THE CITY OF

BRENTWOOD

HERITAGE ▪ VISION ▪ OPPORTUNITY

Investment Performance Review
First Quarter 2010

PFM Asset Management LLC

50 California Street, Suite 2300
San Francisco, CA 94111
(415)982-5544
fax (415)982-4513
spykem@pfm.com

With the Federal Reserve signaling no change in monetary policy for the immediate future and a mixed economic picture, yields on U.S. Treasuries were range-bound during the first quarter of 2010.

After three consecutive quarters of positive GDP growth, it appears that the economy is well on the path to recovery. However, there are still significant challenges to overcome, including high unemployment, elevated foreclosures, and subdued consumer confidence. This mixed bag of economic data has been positive enough to sustain increases in stock market prices, but bond yields were trendless during the first quarter.

With no single piece of economic data capturing the spotlight, the most notable change may have been the quiet unwinding of some of the extraordinary measures that were put in place during the height of the financial crisis. This may set the stage for the Federal Reserve to act in a more "normal" fashion later this year.

Interest Rates and Returns

In an interest rate environment where overnight yields are essentially zero, intermediate-term fixed-income portfolios generated strong returns during the period. During the first quarter, portfolios with longer durations outperformed portfolios with shorter durations because of the higher yields on longer-term securities. Although yields on U.S. Treasuries and Federal Agencies were essentially unchanged from the start of the quarter, investors also benefited from market value appreciation as securities "rolled down" the historically steep yield curve. With spreads between U.S. Treasuries and Federal Agencies quite narrow, these sectors performed in-line with one another, on a duration adjusted basis. However, increased confidence of business conditions helped to narrow corporate spreads and allowed corporate debt to post even higher total returns.

During the first quarter, the Federal Reserve began removing some of the extraordinary measures that stabilized the markets through the recent crisis. Among the Fed's recent actions, its decision to raise the discount rate from 0.50% to 0.75% earned the most press.

The Fed also shortened the maximum maturity for primary credit loans from the discount window from 30 days to overnight. Additionally, the Fed closed numerous funding and liquidity measures during the quarter, including measures that provided liquidity to commercial paper issuers and one that supported asset-backed commercial paper of money market mutual funds.

Much of this news fell under the radar of national headlines with little, if any, impact on yields.

These measures are seen as the first steps that need to occur to return the markets to "normal." These steps also needed to occur before the Federal Reserve would consider changing the federal funds target rate. The federal funds target rate remained unchanged with a range of 0.00% to 0.25%, and with the Fed reiterating that rates will remain low for "an extended period."

Global markets were jittery throughout the quarter over the ability of European countries, specifically Greece and Portugal, to be able to pay debt. In early February, reluctance by European countries to help bail out Greece caused a flight-to-quality as investors sought the safety of U.S. Treasuries, temporarily pushing U.S. Treasury bond prices higher.

By the end of March, the markets grew optimistic that the upcoming jobs report would show a significant increase in employment. This was in fact the case, with the March employment report showing that 162,000 jobs were created during the month. As the following table shows, this resulted in yields increasing to levels near where they began the quarter.

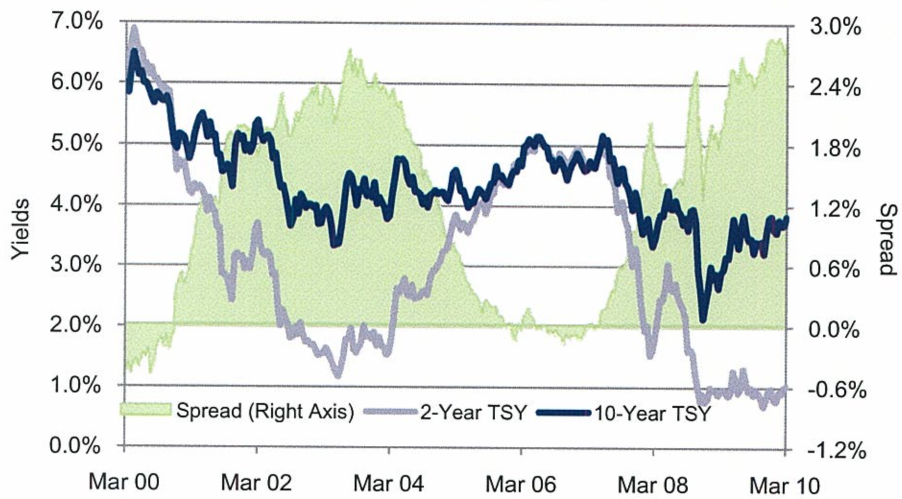
Summary of U.S. Treasury Securities Yields

Quarter Ending	3M	6M	1Y	2Y	3Y	5Y	10Y
March 2010	0.15%	0.23%	0.38%	1.02%	1.57%	2.54%	3.83%
December 2009	0.05%	0.19%	0.44%	1.14%	1.68%	2.68%	3.84%
Change over Quarter	*+0.10%*	*+0.05%*	*-0.06%*	*-0.12%*	*-0.11%*	*-0.14%*	*-0.01%*
March 2009	0.20%	0.42%	0.54%	0.80%	1.12%	1.66%	2.66%
Change over Year	*-0.05%*	*-0.18%*	*-0.16%*	*+0.22%*	*+0.45%*	*+0.89%*	*+1.16%*

Source data: Bloomberg

The difference in yields between short-term and long-term securities (curve steepness) reached its widest point in history during the quarter. Short-term rates remain anchored by an accommodative monetary policy (low federal funds rate, increased liquidity) while longer-term rates reflect the market's perception of long-term growth and inflation expectations.

U.S. Treasury Yields and Yield Curve Steepness
March 2000 to March 2010



Source data: Bloomberg

The chart above shows yields on 2-year and 10-year U.S. Treasuries and the spread between the two securities. The spread, or difference, between 10-year and 2-year U.S. Treasury notes is used to determine the steepness of the yield curve.

The steep yield curve may be attributable to (1) a growing belief that the economy has stabilized and will continue to grow, (2) reluctance by the Federal Reserve to raise short-term rates, and (3) an increased supply of U.S. Treasuries to fund massive deficit spending.

Market Volatility

Despite intermediate- and longer-term interest rates moving generally higher over the last year, they remain low by historic standards. Investors should be cautious in this interest rate environment as a series of positive economic reports could quickly fuel optimism on the strength of the recovery, leading to a sharp rise in yields.

This risk was demonstrated during the quarter with 2 to 5 year securities fluctuating by as much as 45 basis points from their low to high.

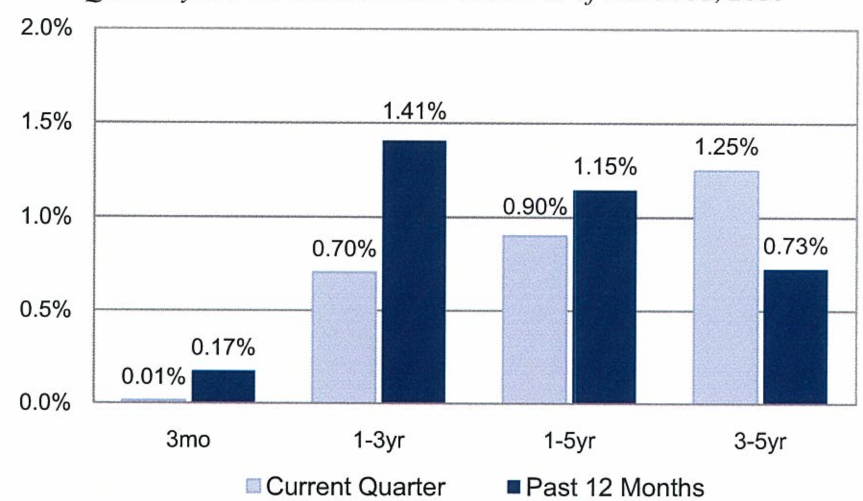
Quarterly High/Low of U.S. Treasury and Federal Agency Debt

	1Y	2Y	3Y	5Y	10Y
U.S. Treasury (Low Yield)	0.28%	0.77%	1.25%	2.23%	3.56%
U.S. Treasury (High Yield)	0.44%	1.14%	1.67%	2.68%	3.88%
Federal Agency (Low Yield)	0.30%	0.93%	1.56%	2.43%	3.67%
Federal Agency (High Yield)	0.48%	1.26%	1.98%	2.98%	4.25%

Source data: Bloomberg

The steep yield curve rewards investors for taking on some duration risk. In fact, we estimate that the steep yield curve and the corresponding "roll-down" effect added approximately 20 to 25 basis points (0.20% to 0.25%) to quarterly returns. This "roll-down" effect contributed to the Merrill Lynch 1-3 Year Treasury Index posting a 0.70% return (2.89% annualized) during a time period when the yield on any security in the benchmark was no higher than 1.67%.

Merrill Lynch U.S. Treasury Indices
Quarterly and 12-Month Annual Return as of March 31, 2010



Source data: Bloomberg

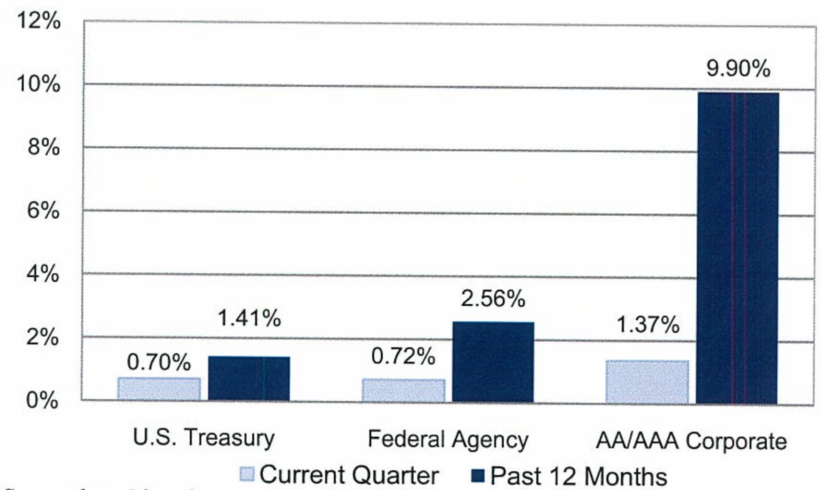
As the economy continues to strengthen, the day when the Federal Reserve will ultimately start raising interest rates comes nearer. Although we are mindful that higher interest rates would cause market values to erode, with today's steep yield curve, an ultra-conservative strategy can forego significant investment earnings. With most market experts believing any change in monetary policy is still at least six months away, PFM is maintaining portfolio durations near those of the benchmarks by extending the duration of portfolios when yields reach the higher end of their current ranges.

Sector Allocation

After widening to all-time highs in October 2008, the spread between U.S. Treasury and Federal Agency obligations have narrowed. The Treasury Department's commitment to the Government Sponsored Enterprises (GSEs), specifically Fannie Mae and Freddie Mac, have calmed any credit-related fears for the foreseeable future.

The spread between 2-year Federal Agency and U.S. Treasury notes ended the quarter at 0.17%, up somewhat from the beginning of the period, but still approximately half the average over the past 10 years.

Duration Adjusted Returns of Merrill Lynch 1-3 Year Indices
Quarterly and 12-Month Annual Return as of March 31, 2010



Source data: Bloomberg
** Duration-adjusted return incorporates an adjustment to the market value return (but not the income return) of each benchmark to account for their varied durations, making it easier for investors to assess the relative risk and return of benchmarks of different lengths.*

As the accompanying chart shows, for shorter maturities, the narrow income advantage of Federal Agencies over U.S. Treasury securities, along with a small amount of spread widening, helped U.S. Treasury benchmarks to produce nearly the same return as Federal Agency benchmarks during the first quarter. Longer-term Agencies (3+ years) conversely experienced spread narrowing, lifting returns on these securities even higher over the period.

The credit markets continue to show signs of improvement, with corporate bond spreads narrowing during the period. Strong corporate earnings, low short-term borrowing rates, high levels of corporate balance sheet liquidity and a generally positive outlook for the world economy helped improve the fortunes of corporations. As the accompanying chart shows, high-quality (AA/AAA) corporate bonds outperformed U.S. Treasury and Federal Agency benchmarks of comparable duration by a significant margin.

The Economy

Although the economy expanded at a brisk 5.6% during the 4th quarter of 2009 and economists are forecasting growth of around 3.0% during the first three months of 2010, economic readings during the quarter were mixed.

The employment picture continues to weigh on Americans. Despite hope that there might have been jobs created in January and February, the initial reports released showed a continuation of job losses. Not until the March employment report did a noticeable number of new jobs materialize – 162,000 new jobs, the largest increase in almost three years. Skeptics on the health of the economy point out that roughly one-third (48,000) of the jobs were added to administer the decennial census and represent temporary positions lasting only a few months.

The unemployment rate ended the quarter at 9.7%. If the job picture improves, most economists expect the labor force to expand as discouraged workers who previously stopped looking for jobs return to the labor force. Therefore, even if the economy adds a significant number of new jobs, most believe the unemployment rate will remain elevated for some time.

Corporations continued to report strong earnings through the end of the period, a signal perhaps that the economy remains on the road to recovery. According to initial reports, the first quarter marked the fifth straight quarter with positive corporate earnings.

However, the U.S. banking sector still shows mixed signs of improvement. Although a recent government report showed that FDIC-insured commercial banks and savings institutions reported a profit of $914 million in the fourth quarter of 2009, this is relatively small in comparison to the $37.8 billion net loss in the fourth quarter of 2008. There is evidence that the asset quality of insured banks continues to deteriorate. Lastly, the number and total assets of institutions on the FDIC's problem list rose to 702 and $402.8 billion, respectively. These figures are up from 552 and $345.9 billion respectively, as of six months ago. In just the first three months of 2010, 41 institutions have failed – if this rate continues, the total for 2010 could be the highest since 1992.

Outlook

Expectations for positive first quarter growth, strength in manufacturing, rising consumer spending, a small increase in job creation, and continued strength in the stock market, have led many economists to raise their forecasts of 2010 GDP. The consensus of estimates is now for GDP to expand at a rate of 3.0% to 3.5%, up one half percent to one percent over similar forecasts made at the end of 2009.

However, weak housing, declining state and local government spending, continued high unemployment, and tight bank lending could still stall the economic recovery.

With this backdrop, interest rates will likely remain range bound for the next three to six months. Meanwhile, the steep yield curve compensates investors for maintaining portfolios with extended durations. Most likely, interest rates will increase in the future. However, the magnitude and speed of any increase will depend greatly on the strength and speed of the economic recovery and the Fed's ability to raise the federal funds target rate without adversely stunting growth.

With yields between Federal Agencies and U.S. Treasuries very narrow, Federal Agencies hold less value and limited opportunity for further appreciation. Consequently, PFM will likely increase exposure to U.S. Treasury securities. The magnitude of spreads will be heavily influenced by the level of housing and mortgage activity, and ultimately by any government move to restructure the GSEs. If spreads widen, we will reposition the portfolios to take advantage of the incremental yield offered on Federal Agencies in the future.

Finally, as long as the economy continues to expand, credit spreads generally should narrow and risk premiums should shrink. Although corporate bonds still hold value at current spreads, the time will come when the risk will again outweigh the incremental return in this sector.

Portfolio Summary

Total Portfolio Value	March 31, 2010	December 31, 2009
Market Value	**$176,684,310.89**	$183,736,886.82
Amortized Cost	**$175,499,971.98**	$182,743,162.61

PORTFOLIO RECAP

- The portfolio is in compliance with California Government Code and the City's investment policy. The portfolio is conservatively managed, consistent with our mandate, and has very high credit quality.
- Despite signs of stronger recovery, interest rates remained low, ending the first quarter marginally lower than where they started. For example, the 2-year Treasury began the year at 1.14%, ranged between 0.77% and 1.14% during the quarter, and ended March at 1.02%. Short-term yields remain hostage to the Federal Reserve's low rate policy which has been in effect since late 2008 and is likely to stay in place through 2010.
- Ultimately, an economic recovery will lead to higher rates, as the markets anticipate further growth, the Fed raises short-term rates, and the massive amount of monetary and fiscal stimulus causes inflation to rise as businesses compete for labor and materials. With this potential, we have maintained a somewhat defensive posture, positioning the portfolio's duration (akin to average maturity) at around 80-90% of target—the duration of the strategy mandate as defined by the portfolio's performance benchmark. Although this conservative approach means the current yield on the portfolio will be a little lower, we believe it will allow investment at even higher yields in the future. However, given the Fed's current stance, we do not want the portfolio to drift too short, so we rebalance the portfolio frequently to mirror monthly changes in the benchmark and to reflect our strategy ideas at any given time.
- PFM incorporated a number of strategy initiatives in the first quarter:
  - Because of the unusually steep yield curve, we made selective purchases of longer-term investments. This is a delicate balancing act to capture higher yields while remaining cautious about the future direction of interest rates. Our internal analysis shows that some longer-term securities will perform well over time unless rates rise much more, and more quickly, than is currently anticipated by the market. They will also continue to benefit from "rolling down the yield curve" to maintain value.
  - We reduced the holdings of short maturity investments which carried very low yields. In some cases, we swapped short maturities for longer maturity floating-rate notes, which by their nature have little interest rate risk but higher yields.
  - Early in the quarter we added callable agency securities which offered higher yields and had favorable return characteristics in a range-bound or gradually rising rate environment. Late in the quarter, yield spreads became too narrow to represent value, so we generally avoided additional callable purchases.
  - As conditions in the credit markets continued to improve, we selectively added corporate securities. We focused on industrial and other non-financial issuers, rather than bank and finance companies that dominate the market, because they are less leveraged, their ratings are more stable, and they are less subject to the regulatory backlash that is currently brewing in Congress. These also performed well as yield spreads continued to narrow during the quarter.
  - We continued to hold more Treasuries than in the past because the yield spreads on Agencies under 2 years were at record thin levels. In some cases, we swapped from shorter Agencies into longer Treasuries or Agencies to enhance yield. We also participated in several new issue Agency offerings which, in a reversal of historical trends, offered yields higher than those available in the secondary market.
- The portfolio's performance for the quarter was in line with the benchmark. For the past year, performance was 2.73%, which exceeded the benchmark by 1.32%. This was achieved with a conservative posture by employing the active management strategies described above.

Portfolio Summary - continued

PORTFOLIO STRATEGY

- The economy strengthened in the first quarter and has built some momentum going into the second quarter. Unlike prior recoveries, which were driven by consumer spending, current growth has been a result of government fiscal stimulus, transfer payments, and inventory rebuilding, with some growth in exports. Consumers remained burdened by high unemployment, stagnant income growth, depressed housing prices and limited availability of credit. These factors are likely to be headwinds which may slow and extend the recovery process.
- Economists expect moderate aggregate GDP growth, but forecasts vary from 1.50% to 3.90% for 2010. Forecasts also vary widely for interest rates, inflation and unemployment. This creates a difficult environment in which to craft an investment strategy.
- Unless inflation pressures emerge, something unlikely given current resource slack, the Federal Reserve will probably wait until the unemployment rate improves significantly before it begins to raise rates. As a result, short-term rates are expected to remain low for several more quarters.
- Given the low level of short and intermediate-term rates, we plan to maintain a moderately conservative duration posture at around 90% of the benchmark's duration. As in the first quarter, the steep yield curve provides an incentive to own longer maturities. We will continue to balance the tradeoff between higher current yield but greater exposure to interest rate risk.
- At the beginning of the second quarter, we continue to favor Treasuries over Agencies, non-callables over callables, and a balance of intermediate and longer maturities. We will continue to review corporate offerings for value and diversification, but will maintain a high overall average credit quality.
- As always, our strategy will remain flexible and may change in response to changes in interest rates, economic data, market outlook or specific opportunities that arise.

Year-To-Date Cash-Basis Earnings Analysis (Monthly)[1,2,3,4]

Month	Fiscal Year 2008/09 Actual	Fiscal Year 2009/10 Budget	Fiscal Year 2009/10 Year-To-Date Actual	Fiscal Year 2009/10 Current Forecast	Fiscal Year 2009/10 Actual/Forecast vs. Budget	Current Forecast FY 2009/10 vs. FY 2008/09	Fiscal Year 2008/09 Par Value of Portfolio	Fiscal Year 2009/10 Par Value of Portfolio
July	864,915	922,400	951,025	951,025	28,625	86,110	156,280,000	168,215,000
August	1,073,240	565,300	582,832	582,832	17,532	(490,409)	157,890,000	169,440,000
September	455,891	530,800	547,331	547,331	16,531	91,440	157,583,000	163,095,000
October	173,715	116,100	198,982	198,982	82,882	25,267	157,680,000	159,395,000
November	355,981	155,900	231,158	231,158	75,258	(124,824)	158,125,000	159,335,000
December	1,953,746	259,100	270,406	270,406	11,306	(1,683,341)	163,265,000	159,165,000
January	1,189,246	361,700	457,428	457,428	95,728	(731,818)	162,570,000	164,605,000
February	1,150,355	375,800	235,144	235,144	(140,656)	(915,211)	163,700,000	167,260,000
March	475,981	291,700	286,058	286,058	(5,642)	(189,923)	164,390,000	167,315,000
April	313,086	116,200		116,200	-	(196,886)	165,185,000	
May	1,012,903	199,500		199,500	-	(813,403)	166,460,000	
June	567,393	257,300		257,300	-	(310,093)	167,720,000	
Total	9,586,452	4,151,800	3,760,363	4,333,363	181,563	(5,253,089)	161,737,333	164,202,778
Cash Return	5.93%	2.53%		2.64%				

Notes:

1. Earnings based on the City's cash receipt based (non GAAP) accounting methodology.
2. Monthly volatility reflects actual and expected timing of receipt of coupon payments and other cash-based earnings.
3. Cash return is total cash earnings divided by average portfolio balance.
4. Earnings do not include LAIF.

Year-To-Date Cash-Basis Earnings Analysis (Cumulative)[1,2,3,4]

Month	Fiscal Year 2008/09 Actual	Fiscal Year 2009/10 Budget	Fiscal Year 2009/10 Year-To-Date Actual	Fiscal Year 2009/10 Current Forecast	Fiscal Year 2009/10 Actual/Forecast vs. Budget	Current Forecast FY 2009/10 vs. FY 2008/09	Fiscal Year 2008/09 Par Value of Portfolio	Fiscal Year 2009/10 Par Value of Portfolio
July	864,915	922,400	951,025	951,025	28,625	86,110	156,280,000	168,215,000
August	1,938,155	1,487,700	1,533,857	1,533,857	46,157	(404,298)	157,890,000	169,440,000
September	2,394,046	2,018,500	2,081,188	2,081,188	62,688	(312,858)	157,583,000	163,095,000
October	2,567,761	2,134,600	2,280,170	2,280,170	145,570	(287,591)	157,680,000	159,395,000
November	2,923,742	2,290,500	2,511,327	2,511,327	220,827	(412,415)	158,125,000	159,335,000
December	4,877,489	2,549,600	2,781,733	2,781,733	232,133	(2,095,756)	163,265,000	159,165,000
January	6,066,734	2,911,300	3,239,161	3,239,161	327,861	(2,827,574)	162,570,000	164,605,000
February	7,217,089	3,287,100	3,474,305	3,474,305	187,205	(3,742,785)	163,700,000	167,260,000
March	7,693,071	3,578,800	3,760,363	3,760,363	181,563	(3,932,708)	164,390,000	167,315,000
April	8,006,156	3,695,000		3,876,563	181,563	(4,129,594)	165,185,000	
May	9,019,060	3,894,500		4,076,063	181,563	(4,942,997)	166,460,000	
June	9,586,452	4,151,800		4,333,363	181,563	(5,253,089)	167,720,000	
Total	9,586,452	4,151,800	3,760,363	4,333,363	181,563	(5,253,089)	161,737,333	164,202,778
Cash Return	5.93%	2.53%		2.64%				

Notes:

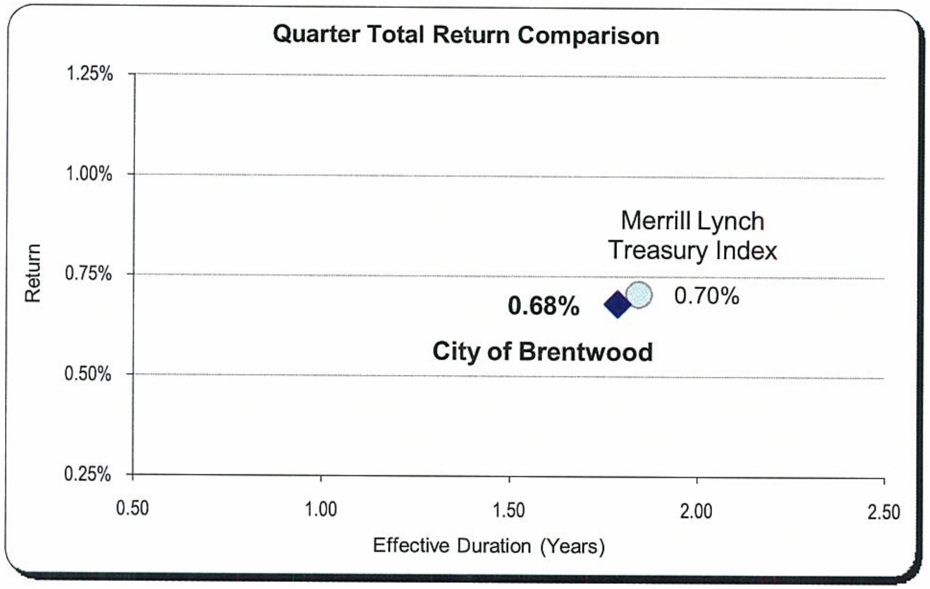
1. Earnings based on the City's cash receipt based (non GAAP) accounting methodology.
2. Monthly volatility reflects actual and expected timing of receipt of coupon payments and other cash-based earnings.
3. Cash return is total cash earnigns divided by average portfolio balance.
4. Earnings do not include LAIF.

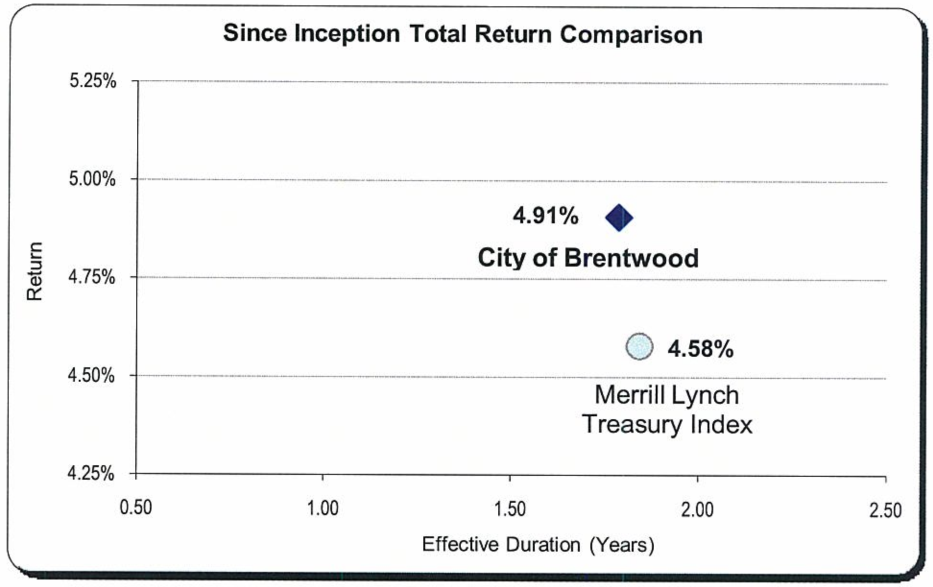
Portfolio Performance

Total Return[1,2,3,4,5]	Quarter Ended March 31, 2010	Past Year	Past 3 Years	Past 5 Years	Since Inception
City of Brentwood	**0.68%**	**2.73%**	**5.12%**	**4.64%**	**4.91%**
Merrill Lynch Treasury Index	0.70%	1.41%	4.62%	4.23%	4.58%

Effective Duration[4,5,6]	March 31, 2010	December 31, 2009
City of Brentwood	**1.79**	**1.51**
Merrill Lynch Treasury Index	1.84	1.84

Yields	March 31, 2010	December 31, 2009
Yield at Market	**1.19%**	1.30%
Yield on Cost	**1.76%**	1.89%



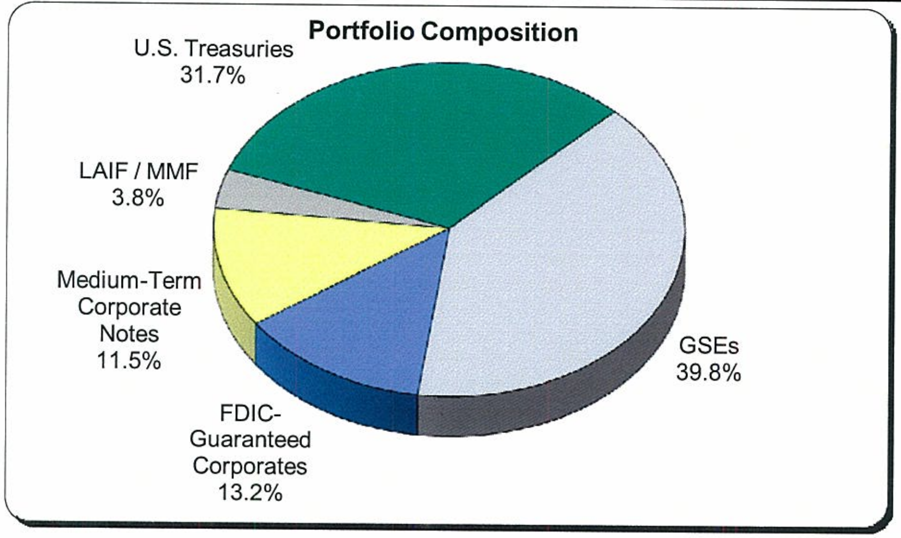


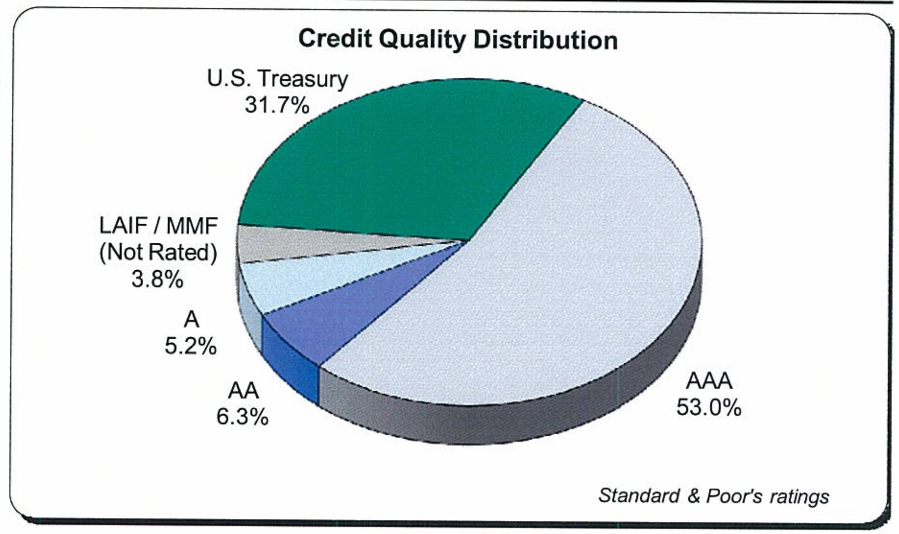
Notes:

1. Performance on trade date basis, gross (i.e., before fees), in accordance with the CFA Institute's Global Investment Performance Standards (GIPS).
2. Quarterly returns are presented on an unannualized basis. Performance numbers for periods greater than one year are presented on an annualized basis.
3. Merrill Lynch Indices provided by Bloomberg Financial Markets.
4. Includes money market fund/cash in performance and duration computations and excludes LAIF from performance, yield and duration computations.
5. Short-term funds are not included in performance and duration calculations.
6. Merrill Lynch 9-12 Month U.S. Treasury Bill Index for quarters through March 31, 2001, Merrill Lynch 9-12 Month U.S. Treasury Note Index ending June 30, 2002 and Merrill Lynch 1-3 Year U.S. Treasury Note Index beginning July 1, 2002.
7. Inception date is 12/31/92.

Portfolio Composition and Credit Quality Characteristics

Security Type[1]	March 31, 2010	% of Portfolio	December 31, 2009	% of Portfolio	Permitted by Policy
U.S. Treasuries	**$56,074,107.53**	**31.7%**	$54,070,785.51	29.4%	**100%**
Federal Agencies	**$93,562,873.03**	**53.0%**	$91,511,146.72	49.8%	**100%**
GSEs[2]	*$70,314,474.22*	*39.8%*	*$64,069,412.99*	*34.9%*	*100%*
FDIC-Guaranteed Corporates[3]	*$23,248,398.81*	*13.2%*	*$27,441,733.73*	*14.9%*	*100%*
Medium-Term Corporate Notes	**$20,326,919.93**	**11.5%**	$15,462,151.94	8.4%	**30%**
Money Market Fund/Cash	**$606,091.10**	**0.3%**	$5,889,492.79	3.2%	**15%**
LAIF	**$6,114,319.30**	**3.5%**	$16,803,309.86	9.1%	**$50 Million**
Totals	**$176,684,310.89**	**100.0%**	$183,736,886.82	100.0%	



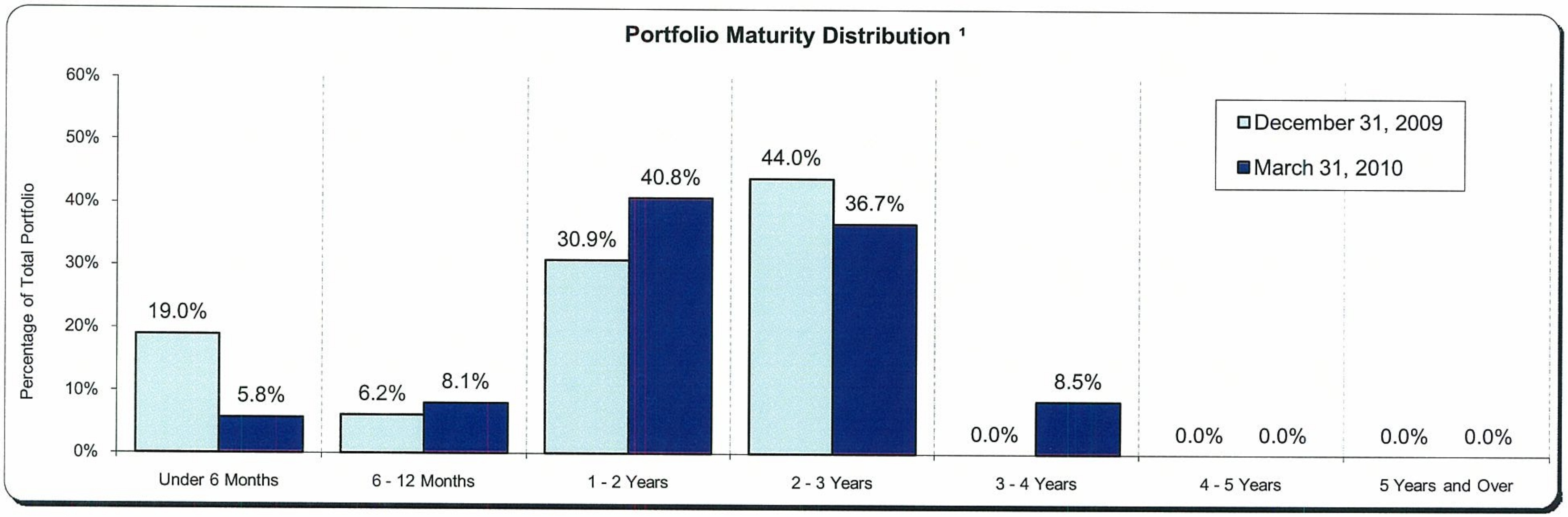


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Government sponsored enterprises including, but not limited to Fannie Mae, Freddie Mac, Federal Home Loan Bank system and Federal Farm Credit Banks.
3. Debt guaranteed under the Federal Deposit Insurance Corporation's Temporary Liquidity Guarantee Program and backed by the full faith and credit of the United States.

Portfolio Maturity Distribution

Maturity Distribution[1]	March 31, 2010	December 31, 2009
Under 6 Months	**$10,288,645.73**	$34,895,655.04
6 - 12 Months	**$14,335,956.16**	$11,360,295.95
1 - 2 Years	**$72,110,163.51**	$56,685,177.22
2 - 3 Years	**$64,886,436.12**	$80,795,758.61
3-4 Years	**$15,063,109.37**	$0.00
4 - 5 Years	**$0.00**	$0.00
5 Years and Over	**$0.00**	$0.00
Totals	**$176,684,310.89**	$183,736,886.82



Notes:

1. Callable securities in portfolio, if any, are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 02/15/2001 5.000% 02/15/2011	9128276T4	2,045,000.00	TSY	TSY	01/05/10	01/08/10	2,145,652.34	0.52	12,710.64	2,124,935.47	2,127,358.29
US TREASURY NOTES DTD 02/28/2009 0.875% 02/28/2011	912828KE9	3,650,000.00	TSY	TSY	01/20/10	01/25/10	3,668,677.73	0.41	2,777.17	3,665,595.90	3,664,972.30
US TREASURY NOTES DTD 03/31/2009 0.875% 03/31/2011	912828KH2	5,000,000.00	TSY	TSY	04/02/09	04/07/09	4,999,414.06	0.88	119.54	4,999,704.65	5,020,900.00
US TREASURY NOTES DTD 04/30/2009 0.875% 04/30/2011	912828KL3	3,170,000.00	TSY	TSY	09/29/09	09/30/09	3,177,058.20	0.73	11,646.69	3,174,822.93	3,183,003.34
US TREASURY NOTES DTD 07/31/2009 1.000% 07/31/2011	912828LG3	4,400,000.00	TSY	TSY	01/15/10	01/19/10	4,425,609.38	0.62	7,292.82	4,422,307.52	4,422,686.40
US TREASURY NOTES DTD 09/30/2009 1.000% 09/30/2011	912828LW8	3,000,000.00	TSY	TSY	10/09/09	10/13/09	3,002,343.75	0.96	81.97	3,001,792.32	3,012,069.00
US TREASURY NOTES DTD 10/31/2006 4.625% 10/31/2011	912828FW5	1,410,000.00	TSY	TSY	10/14/08	10/17/08	1,510,682.81	2.18	27,382.04	1,463,188.71	1,495,591.23
US TREASURY NOTES DTD 11/15/2008 1.750% 11/15/2011	912828JU5	2,120,000.00	TSY	TSY	11/26/08	12/02/08	2,142,110.94	1.39	14,040.61	2,132,253.77	2,151,965.36
US TREASURY NOTES DTD 02/15/2009 1.375% 02/15/2012	912828KC3	7,600,000.00	TSY	TSY	03/02/09	03/03/09	7,626,718.75	1.25	12,990.33	7,617,075.15	7,659,074.80
US TREASURY NOTES DTD 02/28/2010 0.875% 02/29/2012	912828MQ0	5,065,000.00	TSY	TSY	03/25/10	03/30/10	5,049,567.58	1.04	3,853.80	5,049,611.06	5,054,515.45
US TREASURY NOTES DTD 04/15/2009 1.375% 04/15/2012	912828KK5	2,625,000.00	TSY	TSY	05/04/09	05/07/09	2,624,794.92	1.38	16,658.65	2,624,861.51	2,643,251.63
US TREASURY NOTES DTD 05/15/2009 1.375% 05/15/2012	912828KP4	1,500,000.00	TSY	TSY	06/03/09	06/04/09	1,496,308.60	1.46	7,805.59	1,497,328.50	1,509,258.00
US TREASURY NOTES DTD 05/15/2009 1.375% 05/15/2012	912828KP4	4,030,000.00	TSY	TSY	06/05/09	06/09/09	3,988,598.05	1.74	20,971.03	3,999,849.64	4,054,873.16
US TREASURY NOTES DTD 06/15/2009 1.875% 06/15/2012	912828KX7	5,640,000.00	TSY	TSY	06/10/09	06/15/09	5,621,273.44	1.99	31,085.85	5,626,125.43	5,732,089.92

Managed Account Detail of Securities Held

For the Month Ending **March 31, 2010**

CITY OF BRENTWOOD

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
U.S. Treasury Bond / Note											
US TREASURY NOTES DTD 03/15/2010 1.375% 03/15/2013	912828MT4	4,195,000.00	TSY	TSY	03/31/10	03/31/10	4,169,600.59	1.59	2,664.62	4,169,623.52	4,170,417.30
Security Type Sub-Total		**55,450,000.00**					**55,648,411.14**	**1.20**	**172,081.35**	**55,569,076.08**	**55,902,026.18**
U.S. Government Supported Corporate Debt											
CITIBANK NA (FDIC) NOTE DTD 03/30/2009 1.625% 03/30/2011	17314JAA1	2,480,000.00	AAA	Aaa	05/26/09	05/27/09	2,500,839.44	1.16	111.94	2,491,346.07	2,505,209.20
SUNTRUST BANK (FDIC) GLOBAL BANK NOTE DTD 12/16/2008 3.000% 11/16/2011	86801BAB1	4,000,000.00	AAA	Aaa	12/09/08	12/16/08	3,987,880.00	3.11	45,000.00	3,993,079.96	4,130,100.00
REGIONS BANK (FDIC) GLOBAL NOTE DTD 12/11/2008 3.250% 12/09/2011	7591EAAB9	4,000,000.00	AAA	Aaa	12/08/08	12/11/08	3,996,280.00	3.28	40,444.44	3,997,855.28	4,148,788.00
SOVEREIGN BANK (FDIC) GLOBAL NOTE DTD 12/22/2008 2.750% 01/17/2012	846042AA7	4,410,000.00	AAA	Aaa	07/16/09	07/21/09	4,539,477.60	1.54	24,928.75	4,503,827.51	4,545,894.15
MORGAN STANLEY (FDIC) GLOBAL NOTES DTD 03/13/2009 2.250% 03/13/2012	61757UAP5	5,130,000.00	AAA	Aaa	08/10/09	08/11/09	5,175,503.10	1.90	5,771.25	5,164,506.18	5,234,103.09
CITIGROUP INC (FDIC) GLOBAL NOTE DTD 01/30/2009 2.125% 04/30/2012	17313UAE9	2,500,000.00	AAA	Aaa	01/23/09	01/30/09	2,495,150.00	2.19	22,282.99	2,496,833.05	2,545,765.00
Security Type Sub-Total		**22,520,000.00**					**22,695,130.14**	**2.25**	**138,539.37**	**22,647,448.05**	**23,109,859.44**
Federal Agency Bond / Note											
FNMA GLOBAL NOTES DTD 04/09/2009 1.375% 04/28/2011	31398AWO1	4,160,000.00	AAA	Aaa	09/16/09	09/17/09	4,189,577.60	0.93	24,310.00	4,179,755.72	4,193,800.00
FNMA NOTES DTD 10/09/2009 1.000% 11/23/2011	31398AZN5	4,400,000.00	AAA	Aaa	01/15/10	01/19/10	4,406,732.00	0.92	15,644.44	4,406,012.12	4,404,125.00
FHLB NOTES DTD 11/16/2009 1.000% 12/28/2011	3133XVRS2	1,500,000.00	AAA	Aaa	11/13/09	11/16/09	1,496,505.00	1.11	3,875.00	1,497,115.74	1,499,531.25
FNMA NOTES (CALLABLE) DTD 01/20/2010 1.500% 01/20/2012	31398AC91	2,600,000.00	AAA	Aaa	01/12/10	01/20/10	2,602,437.50	1.45	7,691.67	2,601,476.05	2,596,750.00

PFM

Managed Account Detail of Securities Held

For the Month Ending **March 31, 2010**

CITY OF BRENTWOOD

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Federal Agency Bond / Note											
FHLMC NOTES (CALLABLE) DTD 02/17/2010 1.250% 02/17/2012	3128X9XT2	5,000,000.00	AAA	Aaa	02/09/10	02/17/10	4,998,000.00	1.27	7,638.89	4,998,121.05	4,987,880.00
FHLMC GLOBAL NOTES DTD 02/19/2009 2.125% 03/23/2012	3137EABY4	3,440,000.00	AAA	Aaa	02/02/10	02/03/10	3,513,375.20	1.11	1,624.44	3,507,925.52	3,502,350.00
FHLMC NOTES DTD 02/19/2010 1.125% 04/25/2012	3128X9D80	9,500,000.00	AAA	Aaa	02/19/10	02/22/10	9,482,710.00	1.21	12,468.75	9,483,541.06	9,482,672.00
FHLMC GLOBAL NOTES DTD 05/21/2009 1.750% 06/15/2012	3137EACC1	4,035,000.00	AAA	Aaa	09/29/09	09/30/09	4,053,157.50	1.58	20,791.46	4,049,869.38	4,074,089.06
FHLMC GLOBAL NOTES DTD 05/21/2009 1.750% 06/15/2012	3137EACC1	7,650,000.00	AAA	Aaa	05/19/09	05/21/09	7,642,656.00	1.78	39,418.75	7,644,654.41	7,724,109.38
FNMA NOTES DTD 07/10/2009 1.750% 08/10/2012	31398AYM8	3,145,000.00	AAA	Aaa	12/01/09	12/03/09	3,192,992.70	1.17	7,796.98	3,187,227.92	3,165,639.06
FHLB NOTES DTD 07/23/2009 1.750% 08/22/2012	3133XUE41	1,200,000.00	AAA	Aaa	07/22/09	07/23/09	1,198,344.00	1.80	2,275.00	1,198,713.44	1,209,000.00
FHLMC NOTES DTD 08/06/2009 2.125% 09/21/2012	3137EACE7	2,635,000.00	AAA	Aaa	10/08/09	10/09/09	2,678,477.50	1.55	1,555.38	2,671,617.09	2,676,171.88
FHLB STEP CPN BONDS (CALLABLE) DTD 09/30/2009 1.500% 09/25/2012	3133XUZU0	5,000,000.00	AAA	Aaa	09/18/09	09/30/09	5,000,000.00	2.29	1,250.00	5,000,000.00	5,023,437.50
FNMA NOTES DTD 01/15/2010 1.750% 02/22/2013	31398AE24	1,100,000.00	AAA	Aaa	01/28/10	01/29/10	1,101,144.00	1.72	2,085.42	1,101,077.59	1,101,031.25
FNMA NOTES DTD 01/15/2010 1.750% 02/22/2013	31398AE24	4,000,000.00	AAA	Aaa	01/14/10	01/15/10	3,994,240.00	1.80	7,583.33	3,994,598.72	4,003,750.00
FHLMC GLOBAL NOTES DTD 02/23/2010 1.720% 04/11/2013	3128X9D56	10,500,000.00	AAA	Aaa	03/01/10	03/02/10	10,528,875.00	1.63	19,063.33	10,528,105.88	10,495,065.00
Security Type Sub-Total		**69,865,000.00**					**70,079,224.00**	**1.47**	**175,072.84**	**70,049,811.69**	**70,139,401.38**
Corporate Note											
MORGAN STANLEY GLOBAL SR NOTES DTD 05/07/2003 4.250% 05/15/2010	61744AAN0	1,500,000.00	A	A2	08/23/07	08/28/07	1,455,195.00	5.45	24,083.33	1,497,865.35	1,505,382.00

Managed Account Detail of Securities Held

For the Month Ending **March 31, 2010**

CITY OF BRENTWOOD

Security Type/Description Dated Date/Coupon/Maturity	CUSIP	Par	S&P Rating	Moody's Rating	Trade Date	Settle Date	Original Cost	YTM at Cost	Accrued Interest	Amortized Cost	Market Value
Corporate Note											
US BANCORP SR MTN DTD 07/29/2005 4.500% 07/29/2010	91159HGJ3	2,000,000.00	A+	Aa3	08/30/07	09/05/07	1,969,420.00	5.07	15,500.00	1,996,343.44	2,023,270.00
CREDIT SUISSE USA INC GL FRN (LIB3+19) DTD 03/02/2006 0.442% 03/02/2011	225434AE9	1,000,000.00	A+	Aa1	04/08/08	04/11/08	976,705.00	4.12	368.08	984,229.80	1,001,429.00
GENERAL ELECTRIC CAPITAL CORP (FLOAT) DTD 12/06/2006 0.332% 06/06/2011	36962GZ80	5,650,000.00	AA+	Aa2	05/13/09	05/18/09	5,221,210.77	5.28	1,251.25	5,392,820.36	5,632,468.05
WELLS FARGO & COMPANY GLOBAL SR NOTES DTD 10/23/2007 5.250% 10/23/2012	949746NW7	4,140,000.00	AA-	A1	01/26/10	01/29/10	4,474,760.40	2.19	95,392.50	4,454,335.50	4,460,262.12
GENERAL ELECTRIC CAPITAL CORP NOTES DTD 01/08/2010 2.800% 01/08/2013	36962G4H4	1,000,000.00	AA+	Aa2	01/05/10	01/08/10	998,710.00	2.85	6,455.56	998,805.67	1,012,077.00
JP MORGAN CHASE NOTE DTD 04/28/2008 4.750% 05/01/2013	46625HHB9	4,190,000.00	A+	Aa3	01/20/10	01/25/10	4,493,481.70	2.43	82,927.08	4,477,154.28	4,466,053.96
Security Type Sub-Total		**19,480,000.00**					**19,589,482.87**	**3.77**	**225,977.80**	**19,801,554.40**	**20,100,942.13**
Managed Account Sub-Total		**167,315,000.00**					**168,012,248.15**	**1.76**	**711,671.36**	**168,067,890.22**	**169,252,229.13**
Securities Sub-Total		**$167,315,000.00**					**$168,012,248.15**	**1.76%**	**$711,671.36**	**$168,067,890.22**	**$169,252,229.13**
Accrued Interest											**$711,671.36**
Total Investments											**$169,963,900.49**