

EXHIBIT A

SCOPE OF SERVICES

- A. Provide full-time full-time management of the City's investment portfolio and effectively invest the City's portfolio pursuant to the current investment policy and developed cash flow/maturity analysis schedule. All securities and funds under management of the Adviser shall be held in the name of the City, and shall be held by the City's Safekeeping Agent.
- B. Develop and implement investment strategies that will enhance portfolio performance under current and future market conditions within the parameters of the City's Investment Policy, California State law and cash flow needs.
- C. Provide technical and fundamental market research including yield curve analysis.
- D. Obtain and document competitive pricing for security transactions.
- E. Manage and document trade settlements.
- F. Assist City staff in reviewing and updating at least annually the City's Investment Policy and Cash Flow Forecast.
- G. Perform due diligence reviews of all current and proposed broker/dealers.
- H. Monitor the creditworthiness of the City's depository and custodian bank and the investments in the portfolio.
- I. Work with the City in developing and maintaining a cash flow forecasting system to determine investment requirements.
- J. Provide monthly investment reports for the portfolio detailing securities holdings, daily activity reconciliation, portfolio composition and sector analyses, portfolio return and weighted average maturities. Reports should consolidate funds under control of Adviser and funds held by City in LAIF or similar authorized investment pools.
- K. Provide separate semi-annual and annual portfolio performance reports.
- L. Provide electronic access to portfolio information including up-to-date market pricing.
- M. Provide training to staff on cash, treasury and investment management subjects.
- N. Meet with City investment and management staff at least quarterly, and as required with City Council Finance Committee.

EXHIBIT B
FEE SCHEDULE

Assets Under Management	Fee in Basis Points (bps")
First \$100 million	6 bps (0.06%)
Assets over \$100 million	5 bps (0.05%)

Minimum annual fee of \$40,000 applies to all accounts.