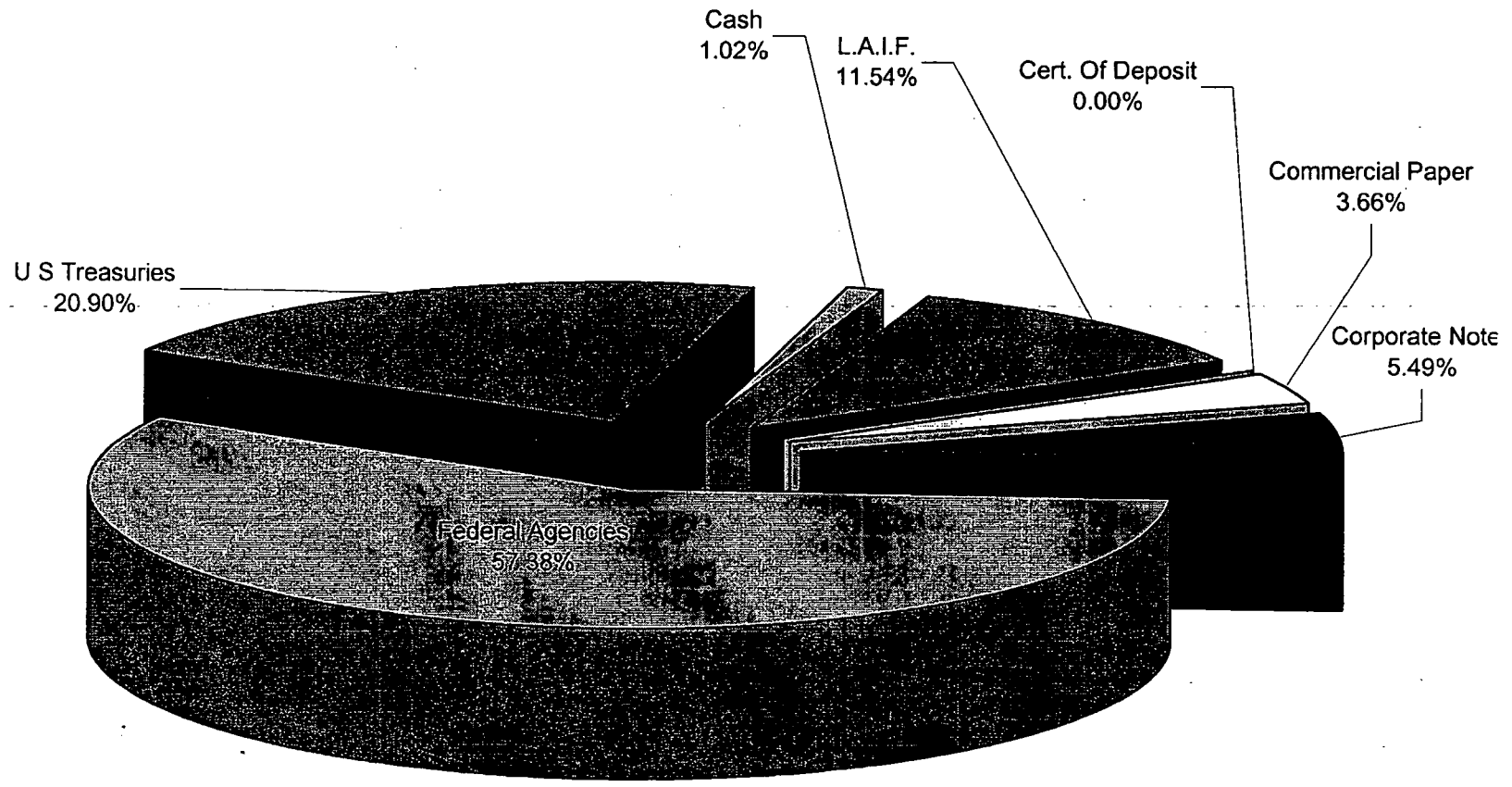


BALANCES, YIELDS AND AVERAGE MATURITIES

December 31, 2005

<u>Description</u>	<u>Market Balance</u>	<u>Percent of Funds</u>	<u>Market Yield</u>	<u>Average</u>	
				<u>Weighted Days</u>	<u>Maturity Years</u>
Bank Deposits	\$13,832,169	1.02%	3.09%	1.0	0.00
Money Market Funds	\$33,912	0.00%	1.10%	1.0	0.00
L.A.I.F.	\$156,766,430	11.51%	3.86%	1.0	0.00
Subtotal: Cash & Overnight Investments	\$170,632,510	12.53%	3.79%	1.0	0.00
Bankers Acceptances - Discount	\$0	0.00%	-	-	-
Commercial Paper - Discount	\$49,780,269	3.66%	3.53%	58.4	0.16
Certificated of Deposits	\$0	0.00%	-	-	-
Corporate Notes	\$0	0.00%	-	-	-
U S Agencies	\$105,248,760	7.73%	2.33%	142.2	0.39
U S Treasuries	\$32,581,744	2.39%	1.88%	82.9	0.23
Reverse Repurchases	\$0	0.00%	-	-	-
Repurchase Agreements	\$0	0.00%	-	-	-
Pooled Investments (Short-Term):	\$187,610,773	13.78%	2.57%	109.7	0.30
Total Short Term Portfolio:	\$358,243,283	26.30%	3.15%	57.9	0.16
Bankers Acceptances - Discount	\$0	0.00%	-	-	-
Commercial Paper - Discount	\$0	0.00%	-	-	-
Certificated of Deposits	\$0	0.00%	-	-	-
U S Agencies	\$669,194,923	49.14%	3.31%	513.1	1.41
U S Treasuries	\$251,343,416	18.46%	3.27%	717.9	1.97
Asset Backed Securities	\$0	0.00%	-	-	-
Collateral	\$5,042,461	0.37%	3.08%	816.0	2.24
Corporate Notes	\$0	0.00%	-	-	-
Corporate Bonds	\$74,598,747	5.48%	3.53%	293.0	0.80
Other	\$3,476,508	0.26%	3.42%	4,860.0	13.32
Total Long Term Portfolio:	\$1,003,656,056	73.70%	3.32%	564.6	1.55
Total Cash and Investments	\$1,361,899,339	100.00%	3.27%	431.3	1.18

Allocation of Pooled Securities December 31, 2005

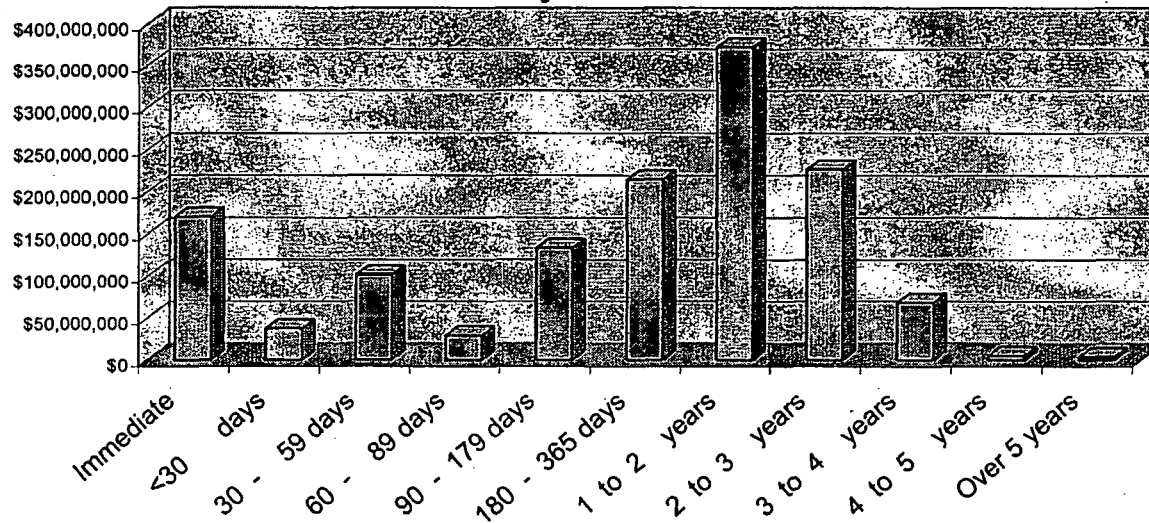


■ Cash ■ L.A.I.F. □ Cert. Of Deposit □ Commercial Paper ■ Corporate Notes ■ Federal Agencies ■ U S Treasuries

LIQUIDITY SCHEDULE
December 31, 2005

<u>Description</u>	<u>Availability</u>	<u>Market Value Balance</u>	<u>Cumulative</u>	<u>% of Total Assets</u>
Bank Deposits	Immediate	\$13,832,169	\$13,832,169	1.02%
Money Market Funds	Immediate	\$33,912	\$13,866,080	1.02%
L.A.I.F.	Immediate	\$156,766,430	\$170,632,510	12.53%
Pooled and External Investments Maturing:				
	<30 days	\$37,585,381	\$208,217,891	15.29%
	30 - 59 days	\$101,645,167	\$309,863,058	22.75%
	60 - 89 days	\$29,017,005	\$338,880,062	24.88%
	90 - 179 days	\$133,631,674	\$472,511,736	34.70%
	180 - 365 days	\$214,312,999	\$686,824,735	50.43%
	1 to 2 years	\$372,239,909	\$1,059,064,644	77.76%
	2 to 3 years	\$226,003,765	\$1,285,068,409	94.36%
	3 to 4 years	\$68,354,456	\$1,353,422,865	99.38%
	4 to 5 years	\$4,999,965	\$1,358,422,830	99.74%
	Over 5 years	\$3,476,508	\$1,361,899,339	100.00%
Total Cash, Pooled, and External Investments		\$1,361,899,339		100.00%

Maturity Schedule



Attachment A
March 7, 2006

INVESTMENT PERFORMANCE
December 31, 2005

Description	Market Value	Cost Value	Avg Maturity		Month	Quarter Ending				Year
			days	years	Ended	Dec-05	Sep-05	Jun-05	Mar-05	End
					Dec-05	Dec-05	Sep-05	Jun-05	Mar-05	Dec-05
Short Term Funds	\$358,243,283	\$356,473,164	58	0.16	0.55	0.94	0.99	0.62	0.47	3.05
Long Term Pooled Funds	\$820,644,159	\$823,085,513	604	1.65	0.36	0.66	0.13	1.33	(0.14)	1.99
Total Pooled Funds	\$1,191,266,829	\$1,196,446,399	493	1.35	0.36	0.73	0.30	1.14	0.02	2.20
Composite Total Funds	\$1,361,899,339	\$1,365,697,557	431	1.18	0.39	0.74	0.39	1.07	0.08	2.29
Performance Benchmarks										
	91 Day T-Bill				0.32	0.92	0.83	0.72	0.57	3.07
	Merrill Lynch 1-3 Year Treasuries				0.38	0.69	0.09	1.14	(0.26)	1.67

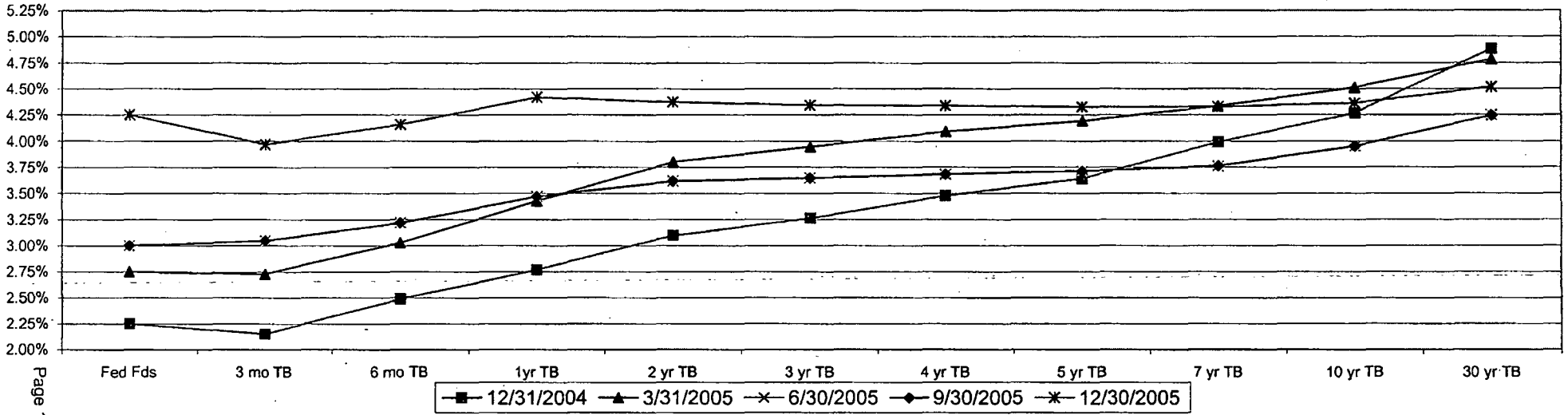
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Performance information is based on total return of investment. The Definition of total return of an investment is the increase/decrease in market price from one marking period to the next, plus any accrued interest.

SUMMARY and COMPARISON OF YIELDS AND BALANCES
December 31, 2005

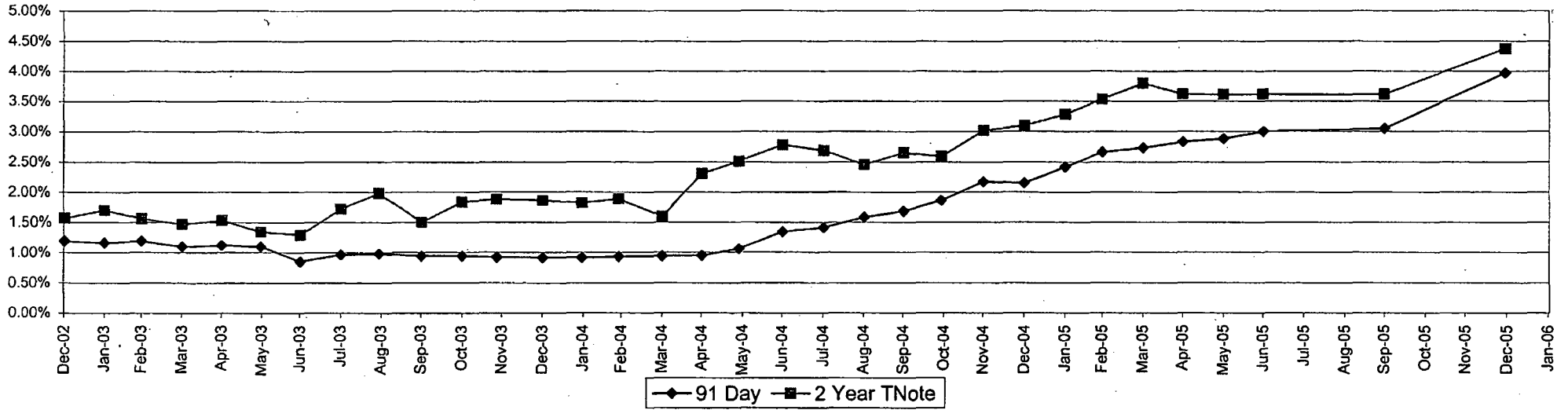
<u>Description</u>	<u>Current Month December, 2005</u>	<u>Prior Month November, 2005</u>
Yield to Maturity (at market):		
Bank Deposits	3.09%	2.83%
Money Market Funds	1.10%	1.25%
L.A.I.F.	3.86%	3.72%
Pooled Investments (Short)	3.15%	2.22%
Pooled Investments (Long Term)	3.32%	3.44%
Pooled Investments (Total)	3.05%	3.19%
Total Weighted Average YTM	3.27%	3.25%
Weighted Average Maturity (Days)	431	430
Weighted Average Maturity (Years)	1.2	1.2
Balances (at market):		
Bank Deposits	\$13,832,169	\$9,978,714
Money Market Funds	\$33,912	\$33,880
L.A.I.F.	\$156,766,430	\$142,577,282
Pooled Investments (Short)	\$187,610,773	\$157,597,286
Pooled Investments (Long Term)	\$1,003,656,056	\$996,007,762
Pooled Investments (Total)	\$1,191,266,829	\$1,153,605,048
Total Value - Market:	\$1,361,899,339	\$1,306,194,924
Total Value - Book:	\$1,365,697,557	\$1,313,144,001
Total Value - Par:	\$1,370,581,641	\$1,316,348,022
Interest - Earned	\$4,406,171	\$3,311,082
Interest - Paid	\$3,176,871	\$4,426,240

U.S. Treasury Yield Curve



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U.S. Treasury Interest Rates - Historical 91 Day TBill / 2 Year Note



Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration
CASH & EQUIVALENTS									
Bank Deposits	NA	Total	13,772,399	13,772,399	13,772,399	59,770	1.0	3.09%	0.00
Money Market Funds	NA	Total	33,912	33,912	33,912	-	1.0	1.10%	0.00
L.A.I.F.	NA	Total	155,444,848	155,444,848	155,444,848	1,321,582	1.0	3.86%	0.00
CASH & EQUIVALENTS			TOTAL	169,251,159	169,251,159	1,381,352	1.0	3.79%	0.00

POOLED INVESTMENTS (SHORT)

Bankers Acceptances - Discount		Total	-	-	-	-	-	0.00%	-
BEAR STEARNS COS INC 0.00 27FEB2006	A-1	07389BBT7	30,000,000.00	29,742,433.33	29,818,371.67	50,783.33	2/27/2006	3.71%	0.15
BEAR STEARNS COS INC 0.00 28FEB2006	A-1	07389BBU4	20,000,000.00	19,840,616.67	19,892,864.00	18,250.00	2/28/2006	3.25%	0.15
Commercial Paper - Discount		Total	50,000,000	49,583,050	49,711,236	69,033.33	58.4	3.526%	0.15
Certificates of Deposits		Total	-	-	-	-	-	0.00%	-
Reverse Repurchase Agreements		Total	-	-	-	-	-	0.00%	-
Repurchase Agreements		Total	-	-	-	-	-	0.00%	-
FEDERAL FARM CR BKS C 3.5 07SEP2006	GOVT	31331SQX4	5,000,000.00	4,997,103.15	4,960,937.50	55,416.65	9/7/2006	3.53%	0.65
FEDERAL FARM CR BKS C 2.0 08MAR2006	GOVT	31331TVP3	6,000,000.00	6,007,500.00	5,971,875.00	37,666.62	3/8/2006	2.01%	0.18
FEDERAL HOME LN MTG 2.000 FEB 28 06	GOVT	3128X2E43	5,000,000.00	5,000,000.00	4,979,687.50	34,166.65	2/28/2006	2.01%	0.15
FEDERAL HOME LN MTG CORP M/T/N STEP CPN	GOVT	3128X2Z40	5,000,000.00	5,001,500.00	4,893,750.00	31,354.17	4/5/2007	2.68%	1.18
FEDERAL HOME LN MTG C 2.0 23FEB2006	GOVT	3128X2ZC2	3,500,000.00	3,499,453.13	3,486,875.00	24,888.89	2/23/2006	2.01%	0.14
FEDERAL HOME LN MTG CORP M/T/N STEP CPN	GOVT	3128X3CB7	5,000,000.00	5,000,000.00	4,972,950.00	23,333.33	5/5/2006	3.02%	0.33
FEDERAL HOME LN BKS DEB	GOVT	31339XF41	3,500,000.00	3,500,000.00	3,401,562.50	3,208.31	6/19/2007	2.83%	1.36
FEDERAL HOME LN BKS 2.1 12JUN2006	GOVT	31339XGL2	5,000,000.00	4,994,400.00	4,943,750.00	5,541.65	6/12/2006	2.12%	0.43
FEDERAL HOME LN BKS DEB	GOVT	3133X5GP7	1,000,000.00	1,000,000.00	974,062.50	6,572.22	3/30/2007	2.67%	1.17
FEDERAL HOME LN BKS DEB	GOVT	3133X5GS1	1,370,000.00	1,370,000.00	1,333,181.25	8,761.52	3/30/2007	2.60%	1.17
FEDERAL NATL MTG ASSN M/T/N	GOVT	3136F3P26	10,000,000.00	10,003,125.00	9,984,375.00	87,777.70	1/23/2006	2.02%	0.05
FEDERAL NATL MTG ASS 2.25 28FEB2006	GOVT	31359MUA9	6,000,000.00	6,030,210.00	5,977,500.00	46,125.00	2/28/2006	2.26%	0.15
FEDERAL NATL MTG ASS 2.55 17AUG2006	GOVT	3136F44N1	6,000,000.00	5,997,000.00	5,923,125.00	56,949.96	8/17/2006	2.58%	0.60
FEDERAL NATL MTG ASSN M/T/N STEP CPN	GOVT	3136F44Z4	10,000,000.00	9,995,500.00	9,890,625.00	108,472.22	8/9/2006	2.78%	0.58
FEDERAL NATL MTG ASSN 2.0 27JAN2006	GOVT	3136F4MG6	10,000,000.00	9,906,250.00	9,981,250.00	35,555.50	1/27/2006	2.00%	0.07
FEDERAL NATL MTG ASS 2.11 17MAR2006	GOVT	3136F5HB0	18,000,000.00	18,007,031.25	17,910,000.00	109,719.90	3/17/2006	2.12%	0.20

Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration
CASH & EQUIVALENTS									
FEDERAL NATL MTG ASS 1.75 30MAR2006	GOVT	3136F5LZ2	5,000,000.00	5,000,000.00	4,965,625.00	22,118.05	3/30/2006	1.76%	0.24
U.S. Agencies		Total	105,370,000	105,309,073	104,551,131	697,628	142.2	2.33%	0.37
UNITED STATES TREAS 2.375 AUG 31 06	GOVT	912828CU2	7,500,000.00	7,375,195.31	7,400,390.63	60,523.13	8/31/2006	2.41%	0.63
UNITED STATES TREAS 1.875 31DEC2005	GOVT	912828BU3	10,000,000.00	10,007,031.25	10,000,000.00	94,259.50	12/31/2005	1.88%	-
UNITED STATES TREAS 1.625 FEB 28 06	GOVT	912828CB4	15,000,000.00	14,947,656.25	14,943,750.00	82,821.00	2/28/2006	1.63%	0.15
U.S. Treasuries		Total	32,500,000	32,329,883	32,344,141	237,604	82.9	1.88%	0.21
Corporate Notes		Total	-	-	-	-	-	0.00%	-
POOLED INVESTMENTS (SHORT)		TOTAL	187,870,000	187,222,005	186,606,508	1,004,265	109.7	2.57%	0.28
SHORT TERM FUNDS		TOTAL	357,121,159	356,473,164	355,857,666	2,385,617	57.9	3.15%	0.15
POOLED INVESTMENTS (LONG TERM)									
FEDERAL FARM CREDIT BANK DISCOUNT	GOVT	313313YD4	5,000,000	4,826,937.50	4,806,784.72	91,215.28	6/16/2006	3.69%	0.44
FEDERAL FARM CR BKS 5.15 17APR2006	GOVT	31331LFM5	10,000,000	9,924,800.00	10,015,625.00	105,861.10	4/17/2006	5.14%	0.28
FEDERAL FARM CR BKS 1.875 16JAN2007	GOVT	31331Q3M7	5,000,000	4,846,345.00	4,854,687.50	42,968.75	1/16/2007	1.93%	1.00
FEDERAL FARM CR BKS C 3.1 13NOV2006	GOVT	31331QJC2	8,740,000	8,977,618.75	8,619,825.00	36,125.30	11/13/2006	3.14%	0.83
FEDERAL FARM CR BKS 3.65 03DEC2007	GOVT	31331QKV8	10,000,000	10,000,000.00	9,806,250.00	28,388.80	12/3/2007	3.72%	1.82
FEDERAL FARM CR BKS C 4.3 11AUG2008	GOVT	31331S2S1	5,000,000	5,000,000.00	4,948,437.50	83,611.10	8/11/2008	4.34%	2.40
FEDERAL FARM CR BKS C 4.2 28AUG2007	GOVT	31331S4K6	5,000,000	4,990,286.10	4,957,812.50	71,166.65	8/28/2007	4.24%	1.56
FEDERAL FARM CR BKS C 3.7 27OCT2008	GOVT	31331SDZ3	5,000,000	4,959,375.00	4,862,500.00	32,888.85	10/27/2008	3.80%	2.13
FEDERAL FARM CR BKS C 3.3 05NOV2008	GOVT	31331SFP3	10,000,000	9,790,000.00	9,628,125.00	51,333.30	11/5/2008	3.43%	2.66
FEDERAL FARM CR BKS C 3.0 17DEC2007	GOVT	31331SGQ0	10,000,000	9,778,338.10	9,703,125.00	11,666.60	12/17/2007	3.09%	1.87
FEDERAL FARM CR BKS C 3.7 29DEC2008	GOVT	31331SKS1	5,000,000	4,905,350.00	4,860,937.50	1,027.75	12/29/2008	3.81%	2.79
FEDERAL FARM CR BKS 3.75 15JAN2009	GOVT	31331SNF6	10,000,000	9,900,025.00	9,731,250.00	172,916.60	1/15/2009	3.47%	2.78
FEDERAL FARM CR BKS 4.04 25APR2007	GOVT	31331SQ48	5,000,000	4,984,950.00	4,954,687.50	37,033.30	4/25/2007	4.08%	1.25
FEDERAL FARM CR BKS 4.125 17JUL2009	GOVT	31331SQ89	5,000,000	4,993,100.00	4,900,000.00	92,812.50	7/19/2009	4.21%	3.19
FEDERAL FARM CR BKS 0.00 24FEB2009	GOVT	31331SQN6	5,000,000	4,918,603.36	4,881,250.00	68,791.65	2/24/2009	3.99%	2.88
FEDERAL FARM CR BKS 3.93 02JUN2008	GOVT	31331SYP2	1,015,000	1,006,321.75	996,920.31	3,213.32	6/2/2008	4.00%	2.27
FEDERAL FARM CR BKS 3.25 15JUN2007	GOVT	31331T5Q0	10,145,000	10,018,638.20	9,932,589.06	14,653.84	6/15/2007	3.32%	1.39
FEDERAL FARM CR BKS 2.375 02OCT2006	GOVT	31331TGN5	9,000,000	8,871,300.00	8,848,125.00	52,843.68	10/2/2006	2.42%	0.72
FEDERAL FARM CR BKS C 2.7 04SEP2007	GOVT	31331TVJ7	10,000,000	9,789,800.00	9,675,000.00	87,750.00	9/4/2007	2.79%	1.59
FEDERAL FARM CR BKS 2.625 17SEP2007	GOVT	31331TYF2	10,000,000	9,726,010.00	9,665,625.00	75,833.30	9/17/2007	2.72%	1.63
FEDERAL HOME LN BKS DEB STP CPN	GOVT	31339XUD4	10,000,000	9,878,900.00	9,890,625.00	72,500.00	7/7/2006	1.52%	0.49
FEDERAL HOME LN BKS 5.375 15FEB2006	GOVT	3133MD6L2	2,080,000	2,061,009.60	2,081,300.00	42,235.54	2/15/2006	5.37%	0.11
FEDERAL HOME LN BKS 5.375 MAY 15 06	GOVT	3133MEU66	10,000,000	10,004,687.50	10,028,125.00	68,680.50	5/15/2006	5.36%	0.36
FEDERAL HOME LN BKS 4.125 15NOV2006	GOVT	3133MJUR9	2,695,000	2,587,792.90	2,680,682.81	14,204.89	11/15/2006	4.15%	0.84
FEDERAL HOME LN BKS 4.875 15NOV2006	GOVT	3133MKED5	10,000,000	9,946,800.00	10,009,375.00	62,291.60	11/15/2006	4.87%	0.83
FEDERAL HOME LN BKS 5.375 15FEB2007	GOVT	3133MMXX6	4,000,000	4,169,200.00	4,026,250.00	81,222.20	2/15/2007	5.34%	1.05
FEDERAL HOME LN BKS 3.375 FEB 15 08	GOVT	3133MVZA4	5,000,000	4,886,650.00	4,860,937.50	63,750.00	2/15/2008	3.47%	1.99
FEDERAL HOME LN BKS	GOVT	3133X4C66	8,000,000	7,837,707.50	7,815,000.00	78,166.64	2/16/2007	2.69%	1.07
FEDERAL HOME LN BKS 2.875 19APR2007	GOVT	3133X67D2	5,000,000	4,889,600.00	4,882,812.50	28,750.00	4/19/2007	2.94%	1.24

Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration
CASH & EQUIVALENTS									
FEDERAL HOME LN BKS 2.5 24FEB2006	GOVT	3133X8AK8	10,000,000	10,007,900.00	9,968,750.00	88,194.40	2/24/2006	2.51%	0.14
FEDERAL HOME LN BKS 3.375 05OCT2007	GOVT	3133X8X56	5,000,000	4,883,500.00	4,885,937.50	38,906.25	10/5/2007	3.45%	1.67
FEDERAL HOME LN BKS 3.250 DEC 17 07	GOVT	3133X9M49	5,000,000	4,905,450.00	4,864,062.50	6,319.40	12/17/2007	3.34%	1.86
FEDERAL HOME LN BKS DEB	GOVT	3133XAUN5	5,000,000	5,000,000.00	4,942,187.50	57,777.75	3/17/2010	4.05%	1.51
FEDERAL HOME LN BKS 4.125 APR 18 08	GOVT	3133XBQ9	5,000,000	4,937,415.20	4,937,500.00	41,822.90	4/18/2008	4.18%	2.14
FEDERAL HOME LN BKS 3.875 08JUN2007	GOVT	3133XBSU0	5,000,000	4,960,250.00	4,939,062.50	12,378.45	6/8/2007	3.92%	1.37
FEDERAL HOME LN BKS 4.0 14DEC2007	GOVT	3133XBUF0	5,000,000	4,974,200.00	4,932,812.50	9,444.40	12/14/2007	4.05%	1.85
FEDERAL HOME LN BKS 0.00 14MAR2008	GOVT	3133XCUQ4	5,000,000	4,999,350.00	4,964,062.50	65,017.35	3/14/2008	0.00%	2.04
FEDERAL HOME LN BKS 4.125 OCT 19 07	GOVT	3133XDCQ2	5,000,000	4,949,950.00	4,948,437.50	41,250.00	10/19/2007	4.17%	1.69
FEDERAL HOME LN MTG 2.75 30JAN2007	GOVT	3128X1VW4	9,000,000	9,000,000.00	8,810,910.00	103,812.48	1/30/2007	2.81%	1.03
FEDERAL HOME LN MTG 2.65 04AUG2006	GOVT	3128X1WM5	10,000,000	10,042,000.00	9,886,400.00	108,208.30	8/4/2006	2.68%	0.57
FEDERAL HOME LN MTG C 0.0 16MAR2007	GOVT	3128X2L52	15,000,000	15,000,000.00	14,641,050.00	131,250.00	3/16/2007	2.31%	1.15
FEDERAL HOME LN MTG 3.755 18MAR2009	GOVT	3128X2P90	5,000,000	4,940,274.00	4,853,125.00	53,717.35	3/30/2009	3.87%	2.95
FEDERAL HOME LN MTG 2.75 09FEB2007	GOVT	3128X2RP2	6,000,000	5,998,125.00	5,871,120.00	65,083.32	2/9/2007	2.81%	1.05
FEDERAL HOME LN MTG C 3.0 27APR2007	GOVT	3128X3BP7	10,000,000	10,000,000.00	9,762,500.00	53,333.30	5/1/2007	3.07%	1.26
FEDERAL HOME LN MTG 0.00 28MAR2007	GOVT	3128X3XZ1	5,000,000	4,908,100.00	4,894,750.00	38,750.00	3/28/2007	0.00%	1.19
FEDERAL HOME LN MTG 3.75 15NOV2006	GOVT	3128X4AK7	10,000,000	9,992,500.00	9,916,900.00	47,916.60	11/29/2006	3.78%	0.84
FHLMC 3.8 27DEC2006	GOVT	3128X4DS7	10,000,000	9,998,400.00	9,907,200.00	4,222.20	12/30/2006	3.84%	0.95
FEDERAL HOME LN MTG 3.75 15MAR2007	GOVT	3128X4ED9	5,000,000	4,956,462.45	4,940,850.00	55,208.30	3/15/2007	3.79%	1.15
FEDERAL HOME LN MTG 4.25 28FEB2007	GOVT	3128X4HQ7	10,000,000	10,012,200.00	9,941,200.00	165,277.70	2/28/2007	4.28%	1.10
FEDERAL HOME LN MTG 5.250 JAN 15 06	GOVT	3134A4CX0	7,225,000	7,220,587.40	7,227,257.81	174,905.18	1/15/2006	5.25%	0.03
FEDERAL HOME LN MTG 5.500 JUL 15 06	GOVT	3134A4GK4	20,000,000	21,594,000.00	20,093,750.00	507,222.20	7/15/2006	5.47%	0.51
FEDERAL HOME LN MTG C 3.5 15SEP2007	GOVT	3134A4RH9	10,000,000	9,965,500.00	9,806,250.00	103,055.50	9/15/2007	3.57%	1.61
FEDERAL HOME LN MTG CORP	GOVT	3134A4UB8	15,000,000	14,852,250.00	14,826,562.50	155,833.20	8/15/2006	2.78%	0.60
FEDERAL NTL MTG ASSN 5.250 JUN 15 06	GOVT	31359MJX2	10,000,000	9,978,440.00	10,028,125.00	23,333.30	6/15/2006	5.24%	0.44
FEDERAL NATL MTG AS 4.375 15OCT2006	GOVT	31359MLH4	10,000,000	9,806,500.00	9,975,000.00	92,361.10	10/15/2006	4.39%	0.75
FEDERAL NTL MTG ASSN 5.000 JAN 15 07	GOVT	31359MLZ4	10,000,000	10,591,000.00	10,018,750.00	230,555.50	1/15/2007	4.99%	0.97
FEDERAL NATL MTG ASSN 3.25 15JAN 2008	GOVT	31359MQM8	15,000,000	14,574,450.00	14,573,437.50	224,791.65	1/15/2008	3.35%	1.91
FEDERAL NATL MTG ASSN	GOVT	31359MSC8	15,000,000	14,970,000.00	14,489,062.50	36,562.50	6/14/2008	3.36%	2.29
FEDERAL NATL MTG AS 2.625 19JAN2007	GOVT	31359MTX1	10,000,000	9,976,100.00	9,784,375.00	118,125.00	1/19/2007	2.68%	1.00
FEDERAL NATL MTG AS 3.375 15MAY2007	GOVT	31359MWT6	5,000,000	4,980,750.00	4,907,812.50	21,562.50	5/15/2007	3.44%	1.26
FEDERAL NATL MTG ASSN M/T/N	GOVT	3136F3Q58	10,000,000	10,000,000.00	9,603,125.00	139,791.60	7/16/2008	3.18%	2.37
FEDERAL NATL MTG ASS 3.21 23JUL2008	GOVT	3136F3V86	5,000,000	5,000,000.00	4,818,750.00	70,441.65	7/23/2008	3.33%	2.17
FEDERAL NATL MTG AS 2.125 15JUN2006	GOVT	3136F5ED9	10,000,000	9,880,000.00	9,890,625.00	62,569.40	6/15/2006	2.15%	0.44
FEDERAL NATL MTG ASSN MEDIUM	GOVT	3136F6NZ8	20,000,000	19,972,000.00	19,600,000.00	51,750.00	12/8/2008	4.08%	2.02
FEDERAL NATL MTG ASSN MEDIUM	GOVT	3136F6TC3	565,000	563,474.50	553,170.31	170.68	12/28/2007	3.70%	1.89
U.S. Agencies		Total	523,465,000	521,839,925	514,906,098	4,914,199	538.2	3.52%	1.33
UNITED STATES TREAS 3.000 NOV 15 07	GOVT	912828AN0	20,000,000	19,680,740.63	19,501,600.00	77,900.40	11/15/2007	3.08%	1.78
UNITED STATES TREAS 3.000 FEB 15 08	GOVT	912828AT7	5,000,000	4,882,812.50	4,859,200.00	56,657.60	2/15/2008	3.09%	2.00
UNITED STATES TREAS N 2.0 15MAY2006	GOVT	912828AY6	20,000,000	19,887,500.00	19,831,250.00	51,933.60	5/15/2006	2.02%	0.36
UNITED STATES TREAS 2.625 15MAY2008	GOVT	912828AZ3	20,000,000	19,307,150.14	19,212,500.00	68,162.80	5/15/2008	2.73%	2.25
UNITED STATES TREAS 3.250 AUG 15 08	GOVT	912828BG4	5,000,000	4,868,750.00	4,861,500.00	61,379.05	8/15/2008	3.34%	2.44
UNITED STATES TREAS 3.125 SEP 15 08	GOVT	912828BK5	15,000,000	14,637,890.63	14,521,350.00	139,848.00	9/15/2008	3.23%	2.53

Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration
CASH & EQUIVALENTS									
UNITED STATES TREAS 3.125 OCT 15 08	GOVT	912828BM1	10,000,000	9,742,578.13	9,673,000.00	66,964.20	10/15/2008	3.23%	2.61
UNITED STATES TREAS 3.375 NOV 15 08	GOVT	912828BQ2	10,000,000	9,832,812.50	9,731,600.00	43,819.00	11/15/2008	3.47%	2.68
UNITED STATES TREAS 3.25 15JAN2009	GOVT	912828BV1	5,000,000	4,836,328.13	4,841,200.00	75,067.90	1/15/2009	3.36%	2.81
UNITED STATES TREAS 3.000 FEB 15 09	GOVT	912828BZ2	5,000,000	4,866,015.00	4,798,850.00	56,657.60	2/15/2009	3.13%	2.90
UNITED STATES TREAS 2.625 15MAR2009	GOVT	912828CC2	15,000,000	14,307,031.26	14,218,950.00	117,472.35	3/15/2009	2.77%	2.99
UNITED STATES TREAS 3.125 15APR2009	GOVT	912828CE8	15,000,000	14,640,234.38	14,430,468.75	100,446.30	4/15/2009	3.25%	3.05
UNITED STATES TREAS 3.125 MAY 15 07	GOVT	912828CG3	10,000,000	9,901,562.51	9,827,000.00	40,573.20	5/15/2007	3.18%	1.31
UNITED STATES TREAS 3.625 15JUL2009	GOVT	912828CN8	5,000,000	4,904,687.50	4,877,750.00	83,729.60	7/15/2009	3.72%	3.22
UNITED STATES TREAS 2.75 15AUG2007	GOVT	912828CR9	15,000,000	14,701,562.50	14,612,100.00	155,808.30	5/15/2007	2.82%	1.54
UNITED STATES TREAS 3.375 15FEB2008	GOVT	912828DK3	15,000,000	14,892,968.76	14,691,150.00	191,219.40	2/15/2008	3.45%	1.99
UNITED STATES TREAS NTS	GOVT	912828DS6	5,000,000	5,000,000.00	4,947,656.25	31,042.80	4/30/2007	3.66%	1.27
UNITED STATES TREAS N 3.5 31MAY2007	GOVT	912828DW7	10,000,000	9,981,250.00	9,874,200.00	30,769.20	5/31/2007	3.54%	1.35
UNITED STATES TREAS 3.625 30JUN2007	GOVT	912828DY3	15,000,000	14,931,063.19	14,828,906.25	230,292.90	6/30/2007	3.67%	1.43
UNITED STATES TREAS 3.875 31JUL2007	GOVT	912828EB2	15,000,000	14,972,656.26	14,878,125.00	241,660.95	7/31/2007	3.91%	1.49
U.S. Treasuries		Total	235,000,000	230,775,594	229,018,356	1,921,405	762.0	3.14%	1.97
AMERICAN GENERAL FI 5.875 14JUL2006	A+	02635PRG0	5,000,000	4,997,700.00	5,029,650.00	62,013.85	7/14/2006	5.84%	0.51
BANK OF AMERICA CORP 3.250 AUG 15 08	AA-	060505BC7	5,000,000	4,985,100.00	4,804,650.00	61,388.85	8/15/2008	3.38%	2.44
GENERAL ELEC CAP CORP MEDIUM	AAA	36962GA46	10,000,000	10,050,800.00	9,989,062.50	119,541.60	1/30/2006	2.85%	0.07
GENERAL ELEC CAP CORP M/T/N	AAA	36962GD68	13,730,000	13,896,662.80	13,453,340.50	181,541.08	8/15/2007	3.57%	1.53
GENERAL ELEC CAP CORP MTN	AAA	36962GJ96	10,000,000	9,990,500.00	9,906,900.00	127,875.00	7/26/2006	3.00%	0.54
GENERAL ELECTRIC CA 5.375 15MAR2007	AAA	36962GXY5	2,000,000	1,998,300.00	2,012,560.00	31,652.76	3/15/2007	5.34%	1.13
MERRILL LYNCH + CO I 2.49 05MAY2006	A+	59018YQY0	10,000,000	10,066,300.00	9,922,300.00	38,733.30	5/5/2006	2.51%	0.33
ROLLINS TRUCK LEASIN 6.75 05APR2006	AAA	775741AJ0	5,500,000	6,034,930.00	5,535,234.38	88,687.50	4/5/2006	6.71%	0.25
Corporate Bonds		Total	61,230,000	62,020,293	60,653,697	711,434	306.1	3.70%	0.79
Asset Backed Securities		Total	-	-	-	-	-	0.00%	-
Bankers Acceptance		Total	-	-	-	-	-	0.00%	-
Commercial Paper - Discount		Total	-	-	-	-	-	0.00%	-
Certificates of Deposits		Total	-	-	-	-	-	0.00%	-
Corporate Notes		Total	-	-	-	-	-	0.00%	-
COLLATERAL ASSETS		285642	5,000,000	4,999,219	5,000,000	42,461	3/26/2008	3.08%	2.13
Collateral		Total	5,000,000	4,999,219	5,000,000	42,461	816.0	3.08%	2.13
Health SAVRS		572965	3,450,482	3,450,482	3,450,482	26,026	4/22/2019	3.42%	13.32
Other		Total	3,450,482.23	3,450,482.23	3,450,482.23	26,026.09	4,860.0	3.42%	13.32
POOLED INVESTMENTS (LONG TERM)		TOTAL	828,145,482	823,085,513	813,028,633	7,615,526	603.8	3.42%	1.52

Security Name	Quality Rating	Security (CUSIP)	PAR Value	Book Value	Market Value	Accrued Income	Maturity Date	Market Yield	Effective Duration
CASH & EQUIVALENTS									
POOLED INVESTMENTS (TOTAL)		TOTAL	1,016,015,482	1,010,307,518	999,635,141	8,619,791	511.9	3.09%	1.29
EXTERNAL INVESTMENTS (LONG TERM)									
FED HOME LN BANK	GOVT	31339X2X1	15,000,000	15,051,135	14,850,000	20,350	6/9/2006	2.24%	0.42
FEDERAL HOME LN BKS	GOVT	31339XTT1	10,000,000	9,978,125	9,753,125	107,500	1/9/2007	2.31%	0.98
FEDERAL HOME LN BKS 3.375 21JUL2008	GOVT	31339YVV1	10,000,000	10,065,625	9,678,125	150,000	7/21/2008	3.49%	2.37
FEDERAL HOME LN BKS DEB	GOVT	3133X3QY2	20,000,000	19,915,000	19,575,000	217,733	2/9/2007	2.82%	1.05
FEDERAL HOME LN BKS	GOVT	3133X5PV4	5,000,000	4,906,350	4,935,938	282	6/30/2006	2.06%	0.48
FEDERAL HOME LN MTG C 3.1 28NOV2007	GOVT	3128X1DK0	7,000,000	7,013,720	6,767,810	19,892	11/28/2007	3.21%	1.71
FEDERAL HOME LN MTG 2.65 30MAY2008	GOVT	3128X1HM2	10,000,000	9,815,700	9,527,000	22,819	5/30/2008	2.78%	2.29
FEDERAL HOME LN MTG 2.25 26DEC2006	GOVT	3128X1LD7	10,000,000	9,966,800	9,757,500	3,125	12/26/2006	2.31%	0.95
FEDERAL HOME LN MTG 2.375 FEB 15 07	GOVT	3134A4UN2	20,000,000	19,942,300	19,481,250	179,444	2/15/2007	2.44%	1.07
FEDERAL NATL MTG AS 2.125 15APR2006	GOVT	31359MQZ9	15,000,000	15,079,688	14,896,875	67,292	4/15/2006	2.14%	0.28
FEDERAL NATL MTG ASS 2.65 30JUN2008	GOVT	3136F3D29	10,000,000	9,818,750	9,512,500	736	6/30/2008	2.79%	2.36
FEDERAL NATL MTG ASSN M/T/N	GOVT	3136F4SP0	10,000,000	10,018,300	9,853,125	36,789	11/17/2006	3.05%	0.84
FEDERAL NATL MTG ASSN 2.5 10MAY2006	GOVT	3136F5SP7	10,000,000	9,980,000	9,925,000	35,417	5/10/2006	2.52%	0.34
U.S. Agencies		Total	152,000,000	151,551,493	148,513,248	861,379	425.8	2.60%	1.10
UNITED STATES TREAS N 7.0 15JUL2006	GOVT	912827Y55	10,000,000	11,170,313	10,132,400	323,370	7/15/2006	6.91%	0.50
UNITED STATES TREAS 2.375 AUG 31 06	GOVT	912828CU2	10,000,000	9,960,156	9,867,188	80,698	8/31/2006	2.41%	0.63
U.S. Treasuries		Total	20,000,000	21,130,469	19,999,588	404,067	218.9	4.69%	0.56
GENERAL ELEC CAP COR 2.75 25SEP2006	AAA	36962GE34	10,000,000	10,115,300	9,858,200	73,333	9/25/2006	2.79%	0.70
MERRILL LYNCH + CO I 2.49 05MAY2006	A+	59018YQY0	3,315,000	3,341,619	3,289,242	12,840	5/5/2006	2.51%	0.33
Corporate Bonds		Total	13,315,000	13,456,919	13,147,442	86,173	232.3	2.72%	0.61
Bankers Acceptances - Discount		Total	-	-	-	-	-	0.00%	-
EXTERNAL INVESTMENTS (LONG TERM)		TOTAL	185,315,000	186,138,881	181,660,277	1,351,619	388.7	2.84%	1.01
LONG TERM FUNDS		TOTAL	1,013,460,482	1,009,224,393	994,688,911	8,967,145	564.6	3.32%	1.43
TOTAL FUNDS	AAAF	TOTAL	1,370,581,641	1,365,697,557	1,350,546,577	11,352,762	431.3	3.27%	1.09

Glossary of Investment Terms

TERM	DEFINITION
American Depository Receipts (ADR)	Receipt for the shares of foreign-based companies that are held in U.S. banks and sold in the U.S. market. Also known as ADSs—American Depository Shares.
Asset Allocation	Investing in different classes of securities to mitigate risk from market fluctuations in interest rates. Identifies the risk characteristics of the portfolio.
Accrued Interest	The amount earned from the date of purchase to maturity or the coupon payment date.
Bankers Acceptances	A draft or bill of exchange accepted by a bank or trust company, used primarily to finance international trade. Bankers Acceptances (BA) are usually issued at a discount with payment of par value upon maturity. Maturity dates range from one day to 186 days.
Basis Point	The smallest measure used for quoting yields on bonds and notes. One basis point is equal to 1/100 percent or 0.01% of yield. For example, if the Federal Reserve increases rates 50 basis points, or a bond's yield changes 50 basis points, that equates to 0.5% or ½ of 1%.
Bear Market	Period of falling stock prices. A bear stock market usually indicates the anticipation of a declining economy. A bear bond market indicates rising interest rates.
Benchmark	A benchmark consists of a collection of securities that show return on investment over time. This is a passive measurement and does not evaluate active investment management. An example of a benchmark would be the Merrill Lynch 1-3 year Corporate/ Government Index that includes all Government Agency and Corporation debt issues over \$150 million that mature from one to three years. When a security's maturity becomes less than one year, the security is removed from the index; conversely, a security that's maturity date becomes less than four years is included in the index.
Bond	A debt security. It is usually issued by government agencies, municipalities, and corporations. The purchaser actually lends the entity money and so is considered the creditor. The entity is the seller and is considered the debtor or issuer. The issuer agrees to repay the principal amount of the loan at a specified time (maturity). Interest bearing bonds pay interest periodically at a predetermined time. A discounted bond such as a Zero Coupon bond pays no interest. It is sold at a discount from face value and the investor receives a rate of return through price appreciation and the bond is redeemed at face value.
Book Value	The cost value at which an asset is carried on a balance sheet. This value is the cost of principal, less accrued interest. Book value may be more or less than market value.
Broker-Dealer	A firm or individual acting as both a principal and an agent. A Broker acts on behalf of the client searching for the best deal in the market place. A Dealer acts on behalf of itself in making the market. A Dealer may hold a position and maintain inventories of securities. A Broker carries out the transaction but does not take possession of the security or maintain inventories.
Bull Market	A period of rising prices. The beginning of a bull stock market usually signals economic growth.
Callable Security	A debt security that may at the option of the original issuer be refunded or "called" prior to the stated maturity of the security. Callable investments may be structured to be callable one time, quarterly, semi-annually or continuously callable on published dates of the issue.
Certificate of Deposit (CD)	Debt instrument issued by a bank. Maturities can be from 7 days to 1 year or longer. A time Certificate of Deposit is registered in the name of the depositor. Interest rates for public funds must be paid on a 360-day year. All public funds deposits must be insured or collateralized.
Collected Funds	Funds that are immediately available to the depositor.
Commercial Paper	Short-term debt obligations with normal maturities ranging from several days to nine months. The debt is usually discounted, issued by banks and corporations, and normally unsecured although often backed by a bank line of credit.

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Collected Funds	Funds that are immediately available to the depositor.
Commercial Paper	Short-term debt obligations with normal maturities ranging from several days to nine months. The debt is usually discounted, issued by banks and corporations, and normally unsecured although often backed by a bank line of credit.
Coupon Rate	The specified annual interest rate payable to the bond or note holder by the issuer. The rate may be fixed or float to an index, such as the three month LIBOR

Glossary of Investment Terms

TERM	DEFINITION
Credit Rating	A declaration of the credit worthiness of an investment portfolio or debt issue, the major national rating agencies are Standard and Poor's, Moody's Investor Service and Fitch Investors Service
Current Yield	Annual dividend or interest rate divided by the current market price.
Custodian	Bank or financial institution that actually holds the securities and assets for a client or fund.
Derivative	A type of security whose value is derived from an underlying asset. Derivatives range from simple option contracts, to forward and future contracts, to extremely complex and volatile products such as interest rates or currency swaps. Except for the plain vanilla derivatives such as options, these products are better left to the sophisticated institutional traders.
Discount	1. The difference between a bond's current price and its face value. 2. Some debt instruments such as Treasury bills and Zero Coupon bonds are sold at prices far below the actual maturity value. These deep discount instruments do not pay interest. Instead, one interest payment is recorded when the security matures or sold. If held to maturity, investor receives the par value of the security. The yield is determined by the price appreciation.
Discount Rate	The interest rate charged by the Federal Reserve for loans to member banks. The Fed changes rates in an attempt to control monetary policy. When the Fed increases rates, or tightens the money supply, entities borrow less, and consequently there is less money available for all uses. The effect is to slow down the economy. The alternative is that the Fed lowers rates, or eases the money supply. Money is more readily available, encouraging economic growth.
Discount Securities	Non-interest bearing investments that are issued at a discount and redeemed at maturity for the full face value or par value. Examples of discount securities are U.S. Treasury Bills, Commercial Paper, Bankers Acceptances and Federal Agency discount notes.
Diversification	A method of reducing risk through asset allocation. Diversification can be by type of security, issuer, maturity date and amount of funds invested. By investing in several different trading vehicles the risk associated with owning only one asset is spread out. Investing in a range of maturity dates protects the portfolio from unrealized losses due to market rate fluctuations.
Dividend	Earnings of a corporation or mutual fund passed on to shareholders.
Duration	Time weighted life of a bond with the weights being the cash flows. It denotes the years necessary to recover the investment. For example, if the duration is 7.2, that means it will take 7.2 years to recoup the investment.
Fixed Income Investment	Normally refers to debt issued by government, municipal and corporate issues. These securities usually pay a fixed rate of return.
Government National Mortgage Association (GNMA)	Also known as "Ginnie Mae." It is a government-owned agency of HUD which assists in housing financing. It guarantees the full and timely payment of monthly principal and interest on mortgage backed securities.
Guaranteed Income Contract (GIC)	A contract between an insurance company and a corporate profit-sharing or pension plan that guarantees a specific rate of return on the invested capital over the life of the contract.
Interest Income	The return on an investor's capital investment. For a bond, the current yield is the coupon rate of interest divided by the purchase price. Yields on bonds are inversely related to bond prices. As the prices of bonds go up, the yield declines.
Liquidity	The ability to convert assets into immediate cash. Short-term investments such as money markets and T Bills are considered liquid instruments whereas long term bonds and stocks are assumed to be less liquid.
Management Fee	The amount charged against investor assets for advisory service. The standard industry mutual fund management fee is approximately 0.5% of fund assets.
Market Value	The current market value of the security. The amount at which a financial instrument can be exchanged (current transaction) between willing parties.
Market Yield	Total earnings yield which are comprised of dividends, accrued interest, capital gains distributions, and price appreciation/depreciation. Price appreciation/depreciation will not be realized if the security is held to maturity.
Maturity	The date on which a bond's principal is due and repaid to the investor.

Glossary of Investment Terms

TERM	DEFINITION
Medium Term Corporate Notes (MTNs)	Debt issues by major corporations organized and operating within the United States. These securities can be either unsecured or secured by collateral; payment is based on 30 days over 360 days. The City can only invest up to 30% of the portfolio in MTNs with a credit rating of AAA, AA or A from a nationally recognized rating service.
Modified Duration	Modified duration is a measure of the price sensitivity of a bond to interest rate movements. Modified duration follows the concept that interest rates and bond prices move in opposite directions. This formula is used to determine the effect a 100 basis point (1%) change in interest rates will have on the price of a bond.
Municipal Bond	A debt instrument issued by a state or local government. The interest is exempt from federal income taxation, and also exempt from federal and local tax in the issuing state. There are generally two types: General Obligation (GO) and revenue bonds. GOs are backed by the full faith and credit of the taxing power of the issuer and revenue bonds are backed by the particular revenues or incomes from the project.
Negotiable Certificates of Deposit (NCDs)	Certificates of Deposit issued by banks that are in negotiable or bearer form. These certificates are not insured or collateralized. Interest is generally paid at maturity.
Par Value	The face value of a debt issue, the amount of principal the bondholder will receive at maturity.
Price Risk	The risk a debt security's price may change due to a rise or fall in current market interest rates.
Risk	The possibility that an investment will not perform as anticipated. An acceptable degree of risk must be determined by the individual with the understanding that the higher the expected return, the greater the risk factor. There are many different kinds of risk, such as exchange, inflation, interest rate, liquidity, political, et cetera. Most investors are considered to be risk adverse. That is, they seek security over risk.
12(b)-1 Fee	Named after the applicable SEC rule, these are promotional fees charged by mutual funds to pay for distribution costs and commissions. The NASD placed caps on the fees in 1993. The fees are explained in the prospectus.
Treasury Bills	Short-term debt issued by the U.S. government with maximum maturity of one year. Bills are sold at discount. The difference between purchase price and maturity value is considered as the interest.
Treasury Bond	Long-term debt issued by the U.S. government with maturity of over 10 years. U.S. bonds have the highest rating of fixed income securities, and so offer a lower yield than municipals and corporates. Bonds usually pay interest semi-annually and can be callable; however, usually only in the later years.
Treasury Note	Intermediate term interest bearing debt issued by the U.S. government with maturity of 1-10 years. Notes do pay interest and can be callable.
Yield	The return on an investor's capital investment. For a bond, the current yield is the coupon rate of interest divided by the purchase price. Yields on bonds are inversely related to bond prices. As the prices of bonds go up, the yield declines.
Yield Curve	Traces yields on securities with varying maturities. The normally upward sloping curve is called the positive yield curve. Interest rates for long-term rates are higher than short-term rates. An inverted yield curve occurs in a situation where short-term interest rates are higher than long-term rates. This occurs when the demand for short-term credit drives up the rates on instruments such as Treasury bills. It can be an indicator of an unhealthy economy with high inflation and little consumer confidence.
Yield to Call Date (YTC)	The calculated yield on a bond from the purchase date until the first call date. The call date is the date(s) that the issuer of the debt security may refund or "call" the security. Securities that are called are usually refunded at par value.
Yield to Maturity (YTM)	The calculated yield on a bond from the current date until maturity. It is expressed as the rate of return on a bond that includes the total annual interest payments, purchase price, redemption value and time to maturity. The YTM is only effective if the bond is held to maturity.