

changes in interest rates or currency valuations. The mortgage backed securities are subject to prepayment risk when interest rates are falling.

The Fund invests in foreign currency forward contracts to hedge the currency risk in its international and global portfolios. Any gain or loss on these contracts will be recognized on the delivery date based on the market value of the currencies at that time. There are no balance sheet assets or liabilities associated with these contracts.

The following summary shows the foreign currency forward contracts outstanding as of June 30, 1995. Market value is expressed in U.S. dollars. Delivery dates range from July, 1995 through April, 1996 (amounts expressed in thousands):

Purchases

Currency	Purchase Amount (In Local Currency)	Market Value on June 30, 1995
Australian dollars.....	28,967	\$ 20,476
Belgian francs.....	74,790	2,630
Canadian dollars.....	116,567	84,772
Danish kroner.....	43,059	7,965
Deutsche marks.....	128,296	92,867
European currency.....	2,406	3,197
French francs.....	102,439	21,101
Italian lire.....	52,733,904	32,081
Japanese yen.....	5,194,365	61,629
Netherlands guilders.....	7,343	4,746
New Zealand dollars.....	7,845	5,221
Norwegian kroner.....	5,944	965
Pound sterling.....	29,430	46,770
Spanish pesetas.....	959,702	7,892
Swedish kronor.....	52,424	7,183
Swiss francs.....	38,811	33,768
U.S. dollars.....	930,269	930,269
Total purchases.....		1,363,532
Less: cost of purchases in U.S. dollars.....		1,358,088
Unrealized gain on purchase transactions.....		\$ 5,444

Sales

Currency	Sale Amount (In Local Currency)	Market Value on June 30, 1995
Australian dollars.....	35,650	\$ 25,209
Belgian francs.....	531,547	18,693
Canadian dollars.....	52,237	37,983
Danish kroner.....	89,767	16,606
Deutsche marks.....	209,381	151,560
European currency.....	4,400	5,848
Finnish markka.....	33,784	7,898
French francs.....	391,458	80,676
Italian lire.....	56,656,468	34,449
Japanese yen.....	21,566,879	255,312
Netherlands guilders.....	182,689	118,100
New Zealand dollars.....	9,055	6,041
Norwegian kroner.....	6,885	1,117
Pound sterling.....	52,557	83,547
Spanish pesetas.....	2,604,470	21,454
Swedish kronor.....	77,020	10,541
Swiss francs.....	121,636	105,989
U.S. dollars.....	409,778	409,778
Total sales.....		1,390,801
Less: cost of sales in U.S. dollars.....		1,358,088
Unrealized loss on sale transactions.....		\$ 32,713
Net unrealized loss as of June 30, 1995.....		\$ 27,269