OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
12 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ocgov.com/treas

JOHN M.W. MOORLACH, C.P.A., CFP®
TREASURER-TAX COLLECTOR

CHRISS W. STREET
ASSISTANT TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
DEPUTY TREASURER

WALTER DANIELS
DEPUTY TAX COLLECTOR

ROBIN RUSSELL
DEPUTY TREASURER-TAX COLLECTOR
ADMINISTRATION

CLARISSA ADRIANO-CERES
DEPUTY TREASURER-TAX COLLECTOR
INFORMATION TECHNOLOGY

BRETT R. BARBRE
DEPUTY TREASURER-TAX COLLECTOR
PUBLIC INFORMATION OFFICER

CHANGES IN ELIGIBILE CREDITS

In the month of April, there were four changes to the Treasurer's approved eligibility list:

The following was removed from the CP/ MTN Eligibility list:

1) **Giro Multi-Funding Corp.**

The following were added to the CP/MTN Eligibility List:

2) **Giro Balanced Funding Corp.**
3) **UBS Americas Inc.**
4) **Alcon Capital Corp.**

In addition, the following issuers were placed on credit watch negative but remain compliant with our Investment Policy Statement and are deemed to be of such high quality they continue to be included in their respective eligibility list:

- **Private Export Funding Corp.** (no longer on credit watch by month-end)
- **Fifth Third Bank**

Please see the attached reports detailing the reasons the above actions were taken by the Treasurer.

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
12 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ocgov.com/treas

JOHN M.W. MOORLACH, C.P.A., CFP®
TREASURER-TAX COLLECTOR

CHRISS W. STREET
ASSISTANT TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
DEPUTY TREASURER

WALTER DANIELS
DEPUTY TAX COLLECTOR

ROBIN RUSSELL
DEPUTY TREASURER-TAX COLLECTOR
ADMINISTRATION

CLARISSA ADRIANO-CERES
DEPUTY TREASURER-TAX COLLECTOR
INFORMATION TECHNOLOGY

BRETT R. BARBRE
DEPUTY TREASURER-TAX COLLECTOR
PUBLIC INFORMATION OFFICER

To: Treasury Investment Committee
From: John Byerly, Financial Analyst
Date: April 10, 2006

Subject: **Fifth Third Bank**
Ratings: Was: A-1+/ P-1/F1+ AA-/ Aa1 /AA
Now: A-1+/ P-1/F1+ AA-/ Aa1*-/AA

Exposure: County/Schools/XFund /JWA – None

Recommendation: Continue to include in Domestic Bank Eligibility List

Rationale: Top US bank with strong fundamentals

Summary:

On April 5, 2006, Moody's placed the long-term ratings of Fifth Third Bancorp (FITB) and subsidiaries on review for possible downgrade. Moody's also affirmed the short-term ratings on FITB and subsidiaries at P-1. This is in response to lower risk-adjusted profitability and capital measures and in light of the bank's comparatively narrow business mix.

The October 2005 Global Finance magazine noted FITB as the 31st of the world's top 50 safest banks in 2005 based on credit ratings and asset size. Among only 9 U.S. banks in the list, FITB ranked behind Bank of America (19) but ahead of State Street (35) and Wachovia (39).

Our more detailed review of the bank also shows the decline of their Tier 1 capital ratio and profitability measures but also highlight that the deterioration only brings these measures more in-line with its peers. As noted by Moody's, "FITB's financial ratios...still remain strong." Importantly, asset quality measures have been solid for years. Non-performing assets to total assets has been in the low 0.30's since 2000.

I recommend keeping Fifth Third Bank on the Domestic Bank Eligibility list. We will continue to monitor this credit.

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
12 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ocgov.com/treas

JOHN M.W. MOORLACH, C.P.A., CFP®
TREASURER-TAX COLLECTOR

CHRISS W. STREET
ASSISTANT TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
DEPUTY TREASURER

WALTER DANIELS
DEPUTY TAX COLLECTOR

ROBIN RUSSELL
DEPUTY TREASURER-TAX COLLECTOR
ADMINISTRATION

CLARISSA ADRIANO-CERES
DEPUTY TREASURER-TAX COLLECTOR
INFORMATION TECHNOLOGY

BRETT R. BARBRE
DEPUTY TREASURER-TAX COLLECTOR
PUBLIC INFORMATION OFFICER

To: Treasury Investment Committee
From: John Byerly, Financial Analyst
Date: April 17, 2006

Subject: **Giro Balanced Funding Corp.**
Ratings: A-1/P-1/F1 NR///

Exposure: County/Schools/X-Fund/JWA: None

Recommendation: Add to CP/MTN eligibility list

Summary:

Giro Balanced Funding Corporation (GBFC) is the third U.S. partially-supported ABCP program sponsored and administered by Bayerische Landesbank (BLB). GBFC is a hybrid conduit with both multi-seller and securities arbitrage components. BLB acts as administrative agent for the program. This $12.5 billion program is covered by BLB, JPMorgan Chase and Merrill Lynch, Morgan Stanley, Citi and Deutsche.

On March 20, BLB, as promised, transferred the assets of Giro Multi-Funding to Giro Balanced Funding. With the addition of the Giro Multi-Funding assets, the program currently has over $8.36 billion outstanding with $1.1 billion in the securities portfolio.

Giro Balanced Funding benefits from:

- Dynamic program-wide credit enhancement from BLB
- Liquidity from BLB
- Highly rated assets
- Bankruptcy-remote structure of conduit
- Investor's security interest in underlying assets

I recommend adding Giro Balanced Funding to our CP/MTN eligibility list.

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
12 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ocgov.com/treas

JOHN M.W. MOORLACH, C.P.A., CFP®
TREASURER-TAX COLLECTOR

CHRISS W. STREET
ASSISTANT TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
DEPUTY TREASURER

WALTER DANIELS
DEPUTY TAX COLLECTOR

ROBIN RUSSELL
DEPUTY TREASURER-TAX COLLECTOR
ADMINISTRATION

CLARISSA ADRIANO-CERES
DEPUTY TREASURER-TAX COLLECTOR
INFORMATION TECHNOLOGY

BRETT R. BARBRE
DEPUTY TREASURER-TAX COLLECTOR
PUBLIC INFORMATION OFFICER

To: Treasury Investment Committee
From: John Byerly, Financial Analyst
Date: April 17, 2006

Subject: **Giro Multi-Funding Corp.**
Ratings: A-1/P-1/F1+ NR///

Exposure: County/Schools/X-Fund/JWA: None

Recommendation: Remove from CP/MTN eligibility list

Summary:

Giro Multi-Funding Corporation (GMFC) is Bayerische Landesbank's (BLB) second U.S. based, partially-supported ABCP program. GMFC invested in traditional trade and term receivables.

On March 20, BLB, as promised, transferred the assets of Giro Multi-Funding into their third U.S. based program, Giro Balanced Funding (A-1/P-1/F1).

The program will no longer issue CP. I recommend removing Giro Multi-Funding from our CP/MTN eligibility list.

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
12 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ocgov.com/treas

JOHN M.W. MOORLACH, C.P.A., CFP®
TREASURER-TAX COLLECTOR

CHRISS W. STREET
ASSISTANT TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
DEPUTY TREASURER

WALTER DANIELS
DEPUTY TAX COLLECTOR

ROBIN RUSSELL
DEPUTY TREASURER-TAX COLLECTOR
ADMINISTRATION

CLARISSA ADRIANO-CERES
DEPUTY TREASURER-TAX COLLECTOR
INFORMATION TECHNOLOGY

BRETT R. BARBRE
DEPUTY TREASURER-TAX COLLECTOR
PUBLIC INFORMATION OFFICER

To: Treasury Investment Committee
From: John Byerly, Financial Analyst
Date: April 17, 2006

Subject: **Private Export Funding Corporation**
Ratings: Was: A-1+/P-1/NR AA/Aaa/NR
Now: A-1+ *-/P-1/NR AA*-/Aaa/NR

Exposure:

County:	None
Schools:	None
X-Fund:	None
JWA:	$2MM maturing 6-12-06

Recommendation: Keep Private Export Funding Corp on CP/MTN eligibility list

Update:

Private Export Funding Corporation (PEFCO) is a private company that supports the financing activity of the Export-Import Bank (Ex-Im). The loans' principal and interest are guaranteed by Ex-Im, which is also guaranteed by the United States government's full faith and credit.

On April 12, 2006, Standard and Poor's placed the short and long-term ratings on credit watch negative. These rating actions were prompted by PEFCO's lower profitability and capitalization ratios. Moody's ratings remain Aaa with stable outlook.

While a downgrade from Standard and Poor's may be forthcoming, PEFCO's credit benefits from Ex-Im's guarantees and excellent asset quality.

Considering the present available information, I recommend keeping PEFCO on our CP/MTN eligibility list. We will continue to monitor new developments.

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
12 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ocgov.com/treas

JOHN M.W. MOORLACH, C.P.A., CFP®
TREASURER-TAX COLLECTOR

CHRISS W. STREET
ASSISTANT TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
DEPUTY TREASURER

WALTER DANIELS
DEPUTY TAX COLLECTOR

ROBIN RUSSELL
DEPUTY TREASURER-TAX COLLECTOR
ADMINISTRATION

CLARISSA ADRIANO-CERES
DEPUTY TREASURER-TAX COLLECTOR
INFORMATION TECHNOLOGY

BRETT R. BARBRE
DEPUTY TREASURER-TAX COLLECTOR
PUBLIC INFORMATION OFFICER

To: Treasury Investment Committee
From: John Byerly, Financial Analyst
Date: April 24, 2006

Subject: **UBS Americas, Inc.**
Ratings: A-1+/P-1/NR
A-1+/P-1/NR AA+/Aa2/AA+ FS: B+ (UBS AG, guarantor)

Exposure: County/Schools/X-Fund/JWA: None

Recommendation: Add to CP/MTN Eligibility List

Summary:

UBS Americas, Inc. is the holding company for such UBS AG subsidiaries as UBS Financial Services (the successor of PaineWebber Inc.). UBS Americas, Inc.'s $5 billion commercial paper program benefits from an unconditional guarantee of UBS AG.

UBS AG is touted as the largest money manager for the wealthy. With $1.5 trillion in total assets and operations in 50 countries, UBS is one of the largest banks in the world. It was formed in 1998 as a result of a merger between Union Bank of Switzerland and the Swiss Bank Corporation.

It is anticipated that this CP program will complement other UBS programs by adding access to this credit later in the day.

I recommend adding UBS Americas Inc. to the CP/MTN Eligibility List.

OFFICE OF THE TREASURER-TAX COLLECTOR

HALL OF FINANCE & RECORDS
12 CIVIC CENTER PLAZA, SUITE G76
POST OFFICE BOX 4515
SANTA ANA, CA 92701
www.ocgov.com/treas

JOHN M.W. MOORLACH, C.P.A., CFP®
TREASURER-TAX COLLECTOR

CHRISS W. STREET
ASSISTANT TREASURER-TAX COLLECTOR

PAUL C. GORMAN, C.P.A., CTP
DEPUTY TREASURER

WALTER DANIELS
DEPUTY TAX COLLECTOR

ROBIN RUSSELL
DEPUTY TREASURER-TAX COLLECTOR
ADMINISTRATION

CLARISSA ADRIANO-CERES
DEPUTY TREASURER-TAX COLLECTOR
INFORMATION TECHNOLOGY

BRETT R. BARBRE
DEPUTY TREASURER-TAX COLLECTOR
PUBLIC INFORMATION OFFICER

To: Treasury Investment Committee
From: John Byerly, Financial Analyst
Date: April 24, 2006

Subject: **Alcon Capital Corp.**
Ratings: A-1+/P-1/F1+
A-1+/P-1/F1+ AAA/Aaa/AAA (Nestle' S.A., guarantor)

Exposure: County/Schools/X-Fund/JWA: None

Recommendation: Add to CP/MTN Eligibility List

Summary:

Alcon Capital Corp. is a wholly-owned subsidiary of Alcon, Inc., which is a majority-owned subsidiary of Nestle' S.A., the ultimate holding company of the Nestle' Group (Nestle'). Alcon Capital Corp.'s $2 billion commercial paper program benefits from an irrevocable guarantee from Nestle' S.A.

Nestle' is the world's largest food and beverages company with leading brands across the globe and is rated triple-A by Moody's, Standard and Poor's, and Fitch.

As Nestle's main pharmaceuticals business, Alcon is the world's leading eye-care company with top positions in:

- Ophthalmic pharmaceuticals to treat allergies, glaucoma, infections, and inflammation
- Ophthalmic surgicals for laser corrective surgery and cataract corrective treatment
- Contact lens care

I recommend adding Alcon Capital Corp. to the CP/MTN Eligibility List.