

# New York Life Insurance Company Anchor Account II 2008 Semi-Annual Report

## Net Avg. Annual Total Returns

for period ending 06/30/08

1 year	4.44%
3 year	4.10
5 year	3.95
Since inception (1/3/95)	4.96

*Past performance is no  
guarantee of future results.*

*Due to market fluctuations,  
current performance may be  
less than shown.*

### Market Review

Overall, the economy continued to soften during the first half of the year. The key drivers of the weakness were further deterioration in the credit markets and continued housing weakness. In addition, a surge in commodity prices, led by crude oil, negatively impacted consumers and raised the specter of inflation. The Fed kept their benchmark short-term rate at 2% in June after seven cuts since September 2007 as it balanced concerns about economic weakness and financial system fragility with inflation concerns. To address the concerns about the financial system, the Fed and Treasury have taken action and implemented new programs to provide liquidity to financial institutions that previously could not access the Fed's discount window. These factors also impacted the equity markets, as the Dow Jones Industrial Average closed the first half down 14.4%. The dollar held steady in the second quarter after sliding somewhat in the first quarter. On the positive side, stock and bond issuances picked up toward the end of the half as liquidity in financial markets improved.

### Portfolio Review

The Anchor Account grew \$272 million since the beginning of the year, totaling \$3.1 billion on June 30th. The gross crediting rate held fairly steady coming in at 5.23% on 6/30/08 from 5.24% at the end of 2007 and 0.14% above the 5.09% crediting rate on 6/30/07. The crediting rate is a function of the timing of the cash flow activity, overall interest rates and the reinvestment of maturing proceeds. On June 30th, the portfolio effective duration was 2.9 years and the average quality was AA+ by S&P and Aa1 by Moody's.

An area of concern for the market has been the sub-prime mortgage area. Importantly, NYLIM's credit process has limited any adverse impact from that sub-sector. In fact, only 0.9%, or \$27 million, of the total portfolio is considered sub-prime related. That exposure is highly rated: 76% AAA, 22% AA and 2% A. Going forward, we do not anticipate any material problems in the portfolio from our allocation to this sub-sector.

*(continued next page)*

## Outlook

NYLIM believes that the economic environment will remain challenging for policy makers and investors. We are operating under the assumption that there will not be a quick recovery in the housing market and it will likely remain weak for the remainder of the year. Our overall outlook for the U.S. economy is cautious as well, as we believe consumer spending will be under considerable pressure for the remainder of the year due to a deteriorating labor market, wealth contraction (i.e., declines in equity and home prices), weak consumer confidence levels and high energy costs. Since consumer spending makes up approximately 70% of the economy, we feel there is little chance for a significant bounce back in economic growth in the near term.

Our market views are also impacted by concerns regarding inflation. At the moment with commodity prices firm, inflation remains a concern for Fed officials and investors. Our view, which we believe is consistent with policy-makers' views, is that inflation will recede as the economy continues to slow.

Given our concerns regarding the economy and inflation, we are taking a cautious approach to investing. We intend to focus on shorter maturity and higher quality fixed income securities in our current strategy. The Anchor Account is designed for investors seeking stable returns and competitive rates over the long term. NYLIM will continue to work hard to deliver on this objective, regardless of changing economic conditions.

Ken Quann, Managing Director  
Product Manager  
June 30, 2008

# Asset Allocation (holdings as of 06/30/08)

## Ratings

New York Life Insurance Company and New York Life Insurance and Annuity Corporation (NYLIAC) are among the highest-rated companies in the industry for financial strength.

Moody's **Aaa**  
 Standard & Poor's\* **AAA**  
 Fitch Ratings **AAA**  
 A.M. Best **A++**

Source: Individual Third Party Ratings as of 06/30/08

\*Standard & Poor's Ratings Services, a division of The McGraw-Hill Companies, Inc.

Agency (7%)	Coupon	Maturity	Book Value
Federal Farm Credit Bank	5.98	9/15/16	\$ 1,016,318
Federal Home Loan Banks	5.77	3/23/18	13,303,969
Federal Home Loan Banks	5.75	3/13/17	5,082,352
Federal Home Loan Banks	5.33	3/6/12	5,034,871
Federal Home Loan Banks	5.14	8/18/15	6,767,222
Federal Home Loan Banks	5.065	10/20/15	22,630,722
Federal Home Loan Banks	3.00	6/11/10	20,123,207
Federal National Mortgage Association	6.00	8/29/16	52,040,438
Freddie Mac	6.00	8/18/16	5,110,833
Freddie Mac	6.00	9/19/16	69,148,243
Freddie Mac	5.60	10/17/13	4,040,984
Small Business Administration	5.459	2/10/17	1,928,390
Small Business Administration Participation Certificates	3.94	11/1/12	1,380,735
Small Business Administration Participation Certificates	3.875	9/1/12	1,207,075

**Agency Total \$ 208,815,360**

## Asset-Backed Securities (15%)

Accredited Mortgage Loan Trust 2004-3 1M1	5.25	10/25/34	\$ 2,722,993
American Tower Trust 2007-1A B	5.537	4/15/37	4,878,171
AmeriCredit Automobile Receivables Trust 2007-DF A4A	5.56	6/6/14	5,018,946
Ameriquest Mortgage Securities Inc 2003-8 AF5	4.64	10/25/33	4,953,155
Ameriquest Mortgage Securities Inc 2004-FR1 A7	4.56	5/25/34	1,883,488
Banc of America Alternative Loan Trust 2006-7 A6	5.859	10/25/36	7,019,799
Banc of America Funding Corp 2006-7 T2A4	5.979	10/25/36	3,014,947
Banc of America Funding Corp 2006-7 T2A8	5.912	10/25/36	3,014,779
Banc of America Funding Corp 2006-8T2 A9	5.763	10/25/36	5,024,011
Banc of America Funding Corp 2007-1 TA8	5.847	1/25/37	5,024,361
Banc of America Funding Corp 2007-3 TA3B	5.914	4/25/37	5,024,642
Bear Stearns Asset Backed Securities Trust 2006-SD4 2A1	5.47	10/25/36	4,174,410
BMW Vehicle Owner Trust 2005-A A4	4.28	2/25/10	2,706,263
BXG Receivables Note Trust 2002-A A	4.58	9/1/14	345,034
BXG Receivables Note Trust 2004-B A	4.445	7/1/19	1,398,107
BXG Receivables Note Trust 2006-B C	5.952	10/4/21	1,887,941
BXG Receivables Note Trust 2007-A A	5.828	10/2/22	4,300,935
BXG Receivables Note Trust 2007-A B	6.474	10/2/22	4,304,498
BXG Receivables Note Trust 2007-A C	7.463	10/2/22	4,309,671
Capital Auto Receivables Asset Trust 2006-2 B	5.07	12/15/11	4,008,712
Capital Auto Receivables Asset Trust 2006-SN1A C	5.77	5/20/10	2,003,503
Carmax Auto Owner Trust 2007-3 B	6.12	7/15/13	4,010,621
Carmax Auto Owner Trust 2008-2 A2A	4.06	9/15/11	4,999,588
CBA Commercial Small Balance Commercial Mortgage 2006-2A A	5.54	1/25/39	4,321,152
Chase Funding Mortgage Loan Asset-Backed Certificates 2002-2 1A5	5.833	4/25/32	1,897,697
Chase Funding Mortgage Loan Asset-Backed Certificates 2003-1 1M1	5.142	4/25/32	1,233,835
Chase Funding Mortgage Loan Asset-Backed Certificates 2003-2 1A6	4.364	8/25/14	4,102,475
Chase Issuance Trust 2007-A17 A	5.12	10/15/14	10,022,539
Chase Manhattan Auto Owner Trust 2005-A A4	3.98	4/15/11	3,005,185
Chaseflex Trust 2006-2 A3	6.17	9/25/36	2,009,749
CIT Equipment Collateral 2005-EF1 B	4.71	12/20/10	994,899
CIT Equipment Collateral 2005-EF1 C	4.78	6/20/11	993,600
Citicorp Residential Mortgage Securities Inc 2006-1 A4	5.939	7/25/36	2,009,878
Citicorp Residential Mortgage Securities Inc 2006-3 A3	5.61	11/25/36	915,635
Citicorp Residential Mortgage Securities Inc 2007-2 A3	6.08	6/25/37	5,691,671
Citigroup Mortgage Loan Trust Inc 2005-WF2 AF3	4.871	8/25/35	233,908
Citigroup Mortgage Loan Trust Inc 2006-FX1 A6	5.845	10/25/36	3,014,583
Citigroup Mortgage Loan Trust Inc 2006-WF2 A2C	5.852	5/25/36	4,914,852
CNH Equipment Trust 2004-A B	3.31	9/15/11	2,189,777
CNH Equipment Trust 2007-B B	6.38	4/15/14	4,010,702
Concord Funding Co LLC 2005-1 A	3.121	4/15/11	3,003,902
Conn Funding II LP 2006-AA B	5.854	4/20/17	2,003,577
Countrywide Asset-Backed Certificates 2004-15 AF5	5.227	5/25/35	4,925,324

# Asset Allocation (holdings as of 06/30/08)

<b>Asset-Backed Securities (continued)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Book Value</b>
Countrywide Asset-Backed Certificates 2004-S1 A3	4.615	2/25/35	\$ 1,025,609
Countrywide Asset-Backed Certificates 2006-S2 A3	5.841	7/25/27	4,046,385
Countrywide Asset-Backed Certificates 2006-S3 A3	6.287	6/25/21	5,096,413
Countrywide Asset-Backed Certificates 2006-S3 A4	6.518	1/25/29	5,027,112
Countrywide Asset-Backed Certificates 2006-S5 A3	5.762	6/25/35	3,014,344
Countrywide Asset-Backed Certificates 2006-S7 A3	5.712	11/25/35	5,023,749
Countrywide Asset-Backed Certificates 2007-4 A3	5.714	9/25/37	2,511,879
Countrywide Asset-Backed Certificates 2007-4 A6	5.683	9/25/37	2,511,776
Countrywide Asset-Backed Certificates 2007-S1 A3	5.81	11/25/36	3,467,801
Credit Suisse Mortgage Capital Certificates 2007-3 1A3A	5.746	4/25/37	4,822,977
Credit-Based Asset Servicing and Securitization LLC 2007-CB2 A2E	5.683	2/25/37	5,023,487
Credit-Based Asset Servicing and Securitization LLC 2007-CB4 A2B	5.723	4/25/37	1,607,616
Crown Castle Towers LLC 2006-1A B	5.362	11/15/36	1,902,128
CS First Boston Mortgage Securities Corp 2005-AGE1 A2	4.64	2/25/32	1,604,133
CSAB Mortgage Backed Trust 2006-2 A6A	5.72	9/25/36	5,022,183
CSAB Mortgage Backed Trust 2006-3 A3A	5.95	11/25/36	6,029,607
CSAB Mortgage Backed Trust 2006-4 A6A	5.684	12/25/36	5,023,672
CSAB Mortgage Backed Trust 2007-1 1A3A	5.858	5/25/37	5,024,392
Deutsche ALT-A Securities Inc Alternate Loan Trust 2006-AB2 A3	6.27	6/25/36	3,015,675
Deutsche ALT-A Securities Inc Alternate Loan Trust 2006-AB4 A6A1	5.869	10/25/36	3,014,519
Drive Auto Receivables Trust 2006-1 A4	5.54	12/16/13	5,012,264
Equifirst Mortgage Loan Trust 2003-1 IF1	3.51	12/25/32	731,917
Equity One ABS Inc 2003-4 AF6	4.833	10/25/34	5,469,649
Equity One ABS Inc 2004-2 AF6	4.656	7/25/34	2,956,823
Flagstar Home Equity Loan Trust 2007-1A AF2	5.765	1/25/35	2,511,964
Flagstar Home Equity Loan Trust 2007-1A AF3	5.781	1/25/35	2,511,991
Ford Credit Auto Owner Trust 2008-B A3A	4.28	5/15/12	4,007,155
Four Seas SA	7.165	3/15/12	5,000,995
GE Commercial Equipment Financing LLC 2004-A B	3.65	5/22/14	1,061,176
GMAC Mortgage Corp Loan Trust 2006-HE2 A3	6.32	5/25/36	5,055,039
GMAC Mortgage Corp Loan Trust 2006-HE3 A5	5.809	10/25/36	2,009,606
GMAC Mortgage Corp Loan Trust 2007-HE1 A5	5.705	8/25/37	5,023,676
Great America Leasing Receivables 2006-1 A4	5.39	9/15/11	4,097,122
GSAA Trust 2006-13 AF3	6.04	7/25/36	5,025,167
GSAA Trust 2006-13 AF6	6.04	7/25/36	5,025,166
GSAA Trust 2006-15 AF3A	5.882	9/25/36	2,009,804
GSAA Trust 2006-15 AF6	5.876	9/25/36	2,009,793
GSAA Trust 2006-18 AF6	5.682	11/25/36	5,023,673
Harley-Davidson Motorcycle Trust 2007-3 B	6.04	8/15/14	3,509,084
Hyundai Auto Receivables Trust 2005-A A4	4.18	2/15/12	4,007,297
Indymac Index Mortgage Loan Trust 2007-AR15 2A1	5.987	8/25/37	9,218,704
Irwin Home Equity Corp 2007-1 2A2	5.96	8/25/37	5,024,657
JP Morgan Alternative Loan Trust 2006-S4 A6	5.71	12/25/36	5,022,051
JP Morgan Mortgage Acquisition Corp 2006-CW2 MF1	6.235	8/25/36	1,005,171
JP Morgan Mortgage Acquisition Corp 2006-CW2 MF2	6.433	8/25/36	570,835
JP Morgan Mortgage Acquisition Corp 2007-CH1 AF6	5.501	11/25/36	3,013,713
JP Morgan Mortgage Acquisition Corp 2007-CH2 AF6	5.551	1/25/37	3,013,843
JP Morgan Mortgage Acquisition Corp 2007-HE1 AF3	6.174	4/1/37	1,507,689
JP Morgan Mortgage Trust 2006-S3 4A1	5.701	8/25/16	3,647,449
Marlin Leasing Receivables LLC 2005-1A A4	4.75	8/15/12	2,854,157
Marlin Leasing Receivables LLC 2005-1A B	5.09	8/15/12	620,601
Marlin Leasing Receivables LLC 2006-1A B	5.63	9/16/13	1,784,907
Marlin Leasing Receivables LLC 2007-1A A2	5.35	12/15/09	3,749,941
MBNA Credit Card Master Note Trust 2003-A11	3.65	3/15/11	2,002,892
MBNA Practice Solutions Owner Trust 2005-2 A4	4.47	6/15/13	2,504,838
Morgan Stanley Mortgage Loan Trust 2006-12XS A3	5.798	10/25/36	2,009,664
Morgan Stanley Mortgage Loan Trust 2006-12XS A4	6.012	10/25/36	1,005,010
Morgan Stanley Mortgage Loan Trust 2006-12XS A6A	5.726	10/25/36	2,009,543
Morgan Stanley Mortgage Loan Trust 2006-15XS A3	5.988	11/25/36	3,014,969
Morgan Stanley Mortgage Loan Trust 2006-15XS A6A	5.91	11/25/36	3,014,773

# Asset Allocation (holdings as of 06/30/08)

<b>Asset-Backed Securities (continued)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Book Value</b>
Morgan Stanley Mortgage Loan Trust 2006-17XS A6	5.577	10/25/46	\$ 4,138,805
Morgan Stanley Mortgage Loan Trust 2007-6XS 2A2S	5.646	2/25/47	2,511,762
Morgan Stanley Mortgage Loan Trust 2007-6XS 2A3S	5.768	2/25/47	2,512,018
Navistar Financial Corp Owner Trust 2004-B B	3.39	10/15/12	1,434,471
New Century Home Equity Loan Trust 2004-A MI1	5.499	8/25/34	1,818,139
Nomura Asset Acceptance Corp 2006-AF2 1A3	6.215	8/25/36	5,025,825
Nomura Asset Acceptance Corp 2006-WF1 A6	5.84	6/25/36	3,014,518
Nomura Asset Acceptance Corp 2007-1 1A3	5.957	3/25/47	5,024,652
Omega Capital Europe PLC GLOB-5A A1	2.978	7/5/11	4,028,121
Option One Mortgage Loan Trust 2007-FXD1 3A3	5.611	1/25/37	4,969,548
Orange Lake Timeshare Trust 2006-A A	5.779	11/15/21	2,429,430
Popular ABS Mortgage Pass-Through Trust 2005-3 M2	5.25	7/25/35	1,561,876
Queensgate Special Purpose Ltd 2005-1A A	5.189	12/31/24	1,984,295
Renaissance Home Equity Loan Trust 2006-1 AF4	6.011	5/25/36	4,925,666
Residential Asset Mortgage Products Inc 2002-RS3 AI5	5.572	6/25/32	2,590,141
Residential Asset Mortgage Products Inc 2003-RS6 AI4	4.33	10/25/31	973,486
Residential Asset Mortgage Products Inc 2003-RS7 AI6	5.34	8/25/33	4,399,642
Residential Asset Mortgage Products Inc 2003-RZ1 AI6	4.79	1/25/33	3,357,692
Residential Funding Mortgage Securities II Inc 2003-HI1 M1	5.27	4/25/28	648,756
Residential Funding Mortgage Securities II Inc 2007-HSA2 A3	5.75	4/25/37	5,023,496
Rosy Blue Carat SA	3.663	10/15/09	5,039,327
SBA CMBS Trust 2006-1A A	5.314	11/15/36	3,007,085
Security National Mortgage Loan Trust 2006-1A 1A2	6.06	9/25/36	3,014,780
Security National Mortgage Loan Trust 2006-2A A2	5.87	10/25/36	4,019,167
Silverleaf Finance LLC 2006-A B	5.909	7/15/18	857,209
Structured Asset Securities Corp 2002-AL1 A3	3.45	2/25/32	3,370,176
Structured Asset Securities Corp 2003-36XS A4	4.97	11/25/33	2,186,354
Structured Asset Securities Corp 2003-AL2 A	3.357	1/25/31	1,376,247
Structured Receivables Finance LLC 2004-A A	4.063	5/15/28	914,395
SVO VOI Mortgage Corp 2003-AA A	3.95	2/20/19	351,394
SVO VOI Mortgage Corp 2003-AA B	4.25	2/20/19	264,425
TBW Mortgage Backed Pass Through Certificates 2006-5 A3	5.95	11/25/36	2,995,656
TBW Mortgage Backed Pass Through Certificates 2006-5 A6	5.90	11/25/36	3,003,053
Wachovia Asset Securitization Inc 2006-HES1 M5	3.193	6/25/11	1,337,731
Wachovia Auto Loan Owner Trust 2006-1 A3	5.10	7/20/11	4,235,231
WaMu Mortgage Pass Through Certificates 2006-AR10 LB1	5.993	9/25/36	3,000,086
Whole Auto Loan Trust 2004-1 A4	3.26	3/15/11	867,147
<b>Asset-Backed Securities Total</b>			<b>\$ 452,205,536</b>
<b>Collateralized Mortgage Obligations (22%)</b>			
Adjustable Rate Mortgage Trust 2005-10 3A32	5.417	1/25/36	\$ 832,622
Adjustable Rate Mortgage Trust 2006-2 1A4	5.753	5/25/36	4,997,776
Banc of America Funding Corp 2005-8 4A27	5.75	1/25/36	993,907
Banc of America Funding Corp 2005-E 6A1	4.959	5/20/35	7,137,439
Banc of America Funding Corp 2006-7 T2A3	5.695	10/25/36	2,005,898
Banc of America Funding Corp 2006-G 3A2	5.75	7/20/36	2,966,895
Banc of America Funding Corp 2006-H 3A1	6.204	9/20/46	2,045,720
Banc of America Funding Corp 2006-J 1A1	5.983	1/20/47	1,895,241
Banc of America Funding Corp 2006-J 2A3	5.889	1/20/47	5,088,313
Banc of America Funding Corp 2007-4 TA3	5.799	5/25/37	5,024,162
Banc of America Mortgage Securities Inc 2003-K 3A1	4.594	12/25/33	1,359,853
Banc of America Mortgage Securities Inc 2003-L 2A1	3.97	1/25/34	2,462,720
Banc of America Mortgage Securities Inc 2004-C 2A1	3.701	4/25/34	2,940,350
Banc of America Mortgage Securities Inc 2004-D 2A7	4.162	5/25/34	5,017,302
Banc of America Mortgage Securities Inc 2004-D 2A8	4.134	5/25/34	5,017,158
Banc of America Mortgage Securities Inc 2004-E 2A6	4.112	6/25/34	4,906,372
Banc of America Mortgage Securities Inc 2004-F 2A7	4.144	7/25/34	2,816,127
Banc of America Mortgage Securities Inc 2004-K 2A1	4.406	12/25/34	2,746,189
Banc of America Mortgage Securities Inc 2005-A 2A1	4.452	2/25/35	3,379,498
Banc of America Mortgage Securities Inc 2005-G 4A3	5.232	8/25/35	4,026,125

# Asset Allocation (holdings as of 06/30/08)

<b>Collateralized Mortgage Obligations (continued)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Book Value</b>
Bear Stearns Adjustable Rate Mortgage Trust 2004-12 2A1	4.44	2/25/35	\$ 2,289,727
Bear Stearns Adjustable Rate Mortgage Trust 2005-7 2A2	5.125	8/25/35	6,846,062
Bear Stearns Adjustable Rate Mortgage Trust 2007-1 3A1	5.748	2/25/47	8,649,013
Bear Stearns Alt-A Trust 2006-7 23A1	5.923	12/25/46	3,968,476
Bella Vista Mortgage Trust 2005-1 4A	4.475	2/22/35	2,653,141
Chase Mortgage Finance Corp 2003-S14 1A3	5.00	1/25/34	6,112,867
Chase Mortgage Finance Corp 2006-A1 2A4	6.061	9/25/36	7,238,514
Chase Mortgage Finance Corp 2007-A1 12A1	5.935	3/25/37	1,903,500
Chase Mortgage Finance Corp 2007-A2 7A2	5.893	7/25/37	983,537
Chaseflex Trust 2006-1 A3	6.295	6/25/36	4,834,517
Citicorp Mortgage Securities Inc 2006-4 1A7	6.00	8/25/36	1,458,456
Citigroup Mortgage Loan Trust Inc 2004-HYB4 WA	4.434	12/25/34	3,505,539
Citigroup Mortgage Loan Trust Inc 2005-2 1A5B	5.104	5/25/35	5,397,007
Citigroup Mortgage Loan Trust Inc 2006-AR6 1A1	6.058	8/25/36	3,843,581
Citigroup Mortgage Loan Trust Inc 2007-6 1A4A	5.946	3/25/37	6,479,252
Citigroup Mortgage Loan Trust Inc 2007-AR5 2A1A	5.99	4/25/37	4,162,758
Citigroup Mortgage Loan Trust Inc 2007-AR8 1A3A	6.052	8/25/37	9,720,975
Citigroup Mortgage Loan Trust Inc 2008-2 A1	5.138	10/25/37	8,373,083
Countrywide Alternative Loan Trust 2004-16CB 1A2	5.50	7/25/34	4,176,513
Countrywide Alternative Loan Trust 2006-HY13 3A1	5.978	1/25/47	7,849,850
Countrywide Alternative Loan Trust 2007-HY4 3A1	5.872	6/25/47	8,818,705
Countrywide Home Loan Mortgage Pass Through Trust 2003-56 3A7A	4.749	12/25/33	5,019,788
Countrywide Home Loan Mortgage Pass Through Trust 2003-56 3A7B	4.71	12/25/33	5,000,373
Countrywide Home Loan Mortgage Pass Through Trust 2003-J6 2A1	4.75	7/25/18	3,599,443
Countrywide Home Loan Mortgage Pass Through Trust 2005-HY10 5A1	5.615	2/20/36	8,038,184
Countrywide Home Loan Mortgage Pass Through Trust 2005-HYB3 2A5B	4.404	6/20/35	982,320
Countrywide Home Loan Mortgage Pass Through Trust 2006-HYB5 3A1A	5.969	9/20/36	8,632,096
CS First Boston Mortgage Securities Corp 2004-5 2A1	5.00	8/25/19	5,603,504
CS First Boston Mortgage Securities Corp 2004-AR6 2A1	4.235	10/25/34	2,456,444
CS First Boston Mortgage Securities Corp 2004-AR8 2A1	4.594	9/25/34	2,446,453
Deutsche ALT-A Securities Inc Alternate Loan Trust 2006-AR1 2A2	5.528	2/25/36	2,919,176
Deutsche ALT-A Securities Inc Alternate Loan Trust 2006-AR1 5A1	5.83	2/25/36	5,057,275
Fannie Mae REMICS 1997-38 E	6.50	6/18/27	1,002,811
Fannie Mae REMICS 2002-82 VC	5.50	11/25/13	3,492,342
Fannie Mae REMICS 2003-41 YV	5.50	4/25/14	5,589,315
Fannie Mae REMICS 2005-13 PB	5.00	4/25/28	7,779,329
First Horizon Alternative Mortgage Securities 2004-AA2 2A1	5.034	8/25/34	4,641,602
First Horizon Alternative Mortgage Securities 2004-AA6 A1	4.73	1/25/35	847,015
First Horizon Alternative Mortgage Securities 2006-AA6 1A1	5.685	10/25/36	421,472
First Horizon Alternative Mortgage Securities 2006-AA6 2A1	5.636	11/25/36	1,853,409
First Horizon Alternative Mortgage Securities 2006-AA6 3A1	5.925	10/25/36	5,681,821
First Horizon Asset Securities Inc 2004-AR5 3A1	5.378	10/25/34	2,776,065
First Horizon Asset Securities Inc 2004-AR7 2A2	4.911	2/25/35	5,069,038
First Horizon Asset Securities Inc 2004-AR7 2A3	4.911	2/25/35	2,224,213
First Horizon Asset Securities Inc 2005-AR5 4A1	5.525	11/25/35	2,101,798
First Horizon Asset Securities Inc 2006-AR1 3A1	6.017	4/25/36	3,622,863
First Horizon Asset Securities Inc 2006-AR1 3A2	6.017	4/25/36	778,670
First Horizon Asset Securities Inc 2007-AR1 2A1	5.886	5/25/37	4,116,433
First Horizon Asset Securities Inc 2007-AR3 1A2	6.129	11/25/37	4,228,411
First Horizon Asset Securities Inc 2007-AR3 3A1	6.31	11/25/37	4,908,409
Freddie Mac Reference REMIC R013 AB	6.00	12/15/21	21,443,022
Freddie Mac REMICS 2382 DA	5.50	10/15/30	478,433
Freddie Mac REMICS 2447 KB	6.00	5/15/09	2,826,332
Freddie Mac REMICS 2772 VQ	5.00	11/15/14	3,799,926
GMAC Mortgage Corp Loan Trust 2004-AR2 5A2	5.211	8/19/34	1,118,165
GMAC Mortgage Corp Loan Trust 2005-AR1 3A	4.646	3/18/35	2,998,304
GMAC Mortgage Corp Loan Trust 2005-AR3 4A5	4.975	6/19/35	8,645,442

# Asset Allocation (holdings as of 06/30/08)

<b>Collateralized Mortgage Obligations (continued)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Book Value</b>
GNMA GNR 2002-41 VE	6.00	6/16/18	\$ 6,945,888
GNMA GNR 2007-19 JA	5.50	6/20/34	4,439,207
GSR Mortgage Loan Trust 2004-11 3A1	4.644	9/25/34	2,865,131
GSR Mortgage Loan Trust 2004-7 2A1	4.138	6/25/34	4,908,686
GSR Mortgage Loan Trust 2005-AR1 2A1	4.916	1/25/35	2,636,246
GSR Mortgage Loan Trust 2005-AR6 1A2	4.689	9/25/35	4,985,643
GSR Mortgage Loan Trust 2006-5F 2A1	6.00	6/25/36	2,105,551
GSR Mortgage Loan Trust 2007-AR1 5A1	5.54	3/25/37	1,748,629
Harborview Mortgage Loan Trust 2004-5 2A5	3.938	6/19/34	4,937,668
Harborview Mortgage Loan Trust 2004-5 2A6	3.938	6/19/34	4,862,813
Indymac INDA Mortgage Loan Trust 2007-AR3 1A2	5.961	7/25/37	8,529,222
Indymac Index Mortgage Loan Trust 2005-AR27 3A3	5.548	12/25/35	5,029,884
Indymac Index Mortgage Loan Trust 2005-AR7 5A1	5.481	6/25/35	2,825,195
Indymac Index Mortgage Loan Trust 2005-AR9 4A2	5.20	7/25/35	3,754,380
Indymac Index Mortgage Loan Trust 2007-AR5 3A1	6.073	5/25/37	4,269,752
Indymac Index Mortgage Loan Trust 2007-AR5 4A21	5.75	5/25/37	4,033,078
JP Morgan Mortgage Trust 2003-A2 2A2	4.679	11/25/33	3,760,059
JP Morgan Mortgage Trust 2004-A2 1A1	3.81	5/25/34	733,115
JP Morgan Mortgage Trust 2005-ALT1 4A1	5.642	10/25/35	3,385,915
JP Morgan Mortgage Trust 2006-A4 1A1	5.818	6/25/36	728,794
JP Morgan Mortgage Trust 2006-A5 3A7	5.944	8/25/36	5,380,150
JP Morgan Mortgage Trust 2006-A6 2A5	6.063	10/25/36	3,615,799
JP Morgan Mortgage Trust 2006-A6 3A1M	5.865	10/25/36	3,903,852
MASTR Adjustable Rate Mortgages Trust 2004-15 4A1	4.864	12/25/34	6,253,094
MASTR Adjustable Rate Mortgages Trust 2004-15 9A1	4.795	10/25/34	2,019,543
MASTR Adjustable Rate Mortgages Trust 2005-2 5A1	4.548	3/25/35	2,875,844
MASTR Alternative Loans Trust 2003-9 7A2	5.00	12/25/18	4,484,455
Merrill Lynch Mortgage Backed Securities Trust 2007-2 1A2	5.80	8/25/36	4,190,652
Merrill Lynch Mortgage Investors Inc 2005-A4 2A2	4.459	7/25/35	5,016,293
Merrill Lynch Mortgage Investors Inc 2005-A5 A2	4.566	6/25/35	4,855,618
Merrill Lynch Mortgage Investors Inc 2005-A5 A3	4.442	6/25/35	4,964,586
Merrill Lynch Mortgage Investors Inc 2006-AF1 AV2A	5.907	9/25/36	4,305,459
MLCC Mortgage Investors Inc 2004-1 2A1	4.707	12/25/34	2,895,662
MLCC Mortgage Investors Inc 2006-2 4A	5.794	5/25/36	1,872,440
MLCC Mortgage Investors Inc 2007-3 3A1	6.142	9/25/37	8,666,016
Morgan Stanley Mortgage Loan Trust 2004-5AR 4A	4.682	7/25/34	2,802,537
Morgan Stanley Mortgage Loan Trust 2004-7AR 2A1	4.696	9/25/34	4,318,982
Morgan Stanley Mortgage Loan Trust 2004-8AR 4A1	5.364	10/25/34	1,818,212
New York Mortgage Trust Inc 2006-1 2A3	5.646	5/25/36	5,040,445
Nomura Asset Acceptance Corp 2005-AP1 2A5	4.855	2/25/35	3,696,786
Residential Funding Mortgage Securities I 2007-SA2 4A	5.865	4/25/37	4,641,361
Sequoia Mortgage Trust 2007-1 3A1	6.103	1/20/47	3,886,181
Structured Adjustable Rate Mortgage Loan Trust 2004-14 3A1	4.67	10/25/34	1,694,772
Structured Adjustable Rate Mortgage Loan Trust 2005-15 4A1	5.505	7/25/35	3,427,278
Structured Adjustable Rate Mortgage Loan Trust 2005-21 3A1	5.377	11/25/35	3,600,301
Structured Adjustable Rate Mortgage Loan Trust 2006-3 3A2	5.75	4/25/36	4,955,124
Structured Adjustable Rate Mortgage Loan Trust 2006-9 2A2	5.929	10/25/36	3,544,200
Structured Adjustable Rate Mortgage Loan Trust 2006-9 3A2	5.994	10/25/36	5,948,897
Thornburg Mortgage Securities Trust 2004-4 3A	4.37	12/25/44	6,157,960
WaMu Mortgage Pass Through Certificates 2003-AR10 A5	4.056	10/25/33	3,225,488
WaMu Mortgage Pass Through Certificates 2003-AR11 A5	3.845	10/25/33	3,293,045
WaMu Mortgage Pass Through Certificates 2003-AR12 A5	4.043	2/25/34	1,946,472
WaMu Mortgage Pass Through Certificates 2003-S12 1A1	4.50	11/25/18	5,712,440
WaMu Mortgage Pass Through Certificates 2004-AR4 A6	3.796	6/25/34	4,980,141
WaMu Mortgage Pass Through Certificates 2004-AR7 A5	3.94	7/25/34	8,399,487
WaMu Mortgage Pass Through Certificates 2004-AR7 A6	3.94	7/25/34	10,294,137
WaMu Mortgage Pass Through Certificates 2004-AR9 A6	4.134	8/25/34	13,614,883
WaMu Mortgage Pass Through Certificates 2004-CB1 5A	5.00	6/25/19	5,347,798
WaMu Mortgage Pass Through Certificates 2005-AR7 A2	4.538	8/25/35	2,509,454
WaMu Mortgage Pass Through Certificates 2005-AR7 A3	4.425	8/25/35	2,509,219

# Asset Allocation (holdings as of 06/30/08)

<b>Collateralized Mortgage Obligations (continued)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Book Value</b>
WaMu Mortgage Pass Through Certificates 2005-AR7 A4	4.917	8/25/35	\$ 1,701,668
WaMu Mortgage Pass Through Certificates 2006-AR12 1A2	5.819	10/25/36	1,190,481
WaMu Mortgage Pass Through Certificates 2006-AR12 2A1	5.75	10/25/36	8,736,934
WaMu Mortgage Pass Through Certificates 2006-AR14 2A3	5.759	11/25/36	1,674,736
WaMu Mortgage Pass Through Certificates 2006-AR16 1A1	5.606	12/25/36	6,669,463
WaMu Mortgage Pass Through Certificates 2006-AR18 3A3	5.542	1/25/37	1,002,601
WaMu Mortgage Pass Through Certificates 2007-HY1 4A1	5.473	2/25/37	864,734
WaMu Mortgage Pass Through Certificates 2007-HY3 3A2	5.851	3/25/37	5,068,695
WaMu Mortgage Pass Through Certificates 2007-HY4 2A1	5.739	4/25/37	4,321,280
WaMu Mortgage Pass Through Certificates 2007-HY4 3A2	5.837	4/25/37	8,780,426
Washington Mutual MSC Mortgage Pass-Through CTF 2003-MS3 2A6	5.00	3/25/18	1,745,811
Wells Fargo Alternative Loan Trust 2007-PA4 2A1	6.097	7/25/37	4,117,924
Wells Fargo Alternative Loan Trust 2007-PA4 4A1	6.138	7/25/37	3,487,005
Wells Fargo Mortgage Backed Securities Trust 2003-K 1A1	4.488	11/25/33	5,342,235
Wells Fargo Mortgage Backed Securities Trust 2004-BB A1	4.556	1/25/35	2,958,267
Wells Fargo Mortgage Backed Securities Trust 2004-EE 3A1	4.018	12/25/34	2,628,798
Wells Fargo Mortgage Backed Securities Trust 2004-X 1A4	4.928	11/25/34	1,999,810
Wells Fargo Mortgage Backed Securities Trust 2004-Z 2A1	4.571	12/25/34	3,046,047
Wells Fargo Mortgage Backed Securities Trust 2005-AR1 1A1	4.539	2/25/35	3,509,914
Wells Fargo Mortgage Backed Securities Trust 2005-AR15 1A7	5.12	9/25/35	5,012,995
Wells Fargo Mortgage Backed Securities Trust 2005-AR3 2A1	4.206	3/25/35	2,557,193
Wells Fargo Mortgage Backed Securities Trust 2006-AR1 2A5	5.551	3/25/36	5,016,988
Wells Fargo Mortgage Backed Securities Trust 2006-AR11 A5	5.515	8/25/36	4,959,978
Wells Fargo Mortgage Backed Securities Trust 2006-AR4 2A3	5.772	4/25/36	4,998,391
Wells Fargo Mortgage Backed Securities Trust 2006-AR7 2A6	5.605	5/25/36	5,007,728
Wells Fargo Mortgage Backed Securities Trust 2007-AR3 A2	5.732	4/25/37	1,010,678
<b>Collateralized Mortgage Obligations Total</b>			<b>\$ 686,685,134</b>

## **Commercial Mortgage-Backed Securities (21%)**

Banc of America Commercial Mortgage Inc 2001-1 A2	6.503	4/15/36	\$ 2,222,265
Banc of America Commercial Mortgage Inc 2002-PB2 A2	5.676	6/11/35	703,227
Banc of America Commercial Mortgage Inc 2002-PB2 A4	6.186	6/11/35	4,926,810
Banc of America Commercial Mortgage Inc 2004-1 A3	4.429	11/10/39	4,930,117
Banc of America Commercial Mortgage Inc 2004-2 A4	4.153	11/10/38	4,860,350
Banc of America Commercial Mortgage Inc 2004-4 A6	4.877	7/10/42	4,966,715
Banc of America Commercial Mortgage Inc 2005-2 AM	4.913	7/10/43	4,729,070
Banc of America Commercial Mortgage Inc 2005-3 A3A	4.621	7/10/43	4,916,421
Banc of America Commercial Mortgage Inc 2005-4 A2	4.764	7/10/45	5,027,758
Banc of America Commercial Mortgage Inc 2006-2 A4	5.929	5/10/45	6,233,098
Banc of America Commercial Mortgage Inc 2006-4 A3A	5.60	7/10/46	241,509
Banc of America Commercial Mortgage Inc 2006-4 A4	5.634	7/10/46	10,463,100
Banc of America Commercial Mortgage Inc 2006-6 A3	5.369	10/10/45	1,993,863
Banc of America Commercial Mortgage Inc 2007-5 A2	5.434	2/10/51	5,046,735
Banc of America Large Loan Inc 2001-FMA A1	6.119	12/13/16	1,867,330
Bear Stearns Commercial Mortgage Securities 2001-TOP2 A1	6.08	2/15/35	450,169
Bear Stearns Commercial Mortgage Securities 2001-TOP4 A1	5.06	11/15/16	1,072,148
Bear Stearns Commercial Mortgage Securities 2003-PWR2 A2	4.382	5/11/39	1,872,301
Bear Stearns Commercial Mortgage Securities 2003-T12 A3	4.24	8/13/39	5,817,354
Bear Stearns Commercial Mortgage Securities 2004-T16 A6	4.75	2/13/46	1,090,531
Bear Stearns Commercial Mortgage Securities 2005-PW10 A3	5.395	12/11/40	1,485,911
Bear Stearns Commercial Mortgage Securities 2005-PWR9 A2	4.735	9/11/42	5,028,677
Bear Stearns Commercial Mortgage Securities 2005-T18 A4	4.933	2/13/42	1,443,906
Bear Stearns Commercial Mortgage Securities 2005-T20 A2	5.127	10/12/42	3,521,060
Bear Stearns Commercial Mortgage Securities 2005-T20 A4A	5.302	10/12/42	5,022,090
Bear Stearns Commercial Mortgage Securities 2006-PW11 AM	5.623	3/11/39	4,654,423
Bear Stearns Commercial Mortgage Securities 2007-PW17 A3	5.736	6/11/50	1,009,570
Bear Stearns Commercial Mortgage Securities 2007-PW18 A2	5.613	6/11/50	10,095,316
Citigroup Commercial Mortgage Trust 2006-C5 ASB	5.413	10/15/49	1,008,171
Citigroup Commercial Mortgage Trust 2008-C7 A2A	6.034	12/10/49	5,048,850

# Asset Allocation (holdings as of 06/30/08)

<b>Commercial Mortgage-Backed Securities (continued)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Book Value</b>
Citigroup Commercial Mortgage Trust 2008-C7 A2B	6.299	12/10/49	\$ 5,028,408
Citigroup/Deutsche Bank Commercial Mortgage Trust 2005-CD1 A2FX	5.269	7/15/44	10,074,950
Citigroup/Deutsche Bank Commercial Mortgage Trust 2006-CD3 AAB	5.608	10/15/48	1,008,155
Citigroup/Deutsche Bank Commercial Mortgage Trust 2007-CD4 A4	5.322	12/11/49	1,007,857
Citigroup/Deutsche Bank Commercial Mortgage Trust 2007-CD5 A3	5.884	11/15/44	5,046,837
Commercial Mortgage Pass Through Certificates 2001-J2A A1	5.447	7/16/34	4,242,088
Commercial Mortgage Pass Through Certificates 2003-J2R A1B	3.855	7/16/34	1,332,938
Commercial Mortgage Pass Through Certificates 2003-LB1A A1	3.251	6/10/38	3,034,001
Commercial Mortgage Pass Through Certificates 2006-C7 A3	5.899	6/10/46	1,009,526
Commercial Mortgage Pass Through Certificates 2006-C7 A4	5.768	6/10/46	5,154,939
Credit Suisse Mortgage Capital Certificates 2007-C5 A2	5.589	9/15/40	5,059,025
CS First Boston Mortgage Securities Corp 1999-C1 A2	7.29	9/15/41	3,591,868
CS First Boston Mortgage Securities Corp 2004-C1 A4	4.75	1/15/37	3,836,085
CS First Boston Mortgage Securities Corp 2004-C2 A2	5.416	5/15/36	10,066,923
CS First Boston Mortgage Securities Corp 2005-C4 A5	5.104	8/15/38	5,213,925
CS First Boston Mortgage Securities Corp 2005-C5 AM	5.10	8/15/38	1,477,823
DLJ Commercial Mortgage Corp 2000-CKP1 A1B	7.18	11/10/33	3,697,062
Fannie Mae Pool 323495	5.90	1/1/09	9,966,093
Fannie Mae Pool 381029	5.855	12/1/08	8,667,769
Fannie Mae Pool 385011	6.285	4/1/12	5,562,961
Fannie Mae Pool 385068	6.25	4/1/12	2,891,321
Fannie Mae Pool 385232	5.885	6/1/12	3,731,855
Fannie Mae Pool 386066	4.15	4/1/10	4,781,075
Fannie Mae Pool 460408	6.20	5/1/11	3,872,284
Fannie Mae Pool 462257	5.925	8/1/16	1,050,885
Fannie Mae-Aces 2002-M3 B	4.37	9/25/10	137,552
GE Capital Commercial Mortgage Corp 2001-3 A1	5.56	6/10/38	2,184,039
GE Capital Commercial Mortgage Corp 2002-1A A2	5.994	12/10/35	2,950,287
GE Capital Commercial Mortgage Corp 2002-3A A1	4.229	12/10/37	2,832,080
GE Capital Commercial Mortgage Corp 2003-C1 A3	4.371	1/10/38	3,006,821
GE Capital Commercial Mortgage Corp 2003-C2 A2	4.17	7/10/37	780,514
GE Capital Commercial Mortgage Corp 2004-C2 A4	4.893	3/10/40	9,935,253
GE Capital Commercial Mortgage Corp 2005-C1 A5	4.772	6/10/48	9,838,886
GE Capital Commercial Mortgage Corp 2005-C3 A7A	4.974	7/10/45	4,791,794
GE Capital Commercial Mortgage Corp 2005-C4 A2	5.305	11/10/45	1,006,329
GE Capital Commercial Mortgage Corp 2006-C1 A3	5.518	3/10/44	9,214,251
GNMA GNR 2002-35 C	5.872	10/16/23	1,047,349
GNMA GNR 2002-9 B	5.881	3/16/24	806,467
GNMA GNR 2003-16 A	3.13	4/16/16	1,303,978
GNMA GNR 2003-16 B	4.49	8/16/25	9,036,944
GNMA GNR 2003-17 B	4.999	10/16/27	3,098,989
GNMA GNR 2003-72 C	4.86	2/16/30	4,949,573
GNMA GNR 2003-88 B	4.252	1/16/30	2,735,178
GNMA GNR 2003-96 D	4.891	4/16/31	15,491,378
GNMA GNR 2004-25 A	3.267	1/16/23	2,982,507
GNMA GNR 2004-51 A	4.145	2/16/18	5,675,976
GNMA GNR 2004-67 C	4.712	5/16/25	2,965,081
GNMA GNR 2005-10 B	4.404	5/16/24	4,878,110
GNMA GNR 2005-32 C	4.931	3/16/34	5,074,617
GNMA GNR 2005-59 B	4.816	10/16/29	1,982,780
GNMA GNR 2005-79 B	4.646	8/16/39	4,987,484
GNMA GNR 2005-89 C	4.984	5/16/27	987,987
GNMA GNR 2006-18 A	4.968	12/16/21	1,807,245
GNMA GNR 2006-18 B	5.233	12/16/27	4,982,827
GNMA GNR 2007-15 A	4.512	10/16/28	3,717,168
GNMA GNR 2007-4 A	4.206	6/16/29	952,640
Greenwich Capital Commercial Funding Corp 2007-GG11 A2	5.597	12/10/49	5,044,690
Greenwich Capital Commercial Funding Corp 2007-GG11 A3	5.716	12/10/49	1,872,108
Greenwich Capital Commercial Funding Corp 2007-GG9 A2	5.381	3/10/39	5,014,102
GS Mortgage Securities Corp II 2001-ROCK A1	6.22	5/3/18	1,614,628

# Asset Allocation (holdings as of 06/30/08)

<b>Commercial Mortgage-Backed Securities (continued)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Book Value</b>
GS Mortgage Securities Corp II 2006-GG6 A4	5.553	4/10/38	\$ 1,859,419
GS Mortgage Securities Corp II 2006-GG8 A4	5.56	11/10/39	10,147,002
JP Morgan Chase Commercial Mortgage Securities Corp 2001-CIB3 A2	6.044	11/15/35	2,142,520
JP Morgan Chase Commercial Mortgage Securities Corp 2002-C3 A1	4.20	7/12/35	810,311
JP Morgan Chase Commercial Mortgage Securities Corp 2003-CB6 A1	4.393	7/12/37	2,988,807
JP Morgan Chase Commercial Mortgage Securities Corp 2004-C1 A3	4.719	1/15/38	4,926,106
JP Morgan Chase Commercial Mortgage Securities Corp 2005-LDP2 AM	4.78	7/15/42	4,659,938
JP Morgan Chase Commercial Mortgage Securities Corp 2005-LDP3 A2	4.851	8/15/42	3,015,612
JP Morgan Chase Commercial Mortgage Securities Corp 2005-LDP5 A3	5.374	12/15/44	6,412,714
JP Morgan Chase Commercial Mortgage Securities Corp 2006-CB15 A4	5.814	6/12/43	9,533,001
JP Morgan Chase Commercial Mortgage Securities Corp 2006-CB15 ASB	5.79	6/12/43	504,063
JP Morgan Chase Commercial Mortgage Securities Corp 2006-CB16 A4	5.552	5/12/45	7,352,378
JP Morgan Chase Commercial Mortgage Securities Corp 2006-LDP7 A2	6.051	4/15/45	5,034,287
JP Morgan Chase Commercial Mortgage Securities Corp 2006-LDP7 AM	6.065	4/15/45	361,492
JP Morgan Chase Commercial Mortgage Securities Corp 2006-LDP8 A4	5.399	5/15/45	5,045,761
JP Morgan Chase Commercial Mortgage Securities Corp 2007-C1 A2	5.676	2/15/51	10,090,292
JP Morgan Chase Commercial Mortgage Securities Corp 2007-CB18 A4	5.44	6/12/47	9,852,159
JP Morgan Chase Commercial Mortgage Securities Corp 2007-CB20 A3	5.819	2/12/51	8,578,334
JP Morgan Chase Commercial Mortgage Securities Corp 2007-LD11 A2	5.992	6/15/49	10,245,342
JP Morgan Chase Commercial Mortgage Securities Corp 2007-LD11 A3	6.007	6/15/49	5,003,719
JP Morgan Chase Commercial Mortgage Securities Corp 2008-C2 A3	6.288	2/12/51	5,050,430
LB-UBS Commercial Mortgage Trust 2001-C2 A2	6.653	11/15/27	3,902,963
LB-UBS Commercial Mortgage Trust 2001-C7 A2	5.533	12/15/25	567,786
LB-UBS Commercial Mortgage Trust 2003-C1 A2	3.323	3/15/27	398,370
LB-UBS Commercial Mortgage Trust 2003-C1 A3	4.095	3/15/27	4,784,540
LB-UBS Commercial Mortgage Trust 2003-C3 A2	3.086	5/15/27	416,094
LB-UBS Commercial Mortgage Trust 2003-C5 A3	4.254	7/15/27	2,086,724
LB-UBS Commercial Mortgage Trust 2003-C7 A2	4.064	9/15/27	3,310,345
LB-UBS Commercial Mortgage Trust 2003-C8 A2	4.207	11/15/27	5,012,483
LB-UBS Commercial Mortgage Trust 2004-C7 A4	4.395	10/15/29	3,237,424
LB-UBS Commercial Mortgage Trust 2004-C7 A6	4.786	10/15/29	958,434
LB-UBS Commercial Mortgage Trust 2004-C8 A4	4.51	12/15/29	2,436,453
LB-UBS Commercial Mortgage Trust 2004-C8 A6	4.799	12/15/29	5,707,399
LB-UBS Commercial Mortgage Trust 2007-C7 A2	5.588	9/15/45	10,131,693
Merrill Lynch Mortgage Trust 2003-KEY1 A2	4.435	11/12/35	4,290,850
Merrill Lynch Mortgage Trust 2005-LC1 A4	5.291	1/12/44	10,388,652
Merrill Lynch Mortgage Trust 2005-MCP1 AM	4.805	6/12/43	4,705,981
Merrill Lynch Mortgage Trust 2007-C1 A3	6.023	6/12/50	5,084,877
Merrill Lynch/Countrywide Commercial Mortgage Trust 2006-1 A2	5.439	2/12/39	5,034,499
Merrill Lynch/Countrywide Commercial Mortgage Trust 2006-2 A4	6.104	6/12/46	4,851,078
Merrill Lynch/Countrywide Commercial Mortgage Trust 2006-3 ASB	5.382	7/12/46	1,008,460

# Asset Allocation (holdings as of 06/30/08)

<b>Commercial Mortgage-Backed Securities (continued)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Book Value</b>
Merrill Lynch/Countrywide Commercial Mortgage Trust 2006-4 A2	5.112	12/12/49	\$ 1,007,666
Merrill Lynch/Countrywide Commercial Mortgage Trust 2007-8 A2	6.119	8/12/49	3,556,931
Merrill Lynch/Countrywide Commercial Mortgage Trust 2007-9 A3	5.693	9/12/49	5,259,107
Merrill Lynch/Countrywide Commercial Mortgage Trust 2007-9 ASB	5.644	9/12/49	5,048,207
Morgan Stanley Capital I 1999-FNV1 B	6.66	3/15/31	3,060,111
Morgan Stanley Capital I 1999-FNV1 C	6.80	3/15/31	3,061,018
Morgan Stanley Capital I 2003-T11 A4	5.15	6/13/41	2,532,600
Morgan Stanley Capital I 2004-IQ8 A5	5.11	6/15/40	4,857,925
Morgan Stanley Capital I 2005-HQ5 A4	5.168	1/14/42	5,031,435
Morgan Stanley Capital I 2005-HQ7 A2	5.379	11/14/42	4,900,679
Morgan Stanley Capital I 2006-HQ10 A4	5.328	11/12/41	4,876,870
Morgan Stanley Capital I 2006-HQ8 A2	5.374	3/12/44	1,006,750
Morgan Stanley Capital I 2006-HQ9 AM	5.773	7/12/44	4,509,989
Morgan Stanley Capital I 2006-IQ11 AM	5.948	10/15/42	321,999
Morgan Stanley Capital I 2006-IQ12 A4	5.332	12/15/43	4,942,084
Morgan Stanley Capital I 2006-IQ12 AAB	5.325	12/15/43	4,895,484
Morgan Stanley Capital I 2006-IQ12 AM	5.37	12/15/43	4,805,416
Morgan Stanley Capital I 2006-T23 A2	5.915	8/12/41	10,139,417
Morgan Stanley Capital I 2006-T23 AAB	5.971	8/12/41	5,049,835
Morgan Stanley Capital I 2007-HQ11 A31	5.439	2/12/44	3,858,189
Morgan Stanley Capital I 2007-HQ12 A3	5.633	4/12/49	10,119,220
Morgan Stanley Capital I 2007-IQ16 A2	5.623	12/12/49	5,140,584
Morgan Stanley Dean Witter Capital I 2002-TOP7 A1	5.38	1/15/39	1,064,210
Morgan Stanley Dean Witter Capital I 2003-HQ2 A1	4.18	3/12/35	2,719,044
Prudential Commercial Mortgage Trust 2003-PWR1 A1	3.669	2/11/36	3,208,340
Prudential Securities Secured Financing Corp 1999-C2 A2	7.193	6/16/31	3,834,237
TrizecHahn Office Properties 2001-TZHA A2	6.093	5/15/16	1,279,104
Wachovia Bank Commercial Mortgage Trust 2003-C5 A1	2.986	6/15/35	2,883,538
Wachovia Bank Commercial Mortgage Trust 2005-C21 AM	5.384	10/15/44	4,787,876
Wachovia Bank Commercial Mortgage Trust 2006-C26 A2	5.935	6/15/45	5,036,125
Wachovia Bank Commercial Mortgage Trust 2006-C26 AM	6.159	6/15/45	254,3163
<b>Commercial Mortgage-Backed Securities Total</b>			<b>\$ 676,820,209</b>

## **Corporates (16%)**

AGL Capital Corp	7.125	1/14/11	\$ 5,331,882
Air Products & Chemicals Inc	4.15	2/1/13	5,070,677
Allstate Life Global Funding Trusts	5.375	4/30/13	1,865,055
AMB Property LP	6.30	6/1/13	5,081,672
AMB Property LP	3.50	3/1/09	1,998,571
American Express Co	4.75	6/17/09	5,007,499
American General Finance Corp	3.875	10/1/09	2,016,777
American Honda Finance Corp	4.50	5/26/09	5,020,458
American Honda Finance Corp	3.85	11/6/08	5,034,004
Ameriprise Financial Inc	5.35	11/15/10	4,883,155
Apache Corp	6.25	4/15/12	5,473,791
ArcelorMittal	5.375	6/1/13	1,603,750
Archer-Daniels-Midland Co	7.125	3/1/13	1,109,060
AstraZeneca PLC	5.40	9/15/12	5,823,376
Atmos Energy Corp	7.375	5/15/11	2,101,479
Autozone Inc	6.50	7/15/08	2,331,695
AvalonBay Communities Inc	6.625	9/15/11	2,093,857
AvalonBay Communities Inc	6.125	11/1/12	1,003,695
AvalonBay Communities Inc	5.50	1/15/12	3,067,910
Avon Products Inc	5.125	1/15/11	4,074,863
Avon Products Inc	4.80	3/1/13	1,014,379
BAE Systems Holdings Inc	6.40	12/15/11	2,608,059
Baltimore Gas & Electric Co	6.125	7/1/13	1,000,751
Bank of America Corp	4.375	12/1/10	5,006,976
Bank of Scotland PLC	4.00	9/15/09	2,022,240
Baxter FinCo BV	4.75	10/15/10	2,016,922

# Asset Allocation (holdings as of 06/30/08)

<b>Corporates (continued)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Book Value</b>
Bear Stearns Cos Inc	4.50	10/28/10	\$ 2,019,478
BellSouth Corp	4.75	11/15/12	962,245
Berkshire Hathaway Finance Corp	4.75	5/15/12	975,497
Boston Properties LP	6.25	1/15/13	4,679,169
Brandywine Operating Partnership LP	5.75	4/1/12	3,169,590
BRE Properties Inc	7.45	1/15/11	3,203,970
Bristol-Myers Squibb Co	5.25	8/15/13	1,592,169
Brown-Forman Corp	5.20	4/1/12	5,057,744
Campbell Soup Co	6.75	2/15/11	3,220,748
Campbell Soup Co	5.00	12/3/12	4,049,617
Canadian National Railway Co	4.95	1/15/14	1,706,819
Cardinal Health Inc	5.50	6/15/13	2,004,264
Caterpillar Financial Services Corp	4.30	6/1/10	5,011,801
Centex Corp	4.55	11/1/10	2,499,209
CIT Group Inc	5.40	2/13/12	5,100,728
Citigroup Inc	5.625	8/27/12	5,081,707
Clorox Co	5.45	10/15/12	3,089,389
Clorox Co	5.00	3/1/13	1,016,183
Colgate-Palmolive Co	4.20	5/15/13	2,714,832
ConAgra Foods Inc	6.75	9/15/11	4,243,331
Consolidated Edison Co of New York Inc	3.85	6/15/13	3,761,952
Cooper Industries Inc	5.25	11/15/12	718,775
Credit Suisse USA Inc	3.875	1/15/09	4,579,590
CVS/Caremark Corp	4.00	9/15/09	4,549,984
Daimler Finance North America LLC	6.50	11/15/13	2,102,864
Developers Diversified Realty Corp	5.00	5/3/10	3,503,193
Developers Diversified Realty Corp	4.625	8/1/10	1,423,687
Diageo Finance BV	3.875	4/1/11	4,825,659
Duke Energy Carolinas LLC	4.50	4/1/10	3,032,466
Dun & Bradstreet Corp	6.00	4/1/13	2,030,000
Dun & Bradstreet Corp	5.50	3/15/11	2,028,763
Eaton Corp	5.75	7/15/12	2,068,752
Entergy Mississippi Inc	5.15	2/1/13	1,102,143
Federal Realty Investment Trust	6.00	7/15/12	4,166,761
FedEx Corp	5.50	8/15/09	2,039,605
Fortune Brands Inc	5.125	1/15/11	1,023,021
FPL Group Capital Inc	5.35	6/15/13	1,002,001
General Dynamics Corp	4.25	5/15/13	5,553,588
General Electric Capital Corp	5.50	4/28/11	7,566,178
General Mills Inc	6.00	2/15/12	4,194,301
Genworth Financial Inc	5.75	6/15/14	2,508,745
GlaxoSmithKline Capital Inc	4.85	5/15/13	3,013,223
Goldman Sachs Group Inc	3.875	1/15/09	5,088,036
Hartford Financial Services Group Inc	5.25	10/15/11	4,518,048
Hess Corp	6.65	8/15/11	2,170,080
Home Depot Inc	4.625	8/15/10	4,061,689
Honeywell International Inc	5.625	8/1/12	1,021,816
HSBC Finance Corp	5.90	6/19/12	2,001,696
International Lease Finance Corp	5.25	1/10/13	988,034
Interstate Power & Light Co	6.75	3/15/11	2,429,055
Jackson National Life Global Funding	5.375	5/8/13	2,014,307
JC Penney Corp Inc	8.00	3/1/10	1,061,124
John Deere Capital Corp	5.40	4/7/10	1,027,285
Johnson Controls Inc	5.25	1/15/11	6,240,870
Keycorp	4.70	5/21/09	3,015,628
Kimco Realty Corp	6.875	2/10/09	3,119,271
Kohl's Corp	6.30	3/1/11	2,096,544
Koninklijke Philips Electronics NV	4.625	3/11/13	2,013,708
Kroger Co	5.00	4/15/13	1,769,584
Lehman Brothers Holdings Inc	6.625	1/18/12	2,641,771

## Asset Allocation (holdings as of 06/30/08)

<b>Corporates (continued)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Book Value</b>
Lehman Brothers Holdings Inc	3.95	11/10/09	\$ 2,512,556
Lincoln National Corp	6.20	12/15/11	2,111,189
Lowe's Cos Inc	5.60	9/15/12	710,533
Mack-Cali Realty LP	7.25	3/15/09	1,029,745
Mack-Cali Realty LP	5.125	2/15/14	1,831,890
Macys Retail Holdings Inc	4.80	7/15/09	5,138,796
Marathon Global Funding Corp	6.00	7/1/12	3,124,817
Marathon Oil Canada Corp	8.375	5/1/12	3,340,615
Marriott International Inc	5.625	2/15/13	2,043,229
Marriott International Inc	4.625	6/15/12	2,873,383
Martin Marietta Materials Inc	6.875	4/1/11	4,195,893
McDonald's Corp	4.30	3/1/13	2,025,808
Medtronic Inc	4.375	9/15/10	1,011,704
Merck & Co Inc	4.375	2/15/13	2,939,526
Merrill Lynch & Co Inc	4.125	9/10/09	1,011,875
MetLife Life and Annuity Co of Connecticut	5.125	8/15/14	2,008,019
Molson Coors Capital Finance ULC	4.85	9/22/10	4,027,183
Monsanto Co	7.375	8/15/12	1,113,914
Nabors Holdings 1 ULC	4.875	8/15/09	3,050,718
National Australia Bank Ltd	8.60	5/19/10	5,439,760
National Australia Bank Ltd	5.35	6/12/13	2,005,568
National Rural Utilities Cooperative Finance Corp	5.50	7/1/13	2,995,781
Nationwide Building Society	4.25	7/21/09	5,110,747
Newell Rubbermaid Inc	4.00	5/1/10	2,011,345
Nordea Bank Finland PLC	6.50	4/1/09	5,157,786
Nucor Corp	5.00	12/1/12	2,541,600
Nucor Corp	5.00	6/1/13	499,008
Oracle Corp	5.00	1/15/11	5,581,270
Oracle Corp	4.95	4/15/13	2,021,867
Pacific Life Global Funding	5.15	4/15/13	2,526,026
Pearson Dollar Finance PLC	4.70	6/1/09	3,011,671
Potash Corp of Saskatchewan	7.75	5/31/11	1,643,423
Potash Corp of Saskatchewan	4.875	3/1/13	2,926,087
PPF Funding Inc	5.35	4/15/12	5,049,379
PPG Industries Inc	5.75	3/15/13	2,031,927
Premcor Refining Group Inc	6.125	5/1/11	1,539,391
Prologis	5.50	3/1/13	2,477,420
Public Service Electric & Gas Co	5.375	9/1/13	2,100,712
Quest Diagnostics Inc	5.125	11/1/10	1,511,465
Raytheon Co	5.375	4/1/13	6,342,775
Republic Services Inc	6.75	8/15/11	4,773,541
Ryder System Inc	5.95	5/2/11	1,008,644
Ryder System Inc	5.00	4/1/11	2,024,118
SABMiller PLC	6.20	7/1/11	6,832,700
Safeway Inc	7.50	9/15/09	5,287,378
Sempra Energy	4.75	5/15/09	2,514,767
Simon Property Group LP	4.60	6/15/10	5,004,496
SP PowerAssets Ltd	3.80	10/22/08	3,021,464
Spectra Energy Capital LLC	6.25	2/15/13	3,115,436
StatoilHydro ASA	6.36	1/15/09	5,209,622
SunTrust Bank	6.375	4/1/11	1,036,062
SYSCO Corp	4.20	2/12/13	1,826,428
Telecom Italia Capital SA	4.875	10/1/10	2,023,479
Telefonica Europe BV	7.75	9/15/10	3,291,329
Textron Inc	6.375	11/15/08	5,036,221
Thomson Reuters Corp	5.95	7/15/13	1,594,924
TIAA Global Markets Inc	5.125	10/10/12	1,010,618
TIAA Global Markets Inc	4.875	1/12/11	1,533,870
Time Warner Cable Inc	6.20	7/1/13	1,999,921
Time Warner Cable Inc	5.40	7/2/12	5,126,652

# Asset Allocation (holdings as of 06/30/08)

<b>Corporates (continued)</b>	<b>Coupon</b>	<b>Maturity</b>	<b>Book Value</b>
Toyota Motor Credit Corp	4.25	3/15/10	\$ 1,010,735
TransCanada Pipelines Ltd	4.00	6/15/13	2,354,240
Unilever Capital Corp	7.125	11/1/10	5,462,849
Union Pacific Corp	3.625	6/1/10	5,004,800
United Parcel Service Inc	4.50	1/15/13	5,232,025
Verizon Communications Inc	4.35	2/15/13	1,014,231
Verizon Global Funding Corp	6.875	6/15/12	3,273,734
Virginia Electric and Power Co	5.10	11/30/12	3,012,242
Vodafone Group PLC	7.75	2/15/10	5,468,651
Vulcan Materials Co	6.30	6/15/13	3,013,989
Vulcan Materials Co	5.60	11/30/12	3,761,994
Wal-Mart Stores Inc	5.00	4/5/12	3,027,605
Walt Disney Co	5.70	7/15/11	2,085,666
Walt Disney Co	4.70	12/1/12	2,504,673
Weingarten Realty Investors	5.263	5/15/12	999,722
Wells Fargo & Co	4.875	1/12/11	1,022,601
Western Union Co	5.40	11/17/11	2,563,206
Westfield Capital Corp	4.375	11/15/10	4,016,129
Wisconsin Energy Corp	6.50	4/1/11	1,064,829
Wyeth	6.95	3/15/11	3,150,281
Xlliac Global Funding	4.80	8/10/10	5,086,505
XTO Energy Inc	4.625	6/15/13	2,001,871
<b>Corporates Total</b>			<b>\$ 499,165,486</b>

## **Mortgage-Backed Securities (17%)**

Fannie Mae ARM	6.408		\$ 1,777,836
Fannie Mae ARM	6.126		7,324,801
Fannie Mae ARM	6.08		4,720,361
Fannie Mae ARM	6.007		872,103
Fannie Mae ARM	5.968		16,693,757
Fannie Mae ARM	5.887		9,195,267
Fannie Mae ARM	5.857		3,995,269
Fannie Mae ARM	5.842		4,414,783
Fannie Mae ARM	5.80		12,048,348
Fannie Mae ARM	5.727		2,655,586
Fannie Mae ARM	5.725		3,948,970
Fannie Mae ARM	5.673		4,332,698
Fannie Mae ARM	5.656		3,708,135
Fannie Mae ARM	5.638		4,168,060
Fannie Mae ARM	5.55		9,344,692
Fannie Mae ARM	5.251		3,743,151
Fannie Mae ARM	5.186		10,267,397
Fannie Mae ARM	4.736		5,020,864
Fannie Mae ARM	4.717		6,011,668
Fannie Mae ARM	4.653		3,363,307
Fannie Mae ARM	4.651		2,429,970
Fannie Mae ARM	4.421		2,675,978
Fannie Mae ARM	4.225		2,438,295
Fannie Mae ARM	4.111		2,666,563
Fannie Mae Dwarf	7.00		462,537
Fannie Mae Dwarf	6.50		1,081,229
Fannie Mae Dwarf	6.00		3,052,471
Fannie Mae Dwarf	5.50		14,387,658
Fannie Mae Dwarf	5.00		20,295,988
Freddie Mac ARM	6.272		6,734,390
Freddie Mac ARM	6.234		4,871,441
Freddie Mac ARM	6.112		4,918,377
Freddie Mac ARM	6.073		4,798,558
Freddie Mac ARM	5.999		3,921,769
Freddie Mac ARM	5.978		4,692,649

# Asset Allocation (holdings as of 06/30/08)

Mortgage-Backed Securities (continued)	Coupon	Book Value
Freddie Mac ARM	5.948	\$ 8,106,315
Freddie Mac ARM	5.945	4,845,054
Freddie Mac ARM	5.936	3,245,725
Freddie Mac ARM	5.885	8,966,689
Freddie Mac ARM	5.862	34,851
Freddie Mac ARM	5.852	4,162,401
Freddie Mac ARM	5.842	9,213,664
Freddie Mac ARM	5.841	9,370,664
Freddie Mac ARM	5.838	9,720,509
Freddie Mac ARM	5.824	5,913,760
Freddie Mac ARM	5.815	2,515,290
Freddie Mac ARM	5.814	4,511,536
Freddie Mac ARM	5.813	3,056,837
Freddie Mac ARM	5.786	4,587,400
Freddie Mac ARM	5.781	6,673,327
Freddie Mac ARM	5.771	16,849,293
Freddie Mac ARM	5.769	3,879,354
Freddie Mac ARM	5.727	2,752,078
Freddie Mac ARM	5.726	4,581,277
Freddie Mac ARM	5.719	5,275,059
Freddie Mac ARM	5.70	15,507
Freddie Mac ARM	5.695	851,220
Freddie Mac ARM	5.667	1,683,254
Freddie Mac ARM	5.657	2,384,077
Freddie Mac ARM	5.638	3,491,465
Freddie Mac ARM	5.636	2,231,894
Freddie Mac ARM	5.593	5,237,344
Freddie Mac ARM	5.544	1,618,358
Freddie Mac ARM	5.531	4,885,323
Freddie Mac ARM	5.514	19,197

Freddie Mac ARM	5.499	1,112,257
Freddie Mac ARM	5.389	3,975,899
Freddie Mac ARM	5.351	8,292,090
Freddie Mac ARM	5.193	2,908,444
Freddie Mac ARM	5.137	2,806,744
Freddie Mac ARM	5.077	7,795,349
Freddie Mac ARM	5.049	6,759,863
Freddie Mac ARM	5.013	1,204,274
Freddie Mac ARM	4.79	1,857,406
Freddie Mac Gnome	6.00	2,573,560
Freddie Mac Gnome	5.50	71,959,028
Freddie Mac Gnome	5.00	66,826,197

**Mortgage-Backed Securities Total \$ 515,784,760**

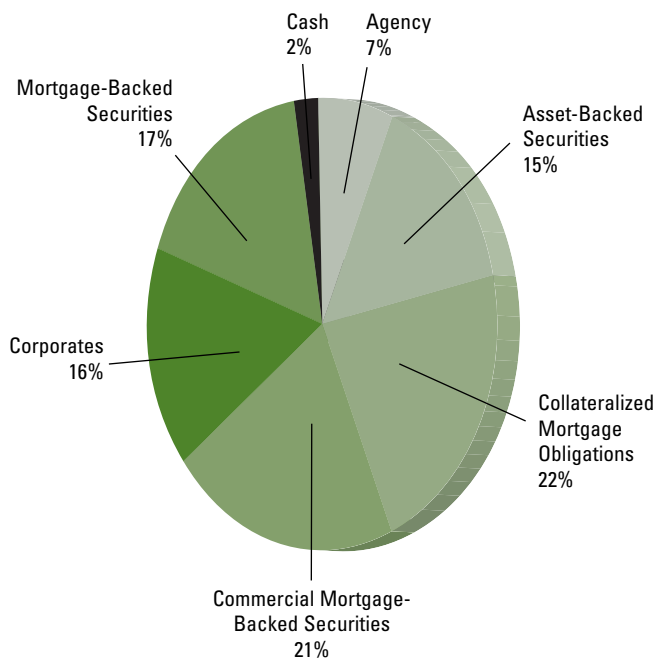
## Cash (2%)

\$ 81,581,470

**Cash Total \$ 81,581,470**

**Account Total \$3,121,057,955**

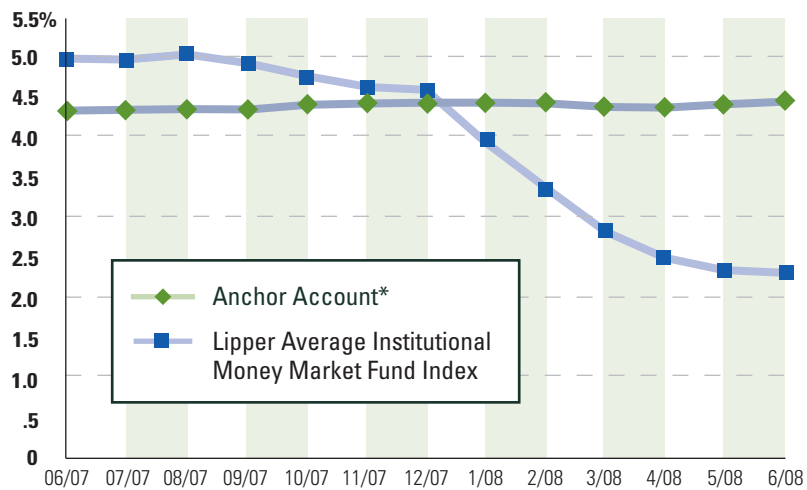
## Asset Allocations (as of 06/30/08)



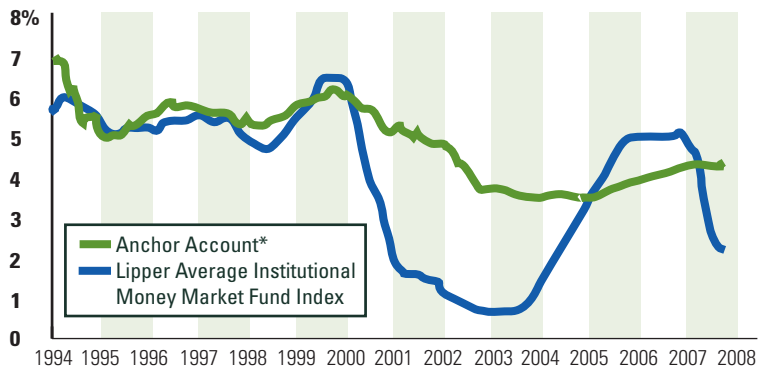
## Performance Chart

Date	Anchor Account*	Lipper Institutional Money Market Funds Average
6/30/08	4.48%	2.29%
5/31/08	4.45%	2.32%
4/30/08	4.40%	2.48%
3/31/08	4.42%	2.83%
22/29/08	4.44%	3.32%
1/31/08	4.45%	3.97%
12/31/07	4.49%	4.59%
11/30/07	4.48%	4.66%
10/31/07	4.47%	4.83%
9/30/07	4.41%	5.00%
8/31/07	4.39%	5.10%
7/31/07	4.37%	5.02%
6/30/07	4.34%	5.02%

## Performance Comparison – 1 Year



## Performance Comparison – Since Inception



\*Net effective annual rate based on a 75 basis point expense charge.

Past performance is no guarantee of future results. Due to current market volatility, current performance may be less than shown.

The Lipper Institutional Money Market Funds Average is the 7-day average effective yield (SEC Yield) of funds tracked by Lipper Analytical Services Inc. The Lipper Institutional Money Market Funds Average includes all funds in the group in existence for the period, which can always change due to revisions for new funds, mergers, liquidations, etc.



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New York Life  
Insurance Company  
New York, NY

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