THE CITY OF

BRENTWOOD

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Investment Performance Review
First Quarter 2011

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Intermediate- and long-term interest rates rose modestly for the second consecutive quarter, driven by optimism for continued economic growth. As a result, returns on most fixed-income benchmarks were reduced by market value erosion that comes with rising rates. Despite two quarters of rising rates, returns over the last 12 months for longer fixed-income strategies were significantly higher than returns of cash-equivalent and money market investments, which remain near zero.

Rates experienced significant intra-quarter volatility as the natural disaster in Japan and geopolitical unrest temporarily counteracted the upward trend. By the end of the quarter, however, the net result was an increase of 20 to 30 basis points (0.20% to 0.30%) in yields on Treasury and Agency securities longer than one year. Despite this rise, the incremental income on longer-term investments and the impact of rolling down the yield curve helped protect the market value of portfolios.

The Economy

Behind the optimism was a slew of positive economic news. For example, the economy created 478,000 jobs during the first quarter with the headline unemployment rate dropping below 9% in February for the first time in almost two years. Manufacturing strengthened, as did retail sales and commodity and stock prices, while personal income grew at a pace that would support modest to strong GDP growth. Also fueling the continued recovery during the quarter were the effects of Congress' move to extend the Bush era tax cuts along with reductions in the payroll (Social Security) tax.

The pace of wholesale and broad consumer price increases accelerated, but narrower inflation measures that focus on core prices remain muted. However, bond investors remain skittish on the inflation front. Thus, comments from the Federal Reserve that it would complete the second phase of its program of Quantitative Easing and maintain an accommodative monetary policy put downward pressure on rates.

Volatility Rises

News of violent protests across the Middle East and North Africa, resulting in a toppled government in Egypt, an ongoing civil war in Libya, and great uncertainty surrounding the region all contributed to market volatility, sending investors to the safety of U.S Treasury securities each time violence flared.

An earthquake and ensuing tsunami battered Japan in mid-March. The environmental and economic uncertainty surrounding the damage to nuclear reactors pushed yields to their lowest point during the quarter. However, the strength of the economic recovery reemerged, sparking a rally in yields that negated the effects of the flight to quality.

Interest Rates and Returns

By March 31, the rise in rates was most apparent in intermediate-term Treasuries—the so-called belly of the yield curve—with the yield on a 2-year U.S. Treasury note up 0.23% from its December 31, 2010 level, while 10-year Treasury yields rose only 0.18% during the same period. The increase in rates negatively impacted returns for the quarter as the price and yield of a security are inversely related.

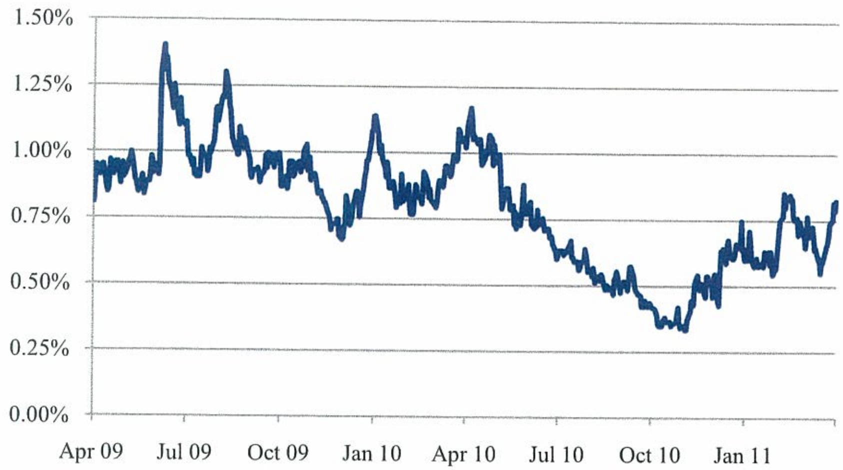
Short-term interest rates remained near historic lows throughout the quarter as the Fed continued to hold the Fed Funds rate in the range of zero to 25 basis points. Returns on investment strategies along most of the yield curve hovered just above zero.

Summary of U.S. Treasury Security Yields

Date	3M	6M	1Y	2Y	3Y	5Y	10Y
March 31, 2011	0.09%	0.17%	0.27%	0.82%	1.30%	2.28%	3.47%
December 31, 2010	0.12%	0.18%	0.26%	0.59%	0.99%	2.01%	3.29%
Change over Quarter	-0.03%	-0.01%	0.01%	0.23%	0.31%	0.27%	0.18%
March 31, 2010	0.15%	0.23%	0.38%	1.02%	1.57%	2.54%	3.83%
Change over Year	-0.06%	-0.06%	-0.11%	-0.20%	-0.27%	-0.27%	-0.36%

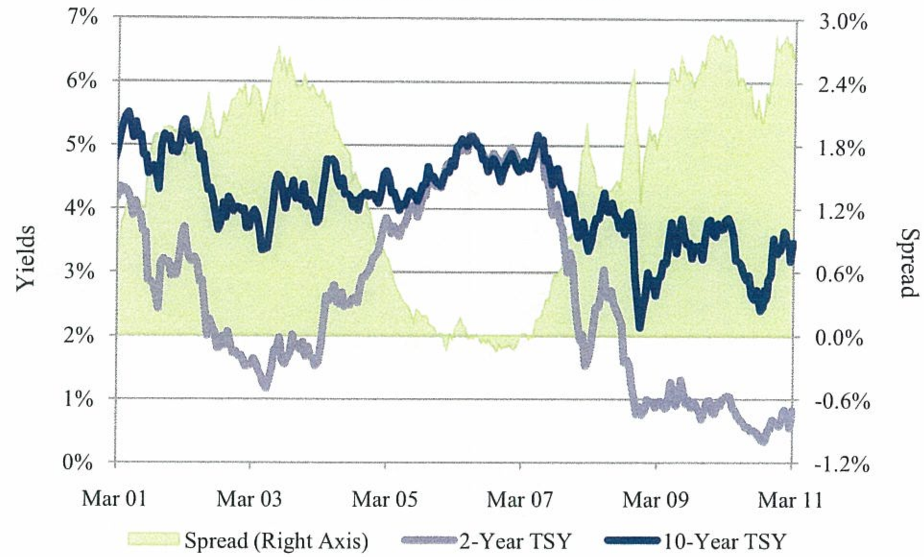
Source data: Bloomberg

2-Year U.S. Treasury Note Yield
April 1, 2009 through March 31, 2011



Source data: Bloomberg

U.S. Treasury Yields and Yield Curve Steepness
March 2001 to March 2011



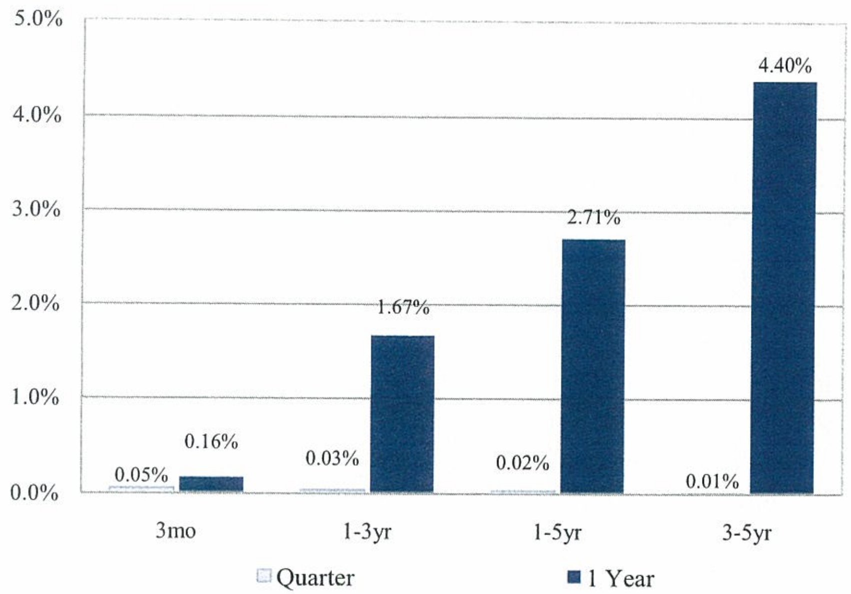
Source data: Bloomberg

The yield curve steepened even more during the quarter as the spread between shorter- and longer-maturity Treasuries rose. For example, as the following chart shows, the spread between 2-year and 10-year U.S. Treasury notes closed the quarter at 265 basis points, near the widest levels since 2003, before the yield curve flattened as a result of 17 consecutive hikes in the Fed Funds rate. The positive slope of the yield curve helps protect the market value of longer-duration portfolios. The steep yield curve allows fixed-income investors to benefit from a concept referred to as rolling down the yield curve. As securities approach their maturity date, they will be priced as shorter, lower-yielding securities. Pricing a security at a lower yield increases the market price of the security, helping to offset the negative effects of rising yields.

As a result of the increase in interest rates during the quarter, longer-duration fixed-income strategies slightly underperformed their shorter-duration counterparts. As evidenced in the following chart, benchmark returns were barely positive, with the 1- to 3-year U.S. Treasury index returning 0.03% (0.12% annualized) for the quarter versus a return on the 3- to 5-year index of 0.01% (0.04% annualized).

However, as the following chart shows, year-over-year returns were still much higher for longer-duration strategies as short-term returns continue to be limited by the extremely low Fed Funds rate. For the 12 months ended March 31, 2011, the 3- to 5-year U.S. Treasury index returned 4.40% versus a return of 1.67% on the 1- to 3-year index, an outperformance of 273 basis points. Despite slightly better returns during the quarter, the 12-month performance of very short-term strategies continued to lag the performance of longer strategies as the 3-month U.S. Treasury benchmark returned only 0.16% over the prior 12 months.

Total Returns of Merrill Lynch U.S. Treasury Indices
Quarterly and 12-Month Total Return as of March 31, 2011

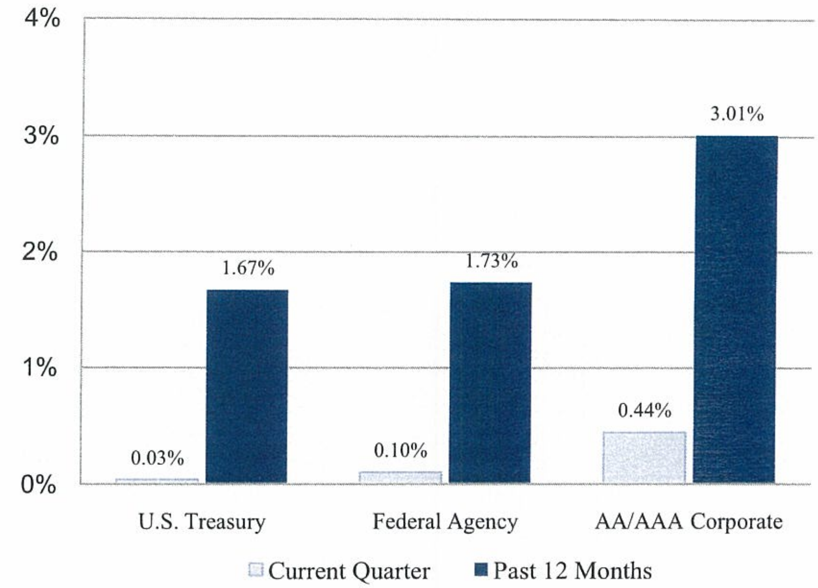


Source data: Bank of America Merrill Lynch; Bloomberg

Credit spreads continued to narrow despite beginning the quarter at historically low levels, resulting in enhanced returns from Agency and corporate bonds when compared with like-duration Treasuries. For example, the spread between 10-year Treasury debt and 10-year Agency debt narrowed by an additional four basis points to end the quarter at 26 basis points.

In the short end of the yield curve, corporate credits were in demand as signs of a strong economy improved corporate balance sheets and investors' outlook for those credits. Increased appetite for credit risk, along with reduced Federal Agency issuance, drove up prices on corporate securities, propelling corporate indices higher than comparable U.S. Treasury and Federal Agency indices.

Duration Adjusted Returns of Merrill Lynch 1-3 Year Indices
Quarterly and 12-Month Total Return as of March 31, 2011



Source data: Bank of America Merrill Lynch; 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.

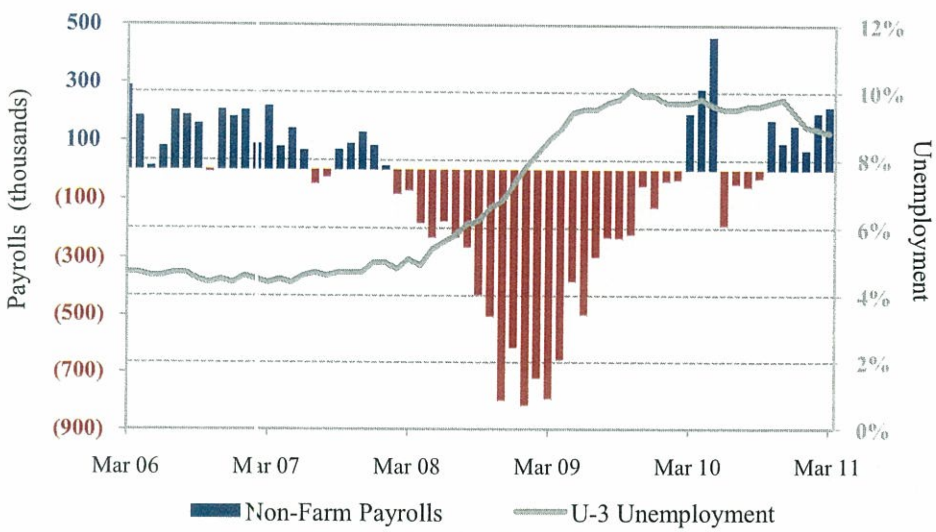
Economic Outlook

Positive economic data continues to show the economy is on a path of recovery despite a few remaining anchors.

One of those anchors is elevated unemployment and the large number of jobs lost during the recession. Although unemployment remains high, considerable improvement has been made since the unemployment rate peaked at 10.1% in October 2009. Continued improvement in the employment situation will be a key driver of a sustained recovery.

The following chart shows the positive trend seen in recent employment data releases.

U-3 Unemployment Rate and Non-Farm Payrolls
March 31, 2006 to March 31, 2011



Source data: Bloomberg

The bleak housing market continues to be a concern going forward, as prices fell further during the quarter. In February, median house prices in the United States fell more than 8% over the prior 3 months to $156,100. Demand for existing and new homes remains weak as buyers face tougher borrowing requirements and reservations about when prices will bottom out. A reversal in the trend of falling home prices and stagnant demand would accelerate economic growth, possibly stoking inflation concerns.

A close eye will be kept on the situation in the Middle East and North Africa. Higher oil prices as a result of the turmoil have the potential to decrease disposable income and stall the economic recovery in the United States. Despite the price of oil rising 16% to the highest levels since September 2008, investors have set aside these concerns for the time being and appear to be focused on brighter prospects for the economy.

Markets will also be monitoring Japan's ability to rebound from its environmental disaster. With Japan being the third-largest economy and the largest consumer of U.S. exports, their ability to bounce back will have a direct impact on the future of the U.S. recovery. The events in Japan also renewed concerns about nuclear power as a viable alternative to meet the growing demand for energy.

Investment Strategy

Although the economy continues to improve, the Federal Reserve remains reluctant to raise short-term rates. Investors choosing cash-equivalent strategies should be reconciled to near-zero returns. Given the recent back-up in rates and the steepness of the yield curve, we feel that intermediate fixed-income securities offer value

Although the longer-term trend is for higher rates, the Federal Reserve does not look set to tighten monetary conditions anytime soon. This fact will exert pressure to keep rates low for the time being and present opportunities for intermediate-term securities to produce returns in excess of cash. Until the Federal Reserve begins posturing to tighten monetary policy, managing portfolios with a duration target that is only slightly defensive has the potential to produce good performance, especially when compared with the near zero level of short-term rates.

Portfolio Summary

Total Portfolio Value	March 31, 2011	December 31, 2010
Market Value	**$187,050,404.94**	$194,378,477.31
Amortized Cost	**$186,538,410.64**	$193,409,089.16

PORTFOLIO RECAP

- The portfolio complies with the California Government Code and the City's investment policy.
- Yields were volatile during the first quarter with the 2-year Treasury reaching as high as 0.87% and as low as 0.54% before ending the quarter at 0.80%. The markets reacted to a number of domestic and international factors during the quarter. The tsunami and subsequent nuclear disaster in Japan caused concern regarding global economic growth. Ongoing political unrest in the Middle East and Northern Africa caused oil prices to spike, furthering the recent uptick in inflation expectations. Domestically, yields reacted to conflicting publicly expressed opinions by various Federal Reserve Governors regarding the tenacity of the economic recovery and the potential for changes to monetary policy. Hostile budget negotiations and the looming debt ceiling also created uncertainty.
- In this highly volatile market, we closely monitored market conditions and took advantage of anomalies that developed between different sectors, issuers, and maturities to make trades and enhance the portfolio's return.
- At the start of the quarter, the portfolio's duration was at or very near the benchmark due to a number of lengthening purchases in the last quarter of 2010. With interest rates trending higher during the first quarter, we took a more cautious approach and allowed the duration to drift shorter to around 95% of the benchmark.
- While maintaining the desired target duration, we took advantage of the steepness of the yield curve by selectively adding longer-term investments that carried much higher yields than shorter maturities. These investments provide an immediate benefit in terms of increased earnings, provide more stable earnings, and offer some protection should rates rise in the future from their ability to roll down the yield curve.
- The portfolio continues to provide good long-term performance. Over the past two years, when short-term rates have remained near 0%, the portfolio has had an annualized total return of 2.31 %, which exceeds the return on the benchmark by 0.78%.

Portfolio Summary - continued

PORTFOLIO STRATEGY

- The current market view remains uncertain, as the economic recovery progresses, but at a disappointing pace. Public announcements by some Fed officials regarding the potential emergence of high inflation have led some analysts to consider the possibility that the Fed might end its near-zero short-term rate policy sooner than anticipated. However, most economists expect the Fed to remain "on hold" until at least the first quarter of 2012.

- Our strategy will continue to focus on maintaining the safety of the invested principal and achieving the City's long-term investment objectives. We will maintain a safe, well-diversified, high quality portfolio and continue to evaluate all the sectors available to the City and capitalize on investment opportunities presented by the market.

- As long as interest rates remain in this historic low range, we will continue to manage the portfolio with a conservative duration bias, but also capitalize on the steep yield curve to make selective investments. This approach—regularly adding long-term investments to the portfolios—has historically generated consistently favorable long-term returns.

- As yield spreads remain narrow, we will likely increase the portfolio's allocation to Treasury securities. Non-callable federal agency securities also add good value in certain maturities.

- We may also purchase some high-quality corporate notes to enhance both diversification and return. The recovering economy has created stronger fundamentals for the corporate sector, as evidenced by strength in corporate profits and good equity market performance in the fourth quarter 2010 and first quarter 2011. This creates opportunities to safely add incremental income.

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

Month	Fiscal Year 2009/10 Actual	Fiscal Year 2010/2011 Budget	Fiscal Year 2010/2011 Year-To-Date Actual	Fiscal Year 2010/2011 Current Forecast	Fiscal Year 2010/2011 Actual/Forecast vs. Budget	Current Forecast FY 2010/11 vs. FY 2009/10	Fiscal Year 2009/10 Par Value of Portfolio	Fiscal Year 2010/2011 Par Value of Portfolio
July	951,025	78,988	103,554	103,554	24,566	(847,471)	168,215,000	169,425,000
August	582,832	195,178	242,191	242,191	47,013	(340,641)	169,440,000	169,425,000
September	547,331	403,469	391,681	391,681	(11,788)	(155,650)	163,095,000	169,885,000
October	198,982	316,709	353,114	353,114	36,405	154,133	159,395,000	169,610,000
November	231,158	147,276	699,935	699,935	552,659	468,777	159,335,000	170,940,000
December	270,406	264,494	184,103	184,103	(80,391)	(86,303)	159,165,000	170,940,000
January	457,428	79,047	353,114	353,114	274,068	(104,313)	164,605,000	170,940,000
February	235,144	209,251	699,935	699,935	490,684	464,791	167,260,000	171,030,000
March	286,058	427,066	184,103	184,103	(242,963)	(101,955)	167,315,000	173,465,000
April	720,353	316,947		316,947		(403,406)	167,890,000	
May	625,247	147,387		147,387		(477,860)	169,130,000	
June	366,037	264,692		264,692		(101,345)	169,200,000	
Total	5,472,000	2,850,504	3,211,731	3,940,756	1,090,253	(1,531,244)	165,337,083	170,628,889
Cash Return	3.31%	1.67%	1.88%	2.31%				

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]

	Fiscal Year 2009/10	Fiscal Year 2010/2011	Fiscal Year 2010/2011	Fiscal Year 2010/2011	Fiscal Year 2010/2011	Current Forecast	Fiscal Year 2009/10	Fiscal Year 2010/2011
Month	Actual	Budget	Year-To-Date Actual	Current Forecast	Actual/Forecast vs. Budget	FY 2010/11 vs. FY 2009/10	Par Value of Portfolio	
July	951,025	78,988	103,554	103,554	24,566	(847,471)	168,215,000	169,425,000
August	1,533,857	274,166	345,745	345,745	71,579	(1,188,112)	169,440,000	169,425,000
September	2,081,188	677,634	737,426	737,426	59,791	(1,343,762)	163,095,000	169,885,000
October	2,280,170	994,344	1,090,540	1,090,540	96,196	(1,189,630)	159,395,000	169,610,000
November	2,511,327	1,141,620	1,790,475	1,790,475	648,855	(720,852)	159,335,000	170,940,000
December	2,781,733	1,406,114	1,974,578	1,974,578	568,464	(807,155)	159,165,000	170,940,000
January	3,239,161	1,485,160	2,327,693	2,327,693	842,532	(911,468)	164,605,000	170,940,000
February	3,474,305	1,694,412	3,027,628	3,027,628	1,333,216	(446,677)	167,260,000	171,030,000
March	3,760,363	2,121,478	3,211,731	3,211,731	1,090,253	(548,632)	167,315,000	173,465,000
April	4,480,716	2,438,425		3,528,677		(952,039)	167,890,000	
May	5,105,963	2,585,812		3,676,064		(1,429,899)	169,130,000	
June	5,472,000	2,850,504		3,940,756		(1,531,244)	169,200,000	
Total	5,472,000	2,850,504	3,211,731	3,940,756	1,090,253	(1,531,244)	165,337,083	170,628,889
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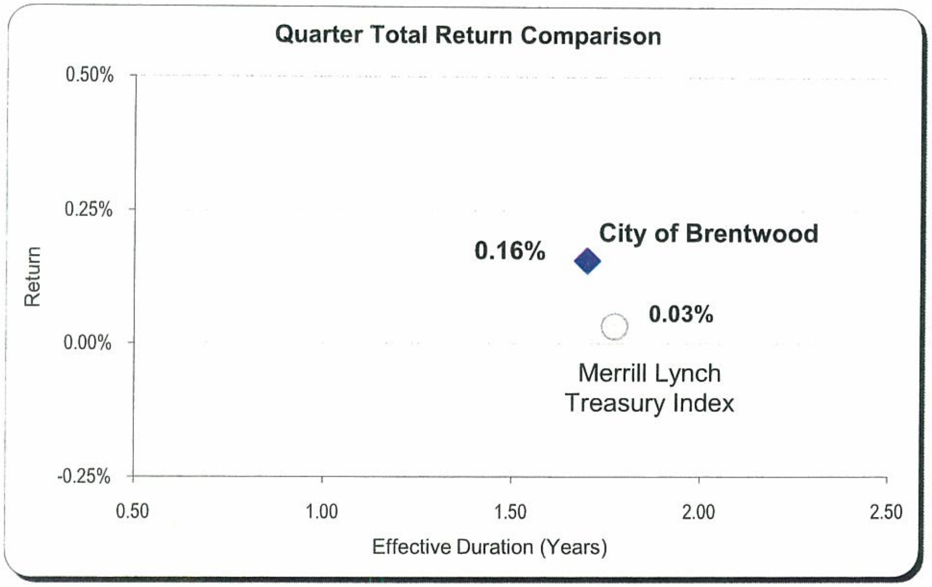
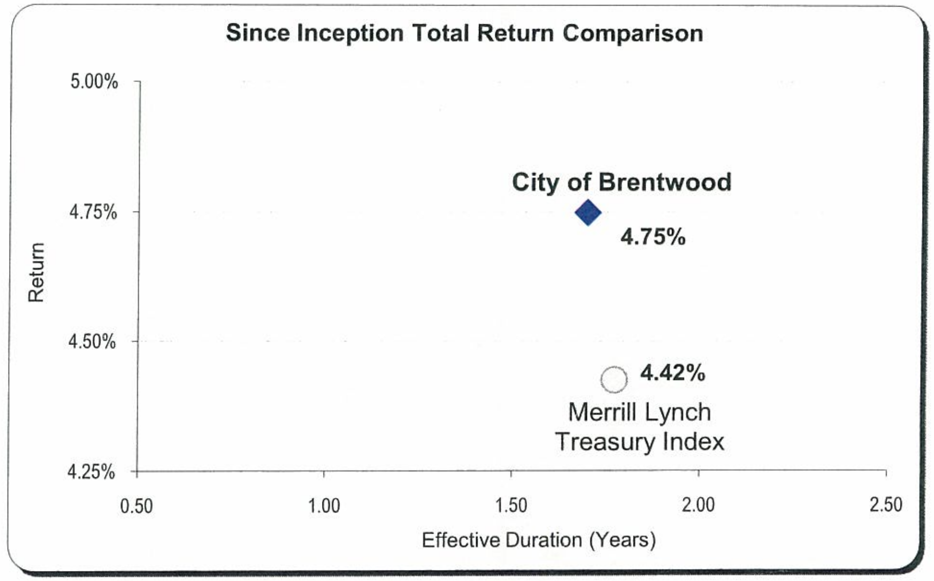
Portfolio Performance

Total Return[1,2,3,4,5]	Quarter Ended March 31, 2011	Past Year	Past 3 Years	Past 5 Years	Since Inception
City of Brentwood	**0.16%**	**1.91%**	**3.06%**	**4.49%**	**4.75%**
Merrill Lynch Treasury Index	0.03%	1.67%	2.22%	4.10%	4.42%

Effective Duration[4,5,6]	March 31, 2011	December 31, 2010
City of Brentwood	**1.70**	**1.72**
Merrill Lynch Treasury Index	1.78	1.77

Yields	March 31, 2011	December 31, 2010
Yield at Market	**0.84%**	0.80%
Yield on Cost	**1.11%**	1.20%





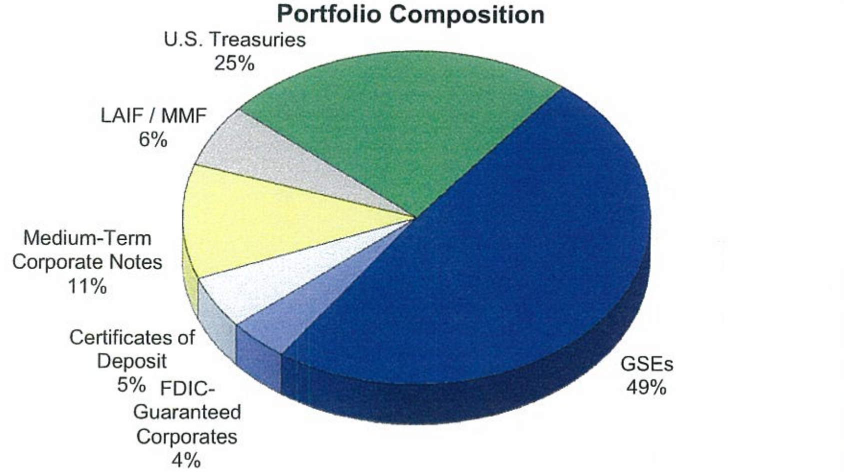
Notes:

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.

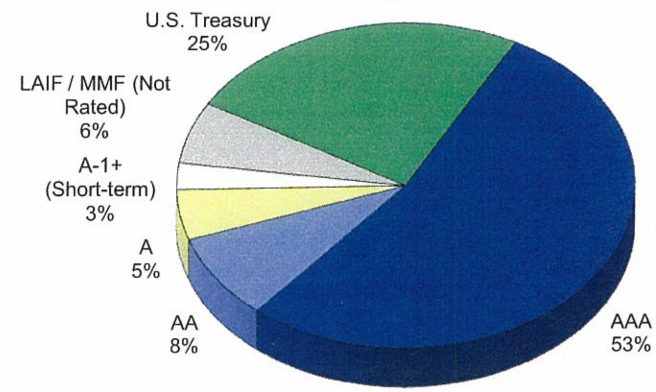
Portfolio Composition and Credit Quality Characteristics

Security Type[1]	March 31, 2011	% of Portfolio	December 31, 2010	% of Portfolio	Permitted by Policy
U.S. Treasuries	**$45,972,976.21**	**25%**	$47,696,409.30	25%	**100%**
Federal Agencies	**$99,567,112.21**	**53%**	$95,435,326.45	49%	**100%**
GSEs[2]	*$91,773,001.08*	*49%*	*$83,043,957.21*	*43%*	*100%*
FDIC-Guaranteed Corporates[3]	*$7,794,111.13*	*4%*	*$12,391,369.24*	*6%*	*100%*
Commercial Paper	**$0.00**	**0%**	$0.00	0%	**25%**
Certificates of Deposit	**$9,639,151.01**	**5%**	$9,628,350.06	5%	**30%**
Medium-Term Corporate Notes	**$20,468,321.79**	**11%**	$20,511,073.17	11%	**30%**
Money Market Fund/Cash	**$676,943.55**	**<1%**	$289,691.40	0%	**15%**
LAIF	**$10,725,900.17**	**6%**	$20,817,626.93	11%	**$50 Million**
Totals	**$187,050,404.94**	**100%**	$194,378,477.31	100%	

Portfolio Composition



Credit Quality Distribution



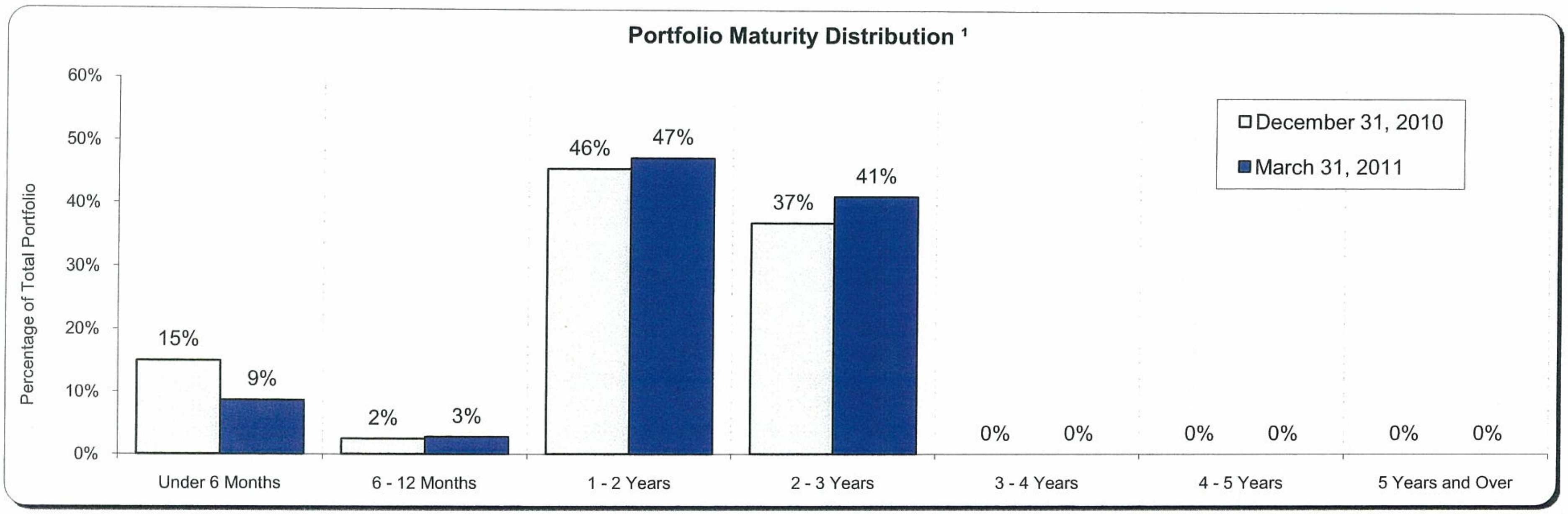
Standard & Poor's ratings

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, 2011	December 31, 2010
Under 6 Months	**$16,238,173.13**	$29,163,446.33
6 - 12 Months	**$5,224,535.64**	$4,824,564.94
1 - 2 Years	**$88,541,107.89**	$88,560,722.26
2 - 3 Years	**$77,046,588.28**	$71,829,743.78
3-4 Years	**$0.00**	$0.00
4 - 5 Years	**$0.00**	$0.00
5 Years and Over	**$0.00**	$0.00
Totals	**$187,050,404.94**	$194,378,477.31



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.

Managed Account Detail of Securities Held

For the Month Ending **March 31, 2011**

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 03/31/2010 1.000% 03/31/2012	912828MU1	2,500,000.00	TSY	TSY	05/26/10	05/27/10	2,510,449.22	0.77	68.31	2,505,671.50	2,516,700.00
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	2,624,928.97	2,653,095.38
US TREASURY NOTES DTD 04/30/2010 1.000% 04/30/2012	912828NB2	9,515,000.00	TSY	TSY	03/25/11	03/28/11	9,585,247.46	0.32	39,952.49	9,584,537.90	9,580,748.65
US TREASURY NOTES DTD 06/30/2010 0.625% 06/30/2012	912828NS5	5,690,000.00	TSY	TSY	03/15/11	03/16/11	5,711,782.03	0.33	8,939.74	5,711,039.00	5,704,680.20
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	4,178,089.79	4,243,662.00
US TREASURY NOTES DTD 09/15/2010 0.750% 09/15/2013	912828NY2	5,970,000.00	TSY	TSY	10/04/10	10/07/10	5,995,419.14	0.60	2,068.41	5,991,254.51	5,932,221.09
US TREASURY NOTES DTD 10/15/2010 0.500% 10/15/2013	912828PB0	11,400,000.00	TSY	TSY	11/02/10	11/03/10	11,401,335.94	0.50	26,307.69	11,401,154.25	11,244,139.20
US TREASURY NOTES DTD 03/15/2011 1.250% 03/15/2014	**912828PZ7**	**4,000,000.00**	**TSY**	**TSY**	**03/31/11**	**04/01/11**	**4,000,625.00**	**1.24**	**2,309.78**	**4,000,625.00**	**3,998,760.00**
Security Type Sub-Total		**45,895,000.00**					**45,999,254.30**	**0.68**	**98,969.69**	**45,997,300.92**	**45,874,006.52**
U.S. Government Supported Corporate Debt											
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	5,146,967.48	5,218,764.39
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	2,498,337.60	2,547,292.50
Security Type Sub-Total		**7,630,000.00**					**7,670,653.10**	**1.99**	**28,054.24**	**7,645,305.08**	**7,766,056.89**
Federal Agency Bond / Note											
FHLB GLOBAL BONDS DTD 03/19/2010 1.125% 05/18/2012	3133XXPV3	2,590,000.00	AAA	Aaa	07/21/10	07/22/10	2,611,393.40	0.67	10,764.69	2,603,305.22	2,609,922.28

Managed Account Detail of Securities Held

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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 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	4,043,190.04	4,097,530.40
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	7,647,052.84	7,768,552.05
FHLMC GLOBAL REFERENCE NOTES DTD 07/16/2002 5.125% 07/15/2012	3134A4QD9	460,000.00	AAA	Aaa	09/08/10	09/09/10	497,453.20	0.69	4,976.94	486,142.48	487,775.72
FNMA GLOBAL 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	3,169,461.72	3,195,294.84
FHLB GLOBAL BONDS DTD 07/23/2009 1.750% 08/22/2012	3133XUE41	700,000.00	AAA	Aaa	07/22/09	07/23/09	699,034.00	1.80	1,327.08	699,555.43	711,294.50
FNMA NOTES (FLOATING) DTD 09/13/2010 0.330% 09/13/2012	31398A3X8	2,500,000.00	AAA	Aaa	09/15/10	09/16/10	2,499,497.50	0.46	482.64	2,499,497.50	2,504,042.50
FHLMC GLOBAL REFERENCE 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	2,656,948.84	2,693,072.77
FNMA NOTES (FLOATING) DTD 11/23/2010 0.330% 11/23/2012	31398A6R8	6,100,000.00	AAA	Aaa	11/18/10	11/23/10	6,097,502.66	0.43	2,119.75	6,097,502.66	6,107,051.60
FHLMC NOTES DTD 12/02/2010 0.625% 12/28/2012	3137EACO0	8,000,000.00	AAA	Aaa	02/01/11	02/04/11	7,991,520.00	0.68	16,527.78	7,992,228.24	7,984,968.00
FNMA GLOBAL NOTES DTD 01/15/2010 1.750% 02/22/2013	31398AE24	3,100,000.00	AAA	Aaa	01/14/10	01/15/10	3,095,536.00	1.80	5,877.08	3,097,237.37	3,151,881.60
FNMA NOTES DTD 01/18/2011 0.750% 02/26/2013	3135G0AK9	4,500,000.00	AAA	Aaa	02/10/11	02/11/11	4,480,470.00	0.97	3,281.25	4,481,786.16	4,493,988.00
FNMA NOTES DTD 01/18/2011 0.750% 02/26/2013	3135G0AK9	6,000,000.00	AAA	Aaa	01/13/11	01/18/11	5,990,760.00	0.82	4,375.00	5,991,636.66	5,991,984.00
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	85,283.33	10,518,965.31	10,681,093.50
FHLMC GLOBAL REFERENCE NOTES DTD 03/14/2008 3.500% 05/29/2013	3137EABJ7	5,000,000.00	AAA	Aaa	02/01/11	02/04/11	5,302,900.00	0.86	59,305.56	5,282,417.70	5,274,890.00

Managed Account Detail of Securities Held

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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											
FANNIE MAE GLOBAL NOTES DTD 08/06/2010 1.000% 09/23/2013	31398A2S0	9,870,000.00	AAA	Aaa	03/15/11	03/17/11	9,877,086.66	0.97	2,193.33	9,876,982.14	9,826,828.62
FHLMC GLOBAL REFERENCE NOTES DTD 08/20/2008 4.125% 09/27/2013	3137EABS7	5,460,000.00	AAA	Aaa	10/04/10	10/07/10	5,986,234.80	0.84	2,502.50	5,901,551.46	5,859,333.48
FHLMC NOTES DTD 08/20/2010 0.875% 10/28/2013	3137EACL1	4,500,000.00	AAA	Aaa	09/01/10	09/07/10	4,479,840.00	1.02	24,171.88	4,483,451.48	4,462,528.50
FHLMC NOTES DTD 01/06/2011 1.375% 02/25/2014	3137EACR8	3,565,000.00	AAA	Aaa	02/04/11	02/07/11	3,555,567.01	1.46	11,573.87	3,556,032.28	3,566,643.47
Security Type Sub-Total		**90,310,000.00**					**91,260,953.93**	**1.11**	**304,325.25**	**91,084,945.53**	**91,468,675.83**
Corporate Note											
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	4,333,675.66	4,388,495.22
JPMORGAN CHASE & CO GLOBAL NOTES DTD 04/28/2008 4.750% 05/01/2013	46625HHB9	190,000.00	A+	Aa3	01/20/10	01/25/10	203,761.70	2.43	3,760.42	198,904.14	201,837.76
US BANCORP DTD 06/14/2010 2.000% 06/14/2013	91159HGW4	4,000,000.00	A+	Aa3	06/09/10	06/14/10	3,995,000.00	2.04	23,777.78	3,996,300.12	4,060,044.00
US BANCORP NOTE (CALLABLE) DTD 09/13/2010 1.375% 09/13/2013	91159HGY0	1,000,000.00	A+	Aa3	09/08/10	09/13/10	998,710.00	1.42	687.50	998,942.49	998,151.00
GENERAL ELECTRIC CAPITAL CORP NOTES DTD 09/16/2010 1.875% 09/16/2013	36962G4O4	6,700,000.00	AA+	Aa2	09/13/10	09/16/10	6,689,883.00	1.93	5,234.38	6,691,667.48	6,697,701.90
JPMORGAN CHASE & CO NOTES DTD 09/30/2010 1.650% 09/30/2013	46623EJD2	4,000,000.00	A+	Aa3	09/27/10	09/30/10	3,999,520.00	1.65	183.33	3,999,598.84	3,993,056.00
Security Type Sub-Total		**20,030,000.00**					**20,361,635.10**	**1.93**	**129,035.91**	**20,219,088.73**	**20,339,285.88**
Certificate of Deposit											
BARCLAYS BANK PLC NY CERT DEPOS DTD 09/07/2010 0.900% 09/02/2011	06740MNK5	4,800,000.00	A-1+	P-1	09/02/10	09/07/10	4,800,000.00	0.90	24,719.97	4,800,000.00	4,810,609.44

Managed Account Detail of Securities Held

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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
Certificate of Deposit											
BANK OF NOVA SCOTIA HOUSTON YCD (FLOAT) DTD 11/09/2010 0.562% 11/09/2012	06417DSG1	4,800,000.00	AA-	Aa1	11/04/10	11/09/10	4,800,000.00	0.54	3,821.60	4,800,000.00	4,800,000.00
Security Type Sub-Total		**9,600,000.00**					**9,600,000.00**	**0.72**	**28,541.57**	**9,600,000.00**	**9,610,609.44**
Managed Account Sub-Total		**173,465,000.00**					**174,892,496.43**	**1.11**	**588,926.66**	**174,546,640.26**	**175,058,634.56**
Securities Sub-Total		**$173,465,000.00**					**$174,892,496.43**	**1.11%**	**$588,926.66**	**$174,546,640.26**	**$175,058,634.56**
Accrued Interest											**$588,926.66**
Total Investments											**$175,647,561.22**

Bolded items are forward settling trades.