

collateralized with securities held by the pledging financial institution's trust department or agent in the Fund's name. Category 3 includes deposits that are uncollateralized. At June 30, 1992, the Fund had deposits totalling \$440,119,000 and \$143,558,000 categorized in Category 1 and Category 3, respectively.

Investments of the enterprise funds are stated at cost, adjusted for amortization of premiums and accretion of discounts. The investment policies for all enterprise funds, with the exception of the Community Development Administration, are the same as those of the State Treasurer. The Community Development Administration, an agency of the Department of Housing and Community Development, is authorized to invest in obligations of the U.S. Treasury, U.S. Government agencies and corporations, political subdivisions of the U.S., banker's acceptances, repurchase agreements, corporate debt securities and certificates of deposit with foreign or domestic banks. The U.S. Treasury and agency obligations and collateral for the repurchase agreements are held by the fund's agent in the fund's name.

The Pension Trust Fund, in accordance with Article 73 B, Section 160 of the Annotated Code of Maryland, is permitted to make investments subject to the terms, conditions, limitations, and restrictions imposed by the Board of Trustees of the Maryland State Retirement and Pension Systems. The law further provides that not more than 15% of the assets that are invested in common stocks may be invested in non-dividend paying common stocks. The pension trust fund's investments are commingled in three combined investment funds. Two investment funds consist principally of bonds and other fixed income investments while the other investment fund consists principally of common stocks. Certain amounts totalling \$583,677,000 (market value of \$583,677,000) are not invested in the investment funds, but are held as cash and cash equivalents. Investments of the pension trust fund are stated at cost, adjusted for amortization of premiums and accretion of discounts.

The investments at June 30, 1992, for the enterprise and pension trust funds are as follows (amounts expressed in thousands):

	Category			Carrying Value	Market Value
	1	2	3		
U. S. Treasury and agency obligations	\$ 298,335			\$ 298,335	\$ 323,980
Repurchase agreements	369,752			369,752	369,840
Bonds	7,464,597			7,464,597	7,972,202
Corporate equity securities	3,843,228			3,843,228	5,066,837
Other	52,573			52,573	52,488
	<u>\$12,028,485</u>			<u>12,028,485</u>	<u>13,785,347</u>
Annuity contracts				319,808	319,808
Mutual funds				698,292	624,481
Total				<u>\$13,046,585</u>	<u>\$14,729,636</u>

C. Higher Education Fund:

The bank deposits of the Higher Education Fund (Fund) at June 30, 1992, were \$10,823,000. Of the bank balances, \$1,480,000 was covered by federal, private or foreign national government depository insurance, \$5,652,000 was collateralized by a pledge of United States Treasury obligations held by Federal Reserve banks in the name of the banking institutions, and \$5,977,000 was uninsured and uncollateralized.

Investment funds established by higher education institutions relate principally to endowment and trust accounts required by debt instruments. In general, endowment funds can be invested in debt and equity securities and trust accounts can be invested only in debt securities. These investments include U.S. Treasury and agency obligations, certificates of deposit, commercial paper, repurchase agreements, bankers acceptances and money market funds.

Investments of the higher education institutions are stated at cost, adjusted for amortization of premiums and accretion of discounts.

The investments at June 30, 1992, for the higher education fund are as follows (amounts expressed in thousands):

	Category			Carrying Value	Market Value
	1	2	3		
U. S. Treasury and agency obligations	\$21,927			\$21,927	\$22,898
Corporate debt securities	3,813			3,813	4,135
Corporate equity securities	25,073			25,073	36,991
Other	3,505			3,505	3,555
Total	<u>\$54,318</u>			<u>\$54,318</u>	<u>\$67,579</u>