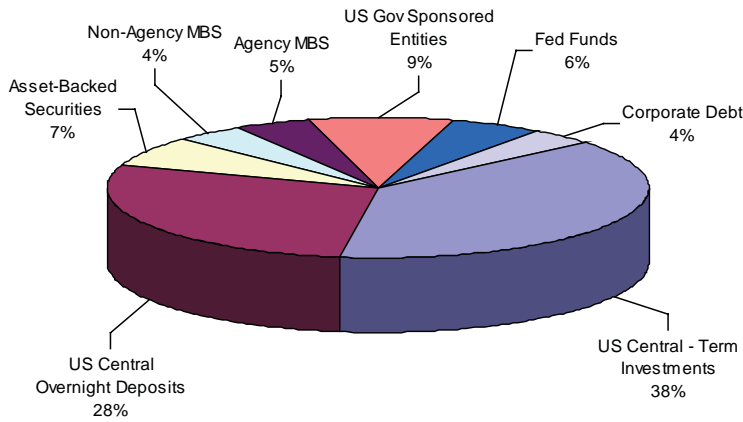
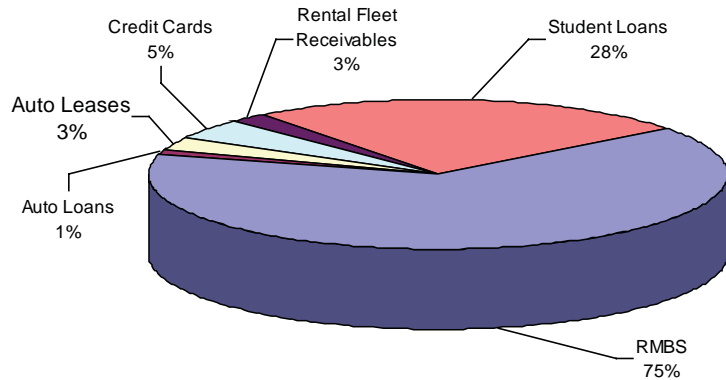


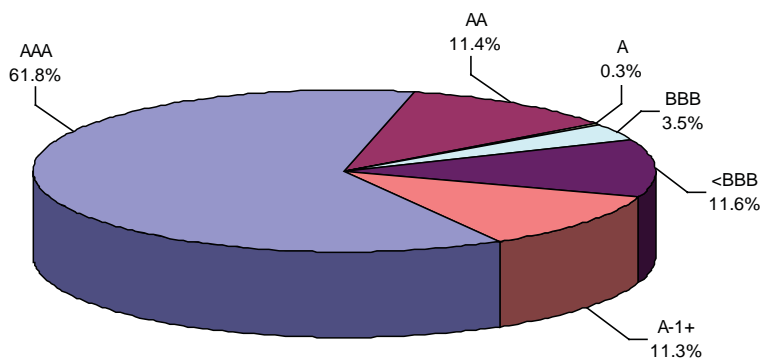
Investment Portfolio Chart 1



Non-Agency Structured Securities by Asset Class Chart 2



Investment Ratings Chart 3



Sector Exposures		Table 1	
Investment	Yes	No	% of Portfolio
Auction Rate Notes		✓	
Collateralized Debt Obligations		✓	
Commercial Mortgage Backed Securities		✓	
Extendable Commercial Paper		✓	
Structured Investment Vehicles		✓	
Subprime Mortgages	✓		2.8%

All of the investments Southeast purchases are subject to a thorough analysis prior to purchase and monitored carefully for the period that they are held. The corporate has a Credit Risk Department which is segregated from the Investment Department in order to maintain objectivity. Southeast has made a sizable investment in sophisticated credit risk modeling systems which it uses to credit stress the securities in which it invests.

Table 1 - As indicated in the table above, Southeast does not hold any Collateralized Debt Obligations (CDOs), Commercial Mortgage Backed Securities (CMBS), Extendable Commercial Paper or Structured Investment Vehicles (SIVs).

Chart 4

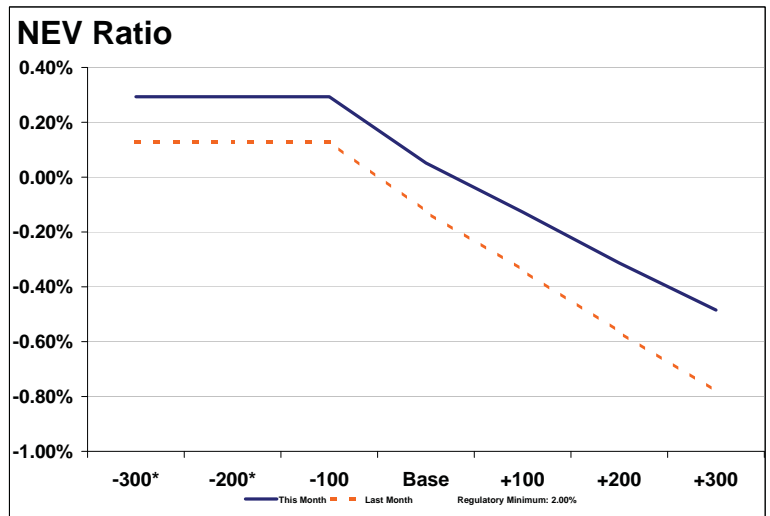


Chart 1 - U.S. Central overnight deposits (28%) continue to be within the normal range.

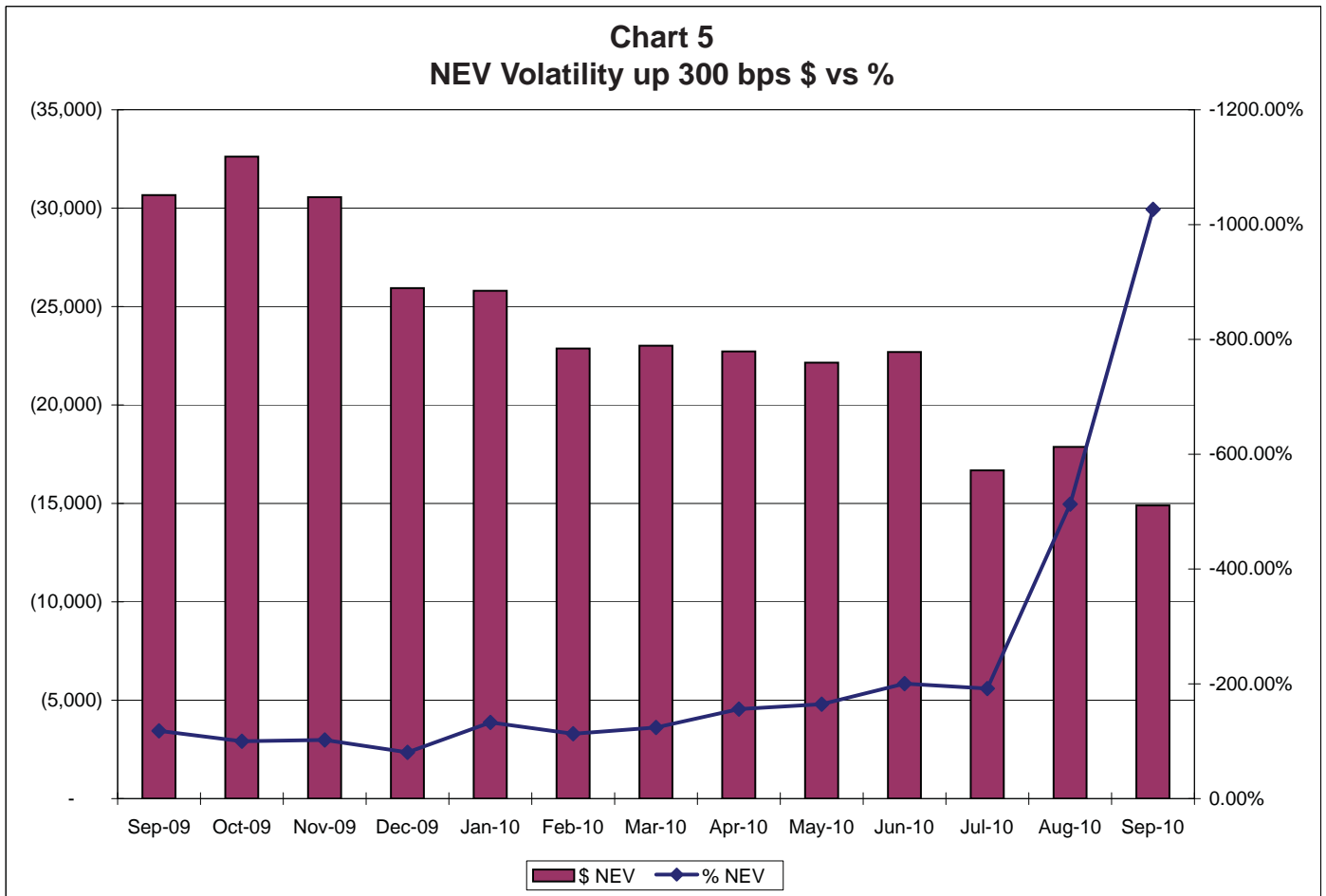
Chart 2 - RMBS and Student Loans comprise an ever increasing percentage of the structured securities portfolio due to pay-downs and maturities in other sectors. No additional RMBS have been added to the portfolio since 2007.

Chart 3 - Investment in AA rated corporate notes has slightly shifted the ratings composition from AAA. Downgrade activity has slowed, but continues to occur sporadically. Downgrade activity is primarily concentrated in non-investment grade securities.

Chart 4 - In order to assess its interest rate risk, Southeast Corporate measures its net economic value (NEV) on a monthly basis. The NEV is derived by calculating a fair market value for all of its financial assets less its liabilities. The NEV ratio, shown above, is calculated by dividing the NEV by the fair value of assets.

Southeast Corporate has reduced the dollars at risk to \$14.9 million in September 2010. This represents a 50% reduction in interest rate risk over the last 12 months. Southeast Corporate measures its Net Economic Value (NEV) volatility by subjecting the balance sheet to instantaneous, parallel, and sustained yield curve increases of one, two, and three percent. The equity dollars at risk in the worst case scenario (up 300 bps) are shown in Chart 5.

Measuring volatility as a percentage change from the base case value has been giving an erroneous picture of risk since the financial markets collapsed in 2007. Just after the collapse, the unrealized gain/loss on securities grew significantly as the markets essentially froze during this time frame. The market prices on Southeast Corporate's securities have been improving as the economy has improved recently. The current relationship between the unrealized gain/loss on our securities and our equity position is producing a positive value of equity that is near zero and this gives an extremely distorted percentage change. The current percentage change is just over 1000%. If the unrealized gain/loss continues to improve and our value of equity continues to grow, the resulting percentage change should begin to show the reductions in risk. Both the dollars at risk and the percentage change in value are shown in Chart 5.



For more information or questions, call 1-800-342-0203:

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