ORANGE COUNTY TREASURER-TAX COLLECTOR INVESTMENT POLICY COMPLIANCE May 31, 2001

Investment Policy Guidelines		Orange County Investment Pool		Orange County Editor		John Wayne Airport Investment Pool	
Percent of		Market Value of	Percent of	Market Value of	Percent of	Market Value of	Percent of
Portfolio	Investment Type	Investments	Portfolio	Investments	Portfolio	Investments	Portfolio
	U.S. Treasuries	-	-	-	-	-	-
100%	U.S. Government Agencies	\$671,690,951	29.79%	\$365,069,668	23.22%	\$15,839,749	42.90%
40%	Commercial Paper	369,596,042	16.39%	514,764,799	32.74%	13,459,795	36.46%
50%	Repurchase Agreements	30,000,000	1.33%	30,000,000	1.91%	-	-
30%	Negotiable Certificates of Deposit	574,084,148	25.46%	319,878,917	20.35%	1,552,727	4.21%
20%	Money Market Funds	27,645,123	1.23%	16,886,860	1.08%	2,950,229	7.99%
40%	Bankers' Acceptances	145,446,438	6.45%	70,322,989	4.47%	-	-
10%	State & Local Agency Obligations	-	-	-	-	-	-
10%	Receivable-Backed Securities	-	-	-	-	-	-
30%	Medium-Term Notes	436,318,848	19.35%	255,193,572	16.23%	3,117,078	8.44%
		\$2,254,781,550	100.00%	\$1,572,116,805	100.00%	\$36,919,578	100.00%

Compliance Category (Yes/No)	Money Market Fund (Fund #692)	Extended Fund (Fund #699)	Orange County E Investment	John Wayne Investment	•
Percentage Limits	Yes		Yes	Yes	
Maturity Limits	Yes	Yes	Yes	Yes	
Quality Limits	Yes		Yes	Yes	
Net Asset Value Limits	Yes		Yes	Yes	

Orange County Treasurer-Tax Collector Noncompliance Report Summary For the Month Ended May 31, 2001

During May there were no investment related noncompliance incidents in the County, Educational or John Wayne Airport Investment Pools. Although certain Investment Policy Statement (IPS) guidelines were temporarily exceeded (technical incidents), the Treasurer believes there was no material impact of a negative nature.

Technical Incidents

County Investment Pool

Issues regarding technical incidents are reported as follows:

O5-31 The percentage of overall portfolio holdings for a single issuer exceeded 5 percent of the market value of the portfolio.

A reduction in the Pool's total assets on May 24 increased holdings of Bayerische Hypo und Vereinsbank and Toronto Dominion Bank to 5.07% and 5.05%, respectively, of the market value of the portfolio. The Treasurer has decided to hold these securities until maturity.

Educational Investment Pool

Issues regarding technical incidents are reported as follows:

05-31 The rating on medium-term note issuers does not meet the criteria set forth by the IPS.

As reported in January's Noncompliance Report Summary, Moody's, Standard and Poor's, and Fitch lowered their commercial paper and long-term ratings on Edison International to NP/C/D and Caa3/CC/CC, respectively, making them an ineligible issuer. On May 31, our holdings of Edison International consisted of a \$20 million medium-term note maturing July 18. The Treasurer has decided to hold this security until either maturity or when a favorable trading opportunity presents itself.

John Wayne Investment Pool

Issues regarding technical incidents are reported as follows:

O5-31 The percentage of overall portfolio holdings for a single issuer exceeded 5 percent of the market value of the portfolio.

A reduction in the Pool's total assets on May 1 increased holdings of CIT Group to 5.17% of the market value of the portfolio. The Treasurer has decided to hold the respective security until maturity.

Additional technical incidents related to the IPS revisions on March 27 are reported on Page 2.

Orange County Treasurer-Tax Collector Noncompliance Report Summary For the Month Ended May 31, 2001

Technical Incidents (continued)

The Board of Supervisors approved a revised IPS on March 27, 2001. Any prior purchases of securities in our portfolio on that date that are "split-rated" or on "credit watch-negative" are considered technical incidents. The Treasurer has decided at this time to hold these acquisitions to maturity.

The following are the remaining securities from the prior month that are considered technical incidents. No additional securities have been reported as "split-rated" or "credit watch-negative" in the current month.

County Investment Pool Money Market Fund	Description	Maturity Date	F	ace Amount	% of Total Portfolio	Split- Rated
Transamerica Financial Total	MTN	11/01/01	\$ \$	17,850,000 17,850,000	1.00% 1.00%	A2/P1/F1+
Extended Fund						
Household International Countrywide Home Loan Total	MTN MTN	06/22/01 09/05/01	\$ \$	5,000,000 22,000,000 27,000,000	1.07% 4.69% 5.76%	A1/P2/F1 A1/P2/F1
Educational Investment Pool						
Countrywide Home Loan Transamerica Financial Total	MTN MTN	09/05/01 12/14/01	\$ \$	18,000,000 18,480,000 36,480,000	1.14% 1.18% 2.32%	A1/P2/F1 A2/P1/F1+
John Wayne Airport Investment Po	<u>ol</u>					
Countrywide Home Loan Total	MTN	08/10/01	\$ \$	1,200,000 1,200,000	3.25% 3.25%	A1/P2/F1

Note: As of June 1, Moody's removed CIT Group from "credit watch-negative" status.