

MEMO

TO: Board of Directors
FROM: Finance Manager
SUBJECT: INVESTMENT REPORT PERIOD ENDING FEBRUARY 28, 2010
DATE: March 26, 2010

RECOMMENDATION:

It is recommended that the Board of Directors review and file this report.

BACKGROUND:

At the December 15, 2004 Board of Directors Meeting your Board adopted Resolution No. 17 (05-06) which established an Investment Policy for the San Lorenzo Valley Water District. The Investment Policy and California Government Code, Section 53646, states that the Board of Directors shall receive investment reports at least quarterly.

Attached are account statements for the period ending February 28, 2010 from the District's Local Agency Investment Fund (LAIF) Account (See Attachment 1) and Morgan Stanley Investment Account (See Attachment 2).

It is recommended that the Board of Directors review and file this report.



Karen Alvarez
Finance Manager

/KA
Attachment

Local Agency Investment Fund
P.O. Box 942809
Sacramento, CA 94209-0001
(916) 653-3001

www.treasurer.ca.gov/pmia-laif
March 23, 2010

PMIA Average Monthly Yields

Account Number: 90-44-001



Transactions

Tran Type Definitions

February 2010 Statement

Account Summary

Total Deposit:

0.00

Beginning Balance:

47,218.57

Total Withdrawal:

0.00

Ending Balance:

47,218.57

Bill Lockyer, State Treasurer

Inside the State Treasurer's Office

Local Agency Investment Fund (LAIF)



SAVE THE DATE - LAIF CONFERENCE OCTOBER 21-22, 2010

PMIA Performance Report

Date	Daily Yield*	Quarter to Date Yield	Average Maturity (in days)
3/3/2010	0.55	0.57	205
3/4/2010	0.55	0.57	204
3/5/2010	0.55	0.57	205
3/6/2010	0.55	0.57	205
3/7/2010	0.55	0.57	205
3/8/2010	0.55	0.57	206
3/9/2010	0.55	0.57	205
3/10/2010	0.55	0.56	206
3/11/2010	0.55	0.56	208
3/12/2010	0.54	0.56	209
3/13/2010	0.54	0.56	209
3/14/2010	0.54	0.56	209
3/15/2010	0.54	0.56	210
3/16/2010	0.54	0.56	208

*Daily yield does not reflect capital gains or losses

LAIF Performance Report

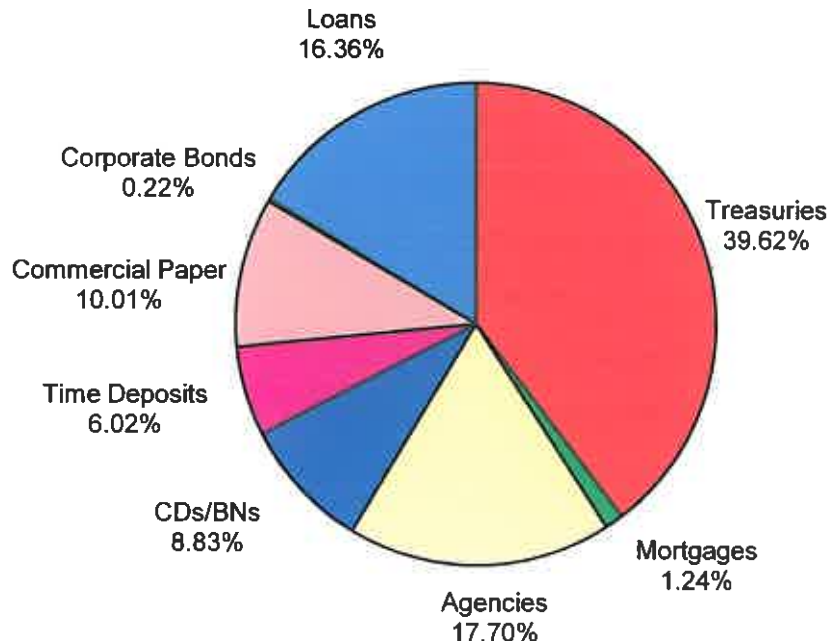
Quarter ending 12/31/2009

Apportionment Rate: 0.60%
 Earnings Ratio: .00001657120783286
 Fair Value Factor: 1.000947825
 Daily: 0.56%
 Quarter To Date: 0.61%
 Average Life: 222

PMIA Average Monthly Effective Yields

FEB 2010 0.577%
 JAN 2010 0.558%
 DEC 2009 0.569%

Pooled Money Investment Account Portfolio Composition \$68.0 Billion 02/28/10



Bill Lockyer, State Treasurer

Inside the State Treasurer's Office



Pooled Money Investment Account Summary of Investment Data

	Average Daily Portfolio	Effective Yield	Average Life (Month End in Days)
July 2009	\$56,319,757	1.035	188
July 2008	\$66,340,351	2.787	222
Change	-\$10,020,594	-1.752	-34
August 2009	\$62,966,584	0.925	203
August 2008	\$65,595,666	2.779	224
Change	-\$2,629,082	-1.854	-21
September 2009	\$61,118,055	0.750	234
September 2008	\$65,286,969	2.774	214
Change	-\$4,168,914	-2.024	+20
October 2009	\$60,918,502	0.646	253
October 2008	\$61,664,368	2.709	241
Change	-\$745,866	-2.063	+12
November 2009	\$63,645,120	0.611	222
November 2008	\$60,842,357	2.568	228
Change	\$2,802,763	-1.957	-6
December 2009	\$66,354,589	0.569	222
December 2008	\$59,947,044	2.353	223
Change	\$6,407,545	-1.784	-1
January 2010	\$65,273,287	0.558	216
January 2009	\$60,699,063	2.046	215
Change	\$4,574,224	-1.488	+1
February 2010	\$67,029,432	0.577	200
February 2009	\$59,295,343	1.869	205
Change	\$7,734,089	-1.292	-5

POOLED MONEY INVESTMENT ACCOUNT

SUMMARY OF INVESTMENT DATA A COMPARISON OF JANUARY 2010 WITH JANUARY 2009 (DOLLARS IN THOUSANDS)

	JANUARY 2010	JANUARY 2009	CHANGE
Average Daily Portfolio	\$ 65,273,287	\$ 60,699,063	\$ +4,574,224
Accrued Earnings	\$ 30,943	\$ 105,459	\$ -74,516
Effective Yield	0.558 %	2.046 %	-1.488 %
Average Life-Month End (In Days)	216	215	+1
Total Security Transactions			
Amount	\$ 20,300,018	\$ 12,918,037	\$ +7,381,981
Number	412	261	+151
Total Time Deposit Transactions			
Amount	\$ 3,990,100	\$ 6,364,200	\$ -2,374,100
Number	183	242	-59
Average Workday Investment Activity	\$ 1,278,427	\$ 964,112	\$ +314,315
Prescribed Demand Account Balances			
For Services	\$ 1,697,494	\$ 956,097	\$ +741,397
For Uncollected Funds	\$ 182,995	\$ 189,596	\$ -6,601
NOW Account Average Balance	\$ 0	\$ 0	\$ 0

**BILL LOCKYER
TREASURER
STATE OF CALIFORNIA**

**INVESTMENT DIVISION SELECTED INVESTMENT DATA
ANALYSIS OF THE POOLED MONEY INVESTMENT ACCOUNT PORTFOLIO
(000 OMITTED)**

January 31, 2010

<u>TYPE OF SECURITY</u>	<u>AMOUNT</u>	<u>PERCENT OF PORTFOLIO</u>	<u>DIFFERENCE IN PERCENT OF PORTFOLIO FROM PRIOR MONTH</u>
Government			
Bills	\$ 20,173,855	29.73	+2.67
Bonds	0	0.00	0
Notes	7,159,638	10.55	+0.18
Strips	0	0.00	0
Total Government	\$ 27,333,493	40.28	+2.85
Federal Agency Debentures	\$ 3,811,284	5.62	-0.50
Certificates of Deposit	5,475,049	8.07	-1.55
Bank Notes	0	0.00	0
Bankers' Acceptances	0	0.00	0
Repurchases	0	0.00	0
Federal Agency Discount Notes	8,312,516	12.25	-0.12
Time Deposits	4,150,300	6.11	-0.40
GNMAs	103	0.00	0
Commercial Paper	5,447,687	8.03	+0.52
FHLMC/Remics	863,063	1.27	-0.06
Corporate Bonds	188,824	0.28	0
AB 55 Loans	367,112	0.54	-0.01
GF Loans	11,615,600	17.11	-0.72
NOW Accounts	0	0.00	0
Other	300,000	0.44	-0.01
Reversed Repurchases	0	0.00	0
Total (All Types)	\$ 67,865,031	100.00	

INVESTMENT ACTIVITY

	<u>JANUARY 2010</u>		<u>DECEMBER 2009</u>	
	<u>NUMBER</u>	<u>AMOUNT</u>	<u>NUMBER</u>	<u>AMOUNT</u>
Pooled Money	412	\$ 20,300,018	474	\$ 22,944,280
Other	2	172,828	28	467,980
Time Deposits	183	3,990,100	149	3,169,600
Totals	597	\$ 24,462,946	651	\$ 26,581,860
PMIA Monthly Average Effective Yield	0.558		0.569	
Year to Date Yield Last Day of Month	0.722		0.751	

MorganStanley SmithBarney

CLIENT STATEMENT | For the Period February 1-28, 2010

#BWNJGWM

SAN LORENZO VALLEY WATER DIST
INVESTMENT BROKERAGE ACCT
ATTENTION: JAMES A MUELLER
13060 HIGHWAY 9
BOULDER CREEK CA 95006-9119

Your Branch

6004 LA MADRONA DR
SANTA CRUZ, CA 95060-1040
Telephone: 831-440-5200
Alt. Phone: 800-488-3436
Fax: 831-440-5201

Your Financial Advisor Team
BARGETTO HANSON GROUP
831-440-5200

TOTAL VALUE LAST PERIOD (as of 1/31/10)	\$9,415,678.14
NET CONTRIBUTIONS/WITHDRAWALS	—
PORTFOLIO INCOME & APPRECIATION	51,009.34
TOTAL VALUE OF YOUR ACCOUNT (as of 2/28/10)	\$9,466,687.48

Access your accounts online

www.morganstanley.com/online

Investments and services offered through Morgan Stanley Smith Barney LLC, and accounts carried by Morgan Stanley & Co. Incorporated; members SIPC.

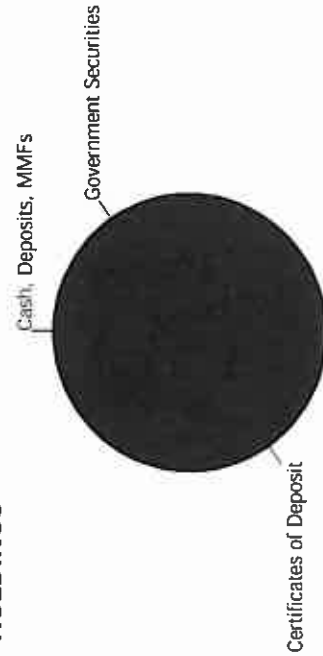
Brokerage Account
Householding Anniversary Date: 3/8/03
Investment Objectives[^]: Capital Appreciation, Income

CHANGE IN VALUE OF YOUR ACCOUNTS

	This Year (1/1/10-2/28/10)	This Period (2/1/10-2/28/10)
Total Beginning Market Value	\$9,307,308.33	\$9,415,678.14
Contributions	—	—
Withdrawals	—	—
Security Transfers	—	—
Net Contributions/Withdrawals	—	—
Portfolio Income	42,619.04	19,429.13
Net Portfolio Appreciation	116,760.11	31,580.21
Total Ending Market Value	\$9,466,687.48	\$9,466,687.48

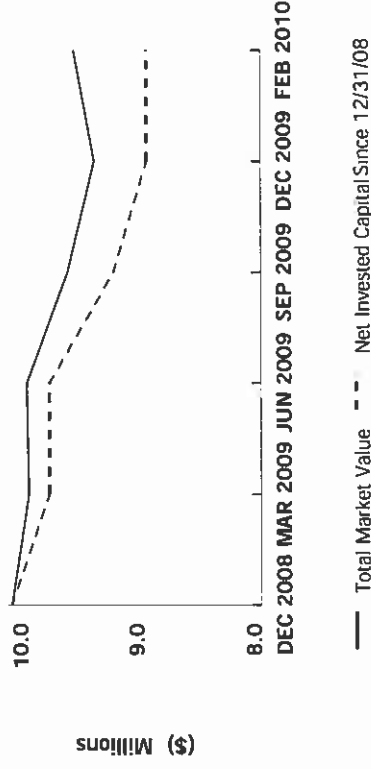
This exhibit may not include transactions for investments in Annuities or where Morgan Stanley & Co. Incorporated is not the custodian. This may affect the reported Net Invested Capital. If we are not the custodian there may also be a delay in the reporting of your Market Value. Please speak to your Financial Advisor if you have any questions. ^ See the Disclosures section of your statement for more information about investment objectives. Please review for accuracy and inform us if your investment objectives change.

ALLOCATION OF HOLDINGS



CHANGE IN VALUE OVER TIME

This graph compares the total value of your account to the net amount invested. Net investment is the total amount invested minus the total amount withdrawn.



	Market Value	Percentage %
Cash, Deposits, MMFs*	\$24,907.93	0.3
Government Securities	2,847,262.00	30.1
Certificates of Deposit	6,594,517.55	69.7
TOTAL	\$9,466,687.48	100.0%

We classify assets based on certain general characteristics such as: income generation, underlying capital structure, or exposure to certain market sectors. As many assets contain characteristics of more than one asset class, the asset classification reflected on this statement may differ from others you may receive. These classifications are not intended to serve as a suitability analysis. * Eligible for FDIC insurance; FDIC rules apply. Not SIPC-insured.

BALANCE SHEET

	Last Period (as of 1/31/10)	This Period (as of 2/28/10)
NET ASSET VALUE	\$9,415,678.14	\$9,466,687.48
ASSETS	\$9,415,678.14	\$9,466,687.48
Cash, Deposits, MMFs	10,739.69	24,907.93
Stocks	—	—
Municipal Bonds	—	—
Corporate Fixed Income	—	—
Government Securities	2,810,579.95	2,847,262.00
Certificates of Deposit	6,594,358.50	6,594,517.55
Mutual Funds	—	—
Unit Investment Trusts	—	—
Annuities & Insurance	—	—
Other	—	—

LIABILITIES (Outstanding Balance)

There are no liabilities for this account.

CASH FLOW

	This Year (1/1/10-2/28/10)	This Period (2/1/10-2/28/10)
OPENING CASH BALANCE	\$21,161.58	\$10,739.69
NET CREDITS/DEBITS	—	—
CREDITS	—	—
Electronic Transfers	—	—
Check Deposits	—	—
Other Credits	—	—
DEBITS	—	—
World Card	—	—
ATM/Cash Advances	—	—
Checks	—	—
Automated Payments	—	—
Electronic Transfers	—	—
Interest Charged	—	—
Tax Withholdings	—	—
Other Debits	—	—
NET CASH FROM INVESTMENTS	\$3,746.35	\$14,168.24
Income	42,619.04	19,429.13
Dividend Reinvestments	—	—
Purchases	(590,077.17)	(495,077.17)
Sales/Redemptions	551,204.48	489,816.28
CLOSING CASH BALANCE	\$24,907.93	\$24,907.93

INCOME SUMMARY

	This Year (1/1/10-2/28/10)	This Period (2/1/10-2/28/10)
TOTAL INCOME	\$44,678.33	\$19,429.13
INCOME	44,678.33	19,429.13
Dividends	—	—
Capital Gain Distributions	—	—
Interest	44,678.33	19,429.13
Other Income	—	—

GAIN/(LOSS) SUMMARY

	This Year (1/1/10-2/28/10)	Gain/(Loss)
NET REALIZED		\$420.80
Gain		420.80
(Loss)		—
This Period (2/1/10-2/28/10)		Gain/(Loss)
NET REALIZED		\$275.88
Gain		275.88
(Loss)		—
NET UNREALIZED (2/28/10)		\$254,114.09
Gain		266,790.16
(Loss)		(12,676.07)

Gain / loss and income information are provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting.

Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period February 1-28, 2010

The "Market Value" and "Unrealized Gain/(Loss)" figures shown are representative values as of the last business day of the period shown above which may not reflect the value that could actually be obtained in the market. See "Pricing of Securities" in the Disclosures section at the end of this statement. Estimated annual income and estimated yield for certain securities can include return of principal or capital gains which could overstate such estimates. Estimated yield and estimated annual income are estimates and the actual income or yield may be lower or higher than the estimates. Estimated yield reflects only the income generated by an investment. It does not reflect changes in its price, which may fluctuate. If you hold structured products, please refer to the Special Considerations Regarding Structured Products section of the Disclosure section.

Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting. From January through September, realized gain/loss information will be shown only for trades settling in the current month. From October through December, in order to provide information for year-end investment planning, complete year to date realized gain/loss detail will be displayed for trades settling through the last business day of the year.

CASH, DEPOSITS AND MONEY MARKET FUNDS

Description	Value	Estimated Annual Income	7-Day Current Yield %	Annual Percentage Yield %
CASH	\$1,771.17			
MORGAN STANLEY BANK N.A. #	23,136.76	46.00	—	0.200

	Percentage of Assets %	Market Value	Estimated Annual Income	Estimated Annual Income Accrued
TOTAL CASH, DEPOSITS AND MONEY MARKET FUNDS	0.3%	\$24,907.93		\$46.00
				\$0.00

* Bank deposits are at Morgan Stanley Bank, N.A. and Morgan Stanley Trust (Members FDIC), affiliates of Morgan Stanley & Co. Incorporated and Morgan Stanley Smith Barney. Cash holdings shown exclude cash holdings in custody at another firm for which you receive a separate statement.

GOVERNMENT SECURITIES FEDERAL AGENCIES

Security Description	Face Value	Orig. Total Cost	Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued	Yield %
TENN VALLEY AUTH CUSIP 88059EGQ1	250,000.000	\$222,587.88	\$227,604.73	\$91.48	\$228,705.00	\$1,100.27	—	—
<i>Zero Coupon; Matures 11/01/13; Issued 11/03/95</i>								
FED HOME LN MTG CORP MED TERM NOTE CUSIP 3128X8CJ9	800,000.000	800,010.50	800,008.71	100.20	801,616.00	1,607.29	22,800.00	2.84
<i>Coupon Rate 2.850%; Matures 01/02/14; Int. Semi-Annually Jan/Jul 02; Yield to Maturity 2.794%; Moody AAA S&P AAA; Issued 01/02/09</i>								
FED HOME LN MTG CORP MED TERM NOTE STEP - 04/29/11 04.00 CUSIP 3128X8YN6	650,000.000	650,005.25	650,005.25	100.16	651,040.00	1,034.75	13,000.00	1.99
<i>Coupon Rate 2.000%; Matures 04/29/19; Int. Semi-Annually Apr/Oct 29; Yield to Maturity 1.981%; Moody AAA S&P AAA; Issued 04/29/09</i>								

CONTINUED

**GOVERNMENT SECURITIES
FEDERAL AGENCIES (CONTINUED)**

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
FED HOME LN MTG CORP MED TERM NOTE STEP - 12/15/13 03.50	500,000.000	500,000.00 500,000.00	97.54	487,690.00	(12,310.00)	15,000.00 3,250.00	3.07
CUSIP 3133F4KY6							
<i>Coupon Rate 3.000%; Matures 12/15/19; Int. Semi-Annually Jun/Dec 15; Yield to Maturity 3.296%; First Coupon 06/15/10; Moody AAA S&P AAA; Issued 12/10/09</i>							
FED NATL MTG ASSN STEP - 01/28/12	200,000.000	200,005.25 200,005.21	100.66	201,312.00	1,306.79	4,000.00 333.33	1.98
CUSIP 3136FJ2X8							
<i>Coupon Rate 2.000%; Matures 01/28/20; Int. Semi-Annually Jan/Jul 28; Yield to Maturity 1.927%; First Coupon 07/28/10; Moody AAA S&P AAA; Issued 01/28/10</i>							
FED NATL MTG ASSN STEP - 06/10/12	100,000.000	100,005.25 100,005.05	100.09	100,094.00	88.95	4,000.00 866.66	3.99
CUSIP 3136FHZF5							
<i>Coupon Rate 4.000%; Matures 06/10/24; Int. Semi-Annually Jun/Dec 10; Yield to Maturity 3.991%; Moody AAA S&P AAA; Issued 06/10/09</i>							
FED NATL MTG ASSN STEP - 07/22/12	125,000.000	125,005.25 125,005.10	100.41	125,507.50	502.40	5,312.50 531.25	4.23
CUSIP 3136FHT54							
<i>Coupon Rate 4.250%; Matures 07/22/24; Int. Semi-Annually Jan/Jul 22; Yield to Maturity 4.212%; Moody AAA S&P AAA; Issued 07/22/09</i>							
FED NATL MTG ASSN STEP - 11/06/14	50,000.000	50,005.17 50,005.17	99.72	49,859.50	(145.67)	2,000.00 622.22	4.01
CUSIP 3136FJMJ7							
<i>Coupon Rate 4.000%; Matures 11/06/24; Int. Semi-Annually May/Nov 06; Yield to Maturity 4.025%; First Coupon 05/06/10; Moody AAA S&P AAA; Issued 11/06/09</i>							
FED NATL MTG ASSN STEP - 02/18/13	200,000.000	200,005.25 200,005.24	100.72	201,438.00	1,432.76	7,000.00 194.44	3.47
CUSIP 3136FJ2C4							
<i>Coupon Rate 3.500%; Matures 02/18/25; Int. Semi-Annually Feb/Aug 18; Yield to Maturity 3.438%; First Coupon 08/18/10; Moody AAA S&P AAA; Issued 02/18/10</i>							

TOTAL GOVERNMENT SECURITIES

	Percentage of Assets %	Orig. Total Cost Adj. Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
	30.1%	\$2,847,629.88 \$2,852,644.46	\$2,847,262.00	\$(5,382.46)	\$73,112.50 \$13,641.78	2.57%

Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period February 1-28, 2010

CERTIFICATES OF DEPOSIT

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
FIRST BUSINESS BK MADISON WIS CD CUSIP 31938QND2 <i>Coupon Rate 5.000%; Matures 05/07/10; Int. Semi-Annually May/Nov 07; Yield to Maturity .824%; Issued 05/07/07; Maturity Value = \$95,000.00</i>	95,000.000	\$95,005.25 \$95,005.25	\$100.80	\$95,762.85	\$757.60	\$4,750.00 \$1,482.73	4.96
THE COWLITZ BANK LONGVIEW WA CD CUSIP 22376BDV1 <i>Coupon Rate 4.300%; Matures 05/30/10; Int. Semi-Annually Jun/Dec 30; Yield to Maturity .703%; Issued 06/30/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	101.22	96,156.15	1,156.15	4,085.00 665.78	4.24
JP MORGAN (FORMER WAMU HENDERSON NEV) CD CUSIP 939369CW2 <i>Coupon Rate 4.400%; Matures 09/21/10; Int. Semi-Annually Mar/Sep 21; Yield to Maturity 1.718%; Issued 09/21/05; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	101.50	96,429.75	1,429.75	4,180.00 1,847.51	4.33
NEW SOUTH FEDERAL SAVINGS BANK IRONDALE ALA CD CUSIP 648807TC5 <i>Coupon Rate 0.400%; Matures 09/13/10; Int. Semi-Annually Mar/Sep 12; Yield to Maturity .646%; Issued 09/12/08; Maturity Value = \$95,000.00</i>	80,000.000	80,000.00 80,000.00	103.60	82,880.00	2,880.00	3,920.00 498.12	4.72
THE NATIONAL REPUBLIC BANK OF CHICAGO CHICAGO IL CD CUSIP 63736QFR7 <i>Coupon Rate 4.900%; Matures 01/13/11; Int. Semi-Annually Jan/Jul 13; Yield to Maturity .774%; Issued 01/13/06; Maturity Value = \$80,000.00</i>	95,000.000	95,000.00 95,000.00	101.64	96,558.95	1,558.95	2,185.00 676.02	2.26
ANCHORBANK, F.S.B. MADISON CD CUSIP 032841ZU5 <i>Coupon Rate 2.300%; Matures 05/09/11; Int. Semi-Annually May/Nov 08; Yield to Maturity .919%; Issued 05/08/09; Maturity Value = \$95,000.00</i>	95,000.000	95,005.25 95,005.25	104.82	99,581.85	4,576.60	4,750.00 1,456.49	4.76
EVERBANK JACKSONVILLE FLA CD CUSIP 29976DKB5 <i>Coupon Rate 5.000%; Matures 05/09/11; Int. Semi-Annually May/Nov 09; Yield to Maturity .941%; Issued 05/09/07; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	101.59	96,508.60	1,508.60	2,137.50 127.23	2.21
THE LEADERS BANK OAK BROOK IL CD CUSIP 52170WHET <i>Coupon Rate 2.250%; Matures 05/09/11; Interest Paid Monthly Jul 08; Yield to Maturity .914%; Issued 05/08/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	101.65	96,563.70	1,563.70	2,185.00 645.84	2.26
CITIZENS STATE BANK HUDSON CD CUSIP 17667PEM0 <i>Coupon Rate 2.300%; Matures 05/13/11; Int. Semi-Annually May/Nov 13; Yield to Maturity .927%; Issued 05/13/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	101.65	96,563.70	1,563.70	2,185.00 645.84	2.26

CONTINUED

CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
MACATAWA BANK HOLLAND MICH CD CUSIP 554220FT8 <i>Coupon Rate 4.400%; Matures 05/20/11; Interest Paid Monthly Jan 20; Yield to Maturity 9.46%; Issued 11/20/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	104.21	98,995.70	3,995.70	4,180.00 99.50	4.22
NOVA SAVINGS BANK PHILADELPHIA PA CD CUSIP 66979TAL8 <i>Coupon Rate 4.500%; Matures 06/08/11; Int. Semi-Annually Jun/Dec 08; Yield to Maturity 1.003%; Issued 06/08/05; Maturity Value = \$85,000.00</i>	85,000.000	85,000.00 85,000.00	104.43	88,765.50	3,765.50	3,825.00 861.67	4.30
FIRSIDE BANK (FORMERLY FIRESI DE THRIFT) PLEASANTON CA CD CUSIP 318233JU8 <i>Coupon Rate 5.300%; Matures 08/09/11; Int. Semi-Annually Feb/Aug 09; Yield to Maturity 1.132%; Issued 08/09/06; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	105.97	100,670.55	5,670.55	5,035.00 264.26	5.00
LASALLE BANK N.A. CHICAGO CD CUSIP 51804KST4 <i>Coupon Rate 5.150%; Matures 08/09/11; Int. Semi-Annually Feb/Aug 09; Yield to Maturity 1.131%; Issued 08/09/06; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	105.76	100,468.20	5,468.20	4,892.50 256.78	4.86
LEGENDS BANK CLARKSVILLE TENN CD CUSIP 52465JDE4 <i>Coupon Rate 4.500%; Matures 09/19/11; Interest Paid Monthly Nov 18; Yield to Maturity 1.216%; Issued 09/18/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	105.05	99,801.30	4,801.30	4,275.00 127.23	4.28
MERIDIAN BANK, NATIONAL ASSOCIATION WICKENBURG CD CUSIP 589581NX1 <i>Coupon Rate 2.650%; Matures 09/06/11; Interest Paid Monthly May 05; Yield to Maturity 1.178%; Issued 03/05/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	102.21	97,104.25	2,104.25	2,517.50 172.30	2.59
GUNNISON BANK AND TRUST COMPANY GUNNISON CD CUSIP 402843AF3 <i>Coupon Rate 5.050%; Matures 10/31/11; Int. Semi-Annually Apr/Oct 30; Yield to Maturity 1.344%; Issued 10/31/06; Maturity Value = \$85,000.00</i>	85,000.000	85,000.00 85,000.00	106.12	90,198.60	5,198.60	4,292.50 1,426.90	4.75
KEYBANK NATIONAL ASSOCIATION CLEVELAND OH CD CUSIP 49306SKJ4 <i>Coupon Rate 2.400%; Matures 11/07/11; Interest Paid Monthly Jul 06; Yield to Maturity 1.338%; Issued 05/06/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	101.77	96,681.50	1,681.50	2,280.00 149.28	2.35

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CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
BAYTREE NATIONAL BANK & TRUST COMPANY LAKE FOREST CD CUSIP 073234DF0 <i>Coupon Rate 4.500%; Matures 12/27/11; Interest Paid Monthly Aug 25; Yield to Maturity 1.472%; Issued 06/25/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	105.45	100,175.60	5,175.60	4,275.00 38.16	4.26
GREAT SOUTHERN BANK REEDS SPRING CD CUSIP 39120VQV9 <i>Coupon Rate 2.750%; Matures 01/20/12; Int. Semi-Annually May/Nov 20; Yield to Maturity 1.538%; Issued 05/20/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	102.25	97,142.25	2,142.25	2,612.50 721.68	2.68
ATLANTIC SOUTHERN BANK MACON GA CD CUSIP 048874HJ3 <i>Coupon Rate 2.600%; Matures 01/23/12; Interest Paid Monthly Jul 22; Yield to Maturity 1.540%; Issued 05/22/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	101.98	96,880.05	1,880.05	2,470.00 44.09	2.54
BMW BANK OF NORTH AMERICA SALT LAKE CITY UT CD CUSIP 05568PFX0 <i>Coupon Rate 4.000%; Matures 03/19/12; Int. Semi-Annually Mar/Sep 19; Yield to Maturity 1.679%; Issued 03/19/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	104.68	99,442.20	4,442.20	3,800.00 1,700.55	3.82
CAPITAL ONE BANK (USA) N.A. GLEN ALLEN VA CD CUSIP 14041AK73 <i>Coupon Rate 4.000%; Matures 04/02/12; Int. Semi-Annually Apr/Oct 02; Yield to Maturity 1.705%; Issued 04/02/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	104.70	99,468.80	4,468.80	3,800.00 1,555.49	3.82
NATIONAL CITY BANK CLEVELAND OH CD CUSIP 635349FEB <i>Coupon Rate 4.000%; Matures 04/02/12; Int. Semi-Annually Mar/Sep 30; Yield to Maturity 1.705%; Issued 03/31/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	104.70	99,468.80	4,468.80	3,800.00 1,585.08	3.82
FRANKLIN TEMPLETON BANK & TRUS T, FSB SALT LAKE CITY UT CD CUSIP 35472QBR7 <i>Coupon Rate 4.000%; Matures 04/18/12; Interest Paid Monthly Jun 18; Yield to Maturity 1.720%; Issued 04/18/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	104.77	99,528.65	4,528.65	3,800.00 113.08	3.81
MONROE BANK & TRUST MONROE MI CD CUSIP 610321BV2 <i>Coupon Rate 3.900%; Matures 04/11/12; Interest Paid Monthly Jun 11; Yield to Maturity 1.708%; Issued 04/11/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	104.54	99,316.80	4,316.80	3,705.00 187.45	3.73

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CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
THE BANK OF NORTHERN MICHIGAN							
PETOSKEY CD	95,000.000	95,000.00	105.21	99,952.35	4,952.35	3,990.00	3.99
<i>CUSIP 06414TJS3</i>							
<i>Coupon Rate 4.200%; Matures 05/07/12; Int. Semi-Annually May/Nov 07; Yield to Maturity 1.765%; Issued 05/07/08; Maturity Value = \$95,000.00</i>							
FRIENDSHIP ST BK IND CD	95,000.000	95,005.25				4,750.00	4.67
CUSIP 358529AJ4		95,005.25	106.96	101,612.95	6,607.70	268.55	
<i>Coupon Rate 5.000%; Matures 05/09/12; Interest Paid Monthly Jul 09; Yield to Maturity 1.756%; Issued 05/09/07; Maturity Value = \$95,000.00</i>							
BRANCH BANKING & TRUST COMPANY							
WINSTON-SALEM NC CD	95,000.000	95,000.00	105.38	100,108.15	5,108.15	4,037.50	4.03
CUSIP 105133BE1		95,000.00				1,026.10	
<i>Coupon Rate 4.250%; Matures 05/29/12; Int. Semi-Annually May/Nov 28; Yield to Maturity 1.803%; Issued 05/28/08; Maturity Value = \$95,000.00</i>							
GOLF SAVINGS BANK MOUNTLAKE							
TERRACE CD	95,000.000	95,000.00	106.96	101,612.95	6,612.95	4,750.00	4.67
CUSIP 38167PJZ7		95,000.00				268.55	
<i>Coupon Rate 5.000%; Matures 05/09/12; Interest Paid Monthly Jul 09; Yield to Maturity 1.756%; Issued 05/09/07; Maturity Value = \$95,000.00</i>							
ACACIA FEDERAL SAVINGS BANK FALLS							
CHURCH VA CD	95,000.000	95,000.00	105.24	99,974.20	4,974.20	3,990.00	3.99
CUSIP 003874RP1		95,000.00				1,146.29	
<i>Coupon Rate 4.200%; Matures 05/16/12; Int. Semi-Annually May/Nov 16; Yield to Maturity 1.780%; Issued 05/16/08; Maturity Value = \$95,000.00</i>							
OCEANIC BK SAN FRANCISCO CALIF CD							
CUSIP 67523PCA7	95,000.000	95,005.25	106.96	101,612.95	6,607.70	4,750.00	4.67
<i>Coupon Rate 5.000%; Matures 05/09/12; Interest Paid Monthly Jul 09; Yield to Maturity 1.756%; Issued 05/09/07; Maturity Value = \$95,000.00</i>							
WESTBRIDGE BANK AND TRUST							
CHESTERFIELD MO CD	95,000.000	95,000.00	105.92	100,621.15	5,621.15	4,227.50	4.20
CUSIP 95715QBK3		95,000.00				62.90	
<i>Coupon Rate 4.450%; Matures 06/25/12; Interest Paid Monthly Aug 23; Yield to Maturity 1.838%; Issued 06/23/08; Maturity Value = \$95,000.00</i>							
GE MONEY BANK DRAPER UT CD							
CUSIP 36159UDB9	95,000.000	95,000.00	106.69	101,352.65	6,352.65	4,465.00	4.40
<i>Coupon Rate 4.700%; Matures 09/18/12; Int. Semi-Annually Mar/Sep 18; Yield to Maturity 2.003%; Issued 09/18/08; Maturity Value = \$95,000.00</i>							

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Morgan Stanley Smith Barney

CLIENT STATEMENT | For the Period February 1-28, 2010

CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
FLAGSTAR BANK, FSB TROY MICH CD CUSIP 33847EB71 Coupon Rate 4.750%; Matures 09/19/12; Interest Paid Monthly Nov 19; Yield to Maturity 1.997%; Issued 09/19/08; Maturity Value = \$95,000.00	95,000.000	95,000.00 95,000.00	106.85	101,505.60	6,505.60	4,512.50 120.86	4.44
JP MORGAN (FORMER WAMU FSB PARK CITY UT) CD CUSIP 939371AZ3 Coupon Rate 4.250%; Matures 03/28/13; Int. Semi-Annually Mar/Sep 30; Yield to Maturity 2.835%; Issued 03/31/08; Maturity Value = \$95,000.00	95,000.000	95,000.00	104.15	98,941.55	3,941.55	4,037.50 1,684.15	4.08
BANK OF WHITMAN COLFAX WA CD CUSIP 065788EU1 Coupon Rate 3.250%; Matures 03/11/13; Int. Semi-Annually Mar/Sep 11; Yield to Maturity 2.315%; Issued 03/11/09; Maturity Value = \$95,000.00	95,000.000	95,000.00	102.72	97,588.75	2,588.75	3,087.50 1,449.93	3.16
INVESTORS CMNTY BK MANITOWOC WIS CD CUSIP 46147UJH9 Coupon Rate 4.050%; Matures 04/11/13; Interest Paid Monthly Jun 11; Yield to Maturity 2.337%; Issued 04/11/08; Maturity Value = \$95,000.00	95,000.000	95,000.00	105.12	99,867.80	4,867.80	3,847.50 194.66	3.85
ALLY BANK (FORMERLY GMAC BANK) MIDVALE UTAH CD CUSIP 36185AM54 Coupon Rate 3.200%; Matures 04/03/13; Int. Semi-Annually Apr/Oct 03; Yield to Maturity 2.337%; Issued 04/03/09; Maturity Value = \$95,000.00	95,000.000	95,000.00	102.56	97,435.80	2,435.80	3,040.00 1,236.04	3.12
SAEHAN BANK LOS ANGELES CD CUSIP 785907AX4 Coupon Rate 3.100%; Matures 04/22/13; Interest Paid Monthly Jun 21; Yield to Maturity 2.349%; Issued 04/21/09; Maturity Value = \$95,000.00	95,000.000	95,000.00	102.26	97,151.75	2,151.75	2,945.00 61.34	3.03
CIT BANK SALT LAKE CITY UT CD CUSIP 17284P4P7 Coupon Rate 3.250%; Matures 04/08/13; Int. Semi-Annually Apr/Oct 08; Yield to Maturity 2.342%; Issued 04/08/09; Maturity Value = \$95,000.00	95,000.000	95,000.00	102.71	97,573.55	2,573.55	3,087.50 1,212.94	3.16
PLANTERSFIRST CORDELE GA CD CUSIP 72748BCT5 Coupon Rate 4.000%; Matures 04/11/13; Interest Paid Monthly Jun 11; Yield to Maturity 2.337%; Issued 04/11/08; Maturity Value = \$95,000.00	95,000.000	95,000.00	104.97	99,725.30	4,725.30	3,800.00 192.24	3.81
GOLDMAN SACHS BANK USA SALT LAKE CITY UTAH CD CUSIP 381426HR9 Coupon Rate 4.450%; Matures 04/30/13; Int. Semi-Annually Apr/Oct 30; Yield to Maturity 2.364%; Issued 04/30/08; Maturity Value = \$95,000.00	95,000.000	95,000.00	106.33	101,018.25	6,018.25	4,227.50 1,401.38	4.18
WACHOVIA BANK FSB HOUSTON CD CUSIP 92979HBGO Coupon Rate 4.250%; Matures 04/09/13; Int. Semi-Annually Apr/Oct 09; Yield to Maturity 2.944%; Issued 04/09/08; Maturity Value = \$95,000.00	95,000.000	95,000.00	103.86	98,664.15	3,664.15	4,037.50 1,575.06	4.09

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CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
ADVANTA BANK CORP DRAPER UT CD CUSIP 00759TYU7 <i>Coupon Rate 4.250%; Matures 04/02/13; Int. Semi-Annually Apr/Oct 02; Yield to Maturity 2.340%; Issued 04/02/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	105.67	100,387.45	5,387.45	4,037.50 1,652.71	4.02
CAPMARK BANK MIDVALE UT CD CUSIP 140653VA1 <i>Coupon Rate 4.500%; Matures 05/28/13; Int. Semi-Annually May/Nov 28; Yield to Maturity 2.391%; Issued 05/28/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	106.55	101,225.35	6,225.35	4,275.00 1,086.46	4.22
PROVIDENT BANK OF MARYLAND BALTIMORE CD CUSIP 743849FT3 <i>Coupon Rate 4.650%; Matures 06/20/13; Int. Semi-Annually Jun/Dec 20; Yield to Maturity 2.413%; Issued 06/20/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	107.07	101,720.30	6,720.30	4,417.50 849.51	4.34
CAPITAL ONE, NATIONAL ASSOCIATION MCLEAN VA CD CUSIP 14042EC24 <i>Coupon Rate 4.950%; Matures 09/17/13; Int. Semi-Annually Mar/Sep 17; Yield to Maturity 2.497%; Issued 09/17/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	108.29	102,875.50	7,875.50	4,702.50 2,130.41	4.57
WACHOVIA BK FSB HOUSTON TEX CD CUSIP 92979HGV2 <i>Coupon Rate 5.050%; Matures 09/12/13; Int. Semi-Annually Mar/Sep 12; Yield to Maturity 2.941%; Issued 09/12/08; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	107.04	101,687.05	6,687.05	4,797.50 2,239.71	4.71
MORGAN STANLEY BANK N.A. SALT LAKE CITY UT CD CUSIP 61747MRB9 <i>Coupon Rate 5.050%; Matures 11/05/13; Int. Semi-Annually May/Nov 05; Yield to Maturity 2.545%; Issued 11/05/08; Maturity Value = \$95,000.00</i>	100,000.000	100,000.00 100,000.00	105.41	105,411.00	5,411.00	5,000.00 386.84	4.74
DISCOVER BANK GREENWOOD CD CUSIP 254670TX0 <i>Coupon Rate 2.650%; Matures 12/09/13; Int. Semi-Annually Jun/Dec 09; Yield to Maturity 2.572%; Issued 12/09/09; Maturity Value = \$90,000.00</i>	90,000.000	90,000.00 90,000.00	100.28	90,248.40	248.40	2,385.00 530.72	2.64
BROADWAY BANK CHICAGO IL CD CUSIP 11143VTX4 <i>Coupon Rate 3.500%; Matures 01/16/14; Interest Paid Monthly Mar 16; Yield to Maturity 2.606%; Issued 01/16/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	103.28	98,115.05	3,115.05	3,325.00 118.72	3.38
SALLIE MAE BANK MURRAY UT CD CUSIP 795450HC2 <i>Coupon Rate 3.500%; Matures 01/23/14; Int. Semi-Annually Jan/Jul 23; Yield to Maturity 2.619%; Issued 01/23/09; Maturity Value = \$95,000.00</i>	95,000.000	95,000.00 95,000.00	103.25	98,085.60	3,085.60	3,325.00 330.66	3.38

CONTINUED

CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
HILLCREST BANK OVERLAND PARK KS CD CUSIP 43147VLHO	95,000.000	95,000.00 95,000.00	103.27	98,107.45	3,107.45	3,325.00 69.25	3.38
<i>Coupon Rate 3.500%; Matures 01/21/14; Interest Paid Monthly Mar 21; Yield to Maturity 2.611%; Issued 01/21/09; Maturity Value = \$95,000.00</i>							
AMERICAN EXPRESS BANK, FSB SALT LAKE CITY UT CD	95,000.000	95,000.00 95,000.00	103.23	98,068.50	3,068.50	3,325.00 220.44	3.39
<i>CUSIP 02580VEY7</i>							
<i>Coupon Rate 3.500%; Matures 02/04/14; Int. Semi-Annually Feb/Aug 04; Yield to Maturity 2.630%; Issued 02/04/09; Maturity Value = \$95,000.00</i>							
AMCORE BANK, N.A. ROCKFORD CD CUSIP 02341VXK6	95,000.000	95,000.00 95,000.00	103.22	98,057.10	3,057.10	3,325.00 146.96	3.39
<i>Coupon Rate 3.500%; Matures 02/12/14; Int. Semi-Annually Feb/Aug 12; Yield to Maturity 2.638%; Issued 02/12/09; Maturity Value = \$95,000.00</i>							
AMERICAN EXPRESS CENTURION BANK SALT LAKE CITY UT CD	95,000.000	95,000.00 95,000.00	103.22	98,058.05	3,058.05	3,325.00 156.14	3.39
<i>CUSIP 02586TFM1</i>							
<i>Coupon Rate 3.500%; Matures 02/11/14; Int. Semi-Annually Feb/Aug 11; Yield to Maturity 2.637%; Issued 02/11/09; Maturity Value = \$95,000.00</i>							
TOYOTA FINANCIAL SAVINGS BANK HENDERSON CD	95,000.000	95,000.00 95,000.00	102.89	97,746.45	2,746.45	3,277.50 1,215.55	3.35
<i>CUSIP 89235MCM1</i>							
<i>Coupon Rate 3.450%; Matures 04/16/14; Int. Semi-Annually Apr/Oct 16; Yield to Maturity 2.706%; Issued 04/16/09; Maturity Value = \$95,000.00</i>							
THE NATIONAL BANK MOLINE IL CD CUSIP 634030AD2	95,000.000	95,000.00 95,000.00	102.31	97,193.55	2,193.55	3,087.50 73.50	3.17
<i>Coupon Rate 3.250%; Matures 05/20/14; Interest Paid Monthly Jul 20; Yield to Maturity 2.668%; Issued 05/20/09; Maturity Value = \$95,000.00</i>							
BARCLAYS BANK DELAWARE WILMINGTON DE CD	50,000.000	50,000.00 50,000.00	101.26	50,631.00	631.00	1,575.00 8.70	3.11
<i>CUSIP 06740KAY3</i>							
<i>Coupon Rate 3.150%; Matures 08/26/14; Int. Semi-Annually Feb/Aug 26; Yield to Maturity 2.849%; Issued 08/26/09; Maturity Value = \$50,000.00</i>							
DISCOVER BANK GREENWOOD DEL CD CUSIP 25469JUV9	95,000.000	95,000.00 95,000.00	109.21	103,750.45	8,750.45	4,797.50 2,173.45	4.62
<i>Coupon Rate 5.050%; Matures 09/17/14; Int. Semi-Annually Mar/Sep 17; Yield to Maturity 2.877%; Issued 09/17/08; Maturity Value = \$95,000.00</i>							

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CERTIFICATES OF DEPOSIT (CONTINUED)

Security Description	Face Value	Orig. Total Cost Adj. Total Cost	Unit Price	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
BARCLAYS BANK DELAWARE WILMINGTON DE CD	45,000,000	45,000.00 45,000.00	101.15	45,517.05	517.05	1,417.50 618.68	3.11
<i>CUSIP 06740KBQ9</i>							
<i>Coupon Rate 3.150%; Matures 09/23/14; Int. Semi-Annually Mar/Sep 23; Yield to Maturity 2.880%; Issued 09/23/09; Maturity Value = \$45,000.00</i>							
CITIBANK, NATIONAL ASSOCIATION LAS VEGAS NV CD	100,000,000	100,000.00 100,000.00	100.19	100,193.00	193.00	3,000.00 725.27	2.99
<i>CUSIP 17312QPR4</i>							
<i>Coupon Rate 3.000%; Matures 12/02/14; Int. Semi-Annually Jun/Dec 02; Yield to Maturity 2.956%; Issued 12/02/09; Maturity Value = \$100,000.00</i>							
BMW BANK OF NORTH AMERICA SALT LAKE CITY UT CD	95,000,000	95,000.00 95,000.00	99.90	94,905.95	(94.05)	2,755.00 281.58	2.90
<i>CUSIP 05568PUS4</i>							
<i>Coupon Rate 2.900%; Matures 01/22/15; Int. Semi-Annually Jan/Jul 22; Yield to Maturity 2.922%; Issued 01/22/10; Maturity Value = \$95,000.00</i>							
REPUBLIC BANK, INC. BOUNTIFUL UT CD	95,000,000	95,000.00 95,000.00	102.19	97,080.50	2,080.50	3,325.00 —	3.42
<i>CUSIP 76031ONG3</i>							
<i>Coupon Rate 3.500%; Matures 01/29/15; Interest Paid Monthly Mar 28; Yield to Maturity 3.017%; Issued 01/29/09; Maturity Value = \$95,000.00</i>							
FIRST NATIONAL BANK OF AMERICA EAST LANSING MI CD	95,000,000	95,000.00 95,000.00	102.83	97,693.25	2,693.25	3,515.00 219.66	3.59
<i>CUSIP 32110YDB8</i>							
<i>Coupon Rate 3.700%; Matures 05/07/15; Interest Paid Monthly Jul 07; Yield to Maturity 3.104%; Issued 05/07/09; Maturity Value = \$95,000.00</i>							
GE CAPITAL FINANCIAL INC HOLLADAY UT CD	95,000,000	95,000.00 95,000.00	109.15	103,694.40	8,694.40	5,035.00 1,585.60	4.85
<i>CUSIP 36160VFE6</i>							
<i>Coupon Rate 5.300%; Matures 11/06/15; Int. Semi-Annually May/Nov 06; Yield to Maturity 3.511%; Issued 11/06/08; Maturity Value = \$95,000.00</i>							
HSBC BANK USA, NA - MCLEAN VA FID CUSIP 40431A2M3	95,000,000	95,000.00 95,000.00	100.00	95,000.00	0.00	3,087.50 102.34	3.25
<i>Coupon Rate 3.250%; Matures 02/16/22; Int. Semi-Annually Feb/Aug 16; Yield to Maturity 3.250%; Stepped; Issued 02/16/10; Maturity Value = \$95,000.00</i>							
TOTAL CERTIFICATES OF DEPOSIT	Percentage of Assets %	Orig. Total Cost Adj. Total Cost		Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
	69.7%	\$6,335,021.00 \$6,335,021.00		\$6,594,517.55	\$259,496.55	\$248,950.00 \$50,753.05	3.78%



	Percentage of Assets %	Total Cost	Market Value	Unrealized Gain/(Loss)	Estimated Annual Income Accrued Income	Yield %
TOTAL ENDING MARKET VALUE	100.0%	\$9,187,665.46	\$9,466,687.48	\$254,114.09	\$322,108.50	3.40%
					\$64,394.83	

CASH FLOW ACTIVITY

Transaction Settlement Date	Activity Type	Description	Comments	Quantity	Price	Inflows/(Outflows)
1/25	Bought	HSBC BANK USA CD 3250 *22FB16		95,000,000	\$100.0000	\$(95,000,000)
2/2	Interest Income	WORLD JUMBO CD 5000 13NV26				424.66
2/3	Sold	US TSY NOTE 4750 10FB15	ACCRUED INTEREST 4,242.73	190,000,000	100.1344	194,492.84
2/3	Bought	FNMA 2000 *20JA28	ACCRUED INTEREST 66.67	200,000,000	100.0000	(200,071.92)
2/4	Interest Income	AMEX BANK FSB CD 3500 14FB04				1,676.16
2/5	Interest Income	MERIDIAN BANK CD 2650 11SP06				213.81
2/6	Interest Income	KEY BANK CD 2400 11NV07				193.64
2/7	Interest Income	FIRST NATL BK CD 3700 15MY07				298.53
2/8	Interest Income	LEADERS BANK CD 2250 11MY09				181.54
2/8	Bought	FNMA 3500 *25FB18		200,000,000	100.0000	(200,005.25)
2/9	Interest Income	FIRESIDE BANK 5300 11AU09				2,538.19
2/9	Interest Income	LASALLE BANK CD 5150 11AU09				2,466.36
2/9	Interest Income	OCEANIC BK CD 5000 12MY09				403.42
2/9	Interest Income	GOLF SVGS BANK CD 5000 12MY09				403.42
2/9	Interest Income	FRIEDNSHIP ST CD 5000 12MY09				403.42
2/11	Interest Income	AMEX CENTURION BK 3500 14FB11				1,676.16
2/11	Interest Income	INVESTORS CD 4050 13AP11				326.77
2/11	Interest Income	PLANTERSFIRST CD 4000 13AP11				322.74
2/11	Interest Income	MONROE B&T CD 3900 12AP11				314.67
2/12	Interest Income	AMCORE BANK CD 3500 14FB12				1,676.16
2/12	Interest Income-Adj	FHLMC MTN 2850 *14MY12				1,425.00
		ACCRUED BOND INTEREST				
2/12	Redemption	FHLMC MTN 2850 *14MY12	REDEMPTION OF CALLED BOND	200,000,000		200,000.00
2/16	Interest Income	BROADWAY BANK CD 3500 14JA16				282.40
2/16	Sold	TOWER BANK CD 4150 10FB23	ACCRUED INTEREST 291.64	95,000,000	100.0390	95,323.44
2/17	Interest Income	MORGAN STANLEY BANK N.A.				1.80
2/18	Interest Income	LEGENDS BANK CD 4500 11SP19				363.08
2/18	Interest Income	FRANKLIN TEMP BK 4000 12AP18				322.74
2/19	Interest Income	FLAGSTAR BANK CD 4750 12SP19				383.25
2/20	Interest Income	MACATAWA BANK CD 4400 11MY20				355.01
2/20	Interest Income	NATIONAL BANK CD 3250 14MY20				262.23
2/21	Interest Income	HILLCREST BANK CD 3500 14JA21				282.40
2/21	Interest Income	SAEHAN BANK CD 3100 13AP22				250.12
2/22	Interest Income	ATLANTIC STHN CD 2600 12JA23				209.78
2/23	Interest Income	WESTBRIDGE BK CD 4450 12JN25				359.05
2/25	Interest Income	BAYTREE NATL BK & 4500 11DE27				363.08

CONTINUED

CASH FLOW ACTIVITY (CONTINUED)

Transaction Settlement Date	Date	Activity Type	Description	Comments	Quantity	Price	Inflows/(Outflows)
2/25	2/25	Interest Income	MORGAN STANLEY BANK N.A. (Period 01/29-02/25)				0.50
2/26	2/26	Interest Income-Adj	BARCLAYS BANK CD 3150 14AU26 INTEREST PAYMENT				793.97
2/28	2/28	Interest Income	REPUBLIC BANK CD 3500 15JA29				255.07
NET INFLOWS/(OUTFLOWS)							\$14,168.24

Purchase and Sale transactions above may have received an average price execution. Details regarding the actual prices are available upon request.

MMF AND BANK DEPOSITS ACTIVITY

Date	Activity Type	Description	Bank Deposit Program/ Money Market Funds
2/1	Automatic Investment	BANK DEPOSIT PROGRAM	\$282.40
2/4	Automatic Redemption	BANK DEPOSIT PROGRAM	(5,154.42)
2/5	Automatic Investment	BANK DEPOSIT PROGRAM	1,676.16
2/8	Automatic Investment	BANK DEPOSIT PROGRAM	213.81
2/10	Automatic Investment	BANK DEPOSIT PROGRAM	6,888.52
2/12	Automatic Investment	BANK DEPOSIT PROGRAM	2,640.34
2/16	Automatic Investment	BANK DEPOSIT PROGRAM	108,101.16
2/17	Automatic Redemption	BANK DEPOSIT PROGRAM	(125,105.26)
2/22	Automatic Investment	BANK DEPOSIT PROGRAM	21,776.72
2/23	Automatic Investment	BANK DEPOSIT PROGRAM	1,359.54
2/25	Automatic Investment	BANK DEPOSIT PROGRAM	0.50
NET ACTIVITY FOR PERIOD			\$12,679.47

REALIZED GAIN/(LOSS) DETAIL

Security Description	Quantity	Date Acquired	Date Sold	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)	Comments
FILMC MTN	2,850	5-12-14	11/24/09	02/12/10	200,000.00	\$0.00	
TOWER BANK CD	4,150	2-23-10	02/15/05	02/16/10	95,000.00	31.80	
US TSY NOTE	4,3/4	2-15-10	02/13/07	02/03/10	190,000.00	244.08	
				190,250.11	190,006.03		

	Sales Proceeds	Orig / Adj Total Cost	Realized Gain/(Loss)
Net Realized Gain/(Loss) This Period	\$485,281.91	\$485,006.03	\$275.88
Net Realized Gain/(Loss) Year to Date	\$545,430.98	\$545,010.18	\$420.80

Gain / loss information is provided for informational purposes only and should not be used for tax preparation. Please refer to the gain / loss section of the disclosures for important information about gain / loss reporting. From January through September, realized gain/loss information will be shown only for trades settling in the current month. From October through December, in order to provide information for year-end investment planning, complete year to date realized gain/loss detail will be displayed for trades settling through the last business day of the year.

Questions?

Questions regarding your account may be directed to either your Financial Advisor or the Branch Manager for the branch office where you maintain your account. If you require further assistance, your inquiries may also be directed to Client Service at (800) 869-3326 or you may contact the Legal and Compliance Division at (914) 225-5870 with any account-related concerns.

Important Information About Auction Rate Securities

The following message has been added to all client account statements but applies only to holders of Auction Rate Securities. Depending on your current holdings, this message may/may not be applicable to you.

Please note due to recent market conditions, certain Auction Rate Securities are experiencing no or limited liquidity. Therefore, the price(s) for any Auction Rate Securities shown on this statement may not reflect the price(s) you would receive upon a sale at auction or in a secondary market transaction. There can be no assurance that a successful auction will occur or that a secondary market exists or will develop for a particular security. The prices of any Auction Rate Securities on your statement are derived from various sources, and may differ from prices provided to Morgan Stanley & Co. Incorporated by outside pricing services and/or from Morgan Stanley & Co. Incorporated's own internal bookkeeping valuations. Please contact your Financial Advisor with any questions. To learn more about Auction Rate Securities, including information about the partial redemption allocations process, log on to ClientServ for more details. To enroll in ClientServ, go to www.morganstanleyclientserv.com/welcome.



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Account Servicing

Account(s) carried with Morgan Stanley & Co. Incorporated ("Morgan Stanley"), member SIPC. New York Stock Exchange Rule 382 requires that Morgan Stanley Smith Barney LLC ("MSSB") and Morgan Stanley allocate between them certain functions regarding the administration of your brokerage account. A more complete description is available upon request.

Account Valuation

These figures represent the approximate value of your account(s) on a settlement date basis and are computed by adding (1) the market value of all priced positions and (2) market values provided by pricing services and correspondent custodians for other positions, and by adding any credit or subtracting any debit to your closing cash, money market funds and/or deposit balance. Please note, this valuation may be adjusted for the net change in priced asset values for securities held or for the net change in money market balances during the settlement period. Your closing cash, money market fund and/or deposit balance represents the cash, money market funds and/or deposits and reflects the net month end balance. Global Currency Deposits are reflected in U.S. dollars as of the statement end date. The Annual Percentage Yield ("APY") for deposits represents the applicable rate in effect for your deposits at the statement ending date. This APY may be different than the APY that was in effect during the statement period. For current Bank Deposit or Money Market Fund yields, go to <http://www.morganstanleyindividual.com/AccountOptions/ActiveAssets/InvestmentFeatures>

Additional IRA Information

IRA contributions are subject to IRS eligibility rules and regulations. The "Max. Individual Contributions Allowed (by SSN)" reflects the annual limit on contributions that you as an individual can make to IRAs (Traditional, Roth, SEP, and SARSEP) under the Internal Revenue Code. The limit applies on a

per person basis, not per account. The Contributions information included in this statement reflects contribution information for a particular account, without reference to any other IRA.

You cannot make an individual contribution to a Traditional IRA for the year in which you attain age 70 1/2 or any later year. You should check with your tax advisor to verify how much you can contribute and whether or not the contribution will be tax deductible.

The categorization of any amounts in this statement as Individual Deductible or Individual Non-Deductible is based upon information provided by you, and is included for your convenience. Please contact your Financial Advisor if this information is incorrect. The information included in this statement is not intended to constitute tax, legal or accounting advice.

Availability of Free Credit Balances and Financial Statements

Under the customer protection rules of the SEC [17 CFR §240.15c3-2 & -3], Morgan Stanley may use free credit balances in your account which are payable to you on demand, in the ordinary course of its business. We provide summary Morgan Stanley financial statements to you semiannually; copies are also available on request, by mail.

Certain Assets Not Held At Morgan Stanley

You may purchase certain assets through MSSB and/or Morgan Stanley that may be held at a financial institution other than Morgan Stanley. Assets not held at Morgan Stanley may not be covered by SIPC protection. We may include information about these assets on this statement, solely as a service to you and are not responsible for information (including valuation) derived from you or another external source. Generally, any financial institution that holds securities is responsible for providing taxable year-end reporting (1099s) and separate periodic statements, which may vary from our information due to different tax reporting periods.

In the case of Morgan Stanley, Van Kampen and external networked mutual funds, Morgan Stanley performs all year-end tax reporting (1099s). Under certain circumstances, such as IRA accounts, Morgan Stanley performs all tax reporting.

Errors and Inquiries

If you do not understand an entry on your statement or suspect an error was made, it is essential that you immediately contact the manager of the MSSB office servicing your account and Morgan Stanley. You may contact Morgan Stanley at 212-276-6760. Oral communications with MSSB and/or Morgan Stanley regarding any inaccuracy or discrepancy in this statement should be re-confirmed in writing to further protect your rights, including rights under the Securities Investor Protection Act (SIPA). Except as consider your statement to be correct unless we receive a written inquiry from you about the suspected error within 10 calendar days from the day on which you received your statement. It is your responsibility to review your statement promptly and to seek immediate clarification about entries that you do not understand. Please see your account documentation for special rules regarding your rights and responsibilities with respect to erroneous electronic fund transfers, including a description of the transfers covered.

Gain and Loss Information

The gain and loss information is provided for informational purposes only, is not a substitute 1099 form (or any other appropriate tax form), and should not be used for tax preparation. Unrealized gain and loss values are estimates and should be independently verified. We recommend that you contact your tax advisor to determine the appropriate use of this information. Past performance does not guarantee future returns.

Gain and loss information is calculated based upon uniform standards and does not account for each individual client's particular circumstances such as

the existence of hedging transactions or constructive sales. Although we make every effort to adjust the cost basis for securities' capital changes, we do not adjust the cost basis for all events. Contact your Financial Advisor for guidance on particular questions.

For accounts with Choice Select pricing, the commissions paid on your eligible equity and option purchases and sales are applied to the Total Cost on a monthly basis.

With respect to estimated gains and losses for listed equity options, we have taken into account option premiums paid or received and, in respect to multiple purchases and/or sales, calculated cost using an average unit price for all like positions. We are not responsible for any gain and loss information provided by you or another financial institution; you are responsible for ensuring the accuracy of such information. Whether provided by you, another financial institution or MSSB, it is your responsibility to ensure the accuracy of all of the Estimated Gain and Loss information.

For clients wishing to make versus purchase sales that information needs to be conveyed at the time of the sale. Unless you tell us otherwise, we use first in first out (FIFO) accounting.

Listed Options

Information with respect to commissions and other charges related to the execution of options transactions has been included in confirmations of such transactions previously furnished to you and such information will be made available to you promptly at your request.

Margin Interest Charges

Morgan Stanley calculates interest charges on margin loans as follows:
 (1) Multiply the applicable margin interest rate by the daily close of business net settled debit balance.
 (2) Divide by 360 (days)
 Margin interest accrues daily throughout the month and is added to your debit balance at month-end.

The month-end interest charge is the sum of the daily accrued interest calculations for the month. Morgan Stanley adds the accrued interest to your debit balance and starts a new calculation each time the applicable interest rate changes and at the close of every statement month. For current margin loan interest rates, please go to

<http://www.morganstanleyindividual.com/customer-service/disclosures/#4>

Margin Privileges (not available for certain accounts such as IRAs or retirement accounts) If you have margin privileges, you may borrow money from Morgan Stanley in exchange for pledging assets in your accounts as collateral for any outstanding margin loan. The amount you may borrow is based on the value of the eligible securities in your margin accounts. If a security has eligible shares the number of shares pledged as collateral will be indicated below the position.

Money Market Pricing

An investment in a money market fund is neither insured nor guaranteed by the FDIC or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, there can be no assurance that will occur and it is possible to lose money should the fund value per share fall. Moreover, in some circumstances money market funds may be forced to cease operations when the value of a fund drops below \$1.00 per share. In that event, the fund's holdings would be liquidated and distributed to the fund's shareholders. This liquidation process could take up to one month or more. During that time, these funds would not be available to you to support purchases, withdrawals, and if applicable, check writing or ATM debits from your account.

Notice Regarding Investment Advisor Research

Morgan Stanley Smith Barney's Investment Advisor Research department conducts research on various mutual funds and exchange-traded funds for clients holding those funds in certain investment advisory

programs. If you have instead invested in any of these funds in a brokerage account, you will not receive the same research materials and status updates on the funds as we provide to investment advisory clients (including instructions on selling fund shares).

Pricing of Securities

The prices of securities displayed on this statement are derived from various sources and in some cases may be higher or lower than the price that you would actually receive in the market. Although we attempt to use reliable sources of information, we can offer no assurance as to its accuracy.

For securities listed on an exchange or trading continually in an active marketplace the price reflects the market quotations at the close of your statement period. The prices of securities not actively traded may not be available. These are indicated by N/A (not available). For securities that trade less frequently, we rely on outside pricing services and / or computerized pricing models, which cannot always give us actual market values. Some annuity values provided by outside sponsors are estimates.

The amounts on this statement for limited partnerships are typically obtained from a third party or from the general partners unless we have obtained other information such as an independent appraisal. Since many partnership valuations are provided only annually, they do not always represent current values.

Furthermore some securities, such as limited partnerships and non-traded REITs are illiquid and have no public markets, so the amounts shown on this statement may not equal the amounts you would receive if you sold your investment.

The value of mutual fund shares is determined by multiplying the net asset value (NAV) by the number of shares or units held, as reported to Morgan Stanley by the correspondent custodian. If we cannot obtain a price or estimate, N/A appears. Speak to your Financial Advisor to obtain current information

concerning the prices on your statements.

Security Measures

This statement features several embedded security elements to safeguard its authenticity. One is a unique security mark--a blue rectangle printed in heat-sensitive ink on the back side of every page. When exposed to warmth, the blue rectangle will disappear, and then reappear.

SIPC Protection

Securities and cash held in your MSSB account(s) are protected by a combination of coverage provided by the Securities Investor Protection Corporation (SIPC), a non-profit organization created by an Act of Congress, and additional protection purchased from a private insurer by Morgan Stanley (the Excess Coverage). SIPC protects up to \$500,000 of each client's securities, of which up to \$100,000 may be uninvested cash. SIPC and Excess Coverage apply only to securities and cash in the exclusive possession and control of Morgan Stanley and do not protect against losses due to market fluctuations. Detailed information is available upon request.

Special Considerations Regarding Structured Products

Structured products are complex products and may be subject to special risks, which may include, but are not limited to, loss of initial investment; issuer credit risk; limited or no appreciation; risks associated with the underlying reference asset(s); no periodic payments; call prior to maturity; early redemption fees or other fees may apply; price volatility resulting from issuer's and/or guarantor's credit quality; lower interest rates and/or yield compared to conventional debt with comparable maturity; unique tax implications; concentration risk of owning the related security, and limited or no secondary market; conflicts of interest, and limits on participation in appreciation of underlying asset(s) Structured Products may not perform in a manner consistent with the statement product category where they appear and therefore may not satisfy

portfolio asset allocation needs for that category. For more information about the risks specific to your structured products, you should contact your Financial Advisor.

Taxes

Under Federal Income Tax law, Morgan Stanley is required to report the gross proceeds of sales transactions (including entering into short sales) to you on Form 1099-B by February 15 of the year following the calendar year of the transaction. The information reported on your Form 1099-B for the calendar year should be exclusively relied upon for the purpose of filing your tax return for the year.

Under U.S. Internal Revenue Service regulations, if you have not provided us with certification of either U.S. or foreign status on an appropriate Form W-9 or W-8, your accounts may be subject to either 28% back up withholding or 30% nonresident alien withholding, as applicable, on payments made to your accounts.

Total Income (This Year/This Period)

Total income as used in the income summaries, represents dividends and/or interest on securities we receive on your behalf and credit to your account(s) during the calendar year. We report dividend distributions and taxable bond interest credited to your account to the Internal Revenue Service. The totals we report may differ from those indicated as "This Year" figures on the last statement for the calendar year. In the case of Real Estate Investment Trusts (REITs), Master Limited Partnerships, Regulated Investment Companies and Unit Investment Trusts, some sponsors may reclassify the distribution to a different tax type for year-end reporting (1099).

Transaction Dates and Transaction Conditions

All transactions list transaction date and settlement date. Transactions are included on this statement based on settlement date. In the case of unsettled trades, we list the trade based on trade date instead of the settlement date with a notation that the trade

is unsettled. Unsettled trades will not be reflected in position and cash balances. Upon written request, MSSB will furnish the date and time of a transaction and the name of the other party to a transaction. MSSB and/or its affiliates may accept benefits that constitute payment for order flow. Details regarding these benefits and the source and amount of any other remuneration received or to be received by us in connection with any transaction will be furnished upon written request.



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