

MARRIOTT INTERNATIONAL INC /MD/
Form 11-K
June 25, 2004

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FORM 11-K

ANNUAL REPORT

Pursuant to Section 15(d) of the
Securities Exchange Act of 1934

(Mark One):

ANNUAL REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the plan year ended December 31, 2003

OR

TRANSITION REPORT PURSUANT TO SECTION 15(d) OF THE
SECURITIES EXCHANGE ACT OF 1934

For the transition period from _____ to _____

Commission file number 1-12188

A. Full title of the plan and the address of the plan, if different from that of the issuer named below:

**MARRIOTT INTERNATIONAL, INC. EMPLOYEES
PROFIT SHARING, RETIREMENT AND SAVINGS PLAN AND TRUST**

B. Name of issuer of the securities held pursuant to the plan and the address of its principal executive office:

MARRIOTT INTERNATIONAL, INC.

1 Marriott Drive

Washington, D.C. 20058

REQUIRED INFORMATION

Financial Statements and Exhibits as follows:

1. Financial statements

Report of Independent Registered Public Accounting Firm Ernst & Young LLP

Independent Auditors Report KPMG LLP

Statements of Net Assets Available for Benefits as of December 31, 2003 and December 31, 2002

Statements of Changes in Net Assets Available for Benefits for the years ended December 31, 2003 and December 31, 2002

Notes to Financial Statements

Certain schedules have been omitted because they are not applicable, not material or because the information is included in the financial statements or the notes thereto.

2. Supplemental Schedule

Schedule H, Line 4i Schedule of Assets (Held At End of Year)

3. Exhibits

23.1 Consent of Independent Registered Public Accounting Firm Ernst & Young, LLP

23.2 Consent of Independent Registered Public Accounting Firm KPMG, LLP

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, the trustee of the Plan has duly caused this annual report to be signed on its behalf by the undersigned, hereunto duly authorized.

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MARRIOTT INTERNATIONAL, INC. EMPLOYEES PROFIT SHARING, RETIREMENT AND SAVINGS PLAN AND TRUST

Dated: June 25, 2004

By: /s/ Carl Berquist

Carl Berquist

Plan Trustee

As filed with the Securities and Exchange Commission on June 25, 2004

Commission File No. 1-12188

SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

FINANCIAL STATEMENTS AND EXHIBITS

TO

FORM 11-K

ANNUAL REPORT

Under

The Securities Exchange Act of 1934

MARRIOTT INTERNATIONAL, INC.

**EMPLOYEES PROFIT SHARING, RETIREMENT AND
SAVINGS PLAN AND TRUST**

MARRIOTT INTERNATIONAL, INC.

1 Marriott Drive

Washington, D.C. 20058

INDEX TO FINANCIAL STATEMENTS AND EXHIBITS

MARRIOTT INTERNATIONAL, INC.

EMPLOYEES PROFIT SHARING, RETIREMENT AND SAVINGS PLAN AND TRUST

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| | Financial statements | |
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MARRIOTT INTERNATIONAL, INC. EMPLOYEES' PROFIT

SHARING, RETIREMENT AND SAVINGS PLAN AND TRUST

Financial Statements and Supplemental Schedule

Years ended December 31, 2003 and 2002 with Report of Independent Registered

Public Accounting Firm and Independent Auditors' Report

Report of Independent Registered Public Accounting

Firm Ernst & Young LLP

The Profit Sharing Committee

Marriott International, Inc. Employees

Profit Sharing, Retirement and Savings Plan and Trust

We have audited the accompanying statement of net assets available for benefits of Marriott International, Inc. Employees Profit Sharing, Retirement and Savings Plan and Trust as of December 31, 2003, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with the standards of the Public Company Accounting Oversight Board (United States). Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Plan at December 31, 2003, and the changes in its net assets available for benefits for the year then ended, in conformity with U.S. generally accepted accounting principles.

Our audit was performed for the purpose of forming an opinion on the financial statements taken as a whole. The accompanying supplemental schedule of assets (held at end of year) as of December 31, 2003 is presented for the purpose of additional analysis and is not a required part of the financial statements but is supplementary information required by the Department of Labor's Rules and Regulations for Reporting and Disclosure under the Employee Retirement Income Security Act of 1974. This supplemental schedule is the responsibility of the Plan's management. The supplemental schedule has been subjected to the auditing procedures applied in our audit of the financial statements and, in our opinion, is fairly stated in all material respects in relation to the financial statements taken as a whole.

/s/ Ernst & Young LLP

June 4, 2004

McLean, Virginia

Independent Auditor's Report KPMG LLP

The Profit Sharing Committee and Participants

Marriott International, Inc. Employees' Profit Sharing, Retirement and

Savings Plan and Trust:

We have audited the accompanying statement of net assets available for benefits of Marriott International, Inc. Employees' Profit Sharing, Retirement and Savings Plan and Trust (the Plan) as of December 31, 2002, and the related statement of changes in net assets available for benefits for the year then ended. These financial statements are the responsibility of the Plan's management. Our responsibility is to express an opinion on these financial statements based on our audit.

We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the net assets available for benefits of the Marriott International, Inc. Employees' Profit Sharing, Retirement and Savings Plan and Trust as of December 31, 2002, and the changes in net assets available for benefits for the year then ended in conformity with accounting principles generally accepted in the United States of America.

/s/ KPMG LLP

June 2, 2003

Marriott International, Inc. Employees Profit Sharing, Retirement and
Savings Plan and Trust

Statements of Net Assets Available for Benefits

| | December 31 | |
|--|-------------------------|-------------------------|
| | 2003 | 2002 |
| Assets | | |
| Investments, at fair value | \$ 1,486,070,012 | \$ 1,118,232,788 |
| Investments, at contract value | 442,425,819 | 434,909,034 |
| Total investments | 1,928,495,831 | 1,553,141,822 |
| Receivables: | | |
| Due from Marriott International, Inc. for Company contribution | 58,267,748 | 60,267,398 |
| Receivables from sale of investments | 15,892,633 | 1,518,952 |
| Accrued interest and dividends | 3,490,998 | 2,628,609 |
| Other | | 102,545 |
| Total receivables | 77,651,379 | 64,517,504 |
| Total assets | 2,006,147,210 | 1,617,659,326 |
| Liabilities | | |
| Accounts payable on investments purchased | 30,919,127 | 2,114,144 |
| Custodian and advisor fees payable | 1,158,732 | 754,276 |
| Other | 203,475 | 569,517 |
| Total liabilities | 32,281,334 | 3,437,937 |
| Net assets available for benefits | \$ 1,973,865,876 | \$ 1,614,221,389 |

See accompanying notes.

Marriott International, Inc. Employees Profit Sharing, Retirement and

Savings Plan and Trust

Statements of Changes in Net Assets Available for Benefits

| | Year ended December 31 | |
|--|-------------------------|-------------------------|
| | 2003 | 2002 |
| Additions | | |
| Investment income (loss): | | |
| Dividends | \$ 32,779,465 | \$ 33,415,705 |
| Interest | 12,722,915 | 13,515,831 |
| Gain on forgiveness of ESOP note interest | | 4,844,764 |
| Net realized and unrealized appreciation (depreciation) in fair value of investments | 297,671,294 | (191,207,821) |
| Less investment expense | (2,894,495) | (2,539,056) |
| Total net investment income (loss) | 340,279,179 | (141,970,577) |
| Participant contributions | 103,824,301 | 107,216,142 |
| Employer contributions | 60,672,798 | 60,817,227 |
| Transfer from other plans | 3,008,615 | 2,288,292 |
| Other | | 137,087 |
| Total net additions | 507,784,893 | 28,488,171 |
| Deductions | | |
| Benefits paid to participants | 145,388,920 | 126,438,621 |
| Administrative expenses | 2,751,486 | 3,073,200 |
| Interest expense on ESOP note | | 4,802,515 |
| Transfer to other plans | | 50,354 |
| Total deductions | 148,140,406 | 134,364,690 |
| Net increase (decrease) | 359,644,487 | (105,876,519) |
| Net assets available for benefits at beginning of year | 1,614,221,389 | 1,720,097,908 |
| Net assets available for benefits at end of year | \$ 1,973,865,876 | \$ 1,614,221,389 |

See accompanying notes.

Marriott International, Inc. Employees Profit Sharing, Retirement and

Savings Plan and Trust

Notes to Financial Statements

December 31, 2003

1. Description of the Plan

The following description of the Marriott International, Inc. (the Company) Employees Profit Sharing, Retirement and Savings Plan and Trust (the Plan) provides only general information. Participants should refer to the Plan document for a more complete description of the Plan's provisions.

The Plan allows for a leveraged employee stock ownership plan feature (ESOP) to fund certain employer contributions to the Plan. During the second quarter of 2000, the ESOP, at the direction of an independent fiduciary, borrowed \$1 billion from the Company to acquire 100,000 shares of special-purpose Marriott International, Inc. ESOP Convertible Preferred Stock (ESOP Convertible Preferred Stock). The ESOP Convertible Preferred Stock had a stated value and a liquidation preference of \$10,000 per share, paid a quarterly dividend of 1% of the stated value, and was convertible into the Company's Class A Common Stock at any time based on the amount of contributions the Company had made to the ESOP and the market price of the Company's Class A Common Stock on the conversion date, subject to certain caps and a floor price. The shares of ESOP Convertible Preferred Stock were pledged as collateral for the repayment of the ESOP's note, and those shares were released from the pledge as principal on the note was repaid. Shares of ESOP Convertible Preferred Stock released from the pledge were either converted to the Company's Class A Common Stock or were redeemed for cash based on the value of the Class A Common Stock into which those shares could be converted for allocation to participants' accounts. Principal and interest on the ESOP's note were forgiven periodically to release shares of ESOP Convertible Preferred Stock with a value sufficient to fund certain employer contributions to the Plan. The last of the shares of ESOP Convertible Preferred Stock were released to fund contributions as of July 18, 2002, at which time the remainder of the principal and interest due on the ESOP's note was forgiven. As of December 31, 2003 and 2002, there were no outstanding shares of ESOP Convertible Preferred Stock.

Effective December 16, 2002, the Forum Group, Inc. 401(k) Savings Plan, a qualified profit sharing plan sponsored by a subsidiary of the Company, was merged with and into the Plan (the Forum Merger), and assets under that plan were transferred to the Plan's trust. In connection with the Forum Merger, \$2,288,292 of net assets were transferred to the Plan and used to purchase investment funds offered by the Plan. These transferred net assets are included in the Plan's Statement of Changes in Net Assets Available for Benefits for the period from the Forum Merger through December 31, 2002.

Marriott International, Inc. Employees Profit Sharing, Retirement and
Savings Plan and Trust

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

General

Effective December 17, 2003, the Ihilani Resort, Inc. Savings and Retirement Plan, a qualified profit sharing plan sponsored by a subsidiary of the Company, was merged with and into the Plan (the Ihilani Merger), and assets under that plan were transferred to the Plan's trust. In connection with the Ihilani Merger, \$3,008,615 of net assets were transferred to the Plan and used to purchase investment funds offered by the Plan.

The Plan is a defined contribution plan covering eligible employees of the Company who are at least 21 years of age and have completed at least one year of service. It is subject to the provisions of the Employee Retirement Income Security Act of 1974 (ERISA), as amended.

Contributions

Each pay period, participants may contribute up to 80% or a fixed dollar amount (minimum of \$3 per week) of compensation. The Company's contribution to the Plan is based on a fixed match of 100% on the first 3% of annual compensation contributed, and 50% on the next 3% of annual compensation contributed. In general, Company contributions are allocated among active participants' accounts after the close of the Plan year based on compensation contributed. Contributions are subject to certain limitations.

Additional Company contributions of a fixed dollar amount per workweek are made on behalf of certain associate groups at specified locations. These contributions are limited to non-highly compensated associates who are otherwise eligible to participate in the Plan.

Participant Accounts

Each participant's account is credited with the participant's contributions and allocations of (a) the Company's contributions, and (b) Plan earnings or losses, and charged with an allocation of administrative expenses. Forfeitures of terminated participants' nonvested accounts are to be used to pay administrative expenses. Allocations are based on participant compensation contributed or account balances, as defined. The benefit to which a participant is entitled is the benefit that can be provided from the participant's vested account.

Marriott International, Inc. Employees Profit Sharing, Retirement and

Savings Plan and Trust

Notes to Financial Statements (continued)

1. Description of the Plan (continued)

Vesting

Participants are immediately vested in their contributions plus actual earnings thereon. Participants are immediately 100% vested in Company contributions attributable to the 2001 Plan year and thereafter and earnings thereon. Vesting in the Company contributions prior to 2001 and earnings thereon is based on years of service, with participants becoming fully vested, regardless of the years of service, upon divestiture of unit (place of work), death, termination of employment due to permanent disability, or attainment of age 55 for salaried participants or age 45 for most hourly participants.

Participant Loans

Participants may borrow from their accounts a minimum of \$1,000 up to a maximum equal to the lesser of \$50,000 or 50% of their vested account balance. Loan terms range from one to four years or up to 10 years for the purchase of a primary residence. The loans are collateralized by the vested balance in the participant's account and bear interest at the prime rate published by the *Wall Street Journal* plus 100 basis points. Interest rates range from 5.0% to 10.50%. Principal and interest are paid ratably through weekly or biweekly after-tax payroll deductions. Participants are limited to one outstanding loan. As of December 31, 2003 and 2002, participant loans totaled \$40,821,794 and \$40,907,718, respectively, and are recorded in investments, at fair value on the Statement of Net Assets Available for Benefits.

Payment of Benefits

A participant with an account balance of \$5,000 or less must take a lump sum distribution. A participant with an account balance greater than \$5,000 can elect to receive either a lump sum amount or installment payments equal to the value of the participant's vested interest in his or her account.

Forfeited Accounts

On termination of service, the unvested portion of a participant's Company contribution account is forfeited after five consecutive one-year breaks in service or, if earlier, when the participant takes a distribution of his entire account balance. Forfeitures are used to pay Plan expenses. As of December 31, 2003 and 2002, forfeiture credit balances of \$190,164 and \$349,050, respectively, were available to pay plan expenses.

1. Description of the Plan (continued)

Administration

The Company serves as the named fiduciary of the Plan. Administration of the Plan is under the direction of (i) a five-member Profit Sharing Committee, all of whom are corporate officers of the Company, (ii) two trustees, both of whom are corporate officers of the Company, and (iii) a Plan administrator, who is an employee of the Company. The trustees and their investment advisors and investment managers appointed by the Profit Sharing Committee are responsible for investment of the Plan assets.

Administrative and Investment Expenses

To the extent not paid by the Company or from forfeitures, certain administrative and all investment expenses are paid by the Plan and are allocated to participants based on account balances.

Plan Termination

Although it has not expressed any intent to do so, the Company has the right under the Plan to discontinue its contributions at any time and to terminate the Plan subject to the provisions of ERISA. In the event of Plan termination, participants will become 100% vested in their accounts.

2. Summary of Significant Accounting Policies

Basis of Accounting

The financial statements of the Plan are prepared under the accrual method of accounting. Benefits are recorded when paid.

Use of Estimates

The preparation of financial statements in conformity with U.S. generally accepted accounting principles requires management to make estimates and assumptions that affect the amounts reported in the financial statements and accompanying notes. Actual results could differ from those estimates.

Marriott International, Inc. Employees Profit Sharing, Retirement and
Savings Plan and Trust

Notes to Financial Statements (continued)

2. Summary of Significant Accounting Policies (continued)

Investments Valuation and Income Recognition

The investments directed by participants as of December 31, 2003 and 2002 are stated at fair value except for the Plan's investments in guaranteed investment contracts (GICs) with fully benefit responsive features, which are valued at contract value. Securities traded on a national securities exchange are valued at the last reported sales price on the last business day of the Plan year. Listed securities for which no sale was reported on that date are valued at the average of the last reported bid and ask prices. Shares of mutual funds are valued at quoted market prices, which represent the net asset value of shares held by the Plan at year-end. Shares of common/collective trusts are valued at estimated fair value as determined by the sponsor of the fund, which represents the net asset value of shares held by the Plan at year-end. Participant loans are valued at their unpaid balances, which approximates fair value.

The Company Stock Fund (Stock Fund) is tracked on a unitized basis. The Stock Fund consists of Marriott International, Inc. common stock, funds held in the Vanguard Money Market Fund sufficient to meet the Stock Fund's daily cash needs, as well as interest and dividends receivable. Unitizing the Stock Fund allows for daily trades. The value of a unit reflects the combined market value of Marriott International, Inc. common stock, valued at its quoted market price, and the cash investments and receivables held by the Stock Fund. At December 31, 2003, 22,042,332 units were outstanding with a value of \$15.0683 per unit (22,225,582 units were outstanding with a value of \$10.6910 per unit at December 31, 2002).

Purchases and sales of securities are recorded on a trade-date basis. Interest income is recorded on the accrual basis. Dividends are recorded on the ex-dividend date.

Investment Options

Upon enrollment in the Plan, a participant may direct employer and employee contributions in any of the available investment options. Participants may change their investment options on a daily basis.

Reclassifications

Certain previously reported amounts have been reclassified to conform with the current-year presentation.

Marriott International, Inc. Employees Profit Sharing, Retirement and
Savings Plan and Trust

Notes to Financial Statements (continued)

3. Investments

The following presents the fair value of individual investments that represent 5% or more of the Plan's net assets:

| | December 31 | |
|---|-----------------------|----------------|
| | 2003 | 2002 |
| Marriott International, Inc. common stock | \$ 328,882,600 | \$ 235,728,257 |

During 2003 and 2002, the Plan's investments (including gains and losses on investments bought and sold, as well as held during the year) appreciated (depreciated) in value, as follows:

| | 2003 | 2002 |
|--|-----------------------|------------------|
| Investments at fair value as determined by quoted market prices: | | |
| Mutual funds | \$ 72,251,234 | \$ (100,871,697) |
| Other common stock | 110,389,350 | (64,934,803) |
| Preferred stock | | (367,278) |
| Corporate bonds, notes and other obligations | 3,130,138 | 4,183,888 |
| U.S. Government obligations | (2,144,628) | 4,118,329 |
| Marriott International, Inc. common stock | 95,249,504 | (61,578,381) |
| Marriott International, Inc. ESOP Convertible Preferred Stock | | 28,242,121 |
| | 278,875,598 | (191,207,821) |
| Investments at estimated fair value: | | |
| Common/collective trusts | 18,795,696 | |
| | \$ 297,671,294 | \$ (191,207,821) |

The ESOP Preferred Stock accrued a cumulative cash dividend equal to \$100 per share outstanding at each quarter-end. For the year ended December 31, 2002, the Plan recorded dividend income of \$970,157. As previously noted, as of December 31, 2002, there were no outstanding shares of ESOP Convertible Preferred Stock, and therefore no dividend income was recorded in 2003. In accordance with the stock purchase agreement, the dividends earned on the ESOP Preferred Stock were used to pay principal and interest accrued on the ESOP note.

Marriott International, Inc. Employees Profit Sharing, Retirement and
Savings Plan and Trust

Notes to Financial Statements (continued)

4. Nonparticipant-Directed Investments

For the year ended December 31, 2002, investments not directed by participants related to the Marriott International, Inc. ESOP Convertible Preferred Stock.

Information about the significant components of changes in net assets relating to investments not directed by participants was as follows for the year ended December 31, 2002.

| | 2002 |
|---|---------------|
| Net appreciation | \$ 28,242,121 |
| Dividend income | 970,157 |
| ESOP note interest expense | (4,802,515) |
| Gain on forgiveness of ESOP note interest expense | 4,844,764 |
| | 29,254,527 |
| Net assets: | |
| Beginning of year | (29,254,527) |
| | \$ |
| End of year | \$ |

5. Party-in-Interest

The Plan may, at the discretion of Plan participants, invest an unlimited amount of its assets in securities issued by the Company. The Plan held 7,118,671 and 7,171,532 shares of common stock of the Company as of December 31, 2003 and 2002, respectively. Dividends on Marriott International, Inc. common stock approximated \$2,100,397 and \$1,518,889 for the years ended December 31, 2003 and 2002, respectively. In addition, as described in Note 1, in June 2000, the Plan purchased ESOP Convertible Preferred Stock from Marriott International, Inc. in exchange for a note (as described in Note 7). As of December 31, 2003 and 2002, the Plan held zero shares of ESOP Convertible Preferred Stock. For the year ended December 31, 2002, dividends earned on the ESOP Convertible Preferred Stock were \$970,157.

Certain investments are managed by T. Rowe Price Stable Asset Management and T. Rowe Price Associates, Inc., entities, which are related to the Plan's custodian (T. Rowe Price Trust Company) and the Plan record-keeper (T. Rowe Price Retirement Plan

Marriott International, Inc. Employees Profit Sharing, Retirement and
Savings Plan and Trust

Notes to Financial Statements (continued)

5. Party-in-Interest (continued)

Services, Inc.). During 2002, certain investments were purchased from Deutsche Bank (formerly Bankers Trust Company), the former custodian of the Plan's assets. Transactions involving these investments are considered to be party-in-interest transactions for which a statutory exemption exists. Fees paid by the Plan for the investment management services amounted to approximately \$42,900 and \$268,000 for Deutsche Bank and \$1,118,000 and \$927,000 for T. Rowe Price Stable Asset Management and T. Rowe Price Associates, Inc. for the years ended December 31, 2003 and 2002, respectively.

6. Guaranteed Investment Contracts

The Plan is invested in certain investment contracts with insurance companies. The investment managers of these investment contracts are T. Rowe Price and PRIMCO. The investment contracts are credited with earnings on the underlying investments and charged for Plan withdrawals and administrative expenses. The Plan invests in both traditional GICs and synthetic GICs. The contracts are carried at contract value (which represents contributions made under the contract, plus earnings, less withdrawals and administrative expenses), because they are fully benefit responsive. There are no reserves against contract value for credit risk of the contract issuer or otherwise. The estimated fair value of the investment contracts at December 31, 2003 and 2002 was \$460,409,116 and \$455,133,307, respectively.

The fair values for the traditional GICs have been estimated based on a discounted cash flow analysis. The estimated fair value is calculated based on the net present value of expected future payments, which include interest and a lump sum contract amount, discounted at a rate determined by the quality of the GICs and the average remaining life. This calculation is necessary, as traditional GICs are not actively traded investments for which a daily fair value is readily available.

The issuers of the traditional GICs are generally insurance companies. Where there are no underlying assets collateralizing the investment, the Plan's ultimate realization of amounts invested in traditional GICs is dependent on the continued financial stability of the issuers of the GICs.

Marriott International, Inc. Employees Profit Sharing, Retirement and
Savings Plan and Trust

Notes to Financial Statements (continued)

6. Guaranteed Investment Contracts (continued)

The Plan owns the assets underlying the synthetic GICs, which consist primarily of 103-12 investment entities, U.S. government securities, corporate debt obligations, mortgage-backed and other asset-backed securities. Fair values of the underlying securities are determined by closing prices on the last business day of the year for those securities traded on national exchanges, at the average bid quotations for those securities traded in over-the-counter markets or at fair value as determined by the investment manager for securities for which there is not an established market. Synthetic GICs utilize a benefit responsive wrapper contract issued by a financially responsible third party that provides market and cash flow risk protection to the Plan. The value of the wrapper contracts is the difference between the fair value of the underlying assets and the contract value attributable by the wrapper to these assets.

The average yield was approximately 4.72% and 5.81% for the years ended December 31, 2003 and 2002, respectively. The crediting interest rate at December 31, 2003 ranged from 3.2% to 7.7%. Traditional GICs typically have fixed crediting interest rates. The synthetic GICs have crediting interest rates that reset, typically on a quarterly basis, based on a formula specified in the individual contracts. The minimum guaranteed rate is not less than 0%. However, upon the occurrence of certain events (none of which are currently known to have occurred, nor are any such events contemplated by management of the Plan), market value of the investment in the GICs (if lower than its book value) may be repaid.

7. ESOP Note

As discussed in Note 1, the Plan included an ESOP to fund certain employer contributions to the Plan. On June 13, 2000, the Plan purchased \$1.0 billion of ESOP Convertible Preferred Stock with the proceeds of a loan from the Company. The ESOP issued a note (the ESOP Note) in connection with the purchase of the ESOP Convertible Preferred Stock. The last of the shares of ESOP Convertible Preferred Stock were released to fund contributions as of July 18, 2002, at which time any remaining principal and interest due on the ESOP's note was forgiven. As of December 31, 2002, there were no outstanding shares of ESOP Convertible Preferred Stock. The interest rate on the ESOP Note was 8.33% per annum and was due on the same dates as the principal payments. There was no penalty for prepayment of this note. Repayment of the ESOP Note principal and interest was made from: (i) collateral given for the loan (ESOP Convertible Preferred Stock), (ii) employer contributions made to the Plan to repay such loan, and (iii) earnings attributable to the ESOP Convertible Preferred Stock.

Marriott International, Inc. Employees Profit Sharing, Retirement and
Savings Plan and Trust

Notes to Financial Statements (continued)

7. ESOP Note (continued)

For the year ended December 31, 2002, the Plan recorded interest expense of \$4,802,515 on the ESOP Note. For the year ended December 31, 2002, \$970,157 in dividends on the ESOP Convertible Preferred Stock was used to repay the principal and interest on the ESOP Note.

8. Income Tax Status

The Plan has received a determination letter from the Internal Revenue Service dated March 30, 2001, stating that the Plan is qualified under Section 401(a) of the Internal Revenue Code (the Code) and, therefore, the related trust is exempt from taxation. Subsequent to this determination by the Internal Revenue Service, the Plan was amended. The Plan filed an application for a determination letter from the Internal Revenue Service on April 22, 2004, requesting a determination on all amendments subsequent to the most recent determination letter. The Plan is required to operate in conformity with the Code to maintain its qualification. The Plan administrator believes the Plan is being operated in compliance with the applicable requirements of the Code and, therefore, believes that the Plan, as restated, is qualified and the related trust is tax-exempt.

9. Reconciliation of Financial Statements and Form 5500

The following is a reconciliation of net assets available for benefits as reported in the financial statements to the Form 5500:

| | December 31 | |
|---|-------------------------|------------------|
| | 2003 | 2002 |
| Net assets available for benefits as reported in financial statements | \$ 1,973,865,876 | \$ 1,614,221,389 |
| Less distributions payable to terminated employees | 352,071 | 558,597 |
| Net assets available for benefits as reported in Form 5500 | \$ 1,973,513,805 | \$ 1,613,662,792 |

Marriott International, Inc. Employees Profit Sharing, Retirement and
Savings Plan and Trust

Notes to Financial Statements (continued)

9. Reconciliation of Financial Statements and Form 5500 (continued)

The following is a reconciliation of benefits paid to participants as reported in the financial statements to the Form 5500:

| | Year ended December 31 | |
|---|-------------------------------|-----------------------------|
| | 2003 | 2002 |
| | <u> </u> | <u> </u> |
| Benefits paid to participants as reported in the financial statements | \$ 145,388,920 | \$ 126,438,621 |
| Add: Amounts allocated to withdrawing participants at year-end | 352,071 | 558,597 |
| Less: Amounts allocated to withdrawing participants at prior year-end | (558,597) | (62,590) |
| | <u> </u> | <u> </u> |
| Benefits paid to participants as reported in the Form 5500 | \$ 145,182,394 | \$ 126,934,628 |
| | <u> </u> | <u> </u> |

Amounts allocated to withdrawing participants are recorded on the Form 5500 for benefit claims that have been processed and approved for payment prior to year-end but not yet paid as of that date.

Supplemental Schedule

Marriott International, Inc. Employees Profit Sharing, Retirement and

Savings Plan and Trust

EIN: 52-2055918; Plan No.: 002

Schedule H, Line 4i Schedule of Assets (Held At End of Year)

December 31, 2003

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| Marriott Mid Cap Growth Fund | | | |
| AXIS CAPITAL HOLDINGS LTD | Common Stock | ** | \$ 512,400 |
| GARMIN LTD | Common Stock | ** | 550,248 |
| SEAGATE TECHNOLOGY HOLDINGS | Common Stock | ** | 366,660 |
| WILLIS GROUP HOLDINGS LTD | Common Stock | ** | 626,888 |
| ASM LITHOGRAPHY HOLDING N.V. | Common Stock | ** | 549,370 |
| BONY SHORT TERM INVESTMENT FUND * | STIF | ** | 177,348 |
| ABGENIX INC | Common Stock | ** | 204,344 |
| ADOBE SYSTEMS INCORPORATED | Common Stock | ** | 691,680 |
| ADVANCED FIBRE COMMUNICATIONS | Common Stock | ** | 165,230 |
| AFFILIATED COMPUTER SVCS A | Common Stock | ** | 718,872 |
| ALKERMES INC | Common Stock | ** | 275,400 |
| ALLIANT TECHSYSTEMS INC | Common Stock | ** | 1,143,648 |
| AMERICAN STANDARD COMPANIES INC | Common Stock | ** | 1,027,140 |
| AMERISOURCEBERGEN CORPORATION | Common Stock | ** | 965,780 |
| AMIS HOLDINGS INC | Common Stock | ** | 515,496 |
| AMYLIN PHARMACEUTICALS INC. | Common Stock | ** | 306,636 |
| ANDRX GROUP | Common Stock | ** | 538,496 |
| ANTHEM INC | Common Stock | ** | 1,102,500 |
| APOLLO GROUP INC CL A | Common Stock | ** | 442,000 |
| BJ SERVICES COMPANY. | Common Stock | ** | 1,292,400 |
| BARR PHARMACEUTICALS INC | Common Stock | ** | 711,788 |
| BEARINGPOINT INC | Common Stock | ** | 614,481 |
| BEST BUY CO INC | Common Stock | ** | 950,768 |
| BIOGEN IDEC, INC. | Common Stock | ** | 496,530 |
| BRUNSWICK CORPORATION | Common Stock | ** | 1,082,220 |
| CDW CORPORATION | Common Stock | ** | 802,864 |
| CABLEVISION SYSTEM CLASS A | Common Stock | ** | 668,954 |
| CADENCE DESIGN SYS INC | Common Stock | ** | 848,656 |
| CAPITALSOURCE INC | Common Stock | ** | 422,760 |
| CATALINA MARKETING CORPORATION DIRECT MARKETING | Common Stock | ** | 679,392 |
| CEPHALON, INC | Common Stock | ** | 716,468 |

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| | | | |
|------------------------------|--------------|----|-----------|
| CERIDIAN CORP NEW | Common Stock | ** | 942,300 |
| CERTEGY INC | Common Stock | ** | 1,082,400 |
| THE CHEESECAKE FACTORY | Common Stock | ** | 788,137 |
| CHOICE POINT INC. | Common Stock | ** | 1,435,993 |
| CITADEL BROADCASTING COMPANY | Common Stock | ** | 751,632 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|------------------|
| Marriott Mid Cap Growth Fund (continued) | | | |
| COOPER CAMERON CORP (RON) | Common Stock | ** | \$ 796,860 |
| COTT CORP | Common Stock | ** | 871,111 |
| COX RADIO INC | Common Stock | ** | 724,101 |
| CROWN CASTLE INTERNATIONAL CORP. | Common Stock | ** | 562,530 |
| DST SYSTEMS INCORPORATED | Common Stock | ** | 1,261,152 |
| DANAHER CORPORATION | Common Stock | ** | 954,200 |
| DAVITA INC. | Common Stock | ** | 624,000 |
| DEVON ENERGY CORPORATION | Common Stock | ** | 246,218 |
| DIAMOND OFFSHORE DRILLING, INC. | Common Stock | ** | 760,921 |
| DIEBOLD INCORPORATED | Common Stock | ** | 732,632 |
| DOLLAR TREE STORES INC | Common Stock | ** | 856,710 |
| EOG RESOURCES INC. | Common Stock | ** | 1,108,080 |
| EATON VANCE CORPORATION | Common Stock | ** | 776,768 |
| EDUCATION MANAGEMENT CORPORATION | Common Stock | ** | 633,216 |
| EDWARDS LIFESCIENCES CORPORATION | Common Stock | ** | 412,096 |
| ENTERCOM COMMUNICATIONS CORP | Common Stock | ** | 301,872 |
| EXPEDITORS INTERNATIONAL OF WASHINGTON INC | Common Stock | ** | 534,772 |
| FMC TECHNOLOGIES INC | Common Stock | ** | 717,640 |
| FAIRMONT HOTELS & RESORTS INC | Common Stock | ** | 846,768 |
| FAMILY DOLLAR STORES | Common Stock | ** | 767,832 |
| FASTENAL COMPANY | Common Stock | ** | 224,730 |
| FISERV INCORPORATED | Common Stock | ** | 857,367 |
| FRANKLIN RESOURCES INC | Common Stock | ** | 171,798 |
| GILEAD SCIENCES INC | Common Stock | ** | 988,380 |
| HARRIS CORPORATION | Common Stock | ** | 1,081,575 |
| HEALTH MANAGEMENT ASSOCIATES INC. | Common Stock | ** | 1,072,800 |
| HEWITT ASSOCIATES INC | Common Stock | ** | 902,980 |
| HUMAN GENOME SCIENCES INC | Common Stock | ** | 229,225 |
| ITT INDUSTRIES, INC. | Common Stock | ** | 1,031,519 |
| IMCLONE SYSTEMS | Common Stock | ** | 372,804 |
| INTEGRATED CIRCUIT SYSTEM | Common Stock | ** | 242,165 |
| INTERACTIVECORP | Common Stock | ** | 352,872 |
| INTERNATIONAL STEEL GROUP | Common Stock | ** | 521,930 |
| INTERSIL CORPORATION | Common Stock | ** | 924,420 |
| INTUIT, INC. | Common Stock | ** | 873,015 |
| INVITROGEN CORPORATION | Common Stock | ** | 315,000 |
| INVESTORS FINANCIAL SVCS CP | Common Stock | ** | 430,192 |
| IRON MOUNTAIN INC | Common Stock | ** | 948,960 |
| IVAX CORPORATION | Common Stock | ** | 943,260 |
| JABIL CIRCUIT INC. | Common Stock | ** | 571,660 |
| Marriott Mid Cap Growth Fund (continued) | | | |
| JET BLUE AIRWAYS CORPORATION | Common Stock | ** | \$ 433,602 |
| L-3 COMMUNICATIONS CORPORATION | Common Stock | ** | 482,784 |
| LABORATORY CORPORATION OF AMERICA HOLDINGS | Common Stock | ** | 1,064,160 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| LAMAR ADVERTISING COMPANY | Common Stock | ** | 847,164 |
| ESTEE LAUDER COMPANIES CLASS-A | Common Stock | ** | 518,232 |
| LEGG MASON INC. | Common Stock | ** | 632,876 |
| LEXMARK INTERNATIONAL, INC. | Common Stock | ** | 558,344 |
| MACROMEDIA INCORPORATED | Common Stock | ** | 563,744 |
| MANOR CARE INC. | Common Stock | ** | 1,327,488 |
| MANPOWER INCORPORATED | Common Stock | ** | 1,266,452 |
| MEDIMMUNE INC. | Common Stock | ** | 942,340 |
| MERCURY INTERACTIVE CORPORATION | Common Stock | ** | 593,408 |
| MICROCHIP TECHNOLOGY INC | Common Stock | ** | 1,107,552 |
| MILLENNIUM PHARMACEUTICALS INC | Common Stock | ** | 306,188 |
| MOLEX INC-CLASS A | Common Stock | ** | 229,008 |
| MONSTER WORLDWIDE INC | Common Stock | ** | 601,704 |
| MURPHY OIL CORPORATION | Common Stock | ** | 1,084,146 |
| NTL Inc | Common Stock | ** | 411,525 |
| NATIONWIDE FINANCIAL SERVICE A | Common Stock | ** | 436,392 |
| NETWORK ASSOCIATES INC. (NETA.O) | Common Stock | ** | 1,036,256 |
| NEUROCRINE BIOSCIENCES, INC. | Common Stock | ** | 479,952 |
| NEWMONT MINING CORP | Common Stock | ** | 1,035,393 |
| NEXTEL COMMUNICATIONS INC A | Common Stock | ** | 1,209,386 |
| MEXTEL PARTNERS INC CL A | Common Stock | ** | 442,505 |
| 99 CENTS ONLY STORES INC. (IPO) | Common Stock | ** | 206,948 |
| NOVELLUS SYSTEMS INC | Common Stock | ** | 710,645 |
| NUCOR CORPORATION | Common Stock | ** | 1,237,600 |
| OMNICARE INC. | Common Stock | ** | 2,144,709 |
| O REILLY AUTOMOTIVE INC | Common Stock | ** | 805,560 |
| OSHKOSH TRUCK CORP | Common Stock | ** | 867,510 |
| PETSMART INC | Common Stock | ** | 780,640 |
| POTASH CORPORATION | Common Stock | ** | 1,202,072 |
| PRINCIPAL FINANCIAL GROUP | Common Stock | ** | 760,610 |
| PROTECTIVE LIFE CORPORATION | Common Stock | ** | 548,208 |
| PROTEIN DESIGN LABS, INC. | Common Stock | ** | 225,540 |
| QLOGIC CORPORATION | Common Stock | ** | 350,880 |
| RADIAN GROUP INC. | Common Stock | ** | 541,125 |
| RED HAT INC | Common Stock | ** | 304,074 |
| RESEARCH IN MOTION LIMITED | Common Stock | ** | 173,758 |
| T. ROWE RESERVE INVESTMENT FUND * | Common/collective trust | ** | 2,003,722 |
| Marriott Mid Cap Growth Fund (continued) | | | |
| ROBERT HALF INTERNATIONAL INC | Common Stock | ** | \$ 987,282 |
| ROCKWELL COLLINS | Common Stock | ** | 1,279,278 |
| ROGERS COMMUNICATIONS, INC. CL B | Common Stock | ** | 570,900 |
| ROPER INDUSTRIES INCORPORATED | Common Stock | ** | 1,206,870 |
| ROSS STORES INCORPORATED | Common Stock | ** | 1,012,269 |
| SCHOLASTIC CORPORATION | Common Stock | ** | 667,184 |
| THE CHARLES SCHWAB CORPORATION | Common Stock | ** | 396,640 |
| E.W. SCRIPPS COMPANY | Common Stock | ** | 273,006 |
| SEMTECH CORPORATION | Common Stock | ** | 584,161 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| SHOPPERS DRUG MART CORP. | Common Stock | ** | 405,997 |
| SIEBEL SYSTEMS INC | Common Stock | ** | 371,716 |
| SILICON VALLEY BANCSHARES | Common Stock | ** | 183,957 |
| SMITH INTERNATIONAL, INC. | Common Stock | ** | 1,104,432 |
| STARBUCKS CORPORATION | Common Stock | ** | 654,588 |
| SUNGARD DATA SYSTEMS, INC. | Common Stock | ** | 509,864 |
| TEVA PHARMACEUTICAL INDS LTD. SPONS-ADR | Common Stock | ** | 737,230 |
| 3COM CORPORATION | Common Stock | ** | 151,962 |
| TRITON PCS HOLDINGS INC CL A | Common Stock | ** | 99,882 |
| UNIVERSAL HEALTH SERVICES INCORPORATED CLASS B | Common Stock | ** | 719,848 |
| VERISIGN INC. | Common Stock | ** | 1,039,940 |
| VERTEX PHARMACEUTICALS, INC | Common Stock | ** | 235,290 |
| VIAD CORP | Common Stock | ** | 967,500 |
| WADDELL & REED FINANCIAL CLASS A | Common Stock | ** | 1,029,894 |
| WATERS CORPORATION | Common Stock | ** | 517,296 |
| WEBMD CORPORATION | Common Stock | ** | 97,092 |
| WEIGHT WATCHERS INTERNATIONAL INC | Common Stock | ** | 410,559 |
| WELLCHOICE INC | Common Stock | ** | 193,200 |
| WELLPOINT HEALTH NETWORKS INC. | Common Stock | ** | 397,659 |
| WESTERN GAS RESOURCES INC | Common Stock | ** | 576,450 |
| WESTERN WIRELESS CORPORATION CL A | Common Stock | ** | 712,368 |
| WHOLE FOODS MARKET, INC. | Common Stock | ** | 1,215,053 |
| WILLIAMS-SONOMA INC | Common Stock | ** | 757,986 |
| XM SATELLITE RADIO HOLD CL A | Common Stock | ** | 403,308 |
| XTO ENERGY INC | Common Stock | ** | 800,890 |
| | | | 104,459,763 |
| Marriott Small Cap Equity Fund | | | |
| BONY SHORT TERM INVESTMENT FUND * | STIF | ** | \$ 4,259,940 |
| AMERICAN GREETINGS CORPORATION CL-A | Common Stock | ** | 905,418 |
| ANDREW CORPORATION | Common Stock | ** | 413,209 |
| ANIXTER INTERNATIONAL, INC | Common Stock | ** | 515,012 |
| BOB EVANS FARMS INC | Common Stock | ** | 509,622 |
| DEVRY INC. | Common Stock | ** | 228,683 |
| ENERGIZER HOLDINGS INC. | Common Stock | ** | 292,968 |
| GENERAL BINDING CORPORATION | Common Stock | ** | 219,600 |
| GREY GLOBAL GROUP INC | Common Stock | ** | 683,050 |
| HCC INSURANCE HOLDINGS INC | Common Stock | ** | 648,720 |
| HASBRO, INC. | Common Stock | ** | 593,712 |
| HORACE MANN EDUCATORS CORP. | Common Stock | ** | 454,025 |
| INTERFACE INC | Common Stock | ** | 154,840 |
| INVACARE CORPORATION. | Common Stock | ** | 666,105 |
| JANUS CAPITAL GROUP, INC. | Common Stock | ** | 626,862 |
| JONES LANG LASALLE INC. | Common Stock | ** | 493,374 |
| JOURNAL REGISTER CO | Common Stock | ** | 358,110 |
| LEE ENTERPRISES | Common Stock | ** | 873,000 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|------------------|
| LITTELFUSE INC | Common Stock | ** | 279,554 |
| MARKEL CORP | Common Stock | ** | 709,828 |
| MATTHEWS INTERNATIONAL CORPORATION CLASS A | Common Stock | ** | 331,408 |
| MILLER (HERMAN) INC | Common Stock | ** | 492,681 |
| NEIMAN MARCUS GROUP INC. CL-A | Common Stock | ** | 928,491 |
| PARK PLACE ENTERTAINMENT CORP. | Common Stock | ** | 684,456 |
| THE ROUSE COMPANY | Common Stock | ** | 672,100 |
| ROYCE TOTAL RETURN FUND FIN | Mutual Fund | ** | 58,996,558 |
| SERVICEMASTER COMPANY | Common Stock | ** | 499,785 |
| THE J. M. SMUCKER COMPANY. THE NEW COM WI | Common Stock | ** | 493,661 |
| STEELCASE INC | Common Stock | ** | 479,624 |
| SYBRON DENTAL SPECIALTIES, INC. | Common Stock | ** | 359,680 |
| VALASSIS COMMUNICATIONS INC | Common Stock | ** | 698,530 |
| WADDELL & REED FINANCIAL CLASS A | Common Stock | ** | 415,242 |
| | | | 78,937,848 |
| Marriott Large Cap Equity Fund | | | |
| VANGUARD MONEY MARKET FUND | STIF | ** | \$ 8,321,070 |
| BONY SHORT TERM INVESTMENT FUND * | STIF | ** | 4,076,883 |
| AT&T CORP | Common Stock | ** | 3,609,340 |
| AT&T WIRELESS GROUP | Common Stock | ** | 2,830,058 |
| AKZO NOBEL NV SPON ADR | Common Stock | ** | 2,826,800 |
| ALCOA INC | Common Stock | ** | 1,527,600 |
| AMERADA HESS CORPORATION | Common Stock | ** | 1,382,420 |
| AMERICAN ELECTRIC POWER CORP | Common Stock | ** | 1,338,779 |
| ARCHER-DANIELS MIDLAND COMPANY | Common Stock | ** | 1,071,762 |
| AVAYA INC | Common Stock | ** | 931,680 |
| BMC SOFTWARE INC. (BMCS.O) | Common Stock | ** | 578,150 |
| BAKER HUGHES INC | Common Stock | ** | 1,270,320 |
| BANK ONE CORPORATION | Common Stock | ** | 3,487,635 |
| BECTON DICKINSON & CO. | Common Stock | ** | 917,422 |
| BRISTOL-MYERS SQUIBB CO | Common Stock | ** | 1,401,400 |
| CIT GROUP INC | Common Stock | ** | 2,264,850 |
| CAPITAL ONE | Common Stock | ** | 2,420,955 |
| CARDINAL HEALTH INC | Common Stock | ** | 1,467,840 |
| CHEVRONTEXACO CORPORATION. | Common Stock | ** | 2,289,335 |
| CHUBB CORPORATION | Common Stock | ** | 1,280,280 |
| COMCAST CORP. CL-A | Common Stock | ** | 3,350,603 |
| COMPUTER SCIENCES CORPORATION | Common Stock | ** | 1,548,050 |
| COMPUWARE CORPORATION | Common Stock | ** | 950,696 |
| CONOCOPHILLIPS | Common Stock | ** | 2,209,709 |
| CORNING INC. | Common Stock | ** | 255,535 |
| DELPHI CORP | Common Stock | ** | 1,212,019 |
| DILLARDS INC CL-A | Common Stock | ** | 362,120 |
| R.R. DONNELLEY & SONS COMPANY | Common Stock | ** | 1,055,250 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| THE DOW CHEMICALS COMPANY | Common Stock | ** | 3,646,063 |
| DUKE ENERGY CORPORATION | Common Stock | ** | 1,584,875 |
| EASTMAN KODAK COMPANY | Common Stock | ** | 1,001,130 |
| ELECTRONIC DATA SYSTEMS CORPORATION | Common Stock | ** | 2,797,560 |
| ENGELHARD CORPORATION. | Common Stock | ** | 823,625 |
| EQUITY OFFICE PROPERTIES TRUST | Common Stock | ** | 2,206,050 |
| FEDEX CORPORATION | Common Stock | ** | 1,815,750 |
| FLUOR CORPORATION. (NEW) | Common Stock | ** | 1,109,920 |
| FORD MOTOR COMPANY | Common Stock | ** | 175,760 |
| GAP INC | Common Stock | ** | 1,176,747 |
| GENUINE PARTS COMPANY | Common Stock | ** | 1,660,000 |
| Marriott Large Cap Equity Fund (continued) | | | |
| GOLDEN WEST FINANCIAL CORPORATION | Common Stock | ** | \$ 2,476,560 |
| HCA INC | Common Stock | ** | 3,127,488 |
| HEWLETT PACKARD COMPANY | Common Stock | ** | 3,332,143 |
| HONDA MOTOR CO LTD SPONSORED ADR | Common Stock | ** | 33,750 |
| INTERNATIONAL PAPER COMPANY | Common Stock | ** | 926,865 |
| LOWES CORPORATION | Common Stock | ** | 2,002,725 |
| LUBRIZOL CORP. | Common Stock | ** | 347,964 |
| MBIA, INC. | Common Stock | ** | 230,997 |
| MASCO CORP | Common Stock | ** | 1,247,155 |
| MATSUSHITA ELECTRIC INDUSTRIAL COMPANY LTD. ADR | Common Stock | ** | 1,421,880 |
| THE MAY DEPARTMENT STORES COMPANY | Common Stock | ** | 2,529,090 |
| MCDONALDS CORP | Common Stock | ** | 2,880,280 |
| MOTOROLA INC (MOT) | Common Stock | ** | 1,575,840 |
| NCR CORPORATION | Common Stock | ** | 985,520 |
| NEWS CORP LIMITED SPONS ADR PREFERRED. | Common Stock | ** | 2,964,500 |
| NORDSTROM INCORPORATED | Common Stock | ** | 1,234,800 |
| NOVA CHEMICALS CORP | Common Stock | ** | 679,140 |
| OCCIDENTAL PETROLEUM CORPORATION | Common Stock | ** | 2,112,000 |
| PFIZER INC | Common Stock | ** | 1,346,638 |
| PITNEY BOWES INC | Common Stock | ** | 1,015,500 |
| RIO TINTO PLC | Common Stock | ** | 1,669,650 |
| ROHM & HAAS COMPANY | Common Stock | ** | 1,366,720 |
| ST PAUL TRAVELERS COS INC | Common Stock | ** | 1,804,075 |
| SCHERING PLOUGH | Common Stock | ** | 3,079,769 |
| SCOTTISH POWER PLC-ADR | Common Stock | ** | 530,010 |
| SONY CORPORATION | Common Stock | ** | 2,652,255 |
| STORAGE TECHNOLOGY CORP. | Common Stock | ** | 736,450 |
| SYNGENTA AG | Common Stock | ** | 707,700 |
| TXU CORPORATION | Common Stock | ** | 604,860 |
| THERMO ELECTRON CORPORATION | Common Stock | ** | 1,234,800 |
| TIME WARNER COS INC | Common Stock | ** | 1,800,799 |
| TORCHMARK CORPORATION | Common Stock | ** | 1,320,660 |
| UNILEVER NV NY SHARES | Common Stock | ** | 2,433,750 |
| UNION PACIFIC CORPORATION | Common Stock | ** | 1,973,232 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, | Rate of Interest, | Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|-------------------|---------------------------------------|------|------------------|
| | | | | | |
| UNOCAL CORPORATION | Common Stock | ** | | | 2,338,705 |
| UNUMPROVIDENT CORPORATION | Common Stock | ** | | | 906,775 |
| VF CORPORATION | Common Stock | ** | | | 972,900 |
| WACHOVIA CORP | Common Stock | ** | | | 1,970,757 |
| WELLPOINT HEALTH NETWORKS INC. | Common Stock | ** | | | 1,319,064 |
| Marriott Large Cap Equity Fund (continued) | | | | | |
| WELLS FARGO & COMPANY (NEW) | Common Stock | ** | | \$ | 1,383,915 |
| WHIRLPOOL CORPORATION | Common Stock | ** | | | 1,213,255 |
| WYETH | Common Stock | ** | | | 870,225 |
| XEROX CORP | Common Stock | ** | | | 3,367,200 |
| ABBOTT LABORATORIES. | Common Stock | ** | | | 1,192,960 |
| ADOBE SYSTEMS INCORPORATED | Common Stock | ** | | | 668,100 |
| ALTRIA GROUP INCORPORATED | Common Stock | ** | | | 1,240,776 |
| AMERICAN EXPRESS CO. | Common Stock | ** | | | 1,008,007 |
| AMERICAN INTERNATIONAL GROUP. | Common Stock | ** | | | 3,025,682 |
| AMERISOURCEBERGEN CORPORATION | Common Stock | ** | | | 308,825 |
| AMGEN INC | Common Stock | ** | | | 1,588,260 |
| ANALOG DEVICES INC | Common Stock | ** | | | 1,396,890 |
| APOLLO GROUP INC CL A | Common Stock | ** | | | 870,400 |
| APPLIED MATERIALS INC | Common Stock | ** | | | 628,600 |
| BJ SERVICES COMPANY. | Common Stock | ** | | | 294,380 |
| BAKER HUGHES INC | Common Stock | ** | | | 1,164,192 |
| BANK AMERICA CORP | Common Stock | ** | | | 1,439,697 |
| THE BANK OF NEW YORK COMPANY INC. * | Common Stock | ** | | | 549,792 |
| BEST BUY CO INC | Common Stock | ** | | | 749,644 |
| BIOGEN IDEC, INC. | Common Stock | ** | | | 312,630 |
| CARDINAL HEALTH INC | Common Stock | ** | | | 752,268 |
| CARNIVAL CORPORATION | Common Stock | ** | | | 1,219,711 |
| CISCO SYSTEMS INC | Common Stock | ** | | | 2,977,954 |
| CITIGROUP INC | Common Stock | ** | | | 5,409,249 |
| CLEAR CHANNEL COMMUNICATIONS, INC. | Common Stock | ** | | | 1,934,079 |
| THE COCA-COLA COMPANY | Common Stock | ** | | | 1,552,950 |
| COLGATE PALMOLIVE CO | Common Stock | ** | | | 625,625 |
| COMCAST CORPORATION SPECIAL CL-A | Common Stock | ** | | | 1,498,312 |
| DANAHER CORPORATION | Common Stock | ** | | | 2,559,825 |
| DELL INC. | Common Stock | ** | | | 1,905,156 |
| THE WALT DISNEY COMPANY. | Common Stock | ** | | | 1,000,857 |
| EBAY INC | Common Stock | ** | | | 671,736 |
| EXXON MOBIL CORPORATION | Common Stock | ** | | | 1,719,458 |
| FREDDIE MAC | Common Stock | ** | | | 2,082,024 |
| FANNIE MAE | Common Stock | ** | | | 1,688,850 |
| FNMA DN 1.06% 1/2/04 | U.S. Government Security | ** | | | 14,201,000 |
| FIRST DATA CORPORATION. | Common Stock | ** | | | 2,015,547 |
| FISERV INCORPORATED | Common Stock | ** | | | 553,140 |
| FOREST LABORATORIES, INC. | Common Stock | ** | | | 1,390,500 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| | | | |
| Marriott Large Cap Equity Fund (continued) | | | |
| FRANKLIN RESOURCES INC | Common Stock | ** | \$ 1,072,436 |
| GENETECH INC | Common Stock | ** | 645,633 |
| GENERAL DYNAMICS CORPORATION | Common Stock | ** | 551,379 |
| GENERAL ELECTRIC COMPANY | Common Stock | ** | 2,766,514 |
| GENERAL MILLS INC | Common Stock | ** | 534,540 |
| GOLDMAN SACHS GROUP INC COM | Common Stock | ** | 1,273,617 |
| HARLEY DAVIDSON INC | Common Stock | ** | 1,402,135 |
| HARTFORD FINANCIAL SERVICES GROUP INC. | Common Stock | ** | 991,704 |
| HOME DEPOT INC. | Common Stock | ** | 1,882,745 |
| INTEL CORPORATION | Common Stock | ** | 2,189,600 |
| INTERACTIVECORP | Common Stock | ** | 855,036 |
| INTERNATIONAL BUSINESS MACHINE. | Common Stock | ** | 685,832 |
| INTERNATIONAL GAME TECHNOLOGY | Common Stock | ** | 1,278,060 |
| INTUIT, INC. | Common Stock | ** | 1,354,496 |
| JOHNSON & JOHNSON | Common Stock | ** | 2,164,554 |
| KOHL S CORPORATION | Common Stock | ** | 431,424 |
| LEGG MASON INC. | Common Stock | ** | 926,160 |
| LEXMARK INTERNATIONAL, INC. | Common Stock | ** | 880,768 |
| ELI LILLY & COMPANY. | Common Stock | ** | 1,181,544 |
| MARSH & MCLENNAN COMPANIES INC | Common Stock | ** | 1,470,223 |
| MAXIM INTEGRATED PRODUCTS, INC. | Common Stock | ** | 2,275,860 |
| MEDIMMUNE INC. | Common Stock | ** | 215,900 |
| MEDTRONIC INC | Common Stock | ** | 1,487,466 |
| MELLON FINANCIAL CORPORATION. | Common Stock | ** | 1,393,574 |
| MERRILL LYNCH & CO INC | Common Stock | ** | 1,014,645 |
| MICROSOFT CORPORATION | Common Stock | ** | 4,450,464 |
| MORGAN STANLEY | Common Stock | ** | 1,313,649 |
| NEXTEL COMMUNICATIONS INC A | Common Stock | ** | 1,018,578 |
| NOKIA OYJ | Common Stock | ** | 547,400 |
| NORTHERN TRUST CORPORATION. | Common Stock | ** | 580,250 |
| OMNICOM GROUP INC. | Common Stock | ** | 611,310 |
| PAYCHEX INC | Common Stock | ** | 710,520 |
| PEPSICO INC | Common Stock | ** | 1,221,444 |
| PFIZER INC | Common Stock | ** | 4,628,230 |
| THE PROCTER & GAMBLE COMPANY | Common Stock | ** | 1,198,560 |
| QUALCOMM INC | Common Stock | ** | 803,557 |
| SLM CORP | Common Stock | ** | 1,055,040 |
| SCHLUMBERGER LIMITED | Common Stock | ** | 1,674,432 |
| THE CHARLES SCHWAB CORPORATION | Common Stock | ** | 269,952 |
| E.W. SCRIPPS COMPANY | Common Stock | ** | 658,980 |
| Marriott Large Cap Equity Fund (continued) | | | |
| SMITH INTERNATIONAL, INC. | Common Stock | ** | \$ 701,688 |
| STATE STREET CORPORATION | Common Stock | ** | 1,885,296 |
| STRYKER CORPORATION | Common Stock | ** | 170,020 |
| SYMANTEC CORPORATION | Common Stock | ** | 627,165 |
| TARGET CORPORATION | Common Stock | ** | 1,505,280 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| | | | |
| TEXAS INSTRUMENTS INCORPORATED | Common Stock | ** | 1,066,494 |
| 3M CO | Common Stock | ** | 671,737 |
| TIME WARNER COS INC | Common Stock | ** | 1,154,059 |
| TRAVELERS PROPERTY CASUALTY A | Common Stock | ** | 811,196 |
| TYCO INTERNATIONAL INC. | Common Stock | ** | 2,141,200 |
| US BANCORP | Common Stock | ** | 988,696 |
| UNITED PARCEL SERVICE B | Common Stock | ** | 1,095,885 |
| UNITEDHEALTH GROUP INCORPORATED. | Common Stock | ** | 3,572,252 |
| VERITAS SOFTWARE CORPORATION | Common Stock | ** | 628,004 |
| VIACOM INC B | Common Stock | ** | 2,739,489 |
| VODAFONE GROUP PLC. SPONS-ADR | Common Stock | ** | 2,376,296 |
| WAL-MART STORES INC. | Common Stock | ** | 1,893,885 |
| WALGREEN COMPANY | Common Stock | ** | 436,560 |
| WASTE MANAGEMENT INC | Common Stock | ** | 660,080 |
| WELLPOINT HEALTH NETWORKS INC. | Common Stock | ** | 1,833,111 |
| WELLS FARGO & COMPANY (NEW) | Common Stock | ** | 1,507,584 |
| WYETH | Common Stock | ** | 1,787,145 |
| XILINX INC | Common Stock | ** | 1,080,846 |
| | | | 288,163,657 |

Marriott Balanced Fund

| | | | |
|---|--------------------------|----|--------------|
| VANGUARD MONEY MARKET | STIF | ** | 5,343,064 |
| BONY SHORT TERM INVESTMENT FUND * | STIF | ** | 3,604,010 |
| TIME WARNER 7.625% 4/15/31 | Corporate Bond | ** | 1,124,924 |
| AT&T CORP 8.05% 11/15/11 | Corporate Bond | ** | 892,010 |
| AT&T CORP 8.50% 11/15/31 SERIES 144A | Corporate Bond | ** | 1,046,898 |
| AMERADA HESS CORP 7.875% 10/01/29 | Corporate Bond | ** | 219,436 |
| AMERADA HESS 6.65% 8/15/11 | Corporate Bond | ** | 216,750 |
| AMER HOME PRODC 6.7 3/15/2011 | Corporate Bond | ** | 790,557 |
| ARKANSAS STATE DEV 9.75% 11/15/2014 | Corporate Bond | ** | 683,205 |
| BANK ONE CORP 6.50% 02/01/06 | Corporate Bond | ** | 597,017 |
| BANK ONE CAP III 8.75 9/1/2030 | Corporate Bond | ** | 522,428 |
| BOSTON PROPRTIE 6.25% 1/15/2013 | Corporate Bond | ** | 321,402 |
| BOSTON PROPRTIE 5.625% 4/15/2015 | Corporate Bond | ** | 349,773 |
| Marriott Balanced Fund (continued) | | | |
| BURLINGTON/SANTA 7.57 1/2/2021 | Corporate Bond | ** | \$ 1,451,592 |
| CIGNA CORP 7.4 5/15/2007 | Corporate Bond | ** | 554,942 |
| CIGNA CORP 8.3 1/15/2033 | Corporate Bond | ** | 588,623 |
| CIT GROUP INC 5.75 9/25/2007 | Corporate Bond | ** | 350,674 |
| CITICORP CAP I 7.933 2/15/2027 | Corporate Bond | ** | 396,641 |
| COMCAST CORP. 5.30% 1/15/2014 | Corporate Bond | ** | 747,509 |
| CONSOL RAIL CORP 6.76 5/25/2015 | Corporate Bond | ** | 497,298 |
| CONSOL RAIL CORP 7.875 5/15/2043 | Corporate Bond | ** | 24,113 |
| EOP OPERATING LP 6.763 6/15/2007 | Corporate Bond | ** | 1,059,283 |
| FG E57920 6.5 11/1/2008 | U.S. Government Security | ** | 88,521 |
| FG G10653 6 10/1/2009 | U.S. Government Security | ** | 343,639 |
| FG G11184 5.5 9/1/2016 | U.S. Government Security | ** | 2,423,566 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| FG G11367 6 2/1/2018 | U.S. Government Security | ** | 833,225 |
| FHLMC 6% 5/1/17 | U.S. Government Security | ** | 1,412,119 |
| FHLMC GOLD 6.00% 12/01/18 POOL # G11509 | U.S. Government Security | ** | 1,731,477 |
| FHR 1524 J 6.5 5/15/2008 | U.S. Government Security | ** | 1,586,175 |
| FG E00238 6.5 9/1/2008 | U.S. Government Security | ** | 106,979 |
| FHR 1601 PJ 6 10/15/2008 | U.S. Government Security | ** | 795,533 |
| FH 182224 8.5 3/1/2009 | U.S. Government Security | ** | 148,359 |
| FNGT 2001-T1 A1 7.5 10/25/2040 | U.S. Government Security | ** | 495,174 |
| FNS F 1 6.5 5/1/2009 | U.S. Government Security | ** | 343,279 |
| FN 151963 7.5 5/1/2007 | U.S. Government Security | ** | 75,346 |
| FN 303786 7.5 2/1/2011 | U.S. Government Security | ** | 202,279 |
| FN 313709 6.9 6/1/2007 | U.S. Government Security | ** | 910,535 |
| FN 323387 6.5 11/1/2013 | U.S. Government Security | ** | 997,950 |
| FN 323623 6 3/1/2014 | U.S. Government Security | ** | 398,702 |
| FN 483669 6 1/1/2009 | U.S. Government Security | ** | 481,753 |
| FN 490682 7.5 6/1/2012 | U.S. Government Security | ** | 30,244 |
| FN 545059 6.228% 5/1/2011 | U.S. Government Security | ** | 485,948 |
| FN 545209 6.13% 10/1/2011 | U.S. Government Security | ** | 484,060 |
| FN 545962 5.5 12/1/2013 | U.S. Government Security | ** | 885,080 |
| FNMA 5.5% 8/1/15 POOL # 555382 | U.S. Government Security | ** | 1,079,290 |
| FNMA POOL # 555803 6.50% 01/01/22 | U.S. Government Security | ** | 2,583,156 |
| FN 571869 6 2/1/2013 | U.S. Government Security | ** | 1,145,226 |
| FNR 2001-50 BA 7 10/25/2041 | U.S. Government Security | ** | 1,273,524 |
| FNR 2002-33 A1 7 6/25/2032 | U.S. Government Security | ** | 740,022 |
| FNGT 2002-T12 A3 7.5 5/25/2042 | U.S. Government Security | ** | 1,690,242 |
| FNW 2001-W3 A 7.00% 09/25/41 | U.S. Government Security | ** | 997,033 |
| FORD MOTOR CREDIT CO 7.875% 06/15/2010 | Corporate Bond | ** | 122,322 |
| FORD MOTOR CRED 7.25 10/25/2011 | Corporate Bond | ** | 1,464,161 |
| Marriott Balanced Fund (continued) | | | |
| GN 780619 7 8/15/2012 | U.S. Government Security | ** | \$ 1,303,816 |
| GMAC 8.875 6/1/2010 | Corporate Bond | ** | 1,580,051 |
| GM ACCEPTANCE CORP 6.75% 01/15/06 | Corporate Bond | ** | 64,413 |
| GMAC 7.255 03/02/11 | Corporate Bond | ** | 10,971 |
| HCA-THE HEALTHCR 8.75 9/1/2010 | Corporate Bond | ** | 833,515 |
| HCA INC 6.75% 7/15/2013 | Corporate Bond | ** | 424,200 |
| HEALTH NET INC 8.375 4/15/2011 | Corporate Bond | ** | 841,100 |
| HEWLETT-PACK CO 5.5 7/1/2007 | Corporate Bond | ** | 594,441 |
| MAY DEPT STORES 7.6 6/1/2025 | Corporate Bond | ** | 745,640 |
| MAY DEPT STORES 7.625 8/15/2013 | Corporate Bond | ** | 871,693 |
| NORDSTROM INC 5.625 1/15/2009 | Corporate Bond | ** | 745,497 |
| PG&E NATIONAL ENERGY 10.375% 5/16/2011 | Corporate Bond | ** | 490,000 |
| RAYCHEM CORP 10/15/2008 | Corporate Bond | ** | 1,127,500 |
| RAYTHEON CO 6.75% 08/15/07 | Corporate Bond | ** | 830,945 |
| REP NY CORP 9.5 4/15/2014 | Corporate Bond | ** | 359,225 |
| SAFECO CORPORATION 4.875% 02/01/2010 | Corporate Bond | ** | 515,481 |
| ST. PAUL COMPANIES 5.75% 03/15/07 | Corporate Bond | ** | 810,246 |
| SCHERING-PLOUGH 5.3% 12/1/2013 | Corporate Bond | ** | 203,490 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| SMALL BUS ADMIN 7.2 6/1/2017 | Corporate Bond | ** | 503,781 |
| SMALL BUS ADMIN 6.8 8/1/2017 | Corporate Bond | ** | 175,411 |
| SMALL BUS ADMIN 6.9 9/1/2017 | Corporate Bond | ** | 409,120 |
| SMALL BUS ADMIN 6.3 5/1/2018 | Corporate Bond | ** | 325,952 |
| SBAP 2003-20D 4.76% 04/01/2022 | Corporate Bond | ** | 731,255 |
| TIME WARNER ENT 8.375 7/15/2033 | Corporate Bond | ** | 730,130 |
| UNION PACIFIC RR 6.061 1/17/2023 | Corporate Bond | ** | 816,188 |
| UNION PACIFIC RR 6.33 1/2/2020 | Corporate Bond | ** | 846,682 |
| VENDE 1995-1 2 7.7925 2/15/2025 | Corporate Bond | ** | 228,483 |
| TSY INFL IX N/B 3.50% 01/15/11 | U.S. Government Security | ** | 698,796 |
| U.S. T-NOTE 04/30/04 | U.S. Government Security | ** | 4,510,312 |
| US TREASURY 2% 11/30/2004 | U.S. Government Security | ** | 1,813,212 |
| US TREASURY N/B 3.125 10/15/2008 | U.S. Government Security | ** | 174,665 |
| US TREASURY N/B 3.375 11/15/2008 | U.S. Government Security | ** | 453,569 |
| UNUMPROVIDENT 7.625 3/1/2011 | Corporate Bond | ** | 275,408 |
| UNUMPROVIDENT CORP 7.375% 6/15/32 | Corporate Bond | ** | 353,862 |
| WYETH 5.5% 2/1/2014 | Corporate Bond | ** | 328,710 |
| AMERICAN INTERNATIONAL GROUP. | Common Stock | ** | 2,125,931 |
| AMGEN INC | Common Stock | ** | 1,903,440 |
| BED BATH & BEYOND INC | Common Stock | ** | 932,025 |
| CATERPILLAR INC. | Common Stock | ** | 1,203,790 |
| Marriott Balanced Fund (continued) | | | |
| CISCO SYSTEMS INC | Common Stock | ** | \$ 553,812 |
| CITIGROUP INC | Common Stock | ** | 1,653,564 |
| THE COCA-COLA COMPANY | Common Stock | ** | 2,187,325 |
| COLGATE PALMOLIVE CO | Common Stock | ** | 1,271,270 |
| THE WALT DISNEY COMPANY. | Common Stock | ** | 1,159,501 |
| EBAY INC | Common Stock | ** | 755,703 |
| ELECTRONIC ARTS INC | Common Stock | ** | 1,371,286 |
| GANNET COMPANY INC | Common Stock | ** | 1,997,184 |
| GENETECH INC | Common Stock | ** | 916,986 |
| GENERAL ELECTRIC COMPANY | Common Stock | ** | 539,052 |
| GILLETTE COMPANY. | Common Stock | ** | 2,159,724 |
| INTEL CORPORATION | Common Stock | ** | 544,180 |
| JOHNSON & JOHNSON | Common Stock | ** | 1,549,800 |
| KOHL S CORPORATION | Common Stock | ** | 1,707,720 |
| ELI LILLY & COMPANY. | Common Stock | ** | 1,498,029 |
| LOWE S COMPANIES INC | Common Stock | ** | 476,354 |
| MARSH & MCLENNAN COMPANIES INC | Common Stock | ** | 1,302,608 |
| MASCO CORP | Common Stock | ** | 964,832 |
| MEDTRONIC INC | Common Stock | ** | 2,299,253 |
| OMNICOM GROUP INC. | Common Stock | ** | 1,257,552 |
| ORACLE CORPORATION | Common Stock | ** | 2,185,920 |
| PAYCHEX INC | Common Stock | ** | 937,440 |
| PEPSICO INC | Common Stock | ** | 1,948,716 |
| PFIZER INC | Common Stock | ** | 2,731,009 |
| THE PROCTER & GAMBLE COMPANY | Common Stock | ** | 2,467,036 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| QUALCOMM INC | Common Stock | ** | 2,491,566 |
| SCHLUMBERGER LIMITED | Common Stock | ** | 2,227,104 |
| 3M CO | Common Stock | ** | 1,819,642 |
| UNITED PARCEL SERVICE-B ACE LTD. | Common Stock | ** | 2,258,865 |
| AXIS CAPITAL HOLDINGS LTD | Common Stock | ** | 931,950 |
| NABORS INDUSTRIES LTD. | Common Stock | ** | 114,192 |
| NOBLE CORPORATION | Common Stock | ** | 415,000 |
| WEATHERFORD INTL LTD | Common Stock | ** | 279,084 |
| ALCON INC. | Common Stock | ** | 198,000 |
| ROYAL CARIBBEAN CRUISES LTD | Common Stock | ** | 332,970 |
| ALCOA INC | Common Stock | ** | 90,454 |
| ALLSTATE CORPORATION | Common Stock | ** | 228,000 |
| ALTRIA GROUP INCORPORATED | Common Stock | ** | 645,300 |
| Marriott Balanced Fund (continued) | | | |
| AMERICAN INTERNATIONAL GROUP. | Common Stock | ** | \$ 2,154,100 |
| AMERICAN STANDARD COMPANIES INC | Common Stock | ** | 503,500 |
| ANHEUSER-BUSCH COMPANIES INC | Common Stock | ** | 790,200 |
| ANTHEM INC | Common Stock | ** | 937,500 |
| APPLERA CORP-APPLIED BIOSYS | Common Stock | ** | 306,508 |
| AVON PRODUCTS INC. | Common Stock | ** | 776,135 |
| BP PLC ADR | Common Stock | ** | 863,625 |
| BAKER HUGHES INC | Common Stock | ** | 331,248 |
| BANK AMERICA CORP | Common Stock | ** | 1,809,675 |
| BANK ONE CORPORATION | Common Stock | ** | 1,891,985 |
| BELLSOUTH CORPORATION | Common Stock | ** | 424,500 |
| BURLINGTON NORTHERN SANTA FE CORP. | Common Stock | ** | 1,132,250 |
| CARNIVAL CORPORATION | Common Stock | ** | 297,975 |
| CEPHALON, INC | Common Stock | ** | 96,820 |
| CITIGROUP INC | Common Stock | ** | 2,427,000 |
| CLEAR CHANNEL COMMUNICATIONS, INC. | Common Stock | ** | 538,545 |
| COLGATE PALMOLIVE CO | Common Stock | ** | 750,750 |
| COMCAST CORP. CL-A | Common Stock | ** | 1,068,275 |
| COMCAST CORPORATION SPECIAL CL-A | Common Stock | ** | 469,200 |
| COMMERCE BANCORP INC/NJ | Common Stock | ** | 131,700 |
| CONOCOPHILLIPS | Common Stock | ** | 1,475,325 |
| DEAN FOODS COMPANY | Common Stock | ** | 378,005 |
| DEVON ENERGY CORPORATION | Common Stock | ** | 229,040 |
| EDISON INTERNATIONAL | Common Stock | ** | 57,018 |
| ENTERGY CORPORATION | Common Stock | ** | 399,910 |
| EXELON CORPORATION | Common Stock | ** | 265,440 |
| EXXON MOBIL CORPORATION | Common Stock | ** | 492,000 |
| FANNIE MAE | Common Stock | ** | 938,250 |
| FIRST DATA CORPORATION. | Common Stock | ** | 924,525 |
| FISERV INCORPORATED | Common Stock | ** | 395,100 |
| HCA INC | Common Stock | ** | 966,600 |
| HARLEY DAVIDSON INC | Common Stock | ** | 784,245 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| HEALTH MANAGEMENT ASSOCIATES INC. | Common Stock | ** | 388,800 |
| HEWLETT PACKARD COMPANY | Common Stock | ** | 401,975 |
| HOME DEPOT INC. | Common Stock | ** | 514,605 |
| JP MORGAN CHASE & CO. | Common Stock | ** | 1,928,325 |
| JOHNSON & JOHNSON | Common Stock | ** | 464,940 |
| JOHNSON CONTROLS, INC. | Common Stock | ** | 522,540 |
| JUNIPER NETWORKS INC | Common Stock | ** | 186,800 |
| KERR-MCGEE CORPORATION | Common Stock | ** | 929,800 |
| Marriott Balanced Fund (continued) | | | |
| LOWES CORP-CAROLINA GROUP. | Common Stock | ** | \$ 504,800 |
| MBNA CORPORATION | Common Stock | ** | 956,725 |
| MEDIMMUNE INC. | Common Stock | ** | 419,100 |
| MERRILL LYNCH & CO INC | Common Stock | ** | 381,225 |
| MET LIFE INC | Common Stock | ** | 454,545 |
| MICROSOFT CORPORATION | Common Stock | ** | 1,032,750 |
| MOHAWK INDUSTRIES INCORPORATED | Common Stock | ** | 141,080 |
| MORGAN STANLEY | Common Stock | ** | 827,541 |
| NOBLE ENERGY INC. | Common Stock | ** | 222,150 |
| NORTHROP GRUMMAN CORPORATION | Common Stock | ** | 382,400 |
| OCCIDENTAL PETROLEUM CORPORATION | Common Stock | ** | 422,400 |
| PPL CORPORATION | Common Stock | ** | 437,500 |
| PFIZER INC | Common Stock | ** | 1,589,850 |
| THE PROCTER & GAMBLE COMPANY | Common Stock | ** | 799,040 |
| SBC COMMUNICATIONS | Common Stock | ** | 456,225 |
| SPRINT CORP (FON GROUP) | Common Stock | ** | 492,600 |
| TENET HEALTHCARE CORPORATION | Common Stock | ** | 401,250 |
| TIME WARNER COS INC | Common Stock | ** | 539,700 |
| UNION PACIFIC CORPORATION | Common Stock | ** | 1,910,700 |
| UNITED TECHNOLOGIES CORPORATION | Common Stock | ** | 426,465 |
| VERIZON COMMUNICATIONS | Common Stock | ** | 877,000 |
| VIACOM INC B | Common Stock | ** | 1,730,820 |
| WELLPOINT HEALTH NETWORKS INC. | Common Stock | ** | 1,212,375 |
| WESTWOOD ONE INCORPORATED | Common Stock | ** | 530,255 |
| WYETH | Common Stock | ** | 1,018,800 |
| | | | 177,834,477 |
| Marriott Bond Fund | | | |
| BONY SHORT TERM INVESTMENT FUND * | STIF | ** | 3,378,846 |
| TIME WARNER 7.625% 4/15/31 | Corporate Bond | ** | 1,846,029 |
| AT&T CORP 8.05% 11/15/11 | Corporate Bond | ** | 1,150,980 |
| AT&T CORP 8.50% 11/15/31 SERIES 144A | Corporate Bond | ** | 1,581,979 |
| ALLSTATE CORP 7.875 5/1/2005 | Corporate Bond | ** | 431,528 |
| AMERADA HESS CORP 7.875% 10/01/29 | Corporate Bond | ** | 301,724 |
| AMERADA HESS 6.65% 8/15/11 | Corporate Bond | ** | 298,031 |
| AMER HOME PRODCT 6.50 3/15/2006 | Corporate Bond | ** | 808,997 |
| ARKANSAS STATE DEV 9.75% 11/15/2014 | Corporate Bond | ** | 496,876 |
| BANK ONE 7.625% 8/1/05 | Corporate Bond | ** | 435,584 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| BANK ONE CAP III 8.75 9/1/2030 | Corporate Bond | ** | 914,249 |
| Marriott Bond Fund (continued) | | | |
| BOSTON PROPRTIE 6.25% 1/15/2013 | Corporate Bond | ** | \$ 535,670 |
| BOSTON PROPRTIE 5.625% 4/15/2015 | Corporate Bond | ** | 499,675 |
| BURLINGTON/SANTA 7.57 1/2/2021 | Corporate Bond | ** | 1,036,852 |
| BURLINGTON/SANTA 6.727 7/15/2022 | Corporate Bond | ** | 445,683 |
| CIGNA CORP 7.4 5/15/2007 | Corporate Bond | ** | 554,942 |
| CIGNA CORP 8.3 1/15/2033 | Corporate Bond | ** | 588,623 |
| CIT GROUP INC 5.75 9/25/2007 | Corporate Bond | ** | 458,573 |
| CIPGE 97-1 6.42% 9/25/08 | Corporate Bond | ** | 452,953 |
| CISCE 1997-1 A6 6.38 9/25/2008 | Corporate Bond | ** | 532,255 |
| CITICORP CAP I 7.933 2/15/2027 | Corporate Bond | ** | 396,641 |
| COMCAST CORP. 5.30% 1/15/2014 | Corporate Bond | ** | 921,928 |
| CONSOL RAIL CORP 6.76 5/25/2015 | Corporate Bond | ** | 465,214 |
| CONSOL RAIL CORP 7.875 5/15/2043 | Corporate Bond | ** | 36,170 |
| EOP OPERATING LP 6.763 6/15/2007 | Corporate Bond | ** | 1,103,420 |
| FG G10653 6 10/1/2009 | U.S. Government Security | ** | 245,303 |
| FG G10848 6 6/1/2011 | U.S. Government Security | ** | 1,054,083 |
| FG G11157 8 3/1/2008 | U.S. Government Security | ** | 299,620 |
| FGCI 6% POOL # G11287 08/01/2017 | U.S. Government Security | ** | 1,983,791 |
| FHLMC 6% 5/1/17 | U.S. Government Security | ** | 1,589,440 |
| FHLMC GOLD 6.00% 12/01/18 POOL # G11509 | U.S. Government Security | ** | 2,885,795 |
| FHR 1524 J 6.5 5/15/2008 | U.S. Government Security | ** | 1,374,685 |
| FG E00633 5.5% 3/1/14 | U.S. Government Security | ** | 2,959,412 |
| FH 140357 7.75 12/1/2007 | U.S. Government Security | ** | 35,636 |
| FH 182224 8.5 3/1/2009 | U.S. Government Security | ** | 72,843 |
| FNGT 2001-T1 A1 7.5 10/25/2040 | U.S. Government Security | ** | 371,380 |
| FNR 1993-211 PJ 6 11/25/2008 | U.S. Government Security | ** | 1,056,670 |
| FN 9454 6.75 8/1/2008 | U.S. Government Security | ** | 81,278 |
| FN 57843 8 6/1/2008 | U.S. Government Security | ** | 96,032 |
| FN 313672 7.007 6/1/2007 | U.S. Government Security | ** | 446,833 |
| FN 323165 6 6/1/2013 | U.S. Government Security | ** | 218,438 |
| FN 323492 6.041 1/1/2009 | U.S. Government Security | ** | 1,689,571 |
| FN 323623 6 3/1/2014 | U.S. Government Security | ** | 1,092,828 |
| FN 331197 8 6/1/2008 | U.S. Government Security | ** | 129,322 |
| FN 341417 6 5/1/2011 | U.S. Government Security | ** | 866,937 |
| FN 362446 7 12/1/2007 | U.S. Government Security | ** | 99,048 |
| FN 545058 6.5 8/1/2011 | U.S. Government Security | ** | 274,917 |
| FN 545387 5.863% 1/1/2012 | U.S. Government Security | ** | 612,447 |
| FN 545927 6.5 12/1/2015 | U.S. Government Security | ** | 1,236,921 |
| FN 545961 5.5 2/1/2014 | U.S. Government Security | ** | 985,172 |
| FN 585013 6.5 6/1/2014 | U.S. Government Security | ** | 496,567 |
| Marriott Bond Fund (continued) | | | |
| FNR 2001-50 BA 7 10/25/2041 | U.S. Government Security | ** | \$ 1,215,637 |
| FNR 2002-3 OD 6 12/25/2014 | U.S. Government Security | ** | 3,158,167 |
| FNW 2002-W6 2A1 7 6/25/2042 | U.S. Government Security | ** | 1,825,328 |
| FNR 2002-90 A1 6.5 6/25/2042 | U.S. Government Security | ** | 1,643,356 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| FSPC T-48 1A 7.19371 7/25/2033 | U.S. Government Security | ** | 766,358 |
| FHR 2479 TD 5.5 11/15/2015 | U.S. Government Security | ** | 1,562,805 |
| FSPC T-54 3A 7 2/25/2043 | U.S. Government Security | ** | 1,965,927 |
| FIRST NATIONWIDE 10 10/1/2006 | Corporate Bond | ** | 235,022 |
| FORD MOTOR CREDIT CORP 5.8% 01/12/09 | Corporate Bond | ** | 1,283,438 |
| FORD MOTOR CRED 7.25 10/25/2011 | Corporate Bond | ** | 813,423 |
| GN 780619 7 8/15/2012 | U.S. Government Security | ** | 1,294,834 |
| GN 780836 8.25 4/15/2020 | U.S. Government Security | ** | 157,431 |
| GE COMPANY 5.00% 02/01/13 | Corporate Bond | ** | 556,234 |
| GMAC 8.875 6/1/2010 | Corporate Bond | ** | 1,931,173 |
| GMAC 7.75% 01/19/10 | Corporate Bond | ** | 510,101 |
| GMAC 7.255 03/02/11 | Corporate Bond | ** | 10,971 |
| HCA-THE HEALTHCR 8.75 9/1/2010 | Corporate Bond | ** | 1,339,577 |
| HCA INC 6.75% 7/15/2013 | Corporate Bond | ** | 636,299 |
| HEALTH NET INC 8.375 4/15/2011 | Corporate Bond | ** | 1,021,335 |
| HEWLETT-PACK CO 5.5 7/1/2007 | Corporate Bond | ** | 864,641 |
| MAY DEPT STORES 7.6 6/1/2025 | Corporate Bond | ** | 860,354 |
| MAY DEPT STORES 8 7/15/2012 | Corporate Bond | ** | 1,203,890 |
| NORDSTROM INC 5.625 1/15/2009 | Corporate Bond | ** | 745,497 |
| PG&E NATIONAL ENERGY 10.375% 5/16/2011 | Corporate Bond | ** | 490,000 |
| RAYCHEM CORP 10/15/2008 | Corporate Bond | ** | 1,127,500 |
| RAYTHEON CO 6.75% 08/15/07 | Corporate Bond | ** | 1,218,720 |
| REP NY CORP 9.5 4/15/2014 | Corporate Bond | ** | 261,255 |
| REP NY CORP 9.3 6/1/2021 | Corporate Bond | ** | 659,473 |
| SAFECO CORPORATION 4.875% 02/01/2010 | Corporate Bond | ** | 721,673 |
| ST PAUL COS 8.125 4/15/2010 | Corporate Bond | ** | 478,372 |
| ST. PAUL COMPANIES 5.75% 03/15/07 | Corporate Bond | ** | 378,115 |
| SCHERING-PLOUGH 5.3% 12/1/2013 | Corporate Bond | ** | 279,798 |
| SMALL BUS ADMIN 7.15 1/1/2017 | Corporate Bond | ** | 1,075,856 |
| SMALL BUS ADMIN 7.3 5/1/2017 | Corporate Bond | ** | 207,262 |
| SMALL BUS ADMIN 7.2 6/1/2017 | Corporate Bond | ** | 451,188 |
| SMALL BUS ADMIN 6.3 5/1/2018 | Corporate Bond | ** | 130,381 |
| SMALL BUS ADMIN 5.875 11/1/2018 | Corporate Bond | ** | 181,619 |
| SBAP 2003-20D 4.76% 04/01/2022 | Corporate Bond | ** | 1,072,507 |
| TIME WARNER ENT 8.375 7/15/2033 | Corporate Bond | ** | 895,203 |
| UNION PACIFIC RR 6.061 1/17/2023 | Corporate Bond | ** | 1,088,250 |
| Marriott Bond Fund (continued) | | | |
| UNION PACIFIC CO 6.85 1/2/2019 | Corporate Bond | ** | \$ 491,186 |
| U.S. TREASURY NOTE 7.50% 02/15/05 | U.S. Government Security | ** | 320,707 |
| U.S. TREASURY NOTE 6.50% 10/15/06 | U.S. Government Security | ** | 2,896,054 |
| TSY INFL IX N/B 3.50% 01/15/11 | U.S. Government Security | ** | 1,045,208 |
| US T-NOTE 4.625% 05/15/06 | U.S. Government Security | ** | 5,829,142 |
| US TREASURY NOTE 3.25% 5/31/04 | U.S. Government Security | ** | 2,220,196 |
| US TREASURY N/B 3.125 10/15/2008 | U.S. Government Security | ** | 299,426 |
| US TREASURY N/B 3.375 11/15/2008 | U.S. Government Security | ** | 282,220 |
| UNUMPROVIDENT 7.625 3/1/2011 | Corporate Bond | ** | 330,489 |
| UNUMPROVIDENT CORP 7.375% 6/15/32 | Corporate Bond | ** | 606,620 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|-------------------------|
| WYETH 5.5% 2/1/2014 | Corporate Bond | ** | 657,420 |
| | | | <u>93,226,029</u> |
| Marriott Company Stock Fund | | | |
| Vanguard Money Market | STIF | ** | 2,763,889 |
| Marriott International, Inc. Common Stock * | Common Stock | ** | 328,882,600 |
| | | | <u>331,646,489</u> |
| Stable Value Fund | | | |
| Vanguard Money Market | STIF | ** | 7,598,916 |
| BONY Short Term Investment Fund * | STIF | ** | 14,229,400 |
| | | | <u>21,828,316</u> |
| Fidelity Contrafund | | | |
| Fidelity Investments | Mutual Fund | ** | 82,209,723 |
| | | | <u>82,209,723</u> |
| Morgan Stanley Equity Growth Fund | | | |
| Morgan Stanley | Mutual Fund | ** | 73,610,807 |
| | | | <u>73,610,807</u> |
| State Street S&P 500 Index Fund | | | |
| State Street Global Advisors | Common/Collective Trust | ** | 59,508,582 |
| | | | <u>59,508,582</u> |
| Dodge & Cox Stock Fund | | | |
| Dodge & Cox | Mutual Fund | ** | 81,585,931 |
| | | | <u>81,585,931</u> |
| Morgan Stanley International Equity Fund | | | |
| Morgan Stanley | Mutual Fund | ** | \$ 52,233,024 |
| | | | <u>52,233,024</u> |
| Interest Bearing Cash | | | |
| Interest Bearing Cash | Interest Bearing Cash | ** | 3,572 |
| | | | <u>3,572</u> |
| Participant Loans | | | |
| Participant Loans * | Interest rates range from 5.00% to 5.25%; varying maturities | ** | 40,821,794 |
| | | | <u>40,821,794</u> |
| Investments stated at fair value | | | <u>\$ 1,486,070,012</u> |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|------------------|
| Stable Value Fund | | | |
| <i>Synthetic General Investment Contracts:</i> | | | |
| Bank of America: | | | |
| INVESCO Multi-Manager Intermediate G/C Fund | 103-12 Investment Entities | ** | \$ 43,880,148 |
| Wrapper Contract | GIC Wrapper | ** | (1,950,693) |
| CDC Financial: | | | |
| AAA Asset-Backed Security | 103-12 Investment Entities | ** | 27,639,320 |
| Wrapper Contract | GIC Wrapper | ** | (757,634) |
| John Hancock Life: | | | |
| Hanc SA SFA | Insurance Co. Pooled Sep. | ** | 11,284,735 |
| Wrapper Contract | GIC Wrapper | ** | (682,950) |
| JP Morgan Chase: | | | |
| STIF | STIF | ** | 57,806 |
| UAC 01-A A4 | AB-SubPrimeAuto | ** | 2,502,024 |
| USTN 1.5 02-05 | US Treasury Note | ** | 2,014,513 |
| USTN 4.375 05-04 | US Treasury Note | ** | 4,258,844 |
| USTN 875 11-04 | US Treasury Note | ** | 1,047,586 |
| Wrapper Contract | GIC Wrapper | ** | (729,969) |
| Stable Value Fund (continued) | | | |
| <i>Synthetic General Investment Contracts (continued):</i> | | | |
| Monumental: | | | |
| INVESCO Short-Term Bond | 103-12 Investment Entities | ** | \$ 20,351,515 |
| Wrapper Contract | GIC Wrapper | ** | (279,954) |
| Rabobank Nederland: | | | |
| INVESCO Multi-Manager Intermediate G/C Fund | 103-12 Investment Entities | ** | 43,880,746 |
| Wrapper Contract | GIC Wrapper | ** | (1,949,895) |
| State Street Bank: | | | |
| INVESCO Short-Term Bond | 103-12 Investment Entities | ** | 27,407,976 |
| Wrapper Contract | GIC Wrapper | ** | (1,011,382) |
| UBS AG: | | | |
| INVESCO Multi-Manager Core | 103-12 Investment Entities | ** | 36,658,278 |
| Wrapper Contract | GIC Wrapper | ** | (1,201,689) |
| Bank of America: | | | |
| Monumental Life: | | | |
| State Street Bank & Trust Co.: | | | |
| UBS AG: | | | |
| BONY SHORT TERM INVESTMENT FUND * | STIF | ** | 4,412,487 |
| INTEREST-BEARING CASH | Interest-Bearing Cash | ** | 14,501 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|------------------|
| ABN-AMRO BK NV (CHICAGO) | Corporate Bond | ** | 64,792 |
| ABN AMRO BK N V CHICAGO | Corporate Bond | ** | 915,847 |
| AESOP 2003-5A A1 144A | Corporate Bond | ** | 599,010 |
| ABBOTT LABORATORIES | Corporate Bond | ** | 828,154 |
| ACE LIMITED | Corporate Bond | ** | 546,960 |
| ALLSTATE CORP | Corporate Bond | ** | 545,738 |
| ALLSTATE CORP | Corporate Bond | ** | 807,502 |
| ALLTEL CORP | Corporate Bond | ** | 515,643 |
| AMERICAN EXPRESS | Corporate Bond | ** | 510,505 |
| AMXCA 2003-4 A | Corporate Bond | ** | 2,777,374 |
| AMERICAN GENERAL CORP NTS | Corporate Bond | ** | 534,675 |
| AMERICAN HONDA FINANCE 144A | Corporate Bond | ** | 609,707 |
| ANHEUSER-BUSCH COS INC | Corporate Bond | ** | 552,441 |
| ARISTAR INC | Corporate Bond | ** | 154,078 |
| ARISTAR INC SR NT | Corporate Bond | ** | 248,574 |
| BP CANADA FINANCE BV | Corporate Bond | ** | 858,822 |
| BMWOT 2003-A A4 | Corporate Bond | ** | 1,298,884 |
| BALT GAS & ELEC | Corporate Bond | ** | 255,375 |
| Bank of America: | | | |
| Monumental Life: | | | |
| State Street Bank & Trust Co.: | | | |
| UBS AG: (continued) | | | |
| BOAMS 2003-L 2A2 | Corporate Bond | ** | \$ 250,363 |
| BANCO SANTANDER CHILE | Corporate Bond | ** | 589,646 |
| BANK OF NEW YORK CO INC * | Corporate Bond | ** | 200,490 |
| BANK ONE CORPORATION SR NTS | Corporate Bond | ** | 560,365 |
| BOIT 2002 A3 A3 | Corporate Bond | ** | 1,265,294 |
| BOIT 2002-A4 A4 | Corporate Bond | ** | 1,244,241 |
| BOAST 2003-1 A4 | Corporate Bond | ** | 271,556 |
| BANKAMERICA CORP NT | Corporate Bond | ** | 513,332 |
| BEAR STEARNS | Corporate Bond | ** | 620,741 |
| BELLSOUTH CORP | Corporate Bond | ** | 1,071,006 |
| BOEING CAP CORP | Corporate Bond | ** | 549,654 |
| BRITISH TELECOM PLC | Corporate Bond | ** | 607,332 |
| BROWN-FORMAN CORPORATION | Corporate Bond | ** | 642,573 |
| CIT GROUP | Corporate Bond | ** | 537,093 |
| CVS CORP | Corporate Bond | ** | 512,664 |
| CWHL 2003-60 3A1 | Corporate Bond | ** | 406,491 |
| CARAT 2002 1 A4 | Corporate Bond | ** | 513,834 |
| CARAT 2002 4 A4 | Corporate Bond | ** | 1,215,280 |
| CATERPILLAR FINANCIAL SERV | Corporate Bond | ** | 425,667 |
| CATERPILLAR INC SNR NTS | Corporate Bond | ** | 148,463 |
| CHAMT 1999-3 A | Corporate Bond | ** | 1,037,940 |
| CFAB 2002-2 1A3 | Corporate Bond | ** | 962,117 |
| CMAOT 2001-B A4 | Corporate Bond | ** | 1,024,939 |
| CMAOT 2003-C A4 | Corporate Bond | ** | 598,299 |
| CHEMT 1996-3 A | Corporate Bond | ** | 1,099,111 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, | Rate of Interest, | Collateral, Par, or | | |
|--|---|-------------------|---------------------|------|---------------|
| | | | Maturity Value | Cost | Current Value |
| CHEVRONTEXACO CAPITAL COMPANY | Corporate Bond | ** | | | 514,851 |
| CHUBB CORP NTS | Corporate Bond | ** | | | 542,447 |
| CITIGROUP INC | Corporate Bond | ** | | | 610,016 |
| CCIMT 98-2 A | Corporate Bond | ** | | | 1,121,527 |
| CCCIT 2000-A1 | Corporate Bond | ** | | | 822,028 |
| CCCIT 2000-A3 A3 | Corporate Bond | ** | | | 792,564 |
| CCCIT 2003-A3 A3 | Corporate Bond | ** | | | 875,165 |
| CFMSI 2003-3 AF2 | Corporate Bond | ** | | | 802,479 |
| COCA-COLA ENTERPRISES | Corporate Bond | ** | | | 551,627 |
| COMERICA BANK | Corporate Bond | ** | | | 756,038 |
| COMED 1998-1 A6 | Corporate Bond | ** | | | 1,396,159 |
| COMED 1998-1 A7 | Corporate Bond | ** | | | 1,418,595 |
| CONOCO INC SNR NTS | Corporate Bond | ** | | | 1,025,006 |
| Bank of America: | | | | | |
| Monumental Life: | | | | | |
| State Street Bank & Trust Co.: | | | | | |
| UBS AG: (continued) | | | | | |
| COSTCO WHOLESALE CORP | Corporate Bond | ** | \$ | | 546,422 |
| COUNTRYWIDE HOME LOAN | Corporate Bond | ** | | | 493,346 |
| CREDIT SUISSE FIRST BOSTON USA | Corporate Bond | ** | | | 751,223 |
| JOHN DEERE CAPITAL CORP | Corporate Bond | ** | | | 637,299 |
| DEN DANSKE BK SB NT 144A | Corporate Bond | ** | | | 533,741 |
| DCMT 1996-3A | Corporate Bond | ** | | | 822,229 |
| DCMT 2000-9 A | Corporate Bond | ** | | | 834,218 |
| DLJ SNR NTS | Corporate Bond | ** | | | 546,944 |
| DOW CHEMICAL | Corporate Bond | ** | | | 657,909 |
| DU PONT (EI) DE NEMOURS | Corporate Bond | ** | | | 608,420 |
| ENTERGY MISSISSIPPI INC | Corporate Bond | ** | | | 204,065 |
| EQUITABLE LIFE ASSURANCE SOCIETY 144A | Corporate Bond | ** | | | 709,008 |
| FPL GROUP CAPITAL | Corporate Bond | ** | | | 461,103 |
| FHR 2367 PJ | U.S. Government Security | ** | | | 23,655 |
| FNMA 93-173H | U.S. Government Security | ** | | | 172,872 |
| FEDERAL NATIONAL MORTGAGE ASSOCIATION 5. | U.S. Government Security | ** | | | 3,746,988 |
| FANNIE MAE | U.S. Government Security | ** | | | 3,733,791 |
| FNMA ARM | U.S. Government Security | ** | | | 863,916 |
| FNR 2003-3 GC | U.S. Government Security | ** | | | 987,904 |
| FSPC T 45 A3 | U.S. Government Security | ** | | | 1,022,595 |
| FHR 2500 GC | U.S. Government Security | ** | | | 840,637 |
| FNW 2003-W16 AF3 | U.S. Government Security | ** | | | 324,998 |
| FIRST BANK SYSTEM SUB NT | Corporate Bond | ** | | | 536,414 |
| FIRST UNION CORP | Corporate Bond | ** | | | 558,971 |
| FUSAM 1998-9 A | Corporate Bond | ** | | | 1,203,728 |
| FCCMT 2000-C A | Corporate Bond | ** | | | 1,078,880 |
| FRANKLIN RESOURCES INC. | Corporate Bond | ** | | | 555,754 |
| GENERAL ELECTRIC CAPITAL CORP | Corporate Bond | ** | | | 345,580 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| GENERAL MILLS | Corporate Bond | ** | 460,803 |
| GOLDMAN SACHS GROUP INC | Corporate Bond | ** | 303,842 |
| TURKEY TR GOVT BACKED TR T-1 | Corporate Bond | ** | 1,274,238 |
| ISRAEL TRUST | Corporate Bond | ** | 1,287,300 |
| GRAND METRO INV | Corporate Bond | ** | 530,425 |
| HBOS TREASURY SRVCS PLC 144A | Corporate Bond | ** | 405,775 |
| HBOS TREASURY SERVICES 144A | Corporate Bond | ** | 202,000 |
| JOHN HANCOCK GLOBAL FDG II 144A | Corporate Bond | ** | 541,659 |
| Bank of America: | | | |
| Monumental Life: | | | |
| State Street Bank & Trust Co.: | | | |
| UBS AG: (continued) | | | |
| HDMOT 2003-1 A2 | Corporate Bond | ** | \$ 556,440 |
| HERSHEY FOODS CORP | Corporate Bond | ** | 384,566 |
| HAROT 2002 4 A4 | Corporate Bond | ** | 1,215,792 |
| HAROT 2003-4 A4 | Corporate Bond | ** | 500,940 |
| HOUSEHOLD FINANCE CORP MTN | Corporate Bond | ** | 670,421 |
| HPLCC 2002 1 A | Corporate Bond | ** | 960,097 |
| HART 2003-A A4 | Corporate Bond | ** | 775,202 |
| IPSPT 1998-1 A7 | Corporate Bond | ** | 817,231 |
| JP MORGAN CHASE & CO | Corporate Bond | ** | 201,701 |
| KEY BANK NA | Corporate Bond | ** | 314,190 |
| KEY BANK NA | Corporate Bond | ** | 352,527 |
| KIMBERLY CLARK CORP | Corporate Bond | ** | 553,358 |
| LINCOLN NATIONAL CORP | Corporate Bond | ** | 613,809 |
| MILT 2003-1 A4 | Corporate Bond | ** | 527,239 |
| M & I MARSHALL & ILSLEY BANK | Corporate Bond | ** | 236,065 |
| MBNAM 1997-1 A | Corporate Bond | ** | 517,176 |
| MBNAM 1999-B A | Corporate Bond | ** | 1,095,402 |
| MBNAM 2000-A A | Corporate Bond | ** | 532,348 |
| MBNAM 2000-I A | Corporate Bond | ** | 1,468,913 |
| MARSH & MCLENNAN COMPANIES INC | Corporate Bond | ** | 512,972 |
| MARSH & MCLENNAN COS INC | Corporate Bond | ** | 254,019 |
| MASSMUTUAL GLOBAL FUNDING LLC 144A | Corporate Bond | ** | 639,865 |
| MCCORMICK & CO | Corporate Bond | ** | 663,274 |
| MERITA BANK | Corporate Bond | ** | 398,500 |
| MERRILL LYNCH & CO | Corporate Bond | ** | 606,819 |
| METLIFE | Corporate Bond | ** | 267,749 |
| METLIFE INS CO 144A | Corporate Bond | ** | 547,363 |
| MONUMENTAL GLOBAL FUNDING 144A | Corporate Bond | ** | 549,458 |
| MONUMENTAL GLOBAL FUNDING 144A | Corporate Bond | ** | 543,031 |
| MORGAN STANLEY GROUP INC. | Corporate Bond | ** | 513,443 |
| NCNB CORP SUB CAP NTS | Corporate Bond | ** | 519,093 |
| NATIONAL CITY BANK | Corporate Bond | ** | 302,385 |
| NATIONAL CITY CORP | Corporate Bond | ** | 325,130 |
| NATIONWIDE BLDG SOCIETY 144A | Corporate Bond | ** | 606,315 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| NATIONWIDE LIFE GLOBAL FUNDING 144A | Corporate Bond | ** | 542,406 |
| NAROT 2003-A A4 | Corporate Bond | ** | 1,202,100 |
| NORTHERN BORDER PIPELINE | Corporate Bond | ** | 276,557 |
| Bank of America: | | | |
| Monumental Life: | | | |
| State Street Bank & Trust Co.: | | | |
| UBS AG: (continued) | | | |
| NORTHERN TRUST CO | Corporate Bond | ** | \$ 200,647 |
| OCCIDENTAL PETROLEUM CORP | Corporate Bond | ** | 507,207 |
| ONEOK INC | Corporate Bond | ** | 574,419 |
| ONTARIO GLOBAL BOND SNR | Corporate Bond | ** | 823,783 |
| ONYX 2000-B A4 | Corporate Bond | ** | 117,561 |
| PECO ENERGY CO | Corporate Bond | ** | 701,185 |
| PNC BK N A PITTS SUBNT | Corporate Bond | ** | 545,453 |
| PPL ELECTRIC UTILITIES | Corporate Bond | ** | 564,435 |
| PSNH 2001 1 A2 | Corporate Bond | ** | 998,421 |
| PECO 1999-A A4 | Corporate Bond | ** | 442,346 |
| PECO 2000 A A3 | Corporate Bond | ** | 1,200,097 |
| PEDERNALES ELECTRIC CORP 144A | Corporate Bond | ** | 410,766 |
| PEPCO HOLDINGS INC | Corporate Bond | ** | 437,460 |
| PEPSICO INC.144A | Corporate Bond | ** | 512,313 |
| PHARMACIA CORP | Corporate Bond | ** | 1,341,352 |
| CONOCOPHILLIPS | Corporate Bond | ** | 662,160 |
| PCCMT 2000-1 A | Corporate Bond | ** | 642,983 |
| PROCTER & GAMBLE | Corporate Bond | ** | 397,174 |
| PUB SERVICE ELEC & GAS SR BB MTG | Corporate Bond | ** | 573,848 |
| REGIONS BANK | Corporate Bond | ** | 566,877 |
| ROCKWELL INTL CORP NTS | Corporate Bond | ** | 800,611 |
| ROYAL BANK OF SCOTLAND GROUP | Corporate Bond | ** | 340,239 |
| ST PAUL COMPANIES INC | Corporate Bond | ** | 256,930 |
| BK OF SCOTLAND 144A SUB | Corporate Bond | ** | 208,519 |
| SCAMT 1995-5A | Corporate Bond | ** | 41,905 |
| SCAMT 1996-3A | Corporate Bond | ** | 148,479 |
| SEMPRA ENERGY | Corporate Bond | ** | 529,533 |
| SOUTHERN N/E TCM MTN | Corporate Bond | ** | 441,706 |
| SUNTRUST BANKS INC | Corporate Bond | ** | 547,135 |
| SWEDISH EXPORT CREDIT | Corporate Bond | ** | 483,171 |
| SYSCO CORP | Corporate Bond | ** | 638,630 |
| TIAA GLOBAL MARKETS 144A | Corporate Bond | ** | 539,098 |
| TJX COMPANIES INC | Corporate Bond | ** | 582,771 |
| TARGET CORP | Corporate Bond | ** | 382,359 |
| TARGET CORP | Corporate Bond | ** | 375,392 |
| TELEFONOS DE MEXICO SA 144A | Corporate Bond | ** | 111,130 |
| TAOT 2003-B A4 | Corporate Bond | ** | 1,205,361 |
| TOYOTA MOTOR CREDIT CORP | Corporate Bond | ** | 396,787 |
| Bank of America: | | | |
| Monumental Life: | | | |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| State Street Bank & Trust Co.: | | | |
| UBS AG: (continued) | | | |
| TOYOTA MOTOR CREDIT CORP. 5.650 01/15/20 | Corporate Bond | ** | \$ 306,238 |
| TRAVELERS PPTY CASUALTY | Corporate Bond | ** | 177,307 |
| USAA CAPITAL CORP 144A | Corporate Bond | ** | 629,621 |
| UNILEVER CAPITAL CORP | Corporate Bond | ** | 657,461 |
| BEARER CORP CONVERSION SYS | U.S. Government Security | ** | 1,319,066 |
| UNITED STATES TREASURY | U.S. Government Security | ** | 1,557,644 |
| U S TREASURY NT/BD | U.S. Government Security | ** | 1,548,414 |
| UNITED TECHNOLOGIES CORP | Corporate Bond | ** | 534,473 |
| VERIZON GLOBAL FUNDING | Corporate Bond | ** | 708,146 |
| VIACOM INC | Corporate Bond | ** | 554,242 |
| VIRGINIA ELEC & POWER | Corporate Bond | ** | 325,579 |
| VWALT 2002 A A4 | Corporate Bond | ** | 909,785 |
| WACHOVIA CORP | Corporate Bond | ** | 559,051 |
| WALMART STORES INC NOTE | Corporate Bond | ** | 515,972 |
| WASHINGTON MUTUAL INC | Corporate Bond | ** | 351,444 |
| WPP 1999-A A4 | Corporate Bond | ** | 1,244,112 |
| WISCONSIN PWR & LIGHT NTS | Corporate Bond | ** | 561,546 |
| WOART 2002 A A4 | Corporate Bond | ** | 1,034,006 |
| Wrapper Contract | GIC Wrapper Bank of America | ** | (1,151,426) |
| Wrapper Contract | GIC Wrapper Monumental Life | ** | (1,151,426) |
| Wrapper Contract | GIC Wrapper State Street Bank | ** | (1,151,426) |
| Wrapper Contract | GIC Wrapper UBS | ** | (1,151,608) |
| | | | 124,659,074 |
| Rabobank Nederland: | | | |
| BONY SHORT TERM INVESTMENT FUND * | STIF | ** | 1,268,722 |
| ABN AMRO BK SUB NT | Corporate Bond | ** | 113,106 |
| AIG SUNAMERICA GLOB FINANCING XII 144A | Corporate Bond | ** | 107,255 |
| AOL TIME WARNER | Corporate Bond | ** | 116,559 |
| AT&T WIRELESS SERVICES | Corporate Bond | ** | 88,348 |
| AT&T WIRELESS SVCS INC | Corporate Bond | ** | 94,291 |
| ABBOTT LABORATORIES | Corporate Bond | ** | 132,505 |
| ALCAN INC | Corporate Bond | ** | 94,896 |
| FNMA 15 YR TBA | U.S. Government Security | ** | 467,619 |
| Rabobank Nederland: (continued) | | | |
| FNMA 30 YR TBA | U.S. Government Security | ** | \$ 1,471,597 |
| GNMA I TBA | U.S. Government Security | ** | 408,035 |
| ALLSTATE FINANCIAL GLOBAL FUNDING 144A | Corporate Bond | ** | 125,044 |
| AMERICAN ELECTRIC POWER CO | Corporate Bond | ** | 74,289 |
| FHLM GOLD 30 YR TBA | U.S. Government Security | ** | 1,097,404 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, | Rate of Interest, | Collateral, Par, or | |
|--|---|-------------------|---------------------|---------|
| | Maturity Value | Cost | Current Value | |
| APPALACHIAN POWER CO | Corporate Bond | ** | | 119,521 |
| B B & T CORP | Corporate Bond | ** | | 51,700 |
| BHP FINANCE USA LTD | Corporate Bond | ** | | 91,334 |
| BAKER HUGHES INC | Corporate Bond | ** | | 133,507 |
| BOAMS 2003-L 2A2 | Corporate Bond | ** | | 475,690 |
| BANK OF AMERICA CORP | Corporate Bond | ** | | 142,964 |
| BANK ONE CORP | Corporate Bond | ** | | 115,475 |
| BEAR STEARNS | Corporate Bond | ** | | 124,148 |
| BOEING CO DEB | Corporate Bond | ** | | 72,187 |
| BRITISH TELECOM PLC | Corporate Bond | ** | | 109,852 |
| BUCKEYE PARTNERS | Corporate Bond | ** | | 47,993 |
| BUNGE LTD FINANCE CORP 144A | Corporate Bond | ** | | 75,480 |
| CIT GROUP HOLDINGS | Corporate Bond | ** | | 83,905 |
| CIT GROUP INC | Corporate Bond | ** | | 50,277 |
| CWL 2003-5 AF3 | Corporate Bond | ** | | 166,946 |
| CWHL 2003-60 2A1 | Corporate Bond | ** | | 81,763 |
| CANADIAN NATL RAILWAY CO | Corporate Bond | ** | | 82,754 |
| CANADIAN NATURAL RESOURCES | Corporate Bond | ** | | 137,742 |
| CAPITAL ONE BANK | Corporate Bond | ** | | 95,521 |
| CATERPILLAR FINANCIAL SERVICES CORP | Corporate Bond | ** | | 86,011 |
| CELULOSA ARAUCO CONSTITU | Corporate Bond | ** | | 94,665 |
| CFAB 2002-1 1A3 | Corporate Bond | ** | | 228,730 |
| CFAB 03-1 1A-6 | Corporate Bond | ** | | 175,232 |
| CFAB 2003-3 1A6 | Corporate Bond | ** | | 359,549 |
| CMAOT 2002 A A4 | Corporate Bond | ** | | 180,891 |
| CMAOT 2003 A A4 | Corporate Bond | ** | | 186,680 |
| CHEVRON PHILLIPS CHEM CO | Corporate Bond | ** | | 90,281 |
| CITIGROUP INC | Corporate Bond | ** | | 214,737 |
| CCCIT 2000-A3 A3 | Corporate Bond | ** | | 452,894 |
| CCCIT 2003-A6 A6 | Corporate Bond | ** | | 368,083 |
| CLEAR CHANNEL COMMUNICATIONS INC | Corporate Bond | ** | | 94,586 |
| COCA-COLA ENTERPRISES INC | Corporate Bond | ** | | 54,012 |
| COMCAST CORP | Corporate Bond | ** | | 203,001 |
| CONOCOPHILLIPS | Corporate Bond | ** | | 91,335 |
| GNMA II TBA | U.S. Government Security | ** | | 941,843 |
| Rabobank Nederland: (continued) | | | | |
| COUNTRYWIDE HOME LOANS | Corporate Bond | ** | \$ | 92,950 |
| COX COMMUNICATIONS INC | Corporate Bond | ** | | 96,687 |
| DLJCM 1999-CG2 A1B | Corporate Bond | ** | | 231,817 |
| DAIMLERCHRYSLER NA HLDG | Corporate Bond | ** | | 175,106 |
| JOHN DEERE CAPITAL CORP | Corporate Bond | ** | | 152,542 |
| JDOT 2001 A A4 | Corporate Bond | ** | | 255,133 |
| DEUTSCHE TELEKOM INT FIN | Corporate Bond | ** | | 92,438 |
| DEVON FINANCING CORP | Corporate Bond | ** | | 102,900 |
| DOW CHEMICAL COMPANY | Corporate Bond | ** | | 76,608 |
| DUKE CAPITAL CORP SNR NTS | Corporate Bond | ** | | 104,340 |
| ENTERGY GULF STATES INC | Corporate Bond | ** | | 101,966 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|---------------|
| ENERGY LOUISIANA 1ST MTG | Corporate Bond | ** | 191,983 |
| EXELON GENERATION CO LLC 144A | Corporate Bond | ** | 79,907 |
| FALCONBRIDGE LTD | Corporate Bond | ** | 130,297 |
| FHLMC 7YR BALLOON | U.S. Government Security | ** | 131,808 |
| FHLMC GOLD | U.S. Government Security | ** | 34,661 |
| FHLMC GOLD | U.S. Government Security | ** | 89,197 |
| FHLMC GOLD | U.S. Government Security | ** | 52,438 |
| FHLMC 15YR GOLD | U.S. Government Security | ** | 362,369 |
| FHLMC GOLD | U.S. Government Security | ** | 86,734 |
| FHLMC GOLD | U.S. Government Security | ** | 148,656 |
| FHL ARM | U.S. Government Security | ** | 263,477 |
| FREDDIE MAC | U.S. Government Security | ** | 240,215 |
| FREDDIE MAC | U.S. Government Security | ** | 1,129,981 |
| FED NATL MTG ASSOC BENCHMARK BONDS | U.S. Government Security | ** | 59,379 |
| FANNIE MAE | U.S. Government Security | ** | 85,756 |
| FNMA 15 YR | U.S. Government Security | ** | 452,812 |
| FNMA 30 YR | U.S. Government Security | ** | 310,155 |
| FNMA 15 YR | U.S. Government Security | ** | 90,109 |
| FNMA 15 YR | U.S. Government Security | ** | 199,201 |
| FNMA 15YR | U.S. Government Security | ** | 573,074 |
| FNMA 30 YR | U.S. Government Security | ** | 24,163 |
| FNMA 30 YR | U.S. Government Security | ** | 4,455 |
| FNMA 30 YR | U.S. Government Security | ** | 10,916 |
| FNMA 15 YR | U.S. Government Security | ** | 1,393,848 |
| FNMA 15 YR | U.S. Government Security | ** | 99,989 |
| FNMA 30 YR | U.S. Government Security | ** | 130,037 |
| FNW 2002 W5 A15 | U.S. Government Security | ** | 384,824 |
| FNR 2002-74 PJ | U.S. Government Security | ** | 339,234 |
| FNR 2003-40 NI | U.S. Government Security | ** | 19,834 |
| Rabobank Nederland: (continued) | | | |
| FHR 2614 IH | U.S. Government Security | ** | \$ 46,423 |
| FHR 2631 IG | U.S. Government Security | ** | 40,533 |
| FHR 2631 PC | U.S. Government Security | ** | 680,616 |
| FNW 2003-W16 AF3 | U.S. Government Security | ** | 129,999 |
| FHR 2686 JG | U.S. Government Security | ** | 463,965 |
| FNMA 30 YR | U.S. Government Security | ** | 26,052 |
| FNMA 15 YR | U.S. Government Security | ** | 463,571 |
| FNMA 30 YR | U.S. Government Security | ** | 522,117 |
| FNMA 30 YR | U.S. Government Security | ** | 27,722 |
| FNMA 30 YR | U.S. Government Security | ** | 550,182 |
| FNMA 30 YR | U.S. Government Security | ** | 104,877 |
| FNMA 30 YR | U.S. Government Security | ** | 157,978 |
| FNMA 30 YR | U.S. Government Security | ** | 63,191 |
| WACHOVIA CORPORATION | Corporate Bond | ** | 162,929 |
| FLORIDA POWER & LIGHT | Corporate Bond | ** | 82,553 |
| FORD MOTOR CREDIT | Corporate Bond | ** | 251,458 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|------------------|
| FRANCE TELECOM | Corporate Bond | ** | 49,180 |
| FRANKLIN RESOURCES INC. | Corporate Bond | ** | 35,366 |
| FUND AMERICAN COS INC | Corporate Bond | ** | 45,264 |
| GECCM 2001 1 A2 | Corporate Bond | ** | 264,606 |
| GMACC 2001-C2 A2 | Corporate Bond | ** | 255,995 |
| GNMA 15 YR | U.S. Government Security | ** | 464,472 |
| GOVT NATL MTG ASSN II | U.S. Government Security | ** | 39,263 |
| GOVT NATL MTG ASSN II | U.S. Government Security | ** | 6,047 |
| GOVT NATL MTG ASSN II | U.S. Government Security | ** | 1,266 |
| GOVT NATL MTG ASSN II 30YR | U.S. Government Security | ** | 12,305 |
| GOVT NATL MTG ASSN II | U.S. Government Security | ** | 30,646 |
| GNMA II 30 YR | U.S. Government Security | ** | 101,199 |
| GNMA II 30 YR | U.S. Government Security | ** | 468,075 |
| GOVT NATL MTG ASSN I | U.S. Government Security | ** | 471,102 |
| GOVT NATL MTG ASSN I | U.S. Government Security | ** | 4,053 |
| GOVT NATL MTG ASSN I | U.S. Government Security | ** | 24,015 |
| GOVT NATL MTG ASSN I | U.S. Government Security | ** | 26,143 |
| GOVT NATL MTG ASSN I | U.S. Government Security | ** | 33,362 |
| GOVT NATL MTG ASSN | U.S. Government Security | ** | 20,600 |
| GOVT NATL MTG ASSN GPM | U.S. Government Security | ** | 7,595 |
| GNMA 30 YR | U.S. Government Security | ** | 34,921 |
| GNMA 30 YR | U.S. Government Security | ** | 4,480 |
| GNMA 30 YR | U.S. Government Security | ** | 21,339 |
| GNMA 15 YR | U.S. Government Security | ** | 20,669 |
| GNMA 15 YR | U.S. Government Security | ** | 230,193 |
| Rabobank Nederland: (continued) | | | |
| GNMA 15 YR | U.S. Government Security | ** | \$ 56,747 |
| GENERAL ELEC CAP CORP | Corporate Bond | ** | 125,609 |
| GENERAL ELECTRIC CAPITAL CORP | Corporate Bond | ** | 238,611 |
| GEN MOTORS ACCEPT CORP | Corporate Bond | ** | 140,258 |
| GENL MOTORS ACCEPT CORP | Corporate Bond | ** | 78,718 |
| GENERAL MOTORS | Corporate Bond | ** | 59,001 |
| GOLDMAN SACHS GROUP INC | Corporate Bond | ** | 140,640 |
| GOLDMAN SACHS GROUP INC | Corporate Bond | ** | 46,239 |
| HBOS PLC 144A | Corporate Bond | ** | 90,263 |
| HARVARD UNIVERSITY | Other Bond | ** | 365,249 |
| HEARST ARGYLE | Corporate Bond | ** | 91,242 |
| HERTZ CORP | Corporate Bond | ** | 46,106 |
| HIGHMARK INC 144A | Corporate Bond | ** | 49,890 |
| HOUSEHOLD FINANCE CORP | Corporate Bond | ** | 44,065 |
| HOUSEHOLD FINANCE CORP | Corporate Bond | ** | 38,452 |
| HUTCHISON WHAMP INTL LTD 144A | Corporate Bond | ** | 101,655 |
| HART 2003-A A4 | Corporate Bond | ** | 150,039 |
| INTL TELECOM SATELLITE 144A | Corporate Bond | ** | 41,524 |
| IBM CORP | Corporate Bond | ** | 103,554 |
| INTL LEASE FINANCE | Corporate Bond | ** | 141,394 |
| JP MORGAN CHASE & CO | Corporate Bond | ** | 118,919 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|------------------|
| JERSEY CEN-AMBAC 1ST MORTG | Corporate Bond | ** | 413,490 |
| KERN RIVER FUNDING CORP 144A | Corporate Bond | ** | 96,716 |
| KINDER MORGAN INC | Corporate Bond | ** | 123,628 |
| LEHMAN BROTHERS HOLDINGS | Corporate Bond | ** | 120,817 |
| MARSH & MCLENNAN COS INC | Corporate Bond | ** | 45,723 |
| MASCO CORP | Corporate Bond | ** | 109,743 |
| MCCORMICK & CO | Corporate Bond | ** | 165,819 |
| MERCK & CO INC | Corporate Bond | ** | 194,144 |
| METLIFE INC | Corporate Bond | ** | 125,447 |
| FRED MEYER INC | Corporate Bond | ** | 110,623 |
| JPMC 1999-PLSI A2 144A | Corporate Bond | ** | 458,297 |
| MORGAN STANLEY | Corporate Bond | ** | 70,527 |
| MOTOROLA INC | Corporate Bond | ** | 65,916 |
| NATIONAL RURAL UTILITIES | Corporate Bond | ** | 122,904 |
| NATIONWIDE FINANCIAL SERVICES | Corporate Bond | ** | 142,704 |
| NEWS AMERICA INC | Corporate Bond | ** | 127,072 |
| NLV FINANCIAL CORP 144A | Corporate Bond | ** | 47,307 |
| NORAM ENERGY CORP | Corporate Bond | ** | 25,321 |
| NORTHERN TRUST COMPANY SNR NTS | Corporate Bond | ** | 157,777 |
| NORTHERN TRUST COMPANY | Corporate Bond | ** | 70,232 |
| Rabobank Nederland: (continued) | | | |
| OCCIDENTAL PETROLEUM CORP | Corporate Bond | ** | \$ 45,649 |
| OFFICE DEPOT INC | Corporate Bond | ** | 42,889 |
| OHIO EDISON 144A | Corporate Bond | ** | 99,555 |
| PANHANDLE EASTERN PIPELINE 144A | Corporate Bond | ** | 46,816 |
| PEMEX PROJ FDG MASTER TR | Corporate Bond | ** | 145,230 |
| PEPCO HOLDINGS INC | Corporate Bond | ** | 92,639 |
| PINNACLE WEST CAPITAL CORP | Corporate Bond | ** | 103,212 |
| PCCMT 2000-1 A | Corporate Bond | ** | 669,774 |
| PRINCIPAL LIFE GLOBAL 144A | Corporate Bond | ** | 96,149 |
| PRUDENTIAL FINANCIAL INC | Corporate Bond | ** | 90,875 |
| PUBLIC SERVICE NEW MEX | Corporate Bond | ** | 92,422 |
| RNLT 2001-1 A4 | Corporate Bond | ** | 190,342 |
| SCA COORDINATION CENTER 144A | Corporate Bond | ** | 72,122 |
| SLM CORP | Corporate Bond | ** | 116,323 |
| SEALED AIR CORP 144A | Corporate Bond | ** | 100,726 |
| SECURITY BENEFIT LIFE 144A | Corporate Bond | ** | 45,873 |
| SEMPRA ENERGY ESOP | Corporate Bond | ** | 118,579 |
| SBHEL 2000-1 A6 | Corporate Bond | ** | 309,827 |
| SPRINT CAPITAL CORP | Corporate Bond | ** | 195,002 |
| STATE STREET CORPORATION | Corporate Bond | ** | 95,074 |
| SUMT 2002 1 A2 144A | Corporate Bond | ** | 75,961 |
| TELEFONOS DE MEXICO SA 144A | Corporate Bond | ** | 50,514 |
| TVA | Corporate Bond | ** | 673,906 |
| TRANSOCEAN INC | Corporate Bond | ** | 69,988 |
| TXU ENERGY CO | Corporate Bond | ** | 50,376 |
| UST INC | Corporate Bond | ** | 124,781 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|------------------|
| UNION PACIFIC CORP | Corporate Bond | ** | 106,620 |
| UNION PLANTERS CORP | Corporate Bond | ** | 59,863 |
| US CELLULAR CORP | Corporate Bond | ** | 55,146 |
| U S TREASURY BONDS | U.S. Government Security | ** | 433,834 |
| U S TREASURY BONDS | U.S. Government Security | ** | 494,665 |
| U S TREASURY BONDS | U.S. Government Security | ** | 277,427 |
| US TREASURY NOTES | U.S. Government Security | ** | 1,185,583 |
| US TREASURY | U.S. Government Security | ** | 459,041 |
| US TREASURY | U.S. Government Security | ** | 85,049 |
| US TREASURY NOTE | U.S. Government Security | ** | 2,384,327 |
| US TREASURY | U.S. Government Security | ** | 234,313 |
| UNITED STATES TREASURY | U.S. Government Security | ** | 711,324 |
| U S TREASURY NOTES | U.S. Government Security | ** | 441,385 |
| UNITED STATES TREASURY | U.S. Government Security | ** | 460,415 |
| US TREASURY | U.S. Government Security | ** | 1,221,750 |
| Rabobank Nederland: (continued) | | | |
| US TREASURY NT/BD | U.S. Government Security | ** | \$ 203,741 |
| TREASURY INFL INDX | U.S. Government Security | ** | 695,836 |
| US TREASURY NT/BD | U.S. Government Security | ** | 340,954 |
| US TREASURY NT/BD | U.S. Government Security | ** | 70,341 |
| VERIZON GLOBAL FUNDING | Corporate Bond | ** | 111,526 |
| VERIZON VIRGINIA INC | Corporate Bond | ** | 68,347 |
| VERIZON FLORIDA INC | Corporate Bond | ** | 71,183 |
| VIACOM INC | Corporate Bond | ** | 59,624 |
| WPD HOLDINGS UK 144A | Corporate Bond | ** | 56,988 |
| WAL-MART STORES INC | Corporate Bond | ** | 143,757 |
| WASHINGTON MUTUAL INC | Corporate Bond | ** | 95,392 |
| WEYERHAEUSER CO | Corporate Bond | ** | 110,977 |
| WENMT 2003-A A2 | Corporate Bond | ** | 226,421 |
| XL CAPITAL LTD | Corporate Bond | ** | 162,106 |
| BOTTLING GROUP LLC | Corporate Bond | ** | 99,995 |
| LIBERTY MEDIA CORP | Corporate Bond | ** | 45,285 |
| Wrapper Contract | GIC Wrapper | ** | (2,029,592) |
| | | | 44,809,886 |
| <i>General Investment Contracts:</i> | | | |
| MetLife | Insurance Co. Gen. Contract | ** | 5,926,442 |
| Prudential Insurance Company | Insurance Co. Gen. Contract | ** | 6,151,901 |
| Allstate Life Insurance Company | Insurance Co. Gen. Contract | ** | 6,184,889 |
| GE Capital Assurance Company | Insurance Co. Gen. Contract | ** | 3,013,694 |
| GE Life & Annuity Company | Insurance Co. Gen. Contract | ** | 4,585,817 |
| GE Life & Annuity Company | Insurance Co. Gen. Contract | ** | 4,814,659 |

| Identity of Issue, Borrower, Lessor, or Similar Party | Description of Investment Including Maturity Date, Rate of Interest, Collateral, Par, or Maturity Value | Cost | Current Value |
|--|---|------|------------------|
| NY Life Insurance Company | Insurance Co. Gen. Contract | ** | 6,508,693 |
| Protective Life Insurance Company | Insurance Co. Gen. Contract | ** | 4,600,880 |
| Protective Life Insurance Company | Insurance Co. Gen. Contract | ** | 2,617,151 |
| Protective Life Insurance Company | Insurance Co. Gen. Contract | ** | 3,032,767 |
| Travelers Insurance Company | Insurance Co. Gen. Contract | ** | 5,153,524 |
| <i>General Investment Contracts: (continued)</i> | | | |
| Travelers Insurance Company | Insurance Co. Gen. Contract | ** | \$ 4,835,134 |
| Travelers Insurance Company | Insurance Co. Gen. Contract | ** | 3,111,983 |
| Investments stated at contract value | | | \$ 442,425,819 |
| Total investments | | | \$ 1,928,495,831 |

* Party in interest to the plan

** Historical cost is not required for participant-directed investments