

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 enterprise fund's agent in the enterprise fund's name.

The Pension Trust Fund (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 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. Investments of the Fund are stated at cost, adjusted for amortization of premiums and accretion of discounts.

The investments as of June 30, 1994, for the enterprise and pension trust funds of the Primary Government are as follows (amounts expressed in thousands):

	Category			Carrying Value	Market Value
	1	2	3		
U.S. Treasury and agency obligations	\$ 316,017			\$ 316,017	\$ 334,221
Repurchase agreements	838,067			838,067	838,067
Bonds	8,315,360			8,315,360	8,054,928
Corporate equity securities	5,281,764			5,281,764	6,555,751
Other.....	417,010			417,010	318,864
	<u>\$15,168,218</u>			15,168,218	16,101,831
Annuity contracts.....				390,535	390,535
Mutual funds				549,616	601,830
Total.....				<u>\$16,108,369</u>	<u>\$17,094,196</u>

C. Component Units:

The carrying value of cash and cash equivalents of the Component Units as of June 30, 1994, was \$110,895,000 of which most is pooled by the State of Maryland. As of June 30, 1994, the bank balance was \$4,020,000, of which \$2,932,000 was covered by depository insurance or was collateralized by a pledge of United States Treasury obligations held by Federal Reserve banks and \$1,088,000 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, banker's 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 as of June 30, 1994, 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	\$29,356			\$29,356	\$29,161
Corporate debt securities	32,577			32,577	52,775
Corporate equity securities	4,671			4,671	5,048
Money Market.....	4,109			4,109	4,109
Other.....	641			641	599
Total.....	<u>\$71,354</u>			<u>\$71,354</u>	<u>\$91,692</u>