

INCOME AND INVESTMENT RETURN

Updated as December 31, 2008

Compo site

Quarter	Beginning Market Value	Net Contribution	Investment Return		Ending Market Value	Investment Return
			Income Return	Market Return		
A	B	C	D	E	F	G
2000, 1st	1,201,318,368	33,590,243	17,681,401	(1,425,276)	1,251,164,736	16,256,125
2nd	1,251,164,736	(26,294,932)	17,931,561	19,005	1,242,820,370	17,950,566
3rd	1,242,820,370	(14,715,848)	18,004,879	5,252,258	1,251,361,658	23,257,137
4th	1,251,361,658	23,489,840	17,717,138	6,599,655	1,299,168,292	24,316,793
2001, 1st	1,299,168,292	(7,806,744)	16,964,026	15,401,416	1,323,726,990	32,365,442
2nd	1,323,726,990	(14,246,548)	15,479,061	1,751,176	1,326,710,679	17,230,238
3rd	1,326,710,679	(4,447,875)	14,036,446	6,462,436	1,342,761,686	20,498,882
4th	1,342,761,686	(996,293)	15,041,376	(10,297,703)	1,346,509,066	4,743,673
2002, 1st	1,346,509,066	11,411,060	12,957,296	(1,256,312)	1,369,621,110	11,700,985
2nd	1,369,621,110	(7,267,259)	12,114,021	(3,553,898)	1,370,913,974	8,560,122
3rd	1,370,913,974	(3,195,346)	12,205,092	(5,917,835)	1,374,005,885	6,287,257
4th	1,374,005,885	17,043,983	6,409,769	224,903	1,397,684,540	6,634,672
2003, 1st	1,397,684,540	(1,396,773)	4,958,704	(843,690)	1,400,402,781	4,115,014
2nd	1,400,402,781	(17,374,054)	5,616,594	(845,259)	1,387,800,063	4,771,335
3rd	1,387,800,063	(1,031,772,595)	3,701,339	(535,587)	359,193,219	3,165,752
4th	359,193,219	29,572,921	1,145,342	125,375	390,036,858	1,270,718
2004, 1st	390,036,858	(4,560,120)	1,185,467	303,704	386,965,910	1,489,172
2nd	386,965,910	(5,030,265)	1,457,006	(1,853,047)	381,539,604	(396,041)
3rd	381,539,604	(6,519,308)	1,670,218	748,675	377,439,190	2,418,894
4th	377,439,190	9,468,327	1,904,198	(362,888)	388,448,827	1,541,310
2005, 1st	388,448,827	(34,333,517)	2,069,276	423,050	356,607,637	2,492,327
2nd	356,607,637	(170,920,403)	1,224,095	(302,281)	186,609,047	921,813
3rd	186,609,047	(900,708)	1,308,787	221,747	187,238,874	1,530,535
4th	187,238,874	(2,783,301)	1,516,387	264,666	186,236,626	1,781,053
2006, 1st	186,236,626	(77,216)	1,839,663	20,905	188,019,978	1,860,568
2nd	188,019,978	(1,080,463)	1,979,342	145,777	189,064,634	2,125,119
3rd	189,064,634	(1,176,412)	2,068,657	374,402	190,331,281	2,443,059
4th	190,331,281	65,230,643	2,665,396	455,659	258,682,979	3,121,055
2007, 1st	258,682,979	(25,141,489)	2,772,612	(49,116)	236,264,985	2,723,496
2nd	236,264,985	31,806,485	3,144,876	(276,283)	270,940,064	2,868,594
3rd	270,940,064	(42,924,224)	2,850,237	134,431	231,000,509	2,984,669
4th	231,000,509	(152,124,957)	1,979,397	(49,513)	80,805,436	1,929,884
2008, 1st	80,805,436	(1,396,224)	730,481	198,232	80,337,924	928,712
2nd	80,337,924	(314,293)	558,982	(322,073)	80,260,539	236,908
3rd	80,260,539	(550,563)	507,559	(99,441)	80,118,093	408,117
4th	80,118,093	75,213,962	551,306	438,190	156,321,551	989,496
Total		(1,282,520,266)	225,947,987	11,575,460		237,523,451

EXPLANATION

4th Quarter 2008:

Beginning Market Value: The beginning market value for each quarter now carries over from the ending market value of the previous quarter. The 4th Qtr. '08 beginning market value was \$80,118,093 (column B).

- **Net Contribution:** GAMHC settled litigation with Goldman Sachs in November, 2008. The lawsuit alleged that Goldman Sachs had conflicts of interest that damaged the value of the insurance holding company. Because the effects of the alleged damages were more directly attributable to the holding company, it was determined that the members should receive 10% split of the settlement proceeds and expenses, while the mutual holding company should receive 90% of the proceeds and expenses. QSF(2) holds funds entirely for the benefit of the members of the mutual holding company. Following receipt of \$100,005,000 in settlement proceeds on November 7, Central Bank was required to transfer \$14,762,659.80 to Cass Bank & Trust Co. to credit the Armstrong Teasdale account and \$6,326,854.20 to Commerce Bank to credit the Shaffer Lombardo Shurin account. An additional \$7,806,606.50 was wired to US Bank Trust Services to be deposited in QSF(2) as 10% of settlement proceeds. The remainder of the settlement proceeds stayed with the GAMHC accounts at Central Bank. Additional expenses during the 4th Qtr' 08 included payment of \$57,602 relating to a potential defendant in the Goldman Sachs litigation and 3Q08 investment management fees of \$14,046.29 and \$4,102.99, paid to Central Bank and Wachovia respectively. There were two small wire transfers in early December totaling \$12,403, followed by a transfer of \$3,600,000 to the GAMHC operating account to fund operating expenses. On September 25, GAMHC notified Wachovia that it would be severing its relationship with Wachovia Trust as an Investment Manager for GAMHC funds. On October 1, Central Bank received \$14,302,291 from Wachovia, an amount just shy of the full portfolio value. The remaining \$7,934 was transferred to Central Bank on October 29 following Wachovia's receipt of the 3rd Qtr. '08 investment management fee. QSF(2)'s operating expenses totaled \$21,134.50 while \$4,272.24 was withdrawn for the 3rd Qtr. '08 investment management fee.

Investment Return: The 4th Qtr. '08 investment return was \$989,496, resulting in a total to date of \$237,523,451 (column G).

Ending Market Value: This is derived by taking the beginning market value for the quarter, then adding the net contribution and total investment return. On December 31, the ending market value was \$156,321,551.

The total investment return (from income return and from market return) as of the end of the 4th Quarter of 2008 was \$237,523,451 (column G).

RECEIVERSHIP ASSETS AND LIABILITIES

This quarterly report produced by Oppenheimer & Co. is composed of all major investment accounts of the receivership, but does not include all assets and liabilities of the receivership. There may be differences in amounts reported by Oppenheimer in the quarterly report and by Mayer Hoffman McCann P.C. in the Accountants' Compilation Report due to: 1) the Operating Account balance not being included in Oppenheimer's total market value, 2) timing differences between the two investment reports used to determine the final market value and 3) additional liabilities of the receivership net of other assets not included in Oppenheimer's market value amount.

CLAIMS AGAINST RECEIVERSHIP ASSETS

The receivership has various unresolved claims and potential claims against the receivership's assets. The largest known claims are discussed in the following paragraph.

On January 13, 2003, General American Mutual Holding Company in Receivership (GAMHCIR) received a summary of "Three Year Indemnity Claims" from MetLife (MetLife Claims). This summary was required by the Plan of Organization. The MetLife Claims included two categories: Article VIII – Income Taxes and Article X – Other Claims. The Article VIII claims were settled with MetLife in 2003.

The receivership also has a liability for normal operating expenses that have been incurred, but not approved by the court. The amounts of these unapproved operating expenses vary, but are estimated to be in the range of \$1-3 million at any point in time.