



# Monthly Summary Report for December 2012

Including Fund B

**State Board of Administration**

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#### Past performance is no guarantee of future results.

Views are as of the issue date and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security.

An investment in money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in this fund.

## INTRODUCTION

This report is prepared for stakeholders in Florida PRIME and Fund B in accordance with Section 218.409(6)(a), Florida Statutes. The statute requires:

- (1) Reporting of any material impacts on the funds and any actions or escalations taken by staff to address such impacts;
- (2) Presentation of a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last month; and
- (3) Preparation of the management summary “in a manner that will allow anyone to ascertain whether the investment activities during the reporting period have conformed to investment policies.”

This report, which covers the period from December 1, 2012 through December 31, 2012, has been prepared by the SBA with input from Federated Investment Counseling (“Federated”), investment advisor for Florida PRIME and Apollo Global Management (formerly known as Stone Tower Debt Advisors LLC), the collateral manager for Fund B, in a format intended to comply with the statute.

During the reporting period, Florida PRIME and Fund B were in material compliance with investment policy. Details are available in the PRIME policy compliance table and the Fund B compliance narrative in the body of this report. This report also includes details on market conditions; fees; fund holdings, transactions and performance; and client composition.

### DISCLOSURE OF MATERIAL IMPACTS

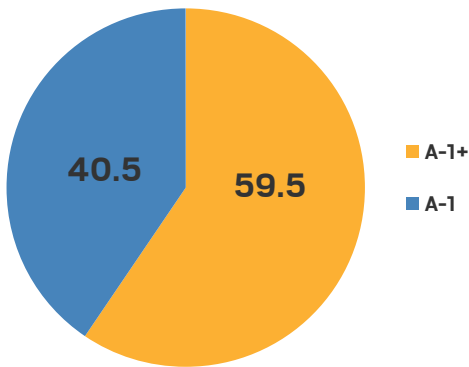
There were no developments during December 2012 that had a material impact on the liquidity or operation of Florida PRIME.

**PORTFOLIO COMPOSITION  
DECEMBER 31, 2012**

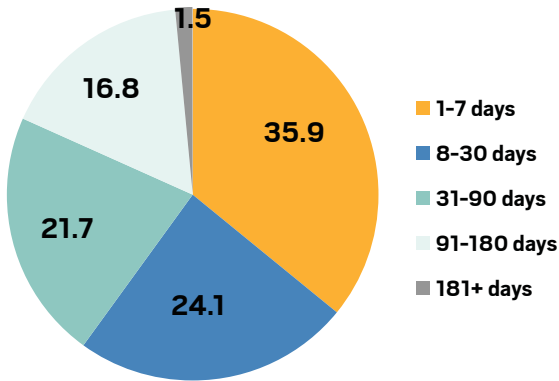
**Florida PRIME Assets**

\$ 8,476,195,715

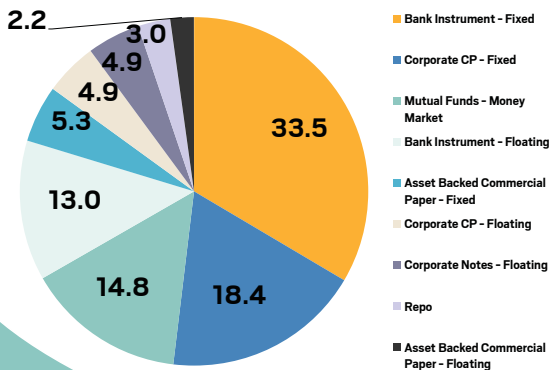
**Credit Quality Composition (%)**



**Effective Maturity Schedule (%)**



**Portfolio Composition (%)**



**PORTFOLIO MANAGER COMMENTARY**

**DECEMBER 2012 MARKET CONDITIONS**

As we head into a new year, the money market world faces interest rate pressure from a number of different directions. The Federal Reserve’s continued commitment to easing and its recent announcement to stick with the program as long as the U.S. unemployment rate remained above 6.5% does not come as a surprise. Many observers thought the Fed would set some sort of marker in 2013, but it is somewhat surprising they did so in December 2012. It is also interesting that the threshold level is closer than expected. (There is always the option of changing the threshold level, as the Fed left plenty of wiggle room, if the goal ends up being too easy to achieve and we end up hitting the 6.5% target in mid-year 2013.)

While the specific issues associated with the fiscal cliff seem to be resolved in extra innings, there are other battles in Washington that could put some speed bumps in the way of the recovery, such as the expected showdown in February when Congress will need to raise the \$16.4 trillion federal borrowing limit. As far as the money market world is concerned, the impact of a failure to solve the fiscal cliff by the December 31 deadline was limited, as long as the deal came through before the associated tax increases, spending cuts and cutting of services kicked in. While the parties in Washington may have squeaked through this particular battle, the bigger fight continues.

As of December 31, 2012, we saw the death of the proposed Senate bill to extend the FDIC’s Transaction Account Guarantee (TAG) Program of unlimited insurance on non-interest bearing checking accounts. No extension was granted. As a result we are likely to see additional cash flow into money market funds. With supply steady and demand increasing, we expect lower rates in the first quarter. While some action may take place to revive the protections, if only for smaller banks, we are still foresee lower rates in the first quarter.

Short-term rates last month provided a pleasant surprise by remaining fairly firm. We expected overnight rates drop down

DECEMBER 31, 2012

**Top Holdings (%) and Average Maturity**

1. Dreyfus Government Cash Management Fund	8.6%
2. Sumitomo Mitsui Financial Group, Inc.	4.9%
3. Bank of Nova Scotia, Toronto	4.8%
4. Mizuho Financial Group, Inc.	4.7%
5. Mitsubishi UFJ Financial Group, Inc.	4.6%
6. Bank of Montreal	4.4%
7. J.P. Morgan Chase & Co.	4.2%
8. Toronto Dominion Bank	3.8%
9. Rabobank Nederland NV, Utrecht	3.7%
10. Credit Suisse Group AG	3.5%

**Average Effective Maturity (WAM)**

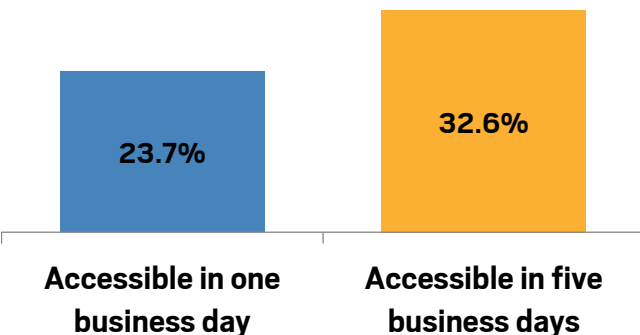
44.0 Days

**Weighted Average Life (Spread WAM)**

79.7 Days

Percentages based on total value of investments

**Highly Liquid Holdings (% at month end)**



**PORTFOLIO MANAGER COMMENTARY (CON'T.)**

into the low teens or even single digits, simply because of all the additional purchases by the Fed, but we did not see that. At the beginning of December, overnight rates were hovering at 20-22 basis points, and closed the month in the 18-20 basis point range, which is, all things considered, a very slight change. Treasuries have gotten more expensive, a function of younger people seeking out the safety of the government market, and not knowing what to expect over year end from a credit perspective, with the fiscal cliff continuing to hover over the economy.

**PORTFOLIO INVESTMENT STRATEGY**

As of the end of December 2012, Florida PRIME pool assets were up \$1.8 billion to \$8.48 billion, as the pool's assets were fully at the height of the State of Florida's tax collection season. As management worked to get that money invested, the gross yield for Florida PRIME decreased five basis points, largely because of a decrease in London interbank offered rates (LIBOR) throughout 2012, the significant inflow of cash, and the need to reinvest at lower rates than where the pool had previously been invested. As a result of the inflow and purchases in longer term securities, the weighted average maturity of the pool went out 10 days to 44 days, and the weighted average life was out to 80 days from 75 days at the end of November. During December investments were made in fixed and floating-rate instruments, across various security types and maturity ranges of the money market yield curve. Management purchases in December were heavily focused on banking instruments, targeted between 30 days to one year, with additional purchases in asset-backed commercial paper instruments, where purchases were made between 60 and 120 days.

Overall, exposure to bank instruments increased significantly, up 12% to make up 33% of the pool, fixed-rate commercial paper instruments were up by 7% to make up 23% of the pool, and investments in other securities, which include money market funds, were up 8% to make up 18% of the pool.

## CASH FLOWS

Summary of Cash Flows	
December 2012	Florida PRIME
Opening Balance (12/01/12)	\$ 6,666,986,395
Participant Deposits	3,985,708,380
Transfers from Fund B	4,710,000
Gross Earnings	1,870,850
Participant Withdrawals	(2,182,878,802)
Fees	(201,109)
Closing Balance (12/31/12)	\$ 8,476,195,715
Net Change over Month	1,809,209,319

Valuations based on amortized cost

As shown in the table above, Florida PRIME experienced a net inflow of \$1.81 billion during December 2012.

This change in value consisted of positive flows of \$3.99 billion in participant deposits, \$4.7 million in transfers from Fund B and \$1.9 million in earnings. Negative flows consisted of \$2.18 billion in participant withdrawals and about \$201,000 in fees.

Overall, the fund ended the month with a closing balance of \$8.48 billion.

## FLORIDA PRIME DETAILED FEE DISCLOSURE

December 2012	Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	\$ 67,253.24	\$ 1.07
Federated Investment Management Fee	116,144.71	1.84
BNY Mellon Custodial Fee	116.67	0.00
Bank of America Transfer Agent Fee	8,823.76	0.14
S&P Rating Maintenance Fee	3,303.28	0.05
Audit/External Review Fees	5,467.43	0.09
<b>Total Fees</b>	<b>\$ 201,109.09</b>	<b>3.19</b>

\*The basis point equivalent is an annualized rate based on the dollar amount of fees charged for the month times 12, divided by an average of the fund's beginning and ending total value (amortized cost) for the month which was \$7,571,591,055.

# FINANCIAL STATEMENT DISCLOSURES NOW AVAILABLE

For the period ending September 30, 2012, the SBA has released PRIME and Fund B's Financial Statement Disclosures. The disclosures are available on the Florida PRIME website.

<https://www.sbafla.com/prime>

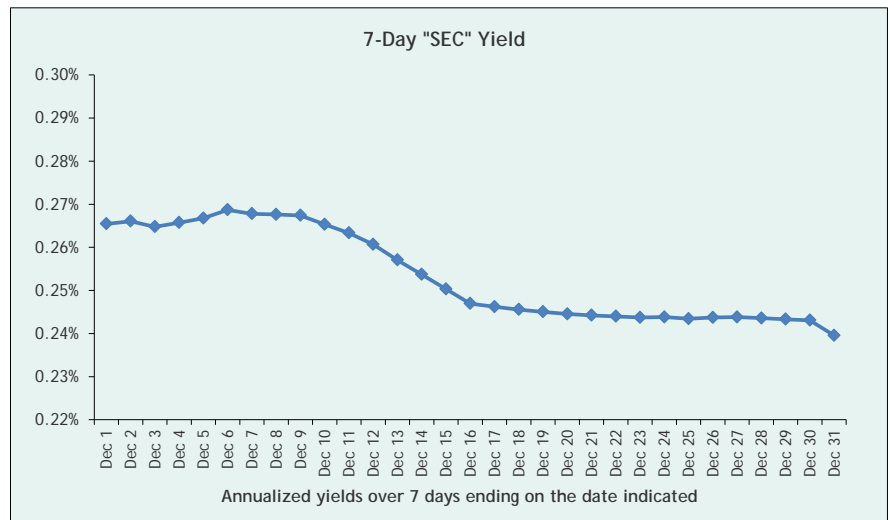
**FUND PERFORMANCE  
THROUGH DECEMBER 31, 2012**

**Florida PRIME Participant Performance Data**

	Net Participant Yield <sup>1</sup>	Net-of-Fee Benchmark <sup>2</sup>	Above (Below) Benchmark
1 mo	0.25%	0.09%	0.16%
3 mos	0.27%	0.10%	0.18%
12 mos	0.31%	0.10%	0.21%
3 yrs	0.28%	0.12%	0.16%
5 yrs	0.80%	0.67%	0.13%
10 yrs	2.03%	1.83%	0.20%
Since 1.96	3.23%	3.01%	0.22%

Net asset value at month end: \$8,476.7 m

**Florida PRIME 7-Day "SEC" Yields During the Month**



For performance comparisons to other short-term investment options, see [www.sbafla.com/prime](http://www.sbafla.com/prime) and click on "Pool Performance."

**NOTES TO PERFORMANCE TABLE**

<sup>1</sup>Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

<sup>2</sup>The net-of-fee benchmark is the S&P AAA/AA Rated GIP All 30-Day Net Index for all time periods.

Net asset value includes investments at market value, plus all cash, accrued interest receivable and payables.

**NOTES TO CHART**

The 7-Day "SEC" Yield in the chart is calculated in accordance with the yield methodology set forth by SEC rule 2a-7 for money market funds.

The 7-day yield = net income earned over a 7-day period / average units outstanding over the period / 7 times 365.

Note that unlike other performance measures, the SEC yield does not include realized gains and losses from sales of securities.

**ABOUT ANNUALIZED YIELDS**

Performance data in the table and chart is annualized, meaning that the amounts are based on yields for the periods indicated, converted to their equivalent if obtained for a 12-month period.

For example, ignoring the effects of compounding,

an investment that earns 0.10% over a 1-month period yields 1.20% on an annualized basis. Likewise, an investment that earns a total of 3.60% over three years yields 1.20% on an annualized basis, ignoring compounding.

**INVENTORY OF HOLDINGS  
DECEMBER 31, 2012**

Security Name	Security Classification	Cpn/ Disc	Maturity	Rate Reset	Par	Current Yield	Amort Cost <sup>2</sup>	Mkt Value <sup>1</sup>	Unrealized Gain (Loss)
							\$	\$	\$
ANZ National (Int'l) Ltd. CP4-2	COMMERCIAL PAPER - 4-2		06/04/13		100,000,000	0.30	99,875,139	99,907,290	32,151
ANZ National (Int'l) Ltd. CP4-2	COMMERCIAL PAPER - 4-2		06/10/13		100,000,000	0.30	99,870,306	99,901,020	30,714
Australia & New Zealand Banking Group, Melbourne, Jul 03, 2013	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.39	07/03/13	01/04/13	100,000,000	0.39	100,000,000	100,000,400	400
Bank of America N.A. BNOTE	BANK NOTE	0.32	03/18/13		225,000,000	0.33	225,000,000	225,000,000	0
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	0.21	01/02/13		150,000,000	0.21	150,000,000	150,000,000	0
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.38	10/15/13		100,000,000	0.39	100,000,000	100,047,590	47,590
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.31	02/11/13		20,000,000	0.20	20,002,561	20,002,320	(241)
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.20	01/07/13		90,000,000	0.20	90,000,000	89,999,820	(180)
Bank of Montreal, Mar 04, 2013	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.39	03/04/13	01/04/13	50,000,000	0.40	50,000,000	50,014,400	14,400
Bank of Montreal, Sep 16, 2013	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.33	09/16/13	03/18/13	100,000,000	0.33	100,000,000	100,028,500	28,500
Bank of Nova Scotia, Toronto CP	COMMERCIAL PAPER		01/02/13		300,000,000	0.02	299,999,667	299,997,990	(1,677)
Bank of Nova Scotia, Toronto, May 09, 2013	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.36	05/09/13	01/09/13	50,000,000	0.37	50,000,000	50,023,000	23,000
Bank of Nova Scotia, Toronto, Sr. Unsecd. Note, 2.250%, 01/22/2013	CORPORATE BOND	2.25	01/22/13		58,810,000	0.22	58,880,856	58,874,691	(6,165)
Bank of Tokyo-Mitsubishi Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.30	01/25/13		30,000,000	0.31	30,000,000	30,002,289	2,289
Bank of Tokyo-Mitsubishi Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	03/11/13		85,000,000	0.26	85,000,000	85,001,641	1,641
Bank of Tokyo-Mitsubishi Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	04/17/13		75,000,000	0.27	75,000,000	74,997,758	(2,243)
Bank of Tokyo-Mitsubishi Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.17	01/04/13		200,000,000	0.17	200,000,000	200,000,000	0
Barclays Bank PLC CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.25	02/07/13		100,000,000	0.25	100,000,000	100,009,490	9,490
Canadian Imperial Bank of Commerce, Jun 24, 2013	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.30	06/24/13	01/24/13	275,000,000	0.30	275,000,000	274,967,825	(32,175)

See notes at end of table.



**INVENTORY OF HOLDINGS (CONTINUED)**  
**DECEMBER 31, 2012**

Security Name	Security Classification	Cpn/Disc	Maturity	Rate Reset	Par	Current Yield	Amort Cost <sup>2</sup>	Mkt Value <sup>1</sup>	Unrealized Gain (Loss)
							\$	\$	\$
Commonwealth Bank of Australia CP4-2	COMMERCIAL PAPER - 4-2		05/15/13		50,000,000	0.29	49,947,500	49,954,065	6,565
Credit Agricole North America, Inc. CP	COMMERCIAL PAPER		01/07/13		160,000,000	0.19	159,994,089	159,991,904	(2,185)
Credit Agricole North America, Inc. CP	COMMERCIAL PAPER		01/30/13		90,000,000	0.28	89,979,000	89,980,497	1,497
Credit Suisse, Zurich CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	04/26/13		300,000,000	0.27	300,000,000	300,000,000	0
Deutsche Bank AG CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.36	02/28/13		80,000,000	0.36	80,001,309	80,015,704	14,395
Deutsche Bank AG CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.20	01/14/13		200,000,000	0.20	200,000,000	200,000,000	0
Deutsche Bank Securities, Inc. REP3P	REPO TRIPARTY OVERNIGHT FIXED	0.25	01/02/13		100,000,000	0.25	100,000,000	100,000,000	0
Dreyfus Government Cash Management Fund OVNMF	OVERNIGHT MUTUAL FUND	0.01	01/02/13		725,957,281	0.01	725,957,281	725,957,281	0
FCAR Owner Trust, A1+/P1 Series CPABS3A3	COMMERCIAL PAPER - ABS 3A3		01/02/13		105,000,000	0.46	104,997,375	104,999,066	1,691
FCAR Owner Trust, A1+/P1 Series CPABS3A3	COMMERCIAL PAPER - ABS 3A3		02/04/13		70,000,000	0.42	69,972,097	69,988,226	16,129
FCAR Owner Trust, A1+/P1 Series CPABS3A3	COMMERCIAL PAPER - ABS 3A3		03/20/13		66,000,000	0.41	65,942,067	65,970,597	28,530
FCAR Owner Trust, A1/P1 Series CPABS3A3	COMMERCIAL PAPER - ABS 3A3		01/09/13		21,000,000	0.23	20,998,793	20,999,160	368
FCAR Owner Trust, A1/P1 Series CPABS3A3	COMMERCIAL PAPER - ABS 3A3		02/01/13		70,000,000	0.22	69,986,311	69,989,360	3,049
FCAR Owner Trust, A1/P1 Series CPABS3A3	COMMERCIAL PAPER - ABS 3A3		04/09/13		20,000,000	0.30	19,984,050	19,984,942	892
Fairway Finance Co. LLC, Jan 11, 2013	VARIABLE RATE COMMERCIAL PAPER - ABS-4(2)	0.25	01/11/13	01/11/13	10,000,000	0.26	10,000,000	10,000,180	180
Fairway Finance Co. LLC, Jun 10, 2013	VARIABLE RATE COMMERCIAL PAPER - ABS-4(2)	0.24	06/10/13	01/10/13	30,000,000	0.25	30,000,000	29,997,390	(2,610)
Fairway Finance Co. LLC, Jun 17, 2013	VARIABLE RATE COMMERCIAL PAPER - ABS-4(2)	0.24	06/17/13	01/17/13	50,000,000	0.24	50,000,000	49,995,450	(4,550)
Fairway Finance Co. LLC, Jun 18, 2013	VARIABLE RATE COMMERCIAL PAPER - ABS-4(2)	0.24	06/18/13	01/18/13	75,000,000	0.24	75,000,000	74,993,175	(6,825)
Fairway Finance Co. LLC, Mar 06, 2013	VARIABLE RATE COMMERCIAL PAPER - ABS-4(2)	0.25	03/06/13	01/07/13	23,500,000	0.26	23,500,000	23,501,269	1,269

See notes at end of table.



**INVENTORY OF HOLDINGS (CONTINUED)  
DECEMBER 31, 2012**

Security Name	Security Classification	Cpn/ Disc	Maturity	Rate Reset	Par	Current Yield	Amort Cost <sup>2</sup>	Mkt Value <sup>1</sup>	Unrealized Gain (Loss)
							\$	\$	\$
Federated Prime Cash Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.10	01/02/13	01/02/13	251,453,310	0.10	251,453,310	251,453,310	0
Federated Prime Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.09	01/02/13	01/02/13	276,813,417	0.10	276,813,417	276,813,417	0
General Elec Cap Corp, Sr. Note, 1.875%, 9/16/2013	CORPORATE BOND	1.88	09/16/13		1,000,000	0.41	1,010,383	1,009,862	(521)
General Elec Cap Corp, Sr. Note, 1.875%, 9/16/2013	CORPORATE BOND	1.88	09/16/13		500,000	0.41	505,192	504,931	(261)
General Elec Cap Corp, Sr. Note, 1.875%, 9/16/2013	CORPORATE BOND	1.88	09/16/13		24,410,000	0.41	24,663,447	24,650,731	(12,716)
General Electric Capital Corp., Sep 20, 2013	VARIABLE EURO MEDIUM TERM NOTE	0.31	09/20/13	03/20/13	3,000,000	0.41	2,998,183	2,992,575	(5,608)
General Electric Capital Corp., Sr. Unsecd. Note, 2.800%, 01/08/2013	CORPORATE BOND	2.80	01/08/13		24,410,000	0.51	24,422,131	24,416,908	(5,223)
General Electric Capital Corp., Sr. Unsecd. Note, 2.800%, 01/08/2013	CORPORATE BOND	2.80	01/08/13		20,281,000	0.56	20,290,839	20,286,740	(4,100)
General Electric Capital, Sr. Unsecd. Note, 5.4%, 9/20/2013	CORPORATE BOND	5.40	09/20/13		1,670,000	0.41	1,729,849	1,729,412	(437)
General Electric Capital, Sr. Unsecd. Note, Series EMTN, 4.25%, 1/31/2013	EURO MEDIUM TERM NOTE	4.25	01/31/13		50,000,000	0.26	50,163,611	50,134,100	(29,511)
General Electric Capital, Sr. Unsecd. Note, Series EMTN, 4.25%, 1/31/2013	EURO MEDIUM TERM NOTE	4.25	01/31/13		65,000,000	0.26	65,213,426	65,174,330	(39,096)
General Electric Capital, Sr. Unsecd. Note, Series EMTN, 4.25%, 1/31/2013	EURO MEDIUM TERM NOTE	4.25	01/31/13		7,307,000	0.92	7,327,398	7,326,597	(801)
J.P. Morgan Chase & Co., Feb 28, 2013	VARIABLE RATE COMMERCIAL PAPER	0.36	02/28/13	01/28/13	200,000,000	0.36	200,000,000	200,031,800	31,800
JPMorgan Chase & Co CP	COMMERCIAL PAPER		06/12/13		100,000,000	0.29	99,873,222	99,944,460	71,238
Market Street Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		03/04/13		30,922,000	0.21	30,910,636	30,911,666	1,030
Market Street Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		03/05/13		16,090,000	0.21	16,083,993	16,084,536	543
Massachusetts Development Finance Agency, (Boston University), (Series U-3), 10/01/2040	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.08	10/01/40	01/03/13	32,600,000	0.14	32,600,000	32,600,000	0
Michigan State Hospital Finance Authority, (Henry Ford Health System, MI), (Series 2007), 11/15/2042	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.10	11/15/42	01/02/13	53,000,000	0.13	53,000,000	53,000,000	0
Mizuho Corporate Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	03/05/13		100,000,000	0.27	100,000,000	99,996,440	(3,560)

See notes at end of table.

**INVENTORY OF HOLDINGS (CONTINUED)  
DECEMBER 31, 2012**

Security Name	Security Classification	Cpn/ Disc	Maturity	Rate Reset	Par	Current Yield	Amort Cost <sup>2</sup>	Mkt Value <sup>1</sup>	Unrealized Gain (Loss)
							\$	\$	\$
Mizuho Corporate Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	03/12/13		100,000,000	0.27	100,000,000	99,996,050	(3,950)
Mizuho Corporate Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.27	03/13/13		50,000,000	0.27	50,000,000	50,000,000	0
Mizuho Funding LLC CP4-2	COMMERCIAL PAPER - 4-2		03/15/13		100,000,000	0.27	99,944,500	99,948,820	4,320
Mizuho Funding LLC CP4-2	COMMERCIAL PAPER - 4-2		04/01/13		50,000,000	0.27	49,965,875	49,965,875	0
Mullenix-St. Charles Properties, L.P., Times Centre Apartments Project Series 2004, Jan 01, 2028	VARIABLE RATE DEMAND NOTE	0.22	01/01/28	01/03/13	13,500,000	0.22	13,500,000	13,500,000	0
Nordea Bank Finland PLC CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.23	02/22/13		100,000,000	0.21	100,002,928	100,010,200	7,272
Rabobank Nederland, Utrecht CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.37	04/10/13		200,000,000	0.38	200,000,000	200,083,180	83,180
Rabobank Nederland, Utrecht CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.35	04/15/13		110,000,000	0.36	110,000,000	110,041,624	41,624
Reno, NV Capital Improvement Revenue Bonds, (Series 2005A), 06/01/2032	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.13	06/01/32	01/03/13	35,235,000	0.16	35,235,000	35,235,000	0
Royal Bank of Canada, Montreal, Feb 06, 2013	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.38	02/06/13	02/06/13	50,000,000	0.39	50,000,000	50,007,650	7,650
Royal Bank of Canada, Montreal, Jan 03, 2014	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.36	01/03/14	01/04/13	160,000,000	0.37	160,000,000	160,002,400	2,400
Royal Bank of Canada, Montreal, May 22, 2013	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.45	05/22/13	01/22/13	18,000,000	0.46	18,000,000	17,998,614	(1,386)
Salisbury Receivables Company LLC CPABS4-2	COMMERCIAL PAPER - ABS- 4(2)		02/21/13		50,000,000	0.25	49,981,945	49,984,470	2,525
Societe Generale North America, Inc. CP	COMMERCIAL PAPER		01/02/13		80,000,000	0.26	79,998,867	79,998,976	109
Societe Generale North America, Inc. CP	COMMERCIAL PAPER		02/01/13		75,000,000	0.33	74,978,667	74,983,643	4,976
Societe Generale, Paris CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.32	01/18/13		100,000,000	0.33	100,000,000	100,006,000	6,000
St. Andrew United Methodist Church, Series 2004, Jul 01, 2029	VARIABLE RATE DEMAND NOTE	0.19	07/01/29	01/03/13	9,310,000	0.19	9,310,000	9,310,000	0
State Street Bank and Trust Co., Jan 13, 2014	VARIABLE RATE BANK NOTE	0.36	01/13/14	01/18/13	125,000,000	0.36	125,000,000	125,000,000	0
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	03/14/13		100,000,000	0.26	100,000,000	99,997,900	(2,100)

See notes at end of table.

**INVENTORY OF HOLDINGS (CONTINUED)**  
**DECEMBER 31, 2012**

Security Name	Security Classification	Cpn/ Disc	Maturity	Rate Reset	Par	Current Yield	Amort Cost <sup>2</sup>	Mkt Value <sup>1</sup>	Unrealized Gain (Loss)
							\$	\$	\$
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.26	04/01/13		200,000,000	0.26	200,000,000	199,989,800	(10,200)
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.16	01/04/13		27,000,000	0.16	27,000,000	26,999,892	(108)
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.30	01/25/13		50,000,000	0.31	50,000,000	50,003,815	3,815
Sumitomo Mitsui Banking Corp. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.30	01/25/13		40,000,000	0.31	40,000,000	40,003,052	3,052
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.20	01/16/13		45,000,000	0.20	44,999,999	45,000,360	361
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.28	06/17/13		100,000,000	0.28	100,000,000	100,018,600	18,600
Toronto Dominion Bank, Jul 26, 2013	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.31	07/26/13	01/28/13	50,000,000	0.32	50,000,000	50,026,950	26,950
Toronto Dominion Bank, Sep 13, 2013	VARIABLE RATE CERTIFICATE OF DEPOSIT	0.31	09/13/13	03/13/13	125,000,000	0.31	125,000,000	125,071,750	71,750
Toyota Motor Credit Corp. CP	COMMERCIAL PAPER		01/28/13		125,000,000	0.21	124,979,583	124,991,463	11,879
Toyota Motor Credit Corp. CP	COMMERCIAL PAPER		01/29/13		125,000,000	0.21	124,978,854	124,991,050	12,196
Toyota Motor Credit Corp., Sr. Note, Series MTN, 1/14/2013	CORPORATE BOND	0.54	01/14/13	01/14/13	12,100,000	0.55	12,101,452	12,101,997	545
U.S. Treasury Note 1.75% 4/15/2013	US TREASURY NOTE	1.75	04/15/13		15,000,000	0.25	15,064,475	15,070,320	5,845
Wells Fargo Bank, N.A., Jan 17, 2014	VARIABLE RATE BANK NOTE	0.36	01/17/14	01/22/13	100,000,000	0.36	100,000,000	99,999,000	(1,000)
Westpac Banking Corp. Ltd., Sydney CP4-2	COMMERCIAL PAPER - 4-2		01/03/13		100,000,000	0.41	99,996,667	99,999,500	2,833
Westpac Banking Corp. Ltd., Sydney, May 29, 2013	VARIABLE RATE COMMERCIAL PAPER - 4-2	0.26	05/29/13	01/29/13	115,000,000	0.27	115,000,000	114,994,595	(5,405)
					<b><u>8,468,869,009</u></b>		<b><u>\$8,468,986,248</u></b>	<b><u>\$8,469,488,649</u></b>	<b><u>\$502,400</u></b>

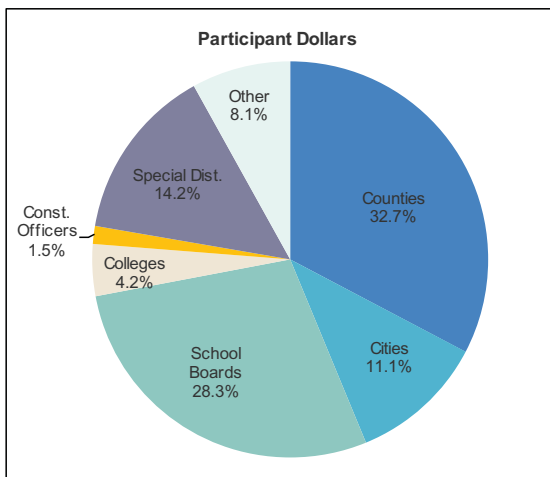
**Notes:** The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

<sup>1</sup> Market values of the portfolio securities are provided by the custodian, BNY Mellon. The portfolio manager, Federated Investment Counseling, is the source for other data shown above.

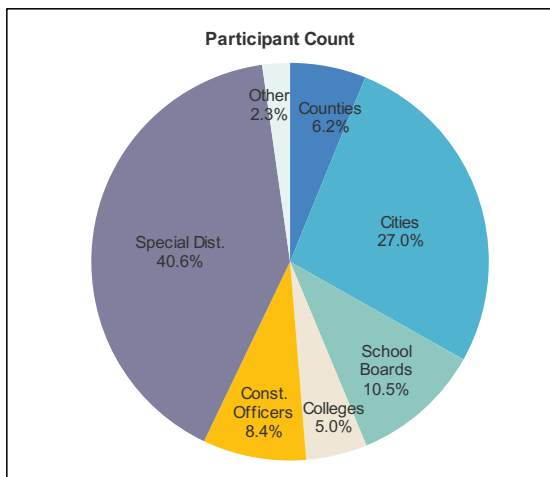
<sup>2</sup> Amortized cost is calculated using a straight line method.

### PARTICIPANT CONCENTRATION DATA - DECEMBER 31, 2012

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
<b>All Participants</b>	<b>100.0%</b>	<b>100.0%</b>	<b>Colleges &amp; Universities</b>	<b>4.2%</b>	<b>5.0%</b>
Top 10	41.2%	1.2%	Top 10	3.8%	1.2%
\$100 million or more	57.9%	2.4%	\$100 million or more	1.8%	0.1%
\$10 million up to \$100 million	35.2%	10.0%	\$10 million up to \$100 million	1.7%	0.7%
\$1 million up to \$10 million	6.2%	17.2%	\$1 million up to \$10 million	0.7%	1.4%
Under \$1 million	0.7%	70.5%	Under \$1 million	0.02%	2.7%
<b>Counties</b>	<b>32.7%</b>	<b>6.2%</b>	<b>Constitutional Officers</b>	<b>1.5%</b>	<b>8.4%</b>
Top 10	27.2%	1.2%	Top 10	0.9%	1.2%
\$100 million or more	25.0%	0.9%	\$100 million or more	0.0%	0.0%
\$10 million up to \$100 million	7.2%	1.4%	\$10 million up to \$100 million	0.8%	0.5%
\$1 million up to \$10 million	0.5%	1.1%	\$1 million up to \$10 million	0.6%	1.2%
Under \$1 million	0.0%	2.7%	Under \$1 million	0.1%	6.8%
<b>Municipalities</b>	<b>11.1%</b>	<b>27.0%</b>	<b>Special Districts</b>	<b>14.2%</b>	<b>40.6%</b>
Top 10	6.6%	1.2%	Top 10	9.8%	1.2%
\$100 million or more	1.7%	0.1%	\$100 million or more	4.8%	0.4%
\$10 million up to \$100 million	7.3%	2.5%	\$10 million up to \$100 million	7.9%	2.3%
\$1 million up to \$10 million	1.8%	5.7%	\$1 million up to \$10 million	1.3%	4.3%
Under \$1 million	0.2%	18.7%	Under \$1 million	0.3%	33.8%
<b>School Boards</b>	<b>28.3%</b>	<b>10.5%</b>	<b>Other</b>	<b>8.1%</b>	<b>2.3%</b>
Top 10	23.7%	1.2%	Top 10	7.9%	1.2%
\$100 million or more	18.4%	0.5%	\$100 million or more	6.1%	0.4%
\$10 million up to \$100 million	8.6%	2.1%	\$10 million up to \$100 million	1.7%	0.5%
\$1 million up to \$10 million	1.2%	3.0%	\$1 million up to \$10 million	0.3%	0.6%
Under \$1 million	0.1%	5.0%	Under \$1 million	0.0%	0.8%



Total Fund Value: \$8,476,195,715



Total Participant Count: 844

## FLORIDA PRIME COMPLIANCE WITH INVESTMENT POLICY - DECEMBER 2012

As investment manager, Federated monitors compliance daily on Florida PRIME to ensure that investment practices comply with the requirements of the Investment Policy Statement (IPS). Federated provides a monthly compliance report to the SBA and is required to notify the Investment Oversight Group (IOG) of compliance exceptions within 24 hours of identification. The IOG meets monthly and on an ad hoc basis to review compliance exceptions, to document responses to exceptions, and to formally escalate recommendations for approval by the Executive Director & CIO. The IOG also reviews the Federated compliance report each month, as well as, the results of independent compliance testing conducted by SBA Risk Management and Compliance. Minutes from the IOG meetings are posted to the Florida PRIME website.

In addition to the compliance testing performed by Federated, the SBA conducts independent testing on Florida PRIME using a risk-based approach. Under this approach, each IPS parameter is ranked as "High" or "Low" with respect to the level of risk associated with a potential guideline breach. IPS parameters with risk rankings of "High" are subject to independent verification by SBA Risk Management and Compliance. These rankings, along with the frequency for testing, are reviewed and approved by the IOG on an annual basis or more often if market conditions dictate. Additionally, any parameter reported in "Fail" status on the Federated compliance report, regardless of risk ranking, is also independently verified and escalated accordingly. The results of independent testing are currently reported monthly to the IOG.

Test by Source	Pass/Fail
<b>Florida PRIME's Investment Policy</b>	
Securities must be USD denominated.	Pass
<b>Ratings requirements</b>	
The Pool must purchase exclusively first-tier securities. Securities purchased with short-term ratings by an NRSRO, or comparable in quality and security to other obligations of the issuer that have received short-term ratings from an NRSRO, are eligible if they are in one of the two highest rating categories.	Pass
Securities purchased that do not have short-term ratings must have a long-term rating in one of the three highest long-term rating categories.	Pass
Commercial Paper must be rated by at least one short-term NRSRO.	Pass
Repurchase Agreement Counterparties must be rated by S&P	Pass
S&P Weighted Average Life - maximum 90 days <sup>1</sup>	Pass
<b>Maturity</b>	
Securities, excluding Government floating rate notes/variable rate notes, purchased did not have a maturity in excess of 397 days.	Pass
Government floating rate notes/variable rate notes purchased did not have a maturity in excess of 762 days.	Pass
The Pool must maintain a Spread WAM of 120 days or less.	Pass
<b>Issuer Diversification</b>	
First-tier issuers (limit does not apply to cash, cash items, U.S. Government securities refunded securities and repo collateralized by these securities) are limited, at the time of purchase, to 5% of the Pool's total assets. <sup>2</sup>	Pass
<b>Demand Feature and Guarantor Diversification</b>	
First-tier securities issued by or subject to demand features and guarantees of a non-controlled person, at time of purchase, are limited to 10% with respect to 75% of the Pool's total assets.	Pass
First-tier securities issued by or subject to demand features and guarantees of a control person, at time of purchase, are limited to 10% with respect to the Pool's total assets.	Pass
<b>Money Market Mutual Funds</b>	
The account, at time of purchase, will not have exposure to any one Money Market Mutual Fund in excess of 10% of the Pool's total assets.	Pass
<b>Concentration Tests</b>	
The account, at time of purchase, will not have exposure to an industry sector, excluding the financial services industry, in excess of 25% of the Pool's total assets.	Pass
The account, at time of purchase, will not have exposure to any single Government Agency in excess of 33.33% of the Pool's total assets.	Pass
The account, at time of purchase, will not have exposure to illiquid securities in excess of 5% of the Pool's total assets.	Pass
The account, at time of purchase, will invest at least 10% of the Pool's total assets in securities accessible within one business day.	Pass
The account, at time of purchase, will invest at least 30% of the Pool's total assets in securities accessible within five business days. <sup>3</sup>	Pass
<b>S&amp;P Requirements</b>	
The Pool must maintain a Dollar Weighted Average Maturity of 60 days or less.	Pass
The account, at time of purchase, will invest at least 50% of the Pool's total assets in Securities in Highest Rating Category (A-1+ or equivalent).	Pass

<sup>1</sup> The fund may use floating rate government securities to extend the limit up to 120 days

<sup>2</sup> This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to liquidate positions if the exposure in excess of the specified percentage is caused by

<sup>3</sup> This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to take immediate corrective measures if asset movements cause the exposure to be below the specified percentage.

TRADING ACTIVITY FOR DECEMBER 2012

Security Description	Maturity Date	Trade Date	Settlement Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain (Loss)
<b>Buys</b>					\$	\$	\$	\$
ANZ NATIONAL (INT'LCP4-2	06/04/13	12/04/12	12/05/12	50,000,000	49,927,097	-	49,927,097	-
ANZ NATIONAL (INT'LCP4-2	06/04/13	12/04/12	12/05/12	50,000,000	49,927,097	-	49,927,097	-
ANZ NATIONAL (INT'LCP4-2	06/10/13	12/06/12	12/07/12	50,000,000	49,925,486	-	49,925,486	-
ANZ NATIONAL (INT'LCP4-2	06/10/13	12/06/12	12/07/12	50,000,000	49,925,486	-	49,925,486	-
BANK OF AMERICA N,ABNOTE	03/18/13	12/10/12	12/10/12	50,000,000	50,000,000	-	50,000,000	-
BANK OF AMERICA N,ABNOTE	03/18/13	12/10/12	12/10/12	50,000,000	50,000,000	-	50,000,000	-
BANK OF AMERICA N,ABNOTE	03/18/13	12/10/12	12/10/12	25,000,000	25,000,000	-	25,000,000	-
BANK OF AMERICA N,ABNOTE	03/18/13	12/10/12	12/10/12	50,000,000	50,000,000	-	50,000,000	-
BANK OF MONTREAL (CCDYAN	02/11/13	12/13/12	12/13/12	20,000,000	20,003,658	22,044	20,025,703	-
BANK OF MONTREAL (CCDYAN	01/07/13	12/05/12	12/05/12	50,000,000	50,000,000	-	50,000,000	-
BANK OF MONTREAL (CCDYAN	01/07/13	12/05/12	12/05/12	40,000,000	40,000,000	-	40,000,000	-
BANK OF NOVA SCOTIA	01/22/13	12/17/12	12/19/12	50,000,000	50,093,100	459,375	50,552,475	-
BANK OF NOVA SCOTIA	01/22/13	12/17/12	12/19/12	8,810,000	8,826,404	80,942	8,907,346	-
BANK OF NOVA SCOTIA/NEW YORK	01/02/13	12/31/12	12/31/12	50,000,000	49,999,944	-	49,999,944	-
BANK OF NOVA SCOTIA/NEW YORK	01/02/13	12/31/12	12/31/12	50,000,000	49,999,944	-	49,999,944	-
BANK OF NOVA SCOTIA/NEW YORK	01/02/13	12/31/12	12/31/12	50,000,000	49,999,944	-	49,999,944	-
BANK OF NOVA SCOTIA/NEW YORK	01/02/13	12/31/12	12/31/12	50,000,000	49,999,944	-	49,999,944	-
BANK OF NOVA SCOTIA/NEW YORK	01/02/13	12/31/12	12/31/12	50,000,000	49,999,944	-	49,999,944	-
BANK OF NOVA SCOTIA/NEW YORK	01/02/13	12/31/12	12/31/12	50,000,000	49,999,944	-	49,999,944	-
BANK OF TOKYO-MITSUCDYAN	04/17/13	12/04/12	12/04/12	50,000,000	50,000,000	-	50,000,000	-
BANK OF TOKYO-MITSUCDYAN	04/17/13	12/04/12	12/04/12	25,000,000	25,000,000	-	25,000,000	-
BANK OF TOKYO-MITSUCDYAN	01/04/13	12/28/12	12/28/12	50,000,000	50,000,000	-	50,000,000	-
BANK OF TOKYO-MITSUCDYAN	01/04/13	12/28/12	12/28/12	50,000,000	50,000,000	-	50,000,000	-
BANK OF TOKYO-MITSUCDYAN	01/04/13	12/28/12	12/28/12	50,000,000	50,000,000	-	50,000,000	-
BANK OF TOKYO-MITSUCDYAN	01/04/13	12/28/12	12/28/12	50,000,000	50,000,000	-	50,000,000	-
BANK OF TOKYO-MITSUCDYAN	01/04/13	12/28/12	12/28/12	50,000,000	50,000,000	-	50,000,000	-
CREDIT AGRICOLE NORCP	12/18/12	12/11/12	12/11/12	39,000,000	38,998,483	-	38,998,483	-
CREDIT AGRICOLE NORCP	12/26/12	12/19/12	12/19/12	50,000,000	49,998,056	-	49,998,056	-
CREDIT AGRICOLE NORCP	12/26/12	12/19/12	12/19/12	50,000,000	49,998,056	-	49,998,056	-
CREDIT AGRICOLE NORCP	12/26/12	12/19/12	12/19/12	50,000,000	49,998,056	-	49,998,056	-
CREDIT AGRICOLE NORCP	01/07/13	12/31/12	12/31/12	50,000,000	49,998,153	-	49,998,153	-
CREDIT AGRICOLE NORCP	01/07/13	12/31/12	12/31/12	50,000,000	49,998,153	-	49,998,153	-
CREDIT AGRICOLE NORCP	01/07/13	12/31/12	12/31/12	50,000,000	49,998,153	-	49,998,153	-
CREDIT AGRICOLE NORCP	01/07/13	12/31/12	12/31/12	10,000,000	9,999,631	-	9,999,631	-
CREDIT SUISSE, ZURICDYAN	04/26/13	12/27/12	12/27/12	50,000,000	50,000,000	-	50,000,000	-
CREDIT SUISSE, ZURICDYAN	04/26/13	12/27/12	12/27/12	50,000,000	50,000,000	-	50,000,000	-
CREDIT SUISSE, ZURICDYAN	04/26/13	12/27/12	12/27/12	50,000,000	50,000,000	-	50,000,000	-
CREDIT SUISSE, ZURICDYAN	04/26/13	12/27/12	12/27/12	50,000,000	50,000,000	-	50,000,000	-
CREDIT SUISSE, ZURICDYAN	04/26/13	12/27/12	12/27/12	50,000,000	50,000,000	-	50,000,000	-

TRADING ACTIVITY FOR DECEMBER 2012 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settlement Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain (Loss)
<b>Buys (continued)</b>					\$	\$	\$	\$
CREDIT SUISSE, ZURICDYAN	04/26/13	12/27/12	12/27/12	50,000,000	50,000,000	-	50,000,000	-
DEUTSCHE BANK AGCDYAN	01/14/13	12/11/12	12/11/12	50,000,000	50,000,000	-	50,000,000	-
DEUTSCHE BANK AGCDYAN	01/14/13	12/11/12	12/11/12	50,000,000	50,000,000	-	50,000,000	-
DEUTSCHE BANK AGCDYAN	01/14/13	12/11/12	12/11/12	50,000,000	50,000,000	-	50,000,000	-
DEUTSCHE BANK AGCDYAN	01/14/13	12/11/12	12/11/12	50,000,000	50,000,000	-	50,000,000	-
FCAR OWNER TRUST, ACPABS3	02/01/13	12/03/12	12/03/12	50,000,000	49,981,667	-	49,981,667	-
FCAR OWNER TRUST, ACPABS3	02/01/13	12/03/12	12/03/12	20,000,000	19,992,667	-	19,992,667	-
FCAR OWNER TRUST, ACPABS3	04/09/13	12/10/12	12/10/12	20,000,000	19,980,667	-	19,980,667	-
FAIRWAY FINANCE LLC	06/10/13	12/06/12	12/10/12	30,000,000	30,000,000	-	30,000,000	-
FAIRWAY FINANCE LLC	06/17/13	12/11/12	12/17/12	50,000,000	50,000,000	-	50,000,000	-
FAIRWAY FINANCE LLC	06/18/13	12/18/12	12/18/12	50,000,000	50,000,000	-	50,000,000	-
FAIRWAY FINANCE LLC	06/18/13	12/18/12	12/18/12	25,000,000	25,000,000	-	25,000,000	-
GENERAL ELECTRIC CO CP	12/18/12	12/11/12	12/11/12	50,000,000	49,998,250	-	49,998,250	-
GENERAL ELECTRIC CO CP	12/18/12	12/11/12	12/11/12	50,000,000	49,998,250	-	49,998,250	-
GENERAL ELECTRIC CO CP	12/18/12	12/11/12	12/11/12	50,000,000	49,998,250	-	49,998,250	-
GENERAL ELECTRIC CO CP	12/18/12	12/11/12	12/11/12	50,000,000	49,998,250	-	49,998,250	-
GENERAL ELECTRIC CO CP	12/18/12	12/11/12	12/11/12	50,000,000	49,998,250	-	49,998,250	-
GENERAL ELECTRIC CO CP	12/18/12	12/11/12	12/11/12	50,000,000	49,998,250	-	49,998,250	-
GOTHAM FUNDING CORPCPABS4	12/20/12	12/19/12	12/19/12	46,246,000	46,245,743	-	46,245,743	-
JPMORGAN CHASE COCP	06/12/13	12/12/12	12/12/12	50,000,000	49,929,222	-	49,929,222	-
JPMORGAN CHASE COCP	06/12/13	12/12/12	12/12/12	50,000,000	49,929,222	-	49,929,222	-
MARKET STREET FUNDICPABS4	03/04/13	12/05/12	12/05/12	30,922,000	30,905,946	-	30,905,946	-
MARKET STREET FUNDICPABS4	03/05/13	12/05/12	12/05/12	16,090,000	16,081,553	-	16,081,553	-
MIZUHO CORPORATE BACDYAN	03/05/13	12/03/12	12/03/12	50,000,000	50,000,000	-	50,000,000	-
MIZUHO CORPORATE BACDYAN	03/05/13	12/03/12	12/03/12	50,000,000	50,000,000	-	50,000,000	-
MIZUHO CORPORATE BACDYAN	03/12/13	12/04/12	12/04/12	50,000,000	50,000,000	-	50,000,000	-
MIZUHO CORPORATE BACDYAN	03/12/13	12/04/12	12/04/12	50,000,000	50,000,000	-	50,000,000	-
MIZUHO CORPORATE BACDYAN	03/13/13	12/10/12	12/10/12	50,000,000	50,000,000	-	50,000,000	-
MIZUHO FUNDING LLCCP4-2	03/15/13	12/06/12	12/06/12	50,000,000	49,962,875	-	49,962,875	-
MIZUHO FUNDING LLCCP4-2	03/15/13	12/06/12	12/06/12	50,000,000	49,962,875	-	49,962,875	-
MIZUHO FUNDING LLCCP4-2	04/01/13	12/31/12	12/31/12	50,000,000	49,965,875	-	49,965,875	-
NORDEA BANK FINLANDCDYAN	02/22/13	12/13/12	12/13/12	50,000,000	50,001,961	24,917	50,026,878	-
NORDEA BANK FINLANDCDYAN	02/22/13	12/13/12	12/13/12	50,000,000	50,001,961	24,917	50,026,878	-
SOCIETE GENERALE NOCP	12/18/12	12/11/12	12/11/12	50,000,000	49,998,056	-	49,998,056	-
SOCIETE GENERALE NOCP	12/18/12	12/11/12	12/11/12	4,500,000	4,499,825	-	4,499,825	-
SOCIETE GENERALE NOCP	12/24/12	12/18/12	12/18/12	50,000,000	49,998,333	-	49,998,333	-
SOCIETE GENERALE NOCP	12/24/12	12/18/12	12/18/12	20,000,000	19,999,333	-	19,999,333	-
SOCIETE GENERALE NORTH AMERICA INC	01/02/13	12/26/12	12/26/12	50,000,000	49,997,521	-	49,997,521	-
SOCIETE GENERALE NORTH AMERICA INC	01/02/13	12/26/12	12/26/12	30,000,000	29,998,513	-	29,998,513	-



TRADING ACTIVITY FOR DECEMBER 2012 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settlement Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain (Loss)
<i>Buys (continued)</i>					\$	\$	\$	\$
SOCIETE GENERALE NOCP	02/01/13	12/18/12	12/18/12	50,000,000	49,980,000	-	49,980,000	-
SOCIETE GENERALE NOCP	02/01/13	12/18/12	12/18/12	25,000,000	24,990,000	-	24,990,000	-
STARBIRD FUNDING COCPABS4	12/31/12	12/28/12	12/28/12	50,000,000	49,999,292	-	49,999,292	-
STATE STREET BANK AND TRUST CO	01/15/16	12/13/12	12/18/12	50,000,000	50,000,000	-	50,000,000	-
STATE STREET BANK AND TRUST CO	01/15/16	12/13/12	12/18/12	50,000,000	50,000,000	-	50,000,000	-
STATE STREET BANK AND TRUST CO	01/15/16	12/13/12	12/18/12	25,000,000	25,000,000	-	25,000,000	-
SUMITOMO MITSUI BANCDYAN	03/14/13	12/10/12	12/10/12	50,000,000	50,000,000	-	50,000,000	-
SUMITOMO MITSUI BANCDYAN	03/14/13	12/10/12	12/10/12	50,000,000	50,000,000	-	50,000,000	-
SUMITOMO MITSUI BANCDYAN	04/01/13	12/13/12	12/13/12	50,000,000	50,000,000	-	50,000,000	-
SUMITOMO MITSUI BANCDYAN	04/01/13	12/13/12	12/13/12	50,000,000	50,000,000	-	50,000,000	-
SUMITOMO MITSUI BANCDYAN	04/01/13	12/13/12	12/13/12	50,000,000	50,000,000	-	50,000,000	-
SUMITOMO MITSUI BANCDYAN	04/01/13	12/13/12	12/13/12	50,000,000	50,000,000	-	50,000,000	-
SUMITOMO MITSUI BANCDYAN	01/04/13	12/28/12	12/28/12	27,000,000	27,000,000	-	27,000,000	-
TORONTO DOMINION BACDYAN	01/16/13	12/12/12	12/12/12	45,000,000	44,999,997	13,750	45,013,747	-
TORONTO DOMINION BACDYAN	06/17/13	12/19/12	12/19/12	50,000,000	50,000,000	-	50,000,000	-
TORONTO DOMINION BACDYAN	06/17/13	12/19/12	12/19/12	50,000,000	50,000,000	-	50,000,000	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/04/12	12/04/12	918,119	918,119	-	918,119	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/05/12	12/05/12	4,099,877	4,099,877	-	4,099,877	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/07/12	12/07/12	6,529,904	6,529,904	-	6,529,904	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/11/12	12/11/12	3,795,028	3,795,028	-	3,795,028	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/13/12	12/13/12	1,421,968	1,421,968	-	1,421,968	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/14/12	12/14/12	1,347,315	1,347,315	-	1,347,315	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/18/12	12/18/12	7,025,020	7,025,020	-	7,025,020	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/21/12	12/21/12	1,454,765	1,454,765	-	1,454,765	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/26/12	12/26/12	4,694,395	4,694,395	-	4,694,395	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/27/12	12/27/12	82,811	82,811	-	82,811	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/31/12	12/31/12	722,218,694	722,218,694	-	722,218,694	-
GENERAL ELECTRIC CAPITAL CORP	01/31/13	12/10/12	12/13/12	25,000,000	25,129,750	923,785	26,053,535	-
GENERAL ELECTRIC CAPITAL CORP	01/31/13	12/10/12	12/13/12	40,000,000	40,207,600	1,478,056	41,685,656	-
GENERAL ELECTRIC CAPITAL CORP	01/31/13	12/12/12	12/17/12	50,000,000	50,237,500	1,871,181	52,108,681	-
FEDERATED PRIME CASH OBLIGATIONS FUND	10/01/40	12/01/12	12/01/12	27,419	27,419	-	27,419	-
FEDERATED PRIME OBLIGATIONS FUND	10/01/40	12/01/12	12/01/12	27,715	27,715	-	27,715	-
DEUTSCHE BANK	12/04/12	12/03/12	12/03/12	975,000,000	975,000,000	-	975,000,000	-
BANK OF AMERICA TRIPARTY	12/04/12	12/03/12	12/03/12	1,000,000,000	1,000,000,000	-	1,000,000,000	-
DEUTSCHE BANK	12/05/12	12/04/12	12/04/12	1,000,000,000	1,000,000,000	-	1,000,000,000	-
BANK OF AMERICA TRIPARTY	12/05/12	12/04/12	12/04/12	770,000,000	770,000,000	-	770,000,000	-
DEUTSCHE BANK	12/06/12	12/05/12	12/05/12	725,000,000	725,000,000	-	725,000,000	-
BANK OF AMERICA TRIPARTY	12/06/12	12/05/12	12/05/12	1,100,000,000	1,100,000,000	-	1,100,000,000	-
DEUTSCHE BANK	12/07/12	12/06/12	12/06/12	800,000,000	800,000,000	-	800,000,000	-

TRADING ACTIVITY FOR DECEMBER 2012 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settlement Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain (Loss)
<i>Buys (continued)</i>					\$	\$	\$	\$
BANK OF AMERICA TRIPARTY	12/07/12	12/06/12	12/06/12	960,000,000	960,000,000	-	960,000,000	-
DEUTSCHE BANK	12/10/12	12/07/12	12/07/12	720,000,000	720,000,000	-	720,000,000	-
BANK OF AMERICA TRIPARTY	12/10/12	12/07/12	12/07/12	1,100,000,000	1,100,000,000	-	1,100,000,000	-
DEUTSCHE BANK	12/11/12	12/10/12	12/10/12	950,000,000	950,000,000	-	950,000,000	-
BANK OF AMERICA TRIPARTY	12/11/12	12/10/12	12/10/12	1,150,000,000	1,150,000,000	-	1,150,000,000	-
DEUTSCHE BANK	12/12/12	12/11/12	12/11/12	1,000,000,000	1,000,000,000	-	1,000,000,000	-
BANK OF AMERICA TRIPARTY	12/12/12	12/11/12	12/11/12	760,000,000	760,000,000	-	760,000,000	-
DEUTSCHE BANK	12/13/12	12/12/12	12/12/12	600,000,000	600,000,000	-	600,000,000	-
BANK OF AMERICA TRIPARTY	12/13/12	12/12/12	12/12/12	1,225,000,000	1,225,000,000	-	1,225,000,000	-
DEUTSCHE BANK	12/14/12	12/13/12	12/13/12	750,000,000	750,000,000	-	750,000,000	-
BANK OF AMERICA TRIPARTY	12/14/12	12/13/12	12/13/12	530,000,000	530,000,000	-	530,000,000	-
DEUTSCHE BANK	12/17/12	12/14/12	12/14/12	500,000,000	500,000,000	-	500,000,000	-
BANK OF AMERICA TRIPARTY	12/17/12	12/14/12	12/14/12	1,160,000,000	1,160,000,000	-	1,160,000,000	-
DEUTSCHE BANK	12/18/12	12/17/12	12/17/12	500,000,000	500,000,000	-	500,000,000	-
BANK OF AMERICA TRIPARTY	12/18/12	12/17/12	12/17/12	1,225,000,000	1,225,000,000	-	1,225,000,000	-
DEUTSCHE BANK	12/19/12	12/18/12	12/18/12	900,000,000	900,000,000	-	900,000,000	-
BANK OF AMERICA TRIPARTY	12/19/12	12/18/12	12/18/12	1,130,000,000	1,130,000,000	-	1,130,000,000	-
DEUTSCHE BANK	12/20/12	12/19/12	12/19/12	900,000,000	900,000,000	-	900,000,000	-
BANK OF AMERICA TRIPARTY	12/20/12	12/19/12	12/19/12	700,000,000	700,000,000	-	700,000,000	-
DEUTSCHE BANK	12/21/12	12/20/12	12/20/12	600,000,000	600,000,000	-	600,000,000	-
BANK OF AMERICA TRIPARTY	12/21/12	12/20/12	12/20/12	1,070,000,000	1,070,000,000	-	1,070,000,000	-
DEUTSCHE BANK	12/24/12	12/21/12	12/21/12	800,000,000	800,000,000	-	800,000,000	-
BANK OF AMERICA TRIPARTY	12/24/12	12/21/12	12/21/12	1,010,000,000	1,010,000,000	-	1,010,000,000	-
DEUTSCHE BANK	12/26/12	12/24/12	12/24/12	800,000,000	800,000,000	-	800,000,000	-
BANK OF AMERICA TRIPARTY	12/26/12	12/24/12	12/24/12	1,095,000,000	1,095,000,000	-	1,095,000,000	-
DEUTSCHE BANK	12/27/12	12/26/12	12/26/12	1,000,000,000	1,000,000,000	-	1,000,000,000	-
BANK OF AMERICA TRIPARTY	12/27/12	12/26/12	12/26/12	905,000,000	905,000,000	-	905,000,000	-
DEUTSCHE BANK	12/28/12	12/27/12	12/27/12	1,000,000,000	1,000,000,000	-	1,000,000,000	-
BANK OF AMERICA TRIPARTY	12/28/12	12/27/12	12/27/12	580,000,000	580,000,000	-	580,000,000	-
DEUTSCHE BANK	12/31/12	12/28/12	12/28/12	600,000,000	600,000,000	-	600,000,000	-
BANK OF AMERICA TRIPARTY	12/31/12	12/28/12	12/28/12	820,000,000	820,000,000	-	820,000,000	-
DEUTSCHE BANK	01/02/13	12/31/12	12/31/12	100,000,000	100,000,000	-	100,000,000	-
BANK OF AMERICA TRIPARTY	01/02/13	12/31/12	12/31/12	150,000,000	150,000,000	-	150,000,000	-
<b>Total Buys</b>				<b>38,711,211,030</b>	<b>\$38,711,225,218</b>	<b>\$4,898,965</b>	<b>\$38,716,124,183</b>	<b>\$0</b>

**TRADING ACTIVITY FOR DECEMBER 2012 (CONTINUED)**

Security Description	Maturity Date	Trade Date	Settlement Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain (Loss)
					\$	\$	\$	\$
<b>Maturities</b>								
BNP PARIBAS	12/21/12	12/21/12	12/21/12	4,256,000	4,256,000	-	4,256,000	-
BANK OF AMERICA N.A.	12/10/12	12/10/12	12/10/12	200,000,000	200,000,000	-	200,000,000	-
BANK OF AMERICA N.A.	12/14/12	12/14/12	12/14/12	50,000,000	50,000,000	-	50,000,000	-
BANK OF TOKYO MITSUBISHI LTD	12/12/12	12/12/12	12/12/12	50,000,000	50,000,000	-	50,000,000	-
CREDIT AGRICOLE NORCP	12/18/12	12/18/12	12/18/12	39,000,000	39,000,000	-	39,000,000	-
CREDIT AGRICOLE NORCP	12/26/12	12/26/12	12/26/12	150,000,000	150,000,000	-	150,000,000	-
GENERAL ELECTRIC CO CP	12/18/12	12/18/12	12/18/12	300,000,000	300,000,000	-	300,000,000	-
GOTHAM FUNDING CORPCPABS4	12/20/12	12/20/12	12/20/12	46,246,000	46,246,000	-	46,246,000	-
ROYAL BANK OF CANADA/NEW YORK NY	12/21/12	12/21/12	12/21/12	62,000,000	62,000,000	-	62,000,000	-
SOCIETE GENERALE NOCP	12/18/12	12/18/12	12/18/12	54,500,000	54,500,000	-	54,500,000	-
SOCIETE GENERALE NOCP	12/24/12	12/24/12	12/24/12	70,000,000	70,000,000	-	70,000,000	-
STARBIRD FUNDING COCPABS4	12/31/12	12/31/12	12/31/12	50,000,000	50,000,000	-	50,000,000	-
SUMITOMO MITSUI BANKING CORP	12/04/12	12/04/12	12/04/12	30,000,000	30,000,000	-	30,000,000	-
SUMITOMO MITSUI BANKING CORP	12/10/12	12/10/12	12/10/12	200,000,000	200,000,000	-	200,000,000	-
WESTPAC BANKING CORCP	12/27/12	12/27/12	12/27/12	100,000,000	100,000,000	-	100,000,000	-
DEUTSCHE BANK	12/03/12	12/03/12	12/03/12	700,000,000	700,000,000	-	700,000,000	-
BANK OF AMERICA TRIPARTY	12/03/12	12/03/12	12/03/12	1,190,000,000	1,190,000,000	-	1,190,000,000	-
DEUTSCHE BANK	12/04/12	12/04/12	12/04/12	975,000,000	975,000,000	-	975,000,000	-
BANK OF AMERICA TRIPARTY	12/04/12	12/04/12	12/04/12	1,000,000,000	1,000,000,000	-	1,000,000,000	-
DEUTSCHE BANK	12/05/12	12/05/12	12/05/12	1,000,000,000	1,000,000,000	-	1,000,000,000	-
BANK OF AMERICA TRIPARTY	12/05/12	12/05/12	12/05/12	770,000,000	770,000,000	-	770,000,000	-
DEUTSCHE BANK	12/06/12	12/06/12	12/06/12	725,000,000	725,000,000	-	725,000,000	-
BANK OF AMERICA TRIPARTY	12/06/12	12/06/12	12/06/12	1,100,000,000	1,100,000,000	-	1,100,000,000	-
DEUTSCHE BANK	12/07/12	12/07/12	12/07/12	800,000,000	800,000,000	-	800,000,000	-
BANK OF AMERICA TRIPARTY	12/07/12	12/07/12	12/07/12	960,000,000	960,000,000	-	960,000,000	-
DEUTSCHE BANK	12/10/12	12/10/12	12/10/12	720,000,000	720,000,000	-	720,000,000	-
BANK OF AMERICA TRIPARTY	12/10/12	12/10/12	12/10/12	1,100,000,000	1,100,000,000	-	1,100,000,000	-
DEUTSCHE BANK	12/11/12	12/11/12	12/11/12	950,000,000	950,000,000	-	950,000,000	-
BANK OF AMERICA TRIPARTY	12/11/12	12/11/12	12/11/12	1,150,000,000	1,150,000,000	-	1,150,000,000	-
DEUTSCHE BANK	12/12/12	12/12/12	12/12/12	1,000,000,000	1,000,000,000	-	1,000,000,000	-
BANK OF AMERICA TRIPARTY	12/12/12	12/12/12	12/12/12	760,000,000	760,000,000	-	760,000,000	-
DEUTSCHE BANK	12/13/12	12/13/12	12/13/12	600,000,000	600,000,000	-	600,000,000	-
BANK OF AMERICA TRIPARTY	12/13/12	12/13/12	12/13/12	1,225,000,000	1,225,000,000	-	1,225,000,000	-
DEUTSCHE BANK	12/14/12	12/14/12	12/14/12	750,000,000	750,000,000	-	750,000,000	-
BANK OF AMERICA TRIPARTY	12/14/12	12/14/12	12/14/12	530,000,000	530,000,000	-	530,000,000	-
DEUTSCHE BANK	12/17/12	12/17/12	12/17/12	500,000,000	500,000,000	-	500,000,000	-
BANK OF AMERICA TRIPARTY	12/17/12	12/17/12	12/17/12	1,160,000,000	1,160,000,000	-	1,160,000,000	-
DEUTSCHE BANK	12/18/12	12/18/12	12/18/12	500,000,000	500,000,000	-	500,000,000	-
BANK OF AMERICA TRIPARTY	12/18/12	12/18/12	12/18/12	1,225,000,000	1,225,000,000	-	1,225,000,000	-
DEUTSCHE BANK	12/19/12	12/19/12	12/19/12	900,000,000	900,000,000	-	900,000,000	-
BANK OF AMERICA TRIPARTY	12/19/12	12/19/12	12/19/12	1,130,000,000	1,130,000,000	-	1,130,000,000	-
DEUTSCHE BANK	12/20/12	12/20/12	12/20/12	900,000,000	900,000,000	-	900,000,000	-
BANK OF AMERICA TRIPARTY	12/20/12	12/20/12	12/20/12	700,000,000	700,000,000	-	700,000,000	-

TRADING ACTIVITY FOR DECEMBER 2012 (CONTINUED)

Security Description	Maturity Date	Trade Date	Settlement Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain (Loss)
<b>Maturities (continued)</b>					\$	\$	\$	\$
DEUTSCHE BANK	12/21/12	12/21/12	12/21/12	600,000,000	600,000,000	-	600,000,000	-
BANK OF AMERICA TRIPARTY	12/21/12	12/21/12	12/21/12	1,070,000,000	1,070,000,000	-	1,070,000,000	-
DEUTSCHE BANK	12/24/12	12/24/12	12/24/12	800,000,000	800,000,000	-	800,000,000	-
BANK OF AMERICA TRIPARTY	12/24/12	12/24/12	12/24/12	1,010,000,000	1,010,000,000	-	1,010,000,000	-
DEUTSCHE BANK	12/26/12	12/26/12	12/26/12	800,000,000	800,000,000	-	800,000,000	-
BANK OF AMERICA TRIPARTY	12/26/12	12/26/12	12/26/12	1,095,000,000	1,095,000,000	-	1,095,000,000	-
DEUTSCHE BANK	12/27/12	12/27/12	12/27/12	1,000,000,000	1,000,000,000	-	1,000,000,000	-
BANK OF AMERICA TRIPARTY	12/27/12	12/27/12	12/27/12	905,000,000	905,000,000	-	905,000,000	-
DEUTSCHE BANK	12/28/12	12/28/12	12/28/12	1,000,000,000	1,000,000,000	-	1,000,000,000	-
BANK OF AMERICA TRIPARTY	12/28/12	12/28/12	12/28/12	580,000,000	580,000,000	-	580,000,000	-
DEUTSCHE BANK	12/31/12	12/31/12	12/31/12	600,000,000	600,000,000	-	600,000,000	-
BANK OF AMERICA TRIPARTY	12/31/12	12/31/12	12/31/12	820,000,000	820,000,000	-	820,000,000	-
<b>Total Maturities</b>				<b>36,706,002,000</b>	<b>36,706,002,000</b>	<b>0</b>	<b>36,706,002,000</b>	<b>0</b>
<b>Sells</b>								
CREDIT AGRICOLE NORCP	01/18/13	12/14/12	12/14/12	50,000,000	49,988,333	-	49,988,333	1,944
CREDIT AGRICOLE NORCP	01/18/13	12/14/12	12/14/12	50,000,000	49,988,333	-	49,988,333	1,944
SOCIETE GENERALE NOCP	01/08/13	12/18/12	12/18/12	50,000,000	49,992,125	-	49,992,125	875
SOCIETE GENERALE NOCP	01/08/13	12/18/12	12/18/12	25,000,000	24,996,063	-	24,996,063	438
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/03/12	12/03/12	92,708	92,708	-	92,708	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/03/12	12/03/12	175,460	175,460	-	175,460	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/06/12	12/06/12	1,642,231	1,642,231	-	1,642,231	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/06/12	12/06/12	74,612	74,612	-	74,612	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/06/12	12/06/12	774,256	774,256	-	774,256	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/06/12	12/06/12	3,580,553	3,580,553	-	3,580,553	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/10/12	12/10/12	918,119	918,119	-	918,119	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/10/12	12/10/12	519,324	519,324	-	519,324	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/10/12	12/10/12	2,113,670	2,113,670	-	2,113,670	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/12/12	12/12/12	4,416,235	4,416,235	-	4,416,235	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/12/12	12/12/12	539,341	539,341	-	539,341	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/17/12	12/17/12	755,142	755,142	-	755,142	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/19/12	12/19/12	6,326,704	6,326,704	-	6,326,704	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/20/12	12/20/12	698,492	698,492	-	698,492	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/24/12	12/24/12	1,802,053	1,802,053	-	1,802,053	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/24/12	12/24/12	813,480	813,480	-	813,480	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/28/12	12/28/12	608,489	608,489	-	608,489	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/28/12	12/28/12	1,347,315	1,347,315	-	1,347,315	-
DREYFUS GOVT CASH MGMT FUND	10/01/13	12/28/12	12/28/12	3,191,700	3,191,700	-	3,191,700	-
<b>Total Sells</b>				<b>205,389,882</b>	<b>\$205,354,737</b>	<b>\$0</b>	<b>\$205,354,737</b>	<b>\$5,201</b>

# FUND B

## FUND B FACTS

### INVESTMENT OBJECTIVE

Fund B's primary objective is to maximize the present value of distributions from the Fund.

### COMPOSITION

Fund B principally consists of Segregated Securities, which are securities originally purchased for the LGIP that (1) defaulted in the payment of principal and interest; (2) were extended; (3) were restructured or otherwise subject to workout; (4) experienced elevated market illiquidity; or (5) did not meet the criteria of the nationally recognized statistical rating organization (NRSRO) that provides Florida PRIME's AAAM rating.

### DISTRIBUTIONS

Participants in Fund B will receive periodic distributions to the extent that Fund B receives proceeds deemed material by the SBA from (1) the natural maturities of securities, coupon interest collections, or collateral interest and principal paydowns; or (2) the sale of securities, collateral liquidation, or other restructure and workout activities undertaken.

### ACCOUNTING

Fund B is accounted for as a fluctuating NAV pool, not a 2a-7-like money market fund. That is, accounting valuations reflect estimates of the market value of securities rather than their amortized cost.

### STATUS OF INVESTMENTS

Florida East and West: Restructured from KKR and receiving principal and interest.

Florida Funding I: Restructured from Ottimo (Issuer Entity) and receiving principal and interest.

Florida Funding II: Restructured from Axon and receiving principal and interest.

## COMMENTARY ON PORTFOLIO MANAGEMENT

All cash from paydowns on securities in Fund B are invested in AAAM-rated money market funds pending monthly distribution to participant accounts in Florida PRIME. This month, \$4.7 million in liquid assets were transferred from Fund B to Florida PRIME, consisting of principal paydowns and income from the securities in the Fund.

The investment team continually analyzes the bonds in each portfolio, comparing estimated defaults and estimated cumulative net losses to an historical loss-timing curve. Many different factors in the domestic and global economies can affect both the securities and the underlying bonds. Some of the factors will contribute positively while others could have adverse consequences. The SBA and Apollo Global Management's investment team will continue to employ prudent risk mitigation strategies in order to maximize the present value of distributions from Fund B with a primary focus on the restoration of principal.

## LEGAL ISSUE

As an ongoing legal matter, the SBA asserts Lehman Brothers (which is now in liquidation) sold the SBA certain unregistered secured notes that were not exempt from registration under the Securities Act of 1933. The Lehman Trustee has not yet responded to the SBA's general creditor claim on behalf of Fund B as to whether the Lehman estate will have any assets available for recovery. The Trustee's latest reports have stated that "returns to general estate creditors will be limited at best." However, the secured notes sold by Lehman Brothers were secured by certain collateral. Fund B has been receiving and is expected to continue receiving monetary distributions of principal and interest from that underlying collateral.

The SBA will promptly disclose any future developments as they become matters of public record.

## DISCLOSURE OF MATERIAL IMPACTS

There were no developments during December 2012 that had a material impact on the liquidity or operation of Fund B.

# FUND B

## FUND B DISTRIBUTIONS

### RETURN OF FUND B PRINCIPAL

The first table below details the SBA's progress in returning principal to investors in Fund B. Through the end of December 2012, investors cumulatively received distributions from Fund B totaling \$1.76 billion or 87.7% of their original balances.

The securities remaining in Fund B are legacy items from the four issuers whose financial circumstances gave rise to the November 2007 run (as well as overnight instruments temporarily holding fund earnings). As of December 31, 2012, their remaining amortized cost was \$454.2 million,

or 83.9% more than remaining participant positions in Fund B. Conversely, the current estimated liquidation (market) value of these securities is pegged at \$242.8 million or 98.3% of remaining participant positions.

It is important to note that due to the lack of an actively traded market for Fund B securities, their "market value" is an estimate of current liquidation value that has been determined through a collaborative process among various pricing experts and sources in the marketplace. See footnote 1 on page 22.

### FUND B DISTRIBUTIONS TO PARTICIPANTS

	Distributions to Participants	Cumulative Distributions	Participant Principal	Proportion of Original Principal Returned
12/05/07	\$	\$	\$ 2,009,451,941	0.0%
CY 2008	\$ 1,421,900,000	\$ 1,421,900,000	\$ 587,551,941	70.8%
CY 2009	\$ 89,100,000	\$ 1,511,000,000	\$ 498,451,941	75.2%
CY 2010	\$ 135,100,000	\$ 1,646,100,000	\$ 363,351,941	81.9%
CY 2011	\$ 57,425,000	\$ 1,703,525,000	\$ 305,926,941	84.8%
01/09/12	\$ 4,325,000	\$ 1,707,850,000	\$ 301,601,941	85.0%
02/07/12	\$ 3,200,000	\$ 1,711,050,000	\$ 298,401,941	85.2%
03/06/12	\$ 3,925,000	\$ 1,714,975,000	\$ 294,476,941	85.3%
04/05/12	\$ 4,400,000	\$ 1,719,375,000	\$ 290,076,941	85.6%
05/04/12	\$ 5,275,000	\$ 1,724,650,000	\$ 284,801,941	85.8%
06/05/12	\$ 7,050,000	\$ 1,731,700,000	\$ 277,751,941	86.2%
07/04/12	\$ 5,450,000	\$ 1,737,150,000	\$ 272,301,941	86.4%
08/06/12	\$ 4,500,000	\$ 1,741,650,000	\$ 267,801,941	86.7%
09/07/12	\$ 5,150,000	\$ 1,746,800,000	\$ 262,651,941	86.9%
10/04/12	\$ 7,430,000	\$ 1,754,230,000	\$ 255,221,941	87.3%
11/06/12	\$ 3,500,000	\$ 1,757,730,000	\$ 251,721,941	87.5%
12/07/12	\$ 4,710,000	\$ 1,762,440,000	\$ 247,011,941	87.7%

### FUND B MONTHLY DISTRIBUTION DETAIL

December 2012 Distribution Detail Including Receipts by Source For the period 11/7/12 - 12/7/12	Fund B	
	Participant Allocation	Expense Allocation
Beginning Balance	\$ -	\$ 25,711.35
Receipts:		
Florida East	\$ 1,009,343.53	
Florida West	\$ 2,128,982.43	
Florida Funding I	\$ 417,016.12	
Florida Funding II	\$ 1,157,115.30	
Overnight Investments	\$ 7.93	
Total Receipts	\$ 4,712,465.31	
Distributions:		
Allocation to/from Expense Reserve	\$ (2,465.31)	\$ 2,465.31
Expenses Paid		\$ (2,134.34)
Participant Distribution	\$ (4,710,000.00)	
Ending Balance	\$ -	\$ 26,042.32

# FUND B

## INVENTORY OF HOLDINGS - AS OF DECEMBER 31, 2012

Security Name	Type	Rate Reset	Par	Current Yield	Amort Cost <sup>2</sup>	Mkt Value <sup>1</sup>	Unrealized Gain (Loss)
Dreyfus Government Cash Management Fund OVNMF	OVERNIGHT MUTUAL FUND		4,001,068	0.00	\$ 4,001,068	\$ 4,001,068	\$ -
Florida East Funding LLC	VARIABLE RATE TERM NOTE	12/27/12	71,817,517	0.56	\$ 71,817,517	\$ 56,046,936	\$ (15,770,581)
Florida West Funding LLC	VARIABLE RATE TERM NOTE	12/27/12	171,779,707	0.56	\$ 171,779,707	\$ 104,882,342	\$ (66,897,365)
Florida Funding I LLC	VARIABLE RATE TERM NOTE	12/26/12	118,811,342	0.18	\$ 118,811,342	\$ 28,222,905	\$ (90,588,437)
Florida Funding II LLC	VARIABLE RATE COMMERCIAL PAPER	12/28/12	87,793,525	0.17	\$ 87,786,524	\$ 49,664,781	\$ (38,121,743)
<b>Total Value of Investments</b>			<b><u>454,203,159</u></b>		<b><u>\$454,196,158</u></b>	<b><u>\$242,818,032</u></b>	<b><u>(\$211,378,126)</u></b>

### Notes:

<sup>1</sup> Due to the lack of an actively traded market for Fund B securities, the “market value” is an estimate of current liquidation value that has been determined through a collaborative process among various pricing experts and sources in the marketplace. Although the estimate represents an attempt to reasonably reflect the stressed market conditions that currently exist, the amount actually realized if the securities were liquidated at this time could be more or less than the estimate. Moreover, these estimates of current market value are not predictive of the ultimate amount likely to be realized from these securities. Fund B’s investment objective is to maximize the present value of distributions to participants. If, in the judgment of the portfolio manager, fair value exceeds liquidation value at points in the future, then complete or partial liquidations of securities could be deferred for an extended period of time; e.g., a four- to five-year horizon for complete termination or self-liquidation of Fund B.

<sup>2</sup> Amortized cost is calculated using a straight line method.

The securities held in Fund B result from workouts of the LGIP’s original holdings from 4 issuers – Axon, KKR Atlantic, KKR Pacific and Ottimo. The purpose of Fund B is to maximize the present value of distributions to participants through a prudent workout with an ultimate goal of liquidation. As a result, the maturity dates of each holding in Fund B will be dependent on the maturity date or earlier liquidation, if prudent, of the collateral securities underlying each of these holdings and will be contingent upon future market conditions and other factors.

The collateral manager, Apollo Global Management, is the source for data shown above other than market value. See note 1.

The amounts shown above are the value of investments. Income accruals, payables and uninvested cash are not included. The data is unaudited.



# FUND B

## COMPLIANCE AND TRADING ACTIVITY

### COMPLIANCE WITH INVESTMENT POLICY - DECEMBER 2012

Investment Policy Statement Compliance is conducted on Fund B by SBA Risk Management and Compliance and reported on a monthly basis to the Investment Oversight Group. Portfolio activity is reviewed to ensure that transactions and holdings are in compliance with guideline requirements and with those stipulated in the respective Investment Management Agreements with Apollo Global Management, the collateral manager for the four special purpose entities held in Fund B (Florida East Funding LLC, Florida West Funding LLC, Florida Funding I LLC, and Florida Funding II LLC). Since the principal holdings in the fund are the notes issued by these special purpose entities, and no deposits or withdrawals are permitted by participants, transactions are typically limited to 1) the receipt cash flows from the underlying note collateral, 2) the investment of these cash flows in AAAM money market funds, and 3) periodic distributions to participants. Apollo Global Management can also sell, exchange, or restructure the notes, consistent with the objective of maximizing the present value of cash flows from the collateral. For the month of December 2012, Fund B was in compliance with its Investment Policy Statement.

### TRADING ACTIVITY - DECEMBER 2012

Security Description	Trade Date	Settlement Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain (Loss)
				\$	\$	\$	\$
<b>Buys</b>							
DREYFUS GOVERNMENT CASH MANAGEMENT	12/04/12	12/04/12	8	8	0	8	0
DREYFUS GOVERNMENT CASH MANAGEMENT	12/31/12	12/31/12	3,977,036	3,977,036	0	3,977,036	0
<b>Total Buys</b>			<b><u>3,977,044</u></b>	<b><u>3,977,044</u></b>	<b><u>\$0</u></b>	<b><u>\$3,977,044</u></b>	<b><u>\$0</u></b>
<b>Sells</b>							
FLORIDA FUNDING I LLC	12/31/12	12/31/12	593,507	593,507	0	593,507	0
FLORIDA EAST FUNDING LLC	12/31/12	12/31/12	984,190	984,190	0	984,190	0
FLORIDA WEST FUNDING LLC	12/31/12	12/31/12	1,199,228	1,199,228	0	1,199,228	0
FLORIDA FUNDING II	12/31/12	12/31/12	1,045,524	1,045,524	0	1,045,524	83
DREYFUS GOVERNMENT CASH MANAGEMENT	12/03/12	12/03/12	58	58	0	58	0
DREYFUS GOVERNMENT CASH MANAGEMENT	12/07/12	12/07/12	4,710,000	4,710,000	0	4,710,000	0
DREYFUS GOVERNMENT CASH MANAGEMENT	12/20/12	12/20/12	2,010	2,010	0	2,010	0
<b>Total Sells</b>			<b><u>8,534,519</u></b>	<b><u>8,534,519</u></b>	<b><u>0</u></b>	<b><u>8,534,519</u></b>	<b><u>83</u></b>

Note: In the Trading Activity table above, the gain reflected on the sales from Florida Funding II is an accounting gain. The original Axon Financial Funding LLC security was purchased at a discount and was deemed "in default" prior to the original maturity date. At the point of becoming "in default," amortization of the discount was terminated thus leaving the cost of the security less than par. Any principal payment received at par will result in recognition of a gain, calculated as Proceeds less Cost Basis of the par value being sold.

## Our Mission

Our mission is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary, and professional standards.



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