

Brinker Fixed Income Advisor

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October 2009

FEDERAL RESERVE

The Federal Open Market Committee (FOMC) held a two-day meeting on September 22nd and 23rd. At that meeting FOMC members voted to maintain the zero to .25% target range for the federal funds rate. Members anticipate the fed funds rate will remain exceptionally low for an extended period. The Federal Reserve program to purchase \$300 billion of longer-term Treasury securities will be completed by the end of October. Additionally, the Fed program to purchase \$1.25 trillion of agency mortgage-backed securities (MBS) and \$200 billion of agency debt was extended through the first quarter of 2010. This extension will enable the Fed to gradually slow down the pace of MBS and agency debt purchases to promote a smooth transition in markets. In the post-meeting statement, FOMC members noted that economic activity has improved recently. Financial markets are recovering and housing sector activity has picked up. However, consumer spending is constrained by weak labor markets and tight credit. Inflation is expected to “remain subdued for some time.”

The Fed is gradually unwinding some of the special liquidity programs it created during the crisis. We expect this trend will continue. The Fed is also initiating preliminary discussions with market participants regarding removal of the \$1 trillion in excess liquidity created during the crisis. Their solution is likely to center around the use of reverse repurchase agreements (reverse repos). Reverse repos have long been a tool used by the Fed to remove excess reserves from the banking system. Basically, the New York Fed trading desk sells Treasury bills to primary dealers with a promise to buy them back in the future. This removes the cash from the bank’s reserve account and replaces them with Treasury bills as collateral. The challenge for the Fed is the massive amount of excess reserves. Primary dealers will be unable to absorb all of the reverse repos themselves. This is why Fed officials are planning for these operational challenges now. They want to prepare the marketplace and develop the procedures needed to remove the excess liquidity in a manner consistent with their stated monetary policy objectives. Another tool under consideration is the creation of term deposits issued by the Fed which will operate like a certificate of deposit.

The next FOMC meeting is scheduled for November 3rd and 4th. We do not anticipate any change in the federal funds rate this year. Slack in utilization rates and elevated levels of unemployment are expected to persist into 2010. In previous recessions, the FOMC did not begin raising interest rates until several months after the unemployment rate peaked. In August, the unemployment rate reached 9.7%, its highest level since June 1983.

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COMMENTARY

According to the Investment Company Institute (ICI), which tracks weekly mutual fund flows, investors have been flooding into fixed income mutual funds this year. This influx of money has helped fuel some of the highest historical returns in a variety of fixed-income securities. Having rallied so much in a short period of time, we think it is worthwhile to take a closer look at the various types of fixed-income securities and provide our views on what investors should expect over the next few quarters.

Let’s start with U.S. Treasuries, the safest of all fixed-income securities. We have been saying for some time subscribers should avoid U.S. Treasuries, especially longer-term maturities. Through September of this year, the Vanguard Long-Term Treasury fund has returned -7.16%. The Intermediate-Term Treasury fund has lost -0.70%, and the Short-Term Treasury fund has gained 1.47%. We expect the Fed will hold short-term interest rates at exceptionally low levels well into 2010. We also expect the tsunami of supply of longer-term Treasury securities will eventually weigh on Treasury prices, resulting in yields gradually drifting higher throughout 2010. For investors limiting themselves to only ultra-safe Treasury securities, Treasury Inflation-Protected Securities (TIPS) have proven to be a good investment. The Vanguard Inflation-Protected Securities Fund included in our Model Portfolios has returned 8.73% this year through September. We recommend some exposure to TIPS due to their credit safety and inherent inflation protection.

Just below Treasuries on the credit quality spectrum lies the mortgage-backed securities (MBS) issued by Ginnie Mae, Fannie Mae, and Freddie Mac. Of these, our preferred investment vehicle is Ginnie Maes due to the explicit full faith and credit backing provided by the U.S. Treasury. Earlier this year we reduced our Model Portfolio’s overweight position in Ginnie Maes to a normal weighting. Through September, the Vanguard GNMA fund has returned +4.86%. We continue to recommend Ginnie Maes

THE PUBLIC DEBT
SEPTEMBER 29TH 2009
\$ 11,776,112,848,656.17

as a core holding in a diversified fixed-income portfolio. Investors should expect the price of their Ginnie Mae holdings to drift lower when longer-term interest rates increase at some point in the future.

Another fixed-income vehicle we recommend is municipal bonds. We made a strong case for owning municipal bonds last September and again in May. Through September, all of the Vanguard Tax-Exempt funds have positive returns with the Intermediate-Term Tax-Exempt fund up 11.22% and the Long-Term Tax-Exempt fund up 15.59%. These returns are even more impressive on a taxable-equivalent basis. The introduction of the Build America Bonds (BABs) program earlier this year has helped the municipal bond market. Issuers have cut back on the total amount of tax-exempt issues because they are dividing their new offerings into taxable BABs as well as traditional tax-exempt bonds. The result is there are fewer tax-exempt issues for traditional muni buyers to purchase and there is more demand for municipal bonds in general now that BABs, or taxable municipal bonds, are available. Even after the outsized gains in municipal bonds this year, their taxable equivalent yields remain attractive relative to U.S. Treasuries. The Vanguard Intermediate-Term Treasury fund offers a yield 2.36%, yet the Vanguard Intermediate-Term Tax-Exempt fund offers a yield of 2.86%. This means the tax-exempt fund is offering a higher return *before* adjusting for the tax-exempt benefit. An investor in the 28% federal income tax bracket would earn a taxable equivalent yield of nearly 4% in the tax-exempt fund versus 2.4% in the Treasury fund.

Corporate bonds round out our fixed income investment portfolio. These consist of investment grade bonds, high-yield (or junk) bonds, and convertible (or hybrid) bonds. As we first mentioned last November, investors were pricing in depression-era defaults in corporate bonds and we felt strongly they would outperform most asset classes this year. Through September, the Vanguard High-Yield Corporate fund has returned 32.35% and the Vanguard Short-Term Investment-Grade fund has returned 12.58%. Also, the Fidelity Convertible Securities fund has returned 56.55%. Obviously, investors should not expect these types of returns going forward. Essentially, we experienced what could have been a one or two year recovery in corporate bonds in about nine months. The spread between corporate debt and Treasury debt has reverted to more normal levels. The Vanguard Intermediate-Term Investment-Grade fund is offering 2% in extra yield relative to the Treasury fund. The Vanguard High-Yield Corporate fund is offering 5.5% in additional yield relative to the Treasury fund. When we wrote about these spreads last November, the investment grade spread was 4.5% and the high-yield spread was 10%. We expect some additional gains in corporate bonds as economic conditions improve into 2010. Eventually, we anticipate reducing our Model Portfolio's overweight position in riskier corporate bonds to a normal weighting.

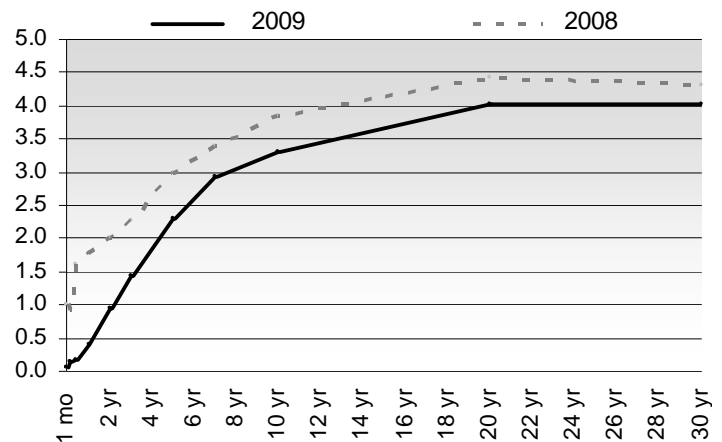
U.S. TREASURY

The U.S. Treasury is preparing for a Congressional battle over the public debt limit in October. The current debt ceiling of \$12.1 trillion could be reached as early as mid-October. The House has already passed a measure to increase the debt limit to just over \$13 trillion. The debt ceiling vote has become a common occurrence in recent years as annual budget deficits have exploded. We expect the debt ceiling will eventually be raised as there is really no alternative, unless you consider permitting the U.S. Treasury to default on its debt obligations as an option. Nonetheless, Senators will take this opportunity to highlight how out of control spending and deficits are in Washington.

An effective way to measure the likely path of longer-term inflation is to derive investor's inflation expectations. To do this, we compute the difference between the yield offered by nominal Treasuries versus the real yield offered by Treasury Inflation-Protected Securities (TIPS). Presently, investors expect the headline consumer price inflation (CPI) rate to average 1.37% annually over the next five years and 1.75% annually over the next ten years. If headline inflation is higher than expectations, the TIPS should outperform nominal Treasuries. Conversely, if inflation is lower than expectations, the nominal Treasuries should perform better.

	Treasury Yield	TIPS Real Yield	Inflation Expectations
5 YR	2.31 %	0.94 %	1.37 %
10 YR	3.31 %	1.56 %	1.75 %
20 YR	4.03 %	2.03 %	2.00 %

TREASURY YIELD CURVE – 9/30/2009



Below are the year-over-year and month-over-month U.S. Treasury yield changes for the various maturities:

Maturity	9/30/2009	8/31/2009	9/30/2008	M-O-M Y-O-Y	
				Chg	Chg
1 month	0.06 %	0.11 %	1.02 %	-0.05 %	-0.96 %
3 month	0.14 %	0.15 %	0.92 %	-0.01 %	-0.78 %
6 month	0.18 %	0.24 %	1.60 %	-0.06 %	-1.42 %
1 year	0.40 %	0.43 %	1.78 %	-0.03 %	-1.38 %
2 year	0.95 %	0.97 %	2.00 %	-0.02 %	-1.05 %
3 year	1.45 %	1.49 %	2.28 %	-0.04 %	-0.83 %
5 year	2.31 %	2.39 %	2.98 %	-0.08 %	-0.67 %
7 year	2.93 %	3.03 %	3.38 %	-0.10 %	-0.45 %
10 year	3.31 %	3.40 %	3.85 %	-0.09 %	-0.54 %
20 year	4.02 %	4.14 %	4.43 %	-0.12 %	-0.41 %
30 year	4.03 %	4.18 %	4.31 %	-0.15 %	-0.28 %

TREASURY AUCTION CALENDAR

Security	Maturity	Estimated Coupon	Auction Date	Settlement Date
Bill	4 week	0.05%	10/06/2009	10/08/2009
			10/14/2009	10/15/2009
			10/20/2009	10/22/2009
			10/27/2009	10/29/2009
Bill	3-month	0.15%	10/05/2009	10/08/2009
			10/13/2009	10/15/2009
	6-month	0.20%	10/19/2009	10/22/2009
			10/26/2009	10/29/2009
Bill	1 year	0.40%	10/20/2009	10/22/2009
			11/17/2009	11/19/2009
Note	2 year	0.95%	10/27/2009	11/02/2009
			11/23/2009	11/30/2009
Note	3 year	1.45%	10/06/2009	10/15/2009
			11/09/2009	11/16/2009
Note	5 year	2.30%	10/28/2009	11/02/2009
			11/24/2009	11/30/2009
Note	7 year	2.95%	10/29/2009	11/02/2009
			11/25/2009	11/30/2009
Note	10 year	3.30%	10/07/2009 *	10/15/2009
			11/10/2009	11/16/2009
Bond	30 year	4.05%	10/08/2009 *	10/15/2009
			11/12/2009	11/16/2009
TIPS	5 year	0.95%**	10/26/2009 *	10/30/2009
	10 year	1.55%**	10/05/2009 *	10/15/2009

* Reopening; ** Real Yield – does not include inflation adjustments

Subscribers can purchase U.S. Treasury securities directly by establishing a TreasuryDirect account online at www.TreasuryDirect.gov or calling 800-722-2678.

I BONDS

The U.S. Treasury will be announcing new Series I Savings Bond rates on Monday November 2nd. Through October 31st, the I Bond fixed rate is 0.10% and the CPI adjustment is -5.56% annualized, for a 0% composite rate. We expect the new CPI adjustment is likely to be above 3% annualized when the new rates are announced. The fixed rate component is likely to remain at very low levels based on the low 0.94% real yield currently offered on the 5-yr TIPS.

EXCHANGE TRADED FUNDS

Fund Name / Symbol	Expense Ratio	30-Day Yield	Duration	Weighting
<i>iShares Barclays 1-3 Yr. Credit</i>				
CSJ	0.20%	2.44%	1.78	30%
<i>iShares iBoxx \$ High Yield Corporate Bond Fund</i>				
HYG	0.50%	9.35%	4.17	30%
<i>iShares iBoxx \$ Investment Grade Corporate Bond Fund</i>				
LQD	0.15%	4.86%	7.19	20%
<i>iShares Barclays TIPS Bond Fund</i>				
TIP	0.20%	1.32%	2.99	10%
<i>Vanguard Short-Term Bond ETF</i>				
BSV	0.14%	1.75%	2.60	10%
	0.27%	4.82%	3.78	100%

CD RATES

The increased level of bank failures this year has caused the FDIC deposit insurance fund to decline. In order to replenish the insurance fund, the FDIC will require member institutions to prepay their quarterly assessment for the remainder of 2009 and for all of calendar years 2010, 2011, and 2012. The FDIC estimates this prepayment will provide \$45 billion of additional capital to the deposit insurance fund. It is important for investors to understand that FDIC insurance is backed by the full faith and credit of the U.S. government. No depositor has ever lost a penny of insured deposits. If the FDIC insurance fund were depleted, the FDIC has access to a permanent \$100 billion credit line with the U.S. Treasury, which has been temporarily raised to \$500 billion through the end of 2010. The FDIC has stated it does not wish to use this line of credit unless absolutely necessary. We continue to expect an elevated rate of bank failures and advise subscribers to limit all CD purchases to within FDIC insurance limits.

CD rates dropped slightly in September inline with lower Treasury yields. We expect yields to remain low through the end of the year. We recommend subscribers maintaining a CD ladder limit new purchases to maturities of three years or less.

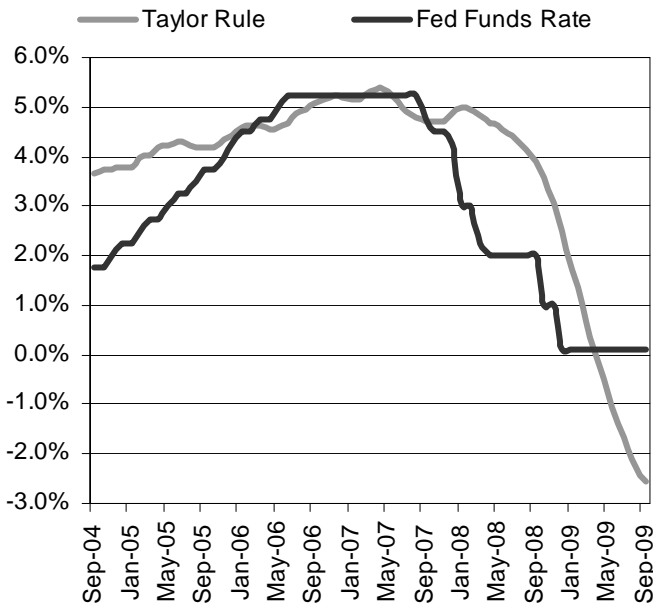
Below are the highest yielding CD Rates available as of September 30th, 2009:

Term	Institution	Phone	Min Amt	APY
3 Mo	Danvers Bank (4 mo)	800-771-8200	\$500	1.75
	TotalBank	866-440-4657	\$1,000	1.65
	Metlife Bank	866-226-5638	\$25,000	1.50
6 Mo	H&R Block Bank	888-687-4722	\$10,000	2.00
	Ascencia Bank	877-369-2265	\$500	1.76
	UFB Direct	888-580-0049	\$8,000	1.70
1 Yr	Umbrella Bank	866-242-9175	\$1,000	2.15
	BankOfInternet	877-541-2634	\$1,000	2.15
	OneWest Bank	800-750-8521	\$5,000	2.05
18 Mo	BankOfInternet	877-541-2634	\$1,000	2.15
	E-LOAN	866-576-7283	\$10,000	2.06
	Discover Bank	800-347-7000	\$2,500	2.05
2 Yr	E-LOAN	866-576-7283	\$10,000	2.37
	Discover Bank	800-347-7000	\$2,500	2.35
	Ally Bank	877-247-2559	\$0	2.35
3 Yr	Flagstar Bank	800-642-0039	\$500	3.00
	Interinvest Bank	212-218-8383	\$2,500	2.90
	NewDominionDirect	800-592-6248	\$3,000	2.76
4 Yr	BankUnited	877-779-2265	\$5,000	3.25
	Flagstar Bank	800-642-0039	\$500	3.25
	Interinvest Bank	212-218-8383	\$2,500	3.20
5 Yr	Flagstar Bank	800-642-0039	\$500	3.50
	iGoBanking	888-432-5890	\$1,000	3.50
	BankUnited	877-779-2265	\$5,000	3.50

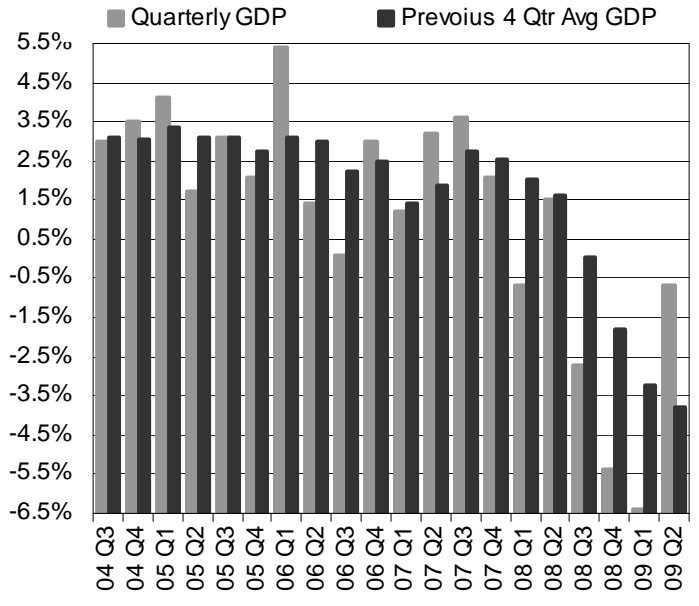
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ECONOMIC DASHBOARD

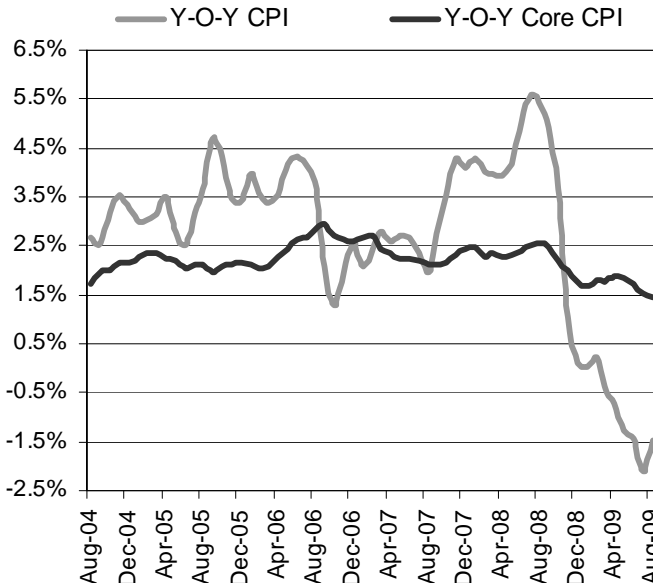
FEDERAL FUNDS RATE



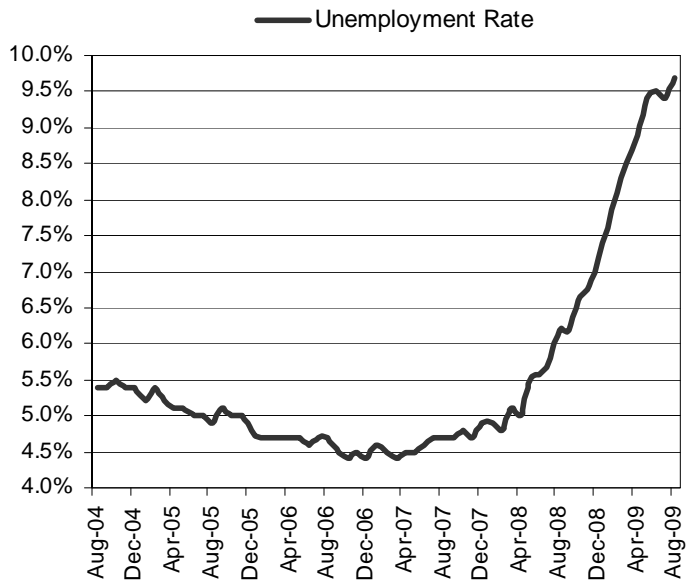
REAL GROSS DOMESTIC PRODUCT



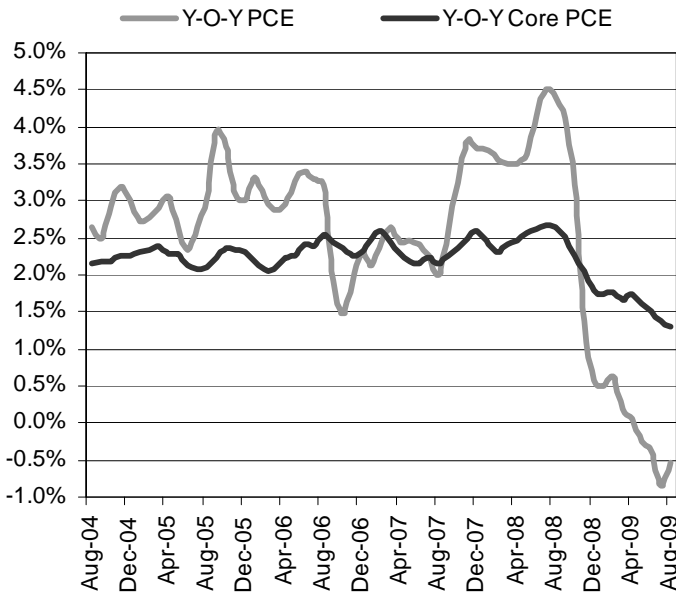
CONSUMER PRICE INFLATION



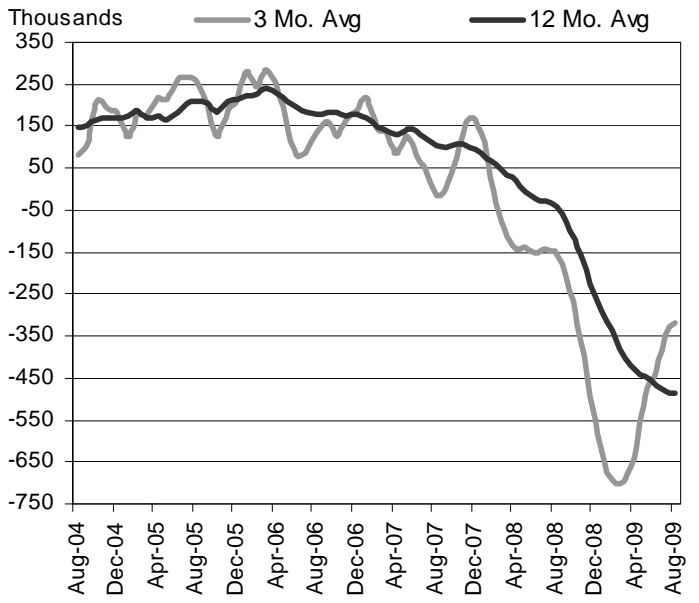
UNEMPLOYMENT RATE



PCE PRICE INDEX



NONFARM PAYROLLS



MUNICIPAL BOND CALENDAR

Source: Ipreo

State	Date	Type	Issuer	Amount	Advisor/Manager	Phone	Moody	S&P	Fitch
AZ	10/5/2009	Negotiated	City of Phoenix	\$ 480,430,000	Public Resources Advisory Grp	(212) 566-7800	Aa1	AAA	
<i>Various Purpose General Obligation Bonds, Series 2009A, 2009C, 2009B (Build America Bonds) and General Obligation Refunding Bonds, Series 2009D</i>									
CA	10/5/2009	Negotiated	LA County Metro. Transportation Auth.	\$ 320,935,000	Public Financial Management	(213) 489-4075			
<i>Proposition A First Tier Senior Sales Tax Revenue Refunding Bonds, Series 2009A</i>									
CA	9/28/2009	Negotiated	Los Angeles Unified School District	\$ 1,581,000,000	Tamalpais Advisors, Inc.	(415) 331-4473	Aa3	AA-	
<i>General Obligation Bonds, Series KRY (2009), Refunding Bonds, Series A, Series KRY (2009) Build America Bonds and Series G (Taxable)</i>									
FL	10/1/2009	Negotiated	Orange County Health Facilities Authority	\$ 127,385,000	Public Financial Management	(407) 648-2208		AA+	
<i>Revenue Bonds, Series 2009A (The Nemours Foundation Project)</i>									
FL	10/1/2009	Competitive	Florida State Board of Education	\$ 147,805,000	Division of Bond Finance	(850) 488-4782	Aa1	AAA	AA+
<i>Taxable Public Education Capital Outlay Bonds, 2006 Series G (Build America Bonds -Issuer Subsidy)</i>									
GA	10/7/2009	Competitive	Gwinnett County Water & Sewerage Auth	\$ 247,820,000	Public Financial Management	(404) 876-1919			
<i>Revenue Bonds, Series 2009A</i>									
IL	10/5/2009	Negotiated	City of Chicago	\$ 90,547,691	TKG & Associates, LLC	(312) 782-8801			
<i>Sales Tax Revenue Refunding Bonds, Series 2009A, 2009B and 2009C</i>									
MI	10/5/2009	Negotiated	Wayne State University Board of Regents	\$ 112,935,000	Sound Capital Management	(952) 996-0180	Aa3	AA-	
<i>General Revenue Refunding Bonds, Series 2009</i>									
MN	10/5/2009	Negotiated	State of Minnesota	\$ 60,400,000	Ehlers & Associates, Inc.	(651) 697-8500	A1	AA+	AA-
<i>911 Revenue Bonds, Series 2009 (Public Safety Radio Communications System Project)</i>									
MS	10/5/2009	Negotiated	Medical Center Educational Building Corp	\$ 104,725,000	First Southwest Company	(214) 953-4000		AA-	AA-
<i>Revenue Refunding Bonds, Series 2009 (University of Mississippi Medical Center Facilities Refinancing)</i>									
NC	10/6/2009	Competitive	State of North Carolina	\$ 383,275,000	Davenport & Company LLC	(919) 571-6550	Aaa	AAA	AAA
<i>General Obligation Refunding Bonds, Series 2009A</i>									
NY	10/5/2009	Negotiated	Metropolitan Transportation Authority	\$ 96,565,000	Goldman, Sachs & Co.	(212) 902-3219			
<i>Transportation Revenue Bonds, Series 2009 A-2</i>									
NY	10/2/2009	Negotiated	New York State Thruway Authority	\$ 521,000,000	Citigroup				A+
<i>Local Highway and Bridge Service Contract Bonds, Series 2009</i>									
NY	10/2/2009	Negotiated	City of New York	\$ 900,000,000	Public Resources Advisory Grp	(212) 566-7800	Aa3	AA	AA-
<i>General Obligation Bonds, Fiscal 2010 Series B and Series C</i>									
OH	9/28/2009	Negotiated	American Municipal Power Inc.	\$ 450,000,000	Merrill Lynch		A1		A
<i>Prairie State Project Revenue Bonds</i>									
OR	10/2/2009	Negotiated	State of Oregon	\$ 103,595,000	Public Financial Management	(206) 264-8900		AA-	AA
<i>Oregon Facilities Authority Refunding Revenue Bonds (PeaceHealth), 2009 Series A</i>									
OR	10/1/2009	Negotiated	Oregon State Dept of Admin Services	\$ 214,875,000	Citigroup		Aa3	AA-	AA-
<i>Certificates of Participation, 2009 Series C and Refunding Certificates of Participation, 2009 Series D</i>									
TX	10/5/2009	Negotiated	North Texas Tollway Authority	\$ 163,715,000	RBC Capital Markets	(214) 989-1660	A2	A-	
<i>System First Tier Current Interest and Revenue Refunding Bonds, Series 2009C</i>									
TX	10/5/2009	Negotiated	Tarrant County Cultural Ed. Fac. Finance Corp	\$ 164,885,000	Ziegler Cap Mkts				
<i>Retirement Facility Revenue Bonds, (Tarrant County Senior Living Center, Inc. Project) Series 2009A, 2009B, 2009C-1 and 2009C-2</i>									
VA	9/28/2009	Negotiated	National Rural Utilities Coop Finance Corp	\$ 70,000,000	Merrill Lynch				
<i>Clean Renewable Energy Bonds, Secured Tax Credit Series 2009A</i>									
VI	10/1/2009	Negotiated	Virgin Islands Public Finance Authority	\$ 476,140,000	Fiscal Strategies Group, Inc.	(732) 804-0860		BBB	BBB
<i>Revenue and Refunding Bonds (Virgin Islands Matching Fund Loan Notes) Series 2009A-1, A-2, 2009B and 2009C</i>									
WA	10/14/2009	Competitive	State of Washington	\$ 229,560,000	Montague DeRose & Associates				
<i>Various Purpose General Obligation Bonds, Series 2010C</i>									
WA	10/14/2009	Competitive	State of Washington	\$ 417,925,000	Seattle-Northwest Securities Corp.	(206) 628-2882			
<i>Various Purpose General Obligation Refunding Bonds, Series R-2010B</i>									
WA	10/13/2009	Negotiated	State of Washington	\$ 500,000,000	Montague DeRose & Associates				
<i>Motor Vehicle Fuel Tax General Obligation Bonds, Series 2010 D (Build America Bonds - Direct Pay)</i>									

NOTE: Subscribers can access our complete municipal bond calendar on our website at: <http://www.brinkeradvisor.com>

BRINKER FIXED INCOME ADVISOR - RECOMMENDED NO-LOAD MUTUAL FUNDS

FUND NAME	SYMBOL	DURATION	EXP. RATIO	2004	2005	2006	2007	2008	YTD 2009	Yield	9-30-09 PRICE
--- MONEY MARKET TAXABLE ---											
Fidelity U.S. Gov't Reserves	FGRXX	---	0.34%	1.09%	2.95%	4.77%	4.97%	2.45%	0.36%	0.07%	\$1.00
Payden Cash Reserves Money Market	PBHXX	---	0.25%	1.16%	2.98%	4.87%	5.04%	2.25%	0.37%	0.14%	\$1.00
Vanguard Prime Money Market	VMMXX	---	0.28%	1.11%	3.01%	4.88%	5.14%	2.77%	0.50%	0.21%	\$1.00
--- MONEY MARKET TAX-EXEMPT ---											
Fidelity AMT Tax-Free Money	FIMXX	---	0.43%	0.97%	2.18%	3.20%	3.43%	1.87%	0.19%	0.10%	\$1.00
Vanguard California Tax-Exempt Money Mkt	VCTXX	---	0.17%	1.11%	2.29%	3.29%	3.53%	2.00%	0.27%	0.27%	\$1.00
Vanguard New York Tax-Exempt Money Mkt	VYFXX	---	0.17%	1.09%	2.30%	3.33%	3.58%	2.12%	0.26%	0.19%	\$1.00
Vanguard Tax-Exempt Money Market	VMSXX	---	0.17%	1.14%	2.35%	3.37%	3.62%	2.27%	0.38%	0.26%	\$1.00
--- SHORT-TERM BOND TAXABLE ---											
Harbor Funds Short Duration	HASDX	2 yrs	0.38%	1.07%	2.73%	4.78%	4.76%	(3.03%)	1.98%	0.97%	\$7.65
T. Rowe Price Short-Term Bond	PRWBX	1.82 yrs	0.58%	1.49%	1.74%	4.38%	5.48%	1.23%	8.13%	2.63%	\$4.83
Vanguard Short-Term Bond Index	VBISX (I) VBIRX (A)	2.6 yrs	0.22% 0.14%	1.70% 1.77%	1.31% 1.38%	4.09% 4.16%	7.22% 7.31%	5.43% 5.51%	4.02% 4.09%	1.65% 1.76%	\$10.46
Vanguard Short-Term Federal	VSGBX (I) VSGDX (A)	1.9 yrs	0.22% 0.12%	1.36% 1.43%	1.80% 1.89%	4.32% 4.42%	7.43% 7.53%	7.04% 7.15%	2.68% 2.76%	1.56% 1.66%	\$10.94
Vanguard Short-Term Investment-Grade	VFSTX (I) VFSUX (A)	1.9 yrs	0.26% 0.14%	2.11% 2.19%	2.20% 2.30%	4.99% 5.11%	5.86% 5.98%	(4.74%) (4.65%)	12.58% 12.68%	2.71% 2.84%	\$10.55
Vanguard Short-Term Treasury	VFISX (I) VFIRX (A)	2.0 yrs	0.22% 0.12%	1.03% 1.16%	1.77% 1.92%	3.77% 3.93%	7.89% 8.02%	6.68% 6.79%	1.47% 1.55%	0.95% 1.05%	\$10.85
--- SHORT-TERM BOND TAX-EXEMPT ---											
Fidelity Short-Intermediate Municipal Income	FSTFX	2.9 yrs	0.49%	1.82%	1.06%	2.95%	4.43%	3.50%	5.48%	1.71%	\$10.68
T. Rowe Price Tax-Free Short-Intermediate	PRFSX	2.56 yrs	0.51%	1.60%	0.97%	3.26%	3.85%	3.00%	6.68%	1.73%	\$5.57
Vanguard Limited-Term Tax-Exempt	VMLTX (I) VMLUX (A)	2.5 yrs	0.20% 0.12%	1.53% 1.58%	1.11% 1.18%	3.33% 3.41%	4.32% 4.39%	2.91% 2.98%	5.11% 5.17%	1.53% 1.61%	\$11.06
Vanguard Short-Term Tax-Exempt	VWSTX (I) VWSUX (A)	1.1 yrs	0.20% 0.12%	1.12% 1.17%	1.65% 1.72%	3.26% 3.34%	4.19% 4.27%	3.74% 3.81%	2.68% 2.74%	0.90% 0.98%	\$15.92
--- INTERMEDIATE-TERM BOND TAXABLE ---											
Dodge & Cox Income	DODIX	3.9 yrs	0.44%	3.64%	1.98%	5.30%	4.68%	(0.29%)	14.05%	5.39%	\$12.89
Fidelity Intermediate Bond	FTHRX	3.6 yrs	0.45%	3.20%	1.75%	4.26%	3.96%	(5.84%)	15.62%	3.88%	\$10.16
Fidelity Investment Grade Bond	FBNDX	4.1 yrs	0.45%	4.53%	2.73%	4.82%	2.59%	(7.12%)	14.10%	4.58%	\$7.00
Fidelity Total Bond	FTBFX	3.7 yrs	0.45%	5.47%	2.46%	5.12%	4.16%	(5.56%)	17.64%	4.67%	\$10.45
Harbor Funds Harbor Bond	HABDX	4.8 yrs	0.60%	5.47%	2.57%	3.91%	8.69%	3.34%	12.66%	3.62%	\$12.37
Loomis Sayles Bond	LSBRX	7.2 yrs	0.94%	11.02%	4.01%	10.99%	8.26%	(22.12%)	31.31%	6.26%	\$12.94
Managers Fremont Bond	MBDFX	4.9 yrs	0.58%	5.33%	2.99%	3.43%	8.82%	(0.20%)	15.89%	3.64%	\$10.55
Metropolitan West Total Return Bond	MWTRX	3.1 yrs	0.65%	5.2%	3.11%	7.02%	6.24%	(1.48%)	13.72%	5.94%	\$9.75
T. Rowe Price Spectrum Income	RPSIX	4.04 yrs	0.70%	8.05%	2.09%	8.38%	6.19%	(9.43%)	17.67%	4.49%	\$11.70
Vanguard GNMA	VFIIX (I) VFJX (A)	2.0 yrs	0.23% 0.13%	4.13% 4.21%	3.33% 3.42%	4.33% 4.43%	7.01% 7.11%	7.22% 7.33%	4.86% 4.93%	3.66% 3.76%	\$10.75
Vanguard High-Yield Corporate	VWEHX (I) VWEAX (A)	4.3 yrs	0.32% 0.18%	8.52% 8.62%	2.77% 2.91%	8.24% 8.38%	2.04% 2.17%	(21.29%) (21.19%)	32.35% 32.49%	7.86% 7.98%	\$5.31
Vanguard Intermediate-Term Bond Index	VBIIIX (I) VBILX (A)	6.3 yrs	0.22% 0.14%	5.22% 5.30%	1.75% 1.82%	3.91% 3.98%	7.61% 7.70%	4.93% 5.01%	6.82% 6.89%	3.91% 4.02%	\$10.84
Vanguard Intermediate-Term Investment-Grade	VFICX (I) VFIDX (A)	4.9 yrs	0.26% 0.14%	4.75% 4.86%	1.97% 2.07%	4.43% 4.55%	6.14% 6.26%	(6.16%) (6.06%)	16.11% 16.21%	4.37% 4.51%	\$9.62

BRINKER FIXED INCOME ADVISOR - RECOMMENDED NO-LOAD MUTUAL FUNDS

FUND NAME	SYMBOL	DURATION	EXP. RATIO	2004	2005	2006	2007	2008	YTD 2009	Yield	9-30-09 PRICE
Vanguard Intermediate-Term Treasury	VFITX (I) VFIUX (A)	5.0 yrs	0.25% 0.12%	3.40% 3.53%	2.32% 2.47%	3.14% 3.30%	9.98% 10.15%	13.32% 13.49%	(0.70%) (0.60%)	2.36% 2.49%	\$11.63
Vanguard Total Bond Market Index	VBMFX (I) VBTIX (A)	4.3 yrs	0.22% 0.14%	4.24% 4.33%	2.40% 2.49%	4.27% 4.36%	6.92% 7.02%	5.05% 5.15%	5.86% 5.93%	3.49% 3.62%	\$10.44
--- INTERMEDIATE-TERM BOND TAX-EXEMPT ---											
American Century Tax-Free Bond	TWTIX	5 yrs	0.49%	2.67%	2.43%	4.11%	3.49%	(0.27%)	11.62%	2.75%	\$11.16
Fidelity Intermediate Municipal Income	FLTMX	5.2 yrs	0.42%	3.74%	2.56%	3.97%	3.97%	0.96%	9.09%	2.69%	\$10.28
T. Rowe Price Summit Municipal Intermediate	PRSMX	4.45 yrs	0.50%	3.01%	2.25%	4.16%	3.71%	0.16%	11.27%	2.71%	\$11.36
Vanguard California Inter-Term Tax-Exempt	VCAIX (I) VCADX (A)	5.7 yrs	0.20% 0.12%	2.89% 2.94%	1.86% 1.93%	4.26% 4.34%	3.02% 3.09%	(2.14%) (2.07%)	11.37% 11.44%	3.22% 3.30%	\$11.10
Vanguard Intermediate-Term Tax-Exempt	VWITX (I) VWIUX (A)	5.8 yrs	0.20% 0.12%	3.23% 3.29%	2.24% 2.31%	4.43% 4.51%	3.43% 3.50%	(0.14%) (0.07%)	11.22% 11.28%	2.86% 2.94%	\$13.72
--- LONG-TERM BOND TAXABLE ---											
Fidelity Capital & Income	FAGIX	---	0.78%	12.57%	5.04%	13.04%	3.82%	(31.90%)	59.19%	7.98%	\$8.18
Fidelity High Income	SPHIX	---	0.77%	9.69%	3.45%	10.74%	2.36%	(23.72%)	42.80%	8.00%	\$8.15
Fidelity Strategic Income	FSICX	---	0.73%	9.44%	3.12%	8.15%	5.44%	(11.37%)	28.41%	5.40%	\$10.76
T. Rowe Price Corporate Income	PRPIX	6.44 yrs	0.75%	7.06%	2.52%	4.93%	3.71%	(9.99%)	20.03%	4.93%	\$9.29
T. Rowe Price U.S. Treasury Long-Term	PRULX	11.79 yrs	0.53%	6.06%	5.41%	1.07%	9.98%	23.26%	(6.23%)	3.64%	\$12.56
Vanguard Inflation-Protected Securities	VIPSX VAIPX	3.4 yrs	0.25% 0.12%	8.27% ---	2.59% ---	0.43% 0.52%	11.59% 11.69%	(2.85%) (2.78%)	8.73% 8.85%	1.33% 1.46%	\$12.52 \$24.61
Vanguard Long-Term Bond Index	VBLTX	12.1 yrs	0.22%	8.40%	5.32%	2.67%	6.59%	8.64%	4.81%	4.94%	\$12.06
Vanguard Long-Term Investment-Grade	VWESX (I) VWETX (A)	12.1 yrs	0.28% 0.16%	8.94% 9.06%	5.13% 5.27%	2.86% 2.99%	3.75% 3.86%	2.29% 2.40%	11.13% 11.23%	5.59% 5.72%	\$9.25
Vanguard Long-Term Treasury	VUSTX (I) VUSUX (A)	11.6 yrs	0.25% 0.12%	7.12% 7.25%	6.61% 6.77%	1.74% 1.91%	9.24% 9.42%	22.52% 22.69%	(7.16%) (7.07%)	3.72% 3.85%	\$11.68
--- LONG-TERM BOND TAX-EXEMPT ---											
Fidelity California Municipal Income	FCTFX	7.8 yrs	0.47%	4.85%	3.63%	4.64%	2.90%	(5.61%)	14.23%	3.88%	\$12.15
Fidelity Municipal Income	FHIGX	8.2 yrs	0.47%	4.73%	3.66%	4.78%	3.13%	(4.61%)	14.47%	3.66%	\$12.74
Fidelity New York Municipal Income	FTFMX	8.2 yrs	0.47%	4.44%	3.07%	4.57%	3.32%	(2.48%)	13.27%	3.31%	\$13.09
Fidelity Tax-Free Bond	FTABX	8.1 yrs	0.47%	4.84%	3.79%	4.83%	3.22%	(3.38%)	14.48%	3.56%	\$10.98
T. Rowe Price Summit Municipal Income	PRINX	6.27 yrs	0.50%	5.16%	4.29%	5.48%	1.64%	(8.04%)	19.42%	3.88%	\$11.10
T. Rowe Price Tax-Free High Yield	PRFHX	8.4 yrs	0.71%	6.64%	6.26%	6.88%	(1.15%)	(21.49%)	31.73%	5.34%	\$10.71
T. Rowe Price Tax-Free Income	PRTAX	6.64 yrs	0.53%	4.31%	3.70%	5.14%	2.21%	(5.81%)	17.00%	3.66%	\$9.99
Vanguard California Long-Term Tax-Exempt	VCITX (I) VCLAX (A)	7.4 yrs	0.20% 0.12%	4.19% 4.25%	3.78% 3.85%	5.24% 5.32%	1.57% 1.64%	(6.87%) (6.81%)	15.64% 15.71%	3.73% 3.81%	\$11.36
Vanguard High-Yield Tax-Exempt	VWAHX (I) VWALX (A)	7.4 yrs	0.20% 0.12%	4.98% 5.04%	4.34% 4.42%	5.53% 5.61%	1.57% 1.64%	(10.45%) (10.39%)	21.64% 21.71%	4.03% 4.11%	\$10.55
Vanguard Long-Term Tax-Exempt	VWLTX (I) VWLUX (A)	7.2 yrs	0.20% 0.12%	4.12% 4.18%	3.07% 3.15%	5.16% 5.24%	2.54% 2.61%	(4.87%) (4.80%)	15.59% 15.66%	3.55% 3.63%	\$11.25
-- CONVERTIBLE BOND FUNDS --											
Fidelity Convertible Securities	FCVSX	---	0.78%	10.21%	5.95%	15.13%	16.24%	(47.78%)	56.55%	4.61%	\$21.23
Vanguard Convertible Securities * closed to new investors on 6/19/09	VCVSX	3.8 yrs	0.72%	7.20%	6.60%	12.94%	10.61%	(29.79%)	34.65%	4.95%	\$12.17

Duration information was gathered using most recently published information. For Money Market funds, the Yield column is the 7-day average income yield. For Bond funds, the Yield column is the 30-day SEC average yield or Fund Family advertised average yield (minus expenses). Bond fund Yield does not include inflation adjustments for Inflation Indexed bond funds.

(I) Denotes Vanguard Investor Shares. (A) Denotes Vanguard Admiral Shares.

BRINKER FIXED INCOME ADVISOR NO-LOAD MUTUAL FUND MODEL PORTFOLIOS

The Brinker Fixed Income Advisor **Aggressive Portfolio** seeks to maximize fixed income returns. This portfolio is best suited for fixed income investors willing to accept a higher degree of investment risk for potentially higher returns. (\$100,000 value on 3/31/2005)

Fund Name	Symbol	Yield	Duration	Weighting	Value 9/30/09
Fidelity Convertible Securities Fund	FCVSX	4.61%*	---	30%	33,343
Loomis Sayles Bond Fund	LSBRX	6.26%	7.2 years	15%	19,366
Vanguard GNMA Fund	VFIIX	3.66%	2.0 years	10%	12,940
Vanguard High-Yield Corporate Fund	VWEHX	7.86%	4.3 years	25%	30,188
Vanguard Short-Term Investment Grade Fund	VFSTX	2.71%	1.9 years	20%	25,396
		5.20%	3.91 years (est.)	100%	\$121,234

The estimated weighted average duration of this portfolio is 3.91 years. This suggests a one percent increase in corresponding interest rates would result in a 3.91% decline in the portfolio. * FCVSX estimated yield. Since inception on 3/31/2005, this portfolio has returned 21.23%.

The Brinker Fixed Income Advisor **Moderate Portfolio** seeks higher fixed income returns. This portfolio is best suited for fixed income investors willing to accept a moderate degree of investment risk. (\$100,000 value on 3/31/2005)

Fund Name	Symbol	Yield	Duration	Weighting	Value 9/30/09
Fidelity Convertible Securities Fund	FCVSX	4.61%*	---	15%	13,821
Vanguard GNMA Fund	VFIIX	3.66%	2.0 years	15%	19,410
Vanguard High-Yield Corporate Fund	VWEHX	7.86%	4.3 years	25%	30,303
Vanguard Inflation-Protected Securities Fund	VIPSX	1.33%**	3.4 years	10%	12,187
Vanguard Short-Term Bond Index Fund	VBISX	1.65%	2.6 years	10%	12,872
Vanguard Short-Term Investment Grade Fund	VFSTX	2.71%	1.9 years	25%	31,509
		4.18%	2.88 years (est.)	100%	\$120,102

The weighted average duration of this portfolio is 2.88 years. This suggests a one percent increase in corresponding interest rates would result in a 2.88% decline in the portfolio. * FCVSX estimated yield. ** VIPSX excludes inflation adjustment. Since inception on 3/31/2005, this portfolio has returned 20.10%.

The Brinker Fixed Income Advisor **Conservative Portfolio** invests in the safest investment vehicles. This portfolio is best suited for fixed income investors who wish to minimize risk. (\$100,000 value on 3/31/2005)

Fund Name	Symbol	Yield	Duration	Weighting	Value 9/30/09
Fidelity Convertible Securities Fund	FCVSX	4.61%*	---	10%	11,081
Harbor Funds Short Duration Fund	HASDX	0.97%	2.0 years	20%	22,177
Vanguard GNMA Fund	VFIIX	3.66%	2.0 years	20%	25,916
Vanguard High-Yield Corporate Fund	VWEHX	7.86%	4.3 years	15%	17,990
Vanguard Inflation-Protected Securities Fund	VIPSX	1.33%**	3.4 years	10%	12,187
Vanguard Short-Term Investment Grade Fund	VFSTX	2.71%	1.9 years	25%	31,735
		3.38%	2.51 years	100%	\$121,086

The weighted average duration of this portfolio is 2.51 years. This suggests a one percent increase in corresponding interest rates would result in a 2.51% decline in the portfolio. * FCVSX estimated yield. ** VIPSX excludes inflation adjustment. Since inception on 3/31/2005, this portfolio has returned 21.09%.

The Brinker Fixed Income Advisor **Tax-Exempt Portfolio** invests in tax-exempt investment vehicles. This portfolio is best suited for fixed income investors in high income tax brackets. (\$100,000 value on 5/31/2005)

Tax-Exempt					
Fund Name	Symbol	Yield	Duration	Weighting	Value 9/30/09
Vanguard Limited-Term Tax-Exempt Fund	VMLTX	1.53%	2.5 years	20%	23,543
Vanguard Intermediate-Term Tax-Exempt Fund	VWITX	2.86%	5.8 years	30%	36,602
Vanguard High-Yield Tax-Exempt Fund	VWAHX	4.03%	7.4 years	30%	36,039
Vanguard Long-Term Tax-Exempt Fund	VWLTX	3.55%	7.2 years	20%	23,988
		3.08%	5.90 years	100%	\$120,172

The weighted average duration of this portfolio is 5.90 years. This suggests a one percent increase in corresponding interest rates would result in a 5.90% decline in the portfolio. Since inception on 5/31/2005, this portfolio has returned 20.17% (Taxable-Equivalent Return= 30.11% @ 33%; 31.03% @ 35%)

NOTE: Subscribers in CA, FL, MA, NJ, NY, OH, PA should consider substituting state specific funds where appropriate.

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