



**Quarterly Operations Manager Report
For the period ending December 31, 2012**

Board of Trustees

Mark Mason, CPA
Linda Senne, CPA
Jerry Boop, CPA
Robert Clinger, CPA
Nancy Duggan

Chairman
Vice Chairman
Board Member
Board Member
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**



For the period ending December 31, 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	\$150,321,180
FIIP	\$50,350,642
Total Assets	\$200,671,822

FL SAFE	
30 Day Yield	0.10%
7 Day Yield	0.10%
Expense Ratio *	0.16%
Weighted Average Maturity (days)	38
Weighted Average Life (days)	73
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 December 31, 2012

STATEMENT OF NET ASSETS

	For the Period Ending				Year-to-Date
	03/31/12	06/30/12	09/30/12	12/31/12	
Assets					
Investments in securities					
U.S. Treasuries	\$0	\$0	\$0	\$0	
U.S. Government Agencies	\$35,014,294	\$30,014,735	\$30,010,242	\$30,321,569	
Bankers Acceptances	\$0	\$0	8,857,782	\$7,153,149	
Commercial Paper	\$18,483,277	\$22,980,523	\$22,976,159	\$22,985,129	
Repurchase Agreement	\$0	\$2,000,000	\$0	\$10,000,000	
Total investment in securities	\$53,497,571	\$54,995,258	\$61,844,183	\$70,459,847	
Cash and cash equivalents	\$84,601,148	\$74,848,341	\$66,817,179	\$79,646,157	
Other assets					
Accrued interest	\$48,481	27,250	\$24,087	\$166,760	
Total Assets	\$138,147,200	\$129,870,849	\$128,685,448	\$150,272,764	
Liabilities					
Accrued expenses	\$30,633	\$32,592	\$28,261	\$28,302	
Net assets applicable to shares outstanding	\$138,116,567	\$129,838,257	\$128,657,187	\$150,244,462	

STATEMENT OF OPERATIONS

Gross Investment Income	\$101,723	\$93,362	\$92,296	\$78,665	\$366,046
Expenses					
Administration Fees	\$22,500	\$22,500	\$22,500	\$22,500	\$90,000
Audit Fees	\$14,713	\$13,752	\$7,650	\$6,795	\$42,910
Board of Trustees Expense	\$910	\$920	\$110	-	\$1,940
Cash Management Fees	\$1,819	\$2,151	\$1,950	\$2,837	\$8,757
Custody Fees	\$5,496	\$4,868	\$4,842	\$2,580	\$17,786
Investment Advisory Fees	\$24,305	\$22,718	\$22,595	\$22,089	\$91,707
Waiver -- Investment Advisory Fees	(\$7,776)	(\$14,188)	(\$9,115)	(\$17,665)	(\$48,744)
Legal Fees	\$4,466	\$4,599	\$1,500	\$0	\$10,566
Liability Insurance Expense	-	\$1,852	\$6,919	\$6,900	\$15,671
Operations Manager Fees	\$45,137	\$42,191	\$41,962	\$41,024	\$170,314
Waiver -- Operations Manager Fees	(\$45,137)	(\$42,191)	(\$41,962)	(\$41,024)	(\$170,314)
Ratings Expense	\$2,275	\$2,300	\$2,275	\$2,252	\$9,102
Miscellaneous Expenses	\$868	\$650	-	-	\$1,518
Miscellaneous Credits	-	-	-	-	-
Total Expenses	\$69,576	\$62,122	\$61,226	\$48,288	\$241,212
Net Investment Income	\$32,147	\$31,240	\$31,069	\$30,377	\$124,833

STATEMENT OF CHANGES IN NET ASSETS

Shares Purchased	\$18,400,000	\$19,593,223	\$11,609,196	\$45,390,893	\$94,993,312
Shares Redeemed	(\$21,777,124)	(\$27,915,036)	(\$12,827,791)	(\$23,845,523)	(\$86,365,474)
Net Change in Share Transactions	(\$3,377,124)	(\$8,321,813)	(\$1,218,595)	\$21,545,370	\$8,627,838
Investment activities:					
Net Investment Income	\$32,147	\$31,240	\$31,069	\$30,377	\$124,833
Net increase in net assets from share operations	\$32,147	\$31,240	\$31,069	\$30,377	\$124,833
Distributions to participants from net investment income	(\$32,147)	(\$31,240)	(\$31,069)	(\$30,377)	(\$124,833)
Revenue Recognition / FIIP Royalty	\$12,355	\$12,262	\$6,456	\$11,528	\$42,601
Net Change in Assets	(\$3,332,623)	(\$8,278,310)	(\$1,181,070)	\$21,587,275	\$8,795,272
Net Assets at Beginning of Period	\$141,449,190	\$138,116,567	\$129,838,257	\$128,657,187	\$141,449,190
Net Assets at End of Period	\$138,116,567	\$129,838,257	\$128,657,187	\$150,244,462	\$150,244,462



PORTFOLIO ASSETS
As of December 31, 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					
U.S. Agencies								
FFCB FRN	31331K3F5	A-1+ / P-1	AA+ / Aaa	0.180%	06/14/13	15,000,000.00	15,006,058.11	15,012,855.00
FHLB FRN	313379W96	A-1+ / P-1	AA+ / Aaa	0.200%	12/27/13	8,000,000.00	8,003,993.45	8,003,200.00
FHLMC	3134A4UM4	A-1+ / P-1	AA+ / Aaa	0.200%	01/15/14	7,000,000.00	7,311,517.08	7,310,940.00
Total						30,000,000.00	30,321,568.64	30,326,995.00
Bankers Acceptances								
JPMorgan Chase	4622C0N39	A-1 / P-1	(2)	0.326%	01/03/13	139,000.00	138,998.17	138,997.68
JPMorgan Chase	4622C0N39	A-1 / P-1	(2)	0.325%	01/18/13	340,000.00	339,948.30	339,966.00
JPMorgan Chase	4622C0N39	A-1 / P-1	(2)	0.326%	01/22/13	165,000.00	164,969.69	164,979.84
US Bank	9033A0NR7	A-1+ / P-1	(2)	0.294%	01/25/13	261,150.00	261,099.25	261,113.73
JPMorgan Chase	4622C0NU9	A-1 / P-1	(2)	0.325%	01/28/13	173,000.00	172,958.80	172,973.08
US Bank	9033A0NU0	A-1+ / P-1	(2)	0.556%	01/28/12	234,613.00	234,515.62	234,576.49
JPMorgan Chase	4622C0P45	A-1 / P-1	(2)	0.304%	02/04/13	188,000.00	187,947.06	187,958.32
JPMorgan Chase	4622C0P45	A-1 / P-1	(2)	0.305%	02/11/13	187,000.00	186,936.27	186,941.53
JPMorgan Chase	4622C0Q44	A-1 / P-1	(2)	0.305%	03/04/13	237,000.00	236,878.03	236,841.16
US Bank	9033A0QJ2	A-1+ / P-1	(2)	0.345%	03/18/13	500,721.00	500,361.66	500,245.47
US Bank	9033A0R10	A-1+ / P-1	(2)	0.304%	04/01/13	526,835.00	526,439.83	526,165.13
JPMorgan Chase	4662C0RF8	A-1 / P-1	(2)	0.274%	04/15/13	180,000.00	179,859.60	179,711.24
US Bank	9033A0RH5	A-1+ / P-1	(2)	0.406%	04/17/13	274,674.00	274,350.37	274,219.28
US Bank	9033A0RN2	A-1+ / P-2	(2)	0.345%	04/22/13	284,552.00	284,253.79	284,044.73
US Bank	9033A0RV4	A-1+ / P-3	(2)	0.355%	04/29/13	203,852.00	203,618.07	203,449.72
US Bank	9033A0S68	A-1+ / P-4	(2)	0.315%	05/06/13	1,020,195.00	1,019,096.94	1,017,981.18
JPMorgan Chase	4662C0S75	A-1 / P-1	(2)	0.274%	05/07/13	245,000.00	244,768.60	244,461.54
US Bank	9033A0SH4	A-1+ / P-2	(2)	0.335%	05/17/13	236,652.00	236,356.98	236,060.32
US Bank	9033A0T34	A-1+ / P-3	(2)	0.345%	05/20/13	1,062,295.00	1,060,900.41	1,059,359.51
US Bank	9033A0T42	A-1+ / P-4	(2)	0.376%	06/04/13	700,000.00	698,891.94	697,839.03
Total						7,159,539.00	7,153,149.38	7,147,884.98
Commercial Paper								
Bank of Nova Scotia NY	06416JN74	A-1 / P-1	(2)	0.356%	01/07/13	6,000,000.00	4,999,708.16	4,999,883.50
General Electric Capital Corp	36959HPR2	A-1+ / P-1	(2)	0.315%	02/25/13	5,000,000.00	4,997,631.96	4,999,183.50
Toronto Dominion Holding USA	89116EQU0	A-1+ / P-1	(2)	0.315%	03/28/13	5,000,000.00	4,996,297.38	4,997,704.00
JPMorgan Chase	4662J0SF0	A-1 / P-1	(2)	0.284%	05/15/13	3,000,000.00	2,996,873.18	2,998,762.50
Union Bank	90526MT56	A-1 / P-1	(2)	0.254%	06/05/13	5,000,000.00	4,994,618.00	4,990,466.50
Total						24,000,000.00	22,985,128.68	22,986,000.00
Unsecured Bank Deposits								
BMO Harris Bank NA		A-1 / P-1	A+ / A1	0.400%	01/02/13	14,472,812.46	14,472,812.46	14,472,812.46
TD Bank NA		A-1+ / P-1	AA- / Aa2	0.000%	01/02/13	50,003.14	50,003.14	50,003.14
TD Bank NA		A-1+ / P-1	AA- / Aa2	0.300%	01/02/13	6,470,270.48	6,470,270.48	6,470,270.48
BMO Harris Bank NA - Capital Support - PMA		A-1 / P-1	A+ / Aa2	0.000%	01/02/13	200,000.00	200,000.00	200,000.00
Total						21,193,086.08	21,193,086.08	21,193,086.08
Secured Bank Deposits								
Citibank NA		A-1 / P-2	A / A3	0.250%	01/02/13	35,852,999.66	35,852,999.66	35,852,999.66
BMO Harris Bank NA		A-1 / P-1	A+ / A1	0.400%	01/02/13	22,599,913.20	22,599,913.20	22,599,913.20
Total						58,452,912.86	58,452,912.86	58,452,912.86
Repurchase Agreement								
Goldman Sachs		A-1 / P-1		0.210%	01/07/13	10,000,000.00	10,000,000.00	10,000,000.00
TOTAL INVESTMENTS (3)						150,805,537.94	150,105,845.64	150,106,878.92

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.