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CHANGES IN ELIGIBILE CREDITS

In the month of May, there were nine changes to the Treasurer's approved list of issuers.

The following were removed from the approved lists:

1) Amsterdam
2) Barton
3) Concord
4) Crown Point
5) Fountain Square
6) Legacy
7) Park Avenue
8) Fifth Third Bank
9) SunTrust Bank

Please refer to the attached TIC memos for further information.

The following table summarizes the remaining SIV holdings that have had, or are being considered for further rating actions.

	Security Type	Maturity Date	Market Value		% of Fund	ST Ratings, LT Ratings
Extended Fund						
SIGMA FIN INC	MTN	10/30/2008	$	49,427,900.00	2.26%	A-1+ *-/P-2 *-, AA- *-/A2 *-
SIGMA FIN INC	MTN	10/30/2008		24,713,950.00	1.13%	
			$	74,141,850.00	3.39%	
WHISTLEJACKET CAPITAL LLC	MTN	1/26/2009	$	25,919,040.00	1.18%	D/NP, D/B2
WHISTLEJACKET CAPITAL LLC	MTN	1/25/2009		43,198,400.00	1.97%	
			$	69,117,440.00	3.16%	

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To: Treasury Investment Committee
From: John Byerly, Senior Financial Analyst
Date: May 21, 2008

Subject: **ABCP Issuers**
Exposure: County/Schools/JWA/X-Fund: None

Recommend removing:

Amsterdam
Barton
Concord
Crown Point
Fountain Square
Legacy
Park Avenue

Summary:

From a peak of $1.172 trillion in August 2007, asset-backed commercial paper (ABCP) outstandings have fallen to $755 billion by May 14, 2008. One should be careful what conclusions they draw from that change, however. All ABCP programs are not the same. Structured Investment Vehicle (SIV), SIV-lite, CDO CP, and Extendible programs each present their unique characteristics. Much of what we are seeing in the ABCP figures are those types being shunned by the market. Since July 2007, 38 of such programs have had their ratings withdrawn.

In stark contrast, bank-sponsored traditional multiseller programs have been funding well. As a percent of the total ABCP market, U.S. multiseller programs increased to 60% on March 31, 2008 from 44% on July 31, 2007. And after nine tough months in the credit markets, ABCP still represents over 40% of all commercial paper.

During this episode, there have been no defaults or downgrades of traditional ABCP programs. There have been withdrawals in this space as some programs chose to pull out of the market in an orderly fashion. Because of a re-pricing of assets (and funding) and/or changes in regulatory relief under Basel II, some programs have simply become uneconomical.

While some investors (used to) look to the program's rating as the primary determination of credit quality, our analysis has been more robust. We consider ratings but also look to asset characteristics, forms of credit and liquidity protection, outs to funding, market liquidity, and so forth. Because the ABCP conduit's value is supported both by assets and by commitments from a strong, well-capitalized bank, ABCP could be reasonably viewed more favorably than a bank's unsecured debt. Further, it would seem most prudent to be an active investor in those ABCP conduits that benefit from exceptional features that protect investors.

While the following programs remain strong and are consistent with our Investment Policy Statement, I recommend removing them from the approved issuer lists in an effort to refine our conservative investing approach.

Fountain Square:
Sponsored by Fifth Third Bank which we would like to see work through their performance issues.

Amsterdam, Barton, and Park Avenue:
Receive significant support from Ambac.

Concord, Crown Point, and Legacy:
Do not benefit from a bank sponsor.

Over the coming weeks, I look forward to more discussion on other approved names and anticipate recommending still others for approval.

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To: Treasury Investment Committee
From: John Byerly, Senior Financial Analyst
Date: May 21, 2008

Subject: **Fifth Third Bank** (A-1+/P-1/F1+, AA-/Aa2/AA *-)
SunTrust Bank (A-1+/P-1/F1+, AA-/Aa2/AA- *-)

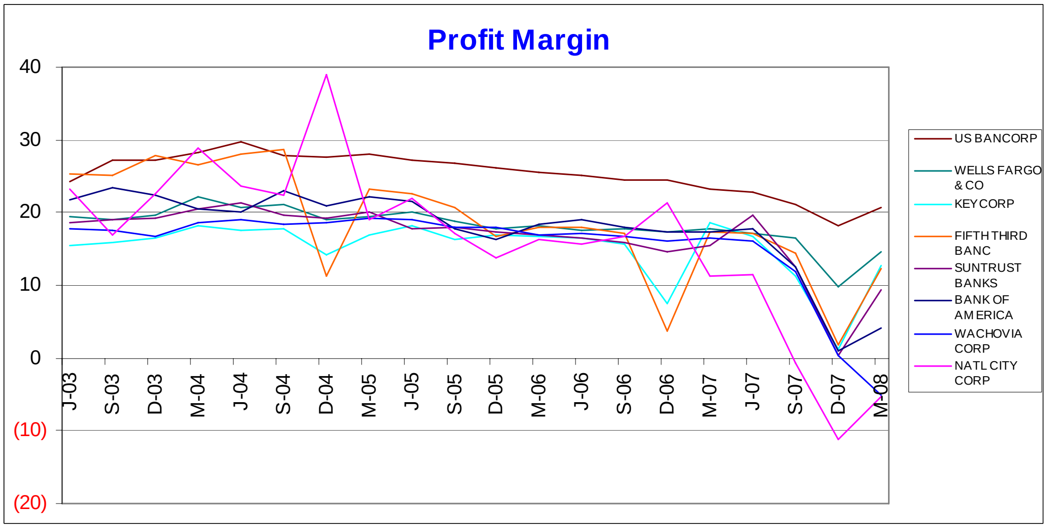
Exposure: County/Schools/JWA/X-Fund: None
Recommend: Remove Fifth Third Bank and SunTrust Bank

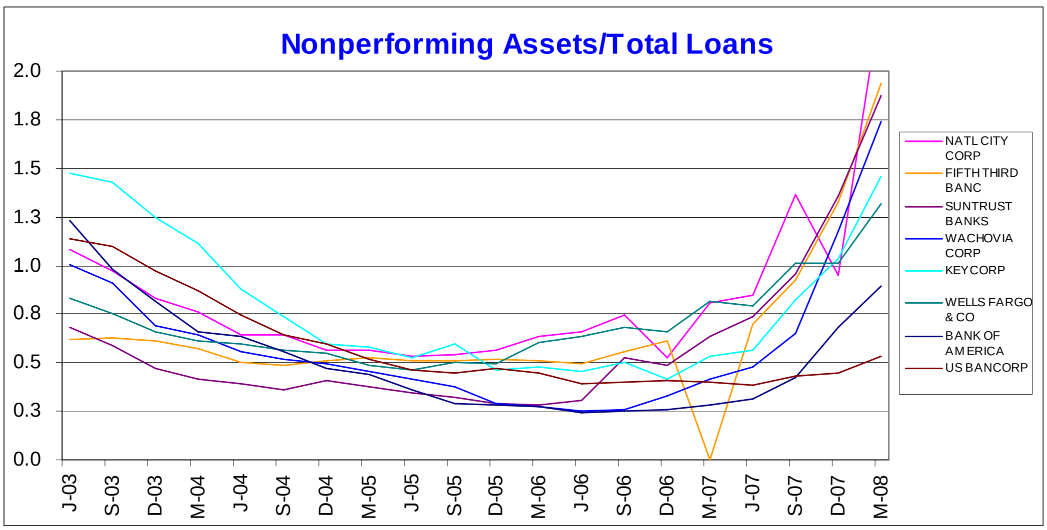
Summary:

As the TIC discussed on April 30, domestic banks continue to work their way through a very tough year. Most banks have reported large markdowns related to mortgage backed securities, commercial mortgage-backed securities, and leveraged loans. Capital has been added as increased reserves continue to negatively impact banks' profitability.

Indeed, Fifth Third Bancorp and Sun Trust Banks, Inc have both reported pressured profitability as the banks add reserves for bad debt. At 1.97% (Q1 08), Fifth Third's non-performing assets/total loans ratio is one of the highest among our approved names. Sun Trust's is close behind at 1.88%. There are many other factors that support our approved bank's creditworthiness, such as liquidity, capital, and leverage as well as geographic and business segment diversity, among others. However, our confidence in Fifth Third and SunTrust may be restored once we see an overall improvement in their metrics (see graphs below).

As we focus on those issuers best prepared to withstand such turbulent markets, I recommend removing Fifth Third and SunTrust. We will continue to monitor these and other domestic banks as they navigate their way through the business cycle.


Profit Margin
40
30
20
10
0
(10)
(20)
J-03
S-03
D-03
M-04
J-04
S-04
D-04
M-05
J-05
S-05
D-05
M-06
J-06
S-06
D-06
M-07
J-07
S-07
D-07
M-08
US BANCORP
WELLS FARGO & CO
KEYCORP
FIFTH THIRD BANC
SUNTRUST BANKS
BANK OF AMERICA
WACHOVIA CORP
NATL CITY CORP


Nonperforming Assets/Total Loans
2.0
1.8
1.5
1.3
1.0
0.8
0.5
0.3
0.0
J-03
S-03
D-03
M-04
J-04
S-04
D-04
M-05
J-05
S-05
D-05
M-06
J-06
S-06
D-06
M-07
J-07
S-07
D-07
M-08
NATL CITY CORP
FIFTH THIRD BANC
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WELLS FARGO & CO
BANK OF AMERICA
US BANCORP