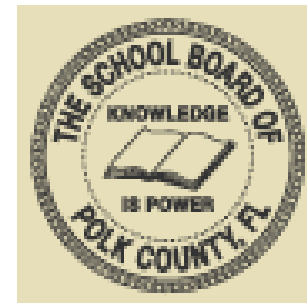


# Polk County Public Schools, Florida

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Investment Performance Review  
As of December 31, 2011



## Investment Advisors

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## PFM Asset Management LLC

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(statements are available online at [www.pfm.com](http://www.pfm.com))

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or recommendation. The information contained in this report is not an offer to purchase or sell any securities.

# TAB I

**Summary**

- Quarterly returns for fixed income were positive but failed to beat returns on domestic equities.
- For the quarter, short- to intermediate-duration portfolios with diversified fixed-income holdings outpaced money market accounts that avoided European exposure, including Libor-based time deposits.
- PFM strives to maintain the safety of principal while at the same time positioning for growth and searching for tactical opportunities to enhance return.

**Economic News**

Growth in the U.S. has improved while the uncertainty surrounding Europe continues. Gross domestic product (GDP) in the U.S. has shown steady increases over the first three quarters of 2011, coming in at 0.4%, 1.3% and 1.8%, respectively. Most projections for fourth-quarter GDP growth are near 3%. Although much of the economic expansion can be attributed to the release of pent-up demand for autos and a restocking of inventories by businesses, positive signals have emerged, showing more stabilization and a fundamental strengthening of the domestic economic recovery.

While signs of tentative recovery are now occurring in the housing market, there is still a significant amount of foreclosures in the pipeline, suggesting a higher inventory of unoccupied houses. A massive downward revision to earlier existing-home sales data showed that the housing market suffered a larger loss than many previously thought. Sales from 2007 onward have had significant downward revisions of 14% on average. Recently, though, there have been positive trends in home sales, with the October-November average annual rate of home sales up 20% from the third quarter. In November, existing-home sales rose 4.0%, significantly above the consensus of 2.2%, while new-home sales rose by 1.6% and housing starts increased by 9.3%.

Indicators are showing improvement in labor market conditions, but there is still much that needs to be resolved in this arena as well. The unemployment rate fell to a 2½-year low of 8.5% in December; however, much of this outcome has to do with the fact that the labor force participation rate has reached a two-year low. Market participants continue to wait for the abatement of excess slack in the labor market.

Results for the Conference Board’s Consumer Confidence Survey reflected an increase in positive sentiment, with the number of respondents reporting that jobs are currently “hard to get” falling to 41.8%, the lowest level of the recovery. This development, along with other strong economic releases in the fourth quarter, led to robust quarterly performance for U.S. equities. The S&P 500 Index increased 11.8% in the fourth quarter, erasing the losses in the previous two quarters.

**U.S. Treasury Yields – Quarter and Year-over-Year Changes**

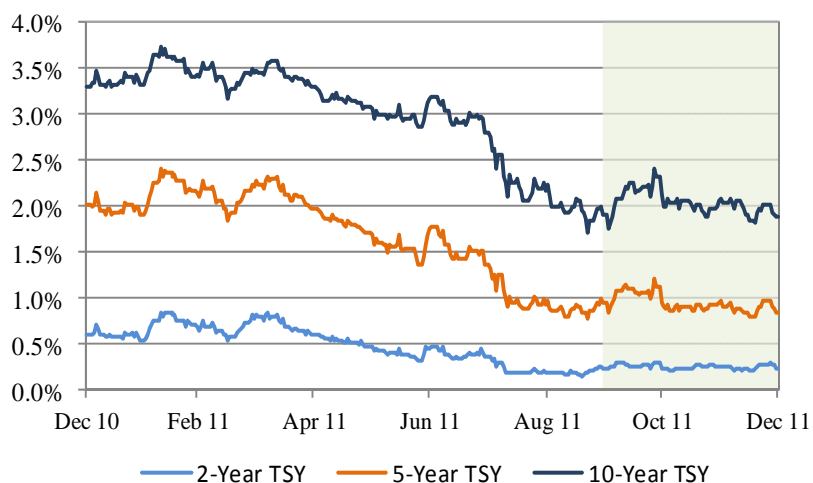
| Date                       | 3-month | 1-year | 2-year | 5-year | 10-year | 30-year |
|----------------------------|---------|--------|--------|--------|---------|---------|
| <b>31-Dec-11</b>           | 0.01%   | 0.10%  | 0.24%  | 0.83%  | 1.88%   | 2.89%   |
| <b>30-Sep-11</b>           | 0.02%   | 0.10%  | 0.24%  | 0.95%  | 1.92%   | 2.91%   |
| <b>Change over Quarter</b> | -0.01%  | 0.00%  | 0.00%  | -0.12% | -0.04%  | -0.02%  |
| <b>31-Dec-10</b>           | 0.12%   | 0.26%  | 0.59%  | 2.01%  | 3.29%   | 4.33%   |
| <b>Change over Year</b>    | -0.11%  | -0.16% | -0.35% | -1.18% | -1.41%  | -1.44%  |

Source data: Bloomberg

**Interest Rates**

U.S. Treasuries fluctuated within a narrow range, finishing the quarter close to where they began. Short-term rates remained near zero due to the Federal Reserve’s (Fed’s) continued commitment to keep the target rate between zero and 0.25% until at least mid 2013. Meanwhile, intermediate- and long-term rates have stabilized due to the offsetting forces of positive economic data in the U.S., a flight-to-quality reaction to the European debt crisis and the Fed’s Operation Twist program, where the U.S. central bank purchases longer-dated securities while selling shorter-dated securities in an effort to keep longer-term interest rates down.

**2-Year, 5-Year, and 10-Year U.S. Treasury Note Yields**  
 December 31, 2010 through December 31, 2011

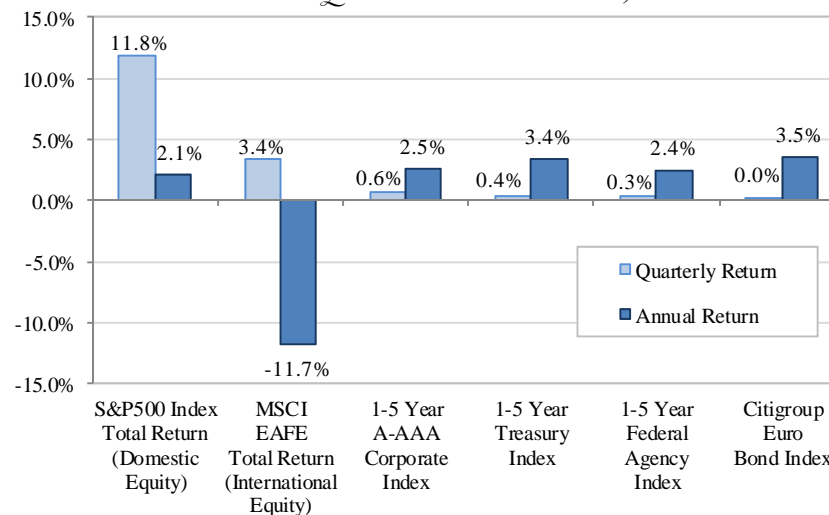


Source: Bloomberg

**Bond Markets**

Although signs point towards a stronger economy in the U.S., continued uncertainty in the global economic outlook has resulted in investors becoming more cautious and gravitating towards securities that are perceived to be less risky. Assets have flowed out of prime money market funds into government funds on concerns of the funds’ potential exposure to the sovereign debt of struggling European nations. Treasuries have benefitted from this need for safety, posting positive performance for the quarter. Treasury yields are still hovering around their record lows. Agency spreads widened during the fourth quarter, while corporate spreads tightened. Both sectors offered value for investors.

**Total Returns of Various Asset Classes**  
 Quarter ended December 31, 2011



Sources: Bank of America Merrill Lynch, Citigroup, Bloomberg

The views expressed within this material constitute the perspective and judgment of PFM Asset Management LLC (PFMAM) at the time of distribution and are subject to change. Information is obtained from sources generally believed to be reliable and available to the public; however, PFMAM cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or recommendation. The information contained in this report is not an offer to purchase or sell any securities.

# TAB II

Investment Statistics (All Accounts)

| <u>Account Name</u>   | <u>Amortized Cost<sup>1</sup><br/>December 31, 2011</u> | <u>Amortized Cost<sup>1</sup><br/>September 30, 2011</u> | <u>Market Value<br/>December 31, 2011</u> | <u>Market Value<br/>September 30, 2011</u> | <u>Duration (Years)<br/>December 31, 2011</u> | <u>Duration (Years)<br/>September 30, 2011</u> |
|---|---|--|---|--|---|--|
| Investment Portfolio (PFM Managed) <sup>1</sup>                               | \$53,788,401.03   | N/A  | \$53,788,025.12                           | N/A  | 1.52  | N/A  |
| Fifth Third Institutional Money Market Fund <sup>2</sup>                      | 1,229,569.14  | N/A  | 1,229,569.14                              | N/A  | 0.003   | N/A  |
| Colson Small - Small Business Administration Pool <sup>2</sup>                | 54,500.36   | 54,553.68  | 54,590.42                                 | 53,999.56                                  | 7.51  | 7.76   |
| UBS Account <sup>2</sup>  | 524.24  | 674.24   | 524.24                                    | 674.24                                     | 0.003   | 0.003  |
| The CORE Fund <sup>2, 3</sup>   | 52,585,260.80   | 52,684,420.22  | 52,585,260.80                             | 52,684,420.22                              | 3.000   | 3.000  |
| Florida Education Investment Trust Fund (FEITF) <sup>2</sup>                  | 50,021,470.23   | 25,002,203.13  | 50,021,470.23                             | 25,002,203.13                              | 0.003   | 0.003  |
| Federated Prime Obligation TR Money Market Fund <sup>2</sup>                  | N/A   | 54,246,034.16  | N/A                                       | 54,246,034.16                              | N/A   | 0.003  |
| Ridgeworth U.S. Government SEC Ultra-Short <sup>2</sup>                       | N/A   | 2,870,695.00   | N/A                                       | 2,870,695.00                               | N/A   | 0.003  |
| Florida PRIME Fund - Agency Account #1442 <sup>2</sup>                        | 48,973.85   | 63,308,930.51  | 48,973.85                                 | 63,308,930.51                              | 0.003   | 0.003  |
| SBA Fund B - Agency Account #1442B <sup>2, 4</sup>                            | 3,755,640.81  | 3,917,994.44   | 3,755,640.81                              | 3,917,994.44                               | N/A   | 4.820  |
| Florida PRIME Fund - 2001A COPS #1443 <sup>2</sup>                            | 130,573.60  | 121,201.10   | 130,573.60                                | 121,201.10                                 | 0.003   | 0.003  |
| SBA Fund B - 2001A COPS #1443B <sup>2, 4</sup>                                | 214,812.27  | 224,098.45   | 214,812.27                                | 224,098.45                                 | N/A   | 4.820  |
| Wells Fargo - Fidelity Prime Money Market Fund - General Fund <sup>2</sup>    | 135,004,892.77  | N/A  | 135,004,892.77                            | N/A  | 0.003   | N/A  |
| Wells Fargo - Fidelity Prime Money Market Fund - General Fund <sup>2</sup>    | 10,000,491.44   | N/A  | 10,000,491.44                             | N/A  | 0.003   | N/A  |
| Wells Fargo - Fidelity Prime Money Market Fund - Student Account <sup>2</sup> | 5,000,245.72  | N/A  | 5,000,245.72                              | N/A  | 0.003   | N/A  |
| Wachovia Government Checking - Combined Government Account <sup>2</sup>       | 31,352,917.42   | 31,536,221.34  | 31,352,917.42                             | 31,536,221.34                              | 0.003   | 0.003  |
| <b>Total</b>  | <b>\$343,188,273.68</b>                                 | <b>\$233,967,026.27</b>                                  | <b>\$343,187,987.83</b>                   | <b>\$233,966,472.15</b>                    | <b>0.701</b>                                  | <b>0.76</b>                                    |

Notes:

- In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balance.
- Information provided by statements from staff.
- Per the CORE Funds prospectus, the duration cannot be more than 3 years. Does provide next day liquidity.
- Duration for the SBA Fund B as of December 31, 2011 was not available at the time this report was completed. Information provided by SBA's website.

Investment Statistics (All Accounts)

| <u>Account Name</u>  | <u>Yield to Maturity at Cost</u><br>1, 2, 3, 4 | <u>Yield to Maturity at Cost</u><br>1, 2, 3, 4 |   | <u>Quarterly Interest Income</u><br><u>December 31, 2011</u> |
|--|--|--|---|--|
|  | <u>December 31, 2011</u>                       | <u>September 30, 2011</u>                      |   |  |
| Investment Portfolio (PFM Managed)                               | 0.22%  | N/A  | Investments                                     | \$98,439.47  |
| Fifth Third Institutional Money Market Fund                      | 0.01%  | N/A  | Fifth Third Custodial Account <sup>6</sup>      | 144,584.77   |
| Colson Small - Small Business Administration Pool                | 1.25%  | 1.25%  | UBS Account                                     | 150.00   |
| UBS Account  | 0.00%  | 0.18%  | The CORE Fund                                   | 179,436.51   |
| The CORE Fund <sup>5</sup>                                       | 1.65%  | 1.65%  | Florida Education Investment Trust Fund (FEITF) | 19,267.10  |
| Florida Education Investment Trust Fund (FEITF)                  | 0.22%  | 0.19%  | Trusco <sup>7</sup>                             | 8,370.06   |
| Federated Prime Obligation TR Money Market Fund                  | N/A  | 0.13%  | Florida PRIME Fund                              | 167.03   |
| Ridgeworth U.S. Government SEC Ultra-Short                       | N/A  | 1.38%  | Wells Fargo Investments                         | 5,629.93   |
| Florida PRIME Fund - Agency Account #1442                        | 0.29%  | 0.24%  | <b>Total</b>                                    | <b>\$456,044.87</b>  |
| SBA Fund B - Agency Account #1442B                               | N/A  | N/A  |   |  |
| Florida PRIME Fund - 2001A COPS #1443                            | 0.29%  | 0.24%  |   |  |
| SBA Fund B - 2001A COPS #1443B                                   | N/A  | N/A  |   |  |
| Wells Fargo - Fidelity Prime Money Market Fund - General Fund    | 0.11%  | N/A  |   |  |
| Wells Fargo - Fidelity Prime Money Market Fund - General Fund    | 0.11%  | N/A  |   |  |
| Wells Fargo - Fidelity Prime Money Market Fund - Student Account | 0.11%  | N/A  |   |  |
| Wachovia Government Checking - Combined Government Account       | 0.40%  | 0.40%  |   |  |
| <b>Weighted Average Yield</b>                                    | <b>0.40%</b>                                   | <b>0.56%</b>                                   |   |  |

**Benchmarks**

|   | <u>December 31, 2011</u> | <u>September 30, 2011</u> |
|---|--------------------------|---------------------------|
| Merrill Lynch 3 Month U.S. Treasury Bill Index <sup>8</sup> | 0.02%                    | 0.02%                     |

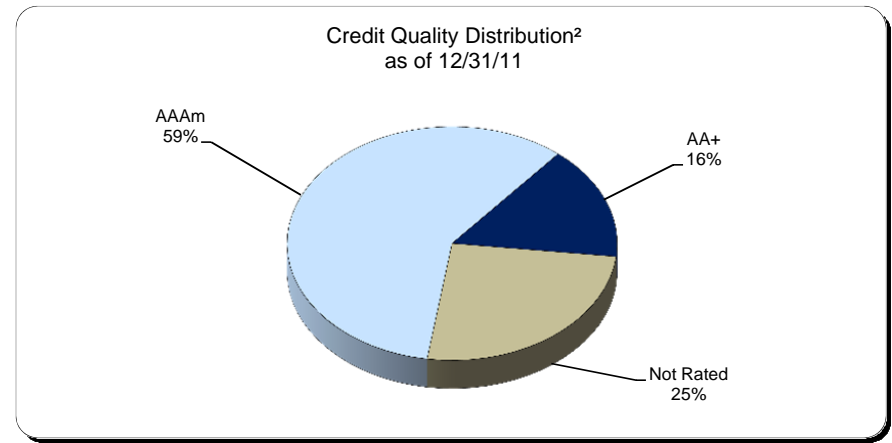
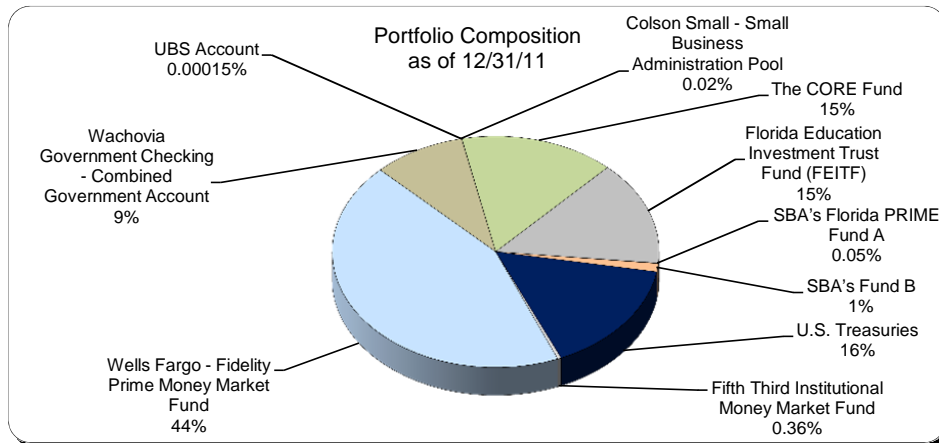
Notes:

- Past performance is not indicative of future results.
- Seven day yield as of month end is used for the SBA's Florida PRIME Fund A, FEITF, and the Money Market Funds. The yields shown above represent past performance. Past performance is no guarantee of future results and yields may vary. The current fund performance may be higher or lower than that cited. The current seven-day yield does not include realized gains and losses on the sale of securities. The yields shown above may reflect fee waivers by service providers that subsidize and reduce the total operating expenses of the Funds. Fund yields would be lower if there were no such waivers.
- The SBA's website is the information source for Fund A's 7-day yield.
- The FEITF's website is the information source of the 7-day yield.
- Morningstar is the source of the CORE Funds yield.
- Includes interest income from the Investment Portfolio managed by PFM, the Fifth Third Institutional Money Market Fund and the Small Business Administration Pool.
- Includes interest income from the Federated Prime Obligation TR Money Market Fund and Ridgeworth U.S. Government SEC Ultra-Short Funds.
- Bloomberg is the information source for the Merrill Lynch 3 Month U.S. Treasury Bill Index month end yield.



Investment Composition and Credit Quality Characteristics

| <u>Security Type<sup>1</sup></u>                           | <u>December 31, 2011</u> | <u>% of Portfolio</u> | <u>September 30, 2011</u> | <u>% of Portfolio</u> |
|--|--------------------------|-----------------------|---------------------------|-----------------------|
| U.S. Treasuries  | \$53,788,025.12          | 15.67%                | \$0.00                    | 0.00%                 |
| Federal Agencies   | 0.00                     | 0.00%                 | 0.00                      | 0.00%                 |
| Commercial Paper   | 0.00                     | 0.00%                 | 0.00                      | 0.00%                 |
| Fifth Third Institutional Money Market Fund                | 1,229,569.14             | 0.36%                 | 0.00                      | 0.00%                 |
| Wells Fargo - Fidelity Prime Money Market Fund             | 150,005,629.93           | 43.71%                | 0.00                      | 0.00%                 |
| Wachovia Government Checking - Combined Government Account | 31,352,917.42            | 9.14%                 | 31,536,221.34             | 13.48%                |
| Colson Small - Small Business Administration Pool          | 54,590.42                | 0.02%                 | 53,999.56                 | 0.02%                 |
| UBS Account  | 524.24                   | 0.00%                 | 674.24                    | 0.00%                 |
| The CORE Fund  | 52,585,260.80            | 15.32%                | 52,684,420.22             | 22.52%                |
| Florida Education Investment Trust Fund (FEITF)            | 50,021,470.23            | 14.58%                | 25,002,203.13             | 10.69%                |
| Federated Prime Obligation TR Money Market Fund            | 0.00                     | 0.00%                 | 54,246,034.16             | 23.19%                |
| Ridgeworth U.S. Government SEC Ultra-Short                 | 0.00                     | 0.00%                 | 2,870,695.00              | 1.23%                 |
| SBA's Florida PRIME Fund A                                 | 179,547.45               | 0.05%                 | 63,430,131.61             | 27.11%                |
| SBA's Fund B   | 3,970,453.08             | 1.16%                 | 4,142,092.89              | 1.77%                 |
| <b>Totals</b>  | <b>\$343,187,987.83</b>  | <b>100.00%</b>        | <b>\$233,966,472.15</b>   | <b>100.00%</b>        |

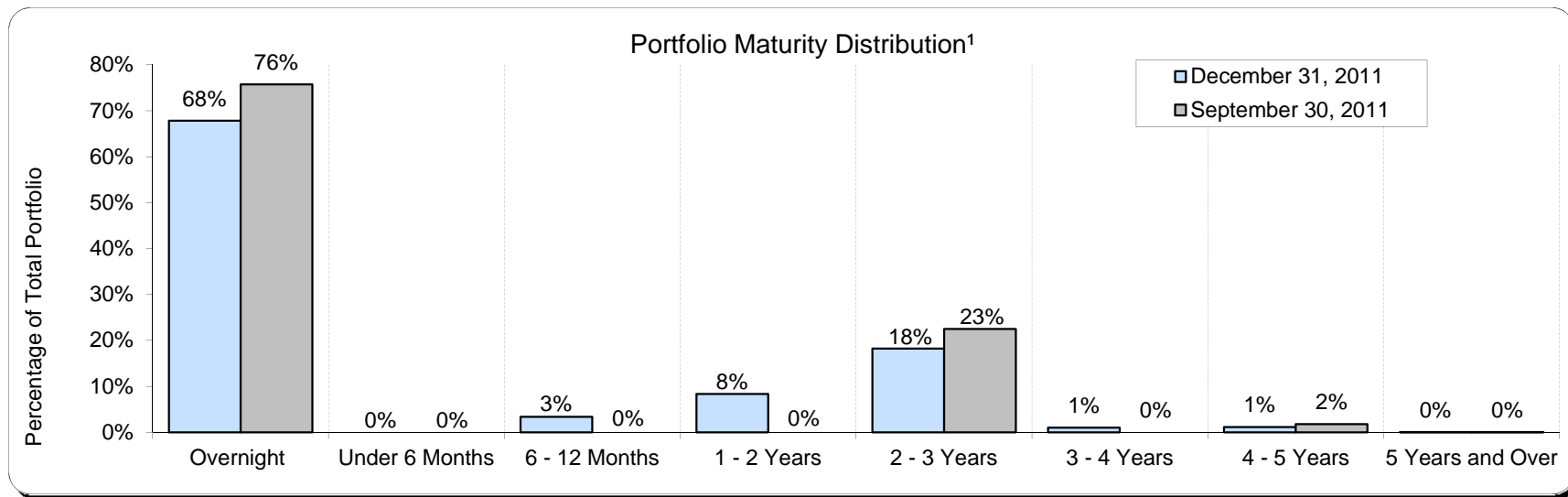


Notes:

- End of quarter trade-date market values of portfolio holdings, including accrued interest.
- Credit rating of securities held in portfolio, inclusive of money market fund/LGIP. The Wachovia Government Checking, UBS Account, The CORE Fund, and SBA's Fund B, are not rated by Standard & Poor's. Standard & Poor's is the source of the credit ratings.

Investment Portfolio Maturity Distribution

| <u>Maturity Distribution<sup>1</sup></u> | <u>December 31, 2011</u> | <u>September 30, 2011</u> |
|--|--------------------------|---------------------------|
| Overnight Liquidity                      | \$232,789,658.41         | \$177,085,959.48          |
| Under 6 Months                           | 0.00                     | 0.00                      |
| 6 - 12 Months                            | 11,505,005.20            | 0.00                      |
| 1 - 2 Years                              | 28,746,554.75            | 0.00                      |
| 2 - 3 Years                              | 62,540,826.93            | 52,684,420.22             |
| 3 - 4 Years                              | 3,580,899.04             | 0.00                      |
| 4 - 5 Years                              | 3,970,453.08             | 4,142,092.89              |
| 5 Years and Over                         | 54,590.42                | 53,999.56                 |
| <b>Totals</b>                            | <b>\$343,187,987.83</b>  | <b>\$233,966,472.15</b>   |



Notes:

1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

## Executive Summary

### PORTFOLIO STRATEGY

- The School District's Investment Portfolio is of high credit quality and invested in U.S. Treasury securities.
- The Fed could well seek to provide further support for the U.S. economy by communicating the intention to maintain its extraordinarily accommodative monetary policy far into the future, or by establishing specific employment and inflation hurdles that would have to be breached before it changes its current policy stance. This supports the view that rates will remain low longer than the market current anticipates.
- The yield curve is likely to remain positively sloped, anchored for the foreseeable future by the near-zero federal funds rate. In this environment, lengthening duration should provide value, although longer duration investments have greater price risk if interest rates should rise.
- Europe remains a highly fluid and problematic situation, as Italy and Spain appear headed for recession. Sovereign credit ratings are under pressure, and large European banks are being forced to shed assets and raise large amounts of capital. A clear solution appears elusive. We continue to avoid sensitive issuers and geographical regions.
- The Investment Portfolio provided the School District with favorable yield relative to the benchmark. At quarter end the portfolio had a Yield to Maturity at Cost of 0.22%, exceeding the Yield to Maturity of its benchmark the Merrill Lynch 1-3 Year U.S. Treasury Index by 16 basis points (0.16%). Total return performance will be calculated for the first quarter of 2012. Total return requires one full quarter of management before showing quarterly performance comparison to the benchmark.
- As always, we strive to maintain the safety of principal while at the same time positioning the portfolio for growth and searching for tactical opportunities to enhance return. In these changing times, our strategy will remain flexible and may change in response to changes in interest rates, economic data, market outlook or specific opportunities that arise.

Investment Portfolio Performance

| <b>Total Portfolio Value<sup>1,2,5</sup></b> | <b>December 31, 2011</b> | <u>September 30, 2011</u> |
|--|--------------------------|---------------------------|
| Market Value                                 | <b>\$55,017,594.26</b>   | N/A                       |
| Amortized Cost                               | <b>\$55,017,970.17</b>   | N/A                       |

| <b>Effective Duration (Years)<sup>4</sup></b>   | <b>December 31, 2011</b> | <u>September 30, 2011</u> |
|---|--------------------------|---------------------------|
| <b>Investment Portfolio</b>                     | <b>1.52</b>              | N/A                       |
| Merrill Lynch 1-3 Year U.S. Treasury Note Index | 1.81                     | N/A                       |
| Portfolio Duration % of Benchmark Duration      | 84%                      | N/A                       |

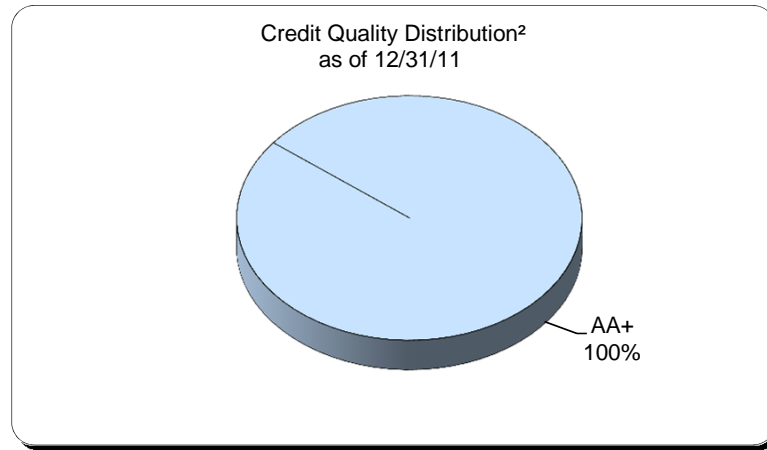
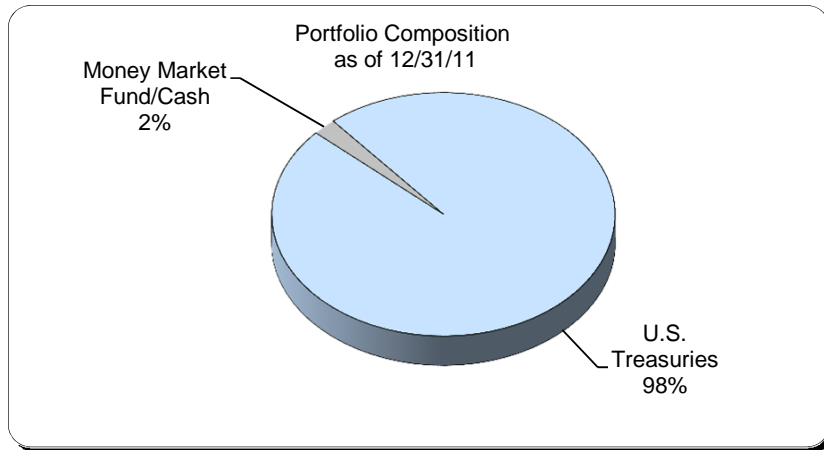
| <b>Yields<sup>3</sup></b> | <b>December 31, 2011</b> | <u>September 30, 2011</u> |
|---------------------------|--------------------------|---------------------------|
| Yield at Market           | <b>0.23%</b>             | N/A                       |
| Yield on Cost             | <b>0.22%</b>             | N/A                       |

Notes:

1. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances.
2. End of quarter trade-date market values of portfolio holdings, including accrued interest.
3. Past performance is not indicative of future results.
4. Merrill Lynch Indices provided by Bloomberg Financial Markets.
5. Includes money market fund/cash.

Investment Portfolio Portfolio Composition and Credit Quality Characteristics

| <u>Security Type<sup>1</sup></u>     | <u>December 31, 2011</u> | <u>% of Portfolio</u> | <u>September 30, 2011</u> | <u>% of Portfolio</u> |
|--------------------------------------|--------------------------|-----------------------|---------------------------|-----------------------|
| U.S. Treasuries                      | \$53,788,025.12          | 97.8%                 | N/A                       | N/A                   |
| Federal Agencies                     | 0.00                     | 0.0%                  | N/A                       | N/A                   |
| Commercial Paper                     | 0.00                     | 0.0%                  | N/A                       | N/A                   |
| Certificates of Deposit              | 0.00                     | 0.0%                  | N/A                       | N/A                   |
| Bankers Acceptances                  | 0.00                     | 0.0%                  | N/A                       | N/A                   |
| Repurchase Agreements                | 0.00                     | 0.0%                  | N/A                       | N/A                   |
| Municipal Obligations                | 0.00                     | 0.0%                  | N/A                       | N/A                   |
| Corporate Notes/Bonds                | 0.00                     | 0.0%                  | N/A                       | N/A                   |
| Corporate Notes/Bonds - FDIC Insured | 0.00                     | 0.0%                  | N/A                       | N/A                   |
| Mortgage Backed                      | 0.00                     | 0.0%                  | N/A                       | N/A                   |
| Money Market Fund/Cash               | 1,229,569.14             | 2.23%                 | N/A                       | N/A                   |
| <b>Totals</b>                        | <b>\$55,017,594.26</b>   | <b>100.0%</b>         | N/A                       | N/A                   |

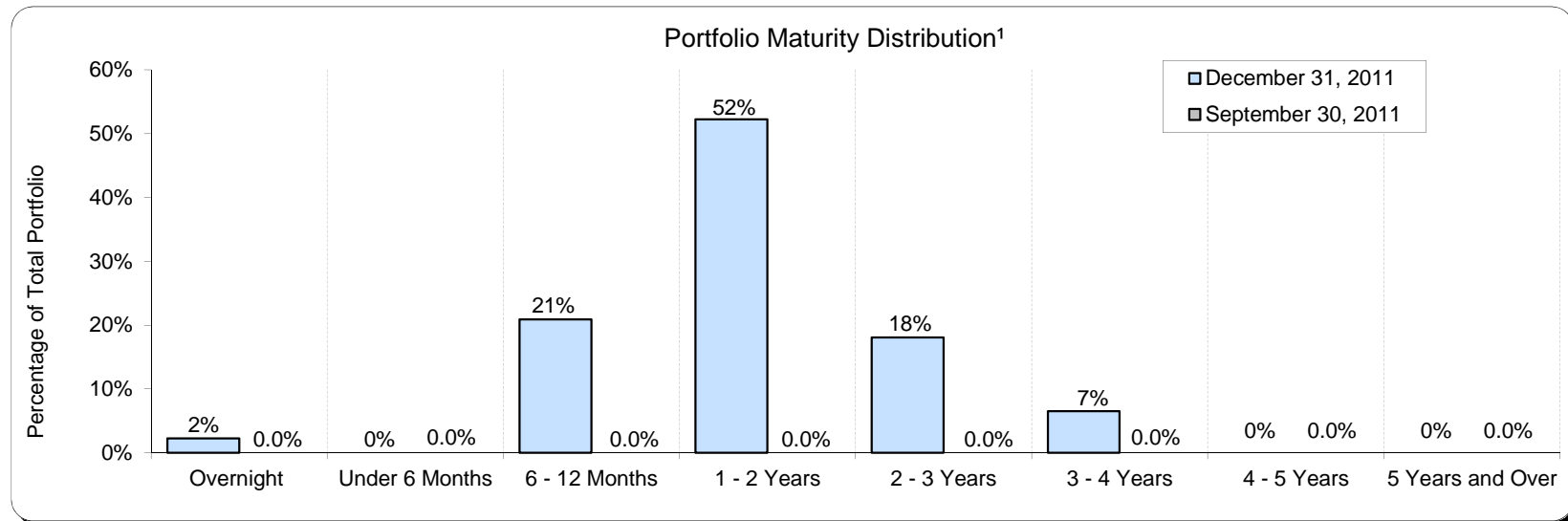


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Credit rating of securities held in portfolio, exclusive of money market fund/LGIP. Standard & Poor's is the source of the credit ratings.

Investment Portfolio Portfolio Maturity Distribution

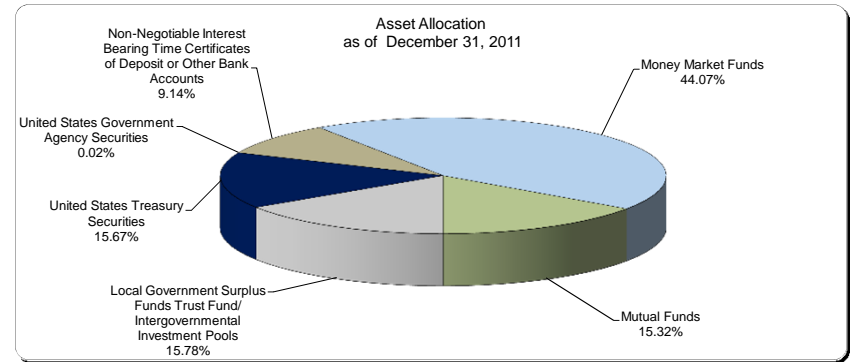
| <u>Maturity Distribution</u> <sup>1</sup> | <u>December 31, 2011</u> | <u>September 30, 2011</u> |
|---|--------------------------|---------------------------|
| Overnight (Money Market Fund)             | \$1,229,569.14           | N/A                       |
| Under 6 Months                            | 0.00                     | N/A                       |
| 6 - 12 Months                             | 11,505,005.20            | N/A                       |
| 1 - 2 Years                               | 28,746,554.75            | N/A                       |
| 2 - 3 Years                               | 9,955,566.13             | N/A                       |
| 3 - 4 Years                               | 3,580,899.04             | N/A                       |
| 4 - 5 Years                               | 0.00                     | N/A                       |
| 5 Years and Over                          | 0.00                     | N/A                       |
| <b>Totals</b>                             | <b>\$55,017,594.26</b>   | <b>N/A</b>                |



Notes:

1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

| Security Type <sup>a</sup>  | December 31, 2011 | Notes | Permitted by Policy |
|---|-------------------|-------|---------------------|
| Local Government Surplus Funds Trust Fund/ Intergovernmental Investment Pools                                     | 15.78%            | 4     | 50%                 |
| United States Treasury Securities   | 15.67%            |       | 100%                |
| United States Government Agency Securities  | 0.02%             | 2, 4  | 60%                 |
| Federal Instrumentalities   | 0.00%             |       | 0%                  |
| Non-Negotiable Interest Bearing Time Certificates of Deposit or Other Bank Accounts                               | 9.14%             | 4     | 60%                 |
| Non-Negotiable Interest Bearing Time Certificates of Deposit or Savings Accounts - FDIC Insured                   | 0.00%             |       | 75%                 |
| Non-Primary Depository Bank Demand Deposit Accounts/Money Market Accounts/Public Funds Interest Checking Accounts | 0.00%             |       | 50%                 |
| Repurchase Agreements   | 0.00%             |       | 0%                  |
| Commercial Paper TLGP - FDIC Insured  | 0.00%             | 1, 2  | 40%                 |
| Corporate Notes - FDIC Insured  | 0.00%             | 1, 2  | 40%                 |
| Mortgage-Backed Securities  | 0.00%             |       | 0%                  |
| Bankers' Acceptances  | 0.00%             |       | 0%                  |
| State and/or Local Government Debt  | 0.00%             |       | 25%                 |
| Money Market Funds  | 44.07%            |       | 40%                 |
| Mutual Funds  | 15.32%            | 4     | 20%                 |



| Individual Issuer Breakdown                     | December 31, 2011 | Notes | Permitted by Policy |
|---|-------------------|-------|---------------------|
| Government National Mortgage Association (GNMA) | 0.00%             |       | 40%                 |
| Small Business Administration Pool              | 0.02%             | 4     | 40%                 |
| Farmers Home Administration (FMHA)              | 0.00%             |       | 40%                 |
| Federal Financing Bank                          | 0.00%             |       | 40%                 |
| Federal Housing Administration (FHA)            | 0.00%             |       | 40%                 |
| General Services Administration                 | 0.00%             |       | 40%                 |
| New Communities Act Debentures                  | 0.00%             |       | 40%                 |
| US Public Housing Notes & Bonds                 | 0.00%             |       | 40%                 |
| US Dept. of Housing and Urban Development       | 0.00%             |       | 40%                 |
| Federal Farm Credit Bank (FFCB)                 | 0.00%             |       | 0%                  |
| Federal Home Loan Bank (FHLB)                   | 0.00%             |       | 0%                  |
| Federal National Mortgage Association (FNMA)    | 0.00%             |       | 0%                  |
| Federal Home Loan Mortgage Corporation (FHLMC)  | 0.00%             |       | 0%                  |
| Student Loan Marketing Association (SLMA)       | 0.00%             |       | 0%                  |

| Individual Issuer Breakdown   | December 31, 2011 | Notes | Permitted by Policy |
|---|-------------------|-------|---------------------|
| Florida Prime (SBA) - Local Government Surplus Funds Trust Fund             | 0.05%             | 4     | 40%                 |
| SBA Fund B  | 1.16%             | 4     | N/A                 |
| Florida Education Investment Trust Fund - Intergovernmental Investment Pool | 14.58%            | 4     | 40%                 |
| Qualified Public Deposit Account - Wachovia Combined Government Checking    | 9.14%             | 4     | 30%                 |
| Qualified Public Deposit Account - B  | 0.00%             |       | 30%                 |
| Qualified Public Deposit Account - C  | 0.00%             |       | 30%                 |
| Fully collateralized Repo - A   | 0.00%             |       | 0%                  |
| Fully collateralized Repo - B   | 0.00%             |       | 0%                  |
| CP TLGP A   | 0.00%             | 1     | 40%                 |
| CP TLGP B   | 0.00%             | 1     | 40%                 |
| Corporate Notes - FDIC insured A  | 0.00%             | 1     | 40%                 |
| Corporate Notes - FDIC insured B  | 0.00%             | 1     | 40%                 |
| BA Bank A   | 0.00%             |       | 0%                  |
| Municipal Notes/Bonds   | 0.00%             |       | 25%                 |
| Money Market Fund - Fifth Third Institutional Money Market Fund             | 0.36%             |       | 30%                 |
| Money Market Fund - Wells Fargo - Fidelity Prime Money Market Fund          | 43.71%            | 4     | 30%                 |
| Mutual Funds - The CORE Fund  | 15.32%            | 4     | 20%                 |
| Mutual Funds - UBS Deposit Account  | 0.0002%           | 4     | 20%                 |

Notes:

1. The Corporate Note FDIC Insured and Commercial Paper TLGP FDIC Insured securities are fully backed by the full faith and credit of the United States Government. This is permissible by the District's Investment Policy under Section XV. Authorized Investment and Portfolio Composition, Sub-Section 3. United States Government Agency Securities.
2. Combined allocations cannot exceed 60% per Investment Policy.
3. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
4. Managed by the School District.