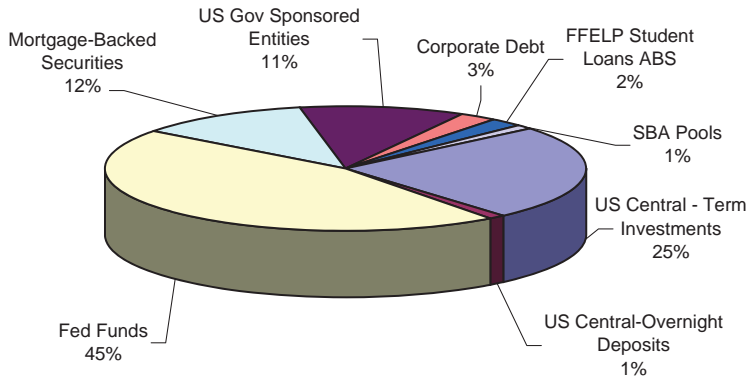
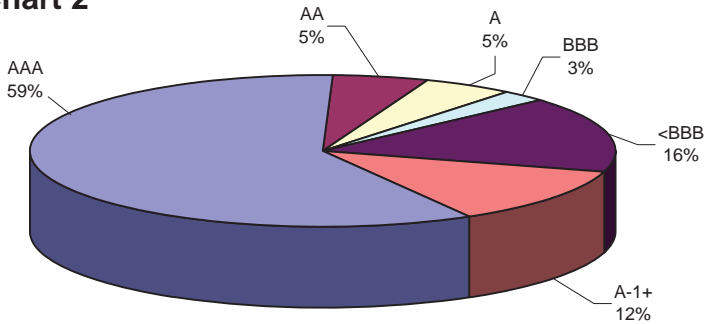


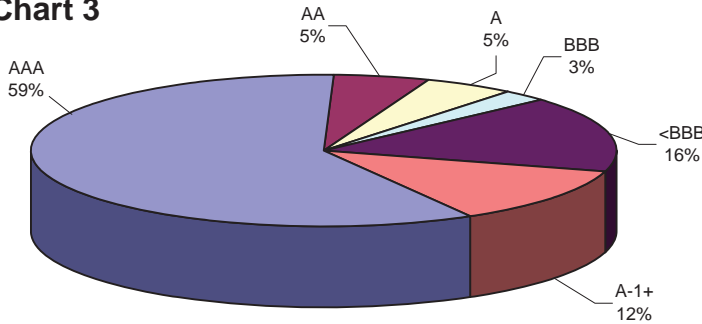
## Investment Portfolio Chart 1



## Investment Ratings based on Highest Rating Chart 2



## Investment Ratings based on Lowest Rating Chart 3



**Chart 1** - Fed Funds represent deposits at the Federal Reserve Bank of Atlanta and US Central. Term investments continue to contract. Other asset backed security exposure not shown in the chart includes 0.4% exposure to credit cards, 0.1% exposure in auto loans/leases, and 0.2% exposure in time deposit and bank notes.

**Chart 2** - Change in ratings during March is the result of SBA purchases and other investment maturities and pay downs.

**Chart 3** - Exposure to investments rated less than BBB increased 0.8% due to the recent downgrade activity by Moody's.

**Chart 4** - Unrealized losses remained flat during the month. Southeast Corporate recorded \$35,000 of additional OTTI on one previously impaired investment that matured in March.

## Sector Exposures

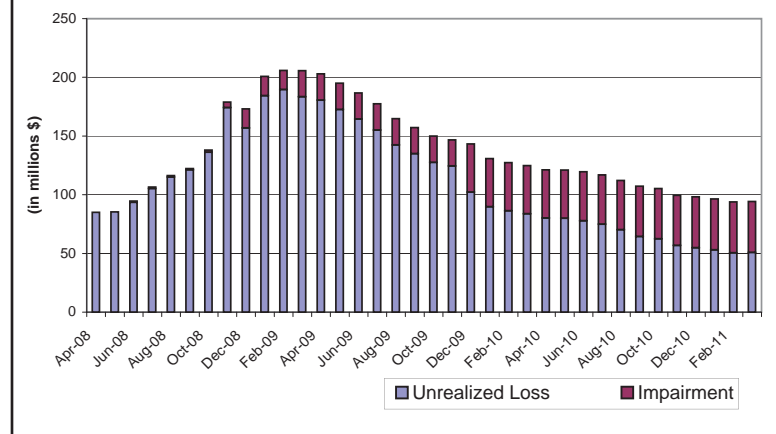
Table 1

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). The exposure to subprime mortgages changes as the total investment portfolio fluctuates. No additional investments will be made in private label MBS.

## Chart 4 - Unrealized Losses/OTTI Trend

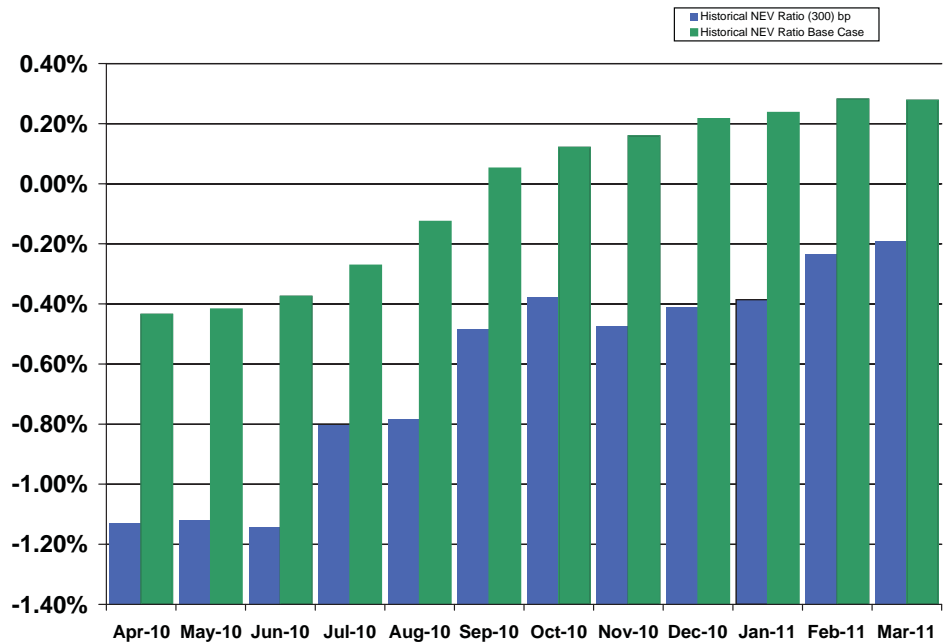


**Chart 5 - Net Economic Value (NEV)** is determined by subtracting market value of the liabilities from the market value of the assets. The NEV ratio is calculated by dividing the NEV by the market value of Total Assets. Chart 5 shows the NEV ratio in a base case and the up 300 bps scenario over the last twelve months.

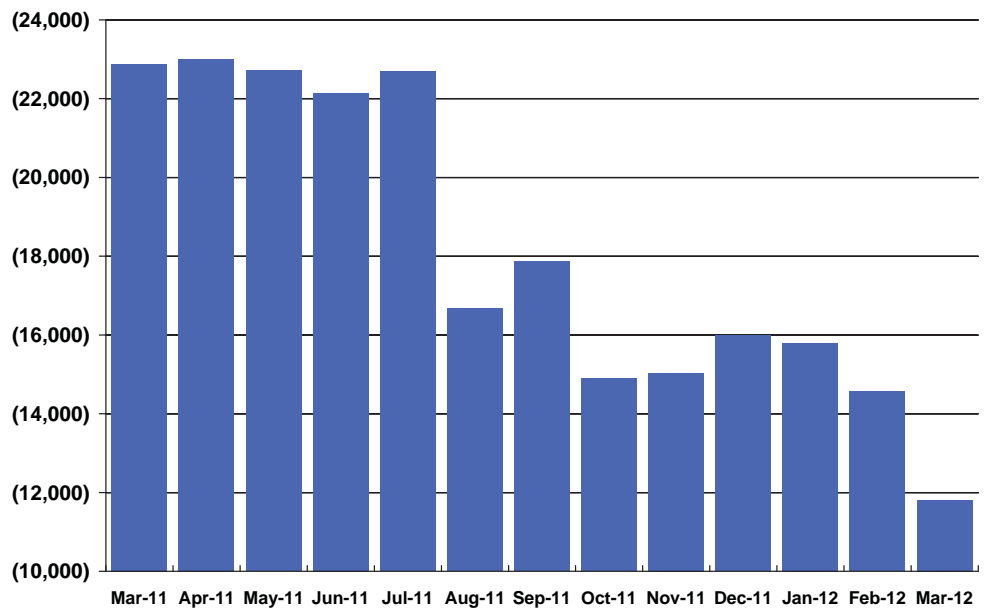
March's pricing of Southeast Corporate's portfolio remained level with the February results. The improvement in the investment values has been driving the equity improvements of late. With pricing results that are level with the February levels, the base case NEV ratio remained constant in March at 0.28%.

**Chart 6 - The NEV volatility** is measured by subjecting the balance sheet to instantaneous, parallel, and sustained yield curve increases of one, two, and three percent. Once the balance sheet is shocked, the reduction in equity value to the worst case scenario is analyzed. The equity dollars at risk in the worst case scenario (up 300 bps) are shown in Chart 6. The volatility improved \$2.7 million to \$11.8 million at risk. Our expectation is that the NEV volatility will remain near \$15 million.

**Chart 5 - Historical NEV Ratio**



**Chart 6 - Historical NEV Change \$ (300)bp**



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

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