

**STATE OF MONTANA BOARD OF INVESTMENTS
SHORT TERM INVESTMENT POOL FINANCIAL STATEMENTS**

STATEMENT OF NET ASSET VALUE JUNE 30, 2009 AND 2008

	<u>2009</u>	<u>2008</u>
<u>Assets</u>		
Cash	\$ 0	\$ 0
Interest receivable (Note 4)	3,546,643	5,687,990
Security lending cash collateral (Notes 3 and 4)	151,016,485	101,755,297
Investments managed at amortized cost (Notes 2, 4 and 7)	<u>2,301,281,468</u>	<u>2,322,008,128</u>
Total assets	\$ <u>2,455,844,596</u>	\$ <u>2,429,451,415</u>
<u>Liabilities</u>		
Security lending expense payable	\$ 126,074	\$ 179,758
Income due participants	1,784,811	4,528,806
Security lending obligations	151,016,485	101,755,297
STIP reserve (Note 5)	<u>1,427,621</u>	<u>4,352,667</u>
Total liabilities	\$ <u>154,354,991</u>	\$ <u>110,816,528</u>
Net asset value	\$ <u>2,301,489,605</u>	\$ <u>2,318,634,887</u>
Units Outstanding	2,301,489,605	2,318,634,887
Unit Value	\$ 1	\$ 1

**STATEMENT OF CHANGES IN NET ASSET VALUE
FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND 2008**

Net asset value, beginning of year	\$ 2,318,634,887	\$ 2,792,537,625
Value of units purchased by participants	8,030,240,358	7,460,338,229
Value of units sold by participants	<u>(8,047,385,640)</u>	<u>(7,934,240,967)</u>
Net asset value, end of year	\$ <u>2,301,489,605</u>	\$ <u>2,318,634,887</u>

**STATEMENT OF INVESTMENT INCOME AND DISTRIBUTION
FOR THE FISCAL YEARS ENDED JUNE 30, 2009 AND 2008**

Interest income	\$ 21,007,551	\$ 43,512,626
Amortization/accretion	24,987,498	60,575,090
Security lending income	4,555,947	3,187,854
Security lending expense	(1,531,247)	(2,494,740)
Administrative expenses	(761,600)	(710,875)
STIP reserve expense (Note 5)	(9,242,500)	(4,346,500)
Income due participants, beginning of year	<u>4,528,806</u>	<u>12,398,755</u>
Income available for distribution	43,544,455	112,122,210
Distribution	<u>41,759,644</u>	<u>107,593,404</u>
Income due participants, end of year	\$ <u>1,784,811</u>	\$ <u>4,528,806</u>

The accompanying notes are an integral part of these financial statements.

STATE OF MONTANA BOARD OF INVESTMENTS
SHORT TERM INVESTMENT POOL - NOTES TO FINANCIAL STATEMENTS

JUNE 30, 2009 AND 2008

1. HISTORY AND ORGANIZATION

The Board was created by the Legislature to invest and manage Montana's Unified Investment Program. The Board created the Short Term Investment Pool (STIP) to allow qualifying funds, per sections 17-6-201, 202 and 204, MCA, to participate in a diversified pool. Although state agencies with accounts that retain their interest earnings are legally required to invest in STIP, local governments may voluntarily participate in the STIP.

The Board manages the STIP to preserve principal, while obtaining money market type returns and 24-hour liquidity. Funds may be invested in the STIP for one or more days. The STIP investments and the income are owned by the participants and are managed on their behalf by the Board.

Although the STIP is not registered with the Securities and Exchange Commission (SEC) as an investment company, the Board manages the STIP consistent with the SEC's rule 2a7 of the Investment Company Act of 1940. As a 2a7-like pool, the STIP utilizes an amortized cost unit value, rather than fair value to report net assets.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Investments

The STIP investments are purchased in accordance with the statutorily mandated "Prudent Expert Principle". The portfolio may include asset-backed securities, commercial paper, corporate and U.S. government direct obligations, U.S. government agency securities, repurchase agreements, institutional money market funds, certificates of deposit and variable-rate (floating-rate) instruments. These securities are purchased to provide shareholders with a diversified portfolio earning a competitive total rate of return.

Asset-backed securities represent debt securities collateralized by a pool of mortgage and non-mortgage assets such as trade and loan receivables, equipment leases, credit cards, etc. Commercial paper is unsecured short-term debt with maturities ranging from 1 to 270 days. Commercial paper issued at a discount, direct or by brokers, is backed by bank credit lines. U.S. government direct obligations include U.S. Treasury securities and debt explicitly guaranteed by the U.S. government. U.S. government agency securities include U.S. government agency and mortgage-backed securities. Repurchase agreements (REPOs) represent an agreement between a seller and a buyer, usually of U.S. government securities, whereby the seller agrees to repurchase the securities at an agreed upon price and stated time. Variable-rate (floating-rate) securities pay a variable rate of interest until maturity. The STIP portfolio's variable-rate securities float with LIBOR (London Interbank Offered Rate).

The STIP investment portfolio consists of securities with a maximum maturity of 397 days or less with the exception of securities having rate reset dates. The portfolio is carried at amortized cost or book value.

Participant Units

The STIP unit value is fixed at \$1 for both participant buys and sells. A purchased unit earns income on the purchase date and ceases to earn income on the day before the unit is sold. Participants may buy or sell fractional shares. For fiscal years 2009 and 2008, income was distributed on the first calendar day of each month. Participants may automatically reinvest their income in additional units.

During fiscal years 2009 and 2008, the Board did not provide or obtain any legally binding guarantees to support the value of the participant units.

Broker Receivable/Payable

The STIP security transactions are recorded as of the trade date rather than the settlement date. Because of this generally accepted practice, the STIP portfolio at June 30 may include receivables from brokers for securities sold, but not delivered, and payables to brokers for securities purchased, but not received.

Other

Administrative expenses incurred by the Board are charged daily to STIP based on the Board's expenses applicable to STIP.

3. SECURITIES LENDING

The Board is authorized by law to lend its securities and has contracted with the custodial bank, State Street Bank and Trust “the Bank”, to lend the Board’s securities to broker-dealers and other entities with a simultaneous agreement to return the collateral for the same securities in the future. During the period the securities are on loan, the Board receives a fee and the custodial bank must initially receive collateral equal to 102 percent of the fair value of the domestic loaned securities and maintain collateral equal to not less than 102 percent of the fair value of the loaned security. The Board retains all rights and risks of ownership during the loan period.

During fiscal years 2009 and 2008, the Bank loaned certain Board securities and received U.S. dollar currency cash, U.S. government and government sponsored securities, U.S. corporate debt securities, supranational agencies debt, asset backed securities and irrevocable bank letters of credit. The Bank does not have the ability to pledge or sell collateral securities unless the borrower defaults.

The Board did not impose any restrictions during fiscal years 2009 and 2008 on the amount of Board securities the Bank could loan. There were no failures by any borrowers to return loaned securities or pay distributions thereon during fiscal years 2009 and 2008. Moreover, there were no losses during fiscal years 2009 and 2008 resulting from a default of the borrowers or the Bank.

During fiscal years 2009 and 2008, the Board and the borrowers maintained the right to terminate all securities lending transactions on demand. The cash collateral received for each loan was invested, together with the cash collateral of other qualified plan lenders, in a collective investment pool. The Securities Lending Quality Trust has a weighted average maturity of 31 and 41 days, respectively, as of June 30, 2009 and 2008. The Quality D Trust has a weighted average maturity of 43 and 42 days, respectively, as of June 30, 2009 and 2008. The relationship between the average maturities of the investment pool and the Board’s loans was affected by the maturities of the loans made by other plan entities that invested cash collateral in the collective investment pool, which the Board could not determine. At year-end, the Board had no credit risk exposure to borrowers because the collateral pledged by the borrowers exceeded the value of the securities borrowed.

As of June 30, 2009, the fair value of the underlying securities on loan, categorized as U.S. Government Agency and corporate debt, for the Short Term Investment Pool was \$694,243,673. The collateral provided for the securities on loan totaled \$151,016,485 in cash and \$557,737,295 in non-cash collateral. As of June 30, 2008, the fair value of the underlying securities on loan, categorized as U.S. Government Agency debt for the Short Term Investment Pool was \$389,544,349. The collateral provided for the securities on loan totaled \$101,755,297 in cash and \$295,637,500 in non-cash collateral.

4. INVESTMENT RISK DISCLOSURES

Effective June 30, 2005, the Board implemented the provisions of Governmental Accounting Standards Board (GASB) Statement No. 40 – Deposit and Investment Risk Disclosures. The investment risk disclosures are described in the following paragraphs.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligation. The STIP securities have credit risk as measured by major credit rating services. This risk is that the issuer of a STIP security may default in making timely principal and interest payments. The Board of Investment’s policy specifies that STIP securities have ratings provided by Standard and Poors, Moody’s, or Fitch.

Obligations of the U.S. government or obligations explicitly guaranteed by the U.S. government are not considered to have credit risk and do not require disclosure of credit quality per GASB Statement No. 40.

The short term credit ratings presented in the table below are provided by S& P’s rating services. An A1+ rating is the highest short term rating by the S&P rating service. If a STIP security received a long term rating, such as AAA, this rating was converted to a short term rating. If an S&P rating is not available, a Moody’s rating has been used.

Custodial Credit Risk

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of the investment or collateral securities that are in the possession of an outside party. As of June 30, 2009 and 2008, all STIP securities were registered in the nominee name for the Montana Board of Investments and held in the possession of the Bank. According to the STIP Investment Policy, “repurchase agreements will be collateralized by the market value of U.S. Treasury and/or U.S. Agency securities at 102% of the value of the

repurchase agreement”.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government’s investment in a single issuer. The STIP Investment Policy Statement addresses concentration of credit risk by investment category. The STIP had concentration of credit risk exposure to the Federal Home Loan Bank of 10.04%, Federal National Mortgage Association (Fannie Mae) of 8.67% and the Federal Home Loan Mortgage Corp. (Freddie Mac) of 8.69% as of June 30, 2009. The STIP had concentration of credit risk exposure to the Federal Home Loan Bank of 6.89%, Federal National Mortgage Association (Fannie Mae) of 7.55 % and the Federal Home Loan Mortgage Corp. (Freddie Mac) of 5.71% as of June 30, 2008.

Interest Rate Risk

STIP interest rate risk is determined using the weighted average maturity (WAM) method. The WAM measure expresses investment time horizons – the time when investments are due and payable in days, months or years – weighted to reflect the dollar size of the individual investments within an investment type. The WAM, calculated in days, for the STIP portfolio is disclosed below. The June 30, 2008 WAM, previously stated in months, has been restated in days.

Corporate asset-backed securities are based on cash flows from principal and interest payments on underlying auto loan receivables, credit card receivables, and other assets. These securities, while sensitive to prepayments due to interest rate changes, have less credit risk than securities not backed by pledged assets.

While variable-rate (floating-rate) securities have credit risk identical to similar fixed-rate securities, their interest rate risk is more sensitive to interest rate changes. However, their fair value may be less volatile than fixed-rate securities because their value will usually remain at or near par as a result of their interest rates being periodically reset to maintain a current market yield.

STIP investments are categorized on the next page to disclose credit rate risk and weighted average maturity as of as of June 30, 2009 and June 30, 2008. Credit risk reflects the security quality rating, by investment security type, as of the June 30 report date. If a security investment type is unrated, the quality type is indicated by NR (not rated). Although the STIP investments have been rated by investment security type, STIP, as an external investment pool, has not been rated by a Nationally Recognized Statistical Rating Organization (NRSRO).

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Credit Quality Ratings and Weighted Average Maturity as of June 30, 2009

<u>Security Investment Type</u>	<u>Amortized Cost</u>	<u>Credit Quality Rating</u>	<u>WAM in Days</u>
Asset Backed Commercial Paper	\$ 299,326,610	A1	23
Corporate Commercial Paper	164,976,250	A1	16
Corporate Fixed	36,474,136	A3	196
Corporate Variable-Rate	364,248,333	A3	67
Certificates of Deposit Fixed	25,000,000	A1+	360
Certificates of Deposit Variable-Rate	105,000,000	A1	62
U.S. Government Agency Fixed	140,672,204	A1+	73
U.S. Government Agency Variable -Rate	750,530,748	A1+	45
Money Market Funds (Unrated)	121,427,621	NR	1
Money Market Funds (Rated)	180,000,000	A1+	1
Structured Investment Vehicles (SIV)	<u>113,625,566</u>	D	NA
Total Investments	\$ <u>2,301,281,468</u>	A1	46
Securities Lending Collateral Investment Pool	\$ <u>151,016,485</u>	NR	

Credit Quality Ratings and Weighted Average Maturity as of June 30, 2008

<u>Security Investment Type</u>	<u>Amortized Cost</u>	<u>Credit Quality Rating</u>	<u>WAM in Days</u>
Commercial Paper	\$ 1,278,677,750	A1+	28
Corporate Variable-Rate	179,971,989	A1	48
Certificates of Deposit	79,997,934	A1+	98
U.S. Government Agency	439,007,788	A1+	107
Money Market Funds (Unrated)	149,352,667	NR	1
Money Market Funds (Rated)	55,000,000	A1+	1
Structured Investment Vehicles (SIV)	<u>140,000,000</u>	D	NA
Total Investments	\$ <u>2,322,008,128</u>	A1+	46
Securities Lending Collateral Investment Pool	\$ <u>101,755,297</u>	NR	

Legal and Credit Risk

In January 2007, the Board purchased a \$25 million par issue of Orion Finance USA. In April 2007, the Board purchased two issues of Axon Financial Funding totaling \$90 million par and another \$25 million par issue of Orion Finance USA. As of June 30, 2007, these Structured Investment Vehicle (SIV) securities held in the STIP portfolio carried a combined amortized cost of \$139,991,131 representing 5.02% of the total portfolio. At the time of purchase and as of June 30, 2007, these four issues received the highest investment grade rating of AAA by Standard & Poors and Aaa by Moody's. As of June 30, 2009 and 2008, these issues carried a D rating by Standard & Poors. On November 20, 2007, an insolvency event was declared by Axon Finance USA. Orion Financial Funding declared an insolvency event on January 14, 2008. On the January and April 2008 maturity dates, these securities matured at their amortized cost of \$140 million. The Board has determined that it is currently in the best interest of the STIP to continue to hold these securities in the investment portfolio. These SIV securities are currently generating cash to be applied to the securities.

Of the \$5,687,990 Interest Receivable total as of June 30, 2008, \$2,729,889 is attributable to the above securities for interest accrued to their respective maturity dates. While payment of the Orion Finance USA interest receivable of \$903,922 remains unknown as of June 30, 2009, the Board received 100% payment of \$1,825,967 on the Axon Financial Funding interest receivable on November 14, 2008.

In fiscal year 2009, the Board also received Axon Financial Funding payments on principal of \$12,374,434 and interest compensation of \$1,807,998 in excess of the accrued interest receivable. Axon Financial Funding payments totaled \$16,008,399 for fiscal year 2009. In June 2009, the Board applied \$14 million from the STIP reserve to the outstanding principal for the Axon Financial Funding and Orion Finance USA securities. As of June 30, 2009, the Axon Financial Funding and Orion Finance USA outstanding balances are \$68,625,566 and \$45 million, respectively, for a combined SIV total of \$113,625,566. Refer to Note 6 – Subsequent Events for additional information.

The Federal National Mortgage Association and Federal Home Loan Mortgage Corp. were put into conservatorship on September 7, 2008.

On September 16, 2008, the U.S. Government acquired 80% of AIG stock and extended \$85 billion in financing to the company. The loan will be repaid by the sale of AIG assets. The loan is collateralized by all the company's assets, valued at \$1.05 trillion as of June, 30, 2008. The two STIP AIG securities matured on July 21, 2008 and July 30, 2008.

5. STIP RESERVE

This account was established in November 2007. Income is distributed to STIP participants based on accrued interest and discount amortization. To avoid distributing cash to participants based on accrued interest on certain SIVs that may be uncollectible; the accrued interest amount was deposited in this account. Additional accrued income was deposited in the account to pay for any incidental direct expenses incurred as a part of any SIV restructuring activity not to be paid from SIV assets. Accrued income was also deposited in the account to offset any potential principal loss on these securities in the future.

6. SUBSEQUENT EVENTS

On August 28, 2009, the Board received an Axon Financial Funding payment of \$4,086,193 representing \$3,893,968 in principal and interest compensation of \$192,225 in excess of the accrued interest receivable.

7. YEAR END PORTFOLIO

The June 30, 2009 STIP portfolio is listed below. The security type percentage is based on the amortized cost ratio of the specific security investment type to the total portfolio.

Short Term Investment Pool

<u>Security Name</u>	<u>Coupon</u>	<u>Maturity</u>	<u>Par</u>	<u>Amortized Cost</u>	<u>%</u>
APRECO LLC	0.250	07/01/09	10,000,000	10,000,000	0.43%
BUNGE ASSET FDG. COR	1.200	07/14/09	15,000,000	14,993,500	0.65%
CHARTA LLC	0.280	07/28/09	20,000,000	19,995,800	0.87%
CIESCO LLC	0.280	07/24/09	20,000,000	19,996,422	0.87%
CIESCO LLC	0.350	08/17/09	15,000,000	14,993,146	0.65%
ENTERPRISE FDG CO LLC	0.300	07/08/09	21,002,000	21,000,775	0.91%
FORRESTAL CERT FDG T	1.050	08/11/09	20,000,000	19,976,083	0.87%
FORRESTAL CERT FDG T	1.050	08/17/09	20,000,000	19,972,583	0.87%
GOLDEN FUNDING CORP	1.000	07/09/09	19,426,000	19,421,683	0.84%
GOLDEN FUNDING CORP	1.000	07/15/09	10,000,000	9,996,111	0.43%
GOTHAM FDG CORP	0.300	07/29/09	20,000,000	19,995,333	0.87%
JUPITER SECT CO LLC	0.270	07/30/09	30,000,000	29,993,475	1.30%
MARKET ST FNDG CORP	0.650	07/01/09	15,000,000	15,000,000	0.65%
STRAIGHT A FDG LLC	0.270	07/13/09	15,000,000	14,998,650	0.65%
VICTORY RECEIVABLES	0.280	07/02/09	15,000,000	14,999,883	0.65%
VICTORY RECEIVABLES	0.290	07/10/09	15,000,000	14,998,913	0.65%

YORKTOWN CAPITAL LL	0.330	08/03/09	19,000,000	18,994,253	0.83%
Asset Backed Commercial Paper	17 Issues		299,428,000	299,326,610	13.01%
ORION FIN USA LLC	N/A	N/A	22,500,000	22,500,000	0.98%
ORION FIN USA LLC	N/A	N/A	22,500,000	22,500,000	0.98%
AXON FINL FDG LTD / LLC	N/A	N/A	30,772,873	30,772,873	1.34%
AXON FINL FDG LTD / LLC	N/A	N/A	37,852,693	37,852,693	1.64%
Structured Investment Vehicles	4 Issue(s)		113,625,566	113,625,566	4.94%
ALLIANCEBERNSTEIN	0.600	07/15/09	10,000,000	9,997,667	0.43%
ALLIANCEBERNSTEIN	0.430	07/22/09	10,000,000	9,997,492	0.43%
CALYON NORTH AMERICA I	0.250	07/02/09	15,000,000	14,999,896	0.65%
DANSKE CORP.	0.300	07/27/09	25,000,000	24,994,583	1.09%
LLOYDS BANK PLC	0.450	07/27/09	15,000,000	14,995,125	0.65%
MITSUBISHI INT'L CO	0.300	07/07/09	20,000,000	19,999,000	0.87%
MITSUBISHI INT'L CO	0.330	07/17/09	15,000,000	14,997,800	0.65%
SOCIETE GEN NO AMER	0.240	07/31/09	20,000,000	19,996,000	0.87%
WAL-MART FUNDING COR	0.270	07/06/09	35,000,000	34,998,688	1.52%
Corporate Commercial Paper	9 Issues		165,000,000	164,976,250	7.17%
BANK OF AMERICA	7.800	02/15/10	16,016,000	16,517,513	0.72%
GENERAL ELEC CAP CORP	3.750	12/15/09	20,000,000	19,956,623	0.87%
Corporate Fixed	2 Issues		36,016,000	36,474,136	1.58%
AMERICAN HONDA FIN CORP MTN	0.763	09/18/09	40,000,000	40,000,000	1.74%
BB + T BRH BKG + TR CO GLOBAL	1.033	09/09/09	40,000,000	40,000,000	1.74%
BEAR STEARNS CO INC	0.751	02/23/10	25,000,000	24,968,911	1.09%
BEAR STEARNS COS INC MTN	0.903	09/09/09	20,000,000	19,995,514	0.87%
CITIGROUP INC	0.631	12/28/09	25,000,000	24,531,110	1.07%
CREDIT SUISSE FIRST BOSTON USA	1.371	01/15/10	16,862,000	16,521,851	0.72%
CREDIT SUISSE USA INC	0.865	11/20/09	20,000,000	19,721,445	0.86%
GENERAL ELEC CAP CORP	0.709	06/06/11	25,000,000	24,039,364	1.04%
ING BK NV LONDON BRH	0.924	09/16/09	40,000,000	40,000,000	1.74%
PROCTER + GAMBLE CO	0.663	09/09/09	45,000,000	44,986,290	1.95%
TOYOTA MTR CR CORP MTN BK ENT	1.650	12/03/09	25,000,000	24,998,965	1.09%
WELLS FARGO + CO NEW	0.672	03/23/10	25,130,000	24,661,005	1.07%
WELLS FARGO CO NEW	1.484	01/29/10	20,000,000	19,823,879	0.86%
Corporate Variable Rate	13 Issues		366,992,000	364,248,333	15.83%
BARCLAYS BANK PLC	1.550	06/25/10	25,000,000	25,000,000	1.09%
Certificates of Deposit Fixed	1 Issues		25,000,000	25,000,000	1.09%
ABBEY NAT'L TREASURY	1.270	08/13/09	40,000,000	40,000,000	1.74%
CALYON NY BRANCH	1.053	12/20/10	25,000,000	25,000,000	1.09%
RABOBANK NEDERLAND N Y	0.607	06/07/10	40,000,000	40,000,000	1.74%
Certificates of Deposit Variable Rate	3 Issues		105,000,000	105,000,000	4.56%
FEDERAL HOME LN BK CONS DSC NT	0.180	07/15/09	25,000,000	24,998,250	1.09%
FEDERAL HOME LN BK CONS DSC NT	2.920	08/10/09	25,000,000	24,918,889	1.08%
FEDERAL HOME LOAN BANKS	3.875	02/12/10	15,900,000	16,184,148	0.70%
FEDERAL HOME LN MTG DISC NTS	3.020	07/20/09	25,000,000	24,960,153	1.08%
FEDERAL NATL MTG ASSN DISC NTS	2.950	10/01/09	25,000,000	24,811,528	1.08%
FEDERAL NATL MTG ASSN DISC NTS	2.950	10/07/09	25,000,000	24,799,236	1.08%
U. S. Government Agency Fixed Rate	6 Issues		140,900,000	140,672,204	6.11%
BANK OF AMERICA NA FDIC GTD	0.659	09/13/10	40,000,000	40,000,000	1.74%
CITIGROUP FUNDING INC FDIC GTD	1.139	07/30/10	25,000,000	25,000,000	1.09%
CITIGROUP FUNDING INC FDIC GTD	0.596	06/03/11	25,000,000	25,000,000	1.09%

CITIGROUP FUNDING INC FDIC GTD	0.936	05/05/11	20,000,000	20,000,000	0.87%
CITIGROUP FUNDING INC FDIC GTD	1.183	12/09/10	35,000,000	35,322,746	1.53%
FANNIE MAE	0.800	05/13/11	75,000,000	75,000,000	3.26%
FEDERAL HOME LOAN BANKS	1.166	11/05/09	40,000,000	40,000,000	1.74%
FEDERAL HOME LOAN BANKS	0.839	01/13/10	50,000,000	50,000,000	2.17%
FEDERAL HOME LN MTG CORP	0.580	09/24/10	25,000,000	24,993,852	1.09%
FEDERAL HOME LN MTG CORP	1.089	01/28/11	25,000,000	25,000,000	1.09%
FEDERAL HOME LOAN BANKS	0.404	12/17/09	25,000,000	24,959,968	1.08%
FEDERAL HOME LOAN BANKS	0.635	11/19/10	50,000,000	49,986,150	2.17%
FEDERAL HOME NTG CORP	1.039	07/12/10	50,000,000	50,000,000	2.17%
FEDERAL NATL MTG ASSN	1.192	10/27/09	25,000,000	25,000,000	1.09%
FEDERAL NATL MTG ASSN	0.883	02/12/10	50,000,000	49,912,256	2.17%
FREDDIE MAC	0.888	02/01/11	25,000,000	25,000,000	1.09%
FREDDIE MAC	0.926	05/04/11	25,000,000	25,044,397	1.09%
FREDDIE MAC	0.896	05/05/11	25,000,000	24,989,859	1.09%
GENERAL ELEC CAP CORP FDIC GTD	1.207	07/08/10	25,000,000	25,000,000	1.09%
GOLDMAN SACHS GROUP INC FDIC GTD	1.150	12/03/10	50,000,000	50,321,521	2.19%
GOLDMAN SACHS GROUP INC FDIC GTD	0.709	03/15/11	25,000,000	25,000,000	1.09%
JPMORGAN CHASE + CO FDIC GTD	0.741	02/23/11	8,000,000	8,000,000	0.35%
UNION BANK NA FDIC GTD	0.704	03/16/11	7,000,000	7,000,000	0.30%
U. S. Government Agency Variable Rate	23 Issues		750,000,000	750,530,748	32.61%
BGI INSTITUTIONAL MMF	0.360	N/A	10,000,000	10,000,000	0.43%
FIDELITY INSTL MONEY MARKET	0.740	N/A	110,000,000	110,000,000	4.78%
STATE STREET BANK + TRUST CO	0.417	N/A	1,427,621	1,427,621	0.06%
Money Market Funds (Unrated)	3 Issues		121,427,621	121,427,621	5.28%
BLACKROCK MONEY MARKET	0.451	N/A	80,000,000	80,000,000	3.48%
STATE STR INSTL LIQUID RESERVES	0.398	N/A	100,000,000	100,000,000	4.35%
Money Market Funds (Rated)	2 Issues		180,000,000	180,000,000	7.82%
STIP Total	83 Issue(s)		2,303,389,187	2,301,281,468	100%