

# NORTHERN INSTITUTIONAL FUNDS

## FORM N-30D

(Annual and Semi-annual Report (registered investment company))

Filed 07/30/98 for the Period Ending 05/31/98

Address	NORTHERN INSTITUTIONAL FUNDS 50 SOUTH LASALLE STREET CHICAGO, IL, 60603
Telephone	800-637-1380
CIK	0000710124
Symbol	BGCXX
SIC Code	2200 - Textile mill products
Fiscal Year	11/30

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(Annual and Semi-annual Report (registered investment company))

Filed 7/30/1998 For Period Ending 5/31/1998

Address	NORTHERN TRUST 50 SOUTH LASALLE CHICAGO, Illinois 60675
Telephone	312-557-7547
CIK	0000710124
Fiscal Year	11/30

# Northern Institutional Funds

(formerly The Benchmark Funds)

**MONEY MARKET PORTFOLIOS**

MAY 31, 1998

**Semi-Annual Report**

Effective July 15, 1998, the name of The Benchmark Funds changed to "Northern Institutional Funds". Although the former name was in effect as of the date of the financial statements contained in this Semi-Annual Report dated May 31, 1998, the new name, Northern Institutional Funds, has been used throughout to alleviate confusion.

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## **INVESTMENT OUTLOOK**

### **WHAT HAS CHANGED**

The worsening economic crisis in Asia dimmed prospects for global growth. Troubles in the Far East deepened as Japan's economy entered recession, pushing the U.S. dollar to an eight-year high against the yen. On the home front, flight-to-quality trading pushed the yield on the 30-year Treasury to a 21-year low, Congress moved to lower the long-term capital gains holding period to 12 months, and stocks rebounded to near all-time highs as worries diminished concerning second quarter earnings.

### **ECONOMIC OUTLOOK**

#### **MODERATE ECONOMIC GROWTH IS EXPECTED TO CONTINUE**

Economic growth is slowing to a more moderate pace from its almost boom-like first quarter performance. For now, this slowdown is concentrated in the manufacturing sector. Exports to Asia have fallen because of the recession there. Domestic business equipment spending is slowing in the face of falling factory capacity utilization and weaker demand. Inventory growth also is expected to slow because of the rapid accumulation in the first quarter and General Motors ("GM") strike-related shutdown. More than offsetting these brakes on economic activity is a vibrant household sector. With unemployment very low and real incomes rising, consumer spending has remained strong. These same factors that are contributing to consumer spending, in combination with low nominal interest rates, are keeping the demand for residential real estate high. Nonresidential real estate activity is also strong because of rising rents, increased acquisition costs, and readily available financing. In the coming months, the weakness in the manufacturing sector is likely to filter through to other parts of the economy, slowing, but not stalling them.

The Asian economic crisis worsened markedly in recent weeks, so much so that references to deflationary spirals and Asian depressions have begun to appear in market analyses and news reports. Japan's economy has entered a recession, with Hong Kong likely to follow. The second largest economy in Asia, that of mainland China, has slowed significantly. Although the previously-announced Japanese fiscal stimulus program, which is only now being implemented, will stimulate some domestic demand, it remains to be seen if it will be enough to stabilize the Japanese economy, let alone generate job-creating growth. There are suggestions that the ruling Japanese political party will recommend permanent tax cuts in the run-up to the July 12, 1998 parliamentary elections. Although the Japanese government appears to have a greater urgency to resolve the bad-loan problems of the banks, a resolution, in and of itself, will have only a marginally salutary impact on domestic demand. In order to ease the credit crunch in Japan quickly, the government would have to use public funds to recapitalize the banking system. After more than eight years of Japan's "muddling through" its various crises, financial markets are skeptical that these new policy changes will be implemented in a timely and successful manner. Meanwhile, the Chinese government is expected to use fiscal and monetary policies to boost domestic demand rather than devaluing its currency in an effort to increase exports.

U.S. consumer inflation has started to edge higher in the face of very strong demand, human capital constraints, and slowing productivity, but declining import prices continue to act as a governor on inflation. Falling commodity prices, especially energy prices, also have been a limiting factor with regard to inflation. The expected moderation in U.S. economic activity will likely relieve some of the cyclical inflationary pressures. The Federal Reserve shares this outlook and is likely to keep policy on hold for the foreseeable future. Making their job even more difficult over the next few months will be the distortion imparted to reported economic data by the temporary negative effects from the GM strike. The monetary policymakers are also aware that the global financial markets are currently very fragile. A tightening in U.S. monetary policy in this environment would run the risk of triggering an avalanche in global equity share prices, which, in turn, could slow the U.S. economy more than desired. With inflation still low, and, perhaps as important, inflation expectations low, the Federal Reserve believes that it can be less preemptive now than otherwise would be the case\_\_\_\_July.9, 1998

Shares of Northern Institutional Funds are not bank deposits or obligations of, or guaranteed, endorsed or otherwise supported by The Northern Trust Company, its parent company, or its affiliates, and are not Federally insured or guaranteed by the U.S. Government, Federal Deposit Insurance Corporation, Federal Reserve Board, or any other governmental agency. Northern Institutional Money Market Portfolios seek to maintain a net asset value of \$1.00 per unit, but there can be no assurance that they will be able to do so on a continuous basis.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(Unaudited)

**INVESTMENT ABBREVIATIONS AND NOTES:**

ADP --Automatic Data Processing

AMBAC--American Municipal Bond Assurance Corp. BAN --Bond Anticipation Note

BTP --Bankers Trust Partnership

Collid.

--Collateralized

CP --Commercial Paper

FGIC --Financial Guaranty Insurance Corp. FNMA --Federal National Mortgage Association

FRN --Floating Rate Note

FSA --Financial Security Assurance Corp.

GO --General Obligation

Gtd. --Guaranteed

GNMA --Government National Mortgage Association

HDA --Housing Development Authority

HFA --Housing Finance Authority

IDA --Industrial Development Authority

IDR --Industrial Development Revenue

I.S.D.

--Independent School District

LOC --Letter of Credit

MBIA --Municipal Bond Insurance Association ML SG--Merrill Lynch/Societe Generale

P-Floats

--Puttable Floating Rate Security

PCR --Pollution Control Revenue

SD --School District

Soc Gen

--Societe Generale

TOB --Tender Option Bond

TRAN --Tax and Revenue Anticipation Note VRDN --Variable Rate Demand Note

. The percentage shown for each investment category reflects the value of investments in that category as a percentage of net assets.

. Interest rates represent either the stated coupon rate, annualized yield on date of purchase for discounted notes, or, for floating rate securities, the current reset rate.

. Maturity dates represent either the stated date on the security or the next interest reset date for floating and variable rate securities per SEC rules.

. Amortized cost also represents cost for federal income tax purposes.

. Interest rates are reset daily and interest is payable monthly with respect to all joint repurchase agreements.

See accompanying notes to financial statements.



**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands)

(Unaudited)

Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
-----			
DIVERSIFIED ASSETS PORTFOLIO			
BANK NOTES--2.6%			
		Bank One, Milwaukee	
\$17,000	5.600%	01/29/99	\$ 16,995
		Bayerische Landesbank	
25,000	5.755	08/14/98	25,015
3,000	5.802	08/14/98	3,002
		Huntington National Bank	
23,000	5.460	09/22/98	23,017
		Morgan Guaranty Trust Co.	
30,000	6.000	06/22/98	29,999
		Sun Trust Bank	
20,000	5.891	07/14/98	19,999
-----			
TOTAL BANK NOTES			\$ 118,027
-----			
CERTIFICATES OF DEPOSIT--10.6%			
DOMESTIC DEPOSITORY INSTITUTIONS--4.0%			
		Bankers Trust New York Corp.	
\$50,000	5.460%	07/14/98	\$ 50,015
25,000	5.640	01/22/99	24,990
		Crestar Bank	
20,000	5.570	08/27/98	20,000
		Huntington National Bank	
16,000	5.460	09/18/98	16,015
		Union Bank of California	
49,000	5.720	06/10/98	49,000
			-----
			180,018
			-----
FOREIGN DEPOSITORY INSTITUTIONS--6.6%			
		Bank Nationale de Paris, New York	
20,000	5.710	02/18/99	19,972
20,000	5.820	03/30/99	19,982
25,000	5.800	04/23/99	24,989
		Barclays Bank, New York	
25,000	5.460	06/25/98	25,005
5,000	5.630	02/25/99	4,998
		Canadian Imperial Bank of Commerce, New York	
24,000	5.470	10/21/98	24,036
25,000	5.850	04/28/99	24,976
		National Westminster Bank, New York	
15,000	6.000	06/28/98	14,999
		Societe Generale, New York	
15,000	5.740	03/05/99	14,997
2,000	5.805	04/19/99	1,999
15,000	5.810	04/19/99	14,994
18,000	5.540	07/13/98	18,000
45,000	5.610	07/17/98	45,007
40,000	5.640	01/07/99	40,009
			-----
			293,963
-----			
TOTAL CERTIFICATES OF DE- POSIT			\$ 473,981

Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
COMMERCIAL PAPER--56.5%			
ASSET-BACKED SECURITIES--21.5%			
ABC Funding			
\$12,360	5.553%	06/01/98	\$ 12,360
15,000	5.855	06/01/98	15,000
Apreco			
12,000	5.598	07/10/98	11,928
18,000	5.598	07/15/98	17,879
Beta Finance Corp.			
25,000	5.508	07/14/98	24,840
Certain Funding Corp.			
6,800	5.643	07/23/98	6,745
Clipper Receivables Co.			
40,000	5.544	06/01/98	40,000
Compass Securitization			
9,000	5.577	06/15/98	8,981
15,000	5.576	06/25/98	14,945
8,000	5.586	06/25/98	7,970
20,000	5.604	07/27/98	19,827
11,755	5.639	07/27/98	11,653
47,000	5.629	08/25/98	46,384
Eureka Securitization, Inc.			
16,250	5.572	07/06/98	16,163
International Securitization Corp.			
15,000	5.627	06/29/98	14,935
Kitty Hawk Funding Corp.			
6,998	5.601	06/05/98	6,994
13,653	5.612	08/17/98	13,493
10,000	5.643	09/21/98	9,829
KZH Crescent II Corp.			
15,167	5.662	06/09/98	15,148
6,011	5.610	07/08/98	5,977
KZH Holding Corp. III			
4,311	5.603	06/30/98	4,292
KZH IV Corp.			
2,424	5.598	06/12/98	2,420
KZH Pamco			
3,822	5.640	09/29/98	3,752
KZH Soleil Corp.			
3,036	5.638	06/09/98	3,032
13,480	5.644	06/12/98	13,457
6,076	5.644	06/16/98	6,062
13,221	5.614	06/30/98	13,162
5,038	5.626	06/30/98	5,015
10,101	5.630	06/31/98	10,008
Old Line Funding			
30,000	5.544	06/01/98	30,000
37,000	5.584	06/24/98	36,868
R.O.S.E., Inc.			
55,795	5.629	07/29/98	55,296
10,000	5.639	08/28/98	9,864
SALTS (II) Cayman Islands Corp.			
23,930	5.738	06/18/98	23,930

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands)

(Unaudited)

Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
-----			
DIVERSIFIED ASSETS PORTFOLIO--CONTINUED			
ASSET-BACKED SECURITIES--Continued			
SALTS (III) Cayman Islands Corp.			
\$25,000	6.038%	06/18/98	\$ 25,000
90,000	5.725	07/23/98	90,000
Sheffield Receivables			
30,000	5.554	06/01/98	30,000
12,500	5.637	08/25/98	12,336
Thames Asset Global Securitization, Inc.			
12,452	5.617	06/23/98	12,409
40,000	5.601	07/13/98	39,741
30,000	5.608	07/15/98	29,797
6,359	5.626	08/11/98	6,289
Trident Capital Finance, Inc.			
30,000	5.544	06/01/98	30,000
60,000	5.572	07/07/98	59,670
Variable Funding Capital			
30,000	5.544	06/01/98	30,000
43,100	5.686	06/05/98	43,073
WCP Funding, Inc.			
12,500	5.578	07/13/98	12,420
Windmill Funding Corp.			
1,055	5.551	06/19/98	1,052
Wood Street Funding Co.			
7,592	5.544	06/01/98	7,592
			-----
			967,588
			-----
COMMUNICATIONS--0.8%			
GTE Financial Corp.			
10,000	5.571	06/19/98	9,972
GTE Funding, Inc.			
25,000	5.648	06/23/98	24,915
			-----
			34,887
			-----
ELECTRICAL SERVICES--0.3%			
Duke Capital Corp.			
12,500	5.609	07/22/98	12,402
			-----
ELECTRONIC AND OTHER ELECTRIC COMPO- NENTS--3.3%			
General Electric Capital Corp.			
100,000	5.753	06/01/98	100,000
50,000	5.558	07/17/98	49,655
			-----
			149,655
			-----
FOOD AND KINDRED SPIRITS-1.0%			
Cofco Capital Corp. (Credit Suisse LOC)			
18,000	5.611	08/06/98	17,817
Deageo PLC			
25,000	5.523	07/06/98	24,869
			-----
			42,686
			-----

## FOREIGN DEPOSITORY INSTITUTIONS--6.3%

	Abbey National			
	North America			
60,000	5.618	06/17/98		59,854
	Halifax Building			
	Society			
70,000	5.763	06/16/98		69,837

Description				
Principal		Maturity		Amortized
Amount	Rate	Date		Cost
	HSBC Americas,			
	Inc.			
\$45,000	5.620%	08/20/98	\$	44,446
	Lloyds Bank PLC			
60,000	5.508	07/13/98		59,625
	Spintab			
	AB/Swedmortgage			
15,210	5.594	07/15/98		15,108
20,790	5.604	07/28/98		20,609
	Swedbank, Inc.			
15,000	5.574	06/11/98		14,977
				-----
				284,456
				-----
	GENERAL MERCHANDISE STORES--1.4%			
	Sears Roebuck			
	Acceptance Corp.			
62,400	5.554	06/01/98		62,400
				-----
	INSURANCE CARRIERS--3.3%			
	AON Corp.			
12,015	5.712	06/11/98		11,996
10,000	5.594	06/16/98		9,977
	Prudential Funding			
	Corp.			
87,000	5.753	06/01/98		87,000
	Special Purpose			
	Accounts			
	Receivable			
	Cooperative Corp.			
10,000	5.603	07/13/98		9,935
	Torchmark, Inc.			
15,000	5.632	06/09/98		14,981
15,000	5.641	06/09/98		14,981
				-----
				148,870
				-----
	MEASURING, ANALYZING AND CONTROL IN-			
	STRUMENTS--2.7%			
	Xerox Capital			
	Europe			
120,000	5.733	06/01/98		120,000
				-----
	NONDEPOSITORY BUSINESS CREDIT INSTITU-			
	TIONS--1.2%			
	FBA Properties,			
	Inc. (NationsBank,			
	Georgia LOC)			
4,350	5.649	08/27/98		4,291
	Finova Capital			
	Corp.			
3,825	5.625	06/25/98		3,811
19,000	5.626	06/26/98		18,927
20,000	5.588	06/12/98		19,966
	Sunkyong America,			
	Inc. (Credit			
	Suisse LOC)			
8,000	5.566	06/08/98		7,992
				-----
				54,987
				-----
	NONDEPOSITORY PERSONAL CREDIT INSTITU-			
	TIONS--1.1%			
	Cendant Residen-			
	tial Mortgage			
	Trust			
12,500	5.607	06/03/98		12,496
	Countrywide Home			
	Loans			

18,000	5.564	06/01/98	18,000
	Household Finance		
	Corp.		
20,000	5.544	06/01/98	20,000
			-----
			50,496
			-----

See accompanying notes to financial statements.

Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
-----			
PETROLEUM REFINING AND RELATED--1.6%			
Atlantic Richfield Co.			
\$22,800	5.567%	06/02/98	\$ 22,796
50,000	5.569	06/05/98	49,969
			-----
			72,765
-----			
SECURITY AND COMMODITY BROKERS--1.9%			
Lehman Brothers Holding Corp.			
60,000	5.600	07/01/98	59,723
Salomon Smith Bar- ney Holding Corp., Inc.			
25,000	5.571	07/07/98	24,864
			-----
			84,587
-----			
TRANSPORTATION--9.9%			
BMW US Capital Corp.			
23,400	5.544	06/01/98	23,400
Chrysler Financial Corp.			
15,000	5.556	06/10/98	14,979
59,000	5.596	07/13/98	58,620
Ford Credit Corp.			
30,000	5.569	06/02/98	29,995
20,000	5.569	06/05/98	19,988
25,000	5.582	06/12/98	24,958
25,000	5.613	07/07/98	24,862
15,000	5.511	07/16/98	14,900
10,000	5.601	07/20/98	9,925
25,000	5.554	08/06/98	24,753
General Motors Ac- ceptance Corp.			
10,000	5.627	06/10/98	9,986
10,000	6.000	06/11/98	9,984
10,000	5.623	06/23/98	9,966
30,000	5.742	07/08/98	29,828
25,000	5.655	07/07/98	24,862
5,000	5.599	07/15/98	4,966
15,000	5.608	07/16/98	14,896
15,000	5.612	07/20/98	14,887
10,000	5.612	07/28/98	9,912
20,000	5.588	07/30/98	19,822
15,000	5.566	08/12/98	14,837
12,500	5.566	08/13/98	12,363
15,000	5.670	09/25/98	14,733
10,000	5.645	10/14/98	9,794
			-----
			447,216
-----			
WHOLESALE TRADE-DURABLE GOODS--0.2%			
Sinochem American Holdings, Inc.			
10,500	5.581	06/03/98	10,497
			-----
TOTAL COMMERCIAL PAPER			\$2,543,492
-----			
CORPORATE NOTES--3.3%			
Beta Finance			
\$10,000	6.000%	10/27/98	\$ 10,000
60,000	5.563	02/04/99	60,000

Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
-----			
Crozer Keystone Health VRDN			
\$ 7,600	5.582%	06/03/98	\$ 7,600
GE Engine Receivables 1995-1 Trust FRN			

10,619	5.642	06/12/98	10,619
		GE Engine Receivables 1996-1 Trust FRN	
34,732	5.642	06/12/98	34,732
		Morgan Stanley Trust Certificates 1996-2 F	
26,624	5.748	06/23/98	26,624
-----			
TOTAL CORPORATE NOTES			\$ 149,575
-----			
EURODOLLAR TIME DEPOSITS--			
10.7%			
		Banque Brussels Lambert, London	
\$ 75,000	5.750%	06/01/98	\$ 75,000
		Berliner Handels Und Frankfurter, Grand Cayman Islands	
49,949	5.688	06/01/98	49,949
		Chase Manhattan Bank, London	
100,000	5.688	06/01/98	100,000
		Firststar Bank, Milwaukee, Grand Cayman Islands	
136,000	5.688	06/01/98	136,000
		ING Bank, Grand Cayman Islands	
100,000	5.750	06/01/98	100,000
		Svenska Handelsbanken, Stockholm	
20,000	5.656	06/05/98	20,000
-----			
TOTAL EURODOLLAR TIME DEPOSITS			\$ 480,949
-----			
GUARANTEED INVESTMENT CONTRACTS--4.3%			
		General American Life Insurance Co. FRN	
\$100,000	5.850%	06/23/98	\$ 100,000
		Integrity Life Insurance Co. FRN	
30,000	5.890	07/01/98	30,000
		Transamerica Life Insurance and Annuity Co. FRN	
35,000	5.646	03/19/99	35,000
30,000	5.656	04/30/99	30,000
-----			
TOTAL GUARANTEED INVESTMENT CONTRACTS			\$ 195,000
-----			
MUNICIPAL INVESTMENTS--7.9%			
		City of Minneapolis-St. Paul (Minnesota) Metro Airport GO Bond	
\$ 28,930	5.756%	07/01/98	\$ 28,930
		City of Seattle (Washington) Ltd. GO VRDN	
46,525	5.450	06/03/98	46,525
		Communaute Urbaine de Lille, Series A	
30,000	5.888	08/15/98	30,000
		County of Harris (Texas) Industrial Develop	
10,000	5.600	07/09/98	10,000
		County of Los Angeles (California) Pension Obligation, Series B	

See accompanying notes to financial statements.



**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands)

(Unaudited)

Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
-----			
DIVERSIFIED ASSETS PORTFOLIO--CONTINUED			
MUNICIPAL INVESTMENTS--			
Continued			
		County of Kern (California) Pension Obligation	
\$ 18,000	5.756%	08/15/98	\$ 18,000
		County of Sonoma (California) Pension Obligation	
22,800	5.756	06/01/98	22,800
		Health Insurance Plan of Greater New York	
17,500	5.550	06/01/98	17,500
		Municipal Electric Authority of Georgia, Series A	
5,000	5.600	06/12/98	5,000
		State of New Jersey Economic Development Authority	
25,000	5.680	06/01/98	25,000
		State of Virginia Housing Development Commonwealth Mortgage	
97,868	5.500	06/01/98	97,868
		State of Virginia Housing Development Commonwealth Mortgage, Series B	
3,350	5.500	06/01/98	3,350
		Texas Municipal Power Agency, Series 1997	
10,000	5.600	07/13/98	10,000
-----			
TOTAL MUNICIPAL INVESTMENTS			\$ 354,973
-----			
U.S. GOVERNMENT			
OBLIGATIONS--1.1%			
U.S. TREASURY BILLS			
\$ 50,000	5.286%	02/04/99	\$ 48,267
-----			
TOTAL U.S. GOVERNMENT			\$ 48,267
-----			
REPURCHASE AGREEMENTS--3.3%			
REPURCHASE AGREEMENT--2.2%			
		UBS Securities Inc., Dated 5/29/98, Repurchase Price \$100,046 (U.S. Government Securities Coll'd.)	
\$100,000	5.510%	06/01/98	\$ 100,000
JOINT REPURCHASE AGREEMENT--			
1.1%			
		UBS Securities Inc., Dated 8/29/97 (U.S. Government Securities Coll'd.)	

	Accrued Interest		
	\$154		
50,000	5.628	06/01/98	50,000
-----			
TOTAL REPURCHASE AGREEMENTS			\$ 150,000
-----			
TOTAL INVESTMENTS--100.3%			\$4,514,264
-----			
Liabilities, less other			
assets--(0.3)%			(14,421)
-----			
NET ASSETS--100.0%			\$4,499,843
-----			

See accompanying notes to financial statements.

Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
GOVERNMENT PORTFOLIO			
U.S. GOVERNMENT AGENCIES--54.5%			
FANNIE MAE MEDIUM TERM NOTES--3.8%			
\$ 5,000	5.630%	08/14/98	\$ 4,998
46,000	5.380	02/09/99	45,962
			50,960
FHLB DISCOUNT NOTE--3.0%			
40,531	5.452	06/01/98	40,531
FHLB MEDIUM TERM NOTES--16.8%			
67,000	5.720	07/07/98	66,996
82,000	5.715	07/21/98	81,997
17,500	5.710	10/01/98	17,501
7,765	5.690	10/02/98	7,763
10,230	5.792	10/23/98	10,232
10,000	5.775	10/30/98	9,999
20,800	5.520	03/23/99	20,787
13,000	5.500	03/26/99	12,990
			228,265
FREDDIE MAC DISCOUNT NOTE--27.3%			
370,000	5.553	06/01/98	370,000
SLM HOLDING CORP. MEDIUM TERM NOTES--3.6%			
12,000	5.630	08/06/98	11,998
6,000	5.600	08/11/98	5,997
4,475	5.790	09/16/98	4,476
26,000	5.400	02/10/99	25,981
			48,452
TOTAL U.S. GOVERNMENT AGENCIES			\$ 738,208
REPURCHASE AGREEMENTS--48.0%			
REPURCHASE AGREEMENTS--44.3%			
Chase Manhattan, Inc., Dated 5/29/98, Repurchase Price \$275,127 (U.S. Government Securities Coll'd.)			
\$275,000	5.520%	06/01/98	\$ 275,000
SBC Warburg, Inc., Dated 5/29/98, Repurchase Price \$325,149 (U.S. Government Securities Coll'd.)			
325,000	5.510	06/01/98	325,000
			600,000
Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
JOINT REPURCHASE AGREEMENT--3.7%			
UBS Securities, Inc., Dated 08/29/97, (U.S. Government Securities Coll'd.) Accrued Interest \$148			
\$50,000	5.628%	06/01/98	\$ 50,000
TOTAL REPURCHASE AGREEMENTS			\$ 650,000
TOTAL INVESTMENTS--102.5%			\$1,388,208
Liabilities, less other assets--(2.5)%			(33,395)
NET ASSETS--100.0%			\$1,354,813

See accompanying notes to financial statements.

Northern Institutional Funds  
Money Market Portfolios

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
GOVERNMENT SELECT PORTFOLIO			
U.S. GOVERNMENT AGENCIES--102.0%			
FEDERAL FARM CREDIT BANK--1.4%			
\$ 7,000	5.750%	07/01/98	\$ 6,999
12,000	5.700	12/01/98	11,994
			18,993
FEDERAL FARM CREDIT BANK DISCOUNT NOTES--			
21.3%			
9,000	5.395	06/22/98	8,972
19,000	5.407	06/22/98	18,940
4,000	5.396	06/23/98	3,987
79,000	5.407	06/23/98	78,740
35,550	5.428	06/23/98	35,433
62,000	5.397	06/24/98	61,787
26,860	5.407	06/24/98	26,768
28,000	5.398	06/26/98	27,896
20,550	5.413	06/30/98	20,461
			282,984
FHLB--21.1%			
64,000	5.720	07/07/98	63,997
54,000	5.715	07/21/98	53,999
11,150	5.710	10/01/98	11,151
8,340	5.690	10/02/98	8,338
22,875	5.700	10/23/98	22,870
24,000	5.775	10/30/98	23,999
21,000	5.435	02/02/99	20,975
22,750	5.520	03/23/99	22,736
14,000	5.500	03/26/99	13,989
13,000	5.610	04/08/99	12,990
25,000	5.630	05/05/99	24,974
			280,018
FHLB DISCOUNT NOTES--52.8%			
218,653	5.452	06/01/98	218,653
92,600	5.419	06/12/98	92,447
44,000	5.413	06/17/98	43,895
13,750	5.423	06/17/98	13,717
34,000	5.403	06/19/98	33,908
18,000	5.427	06/22/98	17,943
116,000	5.411	06/24/98	115,600
91,200	5.418	06/24/98	90,886
73,400	5.411	06/26/98	73,125
			700,174
SLM HOLDING CORP.--5.4%			
17,000	6.080	08/11/98	16,991
17,000	5.820	09/16/98	17,003
15,500	5.720	11/20/98	15,496
22,000	5.740	12/17/98	21,988
			71,478
TOTAL U.S. GOVERNMENT AGENCIES			\$1,353,647

Description			
Shares	Rate	Maturity Date	Amortized Cost
OTHER INVESTMENT--0.0%			
Dreyfus Treasury Prime Cash			

	Management, Class A		
1,001	--	--	\$ 1
-----			
TOTAL OTHER INVESTMENT			\$ 1
-----			
TOTAL INVESTMENTS--102.0%			\$1,353,648
-----			
Liabilities, less other as-			
sets--(2.0)%			(27,505)
-----			
NET ASSETS--100.0%			\$1,326,143
-----			

See accompanying notes to financial statements.

Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
-----			
TAX-EXEMPT PORTFOLIO			
MUNICIPAL INVESTMENTS--97.4%			
ALABAMA--1.6%			
Greenville City IDR VRDN, Series 1992, Allied-Signal Project (Allied-Signal Inc. Gtd.)			
\$ 1,350	3.950%	06/07/98	\$ 1,350
Jefferson County Revenue VRDN, Series A (FGIC Insured)			
5,050	4.000	06/07/98	5,050
University of Alabama Hospital Revenue VRDN, Series 1997B			
3,700	3.950	06/07/98	3,700
			-----
			10,100
			-----
ALASKA--0.6%			
Alaska Housing Finance Corp. VRDN, Series 1994 PT-37, Merrill P-Floats (Alaska HFA Collid.)			
3,820	3.870	06/01/98	3,820
			-----
ARIZONA--1.8%			
Maricopa County Community College Dist. GO VRDN, Series BTP-29			
10,640	3.850	06/07/98	10,640
Maricopa County PCR VRDN, Arizona Public Service Palo Verde Project, 1994 F (Bank of America LOC)			
1,000	4.000	06/01/98	1,000
			-----
			11,640
			-----
CALIFORNIA--5.0%			
California State GO VRDN, Series 1998 A (MBIA Insured)			
1,550	3.800	06/07/98	1,550
Freemont City Unified School District TRAN, Series 1997/98			
4,600	4.250	06/30/98	4,601
Irvine County Ranch Water District VRDN, Series 1993 B, Districts 2, 102, 103, & 206 (Morgan Guaranty Trust Co. LOC)			
7,500	3.750	06/01/98	7,500
Los Angeles County TRAN, Series A			
5,000	4.500	06/30/98	5,003
Riverside County TRAN, Series A			
5,000	4.500	06/30/98	5,002
San Marcos Public Facilities Authority Revenue VRDN, Series 1989 B, Civic Center Project (U.S. Government Securities Collid.)			
7,961	3.600	03/25/99	7,961
			-----
			31,617
			-----
FLORIDA--5.0%			
Broward County Housing Finance Authority Revenue VRDN, Sanctuary Park Apts Multifamily Project (PNC LOC)			
1,460	3.850	06/01/98	1,460
Dade County School Dist GO VRDN, Series 1994 BTP-66 (MBIA Insured)			
5,535	3.900	06/07/98	5,535
Dade County Solid Waste System Revenue Bond BAN			
5,000	4.750	09/01/98	5,006

Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
-----			
Florida State Board of Education Capital Outlay Board VRDN Series B, BTP-52 ADP \$ 7,800	3.900%	06/07/98	\$ 7,800
Florida State Board of Education VRDN, Series 1991 B, BTP 233 (U.S. Govt Secs. Collid.) 4,000	3.900	10/08/98	4,000
Hillsborough County IDA IDR VRDN, Tampa Electric Co. Gannon Goal Project 2,000	3.850	06/01/98	2,000
Jacksonville City Capital Project Revenue VRDN, Series 1 (AMBAC Insured) 1,600	3.900	06/07/98	1,600
Orange County Housing Finance Authority VRDN, Citicorp Eagle Trust, Series 1987-A (GNMA Securities Collid.) 4,700	3.970	06/07/98	4,700
			----- 32,101 -----
GEORGIA--6.9%			
Burke County Development Authority PCR Public Utility VRDN, Series 1995-4, Georgia Power Co. Plant Vogtle Project (Georgia Power Gtd.) 1,300	3.850	06/01/98	1,300
DeKalb County Development Authority PCR VRDN, Series 1987, General Motors Project (General Motors Corp. Gtd.) 6,000	3.900	06/07/98	6,000
Elbert County Development Authority IDR VRDN, Series 1992, Allied-Signal Project (FMC Corp. Gtd.) 2,430	3.950	06/07/98	2,430
Fulton County Development Authority Educational/School VRDN, Series 1997, Woodward Academy, Inc. Project (Sun Trust Bank Fla. LOC) 4,000	3.900	06/07/98	4,000
Fulton County Development Authority IDR VRDN, General Motors Project (General Motors Corp. Gtd.) 2,100	3.900	06/07/98	2,100
Fulton County Resident Elderly Authority VRDN, St. Anne's Terrace Project (NationsBank South LOC) 2,500	3.900	06/07/98	2,500
Georgia State GO VRDN, Series 1993 F, BTP-82A 9,900	3.750	10/15/98	9,900
Georgia State GO VRDN, Series 1994 D, BTP-100 6,035	3.750	10/15/98	6,035
Metro Atlanta Rapid Transit Authority Revenue Public Utility VRDN, Series A, Class B, BTP-58, ADP (AMBAC Insured) 5,965	3.900	06/07/98	5,965
Putnam County Development Authority PCR Public Utility VRDN, Series 1996, Georgia Power Co., Plant Project (Georgia Power Co. Gtd.) 1,700	3.850	06/01/98	1,700
Putnam County Georgia Power PCR VRDN, Series 1998, Georgia Power Plan Branch 1st Series, (Georgia Power Co. Gtd.) 2,300	3.850	06/01/98	2,300

See accompanying notes to financial statements.



Northern Institutional Funds  
Money Market Portfolios

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands)

(Unaudited)

Description	Principal Amount	Rate	Maturity Date	Amortized Cost
----- TAX-EXEMPT PORTFOLIO--CONTINUED -----				
HAWAII--0.9%				
Hawaii State GO VRDN, Unlimited Series CS, BTP-302 (MBIA Insured)	\$ 6,000	3.850%	06/07/98	\$ 6,000
-----				
ILLINOIS--7.3%				
Chicago Board of Education Education VRDN, BTP-239, (AMBAC Insured)	9,320	3.850	06/07/98	9,320
Chicago G.O. Refunding GO VRDN, Series 1998, Citicorp Eagle Trust 981302 (FSA Insured)	2,500	3.970	06/07/98	2,500
Galesburg City Education VRDN, Series 1996, Knox College Project (LaSalle National Bank LOC)	2,500	3.850	06/07/98	2,500
Illinois Development Finance Authority Hospital Revenue VRDN, Seri Provena Health System (MBIA Insured)	3,000	3.900	06/07/98	3,000
Illinois Development Finance Authority PCR VRDN, Series 1994, UNO-VEN Company Project (National Bank of Detroit LOC)	1,100	3.800	06/07/98	1,100
Illinois Health Facilities Authority Pooled Revenue VRDN, Series 1998, Revolving Pooled Loan Facility (First National Bank of Chicago LOC)	2,000	3.800	06/07/98	2,000
Illinois Health Facilities Authority VRDN, Series 1990, Gottlieb Health Resources, Inc. (Harris Trust and Savings Bank LOC)	2,000	3.800	06/07/98	2,000
Illinois State GO VRDN, Series 1998, PCR-10 Citibank T.O.B. (FSA Insured)	5,000	4.020	06/07/98	5,000
Illinois Metropolitan Pier and Exposition Authority Dedicated Sales Tax Revenue, BTP-230 A (U.S Government Securities Coll'd.)	10,000	3.700	09/22/98	10,000
Naperville City IDR VRDN, General Motors Project (General Motors Corp. Gtd.)	1,480	3.900	06/07/98	1,480
Peoria IDR VRDN, Series 1997, Peoria Production Shop Project (Bank One LOC)	2,905	4.000	06/07/98	2,905
South Barrington Village GO VRDN, Series 1998 (Harris Trust and Savings Bank LOC)	4,600	3.800	06/07/98	4,600
				----- 46,405 -----

INDIANA--1.8%  
Indiana Bond Bank Operating  
Municipal Notes, Series 1998  
A-2, Advanced Funding Program  
7,425                      4.000

01/20/99

7,443

Description

Principal Amount	Rate	Maturity Date	Amortized Cost
-----			
Indiana Development Finance Authority VRDN, Series 1997, Culver Educational Foundation Project (Chase Manhattan Bank LOC)			
\$ 2,000	3.800%	06/07/98	\$ 2,000
Jasper County PCR CP, Series 1988D, Northern Indiana Public Service Project (Northern Indiana Public Service)			
2,000	3.550	06/19/98	2,000
			-----
			11,443
			-----
IOWA--0.8%			
Council Bluffs City PCR Revenue VRDN, Series 1995, Iowa- Illinois Gas and Electric Project (MidAmerican Energy Company)			
5,100	3.850	06/07/98	5,100
			-----
KANSAS--3.2%			
LaCygne City Environmental Revenue Refunding VRDN, Series 1994 Kansas City Power and Light Project (Kansas City Power & Light Gtd.)			
2,182	4.000	06/07/98	2,182
Lawrence City GO Temporary Notes, Series 1998-1			
6,355	3.790	06/01/98	6,355
Topeka City GO Temporary Notes, Series A			
3,800	4.000	07/15/98	3,800
Topeka City GO Temporary Notes, Series A			
3,300	3.800	08/15/98	3,302
Wichita City Operating GO Temporary Notes, Series 1994-1			
5,000	4.250	08/27/98	5,007
			-----
			20,646
			-----
KENTUCKY--2.9%			
Danville City Lease Revenue CP, Municipal Pooled Lease Program (PNC Bank LOC)			
3,000	3.650	07/17/98	3,000
Kentucky Interlocal School Transportation Association TRAN			
10,000	4.090	06/30/98	10,000
Mayfield City Lease Revenue VRDN, Series 1996, Kentucky League of Cities Pooled Project (PNC Bank LOC)			
5,700	4.000	06/07/98	5,700
			-----
			18,700
			-----
LOUISIANA--4.8%			
Ascension Parish PCR VRDN, Allied-Signal Project (Allied- Signal Inc. Gtd.)			
6,600	3.950	06/07/98	6,600
Caddo Parish IDR VRDN, General Motors Project (General Motors Corp. Gtd.)			
3,800	3.900	06/07/98	3,800
Greater Baton Rouge Port Commission PCR Bonds, Series 1983-A, Dow Chemical Company Project (Dow Chemical Gtd.)			
5,035	3.950	12/15/98	5,035

Huntington City Industrial Development PCR VRDN, Allied-Signal Project (Allied- Signal Inc. Gtd.)	1,900	3.950	06/07/98	1,900
Louisiana Public Facilities Authority PCR VRDN, Series 1992, Allied-Signal Project (FMC Corp. Gtd.)	7,915	3.950	06/07/98	7,915

See accompanying notes to financial statements.

Description

Principal Amount	Rate	Maturity Date	Amortized Cost
-----			
West Baton Rouge Parish PCR CP, Series 1987-3, Dow Chemical Project (Dow Chemical Gtd.) \$ 5,050	3.550%	06/01/98	\$ 5,050
			-----
			30,300
			-----
MARYLAND--1.0%			
Maryland State Community Development Administration, Series 1993 PT-12, Merrill P- Floats (Maryland Community Development Authority)	3.870	06/01/98	3,899
Maryland State Economic Development Authority Pooled Revenue VRDN, Series 1995 (NationsBank LOC)	3.900	06/07/98	2,400
			-----
			6,299
			-----
MASSACHUSETTS--1.3%			
Massachusetts Bay Transportation Authority GO Notes, Series 1998 A	4.250	02/26/99	8,037
			-----
MICHIGAN--0.9%			
Michigan State Strategic Fund IDR VRDN, Allied-Signal Inc. Project (FMC Corp. Gtd.)	3.900	06/07/98	2,500
Michigan State TRAN, Series 1997 B	4.500	07/02/98	3,002
			-----
			5,502
			-----
MINNESOTA--0.3%			
St. Paul HDA VRDN, Series A, Science Museum of Minnesota Project (US Bank LOC)	3.700	06/07/98	2,100
			-----
MISSISSIPPI--0.2%			
Jackson County PCR Refunding VRDN, Series 1993, Chevron U.S.A. Inc. Project (Chevron Oil Gtd.)	4.050	06/01/98	1,130
			-----
MISSOURI--4.2%			
Missouri State Environmental Improvement Authority Revenue Bond, Series 1992, Kansas Power and Light Company Project (Kansas City Power and Light Gtd.)	3.750	10/09/98	6,000
Missouri State TOB Custodial Receipt GO VRDN, Series A	3.900	06/07/98	8,860
St. Charles County IDA IDR VRDN, Refunding-Venture Stores Inc. Project (Bank of America LOC)	3.800	06/07/98	2,000
St. Louis City TRAN, Series 1997	4.500	06/30/98	5,403
St. Louis County IDA Hospital VRDN, Series 1996-B, Friendship Village West County Project (LaSalle National Bank LOC)	3.850	06/07/98	4,370
			-----
			26,633

Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
NEVADA--1.4%			
Clark County School District GO VRDN, Citicorp EagleTrust No. 962804 (FGIC Insured)			
\$ 2,900	3.970%	06/07/98	\$ 2,900
Nevada State GO VRDN, Series 1997 SGB31 (FGIC Insured)			
5,800	4.000	06/07/98	5,800
			8,700
NEW YORK--3.0%			
Long Island Power Authority VRDN, Electric Systems Revenue Sub. Series 2 (Bayerische Landesbank LOC)			
6,000	4.000	06/07/98	6,000
New York City GO VRDN, Sub. Series 1993 E-3 (Morgan Guaranty Trust Co. LOC)			
2,000	4.000	06/01/98	2,000
New York City Municipal Water Finance Authority VRDN (MBIA Insured)			
3,800	3.920	06/07/98	3,800
New York State Environment Facilities Corp. PCR VRDN, Eagle Trust No. 943204 (FSA Insured)			
5,800	3.970	06/07/98	5,800
Pooled VRDN P-Floats, Series PPT2			
1,425	3.900	06/01/98	1,425
			19,025
NORTH CAROLINA--1.4%			
Buncombe County PCR IDR VRDN, Series 1996, Cooper Industries, Inc. Project (Cooper Industries Gtd.)			
3,200	3.950	06/07/98	3,200
Persons County Industrial Facilities and Pollution Control PCR VRDN, Series 1992A, Carolina Power and Light Project (Carolina Power and Light Gtd.)			
5,500	4.000	06/07/98	5,500
			8,700
OHIO--3.9%			
Ohio Air Quality Facilities Revenue Bond, Series 1988A, Ohio Edison Company Project (Toronto-Dominion Bank LOC)			
4,000	3.650	02/01/99	4,000
Ohio State Air Quality Development Authority Bond, Series A, Pollution Control- Duquesne Electric (Union Bank of Switzerland LOC)			
4,000	3.950	07/10/98	4,000
Ohio State Higher Education Capital Facilities VRDN, Series 1994 A, BTP-69 (AMBAC Insured)			
8,545	3.900	06/07/98	8,545
Ohio State Water Development Authority PCR VRDN, Philip Morris Cos., Inc. Project (Philip Morris Cos., Inc. LOC)			
5,000	4.000	06/07/98	5,000

Red Roof Inns Mortgage Bond  
Trust VRDN  
(National City Bank LOC)  
3,129                      3.800

06/15/98

3,129  
-----  
24,674  
-----

See accompanying notes to financial statements.

Northern Institutional Funds  
Money Market Portfolios

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
TAX-EXEMPT PORTFOLIO--CONTINUED			
OKLAHOMA--1.3%			
Oklahoma Water Resources Board, Series 1994 A, State Loan Program			
\$ 8,000	3.550%	09/01/98	\$ 8,000
OREGON--0.8%			
Portland City Sewer System VRDN, Series A (FGIC Insured)			
5,365	4.020	06/07/98	5,365
PENNSYLVANIA--6.9%			
Allegheny County Hospital Development Authority VRDN, Series B-2, Presbyterian University Hospital Project (PNC Bank LOC)			
985	3.800	06/01/98	985
Allegheny County Hospital VRDN, Series D, Presbyterian Health Center Project (MBIA Insured)			
1,200	3.800	06/01/98	1,200
Allegheny County IDA VRDN, Series A, Sewickley Academy Project (PNC Bank LOC)			
2,000	3.900	06/07/98	2,000
Delaware County IDA PCR VRDN, Series 1985, British Petroleum Oil Inc. Project (British Petroleum PLC Gtd.)			
2,000	4.000	06/01/98	2,000
Emmaus General Authority Pooled VRDN, Series 1996, Pennsylvania Variable Rate Loan Program (FSA Insured)			
5,400	3.800	06/07/98	5,400
Pennsylvania State Higher Education Facilities Authority VRDN, Series A2, Council of Independent Colleges (Allied Irish Banks LOC)			
2,000	3.800	06/01/98	2,000
Pennsylvania State Higher Education Facilities Authority, Series I (AMBAC Insured)			
3,000	4.500	11/01/98	3,008
Philadelphia Hospital and Higher Education Facilities Authority VRDN, Series A, Children's Hospital Project			
1,800	4.000	06/01/98	1,800
Philadelphia School District TRAN (Commerzbank LOC)			
10,000	4.500	06/30/98	10,004
Quakertown Hospital Authority Revenue VRDN, HPS Group Financing Project (PNC Bank LOC)			
8,500	3.950	06/07/98	8,500
Schuylkill County IDA Recovery IDR VRDN, Gilberton Power Project (Mellon Bank LOC)			
4,500	3.950	06/07/98	4,500
Warren County Hospital Authority VRDN, Series 1994 B, Warren General Hospital Project (PNC Bank LOC)			
1,650	3.900	06/07/98	1,650

Washington County Hospital  
 Authority VRDN, Series Bl-E,  
 Eye and Ear Hospital (PNC Bank  
 LOC)

850	3.800	06/01/98	850
			-----
			43,897
			-----

SOUTH CAROLINA--0.4%

Lexington County IDR VRDN,  
 Series 1992, Allied-Signal  
 Project (FMC Corp. Gtd.)

800	3.950	06/07/98	800
-----	-------	----------	-----

Description

-----	-----	-----	-----
Principal		Maturity	Amortized
Amount	Rate	Date	Cost
-----	-----	-----	-----

Lexington County IDR VRDN,  
 Series 1992 A, Allied-Signal  
 Project (FMC Corp. Gtd.)

\$ 1,880	3.950%	06/07/98	\$ 1,880
			-----
			2,680
			-----

SOUTH DAKOTA--1.6%

South Dakota HDA Homeowner  
 Mortgage Housing VRDN, Series  
 1996 PT-73-A, Merrill P-Floats

9,875	4.020	06/07/98	9,875
			-----

TENNESSEE--1.9%

Bradley County IDA IDR VRDN,  
 Series 1993 C, Olin Corporation  
 Project  
 (Wachovia Bank of North  
 Carolina LOC)

3,100	3.950	06/01/98	3,100
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Chattanooga-Hamilton Company  
 Hospital Authority VRDN, Series  
 1987, Erlanger Medical Center  
 Project  
 (Morgan Guaranty Trust Co.)

2,000	4.000	06/01/98	2,000
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Memphis Health Education and  
 Housing Facilities VRDN,  
 Multifamily--Wesley Housing  
 Project (Barclays LOC)

3,320	3.950	06/07/98	3,320
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Shelby County GO Bond, Series B,  
 BTP-216

4,000	3.750	10/22/98	4,000
			-----
			12,420
			-----

TEXAS--13.9%

Angelina and Neches River  
 Authority VRDN, Series 1984C,  
 Solid Waste Disposal  
 Facilities, TEEC, Inc. Project  
 (Credit Suisse First Boston  
 LOC)

2,200	4.000	06/01/98	2,200
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Angelina and Neches River  
 Authority VRDN, Series 1984D,  
 Solid Waste Disposal  
 Facilities, TEEC, Inc. Project  
 (Credit Suisse First Boston  
 LOC)

1,400	4.000	06/01/98	1,400
-------	-------	----------	-------

Austin City School District  
 Building and Refunding VRDN,  
 Series ML SG, Series SG-68  
 (Permanent School Fund of Texas  
 Gtd.)

4,900	4.020	06/07/98	4,900
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Bastrop City Independent School  
 District GO VRDN, Series 1997,  
 Series SGB 37  
 (Permanent School Fund of Texas  
 Gtd.)



13,770	4.000	06/07/98	13,770
Bexar County Multifamily Housing Finance Authority VRDN, Series 1988 A, Creighton's Mill Development Project (New England Mutual Gtd.)			
2,600	4.050	06/07/98	2,600
Brazos River Harbor Nav. Dist. PCR CP, Series 1987A, Dow Chemical (Dow Chemical Gtd.)			
9,250	3.550	06/01/98	9,250
Dallas-Ft Worth Airport Revenue Refunding VRDN, Series 1995 SG, Series SGB-5 (FGIC Insured)			
6,600	4.000	06/07/98	6,600
Denton City Independent School District GO Bond, Series B (Permanent School Fund of Texas Gtd.)			
6,000	3.900	08/15/98	6,000

See accompanying notes to financial statements.

Description			
Principal Amount	Rate	Maturity Date	Amortized Cost
-----			
Harris County GO VRDN, Series 19, Toll Road Unlimited Sub Lien CR138 \$ 6,900	3.970%	06/07/98	\$ 6,900
Harris County Toll Road Unlimited Tax Revenue VRDN, Series 1994 A, Citicorp Eagle Trust No. 954302 5,500	4.020	06/07/98	5,500
Houston Water and Sewer System CP, Series A 5,000	3.650	07/23/98	5,000
Pearland I. S. D. GO VRDN, ML SG Trust Receipts SG-106 (Permanent School Fund of Texas Gtd.) 4,000	4.020	06/07/98	4,000
San Antonio Electric and Gas System Revenue Bond, ML SG Trust Receipts SG-105 10,000	4.020	06/07/98	10,000
Texas State GO Water Financing Assistance Refunding VRDN, Series 1998A, BTP-309 5,385	4.020	06/07/98	5,385
Texas State TRAN, Series A 5,000	4.750	08/31/98	5,011
			----- 88,516 -----
UTAH--0.9%			
Utah State GO Highway CP, Series 1998B 6,000	3.700	10/08/98	6,000
VIRGINIA--4.0%			
Louisa Town PCR CP, Series 1987 (Virginia Electric Power Co. Gtd.) 4,700	3.650	07/17/98	4,700
Norfolk GO VRDN, Eagle Trust No. 944601 10,100	4.020	06/07/98	10,100
Richmond City Redevelopment and Housing Authority VRDN, Series 1995 A, Old Manchester Project (Wachovia Bank of North Carolina LOC) 2,000	3.800	06/07/98	2,000
Roanoke IDA Hospital Revenue VRDN, Series 1997A, Carilion Health System Obligated Group 1,500	4.000	06/01/98	1,500
Virginia State GO VRDN, Series 1994, Citicorp EagleTrust No. 954601 7,000	4.020	06/07/98	7,000
			----- 25,300 -----
WASHINGTON--3.8%			
Kent City Economic Development Corp. IDR VRDN, Associated Grocers Project (Bank of America LOC) 3,500	4.632	06/07/98	3,500
Spokane County SD #81 GO Unlimited Bond, Series 1998 8,590	3.650	03/18/99	8,590
Washington State GO VRDN, Smith- Barney Soc Gen, Series 1993 B, SGB-13 11,950	4.000	06/07/98	11,950
			----- 24,040 -----

Description			
Principal Amount/ Shares	Rate	Maturity Date	Amortized Cost/Value
WISCONSIN--1.4%			
Pleasant Prairie PCR VRDN, Series 1995 B, Wisconsin Electric Power Company Project (Wisconsin Electric Company Gtd.)			
\$ 2,500	3.950%	06/07/98	\$ 2,500
Sheboygan PCR VRDN, Series 1995, Wisconsin Electric Power Company Project (Wisconsin Electric Company Gtd.)			
2,850	3.950	06/07/98	2,850
Wisconsin Housing and Economic Development Authority Housing Revenue Bond, Series A			
3,260	3.600	09/01/98	3,260
			-----
			8,610
			-----
WYOMING--0.3%			
Green River City PCR VRDN Allied-Signal Project (FMC Corp. Gtd.)			
2,225	3.950	06/07/98	2,225
TOTAL MUNICIPAL INVESTMENTS			\$619,830
-----			
OTHER INVESTMENTS--0.5%			
AIM Tax Free Money Market Fund			
320	--	--	\$ 320
Dreyfus Tax Exempt Cash Management Fund			
400	--	--	400
Federated Tax-Free Trust Money Market Fund #15			
1,245	--	--	1,245
Federated Tax-Free Trust Money Market Fund #73			
819	--	--	820
Provident Municipal Fund			
437	--	--	437
TOTAL OTHER INVESTMENTS			\$ 3,222
TOTAL INVESTMENTS--97.9%			\$623,052
Other assets, less liabilities--2.1%			13,502
NET ASSETS--100.0%			\$636,554
			-----

See accompanying notes to financial statements.

**STATEMENTS OF ASSETS AND LIABILITIES**

May 31, 1998

(All amounts in thousands, except net asset value per share)

(Unaudited)

	Diversified Assets Portfolio	Government Portfolio	Government Select Portfolio	Tax-Exempt Portfolio
<b>ASSETS:</b>				
Investments in securities, at amortized cost	\$4,364,264	\$ 738,208	\$1,353,648	\$623,052
Repurchase agreements, at cost which approximates market value	150,000	650,000	--	--
Cash	--	1	--	30
<b>Receivables:</b>				
Interest	27,344	6,017	5,604	6,788
Fund shares sold	179,353	4,474	224	15,238
Investment securities sold	--	--	--	1,150
Administrator	215	82	62	57
Other assets	51	23	--	13
<b>TOTAL ASSETS</b>	<b>4,721,227</b>	<b>1,398,805</b>	<b>1,359,538</b>	<b>646,328</b>
<b>LIABILITIES:</b>				
<b>Payable for:</b>				
Fund shares redeemed	199,504	37,816	27,014	7,628
Distributions to shareholders	20,307	5,730	6,100	1,911
<b>Accrued expenses:</b>				
Advisory fees	955	272	114	136
Administration fees	382	109	114	54
Custodian fees	41	14	13	10
Transfer agent fees	21	6	5	3
Other liabilities	174	45	35	32
<b>TOTAL LIABILITIES</b>	<b>221,384</b>	<b>43,992</b>	<b>33,395</b>	<b>9,774</b>
<b>NET ASSETS</b>	<b>\$4,499,843</b>	<b>\$1,354,813</b>	<b>\$1,326,143</b>	<b>\$636,554</b>
<b>ANALYSIS OF NET ASSETS:</b>				
Paid-in capital	\$4,500,828	\$1,354,842	\$1,326,141	\$636,339
Accumulated net realized gains (losses) on investment transac- tions	(985)	(29)	2	215
<b>NET ASSETS</b>	<b>\$4,499,843</b>	<b>\$1,354,813</b>	<b>\$1,326,143</b>	<b>\$636,554</b>
Total shares outstanding (no par value), unlimited shares authorized	4,500,828	1,354,842	1,326,141	636,339
Net asset value, offering and redemption price per share	\$1.00	\$1.00	\$1.00	\$1.00

See accompanying notes to financial statements.

**STATEMENTS OF OPERATIONS**  
**For the Six Months Ended May 31, 1998**

(All amounts in thousands)  
(Unaudited)

	Diversified Assets Portfolio	Government Portfolio	Government Select Portfolio	Tax-Exempt Portfolio
INTEREST INCOME	\$118,648	\$34,953	\$37,899	\$11,680
EXPENSES:				
Investment advisory fees	5,188	1,543	1,690	788
Administration fees	2,075	617	676	315
Registration fees	225	47	62	31
Custodian fees	203	83	87	38
Professional fees	156	54	44	24
Transfer agent fees	99	28	12	15
Trustee fees	63	22	17	8
Other	77	38	24	25
Total expenses	8,086	2,432	2,612	1,244
Less: Voluntary waivers of investment advisory fees	--	--	(1,014)	--
Less: Expenses reimbursable by Administrator	(823)	(271)	(246)	(141)
Net expenses	7,263	2,161	1,352	1,103
NET INVESTMENT INCOME	111,385	32,792	36,547	10,577
Net realized gains on investment transactions	382	64	--	47
NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS	\$111,767	\$32,856	\$36,547	\$10,624

See accompanying notes to financial statements.

**STATEMENTS OF CHANGES IN NET ASSETS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Year Ended November 30, 1997

(All amounts in thousands)

	Diversified Assets Portfolio		Government Portfolio	
	1998	1997	1998	1997
-----				
INCREASE (DECREASE) IN NET ASSETS FROM:				
OPERATIONS:				
Net investment income	\$111,385	\$189,676	\$32,792	\$67,160
Net realized gains on investment transactions	382	207	64	212
-----				
Net increase in net assets resulting from operations	111,767	189,883	32,856	67,372
-----				
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	(111,385)	(189,676)	(32,792)	(67,160)
-----				
SHARE TRANSACTIONS (AT \$1.00 PER SHARE):				
Proceeds from the sale of shares	28,756,236	49,976,344	8,379,423	16,517,258
Reinvested distributions	2,242	2,169	357	580
Cost of shares redeemed	(28,200,603)	(49,216,663)	(8,076,432)	(16,735,164)
-----				
Net increase (decrease) in net assets resulting from share transactions	557,875	761,850	303,348	(217,326)
-----				
Net increase (decrease) Net assets--beginning of period	558,257	762,057	303,412	(217,114)
	3,941,586	3,179,529	1,051,401	1,268,515
-----				
NET ASSETS--END OF PERIOD	\$4,499,843	\$3,941,586	\$1,354,813	\$1,051,401
-----				
	Government Select Portfolio		Tax-Exempt Portfolio	
	1998	1997	1998	1997
-----				
INCREASE (DECREASE) IN NET ASSETS FROM:				
OPERATIONS:				
Net investment income	\$36,547	\$53,967	\$10,577	\$23,443
Net realized gains on investment transactions	--	78	47	27
-----				
Net increase in net assets resulting from operations	36,547	54,045	10,624	23,470
-----				
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income	(36,547)	(53,967)	(10,577)	(23,443)
-----				
SHARE TRANSACTIONS (AT \$1.00 PER SHARE):				
Proceeds from the sale of shares	3,702,748	6,143,005	2,537,484	5,626,217
Reinvested distributions	3,056	4,952	108	172
Cost of shares redeemed	(3,619,054)	(5,744,991)	(2,486,244)	(5,679,764)
-----				
Net increase (decrease) in net assets resulting from share transactions	86,750	402,966	51,348	(53,375)
-----				
Net increase (decrease) Net assets--beginning of period	86,750	403,044	51,395	(53,348)
	1,239,393	836,349	585,159	638,507
-----				
NET ASSETS--END OF PERIOD	\$1,326,143	\$1,239,393	\$636,554	\$585,159
-----				







imbursements	0.37%	0.39%
Expenses, before waivers and re- imbursements	0.37%	0.39%
Net investment income, net of waivers and reimbursements	8.98%	7.15%
Net investment income, before waivers and reimbursements	8.98%	7.15%
Net assets at end of period (in thousands)	\$1,871,713	\$1,528,203

---

- (a) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.
- (b) Total return for the year ended November 30, 1995 would have been 5.73% absent the effect of a capital contribution equivalent to \$.0005 per share received from Northern Trust Corporation.
- (c) Annualized for periods less than one year.

See accompanying notes to financial statements.

Northern Institutional Funds  
Money Market Portfolios

**FINANCIAL HIGHLIGHTS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Years Ended November 30,

**GOVERNMENT PORTFOLIO**

	1998	1997	1996	1995	1994	1993	1992	1991	1990
NET ASSET VALUE, BEGINNING OF PE- RIOD	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
INCOME FROM IN- VESTMENT OPERA- TIONS:									
Net investment income	0.03	0.05	0.05	0.06	0.04	0.03	0.04	0.06	0.08
Total income from investment opera- tions	0.03	0.05	0.05	0.06	0.04	0.03	0.04	0.06	0.08
DISTRIBUTIONS TO SHAREHOLDERS FROM:									
Net investment income	(0.03)	(0.05)	(0.05)	(0.06)	(0.04)	(0.03)	(0.04)	(0.06)	(0.08)
Total distribu- tions to share- holders	(0.03)	(0.05)	(0.05)	(0.06)	(0.04)	(0.03)	(0.04)	(0.06)	(0.08)
NET ASSET VALUE, END OF PERIOD	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total return (a)	2.68%	5.31%	5.20%	5.64%(b)	3.78%	2.91%	3.91%	6.18%	7.89%
Ratio to average net assets of (c):									
Expenses, net of waivers and re- imbursements	0.35%	0.35%	0.35%	0.35%	0.34%	0.34%	0.34%	0.35%	0.37%
Expenses, before waivers and re- imbursements	0.39%	0.37%	0.38%	0.40%	0.41%	0.38%	0.40%	0.40%	0.46%
Net investment income, net of waivers and reimbursements	5.31%	5.18%	5.08%	5.49%	3.60%	2.92%	3.71%	6.03%	7.88%
Net investment income, before waivers and reimbursements	5.27%	5.16%	5.05%	5.44%	3.53%	2.88%	3.65%	5.98%	7.79%
Net assets at end of period (in thousands)	\$1,354,813	\$1,051,401	\$1,268,515	\$850,664	\$787,816	\$1,065,705	\$1,163,905	\$895,405	\$971,720
	1989	1988							
NET ASSET VALUE, BEGINNING OF PE- RIOD	\$1.00	\$1.00							
INCOME FROM IN- VESTMENT OPERA- TIONS:									
Net investment income	0.09	0.07							
Total income from investment opera- tions	0.09	0.07							
DISTRIBUTIONS TO SHAREHOLDERS FROM:									
Net investment income	(0.09)	(0.07)							
Total distribu- tions to share- holders	(0.09)	(0.07)							
NET ASSET VALUE, END OF PERIOD	\$1.00	\$1.00							
Total return (a)	8.63%	6.83%							

Ratio to average net assets of (c):		
Expenses, net of waivers and reimbursements	0.50%	0.54%
Expenses, before waivers and reimbursements	0.50%	0.55%
Net investment income, net of waivers and reimbursements	8.63%	6.83%
Net investment income, before waivers and reimbursements	8.63%	6.82%
Net assets at end of period (in thousands)	\$423,517	\$335,301

---

- (a) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.
- (b) Total return for the year ended November 30, 1995 would have been 5.53% absent the effect of a capital contribution equivalent to \$.0011 per share received from Northern Trust Corporation.
- (c) Annualized for periods less than one year.

See accompanying notes to financial statements.

**FINANCIAL HIGHLIGHTS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Years Ended November 30,

**GOVERNMENT SELECT PORTFOLIO**

	1998	1997	1996	1995	1994	1993	1992	1991	1990(a)
NET ASSET VALUE, BEGINNING OF PERIOD	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
INCOME FROM INVESTMENT OPERATIONS:									
Net investment income	0.03	0.05	0.05	0.06	0.04	0.03	0.04	0.06	0.01
Total income from investment operations	0.03	0.05	0.05	0.06	0.04	0.03	0.04	0.06	0.01
DISTRIBUTIONS TO SHAREHOLDERS FROM:									
Net investment income	(0.03)	(0.05)	(0.05)	(0.06)	(0.04)	(0.03)	(0.04)	(0.06)	(0.01)
Total distributions to shareholders	(0.03)	(0.05)	(0.05)	(0.06)	(0.04)	(0.03)	(0.04)	(0.06)	(0.01)
NET ASSET VALUE, END OF PERIOD	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00	\$1.00
Total return (b)	2.73%	5.41%	5.31%	5.82%(c)	3.84%	3.00%	3.71%	5.82%	0.50%
Ratio to average net assets of (d):									
Expenses, net of waivers and reimbursements	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%	0.20%
Expenses, before waivers and reimbursements	0.39%	0.39%	0.40%	0.41%	0.43%	0.49%	0.52%	0.60%	1.33%
Net investment income, net of waivers and reimbursements	5.41%	5.30%	5.19%	5.67%	3.83%	2.99%	3.70%	5.78%	7.65%
Net investment income, before waivers and reimbursements	5.22%	5.11%	4.99%	5.46%	3.60%	2.70%	3.38%	5.38%	6.52%
Net assets at end of period (in thousands)	\$1,326,143	\$1,239,393	\$836,349	\$685,142	\$493,718	\$386,507	\$264,756	\$160,750	\$44,215

(a) For the period November 7, 1990 (commencement of operations) through November 30, 1990.

(b) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.

(c) Total return for the year ended November 30, 1995 would have been 5.80% absent the effect of a capital contribution equivalent to \$.0002 per share received from Northern Trust Corporation.

(d) Annualized for periods less than one year.

See accompanying notes to financial statements.



Ratio to average net assets of (b):	
Expenses, net of waivers and reimbursements	0.48%
Expenses, before waivers and reimbursements	0.48%
Net investment income, net of waivers and reimbursements	4.92%
Net investment income, before waivers and reimbursements	4.92%
Net assets at end of period (in thousands)	\$529,680

---

- (a) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the end of the period. Total return is not annualized for periods less than one year.
- (b) Annualized for periods less than one year.

See accompanying notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

May 31, 1998  
(Unaudited)

1. **ORGANIZATION** Northern Institutional Funds (the "Trust") is a Delaware business trust which was formed on July 1, 1997, and is registered under the Investment Company Act of 1940 (as amended) as an open-end management investment company. The Trust, formerly known as The Benchmark Funds, changed its name effective July 15, 1998. The Trust includes seventeen portfolios, each with its own investment objective. Prior to March 31, 1998, each portfolio was a series of The Benchmark Funds, a Massachusetts business trust, which reorganized into the Trust at the close of business on that date. The Northern Trust Company ("Northern") is the investment adviser for all actively managed Portfolios and is the custodian and transfer agent for all Northern Institutional Funds. Goldman, Sachs & Co. ("Goldman Sachs") acts as the Trust's administrator and distributor. Presented herein are the financial statements of the money market portfolios. The Trust includes four diversified money market portfolios: Diversified Assets Portfolio, Government Portfolio, Government Select Portfolio and Tax-Exempt Portfolio (the "Portfolios"). Each of these Portfolios has three classes of shares: Shares, Services Shares and Premier Shares. Each class is distinguished by the level of administrative, liaison and transfer agent service provided. As of May 31, 1998, no Service or Premier Shares have been sold.

2. **SIGNIFICANT ACCOUNTING POLICIES** The following is a summary of significant accounting policies consistently followed by the Portfolios in preparation of their financial statements. These policies are in conformity with generally accepted accounting principles ("GAAP"). The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(a) **Investment Valuation** Investments are valued at amortized cost, which approximates market value. Under the amortized cost method, investments purchased at a discount or premium are valued by amortizing the difference between the original purchase price and maturity value of the issue over the period to maturity.

(b) **Repurchase Agreements** During the term of a repurchase agreement, the market value of the underlying collateral, including accrued interest, is required to exceed the market value of the repurchase agreement. The underlying collateral for all repurchase agreements is held in a customer-only account of Northern, as custodian for the Trust, at the Federal Reserve Bank of Chicago. Each Portfolio may enter into joint repurchase agreements with non-affiliated counterparties through a master repurchase agreement with Northern. Northern administers and manages these repurchase agreements in accordance with and as part of its duties under its investment advisory agreements with the Portfolios and does not collect any additional fees from the Portfolios. The Diversified Assets and Government Portfolios had entered into such joint repurchase agreements as of May 31, 1998, as reflected in the accompanying Statements of Investments.

(c) **Interest Income** Interest income is recorded on the accrual basis and includes amortization of discounts and premiums.

(d) **Federal Taxes** It is each Portfolio's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute each year substantially all of its taxable income and tax-exempt income to its shareholders. Therefore, no provision is made for federal taxes. At November 30, 1997, the Trust's most recent tax year end, there were capital loss carryforwards for U.S. federal tax purposes of approximately \$1,367,000 and \$93,000 for the Diversified Assets and Government Portfolios, respectively. These amounts are available to be carried forward to offset future capital gains to the extent permitted by applicable laws or regulations. These capital loss carryforwards expire in 2002.

(e) **Expenses** Expenses arising in connection with a specific Portfolio are allocated to that Portfolio. Certain expenses arising in connection with a class of shares are allocated to that class of shares. Expenses incurred which do not specifically relate to an individual Portfolio are allocated among the Portfolios based on each Portfolio's relative average net assets for the year.

**NOTES TO FINANCIAL STATEMENTS--CONTINUED**

May 31, 1998

(Unaudited)

(f) Distributions Each Portfolio's net investment income is declared daily as a dividend to shareholders of record as of 3:00 p.m., Chicago time. Net realized short-term capital gains, if any in excess of net capital loss carryforwards, are declared and distributed at least annually. Distributions of net investment income with respect to a calendar month (including with respect to shares redeemed at any time during the month) are made as soon as practicable following the end of the month. Distributions are made by each Portfolio to Northern in cash or automatically reinvested in additional shares of the Portfolio. Northern has undertaken to credit or arrange for the crediting of such distributions to each shareholder's account with Northern, its affiliates or its correspondents.

3. **ADVISORY, TRANSFER AGENCY, CUSTODIAN AND OTHER AGREEMENTS** As compensation for the services rendered as investment adviser, including the assumption by Northern of the expenses related thereto, Northern is entitled to a fee, computed daily and payable monthly, at an annual rate of .25% of each Portfolio's average daily net assets. Until further notice, Northern has voluntarily agreed to waive .15% of its advisory fee for the Government Select Portfolio, reducing such fee to .10% per annum. The effect of this waiver by Northern for the six months ended May 31, 1998 was to reduce advisory fees as shown on the accompanying Statements of Operations. As compensation for the services rendered as custodian and transfer agent, including the assumption by Northern of the expenses related thereto, Northern receives compensation based on a pre-determined schedule of charges approved by the Board.

4. **ADMINISTRATION AND DISTRIBUTION AGREEMENTS** The Trust has an administration agreement with Goldman Sachs whereby each Portfolio pays the Administrator a fee, computed daily and payable monthly, at an annual rate of .10% of each Portfolio's daily net assets. In addition, if in any fiscal year the sum of a Portfolio's expenses, including the administration fee, but excluding the investment advisory fee to Northern pursuant to its agreements with the Trust, servicing fees, and extraordinary expenses (such as taxes, interest and indemnification expenses), exceeds on an annualized basis .10% of a Portfolio's average net assets, Goldman Sachs will reimburse each Portfolio for the amount of the excess pursuant to the terms of the administration agreement. No administrator fees were waived under this agreement during the six months ended May 31, 1998. Furthermore, Goldman Sachs voluntarily agreed to reimburse each Portfolio for certain expenses in the event that such expenses, as defined, exceed on an annualized basis .10% of its average daily net assets. Expenses reimbursed during the six months ended May 31, 1998 are shown on the accompanying Statements of Operations. Goldman Sachs receives no compensation under the distribution agreement.

5. **SERVICE PLAN** The Trust has adopted a Service Plan pursuant to which the Trust may enter into agreements with institutions or other financial intermediaries under which they will render certain administrative support services and in some cases personal and account maintenance services for their customers or investors who beneficially own Service and Premier Shares. As compensation under the Service Plan, the institution or other financial intermediary receives a fee at an annual rate of up to .25% and .50% of the average daily net asset value of the outstanding Service and Premier Shares, respectively. Furthermore, the Service Plan also provides for consulting services, technology and systems support services to the Service and Premier Shares customers for a fee at an annual rate of up to .08% of the average daily net asset value of such shares serviced.

6. **BANK LOANS** Prior to January 16, 1998, the Trust maintained a \$5,000,000 revolving bank credit line and a \$15,000,000 conditional revolving credit line for liquidity and other purposes. As of January 16, 1998, the Trust maintains a \$100,000,000 revolving bank credit line and a \$15,000,000 conditional revolving credit line for liquidity and other purposes. Borrowings under this arrangement bear interest at 1% above the federal funds rate and are secured by pledged securities equal to or exceeding 120% of the outstanding balance. There were no borrowings under this agreement during the six months ended May 31, 1998.



Investment Adviser, Transfer Agent and Custodian:  
The Northern Trust Company  
50 South LaSalle Street  
Chicago, Illinois 60675

Administrator and Distributor:  
Goldman, Sachs & Co.  
4900 Sears Tower  
Chicago, IL 60606

This Semi-Annual Report is authorized for distribution to prospective investors only when preceded or accompanied by a Prospectus which contains facts concerning the objectives and policies, management expenses and other information.

**Northern Institutional Funds**

(formerly The Benchmark Funds)

**FIXED INCOME AND EQUITY PORTFOLIOS**

MAY 31, 1998

**Semi-Annual Report**

Effective July 15, 1998, the name of The Benchmark Funds changed to "Northern Institutional Funds". Although the former name was in effect as of the date of the financial statements contained in this Semi-Annual Report dated May 31, 1998, the new name, Northern Institutional Funds, has been used throughout to alleviate confusion.

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## **INVESTMENT OUTLOOK**

### **WHAT HAS CHANGED**

The worsening economic crisis in Asia dimmed prospects for global growth. Troubles in the Far East deepened as Japan's economy entered recession, pushing the U.S. dollar to an eight-year high against the yen. On the home front, flight-to-quality trading pushed the yield on the 30-year Treasury to a 21-year low, Congress moved to lower the long-term capital gains holding period to 12 months, and stocks rebounded to near all-time highs as worries diminished concerning second quarter earnings.

### **ECONOMIC OUTLOOK**

#### **MODERATE ECONOMIC GROWTH IS EXPECTED TO CONTINUE**

Economic growth is slowing to a more moderate pace from its almost boom-like first quarter performance. For now, this slowdown is concentrated in the manufacturing sector. Exports to Asia have fallen because of the recession there. Domestic business equipment spending is slowing in the face of falling factory capacity utilization and weaker demand. Inventory growth also is expected to slow because of the rapid accumulation in the first quarter and General Motors ("GM") strike-related shutdown. More than offsetting these brakes on economic activity is a vibrant household sector. With unemployment very low and real incomes rising, consumer spending has remained strong. These same factors that are contributing to consumer spending, in combination with low nominal interest rates, are keeping the demand for residential real estate high. Nonresidential real estate activity is also strong because of rising rents, increased acquisition costs, and readily available financing. In the coming months, the weakness in the manufacturing sector is likely to filter through to other parts of the economy, slowing, but not stalling them.

The Asian economic crisis worsened markedly in recent weeks, so much so that references to deflationary spirals and Asian depressions have begun to appear in market analyses and news reports. Japan's economy has entered a recession, with Hong Kong likely to follow. The second largest economy in Asia, that of mainland China, has slowed significantly. Although the previously-announced Japanese fiscal stimulus program, which is only now being implemented, will stimulate some domestic demand, it remains to be seen if it will be enough to stabilize the Japanese economy, let alone generate job-creating growth. There are suggestions that the ruling Japanese political party will recommend permanent tax cuts in the run-up to the July 12, 1998 parliamentary elections. Although the Japanese government appears to have a greater urgency to resolve the bad-loan problems of the banks, a resolution, in and of itself, will have only a marginally salutary impact on domestic demand. In order to ease the credit crunch in Japan quickly, the government would have to use public funds to re-capitalize the banking system. After more than eight years of Japan's "muddling through" its various crises, financial markets are skeptical that these new policy changes will be implemented in a timely and successful manner. Meanwhile, the Chinese government is expected to use fiscal and monetary policies to boost domestic demand rather than devaluing its currency in an effort to increase exports.

U.S. consumer inflation has started to edge higher in the face of very strong demand, human capital constraints, and slowing productivity, but declining import prices continue to act as a governor on inflation. Falling commodity prices, especially energy prices, also have been a limiting factor with regard to inflation. The expected moderation in U.S. economic activity will likely relieve some of the cyclical inflationary pressures. The Federal Reserve shares this outlook and is likely to keep policy on hold for the foreseeable future. Making their job even more difficult over the next few months will be the distortion imparted to reported economic data by the temporary negative effects from the GM strike. The monetary policymakers are also aware that the global financial markets are currently very fragile. A tightening in U.S. monetary policy in this environment would run the risk of triggering an avalanche in global equity share prices, which, in turn, could slow the U.S. economy more than desired. With inflation still low, and, perhaps as important, inflation expectations low, the Federal Reserve believes that it can be less preemptive now than otherwise would be the case.

### **FIXED INCOME OUTLOOK**

#### **BONDS REMAIN AN ATTRACTIVE INVESTMENT**

Bond investors experienced a volatile but rewarding quarter as renewed turmoil in Asia more than offset concerns about

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continued strong growth in the domestic economy. Economic and policy developments emanating from Asia caused bond sentiment to shift from expectations that the Federal Reserve was contemplating raising rates in order to cool the economy to a belief that a possible economic slowdown was in the offing. Bonds rallied sharply and the yield curve flattened amidst this shift, initially in a classic "flight to quality" and subsequently on growing expectations that Asia's woes would curb U.S. growth and keep inflation subdued. The change in sentiment and ensuing rally drew considerable support from Chairman Greenspan's early June testimony to Congress where his comments began with a declaration that "an assessment (of U.S. economic conditions) cannot be made in isolation but depends critically on what is happening in the rest of the world."

We have long anchored our constructive outlook for bonds in a plethora of favorable secular trends which were viewed as being both significant and long lasting. Over the past several years, we have encountered periods of relative cyclical strength that tested our convictions. With each occurrence, upon evaluation, we concluded that the strength of our favorable secular arguments dominated whatever risks were posed by the cyclical threat. Presently, and uncharacteristically, we find the cyclical wind at our back. While we continue to view all of our oft-mentioned secular developments in a constructive light, we now believe that fallout from Asia's financial crisis is making the cyclical U.S. economic environment more supportive for bonds. We think the case that the economy will slow to a below-trend pace has strengthened in recent weeks. In his comments to Congress, Greenspan noted several factors likely to cause growth to slow in the quarters ahead. Most importantly, weakening demand in Asia and the stronger dollar will continue to cause U.S. exports to decline. With Japan now in a recession, the likelihood has increased that Asia's weakness will deteriorate further and spread to other regions causing net exports to post additional declines. Secondly, a draw down in inventories is likely to slow real Gross Domestic Product from its very strong first-quarter pace. Also mentioned by Greenspan was the fact that the recent trend of narrowing profit margins appeared to be causing a reassessment of the expected returns on plant and equipment which could lead to a decline in business investment. Looking back to the first quarter, there is little doubt that some of the earlier strength was borrowed from the future as residential construction, for example, benefited from mild winter weather. More recently, the GM strike will slow near-term growth. So far, the dampening effects of Asia on the U.S. economy have not had much impact on the consumer, which has been supported by the favorable labor situation and strong stock market. However, consumer spending would be vulnerable to a collapse in Japan, whether directly via falling exports or indirectly via a downward revaluation of equity prices. The combination of slower cyclical growth and subdued inflation should allow the Federal Reserve to keep monetary policy on hold for the rest of the year. Bonds should perform well in this environment, especially when viewed against a secular backdrop which remains highly favorable. As we noted last month, our constructive view of the bond market has not been built on expectations of continuous global economic and financial strife. However, repeating our comments from a month ago, the scope and severity of near-term uncertainties continues to enhance the constructive fundamental case we have long been making for bonds.

## **EQUITY OUTLOOK**

### **EQUITIES ARE MODERATELY OVERVALUED**

An end-of-quarter rally after several pronounced earnings disappointments enabled the market to rise 4% for the most recent three months, albeit in a choppy and volatile fashion. Cash flows into mutual funds remained strong and global events buffeted investors' perceptions perhaps more strongly than actual results. The re-emergence of the Asian problem led to a sell-off, in mid-quarter, of nearly 5% in the S&P 500, but closer to 10% in the other broad averages, a normal and healthy occurrence. As the new quarter begins, attention is again focused on earnings that are thought to have risen 3% to 4% according to the IBES consensus. We continue to believe that the 7% to 8% growth estimates for 1998 will prove optimistic and believe the current earnings softness will extend into 1999.

We gathered two interesting insights on the U.S. market on a recent trip to Europe. First, European investors have been very wrong regarding both the U.S. and Japan, underweighting the former and overweighting the latter. As events in 1998 have played out, these investors have been reducing their weight in Japan and raising it here in the U.S. While there is no real long-term bullishness on the U.S. as it is still seen as too richly valued, it looks better than Japan and the dollar looks safer than the yen. It is also possible that with a huge bull market in Europe to capture their attention, investors have moved to "neutralize" the other two major areas of the world.

## **INVESTMENT OUTLOOK--CONTINUED**

The other insight supports our long-held favorable view of U.S. bonds. A long-time global investor pointed out that U.S. stocks were not so expensive, rather, that the U.S. bond market was incredibly cheap. With rates across Europe at under 5%, why should the strongest economy and strongest currency have a bond market yielding 100 basis points higher? Over time, the argument went, rates would converge toward 4% in a low-inflation world with the best returns in dollar bonds and the worst in yen bonds. While we have not been quite that bullish on bonds, this analysis could provide a "super Goldilocks" environment where financial assets perform well for several more years.

## **GLOBAL OUTLOOK**

### **FUNDAMENTALS SUPPORT EUROPE; ASIA IS MIXED**

Over the past few months we have articulated our positive view on Europe, especially relative to Asia and emerging markets. Europe (excluding the U.K.) is the best earnings growth story in the world. Economic growth has picked up as EMU constraints have lessened now that 11 members have qualified. Earnings growth is surging with the first set of earnings upgrades beginning in 1997 and continuing this year after six years of downgrades. We expect growth to average 15% in 1998 and 15% to 17% in 1999 in continental Europe. (U.K. growth will likely parallel that of the U.S.) This contrasts with growth of perhaps 4% to 6% in the U.S. and sharp falls in Asia.

Not only are earnings set to rise from a normal cyclical upturn, but three additional factors will exert further upside pressure on earnings. First, tax reductions in several countries could boost results 2% to 3%. Second, share buybacks, still being legalized in countries such as France, the Netherlands, and Scandinavia, could add 3% to 5% to reported results. In the U.S., buybacks were approximately \$175 billion in both 1996 and 1997 compared with just \$12 billion in Europe. This year we see buybacks of nearly \$25 billion on the Continent, and the level could reach \$50 billion in another year or two. Third, mergers, disposals, and restructuring benefits are just beginning to aid results, adding perhaps another percent or two to growth. It is fairly easy to envision 20% earnings per share growth this year and next as these factors begin to have an impact. The other major factor to consider is the longer-term improvement in profitability that is under way. From a return on equity standpoint, we see Europe moving from 10% to 11% in 1997 to 16% to 18% by the year 2000, similar to the U.S. achievement in the early 1990s.

The other great story in Europe that is comparable to recent U.S. experience is the strong liquidity flows into equities from fixed income and cash. Compared with the nearly \$250 billion of mutual fund buying in the U.S., Europe has seen just \$14 billion in 1996 and \$66 billion in 1997 flow into mutual funds. However, as yields have fallen sharply and converged under 5% for 10-year bonds and toward 4% on short-term rates, a rather dramatic move to stocks have begun and should build significantly. The run rate so far in 1998 is \$100 billion and if markets keep rising, quite a lot more is possible. In addition, institutional assets are heavily invested in bonds and European institutions under-own stocks. Conservative estimates expect nearly two trillion dollars of bond investments to be reallocated to stocks over the next two to three years. For example, other than the U.K.'s high 52% equity exposure, only French and Danish pension funds have more than 20% invested in stocks. Germany has just 6% in equities, while Spain and Italy have just 3%! In fact, the liquidity story in Europe (again excluding the U.K.) is possibly as big as that of the U.S. since 1990.

From a valuation perspective, good news is in the price to a degree as markets generally sell for 20-23 earnings versus about 23 times for the U.S. but estimates are rising in Europe even as they are being reduced in the States. The markets in Europe have had a good 12-month run, but only recently have they reversed six years of underperformance. We conclude that it is early to mid life in the European bull market with more upgrades and higher liquidity likely to filter in over the next 18 months. While the traditional correction or lull is likely, especially with the World Cup taking place in France, we think the investment case remains strongly positive.

July 9, 1998

**VOTING RESULTS OF SPECIAL MEETING OF UNITHOLDERS\***

At a Special Meeting of Unitholders of the U.S. Government Securities Portfolio of The Benchmark Funds, a Massachusetts business trust (the "Meeting"), called on January 26, 1998, the following actions were taken:

(1) An Agreement and Plan of Reorganization pursuant to which the U.S. Government Securities Portfolio was reorganized as a series of a Delaware business trust also named The Benchmark Funds was approved by the U.S. Government Securities Portfolio with 1,727,747 votes for, 1,099 votes against, 4,580 votes abstained.

(2) A new fundamental investment restriction for the U.S. Government Securities Portfolio (a diversified portfolio) concerning issuer diversification was approved by U.S. Government Securities Portfolio with 1,727,747 votes for, 1,099 votes against, and 4,580 votes abstained.

\*Prior to the reorganization of the Portfolios of the Trust as series of the Delaware Business Trust on March 31, 1998, ownership interests in the Portfolios were designated as "units" rather than "shares."



**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Description				
Principal Amount	Rate	Maturity Date	Value	
BOND PORTFOLIO				
ASSET-BACKED SECURITIES--9.2%				
AUTOMOTIVE--7.0%				
			Banc One Auto Grantor Trust, Series 1997-B, Class A	
\$12,800	6.290%	07/20/04	\$12,885	
			WFS Financial Owner Trust, Series 1997-A, Class A-3	
10,000	6.500	09/20/01	10,066	
			Series 1997-D, Class A-3	
16,000	6.250	03/20/02	16,090	
				-----
				39,041
				-----
HOME EQUITY LOANS--2.2%				
			IMC Excess Cashflow Securities Trust, Series 1997-A, Class A	
8,156	7.410	11/26/28	8,118	
			The Money Store Trust, Series 1997- 1(/1/)	
4,228	7.360	05/16/01	4,227	
				-----
				12,345
				-----
TOTAL ASSET-BACKED SECURITIES				
(Cost \$51,178)				\$51,386
-----				
COLLATERALIZED MORTGAGE OBLIGATIONS--				
18.9%				
			American Southwest Financial Securities Corp., Series 1996 FHA-1, Class A-1	
\$ 982	6.675%	12/25/01	\$ 990	
			Contimortgage Home Equity Loan Trust, Interest Only Stripped Security, Series 1998-1, Class A10I	
--	6.612	09/15/00	13,279	
			Contimortgage Net Interest Margin Notes, Series 1998- A, Class A(/1/)	
8,400	7.920	03/16/28	8,378	
			Countrywide Funding Corp., Series 1993-1, Class A-4	
12,006	4.384	10/25/23	11,340	
			Countrywide Mortgage Backed Securities, Inc., Series 1993-D, Class A-11	
6,047	5.796	01/25/09	5,443	
			Delta Funding Corp., Interest Only Stripped Security, Series 1991-1, Class A-4(/1/)	

--	18.000	01/01/06	17
	Donaldson, Lufkin, & Jenrette Mortgage Acceptance Corp., Adjustable Rate, Interest Only Stripped Security, Series 1995-QE10		
--	18.000	11/25/25	617
	Donaldson, Lufkin, & Jenrette Mortgage Acceptance Corp., Series 1994-Q8, Class 2-A1		
3,914	7.250	05/25/24	4,053

Description

Principal Amount	Rate	Maturity Date	Value
\$11,840	6.560%	11/18/08	\$ 12,017
--	11.949	05/25/17	2,438
20,000	6.550	12/15/07	20,405
8,807	8.151	04/28/27	9,117
10,163	7.000	10/25/27	10,182
8,396	--	11/25/27	6,830
-----			
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS (Cost \$104,496)			\$105,106
-----			
CORPORATE AND FOREIGN GOVERNMENT BONDS--			
16.2%			
BEVERAGES--2.8%			
\$14,935	6.700%	10/15/36	\$ 15,515
-----			
FOREIGN GOVERNMENT BOND--3.2%			
15,450	7.220	07/22/36	17,603
-----			
INDUSTRIAL--2.8%			
15,000	6.900	08/15/03	15,645
-----			

INSURANCE SERVICES--4.5%			
	Anthem		
	Insurance(/1/)		
6,000	9.000	04/01/27	6,700
	Lumberman's Mutual Casualty		
	Co.		
4,170	9.150	07/01/26	4,996
1,830	8.300	12/01/37	2,000
	Prudential Insurance		
	Co.		
10,000	8.300	07/01/25	11,501
			-----
			25,197
			-----
SANITARY SERVICES--2.9%			
	WMX Technologies,		
	Inc.		
15,300	7.100	08/01/26	15,903
	-----		
TOTAL CORPORATE AND FOREIGN			
GOVERNMENT BONDS (Cost			
\$85,185)			\$ 89,863
			-----

See accompanying notes to financial statements.

Description				
Principal Amount	Rate	Maturity Date	Value	
U.S. GOVERNMENT AGENCIES--4.2%				
COLLATERALIZED MORTGAGE OBLIGATIONS-- 4.2%				
FANNIE MAE REMIC TRUST--2.0%				
			Series 1991-127, Class SA	
\$ 367	11.759%	09/25/98	\$	368
			Series 1996-M4, Class A	
5,567	7.750	03/17/17		5,721
			Series 1992-73, Class G	
5,232	7.500	04/25/21		5,292
				-----
FANNIE MAE REMIC TRUST				11,381
-----				
INTEREST ONLY STRIPPED SECURI- TIES--0.8%				
			Series 278, Class 2	
--	18.165	08/01/25		1,382
			Series 1997-20, Class IO	
--	14.207	03/25/27		2,779
				-----
				4,161
-----				
FANNIE MAE REMIC TRUST				
PRINCIPAL ONLY STRIPPED SECURI- TIES--1.4%				
			Series 1993-132, Class D	
1,573	10.698	10/25/22		1,083
			Series 1994-9, Class G	
317	4.954	11/25/23		304
			Series 1996-14, Class PR	
7,614	9.533	01/25/24		6,315
				-----
				7,702
-----				
MORTGAGE-BACKED SECURITIES-- 0.0%				
FREDDIE MAC--0.0%				
\$ 1	6.500%	06/01/04	\$	1
-----				
TOTAL U.S. GOVERNMENT AGENCIES (Cost \$22,022)			\$ 23,245	
-----				
U.S. GOVERNMENT OBLIGATIONS-- 38.6%				
U.S. TREASURY BONDS--35.5%				
\$105,000	6.625%	07/31/01	\$	108,101
63,860	7.125	02/15/23		73,888
15,000	6.000	02/15/26		15,225
				-----
				197,214
-----				
U.S. TREASURY NOTES--3.1%				
5,000	6.875	08/31/99		5,078
10,995	7.500	02/15/05		12,122
				-----
				17,200
-----				
TOTAL U.S. GOVERNMENT OBLIGA- TIONS (Cost \$206,112)			\$214,414	
-----				

Description				
Shares/ Principal Amount	Rate	Maturity Date	Value	
PREFERRED STOCKS--3.4%				

AGENCY--2.6%			
15,000	Home Ownership Funding Corp.		\$ 14,637
REAL ESTATE--0.8%			
4,600	Tier One Properties, Inc.		4,477
-----			
TOTAL PREFERRED STOCKS (Cost \$19,600)			\$ 19,114
-----			
FLOATING RATE BANK NOTES--5.2%			
Lloyds Bank PLC			
\$14,950	6.188%	06/15/98	\$ 13,370
Midland Bank PLC			
2,500	6.188	06/28/98	2,113
National Westminster Bank			
15,300	5.813	08/28/98	13,264
-----			
TOTAL FLOATING RATE BANK NOTES (Cost \$28,033)			\$ 28,747
-----			
SHORT-TERM INVESTMENT--2.7%			
Marshall & Isley Bank, Grand Cayman			
\$14,805	5.688%	06/01/98	\$ 14,805
-----			
TOTAL SHORT-TERM INVESTMENT (Cost \$14,805)			\$ 14,805
-----			
TOTAL INVESTMENTS--98.4%			\$546,680
(Cost \$531,431)			
-----			
Other assets, less liabilities--1.6%			8,932
-----			
NET ASSETS--100.0%			\$555,612
-----			

(/1)At May 31, 1998, the Portfolio owned restricted securities valued at approximately \$28,439 (5.1% of net assets), with an aggregate cost basis of \$27,861. These securities may not be publicly sold without registration under the Securities Act of 1933. The value of these securities is determined by valuations supplied by a pricing service or brokers or, if not available, in accordance with procedures established by the Trustees.

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands)

(Unaudited)

Description				
Principal Amount	Rate	Maturity Date	Value	
INTERMEDIATE BOND PORTFOLIO				
ASSET-BACKED SECURITIES--10.3%				
AUTOMOTIVE--6.0%				
			Chevy Chase Automobile Receivables Trust, Series 1997-4, Class A	
\$ 476	6.250%	06/15/04	\$	477
			Olympic Automobile Receivables Trust, Series 1996-D, Class A-4	
500	6.050	08/15/02		502
			WFS Financial Owner Trust, Series 1997-D, Class A-3	
500	6.250	03/20/02		503
				1,482
HOME EQUITY LOANS--4.3%				
			Advanta Mortgage Loan Trust, Interest Only Stripped Security, Series 1998-1 Class A10	
4,700	3.096	10/25/00		527
			Contimortgage Net Interest Margin Notes, Series 1998- A, Class A(/1/)	
256	7.920	03/16/28		255
			IMC Excess Cashflow Securities Trust, Series 1997-A, Class A	
177	7.410	11/26/28		176
			The Money Store Trust, Series 1997- 1(/1/)	
95	7.360	05/16/01		95
				1,053
TOTAL ASSET-BACKED SECURITIES				
(Cost \$2,541)			\$	2,535
COLLATERALIZED MORTGAGE OBLIGATIONS--				
9.5%				
			First Union-Lehman Brothers-Bank of America Commercial Mortgage Trust, Series 1998-C2, Class A-2	
\$ 500	6.560%	11/18/08	\$	508
			GE Capital Mortgage Services, Inc., Series 1997-5, Class A2	
500	7.500	06/25/27		514
			Morgan Stanley Capital I, Series 1998-WF1, Class A2	
355	6.550	12/15/07		362

	Mortgage Capital Funding, Series 1998-MC1, Class A2			
540	6.663	01/18/08	549	
	Residential Asset Securitization Trust, Series 1997-A8, Class A-3			
412	7.000	10/25/27	413	

-----  
TOTAL COLLATERALIZED MORTGAGE  
OBLIGATIONS (Cost \$2,325) \$ 2,346  
-----

CORPORATE BONDS--8.7%  
FOOD AND BEVERAGE--2.1%  
Coca-Cola (The) Co.  
\$ 500 6.700% 10/15/36 \$ 520  
-----

INDUSTRIAL--1.8%  
Penney (J.C.) & Co.,  
Inc.  
400 7.400 04/01/37 444  
-----

Description				
Principal Amount	Rate	Maturity Date	Value	
-----				
INSURANCE SERVICES--2.9%				
Lumberman's Mutual Casualty Co.				
\$ 300	9.150	07/01/26	\$ 359	
Prudential Insurance Co.				
300	8.300%	07/01/25	345	
			-----	
			704	
			-----	
SANITARY SERVICES--1.9%				
WMX Technologies, Inc.				
440	7.100	08/01/03	457	
-----				
TOTAL CORPORATE BONDS (Cost				
\$2,087)			\$ 2,125	
-----				
U.S. GOVERNMENT OBLIGATIONS--				
54.2%				
U.S. TREASURY BOND--24.1%				
\$ 5,750	6.625%	07/31/01	\$ 5,920	
-----				
U.S. TREASURY NOTES--30.1%				
1,700	6.750	05/31/99	1,720	
5,160	7.500	02/15/05	5,689	
			-----	
			7,409	
-----				
TOTAL U.S. GOVERNMENT OBLIGA-				
TIONS				
(Cost \$13,299)			\$13,329	
-----				
FLOATING RATE BANK NOTES--3.6%				
Lloyds Bank PLC				
\$ 500	6.188%	06/15/98	\$ 447	
National Westminster Bank				
500	6.000	08/28/98	433	
-----				
TOTAL FLOATING RATE BANK NOTES				
(Cost \$920)			\$ 880	
-----				
SHORT-TERM INVESTMENTS--12.2%				
Federal Home Loan Bank Discount Note				
\$ 2,017	5.450%	06/01/98	\$ 2,017	
Marshall & Isley Bank, Grand Cayman				
981	5.688	06/01/98	981	
-----				

TOTAL SHORT-TERM INVESTMENTS (Cost \$2,997)	\$ 2,998
-----	
TOTAL INVESTMENTS--98.5% (Cost \$24,169)	\$24,213
-----	
Other assets, less liabilities--1.5%	368
-----	
NET ASSETS--100.0%	\$24,581
-----	

(1/)At May 31, 1998, the Portfolio owned restricted securities valued at approximately \$350 (1.4% of net assets), with an aggregate cost basis of \$350. These securities may not be publicly sold without registration under the Securities Act of 1933. The value of these securities is determined by valuations supplied by a pricing service or brokers or, if not available, in accordance with procedures established by the Trustees.

See accompanying notes to financial statements.



Description				
Local Currency/ Principal Amount	Rate	Maturity Date	Value	
INTERNATIONAL BOND PORTFOLIO				
DEBT OBLIGATIONS--93.7%				
AUSTRALIAN DOLLAR--2.8%				
Commonwealth of Australia				
980	10.000%	10/15/02	\$ 732	-----
BELGIAN FRANC--2.3%				
Kingdom of Belgium				
18,275	7.500	07/29/08	593	-----
BRITISH POUND STERLING--17.2%				
Abbey National PLC				
825	6.000	08/10/99	1,328	
BAA PLC				
525	7.875	02/10/07	930	
Lloyds Bank PLC				
800	7.375	03/11/04	1,360	
Treasury of Great Britain				
400	8.000	06/07/21	848	-----
			4,466	-----
CANADIAN DOLLAR--3.1%				
Province of Ontario				
1,050	7.250	09/27/05	794	-----
DANISH KRONE--6.8%				
Kingdom of Denmark				
10,100	8.000	03/15/06	1,768	-----
FRENCH FRANC--4.8%				
Electricite de France				
6,200	8.600	04/09/04	1,246	-----
GERMAN MARK--15.9%				
Federal Republic of Germany				
1,795	6.250	01/04/24	1,121	
LKB Global Bond				
1,500	6.000	05/10/99	856	
Republic of Austria				
1,670	8.000	01/30/02	1,045	
Republic of Finland				
1,920	5.500	02/09/01	1,109	-----
			4,131	-----
ITALIAN LIRA--10.4%				
Republic of Italy				
4,000,000	8.500	04/01/04	2,693	-----
JAPANESE YEN--14.4%				
Asian Development Bank				
90,000	5.000	02/05/03	770	
European Bank for Reconstruction and Development				
95,000	5.875	11/26/99	741	

Description				
Local Currency/ Principal Amount	Rate	Maturity Date	Value	
100,000	4.500%	03/20/03	\$ 843	
International Bank for Reconstruction and Development Japan Development				

	Bank			
160,000	6.500	09/20/01	1,373	
			-----	
			3,727	
			-----	
NETHERLANDS GUILDER--1.4%				
	Kingdom of the			
	Netherlands			
700	5.750	02/15/07	371	
			-----	
SPANISH PESETA--4.9%				
	Kingdom of Spain			
120,000	11.300	01/15/02	970	
35,000	10.000	02/28/05	299	
			-----	
			1,269	
			-----	
SWEDISH KRONA--2.3%				
	Kingdom of Sweden			
3,700	10.250	05/05/03	584	
			-----	
UNITED STATES DOLLAR--7.4%				
	U.S. Treasury Bond			
1,650	7.125	02/15/23	1,909	
			-----	
TOTAL DEBT OBLIGATIONS (Cost				
	\$24,844)		\$24,283	
			-----	
SHORT-TERM INVESTMENT--3.4%				
	United States Dollar			
	Marshall & Isley			
	Bank, Grand Cayman			
\$ 872	5.688%	06/01/98	\$ 872	
			-----	
TOTAL SHORT-TERM INVESTMENT				
	(Cost \$872)		\$ 872	
			-----	
TOTAL INVESTMENTS--97.1%				
	(Cost \$25,716)		\$25,155	
			-----	
Other assets, less liabilities--2.9%				
			760	
			-----	
NET ASSETS--100.0%				
			\$25,915	
			-----	

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands)

(Unaudited)

Description				
Principal Amount	Rate	Maturity Date	Value	
SHORT-INTERMEDIATE BOND PORTFOLIO				
ASSET-BACKED SECURITIES--24.8%				
AUTOMOTIVE--9.8%				
			Chevy Chase Automobile Receivables Trust, Series 1991-4, Class A	
\$ 4,047	6.250%	06/15/04	\$	4,056
			Olympic Automobile Receivables Trust, Interest Only Stripped Security, Series 1995-D, Class I	
--	7.187	01/15/99		137
			Olympic Automobile Receivables Trust, Series 1995-A, Class A	
1,175	7.875	07/15/01		1,187
			Series 1996-D, Class A-4	
4,075	6.050	08/15/02		4,087
			Western Financial Automobile Loan Trust, Series 1994- 4, Class A-1	
461	7.100	01/01/00		465
			WFS Financial Owner Trust, Series 1997-A, Class A-3	
5,800	6.500	09/20/01		5,838
			Series 1997-D, Class A-3	
5,000	6.250	03/20/02		5,028
				20,798
HOME EQUITY LOANS--8.0%				
			Contimortgage Home Equity Loan Trust, Interest Only Stripped Security, Series 1998-1, Class A10I	
--	6.612	09/15/00		4,668
			Contimortgage Net Interest Margin Notes, Series 1998- A, Class A(/1/)	
3,167	7.920	03/16/28		3,159
			Delta Funding Home Equity Loan Trust, Interest Only Stripped Security, Series 1997-2, Class AIO	
--	6.500	06/25/27		2,560
			IMC Excess Cashflow Securities Trust, Series 1997-A, Class A	
3,546	7.410	11/26/28		3,530
			Lehman FHA Title I Loan Trust, Interest Only Stripped Security,	

		Series 1995-6, Class		
		S		
--	11.328	11/25/16	1,372	
		The Money Store		
		Trust, Series 1997-		
		1(/1/)		
1,556	7.360	05/16/01	1,555	
			-----	
			16,844	
			-----	
FINANCIAL--	7.0%			
		Associates Corp.		
5,000	5.850	01/15/01	4,984	
		California Infrastructure		
		Pacific Gas & Electric,		
		Series 1997-1, Class A-3		
7,250	6.150	06/25/02	7,287	
		Southern Pacific		
		Secured Asset Corp.,		
		Series 1997-2, Class		
		AIO		
37,500	5.723	07/25/00	2,514	
			-----	
			14,785	
			-----	
TOTAL ASSET-BACKED SECURITIES				
(Cost \$55,901)			\$ 52,427	
-----				

Description				
-----				
Principal			Maturity	
Amount	Rate		Date	Value
-----				
COLLATERALIZED MORTGAGE OBLIGATIONS--				
19.3%				
		AAMES Mortgage		
		Trust,		
		Interest Only		
		Stripped Security,		
		Series 1997-B, Class		
		AIO		
\$ --	5.500%	07/15/00	\$ 1,963	
		Donaldson, Lufkin &		
		Jenrette		
		Mortgage Acceptance		
		Corp.,		
		Interest Only		
		Stripped Security,		
		Series 1997-CF2,		
		Class CP		
--	5.727	11/15/04	6,150	
		Series 1994-Q8,		
		Class 2A1		
--	7.250	05/25/24	1,743	
		Financial Asset		
		Securitization,		
		Inc.,		
		Series 1997-NAMC,		
		Class FXA-3		
6,074	7.350	05/25/27	6,106	
		GE Capital Mortgage		
		Services, Inc.,		
		Series 1994-15,		
		Class A-6		
6,303	6.000	04/25/09	6,264	
		PNC Mortgage		
		Securities Corp.,		
		Series 1996-PR1,		
		Class A(/1/)		
2,531	8.151	04/28/27	2,620	
		Prudential Home		
		Mortgage Securities		
		Co.,		
		Series 1994-1, Class		
		A-3		
7,860	6.000	02/25/09	7,816	
		Residential Asset		
		Securitization		
		Trust,		
		Series 1997-A8,		
		Class A-3		

4,121	7.000	10/25/27	4,129
	Series 1998-A1, Class A-6		
4,466	13.068	03/25/28	4,025
-----			
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS (Cost \$41,490)			\$ 40,816
-----			
CORPORATE BONDS--5.2%			
BROKERAGE SERVICES--3.1%			
Donaldson, Lufkin & Jenrette, Inc. Medium Term Note			
\$ 6,500	5.625%	02/15/16	\$ 6,428
-----			
ELECTRICAL UTILITY--2.1%			
Tenaga Nasional Berhad			
4,800	7.200	04/29/07	4,497
-----			
TOTAL CORPORATE BONDS (Cost \$11,282)			\$ 10,925
-----			
U.S. GOVERNMENT AGENCIES--2.4%			
COLLATERALIZED MORTGAGE OBLIGATIONS-- 2.4%			
FANNIE MAE REMIC TRUST--1.8%			
Series 1996-M4, Class A			
\$ 3,712	7.750%	03/17/17	\$ 3,815
-----			
FANNIE MAE REMIC TRUST			
PRINCIPAL ONLY STRIPPED SECURITY--0.1%			
Series 1994-9, Class G			
317	4.954	11/25/23	304
-----			

See accompanying notes to financial statements.

Description			
Principal Amount	Rate	Maturity Date	Value
FREDDIE MAC REMIC TRUST PRINCIPAL ONLY STRIPPED SECURITY--0.5%			
Series 1571, Class BA			
\$ 1,009	8.793%	04/15/19	\$ 997
TOTAL U.S. GOVERNMENT AGENCIES (Cost \$4,768)			
U.S. GOVERNMENT OBLIGATIONS-- 46.1%			
U.S. TREASURY NOTES--46.1%			
\$ 9,000	6.625%	06/30/01	\$ 9,257
55,000	6.625	07/31/01	56,624
31,000	6.250	01/31/02	31,639
TOTAL U.S. GOVERNMENT OBLIGATIONS (Cost \$96,735)			
SHORT-TERM INVESTMENT--0.5%			
Marshall & Isley Bank, Grand Cayman			
\$ 1,117	5.688%	06/01/98	\$ 1,117
TOTAL SHORT-TERM INVESTMENT (Cost \$1,117)			
TOTAL INVESTMENTS--98.3%			
(Cost \$211,293)			
Other assets, less liabilities--1.7%			
NET ASSETS--100.0%			

(/1/)At May 31, 1998, the Portfolio owned a restricted security valued at approximately \$7,334 (3.5% of net assets), with an aggregate cost basis of \$7,300. This security may not be publicly sold without registration under the Securities Act of 1933. The value of this security is determined by valuations supplied by a pricing service or brokers, if not available, in accordance with procedures established by the Trustees.

See accompanying notes to financial statements.

Northern Institutional Funds  
Fixed Income Portfolios

STATEMENTS OF INVESTMENTS

May 31, 1998

(All amounts in thousands)

(Unaudited)

Description				
Principal Amount	Rate	Maturity Date	Value	
U.S. GOVERNMENT SECURITIES PORTFOLIO				
U.S. GOVERNMENT AGENCIES--59.4%				
COLLATERALIZED MORTGAGE OBLIGATIONS--				
42.9%				
FANNIE MAE REMIC TRUST--29.7%				
Series 1991-127,				
Class S				
\$ 1,615	12.080%	06/25/98	\$	1,633
Series 1998-M2,				
Class CPI,				
Interest Only				
Stripped Security				
--	7.678	02/17/02		625
Series 1997-M1,				
Class A				
2,846	6.783	01/17/03		2,884
Series 1993-085,				
Class PD				
888	5.500	07/25/03		884
Series 1993-133,				
Class EZ				
3,958	5.850	02/25/17		3,934
Series 1996-M4,				
Class A				
2,474	7.750	03/17/17		2,543
Series 1992-2000,				
Class E				
723	6.250	06/25/17		721
Series 1998-14,				
Class 14-F				
118	9.200	12/25/17		119
Series 1997-20,				
Class IO,				
Interest Only				
Stripped Security				
--	14.207	03/25/27		451
				13,794
FREDDIE MAC--13.2%				
Series 1227, Class G				
3,641	9.371	05/15/99		3,745
Series 1296, Class H				
1,781	11.572	07/15/99		1,886
Series 1520, Class F				
499	5.650	09/15/04		497
				6,128
				19,922
MORTGAGE-BACKED SECURITIES--6.2%				
FANNIE MAE--5.5%				
Pool #124945				
\$ 2,464	7.658%	01/01/31	\$	2,566
FREDDIE MAC--0.7%				
Pool #410092				
298	7.797	11/01/24		307
				2,873

Description				
Principal Amount	Rate	Maturity Date	Value	

AGENCY OBLIGATIONS--10.3%				
FANNIE MAE--5.8%				
\$ 2,750	5.250%	01/15/03	\$	2,692
-----				
FREDDIE MAC--1.1%				
500	7.130	06/30/05		501
-----				
TENNESSEE VALLEY AUTHORITY NOTE--3.4%				
1,500	6.235	07/15/45		1,566
-----				
				4,759
-----				
TOTAL U.S. GOVERNMENT AGENCIES				
(Cost \$27,499)			\$	27,554
-----				
U.S. GOVERNMENT OBLIGATIONS--34.7%				
U.S. TREASURY NOTES--34.7%				
\$ 4,750	6.625%	07/31/01	\$	4,890
1,250	6.250	01/31/02		1,276
9,000	7.500	02/15/05		9,923
-----				
TOTAL U.S. GOVERNMENT OBLIGA-				
TIONS				
(Cost \$15,889)			\$	16,089
-----				
SHORT-TERM INVESTMENT--4.7%				
Federal Home Loan				
Bank Discount Note				
\$ 2,183	5.450%	06/01/98	\$	2,183
-----				
TOTAL SHORT-TERM INVESTMENT				
(Cost \$2,183)			\$	2,183
-----				
TOTAL INVESTMENTS--98.8%				
(Cost \$45,571)			\$	45,826
-----				
Other assets, less liabilities--1.2%				556
-----				
NET ASSETS--100.0%				\$ 46,382
-----				

See accompanying notes to financial statements.



Description				
Principal Amount	Rate	Maturity Date	Value	
U.S. TREASURY INDEX PORTFOLIO				
U.S. GOVERNMENT OBLIGATIONS--				
97.1%				
U.S. TREASURY NOTES--57.0%				
\$ 400	9.125%	05/15/99	\$	413
2,400	7.875	11/15/99		2,477
2,300	7.750	01/30/00		2,378
1,900	6.500	05/31/01		1,947
1,400	7.500	11/15/01		1,482
1,400	6.250	02/15/03		1,437
1,500	5.750	08/15/03		1,511
800	6.250	02/15/07		831
				12,476
U.S. TREASURY BONDS--40.1%				
1,000	11.750	02/15/01		1,153
435	13.875	05/15/11		658
660	14.000	11/15/11		1,020
490	13.250	05/15/14		783
1,450	7.250	05/15/16		1,669
900	8.125	05/15/21		1,148
700	8.000	11/15/21		884
1,400	6.250	08/15/23		1,464
				8,779
TOTAL U.S. GOVERNMENT OBLIGA-				
TIONS				
(Cost \$20,593)				\$21,255
SHORT-TERM INVESTMENT--1.7%				
Federal Home Loan Bank Discount Note				
\$ 364	5.450%	06/01/98	\$	364
TOTAL SHORT-TERM INVESTMENT				
(Cost \$364)				\$ 364
TOTAL INVESTMENTS--98.8%				
(Cost \$20,957)				\$21,619
Other assets, less liabili-				
ties--1.2%				
				274
NET ASSETS--100.0%				
				\$21,893

See accompanying notes to financial statements.

Northern Institutional Funds  
Fixed Income Portfolios

**STATEMENTS OF ASSETS AND LIABILITIES**

May 31, 1998

(All amounts in thousands, except net asset value per share)

(Unaudited)

	Bond Portfolio	Intermediate Bond Portfolio	International Bond Portfolio	Short- Intermediate Bond Portfolio	U.S. Government Securities Portfolio	U.S. Treasury Index Portfolio
<b>ASSETS:</b>						
Investments in securities, at cost	\$531,431	\$24,169	\$25,716	\$211,293	\$45,571	\$20,957
Investments in securities, at value	\$546,680	\$24,213	\$25,155	\$207,921	\$45,826	\$21,619
Cash and foreign currencies	--	63	219	82	1	62
Receivables:						
Interest	8,294	340	522	3,562	573	222
Fund shares sold	1,199	--	--	8	--	--
Foreign tax reclaims Administrator	--	--	17	--	--	--
Administrator	8	9	21	21	2	--
Deferred organization costs, net	--	--	13	--	--	--
Other assets	19	1	2	8	7	8
<b>TOTAL ASSETS</b>	<b>556,200</b>	<b>24,626</b>	<b>25,949</b>	<b>211,602</b>	<b>46,409</b>	<b>21,911</b>
<b>LIABILITIES:</b>						
Payable for:						
Fund shares redeemed	292	1	--	7	2	--
Accrued expenses:						
Advisory fees	117	5	15	45	9	3
Administration fees	47	2	3	18	4	2
Transfer agent fees	9	--	--	2	1	--
Custodian fees	6	2	7	3	2	2
Other liabilities	117	35	9	14	9	11
<b>TOTAL LIABILITIES</b>	<b>588</b>	<b>45</b>	<b>34</b>	<b>89</b>	<b>27</b>	<b>18</b>
<b>NET ASSETS</b>	<b>\$555,612</b>	<b>\$24,581</b>	<b>\$25,915</b>	<b>\$211,513</b>	<b>\$46,382</b>	<b>\$21,893</b>
<b>ANALYSIS OF NET ASSETS:</b>						
Paid-in capital	\$533,979	\$24,507	\$25,993	\$213,836	\$46,038	\$21,592
Accumulated undistributed net investment income	2,196	42	428	1,215	123	33
Accumulated net realized gains (losses) on investments, forward foreign currency contracts and foreign currency transactions	4,188	(12)	63	(166)	(34)	(394)
Net unrealized appreciation (depreciation) on investments, forward foreign currency contracts and foreign currency transactions	15,249	44	(561)	(3,372)	255	662
Net unrealized losses on translation of other assets and liabilities denominated in foreign currencies	--	--	(8)	--	--	--
<b>NET ASSETS</b>	<b>\$555,612</b>	<b>\$24,581</b>	<b>\$25,915</b>	<b>\$211,513</b>	<b>\$46,382</b>	<b>\$21,893</b>
<b>Total shares outstanding (no par value), unlimited shares authorized</b>						
Class A	23,378	1,226	1,290	10,462	2,106	948
Class C	2,690	--	--	--	166	--
Class D	77	--	7	59	37	93
<b>Net asset value, offering and redemption price per share</b>						

Class A	\$ 21.25	\$ 20.05	\$ 19.99	\$ 20.10	\$ 20.09	\$ 21.04
Class C	\$ 21.24	--	--	--	\$ 20.07	--
Class D	\$ 21.22	--	\$ 19.90	\$ 20.05	\$ 20.05	\$ 21.00

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See accompanying notes to financial statements.

**STATEMENTS OF OPERATIONS**  
**For the Six Months Ended May 31, 1998**

(All amounts in thousands)

(Unaudited)

	Bond Portfolio	Intermediate Bond Portfolio	International Bond Portfolio	Short- Intermediate Bond Portfolio	U.S. Government Securities Portfolio	U.S. Treasury Index Portfolio
INTEREST INCOME	\$19,796	\$549	\$ 810(a)	\$10,023	\$1,532	\$ 839
EXPENSES:						
Investment advisory fees	1,606	51	116	595	140	55
Administration fees	268	8	19	99	23	14
Transfer agent fees	52	1	1	11	4	3
Shareholder servicing fees	42	--	--	1	3	2
Custodian fees	28	8	25	12	11	10
Registration fees	21	10	19	23	3	3
Professional fees	19	2	5	6	4	4
Trustee fees	7	--	2	3	2	2
Amortization of deferred organization costs	2	2	8	2	5	1
Other	15	14	9	7	9	7
TOTAL EXPENSES	2,060	96	204	759	204	101
Less: Voluntary waivers of investment advisory fees	(937)	(30)	(26)	(347)	(82)	(34)
Less: Expenses reimburs- able by Administrator	(92)	(36)	(54)	(53)	(33)	(28)
Net expenses	1,031	30	124	359	89	39
NET INVESTMENT INCOME	18,765	519	686	9,664	1,443	800
Net realized gains (losses) on:						
Investment transactions	5,045	9	157	(124)	137	661
Foreign currency trans- actions	--	--	(20)	--	--	--
Net change in unrealized appreciation (deprecia- tion) on investments, forward foreign cur- rency contracts and foreign currency transactions	304	105	(342)	(3,429)	(48)	(277)
Net change in unrealized losses on translation of other assets and li- abilities denominated in foreign currencies	--	--	(6)	--	--	--
NET INCREASE IN NET AS- SETS RESULTING FROM OP- ERATIONS	\$24,114	\$633	\$475	\$6,111	\$1,532	\$1,184

(a) Net of \$4 in non-reclaimable foreign withholding taxes.

See accompanying notes to financial statements.

**STATEMENTS OF CHANGES IN NET ASSETS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Year Ended November 30, 1997

(All amounts in thousands)

	Bond Portfolio		Intermediate Bond Portfolio	
	1998	1997	1998	1997 (a)
-----				
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:				
Net investment income	\$ 18,765	\$ 28,861	\$ 519	\$ 204
Net realized gains (losses) on investments and foreign currency transactions	5,045	3,869	9	(21)
Net change in unrealized appreciation (depreciation) on investments and foreign currency transactions	304	4,710	105	(61)
Net change in unrealized gains (losses) on translations of other assets and liabilities denominated in foreign currencies	--	--	--	--
-----				
Net increase (decrease) in net assets resulting from operations	24,114	37,440	633	122
-----				
DISTRIBUTIONS TO CLASS A SHAREHOLDERS FROM:				
Net investment income	(15,206)	(25,700)	(496)	(185)
Net realized gain on investment transactions	(2,645)	--	--	--
-----				
Total distributions to Class A shareholders	(17,851)	(25,700)	(496)	(185)
-----				
DISTRIBUTIONS TO CLASS C SHAREHOLDERS FROM:				
Net investment income	(1,656)	(2,140)	--	--
Net realized gain on investment transactions	(296)	--	--	--
-----				
Total distributions to Class C shareholders	(1,952)	(2,140)	--	--
-----				
DISTRIBUTIONS TO CLASS D SHAREHOLDERS FROM:				
Net investment income	(45)	(23)	--	--
Net realized gain on investment transactions	(6)	--	--	--
-----				
Total distributions to Class D shareholders	(51)	(23)	--	--
-----				
CLASS A SHARE TRANSACTIONS:				
Proceeds from the sale of shares	76,128	155,583	16,460	11,875
Reinvested distributions	15,408	22,888	496	185
Cost of shares redeemed	(59,053)	(92,369)	(4,509)	--
-----				
Net increase (decrease) in net assets resulting from Class A share transactions	32,483	86,102	12,447	12,060
-----				
CLASS C SHARE TRANSACTIONS:				
Proceeds from the sale of shares	15,053	60,626	--	--
Reinvested distributions	1,952	2,140	--	--
Cost of shares redeemed	(10,827)	(21,561)	--	--
-----				
Net increase (decrease) in net assets resulting from Class C share transactions	6,178	41,205	--	--
-----				
CLASS D SHARE TRANSACTIONS:				
Proceeds from the sale of shares	1,282	657	--	--
Reinvested distributions	51	22	--	--
Cost of shares redeemed	(311)	(306)	--	--
-----				
Net increase in net assets resulting from Class D share transactions	1,022	373	--	--

Net increase (decrease)	43,943	137,257	12,584	11,997
Net assets--beginning of period	511,669	374,412	11,997	--
NET ASSETS--END OF PERIOD	\$555,612	\$511,669	\$24,581	\$11,997
ACCUMULATED UNDISTRIBUTED NET INVESTMENT INCOME	\$ 2,196	\$ 338	\$ 42	\$ 19

(a) For the period August 1, 1997 (commencement of operations) through November 30, 1997.

See accompanying notes to financial statements.

International Bond Portfolio		Short-Intermediate Bond Portfolio		U.S. Government Securities Portfolio		U.S. Treasury Index Portfolio	
1998	1997	1998	1997	1998	1997	1998	1997
\$ 686	\$ 1,608	\$ 9,664	\$ 13,180	\$ 1,443	\$ 5,026	\$ 800	\$ 1,856
137	97	(124)	(623)	137	76	661	(56)
(342)	(2,827)	(3,429)	(2,110)	(48)	(46)	(277)	382
(6)	3	--	--	--	--	--	--
475	(1,119)	6,111	10,447	1,532	5,056	1,184	2,182
(295)	(1,390)	(8,459)	(12,516)	(1,217)	(4,820)	(767)	(1,746)
(385)	(520)	(267)	(414)	--	--	--	--
(680)	(1,910)	(8,726)	(12,930)	(1,217)	(4,820)	(767)	(1,746)
--	--	--	--	(89)	(204)	--	--
--	--	--	--	--	--	--	--
--	--	--	--	(89)	(204)	--	--
(1)	(3)	(46)	(39)	(14)	(17)	(56)	(79)
(2)	(1)	(1)	(1)	--	--	--	--
(3)	(4)	(47)	(40)	(14)	(17)	(56)	(79)
727	1,168	80,690	121,515	2,675	68,991	12,701	20,990
620	1,525	7,498	11,648	1,091	4,525	278	1,197
(1,752)	(7,465)	(76,664)	(82,865)	(4,733)	(122,819)	(27,221)	(14,944)
(405)	(4,772)	11,524	50,298	(967)	(49,303)	(14,242)	7,243
--	--	--	--	594	1,328	--	--
--	--	--	--	89	204	--	--
--	--	--	--	(485)	(1,940)	--	--
--	--	--	--	198	(408)	--	--
55	47	379	638	573	111	354	1,106
3	4	38	27	9	6	28	40
(4)	(7)	(114)	(110)	(146)	(29)	(154)	(321)
54	44	303	555	436	88	228	825
(559)	(7,761)	9,165	48,330	(121)	(49,608)	(13,653)	8,425
26,474	34,235	202,348	154,018	46,503	96,111	35,546	27,121
\$25,915	\$26,474	\$211,513	\$202,348	\$46,382	\$ 46,503	\$ 21,893	\$ 35,546
\$ 428	\$ 38	\$ 1,215	\$ 56	\$ 123	\$ --	\$ 33	\$ 56

**FINANCIAL HIGHLIGHTS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Years Ended November 30,

**BOND PORTFOLIO**

	Class A					
	1998	1997	1996	1995	1994	1993 (a)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 21.08	\$ 20.77	\$ 20.96	\$ 18.29	\$ 20.70	\$ 20.00
Income from investment operations:						
Net investment income	0.74	1.34	1.29	1.17	1.42	1.42
Net realized and unrealized gain (loss)	0.22	0.29	(0.19)	2.66	(2.21)	0.66
Total income (loss) from investment operations	0.96	1.63	1.10	3.83	(0.79)	2.08
DISTRIBUTIONS TO SHAREHOLDERS FROM:						
Net investment income	(0.67)	(1.32)	(1.26)	(1.14)	(1.46)	(1.38)
Net realized gain	(0.12)	--	--	--	(0.15)	--
Return of capital	--	--	(0.03)	(0.02)	(0.01)	--
Total distributions to shareholders	(0.79)	(1.32)	(1.29)	(1.16)	(1.62)	(1.38)
Net increase (decrease)	0.17	0.31	(0.19)	2.67	(2.41)	0.70
NET ASSET VALUE, END OF PERIOD	\$ 21.25	\$ 21.08	\$ 20.77	\$ 20.96	\$ 18.29	\$ 20.70
Total return (d)	4.65%	8.17%	5.57%	21.55%	(4.04)%	10.60%
Ratio to average net assets of (e):						
Expenses, net of waivers and reimbursements	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%
Expenses, before waivers and reimbursements	0.74%	0.77%	0.84%	0.84%	0.87%	0.92%
Net investment income, net of waivers and reimbursements	7.01%	6.66%	6.39%	5.94%	7.31%	7.84%
Net investment income, before waivers and reimbursements	6.63%	6.25%	5.91%	5.46%	6.80%	7.28%
Portfolio turnover rate	34.70%	76.30%	101.38%	74.19%	103.09%	89.06%
Net assets at end of period (in thousands)	\$496,839	\$460,514	\$366,850	\$286,301	\$257,391	\$245,112

	Class C				Class D				
	1998	1997	1996	1995(b)	1998	1997	1996	1995	1994 (c)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 21.07	\$ 20.78	\$ 20.96	\$20.21	\$21.05	\$20.76	\$ 20.94	\$18.29	\$ 18.74
Income from investment operations:									
Net investment income	0.73	1.29	1.25	0.47	0.72	1.24	1.22	1.08	0.28
Net realized and unrealized gain (loss)	0.20	0.28	(0.18)	0.74	0.20	0.30	(0.18)	2.66	(0.45)
Total income (loss) from investment operations	0.93	1.57	1.07	1.21	0.92	1.54	1.04	3.74	(0.17)
DISTRIBUTIONS TO SHAREHOLDERS FROM:									
Net investment income	(0.64)	(1.28)	(1.22)	(0.45)	(0.63)	(1.25)	(1.19)	(1.09)	(0.28)
Net realized gain	(0.12)	--	(0.03)	(0.01)	(0.12)	--	(0.03)	--	--
Total distributions to shareholders	(0.76)	(1.28)	(1.25)	(0.46)	(0.75)	(1.25)	(1.22)	(1.09)	(0.28)
Net increase (decrease)	0.17	0.29	(0.18)	0.75	0.17	0.29	(0.18)	2.65	(0.45)
NET ASSET VALUE, END OF PERIOD	\$ 21.24	\$ 21.07	\$ 20.78	\$20.96	\$21.22	\$21.05	\$ 20.76	\$20.94	\$ 18.29



Total return (d)	4.52%	7.88%	5.33%	6.08%	4.44%	7.74%	5.17%	21.06%	(0.94)%
Ratio to average net assets of (e):									
Expenses, net of waivers and reimbursements	0.60%	0.60%	0.60%	0.60%	0.75%	0.75%	0.75%	0.75%	0.75%
Expenses, before waivers and reimbursements	0.98%	1.01%	1.08%	1.08%	1.13%	1.16%	1.23%	1.23%	1.26%
Net investment income, net of waivers and reimbursements	6.96%	6.39%	6.09%	5.59%	6.93%	6.27%	5.99%	5.48%	6.31%
Net investment income, before waivers and reimbursements	6.58%	5.98%	5.61%	5.11%	6.55%	5.86%	5.51%	5.00%	5.80%
Portfolio turnover rate	34.70%	76.30%	101.38%	74.19%	34.70%	76.30%	101.38%	74.19%	103.09%
Net assets at end of period (in thousands)	\$57,142	\$50,554	\$ 7,342	\$3,704	\$1,631	\$ 601	\$ 220	\$ 120	\$ 15

(a) For the period January 11, 1993 (commencement of operations) through November 30, 1993.

(b) For the period July 3, 1995 (Class C shares issue date) through November 30, 1995.

(c) For the period September 14, 1994 (Class D shares issue date) through November 30, 1994.

(d) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.

(e) Annualized for periods less than a full year.

See accompanying notes to financial statements.

**FINANCIAL HIGHLIGHTS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Year Ended November 30,

**INTERMEDIATE BOND PORTFOLIO**

	Class A	
	1998	1997 (a)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 19.89	\$ 20.00
Income (loss) from investment operations:		
Net investment income	0.57	0.38
Net realized and unrealized gain (loss)	0.16	(0.15)
Total income from investment operations	0.73	0.23
DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Net investment income	(0.57)	(0.34)
Total distributions to shareholders	(0.57)	(0.34)
Net increase (decrease)	0.16	(0.11)
NET ASSET VALUE, END OF PERIOD	\$ 20.05	\$ 19.89
Total return (b)	3.75%	1.17%
Ratio to average net assets of (c):		
Expenses, net of waivers and reimbursements	0.36%	0.36%
Expenses, before waivers and reimbursements	1.13%	2.28%
Net investment income, net of waivers and reimbursements	6.92%	5.87%
Net investment income, before waivers and reimbursements	6.15%	3.95%
Portfolio turnover rate	23.99%	56.99%
Net assets at end of period (in thousands)	\$24,581	\$11,997

(a) For the period August 1, 1997 (commencement of operations) through November 30, 1997.

(b) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.

(c) Annualized for periods less than a full year.

See accompanying notes to financial statements.

**FINANCIAL HIGHLIGHTS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Years Ended November 30,

**INTERNATIONAL BOND PORTFOLIO**

	Class A				
	1998	1997	1996	1995	1994(a)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 20.13	\$ 22.16	\$ 21.74	\$ 19.93	\$ 20.00
Income from investment operations:					
Net investment income	0.53	1.02	1.54	1.26	0.79
Net realized and unrealized gain (loss)	(0.14)	(1.70)	0.43	2.28	0.01
Total income (loss) from investment operations	0.39	(0.68)	1.97	3.54	0.80
DISTRIBUTIONS TO SHAREHOLDERS FROM:					
Net investment income (c)	(0.23)	(1.01)	(1.55)	(1.73)	(0.87)
Net realized gain	(0.30)	(0.34)	--	--	--
Total distributions to shareholders	(0.53)	(1.35)	(1.55)	(1.73)	(0.87)
Net increase (decrease)	(0.14)	(2.03)	0.42	1.81	(0.07)
NET ASSET VALUE, END OF PERIOD	\$ 19.99	\$ 20.13	\$ 22.16	\$ 21.74	\$ 19.93
Total return (d)	1.89%	(3.02)%	9.47%	18.20%	4.03%
Ratio to average net assets of (e):					
Expenses, net of waivers and reimbursements	0.96%	0.96%	0.96%	0.96%	0.96%
Expenses, before waivers and reimbursements	1.57%	1.52%	1.58%	1.47%	1.49%
Net investment income, net of waivers and reimbursements	4.82%	5.61%	5.91%	5.92%	5.93%
Net investment income, before waivers and reimbursements	4.21%	5.05%	5.29%	5.41%	5.40%
Portfolio turnover rate	14.50%	29.29%	33.89%	54.46%	88.65%
Net assets at end of period (in thousands)	\$25,771	\$26,383	\$34,183	\$32,673	\$26,947

	Class D			
	1998	1997	1996	1995(b)
NET ASSET VALUE, BEGINNING OF PERIOD	\$20.06	\$22.14	\$21.74	\$22.17
Income from investment operations:				
Net investment income	0.46	0.97	1.37	0.02
Net realized and unrealized gain (loss)	(0.11)	(1.72)	0.51	(0.08)
Total income (loss) from investment operations	0.35	(0.75)	1.88	(0.06)
DISTRIBUTIONS TO SHAREHOLDERS FROM:				
Net investment income (c)	(0.21)	(0.99)	(1.48)	(0.37)
Net realized gain	(0.30)	(0.34)	--	--
Total distributions to shareholders	(0.51)	(1.33)	(1.48)	(0.37)
Net increase (decrease)	(0.16)	(2.08)	0.40	(0.43)
NET ASSET VALUE, END OF PERIOD	\$19.90	\$20.06	\$22.14	\$21.74
Total return (d)	1.70%	(3.38)%	9.04%	(0.30)%
Ratio to average net assets of (e):				
Expenses, net of waivers and reimbursements	1.35%	1.35%	1.35%	1.35%
Expenses, before waivers and reimbursements	1.96%	1.91%	1.97%	1.86%
Net investment income, net of waivers and reimbursements	4.43%	5.36%	5.67%	3.26%
Net investment income, before waivers and reimbursements	3.82%	4.80%	5.05%	2.75%
Portfolio turnover rate	14.50%	29.29%	33.89%	54.46%

Net assets at end of period (in thousands)    \$ 144    \$ 91    \$ 52    \$ 9  
-----

- (a) For the period March 28, 1994 (commencement of operations) through November 30, 1994.
- (b) For the period November 20, 1995 (Class D shares issue date) through November 30, 1995.
- (c) Distributions to shareholders from net investment income include amounts relating to foreign currency transactions which are treated as ordinary income for Federal income tax purposes.
- (d) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.
- (e) Annualized for periods less than a full year.

See accompanying notes to financial statements.

**FINANCIAL HIGHLIGHTS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Years Ended November 30,

**SHORT-INTERMEDIATE BOND PORTFOLIO**

	Class A					
	1998	1997	1996	1995	1994	1993 (a)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 20.36	\$ 20.70	\$ 20.73	\$ 19.53	\$ 20.33	\$ 20.00
Income (loss) from investment operations:						
Net investment income	0.97	1.46	1.14	1.02	0.97	0.85
Net realized and unrealized gain (loss)	(0.34)	(0.29)	(0.01)	1.19	(0.80)	0.31
Total income from investment operations	0.63	1.17	1.13	2.21	0.17	1.16
DISTRIBUTIONS TO SHAREHOLDERS FROM:						
Net investment income	(0.86)	(1.46)	(1.16)	(1.01)	(0.97)	(0.83)
Net realized gain	(0.03)	(0.05)	--	--	--	--
Total distributions to shareholders	(0.89)	(1.51)	(1.16)	(1.01)	(0.97)	(0.83)
Net increase (decrease)	(0.26)	(0.34)	(0.03)	1.20	(0.80)	0.33
NET ASSET VALUE, END OF PERIOD	\$ 20.10	\$ 20.36	\$ 20.70	\$ 20.73	\$ 19.53	\$ 20.33
Total return (c)	3.15%	5.95%	5.68%	11.58%	0.84%	5.90%
Ratio to average net assets of (d):						
Expenses, net of waivers and reimbursements	0.36%	0.36%	0.36%	0.36%	0.36%	0.36%
Expenses, before waivers and reimbursements	0.76%	0.81%	0.88%	0.91%	0.95%	1.00%
Net investment income, net of waivers and reimbursements	9.75%	7.68%	5.83%	5.14%	4.84%	4.79%
Net investment income, before waivers and reimbursements	9.35%	7.23%	5.31%	4.59%	4.25%	4.15%
Portfolio turnover rate	34.80%	48.49%	47.68%	54.68%	48.67%	19.48%
Net assets at end of period (in thousands)	\$210,335	\$201,457	\$153,675	\$158,678	\$96,209	\$107,550

	Class D				
	1998	1997	1996	1995	1994 (b)
NET ASSET VALUE, BEGINNING OF PERIOD	\$20.31	\$20.66	\$20.71	\$19.53	\$19.82
Income (loss) from investment operations:					
Net investment income	0.93	1.43	1.07	0.94	0.23
Net realized and unrealized gain (loss)	(0.33)	(0.34)	(0.02)	1.18	(0.29)
Total income from investment operations	0.60	1.09	1.05	2.12	(0.06)
DISTRIBUTIONS TO SHAREHOLDERS FROM:					
Net investment income	(0.83)	(1.39)	(1.10)	(0.94)	(0.23)
Net realized gain	(0.03)	(0.05)	--	--	--
Total distributions to shareholders	(0.86)	(1.44)	(1.10)	(0.94)	(0.23)
Net increase (decrease)	(0.26)	(0.35)	(0.05)	1.18	(0.29)
NET ASSET VALUE, END OF PERIOD	\$20.05	\$20.31	\$20.66	\$20.71	\$19.53
Total return (c)	2.95%	5.54%	5.22%	11.09%	(0.30)%
Ratio to average net assets of (d):					
Expenses, net of waivers and reimbursements	0.75%	0.75%	0.75%	0.75%	0.75%

Expenses, before waivers and reimbursements	1.15%	1.20%	1.27%	1.30%	1.34%
Net investment income, net of waivers and reimbursements	9.44%	7.48%	4.96%	4.85%	4.42%
Net investment income, before waivers and reimbursements	9.04%	7.03%	4.44%	4.30%	3.83%
Portfolio turnover rate	34.80%	48.49%	47.68%	54.68%	48.67%
Net assets at end of period (in thousands)	\$1,178	\$ 891	\$ 343	\$ 13	\$ 1

(a) For the period January 11, 1993 (commencement of operations) through November 30, 1993.

(b) For the period September 14, 1994 (Class D shares issue date) through November 30, 1994.

(c) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.

(d) Annualized for periods less than a full year.

See accompanying notes to financial statements.



sets of (e):								
Expenses, net of waivers and reimbursements	0.60%	0.60%	0.60%	0.75%	0.75%	0.75%	0.75%	0.75%
Expenses, before waivers and reimbursements	1.09%	1.09%	1.18%	1.24%	1.24%	1.33%	1.48%	1.51%
Net investment income, net of waivers and reimbursements	5.95%	5.63%	4.97%	5.80%	5.50%	4.83%	5.08%	4.65%
Net investment income, before waivers and reimbursements	5.46%	5.14%	4.39%	5.31%	5.01%	4.25%	4.35%	3.89%
Portfolio turnover rate	42.20%	95.73%	119.75%	42.20%	95.73%	119.75%	141.14%	45.55%
Net assets at end of year (in thousands)	\$3,332	\$3,118	\$3,535	\$ 749	\$ 312	\$ 225	\$ 67	\$ 13

(a) For the period April 5, 1993 (commencement of operations) through November 30, 1993.

(b) For the period December 29, 1995 (Class C shares issue date) through November 30, 1996.

(c) For the period September 15, 1994 (Class D shares issue date) through November 30, 1994.

(d) Assumes investment at net asset value at the beginning of the year, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.

(e) Annualized for periods less than a full year.

See accompanying notes to financial statements.



**FINANCIAL HIGHLIGHTS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Years Ended November 30,

**U.S. TREASURY INDEX PORTFOLIO**

	Class A					
	1998	1997	1996	1995	1994	1993 (a)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 20.81	\$ 20.60	\$ 20.78	\$ 18.77	\$ 21.05	\$ 20.00
Income (loss) from investment operations:						
Net investment income	0.63	1.26	1.19	1.11	1.15	0.95
Net realized and unrealized gain (loss)	0.23	0.20	(0.18)	2.01	(1.93)	1.02
Total income (loss) from investment operations	0.86	1.46	1.01	3.12	(0.78)	1.97
DISTRIBUTIONS TO SHAREHOLDERS FROM:						
Net investment income	(0.63)	(1.25)	(1.19)	(1.11)	(1.14)	(0.92)
Net realized gain	--	--	--	--	(0.36)	--
Total distributions to shareholders	(0.63)	(1.25)	(1.19)	(1.11)	(1.50)	(0.92)
Net increase (decrease)	0.23	0.21	(0.18)	2.01	(2.28)	1.05
NET ASSET VALUE, END OF PERIOD	\$ 21.04	\$ 20.81	\$ 20.60	\$ 20.78	\$ 18.77	\$ 21.05
Total return (c)	4.18%	7.44%	5.10%	16.95%	(3.80)%	9.94%
Ratio to average net assets of (d):						
Expenses, net of waivers and reimbursements	0.26%	0.26%	0.26%	0.26%	0.26%	0.26%
Expenses, before waivers and reimbursements	0.72%	0.82%	1.04%	0.89%	0.79%	0.83%
Net investment income, net of waivers and reimbursements	5.87%	6.36%	5.93%	5.09%	5.60%	5.11%
Net investment income, before waivers and reimbursements	5.41%	5.80%	5.15%	4.46%	5.07%	4.54%
Portfolio turnover rate	46.47%	72.61%	42.49%	80.36%	52.80%	77.75%
Net assets at end of period (in thousands)	\$19,938	\$33,839	\$26,273	\$17,674	\$37,305	\$71,456

	Class D				
	1998	1997	1996	1995	1994 (b)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 20.77	\$20.57	\$20.75	\$18.77	\$18.80
Income (loss) from investment operations:					
Net investment income	0.57	1.20	1.17	1.00	0.09
Net realized and unrealized gain (loss)	0.25	0.18	(0.24)	2.03	(0.03)
Total income from investment operations	0.82	1.38	0.93	3.03	0.06
DISTRIBUTIONS TO SHAREHOLDERS FROM:					
Net investment income	(0.59)	(1.18)	(1.11)	(1.05)	(0.09)
Total distributions to shareholders	(0.59)	(1.18)	(1.11)	(1.05)	(0.09)
Net increase (decrease)	0.23	0.20	(0.18)	1.98	(0.03)
NET ASSET VALUE, END OF PERIOD	\$ 21.00	\$20.77	\$20.57	\$20.75	\$18.77
Total return (c)	3.97%	7.03%	4.72%	16.43%	0.37%
Ratio to average net assets of (d):					
Expenses, net of waivers and reimbursements	0.65%	0.65%	0.65%	0.65%	0.65%
Expenses, before waivers and reim-					

bursements	1.11%	1.21%	1.43%	1.28%	1.18%
Net investment income, net of waiv- ers and reimbursements	5.51%	6.07%	5.57%	5.41%	6.05%
Net investment income, before waiv- ers and reimbursements	5.05%	5.51%	4.79%	4.78%	5.52%
Portfolio turnover rate	46.47%	72.61%	42.49%	80.36%	52.80%
Net assets at end of period (in thousands)	\$ 1,955	\$1,707	\$ 848	\$ 286	\$ --
-----					

(a) For the period January 11, 1993 (commencement of operations) through November 30, 1993.

(b) For the period November 16, 1994 (Class D shares issue date) through November 30, 1994.

(c) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at net asset value at the end of the period. Total return is not annualized for periods less than one year.

(d) Annualized for periods less than a full year.

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
-----		
BALANCED PORTFOLIO		
COMMON STOCKS--53.8%		
BANKING--1.5%		
8,520	Banc One Corp.	\$ 470
4,700	BankAmerica Corp.	389
		-----
		859
		-----
BROKERAGE AND FINANCIAL SERVICES--0.6%		
11,000	Schwab (Charles) Corp.	363
		-----
COMMUNICATIONS--4.1%		
10,200	Ameritech Corp.	433
5,500	AT&T Corp.	335
6,000	Lucent Technologies, Inc.	426
9,000	Snyder Communications, Inc.	363
8,000	Tellabs, Inc.*	549
5,000	WorldCom, Inc.*	227
		-----
		2,333
		-----
COMPUTERS AND OFFICE MACHINES--4.5%		
6,950	Cisco Systems, Inc.*	526
5,000	HBO & Co.	288
6,600	Hewlett-Packard Co.	410
2,600	International Business Machines Corp.	305
9,500	Microsoft Corp.	806
4,000	PeopleSoft, Inc.	175
		-----
		2,510
		-----
CONSUMER PRODUCTS--3.2%		
3,500	Gillette Co.	410
7,800	Procter & Gamble Co.	655
28,050	Staples, Inc.	705
		-----
		1,770
		-----
CREDIT INSTITUTIONS--0.8%		
14,000	MBNA Corp.	444
		-----
ELECTRONICS AND OTHER ELECTRICAL EQUIPMENT--4.6%		
5,500	Emerson Electric Co.	334
14,900	General Electric Co.	1,242
4,700	Intel Corp.	336
5,300	Linear Technology Corp.	371
7,000	Solectron Corp.	290
		-----
		2,573
		-----
FOOD AND BEVERAGE--3.3%		
5,000	Coca-Cola (The) Co.	392
14,400	PepsiCo, Inc.	588
12,700	Philip Morris Cos., Inc.	475
8,200	Starbucks Corp.*	394
		-----
		1,849
		-----
HEALTH SERVICES--4.6%		
6,000	Cardinal Health, Inc.	535
24,950	Health Management Associates, Inc., Class A*	744
11,000	HEALTHSOUTH Corp.*	312
6,200	Johnson & Johnson Co.	428
10,400	Medtronic, Inc.	578
		-----
		2,596
		-----

-----

Shares	Description	Value
--------	-------------	-------

-----

INDUSTRIAL INSTRUMENTS--0.4%

3,000 Becton, Dickinson & Co.	\$ 212
-----	
INSURANCE SERVICES--2.9%	
7,100 American International Group, Inc.	879
9,900 MBIA, Inc.	738
-----	
	1,617
-----	
MORTGAGE AGENCIES--2.4%	
14,900 Fannie Mae	892
9,500 Freddie Mac	432
-----	
	1,324
-----	
OIL AND GAS--5.2%	
6,000 Chevron Corp.	479
11,400 Exxon Corp.	804
12,800 Royal Dutch Petroleum Co. ADR	718
9,600 Schlumberger Ltd. ADR	749
3,000 Transocean Offshore, Inc.	148
-----	
	2,898
-----	
PHARMACEUTICALS--4.4%	
2,800 Bristol-Myers Squibb Co.	301
6,000 Elan Corp. PLC ADR*	367
4,900 Merck & Co., Inc.	574
4,900 Pfizer, Inc.	513
10,800 Warner-Lambert Co.	689
-----	
	2,444
-----	
PROFESSIONAL SERVICE--4.9%	
18,000 Accustaff*	593
9,000 Cendant Corp.*	195
10,400 Cintas Corp.	475
11,600 Computer Sciences Corp.*	602
10,000 Newell Co.	482
12,000 Paychex, Inc.	432
-----	
	2,779
-----	
RECREATION AND LEISURE SERVICES--0.8%	
6,500 Carnival Corp., Class A	440
-----	
RETAIL--5.6%	
7,800 Consolidated Stores Corp.*	298
6,000 Fastenal	297
10,650 Home Depot (The), Inc.	837
24,000 Walgreen Co.	844
15,500 Wal-Mart Stores, Inc.	855
-----	
	3,131
-----	
TOTAL COMMON STOCKS (Cost \$19,127)	\$30,142
-----	
PREFERRED STOCK--1.7%	
AGENCY--1.7%	
1,000 Home Ownership Funding Corp.	\$ 976
-----	
TOTAL PREFERRED STOCK (Cost \$1,000)	\$ 976
-----	

See accompanying notes to financial statements.

Principal Amount	Description	Value
ASSET-BACKED SECURITIES--6.0%		
AUTOMOTIVE--3.9%		
\$ 864	Chevy Chase Auto Receivables Trust, Series 1997-4, Class A 6.250%Due 06/15/04	\$ 867
600	Olympic Automobile Receivable Trust, Series 1996-D, Class A-4 6.050Due 08/15/02	602
46	Western Financial Grantor Trust, Series 1994-4, Class A-1 7.100Due 01/01/00	46
258	Series 1995-5, Class A-1 5.875Due 03/01/02	258
400	Western Financial Owner Trust, Series 1997-A, Class A-3 6.500Due 09/20/01	402
		----- 2,175 -----
CREDIT CARD--1.8%		
1,000	Circuit City Credit Card Master Trust, Series 1999-2, Class A 8.000Due 11/15/03	1,030
		-----
HOME EQUITY LOANS--0.3%		
181	The Money Store Trust, Series 1997-1(1/1) 7.360Due 05/16/01	181
		-----
TOTAL ASSET-BACKED SECURITIES (Cost \$3,381)		\$3,386
-----		
COLLATERALIZED MORTGAGE OBLIGATIONS--4.1%		
\$ 222	Donaldson, Lufkin & Jenrette Mortgage Acceptance Corp., Series 1994-Q8, Class 2-A1 7.250%Due 05/25/24	\$ 230
900	Financial Asset Securitization, Inc., Series 1997-NAMC, Class FXA-3 7.350Due 04/25/27	905
510	First Union-Lehman Brothers-Bank of America Commercial Mortgage Trust, Series 1998-C2, Class A2 6.560Due 11/18/08	518
605	Mortgage Capital Funding, Inc. Commercial Mortgage Backed Security, Series 1998-MC1, Class A2 6.663Due 01/18/08	616
		-----
TOTAL COLLATERALIZED MORTGAGE OBLIGATIONS (Cost \$2,244)		\$2,269
-----		
CORPORATE AND FOREIGN GOVERNMENT BONDS--10.9%		
FINANCIAL--4.5%		
\$ 500	Finova Capital Corp. 6.190%Due 10/20/99	\$ 502
570	Lehman Brothers Holdings, Inc. 7.375Due 05/15/07, putable 05/01/00	605
-----		
Principal Amount	Description	Value
	Lehman Brothers Holdings, Inc. Medium Term Note	
\$ 305	6.900%Due 01/29/01	\$ 311
350	Lumbermens Mutual Casualty Co. 9.150Due 07/01/26	419
650	Salomon, Inc. Medium Term Note 6.65Due 07/15/01	659
		----- 2,496 -----
INDUSTRIAL--1.5%		
830	Penney (J. C.), Inc. 6.900Due 08/15/26, putable 08/15/03	866
-----		
SANITARY SERVICES--2.0%		
285	WMX Technologies, Inc. 8.250Due 11/15/99	293
800	7.100Due 08/01/26, putable 08/01/03	832
		----- 1,125 -----
SOVEREIGN--1.2%		
600	Quebec Province, Canada Medium Term Note 7.220Due 07/22/36, putable 07/22/06	684

UTILITY--1.7%		
	Tenaga Nasional Berhad	
1,000	7.200Due 04/29/07, putable 04/29/02	936
-----		
TOTAL CORPORATE AND FOREIGN GOVERNMENT BONDS (Cost \$5,989)		\$ 6,107
-----		
U.S. GOVERNMENT AGENCIES--1.7%		
FANNIE MAE REMIC TRUST--1.7%		
	Series 1991-37, Class G	
\$ 133	8.150%Due 08/25/05	\$ 133
	Series 1992-200, Class E	
361	6.250Due 06/25/17	360
	Series 1996-M4, Class A	
464	7.750Due 03/17/17	477
-----		
TOTAL U.S. GOVERNMENT AGENCIES (Cost \$947)		\$ 970
-----		
U.S. GOVERNMENT OBLIGATIONS--13.3%		
U.S. TREASURY BOND--1.7%		
\$ 800	7.125%Due 02/15/23	\$ 926
-----		
U.S. TREASURY NOTES--11.6%		
245	6.750Due 05/31/99	248
175	6.250Due 05/31/00	177
1,325	7.750Due 02/15/01	1,397
900	6.625Due 06/30/01	926
2,525	6.625Due 07/31/01	2,600
200	6.250Due 02/15/03	205
875	7.500Due 02/15/05	965
-----		
		6,518
-----		
TOTAL U.S. GOVERNMENT OBLIGATIONS (Cost \$7,341)		\$ 7,444
-----		

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Principal Amount	Description	Value
BALANCED PORTFOLIO--CONTINUED		
FLOATING RATE BANK NOTES--3.5%		
	Lloyds Bank PLC	
\$1,100	6.188%Due 06/15/98	\$ 984
	National Westminster Bank	
1,100	5.813%Due 08/28/98	954
-----		
TOTAL FLOATING RATE BANK NOTES		
(Cost \$1,932)		\$ 1,938
-----		
SHORT-TERM INVESTMENT--3.5%		
	Marshall & Isley Bank, Grand Cayman	
\$1,976	5.688%Due 06/01/98	\$ 1,976
-----		
TOTAL SHORT-TERM INVESTMENT (Cost \$1,976)		\$ 1,976
-----		
TOTAL INVESTMENTS--98.5%		
(Cost \$43,937)		\$55,208
-----		
Other assets, less liabilities--1.5%		850
-----		
NET ASSETS--100.0%		\$56,058
-----		

\*Non-income producing security.

(/1/)At May 31, 1998, the Portfolio owned restricted securities valued at approximately \$181 (0.3% of net assets), with an aggregate cost basis of \$181. These securities may not be publicly sold without registration under the Securities Act of 1933. The value of these securities is determined by valuations supplied by a pricing service or brokers or, if not available, in accordance with procedures established by the Trustees.

See accompanying notes to financial statements.

Shares	Description	Value
-----		
DIVERSIFIED GROWTH PORTFOLIO		
COMMON STOCKS--99.2%		
BANKING--4.5%		
29,634	Banc One Corp.	\$ 1,633
15,000	BankAmerica Corp.	1,240
11,000	Citicorp	1,640
8,200	Wells Fargo & Co.	2,964
		-----
		7,477
		-----
BROKERAGE SERVICES--1.0%		
48,000	Schwab (Charles) Corp.	1,584
		-----
COMMUNICATIONS--8.1%		
48,000	Ameritech Corp.	2,037
30,000	AT&T Corp.	1,826
34,000	BellSouth Corp.	2,193
30,000	Lucent Technologies, Inc.	2,128
50,000	SBC Communications, Inc.	1,944
30,000	Tellabs, Inc.*	2,061
28,000	WorldCom Inc.*	1,274
		-----
		13,463
		-----
COMPUTERS AND OFFICE MACHINES--7.6%		
39,450	Cisco Systems, Inc.*	2,983
27,600	HBO & Co.	1,593
14,000	International Business Machines Corp.	1,643
63,600	Microsoft Corp.	5,394
22,000	PeopleSoft, Inc.	961
		-----
		12,574
		-----
CONSUMER PRODUCTS--5.0%		
13,000	Gillette Co.	1,523
39,700	Newell Co.	1,916
58,000	Philip Morris Cos., Inc.	2,168
31,500	Procter & Gamble Co.	2,644
		-----
		8,251
		-----
CREDIT INSTITUTIONS--1.1%		
58,400	MBNA Corp.	1,851
		-----
ELECTRONICS AND OTHER ELECTRICAL EQUIPMENT--7.8%		
25,000	Emerson Electric Co.	1,519
71,000	General Electric Co.	5,920
22,800	Intel Corp.	1,629
32,900	Linear Technology Corp.	2,301
40,000	Solectron Corp.	1,655
		-----
		13,024
		-----
FOOD AND BEVERAGES--3.5%		
28,000	Coca-Cola (The) Co.	2,195
40,800	PepsiCo, Inc.	1,665
42,000	Starbucks Corp.*	2,016
		-----
		5,876
		-----
HEALTH SERVICES--6.2%		
24,000	Cardinal Health, Inc.	2,139
122,500	Health Management Associates, Inc., Class A*	3,652
86,000	HEALTHSOUTH Corp.*	2,440
30,000	Johnson & Johnson Co.	2,072
		-----
		10,303
		-----

Shares	Description	Value
-----		
INDUSTRIAL INSTRUMENTS--1.6%		
17,000	Becton, Dickinson & Co.	\$ 1,203
24,600	Hewlett-Packard Co.	1,528
		-----
		2,731
		-----
INSURANCE SERVICES--5.3%		
10,000	Allstate Corp.	941
35,850	American International Group, Inc.	4,439



46,800 MBIA, Inc.	3,489
	-----
	8,869
	-----
MEDICAL PRODUCTS AND EQUIPMENT--2.1%	
31,000 Elan Corp. PLC ADR*	1,897
28,000 Medtronic, Inc.	1,557
	-----
	3,454
	-----
MORTGAGE AGENCIES--3.5%	
65,700 Fannie Mae	3,934
42,000 Freddie Mac	1,911
	-----
	5,845
	-----
OIL AND GAS--11.3%	
32,000 Chevron Corp.	2,556
60,800 Exxon Corp.	4,286
54,700 Mobil Corp.	4,267
54,800 Royal Dutch Petroleum Co. ADR	3,072
48,800 Schlumberger Ltd. ADR	3,809
15,000 Transocean Offshore, Inc.	740
	-----
	18,730
	-----
PHARMACEUTICALS--6.6%	
19,000 Bristol-Myers Squibb Co.	2,042
24,000 Lilly (Eli) & Co.	1,475
24,400 Merck & Co., Inc.	2,856
27,000 Pfizer, Inc.	2,830
8,000 Schering-Plough Corp.	670
18,000 Warner-Lambert Co.	1,149
	-----
	11,022
	-----
PROFESSIONAL SERVICES--8.3%	
75,000 Accustaff, Inc.*	2,470
50,000 Cendant Corp.*	1,084
50,400 Cintas Corp.	2,303
44,800 Computer Sciences Corp.*	2,327
90,000 Paychex, Inc.	3,240
60,000 Snyder Communications, Inc.	2,419
	-----
	13,843
	-----
RECREATION AND LEISURE SERVICES--3.1%	
49,900 Carnival Corp., Class A	3,381
16,000 Disney (The Walt) Co.	1,810
	-----
	5,191
	-----
RETAIL--12.6%	
42,000 Consolidated Stores Corp.*	1,604
30,000 Fastenal Co.	1,485
57,050 Home Depot (The), Inc.	4,482

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares/ Principal Amount	Description	Value
----- DIVERSIFIED GROWTH PORTFOLIO--CONTINUED		
46,000	Kohl's Corp.*	\$ 2,188
143,775	Staples, Inc.*	3,612
72,700	Wal-Mart Stores, Inc.	4,012
100,000	Walgreen Co.	3,519
		----- 20,902
TOTAL COMMON STOCKS (Cost \$101,203)		\$164,990
-----		
U.S. GOVERNMENT OBLIGATION--0.1%		
\$230	U.S. Treasury Bill 5.030% Due 06/25/98	\$228
TOTAL U.S. GOVERNMENT OBLIGATION (Cost \$228)		\$228
-----		
SHORT-TERM INVESTMENT--0.2%		
\$253	Marshall & Isley Bank, Grand Cayman 5.688% Due 06/01/98	\$253
TOTAL SHORT-TERM INVESTMENT (Cost \$253)		\$253
-----		
TOTAL INVESTMENTS--99.5%		\$165,471
(Cost \$101,684)		
-----		
Other assets, less liabilities--0.5%		770
-----		
NET ASSETS--100.0%		\$166,241
-----		

\*Non-income producing security.

See accompanying notes to financial statements.

Shares	Description	Value
--------	-------------	-------

-----  
EQUITY INDEX PORTFOLIO

COMMON STOCKS--98.4%		
AGRICULTURE--0.1%		
34,400	Pioneer Hi-Bred International, Inc.	\$ 1,309
-----		
APPAREL--0.1%		
9,400	Liz Claiborne, Inc.	476
17,200	VF Corp.	915
-----		
1,391		
-----		
BANKING--8.1%		
15,400	Ahmanson (H. F.) & Co.	1,174
90,853	Banc One Corp.	5,008
53,000	Bank of New York Co., Inc.	3,240
97,552	BankAmerica Corp.	8,066
20,400	BankBoston Corp.	2,150
13,800	Bankers Trust New York Corp.	1,704
20,100	BB&T Corp.	1,330
59,246	Chase Manhattan Corp.	8,054
64,300	Citicorp	9,589
22,200	Comerica, Inc.	1,460
32,775	Fifth Third Bancorp	1,614
40,907	First Chicago NBD Corp.	3,577
136,056	First Union Corp.	7,526
8,000	Golden West Financial Corp.	864
26,900	Huntington Bancshares, Inc.	881
61,800	KeyCorp	2,345
35,800	Mellon Bank Corp.	2,414
18,400	Mercantile Bancorporation	941
25,000	Morgan (J. P.) & Co., Inc.	3,105
132,260	National City Corp.	10,019
6,000	NationsBank Corp.	306
106,200	Norwest Corp.	4,129
42,900	PNC Bank Corp.	2,477
7,700	Republic New York Corp.	989
22,600	State Street Corp.	1,558
24,800	Summit Bancorp	1,243
29,700	SunTrust Banks, Inc.	2,346
103,617	U.S. Bancorp	4,054
29,000	Wachovia Corp.	2,322
12,166	Wells Fargo & Co.	4,398
-----		
98,883		
-----		
BITUMINOUS COAL AND LIGNITE SURFACE MINING--		
0.1%		
39,718	Houston Industries, Inc.	1,137
1,100	NACCO Industries, Inc.	161
-----		
1,298		
-----		
BROKERAGE AND FINANCIAL SERVICES--2.6%		
65,400	American Express Co.	6,711
48,707	Associates First Capital Corp.	3,644
38,301	Fleet Financial Group, Inc.	3,141
35,600	Franklin Resources, Inc.	1,740
19,200	Green Tree Financial Corp.	772
14,300	Lehman Brothers, Inc.*	1,014
46,900	Merrill Lynch & Co., Inc.	4,198

Shares	Description	Value
--------	-------------	-------

83,349	Morgan Stanley, Dean Witter, Discover & Co.	\$ 6,506
37,350	Schwab (Charles) Corp.	1,233
36,900	Synovus Financial Corp.	828
36,190	Washington Mutual, Inc.	2,556
-----		
32,343		
-----		

CHEMICALS AND ALLIED PRODUCTS--11.2%

107,600	Abbott Laboratories	7,983
16,600	Air Products and Chemicals, Inc.	1,444
9,200	Allergan, Inc.	386
182,800	American Home Products Corp.	8,831
37,000	Amgen, Inc.*	2,238
39,400	Baxter International, Inc.	2,253
139,900	Bristol-Myers Squibb Co.	15,039
14,500	Clorox Co.	1,211
41,600	Colgate-Palmolive Co.	3,619

31,900	Dow Chemical Co.	3,090
159,200	du Pont (E. I.) de Nemours & Co.	12,258
11,075	Eastman Chemical Co.	742
18,200	Ecolab, Inc.	562
4,900	FMC Corp.*	375
10,100	Goodrich (B. F.) Co.	518
8,400	Great Lakes Chemical Corp.	336
13,600	Hercules, Inc.	599
15,400	International Flavors & Fragrances, Inc.	739
155,996	Lilly (Eli) & Co.	9,584
168,600	Merck & Co., Inc.	19,737
18,300	Morton International, Inc.	557
9,400	Nalco Chemical Co.	353
2,100	Octel Corp.*	46
181,900	Pfizer, Inc.	19,065
71,420	Pharmacia & Upjohn, Inc.	3,156
25,100	PPG Industries, Inc.	1,829
22,200	Praxair, Inc.	1,095
8,600	Rohm & Haas Co.	945
103,000	Schering-Plough Corp.	8,620
24,300	Sherwin-Williams Co.	808
14,100	Sigma-Aldrich Corp.	515
17,300	Union Carbide Corp.	864
10,400	W.R. Grace & Co.*	193
114,900	Warner-Lambert Co.	7,332
		-----
		136,922
		-----
	COMMUNICATIONS--9.3%	
79,400	AirTouch Communications, Inc.*	3,781
25,900	Alltel Corp.	1,021
154,000	Ameritech Corp.	6,535
228,500	AT&T Corp.	13,910
109,280	Bell Atlantic Corp.	10,013
139,500	BellSouth Corp.	8,998
100,100	CBS Corp.*	3,178
17,400	Clear Channel Communications, Inc.*	1,668
49,100	Comcast Corp., Class A	1,683
23,100	Frontier Corp.	703
20,800	General Instrument Corp.*	495

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
-----		
EQUITY INDEX PORTFOLIO--CONTINUED		
134,700	GTE Corp.	\$ 7,855
29,700	HBO & Co.	1,714
183,028	Lucent Technologies, Inc.	12,984
10,300	Mallinckrodt, Inc.	317
98,000	MCI Communications Corp.	5,240
37,000	Nextel Communications, Inc.*	872
13,400	Providian Corp.	853
257,912	SBC Communications, Inc.	10,026
60,500	Sprint Corp.	4,341
25,500	Tellabs, Inc.*	1,752
68,000	US West Communications Group	3,451
85,400	US West Media Group*	3,165
49,700	Viacom, Inc., Class B*	2,734
142,500	WorldCom, Inc.*	6,484
		-----
		113,773
		-----
COMPUTERS AND OFFICE MACHINES--6.8%		
9,700	Adobe Systems, Inc.	387
18,700	Apple Computer, Inc.*	498
30,900	Bay Networks, Inc.*	856
22,300	Cabletron Systems, Inc.*	287
10,200	Ceridian Corp.*	551
143,150	Cisco Systems, Inc.*	10,826
212,990	Compaq Computer Corp.	5,817
6,900	Data General Corp.*	105
91,800	Dell Computer Corp.*	7,565
20,600	Digital Equipment Corp.*	1,130
69,800	EMC Corp.*	2,892
21,800	Gateway 2000, Inc.*	982
136,800	International Business Machines Corp.	16,057
342,500	Microsoft Corp.*	29,048
36,100	Parametric Technology Co.*	1,107
40,700	Pitney Bowes, Inc.	1,913
34,100	Seagate Technology, Inc.*	789
26,400	Silicon Graphics, Inc.*	317
14,500	Tandy Corp.	642
49,900	3Com Corp.*	1,266
35,100	Unisys Corp.*	860
		-----
		83,895
		-----
CONSTRUCTION--0.2%		
31,300	Dover Corp.	1,174
24,700	Dresser Industries, Inc.	1,150
		-----
		2,324
		-----
CONSUMER PRODUCTS--4.7%		
18,600	Avon Products, Inc.	1,522
24,100	Fortune Brands, Inc.	926
78,800	Gillette Co.	9,229
189,200	Johnson & Johnson	13,067
78,184	Kimberly-Clark Corp.	3,875
341,000	Philip Morris Cos., Inc.	12,745
188,800	Procter & Gamble Co.	15,847
		-----
		57,211
		-----
Shares	Description	Value
-----		
CREDIT INSTITUTIONS--0.6%		
7,500	Beneficial Corp.	\$ 1,005
15,300	Countrywide Credit Industries, Inc.	708
15,100	Household International, Inc.	2,043
70,487	MBNA Corp.	2,234
16,100	MGIC Investment Corp.	965
		-----
		6,955

ELECTRONICS AND ELECTRICAL EQUIPMENT--7.0%		-----
19,900	Advanced Micro Devices, Inc.*	388
30,956	AMP, Inc.	1,176
12,430	Andrew Corp.*	273
51,500	Applied Materials, Inc.*	1,648
17,000	Cooper Industries, Inc.	1,094
16,600	DSC Communications Corp.*	284
62,400	Emerson Electric Co.	3,791
460,400	General Electric Co.	38,386
11,200	Harris Corp.	540
230,100	Intel Corp.	16,438
11,800	Kla-Tencor Corp.*	400
19,900	LSI Logic Corp.*	424
13,400	Maytag Corp.	676
29,800	Micron Technology, Inc.*	702
84,000	Motorola, Inc.	4,447
46,200	National Semiconductor Corp.*	3,130
23,100	National Service Industries, Inc.	375
73,200	Northern Telecom Ltd.	4,685
11,900	Raychem Corp.	448
11,100	Scientific-Atlanta, Inc.	245
71,300	Tele-Communications, Inc.*	2,446
54,900	Texas Instruments, Inc.	2,820
7,700	Thomas & Betts Corp.	411
10,600	Whirlpool Corp.	724
		-----
		85,951
		-----
FOOD AND BEVERAGES--6.7%		
68,900	Anheuser-Busch Cos., Inc.	3,165
80,429	Archer-Daniels-Midland Co.	1,518
40,500	Bestfoods	2,286
9,700	Brown-Forman Corp., Class B	559
64,200	Campbell Soup Co.	3,499
347,900	Coca-Cola (The) Co.	27,267
66,900	ConAgra, Inc.	1,957
5,100	Coors (Adolph) Co., Class B	191
22,300	General Mills, Inc.	1,522
51,400	Heinz (H. J.) Co.	2,727
20,100	Hershey Foods Corp.	1,392
57,800	Kellogg Co.	2,388
96,900	McDonalds Corp.	6,359
213,400	PepsiCo, Inc.	8,709
19,500	Quaker Oats Co.	1,125
15,100	Ralston-Ralston Purina Group	1,681
66,600	Sara Lee Corp.	3,921
50,100	Seagram (The) Co. Ltd.	2,201
21,330	Tricon Global Restaurants*	663
90,100	Unilever N.V.	7,112
25,900	UST, Inc.	690
16,300	Wrigley (Wm.) Jr. Co.	1,569
		-----
		82,501
		-----

See accompanying notes to financial statements.

Shares	Description	Value
-----		
FURNITURE--0.1%		
23,200	Masco Corp.	\$ 1,305
-----		
GENERAL BUILDING CONTRACTORS--0.2%		
8,300	Centex Corp.	297
17,900	Honeywell, Inc.	1,502
5,400	Kaufman & Broad Home Corp.	139
-----		
1,938		
-----		
GLASS, CLAY AND STONE PRODUCTS--0.2%		
32,500	Corning, Inc.	1,282
22,400	Newell Co.	1,081
-----		
2,363		
-----		
HEALTH SERVICES--1.2%		
12,000	ALZA Corp.*	580
15,400	Cardinal Health, Inc.	1,373
91,095	Columbia/HCA Healthcare Corp.	2,978
21,200	Guidant Corp.	1,366
55,400	HEALTHSOUTH Corp.*	1,572
23,000	Humana, Inc.*	714
8,950	Manor Care, Inc.	282
65,900	Medtronic, Inc.	3,666
11,800	St. Jude Medical, Inc.*	422
43,100	Tenet Healthcare Corp.*	1,509
-----		
14,462		
-----		
HEAVY CONSTRUCTION--0.2%		
11,800	Fluor Corp.	563
5,600	Foster Wheeler Corp.	142
36,900	Halliburton Co.	1,748
-----		
2,453		
-----		
INDUSTRIAL INSTRUMENTS--2.1%		
8,000	Bard (C. R.), Inc.	277
7,800	Bausch & Lomb, Inc.	388
17,200	Becton, Dickinson & Co.	1,217
15,700	Biomet, Inc.	453
27,400	Boston Scientific Corp.*	1,747
45,700	Eastman Kodak Co.	3,262
146,300	Hewlett-Packard Co.	9,089
11,800	Johnson Controls, Inc.	702
6,100	Millipore Corp.	204
6,800	Perkin-Elmer Corp.	466
6,300	Polaroid Corp.	256
47,700	Raytheon Co.	2,609
7,000	Tektronix, Inc.	268
10,600	United States Surgical Corp.	421
45,800	Xerox Corp., Inc.	4,706
-----		
26,065		
-----		
INSURANCE SERVICES--4.9%		
20,857	Aetna, Inc.	1,631
60,365	Allstate Corp.*	5,682
35,670	American General Corp.	2,394
98,712	American International Group, Inc.	12,222
23,600	Aon Corp.	1,512
23,900	Chubb Corp.	1,902

Shares	Description	Value
-----		
31,200	CIGNA Corp.	\$ 2,137
23,100	Cincinnati Financial Corp.	970
26,500	Conseco, Inc.	1,236
11,000	General Re Corp.	2,419
16,600	Hartford Financial Services Group, Inc.	1,827
14,937	Jefferson-Pilot Corp.	855
14,400	Lincoln National Corp.	1,294
16,200	Loews Corp.	1,470
23,900	Marsh & McLennan Cos., Inc.	2,093
13,800	MBIA, Inc.	1,029
10,200	Progressive Corp.	1,406
19,900	SAFECO Corp.	925
32,544	St. Paul Cos., Inc.	1,444
27,500	SunAmerica, Inc.	1,337

19,700 Torchmark Corp.	845
8,800 Transamerica Corp.	1,012
161,337 Travelers Group, Inc.	9,842
26,500 United Healthcare Corp.	1,696
19,500 UNUM Corp.	1,083
	-----
	60,263
	-----
JEWELRY AND PRECIOUS METALS--0.0%	
5,500 Jostens, Inc.	139
	-----
LUMBER AND WOOD PRODUCTS--0.0%	
15,400 Louisiana-Pacific Corp.	307
	-----
MACHINERY--1.3%	
23,800 Baker Hughes, Inc.	857
13,400 Black & Decker Corp.	782
3,400 Briggs & Stratton Corp.	154
14,000 Brunswick Corp.	440
10,600 Case Corp.	613
52,400 Caterpillar, Inc.	2,879
5,500 Cincinnati Milacron, Inc.	165
5,300 Cummins Engine Co., Inc.	276
35,100 Deere & Co.	1,821
6,100 General Signal Corp.	251
6,600 Harnischfeger Industries, Inc.	208
23,250 Ingersoll-Rand Co.	1,048
23,900 Tenneco, Inc.	995
22,400 Thermo Electron Corp.*	787
8,900 Timken (The) Co.	335
80,500 Tyco International Ltd.	4,458
	-----
	16,069
	-----
MANUFACTURING--0.2%	
3,900 Aeroquip-Vickers, Inc.	241
8,000 Alberto-Culver Co., Class B	238
16,700 ITT Industries, Inc.	616
3,000 Pulte Corp.	160
11,606 Sealed Air Corp.*	621
	-----
	1,876
	-----
MERCHANDISE GENERAL--0.1%	
8,600 Snap-On, Inc.	377
12,600 Stanley Works (The)	599
	-----
	976
	-----
METAL MINING--0.3%	
52,400 Barrick Gold Corp.	1,009
31,800 Battle Mountain Gold Co.	169
13,150 Cyprus Amax Minerals Co.	209

See accompanying notes to financial statements.



Northern Institutional Funds  
Equity Portfolios

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
EQUITY INDEX PORTFOLIO--CONTINUED		
27,200	Freeport-McMoRan Copper & Gold, Inc., Class B	\$ 456
29,700	Homestake Mining Co.	323
23,500	Inco, Ltd.	338
21,997	Newmont Mining Corp.	549
34,800	Placer Dome, Inc.	433
		3,486
METAL PRODUCTS--0.2%		
27,527	Allegheny Teledyne, Inc.	640
4,200	Ball Corp.	166
6,500	Crane Co.	342
8,500	McDermott International, Inc.	325
15,625	Parker-Hannifin Corp.	642
		2,115
MORTGAGE AGENCIES--1.1%		
149,200	Fannie Mae	8,933
97,800	Freddie Mac	4,450
		13,383
NATURAL GAS--0.7%		
13,400	Apache Corp.	458
14,900	Coastal Corp.	1,050
7,800	Columbia Gas System, Inc.	658
13,400	Consolidated Natural Gas Co.	758
2,800	Eastern Enterprises	112
46,200	Enron Corp.	2,316
6,700	NICOR, Inc.	259
4,300	ONEOK, Inc.	168
11,700	Pacific Enterprises	445
4,900	Peoples Energy Corp.	181
15,500	Sonat, Inc.	607
57,800	Williams (The) Cos., Inc.	1,875
		8,887
OFFICE EQUIPMENT--0.0%		
18,900	Ikon Office Solutions, Inc.	400
OIL AND GAS--4.8%		
8,400	Anadarko Petroleum Corp.	554
24,852	Burlington Resources, Inc.	1,047
92,400	Chevron Corp.	7,380
346,900	Exxon Corp.	24,456
7,100	Helmerich & Payne, Inc.	179
47,700	Occidental Petroleum Corp.	1,318
14,900	Oryx Energy Co.*	347
12,200	Rowan Cos., Inc.*	312
301,600	Royal Dutch Petroleum Co.	16,908
70,000	Schlumberger Ltd.	5,464
35,676	Union Pacific Resources Group, Inc.	722
7,700	Western Atlas, Inc.*	667
		59,354

Shares	Description	Value
PACKAGING AND CONTAINER PRODUCTS--0.2%		
18,100	Crown Cork & Seal Co., Inc.	\$ 939
21,700	Owens-Illinois, Inc.*	975
		1,914
PAPER PRODUCTS--1.2%		
14,400	Avery Dennison Corp.	746
7,500	Bemis Co., Inc.	316

7,900	Boise Cascade Co.	264
13,500	Champion International Corp.	648
29,400	Fort James Corp.	1,406
13,000	Georgia-Pacific Corp.	834
42,535	International Paper Co.	1,957
14,800	Mead Corp.	461
57,500	Minnesota Mining & Manufacturing Co.	5,326
14,004	Stone Container Corp.*	249
8,000	Temple-Inland, Inc.	470
9,800	Union Camp Corp.	536
14,350	Westvaco Corp.	409
28,100	Weyerhaeuser Co.	1,428
		-----
		15,050
		-----
	PERSONAL SERVICES--0.6%	
14,800	Block (H&R), Inc.	651
114,011	Cendant Corp.*	2,473
35,200	Hilton Hotels Corp.	1,107
35,900	Marriott International, Inc.	1,248
35,400	Service Corp. International	1,447
15,600	Willamette Industries, Inc.	535
		-----
		7,461
		-----
	PETROLEUM--2.4%	
12,900	Amerada Hess Corp.	697
137,000	Amoco Corp.	5,728
10,600	Ashland, Inc.	528
45,100	Atlantic Richfield Co.	3,557
6,700	Kerr-McGee Corp.	424
110,300	Mobil Corp.	8,603
6,700	Pennzoil Co.	387
37,000	Phillips Petroleum Co.	1,852
10,100	Sun Co., Inc.	429
77,100	Texaco, Inc.	4,453
34,700	Unocal Corp.	1,236
40,600	USX--Marathon Group	1,421
		-----
		29,315
		-----
	PRINTING AND PUBLISHING--1.4%	
10,200	American Greetings Corp.	484
11,400	Deluxe Corp.	383
20,500	Donnelley (RR) & Sons Co.	923
13,500	Dow Jones & Co., Inc.	650
39,900	Gannett Co., Inc.	2,631
11,200	Knight-Ridder, Inc.	639
13,900	McGraw Hill Cos., Inc.	1,087
7,400	Meredith Corp.	294
12,200	Moore Corp. Ltd.	177

See accompanying notes to financial statements.

Shares	Description	Value
13,500	New York Times Co., Class A	\$ 952
81,400	Time Warner, Inc.	6,334
12,400	Times Mirror Co., Class A	794
17,300	Tribune Co.	1,157
		-----
		16,505
		-----
	PROFESSIONAL SERVICES--1.6%	
6,600	Autodesk, Inc.	280
42,000	Automatic Data Processing, Inc.	2,672
76,825	Computer Associates International, Inc.	4,033
21,900	Computer Sciences Corp.*	1,137
21,100	Equifax, Inc.	768
60,200	First Data Corp.	2,002
17,700	Interpublic Group of Cos., Inc.	1,050
49,400	Novell, Inc.*	519
22,800	Omnicom	1,067
138,400	Oracle Corp.*	3,270
10,800	Ryder System, Inc.	368
3,500	Shared Medical Systems Corp.	255
53,100	Sun Microsystems, Inc.*	2,127
		-----
		19,548
		-----
	RECREATION AND LEISURE SERVICES--1.1%	
95,000	Disney (The Walt) Co.	10,747
10,000	Harcourt General, Inc.	545
14,200	Harrah's Entertainment, Inc.*	355
10,400	King World Productions, Inc.*	265
40,845	Mattel, Inc.	1,547
25,200	Mirage Resorts, Inc.*	524
		-----
		13,983
		-----
	RESEARCH AND CONSULTING SERVICES--0.2%	
22,800	Cognizant Corp.	1,214
23,900	Dun & Bradstreet (The) Corp.	807
6,400	EG&G, Inc.	202
		-----
		2,223
		-----
	RETAIL--5.6%	
34,500	Albertson's, Inc.	1,598
38,400	American Stores Co.	957
21,400	Autozone, Inc.*	711
13,900	Circuit City Stores, Inc.	589
15,200	Consolidated Stores Corp.*	580
30,103	Costco Companies, Inc.*	1,742
26,900	CVS Corp.	1,888
20,900	Darden Restaurants, Inc.	323
61,500	Dayton-Hudson Corp.	2,852
15,600	Dillard Department Stores, Inc., Class A	656
29,500	Federated Department Stores, Inc.*	1,528
55,700	Gap, Inc.	3,008
8,400	Giant Food, Inc., Class A	361
5,300	Great Atlantic & Pacific Tea Co., Inc.	170
18,775	Hasbro, Inc.	718
102,950	Home Depot (The), Inc.	8,088
68,600	Kmart Corp.*	1,329
35,900	Kroger Co.*	1,541

Shares	Description	Value
31,700	Limited, Inc. (The)	\$ 1,054
5,300	Longs Drug Stores, Inc.	161
24,600	Lowe's Cos., Inc.	1,948
32,500	May Department Stores Co.	2,090
5,200	Mercantile Stores Co., Inc.	409
40,900	Nike, Inc., Class B	1,881
10,900	Nordstrom, Inc.	785
35,200	Penney (J.C.) Co., Inc.	2,528
8,900	Pep Boys-Manny, Moe & Jack	198
7,800	Reebok International Ltd.*	224
36,300	Rite Aid Corp.	1,300
55,100	Sears, Roebuck & Co.	3,406
8,500	SUPERVALU, Inc.	356
22,700	TJX Cos., Inc.	1,061
39,900	Toys "R" Us, Inc.*	1,057
315,900	Wal-Mart Stores, Inc.	17,434
69,700	Walgreen Co.	2,453

18,600 Wendy's International, Inc.	459
20,900 Winn-Dixie Stores, Inc.	850
19,000 Woolworth Corp.*	375
	-----
	68,668
	-----
RUBBER AND PLASTICS--0.7%	
5,700 Armstrong World Industries, Inc.	479
10,900 Cooper Tire & Rubber Co.	258
22,000 Goodyear Tire & Rubber Co.	1,581
83,400 Monsanto Co.	4,618
21,100 Rubbermaid, Inc.	688
8,600 Tupperware Corp.	232
	-----
	7,856
	-----
SANITARY SERVICES--0.3%	
27,300 Browning-Ferris Industries, Inc.	971
46,200 Laidlaw, Inc.	572
63,980 Waste Management, Inc.	2,079
	-----
	3,622
	-----
SERVICE INDUSTRY MACHINERY--0.0%	
17,566 Pall Corp.	348
	-----
STEEL PRODUCTS--0.5%	
32,000 Alcan Aluminum Ltd.	912
24,300 Aluminum Co. of America	1,686
14,600 Armco, Inc.*	79
5,600 ASARCO, Inc.	127
15,900 Bethlehem Steel Corp.*	195
20,287 Engelhard Corp.	422
6,900 Inland Steel Industries, Inc.	198
12,400 Nucor Corp.	639
7,500 Owens Corning	281
8,300 Phelps Dodge Corp.	506
10,400 Reynolds Metals Co.	603
12,100 USX--U.S. Steel Group	434
13,375 Worthington Industries, Inc.	236
	-----
	6,318
	-----

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
----- EQUITY INDEX PORTFOLIO--CONTINUED -----		
TEXTILES--0.1%		
10,300	Fruit of the Loom, Inc., Class A*	\$ 370
5,000	Russell Corp.	136
2,800	Springs Industries, Inc., Class A	157
		----- 663 -----
TRANSPORTATION PARTS AND EQUIPMENT--4.0%		
79,400	AlliedSignal, Inc.	3,394
140,600	Boeing Co.	6,696
91,200	Chrysler Corp.	5,073
14,800	Dana Corp.	771
10,100	Eaton Corp.	907
8,900	Echlin, Inc.	423
5,100	Fleetwood Enterprises, Inc.	204
168,800	Ford Motor Co.	8,757
17,700	General Dynamics Corp.	787
99,500	General Motors Corp.	7,158
35,100	Illinois Tool Works, Inc.	2,317
27,354	Lockheed Martin Corp.	3,070
10,220	Navistar International Corp.*	309
9,400	Northrop Grumman Corp.	1,008
10,920	PACCAR, Inc.	603
28,300	Rockwell International Corp.	1,557
23,100	Textron, Inc.	1,714
17,300	TRW, Inc.	927
32,800	United Technologies Corp.	3,083
		----- 48,758 -----
TRANSPORTATION SERVICES--1.1%		
12,800	AMR Corp.*	1,970
21,965	Burlington Northern Santa Fe Corp.	2,186
30,700	CSX Corp.	1,462
10,500	Delta Air Lines, Inc.	1,208
20,660	Federal Express Corp.*	1,325
53,000	Norfolk Southern Corp.	1,660
31,050	Southwest Airlines Co.	829
34,800	Union Pacific Corp.	1,683
12,800	US Airways Group, Inc.*	896
		----- 13,219 -----
UTILITIES--2.3%		
19,300	Ameren Corp.	755
26,700	American Electric Power Co.	1,211
20,800	Baltimore Gas & Electric Co.	633
21,100	Carolina Power & Light Co.	865
29,900	Central & South West Corp.	790
22,210	Cinergy Corp.	718
33,100	Consolidated Edison Co. of New York, Inc.	1,417
27,200	Dominion Resources, Inc.	1,080
20,400	DTE Energy Co.	807
50,643	Duke Energy Co.	2,918
53,700	Edison International	1,584
34,300	Entergy Corp.	903

Shares/  
Principal  
Amount

Shares/ Principal Amount	Description	Value
32,400	FirstEnergy Corp.*	\$ 962
25,600	FPL Group, Inc.	1,573
17,800	GPU, Inc.	685
20,300	Niagara Mohawk Power Corp.*	251
10,500	Northern States Power Co.	597
53,600	Pacific Gas & Electric Co.	1,688
41,700	PacifiCorp	962
31,300	Peco Energy Co.	884
23,300	PP&L Resources, Inc.	516

32,600	Public Service Enterprise Group, Inc.	1,078
97,100	Southern Co.	2,579
34,712	Texas Utilities Co.	1,371
30,500	Unicom Corp.	1,048
		-----
		27,875
		-----
WHOLESALE--0.2%		
25,175	Genuine Parts Co.	854
7,000	Grainger (W.W.), Inc.*	739
4,100	Potlatch Corp.	180
47,800	Sysco Corp.	1,114
		-----
		2,887
-----		
TOTAL COMMON STOCKS		
	(Cost \$761,511)	\$1,206,810
-----		
U.S. GOVERNMENT OBLIGATION--0.1%		
	U.S. Treasury Bill #	
\$ 1,015	5.044%Due 06/25/98	\$ 1,005
-----		
TOTAL U.S. GOVERNMENT OBLIGATION		
	(Cost \$1,005)	\$ 1,005
-----		
SHORT-TERM INVESTMENT--1.4%		
	Marshall & Isley Bank, Grand Cayman	
\$16,802	5.688%Due 06/01/98	\$ 16,802
-----		
TOTAL SHORT-TERM INVESTMENT		
	(Cost \$16,802)	\$ 16,802
-----		
TOTAL INVESTMENTS--99.9%		
	(Cost \$779,318)	\$1,224,617
-----		
Other assets, less liabilities--0.1%		
		1,675
-----		
NET ASSETS--100.0%		
		\$1,226,292
-----		
-----		

Type	Number of Contracts	Contract Amount	Contract Position	Contract Expiration	Unrealized Loss
S&P 500	64	\$17,453	Long	06/19/98	\$(497)

#### OPEN FUTURES CONTRACTS:

\*Non-income producing security.

#Securities pledged to cover margin requirements for open futures contracts.

See accompanying notes to financial statements.

Shares	Description	Value
FOCUSED GROWTH PORTFOLIO		
COMMON STOCKS--99.6%		
BANKING--5.6%		
23,250	Banc One Corp.	\$ 1,282
13,950	BankAmerica Corp.	1,153
46,500	MBNA Corp.	1,473
27,500	Norwest Corp.	1,069
32,500	State Street Corp.	2,240
		7,217
COMMUNICATIONS--8.3%		
30,000	Ameritech Corp.	1,273
15,800	BellSouth Corp.	1,019
30,000	Chancellor Media Corp.*	1,254
27,500	Lucent Technologies, Inc.	1,951
12,000	SBC Communications, Inc.	467
28,000	Tellabs, Inc.*	1,924
20,000	US West Media Group*	741
45,000	WorldCom, Inc.*	2,048
		10,677
COMPUTERS AND OFFICE MACHINES--8.0%		
33,050	Cisco Systems, Inc.*	2,500
37,200	Computer Sciences Corp.	1,932
9,000	International Business Machines Corp.	1,056
33,000	Microsoft Corp.*	2,799
32,500	Peoplesoft, Inc.	1,420
5,000	Xerox Corp.*	514
		10,221
CONSUMER PRODUCTS--5.3%		
16,700	Gillette Co.	1,956
40,000	Newell Co.	1,930
28,050	Philip Morris Cos., Inc.	1,048
21,800	Procter & Gamble Co.	1,830
		6,764
ELECTRONICS AND OTHER ELECTRICAL EQUIPMENT--6.4%		
60,000	General Electric Co.	5,003
12,000	Intel Corp.	857
18,000	Linear Technology Corp.	1,259
27,700	Solelectron Corp.*	1,146
		8,265
FINANCIAL--1.2%		
46,000	Charles Schwab (The) Corp.	1,518
FOOD AND BEVERAGES--4.3%		
30,000	Coca-Cola (The) Co.	2,351
45,000	PepsiCo, Inc.	1,837
27,500	Starbucks Corp.*	1,320
		5,508
FURNITURE & FIXTURES--1.0%		
23,300	Masco Corp.	1,311

Shares	Description	Value
HEALTH SERVICES--8.3%		
12,500	Becton, Dickinson & Co.	\$ 884
23,300	Cardinal Health, Inc.	2,077
18,600	Guidant Corp.	1,199
16,200	HBO & Co.	935
74,400	Health Management Associates, Inc., Class A*	2,218
55,800	HEALTHSOUTH Corp.*	1,583
31,000	Medtronic, Inc.	1,724
		10,620
INDUSTRIAL INSTRUMENTS--0.7%		
14,800	Hewlett-Packard Co.	919

INSURANCE SERVICES--5.5%	
19,300 American International Group, Inc.	2,390
23,300 MBIA, Inc.	1,737
15,000 MGIC Investment Corp.	899
10,500 Progressive Corp.	1,448
10,000 Travelers Group, Inc.	610
	-----
	7,084
	-----
MACHINERY--0.6%	
15,000 Tyco International Ltd.	831
	-----
MORTGAGE AGENCIES--2.7%	
37,200 Fannie Mae	2,227
27,900 Freddie Mac	1,270
	-----
	3,497
	-----
NATURAL GAS--1.3%	
32,500 Enron Corp.	1,629
	-----
OFFICE EQUIPMENT--0.6%	
27,167 Steelcase, Inc., Class A	810
	-----
OIL AND GAS--2.9%	
32,500 Exxon Corp.	2,291
18,500 Mobil Corp.	1,443
	-----
	3,734
	-----
OIL FIELD MACHINERY AND EQUIPMENT--3.4%	
23,300 Halliburton Co.	1,104
29,400 Schlumberger Ltd. ADR	2,295
20,000 Transocean Offshore, Inc.	986
	-----
	4,385
	-----
PHARMACEUTICALS--9.3%	
13,900 Bristol-Myers Squibb Co.	1,494
27,900 Elan Corp. PLC ADR*	1,707
10,500 Lily (Eli) & Co.	645
13,500 Merck & Co., Inc.	1,580
21,000 Pfizer, Inc.	2,201
31,000 Schering-Plough Corp.	2,594
27,000 Warner-Lambert Co.	1,723
	-----
	11,944
	-----

See accompanying notes to financial statements.



**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares/ Principal Amount	Description	Value
FOCUSED GROWTH PORTFOLIO -- CONTINUED		
PROFESSIONAL SERVICES--7.9%		
79,500	Accustaff, Inc.*	\$ 2,619
41,800	Cendant Corp.	907
31,800	Cintas Corp.	1,453
48,750	Paychex, Inc.	1,755
41,500	Snyder Communications, Inc.	1,673
20,000	Sterling Commerce, Inc.*	794
32,265	Young & Rubicam, Inc.*	903
		-----
		10,104
		-----
RECREATION AND LEISURE SERVICES--2.7%		
34,700	Carnival Corp., Class A	2,351
10,000	Disney (The Walt) Co.	1,131
		-----
		3,482
		-----
RETAIL--12.9%		
20,000	Abercrombie & Fitch Co., Class A*	845
33,000	Consolidated Stores Corp.*	1,260
10,000	Dayton-Hudson Corp.	464
23,200	Fastenal Co.	1,148
40,900	Home Depot (The), Inc.	3,213
48,500	Kohl's Corp.*	2,307
111,500	Staples, Inc.*	2,802
65,000	Wal-Mart Stores, Inc.	3,587
26,000	Walgreen Co.	915
		-----
		16,541
		-----
TELECOMMUNICATIONS--0.7%		
17,500	CIENA Corp.*	910
TOTAL COMMON STOCKS (Cost \$97,349)		\$127,971
-----		
SHORT-TERM INVESTMENT--0.3%		
	Marshall & Isley Bank, Grand Cayman	
\$413	5.688% Due 06/01/98	\$ 413
TOTAL SHORT-TERM INVESTMENT (Cost \$413)		\$ 413
-----		
TOTAL INVESTMENTS--99.9%		
(Cost \$97,762)		\$128,384
-----		
Other assets, less liabilities--0.1%		113
-----		
NET ASSETS--100.0%		\$128,497
-----		

\*Non-income producing security.

See accompanying notes to financial statements.

Shares Description	Value
INTERNATIONAL EQUITY INDEX PORTFOLIO	
COMMON STOCKS--94.0%	
AUSTRALIA--2.1%	
600 Aberfoyle Ltd.	\$ 1
4,200 Amcor Ltd.	19
1,800 Ashton Mining Ltd.	1
180 Ashton Mining Ltd. Rights*	0
1,938 Australian Gas Light Co. Ltd.	14
5,100 Australian National Industries Ltd.	3
7,499 Boral Ltd.	15
1,500 Brambles Industries Ltd.	30
13,300 Broken Hill Proprietary Co. Ltd.	114
3,500 Burns Philp & Co. Ltd.	0
5,572 Coca-Cola Amatil Ltd.	41
7,615 Coles Myer Ltd.	34
6,400 Crown Ltd.*	3
6,600 CSR Ltd.	19
2,600 David Jones Ltd.	3
1,300 Delta Gold NL	1
1,934 Email Ltd.	4
922 Faulding (F.H.) & Co. Ltd.	4
11,100 Foster's Brewing Group Ltd.	24
3,209 Futuris Corp. Ltd.	3
8,084 General Property Trust Units	14
4,118 Gio Australia Holdings Ltd.	12
8,352 Goodman Fielder Ltd.	12
1,857 Great Central Mines Ltd.	2
2,600 Hardie (James) Industries Ltd.	8
408 Homestake Mining Co.	4
1,700 Leighton Holdings Ltd.	6
1,600 Lend Lease Corp. Ltd.	34
10,697 M.I.M. Holdings Ltd.	6
1,200 Metal Manufactures Ltd.	2
9,200 National Australia Bank	128
1,600 Newcrest Mining Ltd.	2
12,725 News Corp. Ltd.	79
10,470 Normandy Mining Ltd.	10
4,674 North Ltd.	11
1,750 Orica Ltd.	12
6,700 Pacific Dunlop Ltd.	12
5,800 Pioneer International Ltd.	15
2,420 QBE Insurance Group Ltd.	10
4,315 QCT Resources Ltd.	3
1,400 Resolute Ltd.	1
1,400 RGC Ltd.	2
2,100 Rio Tinto Ltd.	25
800 Rothmans Holdings Ltd.	6
3,900 Santos Ltd.	13
2,800 Schroders Property Fund	5
1,200 Smith (Howard) Ltd.	8
724 Sons of Gwalia Ltd.	2
4,126 Southcorp Holdings Ltd.	15
2,300 Stockland Trust Group	6
99 Stockland Trust Group (New)*	0
2,000 TABCORP Holdings Ltd.	11

Shares Description	Value
33,400 Telstra Corp. Ltd.	\$ 79
7,800 Westfield Trust	16
316 Westfield Trust (New)*	1
12,400 Westpac Banking Corp. Ltd.	82
7,455 WMC Ltd.	23
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	1,010
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AUSTRIA--0.4%	
19 Austria Mikro Systeme International A.G.	1
168 Austrian Airlines Osterreichische Luftverkehrs A.G.*	6
446 Bank Austria A.G.	40
63 Bank Austria A.G. (Partial Certificates)	5
30 Bau Holdings A.G.	2
70 Bohler-Uddeholm A.G.	5
12 BWT A.G.	2
45 EA-Generali A.G.	16
135 Flughafen Wien A.G.	7
26 Lenzing	2
78 Mayr-Melnhof Karton A.G.	6
58 Osterreichische Brau-Beteiligungs A.G.	4
200 Osterreichische Elektrizitaetswirtschafts A.G., Class	24

175 OMV A.G.	25
90 Radex-Heraklith Industriebeteiligungs A.G.	5
72 Steyr-Daimler-Puch A.G.	2
33 Universale-Bau A.G.	1
97 VA Technologies A.G.	13
56 Wienerberger Baustoffindustrie A.G.	14
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	180
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BELGIUM--1.5%	
100 Barco Industries	26
18 Bekaert N.V.	14
220 Cimenteries CBR Cementbedrisven	24
100 Compagnie Maritime Belge S.A.	8
435 Delhaize-Le Lion	30
400 Electrabel S.A.	100
300 Fortis A.G.	86
100 Generale de Banque S.A.	73
100 Gevaert N.V. Warrants*	1
50 Glaverbel S.A.	7
200 Groupe Bruxelles Lambert S.A.	44
97 Kredietbank N.V.	68
160 Petrofina S.A.	66
118 Royale Belge	46
625 Solvay S.A.	46
625 Tractebel	83
150 Union Miniere Group	10
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	732
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DENMARK--1.0%	
12 Aarhus Oliefabrik A/S, Class A	1
12 Aarhus Oliefabrik A/S, Class B, Limited Voting	1
20 Aktieselskabet Korn-OG Foderstof Kompagniet A/S	1
64 Bang & Olufsen Holdings A/S, Class B	4

See accompanying notes to financial statements.



555	Danone	150
50	Dollfus-Mieg & Cie S.A.	1
1,900	Elf Aquitaine S.A.	264
245	Eridania Beghin-Say S.A.	54
60	Essilor International	26
10	Europe 1 Communication	2
5,575	France Telecom S.A.	312
100	Groupe GTM	9
550	Havas S.A.	43
100	Imetal S.A.	14
490	L"OREAL	243
1,200	Lafarage S.A.	122
800	Lagardere S.C.A.	35
180	Legrand S.A.	50
570	LVMH Moet Hennessy Louis Vuitton	120
890	Michelin, Class B	55
250	Moulinex*	7
100	Natexis	7
100	Nord-Est S.A.	2
1,200	Paribas	122
50	Pathe	9
350	Pernod-Ricard	26
185	Pinault Printemps-Redoute S.A.	152
150	Primagaz Cie	13
170	Promodes	83
325	PSA Peugeot Citroen	64
2,350	Rhone-Poulenc, Class A	130
30	Sagem S.A.	23
700	Sanofi S.A.	82
1,000	Schneider S.A.	85
350	SEITA	15
200	Sidel S.A.	16
125	Simco S.A.	11
100	Skis Rossignol S.A.	2
350	Societe BIC S.A.	27
25	Societe Eurafrance S.A.	15
640	Societe Generale, Class A	127
100	Societe Technip	14
300	Sodexho Alliance S.A.	55
150	Sommer-Allibert	8
817	Suez Lyonnaise des Eaux	139
1,700	Total S.A., Class B	211
800	Thomson CSF	32
50	Union du Credit-Bail Immobilier	7
50	Union du Immobiliere de France	4
1,600	Usinor Sacilor	27
450	Valeo S.A.	42
880	Vivendi	177
300	Vivendi Warrants*	1
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		4,581
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See accompanying notes to financial statements.

Shares	Description	Value
-----		
GERMANY--10.1%		
300	Adidas-Salomon A.G.	\$ 53
200	AGIV A.G.	6
1,610	Allianz A.G.	509
300	AMB Aachener & Muenchener Beteiligungs-A.G.	35
150	Axa Colonia Konzern A.G.	20
4,250	BASF A.G.	197
4,800	Bayer A.G.	230
1,700	Bayer Hypotheken-und Wechsel-Bank A.G.	107
2,100	Bayerische Vereinsbank A.G.	176
550	Beiersdorf A.G.	34
350	Bilfinger & Berger Bau A.G.	13
50	Brau Und Brunnen A.G.	6
900	Continental A.G.	27
3,550	Daimler-Benz A.G.	358
600	Degussa A.G.	38
3,650	Deutsche Bank A.G.	314
2,500	Deutsche Lufthansa A.G. (Registered)	63
14,800	Deutsche Telekom A.G.	397
400	Deutz A.G.*	4
200	Douglas Holdings A.G.	11
3,400	Dresdner Bank A.G.	191
400	FAG Kugelfischer Georg Schaefer A.G.	7
370	Heidelbergerzement A.G.	37
500	Hochtief A.G.	23
70	Karstadt A.G.	37
70	Linde A.G.	52
50	Man A.G.	20
285	Mannesmann A.G.	279
1,100	Merck KGaA	43
1,460	Metro A.G.	93
550	Muenchener Ruckversicherungs-Gesellschaft A.G.	250
120	Preussag A.G.	44
100	Rheinmetall A.G.	3
2,200	RWE A.G.	117
450	SAP A.G.	233
150	Schering A.G.	18
450	SGL Carbon A.G.	53
3,950	Siemens A.G.	255
260	Thyssen A.G.	68
3,400	VEBA A.G.	223
200	Viag A.G.	112
190	Volkswagen A.G.	154
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		4,910
		-----

HONG KONG--1.7%		
10,000	Applied International Holdings*	0
8,800	Bank of East Asia Ltd.*	12
22,000	Cathay Pacific Airways	15
15,000	Cheung Kong Holdings Ltd.	81
16,000	China Light & Power Co. Ltd.	69
12,000	Chinese Estates Holdings	3
2,000	Dickson Concepts International Ltd	3

Shares	Description	Value
-----		
5,000	Elec & Eltek International Holdings Ltd.	\$ 1
6,000	Giordano International Ltd.	1
9,000	Hang Lung Development Co.	9
12,400	Hang Seng Bank Ltd.	93
7,500	Hong Kong & Shanghai Hotels Ltd.	4
1,200	Hong Kong Aircraft Engineering Co. Ltd.	2
27,720	Hong Kong China Gas Co. Ltd.	36
1,260	Hong Kong China Gas Co. Ltd. Warrants*	0
77,200	Hong Kong Telecommunications Ltd.	139
28,000	Hopewell Holdings Ltd.	4
25,000	Hutchinson Whampoa Ltd.	131
700	Hysan Development Co. Ltd.	0
7,000	Hysan Development Co. Ltd. Warrants*	7
2,900	Johnson Electric Holdings Ltd.	11
3,000	Kumagai Gum Ltd.	2
4,000	Miramar Hotel & Investment Ltd.	4
12,651	New World Development Co. Ltd.	30
12,000	Oriental Press Group	1
4,000	Peregrine Investments Holdings Ltd.	2
2,000	Playmates Toys Holdings	0
26,400	Regal Hotels International	4
11,000	Shangri-La Asia Ltd.	7
12,000	Shun Tak Holdings Ltd.	1

20,741	Sino Land Co.	7
12,000	South China Morning Post Holdings Ltd.	7
2,000	Stelux Holdings	0
15,000	Sun Hung Kai Properties Ltd.	73
10,000	Swire Pacific Ltd.	37
5,000	Tai Cheung Holdings Ltd.	1
12,000	Tan Chong International Ltd.*	0
3,000	Television Broadcasts Ltd.	7
2,000	Varitronix International Ltd.	4
15,000	Wharf Holdings Ltd.	19
1,500	Wing Lung Bank	4
		----
		831
		----
	IRELAND--0.5%	
5,626	Allied Irish Banks PLC	75
272	Clondalkin Group PLC Units	3
290	Crean (James) PLC Units	1
2,506	CRH PLC	36
536	DCC PLC	5
1,912	Fyffes PLC	5
1,245	Greencore Group PLC	7
1,631	Independent Newspapers PLC	10
168	Irish Continental Group PLC	3
2,083	Irish Life PLC	17
611	Irish Permanent PLC	7
288	Jurys Hotel Group PLC	3
1,065	Kerry Group PLC, Class A	15
1,300	Ryanair Holdings PLC	9
7,046	Smurfit (Jefferson) Group PLC	24
1,489	Tullow Oil PLC*	4
4,737	Waterford Wedgwood PLC Units	7
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		231
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See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
-----		
INTERNATIONAL EQUITY INDEX PORTFOLIO--CONTINUED		
ITALY--4.5%		
7,000	Assicurazioni Generali	\$ 225
12,000	Banca Commerciale Italiana	71
10,000	Banca Intesa S.p.A.	62
4,000	Banca Intesa-RNC S.p.A.	14
2,000	Banco Popolare di Milano	18
1,000	Benetton Group S.p.A.	22
2,000	Bulgari S.p.A.	12
1,000	Burgo (Cartiere) S.p.A.	9
2,000	Cementir S.p.A.	3
19,000	Credito Italiano	106
4,000	Edison S.p.A.	38
52,000	ENI S.p.A.	368
1,000	Falck Acciaierie & Ferriere Lombarde	7
24,400	Fiat S.p.A.	109
5,300	Fiat-RNC S.p.A.	14
4,000	Impregilo S.p.A.	4
5,000	Istituto Bancario San Paolo di Torino	78
4,000	Istituto Mobiliare Italiano S.p.A.	69
26,000	Istituto Nazionale Assicurazioni	81
1,000	Italcementi S.p.A.	10
1,000	Italcementi-RNC S.p.A.	5
5,000	Italgas S.p.A.	23
1,000	La Rinascente S.p.A.	10
3,000	Magneti Marelli	8
3,000	Magneti Marelli Rights*	1
8,000	Mediaset S.p.A.	51
3,000	Mediobanca S.p.A.	40
1,000	Mondadori (Arnoldo) Editore S.p.A.	12
33,000	Montedison S.p.A.	46
6,000	Montedison-RNC S.p.A.	6
17,240	Olivetti Group*	25
10,000	Parmalat Finanziaria S.p.A.	21
12,000	Pirelli S.p.A.	40
1,000	Pirelli-RNC S.p.A.	3
3,000	Riunione Adriatic di Sicurta S.p.A.	48
1,000	Riunione Adriatica di Sicurta-RNC S.p.A.	10
1,000	Sirti S.p.A.	6
5,000	Snia BPD S.p.A.	7
1,000	Snia BPD-RNC S.p.A.	1
1,000	Societa Assicuratrice Industriale S.p.A.	13
43,000	Telecom Italia Mobile S.p.A.	254
10,000	Telecom Italia Mobile-RNC S.p.A.	36
24,111	Telecom Italia S.p.A.	182
5,488	Telecom Italia-RNC S.p.A.	30
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		2,198
		-----
JAPAN--19.3%		
3,000	77 Bank	24
900	Acom Co. Ltd.	40
550	Advantest Corp.	34
4,000	Ajinomoto Co.	34
1,000	Alps Electric Co. Ltd.	11
2,000	Amada Co. Ltd.	10

Shares	Description	Value
-----		
1,000	Amano Corp.	\$ 9
3,000	Aoki Corp.*	2
400	Arabian Oil Co.	6
15,000	Asahi Bank Ltd.	56
3,000	Asahi Breweries Ltd.	38
9,000	Asahi Chemical Industry Co. Ltd.	31
8,000	Asahi Glass Co. Ltd.	43
4,000	Ashikaga Bank Ltd.	6
200	Autobacs Seven Co. Ltd.	6
31,000	Bank of Tokyo-Mitsubishi Ltd.	319
8,000	Bank of Yokohama Ltd.	19
5,000	Bridgestone Corp.	114



2,000	Brother Industries Ltd.	7
6,000	Canon, Inc.	143
2,000	Casio Computer Co. Ltd.	19
5,000	Chiba Bank Ltd.	18
4,000	Chichibu Onoda Cement Corp.	6
1,000	Chiyoda Corp.	1
2,000	Chugai Pharmaceutical Co. Ltd.	11
2,000	Citizen Watch Co. Ltd.	15
4,000	Cosmo Oil Co. Ltd.	6
1,200	Credit Saison Co. Ltd.	24
400	CSK Corp.	9
5,000	Dai Nippon Ink & Chemicals, Inc.	16
5,000	Dai Nippon Printing Co. Ltd.	82
1,000	Dai Nippon Screen MFG Co. Ltd.	5
3,000	Daicel Chemical Industry Ltd.	5
3,000	Daido Steel Co. Ltd.	14
5,000	Daiei, Inc.	4
1,000	Daifuku Co. Ltd.	27
2,000	Daiichi Pharmaceutical	12
2,000	Daikin Industries Ltd.	1
1,000	Daikyo, Inc.	5
2,000	Daimaru, Inc.	4
1,100	Daito Trust Construction Co.	8
3,000	Daiwa House Industry Co. Ltd.	23
1,000	Daiwa Kosho Lease Co. Ltd.	4
9,000	Daiwa Securities Co. Ltd.	34
3,000	Denki Kagaku Kogyo Kabushiki Kaisha	5
6,000	Denso Corp.	102
26	East Japan Railway Co.	123
2,000	Ebara Corp.	18
2,000	Eisai Co. Ltd.	26
1,000	Ezaki Glico Co. Ltd.	5
1,600	Fanuc	59
19,000	Fuji Bank Ltd.	93
3,000	Fuji Photo Film Co.	102
2,000	Fujikura Ltd.	9
3,000	Fujita Corp.	2
1,000	Fujita Kanko, Inc.	9
12,000	Fujitsu Ltd.	138
4,000	Furukawa Electric Co. Ltd.	13
1,000	Gakken Co. Ltd.	2
3,000	Gunma Bank	21
2,000	Gunze Ltd.	5
6,000	Hankyu Corp.	25

See accompanying notes to financial statements.

Shares	Description	Value
1,000	Hankyu Department Stores, Inc.	\$ 6
3,000	Haseko	2
2,000	Hazama Corp.	1
2,000	Higo Bank	9
22,000	Hitachi Ltd.	145
7,000	Hitachi Zosen Corp.	12
5,000	Hokuriku Bank	7
6,000	Honda Motor Co. Ltd.	204
1,000	House Foods Corp.	14
1,000	Hoya Corp.	32
2,000	Inax	7
17,000	Industrial Bank of Japan	104
1,000	Isetan	9
2,000	Ishihara Sangyo Kaisha	3
3,000	Ito-Yokado Co.	149
10,000	Itochu Corp.	22
2,000	Itoham Foods	9
2,000	Iwataini International Corp.	3
1,000	Jaccs Co. Ltd.	6
12,000	Japan Airlines	31
8,000	Japan Energy Corp.	8
1,000	Japan Metals & Chemicals	1
3,000	Japan Steel Works*	3
1,000	JGC Corp.	2
6,000	Joyo Bank	21
2,000	JUSCO Co.	35
6,000	Kajima Corp.	16
1,000	Kaken Pharmaceutical Co.	3
2,000	Kamigumi Co. Ltd.	8
1,000	Kandenko Co. Ltd.	6
4,000	Kanebo Ltd.*	3
2,000	Kaneka Corp.	11
6,400	Kansai Electric Power Co., Inc.	102
2,000	Kansai Paint	5
4,000	Kao Corp.	60
10,000	Kawasaki Heavy Industries Ltd.	19
4,000	Kawasaki Kisen Kaisha Ltd.	6
21,000	Kawasaki Steel Corp.	34
3,000	Keihin Electric Express Railway Co. Ltd.	9
1,000	Kikkoman Corp.	5
2,000	Kinden Corp.	24
11,000	Kinki Nippon Railway	53
7,000	Kirin Brewery Co. Ltd.	65
1,000	Kokuyo Co. Ltd.	18
6,000	Komatsu Ltd.	25
1,000	Komori Corp.	18
300	Konami Co. Ltd.	6
2,000	Konica Corp.	9
1,000	Koyo Seiko Co.	4
9,000	Kubota Corp.	22
5,000	Kumagai Gumi Co. Ltd.	3
2,000	Kurabo Industries	3
2,000	Kurary Co. Ltd.	17
1,000	Kureha Chemical Industry	2
1,000	Kurita Water Industries Ltd.	11

Shares	Description	Value
1,000	Kyocera Corp.	\$ 49
3,000	Kyowa Hakko Kogyo	12
2,000	Lion Corp.	7
1,000	Maeda Road Construction Co. Ltd.	5
1,000	Makino Milling Machine Co. Ltd.	7
1,000	Makita Corp.	11
10,000	Marubeni Corp.	20
2,000	Maruha Corp.	2
2,000	Marui Co. Ltd.	31
14,000	Matsushita Electric Industrial Co. Ltd.	219
2,000	Meiji Milk Products Co. Ltd.	5
3,000	Meiji Seika	10
3,000	Minebea Co. Ltd.	31
1,000	Misawa Homes Co. Ltd.	3
14,000	Mitsubishi Chemical Corp.	25
10,000	Mitsubishi Corp.	60
14,000	Mitsubishi Electric Corp.	33
8,000	Mitsubishi Estate Co. Ltd.	70
3,000	Mitsubishi Gas Chemical Co.	8
22,000	Mitsubishi Heavy Industries Ltd.	77
1,000	Mitsubishi Logistics Corp.	10
8,000	Mitsubishi Materials Corp.	16

3,000 Mitsubishi Oil Co. Ltd.	4
2,000 Mitsubishi Paper Mills	3
4,000 Mitsubishi Rayon Co.	10
9,000 Mitsubishi Trust & Banking Corp.	80
10,000 Mitshi & Co.	51
1,000 Mitsui Chemicals, Inc.	3
6,000 Mitsui Engineering & Shipbuilding Co. Ltd.	5
5,000 Mitsui Fudosan Co. Ltd.	40
5,000 Mitsui Marine & Fire Insurance Co. Ltd.	25
3,000 Mitsui Mining & Smelting	12
8,000 Mitsui O.S.K. Lines Ltd.	12
1,000 Mitsui Soko Co. Ltd.	3
8,000 Mitsui Trust & Banking Co. Ltd.	19
3,000 Mitsukoshi Ltd.	8
1,000 Mori Seiki Co. Ltd.	12
2,000 Murata Manufacturing Co. Ltd.	58
2,000 Mycal Corp.	12
1,000 Nagase & Co. Ltd.	3
5,000 Nagoya Railroad Co. Ltd.	15
3,000 Nankai Electric Railway	12
11,000 NEC Corp.	112
2,000 NGK Insulators Ltd.	18
1,000 NGK Spark Plug Co.	8
3,000 Nichido Fire & Marine Insurance	16
2,000 Nichirei Corp.	4
2,000 Nihon Cement Co. Ltd.	3
2,000 Niigata Engineering Co. Ltd.*	1
2,000 Nikon Corp.	14
1,000 Nippon Beet Sugar Manufacturing Co. Ltd.	1
1,000 Nippon Comsys Corp.	12
7,000 Nippon Express Co. Ltd.	38
4,000 Nippon Fire & Marine Insurance	15
4,000 Nippon Light Metal Co.	5

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
INTERNATIONAL EQUITY INDEX PORTFOLIO--CONTINUED		
JAPAN--Continued		
1,000	Nippon Meat Packers, Inc.	\$ 13
8,000	Nippon Oil Co. Ltd.	25
6,000	Nippon Paper Industries Co.	26
1,000	Nippon Sharyo Ltd.	2
3,000	Nippon Sheet Glass Co. Ltd.	5
2,000	Nippon Shinpan Co.	3
1,000	Nippon Shokubai K.K. Co.	5
45,000	Nippon Steel Corp.	76
2,000	Nippon Suisan Kaisha Ltd.*	2
84	Nippon Telegraph & Telephone Corp.	691
8,000	Nippon Yusen Kabushiki Kaisha	28
2,000	Nishimatsu Construction	9
17,000	Nissan Motor Co. Ltd.	51
2,000	Nisshinbo Industries, Inc.	8
1,000	Nissin Food Products	19
1,000	Nitto Denko Corp.	16
25,000	NKK Corp.	21
1,000	NOF Corp.	2
13,000	Nomura Securities Co. Ltd.	142
1,000	Noritake Co. Ltd.	4
4,000	NSK Ltd.	14
3,000	NTN Corp.	8
5,000	Obayashi Corp.	19
5,000	Odakyu Electric Railway	16
7,000	Oji Paper Co. Ltd.	30
1,000	Okamoto Industries Inc.	2
1,000	Okuma Corp.	4
2,000	Okumura Corp.	6
2,000	Olympus Optical Co. Ltd.	19
2,000	Omron Corp.	30
1,000	Onward Kasiyama Co. Ltd.	12
2,000	Orient Corp.	4
17,000	Osaka Gas Co. Ltd.	37
300	Oyo Corp.	4
2,000	Penta-Ocean Construction	4
1,000	Pioneer Electronic Corp.	19
1,000	Q.P. Corp.	7
2,000	Renown, Inc.*	1
1,000	Rohm Co. Ltd.	104
24,000	Sakura Bank Ltd.	71
1,000	Sanden Corp.	7
2,000	Sankyo Aluminium Industry Co.	2
3,000	Sankyo Co. Ltd.	72
2,000	Sanwa Shutter Corp.	8
13,000	Sanyo Electric Co.	37
2,000	Sapporo Breweries Ltd.	8
2,000	Sato Kogyo	2
1,000	Secom Co. Ltd.	57
600	Sega Enterprises	11
1,000	Seino Transportation Co. Ltd.	5
1,000	Seiyu Ltd.	2
4,000	Sekisui Chemical Co. Ltd.	20
5,000	Sekisui House Ltd.	37
7,000	Sharp Corp.	53

Shares	Description	Value
1,000	Shimano Inc.	\$ 23
5,000	Shimizu Corp.	13
3,000	Shin-Etsu Chemical Co. Ltd.	56
2,000	Shionogi & Co.	10
3,000	Shiseido Co. Ltd.	35
5,000	Shizuoka Bank	54
7,000	Showa Denko K.K.	7
1,000	Skylark Co. Ltd.	9
2,000	Snow Brand Milk Products	6
2,700	Sony Corp.	228
21,000	Sumitomo Bank Ltd.	196
11,000	Sumitomo Chemicals Co.	30

7,000	Sumitomo Corp.	37
5,000	Sumitomo Electric Industries	52
1,000	Sumitomo Forestry Co. Ltd.	6
4,000	Sumitomo Heavy Industries Ltd.	9
4,000	Sumitomo Marine & Fire Insurance	22
21,000	Sumitomo Metal Industries	33
4,000	Sumitomo Metal Mining Co.	17
3,000	Sumitomo Osaka Cement Co. Ltd.	4
6,000	Taisei Corp.	12
2,000	Taisho Pharmaceutical Co.	38
1,000	Taiyo Yuden Co. Ltd.	12
1,000	Takara Shuzo	4
1,000	Takara Standard Co. Ltd.	5
2,000	Takashimaya Co. Ltd.	14
6,000	Takeda Chemical Industries	155
6,000	Teijin Ltd.	18
2,000	Teikoku Oil Co. Ltd.	6
1,000	Toa Corp.	2
6,000	Tobu Railway Co.	17
1,000	Toei Co. Ltd.	3
100	Toho Co.	11
3,300	Tohoku Electric Power	45
14,000	Tokai Bank	77
10,000	Tokio Marine & Fire Insurance Co.	95
1,000	Tokyo Broadcasting System Inc.	12
1,000	Tokyo Dome Corp.	6
8,900	Tokyo Electric Power Co.	170
1,000	Tokyo Electron Ltd.	32
18,000	Tokyo Gas Co. Ltd.	37
1,200	Tokyo Steel Manufacturing	6
1,000	Tokyo Style Co. Ltd.	10
2,000	Tokyo Tatemono Co. Ltd.	4
2,000	Tokyotokeiba	3
7,000	Tokyu Corp.	23
5,000	Toppan Printing Co. Ltd.	55
9,000	Toray Industries, Inc.	45
4,000	Tosoh Corp.	7
1,000	Tostem Corp.	13
2,000	Toto Ltd.	13
1,000	Toyo Engineering Corp.	1
1,000	Toyo Seikan Kaisha	12
5,000	Toyobo Ltd.	7
2,000	Toyoda Automatic Loom Works	35

See accompanying notes to financial statements.

Shares	Description	Value
25,000	Toyota Motor Corp.	\$ 619
1,000	Tsubakimoto Chain	3
6,000	Ube Industries Ltd.	8
3,000	Unitika Ltd.*	2
1,000	Uny Co. Ltd.	15
1,000	Wacoal Corp.	10
1,000	Yamaguchi Bank	12
1,000	Yamaha Corp.	9
5,000	Yamaichi Securities Co. Ltd.	0
2,000	Yamanouchi Pharmaceutical Co. Ltd.	44
3,000	Yamato Transport Co. Ltd.	35
1,000	Yamazaki Baking Co. Ltd.	9
8,000	Yasuda Trust & Banking	10
2,000	Yokogawa Electric	10
		-----
		9,337
		-----

MALAYSIA--0.7%

1,000	Aluminium Co. of Malaysia Berhad	0
2,200	AMMB Holdings Berhad	2
8,000	Amsteel Corp. Berhad	1
2,000	Antah Holdings Berhad	0
2,000	Aokam Perdana Berhad*	0
6,000	Berjaya Group Berhad	1
4,000	Berjaya Land Berhad	3
5,000	Commerce Asset Holdings Berhad	3
2,000	Edaran Otomobil Nasional Berhad	3
4,000	Ekran Berhad	1
6,000	Golden Hope Plantations Berhad	7
1,000	Golden Plus Holdings Berhad	0
2,000	Guinness Anchor Berhad	3
4,000	Highlands & Lowlands Berhad	4
2,000	Hong Leong Industries Berhad	2
4,000	Hong Leong Properties Berhad	1
2,000	Hume Industries Berhad	1
4,000	Idris Hydraulic Berhad*	1
3,000	IGB Corp. Berhad	1
5,000	IOI Corp. Berhad	3
2,000	Jaya Tiasa Holdings Berhad	3
2,000	Johan Holdings Berhad	0
3,000	Kedah Cement Holdings Berhad	1
1,000	Kelanamas Industries Berhad	0
3,000	Kemayan Corp. Berhad	0
1,000	Kian Joo Can Factory Berhad	1
5,000	Kuala Lumpur Kepong Berhad	9
3,000	Land and General Berhad	0
3,000	Landmarks Berhad	0
3,000	Leader Universal Holdings Berhad	1
9,000	Magnum Corp. Berhad	5
13,200	Malayan Banking Berhad	18
3,000	Malayan Cement Berhad	1
12,000	Malayan United Industries Berhad	2
1,500	Malayawata Steel Berhad	0
24,000	Malaysia International Shipping Berhad	42
5,000	Malaysia Mining Corp. Berhad	2
5,000	Malaysian Airline System Berhad	3

Shares	Description	Value
2,000	Malaysian Mosaics Berhad	\$ 1
1,000	Malaysian Oxygen Berhad	3
2,000	Malaysian Pacific Industries	5
5,666	Malaysian Resources Corp. Berhad	2
5,000	MBF Capital Berhad	1
5,000	Metroplex Berhad	1
6,000	Mulpha International Berhad	1
5,000	Multi-Purpose Holdings	1
3,000	Mycom Berhad	0
2,000	Nestle Berhad	9
2,000	New Straits Times Press Berhad	1
2,600	Oriental Holdings Berhad	5
1,000	Palmco Holdings Berhad	0
5,000	Pan-Malaysia Cement Works Berhad	1
3,000	Perlis Plantations Berhad	4
4,000	Perusahaan Otomobil Nasional Berhad	4
2,000	Petaling Garden Berhad	1
2,000	Pilecon Engineering Berhad	1
4,000	Promet Berhad*	0
3,600	Public Bank Berhad	1
25,600	Public Bank Berhad (Foreign Market)	10

2,000	R.J. Reynolds Berhad	3
3,000	Rashid Hussain Berhad	2
7,000	Resorts World Berhad	11
12,000	RHB Capital Berhad	7
1,800	Rothmans of Pall Mall Berhad	14
2,000	Selangor Properties Berhad	1
2,000	Shell Refining Co. Berhad	3
280	Silverstone Berhad*	0
14,000	Sime Darby Berhad	11
3,000	Sungei Way Holdings Berhad	1
5,000	Ta Enterprise Berhad	1
4,000	Tan Chong Motor Holdings Berhad	1
5,000	Technology Resources Industries Berhad*	4
17,500	Telekom Malaysia Berhad	40
18,000	Tenaga Nasional Berhad	30
5,000	Time Engineering Berhad	1
2,000	UMW Holdings Berhad	1
5,000	United Engineers Malaysia Ltd.	3
8,000	YTL Corp. Berhad	10
		-----
		321
		-----
NETHERLANDS--5.6%		
9,169	ABN AMRO Holdings N.V.	222
464	Akzo Nobel	97
232	ASR Verzekeringsgroep N.V.	20
4,334	Elsevier N.V.	68
558	Getronics N.V.	28
2,038	Heineken N.V.	78
215	Hollandsche Beton Groep N.V.	5
175	IHC Caland N.V.	10
6,061	ING Groep N.V.	417
479	KLM Royal Dutch Airlines N.V.	19
3,398	Koninklijke Ahold N.V.	107
241	Koninklijke Hoogovens N.V.	11

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
INTERNATIONAL EQUITY INDEX PORTFOLIO--CONTINUED		
NETHERLANDS--Continued		
676	Koninklijke KNP BT N.V.	\$ 20
148	Koninklijke Nedlloyd N.V.	3
209	Koninklijke Pakhoed N.V.	7
3,070	Koninklijke PTN Nederland N.V.	172
528	Oce-Van Der Grinten N.V.	22
2,371	Philips Electronics N.V.	226
13,940	Royal Dutch Petroleum Co.	795
199	Stork N.V.	7
4,162	Unilever N.V.	331
445	Wolters Kluwer N.V.	63
		2,728
NEW ZEALAND--0.2%		
17,500	Brierley Investments Ltd.	9
11,200	Carter Holt Harvey Ltd.	13
800	Fisher & Paykel Industries Ltd.	2
2,218	Fletcher Challenge Building	4
2,222	Fletcher Challenge Energy	7
5,317	Fletcher Challenge Forests	3
4,200	Fletcher Challenge Paper	6
3,600	Lion Nathan Ltd.	9
11,400	Telecom Corp. of New Zealand Ltd.	52
		105
NORWAY--0.5%		
400	Aker RGI ASA	6
140	Aker RGI ASA, Class B	2
300	ASK ASA*	3
300	Bergesen d.y. ASA, Class A	6
100	Bergesen d.y. ASA, Class B	2
3,600	Christiania Bank Og Kreditkasse	15
4,200	Den norske Bank ASA	23
200	Dyno Industrier ASA	4
300	Elkem ASA	4
500	Hafslund ASA, Class A	3
200	Hafslund ASA, Class B	1
100	Helicopter Services Group ASA	1
200	Kvaerner ASA	8
100	Kvaerner ASA, Class B	3
200	Leif Hoegh & Co. ASA	3
500	Merkantildata ASA	7
1,600	NCL Holdings ASA*	8
1,500	Norsk Hydro ASA	68
200	Norske Skogindustrier ASA, Class A	6
100	Norske Skogindustrier ASA, Class B	3
800	Orkla ASA, Class A	18
400	Orkla ASA, Class B	8
200	Petroleum Geo-Services ASA*	13
300	SAS Norge ASA, Class B	5
400	Schibsted ASA	6
200	Smedvig, Class A	3
100	Smedvig, Class B	2
1,800	Storebrand ASA*	17
300	Tomra System ASA	9
100	Unitor ASA	2
		259

Shares	Description	Value
PORTUGAL--0.7%		
1,200	Banco Comercial Portugues S.A. (Registered)	\$ 40
720	Banco Espirito Santo e Comercial de Lisboa S.A. (Registered)	26
400	Banco Totta & Acores S.A. (Registered)	15
500	BPI-SGPS S.A. (Registered)	20
500	Brisa-Auto Estradas de Portugal S.A.	23



500 Cimpor-Cimentos de Portugal SGPS S.A.	19
100 Colep-Companhia Portuguesa de Embalagens*	1
100 Companhia de Seguros Tranquilidade (Registered)	3
100 Corticeira Amorim S.A.	2
2,300 EDP-Electricidade de Portugal S.A.	61
100 EFACEC-Empresa Fabril de Maquinas Electricas S.A.	1
100 Engil-SGPS	1
100 INAPA Investimentos Participacoes e Gestao S.A.	1
400 Jeronimo Martins SGPS S.A.	18
700 Portucel Industrial-Empresa Produtora de Celulose S.A.	6
1,200 Portugal Telecom S.A. (Registered)	63
100 Sociedade de Construcoes Soares da Costa S.A.	1
100 Somague-SGPS S.A.	1
200 Sonae Investimentos-SGPS S.A.	12
100 UNICER-Uniao Cervejeira S.A.	2
	-----
	316
	-----
SINGAPORE--0.6%	
1,000 Chuan Hup Holdings Ltd.	0
3,000 City Developments Ltd.	11
2,000 Comfort Group Ltd.	1
1,000 Cycle & Carriage Ltd.	3
3,000 DBS Land Ltd.	3
9,900 Development Bank of Singapore Ltd.	60
1,000 First Capital Corp. Ltd.	1
1,000 Fraser & Neave Ltd.	3
2,000 Goldtron Ltd.	0
2,000 Hai Sun Hup Group Ltd.	1
1,000 Haw Par Brothers International Ltd.	1
1,000 Hotel Properties Ltd.	0
1,000 Inchcape Marketing Services Ltd.*	0
1,000 Inchcape Motors Ltd.	1
6,000 IPC Corp.	1
2,250 Keppel Corp. Ltd.	5
2,400 Lum Chang Holdings Ltd.	1
1,000 NatSteel Ltd.	1
3,000 Neptune Orient Lines Ltd.	1
14,600 Overseas Chinese Banking Corp. Ltd. (Foreign)	58
1,000 Overseas Union Enterprise Ltd.	1
400 Overseas Union Enterprise Ltd. Rights	0
1,000 Parkways Holdings Ltd.	2
1,000 Sembawang Co. Ltd.	2
1,000 Sembawang Marine and Logistics	1
8,000 Singapore Airlines Ltd.	44
2,104 Singapore Press Holdings Ltd.	17

See accompanying notes to financial statements.

Shares	Description	Value
2,000	Singapore Technologies Industrial Corp.	\$ 2
17,000	Singapore Telecommunications Ltd.	24
1,000	Straits Trading Co. Ltd.	1
4,000	United Industrial Corp. Ltd.	1
7,000	United Overseas Bank Ltd. (Foreign)	27
2,000	United Overseas Land Ltd.	1
		-----
		275
		-----

SPAIN--3.0%

75	Acerinox S.A.	11
1,550	Autopistas Concesionaria ESP	25
4,402	Banco Bilbao Vizcaya S.A.	221
2,380	Banco Central Hispanoamericano	78
3,117	Banco Santander S.A.	157
800	Corporacion Bancaria de Espana S.A.	68
100	Corporacion Financiera Alba	12
393	Corporacion Mapfre	15
372	Dragados & Construcciones S.A.	12
300	Ebro Agricolas Compania de Alimentacion S.A.*	8
200	El Aguila S.A.*	2
150	Empresa Nacional de Celulosas S.A.	3
6,750	Empresa Nacional de Electricidad S.A.	162
900	Ercros S.A.*	1
375	Fomenta de Construcciones S.A.	19
975	Gas Natural SDG S.A., Class E	67
5,855	Iberdrola S.A.	97
150	Inmobiliaria Metropolitana Vasco Central S.A.	9
250	Inmobiliaria Urbis S.A.*	4
50	Portland Valderrivas S.A.	6
400	Prosegur CIA de Seguridad S.A. (Registered)	5
1,950	Repsol S.A.	108
453	Sarrio S.A.	2
300	Sociedade General de Aguas de Barcelona S.A.	17
1,125	Tabacalera S.A., Class A	24
6,101	Telefonica de Espana	273
1,977	Union Electrica Fenosa S.A.	25
350	Uralita S.A.	5
275	Vallehermoso S.A.	11
150	Viscofan Industria Navarra de Envolturas Celulosica	7
350	Zardoya Otis S.A.	12
		-----
		1,466
		-----

SWEDEN--3.1%

4,300	ABB AB, Class A	69
1,800	ABB AB, Class B	29
800	AGA AB, Class A	13
700	AGA AB, Class B	11
250	Asticus AB*	3
8,666	Astra AB, Class A	174
2,000	Astra AB, Class B	39
800	Atlas Copco AB, Class A	23
400	Atlas Copco AB, Class B	12
500	Diligentia AB	5

Shares	Description	Value
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488	Electrolux AB, Class B	\$ 49
100	Esselte AB, Class A	2
100	Esselte AB, Class B	2
1,500	Fastighets AB Balder	0
2,300	ForeningsSparbanken AB	69
192	Granges AB	4
1,300	Hennes & Mauritz AB, Class B	73
700	Netcom Systems AB, Class B*	27
600	Om Gruppen AB	12
1,200	Sandvik AB, Class A	36
500	Sandvik AB, Class B	15
500	Securitas AB, Class B	19
3,105	Skandia Forsakrings AB	45
3,800	Skandinaviska Enskilda Banken, Class A	63
700	Skanska AB, Class B	33
400	SKF AB, Class A	8
411	SKF AB, Class B	9
1,700	Stora Kopparbergs Bergslags Aktiebolag, Class A	28
500	Stora Kopparbergs Bergslags Aktiebolag, Class B	8
1,300	Svenska Cellulosa AB, Class B	36

1,400 Svenska Handelsbanken, Class A	59
100 Svenska Handelsbanken, Class B	4
600 Svenskt Stal AB, Class A	12
300 Svenskt Stal AB, Class B	6
3,000 Swedish Match AB	11
3,000 Swedish Match AB Rights*	0
12,600 Telefonaktiebolaget LM Ericsson, Class B	360
800 Trelleborg AB, Class B	11
900 Volvo AB, Class A	64
2,000 Volvo AB, Class B	28
500 Wm-Data AB, Class B	18
	-----
	1,489
	-----
SWITZERLAND--8.0%	
55 ABB A.G. (Bearer)*	93
25 ABB A.G. (Registered)	9
110 Adecco S.A.	45
40 Alusuisse-Lonza Holdings A.G. (Registered)	54
1,745 Credit Suisse Group (Registered)	384
15 Fischer (Georg) A.G. (Registered)	7
30 Holderbank Financiere Glarus A.G., (Bearer)	38
50 Holderbank Financiere Glarus A.G. (Registered)	13
2 Kuoni Reisen A.G., Category B (Registered)	11
280 Nestle S.A. (Registered)	601
60 Novartis A.G. (Bearer)	102
430 Novartis A.G. (Registered)	729
11 Roche Holdings A.G. (Bearer)	182
51 Roche Holdings A.G. (Genusss)	525
100 Sairgroup (Registered)	31
10 Schindler Holding A.G. (Registered)	18
510 Schweizerischer Bankverein (Registered)*	185
35 SGS Societe Generale de Surveillance Holdings S.A.	53

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
INTERNATIONAL EQUITY INDEX PORTFOLIO--CONTINUED		
SWITZERLAND--Continued		
20	SMH A.G. (Bearer)	\$ 17
100	SMH A.G. (Registered)	18
115	Schweizerische Reuckversicherungs- Gesellschaft (Registered)	265
20	Sulzer (Registered)	17
140	Union Bank of Switzerland (Bearer)	236
145	Union Bank of Switzerland (Registered)	49
25	Valora Holding A.G.	7
310	Zurich Versicherungsgesellschaft (Registered)	194
		3,883
UNITED KINGDOM--19.3%		
9,000	Abbey National PLC	160
1,012	AMEC PLC	3
439	Amstrad PLC	0
2,000	Anglian Water PLC	28
2,000	Argos PLC	21
5,000	Arjo Wiggins Appleton PLC	20
6,000	Associated British Foods PLC	55
20,311	B.A.T. Industries PLC	183
9,933	Barclays PLC	265
1,000	Barratt Developments PLC	5
5,158	Bass PLC	95
3,037	BBA Group PLC	26
25,294	BG PLC	130
3,044	BICC Group PLC	8
5,000	Blue Circle Industries PLC	32
3,167	BOC Group PLC	50
5,917	Boots Co. PLC	89
1,000	Bowthorpe PLC	10
3,000	BPB PLC	21
12,000	British Aerospace PLC	106
7,000	British Airways PLC	74
3,000	British Land Co. PLC	33
37,651	British Petroleum Co. PLC	552
11,000	British Sky Broadcasting Group PLC	77
13,000	British Steel PLC	32
41,352	British Telecommunications PLC	431
21,610	BTR PLC	71
1,000	Burmah Castrol PLC	20
15,000	Cable & Wireless PLC	170
6,510	Cadbury Schweppes PLC	99
3,900	Caradon PLC	13
4,000	Carlton Communications PLC	32
29,000	Centrica PLC*	47
5,000	Coats Viyella PLC	7
1,000	Cobham PLC	20
4,000	Commercial Union PLC	73
2,645	Courtaulds PLC	20
1,000	Courtaulds Textiles PLC	5
1,000	De La Rue PLC	5
1,000	Delta PLC	5
23,594	Diageo PLC	266
3,000	Electrocomponents PLC	28
Shares	Description	Value
3,000	Elementis PLC	\$ 9
5,137	EMI Group PLC	43
2,020	English China Clays PLC	8
4,000	FKI PLC	14
17,618	General Electric Co. PLC	144
4,596	GKN PLC	68
23,000	Glaxo Wellcome PLC	618
6,078	Granada Group PLC	114
2,000	Great Portland Estates PLC	8
7,000	Great Universal Stores PLC	99
5,714	Guardian Royal Exchange PLC	36

2,008	Hammerson PLC	17
4,000	Hanson PLC	24
2,000	Hepworth PLC	9
12,235	HSBC Holdings PLC	302
6,117	HSBC Holdings PLC (75P)	160
1,000	Hyder PLC	16
2,000	IMI PLC	17
5,000	Imperial Chemical Industries PLC	95
1,000	Johnson Matthey PLC	10
4,000	Kingfisher PLC	71
8,000	Ladbroke Group PLC	45
1,000	Laird Group PLC	8
3,522	Land Securities Group PLC	55
6,000	LASMO PLC	28
8,000	Legal & General Group PLC	88
1,000	Lex Service PLC	10
35,626	Lloyds TSB Group PLC	517
1,286	Lonrho PLC	6
1,286	Lonrho Africa PLC*	2
9,070	LucasVarity PLC	40
18,510	Marks & Spencer PLC	165
2,000	Marley PLC	4
2,726	MEPC PLC	25
1,000	Meyer International PLC	7
9,050	National Grid Group PLC	56
8,000	National Power PLC	74
2,000	Next PLC	18
1,000	Ocean Group PLC	13
3,724	Pearson PLC	55
4,014	Peninsular and Oriental Steam Navigation Co.	68
6,742	Pilkington PLC	16
1,929	Provident Financial PLC	31
12,000	Prudential Corp. PLC	159
2,000	Racal Electronics PLC	12
3,000	Railtrack Group PLC	58
5,215	Rank Group PLC	30
7,832	Reed International PLC	72
9,400	Reuters Holdings PLC	108
3,000	Rexam PLC	15
6,966	Rio Tinto PLC (Registered)	87
2,000	RMC Group PLC	38
10,000	Rolls-Royce PLC	48
10,093	Royal & Sun Alliance Insurance Group PLC	107
5,610	Royal Bank Scotland Group PLC	95

See accompanying notes to financial statements.

Shares	Description	Value
4,000	Rugby Group PLC	\$ 9
7,081	Safeway PLC	43
12,331	Sainsbury (J) PLC	97
1,500	Schroders PLC	44
4,000	Scottish & Newcastle PLC	56
8,000	Scottish Power PLC	72
9,930	Sears PLC	10
4,000	Sedgwick Group PLC	10
3,000	Slough Estates PLC	19
36,000	SmithKline Beecham PLC	390
2,000	Smiths Industries PLC	32
3,000	Southern Electric PLC	26
3,000	St. James Place Capital PLC	17
6,052	Tarmac PLC	12
3,000	Tate & Lyle PLC	24
3,000	Taylor Woodrow PLC	11
14,180	Tesco PLC	124
2,000	Thames Water PLC	32
2,714	Thorn PLC	9
3,000	TI Group PLC	29
565	Transport Development Group PLC	3
1,000	Transport Development Group PLC, Class B*	1
1,556	Unigate PLC	17
20,868	Unilever PLC	229
3,451	United Biscuits Holdings PLC	15
4,000	United Utilities PLC	54
2,000	Vickers PLC	8
1,000	Viglen Technology PLC	1
20,113	Vodafone Group PLC	221
4,666	Williams PLC	33
3,036	Willis Corroon	8
1,000	Wilson (Connolly) Holdings PLC	3
2,000	Wimpey (George) PLC	4
4,000	Wolseley PLC	28
6,000	Zeneca Group PLC	244
		-----
		9,364
		-----
TOTAL COMMON STOCKS (Cost \$41,513)		\$ 45,515
		-----
PREFERRED STOCKS--0.8%		
AUSTRALIA--0.1%		
11,466	News Corp. Ltd.	\$ 62
3,600	Star City Holdings Ltd.*	2
		-----
		64
		-----
AUSTRIA--0.1%		
12	Bau Holdings A.G.--Vorzug	1
193	Bank Austria A.G.--Vorzug	17
4	EA-Generali A.G.--Vorzug	1
		-----
		19
		-----
FRANCE--0.0%		
100	Casino Guichard--Perrachon S.A.	5
		-----
GERMANY--0.6%		
50	Axa Colonia Konzern A.G.--Non Voting	5
50	MAN A.G.--Vorzug	15
200	Metro A.G.--Vorzug	9
1,400	RWE A.G.--Non Voting	57
300	SAP A.G.--Vorzug	167
50	Volkswagen A.G.--Non Voting	30
		-----
		283
		-----

Shares/ Principal Amount	Description	Value
-----		
ITALY--0.0%		
6,300	Fiat S.p.A.	\$ 17
		-----
TOTAL PREFERRED STOCKS (Cost \$263)		\$ 388
		-----
CORPORATE BONDS--0.0%		
UNITED KINGDOM--0.0%		
	Viglen Technology PLC	

\$2	6.938% Due 09/01/00	\$	4
	Viglen Technology PLC Letters of Entitlement to Litigation Notes		
1	4.120% Due 01/01/01		0
			-----
			4
-----			
TOTAL CORPORATE BONDS (Cost \$4)		\$	4
-----			
OTHER--3.6%			
GERMANY--0.1%			
1,100	WEBS Index Series--Germany	\$	26
-----			
JAPAN--2.0%			
101,900	WEBS Index Series--Japan		987
-----			
SWITZERLAND--0.4%			
10,600	WEBS Index Series--Switzerland		205
-----			
UNITED KINGDOM--1.1%			
27,100	WEBS Index Series--United Kingdom		547
-----			
TOTAL OTHER (Cost \$1,991)		\$	1,765
-----			
SHORT-TERM INVESTMENT--0.4%			
	Marshall & Isley Bank, Grand Cayman		
\$207	5.688% Due 06/01/98	\$	207
-----			
TOTAL SHORT-TERM INVESTMENT (Cost \$207)		\$	207
-----			
TOTAL INVESTMENTS--98.8%			
(Cost \$43,978)			\$47,879
-----			
Other assets, less liabilities--1.2%			569
-----			
NET ASSETS--100.0%			\$48,448
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\*Non-income producing security.

At May 31, 1998 the Portfolio's investments, excluding the short-term investment, were diversified as follows:

Industry/Sector	
Banks	14.8%
Business Services	9.5
Capital Goods	6.4
Consumer Goods	13.9
Consumer Services	3.7
Energy/Utilities	11.8
Financial Services	9.1
Pharmaceuticals/Health	7.7
Multi-Industry	6.1
Raw Materials	6.9
Retail	4.1
Technology	3.9
Transportation	2.1
-----	
Total	100.0%
-----	

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
-----		
INTERNATIONAL GROWTH PORTFOLIO		
COMMON STOCKS--92.0%		
FRANCE--15.5%		
21,000	Axa-UAP	\$ 2,390
9,000	Cie Generale des Eaux	1,808
17,000	Elf Aquitaine S.A.	2,361
8,500	Groupe Danone S.A.	2,289
6,000	Lafarge S.A.	609
11,000	Lyonnaise des Eaux--Dumez S.A.	1,877
19,000	Paribas	1,937
8,500	Societe Generale	1,684
6,000	Valeo S.A.	566
12,000	Vivendi	2,116
		-----
		17,637
		-----
GERMANY--14.7%		
5,500	Allianz A.G.	1,740
20,000	Deutsche Bank A.G.	1,723
39,000	Hoechst A.G.	1,947
2,800	Karstadt A.G. .	1,465
6,000	MAN A.G.	2,390
2,600	Mannesmann A.G.	2,545
4,000	Munchener Rueckversicherungs-Gesellschaft A.G.	1,818
18,000	VEBA A.G.	1,183
2,400	Volkswagen A.G.	1,948
		-----
		16,759
		-----
GREECE--3.1%		
12,000	Alpha Credit Bank Athens	1,253
28,000	Hellenic Bottling Co. S.A.	938
45,000	Hellenic Telecommunication Organization S.A.	1,323
		-----
		3,514
		-----
IRELAND--1.6%		
30,000	Elan Corp. PLC ADR*	1,836
		-----
ITALY--6.7%		
75,000	Assicurazioni Generali	2,412
475,000	Fiat S.p.A.	2,128
350,000	Pirelli S.p.A.	1,156
255,000	Telecom Italia S.p.A.	1,928
		-----
		7,624
		-----
JAPAN--11.3%		
85,000	Eisai Co. Ltd.	1,128
42,000	Fuji Photo Film Co.	1,422
180,000	Industrial Bank of Japan Ltd.	1,104
23,000	Ito-Yokado Co. Ltd.	1,145
140,000	Kirin Brewery Co. Ltd.	1,302
140	Nippon Telegraph & Telephone Corp.	1,152
70,000	Pioneer Electronic Corp.	1,364
100,000	Sanwa Bank (The) Ltd.	876
95,000	Shiseido Co. Ltd.	1,104
275,000	Sumitomo Realty & Development Co. Ltd.	1,292
70,000	Uny Co. Ltd.	1,056
		-----
		12,945
		-----
Shares/ Principal Amount	Description	Value
-----		
NETHERLANDS--6.4%		
20,000	ING Groep N.V.	\$ 1,375
22,000	Royal Dutch Petroleum Co.	1,233
34,000	Unilever N.V. ADR	2,684



29,000	Vendex International N.V.	1,963
		-----
		7,255
		-----
SOUTH AFRICA--2.0%		
50,000	Liberty Life Association of Africa Ltd.	1,379
35,000	Nedcor Ltd.	937
		-----
		2,316
		-----
SOUTH KOREA--0.0%		
368	Daewoo Corp.	1
		-----
SPAIN--3.4%		
115,000	Iberdola S.A.	1,900
14,500	Telefonica de Espana ADR	1,950
		-----
		3,850
		-----
SWEDEN--3.7%		
17,500	Electrolux AB, Series B	1,743
110,000	Skandinaviska Enskilda Banken	1,833
20,000	Volvo AB	640
		-----
		4,216
		-----
SWITZERLAND--7.1%		
7,300	Credit Suisse Group	1,610
900	Nestle S.A.	1,931
1,800	Novartis A.G.	3,053
2,400	Zurich Versicherungs-Gesellschaft A.G.	1,501
		-----
		8,095
		-----
UNITED KINGDOM--16.5%		
125,000	Bass PLC	2,300
170,000	Diageo PLC	1,918
240,000	General Electric Co. PLC	1,965
25,000	Glaxo Wellcome PLC ADR	1,348
130,000	Great Universal Stores PLC	1,845
305,000	Ladbroke Group PLC	1,721
110,000	National Westminster Bank PLC	2,007
110,000	Pearson PLC	2,014
330,000	Shell Transport & Trading Co.	2,435
12,000	Vodafone Group PLC ADR	1,319
		-----
		18,872
		-----
TOTAL COMMON STOCKS (Cost \$86,289)		\$104,920
		-----
SHORT-TERM INVESTMENT--7.3%		
	Marshall & Isley Bank, Grand Cayman	
\$ 8,366	5.688%Due 06/01/98	\$ 8,366
		-----
TOTAL SHORT-TERM INVESTMENT		
(Cost \$8,366)		\$ 8,366
		-----
TOTAL INVESTMENTS--99.3%		
(Cost \$94,655)		\$113,286
		-----
Other assets, less liabilities--0.7%		843
		-----
NET ASSETS--100.0%		\$114,129
		-----

See accompanying notes to financial statements.

At May 31, 1998 the Portfolio's investments, excluding the short-term investment, were diversified as follows:

Industry/Sector	
Auto	4.1%
Basic Industry	8.6
Capital Goods	7.7
Consumer Goods	16.1
Financial Services	20.7
Food & Beverage	6.6
Insurance	3.4
Pharmaceuticals/Health Care	5.3
Real Estate	1.1
Retail	4.3
Technology	10.6
Other	11.5
Total	100.0%

\*Non-income producing security.

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
SMALL COMPANY INDEX PORTFOLIO		
COMMON STOCKS--97.5%		
AGRICULTURE--0.7%		
4,100	DeKalb Genetics Corp.	\$ 393
5,153	Delta & Pine Land Co.	221
5,700	Dimon, Inc.	77
7,000	Longview Fibre Co.	116
1,200	Tejon Ranch Co.	32
		839
APPAREL--0.5%		
2,500	Converse, Inc.*	13
1,900	Donna Karan Intl, Inc.*	27
1,200	Fossil, Inc.*	23
1,300	Gadzooks, Inc.*	36
3,700	Genesco, Inc.*	48
1,000	Guess ?, Inc.*	5
3,500	Hartmarx Corp.*	28
3,050	Kellwood Co.	101
1,100	Kenneth Cole Productions, Inc.*	25
4,700	Nautica Enterprises, Inc.*	137
1,100	Oshkosh B' Gosh, Inc.	42
1,000	Oxford Industries, Inc.	35
2,400	St. John Knits, Inc.	92
4,300	Tultex Corp.*	13
1,350	Unitog Co.	31
		656
BANKING--7.7%		
3,250	Aames Financial Corp.	47
1,680	Albank Financial Corp.	87
3,350	Amcore Financial, Inc.	82
1,300	Anchor Bancorp, Inc.	55
1,500	Area Bancshares Corp.	53
6,854	Associated Banc-Corp.	339
500	Bancfirst Corp.	24
5,600	BancorpSouth, Inc.	119
1,302	Bank Granite Corp. Club, Inc.	53
1,800	BankAtlantic Bancorp, Inc.	25
2,200	Banknorth Group, Inc.	80
1,700	Bay View Capital Corp.	55
1,846	Brenton Banks, Inc.	38
1,200	BSB Bancorp, Inc.	38
1,760	BT Financial Corp.	48
200	Capital City Bank Group, Inc.	9
900	CBT Corp.	30
1,583	Chemical Financial Corp.	67
2,108	Chittenden Corp.	79
1,925	CitFed Bancorp, Inc.	95
800	Citizens Bancshares of Ohio	56
2,350	Citizens Banking Corp. of Michigan	81
2,501	CNB Bancshares, Inc.	116
4,600	Colonial BancGroup, Inc.	149
2,299	Commerce Bancorp, Inc.	128
2,354	Commonwealth Bancorp	56

Shares	Description	Value
1,100	Community Bank System, Inc.	\$ 37
5,400	Community First Bankshares	132
1,400	CPB, Inc.	27
3,080	Cullen/Frost Bankers, Inc.	167
1,350	CVB Financial Corp.	29
3,006	Downey Financial Corp.	100
1,388	F & M Bancorp	56
2,955	F & M National Corp.	87
1,983	Fidelity National Corp.	66
1,400	First Citizens Bancshares, Class A.	148
1,600	First Commercial Bancshares, Inc.	43

3,200	First Commonwealth Financial Corp.	90
1,400	First Federal Financial Corp.	69
1,181	First Financial Bancshares, Inc.	48
852	First Financial Corp. of Indiana	44
2,375	First Midwest Bancorp, Inc. of Illinois	109
4,695	First Source Bancorp, Inc.	48
1,474	First Source Corporation	53
1,150	First United Bancshares of Ark	60
1,632	First Western Bancorp	50
2,250	Firstbank of Illinois Co.	96
1,825	Firstbank Puerto Rico*	102
2,243	FNB Corp.	80
6,905	Fulton Financial Corp.	181
2,000	GBC Bancorp	57
1,100	Hamilton Bancorp, Inc*	35
1,110	Hancock Holding Co.	63
968	Harleysville National Corp.	39
1,550	Heritage Financial Services, Inc.	54
3,128	Hubco, Inc.	110
4,581	Imperial Bancorp*	134
3,364	Imperial Credit Industries, Inc.*	71
900	Investors Financial Services Corp.	45
1,800	Irwin Financial Corp.	49
7,109	Keystone Financial, Inc.	277
1,500	Klamath First Bancorp	30
1,900	Liberty Corp.	96
4,494	Magna Group, Inc.	250
1,700	Mainstreet Bankgroup, Inc.	52
1,100	Merchants New York Bancorp	44
3,374	MidAm, Inc.	86
2,300	Mid-America Bancorp	62
900	Mississippi Valley Bancshares, Inc.	35
2,400	National Bancorp of Alaska, Inc.	77
1,509	National City Bancshares, Inc.	60
1,268	National Penn Bancshares, Inc.	43
1,270	NBT Bancorp, Inc.	42
1	North Fork Bancorporation, Inc	0
2,200	Ocean Financial Corp.	42
3,819	Old National Bancorp	183
1,200	Omega Financial Corp.	45
3,731	One Valley Bancorp, Inc.	131
1,450	Oriental Financial Group	62
1,000	Park National Corp.	95
12,068	Peoples Heritage Financial Group, Inc.	272

See accompanying notes to financial statements.

Shares	Description	Value
3,252	Provident Bankshares Corp.	\$ 102
2,410	Republic Bancorp, Inc.	45
2,900	Riggs National Corp.	79
1,700	S & T Bancorp, Inc.	91
2,000	Santa Barbara Bancorp	56
2,800	Security Capital Corp.	62
3,000	Silicon Valley Bancshares*	98
1,700	Southwest Bancorporation of Texas*	67
19,365	Sovereign Bancorp, Inc.	343
4,719	St. Paul Bancorp, Inc.	119
2,950	Sterling Bancshares, Inc. of Texas	50
3,200	Stratus Computer, Inc.*	115
600	Student Loan Corp.	29
300	Sumitomo Bank of California	11
3,162	Susquehanna Bancshares, Inc.	117
2,200	T.R. Financial Corp.	98
1,950	Texas Regional Bancshares, Class A	62
1,900	Triangle Bancorp, Inc.	55
2,300	Trust Co. of Jersey City	63
3,330	Trustco Bank Corp.	95
8,900	Trustmark Corp.	190
2,263	UMB Financial Corp.	124
4,100	United Bankshares, Inc.	103
2,600	Us Trust Corp	195
700	USBancorp, Inc.	56
3,700	UST Corp.	103
1,900	Vermont Financial Services Corp.	54
3,800	Webster Financial Corp.	128
2,250	Wesbanco, Inc.	59
1,600	West Coast Bancorp of Oregon	40
5,900	Westamerica Bancorp	182
1,418	Westcorp, Inc.	17
5,800	Westernbank Puerto Rico	99
2,875	Whitney Holding Corp.	158
		-----
		9,837
		-----

BITUMINOUS COAL AND LIGNITE SURFACE MINING--

0.2%		
3,400	Arch Coal, Inc.	82
1,000	Nacco Industries, Inc.	147
		-----
		229
		-----

BROKERAGE AND FINANCIAL SERVICES--3.3%

300	Ameritrade Holdings Corp., Class A*	9
5,500	Amresco, Inc.*	186
5,600	Arcadia Financial, Ltd.*	42
2,800	Bank Plus Corporation*	36
3,900	Bank United Corp., Class A	195
687	BOK Financial Corp.*	34
300	Capital Factors Holdings, Inc.*	6
3,200	Century Business Services, Inc.*	55
2,500	Cityscape Financial Corp.*	1
3,100	CMAC Investment Corp.	188
4,625	Commercial Federal Corp.	154
5,050	Crawford & Co., Class B	92
3,100	Credit Acceptance Corp.*	32
6,300	Crimmi Mae, Inc.	96

Shares	Description	Value
1,800	Dain Rauscher Corp.	\$ 102
700	Delta Financial Corp.*	12
1,800	Dime Community Bancorp, Inc.	52
4,400	Doral Financial Corp.	73
800	Everen Capital Corp.	41
1,350	Financial Federal Corp.*	32
2,400	First Colorado Bancorp, Inc.	68
1,200	First Federal Capital Corp.	42
875	First Federal Financial Corp.*	27
2,267	First Financial Bancorp	130
1,900	First Financial Holdings, Inc.	44
1,357	First Indiana Corp.	34
1,400	First Republic Bank*	47
1,400	First Savings Bank of Washington	36
3,600	Firstplus Financial Group*	144
700	Flagstar Bancorp, Inc.	17
800	Fund American Enterprise Holdings, Inc.	117
1,500	Grand Premier Financial, Inc.	25

2,500 Hambrecht & Quist Group*	77
4,806 Harbor Florida Bancorp, Inc.	59
1,200 Harris Financial, Inc.	31
2,500 HFNC Financial Corp.	32
3,700 IMC Mortgage Company*	49
3,200 Insignia Financial Group, Inc., Class A*	79
1,200 Interwest Bancorp, Inc.	55
500 Investment Technology Group, Inc.*	14
2,500 Jefferies Group, Inc.	115
3,133 Legg Mason, Inc.	189
3,100 Long Beach Financial Corp.*	36
3,300 Long Island Bancorp, Inc.	204
2,680 McDonald & Co. Investments, Inc.	80
21,300 Mercury Finance Co.*	5
500 Metris Companies, Inc.	29
3,537 Morgan Keegan, Inc.	81
3,800 Ocwen Financial Corp.*	93
2,500 Pff Bancorp, Inc.*	49
6,350 Phoenix Investment Partners, Ltd.	60
3,200 Pioneer Group, Inc.	91
1,800 Queens County Bancorp, Inc.	79
4,975 Raymond James Financial, Inc.	150
1,400 Reliance Bancorp, Inc.	53
1,896 Resource Bancshares Mortgage Group, Inc.	33
6,000 Roslyn Bancorp, Inc.	141
1,600 SEI Corp.	107
1,100 Southern Pacific Funding Corp.*	17
700 St. Francis Capital Corp.	29
300 Value Line, Inc.	13
770 WFS Financial, Inc.*	7
1,500 WSFS Financial Corp.*	32
	-----
	4,258
	-----
CHEMICALS, ALLIED PRODUCTS AND PHARMACEUTICALS--	
3.7%	
3,300 Affymetrix, Inc.*	89
3,100 Albermarle Corp.	75
2,300 Alberto-Culver Co., Class B	68

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
-----		
SMALL COMPANY INDEX PORTFOLIO--CONTINUED		
CHEMICALS, ALLIED PRODUCTS AND PHARMACEUTICALS--		
Continued		
1,700	Algos Pharmaceuticals Corp.*	\$ 62
4,600	Alliance Pharmaceutical Corp.*	22
2,200	Alpharma, Inc., Class A	48
1,700	American Safety Razor Co.*	20
4,100	Amylin Pharmaceuticals, Inc.*	17
1,300	Andrx Corp.*	44
1,000	Apton Corp.*	13
900	Bush Boake Allen, Inc.*	27
1,000	Cadus Pharmaceutical Corp.*	6
5,000	Calgon Carbon Corp.	53
1,300	Carbide/Graphite Group*	42
3,200	Carter-Wallace, Inc.	57
3,900	Cephalone, Inc.*	41
1,300	Chemed Corp.	48
2,900	Chemfirst, Inc.	74
2,900	Cygnus, Inc.*	27
666	Del Laboratories, Inc.	19
3,200	Dexter Corp.	132
1,600	Diagnostic Products Corp.	50
1,500	Emisphere Technologies, Inc.*	24
1,900	Fuller (H.B.) Co.	119
2,100	GelTex Pharmaceuticals, Inc.*	48
1,600	General Chemical Group, Inc.	41
3,300	Geon Co.	71
4,400	Georgia Gulf Corp.	110
2,300	Guilford Pharmaceuticals, Inc.*	42
6,100	Hanna (M.A) Co.	122
1,766	Herbalife International, Inc.	45
8,201	ICN Pharmaceuticals, Inc.	354
4,900	ICOS Corp.*	103
3,300	Immunomedics, Inc.*	17
4,200	Interneuron Pharamaceuticals*	19
3,900	Isis Pharmaceuticals, Inc.*	54
3,200	Jones Medical Industries, Inc.	98
700	Kos Pharmaceuticals, Inc.*	8
1,100	Kronos, Inc.*	39
1,650	KV Pharmaceutical Co., Class B*	34
4,500	Lawter International, Inc.	43
1,300	Learonal, Inc.	39
1,571	Life Technologies, Inc.	54
3,275	Lilly Industrial, Inc.	64
2,800	MacDermid, Inc.	115
900	McWhorter Technologies, Inc.*	25
3,200	Medimmune, Inc.*	160
3,900	Millennium Pharmaceuticals*	69
3,200	Mineral Technologies, Inc.	169
900	Miravant Medical Technologies*	24
3,968	Mississippi Chemical Corp.	66
6,700	NBTY, Inc.*	117
500	NCH Corp.	32
3,400	NL Industries*	68
3,300	Noeprobe Corp.*	14
3,100	OM Group, Inc.	129
9,825	PSS World Medical, Inc.*	123
-----		
Shares	Description	Value
3,100	Regeneron Pharmaceuticals, Inc.*	\$ 29
3,200	Roberts Pharmaceutical Corp.*	53
4,900	Schulman (A.), Inc.	97
2,700	Scotts Co.*	94
3,800	Sepracor, Inc.*	163
4,400	Sequus Pharmaceuticals, Inc.*	50
800	Sonus Pharmaceuticals, Inc.*	11
1,200	Stepan Co.	38
2,600	Techne Corp.*	46
5,800	Terra Industries, Inc.	59
3,218	Tetra Tech, Inc.*	71

1,600 Tetra Technologies, Inc.*	35
2,700 Transkaryotic Therapies, Inc.*	81
1,000 USA Detergents, Inc.*	14
1,500 Valhi, Inc.	15
3,600 Vertex Pharmaceuticals, Inc.*	104
1,930 WD-40 Co.	53
4,000 Wellman, Inc.	96
	-----
	4,802
	-----
COMMUNICATIONS--5.6%	
1,400 Ackerley Communications, Inc.	28
800 Aerial Communications, Inc.*	5
4,900 Aliant Communications, Inc.	114
2,300 American Mobile Satellite Corp.*	26
3,090 American Radio Systems, Corp.	204
3,900 ANTEC Corp.*	75
900 BET Holdings, Inc.*	56
2,400 Black Box Corp.*	96
919 Block Drug Co., Inc.	40
2,500 Bowne & Co., Inc.	107
6,924 Brightpoint, Inc.*	109
3,775 Cable Design Technologies Corp.*	89
4,300 Cablevision Systems, Class A*	238
2,200 California Microwave*	47
1,900 Cellstar Corp.*	57
2,250 Cellular Communications International, Inc.*	106
3,280 Cellular Technical Services, Inc.*	3
4,600 Century Communications Corp., Class A*	73
1,900 CFW Communications Co.	48
2,000 CIDCO, Inc.*	16
1,466 Commonwealth Telephone Enterprise*	44
6,750 Comsat Corp.	235
1,200 Consolidated Graphics, Inc.*	61
1,900 Corecomm, Inc.*	40
1,300 Cox Radio, Inc., Class A*	55
1,300 Data Transmission Network Corp.*	50
1,150 Davox Corp.*	21
5,700 DSP Communications, Inc.*	105
1,400 Echostar Communications, Class A*	36
1,200 Emmis Broadcasting Corp., Class A*	53
300 Forrester Research, Inc.*	11
1,400 General Communications, Inc.*	8
4,450 Hawaiian Electric Industries	170
3,100 Heftel Broadcasting Corp., Class A*	117
3,600 HighwayMaster Communications, Inc.*	13

See accompanying notes to financial statements.



Shares	Description	Value
1,800	Integrated Circuit Systems*	\$ 25
2,500	Intermedia Communications, Inc.*	185
2,300	IXC Communications, Inc.*	100
6,700	Jacor Communications, Inc.*	354
2,300	Jones Intercable, Inc., Class A*	49
6,660	Journal Register Co.*	132
2,950	Lamar Advertising Co.*	94
4,200	Level One Communications, Inc.*	112
2,300	Mail-Well, Inc.*	106
1,700	Mastec, Inc.*	35
5,100	Mcleodusa, Inc., Class A*	212
1,700	Media General, Inc.	78
1,100	Metro Networks, Inc.*	44
6,357	Metromedia International Group, Inc.*	86
3,933	NTL, Inc.*	160
1,400	Ods Networks, Inc.*	10
4,300	Omnipoint Corp.*	88
1,700	On Command Corp.*	23
3,500	Outdoor Systems, Inc.*	105
5,100	P-COM, Inc.*	77
1,200	Pacific Gateway Exchange, Inc.*	51
1,498	Park Electrochemical Corp.	36
2,400	Paxson Communications Corp.*	28
2,000	Periphonics Corp.*	20
2,400	Plantronics, Inc.*	110
2,200	Powertel, Inc.*	40
700	Precision Response Corporation*	5
2,100	Primus Telecommunications Group*	39
1,000	Quest Communications, Corp.	35
4,500	RCN Corporation*	97
1,300	SAGA Communications, Inc.*	27
1,000	Sawtek, Inc.*	26
1,100	SFX Broadcasting, Inc., Class A	83
2,800	Sinclair Broadcast Group A*	71
6,800	Skytel Communications, Inc.*	154
1,400	Smartalk Teleservices, Inc.*	26
2,200	Snyder Communications, Inc.*	89
2,300	TCA Cable TV, Inc.	140
7,400	TCI Satellite Entertainment, Class A*	42
4,700	Tel-Save Holdings, Inc.*	93
3,600	Telespectrum Worldwide, Inc.*	31
1,200	TMP Worldwide, Inc.*	31
1,250	Transaction Network Services, Inc.*	25
2,900	True North Communications, Inc.	92
3,800	United International Holdings, Inc., Class A*	63
600	United Television, Inc.	66
1,700	United Video Satellite Group, Inc.*	66
5,200	Vanguard Cellular Systems, Inc.*	93
3,500	Waters Corp.*	204
2,600	West Teleservices Corp.*	36
9,700	Western Wireless Corp., Class A*	179
3,400	Westwood One, Inc.*	91
4,700	WinStar Communications, Inc.*	176
1,200	Woodward Governor Co.	35
1,700	Young Broadcasting Corp.*	88
		-----
		7,119
		-----

Shares	Description	Value
COMPUTERS AND OFFICE MACHINES--5.2%		
500	Act Manufacturing, Inc.*	\$ 4
2,800	Actel Corp.*	36
3,600	Alliance Semiconductor Corp.*	17
3,500	American Business Info., Class B*	44
5,700	American Management Systems*	155
700	Apex Pc Solutions, Inc.*	18
1,000	Applied Graphics Technologies*	48
1,500	Arqule, Inc.*	21
1,000	Aspect Development, Inc.*	57
2,400	Atmi, Inc.*	44
3,700	Auspex Systems, Inc.*	21
3,200	Avid Technology, Inc.*	130
2,100	Aware, Inc.*	23
700	BA Merchants Services, Inc.*	13
3,166	BancTec, Inc.*	74
2,400	BEA Systems, Inc.*	48
3,776	Boole & Babbage, Inc.*	93
5,500	Borland International, Inc.*	46

1,400 BT Office Products International, Inc.*	19
1,100 CACI International, Inc., Class A*	22
1,596 Cambrex Corp.	89
2,900 CCC Information Services Group.*	66
800 CFM Technologies, Inc.*	9
8,700 Cirrus Logic, Inc.*	87
1,200 Claremont Technology Group*	24
1,000 CNET, Inc.*	36
1,000 Complete Business Solutions*	26
5,930 Converse Technology, Inc.*	296
7,000 Copytele, Inc.*	24
1,200 Cybermedia, Inc.*	7
2,700 Cylink Corp.*	27
1,300 Data Dimensions, Inc.*	18
6,500 Data General Corp.*	99
1,400 Day Runner, Inc.*	31
900 Deltek Systems, Inc.*	19
1,300 Dialogic Corp.*	43
4,200 Diamond Multimedia Systems, Inc.*	32
700 Digital Link Corp.*	6
600 Dupont Photomasks, Inc.*	26
1,200 E* Trade Group, Inc.*	41
1,700 Edify Corp.*	18
1,600 Encad, Inc.*	17
1,300 Evans & Sutherland Computer Corp.*	33
3,000 Exabyte Corp.*	29
1,400 Exar Corp.*	32
600 Factset Research Systems, Inc.*	19
2,100 Filenet Corp.*	116
2,200 Fonix Corp.*	9
2,800 Forte Software, Inc.*	14
4,400 FTP Software, Inc.*	12
700 General Binding Corp.	24
3,800 GT Interactive Software Corp.*	36
5,400 HMT Technology Corp.*	63
2,600 Hyperion Software Corp.*	84

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
SMALL COMPANY INDEX PORTFOLIO--CONTINUED		
COMPUTERS AND OFFICE MACHINES--Continued		
800	I2 Technologies, Inc.*	\$ 48
1,500	Indus International, Inc.*	14
3,500	Industri-Matematik Intl. Corp.*	56
1,500	Information Management Resources*	34
4,200	Information Resources, Inc.*	74
6,000	Intergraph Corp.*	53
2,800	International Network Services*	88
7,400	International Rectifier Corp.*	78
1,900	Interpool, Inc.	28
1,800	Itron, Inc.*	28
5,700	Learning Company, Inc.*	162
2,000	LHS Group, Inc.*	116
2,075	Lycos, Inc.*	110
4,500	Macromedia, Inc.*	71
1,800	Mastech Corporation*	34
1,300	Medical Manager Corp.*	33
2,400	Mercury Interactive Corp.*	80
700	Metro Information Services, Inc.*	23
1,700	Micro Linear Corp.*	8
820	Microprose, Inc.	4
1,200	Micros Systems, Inc.*	71
1,100	Microtouch Systems, Inc.*	18
4,173	Midway Games, Inc.*	56
2,900	Mylex Corp.*	20
3,900	National Computer Systems, Inc.	95
2,300	National Techteam, Inc.*	21
1,400	Neomagic Corp.*	21
3,900	Network Data Process Corp.	136
2,100	Network Computing Devices*	18
3,400	Object Design, Inc.*	18
1,400	Objective Systems Integrator*	10
2,500	Open Market, Inc.*	40
700	Pegasystems, Inc.*	15
2,300	Phoenix Technologies Ltd.*	23
8,798	Platinum Technology, Inc.*	241
2,100	Plexus Corp.*	45
4,100	PMC-Sierra, Inc.*	160
1,400	Proxim, Inc.*	18
900	Radiant Systems, Inc.*	15
900	Radisys, Inc.*	24
1,800	Rambus, Inc.*	70
10,685	Rational Software Corp.*	163
6,400	Read-Rite Corp.*	56
7,200	S3, Inc.*	47
3,700	Safeguard Scientifics, Inc.*	159
2,700	Sandisk Corp.*	44
2,700	Santa Cruz Operation, Inc.*	13
800	Seachange International, Inc.*	7
1,500	Semtech Corp.*	32
5,900	Sequent Computer Systems, Inc.*	98
4,000	Shiva Corp.*	38
7,848	Siebel Systems, Inc.*	179
3,600	SMART Modular Technologies, Inc.*	49
1,700	Splash Technology Holdings, Inc.*	29
Shares	Description	Value
500	Sunquest Information Systems*	\$ 4
1,400	Sykes Enterprises, Inc.*	29
3,975	Sylvan Learning Systems, Inc.*	121
2,400	Synetic, Inc.*	142
3,550	Technology Solutions Co.*	107
2,600	Transition Systems, Inc.*	52
2,620	Triarc Cos., Inc., Class A*	64
1,700	Trident Microsystems, Inc.*	12
2,700	USCS International, Inc.*	51
1,900	Walker Interactive Systems*	30
1,400	Wall Data, Inc.*	18
5,200	Wang Labs, Inc.*	125

4,500	Xylan Corp.*	109
2,500	Zebra Technologies Corp.*	96
2,300	Zitel Corp.*	18
		-----
		6,614
		-----
CREDIT INSTITUTIONS--0.3%		
3,272	Astoria Financial Corp.	180
1,600	IBS Financial Corp.	30
1,200	JSB Financial, Inc.	70
2,100	Ryland Group, Inc.	42
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		322
		-----
ELECTRICAL SERVICES--2.5%		
1,500	Advanced Lighting Technologies, Inc.*	38
3,150	Black Hills Corp.	69
3,200	Cleco Corp.	96
5,900	Checkfree Corp.*	134
2,000	CILCORP, Inc.	88
13,725	Conectiv, Inc.*	281
2,900	Eastern Utilities Association	74
8,700	El Paso Electric Co.*	83
2,600	Electroglas, Inc.*	35
2,400	Empire District Electric Co.	49
2,400	Envoy Corp.*	105
10,370	Interstate Energy Corp.	312
2,350	Madison Gas & Electric Co.	50
4,700	Minnesota Power & Light Co.	185
6,900	Nevada Power Co.	165
1,900	Orange & Rockland Utilities, Inc.	102
1,700	Otter Tail Power Co.	54
6,500	PMT Services, Inc.*	127
5,700	Public Service Co. of New Mexico	124
5,300	Rochester Gas & Electric Corp.	163
4,300	Sierra Pacific Resources	148
3,450	SIGCORP, Inc.	108
1,500	TNP Enterprises, Inc.	49
4,580	Unisource Energy Corp.*	72
2,100	United Illuminating Co.	99
7,650	Washington Water Power Co.	165
3,200	WPS Resources Corp.	100
1,550	Yankee Energy System, Inc.	37
1,800	Zurn Industries, Inc.	75
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		3,187
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See accompanying notes to financial statements.

Shares	Description	Value
ELECTRONICS AND OTHER ELECTRICAL EQUIPMENT--		
5.7%		
900	ADE Corp.*	\$ 14
2,700	Adtran, Inc.*	66
600	Advanced Energy Industries, Inc.*	9
975	AFC Cable Systems, Inc.*	33
3,400	Allen Telecom, Inc. *	41
2,400	Alpine Group, Inc. *	48
1,900	Altron, Inc.*	21
4,500	Ametek, Inc.	130
5,600	Ampex Corp.*	13
2,400	Amphenol Corp., Class A*	131
2,100	ANADIGICS, Inc.*	30
5,100	Anixter International, Inc.*	103
3,422	Applied Magnetics Corp.*	19
6,800	Aspect Telecommunications, Inc.*	176
2,100	Associated Group, Inc.*	74
3,375	Avant! Corp.*	87
3,693	Baldor Electric Co.	96
3,300	Belden, Inc.	131
1,700	Benchmark Electronics, Inc.*	34
2,500	Berg Electronics Corp.*	52
4,000	BMC Industries, Inc.	59
4,875	Burr-Brown Corp.*	125
900	C & D Technologies, Inc.	50
4,500	C-Cube Microsystems, Inc.*	88
2,900	Calpine Corporation*	52
5,100	Cellnet Data Systems, Inc.*	52
2,500	Central Hudson Gas & Electric	109
4,700	Central Maine Power Co.	90
4,800	Checkpoint Systems, Inc.*	85
1,400	Coherent Communications Systems Corp.*	66
1,400	Cohu, Inc.	43
2,600	Commonwealth Energy System	99
3,100	Credence Systems Corp.*	65
1,509	CTS Corp.	47
4,100	Cymer, Inc.*	78
900	Digital Lightwave, Inc.*	4
5,500	Digital Microwave Corp.*	53
3,700	DII Group*	70
1,100	Dynatech, Corp.*	4
6,200	EG&G, Inc.	195
2,168	Electro Rent Corp.*	52
1,400	Electro Scientific Industries, Inc.*	47
1,000	Eltron International, Inc.*	22
1,200	Encore Wire Corp.*	37
2,300	ESS Technology, Inc.*	10
1,600	Essex International, Inc.*	39
2,400	Esterline Technologies Corp.*	52
2,100	FEI Company*	19
5,578	Flowserve Corporation	162
3,600	General Cable Corp.	95
2,800	General DataComm Industries, Inc.*	13
1,300	Geotel Communications Co.*	35
8,200	Glenayre Technologies, Inc.*	126
4,400	Griffon Corp.*	61

Shares	Description	Value
1,600	HADCO Corp.*	\$ 51
2,610	Harman International Industries, Inc.	111
1,600	Holophane Corp.*	42
2,800	Hutchinson Technologies, Inc.*	70
1,400	Imnet Systems, Inc.*	16
11,000	Integrated Device Technology, Inc.*	103
3,000	Inter-Tel, Inc.	56
6,900	Interdigital Communications Corp.*	38
2,100	Intervoice, Inc.*	28
500	JPM Company*	5
2,700	Juno Lighting, Inc.	57
2,300	Kuhlman Corp.	97
900	Lecroy Corp.*	18
3,300	Lincoln Electric Co.	146
2,800	Littelfuse, Inc.*	64
2,700	Lojack Corp.*	34
5,300	LTX Corp.*	20
3,700	Magnetek, Inc.*	63
4,050	Method Electronics, Inc., Class A	52
1,800	Micrel, Inc.*	56
1,100	Moog, Inc., Class A*	43

2,800	MRV Communications, Inc.	65
800	National Presto Industries, Inc.	32
1,600	Natural Microsystems Corp.*	34
4,000	NexGen Inc.	40
2,200	North Pittsburgh Systems	35
2,578	Northwestern Corporation	62
2,540	Oak Industries, Inc.*	89
400	Optical Cable Corp.*	4
4,900	Pagemart Wireless, Inc., Class A*	44
14,100	Paging Network, Inc.*	193
1,200	Perceptron, Inc.*	15
5,500	Picturetel Corp.*	52
3,837	Pioneer Standard Electronics, Inc.	48
600	Powerwave Technologies, Inc.*	12
3,700	Premisys Communications, Inc.*	92
2,075	PriCellular Corp.*	28
4,400	Ramtron International Corp.*	18
3,300	Robotic Vision Systems, Inc.*	21
1,700	Rofin-Sinar Technologies, Inc.*	32
2,600	Sammina Corp.*	202
1,900	SDL, Inc.*	42
1,300	Sheldahl, Inc.*	13
4,300	Silicon Valley Group, Inc.*	79
1,400	Siliconix, Inc.*	38
1,000	Sipex Corporation*	22
1,500	Spectrian Corp.*	25
1,000	Speedfam International, Inc.*	20
1,000	SPS Transaction Services, Inc.*	31
1,200	Standard Motor Products, Inc.*	26
1,500	Stanford Telecommunications, Inc.*	21
1,175	Superior Telecom, Inc.	47
1,700	Supertex, Inc.*	18
2,300	Symetrix, Inc.*	15
2,000	Technitrol, Inc.	81

See accompanying notes to financial statements.



1,800	Dominick's Supermarkets, Inc.*	78
4,878	JP Foodservice	162
98	Farmer Bros. Co.	20
1,850	Performance Food Group Co.*	35
4,700	Ralcorp Holding, Inc.*	100
900	Sanderson Farms, Inc.	10
100	Seaboard Corp.	27
3,300	Smucker (J.M.) Co.	79
900	TurboChef, Inc.*	8
7,000	Universal Foods Corp.	167
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		686
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	FURNITURE AND FIXTURES--0.7%	
1,900	Bassett Furniture Industries, Inc.	58
1,200	Bush Industries, Inc.	32
1,900	CORT Business Services Corp.*	74
3,700	Ethan Allen Interiors, Inc.	186
7,800	Heilig-Meyers Co.	94
5,000	Kimball International, Inc.	123
1,600	Knoll, Inc.*	51
2,100	La-Z-Boy Chair Co.	107
3,200	Royal Appliance Manufacturing Co.*	17
2,075	SLI, Inc.	59
2,100	Triangle Pacific Corp.*	93
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		894
		-----
	GENERAL BUILDING CONTRACTORS--1.1%	
1,500	ABT Building Products Corp.*	21
3,600	AMCOL International Co.	50
3,000	Blount, Inc.	85
3,158	D. R. Horton, Inc.	57
3,500	Eagle Hardware & Garden, Inc.*	64
4,900	Fairfield Communities, Inc. *	100
3,900	Fleetwood Enterprises	156
5,300	Kaufman & Broad Home Corp.	136
1,300	N V R, Inc. *	42
900	NCI Building Systems, Inc.*	48
6,350	Oakwood Homes	173
2,156	Palm Harbor Homes, Inc.*	90
2,100	Pulte Corp.	112
4,300	Standard Pacific Corp.	74
3,400	Toll Brothers, Inc.*	88
1,679	U.S. Home Corp.*	68
2,100	Webb (Del E.) Corp.	51
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		1,415
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See accompanying notes to financial statements.



Shares	Description	Value
-----		
GLASS, CLAY AND STONE PRODUCTS--0.7%		
600	Ameron, Inc.	\$ 36
4,100	Ball Corp.	162
1,500	Centex Construction Products, Inc.	57
4,800	Gentex Corp.*	176
2,300	Medusa Corp.	133
1,290	Mikasa, Inc.	16
2,600	Photronics, Inc.*	69
600	Puerto Rican Cement Co.	32
3,200	Southdown, Inc.	210
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		891
		-----

HEALTH SERVICES--4.4%		
2,700	Access Health Marketing, Inc.*	69
2,400	Alternative Living Services*	65
1,500	American HomePatient, Inc.*	25
4,000	Apogee, Inc.	56
7,400	Apria Healthcare Group, Inc.*	56
8,500	Arterial Vascular Engineer*	263
2,100	ATL Ultrasound, Inc.*	95
1,200	Atria Communities, Inc.*	21
2,300	AXYS Pharmaceuticals, Inc.*	18
1,200	Barr Labs, Inc.*	49
1,200	Bio-Rad Labs, Inc.*	38
1,600	Cardiothoracic Systems, Inc.*	8
1,200	Carematrix Corporation*	28
3,500	Cerner Corp.*	90
900	Closure Medical Corporation*	23
1,500	Compdent Corp.*	22
1,800	Cooper Companies, Inc.*	71
3,400	COR Therapeutics, Inc.*	58
7,850	Covance, Inc.*	166
5,300	Coventry Health Care Inc.*	77
4,800	Creative BioMolecules, Inc.*	29
1,800	Curative Health Services, Inc.*	51
3,094	Enzo Biochem, Inc.*	40
2,000	Fuisz Technologies, Ltd.*	24
10,800	Gensia, Inc.*	46
3,000	Graham Field Health PDS*	18
3,200	Haemonetics Corp.*	49
1,743	HealthPlan Services Corp.	39
2,200	Heartport, Inc.*	18
3,100	Human Genome Sciences, Inc.*	113
1,900	I-STAT Corp.*	18
2,800	IDEC Pharmaceuticals Corp.*	88
4,700	Idexx Laboratories, Inc.*	105
900	IDX Systems Corp.*	38
11,300	Imatron, Inc.*	31
2,800	Incyte Pharmaceuticals, Inc.*	103
2,200	Inhale Therapeutic Systems*	73
5,548	Integrated Health Services	206
3,900	Invacare Corp.	103
800	Lab Holdings, Inc.	18
300	LabOne, Inc.	5
6,800	Laboratory Corp. of American Holdings*	14

Shares	Description	Value
-----		
1,200	Landauer, Inc.	\$ 34
4,158	Ligand Pharmaceuticals, Inc.*	58
4,200	Magellan Health Services, Inc.*	113
3,300	Mariner Health Group, Inc.*	49
2,000	Martek Biosciences Corp.*	25
2,600	Maxicare Health Plans, Inc.*	24
1,700	Medical Resources, Inc.*	5
2,200	Medicis Pharmaceutical, Class A*	90
1,800	Mediq, Inc	25
1,000	MiniMed, Inc.*	50
1,700	MMI Cos., Inc.	38
1,533	Morrison Health Care, Inc.	26
1,300	Myriad Genetics, Inc.*	26
4,700	Nabi, Inc.*	17
2,300	National Surgery Centers, Inc.*	64
2,800	NCS Healthcare, Inc., Class A*	81
2,500	Neurex Corp.*	70
1,700	Neurogen Corp.*	29
4,500	Neuromedical Systems, Inc.*	7
8,300	Novacare, Inc.*	91
2,800	Nova Corp.*	92

2,800	Oakley, Inc.*	37
1,900	Oec Medical Systems, Inc.*	42
2,600	OIS Optical Imaging Systems, Inc.*	3
800	Oxigene, Inc.*	11
3,600	Paracelsus Healthcare Corp.*	11
1,500	Paragon Health Network, Inc.*	7
2,300	PathoGenesis Corp.*	83
1,500	Pediatrix Medical Group*	54
900	Perclose, Inc.*	23
9,100	Perrigo Co.*	100
3,300	Pharmos Corp.	40
900	PHP Healthcare Corp.*	8
2,300	Prime Medical Services, Inc.*	24
2,100	Psychemedics Corp.	12
4,300	Quest Diagnostics, Inc.*	93
3,200	Renal Care Group, Inc.*	116
1,100	RES-CARE, Inc.*	35
4,500	Rexall Sundown, Inc.*	151
500	RightChoice Managed Care, Inc., Class A*	6
1,900	Rural/Metro Corp.*	45
1,300	Sabratek Corp.*	34
4,700	Safeskin Corp.*	165
2,300	Serologicals Corp.*	68
5,880	Sun Healthcare Group, Inc.*	99
1,400	Sunrise Assisted Living, Inc.*	42
2,500	Thermo Cardiosystems, Inc.*	56
2,000	Thermolase Corp.*	12
9,472	Total Renal Care Holdings*	291
900	Trex Medical Corp.*	15
2,000	Triangle Pharmaceuticals, Inc.*	31
2,600	Twinlab Corporation*	97
1,300	Universal Health Realty Income Trust	25
2,900	Veterinary Centers of America, Inc.*	55
2,100	Vical, Inc.*	34

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
-----		
SMALL COMPANY INDEX PORTFOLIO--CONTINUED		
HEALTH SERVICES--Continued		
2,021	Vitalink Pharmacy Services, Inc.*	\$ 44
4,800	Vivus, Inc.*	44
4,300	Zila, Inc.*	33
		-----
		5,587
		-----
HEAVY CONSTRUCTION--0.6%		
2,200	American Residential Services	25
5,100	Dal-Tile International, Inc.*	71
1,950	Elcor Corp.	52
1,900	Florida Rock Industries, Inc.	59
1,400	Giant Cement Holdings, Inc.*	36
1,750	Granite Construction, Inc.	49
5,903	Lennar Corp.	156
1,500	Lone Star Industries, Inc.	113
400	Mestek, Inc.*	8
1,891	Morrison Knudsen Corp.*	22
1,300	Nortek, Inc.*	40
1,400	Republic Group, Inc.	27
1,200	Synthetic Industries, Inc.*	25
2,200	TJ International, Inc.	64
2,500	Watsco, Inc.	73
		-----
		820
		-----
INDUSTRIAL INSTRUMENTS--2.4%		
3,100	Acuson Corp.*	59
2,700	ADAC Laboratories*	54
3,000	Alkermes, Inc.*	66
1,000	Analogic Corp.	46
1,900	Arrow International, Inc.	66
4,596	Artesyn Technologies, Inc.*	75
4,200	Ballard Medical Products	94
2,300	Barnett, Inc.*	42
1,600	Biomatrix, Inc.*	54
3,900	Buckeye Cellulose Corp.*	88
4,900	Cincinnati Milacron, Inc.	147
1,800	Circon Corp.*	25
2,600	CNS, Inc.*	11
4,700	Cognex Corp.*	89
3,300	Coherent, Inc.*	76
1,950	Commercial Intertech Corp.	37
2,150	CONMED Corp.*	45
776	Cubic Corp.	23
2,200	Cytoc Corp.*	37
2,200	Daniel Industries, Inc.	45
1,900	Datascope Corp.*	53
1,600	Dionex Corp.*	84
3,100	Etec Systems, Inc.*	113
5,100	Ferro Corp.	146
2,000	Fluke (John) Manufacturing Co., Inc.	64
3,900	Genrad, Inc.*	68
4,100	Gilead Sciences, Inc.*	133
775	Hach Co.	7
1,700	Hologic, Inc.*	36
3,600	Kennametal, Inc.	173
		-----
		Value
		-----
800	Lunar Corp.*	\$ 15
2,100	Marquette Medical Systems, Inc.*	59
3,800	Mascotech, Inc.	93
3,564	Mentor Corp.	94
500	Mine Safety Appliances Co.	36
2,600	MTS Systems Corp.	49
2,500	Physio-Control International Corp.*	53
1,800	Possis Corp.*	20
4,554	Respironics, Inc.*	75
2,300	SangStat Medical Corp.*	60

1,700	Staar Surgical Co.*	21
1,000	Starrett (L.S.) Co.	39
2,500	Sunrise Medical, Inc.*	39
900	Tech-Sym Corp.*	26
3,400	Theragenics Corp.*	95
2,200	Theratech, Inc.*	21
3,200	Trimble Navigation, Ltd.*	63
800	Vital Signs, Inc.	14
1,196	Watkins-Johnson Co.	30
2,200	X-Rite, Inc.	30
1,500	Zoltek Companies, Inc.*	46
		-----
		3,034
		-----
	INSURANCE SERVICES--4.1%	
1,800	Acceptance Insurance Cos., Inc.*	41
2,700	Alfa Corp.	53
3,262	Allied Group, Inc.	137
1,224	American Annuity Group, Inc.	30
2,300	American Heritage Life Investment Corp.	48
3,200	Amerin Corp.*	96
2,349	Amerus Life Holdings, Class A	75
2,800	Argonaut Group, Inc.	90
1,700	Baldwin & Lyons, Inc.	41
3,200	Berkley (W.R.) Corp.	150
1,500	Blanch (E.W.) Holdings, Inc.	56
1,600	Capital RE Corp.	119
1,200	Capitol Transamerica Corp.	25
1,200	Chartwell Re Corporation	35
900	Citizens Corporation	29
5,000	CNA Surety Corporation*	81
2,800	Commerce Group, Inc.	100
1,938	Delphi Financial Group, Inc.*	105
1,800	Enhance Financial Services Group, Inc.	117
1,600	Executive Risk, Inc.	101
4,600	FBL Financial Group, Inc., Class A*	129
4,074	FINL Security Assurance Holdings, Inc.	241
2,150	First American Financial, Corp.	155
3,100	Foremost Corp. of America	76
3,412	Fremont General Corp.	195
3,968	Frontier Insurance Group, Inc.	97
2,685	Gainsco, Inc.	20
2,400	Gallagher (Arthur J.) & Co.	104
1,300	Guarantee Life Companies, Inc.	35
1,800	Harleysville Group, Inc.	44
3,500	Hartford Life, Class A	180

See accompanying notes to financial statements.

Shares	Description	Value
5,100	HCC Insurance Holdings, Inc.	\$ 109
1,900	Highlands Insurance Group, Inc.*	40
1,800	Hilb, Rogal & Hamilton Co.	32
4,050	HSB Group, Inc.	178
3,500	John Alden Financial Corp.	77
500	Kansas City Life Insurance Co.	43
1,300	Life Reinsurance Corp.	96
2,700	Life USA Holding, Inc.*	44
600	Markel Corp.*	104
800	Meadowbrook Insurance Group, Inc.	25
3,075	Medical Assurance, Inc.*	85
2,100	NAC Re Corp.	98
300	National Western Life Insurance Co.*	34
600	Nationwide Financial Services, Class A	26
600	Nymagic, Inc.	18
3,780	Orion Capital Corp.	213
800	Penn Treaty American Corp.*	25
3,900	Penncorp Financial Group, Inc.	86
900	Philadelphia Consolidated Holding Corporation	21
1,525	Poe & Brown, Inc.	57
3,600	Presidential Life Corp.	79
1,751	PXRE Corp.	55
3,400	Reinsurance Group of America, Inc.	170
2,500	Risk Capital Holdings, Inc.*	62
865	RLI Corp.	45
1,800	Scpie Holdings, Inc.	65
4,000	Selective Insurance Group, Inc.	106
2,200	Sierra Health Services, Inc.*	82
850	State Auto Financial Corp.	27
1,750	Trenwick Group, Inc.	67
1,900	Triad Guaranty, Inc.*	63
3,520	United Cos. Financial Corp.	65
1,050	United Fire & Casualty Co.	40
1,200	United Wisconsin Services, Inc.	37
1,800	Vesta Insurance Group, Inc.	95
1,400	Zenith National Insurance Corp.	40
		-----
		5,314
		-----
JEWELRY AND PRECIOUS METALS--0.0%		
2,050	Oneida Ltd.	57
		-----
LEATHER PRODUCTS--0.2%		
2,600	Brown Group, Inc.	47
2,400	Justin Industries, Inc.	38
800	Timberland Co.*	66
2,000	Wolverine Tube, Inc.*	73
		-----
		224
		-----
LUMBER AND WOOD PRODUCTS--0.1%		
750	Halter Marine Group, Inc.*	14
4,700	Newport News Shipbuilding	132
1,900	Pope & Talbot, Inc.	26
		-----
		172
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Shares	Description	Value
MACHINERY--2.5%		
2,500	Aftermarket Technology Corp.*	\$ 43
600	Ag-Chem Equipment Co., Inc.*	9
1,200	Alamo Group, Inc.	20
1,500	Allied Products Corp.	32
1,500	Asyst Technologies, Inc.*	25
1,600	Avondale Industries, Inc.*	45
91	Bayard Drilling Technologies, Inc.*	1
1,600	Brown & Sharpe Mfg. Co., Class A*	21
1,400	Cascade Corp.	24
1,100	Chart Industries, Inc.	25
1,600	Columbus Mckinnon Corp.	47
1,966	Commercial Metals Co.	60
5,300	Donaldson Co., Inc.	116
1,000	DT Industries, Inc.	29
1,500	Excel Industries, Inc.	30
568	Franklin Electric Co., Inc.	39
3,300	FSI International, Inc.*	38
1,650	Gardner Denver Machinery, Inc.*	45
1,300	Gleason Corp.	38

3,200	Global Industrial Technologies, Inc.*	54
2,645	Graco, Inc.	92
2,400	Helix Technology Corp.	43
900	Hirsch International Corp., Class A*	9
4,025	IDEX Corp.	149
5,500	Imation Corp.*	100
2,700	Indentix, Inc.*	19
2,500	Integrated Process Equipment Corp.*	35
2,300	Ionics, Inc.*	103
6,300	JLG Industries, Inc.	111
4,700	Kaydon Corp.	185
3,400	Kulicke & Soffa Industries, Inc.*	58
1,300	Lindsay Manufacturing Co.	60
2,425	Manitowoc Co., Inc.	99
7,100	Marine Drilling Co., Inc.*	134
8,600	Mentor Graphics Corp. *	95
3,100	Modine Manufacturing Co.	105
4,525	Mohawk Industries, Inc.*	137
2,000	Nordson Corp.	91
2,100	Omniquip International, Inc.	46
1,500	Osmonics, Inc.*	22
599	Pilgrims Pride Corp.	10
3,000	Regal-Beloit Corp.	98
1,148	Robbins & Myers, Inc.	34
4,300	Roper Industries, Inc.	143
1,600	Specialty Equipment Cos., Inc.*	35
1,600	SPX Corp.*	111
3,300	TBC Corp.*	27
1,700	Terex Corp.*	52
1,100	Thermadyne Holdings Corp.	38
1,700	Thermo Fibertek, Inc.*	20
2,625	Titan International, Inc.	51
1,800	Toro Co.	63
600	Tractor Supply Co.*	14
4,700	Varco International, Inc.*	122
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		3,252
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See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
SMALL COMPANY INDEX PORTFOLIO--CONTINUED		
MANUFACTURING--GENERAL--1.2%		
600	Bacou U.S.A., Inc.*	\$ 11
2,980	Brady (W.H.) Co.	86
1,200	Chase Industries, Inc.*	37
900	Consolidated Cigar Holdings, Inc.*	12
1,230	Comnet Corp	38
2,350	Cuno, Inc.*	48
1,000	DBT Online, Inc.*	22
5,400	First Brands Corp.	134
7,100	Furniture Brands International, Inc.*	209
2,400	General Cigar Holdings, Inc.*	24
3,600	Hayes Lemmerz International, Inc.*	141
2,700	Hexcel Corp.*	74
2,100	Innovex, Inc.	39
600	Insilico Corp.*	26
5,600	Kemet Corp.*	90
900	Mathews International Corp., Class A	45
4,100	Polymer Group, Inc.*	49
1,300	Rockshox, Inc.*	6
2,300	Samsonite Corp.*	66
2,700	Scott Technologies, Inc.*	40
2,200	Seattle Filmworks, Inc.*	19
700	Simpson Manufacturing Co.*	28
1,500	Toy Biz, Inc.*	15
2,400	Tracor, Inc.*	95
600	Tremont Corp.*	34
600	Trigen Energy Corp.	8
1,600	U. S. Can Corporation*	27
500	Wesley Jessen Visioncare*	14
2,100	Westinghouse Air Brake Co.	58
2,500	Wireless Telecom Group, Inc.*	9
		-----
		1,504
		-----
MERCHANDISE--GENERAL--0.8%		
1,900	Action Performance Companies, Inc.*	53
500	Aep Industries, Inc.*	14
4,000	American Pad & Paper Co.*	27
3,200	Amerisource Corp.*	174
3,600	Central Garden & Pet Co.*	106
2,600	Church & Dwight Co., Inc.	79
1,300	Cross (A.T.) Co.	15
2,800	Department 56, Inc.*	103
1,500	Henry Schein, Inc.	58
1,300	Hunt Corp.	30
5,200	Jostens, Inc.	131
2,500	Libbey, Inc.	98
3,900	Playtex Products, Inc.*	56
2,700	Silgan Holdings, Inc.*	90
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		1,034
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METAL MINING--0.2%		
1,500	Cleveland Cliffs, Inc.	79
3,200	Coeur D'Alene Mines Corp.*	28
4,117	Getchell Gold Corp.*	78
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		288
		-----
Shares	Description	Value
7,900	Hecla Mining Co.*	\$ 40
2,600	Stillwater Mining Co.*	63
		-----
		288
		-----
METAL PRODUCTS--1.0%		
1,100	Alltrista Corp.*	28
8,100	Amax Gold, Inc.	26
3,200	Applied Industrial Tech, Inc.	75
2,500	Aptargroup, Inc.	162
1,500	Barnes Group, Inc.	45

950	Butler Manufacturing Co.	33
2,900	Century Aluminum Company	44
1,000	Citation Corp.*	19
3,450	Clarcor, Inc.	79
2,100	Commonwealth Industrial, Inc.	31
5,000	Equitable Resources	143
2,200	Material Sciences Corp.*	22
1,300	Maverick Tube Corp. *	20
4,500	Miller Industries, Inc.*	32
1,700	NN Ball & Roller, Inc.	20
600	Penn Engineering & Manufacturing Corp.	14
2,000	Quanex Corp.	62
800	Ryerson Tull, Inc., Class A*	17
1,400	Shaw Group, Inc.*	34
600	Special Metals Corp.*	10
1,428	SPS Technologies, Inc.*	84
2,400	Titanium Metals Corporation*	58
2,600	Watts Industries, Inc., Class A	61
2,800	Wyman-Gordon Co.*	56
1,800	Zero Corp.	52
		-----
		1,227
		-----
	MINING, QUARRYING OF NONMETALLIC MINERAL--0.1%	
2,200	Cliff's Drilling Co.*	91
2,100	RMI Titanium Corp.*	45
2,400	Zeigler Coal Holding Co.	44
		-----
		180
		-----
	MISCELLANEOUS INVESTING INSTITUTIONS--1.6%	
5,724	BRE Properties, Inc.	152
3,400	Burnham Pacific Properties, Inc.	48
8,075	Capstead Mortgage Corp.	147
6,304	Champion Enterprises, Inc.*	170
1,200	Corus Bankshares, Inc.	51
6,000	Franchise Finance Corp	156
10,700	Geotek Communications, Inc.*	4
2,508	Horizon Group, Inc.	28
3,200	Hospital Properties Trust	100
4,400	IRT Property Co.	50
700	John Nuveen and Company, Inc.	26
3,800	Koger Equity, Inc.	67
3,800	LTC Properties, Inc.	76
2,159	MAF Bancorp, Inc.	82
4,300	Meridian Industrial Trust, Inc.	100
5,600	Merry Land & Investment Co., Inc.	124
2,000	MGI Properties, Inc.	49

See accompanying notes to financial statements.



Shares	Description	Value
1,136	Mid Atlantic Medical Services, Inc.*	\$ 39
800	PEC Israel Economic Corp.*	18
1,404	Peoples First Corp.	48
4,300	Reckson Associates Realty Corp.	107
2,000	Redwood Trust, Inc.	47
1,900	Seacor Holdings, Inc.*	111
4,000	Smith, (Charles E.) Residential Realty, Inc.	130
1,700	Trans Financial Bancorp, Inc.	91
		-----
		2,021
		-----

NATURAL GAS TRANSMISSION--1.1%

4,150	Atmos Energy Corp.	128
1,900	Bay State Gas Co.	72
1,300	Colonial Gas Co.	37
1,500	Connecticut Energy Corp.	44
1,200	CTG Resources, Inc.	28
2,700	Eastern Enterprises	108
3,700	Energen Corp.	75
14,200	Kelley Oil and Gas Corp.*	32
2,500	Laclede Gas Co.	62
1,600	NUI Corp.	39
3,700	Oneok, Inc.	145
4,176	Piedmont Natural Gas Co.	132
3,500	Primark Corp.*	117
2,850	Public Service Co. of North Carolina, Inc.	61
4,600	UGI Corp.	116
6,000	Washington Gas Light Co.	156
2,600	Wicor, Inc.	119
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		1,471
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OIL AND GAS--2.8%

7,800	AGL Resources, Inc.	156
800	Aquila Gas Pipeline Corp.	12
1,500	Atwood Oceanics, Inc.*	78
4,340	Barrett Resources Corp.*	151
1,200	Belco Oil & Gas Corp.*	12
4,200	Benton Oil & Gas Co.*	44
2,500	Berry Petroleum Co.	36
3,800	Brown (Tom), Inc.*	64
3,200	Cabot Oil & Gas Corp.	65
2,800	Calmat Co.	70
700	Carbo Ceramics, Inc.	24
8,454	Chesapeake Energy Corp.	36
3,700	Coho Energy, Inc.*	31
3,500	Comstock Resources, Inc.*	35
4,900	Cross Timbers Oil Co.	85
3,100	Devon Energy Corp.	114
2,000	Forcenergy, Inc.*	37
4,000	Forest Oil Corp.*	58
10,200	Grey Wolf, Inc.*	40
15,500	Harken Energy Corp.*	83
1,200	Houston Exploration Company*	25
2,200	HS Resources, Inc.*	32
3,300	Indiana Energy, Inc.	102
5,600	Input/ Output, Inc.*	123
3,600	KCS Energy, Inc.	43

Shares	Description	Value
2,600	Key Energy Group, Inc.*	\$ 43
4,776	Meridian Resource Corp.*	34
7,000	National-Oilwell, Inc.*	245
2,600	New Jersey Resources	93
1,450	North Carolina Natural Gas	34
3,300	Northwest Natural Gas Co.	91
2,900	Nuevo Energy Co.*	94
4,714	Ocean Energy, Inc.*	95
3,300	Oceaneering International, Inc.*	71
9,800	Parker Drilling Co.*	83
3,200	Patterson Energy, Inc.*	36
1,400	Pennsylvania Enterprises, Inc.	36
2,400	Plains Resources, Inc.*	46
2,800	Pool Energy Services Co.*	57
6,300	Pride International, Inc.*	141
5,100	Quaker State Corp.	86
900	Rutherford-Moran Oil Corp.*	18
1,987	Semco Energy, Inc.	34
4,300	Snyder Oil Corp.	83

1,120	South Jersey Industries	31
1,279	Southern Union Company*	34
3,900	Southwest Gas Corp.	85
3,600	Southwestern Energy Company	38
1,600	St Mary Land & Exploration	44
2,320	Swift Energy Co.*	42
4,600	Titan Exploration, Inc.*	37
6,100	Tuboscope Vetco International Corp.*	138
3,700	Unit Corp.*	29
4,700	Vintage Petroleum, Inc.	85
3,000	Western Gas Resources, Inc.	49
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		3,588
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	ORDNANCE AND ACCESSORIES--0.0%	
2,800	Sturm Ruger & Co., Inc.	52
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	OTHER SERVICES--1.9%	
1,100	Abacus Direct Corp.*	55
3,300	ADR Information Services, Inc.*	85
7,850	Aelnielsen Corp.*	203
800	Administaff, Inc.*	33
2,400	Apac Teleservices, Inc.*	22
1,200	Applied Analytical Industries, Inc.*	12
2,700	Budget Group, Inc., Class A*	80
1,500	Caribiner Intl., Inc.*	33
1,100	Central Parking Corp.	49
300	Christiana Companies*	12
900	CKS Group, Inc.*	18
1,800	Coinmach Laundry Corp.*	44
1,400	Computer Learning Centers*	24
4,507	Concentra Managed Care, Inc.*	105
1,300	Education Management Corp.*	46
900	Firearms Training Systems*	4
4,000	FPA Medical Management, Inc.*	18
3,600	Franklin Covey Co.*	72
2,350	Kelly Services, Inc., Class A	86
1,700	Layne Christensen Co.	24

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
SMALL COMPANY INDEX PORTFOLIO--CONTINUED		
OTHER SERVICES--Continued		
1,500	McGrath Rentcorp	\$ 31
10,600	Medaphis Corp.*	80
1,600	Medquist, Inc.*	70
1,500	Memberworks, Inc.*	41
1,200	Metzler Group, Inc.*	34
2,100	Moneygram Payment Systems, Inc.*	35
1,000	National Processing, Inc.*	10
850	NCO Group, Inc.*	19
6,900	Ogden Corp.	197
1,300	Pixar, Inc.*	56
1,200	Profit Recovery Group International*	29
1,400	Rental Service Corp.*	36
2,900	Rollins, Inc.	60
24	Score Board, Inc.	0
1,500	Service Experts, Inc.*	47
1,100	Sovran Self Storage, Inc.	30
2,100	Staffmark, Inc.*	77
850	Strayer Education, Inc.	30
600	Superior Consultant Holdings*	25
2,900	Trico Marine Services, Inc.*	57
5,800	Trigon Healthcare, Inc.*	197
1,400	U S Rentals, Inc.*	45
600	Vincam Group, Inc.*	12
1,400	Wackenhut Corrections Corp*	34
5,100	Walter Industries, Inc.*	98
1,300	Whittman-Hart, Inc.*	53
		2,428
PAPER PRODUCTS--0.7%		
2,700	Chesapeake Corp.	96
1,700	Deltic Timber Corp.	47
7,400	Gaylord Container Corp.*	62
2,000	Greif Bros. Corp.	73
10,227	Paragon Tarade Brands, Inc.*	157
5,932	Paxar Corp.*	73
4,970	Rock-Tenn Co.	73
2,300	Schweitzer-Mauduit International, Inc.	76
3,150	Shorewood Packaging Corp.*	44
1,700	Universal Forest Products, Inc.	29
6,391	Wausau Paper Mills Co.	137
		867
PERSONAL SERVICES--0.5%		
5,950	Bristol Hotel Co.*	158
2,600	Catalina Marketing Corp.*	118
2,000	CPI Corp.	51
1,300	Equity Corp. International*	31
2,650	G & K Services, Inc.	103
3,700	Glatfelter (P.H) Co.	60
2,659	Marcus Corp.	47
4,000	Red Roof Inns, Inc.*	71
1,300	Unifirst Corp.	33
		672
Shares	Description	Value
PETROLEUM PRODUCTS--0.4%		
3,000	Lomak Petroleum, Inc.	\$ 36
2,756	Louis Dreyfus Natural Gas Corp.*	48
4,500	Newfield Exploration, Inc.*	101
8,760	Newpark Resources, Inc.*	159
1,700	RPC, Inc.*	22
3,200	Seitel, Inc.*	54
1,600	Stone Energy Corp.*	57
3,900	Tesoro Petroleum Corp.*	75

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	552
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PRINTING AND PUBLISHING--1.1%	
1,750 American Business Products, Inc.	39
6,100 American Media, Inc., Class A*	39
2,400 Big Flower Press Holdings, Inc.*	74
800 CSS Industries, Inc.*	26
900 Devon Group, Inc.*	52
1,300 Express Scripts, Inc.*	100
2,400 Gibson Greetings, Inc.*	57
3,900 Golden Books Family Entertainment, Inc.*	31
4,500 Harland (John H.) Co.	81
4,200 Houghton Mifflin Co.	144
2,900 Marvel Entertainment Group*	1
2,275 McClatchy Newspapers, Inc., Class A	68
1,908 Merrill Corp.	43
1,550 Nelson (Thomas), Inc.	20
1,700 New England Business Service, Inc.	55
2,500 Playboy Enterprises, Inc.*	45
1,466 Pulitzer Publishing Co.	130
1,900 Scholastic Corp.*	76
1,900 Standard Register Co.	69
6,700 Topps, Inc.*	28
400 Waverly, Inc.	16
1,900 Wiley (John) & Sons, Inc.	103
5,200 World Color Press, Inc.*	154
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	1,451
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PROFESSIONAL SERVICES--6.0%	
2,320 ABM Industries, Inc.	64
6,000 Acclaim Entertainment, Inc.*	39
2,000 Activision, Inc.*	20
4,900 Acxiom Corp.*	106
500 Advent Software, Inc.*	18
3,225 Advo, Inc.	81
5,200 Affiliated Computer Services, Inc.*	173
2,000 Alternative Resources Corp.*	41
1,800 AMERCO*	59
4,400 American Oncology Resources, Inc.*	56
3,211 Analysts International Corp.	94
1,600 Arbor Software Corp.*	55
3,000 Aspen Technologies, Inc.*	134
4,100 Banta Corp.	130
1,600 Barra, Inc.*	33
3,200 BE Aerospace, Inc.*	92
2,000 Bell & Howell Co.*	54
4,600 Billing Information Concepts*	107

See accompanying notes to financial statements.

Shares	Description	Value
3,600	Bisys Group, Inc.*	\$ 134
1,600	BRC Holdings, Inc.*	30
3,000	Broderbund Software, Inc.*	48
1,400	CDI Corp.*	52
2,900	Ciber, Inc.*	93
5,250	Citrix Systems, Inc.*	274
3,100	Clarify, Inc.*	38
1,900	ClinTrials Research, Inc.*	10
3,700	Computer Horizons Corp.*	124
2,500	Computer Task Group, Inc.	79
3,500	CSG Systems International, Inc.*	150
1,500	Documentum, Inc.*	71
3,700	Employee Solutions, Inc.*	15
1,400	Fair Isaac & Co.	51
2,800	Gerber Scientific, Inc.	71
7,200	Global Industries Ltd.*	153
100	Grey Advertising, Inc.	45
2,400	HA-LO Industries, Inc.*	74
3,975	Harbinger Corp.*	93
1,700	HCIA, Inc.*	14
1,750	Henry (Jack) & Associates, Inc.	57
2,500	HNC Software, Inc.*	86
778	Holly Corp.	21
1,200	IKOS Systems, Inc.*	7
2,000	Inacom Corp.*	65
3,200	Infocus Systems*	25
1,400	Inso Corp.*	19
2,300	Integrated Systems Consulting Group, Inc.*	43
5,500	Interim Services, Inc.*	160
3,200	Intersolv, Inc.*	46
400	Intevac, Inc.*	4
1,100	Iron Mountain, Inc.*	46
650	ITT Educational Services, Inc.*	19
1,300	JDA Software Group, Inc.*	59
1,600	Landstar Systems, Inc.*	54
1,400	Learning Tree International, Inc.*	22
4,700	Legato Systems, Inc.*	135
2,300	Manugistics Group, Inc.*	65
1,900	May & Speh, Inc.*	32
3,900	Metamor Worldwide, Inc.	117
3,950	MDU Resources Group, Inc.	132
3,200	National Health Investors, Inc.	113
1,950	National Instruments Corp.*	65
3,100	Network Equipment Technologies, Inc.*	49
1,550	Nichols Research Corp.*	37
2,100	Nimbus CD International, Inc.*	23
2,000	Norrell Corp.	45
5,400	Oak Technology, Inc.*	30
1,500	On Assignment, Inc.*	51
4,700	Orthodontic Centers of America, Inc.*	100
3,500	Personnel Group of America, Inc.*	71
2,700	PhyMatrix Corp.*	25
5,000	Physician Computer Network, Inc.	8
3,400	Physician Reliance Network, Inc.	38
4,300	Physician Resource Group, Inc.*	22
1,050	Pinkertons, Inc.*	22

Shares	Description	Value
2,100	Policy Management Systems Corp.*	\$ 173
3,100	Pre-Paid Legal Services, Inc.*	110
3,100	Premiere Technologies, Inc.*	74
1,600	Progress Software Corp.*	52
1,400	Project Software & Development, Inc.*	32
2,200	Protein Design Labs, Inc.*	55
5,100	PSINET, Inc.*	55
3,000	Remedy Corp.*	48
4,813	Romac International, Inc.*	136
1,000	Sapient Corp.*	45
6,800	Sitel Corp.*	43
5,700	Sotheby's Holdings, Inc., Class A	131
900	SPSS, Inc.*	20
4,700	Structural Dynamics Research Corp.*	119
4,750	System Software Associates, Inc.*	35
4,600	Systems & Computer Technology Corp.*	118
3,000	Systemsoft Corp.*	6
2,300	Telxon Corp.	76
650	Thermo Ecotek Corporation*	10
565	Thermo TerraTech, Inc.*	3
1,350	Thermotrex Corp.*	27

6,200 Vanstar Corp.*	90
1,400 Vantive Corp.*	38
3,100 Veritas DGC, Inc.*	161
5,513 Veritas Software Corp.*	222
2,800 Viasoft, Inc.*	43
1,900 VideoServer, Inc.*	16
3,200 Visio Corp.*	150
1,500 VISX Corp.*	74
1,200 Volt Information Sciences, Inc.*	37
1,897 Wackenhut Corp.	42
2,925 Wind River Systems*	97
3,300 Xircom, Inc.*	52
3,300 Yahoo!, Inc.*	361
1,400 Zoran Corp.*	16
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	7,655
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REAL ESTATE--6.6%	
1,100 Alexandria Real Estate	35
3,100 Americian General Hospitality Corporation	74
3,100 American Health Properties, Inc.	86
1,612 American Homestar Corp.*	34
2,000 AMLI Residential Properties	45
6,341 Apartment Investment & Management Co.	247
5,100 Arden Realty Group, Inc.	140
1,800 Associated Estates Realty Corp.	34
5,400 Avalon Properties, Inc.	152
1,000 Avatar Holdings, Inc.*	27
3,400 Bay Apartment Communities, Inc.	125
3,100 Bedford Property Investors	60
5,100 Berkshire Realty, Inc.	62
1,300 Boykin Lodging Company	28
3,303 Bradley Real Estate Trust	69
5,933 Camden Property Trust	181
2,500 Capstone Capital Corp.	58

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
SMALL COMPANY INDEX PORTFOLIO--CONTINUED		
REAL ESTATE--Continued		
2,200	Castle & Cooke, Inc.*	\$ 42
2,200	CB Commercial Real Estate Services*	74
3,200	CBL & Associates Properties, Inc.	79
2,400	Centerpoint Properties Corp.	81
3,700	Chateau Communities, Inc.	110
2,100	Chelsea GCA Realty, Inc.	84
6,600	Choice Hotels Intl., Inc.*	99
3,100	Colonial Property Trust	94
4,100	Commercial Net Lease Realty	66
12,400	Cornerstone Properties, Inc.	217
5,100	Cornerstone Realty Income Trust	60
3,400	Cousins Properties, Inc.	104
3,800	Crown American Realty Trust	38
3,300	Developers Diversified Realty Corp.	129
6,600	Dynex Capital, Inc.	79
2,300	Eastgroup Properties	46
5,100	Equity Inns, Inc.	73
2,000	Essex Property Trust, Inc.	65
3,300	Excel Legacy Corp.*	17
3,200	Excel Realty Trust, Inc.	87
5,400	Federal Realty Investment Trust	134
4,400	FelCor Suite Hotel, Inc.	152
5,000	First Industrial Realty Trust	155
4,300	First Union Real Estate	47
900	Forest City Enterprises, Inc.	51
3,200	Gables Residential Trust	89
4,800	General Growth Properties, Inc.	178
1,162	Getty Realty Corp.	25
4,300	Glenborough Realty Trust, Inc.	121
3,400	Glimcher Realty Trust	71
2,000	Great Lakes REIT, Inc.	37
2,800	Grubb & Ellis Co.*	34
4,200	Health Care Property Investors, Inc.	148
3,500	Health Care REIT, Inc.	90
2,400	Healthcare Realty Trust	68
6,600	Highwoods Properties, Inc.	218
1,300	Home Properties of New York, Inc.	35
1,700	Impac Mortgage Holdings, Inc.	27
7,000	Indymac Mortgage Holdings, Inc.	166
3,800	Innkeepers USA Trust	53
2,600	Irvine Apartment Communities, Inc.	78
2,800	JDN Realty Co.	91
2,200	JP Realty, Inc.	50
3,100	Kilroy Realty Corp.	81
7,300	Liberty Property Trust	193
3,800	LNR Property, Inc.	98
3,500	Macerich Co.	95
6,800	Mack-Cali Realty Corp.	245
3,300	Manufactured Home Communities, Inc.	82
700	Maxxam, Inc.*	41
7,000	Mid-America Apartment Communities, Inc.	91
3,300	Mills Corp.	81
1,800	National Golf Properties, Inc.	54
5,900	Nationwide Health Properties, Inc.	142

Shares	Description	Value
2,800	Ocwen Asset Investment Corp.	\$ 48
2,200	Pacific Gulf Properties, Inc.	48
1,100	Pennsylvania Real Estate Investment Trust	26
4,468	Post Properties, Inc.	184
4,000	Prentiss Properties Trust	102
1,900	PRI Automation, Inc.*	39
1,800	Price Enterprises, Inc.	32
1,700	Price REIT, Inc.	81
3,900	Prime Retail, Inc.	51
3,800	Realty Income Corporation	101
3,500	Regency Realty Corp.	86
2,900	RFS Hotel Investors, Inc.	58

1,400	Saul Centers, Inc.	24
3,900	Shurguard Storage Centers, Inc.	112
2,100	Storage Trust Realty	51
3,800	Storage USA, Inc.	141
3,100	Summit Property, Inc.	62
2,400	Sun Communities, Inc.	81
5,400	Sunstone Hotel Investors, Inc.	78
1,000	Tanger Factory Outlet Center	31
5,000	Taubman Centers, Inc.	68
2,800	Thornburg Mortgage Asset Corp.	39
2,300	Town & Country Trust	38
2,900	Trinet Corporate Realty Trust	101
2,500	Urban Shopping Centers, Inc.	83
2,200	Walden Residential Properties, Inc.	53
5,100	Washington Real Estate Investment Trust	90
2,500	Weeks Corp.	80
2,500	Western Investment Real Estate Trust	34
2,300	Winston Hotels, Inc.	28
		-----
		8,472
		-----
	RECREATIONAL AND LEISURE SERVICES--1.8%	
600	AMC Entertainment, Inc.*	11
900	Anchor Gaming*	82
4,300	Ascent Entertainment Group, Inc.*	55
2,700	Authentic Fitness Corp.	49
6,500	Aztar Corp.*	46
5,100	Boyd Gaming Corp.*	34
3,400	Capstar Hotel Company*	99
1,300	Carmike Cinemas, Inc.*	34
1,300	Coleman Co., Inc.*	25
500	Dover Downs Entertainment	15
2,500	Enesco Group Inc.	76
1,950	Family Golf Centers, Inc.*	51
5,000	Florida Panthers Holdings, Inc.*	97
2,600	Galoob (Lewis) Toys, Inc.*	29
800	GC Cos., Inc.*	40
4,700	Grand Casinos*	83
2,800	Hollywood Park, Inc.*	36
2,100	Homestead Village, Inc.*	32
3,400	Interstate Hotels Company*	110
2,017	K2, Inc.	40
2,300	Lydall, Inc.*	40
7,000	Malibu Entertainment Worldwide*	18

See accompanying notes to financial statements.



Shares	Description	Value
1,700	North Face, Inc.*	\$ 42
2,700	Panavision, Inc.*	71
1,000	Penn National Gaming, Inc.*	9
800	Penske Motorsports, Inc.*	26
1,700	Premier Parks, Inc.*	90
1,100	Primadonna Resorts, Inc.*	19
5,600	Prime Hospitality Corp.*	100
700	Quintel Entertainment, Inc.*	4
2,400	Rio Hotel & Casino, Inc.*	52
3,200	Sabre Group Holdings, Inc.*	112
1,300	Scientific Games Holdings Corp.*	27
1,100	SFX Entertainment, Inc.*	49
2,400	Showboat, Inc.	74
2,300	Signature Resorts, Inc.*	36
1,200	Skyline Corp.	35
1,500	Sodak Gaming, Inc.*	9
1,800	Speedway Motorsports, Inc.*	47
3,100	Spelling Entertainment Group, Inc.*	29
3,000	Station Casinos, Inc.*	45
1,500	Suburban Lodges of America*	24
2,333	Sunburst Hospitality Corp.*	16
1,500	Ticketmaster Group, Inc.*	41
3,200	Trump Hotels and Casino Resorts, Inc.*	27
5,600	United States Satellite Broadcasting Comp. Inc.*	54
3,800	Vail Resorts, Inc.*	110
900	Vistana, Inc.*	19
1,200	West Marine, Inc.*	23
600	White River Corp.*	54
2,900	WMS Industries, Inc.*	13
		-----
		2,359
		-----

RESEARCH AND CONSULTING SERVICES--1.0%

4,900	Advance Tissue Science, Inc.*	45
4,200	Agouron Pharmaceuticals, Inc.*	143
6,800	Bio-Technology General Corp.*	58
4,100	Columbia Laboratories, Inc.*	35
275	Computer Management Sciences, Inc.*	7
6,500	Cytogen Corp.*	7
1,800	Dames & Moore, Inc.	23
700	Data Processing Resources Corp.*	20
3,100	Jacobs Engineering Group, Inc.*	100
5,400	Liposome Technology, Inc.*	33
2,400	Mycogen Corp.*	57
2,100	NeoPath, Inc.*	27
2,950	NFO Research, Inc.*	50
1,900	OHM Corp.*	26
3,956	Organogenesis, Inc.*	100
3,000	Parexel International Corp.*	90
2,445	Pharmaceutical Product Development, Inc.*	52
2,160	Renaissance Worldwide, Inc.*	41
5,400	Scios-Nova, Inc.*	51
1,400	Spacelabs Medical, Inc.*	23
1,000	Stone & Webster, Inc.	41
4,550	Summit Technology, Inc.*	24

Shares	Description	Value
7,700	Symantec Corp.*	\$ 184
3,500	U. S. Bioscience, Inc.*	33
		-----
		1,270
		-----

RETAIL--5.3%

775	99 Cents Only Stores*	30
2,200	Aaron Rents, Inc.	43
1,000	Abercrombie & Fitch Co., Class A*	42
370	Alexander's, Inc.*	33
800	Amazon Com., Inc.*	70
4,100	Americredit Corp.*	134
3,200	Ames Department Stores, Inc.*	79
3,700	AnnTaylor Stores, Inc.*	81
4,312	Apple South, Inc.	57
9,400	Best Buy, Inc.*	307
5,100	BJ'S Wholesale Club, Inc.	201
8,950	Brinker International, Inc.*	195
800	Brylane, Inc.*	38
600	Buckle, Inc.*	31
6,540	Buffets, Inc.*	107
2,880	Burlington Coat Factory Warehouse*	58

3,500	Cash America International, Inc.	59
15,300	Charming Shoppes, Inc.*	77
2,200	Circuit City Stores, Inc.*	21
6,310	CKE Restaurants, Inc.	200
6,250	Claire's Stores, Inc.	117
2,100	Cole National Corp.*	81
3,028	Consolidated Products, Inc.*	60
1,300	Cost Plus, Inc. of California*	38
700	Cross-Continent Auto Retailer*	6
400	Delia's, Inc.*	9
2,400	Dress Barn, Inc*	69
1,900	Einstein/Noah Bagel Corp.*	9
2,400	Fabri-Centers of America, Inc., Class A*	71
5,000	Fedders Corp.	31
6,300	Fingerhut Cos., Inc.	185
5,600	Foodmaker, Inc.*	94
3,900	Footstar, Inc.*	172
1,500	Friedmans, Inc., Class A*	29
2,600	Garden Ridge Corp.*	45
1,340	Genovese Drug Stores, Class A	27
2,200	Global Directmail Corp.*	45
900	Goody's Family Clothing, Inc.*	43
2,200	Guitar Center, Inc.*	58
3,500	Gymboree Corp.*	55
3,000	Hancock Fabrics, Inc.	40
4,200	Hollywood Entertainment Corp.*	44
4,800	Homebase, Inc.*	42
1,000	Ingles Markets, Inc.	12
3,250	Just For Feet, Inc.*	71
2,100	Lands' End, Inc.*	68
3,600	Linens 'N Things, Inc.*	116
4,100	Longs Drug Stores, Inc.	124
1,975	Men's (The) Warehouse, Inc.*	84
3,300	Michael's Stores, Inc.*	99

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
SMALL COMPANY INDEX PORTFOLIO--CONTINUED		
RETAIL--Continued		
5,000	Micro Warehouse, Inc.*	\$ 87
3,200	National Media Corp.*	4
2,123	Natures Sunshine Products, Inc.	49
1,300	NPC International, Inc.*	16
1,700	Nu Skin Asia Pacific, Class A*	44
1,800	O'Reilly Automotive, Inc.*	58
1,950	Pacific Sunwear California*	87
1,600	Paul Harris Stores*	20
2,950	Petco Animal Supplies, Inc.*	57
9,252	Pier I Imports, Inc.	222
10,425	Proffitt's, Inc.*	409
2,300	Regis Corp.	64
2,200	Renters Choice, Inc.*	58
14,500	Service Merchandise Co., Inc.*	31
2,000	Shopko Stores, Inc.*	70
2,150	Showbiz Pizza Time, Inc.*	76
2,550	Sonic Corp.*	53
2,300	Spiegel, Inc., Class A*	12
4,500	Sports Authority, Inc.*	68
3,600	Stage Stores, Inc.*	168
2,500	Stein Mart, Inc.*	39
6,800	Stride Rite Corp.	90
7,900	Sunglass Hut International*	96
1,000	Syms Corp.*	15
1,700	Talbots, Inc.	48
2,300	The Finish Line, Class A*	54
18,083	U S Office Products Co.*	306
1,200	Ugly Duckling Corp.*	10
2,100	United Auto Group, Inc.*	43
1,400	Urban Outfitters, Inc.*	23
2,900	Valmont Industries, Inc.	58
1,400	Value City Department Stores, Inc.*	25
1,600	Wet Seal, Inc.*	48
3,500	Whole Foods Market, Inc.*	192
5,400	Williams-Sonoma, Inc.*	149
1,600	Wilmar Industries, Inc.*	39
4,800	Zale Corp.*	148
		-----
		6,843
		-----
RUBBER AND PLASTICS--0.6%		
1,900	ACX Technologies, Inc.*	43
3,600	Carlisle Cos., Inc.	174
2,000	Foamex International, Inc.	31
2,600	Furon Co.	41
600	Liqui-Box Corp.	25
1,994	Myers Industries, Inc.	42
2,100	O'Sullivan Corp.*	31
1,100	Rogers Corp.*	42
3,300	Sola International, Inc.*	130
1,800	Spartech Corp.	40
1,100	Tredegar Industries, Inc.	95
1,900	West Co., Inc.	56
		-----
		750
		-----
Shares	Description	Value
SANITARY SERVICES--0.5%		
13,700	Allied Waste Industries, Inc.*	\$ 363
2,200	Centennial Cellular Corp.*	77
34,720	Laidlaw Environment Services, Inc.*	134
2,900	Superior Services, Inc.*	89
		-----
		663
		-----
SERVICE INDUSTRY MACHINERY--0.2%		
3,400	Applied Power, Inc.	116

1,500 Scotsman Industries, Inc.	43
1,200 Tennant Co.	51
2,743 Wynn's International, Inc.	57
	-----
	267
	-----
SOCIAL SERVICES--0.2%	
347 Berlitz International, Inc.*	9
3,700 DeVry, Inc.*	147
2,818 Omega Healthcare Investors, Inc.	97
	-----
	253
	-----
STEEL PRODUCTS--1.2%	
1,700 Acme Metals, Inc.*	13
6,900 AK Steel Holdings, Inc.	128
1,300 Amcast Industrial Corp.	28
13,700 Armco, Inc.*	74
4,300 Birmingham Steel Corp.	60
2,200 Brush Wellman, Inc.	53
2,900 Carpenter Technology Corp.	154
700 Curtiss Wright Corp.	29
500 Gibraltar Steel Corp.*	11
2,000 IMCO Recycling, Inc.	38
2,700 Intermet Corp.	52
2,600 J & L Specialty Steel, Inc.	18
3,400 Kaiser Aluminum Corp.*	35
3,200 Lone Star Technologies, Inc.*	61
2,200 Lukens, Inc.	70
4,800 Mueller Industries, Inc.*	149
3,100 National Steel Corp., Class B	49
3,200 Oregon Steel Mills, Inc.	77
1,550 Reliance Steel & Aluminum Co.	59
1,000 Rouge Industries, Inc., Class A	12
700 Shiloh Industries, Inc.*	15
1,700 Standex International Corp.	51
5,000 Steel Dynamics, Inc.*	97
2,900 Texas Industries, Inc.	172
3,200 Transmontaigne Oil Co.*	52
	-----
	1,557
	-----
TEXTILES--0.6%	
2,600 Albany International Corp.	75
7,800 Burlington Industries, Inc.*	137
3,500 Cone Mills Corp.*	33
1,100 Culp, Inc.	19
600 Fab Industries, Inc.	16
1,700 Galey & Lord, Inc.*	42
3,197 Guilford Mills, Inc.	86

See accompanying notes to financial statements.

Shares	Description	Value
3,000	Interface, Inc.	\$ 117
3,500	Phillips-Van Heusen	45
700	Pillowtex Corp.	33
2,000	Quiksilver, Inc.*	38
4,100	Ruddick Corp.	73
1,800	Springs Industries, Inc.	101
		-----
		815
		-----

TRANSPORTATION PARTS AND EQUIPMENT--1.9%

3,600	AAR Corp.	95
1,300	Alliant Techsystems, Inc.*	84
3,050	Arctic Cat, Inc.	28
3,000	Arvin Industries, Inc.	111
2,300	Aviall, Inc.*	34
1,200	Banner Aerospace, Inc.*	14
1,800	Borg Warner Automotive, Inc.*	40
2,000	Breed Technologies, Inc.	38
2,200	Coachmen Industries, Inc.	52
8,700	Collins & Aikman Corp.*	61
1,100	Copart, Inc.*	20
1,200	Detroit Diesel Corp.*	29
900	Ducommun, Inc.*	29
2,200	Eaton Vance Corp.	99
2,400	Exide Corp.	43
2,100	Fairchild Corp.*	41
5,500	Federal-Mogul Corp.	325
4,500	Gencorp, Inc.	134
1,800	Huffy Corp.	27
2,400	OEA, Inc.	41
4,500	Orbital Sciences Corp.*	184
3,600	Polaris Industries, Inc.	126
2,400	Remec, Inc.*	34
3,300	Rohr, Inc.	14
7,600	Rollins Truck Leasing Corp.	91
1,200	Sequa Corp.*	83
2,300	Simpson Industries, Inc.	32
1,600	Smith (A.O.) Corp.	81
2,425	Standard Products Co.	71
4,500	Stewart & Stevenson Services, Inc.	93
2,900	Superior Industries International, Inc.	84
883	Thor Industries, Inc.	24
2,200	Tower Automotive, Inc.*	103
2,900	Wabash National Corp.	75
1,200	Walbro Corp.*	12
2,000	Winnebago Industries, Inc.	22
		-----
		2,474
		-----

TRANSPORTATION SERVICES--2.1%

4,250	Air Express International Corp.	110
6,800	Airborne Freight Corp.	253
1,200	Airnet Systems, Inc.*	28
5,800	Airtran Holdings, Inc.*	42
2,500	Alaska Air Group, Inc.*	116
3,000	American Freightways, Inc.*	34
5,430	American West Holdings Corp.*	154
2,900	Arnold Industries, Inc.	45

Shares	Description	Value
3,100	Asa Holdings, Inc.	\$ 122
1,200	Atlas Air, Inc.*	42
1,800	Circle International Corp., Inc.	49
2,500	Coach USA, Inc.*	107
3,200	Consolidated Freightways Corp.*	47
1,500	Covenant Transportation, Inc., Class A*	24
1,100	Eagle USA Airfreight, Inc.*	36
3,300	Expeditors International of Washington, Inc.	132
400	Florida East Coast Industries	50
3,100	Fritz Companies, Inc.*	40
6,700	Greyhound Lines, Inc.*	42
2,239	Heartland Express, Inc.*	49
3,100	Hunt (J.B.) Transportation Services, Inc.	93
1,700	Hvide Marine, Inc., Class A*	26
3,700	Kirby Corp.*	79
500	Kitty Hawk, Inc.*	9
900	Knight Transportation, Inc.*	17
1,300	M.S. Carriers, Inc.*	39
1,650	Mesaba Holdings, Inc.*	36

2,025 Midwest Express Holdings, Inc.*	58
2,600 Motivepower Industries, Inc.*	72
3,100 Offshore Logistics, Inc.*	63
5,600 OMI Corp.*	51
3,900 Overseas Shipholding Group, Inc.	75
2,900 Pittston Burlington Group	51
1,800 Roadway Express, Inc.	34
2,850 Swift Transportation Co., Inc.*	63
7,300 Trans World Airlines, Inc.*	76
3,550 US Freightways Corporation	112
3,812 Werner Enterprises, Inc.	72
2,100 Xtra Corp.	110
3,800 Yellow Corp.*	71
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	2,729
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WATER SUPPLY--0.4%	
1,100 Aquarion Co.	37
3,425 Culligan Water Technologies, Inc.*	191
4,700 E'Town Corp.	102
3,333 Philadelphia Suburban Corp.	66
1,260 Southern California Water Co.	27
3,852 United Water Resources, Inc.	62
	-----
	485
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WHOLESALE--1.1%	
1,000 Aviation Sales Company*	38
1,600 Bindley Western Industries, Inc.	57
3,400 Caraustar Industries, Inc.	104
7,200 Casey's General Stores, Inc.	102
1,656 Castle (A. M.) & Co.	37
1,000 CDW Computer Centers, Inc.*	41
4,300 CHS Electronics, Inc.*	85
3,200 Compucom Systems, Inc.*	23
1,400 Daisytex International Corp.*	35
1,200 Discount Auto Parts, Inc.*	31
4,600 Handleman Co.	56
1,900 Hughes Supply, Inc.	64

See accompanying notes to financial statements.

**STATEMENTS OF INVESTMENTS**

May 31, 1998

(All amounts in thousands, except shares)

(Unaudited)

Shares	Description	Value
SMALL COMPANY INDEX PORTFOLIO--CONTINUED		
WHOLESALE--Continued		
2,800	Kaman Corp.	\$ 51
3,900	Kent Electronics Corp.*	82
900	Lawson Products, Inc.	24
2,400	Marshall Industries*	74
2,450	Microage, Inc.*	33
1,600	Nash-Finch Co.	27
3,600	Owens & Minor, Inc. Holdings Co.	43
2,950	Patterson Dental Co.*	96
1,500	Russ Berrie & Co., Inc.	38
1,500	Smart & Final, Inc.	28
2,200	United Stationers, Inc.*	131
2,100	VWR Corp.*	60
		1,360
TOTAL COMMON STOCKS (Cost \$100,810)		\$125,290
RIGHTS--0.0%		
76	Alpha 1 Biomedicals, Inc. Rights*	\$ 0
1,650	Metrocall, Inc. Variable Rights*	0
213	Omega Worldwide Rights*	0
TOTAL RIGHTS (Cost \$0)		\$ 0
WARRANTS--0.0%		
248	Coram Healthcare Corp., Exp. 7/11/99*	\$ 0
1,366	IMC Global, Inc., Exp. 01/10/00*	5
350	Milicom American Satellite Corp., Exp. 06/30/99*	0
213	NTN Communications, Inc., Exp. 07/11/98*	0
57	Perkin Elmer Corp., Class G, Exp. 02/18/01*	0
TOTAL WARRANTS (Cost \$5)		\$ 5
OTHER INVESTMENTS--0.0%		
2,000	Escrow CFS Group, Inc.*	\$ 0
1,400	Escrow Millicom, Inc.*	0
900	Escrow Northeast Bancorp, Inc.*	0
2,790	Escrow Statesman Group, Inc.*	0
1,420	Escrow Strawbridge & Clothier*	0
1,700	Escrow Takecare, Inc.*	0
1,000	Escrow WCI Steel, Inc.*	0
TOTAL OTHER INVESTMENTS (Cost \$0)		\$ 0
Principal		
Amount	Description	Value
U.S. GOVERNMENT OBLIGATION--0.0%		
\$ 74	U.S. Treasury Bill # 4.82% Due 06/25/98	\$ 74
TOTAL U.S. GOVERNMENT OBLIGATION (Cost \$74)		\$ 74
SHORT-TERM INVESTMENT--2.2%		
\$ 2,775	Marshall & Isley Bank, Grand Cayman 5.688% Due 06/01/98	\$ 2,775
TOTAL SHORT-TERM INVESTMENT (Cost \$2,775)		\$ 2,775
TOTAL INVESTMENTS--99.7% (Cost \$103,664)		\$128,144
Other assets, less liabilities--0.3%		377
NET ASSETS--100.0%		\$128,521

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OPEN FUTURES CONTRACTS:					
Type	Number of Contracts	Contract Amount	Contract Position	Contract Expiration	Unrealized Loss
RUSSELL 2000	10	\$2,282	Long	06/19/98	\$(111)

\*Non-income producing security.

#Securities pledged to cover margin requirements for open futures contracts.

See accompanying notes to financial statements.



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Northern Institutional Funds  
Equity Portfolios

**STATEMENTS OF ASSETS AND LIABILITIES**

May 31, 1998

(All amounts in thousands, except net asset value per share)

(Unaudited)

	Balanced Portfolio	Diversified Growth Portfolio	Equity Index Portfolio	Focused Growth Portfolio	International Equity Index Portfolio	International Growth Portfolio	Small Company Index Portfolio
<b>ASSETS:</b>							
Investments in securities, at cost	\$43,937	\$101,684	\$ 779,318	\$ 97,762	\$43,978	\$ 94,655	\$103,664
Investments in securities, at value	\$55,208	\$165,471	\$1,224,617	\$128,384	\$47,879	\$113,286	\$128,144
Cash and foreign currencies	12	--	1	1	369	--	1
Receivables:							
Dividends and interest	348	151	1,937	89	129	137	94
Foreign tax reclaims	--	--	--	--	43	225	--
Fund shares sold	218	13	1,225	22	--	3	323
Investment securities sold	298	715	--	1,084	--	3,764	--
Administrator	--	7	8	6	34	--	--
Deferred organization costs, net	1	--	--	1	14	12	--
Other assets	16	9	16	8	17	1	35
<b>TOTAL ASSETS</b>	<b>56,101</b>	<b>166,366</b>	<b>1,227,804</b>	<b>129,595</b>	<b>48,485</b>	<b>117,428</b>	<b>128,597</b>
<b>LIABILITIES:</b>							
Due to Custodian	--	12	--	--	--	360	--
Payable for:							
Fund shares redeemed	--	--	953	247	5	181	9
Investment securities purchased	--	--	201	728	--	2,630	9
Accrued expenses:							
Advisory fees	24	79	105	93	10	77	23
Administration fees	5	14	105	12	6	15	11
Custodian fees	2	2	6	1	8	15	7
Transfer agent fees	1	2	23	2	1	1	1
Other liabilities	11	16	119	15	7	20	16
<b>TOTAL LIABILITIES</b>	<b>43</b>	<b>125</b>	<b>1,512</b>	<b>1,098</b>	<b>37</b>	<b>3,299</b>	<b>76</b>
<b>NET ASSETS</b>	<b>\$56,058</b>	<b>\$166,241</b>	<b>\$1,226,292</b>	<b>\$128,497</b>	<b>\$48,448</b>	<b>\$114,129</b>	<b>\$128,521</b>
<b>ANALYSIS OF NET ASSETS:</b>							
Paid-in capital	\$38,772	\$ 94,260	\$772,382	\$ 87,840	\$43,160	\$ 93,430	\$ 91,803
Accumulated undistributed (distributions in excess of) net investment income	364	389	1,478	(10)	21	(27)	708
Accumulated net realized gains on investments, options, futures and foreign currency transactions	5,651	7,805	7,630	10,045	1,371	2,085	11,641
Net unrealized appreciation on investments, options, futures and foreign currency transactions	11,271	63,787	444,802	30,622	3,901	18,631	24,369
Net unrealized gains (losses) on translation of other assets and liabilities denominated in foreign currencies	--	--	--	--	(5)	10	--
<b>NET ASSETS</b>	<b>\$56,058</b>	<b>\$166,241</b>	<b>\$1,226,292</b>	<b>\$128,497</b>	<b>\$48,448</b>	<b>\$114,129</b>	<b>\$128,521</b>
Total shares outstanding (no par value), unlimited shares authorized							
Class A	3,504	10,185	51,083	7,811	4,042	9,549	8,543

Class C	379	--	4,813	627	--	--	18
Class D	53	71	1,796	124	--	33	64
-----							
Net asset value, offering and redemption price per share							
Class A	\$ 14.25	\$ 16.21	\$ 21.26	\$ 15.01	\$ 11.99	\$ 11.91	\$ 14.90
Class C	\$ 14.21	--	\$ 21.21	\$ 14.99	--	--	\$ 14.88
Class D	\$ 14.18	\$ 16.03	\$ 21.15	\$ 14.82	--	\$ 11.76	\$ 14.86
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See accompanying notes to financial statements.

**STATEMENTS OF OPERATIONS**  
**For the Six Months Ended May 31, 1998**

(All amounts in thousands)  
(Unaudited)

	Balanced Portfolio	Diversified Growth Portfolio	Equity Index Portfolio	Focused Growth Portfolio	International Equity Index Portfolio	International Growth Portfolio	Small Company Index Portfolio
<b>INVESTMENT INCOME:</b>							
Dividend	\$ 345	\$ 832	\$ 8,425	\$ 592	\$ 497	\$ 1,119	\$ 938
Interest	636	108	649	47	23	178	98
<b>TOTAL INCOME</b>	<b>981</b>	<b>940</b>	<b>9,074</b>	<b>639</b>	<b>520(a)</b>	<b>1,297(b)</b>	<b>1,036</b>
<b>EXPENSES:</b>							
Investment advisory fees	232	643	1,662	721	120	538	291
Administration fees	29	80	554	66	36	81	73
Custodian fees	11	13	142	14	30	57	131
Registration fees	--	5	25	5	32	--	13
Amortization of deferred organization costs	6	1	1	9	1	7	1
Transfer agent fees	6	9	122	12	2	6	8
Shareholder servicing fees	5	1	114	9	--	1	1
Professional fees	5	9	35	4	3	2	5
Trustee fees	1	2	16	1	1	--	1
Other	6	7	38	22	15	4	10
<b>TOTAL EXPENSES</b>	<b>301</b>	<b>770</b>	<b>2,709</b>	<b>863</b>	<b>240</b>	<b>696</b>	<b>534</b>
Less: Voluntary waivers of investment advisory fees	(87)	(201)	(1,108)	(197)	(60)	(108)	(145)
Less: Expenses reimburs- able by Administrator	(29)	(36)	(244)	(40)	(45)	(17)	(159)
<b>Net expenses</b>	<b>185</b>	<b>533</b>	<b>1,357</b>	<b>626</b>	<b>135</b>	<b>571</b>	<b>230</b>
<b>NET INVESTMENT INCOME</b>	<b>796</b>	<b>407</b>	<b>7,717</b>	<b>13</b>	<b>385</b>	<b>726</b>	<b>806</b>
Net realized gains (losses) on:							
Investment transactions	5,652	7,630	9,155	10,077	1,406	6,217	11,496
Futures transactions	--	266	1,922	40	--	--	(220)
Foreign currency trans- actions	--	--	--	--	(30)	(70)	--
Net change in unrealized appreciation (depreciation) on investments, options, futures, and foreign currency transactions	(796)	12,682	129,092	6,640	5,149	14,270	(1,748)
Net change in unrealized gains (losses) on translation of other assets and liabilities denominated in foreign currencies	--	--	--	--	(2)	16	--
<b>NET INCREASE IN NET ASSETS RESULTING FROM OPERATIONS</b>	<b>\$5,652</b>	<b>\$20,985</b>	<b>\$147,886</b>	<b>\$16,770</b>	<b>\$6,908</b>	<b>\$21,159</b>	<b>\$10,334</b>

(a) Net of \$60 in non-reclaimable foreign withholding taxes.

(b) Net of \$108 in non-reclaimable foreign withholding taxes.

See accompanying notes to financial statements.

**STATEMENTS OF CHANGES IN NET ASSETS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Year Ended November 30, 1997

(All amounts in thousands)

	Balanced Portfolio		Diversified Growth Portfolio	
	1998	1997	1998	1997
INCREASE (DECREASE) IN NET ASSETS FROM OPERATIONS:				
Net investment income	\$ 796	\$ 1,606	\$ 407	\$ 1,090
Net realized gains (losses) on investments, options, futures and foreign currency transactions	5,652	2,227	7,896	18,135
Net change in unrealized appreciation (depreciation) on investments, options, futures and foreign currency transactions	(796)	4,839	12,682	14,940
Net change in unrealized losses on translations of other assets and liabilities denominated in foreign currencies	--	--	--	--
Net increase (decrease) in net assets resulting from operations	5,652	8,672	20,985	34,165
DISTRIBUTIONS TO CLASS A SHAREHOLDERS FROM:				
Net investment income	(449)	(1,436)	(1,086)	(1,369)
Net realized gains	(1,990)	(1,132)	(18,075)	(14,420)
Total distributions to Class A shareholders	(2,439)	(2,568)	(19,161)	(15,789)
DISTRIBUTIONS TO CLASS C SHAREHOLDERS:				
Net investment income	(38)	(151)	--	--
Net realized gains	(174)	(152)	--	--
Total distributions to Class C shareholders	(212)	(303)	--	--
DISTRIBUTIONS TO CLASS D SHAREHOLDERS:				
Net investment income	(5)	(8)	(4)	(4)
Net realized gains	(29)	(6)	(104)	(45)
Total distributions to Class D shareholders	(34)	(14)	(108)	(49)
CLASS A SHARE TRANSACTIONS:				
Proceeds from the sale of shares	7,672	7,638	5,733	13,555
Reinvested distributions	2,413	2,538	18,263	14,520
Cost of shares redeemed	(14,335)	(9,103)	(18,972)	(29,982)
Net increase (decrease) in net assets resulting from Class A share transactions	(4,250)	1,073	5,024	(1,907)
CLASS C SHARE TRANSACTIONS:				
Proceeds from the sale of shares	611	1,106	--	--
Reinvested distributions	213	303	--	--
Cost of shares redeemed	(274)	(3,329)	--	--
Net increase (decrease) in net assets resulting from Class C share transactions	550	(1,920)	--	--
CLASS D SHARE TRANSACTIONS:				
Proceeds from the sale of shares	588	140	415	215
Reinvested distributions	34	14	108	49
Cost of shares redeemed	(215)	(96)	(101)	(93)
Net increase in net assets resulting from Class D share transactions	407	58	422	171
Net increase (decrease)	(326)	4,998	7,162	16,591
Net assets--beginning of period	56,384	51,386	159,079	142,488
NET ASSETS--END OF PERIOD	\$ 56,058	\$56,384	\$166,241	\$159,079

ACCUMULATED UNDISTRIBUTED (DISTRIBUTIONS IN EXCESS OF) NET INVESTMENT INCOME	\$	364	\$	60	\$	389	\$	1,072
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(a) For the period April 1, 1997 (commencement of operations) through November 30, 1997.

See accompanying notes to financial statements.

Equity Index Portfolio		Focused Growth Portfolio		International Equity Index Portfolio		International Growth Portfolio		Small Company Index Portfolio	
1998	1997	1998	1997	1998	1997 (a)	1998	1997	1998	1997
\$ 7,717	\$ 13,574	\$ 13	\$ 327	\$ 385	\$ 312	\$ 726	\$ 1,206	\$ 806	\$ 1,478
11,077	72,933	10,117	23,396	1,376	(3)	6,147	4,368	11,276	9,968
129,092	119,879	6,640	4,216	5,149	(1,248)	14,270	138	(1,748)	13,285
--	--	--	--	(2)	(3)	16	(21)	--	--
147,886	206,386	16,770	27,939	6,908	(942)	21,159	5,691	10,334	24,731
(6,036)	(12,212)	(321)	(130)	(678)	--	(1,630)	(1,022)	(1,365)	(1,364)
(64,765)	(32,814)	(20,346)	(12,039)	--	--	(5,678)	(5,790)	(8,892)	(13,019)
(70,801)	(45,026)	(20,667)	(12,169)	(678)	--	(7,308)	(6,812)	(10,257)	(14,383)
(497)	(1,052)	(5)	(4)	--	--	--	--	--	--
(5,908)	(2,679)	(1,471)	(811)	--	--	--	--	--	--
(6,405)	(3,731)	(1,476)	(815)	--	--	--	--	--	--
(171)	(313)	(1)	--	--	--	(3)	(1)	(5)	(1)
(2,272)	(399)	(270)	(79)	--	--	(15)	(4)	(43)	(13)
(2,443)	(712)	(271)	(79)	--	--	(18)	(5)	(48)	(14)
295,876	340,805	13,186	21,470	18,359	36,436	4,085	11,482	30,275	46,673
63,176	41,881	19,625	11,306	649	--	6,291	5,984	9,261	13,462
(176,933)	(354,580)	(26,112)	(37,017)	(11,034)	(1,250)	(17,197)	(47,748)	(60,152)	(35,376)
182,119	28,106	6,699	(4,241)	7,974	35,186	(6,821)	(30,282)	(20,616)	24,759
23,435	41,164	85	171	--	--	--	--	608	--
6,404	3,733	1,476	814	--	--	--	--	--	--
(16,755)	(28,213)	(132)	(623)	--	--	--	--	(345)	--
13,084	16,684	1,429	362	--	--	--	--	263	--
6,472	22,852	672	491	--	--	123	200	368	583
2,401	561	271	79	--	--	17	4	48	14
(3,718)	(5,161)	(263)	(133)	--	--	(31)	(64)	(148)	(238)
5,155	18,252	680	437	--	--	109	140	268	359
268,595	219,959	3,164	11,434	14,204	34,244	7,121	(31,268)	(20,056)	35,452
957,697	737,738	125,333	113,899	34,244	--	107,008	138,276	148,577	113,125
\$1,226,292	\$ 957,697	\$128,497	\$125,333	\$ 48,448	\$34,244	\$114,129	\$107,008	\$128,521	\$148,577
\$ 1,478	\$ 465	\$ (10)	\$ 304	\$ 21	\$ 314	\$ (27)	\$ 880	\$ 708	\$ 1,272

**FINANCIAL HIGHLIGHTS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Years Ended November 30,

**BALANCED PORTFOLIO**

	Class A					
	1998	1997	1996	1995	1994	1993 (a)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 13.59	\$ 12.24	\$ 11.05	\$ 9.50	\$ 10.22	\$ 10.00
Income (loss) from investment operations:						
Net investment income	0.20	0.38	0.34	0.34	0.24	0.09
Net realized and unrealized gain (loss)	1.09	1.66	1.19	1.55	(0.72)	0.22
Total income (loss) from investment operations	1.29	2.04	1.53	1.89	(0.48)	0.31
DISTRIBUTIONS TO SHAREHOLDERS FROM:						
Net investment income	(0.12)	(0.38)	(0.34)	(0.34)	(0.22)	(0.09)
Net realized gain	(0.51)	(0.31)	--	--	(0.02)	--
Total distributions to shareholders	(0.63)	(0.69)	(0.34)	(0.34)	(0.24)	(0.09)
Net increase (decrease)	0.66	1.35	1.19	1.55	(0.72)	0.22
NET ASSET VALUE, END OF PERIOD	\$ 14.25	\$ 13.59	\$ 12.24	\$ 11.05	\$ 9.50	\$ 10.22
Total return (d)	9.92%	17.29%	14.07%	20.22%	(4.76)%	3.12%
Ratio to average net assets of (e):						
Expenses, net of waivers and reimbursements	0.61%	0.61%	0.61%	0.61%	0.61%	0.61%
Expenses, before waivers and reimbursements	1.01%	1.11%	1.20%	1.28%	1.50%	1.62%
Net investment income, net of waivers and reimbursements	2.77%	2.99%	3.03%	3.36%	2.56%	2.20%
Net investment income, before waivers and reimbursements	2.37%	2.49%	2.44%	2.69%	1.68%	1.19%
Portfolio turnover rate	24.27%	59.06%	104.76%	93.39%	75.69%	35.03%
Net assets at end of period (in thousands)	\$49,921	\$51,475	\$45,157	\$38,897	\$31,462	\$15,928

	Class C			Class D		
	1998	1997	1996 (b)	1998	1997	1996 (c)
NET ASSET VALUE, BEGINNING OF PERIOD	\$13.56	\$12.24	\$11.12	\$13.54	\$12.23	\$11.34
Income (loss) from investment operations:						
Net investment income	0.17	0.36	0.29	0.21	0.34	0.22
Net realized and unrealized gain	1.10	1.64	1.12	1.04	1.64	0.96
Total income from investment operations	1.27	2.00	1.41	1.25	1.98	1.18
DISTRIBUTIONS TO SHAREHOLDERS FROM:						
Net investment income	(0.11)	(0.37)	(0.29)	(0.10)	(0.36)	(0.29)
Net realized gain	(0.51)	(0.31)	--	(0.51)	(0.31)	--
Total distributions to shareholders	(0.62)	(0.68)	(0.29)	(0.61)	(0.67)	(0.29)
Net increase	0.65	1.32	1.12	0.64	1.31	0.89
NET ASSET VALUE, END OF PERIOD	\$14.21	\$13.56	\$12.24	\$14.18	\$13.54	\$12.23



Total return (d)	9.78%	17.00%	12.72%	9.71%	16.82%	10.55%
Ratio to average net assets of (e):						
Expenses, net of waivers and reimbursements	0.85%	0.85%	0.85%	1.00%	1.00%	1.00%
Expenses, before waivers and reimbursements	1.25%	1.35%	1.44%	1.40%	1.50%	1.59%
Net investment income, net of waivers and reimbursements	2.51%	2.75%	2.80%	2.39%	2.60%	2.78%
Net investment income, before waivers and reimbursements	2.11%	2.25%	2.21%	1.99%	2.10%	2.19%
Portfolio turnover rate	24.27%	59.06%	104.76%	24.27%	59.06%	104.76%
Net assets at end of period (in thousands)	\$5,379	\$4,587	\$5,997	\$ 758	\$ 322	\$ 232

(a) For the period July 1, 1993 (commencement of operations) through November 30, 1993.

(b) For the period December 29, 1995 (Class C shares issue date) through November 30, 1996.

(c) For the period February 20, 1996 (Class D shares issue date) through November 30, 1996.

(d) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.

(e) Annualized for periods less than a full year.

See accompanying notes to financial statements.

**FINANCIAL HIGHLIGHTS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Years Ended November 30,

**DIVERSIFIED GROWTH PORTFOLIO**

	Class A					
	1998	1997	1996	1995	1994	1993 (a)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 16.20	\$ 14.36	\$ 12.20	\$ 9.88	\$ 10.65	\$ 10.00
Income (loss) from investment operations:						
Net investment income	0.04	0.11	0.14	0.15	0.09	0.09
Net realized and unrealized gain (loss)	1.94	3.33	2.33	2.26	(0.83)	0.65
Total income (loss) from investment operations	1.98	3.44	2.47	2.41	(0.74)	0.74
DISTRIBUTIONS TO SHARE- HOLDERS FROM:						
Net investment income	(0.11)	(0.14)	(0.15)	(0.09)	(0.01)	(0.09)
Net realized gain	(1.86)	(1.46)	(0.16)	--	(0.02)	--
Total distributions to shareholders	(1.97)	(1.60)	(0.31)	(0.09)	(0.03)	(0.09)
Net increase (decrease)	0.01	1.84	2.16	2.32	(0.77)	0.65
NET ASSET VALUE, END OF PERIOD	\$ 16.21	\$ 16.20	\$ 14.36	\$ 12.20	\$ 9.88	\$ 10.65
Total return (c)	14.32%	27.06%	20.83%	24.55%	(6.98)%	7.38%
Ratio to average net as- sets of (d):						
Expenses, net of waivers and reimbursements	0.66%	0.67%	0.66%	0.69%	0.67%	0.71%
Expenses, before waivers and reimbursements	0.96%	1.03%	1.10%	1.12%	1.08%	1.13%
Net investment income, net of waivers and reimbursements	0.51%	0.76%	0.98%	1.16%	0.77%	1.04%
Net investment income, before waivers and reimbursements	0.21%	0.40%	0.54%	0.73%	0.35%	0.62%
Portfolio turnover rate	14.04%	45.53%	59.99%	81.65%	78.94%	140.88%
Net assets at end of pe- riod (in thousands)	\$165,110	\$158,383	\$142,055	\$146,731	\$164,963	\$199,053

	Class D				
	1998	1997	1996	1995	1994 (b)
NET ASSET VALUE, BEGINNING OF PERIOD	\$16.03	\$14.26	\$12.16	\$ 9.88	\$10.41
Income (loss) from investment operations:					
Net investment income	0.04	0.09	0.11	0.11	0.01
Net realized and unrealized gain (loss)	1.89	3.27	2.29	2.25	(0.54)
Total income (loss) from investment operations	1.93	3.36	2.40	2.36	(0.53)
DISTRIBUTIONS TO SHAREHOLDERS FROM:					
Net investment income	(0.07)	(0.13)	(0.14)	(0.08)	--
Net realized gain	(1.86)	(1.46)	(0.16)	--	--
Total distributions to shareholders	(1.93)	(1.59)	(0.30)	(0.08)	--
Net increase (decrease)	--	1.77	2.10	2.28	(0.53)
NET ASSET VALUE, END OF PERIOD	\$16.03	\$16.03	\$14.26	\$12.16	\$ 9.88
Total return (c)	14.10%	26.60%	20.39%	24.19%	(5.14)%

Ratio to average net assets of (d):					
Expenses, net of waivers and reimbursements	1.05%	1.06%	1.05%	1.08%	1.05%
Expenses, before waivers and reimbursements	1.35%	1.42%	1.49%	1.51%	1.46%
Net investment income, net of waivers and reimbursements	0.12%	0.37%	0.59%	0.73%	0.94%
Net investment income (loss), before waivers and reimbursements	(0.18)%	0.01%	0.15%	0.30%	0.53%
Portfolio turnover rate	14.04%	45.53%	59.99%	81.65%	78.94%
Net assets at end of period (in thousands)	\$1,131	\$ 696	\$ 433	\$ 221	\$ 40

(a) For the period January 11, 1993 (commencement of operations) through November 30, 1993.

(b) For the period September 14, 1994 (Class D shares issued date) through November 30, 1994.

(c) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.

(d) Annualized for periods less than a full year.

See accompanying notes to financial statements.



PERIOD	\$ 21.21	\$ 20.05	\$ 16.79	\$ 13.86	\$ 21.15	\$ 20.00	\$16.77	\$13.83	\$10.60
Total return (d)	14.77%	27.64%	27.24%	3.94%	14.69%	27.45%	27.20%	36.20%	(2.68)%
Ratio to average net assets of (e):									
Expenses, net of waivers and reimbursements	0.45%	0.46%	0.46%	0.46%	0.60%	0.61%	0.61%	0.61%	0.60%
Expenses, before waivers and reimbursements	0.70%	0.70%	0.74%	0.78%	0.85%	0.85%	0.89%	0.93%	0.96%
Net investment income, net of waivers and reimbursements	1.19%	1.42%	1.89%	2.29%	1.04%	1.27%	1.78%	2.07%	2.67%
Net investment income, before waivers and reimbursements	0.94%	1.18%	1.61%	1.97%	0.79%	1.03%	1.50%	1.75%	2.31%
Portfolio turnover rate	1.92%	18.96%	18.02%	15.27%	1.92%	18.96%	18.02%	15.27%	71.98%
Net assets at end of period (in thousands)	\$102,104	\$82,982	\$53,929	\$18,390	\$38,000	\$30,650	\$8,005	\$ 810	\$ 3

(a) For the period January 11, 1993 (commencement of operations) through November 30, 1993.

(b) For the period September 28, 1995 (Class C shares issue date) through November 30, 1995.

(c) For the period September 14, 1994 (Class D shares issue date) through November 30, 1994.

(d) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.

(e) Annualized for periods less than a full year.

See accompanying notes to financial statements.



NET ASSET VALUE, END OF PERIOD	\$ 14.99	\$ 16.16	\$ 14.47	\$ 14.82	\$ 16.01	\$ 14.37	\$12.48
Total return (d)	13.50%	26.75%	7.51%	13.47%	26.52%	17.42%	30.97%
Ratio to average net assets of (e):							
Expenses, net of waivers and reimbursements	1.17%	1.16%	1.15%	1.32%	1.31%	1.30%	1.30%
Expenses, before waivers and reimbursements	1.54%	1.58%	1.67%	1.69%	1.73%	1.82%	1.86%
Net investment income (loss), net of waivers and reimbursements	(0.20)%	0.06%	(0.12)%	(0.35)%	(0.09)%	(0.28)%	(0.11)%
Net investment loss, before waivers and reimbursements	(0.57)%	(0.36)%	(0.64)%	(0.72)%	(0.51)%	(0.80)%	(0.67)%
Portfolio turnover rate	41.51%	108.29%	116.78%	41.51%	108.29%	116.78%	85.93%
Net assets at end of period (in thousands)	\$ 9,403	\$ 8,325	\$ 6,993	\$ 1,833	\$ 1,206	\$ 656	\$ 489

(a) For the period July 1, 1993 (commencement of operations) through November 30, 1993.

(b) For the period June 14, 1996 (Class C shares issue date) through November 30, 1996.

(c) For the period December 8, 1994 (Class D shares issue date) through November 30, 1995.

(d) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.

(e) Annualized for periods less than a full year.

See accompanying notes to financial statements.

**FINANCIAL HIGHLIGHTS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Year Ended November 30,

**INTERNATIONAL EQUITY INDEX PORTFOLIO**

	Class A	
	1998	1997 (a)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 10.55	\$ 10.00
Income from investment operations:		
Net investment income	0.08	0.10
Net realized and unrealized gain	1.53	0.45
Total income from investment operations	1.61	0.55
DISTRIBUTIONS TO SHAREHOLDERS FROM:		
Net investment income	(0.17)	--
Total distributions to shareholders	(0.17)	--
Net increase	1.44	0.55
NET ASSET VALUE, END OF PERIOD	\$ 11.99	\$ 10.55
Total return (b)	15.59%	5.45%
Ratio to average net assets of (c):		
Expenses, net of waivers and reimbursements	0.57%	0.51%
Expenses, before waivers and reimbursements	1.00%	1.08%
Net investment income, net of waivers and reimbursements	1.60%	1.75%
Net investment income, before waivers and reimbursements	1.17%	1.18%
Portfolio turnover rate	24.30%	8.16%
Net assets at end of period (in thousands)	\$48,448	\$34,244

(a) For the period April 1, 1997 (commencement of operations) through November 30, 1997.

(b) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.

(c) Annualized for periods less than a full year.

See accompanying notes to financial statements.



**FINANCIAL HIGHLIGHTS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Years Ended November 30,

**INTERNATIONAL GROWTH PORTFOLIO**

	Class A				
	1998	1997	1996	1995	1994(a)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 10.52	\$ 10.63	\$ 9.88	\$ 10.21	\$ 10.00
Income (loss) from investment operations:					
Net investment income	0.08	0.11	0.10	0.12	0.05
Net realized and unrealized gain (loss)	2.04	0.31	0.87	(0.36)	0.16
Total income (loss) from investment operations	2.12	0.42	0.97	(0.24)	0.21
DISTRIBUTIONS TO SHAREHOLDERS FROM:					
Net investment income	(0.16)	(0.08)	(0.22)	(0.05)	--
Net realized gain	(0.57)	(0.45)	--	(0.04)	--
Total distributions to shareholders	(0.73)	(0.53)	(0.22)	(0.09)	--
Net increase (decrease)	1.39	(0.11)	0.75	(0.33)	0.21
NET ASSET VALUE, END OF PERIOD	\$ 11.91	\$ 10.52	\$ 10.63	\$ 9.88	\$ 10.21
Total return (c)	21.83%	4.21%	9.96%	(2.32)%	2.11%
Ratio to average net assets of (d):					
Expenses, net of waivers and reimbursements	1.06%	1.06%	1.06%	1.06%	1.04%
Expenses, before waivers and reimbursements	1.29%	1.37%	1.43%	1.38%	1.47%
Net investment income, net of waivers and reimbursements	1.35%	0.97%	0.73%	1.22%	0.76%
Net investment income, before waivers and reimbursements	1.12%	0.66%	0.36%	0.90%	0.33%
Portfolio turnover rate	76.03%	154.62%	202.47%	215.31%	77.79%
Net assets at end of period (in thousands)	\$113,736	\$106,774	\$138,182	\$148,704	\$133,212
	Class D				
	1998	1997	1996	1995	1994(b)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 10.39	\$ 10.54	\$ 9.83	\$ 10.21	\$ 10.47
Income (loss) from investment operations:					
Net investment income	0.08	0.09	0.01	0.19	--
Net realized and unrealized gain (loss)	2.00	0.29	0.92	(0.48)	(0.26)
Total income (loss) from investment operations	2.08	0.38	0.93	(0.29)	(0.26)
DISTRIBUTIONS TO SHAREHOLDERS FROM:					
Net investment income	(0.14)	(0.08)	(0.22)	(0.05)	--
Net realized gain	(0.57)	(0.45)	--	(0.04)	--
Total distributions to shareholders	(0.71)	(0.53)	(0.22)	(0.09)	--
Net increase (decrease)	1.37	(0.15)	0.71	(0.38)	(0.26)
NET ASSET VALUE, END OF PERIOD	\$ 11.76	\$ 10.39	\$ 10.54	\$ 9.83	\$ 10.21
Total return (c)	21.61%	3.79%	9.59%	(2.78)%	(2.56)%
Ratio to average net assets					

of (d):					
Expenses, net of waivers and reimbursements	1.45%	1.45%	1.45%	1.45%	1.35%
Expenses, before waivers and reimbursements	1.68%	1.76%	1.82%	1.77%	1.78%
Net investment income, net of waivers and reimburse- ments	1.03%	0.58%	0.44%	2.01%	--
Net investment income (loss), before waivers and reimbursements	0.80%	0.27%	0.07%	1.69%	(0.43)%
Portfolio turnover rate	76.03%	154.62%	202.47%	215.31%	77.79%
Net assets at end of period (in thousands)	\$ 393	\$ 234	\$ 94	\$ 20	\$ --

(a) For the period March 28, 1994 (commencement of operations) through November 30, 1994.

(b) For the period November 16, 1994 (Class D shares issue date) through November 30, 1994.

(c) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.

(d) Annualized for periods less than a full year.

See accompanying notes to financial statements.

**FINANCIAL HIGHLIGHTS**

For the Six Months Ended May 31, 1998 (Unaudited) and the Years Ended November 30,

**SMALL COMPANY INDEX PORTFOLIO**

	Class A					
	1998	1997	1996	1995	1994	1993 (a)
NET ASSET VALUE, BEGINNING OF PERIOD	\$ 15.05	\$ 13.97	\$ 12.98	\$ 10.86	\$ 11.29	\$ 10.00
Income (loss) from investment operations:						
Net investment income	0.09	0.15	0.19	0.16	0.14	0.11
Net realized and unrealized gain (loss)	0.79	2.69	1.75	2.67	(0.30)	1.29
Total income (loss) from investment operations	0.88	2.84	1.94	2.83	(0.16)	1.40
DISTRIBUTIONS TO SHAREHOLDERS FROM:						
Net investment income	(0.14)	(0.17)	(0.14)	(0.15)	(0.02)	(0.11)
Net realized gain	(0.89)	(1.59)	(0.81)	(0.56)	(0.25)	--
Total distributions to shareholders	(1.03)	(1.76)	(0.95)	(0.71)	(0.27)	(0.11)
Net increase (decrease)	(0.15)	1.08	0.99	2.12	(0.43)	1.29
NET ASSET VALUE, END OF PERIOD	\$ 14.90	\$ 15.05	\$ 13.97	\$ 12.98	\$ 10.86	\$ 11.29
Total return (d)	5.88%	23.06%	15.96%	27.76%	(1.54)%	14.09%
Ratio to average net assets of (e):						
Expenses, net of waivers and reimbursements	0.31%	0.32%	0.32%	0.32%	0.33%	0.31%
Expenses, before waivers and reimbursements	0.73%	0.68%	0.79%	0.81%	0.86%	1.02%
Net investment income, net of waivers and reimbursements	1.12%	1.22%	1.36%	1.31%	1.27%	1.25%
Net investment income, before waivers and reimbursements	0.70%	0.86%	0.89%	0.82%	0.74%	0.54%
Portfolio turnover rate	8.20%	42.66%	46.26%	38.46%	98.43%	26.31%
Net assets at end of period (in thousands)	\$127,311	\$147,887	\$112,856	\$94,899	\$ 77,120	\$54,763

	Class C		Class D		
	1998 (b)	1998	1997	1996	1995 (c)
NET ASSET VALUE, BEGINNING OF PERIOD	\$13.89	\$15.01	\$13.96	\$12.95	\$10.51
Income from investment operations:					
Net investment income	0.04	0.06	0.17	0.13	0.18
Net realized and unrealized gain	0.95	0.78	2.62	1.83	2.96
Total income from investment operations	0.99	0.84	2.79	1.96	3.14
DISTRIBUTIONS TO SHAREHOLDERS FROM:					
Net investment income	--	(0.10)	(0.15)	(0.14)	(0.14)
Net realized gain	--	(0.89)	(1.59)	(0.81)	(0.56)
Total distributions to shareholders	--	(0.99)	(1.74)	(0.95)	(0.70)
Net increase (decrease)	0.99	(0.15)	1.05	1.01	2.44
NET ASSET VALUE, END OF PERIOD	\$14.88	\$14.86	\$15.01	\$13.96	\$12.95
Total return (d)	6.27%	6.15%	22.68%	16.20%	31.62%
Ratio to average net assets of (e):					
Expenses, net of waivers and reimbursements	0.55%	0.70%	0.71%	0.71%	0.71%

Expenses, before waivers and reimbursements	0.97%	1.12%	1.07%	1.18%	1.20%
Net investment income, net of waivers and reimbursements	0.88%	0.73%	0.76%	1.02%	0.90%
Net investment income, before waivers and reimbursements	0.46%	0.31%	0.40%	0.55%	0.41%
Portfolio turnover rate	8.20%	8.20%	42.66%	46.26%	38.46%
Net assets at end of period (in thousands)	\$ 259	\$ 951	\$ 690	\$ 269	\$ 44

(a) For the period January 11, 1993 (commencement of operations) through November 30, 1993.

(b) For the period January 8, 1998 (Class C shares issue date) through May 31, 1998.

(c) For the period December 8, 1994 (Class D shares issue date) through November 30, 1995.

(d) Assumes investment at net asset value at the beginning of the period, reinvestment of all dividends and distributions, and a complete redemption of the investment at the net asset value at the end of the period. Total return is not annualized for periods less than one year.

(e) Annualized for periods less than a full year.

See accompanying notes to financial statements.

## NOTES TO FINANCIAL STATEMENTS

May 31, 1998

(Unaudited)

1. **ORGANIZATION** Northern Institutional Funds, (the "Trust") is a Delaware business trust which was formed on July 1, 1997, and is registered under the Investment Company Act of 1940 (as amended) as an open-end management investment company. The Trust, formerly known as The Benchmark Funds, changed its name effective July 15, 1998. The Trust includes seventeen portfolios, each with its own investment objective. Prior to March 31, 1998, each portfolio was a series of The Benchmark Funds, a Massachusetts business trust, which reorganized into the Trust at the close of business on that date. Each Portfolio, other than the International Bond Portfolio, is classified as a diversified investment company. The Northern Trust Company ("Northern") is the investment adviser for all actively managed Portfolios and is the custodian and transfer agent for all Northern Institutional Funds. Effective April 1, 1998, Northern Trust Quantitative Advisors, Inc. ("NTQA"), a wholly-owned subsidiary of Northern Trust Corporation, became the investment adviser for the Equity Index, International Equity Index and Small Company Index Portfolios. Goldman, Sachs & Co. ("Goldman Sachs") acts as the Trust's administrator and distributor. Presented herein are the financial statements of the fixed income and equity portfolios (the "Portfolios"). Each of the Portfolios has four separate classes: Class A, B, C and D. Each class is distinguished by the level of administrative support and transfer agent service provided. As of May 31, 1998, Class A, Class C and Class D shares are outstanding for certain Portfolios.

2. **SIGNIFICANT ACCOUNTING POLICIES** The following is a summary of significant accounting policies consistently followed by the Portfolios in preparation of their financial statements. These policies are in conformity with generally accepted accounting principles ("GAAP"). The presentation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

(a) **Investment Valuation** Investments held by a Portfolio are valued at the last quoted sale price on the exchange on which such securities are primarily traded, or if any securities are not traded on a valuation date, at the last quoted bid price. Securities which are traded in the over-the-counter markets are valued at the last quoted bid price. Exchange traded futures and options are valued at the settlement price as established by the exchange on which they are traded. Index futures are marked to market on a daily basis. Any securities, including restricted securities, for which current quotations are not readily available are valued at fair value as determined in good faith by Northern under the supervision of the Board of Trustees ("Board"). Short-term investments are valued at amortized cost which Northern has determined, pursuant to Board authorization, approximates market value.

(b) **Investment Transactions and Investment Income** Investment transactions are recorded as of the trade date. Realized gains and losses on investment transactions are calculated on the identified-cost basis. Interest income is recorded on the accrual basis and includes amortization of discounts and premiums. The interest rates reflected in the Statements of Investments represent either the stated coupon rate, annualized yield on date of purchase for discount notes, the current reset rate for floating rate securities or, for interest only or principal only securities, the current effective yield. Dividend income is recorded on the ex-dividend date. Dividends from foreign securities are recorded on the ex-date, or as soon as the information is available.

(c) **Deferred Organization Costs** Organization related costs are being amortized on a straight-line basis over five years.

(d) **Expenses** Expenses arising in connection with a specific Portfolio are allocated to that Portfolio. Certain expenses arising in connection with a class of shares are allocated to that class of shares. Expenses incurred which do not specifically relate to an individual Portfolio are allocated among the Portfolios based on each Portfolio's relative net assets.

(e) **Repurchase Agreements** During the term of a repurchase agreement, the market value of the underlying collateral, including accrued interest, is required to exceed the market value of the repurchase agreement. The underlying collateral for all repurchase agreements is held in a customer-only account of Northern, as custodian for the Trust, at the Federal Reserve Bank of Chicago.

(f) **Futures Contracts** Each Portfolio may invest in long or short futures contracts for hedging purposes, to increase total return (i.e., for

## NOTES TO FINANCIAL STATEMENTS--CONTINUED

May 31, 1998

(Unaudited)

speculative purposes) or to maintain liquidity. The Portfolios bear the market risk arising from changes in the value of these financial instruments. At the time a Portfolio enters into a futures contract it is required to make a margin deposit with the custodian of a specified amount of liquid assets. Subsequently, as the market price of the futures contract fluctuates, gains or losses are recorded and payments are made, on a daily basis, between the portfolio and the broker. The Statements of Operations reflect gains and losses as realized for closed futures contracts and as unrealized for open futures contracts.

At May 31, 1998, the Equity Index and Small Company Index Portfolios had entered into long exchange traded futures contracts. The aggregate market value of assets pledged to cover margin requirements for open positions at May 31, 1998, was approximately \$1,005,000 and \$74,000 for the Equity Index and Small Company Index Portfolios, respectively.

(g) Options Contracts Each Portfolio may purchase and write (sell) put and call options on foreign and domestic stock indices, foreign currencies, and U.S. and foreign securities that are traded on U.S. and foreign securities exchanges and over-the-counter markets. These transactions are for hedging (or cross-hedging) purposes or for the purposes of earning additional income. The risk associated with purchasing an option is that the Portfolio pays a premium whether or not the option is exercised. Additionally, the Portfolio bears the risk of loss of premium and change in market value should the counterparty not perform under the contract. Put and call options purchased are accounted for in the same manner as Portfolio securities. The cost of securities acquired through the exercise of call options is increased by the premiums paid. The proceeds from securities sold through the exercise of put options are decreased by the premiums paid. In writing an option, the Portfolio bears the market risk of an unfavorable change in the price of the security or currency underlying the written option. Exercise of an option written by the Portfolio could result in the Portfolio selling or buying a security or currency at a price different from the current market value. The Portfolios did not write call or put options during the six months ended May 31, 1998.

(h) Stripped Securities Stripped securities represent the right to receive future interest payments (interest only stripped securities) or principal payments (principal only stripped securities). The value of variable rate interest only stripped securities varies directly with changes in interest rates, while the value of fixed rate interest only securities and the value of principal only stripped securities vary inversely with changes in interest rates.

(i) Forward Foreign Currency Exchange Contracts Certain Portfolios are authorized to enter into forward foreign currency exchange contracts for the purchase of a specific foreign currency at a fixed price on a future date as a hedge or cross-hedge against either specific transactions or portfolio positions. In addition, the International Bond and International Growth Portfolios may enter into foreign currency exchange contracts for speculative purposes. The objective of a Portfolio's foreign currency hedging transactions is to reduce the risk that the U.S. dollar value of the Portfolio's foreign currency denominated securities will decline in value due to changes in foreign currency exchange rates. All forward foreign currency contracts are "marked-to-market" daily at the applicable exchange rates and any resulting unrealized gains or losses are recorded in the financial statements. The Portfolio records realized gains or losses when the forward contract is offset by entry into a closing transaction or extinguished by delivery of the currency. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of a foreign currency relative to the U.S. dollar. The contractual amounts of forward foreign currency exchange contracts do not necessarily represent the amounts potentially subject to risk. The measurement of the risks associated with these instruments is meaningful only when all related and offsetting transactions are considered. At May 31, 1998, there were no outstanding forward foreign currency exchange contracts.

(j) Foreign Currency Translations Values of investments denominated in foreign currencies are converted into U.S. dollars using the spot market rate of exchange at the time of valuation. Cost of purchases and proceeds from sales of investments, interest and dividend income are translated into U.S. dollars using the spot market rate of exchange prevailing on the respective dates of such transactions. The gains or losses on investments resulting from changes in foreign exchange rates are included with net realized and unrealized gain (loss) on investments.

(k) Federal Taxes It is each Portfolio's policy to comply with the requirements of the Internal Revenue Code applicable to regulated investment companies and to distribute, each year, substantially all of its taxable income and capital gains to its shareholders. Therefore, no provision is made for federal taxes. At November 30, 1997, the Trust's most recent tax year end, the Portfolios had approximately the following amounts of capital loss carryforwards for U.S. federal tax purposes:

	Amount	Year(s) of Expiration
----- (in thousands) -----		
Intermediate Bond	\$ 21	2005
Short-Intermediate Bond	10	2005
U.S. Government Securities	130	2001 to 2003
U.S. Treasury Index	1,046	2002 to 2005
International Equity Index	4	2005
-----		

These amounts are available to be carried forward to offset future capital gains to the extent permitted by applicable laws or regulations.

(l) Distributions Dividends from net investment income are declared and paid as follows:

Bond	Monthly
Intermediate Bond	Monthly
International Bond	Quarterly
Short-Intermediate Bond	Monthly
U.S. Government Securities	Monthly
U.S. Treasury Index	Monthly
Balanced	Quarterly
Diversified Growth	Annually
Equity Index	Quarterly
Focused Growth	Annually
International Equity Index	Annually
International Growth	Annually
Small Company Index	Annually
-----	

Each Portfolio's net realized capital gains are distributed at least annually. Income dividends and capital gain distributions are determined in accordance with income tax regulations. Such amounts may differ from income and capital gains recorded in accordance with generally accepted accounting principles.

3. ADVISORY, TRANSFER AGENCY AND CUSTODIAN AGREEMENTS The Trust has an investment advisory agreement whereby each Portfolio pays Northern or NTQA, as the case may be, a fee, computed daily and payable monthly, based on a specified percentage of its average daily net assets. For the current period, Northern and NTQA each voluntarily agreed to waive a portion of the advisory fees as shown on the accompanying Statements of Operations. The annual advisory fees and waiver rates expressed as a percentage of average daily net assets for the six months ended May 31, 1998, are as follows:

	Advisory Fee	Less: Waiver	Net Advisory Fee
-----			
Bond	.60%	.35%	.25%
Intermediate Bond	.60	.35	.25
International Bond	.90	.20	.70
Short-Intermediate Bond	.60	.35	.25
U.S. Government Securities	.60	.35	.25
U.S. Treasury Index	.40	.25	.15
Balanced	.80	.30	.50
Diversified Growth	.80	.25	.55
Equity Index	.30	.20	.10
Focused Growth	1.10	.30	.80
International Equity Index	.50	.25	.25
International Growth	1.00	.20	.80
Small Company Index	.40	.20	.20
-----			

As compensation for the services rendered as transfer agent, including the assumption by Northern of the expenses related thereto, Northern receives a fee, computed daily and payable monthly, at an annual rate of .01%, .05%, .10% and .15% of the average daily net asset value of the outstanding Class A, B, C and D shares, respectively, for the Portfolios.

**NOTES TO FINANCIAL STATEMENTS--CONTINUED**

May 31, 1998  
(Unaudited)

4. **ADMINISTRATION AND DISTRIBUTION AGREEMENTS** The Trust has an administration agreement with Goldman Sachs whereby each Portfolio pays the Administrator a fee, computed daily and payable monthly, at an annual rate of .10% of the Portfolio's average daily net assets, except the International Bond, International Equity Index and International Growth Portfolios which pay the Administrator a fee, computed daily and payable monthly, at an annual rate of .15% of their respective average daily net assets. In addition, if in any fiscal year the sum of a Portfolio's expenses, including the administration fee, but excluding the investment advisory fee to Northern pursuant to its agreements with the Trust, servicing fees, transfer agency fees and extraordinary expenses (such as taxes, interest and indemnification expenses), exceeds on an annualized basis .10% of a Portfolio's average daily net assets (0.25% for the International Bond, International Growth and International Equity Index Portfolios), Goldman Sachs will reimburse each Portfolio for the amount of the excess pursuant to the terms of the administration agreement. The administration expenses reimbursed during the six months ended May 31, 1998 are shown on the accompanying Statements of Operations. No administration fees were waived, under this agreement, during the six months ended May 31, 1998. Goldman Sachs receives no compensation under the distribution agreement.

5. **SHAREHOLDER SERVICING PLAN** The Trust has adopted a Shareholder Servicing Plan pursuant to which the Trust may enter into agreements with institutions or other financial intermediaries under which they will render certain shareholder administrative support services for their customers or other investors who beneficially own Class B, C and D shares. As compensation under the Shareholder Servicing Plan, the institution or other financial intermediary receives a fee at an annual rate of up to .10%, .15% and .25% of the average daily net asset value of the outstanding Class B, C and D shares, respectively.

6. **INVESTMENT TRANSACTIONS** Investment transactions for the six months ended May 31, 1998 (excluding short-term investments) were as follows:

	Purchases of U.S. Government Obligations	Purchases of other securities	Proceeds from sales and maturities of U.S. Government Obligations	Proceeds from sales and maturities of other securities
----- (in thousands) -----				
Bond	\$58,175	\$121,616	\$120,135	\$354,820
Intermediate Bond	9,744	4,372	2,642	1,086
International Bond	--	3,555	--	4,516
Short-				
Intermediate Bond	52,440	30,691	55,057	12,164
U.S. Government Securities	19,160	--	20,992	--
U.S. Treasury Index	12,458	--	26,060	--
Balanced	3,370	9,949	3,425	14,016
Diversified Growth	--	22,140	--	29,722
Equity Index	--	161,470	--	20,846
Focused Growth	--	53,952	--	65,384
EAFE	--	21,050	--	11,151
International Growth	--	76,043	--	90,898
Small Company Index	--	11,652	--	32,395
-----				



As of May 31, 1998, the composition of unrealized appreciation (depreciation) of investment securities (including the effects of foreign currency translation and excluding futures transactions) based on the aggregate cost of investments for federal income tax purposes were as follows:

	Appreciation	Depreciation	Net Appreciation (Depreciation)	Cost for Federal Income Tax Purposes
(in thousands)				
Bond	\$18,654	\$3,405	\$15,249	\$531,431
Intermediate Bond	113	69	44	24,169
International Bond	851	1,412	(561)	25,716
Short-Intermediate Bond	1,837	5,209	(3,372)	211,293
U.S.				
Government Securities	476	221	255	45,571
U.S. Treasury Index	671	9	662	20,957
Balanced	11,567	296	11,271	43,937
Diversified Growth	64,826	1,039	63,787	101,684
Equity Index	455,914	10,615	445,299	779,318
Focused Growth	32,470	1,848	30,622	97,762
International Equity Index	8,002	4,101	3,901	43,978
International Growth	20,432	1,801	18,631	94,655
Small Company Index	32,796	8,316	24,480	103,664

7. BANK LOANS Prior to January 16, 1998, the Trust maintained a \$5,000,000 revolving bank credit line and a \$15,000,000 conditional revolving credit line for liquidity and other purposes. As of January 16, 1998, the Trust maintains a \$100,000,000 revolving bank credit line and a \$15,000,000 conditional revolving credit line for liquidity and other purposes. Borrowings under this arrangement bear interest at 1% above the federal funds rate and are secured by pledged securities equal to or exceeding 120% of the outstanding balance. Interest expense for the six months ended May 31, 1998 was approximately \$14,000, \$15,000, \$13,000, and \$2,000 for the Equity Index, Focused Growth, International Equity Index, and Small Company Index Portfolios, respectively. These amounts are included in "Other Expenses" on the Statements of Operations. As of May 31, 1998, there were no outstanding borrowings.

8. SHARE TRANSACTIONS Transactions in Class A shares for the six months ended May 31, 1998 were as follows:

	Sales	Reinvested distributions	Redemptions	Net increase (decrease)
(in thousands)				
Bond	3,587	730	2,790	1,527
Intermediate Bond	823	25	225	623
International Bond	37	31	88	(20)
Short-Intermediate Bond	3,963	370	3,763	570
U.S. Government Securities	133	54	235	(48)
U.S. Treasury Index	603	13	1,294	(678)
Balanced	556	185	1,024	(283)
Diversified Growth	365	1,323	1,277	411
Equity Index	14,442	3,437	8,818	9,061
Focused Growth	921	1,532	1,790	663
International Equity Index	1,669	63	935	797
International Growth	387	644	1,636	(605)
Small Company Index	2,056	673	4,013	(1,284)

**NOTES TO FINANCIAL STATEMENTS--CONTINUED**

May 31, 1998  
(Unaudited)

Transactions in Class A shares for the year ended November 30, 1997 were as follows:

	Sales	Reinvested distributions	Redemptions	Net increase (decrease)
(in thousands)				
Bond	7,554	1,111	4,475	4,190
Intermediate Bond	594	9	--	603
International Bond	56	74	363	(233)
Short-Intermediate Bond	5,953	572	4,056	2,469
U.S. Government Securities	3,473	227	6,148	(2,448)
U.S. Treasury Index	1,031	59	740	350
Balanced	609	205	717	97
Diversified Growth	939	1,144	2,201	(118)
Equity Index	18,925	2,547	19,705	1,767
Focused Growth	1,481	905	2,575	(189)
International Equity Index	3,356	--	111	3,245
International Growth	1,116	606	4,566	(2,844)
Small Company Index	3,221	1,087	2,562	1,746

Transactions in Class C shares for the six months ended May 31, 1998 were as follows:

	Sales	Reinvested distributions	Redemptions	Net increase (decrease)
(in thousands)				
Bond	708	92	510	290
U.S. Government Securities	30	4	24	10
Balanced	44	17	20	41
Equity Index	1,153	349	828	674
Focused Growth	6	115	9	112
Small Company Index	42	--	24	18

Transactions in Class C shares for the year ended November 30, 1997 were as follows:

	Sales	Reinvested distributions	Redemptions	Net increase (decrease)
(in thousands)				
Bond	2,988	104	1,045	2,047
U.S. Government Securities	67	10	97	(20)
Balanced	89	25	266	(152)
Equity Index	2,220	226	1,520	926
Focused Growth	12	65	45	32

Transactions in Class D units for the six months ended May 31, 1998 were as follows:

	Sales	Reinvested distributions	Redemptions	Net increase (decrease)
(in thousands)				
Bond	61	2	15	48
International Bond	3	1	2	2
Short-Intermediate Bond	19	2	6	15
U.S. Government Securities	28	--	7	21
U.S. Treasury Index	17	1	7	11
Balanced	43	2	16	29

Diversified Growth	26	8	7	27
Equity Index	316	131	183	264
Focused Growth	46	21	18	49
International Growth	11	2	3	10
Small Company Index	25	3	10	18

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Transactions in Class D units for the year ended November 30, 1997 were as follows:

		Reinvested		Net
		Sales distributions	Redemptions	increase
		(in thousands)		(decrease)
Bond	32	1	15	18
International Bond	3	--	--	3
Short-Intermediate Bond	31	1	5	27
U.S. Government Securities	6	--	1	5
U.S. Treasury Index	55	2	16	41
Balanced	12	1	8	5
Diversified Growth	16	4	6	14
Equity Index	1,302	34	281	1,055
Focused Growth	32	6	9	29
International Growth	19	--	5	14
Small Company Index	43	1	17	27

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## Investment Advisers:

The Northern Trust Company  
Northern Trust Quantitative Advisors, Inc. 50 South LaSalle Street  
Chicago, Illinois 60675

Transfer Agent and Custodian:  
The Northern Trust Company

Administrator and Distributor:  
Goldman, Sachs & Co.  
4900 Sears Tower  
Chicago, IL 60606

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