



Investment Performance Review
Second Quarter 2010

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Investors who employed defensive strategies were rewarded in the second quarter as the European sovereign debt crisis dominated all markets, punishing global stock markets, widening credit spreads, and pushing some U.S. Treasury yields down to all-time lows.

The sovereign debt crisis, a product of years of poor fiscal policies and over spending, will create significant financial headwinds in the future. It will also likely be one of the main challenges for global economies and investor confidence over the next few months. Additionally, some recent economic indicators suggest that the recovery may be losing momentum. Despite continued growth in GDP, weaknesses still exist throughout the economy with high unemployment, a depressed real estate sector, and demands for government austerity threatening to slow what is to date only a modest recovery.

If the sovereign debt crisis is resolved and the recovery picks up speed again, ongoing volatility and the prospect for higher interest rates will continue to justify defensive strategies that are aimed at producing competitive absolute returns while limiting downside market risk.

Defensive strategies focus on maintaining durations short of benchmarks to protect against declines in market value while overweighting U.S. Treasuries and other instruments in the safest asset classes. These strategies are designed to produce competitive absolute returns while simultaneously mitigating market risk.

Interest Rates and Returns

Through the first quarter of 2010, strength in the manufacturing sector, a rise in personal spending, and better-than-expected employment reports caused U.S. Treasury yields to continue their upward trend. However, by mid-April, investor sentiment changed as the European crisis took center stage.

As fear of contagion gripped global markets, investors fled from riskier asset classes and began aggressively purchasing U.S. Treasuries, bidding up prices and sending yields sharply lower. By the end of the quarter, the 2-year U.S. Treasury Note had fallen by 0.40% to its all-time low of 0.61%. Longer-term maturities experienced an even greater decline; the 10-year U.S. Treasury Note plummeted by 0.87% to a yield of 2.95%. The following table illustrates quarter-end yields for various U.S. Treasury securities.

In response to the panic-driven flight to quality, the June statement of the Federal Open Market Committee explicitly recognized the overseas

challenges and restated a pledge to maintain the Federal Funds target rate at a range of 0.00% to 0.25% for “an extended period.” The market now predicts that the Fed will be on hold at least through the end of the year as illustrated by Fed Funds futures contracts.

Summary of U.S. Treasury Security Yields

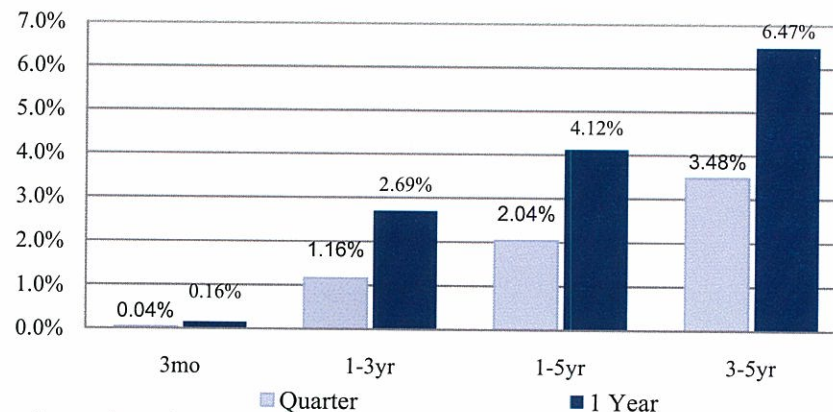
Quarter Ending	3M	6M	1Y	2Y	3Y	5Y	10Y
June 2010	0.17%	0.22%	0.32%	0.61%	0.98%	1.79%	2.95%
March 2010	0.15%	0.23%	0.38%	1.02%	1.57%	2.54%	3.83%
<i>Change over Quarter</i>	0.02%	-0.01%	-0.06%	-0.41%	-0.59%	-0.75%	-0.88%
June 2009	0.18%	0.34%	0.48%	1.11%	1.62%	2.56%	3.53%
<i>Change over Year</i>	-0.01%	-0.12%	-0.16%	-0.50%	-0.64%	-0.77%	-0.58%

Source data: Bloomberg

With the decline in interest rates, the market values of fixed-income portfolios increases. As the accompanying chart illustrates, portfolios with longer durations outperformed those with shorter durations. During the quarter the 1- to 3-year U.S. Treasury benchmark returned 1.16% (4.73% annualized), while the 3- to 5-year U.S. Treasury benchmark returned 3.48% (14.72% annualized). The duration of the 3- to 5-year U.S. Treasury benchmark was 3.80 versus 1.82 for the 1- to 3-year U.S. Treasury benchmark.

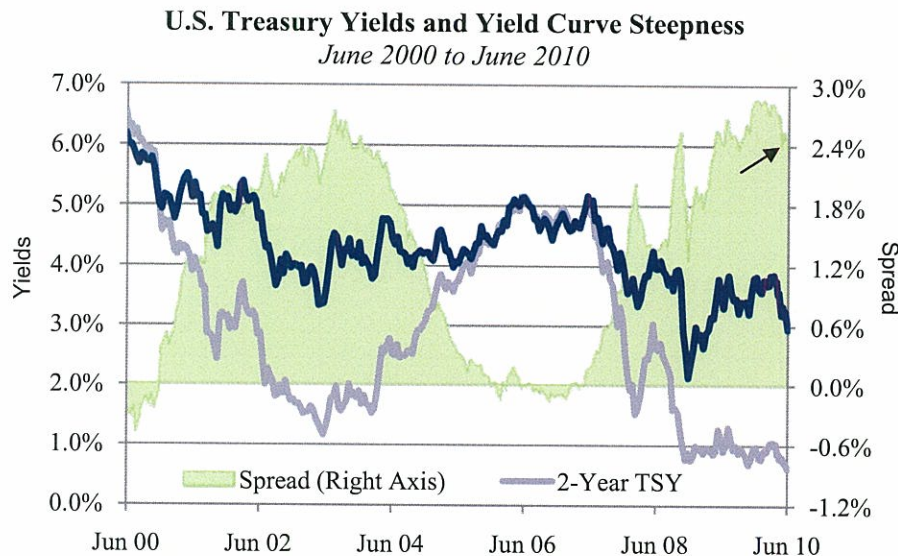
Merrill Lynch U.S. Treasury Indices

Quarterly and 12-Month Total Return as of June 30, 2010



Source data: Bloomberg

The yield curve remained at historically steep levels through April 2010 before flattening slightly as a fixed income market rally took hold. At the beginning of the quarter, the difference between two and ten year U.S. Treasury rates was 2.81%. By quarter end, the difference was 2.33%. With short-term rates at or near historic lows and investors chasing yield at any cost, some speculate that the steepness of the U.S. Treasury curve may be evidence that a new bubble may soon develop.



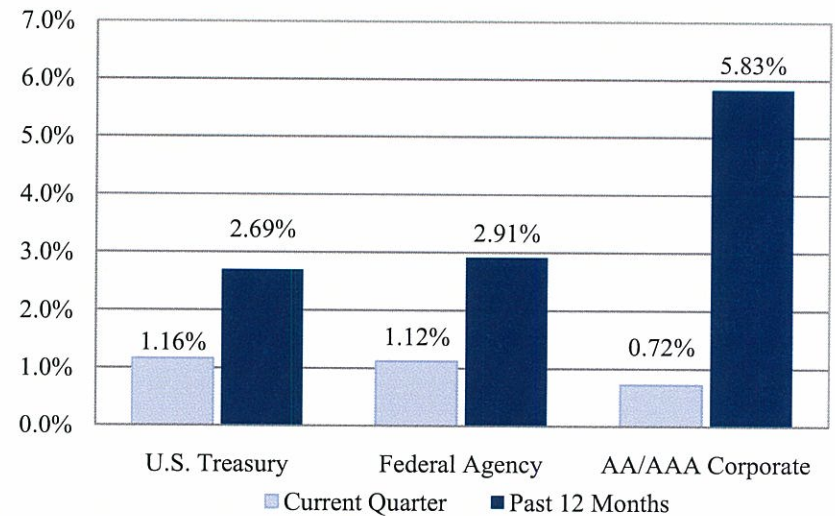
Source data: Bloomberg

Interest Rate Spreads

The difference, or spread, between interest rates on risk-free U.S. Treasury obligations and other asset classes widened during the second quarter. Fears of solvency contagion caused corporate bond spreads to widen during the period. As the next chart shows, this led high-quality (AA/AAA) corporate bonds to underperform U.S. Treasury and Federal Agency benchmarks of comparable duration by a significant margin. This demonstrates how during times of volatility, defensive strategies may outperform strategies that rely on riskier, higher-yielding securities. With high volatility expected to continue through the remainder of the year, we will continue to rely on the safest asset classes of securities and continue to implement defensive strategies to help

protect the market value of portfolios and give us the flexibility to restructure when appropriate.

Duration Adjusted Returns of Merrill Lynch 1-3 Year Indices
Quarterly and 12-Month Total Return as of June 30, 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.

The Economy

With increased investor anxiety about spiraling fiscal deficits and mounting sovereign debt, the world leaders at the G20 Summit in June pledged to cut budget deficits by 2013. Paradoxically, in order to cut budget deficits, governments must reduce spending, which in turn negatively impacts GDP growth—government spending accounts for a significant portion of GDP. Decreased spending by governments can be detrimental to employment and aggregate demand, which may cause the private sector to refrain from making large business investments or hiring additional workers during this period of uncertainty. Unfortunately, with the economy already suffering from the after effects of recession, the private sector may not have enough strength to continue to be the catalyst for economic recovery.

During the first quarter, the U.S. economy expanded at a 2.7% rate, revised downwards from 3.2% that was initially reported in April. Current estimates are for the economy to expand at a rate of 3.3% for the entire year. Early reports suggest that corporations will continue to generate strong earnings. Although the oil spill in the Gulf Coast has had a devastating environmental impact and is expected to strain tourism and tourism-related industries, it is not expected to have an impact on overall U.S. GDP growth.

Although the U.S. manufacturing sector continues to expand, the pace of expansion has recently slowed. This trend has continued globally as evidenced by the China Manufacturing PMI Index and Eurozone Manufacturing PMI Market Survey (two surveys that are similar in form to the ISM Manufacturing Index), which showed a declining pace in the expansion of manufacturing. Some believe this provides further evidence that the overall recovery is losing momentum, both globally and domestically.

For many observers, the health of the economy is viewed from the perspective of employment and the housing market in the United States. During the second quarter, non-farm payrolls increased by 621,000. Although this would appear to be a strong result, much of this hiring is attributable to the government hiring census workers. These jobs are only temporary and started to disappear in June. Initial jobless claims remained above 450,000 in June for the sixth straight month. The unemployment rate ended the quarter at 9.5%, which is less than the 9.8% economists expected.

The housing market has been mixed in recent months as the Case-Shiller Home Price Indices showed home prices in major metropolitan areas increased throughout the quarter. Year-over-year, the 20-city composite index is up. However, in May, new home sales decreased by 33% to the lowest level since 1963 as the Federal homebuyer tax credit expired, leading some economists to speculate that demand for housing is not strong enough without the tax credit.

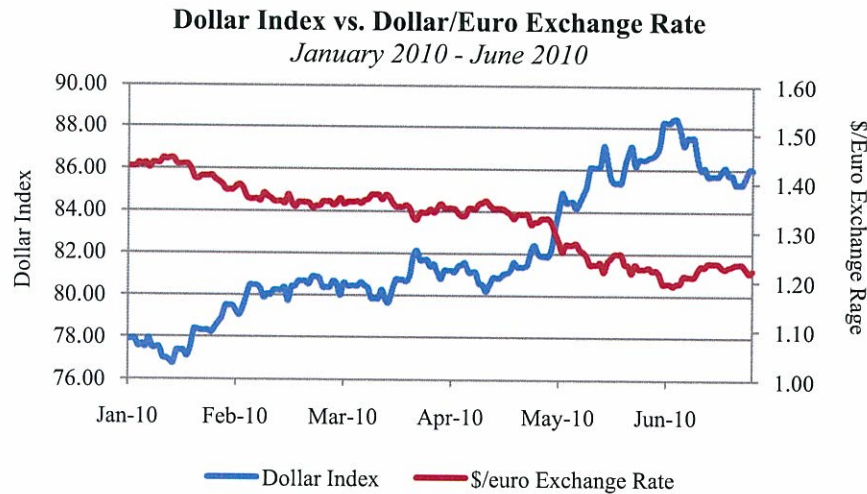
The banking sector showed some signs of strength, although bank failures remained problematic. During the second quarter, 48 banks failed, raising the year-to-date total to 85. The number of banks on the FDIC's problem list increased by 73 to 775 banks and \$431 billion of assets. The FDIC's problem list consists of banks the FDIC is closely monitoring due to concerns regarding solvency. This problem list accounts for approximately 9.8% of all banks reporting to the FDIC and 3% of total system assets. Ninety-one banks and thrifts skipped the May dividend payment under the Troubled Asset Relief Program, or TARP. It was the first missed payment for 23 of the

banks. However, with home prices finally stabilizing, the banking sector was able to reduce the rate of reserves to cover non-performing loans. Loan loss provisions and write-offs were down 16.6% year-over-year. During the quarter ending March 31, 2010, banks and institutions insured by the FDIC posted an \$18 billion profit, and more than half (52.2%) of banks reported growth in net income.

The sovereign debt crisis focused investors on the global economy to help formulate opinions regarding the recovery and guide investment strategies. The sovereign debt crisis stems from concerns that the debt-to-GDP and/or budget-deficit-to-GDP ratios of several countries—most notably Greece, Portugal, and Spain—exceeds thresholds as established in the 1997 Stability and Growth Pact, an agreement among all members of the European Union. Greek, Portuguese, and Spanish credit default swaps (CDS), derivative contracts that transfer default risk from the buyer of the CDS to the seller, reached record highs during the quarter. Meanwhile, Standard and Poor's and Moody's downgraded Greece's sovereign debt to junk status. The rating agencies also have taken steps, albeit less severe, to reduce the credit ratings of Portugal and Spain.

The debt crisis caused the Euro to tumble by 12.3% in value relative to the U.S. dollar in the first half of the year. As illustrated in the chart on the next page, the U.S. dollar also has strengthened relative to other currencies. The U.S. Dollar Index, a measure of the value of the dollar versus a basket of foreign currencies, including the euro, Japanese yen, British pound sterling, Canadian dollar, Swiss franc, and Swedish krona, increased by 8.4% since the beginning of 2010.

Although a stronger U.S. dollar increases the purchasing power of U.S. consumers, a rapid change can have destabilizing effects. In order to ensure ample liquidity in the U.S. dollar market, the Federal Open Market Committee in May authorized the re-establishment of currency swap lines through January 2011. These currency swap lines are with other central banks, including the European Central Bank, Bank of Japan, Bank of England, Bank of Canada, and Swiss National Bank. Currency swap lines are arrangements designed to enhance liquidity in U.S. dollars to overseas markets in which the Fed and a counterparty trade a fixed amount of currency at current market rates while agreeing to swap back at the same rate in the future.



Source data: Bloomberg

Gold, considered a safe haven in times of financial instability, continued to reach record highs and finished the quarter up 10.7%, while the Dow Jones Industrial Average and S&P 500 Index declined by 11.35% and 12.51%, respectively, during the quarter. By June 30, 2010, the Dow Jones Industrial Average and S&P 500 Index had fallen by 7.11% and 8.30% from December 31, 2009 levels.

Outlook

Despite tumultuous market conditions, economists are projecting GDP growth in the range of 3.3% for the second quarter of 2010. Growth is expected to taper off for the remainder of the year, to the 2.8% to 3.0% range.

The challenges of a weak housing market, high unemployment rate, modest income growth, and tight credit remain. The sovereign debt crisis and, more importantly, the austerity measures governments put in place to provide relief will have a significant effect on the global recovery. Increasing taxes and decreasing government spending may smother the embers of a fragile economic recovery.

With volatility expected to remain high for the foreseeable future, we will continue to employ defensive strategies. With rates at such low levels, we will continue to maintain shorter durations relative to benchmarks because a

rate rise will depress returns of longer-duration portfolios. Additionally, we will continue to underweight investments with a credit component, including corporate obligations and, to a degree, Federal Agency instruments. While these defensive strategies may underperform over the short-run if interest rates remain at current levels or decline even further, defensive strategies should perform well through the next leg of the business cycle when rates rise toward historic norms.

Portfolio Summary

<u>Total Portfolio Value</u>	<u>June 30, 2010</u>	<u>March 31, 2010</u>
Market Value	\$189,228,564.13	\$176,684,310.89
Amortized Cost	\$187,470,104.76	\$175,499,971.98

PORTFOLIO RECAP

- The portfolio complies with the City’s investment policy and the California Government Code.
- In this constantly changing market environment, we closely monitored market conditions and emphasized the following active management strategies to safely add return during the second quarter.
 - Selected securities based on the relative value between sectors, placement on the yield curve, and the potential to capitalize on “roll down” when securities appreciate in value as they move closer to maturity.
 - Extended the portfolio’s duration when rates were higher at the beginning of the quarter and shortened the portfolio’s duration when rates were near historical lows at the end of the quarter.
 - Sold U.S. Treasuries, bought in previous quarters when yield spreads were narrow, and purchased Federal Agencies as the spreads widened.
- The portfolio continues to provide the City with excellent performance through an investment management process that focuses on achieving the City’s specific investment objectives:
 - Safety: The portfolio is conservatively managed, appropriately diversified, and has very high credit quality. There were no downgrades of securities in the portfolio during the quarter.
 - Liquidity: The portfolio is structured to provide adequate liquidity, emphasizes only highly marketable securities, and has the flexibility to respond to changes in liquidity needs and market conditions.
 - Return: During this period, when short-term rates have remained near 0%, the portfolio generated a total return near 1.10% for the quarter, and 2.95% over the past 12 months.
- This performance was achieved through a combination of careful stewardship of the Ciity’s funds, active management to take advantage of safe opportunities to add value, and continued adherence to a disciplined, long-term investment program.

Portfolio Summary - continued

PORTFOLIO STRATEGY

- The economic outlook at the start of the third quarter has weakened. This, combined with concern regarding sovereign debt in Europe, has pushed yields on Treasuries maturing 2 years and shorter to all-time lows, while yields on longer Treasuries are at 14-month lows.
- With interest rates at such depressed levels, there are few opportunities to enhance the portfolio's total return without taking a lot of additional risk. As a result, we emphasize earning a positive return, rather than managing the portfolio to outperform the benchmark. Trying to exceed the benchmark when rates are so low risks large negative returns. Our strategy for the third quarter will include the following:
 - Maintain a conservative portfolio duration relative to the benchmark's duration in light of the market risk inherent in such a low interest rate environment.
 - Limit longer-term purchases unless market conditions change, there is an exceptional opportunity, or the portfolio duration drifts shorter than we believe is prudent.
 - Maintain a well-diversified portfolio and evaluate all investment options available to the City.
 - Emphasize Treasury and Federal Agency securities, while shifting the portfolio's allocation between the two sectors to take advantage of changes in yield spreads.
 - Evaluate callable Agency securities, which can offer higher yields and favorable return characteristics in a range-bound or gradually rising rate environment.
- As always, our strategy will remain flexible and may change in response to changes in interest rates, economic data, market outlook, or as specific opportunities arise.

Year-To-Date Cash-Basis Earnings Analysis (Monthly)^{1,2,3,4}

	Fiscal Year 2008/09	Fiscal Year 2009/10	Fiscal Year 2009/10	Fiscal Year 2009/10	Fiscal Year 2009/10	Current Forecast	Fiscal Year 2008/09	Fiscal Year 2009/10
Month	Actual	Budget	Year-To-Date Actual	Current Forecast	Actual/Forecast vs. Budget	FY 2009/10 vs. FY 2008/09	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	720,353	720,353	604,153	407,268	165,185,000	167,890,000
May	1,012,903	199,500	625,247	625,247	425,747	(387,656)	166,460,000	169,130,000
June	567,393	257,300	366,037	366,037	108,737	(201,355)	167,720,000	169,200,000
Total	9,586,452	4,151,800	5,472,000	5,472,000	1,320,200	(4,114,452)	161,737,333	165,337,083
Cash Return	5.93%	2.51%	3.31%	3.31%				

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}

Month	Fiscal Year 2008/09	Fiscal Year 2009/10	Fiscal Year 2009/10	Fiscal Year 2009/10	Fiscal Year 2009/10	Current Forecast	Fiscal Year 2008/09	Fiscal Year 2009/10
	Actual	Budget	Year-To-Date Actual	Current Forecast	Actual/Forecast vs. Budget	FY 2009/10 vs. FY 2008/09	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	4,480,716	4,480,716	785,716	(3,525,441)	165,185,000	167,890,000
May	9,019,060	3,894,500	5,105,963	5,105,963	1,211,463	(3,913,097)	166,460,000	169,130,000
June	9,586,452	4,151,800	5,472,000	5,472,000	1,320,200	(4,114,452)	167,720,000	169,200,000
Total	9,586,452	4,151,800	5,472,000	5,472,000	1,320,200	(4,114,452)	161,737,333	165,337,083
Cash Return	5.93%	2.51%	3.31%	3.31%				

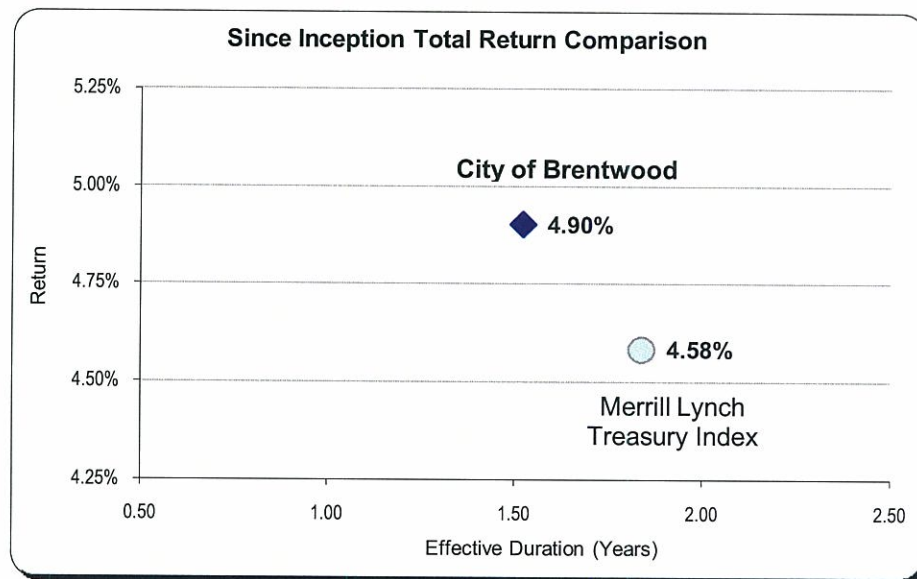
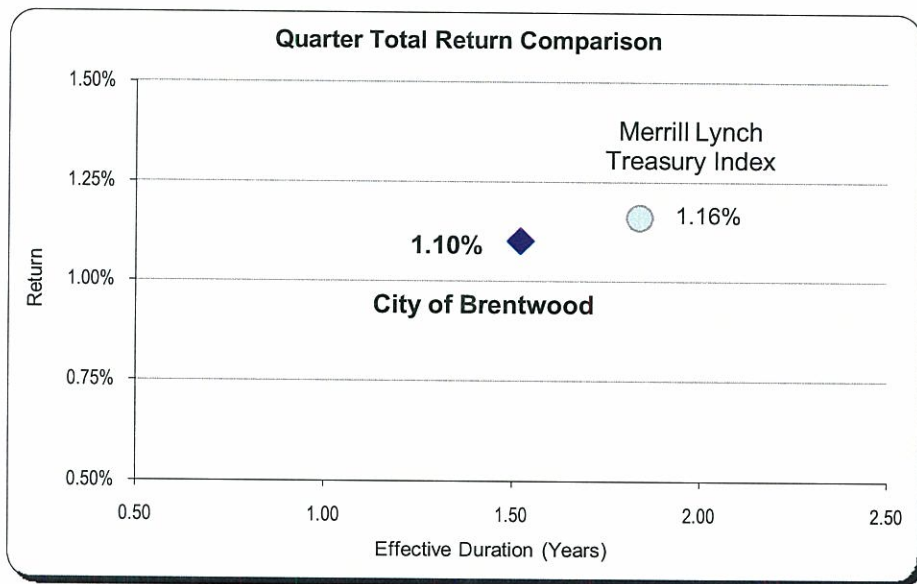
Notes:

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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.

Portfolio Performance

Total Return ^{1,2,3,4,5}	Quarter Ended June 30, 2010	Past Year	Past 3 Years	Past 5 Years	Since Inception
City of Brentwood	1.10%	2.95%	5.23%	4.63%	4.90%
Merrill Lynch Treasury Index	1.16%	2.69%	4.77%	4.24%	4.58%

<u>Effective Duration</u> ^{4,5,6}	<u>June 30, 2010</u>	<u>March 31, 2010</u>	<u>Yields</u>	<u>June 30, 2010</u>	<u>March 31, 2010</u>
City of Brentwood	1.52	1.79	Yield at Market	0.89%	1.19%
Merrill Lynch Treasury Index	1.82	1.84	Yield on Cost	1.46%	1.76%

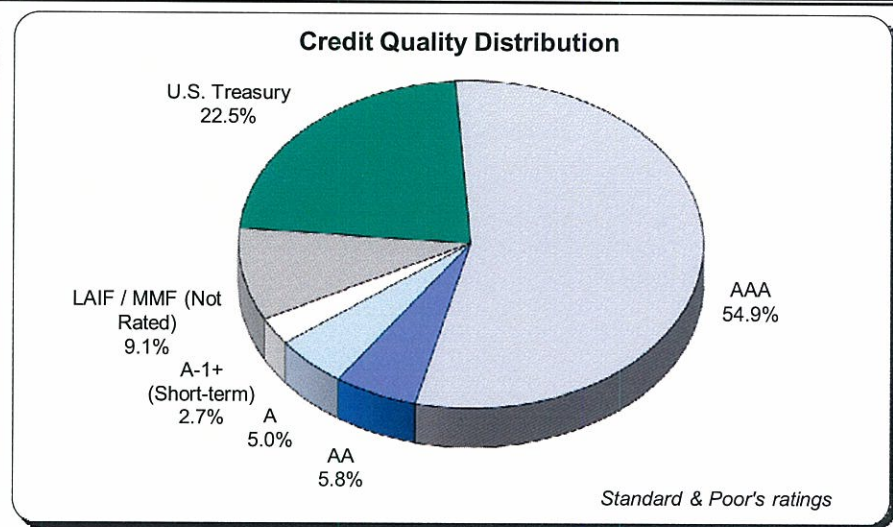
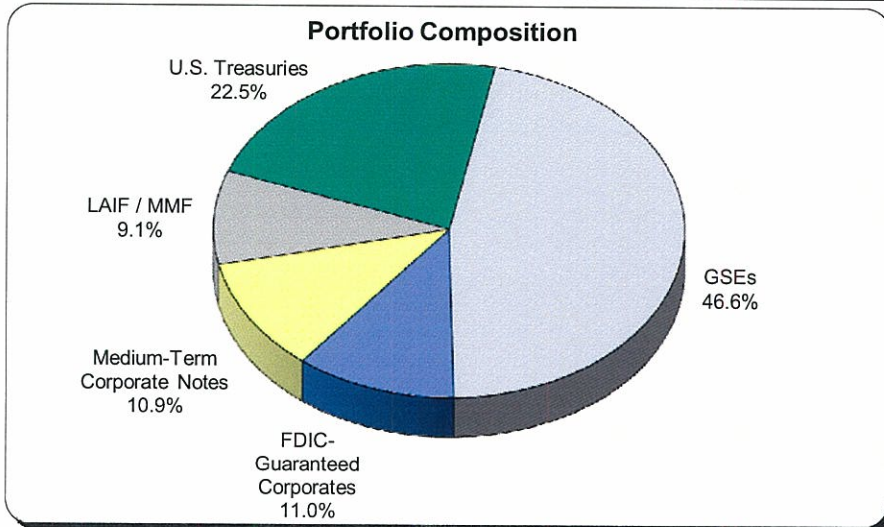


Notes:

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

<u>Security Type¹</u>	<u>June 30, 2010</u>	<u>% of Portfolio</u>	<u>March 31, 2010</u>	<u>% of Portfolio</u>	<u>Permitted by Policy</u>
U.S. Treasuries	\$42,591,007.16	22.5%	\$56,074,107.53	31.7%	100%
Federal Agencies	\$108,956,760.16	57.6%	\$93,562,873.03	53.0%	100%
GSEs ²	\$88,181,093.50	46.6%	\$70,314,474.22	39.8%	100%
FDIC-Guaranteed Corporates ³	\$20,775,666.66	11.0%	\$23,248,398.81	13.2%	100%
Commercial Paper	\$0.00	0.0%	\$0.00	0.0%	25%
Certificates of Deposit	\$0.00	0.0%	\$0.00	0.0%	30%
Bankers' Acceptances	\$0.00	0.0%	\$0.00	0.0%	40%
Repurchase Agreements	\$0.00	0.0%	\$0.00	0.0%	100%
California Municipal Obligations	\$0.00	0.0%	\$0.00	0.0%	100%
Medium-Term Corporate Notes	\$20,550,963.32	10.9%	\$20,326,919.93	11.5%	30%
Money Market Fund/Cash	\$348,478.52	0.2%	\$606,091.10	0.3%	15%
LAIF	\$16,781,354.97	8.9%	\$6,114,319.30	3.5%	\$50 Million
Totals	\$189,228,564.13	100.0%	\$176,684,310.89	100.0%	

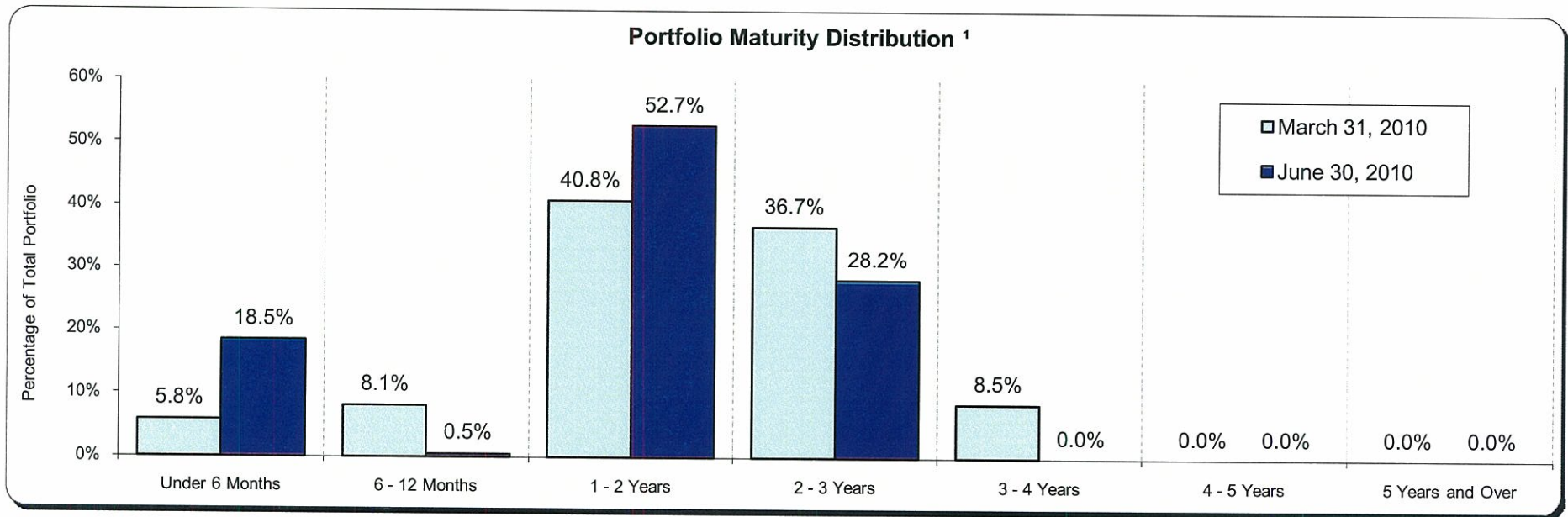


Notes:

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

<u>Maturity Distribution</u> ¹	<u>June 30, 2010</u>	<u>March 31, 2010</u>
Under 6 Months	\$34,967,869.53	\$10,288,645.73
6 - 12 Months	\$1,000,533.03	\$14,335,956.16
1 - 2 Years	\$99,813,052.93	\$72,110,163.51
2 - 3 Years	\$53,447,108.64	\$64,886,436.12
3-4 Years	\$0.00	\$15,063,109.37
4 - 5 Years	\$0.00	\$0.00
5 Years and Over	\$0.00	\$0.00
Totals	\$189,228,564.13	\$176,684,310.89



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 **June 30, 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 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	7,540.98	3,001,496.10	3,020,625.00
US TREASURY NOTES DTD 10/31/2009 1.000% 10/31/2011	912828LT5	1,485,000.00	TSY	TSY	05/04/10	05/05/10	1,491,264.84	0.71	2,501.90	1,490,614.41	1,495,383.12
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	4,738.32	2,130,387.49	2,157,513.40
US TREASURY NOTES DTD 12/31/2009 1.000% 12/31/2011	912828ML1	4,400,000.00	TSY	TSY	04/06/10	04/12/10	4,398,968.75	1.01	119.57	4,399,112.30	4,432,142.00
US TREASURY NOTES DTD 01/31/2010 0.875% 01/31/2012	912828MJ6	1,500,000.00	TSY	TSY	04/06/10	04/12/10	1,494,843.75	1.07	5,474.79	1,495,472.94	1,507,968.00
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	39,259.67	7,614,809.51	7,703,907.20
US TREASURY NOTES DTD 02/28/2010 0.875% 02/29/2012	912828MO0	5,065,000.00	TSY	TSY	03/25/10	03/30/10	5,049,567.58	1.04	14,813.06	5,051,588.44	5,092,097.75
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	6,284.15	2,509,911.70	2,518,950.00
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	7,593.49	2,624,878.23	2,664,477.54
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	16,928.19	4,171,710.37	4,249,409.15
Security Type Sub-Total		34,490,000.00					34,510,663.09	1.16	105,254.12	34,489,981.49	34,842,473.16
U.S. Treasury Bill											
US TREASURY BILL -- 0.000% 08/19/2010	912795V65	7,645,000.00	TSY	TSY	06/22/10	06/23/10	7,643,789.54	0.10	0.00	7,643,959.44	7,643,279.88
Security Type Sub-Total		7,645,000.00					7,643,789.54	0.10	0.00	7,643,959.44	7,643,279.88
U.S. Government Supported Corporate Debt											



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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
U.S. Government Supported Corporate Debt											
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	15,000.00	3,994,122.60	4,126,284.00
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	7,944.44	3,998,164.88	4,145,588.00
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	55,247.50	4,490,922.84	4,557,395.43
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	34,627.50	5,160,146.29	5,263,303.05
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	9,001.74	2,497,206.50	2,561,275.00
Security Type Sub-Total		20,040,000.00					20,194,290.70	2.38	121,821.18	20,140,563.11	20,653,845.48
Federal Agency Discount Note											
FHLB DISC NOTE -- 0.000% 08/20/2010	313385C61	5,070,000.00	A-1+	P-1	06/22/10	06/22/10	5,069,002.90	0.12	0.00	5,069,154.98	5,068,720.74
Security Type Sub-Total		5,070,000.00					5,069,002.90	0.12	0.00	5,069,154.98	5,068,720.74
Federal Agency Bond / Note											
FHLB BONDS (FLOATING) DTD 02/12/2010 0.260% 08/12/2011	3133XWZP7	2,500,000.00	AAA	Aaa	04/13/10	04/14/10	2,495,625.00	0.29	343.06	2,496,421.63	2,498,242.50
FHLMC MTN (FLOATING) DTD 03/19/2010 0.308% 09/19/2011	3128X9Z86	5,000,000.00	AAA	Aaa	04/01/10	04/05/10	4,995,580.00	0.26	512.50	4,996,589.00	4,998,730.00
FNMA GLOBAL 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	17,441.67	2,600,257.30	2,600,812.50
FNMA NOTES (CALLABLE) DTD 04/19/2010 1.400% 04/19/2012	31398AM41	2,500,000.00	AAA	Aaa	05/07/10	05/10/10	2,499,750.00	1.41	7,000.00	2,499,769.63	2,500,781.25
FHLMC GLOBAL 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	19,593.75	9,485,501.10	9,574,005.00



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Federal Agency Bond / Note											
FNMA NOTES (CALLABLE) DTD 05/25/2010 1.300% 05/25/2012	31398AS37	5,530,000.00	AAA	Aaa	05/24/10	05/25/10	5,534,424.00	1.26	7,189.00	5,533,982.93	5,561,106.25
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	3,138.33	4,048,211.48	4,114,439.06
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	5,950.00	7,645,249.20	7,800,609.38
FNMA GLOBAL NOTES DTD 04/19/2010 1.250% 06/22/2012	31398AP71	5,640,000.00	AAA	Aaa	05/05/10	05/06/10	5,649,136.80	1.17	1,762.50	5,648,474.44	5,692,875.00
FNMA GLOBAL NOTES DTD 04/19/2010 1.250% 06/22/2012	31398AP71	8,000,000.00	AAA	Aaa	04/15/10	04/19/10	7,990,960.00	1.30	2,500.00	7,991,747.44	8,075,000.00
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	21,556.35	3,182,806.67	3,205,934.38
FHLB GLOBAL BONDS 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	7,525.00	1,198,834.88	1,223,250.00
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	15,553.82	2,667,935.18	2,709,109.38
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	20,000.00	5,000,000.00	5,012,500.00
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	19,439.58	3,096,167.56	3,160,062.50
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	40,133.33	10,525,820.03	10,709,947.50
FNMA NOTES (CALLABLE) DTD 05/06/2010 1.875% 05/06/2013	31398AO54	3,440,000.00	AAA	Aaa	05/05/10	05/06/10	3,438,280.00	1.89	9,854.17	3,438,365.55	3,475,475.00
Security Type Sub-Total		81,975,000.00					82,078,942.00	1.41	199,493.06	82,056,134.02	82,912,879.70
Corporate Note											
CREDIT SUISSE USA INC GL FRN (LIB3+19) DTD 03/02/2006 0.726% 03/02/2011	225434AE9	1,000,000.00	A+	Aa1	04/08/08	04/11/08	976,705.00	4.12	585.03	989,845.58	999,948.00



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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	41,055.00	4,424,387.20	4,430,474.82
GENERAL ELECTRIC CAPITAL CORP (FLOAT) NT DTD 11/01/2006 0.474% 11/01/2012	36962GZ49	5,650,000.00	AA+	Aa2	04/08/10	04/13/10	5,546,153.00	1.11	4,437.06	5,554,552.46	5,504,874.10
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	13,455.56	998,909.41	1,011,104.00
JP MORGAN CHASE NOTE DTD 04/28/2008 4.750% 05/01/2013	46625HBB9	4,190,000.00	A+	Aa3	01/20/10	01/25/10	4,493,481.70	2.43	33,170.83	4,454,657.24	4,469,917.14
US BANKCORP NOTE 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	3,777.78	3,995,076.72	4,038,164.00
Security Type Sub-Total		19,980,000.00					20,484,810.10	2.05	96,481.26	20,417,428.61	20,454,482.06
Managed Account Sub-Total		169,200,000.00					169,981,498.33	1.45	523,049.62	169,817,221.65	171,575,681.02
Securities Sub-Total		\$169,200,000.00					\$169,981,498.33	1.45%	\$523,049.62	\$169,817,221.65	\$171,575,681.02
Accrued Interest											\$523,049.62
Total Investments											\$172,098,730.64