county of ventura

LAWRENCE L. MATHENEY
TREASURER
TAX COLLECTOR
PUBLIC ADMINISTRATOR

September 9, 2008

Don R. Hansen
Assistant Treasurer-Tax Collector

Laurie Montes
Assistant Public Administrator-Guardian

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

SUBJECT: Discuss and File Report of Investments for the Month Ending July 31, 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 July amounted to $1.7 billion. The portfolio yield for the month of July was 3.38%. The weighted average days to maturity increased 2 days to 250 days. The total net monthly earnings were $4.8 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, as 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.

With the political season in full swing and continued stress in the financial sector, the Fed has found itself in a wait and see position as regards interest rates. In other areas the Fed, in conjunction with the Treasury, the SEC and the FDIC, has been very busy. The problems in the mortgage market continue to burden the balance sheets of financial institutions and have forced the Government to intervene and in some instances take over these entities or find the appropriate buyer.

The weak economic situation gives the Fed little room to attack inflation. In the Beige Book, the report of overall economic activity in the country, the Fed outlines the current environment:

- The pace of economic activity slowed somewhat since the last report.
- Consumer spending was reported as sluggish or slowing, although tax rebate checks boosted sales for some items.
- Tourist activity was mixed with residents choosing to vacation closer to home.
- Demand for services was mixed with the strength in IT and health care, offsetting weakness in other sectors.
- Manufacturing activity declined, although demand for exports remained generally high.
- Residential real estate markets declined or were still weak.
- Commercial real estate activity also slowed or remained sluggish.
- In banking, loan growth was restrained, particularly in residential and real estate lending.
- The energy sector continued to strengthen while agriculture was mixed.
- Price pressures were elevated to increasing.

The economic data reported during the month gave a similarly sober reading of the economy. While the unemployment rate remained at 5.5%, non-farm payrolls continued to decline. Construction spending, the Index of Leading Economic Indicators and home sales were all down while other reports were flat to modestly positive. The inflation data continues to come in strong as both the Consumer Price Index and the Producer Price Index were each up over 1.0% for the month.

Interest rates were down during the month as reports of economic weakness kept any prospects of an interest rate hike by the Fed a remote possibility. The markets, though, do have some expectation that once we get through the election the Fed may need to intervene by raising rates to counter inflationary pressures. During the month the yield curve, the graphical representation of interest rates over a broad range of maturities, continued to steepen as short-term rates declined by 10 to 25 basis points and longer-term rates were unchanged.

Given the current interest rate environment we anticipate the County's yield to decrease slightly. 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 July 31, 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, and County Counsel.

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

LAWRENCE L. MATHENEY
Treasurer-Tax Collector

WELLS FARGO
Investments by Date

COUNTY OF VENTURA

ACCOUNT: 11435100 COUNTY OF VENTURA

General Reporting - Investments by Date
From Month End 07/31/2008
08/01/2008 03:38:25 PM EDT

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
BANK OF AMERICA CORP CPDN DTD 02/22/08 08/01/2008	0660P0H14	08/01/2008	5,400,000.0000	$5,380,492.50	$5,400,000.00	100.000000	19,507.5000
GENERAL ELEC CAPT SERV CPDN DTD 11/14/07 08/01/2008	36959RH16	08/01/2008	34,500,000.0000	$34,338,463.61	$34,500,000.00	100.000000	161,536.3900
GENERAL ELECTRIC CO. CPDN DTD 06/30/08 08/01/2008	36960LH16	08/01/2008	4,500,000.0000	$4,498,975.00	$4,500,000.00	100.000000	1,025.0000
TOYOTA MOTOR CREDIT CO CPDN DTD 12/04/07 08/01/2008	89233GH17	08/01/2008	9,000,000.0000	$8,970,187.50	$9,000,000.00	100.000000	29,812.5000
FED HOME LN MTG CORP DISC NOTE DTD 08/06/07 08/04/2008	313396A78	08/04/2008	5,000,000.0000	$4,962,783.33	$4,999,000.00	99.980000	36,216.6700
CITIGROUP FDG INC CPDN DTD 03/06/08 08/05/2008	17307RH56	08/05/2008	3,500,000.0000	$3,497,786.25	$3,499,125.00	99.975000	1,338.7500
GENERAL ELEC CAPT SERV CPDN DTD 02/07/08 08/05/2008	36959RH57	08/05/2008	3,000,000.0000	$2,980,400.00	$2,999,250.00	99.975000	18,850.0000
GENERAL ELEC CAPT SERV CPDN DTD 02/08/08 08/06/2008	36959RH65	08/06/2008	5,000,000.0000	$4,967,333.33	$4,998,450.00	99.969000	31,116.6700
GENERAL ELEC CAPT SERV CPDN DTD 03/10/08 08/07/2008	36959RH73	08/07/2008	7,000,000.0000	$6,953,790.28	$6,997,340.00	99.962000	43,549.7200
GENERAL ELEC CAPT CORP CPDN DTD 11/13/07 08/08/2008	36959HH83	08/08/2008	6,000,000.0000	$5,996,850.00	$5,997,360.00	99.956000	510.0000
GENERAL ELEC CAPT SERV CPDN DTD 01/24/08 08/08/2008	36959RH81	08/08/2008	1,000,000.0000	$993,655.00	$999,560.00	99.956000	5,905.0000
TOYOTA MOTOR CREDIT CO CPDN DTD 02/11/08 08/08/2008	89233GH82	08/08/2008	8,500,000.0000	$8,454,158.48	$8,496,260.00	99.956000	42,101.5200
TOYOTA MOTOR CREDIT CO CPDN DTD 05/09/08 08/11/2008	89233GHB5	08/11/2008	10,000,000.0000	$9,938,900.00	$9,993,600.00	99.936000	54,700.0000
TOYOTA MOTOR CREDIT CO CPDN DTD 02/14/08 08/12/2008	89233GHC3	08/12/2008	10,000,000.0000	$9,938,250.00	$9,993,000.00	99.930000	54,750.0000
FED HOME LN BK DISC NOTE DTD 08/13/07 08/13/2008	313384B81	08/13/2008	2,500,000.0000	$2,469,161.11	$2,498,250.00	99.930000	29,088.8900
WELLS FARGO & CO. CPDN DTD 05/29/08 08/13/2008	9497F0HD7	08/13/2008	10,000,000.0000	$9,987,175.00	$9,992,300.00	99.923000	5,125.0000
TOYOTA MOTOR CREDIT CO CPDN DTD 03/14/08 08/14/2008	89233GHE9	08/14/2008	12,000,000.0000	$11,935,885.83	$11,990,040.00	99.917000	54,154.1700
GENERAL ELEC CAPT SERV CPDN DTD 11/20/07 08/15/2008	36959RHF5	08/15/2008	16,000,000.0000	$15,896,230.56	$15,985,760.00	99.911000	89,529.4400
TOYOTA MOTOR CREDIT CO CPDN DTD 01/18/08 08/15/2008	89233GHF6	08/15/2008	3,500,000.0000	$3,485,238.75	$3,496,885.00	99.911000	11,646.2500
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	$11,003,410.00	100.031000	322,630.0000
CITIGROUP FDG INC CPDN DTD 02/21/08 08/19/2008	17307RHK3	08/19/2008	3,500,000.0000	$3,490,900.00	$3,496,115.00	99.889000	5,215.0000
GENERAL ELECTRIC CO. CPDN DTD 06/30/08 08/19/2008	36960LHK4	08/19/2008	1,300,000.0000	$1,296,787.19	$1,298,557.00	99.889000	1,769.8100
GENERAL ELEC CAPT SERV CPDN DTD 02/01/08 08/20/2008	36959RHL2	08/20/2008	3,000,000.0000	$2,980,960.00	$2,996,490.00	99.883000	15,530.0000
CITIGROUP FDG INC CPDN DTD 02/15/08 08/21/2008	17307RHM9	08/21/2008	5,000,000.0000	$4,986,333.33	$4,993,850.00	99.877000	7,516.6700
FED HOME LN BK DISC NOTE DTD 08/22/07 08/22/2008	313384C98	08/22/2008	10,000,000.0000	$9,874,905.56	$9,988,000.00	99.880000	113,094.4400
TOYOTA MOTOR CREDIT CO CPDN DTD 02/06/08 08/25/2008	89233GHR0	08/25/2008	6,000,000.0000	$5,970,523.33	$5,990,160.00	99.836000	19,636.6700
FED HOME LN MTG CORP DISC NOTE DTD 08/27/07 08/27/2008	313396D67	08/27/2008	10,000,000.0000	$9,917,561.11	$9,985,000.00	99.850000	67,438.8900
TOYOTA MOTOR CREDIT CO CPDN DTD 12/31/07 08/28/2008	89233GHU3	08/28/2008	10,000,000.0000	$9,912,666.67	$9,981,600.00	99.816000	68,933.3300
WELLS FARGO & CO. CPDN DTD 05/30/08 08/28/2008	9497F0HU9	08/28/2008	22,000,000.0000	$21,948,452.78	$21,959,520.00	99.816000	11,067.2200
FED HOME LN MTG CORP DISCOUNT NOTE DTD 08/29/07 08/29/2008	313396D83	08/29/2008	25,000,000.0000	$24,791,000.00	$24,960,000.00	99.840000	169,000.0000
BANKAMERICA CORP CPDN DTD 04/28/08 08/29/2008	0660P0HV8	08/29/2008	50,000,000.0000	$49,524,229.17	$49,904,500.00	99.809000	380,270.8300
BANKAMERICA CORP CPDN DTD 03/25/08 09/02/2008	0660P0J20	09/02/2008	6,000,000.0000	$5,969,588.33	$5,986,020.00	99.767000	16,431.6700
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	$4,989,500.00	99.790000	51,573.6100
BANKAMERICA CORP CPDN DTD 06/30/08 09/04/2008	0660P0J46	09/04/2008	5,540,000.0000	$5,514,202.27	$5,526,316.20	99.753000	12,113.9300
GENERAL ELEC CAPT CORP CPDN DTD 12/10/07 09/05/2008	36959HJ57	09/05/2008	5,000,000.0000	$4,973,447.22	$4,987,250.00	99.745000	13,802.7800
BANKAMERICA CORP CPDN DTD 05/09/08 09/08/2008	0660P0J87	09/08/2008	15,000,000.0000	$14,933,325.00	$14,958,450.00	99.723000	25,125.0000
CITIGROUP FDG INC CPDN DTD 03/13/08 09/09/2008	17307RJ96	09/09/2008	2,700,000.0000	$2,688,300.00	$2,692,332.00	99.716000	4,032.0000
TOYOTA MOTOR CREDIT CO CPDN DTD 12/14/07 09/09/2008	89233GJ98	09/09/2008	2,000,000.0000	$1,990,595.16	$1,994,320.00	99.716000	3,724.8400
TOYOTA MOTOR CREDIT CO CPDN DTD 02/13/08 09/10/2008	89233GJA5	09/10/2008	5,000,000.0000	$4,981,000.00	$4,985,450.00	99.709000	4,450.0000
CITIGROUP FDG INC CPDN DTD 03/13/08 09/11/2008	17307RJB1	09/11/2008	4,600,000.0000	$4,537,210.00	$4,586,292.00	99.702000	49,082.0000
TOYOTA MOTOR CREDIT CO CPDN DTD 12/17/07 09/12/2008	89233GJC1	09/12/2008	7,000,000.0000	$6,972,466.67	$6,978,580.00	99.694000	6,113.3300
FED HOME LN BK SER 1	3133XHJG8	09/12/2008	25,000,000.0000	$24,985,250.00	$25,062,500.00	100.250000	77,250.0000
BANKAMERICA CORP CPDN DTD 03/19/08 09/15/2008	0660P0JF1	09/15/2008	3,000,000.0000	$2,987,550.00	$2,990,190.00	99.673000	2,640.0000
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	$25,070,250.00	100.281000	70,250.0000
BANKAMERICA CORP CPDN DTD 07/14/08 09/17/2008	0660P0JH7	09/17/2008	4,000,000.0000	$3,982,016.67	$3,985,800.00	99.645000	3,783.3300
BANKAMERICA CORP CPDN DTD 05/22/08 09/18/2008	0660P0JJ3	09/18/2008	3,500,000.0000	$3,476,462.50	$3,487,295.00	99.637000	10,832.5000
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	$10,023,100.00	100.231000	100,400.0000
TOYOTA MOTOR CREDIT CO CPDN DTD 06/20/08 09/22/2008	89233GJN7	09/22/2008	4,300,000.0000	$4,272,500.31	$4,283,101.00	99.607000	10,600.6900
BANKAMERICA CORP CPDN DTD 03/25/08 09/23/2008	0660P0JP9	09/23/2008	5,000,000.0000	$4,977,777.78	$4,980,000.00	99.600000	2,222.2200
BANKAMERICA CORP CPDN DTD 06/20/08 09/24/2008	0660P0JQ7	09/24/2008	5,000,000.0000	$4,971,335.83	$4,979,600.00	99.592000	8,264.1700
CITIGROUP FDG INC CPDN DTD 03/14/08 09/26/2008	17307RJS4	09/26/2008	15,000,000.0000	$14,779,500.00	$14,936,550.00	99.577000	157,050.0000
TOYOTA MOTOR CREDIT CO CPDN DTD 02/26/08 09/26/2008	89233GJS6	09/26/2008	7,000,000.0000	$6,960,033.89	$6,970,390.00	99.577000	10,356.1100
FED HOME LN MTG CORP DISC NOTE DTD 10/01/07 09/29/2008	313396H71	09/29/2008	40,000,000.0000	$39,591,666.67	$39,848,000.00	99.620000	256,333.3300
TOYOTA MOTOR CREDIT CO CPDN DTD 04/02/08 09/30/2008	89233GJW7	09/30/2008	33,300,000.0000	$33,063,465.99	$33,149,151.00	99.547000	85,685.0100

Exhibit 1

WELLS FARGO
Investments by Date

COUNTY OF VENTURA

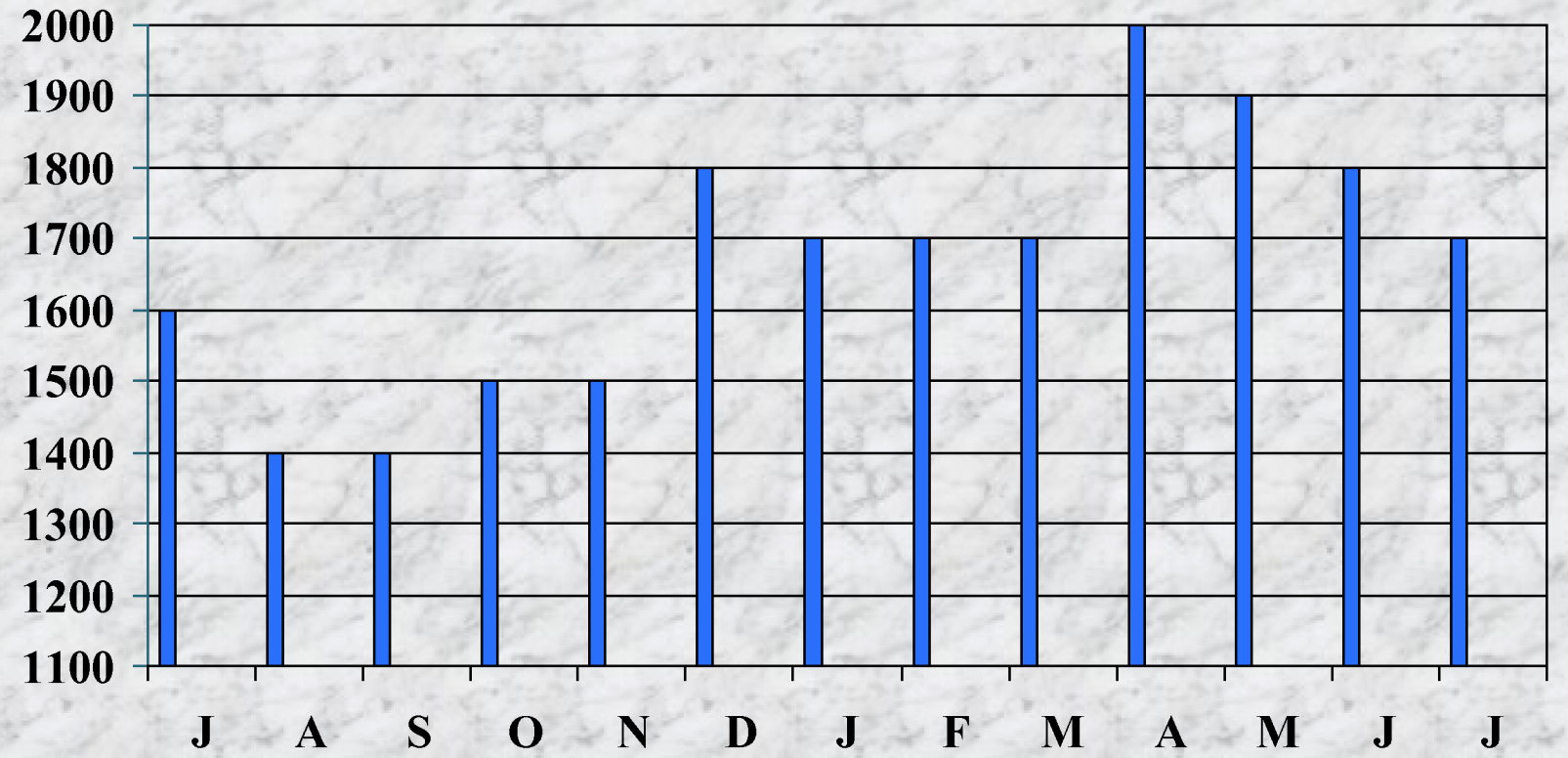
ACCOUNT: 11435100 COUNTY OF VENTURA

General Reporting - Investments by Date
From Month End 07/31/2008
08/01/2008 03:38:25 PM EDT

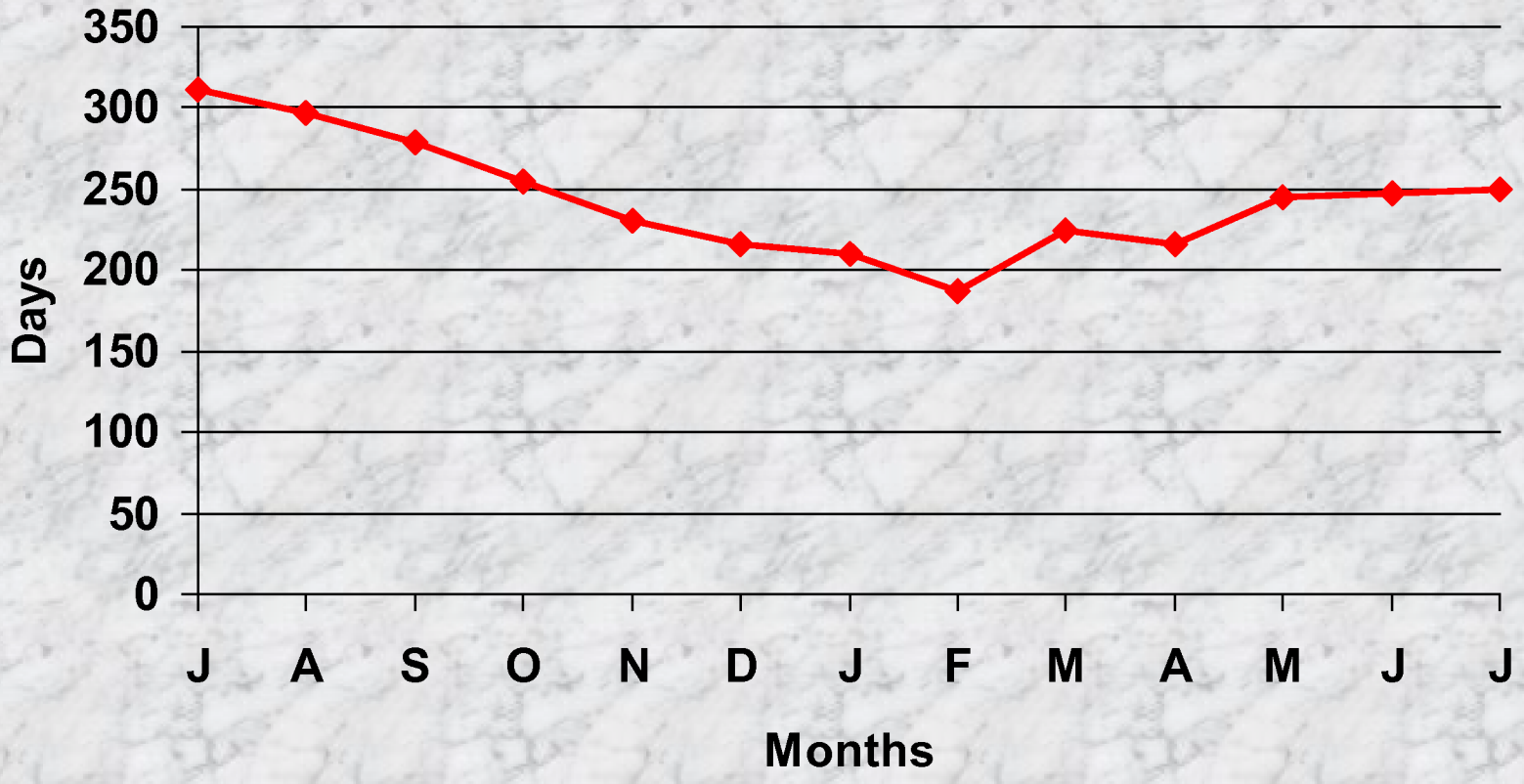
Asset Description 1 & 2	Asset ID	Maturity Date	Units	Fed Tax Cost	Market Value	Market Price	Unrealized Gain Unrealized Loss
FED FARM CREDIT BK DTD 03/02/06 4.950 10/02/2008	31331VSC1	10/02/2008	25,000,000.0000	$24,980,900.00	$25,093,750.00	100.375000	112,850.0000
FED FARM CREDIT BK ZERO CPN DTD 10/15/07 10/15/2008	313312K74	10/15/2008	2,000,000.0000	$1,969,333.33	$1,990,200.00	99.510000	20,866.6700
TOYOTA MOTOR CREDIT CO CPDN DTD 05/09/08 10/16/2008	89233GKG0	10/16/2008	1,000,000.0000	$993,750.00	$993,920.00	99.392000	170.0000
FED HOME LN MTG CORP DISC NOTE DTD 10/22/07 10/21/2008	313396L50	10/21/2008	5,000,000.0000	$4,941,073.61	$4,973,500.00	99.470000	32,426.3900
FED HOME LN MTG CORP DISCOUNT NOTE DTD 10/22/07 10/22/2008	313396L68	10/22/2008	10,000,000.0000	$9,881,583.33	$9,946,000.00	99.460000	64,416.6700
FED HOME LN MTG CORP DISCOUNT NOTE SER RB	313396L76	10/23/2008	10,000,000.0000	$9,881,019.44	$9,945,000.00	99.450000	63,980.5600
FED HOME LN MTG CORP DISCOUNT NOTE DTD 10/24/07 10/24/2008	313396L84	10/24/2008	10,000,000.0000	$9,880,455.56	$9,945,000.00	99.450000	64,544.4400
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	$15,032,850.00	100.219000	532,050.0000
FED HOME LN BK SER BVO8	3133XDNN7	10/27/2008	25,000,000.0000	$24,999,250.00	$25,132,750.00	100.531000	133,500.0000
GENERAL ELEC CAPT SERV CPDN DTD 05/12/08 10/31/2008	36959RKX2	10/31/2008	35,000,000.0000	$34,718,055.56	$34,736,450.00	99.247000	18,394.4400
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	$10,906,500.00	99.150000	319,042.7800
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	$24,787,500.00	99.150000	732,062.5000
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	$17,127,500.00	100.750000	67,830.0000
FED FARM CREDIT BK DTD 12/17/03 3.700 12/17/2008	31331TNK3	12/17/2008	33,000,000.0000	$32,982,020.00	$33,123,750.00	100.375000	141,730.0000
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	$25,179,750.00	100.719000	268,250.0000
BANK OF AMERICA N/A BANKER ACCEPT DTD 07/14/08 01/12/2009	06422RNC7	01/12/2009	1,000,000.0000	$985,419.44	$985,740.00	98.574000	320.5600
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	$25,117,250.00	100.469000	741,750.0000
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	$25,211,000.00	100.844000	299,060.0000
FREDDIE MAC DTD 03/02/07 4.750 03/05/2009	3137EAAQ2	03/05/2009	22,000,000.0000	$22,548,240.00	$22,254,320.00	101.156000	(293,920.0000)
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	$50,703,000.00	101.406000	704,500.0000
FED FARM CREDIT BK DTD 03/30/04 2.950 03/30/2009	31331TB34	03/30/2009	20,000,000.0000	$20,123,600.00	$20,018,800.00	100.094000	(104,800.0000)
FED FARM CREDIT BK DTD 10/06/04 3.550 04/06/2009	31331SBR3	04/06/2009	25,000,000.0000	$25,296,250.00	$25,125,000.00	100.500000	(171,250.0000)
FED FARM CREDIT BK DTD 04/13/07 4.875 04/13/2009	31331XVG4	04/13/2009	10,000,000.0000	$10,276,200.00	$10,140,600.00	101.406000	(135,600.0000)
FED HOME LN BK DTD 03/10/04 3.000 04/15/2009	3133X4ZC8	04/15/2009	8,000,000.0000	$8,063,920.00	$8,010,000.00	100.125000	(53,920.0000)
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	$13,117,780.00	100.906000	435,180.0000
FED HOME LN BK DTD 04/20/07 4.750 04/24/2009	3133XKLY9	04/24/2009	12,500,000.0000	$12,868,500.00	$12,671,875.00	101.375000	(196,625.0000)
FED HOME LN MTG CORP DTD 05/25/06 5.250 05/21/2009	3137EAAE9	05/21/2009	58,000,000.0000	$59,439,120.00	$59,087,500.00	101.875000	(351,620.0000)
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	$30,590,700.00	101.969000	519,500.0000
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	$10,203,100.00	102.031000	195,200.0000
FED HOME LN BK SER 1	3133XGJ88	09/11/2009	36,000,000.0000	$36,180,000.00	$36,843,840.00	102.344000	663,840.0000
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	$14,319,340.00	102.281000	327,600.0000
FED HOME LN BK DTD 11/03/04 3.500 11/03/2009	3133X9BF6	11/03/2009	49,000,000.0000	$48,579,930.00	$49,291,060.00	100.594000	711,130.0000
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	$4,050,000.00	101.250000	160,240.0000
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	$5,117,200.00	102.344000	143,700.0000
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	$68,758,750.00	102.625000	1,843,710.0000
FED FARM CREDIT BK DTD 12/17/07 3.875 12/17/2009	31331YJA9	12/17/2009	25,000,000.0000	$25,620,250.00	$25,312,500.00	101.250000	(307,750.0000)
FED FARM CREDIT BK DTD 01/11/08 3.450 01/11/2010	31331YMD9	01/11/2010	15,000,000.0000	$15,283,800.00	$15,107,850.00	100.719000	(175,950.0000)
FED HOME LN BK SER 1	3133XJUS5	03/12/2010	24,000,000.0000	$23,996,160.00	$24,720,000.00	103.000000	723,840.0000
FEDERAL FARM CREDIT BANK DTD 04/23/07 4.75 05/07/2010	31331XWL2	05/07/2010	12,000,000.0000	$12,076,440.00	$12,341,280.00	102.844000	264,840.0000
FED HOME LN BK TRANCHE #00396	3133XBSM8	05/12/2010	15,000,000.0000	$14,762,850.00	$15,351,600.00	102.344000	588,750.0000
FED FARM CREDIT BK DTD 05/19/03 3.500 05/19/2010	31331QK48	05/19/2010	10,000,000.0000	$10,204,400.00	$10,068,800.00	100.688000	(135,600.0000)
FED HOME LN MTG CORP SER 1	3137EABH1	05/28/2010	50,000,000.0000	$50,011,000.00	$49,344,000.00	98.688000	(667,000.0000)
FED HOME LN BK DTD 05/06/05 4.250 06/11/2010	3133XBTH8	06/11/2010	25,000,000.0000	$25,256,500.00	$25,484,500.00	101.938000	228,000.0000
FED HOME LN BK DTD 04/29/08 3.000 06/11/2010	3133XR2Y5	06/11/2010	106,000,000.0000	$105,717,320.00	$105,767,860.00	99.781000	50,540.0000
FED HOME LN BK DTD 07/09/08 3.375 09/10/2010	3133XRT83	09/10/2010	10,000,000.0000	$9,955,500.00	$10,025,000.00	100.250000	69,500.0000
FED FARM CREDIT BK DTD 06/13/07 5.250 09/13/2010	31331XE40	09/13/2010	3,500,000.0000	$3,724,000.00	$3,633,455.00	103.813000	(90,545.0000)
GRAND TOTAL			**1,580,140,000.0000**	**$1,576,618,521.34**	**$1,588,031,939.20**		**11,413,417.8600**

Exhibit 1

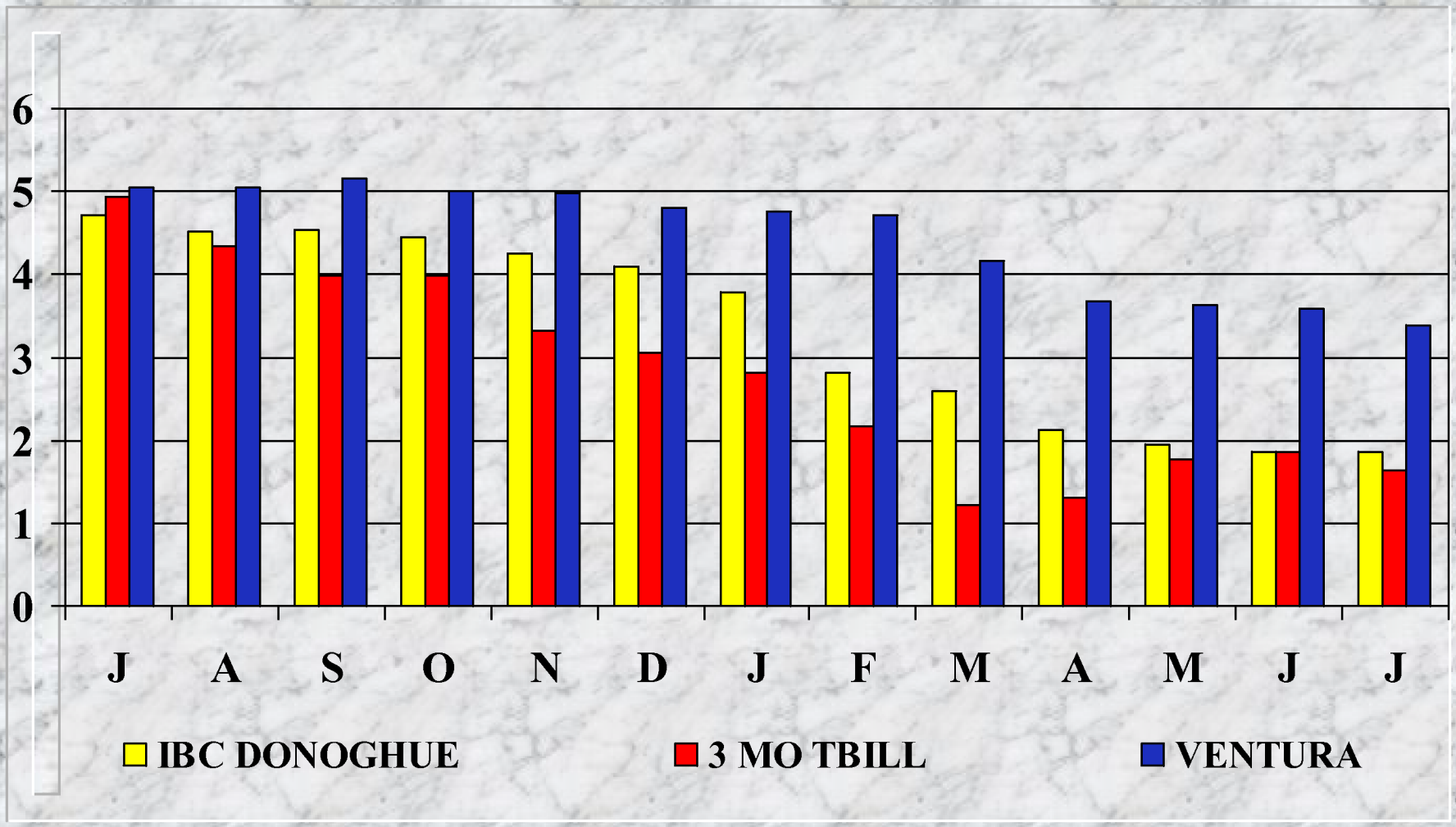
PORTFOLIO AVERAGE MONTHLY BALANCE



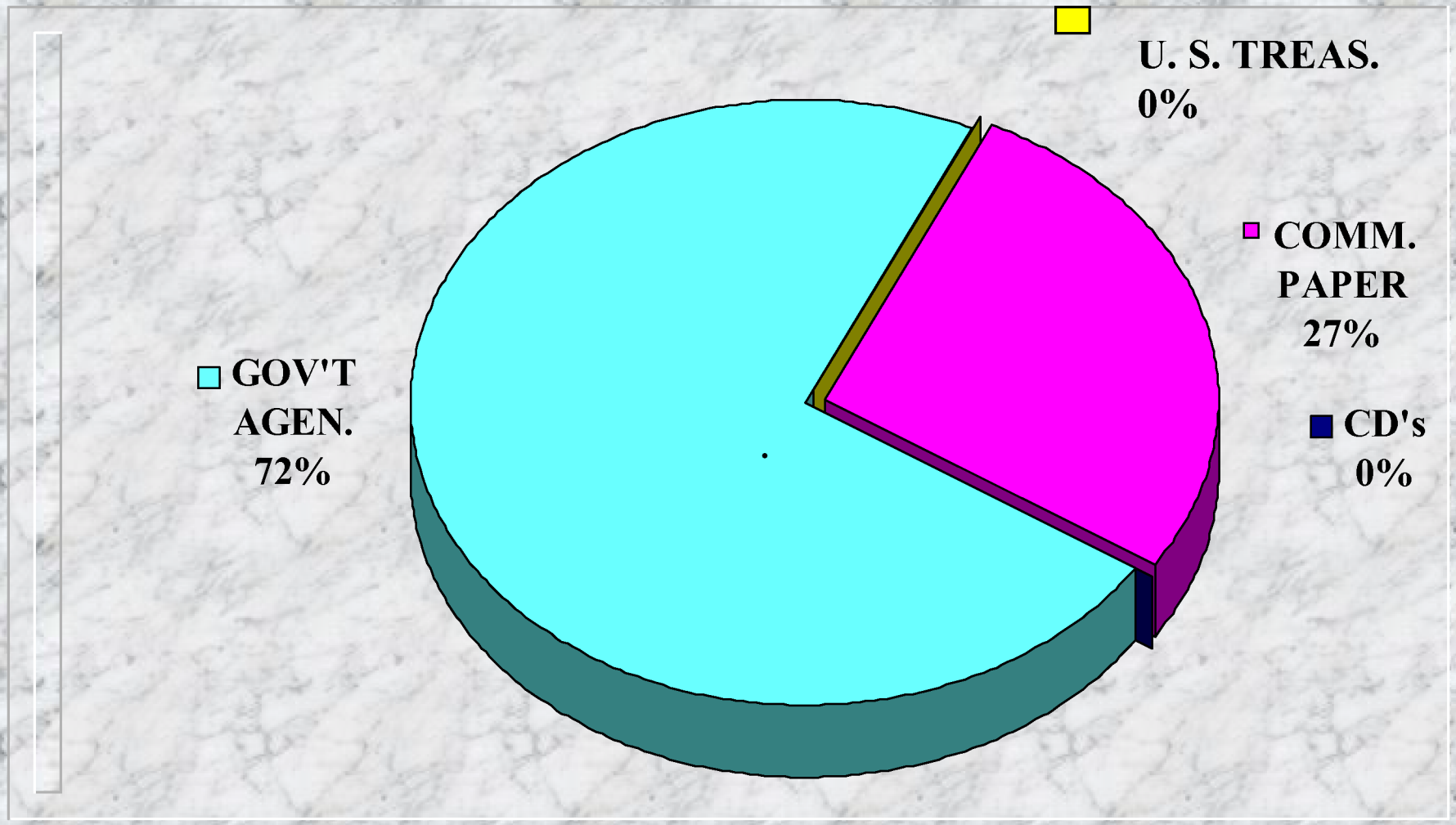
AVERAGE MATURITY



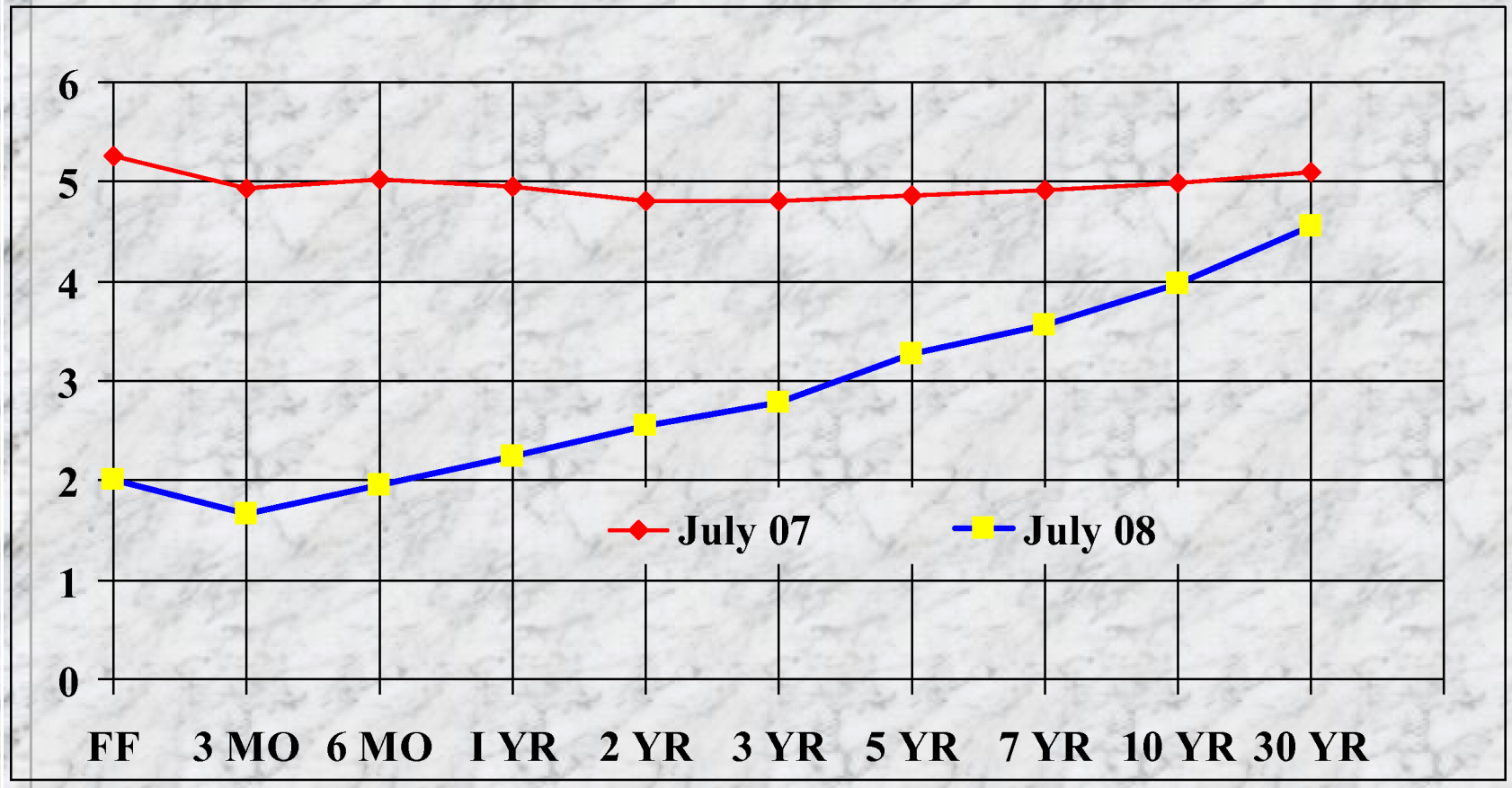
++++YIELD COMPARISON



PORTFOLIO HOLDINGS`



YIELD CURVE


6
5
4
3
2
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July 07
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3 MO
6 MO
I YR
2 YR
3 YR
5 YR
7 YR
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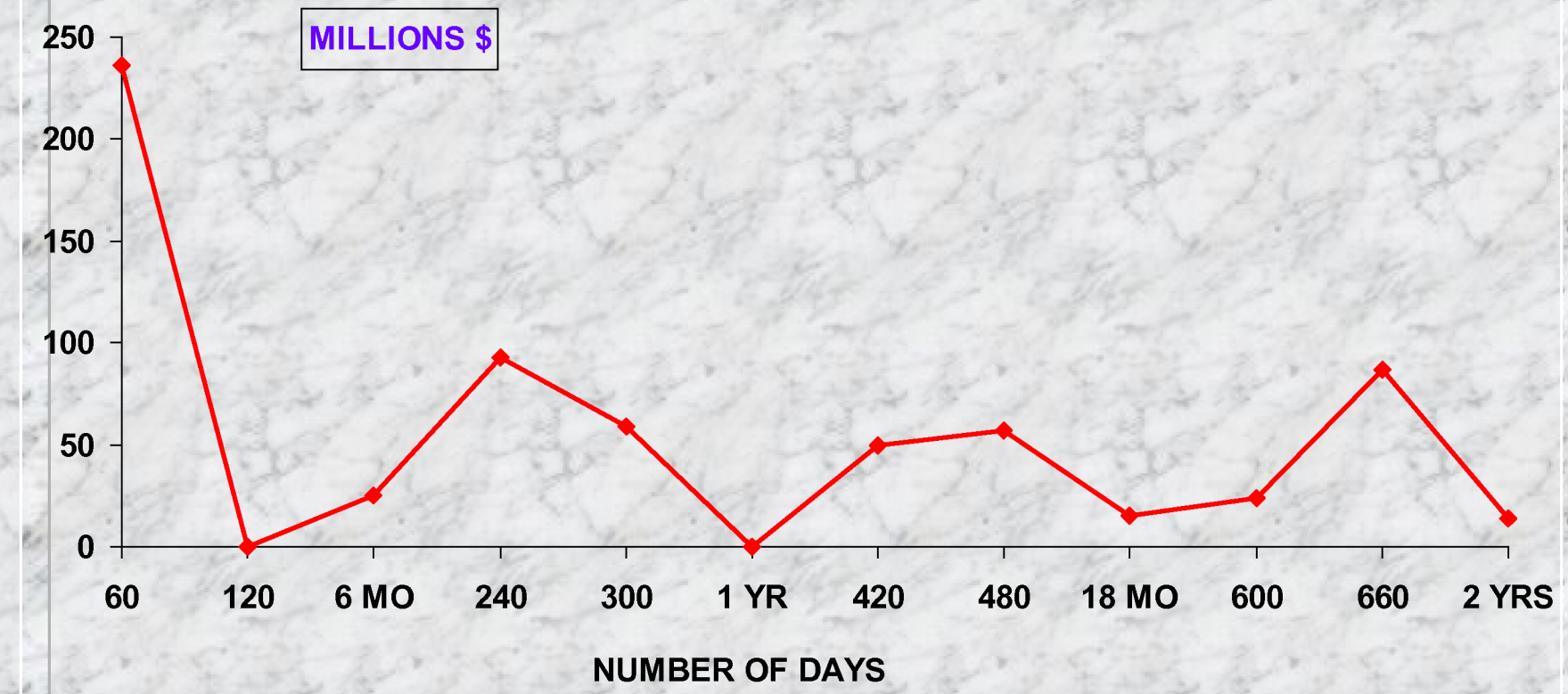
30 YR

MATURITY DISTRIBUTION