county of ventura

LAWRENCE L. MATHENEY
TREASURER
TAX COLLECTOR
PUBLIC ADMINISTRATOR

April 1, 2008

Don R. Hansen
Assistant Treasurer-Tax Collector

Laurie Montes
Assistant Public Administrator-Guardian

Board of Supervisors
County of Ventura
800 South Victoria Avenue
Ventura, CA 93009

SUBJECT: REPORT OF INVESTMENTS FOR THE MONTH ENDING FEBRUARY 29, 2008, INCLUDING MARKET VALUES FOR INVESTMENTS FOR THE MONTH

RECOMMENDATION: Discuss and File

FISCAL/MANDATES IMPACT: None

DISCUSSION:

The average daily portfolio balance for the month of February amounted to $ 1.7 billion. The portfolio yield for the month of February was 4.71%. The weighted average days to maturity decreased 23 days to 187 days. The total net monthly earnings were $ 6.2 million. The portfolio has been structured to satisfy the anticipated cash flow needs of the participants. The investment practices and portfolio holdings are in compliance with the investment policy.

The portfolio has been managed with the stated objectives of safety, liquidity and earning a competitive rate of return, outlined in the Statement of Investment Policy. In striving to maintain the primary objective, safety of principal, the County portfolio has received a rating of AAAf by Standard & Poor's, the highest possible ranking given by the agency. Regarding the secondary objective, maintaining sufficient liquidity to meet cash flow needs, the portfolio is rated S1+, also the highest ranking given by S&P. In light of the first two objectives the portfolio has on balance outperformed its benchmarks, satisfying the final objective, that of earning a competitive rate of return.

The turmoil in the housing market continued to widen its scope and impact on the economy. As the housing market has continued to slow down, seemingly unrelated markets have begun to be adversely effected. In one example, the so-called monoline insurance companies like MBIA and AMBAC that had historically focused on insuring municipal bonds, have had their credit ratings challenged as losses in securities backed by mortgages insured by them, have drastically eroded their capital. The risk that their AAA ratings might be downgraded has caused massive selling of municipal securities and a shift into Treasury and other high-quality, safe-haven securities.

The Federal Reserve has been put into the difficult situation of trying to get the economy back on a more sound footing and at the same time avoid the inflationary impact of high energy, commodity and agricultural prices. As prices have been rising in the commodity and agricultural markets, their influence has started to seep into both consumer and producer prices. Consumer prices were up 0.4% this last month and are up 4.3% in the last year. Of that annual increase, a full 1.8% of the growth has been due to the rise in the cost of food and energy. For producers the problem is even greater. In the last month, the Producer Price Index was up 1.0% and is up a whopping 7.4% in the last year with 5.1% of the 7.4% due to the increase in food and energy prices.

Unfortunately, the Fed is not free to focus on inflationary issues. In fact, there is some belief that as the economy slows, the inflationary impact will be muted as demand slows. Getting the economy going is the most urgent task for the Fed. Economic indicators across the country have been weakening since last summer and the weakness seems to have accelerated in the last couple of months. For example, even though the overall unemployment rate dropped to 4.9%, non-farm payrolls declined by 17,000 jobs, the first drop since 2003. The Index of Leading Economic Indicators dropped for the fourth month in a row. The housing sector continues to be very weak and, not surprisingly, consumer sentiment indicators have also dropped to levels not seen since early 2003.

Interest rates were generally lower across the yield curve except for the 30-year bond. Short-term rates dropped a surprising 25 to 45 basis points as investors sought the safety of Treasury securities. Longer rates were also down though not as dramatically, as these returns are more sensitive to inflationary expectations. They fell by 5 to 25 basis points and the very long end of the Treasury curve was actually up 10 basis points. The yield curve continues to steepen as short-term rates drop much more than longer-term rates.

Given the current interest rate environment we anticipate the County's yield to decrease slightly over the next six months. Further, we continue to seek investment opportunities in order to optimize earnings (U. S. Treasury Market graph attached).

Attached is a listing of market values provided by our custodian, Wells Fargo Bank, for all investments for the month ending February 29, 2008. GASB Statement No. 31 states that variances between the cost of investments and the fair value of investments shall not be considered budgetary resources or uses of resources unless the value of investments is permanently impaired because of decreased issuer creditworthiness or it is determined that the Treasurer be unable to hold investments to maturity.

The following is a list of attached graphs:

- Portfolio Average Monthly Balance
- Average Portfolio Maturity
- Balance Yield Comparison by Month
- Portfolio Holdings By Instrument Type
- Yield Curve, U. S. Treasury Market
- Maturity Distribution

This letter has been reviewed by the CEO, the Auditor-Controller's Office and County Counsel.

If you have any questions regarding this item, please call Chief Investment Officer Robert A. Hansen at 654-3733.

Lawrence L. Matheney
Treasurer-Tax Collector

Exhibit 1 – Market Values of Investments
Exhibit 2 – Graphs

WELLS FARGO
Investments by Date

COUNTY OF VENTURA

General Reporting - Investments by Date
From Month End 02/29/2008
03/06/2008 02:23:51 PM EST

ACCOUNT: 11435100 COUNTY OF VENTURA

Asset Description 1 & 2	Asset ID	Maturity Date	Units	Fed Tax Cost	Market Value	Market Price	Unrealized Gain Unrealized Loss
U.S. DOLLARS			.0000	$.00	$.00	.000000	.0000
FREDDIE MAC DISCOUNT NT DISC NOTE DTD 03/05/07 03/03/2008	313396TV5	03/03/2008	20,000,000.0000	$19,103,466.67	$20,000,000.00	100.000000	896,533.3300
TOYOTA MOTOR CREDIT CO CPDN DTD 06/13/07 03/04/2008	89233GC46	03/04/2008	12,000,000.0000	$11,851,483.33	$11,999,040.00	99.992000	147,556.6700
AIG FUNDING,INC. CPDN DTD 07/06/07 03/05/2008	00137EC52	03/05/2008	9,000,000.0000	$8,952,442.50	$8,998,470.00	99.983000	46,027.5000
AIG FUNDING,INC. CPDN DTD 09/07/07 03/06/2008	00137EC60	03/06/2008	10,500,000.0000	$10,468,185.00	$10,497,375.00	99.975000	29,190.0000
AIG FUNDING,INC. CPDN DTD 11/30/07 03/07/2008	00137EC78	03/07/2008	10,000,000.0000	$9,968,016.67	$9,996,600.00	99.966000	28,583.3300
TOYOTA MOTOR CREDIT CO CPDN DTD 08/06/07 03/10/2008	89233GCA2	03/10/2008	2,000,000.0000	$1,994,591.67	$1,998,820.00	99.941000	4,228.3300
AIG FUNDING,INC. CPDN DTD 09/13/07 03/11/2008	00137ECB9	03/11/2008	13,000,000.0000	$12,938,423.33	$12,991,160.00	99.932000	52,736.6700
CHEVRON FDG CORP CPDN DTD 12/18/07 03/13/2008	1667X0CD8	03/13/2008	5,000,000.0000	$4,988,319.44	$4,995,750.00	99.915000	7,430.5600
CITIGROUP FDG INC CPDN DTD 09/06/07 03/13/2008	17307RCD4	03/13/2008	10,000,000.0000	$9,863,083.33	$9,991,500.00	99.915000	128,416.6700
CITIGROUP FDG INC CPDN DTD 07/26/07 03/14/2008	17307RCE2	03/14/2008	15,000,000.0000	$14,788,741.67	$14,986,050.00	99.907000	197,308.3300
FED HOME LN BK ZERO CPN DTD 03/14/07 03/14/2008	313384UG2	03/14/2008	50,000,000.0000	$49,815,625.00	$49,965,000.00	99.930000	149,375.0000
FED HOME LN MTG CORP ZERO CPN DTD 03/14/07 03/14/2008	313396UG6	03/14/2008	15,000,000.0000	$14,319,400.00	$14,989,500.00	99.930000	670,100.0000
CHEVRON FDG CORP CPDN DTD 02/11/08 03/17/2008	1667X0CH9	03/17/2008	8,300,000.0000	$8,277,405.56	$8,290,123.00	99.881000	12,717.4400
CITIGROUP FDG INC CPDN DTD 08/02/07 03/17/2008	17307RCH5	03/17/2008	2,500,000.0000	$2,464,479.17	$2,497,025.00	99.881000	32,545.8300
AIG FUNDING,INC. CPDN DTD 09/20/07 03/18/2008	00137ECJ2	03/18/2008	10,000,000.0000	$9,959,030.56	$9,987,300.00	99.873000	28,269.4400
AIG FUNDING,INC. CPDN DTD 01/30/08 03/19/2008	00137ECK9	03/19/2008	6,000,000.0000	$5,985,500.00	$5,991,840.00	99.864000	6,340.0000
FED HOME LN BK ZERO CPN DTD 03/19/07 03/19/2008	313384UM9	03/19/2008	5,600,000.0000	$5,587,960.01	$5,593,840.00	99.890000	5,879.9900
CHEVRON FDG CORP CPDN DTD 02/05/08 03/20/2008	1667X0CL0	03/20/2008	2,800,000.0000	$2,793,458.89	$2,795,968.00	99.856000	2,509.1100
CHEVRON FDG CORP CPDN DTD 02/15/08 03/21/2008	1667X0CM8	03/21/2008	15,000,000.0000	$14,958,437.50	$14,977,050.00	99.847000	18,612.5000
FED FARM CREDIT BK DISC NOTE DTD 03/26/07 03/24/2008	313312US7	03/24/2008	45,000,000.0000	$44,919,900.00	$44,937,000.00	99.860000	17,100.0000
GENERAL ELECTRIC CO. CPDN DTD 11/14/07 03/24/2008	36960LCQ6	03/24/2008	4,000,000.0000	$3,970,713.33	$3,992,880.00	99.822000	22,166.6700
CHEVRON FDG CORP CPDN DTD 02/22/08 03/25/2008	1667X0CR7	03/25/2008	90,000,000.0000	$89,777,666.67	$89,831,700.00	99.813000	54,033.3300
GENERAL ELECTRIC CO. CPDN DTD 11/08/07 03/25/2008	36960LCR4	03/25/2008	4,000,000.0000	$3,970,288.89	$3,992,520.00	99.813000	22,231.1100
FED FARM CREDIT BK ZERO CPN DTD 03/28/07 03/28/2008	313312UW8	03/28/2008	11,000,000.0000	$10,466,133.33	$10,981,300.00	99.830000	515,166.6700
FED FARM CREDIT BK DISC NOTE DTD 04/02/07 03/31/2008	313312UZ1	03/31/2008	5,000,000.0000	$4,989,236.11	$4,990,500.00	99.810000	1,263.8900
FED HOME LN MTG CORP DISC NOTE DTD 04/02/07 03/31/2008	313396UZ4	03/31/2008	64,000,000.0000	$60,887,601.67	$63,878,400.00	99.810000	2,990,798.3300
GENERAL ELEC CAPT SERV CPDN DTD 12/03/07 03/31/2008	36959RCX1	03/31/2008	26,000,000.0000	$25,602,077.22	$25,938,120.00	99.762000	336,042.7800
FED HOME LN MTG CORP DISC NOTE DTD 04/09/07 04/07/2008	313396VG5	04/07/2008	50,000,000.0000	$47,758,666.67	$49,880,000.00	99.760000	2,121,333.3300
TOYOTA MOTOR CREDIT CO CPDN DTD 10/10/07 04/07/2008	89233GD78	04/07/2008	30,000,000.0000	$29,515,625.00	$29,910,900.00	99.703000	395,275.0000
CITIGROUP FDG INC CPDN DTD 07/27/07 04/21/2008	17307RDM3	04/21/2008	3,500,000.0000	$3,443,888.19	$3,485,475.00	99.585000	41,586.8100
CITIGROUP FDG INC CPDN DTD 11/15/07 04/30/2008	17307RDW1	04/30/2008	15,000,000.0000	$14,724,875.00	$14,926,350.00	99.509000	201,475.0000
GENERAL ELEC CAPT CORP CPDN DTD 09/04/07 05/01/2008	36959HE11	05/01/2008	1,500,000.0000	$1,478,976.67	$1,492,500.00	99.500000	13,523.3300
FED HOME LN BK DTD 11/02/05 4.800 05/02/2008	3133XDPD7	05/02/2008	16,560,000.0000	$16,501,543.20	$16,611,832.80	100.313000	110,289.6000
FED FARM CREDIT BK DTD 05/02/06 5.200 05/02/2008	31331VYJ9	05/02/2008	16,000,000.0000	$15,993,440.00	$16,060,000.00	100.375000	66,560.0000
CITIGROUP FDG INC CPDN DTD 11/09/07 05/07/2008	17307RE75	05/07/2008	10,000,000.0000	$9,916,125.00	$9,945,800.00	99.458000	29,675.0000
CITIGROUP FDG INC CPDN DTD 12/20/07 05/08/2008	17307RE83	05/08/2008	1,725,000.0000	$1,705,841.00	$1,715,512.50	99.450000	9,671.5000
TOYOTA MOTOR CREDIT CO CPDN DTD 08/13/07 05/09/2008	89233GE93	05/09/2008	10,000,000.0000	$9,868,108.33	$9,944,200.00	99.442000	76,091.6700
GENERAL ELEC CAPT CORP CPDN DTD 08/20/07 05/16/2008	36959HEG8	05/16/2008	6,000,000.0000	$5,954,880.00	$5,962,980.00	99.383000	8,100.0000
FED HOME LN BK ZERO CPN DTD 05/21/07 05/21/2008	313384XC8	05/21/2008	68,000,000.0000	$67,594,222.22	$67,632,800.00	99.460000	38,577.7800
CITIGROUP FDG INC CPDN DTD 01/10/08 05/22/2008	17307REN0	05/22/2008	10,000,000.0000	$9,903,416.67	$9,933,300.00	99.333000	29,883.3300
CITIGROUP FDG INC CPDN DTD 10/30/07 05/23/2008	17307REP5	05/23/2008	19,000,000.0000	$18,634,329.17	$18,871,750.00	99.325000	237,420.8300
GENERAL ELEC CAPT CORP CPDN DTD 09/05/07 05/30/2008	36959HEW3	05/30/2008	25,000,000.0000	$24,465,625.00	$24,816,750.00	99.267000	351,125.0000
TOYOTA MOTOR CREDIT CO CPDN DTD 11/27/07 05/30/2008	89233GEW2	05/30/2008	39,000,000.0000	$38,204,530.00	$38,714,130.00	99.267000	509,600.0000
FED HOME LN BK ZERO CPN DTD 05/30/07 05/30/2008	313384XM6	05/30/2008	29,700,000.0000	$29,123,737.34	$29,518,830.00	99.390000	395,092.6600
TOYOTA MOTOR CREDIT CO CPDN DTD 11/27/07 06/02/2008	89233GF27	06/02/2008	10,000,000.0000	$9,774,500.00	$9,925,400.00	99.254000	150,900.0000
GENERAL ELEC CAPT CORP CPDN DTD 11/08/07 06/04/2008	36959HF44	06/04/2008	6,000,000.0000	$5,907,200.00	$5,954,280.00	99.238000	47,080.0000
TOYOTA MOTOR CREDIT CO CPDN DTD 11/08/07 06/05/2008	89233GF50	06/05/2008	3,500,000.0000	$3,422,218.33	$3,473,050.00	99.230000	50,831.6700
FED HOME LN BK ZERO CPN DTD 06/06/07 06/06/2008	313384XU8	06/06/2008	21,155,000.0000	$20,722,920.88	$21,019,608.00	99.360000	296,687.1200
CITIGROUP FDG INC CPDN DTD 12/12/07 06/09/2008	17307RF90	06/09/2008	2,500,000.0000	$2,440,333.33	$2,479,925.00	99.197000	39,591.6700
TOYOTA MOTOR CREDIT CO CPDN DTD 12/04/07 06/09/2008	89233GF92	06/09/2008	9,000,000.0000	$8,797,500.00	$8,927,730.00	99.197000	130,230.0000
FED HOME LN MTG CORP DTD 05/20/05 3.875 06/15/2008	3134A4VA9	06/15/2008	10,000,000.0000	$9,832,800.00	$10,031,300.00	100.313000	198,500.0000
CITIGROUP FDG INC CPDN DTD 12/04/07 06/19/2008	17307RFK5	06/19/2008	6,000,000.0000	$5,859,208.34	$5,946,900.00	99.115000	87,691.6600
TOYOTA MOTOR CREDIT CO CPDN DTD 09/24/07 06/20/2008	89233GFL5	06/20/2008	16,000,000.0000	$15,634,933.33	$15,857,120.00	99.107000	222,186.6700
CITIGROUP FDG INC CPDN DTD 12/17/07 06/23/2008	17307RFP4	06/23/2008	2,500,000.0000	$2,438,312.50	$2,477,050.00	99.082000	38,737.5000

Exhibit 1

WELLS FARGO
Investments by Date

COUNTY OF VENTURA

General Reporting - Investments by Date
From Month End 02/29/2008
03/06/2008 02:23:51 PM EST

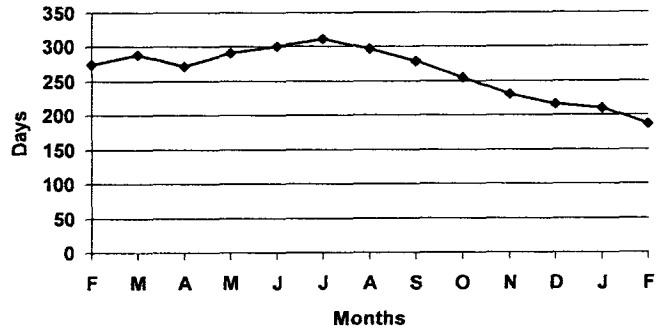
ACCOUNT: 11435100 COUNTY OF VENTURA

Asset Description 1 & 2	Asset ID	Maturity Date	Units	Fed Tax Cost	Market Value	Market Price	Unrealized Gain Unrealized Loss
GENERAL ELEC CAPT CORP CPDN DTD 10/01/07 06/26/2008	36959HFS1	06/26/2008	3,000,000.0000	$2,942,002.50	$2,971,740.00	99.058000	29,737.5000
CITIGROUP FDG INC CPDN DTD 12/04/07 06/30/2008	17307RFW9	06/30/2008	20,000,000.0000	$19,497,500.00	$19,805,000.00	99.025000	307,500.0000
GENERAL ELEC CAPT CORP CPDN DTD 10/04/07 06/30/2008	36959HFW2	06/30/2008	48,500,000.0000	$47,424,326.39	$48,027,125.00	99.025000	602,798.6100
CITIGROUP FDG INC CPDN DTD 01/02/08 07/01/2008	17307RG16	07/01/2008	18,500,000.0000	$18,100,040.28	$18,318,145.00	99.017000	218,104.7200
GENERAL ELEC CAPT CORP CPDN DTD 10/05/07 07/01/2008	36959HG19	07/01/2008	13,760,000.0000	$13,451,225.60	$13,624,739.20	99.017000	173,513.6000
GENERAL ELEC CAPT SERV CPDN DTD 12/05/07 07/02/2008	36959RG25	07/02/2008	25,000,000.0000	$24,348,125.00	$24,755,500.00	99.022000	407,375.0000
FED FARM CREDIT BK ZERO CPN DTD 07/02/07 07/02/2008	313312YW4	07/02/2008	7,000,000.0000	$6,939,963.33	$6,944,700.00	99.210000	4,736.6700
TOYOTA MOTOR CREDIT CO CPDN DTD 10/10/07 07/03/2008	89233GG34	07/03/2008	10,000,000.0000	$9,798,761.11	$9,901,400.00	99.014000	102,638.8900
FED FARM CREDIT BK DISC NOTE DTD 07/09/07 07/07/2008	313312ZB9	07/07/2008	26,000,000.0000	$25,389,505.56	$25,786,800.00	99.180000	397,294.4400
TOYOTA MOTOR CREDIT CO CPDN DTD 10/12/07 07/08/2008	89233GG83	07/08/2008	12,700,000.0000	$12,551,378.25	$12,569,571.00	98.973000	18,192.7500
CITIGROUP FDG INC CPDN DTD 01/08/08 07/17/2008	17307RGH1	07/17/2008	7,000,000.0000	$6,842,159.72	$6,923,070.00	98.901000	80,910.2800
CITIGROUP FDG INC CPDN DTD 01/08/08 07/18/2008	17307RGJ7	07/18/2008	10,000,000.0000	$9,773,333.33	$9,889,300.00	98.893000	115,966.6700
GENERAL ELEC CAPT SERV CPDN DTD 01/22/08 07/21/2008	36959RGM1	07/21/2008	7,000,000.0000	$6,916,997.50	$6,920,760.00	98.868000	3,762.5000
CITIGROUP FDG INC CPDN DTD 01/08/08 07/25/2008	17307RGR9	07/25/2008	14,600,000.0000	$14,264,346.00	$14,430,056.00	98.836000	165,710.0000
FED HOME LN MTG CORP DISC NOTE DTD 07/30/07 07/28/2008	313396ZY2	07/28/2008	2,000,000.0000	$1,978,055.56	$1,980,800.00	99.040000	2,744.4400
FED HOME LN BK TRANCHE # TR 00643 DTD 07/28/05 4.400 07/28/2008	3133XCJ46	07/28/2008	10,000,000.0000	$9,868,000.00	$10,065,600.00	100.656000	197,600.0000
FED HOME LN BK ZERO CPN DTD 08/13/07 08/13/2008	313384B81	08/13/2008	2,500,000.0000	$2,469,161.11	$2,474,000.00	98.960000	4,838.8900
FED HOME LN BK SER HX08 DTD 02/18/04 3.600 08/18/2008	3133X3TH6	08/18/2008	11,000,000.0000	$10,680,780.00	$11,044,660.00	100.406000	363,880.0000
FED HOME LN BK ZERO CPN DTD 08/22/07 08/22/2008	313384C98	08/22/2008	10,000,000.0000	$9,874,905.56	$9,890,000.00	98.900000	15,094.4400
FED FARM CREDIT BK DISC NOTE DTD 09/04/07 09/03/2008	313312E55	09/03/2008	5,000,000.0000	$4,937,926.39	$4,943,500.00	98.870000	5,573.6100
FED HOME LN BK SER 1	3133XHJG8	09/12/2008	25,000,000.0000	$24,985,250.00	$25,320,250.00	101.281000	335,000.0000
FED HOME LN MTG CORP DTD 09/15/06 5.000 09/16/2008	3137EAAH2	09/16/2008	25,000,000.0000	$25,000,000.00	$25,328,250.00	101.313000	328,250.0000
FED HOME LN MTG CORP DTD 09/19/05 4.480 09/19/2008	3128X4MQ1	09/19/2008	10,000,000.0000	$9,922,700.00	$10,103,000.00	101.030000	180,300.0000
FED FARM CREDIT BK DTD 03/02/06 4.950 10/02/2008	31331VSC1	10/02/2008	25,000,000.0000	$24,980,900.00	$25,343,750.00	101.375000	362,850.0000
FED FARM CREDIT BK ZERO CPN DTD 10/15/07 10/15/2008	313312K74	10/15/2008	2,000,000.0000	$1,969,333.33	$1,972,600.00	98.630000	3,266.6700
FED FARM CREDIT BK DTD 10/24/03 3.625 10/24/2008	31331THX2	10/24/2008	15,000,000.0000	$14,500,800.00	$15,107,850.00	100.719000	607,050.0000
FED HOME LN BK SER BVO8	3133XDNN7	10/27/2008	25,000,000.0000	$24,999,250.00	$25,398,500.00	101.594000	399,250.0000
FED HOME LN BK DISC NOTE DTD 12/03/07 12/01/2008	313384R68	12/01/2008	11,000,000.0000	$10,587,457.22	$10,825,100.00	98.410000	237,642.7800
FED HOME LN BK DISC NOTE DTD 12/03/07 12/02/2008	313384R76	12/02/2008	25,000,000.0000	$24,055,437.50	$24,600,000.00	98.400000	544,562.5000
FED FARM CREDIT BK DTD 12/16/05 4.750 12/16/2008	31331VKT2	12/16/2008	17,000,000.0000	$17,059,670.00	$17,302,770.00	101.781000	243,100.0000
FED FARM CREDIT BK DTD 12/17/03 3.700 12/17/2008	31331TNK3	12/17/2008	8,000,000.0000	$7,733,520.00	$8,077,520.00	100.969000	344,000.0000
FED HOME LN MTG CORP DTD 11/18/05 4.625 12/19/2008	3134A4VH4	12/19/2008	25,000,000.0000	$24,911,500.00	$25,429,750.00	101.719000	518,250.0000
FEDERAL FARM CREDIT BANK DTD 02/01/05 3.75 01/15/2009	31331SNF6	01/15/2009	25,000,000.0000	$24,375,500.00	$25,289,000.00	101.156000	913,500.0000
FED FARM CREDIT BK SER 1 DTD 02/02/06 4.750 02/02/2009	31331VPZ3	02/02/2009	25,000,000.0000	$24,911,940.00	$25,476,500.00	101.906000	564,560.0000
FED FARM CREDIT BK DTD 03/16/06 5.080 03/16/2009	31331VTG1	03/16/2009	50,000,000.0000	$49,998,500.00	$51,406,500.00	102.813000	1,408,000.0000
FED FARM CREDIT BK DTD 03/16/05 4.125 04/15/2009	31331SRZ8	04/15/2009	13,000,000.0000	$12,682,600.00	$13,260,000.00	102.000000	577,400.0000
FED HOME LN MTG CORP DTD 05/25/06 5.250 05/21/2009	3137EAAE9	05/21/2009	20,000,000.0000	$20,037,800.00	$20,706,200.00	103.531000	668,400.0000
FED HOME LN BK DTD 05/08/06 5.250 06/12/2009	3133XFLG9	06/12/2009	30,000,000.0000	$30,071,200.00	$31,106,400.00	103.688000	1,035,200.0000
FED HOME LN BK DTD 06/12/06 5.250 06/19/2009	3133XFVF0	06/19/2009	10,000,000.0000	$10,007,900.00	$10,375,000.00	103.750000	367,100.0000
FED HOME LN BK SER 1	3133XGJ88	09/11/2009	36,000,000.0000	$36,180,000.00	$37,541,160.00	104.281000	1,361,160.0000
FED FARM CREDIT BK DTD 09/21/06 5.000 09/21/2009	31331V4M5	09/21/2009	14,000,000.0000	$13,991,740.00	$14,581,840.00	104.156000	590,100.0000
FED HOME LN BK DTD 11/03/04 3.500 11/03/2009	3133X9BF6	11/03/2009	24,000,000.0000	$23,053,680.00	$24,457,440.00	101.906000	1,403,760.0000
FED HOME LN BK SER 7I09 DTD 11/12/02 4.000 11/13/2009	3133MTRK6	11/13/2009	4,000,000.0000	$3,889,760.00	$4,112,520.00	102.813000	222,760.0000
FED FARM CREDIT BK DTD 11/20/06 4.850 11/20/2009	31331XEE8	11/20/2009	5,000,000.0000	$4,973,500.00	$5,209,400.00	104.188000	235,900.0000
FED HOME LN BK DTD 09/15/06 5.000 12/11/2009	3133XGYT5	12/11/2009	67,000,000.0000	$66,915,040.00	$70,098,750.00	104.625000	3,183,710.0000
FED HOME LN BK SER 1	3133XJUS5	03/12/2010	24,000,000.0000	$23,996,160.00	$25,237,440.00	105.156000	1,241,280.0000
FEDERAL FARM CREDIT BANK DTD 04/23/07 4.75 05/07/2010	31331XWL2	05/07/2010	8,000,000.0000	$7,883,600.00	$8,392,480.00	104.906000	508,880.0000
FED HOME LN BK TRANCHE #00396	3133XBSM8	05/12/2010	15,000,000.0000	$14,762,850.00	$15,660,900.00	104.406000	898,050.0000
GRAND TOTAL			**1,754,900,000.0000**	**$1,729,765,504.93**	**$1,764,587,640.50**		**34,822,135.5700**

PORTFOLIO AVERAGE MONTHLY BALANCE

02-08 INV.PPT

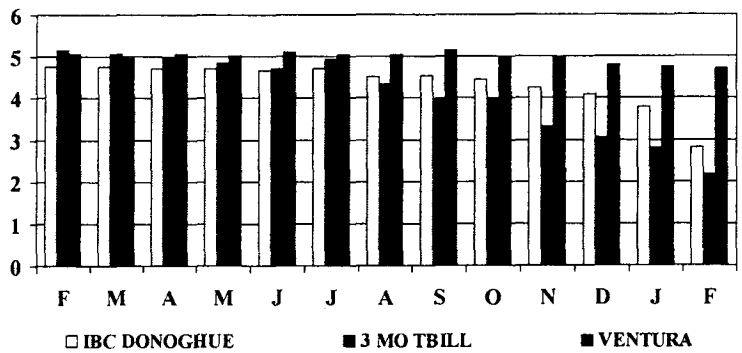
AVERAGE MATURITY



02-08 INV.PPT

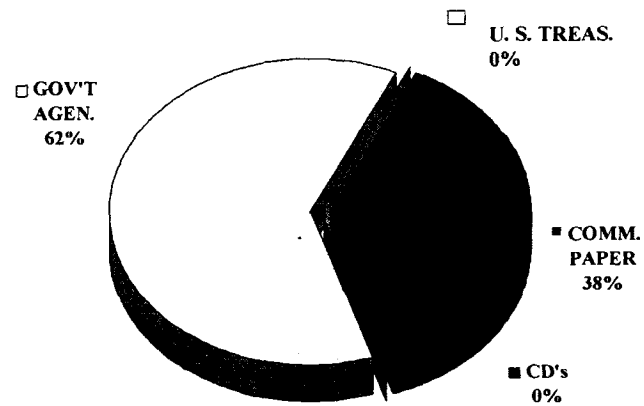
Exhibit 2

++++YIELD COMPARISON



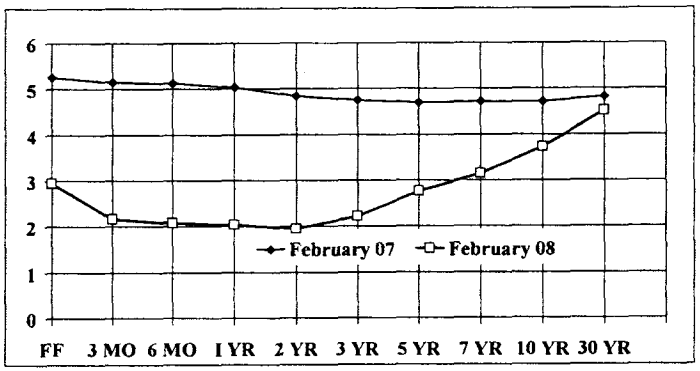
02-08 INV.PPT

PORTFOLIO HOLDINGS`



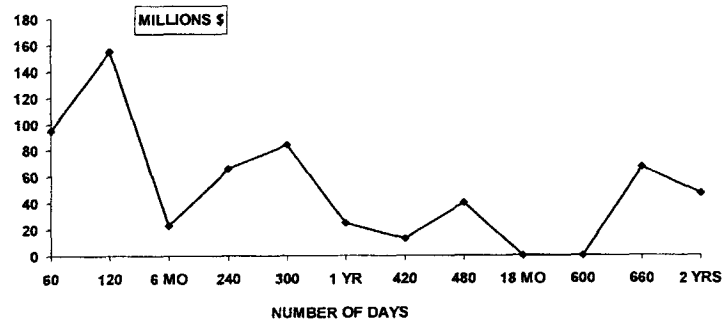
02-08 INV.PPT

YIELD CURVE



02-08 INV.PPT

MATURITY DISTRIBUTION



02-08 INV.PPT