BOARD OF SUPERVISORS
AGENDA LETTER

Clerk of the Board of Supervisors
105 E. Anapamu Street, Suite 407
Santa Barbara, CA 93101
(805) 568-2240

Agenda Number:

Department Name:	Treasurer - Tax Collector
Department No.:	065
For Agenda Of:	5/20/2008
Placement:	Administrative
Estimate Time:	
Continued Item:	NO
If Yes, date from:	
Vote Required:	Majority

TO: Board of Supervisors

FROM: Department Director(s) Bernice James, Treasurer - Tax Collector, 568-2490

Bernice James

Contact Info: Stacey Matson, Investment & Debt Officer, 568-2158

SUBJECT: Treasurer's Investment Pool, Fiscal Year 2007-2008 Third Quarter (January -March)

County Counsel Concurrence:
As to form: ☐ Yes ☐ No ☒ N/A

Auditor-Controller Concurrence:
As to form: ☒ Yes ☐ No ☐ N/A

Other Concurrence: N/A
As to form: ☐ Yes ☐ No ☒ N/A

Recommended Action(s):

That the Board of Supervisors:

A. Accept for filing the F/Y 2007-2008 Third Quarter (January - March, 2008) report on the Treasurer's Investment Pool, pursuant to Government Code section 53646(b).

B. Approve the following member's appointment to the Treasury Oversight Committee, pursuant to Government Code Section 27132: Mr. Steven Towner, Santa Barbara County Education Office

Summary:

As presented on Page 9, the value of the Treasurer's Pool at principal cost on March 31, 2008, was $846,097,739, and $2,616,081 in Directed Investments. Market value of the investment pool was $851,078,314 and of directed investments was $2,677,468. The weighted average days to maturity (WAM) for the pool was 660 days.

Per Government Code Section 53600.5, the Santa Barbara County Treasurer has a mandated responsibility to manage and invest public funds with the primary objective of safeguarding principal, the secondary objective of meeting the liquidity needs of pool participants, and finally, the objective of attaining a market average rate of return, consistent with the primary objectives of safety and liquidity.

For the quarter ended 3/31/2008, the Treasurer's Pool anticipated and met all liquidity requirements, precluding any need to sell holdings unexpectedly at a potential loss.

All investments purchased, met or exceeded state and local policy requirements for credit quality. Credit quality of assets held in the pool is monitored on an ongoing basis. At March 31, 2008 the pool held commercial paper of CIT Group Incorporated in the par amount of $11,500,000 with the maturity date of April 1, 2008. The security was purchased on March 12, 2008 with credit ratings of A-1, P-1, and F-1, more than meeting compliance requirements. Subsequent to purchase, on March 17th and March 18th, two of the ratings were downgraded: S & P to A-2 and Moody's to P-2. Fitch remained at F-1. In accordance with the Treasurer's Investment Policy the events leading to the downgrade were thoroughly scrutinized, along with the risk to principal of the pool. It was determined that the likelihood of actual default was remote and that it would be in the best interest of pool participant's to hold the security until April 1. On April 1, 2008, payment of the $11,500,000 principal, plus all interest due on the principal, was received by the County Treasurer.

$9,109,915, a return of 4.254%, was earned from investments of the pool and distributed for the benefit of programs provided by the County, schools, and special districts.

It is the adopted policy of the Santa Barbara County Treasurer to invest public funds in a manner, which provides the maximum security of principal while meeting the daily cash flow needs of investment pool participants. A lesser emphasis is to achieve the highest yield possible. The Santa Barbara County Treasurer conforms to all applicable State statutes and County resolutions that govern the investment of public funds.

The County Treasurer recommends the addition of Mr. Steven Towner, Santa Barbara County Education Office to the Treasury Oversight Committee. Mr. Towner serves as a County Education Office District Financial Advisor and is also a Certified Public Accountant.

Background:

The US economy expanded at an annual pace of .6% for the quarter ended 3/31/2008, as measured through 12/31/2007. Gross Domestic Product (GDP), the value of all goods and services produced within the economy, is anticipated to continue to grow at a sluggish pace, or to become negative, with analyst's expecting an annual rate for calendar year 2008 ranging from a negative.1% to a positive 2.4%. On March 18, 2008, the Federal Reserve Open Market Committee (FOMC) issued a statement noting that "Recent information indicates that the outlook for economic activity has weakened further... Financial markets remain under considerable stress and the tightening of credit conditions and the deepening of the housing contraction are likely to weigh on economic growth over the next few quarters." The Federal unemployment rate increased from 5.0% to end the quarter at 5.1%, its highest level since September of 2005. Short-term interest rates and long-term interest rates continued to be very volatile. Concerns have continued regarding the tightening of credit conditions, the deepening of the housing contraction, and elevated levels of inflation. Although the FOMC expects inflation to moderate in coming quarters, uncertainty about the inflation outlook has increased, and the FOMC will continue to monitor inflation carefully.

After reducing the Federal funds rate to 3.0% from 3.5% at the January 30th FOMC meeting, it was further reduced by 75 basis points to 2.25% at the March meeting. There were two dissenting votes to the rate decrease. Both Mr. Fisher, Dallas Federal Reserve Bank, and Mr. Plosser, Philadelphia Federal Reserve Bank, indicated they favored easing policy less aggressively due to concerns of heightened inflation and to allow the impacts of past rate cuts to be fully absorbed in the market and assessed. The Federal Open Market Committee will meet on April 30 and June 25, providing insights on the economy's growth prospects and inflation.

This quarterly report is being submitted to you as required by California Government Code section 53646 (b). In addition, California Government Code section 53646 (b) (3) requires the Treasurer-Tax Collector to include a statement in the Treasurer's Report affirming the ability of the Santa Barbara County Investment Pool to meet expenditure requirements for the next six months.

This report and the Treasurer's Investment Policy were reviewed and discussed by the Treasury Oversight Committee at its quarterly meeting. The Treasury Oversight Committee promotes the public interest and is governed by California Government Code sections 27130 through 27133.

Performance Measures:

The following performance measures are related to the Treasurer's Investment Pool:

To ensure the financial stability of the County, monitor and project liquidity requirements as evidenced by zero securities sold at a loss to meet cash flow needs of pool participants: Accomplished

To ensure the financial stability of the County and secure public agency funds, stay within compliance 100% of the time with the Government Code and the Treasurer's Investment Policy: Accomplished

To ensure the financial stability of the County, achieve an investment pool yield equal to, or greater than LAIF's, on a five year moving average: Accomplished.

Fiscal and Facilities Impacts:

Budgeted: ☒ Yes ☐ No

Fiscal Analysis:

For the quarter ending March 31, 2008, net investment earnings achieved by the pool were $9.1 million, with the County receiving 41%, Schools 51%, and Special Districts the balance of 8%, as shown on Chart 4. The net yield for the quarter and on an annualized basis is 4.254% and 4.652%, respectively.

Staffing Impact(s):

Legal Positions:	FTEs:
N/A	N/A

Special Instructions:

None

Attachments:

Treasurer's Third Quarter Investment Pool Report

Authored by: Stacey Matson, CPA, Investment & Debt Officer

SANTA BARBARA COUNTY

TREASURER'S REPORT TO THE BOARD OF SUPERVISORS AND THE TREASURY OVERSIGHT COMMITTEE

FOR THE QUARTER ENDED MARCH 31, 2008

Table of Contents

ECONOMIC TREND: Impact on the Pool

- **The Federal Reserve (FED) continued its decrease of short - term interest rates, reducing by a greater than expected 200 basis points over the course of the March 31, 2008 quarter, ending it at 2.25%. Uncertainty remains regarding inflation and indications of downside risks to economic growth. The Federal Open Market Committee has made it clear that they are ready to take whatever action is necessary. Despite inflation concerns, expectations for the continued deterioration of economic growth has led analysts to expect further reductions in the Federal Funds rate over the next quarter of 25 to 50 basis points.**

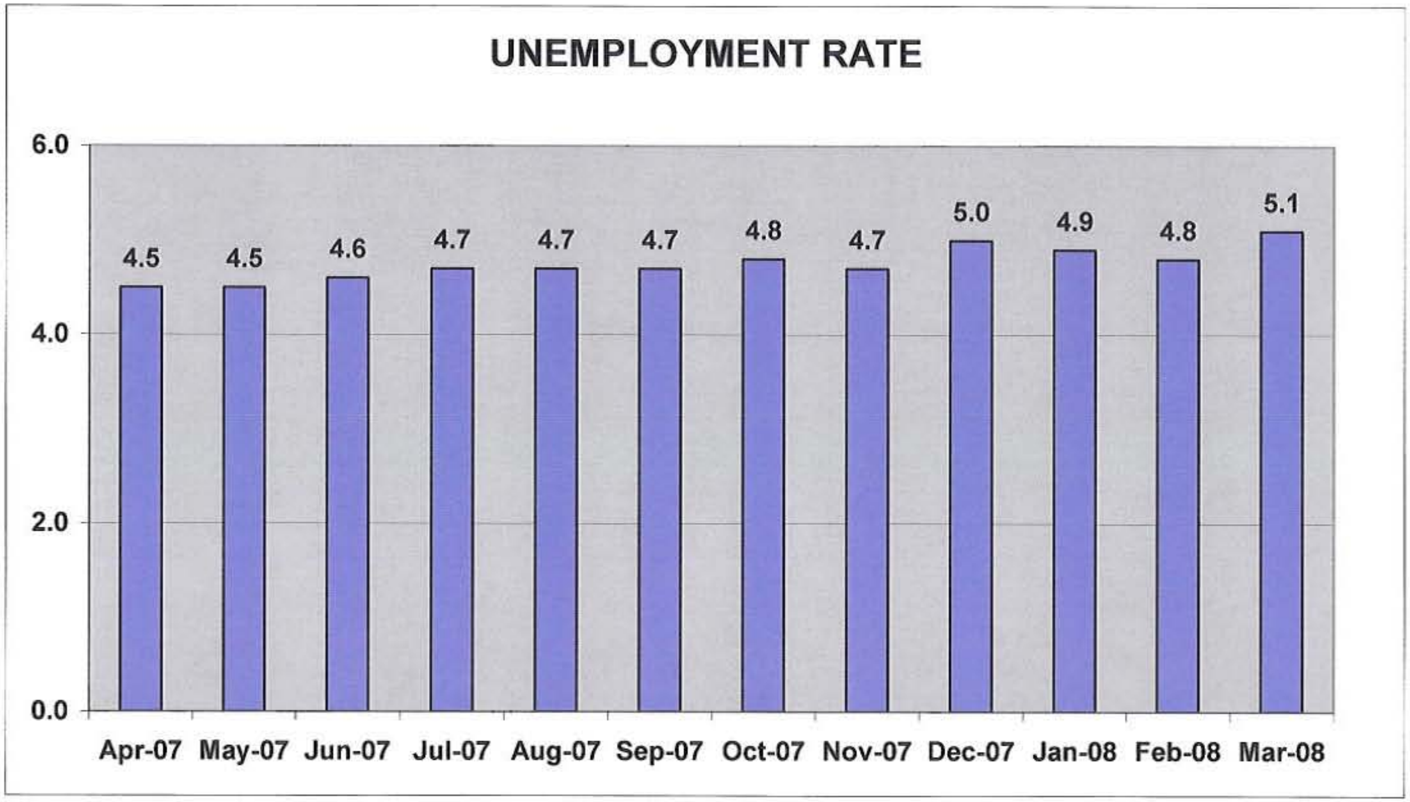
- **The impact of the short - term rate markedly decreasing from 4.25% to 2.25% results in fixed income investments being offered at a lower rate of return. As investments mature they will be invested at a lower rate.**

- **The unemployment rate, after decreasing in January and February, ended the quarter at its highest level since September 2005. After beginning the quarter at 5.0%, it decreased in January to 4.9% and in February to 4.8%, ending the quarter at 5.1% in March. Payrolls decreased by 232,000 jobs last quarter. In the prior quarter 241,000 jobs were created. The decline over the quarter further raises concerns that an economic contraction is deepening in the United States.**

- **Consumer Confidence continues to erode. This quarter it declined from a beginning of 90.6 to end the quarter at 64.5. As expected, the economy continued to experience growth, but at the much slower rate of .6% for the quarter ended December 2007, as contrasted with 4.9% for the quarter ended September 2007. This slowdown is expected to continue.**

ECONOMIC TREND: Unemployment Rate

The unemployment rate decreased slightly in the first month of the quarter, only to end the quarter at its highest monthly seasonally adjusted level since September of 2005. It began the quarter at 5.0% decreased to 4.9% in January, further decreased to 4.8% in February, and then experienced a jump to 5.1% in March. The unemployment rate represents the number of unemployed persons as a percent of the labor force. The sampling used each month to calculate the rate is approximately 60,000 households.



Source: Bureau of Labor Statistics

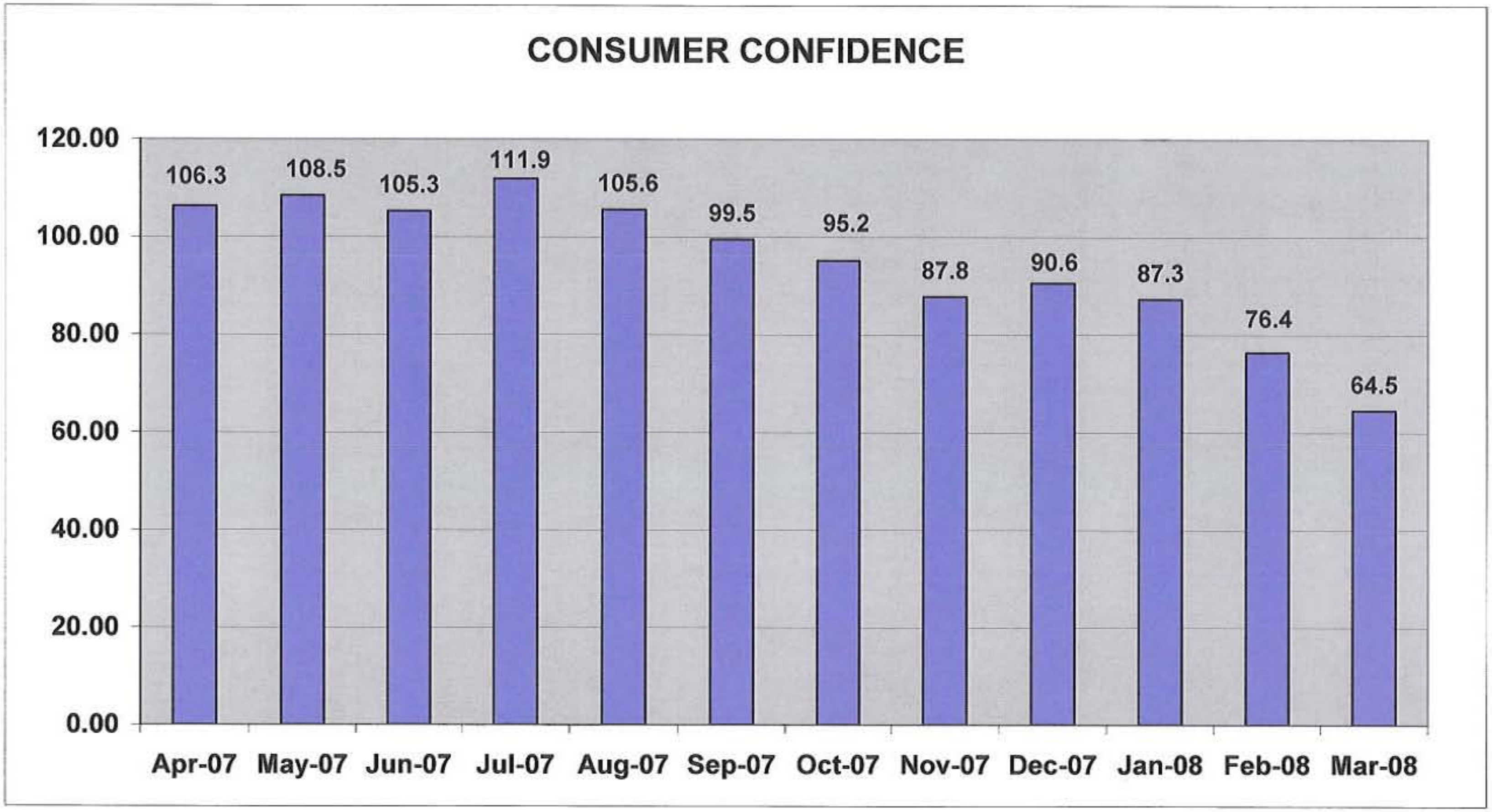
ECONOMIC TREND: Inflation

The Consumer Price Index (CPI) ended the March 31 quarter slightly decreased, as compared to the prior quarter. It began the quarter at 4.1% and ended it at 4.0%. The Core CPI, which excludes food and energy, increased in January to 2.5% from December's level of 2.4%. It then decreased to 2.3% in February, ending March 31 at 2.4%. The CPI represents changes in prices of all goods and services purchased for consumption by urban households.

Source: Bureau of Labor Statistics

ECONOMIC TREND: Consumer Confidence

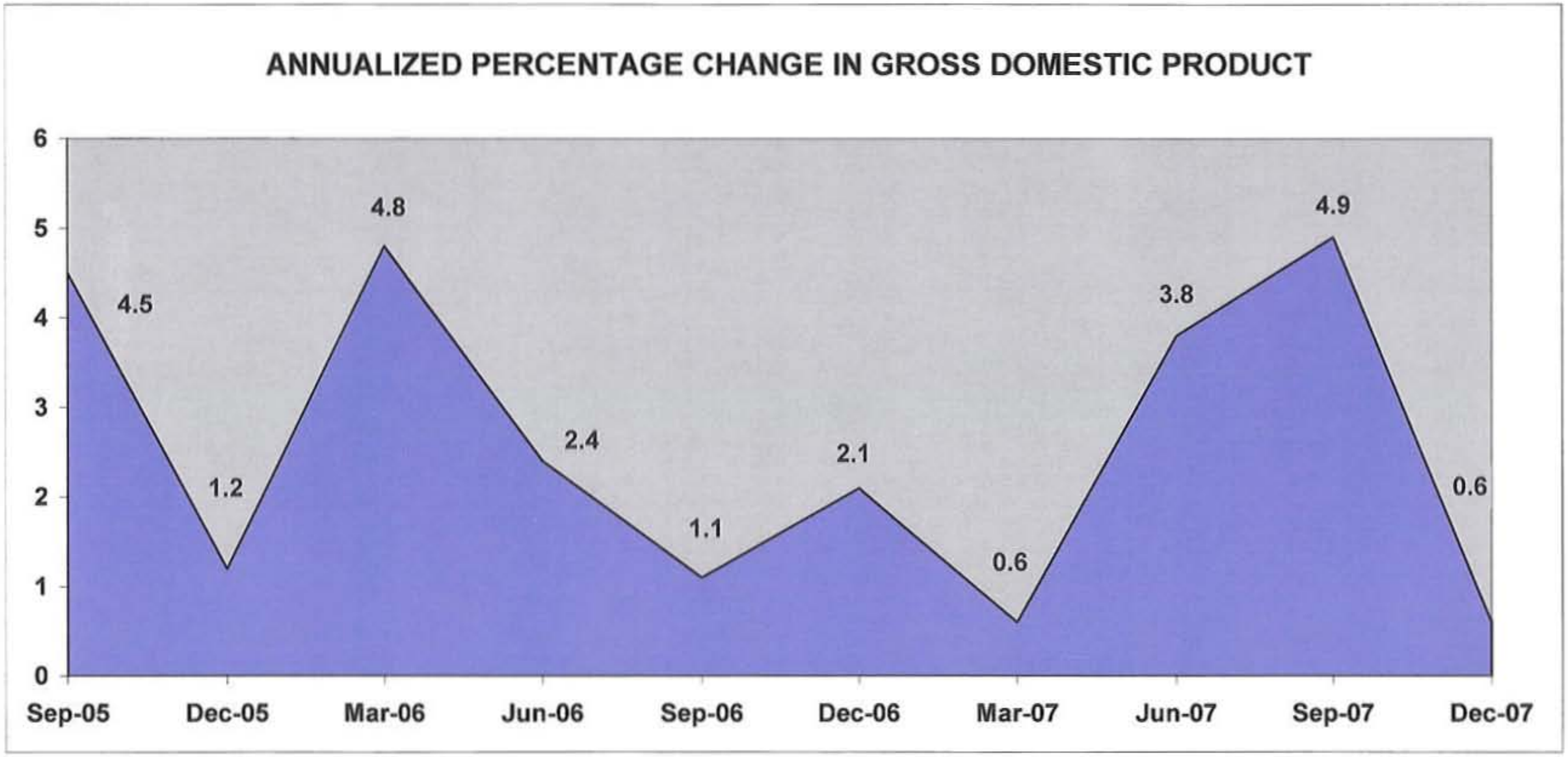
Consumer Confidence began the quarter at 90.6 and ended it significantly decreased at 64.5. This Index is the average of responses to current business and employment conditions and responses to six-month future expectations for business conditions, employment conditions, and total family income.



Source: Conference Board

ECONOMIC TREND: GDP (Gross Domestic Product)

The economy grew at a sluggish annual rate of .6%, as of 12/31/2007. This was a dramatic decrease over the previous quarter's rate of 4.9%. Gross domestic product is the value of all goods and services produced. The 4.9% GDP growth for the September 2007 quarter is the highest rate of growth for any quarter since that ended September 2003 and the .6% for the quarters ended 3/31/07 and 12/31/07 is the lowest rate of growth for any quarter since December2002.



Source: Bureau of Economic Analysis

II. Overview of Investment Activities

SANTA BARBARA COUNTY INVESTMENT FUNDS
Quarter Ending March 31, 2008

SUMMARY OF INVESTMENTS IN THE TREASURER'S POOL	
PRINCIPAL COST	$ 846,097,739
MARKET VALUE (provided by Union Bank)	$ 851,078,314
CUMULATIVE UNREALIZED GAIN (See Note Below)	$ 4,980,575
TOTAL NET EARNINGS ON THE TREASURER'S POOL	$ 9,109,915
AVERAGE DAILY BALANCE ON THE TREASURER'S POOL	$ 861,305,893
CASH	$ 28,667,406
ACCRUED INTEREST AT PURCHASE	$ 241,945
NET INTEREST RATE ON THE TREASURER'S POOL	4.254 %
WEIGHTED AVERAGE DAYS TO MATURITY	660
WEIGHTED AVERAGE DAYS TO CALL DATE	167
SUMMARY OF INVESTMENTS IN TOBACCO SETTLEMENT FUND	
PRINCIPAL COST	$2,616,081
MARKET VALUE	$2,677,468
CUMULATIVE UNREALIZED GAIN (See Note Below)	$ 61,387
YIELD TO MATURITY	4.911%
WEIGHTED AVERAGE DAYS TO MATURITY	1223
SUMMARY OF THE CERTIFICATES OF PARTICIPATION RESERVE FUNDS	
PRINCIPAL COST	$13,856,687
MARKET VALUE	$14,077,264
CUMULATIVE UNREALIZED GAIN (See Note Below)	$ 220,577
YIELD TO MATURITY	3.55%
WEIGHTED AVERAGE DAYS TO MATURITY	367

Note: Sufficient liquidity is maintained in the pool and for required reserve funds to avoid the actual realization of any unrealized losses due to market interest rate fluctuations. It is our basic policy to retain securities in the pool until maturity, when the pool realizes the full par value of the investment.

CHARTS: The following charts are provided for your review:

Chart 1: Asset Distribution by Sector
Chart 2: Credit Rating By Percent of Book Value
Chart 3: Maturity Distribution
Chart 4: Agency Quarterly Income Distribution
Chart 5: Quarterly Performance Versus Selected Benchmarks

As you can see on Chart 1, for the quarter ending March 31, 2008, 12.6% of the pool's assets were invested in Government Agency Bonds, 37.1% in Callable Securities, 24.1% in Commercial Paper, 4.7% in LAIF (Local Agency Investment Fund), 14.2% in Medium Term Notes, and 7.3% in Negotiable Certificates of Deposit.

Chart 2 shows that 54% of securities in the pool are rated AAA, 10% are rated AA, 30% are rated A-1, P-1, F-1, 1% A-1, F-1, and 5% are in LAIF.

Chart 3 shows that 34.7% of the pool's investments have a maturity between 1 and 90 days, 8.5% between 91 days and 1 year, 10.3% between 1 year and 2 years, 5.1% between 2 and 3 years, 6.1% between 3 and 4 years, 24.2% between 4 and five years, and the other 11.1% is invested in LAIF.

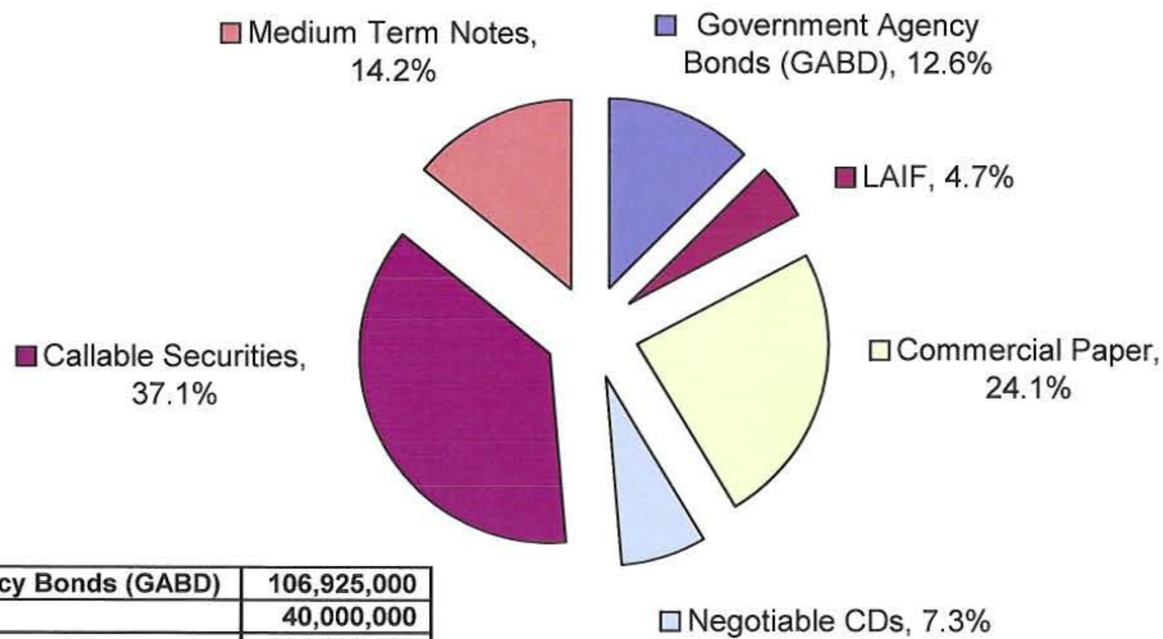
Chart 4 reflects how the pool's net earnings of $9,109,915 were distributed between the County (41%), Schools (51%) and Special Districts (8%).

Finally, Chart 5 compares the County's return to various indexes on a quarterly basis.

The investment portfolio as of the quarter ending March 31, 2008 is in compliance with the Treasurer's statement of investment policy.

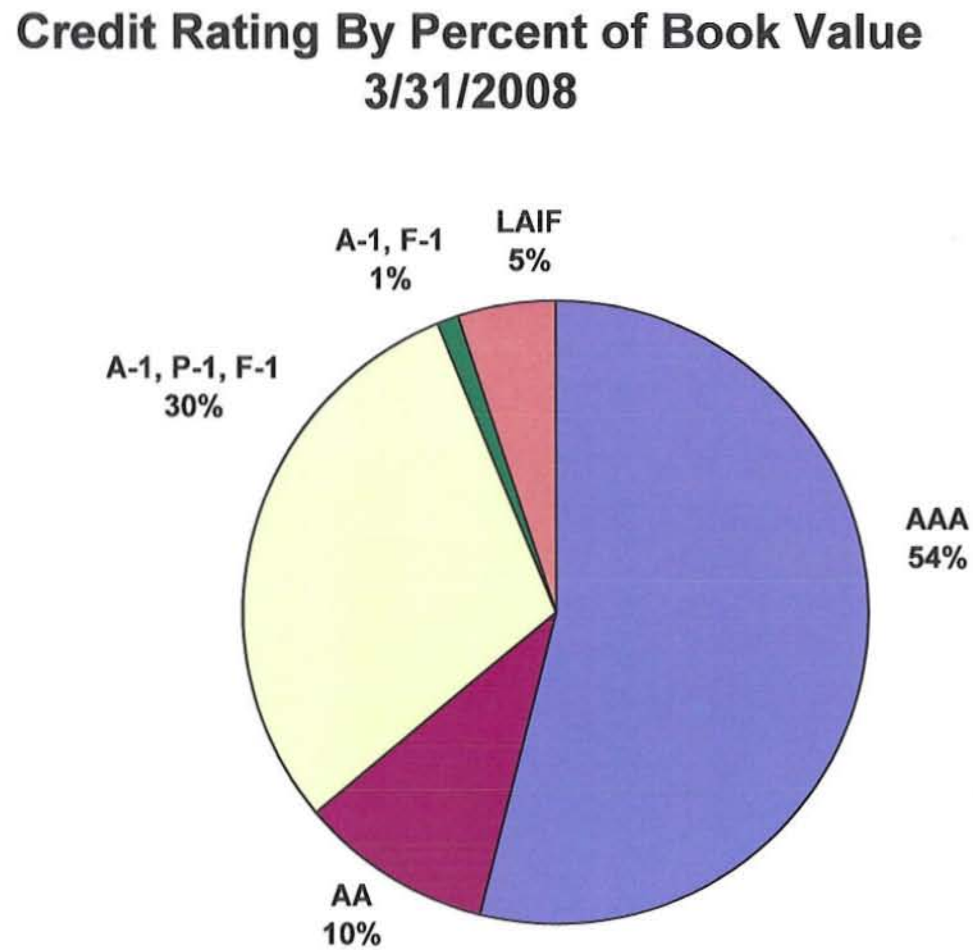
The Treasurer's Investment Pool has sufficient cash flow available to meet all budgeted expenditures for the next six months.

TREASURER'S INVESTMENT PORTFOLIO
ASSET DISTRIBUTION BY SECTOR (PAR VALUE)
3/31/2008



Government Agency Bonds (GABD)	106,925,000
LAIF	40,000,000
Commercial Paper	204,100,000
Negotiable CDs	61,500,000
Callable Securities	314,997,000
Medium Term Notes	120,131,000
TOTAL	847,653,000

CHART 1



Agency of the Federal Government/US Government Sponsored: AAA
Commercial Paper of US Corporations, Assets Greater Than $500 million: A1, P1, F1 (by two of the three rating agencies)
State of California: LAIF: N/A
Negotiable CD's: A1, P1, F1 (by two of the three rating agencies)
Medium Term Notes/Corporate Notes of US Corporations: Up to three years: AA- by at least two of the three rating agencies.
Greater than three years: AA by at least two of the three rating agencies.

CHART 2

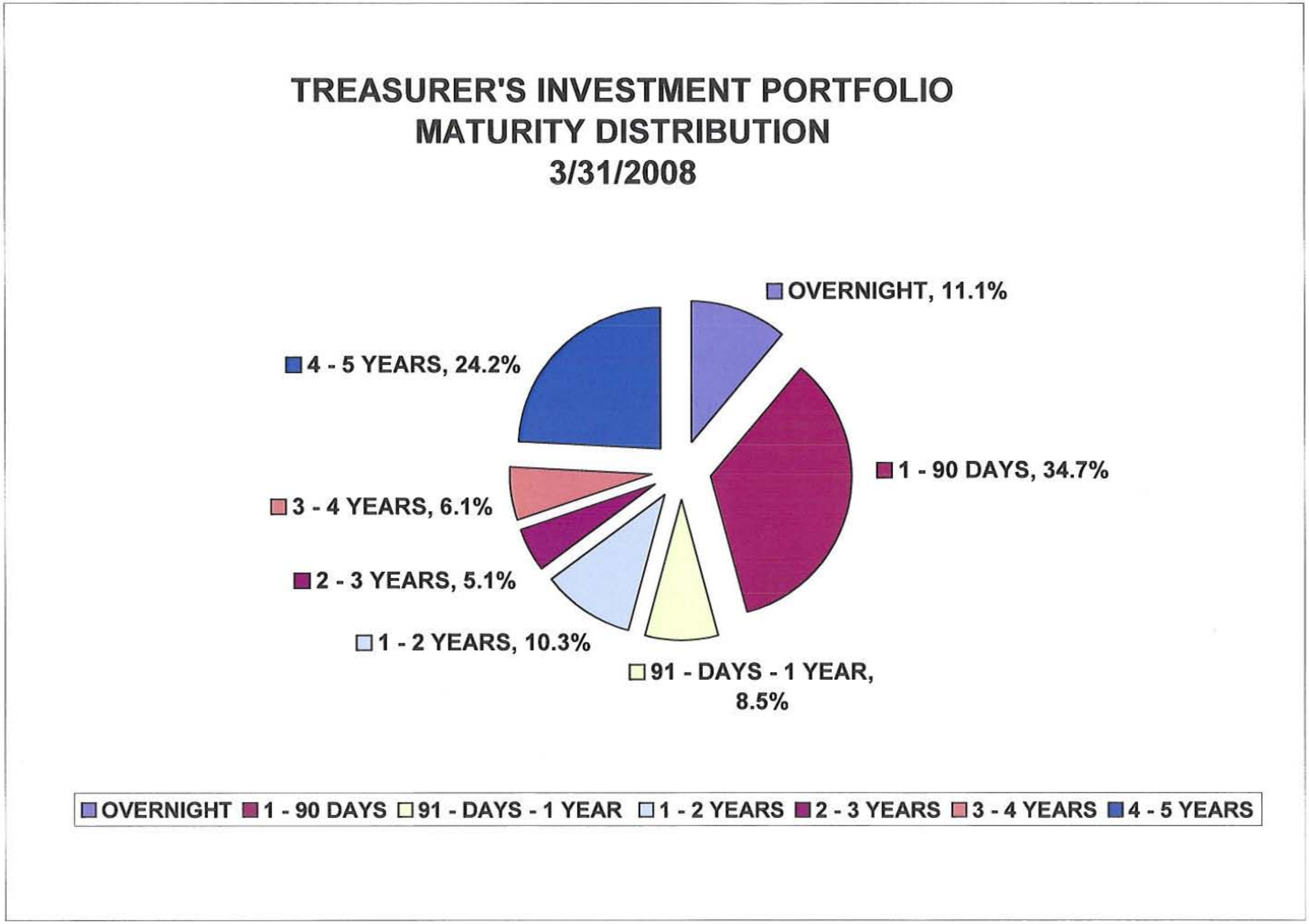

TREASURER'S INVESTMENT PORTFOLIO
MATURITY DISTRIBUTION
3/31/2008
OVERNIGHT, 11.1%
1 - 90 DAYS, 34.7%
91 - DAYS - 1 YEAR, 8.5%
1 - 2 YEARS, 10.3%
2 - 3 YEARS, 5.1%
3 - 4 YEARS, 6.1%
4 - 5 YEARS, 24.2%
OVERNIGHT 1 - 90 DAYS 91 - DAYS - 1 YEAR 1 - 2 YEARS 2 - 3 YEARS 3 - 4 YEARS 4 - 5 YEARS

CHART 3

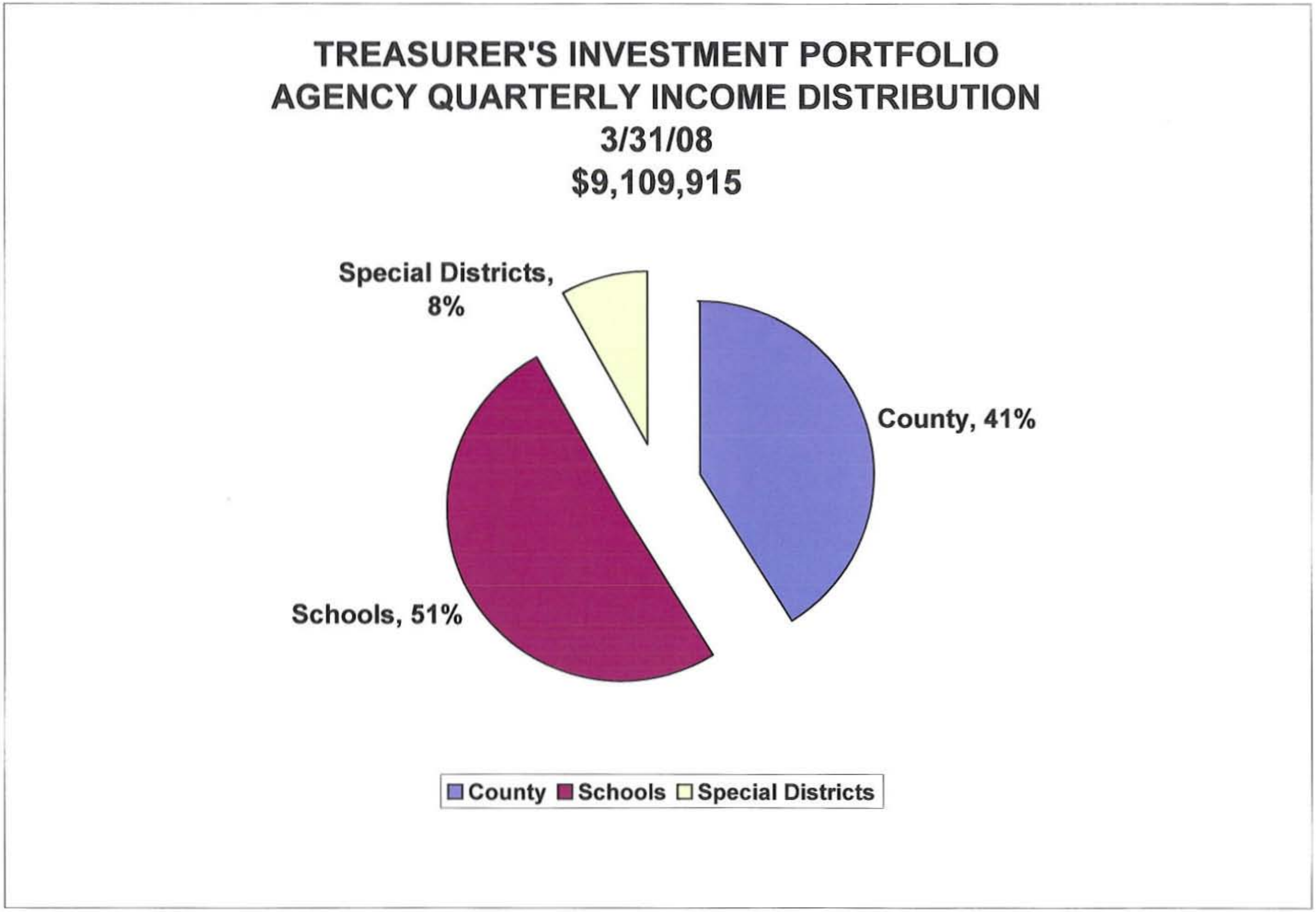

TREASURER'S INVESTMENT PORTFOLIO
AGENCY QUARTERLY INCOME DISTRIBUTION
3/31/08
$9,109,915
Special Districts, 8%
County, 41%
Schools, 51%
County
Schools
Special Districts

CHART 4

TREASURER'S INVESTMENT PORTFOLIO
QUARTERLY PERFORMANCE VERSUS SELECTED BENCHMARKS
3/31/2008

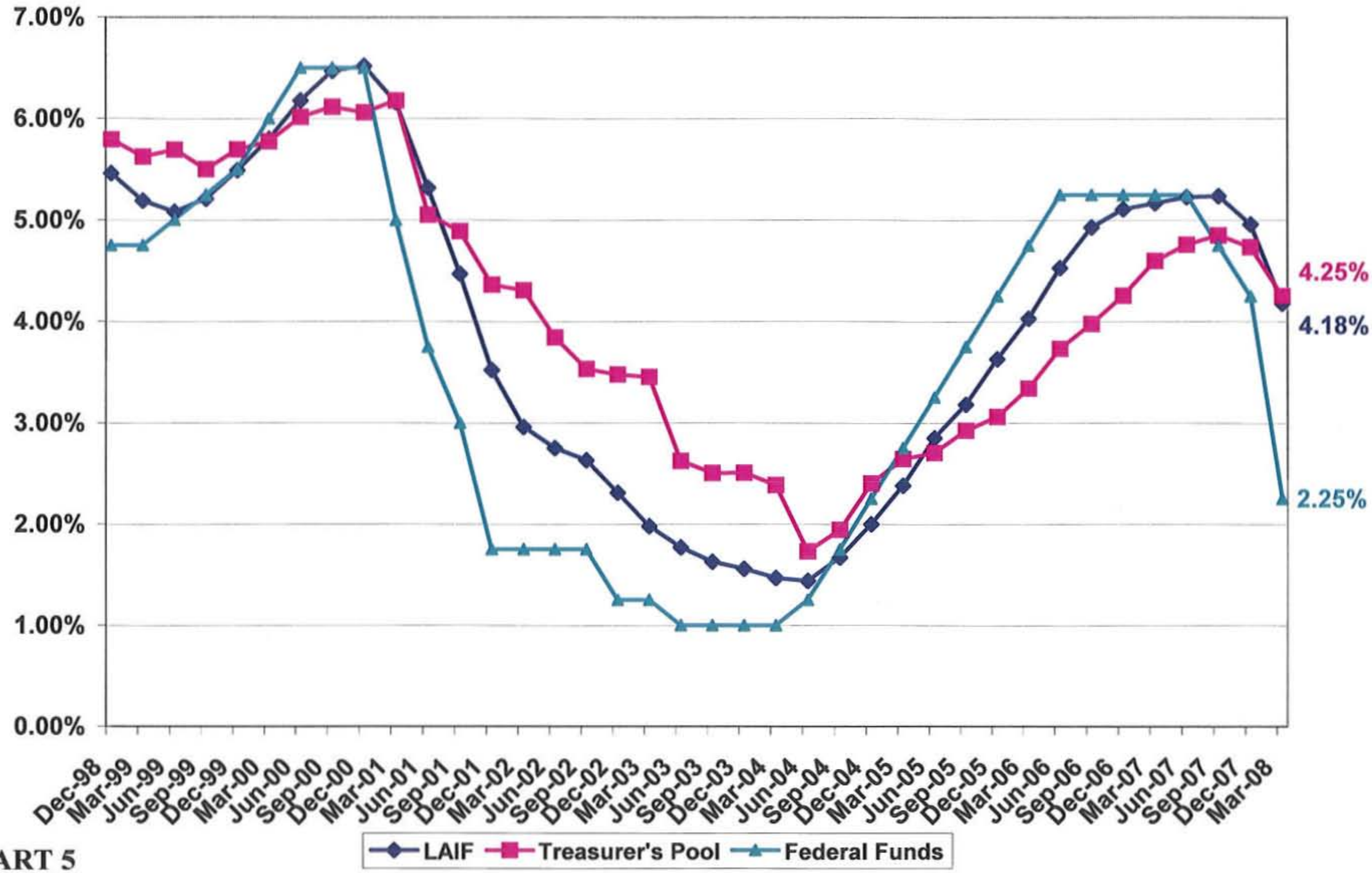


CHART 5

Santa Barbara County

County Pool 2007-2008
Portfolio Management
Portfolio Summary
January 1, 2008 through March 31, 2008

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM	YTM 360 Equiv.
Local Agency Investment Funds	40,000,000.00	40,000,000.00	40,000,000.00	4.72	1	1	4.960	4.892
Negotiable CDs	61,500,000.00	61,500,000.00	61,500,000.00	7.26	62	63	2.637	2.637
Medium Term Notes	126,131,000.00	121,000,940.61	120,159,694.58	14.19	884	538	4.581	4.535
Medium Term Notes - Callable	10,000,000.00	9,952,500.00	9,966,250.12	1.18	946	812	4.397	4.361
Commercial Paper Disc. -Amortizing	204,100,000.00	203,718,525.00	203,695,064.84	24.05	42	25	2.982	2.982
Federal Agency Coupon Securities	63,875,000.00	64,789,702.50	63,855,469.51	7.54	1,144	349	4.310	4.251
Federal Agency Disc. -Amortizing	43,050,000.00	42,933,115.00	42,942,332.49	5.07	82	51	1.856	1.856
Federal Agency Coupon - Callables	304,997,000.00	307,185,636.38	304,848,322.16	35.99	1,585	1,484	4.522	4.460
Investments	847,653,000.00	851,078,313.49	846,969,142.70	100.00%	813	560	3.886	3.850

Total Earnings	March 31 Period Ending
Current Year	9,335,330.57
Average Daily Balance	850,103,026.83
Effective Rate of Return	4.40%

Stacey Matson, CPA, Investment & Debt Officer

Reporting period 01/01/2008-03/31/2008

Run Date: 04/25/2008 - 14:31

No fiscal year history available

Portfolio SB78
AP
PM (PRF_PM1) SymRept 6.41.202b
Report Ver. 5.00

County Pool 2007-2008
Portfolio Management
Investment Status Report - Investments
March 31, 2008

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	Term	Days to Maturity	Market Value	Accrued Interest At Purchase	Current Principal	Book Value
Local Agency Investment Funds												
SYS1009	1009	LAIF	40,000,000.00	4.960			1	1	40,000,000.00		40,000,000.00	40,000,000.00
	Local Agency Investment Funds Totals		40,000,000.00				1	1	40,000,000.00	0.00	40,000,000.00	40,000,000.00
Negotiable CDs												
25153G6J0	4165	DEUTSC	12,000,000.00	2.200	05/12/2008	03/18/2008	86	72	12,000,000.00		12,000,000.00	12,000,000.00
25153G6U6	4173	DEUTSC	17,000,000.00	2.450	04/30/2008	03/25/2008	36	29	17,000,000.00		17,000,000.00	17,000,000.00
90531CGR7	4128	UBKCAL	13,000,000.00	3.050	05/29/2008	02/27/2008	92	58	13,000,000.00		13,000,000.00	13,000,000.00
90531CHH8	4139	UBKCAL	10,000,000.00	3.000	06/02/2008	03/03/2008	91	62	10,000,000.00		10,000,000.00	10,000,000.00
90531CKC5	4170	UBKCAL	9,500,000.00	2.578	07/31/2008	03/20/2008	133	121	9,500,000.00		9,500,000.00	9,500,000.00
	Negotiable CDs Totals		61,500,000.00				82	63	61,500,000.00	0.00	61,500,000.00	61,500,000.00
Medium Term Notes												
060505BU7	3744	BAC	5,000,000.00	4.500	08/01/2010	07/10/2007	1,118	852	5,100,150.00	Received	4,860,800.00	4,893,798.37
172967DU2	3202	CITIG	5,000,000.00	5.100	09/29/2011	10/24/2006	1,801	1,276	4,993,950.00	Received	4,956,900.00	4,959,453.63
2515A0HP1	4189	DBL	5,000,000.00	5.000	10/12/2010	03/31/2008	925	924	5,244,450.00	117,361.11	5,189,250.00	5,189,250.00
36962GH49	1849	GECC	7,000,000.00	3.125	04/01/2009	04/01/2004	1,826	365	6,987,610.00	Received	6,989,080.00	6,997,816.00
36962GUL6	3158	GECC	10,938,000.00	7.375	01/19/2010	10/02/2006	1,205	659	11,722,035.84	Received	11,700,050.46	11,354,014.07
36962GR48	3713	GECC	5,000,000.00	4.125	09/01/2009	06/22/2007	802	518	5,064,750.00	Received	4,870,550.00	4,916,325.10
36962GT79	3831	GECC	5,000,000.00	4.686	01/05/2009	09/07/2007	486	279	4,895,450.00	Received	4,992,850.00	4,995,895.37
36962GM76	3833	GECC	5,000,000.00	3.250	11/21/2011	09/10/2007	1,533	1,329	4,810,800.00	Received	4,984,350.00	4,988,432.58
36962GR48	4066	GECC	5,000,000.00	4.125	09/01/2009	01/30/2008	590	518	5,064,750.00	Received	5,067,723.50	5,060,488.59
4042Q0AN9	4032	HSBCBA	10,000,000.00	3.875	09/15/2009	12/31/2007	624	532	9,930,900.00	Received	9,802,000.00	9,916,364.82
441812KH6	3883	HSBCFI	7,000,000.00	4.125	11/16/2009	10/01/2007	777	594	6,881,960.00	Received	6,870,729.25	6,901,145.90
46623ECM9	3511	JPMCC	5,000,000.00	2.964	09/05/2008	03/16/2007	539	157	4,991,450.00	Received	4,997,050.00	4,999,140.72
46623EHU6	4067	JPMCC	5,000,000.00	4.394	01/22/2010	01/22/2008	731	661	4,947,350.00		5,000,000.00	5,000,000.00
592179AA3	3984	METLIF	4,500,000.00	2.789	04/28/2008	12/10/2007	140	27	4,499,460.00	Received	4,495,500.00	4,499,132.14
89233PJ98	3823	TOYMTN	5,000,000.00	2.984	09/05/2008	09/04/2007	367	157	4,997,950.00		5,000,000.00	5,000,000.00
929903AC6	3444	WACCOR	4,000,000.00	3.500	08/15/2008	02/12/2007	550	136	3,995,120.00	Received	3,900,840.00	3,975,528.56
929903AD4	3849	WACCOR	7,693,000.00	3.625	02/17/2009	09/24/2007	512	322	7,869,074.77	Received	7,548,910.11	7,602,478.32
949746JB8	3017	WELLS	5,000,000.00	4.000	08/15/2008	07/18/2006	759	136	5,000,350.00	Received	4,852,250.00	4,973,495.98
94974BAT7	3134	WELLS	4,000,000.00	3.120	08/15/2008	09/18/2006	697	136	3,984,600.00	Received	3,845,680.00	3,969,899.74
949746MZ1	3156	WELLS	5,000,000.00	4.625	08/09/2010	09/29/2006	1,410	860	5,134,250.00	Received	4,932,850.00	4,959,033.67
949746NZ0	4088	WELLS	5,000,000.00	3.674	01/29/2010	01/31/2008	729	666	4,974,400.00		5,000,000.00	5,000,000.00

County Pool 2007-2008
Portfolio Management
Investment Status Report - Investments
March 31, 2008

CUSIP	Investment #	Issuer	Par Value	Stated Rate	Maturity Date	Purchase Date	Term	Days to Maturity	Market Value	Accrued Interest At Purchase	Current Principal	Book Value
	Medium Term Notes Totals		120,131,000.00				884	538	121,000,840.61	117,361.11	119,957,363.32	120,159,694.68
Medium Term Notes - Callable												
060505CY8	3983	BAC	5,000,000.00	3.075	02/12/2010	12/10/2007	795	682	4,925,500.00	Received	4,963,000.00	4,968,259.12
89233PL61	3912	TOYMTN	5,000,000.00	5.200	10/29/2010	10/29/2007	1,096	941	5,027,000.00		5,000,000.00	5,000,000.00
	Medium Term Notes - Callable Totals		10,000,000.00				946	812	9,952,500.00	0.00	9,963,000.00	9,968,259.12
Commercial Paper Disc. -Amortizing												
02581REF6	4118	AMEX	13,000,000.00	2.930	05/15/2008	02/19/2008	86	44	12,956,800.00		12,909,007.22	12,953,445.55
02581RE58	4134	AMEX	13,000,000.00	3.020	05/05/2008	02/29/2008	66	34	12,965,810.00		12,928,023.33	12,962,921.11
02581RE17	4135	AMEX	15,000,000.00	3.020	05/01/2008	02/29/2008	62	30	14,965,950.00		14,921,983.33	14,962,250.00
12556UD11	4157	CIT	11,500,000.00	3.500	04/01/2008	03/12/2008	20	0	11,500,000.00		11,477,638.89	11,500,000.00
2960E2DW0	4161	ERSTE	20,000,000.00	2.650	04/30/2008	03/28/2008	33	29	19,958,000.00		19,951,416.67	19,957,305.56
2960E2DO3	4168	ERSTE	5,000,000.00	2.650	04/24/2008	03/28/2008	27	23	4,991,300.00		4,990,062.50	4,991,534.72
3495P2D46	4144	FORTIS	13,000,000.00	2.990	04/04/2008	03/05/2008	30	3	12,997,010.00		12,967,608.33	12,996,760.83
3495P2D20	4166	FORTIS	10,000,000.00	2.490	04/02/2008	03/19/2008	14	1	9,999,300.00		9,990,316.67	9,999,308.33
5006E0DH6	4171	KOREA	14,000,000.00	2.650	04/17/2008	03/24/2008	24	16	13,982,640.00		13,975,266.67	13,983,511.11
5006E0D78	4187	KOREA	5,000,000.00	2.850	04/07/2008	03/28/2008	10	6	4,997,700.00		4,996,041.67	4,997,625.00
5006E0FW1	4190	KOREA	14,200,000.00	2.770	06/30/2008	03/31/2008	91	90	14,102,730.00		14,100,572.39	14,101,665.00
52517JDU8	4027	LEHM	5,000,000.00	4.750	04/28/2008	12/27/2007	123	27	4,989,750.00		4,918,854.17	4,982,187.50
52525MDW5	4165	LEHM	17,000,000.00	2.750	04/30/2008	03/20/2008	41	29	16,962,600.00		16,946,756.94	16,962,340.27
52525MD13	4191	LEHM	10,000,000.00	3.200	04/01/2008	03/31/2008	1	0	10,000,000.00		9,999,111.11	10,000,000.00
53419AD32	4167	LINCOL	11,300,000.00	2.800	04/03/2008	03/19/2008	15	2	11,298,305.00		11,286,816.67	11,298,242.22
6931M2D32	4140	PB FIN	6,000,000.00	3.370	04/03/2008	03/04/2008	30	2	5,999,100.00		5,983,150.00	5,998,876.67
6931M2E64	4176	PB FIN	2,100,000.00	3.080	05/06/2008	03/26/2008	41	36	2,094,330.00		2,092,705.42	2,093,772.92
6931M2DW8	4179	PB FIN	19,000,000.00	3.050	04/30/2008	03/27/2008	34	29	18,958,200.00		18,945,269.44	18,953,318.05
	Commercial Paper Disc. -Amortizing Totals		204,100,000.00				42	25	203,716,525.00	0.00	203,380,601.42	203,695,064.84
Federal Agency Coupon Securities												
31331YAC4	3914	FFCB	6,000,000.00	4.820	10/12/2012	10/30/2007	1,809	1,655	6,410,640.00	14,460.00	6,060,600.00	6,055,464.98
3133XEEH8	2721	FHLB	5,000,000.00	4.800	07/24/2008	01/27/2006	909	114	5,039,050.00	Received	4,987,250.00	4,998,393.81
3133XC4D2	3540	FHLB	4,000,000.00	4.100	06/13/2008	03/30/2007	441	73	4,013,760.00	Received	3,955,200.00	3,992,550.58
31339YGN6	3542	FHLB	5,000,000.00	2.625	07/15/2008	04/02/2007	470	105	5,003,150.00	Received	4,852,435.00	4,966,653.65
3133X0LJ6	3572	FHLB	5,000,000.00	3.750	08/15/2008	04/11/2007	492	136	5,025,000.00	Received	4,915,000.00	4,976,466.94
3133XBBV8	3909	FHLB	5,000,000.00	4.625	02/15/2012	10/26/2007	1,573	1,415	5,301,550.00	Received	5,021,550.00	5,019,393.61

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Federal Agency Coupon Securities												
3128X1JB4	1563	FHLMC	10,000,000.00	2.850	06/03/2008	06/04/2003	1,828	63	10,007,200.00	Received	9,998,500.00	9,999,948.30
3128X4YE6	3582	FHLMC	5,000,000.00	5.000	07/23/2008	04/13/2007	467	113	5,039,050.00	Received	4,992,300.00	4,998,125.22
3128X1RX7	3591	FHLMC	3,875,000.00	3.080	07/15/2008	04/18/2007	464	105	3,882,052.50	Received	3,779,016.25	3,852,868.21
3128X5S33	3625	FHLMC	5,000,000.00	4.875	09/12/2008	05/02/2007	499	164	5,055,150.00	Received	4,987,450.00	4,995,876.43
3136F3WW2	1575	FNMA	10,000,000.00	3.000	06/11/2008	06/11/2003	1,827	71	10,012,500.00		9,953,000.00	9,999,727.78
	Federal Agency Coupon Securities Totals		53,875,000.00				1,144	343	54,789,702.50	14,460.00	53,542,301.25	53,855,469.51
Federal Agency Disc. -Amortizing												
313384WN5	4161	FHLBDN	10,000,000.00	1.700	05/07/2008	03/17/2008	51	35	9,982,000.00		9,975,916.67	9,983,000.00
313384YQ6	4163	FHLBDN	15,000,000.00	1.700	06/26/2008	03/17/2008	101	66	14,928,000.00		14,928,458.33	14,939,083.33
313384WX3	4164	FHLBDN	4,750,000.00	1.800	05/16/2008	03/17/2008	60	45	4,739,075.00		4,735,750.00	4,739,312.50
313384WA3	4185	FHLBDN	13,300,000.00	2.150	04/25/2008	03/28/2008	28	24	13,284,040.00		13,277,759.44	13,280,936.66
	Federal Agency Disc. -Amortizing Totals		43,050,000.00				62	51	42,933,115.00	0.00	42,917,884.44	42,942,332.49
Federal Agency Coupon - Callables												
31331X4V1	3866	FFCB	5,000,000.00	5.200	10/03/2011	10/03/2007	1,461	1,280	5,075,000.00		4,999,000.00	4,999,123.61
31331YQW3	4083	FFCB	5,000,000.00	3.150	02/04/2010	02/04/2008	731	674	5,017,200.00		4,999,500.00	4,999,539.58
31331YRO4	4104	FFCB	8,000,000.00	3.825	02/06/2012	02/06/2008	1,461	1,406	8,092,480.00		8,000,000.00	8,000,000.00
31331YUN8	4133	FFCB	6,277,000.00	3.900	02/13/2013	02/29/2008	1,811	1,779	6,345,670.38	10,880.13	6,275,430.75	6,275,458.90
3133XMR78	3911	FHLB	5,000,000.00	4.800	10/29/2010	10/29/2007	1,096	941	5,068,750.00		4,995,625.00	4,996,240.74
3133XMSU6	3937	FHLB	5,000,000.00	4.950	11/14/2011	11/14/2007	1,461	1,322	5,015,650.00		4,995,000.00	4,995,475.69
3133XMU41	3946	FHLB	5,000,000.00	4.625	11/09/2009	11/19/2007	721	587	5,012,500.00	6,423.61	5,000,000.00	5,000,000.00
3133XNCF4	3954	FHLB	5,000,000.00	5.000	11/23/2012	11/26/2007	1,824	1,697	5,020,300.00	2,083.33	5,000,000.00	5,000,000.00
3133XNKK4	4010	FHLB	5,000,000.00	4.500	06/17/2011	12/17/2007	1,278	1,172	5,021,900.00		5,000,000.00	5,000,000.00
3133XNGB9	4012	FHLB	7,000,000.00	4.800	12/18/2012	12/18/2007	1,827	1,722	7,126,910.00		6,936,500.00	6,996,700.28
3133XNUZ0	4037	FHLB	6,500,000.00	2.749	12/24/2012	01/03/2008	1,617	1,728	6,500,000.00	Received	6,500,000.00	6,500,000.00
3133XNXH7	4077	FHLB	10,000,000.00	4.600	01/25/2013	01/25/2008	1,827	1,760	10,071,900.00		10,000,000.00	10,000,000.00
3133XP6L3	4122	FHLB	10,000,000.00	4.200	01/29/2013	02/21/2008	1,804	1,764	10,150,000.00	25,666.67	9,942,000.00	9,943,304.64
3133XPXN9	4136	FHLB	5,000,000.00	3.000	09/03/2009	03/03/2008	549	520	5,017,200.00		5,000,000.00	5,000,000.00
3128X5JJ8	3115	FHLMC	5,000,000.00	5.460	09/02/2011	08/12/2006	1,816	1,249	5,066,650.00	Received	4,991,100.00	4,993,879.39
3128X6BP0	3707	FHLMC	5,000,000.00	5.700	06/12/2012	06/21/2007	1,818	1,533	5,035,450.00	Received	4,977,500.00	4,981,017.59
3128X6GR1	3768	FHLMC	5,000,000.00	6.000	07/24/2012	07/24/2007	1,827	1,575	5,060,350.00		5,000,000.00	5,000,000.00
3128X6QU3	3935	FHLMC	5,000,000.00	5.000	11/13/2012	11/13/2007	1,827	1,687	5,074,200.00		5,000,000.00	5,000,000.00
3128X6TS5	3982	FHLMC	5,000,000.00	4.750	12/10/2012	12/10/2007	1,827	1,714	5,085,900.00		5,000,000.00	5,000,000.00

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Federal Agency Coupon - Callables												
3128X6VG8	3996	FHLMC	5,000,000.00	4.650	12/13/2010	12/13/2007	1,096	988	5,019,100.00		5,000,000.00	5,000,000.00
3128X6WL8	4024	FHLMC	5,000,000.00	4.750	08/24/2011	12/27/2007	1,276	1,179	5,022,050.00	1,979.17	4,997,500.00	4,997,686.95
3128X6WU6	4033	FHLMC	5,500,000.00	4.400	12/24/2009	12/31/2007	724	632	5,524,970.00	4,705.56	5,500,000.00	5,500,000.00
3128X6XZ4	4054	FHLMC	5,000,000.00	4.400	01/11/2010	01/11/2008	731	650	5,003,150.00		5,000,000.00	5,000,000.00
3128X6P67	4100	FHLMC	10,000,000.00	4.000	02/05/2013	02/05/2008	1,827	1,771	10,055,400.00		10,000,000.00	10,000,000.00
3128X6H90	4110	FHLMC	5,000,000.00	4.250	02/12/2013	02/12/2008	1,827	1,778	5,011,300.00		4,998,000.00	4,998,054.44
3128X6Y42	4121	FHLMC	5,000,000.00	4.150	02/21/2013	02/21/2008	1,827	1,787	5,013,000.00		4,987,000.00	4,987,288.69
3128X65L6	4151	FHLMC	4,825,000.00	4.250	03/11/2013	03/11/2008	1,826	1,805	4,843,142.00		4,825,000.00	4,825,000.00
3128X6H90	4156	FHLMC	5,000,000.00	4.250	02/12/2013	03/12/2008	1,798	1,778	5,011,300.00	17,708.33	4,990,000.00	4,990,107.34
3128X7EO3	4180	FHLMC	8,425,000.00	3.750	03/27/2013	03/27/2008	1,826	1,821	8,453,308.00		8,419,776.50	8,419,788.11
31398ABN1	3873	FNMA	10,000,000.00	5.550	05/22/2012	10/09/2007	1,667	1,512	10,050,000.00	Received	10,000,000.00	10,000,000.00
3136F8TN5	3876	FNMA	5,000,000.00	5.350	10/10/2012	10/10/2007	1,827	1,653	5,082,800.00		5,000,000.00	5,000,000.00
31398AHN5	3885	FNMA	5,000,000.00	5.000	10/15/2010	10/15/2007	1,096	927	5,070,300.00		4,994,531.25	4,995,371.82
31398AHX3	3885	FNMA	5,000,000.00	5.020	10/15/2010	10/15/2007	1,096	927	5,065,650.00		4,995,000.00	4,995,768.52
3136F8UD6	3899	FNMA	5,000,000.00	5.125	04/22/2011	10/22/2007	1,278	1,116	5,060,950.00		5,000,000.00	5,000,000.00
31398AJA1	3903	FNMA	10,000,000.00	5.400	10/24/2012	10/24/2007	1,827	1,667	10,150,000.00		10,000,000.00	10,000,000.00
31398AJJ2	3918	FNMA	10,000,000.00	5.250	10/25/2012	11/01/2007	1,820	1,668	10,021,900.00	8,750.00	10,000,000.00	10,000,000.00
3136F8YW9	4006	FNMA	5,000,000.00	4.600	12/14/2012	12/14/2007	1,827	1,718	5,140,650.00		5,000,000.00	5,000,000.00
3136F8Z00	4018	FNMA	10,000,000.00	5.000	12/20/2012	12/20/2007	1,827	1,724	10,050,000.00		10,000,000.00	10,000,000.00
3136F8B53	4049	FNMA	10,000,000.00	5.000	01/09/2013	01/09/2008	1,827	1,744	10,006,300.00		10,000,000.00	10,000,000.00
3136F8E68	4061	FNMA	10,000,000.00	4.250	01/16/2013	01/16/2008	1,827	1,751	10,009,400.00		10,000,000.00	10,000,000.00
3136F8E76	4078	FNMA	5,000,000.00	4.375	01/24/2013	01/25/2008	1,826	1,759	5,032,800.00	607.64	5,000,000.00	5,000,000.00
31398AMU3	4109	FNMA	5,000,000.00	3.550	02/08/2011	02/08/2008	1,096	1,043	5,006,250.00		4,998,437.50	4,998,514.18
3136F8Z99	4112	FNMA	8,570,000.00	4.300	02/13/2013	02/13/2008	1,827	1,779	8,591,425.00		8,570,000.00	8,570,000.00
3136F6W88	4114	FNMA	5,000,000.00	3.400	02/14/2011	02/14/2008	1,096	1,049	5,015,850.00		4,993,750.00	4,994,021.99
31398AMY5	4132	FNMA	5,000,000.00	3.250	02/08/2010	02/29/2008	710	678	5,008,250.00	9,479.17	4,999,850.00	4,999,852.29
3136F9CL5	4152	FNMA	4,900,000.00	4.125	03/11/2013	03/11/2008	1,826	1,805	4,918,375.00		4,897,550.00	4,897,577.22
3136F9CB7	4153	FNMA	5,000,000.00	4.000	03/11/2013	03/11/2008	1,826	1,805	5,037,500.00		5,000,000.00	5,000,000.00
31398ANT5	4155	FNMA	5,000,000.00	4.250	02/25/2013	03/12/2008	1,811	1,791	5,039,050.00	10,034.72	5,000,000.00	5,000,000.00
31398ANG3	4162	FNMA	5,000,000.00	4.290	02/27/2013	03/17/2008	1,808	1,793	5,016,660.00	11,805.56	4,998,437.50	4,998,449.79
Federal Agency Coupon - Callables Totals			304,897,000.00				1,566	1,484	307,185,630.38	110,123.89	304,836,586.50	304,848,322.16

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		Investment Totals	847,553,000.00				813	660	851,078,313.49	241,945.00	846,097,738.93	846,969,142.70