



Week of August 31, 2009

Synthetic Fixed Rates

Issuer pays fixed rate and receives floating rate

Avg Life	MMD "AAA"	Issuer Receives SIFMA		Issuer Receives 67% 1M LIBOR	
		Pays Fixed Swap Rate	Savings/(Loss) Compared to	Pays Fixed Swap Rate	Savings/(Loss) Compared to
1	0.40%	0.73%	(0.33)	0.52%	(0.12)
3	1.13%	1.82%	(0.69)	1.50%	(0.37)
5	1.81%	2.41%	(0.60)	2.04%	(0.23)
7	2.31%	2.80%	(0.49)	2.36%	(0.05)
10	2.95%	3.13%	(0.18)	2.61%	0.34
15	3.53%	3.38%	0.15	2.80%	0.73
20	3.95%	3.49%	0.46	2.87%	1.08
30	4.42%	3.63%	0.79	2.91%	1.51

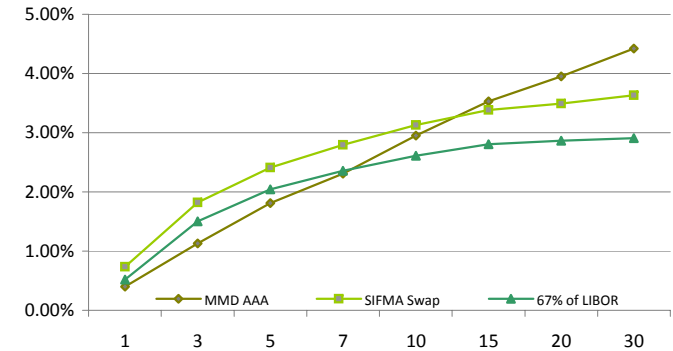
Swap Forward Premiums

SIFMA & 67% of LIBOR Swap Forward Premiums

Forward-Starting SIFMA Swap Forward Premiums				
Avg Life	3 mo	6 mo	12 mo	
10 years	9 bps	18 bps	37 bps	
20 years	6 bps	12 bps	23 bps	
30 years	5 bps	9 bps	18 bps	

Forward-Starting 67% of LIBOR Swap Forward Premiums				
Avg Life	3 mo	6 mo	12 mo	
10 years	8 bps	17 bps	33 bps	
20 years	5 bps	13 bps	22 bps	
30 years	4 bps	7 bps	14 bps	

Synthetic Fixed vs. Insured Municipals



Leading Indices

Term	SIFMA	1M LIBOR	3M LIBOR	10-yr UST	30-yr UST
Spot	0.39%	0.26%	0.35%	3.43%	4.21%
Last Week	0.42%	0.26%	0.39%	3.57%	4.37%
1-yr Avg	1.17%	1.05%	1.55%	3.23%	3.91%
5-yr Avg	2.51%	3.45%	3.64%	4.17%	4.56%
10-yr Avg	2.37%	3.33%	3.45%	4.53%	4.99%

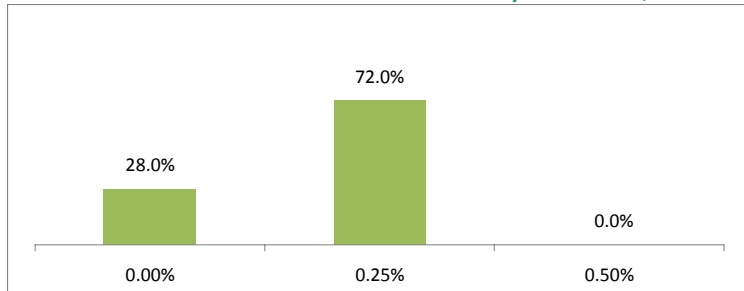
SIFMA / LIBOR

Term	SIFMA / LIBOR	
	1M LIBOR	3M LIBOR
Spot	150.7%	112.2%
Last Week	158.9%	108.6%
1-yr Avg	121.6%	66.1%
5-yr Avg	81.6%	68.4%
10-yr Avg	78.4%	71.1%

Investment Agreements

Avg Life	Debt Service Reserve Fund		Project Fund		Single Family Housing		
	GIC	Repo	Avg Life	GIC	Repo	Avg Life	GIC
5 years	2.60%	1.60%	6 mo	0.36%	0.25%	3 mo	0.21%
10 years	3.40%	2.40%	9 mo	0.58%	0.35%	6 mo	0.36%
15 years	3.70%	2.70%	12 mo	0.66%	0.40%	9 mo	0.58%
20 years	3.80%	2.80%	18 mo	1.29%	0.55%	12 mo	0.64%
30 years	3.83%	2.83%	24 mo	1.67%	0.75%	Float Fund	2.75%

Current Probabilities for FOMC Date September 23, 2009*



* Based on Fed Funds futures contracts as of August 31, 2009

Market Commentary

- The US housing market received more encouraging data last week with new home sales growing at a faster pace than expected; as a result, the stock market reach its highest levels since November 2008. In addition to the positive news in housing, GDP contracted at a lower rate than anticipated, increasing the market's optimism.
- The Treasury market saw a modest rally last week as the 10 year Treasury finished the week down 12 basis points in yield at 3.45%.
- The SIFMA Index was down 3 basis points last week to .39%, and 3M LIBOR continued to fall resetting at .37% on Wednesday while 1M LIBOR held steady at .26%.

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