

*Voyageur* ASSET MANAGEMENT INC.

**Penn Manor School District  
General Fund  
October 31, 2004**

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# Market Overview

Interest rates fell through the middle of the month as the combination of higher oil prices, tepid employment growth, and election uncertainty weighed on investor confidence. As has been the case in past months, lower than expected payroll growth sent bond yields lower. The continued rise in oil prices, hitting \$55 per barrel, is widely seen as a drag on economic growth. The 10-year Treasury ended the month at a yield of 4.03%, 10 basis points lower, with the 2-year Treasury easing to 2.56%.

In addition to the economic fundamentals pushing yields lower, it seems many money managers have accumulated large amounts of cash to invest. The recent rally caught many investors in relatively defensive positions waiting for higher and more attractive yields before investing. Surveys of money managers suggest the average duration of their portfolios to be short of their benchmarks. Symptomatically, when the yield on the ten-year Treasury approaches 4.25% it has seen greater demand on the part of investors looking to put funds to work. The effects of this technical situation, along with prospects for sluggish consumer spending, are leading more investors to conclude the market will remain in a range during the coming months.



Source: Bloomberg

# Economy

**GDP:** Gross Domestic Product rose 3.7% during the third quarter of 2004, somewhat lower than expectations due to fewer inventories and greater imports. The GDP deflator rose at an annual rate of 1.3%. On a year-over-year basis GDP is 3.9% higher through September 30, 2004. Forecasts for the remainder of 2004 are for a similar pace of growth, near 3.5%.

**Inflation:** The Consumer Price Index rose 0.2% in September and is up 2.5% on a year-over-year basis. Excluding the food and energy components, the core CPI was up 0.3% in September, and 2.0% from a year ago.

**Fed:** The FOMC raised its fed funds target to 1.75% at its September meeting, and seems to be maintaining its “measured pace” in bringing policy rates into equilibrium with anticipated economic growth. Market expectations are for the Fed to raise the policy rate to 2.0% at its next meeting, November 10<sup>th</sup>.

**ISM:** The Institute of Supply Management purchasing managers’ survey index fell to 56.8 in October. The employment and inventory components fell, while new orders and prices paid increased.

**Corporate Earnings:** About 325 of the 500 S&P companies have reported so far. From these companies the broad outlines are quite clear. Compared with 3Q 2003, earnings will be up nicely, over 14%. However, relative to the 31% reported in 2Q 2004 profit growth has decelerated sharply. In addition, only 61% of the companies that have reported have beaten consensus expectations, the lowest reading since 4Q 2002. The average upside surprise factor has been only 1.6%, which is about half the historical norm. This suggests that profit margins may have peaked, and going forward, revenue growth will be vital in generating profit growth.

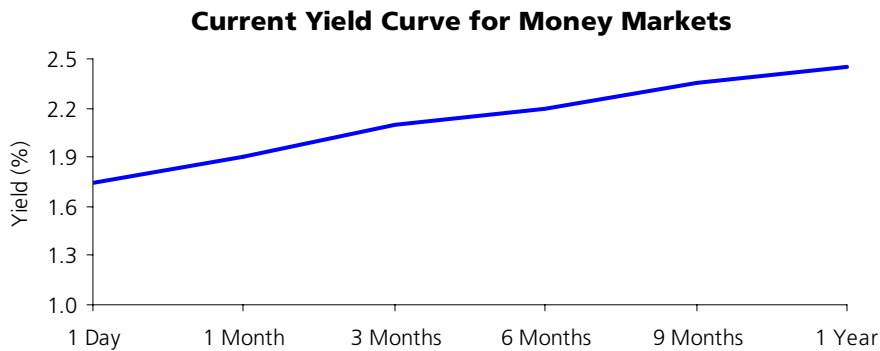


Source: Bloomberg

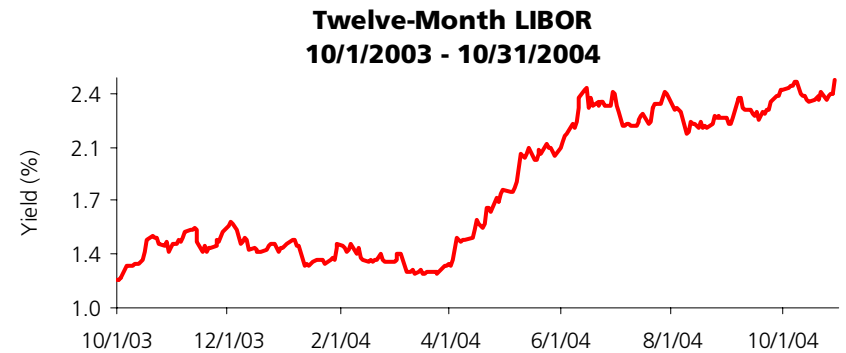
# Cash Management

The short-term portion of the yield curve continues to moderate. Comparing the overnight fed funds rate (1.75%) with one-year yields (2.45%) we note that the difference has moved back to 70 bps after having narrowed to 55 bps in September. Most of the change in this gap has been the result of measured increases in the overnight fed funds rate. In addition, while economic data has been somewhat mixed, the prevailing outlook over the past month has reflected slightly more positive growth prospects. At points along the short-term curve, three-month yields are now at 2.10% while in six-months investors are seeing yields approaching 2.20%. While the FOMC did not convene during the month of October, expectations are high that the overnight rate will be adjusted higher by another 25 basis points to 2.00% at the November 10<sup>th</sup> FOMC meeting.

Short-term bank borrowing continues to be strong. Active CD issuance from both foreign and domestic banks has offered attractive yields as compared with corporate commercial paper. Asset-backed commercial paper – representing the largest segment of the CP market – is heavily weighted in the very short maturity range of three to five weeks. Activity has remained strong in variable rate notes from both bank and government agency issuers. Even though owning a position of these notes represents a longer-term commitment, the frequency of the interest rate reset for these notes (daily, monthly, or quarterly) allows investors to quickly capture rising interest rates. Issuance on the part of government agencies continues to be very strong, particularly on the part of Fannie-Mae and Freddie-Mac.



Source: Bloomberg



Source: Bloomberg

**Investment Policy Date**

7/12/1999

**Portfolio Asset Class**

Fixed

**Investment Strategy**

Cash Management

*Please advise your Relationship Manager or Client Service contact promptly if a revision has been made to your investment policy subsequent to the date shown or in the event of a material change in your current investment strategy.*

*Your account's investment policy can be viewed online at [www.voyageur.net](http://www.voyageur.net) - Clients Only or [clients.voyageur.net](http://clients.voyageur.net). Please contact any of your team members listed on the Contacts page with any questions or comments you may have concerning your investment policy or access to our Internet client site.*

# Portfolio Asset Allocation

# *Penn Manor School District General Fund*

	Quantity (Units)	Amortized Cost	Market Value	Market Yield	Estimated Income	Percent Assets
Cash	780,597	780,596.57	780,596.57	0.87%	6,791.19	2.81%
Fixed Income	27,129,000	26,978,828.84	26,956,905.54	2.17%	84,866.00	97.19%
<b>Total</b>	<b>27,909,597</b>	<b>27,759,425.41</b>	<b>27,737,502.11</b>	<b>2.14%</b>	<b>91,657.19</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			780,597	Cash/Money Market -CASH-	780,596.57	780,596.57	0.00	0.00	0.87%	0.87%	0.00	0.00	2.81%
Agency	AGY/AGY	07/20/04	650,000	FHLMC Discount Note 0.000 11/04/04 313396N33	649,884.44	649,813.65	-70.79	0.00	1.63%	2.62%	0.01	0.01	2.34%
	AGY/AGY	09/02/04	1,500,000	FNMA Discount Note 0.000 11/10/04 313588N92	1,499,320.83	1,499,134.95	-185.88	0.00	1.66%	2.11%	0.03	0.03	5.40%
	AGY/AGY	08/30/04	1,250,000	FHLMC Discount Note 0.000 11/23/04 313396Q63	1,248,654.34	1,248,454.88	-199.46	0.00	1.72%	1.96%	0.06	0.06	4.50%
	AGY/AGY	08/19/04	1,000,000	FNMA Discount Note 0.000 12/01/04 313588R64	998,587.78	998,322.50	-265.28	0.00	1.67%	1.98%	0.09	0.09	3.60%
	AGY/AGY	08/30/04	1,500,000	FHLMC Discount Note 0.000 12/07/04 313396S46	1,497,379.17	1,497,026.25	-352.92	0.00	1.73%	1.96%	0.10	0.10	5.40%
	AGY/AGY	09/02/04	1,500,000	FNMA Discount Note 0.000 01/05/05 313397AE1	1,495,187.50	1,494,503.40	-684.10	0.00	1.79%	2.03%	0.18	0.18	5.39%
	AGY/AGY	09/02/04	1,500,000	FHLMC Discount Note 0.000 01/18/05 313397AT8	1,494,140.84	1,493,452.50	-688.34	0.00	1.82%	2.03%	0.22	0.22	5.38%
	AGY/AGY	09/02/04	1,250,000	FNMA Discount Note 0.000 02/02/05 313589BJ1	1,244,157.64	1,243,300.00	-857.64	0.00	1.83%	2.09%	0.26	0.26	4.48%
	AGY/AGY	09/14/04	1,500,000	FNMA Discount Note 0.000 02/16/05 313589BY8	1,491,630.00	1,490,787.45	-842.55	0.00	1.90%	2.09%	0.30	0.30	5.37%
	AGY/AGY	08/02/04	300,000	FNMA 1.375 02/18/05 3136F43M4 Call 01/28/05 \$100.00	300,000.00	299,343.75	-656.25	1,065.63	2.04%	2.12%	0.30	0.29	1.08%
	AGY/AGY	09/14/04	1,500,000	FHLMC Discount Note 0.000 03/01/05 313397CM1	1,490,294.79	1,489,391.25	-903.54	0.00	1.97%	2.15%	0.33	0.33	5.37%
	AGY/AGY	09/08/04	100,000	FHLB 6.100 03/03/05 3133M3LG8 Call 03/03/05 \$100.00	101,336.39	101,343.75	7.36	982.78	2.11%	2.09%	0.34	0.33	0.37%
	AGY/AGY	07/20/04	520,000	FHLB 1.125 03/29/05 3133X5PM4	518,255.98	517,790.00	-465.98	520.00	1.95%	2.17%	0.41	0.40	1.87%
	AGY/AGY	08/16/04	2,000,000	FNMA Discount Note 0.000 04/01/05 313589DU4	1,983,533.33	1,981,862.20	-1,671.13	0.00	2.00%	2.20%	0.42	0.42	7.15%
	AGY/AGY	08/17/04	150,000	FHLB 1.350 04/29/05 3133X5TK4 Call 01/06/05 \$100.00	150,000.00	149,343.75	-656.25	140.63	2.12%	2.25%	0.50	0.49	0.54%
	AGY/AGY	08/02/04	230,000	FHLB 1.250 04/29/05 3133X5GJ1 Call 12/29/04 \$100.00	229,028.83	228,921.88	-106.95	255.56	2.12%	2.21%	0.50	0.49	0.83%
	AGY/AGY	09/14/04	250,000	FHLB 1.500 05/19/05 3133X3M34	249,111.43	248,984.38	-127.05	1,687.50	2.15%	2.25%	0.55	0.54	0.90%
	AGY/AGY	08/02/04	525,000	FHLB 1.580 05/20/05 3133X6RC2	523,176.23	523,031.25	-144.98	4,262.71	2.22%	2.27%	0.56	0.54	1.89%

# 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	08/30/04	645,000	FNMA 1.750 05/23/05 3136F5VL2 Call 01/28/05 \$100.00	645,000.00	642,984.38	-2,015.62	94.06	2.14%	2.31%	0.56	0.55	2.32%
AGY/AGY	07/01/04	930,000	FNMA 1.670 05/26/05 3136F3TX4 Call 11/26/04 \$100.00	929,157.19	926,803.13	-2,354.06	6,686.96	2.26%	2.28%	0.57	0.56	3.34%
AGY/AGY	08/31/04	300,000	FHLB 1.780 05/27/05 3133X6YJ9	299,455.48	299,156.25	-299.23	2,536.50	2.10%	2.28%	0.57	0.56	1.08%
AGY/AGY	07/27/04	3,000,000	FNMA Discount Note 0.000 05/27/05 313589GC1	2,963,975.55	2,961,324.90	-2,650.65	0.00	2.13%	2.29%	0.57	0.57	10.67%
AGY/AGY	09/08/04	350,000	FHLMC Discount Note 0.000 05/31/05 313397GG0	345,465.55	345,401.98	-63.57	0.00	2.26%	2.29%	0.58	0.58	1.25%
AGY/AGY	08/30/04	2,500,000	FNMA Discount Note 0.000 05/31/05 313589GG2	2,470,408.33	2,467,157.00	-3,251.33	0.00	2.06%	2.29%	0.58	0.58	8.89%
AGY/AGY	10/26/04	100,000	FHLB 2.275 06/15/05 3133X7ND2	99,966.60	100,000.00	33.40	859.44	2.33%	2.27%	0.63	0.61	0.36%
AGY/AGY	09/07/04	700,000	FHLB 2.050 06/16/05 3133X7FP4 Call 12/16/04 \$100.00	700,000.00	698,906.25	-1,093.75	5,381.25	2.31%	2.30%	0.63	0.61	2.52%
AGY/AGY	09/14/04	1,000,000	FHLMC Discount Note 0.000 06/27/05 313397HK0	986,357.08	985,004.40	-1,352.68	0.00	2.11%	2.32%	0.66	0.66	3.55%
AGY/AGY	08/02/04	175,000	FHLMC 1.750 06/28/05 3128X1T49	174,355.54	174,431.25	75.71	1,046.35	2.32%	2.25%	0.66	0.65	0.63%
AGY/AGY	08/03/04	204,000	FHLMC Discount Note 0.000 06/28/05 313397HL8	201,008.00	200,928.21	-79.79	0.00	2.26%	2.32%	0.66	0.66	0.72%
<b>Subtotal</b>		<b>27,129,000</b>		<b>26,978,828.84</b>	<b>26,956,905.54</b>	<b>-21,923.30</b>	<b>25,519.37</b>	<b>1.96%</b>	<b>2.17%</b>	<b>0.36</b>	<b>0.36</b>	<b>97.19%</b>
<b>Total</b>		<b>27,909,597</b>		<b>27,759,425.41</b>	<b>27,737,502.11</b>	<b>-21,923.30</b>	<b>25,519.37</b>	<b>1.93%</b>	<b>2.14%</b>	<b>0.35</b>	<b>0.35</b>	<b>100.00%</b>

# Transaction Detail

# Penn Manor School District General Fund

Trade Date	Settlement Date	Trans Type	Quantity (Units)	CUSIP	Security Description		Trans Price	Net Amount	Trade Yield	Realized Gain/Loss
10/27/04	10/27/04	Mature	1,000,000	313588M36	FNMA Discount Note	0.000	10/27/04 100.000	1,000,000.00		0.00
10/27/04	10/27/04	Wdrwl	200,000	-CASH-	Cash/Money Market			200,000.00		0.00
10/26/04	10/27/04	Buy	100,000	3133X7ND2	FHLB	2.275	06/15/05 99.966	100,800.17	2.33%	0.00
10/13/04	10/13/04	Mature	1,000,000	313588K53	FNMA Discount Note	0.000	10/13/04 100.000	1,000,000.00		0.00
10/13/04	10/13/04	Wdrwl	1,000,000	-CASH-	Cash/Money Market			1,000,000.00		0.00
10/01/04	10/01/04	Contr	3,319	-CASH-	Cash/Money Market			3,319.00		0.00
10/01/04	10/01/04	Mature	169,000	313396H97	FHLMC Discount Note	0.000	10/01/04 100.000	169,000.00		0.00
10/01/04	10/01/04	Wdrwl	169,000	-CASH-	Cash/Money Market			169,000.00		0.00
<b>Total</b>										<b>0.00</b>

# Cash Reconciliation

# *Penn Manor School District General Fund*

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<b>Beginning Cash Balance</b>	<b>74,536.96</b>
Buy	-100,800.17
Management Fee	-3,319.00
Wdrwl	-1,369,000.00
Contr	3,319.00
Coupon	6,656.25
Income	203.53
Mature	2,169,000.00
<b>Ending Cash Balance</b>	<b>780,596.57</b>

# Summary of Portfolio Changes

# Penn Manor School District General Fund

<b>Beginning Market Value plus Accrued Income</b>		<b>29,091,856.22</b>
Contributions	3,319.00	
Withdrawal / Management Fee	(1,372,319.00)	
<i>Total Contributions, Withdrawals, and Management Fee</i>		<i>(1,369,000.00)</i>
Interest Received	6,859.78	
Interest Purchased	(834.17)	
Amortization Change	40,593.81	
Ending Accrued Income	25,519.37	
Beginning Accrued Income	(24,433.60)	
<b>Accrued Income Change</b>	<b>1,085.77</b>	
<i>Total Earned Income</i>		<i>47,705.19</i>
Ending Market Value	27,737,502.11	
Ending Book Value	(27,759,425.41)	(21,923.30)
Beginning Market Value	29,067,422.62	
Beginning Book Value	(29,081,805.99)	(14,383.37)
Change in Unrealized Gain/Loss		(7,539.93)
Realized Gain/Loss		0.00
<i>Change in Market Value</i>		<i>(7,539.93)</i>
<b>Total Investment Change</b>		<b>(1,328,834.74)</b>
<b>Ending Market Value plus Accrued Income</b>		<b>27,763,021.48</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
	780,597.00	Cash/Money Market	780,596.57	780,596.57	74,536.96	706,059.61	0.00	0.00	0.00	780,596.57	0.00
		-CASH-									
09/08/04	100,000.00	FHLB 6.100 03/03/05 3133M3LG8	101,343.75	101,906.00	101,675.97	0.00	-339.58	0.00	0.00	101,336.39	7.36
09/14/04	250,000.00	FHLB 1.500 05/19/05 3133X3M34	248,984.38	248,905.00	248,972.32	0.00	139.11	0.00	0.00	249,111.43	-127.05
08/02/04	230,000.00	FHLB 1.250 04/29/05 3133X5GJ1	228,921.88	228,548.70	228,859.69	0.00	169.14	0.00	0.00	229,028.83	-106.95
07/20/04	520,000.00	FHLB 1.125 03/29/05 3133X5PM4	517,790.00	517,077.60	517,890.68	0.00	365.30	0.00	0.00	518,255.98	-465.98
08/17/04	150,000.00	FHLB 1.350 04/29/05 3133X5TK4	149,343.75	149,202.00	149,900.25	0.00	99.75	0.00	0.00	150,000.00	-656.25
08/02/04	525,000.00	FHLB 1.580 05/20/05 3133X6RC2	523,031.25	522,369.75	522,892.13	0.00	284.10	0.00	0.00	523,176.23	-144.98
08/31/04	300,000.00	FHLB 1.780 05/27/05 3133X6YJ9	299,156.25	299,296.88	299,373.53	0.00	81.95	0.00	0.00	299,455.48	-299.23
09/07/04	700,000.00	FHLB 2.050 06/16/05 3133X7FP4	698,906.25	698,600.00	700,000.00	0.00	0.00	0.00	0.00	700,000.00	-1,093.75
10/26/04	100,000.00	FHLB 2.275 06/15/05 3133X7ND2	100,000.00	99,966.00	0.00	99,966.00	0.60	0.00	0.00	99,966.60	33.40
08/02/04	175,000.00	FHLMC 1.750 06/28/05 3128X1T49	174,431.25	174,116.25	174,271.25	0.00	84.29	0.00	0.00	174,355.54	75.71
07/20/04	650,000.00	FHLMC Discount Note 0.000 11/04/04 313396N33	649,813.65	646,937.78	648,988.89	0.00	895.55	0.00	0.00	649,884.44	-70.79
08/30/04	1,250,000.00	FHLMC Discount Note 0.000 11/23/04 313396Q63	1,248,454.88	1,245,085.42	1,246,840.63	0.00	1,813.71	0.00	0.00	1,248,654.34	-199.46
08/30/04	1,500,000.00	FHLMC Discount Note 0.000 12/07/04 313396S46	1,497,026.25	1,493,058.33	1,495,183.33	0.00	2,195.84	0.00	0.00	1,497,379.17	-352.92
09/02/04	1,500,000.00	FHLMC Discount Note 0.000 01/18/05 313397AT8	1,493,452.50	1,489,839.17	1,491,841.67	0.00	2,299.17	0.00	0.00	1,494,140.84	-688.34
09/14/04	1,500,000.00	FHLMC Discount Note 0.000 03/01/05 313397CM1	1,489,391.25	1,486,605.21	1,487,808.34	0.00	2,486.45	0.00	0.00	1,490,294.79	-903.54
09/08/04	350,000.00	FHLMC Discount Note 0.000 05/31/05 313397GG0	345,401.98	344,353.33	344,802.50	0.00	663.05	0.00	0.00	345,465.55	-63.57
09/14/04	1,000,000.00	FHLMC Discount Note 0.000 06/27/05 313397HK0	985,004.40	983,731.25	984,587.50	0.00	1,769.58	0.00	0.00	986,357.08	-1,352.68
08/03/04	204,000.00	FHLMC Discount Note 0.000 06/28/05 313397HL8	200,928.21	200,023.38	200,621.54	0.00	386.46	0.00	0.00	201,008.00	-79.79
07/01/04	930,000.00	FNMA 1.670 05/26/05 3136F3TX4	926,803.13	925,145.40	928,112.10	0.00	1,045.09	0.00	0.00	929,157.19	-2,354.06

# 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
08/02/04	300,000.00	FNMA 1.375 02/18/05 3136F43M4	299,343.75	298,932.00	299,648.19	0.00	351.81	0.00	0.00	300,000.00	-656.25
08/30/04	645,000.00	FNMA 1.750 05/23/05 3136F5VL2	642,984.38	643,168.20	644,100.17	0.00	899.83	0.00	0.00	645,000.00	-2,015.62
09/02/04	1,500,000.00	FNMA Discount Note 0.000 01/05/05 313397AE1	1,494,503.40	1,490,958.33	1,492,927.08	0.00	2,260.42	0.00	0.00	1,495,187.50	-684.10
09/02/04	1,500,000.00	FNMA Discount Note 0.000 11/10/04 313588N92	1,499,134.95	1,495,381.67	1,497,215.42	0.00	2,105.41	0.00	0.00	1,499,320.83	-185.88
08/19/04	1,000,000.00	FNMA Discount Note 0.000 12/01/04 313588R64	998,322.50	995,307.78	997,175.56	0.00	1,412.22	0.00	0.00	998,587.78	-265.28
09/02/04	1,250,000.00	FNMA Discount Note 0.000 02/02/05 313589BJ1	1,243,300.00	1,240,552.78	1,242,230.91	0.00	1,926.73	0.00	0.00	1,244,157.64	-857.64
09/14/04	1,500,000.00	FNMA Discount Note 0.000 02/16/05 313589BY8	1,490,787.45	1,488,065.00	1,489,227.50	0.00	2,402.50	0.00	0.00	1,491,630.00	-842.55
08/16/04	2,000,000.00	FNMA Discount Note 0.000 04/01/05 313589DU4	1,981,862.20	1,975,408.33	1,980,175.00	0.00	3,358.33	0.00	0.00	1,983,533.33	-1,671.13
07/27/04	3,000,000.00	FNMA Discount Note 0.000 05/27/05 313589GC1	2,961,324.90	2,950,685.69	2,958,606.52	0.00	5,369.03	0.00	0.00	2,963,975.55	-2,650.65
08/30/04	2,500,000.00	FNMA Discount Note 0.000 05/31/05 313589GG2	2,467,157.00	2,461,893.75	2,466,081.25	0.00	4,327.08	0.00	0.00	2,470,408.33	-3,251.33
08/04/04		FHLMC Discount Note 0.000 10/01/04 313396H97			168,992.72	0.00	7.28	169,000.00	0.00	0.00	0.00
08/19/04		FNMA Discount Note 0.000 10/13/04 313588K53			999,443.89	0.00	556.11	1,000,000.00	0.00	0.00	0.00
08/19/04		FNMA Discount Note 0.000 10/27/04 313588M36			998,822.50	0.00	1,177.50	1,000,000.00	0.00	0.00	0.00
<b>Total</b>			27,737,502.11	27,675,717.55	29,081,805.99	806,025.61	40,593.81	2,169,000.00	0.00	27,759,425.41	-21,923.30

# 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-	780,597.00	Cash/Money Market			0.00	203.53	0.00	203.53	0.00
09/08/04		3133M3LG8	100,000.00	FHLB	6.100	03/03/05	474.44	508.34	0.00	0.00	982.78
09/14/04		3133X3M34	250,000.00	FHLB	1.500	05/19/05	1,375.00	312.50	0.00	0.00	1,687.50
08/02/04		3133X5GJ1	230,000.00	FHLB	1.250	04/29/05	15.97	239.59	0.00	0.00	255.56
07/20/04		3133X5PM4	520,000.00	FHLB	1.125	03/29/05	32.50	487.50	0.00	0.00	520.00
08/17/04		3133X5TK4	150,000.00	FHLB	1.350	04/29/05	984.38	168.75	0.00	1,012.50	140.63
08/02/04		3133X6RC2	525,000.00	FHLB	1.580	05/20/05	3,571.46	691.25	0.00	0.00	4,262.71
08/31/04		3133X6YJ9	300,000.00	FHLB	1.780	05/27/05	2,091.50	445.00	0.00	0.00	2,536.50
09/07/04		3133X7FP4	700,000.00	FHLB	2.050	06/16/05	4,185.42	1,195.83	0.00	0.00	5,381.25
10/26/04		3133X7ND2	100,000.00	FHLB	2.275	06/15/05	0.00	25.27	834.17	0.00	859.44
08/02/04		3128X1T49	175,000.00	FHLMC	1.750	06/28/05	791.15	255.20	0.00	0.00	1,046.35
07/20/04		313396N33	650,000.00	FHLMC Discount Note	0.000	11/04/04	0.00	0.00	0.00	0.00	0.00
08/30/04		313396Q63	1,250,000.00	FHLMC Discount Note	0.000	11/23/04	0.00	0.00	0.00	0.00	0.00
08/30/04		313396S46	1,500,000.00	FHLMC Discount Note	0.000	12/07/04	0.00	0.00	0.00	0.00	0.00
09/02/04		313397AT8	1,500,000.00	FHLMC Discount Note	0.000	01/18/05	0.00	0.00	0.00	0.00	0.00
09/14/04		313397CM1	1,500,000.00	FHLMC Discount Note	0.000	03/01/05	0.00	0.00	0.00	0.00	0.00
09/08/04		313397GG0	350,000.00	FHLMC Discount Note	0.000	05/31/05	0.00	0.00	0.00	0.00	0.00
09/14/04		313397HK0	1,000,000.00	FHLMC Discount Note	0.000	06/27/05	0.00	0.00	0.00	0.00	0.00
08/03/04		313397HL8	204,000.00	FHLMC Discount Note	0.000	06/28/05	0.00	0.00	0.00	0.00	0.00
07/01/04		3136F3TX4	930,000.00	FNMA	1.670	05/26/05	5,392.71	1,294.25	0.00	0.00	6,686.96
08/02/04		3136F43M4	300,000.00	FNMA	1.375	02/18/05	721.88	343.75	0.00	0.00	1,065.63
08/30/04		3136F5VL2	645,000.00	FNMA	1.750	05/23/05	4,797.19	940.62	0.00	5,643.75	94.06
09/02/04		313397AE1	1,500,000.00	FNMA Discount Note	0.000	01/05/05	0.00	0.00	0.00	0.00	0.00
09/02/04		313588N92	1,500,000.00	FNMA Discount Note	0.000	11/10/04	0.00	0.00	0.00	0.00	0.00
08/19/04		313588R64	1,000,000.00	FNMA Discount Note	0.000	12/01/04	0.00	0.00	0.00	0.00	0.00
09/02/04		313589BJ1	1,250,000.00	FNMA Discount Note	0.000	02/02/05	0.00	0.00	0.00	0.00	0.00
09/14/04		313589BY8	1,500,000.00	FNMA Discount Note	0.000	02/16/05	0.00	0.00	0.00	0.00	0.00
08/16/04		313589DU4	2,000,000.00	FNMA Discount Note	0.000	04/01/05	0.00	0.00	0.00	0.00	0.00
07/27/04		313589GC1	3,000,000.00	FNMA Discount Note	0.000	05/27/05	0.00	0.00	0.00	0.00	0.00
08/30/04		313589GG2	2,500,000.00	FNMA Discount Note	0.000	05/31/05	0.00	0.00	0.00	0.00	0.00
08/04/04		313396H97		FHLMC Discount Note	0.000	10/01/04	0.00	0.00	0.00	0.00	0.00
08/19/04		313588K53		FNMA Discount Note	0.000	10/13/04	0.00	0.00	0.00	0.00	0.00
08/19/04		313588M36		FNMA Discount Note	0.000	10/27/04	0.00	0.00	0.00	0.00	0.00
<b>Total</b>							<b>24,433.60</b>	<b>7,111.38</b>	<b>834.17</b>	<b>6,859.78</b>	<b>25,519.37</b>

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