

THE STATE OF NEW HAMPSHIRE

MERRIMACK, SS.

SUPERIOR COURT

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)	
IN THE MATTER OF THE WINDING DOWN OF:)	
)	No. 217-2015-CV-00347
THE NEW HAMPSHIRE MEDICAL MALPRACTICE)	
JOINT UNDERWRITING ASSOCIATION)	
)	
)	

RECEIVER’S MONTHLY STATUS REPORT FOR FEBRUARY 2016

Roger A. Sevigny, Insurance Commissioner of the State of New Hampshire (“Commissioner”), as Receiver (“Receiver”) of the New Hampshire Medical Malpractice Joint Underwriting Association (“NHMMJUA”), submits this monthly report as of February 25, 2016 in accordance with paragraph 11 of the Order of Rehabilitation for the NHMMJUA (“Rehabilitation Order”).

1. Following the Rehabilitation Order dated July 22, 2015 issued on July 24, 2015, the Receiver engaged Peter A. Bengelsdorf as Special Deputy Commissioner and took control of the NHMMJUA and its assets. The Receiver continues to work with the vendors that worked with the NHMMJUA, including The Hays Group, Inc. (“Hays”), the company that administers the NHMMJUA business; Bank of America, the bank that holds the NHMMJUA’s accounts and investment portfolio; Deutsche Investment Management Americas Inc. (“Deutsche”), the NHMMJUA’s investment advisors; Leone, McDonnell & Roberts (“Leone”), the NHMMJUA’s accountants and auditors, and Towers Watson, Inc., the NHMMJUA’s actuaries.

2. RSA 404-C:16 directs the Receiver to wind down the business of the NHMMJUA seeking to facilitate the payment of all policyholder coverage obligations in full and in the

normal course of business. The Receiver is continuing the operations of the NHMMJUA, subject to the provisions of 2015 Laws 263, with Hays continuing to administer the NHMMJUA's business, and Deutsche continuing to invest the NHMMJUA's assets. Both are operating subject to letters of delegation that set certain limitations on their authority.

3. Policyholder claims are being handled and addressed in the normal course of business by Hays subject to oversight by the Special Deputy Commissioner. As of January 31, 2016, the NHMMJUA had 284 policies in force.

4. Deutsche is investing the NHMMJUA's assets in accordance with the revised investment guidelines approved October 1, 2015. The Receiver reviews the NHMMJUA's investments with Deutsche on an ongoing basis, including consideration of shortening the duration of the portfolio. The Receiver is presently investing maturities and excess cash in short term investments.

5. RSA 404-C:15, II(c) bars the Receiver from issuing policies with an effective date after December 31, 2015, and RSA 404-C:15, II(d) requires the Receiver to issue notices of nonrenewal in compliance with RSA 417-C to policyholders with renewal dates on or after January 1, 2016. The Receiver, through Hays, is accordingly issuing notices of nonrenewal of NHMMJUA policies to policyholders with renewal dates on or after January 1, 2016. Notices of nonrenewal are accompanied by the summary of the hardship grant application process and the hardship grant application form approved October 8, 2015. To date, the Receiver has received two applications for hardship grants. The Receiver is reviewing those applications and expects to make recommendations regarding those applications and any others received in March.

6. On November 25, 2015, the Receiver received the Court's order approving the proposed offering process to seek competitive bids to have all of the coverage-related obligations

under policies issued by the NHMMJUA assumed by an insurer or insurers in accordance with RSA 404-C:16, II. The Receiver accordingly executed the retention agreement with Milliman, Inc., on November 30, 2015. Milliman provided the Receiver's Request For Proposals ("RFP") to over 20 potential bidders on December 4, 2015.

7. The Receiver received a number of expressions of interest on or before December 22, 2015. The potential bidders subsequently executed the confidentiality and third party release agreement and the Towers Watson release letters in accordance with the RFP. Various information was made available to the potential bidders starting on January 5, 2016. A number of potential bidders asked questions on a weekly basis during January and early February, and the Receiver responded on a weekly basis through February 12, 2016.

8. The deadline for submission of proposals was February 19, 2016. The Receiver received a number of proposals by the deadline. The Receiver is presently evaluating and comparing the proposals and will report to the Court when the evaluation is complete.

9. The Receiver has worked with Hays to prepare monthly financial statements for reporting to the Court on a modified cash basis. The January 31, 2016 financial statements are attached as Exhibit A. These statements reflect \$107,680,955 of liquid assets (cash and bonds at cost) under the Receiver's control as of January 31, 2016. They also reflect net investment income and other receipts totaling \$293,927 and operating disbursements (including loss payments) totaling \$1,380,176 during the month of January. The legal and audit fees paid in January include \$17,840 for the Receiver's counsel Rackemann, Sawyer & Brewster P.C.

10. A summary of the NHMMJUA's holdings in bonds and short-term investments as of January 31, 2016 is attached as Exhibit B, and a report listing the individual holdings of the NHMMJUA as of that date is attached as Exhibit C. The NHMMJUA historically had

segmented its portfolio into two segments, one related to exposures for the period 1975-85 referred to as “Stabilization Reserve Fund” or “SRFT” and the main portfolio for the period 1986 to present denominated “Fixed” or “JUA”. These exhibits include both segments. Exhibit C also includes cash in money market accounts. The book (tax cost) value of the NHMMJUA’s bonds and short-term investments managed by Deutsche at January 31, 2016 was approximately \$105.3 million compared to their market value of approximately \$108.1 million. This represents an unrealized gain (market value above book value) of approximately \$2.8 million. Short-term holdings in the Deutsche-managed portfolio as of January 31, 2016 were \$22.1 million at market value. The current portfolio is generating income that annualized would be approximately \$2.9 million of net investment income. Continuing reductions in yields on reinvested assets are expected to have an impact on future investment income.

11. The average credit rating for the Deutsche-managed portfolio holdings is Aa3 by Moody’s. As of February 25, 2016, the Receiver and Deutsche believe that all securities in the portfolio will pay full amounts of principal in spite of fluctuating market values.

12. Market values of the portfolio can fluctuate widely as credit spreads change and as continuing sluggish economic growth coincides with the inflationary effects of large new issuances of government debt. Additional pressures on market values may result from uncertainties about the continuation and magnitude of low interest rate policies by the U.S. Federal Reserve as well as the other central banks around the world. Market value sensitivities analysis performed by Deutsche indicated that market values could potentially fluctuate \$4 million downwards if interest rates increased 100 basis points, based on the portfolio values as of January 31, 2016. Consistent with the revised investment guidelines, the Receiver and

Deutsche continue to focus on (a) preservation of capital on investments, (b) maintaining a high quality portfolio, and (c) consistent with objectives (a) and (b), maximizing current income.

Respectfully submitted,



Roger A. Sevigny, Insurance Commissioner
of the State of New Hampshire, as Receiver
of the New Hampshire Medical Malpractice
Joint Underwriting Association

March 1, 2016

Certificate of Service

I hereby certify that a copy of the foregoing Receiver's Monthly Status Report for February 2016, was sent this 1st day of March, 2016, by first class mail, postage prepaid to all persons on the attached service list.



Eric A. Smith
NH Bar ID No. 16952

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)

SERVICE LIST

W. Scott O'Connell, Esq.
Gordon J. MacDonald, Esq.
Kevin M. Fitzgerald, Esq.
Nixon Peabody LLP
900 Elm Street, 14th Floor
Manchester, NH 03101-2031

New Hampshire Medical Malpractice Joint Underwriting Association In Receivership

Statements of Net Assets
(Modified Cash Basis - Note 1)
(Unaudited)

	<u>January 31, 2016</u>	<u>December 31, 2015</u>
Assets		
Fixed-income securities, short-term investments and cash and cash equivalents, at cost:		
Fixed-income securities (Note 2 & Note 4)	\$ 105,278,067	\$ 104,977,799
Short-term investments	-	-
Cash and cash equivalents	2,402,888	3,789,406
Total fixed-income, short-term investments and cash and cash equivalents, at cost	<u>\$ 107,680,955</u>	<u>\$ 108,767,205</u>
Interest income due and accrued	687,557	627,172
Total Assets	<u>\$ 108,368,512</u>	<u>\$ 109,394,376</u>
Liabilities		
Incurred but unpaid administrative expenses and investment expenses (Note 3)	266,464	225,952
Stabilization Reserve Trust Fund for Pre 1986 Policies (Note 4)	8,152,423	8,146,724
Hardship Fund (Note 5)	2,000,000	2,000,000
Total Liabilities	<u>\$ 10,418,887</u>	<u>\$ 10,372,676</u>
Net Assets	<u>\$ 97,949,625</u>	<u>\$ 99,021,700</u>

See accompanying notes.

New Hampshire Medical Malpractice Joint Underwriting Association In Receivership

Statements of Receipts and Disbursements, and
Changes in Cash, Bonds, Short-Term Investments and Cash Equivalents
(Modified Cash Basis - Note 1)
(Unaudited)

	YTD 2016	Month of January 2016	January 1, 2015 To July 21, 2015	July 22, 2015 To December 31, 2015
Cash and marketable securities received:				
Net investment income	205,375	205,375	1,816,609	1,796,624
Premium received	77,101	77,101	1,520,771	993,735
Realized capital gains on sale of fixed-income securities (Note 1)	5,755	5,755	74,511	454,893
All other	5,696	5,696	9,051	10,323
Total cash receipts	\$ 293,927	\$ 293,927	\$ 3,420,942	\$ 3,255,574
Cash operating disbursements:				
Hays Services (Note 3)	126,000	126,000	542,500	387,500
Consultant and outside service fees	11,723	11,723	78,798	136,294
Legal and audit fees	20,862	20,862	151,445	430,890
Investment expenses	5,681	5,681	127,058	84,940
Special Deputy Services	46,034	46,034	-	47,809
Loss & ALAE Paid (Note 1)	1,097,553	1,097,553	5,970,530	1,237,585
Realized capital losses on sale of fixed-income securities (Note 1)	203	203	41,983	31,253
Commission Expenses (Note 3)	30,080	30,080	60,174	35,295
SB170 Transfer to State Loan Repayment Program	-	-	1,600,000	-
2015 Estimated Federal & State Tax Payments	-	-	920,000	460,000
All other	42,040	42,040	191,751	121,156
Total cash operating disbursements	\$ 1,380,176	\$ 1,380,176	\$ 9,684,239	\$ 2,972,722
(Deficiency)/Excess of receipts over operating disbursements	\$ (1,086,250)	\$ (1,086,250)	\$ (6,263,296)	# \$ 282,852
Adjustment for addition of SRF checking account	\$ -	\$ -		\$ 4,966
Adjust out receivable included in SRF 12/31/14 (non-cash adjustment)	\$ -	\$ -		\$ 12,250
Difference Cost vs Amortized Cost	\$ -	\$ -		\$ 416,605
Cash receipts in excess of disbursements	\$ (1,086,250)	\$ (1,086,250)	# \$ (6,263,296)	# \$ 282,852
Beginning fixed-income securities, short-term investments, and cash and cash equivalents, at cost	108,767,205	108,767,205	114,313,828	108,050,532
Ending fixed-income securities, short-term investments, and cash and cash equivalents, at cost	\$ 107,680,955	\$ 107,680,954	# \$ 108,050,532	\$ 108,767,205

See accompanying notes.

New Hampshire Medical Malpractice Joint Underwriting Association In Receivership

Statement of Changes in Net Assets
(Modified Cash Basis - Note 1)
(Unaudited)

	YTD 2016	Month of January 2016	January 1, 2015 To July 21, 2015	July 22, 2015 To December 31, 2015
Net assets, beginning of period	99,021,700	99,021,700	106,878,761	99,641,717
Cash receipts less disbursements	(1,086,250)	(1,086,250)	(6,263,296)	282,852
Estimated difference Cost vs Amortized Cost	-	-	-	416,605
Other changes in net assets:				
Interest income due and accrued	60,385	60,385	(47,890)	(42,060)
Incurred but unpaid administrative and investment expenses (Note 3)	(40,512)	(40,512)	(925,858)	798,150
Stabilization Reserve Trust Fund	(5,698)	-	-	(75,565)
Hardship Fund	-	-	-	(2,000,000)
Other	-	-	-	-
Net Assets, end of period	<u>97,949,625</u>	<u>97,955,323</u>	<u>\$ 99,641,717</u>	<u>\$ 99,021,700</u>

See accompanying notes.

- * 12/31/14 bonds are included in this statement at amortized cost and will not change for the remainder of 2015. All subsequent monthly financials starting with the 08/31/15 statement will be presented using cost.

New Hampshire Medical Malpractice Joint Underwriting Association In Receivership
(Modified Cash Basis)
(Unaudited)

Notes to Financial Statements (continued)

1) Basis of Accounting

These financial statements are prepared using the modified cash basis of accounting which differs from accounting principles generally accepted in the United States. Only those assets that are within the possession of the Receiver and other known amounts of which ultimate realization is expected to occur, primarily investments and cash, and certain receivables, are recorded. Only incurred but unpaid administrative and investment expenses are recorded as liabilities in these financial statements.

These Financial statements do not record the amounts of certain assets such as outstanding receivables, subrogation recoveries and claims against others, and certain liabilities, including insurance claims, as such amounts have not been settled and agreed to with third parties.

The amount shown for loss & ALAE expenses paid primarily represents (1) Loss, (2) allocated loss adjustment expenses, and (3) expenses relating to obtaining subrogation claim recoveries.

Assets allocated for the Hardship Fund pursuant to RSA 404-C:16, III are included within fixed income securities and are shown separately within Liabilities. The Stabilization Reserve Trust Fund for Pre 1986 policies is combined with all fixed income securities but is shown separately within liabilities.

Realized capital gains and losses on sale of bonds are calculated based on original cost of the bonds. Proceeds received above or below cost on maturity of bonds are included as part of net investment income.

Proceeds received above or below original cost are treated as a gain or loss upon disposition of common stock.

New Hampshire Medical Malpractice Joint Underwriting Association In Receivership
(Modified Cash Basis)
(Unaudited)

Notes to Financial Statements (continued)

2) Investments

01/31/2016 and 12/31/2015 bonds are included at cost.

	January 31, 2016			Fair Value
	Cost	Gross Unrealized Gains	Gross Unrealized Losses	
Fixed-income securities:				
U.S. Treasury notes & Government agencies	-	-	-	-
Corporate	2,115,142	27,202	-	2,142,344
Mortgage-backed	69,042,482	1,812,408	193,848	70,661,043
Asset-backed & Other	25,440,355	1,216,588	41,860	26,615,083
	8,680,088	20,354	43,426	8,657,015
Total	105,278,067	3,076,552	279,134	108,075,485

The tax cost of fixed-income securities is \$105,278,067 at January 31, 2016. Based on such tax cost, gross unrealized gains are \$3,076,552 and gross unrealized losses are \$279,134.

	December 31, 2015			Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
Fixed-income securities				
U.S. Treasury notes & Government agencies	\$ -	\$ -	\$ -	\$ -
Corporate	2,115,142	14,189	13,986	2,115,345
Mortgage-backed	69,910,982	1,619,843	241,082	71,289,742
Asset-backed & Other	25,851,742	1,086,370	78,491	26,859,621
	7,099,933	2,097	50,159	7,051,872
Total	\$ 104,977,799	\$ 2,722,499	\$ 383,718	\$ 107,316,580

The tax cost of fixed-income securities is \$104,977,799 at December 31, 2015. Based on such tax cost, gross unrealized gains are \$2,722,499 and gross unrealized losses are \$383,718.

New Hampshire Medical Malpractice Joint Underwriting Association In Receivership
(Modified Cash Basis)
(Unaudited)

Notes to Financial Statements (continued)

2) Investments (continued)

The cost and fair values of fixed-income securities by contractual maturity are as follows:

	Fixed-income securities	
	Cost	Fair Value
January 31, 2016		
One year or less	22,007,410	22,094,919
Over one year through five years	43,625,908	44,828,136
Over five years through twenty years	6,446,580	6,728,972
Twenty years and over	777,726	850,527
Mortgage-backed	25,440,355	26,615,083
Asset-backed	6,980,088	6,957,848
Total	105,278,067	108,075,485

	Fixed-income securities	
	Amortized Cost	Fair Value
December 31, 2015		
One year or less	18,482,190	18,560,754
Over one year through five years	46,055,375	47,054,459
Over five years through twenty years	6,710,833	6,957,333
Twenty years and over	777,726	832,541
Mortgage-backed	25,851,742	26,859,621
Asset-backed	7,099,933	7,051,872
Grand Total	\$ 104,977,799	\$ 107,316,580

New Hampshire Medical Malpractice Joint Underwriting Association In Receivership
(Modified Cash Basis)
(Unaudited)

Notes to Financial Statements (continued)

3) Incurred But Unpaid Administrative Expenses and Investment Expenses

Accrued administrative expenses incurred in the normal course of NHMMJUA's business and now receivership, but unpaid as of January 31, 2016, are as follows:

Hays Services	\$ -
Consultant and outside service fees	102,145
Legal and auditing fees	97,948
Special Deputy Services	16,575
Taxes	-
Other administration costs	<u>2,098</u>
 Total accrued expenses	 <u>\$ 218,766</u>
 Deutsche accrued investment expenses	 <u>47,699</u>
Total accrued expenses	<u><u>\$ 266,464</u></u>

The amount of accrued expenses at December 31, 2015 was \$225,952 and net assets for 2016 decreased by \$40,512 due to the increase in accruals.

4) Stabilization Reserve Fund Trust for Pre 1986 Policies

The Trust was funded by a surcharge on the annual gross premiums charged for primary medical malpractice liability coverage written in the State of New Hampshire from January 1, 1986 to December 31, 1994. For the purpose of this presentation the remaining balances are shown as a liability.

5) The Hardship Fund

The Hardship Fund was established pursuant to RSA 404-C:16, III and for purposes of this presentation the remaining balances are shown as a liability.

NHMMJUA 01/31/2016

Note 2

Exhibit B

Investments / Combined JUA & SRFT by Category & Maturity

Fed. Tax Cost (Cost)	
US Treasury Notes	-
Government agencies	2,115,141.96
Corporate	69,042,482.32
Mortgage-backed	25,440,354.66
Asset-backed	8,680,088.00
	<u>105,278,066.94</u>

Gross Unrealized Gains	
US Treasury Notes	-
Government agencies	27,202.04
Corporate	1,812,408.33
Mortgage-backed	1,216,587.84
Asset-backed	20,353.64
	<u>3,076,551.85</u>

Gross Unrealized Losses	
US Treasury Notes	-
Government agencies	-
Corporate	193,848.00
Mortgage-backed	41,859.81
Asset-backed	43,426.00
	<u>279,133.81</u>

TOTAL GAIN/LOSS **2,797,418.04**

Market Value (Fair Value)	
US Treasury Notes	-
Government agencies	2,142,344.00
Corporate	70,661,042.65
Mortgage-backed	26,615,082.69
Asset-backed	8,657,015.00
	<u>108,075,484.34</u>

By Maturity

Fed. Tax Cost (Cost)	
One year or less	22,007,409.89
Over one year through five years	43,625,908.24
Over five years through twenty years	6,446,580.38
Twenty years and over	777,725.77
Mortgage-backed	25,440,354.66
Asset-backed	6,980,088.12
	<u>105,278,067.06</u>

Market Value (Fair Value)	
One year or less	22,094,918.67
Over one year through five years	44,828,135.58
Over five years through twenty years	6,728,972.40
Twenty years and over	850,527.00
Mortgage-backed	26,615,082.69
Asset-backed	6,957,848.33
	<u>108,075,484.67</u>

Cash **2,185,414.28**

Custom Portfolio Holdings Detail Report
As of: January, 2016

1/31/2016

Exhibit C

Asset Description 2	Cusip	Units	Market Value	Fed Tax Cost	Unrealized Gain/Loss	Fed Tax Cost	Asset Minor Description	Maturity Date
SMALL BUSINESS ADMIN GTD PARTN	831641EC5	4953	5,047.55	4,953.00	94.55	ASSET BACKED OBLIGATIONS	8/1/2016	
HONDA AUTO RECEIVABLES 2013-3	43812KAC9	53629.08	53,608.70	53,620.37	(11.67)	ASSET BACKED OBLIGATIONS	5/15/2017	
HONDA AUTO RECEIVABLES 2015-3	43814MAB8	1000000	1,000,170.00	999,987.80	182.20	ASSET BACKED OBLIGATIONS	11/20/2017	
ALLY AUTO RECEIVABLES TRUST	020D6MAC5	195597.58	195,502.61	195,584.88	(82.27)	ASSET BACKED OBLIGATIONS	1/15/2018	
TOYOTA AUTO RECEIVABLES 2015-C	89231TAB6	500000	499,895.00	499,959.80	(64.80)	ASSET BACKED OBLIGATIONS	2/15/2018	
HONDA AUTO RECEIVABLES 2014-2	43814GAC4	281319.3	280,956.40	281,285.48	(329.08)	ASSET BACKED OBLIGATIONS	3/19/2018	
FORD CREDIT AUTO OWNER TR	3453QMAC4	241480.16	241,265.24	241,444.23	(178.99)	ASSET BACKED OBLIGATIONS	5/15/2018	
NISSAN AUTO RECEIVABLES 2913-C	65477MAC2	416923.6	416,256.52	416,837.26	(580.74)	ASSET BACKED OBLIGATIONS	8/15/2018	
SANTANDER DRIVE AUTO RECEIVABLES	80284MAB6	339125.7	339,139.27	339,319.62	(19.65)	ASSET BACKED OBLIGATIONS	12/17/2018	
CHASE ISSUANCE TR	161571G17	1000000	1,001,910.00	999,819.10	2,090.90	ASSET BACKED OBLIGATIONS	1/15/2019	
BA CR CARD TR	05522RAS7	500000	519,840.00	537,714.85	(37,874.85)	ASSET BACKED OBLIGATIONS	6/15/2019	
FORD CR AUTO OWNER TR 2015-A	3453QOAO2	120000	120,225.60	119,990.49	235.15	ASSET BACKED OBLIGATIONS	9/15/2019	
TOYOTA AUTO RECEIVABLES 2014-B	89231RAD6	250000	250,205.00	250,273.44	(68.44)	ASSET BACKED OBLIGATIONS	9/15/2019	
AMERICREDIT AUTO RECVBLS TR 2015	0306SAD1	170000	169,029.30	169,965.18	(935.88)	ASSET BACKED OBLIGATIONS	1/8/2020	
WORLD OMNI AUTO RECEIVABLES TR	98160QAO4	160000	159,822.40	159,976.02	(153.62)	ASSET BACKED OBLIGATIONS	1/15/2020	
AMERICAN EXPRESS CR ACCOUNT	02562HGW4	210000	211,373.40	209,983.33	1,390.07	ASSET BACKED OBLIGATIONS	6/15/2020	
HONDA AUTO RECEIVABLES OWNER TR	43814HAD0	250000	250,390.00	249,892.38	497.62	ASSET BACKED OBLIGATIONS	10/15/2020	
CONSUMERS 2014 SECURITIZATION	210717AA2	222634.93	220,519.39	222,630.48	(2,111.09)	ASSET BACKED OBLIGATIONS	11/2/2020	
SYNCHRONY CR CAMD MASTER HT TR	07165LAK7	180000	180,189.00	179,966.00	223.00	ASSET BACKED OBLIGATIONS	4/15/2021	
AEP TEX CENT TRANSITION FOG IN	00104JAB4	577000	587,587.95	576,998.10	10,589.85	ASSET BACKED OBLIGATIONS	6/1/2021	
CTBANK CR CARD ISSUANCE TR	17302EFS9	250000	254,915.00	249,884.15	5,030.85	ASSET BACKED OBLIGATIONS	7/15/2021	
GOLDMAN SACHS GROUP INC	38143JSC6	200000	200,058.00	199,610.00	448.00	CORPORATE BONDS	2/7/2016	
UNILEVER CAP CORP	904764AL1	185000	185,075.85	184,811.30	264.55	CORPORATE BONDS	2/10/2016	
STATE STR CORP	857477AH6	100000	100,223.00	99,585.00	638.00	CORPORATE BONDS	3/7/2016	
GLAXOSMITHKLINE CAP INC	377372AG2	250000	250,027.50	249,675.00	352.50	CORPORATE BONDS	3/18/2016	
GLAXOSMITHKLINE CAP INC	377372AG2	650000	650,071.50	648,155.00	1,916.50	CORPORATE BONDS	3/18/2016	
WAL-MART STORES INC	931142DD0	250000	250,052.50	249,822.50	230.00	CORPORATE BONDS	4/1/2016	
BB&T CORP	05511FAP0	500000	501,885.00	499,390.00	4,495.00	CORPORATE BONDS	4/2/2016	
MORGAN STANLEY	61747YD04	380000	382,682.80	379,623.80	3,059.00	CORPORATE BONDS	4/2/2016	
PEPSICO INC	713448BT4	1300000	1,306,773.00	1,318,382.00	(11,609.00)	CORPORATE BONDS	5/10/2016	
PEPSICO INC	713448BT4	200000	201,042.00	202,828.00	(1,786.00)	CORPORATE BONDS	5/10/2016	
TOYOTA MTR CR CORP	89231ETAL9	225000	225,015.75	225,454.50	(438.75)	CORPORATE BONDS	5/17/2016	
GOOGLE INC	38259PAC6	235000	236,142.10	236,024.40	117.70	CORPORATE BONDS	5/19/2016	
GOOGLE INC	38259PAC6	1650000	1,658,019.00	1,671,450.00	(13,431.00)	CORPORATE BONDS	5/19/2016	
ST PAUL TRAVELERS COS INC	79286OAJ7	300000	306,432.00	313,359.00	(6,927.00)	CORPORATE BONDS	6/20/2016	
ST PAUL TRAVELERS COS INC	79286OAJ7	200000	204,288.00	208,906.00	(4,618.00)	CORPORATE BONDS	6/20/2016	
CHEVRON CORP NEW	16676AAC4	110000	110,060.50	110,000.00	60.50	CORPORATE BONDS	6/24/2016	
INTERNATIONAL BUSINESS MACHS	45920OGK3	2000000	2,011,380.00	2,014,855.18	(3,475.18)	CORPORATE BONDS	7/2/2016	
ITIGROUP INC	172967GW5	380000	380,870.20	379,821.40	1,048.80	CORPORATE BONDS	7/2/2016	
BERKSHIRE HATHAWAY FIN CORP	084664BK8	1750000	1,750,892.50	1,752,968.45	(2,075.95)	CORPORATE BONDS	8/15/2016	
CDCA CDLA CO	191216AU4	1750000	1,760,570.00	1,761,952.50	(1,382.50)	CORPORATE BONDS	9/1/2016	
LOWES COS INC	548661CK1	500000	515,845.00	498,240.00	17,605.00	CORPORATE BONDS	10/15/2016	
PECO ENERGY CO	69330AAQ0	500000	500,665.00	499,280.00	1,385.00	CORPORATE BONDS	10/15/2016	
DEERE JOHN CAP CORP	244212ESH3	55000	55,084.70	54,890.00	194.70	CORPORATE BONDS	12/15/2016	
DU PONT E I DE NEMOURS & CO	263534BQ1	50000	51,820.50	49,827.00	1,993.50	CORPORATE BONDS	12/15/2016	
MORGAN STANLEY	617446C23	1500000	1,555,605.00	1,540,200.00	15,405.00	CORPORATE BONDS	1/9/2017	
BERKSHIRE HATHAWAY INC DEL	084670BD9	180000	181,762.20	179,991.00	1,771.20	CORPORATE BONDS	1/15/2017	
DISNEY WALT CO NEW	25468PCS3	250000	250,672.50	247,600.00	3,072.50	CORPORATE BONDS	2/15/2017	
WYETH	983024AM2	1000000	1,050,830.00	997,930.00	52,900.00	CORPORATE BONDS	4/1/2017	
WAL-MART STORES INC	931142DN0	250000	250,717.50	249,962.50	755.00	CORPORATE BONDS	4/21/2017	
WAL-MART STORES INC	931142DN0	250000	250,717.50	249,962.50	755.00	CORPORATE BONDS	4/21/2017	
WELLS FARGO & CO	949748FD7	250000	252,402.50	249,800.00	2,602.50	CORPORATE BONDS	5/8/2017	
APPLE INC	037833B85	170000	170,137.70	169,862.70	275.00	CORPORATE BONDS	5/12/2017	
WELLS FARGO & CO NEW	949748FW5	500000	499,315.00	499,370.00	(55.00)	CORPORATE BONDS	6/2/2017	
DEERE JOHN CAP CORP	244212ESNO	250000	249,952.50	249,882.50	70.00	CORPORATE BONDS	6/12/2017	
JPMORGAN CHASE & CO	46629HG4	1000000	1,059,140.00	1,000,000.00	59,140.00	CORPORATE BONDS	6/27/2017	
BRISTOL MYERS SQUIBB CO	110122AS7	880000	878,548.00	872,000.80	6,547.20	CORPORATE BONDS	8/1/2017	

U S BK NATL ASSN CINCINNATI OHIO	90331HMH3	250000	250,435.00	249,860.00	575.00	CORPORATE BONDS	9/11/2017
DEERE JOHN CAP CORP	24422ESR1	250000	250,590.00	249,940.00	650.00	CORPORATE BONDS	12/15/2017
METLIFE INC	59156R8K3	100000	100,426.00	100,105.30	120.70	CORPORATE BONDS	12/15/2017
CHEVRON CORP NEW	166764AV2	250000	248,102.50	250,000.00	(1,897.50)	CORPORATE BONDS	3/2/2018
EXXON MOBIL CORP	30231GAL6	250000	249,665.00	250,000.00	(335.00)	CORPORATE BONDS	3/8/2018
CDCA COLA CO	191216AY6	1000000	1,012,430.00	997,670.00	14,760.00	CORPORATE BONDS	3/14/2018
GOLDMAN SACHS GROUP INC	38141GFM1	810000	877,367.70	808,509.60	68,858.10	CORPORATE BONDS	4/1/2018
WAL-MART STORES INC	931142DF7	250000	250,490.00	249,770.00	720.00	CORPORATE BONDS	4/1/2018
MERRILL LYNCH & CO INC	59018YNE4	575000	630,953.25	574,505.50	56,447.75	CORPORATE BONDS	4/2/2018
COLGATE-PALMOLIVE CO	19416QZB2	125000	124,498.75	124,403.75	95.00	CORPORATE BONDS	5/1/2018
APPLE INC	037831A19	1580000	1,572,131.60	1,574,169.80	(2,038.20)	CORPORATE BONDS	5/3/2018
BERKSHIRE HATHAWAY FIN CORP	084664BWO	85000	85,190.40	84,950.70	239.70	CORPORATE BONDS	5/3/2018
PFIZER INC	717081DQ5	250000	251,487.50	249,855.00	1,632.50	CORPORATE BONDS	6/15/2018
AMERICAN EXPRESS CR CORP	02584QDQ5	360000	363,790.80	359,625.00	4,165.20	CORPORATE BONDS	7/27/2018
HALLIBURTON CO	4062168C4	1000000	995,100.00	999,290.00	(4,190.00)	CORPORATE BONDS	8/1/2018
PACCAR FINL CORP	69371RM60	540000	541,641.60	539,589.80	2,052.00	CORPORATE BONDS	8/14/2018
BERKSHIRE HATHAWAY FIN CORP	084664BY6	330000	336,969.60	329,406.00	7,563.60	CORPORATE BONDS	8/15/2018
UNION BK N A SAN FRANCISCO CALIF	90521APJ1	250000	253,757.50	249,942.50	3,815.00	CORPORATE BONDS	9/2/2018
AMERICAN HONDA FIN CORP	02665WACS	210000	212,904.30	209,189.40	3,714.90	CORPORATE BONDS	10/10/2018
COLGATE-PALMOLIVE CO	19416QZD8	403000	406,792.23	400,590.06	6,202.17	CORPORATE BONDS	11/1/2018
MONSANTO CO NEW	81166WAM3	150000	150,526.50	149,791.50	735.00	CORPORATE BONDS	11/15/2018
PROCTER & GAMBLE CO	74271BEE5	395000	399,811.10	394,332.45	5,478.65	CORPORATE BONDS	11/15/2018
JOHNSON & JOHNSON	478160BG8	780000	791,021.40	778,284.00	12,737.40	CORPORATE BONDS	12/3/2018
MICROSOFT CORP	59491BAV6	300000	304,083.00	298,269.00	5,814.00	CORPORATE BONDS	12/6/2018
PHILIP MORRIS INTL INC	718172BF5	485000	488,656.90	481,221.85	7,435.05	CORPORATE BONDS	1/3/2019
PNC BK N A PITTSBURGH PA	69353RCH9	590000	594,271.60	588,831.80	5,439.80	CORPORATE BONDS	1/28/2019
MFRS & TRADERS TR CO SR UNSECD	55279HA60	500000	503,955.00	499,155.00	4,800.00	CORPORATE BONDS	1/30/2019
NATIONAL RURAL UTILS COOP FIN	637432M40	370000	374,739.70	369,840.90	4,898.80	CORPORATE BONDS	2/1/2019
ONE GAS INC UNSECD SR GBL NT	68235PAD0	500000	502,910.00	500,000.00	2,910.00	CORPORATE BONDS	2/1/2019
LILLY ELI & CO	532457BF4	650000	660,244.00	648,875.50	11,368.50	CORPORATE BONDS	3/15/2019
MIDAMERICAN ENERGY CO 1ST MTG	59562QAU4	250000	254,977.50	249,860.00	5,117.50	CORPORATE BONDS	3/15/2019
AMERICAN EXPRESS CR CORP	02584QDX2	865000	867,793.95	863,365.15	4,428.80	CORPORATE BONDS	3/18/2019
MASTERCARD INC	57636QAA2	1630000	1,650,049.00	1,623,757.10	26,291.90	CORPORATE BONDS	4/1/2019
BANK NEW YORK INC MELLON UNSECD	06406HCU1	235000	236,807.15	234,544.10	2,263.05	CORPORATE BONDS	5/15/2019
PFIZER INC	717081DL4	500000	510,010.00	499,055.00	10,955.00	CORPORATE BONDS	5/15/2019
VOLKSWAGEN GROUP AMER FIN LLC	928668AB8	1500000	1,436,445.00	1,499,295.00	(62,850.00)	CORPORATE BONDS	5/23/2019
DISNEY WALT CO NEW	25468PDA1	350000	354,819.50	349,650.00	5,169.50	CORPORATE BONDS	5/30/2019
3M CO	88579YAG6	450000	454,581.00	447,453.00	7,128.00	CORPORATE BONDS	6/15/2019
BERKSHIRE HATHAWAY INC DEL	084670BL1	340000	347,418.80	339,969.40	7,449.40	CORPORATE BONDS	8/14/2019
SOUTHERN CO UNSECD SR NT	842587CL9	110000	109,509.20	109,744.80	(235.60)	CORPORATE BONDS	9/1/2019
AMAZON COM INC	023135AL0	500000	510,280.00	499,000.00	11,280.00	CORPORATE BONDS	12/5/2019
NEW YORK LIFE GLOBAL FDG	64952WBY8	400000	397,952.00	399,974.00	(1,972.00)	CORPORATE BONDS	2/11/2020
HARLEY DAVIDSON FINL SVCS INC	41283LAF2	310000	307,234.80	309,283.90	(2,049.10)	CORPORATE BONDS	2/16/2020
GOLDMAN SACHS GROUP INC	38141EAS8	1000000	1,096,490.00	975,790.00	120,700.00	CORPORATE BONDS	3/15/2020
LOWES COS INC	548641CG8	365000	398,547.15	364,315.70	34,231.45	CORPORATE BONDS	4/15/2020
TEXAS INSTRS INC	88250AZ27	315000	313,645.50	313,894.15	(248.65)	CORPORATE BONDS	5/1/2020
FRANKLIN RES INC	354613AG6	500000	548,910.00	499,445.00	49,465.00	CORPORATE BONDS	5/20/2020
EDG RES INC	26875PAE1	1250000	1,311,325.00	1,246,675.00	64,650.00	CORPORATE BONDS	6/1/2020
DUKE ENERGY CAROLINAS LLC	26442CAJ3	930000	1,019,149.80	927,814.50	91,335.30	CORPORATE BONDS	6/15/2020
DUKE ENERGY IND INC	26390IAC4	460000	492,581.80	459,576.80	33,005.00	CORPORATE BONDS	7/15/2020
JPMORGAN CHASE & CO	466254HS2	335000	358,617.50	338,658.20	19,959.30	CORPORATE BONDS	7/22/2020
PNC FDG CORP	693476BL6	560000	609,134.40	556,953.00	52,180.80	CORPORATE BONDS	8/11/2020
JPMORGAN CHASE & CO	466254HU7	1000000	1,065,460.00	995,100.00	70,360.00	CORPORATE BONDS	10/15/2020
NORTHERN TR CORP	66585BAL3	110000	116,578.00	109,871.30	6,706.70	CORPORATE BONDS	11/4/2020
METLIFE INC	59156RAA6	475000	524,466.50	474,881.25	49,585.25	CORPORATE BONDS	1/8/2021
SIMON PPTY GROUP L P	828807CF2	1010000	1,106,788.30	1,006,010.50	100,777.80	CORPORATE BONDS	3/1/2021
CISCO SYS INC	17275RAP7	130000	135,763.60	129,763.40	5,999.20	CORPORATE BONDS	3/1/2021
BANK AMER CORP	06051GEH8	850000	931,158.00	846,302.50	84,855.50	CORPORATE BONDS	5/13/2021
AT&T INC	00206RBD3	170000	167,536.70	169,665.10	(2,128.40)	CORPORATE BONDS	2/15/2022
PRAXAIR INC	74005PBN3	330000	323,347.20	328,736.10	(5,388.90)	CORPORATE BONDS	2/9/2025
MERCK & CO INC NEW	58933YAR6	500000	494,960.00	499,175.00	(4,215.00)	CORPORATE BONDS	2/10/2025

ALABAMA PWR CO	010392FD5	500000	585,225.00	4%	215.00	89,010.00	CORPORATE BONDS		3/15/2041
CATERPILLAR INC	149123CB5	100000	265,302.00		281,510.77	(16,208.77)	CORPORATE BONDS		8/15/2042
ROYAL BK CDA GLOBAL MEDIUM	780085D86	200000	200,060.00		200,162.00		CORPORATE BONDS	FOREIGN CORPORATE BONDS	3/8/2016
ROYAL BK CDA GLOBAL MEDIUM	780085D86	1100000	1,300,390.00		1,302,351.00	(1,961.00)	CORPORATE BONDS	FOREIGN CORPORATE BONDS	3/8/2016
HBOS TREAS SVCS PLC COVERED BD	40411EA84	1820000	1,895,803.00		1,818,726.00	77,077.00	CORPORATE BONDS	FOREIGN CORPORATE BONDS	2/21/2017
VOLKSWAGEN INTL FIN N V	928670AK4	540000	518,396.20		536,517.00	1,879.20	CORPORATE BONDS	FOREIGN CORPORATE BONDS	3/22/2017
GLAXOSMITHKLINE CAP PLC	377373AC3	900000	905,661.00		896,769.00	8,892.00	CORPORATE BONDS	FOREIGN CORPORATE BONDS	5/8/2017
SANOFI S A	801060A80	385000	385,385.00		383,309.85	2,075.15	CORPORATE BONDS	FOREIGN CORPORATE BONDS	4/10/2018
KREDITANSTALT FUR WIEDERAUFBAU	500769GA6	650000	661,466.00		647,815.50	13,650.50	CORPORATE BONDS	FOREIGN CORPORATE BONDS	4/1/2019
TORONTO DOMINION BK UNSECD	89114QAV0	650000	655,453.50		648,836.50	6,617.00	CORPORATE BONDS	FOREIGN CORPORATE BONDS	11/5/2019
ALIBABA GROUP HLDG LTD	01609WAC6	200000	197,630.00		199,236.00	(1,606.00)	CORPORATE BONDS	FOREIGN CORPORATE BONDS	11/28/2019
SHELL INTL FIN B V	822582BG6	160000	156,683.20		159,560.80	(2,977.60)	CORPORATE BONDS	FOREIGN CORPORATE BONDS	5/11/2020
CREDIT SUISSE AG SR	22546QAF4	2000000	2,168,820.00		1,997,440.00	171,380.00	CORPORATE BONDS	FOREIGN CORPORATE BONDS	8/3/2020
H8BC HLDGS PLC	404280AK5	605000	673,256.10		603,687.15	69,568.95	CORPORATE BONDS	FOREIGN CORPORATE BONDS	4/3/2021
BP CAP MKTS PLC	05565Q8Z0	2000000	1,963,440.00		2,000,000.00	(36,560.00)	CORPORATE BONDS	FOREIGN CORPORATE BONDS	5/6/2022
CANADA GOVT	135087C77	470000	476,194.60		469,257.40	6,937.20	CORPORATE BONDS	FOREIGN GOVERNMENT BONDS	2/21/2019
GE CAP INTL FOG CO	36164NF00	2952000	2,953,357.92		2,870,303.61	83,054.31	CORPORATE BONDS	FOREIGN PRIVATE PLACEMENTS	4/15/2016
BANK MONTREAL QUE	063879Z74	305000	307,632.15		304,466.25	3,165.90	CORPORATE BONDS	FOREIGN PRIVATE PLACEMENTS	1/30/2017
ANZ NEW ZEALAND INTL LTD	00182EAS8	530000	529,236.80		529,920.50	(683.70)	CORPORATE BONDS	FOREIGN PRIVATE PLACEMENTS	4/21/2017
NORDIC INVY BK	65562QAS4	1155000	1,157,795.10		1,151,858.40	5,936.70	CORPORATE BONDS	QUASI-GOVERNMENT	3/7/2017
FEDERAL HOME LN BK3	3133834R9	100000	99,968.00		99,823.00	145.00	Government Agency	FEDERAL AGENCY	6/24/2016
FEDERAL HOME LN MTG CORP	3137EAD73	55000	55,088.00		54,911.45	176.55	Government Agency	FEDERAL AGENCY	2/22/2017
FEDERAL HOME LN MTG CORP	3137EAD73	250000	251,530.00		248,532.50	2,997.50	Government Agency	FEDERAL AGENCY	5/12/2017
UNITED STATES TREAS BD	912810EG9	1000000	1,327,500.00		1,323,515.63	3,984.37	Government Agency	U S GOVERNMENT BONDS	8/15/2020
UNITED STATES TREAS BD	912810EL8	300000	408,258.00		388,359.38	19,898.62	Government Agency	U S GOVERNMENT BONDS	11/15/2021
MASTR ADJ RATE MTGS TR	576433NP7	342594.02	338,763.82		322,039.37	16,725.45	Mortgage-backed	CMO/CMBS	6/25/2032
MASTR ASSET SECURITIZATION TR	55256KT41	110827.84	110,479.84		107,970.54	2,509.30	Mortgage-backed	CMO/CMBS	11/25/2033
CHL MTG PASS-THROUGH TR 2007-3	12543RAR0	59939.283	54,688.00		59,975.40	(5,287.40)	Mortgage-backed	CMO/CMBS	4/23/2037
CREDIT SUISSE COML MTG TR	22546NAB0	61307.94	61,684.37		61,325.55	359.02	Mortgage-backed	CMO/CMBS	2/15/2041
BEAR STEARNS COML MTG SECS TR	073945AE7	487983.29	510,176.77		509,351.62	825.15	Mortgage-backed	CMO/CMBS	9/11/2042
GS MTG SECS TR 2012-GC6	36392BA5	290568.76	291,931.53		294,915.38	(2,983.85)	Mortgage-backed	CMO/CMBS	1/10/2045
GS MTG SECS TR 2007-GG10	36246LAE1	840362.85	906,852.97		873,717.87	33,135.10	Mortgage-backed	CMO/CMBS	8/10/2045
CTGROUP COML MTG TR 2014-GC19	17322AA88	220000	225,123.80		226,596.13	(1,472.33)	Mortgage-backed	CMO/CMBS	3/10/2047
JPMBB COML MTG SECS TR 2014-C24	46643GAB6	300000	309,675.00		308,999.50	675.50	Mortgage-backed	CMO/CMBS	11/15/2047
JPMBB COML MTG SECS TR 2014-C25	46643PBD1	500000	511,465.00		504,996.50	6,468.50	Mortgage-backed	CMO/CMBS	11/15/2047
MORGAN STANLEY BAML TR	61764RBD9	280000	284,645.20		288,394.62	(3,749.42)	Mortgage-backed	CMO/CMBS	2/13/2048
JPMBB COML MTG SECS TR 2015-C31	46644YAS9	467924.47	466,848.24		467,974.02	(1,075.78)	Mortgage-backed	CMO/CMBS	8/13/2048
COMMERCIAL MTG TR 2007-GG11	20173VAE0	799771.99	832,962.53		738,258.28	94,704.25	Mortgage-backed	CMO/CMBS	12/10/2049
J P MORGAN CHASE COML MTG SECS	466300AD4	942041.37	986,863.70		888,720.34	98,143.36	Mortgage-backed	CMO/CMBS	2/15/2051
FHLMC GOLD #E00987 DTD 6/1/2001	31294KCY9	204.81	205.86		206.73	(0.87)	MORTGAGE BACKED SECURITIES FHLMC		6/1/2016
FHLMC GOLD #E08364 DTD 3/1/2002	3128GRJH3	1116.09	1,130.83		1,165.80	(34.97)	MORTGAGE BACKED SECURITIES FHLMC		3/1/2017
FEDERAL HOME LN MTG CORP	3128HAE88	8475.67	8,768.33		8,458.46	309.87	MORTGAGE BACKED SECURITIES FHLMC		5/1/2018
FEDERAL HOME LN MTG CORP	3128HAE88	423.81	438.44		422.95	15.49	MORTGAGE BACKED SECURITIES FHLMC		5/1/2018
FHLMC GOLD #B10597 DTD 11/1/2003	312962UW1	18524.6	19,246.87		19,227.96	18.91	MORTGAGE BACKED SECURITIES FHLMC		11/1/2018
FHLMC GOLD #B11532 DTD 12/1/2003	312963VZ1	85277.58	89,846.75		87,589.41	2,257.34	MORTGAGE BACKED SECURITIES FHLMC		12/1/2018
FHLMC GOLD #B11695 DTD 1/1/2004	312963C3	367698	375,751.50		366,154.99	9,596.51	MORTGAGE BACKED SECURITIES FHLMC		1/1/2019
FEDERAL HOME LN MTG CORP	312967KA9	56373.69	58,580.72		56,206.35	2,374.37	MORTGAGE BACKED SECURITIES FHLMC		5/1/2019
FHLMC GOLD POOL #G00321 DTD	31283GLA3	896.75	896.90		938.37	(41.47)	MORTGAGE BACKED SECURITIES FHLMC		4/1/2025
FHLMC GOLD #C01023 DTD 7/1/2000	31292HD43	2823.49	3,175.96		2,904.66	271.30	MORTGAGE BACKED SECURITIES FHLMC		7/1/2030
FHLMC GOLD #C01160 DTD 4/1/2001	31292HD07	993.79	1,178.90		993.00	185.90	MORTGAGE BACKED SECURITIES FHLMC		4/1/2031
FHLMC GOLD #C49951 DTD 4/1/2001	31298BU4	4221.14	4,808.51		4,217.88	590.63	MORTGAGE BACKED SECURITIES FHLMC		4/1/2031
FHLMC GOLD #C01197 DTD 7/1/2001	31292HKJ2	5153.83	6,134.81		5,113.57	1,021.24	MORTGAGE BACKED SECURITIES FHLMC		7/1/2031
FHLMC GOLD #C54388 DTD 7/1/2001	31298QZV9	12339.39	13,780.67		12,377.97	1,401.70	MORTGAGE BACKED SECURITIES FHLMC		7/1/2031
FHLMC GOLD #C01220 DTD 9/1/2001	31297HK94	5109.18	6,027.61		5,131.52	896.09	MORTGAGE BACKED SECURITIES FHLMC		9/1/2031
FHLMC GOLD #C01271 DTD 12/1/2001	31297HJY3	10121.26	11,583.07		10,034.29	1,548.78	MORTGAGE BACKED SECURITIES FHLMC		12/1/2031
FEDERAL HOME LN MTG CORP	31297HUP7	31007.2	34,642.79		31,472.31	3,170.48	MORTGAGE BACKED SECURITIES FHLMC		2/1/2033
FEDERAL HOME LN MTG CORP	31297HUQ5	3635.02	4,172.75		3,719.37	453.38	MORTGAGE BACKED SECURITIES FHLMC		2/1/2033
FEDERAL HOME LN MTG CORP	31297HUP7	1823.97	2,037.83		1,851.35	186.48	MORTGAGE BACKED SECURITIES FHLMC		2/1/2033
FEDERAL HOME LN MTG CORP	31297HUQ5	30218.14	34,688.31		30,919.28	3,769.03	MORTGAGE BACKED SECURITIES FHLMC		2/1/2033
FHLMC GOLD #A12381 DTD 8/1/2003	31296LUE9	22860.77	25,193.56		22,179.22	3,014.34	MORTGAGE BACKED SECURITIES FHLMC		8/1/2033
FHLMC GOLD #A12381 DTD 8/1/2003	31296LUE9	1,399.59	1,392.15		1,282.15	167.44	MORTGAGE BACKED SECURITIES FHLMC		8/1/2033

FHLMC GOLD #001623 DTD 9/1/2003	31292HJH2	1397.73	1,561.64	1,386.57	175.07	MORTGAGE BACKED SECURITIES FHLMC	9/1/2003
FHLMC GOLD #001623 DTD 9/1/2003	31292HJH2	47519.73	53,092.37	47,141.04	5,951.33	MORTGAGE BACKED SECURITIES FHLMC	9/1/2003
FHLMC GOLD #A14305 DTD 10/1/2003	31296NYA9	381788.5	426,033.97	389,126.01	36,907.96	MORTGAGE BACKED SECURITIES FHLMC	10/1/2003
FHLMC GOLD #A15796 DTD 11/1/2003	31296QNM8	29343.6	33,048.23	30,315.62	2,732.61	MORTGAGE BACKED SECURITIES FHLMC	11/1/2003
FHLMC GOLD #A16894 DTD 12/1/2003	31296RUT3	353612.92	404,961.05	366,873.41	38,087.64	MORTGAGE BACKED SECURITIES FHLMC	12/1/2003
FHLMC GOLD #001725 DTD 12/1/2003	31292H4A0	110039.78	122,844.01	111,191.76	11,652.25	MORTGAGE BACKED SECURITIES FHLMC	12/1/2003
FEDERAL HOME LN MTG CORP	31292H5N0	382040.65	424,015.46	382,219.72	41,795.74	MORTGAGE BACKED SECURITIES FHLMC	1/1/2004
FEDERAL HOME LN MTG CORP	31296VFT3	59130.45	65,622.97	58,594.59	7,028.38	MORTGAGE BACKED SECURITIES FHLMC	5/1/2004
FHLMC GOLD #A21209 DTD 4/1/04	31296XKW4	94603.74	105,513.44	91,484.75	14,028.69	MORTGAGE BACKED SECURITIES FHLMC	5/1/2004
FHLMC GOLD #A21794 DTD 5/1/2004	31296X7F6	274676	249,338.68	214,530.47	34,808.21	MORTGAGE BACKED SECURITIES FHLMC	5/1/2004
FEDERAL HOME LN 4TG CORP	311217H73	1541851.36	1,619,575.98	1,549,199.15	70,376.83	MORTGAGE BACKED SECURITIES FHLMC	3/1/2004
FEDERAL HOME LN 4TG CORP	3128M9M61	395041.96	418,054.24	388,992.87	27,061.37	MORTGAGE BACKED SECURITIES FHLMC	7/1/2004
FEDERAL HOME LN 4TG CORP	3128M9M94	774724.58	847,843.09	827,260.58	70,582.51	MORTGAGE BACKED SECURITIES FHLMC	11/1/2004
FEDERAL HOME LN 4TG CORP	3128M9JY6	778589.58	814,537.06	796,472.82	18,064.24	MORTGAGE BACKED SECURITIES FHLMC	7/1/2004
FNMA POOL #548109 DTD 4/1/2001	31385PAJ3	136.66	137.08	140.82	(3.54)	MORTGAGE BACKED SECURITIES GNMA/FNMA	4/1/2006
FNMA POOL #548209 DTD 4/1/2001	31385PAJ3	23.05	23.09	23.68	(0.59)	MORTGAGE BACKED SECURITIES GNMA/FNMA	4/1/2006
FNMA POOL #598423 DTD 1/1/2002	31387YVU1	482.77	489.37	487.79	1.58	MORTGAGE BACKED SECURITIES GNMA/FNMA	1/1/2007
FNMA POOL #639056 DTD 5/1/2002	31389K5K0	691.61	696.44	702.08	(5.64)	MORTGAGE BACKED SECURITIES GNMA/FNMA	5/1/2007
FEDERAL NATL MTG ASSN	31400FPB7	6328.59	6,556.29	6,522.38	33.91	MORTGAGE BACKED SECURITIES GNMA/FNMA	3/1/2008
FEDERAL NATL MTG ASSN	31400FPB7	372.28	385.67	383.68	1.99	MORTGAGE BACKED SECURITIES GNMA/FNMA	3/1/2008
FNMA POOL #255066 DTD 12/1/2003	31371JK6	30914.96	32,310.46	32,214.33	96.13	MORTGAGE BACKED SECURITIES GNMA/FNMA	1/1/2009
FNMA POOL #785674 DTD 7/1/04	31405CF75	52418.8	54,889.30	52,570.32	2,318.98	MORTGAGE BACKED SECURITIES GNMA/FNMA	7/1/2009
FNMA POOL #787886 DTD 7/1/04	31405F778	43178.03	45,036.41	44,220.36	816.05	MORTGAGE BACKED SECURITIES GNMA/FNMA	7/1/2009
FNMA POOL #275628 DTD 8/01/89	36220E9F9	2546.67	2,559.07	2,635.39	(76.32)	MORTGAGE BACKED SECURITIES GNMA/FNMA	8/15/2019
FNMA POOL #284679 DTD 4/1/90	36220CFJ9	6882.07	6,915.93	7,121.84	(205.91)	MORTGAGE BACKED SECURITIES GNMA/FNMA	4/15/2020
FNMA POOL #299189 DTD 2/1/91	362207KA9	1461.56	1,510.73	1,512.47	(1.74)	MORTGAGE BACKED SECURITIES GNMA/FNMA	2/15/2021
GOVERNMENT NATL MTG ASSN	36225AT26	26481.01	30,112.62	28,384.33	1,728.29	MORTGAGE BACKED SECURITIES GNMA/FNMA	12/15/2022
GOVERNMENT NATL MTG ASSN	36225AT26	4002.99	4,572.43	4,309.98	262.45	MORTGAGE BACKED SECURITIES GNMA/FNMA	12/15/2022
FNMA POOL #354827 DTD 5/1/94	36203PD83	2020.05	2,244.60	2,035.55	209.05	MORTGAGE BACKED SECURITIES GNMA/FNMA	5/15/2024
FED NATL MTG ASSN POOL #426840	31379RE46	1167.47	1,180.08	1,276.79	(96.71)	MORTGAGE BACKED SECURITIES GNMA/FNMA	1/1/2025
FNMA POOL #425910 DTD 2/1/96	36207ADP4	12624.04	13,299.80	13,052.07	247.73	MORTGAGE BACKED SECURITIES GNMA/FNMA	2/1/2026
FEDERAL NATL MTG ASSN	3138E0SF7	1207597.52	1,261,613.36	1,245,108.50	16,504.86	MORTGAGE BACKED SECURITIES GNMA/FNMA	12/1/2026
FNMA POOL #502145 DTD 3/1/99	36210T2I8	644.65	648.17	649.97	(1.80)	MORTGAGE BACKED SECURITIES GNMA/FNMA	3/15/2029
FNMA POOL #582546 DTD 5/1/2001	31387FET7	8628.76	9,867.44	8,716.44	1,151.00	MORTGAGE BACKED SECURITIES GNMA/FNMA	5/1/2031
FNMA POOL #563321 DTD 8/1/2001	36213Y5Y8	4908.27	5,529.95	5,041.70	488.25	MORTGAGE BACKED SECURITIES GNMA/FNMA	8/15/2031
FNMA POOL #364859 DTD 9/1/2001	36213UQL7	3907.5	4,396.17	4,030.85	365.32	MORTGAGE BACKED SECURITIES GNMA/FNMA	9/15/2031
FNMA POOL #579287 DTD 2/1/2002	36201CRG1	7273.25	8,213.54	7,206.22	1,007.32	MORTGAGE BACKED SECURITIES GNMA/FNMA	2/15/2032
GOVERNMENT NATL MTG ASSN	3620188Q8	2722.14	3,118.65	2,747.27	371.38	MORTGAGE BACKED SECURITIES GNMA/FNMA	2/15/2032
FNMA POOL #627262 DTD 3/1/2002	31389J231	6411.54	7,331.92	6,492.67	839.25	MORTGAGE BACKED SECURITIES GNMA/FNMA	3/1/2032
FNMA POOL #587025 DTD 4/1/2002	36201MD66	6248.33	7,433.51	6,346.46	1,087.05	MORTGAGE BACKED SECURITIES GNMA/FNMA	4/15/2032
FNMA POOL #254946 DTD 5/1/2002	31371KP70	11859.56	13,562.00	12,424.74	1,137.26	MORTGAGE BACKED SECURITIES GNMA/FNMA	6/1/2032
FEDERAL NATL MTG ASSN	31385JUF6	40495.06	47,454.57	42,462.88	4,993.69	MORTGAGE BACKED SECURITIES GNMA/FNMA	7/1/2032
FNMA POOL #254405 DTD 7/1/2002	31371KR29	6207.49	7,103.29	6,229.80	873.49	MORTGAGE BACKED SECURITIES GNMA/FNMA	8/1/2032
FNMA POOL #592593 DTD 4/1/2003	36201KE66	779.3	884.61	814.54	70.07	MORTGAGE BACKED SECURITIES GNMA/FNMA	2/15/2033
FNMA POOL #591919 DTD 3/1/2003	36201SG65	10908.74	12,382.95	11,402.18	980.77	MORTGAGE BACKED SECURITIES GNMA/FNMA	2/15/2033
FNMA POOL #603681 DTD 5/1/2003	36200KJ65	3946.05	4,403.52	3,913.99	489.53	MORTGAGE BACKED SECURITIES GNMA/FNMA	3/15/2033
FNMA POOL #603681 DTD 5/1/2003	36200KJ65	5758.83	6,482.43	5,975.23	507.20	MORTGAGE BACKED SECURITIES GNMA/FNMA	5/15/2033
FEDERAL NATL MTG ASSN	36200KJ65	822.69	926.06	853.62	72.44	MORTGAGE BACKED SECURITIES GNMA/FNMA	5/15/2033
FNMA POOL #621377 DTD 11/1/2003	31385XYT3	40439.74	45,620.48	40,806.22	4,814.26	MORTGAGE BACKED SECURITIES GNMA/FNMA	11/1/2033
FNMA POOL #255033 DTD 11/1/2003	36291AA42	40502.32	46,401.66	42,887.93	3,513.73	MORTGAGE BACKED SECURITIES GNMA/FNMA	11/15/2033
FNMA POOL #753863 DTD 11/1/2003	31371JH12	139437.87	159,454.18	146,823.73	12,630.45	MORTGAGE BACKED SECURITIES GNMA/FNMA	12/1/2033
FNMA II #003488 DTD 12/1/2003	31403NQ03	27367.75	30,923.69	27,609.22	3,314.47	MORTGAGE BACKED SECURITIES GNMA/FNMA	12/1/2033
FNMA II #003489 DTD 12/1/2003	36201D2V2	125417.48	140,419.83	128,623.98	11,797.85	MORTGAGE BACKED SECURITIES GNMA/FNMA	12/20/2033
FNMA POOL #763768 DTD 1/1/2004	36201D2V0	78208.99	90,085.03	81,881.76	8,203.27	MORTGAGE BACKED SECURITIES GNMA/FNMA	12/20/2033
FEDERAL NATL MTG ASSN	31404BQV7	39390.22	44,356.93	40,202.64	4,154.29	MORTGAGE BACKED SECURITIES GNMA/FNMA	1/1/2034
FNMA POOL #755600	31404BQX3	158714.62	179,170.11	156,750.43	22,419.68	MORTGAGE BACKED SECURITIES GNMA/FNMA	4/1/2034
FNMA POOL #807276 DTD 11/1/04	31403NHR5	85892.95	95,287.92	84,671.66	10,616.26	MORTGAGE BACKED SECURITIES GNMA/FNMA	4/1/2034
FNMA POOL #783811	31406D7H8	64705.36	73,931.05	66,848.70	7,082.35	MORTGAGE BACKED SECURITIES GNMA/FNMA	10/1/2034
FNMA POOL #805213 DTD 12/1/04	36243KAL2	538214.159	602,051.74	596,072.17	5,979.57	MORTGAGE BACKED SECURITIES GNMA/FNMA	10/15/2034
FEDERAL NATL MTG ASSN	31406BSA9	429406.46	484,892.54	434,874.68	49,817.86	MORTGAGE BACKED SECURITIES GNMA/FNMA	1/1/2035
FEDERAL NATL MTG ASSN	31406GF1	38006.35	42,386.20	38,374.54	4,011.66	MORTGAGE BACKED SECURITIES GNMA/FNMA	3/1/2035

FEDERAL NATL MTG ASSN	31406G5N5	87245.65	96,631.54	86,080.11	10,551.43	MORTGAGE BACKED SECURITIES GNMA/FNMA	3/1/2035
FEDERAL NATL MTG ASSN	31406YG80	37101.67	42,166.05	38,110.37	4,055.68	MORTGAGE BACKED SECURITIES GNMA/FNMA	5/1/2035
FEDERAL NATL MTG ASSN	31371MF28	104879.64	111,374.84	104,093.83	7,281.01	MORTGAGE BACKED SECURITIES GNMA/FNMA	8/1/2035
FEDERAL NATL MTG ASSN	31408AE30	109565.9	122,781.74	118,125.74	4,656.00	MORTGAGE BACKED SECURITIES GNMA/FNMA	1/1/2036
FEDERAL NATL MTG ASSN	31409BBN6	209510.04	229,361.92	199,662.41	29,699.51	MORTGAGE BACKED SECURITIES GNMA/FNMA	3/1/2036
FEDERAL NATL MTG ASSN	314010B00	155223.58	171,801.46	150,760.94	21,040.52	MORTGAGE BACKED SECURITIES GNMA/FNMA	3/1/2036
FEDERAL NATL MTG ASSN	314110QX8	138698.2	157,724.82	137,051.17	20,673.65	MORTGAGE BACKED SECURITIES GNMA/FNMA	11/1/2036
FEDERAL NATL MTG ASSN	31410RCT4	67238.12	76,869.98	67,905.24	8,964.74	MORTGAGE BACKED SECURITIES GNMA/FNMA	12/1/2036
FEDERAL NATL MTG ASSN	31410F555	131914.48	149,486.81	131,543.46	17,943.35	MORTGAGE BACKED SECURITIES GNMA/FNMA	12/1/2036
FEDERAL NATL MTG ASSN	31411UWP2	342005.99	377,407.03	358,571.92	18,835.11	MORTGAGE BACKED SECURITIES GNMA/FNMA	4/1/2037
FEDERAL NATL MTG ASSN	314145YM9	186218.28	205,493.75	183,796.02	21,697.73	MORTGAGE BACKED SECURITIES GNMA/FNMA	5/1/2038
FEDERAL NATL MTG ASSN	31410KCS9	675299.76	736,238.81	731,328.56	4,910.25	MORTGAGE BACKED SECURITIES GNMA/FNMA	1/1/2041
FEDERAL NATL MTG ASSN	3138ASKE1	481375.41	524,299.66	485,249.00	39,050.66	MORTGAGE BACKED SECURITIES GNMA/FNMA	7/1/2041
FEDERAL NATL MTG ASSN	31417GT55	786374.52	824,419.32	818,201.44	6,217.88	MORTGAGE BACKED SECURITIES GNMA/FNMA	6/1/2043
FEDERAL NATL MTG ASSN	3136A9MK1	607676.27	608,952.39	613,745.15	(4,792.76)	Mortgage-backed	REMICs - DOMESTIC 2/25/2017
FEDERAL NATL MTG ASSN	3136AC3C3	1298933.58	1,301,674.33	1,311,922.92	(10,248.59)	Mortgage-backed	REMICs - DOMESTIC 2/25/2018
WAMU MTG PASS-THROUGH CTRS	9292272C3	119223.865	119,947.55	115,200.06	4,747.49	Mortgage-backed	REMICs - DOMESTIC 1/25/2033
MASTR ASSET SECURITIZATION TR	55265KH28	341.86	341.49	330.75	10.74	Mortgage-backed	REMICs - DOMESTIC 9/25/2033
GS MTG SECS CORP	362334C25	211315.92	205,255.38	194,938.93	10,316.43	Mortgage-backed	REMICs - DOMESTIC 2/25/2036
WELLS FARGO MTG BKD SECS 2006	94984NAAD	88343.36	81,081.54	87,608.55	(6,527.01)	Mortgage-backed	REMICs - DOMESTIC 10/25/2036
FEDERAL HOME LN MTG CORP	3137ADY82	757083.27	811,684.12	801,561.97	10,122.15	Mortgage-backed	REMICs - DOMESTIC 12/15/2038
FEDERAL NATL MTG ASSN	3136ACRC7	786393.4	821,442.95	826,696.06	(5,253.11)	Mortgage-backed	REMICs - DOMESTIC 12/25/2038
FEDERAL HOME LN MTG CORP	3137ADMB8	1500000	1,656,795.00	1,582,500.00	74,295.00	Mortgage-backed	REMICs - DOMESTIC 7/15/2040
CREDIT SUISSE MTG CAP CTRS	22548BAF7	886073.06	919,309.66	826,470.81	92,838.85	Mortgage-backed	REMICs - DOMESTIC 9/15/2040
NOMURA ASSET ACCEP CORP ALTERNA	65538PAD0	435988.52	443,592.16	435,973.78	7,618.38	Mortgage-backed	REMICs - DOMESTIC 3/25/2047
DRANGE CNTY CALIF PENSION DBLI	68428LDS5	1500000	1,499,265.00	1,500,000.00	(735.00)	MUNICIPAL BONDS - TAXABLE	8/1/2016
DRANSE CNTY CALIF PENSION DBLI	68428LDS5	200000	199,902.00	200,000.00	(98.00)	MUNICIPAL BONDS - TAXABLE	8/1/2016
Total Investments		108,075,484.67	105,278,067.06	2,797,417.61			
BANK OF AMERICA TEMPORARY	992490478	198895.91	198,895.91	198,895.91	-	PROPRIETARY MONEY MKT - TAXABLE	
BANK OF AMERICA TEMPORARY	992490478	6472.85	6,472.85	6,472.85	-	PROPRIETARY MONEY MKT - TAXABLE	
CUSTODY BANK OF AMERICA	992188676	1803549.07	1,803,549.07	1,803,549.07	-	PROPRIETARY MONEY MKT - TAXABLE	
CUSTODY BANK OF AMERICA	992188676	176496.45	176,496.45	176,496.45	-	PROPRIETARY MONEY MKT - TAXABLE	
Total Cash		2,185,414.28	2,185,414.28				
Total Investments & Cash		110,260,898.95	107,463,481.34	2,797,417.61			