

# Semi-Annual Report

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FEBRUARY 28, 2011

CALIFORNIA TAX-FREE INCOME FUND

CALIFORNIA INSURED INTERMEDIATE FUND

CALIFORNIA TAX-FREE MONEY MARKET FUND

U.S. GOVERNMENT SECURITIES FUND

SHORT-TERM U.S. GOVERNMENT BOND FUND

THE UNITED STATES TREASURY TRUST

S&P 500 INDEX FUND

S&P MIDCAP INDEX FUND

S&P SMALLCAP INDEX FUND

EQUITY INCOME FUND

EUROPEAN GROWTH & INCOME FUND

NASDAQ-100 INDEX FUND

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This report is intended only for the information of shareholders or those who have received the offering prospectus covering shares of beneficial interest of California Investment Trust Fund Group which contains information about the management fee and other costs. Investments in shares of the funds of California Investment Trust Fund Group are neither insured nor guaranteed by the U.S. Government, and there is no assurance that any Fund which is a Money Market Fund will be able to maintain a stable net asset value of \$1.00 per share.



**ABOUT YOUR FUND'S EXPENSES (UNAUDITED)**  
**FEBRUARY 28, 2011**

We believe it is important for you to understand the impact of costs on your investment. All mutual funds have operating expenses. As a shareholder of a Fund, you incur two types of costs: (1) transaction costs, including sales charges (loads) on purchase payments, reinvested dividends, or other distributions; redemption fees if any; and exchange fees; and (2) ongoing costs, including management fees, distribution fees and other Fund expenses. Operating expenses, which are deducted from a Fund's gross income, directly reduce the investment return of the Fund. A fund's expenses are expressed as a percentage of its average net assets. This figure is known as the expense ratio. The following examples are intended to help you understand the ongoing costs (in dollars) of investing in a Fund and to compare these costs with the ongoing costs of investing in other mutual funds. The examples below are based on an investment of \$1,000 made at the beginning of the period shown and held for the entire period.

The table below illustrates the Funds' costs in two ways:

**Actual fund return** - This line helps you to estimate the actual expenses that you paid over the period. The "Ending Account Value" shown is derived from a Fund's actual return, and the third column shows the dollar amount that would have been paid by an investor who started with \$1,000 in the Fund. You may use the information here, together with the amount you invested, to estimate the expenses that you paid over the period.

To do so, simply divide your account value by \$1,000 (for example, an \$8,600 account value divided by \$1,000 = 8.6), then multiply the result by the number given for the Fund under the heading "Expenses Paid During Period."

**Hypothetical 5% Return** - This line is intended to help you compare a Fund's costs with those of other mutual funds. It assumes that the Fund had a return of 5% before expenses during the period shown, but that the expense ratio is unchanged. In this case, because the return used is not the Fund's actual return, the results do not apply to your investment. The example is useful in making comparisons because the Securities and Exchange Commission requires all mutual funds to calculate expenses based on a 5% return. You can assess a Fund's costs by comparing this hypothetical example with the hypothetical examples that appear in shareholder reports of other funds.

Note the expenses shown in the table are meant to highlight and help you compare ongoing costs only and do not reflect any transactional costs. None of the Funds charge a sales load except Class A and Class B. Therefore, the information under the heading "Based on Hypothetical 5% Return before expenses" is useful in comparing ongoing costs only, and will not help you determine the relative total costs of owning different funds.

The calculations assume no shares were bought or sold during the period. Your actual costs may have been higher or lower, depending on the amount of your investment and the timing of any purchases or redemptions.

More information about a Fund's expenses, including annual expense ratios since inception, can be found in this report. For additional information on operating expenses and other shareholder costs, please refer to the Fund's prospectus.

	<b>Beginning Account Value September 1, 2010</b>	<b>Ending Account Value February 28, 2011</b>	<b>Expenses Paid During Period*</b>	<b>Net Annual Expense Ratio</b>
<b>CALIFORNIA TAX-FREE INCOME FUND</b>				
Direct Shares				
Based on Actual Fund Return	\$1,000	\$ 967	\$3.56	0.73%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,021	\$3.66	0.73%
<b>CALIFORNIA INSURED INTERMEDIATE FUND</b>				
Direct Shares				
Based on Actual Fund Return	\$1,000	\$ 987	\$3.35	0.68%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,022	\$3.41	0.68%
<b>CALIFORNIA TAX-FREE MONEY MARKET FUND</b>				
Direct Shares				
Based on Actual Fund Return	\$1,000	\$1,000	\$2.63	0.53%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,022	\$2.66	0.53%
<b>U.S. GOVERNMENT SECURITIES FUND</b>				
Direct Shares				
Based on Actual Fund Return	\$1,000	\$ 980	\$3.63	0.74%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,021	\$3.71	0.74%
K Shares				
Based on Actual Fund Return	\$1,000	\$ 978	\$6.08	1.24%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,019	\$6.21	1.24%
A Shares				
Based on Actual Fund Return	\$1,000	\$ 979	\$4.86	0.99%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,020	\$4.96	0.99%
B Shares				
Based on Actual Fund Return	\$1,000	\$ 977	\$7.30	1.49%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,018	\$7.46	1.49%
<b>SHORT-TERM U.S. GOVERNMENT BOND FUND</b>				
Direct Shares				
Based on Actual Fund Return	\$1,000	\$1,000	\$2.93	0.59%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,022	\$2.96	0.59%
K Shares				
Based on Actual Fund Return	\$1,000	\$ 997	\$5.40	1.09%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,020	\$5.46	1.09%

**ABOUT YOUR FUND'S EXPENSES (UNAUDITED)**  
**FEBRUARY 28, 2011 – (CONTINUED)**

	<b>Beginning Account Value September 1, 2010</b>	<b>Ending Account Value February 28, 2011</b>	<b>Expenses Paid During Period*</b>	<b>Net Annual Expense Ratio</b>
<b>THE UNITED STATES TREASURY TRUST</b>				
Direct Shares				
Based on Actual Fund Return	\$1,000	\$1,000	\$2.63	0.53%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,022	\$2.66	0.53%
K Shares				
Based on Actual Fund Return	\$1,000	\$1,000	\$5.11	1.03%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,020	\$5.16	1.03%
<b>S&amp;P 500 INDEX FUND</b>				
Direct Shares				
Based on Actual Fund Return	\$1,000	\$1,275	\$2.03	0.36%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,023	\$1.81	0.36%
K Shares				
Based on Actual Fund Return	\$1,000	\$1,272	\$4.84	0.86%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,021	\$4.31	0.86%
<b>S&amp;P MIDCAP INDEX FUND</b>				
Direct Shares				
Based on Actual Fund Return	\$1,000	\$1,344	\$3.37	0.58%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,022	\$2.91	0.58%
K Shares				
Based on Actual Fund Return	\$1,000	\$1,341	\$6.27	1.08%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,020	\$5.41	1.08%
<b>S&amp;P SMALLCAP INDEX FUND</b>				
Direct Shares				
Based on Actual Fund Return	\$1,000	\$1,361	\$4.33	0.74%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,021	\$3.71	0.74%
K Shares				
Based on Actual Fund Return	\$1,000	\$1,358	\$7.25	1.24%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,019	\$6.21	1.24%
<b>EQUITY INCOME FUND</b>				
Direct Shares				
Based on Actual Fund Return	\$1,000	\$1,272	\$4.96	0.88%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,021	\$4.41	0.88%
K Shares				
Based on Actual Fund Return	\$1,000	\$1,269	\$7.76	1.38%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,018	\$6.90	1.38%
A Shares				
Based on Actual Fund Return	\$1,000	\$1,270	\$6.36	1.13%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,019	\$5.66	1.13%
B Shares				
Based on Actual Fund Return	\$1,000	\$1,268	\$9.17	1.63%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,017	\$8.15	1.63%
<b>EUROPEAN GROWTH &amp; INCOME FUND</b>				
Direct Shares				
Based on Actual Fund Return	\$1,000	\$1,214	\$5.49	1.00%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,020	\$5.01	1.00%
K Shares				
Based on Actual Fund Return	\$1,000	\$1,212	\$8.23	1.50%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,018	\$7.51	1.50%
<b>NASDAQ-100 INDEX FUND</b>				
Direct Shares				
Based on Actual Fund Return	\$1,000	\$1,332	\$2.83	0.49%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,023	\$2.46	0.49%
K Shares				
Based on Actual Fund Return	\$1,000	\$1,328	\$5.71	0.99%
Based on Hypothetical 5% Return before expenses	\$1,000	\$1,020	\$4.96	0.99%

\* Expenses are equal to the Fund's annual expense ratio, multiplied by the average account value over the period, multiplied by the number of days in the most recent fiscal half-year, then divided by 365.

**CALIFORNIA TAX-FREE INCOME FUND**

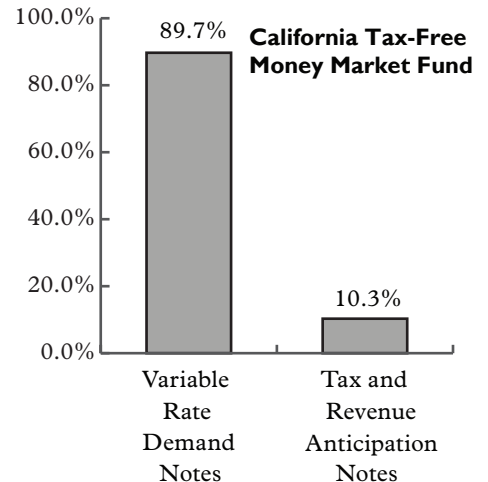
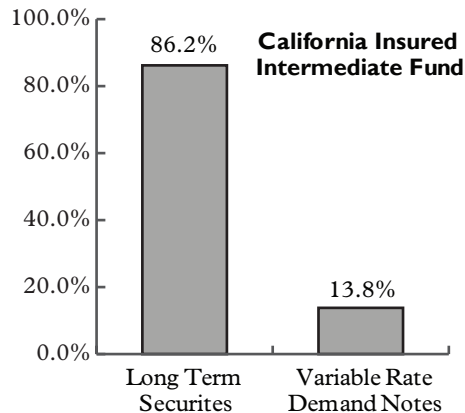
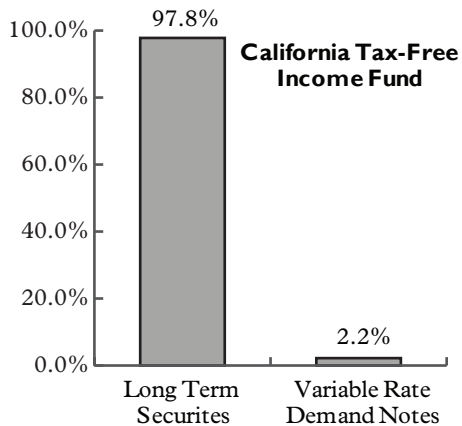
Security	Description	Market Value	Percentage of Total Investment
1 LOS ANGELES COMMUNITIES REDEVELOPMENT AGENCY	Bunker Hill Project; Series A	\$4,052,999	4.1%
2 CALIFORNIA, STATE OF	General Obligation Bonds; 2005	4,010,159	4.1%
3 SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	Multiple Project Revenue Bonds; Series 1989	4,004,946	4.1%
4 RIVERSIDE COUNTY PALM DESERT FINANCING AUTHORITY	Lease Revenue Bonds; Series A	3,191,760	3.3%
5 UNIVERSITY OF CALIFORNIA	Limited Project Revenue Bonds; 2007 Series D	3,181,800	3.3%
6 EAST SIDE UNION HIGH SCHOOL DISTRICT	Santa Clara County; Ref-2012 Crossover	3,174,890	3.2%
7 CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY	Revenue Bonds (Occidental College); Series 2005A	3,118,221	3.2%
8 CALIFORNIA DEPARTMENT OF PUBLIC WORKS BOARD	Lease Revenue Bonds; Series I-1	3,071,580	3.1%
9 NEWPORT BEACH, CITY OF	Refunding Revenue Bonds; Hoag Memorial Hospital Presbyterian	3,000,510	3.1%
10 KERN HIGH SCHOOL DISTRICT	Series General Obligation Refunding Bonds; 2004 Series A	2,926,472	3.0%

**CALIFORNIA INSURED INTERMEDIATE FUND**

Security	Description	Market Value	Percentage of Total Investment
1 SAN FRANCISCO CITY & COUNTY PUBLIC UTILITIES COMMISSION	Water Revenue Bonds; Series 2001 A	\$722,086	5.8%
2 MONTEREY, COUNTY OF	Certificates of Participation	612,126	5.0%
3 EASTERN MUNICIPAL WATER DISTRICT	Water and Sewer Revenue; Series 2010 A	557,865	4.5%
4 NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT	2005 General Obligation Refunding Bonds	556,700	4.5%
5 BEVERLY HILLS PUBLIC FINANCIAL AUTHORITY	Lease Revenue Refunding; Series A	540,365	4.4%
6 SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	San Juan Power Project 2002 Refunding; Series A	539,800	4.4%
7 SAN FRANCISCO CITY & COUNTY PUBLIC UTILITIES COMMISSION	Clean Water Revenue Bonds; 2003 Refunding Series A	533,785	4.3%
8 FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT	General Obligation Refunding Bonds 2005	533,655	4.3%
9 SAN BERNARDINO, COUNTY OF	Certificates of Participation; Series 2002 A	530,355	4.3%
10 NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT	General Obligation Bonds; 2002 Series A	530,025	4.3%

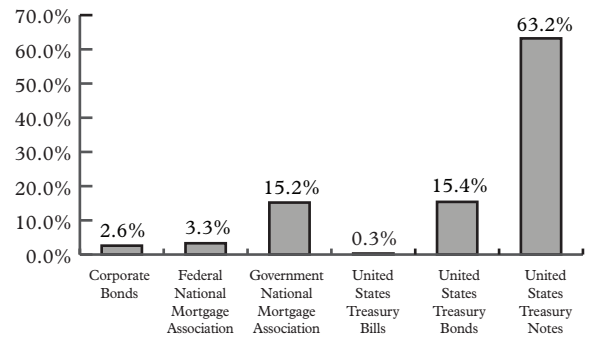
**CALIFORNIA TAX-FREE MONEY MARKET FUND**

Security	Description	Market Value	Percentage of Total Investment
1 SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION	Sales Tax Revenue Bonds; 2008 Series B	\$2,800,000	4.8%
2 CALIFORNIA MUNICIPAL FINANCE AUTHORITY	Refunding Revenue Bonds; Chevron USA Inc, Series 2005	2,600,000	4.5%
3 LOS ANGELES DEPARTMENT OF WATER & POWER	Power System; Subseries A-7	2,600,000	4.5%
4 SOUTH PLACER WASTEWATER AUTHORITY	Refunding Wastewater Revenue Bonds; 2008 Series A	2,500,000	4.3%
5 LOS ANGELES DEPARTMENT OF WATER & POWER	Water System; Subseries B-2	2,300,000	3.9%
6 CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY	Catholic Healthcare West Loan Program; 2005 Series H	2,200,000	3.8%
7 CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY	Refunding Revenue Bonds; Exxon Mobil, Series 2000	2,200,000	3.8%
8 METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA	Water Revenue Bonds, 2000 Authorization; Series B-3	2,200,000	3.8%
9 SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY	Power Project Revenue Bonds; 2008 Subordinate Refunding Series B	2,200,000	3.8%
10 SANTA CLARA COUNTY FINANCING AUTHORITY	Multiple Facilities Project	2,195,000	3.8%



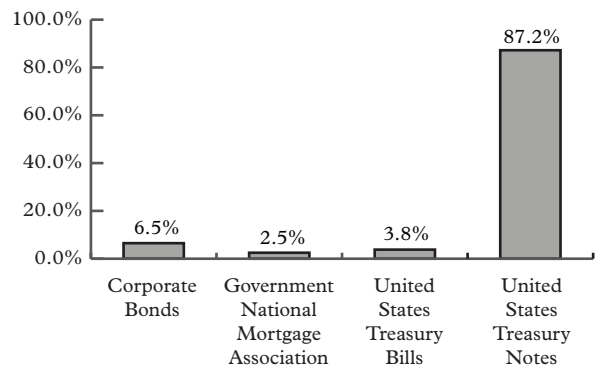
**U.S. GOVERNMENT SECURITIES FUND**

Security	Maturity	Market Value	Percentage of Total Investment
1 United States Treasury Note	3/31/2011	\$7,228,410	18.3%
2 United States Treasury Note	6/30/2017	3,970,624	10.1%
3 United States Treasury Note	11/15/2018	3,905,235	9.9%
4 United States Treasury Bond	5/15/2016	3,752,109	9.5%
5 United States Treasury Note	2/15/2015	3,604,478	9.1%
6 United States Treasury Note	8/31/2011	3,475,307	8.8%
7 United States Treasury Bond	5/15/2038	2,315,454	5.9%
8 Government National Mortgage Association	4/15/2036	1,876,951	4.8%
9 Government National Mortgage Association	3/15/2038	1,645,317	4.2%
10 United States Treasury Note	5/15/2014	1,466,357	3.7%



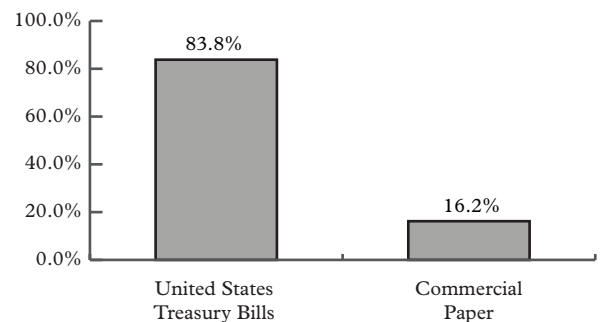
**SHORT-TERM U.S. GOVERNMENT BOND FUND**

Security	Maturity	Market Value	Percentage of Total Investment
1 United States Treasury Note	6/15/2012	\$1,427,344	9.0%
2 United States Treasury Note	11/15/2012	1,419,359	9.0%
3 United States Treasury Note	1/15/2013	1,216,687	7.7%
4 United States Treasury Note	1/15/2012	1,108,293	7.0%
5 Citigroup Funding	10/22/2012	1,020,758	6.5%
6 United States Treasury Note	7/15/2012	1,015,508	6.4%
7 United States Treasury Note	10/15/2012	1,013,828	6.4%
8 United States Treasury Note	9/15/2012	1,013,789	6.4%
9 United States Treasury Note	12/15/2012	1,009,336	6.4%
10 United States Treasury Note	8/15/2012	917,332	5.8%



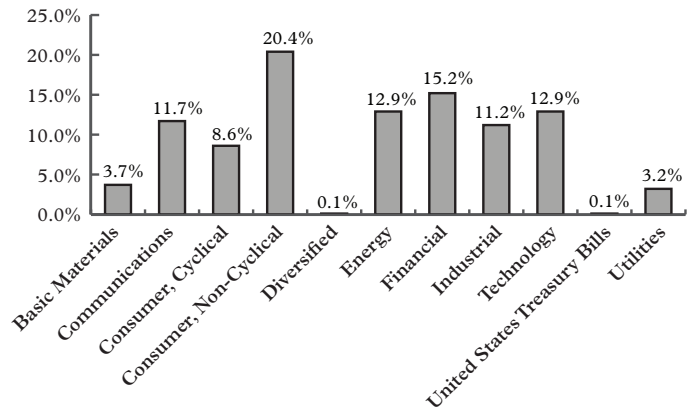
**THE UNITED STATES TREASURY TRUST**

Security	Maturity	Market Value	Percentage of Total Investment
1 United States Treasury Bills	3/24/2011	\$12,399,004	20.0%
2 Straight-A-Funding	3/1/2011	9,999,931	16.2%
3 United States Treasury Bills	5/5/2011	9,697,460	15.7%
4 United States Treasury Bills	3/10/2011	8,399,705	13.6%
5 United States Treasury Bills	3/3/2011	7,799,970	12.6%
6 United States Treasury Bills	4/21/2011	7,198,975	11.6%
7 United States Treasury Bills	3/17/2011	5,199,815	8.4%
8 United States Treasury Bills	4/28/2011	1,199,752	1.9%



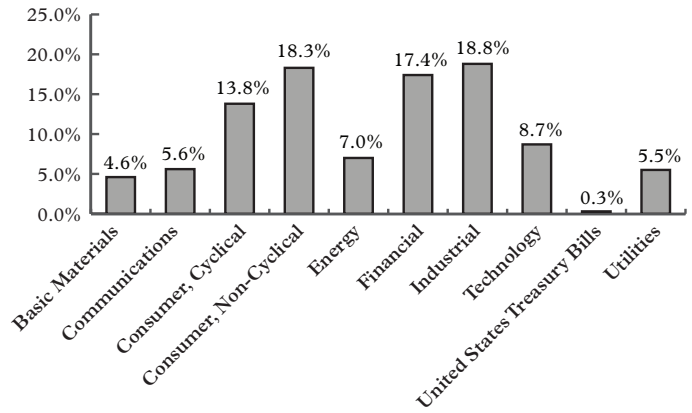
**S&P 500 INDEX FUND**

Security	Market Value	Percentage of Total Investment
1 Exxon Mobil Corp	\$2,999,536	3.3%
2 Apple Inc.	2,056,741	2.3%
3 General Electric Co	1,699,875	1.9%
4 Chevron Corp	1,588,412	1.7%
5 International Business Machines Corp	1,522,966	1.7%
6 Microsoft Corp	1,509,770	1.7%
7 JPMorgan Chase & Co	1,404,107	1.5%
8 Procter & Gamble Co	1,334,894	1.5%
9 Johnson & Johnson	1,293,680	1.4%
10 AT&T Inc	1,278,036	1.4%



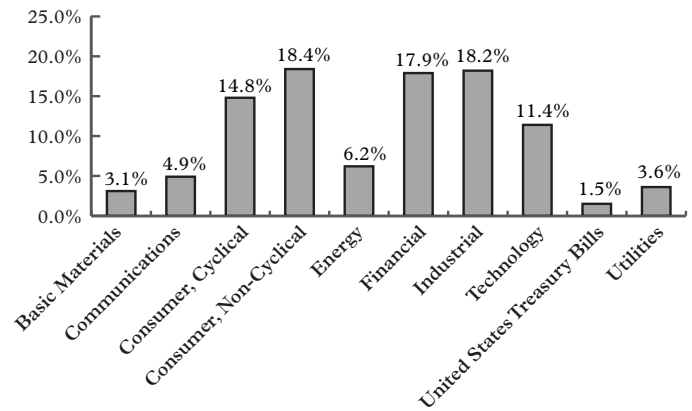
**S&P MIDCAP INDEX FUND**

Security	Market Value	Percentage of Total Investment
1 Joy Global Inc	\$1,264,578	0.9%
2 Cimarex Energy Co	1,230,863	0.9%
3 Edwards Lifesciences	1,221,004	0.8%
4 F5 Networks Inc	1,187,299	0.8%
5 Newfield Exploration	1,183,784	0.8%
6 Vertex Pharmaceuticals Inc	1,141,315	0.8%
7 NetFlix Inc	1,132,138	0.8%
8 BorgWarner Inc	1,072,182	0.7%
9 New York Community Bancorp Inc	984,819	0.7%
10 Chipotle Mexican Grill	936,390	0.6%



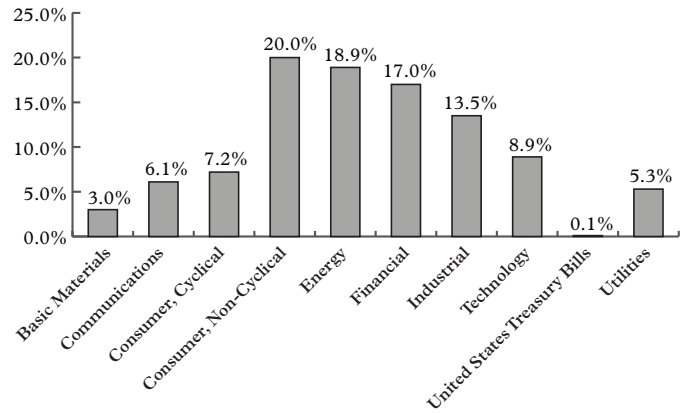
**S&P SMALLCAP INDEX FUND**

Security	Market Value	Percentage of Total Investment
1 United States T-Bill 6/2/2011	\$499,830	1.5%
2 Triumph Group Inc	425,502	1.3%
3 SEACOR Holdings Inc	388,082	1.2%
4 Oil States International Inc	255,783	0.8%
5 Cypress Semiconductor Corp	241,689	0.7%
6 Varian Semiconductor	240,791	0.7%
7 World Fuel Services	199,077	0.6%
8 AMERIGROUP Corp	197,168	0.6%
9 Cooper Cos Inc	196,216	0.6%
10 CARBO Ceramics Inc	186,078	0.6%



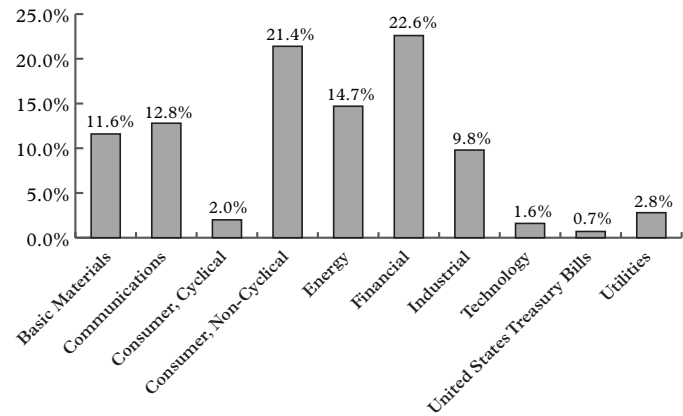
**EQUITY INCOME FUND**

Security	Market Value	Percentage of Total Investment
1 Chevron Corp	\$6,071,864	3.6%
2 Caterpillar Inc	4,255,331	2.5%
3 Exxon Mobil Corp	4,014,435	2.4%
4 JPMorgan Chase & Co	3,744,444	2.2%
5 Goldman Sachs Group	3,480,324	2.1%
6 Morgan Stanley	3,278,155	1.9%
7 Apache Corp	3,193,512	1.9%
8 BP PLC	3,016,288	1.8%
9 Baker Hughes Inc	2,845,908	1.7%
10 Pfizer Inc	2,661,969	1.6%



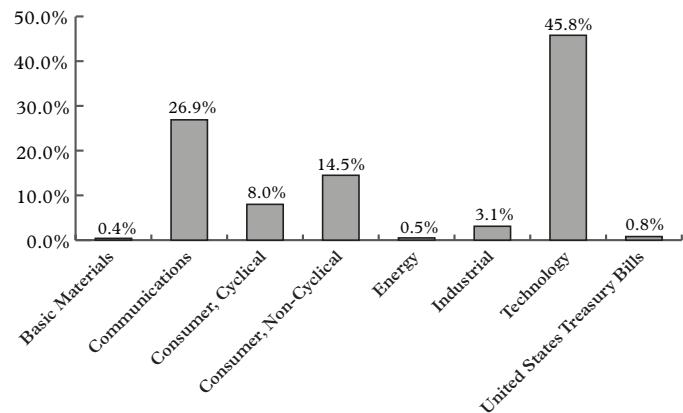
**EUROPEAN GROWTH & INCOME FUND**

Security	Market Value	Percentage of Total Investment
1 Siemens AG ADR	\$1,107,112	8.0%
2 Nestle SA ADR	702,767	5.1%
3 Vodafone Group PLC ADR	664,928	4.8%
4 HSBC Holdings PLC ADR	637,116	4.6%
5 BP PLC ADR	624,100	4.5%
6 Novartis AG ADR	605,296	4.4%
7 Royal Dutch Shell ADR	521,645	3.8%
8 Total SA ADR	506,215	3.7%
9 Telefonica SA ADR	472,917	3.4%
10 Banco Santander ADR	454,583	3.3%



**NASDAQ-100 INDEX FUND**

Security	Market Value	Percentage of Total Investment
1 Apple Inc.	\$5,096,113	19.6%
2 Qualcomm Inc	1,473,116	5.7%
3 Google Inc	1,109,641	4.3%
4 Microsoft Corp	978,676	3.8%
5 Oracle Corp	838,555	3.2%
6 Amazon.Com Inc	623,844	2.4%
7 Intel Corp	506,585	1.9%
8 Cisco Systems Inc	463,109	1.8%
9 Comcast Corp	453,943	1.7%
10 Teva Pharmaceutical Industries Ltd ADR	449,848	1.7%



SECURITY DESCRIPTION	PAR VALUE	RATE	MATURITY	VALUE (NOTE 1)
<b>LONG-TERM SECURITIES (96.56%)</b>				
BAY AREA TOLL AUTHORITY				
San Francisco; Series F	\$ 500,000	5.000%	4/1/2031	\$ 500,865
San Francisco; Series F-1	2,000,000	5.000%	4/1/2034	1,951,740
CALIFORNIA DEPARTMENT OF PUBLIC WORKS BOARD				
Lease Revenue Bonds; Series I-1	3,000,000	6.125%	11/1/2029	3,071,580
CALIFORNIA DEPARTMENT OF WATER RESOURCES				
Water System Revenue Bonds, Central Valley J-1; Unrefunded	1,695,000	7.000%	12/1/2011	1,778,089
Water System Revenue Bonds, Central Valley J-3; Prerefunded	35,000	7.000%	12/1/2011	36,766
Water System Revenue Bonds, Central Valley J-3; Unrefunded	2,035,000	7.000%	12/1/2011	2,134,756
CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY				
Revenue Bonds (Occidental College); Series 2005A	3,165,000	5.000%	10/1/2030	3,118,221
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY				
UniHealth America; Certificates of Participation; 1993 Series A	2,160,000	5.500%	10/1/2014	2,375,525
CALIFORNIA, STATE OF				
General Obligation Bonds	2,000,000	5.000%	6/1/2033	1,884,600
General Obligation Bonds; 2005	4,000,000	5.000%	5/1/2027	4,010,159
Variable Purpose	2,000,000	5.000%	3/1/2028	1,997,720
Variable Purpose	3,000,000	5.000%	4/1/2038	2,762,160
CAMPBELL UNION HIGH SCHOOL DISTRICT				
Refunding Bonds	2,000,000	5.000%	8/1/2030	1,941,860
CUCAMONGA COUNTY WATER DISTRICT				
Water Facilities and Refinancing, 2001	1,080,000	5.000%	9/1/2016	1,097,161
EAST SIDE UNION HIGH SCHOOL DISTRICT				
Santa Clara County; Ref-2012 Crossover	2,975,000	5.250%	9/1/2023	3,174,890
ELSINORE VALLEY MUNICIPAL WATER DISTRICT				
Certificates of Participation	685,000	6.000%	7/1/2012	698,508
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT				
Election 1999; Series C	2,000,000	0.000%	8/1/2027	756,440
KERN HIGH SCHOOL DISTRICT				
General Obligation Refunding Bonds; 1996 Series A	2,555,000	6.600%	8/1/2016	2,657,788
Series General Obligation Refunding Bonds; 2004 Series A	2,890,000	5.000%	8/1/2026	2,926,472
LOS ANGELES COMMUNITIES REDEVELOPMENT AGENCY				
Bunker Hill Project; Series A	4,000,000	5.000%	12/1/2027	4,052,999
LOS ANGELES COUNTY METROPOLITAN TRANSPORTATION AUTHORITY				
Refunding Bonds; 2003 Series A	1,750,000	5.000%	7/1/2018	1,877,225
LOS ANGELES UNIFIED DISTRICT OF CALIFORNIA				
2005 General Obligation Refunding Bonds; Series A-1	2,000,000	5.000%	7/1/2020	2,134,420
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA				
Series C	1,000,000	5.000%	7/1/2035	1,006,710
Water System Revenue Bonds, 2005 Series A	2,000,000	5.000%	3/1/2016	2,215,840
M-S-R PUBLIC POWER AGENCY SAN JUAN PROJECT REVENUE				
San Juan Project Refunding Revenue Bonds; Series F	955,000	6.125%	7/1/2013	994,633
NEWPORT BEACH, CITY OF				
Refunding Revenue Bonds; Hoag Memorial Hospital Presbyterian	3,000,000	4.625%	12/1/2024	3,000,510
NOVATO UNIFIED SCHOOL DISTRICT				
General Obligation bonds; Election 2001; Series 2005	2,000,000	5.000%	8/1/2028	2,008,660
OAKLAND REDEVELOPMENT AGENCY				
Central District Redevelopment Project; Series 1992	1,060,000	5.500%	2/1/2014	1,069,084
RIVERSIDE COUNTY PALM DESERT FINANCING AUTHORITY				
Lease Revenue Bonds; Series A	3,000,000	6.000%	5/1/2022	3,191,760
ROSEVILLE NATURAL GAS FINANCING AUTHORITY				
Gas Revenue Bonds; Series 2007	1,000,000	5.000%	2/15/2024	937,220
ROSEVILLE WOODCREEK WEST				
Special Tax Refunding; Series 2005	1,000,000	5.000%	9/1/2030	869,340
SACRAMENTO CITY FINANCING AUTHORITY				
Capital Improvement: Series A	2,000,000	5.000%	12/1/2036	1,811,960
SADDLEBACK VALLEY UNIFIED SCHOOL DISTRICT PUBLIC FIN AUTH.				
Special Tax Revenue Bonds; 1996 Series A	1,575,000	6.000%	9/1/2016	1,789,799
SAN MARINO UNIFIED SCHOOL DISTRICT				
General Obligation Bonds; 1998 Series B	1,440,000	5.250%	7/1/2016	1,653,898
SANTA ANA UNIFIED SCHOOL DISTRICT				
Certificates of Participation	2,000,000	5.250%	4/1/2037	1,762,760
SANTA CLARA COUNTY FINANCING AUTHORITY				
Lease Revenue Refunding Bonds; 1997 Series A	2,000,000	6.000%	11/15/2012	2,156,000
Lease Revenue Refunding Bonds; 1997 Series A	1,750,000	5.750%	11/15/2013	1,931,895
Multiple Facilities Project	2,065,000	5.000%	11/15/2016	2,303,611

See accompanying notes to financial statements

SECURITY DESCRIPTION	PAR VALUE	RATE	MATURITY	VALUE (NOTE 1)
SANTA MARIA JOINT UNION HIGH SCHOOL DISTRICT Election 2004; Capital Appreciation Bonds	\$ 2,500,000	0.000%	8/1/2029	\$ 712,275
SANTA MONICA - MALIBU UNIFIED SCHOOL DISTRICT Election 2006; Series A	2,000,000	5.000%	8/1/2032	2,026,220
SONOMA COUNTY JUNIOR COLLEGE DISTRICT Election 2002; Series B	1,000,000	5.000%	8/1/2027	1,001,530
SONOMA, COUNTY OF Certificates of Participation; 2002 Series A	1,815,000	5.000%	11/15/2012	1,930,125
SOUTH COAST AIR QUALITY MANAGEMENT DISTRICT Installment Sale Revenue Bonds; Series 1992	900,000	6.000%	8/1/2011	911,304
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY Multiple Project Revenue Bonds; Series 1989	3,585,000	6.750%	7/1/2013	4,004,946
UNIVERSITY OF CALIFORNIA Limited Project Revenue Bonds; 2007 Series D	3,000,000	5.000%	5/15/2024	3,181,800
VAL VERDE UNIFIED SCHOOL DISTRICT Refunding and School Construction Project; 2005 Series B	635,000	5.000%	1/1/2024	722,243
School Construction Project; Unrefunded; 2005 Series B	1,345,000	5.000%	1/1/2024	1,278,786
WEST VALLEY MISSION COMMUNITY COLLEGE DISTRICT Election 2004; Series A	2,000,000	5.000%	8/1/2030	1,965,780
WILLIAM S. HART UNION HIGH SCHOOL DISTRICT Election 2001; Capital Appreciation Bonds, Series B	3,595,000	0.000%	9/1/2029	1,016,271
YUBA COUNTY LEVEE FINANCING AUTHORITY Levee Financing Project; Series A	1,305,000	5.000%	9/1/2038	<u>1,199,191</u>
<b>Total Long-Term Securities (Cost \$96,825,628)</b>				<u>95,594,095</u>
<b>VARIABLE RATE DEMAND NOTES* (2.22%)</b>				
SACRAMENTO COUNTY CALIFORNIA SANITATION DISTRICT Refunded Sub Lien-B	2,200,000	0.240%	3/1/2011	<u>2,200,000</u>
<b>Total Variable Rate Demand Notes (Cost \$2,200,000)</b>				<u>2,200,000</u>
<b>Total Investments (Cost \$99,025,628) (a) (98.78%)</b>				97,794,095
<b>Other Net Assets (1.22%)</b>				<u>1,207,640</u>
<b>Net Assets (100.00%)</b>				<u>\$ 99,001,735</u>

(a) Aggregate cost for federal income tax purposes is \$98,902,187.

At February 28, 2011, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

Unrealized appreciation	\$ 2,409,181
Unrealized depreciation	<u>(3,517,273)</u>
Net unrealized depreciation	<u>\$ (1,108,092)</u>

\* Stated maturity reflects next reset date.

SECURITY DESCRIPTION	PAR VALUE	RATE	MATURITY	VALUE (NOTE 1)
<b>LONG-TERM SECURITIES (85.13%)</b>				
BAY AREA INFRASTRUCTURE FINANCING AUTHORITY				
State Payment Acceleration Notes	\$ 500,000	5.000%	8/1/2017	\$ 504,110
BEVERLY HILLS PUBLIC FINANCIAL AUTHORITY				
Lease Revenue Refunding; Series A	500,000	5.250%	6/1/2013	540,365
CALIFORNIA STATE PUBLIC WORKS BOARD				
Lease Revenue Refunding Bonds; 2001 Series A	500,000	5.250%	6/1/2012	524,430
University of California Research Project	400,000	5.250%	11/1/2014	439,532
CHAFFEY UNION HIGH SCHOOL DISTRICT				
General Obligation Bonds; Series C	500,000	5.000%	5/1/2012	524,410
EASTERN MUNICIPAL WATER DISTRICT				
Water and Sewer Revenue; Series 2010 A	550,000	5.250%	7/1/2012	557,865
FOOTHILL-DE ANZA COMMUNITY COLLEGE DISTRICT				
General Obligation Refunding Bonds 2005	500,000	5.500%	8/1/2012	533,655
FRESNO, CITY OF				
Water System Revenue Refunding; Series A	500,000	6.000%	6/1/2011	506,870
JURUPA PUBLIC FINANCING AUTHORITY				
Revenue Bonds; 2010 Series A	500,000	4.000%	9/1/2017	510,635
KINGS RIVER CONSERVATION DISTRICT				
Pine Flat Power Revenue Refunding Bonds; Series G	250,000	3.200%	1/1/2019	252,905
LOS ANGELES DEPARTMENT OF WATER AND POWER				
Power Project Revenue Bond; 2001 Series A	500,000	5.250%	7/1/2014	507,045
LOS ANGELES UNIFIED SCHOOL DISTRICT				
2007 General Obligation Refunding Bonds	235,000	4.500%	1/1/2028	215,194
MONTEREY, COUNTY OF				
Certificates of Participation	600,000	5.250%	8/1/2014	612,126
NORTH ORANGE COUNTY COMMUNITY COLLEGE DISTRICT				
2005 General Obligation Refunding Bonds	500,000	5.000%	8/1/2014	556,700
General Obligation Bonds; 2002 Series A	500,000	5.000%	8/1/2012	530,025
SAN BERNARDINO, COUNTY OF				
Certificates of Participation; Series 2002 A	500,000	5.000%	7/1/2015	530,355
SAN FRANCISCO CITY & COUNTY PUBLIC UTILITIES COMMISSION				
Clean Water Revenue Bonds; 2003 Refunding Series A	500,000	5.250%	10/1/2015	533,785
Water Revenue Bonds; Series 2001 A	700,000	5.000%	11/1/2015	722,086
Water Revenue Refunding Bonds; Series B	500,000	5.000%	11/1/2013	528,965
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY				
San Juan Power Project 2002 Refunding; Series A	500,000	5.500%	1/1/2013	539,800
THE REGENTS OF THE UNIVERSITY OF CALIFORNIA				
Medical Center Pooled Revenue Bonds; Series A	500,000	5.000%	5/15/2028	<u>484,255</u>
<b>Total Long-Term Securities (Cost \$10,501,227)</b>				<u>10,655,113</u>
<b>VARIABLE RATE DEMAND NOTES* (13.58%)</b>				
CALIFORNIA STATE				
Kindergarten; Series A-5 Remarket	400,000	0.180%	3/1/2011	400,000
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY				
John Muir Health Revenue Bonds; Series 2008 C	500,000	0.170%	3/1/2011	500,000
IRVINE, CITY OF				
Limited Obligation Assesment District No 93-14	300,000	0.190%	3/1/2011	300,000
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA				
Water Revenue Bonds, 2000 Authorization; Series B-3	500,000	0.160%	3/1/2011	<u>500,000</u>
<b>Total Variable Rate Demand Notes (Cost \$1,700,000)</b>				<u>1,700,000</u>
<b>Total Investments (Cost \$12,201,227) (a) (98.71%)</b>				12,355,113
<b>Other Net Assets (1.29%)</b>				<u>161,926</u>
<b>Net Assets (100.00%)</b>				<u>\$ 12,517,039</u>

(a) Aggregate cost for federal income tax purposes is \$12,200,952.

At February 28, 2011, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

Unrealized appreciation	\$ 250,462
Unrealized depreciation	(96,301)
Net unrealized appreciation	<u>\$ 154,161</u>

\* Stated maturity reflects next reset date.

See accompanying notes to financial statements

SECURITY DESCRIPTION	PAR VALUE	RATE	MATURITY	VALUE (NOTE 1)
<b>TAX AND REVENUE ANTICIPATION NOTES (10.35%)</b>				
CALIFORNIA SCHOOL CASH RESERVE PROGRAM AUTHORITY				
2010-2011 Bonds; Series D RIVERSIDE, COUNTY OF CA	\$ 1,000,000	2.000%	3/1/2011	\$ 1,000,000
2010-2011; Series B SANTA BARBARA, COUNTY OF CA	1,000,000	2.000%	6/30/2011	1,004,839
2010-2011; Series A TURLOCK IRRIGATION DISTRICT	2,000,000	2.000%	6/30/2011	2,010,697
First Priority Subordinated Revenue Notes, Series 2010	2,000,000	0.750%	8/12/2011	<u>2,000,000</u>
<b>Total Tax &amp; Revenue Anticipation Notes (Cost \$6,015,536)</b>				<u>6,015,536</u>
<b>VARIABLE RATE DEMAND NOTES* (89.97%)</b>				
ABAG FINANCIAL AUTHORITY FOR NON-PROFIT CORPS				
Revenue Bonds	1,985,000	0.310%	3/3/2011	1,985,000
CALIFORNIA EDUCATIONAL FACILITIES AUTHORITY				
California Institute of Technology; 2006 Series B	1,400,000	0.180%	3/3/2011	1,400,000
CALIFORNIA HEALTH FACILITIES FINANCING AUTHORITY				
Catholic Healthcare West Loan Program; 2005 Series H	2,200,000	0.250%	3/2/2011	2,200,000
CALIFORNIA INFRASTRUCTURE & ECONOMIC DEVELOPMENT BANK				
The J. Paul Getty Trust Revenue Bonds; 2003 Series B	2,000,000	0.160%	3/1/2011	2,000,000
Refunding Revenue Bonds; Pacific Gas and Electric Company, 2009 Series B	800,000	0.170%	3/1/2011	800,000
CALIFORNIA MUNICIPAL FINANCE AUTHORITY				
Refunding Revenue Bonds; Chevron USA Inc, Series 2005	2,600,000	0.160%	3/1/2011	2,600,000
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY				
Refunding Revenue Bonds; Exxon Mobil, Series 2000	2,200,000	0.120%	3/1/2011	2,200,000
CALIFORNIA STATEWIDE COMMUNITIES DEVELOPMENT AUTHORITY				
Revenue Refunding Bonds - Series 2007A	900,000	0.240%	3/2/2011	900,000
Revenue Refunding Bonds - Series 2008B	1,800,000	0.230%	3/2/2011	1,800,000
CALIFORNIA, STATE OF				
Series B; Subseries B-1	600,000	0.240%	3/2/2011	600,000
Kindergarten; Series A-6	2,000,000	0.240%	3/3/2011	2,000,000
CHINO BASIN CALIFORNIA REGIONAL FINANCING AUTHORITY				
Inland Empire Utilities Agency; Series 2008 B	1,200,000	0.210%	3/2/2011	1,200,000
CITY OF SAN JOSE FINANCING AUTHORITY				
Lease Revenue Bonds, Hayes Mansion Refunding Project; Series 2008C	2,000,000	0.230%	3/2/2011	2,000,000
EASTERN MUNICIPAL WATER DISTRICT				
Water and Sewer Revenue; Series 2008 C	1,100,000	0.240%	3/2/2011	1,100,000
Water and Sewer Revenue; Series 2008 G	1,700,000	0.210%	3/2/2011	1,700,000
IRVINE IMPROVEMENT BOND ACT 1915				
Assesment District No 87-8	800,000	0.240%	3/1/2011	800,000
Assesment District No 94-13	600,000	0.240%	3/1/2011	600,000
Assesment District No 94-15	225,000	0.240%	3/1/2011	225,000
Limited Obligation Assesment District No 93-14	655,000	0.190%	3/1/2011	655,000
LOS ANGELES DEPARTMENT OF WATER AND POWER				
Power System; Subseries A-7	2,600,000	0.230%	3/3/2011	2,600,000
Water System; Subseries B-2	2,300,000	0.180%	3/1/2011	2,300,000
Water System; Subseries B-3	400,000	0.180%	3/3/2011	400,000
METROPOLITAN WATER DISTRICT OF SOUTHERN CALIFORNIA				
Water Revenue Bonds, 2000 Authorization; Series B-3	2,200,000	0.160%	3/1/2011	2,200,000
Water Revenue Refunding Bonds; 2001 Series C-2	500,000	0.160%	3/1/2011	500,000
ORANGE COUNTY HOUSING AUTHORITY				
Lantern Pines PJ-CC	1,260,000	0.280%	3/2/2011	1,260,000
ORANGE COUNTY WATER DISTRICT				
Certificates of Participation; 2003 Series A	2,000,000	0.210%	3/2/2011	2,000,000
PARAMOUNT UNIFIED SCHOOL DISTRICT				
School Facility Bridge Funding	1,600,000	0.400%	3/3/2011	1,600,000
SAN DIEGO COUNTY REGIONAL TRANSPORTATION COMMISSION				
Sales Tax Revenue Bonds; 2008 Series B	2,800,000	0.240%	3/3/2011	2,800,000
SANTA CLARA COUNTY FINANCING AUTHORITY				
Multiple Facilities Project	2,195,000	0.230%	3/2/2011	2,195,000
SOUTH PLACER WASTEWATER AUTHORITY				
Refunding Wastewater Revenue Bonds; 2008 Series A	2,500,000	0.220%	3/3/2011	2,500,000
SOUTHERN CALIFORNIA PUBLIC POWER AUTHORITY				
Power Project Revenue Bonds; 2008 Subordinate Refunding Series B	2,200,000	0.280%	3/2/2011	2,200,000

See accompanying notes to financial statements

<b>CALIFORNIA TAX-FREE MONEY MARKET FUND</b>	<b>PORTFOLIO OF INVESTMENTS (UNAUDITED) - (CONTINUED)</b>	<b>2/28/2011</b>
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SECURITY DESCRIPTION	PAR VALUE	RATE	MATURITY	VALUE (NOTE 1)
TRACY, CITY OF Sycamore: 7/03	\$ 1,600,000	0.310%	3/3/2011	\$ 1,600,000
TUSTIN, CITY OF Improvement Bond Act 95-2	1,384,000	0.240%	3/1/2011	<u>1,384,000</u>
<b>Total Variable Rate Demand Notes (Cost \$52,304,000)</b>				<u>52,304,000</u>
<b>Total Investments (Cost \$58,319,536) (a) (100.32%)</b>				58,319,536
<b>Other Net Assets (-0.32%)</b>				(186,132)
<b>Net Assets (100.00%)</b>				<u>\$ 58,133,404</u>

(a) Aggregate cost for federal income tax purposes is \$58,319,536.

\* Stated maturity reflects next reset date.

<b>U.S. GOVERNMENT SECURITIES FUND</b>	<b>PORTFOLIO OF INVESTMENTS (UNAUDITED)</b>	<b>2/28/2011</b>
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SECURITY DESCRIPTION	PAR VALUE	RATE	MATURITY	VALUE (NOTE 1)
<b>Corporate Bonds (2.57%)</b>				
Citigroup Funding	\$ 1,000,000	1.875%	10/22/2012	\$ <u>1,020,758</u>
<b>Total Corporate Bonds (Cost \$1,002,187)</b>				<u>1,020,758</u>
<b>Federal Home Loan Mortgage Corporation (3.27%)</b>				
	1,300,000	5.500%	3/15/2011	<u>1,302,705</u>
<b>Total Federal Home Loan Mortgage Corporation (Cost \$1,300,435)</b>				<u>1,302,705</u>
<b>Government National Mortgage Association (15.05%)</b>				
	33,837	6.000%	4/15/2014	36,874
	52,242	6.000%	4/15/2014	56,931
	15,556	6.000%	4/15/2016	16,961
	43,287	6.500%	4/15/2016	47,376
	74,946	6.000%	5/15/2016	81,720
	7,588	10.000%	9/15/2018	8,751
	22,529	9.000%	10/15/2018	22,832
	469,508	5.000%	7/15/2020	504,474
	226,072	5.500%	1/15/2025	247,553
	382,278	6.000%	1/15/2026	427,244
	1,727,886	5.500%	4/15/2036	1,876,951
	1,546,615	5.000%	3/15/2038	1,645,317
	933,643	6.000%	6/15/2038	<u>1,029,460</u>
<b>Total Government National Mortgage Association (Cost \$5,513,228)</b>				<u>6,002,444</u>
<b>United States Treasury Bills (0.25%)</b>				
	100,000	0.078%^	3/10/2011	<u>99,998</u>
<b>Total United States Treasury Bills (Cost \$99,998)</b>				<u>99,998</u>
<b>United States Treasury Bonds (15.22%)</b>				
	3,000,000	7.250%	5/15/2016	3,752,109
	2,300,000	4.500%	5/15/2038	<u>2,315,454</u>
<b>Total United States Treasury Bonds (Cost \$6,175,624)</b>				<u>6,067,563</u>
<b>United States Treasury Notes (62.45%)</b>				
	7,200,000	4.750%	3/31/2011	7,228,410
	3,400,000	4.625%	8/31/2011	3,475,307
	1,200,000	2.750%	10/31/2013	1,255,594
	1,319,000	4.750%	5/15/2014	1,466,357
	3,300,000	4.000%	2/15/2015	3,604,478
	4,000,000	2.500%	6/30/2017	3,970,624
	3,700,000	3.750%	11/15/2018	<u>3,905,235</u>
<b>Total United States Treasury Notes (Cost \$24,705,098)</b>				<u>24,906,005</u>

See accompanying notes to financial statements

<b>U.S. GOVERNMENT SECURITIES FUND</b>	<b>PORTFOLIO OF INVESTMENTS (UNAUDITED) - (CONTINUED)</b>	<b>2/28/2011</b>
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SECURITY DESCRIPTION	PAR VALUE	RATE	MATURITY	VALUE (NOTE 1)
<b>Total Investments (Cost \$38,796,570) (a) (98.81%)</b>				\$ 39,399,473
<b>Other Net Assets (1.19%)</b>				473,256
<b>Net Assets (100.00%)</b>				<u>\$ 39,872,729</u>

(a) Aggregate cost for federal income tax purposes is \$38,796,570.

At February 28, 2011, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

Unrealized appreciation	\$ 1,222,592
Unrealized depreciation	(619,689)
Net unrealized appreciation	<u>\$ 602,903</u>

^ Zero coupon bond. Interest rate presented is yield to maturity.

<b>SHORT-TERM U.S. GOVERNMENT BOND FUND</b>	<b>PORTFOLIO OF INVESTMENTS (UNAUDITED)</b>	<b>2/28/2011</b>
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SECURITY DESCRIPTION	PAR VALUE	RATE	MATURITY	VALUE (NOTE 1)
<b>Corporate Bonds (6.41%)</b>				
Citigroup Funding	\$ 1,000,000	1.875%	10/22/2012	\$ 1,020,758
<b>Total Corporate Bonds (Cost \$1,002,187)</b>				<u>1,020,758</u>
<b>Government National Mortgage Association* (2.50%)</b>				
	155,766	2.375%	7/1/2011	161,531
	230,261	1.750%	1/1/2012	236,932
<b>Total Government National Mortgage Association (Cost \$388,463)</b>				<u>398,463</u>
<b>United States Treasury Bills (3.76%)</b>				
	600,000	0.169%^	10/20/2011	599,351
<b>Total United States Treasury Bills (Cost \$599,060)</b>				<u>599,351</u>
<b>United States Treasury Notes (86.68%)</b>				
	700,000	1.750%	11/15/2011	707,657
	1,100,000	1.125%	1/15/2012	1,108,293
	400,000	1.375%	2/15/2012	404,188
	300,000	1.375%	3/15/2012	303,328
	600,000	1.375%	4/15/2012	607,078
	600,000	1.375%	5/15/2012	607,500
	1,400,000	1.875%	6/15/2012	1,427,344
	1,000,000	1.500%	7/15/2012	1,015,508
	500,000	4.625%	7/31/2012	529,903
	900,000	1.750%	8/15/2012	917,332
	1,000,000	1.375%	9/15/2012	1,013,789
	1,000,000	1.375%	10/15/2012	1,013,828
	1,400,000	1.375%	11/15/2012	1,419,359
	1,000,000	1.125%	12/15/2012	1,009,336
	1,200,000	1.375%	1/15/2013	1,216,687
	500,000	1.125%	6/15/2013	503,553
<b>Total United States Treasury Notes (Cost \$13,649,975)</b>				<u>13,804,683</u>
<b>Total Investments (Cost \$15,639,685) (a) (99.35%)</b>				15,823,255
<b>Other Net Assets (0.65%)</b>				103,779
<b>Net Assets (100.00%)</b>				<u>\$ 15,927,034</u>

(a) Aggregate cost for federal income tax purposes is \$15,639,685.

At February 28, 2011, unrealized appreciation (depreciation) of securities for federal income tax purposes is as follows:

Unrealized appreciation	\$ 187,302
Unrealized depreciation	(3,732)
Net unrealized appreciation	<u>\$ 183,570</u>

\* Stated maturity reflects next reset date.

^ Zero coupon bond. Interest rate presented is yield to maturity.

See accompanying notes to financial statements

SECURITY DESCRIPTION	PAR VALUE	RATE	MATURITY	VALUE (NOTE 1)
<b>Commercial Paper (16.21%)</b>				
Straight-A-Funding CP*	\$ 10,000,000		3/1/2011	\$ 9,999,931
<b>Total Commercial Paper (Cost \$9,999,931)</b>				<u>9,999,931</u>
<b>United States Treasury Bills (84.13%)</b>				
	7,800,000	0.047%^	3/3/2011	7,799,970
	8,400,000	0.078%^	3/10/2011	8,399,705
	5,200,000	0.076%^	3/17/2011	5,199,815
	12,400,000	0.122%^	3/24/2011	12,399,004
	7,200,000	0.100%^	4/21/2011	7,198,975
	1,200,000	0.128%^	4/28/2011	1,199,752
	9,700,000	0.145%^	5/5/2011	<u>9,697,460</u>
<b>Total United States Treasury Bills (Cost \$51,894,681)</b>				<u>51,894,681</u>
<b>Total Investments (Cost \$61,894,612) (a) (100.34%)</b>				61,894,612
<b>Other Net Assets (-0.34%)</b>				<u>(207,210)</u>
<b>Net Assets (100.00%)</b>				<u>\$ 61,687,402</u>

(a) Aggregate cost for federal income tax purposes is \$61,894,612.

\* Backed by the full faith and credit of the US Government.

^ Zero coupon bond. Interest rate presented is yield to maturity.

COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)
<b>COMMON STOCK (99.58%)</b>			QUALCOMM Inc	12,146	\$ 723,659	Staples Inc	5,524	\$ 117,661
<b>BASIC MATERIALS (3.65%)</b>			Qwest Communications International Inc	11,331	77,277	Starbucks Corp	5,669	186,964
Airgas Inc	626	\$ 39,175	Scripps Networks			Starwood Hotels & Resorts Worldwide Inc	1,427	87,190
Air Products & Chemicals Inc	1,615	148,580	Interactive Inc	800	41,552	Target Corp	5,741	301,690
AK Steel Holding Corp	834	13,327	Sprint Nextel Corp*	22,657	99,011	Tiffany & Co	1,141	70,229
Alcoa Inc	7,435	125,280	Symantec Corp*	6,780	122,243	TJX Cos Inc	3,203	159,734
Allegheny Technologies Inc	854	57,286	Tellabs Inc	3,680	19,835	Urban Outfitters Inc*	989	37,958
CF Industries Holdings Inc	370	52,274	Time Warner Cable Inc	2,689	194,092	VF Corp	775	74,144
Cliffs Natural Resources Inc	999	96,973	Time Warner Inc	8,910	340,362	Walgreen Co	7,546	327,044
Dow Chemical Co	8,728	324,332	VeriSign Inc	1,467	51,770	Wal-Mart Stores Inc	15,283	794,410
Eastman Chemical Co	710	66,321	Verizon Communications Inc	21,678	800,352	Whirlpool Corp	642	52,965
Ecolab Inc	1,812	88,136	Viacom Inc	5,027	224,506	WW Grainger Inc	482	64,207
EI du Pont de Nemours & Co	6,896	378,384	Walt Disney Co	14,679	642,059	Wynn Resorts Ltd	526	64,661
FMC Corp	551	42,669	Washington Post Co	47	20,355	Wyndham Worldwide Corp	1,509	47,202
Freeport-McMoRan Copper & Gold Inc	6,560	347,352	Windstream Corp	4,013	50,323	Yum! Brands Inc	3,826	192,563
International Flavors & Fragrances Inc	683	38,897	Yahoo! Inc*	9,088	149,043	<b>TOTAL CONSUMER, CYCLICAL</b>		<b>7,840,942</b>
International Paper Co	3,595	99,869	<b>TOTAL COMMUNICATIONS</b>		<b>10,637,501</b>	<b>CONSUMER, NON-CYCLICAL (20.26%)</b>		
MeadWestvaco Corp	1,512	44,377	<b>CONSUMER, CYCLICAL (8.61%)</b>			Abbott Laboratories	11,803	567,724
Monsanto Co	4,159	298,991	Abercrombie & Fitch Co	700	40,159	Aetna Inc	3,308	123,587
Newmont Mining Corp	3,766	208,147	AutoNation Inc*	1,202	40,435	Allergan Inc	2,346	174,003
Nucor Corp	2,404	115,296	AutoZone Inc*	228	58,813	Altria Group Inc	15,814	401,201
Plum Creek Timber Co Inc	1,242	52,114	Bed Bath & Beyond Inc*	2,004	96,493	AmerisourceBergen Corp	2,503	94,889
PPG Industries Inc	1,387	122,583	Best Buy Co Inc	2,606	84,017	Amgen Inc*	7,324	375,941
Praxair Inc	2,341	232,649	Big Lots Inc*	835	34,260	Apollo Group Inc*	980	44,355
Sherwin-Williams Co	726	59,619	Carnival Corp	3,334	142,262	Archer-Daniels-Midland Co	4,902	182,256
Sigma-Aldrich Corp	928	59,290	Cintas Corp	1,157	32,535	Automatic Data Processing Inc	3,851	192,550
Titanium Metals Corp*	700	13,293	Coach Inc	2,633	144,604	Avery Dennison Corp	891	35,569
United States Steel Corp	1,093	62,837	Costco Wholesale Corp	3,327	248,826	Avon Products Inc	3,259	90,633
Vulcan Materials Co	956	43,833	CVS Caremark Corp	10,764	355,858	Baxter International Inc	4,600	244,490
Weyerhaeuser Co	3,938	96,127	Darden Restaurants Inc	1,181	55,661	Becton Dickinson and Co	1,809	144,720
<b>TOTAL BASIC MATERIALS</b>		<b>3,328,011</b>	DR Horton Inc	2,596	30,737	Biogen Idec Inc*	2,057	140,699
<b>COMMUNICATIONS (11.68%)</b>			Family Dollar Stores Inc	1,287	64,453	Boston Scientific Corp*	11,526	82,526
Akamai Technologies Inc*	1,400	52,542	Fastenal Co	1,007	62,565	Bristol-Myers Squibb Co	13,062	337,130
Amazon.com Inc*	2,600	450,554	Ford Motor Co*	25,238	379,832	Brown-Forman Corp	848	58,639
American Tower Corp*	3,063	165,279	GameStop Corp*	1,500	29,925	Campbell Soup Co	1,449	48,773
AT&T Inc	45,033	1,278,036	Gap Inc	3,633	81,851	Cardinal Health Inc	2,767	115,218
CBS Corp	5,761	137,457	Genuine Parts Co	1,439	75,821	CareFusion Corp*	1,546	42,237
CenturyLink Inc	2,456	101,138	Goodyear Tire & Rubber Co*	1,847	26,190	Celgene Corp*	3,507	186,222
Cisco Systems Inc*	43,900	814,784	Harley-Davidson Inc	2,164	88,334	Cephalon Inc*	569	32,040
Comcast Corp	21,785	561,182	Harman International Industries Inc	529	25,731	CIGNA Corp	2,346	98,696
Corning Inc	11,875	273,838	Hasbro Inc	950	42,655	Clorox Co	1,128	76,433
DIRECTV*	6,602	303,494	Home Depot Inc	12,976	486,211	Coca-Cola Co	17,683	1,130,297
Discovery Communications Inc*	2,163	93,247	International Game Technology	2,266	37,298	Coca-Cola Enterprises Inc	2,425	63,778
eBay Inc*	8,960	300,205	JC Penney Co Inc	1,836	64,187	ConAgra Foods Inc	3,380	78,281
Expedia Inc	1,700	33,762	Johnson Controls Inc	5,136	209,549	Constellation Brands Inc*	1,669	33,914
Frontier Communications Corp	8,240	69,958	Kohl's Corp*	2,339	126,049	Coventry Health Care Inc*	1,300	39,260
Gannett Co Inc	2,073	34,225	Lennar Corp	1,300	26,208	CR Bard Inc	736	71,951
Google Inc*	1,840	1,128,656	Lowe's Cos Inc	11,233	293,968	DaVita Inc*	857	68,020
Harris Corp	1,005	46,893	Ltd Brands Inc	2,041	65,353	Dean Foods Co*	1,377	14,541
Interpublic Group of Cos Inc*	4,290	56,628	Macy's Inc	3,640	86,996	DENTSPLY International Inc	1,160	43,349
JDS Uniphase Corp*	1,800	44,406	Marriott International Inc	1,935	75,871	DeVry Inc	471	25,552
Juniper Networks Inc*	4,300	189,200	Mattel Inc	2,758	69,115	Dr Pepper Snapple Group Inc	2,104	75,870
McAfee Inc*	1,288	61,760	McDonald's Corp	8,235	623,225	Eli Lilly & Co	7,716	266,665
McGraw-Hill Cos Inc	2,403	92,948	Newell Rubbermaid Inc	2,365	45,739	Estee Lauder Cos Inc	900	84,969
MetroPCS Communications Inc*	1,990	28,656	NIKE Inc	2,973	264,686	Express Scripts Inc*	4,328	243,320
Meredith Corp	327	11,530	Nordstrom Inc	1,261	57,073	Forest Laboratories Inc*	2,302	74,585
Motorola Mobility Holdings Inc*	2,204	66,561	Office Depot Inc*	2,343	12,441	Fortune Brands Inc	1,241	76,768
Motorola Solutions Inc*	2,519	97,334	O'Reilly Automotive Inc*	1,124	62,472	General Mills Inc	4,984	185,106
New York Times Co*	1,459	15,174	PACCAR Inc	2,774	139,061	Genzyme Corp*	2,172	163,877
News Corp	17,195	298,677	Polo Ralph Lauren Corp	500	63,355	Gilead Sciences Inc*	6,867	267,676
Omnicom Group Inc	2,375	120,888	Pulte Group Inc*	2,804	19,348	H&R Block Inc	2,712	41,195
Priceline.com Inc*	335	152,050	RadioShack Corp	1,294	19,151	Hershey Co	1,268	66,342
			Ross Stores Inc	954	68,726	HJ Heinz Co	2,408	120,930
			Sears Holdings Corp*	447	37,240	Hormel Foods Corp	1,064	29,154
			Southwest Airlines Co	5,662	66,981	Hospira Inc*	1,350	71,348

See accompanying notes to financial statements

COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)
Humana Inc*	1,388	\$ 90,234	Consol Energy Inc	1,500	\$ 76,065	First Horizon National Corp*	1,791	\$ 20,597
Intuitive Surgical Inc*	313	102,648	Denbury Resources Inc*	1,906	46,182	Franklin Resources Inc	1,137	142,830
Iron Mountain Inc	1,493	38,818	Devon Energy Corp	3,389	309,890	Genworth Financial Inc*	3,728	49,321
JM Smucker Co	981	67,532	Diamond Offshore Drilling Inc	576	45,060	Goldman Sachs Group Inc	3,923	642,509
Johnson & Johnson	21,056	1,293,680	El Paso Corp	5,972	111,079	Hartford Financial Services Group Inc	2,922	86,491
Kellogg Co	1,940	103,906	EOG Resources Inc	1,925	216,197	HCP Inc	2,387	90,706
Kimberly-Clark Corp	3,169	208,837	EQT Corp	1,085	53,491	Health Care REIT Inc	938	48,982
Kraft Foods Inc	13,236	421,434	Exxon Mobil Corp	35,070	2,999,536	Host Hotels & Resorts Inc	4,816	88,614
Kroger Co	5,408	123,843	First Solar Inc*	370	54,534	Hudson City Bancorp Inc	4,300	49,450
Laboratory Corp of America Holdings*	810	73,005	FMC Technologies Inc*	1,024	96,307	Huntington Bancshares Inc	5,456	37,319
Life Technologies Corp*	1,360	72,583	Halliburton Co	6,883	323,088	IntercontinentalExchange Inc*	600	76,920
Lorillard Inc	1,225	94,043	Helmerich & Payne Inc	805	52,317	Invesco Ltd	3,410	91,524
Mastercard Inc	732	176,090	Hess Corp	2,293	199,560	Janus Capital Group Inc	1,389	18,654
McCormick & Co Inc	1,075	51,224	Marathon Oil Corp	5,401	267,890	JPMorgan Chase & Co	30,073	1,404,107
McKesson Corp	2,045	162,128	Massey Energy Co	652	41,291	KeyCorp	6,704	61,275
Mead Johnson Nutrition Co	1,560	93,366	Murphy Oil Corp	1,600	117,648	Kimco Realty Corp	3,065	59,400
Medco Health Solutions Inc*	3,638	224,246	Nabors Industries Ltd*	2,404	68,442	Legg Mason Inc	1,239	44,914
Medtronic Inc	8,446	337,164	National Oilwell Varco Inc	3,192	253,987	Lincoln National Corp	2,305	73,115
Merck & Co Inc	23,310	759,207	Noble Energy Inc	1,400	129,724	Loews Corp	2,394	103,541
Molson Coors Brewing Co	1,200	54,876	Occidental Petroleum Corp	6,194	631,602	M&T Bank Corp	659	58,025
Monster Worldwide Inc*	1,196	20,511	Peabody Energy Corp	2,200	144,078	Marsh & McLennan Cos Inc	4,025	122,521
Moody's Corp	1,498	47,786	Pioneer Natural Resources Co	880	90,059	Marshall & Ilsley Corp	4,004	31,111
Mylan Inc*	2,332	53,333	QEP Resources Inc	1,500	59,325	MetLife Inc	6,248	295,905
Patterson Cos Inc	758	25,302	Range Resources Corp	1,400	76,020	Morgan Stanley	10,374	307,900
Paychex Inc	2,454	82,528	Rowan Cos Inc*	921	39,299	NASDAQ OMX Group Inc*	1,127	32,243
PepsiCo Inc	12,099	767,319	Schlumberger Ltd	10,478	978,855	Northern Trust Corp	1,843	95,044
Pfizer Inc	61,582	1,184,837	Southwestern Energy Co*	2,800	110,544	NYSE Euronext	2,200	81,400
Philip Morris International Inc	13,835	868,561	Spectra Energy Corp	5,340	142,845	People's United Financial Inc	2,887	38,051
Procter & Gamble Co	21,172	1,334,894	Sunoco Inc	1,006	42,111	PNC Financial Services Group Inc	3,945	243,407
Quanta Services Inc*	1,601	36,519	Tesoro Corp*	1,200	28,536	Principal Financial Group Inc	2,434	83,389
Quest Diagnostics Inc	1,280	72,640	Valero Energy Corp	4,652	131,093	Progressive Corp	5,145	107,170
Reynolds American Inc	2,940	100,901	Williams Cos Inc	4,450	135,102	ProLogis	3,611	58,715
Robert Half International Inc	1,510	48,169	<b>TOTAL ENERGY</b>		<u>11,731,138</u>	Prudential Financial Inc	3,541	233,104
RR Donnelley & Sons Co	1,958	36,458	<b>FINANCIAL (15.17%)</b>			Public Storage	1,035	116,179
SAIC Inc*	2,336	38,170	ACE Ltd	2,500	158,125	Regions Financial Corp	9,066	69,264
Safeway Inc	3,101	67,664	Aflac Inc	3,570	210,130	Simon Property Group Inc	2,175	239,337
Sara Lee Corp	5,321	91,096	Allstate Corp	4,094	130,107	SLM Corp*	3,621	53,663
St Jude Medical Inc*	2,550	122,094	American Express Co	7,975	347,471	State Street Corp	3,775	168,818
Stryker Corp	2,155	136,325	American International Group Inc*	1,079	39,988	SunTrust Banks Inc	3,809	114,918
SUPERVALU Inc	1,839	15,871	American International Group Inc Warrants*	576	6,682	T Rowe Price Group Inc	1,965	131,616
Sysco Corp	4,516	125,500	Ameriprise Financial Inc	1,978	125,247	Torchmark Corp	787	51,352
Tenet Healthcare Corp*	4,695	33,710	AON Corp	2,090	110,018	Travelers Cos Inc	3,769	225,876
Total System Services Inc	1,504	26,696	Apartment Investment & Management Co	1,148	29,446	Unum Group	2,983	79,139
Tyson Foods Inc	2,328	43,371	Assurant Inc	891	36,201	US Bancorp	14,594	404,692
UnitedHealth Group Inc	8,867	377,557	AvalonBay Communities Inc	722	87,384	Ventas Inc	1,297	71,880
Varian Medical Systems Inc*	1,100	76,208	Bank of America Corp	70,632	1,009,331	Vornado Realty Trust	1,196	111,623
Visa Inc	3,418	249,685	Bank of New York Mellon Corp	9,190	279,284	Wells Fargo & Co	36,305	1,171,199
Watson Pharmaceuticals Inc*	836	46,808	BB&T Corp	5,247	144,817	XL Group Plc	2,610	60,944
WellPoint Inc*	2,997	199,211	Berkshire Hathaway Inc*	12,622	1,101,648	Zions Bancorporation	1,054	24,621
Western Union Co	5,814	127,850	Boston Properties Inc	1,058	101,483	<b>TOTAL FINANCIAL</b>		<u>13,810,594</u>
Whole Foods Market Inc	1,300	76,128	Capital One Financial Corp	3,543	176,335	<b>INDUSTRIAL (11.21%)</b>		
Zimmer Holdings Inc*	1,625	101,303	CB Richard Ellis Group Inc*	2,058	51,532	3M Co	5,402	498,226
<b>TOTAL CONSUMER, NON-CYCLICAL</b>		<u>18,452,582</u>	Charles Schwab Corp	7,272	137,950	Agilent Technologies Inc*	2,633	110,797
<b>DIVERSIFIED (0.05%)</b>			Chubb Corp	2,606	158,132	Amphenol Corp	1,420	81,622
Leucadia National Corp	1,447	47,939	Cincinnati Financial Corp	1,551	52,812	Ball Corp	1,558	56,244
<b>TOTAL DIVERSIFIED</b>		<u>47,939</u>	Citigroup Inc*	148,813	696,445	Bemis Co Inc	906	29,762
<b>ENERGY (12.88%)</b>			CME Group Inc	507	157,819	Boeing Co	5,545	399,295
Anadarko Petroleum Corp	3,750	306,863	Comerica Inc	1,331	51,776	Caterpillar Inc	4,752	489,123
Apache Corp	2,565	319,650	Discover Financial Services	4,142	90,089	CH Robinson Worldwide Inc	1,280	92,659
Baker Hughes Inc	3,384	240,433	E*Trade Financial Corp*	1,181	18,872	CSX Corp	2,995	223,607
Cabot Oil & Gas Corp	791	36,117	Equity Residential	2,107	116,117	Cummins Inc	1,539	155,624
Cameron International Corp*	1,865	110,277	Federated Investors Inc	848	23,371	Danaher Corp	4,166	210,800
Chesapeake Energy Corp	4,942	175,985	Fifth Third Bancorp	6,069	88,607	Deere & Co	3,227	290,914
Chevron Corp	15,310	1,588,412				Dover Corp	1,542	99,074
ConocoPhillips	11,322	881,644				Eastman Kodak Co*	2,384	8,106
						Eaton Corp	1,265	140,137

See accompanying notes to financial statements

COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)
Emerson Electric Co	5,740	\$ 342,448	Compuware Corp*	2,795	\$ 31,472	NRG Energy Inc*	1,956	\$ 39,100
Expeditors International of Washington Inc	1,800	86,040	Dell Inc*	13,235	209,510	Pepco Holdings Inc	1,700	31,841
FedEx Corp	2,384	214,608	Dun & Bradstreet Corp	396	31,997	PG&E Corp	2,830	130,350
FLIR Systems Inc	1,158	37,403	Electronic Arts Inc*	2,629	49,425	Pinnacle West Capital Corp	969	40,921
Flowerserve Corp	426	53,237	EMC Corp*	15,566	423,551	PPL Corp	2,877	73,162
Fluor Corp	1,548	109,536	Fidelity National Information Services Inc	2,501	81,007	Progress Energy Inc	2,285	104,447
General Dynamics Corp	2,944	224,097	Fiserv Inc*	1,368	86,553	Public Service Enterprise Group Inc	3,861	126,255
General Electric Co	81,256	1,699,875	Hewlett-Packard Co	16,915	738,001	SCANA Corp	845	34,206
Goodrich Corp	1,031	88,903	Intel Corp	42,141	904,767	Sempra Energy	1,880	100,072
Honeywell International Inc	5,823	337,210	International Business Machines Corp	9,408	1,522,966	Southern Co	6,412	244,361
Illinois Tool Works Inc	2,943	159,216	Intuit Inc*	2,417	127,086	TECO Energy Inc	1,982	35,894
ITT Corp	1,498	86,779	KLA-Tencor Corp	1,304	63,661	Wisconsin Energy Corp	969	57,365
Jabil Circuit Inc	1,699	36,410	Lexmark International Inc*	856	32,126	Xcel Energy Inc	3,728	89,248
Jacobs Engineering Group Inc*	1,000	50,060	Linear Technology Corp	1,917	66,252	<b>TOTAL UTILITIES</b>		<u>2,920,015</u>
L-3 Communications Holdings Inc	886	70,251	LSI Corp*	6,000	37,740	<b>TOTAL COMMON STOCK (COST \$63,019,958)</b>		<u>90,685,090</u>
Leggett & Platt Inc	1,520	35,051	MEMC Electronic Materials Inc*	1,900	25,783	<b>SHORT-TERM INVESTMENTS (0.11%)</b>		
Lockheed Martin Corp	2,440	193,150	Microchip Technology Inc	1,401	51,711	<b>UNITED STATES TREASURY BILLS (0.11%)</b>	<b>PAR VALUE</b>	
Masco Corp	3,084	41,912	Micron Technology Inc*	6,485	72,178	United States T-Bill 05/12/2011 (b)	\$100,000	99,979
Molex Inc	1,295	36,169	Microsoft Corp	56,801	1,509,770	<b>TOTAL UNITED STATES TREASURY BILLS</b>		<u>99,979</u>
Norfolk Southern Corp	2,807	184,083	National Semiconductor Corp	2,003	31,047	<b>TOTAL SHORT-TERM INVESTMENTS (COST \$99,971)</b>		<u>99,979</u>
Northrop Grumman Corp	2,394	159,632	NetApp Inc*	2,586	133,593	<b>TOTAL INVESTMENTS (COST \$63,119,929) (a) (99.69%)</b>		90,785,069
Owens-Illinois Inc*	1,395	42,534	Novell Inc*	2,982	17,534	<b>OTHER NET ASSETS (0.31%)</b>		279,261
Pall Corp	1,025	55,719	Novellus Systems Inc*	1,106	44,196	<b>NET ASSETS (100.00%)</b>		<u>\$ 91,064,330</u>
Parker Hannifin Corp	1,226	109,335	NVIDIA Corp*	4,572	103,602	* Non-Income Producing Security		
PerkinElmer Inc	1,021	27,057	Oracle Corp	29,841	981,769	(a) Aggregate cost for federal income tax purpose is \$63,655,225.		
Precision Castparts Corp	1,073	152,098	Pitney Bowes Inc	1,820	45,828	At February 28, 2011, unrealized appreciation (depreciation) of securities is as follows:		
Raytheon Co	2,924	149,738	QLogic Corp*	874	15,784	Unrealized appreciation	\$ 36,265,660	
Republic Services Inc	2,465	72,989	Red Hat Inc*	1,433	59,154	Unrealized depreciation	(9,135,816)	
Rockwell Automation Inc	1,085	95,187	Salesforce.com Inc*	838	110,842	Net unrealized appreciation	<u>\$ 27,129,844</u>	
Rockwell Collins Inc	1,357	87,445	SanDisk Corp*	1,741	86,354	(b) At February 28, 2011, certain United States Treasury Bills with a market value of \$99,979 were pledged to cover margin requirements for futures contracts.		
Roper Industries Inc	694	58,386	Teradata Corp*	1,575	75,317	(c) Futures contracts at February 28, 2011: Contracts - \$50 times premium / delivery month / commitment		
Ryder System Inc	477	22,815	Teradyne Inc*	2,030	37,819			
Sealed Air Corp	1,582	43,537	Texas Instruments Inc	9,561	340,467			
Snap-On Inc	609	34,975	Western Digital Corp*	1,845	56,420			
Stanley Black & Decker Inc	1,339	101,536	Xerox Corp	10,310	110,833			
Stericycle Inc*	642	55,482	Xilinx Inc	2,112	70,224			
Textron Inc	2,069	56,049	<b>TOTAL TECHNOLOGY</b>		<u>11,709,619</u>			
Thermo Fisher Scientific Inc*	3,116	173,935	<b>UTILITIES (3.21%)</b>					
Union Pacific Corp	3,850	367,329	AES Corp*	5,611	69,408			
United Parcel Service Inc	7,576	559,109	Ameren Corp	1,808	50,552			
United Technologies Corp	7,154	597,645	American Electric Power Co Inc	3,645	130,418			
Waste Management Inc	3,736	138,456	CenterPoint Energy Inc	2,979	47,247			
Waters Corp*	883	73,333	CMS Energy Corp	2,062	39,714			
<b>TOTAL INDUSTRIAL</b>		<u>10,206,749</u>	Consolidated Edison Inc	2,227	111,305			
<b>TECHNOLOGY (12.86%)</b>			Constellation Energy Group Inc	1,533	47,630			
Adobe Systems Inc*	3,997	137,897	Dominion Resources Inc	4,557	207,936			
Advanced Micro Devices Inc*	4,487	41,325	DTE Energy Co	1,258	59,227			
Altera Corp	2,432	101,804	Duke Energy Corp	9,956	179,108			
Analog Devices Inc	2,227	88,813	Edison International	2,778	103,119			
Apple Inc*	5,823	2,056,741	Entergy Corp	1,441	102,599			
Applied Materials Inc	10,178	167,225	Exelon Corp	5,032	210,136			
Autodesk Inc*	1,888	79,390	FirstEnergy Corp	3,439	131,719			
BMC Software Inc*	1,399	69,251	Integrus Energy Group Inc	615	30,117			
Broadcom Corp	3,543	146,042	NextEra Energy Inc	3,154	174,952			
CA Inc	3,290	81,526	Nicor Inc	460	24,260			
Citrix Systems Inc*	1,544	108,327	NiSource Inc	2,493	47,766			
Cognizant Technology Solutions Corp*	2,400	184,488	Northeast Utilities	1,339	45,580			
Computer Sciences Corp	1,256	60,451						

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COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)
<b>COMMON STOCK (98.41%)</b>			Deckers Outdoor Corp*	4,500	\$ 396,990	Flowers Foods Inc	9,810	\$ 260,946
<b>BASIC MATERIALS (4.54%)</b>			Dick's Sporting Goods Inc*	11,344	421,316	FTI Consulting Inc*	5,676	187,251
Albemarle Corp	11,635	\$ 669,711	Dollar Tree Inc*	15,203	765,015	Gartner Inc*	7,640	288,181
Ashland Inc	9,407	529,614	DreamWorks Animation			Gen-Probe Inc*	6,230	391,742
Cabot Corp	8,291	358,669	SKG Inc*	9,580	264,600	Global Payments Inc	10,285	493,577
Compass Minerals			Foot Locker Inc	19,852	394,459	Green Mountain Coffee		
International Inc	3,900	364,533	Fossil Inc*	6,292	482,848	Roasters Inc*	13,296	542,211
Cytec Industries Inc	6,170	350,641	Guess? Inc	7,367	333,651	Hansen Natural Corp*	9,045	520,540
Intrepid Potash Inc*	5,237	202,148	Hanesbrands Inc*	12,076	312,889	Health Management		
Louisiana-Pacific Corp*	15,807	163,128	Herman Miller Inc	7,093	191,085	Associates Inc*	31,525	315,250
Lubrizol Corp	7,964	867,041	HNI Corp	5,716	181,369	Health Net Inc*	13,191	388,079
Minerals Technologies Inc	2,377	154,220	Ingram Micro Inc*	20,766	413,866	Henry Schein Inc*	11,484	792,166
Olin Corp	9,967	185,486	International Speedway Corp	1,999	55,412	Hill-Rom Holdings Inc	7,954	302,809
Potlatch Corp	5,047	193,805	J Crew Group Inc*	7,300	314,776	Hologic Inc*	32,740	660,693
Rayonier Inc	10,085	618,513	JetBlue Airways Corp*	26,163	149,129	IDEXX Laboratories Inc*	7,436	577,777
Reliance Steel &			KB Home	9,389	124,404	Immucor Inc*	8,901	173,302
Aluminum Co	8,121	449,335	Life Time Fitness Inc*	3,300	126,555	ITT Educational Services Inc*	3,638	275,942
RPM International Inc	16,388	376,432	LKQ Corp*	17,946	426,397	Kinetic Concepts Inc*	8,000	391,760
Sensient Technologies Corp	6,210	207,290	MDC Holdings Inc	4,769	125,186	Korn/Ferry International*	5,795	132,474
Steel Dynamics Inc	26,167	483,043	Mohawk Industries Inc*	6,621	384,746	Lancaster Colony Corp	2,467	142,395
Valspar Corp	12,797	486,542	MSC Industrial Direct Co	5,580	352,600	Lender Processing		
<b>TOTAL BASIC MATERIALS</b>		<u>6,660,151</u>	NVR Inc*	753	548,079	Services Inc	12,160	414,291
<b>COMMUNICATIONS (5.51%)</b>			Oshkosh Corp*	11,354	404,997	LifePoint Hospitals Inc*	6,951	270,950
ADTRAN Inc	7,098	322,817	Owens & Minor Inc	7,969	248,633	Lincare Holdings Inc	12,967	380,452
AOL Inc*	13,679	285,481	Panera Bread Co*	4,000	467,000	Manpower Inc	9,957	632,270
Ciena Corp*	11,617	320,281	PetSmart Inc	14,283	583,746	Masimo Inc	6,809	205,223
Cincinnati Bell Inc*	25,761	68,009	Phillips-Van Heusen Corp	6,554	393,306	Medicis Pharmaceutical Corp	7,549	242,247
Equinix Inc*	4,947	427,619	Polaris Industries Inc	3,900	294,255	Mednax Inc*	5,800	376,594
F5 Networks Inc*	10,061	1,187,299	Regis Corp	3,403	59,655	Navigant Consulting Inc*	600	5,634
Factset Research Systems Inc	5,343	560,374	Rovi Corp*	13,078	724,783	Omnicare Inc	10,215	292,455
Harte-Hanks Inc	5,400	68,526	Ryland Group Inc	6,000	104,160	Perrigo Co	10,210	780,350
John Wiley & Sons Inc	5,992	286,478	Saks Inc*	19,221	235,457	Pharmaceutical Product		
Lamar Advertising Co*	6,762	262,163	Tech Data Corp*	6,457	320,138	Development Inc	14,996	411,940
NetFlix Inc*	5,478	1,132,138	Thor Industries Inc	4,503	149,680	Ralcorp Holdings Inc*	7,197	466,725
NeuStar Inc*	9,438	238,310	Timberland Co*	5,619	207,566	Rent-A-Center Inc	8,390	277,373
Plantronics Inc	6,235	217,539	Toll Brothers Inc*	17,402	369,967	ResMed Inc*	19,026	601,222
Polycom Inc*	10,711	511,986	Tractor Supply Co	6,000	312,420	Rollins Inc	8,295	162,748
Rackspace Hosting Inc*	11,400	420,774	Under Armour Inc*	4,775	316,248	Ruddick Corp	5,178	190,033
RF Micro Devices Inc*	34,034	255,255	Warnaco Group Inc*	5,776	339,109	Scotts Miracle-Gro Co	5,720	321,292
Scholastic Corp	3,237	101,642	Watsco Inc	3,300	213,114	Service Corp International	32,159	350,533
Telephone & Data Systems Inc	11,882	399,829	Wendy's/Arby's Group Inc	45,835	218,175	Smithfield Foods Inc*	17,874	413,783
TIBCO Software Inc*	20,000	492,400	Williams-Sonoma Inc	13,419	484,292	Sotheby's	8,490	417,878
tw telecom inc*	18,967	352,786	WMS Industries Inc*	6,890	274,153	STERIS Corp	7,453	252,284
ValueClick Inc*	10,872	162,319	<b>TOTAL CONSUMER, CYCLICAL</b>		<u>19,939,593</u>	Strayer Education Inc	1,778	244,368
<b>TOTAL COMMUNICATIONS</b>		<u>8,074,025</u>	<b>CONSUMER, NON-CYCLICAL (18.07%)</b>			Techne Corp	4,727	338,879
<b>CONSUMER, CYCLICAL (13.61%)</b>			Aaron's Inc	10,335	243,286	Thoratec Corp*	7,217	201,210
99 Cents Only Stores*	5,769	95,996	Alberto-Culver Co	10,837	403,570	Tootsie Roll Industries Inc	3,437	98,298
Advance Auto Parts Inc	10,210	639,963	Alliance Data Systems Corp*	6,633	522,282	Towers Watson & Co	5,412	318,226
Aerostale Inc*	12,163	315,508	American Greetings Corp	5,009	108,445	Tupperware Brands Corp	8,066	432,741
Alaska Air Group Inc*	4,474	265,979	Beckman Coulter Inc	8,898	739,691	United Rentals Inc*	7,634	236,501
American Eagle Outfitters Inc	26,370	404,780	Bio-Rad Laboratories Inc*	2,442	278,779	United Therapeutics Corp*	6,013	405,457
Ann Taylor Stores Corp*	7,453	172,984	Career Education Corp*	8,895	214,458	Universal Corp	3,132	130,980
Ascena Retail Group Inc*	8,100	253,044	Charles River Laboratories			Universal Health Services Inc	12,488	570,826
Bally Technologies Inc*	6,963	268,981	International Inc*	8,363	304,748	Valeant Pharmaceuticals		
Barnes & Noble Inc	5,201	69,641	Church & Dwight Co Inc	8,928	673,528	International Inc	190	7,615
BJ's Wholesale Club Inc*	7,067	342,184	Community Health			VCA Antech Inc*	10,848	271,634
Bob Evans Farms Inc	3,936	123,354	Systems Inc*	11,795	482,062	Vertex Pharmaceuticals Inc*	24,455	1,141,315
BorgWarner Inc*	13,815	1,072,182	Convergys Corp*	15,607	219,590	WellCare Health Plans Inc*	5,371	201,681
Boyd Gaming Corp*	8,100	86,589	Corinthian Colleges Inc*	3,417	17,905	<b>TOTAL CONSUMER, NON-CYCLICAL</b>		<u>26,487,112</u>
Brinker International Inc	13,006	307,462	Corn Products			<b>ENERGY (6.91%)</b>		
Cheesecake Factory Inc*	7,645	222,011	International Inc	9,500	463,790	Arch Coal Inc	19,850	665,571
Chico's FAS Inc	22,589	310,373	Corporate Executive Board Co	4,332	173,583	Atwood Oceanics Inc*	7,177	326,697
Chipotle Mexican Grill Inc*	3,822	936,390	Corrections Corp of America*	14,658	364,105	Bill Barrett Corp*	4,906	190,745
Coldwater Creek Inc*	7,359	21,783	Covance Inc*	8,126	458,550	Cimarex Energy Co	10,599	1,230,863
Collective Brands Inc*	8,137	185,524	Deluxe Corp	6,498	166,024	Dril-Quip Inc*	4,000	306,800
Copart Inc*	8,537	358,639	Edwards Lifesciences Corp*	14,358	1,221,004	Exterran Holdings Inc*	6,210	140,967
			Endo Pharmaceuticals			Forest Oil Corp*	14,249	505,697
			Holdings Inc*	14,882	528,609	Frontier Oil Corp*	13,283	370,596

See accompanying notes to financial statements

COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)
National Fuel Gas Co	10,224	\$ 745,330	New York Community Bancorp Inc	52,777	\$ 984,819	KBR Inc	18,352	\$ 601,946
Newfield Exploration Co*	16,263	1,183,784	NewAlliance Bancshares Inc	13,460	210,514	Kennametal Inc	10,331	397,330
Oceaneering International Inc*	6,965	582,483	Old Republic International Corp	30,543	381,788	Kirby Corp*	6,829	377,917
Patriot Coal Corp*	9,514	224,530	Omega Healthcare Investors Inc	10,802	258,924	Landstar System Inc	6,452	286,920
Patterson-UTI Energy Inc	19,495	532,993	Prosperity Bancshares Inc	5,888	240,348	Lennox International Inc	6,180	299,730
Plains Exploration & Production Co*	14,179	555,391	Protective Life Corp	10,115	287,569	Lincoln Electric Holdings Inc	5,397	385,238
Pride International Inc*	22,149	919,405	Raymond James Financial Inc	12,533	480,265	Martin Marietta Materials Inc	5,665	503,392
Questar Corp	21,800	389,566	Realty Income Corp	13,235	476,063	Mathews International Corp	3,849	142,990
Quicksilver Resources Inc*	1,058	16,388	Regency Centers Corp	8,320	376,480	Mettler-Toledo International Inc*	4,283	733,978
SM Energy Co	7,600	550,772	Reinsurance Group of America Inc	9,239	557,943	Mine Safety Appliances Co	3,834	138,522
Superior Energy Services Inc*	9,928	380,342	Senior Housing Properties Trust	16,166	396,714	National Instruments Corp	10,802	336,251
Unit Corp*	5,126	304,997	SL Green Realty Corp	9,801	742,230	Nordson Corp	4,264	464,392
<b>TOTAL ENERGY</b>		<u>10,123,917</u>	StanCorp Financial Group Inc	6,237	286,902	Overseas Shipholding Group Inc	2,966	100,132
<b>FINANCIAL (17.19%)</b>			SVB Financial Group*	5,204	281,953	Packaging Corp of America	13,070	376,285
Affiliated Managers Group Inc*	5,337	569,725	Synovus Financial Corp	969	2,471	Pentair Inc	12,481	462,795
Alexandria Real Estate Equities Inc	5,549	445,030	Taubman Centers Inc	6,600	366,168	Regal-Beloit Corp	4,674	340,968
AMB Property Corp	16,568	602,744	TCF Financial Corp	15,890	257,895	Rock-Tenn Co	4,600	315,790
American Financial Group Inc	10,030	347,339	Transatlantic Holdings Inc	6,000	305,580	Shaw Group Inc*	7,800	309,816
Apollo Investment Corp	4,911	60,749	Trustmark Corp	6,874	161,195	Silgan Holdings Inc	6,792	247,772
Arthur J Gallagher & Co	12,920	405,688	UDR Inc	19,395	471,686	Sonoco Products Co	12,693	457,963
Associated Banc-Corp	21,177	306,431	Unitrin Inc	6,331	185,435	SPX Corp	6,256	498,979
Astoria Financial Corp	10,346	145,051	Valley National Bancorp	19,701	268,525	Teleflex Inc	5,042	294,402
BancorpSouth Inc	1,100	17,534	Waddell & Reed Financial Inc	10,830	437,315	Temple-Inland Inc	13,567	317,332
Bank of Hawaii Corp	6,084	286,921	Washington Federal Inc	14,249	253,205	Terex Corp*	13,719	463,016
BRE Properties Inc	6,897	327,676	Webster Financial Corp	8,163	189,218	Thomas & Betts Corp*	6,646	368,122
Brown & Brown Inc	14,962	391,107	Weingarten Realty Investors	5,067	131,083	Tidewater Inc	6,562	408,222
Camden Property Trust	8,144	481,880	Westamerica Bancorporation	3,706	191,155	Timken Co	10,079	491,049
Cathay General Bancorp	9,505	168,429	WR Berkley Corp	15,737	471,323	Trimble Navigation Ltd*	15,277	750,865
City National Corp	5,490	323,416	<b>TOTAL FINANCIAL</b>		<u>25,195,788</u>	Trinity Industries Inc	10,062	313,431
Commerce Bancshares Inc	9,719	390,315	<b>INDUSTRIAL (18.54%)</b>			URS Corp*	10,651	495,591
CoreLogic Inc	12,759	237,955	Acuity Brands Inc	5,100	288,252	Valmont Industries Inc	2,476	252,750
Corporate Office Properties Trust	7,392	265,151	Aecom Technology Corp*	14,292	409,323	Vishay Intertechnology Inc*	19,987	348,773
Cousins Properties Inc	12,923	109,587	AGCO Corp*	11,733	642,734	Wabtec Corp	6,037	342,660
Cullen/Frost Bankers Inc	7,607	445,466	Alexander & Baldwin Inc	5,208	218,424	Waste Connections Inc	14,982	434,328
Duke Realty Corp	28,430	400,010	Alliant Techsystems Inc	4,179	301,598	Werner Enterprises Inc	5,556	130,844
East West Bancorp Inc	17,900	415,638	AMETEK Inc	20,529	861,192	Woodward Inc	7,201	236,841
Eaton Vance Corp	14,907	466,589	Aptargroup Inc	8,577	413,154	Worthington Industries Inc	7,733	149,711
Equity One Inc	4,171	79,833	Arrow Electronics Inc*	15,201	595,879	Zebra Technologies Corp*	7,463	278,519
Essex Property Trust Inc	3,695	457,367	Avnet Inc*	19,199	656,798	<b>TOTAL INDUSTRIAL</b>		<u>27,157,413</u>
Everest Re Group Ltd	7,263	643,865	BE Aerospace Inc*	12,829	432,594	<b>TECHNOLOGY (8.60%)</b>		
Federal Realty Investment Trust	7,765	653,658	Brink's Co	5,706	176,144	ACI Worldwide Inc*	4,316	135,134
Fidelity National Financial Inc	29,241	404,988	Bucyrus International Inc	9,535	868,257	Axiom Corp*	9,766	167,389
First American Financial Corp	12,759	201,082	Carlisle Cos Inc	7,775	334,403	Advent Software Inc*	4,408	127,832
First Niagara Financial Group Inc	23,886	345,869	Clean Harbors Inc*	2,895	265,993	Allscripts Healthcare Solutions Inc*	22,600	482,510
FirstMerit Corp	10,895	185,760	Con-way Inc	6,247	203,402	ANSYS Inc*	11,257	633,994
Fulton Financial Corp	22,371	243,620	Crane Co	5,938	280,511	Atmel Corp*	57,581	845,289
Greenhill & Co Inc	3,000	215,490	Donaldson Co Inc	9,808	552,190	Broadridge Financial Solutions Inc	17,370	398,120
Hanover Insurance Group Inc	5,550	257,909	Energizer Holdings Inc*	8,854	591,713	Cadence Design Systems Inc*	34,111	339,404
HCC Insurance Holdings Inc	14,278	444,617	Gardner Denver Inc	4,000	292,560	Concur Technologies Inc*	5,500	286,165
Highwoods Properties Inc	9,021	306,083	GATX Corp	5,850	202,937	Cree Inc*	13,153	692,769
Hospitality Properties Trust	9,754	224,342	Genex Corp	17,493	529,688	Diebold Inc	7,743	272,244
International Bancshares Corp	6,582	125,650	Graco Inc	7,611	309,844	DST Systems Inc	4,985	254,235
Jefferies Group Inc	15,155	364,629	Granite Construction Inc	4,268	121,638	Fair Isaac Corp	6,115	170,914
Jones Lang LaSalle Inc	5,309	522,512	Greif Inc	4,350	281,271	Fairchild Semiconductor International Inc*	5,607	98,739
Liberty Property Trust	14,292	482,641	Harsco Corp	10,193	348,295	Informatica Corp*	11,352	533,658
Macerich Co	12,401	627,987	Hubbell Inc	7,248	489,312	International Rectifier Corp*	9,046	290,738
Mack-Cali Realty Corp	9,981	338,755	IDEX Corp	10,258	423,040	Intersil Corp	3,285	42,015
Mercury General Corp	4,518	185,871	Itron Inc*	5,092	288,767	Jack Henry & Associates Inc	10,748	342,969
Nationwide Health Properties Inc	14,461	618,063	JB Hunt Transport Services Inc	33	1,373	Lam Research Corp*	14,950	820,755
			Joy Global Inc	12,986	1,264,578	Mantech International Corp*	2,960	127,872
			Kansas City Southern*	12,184	655,987	Mentor Graphics Corp*	11,732	186,539

See accompanying notes to financial statements

COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)
MSCI Inc*	13,132	\$ 466,186	IDACORP Inc	6,047	\$ 228,214	<b>TOTAL INVESTMENTS</b>		
NCR Corp*	20,205	385,916	MDU Resources Group Inc	23,828	511,587	(Cost \$96,405,583) (a) (98.68%)		\$144,617,075
Parametric Technology Corp*	14,961	354,576	NSTAR	13,555	612,008	<b>OTHER NET ASSETS (1.32%)</b>		<u>1,933,265</u>
Quest Software Inc*	7,913	211,989	NV Energy Inc	29,785	437,542	<b>NET ASSETS (100.00%)</b>		<u>\$146,550,340</u>
Riverbed Technology Inc*	16,800	693,672	OGE Energy Corp	12,284	590,860			
SEI Investments Co	16,438	378,238	PNM Resources Inc	9,837	130,930	* Non-Income Producing Security		
Semtech Corp*	7,825	185,296	Southern Union Co	15,746	449,076			
Silicon Laboratories Inc*	5,796	263,138	UGI Corp	13,806	440,273	(a) Aggregate cost for federal income tax purpose is		
Skyworks Solutions Inc*	23,000	826,620	Vectren Corp	10,299	271,070	\$96,411,517.		
Solera Holdings Inc	8,837	451,394	Westar Energy Inc	13,837	359,762	At February 28, 2011, unrealized appreciation		
SRA International Inc*	5,467	148,866	WGL Holdings Inc	6,363	241,794	(depreciation) of securities is as follows:		
Synopsis Inc*	18,497	512,737	<b>TOTAL UTILITIES</b>		<u>7,969,606</u>			
<b>TOTAL TECHNOLOGY</b>		<u>12,609,648</u>	<b>TOTAL COMMON STOCK</b>		<u>144,217,253</u>	Unrealized appreciation		\$ 50,791,133
			(Cost \$96,005,818)			Unrealized depreciation		<u>(2,585,575)</u>
<b>UTILITIES (5.44%)</b>			<b>SHORT-TERM INVESTMENTS (0.27%)</b>			Net unrealized appreciation		<u>\$ 48,205,558</u>
AGL Resources Inc	9,823	373,372				(b) At February 28, 2011, certain United States		
Alliant Energy Corp	14,041	552,935	<b>UNITED STATES TREASURY</b>	<b>PAR</b>		Treasury Bills with a market value of \$399,822		
Atmos Energy Corp	11,752	397,453	<b>BILLS (0.27%)</b>	<b>VALUE</b>		were pledged to cover margin requirements for		
Aqua America Inc	17,295	389,483	United States T-Bill			futures contracts.		
Black Hills Corp	4,932	152,004	06/30/2011 (b)	\$400,000	399,822	(c) Futures contracts at February 28, 2011: Contracts -		
Cleco Corp	7,676	248,319	<b>TOTAL UNITED STATES</b>			\$100 times premium / delivery month / commitment		
DPL Inc	15,200	395,504	<b>TREASURY BILLS</b>		<u>399,822</u>			
Dynegy Inc*	12,805	74,141	<b>TOTAL SHORT-TERM INVESTMENTS</b>		<u>399,822</u>			
Energen Corp	9,106	556,377	(Cost \$399,765)			<b>S&amp;P MIDCAP 400 E-MINI</b>		<b>UNREALIZED</b>
Great Plains Energy Inc	14,309	274,733				24 / Mar 2011 / Long		<b>APPRECIATION</b>
Hawaiian Electric								\$ 98,530
Industries Inc	11,684	282,169						

COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)
<b>COMMON STOCK (92.11%)</b>			Atlantic Tele-Network Inc	630	\$ 24,564	Tekelec*	4,296	\$ 32,950
<b>BASIC MATERIALS (2.87%)</b>			Black Box Corp	1,103	42,124	Tollgrade Communications Inc*	630	6,294
AMCOL International Corp	1,466	\$ 45,754	Blue Coat Systems Inc*	3,002	84,476	United Online Inc	5,300	31,853
American Vanguard Corp	1,345	11,069	Blue Nile Inc*	800	45,744	USA Mobility Inc	1,400	20,888
Arch Chemicals Inc	1,494	53,709	Cbeyond Inc*	1,695	23,696	Viasat Inc*	3,352	139,477
Balchem Corp	1,650	59,400	Cincinnati Bell Inc*	14,029	37,037	Websense Inc*	2,754	58,991
Brush Engineered			ComScore Inc*	1,251	34,440	<b>TOTAL COMMUNICATIONS</b>		<u>1,645,696</u>
Materials Inc*	1,269	55,544	Comtech Telecommunications			<b>CONSUMER, CYCLICAL (13.84%)</b>		
Buckeye Technologies Inc	2,745	71,919	Corp	1,600	43,280	Allegiant Travel Co	1,000	41,270
Century Aluminum Co*	3,416	57,901	DealerTrack Holdings Inc*	2,690	54,284	Arctic Cat Inc*	1,013	12,875
Clearwater Paper Corp*	752	59,634	DG FastChannel Inc*	1,700	56,287	Audiovox Corp*	1,050	8,694
Deltic Timber Corp	590	35,854	Dolan Co*	2,121	26,513	Big 5 Sporting Goods Corp	1,300	18,122
HB Fuller Co	3,124	67,322	EMS Technologies Inc*	1,000	19,440	Biglari Holdings Inc*	63	26,949
Kaiser Aluminum Corp	1,000	50,530	eResearchTechnology Inc*	2,768	17,577	BJ's Restaurants Inc*	1,300	46,735
KapStone Paper and			EW Scripps Co*	1,800	17,226	Brightpoint Inc*	4,688	59,069
Packaging Corp*	2,655	45,533	General Communication Inc*	2,942	35,569	Brown Shoe Co Inc	2,695	41,773
Neenah Paper Inc	750	14,603	Harmonic Inc*	6,254	60,101	Brunswick Corp	6,164	141,957
Olympic Steel Inc	500	13,445	Infospace Inc*	1,900	15,314	Buckle Inc	1,350	52,772
OM Group Inc*	1,855	65,277	j2 Global Communications			Buffalo Wild Wings Inc*	1,200	63,588
Penford Corp*	400	2,380	Inc*	2,976	86,572	Cabela's Inc*	2,300	62,399
PolyOne Corp*	5,408	75,063	Knot Inc*	1,600	16,048	California Pizza Kitchen Inc*	1,500	25,260
Quaker Chemical Corp	439	17,002	LogMeIn Inc*	1,100	39,479	Callaway Golf Co	3,839	29,714
RTI International Metals Inc*	1,786	50,901	Netgear Inc*	2,491	81,705	Carter's Inc*	3,700	106,042
Schulman A Inc	1,547	34,436	Network Equipment			Casey's General Stores Inc	3,031	124,483
Schweitzer-Mauduit			Technologies Inc*	1,066	3,880	Cash America		
International Inc	1,053	57,736	Neutral Tandem Inc*	1,995	34,314	International Inc	1,744	74,486
Stepan Co	400	28,076	Novatel Wireless Inc*	1,500	8,880	Cato Corp	1,862	45,154
Wausau Paper Corp	3,194	25,648	NTELOS Holdings Corp	1,813	35,208	CEC Entertainment Inc*	1,417	54,824
Zep Inc	1,342	21,056	Nutrisystem Inc	1,800	23,814	Childrens Place Retail		
<b>TOTAL BASIC MATERIALS</b>		<u>1,019,792</u>	Oplink Communications Inc*	1,360	37,006	Stores Inc*	1,478	67,545
			PC-Tel Inc*	942	7,056	Christopher & Banks Corp	1,875	11,456
<b>COMMUNICATIONS (4.63%)</b>			Perficient Inc*	1,900	23,617	Cracker Barrel Old		
Anixter International Inc	1,885	135,004	Sourcefire Inc*	1,900	51,490	Country Store Inc	1,300	64,792
Arris Group Inc*	8,093	106,828	Stamps.com Inc	1,100	14,784	CROCS Inc*	6,066	107,065
			Symmetricom Inc*	2,100	11,886			

See accompanying notes to financial statements

COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)
DineEquity Inc*	898	\$ 51,375	Standard Pacific Corp*	7,590	\$ 30,360	Enzo Biochem Inc*	1,519	\$ 6,547
DTS Inc*	1,151	52,198	Stein Mart Inc	1,360	11,138	Exponent Inc*	800	31,480
Ethan Allen Interiors Inc	1,913	42,182	Steven Madden Ltd*	1,400	60,396	Forrester Research Inc	996	36,035
Ezcorp Inc*	2,900	83,172	Superior Industries International Inc	1,200	23,856	Gentiva Health Services Inc*	1,927	54,399
Finish Line Inc	2,948	51,472	Texas Roadhouse Inc*	3,100	52,638	Geo Group Inc*	4,480	113,926
First Cash Financial Services Inc*	2,107	68,983	Toro Co	2,194	136,906	Great Atlantic & Pacific Tea Co*	1,319	330
Fred's Inc	2,610	35,966	True Religion Apparel Inc*	1,500	35,655	Greatbatch Inc*	1,517	37,743
G&K Services Inc	1,371	44,448	Tuesday Morning Corp*	1,500	7,005	Haemonetics Corp*	1,591	98,085
Genesco Inc*	1,318	52,087	Unifirst Corp	800	45,120	Hain Celestial Group Inc*	2,470	73,655
Group 1 Automotive Inc	1,453	61,389	United Stationers Inc*	1,437	96,883	Hanger Orthopedic Group Inc*	2,064	55,522
Haverty Furniture Cos Inc	1,157	15,388	Universal Electronics Inc*	800	21,800	Healthcare Services Group Inc	3,825	67,970
Hibbett Sports Inc*	1,704	53,523	Vitamin Shoppe Inc*	1,700	59,143	Healthspring Inc*	3,979	149,770
HOT Topic Inc	2,397	12,824	Volcom Inc	800	14,320	Healthways Inc*	1,971	27,535
HSN Inc*	2,300	74,704	Winnebago Industries Inc*	1,700	24,582	Heartland Payment Systems Inc	2,657	52,024
Iconix Brand Group Inc*	4,587	101,373	Wolverine World Wide Inc	3,060	112,486	Heidrick & Struggles International Inc	972	26,468
Insight Enterprises Inc*	2,982	54,541	World Fuel Services Corp	4,804	199,077	Helen of Troy Ltd*	1,976	55,190
Interface Inc	4,469	74,498	Zale Corp*	2,067	8,516	Hillenbrand Inc	4,100	89,175
Interval Leisure Group Inc*	2,300	38,893	Zumiez Inc*	1,300	33,891	HMS Holdings Corp*	1,888	142,657
Jack in the Box Inc*	3,444	75,768	<b>TOTAL CONSUMER, CYCLICAL</b>		<b>4,924,230</b>	ICU Medical Inc*	855	35,901
Jakks Pacific Inc*	1,604	29,899				Integra LifeSciences Holdings Corp*	1,265	63,440
Jo-Ann Stores Inc*	1,830	111,081	<b>CONSUMER, NON-CYCLICAL (17.27%)</b>			Invacare Corp	2,104	62,215
JOS A Bank Clothiers Inc*	1,725	79,540	Abaxis Inc*	1,300	34,476	IPC The Hospitalist Co Inc*	1,130	46,104
K-Swiss Inc*	1,713	17,147	ABM Industries Inc	2,908	77,440	J&J Snack Foods Corp	834	36,671
La-Z-Boy Inc*	2,673	26,837	Administaff Inc	1,536	45,972	Kelly Services Inc*	1,581	33,233
Lithia Motors Inc	1,000	15,140	Affymetrix Inc*	4,911	24,113	Kendle International Inc*	700	8,330
Liz Claiborne Inc*	6,200	31,868	Air Methods Corp*	600	34,824	Kensley Nash Corp*	574	15,073
Lumber Liquidators Holdings Inc*	1,620	37,714	Align Technology Inc*	4,000	83,400	Kid Brands Inc*	958	8,967
M/I Homes Inc*	700	9,345	Alliance One International Inc*	4,676	16,974	Landauer Inc	600	37,740
Maidenform Brands Inc*	1,100	29,854	Almost Family Inc*	422	16,458	LCA-Vision Inc*	1,173	8,293
Marcus Corp	1,435	18,684	Amedisys Inc*	1,756	63,076	LHC Group Inc*	1,000	29,860
MarineMax Inc*	800	7,224	American Medical Systems Holdings Inc*	4,820	105,606	Live Nation Entertainment Inc*	10,378	110,318
Men's Wearhouse Inc	3,043	81,248	American Public Education Inc*	1,070	45,389	Magellan Health Services Inc*	2,093	100,422
Meritage Homes Corp*	2,050	52,911	AMERIGROUP Corp*	3,438	197,168	Mannatech Inc*	900	1,737
Mobile Mini Inc*	2,228	50,665	AMN Healthcare Services Inc*	1,700	12,699	MAXIMUS Inc	1,113	82,362
Monarch Casino & Resort Inc*	600	6,270	Amsurg Corp*	2,051	48,465	Medcath Corp*	800	11,376
Multimedia Games Inc*	1,431	7,871	Andersons Inc	1,000	48,040	Medifast Inc*	932	21,566
MWI Veterinary Supply Inc*	800	55,376	Arbitron Inc	1,587	63,178	Meridian Bioscience Inc	2,600	56,082
National Presto Industries Inc	327	41,379	Arqule Inc*	1,302	8,294	Merit Medical Systems Inc*	1,795	30,659
Nautilus Inc*	1,674	4,453	Bio-Reference Labs Inc*	1,534	32,091	Midas Inc*	700	5,411
O'Charleys Inc*	1,466	9,309	Blyth Inc	354	12,167	Molina Healthcare Inc*	800	28,024
OfficeMax Inc*	5,911	81,217	Boston Beer Co Inc*	500	46,410	Monro Muffler Brake Inc	1,800	58,824
Oxford Industries Inc	832	20,068	Cal-Maine Foods Inc	800	23,096	Nash Finch Co	881	35,566
Papa John's International Inc*	1,264	36,884	Calavo Growers Inc	699	16,231	Natus Medical Inc*	1,600	25,376
PEP Boys-Manny Moe & Jack	3,075	38,530	Cambrex Corp*	1,239	6,790	Neogen Corp*	1,467	54,851
Perry Ellis International Inc*	700	20,328	Cantel Medical Corp	765	16,715	On Assignment Inc*	2,167	22,754
PetMed Express Inc	1,300	19,357	Capella Education Co*	900	51,903	Palomar Medical Technologies Inc*	1,000	15,980
PF Chang's China Bistro Inc	1,512	70,217	Catalyst Health Solutions Inc*	2,500	113,025	Par Pharmaceutical Cos Inc*	2,000	61,760
Pinnacle Entertainment Inc*	3,726	48,922	CDI Corp	607	9,032	Parexel International Corp*	3,378	79,282
Pool Corp	3,136	78,275	Centene Corp*	2,878	87,693	Peet's Coffee & Tea Inc*	600	25,656
Quiksilver Inc*	6,824	29,411	Central Garden and Pet Co*	3,900	35,919	PharMerica Corp*	1,800	21,150
RC2 Corp*	1,100	23,881	Chemed Corp	1,343	87,886	Pre-Paid Legal Services Inc*	540	35,608
Red Robin Gourmet Burgers Inc*	800	19,088	Coinstar Inc*	2,000	85,360	PSS World Medical Inc*	3,553	92,449
Ruby Tuesday Inc*	4,509	60,240	CONMED Corp*	1,925	50,974	Questcor Pharmaceuticals Inc*	4,322	56,013
Ruth's Hospitality Group Inc*	1,000	5,010	Consolidated Graphics Inc*	696	37,960	Regeneron Pharmaceuticals Inc*	5,052	183,235
Scansource Inc*	1,686	61,590	Cooper Cos Inc	3,174	196,216	RehabCare Group Inc*	1,733	64,381
School Specialty Inc*	1,075	16,501	Corinthian Colleges Inc*	5,867	30,743	Salix Pharmaceuticals Ltd*	4,028	134,294
Shuffle Master Inc*	3,655	34,394	Corvel Corp*	500	24,750	Sanderson Farms Inc	1,018	42,094
Skechers U.S.A. Inc*	1,900	39,482	Cross Country Healthcare Inc*	1,840	15,309	Savient Pharmaceuticals Inc*	3,505	33,788
Skyline Corp	400	8,036	CryoLife Inc*	1,813	9,790	SFN Group Inc*	3,098	42,845
Skywest Inc	3,479	57,404	Cubist Pharmaceuticals Inc*	3,700	81,141	Snyders-Lance Inc	3,213	58,541
Sonic Automotive Inc	1,573	22,620	Cyberonics Inc*	1,199	39,603	Spartan Stores Inc	1,300	19,591
Sonic Corp*	3,769	33,469	Diamond Foods Inc	1,527	77,801	Standard Register Co	613	2,109
Spartan Motors Inc	1,900	12,065	Emergent Biosolutions Inc*	1,000	21,040			
Stage Stores Inc	2,706	47,193	Ensign Group Inc	910	27,673			
Standard Motor Products Inc	916	10,653						

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COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)
StarTek Inc*	740	\$ 4,114	First BanCorp*	341	\$ 1,582	Tanger Factory Outlet Centers	5,630	\$ 150,040
SurModics Inc*	809	10,549	First Financial Bancorp	4,036	68,329	Texas Capital Bancshares Inc*	2,500	63,100
Symmetry Medical Inc*	2,200	19,888	First Financial Bankshares Inc	1,400	70,280	Tompkins Financial Corp	440	18,040
TeleTech Holdings Inc*	1,900	43,282	First Midwest Bancorp Inc	4,239	51,165	Tower Group Inc	2,331	63,357
Theragenics Corp*	1,389	2,431	Forestar Group Inc*	2,000	38,520	TradeStation Group Inc*	1,300	8,749
TreeHouse Foods Inc*	2,461	128,390	Franklin Street Properties Corp	3,922	58,948	Trustco Bank Corp NY	5,018	30,259
TrueBlue Inc*	2,823	45,591	Getty Realty Corp	1,740	51,191	UMB Financial Corp	1,780	70,986
United Natural Foods Inc*	3,349	142,165	Glacier Bancorp Inc	3,950	61,739	Umpqua Holdings Corp	6,596	75,458
Universal Technical Institute Inc	1,300	23,920	Hancock Holding Co	2,051	71,108	United Bankshares Inc	2,434	69,710
Viad Corp	1,409	32,294	Hanmi Financial Corp*	4,600	5,750	United Community		
Viropharma Inc*	5,100	91,443	Healthcare Realty Trust Inc	4,479	104,361	Banks Inc*	2,690	3,685
WD-40 Co	1,126	45,783	Home Bancshares Inc	990	22,305	United Fire & Casualty Co	1,500	31,035
West Pharmaceutical			Home Properties Inc	2,616	154,135	Universal Health Realty		
Services Inc	2,100	86,331	Horace Mann Educators Corp	2,400	40,680	Income Trust	868	34,520
Wright Express Corp*	2,661	135,711	Independent Bank Corp	1,385	37,658	Urstadt Biddle Properties Inc	1,400	27,146
Zoll Medical Corp*	1,200	55,536	Infinity Property &			Whitney Holding Corp	7,060	100,111
<b>TOTAL CONSUMER, NON-CYCLICAL</b>		<u>6,148,760</u>	Casualty Corp	809	49,114	Wilmington Trust Corp	6,360	28,556
			Inland Real Estate Corp	3,700	34,854	Wilshire Bancorp Inc	800	5,288
			Interactive Brokers Group Inc	2,600	40,170	Wintrust Financial Corp	2,389	80,223
			Investment Technology			World Acceptance Corp*	952	56,939
			Group Inc*	2,751	52,682	<b>TOTAL FINANCIAL</b>		<u>5,966,968</u>
<b>ENERGY (5.76%)</b>			Kilroy Realty Corp	3,639	141,011			
Basic Energy Services Inc*	1,300	24,934	Kite Realty Group Trust	1,800	10,152	<b>INDUSTRIAL (17.00%)</b>		
CARBO Ceramics Inc	1,501	186,078	LaBranche & Co Inc*	3,500	14,700	AAON Inc	800	24,560
Contango Oil & Gas Co*	893	54,723	LaSalle Hotel Properties	5,079	143,279	AAR Corp*	2,578	70,354
Georesources Inc*	1,229	38,677	Lexington Realty Trust	8,649	81,906	Actuant Corp	4,389	124,209
Gulf Island Fabrication Inc	900	27,873	LTC Properties Inc	1,500	43,830	Advanced Energy		
Gulfport Energy Corp*	2,100	62,139	Medical Properties Trust Inc	7,736	90,743	Industries Inc*	2,153	34,706
Headwaters Inc*	2,223	11,271	Mid-America Apartment			Aerovironment Inc*	1,045	30,315
Holly Corp	3,070	175,419	Communities Inc	2,376	154,369	Albany International Corp	1,699	41,388
Hornbeck Offshore			Nara Bancorp Inc*	1,163	12,188	AM Castle & Co*	759	13,085
Services Inc*	1,300	36,933	National Financial			American Science &		
ION Geophysical Corp*	10,598	135,866	Partners Corp*	2,400	33,936	Engineering Inc	603	56,682
Lufkin Industries Inc	2,089	163,255	National Penn Bancshares Inc	7,300	57,962	Analogic Corp	900	48,780
Matrix Service Co*	1,500	20,940	National Retail Properties Inc	5,152	132,355	AO Smith Corp	2,262	91,385
Oil States International Inc*	3,514	255,783	Navigators Group Inc*	800	41,968	Apogee Enterprises Inc	1,775	24,264
Penn Virginia Corp	2,700	43,929	NBT Bancorp Inc	2,269	50,485	Applied Industrial		
Petroleum Development Corp*	1,627	76,355	Old National Bancorp	5,190	58,128	Technologies Inc	2,236	71,641
Petroquest Energy Inc*	2,500	21,550	optionsXpress Holdings Inc	2,500	40,525	Arkansas Best Corp	1,481	35,129
Pioneer Drilling Co*	2,900	32,828	Parkway Properties Inc	865	14,022	Astec Industries Inc*	1,314	45,110
SEACOR Holdings Inc	4,095	388,082	Pennsylvania Real Estate			AZZ Inc	804	34,299
Seahawk Drilling Inc*	700	3,535	Investment Trust	3,850	55,594	Badger Meter Inc	981	38,563
Stone Energy Corp*	3,374	102,165	Pinnacle Financial Partners Inc*	2,104	33,559	Barnes Group Inc	2,870	61,074
Swift Energy Co*	2,894	124,297	Piper Jaffray Cos*	1,018	41,891	Bel Fuse Inc	579	12,680
Tetra Technologies Inc*	4,434	61,234	Portfolio Recovery			Belden Inc	3,064	112,234
<b>TOTAL ENERGY</b>		<u>2,047,866</u>	Associates Inc*	1,000	83,350	Benchmark Electronics Inc*	3,834	72,309
			Post Properties Inc	3,391	132,249	Brady Corp	3,344	119,515
<b>FINANCIAL (16.77%)</b>			Presidential Life Corp	1,505	15,080	Briggs & Stratton Corp	3,004	60,471
Acadia Realty Trust	2,180	43,164	PrivateBancorp Inc	3,486	49,920	Bristow Group Inc*	2,161	103,555
AMERISAFE Inc*	1,249	24,930	ProAssurance Corp*	1,930	122,227	Calgon Carbon Corp*	3,600	50,544
Bank Mutual Corp	3,500	16,170	Prospect Capital Corp	5,800	70,412	Cascade Corp	600	29,316
Bank of the Ozarks Inc	827	35,602	Provident Financial			Ceradyne Inc*	1,721	65,794
BioMed Realty Trust Inc	9,097	165,111	Services Inc	3,500	51,835	Checkpoint Systems Inc*	2,228	48,526
Boston Private Financial			PS Business Parks Inc	1,301	82,015	CIRCOR International Inc	1,124	44,567
Holdings Inc	4,201	29,785	RLI Corp	1,092	62,692	CLARCOR Inc	3,503	144,113
Brookline Bancorp Inc	3,628	37,695	S&T Bancorp Inc	1,500	33,450	Cognex Corp	2,720	75,915
Cedar Shopping Centers Inc	2,600	15,756	Safety Insurance Group Inc	1,100	52,932	Comfort Systems USA Inc	2,300	30,521
City Holding Co	946	32,401	Saul Centers Inc	796	36,616	CTS Corp	1,721	20,411
Colonial Properties Trust	5,839	115,087	Selective Insurance Group Inc	3,244	58,976	Cubic Corp	971	48,851
Columbia Banking System Inc	2,734	54,243	Signature Bank*	2,822	146,434	Curtiss-Wright Corp	2,954	109,003
Community Bank System Inc	2,100	52,836	Simmons First National Corp	826	23,772	Cymer Inc*	1,717	86,880
Delphi Financial Group Inc	3,777	116,936	Sovran Self Storage Inc	1,459	56,609	Daktronics Inc	1,886	21,595
DiamondRock Hospitality Co*	11,511	135,369	Sterling Bancorp	1,000	10,040	Darling International Inc*	8,110	112,648
Dime Community			Sterling Bancshares Inc	7,088	64,146	Dionex Corp*	1,177	138,674
Bancshares Inc	1,914	29,705	Stewart Information			Drew Industries Inc	1,200	27,756
EastGroup Properties Inc	1,500	68,295	Services Corp	928	10,347	Dycom Industries Inc*	2,323	40,095
eHealth Inc*	1,639	20,553	Stifel Financial Corp*	2,446	175,476	Eagle Materials Inc	2,900	93,728
Employers Holdings Inc	3,092	62,211	Susquehanna Bancshares Inc	9,024	86,269	Electro Scientific		
Entertainment Properties Trust	3,235	154,212	SWS Group Inc	1,780	9,594	Industries Inc*	1,841	28,057
Extra Space Storage Inc	5,400	106,650						
First Commonwealth								
Financial Corp	4,800	31,440						

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COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)
EMCOR Group Inc*	4,304	\$ 137,125	Avid Technology Inc*	2,399	\$ 52,922	Varian Semiconductor		
Encore Wire Corp	1,100	25,806	Blackbaud Inc	2,700	71,847	Equipment Associates Inc*	5,047	\$ 240,791
EnPro Industries Inc*	1,100	43,648	Bottomline Technologies Inc*	2,200	48,642	Veeco Instruments Inc*	2,774	131,987
ESCO Technologies Inc	1,736	66,471	Brooks Automation Inc*	4,331	54,354	Volterra Semiconductor Corp*	1,868	47,130
Esterline Technologies Corp*	1,986	142,138	Cabot Microelectronics Corp*	1,500	73,230	<b>TOTAL TECHNOLOGY</b>		<u>3,782,756</u>
FARO Technologies Inc*	1,000	35,650	CACI International Inc*	1,895	112,411	<b>UTILITIES (3.34%)</b>		
Federal Signal Corp	4,325	27,983	Ceva Inc*	1,529	34,861	Allete Inc	1,680	63,504
FEI Co*	2,405	80,640	Ciber Inc*	2,938	13,720	American States Water Co	1,045	35,049
Forward Air Corp	1,656	49,067	Cohu Inc	1,484	21,844	Avista Corp	3,283	73,277
GenCorp Inc*	2,884	14,968	CommVault Systems Inc*	2,757	100,713	Central Vermont Public		
Gerber Scientific Inc*	1,029	8,489	Computer Programs			Service Corp	573	12,182
Gibraltar Industries Inc*	1,600	17,328	& Systems Inc	624	33,702	CH Energy Group Inc	1,008	49,452
Griffon Corp*	2,720	32,803	CSG Systems International Inc*	2,100	41,055	El Paso Electric Co*	2,842	79,860
Heartland Express Inc	3,631	60,238	Cypress Semiconductor Corp*	11,531	241,689	Laclede Group Inc	1,463	56,896
HUB Group Inc*	2,500	87,400	Digi International Inc*	1,689	18,697	New Jersey Resources Corp	2,721	113,819
II-VI Inc*	1,500	76,785	Diodes Inc*	2,499	72,371	Northwest Natural Gas Co	1,701	79,947
Insituform Technologies Inc*	2,572	66,460	DSP Group Inc*	1,496	11,803	NorthWestern Corp	2,200	65,362
Intermec Inc*	3,246	36,453	Ebix Inc*	2,652	69,854	Piedmont Natural Gas Co Inc	5,013	146,881
Intevac Inc*	1,100	14,047	Epicor Software Corp*	3,100	31,930	South Jersey Industries Inc	2,000	109,720
John Bean Technologies Corp	1,600	30,352	EPIQ Systems Inc	2,381	32,882	Southwest Gas Corp	2,879	111,907
Kaman Corp	1,548	49,335	Exar Corp*	2,852	18,452	UIL Holdings Corp	3,440	105,746
Kaydon Corp	2,247	88,172	Hittite Microwave Corp*	1,713	105,144	Unisource Energy Corp	2,352	85,754
Knight Transportation Inc	3,784	70,420	Hutchinson Technology Inc*	1,338	4,201	<b>TOTAL UTILITIES</b>		<u>1,189,356</u>
Lawson Products Inc	456	10,976	iGate Corp	2,019	36,544	<b>TOTAL COMMON STOCK</b>		
Lindsay Corp	749	52,887	Integral Systems Inc*	1,100	13,464	(Cost \$27,989,068)		<u>32,773,457</u>
Littelfuse Inc	1,432	75,653	Interactive Intelligence Inc*	761	26,186	<b>SHORT-TERM INVESTMENTS (1.40%)</b>		
LoJack Corp*	1,100	6,578	JDA Software Group Inc*	3,042	89,739	<b>UNITED STATES TREASURY</b>	<b>PAR</b>	
LSB Industries Inc*	1,129	34,186	Kopin Corp*	3,225	14,158	<b>BILLS (1.40%)</b>	<b>VALUE</b>	
Lydall Inc*	745	6,660	Kulicke & Soffa			United States T-Bill		
Magnetek Inc*	1,366	2,759	Industries Inc*	4,127	39,578	6/2/2011 (b)	\$500,000	499,830
Methode Electronics Inc	2,454	28,712	Manhattan Associates Inc*	1,548	49,846	<b>TOTAL UNITED STATES</b>		
Moog Inc*	2,802	127,239	Mercury Computer			<b>TREASURY BILLS</b>		<u>499,830</u>
Movado Group Inc*	1,100	15,477	Systems Inc*	2,030	38,529	<b>TOTAL SHORT-TERM INVESTMENTS</b>		
Mueller Industries Inc	2,395	81,382	Micrel Inc	3,300	44,352	(Cost \$499,580)		<u>499,830</u>
Myers Industries Inc	1,536	15,544	Microsemi Corp*	5,251	115,680	<b>TOTAL INVESTMENTS</b>		
NCI Building Systems Inc*	220	3,109	MicroStrategy Inc*	530	62,991	(Cost \$28,488,648) (a) (93.51%)		33,273,287
Newport Corp*	2,500	41,625	MKS Instruments Inc	2,900	87,058	<b>OTHER NET ASSETS (6.49%)</b>		<u>2,308,526</u>
Old Dominion Freight			Monolithic Power			<b>NET ASSETS (100.00%)</b>		<u>\$ 35,581,813</u>
Line Inc*	2,700	83,106	Systems Inc*	2,491	38,486	* Non-Income Producing Security		
Orbital Sciences Corp*	3,900	69,381	MTS Systems Corp	1,024	47,421	(a) Aggregate cost for federal income tax purpose is		
Orion Marine Group Inc*	1,870	23,095	NCI Inc*	409	9,366	\$28,489,001.		
OSI Systems Inc*	1,100	41,382	Netscout Systems Inc*	2,000	49,980	At February 28, 2011, unrealized appreciation		
Park Electrochemical Corp	1,318	41,912	Omnicell Inc*	2,000	26,880	(depreciation) of securities is as follows:		
Plexus Corp*	2,500	78,575	Pericom Semiconductor Corp*	1,192	11,992	Unrealized appreciation	\$	8,811,041
Powell Industries Inc*	616	23,032	Power Integrations Inc	1,900	75,696	Unrealized depreciation		(4,026,755)
Pulse Electronics Corp	2,470	14,919	Progress Software Corp*	4,514	132,531	Net unrealized appreciation	\$	4,784,286
Quanex Building Products Corp	2,196	41,482	Quality Systems Inc	1,200	95,880	(b) At February 28, 2011, certain United States		
Robbins & Myers Inc	3,121	133,048	Radiant Systems Inc*	1,286	22,055	Treasury Bills with a market value of \$499,830		
Rofin-Sinar Technologies Inc*	1,700	65,926	Radisys Corp*	829	6,906	were pledged to cover margin requirements for		
Rogers Corp*	1,150	54,234	RightNow Technologies Inc*	1,641	43,798	futures contracts.		
Simpson Manufacturing Co Inc	2,290	66,250	Rudolph Technologies Inc*	1,360	15,069	(c) Futures contracts at February 28, 2011: Contracts -		
Standex International Corp	564	19,328	Sigma Designs Inc*	1,600	21,888	\$100 times premium / delivery month / commitment		
STR Holdings Inc*	2,800	50,708	Smith Micro Software Inc*	1,902	17,822	<b>RUSSELL 2000 MINI</b>		
Sturm Ruger & Co Inc	1,292	23,334	Standard Microsystems Corp*	1,264	33,534	32 / Mar 2011 / Long		<u>\$ 107,600</u>
Teledyne Technologies Inc*	2,366	123,907	Stratasy Inc*	1,200	54,456	<b>UNREALIZED</b>		
Tetra Tech Inc*	3,868	90,898	Super Micro Computer Inc*	1,744	26,073	<b>APPRECIATION</b>		
Texas Industries Inc	1,686	68,755	Supertex Inc*	890	20,345			
Tredegar Corp	1,471	28,714	SYKES Enterprises Inc*	2,200	40,920			
Triumph Group Inc	4,914	425,502	Synaptics Inc*	2,272	67,024			
TTM Technologies Inc*	2,500	43,850	Synchronoss Technologies Inc*	1,600	54,816			
Universal Forest Products Inc	1,181	40,272	SYNNEX Corp*	1,264	44,594			
Vicor Corp	1,051	16,007	Take-Two Interactive					
Watts Water Technologies Inc	1,855	72,549	Software Inc*	5,054	81,218			
<b>TOTAL INDUSTRIAL</b>		<u>6,048,033</u>	Taleo Corp*	2,813	90,832			
<b>TECHNOLOGY (10.63%)</b>			Tessera Technologies Inc*	2,966	51,638			
Agilysys Inc*	1,491	7,485	THQ Inc*	4,085	23,530			
ATMI Inc*	2,001	36,498	TriQuint Semiconductor Inc*	11,059	157,591			
			Tyler Technologies Inc*	2,000	44,240			
			Ultratech Inc*	1,126	27,835			

See accompanying notes to financial statements



COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)
General Electric Co	100,325	\$ 2,098,799	<b>UTILITIES (5.31%)</b>			(a) Aggregate cost for federal income tax purpose is		
Tyco International Ltd	8,835	400,579	<i>Electric (4.54%)</i>			\$137,932,412.		
ITT Corp	9,534	552,305	Ameren Corp	21,000	\$ 587,160	At February 28, 2011, unrealized appreciation		
		<u>7,593,143</u>	Consolidated Edison Inc	31,700	1,584,366	(depreciation) of securities is as follows:		
<i>Transportation (1.97)%</i>			DTE Energy Co	7,000	329,560	Unrealized appreciation	\$ 44,602,702	
FedEx Corp	4,830	434,797	Duke Energy Corp	60,100	1,081,199	Unrealized depreciation	<u>(13,435,644)</u>	
Tidewater Inc	8,980	558,646	Entergy Corp	11,946	850,555	Net unrealized appreciation	<u>\$ 31,167,058</u>	
Union Pacific Corp	5,475	522,370	Exelon Corp	18,746	782,833			
United Parcel Service Inc	19,260	1,421,388	FirstEnergy Corp	8,574	328,395			
Seaspan Corp	25,000	400,500	NextEra Energy Inc	11,200	621,264	(b) At February 28, 2011, certain United States		
		<u>3,337,701</u>	Pinnacle West Capital Corp	11,000	464,530	Treasury Bills with a market value of \$99,979		
<b>TOTAL INDUSTRIAL</b>		<u>22,756,693</u>	Progress Energy Inc	8,000	365,680	were pledged to cover margin requirements for		
			Southern Co	11,500	438,265	futures contracts.		
<b>TECHNOLOGY (8.89%)</b>			Wisconsin Energy Corp	4,500	266,400			
<i>Computers (2.60%)</i>					<u>7,700,207</u>			
Dell Inc*	7,300	115,559	<i>Gas (0.77%)</i>					
Diebold Inc	11,000	386,760	Nicor Inc	7,000	369,180			
EMC Corp*	29,720	808,681	NiSource Inc	27,000	517,320			
Hewlett-Packard Co	34,500	1,505,235	Sempra Energy	8,050	428,502			
International Business					<u>1,315,002</u>			
Machines Corp	9,860	1,596,137	<b>TOTAL UTILITIES</b>		<u>9,015,209</u>			
		<u>4,412,372</u>						
<i>Office/Business Equipment (0.21%)</i>			<b>TOTAL COMMON STOCK</b>					
Pitney Bowes Inc	14,200	357,556	(Cost \$137,419,270)		<u>168,999,491</u>			
<i>Semiconductors (3.62%)</i>			<b>SHORT-TERM INVESTMENTS (0.06%)</b>					
Analog Devices Inc	14,040	559,915						
Intel Corp	122,563	2,631,428	<b>UNITED STATES TREASURY</b>		<b>PAR</b>			
KLA-Tencor Corp	10,440	509,681	<b>BILLS (0.06%)</b>		<b>VALUE</b>			
Linear Technology Corp	26,180	904,781	United States T-Bill					
Maxim Integrated			05/12/2011 (b)	\$100,000	99,979			
Products Inc	12,240	337,579	<b>TOTAL UNITED STATES</b>					
Taiwan Semiconductor			<b>TREASURY BILLS</b>		<u>99,979</u>			
Manufacturing Co Ltd	30,000	368,700						
Texas Instruments Inc	16,500	587,565	<b>TOTAL SHORT-TERM INVESTMENTS</b>					
Marvell Technology			(Cost \$99,971)		<u>99,979</u>			
Group Ltd*	13,050	238,554						
		<u>6,138,203</u>	<b>TOTAL INVESTMENTS</b>					
<i>Software (2.46%)</i>			(Cost \$137,519,241) (a) (99.61%)		169,099,470			
Microsoft Corp	77,733	2,066,143	<b>OTHER NET ASSETS (0.39%)</b>		<u>655,899</u>			
Oracle Corp	64,130	2,109,877	<b>NET ASSETS (100.00%)</b>		<u>\$169,755,369</u>			
		<u>4,176,020</u>						
<b>TOTAL TECHNOLOGY</b>		<u>15,084,151</u>						

\* Non-Income Producing Security

COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)
<b>COMMON STOCK (98.50%)</b>			<i>Pharmaceuticals (8.89%)</i>			<i>Miscellaneous Manufacturing (7.97%)</i>		
<b>BASIC MATERIALS (11.46%)</b>			Novartis AG ADR 10,757 \$ 605,296			Siemens AG ADR 8,235 \$ 1,107,112		
<i>Chemicals (2.94%)</i>			Roche Holding AG ADR 9,632 361,778			<b>TOTAL INDUSTRIAL</b> 1,343,924		
BASF SE ADR 3,488 \$ 289,923			Sanofi-Aventis SA ADR 7,700 266,266			<b>TECHNOLOGY (1.60%)</b>		
Bayer AG ADR 1,515 117,761			1,233,340			<i>Software (1.60%)</i>		
		407,684	<b>TOTAL CONSUMER, NON-CYCLICAL</b> 2,942,924			SAP AG ADR 3,667 221,487		
<i>Iron / Steel (0.98%)</i>			<b>ENERGY (14.55%)</b>			<b>TOTAL TECHNOLOGY</b> 221,487		
ArcelorMittal ADR 3,700 135,679			<i>Oil &amp; Gas (14.55%)</i>			<b>UTILITIES (2.74%)</b>		
<i>Mining (7.54%)</i>			BP PLC ADR 12,876 624,100			<i>Electric (1.64%)</i>		
Anglo American PLC ADR 11,403 308,223			ENI SpA ADR 7,482 365,496			E.ON AG ADR 6,935 227,815		
BHP Billiton Ltd ADR 4,500 425,700			Royal Dutch Shell PLC ADR 7,220 521,645			<i>Gas (1.10%)</i>		
Rio Tinto PLC ADR 4,400 312,752			Total SA ADR 8,258 506,215			GDF Suez ADR 3,758 152,800		
		1,046,675	<b>TOTAL ENERGY</b> 2,017,456			<b>TOTAL UTILITIES</b> 380,615		
<b>TOTAL BASIC MATERIALS</b> 1,590,038			<b>FINANCIAL (22.55%)</b>			<b>TOTAL COMMON STOCK</b>		
<b>COMMUNICATIONS (12.74%)</b>			<i>Banks (18.26%)</i>			<b>(COST \$12,709,053)</b> 13,660,230		
<i>Telecommunications (12.74%)</i>			Banco Bilbao Vizcaya Argentaria SA ADR 14,915 183,455			<b>SHORT-TERM INVESTMENTS (0.72%)</b>		
Deutsche Telekom AG ADR 11,525 154,666			Banco Santander SA ADR 36,958 454,583			<b>UNITED STATES TREASURY</b>		
France Telecom SA ADR 7,700 171,017			Barclays PLC ADR 8,751 181,758			<b>BILLS (0.72%)</b>		
Nokia OYJ ADR 15,928 137,459			BNP Paribas ADR 5,452 213,228			United States T-Bill 6/2/2011 \$100,000 99,966		
Telefonaktiebolaget LM Ericsson ADR 12,888 165,482			Deutsche Bank AG ADR 5,544 355,814			<b>TOTAL UNITED STATES</b>		
Telefonica SA ADR 18,495 472,917			HSBC Holdings PLC ADR 11,565 637,116			<b>TREASURY BILLS</b> 99,966		
Vodafone Group PLC ADR 23,233 664,928			Intesa Sanpaolo SpA ADR 5,800 117,856			<b>TOTAL SHORT-TERM INVESTMENTS</b>		
<b>TOTAL COMMUNICATIONS</b> 1,766,469			Societe Generale ADR 10,900 153,036			<b>(COST \$99,916)</b> 99,966		
<b>CONSUMER, CYCLICAL (1.95%)</b>			UBS AG ADR* 11,792 234,071			<b>TOTAL INVESTMENTS</b>		
<i>Auto Manufacturers (1.95%)</i>			2,530,917			<b>(COST \$12,808,969) (a) (99.22%)</b> 13,760,196		
Daimler AG ADR* 3,835 270,598			<i>Diversified Financial Services (1.35%)</i>			<b>OTHER NET ASSETS (0.78%)</b> 108,571		
<b>TOTAL CONSUMER, CYCLICAL</b> 270,598			Credit Suisse Group AG ADR 4,053 187,370			<b>NET ASSETS (100.00%)</b> \$13,868,767		
<b>CONSUMER, NON-CYCLICAL (21.22%)</b>			<i>Insurance (2.94%)</i>			* Non-Income Producing Security		
<i>Agriculture (2.40%)</i>			Allianz SE ADR 18,157 262,187			(a) Aggregate cost for federal income tax purpose is \$12,809,529.		
British American Tobacco PLC ADR 4,100 332,633			AXA SA ADR 6,984 146,245			At February 28, 2011, unrealized appreciation (depreciation) of securities is as follows:		
<i>Beverages (3.44%)</i>			<b>TOTAL FINANCIAL</b> 3,126,719			Unrealized appreciation \$ 2,568,547		
Anheuser-Busch InBev NV ADR 4,700 263,341			<b>INDUSTRIAL (9.69%)</b>			Unrealized depreciation (1,617,880)		
Diageo PLC ADR 2,735 214,041			<i>Building Materials (0.67%)</i>			Net unrealized appreciation \$ 950,667		
		477,382	CRH PLC ADR 4,000 92,280					
<i>Food (6.49%)</i>			<i>Electronics (0.99%)</i>					
Nestle SA ADR 12,412 702,767			Koninklijke Philips Electronics NV ADR 4,184 136,817					
Unilever NV ADR 6,508 196,802			<i>Metal Fabricate / Hardware (0.06%)</i>					
		899,569	APERAM ADR* 185 7,715					

See accompanying notes to financial statements

COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)	COMPANY	SHARES	VALUE (NOTE 1)
<b>COMMON STOCK (94.67%)</b>			Intuitive Surgical Inc*	474	\$ 155,448	NetApp Inc*	4,214	\$ 217,695
<b>BASIC MATERIALS (0.34%)</b>			Life Technologies Corp*	2,232	119,122	NVIDIA Corp*	6,297	142,690
Sigma-Aldrich Corp	1,436	\$ 91,746	Mylan Inc*	3,800	86,906	Oracle Corp	25,488	838,555
<b>TOTAL BASIC MATERIALS</b>		<u>91,746</u>	Patterson Cos Inc	1,604	53,542	Research In Motion Ltd*	6,796	449,487
<b>COMMUNICATIONS (25.68%)</b>			Paychex Inc	4,182	140,641	SanDisk Corp*	2,835	140,616
Amazon.com Inc*	3,600	623,844	QIAGEN NV*	2,864	59,084	Seagate Technology PLC*	6,070	77,089
Baidu Inc*	3,290	398,616	Teva Pharmaceutical Industries Ltd	8,979	449,848	Xilinx Inc	4,476	148,827
Cisco Systems Inc*	24,952	463,109	Vertex Pharmaceuticals Inc*	2,558	119,382	<b>TOTAL TECHNOLOGY</b>		<u>11,943,123</u>
Comcast Corp	17,622	453,943	Warner Chilcott PLC	2,719	64,386	<b>TOTAL COMMON STOCK (COST \$16,156,047)</b>		<u>25,830,724</u>
DIRECTV*	8,045	369,829	<b>TOTAL CONSUMER, NON-CYCLICAL</b>		<u>3,777,277</u>	<b>SHORT-TERM INVESTMENTS (0.73%)</b>		
DISH Network Corp*	2,514	58,451	<b>ENERGY (0.49%)</b>			<b>UNITED STATES TREASURY BILLS (0.73%)</b>		
eBay Inc*	11,817	395,929	First Solar Inc*	910	134,125	United States T-Bill 03/31/2011 (b)	\$200,000	199,975
Expedia Inc	3,216	63,870	<b>TOTAL ENERGY</b>		<u>134,125</u>	<b>TOTAL UNITED STATES TREASURY BILLS</b>		<u>199,975</u>
Google Inc*	1,809	1,109,641	<b>INDUSTRIAL (2.93%)</b>			<b>TOTAL SHORT-TERM INVESTMENTS (COST \$199,975)</b>		<u>199,975</u>
Liberty Media Corp - Interactive*	6,500	104,390	CH Robinson Worldwide Inc	1,946	140,871	<b>TOTAL INVESTMENTS (COST \$16,356,022) (a) (95.40%)</b>		26,030,699
Millicom International Cellular SA	1,282	112,303	Expeditors International of Washington Inc	2,400	114,720	<b>OTHER NET ASSETS (4.60%)</b>		1,255,095
News Corp	17,371	301,734	Flextronics International Ltd*	9,539	77,171	<b>NET ASSETS (100.00%)</b>		<u>\$ 27,285,794</u>
NII Holdings Inc*	1,993	81,633	FLIR Systems Inc	1,650	53,295	* Non-Income Producing Security		
Priceline.com Inc*	588	266,881	Foster Wheeler AG*	1,800	65,088	(a) Aggregate cost for federal income tax purpose is \$16,357,257.		
QUALCOMM Inc	24,725	1,473,116	Garmin Ltd	2,380	80,801	At February 28, 2011, unrealized appreciation (depreciation) of securities is as follows:		
Symantec Corp*	10,283	185,402	JB Hunt Transport Services Inc	1,368	56,922	Unrealized appreciation	\$ 11,135,577	
VeriSign Inc	1,969	69,486	Joy Global Inc	1,200	116,856	Unrealized depreciation	(1,462,135)	
Virgin Media Inc	4,110	111,956	Stericycle Inc*	1,100	95,062	Net unrealized appreciation	\$ 9,673,442	
Vodafone Group PLC	7,952	227,586	<b>TOTAL INDUSTRIAL</b>		<u>800,786</u>	(b) At February 28, 2011, certain United States Treasury Bills with a market value of \$199,975 were pledged to cover margin requirements for futures contracts.		
Yahoo! Inc*	8,210	134,644	<b>TECHNOLOGY (43.78%)</b>			(c) Futures contracts at February 28, 2011: Contracts - \$20 times premium / delivery month / commitment		
<b>TOTAL COMMUNICATIONS</b>		<u>7,006,363</u>	Activision Blizzard Inc*	13,814	153,612	<b>NASDAQ 100 E-MINI 32 / Mar 2011 / Long</b>		<b>UNREALIZED APPRECIATION \$ 34,395</b>
<b>CONSUMER, CYCLICAL (7.61%)</b>			Adobe Systems Inc*	6,265	216,143			
Bed Bath & Beyond Inc*	4,298	206,949	Altera Corp	5,102	213,570			
Cintas Corp	2,196	61,752	Apple Inc*	14,428	5,096,113			
Costco Wholesale Corp	2,822	211,057	Applied Materials Inc	8,472	139,195			
Fastenal Co	1,708	106,118	Autodesk Inc*	2,800	117,740			
Mattel Inc	5,073	127,129	BMC Software Inc*	2,589	128,156			
O'Reilly Automotive Inc*	1,672	92,930	Broadcom Corp	4,880	201,154			
PACCAR Inc	4,979	249,597	CA Inc	6,092	150,960			
Ross Stores Inc	1,421	102,369	Cerner Corp*	995	99,948			
Sears Holdings Corp*	1,385	115,384	Check Point Software Technologies Ltd*	2,506	124,899			
Staples Inc	5,531	117,810	Citrix Systems Inc*	2,599	182,346			
Starbucks Corp	12,608	415,812	Cognizant Technology Solutions Corp*	3,537	271,889			
Urban Outfitters Inc*	1,802	69,161	Dell Inc*	8,780	138,987			
Wynn Resorts Ltd	1,637	201,236	Electronic Arts Inc*	3,704	69,635			
<b>TOTAL CONSUMER, CYCLICAL</b>		<u>2,077,304</u>	Fiserv Inc*	2,324	147,039			
<b>CONSUMER, NON-CYCLICAL (13.84%)</b>			Infosys Technologies Ltd	1,300	86,710			
Amgen Inc*	5,754	295,353	Intel Corp	23,595	506,585			
Apollo Group Inc*	1,751	79,250	Intuit Inc*	4,867	255,907			
Automatic Data Processing Inc	4,351	217,550	KLA-Tencor Corp	2,582	126,053			
Biogen Idec Inc*	3,654	249,934	Lam Research Corp*	1,471	80,758			
Celgene Corp*	5,560	295,236	Linear Technology Corp	3,449	119,197			
Cephalon Inc*	800	45,048	Logitech International SA*	2,100	39,627			
DENTSPLY International Inc	1,688	63,081	Marvell Technology Group Ltd*	7,273	132,950			
Express Scripts Inc*	5,992	336,870	Maxim Integrated Products Inc	3,250	89,635			
Genzyme Corp*	4,058	306,176	Microchip Technology Inc	1,644	60,680			
Gilead Sciences Inc*	10,810	421,374	Microsoft Corp	36,820	978,676			
Henry Schein Inc*	1,000	68,980						
Hologic Inc*	3,000	60,540						
Illumina Inc*	1,290	89,526						

See accompanying notes to financial statements

**STATEMENTS OF ASSETS & LIABILITIES**  
**FEBRUARY 28, 2011 (UNAUDITED)**

	<b>CALIFORNIA TAX-FREE INCOME FUND</b>	<b>CALIFORNIA INSURED INTERMEDIATE FUND</b>	<b>CALIFORNIA TAX-FREE MONEY MARKET FUND</b>	<b>U.S. GOVERNMENT SECURITIES FUND</b>	<b>SHORT- TERM U.S. GOVERNMENT BOND FUND</b>	<b>THE UNITED STATES TREASURY TRUST</b>
<b>ASSETS</b>						
Investments in securities						
Cost of Investments	\$ 99,025,628	\$ 12,201,227	\$ 58,319,536	\$ 38,796,570	\$ 15,639,685	\$ 61,894,612
Market value of investments (Note 1)	97,794,095	12,355,113	58,319,536	39,399,473	15,823,255	61,894,612
Cash	25,550	71,492	67,602	16,163	51,794	28,883
Interest receivable	1,339,652	117,344	65,148	393,893	52,696	—
Receivable for fund shares sold	2,549	—	16,159	142,427	5,948	15,511
Receivable from investment advisor	—	—	—	—	—	7,853
Total Assets	<u>\$ 99,161,846</u>	<u>\$ 12,543,949</u>	<u>\$ 58,468,445</u>	<u>\$ 39,951,956</u>	<u>\$ 15,933,693</u>	<u>\$ 61,946,859</u>
<b>LIABILITIES</b>						
Payable for fund shares repurchased	22,293	16,437	327,598	51,915	1,001	253,586
Payable to investment advisor	37,699	2,262	1,713	11,436	2,147	—
Distributions payable	87,218	6,689	—	2,868	118	—
Accrued 12b-1 fee - A Shares	—	—	—	226	—	—
Accrued 12b-1 fee - B Shares	—	—	—	72	—	—
Accrued 12b-1 fee - K Shares	—	—	—	1,675	703	49
Accrued shareholder service fee - B Shares	—	—	—	69	—	—
Accrued shareholder service fee - K Shares	—	—	—	1,741	712	77
Accrued administration fee	7,008	899	4,307	2,874	1,141	4,425
Accrued expenses	5,893	623	1,423	6,351	837	1,320
Total Liabilities	<u>\$ 160,111</u>	<u>\$ 26,910</u>	<u>\$ 335,041</u>	<u>\$ 79,227</u>	<u>\$ 6,659</u>	<u>\$ 259,457</u>
<b>NET ASSETS:</b>	<u>\$ 99,001,735</u>	<u>\$ 12,517,039</u>	<u>\$ 58,133,404</u>	<u>\$ 39,872,729</u>	<u>\$ 15,927,034</u>	<u>\$ 61,687,402</u>
<b>NET ASSETS AT FEBRUARY 28, 2011 CONSIST OF</b>						
Paid-in capital	100,048,896	12,381,829	58,136,661	40,163,197	15,750,703	61,687,105
Undistributed net investment income	144,472	4,050	—	7,613	891	772
Accumulated net realized gains (losses)	39,900	(22,726)	(3,257)	(900,984)	(8,130)	(475)
Unrealized appreciation (depreciation) of investments	(1,231,533)	153,886	—	602,903	183,570	—
	<u>\$ 99,001,735</u>	<u>\$ 12,517,039</u>	<u>\$ 58,133,404</u>	<u>\$ 39,872,729</u>	<u>\$ 15,927,034</u>	<u>\$ 61,687,402</u>
<b>NET ASSETS</b>						
Direct Shares	<u>\$ 99,001,735</u>	<u>\$ 12,517,039</u>	<u>\$ 58,133,404</u>	<u>\$ 30,452,878</u>	<u>\$ 12,513,264</u>	<u>\$ 57,516,173</u>
A Shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 902,691</u>	<u>\$ —</u>	<u>\$ —</u>
B Shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 189,688</u>	<u>\$ —</u>	<u>\$ —</u>
K Shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 8,327,472</u>	<u>\$ 3,413,770</u>	<u>\$ 4,171,229</u>
<b>SHARES OUTSTANDING</b>						
Direct Shares (no par value, unlimited shares authorized)	<u>8,965,029</u>	<u>1,197,298</u>	<u>58,200,032</u>	<u>2,940,348</u>	<u>1,212,532</u>	<u>57,518,378</u>
A Shares (no par value, unlimited shares authorized)	<u>—</u>	<u>—</u>	<u>—</u>	<u>86,941</u>	<u>—</u>	<u>—</u>
B Shares (no par value, unlimited shares authorized)	<u>—</u>	<u>—</u>	<u>—</u>	<u>18,281</u>	<u>—</u>	<u>—</u>
K Shares (no par value, unlimited shares authorized)	<u>—</u>	<u>—</u>	<u>—</u>	<u>802,016</u>	<u>330,002</u>	<u>4,169,531</u>
<b>NET ASSET VALUE PER SHARE</b>						
Direct Shares	<u>\$ 11.04</u>	<u>\$ 10.45</u>	<u>\$ 1.00</u>	<u>\$ 10.36</u>	<u>\$ 10.32</u>	<u>\$ 1.00</u>
A Shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10.38</u>	<u>\$ —</u>	<u>\$ —</u>
B Shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10.38</u>	<u>\$ —</u>	<u>\$ —</u>
K Shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 10.38</u>	<u>\$ 10.34</u>	<u>\$ 1.00</u>

See accompanying notes to financial statements

**STATEMENTS OF ASSETS & LIABILITIES**  
**FEBRUARY 28, 2011 (UNAUDITED) – (CONTINUED)**

	<b>S&amp;P 500 INDEX FUND</b>	<b>S&amp;P MIDCAP INDEX FUND</b>	<b>S&amp;P SMALLCAP INDEX FUND</b>	<b>EQUITY INCOME FUND</b>	<b>EUROPEAN GROWTH &amp; INCOME FUND</b>	<b>NASDAQ-100 INDEX FUND</b>
<b>ASSETS</b>						
Investments in securities						
Cost of investments	\$ 63,119,929	\$ 96,405,583	\$ 28,488,648	\$ 137,519,241	\$ 12,808,969	\$ 16,356,022
Market value of investments (Note 1)	90,785,069	144,617,075	33,273,287	169,099,470	13,760,196	26,030,699
Cash	165,053	1,947,553	2,324,108	166,691	80,765	1,237,091
Dividend receivable	192,614	125,417	15,114	506,128	35,519	23,375
Receivable for fund shares sold	12,417	16,155	15,369	134,480	10,170	13,145
Variation margin receivable	2,190	6,720	3,520	—	—	3,200
Prepaid Expenses	439	211	62	—	—	683
Total Assets	<u>\$ 91,157,782</u>	<u>\$ 146,713,131</u>	<u>\$ 35,631,460</u>	<u>\$ 169,906,769</u>	<u>\$ 13,886,650</u>	<u>\$ 27,308,193</u>
<b>LIABILITIES</b>						
Payable for fund shares repurchased	75,289	108,724	32,902	31,564	7,307	13,870
Payable to investment advisor	6,869	40,208	9,703	64,779	5,467	2,795
Accrued 12b-1 fee - A Shares	—	—	—	2,127	—	—
Accrued 12b-1 fee - B Shares	—	—	—	1,012	—	—
Accrued 12b-1 fee - K Shares	1,895	1,740	2,152	1,468	1,355	1,610
Accrued shareholder service fee - B Shares	—	—	—	671	—	—
Accrued shareholder service fee - K Shares	2,929	1,727	2,354	1,741	1,596	2,137
Accrued administration fee	6,470	10,392	2,536	12,042	978	1,987
Accrued expenses	—	—	—	35,996	1,180	—
Total Liabilities	<u>\$ 93,452</u>	<u>\$ 162,791</u>	<u>\$ 49,647</u>	<u>\$ 151,400</u>	<u>\$ 17,883</u>	<u>\$ 22,399</u>
<b>NET ASSETS:</b>	<u>\$ 91,064,330</u>	<u>\$ 146,550,340</u>	<u>\$ 35,581,813</u>	<u>\$ 169,755,369</u>	<u>\$ 13,868,767</u>	<u>\$ 27,285,794</u>
<b>NET ASSETS AT FEBRUARY 28, 2011 CONSIST OF</b>						
Paid-in capital	66,754,305	98,103,376	29,415,801	153,661,385	13,449,107	28,244,841
Undistributed net investment income	232,083	(1,052)	(35,417)	454,979	23,430	2,891
Accumulated net realized gains (losses)	(3,604,338)	137,994	1,309,190	(15,941,224)	(554,997)	(10,671,010)
Unrealized appreciation (depreciation) of investments	27,665,140	48,211,492	4,784,639	31,580,229	951,227	9,674,677
Unrealized appreciation of futures contracts	17,140	98,530	107,600	—	—	34,395
	<u>\$ 91,064,330</u>	<u>\$ 146,550,340</u>	<u>\$ 35,581,813</u>	<u>\$ 169,755,369</u>	<u>\$ 13,868,767</u>	<u>\$ 27,285,794</u>
<b>NET ASSETS</b>						
Direct Shares	<u>\$ 81,636,902</u>	<u>\$ 137,872,292</u>	<u>\$ 24,819,689</u>	<u>\$ 147,476,994</u>	<u>\$ 6,990,141</u>	<u>\$ 19,262,421</u>
A Shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 12,290,224</u>	<u>\$ —</u>	<u>\$ —</u>
B Shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 2,639,871</u>	<u>\$ —</u>	<u>\$ —</u>
K Shares	<u>\$ 9,427,428</u>	<u>\$ 8,678,048</u>	<u>\$ 10,762,124</u>	<u>\$ 7,348,280</u>	<u>\$ 6,878,626</u>	<u>\$ 8,023,373</u>
<b>SHARES OUTSTANDING</b>						
Direct Shares (no par value, unlimited shares authorized)	<u>3,017,364</u>	<u>5,773,162</u>	<u>1,561,978</u>	<u>8,326,368</u>	<u>780,392</u>	<u>3,242,237</u>
A Shares (no par value, unlimited shares authorized)	<u>—</u>	<u>—</u>	<u>—</u>	<u>694,276</u>	<u>—</u>	<u>—</u>
B Shares (no par value, unlimited shares authorized)	<u>—</u>	<u>—</u>	<u>—</u>	<u>149,338</u>	<u>—</u>	<u>—</u>
K Shares (no par value, unlimited shares authorized)	<u>347,807</u>	<u>365,119</u>	<u>684,364</u>	<u>417,498</u>	<u>766,797</u>	<u>1,384,357</u>
<b>NET ASSET VALUE PER SHARE</b>						
Direct Shares	<u>\$ 27.06</u>	<u>\$ 23.88</u>	<u>\$ 15.89</u>	<u>\$ 17.71</u>	<u>\$ 8.96</u>	<u>\$ 5.94</u>
A Shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 17.70</u>	<u>\$ —</u>	<u>\$ —</u>
B Shares	<u>\$ —</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 17.68</u>	<u>\$ —</u>	<u>\$ —</u>
K Shares	<u>\$ 27.11</u>	<u>\$ 23.77</u>	<u>\$ 15.73</u>	<u>\$ 17.60</u>	<u>\$ 8.97</u>	<u>\$ 5.80</u>

See accompanying notes to financial statements

**STATEMENTS OF OPERATIONS**  
**FEBRUARY 28, 2011 (UNAUDITED)**

	<b>CALIFORNIA TAX-FREE INCOME FUND</b>	<b>CALIFORNIA INSURED INTERMEDIATE FUND</b>	<b>CALIFORNIA TAX-FREE MONEY MARKET FUND</b>	<b>U.S. GOVERNMENT SECURITIES FUND</b>	<b>SHORT- TERM U.S. GOVERNMENT BOND FUND</b>	<b>THE UNITED STATES TREASURY TRUST</b>
<b>INVESTMENT INCOME</b>						
Interest income	\$ 2,391,654	\$ 233,562	\$ 74,102	\$ 569,872	\$ 101,913	\$ 54,798
Total	2,391,654	233,562	74,102	569,872	101,913	54,798
<b>EXPENSES</b>						
Management fees (Note 2)	259,767	32,464	132,337	103,198	39,524	174,649
Administration fees (Note 2)	42,558	5,300	21,758	16,857	6,467	28,373
Transfer agent fees	16,766	7,456	10,420	19,435	8,691	18,414
Accounting services	24,314	6,599	11,928	16,088	7,877	16,480
Custodian fees	4,215	995	2,655	2,312	1,024	3,414
Legal, audit, and compliance fees (Note 2)	18,514	4,374	10,322	8,574	4,827	12,985
Trustees fees	1,692	1,721	1,797	1,725	1,747	1,725
Insurance	1,814	235	948	649	266	984
Printing	1,804	265	1,531	1,548	467	2,748
Registration and dues	1,879	377	1,064	7,667	678	5,664
12b-1 fees - A Shares (Note 2)	—	—	—	1,695	—	—
12b-1 fees - B Shares (Note 2)	—	—	—	523	—	—
12b-1 fees - K Shares (Note 2)	—	—	—	10,832	4,184	1,492
Shareholder service fee - B Shares (Note 2)	—	—	—	261	—	—
Shareholder service fee - K Shares (Note 2)	—	—	—	10,832	4,184	1,492
Total expenses	373,323	59,786	194,760	202,196	79,936	268,420
Less reimbursement from manager (Note 2)	—	(15,634)	(120,658)	(25,320)	(24,930)	(213,622)
Net expenses	373,323	44,152	74,102	176,876	55,006	54,798
Net investment income	2,018,331	189,410	—	392,996	46,907	—
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>						
Net realized gain (loss) from security transactions	23,401	(14,716)	—	(94)	145	319
Change in unrealized appreciation (depreciation) of investments	(5,787,173)	(338,996)	—	(1,250,075)	(59,864)	—
Net realized and unrealized gain (loss) of investments	(5,763,772)	(353,712)	—	(1,250,169)	(59,719)	319
Net increase (decrease) in net assets resulting from operations	\$ (3,745,441)	\$ (164,302)	\$ —	\$ (857,173)	\$ (12,812)	\$ 319

See accompanying notes to financial statements

**STATEMENTS OF OPERATIONS**  
**FEBRUARY 28, 2011 (UNAUDITED) – (CONTINUED)**

	<b>S&amp;P 500 INDEX FUND</b>	<b>S&amp;P MIDCAP INDEX FUND</b>	<b>S&amp;P SMALLCAP INDEX FUND</b>	<b>EQUITY INCOME FUND</b>	<b>EUROPEAN GROWTH &amp; INCOME FUND</b>	<b>NASDAQ-100 INDEX FUND</b>
<b>INVESTMENT INCOME</b>						
Interest income	\$ 262	\$ 507	\$ 2,118	\$ 215	\$ 194	\$ 142
Dividend income (net of foreign tax withheld: \$0; \$29; \$0; \$8,192; \$1,393; \$463 respectively)	<u>875,444</u>	<u>869,187</u>	<u>224,799</u>	<u>1,989,119</u>	<u>136,324</u>	<u>122,468</u>
Total	<u>875,706</u>	<u>869,694</u>	<u>226,917</u>	<u>1,989,334</u>	<u>136,518</u>	<u>122,610</u>
<b>EXPENSES</b>						
Management fees (Note 2)	104,233	261,770	79,682	394,237	54,106	61,041
Administration fees (Note 2)	34,238	53,801	13,107	64,696	5,221	10,052
Transfer agent fees	16,856	16,465	13,397	113,861	10,349	12,882
Accounting services	24,779	33,982	15,967	40,214	7,374	9,808
Custodian fees	4,565	6,598	2,118	7,475	1,048	1,562
Legal, audit, and compliance fees (Note 2)	14,905	21,921	7,306	23,230	4,457	6,221
Trustees fees	1,805	1,827	1,831	1,665	1,811	1,838
Insurance	1,305	2,007	469	1,953	207	352
Printing	4,190	4,030	1,824	22,978	1,060	1,730
Registration and dues	3,567	4,423	2,041	15,931	1,348	1,570
12b-1 fees - A Shares (Note 2)	—	—	—	14,467	—	—
12b-1 fees - B Shares (Note 2)	—	—	—	6,384	—	—
12b-1 fees - K Shares (Note 2)	10,656	9,581	11,939	8,091	7,929	8,512
Shareholder service fee - B Shares (Note 2)	—	—	—	3,192	—	—
Shareholder service fee - K Shares (Note 2)	10,656	9,581	11,939	8,091	7,929	8,512
Licensing fee	<u>4,841</u>	<u>5,912</u>	<u>1,347</u>	<u>—</u>	<u>—</u>	<u>2,488</u>
Total expenses	236,596	431,898	162,967	726,465	102,839	126,568
Less reimbursement from manager (Note 2)	<u>(65,188)</u>	<u>(33,169)</u>	<u>(21,160)</u>	<u>—</u>	<u>(23,327)</u>	<u>(49,724)</u>
Net expenses	<u>171,408</u>	<u>398,729</u>	<u>141,807</u>	<u>726,465</u>	<u>79,512</u>	<u>76,844</u>
Net investment income	<u>704,298</u>	<u>470,965</u>	<u>85,110</u>	<u>1,262,869</u>	<u>57,006</u>	<u>45,766</u>
<b>REALIZED AND UNREALIZED GAIN (LOSS) ON INVESTMENTS</b>						
Net realized gain (loss) from security transactions	9,770	2,559,966	1,712,766	(127,883)	(49,593)	596
Net realized gain (loss) from futures contracts	61,590	817,530	793,290	50,060	—	91,253
Change in unrealized appreciation (depreciation) of investments	19,073,032	33,717,137	6,493,432	36,258,892	2,394,964	6,390,069
Change in unrealized appreciation (depreciation) of futures contracts	<u>27,065</u>	<u>100,948</u>	<u>328,905</u>	<u>—</u>	<u>—</u>	<u>37,640</u>
Net realized and unrealized gain (loss) on investments	<u>19,171,457</u>	<u>37,195,581</u>	<u>9,328,393</u>	<u>36,181,069</u>	<u>2,345,371</u>	<u>6,519,558</u>
Net increase (decrease) in net assets resulting from operations	<u>\$ 19,875,755</u>	<u>\$ 37,666,546</u>	<u>\$ 9,413,503</u>	<u>\$ 37,443,938</u>	<u>\$ 2,402,377</u>	<u>\$ 6,565,324</u>

See accompanying notes to financial statements

**STATEMENTS OF CHANGES IN NET ASSETS**  
**FEBRUARY 28, 2011 (UNAUDITED)**

	<b>CALIFORNIA TAX-FREE INCOME FUND</b>		<b>CALIFORNIA INSURED INTERMEDIATE FUND</b>		<b>CALIFORNIA TAX-FREE MONEY MARKET FUND</b>	
	<b>SIX MONTHS ENDED</b>		<b>SIX MONTHS ENDED</b>		<b>SIX MONTHS ENDED</b>	
	<b>FEBRUARY 28, 2011 (UNAUDITED)</b>	<b>YEAR ENDED AUGUST 31, 2010</b>	<b>FEBRUARY 28, 2011 (UNAUDITED)</b>	<b>YEAR ENDED AUGUST 31, 2010</b>	<b>FEBRUARY 28, 2011 (UNAUDITED)</b>	<b>YEAR ENDED AUGUST 31, 2010</b>
<b>OPERATIONS</b>						
Net investment income	\$ 2,018,331	\$ 4,365,982	\$ 189,410	\$ 393,688	\$ —	\$ —
Net realized gain (loss) on investments	23,401	447,204	(14,716)	46,750	—	—
Change in unrealized appreciation (depreciation) of investments	(5,787,173)	3,660,434	(338,996)	93,457	—	—
Net increase (decrease) in net assets resulting from operations	(3,745,441)	8,473,620	(164,302)	533,895	—	—
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>						
Distributions from net investment income	(2,034,532)	(4,359,398)	(186,436)	(396,279)	—	—
Distributions from realized capital gains on investments	(458,638)	(7,641)	(34,726)	(8,255)	—	—
<b>CAPITAL SHARE TRANSACTIONS</b>						
Increase (decrease) in net assets resulting from capital share transactions	(6,545,764)	12,020	(934,562)	(1,369,481)	10,789,891	(26,941,529)
Total increase (decrease)	(12,784,375)	4,118,601	(1,320,026)	(1,240,120)	10,789,891	(26,941,529)
<b>NET ASSETS</b>						
Beginning of period	111,786,110	107,667,509	13,837,065	15,077,185	47,343,513	74,285,042
End of period	<u>\$ 99,001,735</u>	<u>\$ 111,786,110</u>	<u>\$ 12,517,039</u>	<u>\$ 13,837,065</u>	<u>\$ 58,133,404</u>	<u>\$ 47,343,513</u>
Including undistributed net investment income of:	<u>\$ 144,472</u>	<u>\$ 160,673</u>	<u>\$ 4,050</u>	<u>\$ 1,076</u>	<u>\$ —</u>	<u>\$ —</u>

	<b>U.S. GOVERNMENT SECURITIES FUND</b>		<b>SHORT-TERM U.S. GOVERNMENT BOND FUND</b>		<b>THE UNITED STATES TREASURY TRUST</b>	
	<b>SIX MONTHS ENDED</b>		<b>SIX MONTHS ENDED</b>		<b>SIX MONTHS ENDED</b>	
	<b>FEBRUARY 28, 2011 (UNAUDITED)</b>	<b>YEAR ENDED AUGUST 31, 2010</b>	<b>FEBRUARY 28, 2011 (UNAUDITED)</b>	<b>YEAR ENDED AUGUST 31, 2010</b>	<b>FEBRUARY 28, 2011 (UNAUDITED)</b>	<b>YEAR ENDED AUGUST 31, 2010</b>
<b>OPERATIONS</b>						
Net investment income	\$ 392,996	\$ 882,522	\$ 46,907	\$ 144,132	\$ —	\$ —
Net realized gain (loss) on investments	(94)	(58,168)	145	120,313	319	155
Change in unrealized appreciation (depreciation) of investments	(1,250,075)	1,041,946	(59,864)	90,894	—	—
Net increase (decrease) in net assets resulting from operations	(857,173)	1,866,300	(12,812)	355,339	319	155
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>						
Distributions from net investment income						
Direct shares	(330,722)	(683,596)	(43,068)	(128,391)	—	—
A Shares	(11,138)	(4,439)	—	—	—	—
B Shares	(1,310)	(596)	—	—	—	—
K Shares	(69,022)	(219,329)	(3,523)	(17,191)	—	—
Distributions from realized capital gains on investments						
Direct shares	—	—	(63,333)	—	(756)	(27,791)
A Shares	—	—	—	—	—	—
B Shares	—	—	—	—	—	—
K Shares	—	—	(16,594)	—	(39)	—
<b>CAPITAL SHARE TRANSACTIONS</b>						
Increase (decrease) in net assets resulting from capital share transactions	(1,601,520)	(827,096)	261,106	(643,453)	(9,152,138)	(2,856,393)
Increase (decrease) in net assets resulting from capital share transactions due to merger (Note 5)	—	13,076,797	—	—	—	45,120,457
Total increase (decrease)	(2,870,885)	13,208,041	121,776	(433,696)	(9,152,614)	42,236,428
<b>NET ASSETS</b>						
Beginning of period	42,743,614	29,535,573	15,805,258	16,238,954	70,840,016	28,603,588
End of period	<u>\$ 39,872,729</u>	<u>\$ 42,743,614</u>	<u>\$ 15,927,034</u>	<u>\$ 15,805,258</u>	<u>\$ 61,687,402</u>	<u>\$ 70,840,016</u>
Including undistributed net investment income of:	<u>\$ 7,613</u>	<u>\$ 26,809</u>	<u>\$ 891</u>	<u>\$ 369</u>	<u>\$ 772</u>	<u>\$ 772</u>

See accompanying notes to financial statements

**STATEMENTS OF CHANGES IN NET ASSETS**  
**FEBRUARY 28, 2011 (UNAUDITED) – (CONTINUED)**

	<b>S&amp;P 500 INDEX FUND</b>		<b>S&amp;P MIDCAP INDEX FUND</b>		<b>S&amp;P SMALLCAP INDEX FUND</b>	
	<b>SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)</b>	<b>YEAR ENDED AUGUST 31, 2010</b>	<b>SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)</b>	<b>YEAR ENDED AUGUST 31, 2010</b>	<b>SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)</b>	<b>YEAR ENDED AUGUST 31, 2010</b>
<b>OPERATIONS</b>						
Net investment income	\$ 704,298	\$ 1,308,093	\$ 470,965	\$ 1,019,539	\$ 85,110	\$ 23,689
Net realized gain (loss) on investments	9,770	544,836	2,559,966	35,551	1,712,766	282,121
Net realized gain (loss) on futures contracts	61,590	(39,697)	817,530	(40,395)	793,290	256,050
Change in unrealized appreciation (depreciation) of investments	19,073,032	1,642,717	33,717,137	12,213,622	6,493,432	1,368,390
Change in unrealized appreciation (depreciation) of futures contracts	27,065	(37,896)	100,948	(4,813)	328,905	(412,840)
Net increase (decrease) in net assets resulting from operations	19,875,755	3,418,053	37,666,546	13,223,504	9,413,503	1,517,410
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>						
Distributions from net investment income						
Direct shares	(671,947)	(1,177,682)	(461,122)	(1,067,780)	(94,526)	(50,628)
A Shares	—	—	—	—	—	—
B Shares	—	—	—	—	—	—
K Shares	(62,850)	(92,966)	(16,504)	(37,017)	(26,001)	—
Distributions from realized capital gains on investments						
Direct shares	—	—	—	(163,778)	—	—
A Shares	—	—	—	—	—	—
B Shares	—	—	—	—	—	—
K Shares	—	—	—	(9,001)	—	—
<b>CAPITAL SHARE TRANSACTIONS</b>						
Increase (decrease) in net assets resulting from capital share transactions	(1,234,842)	(2,306,225)	(1,239,981)	(15,179,581)	89,561	302,957
Total increase (decrease)	17,906,116	(158,820)	35,948,939	(3,233,653)	9,382,537	1,769,739
<b>NET ASSETS</b>						
Beginning of period	73,158,214	73,317,034	110,601,401	113,835,054	26,199,276	24,429,537
End of period	\$ 91,064,330	\$ 73,158,214	\$ 146,550,340	\$ 110,601,401	\$ 35,581,813	\$ 26,199,276
Including undistributed net investment income of:	\$ 232,083	\$ 262,582	\$ (1,052)	\$ 5,609	\$ (35,417)	\$ —

	<b>EQUITY INCOME FUND</b>		<b>EUROPEAN GROWTH &amp; INCOME FUND</b>		<b>NASDAQ-100 INDEX FUND</b>	
	<b>SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)</b>	<b>YEAR ENDED AUGUST 31, 2010</b>	<b>SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)</b>	<b>YEAR ENDED AUGUST 31, 2010</b>	<b>SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)</b>	<b>YEAR ENDED AUGUST 31, 2010</b>
<b>OPERATIONS</b>						
Net investment income	\$ 1,262,869	\$ 578,249	\$ 57,006	\$ 271,880	\$ 45,766	\$ 21,143
Net realized gain (loss) on investments	(127,883)	(3,633,555)	(49,593)	(188,570)	596	(274,121)
Net realized gain (loss) on futures contracts	50,060	12,401	—	—	91,253	592,608
Change in unrealized appreciation (depreciation) of investments	36,258,892	2,836,292	2,394,964	(896,721)	6,390,069	1,345,720
Change in unrealized appreciation (depreciation) of futures contracts	—	—	—	—	37,640	(146,038)
Net increase (decrease) in net assets resulting from operations	37,443,938	(206,613)	2,402,377	(813,411)	6,565,324	1,539,312
<b>DISTRIBUTIONS TO SHAREHOLDERS</b>						
Distributions from net investment income						
Direct shares	(1,048,301)	(178,074)	(32,842)	(171,101)	(38,443)	(27,754)
A Shares	(79,549)	—	—	—	—	—
B Shares	(13,427)	—	—	—	—	—
K Shares	(38,852)	(40,093)	(22,716)	(130,661)	(4,432)	—
Distributions from realized capital gains on investments						
Direct shares	—	—	—	—	—	—
A Shares	—	—	—	—	—	—
B Shares	—	—	—	—	—	—
K Shares	—	—	—	—	—	—
Return of Capital Distributions	—	—	—	—	—	(4,008)
<b>CAPITAL SHARE TRANSACTIONS</b>						
Increase (decrease) in net assets resulting from capital share transactions	(8,258,828)	(3,358,569)	321,429	(274,975)	1,165,320	36,815
Increase (decrease) in net assets resulting from capital share transactions due to merger (Note 5)	—	126,362,507	—	—	—	—
Total increase (decrease)	28,004,981	122,579,158	2,668,248	(1,390,148)	7,687,769	1,544,365
<b>NET ASSETS</b>						
Beginning of period	141,750,388	19,171,230	11,200,519	12,590,667	19,598,025	18,053,660
End of period	\$ 169,755,369	\$ 141,750,388	\$ 13,868,767	\$ 11,200,519	\$ 27,285,794	\$ 19,598,025
Including undistributed net investment income of:	\$ 454,979	\$ 372,239	\$ 23,430	\$ 21,982	\$ 2,891	\$ —

See accompanying notes to financial statements

**STATEMENTS OF CHANGES IN NET ASSETS**  
**FEBRUARY 28, 2011 (UNAUDITED) – (CONTINUED)**

	CALIFORNIA TAX-FREE INCOME FUND				CALIFORNIA INSURED INTERMEDIATE FUND			
	SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010		SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010	
	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE
Shares sold	261,818	\$ 2,960,903	1,014,266	\$ 11,560,673	16,998	\$ 180,141	59,016	\$ 634,309
Shares issued in reinvestment of distributions	171,634	1,924,466	286,247	3,261,845	17,355	183,421	30,651	329,126
	433,452	4,885,369	1,300,513	14,822,518	34,353	363,562	89,667	963,435
Shares repurchased	(1,027,949)	(11,431,133)	(1,297,519)	(14,810,498)	(122,085)	(1,298,124)	(217,167)	(2,332,916)
Net increase (decrease)	(594,497)	\$ (6,545,764)	2,994	\$ 12,020	(87,732)	\$ (934,562)	(127,500)	\$ (1,369,481)

	CALIFORNIA TAX-FREE MONEY MARKET FUND		THE UNITED STATES TREASURY TRUST					
			DIRECT SHARES			K SHARES		
	SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)	YEAR ENDED AUGUST 31, 2010	SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)	YEAR ENDED AUGUST 31, 2010		SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)	YEAR ENDED AUGUST 31, 2010	
	SHARES/VALUE	SHARES/VALUE	SHARES/VALUE	SHARES	VALUE	SHARES/VALUE	SHARES	VALUE
Shares sold	24,927,337	63,195,132	25,720,784	42,325,487	\$ 42,325,200	1,439,352	2,034,660	\$ 2,034,662
Shares received in merger	—	—	—	45,123,360	45,120,457	—	—	—
Shares issued in reinvestment of distributions	—	—	749	27,327	27,327	39	—	—
	24,927,337	63,195,132	25,721,533	87,476,174	87,472,984	1,439,391	2,034,660	2,034,662
Shares repurchased	(14,137,446)	(90,136,661)	(35,558,603)	(45,395,993)	(45,393,070)	(754,459)	(1,850,512)	(1,850,512)
Net increase (decrease)	10,789,891	(26,941,529)	(9,837,070)	42,080,181	\$ 42,079,914	684,932	184,148	\$ 184,150

	DIRECT SHARES				K SHARES			
	SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010		SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010	
	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE
Shares sold	226,553	\$ 2,374,073	338,781	\$ 3,515,072	94,484	\$ 994,212	179,852	\$ 1,864,890
Shares received in merger	—	—	1,095,274	11,510,520	—	—	—	—
Shares issued in reinvestment of distributions	29,669	311,601	59,917	619,925	6,552	69,022	21,182	219,330
	256,222	2,685,674	1,493,972	15,645,517	101,036	1,063,234	201,034	2,084,220
Shares repurchased	(356,815)	(3,747,934)	(582,515)	(5,997,590)	(109,006)	(1,133,760)	(102,594)	(1,066,010)
Net increase (decrease)	(100,593)	\$ (1,062,260)	911,457	\$ 9,647,927	(7,970)	\$ (70,526)	98,440	\$ 1,018,210

	A SHARES				B SHARES			
	SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		PERIOD ENDED AUGUST 31, 2010*		SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		PERIOD ENDED AUGUST 31, 2010*	
	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE
Shares sold	6,722	\$ 70,169	1,387	\$ 15,076	254	\$ 2,677	49	\$ 516
Shares received in merger	—	—	127,161	1,337,829	—	—	21,714	228,448
Shares issued in reinvestment of distributions	1,018	10,732	402	4,274	124	1,310	56	596
	7,740	80,901	128,950	1,357,179	378	3,987	21,819	229,560
Shares repurchased	(49,653)	(514,369)	(96)	(1,287)	(3,738)	(39,253)	(178)	(1,888)
Net increase (decrease)	(41,913)	\$ (433,468)	128,854	\$ 1,355,892	(3,360)	\$ (35,266)	21,641	\$ 227,672

	DIRECT SHARES				K SHARES			
	SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010		SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010	
	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE
Shares sold	212,401	\$ 2,204,390	764,557	\$ 7,889,599	61,566	\$ 639,334	158,771	\$ 1,643,208
Shares issued in reinvestment of distributions	10,137	104,959	12,102	124,829	1,940	20,117	1,658	17,191
	222,538	2,309,349	776,659	8,014,428	63,506	659,451	160,429	1,660,399
Shares repurchased	(218,710)	(2,267,848)	(902,109)	(9,293,766)	(42,459)	(439,846)	(98,982)	(1,024,514)
Net increase (decrease)	3,828	\$ 41,501	(125,450)	\$ (1,279,338)	21,047	\$ 219,605	61,447	\$ 635,885

\* Commenced operations on May 7, 2010

See accompanying notes to financial statements

**STATEMENTS OF CHANGES IN NET ASSETS**  
**FEBRUARY 28, 2011 (UNAUDITED) – (CONTINUED)**

**S&P 500 INDEX FUND**

	DIRECT SHARES				K SHARES			
	SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010		SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010	
	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE
Shares sold	78,226	\$ 1,951,867	193,707	\$ 4,443,286	36,351	\$ 908,113	78,842	\$ 1,781,409
Shares issued in reinvestment of distributions	23,784	578,897	45,271	1,006,183	2,529	62,107	4,101	91,758
	102,010	2,530,764	238,978	5,449,469	38,880	970,220	82,943	1,873,167
Shares repurchased	(159,888)	(3,936,716)	(384,683)	(8,649,705)	(32,150)	(799,110)	(43,518)	(979,156)
Net increase (decrease)	(57,878)	\$ (1,405,952)	(145,705)	\$ (3,200,236)	6,730	\$ 171,110	39,425	\$ 894,011

**S&P MIDCAP INDEX FUND**

	DIRECT SHARES				K SHARES			
	SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010		SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010	
	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE
Shares sold	240,640	\$ 5,265,863	410,298	\$ 7,489,247	33,077	\$ 716,285	67,881	\$ 1,238,676
Shares issued in reinvestment of distributions	19,424	398,568	59,492	1,071,146	782	15,988	2,533	45,241
	260,064	5,664,431	469,790	8,560,393	33,859	732,273	70,414	1,283,917
Shares repurchased	(325,801)	(6,976,425)	(1,327,483)	(24,071,838)	(31,107)	(660,260)	(52,500)	(952,053)
Net increase (decrease)	(65,737)	\$ (1,311,994)	(857,693)	\$ (15,511,445)	2,752	\$ 72,013	17,914	\$ 331,864

**S&P SMALLCAP INDEX FUND**

	DIRECT SHARES				K SHARES			
	SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010		SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010	
	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE
Shares sold	72,634	\$ 1,045,775	227,978	\$ 2,888,566	65,352	\$ 926,131	142,783	\$ 1,731,940
Shares issued in reinvestment of distributions	6,203	92,761	4,025	49,660	1,727	26,001	—	—
	78,837	1,138,536	232,003	2,938,226	67,079	952,132	142,783	1,731,940
Shares repurchased	(85,679)	(1,236,636)	(244,315)	(2,935,465)	(54,763)	(764,471)	(118,568)	(1,431,744)
Net increase (decrease)	(6,842)	\$ (98,100)	(12,312)	\$ 2,761	12,316	\$ 187,661	24,215	\$ 300,196

**EQUITY INCOME FUND**

	DIRECT SHARES				K SHARES			
	SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010		SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010	
	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE
Shares sold	239,432	\$ 4,001,002	161,565	\$ 2,342,951	57,461	\$ 940,235	92,113	\$ 1,310,532
Shares received in merger	—	—	7,921,061	112,769,119	—	—	—	—
Shares issued in reinvestment of distributions	63,560	1,019,298	11,956	168,023	2,415	38,852	2,866	40,093
	302,992	5,020,300	8,094,582	115,280,093	59,876	979,087	94,979	1,350,625
Shares repurchased	(764,829)	(12,396,016)	(427,335)	(6,172,713)	(30,867)	(509,434)	(46,840)	(667,996)
Net increase (decrease)	(461,837)	\$ (7,375,716)	7,667,247	\$ 109,107,380	29,009	\$ 469,653	48,139	\$ 682,629

	A SHARES				B SHARES			
	SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		PERIOD ENDED AUGUST 31, 2010*		SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		PERIOD ENDED AUGUST 31, 2010*	
	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE
Shares sold	30,420	\$ 487,950	3,494	\$ 52,483	3,896	\$ 64,798	948	\$ 13,794
Shares received in merger	—	—	777,690	11,076,658	—	—	176,699	2,516,730
Shares issued in reinvestment of distributions	4,921	79,139	—	—	801	12,938	—	—
	35,341	567,089	781,184	11,129,141	4,697	77,736	177,647	2,530,524
Shares repurchased	(97,056)	(1,550,539)	(25,193)	(368,753)	(27,733)	(447,051)	(5,273)	(76,983)
Net increase (decrease)	(61,715)	\$ (983,450)	755,991	\$ 10,760,388	(23,036)	\$ (369,315)	172,374	\$ 2,453,541

\* Commenced operations on May 7, 2010

See accompanying notes to financial statements

**STATEMENTS OF CHANGES IN NET ASSETS**  
**FEBRUARY 28, 2011 (UNAUDITED) – (CONTINUED)**

**EUROPEAN GROWTH  
& INCOME FUND**

	DIRECT SHARES				K SHARES			
	SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010		SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010	
	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE
Shares sold	80,073	\$ 670,275	160,020	\$ 1,302,246	84,760	\$ 710,607	178,975	\$ 1,474,152
Shares issued in reinvestment of distributions	3,924	32,244	21,559	166,499	2,746	22,716	17,063	130,661
	83,997	702,519	181,579	1,468,745	87,506	733,323	196,038	1,604,813
Shares repurchased	(63,661)	(535,468)	(284,387)	(2,337,799)	(68,998)	(578,945)	(123,781)	(1,010,734)
Net increase (decrease)	<u>20,336</u>	<u>\$ 167,051</u>	<u>(102,808)</u>	<u>\$ (869,054)</u>	<u>18,508</u>	<u>\$ 154,378</u>	<u>72,257</u>	<u>\$ 594,079</u>

**NASDAQ-100 INDEX FUND**

	DIRECT SHARES				K SHARES			
	SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010		SIX MONTHS ENDED FEBRUARY 28, 2011 (UNAUDITED)		YEAR ENDED AUGUST 31, 2010	
	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE	SHARES	VALUE
Shares sold	530,428	\$ 2,897,157	1,028,621	\$ 4,781,623	259,341	\$ 1,413,238	307,641	\$ 1,389,264
Shares issued in reinvestment of distributions	7,232	38,104	7,078	31,574	838	4,431	-	-
	537,660	2,935,261	1,035,699	4,813,197	260,179	1,417,669	307,641	1,389,264
Shares repurchased	(458,162)	(2,537,291)	(1,094,222)	(5,049,735)	(124,224)	(650,319)	(247,922)	(1,115,911)
Net increase (decrease)	<u>79,498</u>	<u>\$ 397,970</u>	<u>(58,523)</u>	<u>\$ (236,538)</u>	<u>135,955</u>	<u>\$ 767,350</u>	<u>59,719</u>	<u>\$ 273,353</u>

See accompanying notes to financial statements

**FINANCIAL HIGHLIGHTS**  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD)

<b>CALIFORNIA TAX-FREE INCOME FUND DIRECT SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 11.69	\$ 11.27	\$ 11.40	\$ 11.49	\$ 11.85	\$ 12.41
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.22	0.46	0.47	0.45	0.52	0.50
Net gain (loss) on securities (both realized and unrealized)	(0.60)	0.42	(0.10)	(0.01)	(0.29)	(0.29)
Total from investment operations	(0.38)	0.88	0.37	0.44	0.23	0.21
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.22)	(0.46)	(0.47)	(0.47)	(0.49)	(0.50)
Distributions from capital gains	(0.05)	0.00 <sup>(a)</sup>	(0.03)	(0.06)	(0.10)	(0.27)
Total distributions	(0.27)	(0.46)	(0.50)	(0.53)	(0.59)	(0.77)
Paid in capital from redemption fee (Note 1)	—	—	—	—	(0.00) <sup>(a)</sup>	(0.00) <sup>(a)</sup>
Net asset value, end of period	<u>\$ 11.04</u>	<u>\$ 11.69</u>	<u>\$ 11.27</u>	<u>\$ 11.40</u>	<u>\$ 11.49</u>	<u>\$ 11.85</u>
Total return	(3.28)%*	7.98%	3.44%	3.96%	1.95%	1.84%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 99,002	\$ 111,786	\$ 107,668	\$ 118,342	\$ 120,996	\$ 127,178
Ratio of expenses to average net assets:	0.70%**	0.73%	0.74%	0.72%	0.71%	0.71%
Ratio of net investment income to average net assets:	3.84%**	4.02%	4.23%	3.92%	4.39%	4.17%
Portfolio turnover	0.32%*	9.66%	20.83%	5.37%	9.30%	17.01%

<b>CALIFORNIA INSURED INTERMEDIATE FUND DIRECT SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 10.77	\$ 10.67	\$ 10.57	\$ 10.42	\$ 10.49	\$ 10.79
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.15	0.30	0.31	0.32	0.33	0.33
Net gain (loss) on securities (both realized and unrealized)	(0.29)	0.12	0.10	0.15	(0.06)	(0.16)
Total from investment operations	(0.14)	0.42	0.41	0.47	0.27	0.17
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.15)	(0.31)	(0.31)	(0.32)	(0.33)	(0.33)
Distributions from capital gains	(0.03)	(0.01)	—	—	(0.01)	(0.14)
Total distributions	(0.18)	(0.32)	(0.31)	(0.32)	(0.34)	(0.47)
Paid in capital from redemption fee (Note 1)	—	—	—	—	—	—
Net asset value, end of period	<u>\$ 10.45</u>	<u>\$ 10.77</u>	<u>\$ 10.67</u>	<u>\$ 10.57</u>	<u>\$ 10.42</u>	<u>\$ 10.49</u>
Total return	(1.30)%*	3.92%	3.97%	4.54%	2.64%	1.67%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 12,517	\$ 13,837	\$ 15,077	\$ 15,542	\$ 17,767	\$ 19,631
Ratio of expenses to average net assets:						
Before expense reimbursements	0.92%**	0.91%	0.92%	0.89%	0.88%	0.89%
After expense reimbursements	0.68%**	0.68%	0.68%	0.68%	0.68%	0.68%
Ratio of net investment income to average net assets:						
Before expense reimbursements	2.66%**	2.59%	2.69%	2.79%	2.96%	2.92%
After expense reimbursements	2.90%**	2.82%	2.93%	3.00%	3.16%	3.12%
Portfolio turnover	6.62%*	7.21%	12.49%	0.00%	0.00%	2.75%

(a) Less than \$0.01 per share.

(b) Calculated based upon average shares outstanding.

\* Not Annualized.

\*\* Annualized

**FINANCIAL HIGHLIGHTS**  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD) – (CONTINUED)

<b>CALIFORNIA TAX-FREE MONEY MARKET FUND DIRECT SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	\$ —	\$ —	\$ 0.007	\$ 0.023	\$ 0.030	\$ 0.025
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	\$ —	\$ —	\$ (0.007)	\$ (0.023)	\$ (0.030)	\$ (0.025)
Net asset value, end of period	<u>\$ 1.000</u>	<u>\$ 1.000</u>	<u>\$ 1.000</u>	<u>\$ 1.000</u>	<u>\$ 1.000</u>	<u>\$ 1.000</u>
 Total return	 0.00%*	 0.00%	 0.68%	 2.32%	 3.00%	 2.52%
 <b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 58,133	\$ 47,344	\$ 74,285	\$ 81,164	\$ 100,979	\$ 81,876
Ratio of expenses to average net assets:						
Before expense reimbursements	0.72% <sup>****</sup>	0.76% <sup>^^</sup>	0.80% <sup>^</sup>	0.73%	0.71%	0.75%
After expense reimbursements	0.28% <sup>****</sup>	0.31% <sup>^^</sup>	0.55% <sup>^</sup>	0.53%	0.53%	0.53%
Ratio of net investment income to average net assets:						
Before expense reimbursements	(0.46)% <sup>****</sup>	(0.45)% <sup>^^</sup>	0.46% <sup>^</sup>	2.14%	2.79%	2.32%
After expense reimbursements	0.00% <sup>****</sup>	0.00% <sup>^^</sup>	0.71% <sup>^</sup>	2.34%	2.97%	2.54%

(b) Calculated based upon average shares outstanding.

<sup>^</sup> Includes Temporary Guarantee Program expense and negative yield waiver adjustment.

<sup>^^</sup> Includes negative yield waiver adjustment.

\* Not Annualized.

\*\* Annualized

**FINANCIAL HIGHLIGHTS**  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD) – (CONTINUED)

<b>U.S. GOVERNMENT SECURITIES FUND DIRECT SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 10.68	\$ 10.38	\$ 10.46	\$ 10.22	\$ 10.19	\$ 10.51
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.11	0.31	0.37	0.38	0.42	0.42
Net gain (loss) on securities (both realized and unrealized)	(0.32)	0.30	(0.08)	0.24	0.04	(0.32)
Total from investment operations	(0.22)	0.61	0.29	0.62	0.46	0.10
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.11)	(0.31)	(0.37)	(0.38)	(0.43)	(0.42)
Distributions from capital gains	—	—	—	—	—	—
Total distributions	(0.11)	(0.31)	(0.37)	(0.38)	(0.43)	(0.42)
Paid in capital from redemption fee (Note 1)	—	—	(0.00) <sup>(a)</sup>	(0.00) <sup>(a)</sup>	—	—
Net asset value, end of period	<u>\$ 10.36</u>	<u>\$ 10.68</u>	<u>\$ 10.38</u>	<u>\$ 10.46</u>	<u>\$ 10.22</u>	<u>\$ 10.19</u>
Total return	(1.96)%*	6.04%	2.73%	6.10%	4.63%	1.00%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 30,453	\$ 32,467	\$ 22,111	\$ 21,632	\$ 19,762	\$ 21,430
Ratio of expenses to average net assets:						
Before expense reimbursements	0.86%**	0.94%	0.86%	0.85%	0.87%	0.86%
After expense reimbursements	0.74%**	0.74%	0.74%	0.74%	0.74%	0.74%
Ratio of net investment income to average net assets:						
Before expense reimbursements	1.88%**	2.79%	3.38%	3.48%	3.95%	3.94%
After expense reimbursements	2.00%**	2.99%	3.51%	3.59%	4.08%	4.06%
Portfolio turnover	5.89%*	53.81%	82.33%	41.39%	56.53%	71.63%
<b>K SHARES</b>						
	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 10.70	\$ 10.43	\$ 10.53	\$ 10.29	\$ 10.26	\$ 10.57
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.08	0.26	0.32	0.33	0.37	0.36
Net gain (loss) on securities (both realized and unrealized)	(0.32)	0.30	(0.09)	0.24	0.04	(0.31)
Total from investment operations	(0.24)	0.56	0.23	0.57	0.41	0.05
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.08)	(0.29)	(0.33)	(0.33)	(0.38)	(0.36)
Distributions from capital gains	—	—	—	—	—	—
Total distributions	(0.08)	(0.29)	(0.33)	(0.33)	(0.38)	(0.36)
Paid in capital from redemption fee (Note 1)	—	—	—	—	—	—
Net asset value, end of period	<u>\$ 10.38</u>	<u>\$ 10.70</u>	<u>\$ 10.43</u>	<u>\$ 10.53</u>	<u>\$ 10.29</u>	<u>\$ 10.26</u>
Total return	(2.23)%*	5.50%	2.19%	5.57%	4.07%	0.55%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 8,327	\$ 8,668	\$ 7,425	\$ 6,107	\$ 6,329	\$ 5,285
Ratio of expenses to average net assets:						
Before expense reimbursements	1.36%**	1.44%	1.36%	1.35%	1.36%	1.36%
After expense reimbursements	1.24%**	1.24%	1.24%	1.24%	1.24%	1.24%
Ratio of net investment income to average net assets:						
Before expense reimbursements	1.38%**	2.30%	2.88%	2.98%	3.45%	3.44%
After expense reimbursements	1.50%**	2.50%	3.01%	3.09%	3.58%	3.56%
Portfolio turnover	5.89%*	53.81%	82.33%	41.39%	56.53%	71.63%

(a) Less than \$0.01 per share.

(b) Calculated based upon average shares outstanding.

\* Not Annualized.

\*\* Annualized

**FINANCIAL HIGHLIGHTS**  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD) – (CONTINUED)

**U.S. GOVERNMENT SECURITIES FUND**  
**A SHARES**

	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>May 7, 2010<sup>^</sup> to August 31, 2010</b>
Net asset value, beginning of period	\$ 10.69	\$ 10.41
<b>INCOME FROM INVESTMENT OPERATIONS</b>		
Net investment income <sup>(b)</sup>	0.09	0.07
Net gain (loss) on securities (both realized and unrealized)	(0.31)	0.28
Total from investment operations	<u>(0.22)</u>	<u>0.35</u>
<b>LESS DISTRIBUTIONS</b>		
Dividends from net investment income	(0.09)	(0.07)
Distributions from capital gains	—	—
Total distributions	<u>(0.09)</u>	<u>(0.07)</u>
Paid in capital from redemption fee (Note 1)	—	—
Net asset value, end of period	<u>\$ 10.38</u>	<u>\$ 10.69</u>
 Total return	 (2.11)% <sup>(c)*</sup>	 3.39% <sup>(c)*</sup>
<b>RATIOS / SUPPLEMENTAL DATA</b>		
Net assets, end of period (in 000's)	\$ 903	\$ 1,377
Ratio of expenses to average net assets:		
Before expense reimbursements	1.10%**	1.19%**
After expense reimbursements	0.98%**	0.99%**
Ratio of net investment income to average net assets:		
Before expense reimbursements	1.62%**	2.00%**
After expense reimbursements	1.76%**	2.20%**
Portfolio turnover	5.89%*	53.81%

**B SHARES**

	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>May 7, 2010<sup>^</sup> to August 31, 2010</b>
Net asset value, beginning of period	\$ 10.69	\$ 10.41
<b>INCOME FROM INVESTMENT OPERATIONS</b>		
Net investment income <sup>(b)</sup>	0.07	0.06
Net gain (loss) on securities (both realized and unrealized)	(0.31)	0.28
Total from investment operations	<u>(0.24)</u>	<u>0.34</u>
<b>LESS DISTRIBUTIONS</b>		
Dividends from net investment income	(0.07)	(0.06)
Distributions from capital gains	—	—
Total distributions	<u>(0.07)</u>	<u>(0.06)</u>
Paid in capital from redemption fee (Note 1)	—	—
Net asset value, end of period	<u>\$ 10.38</u>	<u>\$ 10.69</u>
 Total return	 (2.29)% <sup>(d)*</sup>	 3.32% <sup>(d)*</sup>
<b>RATIOS / SUPPLEMENTAL DATA</b>		
Net assets, end of period (in 000's)	\$ 190	\$ 231
Ratio of expenses to average net assets:		
Before expense reimbursements	1.60%**	1.69%**
After expense reimbursements	1.48%**	1.49%**
Ratio of net investment income to average net assets:		
Before expense reimbursements	1.14%**	1.50%**
After expense reimbursements	1.26%**	1.70%**
Portfolio turnover	5.89%*	53.81%

(a) Less than \$0.01 per share.

(b) Calculated based upon average shares outstanding.

(c) Not reflecting sales charge.

(d) Not reflecting CDSC.

\* Not Annualized.

\*\* Annualized.

<sup>^</sup> Commencement of Operations.

**FINANCIAL HIGHLIGHTS**  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD) – (CONTINUED)

<b>SHORT-TERM U.S. GOVERNMENT BOND FUND DIRECT SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 10.41	\$ 10.26	\$ 10.10	\$ 9.94	\$ 9.86	\$ 9.96
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.04	0.09	0.19	0.36	0.40	0.34
Net gain (loss) on securities (both realized and unrealized)	(0.04)	0.15	0.16	0.16	0.08	(0.10)
Total from investment operations	<u>—</u>	<u>0.24</u>	<u>0.35</u>	<u>0.52</u>	<u>0.48</u>	<u>0.24</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.04)	(0.09)	(0.19)	(0.36)	(0.40)	(0.34)
Distributions from capital gains	(0.05)	—	—	—	—	—
Total distributions	<u>(0.09)</u>	<u>(0.09)</u>	<u>(0.19)</u>	<u>(0.36)</u>	<u>(0.40)</u>	<u>(0.34)</u>
Paid in capital from redemption fee (Note 1)	—	—	(0.00) <sup>(a)</sup>	—	—	—
Net asset value, end of period	<u>\$ 10.32</u>	<u>\$ 10.41</u>	<u>\$ 10.26</u>	<u>\$ 10.10</u>	<u>\$ 9.94</u>	<u>\$ 9.86</u>
Total return	(0.03)%*	2.32%	3.49%	5.26%	4.94%	2.43%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 12,513	\$ 12,581	\$ 13,688	\$ 10,540	\$ 10,381	\$ 13,235
Ratio of expenses to average net assets:						
Before expense reimbursements	0.90%**	0.89%	0.95%	0.98%	0.94%	0.92%
After expense reimbursements	0.58%**	0.59%	0.59%	0.59%	0.59%	0.59%
Ratio of net investment income to average net assets:						
Before expense reimbursements	0.38%**	0.59%	1.45%	3.08%	3.61%	3.06%
After expense reimbursements	0.70%**	0.89%	1.81%	3.47%	3.96%	3.39%
Portfolio turnover	4.18%*	42.47%	57.68%	56.46%	64.03%	82.25%
<b>K SHARES</b>						
	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 10.43	\$ 10.30	\$ 10.13	\$ 9.96	\$ 9.87	\$ 9.96
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.01	0.04	0.14	0.30	0.34	0.28
Net gain (loss) on securities (both realized and unrealized)	(0.04)	0.15	0.16	0.17	0.09	(0.09)
Total from investment operations	<u>(0.03)</u>	<u>0.19</u>	<u>0.30</u>	<u>0.47</u>	<u>0.43</u>	<u>0.19</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.01)	(0.06)	(0.13)	(0.30)	(0.34)	(0.28)
Distributions from capital gains	(0.05)	—	—	—	—	—
Total distributions	<u>(0.06)</u>	<u>(0.06)</u>	<u>(0.13)</u>	<u>(0.30)</u>	<u>(0.34)</u>	<u>(0.28)</u>
Net asset value, end of period	<u>\$ 10.34</u>	<u>\$ 10.43</u>	<u>\$ 10.30</u>	<u>\$ 10.13</u>	<u>\$ 9.96</u>	<u>\$ 9.87</u>
Total return	(0.27)%*	1.82%	2.93%	4.77%	4.41%	1.98%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 3,414	\$ 3,224	\$ 2,551	\$ 2,253	\$ 2,099	\$ 1,435
Ratio of expenses to average net assets:						
Before expense reimbursements	1.40%**	1.39%	1.45%	1.48%	1.44%	1.42%
After expense reimbursements	1.08%**	1.09%	1.09%	1.09%	1.09%	1.09%
Ratio of net investment income to average net assets:						
Before expense reimbursements	(0.12)%**	0.09%	0.98%	2.58%	3.11%	2.56%
After expense reimbursements	0.20%**	0.39%	1.34%	2.97%	3.46%	2.89%
Portfolio turnover	4.18%*	42.47%	57.68%	56.46%	64.03%	82.25%

(a) Less than \$0.01 per share.

(b) Calculated based upon average shares outstanding.

\* Not Annualized.

\*\* Annualized

**FINANCIAL HIGHLIGHTS**  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD) – (CONTINUED)

<b>THE UNITED STATES TREASURY TRUST DIRECT SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	\$ —	\$ —	\$ 0.002	\$ 0.021	\$ 0.044	\$ 0.037
Net gain (loss) on securities (both realized and unrealized)	—	0.001	—	—	—	—
Total from investment operations	—	0.001	0.002	0.021	0.044	0.037
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	\$ —	\$ —	\$ (0.002)	\$ (0.021)	\$ (0.044)	\$ (0.037)
Dividends from realized gains	—	(0.001)	—	—	—	—
Net asset value, end of period	<u>\$ 1.000</u>	<u>\$ 1.000</u>	<u>\$ 1.000</u>	<u>\$ 1.000</u>	<u>\$ 1.000</u>	<u>\$ 1.000</u>
Total return	0.00%*	0.11%	0.13%	2.21%	4.54%	3.74%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 57,516	\$ 67,354	\$ 25,301	\$ 39,535	\$ 36,664	\$ 48,604
Ratio of expenses to average net assets:						
Before expense reimbursements	0.76% <sup>***</sup>	0.94% <sup>^^</sup>	0.91% <sup>^</sup>	0.79%	0.78%	0.80%
After expense reimbursements	0.16% <sup>***</sup>	0.15% <sup>^^</sup>	0.29% <sup>^</sup>	0.53%	0.53%	0.53%
Ratio of net investment income to average net assets:						
Before expense reimbursements	(0.60)% <sup>***</sup>	(0.79)% <sup>^^</sup>	(0.46)% <sup>^</sup>	1.88%	4.20%	3.61%
After expense reimbursements	0.00% <sup>***</sup>	0.00% <sup>^^</sup>	0.16% <sup>^</sup>	2.14%	4.45%	3.88%
<b>K SHARES</b>						
	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000	\$ 1.000
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	\$ —	\$ —	\$ —	\$ 0.017	\$ 0.039	\$ 0.032
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	\$ —	\$ —	\$ —	\$ (0.017)	\$ (0.039)	\$ (0.032)
Net asset value, end of period	<u>\$ 1.000</u>	<u>\$ 1.000</u>	<u>\$ 1.000</u>	<u>\$ 1.000</u>	<u>\$ 1.000</u>	<u>\$ 1.000</u>
Total return	0.00%*	0.00%	0.04%	1.70%	4.02%	3.22%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 4,171	\$ 3,486	\$ 3,302	\$ 2,737	\$ 2,894	\$ 2,487
Ratio of expenses to average net assets:						
Before expense reimbursements	0.76% <sup>***</sup>	0.93% <sup>^^</sup>	0.97% <sup>^</sup>	1.29%	1.28%	1.30%
After expense reimbursements	0.16% <sup>***</sup>	0.14% <sup>^^</sup>	0.35% <sup>^</sup>	1.03%	1.03%	1.03%
Ratio of net investment income to average net assets:						
Before expense reimbursements	(0.60)% <sup>***</sup>	(0.79)% <sup>^^</sup>	(0.59)% <sup>^</sup>	1.47%	3.70%	3.11%
After expense reimbursements	0.00% <sup>***</sup>	0.00% <sup>^^</sup>	0.03% <sup>^</sup>	1.73%	3.95%	3.38%

(b) Calculated based upon average shares outstanding.

<sup>^</sup> Includes Temporary Guarantee Program expense and negative yield waiver adjustment.

<sup>^^</sup> Includes negative yield waiver adjustment.

\* Not Annualized.

\*\* Annualized

**FINANCIAL HIGHLIGHTS**  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD) – (CONTINUED)

<b>S&amp;P 500 INDEX FUND DIRECT SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 21.41	\$ 20.81	\$ 25.91	\$ 29.70	\$ 26.31	\$ 24.61
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.21	0.39	0.42	0.48	0.46	0.42
Net gain (loss) on securities (both realized and unrealized)	5.66	0.58	(5.09)	(3.79)	3.40	1.68
Total from investment operations	<u>5.87</u>	<u>0.97</u>	<u>(4.67)</u>	<u>(3.31)</u>	<u>3.86</u>	<u>2.10</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.22)	(0.37)	(0.43)	(0.48)	(0.47)	(0.40)
Distributions from capital gains	—	—	—	—	—	—
Total distributions	<u>(0.22)</u>	<u>(0.37)</u>	<u>(0.43)</u>	<u>(0.48)</u>	<u>(0.47)</u>	<u>(0.40)</u>
Paid in capital from redemption fee (Note 1)	—	—	—	(0.00) <sup>(a)</sup>	(0.00) <sup>(a)</sup>	(0.00) <sup>(a)</sup>
Net asset value, end of period	<u>\$ 27.06</u>	<u>\$ 21.41</u>	<u>\$ 20.81</u>	<u>\$ 25.91</u>	<u>\$ 29.70</u>	<u>\$ 26.31</u>
Total return	27.54%*	4.62%	(17.86)%	(11.25)%	14.75%	8.61%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 81,637	\$ 65,837	\$ 67,017	\$ 87,760	\$ 105,804	\$ 100,927
Ratio of expenses to average net assets:						
Before expense reimbursements	0.52%**	0.56%	0.59%	0.51%	0.51%	0.53%
After expense reimbursements	0.36%**	0.36%	0.36%	0.36%	0.36%	0.36%
Ratio of net investment income to average net assets:						
Before expense reimbursements	1.58%**	1.52%	2.03%	1.57%	1.44%	1.44%
After expense reimbursements	1.72%**	1.72%	2.26%	1.72%	1.59%	1.61%
Portfolio turnover	0.19%*	6.63%	5.18%	2.90%	2.63%	3.56%

<b>K SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 21.47	\$ 20.88	\$ 26.05	\$ 29.82	\$ 26.41	\$ 24.70
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.15	0.28	0.33	0.34	0.32	0.28
Net gain (loss) on securities (both realized and unrealized)	5.67	0.60	(5.14)	(3.77)	3.41	1.69
Total from investment operations	<u>5.82</u>	<u>0.88</u>	<u>(4.81)</u>	<u>(3.43)</u>	<u>3.73</u>	<u>1.97</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.18)	(0.29)	(0.36)	(0.34)	(0.32)	(0.26)
Distributions from capital gains	—	—	—	—	—	—
Total distributions	<u>(0.18)</u>	<u>(0.29)</u>	<u>(0.36)</u>	<u>(0.34)</u>	<u>(0.32)</u>	<u>(0.26)</u>
Paid in capital from redemption fee (Note 1)	—	—	—	—	—	—
Net asset value, end of period	<u>\$ 27.11</u>	<u>\$ 21.47</u>	<u>\$ 20.88</u>	<u>\$ 26.05</u>	<u>\$ 29.82</u>	<u>\$ 26.41</u>
Total return	27.21%*	4.15%	(18.29)%	(11.58)%	14.17%	8.04%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 9,427	\$ 7,322	\$ 6,300	\$ 6,803	\$ 8,292	\$ 6,159
Ratio of expenses to average net assets:						
Before expense reimbursements	1.00%**	1.06%	1.09%	1.01%	1.01%	1.03%
After expense reimbursements	0.86%**	0.86%	0.86%	0.86%	0.86%	0.86%
Ratio of net investment income to average net assets:						
Before expense reimbursements	1.08%**	1.03%	1.51%	1.07%	0.94%	0.94%
After expense reimbursements	1.24%**	1.22%	1.74%	1.22%	1.09%	1.11%
Portfolio turnover	0.19%*	6.63%	5.18%	2.90%	2.63%	3.56%

(a) Less than \$0.01 per share.

(b) Calculated based upon average shares outstanding.

\* Not Annualized.

\*\* Annualized

**FINANCIAL HIGHLIGHTS**  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD) – (CONTINUED)

<b>S&amp;P MIDCAP INDEX FUND DIRECT SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 17.84	\$ 16.17	\$ 20.94	\$ 24.85	\$ 22.89	\$ 23.34
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.08	0.16	0.17	0.18	0.16	0.21
Net gain (loss) on securities (both realized and unrealized)	6.04	1.71	(4.29)	(1.24)	3.34	1.11
Total from investment operations	<u>6.12</u>	<u>1.87</u>	<u>(4.12)</u>	<u>(1.06)</u>	<u>3.50</u>	<u>1.32</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.08)	(0.17)	(0.15)	(0.17)	(0.19)	(0.21)
Distributions from capital gains	—	(0.03)	(0.50)	(2.68)	(1.35)	(1.56)
Total distributions	<u>(0.08)</u>	<u>(0.20)</u>	<u>(0.65)</u>	<u>(2.85)</u>	<u>(1.54)</u>	<u>(1.77)</u>
Paid in capital from redemption fee (Note 1)	—	—	(0.00) <sup>(a)</sup>	(0.00) <sup>(a)</sup>	(0.00) <sup>(a)</sup>	(0.00) <sup>(a)</sup>
Net asset value, end of period	<u>\$ 23.88</u>	<u>\$ 17.84</u>	<u>\$ 16.17</u>	<u>\$ 20.94</u>	<u>\$ 24.85</u>	<u>\$ 22.89</u>
Total return	34.38%*	11.54%	(18.90)%	(4.78)%	15.74%	5.80%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 137,872	\$ 104,162	\$ 108,279	\$ 148,971	\$ 171,024	\$ 162,988
Ratio of expenses to average net assets:						
Before expense reimbursements	0.62%**	0.66%	0.70%	0.64%	0.63%	0.64%
After expense reimbursements	0.58%**	0.58%	0.58%	0.58%	0.58%	0.58%
Ratio of net investment income to average net assets:						
Before expense reimbursements	0.70%**	0.80%	1.09%	0.76%	0.61%	0.84%
After expense reimbursements	0.74%**	0.88%	1.21%	0.81%	0.66%	0.91%
Portfolio turnover	2.15%*	9.86%	31.15%	18.18%	14.61%	13.83%
<b>K SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 17.77	\$ 16.13	\$ 20.94	\$ 24.85	\$ 22.88	\$ 23.34
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.03	0.07	0.10	0.07	0.04	0.09
Net gain (loss) on securities (both realized and unrealized)	6.02	1.70	(4.30)	(1.22)	3.35	1.10
Total from investment operations	<u>6.05</u>	<u>1.77</u>	<u>(4.20)</u>	<u>(1.15)</u>	<u>3.39</u>	<u>1.19</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.05)	(0.10)	(0.11)	(0.08)	(0.07)	(0.09)
Distributions from capital gains	—	(0.03)	(0.50)	(2.68)	(1.35)	(1.56)
Total distributions	<u>(0.05)</u>	<u>(0.13)</u>	<u>(0.61)</u>	<u>(2.76)</u>	<u>(1.42)</u>	<u>(1.65)</u>
Paid in capital from redemption fee (Note 1)	—	—	—	—	—	—
Net asset value, end of period	<u>\$ 23.77</u>	<u>\$ 17.77</u>	<u>\$ 16.13</u>	<u>\$ 20.94</u>	<u>\$ 24.85</u>	<u>\$ 22.88</u>
Total return	34.06%*	10.97%	(19.31)%	(5.18)%	15.22%	5.23%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 8,678	\$ 6,439	\$ 5,556	\$ 6,392	\$ 7,302	\$ 5,617
Ratio of expenses to average net assets:						
Before expense reimbursements	1.12%**	1.16%	1.20%	1.14%	1.13%	1.14%
After expense reimbursements	1.08%**	1.08%	1.08%	1.08%	1.08%	1.08%
Ratio of net investment income to average net assets:						
Before expense reimbursements	0.20%**	0.29%	0.59%	0.26%	0.11%	0.34%
After expense reimbursements	0.24%**	0.38%	0.70%	0.31%	0.16%	0.41%
Portfolio turnover	2.15%*	9.86%	31.15%	18.18%	14.61%	13.83%

(a) Less than \$0.01 per share.

(b) Calculated based upon average shares outstanding.

\* Not Annualized.

\*\* Annualized

**FINANCIAL HIGHLIGHTS**  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD) – (CONTINUED)

<b>S&amp;P SMALLCAP INDEX FUND DIRECT SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 11.72	\$ 10.98	\$ 16.61	\$ 20.11	\$ 19.38	\$ 19.08
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.05	0.03	0.07	0.07	0.12	0.10
Net gain (loss) on securities (both realized and unrealized)	4.18	0.74	(4.04)	(1.27)	2.38	1.18
Total from investment operations	<u>4.23</u>	<u>0.77</u>	<u>(3.97)</u>	<u>(1.20)</u>	<u>2.50</u>	<u>1.28</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.06)	(0.01)	(0.07)	(0.06)	(0.13)	(0.10)
Distributions from capital gains	—	—	(1.59)	(2.24)	(1.64)	(0.88)
Return of capital distribution	—	(0.02)	—	—	—	—
Total distributions	<u>(0.06)</u>	<u>(0.03)</u>	<u>(1.66)</u>	<u>(2.30)</u>	<u>(1.77)</u>	<u>(0.98)</u>
Paid in capital from redemption fee (Note 1)	—	—	(0.00) <sup>(a)</sup>	(0.00) <sup>(a)</sup>	—	(0.00) <sup>(a)</sup>
Net asset value, end of period	<u>\$ 15.89</u>	<u>\$ 11.72</u>	<u>\$ 10.98</u>	<u>\$ 16.61</u>	<u>\$ 20.11</u>	<u>\$ 19.38</u>
Total return	36.13%*	7.03%	(22.04)%	(6.18)%	13.25%	6.94%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 24,820	\$ 18,394	\$ 17,365	\$ 23,524	\$ 24,462	\$ 24,609
Ratio of expenses to average net assets:						
Before expense reimbursements	0.86%**	0.95%	1.06%	0.89%	0.90%	0.92%
After expense reimbursements	0.74%**	0.74%	0.74%	0.74%	0.74%	0.74%
Ratio of net investment income to average net assets:						
Before expense reimbursements	0.54%**	0.02%	0.40%	0.25%	0.44%	0.33%
After expense reimbursements	0.68%**	0.24%	0.73%	0.40%	0.60%	0.51%
Portfolio turnover	13.09%*	4.99%	11.93%	15.14%	9.19%	11.24%
<b>K SHARES</b>						
	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 11.61	\$ 10.90	\$ 16.54	\$ 20.04	\$ 19.33	\$ 19.04
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income (loss) <sup>(b)</sup>	0.01	(0.03)	0.02	(0.02)	0.02	—
Net gain (loss) on securities (both realized and unrealized)	4.15	0.74	(4.03)	(1.24)	2.38	1.18
Total from investment operations	<u>4.16</u>	<u>0.71</u>	<u>(4.01)</u>	<u>(1.26)</u>	<u>2.40</u>	<u>1.18</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.04)	—	(0.04)	—	(0.05)	(0.01)
Distributions from capital gains	—	—	(1.59)	(2.24)	(1.64)	(0.88)
Total distributions	<u>(0.04)</u>	<u>—</u>	<u>(1.63)</u>	<u>(2.24)</u>	<u>(1.69)</u>	<u>(0.89)</u>
Paid in capital from redemption fee (Note 1)	—	—	—	—	—	—
Net asset value, end of period	<u>\$ 15.73</u>	<u>\$ 11.61</u>	<u>\$ 10.90</u>	<u>\$ 16.54</u>	<u>\$ 20.04</u>	<u>\$ 19.33</u>
Total return	35.83%*	6.51%	(22.43)%	(6.58)%	12.70%	6.38%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 10,762	\$ 7,806	\$ 7,064	\$ 8,529	\$ 9,556	\$ 7,290
Ratio of expenses to average net assets:						
Before expense reimbursements	1.36%**	1.45%	1.56%	1.39%	1.40%	1.42%
After expense reimbursements	1.22%**	1.24%	1.24%	1.24%	1.24%	1.24%
Ratio of net investment income to average net assets:						
Before expense reimbursements	0.06%**	(0.48)%	(0.10)%	(0.25)%	(0.06)%	(0.17)%
After expense reimbursements	0.18%**	(0.26)%	0.23%	(0.10)%	0.10%	0.01%
Portfolio turnover	13.09%*	4.99%	11.93%	15.14%	9.19%	11.24%

(a) Less than \$0.01 per share.

(b) Calculated based upon average shares outstanding.

\* Not Annualized.

\*\* Annualized

**FINANCIAL HIGHLIGHTS**  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD) – (CONTINUED)

<b>EQUITY INCOME FUND DIRECT SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 14.03	\$ 13.14	\$ 15.69	\$ 17.96	\$ 16.52	\$ 16.12
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.13	0.23	0.21	0.29	0.29	0.26
Net gain (loss) on securities (both realized and unrealized)	3.67	0.82	(2.51)	(1.96)	2.08	0.76
Total from investment operations	<u>3.80</u>	<u>1.05</u>	<u>(2.30)</u>	<u>(1.67)</u>	<u>2.37</u>	<u>1.02</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.12)	(0.16)	(0.20)	(0.28)	(0.31)	(0.27)
Distributions from capital gains	—	—	(0.05)	(0.32)	(0.62)	(0.35)
Total distributions	<u>(0.12)</u>	<u>(0.16)</u>	<u>(0.25)</u>	<u>(0.60)</u>	<u>(0.93)</u>	<u>(0.62)</u>
Paid in capital from redemption fee (Note 1)	—	—	—	—	—	(0.00) <sup>(a)</sup>
Net asset value, end of period	<u>\$ 17.71</u>	<u>\$ 14.03</u>	<u>\$ 13.14</u>	<u>\$ 15.69</u>	<u>\$ 17.96</u>	<u>\$ 16.52</u>
Total return	27.20%*	8.00%	(14.48)%	(9.52)%	14.56%	6.50%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 147,477	\$ 123,305	\$ 14,724	\$ 17,914	\$ 23,584	\$ 17,090
Ratio of expenses to average net assets:						
Before expense reimbursements	0.86%**	0.99%	0.97%	0.86%	0.88%	0.91%
After expense reimbursements	0.86%**	0.99%	0.97%	0.86%	0.88%	0.90%
Ratio of net investment income to average net assets:						
Before expense reimbursements	1.64%**	1.57%	1.83%	1.76%	1.64%	1.61%
After expense reimbursements	1.64%**	1.57%	1.83%	1.76%	1.64%	1.62%
Portfolio turnover	1.76%*	76.06%	27.02%	15.93%	1.48%	2.59%
<b>K SHARES</b>						
	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 13.95	\$ 13.07	\$ 15.64	\$ 17.88	\$ 16.56	\$ 16.17
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.09	0.12	0.15	0.21	0.21	0.18
Net gain (loss) on securities (both realized and unrealized)	3.66	0.87	(2.51)	(1.92)	1.96	0.75
Total from investment operations	<u>3.75</u>	<u>0.99</u>	<u>(2.36)</u>	<u>(1.71)</u>	<u>2.17</u>	<u>0.93</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.10)	(0.11)	(0.16)	(0.21)	(0.23)	(0.19)
Distributions from capital gains	—	—	(0.05)	(0.32)	(0.62)	(0.35)
Total distributions	<u>(0.10)</u>	<u>(0.11)</u>	<u>(0.21)</u>	<u>(0.53)</u>	<u>(0.85)</u>	<u>(0.54)</u>
Paid in capital from redemption fee (Note 1)	—	—	—	—	—	—
Net asset value, end of period	<u>\$ 17.60</u>	<u>\$ 13.95</u>	<u>\$ 13.07</u>	<u>\$ 15.64</u>	<u>\$ 17.88</u>	<u>\$ 16.56</u>
Total return	26.92%*	7.56%	(14.91)%	(9.81)%	13.29%	5.92%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 7,348	\$ 5,421	\$ 4,447	\$ 4,326	\$ 4,878	\$ 3,829
Ratio of expenses to average net assets:						
Before expense reimbursements	1.36%**	1.49%	1.47%	1.36%	1.38%	1.41%
After expense reimbursements	1.36%**	1.49%	1.47%	1.36%	1.38%	1.40%
Ratio of net investment income to average net assets:						
Before expense reimbursements	1.16%**	1.07%	1.32%	1.26%	1.14%	1.11%
After expense reimbursements	1.16%**	1.07%	1.32%	1.26%	1.14%	1.12%
Portfolio turnover	1.76%*	76.06%	27.02%	15.93%	1.48%	2.59%

(a) Less than \$0.01 per share.

(b) Calculated based upon average shares outstanding.

\* Not Annualized.

\*\* Annualized

**FINANCIAL HIGHLIGHTS**  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD) – (CONTINUED)

**EQUITY INCOME FUND**  
**A SHARES**

	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>May 7, 2010<sup>^</sup> to August 31, 2010</b>
Net asset value, beginning of period	\$ 14.03	\$ 14.54
<b>INCOME FROM INVESTMENT OPERATIONS</b>		
Net investment income <sup>(b)</sup>	0.11	0.07
Net gain (loss) on securities (both realized and unrealized)	3.67	(0.53)
Total from investment operations	<u>3.78</u>	<u>(0.46)</u>
<b>LESS DISTRIBUTIONS</b>		
Dividends from net investment income	(0.11)	(0.05)
Distributions from capital gains	—	—
Total distributions	<u>(0.11)</u>	<u>(0.05)</u>
Paid in capital from redemption fee (Note 1)	—	—
Net asset value, end of period	<u>\$ 17.70</u>	<u>\$ 14.03</u>
 Total return	 27.03% <sup>(c)*</sup>	 (3.17)% <sup>(c)*</sup>
<b>RATIOS / SUPPLEMENTAL DATA</b>		
Net assets, end of period (in 000's)	\$ 12,290	\$ 10,607
Ratio of expenses to average net assets:		
Before expense reimbursements	1.12%**	1.24%**
After expense reimbursements	1.12%**	1.24%**
Ratio of net investment income to average net assets:		
Before expense reimbursements	1.40%**	1.33%**
After expense reimbursements	1.40%**	1.33%**
Portfolio turnover	1.76%*	76.06%

**B SHARES**

	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>May 7, 2010<sup>^</sup> to August 31, 2010</b>
Net asset value, beginning of period	\$ 14.02	\$ 14.54
<b>INCOME FROM INVESTMENT OPERATIONS</b>		
Net investment income <sup>(b)</sup>	0.07	0.05
Net gain (loss) on securities (both realized and unrealized)	3.67	(0.52)
Total from investment operations	<u>3.74</u>	<u>(0.47)</u>
<b>LESS DISTRIBUTIONS</b>		
Dividends from net investment income	(0.08)	(0.05)
Distributions from capital gains	—	—
Total distributions	<u>(0.08)</u>	<u>(0.05)</u>
Paid in capital from redemption fee (Note 1)	—	—
Net asset value, end of period	<u>\$ 17.68</u>	<u>\$ 14.02</u>
 Total return	 26.76% <sup>(d)*</sup>	 (3.24)% <sup>(d)*</sup>
<b>RATIOS / SUPPLEMENTAL DATA</b>		
Net assets, end of period (in 000's)	\$ 2,640	\$ 2,417
Ratio of expenses to average net assets:		
Before expense reimbursements	1.60%**	1.74%**
After expense reimbursements	1.60%**	1.74%**
Ratio of net investment income to average net assets:		
Before expense reimbursements	0.88%**	0.83%**
After expense reimbursements	0.88%**	0.83%**
Portfolio turnover	1.76%*	76.06%

(a) Less than \$0.01 per share.

(b) Calculated based upon average shares outstanding.

(c) Not reflecting sales charge.

(d) Not reflecting CDSC.

\* Not Annualized.

\*\* Annualized.

<sup>^</sup> Commencement of Operations.

**FINANCIAL HIGHLIGHTS**  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD) – (CONTINUED)

<b>EUROPEAN GROWTH &amp; INCOME FUND DIRECT SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 7.42	\$ 8.17	\$ 9.73	\$ 11.27	\$ 9.91	\$ 8.57
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.05	0.19	0.23	0.28	0.23	0.24
Net gain (loss) on securities (both realized and unrealized)	1.53	(0.73)	(1.56)	(1.55)	1.40	1.29
Total from investment operations	<u>1.58</u>	<u>(0.54)</u>	<u>(1.33)</u>	<u>(1.27)</u>	<u>1.63</u>	<u>1.53</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.04)	(0.21)	(0.23)	(0.27)	(0.27)	(0.19)
Distributions from capital gains	—	—	—	—	—	—
Total distributions	<u>(0.04)</u>	<u>(0.21)</u>	<u>(0.23)</u>	<u>(0.27)</u>	<u>(0.27)</u>	<u>(0.19)</u>
Paid in capital from redemption fee (Note 1)	—	—	—	—	—	—
Net asset value, end of period	<u>\$ 8.96</u>	<u>\$ 7.42</u>	<u>\$ 8.17</u>	<u>\$ 9.73</u>	<u>\$ 11.27</u>	<u>\$ 9.91</u>
Total return	21.39%*	(6.64)%	(13.27)%	(11.48)%	16.54%	17.97%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 6,990	\$ 5,637	\$ 7,049	\$ 8,213	\$ 7,367	\$ 5,719
Ratio of expenses to average net assets:						
Before expense reimbursements	1.36%**	1.38%	1.49%	1.34%	1.41%	1.49%
After expense reimbursements	1.00%**	1.00%	1.00%	1.00%	1.00%	1.00%
Ratio of net investment income to average net assets:						
Before expense reimbursements	0.78%**	2.01%	2.79%	2.37%	1.83%	2.48%
After expense reimbursements	1.14%**	2.38%	3.28%	2.70%	2.24%	2.97%
Portfolio turnover	7.80%*	0.00%	12.55%	0.00%	0.00%	3.24%

<b>K SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 7.43	\$ 8.20	\$ 9.78	\$ 11.31	\$ 9.94	\$ 8.60
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income <sup>(b)</sup>	0.03	0.16	0.20	0.23	0.18	0.19
Net gain (loss) on securities (both realized and unrealized)	1.54	(0.75)	(1.57)	(1.55)	1.40	1.29
Total from investment operations	<u>1.57</u>	<u>(0.59)</u>	<u>(1.37)</u>	<u>(1.32)</u>	<u>1.58</u>	<u>1.48</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.03)	(0.18)	(0.21)	(0.21)	(0.21)	(0.14)
Distributions from capital gains	—	—	—	—	—	—
Total distributions	<u>(0.03)</u>	<u>(0.18)</u>	<u>(0.21)</u>	<u>(0.21)</u>	<u>(0.21)</u>	<u>(0.14)</u>
Paid in capital from redemption fee (Note 1)	—	—	—	—	—	—
Net asset value, end of period	<u>\$ 8.97</u>	<u>\$ 7.43</u>	<u>\$ 8.20</u>	<u>\$ 9.78</u>	<u>\$ 11.31</u>	<u>\$ 9.94</u>
Total return	21.16%*	(7.21)%	(13.69)%	(11.79)%	16.02%	17.31%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 6,879	\$ 5,563	\$ 5,542	\$ 5,541	\$ 6,519	\$ 4,576
Ratio of expenses to average net assets:						
Before expense reimbursements	1.86%**	1.88%	1.99%	1.84%	1.91%	1.99%
After expense reimbursements	1.48%**	1.50%	1.50%	1.50%	1.50%	1.50%
Ratio of net investment income to average net assets:						
Before expense reimbursements	0.28%**	1.56%	2.32%	1.63%	1.33%	1.98%
After expense reimbursements	0.64%**	1.94%	2.81%	1.98%	1.74%	2.47%
Portfolio turnover	7.80%*	0.00%	12.55%	0.00%	0.00%	3.24%

(a) Less than \$0.01 per share.

(b) Calculated based upon average shares outstanding.

\* Not Annualized.

\*\* Annualized

**FINANCIAL HIGHLIGHTS**  
(FOR A SHARE OUTSTANDING THROUGHOUT EACH PERIOD) – (CONTINUED)

<b>NASDAQ-100 INDEX FUND DIRECT SHARES</b>	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 4.47	\$ 4.12	\$ 4.69	\$ 4.97	\$ 3.96	\$ 3.98
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income (loss) <sup>(b)</sup>	0.01	0.01	0.01	0.00	(0.00) <sup>(a)</sup>	(0.00) <sup>(a)</sup>
Net gain (loss) on securities (both realized and unrealized)	1.47	0.35	(0.58)	(0.28)	1.01	(0.01)
Total from investment operations	<u>1.48</u>	<u>0.36</u>	<u>(0.57)</u>	<u>(0.28)</u>	<u>1.01</u>	<u>(0.01)</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	(0.01)	(0.01)	—	—	—	(0.01)
Distributions from capital gains	—	—	—	—	—	—
Return of capital distribution	—	(0.00) <sup>(a)</sup>	(0.00) <sup>(a)</sup>	(0.00) <sup>(a)</sup>	—	—
Total distributions	<u>(0.01)</u>	<u>(0.01)</u>	<u>(0.00)<sup>(a)</sup></u>	<u>(0.00)<sup>(a)</sup></u>	<u>—</u>	<u>(0.01)</u>
Paid in capital from redemption fee (Note 1)	—	—	(0.00) <sup>(a)</sup>	(0.00) <sup>(a)</sup>	—	(0.00) <sup>(a)</sup>
Net asset value, end of period	<u>\$ 5.94</u>	<u>\$ 4.47</u>	<u>\$ 4.12</u>	<u>\$ 4.69</u>	<u>\$ 4.97</u>	<u>\$ 3.96</u>
Total return	33.19%*	8.73%	(12.14)%	(5.60)%	25.51%	(0.24)%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 19,263	\$ 14,146	\$ 13,262	\$ 13,968	\$ 13,542	\$ 12,072
Ratio of expenses to average net assets:						
Before expense reimbursements	0.88%**	0.96%	1.11%	0.98%	1.01%	1.03%
After expense reimbursements	0.48%**	0.49%	0.49%	0.58% <sup>^</sup>	0.74%	0.74%
Ratio of net investment income to average net assets:						
Before expense reimbursements	0.10%**	(0.24)%	(0.42)%	(0.33)%	(0.36)%	(0.34)%
After expense reimbursements	0.52%**	0.24%	0.19%	0.06%	(0.09)%	(0.05)%
Portfolio turnover	0.00%*	3.72%	7.67%	15.05%	5.02%	14.07%
<b>K SHARES</b>						
	<b>Six Months Ended February 28, 2011 (Unaudited)</b>	<b>Year Ended August 31, 2010</b>	<b>Year Ended August 31, 2009</b>	<b>Year Ended August 31, 2008</b>	<b>Year Ended August 31, 2007</b>	<b>Year Ended August 31, 2006</b>
Net asset value, beginning of period	\$ 4.37	\$ 4.03	\$ 4.61	\$ 4.91	\$ 3.93	\$ 3.96
<b>INCOME FROM INVESTMENT OPERATIONS</b>						
Net investment income (loss) <sup>(b)</sup>	—	(0.01)	(0.01)	(0.02)	(0.02)	(0.02)
Net gain (loss) on securities (both realized and unrealized)	1.43	0.35	(0.57)	(0.28)	1.00	(0.01)
Total from investment operations	<u>1.43</u>	<u>0.34</u>	<u>(0.58)</u>	<u>(0.30)</u>	<u>0.98</u>	<u>(0.03)</u>
<b>LESS DISTRIBUTIONS</b>						
Dividends from net investment income	—	—	—	—	—	—
Distributions from capital gains	—	—	—	—	—	—
Total distributions	—	—	—	—	—	—
Paid in capital from redemption fee (Note 1)	—	—	—	—	—	—
Net asset value, end of period	<u>\$ 5.80</u>	<u>\$ 4.37</u>	<u>\$ 4.03</u>	<u>\$ 4.61</u>	<u>\$ 4.91</u>	<u>\$ 3.93</u>
Total return	32.81%*	8.44%	(12.58)%	(6.11)%	24.94%	(0.76)%
<b>RATIOS / SUPPLEMENTAL DATA</b>						
Net assets, end of period (in 000's)	\$ 8,023	\$ 5,452	\$ 4,792	\$ 5,262	\$ 5,978	\$ 3,908
Ratio of expenses to average net assets:						
Before expense reimbursements	1.38%**	1.46%	1.61%	1.48%	1.51%	1.53%
After expense reimbursements	0.98%**	0.99%	0.99%	1.08% <sup>^^</sup>	1.24%	1.24%
Ratio of net investment income to average net assets:						
Before expense reimbursements	(0.40)%**	(0.73)%	(0.92)%	(0.83)%	(0.86)%	(0.84)%
After expense reimbursements	0.02%**	(0.26)%	(0.31)%	(0.44)%	(0.59)%	(0.55)%
Portfolio turnover	0.00%*	3.72%	7.67%	15.05%	5.02%	14.07%

(a) Less than \$0.01 per share.

(b) Calculated based upon average shares outstanding.

<sup>^</sup> Effective January 1, 2008, the net expense ratio for Nasdaq-100 Index Fund - S Shares changed from 0.74% to 0.49%. The blended expense ratio as of August 31, 2008 is 0.58%.

<sup>^^</sup> Effective January 1, 2008, the net expense ratio for Nasdaq-100 Index Fund - K Shares changed from 1.24% to 0.99%. The blended expense ratio as of August 31, 2008 is 1.08%.

\* Not Annualized.

\*\* Annualized

**Note 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

California Tax-Free Income Fund, California Insured Intermediate Fund, California Tax-Free Money Market Fund, U.S. Government Securities Fund, Short-Term U.S. Government Bond Fund, The United States Treasury Trust, S&P 500 Index Fund, S&P MidCap Index Fund, S&P SmallCap Index Fund, Equity Income Fund, European Growth & Income Fund, and Nasdaq-100 Index Fund are each a series of shares of beneficial interest of California Investment Trust. The Trust is registered under the Investment Company Act of 1940, as amended, as a diversified open-end management investment company. The Trust is organized as a Delaware statutory trust and is authorized to issue an unlimited number of no par value shares in one or more series. The Trust, originally organized as two separate Massachusetts business trusts formed by Declarations of Trust dated September 11, 1985, as subsequently amended, was reorganized into a single Delaware statutory trust after the close of trading on December 29, 2006. The investment objectives of the Funds are as follows: California Tax-Free Income Fund and California Insured Intermediate Fund seek as high a level of income, exempt from regular federal and California personal income taxes, as is consistent with prudent investment management and safety of capital. California Tax-Free Money Market Fund seeks capital preservation, liquidity and the highest achievable current income exempt from regular federal and California personal income taxes consistent with safety. U.S. Government Securities Fund seeks liquidity, safety from credit risk and as high a level of income as is consistent with these objectives by investing in full faith and credit obligations of the U.S. Government and its agencies or instrumentalities, primarily in U.S. Treasury Securities and Government National Mortgage Association Certificates. Short-Term U.S. Government Bond Fund seeks liquidity, safety from credit risk, preservation of investors' principal and as high a level of income as is consistent with these objectives by investing in mainly U.S. government securities. The United States Treasury Trust seeks capital preservation, safety, liquidity, and consistent with these objectives, the highest attainable current income exempt from state income taxes. S&P 500 Index Fund, S&P MidCap Index Fund and S&P SmallCap Index Fund are diversified mutual funds that seek to provide investment results that correspond to the total return of publicly traded common stocks represented in the Standard & Poor's 500 Composite Stock Price Index, the Standard & Poor's MidCap 400 Index and the Standard & Poor's SmallCap 600 Index, respectively. The Equity Income Fund seeks a high level of income and capital appreciation (when consistent with high income) by investing primarily in income-producing U.S. equity securities. European Growth & Income Fund seeks to provide long-term capital appreciation and income by investing in large-sized European companies. Nasdaq-100 Index Fund attempts to replicate the performance of the largest non-financial companies as measured by the Nasdaq-100 Index.

California Investment Trust began offering additional classes of shares, Class K, on October 16, 2003, and Class A and Class B, on May 7, 2010. Income, expenses (other than the expenses attributable to a specific class), realized and unrealized gains or losses on investments of the Funds are allocated proportionately to the four classes of shares offered based on the daily net assets, except for Rule 12b-1 distribution fees and shareholder service fees, which are charged only to A, B, and K Shares. The following is a summary of significant accounting policies followed by the Funds.

(a) *Security Valuation* – Portfolio securities of the S&P 500 Index Fund, S&P MidCap Index Fund, S&P SmallCap Index Fund, Equity Income Fund, European Growth & Income Fund, and Nasdaq-100 Index Fund listed on a national exchange are valued at the last reported sales price. U.S. Treasury Bills are valued at amortized cost which approximates market value. Portfolio securities of the California Tax-Free Income Fund and the California Insured Intermediate Fund are valued by an independent pricing service that uses market quotations, representing the latest available bid price, prices provided by market makers, or estimates of market values obtained from yield data relating to instruments or securities with similar characteristics, in accordance with procedures established by the Funds' Board of Trustees. The U.S. Government Securities Fund and the Short-Term U.S. Government Bond Fund are valued by an independent pricing service that uses market quotations representing the latest available mean between the bid and ask price, prices provided by market makers or estimates of market value obtained from yield data relating to instruments or securities with similar characteristics. Securities with remaining maturities of 60 days or less are valued on the amortized cost basis as reflecting fair value. All other securities are valued at their fair value as determined in good faith by the Board of Trustees. California Tax-Free Money Market Fund and The United States Treasury Trust securities are valued at amortized cost, in accordance with procedures adopted by the Board of Trustees and which the Board of Trustees has determined in good faith reflects the market-based net asset value per share.

(b) *Futures Contracts* – Initial margin deposits required upon entering into futures contracts are satisfied by the segregation of specific securities or cash, as collateral, for the account of the broker (a Fund's agent in acquiring the futures position). During the period the futures contract is open, changes in the value of the contract are recognized as unrealized gains or losses by "marking to market" on a daily basis to reflect the market value of the contract at the end of each day's trading. Variation margin payments are made or received depending upon whether unrealized gains or losses are incurred. When the contract is closed, a Fund records a realized gain or loss equal to the difference between the proceeds from (or cost of) the closing transaction and the Fund's basis in the contract. The S&P 500 Index Fund, S&P MidCap Index Fund, S&P SmallCap Index Fund, Equity Income Fund, European Growth & Income Fund and Nasdaq-100 Index Fund may purchase or sell stock index futures to maintain cash reserves while remaining fully invested, to facilitate trading, to reduce transaction costs, or to seek higher investment returns when a futures contract is priced more attractively than the underlying equity security or index. Risks include the possibility of an illiquid market and an imperfect correlation between the change in market value of the stocks held by a Fund and the prices of futures contracts.

(c) *Federal Income Taxes* – No provision is considered necessary for federal income taxes. The Funds intend to qualify for and elect the tax treatment applicable to regulated investment companies under the Internal Revenue Code and to distribute all of their taxable income to shareholders. Capital loss carry forwards, as of August 31, 2010, available to offset future capital gains, if any, are as follows:

Expiring	CALIFORNIA TAX-FREE MONEY MARKET FUND	UNITED STATES GOVERNMENT SECURITIES FUND	S&P 500 INDEX FUND	S&P MIDCAP INDEX FUND	S&P SMALL CAP INDEX FUND	EQUITY INCOME FUND	EUROPEAN GROWTH & INCOME FUND	NASDAQ-100 INDEX FUND
2011	\$ —	\$ —	\$ 2,507,896	\$ —	\$ —	\$ —	\$ 104,291	\$ 3,015,439
2012	3,257	—	—	—	—	—	2,426	1,963,355
2013	—	19,440	—	—	—	—	59,164	2,084,713
2014	—	266,271	—	—	—	—	9,731	251,077
2015	—	80,163	—	—	—	—	6,268	1,821,380
2016	—	36,974	—	—	—	245,013	9,647	364,175
2017	—	109,369	642,431	—	1,136,064	11,364,497	—	642,849
2018	—	141,868	—	2,970,825	281,750	847,723	124,746	596,391
Total	\$ 3,257	\$ 654,085	\$ 3,150,327	\$ 2,970,825	\$ 1,417,814	\$ 12,457,233	\$ 316,273	\$ 10,739,379

Equity Income Fund acquired loss carryforwards from the merger of SM&R Funds as follows: SM&R Equity Income Fund, \$212,840 and \$4,518,542, expiring in 2016 and 2017, respectively; SM&R Balanced Fund, \$32,173 and \$1,376,070, expiring in 2016 and 2017 respectively; and SM&R Growth Fund, \$4,211,500 expiring in 2017. However due to section 382 limitations, these losses are limited to \$1,309,688 per year.

Under the recently enacted Regulated Investment Company Modernization Act of 2010, the Fund will be permitted to carry forward capital losses incurred in taxable years beginning after December 22, 2010 for an unlimited period. However, any losses incurred during those future years will be required to be utilized prior to the losses incurred in pre-enactment tax years. As a result of this ordering rule, pre-enactment capital loss carryforwards may be more likely to expire unused. Additionally, post-enactment capital losses that are carried forward will retain their character as either short-term or long-term capital losses rather than being considered all short-term as under previous law.

Accounting principles generally accepted in the United States of America require certain components of net assets be reclassified between financial and tax reporting. These reclassifications have no effect on net assets or net asset value per share. For the year ended August 31, 2010, permanent differences resulting from different book and tax accounting for net operating losses, expiration of capital loss carryforwards and treatment of accretion of discount have been reclassified to paid-in capital, undistributed net investment income/loss and accumulated realized gain/loss as follows:

	<u>Increase (Decrease) Paid-In Capital</u>	<u>Increase (Decrease) Undistributed Net Investment Income (Loss)</u>	<u>Increase (Decrease) Accumulated Gain (Loss)</u>
California Tax-Free Income Fund	—	(6,468)	6,468
U.S. Government Securities Fund	—	18,002	(18,002)
Short-Term U.S. Government Bond Fund	—	582	(582)
The United States Treasury Trust	(617)	28,458	(27,841)
S&P Mid Cap Index Fund	—	(57,880)	57,880
S&P Small Cap Index Fund	(26,939)	26,939	—
Equity Income Fund	10,351,125	—	(10,351,125)
Nasdaq-100 Index Fund	(4,008)	4,008	—

(d) *Security Transactions, Investment Income and Distributions to Shareholders* – Security transactions are recorded on the trade date. Interest income is recorded on the accrual basis. Dividend income is recorded on the ex-dividend date. Withholding taxes on foreign dividends have been provided for, in accordance with the Trust’s understanding of the applicable country’s tax rules and rates. Distributions to shareholders are recorded on the ex-dividend date for the California Tax-Free Income Fund, the California Insured Intermediate Fund, the U.S. Government Securities Fund, S&P 500 Index Fund, S&P MidCap Index Fund, S&P SmallCap Index Fund, Equity Income Fund, European Growth & Income Fund, Nasdaq-100 Index Fund and Short-Term U.S. Government Bond Fund. Income distributions and capital gain distributions are determined in accordance with income tax regulations which may differ from accounting principles generally accepted in the United States of America. These differences are primarily due to differing treatments for futures contracts, redemptions-in-kind and post-October capital losses. For the California Tax-Free Money Market Fund and The United States Treasury Trust, dividends from net investment income are declared daily and reinvested or paid in cash monthly. The two Funds intend to maintain a continuous net asset value per share of \$1.00. If net asset value per share using available market information deviates from \$1.00 by \$.005 or more, the Board of Trustees would consider what steps, if any, should be taken to restore net asset value per share to \$1.00.

(e) *Concentration* – The California Tax-Free Income Fund, the California Insured Intermediate Fund and the California Tax-Free Money Market Fund invest in debt instruments of municipal issuers. The issuers’ abilities to meet their obligations may be affected by economic developments in the state of California.

(f) *Use of Estimates in Financial Statements* – In preparing financial statements in conformity with accounting principles generally accepted in the United States of America, management makes estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements, as well as the reported amounts of income and expense during the year. Actual results may differ from these estimates.

(g) *Share Valuations* – The net asset value (“NAV”) per share of each Fund is calculated by dividing the sum of the value of the securities held by the Fund, plus cash or other assets, minus all liabilities (including estimated accrued expenses) by the total number of shares outstanding of the Fund, rounded to the nearest cent. A Fund’s shares will not be priced on the days on which the NYSE is closed for trading. Bond and Money Market Funds are closed on Columbus Day (observed) and Veteran’s Day (observed). The offering and redemption price per share of each Fund is equal to a Fund’s NAV per share.

(h) *Accounting for Uncertainty in Income Taxes* – The Company recognizes the tax benefits of uncertain tax positions only where the position is “more likely than not” to be sustained assuming examination by tax authorities. Management has analyzed the Company’s tax positions, and has concluded that no liability for unrecognized tax benefits should be recorded related to uncertain tax positions taken on returns filed for open tax years (2006–2009), or expected to be taken in the Fund’s 2010 tax returns. The Company identifies its major tax jurisdictions as U.S. Federal, however the Company is not aware of any tax positions for which it is reasonably possible that the total amounts of unrecognized tax benefits will change materially in the next twelve months.

(i) *Fair Value Measurements* – The Funds have adopted authoritative fair valuation accounting standards which establish an authoritative definition of fair value and set out a hierarchy for measuring fair value. These standards require additional disclosures about the various inputs and valuation techniques used to develop the measurements of fair value and a discussion in changes in valuation techniques and related inputs during the period. These inputs are summarized in the 3 broad levels below:

**Level 1** – Quoted unadjusted prices for identical instruments in active markets to which the Fund has access at the date of measurement.

**Level 2** – Quoted prices for similar instruments in active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs and significant value drivers are observable in active markets. Level 2 inputs are those in markets for which there are few transactions, the prices are not current, little public information exists or instances where prices vary substantially over time or among brokered market makers.

**Level 3** – Model derived valuations in which one or more significant inputs or significant value drivers are unobservable. Unobservable inputs are those inputs that reflect the Fund’s own assumptions that market participants would use to price the asset or liability based on the best available information.

The following is a summary of the inputs used to value the following Funds' investments as of February 28, 2011:

Fund	Level 1	Level 2	Total Investments in Securities	Level 1
	Quoted Prices	Quoted Prices		Quoted Prices
	Investments in Securities <sup>(i)</sup>	Investments in Securities <sup>(ii)</sup>		Future Contracts - Assets or Liabilities <sup>(iii)</sup>
California Tax-Free Income Fund	\$ —	\$ 97,794,095	\$ 97,794,095	\$ —
California Insured Intermediate Fund	—	12,355,113	12,355,113	—
California Tax-Free Money Market Fund	—	58,319,536	58,319,536	—
U.S. Government Securities Fund	—	39,399,473	39,399,473	—
Short-Term U.S. Government Bond Fund	—	15,823,255	15,823,255	—
The United States Treasury Trust Fund	—	61,894,612	61,894,612	—
S&P 500 Index Fund	90,685,090	99,979	90,785,069	2,190
S&P MidCap Index Fund	144,217,253	399,822	144,617,075	6,720
S&P SmallCap Index Fund	32,773,457	499,830	33,273,287	3,520
Equity Income Fund	168,999,491	99,979	169,099,470	—
European Growth & Income Fund	13,660,230	99,966	13,760,196	—
Nasdaq-100 Index Fund	25,830,724	199,975	26,030,699	3,200

- (i) All common stocks held in the Funds are Level 1 securities. For a detailed break-out of common stocks by major industry classification, please refer to the Portfolio of Investments.
- (ii) All fixed income securities in the Funds are Level 2 securities. For a detailed break-out of fixed income securities by type, please refer to the Portfolio of Investments.
- (iii) Represents variation margin on the last day of the reporting period.

In January 2010, the FASB issued Accounting Standards Update "Improving Disclosures about Fair Value Measurements" ("ASU"). The ASU requires enhanced disclosures about a) transfers into and out of Levels 1 and 2, and b) purchases, sales, issuances, and settlements on a gross basis relating to Level 3 measurements. The first disclosure is effective for the first reporting period beginning after December 15, 2009, and for interim periods within those fiscal years. There were no significant transfers into and out of Levels 1 and 2 during the current period presented. The second disclosure will become effective for fiscal years beginning after December 15, 2010, and for interim periods within those fiscal years. Management is currently evaluating the impact this disclosure may have on the Funds' financial statements.

(j) *Disclosure about Derivative Instruments and Hedging Activities* – The Funds have adopted enhanced disclosure regarding derivative and hedging activity intended to improve financial reporting of derivative instruments by enabling investors to understand how and why an entity uses derivatives, how derivatives are accounted for, and how derivative instruments affect an entity's results of operations and financial position.

S&P 500 Index Fund, S&P MidCap Index Fund, S&P SmallCap Index Fund, Equity Income Fund, Nasdaq-100 Index Fund, and European Growth & Income Fund can use Futures contracts and strategies for achieving the investment objectives.

#### S&P 500 Index Fund, S&P MidCap Index Fund and S&P SmallCap Index Fund

Like many index funds, the Fund may invest in futures contracts and lend securities to minimize the performance variation between the Fund and the index. This performance gap occurs because, unlike the index, the Fund must pay operating expenses and contend with the flow of cash in and out of the portfolio. While the Trust expects the Fund's performance to closely represent the index, the Fund will generally underperform the index.

Although the Fund's primary risks are associated with changes in the stock market, there are other risks associated with the Fund. These risks generally apply to how well the Fund tracks the index. For example, the Fund invests in futures contracts to the extent that it holds cash in the portfolio. If these futures contracts do not track the index, the Fund's performance relative to the index will change.

Under normal circumstances the Fund may follow a number of investment policies to achieve its objective. The Fund may invest in stock futures. Losses involving futures can sometimes be substantial, in part because a relatively small price movement in a futures contract may result in an immediate and substantial loss for the Fund. In an effort to minimize this risk, the Fund will not use futures for speculative purposes or as leverage. It is the Fund's policy to hold cash deposits equal or greater than the total market value of any futures position. The value of all futures and options contracts in which the Fund acquires an interest will not exceed 20% of current total assets.

#### Equity Income Fund

The Fund will invest in futures contracts when the Manager wishes to remain fully invested in the market. Utilizing futures allows the Manager to maintain a high percentage of the portfolio in the market while maintaining cash for liquidity needs.

The Fund's primary risks are associated with changes in the stock market, however, there are other risks associated with the Fund. For example, the Fund may invest in futures contracts to the extent that it holds cash in the portfolio. If these futures contracts owned by the Fund do not perform well, the Fund's performance will be impacted.

Under normal circumstances the Fund may follow a number of investment policies to achieve its objective. The Fund may invest in stock futures. Losses involving futures can sometimes be substantial in part because a relatively small price movement in a futures contract may result in an immediate and substantial loss for the Fund. In an effort to minimize this risk, the Fund will not use futures for speculative purposes or as leverage. It is the Fund's policy to hold cash deposits equal or greater than the total market value of any futures position. The value of all futures and options contracts in which the Fund acquires an interest will not exceed 20% of current total assets.

#### Nasdaq-100 Index Fund

Like most index funds, the Fund may invest in futures contracts. The Fund generally maintains some short-term securities and cash equivalents in the portfolio to meet redemptions and needs for liquidity. The Manager will typically buy futures contracts so that the market value of the futures contracts is as close to the cash balance as possible. This helps minimize the tracking error of the Fund.

The Fund's primary risks are associated with changes in the stock market, however, there are other risks associated with the Fund. These risks generally apply to how well the Fund tracks the index. For example, the Fund invests in futures contracts to the extent that it holds cash in the portfolio. If the futures contracts owned by the Fund do not track the index, the Fund's performance relative to the index will change.

At February 28, 2011, the number of open future contracts in S&P 500 Index Fund, S&P Midcap Index Fund, S&P SmallCap Index Fund, and Nasdaq-100 Index Fund was 6, 24, 32, and 32 respectively. Only current day's variation margin is reported as an asset or liability within the statement of assets and liabilities.

The realized gains or losses and change in unrealized gains or losses on future contracts are reflected in the appropriate financial statements.

**The effect of derivative instruments on the Statements of Operations for the six months ended February 28, 2011.**

Derivatives Not Accounted for as Hedging Instruments under Statement 133	Market Value of Derivatives	Realized Gain (Loss) on Futures Recognized in Income	Changes in Unrealized Appreciation (Depreciation) on Futures Recognized in Income
<b>S&amp;P 500 Index Fund</b> Equity contracts	\$17,140	\$61,590	\$27,065
<b>S&amp;P MidCap Index Fund</b> Equity contracts	\$98,530	\$817,530	\$100,948
<b>S&amp;P SmallCap Index Fund</b> Equity contracts	\$107,600	\$793,290	\$328,905
<b>Equity Income Fund</b> Equity contracts	—	\$50,060	—
<b>Nasdaq-100 Index Fund</b> Equity contracts	\$34,395	\$91,253	\$37,640

**Note 2 - INVESTMENT MANAGEMENT FEE AND OTHER RELATED PARTY TRANSACTIONS**

CCM Partners (“CCM”), a California limited partnership, provides each Fund with management and limited administrative services pursuant to a management agreement.

In accordance with the terms of the management agreements with California Tax-Free Money Market Fund, California Tax-Free Income Fund, California Insured Intermediate Fund, U.S. Government Securities Fund, and The U.S. Treasury Trust, CCM receives compensation at the annual rate of 0.50% of the Funds’ average daily net assets not exceeding \$100 million, 0.45% on net assets from \$100 million to \$500 million, and 0.40% on net assets above \$500 million. In accordance with the terms of the management agreements with the S&P 500 Index Fund and S&P MidCap Index Fund, CCM receives compensation at the annual rate of 0.25% and 0.40%, respectively, of the Funds’ average daily net assets. In accordance with the terms of the management agreements with the S&P SmallCap Index Fund, Equity Income Fund, Nasdaq-100 Index Fund and Short-Term U.S. Government Bond Fund, CCM receives compensation at the annual rate of 0.50% of the first \$500 million of net assets, plus 0.45% on net assets from \$500 million to \$1 billion, and 0.40% of net assets above \$1 billion. In accordance with the terms of the management agreement with the European Growth & Income Fund, CCM receives compensation at the annual rate of 0.85% of the Fund’s average daily net assets. CCM has agreed to reduce its fee by, or reimburse the respective Funds for, any amount necessary to prevent a Fund’s total expenses, excluding extraordinary items, from exceeding 1.00% (or 1.50% for Class K shares) of that Fund’s average daily net assets. CCM has voluntarily reimbursed more expenses than contractually obligated. This voluntary reimbursement is effective for a calendar year, with renewal at the end of each calendar year, and is subject to recoupment within three fiscal years following a particular reimbursement, but only to the extent the reimbursement does not cause the Fund to exceed any applicable expense limit and the effect of the reimbursement is measured after all ordinary operating expenses are calculated; any such reimbursement is subject to the Board of Trustees’ review and approval. Reimbursement from the manager for the six months ended February 28, 2011, is as follows:

Fund	Voluntary Expense Limitation					Expiration
	Reimburse	Direct Shares	K Shares	A Shares	B Shares	
California Insured Intermediate Fund	\$ 15,634	0.68%	N/A	N/A	N/A	12/31/11
California Tax-Free Money Market Fund	\$ 120,658	0.53%	N/A	N/A	N/A	12/31/11
U.S. Government Securities Fund	\$ 25,320	0.74%	1.24%	0.99%	1.49%	12/31/11
Short-Term U.S. Government Bond Fund	\$ 24,930	0.59%	1.09%	N/A	N/A	12/31/11
The United States Treasury Trust	\$ 213,622	0.53%	1.03%	N/A	N/A	12/31/11
S&P 500 Index Fund	\$ 65,188	0.36%	0.86%	N/A	N/A	12/31/11
S&P MidCap Index Fund	\$ 33,169	0.58%	1.08%	N/A	N/A	12/31/11
S&P SmallCap Index Fund	\$ 21,160	0.74%	1.24%	N/A	N/A	12/31/11
European Growth & Income Fund	\$ 23,327	1.00%	1.50%	N/A	N/A	12/31/11
Nasdaq-100 Index fund	\$ 49,724	0.49%	0.99%	N/A	N/A	12/31/11

At August 31, 2010, the remaining cumulative unreimbursed amount paid and/or waived by the Advisor on behalf of the Funds that may be reimbursed was \$2,956,624. The Advisor may recapture a portion of the above amount no later than the dates as stated below.

Fund	Expires 8/31/11	Expires 8/31/12	Expires 8/31/13
California Insured Intermediate Fund	\$ 34,187	\$ 36,030	\$ 32,629
California Tax-Free Money Market Fund	\$ 166,408	\$ 184,452	\$ 260,617
U.S. Government Securities Fund	\$ 28,744	\$ 37,562	\$ 61,701
Short-Term U.S. Government Bond Fund	\$ 46,843	\$ 54,104	\$ 54,263
The United States Treasury Trust	\$ 107,074	\$ 221,823	\$ 263,699
S&P 500 Index Fund	\$ 157,300	\$ 155,422	\$ 153,077
S&P MidCap Index Fund	\$ 90,958	\$ 118,710	\$ 100,376
S&P SmallCap Index Fund	\$ 48,069	\$ 70,847	\$ 57,467
European Growth & Income Fund	\$ 49,551	\$ 50,833	\$ 47,101
Nasdaq-100 Index Fund	\$ 81,380	\$ 88,106	\$ 97,291

A Fund must pay its current ordinary operating expenses before the Advisor is entitled to any reimbursement of fees and/or expenses. Any such reimbursement is contingent upon Board of trustee review and approval prior to the time the reimbursement is initiated.

As compensation for administrative duties not covered by the management agreement, CCM receives an administration fee, which became effective February 28, 2005. The administration fee is based on assets held, in aggregate, by the Funds comprising California Investment Trust. The fee rates are 0.10% on the first \$500 million, 0.08% on the next \$500 million, and 0.06% on combined assets over \$1 billion.

Certain officers and trustees of the Trust are also partners of CCM. Carman Leung has served as the Chief Compliance Officer (“CCO”) of the Trust since May 2008. Ms. Leung is also employed by CCM Partners, the Advisor and Administrator to the Trust. The Trust is responsible for the portion of her salary allocated to her duties as the CCO of the Trust, and CCM Partners is reimbursed by the Trust for this portion of her salary. The level of reimbursement is reviewed and determined by the Board of Trustees at least annually.

California Investment Trust has adopted a Distribution Plan (the “Plan”) pursuant to Rule 12b-1 under the Investment Company Act of 1940, whereby the Class A, B and K Shares of each Fund of California Investment Trust pays the Distributor for expenses that relate to the promotion and distribution of shares. Under the Plan, the Class A and K Share of the Funds will pay the Distributor a fee at an annual rate of 0.25% and annual rate of 0.75% for Class B Share, payable monthly, of the daily net assets attributable to such Fund’s Class A, B and K Shares.

California Investment Trust has adopted a Shareholder Services Plan (the “Services Plan”), whereby the Class B and K Shares of each Fund of California Investment Trust pay CCM Partners, LP, the Funds’ Distributor or other service providers, an annual rate of 0.25% of the average daily net assets of Class B and K Shares. Such amounts are compensation for providing certain services to clients owning Class B and K Shares, including processing purchase and redemption transactions, assisting in other administrative details and providing other information with respect to each Fund.

For the six months ended February 28, 2011, the following were paid by the Class K, Class A, and Class B Shares of each Fund of California Investment Trust:

Fund	Class A 12b-1 Fees	Class B 12b-1 Fees	Class K 12b-1 Fees	Class B Shareholder Service Fees	Class K Shareholder Service Fees
U.S. Government Securities Fund	\$ 1,695	\$ 523	\$ 10,832	\$ 261	\$ 10,832
Short-Term U.S. Government Bond Fund	—	—	\$ 4,184	—	\$ 4,184
The United States Treasury Trust	—	—	\$ 1,492	—	\$ 1,492
S&P 500 Index Fund	—	—	\$ 10,656	—	\$ 10,656
S&P MidCap Index Fund	—	—	\$ 9,581	—	\$ 9,581
S&P SmallCap Index Fund	—	—	\$ 11,939	—	\$ 11,939
Equity Income Fund	\$ 14,467	\$ 6,384	\$ 8,091	\$ 3,192	\$ 8,091
European Growth & Income Fund	—	—	\$ 7,929	—	\$ 7,929
Nasdaq-100 Index fund	—	—	\$ 8,512	—	\$ 8,512

**Note 3 - PURCHASES AND SALES OF SECURITIES**

Purchases and sales of securities other than short-term investments during the six months ended February 28, 2011 were as follows:

Fund	Purchases	Sales
California Tax-Free Income Fund	\$ 1,897,088	\$ 310,000
California Insured Intermediate Fund	\$ 759,145	\$ 1,565,781
U.S. Government Securities Fund	\$ 10,353,711	\$ 1,904,487
Short-Term U.S. Government Bond Fund	\$ 1,040,098	\$ 632,923
S&P 500 Index Fund	\$ 154,444	\$ 1,234,452
S&P MidCap Index Fund	\$ 6,456,110	\$ 2,735,824
S&P SmallCap Index Fund	\$ 5,593,356	\$ 3,651,636
Equity Income Fund	\$ 2,749,510	\$ 10,911,975
European Growth & Income Fund	\$ 1,267,360	\$ 967,259
Nasdaq-100 Index fund	\$ —	\$ 26,619

**Note 4 - TAX CHARACTER**

Income distributions and capital gain distributions are determined in accordance with income tax regulations, which may differ from U.S. generally accepted accounting principles. These differences are primarily due to differing treatments of income and gains on various investment securities held by each Fund, timing differences and differing characterization of distributions made by each Fund as a whole.

The tax character of distributions paid during the years ended August 31, 2010 and 2009 was as follows:

		<b>Return of Capital</b>	<b>Ordinary Income</b>	<b>Long-Term Capital Gains</b>	<b>Exempt-Interest Dividends</b>	<b>Total Distributions</b>
California Tax-Free Income Fund	2010	\$ —	\$ 34,460	\$ —	\$ 4,332,579	\$ 4,367,039
	2009	\$ —	\$ 21,361	\$ 309,497*	\$ 4,591,048	\$ 4,921,906
California Insured Intermediate Fund	2010	\$ —	\$ —	\$ 8,255*	\$ 396,279	\$ 404,534
	2009	\$ —	\$ —	\$ —	\$ 447,408	\$ 447,408
California Tax-Free Money Market Fund	2010	\$ —	\$ —	\$ —	\$ —	\$ —
	2009	\$ —	\$ —	\$ —	\$ 519,474	\$ 519,474
U.S. Government Securities Fund	2010	\$ —	\$ 907,960	\$ —	\$ —	\$ 907,960
	2009	\$ —	\$ 1,010,275	\$ —	\$ —	\$ 1,010,275
Short-Term U.S. Government Bond Fund	2010	\$ —	\$ 145,582	\$ —	\$ —	\$ 145,582
	2009	\$ —	\$ 258,641	\$ —	\$ —	\$ 258,641
The United States Treasury Trust	2010	\$ —	\$ 27,791	\$ —	\$ —	\$ 27,791
	2009	\$ —	\$ 52,581	\$ —	\$ —	\$ 52,581
S&P 500 Index Fund	2010	\$ —	\$ 1,270,648	\$ —	\$ —	\$ 1,270,648
	2009	\$ —	\$ 1,536,155	\$ —	\$ —	\$ 1,536,155
S&P Mid Cap Index Fund	2010	\$ —	\$ 1,104,797	\$ 172,779*	\$ —	\$ 1,277,576
	2009	\$ —	\$ 1,410,534	\$ 3,287,970*	\$ —	\$ 4,698,504
S&P Small Cap Index Fund	2010	\$ 26,939	\$ 23,689	\$ —	\$ —	\$ 50,628
	2009	\$ —	\$ 292,918	\$ 2,856,686*	\$ —	\$ 3,149,604
Equity Income Fund	2010	\$ —	\$ 218,167	\$ —	\$ —	\$ 218,167
	2009	\$ —	\$ 333,243	\$ 2,852*	\$ —	\$ 336,095
European Growth & Income Fund	2010	\$ —	\$ 301,762	\$ —	\$ —	\$ 301,762
	2009	\$ —	\$ 331,830	\$ —	\$ —	\$ 331,830
Nasdaq-100 Index Fund	2010	\$ 4,008	\$ 27,754	\$ —	\$ —	\$ 31,762
	2009	\$ —	\$ 1,206	\$ —	\$ —	\$ 1,206

\* The Funds designate Long-Term Capital Gain dividends pursuant to Section 852(b)(3) of the Internal Revenue Code for the year ended August 31, 2010.

The tax character of distributable earnings at August 31, 2010 was as follows:

	<b>Undistributed Ordinary Income</b>	<b>Undistributed Long-Term Capital Gain</b>	<b>Capital Loss Carry Forwards</b>	<b>Unrealized Appreciation (Depreciation)</b>	<b>Post October Losses**</b>	<b>Total Distributable Earnings</b>
California Tax-Free Income Fund	\$ 41,494***	\$ 459,187	\$ —	\$ 4,690,769	\$ —	\$ 5,191,450
California Insured Intermediate Fund	\$ 861	\$ 26,717	\$ —	\$ 493,097	\$ —	\$ 520,675
California Tax-Free Money Market Fund	\$ —	\$ —	\$ (3,257)	\$ —	\$ —	\$ (3,257)
U.S. Government Securities Fund	\$ 26,809	\$ —	\$ (654,085)	\$ 1,852,978	\$ (246,805)	\$ 978,897
Short-Term U.S. Government Bond Fund	\$ 369	\$ 71,857	\$ —	\$ 243,434	\$ —	\$ 315,660
The United States Treasury Trust	\$ 795	\$ —	\$ —	\$ —	\$ (23)	\$ 772
S&P 500 Index Fund	\$ 262,582	\$ —	\$ (3,150,327)	\$ 8,056,812	\$ —	\$ 5,169,067
S&P Mid Cap Index Fund	\$ 5,609	\$ —	\$ (2,970,825)	\$ 14,488,422	\$ (265,162)	\$ 11,258,044
S&P Small Cap Index Fund	\$ —	\$ —	\$ (1,417,814)	\$ (1,709,146)	\$ —	\$ (3,126,960)
Equity Income Fund	\$ 372,239	\$ —	\$ (12,457,233)	\$ (5,091,834)	\$ (2,992,997)	\$ (20,169,825)
European Growth & Income Fund	\$ 21,982	\$ —	\$ (316,273)	\$ (1,444,296)	\$ (188,570)	\$ (1,927,157)
Nasdaq-100 Index Fund	\$ —	\$ —	\$ (10,739,379)	\$ 3,283,373	\$ (25,489)	\$ (7,481,495)

\*\* Under the current tax law, capital losses realized after October 31 and prior to the Funds' fiscal year end are deferred as occurring on the first day of the following fiscal year.

\*\*\* Tax exempt income.

The difference between book basis and tax basis unrealized appreciation is attributable primarily to the realization for tax purposes of unrealized gains on future contracts, wash sales, the treatment of accretion of discounts, and other deferrals.

**Note 5 - FUND REORGANIZATION**

On July 9, 2010, The US Government Securities Fund (the “Acquiring Fund”), acquired SM&R Government Fund (the “Acquired Fund”) in a tax-free reorganization in exchange for shares of the Acquiring Fund, pursuant to a plan of reorganization approved by the Acquired Fund’s shareholders. When funds merge, capital loss carryforwards may be limited under section 382 of the Internal Revenue Code. The number and value of shares issued by the Acquiring Fund are presented in the Statements of Changes in Net Assets. Net assets, unrealized depreciation, and shares as of the reorganization date were as follows:

<b>Total Net Assets of Acquired Fund</b>				
SM&R Government Fund		\$	13,076,797	
<b>Total Net Assets of Acquiring Fund</b>				
U.S. Government Securities Fund		\$	20,457,553	
<b>Total Net Assets of Acquiring Fund After Acquisition</b>				
U.S. Government Securities Fund		\$	33,534,350	
<b>Acquired Fund Unrealized Appreciation/(Depreciation)</b>				
SM&R Government Fund		\$	440,628	
<b>Acquired Fund Shares</b>		<b>Shares</b>	<b>Acquiring Fund Shares</b>	<b>Shares</b>
SM&R Government Fund-Class T shares	1,119,853	▶	U.S. Government Securities Fund-Direct Class shares	1,095,274
SM&R Government Fund-Class A shares	128,337	▶	U.S. Government Securities Fund-Class A shares	127,161
SM&R Government Fund-Class B shares	21,957	▶	U.S. Government Securities Fund-Class B shares	21,714

On July 9, 2010, The Equity Income Fund (the “Acquiring Fund”), acquired SM&R Growth Fund, SM&R Equity Income Fund, and SM&R Balanced Fund (the “Acquired Funds”) in a tax-free reorganization in exchange for shares of the Acquiring Fund, pursuant to a plan of reorganization approved by the Acquired Funds’ shareholders. When funds merge, capital loss carryforwards may be limited under section 382 of the Internal Revenue Code. The number and value of shares issued by the Acquiring Fund are presented in the Statements of Changes in Net Assets. Net assets, unrealized depreciation, and shares as of the reorganization date were as follows:

<b>Total Net Assets of Acquired Fund</b>				
SM&R Growth Fund		\$	56,920,147	
SM&R Equity Income Fund		\$	56,960,951	
SM&R Balanced Fund		\$	12,481,409	
<b>Total Net Assets of Acquiring Fund</b>				
Equity Income Fund		\$	15,671,766	
<b>Total Net Assets of Acquiring Fund After Acquisition</b>				
Equity Income Fund		\$	142,034,273	
<b>Acquired Funds Unrealized Appreciation/(Depreciation)</b>				
SM&R Growth Fund		\$	(3,961,314)	
SM&R Equity Income Fund		\$	(4,373,387)	
SM&R Balanced Fund		\$	(388,040)	
<b>Acquired Fund Shares</b>		<b>Shares</b>	<b>Acquiring Fund Shares</b>	<b>Shares</b>
SM&R Growth Fund-Class T shares	16,445,770	▶	Equity Income Fund-Direct Class shares	3,765,973
SM&R Equity Income Fund-Class T shares	3,278,496	▶	Equity Income Fund-Direct Class shares	3,515,666
SM&R Balanced Fund-Class T shares	641,726	▶	Equity Income Fund-Direct Class shares	639,422
SM&R Growth Fund-Class A shares	837,121	▶	Equity Income Fund-Class A shares	187,190
SM&R Equity Income Fund-Class A shares	383,740	▶	Equity Income Fund-Class A shares	391,308
SM&R Balanced Fund-Class A shares	209,347	▶	Equity Income Fund-Class A shares	199,192
SM&R Growth Fund-Class B shares	205,506	▶	Equity Income Fund-Class B shares	44,884
SM&R Equity Income Fund-Class B shares	95,178	▶	Equity Income Fund-Class B shares	93,825
SM&R Balanced Fund-Class B shares	39,225	▶	Equity Income Fund-Class B shares	37,990

On July 9, 2010, The United States Treasury Trust (the “Acquiring Fund”), acquired SM&R Money Market Fund (the “Acquired Fund”) in a tax-free reorganization in exchange for shares of the Acquiring Fund, pursuant to a plan of reorganization approved by the Acquired Fund’s shareholders. The number and value of shares issued by the Acquiring Fund are presented in the Statements of Changes in Net Assets. Net assets and shares as of the reorganization date were as follows:

<b>Total Net Assets of Acquired Fund</b>				
SM&R Money Market Fund		\$	45,120,457	
<b>Total Net Assets of Acquiring Fund</b>				
The United States Treasury Trust		\$	22,966,540	
<b>Total Net Assets of Acquiring Fund After Acquisition</b>				
The United States Treasury Trust		\$	68,086,997	
<b>Acquired Fund Shares</b>		<b>Shares</b>	<b>Acquiring Fund Shares</b>	<b>Shares</b>
SM&R Money Market Fund-Class T shares	45,120,417	▶	The United States Treasury Trust-Direct Class shares	45,123,360

**Note 6 - SUBSEQUENT EVENTS**

In preparing the financial statements as of February 28, 2011, management considered the impact of subsequent events for potential recognition or disclosure in these financial statements.

**Fund Holdings (Unaudited):** The Fund holdings shown in this report are as of February 28, 2011. Holdings are subject to change at any time, so holdings shown in this report may not reflect current Fund holdings. The Funds file complete schedules of portfolio holdings with the SEC for the first and third quarters of each fiscal year on Form N-Q. The Funds' Form N-Q is available on the SEC's website at [www.sec.gov](http://www.sec.gov) and may be reviewed and copied at the Commission's Public Reference Room to Washington, DC. Information on the operation of the Public Reference Room may be obtained by calling (800) SEC-0330. The information filed in the form N-Q also may be obtained by visiting the Funds' website at [www.caltrust.com](http://www.caltrust.com) or by calling (800) 225-8778.

**Proxy Voting Policies, Procedures and Voting Record (Unaudited):** The Funds' Statement of Additional Information ("SAI") containing a description of the policies and procedures that the California Investment Trust Fund Group uses to determine how to vote proxies relating to portfolio securities, along with each Fund's proxy voting record relating to portfolio securities held during the 12-month period ended June 30, 2010, is available upon request, at no charge, at the phone number below, or on the SEC's website at [www.sec.gov](http://www.sec.gov).

This report is submitted for the general information of the shareholders of the California Investment Trust Fund Group. It is authorized for distribution only if preceded or accompanied by a current California Investment Trust Fund Group prospectus. Additional copies of the prospectus may be obtained by calling (800) 225-8778 or can be downloaded from the Funds' website at [www.caltrust.com](http://www.caltrust.com). Please read the prospectus carefully before you invest or send money, as it explains the risks, fees and expenses of investing in the Funds.

**BOARD OF TRUSTEES AND EXECUTIVE OFFICERS (UNAUDITED)**

Overall responsibility for management of the Funds rests with the Board of Trustees. The Trustees serve during the lifetime of the Trust and until its termination, or until death, resignation, retirement or removal. The Trustees, in turn, elect the officers of the Fund to actively supervise its day-to-day operations. The officers have been elected for an annual term. The following are the Trustees and Executive Officers of the Funds:

<u>Name</u>	<u>Address</u>	<u>Date of Birth</u>	<u>Position Held with the Trust</u>	<u>Length of Time Served</u>
Stephen C. Rogers	P.O. Box 387 San Francisco, CA 94104	06/27/66	President, Secretary, Chairman & Trustee	Since August 1998
James W. Miller, Jr.	P.O. Box 387 San Francisco, CA 94104	05/28/66	Trustee	Since August 2001
Kevin T. Kogler	P.O. Box 387 San Francisco, CA 94104	02/21/66	Trustee	Since May 2006
Stephen H. Sutro	P.O. Box 387 San Francisco, CA 94104	04/09/69	Trustee	Since May 2006
William P. Mock	P.O. Box 387 San Francisco, CA 94104	12/29/66	Treasurer	Since February 2010

Each Trustee oversees the Trust's twelve Funds. The principal occupations of the Trustees and Executive Officers of the Fund during the past five years and public directorships held by the Trustees are set forth below:

*Stephen C. Rogers	Chief Executive Officer, CCM Partners, 1999 to present; Chief Operating Officer, CCM Partners 1997 to 1999; Administrative Officer, CCM Partners 1994 - 1997; Marketing Representative, CCM Partners, 1993 to 1994.
James W. Miller, Jr.	Director, RREEF, 2006 to present; Executive Vice President, Jones Lang LaSalle Americas, Inc. 1999 to 2006; Associate, Orrick Herrington & Sutcliffe LLP, 1996 - 1999; Associate, Gordon & Rees LLP, 1992 - 1993.
Kevin T. Kogler	Principal, Robertson Piper Software Group, 2006 to present; Senior Vice President, Investment Banking, Friedman, Billings Ramsey, 2003 to 2006; Director, Investment Banking, Salomon Smith Barney, 2001 - 2002; Vice President, Investment Banking, CS First Boston/Donaldson Lufkin & Jenrette, 1997 - 2001
Stephen H. Sutro	Partner, Duane Morris LLP (law firm), 2003 to present; Associate, Duane Morris LLP 2000 - 2002, Associate, Hancock Rothert & Bunshoft (law firm), 1994 - 1999.
William P. Mock	Portfolio Manager, CCM Partners, since 2010; Portfolio Manager, ETSpreads, 2007 to present; Head Trader, TKI Capital Management, 2003 to 2006.

Additional information on the Trustees may be found in the SAI, which is available, without charge, upon request, by calling (800) 225-8778.

\* Trustee deemed to be an "interested person" of the Trust, as defined in the Investment Company Act of 1940. Mr. Rogers is an interested person because he is the CEO of CCM Partners, the Trust's Advisor and Administrator.

## CALIFORNIA INVESTMENT TRUST BOARD APPROVAL OF THE INVESTMENT ADVISORY AGREEMENTS

The 1940 Act requires that the full Boards and a majority of the Independent Trustees annually approve the continuation of the Trust's Investment Advisory Agreements dated January 1, 2007 between CIT and CCM Partners (the "Investment Advisory Agreement"), with respect to each Fund. At a meeting held in-person on February 10, 2011, the Board, including a majority of the Independent Trustees on behalf of the Trusts' California Tax-Free Income Fund, California Insured Intermediate Fund, California Tax-Free Money Market Fund, S&P 500 Index Fund, S&P MidCap Index Fund, S&P SmallCap Index Fund, Equity Income Fund, Nasdaq-100 Index Fund, European Growth & Income Fund, U.S. Government Securities Fund, Short-Term U.S. Government Bond Fund and The United States Treasury Trust (each a "Fund"), considered and approved the continuance of the Investment Advisory Agreement with respect to each Fund with CCM Partners ("CCM") for an additional one-year period ending March 31, 2012.

Prior to the meeting, the Independent Trustees requested information from CCM. This information, together with other information provided by CCM, and the information provided to the Independent Trustees throughout the course of the year, formed the primary (but not exclusive) basis for the Board's determinations as summarized below. In addition to the information identified above, other material factors and conclusions that formed the basis for the Board's subsequent approval are described below.

### Information Received

*Materials Received.* During the course of each year, the Independent Trustees receive a wide variety of materials relating to the services provided by CCM, including reports on each Fund's investment results; portfolio composition; third party fund rankings; investment strategy; portfolio trading practices; shareholder services; and other information relating to the nature, extent and quality of services provided by CCM to the Funds. In addition, the Board requests and reviews supplementary information that includes materials regarding each Fund's investment results, advisory fee and expense comparisons, the costs of operating the Funds and financial and profitability information regarding CCM (the principal business activity of which is managing the Funds), description of various functions such as compliance monitoring and portfolio trading practices, and information about the personnel providing investment management services to each Fund.

*Review Process.* The Board received assistance and advice regarding legal and industry standards from independent legal counsel to the Independent Trustees. The Board discussed the renewal of the Investment Advisory Agreement both with CCM representatives and in a private session with independent legal counsel at which representatives of CCM were not present. In deciding to approve the renewal of the Investment Advisory Agreement, the Independent Trustees considered the total mix of information requested by and made available to them and did not identify any single issue or particular information that, in isolation, was the controlling factor. This summary describes the most important, but not all, of the factors considered by the Board.

### Nature, Extent and Quality of Services

*CCM, its personnel and its resources.* The Board considered the depth and quality of CCM's investment management process; the experience, capability and integrity of its senior management and other personnel; operating performance and the overall financial strength and stability of its organization. The Board also considered that CCM made available to its investment professionals a variety of resources relating to investment management, compliance, trading, performance and portfolio accounting. The Board further considered CCM's continuing need to attract and retain qualified personnel and, noting CCM's additions over recent years, determined that CCM was adequately managing matters related to the Funds.

*Other Services.* The Board considered, in connection with the performance of its investment management services to the Funds, the following: CCM's policies, procedures and systems to ensure compliance with applicable laws and regulations and its commitment to these programs; its efforts to keep the Trustees informed; and its attention to matters that may involve conflicts of interest with the Funds. As a point of comparison, the Board also considered the nature, extent, quality and cost of certain non-investment related administrative services provided by CCM to the Funds under the administration servicing agreements.

The Board concluded that CCM had the quality and depth of personnel and investment methods essential to performing its duties under the Investment Advisory Agreement, and that the nature, extent and overall quality of such services are satisfactory and reliable.

### Investment Performance

The Board considered each Fund's investment results in comparison to its stated investment objectives. The Trustees reviewed the short-term and long-term performance of each of the funds on both an absolute basis and in comparison to benchmark indices. The Trustees also reviewed Morningstar rankings for each of the Funds, as applicable. In assessing performance of certain Funds, the Trustees took into consideration the fact that Fund performance is expected to mirror the appropriate benchmarks as closely as possible given certain practical constraints imposed by the 1940 Act, the fund's investment restrictions, the Fund's size and similar factors. Among the factors considered in this regard, were the following:

- For the S&P 500 Index Fund, it was noted that the performance of the Fund was in the second quartile over the quarterly, 1-year, 3-year and 5-year periods and the third quartile over the 10-year period. The Trustees noted with approval that the Fund was tracking its benchmark very closely.
- For the S&P MidCap Index Fund, it was noted that the performance of the Fund was in the first quartile over the 3-year period, the second quartile over the 1-year, 5-year and 10-year periods and the third quartile over the quarterly period. The Trustees noted with approval that the Fund was tracking its benchmark very closely.
- For the Equity Income Fund, it was noted that the performance of the Fund was in first quartile over the 1-year, 3-year, 5-year and 10-year periods and the second quartile over the quarterly period.
- For the S&P SmallCap Index fund, it was noted that the performance of the Fund was in the second quartile for the quarterly, 1-year and 3-year periods and the third quartile over the 5-year and 10-year periods. The Trustees noted with approval that the Fund was tracking its benchmark very closely.
- For the Nasdaq-100 Index Fund, it was noted that the performance of the Fund was in the second quartile over the 1-year and 10-year periods and the third quartile over the quarterly, 3-year and 5-year periods. The Trustees noted with approval that the Fund was tracking its benchmark quite closely.
- For the European Growth & Income Fund, it was noted that the performance of the Fund was in the second quartile over the 3-year period and the fourth quartile over the quarterly, 1-year, 5-year and 10-year periods.
- For the United States Treasury Trust, it was noted that the performance of the Fund was in the second quartile for the one-month (annualized) period and the fourth quartile over the 12-month-to-date period.
- For the Short-Term U.S. Govt. Bond fund, it was noted that the performance of the Fund was in the second quartile over the quarterly period, the third quartile over the 1-year, 3-year and 5-year periods, and the fourth quartile over the 10-year period.
- For the U.S. Government Securities fund, it was noted that the performance of the Fund was in the second quartile over the 1-year period, the third quartile over the quarterly period, and the fourth quartile over the 3-year, 5-year and 10-year periods.

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- For the California Tax-Free Money Market Fund, it was noted that the performance of the Fund was in fourth quartile for the 1-month (annualized) and 12 month-to-date periods.
- For the California Tax-Free Income Fund, it was noted that, in the California Municipal Long category, the Fund was in the first quartile over the quarterly and 3-year periods, the second quartile over the 1-year and 5-year periods, and the third quartile over the 10-year period and, in the California Municipal Intermediate/Short Morningstar category, the Fund was in the third quartile over the quarterly, 1-year, 3-year, 5-year and 10-year periods.
- For the California Insured Intermediate Fund, it was noted that the performance of the Fund was in the first quartile over the quarterly period, the second quartile over the 5-year period, the third quartile over the 3-year and 10-year periods and the fourth quartile over the 1-year period.

The Board received a satisfactory explanation of the reasons underlying the performance of the lower performing Funds and CCM articulated a strategy for improving performance of these Funds. The Board ultimately concluded that CCM's performance record in managing each Fund was satisfactory, and in some cases excellent, supporting the determination that CCM's continued management under the Investment Advisory Agreement would be consistent with the best interests of each Fund and its shareholders.

### **Management Fees and Total Operating Expenses**

The Board reviewed the management fees and total operating expenses of each Fund and compared such amounts with the management fees and total operating expenses of other funds in the industry that are found within the same style category, or peer group, as defined by Bloomberg. The Board considered the advisory fees and total fees and expenses of each Fund in comparison to the advisory fees and other fees and expenses of other funds in each Fund's relevant peer group. The Trustees considered both the gross advisory fee rates, as well as the effective advisory rates charged by CCM after taking into consideration the expense limitation arrangements and voluntary fee waivers. The Board noted that the total net management fees charged to each Fund, after taking into account these expense limitations and voluntary waivers, were significantly lower (by 10 basis points or more) than the industry averages for comparable funds. The Board also observed that each Fund's total operating expenses were well below the industry average for other comparable funds. The Board also noted the voluntary advisory fee limitation that CCM had put into effect during 2005 with respect to all but two of the Funds. The Trustees noted the Funds are now paying for certain administrative services that were previously provided to the Funds by CCM at its own expense under the fund administration servicing agreements that took effect during February of 2005.

### **Adviser, Costs, Level of Profits, Economies of Scale and Ancillary Benefits**

The Board reviewed information regarding CCM's costs of providing services to the Funds, as well as the resulting level of profits to CCM. The Independent Trustees received financial and other information from CCM, in addition to a representation from CCM that its profits were not excessive and that CCM's profitability was low by industry standards. The Board noted the reduction in advisory fees received by CCM as a result of the reduction in assets under management in recent years due to market events, but also took note of the increase in assets under management (and corresponding increase in advisory fees received by CCM) as a result of the fund merger in 2010 that brought additional assets to the Equity Income Fund. The Board noted its intention to continue to monitor assets under management, and the resulting impact CCM's profitability, in order to ensure that CCM has sufficient resources to continue to provide the services that shareholders in the Funds require. The Board considered CCM's need to invest in technology, data services, infrastructure and staff to provide the expected quality of investment advisory services to the Funds. They further considered that breakpoints in the advisory fee structure of certain Funds provide for reductions in the level of fees charged by CCM to such Fund as Fund assets increase, reflecting the fact that economies of scale in the cost of operations will be shared with such Fund's shareholders. The Trustees also noted that CCM has contractually agreed to limit its advisory fees on certain Funds so that those Funds do not exceed their respective specified operating expense limitations, and that in the case of certain other Funds, CCM has imposed a voluntary fee limitation. Such voluntary fee limitations may be decreased or eliminated at the option of CCM, a factor that was also considered by the Board. The Board also considered that CCM does not receive substantial indirect benefits from managing the Funds (one example of an indirect benefit is research paid for by Fund brokerage commissions – CCM currently does not seek to supplement its fees with such "soft dollar" benefits). On the basis of the foregoing, together with the other information provided to it at the February 10, 2011 meeting and throughout the year, the Board concluded that each Fund's cost structure was reasonable.

### **Conclusions**

Based on their review, including but not limited to their consideration of each of the factors referred to above, the Board concluded that the Investment Advisory Agreement, taking into account the separate administration fees, is and would be fair and reasonable to each Fund and its shareholders, that each Fund's shareholders received or should receive reasonable value in return for the advisory fees and other amounts paid to CCM by the Fund, and that the renewal of the Investment Advisory Agreement was in the best interests of each Fund and its shareholders.

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