



Week of July 26, 2010

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	0.27%	0.56%	(0.29)	0.45%	(0.18)
3	0.64%	1.11%	(0.47)	0.97%	(0.33)
5	1.30%	1.74%	(0.44)	1.47%	(0.17)
7	1.97%	2.29%	(0.32)	1.86%	0.11
10	2.57%	2.70%	(0.13)	2.19%	0.38
15	3.21%	3.17%	0.04	2.50%	0.71
20	3.67%	3.36%	0.31	2.62%	1.05
30	3.97%	3.57%	0.40	2.72%	1.25

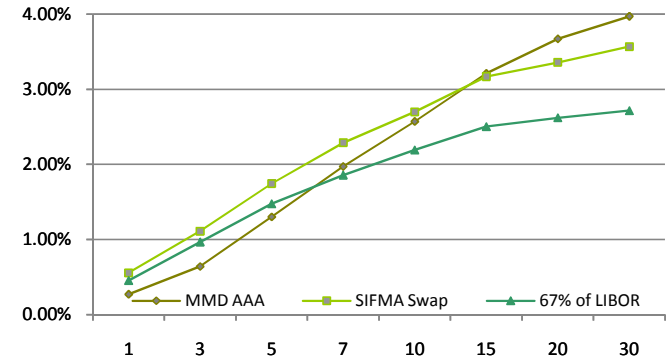
Swap Forward Premiums

SIFMA & 67% of LIBOR Swap Forward Premiums

Forward-Starting Avg Life	SIFMA Swap Forward Premiums			
	3 mo	6 mo	12 mo	
10 years	10 bps	19 bps	38 bps	
20 years	6 bps	12 bps	24 bps	
30 years	5 bps	9 bps	18 bps	

Forward-Starting Avg Life	67% of LIBOR Swap Forward Premiums			
	3 mo	6 mo	12 mo	
10 years	7 bps	15 bps	29 bps	
20 years	4 bps	8 bps	17 bps	
30 years	3 bps	6 bps	13 bps	

Synthetic Fixed vs. High Grade Municipals



Leading Indices

Term	SIFMA	1M LIBOR	3M LIBOR	10-yr UST	30-yr UST
Spot	0.29%	0.33%	0.49%	2.99%	4.02%
Last Week	0.26%	0.34%	0.52%	2.94%	3.96%
1-yr Avg	0.28%	0.27%	0.35%	3.49%	4.38%
5-yr Avg	2.21%	3.04%	3.22%	4.04%	4.51%
10-yr Avg	2.05%	2.82%	2.92%	4.30%	4.84%

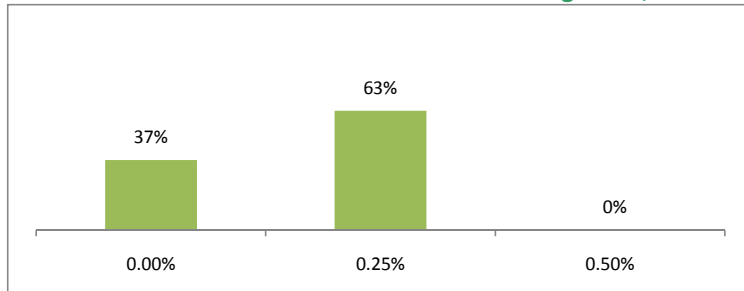
SIFMA / LIBOR

Term	SIFMA / LIBOR	
	1M LIBOR	3M LIBOR
Spot	89.2%	59.5%
Last Week	77.2%	50.2%
1-yr Avg	104.5%	83.8%
5-yr Avg	85.5%	70.2%
10-yr Avg	81.6%	73.0%

Investment Agreements

Avg Life	Debt Service Reserve Fund			Project Fund			Single Family Housing	
	GIC	Repo		Avg Life	GIC	Repo	Avg Life	GIC
5 years	1.76%	1.46%		6 mo	0.31%	0.15%	3 mo	0.27%
10 years	2.76%	2.51%		9 mo	0.38%	0.25%	6 mo	0.31%
15 years	3.21%	2.71%		12 mo	0.42%	0.30%	9 mo	0.38%
20 years	3.40%	2.90%		18 mo	0.74%	0.40%	12 mo	0.40%
30 years	3.48%	3.03%		24 mo	0.98%	0.60%	Float Fund	2.00%

Current Probabilities for FOMC Date August 10, 2010*



Market Commentary

- Results from stress tests on European banks revealed that only 7 out of 91 banks had insufficient capital under the extreme scenarios tested. The positive results led stocks higher, as the DJIA gained 327 points for the week.
- Treasuries struggled from the middle of the curve out as global concerns lessened. The 10 and 30 YR Treasury each rose 7 basis points in yield. Munis outperformed Treasuries throughout the curve as demand is outweighing the high-grade supply.
- While LIBOR swap rates followed Treasuries, SIFMA swap rates outperformed both – by 3.5 basis points at 5 years and 8 basis points at 30 years. 1M and 3M LIBOR are starting to edge down as credit fears subside and expectations for rate hikes wane.

* Based on Fed Funds futures contracts as of July 26, 2010

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