

JULY 1, 2012 - JUNE 30, 2013
**SUMMARY OF INVESTMENTS
AND RELATED INCOME (UNAUDITED)**

| No. | INVESTMENTS | MARKET VALUE 06/30/12 | MARKET VALUE 06/30/13 | 06/30/13 MARKET VALUE AS A % OF TOTAL ASSETS | (1) 06/30/13 INCOME AS A % OF TOTAL INCOME | (2) 06/30/13 INCOME (INCLUDES MARKET GAIN) | (1) 06/30/13 INCOME AS A % OF MARKET VALUE |
|--|--|---------------------------|---------------------------|---|--|--|--|
| Section 14 | Stock (Publicly Traded) | \$1,085,035,816.39 | \$1,232,134,477.41 | 38.609% | 59.871% | \$249,384,271.28 | 20.240% |
| Section 17 | Debt/Obligations | 650,312,043.60 | 697,029,634.96 | 21.842% | 23.734% | 98,862,941.50 | 14.183% |
| Section 19(1) | Equity – Reit’s & Pooled | 164,074,657.10 | 158,691,316.49 | 4.973% | (7.145%) | (29,760,209.49) | (18.754%) |
| Section 19(2) | Equity Real Estate | 165,888,734.05 | 145,038,648.00 | 4.545% | 3.405% | 14,182,832.54 | 9.779% |
| Section 20 | Mortgages | 123,530,239.87 | 107,017,607.04 | 3.353% | 5.719% | 23,821,115.63 | 22.259% |
| Section 20a | Small Business Investments – MI | 92,278,240.94 | 85,201,862.68 | 2.670% | 0.335% | 1,396,183.58 | 1.639% |
| Section 20d | Basket Clause | 361,810,717.92 | 232,594,719.00 | 7.288% | 2.467% | 10,273,964.45 | 4.417% |
| Section 20k | Foreign Securities | 300,457,805.63 | 369,166,617.92 | 11.568% | 11.614% | 48,377,049.91 | 13.104% |
| TOTAL INVESTMENTS | | \$2,943,388,255.30 | \$3,026,874,883.50 | 94.848% | 100.000% | \$416,538,149.40 | 13.761% |
| Cash | | | 39,534,683.06 | 1.239% | | | |
| Accounts Receivable | | | 164,090,591.93 | 5.142% | | | |
| Securities Lending Collateral | | | 299,774,500.39 | 9.393% | | | |
| Accounts Payable | | | (164,267,717.44) | (5.147%) | | | |
| Due Brokers-Securities Lending Collateral | | | (175,934,890.88) | (5.513%) | | | |
| Capital Assets | | | 1,234,406.29 | 0.039% | | | |
| NET ASSETS AVAILABLE FOR BENEFITS | | | \$3,191,306,456.85 | 100.000% | | | |
| Less: Investment Expenses | | | | | | (34,898,051.80) | |
| Investment Income Before Administrative Expenses | | | | | | 381,640,097.60 | |
| Less: Administrative Expenses | | | | | | (6,218,021.91) | |
| NET INVESTMENT INCOME (Loss) | | | | | | \$375,422,075.69 | |

(1) Percentage Factor is Calculated Using Gross Income.
(2) Income May Be Net of Expenses Per Contract Agreements.

INVESTMENT SECTION

JULY 1, 2012 - JUNE 30, 2013
**DETAIL SCHEDULE OF INVESTMENTS
 AND RELATED INCOME**

| No. | INVESTMENTS | MARKET VALUE 06/30/12 | MARKET VALUE 06/30/13 | 12-13 INCOME AND NET CHANGE IN ASSET VALUE |
|----------------------|--|---------------------------|---------------------------|---|
| SECTION 14 | STOCK (PUBLICLY TRADED) | | | |
| | Common & Preferred Stock | \$1,074,064,081.08 | \$1,232,134,477.41 | \$249,384,271.28 |
| | Deutsche Bank Croci | 0.00 | 0.00 | 0.00 |
| | Mesirow Arbitrage Trust | 10,971,735.31 | 0.00 | 0.00 (c) |
| | TOTAL SECTION 14 | \$1,085,035,816.39 | \$1,232,134,477.41 | \$249,384,271.28 |
| SECTION 17 | DEBT/OBLIGATIONS | | | |
| | Bonds & Notes | \$499,612,952.39 | \$576,514,191.96 | \$88,340,973.76 |
| (b) | Short-Term Investments | 71,665,384.30 | 44,476,502.00 | 14,268,942.31 (b) |
| | Mort. Backed Securities | 79,033,706.91 | 76,038,941.00 | (3,746,974.57) |
| | TOTAL SECTION 17 | \$650,312,043.60 | \$697,029,634.96 | \$98,862,941.50 |
| SECTION 19(1) | EQUITY REAL ESTATE-POOLED (REITS) | | | |
| (a) | Reits Held by Custodian | \$36,341,024.10 | \$13,535,033.49 | (\$45,370,921.10) (a) |
| | Behringer Harvard Reit 1 | 4,864,000.00 | 6,399,000.00 | 1,579,091.70 |
| | Canyon-Johnson Urban Fund | 182,197.00 | 0.00 | 8,649.25 |
| | Capri Urban Investors, LLC | 12,519,391.00 | 17,746,245.00 | 4,592,129.00 |
| | MGRA Genesis Value Reit, Inc. | 4,540,182.00 | 22,594,225.00 | (303,363.00) |
| | Inland American Reit, Inc. | 9,476,000.00 | 11,283,000.00 | 2,605,387.60 |
| | Lightstone Value Plus Reit, Inc. | 7,727,000.00 | 7,579,000.00 | 459,416.13 |
| | SAS Equity Reit/Midland Multifamily Equity ... | 16,071,405.00 | 15,269,000.00 | 353,845.00 |
| | W&D Balanced Real Estate Fund I/MRC..... | 5,238,333.00 | 5,533,000.00 | 832,452.00 |
| | Prisa 11 | 17,103,677.00 | 18,510,158.00 | 1,948,003.44 |
| | RREEF America Reit II | 16,155,845.00 | 17,389,655.00 | 2,139,270.06 |
| | Steward Real Estate Fund | 22,056,272.00 | 10,020,000.00 | (493,579.35) |
| | US Real Estate Investment Fund - InterCont. . | 10,446,043.00 | 11,715,000.00 | 1,818,299.63 |
| | Walton Street REIF III | 1,353,288.00 | 1,118,000.00 | 71,110.15 |
| | TOTAL SECTION 19(1) | \$164,074,657.10 | \$158,691,316.49 | (\$29,760,209.49) |

| No. | INVESTMENTS | MARKET VALUE 06/30/12 | MARKET VALUE 06/30/13 | 12-13 INCOME AND NET CHANGE IN ASSET VALUE |
|---|--|--------------------------|--------------------------|--|
| SECTION 19(2) EQUITY REAL ESTATE-DIRECT & LP | | | | |
| | Equity Direct | \$108,915,270.00 | \$122,123,488.00 | \$14,881,761.03 |
| | ICG Leaseback Fund 1 | 13,983,000.00 | 14,994,160.00 | 1,084,080.00 |
| | W&D Real Estate Op Fund 1/Inherit. Capital | 11,590,464.05 | 7,106,000.00 | (4,012,241.84) |
| | Neal & FM 548-1076 (MANN 1100) | 100,000.00 | 715,000.00 | 429,304.68 |
| | SG Capital | 100,000.00 | 100,000.00 | 10,000.00 |
| | Washington Plaza | 31,200,000.00 | 0.00 | 1,789,928.67 |
| | TOTAL SECTION 19(2) | \$165,888,734.05 | \$145,038,648.00 | \$14,182,832.54 |
| SECTION 20 MORTGAGES | | | | |
| | Direct & Participating | \$23,495,385.00 | \$7,769,999.34 | \$1,408,920.96 |
| | Construction Loans | 7,994,137.15 | 516,792.49 | 9,390,994.48 |
| | SAS Mortgage Trust/Midland MAHGT | 81,925,434.00 | 87,089,451.00 | 10,055,017.00 |
| | SG Mortgage Fund, LLC | 10,115,283.72 | 11,641,364.21 | 2,966,183.19 |
| | TOTAL SECTION 20 | \$123,530,239.87 | \$107,017,607.04 | \$23,821,115.63 |
| SECTION 20a INVESTMENTS-MICHIGAN | | | | |
| | Atheneum Hotel Stock | \$100,000.00 | \$100,000.00 | 0.00 |
| | Blackeagle Partners | 12,323,740.00 | 15,050,498.00 | 1,827,247.00 |
| | Dott Aquisition | 100,000.00 | 100,000.00 | 0.00 |
| | Doctor Hospital Note | 0.00 | 0.00 | 1,123.00 |
| | GVC Networks/Winstar | 1,000.00 | 1,000.00 | 0.00 |
| | Insight 2811-Tech Entrepreneur Fund, L.P. | 5,643,000.00 | 7,818,000.00 | 1,925,000.00 |
| | Invescor, LTD | 100,000.00 | 100,000.00 | 0.00 |
| | Life Assurance Fund | 2,513,000.00 | 1,979,000.00 | (534,000.00) |
| | Life Assurance Fund-Loan | 239,949.74 | 1,709,000.00 | 1,132,012.17 |
| | Onyx Capital Advisory Fund 1 | 100,000.00 | 100,000.00 | 0.00 |
| | Oracle Capital Partners | 4,597,537.00 | 100,000.00 | (4,497,537.00) |
| | Paramount Ltd. | 100,000.00 | 100,000.00 | 0.00 |
| | Princeton Capital Fund | 100,000.00 | 57,546.51 | 0.00 |
| | Romulus Disposal L.P. & Note | 100,000.00 | 100,000.00 | 447.00 |
| | The Superior Fund, L.P. | 10,316,866.00 | 10,671,680.00 | 483,748.61 |
| | Valstone Opportunity II LTD | 2,920,474.00 | 2,109,314.27 | (811,159.73) |
| | Valstone Opportunity III LTD | 17,493,357.00 | 17,239,511.15 | 0.30 |
| | Valstone Opportunity IV LTD | 26,575,248.00 | 27,866,312.75 | 1,869,302.23 |
| | TOTAL SECTION 20a | \$83,324,171.74 | \$85,201,862.68 | \$1,396,183.58 |

INVESTMENT SECTION

JULY 1, 2012 - JUNE 30, 2013 DETAIL SCHEDULE OF INVESTMENTS AND RELATED INCOME CON'T

**12-13
INCOME AND
NET CHANGE IN
ASSET VALUE**

| No. | INVESTMENTS | MARKET VALUE 06/30/12 | MARKET VALUE 06/30/13 | 12-13 INCOME AND NET CHANGE IN ASSET VALUE |
|----------------------|---|--------------------------|--------------------------|---|
| SECTION 20d | | | | |
| BASKET CLAUSE | | | | |
| | Advent | \$18,721,844.00 | \$0.00 | \$0.00 |
| | Credit Suisse | 30,346,413.00 | 0.00 | 0.00 |
| | Guggenheim, B & BB Quality | 65,904,587.00 | 0.00 | 0.00 |
| | Penn | 18,546,571.00 | 0.00 | 0.00 |
| | Income Research | 754,395.00 | 0.00 | 0.00 |
| | Transamerica | 1,215,255.00 | 0.00 | 0.00 |
| | Payden & Rygel, Cadillac Pledged | 15,000,000.00 | 18,933,010.00 | 0.00 |
| | MMA Crossroads Pledged | 7,324,253.00 | 7,146,398.00 | 0.00 |
| | MFH Trust Preferred Securities | 6,033,333.00 | 6,125,677.00 | 0.00 |
| | RDD Investment Corporation | 1,533,777.00 | 0.00 | 0.00 |
| | TOTAL MANAGED | \$165,380,428.00 | \$32,205,085.00 | \$0.00 |
| | BRM Florida Holdings, LLC | 4,089,161.00 | 0.00 | 44,299.32 |
| | Capri Select Income 11 | 3,430,769.00 | 2,797,717.00 | (2,485,052.00) |
| | Stepstone Capital-Partners-Citigroup Capital Partners | 8,103,935.00 | 6,371,955.00 | 840,921.10 |
| | Citigroup Venture Capital Int'l | 5,742,360.00 | 8,232,936.00 | 699,415.77 |
| | Entrust Capital Water Institutional Fund | 8,289,134.00 | 9,377,584.00 | 1,088,450.00 |
| | Everest Energy Fund | 100,000.00 | 100,000.00 | 0.00 |
| | Falconhead Capital Partners 11 | 17,263,825.00 | 10,386,072.00 | (1,337,029.00) |
| | FAM Global Nib | 19,785,560.00 | 22,952,000.00 | 3,166,440.00 |
| | Finch Fund Ltd. | 1,120,433.00 | 851,034.00 | (61,082.61) |
| | GSC Partners | 50,000.00 | 2,168,365.00 | 2,118,365.00 |
| | GSC Partners II | 346,818.00 | 1,567,142.00 | 1,988,919.00 |
| | Guidance Enhanced Green Terrain Fund LLC | 100,000.00 | 100,000.00 | 2,966,588.07 |
| | Liberty Mutual Energy II | 0.00 | 0.00 | 0.00 |
| | Liberty Mutual USPF III | 43,331.00 | 43,331.00 | 12,648.00 |
| | Liberty Mutual Energy-CIV | 616,066.00 | 519,653.00 | 30,116.00 |
| | Liberty Mutual Energy-CV | 16,190,957.00 | 16,579,228.00 | 89,327.00 |
| | Longship Multi Strategy Debt Fund | 3,256,021.00 | 2,531,199.00 | (724,822.00) |
| | Mesirow Arbitrage Trust | 2,124,455.58 | 38,830,076.00 | 3,571,000.00 |
| | Nob Hill Clo | 1,539,000.00 | 100,000.00 | (776,149.18) |
| | O'Connor Global Fundamental Market | 13,796,865.00 | 14,118,148.00 | 321,283.00 |
| | Perseus Partners VII | 12,679,141.00 | 7,175,418.00 | (6,149,455.00) |
| | P&F Funds | 964,690.00 | 1,013,125.00 | 83,983.24 |
| | PITG Equity Warrants | 0.00 | 0.00 | 0.00 |
| | PITG - 2nd Lien Note | 0.00 | 0.00 | 0.00 |
| | PITG - 1st Lien 2nd Out | 0.00 | 0.00 | 0.00 |
| | Pronous Offshore Fund LTD | 405,310.34 | 289,492.00 | (115,818.34) |
| | Provender Opportunities Fund | 0.00 | 0.00 | 0.00 |
| | Rivers Casino (Formerly PITG 2nd Lien Note & PITG 1st Lien 2nd Out) | 48,700,000.00 | 51,200,000.00 | 2,500,000.00 |
| | River Road Fund, LTD | 415,810.00 | 351,714.00 | 29,995.19 |
| | RLJ Select Diversified Trust | 403,123.00 | 240,250.00 | (84,323.00) |
| | Soliton-Unsecured Claim | 10.00 | 0.00 | 480,403.89 |
| | SW Pelham Fund 111, L.P. | 5,774,417.00 | 5,761,331.00 | 906,822.00 |
| | Syndicated Communications | 6,237,971.00 | 5,291,813.00 | (1,866,960.00) |
| | Tailwind Capital Partners (ERISA), LLC | 8,659,056.00 | 7,888,839.00 | 1,481,851.00 |
| | Tradewinds Airlines, Inc. | 1,000.00 | 1,000.00 | 0.00 |
| | USPF 111-Blocker Fund, LP | 5,945,109.00 | 6,049,772.00 | 104,663.00 |
| | USPF 111-Leveraged Feeder | 8,348,275.00 | 9,259,965.00 | 911,690.00 |
| | Wind Point Partners IV, L.P. (formerly section 20a) | 861,756.00 | 445,560.00 | 271,225.00 |
| | Credit Enhancement Fees | 0.00 | 0.00 | 166,250.00 |
| | TOTAL SECTION 20d | \$370,764,786.92 | \$232,594,719.00 | \$10,273,964.45 |

| No. | INVESTMENTS | MARKET VALUE 06/30/12 | MARKET VALUE 06/30/13 | 12-13 INCOME AND NET CHANGE IN ASSET VALUE |
|--------------------|--------------------------------|---------------------------|---------------------------|---|
| SECTION 20k | FOREIGN SECURITIES | | | |
| | Foreign Bonds | 0.00 | 0.00 | 1.03 |
| | Foreign Equities | 300,457,805.63 | 369,166,617.92 | 48,377,048.88 |
| | TOTAL SECTION 20k | \$300,457,805.63 | \$369,166,617.92 | 48,377,049.91 |
| | TOTAL INVESTMENTS | \$2,943,388,255.30 | \$3,026,874,883.50 | \$416,538,149.40 |

(a) Income included with income from bonds and notes.

(b) Short-term income includes income from securities lending.

INVESTMENT MANAGERS

| | |
|---|--|
| <p>ADVENT CAPITAL MANAGEMENT \$44 M New York, New York <i>Invests exclusively in convertible securities market with a value orientation with respect to the underlying equity.</i></p> | <p>CREDIT SUISSE ASSET MANAGEMENT \$66.8 M New York, New York <i>Manages a fixed income portfolio of high-yield bonds.</i></p> |
| <p>ALEX BROWN REALTY ADVISORS \$7.7 M Baltimore, Maryland <i>A real estate advisor which provides investment and asset management services.</i></p> | <p>CREDO CAPITAL MANAGEMENT, LLC \$13.5 M Baltimore, Maryland <i>Manages domestic equity mid cap growth.</i></p> |
| <p>AMERICAN REALTY ADVISORS \$7.9 M Glendale, California <i>A real estate advisor which provides investment and asset management services.</i></p> | <p>DIMENSIONAL FUND ADVISORS \$88.5 M Austin, Texas <i>Manages a broadly diversified portfolio of international equities having relatively low turnover.</i></p> |
| <p>ALPHA PARTNERS, LLC \$18.8 M Detroit, Michigan <i>Manages a domestic large-cap equity portfolio using a growth oriented investment approach.</i></p> | <p>EARNEST PARTNERS, LLC \$55.1 M Atlanta, Georgia <i>Manages domestic large-cap equities using a value-oriented style.</i></p> |
| <p>AMBASSADOR CAPITAL MGT. \$15 M Detroit, Michigan <i>Manages government and corporate bonds with security selection being the key driver to performance .</i></p> | <p>ENERGY OPPORTUNITIES/ORLEANS CAPITAL \$22.4 M Austin, Texas <i>Manages a portfolio predominately focused on traditional upstream energy equities.</i></p> |
| <p>ATIVO CAPITAL MANAGEMENT, LLC \$22.1 M Chicago, Illinois <i>Manages international equity (emerging manager).</i></p> | <p>FAM GLOBAL NIB \$9.6 M Greenwich, Connecticut <i>Manages principle structured note.</i></p> |
| <p>BANYAN REALTY ADVISORS \$13.9 M Maitland, Florida <i>A real estate advisor which provides investment and asset management services.</i></p> | <p>FISHER INVESTMENTS, INC. \$111.0 M Woodside, California <i>Manages domestic large-cap equities comprising all market sectors utilizing both growth and value styles.</i></p> |
| <p>BNY ASSET MANAGEMENT \$92.4 M New York, New York <i>Manages a portfolio which is designed to track and outperform the MSCI EAFE international equity index utilizing American Depository receipts (ADRs).</i></p> | <p>GFG ASSET MANAGEMENT, LLC \$9.1 M Southfield, Michigan <i>Manages small to mid-cap value names..</i></p> |
| | <p>GRATRY & CO \$16.4 M Cleveland, Ohio <i>Manages international equity (emerging manager).</i></p> |

INVESTMENT MANAGERS CON'T

GUGGENHEIM \$97.5 M
New York, New York

Manages high yield fixed income securities.

HERNDON CAPITAL MANAGEMENT \$17.5 M
Atlanta, Georgia

Manages international equity (emerging manager).

INCOME RESEARCH AND MANAGEMENT \$130.4 M
Boston, Massachusetts

A fixed income manager that specializes in the less efficient sectors of the investment grade fixed income markets, primarily corporate bonds and commercial mortgage backed securities.

JOHNSTON ASSET MANAGEMENT \$57.3 M
Stamford, Connecticut

Manages international equity.

KENNEDY CAPITAL MANAGEMENT \$219.7 M
St. Louis, Missouri

Manages domestic small-cap equities using a value-oriented style.

LOOMIS SAYLES & COMPANY \$84.4 M
Bloomfield Hills, Michigan

Manages a core fixed income portfolio which favors corporate bonds.

MERGANSER CAPITAL \$38.6 M
Boston, Massachusetts

Manages a long only credit fixed income portfolio.

MESIROW ARBITRAGE TRUST \$39 M
Chicago, Illinois

Manages a portfolio of equity and fixed income securities constructed to take advantage of price arbitrage opportunities.

MILLER HOWARD \$17.7 M
Woodstock, New York

Manages a portfolio of master limited partnerships and utility stocks.

MUNIMAE MIDLAND INVESTMENT CORPORATION \$6.1 M
Clearwater, Florida

A real estate advisor which specializes in multifamily construction loans as well as intermediate and long-term mortgages.

MUNROS CAPITAL MANAGEMENT \$87 K
Birmingham, Michigan

Manages a European small-cap equity portfolio.

NORTHBROOK INVESTMENT MANAGEMENT . \$10.5 M
Okemos, Michigan

Manages an all cap portfolio covering large, mid and small.

NORTHPOINTE CAPITAL \$50 M
Troy, Michigan

Manages a domestic small-cap growth equity portfolio.

PARADIGM ASSET MANAGEMENT \$24.5 M
White Plain, New York

Manages a large-cap equity portfolio.

PAYDEN & RYSEL \$43 M
Los Angeles, California

Manages the System's short-term cash equivalents plus a portfolio of US government securities.

PENN CAPITAL MANAGEMENT \$39.7 M
Philadelphia, Pennsylvania

Manages a portfolio of non-investment grade fixed income securities (high yield bonds).

PUGH CAPITAL MANAGEMENT \$83 M
Seattle, Washington

Manages a portfolio of domestic mortgage-backed fixed income securities.

INVESTMENT MANAGERS CON'T

RHUMBLINE ADVISORS \$254.7 M
Boston, Massachusetts

Manages an equity portfolio constructed to replicate the performance of the Russell 1000 Index Value Index, Russell 2000 Growth Index, Russell Mid-Cap Index.

SEIZERT CAPITAL PARTNERS \$27.5 M
Birmingham, Michigan

Manages mid cap broad market names.

SEMINOLE FINANCIAL SERVICES, LLC \$106.3 M
Belleair Bluffs, Florida

A real estate advisor which provides investment and asset management service.

SMITH GRAHAM \$27.1 M
Houston, Texas

Manages mid-cap broad market names.

STEWART CAPITAL MANAGEMENT \$38.2 M
Bloomfield Hills, Michigan

Manages a large-cap equity portfolio of companies with both growth and value characteristics.

TT INTERNATIONAL \$104.1 M
London, England

Manages an international equity portfolio.

UNION HERITAGE CAPITAL MANAGEMENT \$24.7 M
Detroit, Michigan

Manages large-cap relative value.

**WALKER & DUNLOP REAL ESTATE
 FINANCIAL SERVICES** \$14.8 M

Bethesda, Maryland

Manages a closed end commingled real estate fund formed with the flexibility of making investments in traditional debt, structured debt, and equity.

WELLINGTON MANAGEMENT \$71.2 M
Boston, Massachusetts

Manages mid-cap growth equity portfolio.

WELLS CAPITAL MANAGEMENT \$96.2 M
San Francisco, California

Manages portfolio that seeks capital appreciation by investing in securities of primarily large and small capitalization companies that offer attractive opportunities for growth.