

Date: November 5, 2008

To: Investment Review Committee (11/12) and Management Committee (12/10)

From: Allen E. Hoppe (651-602-1629)
Treasury Manager

Subj: 3rd Quarter Report on Investments (3Q2008)

The following items are attached or accompany this memo:

Attachments

1. Agenda
2. Minutes from Past Meeting
3. 3Q08 Report on Investments

Accompaniments

4. Transaction Based Contracts
5. Approved Financial Institutions

If you have any questions between meetings, please call me (602-1629) or Mercy Ndungu (602-1436).

Thank you.

Investment Review Committee

November 12th at 1:00 P.M., in Lower Level, Room A

IRC Administrative Coordinator: Allen E. Hoppe (651)-602-1629

Agenda

1. Minutes from Past Meeting — August 12, 2008 (2Q08).
2. Action item: “Affirmation of Financial Contracts”
3. Action item: “List of Authorized Financial Institutions (Official Depositories)”
4. Postpone Banking RFP
5. Update on Victoria Finance Security
6. Status of Hedging through Treasury Staff (vs. consultant)
7. Presentation of 3Q08 Quarterly Report

Committee members:

Roger Scherer, Treasurer (5-28-08) & Council member

Craig Peterson, Council member

Leon (Lee) Binger, Appointee

Walter (Bud) Meadley, Appointee

Wes Kooistra, CFO

Mary Bogie, Controller

Reference staff: *(not members of the IRC)*

Katie Shea, Director Internal Audit

Allen Hoppe, Treasury Manager

Mercy Ndungu, Treasury Analyst

Trudy Aldrich, Executive Assistant



Investment Review Committee

IRC Administrative Coordinator: Allen E. Hoppe (651)-602-1629

Minutes

August 12, 2008 at 2:30 P.M., in Room LL-A

Present

Committee members: Roger Scherer, Council member; Leon (Lee) Binger, Appointee; Walter (Bud) Meadley, Appointee; Craig Peterson, Appointee; Mary Bogie, Interim CFO & Controller

Reference staff: Katie Shea, Director Internal Audit; Allen Hoppe, Treasury Manager; Mercy Ndungu, Treasury Analyst

Agenda items

1. Agenda approved; motion by Mr. Meadley, seconded by Mr. Binger.
2. Minutes from past meeting—August 12, 2008 (2Q08). Approved; motion by Mr. Binger, seconded by Mr. Meadley.
3. Update on Credit Card Implementation
4. Pending Banking RFP
5. Pending Bond Consultant RFP
6. Hedging Consultant Contract
7. Update on Victoria Finance Security
8. Portfolio Strategy with US Agency Securities
9. New CFO, Wes Kooistra (Sept 15th Start)
10. Presentation of Council SAC Reserve by Jason Willett
11. Presentation of 2Q2008 Quarterly Report



Report on Investments

3rd Quarter, 2008

Economic Review

Past. Third quarter 2008 GDP fell at an annual rate of 0.3% versus a 2.8% growth rate in the second quarter. Final sales to domestic purchasers fell 1.8%, the largest decrease in 17 years, consumer spending plunged 3.1%, the biggest drop in 28 years, while business investment fell 1%. Majority of economist and central bankers have toned down their rhetoric on inflation, the reason being that the dampened global demand had brought down commodity prices, including oil – a key driver of price increases. The housing sector continues to be the weakest link. Home prices declined 16.6% in August versus 15.8% in June (year-over-year). At end of September, housing starts fell 6.3%, to 817,000 units, the lowest level in 25 years. Building permits dropped 8.3%, to 786,000 units, the lowest level since 1981. Unemployment increased from 5.5% at the end of June to 6.1% in September.

The continued economic weaknesses around the globe and fears of a global recession have become the dominant drivers of capital markets. At end of third quarter 2008, bond performance as measured by the Lehman Brothers Aggregate bond index, posted a negative return of -0.49% while U.S equities, as represented by the S&P 500 Index posted -8.37%

Present. In an effort to restore investor confidence and stabilize global financial markets, the Fed and global central banks lowered interest rates and injected capital into the banking system. Presently, there are signals that the numerous plans by governments to ease the credit crisis are taking effect. LIBOR reset down a few basis points across the curve, so we are continuing to see a bit of thaw in money markets. Economic data for the month of September-October is fueling speculation that the U.S economy will continue to deteriorate. Consumer confidence was at 57.6 in October, compared to 70.3 in September. Initial jobless claims during the last week of October were up to 479,000 versus 332,000 over same period last year. These numbers are holding near the highest level in five years. Compared to no change in August (0.0%), consumer

spending was down by 0.3% in September. Economists are worried that consumer spending, which accounts for more than 70% of GDP will result in a negative reading in fourth quarter GDP.

Future. As banks and credit creation goes, so goes the economy. Last month the problems in the financial and credit markets increased in scope and magnitude. To curb the crisis, the Fed had used several tools which include easing of monetary policy, capital injections, and liability guarantees for banks. Over time, all the above combinations should help to stabilize the financial sector and ensure that monetary policy finds traction.

The Slope of the U.S treasury yield curve has the single best record as a leading economic indicator. The yield curve has steepened significantly over the past six months, which is similar to what happens in anticipation of an economic recovery. A steepened yield curve should help bank profitability and reduce some of their need to raise capital.

Council Impact. Presently, economists are predicting that the U.S economy has slipped into a recession. Economists are projecting slow economic growth through the end of the second quarter 2009. A slowing economy accompanied by a high degree of uncertainty brought down the stock market after September 30th. There is also some concern that the weakening economy will lead to gapping budget deficits at State and Local governments, thus hurting the credit quality of municipal debt. Historically, munis have had much better credit performance than corporate bonds. Municipal bonds have seen prices plunge and yields soar relative to treasuries. We took advantage of this opportunity and bought three municipal bond issues – Chicago IL G.O, Bexar County TX, and Wisconsin General Revenue bonds, yielding 4.08%, 6.14% and 6.0%, respectively. If market conditions remain at their current state through mid 2009, the Council is likely to incur higher borrowing costs compared to 2008, when it issues debt next year.

Investment Results & Strategy

MCOA—Short Term

3Q08 Results. Total return for this portfolio was above the index by 6 basis points. This portfolio has averaged 34 bps per year more than its benchmark over the past 10 years. This success is due to competitive rates from our money market funds. Both funds - Credit Suisse and Morgan Stanley Institutional Prime funds had higher yields of 2.73% and 2.41% respectively, versus an industry average of 2.37%.

4Q08 Strategy. At end of 3Q2008, money markets were under strain as investors resisted buying short term instruments. In an effort to lift investor confidence, the US Treasury insured public money market funds by authorizing \$50 billion in protection. As a result, we will continue to invest in money market funds.

Longer Strategy (12-months). We plan to wait on the sidelines in money market funds until the markets stabilize.

MCOA—Long Term

3Q08 Results. Total return was above the benchmark index by 32 basis points due to additional gains from trading the long treasury bond and some realized gains from a Federal Home Loan agency bond that was called at par at lower interest rate levels.

4Q08 Strategy. The relative attractiveness of municipal bonds compared to treasuries is at historically high levels. We may swap into a couple of more taxable munis as opportunity arises.

Longer Strategy (12-months). Lengthen duration as market yields rise.

EFPMs – Hedging Accounts

During third quarter 2008, diesel and natural gas contracts (combined) generated \$2,455,168 in net realized gains and \$16,328,000 in unrealized losses. Fuel costs, net of hedging gains/losses, are within budget expectations.

MCOA--Margin Account

The margin account supports both the diesel fuel and natural gas hedging programs; it includes cash, a money market balance, and some U.S. Treasury securities.

Low Activity Portfolios

The MCOA—Tax Exempt, and the HUD Account, portfolios receive limited activity. Money in the tax-exempt account helps reduce our arbitrage liability. The HUD account is kept liquid for operating purposes.

OPEB

3Q08 Results. Our OPEB portfolio is heavily invested in equities (asset allocation at 100% S&P 500 since beginning of 2008). At end of 3Q2008 both the S&P 500 Index and our OPEB portfolio posted negative returns of -8.37% and -8.13% respectively. For 3Q2008, the portfolio had \$5.7 million of unrealized losses.

4Q08 Strategy. During the third quarter, equity markets tumbled as investors lowered their expectations for future global earnings growth. The stock market has cheapened and we believe it is a good time to buy equities. Maintain allocation at 100% equities. December's OPEB contribution was accelerated to November in order to take advantage of depressed equity prices.

Longer Strategy (12-months). Continue with our current asset allocation of 100% equities with minor adjustments when markets become historically expensive.

METROPOLITAN COUNCIL—Report on Investments
Quantitative Policy Results for the Quarter Ending:

September 30, 2008

	Operating Account (MCOA)				Diesel & NG Hedging Accounts	HUD	OPEB
	Short- Term	Futures Margin	Long- Term	Tax Exempt			
Compliance	OK	OK	OK	OK	OK	OK	OK
Safety (Defaults)	None	None	1	None	None	None	None
Liquidity (Effective Duration Years)							
Target Duration Range:	0-1	0-6	2-6	0-2	n.a.	0-1	0-1
Result	0.01	0.04	3.22	0.01	n.a.	0.01	n.a.
Less: Index	0.11	0.04	3.79	0.01	n.a.	0.01	n.a.
Longer <Shorter> Index	-0.10	0.00	-0.57	0.00	n.a.	0.00	n.a.
Note: Index Source:	iMoneyNet (Prime Funds)	n.a.	ML Agy. Master	n.a.	n.a.	iMoneyNet (Prime Funds)	n.a.
Diversification							
Sectors	See Charts	n.a.	See Charts	n.a.	n.a.	U.S. Bank Acct.	Mixed
Effective Duration	See Charts	n.a.	See Charts	n.a.	n.a.		n.a.
Rate of Return							
<u>Revenue by Component:</u>							
Accrued Interest	1,445,078	39,494	2,425,203	262	-	5,465	394,555
Realized Gains/Losses	-	-	542,349	-	2,455,168	-	-
Unrealized Gains/Losses	(21,850)	-	(734,115)	-	(16,328,000)	-	(5,705,501)
Total Int. Rev.	1,423,228	39,494	2,233,438	262	(13,872,832)	5,465	(5,310,946)
Total Investment Revenue, All Portfolios, Current Quarter							\$ (15,481,891)
<u>Book Yield:</u>	2.36%	2.16%	4.60%	1.51%	n.a.	1.25%	2.23%

Total Return:

<u>Current Quarter, Council</u>	0.65%	n.a.	1.44%	0.37%	n.a.	0.31%	-8.13%
Index	0.59%	n.a.	1.13%	0.37%	n.a.	0.31%	-8.37%
Difference	0.06%	n.a.	0.32%	0.00%	n.a.	0.00%	0.24%
<u>Last 12 Months, Council</u>	3.61%	n.a.	7.29%	2.29%	n.a.	2.49%	-21.41%
Index	3.40%	n.a.	6.11%	2.29%	n.a.	2.49%	-21.98%
Difference	0.21%	n.a.	1.18%	0.00%	n.a.	0.00%	0.57%
Start Date:	<u>12-31-99</u>	<u>05-01-04</u>	<u>12-31-99</u>	<u>06-30-02</u>	<u>05-01-04</u>	<u>03-31-01</u>	<u>07-03-06</u>
<u>Ave. Annual Rtn., Council</u>	3.74%	n.a.	5.63%	1.88%	n.a.	2.83%	-4.71%
Index	3.40%	n.a.	5.43%	1.88%	n.a.	2.83%	-3.95%
Difference	0.34%	n.a.	0.21%	0.00%	n.a.	0.00%	-0.76%

METROPOLITAN COUNCIL—Investment Review Committee
 Historic Statistics—All Portfolios
 September 30, 2008

Account Group	3Q05	4Q05	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08
Total Return(%):													
MCOA-Taxable, ST	0.87%	1.00%	1.09%	1.19%	1.33%	1.33%	1.31%	1.31%	1.31%	1.25%	0.97%	0.70%	0.65%
MCOA-Taxable, Margin, w/Cash	1.27%	1.21%	1.16%	1.67%	1.61%	0.72%	0.73%	1.28%	1.39%	1.63%	1.69%	2.19%	1.74%
MCOA-Taxable, LT	-0.11%	0.32%	-0.34%	-0.67%	4.98%	1.23%	1.94%	-0.72%	3.94%	3.82%	3.08%	-1.17%	1.44%
MCOA-Taxable Combined	0.40%	0.64%	0.25%	-0.17%	4.04%	1.24%	1.75%	-0.23%	3.22%	2.92%	1.74%	0.03	1.12
MCOA-Tax Exempt, ST	0.50%	0.67%	0.64%	0.76%	0.78%	0.81%	0.78%	0.83%	0.76%	0.72%	0.65%	0.54%	0.37%
HUD-Savings Acct.	0.85%	0.99%	1.09%	1.20%	1.32%	1.31%	1.29%	1.30%	1.31%	1.12%	0.70%	0.34%	0.31%
OPEB @ MN SBI	n.a.	n.a.	n.a.	n.a.	7.54%	6.08%	0.61%	6.04%	2.09%	-3.16%	-9.15%	-2.77%	-8.13%
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Account Group	3Q05	4Q05	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08
Effective Duration (Yrs):													
MCOA-Taxable, ST	0.17	0.17	0.15	0.13	0.04	0.12	0.33	0.21	0.04	0.05	0.02	0.02	0.01
MCOA-Taxable, Margin, w/Cash	0.26	0.30	0.24	0.22	0.45	0.74	0.26	0.38	0.28	0.11	0.04	0.02	-
MCOA-Taxable, LT	3.68	3.59	5.01	5.90	5.76	4.90	4.16	5.99	4.98	3.58	4.34	5.63	3.22
MCOA-Taxable Combined	2.13	1.97	3.59	4.61	4.61	4.29	3.21	4.88	3.59	2.33	1.55	2.20	1.80
MCOA-Tax Exempt, ST	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
HUD-Savings Acct.	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
OPEB @ MN SBI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Account Group	3Q05	4Q05	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08
Ave. Maturity (Yrs):													
MCOA-Taxable, ST	0.17	0.16	0.13	0.08	0.04	0.12	0.33	0.21	0.04	0.04	0.03	0.02	0.01
MCOA-Taxable, Margin, w/Cash	0.28	0.32	0.25	0.18	0.45	0.77	0.26	0.40	0.29	0.30	0.17	0.01	0.00
MCOA-Taxable, LT	9.34	9.16	10.79	11.60	11.46	10.65	10.96	12.08	10.84	7.82	4.58	5.03	3.22
MCOA-Taxable Combined	5.38	4.94	7.76	9.11	9.18	9.41	8.36	9.79	7.82	5.08	4.60	5.05	2.81
MCOA-Tax Exempt, ST	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
HUD-Savings Acct.	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01	0.01
OPEB @ MN SBI	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Account Group	3Q05	4Q05	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08
Orly Earnings (\$millions):													
MCOA-Taxable, ST	\$ 1.8	\$ 1.8	\$ 1.5	\$ 0.9	\$ 1.0	\$ 0.6	\$ 0.9	\$ 0.9	\$ 1.0	\$ 1.1	\$ 1.1	\$ 1.4	\$ 1.4
MCOA-Taxable, Margin, w/Cash	0.0	0.1	0.1	0.1	0.1	-	0.1	0.1	0.0	0.0	0.1	0.1	0.4
MCOA-Taxable, LT	(0.3)	0.7	(0.7)	(1.5)	11.7	2.7	3.7	(1.7)	8.5	7.9	7.3	(2.8)	2.2
MCOA-Taxable Combined	\$ 1.6	\$ 2.6	\$ 0.9	\$ (0.5)	\$ 12.8	\$ 3.3	\$ 4.6	\$ (0.7)	\$ 9.5	\$ 9.0	\$ 8.5	\$ (1.3)	\$ 4.0
MT Futures Contracts, Realized	1.0	0.7	0.4	0.9	0.6	(0.5)	(0.8)	(0.3)	0.03	0.60	1.4	3.3	2.4
MT Futures Contracts, Unrealized	2.0	1.4	0.7	0.6	(3.9)	(1.3)	2.5	0.4	0.5	3.0	2.9	13.2	(16.3)
MCOA-Tax Exempt, ST	0.0	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HUD-Savings Acct.	-	-	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPEB @ MN SBI	n.a.	n.a.	n.a.	n.a.	0.6	2.5	0.3	3.6	1.4	(2.2)	(6.4)	(2.2)	(5.7)
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aggregate (Less Combined)	\$ 4.6	\$ 4.7	\$ 2.0	\$ 1.0	\$ 10.1	\$ 4.0	\$ 6.6	\$ 3.2	\$ 11.5	\$ 10.4	\$ 6.4	\$ 13.0	\$ (15.6)

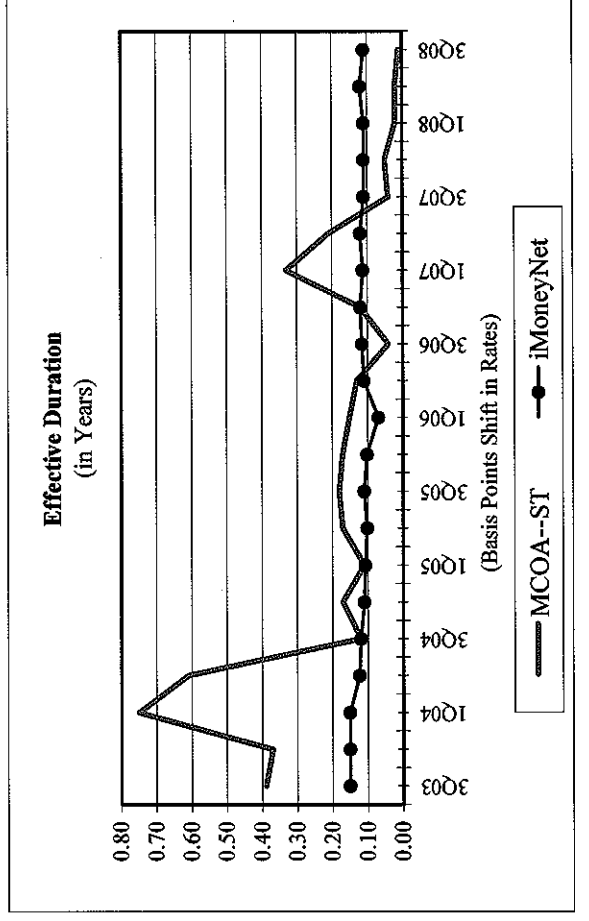
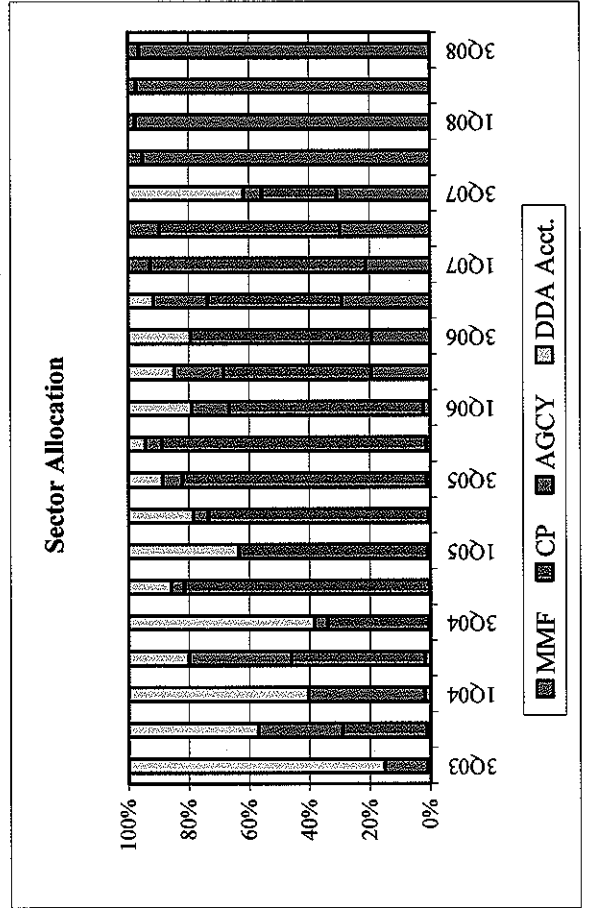
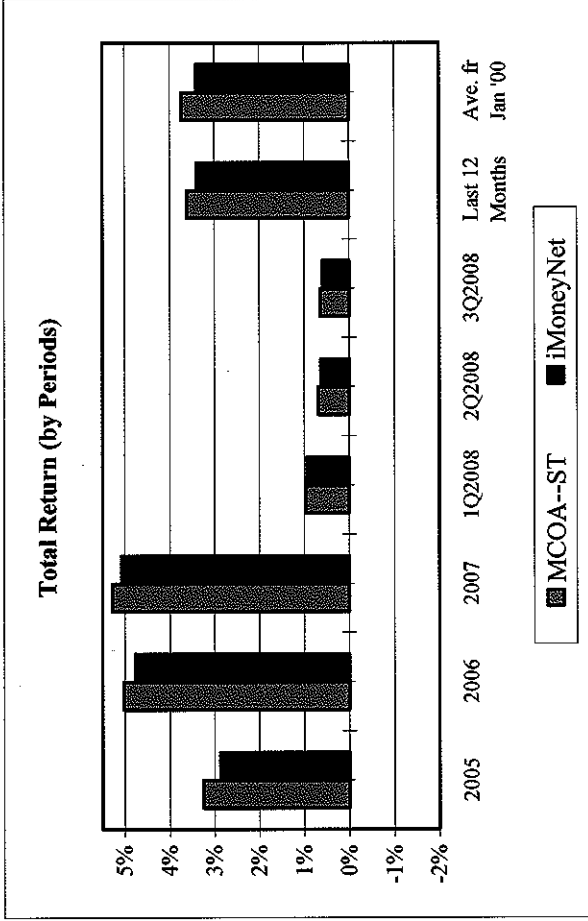
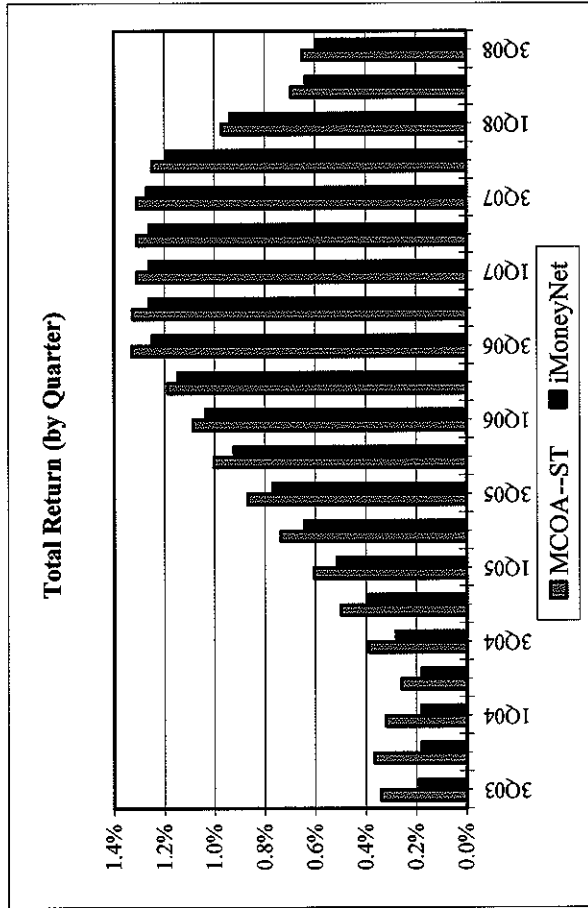
Account Group	3Q05	4Q05	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08
Investment Balances (MV, \$millions):													
MCOA-Taxable, ST	\$ 151.8	\$ 180.9	\$ 80.6	\$ 60.9	\$ 58.1	\$ 27.0	\$ 68.4	\$ 49.2	\$ 80.1	\$ 105.3	\$ 214.0	\$ 194.0	\$ 138.4
MCOA-Taxable, Margin, w/Cash	7.4	5.0	6.4	6.2	4.6	6.1	6.5	3.6	3.3	6.7	12.0	13.0	8.4
MCOA-Taxable, LT	207.1	205.8	211.3	232.5	239.3	219.3	228.5	220.7	212.1	204.5	123.0	132.0	185.4
MCOA-Taxable Combined	366.3	391.7	298.3	299.6	302.0	252.4	303.4	273.4	295.5	316.5	349.0	339.0	332.2
MCOA-Tax Exempt, ST	-	5.4	0.0	-	-	4.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
HUD-Savings Acct.	0.1	0.0	0.0	0.1	0.1	0.0	0.0	0.0	0.0	0.0	0.0	0.0	0.0
OPEB @ MN SBI	n.a.	n.a.	n.a.	n.a.	16.5	53.0	58.0	64.9	68.4	67.5	63.2	64.0	60.0
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.
Aggregate (Less Combined)	\$ 366.4	\$ 391.7	\$ 298.4	\$ 299.7	\$ 318.6	\$ 309.4	\$ 361.4	\$ 338.3	\$ 363.9	\$ 384.0	\$ 412.2	\$ 403.0	\$ 392.2

Account Group	3Q05	4Q05	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08
Market Yield (%):													
MCOA-Taxable, ST	3.90%	4.39%	4.81%	5.34%	5.33%	6.61%	5.31%	5.34%	5.10%	4.92%	3.25%	2.69%	2.34%
MCOA-Taxable, Margin, w/Cash	3.67%	3.93%	4.40%	4.68%	4.48%	4.90%	4.92%	4.98%	4.92%	4.44%	3.05%	2.37%	2.16%
MCOA-Taxable, LT	4.80%	4.64%	5.27%	5.61%	5.28%	5.32%	5.24%	5.55%	5.18%	4.69%	4.35%	5.11%	4.33%
MCOA-Taxable Combined	4.50%	4.52%	5.13%	5.54%	5.28%	5.31%	5.25%	4.99%	4.16%	4.76%	3.63%	3.62%	3.45%
MCOA-Tax Exempt, ST	2.12%	2.90%	2.68%	3.22%	3.15%	3.25%	3.22%	3.33%	3.34%	3.34%	2.12%	1.80%	1.51%
HUD-Savings Acct.	3.75%	4.08%	4.49%	4.97%	5.21%	5.22%	5.21%	5.21%	4.93%	4.93%	2.14%	1.25%	1.25%
OPEB @ MN SBI	n.a.	n.a.	n.a.	n.a.	1.88%	2.18%	2.42%	2.23%	2.56%	2.56%	2.05%	2.31%	2.23%
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

Account Group	3Q05	4Q05	1Q06	2Q06	3Q06	4Q06	1Q07	2Q07	3Q07	4Q07	1Q08	2Q08	3Q08
Book Yield (%):													
MCOA-Taxable, ST	3.70%	4.37%	4.57%	4.97%	5.30%	5.39%	5.28%	5.27%	5.11%	4.86%	3.26%	2.69%	2.36%
MCOA-Taxable, Margin, w/Cash	3.59%	3.93%	4.40%	4.68%	4.48%	4.50%	4.92%	4.97%	4.89%	4.50%	3.05%	2.37%	2.16%
MCOA-Taxable, LT	5.12%	5.14%	5.15%	5.44%	5.45%	5.41%	5.48%	5.59%	5.64%	5.64%	6.17%	5.11%	4.60%
MCOA-Taxable Combined	4.50%	4.77%	4.98%	5.33%	5.41%	5.39%	5.42%	5.53%	5.49%	5.36%	4.00%	3.93%	3.61%
MCOA-Tax Exempt, ST	2.12%	2.90%	2.68%	3.22%	3.15%	3.25%	3.22%	3.33%	3.34%	2.99%	2.12%	1.80%	1.51%
HUD-Savings Acct.	3.75%	4.08%	4.49%	4.97%	5.21%	5.22%	5.21%	5.21%	4.93%	4.16%	2.14%	1.25%	1.25%
OPEB @ MN SBI	n.a.	n.a.	n.a.	n.a.	1.88%	2.18%	2.42%	2.23%	2.56%	2.67%	2.05%	2.31%	2.23%
ES-SAC-Taxable	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.	n.a.

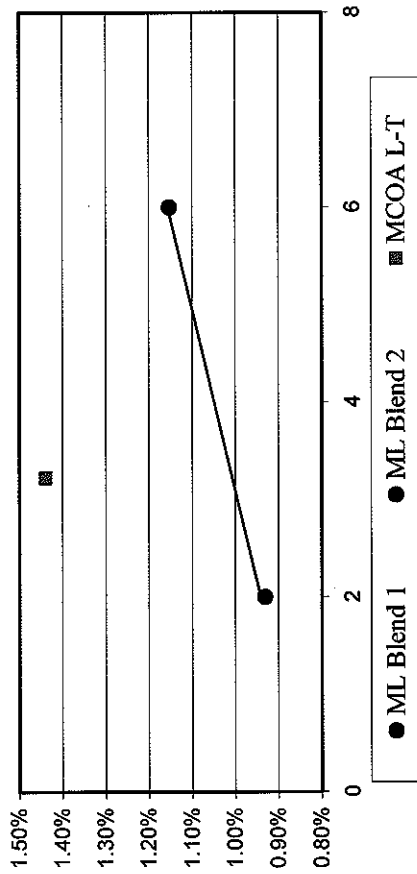
METROPOLITAN COUNCIL--Investments
 Operating Account--Short-Term Investments, (Analysis of Returns and Diversification)

September 30, 2008

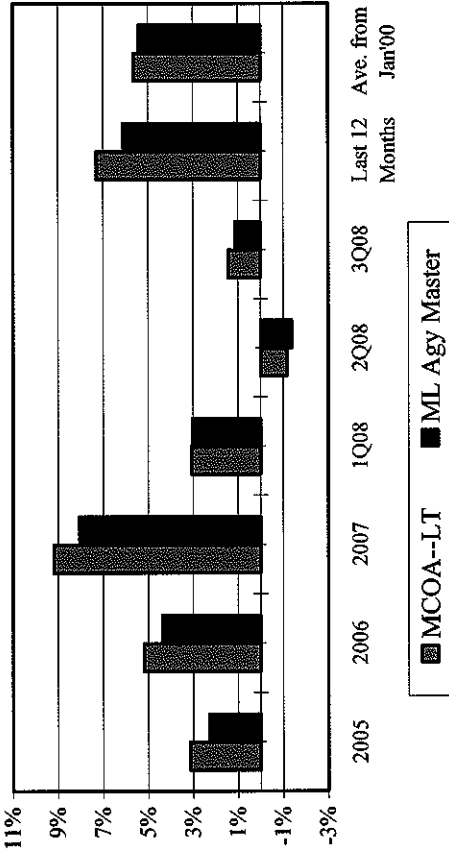


METROPOLITAN COUNCIL--Investments
 Operating Account--Long Term Investments, (Analysis of Returns)
 September 30, 2008

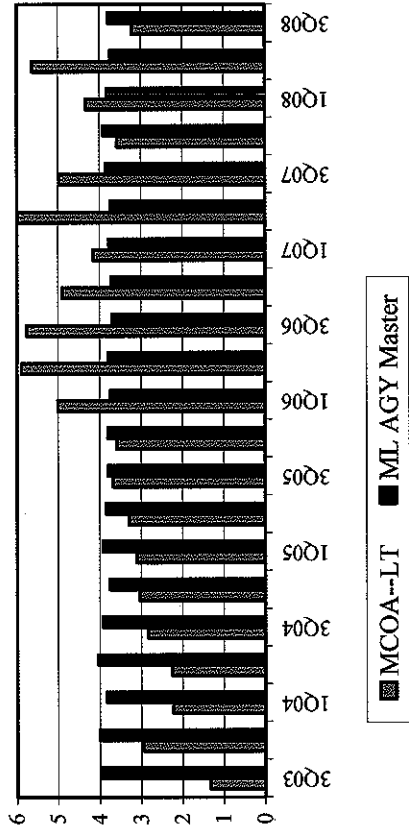
Met Council Total Returns vs. Merrill Lynch Agency Returns



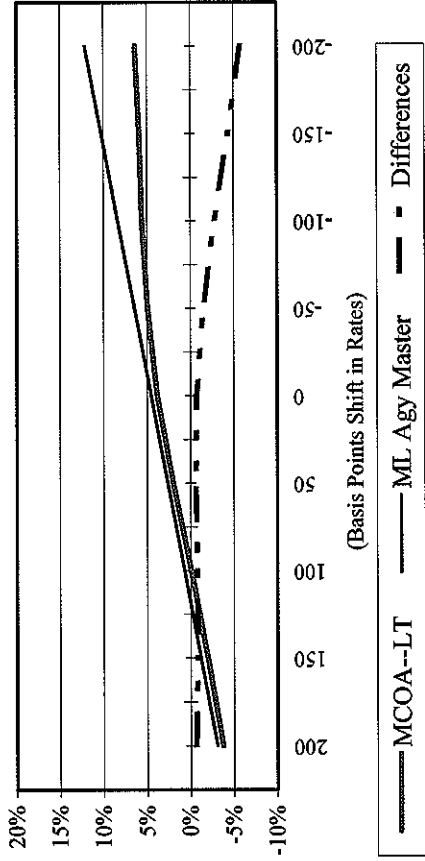
Total Return (by Periods)



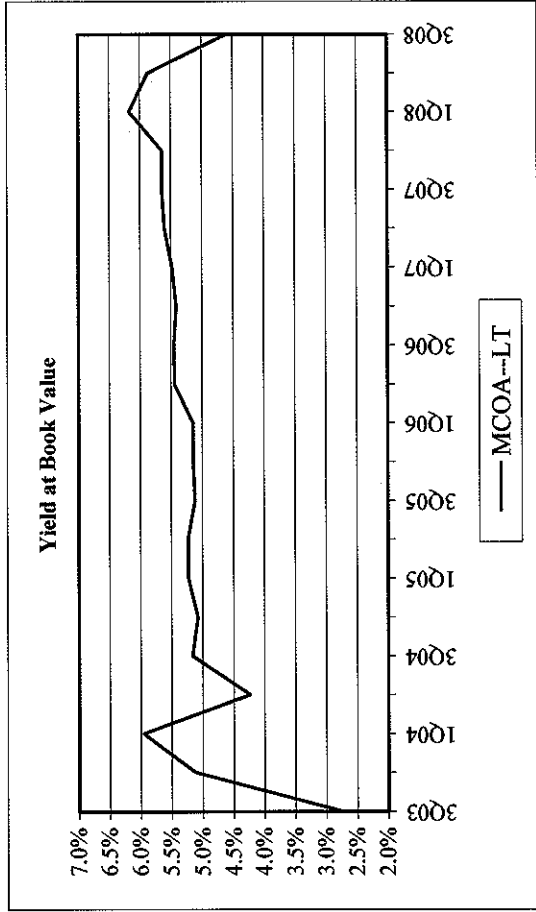
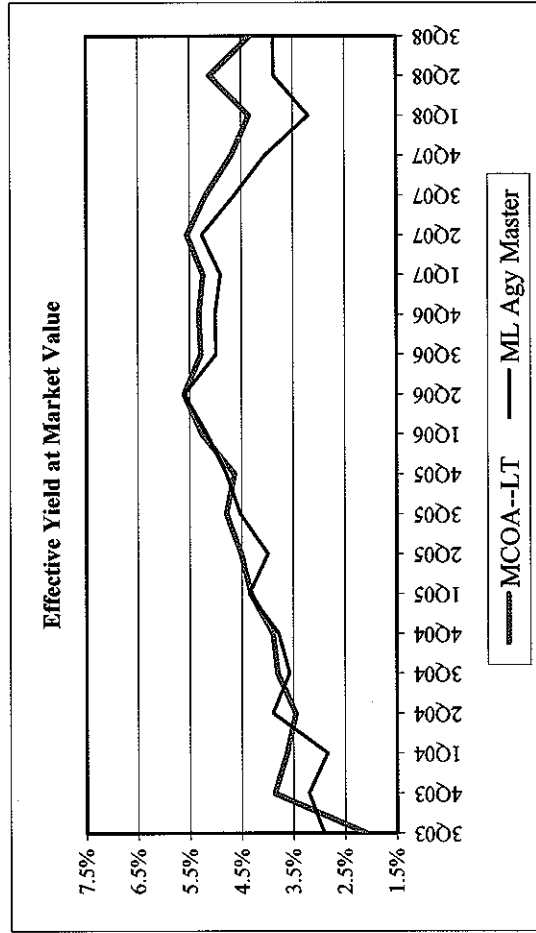
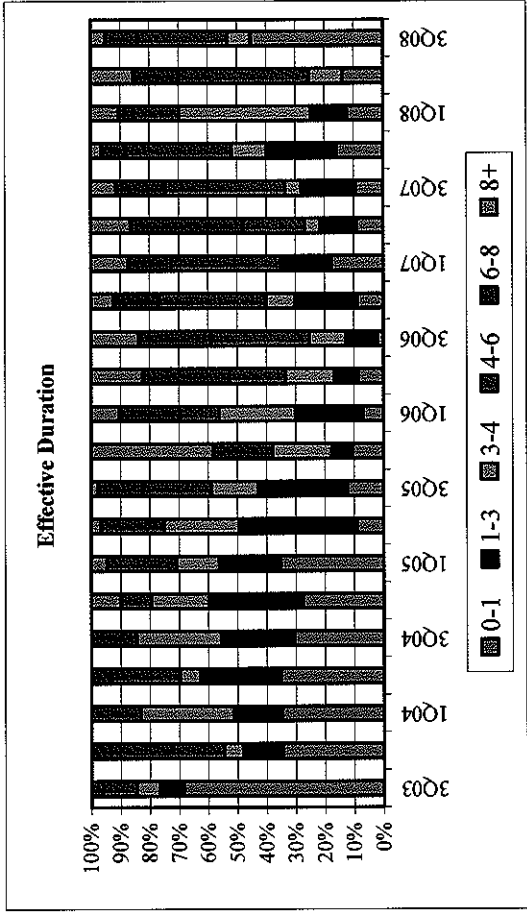
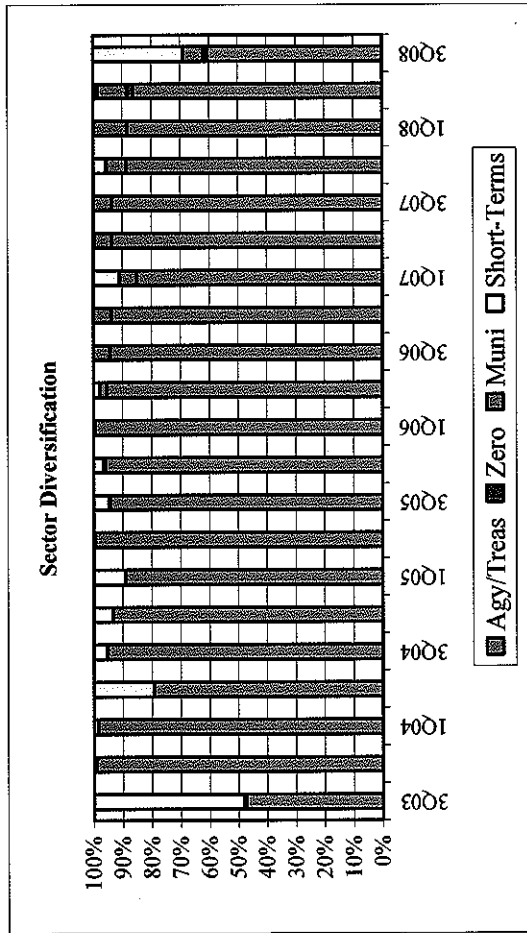
Effective Duration



Analysis of Total Return Sensitivity (Based on 12-Month Forecast)

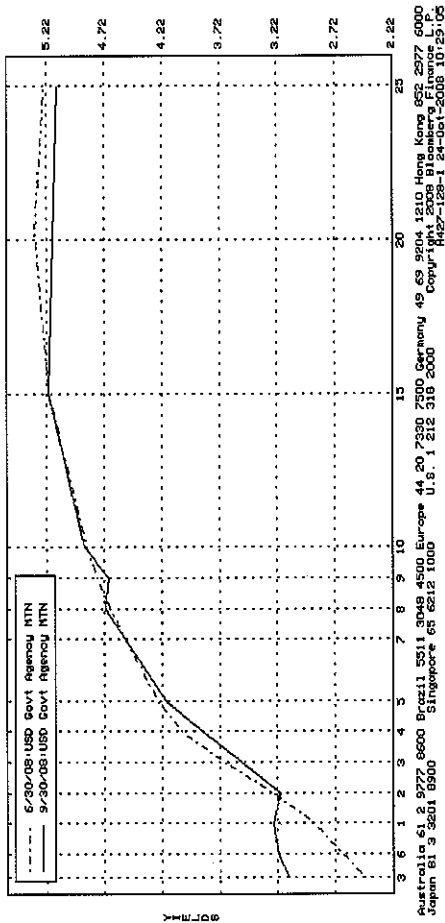


METROPOLITAN COUNCIL--Investments
 Operating Account--Long Term Investments, (Selected Data)
 September 30, 2008

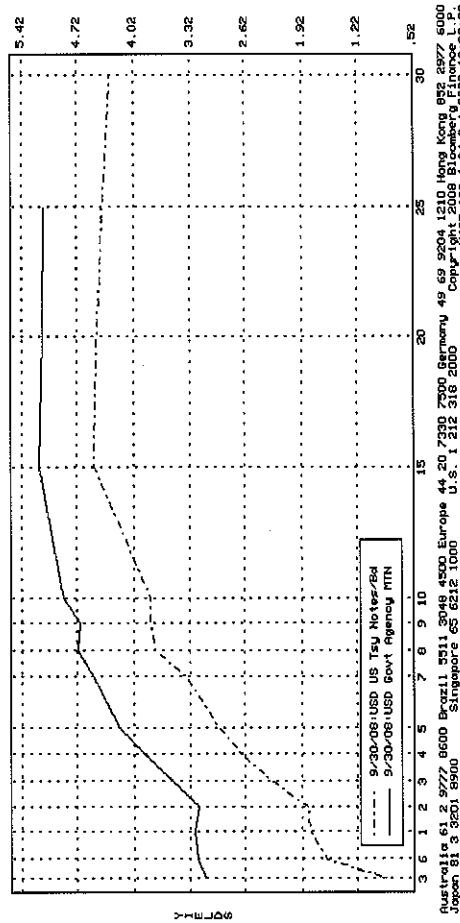


METROPOLITAN COUNCIL—Investment Review Committee
U.S. Agency & Treasury Charts
 September 30, 2008

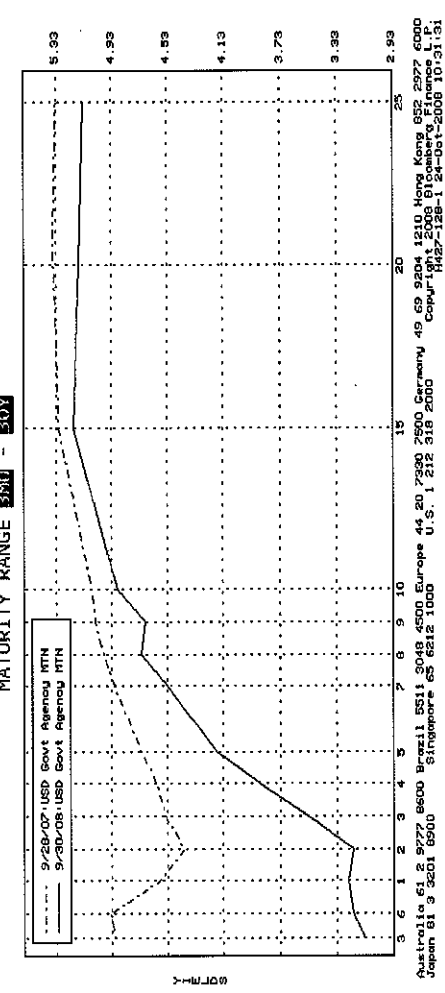
Govt FMCH
FAIR MARKET YIELD CURVES - HISTORY
 MATURITY RANGE 3M0 - 30Y



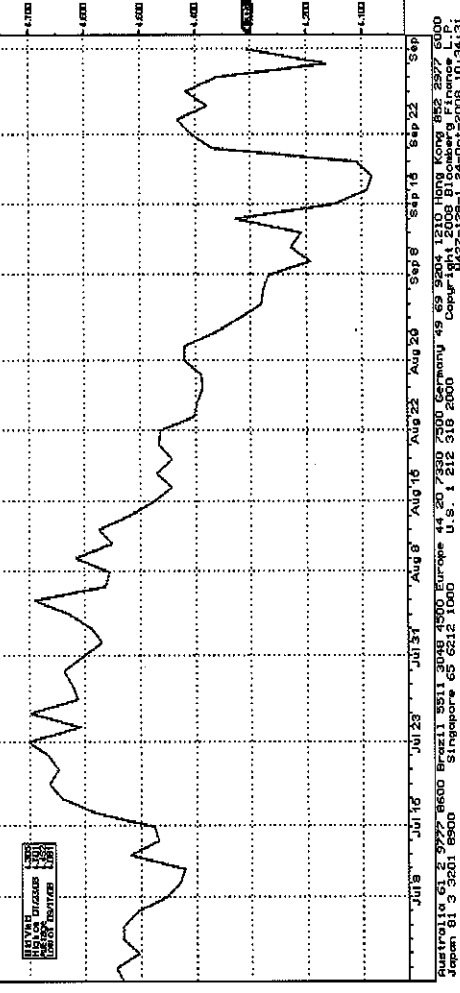
Govt FMCH
FAIR MARKET YIELD CURVES - HISTORY
 MATURITY RANGE 3M0 - 30Y



Govt FMCH
FAIR MARKET YIELD CURVES - HISTORY
 MATURITY RANGE 3M0 - 30Y



Govt GY
GY - Yield Chart

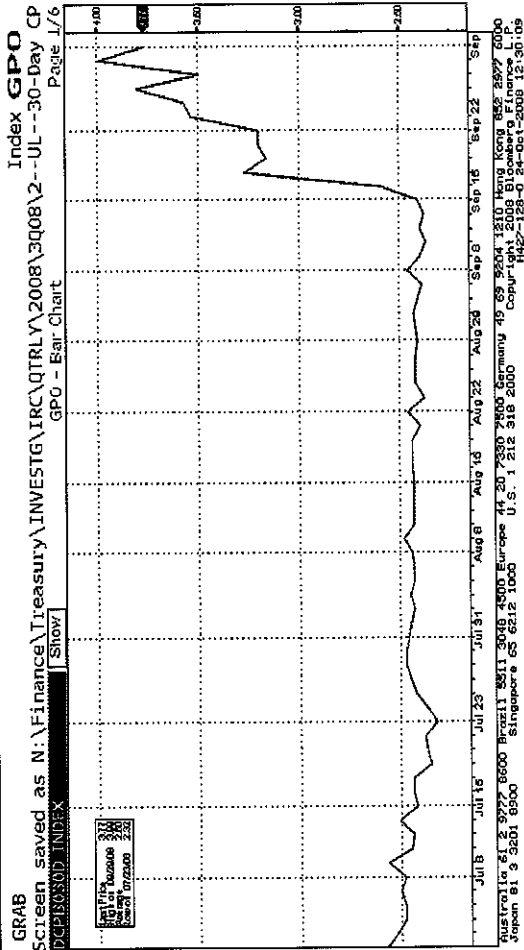


METROPOLITAN COUNCIL—Investment Review Committee

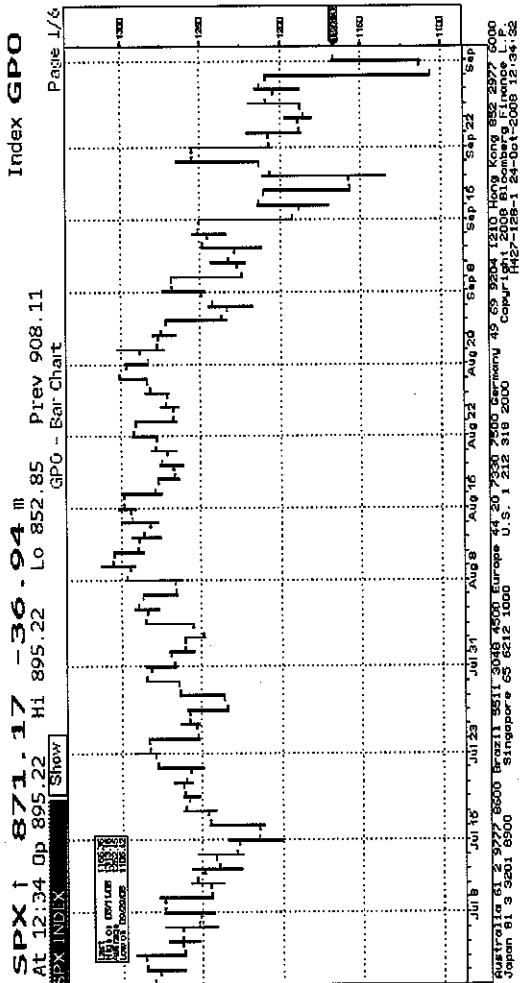
OPEB and Hedging Reference Charts

September 30, 2008

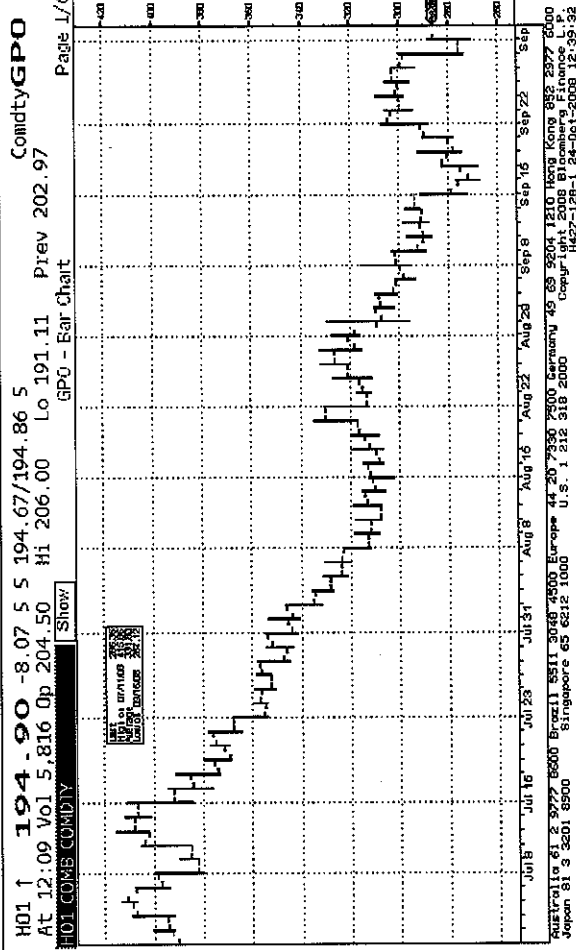
30 Day Commercial Paper History



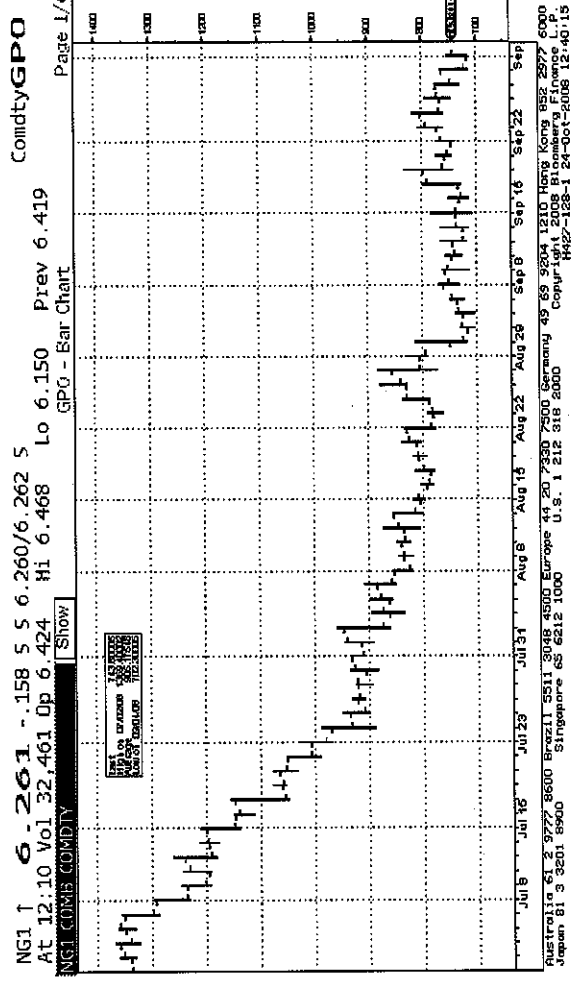
S & P 500 Stock Index



Heating Oil, Futures Contract for September, 2008



Natural Gas, Futures Contract for September, 2008



Economic Forecast

Updated 10/17/2008

 Full year to full year
 percent change,
 unless otherwise indicated

Quarterly percent change, unless otherwise indicated

	2007		2008				2009						
	Q3	Q4	Q1	Q2	Q3	Q4	Q1	Q2	Q3	Q4	2007	2008	2009
<i>Growth indicators</i>													
GDP	4.8	-0.2	0.9	3.3	-0.9	-3.6	-1.8	-0.4	1.8	2.8	2.0	1.3	-0.7
Final sales	4.0	0.8	0.9	4.8	-3.2	-2.6	-2.8	0.0	2.5	3.0	2.4	1.4	-0.8
Consumer spending	2.0	1.0	0.9	1.7	-3.2	-3.0	-2.0	-1.0	2.6	2.5	2.8	0.5	-1.1
Fixed investment	-0.9	-6.2	-5.6	-2.5	-11.5	-10.0	-10.5	-7.5	-3.1	0.7	-3.1	-5.1	-7.9
Nonresidential	8.7	3.4	2.4	2.2	-4.9	-9.1	-10.3	-7.7	-3.7	0.9	4.9	2.1	-6.7
Structures	20.6	8.6	8.7	13.6	-5.0	-10.0	-15.0	-20.0	-10.0	0.0	12.7	8.4	-10.7
Equipment	3.6	1.0	-0.5	-3.2	-5.0	-10.0	-10.0	-5.0	-3.0	0.0	1.7	-1.0	-6.6
Residential	-20.6	-27.0	-25.0	-15.8	-30.0	-7.5	-5.0	0.0	5.0	5.0	-17.9	-22.1	-7.3
Inventory investment (\$bn)	16.0	-8.1	-10.2	-49.4	20.0	-10.0	20.0	10.0	-10.0	-15.0	-2.5	-12.4	1.3
Foreign trade (\$bn)	-511.8	-484.5	-462.0	-376.6	-363.4	-343.8	-365.2	-365.4	-346.4	-327.5	-546.5	-386.5	-351.1
Government spending	3.8	0.8	1.9	3.9	2.0	2.0	5.0	10.0	2.0	2.0	2.1	2.4	4.3
Treasury budget (fiscal yr, \$bn)	117.5	-61.8	-106.8	-223.9	26.9	-189.0	-220	-259.5	140.2	-141.7	-161.5	-454.8	-511
Housing starts, (mn of units)	1.30	1.12	1.11	1.03	0.88	0.77	0.75	0.77	0.80	0.82	1.34	0.89	1.00
Unemployment rate (end of qtr)	4.7	5.0	5.1	5.5	6.1	6.7	7.4	7.8	8.1	8.4	5.0	6.7	8.4
<i>Inflation indicators (quarter on previous yr's same quarter, at an annual rate. Annual figures are Dec. change from prior Dec.)</i>													
PCE	2.1	3.4	3.5	3.7	4.4	2.4	0.9	-0.3	-1.4	0.1	3.5	1.7	0.6
Core PCE	1.9	2.1	2.0	2.3	2.5	2.4	2.1	1.7	1.1	0.9	2.3	2.3	0.9
PPI	3.7	6.5	6.9	7.6	9.4	7.0	4.2	1.3	-2.1	-3.5	6.2	6.8	-3.7
Core PPI	2.2	2.2	2.4	3.0	3.7	3.5	3.2	2.0	1.1	0.5	2.0	3.4	0.4
<i>Interest rates: end of period</i>													
Federal funds rate	4.75	4.25	2.00	2.00	2.00	1.50	1.00	1.00	1.00	1.50	4.25	1.50	1.50
3-month LIBOR	5.23	4.70	2.69	2.78	4.05	3.50	3.25	2.95	2.00	2.15	4.70	3.50	2.15
3-mo Treasury bills	3.82	3.36	1.38	1.90	0.92	0.60	0.90	0.90	1.00	1.60	3.36	0.60	1.60
2-yr Treasury notes	3.97	3.05	1.62	2.63	2.00	1.70	1.25	1.25	1.75	2.00	3.05	1.70	2.00
5-yr Treasury notes	4.23	3.45	2.46	3.34	2.98	2.80	2.40	2.25	2.60	2.70	3.45	2.80	2.70
10-yr Treasury notes	4.59	4.04	3.45	3.99	3.85	4.00	3.40	3.30	3.50	3.70	4.04	4.00	3.70
Fed primary credit (discount rate)	5.25	4.75	2.50	2.25	2.25	1.75	1.25	1.25	1.25	1.75	4.75	1.75	1.75
Prime bank rate	7.75	7.25	5.00	5.00	5.00	4.50	4.00	4.00	4.00	4.50	7.25	4.50	4.50
Avg. fixed mortgage rate	6.42	6.07	5.85	6.67	6.10	5.90	5.20	5.10	5.30	5.50	6.07	5.90	5.50

Actual values in blue italics.

The analyst who prepared the research report contained herein certifies that the views expressed in the research report accurately reflect his or her personal views about the subject securities and/or issuers and further certifies that no part of his or her compensation was, is, or will be directly or indirectly related to the specific recommendations or views contained in the research report.

Although this information has been obtained from sources which we believe to be reliable, we do not guarantee its accuracy, and it may be incomplete or condensed. This is for informational purposes only and is not intended as an offer or solicitation with respect to the purchase or sale of any security. All herein listed securities are subject to availability and change in price. Past performance is not indicative of future results. Changes in any assumptions may have a material effect on projected results.

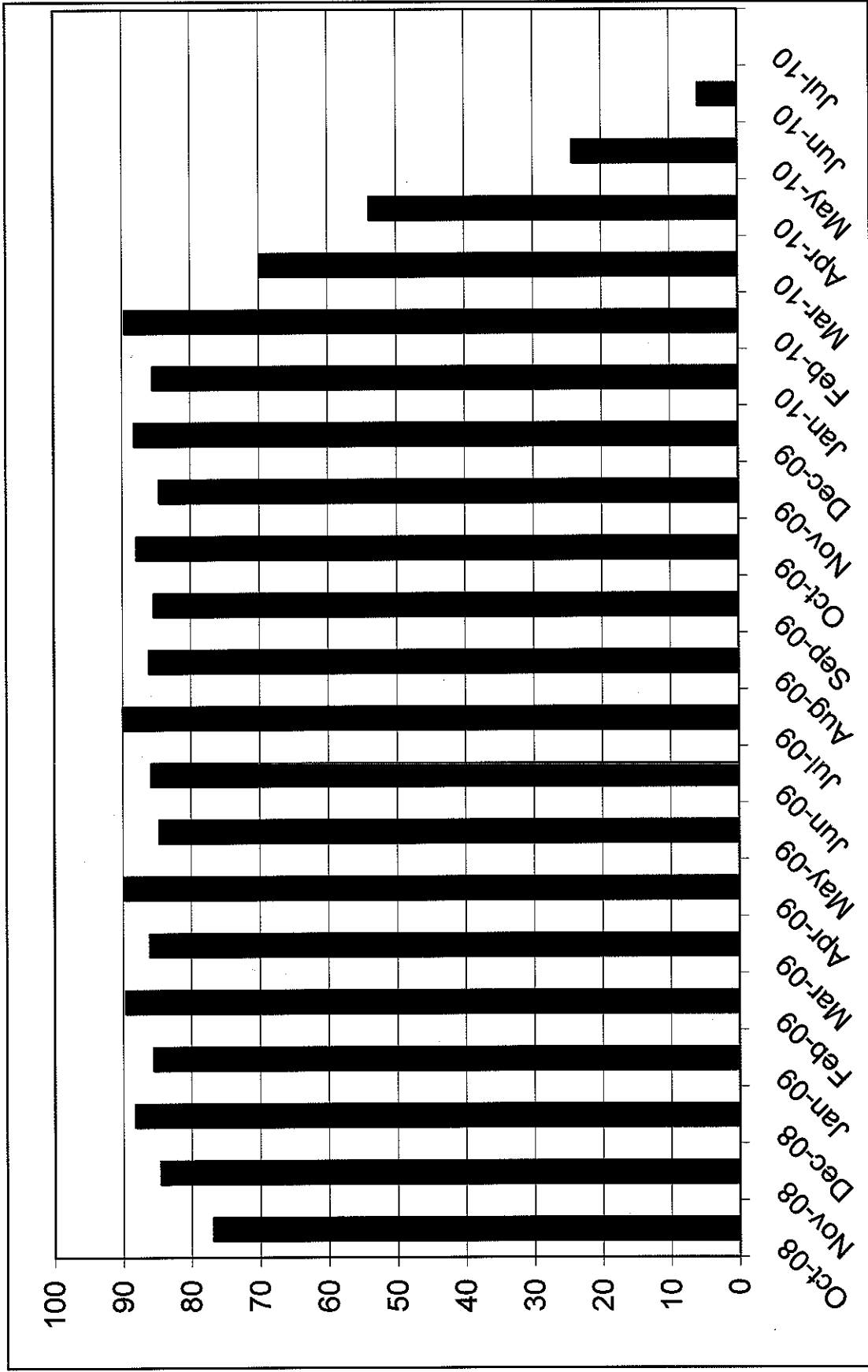
FTN Financial Group and FTN Financial Capital Markets are divisions of First Tennessee Bank National Association (FTB). FTN Financial Securities Corp (FFSC), FTN Financial Capital Assets Corporation, and FTN Midwest Research Securities Corp (MWRE) are wholly owned subsidiaries of FTB. FFSC and MWRE are members of the FINRA and SIPC. Equity research is provided by MWRE. FTN Financial Group, through FTB or its affiliates, offers investment products and services. © 2008 First Tennessee Bank. All rights reserved.

METROPOLITAN COUNCIL--Prospective Analysis (Futures Contracts)

Monthly Percentage Hedged Snapshot

Diesel (Heating Oil)

September 30, 2008

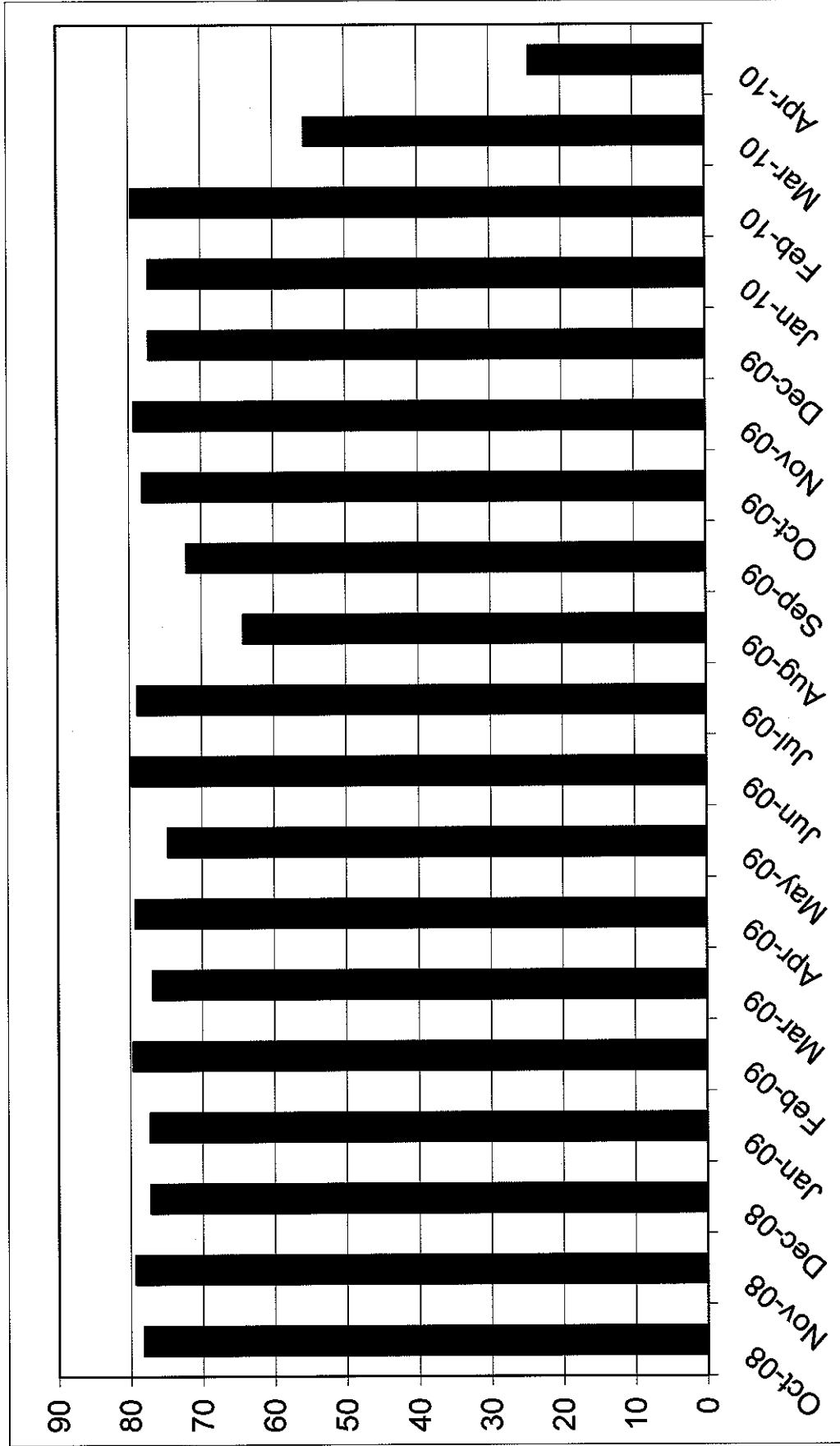


METROPOLITAN COUNCIL--Prospective Analysis (Futures Contracts)

Monthly Percentage Hedged Snapshot

Natural Gas

September 30, 2008



METROPOLITAN COUNCIL

Metropolitan Council
 Fiscal Services--Treasury Ops.
 390 Robert Street North
 St. Paul, MN 55101-1805
 (651)602-1629

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Summary
September 30, 2008

Investments	Par Value	Market Value	Book Value	% of Portfolio	Term	Days to Maturity	YTM
Money Market Fund, LA1 Type	194,939,347.80	194,939,347.80	194,939,347.80	48.62	1	1	2.485
Agencies--Discount	20,000,000.00	19,899,000.00	19,891,708.05	4.96	79	73	2.741
U.S. Agencies--Coupon	83,790,000.00	82,215,124.00	83,770,802.07	20.90	4,771	3,540	5.640
Municipals--Coupon	13,535,000.00	13,353,728.90	13,475,100.40	3.36	7,018	6,146	6.027
Agencies--Act/Act.	15,000,000.00	15,000,000.00	15,000,000.00	3.74	5,479	5,248	7.000
Managed Pool Accounts -2	70,596,854.71	60,362,150.33	70,596,854.71	17.61	1	1	2.228
Special Holdings	3,233,454.00	2,489,759.58	3,233,454.00	0.81	353	205	0.396
Investments	401,094,656.51	388,259,110.61	400,907,267.03	100.00%	1,445	1,149	3.383

Cash and Accrued Interest							
Passbook/Checking (not included in yield calculations)	4,398,307.84	4,398,307.84	4,398,307.84		1	1	0.000
Accrued Interest at Purchase		26,250.00	26,250.00				
Ending Accrued Interest		1,804,173.36	1,804,173.36				
Subtotal		6,228,731.20	6,228,731.20				
Total Cash and Investments Value	405,492,964.35	394,487,841.81	407,135,998.23		1,445	1,149	3.383

Total Earnings	September 30 Month Ending	Fiscal Year To Date
Current Year	1,453,726.31	14,357,036.07

Allen Hoppe, Manager, Treasury

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
September 30, 2008

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM	Maturity Date
Interest Earning DDA											
A-ST=DDA	2271	U.S. Bank		0.00	0.00	0.00	1.250	1	1	1.250	
				Subtotal and Average	0.00	0.00		0	0	0.000	
Money Market Fund, LA1 Type											
A=ST=BANKMMF	1386	First American MMF		51,339,554.52	51,339,554.52	51,339,554.52	1.570	1	1	1.570	
A=TE=CUSTODYMMF	2551	First American MMF		0.00	0.00	0.00	2.000	1	1	2.000	
SYS2739	2739	Credit Suisse Institutional Fu		66,753,600.56	66,753,600.56	66,753,600.56	2.880	1	1	2.880	
A=11211422-TE	1896	Federated		71,862.88	71,862.88	71,862.88	1.510	1	1	1.510	
A=7002237977	2521	Federated		0.00	0.00	0.00	5.220	1	1	5.220	
SYS2522	2522	Federated		0.00	0.00	0.00	5.220	1	1	5.220	
SYS2725	2725	Federated		4,000,003.09	4,000,003.09	4,000,003.09	2.160	1	1	2.160	
A=756004008	2487	Morgan Stanley		15,180,535.80	15,180,535.80	15,180,535.80	2.180	1	1	2.180	
A=104756184180	2083	U.S. Bank		85,594.68	85,594.68	85,594.68	1.250	1	1	1.250	
SYS2384	2384	Voyageurs Tamarack Prime Inst		0.00	0.00	0.00	3.250	1	1	3.250	
A=ST=CUST-WELLS	2708	Wells Fargo--Sweep		102,909.38	102,909.38	102,909.38	2.950	1	1	2.950	
A=LT=CUST=WELLS	2709	Wells Fargo--Sweep		57,405,286.89	57,405,286.89	57,405,286.89	2.950	1	1	2.950	
W-LT SEC. LENDG	2711	Wells Fargo--Sweep		0.00	0.00	0.00	0.000	1	1	0.000	
W-ST SEC. LENDG	2712	Wells Fargo--Sweep	01/01/2008	0.00	0.00	0.00	0.000	1	1	0.000	
				Subtotal and Average	194,939,347.80	194,939,347.80		1	1	2.485	
Agencies--Discount											
313384S83	2829	Fed. Home Loan Bank	09/25/2008	10,000,000.00	9,951,000.00	9,946,846.86	2.750	77	71	2.766	12/11/2008
313384T41	2830	Fed. Home Loan Bank	09/25/2008	10,000,000.00	9,948,000.00	9,944,861.19	2.700	81	75	2.717	12/15/2008
				Subtotal and Average	20,000,000.00	19,891,708.05		79	73	2.741	
U.S. Agencies--Coupon											
31331YKA7	2751	Federal Farm Credit Bank	12/24/2007	5,000,000.00	5,010,950.00	5,000,000.00	4.100	366	84	4.098	12/24/2008
3128X7S88	2823	Fed. Home Loan Mgt. Corp.	09/17/2008	5,000,000.00	5,009,450.00	5,000,000.00	4.500	1,763	1,769	4.499	08/05/2013
3128X0TU3	2308-S	Fed. Home Loan Mgt. Corp.	12/27/2002	5,000,000.00	4,870,300.00	5,000,000.00	5.800	5,479	3,374	5.800	12/27/2017
3128X0TU3	2309-S-B	Fed. Home Loan Mgt. Corp.	04/01/2005	5,000,000.00	4,870,300.00	5,000,000.00	5.600	4,653	3,374	6.199	12/27/2017
3128X0TU3	2310-S	Fed. Home Loan Mgt. Corp.	12/27/2002	5,000,000.00	4,870,300.00	5,000,000.00	5.600	5,479	3,374	5.800	12/27/2017
3128X2K46	2518	Fed. Home Loan Mgt. Corp.	06/30/2005	20,000,000.00	19,812,600.00	20,170,084.78	5.200	4,996	3,807	5.085	03/05/2019
3128X2K46	2633	Fed. Home Loan Mgt. Corp.	08/09/2006	5,000,000.00	4,953,150.00	4,811,719.40	5.200	4,591	3,807	5.711	03/05/2019
3128X2G54	2359-S	Fed. Home Loan Mgt. Corp.	12/30/2003	5,000,000.00	4,898,250.00	5,000,000.00	6.100	5,844	4,107	6.241	12/30/2019
3128X2G54	2354-S	Fed. Home Loan Mgt. Corp.	12/30/2003	5,000,000.00	4,898,250.00	5,000,000.00	6.100	5,844	4,107	6.241	12/30/2019
3128X2G54	2355-S-B	Fed. Home Loan Mgt. Corp.	04/01/2005	5,000,000.00	4,898,250.00	5,000,000.00	6.100	5,386	4,107	6.998	12/30/2019

Data Updated: SET_005B: 10/21/2008 14:46
 Run Date: 10/21/2008 - 14:46

Portfolio METC
 AP
 PM (PRF_PIM2) SymRept 6.41.202b

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
September 30, 2008

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM	Maturity Date
U.S. Agencies--Coupon											
19647TAA3	1682-B	U.S. GSA, COPs	04/01/2005	3,720,000.00	3,852,432.00	3,718,997.89	6.600	5,402	4,123	6.602	01/15/2020
19647TAA3	1764-B	U.S. GSA, COPs	04/01/2005	70,000.00	72,492.00	70,000.00	6.800	5,402	4,123	6.599	01/15/2020
3133XC6C2	2495-S	Fed. Home Loan Bank	06/30/2005	5,000,000.00	4,732,800.00	5,000,000.00	5.750	5,479	4,290	5.867	06/30/2020
3133XC6C2	2496-S	Fed. Home Loan Bank	06/30/2005	10,000,000.00	9,465,600.00	10,000,000.00	5.750	5,479	4,290	5.867	06/30/2020
Subtotal and Average				83,790,000.00	82,215,124.00	83,770,802.07		4,771	3,540	5.640	
Municipals--Coupon											
392643PJ5	2482-B	Green Bay School District	04/01/2005	1,000,000.00	935,230.00	999,362.65	5.000	4,383	3,104	5.009	04/01/2017
518516PF0	2623	Meridian, MS	07/24/2006	565,000.00	574,028.70	561,026.93	6.000	5,821	5,021	6.399	07/01/2022
518516PG8	2624	Meridian, MS	07/24/2006	445,000.00	452,667.35	439,713.69	6.000	6,186	5,386	6.441	07/01/2023
60415NE24	2625	Minnesota HFA	07/27/2006	2,995,000.00	3,065,951.55	3,033,727.80	6.300	6,183	5,386	6.158	07/01/2023
518516PH6	2631	Meridian, MS	07/31/2006	740,000.00	747,681.20	726,000.99	6.000	6,545	5,752	6.505	07/01/2024
518516FJ2	2630	Meridian, MS	07/31/2006	790,000.00	793,310.10	770,707.36	6.000	6,910	6,117	6.549	07/01/2025
60374AW39	2610	Minneapolis, MN	04/11/2006	2,000,000.00	2,060,880.00	2,029,703.45	6.000	7,236	6,332	5.853	02/01/2026
987830KW5	2622	Ypsilanti, MI	07/24/2006	2,000,000.00	2,002,280.00	2,020,136.46	6.150	7,221	6,421	6.051	05/01/2026
074851MU7	2609	Beaver County, PA	04/11/2006	3,000,000.00	2,721,720.00	2,894,721.07	5.850	9,014	8,110	5.953	12/15/2030
Subtotal and Average				13,535,000.00	13,353,728.90	13,475,100.40		7,018	6,146	6.027	
Agencies--Act/Act.											
3133XPD9	2754	Federal Home Loan	02/13/2008	5,000,000.00	5,000,000.00	5,000,000.00	7.000	5,479	5,248	7.000	02/13/2023
3133XPD9	2756	Federal Home Loan	02/13/2008	10,000,000.00	10,000,000.00	10,000,000.00	7.000	5,479	5,248	7.000	02/13/2023
Subtotal and Average				15,000,000.00	15,000,000.00	15,000,000.00		5,479	5,248	7.000	
Managed Pool Accounts -2											
SYS1-OPEB-RA	OPEB-1-RA	State Board of Investment		2,224,962.55	1,902,400.96	2,224,962.55	2.228	1	1	2.228	
SYS2-OPEB-ES	OPEB-2-ES	State Board of Investment		28,394,205.03	24,277,785.17	28,394,205.03	2.228	1	1	2.228	
SYS3-OPEB-MT	OPEB-3-MT	State Board of Investment		39,977,687.13	34,181,964.20	39,977,687.13	2.228	1	1	2.228	
Subtotal and Average				70,596,854.71	60,362,150.33	70,596,854.71		1	1	2.228	
Special Holdings											
85431HB10	2785	Stanfield Victoria Finance	05/06/2008	3,233,454.00	2,489,759.58	3,233,454.00		353	205	0.396	04/24/2009
Subtotal and Average				3,233,454.00	2,489,759.58	3,233,454.00		353	205	0.396	

005B-EOM, Aggregate Portfolio
Portfolio Management
Portfolio Details - Investments
September 30, 2008

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM
				401,094,656.51	388,259,110.61	400,907,267.03		1,445	1,149	3.383
Total and Average										

005B-EOM, Aggregate Portfolio
 Portfolio Management
 Portfolio Details - Cash
 September 30, 2008

CUSIP	Investment #	Issuer	Purchase Date	Par Value	Market Value	Book Value	Stated Rate	Term	Days to Maturity	YTM
Non-Interest Bearing Acct.										
SYS2994	2385	Dain--Hedging, Cash, Diesel		4,672,392.66	4,672,392.66	4,672,392.66		1	1	0.000
SYSBank-024	Bank-024	MT-Admin (Mears Park)	01/01/2008	0.00	0.00	0.00		1	1	0.000
MT-TVM	Bank-0022	MT-TVM Coin and Currency	12/31/2007	0.00	0.00	0.00		1	1	0.000
SYS2643	2643	Dain--Hedging, Cash, Nat. Gas		-274,084.82	-274,084.82	-274,084.82		1	1	0.000
1047-5623-0983	Bank-0020	U.S. Bank	12/31/2007	0.00	0.00	0.00		1	1	0.000
SYSBank-0021	Bank-0021	U.S. Bank	12/31/2007	0.00	0.00	0.00		1	1	0.000
1047-5623-0975	Bank-18A	U.S. Bank	12/31/2007	0.00	0.00	0.00		1	1	0.000
Subtotal and Average				26,250.00	26,250.00	26,250.00		1	1	
Ending Accrued Interest				1,804,173.36	1,804,173.36	1,804,173.36				
Subtotal				6,228,731.20	6,228,731.20	6,228,731.20				
Total Cash and Investments Value				405,492,964.35	394,487,841.81	407,135,998.23		1,445	1,149	3.383

METROPOLITAN COUNCIL

Metropolitan Council
 Fiscal Services—Treasury Ops.
 390 Robert Street North
 St. Paul, MN 55101-1805
 (651)602-1629

**Metropolitan Council
 Purchases Report
 Sorted by Purchase Date - Purchase Date
 July 1, 2008 - September 30, 2008**

CUSIP	Investment #	Port	Sec. Type	Issuer	Original Par Value	Purchase Date	Payment Periods	Principal Purchased	Accrued Interest at Purchase	Rate at Purchase	Maturity Date	YTM 365	Ending Book Value
912810PW2	2808	MCTXLT	TRC	UST	2,000,000.00	07/07/2008	07/08 - Final Pmt.	1,940,000.00	Sold	4.375	02/15/2038	4.560	0.00
912810PW2	2809	MCTXLT	TRC	UST	2,000,000.00	07/11/2008	08/15 - 08/26	1,971,562.50	Sold	4.375	02/15/2038	4.462	0.00
912810PW2	2810	MCTXLT	TRC	UST	2,000,000.00	07/14/2008	07/14 - Final Pmt.	1,952,812.50	Sold	4.375	02/15/2038	4.520	0.00
912810PW2	2811	MCTXLT	TRC	UST	2,000,000.00	07/17/2008	08/15 - Final Pmt.	1,945,000.00	Sold	4.375	02/15/2038	4.545	0.00
912810PW2	2812	MCTXLT	TRC	UST	2,000,000.00	07/17/2008	08/04 - Final Pmt.	1,930,000.00	Sold	4.375	02/15/2038	4.592	0.00
912810PW2	2813	MCTXLT	TRC	UST	2,000,000.00	07/24/2008	07/24 - Final Pmt.	1,894,375.00	Sold	4.375	02/15/2038	4.708	0.00
912810PW2	2814	MCTXLT	TRC	UST	2,000,000.00	07/31/2008	07/31 - Final Pmt.	1,899,687.50	Sold	4.375	02/15/2038	4.690	0.00
912810PW2	2815	MCTXLT	TRC	UST	2,000,000.00	08/06/2008	08/08 - Final Pmt.	1,928,593.75	Sold	4.375	02/15/2038	4.597	0.00
912810PW2	2816	MCTXLT	TRC	UST	2,000,000.00	08/06/2008	08/08 - Final Pmt.	1,912,500.00	Sold	4.375	02/15/2038	4.649	0.00
912810PX0	2817	MCTXLT	TRC	UST	2,000,000.00	08/15/2008	08/15 - Final Pmt.	1,964,375.00	Sold	4.500	05/15/2038	4.610	0.00
3134A4TZ7	2819	MCTXLT	FAC	FHLMC	10,000,000.00	08/18/2008	09/09 - Final Pmt.	10,194,140.00	Sold	4.500	07/15/2013	4.059	0.00
912810PX0	2821	MCTXLT	TRC	UST	2,000,000.00	09/15/2008	09/15 - Final Pmt.	2,080,937.50	Sold	4.500	05/15/2038	4.258	0.00
912810PX0	2822	MCTXLT	TRC	UST	2,000,000.00	09/15/2008	09/15 - Final Pmt.	2,062,187.50	Sold	4.500	05/15/2038	4.313	0.00
3128X7S88	2823	MCTXLT	FAC	FHLMC	5,000,000.00	09/17/2008	02/05 - 08/05	5,000,000.00	26,250.00	4.500	08/05/2013	4.499	5,000,000.00
912810PX0	2825	MCTXLT	TRC	UST	2,000,000.00	09/22/2008	09/30 - Final Pmt.	2,063,125.00	Sold	4.500	05/15/2038	4.340	0.00
912810PX0	2826	MCTXLT	TRC	UST	2,000,000.00	09/23/2008	09/23 - Final Pmt.	2,009,687.50	Sold	4.500	05/15/2038	4.470	0.00
313384S83	2829	MCTXLT	AFD	FHLB	10,000,000.00	09/25/2008	12/11 - At Maturity	9,941,180.56		2.750	12/11/2008	2.805	9,946,846.86
313384T41	2830	MCTXLT	AFD	FHLB	10,000,000.00	09/25/2008	12/15 - At Maturity	9,939,250.00		2.700	12/15/2008	2.754	9,944,861.19
912810PX0	2831	MCTXLT	TRC	UST	2,000,000.00	09/26/2008	09/26 - Final Pmt.	2,020,937.50	Sold	4.500	05/15/2038	4.436	0.00
Total Purchases									64,640,351.81	26,250.00			24,891,708.05

Run Date: 11/05/2008 - 09:38

See Payment Periods
 09/26 - September 29, 2008
 09/25 - At Maturity
 12/15 - At Maturity

METROPOLITAN COUNCIL

Metropolitan Council
 Fiscal Services--Treasury Ops.
 390 Robert Street North
 St. Paul, MN 55101-1805
 (651)602-1629

**Metropolitan Council
 Sales/Call Report
 Sorted by Maturity Date - Port
 July 1, 2008 - September 30, 2008**

CUSIP	Investment #	Port	Issuer Sec. Type	Purchase Date	Redem. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
07/15/2013												
3134A4TZ7	2819	MCTXLT	FHLMC FAC	08/18/2008	09/09/2008	10,000,000.00	4.500	10,191,832.73	10,348,300.00	67,500.00	10,413,800.00	221,967.27
					07/15/2013						Sale	
				Subtotal		10,000,000.00		10,191,832.73	10,348,300.00	67,500.00	10,413,800.00	221,967.27
12/30/2019												
3133XA4E4	2465	MCTXLT	FHLB MC1	12/30/2004	09/30/2008	10,000,000.00	7.480 V	10,000,000.00	10,000,000.00	188,524.59	10,188,524.59	188,524.59
					12/30/2019						Call	
3133XA4E4	2466-B	MCTXLT	FHLB MC1	04/01/2005	09/30/2008	5,000,000.00	7.480 V	5,000,000.00	5,000,000.00	94,262.30	5,094,262.30	94,262.30
					12/30/2019						Sale	
				Subtotal		15,000,000.00		15,000,000.00	15,000,000.00	282,786.89	15,282,786.89	282,786.89
01/15/2020												
19647TAA3	1662-B	MCTXLT	GSA FAC	04/01/2005	07/15/2008	150,000.00	6.600	149,958.83	150,000.00	127,710.00	277,710.00	127,751.17
					01/15/2020						Call	
				Subtotal		150,000.00		149,958.83	150,000.00	127,710.00	277,710.00	127,751.17
07/01/2023												
60415NE24	2625	MCTXLT	MN HFA MUN	07/27/2006	07/01/2008	5,000.00	6.300	5,065.75	5,000.00	94,500.00	99,500.00	94,434.25
					07/01/2023						Call	
				Subtotal		5,000.00		5,065.75	5,000.00	94,500.00	99,500.00	94,434.25
02/15/2038												
912810PW2	2797	MCTXLT	UST TRC	05/23/2008	07/01/2008	2,000,000.00	4.375	1,933,676.54	1,948,437.50	32,932.69	1,981,370.19	47,693.65
					02/15/2038						Sale	
912810PW2	2800	MCTXLT	UST TRC	05/28/2008	07/01/2008	2,000,000.00	4.375	1,919,316.01	1,948,437.50	32,932.69	1,981,370.19	62,054.18
					02/15/2038						Sale	
912810PW2	2806	MCTXLT	UST TRC	06/11/2008	07/01/2008	2,000,000.00	4.375	1,902,679.87	1,948,437.50	32,932.69	1,981,370.19	78,690.32
					02/15/2038						Sale	
912810PW2	2807	MCTXLT	UST TRC	06/13/2008	07/01/2008	2,000,000.00	4.375	1,883,943.05	1,948,437.50	32,932.70	1,981,370.20	97,427.15
					02/15/2038						Sale	
912810PW2	2808	MCTXLT	UST TRC	07/07/2008	07/08/2008	2,000,000.00	4.375	1,940,005.55	1,960,625.00	34,615.38	1,995,240.38	55,234.83
					02/15/2038						Sale	
912810PW2	2766	MCTXLT	UST TRC	03/25/2008	07/11/2008	2,000,000.00	4.375	2,035,891.45	1,984,375.00	35,336.54	2,019,711.54	-16,179.91
					02/15/2038						Sale	
912810PW2	2810	MCTXLT	UST TRC	07/14/2008	07/14/2008	2,000,000.00	4.375	1,952,812.50	1,961,875.00	36,057.69	1,997,932.69	45,120.19
					02/15/2038						Sale	

V - Security with variable rate change.

Portfolio METC
 NLI AP
 SA (PRF_SA) SymRept 6.41.202b
 Report Ver. 5.00

**Metropolitan Council
Sales/Call Report
July 1, 2008 - September 30, 2008**

CUSIP	Investment #	Port	Issuer Sec. Type	Purchase/Redem. Date Date/Matur. Date	Par Value	Rate at Redem.	Book Value at Redem.	Redemption Principal	Redemption Interest	Total Amount	Net Income
02/15/2038											
912810PW2	2813	MCTXLT	UST TRC	07/24/2008 07/24/2008 02/15/2038	2,000,000.00	4.375	1,894,375.00	1,908,125.00	38,461.54	1,946,586.54	52,211.54
912810PW2	2814	MCTXLT	UST TRC	07/31/2008 07/31/2008 02/15/2038	2,000,000.00	4.375	1,899,687.50	1,915,937.50	40,144.23	1,956,081.73	56,394.23
912810PW2	2812	MCTXLT	UST TRC	07/17/2008 08/04/2008 02/15/2038	2,000,000.00	4.375	1,930,116.61	1,939,375.00	41,105.77	1,980,480.77	50,364.16
912810PW2	2815	MCTXLT	UST TRC	08/06/2008 08/08/2008 02/15/2038	2,000,000.00	4.375	1,928,606.99	1,941,250.00	42,067.31	1,983,317.31	54,710.32
912810PW2	2816	MCTXLT	UST TRC	08/06/2008 08/08/2008 02/15/2038	2,000,000.00	4.375	1,912,516.23	1,940,625.00	42,067.31	1,982,692.31	70,176.08
912810PW2	2811	MCTXLT	UST TRC	07/17/2008 08/15/2008 02/15/2038	2,000,000.00	4.375	1,945,147.62	1,956,250.00	43,750.00	2,000,000.00	54,852.38
912810PW2	2809	MCTXLT	UST TRC	07/11/2008 08/26/2008 02/15/2038	2,000,000.00	4.375	1,971,683.50	1,998,281.25	2,615.49	2,000,896.74	29,213.24
912810PW2	2767	MCTXLT	UST TRC	03/25/2008 09/05/2008 02/15/2038	2,000,000.00	4.375	2,023,393.28	2,030,000.00	4,993.21	2,034,993.21	11,599.93
05/15/2038				Subtotal	30,000,000.00		29,073,851.70	29,330,468.75	492,945.24	29,823,413.99	749,562.29
912810PX0	2817	MCTXLT	UST TRC	08/15/2008 08/15/2008 05/15/2038	2,000,000.00	4.500	1,964,375.00	1,980,000.00	22,500.00	2,002,500.00	38,125.00
912810PX0	2821	MCTXLT	UST TRC	09/15/2008 09/15/2008 05/15/2038	2,000,000.00	4.500	2,080,937.50	2,099,375.00	30,081.52	2,129,456.52	48,519.02
912810PX0	2822	MCTXLT	UST TRC	09/15/2008 09/15/2008 05/15/2038	2,000,000.00	4.500	2,062,187.50	2,099,375.00	30,081.52	2,129,456.52	67,269.02
912810PX0	2826	MCTXLT	UST TRC	09/23/2008 09/23/2008 05/15/2038	2,000,000.00	4.500	2,009,687.50	2,034,062.50	32,038.04	2,066,100.54	56,413.04
912810PX0	2831	MCTXLT	UST TRC	09/26/2008 09/26/2008 05/15/2038	2,000,000.00	4.500	2,020,937.50	2,034,687.50	32,771.74	2,067,459.24	46,521.74
912810PX0	2825	MCTXLT	UST TRC	09/22/2008 09/30/2008 05/15/2038	2,000,000.00	4.500	2,053,085.75	2,075,000.00	33,750.00	2,108,750.00	55,664.25
				Subtotal	12,000,000.00		12,191,210.75	12,322,500.00	181,222.82	12,503,722.82	312,512.07
Total Sales					67,155,000.00		66,611,919.76	67,154,268.75	1,248,664.95	68,400,933.70	1,789,013.94

Metropolitan Council
Sales/Call Report
September 30, 2008