GMO

Oklahoma Municipal A/C# 7000374700
Quarter Ending March 31, 2009

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Investment
Management Review

Oklahoma Municipal A/C# 7000374700

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Quarter Ending March 31, 2009

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Performance Net of Fees and Expenses in USD

Periods Ending March 31, 2009

Investment	Month	Quarter	YTD	Annualized 1 Year	3 Year	5 Year	*Since Inception	Market Value (000)
International Intrinsic Value (11/22/2005)	6.42 %	-16.85 %	-16.85 %	-44.59 %	-14.09 %	N/A	-8.96 %	2,157
MSCI EAFE Value	7.09	-15.53	-15.53	-47.72	-15.92	N/A	-10.89	
Value Added	-0.67	-1.32	-1.32	3.13	1.83	N/A	1.93	
MSCI EAFE	6.34	-13.94	-13.94	-46.51	-14.47	N/A	-9.40	
Value Added	0.08	-2.91	-2.91	1.92	0.38	N/A	0.44	

* Periods of less than a year are not annualized

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Change in Market Value, Account Detail in USD

YTD Ending March 31, 2009

Fund	% Of Fund	Market Value 12/31/2008	Cash Flows	Gains/ Losses	Current Shares	Price	Market Value 03/31/2009
International Intrinsic Value Fund-II	0.05	2,468,812	143,000	-455,254	146,207.386	14.75	2,156,559
Total		2,468,812	143,000	-455,254			2,156,559

Transaction Details

Date	Transaction	Gross Amount	Net Amount	Fees Paid	Price	Shares This Transaction	Total Shares
International Intrinsic Value Fund-II in USD							
01/06/2009	Purchase by Wire	253,300.00	253,300.00	0.00	17.72	14,294.582	153,461.012
01/26/2009	Redemption by Wire	-37,500.00	-37,500.00	0.00	15.86	-2,364.439	151,096.573
03/24/2009	Redemption by Wire	-72,800.00	-72,800.00	0.00	14.89	-4,889.187	146,207.386

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Global Market Review

Quarter Ending March 31, 2009

As the U.S. recession entered its fifth quarter, economic fragility was evident in almost every major sector except the federal government. The drop in virtually all asset prices over the previous six months continued to accelerate the unrelenting process of balance sheet deleveraging. The effort to repair balance sheets has now spread to almost every corner of the economy: consumers are pulling back on consumption, especially on durable goods like cars, to build savings; businesses are scrambling to preserve cash by cancelling planned investments and laying off workers; and financial institutions are shrinking their assets to bolster capital and improve their chances of surviving.

Against a backdrop of deteriorating fundamentals, policy makers across the globe redoubled their efforts to stem the damage. In the U.S., the initial stab at a bank rescue plan, unveiled in February, was welcomed by the market with the steepest drop since the new administration had taken office with the S&P ending down nearly 5%. Anxious central bankers fearing the specter of deflation began to reach for alternative monetary policies as zero short-term interest rates were not being reflected in lower business and consumer borrowing costs. The first central bank to announce a policy of quantitative easing was the Bank of England (BoE) on March 5, as it pledged to go on a £75 billion bond buying shopping spree. Following hot on the BoE's heels, the Swiss National Bank announced that it would start buying foreign currencies to stem the Swiss franc's appreciation. Not to be outdone, the Federal Reserve announced the most ambitious plan to date, committing to buy up to $1.25 trillion of agency mortgage-backed securities and $300 billion of longer-term Treasury securities. Finally, as the quarter came to a close, the U.S. Treasury unveiled the newest incarnation of a financial stabilization policy suggesting that government guarantees coupled with leverage might entice private buyers for the banks' toxic assets. Despite falling close to a 12-year low on March 9, the market could not resist the expected onslaught from dual global fiscal and monetary stimulus behemoths. By the end of March, both financial and cyclical stocks had rebounded along with the broader market. The Federal Reserve Chairman was heard talking about the green shoots of recovery and it seemed for a moment that, after a long winter of discontent, spring had arrived.

Despite a 19% rally from its lows, the S&P still finished the quarter down 11.0%. Within the style ranges, however, the difference between value and growth was remarkable. We have been maintaining that this recession is different and that value stocks would disappoint as fundamentals deteriorated faster than prices fell. The market noticed, and large cap value fell 16.8% versus just a 4.1% drop for large cap growth. Small cap stocks continued the previous quarter's pattern of underperforming large caps, falling 15%.

Outside the U.S., foreign developed market equities performed modestly better than the S&P but provided little comfort as the EAFE Index dropped 10.1% in local currency terms. The strengthening dollar, however, meant that the same index fell 13.9% in U.S. dollar terms. As with the U.S., the style ranges performed similarly but the spread was more muted as value fell 15.5% and growth fell 12.4%. Emerging markets, having fallen further in the previous quarter, held up reasonably well given the ongoing devastation elsewhere. The MSCI Emerging Markets Index managed a positive return of 0.9%.

In fixed income markets, the extreme levels of fear seen at the tail end of 2008 began to slowly unwind. Having started the year at a yield of 2.25%, the 10-year Treasury ended the quarter at just over 2.68%. Although the yield had been as high as 3% at the end of February, the announcement of credit easing by the Fed was widely interpreted by the market to signify quantitative easing and drove yields off their peaks. Higher sovereign yields led the JPMorgan U.S. Government Bond Index to give up some of last quarter's gains, finishing down 1.4%.

Some semblance of normalcy returned to credit markets after the severe dislocations witnessed last year, triggered by the failure of Lehman Brothers. Given the amount of government stimulus that was funneled either directly of indirectly at credit markets, though, it would have been inconceivable to not expect a slight improvement. Despite better functioning markets, prices did not improve significantly and the Barclays Capital U.S. Aggregate returned a mere 12 basis points in three months. Internationally, increasing government bond yields led to a loss of 4.75% on the JPMorgan Global Government Bond Index.

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International Intrinsic Value Strategy - Investment Review

Quarter Ending March 31, 2009

International Intrinsic Value Strategy

Product Manager: Tom Rosalanko

Investment Objectives:

- To provide broad international equity exposure.
- Outperform the MSCI EAFE Value Index by 3% per annum, net of fees over a complete market cycle.
- Absolute risk lower than the benchmark.

The International Intrinsic Value Strategy returned -15.4% during the first quarter of 2009. This was behind the broad market MSCI EAFE Index, which returned -13.9%, but essentially in line with the MSCI EAFE Value benchmark, which returned -15.5%. (This strategy changed benchmarks at the start of the quarter from the S&P/Citigroup EPAC Large Mid Cap Value Index to the MSCI EAFE Value Index.)

Underperformance relative to EAFE resulted primarily from stock selection and currency allocation. Country allocation was slightly negative, while sector exposures had a positive impact.

Stock selection was weakest within Japan and the Netherlands despite better results within Canada. Within sectors, our Consumer Staples, Materials, and Telecommunication Services holdings underperformed, while our Utilities and Consumer Discretionary stocks did well.

Currency allocation detracted from performance from our underweights to the Australian dollar and British pound and overweight to the Japanese yen.

Sector exposures helped performance due mainly to the underweight to Financials and our overweight to Energy.

Country allocation had a slight negative impact from our underweight in Australia and overweight in Italy.

Relative to the value benchmark, however, performance was better. Country allocation, stock selection, and sector exposures all had better results versus the value benchmark. This was due to the differences between the two indexes.

GMO's stock selection disciplines had mixed results in the quarter. Stocks ranked highly by intrinsic value outperformed, those stocks chosen by quality-adjusted value had market-like returns, and stocks (within value) selected for their strong momentum characteristics underperformed.

Individual stocks that made significant positive contributions to performance included an overweight in French oil company Total and underweight positions in British financial HSBC Holdings and French financial AXA. Stock positions that detracted from relative performance included Japanese retailer Seven & I Holdings, Swiss pharmaceutical Novartis, and Japanese consumer goods maker Kao Corp.

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International Intrinsic Value Strategy - Profile Summary

As of March 31, 2009

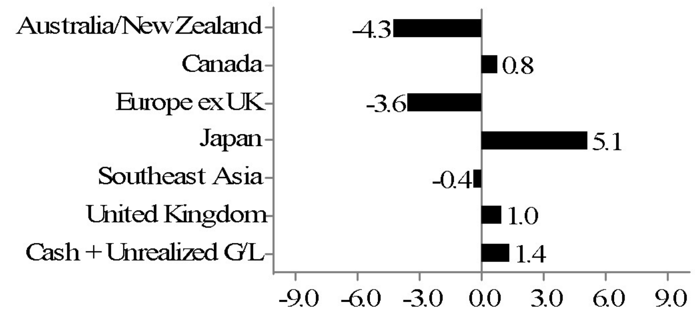
Top Ten Holdings [2]

GlaxoSmithKline PLC	4.9%
Novartis AG	3.7%
Sanofi-Aventis	3.4%
Total S.A.	3.0%
AstraZeneca PLC	2.5%
Nestle S.A.	2.5%
Eni S.p.A	2.1%
Royal Dutch Shell PLC	2.1%
Honda Motor Co. Ltd.	1.8%
Vodafone Group PLC	1.6%
Total	27.6%

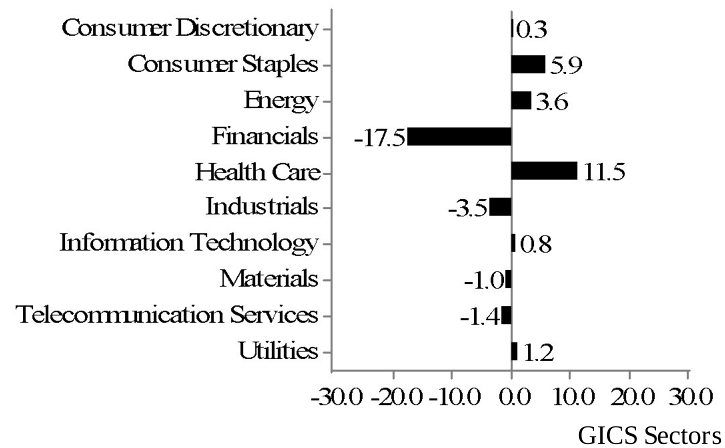
Risk Profile
Since 06/30/1989 [3]

	Portfolio	Benchmark [1]
Alpha	3.14	.00
Beta	.81	1.00
R-Squared	.87	1.00
Sharpe Ratio	.21	.00

Regional Weights vs. Benchmark [1]



Sector Weights vs. Benchmark [1]



Characteristics

	Portfolio	Benchmark [1]
Price/Earnings - Hist 1 Yr Wtd Median	9.7x	8.4x
Price/Cash Flow - Hist 1 Yr Wtd Median	6.4x	4.8x
Price/Book - Hist 1 Yr Wtd Avg	1.1x	0.8x
Return on Equity - Hist 1 Yr Avg	13.4%	11.0%
Market Cap - Weighted Median -Bil	16.7 USD	17.6 USD
Dividend Yield - Hist 1 Yr Wtd Avg	5.1%	6.2%

[1] MSCI EAFE Value
[2] Portfolio holdings are a percent of equity. They are subject to change and should not be considered a recommendation to buy individual securities.
[3] Alpha is a measure of risk-adjusted return; Beta is a measure of a portfolio's sensitivity to the market; R-Squared is a measure of how well a portfolio tracks the market; Sharpe ratio is the return over the risk free rate per unit of risk. Risk profile data is gross.

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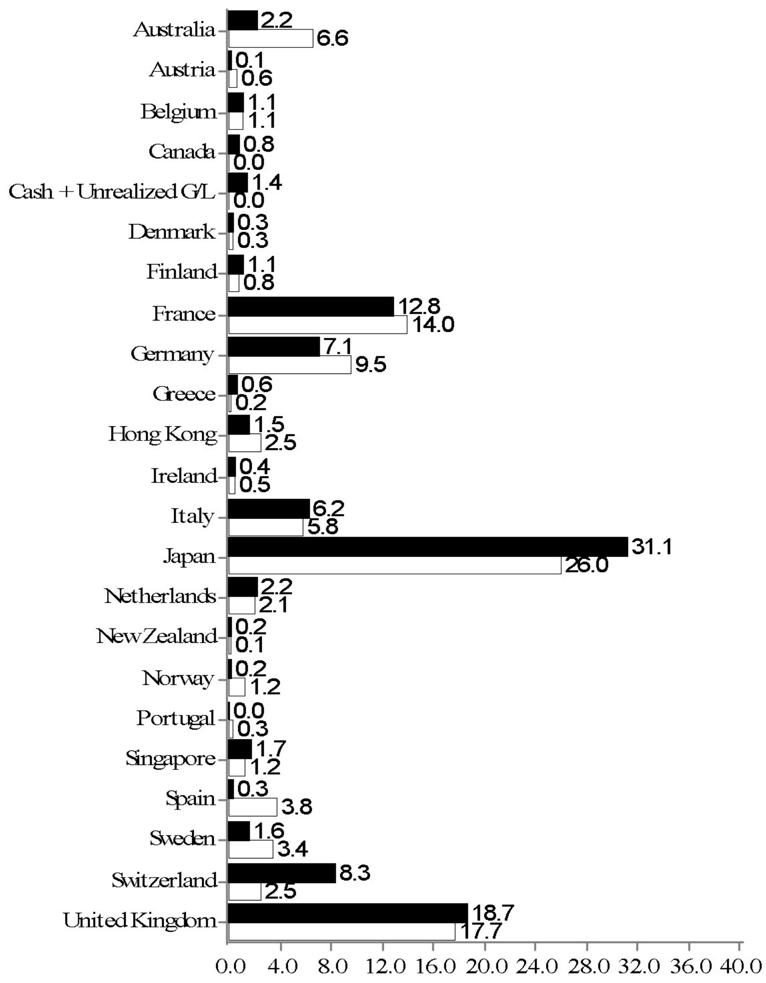
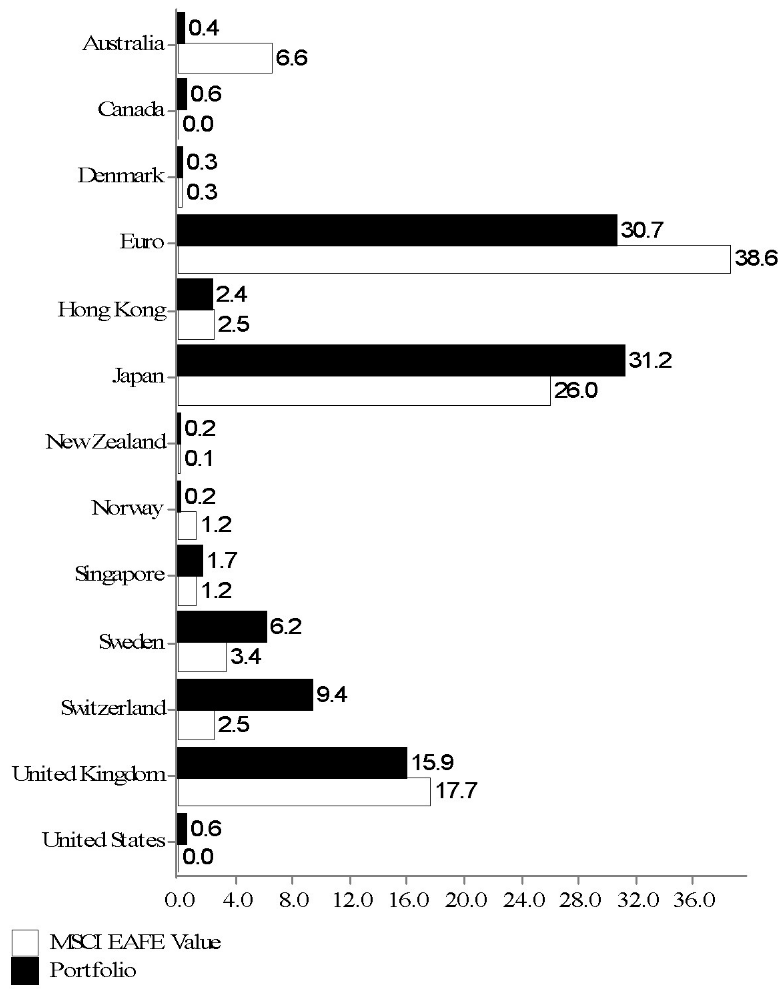
International Intrinsic Value Strategy - Profile Summary

As of March 31, 2009

Country Allocation



Currency Allocation



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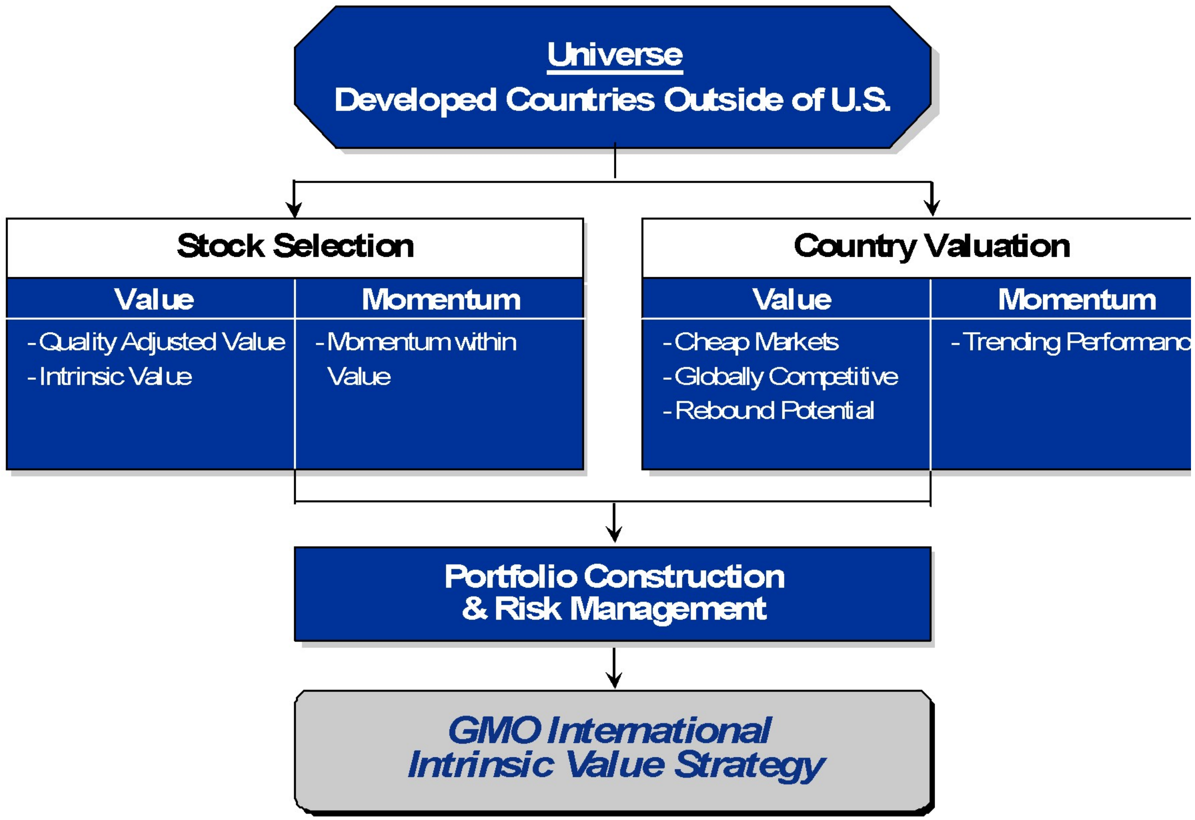
International Intrinsic Value Strategy - Process Review

Overview

The GMO International Intrinsic Value Strategy seeks to outperform the MSCI EAFE Value Index by 3% per annum, net of fees, over a complete market cycle. The Strategy is a disciplined value portfolio which uses fundamental investment principles and quantitative applications to provide broad international equity exposure, while attempting to control risk relative to the benchmark.



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International Intrinsic Value Strategy - Process Review

Methodology

The investment process for the International Intrinsic Value Strategy begins with a universe of approximately 3500 stocks from developed markets outside the U.S. The Strategy uses primarily disciplined value techniques to assess securities. Stocks are ranked on valuation measures such as Price/Earnings, Dividend Yield, Price/Book Value, and Price/Sales. A credit is given to higher quality stocks as measured through sustained high levels of profitability and lower levels of debt. The Strategy also uses a Dividend Discount Model that predicts future free cash flow. Predictions are based on the principle of regression to the mean, while recognizing that higher quality stocks are able to maintain competitive advantages farther into the future. The Strategy also uses price momentum and earnings revision factors to rank stocks that pass a valuation screen. The Strategy holds securities that score highly on these parameters. In addition, the Strategy uses risk and return forecasts for countries and currencies using historical, current, and future estimates of financial data that relate the current economic scenario to future return patterns. Factors include aggregate stock market valuations, GDP and stock market trends, positive market sentiment, export and producer price parity, balance of payments, and interest rate differentials. Industry sector allocation is a byproduct of stock selection, tempered by risk control.

Portfolio Construction

The International Intrinsic Value Strategy is constructed using a portfolio optimization process that weighs the trade-off of a stock's attractiveness against its contribution to the risk of the portfolio in comparison to the benchmark. Buy and sell candidates are analyzed for volume constraints (liquidity) and transaction costs. Risk factors include stock specific exposure, countries and currencies, industry sectors, market capitalization tiers, as well as other style factors. The portfolio is implemented primarily through securities, but may also hold positions in financial futures and foreign exchange contracts. Typical annual turnover is 50% each way.