

*Voyageur* ASSET MANAGEMENT INC.

**Penn Manor School District  
General Fund  
August 31, 2003**

90 South Seventh Street, Suite 4300  
Minneapolis, MN 55402-4108  
612.376.7000 • 800.553.2143  
612.376.7007 Fax  
Chicago, IL • Lancaster, PA • Sioux Falls, SD • Washington, DC

# Contacts

---

## **Portfolio Manager**

Michael Stramara  
Fixed Income Portfolio Manager  
717.519.6009  
mstramara@voyageur.net

## **Portfolio Administrator**

Rita Kilyun  
Portfolio Administrator  
612.376.7084  
rkilyun@voyageur.net

## **Client Service Representative**

Bridget Tompkins  
Managing Director  
612.376.7056  
btompkins@voyageur.net

Jean Daleki  
Client Service Liaison  
612.376.7013  
jdaleki@voyageur.net

# Table of Contents

---

## **Market Overview**

Page 1

## **Portfolio Asset Allocation**

Page 3

## **Fixed Income Holdings**

Page 4

## **Detailed Transaction Summary**

Page 6

## **Cash Reconciliation**

Page 7

## **Summary of Portfolio Changes**

Page 8

## **Amortization Reconciliation**

Page 9

## **Income Reconciliation**

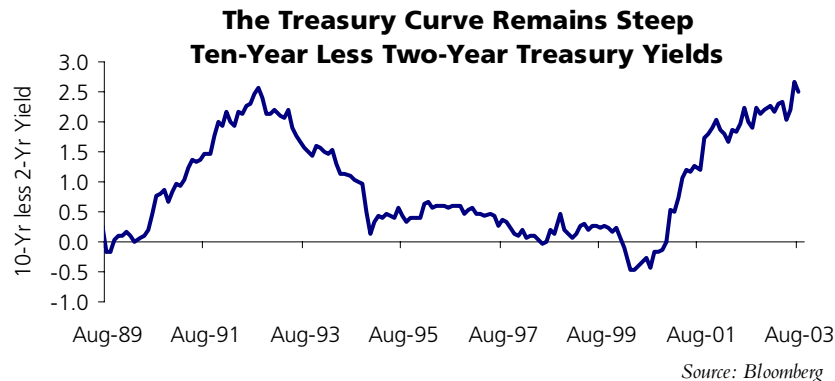
Page 11

## **Disclaimer**

Page 12

# Market Overview

The market is now priced in anticipation of a change in Federal Reserve policy, estimating that the Federal Open Market Committee will raise its fed funds target in the first quarter of 2004. Two-year treasury yields have jumped to nearly 2.0%, and the five year treasury to 3.40%. These moves suggest the market is priced for a significant reversal in Fed policy through 2004, hiking the funds rate to 2.75%. As much as economic fundamentals have improved to cause the rise in rates, there remains a large technical condition that is keeping yields high. Many hedge funds and mortgage lenders have used any strength to reduce positions. Their selling was especially pronounced early in the month, and continued at a reduced pace through August.



# Economy

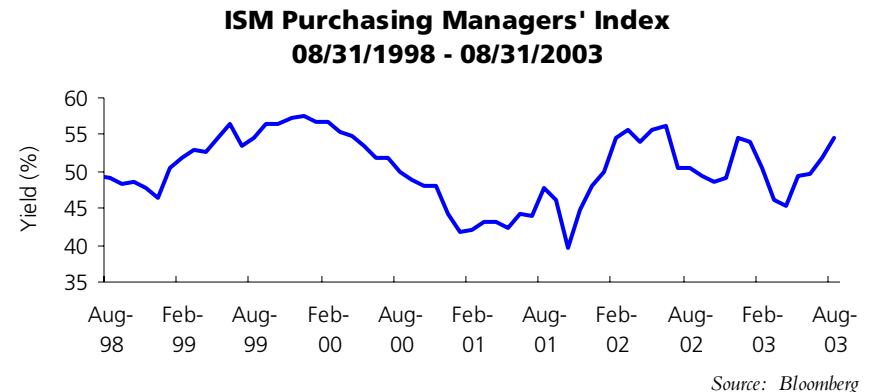
**GDP:** Gross Domestic Product rose 3.1% for the second quarter of 2003, more than anticipated due to larger government defense purchases. The GDP deflator rose at an annual rate of 0.9%. On a year-over-year basis, GDP is 2.3% higher through June 30, 2003. Forecasts for the third quarter of 2003 are for growth to rebound at a 3.5% pace, largely due to tax cuts effective in July.

**Inflation:** The Consumer Price Index was up 0.2% in July, and is up 2.1% on a year-over-year basis. Excluding the food and energy components, the core CPI was unchanged for June, and 1.5% from a year ago.

**Fed:** The Federal Open Market Committee cut the fed funds rate to 1.00% on June 25<sup>th</sup>. In its statement it referred to the balance of risks to growth to be roughly equal, the risk of an unwelcome substantial fall in inflation exceeds the probability of a pickup, and that the latter view is likely to predominate for the “foreseeable future”.

**ISM:** The Institute of Supply Management purchasing managers’ survey index rose to 54.7 in August, near market expectations. New orders rose to 59.6, up from 56.6 in July.

**Corporate Earnings:** S&P 500 earnings during the second quarter rose 9.6% compared with last year. Earnings growth expectations are forecast to accelerate to 14.5% in the third quarter and 21.3% in the fourth. While cost cutting and the weaker dollar were important contributors to the second quarter increase, the better than expected numbers demonstrate that top line revenue growth is beginning to contribute to the bottom line.

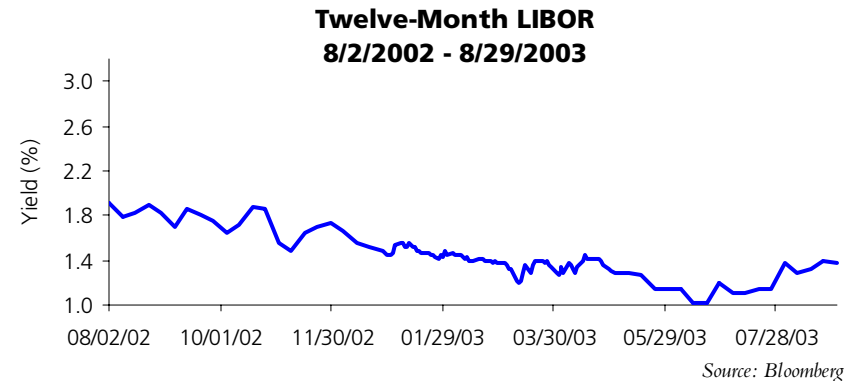
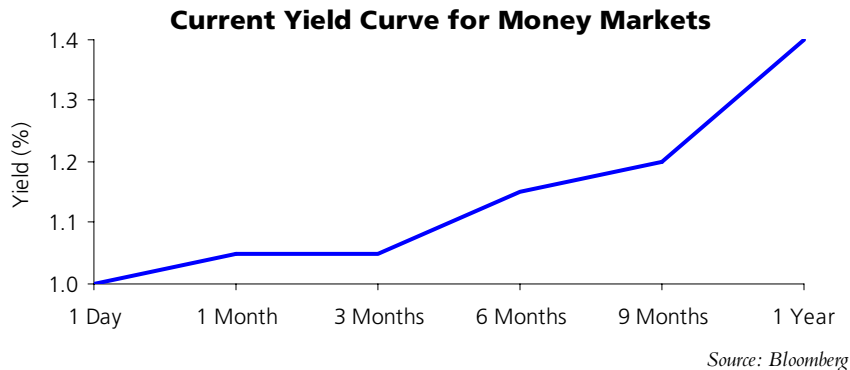


# Cash Management

In the course of the past month, interest rates have continued to rise and the yield curve has become steeper. The most dramatic move has been in the 2 through 10-year part of the curve. There has also been a modest change in 9 through 12-month money market yields, which have risen by 10-15 basis points to 1.40%. Yields in the 1 through 6-month area remain at around 1.05%, approximating the target fed funds rate of 1.00%. The ability to pick up 30-35 basis points in yield on longer trades has been a tempting prospect for cash managers. However, the challenge for managers will be to balance the attractiveness of longer yields with the longer trades' impact on a portfolio's average maturity. Yet, the barbell strategy of offsetting longer trades with very short trades is still attractive.

The modestly higher yields will eventually be reflected in money funds and cash portfolios. The effect will be partially muted by the maturity of securities that were purchased nearly a year ago at much higher yields than are now available.

Agency discount note yields continue to be very attractive relative to the yields that are now available on highly rated commercial paper and bank obligations. FNMA and FHLMC are posting yields that are 3-5 basis points above yields from top tier industrial corporations.



Portfolio Asset Allocation

*Penn Manor School District General Fund*

	Quantity (Units)	Amortized Cost	Market Value	Market Yield	Estimated Income	Percent Assets
Cash	2,004,665	2,004,665.00	2,004,665.00	0.59%	11,827.52	9.08%
Fixed Income	19,921,000	20,076,120.43	20,074,941.54	1.16%	495,177.50	90.92%
<b>Total</b>	<b>21,925,665</b>	<b>22,080,785.43</b>	<b>22,079,606.54</b>	<b>1.11%</b>	<b>507,005.02</b>	<b>100.00%</b>

# Fixed Income Holdings

# Penn Manor School District General Fund

	Rating	Purchase Date	Quantity (Units)	Security Description	Amortized Cost	Market Value	Unrealized Gain/Loss	Accrued Income	Trade Yield	Mkt Yield	Avg Life	Mod Dur	Percent Assets
Cash/MMF			2,004,665	Cash/Money Market -CASH-	2,004,665.00	2,004,665.00	0.00	0.00	0.59%	0.59%	0.00	0.00	9.08%
Agency	AGY/AGY	07/08/03	500,000	FHLB 5.630 09/02/03 3133M5J92	500,061.60	500,045.00	-16.60	13,996.81	1.16%	1.16%	0.01	0.01	2.26%
	AGY/AGY	08/11/03	125,000	FHLB 5.575 09/02/03 3133M5JW1	125,014.69	125,011.25	-3.44	3,465.02	1.31%	1.14%	0.01	0.01	0.57%
	AGY/AGY	07/10/03	900,000	FHLMC Discount Note 0.000 09/02/03 313396LE1	899,950.00	899,949.00	-1.00	0.00	1.02%	1.03%	0.01	0.01	4.08%
	AGY/AGY	07/25/03	500,000	FHLMC Discount Note 0.000 09/03/03 313396LF8	499,957.50	499,957.50	0.00	0.00	1.04%	1.03%	0.01	0.01	2.26%
	AGY/AGY	07/10/03	500,000	FFCB 5.540 09/10/03 31331M4Z6	500,546.86	500,535.00	-11.86	13,157.50	1.14%	1.10%	0.03	0.03	2.27%
	AGY/AGY	07/10/03	1,500,000	FNMA Discount Note 0.000 09/17/03 313588LV5	1,499,277.50	1,499,263.33	-14.17	0.00	1.04%	1.06%	0.05	0.05	6.79%
	AGY/AGY	07/30/03	250,000	FHLB 5.190 09/23/03 3133M5SB7	250,587.02	250,610.00	22.98	5,694.58	1.29%	1.12%	0.06	0.06	1.14%
	AGY/AGY	08/05/03	150,000	FFCB 3.125 10/01/03 31331LSD1	150,243.82	150,244.50	0.68	1,953.13	1.16%	1.12%	0.09	0.08	0.68%
	AGY/AGY	07/28/03	1,000,000	FNMA Discount Note 0.000 10/01/03 313588MK8	999,108.75	999,104.44	-4.31	0.00	1.05%	1.06%	0.09	0.09	4.53%
	AGY/AGY	07/30/03	1,000,000	FNMA Discount Note 0.000 10/15/03 313588MZ5	998,687.50	998,687.50	0.00	0.00	1.07%	1.07%	0.12	0.12	4.52%
	AGY/AGY	08/19/03	1,250,000	FNMA Discount Note 0.000 10/29/03 313588NP6	1,247,848.96	1,247,848.96	0.00	0.00	1.07%	1.07%	0.16	0.16	5.65%
	AGY/AGY	08/28/03	1,000,000	FNMA Discount Note 0.000 11/12/03 313588PD1	997,870.83	997,850.56	-20.27	0.00	1.07%	1.08%	0.20	0.20	4.52%
	AGY/AGY	07/29/03	100,000	FHLB 5.000 12/17/03 3133M6Y51	101,088.63	101,125.00	36.37	1,027.78	1.28%	1.14%	0.30	0.29	0.46%
	AGY/AGY	07/29/03	102,000	FNMA 5.500 12/29/03 31364GMR7	103,403.12	103,446.56	43.44	966.17	1.28%	1.14%	0.33	0.33	0.47%
	AGY/AGY	07/01/03	1,259,000	FNMA Global 5.125 02/13/04 31359MEM1	1,281,869.13	1,281,032.50	-836.63	2,867.72	1.06%	1.24%	0.45	0.45	5.80%
	AGY/AGY	07/01/03	250,000	FHLMC 3.500 02/20/04 3129246C2	252,733.28	252,675.75	-57.53	267.36	1.15%	1.20%	0.47	0.47	1.14%
	AGY/AGY	08/27/03	500,000	FHLB 5.400 02/24/04 3133M7SL1	509,962.24	510,000.00	37.76	525.00	1.23%	1.21%	0.48	0.48	2.31%
	AGY/AGY	06/30/03	1,500,000	FNMA Global 4.750 03/15/04 31359MHJ5	1,529,489.52	1,528,593.75	-895.77	32,854.17	1.08%	1.19%	0.54	0.52	6.92%

# Fixed Income Holdings

# Penn Manor School District General Fund

	Rating	Purchase Date	Quantity (Units)	Security Description	Amortized Cost	Market Value	Unrealized Gain/Loss	Accrued Income	Trade Yield	Mkt Yield	Avg Life	Mod Dur	Percent Assets
	AGY/AGY	08/01/03	2,035,000	FHLMC 3.750 04/15/04 3134A4PH1	2,066,484.78	2,066,160.94	-323.84	28,829.17	1.24%	1.27%	0.63	0.61	9.36%
	AGY/AGY	08/13/03	2,500,000	FHLMC Global 5.000 05/15/04 3134A4EX8	2,565,679.15	2,565,625.00	-54.15	36,805.56	1.25%	1.25%	0.71	0.69	11.62%
	AGY/AGY	08/27/03	500,000	FHLB 6.250 05/19/04 3133M4D26	517,630.00	517,500.00	-130.00	8,854.17	1.29%	1.32%	0.72	0.70	2.34%
Subtotal			<b>17,421,000</b>		<b>17,597,494.88</b>	<b>17,595,266.54</b>	<b>-2,228.34</b>	<b>151,264.14</b>	<b>1.13%</b>	<b>1.16%</b>	<b>0.35</b>	<b>0.34</b>	<b>79.69%</b>
Treasury	TSY/TSY	08/14/03	2,500,000	U.S. Treasury Strip 0.000 05/15/04 912833FU9	2,478,625.55	2,479,675.00	1,049.45	0.00	1.22%	1.16%	0.71	0.70	11.23%
<b>Total</b>			<b>21,925,665</b>		<b>22,080,785.43</b>	<b>22,079,606.54</b>	<b>-1,178.89</b>	<b>151,264.14</b>	<b>1.09%</b>	<b>1.11%</b>	<b>0.35</b>	<b>0.35</b>	<b>100.00%</b>

# Detailed Transaction Summary

# Penn Manor School District General Fund

Trade Date	Settlement Date	Trans Type	Quantity (Units)	CUSIP	Security Description		Trans Price	Principal Amount	Net Amount	Trade Yield	Realized Gain/Loss
08/29/03	08/29/03	Contr	2,000,000	-CASH-	Cash/Money Market			2,000,000.00	2,000,000.00		0.00
08/28/03	08/29/03	Buy	1,000,000	313588PD1	FNMA Discount Note	0.000	11/12/03 99.781	997,812.50	997,812.50	1.07%	0.00
08/27/03	08/28/03	Buy	500,000	3133M4D26	FHLB	6.250	05/19/04 103.567	517,835.00	526,428.75	1.29%	0.00
08/27/03	08/28/03	Buy	500,000	3133M7SL1	FHLB	5.400	02/24/04 102.027	510,135.00	510,435.00	1.23%	0.00
08/26/03	08/27/03	Buy	955,000	3134A4PH1	FHLMC	3.750	04/15/04 101.558	969,878.90	983,010.15	1.27%	0.00
08/26/03	08/26/03	Contr	3,000,000	-CASH-	Cash/Money Market			3,000,000.00	3,000,000.00		0.00
08/19/03	08/20/03	Buy	1,250,000	313588NP6	FNMA Discount Note	0.000	10/29/03 99.796	1,247,447.92	1,247,447.92	1.07%	0.00
08/19/03	08/19/03	Mature	1,000,000	313396KQ5	FHLMC Discount Note	0.000	08/19/03 100.000	1,000,000.00	1,000,000.00		0.00
08/18/03	08/19/03	Buy	1,000,000	313588LV5	FNMA Discount Note	0.000	09/17/03 99.916	999,162.22	999,162.22	1.06%	0.00
08/15/03	08/15/03	Mature	1,000,000	3133MGV37	FHLB	4.125	08/15/03 100.000	1,000,000.00	1,000,000.00		0.00
08/15/03	08/15/03	Wdrwl	107,212	-CASH-	Cash/Money Market			107,211.60	107,211.60		0.00
08/14/03	08/15/03	Buy	2,500,000	912833FU9	U.S. Treasury Strip	0.000	05/15/04 99.092	2,477,300.00	2,477,300.00	1.22%	0.00
08/13/03	08/14/03	Buy	2,500,000	3134A4EX8	FHLMC Global	5.000	05/15/04 102.803	2,570,075.00	2,600,977.78	1.25%	0.00
08/12/03	08/12/03	Contr	2,800,000	-CASH-	Cash/Money Market			2,800,000.00	2,800,000.00		0.00
08/11/03	08/12/03	Buy	125,000	3133M5JW1	FHLB	5.575	09/02/03 100.235	125,293.75	128,390.97	1.31%	0.00
08/06/03	08/06/03	Mature	1,000,000	313384KB4	FHLB Discount Note	0.000	08/06/03 100.000	1,000,000.00	1,000,000.00		0.00
08/06/03	08/06/03	Wdrwl	500,000	-CASH-	Cash/Money Market			500,000.00	500,000.00		0.00
08/05/03	08/06/03	Buy	150,000	31331LSD1	FFCB	3.125	10/01/03 100.298	150,447.00	152,074.60	1.16%	0.00
08/01/03	08/04/03	Buy	1,080,000	3134A4PH1	FHLMC	3.750	04/15/04 101.750	1,098,900.00	1,111,162.50	1.22%	0.00
08/01/03	08/01/03	Contr	734	-CASH-	Cash/Money Market			734.00	734.00		0.00
<b>Total</b>											<b>0.00</b>

# Cash Reconciliation

# *Penn Manor School District General Fund*

---

<b>Beginning Cash Balance</b>	<b>3,488,028.76</b>
Buy	-11,734,202.39
Management Fee	-734.00
Wdrwl	-607,211.60
Contr	7,800,734.00
Coupon	57,261.88
Income	788.35
Mature	3,000,000.00
<b>Ending Cash Balance</b>	<b>2,004,665.00</b>

# Summary of Portfolio Changes

# Penn Manor School District General Fund

<b>Beginning Market Value plus Accrued Income</b>		<b>15,023,485.54</b>
Contributions	7,800,734.00	
Withdrawal / Management Fee	(607,945.60)	
<i>Total Contributions, Withdrawals, and Management Fee</i>		<i>7,192,788.40</i>
Interest Received	58,050.23	
Interest Purchased	(69,915.10)	
Amortization Change	(16,913.35)	
Ending Accrued Income	151,264.14	
Beginning Accrued Income	(107,826.56)	
Accrued Income Change	43,437.58	
<i>Total Earned Income</i>		<i>14,659.36</i>
Ending Market Value	22,079,606.54	
Ending Book Value	(22,080,785.43)	(1,178.89)
Beginning Market Value	14,915,658.98	
Beginning Book Value	(14,916,775.25)	(1,116.27)
Change in Unrealized Gain/Loss		(62.62)
Realized Gain/Loss		0.00
<i>Change in Market Value</i>		<i>(62.62)</i>
<b>Total Investment Change</b>		<b>7,207,385.14</b>
<b>Ending Market Value plus Accrued Income</b>		<b>22,230,870.68</b>

# Amortization Reconciliation

# Penn Manor School District General Fund

Purchase / Sale Date	Quantity (Units)	Security Description	Ending Market Value	Original Cost	Beginning Book Value	Principal Purchased	Current Month Am/Ac	Principal Received	Realized Gain/Loss	Ending Book Value	Unrealized Gain/Loss
	2,004,665.00	Cash/Money Market	2,004,665.00	2,004,665.00	3,488,028.76	0.00	0.00	1,483,363.76	0.00	2,004,665.00	0.00
		-CASH-									
08/05/03	150,000.00	FFCB 3.125 10/01/03 31331LSD1	150,244.50	150,447.00	0.00	150,447.00	-203.18	0.00	0.00	150,243.82	0.68
07/10/03	500,000.00	FFCB 5.540 09/10/03 31331M4Z6	500,535.00	503,585.00	502,369.75	0.00	-1,822.89	0.00	0.00	500,546.86	-11.86
08/27/03	500,000.00	FHLB 6.250 05/19/04 3133M4D26	517,500.00	517,835.00	0.00	517,835.00	-205.00	0.00	0.00	517,630.00	-130.00
07/08/03	500,000.00	FHLB 5.630 09/02/03 3133M5J92	500,045.00	503,265.00	501,909.72	0.00	-1,848.12	0.00	0.00	500,061.60	-16.60
08/11/03	125,000.00	FHLB 5.575 09/02/03 3133M5JW1	125,011.25	125,293.75	0.00	125,293.75	-279.06	0.00	0.00	125,014.69	-3.44
07/30/03	250,000.00	FHLB 5.190 09/23/03 3133M5SB7	250,610.00	251,387.50	251,387.50	0.00	-800.48	0.00	0.00	250,587.02	22.98
07/29/03	100,000.00	FHLB 5.000 12/17/03 3133M6Y51	101,125.00	101,407.00	101,396.73	0.00	-308.10	0.00	0.00	101,088.63	36.37
08/27/03	500,000.00	FHLB 5.400 02/24/04 3133M7SL1	510,000.00	510,135.00	0.00	510,135.00	-172.76	0.00	0.00	509,962.24	37.76
08/01/03	2,035,000.00	FHLMC 3.750 04/15/04 3134A4PH1	2,066,160.94	2,068,778.90	0.00	2,068,778.90	-2,294.12	0.00	0.00	2,066,484.78	-323.84
07/01/03	250,000.00	FHLMC 3.500 02/20/04 3129246C2	252,675.75	253,687.50	253,218.48	0.00	-485.20	0.00	0.00	252,733.28	-57.53
07/10/03	900,000.00	FHLMC Discount Note 0.000 09/02/03 313396LE1	899,949.00	898,675.00	899,175.00	0.00	775.00	0.00	0.00	899,950.00	-1.00
07/25/03	500,000.00	FHLMC Discount Note 0.000 09/03/03 313396LF8	499,957.50	499,475.83	499,518.33	0.00	439.17	0.00	0.00	499,957.50	0.00
08/13/03	2,500,000.00	FHLMC Global 5.000 05/15/04 3134A4EX8	2,565,625.00	2,570,075.00	0.00	2,570,075.00	-4,395.85	0.00	0.00	2,565,679.15	-54.15
07/29/03	102,000.00	FNMA 5.500 12/29/03 31364GMR7	103,446.56	103,771.74	103,759.85	0.00	-356.73	0.00	0.00	103,403.12	43.44
07/10/03	1,500,000.00	FNMA Discount Note 0.000 09/17/03 313588LV5	1,499,263.33	1,498,236.66	499,346.66	999,162.22	768.62	0.00	0.00	1,499,277.50	-14.17
07/28/03	1,000,000.00	FNMA Discount Note 0.000 10/01/03 313588MK8	999,104.44	998,160.00	998,217.50	0.00	891.25	0.00	0.00	999,108.75	-4.31
07/30/03	1,000,000.00	FNMA Discount Note 0.000 10/15/03 313588MZ5	998,687.50	997,783.33	997,783.33	0.00	904.17	0.00	0.00	998,687.50	0.00
08/19/03	1,250,000.00	FNMA Discount Note 0.000 10/29/03 313588NP6	1,247,848.96	1,247,447.92	0.00	1,247,447.92	401.04	0.00	0.00	1,247,848.96	0.00
08/28/03	1,000,000.00	FNMA Discount Note 0.000 11/12/03 313588PD1	997,850.56	997,812.50	0.00	997,812.50	58.33	0.00	0.00	997,870.83	-20.27

# Amortization Reconciliation

# Penn Manor School District General Fund

Purchase / Sale Date	Quantity (Units)	Security Description	Ending Market Value	Original Cost	Beginning Book Value	Principal Purchased	Current Month Am/Ac	Principal Received	Realized Gain/Loss	Ending Book Value	Unrealized Gain/Loss
07/01/03	1,259,000.00	FNMA Global 5.125 02/13/04 31359MEM1	1,281,032.50	1,290,198.02	1,286,104.16	0.00	-4,235.03	0.00	0.00	1,281,869.13	-836.63
06/30/03	1,500,000.00	FNMA Global 4.750 03/15/04 31359MHJ5	1,528,593.75	1,538,610.00	1,534,049.76	0.00	-4,560.24	0.00	0.00	1,529,489.52	-895.77
08/14/03	2,500,000.00	U.S. Treasury Strip 0.000 05/15/04 912833FU9	2,479,675.00	2,477,300.00	0.00	2,477,300.00	1,325.55	0.00	0.00	2,478,625.55	1,049.45
07/02/03		FHLB 4.125 08/15/03 3133MGV37			1,001,183.33	0.00	-1,183.33	1,000,000.00	0.00	0.00	0.00
07/08/03		FHLB Discount Note 0.000 08/06/03 313384KB4			999,838.33	0.00	161.67	1,000,000.00	0.00	0.00	0.00
07/08/03		FHLMC Discount Note 0.000 08/19/03 313396KQ5			999,488.06	0.00	511.94	1,000,000.00	0.00	0.00	0.00
<b>Total</b>			22,079,606.54	22,108,032.65	14,916,775.25	11,664,287.29	-16,913.35	4,483,363.76	0.00	22,080,785.43	-1,178.89

# Income Reconciliation

# Penn Manor School District General Fund

Purchase Date	Sale Date	CUSIP	Quantity (Units)	Security Description	Coupon Rate	Maturity Date	Beginning Accrued Income	Current Month Int. Earned	Interest Purchased	Interest Received	Ending Accrued Income
		-CASH-	2,004,665.00	Cash/Money Market			0.00	788.35	0.00	788.35	0.00
08/05/03		31331LSD1	150,000.00	FFCB	3.125	10/01/03	0.00	325.53	1,627.60	0.00	1,953.13
07/10/03		31331M4Z6	500,000.00	FFCB	5.540	09/10/03	10,849.17	2,308.33	0.00	0.00	13,157.50
08/27/03		3133M4D26	500,000.00	FHLB	6.250	05/19/04	0.00	260.42	8,593.75	0.00	8,854.17
07/08/03		3133M5J92	500,000.00	FHLB	5.630	09/02/03	11,650.97	2,345.84	0.00	0.00	13,996.81
08/11/03		3133M5JW1	125,000.00	FHLB	5.575	09/02/03	0.00	367.80	3,097.22	0.00	3,465.02
07/30/03		3133M5SB7	250,000.00	FHLB	5.190	09/23/03	4,613.33	1,081.25	0.00	0.00	5,694.58
07/29/03		3133M6Y51	100,000.00	FHLB	5.000	12/17/03	611.11	416.67	0.00	0.00	1,027.78
08/27/03		3133M7SL1	500,000.00	FHLB	5.400	02/24/04	0.00	225.00	300.00	0.00	525.00
08/01/03		3134A4PH1	2,035,000.00	FHLMC	3.750	04/15/04	0.00	3,435.42	25,393.75	0.00	28,829.17
07/01/03		3129246C2	250,000.00	FHLMC	3.500	02/20/04	3,913.19	729.17	0.00	4,375.00	267.36
07/10/03		313396LE1	900,000.00	FHLMC Discount Note	0.000	09/02/03	0.00	0.00	0.00	0.00	0.00
07/25/03		313396LF8	500,000.00	FHLMC Discount Note	0.000	09/03/03	0.00	0.00	0.00	0.00	0.00
08/13/03		3134A4EX8	2,500,000.00	FHLMC Global	5.000	05/15/04	0.00	5,902.78	30,902.78	0.00	36,805.56
07/29/03		31364GMR7	102,000.00	FNMA	5.500	12/29/03	498.67	467.50	0.00	0.00	966.17
07/10/03		313588LV5	1,500,000.00	FNMA Discount Note	0.000	09/17/03	0.00	0.00	0.00	0.00	0.00
07/28/03		313588MK8	1,000,000.00	FNMA Discount Note	0.000	10/01/03	0.00	0.00	0.00	0.00	0.00
07/30/03		313588MZ5	1,000,000.00	FNMA Discount Note	0.000	10/15/03	0.00	0.00	0.00	0.00	0.00
08/19/03		313588NP6	1,250,000.00	FNMA Discount Note	0.000	10/29/03	0.00	0.00	0.00	0.00	0.00
08/28/03		313588PD1	1,000,000.00	FNMA Discount Note	0.000	11/12/03	0.00	0.00	0.00	0.00	0.00
07/01/03		31359MEM1	1,259,000.00	FNMA Global	5.125	02/13/04	29,752.62	5,376.98	0.00	32,261.88	2,867.72
06/30/03		31359MHJ5	1,500,000.00	FNMA Global	4.750	03/15/04	26,916.67	5,937.50	0.00	0.00	32,854.17
08/14/03		912833FU9	2,500,000.00	U.S. Treasury Strip	0.000	05/15/04	0.00	0.00	0.00	0.00	0.00
07/02/03		3133MGV37		FHLB	4.125	08/15/03	19,020.83	1,604.17	0.00	20,625.00	0.00
07/08/03		313384KB4		FHLB Discount Note	0.000	08/06/03	0.00	0.00	0.00	0.00	0.00
07/08/03		313396KQ5		FHLMC Discount Note	0.000	08/19/03	0.00	0.00	0.00	0.00	0.00
<b>Total</b>							<b>107,826.56</b>	<b>31,572.71</b>	<b>69,915.10</b>	<b>58,050.23</b>	<b>151,264.14</b>

# Disclaimer

---

*This performance evaluation is provided as a service enabling you to review your overall securities positions on a periodic basis. This evaluation should not be construed as a substitute for your custodian statement. All material presented is compiled from sources believed to be reliable and current, but accuracy cannot be guaranteed. The security valuations contained in this evaluation have been obtained from reliable sources. They do not, however, represent guaranteed bids, offers, or markets for securities, and are subject to change. The prices, yields, and maturities have been obtained from sources believed to be reliable, but the data is not necessarily complete, the reliability cannot be guaranteed, and the availability of specific issues are subject to change.*

*The performance figures in this report represent the past performance of your account and do not guarantee future results. Gross performance returns for the account will be reduced by management fees and any other expenses incurred in the management of the account.*

*Please advise your Relationship Manager or Client Service contact promptly in the event of a material change in your investment strategy.*

*Taxable clients are advised to consult with their tax advisor to determine the actual basis to use in tax reporting, as well as with any questions concerning the tax impact of gains or losses on securities or income earned in your account.*

*Sources of Information: Bloomberg, CMS BondEdge, FT Interactive Data, Portia, and various other sources from time to time, as may be referenced on the report page of their use.*

## ***Offer of Form ADV***

***Rule 204-3 of the Investment Advisers Act of 1940 requires all Investment Advisers to deliver annually, or offer to deliver annually, without charge, Form ADV, Part II, to the client. Please submit your written request for Voyager Asset Management Inc.'s Form ADV, Part II, to your Relationship Manager or Client Service contact. Form ADV, Part II, will be mailed within seven (7) days upon receipt of the request.***