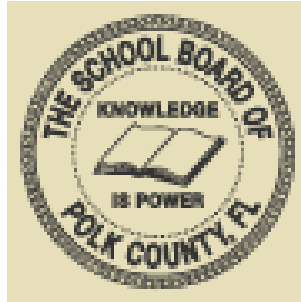


# Polk County Public Schools



## Investment Performance Review Quarter Ended December 31, 2013

### Investment Advisors

Steven Alexander, CTP, CGFO, Managing Director  
D. Scott Stitche, CFA, Senior Managing Consultant  
Richard Pengelly, CFA, Senior Managing Consultant  
Gregg Manjerovic, CFA, Portfolio Manager  
Rebecca Geyer, CTP, Senior Analyst

### PFM Asset Management LLC

One Keystone Plaza, Suite 300  
North Front & Market Streets  
Harrisburg, PA 17101-2044  
717-232-2723 • 717-233-6073 fax

300 S. Orange Avenue, Suite 1170  
Orlando, FL 32801  
(407) 648-2208  
(407) 648-1323 fax

**Table of Contents**

**Tab I.**           Market Review

**Tab II.**

    Section A    Summary of Investments  
                  Asset Allocation Chart as of December 31, 2013

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**

- Over the quarter, the labor and housing markets showed signs of considerable improvement, reflecting a strengthening economic recovery and absorbing less of an impact from the temporary government shutdown than what was previously anticipated.
- Yields on intermediate- and longer-term bonds rose as the Federal Reserve (Fed) decided to begin reducing its monthly bond purchases.
- The U.S. Senate confirmed Janet Yellen, current vice chair of the Fed, to succeed Ben Bernanke when his term expires at the end of January 2014.

### **Economic Snapshot**

- Third-quarter U.S. gross domestic product (GDP) growth was 4.1%, marking its fastest pace in two years as personal consumption and inventories exceeded expectations. Inflation, as measured by the Personal Consumption Expenditures (PCE) index, was mostly unchanged at an annualized rate of 0.9%.
- U.S. retail sales were strong, increasing by 0.7% in November and marking the largest gain in five months.
- In the housing market, new home sales, housing starts, and building permits all reached five-year highs during the quarter. Home prices also marched higher, with the S&P Case-Shiller Index reporting that prices for homes in 20 U.S. cities had increased 13.6% year over year in October—the largest 12-month gain since February 2006.
- In the euro zone, the pace of economic activity picked up, with December results from the Markit purchasing managers index (PMI) showing the second largest increase in business activity since June 2011 and the best quarter in two-and-a-half years.

### **Interest Rates**

- At its December 17-18 meeting, the Federal Open Market Committee (FOMC) announced that it would begin tapering its bond-buying programs. The FOMC decided it would reduce its purchases of Treasuries and mortgage-backed securities each by \$5 billion a month beginning in January. Throughout 2013, the FOMC has bought \$85 billion of these securities each month to keep downward pressure on long-term interest rates. The FOMC announcement left the federal funds target rate unchanged.
- The FOMC's outlook seemed to take its cue from the flow of positive economic data, as the Committee raised its GDP forecasts for the coming years and reduced its projections for the unemployment rate.
- Interest rates seem to be on a path towards normalization from record lows as the Fed gradually unwinds its unprecedented monetary policy actions.

### **Sector Performance**

- Treasuries sold off during the quarter as interest rates resumed their move to higher levels.
- As was the case last quarter, fixed-income securities that were perceived to have the most risk (such as corporate bonds with the lowest credit ratings) performed best. On the other hand, U.S. Treasuries were the worst performers, with longer-term Treasuries hit especially hard.
- Within short to intermediate maturities, municipal bonds performed best in December due to a lack of supply and an increase in demand.

**Economic Snapshot**

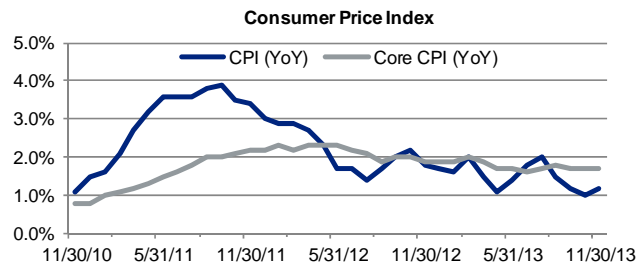
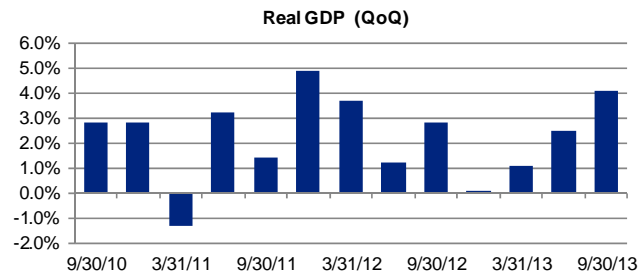
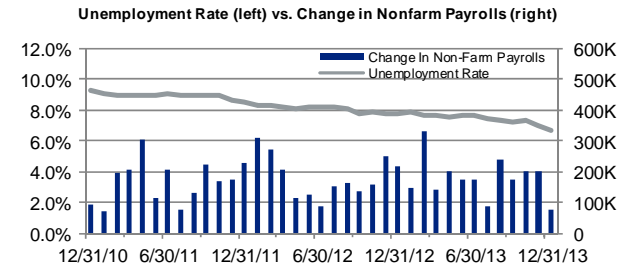
Labor Market		Latest	Sep 2013	Dec 2012
Unemployment Rate	Dec'13	6.7%	7.2%	7.8%
Change In Non-Farm Payrolls	Dec'13	74,000	175,000	219,000
Average Hourly Earnings (YoY)	Dec'13	1.8%	2.1%	2.1%
Personal Income (YoY)	Nov13	2.3%	3.9%	7.9%
Initial Jobless Claims (week)	Dec 27	339,000	308,000	372,000

Growth				
Real GDP (QoQ SAAR)	2013 Q3	4.1%	2.5% <sup>1</sup>	0.1% <sup>2</sup>
GDP Personal Consumption (QoQ SAAR)	2013 Q3	2.0%	1.8% <sup>1</sup>	1.7% <sup>2</sup>
Retail Sales (YoY)	Nov13	4.7%	3.5%	5.2%
ISM Manufacturing Survey (month)	Dec'13	57.0	56.2	50.2
Existing Home Sales SAAR (month)	Nov13	4.90 mil.	5.29 mil.	4.90 mil.

Inflation / Prices				
Personal Consumption Expenditures (YoY)	Nov13	0.9%	0.9%	1.5%
Consumer Price Index (YoY)	Nov13	1.2%	1.2%	1.7%
Consumer Price Index Core (YoY)	Nov13	1.7%	1.7%	1.9%
Crude Oil Futures (WTI, per barrel)	Dec 31	\$98.42	\$102.33	\$91.82
Gold Futures (oz)	Dec 31	\$1,202	\$1,327	\$1,676



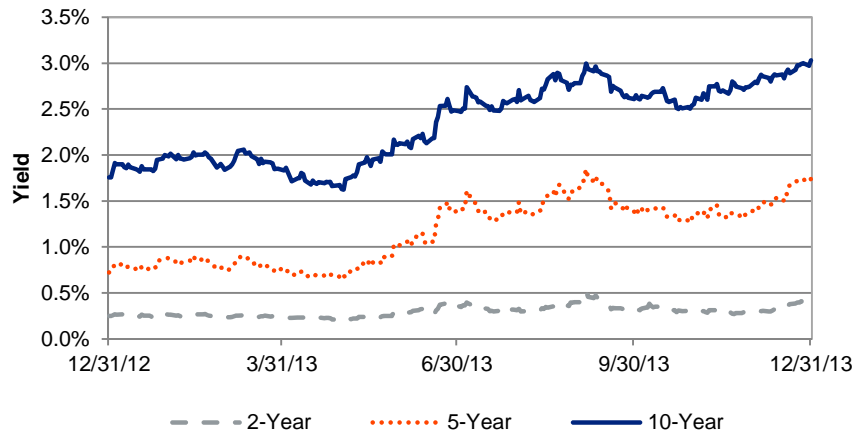
1. Data as of Second Quarter 2013 2. Data as of Fourth Quarter 2012  
 3. Some recent economic data has not been released due to the U.S. Government shutdown

Source: Bloomberg

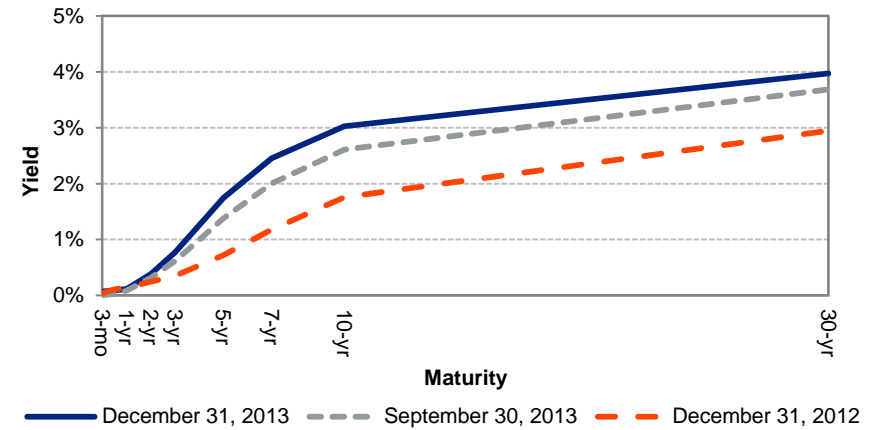
Note: YoY = year over year, QoQ = quarter over quarter, SAAR = seasonally adjusted annual rate, WTI = West Texas Intermediate crude oil

### Investment Rate Overview

U.S. Treasury Note Yields



U.S. Treasury Yield Curve

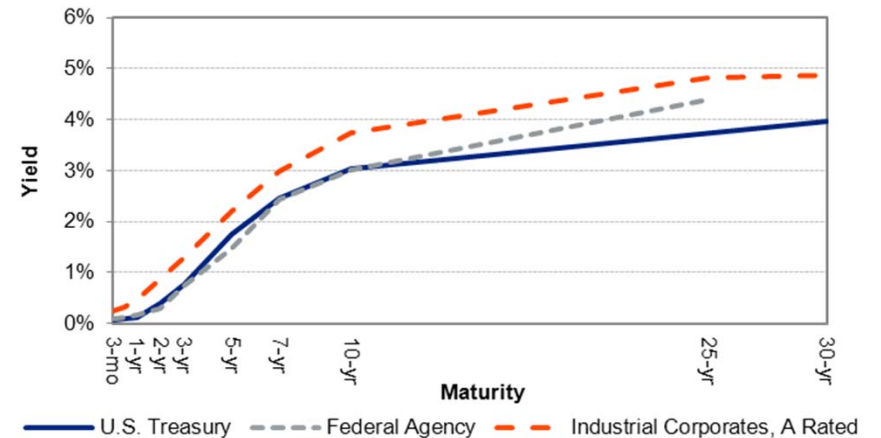


U.S. Treasury Yields

Maturity	12/31/13	9/30/13	Change over Quarter	12/31/12	Change over Year
3-month	0.07%	0.01%	+0.06%	0.04%	+0.03%
1-year	0.14%	0.11%	+0.03%	0.14%	+0.00%
2-year	0.36%	0.32%	+0.04%	0.27%	+0.09%
5-year	1.76%	1.39%	+0.37%	0.74%	+1.02%
10-year	3.11%	2.67%	+0.44%	1.81%	+1.30%
30-year	3.97%	3.68%	+0.29%	2.94%	+1.03%

Source: Bloomberg

Yield Curves as of 12/31/13



## BofA Merrill Lynch Index Returns

	As of 12/31/2013		Returns for Periods ended 12/31/2013		
	Duration	Yield	3 Month	1 Year	3 Years
<b>1-3 Year Indices</b>					
U.S. Treasury	1.91	0.40%	0.06%	0.36%	0.78%
Federal Agency	1.77	0.49%	0.15%	0.42%	0.93%
U.S. Corporates, A-AAA rated	1.85	0.91%	0.46%	1.41%	2.34%
Agency MBS (0 to 3 years)	1.80	1.06%	0.82%	0.85%	1.87%
Municipals	1.81	0.59%	0.34%	1.07%	1.49%
<b>1-5 Year Indices</b>					
U.S. Treasury	2.70	0.76%	(0.11%)	(0.19%)	1.35%
Federal Agency	2.48	0.83%	0.11%	0.03%	1.28%
U.S. Corporates, A-AAA rated	2.76	1.46%	0.52%	1.14%	3.16%
Agency MBS (0 to 5 years)	3.42	2.55%	0.49%	0.00%	2.51%
Municipals	2.55	0.93%	0.55%	1.24%	2.17%
<b>Master Indices (Maturities 1 Year or Greater)</b>					
U.S. Treasury	5.61	1.64%	(0.92%)	(3.35%)	2.72%
Federal Agency	3.97	1.47%	(0.20%)	(1.79%)	1.93%
U.S. Corporates, A-AAA rated	6.40	2.86%	0.63%	(1.87%)	4.70%
Agency MBS (0 to 30 Years)	5.57	3.18%	(0.47%)	(1.39%)	2.40%
Municipals	8.09	3.50%	0.37%	(2.89%)	5.01%

1. Duration and yield are after the indices were rebalanced at month end.

2. Returns are rolling returns. Returns for periods greater than one year are annualized.

Source: Bloomberg

**Disclosures**

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.

Further distribution is not permitted without prior written consent.



# TAB II

## Executive Summary

## PORTFOLIO STRATEGY

- The School Board is invested in U.S. Treasury and Small Business Administration securities, bank deposits, CDARS, Money Market Mutual Fund, the Florida Prime, FEITF, the Core Funds, and the SBA Fund B.
- At quarter end the School Board's investments had a weighted average yield of 0.21% versus the Merrill Lynch 3-Month U.S. Treasury Bill Index benchmark's yield of 0.02%. The investments provided 19 basis points of additional yield over the benchmark. During the quarter, the investments generated a net income of \$165,909.23
- The duration of the investments decreased since September and ended the quarter at 0.49 years.
- Our investment strategy, for the PFM Managed Portfolio, was based on the view that interest rates would eventually rise in anticipation of a tapering of the Federal Reserve's large scale bond purchase program, after being surprised by no such action in Q3. We expected that growth in the U.S. economy would be sufficient to support such a move in late 2013 or early 2014. The key pillars of our strategy for Q4 included:
  - Maintaining a defensive posture, positioning portfolio durations shorter than benchmarks,
  - Maintaining a more laddered maturity distribution, in recognition of the potential for the yield curve to steepen, and
  - Carefully monitoring yield spreads, which caused some sectors and maturities to narrow to a point where it no longer made sense to hold them.
- Agency yield spreads continued to contract from already record tight levels. At the beginning of Q4, value could still be found in Agency bonds maturing in 3 years, but by the end of quarter, yield spreads on Agencies 3 years and shorter were close to zero. Additionally, average daily trading volume of Agency debt declined by 32% in 2013 compared to 2012, creating something of a scarcity premium that decreased the sector's relative value.
- It is our expectation that the sources of excess return in 2014 will differ from those that drove relative performance in 2013.
- If rates rise as the Fed withdraws its extraordinary monetary stimulus, negative returns on longer maturities may become unavoidable for short periods. After the adjustment, portfolios will be in a much better position to generate higher earnings going forward. Active duration management will be a critical aspect of our strategy in early 2014 to mitigate the effects of rate normalization and to maximize relative performance. This will be balanced, however, by recognizing the enhanced earnings potential imbedded in a steepest yield curve.
- We will focus more than ever on safety of principal and appropriate liquidity in this new and challenging environment, while maximizing value through careful, prudent active management. Our strategy will remain appropriately flexible and may change in response to changes in interest rates, economic data, market outlook or specific opportunities that arise.

Investment Statistics (All Accounts)

<u>Account Name</u>	<u>Amortized Cost<sup>1</sup> December 31, 2013</u>	<u>Amortized Cost<sup>1</sup> September 30, 2013</u>	<u>Market Value<sup>1</sup> December 31, 2013</u>	<u>Market Value<sup>1</sup> September 30, 2013</u>	<u>Duration (Years) December 31, 2013</u>	<u>Duration (Years) September 30, 2013</u>
Wells Fargo Government Checking Account	\$ 82,093,305.58	\$ 122,138,698.05	\$ 82,093,305.58	\$ 122,138,698.05	0.003	0.003
SunTrust Bank	1,258,694.78	393,130.20	1,258,694.78	393,130.20	0.003	0.003
Bank of Central Florida - CDARS	5,022,817.30	5,020,159.53	5,022,817.30	5,020,159.53	0.003	0.003
Wells Fargo - Fidelity Prime Money Market Fund - General Fund	120,000,572.66	0.00	120,000,572.66	0.00	0.003	0.003
Florida PRIME Fund - Agency Account #1442	1,770,724.14	1,456,251.32	1,770,724.14	1,456,251.32	0.003	0.003
Florida PRIME Fund - 2001A COPS #1443	101,280.54	83,293.55	101,280.54	83,293.55	0.003	0.003
Florida PRIME Fund - Polk County School Board #1814	272.29	226.57	272.29	226.57	0.003	0.003
Florida Education Investment Trust Fund (FEITF)	15,278,470.02	35,273,649.75	15,278,470.02	35,273,649.75	0.003	0.003
Investment Portfolio (PFM Managed) <sup>2</sup>	55,416,893.14	55,349,966.69	55,445,444.70	55,421,087.99	1.68	1.67
The CORE Fund <sup>3</sup>	14,896,774.12	14,876,549.42	14,896,774.12	14,876,549.42	3.000	3.000
SBA Fund B - Agency Account #1442B	1,162,340.76	1,476,122.15	1,407,159.80	1,671,889.67	3.980	3.980
SBA Fund B - 2001A COPS #1443B	66,482.67	84,430.10	80,485.64	95,627.46	3.980	3.980
SBA Fund B - Polk County School Board #1814	168.98	214.58	204.57	243.04	3.980	3.980
Colson Small - Small Business Administration Pool	40,416.97	41,566.84	40,501.38	41,649.89	5.53	5.35
<b>Total</b>	<b>\$ 297,109,213.95</b>	<b>\$ 236,194,258.75</b>	<b>\$ 297,396,707.52</b>	<b>\$ 236,472,456.44</b>	<b>0.49</b>	<b>0.61</b>

Notes:

1. End of quarter settle-date market values of portfolio holdings, including accrued interest. Market value and Accrued Interest information is from the statements provided by the School Board.
2. The Fifth Third custody statements do not provide Amortized Cost. PFM's statement does calculate Amortized Cost and has been used for this report.
3. Per the CORE Funds prospectus, the duration cannot be more than 3 years. Does provide next day liquidity.

Investment Statistics (All Accounts)

	Quarterly Return December 31, 2013	Calendar Year To Date	Last 12 Months	Yield to Maturity at Cost December 31, 2013	Yield to Maturity at Cost September 30, 2013
<b>Total Return<sup>1</sup></b>					
Investment Portfolio (PFM Managed) <sup>1, 2, 3, 4, 6</sup>	0.04%	0.31%	0.31%	0.44%	0.41%
Merrill Lynch 1-3 Year U.S. Treasury Note Index <sup>3, 5</sup>	0.06%	0.36%	0.36%	0.36%	0.31%

	Quarterly Return December 31, 2013	Calendar Year To Date	Last 12 Months	Yield to Maturity at Cost <sup>10, 11</sup> December 31, 2013	Yield to Maturity at Cost <sup>10, 11</sup> September 30, 2013
<b>Total Return<sup>1</sup></b>					
The CORE Fund <sup>10, 12</sup>	0.12%	-0.05%	-0.98%	1.23%	1.37%
1-Year Constant Maturity Treasury Index <sup>11</sup>	N/A	N/A	N/A	0.13%	0.10%

Account Name	Yield to Maturity at Cost <sup>7, 8, 9, 10, 12</sup> December 31, 2013	Yield to Maturity at Cost <sup>7, 8, 9, 10, 12</sup> September 30, 2013
Wells Fargo Government Checking - Combined Government Account	0.20%	0.20%
SunTrust Bank	-	-
Bank of Central Florida - CDARS	0.21%	0.21%
Wells Fargo - Fidelity Prime Money Market Fund - General Fund	-	-
Florida PRIME Fund - Agency Account #1442	0.16%	0.18%
Florida PRIME Fund - 2001A COPS #1443	0.16%	0.18%
Florida PRIME Fund - Polk County School Board #1814	0.16%	0.18%
Florida Education Investment Trust Fund (FEITF)	0.07%	0.10%
Investment Portfolio (PFM Managed) <sup>4</sup>	0.44%	0.41%
The CORE Fund <sup>10</sup>	1.23%	1.37%
SBA Fund B - Agency Account #1442B	-	-
SBA Fund B - 2001A COPS #1443B	-	-
SBA Fund B - Polk County School Board #1814	-	-
Colson Small - Small Business Administration Pool	1.20%	1.20%
<b>Weighted Average Yield</b>	<b>0.21%</b>	<b>0.31%</b>

Benchmarks	December 31, 2013	September 30, 2013
Merrill Lynch 3-Month U.S. Treasury Bill Index <sup>5</sup>	0.02%	0.02%

Notes:

1. PFM's Market Values are used to calculate performance on the PFM Managed Investment Portfolio. Past performance is not indicative of future results.
2. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances. Performance on trade date basis, gross (i.e., before fees), is in accordance with The CFA Institute's Global Investment performance Standards (GIPS).
3. Quarterly returns are presented on an unannualized basis. Returns presented for 12 months or longer are presented on an annual basis.
4. Includes the Fifth Third Institutional money market fund/cash in performance and duration computations.
5. Merrill Lynch Indices provided by Bloomberg Financial Markets.
6. End of quarter trade-date market values of portfolio holdings, including accrued interest.
7. 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.
8. The SBA's website is the information source for Fund A's 7-day yield.
9. The FEITF's website is the information source of the 7-day yield.
10. Morningstar is the source of the CORE Funds yield and total return performance. The yield is as of October 18, 2013. They do not provide historical yield information.
11. Information provided by Bloomberg.
12. Information is from statements provided by School Board.

Investment Statistics (All Accounts)

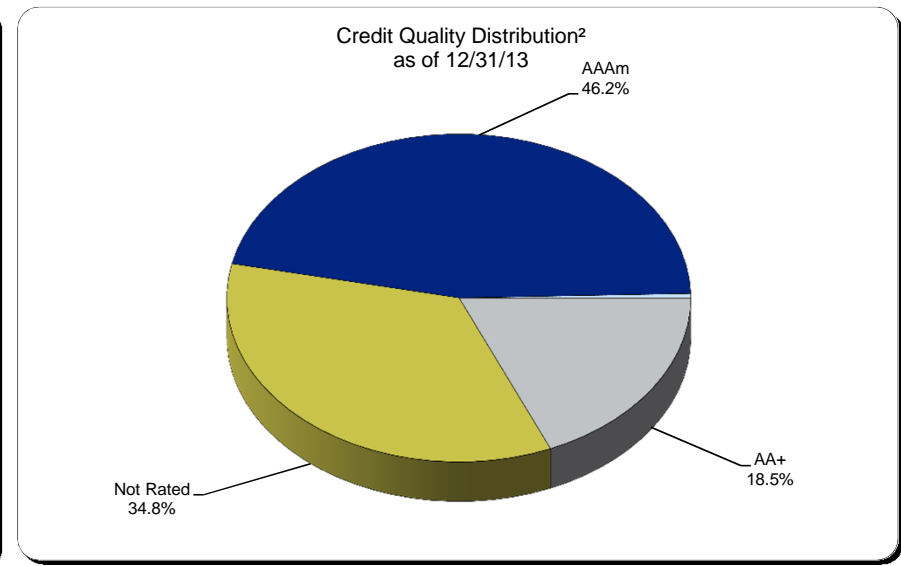
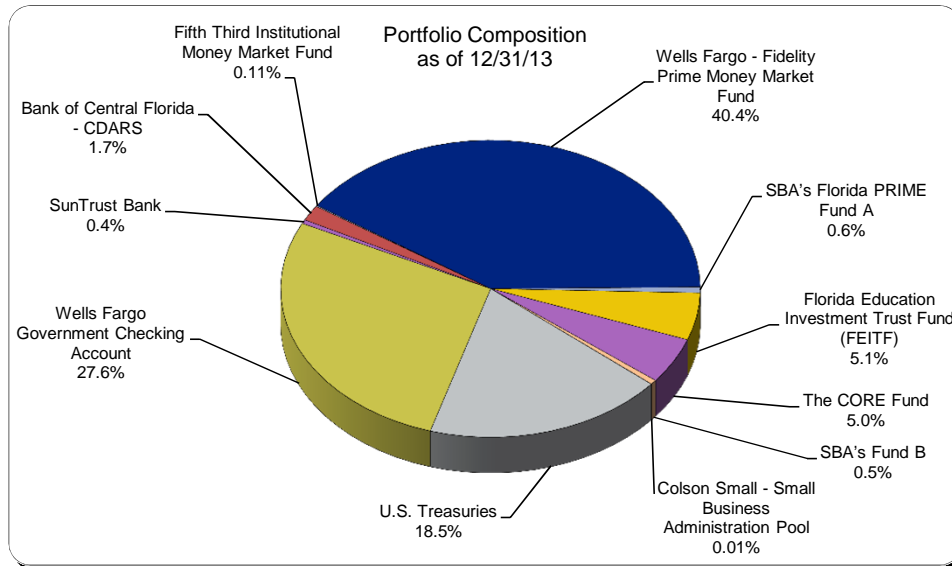
Account Name	Beginning Balance	Ending Balance	Deposit/Withdrawal	Market Value <sup>2</sup>	Interest Income	Net
	September 30, 2013	December 31, 2013	During the Quarter	Adjustment	During the Quarter	Income
Wells Fargo Government Checking Account	\$ 122,138,698.05	\$ 82,093,305.58	\$ (40,045,392.47)	\$ -	\$ -	\$ -
SunTrust Bank	393,130.20	1,258,694.78	865,437.58	-	127.00	127.00
Bank of Central Florida - CDARS	5,020,159.53	5,022,817.30	-	-	2,657.77	2,657.77
Wells Fargo - Fidelity Prime Money Market Fund - General Fund	-	120,000,572.66	120,000,000.00	-	572.66	572.66
Florida PRIME Fund - Agency Account #1442	1,456,251.32	1,770,724.14	313,781.39	-	691.43	691.43
Florida PRIME Fund - 2001A COPS #1443	83,293.55	101,280.54	17,947.43	-	39.56	39.56
Florida PRIME Fund - Polk County School Board #1814	226.57	272.29	45.60	-	0.12	0.12
Florida Education Investment Trust Fund (FEITF)	35,273,649.75	15,278,470.02	(20,000,000.00)	-	4,820.27	4,820.27
Investment Portfolio (PFM Managed) <sup>1,3</sup>	55,228,839.90	55,314,899.90	1,223.10	(169,703.16)	254,540.06	84,836.90
The CORE Fund	14,876,549.42	14,896,774.12	-	(16,383.87)	36,608.57	20,224.70
SBA Fund B - Agency Account #1442B	1,671,889.67	1,407,159.80	(313,781.39)	49,051.52	-	49,051.52
SBA Fund B - 2001A COPS #1443B	95,627.46	80,485.64	(17,947.43)	2,805.61	-	2,805.61
SBA Fund B - Polk County School Board #1814	243.04	204.57	(45.60)	7.13	-	7.13
Colson Small - Small Business Administration Pool <sup>3</sup>	41,607.08	40,459.75	(1,221.89)	(10.46)	85.02	74.56
<b>Total</b>	<b>\$ 236,280,165.54</b>	<b>\$297,266,121.09</b>	<b>\$ 60,820,046.32</b>	<b>\$ (134,233.23)</b>	<b>\$ 300,142.46</b>	<b>\$ 165,909.23</b>

Notes:

1. The Investment Portfolio (PFM Managed) includes the Fifth Third Institutional Money Market Fund and is showing the Market Value provided by Fifth Third. As of quarter end the Investment Portfolio had a market value balance of \$54,988,429 and the Money Market Fund had \$326,471.
2. Market value adjustments contain both realized and unrealized gains and losses.
3. Excludes Accrued Interest.

Investment Composition and Credit Quality Characteristics

<u>Security Type<sup>1</sup></u>	<u>December 31, 2013</u>	<u>% of Portfolio</u>	<u>September 30, 2013</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$ 55,118,971.69	18.53%	\$ 55,343,961.69	23.40%
Wells Fargo Government Checking Account	82,093,305.58	27.60%	122,138,698.05	51.65%
SunTrust Bank	1,258,694.78	0.42%	393,130.20	0.17%
Bank of Central Florida - CDARS	5,022,817.30	1.69%	5,020,159.53	2.12%
Fifth Third Institutional Money Market Fund	326,473.01	0.11%	77,126.30	0.03%
Wells Fargo - Fidelity Prime Money Market Fund	120,000,572.66	40.35%	0.00	0.00%
SBA's Florida PRIME Fund A	1,872,276.97	0.63%	1,539,771.44	0.65%
Florida Education Investment Trust Fund (FEITF)	15,278,470.02	5.14%	35,273,649.75	14.92%
The CORE Fund	14,896,774.12	5.01%	14,876,549.42	6.29%
SBA's Fund B	1,487,850.01	0.50%	1,767,760.17	0.75%
Colson Small - Small Business Administration Pool	40,501.38	0.01%	41,649.89	0.02%
<b>Totals</b>	<b>\$ 297,396,707.52</b>	<b>100.00%</b>	<b>\$ 236,472,456.44</b>	<b>100.00%</b>

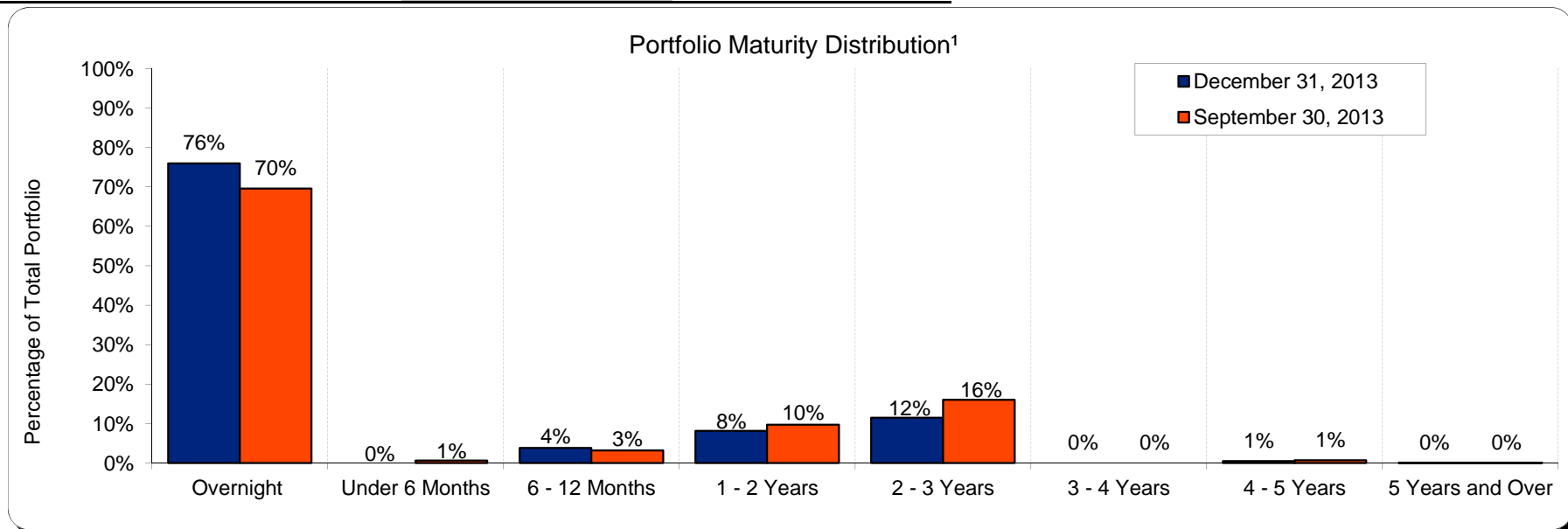


Notes:

1. End of quarter settle-date market values of portfolio holdings, including accrued interest.
2. Credit rating of securities held in portfolio, inclusive of money market fund/LGIP. The Wachovia Government Checking, Bank of Central Florida - CDARS, 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.

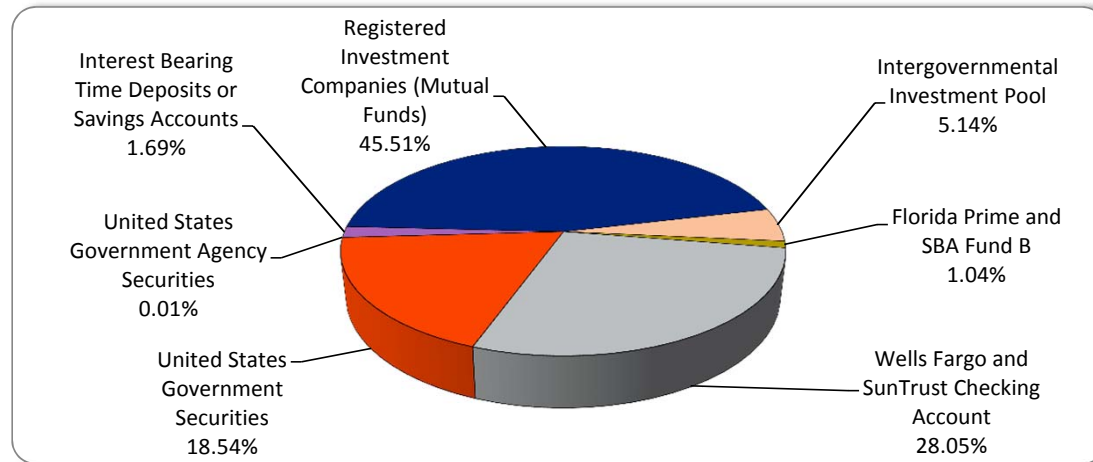
Investment Investment Portfolio Maturity Distribution

<u>Maturity Distribution</u> <sup>1,2</sup>	<u>December 31, 2013</u>	<u>September 30, 2013</u>
Overnight Liquidity	\$ 225,852,610.32	\$ 164,442,535.27
Under 6 Months	0.00	1,603,432.44
6 - 12 Months	11,460,236.02	7,610,789.46
1 - 2 Years	24,295,337.16	23,018,841.92
2 - 3 Years	34,260,172.63	37,987,447.29
3 - 4 Years	0.00	0.00
4 - 5 Years	1,487,850.01	1,767,760.17
5 Years and Over	40,501.38	41,649.89
<b>Totals</b>	<b>\$ 297,396,707.52</b>	<b>\$ 236,472,456.44</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.
2. End of quarter settle-date market values of portfolio holdings, including accrued interest.



Security Type <sup>1</sup>	Amortized Cost (Includes Interest)	Allocation Percentage	Notes	Permitted by Policy	In Compliance
United States Government Securities	55,090,382.87	18.54%		100%	YES
United States Government Agency Securities	40,416.97	0.01%		50%	YES
Federal Instrumentalities	-	0.00%	2	80%	YES
Mortgage Backed Securities	-	0.00%	2	20%	YES
Interest Bearing Time Deposits or Savings Accounts	5,022,817.30	1.69%		50%	YES
Repurchase Agreements	-	0.00%		50%	YES
Commercial Paper	-	0.00%		25%	YES
Corporate Notes	-	0.00%		25%	YES
Corporate Notes - FDIC Insured	-	0.00%		50%	YES
Bankers Acceptances	-	0.00%		35%	YES
State and/or Local Government Taxable and/or Tax-Exempt Debt	-	0.00%		20%	YES
Registered Investment Companies (Mutual Funds)	135,223,818.56	45.51%		50%	YES
Intergovernmental Investment Pool	15,278,470.02	5.14%		25%	YES
Florida Prime and SBA Fund B	3,101,269.38	1.04%		0%	NO
Wells Fargo and SunTrust Checking Account	83,352,000.36	28.05%	3	100%	YES

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. The combined total of Federal Instrumentalities and Mortgage Backed Securities can not be more than 80%. The combined total as of December 31, 2013 is .00%.
3. Managed by the District.





<b>Individual Issuer Breakdown</b>	<b>Amortized Cost (Includes Interest)</b>	<b>Allocation Percentage</b>	<b>Notes</b>	<b>Permitted by Policy</b>	<b>In Compliance</b>
Government National Mortgage Association (GNMA)	-	0.00%		25%	YES
Small Business Administration Pool	40,416.97	0.01%		25%	YES
Federal Farm Credit Bank (FFCB)	-	0.00%		40%	YES
Federal Home Loan Bank (FHLB)	-	0.00%		40%	YES
Federal National Mortgage Association (FNMA)	-	0.00%		40%	YES
Federal Home Loan Mortgage Corporation (FHLMC)	-	0.00%		40%	YES
CDARS - Bank of Central Florida	5,022,817.30	1.69%	3	25%	YES
Money Market Fund - Federated Prime Cash Obl. Fund	326,471.78	0.11%		50%	YES
Money Market Fund - Wells Fargo - Fidelity Prime Fund	120,000,572.66	40.39%		50%	YES
Fixed Income Mutual Funds - The CORE Fund	14,896,774.12	5.01%	3	25%	YES
Florida Prime (SBA)	1,872,276.97	0.63%	3	0%	NO
SBA Fund B	1,228,992.41	0.41%	3	N/A	N/A
Florida Education Investment Trust Fund - Intergovernmental Investment Pool	15,278,470.02	5.14%		25%	YES

Notes:

1. End of month trade-date amortized cost of portfolio holdings, including accrued interest.
2. The combined total of Federal Instrumentalities and Mortgage Backed Securities can not be more than 40%. The combined total as of December 31, 2013 is .00%.
3. Managed by the District.