

**SANTA BARBARA COUNTY**

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

**FOR THE QUARTER ENDED DECEMBER 31, 2010**

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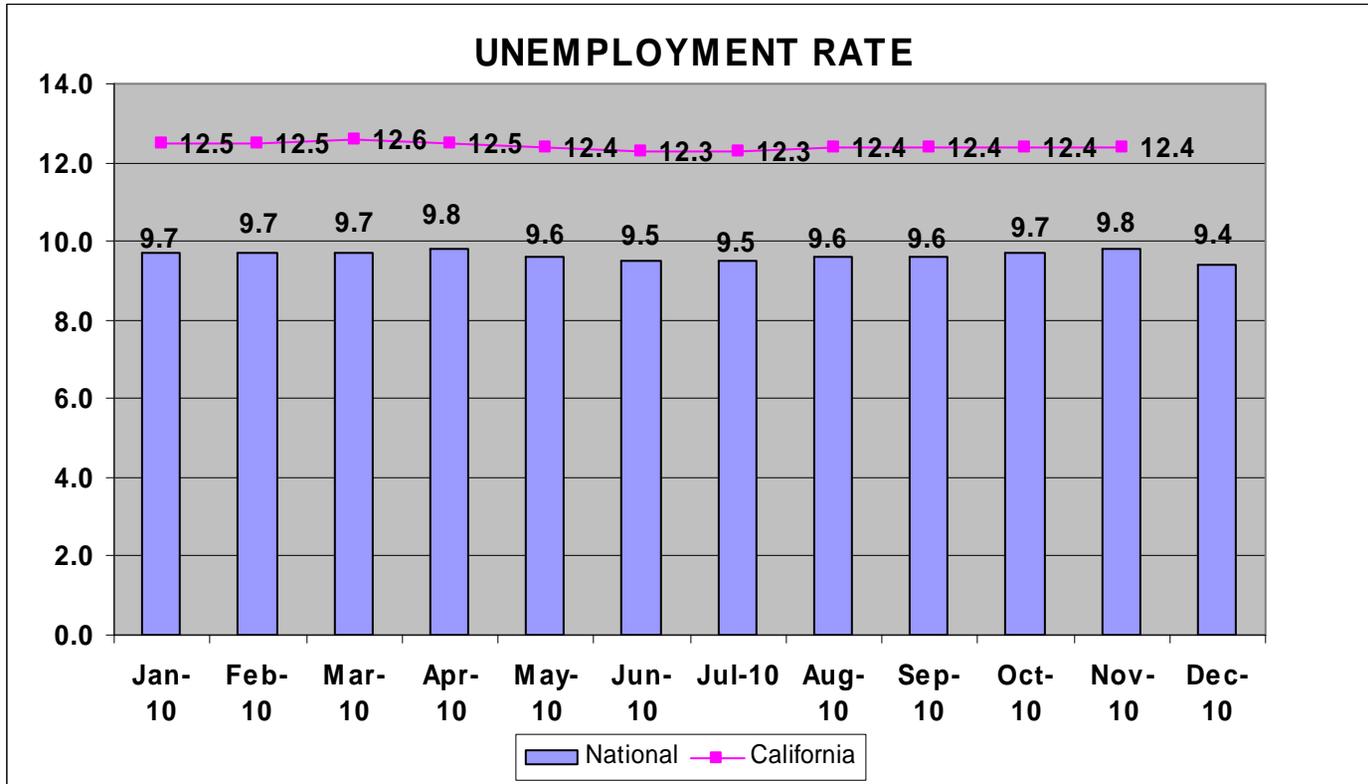
## **ECONOMIC TREND: Impact on the Pool**

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- **The Federal Reserve (FED), maintained the target federal funds rate at a range of 0 to .25% throughout the quarter.**
- **The FED has indicated low interest rates will remain in place for an extended period. Fixed income investment offerings are expected to continue to be purchased at lower rates of return than many of the current pool holdings. Cash deposits and maturing investments are likely to be invested at lower rates as compared to the pool's current holdings.**
- **The unemployment rate ticked up in October to 9.7% and November to 9.8% and then fell to its lowest point in 19 months in December to 9.4%.**
- **Consumer Confidence appeared to be improving, increasing to 54.3 in November, but unexpectedly fell in December to 52.5.**
- **The U.S. economy expanded at a 2.6% annual rate for the quarter ending September 2010, marking a pickup in growth from 1.7% in the prior quarter.**

## ECONOMIC TREND: Unemployment Rate

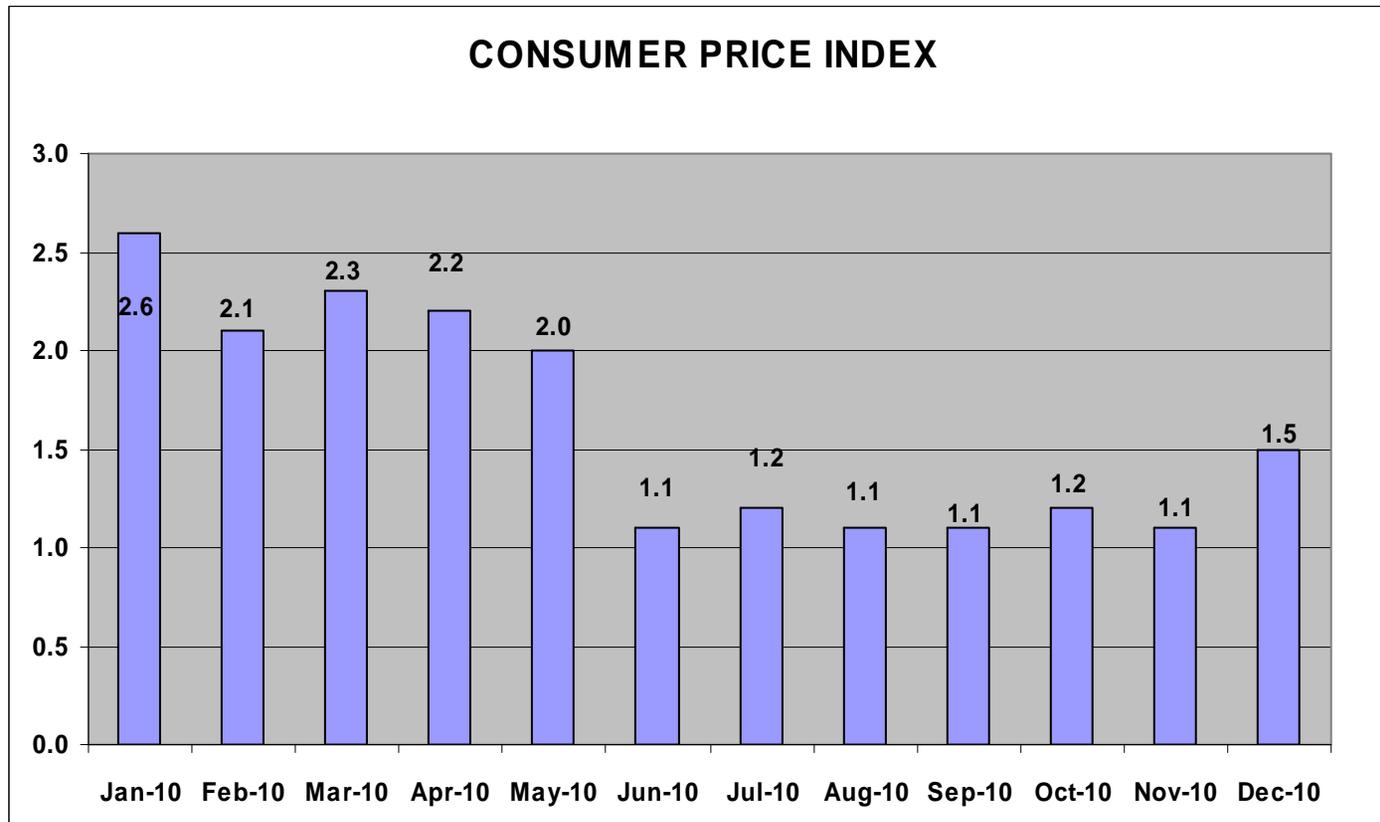
The unemployment rate represents the number of unemployed persons as a percent of the labor force. The sampling used each month to calculate the rate is approximately 60,000 households. The national unemployment rate began the quarter at 9.7% and ended at 9.4%. The California unemployment rate was 12.4% in November.



Source: Bureau of Labor Statistics

## ECONOMIC TREND: Inflation

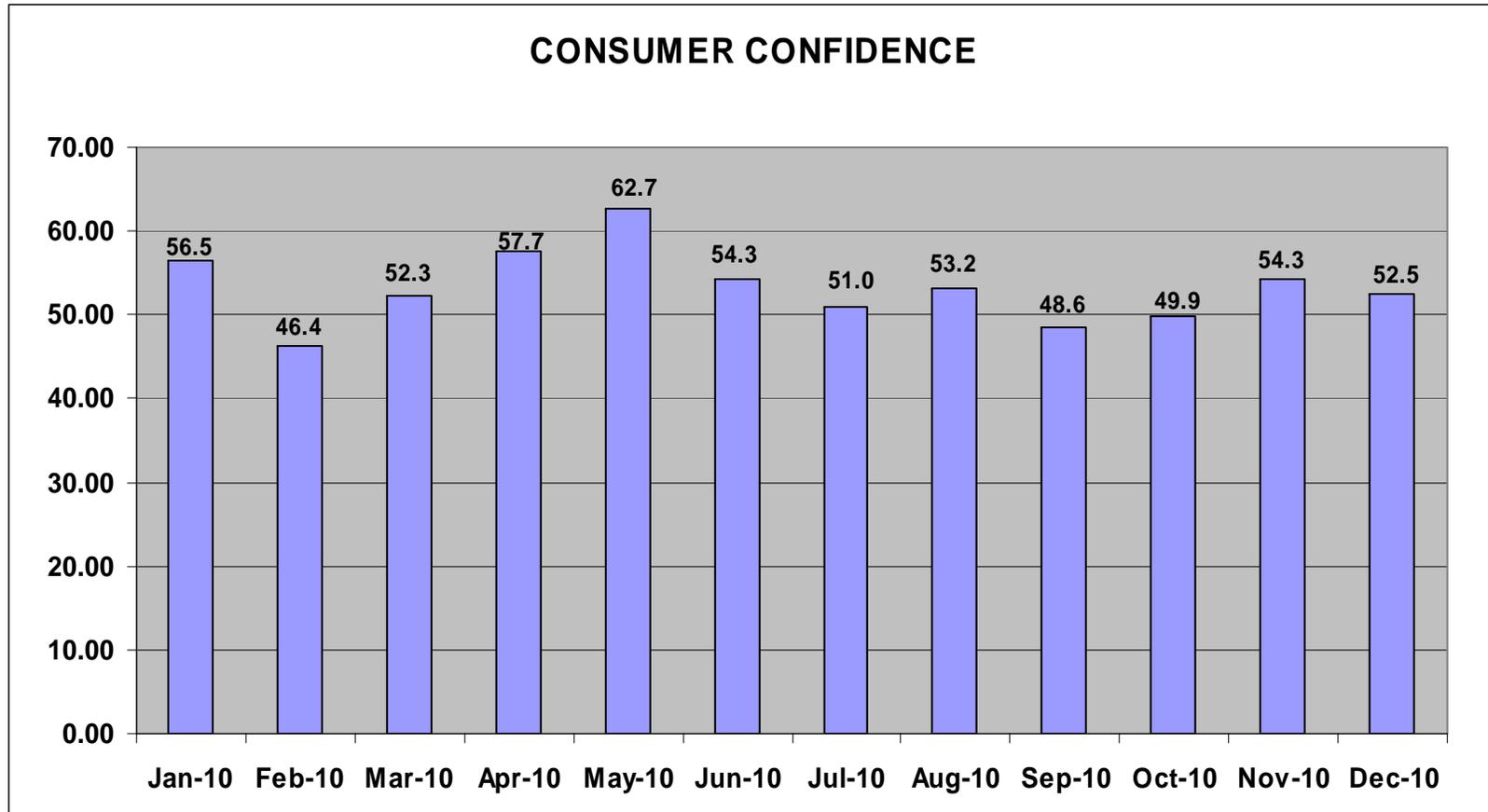
*The Consumer Price Index (CPI) represents changes in prices of all goods and services purchased for consumption by urban households. It began the quarter at 1.1 and ended at 1.5. The Core CPI, which excludes food and energy, began and ended the quarter at 0.8.*



Source: Bureau of Labor Statistics

## ECONOMIC TREND: Consumer Confidence

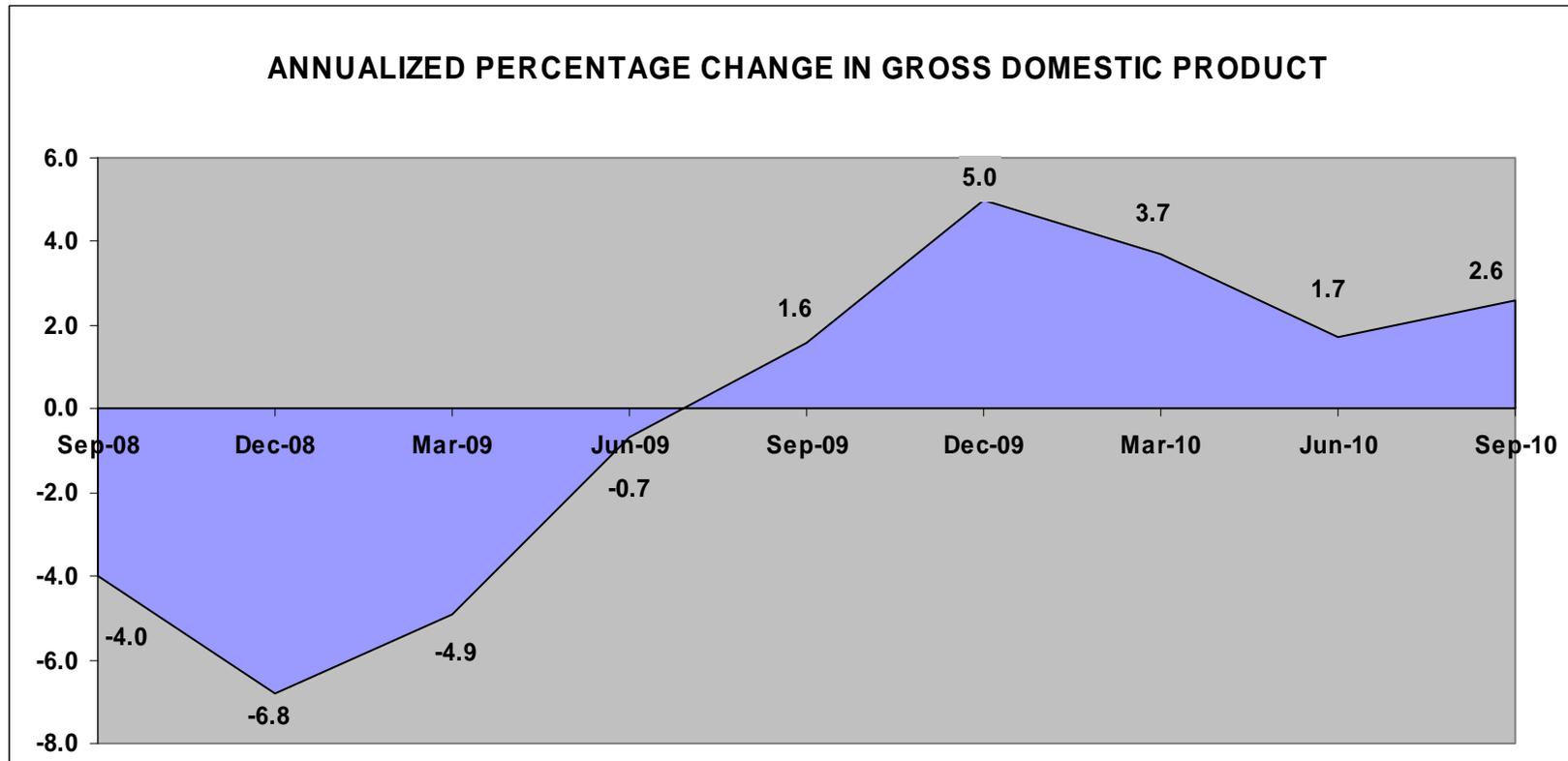
*Consumer Confidence is the average of responses to current business and employment conditions and responses to six-month future expectations for business conditions, employment conditions, and total family income. It began the quarter at 48.6 and ended at 52.5.*



Source: Conference Board

## ECONOMIC TREND: GDP (Gross Domestic Product)

Gross domestic product is the value of all goods and services produced. The economy experienced its fifth consecutive quarter of positive growth, ending September 2010 at 2.6%. Annualized GDP first evidenced significant improvement in June 2009, and became positive in September 2009 at 1.6%.



Source: Bureau of Economic Analysis

## **II. Overview of Investment Activities**

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**SANTA BARBARA COUNTY INVESTMENT FUNDS**  
**Quarter Ending December 31, 2010**

**SUMMARY OF INVESTMENTS IN THE TREASURER'S POOL**

<b>PRINCIPAL COST</b>	<b>\$ 993,239,188</b>
<b>MARKET VALUE (provided by Union Bank)</b>	<b>\$ 994,456,769</b>
<b>CUMULATIVE UNREALIZED GAIN (See Note Below)</b>	<b>\$ 1,217,581</b>
<b>TOTAL NET EARNINGS ON THE TREASURER'S POOL</b>	<b>\$ 1,958,286</b>
<b>AVERAGE DAILY BALANCE ON THE TREASURER'S POOL</b>	<b>\$ 920,996,508</b>
<b>CASH ON DEPOSIT AT BANK</b>	<b>\$ 89,760,722</b>
<b>ACCRUED INTEREST AT PURCHASE</b>	<b>\$ 33,632</b>
<b>NET INTEREST RATE ON THE TREASURER'S POOL</b>	<b>0.844 %</b>
<b>WEIGHTED AVERAGE DAYS TO MATURITY</b>	<b>544</b>

**SUMMARY OF CERTIFICATES OF PARTICIPATION/LEASE FUNDS WITH FISCAL AGENTS**

<b>PRINCIPAL COST</b>	<b>\$ 34,794,060</b>
<b>MARKET VALUE</b>	<b>\$ 34,835,935</b>
<b>CUMULATIVE UNREALIZED GAIN (See Note Below)</b>	<b>\$ 41,875</b>
<b>YIELD TO MATURITY</b>	<b>1.08%</b>
<b>WEIGHTED AVERAGE DAYS TO MATURITY</b>	<b>221</b>

**Note: Unrealized gains and losses are not expected to be realized. It is our basic policy to retain securities in the pool until maturity.**

**CHARTS: The following charts are provided for your review:**

**Chart 1: Asset Distribution by Sector (Par Value)**

**Chart 2: Credit Rating At Time of Purchase By Percent of Book Value**

**Chart 3: Maturity Distribution**

**Chart 4: Average Daily Cash Balance and Income Distribution**

**Chart 5: Quarterly Performance Versus Selected Benchmarks**

As you can see on Chart 1, for the quarter ending December 31, 2010, 22.2% of the pool's assets were invested in Government Agency Bonds, 17.5% in Treasury Bills, 36.8% in Callable Securities, 4.6% in LAIF (Local Agency Investment Fund), 4.2% in CAMP, 2.3% in Medium Term Notes, 0.9% in Medium Term Notes – FDIC Insured, 2.3% in Negotiable Certificates of Deposit and 8.3% in cash on deposit at the bank.

Chart 2 shows that at December 31, based upon ratings at the time of purchase as required by the adopted investment policy, 82% of securities in the pool were rated AAA, 1.9% are rated AA, 3.2% are rated A-1, P-1, F-1, and 12.9% were unrated.

Chart 3 shows that at December 31, 16% of the pool's investments have a maturity between 1 and 90 days, 25% between 91 days and 1 year, 6.6% between 1 year and 2 years, 11.4% between 2 and 3 years, 16.4% between 3 and 4 years, 7.6% between 4 and five years, and the other 17% is invested in LAIF, other overnight securities, or is cash on deposit at the bank.

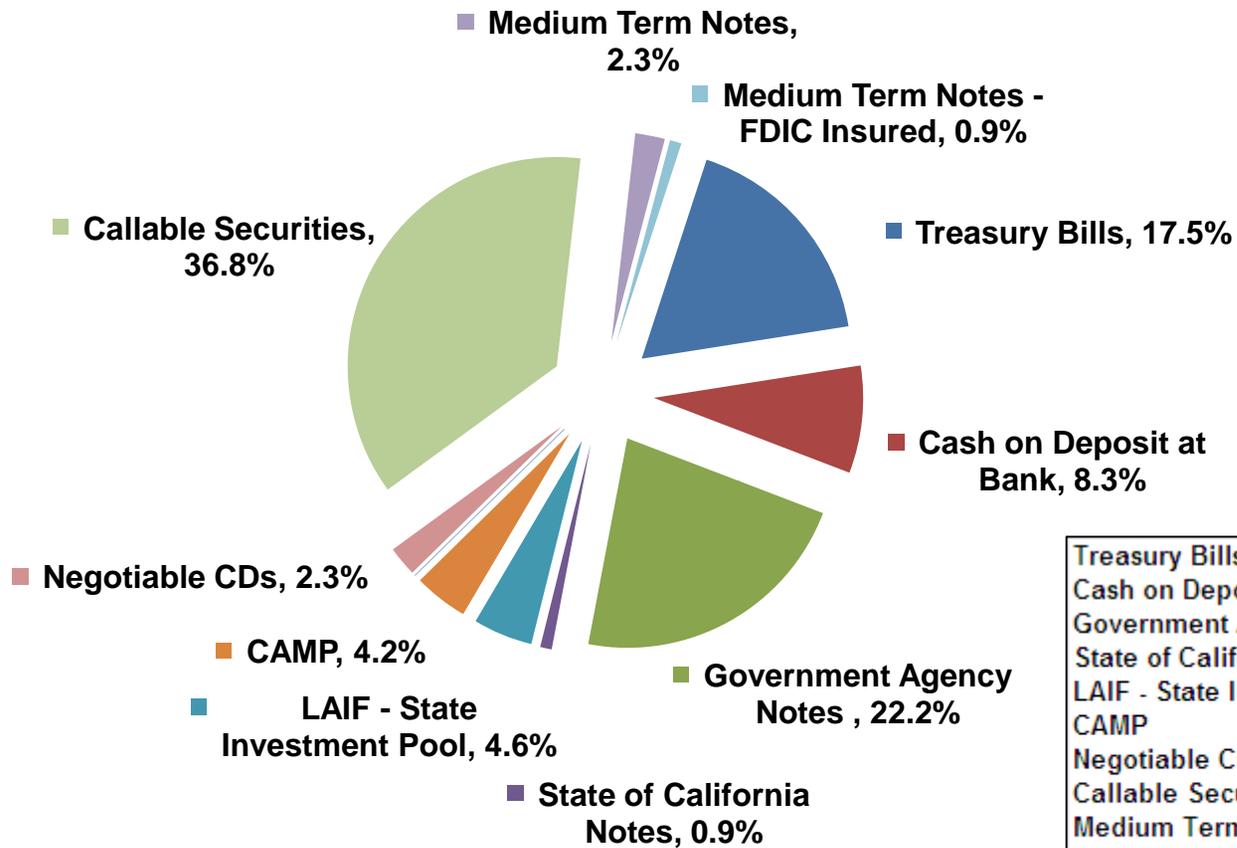
Chart 4 reflects how the pool's net earnings of \$1,958,286 were distributed between the County (44%), Schools (48%) and Special Districts (8%), based upon average daily cash balances.

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

The investment portfolio as of the quarter ending December 31, 2010 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.

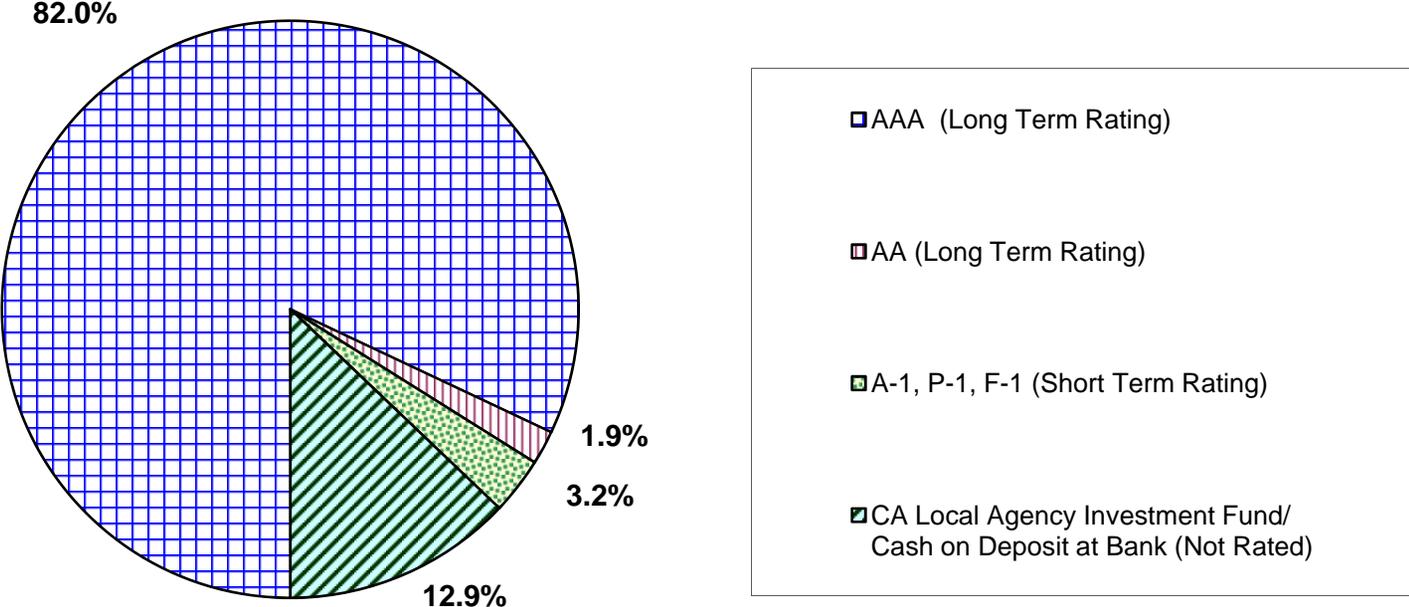
## TREASURER'S INVESTMENT PORTFOLIO ASSET DISTRIBUTION BY SECTOR (PAR VALUE) 12/31/2010



Treasury Bills	\$ 190,000,000
Cash on Deposit at Bank	\$ 89,760,722
Government Agency Notes	\$ 240,900,000
State of California Notes	\$ 10,000,000
LAIF - State Investment Pool	\$ 50,000,000
CAMP	\$ 45,000,000
Negotiable CDs	\$ 24,500,000
Callable Securities	\$ 398,355,000
Medium Term Notes	\$ 25,004,000
Medium Term Notes - FDIC Insured	\$ 10,000,000
<b>TOTAL</b>	<b>\$1,083,519,722</b>

**CHART 1**

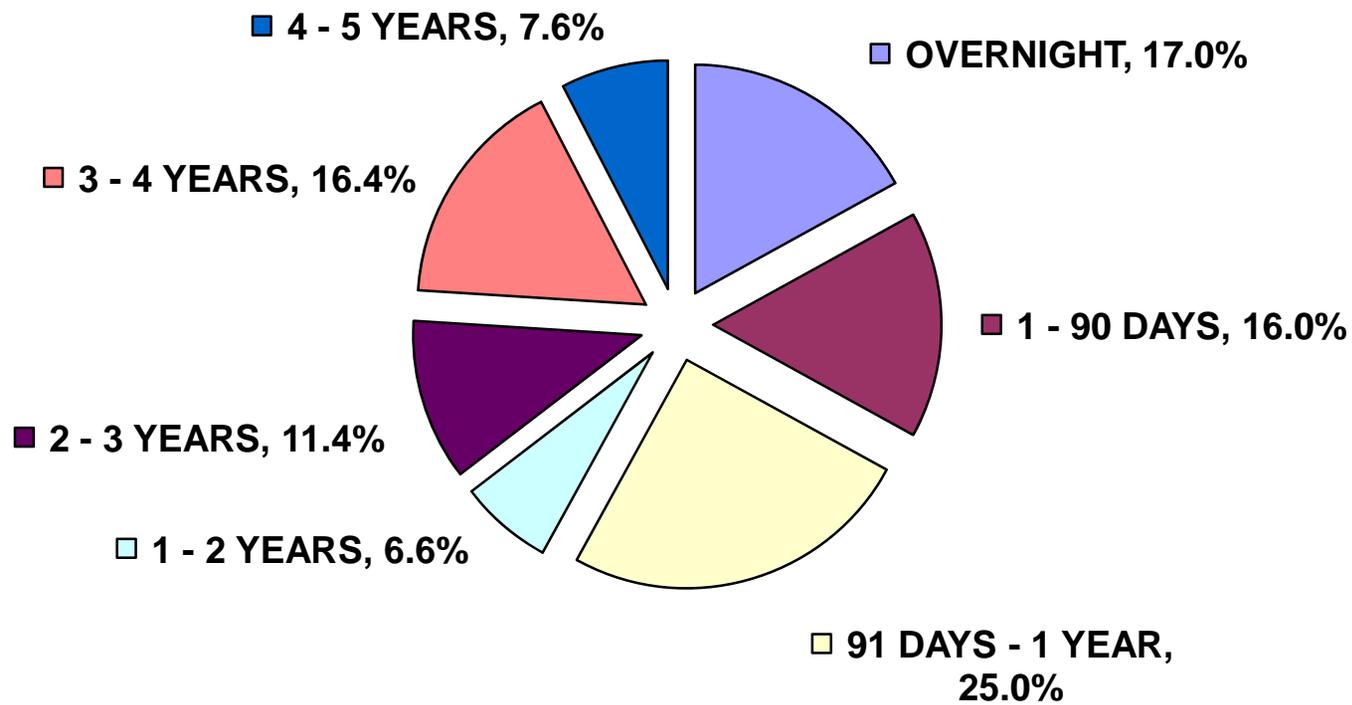
## Credit Rating At Time of Purchase By Percent of Book Value 12/31/2010



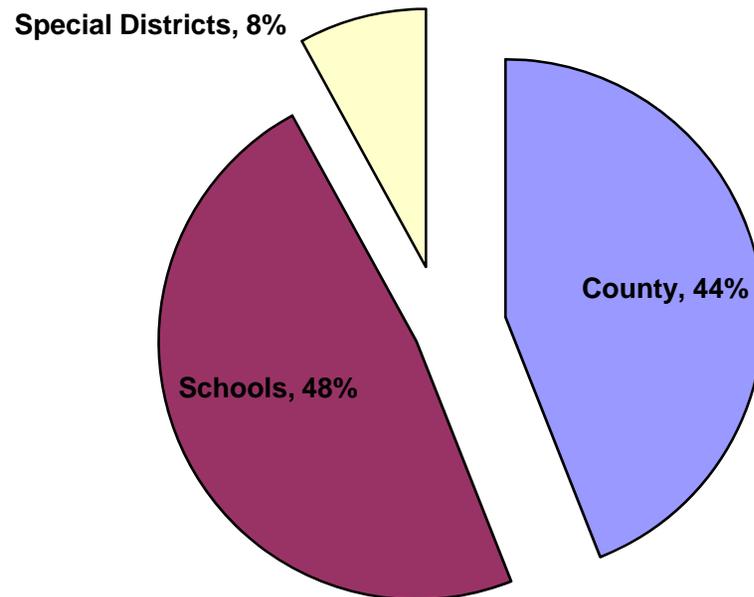
Investment Policy Requirements:  
 Agency of the Federal Government/US Government Sponsored: AAA  
 Commercial Paper of US Corporations, Assets Greater Than \$500 million: A1, P1, F1 (by two of the three rating agencies)  
 State of California: LAIF: N/A  
 Negotiable CD's: A1, P1, F1 (by two of the 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 12/31/2010



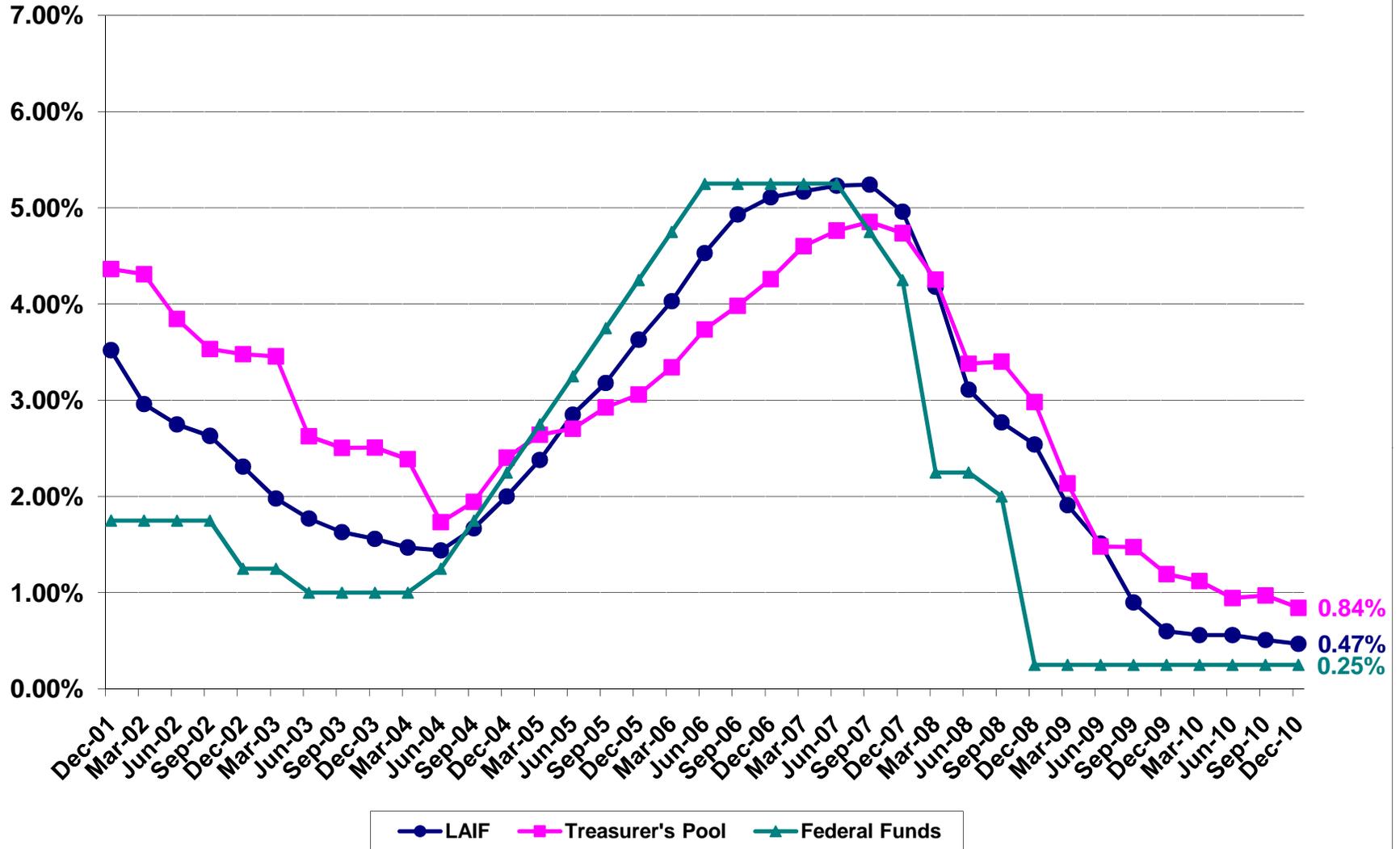
**TREASURER'S INVESTMENT PORTFOLIO  
AVERAGE DAILY CASH BALANCE  
AND INCOME DISTRIBUTION  
for the Quarter Ended 12/31/10**



The average daily cash balance of all entities in the pool over the 12/31/2010 quarter was \$920,996,508. Aggregate interest earnings of \$1,958,286 was distributed to pool participants.

**CHART 4**

**TREASURER'S INVESTMENT PORTFOLIO  
 QUARTERLY PERFORMANCE VERSUS SELECTED BENCHMARKS  
 12/31/2010**



**CHART 5**

**Santa Barbara County Pool 2010-11  
Portfolio Management  
Investment Status Report - Investments  
December 31, 2010**

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
<b>Cash</b>												
SYS5217	5217	BAC	89,760,722.00	0.370	12/31/2010		1	1	89,760,722.00		89,760,722.00	89,760,722.00
<b>Cash Totals</b>			<b>89,760,722.00</b>				<b>1</b>	<b>1</b>	<b>89,760,722.00</b>	<b>0.00</b>	<b>89,760,722.00</b>	<b>89,760,722.00</b>
<b>CAMP</b>												
SYS5272	5272	CAMP	45,000,000.00	0.190	12/01/2010		1	1	45,000,000.00		45,000,000.00	45,000,000.00
<b>CAMP Totals</b>			<b>45,000,000.00</b>				<b>1</b>	<b>1</b>	<b>45,000,000.00</b>	<b>0.00</b>	<b>45,000,000.00</b>	<b>45,000,000.00</b>
<b>Local Agency Investment Funds</b>												
SYS1009	1009	LAIF	50,000,000.00	0.470			1	1	50,000,000.00		50,000,000.00	50,000,000.00
<b>Local Agency Investment Funds Totals</b>			<b>50,000,000.00</b>				<b>1</b>	<b>1</b>	<b>50,000,000.00</b>	<b>0.00</b>	<b>50,000,000.00</b>	<b>50,000,000.00</b>
<b>Negotiable CDs</b>												
90527MCS3	5084	UBKCAL	8,500,000.00	0.600	03/03/2011	03/12/2010	356	61	8,505,440.00		8,500,000.00	8,500,000.00
90527MEB8	5130	UBKCAL	5,000,000.00	0.700	04/18/2011	04/23/2010	360	107	5,006,750.00		5,000,000.00	5,000,000.00
90527MEW2	5142	UBKCAL	6,000,000.00	0.850	05/26/2011	05/26/2010	365	145	6,013,320.00		6,000,000.00	6,000,000.00
90333VKT6	5140	USBNA	5,000,000.00	0.670	05/23/2011	05/25/2010	363	142	5,007,300.00		5,000,000.00	5,000,000.00
<b>Negotiable CDs Totals</b>			<b>24,500,000.00</b>				<b>360</b>	<b>107</b>	<b>24,532,810.00</b>	<b>0.00</b>	<b>24,500,000.00</b>	<b>24,500,000.00</b>
<b>Medium Term Notes</b>												
36962GM76	3833	GECC	5,000,000.00	0.464	11/21/2011	09/10/2007	1,533	324	5,007,150.00	Received	4,984,350.00	4,996,692.37
949746CL3	4359	WELLS	5,004,000.00	5.125	09/01/2012	07/30/2008	1,494	609	5,285,324.88	Received	4,928,940.00	4,973,384.09
949746NJ6	4693	WELLS	5,000,000.00	5.300	08/26/2011	03/10/2009	899	237	5,153,500.00	Received	4,932,050.00	4,981,977.14
94975CAL1	4194	WFC	5,000,000.00	5.500	08/01/2012	04/02/2008	1,582	578	5,334,400.00	Received	5,212,400.00	5,077,657.47
929903CF7	4731	WFC	5,000,000.00	5.300	10/15/2011	04/06/2009	922	287	5,182,450.00	Received	4,970,000.00	4,990,627.06
<b>Medium Term Notes Totals</b>			<b>25,004,000.00</b>				<b>1,287</b>	<b>407</b>	<b>25,962,824.88</b>	<b>0.00</b>	<b>25,027,740.00</b>	<b>25,020,338.13</b>
<b>Medium Term Notes - FDIC</b>												
36967HAG2	4608	GECC	5,000,000.00	1.625	01/07/2011	01/08/2009	729	6	5,000,200.00		4,996,600.00	4,999,971.63
949744AA4	4544	WFC	5,000,000.00	3.000	12/09/2011	12/10/2008	1,094	342	5,120,200.00		4,999,000.00	4,999,686.75
<b>Medium Term Notes - FDIC Totals</b>			<b>10,000,000.00</b>				<b>911</b>	<b>174</b>	<b>10,120,400.00</b>	<b>0.00</b>	<b>9,995,600.00</b>	<b>9,999,658.38</b>
<b>Federal Agency Coupon Securities</b>												
31331YAC4	3914	FFCB	6,000,000.00	4.820	10/12/2012	10/30/2007	1,809	650	6,443,400.00	Received	6,060,600.00	6,021,798.32
31331G6G9	5017	FFCB	5,000,000.00	1.125	06/11/2012	12/11/2009	913	527	5,043,500.00		4,996,950.00	4,998,237.78

**Santa Barbara County Pool 2010-11  
Portfolio Management  
Investment Status Report - Investments  
December 31, 2010**

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
<b>Federal Agency Coupon Securities</b>												
31331JAS2	5041	FFCB	5,000,000.00	0.4500	01/04/2011	01/04/2010	365	3	5,000,000.00		5,000,000.00	5,000,000.00
31331J2V4	5265	FFCB	5,000,000.00	0.5500	11/19/2012	11/19/2010	731	688	4,990,350.00		4,997,500.00	4,997,645.83
3133XBBV6	3909	FHLB	5,000,000.00	4.6250	02/15/2012	10/26/2007	1,573	410	5,232,800.00	Received	5,021,550.00	5,005,620.53
3133XVRS2	4993	FHLB	5,000,000.00	1.0000	12/28/2011	11/16/2009	772	361	5,029,500.00		4,988,100.00	4,994,424.80
3133XWCC1	5054	FHLB	10,000,000.00	0.6250	06/15/2011	01/08/2010	523	165	10,018,500.00	Received	9,991,370.00	9,997,262.44
3133XWCC1	5119	FHLB	5,000,000.00	0.6250	06/15/2011	04/14/2010	427	165	5,009,250.00	Received	5,000,000.00	5,000,000.00
3128X7JK1	4224	FHLMC	10,000,000.00	3.2500	04/14/2011	04/14/2008	1,095	103	10,082,400.00		10,000,000.00	10,000,000.00
3137EACF4	4978	FHLMC	5,000,000.00	1.1250	12/15/2011	10/22/2009	784	348	5,034,750.00	Received	4,991,500.00	4,996,217.34
3136F9CL5	4152	FNMA	4,900,000.00	4.1250	03/11/2013	03/11/2008	1,826	800	5,253,143.00		4,897,550.00	4,898,924.72
3136F9CB7	4153	FNMA	5,000,000.00	4.0000	03/11/2013	03/11/2008	1,826	800	5,346,850.00		5,000,000.00	5,000,000.00
31398ANT5	4155	FNMA	5,000,000.00	4.2500	02/25/2013	03/12/2008	1,811	786	5,368,400.00	Received	5,000,000.00	5,000,000.00
31398AP71	5124	FNMA	5,000,000.00	1.2500	06/22/2012	04/19/2010	795	538	5,052,300.00		4,994,350.00	4,996,168.39
31398A4T6	5270	FNMA	5,000,000.00	0.5000	10/30/2012	11/29/2010	701	668	4,986,800.00	2,013.89	4,989,100.00	4,989,604.78
<b>Federal Agency Coupon Securities Totals</b>			<b>85,900,000.00</b>				<b>1,042</b>	<b>430</b>	<b>87,891,943.00</b>	<b>2,013.89</b>	<b>85,928,570.00</b>	<b>85,895,904.93</b>
<b>Federal Agency Disc. -Amortizing</b>												
313312FM7	5132	FCDN	5,000,000.00	0.5000	05/12/2011	05/13/2010	364	131	4,997,650.00		4,974,722.22	4,990,902.78
313384AK5	5055	FHDN	5,000,000.00	0.4000	01/10/2011	01/11/2010	364	9	4,999,950.00		4,979,777.78	4,999,500.00
313384CM9	5082	FHDN	5,000,000.00	0.4300	03/01/2011	03/08/2010	358	59	4,999,200.00		4,978,619.44	4,996,476.39
313396CT8	5083	FMCDN	5,000,000.00	0.4400	03/07/2011	03/11/2010	361	65	4,999,100.00		4,977,938.89	4,996,027.78
313396BZ5	5277	FMCDN	10,000,000.00	0.1500	02/17/2011	12/03/2010	76	47	9,999,000.00		9,996,833.33	9,998,041.66
313396CA9	5278	FMCDN	5,000,000.00	0.1400	02/18/2011	12/06/2010	74	48	4,999,500.00		4,998,561.11	4,999,066.67
313396HM8	5285	FMCDN	10,000,000.00	0.2000	06/29/2011	12/14/2010	197	179	9,992,100.00		9,989,055.56	9,990,055.56
313396HN6	5286	FMCDN	20,000,000.00	0.2000	06/30/2011	12/14/2010	198	180	19,984,200.00		19,978,000.00	19,980,000.00
313588CN3	5087	FNDN	5,000,000.00	0.4600	03/02/2011	03/15/2010	352	60	4,999,200.00		4,977,511.11	4,996,166.67
313588CP8	5094	FNDN	10,000,000.00	0.4700	03/03/2011	03/25/2010	343	61	9,998,400.00		9,955,219.44	9,992,036.11
313588FB6	5134	FNDN	5,000,000.00	0.5100	05/02/2011	05/13/2010	354	121	4,997,850.00		4,974,925.00	4,991,429.17
313588GV1	5152	FNDN	5,000,000.00	0.4200	06/13/2011	06/21/2010	357	163	4,996,400.00		4,979,175.00	4,990,491.67
313588HC2	5168	FNDN	5,000,000.00	0.4300	06/20/2011	07/06/2010	349	170	4,996,250.00		4,979,156.94	4,989,847.22
313588BG9	5183	FNDN	10,000,000.00	0.2000	01/31/2011	08/11/2010	173	30	9,999,600.00		9,990,388.89	9,998,333.33
313588AV7	5184	FNDN	10,000,000.00	0.2000	01/20/2011	08/11/2010	162	19	9,999,800.00		9,991,000.00	9,998,944.44
313588BH7	5276	FNDN	10,000,000.00	0.1300	02/01/2011	12/03/2010	60	31	9,999,400.00		9,997,833.33	9,998,880.55
313588GG4	5282	FNDN	10,000,000.00	0.1600	05/31/2011	12/09/2010	173	150	9,994,700.00		9,992,311.11	9,993,333.33
313588EY7	5284	FNDN	20,000,000.00	0.1400	04/29/2011	12/14/2010	136	118	19,993,000.00		19,989,422.22	19,990,822.22

**Santa Barbara County Pool 2010-11  
Portfolio Management  
Investment Status Report - Investments  
December 31, 2010**

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
<b>Federal Agency Disc. -Amortizing Totals</b>			<b>155,000,000.00</b>				<b>214</b>	<b>98</b>	<b>154,945,300.00</b>	<b>0.00</b>	<b>154,700,451.37</b>	<b>154,890,355.55</b>
<b>Treasury Discounts -Amortizing</b>												
912795V40	5075	USTR	5,000,000.00	0.330	02/10/2011	02/18/2010	357	40	4,999,500.00		4,983,637.50	4,998,166.67
912795V99	5105	USTR	5,000,000.00	0.425	03/10/2011	04/05/2010	339	68	4,998,900.00		4,979,989.58	4,995,986.11
912795X22	5161	USTR	10,000,000.00	0.300	06/30/2011	07/01/2010	364	180	9,990,800.00		9,969,666.67	9,985,000.00
912795V40	5185	USTR	5,000,000.00	0.180	02/10/2011	08/12/2010	182	40	4,999,500.00		4,995,450.00	4,999,000.00
912795Y21	5186	USTR	10,000,000.00	0.170	02/03/2011	08/12/2010	175	33	9,999,200.00		9,991,736.11	9,998,441.67
912795X97	5189	USTR	10,000,000.00	0.155	01/27/2011	08/13/2010	167	26	9,999,600.00		9,992,809.72	9,998,880.56
912795X22	5191	USTR	5,000,000.00	0.215	06/30/2011	08/17/2010	317	180	4,995,400.00		4,990,534.03	4,994,625.00
912795X71	5192	USTR	10,000,000.00	0.155	01/06/2011	08/17/2010	142	5	10,000,000.00		9,993,886.11	9,999,784.72
912795X22	5266	USTR	20,000,000.00	0.178	06/30/2011	11/19/2010	223	180	19,981,600.00		19,978,009.72	19,982,250.00
9127952C4	5279	USTR	10,000,000.00	0.120	02/24/2011	12/08/2010	78	54	9,998,400.00		9,997,400.00	9,998,200.00
9127952N0	5283	USTR	20,000,000.00	0.140	04/28/2011	12/10/2010	139	117	19,991,200.00		19,989,188.89	19,990,900.00
9127952U4	5288	USTR	15,000,000.00	0.170	06/09/2011	12/15/2010	176	159	14,989,200.00		14,987,533.33	14,988,737.50
912795VE8	5289	USTR	10,000,000.00	0.155	05/05/2011	12/15/2010	141	124	9,995,000.00		9,993,929.17	9,994,661.11
9127952S9	5290	USTR	10,000,000.00	0.165	05/26/2011	12/16/2010	161	145	9,994,000.00		9,992,620.83	9,993,354.16
9127952G5	5292	USTR	10,000,000.00	0.140	03/17/2011	12/16/2010	91	75	9,997,800.00		9,996,461.11	9,997,083.33
912795W64	5293	USTR	10,000,000.00	0.160	06/02/2011	12/16/2010	168	152	9,993,500.00		9,992,533.33	9,993,244.44
9127952W0	5300	USTR	10,000,000.00	0.180	06/23/2011	12/29/2010	176	173	9,991,400.00		9,991,200.00	9,991,350.00
912795X97	5302	USTR	5,000,000.00	0.030	01/27/2011	12/30/2010	28	26	4,999,800.00		4,999,883.33	4,999,891.66
9127952C4	5303	USTR	10,000,000.00	0.100	02/24/2011	12/30/2010	56	54	9,998,400.00		9,998,444.44	9,998,500.00
<b>Treasury Discounts -Amortizing Totals</b>			<b>190,000,000.00</b>				<b>175</b>	<b>107</b>	<b>189,913,200.00</b>	<b>0.00</b>	<b>189,814,913.87</b>	<b>189,898,056.93</b>
<b>Federal Agency Coupon - Callables</b>												
31331JTT1	5103	FFCB	5,000,000.00	2.750	09/30/2014	04/01/2010	1,643	1,368	5,033,600.00	Received	4,993,500.00	4,994,584.00
31331JJZ7	5108	FFCB	5,000,000.00	2.500	04/07/2014	04/07/2010	1,461	1,192	5,027,950.00		5,000,000.00	5,000,000.00
31331JXE8	5180	FFCB	5,000,000.00	0.730	08/02/2012	08/02/2010	731	579	5,011,950.00		5,000,000.00	5,000,000.00
31331JYD9	5196	FFCB	5,000,000.00	1.570	08/18/2014	08/18/2010	1,461	1,325	4,978,150.00		4,999,500.00	4,999,546.18
31331JYD9	5197	FFCB	5,000,000.00	1.570	08/18/2014	08/18/2010	1,461	1,325	4,978,150.00		5,000,000.00	5,000,000.00
31331JZC0	5204	FFCB	5,000,000.00	1.330	05/23/2014	08/23/2010	1,369	1,238	4,995,550.00		4,997,500.00	4,997,737.04
31331JYZ0	5207	FFCB	5,000,000.00	1.720	05/26/2015	08/26/2010	1,734	1,606	4,930,800.00		4,997,000.00	4,997,219.30
31331JZL0	5208	FFCB	5,000,000.00	1.100	11/26/2013	08/26/2010	1,188	1,060	4,987,100.00		5,000,000.00	5,000,000.00
31331JZK2	5209	FFCB	5,000,000.00	1.050	08/26/2013	08/26/2010	1,096	968	4,998,500.00		5,000,000.00	5,000,000.00
31331JA29	5225	FFCB	5,000,000.00	1.300	06/03/2014	09/17/2010	1,355	1,249	4,981,750.00	Received	4,993,750.00	4,994,236.53
31331JJ38	5232	FFCB	5,000,000.00	1.100	09/23/2013	09/23/2010	1,096	996	4,993,650.00		5,000,000.00	5,000,000.00

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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
<b>Federal Agency Coupon - Callables</b>												
31331JC43	5233	FFCB	5,000,000.00	1.450	09/02/2014	09/23/2010	1,440	1,340	4,969,000.00	4,229.17	4,997,500.00	4,997,672.66
31331JC84	5235	FFCB	10,000,000.00	1.040	09/09/2013	09/24/2010	1,081	982	9,968,800.00	4,333.33	10,000,000.00	10,000,000.00
31331JK36	5239	FFCB	5,000,000.00	1.680	12/29/2014	09/29/2010	1,552	1,458	4,955,150.00		5,000,000.00	5,000,000.00
31331JL68	5241	FFCB	5,000,000.00	1.100	09/30/2013	09/30/2010	1,096	1,003	4,987,050.00		5,000,000.00	5,000,000.00
31331JZC0	5242	FFCB	5,850,000.00	1.330	05/23/2014	09/30/2010	1,331	1,238	5,844,793.50	Received	5,850,000.00	5,850,000.00
31331JQ97	5246	FFCB	5,000,000.00	1.375	10/14/2014	10/14/2010	1,461	1,382	4,944,200.00		5,000,000.00	5,000,000.00
31331JQ89	5247	FFCB	5,000,000.00	1.000	10/18/2013	10/18/2010	1,096	1,021	4,967,300.00		5,000,000.00	5,000,000.00
31331JT45	5248	FFCB	6,755,000.00	1.500	10/19/2015	10/19/2010	1,826	1,752	6,583,423.00		6,755,000.00	6,755,000.00
31331JZ48	5255	FFCB	5,000,000.00	1.230	11/04/2014	11/04/2010	1,461	1,403	4,908,900.00		5,000,000.00	5,000,000.00
31331JZ89	5259	FFCB	5,000,000.00	1.000	05/08/2014	11/08/2010	1,277	1,223	4,920,850.00		5,000,000.00	5,000,000.00
31331JZ97	5261	FFCB	5,000,000.00	1.600	11/09/2015	11/09/2010	1,826	1,773	4,866,100.00		5,000,000.00	5,000,000.00
31331JC35	5263	FFCB	5,000,000.00	1.220	03/03/2014	11/17/2010	1,202	1,157	4,983,400.00	12,538.89	5,000,000.00	5,000,000.00
31331J3F8	5281	FFCB	5,000,000.00	1.500	12/08/2014	12/08/2010	1,461	1,437	4,986,400.00		5,000,000.00	5,000,000.00
31331J5J8	5291	FFCB	5,000,000.00	1.350	12/16/2013	12/16/2010	1,096	1,080	4,986,200.00		5,000,000.00	5,000,000.00
31331J5X7	5295	FFCB	5,000,000.00	2.480	12/21/2015	12/21/2010	1,826	1,815	4,997,500.00		5,000,000.00	5,000,000.00
31331J5W9	5296	FFCB	5,000,000.00	2.000	12/22/2014	12/22/2010	1,461	1,451	5,003,850.00		5,000,000.00	5,000,000.00
31331J5W9	5297	FFCB	5,000,000.00	2.000	12/22/2014	12/22/2010	1,461	1,451	5,003,850.00		5,000,000.00	5,000,000.00
3133XWDX4	5050	FHLB	5,000,000.00	2.250	07/05/2013	01/07/2010	1,275	916	5,000,250.00	Received	4,991,250.00	4,993,712.24
3133704V7	5171	FHLB	5,000,000.00	1.000	07/21/2015	07/21/2010	1,826	1,662	5,008,350.00		5,000,000.00	5,000,000.00
313370EU8	5177	FHLB	5,000,000.00	1.625	07/29/2014	07/29/2010	1,461	1,305	5,000,550.00		4,997,500.00	4,997,763.89
313370DB1	5181	FHLB	10,000,000.00	1.690	08/04/2014	08/10/2010	1,455	1,311	10,006,500.00	2,816.67	10,000,000.00	10,000,000.00
313370LZ9	5205	FHLB	5,000,000.00	1.000	08/25/2015	08/25/2010	1,826	1,697	4,949,000.00		5,000,000.00	5,000,000.00
313370NG9	5213	FHLB	10,000,000.00	1.450	09/02/2014	09/02/2010	1,461	1,340	9,909,200.00		9,997,500.00	9,997,706.60
313370XW3	5228	FHLB	10,000,000.00	1.550	09/15/2014	09/17/2010	1,459	1,353	9,942,400.00	861.11	9,999,000.00	9,999,072.32
313370Y44	5240	FHLB	5,000,000.00	1.200	09/30/2013	09/30/2010	1,096	1,003	4,987,700.00		4,995,000.00	4,995,421.30
313371B47	5243	FHLB	5,000,000.00	1.400	10/06/2014	10/06/2010	1,461	1,374	4,942,500.00		5,000,000.00	5,000,000.00
313371BB1	5244	FHLB	4,000,000.00	0.750	09/24/2013	10/08/2010	1,082	997	3,977,520.00	666.67	4,000,000.00	4,000,000.00
313370P28	5245	FHLB	5,000,000.00	0.500	08/26/2013	10/08/2010	1,053	968	4,998,950.00	2,916.67	5,000,000.00	5,000,000.00
313371BE5	5249	FHLB	10,000,000.00	1.250	10/20/2015	10/20/2010	1,826	1,753	9,704,500.00		10,000,000.00	10,000,000.00
313371C79	5250	FHLB	5,000,000.00	1.500	01/21/2015	10/21/2010	1,553	1,481	4,927,650.00		5,000,000.00	5,000,000.00
313371E36	5251	FHLB	5,000,000.00	1.250	10/27/2014	10/27/2010	1,461	1,395	4,917,350.00		5,000,000.00	5,000,000.00
313371CX2	5252	FHLB	5,000,000.00	1.050	01/27/2014	10/29/2010	1,186	1,122	4,949,300.00	291.67	5,000,000.00	5,000,000.00
313371FW1	5253	FHLB	5,000,000.00	1.000	05/01/2014	11/01/2010	1,277	1,216	4,936,700.00		4,998,750.00	4,998,809.52
313371EW2	5254	FHLB	5,000,000.00	1.270	01/26/2015	11/03/2010	1,545	1,486	4,913,450.00	1,234.72	4,995,000.00	4,995,190.41
313371F68	5256	FHLB	5,000,000.00	0.750	11/04/2014	11/04/2010	1,461	1,403	4,894,960.00		5,000,000.00	5,000,000.00

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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
<b>Federal Agency Coupon - Callables</b>												
313371H82	5257	FHLB	5,000,000.00	1.000	02/04/2014	11/04/2010	1,188	1,130	4,907,800.00		5,000,000.00	5,000,000.00
313371FW1	5258	FHLB	6,750,000.00	1.000	05/01/2014	11/05/2010	1,273	1,216	6,664,545.00	750.00	6,749,662.50	6,749,677.55
313371JH0	5260	FHLB	5,000,000.00	1.125	08/08/2014	11/08/2010	1,369	1,315	4,911,500.00		4,997,500.00	4,997,598.15
313371JS6	5264	FHLB	5,000,000.00	1.350	02/17/2015	11/17/2010	1,553	1,508	4,924,200.00		4,997,500.00	4,997,571.90
313371P83	5267	FHLB	5,000,000.00	1.050	08/22/2014	11/22/2010	1,369	1,329	4,901,700.00		4,972,500.00	4,973,294.44
313371LG9	5268	FHLB	5,000,000.00	1.750	11/23/2015	11/23/2010	1,826	1,787	4,834,600.00		5,000,000.00	5,000,000.00
313371PY6	5287	FHLB	5,000,000.00	0.550	12/03/2012	12/14/2010	720	702	4,989,050.00	840.28	4,972,500.00	4,973,159.38
313372AB0	5298	FHLB	5,000,000.00	1.500	12/27/2013	12/27/2010	1,096	1,091	5,001,650.00		4,996,250.00	4,996,263.89
313372AX2	5299	FHLB	5,000,000.00	1.150	12/28/2015	12/28/2010	1,826	1,822	4,989,700.00		5,000,000.00	5,000,000.00
3133723W2	5301	FHLB	5,000,000.00	1.000	12/30/2015	12/30/2010	1,826	1,824	4,988,300.00		4,998,750.00	4,998,750.69
313372B52	5304	FHLB	5,000,000.00	1.600	12/30/2013	12/30/2010	1,096	1,094	5,010,000.00		5,000,000.00	5,000,000.00
3134G1KD5	5164	FHLMC	10,000,000.00	1.750	12/30/2013	07/02/2010	1,277	1,094	10,066,900.00	Received	10,029,000.00	10,024,873.61
3134G1LZ5	5172	FHLMC	5,000,000.00	1.625	01/21/2014	07/21/2010	1,280	1,116	5,026,100.00		5,000,000.00	5,000,000.00
3134G1ML5	5173	FHLMC	5,000,000.00	1.400	07/26/2013	07/26/2010	1,096	937	5,002,250.00		5,000,000.00	5,000,000.00
3134G1ML5	5174	FHLMC	5,000,000.00	1.400	07/26/2013	07/26/2010	1,096	937	5,002,250.00		5,000,000.00	5,000,000.00
3134G1PP3	5198	FHLMC	5,000,000.00	1.400	11/18/2013	08/18/2010	1,188	1,052	5,011,850.00		5,000,000.00	5,000,000.00
3134G1XQ2	5262	FHLMC	5,000,000.00	0.625	11/09/2012	11/09/2010	731	678	4,985,000.00		5,000,000.00	5,000,000.00
3136FH2P9	4911	FNMA	5,000,000.00	3.125	08/04/2014	08/04/2009	1,826	1,311	5,012,550.00		4,981,500.00	4,986,710.83
31398AC26	5039	FNMA	5,000,000.00	1.750	12/28/2012	12/31/2009	1,093	727	5,027,850.00	Received	4,958,250.00	4,972,205.43
3136FMQ23	5157	FNMA	5,000,000.00	2.000	09/29/2014	06/28/2010	1,554	1,367	4,994,800.00		4,998,500.00	4,998,679.29
3136FMW91	5175	FNMA	5,000,000.00	1.000	07/27/2015	07/28/2010	1,825	1,668	5,002,850.00	138.89	5,000,000.00	5,000,000.00
3136FM4L5	5176	FNMA	5,000,000.00	1.100	04/29/2013	07/29/2010	1,005	849	4,992,950.00		5,000,000.00	5,000,000.00
31398AZ47	5178	FNMA	10,000,000.00	1.250	07/29/2013	07/29/2010	1,096	940	10,009,400.00		9,997,500.00	9,997,851.85
3136FM3Z5	5182	FNMA	5,000,000.00	1.500	08/11/2015	08/11/2010	1,826	1,683	5,007,050.00		4,991,250.00	4,991,930.56
31398A2J0	5190	FNMA	5,000,000.00	0.850	08/17/2012	08/17/2010	731	594	5,002,450.00		5,000,000.00	5,000,000.00
31398A3V2	5238	FNMA	5,000,000.00	0.875	12/28/2012	09/28/2010	822	727	4,987,650.00		5,000,000.00	5,000,000.00
<b>Federal Agency Coupon - Callables Totals</b>			<b>398,355,000.00</b>				<b>1,364</b>	<b>1,255</b>	<b>396,015,691.50</b>	<b>31,618.07</b>	<b>398,198,412.50</b>	<b>398,222,239.56</b>
<b>State of California Notes</b>												
13063BHY1	5269	CAS	10,000,000.00	3.000	06/28/2011	11/23/2010	217	178	10,074,600.00		10,073,500.00	10,060,290.32
<b>State of California Notes Totals</b>			<b>10,000,000.00</b>				<b>217</b>	<b>178</b>	<b>10,074,600.00</b>	<b>0.00</b>	<b>10,073,500.00</b>	<b>10,060,290.32</b>
<b>Investment Totals</b>			<b>1,083,519,722.00</b>				<b>694</b>	<b>544</b>	<b>1,084,217,491.38</b>	<b>33,631.96</b>	<b>1,082,999,909.74</b>	<b>1,083,247,565.80</b>