



**Quarterly Operations Manager Report
For the period ending September 30, 2014**

Board of Trustees

Mark Mason, CPA
Linda Senne, CPA
Jerry Boop, CPA
Christine Trovato, MPA
Robert Clinger, CPA

Chairman
Vice Chairman
Secretary
Treasurer
Board Member

Investment Advisor

Prudent Man Advisors, Inc.

Operations Manager

PMA Financial Network, Inc.

Administrator

Florida Management and Administrative Services, LLC

Distributor

PMA Securities, Inc.

Custodian

BMO Harris N.A.

FL SAFE Legal Counsel

Akerman Senterfitt

Credit Rating

Standard & Poors -- AAAM

**855-202-9650 Toll Free / 630-718-8701 Fax
www.flsafe.org**



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	\$126,736,690
FIIP	<u>\$88,678,508</u>
Total Assets	\$215,415,198

FL SAFE	
30 Day Yield	0.10%
7 Day Yield	0.10%
Expense Ratio *	0.21%
Weighted Average Maturity (days)	40
Weighted Average Life (days)	51
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.



STATEMENT OF NET ASSETS

	For the Period Ending				Year-to-Date
	03/31/14	06/30/14	09/30/14	12/31/14	
Assets					
Investments in securities					
U.S. Government Agencies	\$13,009,072	\$13,006,072	\$10,003,543	\$0	
Bankers Acceptances	3,613,311	6,055,967	3,086,595		
Certificates of Deposits	15,162,007	13,166,483	15,911,124		
Commercial Paper	16,986,530	21,978,252	15,990,848		
Corporate Notes	4,053,223	825,161	3,838,182.39		
Total investment in securities	\$52,824,143	\$55,031,934	\$48,830,293	\$0	
Cash and cash equivalents	76,182,167	84,054,452	80,880,571		
Other assets					
Accrued interest	57,250	64,430	44,416		
Total Assets	\$129,063,560	\$139,150,816	\$129,755,280	\$0	
Liabilities					
Accrued expenses	38,753	53,108	3,036,614		
Net assets applicable to shares outstanding	\$129,024,807	\$139,097,708	\$126,718,666	\$0	

STATEMENT OF OPERATIONS

Gross Investment Income	\$92,972	\$95,777	\$98,114		\$286,863
Expenses					
Administration Fees	22,500	22,500	22,500		67,500
Audit Fees	5,070	6,825	7,152		19,047
Board of Trustees Expense	-	-	-		-
Cash Management Fees	4,044	2,002	1,720		7,766
Custody Fees	2,268	1,274	1,131		4,673
Investment Advisory Fees	22,580	23,660	23,561		69,801
Waiver -- Investment Advisory Fees	(15,161)	(15,293)	(15,479)		(45,933)
Legal Fees	-	-	2,776		2,776
Liability Insurance Expense	4,860	4,914	4,968		14,742
Operations Manager Fees	41,935	43,939	43,757		129,631
Waiver -- Operations Manager Fees	(28,156)	(28,401)	(28,747)		(85,304)
Ratings Expense	1,890	1,911	2,464		6,265
Miscellaneous Expenses	-	-	-		-
Miscellaneous Credits	-	-	-		-
Total Expenses	\$61,831	\$63,331	\$65,803	\$0	\$190,966
Net Investment Income	\$31,141	\$32,446	\$32,311	\$0	\$95,897

STATEMENT OF CHANGES IN NET ASSETS

Shares Purchased	\$24,705,538	\$55,896,853	\$31,220,046		\$111,822,437
Shares Redeemed	(37,092,448)	(45,864,375)	(43,641,780)		(126,598,603)
Net Change in Share Transactions	(12,386,910)	10,032,478	(12,421,734)	\$0	(14,776,166)
Investment activities:					
Net Investment Income	31,141	32,446	32,311	\$0	95,897
Net increase in net assets from share operations	31,141	32,446	32,311	\$0	95,897
Distributions to participants from net investment income	(31,141)	(32,446)	(32,311)	\$0	(95,897)
Revenue Recognition / FIIP Royalty	9,096	7,977	10,380	\$0	27,454
Net Change in Assets	(12,346,674)	10,072,901	(12,379,042)	\$0	(14,652,815)
Net Assets at Beginning of Period	\$141,371,481	\$129,024,807	\$139,097,708	\$0	\$141,371,481
Net Assets at End of Period	\$129,024,807	\$139,097,708	\$126,718,666	\$0	\$126,718,666



PORTFOLIO ASSETS
As of September 30, 2014

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					
U.S. Agencies								
FFCB	3133EA5Z7	A-1+ / P-1	AA+ / Aaa	0.210%	01/26/15	7,000,000.00	7,002,502.64	7,001,939.00
FFCB	3133EAJP4	A-1+ / P-1	AA+ / Aaa	0.169%	04/27/15	3,000,000.00	3,001,040.00	3,001,581.00
Total						10,000,000.00	10,003,542.64	10,003,520.00
Bankers Acceptances								
US Bank NA	9033A1K64	A-1+ / P-1	(2)	0.270%	10/06/14	1,947,718.00	1,947,645.33	1,947,653.14
US Bank NA	9033A1MC9	A-1+ / P-1	(2)	0.270%	12/12/14	509,913.00	509,637.23	509,472.54
US Bank NA	9033A1MF2	A-1+ / P-1	(2)	0.270%	12/15/14	329,166.00	328,980.97	328,860.93
US Bank NA	9033A1P93	A-1+ / P-1	(2)	0.280%	02/09/15	300,638.00	300,331.75	299,932.49
Total						3,087,435.00	3,086,595.28	3,085,919.10
Certificates of Deposit								
Southern First Bank NA	84287PDR0	A-1+ / P-1	(3)	0.400%	10/09/14	249,000.00	248,993.76	248,998.26
Bank of China	FDIC	A-1+ / P-1	(3)	0.351%	10/09/14	2,000,000.00	2,000,000.00	2,000,000.00
Bridgewater Bank	FDIC	A-1+ / P-1	(3)	0.405%	11/05/14	248,980.00	248,980.00	248,980.00
ONB Bank and Trust Company	FDIC	A-1+ / P-1	(3)	0.402%	11/05/14	248,980.00	248,980.00	248,980.00
East Boston Savings Bank Boston, MA	FDIC	A-1+ / P-1	(3)	0.350%	11/05/14	203,940.00	203,940.00	203,940.00
Capital Bank NA	FDIC	A-1+ / P-1	(3)	0.350%	11/05/14	249,100.00	249,100.00	249,100.00
Granite Community Bank / First NB of Co	FDIC	A-1+ / P-1	(3)	0.390%	11/05/14	249,000.00	249,000.00	249,000.00
Enerbank USA	29266NYG6	A-1+ / P-1	(3)	0.450%	11/13/14	249,000.00	248,969.96	248,977.84
Wex Bank	92937CBQ0	A-1+ / P-1	(3)	0.502%	11/14/14	249,000.00	248,940.40	248,973.86
Bank of North Carolina	06414QSE0	A-1+ / P-1	(3)	0.300%	11/21/14	249,000.00	248,981.92	248,976.59
Compass Bank	20451PGU4	A-1+ / P-1	(3)	0.562%	12/15/14	249,000.00	248,918.45	248,995.02
Farmers State Bank - Waterloo, IA	FDIC	A-1+ / P-1	(3)	0.353%	01/26/15	249,509.33	249,509.33	249,509.33
Associated Bank	FDIC	A-1+ / P-1	(3)	0.260%	01/26/15	249,600.00	249,600.00	249,600.00
Bank of Nova Scotia Houston, TX	06417HPY6	A-1+ / P-1	(3)	0.240%	04/06/15	5,000,000.00	5,000,000.00	4,999,735.50
Bank of the West	FDIC	A-1+ / P-1	(3)	0.304%	04/24/15	249,400.00	249,400.00	249,400.00
Berkshire Bank	084601CC5	A-1+ / P-1	(3)	0.317%	04/30/15	249,000.00	248,904.02	248,644.18
Bank of Baroda	06062ASM2	A-1+ / P-1	(3)	0.503%	05/01/15	249,000.00	248,922.72	248,928.04
Far East National Bank	FDIC	A-1+ / P-1	(3)	0.600%	05/20/15	247,600.00	247,600.00	247,600.00
IDB Bank NY	FDIC	A-1+ / P-1	(3)	0.443%	05/20/15	248,400.00	248,400.00	248,400.00
Bank of India	06278CRV9	A-1+ / P-1	(3)	0.451%	05/20/15	249,000.00	248,684.21	248,590.64
Onewest Bank	FDIC	A-1+ / P-1	(3)	0.720%	07/28/15	248,200.00	248,200.00	248,200.00
Bank of China	FDIC	A-1+ / P-1	(3)	0.458%	07/28/15	248,848.60	248,848.60	248,848.60
Farmers & Merchants Union	FDIC	A-1+ / P-1	(3)	0.443%	07/28/15	248,867.25	248,867.25	248,867.25
Pacific Enterprise Bank-Irvine, CA	FDIC	A-1+ / P-1	(3)	0.450%	07/28/15	248,848.60	248,848.60	248,848.60
United Texas Bank	FDIC	A-1+ / P-1	(3)	0.403%	07/28/15	248,967.35	248,967.35	248,967.35
Stearns Bank NA	FDIC	A-1+ / P-1	(3)	0.493%	07/28/15	248,718.65	248,718.65	248,718.65
Orrstown Bank	FDIC	A-1+ / P-1	(3)	0.350%	07/28/15	249,048.80	249,048.80	249,048.80
Western Alliance Bank / Torrey Pines Bar	FDIC	A-1+ / P-1	(3)	0.450%	07/28/15	248,800.00	248,800.00	248,800.00
Bremer Bank NA	FDIC	A-1+ / P-1	(3)	0.450%	07/28/15	248,800.00	248,800.00	248,800.00
Banco Popular North America	FDIC	A-1+ / P-1	(3)	0.420%	07/28/15	83,950.00	83,950.00	83,950.00
Banco Popular North America	FDIC	A-1+ / P-1	(3)	0.420%	07/28/15	82,000.00	82,000.00	82,000.00
Banco Popular North America	FDIC	A-1+ / P-1	(3)	0.420%	07/28/15	83,000.00	83,000.00	83,000.00
Private Bank - MI	FDIC	A-1+ / P-1	(3)	0.406%	07/28/15	248,900.00	248,900.00	248,900.00
The First, NA	FDIC	A-1+ / P-1	(3)	0.351%	07/28/15	249,100.00	249,100.00	249,100.00
Bank of the Ozarks	FDIC	A-1+ / P-1	(3)	0.410%	07/28/15	248,948.70	248,948.70	248,948.70
DMB Community Bank	23322GHU4	A-1+ / P-1	(3)	0.350%	08/04/15	249,000.00	248,895.22	248,408.87
First Niagara Bank NY	33583CJU4	A-1+ / P-1	(3)	0.500%	09/11/15	248,000.00	247,882.46	247,580.14
Safra National Bank	78658QFC2	A-1+ / P-1	(3)	0.550%	09/15/15	248,000.00	247,881.44	247,678.84
BANKUNITED, NA	066519AB5	A-1+ / P-1	(3)	0.500%	09/17/15	248,000.00	247,880.76	247,559.06
Discover Bank (N)	2546716N5	A-1+ / P-1	(3)	0.600%	09/17/15	248,000.00	247,761.52	247,676.86
Total						15,912,507.28	15,911,124.12	15,909,230.98
Commercial Paper								
JP Morgan Securities LLC	46640QK18	A-1 / P-1	(2)	0.301%	10/01/14	6,000,000.00	6,000,000.00	5,999,971.80
HSBC Bank USA	40427SMA4	A-1 / P-1	(2)	0.210%	12/10/14	5,000,000.00	4,997,958.68	4,998,452.00
BNP Paribas Finance Inc.	0556N1P64	A-1 / P-1	(2)	0.401%	02/06/15	5,000,000.00	4,992,889.48	4,995,718.00
Total						16,000,000.00	15,990,848.16	15,994,141.80



PORTFOLIO ASSETS
As of September 30, 2014

<u>Security Description</u>	<u>CUSIP/Symbol</u>	<u>Credit Rating</u>		<u>Yield</u>	<u>Maturity Date</u>	<u>Par</u>	<u>Book Value</u>	<u>Market Value (1)</u>
		<u>Short Term S&P/Moody's</u>	<u>Long Term S&P/Moody's</u>					
Corporate Notes								
John Deere Capital Corp	24422ERX9	A-1 / P-1	A / A2	0.343%	10/08/14	825,000.00	825,012.39	825,022.28
Canadian Imperial Bank of Commerce	136069ET4	A-1 / P-1	A / A2	0.460%	10/01/15	3,000,000.00	3,013,170.00	3,014,037.00
Total						3,825,000.00	3,838,182.39	3,839,059.28
Unsecured Bank Deposits								
BMO Harris Bank NA		A-1 / P-1	A+ / A2	0.400%	10/01/14	2,930,315.89	2,930,315.89	2,930,315.89
BMO Harris Bank NA - Earnings Credit		A-1 / P-1	A+ / A2	0.450%	10/01/14	3,000,000.00	3,000,000.00	3,000,000.00
TD Bank NA		A-1+ / P-1	AA- / Aa3	0.000%	10/01/14	50,003.14	50,003.14	50,003.14
TD Bank NA		A-1+ / P-1	AA- / Aa3	0.300%	10/01/14	11,934,374.52	11,934,374.52	11,934,374.52
BMO Harris Bank NA - Capital Support - PMA		A-1 / P-1	A+ / A2	0.000%	10/01/14	200,000.00	200,000.00	200,000.00
Branch Banking & Trust		A-1 / P-1	A / A1	0.250%	10/01/14	11,870,266.35	11,870,266.35	11,870,266.35
Total						29,984,959.90	29,984,959.90	29,984,959.90
Secured Bank Deposits								
BMO Harris Bank NA		A-1 / P-1	A+ / A2	0.400%	10/01/14	24,239,249.36	24,239,249.36	24,239,249.36
Citibank NA		A-1 / P-1	A / A2	0.330%	10/01/14	26,655,169.12	26,655,169.12	26,655,169.12
Total						50,894,418.48	50,894,418.48	50,894,418.48
TOTAL INVESTMENTS (4)						129,704,320.66	129,709,670.97	129,711,249.54

- 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 non-DTC bank deposit products are valued at amortized cost.
- 2) Bankers acceptances, commercial paper and money market funds are not assigned a long-term credit rating.
- 3) FDIC insured CD.
- 4) The information contained in the statement is unaudited. Audited financial statements are completed annually.

Disclaimer



This document was prepared by Prudent Man Advisors, Inc. for Florida SAFE.

Securities, public finance services and institutional brokerage services are offered through PMA Securities, Inc. PMA Securities, Inc. is a broker-dealer and municipal advisor registered with the SEC and MSRB, and is a member of FINRA and SIPC. Prudent Man Advisors, Inc., an SEC registered investment adviser, provides investment advisory services to local government investment pools. All other products and services are provided by PMA Financial Network, Inc. PMA Financial Network, Inc., PMA Securities, Inc. and Prudent Man Advisors (collectively "PMA") are under common ownership.

Securities and public finance services offered through PMA Securities, Inc. are available in CA, CO, FL, GA, IL, IN, IA, KS, MI, MN, MO, NE, OH, OK, PA, SD, TX and WI. This document is not an offer of services available in any state other than those listed above, has been prepared for informational and educational purposes and does not constitute a solicitation to purchase or sell securities, which may be done only after client suitability is reviewed and determined. All investments mentioned herein may have varying levels of risk, and may not be suitable for every investor. PMA and its employees do not offer tax or legal advice. Individuals and organizations should consult with their own tax and/or legal advisors before making any tax or legal related investment decisions. Additional information is available upon request.

©2014 Prudent Man Advisors, Inc.



Integrity. Commitment. Performance.™