Palm Beach County School District

Investment Performance Review
Quarter Ended March 31, 2007

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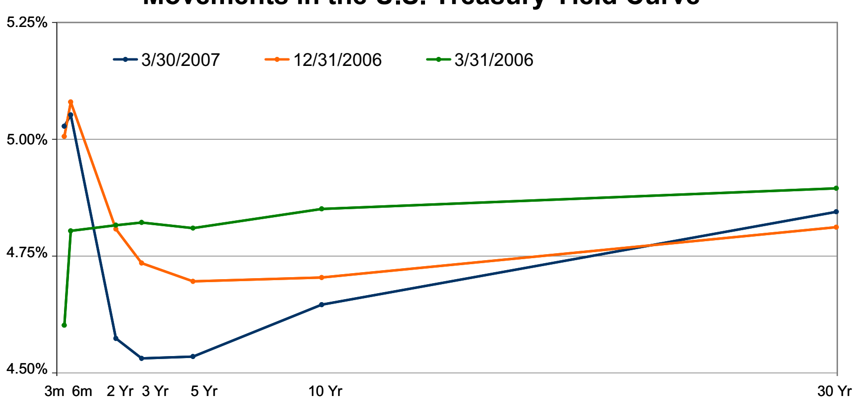
MARKET REVIEW

The economy continued its trend of temperate growth in the first quarter of 2007, while inflation stubbornly hovered above the Fed's comfort zone. Fixed income investors and the Federal Open Market Committee (FOMC) acted as if in parallel universes, investors pushed bond prices modestly higher in anticipation of an imminent Fed easing, while Fed governors cautioned that their outlook did not support such an action. The FOMC in fact met twice in the quarter to consider interest rate policy, and both times decided to keep the target overnight rate unchanged at 5.25%. More important, they failed to signal an immediate change to monetary policy which has kept the overnight rate unchanged for nine months.

Yields and Returns

Bond prices rose modestly in the quarter, pushing down yields, especially in intermediate duration securities, and further inverting the U.S. Treasury yield curve. As the following chart and table show, by the end of the quarter investors in three year U.S. Treasury notes would give up 72 basis points of yield compared to the Federal Funds rate (4.53%-5.25%). This is an increase in the negative spread of 20 basis points compared to December 31st. In fact, this last quarter has pushed the yield curve to its most steeply inverted position over the last 12 months.

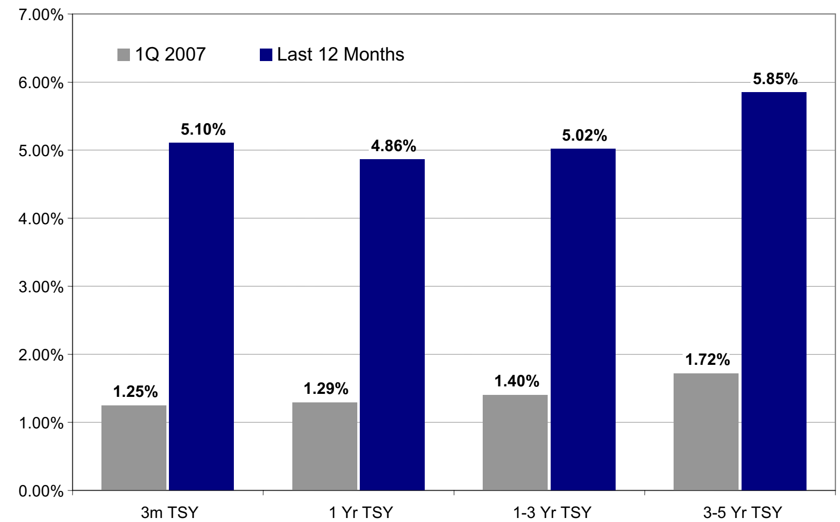
Movements in the U.S. Treasury Yield Curve



	3 Month	6 Month	2 Year	3 Year	5 Year	10 Year	30 Year
3/31/2007	5.03%	5.05%	4.57%	4.53%	4.54%	4.65%	4.85%
12/31/2006	5.01%	5.08%	4.81%	4.74%	4.70%	4.70%	4.81%
3/31/2006	4.60%	4.80%	4.82%	4.82%	4.81%	4.85%	4.90%
	Change (in basis points)						
On Quarter	2	-3	-23	-20	-16	-6	3
On Year	43	25	-24	-29	-28	-21	-5

First quarter returns of intermediate-term U.S. Treasury benchmarks were somewhat better than cash and other short-term benchmarks (see chart below). For example, the return of the 1-3 year U.S. Treasury benchmark of 1.40% (equal to 5.73% on an annualized basis) was moderately higher than the return on the three-month U.S. Treasury benchmark of 1.25% (equal to 5.08% annualized).

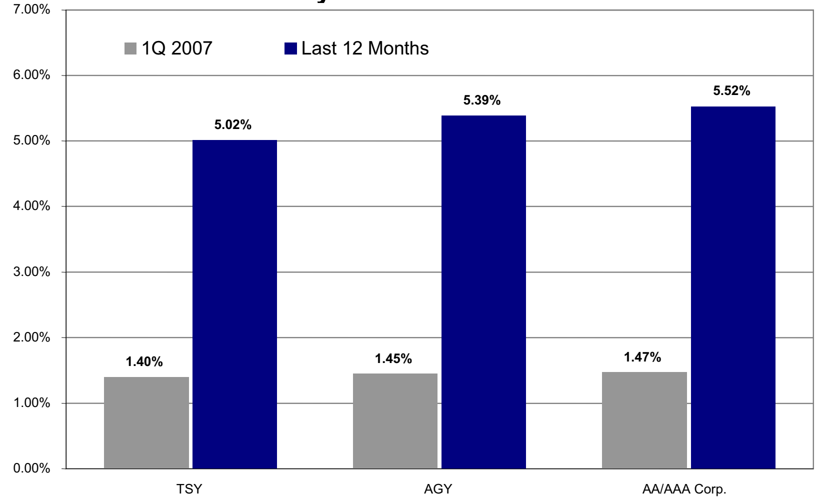
Merrill Lynch U.S. Treasury Index Returns
1Q 2007 and Last 12 Months



For the previous 12 months though, returns among intermediate-term benchmarks and cash have been even closer, with the 1-3 Year U.S. Treasury benchmark returning 5.02%, just under the 5.10% return on the three-month U.S. Treasury benchmark. Longer-duration portfolios performed better, both in the quarter and 12 month period, with the 3-5 Year U.S. Treasury benchmark returning 1.72% for the quarter and 5.85% for the last 12 months.

U.S. Treasury, Agency and corporate benchmarks all had similar returns in the quarter (see chart on following page). While corporate and Federal Agency securities offered a yield advantage against U.S. Treasuries, spread-widening eroded some of this advantage so that there were only modest differences in returns of sector-specific benchmarks.

Duration Adjusted Returns
Merrill Lynch 1-3 Year Indices



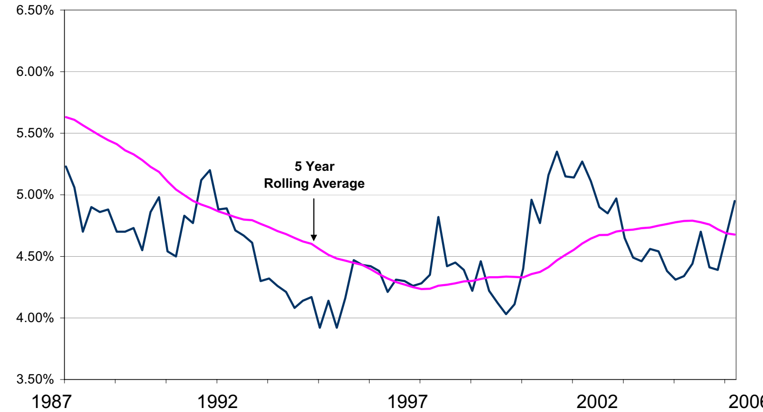
The inverted yield curve experienced in the last 9 months has brought with it speculation that the U.S. economy is headed for recession. In fact an inverted yield curve has predicted every U.S. recession in the last 55+ years, with only one "false" reading. If the outcome is different this time, it may be as a result of the effects of globalization, with the strength of the world economy pulling the U.S. economy through, just as strong domestic growth supported a lagging economy in Europe and Japan in past years.

The U.S. economy grew at a respectable 2.5% in the last quarter of 2006, in line with Fed Chairman Ben Bernanke's estimates. The Fed expects growth to rebound later this year. A poll of 70 economists by Bloomberg put the median GDP for the first quarter of 2007 at 2.4%, slower than average, but not completely stalled.

Housing

The first quarter saw a continued down trend in the housing sector. Loose bank credit standards and the recent history of low short-term interest rates boosted home ownership and housing prices in the past several years. The darker side of this trend presented itself in the past several quarters as sub-prime mortgage delinquencies rose to their highest levels since 2002 – while the delinquencies of all mortgages rose to almost 5% as of December 31st, sub-prime delinquencies were worse, coming in at over 13%. Interestingly, during the last two U.S. recessions, delinquency rates showed similar trends (see chart above – blue highlighted regions represent the last two U.S. recessions).

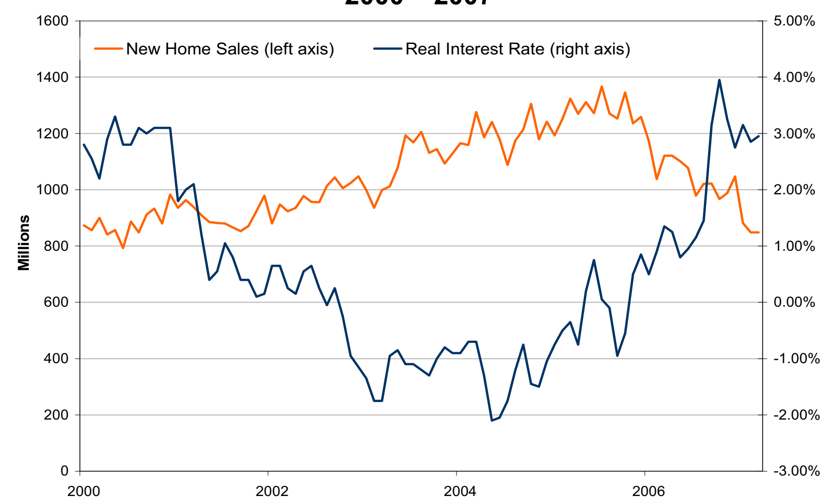
Delinquent Mortgages as a Percentage of All Mortgages
Last Five Years



Some in the market judge delinquent borrowers as the force that will ultimately send the housing sector to its knees.

Low real interest rates also contributed to previous overheating in the housing market. One measure of real interest rates is the difference between Fed Funds and the Consumer Price Index. As seen from the following chart, the very low borrowing costs experienced early in the decade corresponded with a boom in housing, and as the real rate of interest rose in recent quarters, housing growth (as measured by new home sales) experienced a major slowdown.

Real Interest Rates and New Home Sales
2000 – 2007



Inflation

Although many economists expect consumer prices to fall slightly in the immediate future, inflation remains troublesome. Despite the Fed Funds rate at its highest level in the last six years, consumer prices have risen 2.4% over the past year. One of the Fed's favored inflation gauges, the PCE Core Deflator, which tracks the price of a variable basket of goods excluding food and energy, rose to 2.4% in February. Core PCE has not experienced a level above 2.4% in over 10 years. With this level of current inflation, and because the Fed puts more emphasis on the PCE Deflator as an inflationary measure, it would seem a stretch for the Fed to ease short-term rates in the near future.

Global tensions in the energy sector once again pushed both oil and gasoline higher, with regular gasoline averaging almost $2.70 per gallon at the pump, up over 15% since the first of the year. Oil rose almost as much, up 8% since December 31st. With rising oil prices, producers face serious challenges in controlling production costs, and may well pass these increases on to consumers in coming months.

Consumers

Adding to the uncertain outlook, consumer spending, which makes up roughly 2/3 of GDP, has faded. While consumer spending slowed, wages ended the quarter on a strong note, up 4% over the previous 12 months, and continued a strong uptrend that started over three years ago. Unemployment, hovering around 4.5% for the last quarter, is at its lowest level in almost six years. If unemployment and wage growth remain strong, consumer spending could expand, and this could be a recipe for stronger growth and/or increased inflation.

Equity Markets

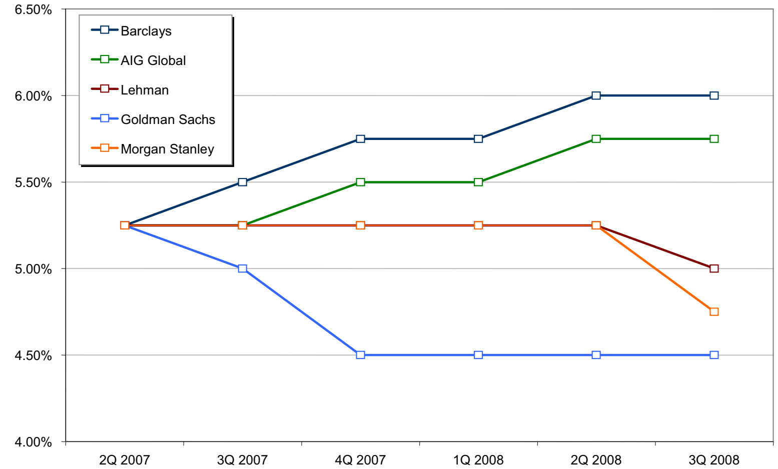
Equity markets reacted to the housing and sub-prime mortgage problems. In late February, former Fed Chairman Alan Greenspan voiced his concerns about the cooling housing market and worrisome sub-prime mortgage problems by saying that there is a one-in-three possibility of the economy slipping into a recession in 2007.

The next day, February 27th, China's Shanghai Composite Index experienced what would later be called a "serious correction", plunging 9%. Already frustrated U.S. markets reacted to this, along with Greenspan's comments, with the biggest one day drop in equities since September 2001. Both the Dow and S&P 500 Indices shed over 3%. The sell-off was brief, however, and by the end of March U.S. equity markets had returned all gains earned since the beginning of 2007. European and Asian markets outperformed over the quarter based on the prospect for stronger growth in local economies and a weakening Dollar.

Economic Forecasts

Economists are divided in predicting the Fed's next moves. Some believe the Fed will remain on hold, while others estimate an increase or decrease by as much as 75 basis points by the third quarter of 2008 (see chart).

Economists Estimated Fed Funds Rate



The disagreement extends to other economic metrics as well. For example, in a survey asking over 60 economists the position of the Two Year U.S. Treasury note by the end of the second quarter, views ranged from a high of 5.65% to a low of just under 4%. The median and average were 4.75% and 4.72%, not too far from where the Two Year U.S. Treasury note ended the first quarter.

Outlook

Looking forward, the outlook for the economy is cloudy. The market will remain data-dependent in the near term; upcoming readings on consumer spending and the housing market will be pivotal in the market's response to Fed policy.

The Fed's reputation in balancing growth with contained inflation is at stake, as the market leans toward the lowering of rates. The current inversion of the yield curve conflicts with the Fed's thoughts about current growth and inflation. Two Year U.S. Treasuries have traded roughly 50 basis points below the Fed Funds rate, which speaks for a lowering of short-term rates. Whether the Fed has made the correct decision regarding interest rates remains to be seen.

Thus far, the Fed's credibility has held as long-term rates have remained somewhat low, which points to a lower future inflation outlook. We expect moderate growth, with GDP expanding at 2-2.5% in the next several quarters, and with the current level of inflation, we believe it is best to take a cautious approach, staying close to benchmarks so that future results do not surprise.

Investment Portfolio Summary[1]

Total Portfolio Value[2]	March 31, 2007	December 31, 2006
Market Value	**$84,032,105.53**	$84,527,587.32
Amortized Cost	**$84,151,528.78**	$84,838,707.92

PORTFOLIO STRATEGY

- The economy maintained stable growth for the 1st quarter of 2007 with annualized GDP growth of 2.5%. Economic indicators sent mixed signals resulting in continued uncertainty related to the economic outlook. The yield curve has been inverted for more than 14 months, which has historically signaled a recession, although not all market participants are convinced this will occur as a result of globalization, and the economy continues to grow, providing support for this idea.

- Non-farm payrolls were mixed during the quarter, but finished the quarter with a stronger than expected March report of 180,000 jobs added for the month, which was an additional 455,000 jobs for the quarter. This report resulted in an increase of 10 – 15 basis points in the short end of the yield curve just after quarter end.

- The ISM index for Manufacturing continued the slowdown from the 4th quarter of 2006 from below the expansion rate of 50 and improved slightly to just above 50 during February and March.

- The Federal Open Market Committee maintained the Federal Funds rate of 5.25% in March for the sixth consecutive meeting. The FOMC changed their stance regarding inflation during the meeting and changed a key component of the meeting minutes eliminating the strong tightening stance as a result of the varied economic results.

- The District's Investment Portfolio return of 1.41% performed in line with the Merrill Lynch 1-3 Year U.S. Treasury Note Index benchmark return of 1.40%, primarily as a result of identifying Treasury/Agency swap transactions which provided additional yield. The short of the benchmark duration strategy has proven effective over the longer term, and the portfolio has outperformed the benchmark by 33 basis points for the last 12 months.

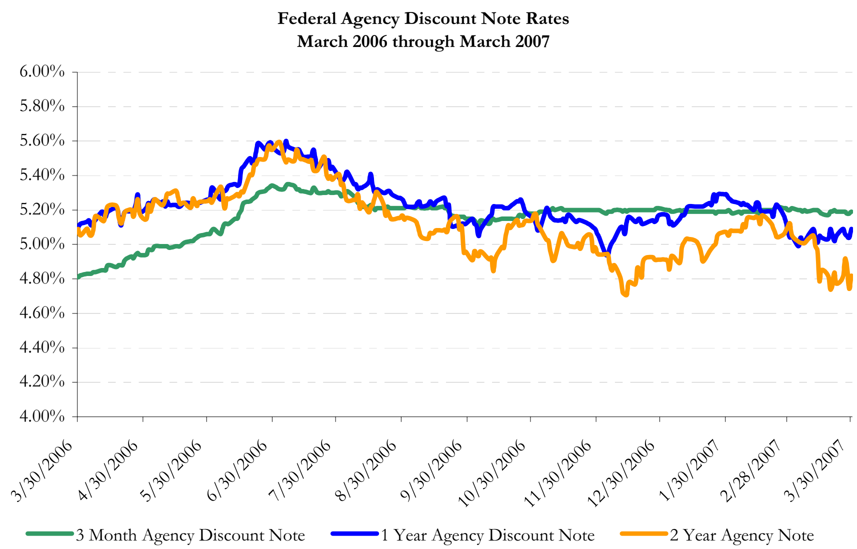
- PFM identified "duration neutral" sector swaps that provided a yield advantage without extending the duration of the trade. PFM sold existing Treasury Notes and purchased Federal Agency Notes with similar maturities, while picking up an additional 19 – 43 basis points.

PORTFOLIO STRATEGY

- Federal Funds futures contracts for December 2007 have been trading between 4.80% - 5.00% suggesting market participants believe the FOMC may begin easing (lowering) the Federal Funds rate up to 50 basis points in the latter half of 2007.

- PFM will seek to maintain a duration strategy between 92% - 97% of the benchmark and take advantage of trading opportunities and volatility as a result of the uncertainty in the economy.

- Federal Agency sector offered attractive yields during the 1st quarter of 2007, as spreads to U.S. Treasuries widened considerably from the narrow levels during the 4th quarter of 2006. PFM will continue to seek opportunities to benefit from sector trades for the portfolio.



Notes:

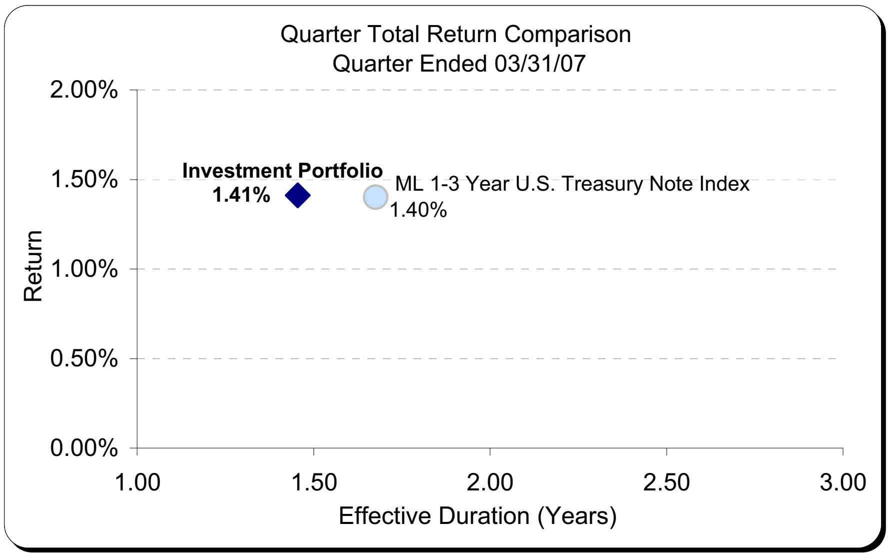
1. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balance.
2. End of quarter trade-date market values of portfolio holdings, including accrued interest.

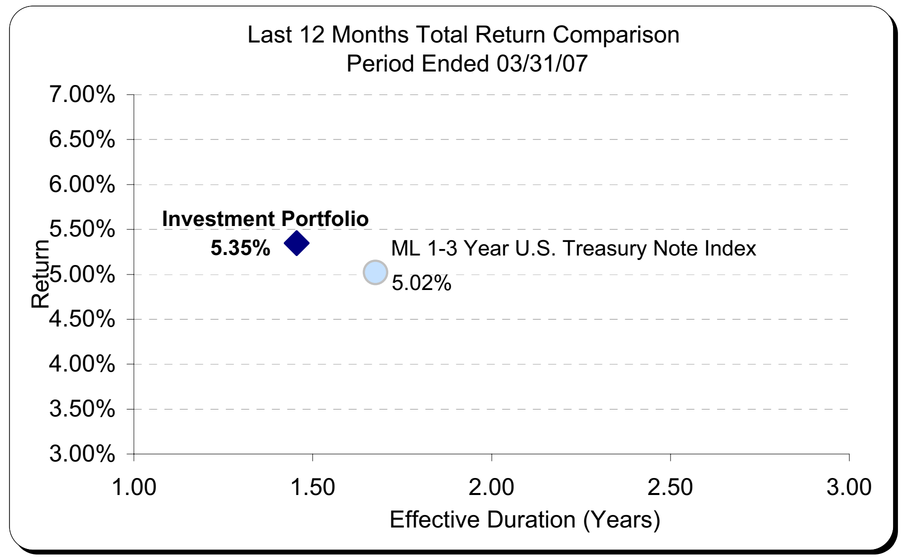
Investment Portfolio Performance

Total Return[1,2,3,4,5,6]	Quarterly Return March 31, 2007	Annualized Quarter	Last 12 Months	Last 24 Months	Since Inception on 12/31/98
Investment Portfolio	**1.41%**	**5.85%**	**5.35%**	**3.98%**	**4.38%**
Merrill Lynch 1-3 Year U.S. Treasury Note Index	1.40%	5.81%	5.02%	3.66%	4.21%

Effective Duration (Years)[4]	March 31, 2007	December 31, 2006
Investment Portfolio	**1.46**	**1.61**
ML 1-3 Year U.S. Treasury Note Index	1.68	1.68

Yields	March 31, 2007	December 31, 2006
Yield at Market	**5.05%**	5.02%
Yield at Cost	**4.77%**	4.72%



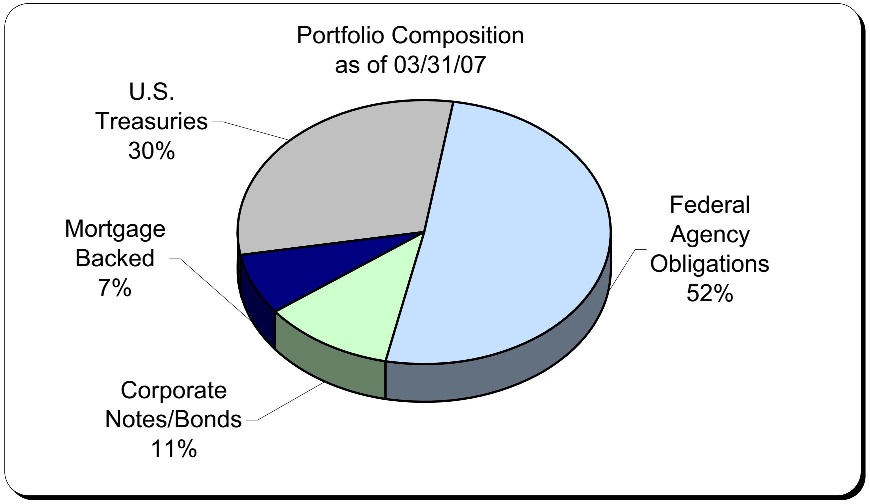


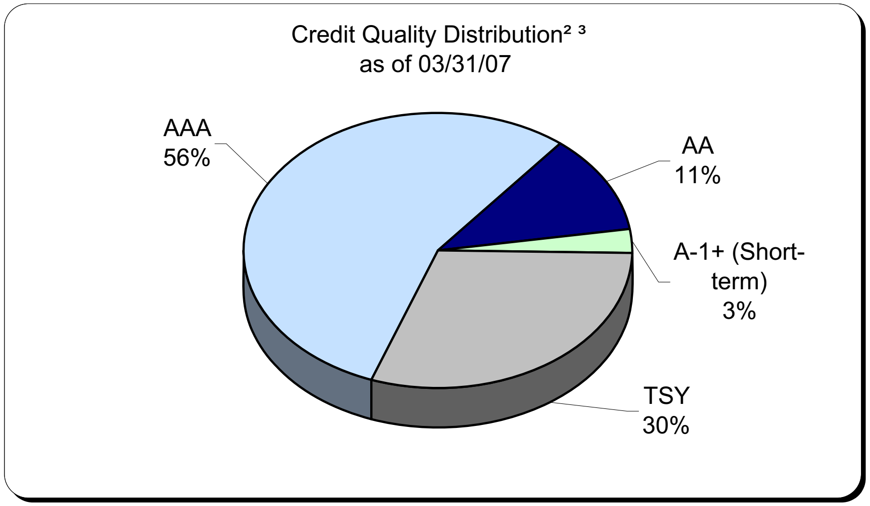
Notes:

1. Performance on trade date basis, gross (i.e., before fees), is in accordance with The CFA Institute's Global Investment Performance Standards (GIPS).
2. Merrill Lynch Indices provided by Bloomberg Financial Markets.
3. Quarterly returns are presented on both an unannualized and annualized basis. The annualized return assumes the quarterly return is compounded at the same rate for four quarters and is presented for reference only. The actual annual return will be the result of chaining the most recent four quarterly returns.
4. Excludes money market fund/cash in performance and duration computations.
5. Returns presented for 12 months or longer are presented on an annual basis.
6. Past performance is not indicative of future results.

Investment Portfolio Composition and Credit Quality Characteristics

Security Type[1]	March 31, 2007	% of Portfolio	December 31, 2006	% of Portfolio
U.S. Treasuries	**$25,337,738.26**	**30.2%**	$36,769,090.44	43.5%
Federal Agencies	**42,801,023.81**	**50.9%**	35,591,126.21	42.1%
Commercial Paper	**0.00**	**0.0%**	0.00	0.0%
Certificates of Deposit	**0.00**	**0.0%**	0.00	0.0%
Bankers Acceptances	**0.00**	**0.0%**	0.00	0.0%
Repurchase Agreements	**0.00**	**0.0%**	0.00	0.0%
Municipal Obligations	**0.00**	**0.0%**	0.00	0.0%
Corporate Notes/Bonds	**9,626,944.60**	**11.5%**	5,479,395.45	6.5%
Mortgage Backed	**6,266,398.86**	**7.5%**	6,687,975.22	7.9%
Money Market Fund/Cash	**0.00**	**0.0%**	0.00	0.0%
Totals	**$84,032,105.53**	**100.0%**	$84,527,587.32	100.0%



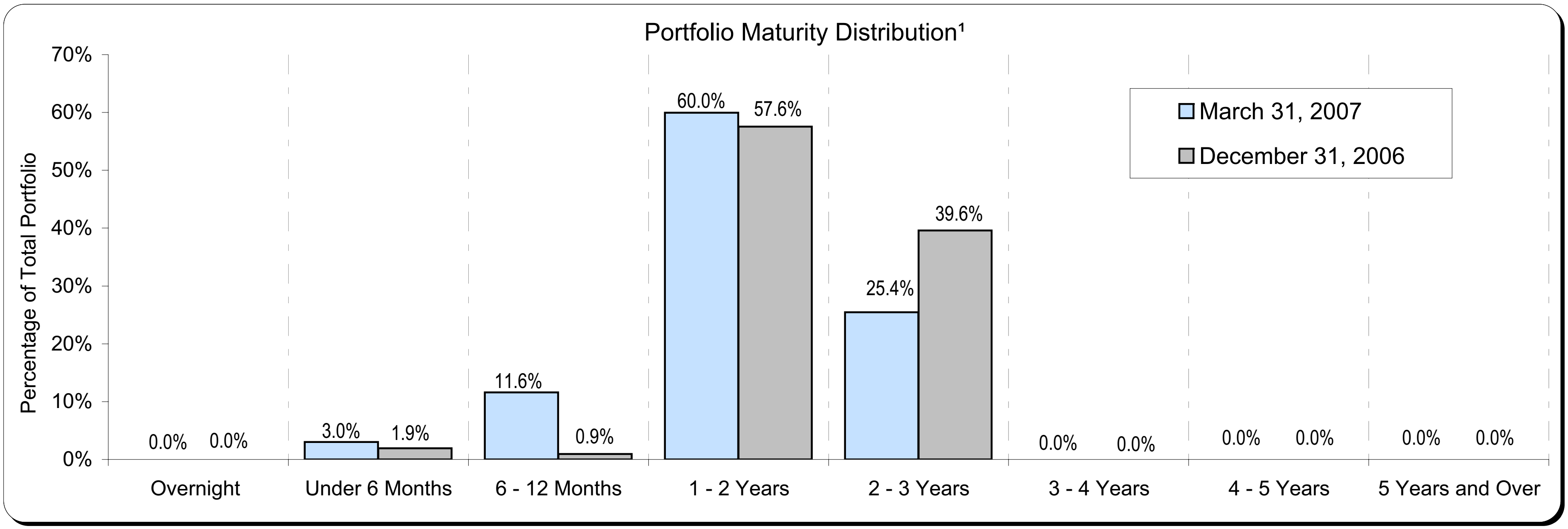


Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. Credit rating of securities held in portfolio, exclusive of money market fund/LGIP.
3. A rating of "TSY" indicates the security is an obligation of, or explicitly guaranteed by the U. S. Government.

Investment Portfolio Maturity Distribution

Maturity Distribution[1]	March 31, 2007	December 31, 2006
Overnight (Money Market Fund)	**$0.00**	$0.00
Under 6 Months	**2,528,296.04**	1,624,798.50
6 - 12 Months	**9,735,350.26**	784,061.30
1 - 2 Years	**50,392,949.14**	48,655,360.52
2 - 3 Years	**21,375,510.09**	33,463,367.00
3 - 4 Years	**0.00**	0.00
4 - 5 Years	**0.00**	0.00
5 Years and Over	**0.00**	0.00
Totals	**$84,032,105.53**	$84,527,587.32



Notes:

1. Callable securities in portfolio are included in the maturity distribution analysis to their stated maturity date, although they may be called prior to maturity.

Trade Analysis for March 2, 2007

Transaction Date: March 2, 2007

Transaction	Security	Par Value	Price	Yield at Market	Benefit	Gain/Loss	Additional Earnings
Sold	U.S. Treasury Notes (9/15/08)	$3,375,000.00	$97.6406	4.735%		20,832.37	
Purchased	U.S. Treasury Notes (3/31/08)	$3,375,000.00	$99.6836	4.926%	0.191%		10,081.22
Total Estimated Benefit from Transaction to Original Maturity							$10,081.22

Transaction	Security	Par Value	Price	Yield at Market	Benefit	Gain/Loss	Additional Earnings
Sold	U.S. Treasury Notes (5/15/08)	$3,465,000.00	$98.7188	4.853%		(33,424.62)	
Purchased	FHLMC Global Notes (9/15/08)	$3,352,000.00	$98.0769	4.939%	0.086%		3,642.10
Total Estimated Benefit from Transaction to Original Maturity							$3,642.10

Transaction	Security	Par Value	Price	Yield at Market	Benefit	Gain/Loss	Additional Earnings
Sold	U.S. Treasury Notes (5/15/08)	$660,000.00	$98.7187	4.853%		(4,230.48)	
Purchased	FHLB Discount Notes (3/30/07)	$660,000.00	$99.5959	5.289%	0.436%		3,517.07
Total Estimated Benefit from Transaction to Original Maturity							$3,517.07

Total Estimated Benefit from Transactions	**$17,240.39**

Transaction Commentary:
In accordance with Section III. Investment Objectives, of the District's Investment Policy, from time to time, securities may be traded for other similar securities to improve yield, maturity, or credit risk. For these transactions, a loss may be incurred for accounting purposes, provided any of the following occurs with respect to the replacement security: 1) The yield has been increased, 2) the maturity has been reduced, or lengthened, 3)or the quality of the investment has been improved.

The transactions presented were executed in accordance with Section III Investment Objectives of the District's Investment Policy to 1) Increase Yield as part of PFM's overall active management strategy for the District's investment portfolio, which should also increase the portfolio's total return. The performance of this portfolio should be evaluated based on the total return versus the District's 1-3 Year U.S. Treasury Index benchmark. PFM calculates the total return of the District's investment portfolio in a manner consistent with the CFA Institute's Global Investment Performance Standards.

Notes:
1. The total estimated benefit from the transaction is based on the net of the benefit in yield and the gain or loss on the transaction. The benefit is calculated on a 30/360 day basis until the earlier of: 1) original maturity of the sold security, 2) new maturity of the purchased security. Total purchase may not equal to proceeds from sold securities as a result of additional income included in purchase or from a portion of maturity not reinvested. Calculations based on lesser of amount sold or reinvested.

Trade Analysis for March 5, 2007

Transaction Date: March 5, 2007

Transaction	Security	Par Value	Price	Yield at Market	Benefit	Gain/Loss	Additional Earnings
Sold	U.S. Treasury Notes (7/31/08)	$1,750,000.00	$100.4258	4.681%		7,058.04	
Purchased	FNMA Global Note (7/15/08)	$1,780,000.00	$98.6297	4.925%	0.244%		5,906.83
Total Estimated Benefit from Transaction to Original Maturity							$5,906.83

Transaction	Security	Par Value	Price	Yield at Market	Benefit	Gain/Loss	Additional Earnings
Sold	U.S. Treasury Notes (10/31/08)	$2,247,000.00	$100.3828	4.628%		225.67	
Purchased	FFCB Notes (8/11/08)	$2,340,000.00	$97.7829	4.919%	0.291%		9,535.71
Total Estimated Benefit from Transaction to Original Maturity							$9,535.71

Total Estimated Benefit from Transactions	**$15,442.54**

Transaction Commentary:
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Trade Analysis for March 28, 2007

Transaction Date: March 28, 2007

Transaction	Security	Par Value	Price	Yield at Market	Benefit	Gain/Loss	Additional Earnings
Sold	U.S. Treasury Notes (8/15/09)	$4,155,000.00	$100.6641	4.576%		12,819.03	
Purchased	Wal-Mart Global Notes (8/10/09)	$4,000,000.00	$104.1980	4.969%	0.393%		37,815.33
Total Estimated Benefit from Transaction to Original Maturity							37,815.33

Total Estimated Benefit from Transactions	**$37,815.33**

Transaction Commentary:

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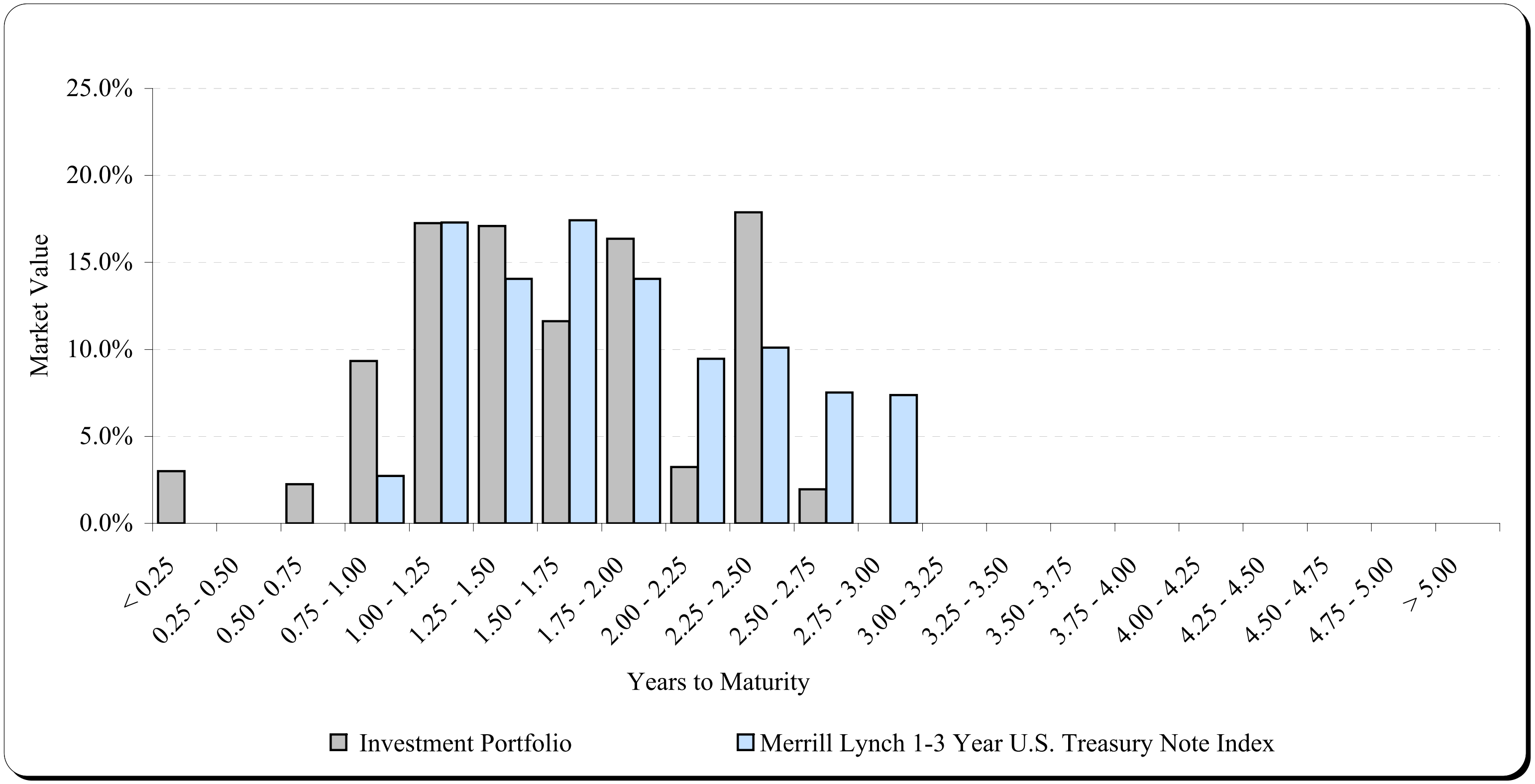
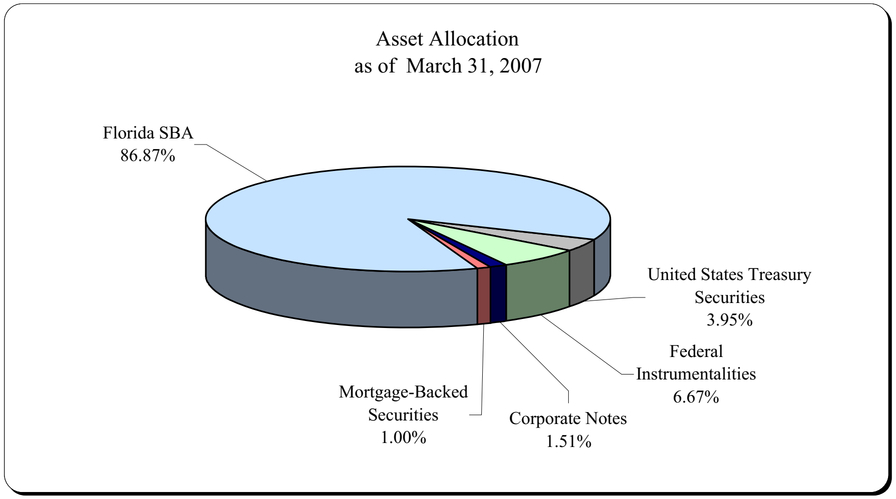
Investment Portfolio Maturity Distribution versus the Benchmark[1]



Notes:

1. Due to the nature of the security, Mortgage-Backed Securities are represented based on their average life maturity rather than their final maturity.

Security Type	March 31, 2007	Notes	Permitted by Policy
Florida SBA	86.87%		**100%**
United States Treasury Securities	3.95%		**100%**
United States Government Agency Securities	0.00%		**50%**
Federal Instrumentalities	6.67%	1	**80%**
Certificates of Deposit	0.00%		**25%**
Repurchase Agreements	0.00%		**50%**
Commercial Paper	0.00%		**35%**
Corporate Notes	1.51%		**15%**
Mortgage-Backed Securities	1.00%	1	**25%**
Bankers' Acceptances	0.00%		**35%**
State and/or Local Government Debt	0.00%		**20%**
Fixed Income Money Market Mutual Funds	0.00%		**50%**
Intergovernmental Investment Pool	0.00%		**0%**



Individual Issuer Breakdown	March 31, 2007	Notes	Permitted by Policy
Government National Mortgage Association (GNMA)	0.00%		**25%**
US Export-Import Bank (Ex-Im)	0.00%		**25%**
Farmers Home Administration (FMHA)	0.00%		**25%**
Federal Financing Bank	0.00%		**25%**
Federal Housing Administration (FHA)	0.00%		**25%**
General Services Administration	0.00%		**25%**
New Communities Act Debentures	0.00%		**25%**
US Public Housing Notes & Bonds	0.00%		**25%**
US Dept. of Housing and Urban Development	0.00%		**25%**
Federal Farm Credit Bank (FFCB)	1.32%		**50%**
Federal Home Loan Bank (FHLB)	1.67%		**50%**
Federal National Mortgage Association (FNMA)	2.82%		**50%**
Federal Home Loan Mortgage Corporation (FHLMC)	1.85%		**50%**
Student Loan Marketing Association (SLMA)	0.00%		**50%**

Individual Issuer Breakdown	March 31, 2007	Notes	Permitted by Policy
CD - Bank A	0.00%		**15%**
CD - Bank B	0.00%		**15%**
Fully collateralized Repo - A	0.00%		**25%**
Fully collateralized Repo - B	0.00%		**25%**
CP A	0.00%		**10%**
CP B	0.00%		**10%**
CP C	0.00%		**10%**
CP D	0.00%		**10%**
CP E	0.00%		**10%**
Wells Fargo	0.62%		**10%**
Bank of America	0.23%		**10%**
Wal-Mart	0.66%		**10%**
Corporate Notes D	0.00%		**5%**
Corporate Notes E	0.00%		**10%**
BA Bank A	0.00%		**20%**
BA Bank B	0.00%		**25%**
Municipal Notes/Bonds	0.00%		**20%**
Money Market Fund A	0.00%		**0%**

Notes:

1. The combined total of Federal Instrumentalities and Mortgage Backed Securities can not be more than 80%. The combined total as of March 31, 2007 is 7.67%.

* No Bond Proceeds.

Investment Portfolio Information For

PALM BEACH CNTY FL S/D

Portfolio #

68890100

Section / Report Title

For The Month Ending

March 31, 2007

PALM BEACH COUNTY, FL
LEANNE EVANS, TREASURY DEPARTMENT
PALM BEACH COUNTY SCHOOL DISTRICT
3300 FOREST HILLS BLVD, A-334
WEST PALM BEACH FL 33406-5813

PFM Asset Management LLC

Account Summary: *68890100 PALM BEACH CNTY FL S/D*

(Excluding Cash)

MONTH ENDED: March 31, 2007

SECURITY TYPE	PAR VALUE	AMORTIZED COST	MARKET VALUE	MARKET % OF PORTFOLIO	YTM AT COST	YTM AT MARKET	DURATION TO WORST
CORPORATE NOTE	9,429,000.00	9,609,011.35	9,567,633.85	11.480	4.719	5.168	1.574
FED AGY BOND/NOTE	40,212,000.00	39,936,063.68	39,965,401.90	47.953	4.969	4.945	1.448
FED AGY DN	2,540,000.00	2,528,735.81	2,528,296.04	3.034	5.174	5.208	0.085
FED AGY MBS	6,345,792.73	6,369,987.85	6,244,315.96	7.492	3.522	6.881	0.707
US TSY BOND/NOTE	25,003,000.00	25,019,080.37	25,037,808.06	30.042	4.746	4.703	1.660
TOTAL SECURITIES	**83,529,792.73**	**83,462,879.06**	**83,343,455.81**	**100.000**	**4.771 %**	**5.051 %**	**1.429**
TOTAL INVESTMENTS	**83,529,792.73**	**83,462,879.06**	**83,343,455.81**	**100.000 %**			
ACCRUED INTEREST		688,649.72	688,649.72				
TOTAL PORTFOLIO	**$83,529,792.73**	**$84,151,528.78**	**$84,032,105.53**				

PFM Asset Management LLC

Detail of Securities Held: *68890100* *PALM BEACH CNTY FL S/D*

(Excluding Cash) MONTH ENDED: March 31, 2007

SECURITY TYPE CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	S&P RATING	TRADE DATE	SETTLE DATE	ORIGINAL COST	YTM AT COST	ACCRUED INTEREST	AMORTIZED COST	MARKET VALUE
CORPORATE NOTE												
949746JQ5	WELLS FARGO & COMPANY GLOBA	4,000,000	4.125	03/10/08	AA+	03/15/05	03/18/05	3,978,480.00	4.319	9,625.00	3,992,912.84	3,954,672.00
066050CV5	BANK OF AMERICA CORP GLOBAL S	1,429,000	5.875	02/15/09	AA	02/28/06	03/03/06	1,459,251.93	5.092	10,727.42	1,448,734.75	1,449,441.85
931142BE2	WAL-MART STORES GLOBAL NOTES	4,000,000	6.875	08/10/09	AA	03/23/07	03/28/07	4,167,920.00	4.969	38,958.33	4,167,363.76	4,163,520.00
		9,429,000						9,605,651.93	4.719	59,310.75	9,609,011.35	9,567,633.85
FED AGY BOND/NOTE												
31359MXP3	FNMA NOTES	3,065,000	3.875	02/01/08	AAA	05/09/06	05/10/06	2,994,734.88	5.279	19,794.79	3,030,420.39	3,034,350.00
3133MVZA4	FHLB TAP NOTES	835,000	3.375	02/15/08	AAA	05/04/05	05/05/05	821,448.79	3.997	3,600.94	830,599.33	822,475.00
3133XBJQ9	FHLB GLOBAL NOTES	2,200,000	4.125	04/18/08	AAA	07/18/06	07/20/06	2,150,957.60	5.478	41,089.58	2,170,115.73	2,179,375.00
3133XBSV8	FHLB TAP NOTES	3,070,000	4.000	06/13/08	AAA	05/31/05	06/02/05	3,078,810.90	3.898	36,840.00	3,073,599.94	3,034,503.13
31359MZX4	FNMA GLOBAL NOTES(CALLABLE)	2,535,000	5.000	07/03/08	AAA	10/02/06	10/10/06	2,528,510.40	5.152	30,983.33	2,530,387.90	2,535,792.19
31359ME41	FNMA GLOBAL BENCHMARK NOTES	1,780,000	3.875	07/15/08	AAA	03/02/07	03/05/07	1,755,608.66	4.925	14,561.39	1,756,884.03	1,756,081.25
31331TSW2	FFCB NOTES	2,340,000	3.300	08/11/08	AAA	03/02/07	03/05/07	2,288,119.86	4.919	10,725.00	2,290,677.11	2,289,543.75
31359MSQ7	FNMA GLOBAL BENCHMARK NOTES	2,500,000	3.250	08/15/08	AAA	07/31/06	08/01/06	2,404,652.50	5.246	10,381.94	2,434,810.75	2,444,531.25
3134A4UD4	FHLMC GLOBAL REFERENCE NOTES	3,352,000	3.625	09/15/08	AAA	02/28/07	03/02/07	3,287,537.69	4.939	5,400.44	3,290,866.93	3,292,292.50
31359MTF0	FNMA NOTES (CALLABLE)	2,000,000	3.750	09/15/08	AAA	11/30/05	12/05/05	1,948,156.00	4.755	3,333.33	1,972,058.54	1,967,500.00
3133XDT76	FHLB TAP NOTES	2,000,000	4.750	12/12/08	AAA	01/27/06	01/30/06	1,998,972.00	4.764	28,763.89	1,999,441.56	1,995,000.00
31331SNF6	FFCB GLOBAL DESIGNATED BONDS	4,250,000	3.750	01/15/09	AAA	07/05/06	07/06/06	4,076,549.00	5.503	33,645.83	4,124,831.81	4,167,656.25
31359MEK5	FNMA GLOBAL BENCHMARK NOTES	1,285,000	5.250	01/15/09	AAA	01/03/06	01/06/06	1,304,334.11	4.710	14,242.08	1,296,763.43	1,292,629.69
31359ME74	FNMA GLOBAL NOTES (CALLABLE)	2,770,000	5.000	01/23/09	AAA	10/02/06	10/10/06	2,764,404.60	5.091	26,161.11	2,765,688.91	2,774,328.13
31331ST78	FFCB BONDS	2,000,000	4.250	01/26/09	AAA	01/27/06	01/30/06	1,971,118.00	4.774	15,347.22	1,981,955.90	1,977,500.00
3134A3M78	FHLMC GLOBAL REFERENCE NOTES	2,115,000	6.625	09/15/09	AAA	08/31/06	09/06/06	2,210,428.80	4.999	6,227.50	2,193,555.22	2,200,921.88
31359MEY5	FNMA GLOBAL BENCHMARK NOTES	2,115,000	6.625	09/15/09	AAA	08/31/06	09/06/06	2,210,246.91	5.002	6,227.50	2,193,406.20	2,200,921.88
		40,212,000						39,794,590.70	4.969	307,325.87	39,936,063.68	39,965,401.90
FED AGY DN												
313384FB0	FHLB DISC NOTE	2,540,000		05/02/07	A-1+	03/29/07	03/30/07	2,528,009.08	5.174	0.00	2,528,735.81	2,528,296.04
		2,540,000						2,528,009.08	5.174	0.00	2,528,735.81	2,528,296.04
FED AGY MBS												
31282U2B2	FHLMC MBS GOLD 5 YR BALLOON P	708,690	4.500	12/01/07	AAA	12/03/02	12/23/02	723,417.10	3.583	2,657.59	710,124.65	704,045.84
31282U2Y2	FHLMC GOLD MBS POOL #M90791	1,201,054	4.000	01/01/08	AAA	01/14/03	01/27/03	1,220,195.28	3.286	4,003.51	1,203,071.28	1,180,125.59
31282U4E4	FHLMC MBS 5YR POOL #M90821	2,449,395	3.500	05/01/08	AAA	07/28/03	07/30/03	2,464,321.42	3.184	7,144.07	2,450,848.70	2,383,198.35
31282VBE4	FHLMC MBS NOTES 5YR BALLOON P	1,986,654	5.000	08/01/09	AAA	02/01/05	02/22/05	2,024,524.74	4.051	8,277.73	2,005,943.22	1,976,946.18
		6,345,793						6,432,458.54	3.522	22,082.90	6,369,987.85	6,244,315.96
US TSY BOND/NOTE												
912828EZ9	US TREASURY NOTES	4,125,000	4.625	03/31/08	TSY	02/27/07	03/02/07	4,111,948.24	4.926	521.26	4,113,065.06	4,114,044.00
912828FG0	US TREASURY NOTES	2,665,000	4.875	05/31/08	TSY	06/01/06	06/05/06	2,656,880.08	5.038	43,544.20	2,660,159.61	2,666,249.89
912828FV7	US TREASURY NOTES	2,003,000	4.875	10/31/08	TSY	11/01/06	11/03/06	2,011,919.61	4.638	41,000.64	2,010,145.00	2,007,224.33

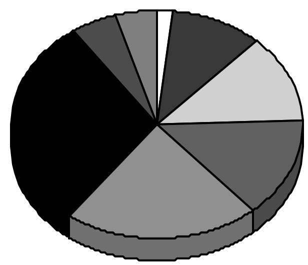
Detail of Securities Held: *68890100* *PALM BEACH CNTY FL S/D*

(Excluding Cash)

MONTH ENDED: March 31, 2007

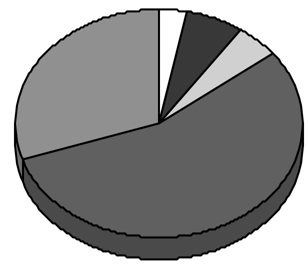
SECURITY TYPE CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	S&P RATING	TRADE DATE	SETTLE DATE	ORIGINAL COST	YTM AT COST	ACCRUED INTEREST	AMORTIZED COST	MARKET VALUE
912828FV7	US TREASURY NOTES	1,610,000	4.875	10/31/08	TSY	01/24/07	01/30/07	1,607,484.38	4.965	32,956.08	1,607,788.33	1,613,395.49
912828EL0	US TREASURY NOTES	4,000,000	4.375	11/15/08	TSY	11/30/05	12/05/05	3,995,468.75	4.416	66,229.28	3,997,487.48	3,979,064.00
912828FE5	US TREASURY NOTES	2,665,000	4.875	05/15/09	TSY	06/01/06	06/05/06	2,653,340.63	5.036	49,168.15	2,656,489.24	2,679,367.02
912828FP0	US TREASURY NOTES	75,000	4.875	08/15/09	TSY	08/31/06	09/06/06	75,322.27	4.716	454.51	75,265.48	75,486.30
912828FP0	US TREASURY NOTES	2,550,000	4.875	08/15/09	TSY	11/01/06	11/03/06	2,570,220.70	4.566	15,453.21	2,567,560.93	2,566,534.20
912828FP0	US TREASURY NOTES	3,700,000	4.875	08/15/09	TSY	11/10/06	11/13/06	3,720,523.44	4.655	22,422.31	3,718,064.88	3,723,990.80
912828FX3	US TREASURY NOTES	1,610,000	4.625	11/15/09	TSY	11/30/06	12/01/06	1,613,396.09	4.547	28,180.56	1,613,054.36	1,612,452.03
		25,003,000						25,016,504.19	4.746	299,930.20	25,019,080.37	25,037,808.06
TOTAL SECURITIES		**$83,529,793**						**$83,377,214.44**	**4.771 %**	**$688,649.72**	**$83,462,879.06**	**$83,343,455.81**

Issuers by Market Value



BANK OF AMERICA	$1,449,442	1.7%
FFCB	$8,434,700	10.1%
FHLB	$10,559,649	12.7%
FHLMC	$11,737,530	14.1%
FNMA	$18,006,134	21.6%
UNITED STATES TREASURY	$25,037,808	30.0%
WAL-MART STORES INC	$4,163,520	5.0%
WELLS FARGO & CO	$3,954,672	4.7%
Total:	$83,343,456	100.0%

Ratings by Market Value



A-1+	$2,528,296	3.0%
AA	$5,612,962	6.7%
AA+	$3,954,672	4.7%
AAA	$46,209,718	55.4%
TSY	$25,037,808	30.0%
Total:	$83,343,456	100.0%

Fair Market Values & Analytics: *68890100* *PALM BEACH CNTY FL S/D*

(Excluding Cash)

MONTH ENDED: March 31, 2007

SECURITY TYPE CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	FIRST CALL DATE	MARKET PRICE	MARKET VALUE	UNREAL G/(L) ON AMORT COST	UNREAL G/(L) ON COST	DURATION TO WORST	YTM AT MKT
CORPORATE NOTE											
949746JQ5	WELLS FARGO & COMPANY GLOBA	4,000,000	4.125	03/10/08		98.867	3,954,672.00	(38,240.84)	(23,808.00)	0.907	5.372
066050CV5	BANK OF AMERICA CORP GLOBAL S	1,429,000	5.875	02/15/09		101.431	1,449,441.85	707.10	(9,810.08)	1.745	5.061
931142BE2	WAL-MART STORES GLOBAL NOTES	4,000,000	6.875	08/10/09		104.088	4,163,520.00	(3,843.76)	(4,400.00)	2.148	5.012
FED AGY BOND/NOTE											
31359MXP3	FNMA NOTES	3,065,000	3.875	02/01/08		99.000	3,034,350.00	3,929.61	39,615.12	0.803	5.109
3133MVZA4	FHLB TAP NOTES	835,000	3.375	02/15/08		98.500	822,475.00	(8,124.33)	1,026.21	0.842	5.151
3133XBJQ9	FHLB GLOBAL NOTES	2,200,000	4.125	04/18/08		99.063	2,179,375.00	9,259.27	28,417.40	0.992	5.053
3133XBSV8	FHLB TAP NOTES	3,070,000	4.000	06/13/08		98.844	3,034,503.13	(39,096.81)	(44,307.77)	1.142	5.000
31359MZX4	FNMA GLOBAL NOTES(CALLABLE)	2,535,000	5.000	07/03/08	01/03/07	100.031	2,535,792.19	5,404.29	7,281.79	1.190	4.968
31359ME41	FNMA GLOBAL BENCHMARK NOTES	1,780,000	3.875	07/15/08		98.656	1,756,081.25	(802.78)	472.59	1.230	4.959
31331TSW2	FFCB NOTES	2,340,000	3.300	08/11/08		97.844	2,289,543.75	(1,133.36)	1,423.89	1.304	4.955
31359MSQ7	FNMA GLOBAL BENCHMARK NOTES	2,500,000	3.250	08/15/08		97.781	2,444,531.25	9,720.50	39,878.75	1.316	4.939
3134A4UD4	FHLMC GLOBAL REFERENCE NOTES	3,352,000	3.625	09/15/08		98.219	3,292,292.50	1,425.57	4,754.81	1.395	4.907
31359MTF0	FNMA NOTES (CALLABLE)	2,000,000	3.750	09/15/08		98.375	1,967,500.00	(4,558.54)	19,344.00	1.394	4.919
3133XDT76	FHLB TAP NOTES	2,000,000	4.750	12/12/08		99.750	1,995,000.00	(4,441.56)	(3,972.00)	1.590	4.901
31331SNF6	FFCB GLOBAL DESIGNATED BONDS	4,250,000	3.750	01/15/09		98.063	4,167,656.25	42,824.44	91,107.25	1.692	4.891
31359MEK5	FNMA GLOBAL BENCHMARK NOTES	1,285,000	5.250	01/15/09		100.594	1,292,629.69	(4,133.74)	(11,704.42)	1.673	4.895
31359ME74	FNMA GLOBAL NOTES (CALLABLE)	2,770,000	5.000	01/23/09	01/23/07	100.156	2,774,328.13	8,639.22	9,923.53	1.698	4.905
31331ST78	FFCB BONDS	2,000,000	4.250	01/26/09		98.875	1,977,500.00	(4,455.90)	6,382.00	1.715	4.900
3134A3M78	FHLMC GLOBAL REFERENCE NOTES	2,115,000	6.625	09/15/09		104.063	2,200,921.88	7,366.66	(9,506.92)	2.249	4.849
31359MEY5	FNMA GLOBAL BENCHMARK NOTES	2,115,000	6.625	09/15/09		104.063	2,200,921.88	7,515.68	(9,325.03)	2.249	4.849
FED AGY DN											
313384FB0	FHLB DISC NOTE	2,540,000		05/02/07		99.539	2,528,296.04	(439.77)	286.96	0.085	5.208
FED AGY MBS											
31282U2B2	FHLMC MBS GOLD 5 YR BALLOON P	708,690	4.500	12/01/07		99.345	704,045.84	(6,078.81)	(19,371.26)	0.368	5.804
31282U2Y2	FHLMC GOLD MBS POOL #M90791	1,201,054	4.000	01/01/08		98.258	1,180,125.59	(22,945.69)	(40,069.69)	0.407	7.909
31282U4E4	FHLMC MBS 5YR POOL #M90821	2,449,395	3.500	05/01/08		97.297	2,383,198.35	(67,650.35)	(81,123.07)	0.568	8.044
31282VBE4	FHLMC MBS NOTES 5YR BALLOON P	1,986,654	5.000	08/01/09		99.511	1,976,946.18	(28,997.04)	(47,578.56)	1.175	5.250
US TSY BOND/NOTE											
912828EZ9	US TREASURY NOTES	4,125,000	4.625	03/31/08		99.734	4,114,044.00	978.94	2,095.76	0.965	4.900

PFM Asset Management LLC

Fair Market Values & Analytics: ***68890100*** ***PALM BEACH CNTY FL S/D***
(Excluding Cash)

MONTH ENDED: March 31, 2007

SECURITY TYPE CUSIP	DESCRIPTION	PAR	COUPON	MATURITY DATE	FIRST CALL DATE	MARKET PRICE	MARKET VALUE	UNREAL G/(L) ON AMORT COST	UNREAL G/(L) ON COST	DURATION TO WORST	YTM AT MKT
912828FG0	US TREASURY NOTES	2,665,000	4.875	05/31/08		100.047	2,666,249.89	6,090.28	9,369.81	1.106	4.827
912828FV7	US TREASURY NOTES	2,003,000	4.875	10/31/08		100.211	2,007,224.33	(2,920.67)	(4,695.28)	1.478	4.733
912828FV7	US TREASURY NOTES	1,610,000	4.875	10/31/08		100.211	1,613,395.49	5,607.16	5,911.11	1.478	4.733
912828EL0	US TREASURY NOTES	4,000,000	4.375	11/15/08		99.477	3,979,064.00	(18,423.48)	(16,404.75)	1.525	4.710
912828FE5	US TREASURY NOTES	2,665,000	4.875	05/15/09		100.539	2,679,367.02	22,877.78	26,026.39	1.963	4.603
912828FP0	US TREASURY NOTES	75,000	4.875	08/15/09		100.648	75,486.30	220.82	164.03	2.212	4.582
912828FP0	US TREASURY NOTES	2,550,000	4.875	08/15/09		100.648	2,566,534.20	(1,026.73)	(3,686.50)	2.212	4.582
912828FP0	US TREASURY NOTES	3,700,000	4.875	08/15/09		100.648	3,723,990.80	5,925.92	3,467.36	2.212	4.582
912828FX3	US TREASURY NOTES	1,610,000	4.625	11/15/09		100.152	1,612,452.03	(602.33)	(944.06)	2.405	4.561
SUBTOTALS							**$83,343,455.81**	**($119,423.25)**	**($33,758.63)**	**1.429**	**5.051 %**

ACCRUED INTEREST ON INVESTMENT	688,649.72
TOTAL MARKET VALUE OF INVESTMENTS	**$84,032,105.53**

Security Transactions & Interest: *68890100* *PALM BEACH CNTY FL S/D*

(Excluding Cash)

MONTH ENDED: March 31, 2007

TRADE	SETTLE	TRAN TYPE	SECURITY DESCRIPTION	CUSIP	S&P RATING	PAR	COUPON	MATURITY DATE	PRINCIPAL AMOUNT	ACCRUED INTEREST	TOTAL
03/01/07	03/15/07	INTEREST	FHLMC MBS GOLD 5 YR BALLOON POO	31282U2B2	AAA	733,117	4.500	12/01/07	0.00	2,749.19	2,749.19
03/01/07	03/15/07	INTEREST	FHLMC GOLD MBS POOL #M90791	31282U2Y2	AAA	1,235,761	4.000	01/01/08	0.00	4,119.20	4,119.20
03/01/07	03/15/07	INTEREST	FHLMC MBS 5YR POOL #M90821	31282U4E4	AAA	2,493,890	3.500	05/01/08	0.00	7,273.85	7,273.85
03/01/07	03/15/07	INTEREST	FHLMC MBS NOTES 5YR BALLOON POO	31282VBE4	AAA	2,045,866	5.000	08/01/09	0.00	8,524.44	8,524.44
03/10/07	03/10/07	INTEREST	WELLS FARGO & COMPANY GLOBAL N	949746JQ5	AA+	4,000,000	4.125	03/10/08	0.00	82,500.00	82,500.00
03/15/07	03/15/07	INTEREST	FHLMC GLOBAL REFERENCE NOTES	3134A3M78	AAA	2,115,000	6.625	09/15/09	0.00	70,059.38	70,059.38
03/15/07	03/15/07	INTEREST	FHLMC GLOBAL REFERENCE NOTES	3134A4UD4	AAA	3,352,000	3.625	09/15/08	0.00	60,755.00	60,755.00
03/15/07	03/15/07	INTEREST	FNMA GLOBAL BENCHMARK NOTES	31359MEY5	AAA	2,115,000	6.625	09/15/09	0.00	70,059.38	70,059.38
03/15/07	03/15/07	INTEREST	FNMA NOTES (CALLABLE)	31359MTF0	AAA	2,000,000	3.750	09/15/08	0.00	37,500.00	37,500.00
03/31/07	03/31/07	INTEREST	US TREASURY NOTES	912828EZ9	TSY	4,125,000	4.625	03/31/08	0.00	95,390.63	95,390.63
						24,215,633			0.00	438,931.07	438,931.07
02/27/07	03/02/07	BUY	US TREASURY NOTES	912828EZ9	TSY	4,125,000	4.625	03/31/08	(4,111,948.24)	(80,191.02)	(4,192,139.26)
02/28/07	03/02/07	BUY	FHLMC GLOBAL REFERENCE NOTES	3134A4UD4	AAA	3,352,000	3.625	09/15/08	(3,287,537.69)	(56,367.14)	(3,343,904.83)
03/01/07	03/02/07	BUY	FHLB DISC NOTE	313384DS5	A-1+	2,540,000	0.000	03/30/07	(2,529,736.99)	0.00	(2,529,736.99)
03/02/07	03/05/07	BUY	FFCB NOTES	31331TSW2	AAA	2,340,000	3.300	08/11/08	(2,288,119.86)	(5,148.00)	(2,293,267.86)
03/02/07	03/05/07	BUY	FNMA GLOBAL BENCHMARK NOTES	31359ME41	AAA	1,780,000	3.875	07/15/08	(1,755,608.66)	(9,579.86)	(1,765,188.52)
03/23/07	03/28/07	BUY	WAL-MART STORES GLOBAL NOTES	931142BE2	AA	4,000,000	6.875	08/10/09	(4,167,920.00)	(36,666.67)	(4,204,586.67)
03/29/07	03/30/07	BUY	FHLB DISC NOTE	313384FB0	A-1+	2,540,000	0.000	05/02/07	(2,528,009.08)	0.00	(2,528,009.08)
						20,677,000			(20,668,880.52)	(187,952.69)	(20,856,833.21)
03/02/07	03/02/07	MATURITY	FHLB DISC NOTE	313384CN7	A-1+	2,604,000	0.000	03/02/07	2,604,000.00	0.00	2,604,000.00
03/30/07	03/30/07	MATURITY	FHLB DISC NOTE	313384DS5	A-1+	2,540,000	0.000	03/30/07	2,540,000.00	0.00	2,540,000.00
						5,144,000			5,144,000.00	0.00	5,144,000.00
03/01/07	03/15/07	MBS PMT	FHLMC MBS GOLD 5 YR BALLOON POO	31282U2B2	AAA	24,427	4.500	12/01/07	24,426.85	0.00	24,426.85
03/01/07	03/15/07	MBS PMT	FHLMC GOLD MBS POOL #M90791	31282U2Y2	AAA	34,708	4.000	01/01/08	34,707.95	0.00	34,707.95
03/01/07	03/15/07	MBS PMT	FHLMC MBS 5YR POOL #M90821	31282U4E4	AAA	44,494	3.500	05/01/08	44,494.38	0.00	44,494.38
03/01/07	03/15/07	MBS PMT	FHLMC MBS NOTES 5YR BALLOON POO	31282VBE4	AAA	59,212	5.000	08/01/09	59,211.59	0.00	59,211.59
						162,841			162,840.77	0.00	162,840.77
02/27/07	03/02/07	SELL	US TREASURY NOTES	912828DT4	TSY	4,125,000	3.750	05/15/08	4,072,148.44	45,722.55	4,117,870.99
02/28/07	03/02/07	SELL	US TREASURY NOTES	912828BK5	TSY	3,375,000	3.125	09/15/08	3,295,371.09	48,946.82	3,344,317.91
03/02/07	03/05/07	SELL	US TREASURY NOTES	912828FM7	TSY	1,750,000	5.000	07/31/08	1,757,451.17	7,976.52	1,765,427.69
03/02/07	03/05/07	SELL	US TREASURY NOTES	912828FV7	TSY	2,247,000	4.875	10/31/08	2,255,601.80	37,825.02	2,293,426.82
03/23/07	03/28/07	SELL	US TREASURY NOTES	912828FP0	TSY	4,155,000	4.875	08/15/09	4,182,591.80	22,941.45	4,205,533.25
						15,652,000			15,563,164.30	163,412.36	15,726,576.66

TOTAL SECURITY TRANSACTIONS **615,515.29**

Cash Transactions Report: *68890100* *PALM BEACH CNTY FL S/D*

MONTH ENDED: March 31, 2007

CASH DATE	TRANSACTION CODE	TRANSACTION DESCRIPTION	TOTAL AMOUNT
03/02/07	CW	WITHDRAW	(407.82)
03/05/07	CW	WITHDRAW	(398.13)
03/10/07	CW	WITHDRAW	(82,500.00)
03/15/07	CW	WITHDRAW	(261,040.44)
03/15/07	CW	WITHDRAW	(162,840.77)
03/28/07	CW	WITHDRAW	(946.58)
03/30/07	CW	WITHDRAW	(11,990.92)
03/31/07	CW	WITHDRAW	(95,390.63)
			(615,515.29)
NET CASH CONTRIBUTIONS/(WITHDRAWS)			**($615,515.29)**

PFM Asset Management LLC

Realized Gains and Losses: *68890100* *PALM BEACH CNTY FL S/D*

(Excluding Cash) MONTH ENDED: March 31, 2007

TRADE DATE	SETTLE DATE	TRAN TYPE	SALE METHOD	SECURITY DESCRIPTION	CUSIP	PAR VALUE	COUPON	PRINCIPAL PROCEEDS	REALIZED G/(L) COST	REALIZED G/(L) AMORT CST
03/01/07	03/15/07	MBS PMT		FHLMC MBS 5YR POOL #M90821	31282U4E4	44,494	3.500	44,494.38	(271.14)	0.00
03/01/07	03/15/07	MBS PMT		FHLMC MBS NOTES 5YR BALLOON POOL# M	31282VBE4	59,212	5.000	59,211.59	(1,128.72)	0.00
03/01/07	03/15/07	MBS PMT		FHLMC GOLD MBS POOL #M90791	31282U2Y2	34,708	4.000	34,707.95	(553.16)	0.00
03/01/07	03/15/07	MBS PMT		FHLMC MBS GOLD 5 YR BALLOON POOL #M	31282U2B2	24,427	4.500	24,426.85	(507.62)	0.00
02/27/07	03/02/07	SELL	FIFO	US TREASURY NOTES	912828DT4	3,465,000	3.750	3,420,604.69	(20,302.73)	(33,424.62)
03/02/07	03/02/07	MATURITY		FHLB DISC NOTE	313384CN7	2,604,000	0.000	2,604,000.00	749.37	0.00
02/28/07	03/02/07	SELL	FIFO	US TREASURY NOTES	912828BK5	3,375,000	3.125	3,295,371.09	59,326.17	20,832.37
02/27/07	03/02/07	SELL	FIFO	US TREASURY NOTES	912828DT4	660,000	3.750	651,543.75	360.94	(4,230.48)
03/02/07	03/05/07	SELL	FIFO	US TREASURY NOTES	912828FV7	2,247,000	4.875	2,255,601.80	(1,404.37)	225.67
03/02/07	03/05/07	SELL	FIFO	US TREASURY NOTES	912828FM7	1,750,000	5.000	1,757,451.17	6,904.29	7,058.04
03/23/07	03/28/07	SELL	FIFO	US TREASURY NOTES	912828FP0	4,155,000	4.875	4,182,591.80	9,738.29	12,819.03
03/30/07	03/30/07	MATURITY		FHLB DISC NOTE	313384DS5	2,540,000	0.000	2,540,000.00	10,263.01	0.00
TOTAL GAINS AND LOSSES									**$63,174.33**	**$3,280.01**

PFM Asset Management LLC

Cash Balance Report: *68890100* *PALM BEACH CNTY FL S/D*

MONTH ENDED: March 31, 2007

CASH BALANCE: $0.00

Earnings Calculation Templates

Current Month-End Book Value	+	
Current Month-End Accrued Interest	+	
Less Purchases	-	
Less Purchased Interest	-	
Add Disposals (Sales, Maturities, Paydowns, Sinks, etc.)	+	
Add Coupon Interest Received	+	
Less Previous Month-End Book Value	-	
Less Previous Month-End Accrued Interest	-	
Total Accrual Basis Earnings For The Month		

Add Coupon Interest Received	+	
Less Purchased Interest Related to Coupons	-	
Add/Subtract Gains or Losses on Cost For The Mth	+/-	
Total Cost Basis Earnings For The Month		

Economic Calendar

04/06/07	Change in Nonfarm Payrolls	04/17/07	Housing Starts
04/06/07	Unemployment Rate	04/17/07	Building Permits
04/13/07	Producer Price Index	04/24/07	Existing Home Sales
04/16/07	Advanced Retail Sales	04/25/07	Durable Goods Orders
04/16/07	Empire Manufacturing	04/25/07	New Home Sales
04/17/07	Consumer Price Index	04/27/07	1st Quarter GDP

Market Commentary

Investors focused on a few words in the FOMC's post meeting statement, mixed economic data and geopolitical risks bringing volatility to all of the markets in March. The FOMC left rates the same but changed the composition of their statement. The Fed opted to give itself more flexibility by eliminating their reference to "additional firming" and added "future policy adjustments". Markets took this to mean that the Fed is more likely to cut rates in the future than raise them. But the Fed maintained its view that inflation is the FOMC's main concern and not slowing growth. Economic data for March proved to be mixed with a tilt towards weakness. Subprime mortgages and a weak housing market weighed heavy on the market and durable goods orders disappointed again. On the strong side of the data, personal income and the Chicago Purchasing Managers report were better than expected. The Fed's point that future rate changes are dependent on future economic data is well taken. The market remains divided on the FOMC's next move as views on economic growth are varied. Emphasis is likely to be given to the job market, inflation and the evolution of the continued slowdown in the housing market as the FOMC accesses its position.