OFFICE OF THE TREASURER-TAX COLLECTOR



HALL OF FINANCE & RECORDS
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November 14, 2008

CHRISS W. STREET TREASURER-TAX COLLECTOR

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ASSISTANT TREASURER-TAX COLLECTOR
ADMINISTRATION

TO: Board of Supervisors

Thomas G. Mauk, County Executive Officer

Treasury Oversight Committee Treasurer's Advisory Committee

Participants

FROM: Chriss W. Street

Treasurer-Tax Collector

SUBJECT: Treasurer's Management Report for October 31, 2008

Attached please find the Treasurer's Management Report for the County of Orange for the month ended October 31, 2008. The information provided herein, including all charts, tables, graphs and numerical representations, is provided to readers solely as a general overview of the economic and market conditions which the Treasurer utilizes in making investment decisions. In addition, a complete version of this report is also available for download at our website www.ttc.ocgov.com.

TREASURER'S REPORT

In order to assist you in reading this report, please note that the current balances reflect the investments recorded in the portfolios for each particular fund for the period ending October 31st. Each money market fund has an average maturity of less than ninety days, with a net asset value (NAV) falling within the range of \$0.9950 and \$1.0050. The extended fund will have an average maturity of up to 549 days and a fluctuating NAV. All investments are marked to the market at the end of the reporting period due to the narrow valuation range prescribed by the Pools' Investment Policy Statement.

The reports reflect the par value (face value), the cost and market value (the price of each security at the close of the market on the last trading day of the month). Market values are derived from the Bloomberg Professional Service, a premier provider of instant access to real-time and historical financial data. The difference between the market value and book value is the unrealized gain or (loss). The Detail Transaction Report Section is provided in compliance with California Government Code Section 53607, which requires that the Treasurer file such a report with the Board of Supervisors, from whom his investment authority has been delegated.

APPORTIONMENT OF COMMINGLED POOL INTEREST EARNINGS

We have prepared a forecast for the timing of the County Investment Pool's August 2008, September 2008 and October 2008 interest apportionments. We anticipate posting the August 2008, September 2008 and October 2008 interest apportionments to participants' cash accounts in the County general ledger by approximately November 18, December 10 and December 22, 2008 respectively.

CREDIT OBSERVATIONS

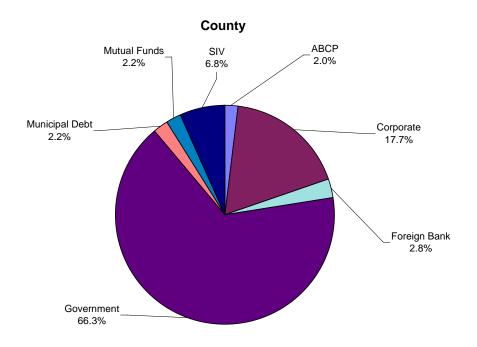
Whistleiacket Capital LLC SIV Update

Deloitte LLC, as Trustee for the Whistlejacket Capital LLC, paid Orange County \$16,900,576 of principal and \$1,548,574 of accrued interest. Orange County Pool participants continue to hold \$62,143,963 of principal Medium Term Notes in Whistlejacket Capital LLC scheduled to mature on January 25th, 2009 and January 26th, 2009.

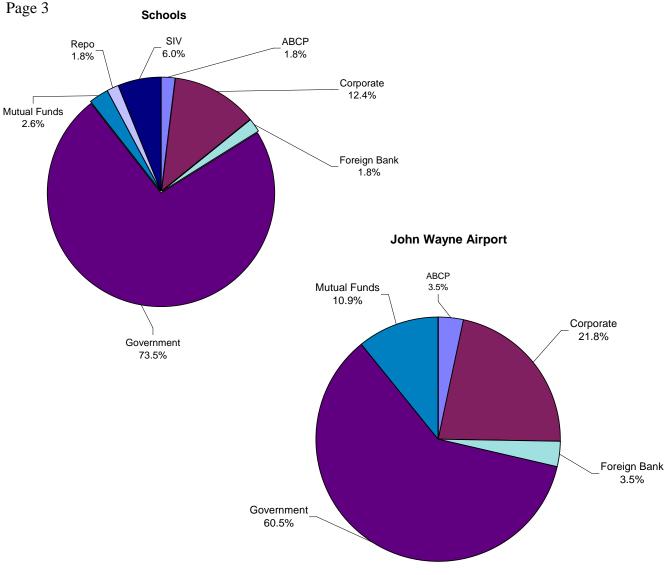
PORTFOLIO COMPOSITION

The following graphs represent the County, School and John Wayne Airport investment pools' composition by issuer type. The County and School pools include their portion of the Extended Fund (Exhibit 1).

Exhibit 1:



Treasurer's Monthly Management Report



MARKET OBSERVATIONS

The Orange County Treasurer's conservative investment approach has provided our Investment Pool participants with a safe haven from the recent market turmoil. The Treasurer's office generally invests in short-term securities, usually one year or less, and holds those investments until maturity to receive the full principal and interest. Our reliance on high credit quality investments with short maturities has resulted in a low sensitivity to the credit crisis which has recently tortured the investment markets. We are pleased to report that the Treasurer's portfolios generated a return of \$13,945,454 for the month of October and \$317 million for the 2007 calendar year.

The Treasurer's Investment Team adheres to a conservative investment policy and seeks public hearing approval from the Orange County Board of Supervisors each year. All

Treasurer's Monthly Management Report Page 4

investment activity is monitored on a daily basis by the elected Orange County Auditor-Controller and annually by Certified Public Accountants. All of the Treasurer's investment activities are posted daily and the Treasurer makes himself available to speak to any community group. This level of transparency has encouraged collaboration with the community and helps foster an environment of stable returns on investment.

The Investment Team continues to believe that the current credit crisis will stretch out for at least another nine months. The Team believes that the focus of all investors during these difficult and dangerous times should be primarily focused on safety of principal. Consequently, the Investment Team intends to continue to hold over 60% of the portfolios in US Government and Agency securities.

The Treasurer's Office appreciates your continued confidence as well as the opportunity to provide you exemplary portfolio and cash management services in the future. Please call Orange County Treasurer, Chriss W. Street, at 714-834-7625 with any questions.

ORANGE COUNTY TREASURER-TAX COLLECTOR EXECUTIVE SUMMARY

October 1, 2007 - October 31, 2008

PERIOD ENDING - MONTH / YEAR		MONTH END			AVERAGE YIELD FOR	MONTH END
TERIOD ENDING - MONTH / TEAR		ARKET VALUE		MONTH	MONTH	WAM
Current Month - October 2008						
County Pool - Money Market Fund	\$	1,693,321,937	\$	3,606,898	2.55%	36
Educational Pool - Money Market Fund	\$	1,716,217,568	\$	3,457,222	2.36%	43
Extended Fund	\$	2,491,877,137	\$	6,881,334	3.30%	345
OC Extended Fund B	\$	53,690,395	\$	-	N/A	86
September 2008						
County Pool - Money Market Fund	\$	1,633,383,931	\$	3,733,815	2.64%	51
Educational Pool - Money Market Fund	\$	1,707,114,565	\$	3,660,952	2.52%	52
Extended Fund	\$	2,333,839,343	\$	3,483,307	1.84%	393
OC Extended Fund B	\$	69,117,440	\$	-	N/A	117
August 2008						
County Pool - Money Market Fund	\$	1,735,397,363	\$	3,733,249	2.51%	47
Educational Pool - Money Market Fund	\$	1,839,799,053	\$	3,658,783	2.42%	45
Extended Fund	\$	2,182,413,404	\$	6,883,249	3.74%	477
OC Extended Fund B	\$	69,117,440	\$	-	N/A	147
July 2008		4 707 001 121	_	0.000		
County Pool - Money Market Fund	\$	1,787,284,123	\$	3,899,411	2.41%	50
Educational Pool - Money Market Fund	\$	1,797,691,062	\$	3,698,983	2.38%	50
Extended Fund	\$	2,104,561,539	\$	7,010,329	3.73%	481
OC Extended Fund B	\$	69,117,440	\$	-	N/A	178
June 2008			•	4 000 047	0.110/	00
County Pool - Money Market Fund	\$	1,922,691,656	\$	4,090,847	2.44%	33
Educational Pool - Money Market Fund	\$	1,707,534,727	\$	4,119,816	2.46%	33
Extended Fund	\$	2,194,238,720	\$	7,014,532	3.92%	503
OC Extended Fund B	\$	69,117,440	\$	-	N/A	209
May 2008	Φ.	0.050.055.004	Φ.	4.000.400	0.400/	00
County Pool - Money Market Fund	\$	2,052,055,391	\$	4,328,189	2.42%	29
Educational Pool - Money Market Fund	\$	2,208,622,434	\$	4,646,915	2.45%	35
Extended Fund	\$	2,188,235,769	\$	7,248,040	3.81%	456
April 2008	œ.	0.040.700.054	φ	E 040 440	0.000/	22
County Pool - Money Market Fund	\$	2,313,762,854	\$	5,648,143	2.66%	33
Educational Pool - Money Market Fund	\$	2,328,134,710	\$	4,593,731	2.62%	42
Extended Fund March 2008	\$	2,281,021,020	\$	7,592,402	4.15%	466
	\$	2,015,431,220	Ф	3,791,696	2.34%	23
County Pool - Money Market Fund	\$	1,952,925,095	\$		3.03%	42
Educational Pool - Money Market Fund	\$		\$	5,148,299		
Extended Fund February 2008	Ф	2,298,149,876	\$	11,180,561	5.77%	465
County Pool - Money Market Fund	\$	2,058,205,103	\$	5,924,621	3.66%	34
Educational Pool - Money Market Fund	\$	2,038,203,103	\$	5,953,697	3.74%	34
Extended Fund	\$	2,118,888,102	\$	8,620,437	5.17%	443
January 2008	Ψ	2,110,000,102	Ψ	0,020,437	3.17 /0	443
County Pool - Money Market Fund	\$	1,977,674,788	\$	8,208,591	4.56%	29
Educational Pool - Money Market Fund	\$	2,132,664,074	\$	8,270,478	4.53%	33
Extended Fund	\$	2,176,737,787	\$	9,396,820	5.13%	466
December 2007	Ψ	2,110,101,101	Ψ	0,000,020	3.1370	700
County Pool - Money Market Fund	\$	2,241,143,754	\$	10,399,742	4.91%	21
Educational Pool - Money Market Fund	\$	2,347,118,458	\$	7,819,755	4.83%	27
Extended Fund	\$	2,205,742,474	\$	10,088,589	5.21%	457
November 2007	Ψ.	_,,,,,_,,,,		,000,000	3.2170	
County Pool - Money Market Fund	\$	1,982,354,313	\$	7,788,881	5.05%	33
Educational Pool - Money Market Fund	\$	1,609,274,201	\$	6,711,960	5.00%	37
Extended Fund	\$	2,331,861,281	\$	10,381,129	5.35%	477
					Annual	Annual
November 1, 2007 - October 31, 2008	A	nnual Average	∟т	otal for Year	Average	Average
County Pool - Money Market Fund	\$	1,951,058,869	\$	65,154,081	3.18%	35
Educational Pool - Money Market Fund	\$	1,946,640,373	\$	61,740,592	3.19%	39
Extended Fund	\$	2,269,810,551	\$	95,780,729	4.26%	452

	Total Earnings		Yield	
Month Ended October 2008		-		
County Pool - Money Market Fund	\$	3,606,898	2.55%	
Educational Pool - Money Market Fund		3,457,222	2.36%	
Extended Fund		6,881,334	3.30%	
Total	\$	13,945,454		
Quarter Ended October 31, 2008				
County Pool - Money Market Fund	\$	11,073,962	2.57%	
Educational Pool - Money Market Fund		10,776,957	2.43%	
Extended Fund		17,247,890	2.96%	
Total	\$	39,098,809		
Year Ended October 30, 2008				
County Pool - Money Market Fund	\$	65,154,081	3.18%	
Educational Pool - Money Market Fund		61,740,592	3.19%	
Extended Fund		95,780,729	4.26%	
Total	\$	222,675,402		