



**First Quarter Operations Manager Report 2012  
For the period ending September 30, 2012**

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**Investment Advisor**

Prudent Man Advisors, Inc.

**Operations Manager**

PMA Financial Network, Inc.

**Administrator**

Florida Management and Administrative Services, LLC

**Distributor**

PMA Securities, Inc.

**Custodian**

US Bank N.A.

**FL SAFE Legal Counsel**

Akerman Senterfitt

**Credit Rating**

Standard & Poors -- AAAm

**855-202-9650 Toll Free / 630-718-8701 Fax  
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For the period ending September 30, 2012

**SUMMARY**

- ◆ Florida Surplus Asset Fund Trust (“FL SAFE”) is a local government investment pool that serves the cash management needs of governments in Florida. FL SAFE seeks to provide competitive yields consistent with the preservation of capital and daily liquidity. FL SAFE is organized pursuant to Florida Statutes 163.01, is an authorized investment under 218.415 and invests according to the provisions of its Permitted Investments as listed in the Indenture of Trust.
- ◆ FL SAFE is authorized to invest in approved financial institutions and securities of the United States Treasury, United States Agencies, Primary Dealer Repurchase Agreements, and highly rated commercial paper. Asset allocation will be in full conformance with S&P guidelines.
- ◆ FL SAFE’s investments conform to the Permitted Investments as listed in its Indenture of Trust. FL SAFE meets Standard & Poor’s investment guidelines to achieve a AAAm rating, the highest attainable for a local government investment pool.
- ◆ FL SAFE is rated AAAm by the Standard & Poor’s Corporation.
- ◆ With the exception of certain floating rate securities, all securities purchased shall not exceed a maturity greater than 397 days.
- ◆ The weighted maturity of the portfolio shall not exceed 60 days; the weighted average life shall not exceed 120 days.
- ◆ FL SAFE seeks, but does not guarantee, to maintain a constant net asset value at \$1.00 per share. Please see the Indenture of Trust for more information on the investment objective of FL SAFE.
- ◆ The Investment Advisor is Prudent Man Advisors, Inc.
- ◆ The Administrator is Florida Management and Administrative Services, LLC.

**SUMMARY**

FL SAFE	\$128,745,430
FIIP	\$29,850,652
<b>Total Assets</b>	<b>\$158,596,082</b>

<b>FL SAFE</b>	
30 Day Yield	0.10%
7 Day Yield	0.10%
Expense Ratio *	0.19%
Weighted Average Maturity (days)	26
Weighted Average Life (days)	63
Net Asset Value Per Share	\$1.00

Note: The information contained herein is unaudited. Audited financial statements will be completed annually.

\* Net expense ratio after waivers.



For the period ending September 30, 2012

**STATEMENT OF NET ASSETS**

	For the Period Ending				Year-to-Date
	03/31/12	06/30/12	09/30/12	12/31/12	
<b>Assets</b>					
Investments in securities					
U.S. treasuries	\$0	\$0	\$0		
U.S. government agencies	\$35,014,294	\$30,014,735	\$30,010,242		
Bankers Acceptances	\$0	\$0	8,857,782		
Commercial paper	\$18,483,277	\$22,980,523	\$22,976,159		
Repurchase agreement	\$0	\$2,000,000			
Total investment in securities	\$53,497,571	\$54,995,258	\$61,844,183	\$0	
Cash and cash equivalents	\$84,601,148	\$74,848,341	\$66,817,179		
Other assets					
Accrued interest	\$48,481	27,250	\$24,087		
<b>Total Assets</b>	<b>\$138,147,200</b>	<b>\$129,870,849</b>	<b>\$128,685,448</b>	<b>\$0</b>	
<b>Liabilities</b>					
Accrued expenses	\$30,633	\$32,592	\$28,261		
<b>Net assets applicable to shares outstanding</b>	<b>\$138,116,567</b>	<b>\$129,838,257</b>	<b>\$128,657,187</b>	<b>\$0</b>	

**STATEMENT OF OPERATIONS**

<b>Gross Investment Income</b>	\$101,723	\$93,362	\$92,296		\$287,381
<b>Expenses</b>					
Administration Fees	\$22,500	\$22,500	\$22,500		\$67,500
Audit Fees	\$14,713	\$13,752	\$7,650		\$36,115
Board of Trustees Expense	\$910	\$920	\$110		\$1,940
Cash Management Fees	\$1,819	\$2,151	\$1,950		\$5,920
Custody Fees	\$5,496	\$4,868	\$4,842		\$15,206
Investment Advisory Fees	\$24,305	\$22,718	\$22,595		\$69,618
Waiver -- Investment Advisory Fees	(\$7,776)	(\$14,188)	(\$9,115)		(\$31,079)
Legal Fees	\$4,466	\$4,599	\$1,500		\$10,565
Liability Insurance Expense	-	\$1,852	\$6,919		\$8,771
Operations Manager Fees	\$45,137	\$42,191	\$41,962		\$129,290
Waiver -- Operations Manager Fees	(\$45,137)	(\$42,191)	(\$41,962)		(\$129,290)
Ratings Expense	\$2,275	\$2,300	\$2,275		\$6,850
Miscellaneous Expenses	\$868	\$650	-		\$1,518
Miscellaneous Credits	-	-	-		-
<b>Total Expenses</b>	<b>\$69,576</b>	<b>\$62,122</b>	<b>\$61,226</b>	<b>\$0</b>	<b>\$192,924</b>
<b>Net Investment Income</b>	<b>\$32,147</b>	<b>\$31,240</b>	<b>\$31,069</b>	<b>\$0</b>	<b>\$94,456</b>

**STATEMENT OF CHANGES IN NET ASSETS**

Shares Purchased	\$18,400,000	\$19,593,223	\$11,609,196		\$49,602,419
Shares Redeemed	(\$21,777,124)	(\$27,915,036)	(\$12,827,791)		(\$62,519,951)
<b>Net Change in Share Transactions</b>	<b>(\$3,377,124)</b>	<b>(\$8,321,813)</b>	<b>(\$1,218,595)</b>	<b>\$0</b>	<b>(\$12,917,532)</b>
Investment activities:					
Net Investment Income	\$32,147	\$31,240	\$31,069		\$94,456
Net increase in net assets from share operations	\$32,147	\$31,240	\$31,069	\$0	\$94,456
Distributions to participants from net investment income	(\$32,147)	(\$31,240)	(\$31,069)	\$0	(\$94,456)
Revenue Recognition / FIIP Royalty	\$12,355	\$12,262	\$6,456		\$31,073
<b>Net Change in Assets</b>	<b>(\$3,332,623)</b>	<b>(\$8,278,310)</b>	<b>(\$1,181,070)</b>	<b>\$0</b>	<b>(\$12,792,003)</b>
Net Assets at Beginning of Period	\$141,449,190	\$138,116,567	\$129,838,257	\$128,657,187	\$141,449,190
<b>Net Assets at End of Period</b>	<b>\$138,116,567</b>	<b>\$129,838,257</b>	<b>\$128,657,187</b>	<b>\$128,657,187</b>	<b>\$128,657,187</b>



**PORTFOLIO ASSETS**  
As of September 30, 2012

Security Description	CUSIP/Symbol	Credit Rating		Yield	Maturity Date	Par	Book Value	Market Value (1)
		Short Term S&P/Moody's	Long Term S&P/Moody's					
<b>U.S. Agencies</b>								
FNMA FRN	31398A6V9	A-1+ / P-1	AA+ / Aaa	0.340%	12/03/12	15,000,000.00	15,000,786.30	15,005,295.00
FNMA FRN	31331K3F5	A-1+ / P-1	AA+ / Aaa	0.235%	06/14/13	15,000,000.00	15,009,455.67	15,016,590.00
Total						30,000,000.00	30,010,241.97	30,021,885.00
<b>Bankers Acceptances</b>								
US Bank	9033A0KN9	A-1+ / P-1	(2)	0.294%	10/22/12	270,774.00	270,728.14	270,737.91
US Bank	9033A0KP4	A-1+ / P-1	(2)	0.294%	10/23/12	506,170.00	506,080.41	506,099.69
US Bank	9033A0KV1	A-1+ / P-1	(2)	0.294%	10/29/12	472,074.00	471,967.39	471,990.25
US Bank	9033A0KW9	A-1+ / P-1	(2)	0.274%	10/30/12	356,856.00	356,778.54	356,789.05
US Bank	9033A0L16	A-1+ / P-1	(2)	0.314%	11/01/12	256,686.00	256,617.46	256,631.94
US Bank	9033A0L65	A-1+ / P-1	(2)	0.314%	11/06/12	104,801.00	104,768.40	104,772.50
US Bank	9033A0L73	A-1+ / P-1	(2)	0.314%	11/07/12	235,604.00	235,528.99	235,536.71
US Bank	9033A0L81	A-1+ / P-1	(2)	0.314%	11/08/12	967,414.00	967,097.42	967,125.32
US Bank	9033A0LD0	A-1+ / P-1	(2)	0.335%	11/13/12	877,880.00	877,541.90	877,553.61
JPMorgan Chase	4622C0LE7	A-1 / P-1	(2)	0.284%	11/14/12	577,000.00	576,802.64	576,777.05
US Bank	9033A0LE8	A-1+ / P-1	(2)	0.314%	11/14/12	333,727.00	333,600.41	333,598.05
US Bank	9033A0LK4	A-1+ / P-1	(2)	0.314%	11/19/12	664,488.00	664,207.57	664,176.09
JPMorgan Chase	4622C0LT4	A-1 / P-1	(2)	0.303%	11/27/12	112,000.00	111,946.62	111,930.93
JPMorgan Chase	4622C0LU1	A-1 / P-1	(2)	0.306%	11/28/12	147,000.00	146,929.22	146,906.85
JPMorgan Chase	4622C0LW7	A-1 / P-1	(2)	0.305%	11/30/12	434,000.00	433,783.18	433,709.13
JPMorgan Chase	4622C0M30	A-1 / P-1	(2)	0.303%	12/03/12	100,000.00	99,947.32	99,927.40
US Bank	9033A0M56	A-1+ / P-1	(2)	0.355%	12/05/12	609,253.00	608,867.88	608,786.92
JPMorgan Chase	4622C0M63	A-1 / P-1	(2)	0.304%	12/06/12	173,000.00	172,904.76	172,864.39
JPMorgan Chase	4622C0N39	A-1 / P-1	(2)	0.326%	01/03/13	139,000.00	138,884.09	138,804.12
JPMorgan Chase	4622C0NJ4	A-1 / P-1	(2)	0.325%	01/18/13	340,000.00	339,670.46	339,393.88
JPMorgan Chase	4622C0NN5	A-1 / P-1	(2)	0.326%	01/22/13	165,000.00	164,834.45	164,687.92
JPMorgan Chase	4622C0NU9	A-1 / P-1	(2)	0.325%	01/28/13	173,000.00	172,817.12	172,644.12
US Bank	9033A0NU0	A-1+ / P-1	(2)	0.556%	01/28/12	234,613.00	234,186.26	234,130.38
JPMorgan Chase	4622C0P45	A-1 / P-1	(2)	0.305%	02/04/13	188,000.00	187,802.62	187,575.59
JPMorgan Chase	4622C0PB9	A-1 / P-1	(2)	0.305%	02/04/13	187,000.00	186,792.74	186,538.69
JPMorgan Chase	4622C0Q44	A-1 / P-1	(2)	0.305%	03/04/13	237,000.00	236,695.87	236,252.72
Total						8,862,340.00	8,857,781.86	8,855,941.21
<b>Commercial Paper</b>								
Westpac Banning Corp	9612C0I23	A-1+ / P-1	(2)	0.305%	11/02/12	5,000,000.00	4,998,667.17	4,999,531.50
Bank of Nova Scotia NY	06416JN74	A-1+ / P-1	(2)	0.356%	01/07/13	6,000,000.00	5,994,282.86	5,997,789.00
General Electric Capital Corp	36959HPR2	A-1+ / P-1	(2)	0.315%	02/25/13	6,000,000.00	5,992,405.12	5,994,499.80
Toronto Dominion Holding USA	89116EQU0	A-1+ / P-1	(2)	0.315%	03/28/13	6,000,000.00	5,990,803.63	5,993,644.80
Total						23,000,000.00	22,976,158.78	22,985,465.10
<b>Unsecured Bank Deposits</b>								
BMO Harris Bank NA		A-1 / P-1	A+ / A1	0.400%	10/01/12	8,763,081.42	8,763,081.42	8,763,081.42
TD Bank NA		A-1+ / P-1	AA- / Aa2	0.000%	10/01/12	50,003.14	50,003.14	50,003.14
TD Bank NA		A-1+ / P-1	AA- / Aa2	0.300%	10/01/12	5,973,934.71	5,973,934.71	5,973,934.71
US Bank - Capital Support - Previous Advisor		A-1+ / P-1	AA- / Aa2	0.050%	10/01/12	200,180.78	200,180.78	200,180.78
US Bank - Capital Support - PMA		A-1+ / P-1	AA- / Aa2	0.000%	10/01/12	200,000.00	200,000.00	200,000.00
Total						15,187,200.05	15,187,200.05	15,187,200.05
<b>Secured Bank Deposits</b>								
Citibank NA		A-1 / P-2	A / A3	0.250%	10/01/12	28,550,619.54	28,550,619.54	28,550,619.54
BMO Harris Bank NA		A-1 / P-1	A+ / A1	0.400%	10/01/12	23,079,358.97	23,079,358.97	23,079,358.97
Total						51,629,978.51	51,629,978.51	51,629,978.51
<b>TOTAL INVESTMENTS (3)</b>						<b>128,679,518.56</b>	<b>128,661,361.17</b>	<b>128,680,469.87</b>

1) All of the securities held in the portfolio are valued each week using a third party pricing service. Other assets in the portfolio such as repurchase agreements, money market funds, and bank deposits are valued at cost.

2) Bankers acceptances, commercial paper and money market funds are not assigned a long-term credit rating.

3) The information contained in the statement is unaudited. Audited financial statements are completed annually.