Ratio of net investment income to average net assets.....	4.66%	5.24%	3.02%	3.30%
Ratio of expenses to average net assets.....	0.88%	0.91%	1.50%	1.50%
Portfolio turnover rate.....	19.55%	22.70%	13.73%	25.70%

</TABLE>

* Less than \$.01 per share.
+ Annualized

16

19

MONY SERIES FUND, INC.
1740 BROADWAY
NEW YORK, NEW YORK 10019

<TABLE>

<S>	<C>
DIRECTORS AND PRINCIPAL OFFICERS	
Kenneth M. Levine	Chairman, President and Director
Joel Davis	Director
Michael J. Drabb	Director
Alan J. Hartnick	Director
Floyd L. Smith	Director
Edward E. Hill	Vice President-Compliance
David V. Weigel	Treasurer
John P. Keller	Controller
Frederick C. Tedeschi	Secretary

INVESTMENT ADVISER
MONY Life Insurance Co. of America
1740 Broadway
New York, New York 10019

PRINCIPAL UNDERWRITER AND DISTRIBUTOR
MONY Securities Corp.
1740 Broadway
New York, New York 10019

CUSTODIAN
Chemical Bank
277 Park Avenue
New York, New York 10172

TRANSFER AGENT
The Mutual Life Insurance Co. of
New York
1740 Broadway
New York, New York 10019

INDEPENDENT ACCOUNTANTS
Coopers & Lybrand L.L.P.
1301 Avenue of the Americas
New York, New York 10019

</TABLE>

20

LOGO

MUTUAL OF NEW YORK
One MONY Plaza
PO Box 48-30
Syracuse, New York 13221

The Mutual Life Insurance Company of New York, New York, NY