

STATE OF TENNESSEE  
STATEMENT OF CHANGES IN NET ASSETS  
PENSION TRUST AND INVESTMENT TRUST FUNDS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2000  
(With comparative totals for June 30, 1999)

(Expressed in Thousands)

	STATE EMPLOYEES, TEACHERS,HIGHER EDUCATION EMPLOYEES PENSION PLAN (SETHEEPP)	POLITICAL SUBDIVISIONS PENSION PLAN (PSPP)	TOTAL PENSION	LOCAL GOVERNMENT INVESTMENT	TOTALS	
					JUNE 30, 2000	JUNE 30, 1999
ADDITIONS:						
CONTRIBUTIONS:						
MEMBER CONTRIBUTIONS	\$ 129,925	\$ 39,906	\$ 169,831		\$ 169,831	\$ 161,182
EMPLOYER CONTRIBUTIONS	252,162		252,162		252,162	244,453
POLITICAL SUBDIVISION CONTRIBUTIONS		82,749	82,749		82,749	69,230
<b>TOTAL CONTRIBUTIONS</b>	<b>382,087</b>	<b>122,655</b>	<b>504,742</b>		<b>504,742</b>	<b>474,865</b>
INVESTMENT INCOME:						
NET APPRECIATION (DEPRECIATION) IN						
FAIR VALUE OF INVESTMENTS	666,115	99,049	765,164		765,164	1,013,007
INTEREST	768,033	114,203	882,236	\$ 92,663	974,899	887,484
DIVIDENDS	108,596	16,148	124,744		124,744	122,419
REAL ESTATE INCOME	3,567	530	4,097		4,097	
<b>TOTAL INVESTMENT INCOME</b>	<b>1,546,311</b>	<b>229,930</b>	<b>1,776,241</b>	<b>92,663</b>	<b>1,868,904</b>	<b>2,022,910</b>
LESS: INVESTMENT EXPENSES						
ADMINISTRATIVE FEE	13,198	1,969	15,167	963	15,167	11,105
<b>NET INVESTMENT INCOME</b>	<b>1,533,113</b>	<b>227,961</b>	<b>1,761,074</b>	<b>91,700</b>	<b>1,852,774</b>	<b>2,010,862</b>
<b>TOTAL ADDITIONS</b>	<b>1,915,200</b>	<b>350,616</b>	<b>2,265,816</b>	<b>91,700</b>	<b>2,357,516</b>	<b>2,485,727</b>
DEDUCTIONS:						
ANNUITY BENEFITS:						
RETIREMENT BENEFITS	494,847	75,902	570,749		570,749	520,009
COST OF LIVING	106,542	11,933	118,475		118,475	114,329
DEATH BENEFITS	2,658	852	3,510		3,510	3,394
REFUNDS	15,474	13,088	28,562		28,562	25,634
ADMINISTRATIVE EXPENSES	2,363	1,990	4,353		4,353	4,190
<b>TOTAL DEDUCTIONS</b>	<b>621,884</b>	<b>103,765</b>	<b>725,649</b>		<b>725,649</b>	<b>667,556</b>
<b>NET INCREASE</b>	<b>1,293,316</b>	<b>246,851</b>	<b>1,540,167</b>	<b>91,700</b>	<b>1,631,867</b>	<b>1,818,171</b>
CAPITAL SHARES TRANSACTIONS:						
SHARES SOLD				2,403,187	2,403,187	2,186,764
LESS SHARED REDEEMED				2,464,966	2,464,966	2,144,124
<b>INCREASE (DECREASE) FROM CAPITAL SHARE TRANSACTIONS</b>				<b>(61,779)</b>	<b>(61,779)</b>	<b>42,640</b>
<b>TOTAL INCREASE IN NET ASSETS</b>	<b>1,293,316</b>	<b>246,851</b>	<b>1,540,167</b>	<b>29,921</b>	<b>1,570,088</b>	<b>1,860,811</b>
NET ASSETS HELD IN TRUST:						
JULY 1	19,866,093	2,931,419	22,797,512	1,571,585	24,369,097	22,508,286
JUNE 30	\$ 21,159,409	\$ 3,178,270	\$ 24,337,679	\$ 1,601,506	\$ 25,939,185	\$ 24,369,097

See accompanying Notes to the Financial Statements