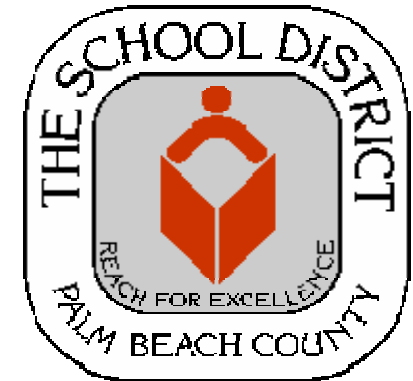


Palm Beach County School District

Investment Performance Review
Quarter Ended December 31, 2007



Investment Advisors

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December 31, 2007 PFM Month-End Statement

This material is based on information obtained from sources generally believed to be reliable and available to the public, however PFM Asset Management LLC cannot guarantee its accuracy, completeness or suitability. This material is for general information purposes only and is not intended to provide specific advice or recommendation. The information contained in this report is not an offer to purchase or sell any securities.

Investment Portfolio Summary¹

Total Portfolio Value²	<u>December 31, 2007</u>	<u>September 30, 2007</u>
Market Value	\$88,431,278.82	\$83,561,243.47
Amortized Cost	\$87,162,098.69	\$83,108,928.97

PORTFOLIO STRATEGY

- PFM communicated with the District our concern regarding the investment strategy of the SBA Local Government Investment Pool (LGIP) following a review of the security holdings in the current market which had been significantly impacted by the Credit Crisis in August. This led to further discussion regarding alternative investment strategies for the District’s assets invested with the SBA.
- Following several local and national news stories discussing the asset allocation and credit quality of the investments, many participants in the LGIP withdrew a portion or all of their assets during the quarter as a result of concerns related to the investment holdings within the fund. The total withdrawals decreased the balance within the pool from approximately \$27 billion to an estimated balance of \$12 billion before the SBA’s cabinet members implemented a freeze on withdrawals from the fund.
- PFM was proactive in this situation and worked closely with the District to determine appropriate alternative investment strategies based on the sources and uses of funds while considering security type and asset allocation rules as determined by the investment policy. Specifically, PFM recommended further diversifying the District’s short term assets into A-1 rated short term open market securities and AAAM rated money market funds invested with Treasury and Federal Agency securities.
- The District’s PFM managed investment portfolios have never had exposure to the security types that have experienced significant volatility and liquidity issues including Asset Backed Commercial Paper, Sub Prime Mortgage Securities, and Collateralized Debt Obligations.
- PFM manages our clients’ investment portfolios with a focus of Safety First, Liquidity Second, while seeking to obtain a Market Rate of Return. This strategy is in accordance with PFM’s firm approach to the investment of public funds, and the District’s investment policy.
- The Investment Portfolio quarterly return of 2.30% was lower than the Merrill Lynch 1-3 Year U.S. Treasury Note Index benchmark return as a direct result of the continued strong demand for U.S. Treasuries during the quarter. This demand has increased the market value on the portfolios existing allocation to U.S. Treasuries, a positive impact, but the lower interest rates offered in this sector are significantly lower than rates offered for AAA rated Federal Agency securities.
- PFM’s active management resulted in the portfolio outperforming the SBA by 202 basis points for the last 12 months with a AAA rated investment portfolio.
- Given the current situation with the SBA and the need to re-evaluate investment allocation rules and short term portfolio benchmarks, PFM recommends revising these sections in the District’s investment policy with language that is more appropriate for investment strategies and reporting requirements.
- The Federal Open Market Committee (FOMC) has responded by lowering the Federal Funds rate by a total of 100 basis points during the last three meetings and began increasing liquidity through auctions every two weeks “for as long as necessary” to assist cash strapped banks.

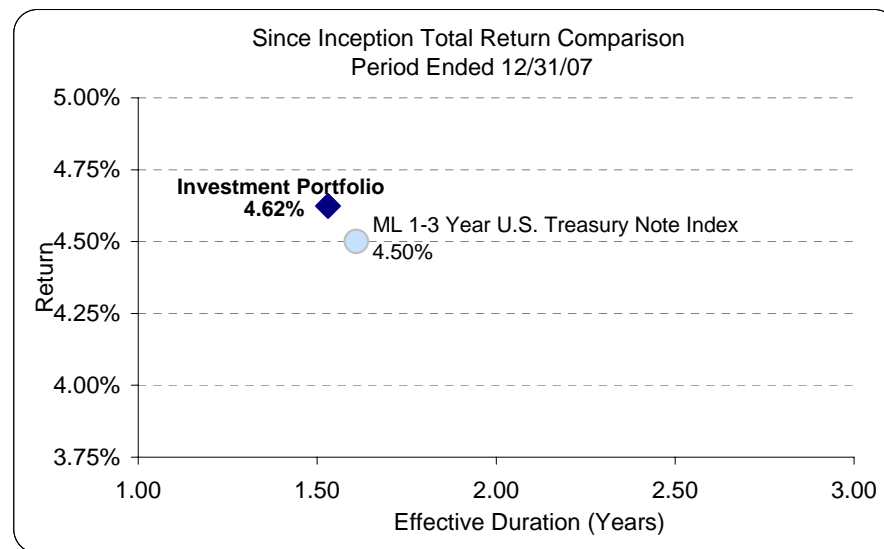
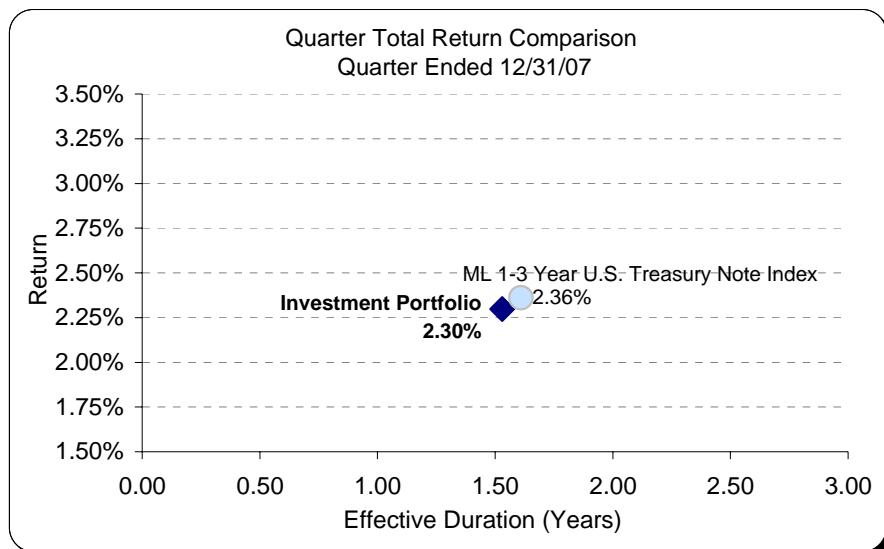
Notes:

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 December 31, 2007	Annualized Quarter	Last 12 Months	Last 24 Months	Since Inception on 12/31/98
Investment Portfolio	2.30%	9.43%	6.97%	5.72%	4.62%
Merrill Lynch 1-3 Year U.S. Treasury Note Index	2.36%	9.70%	7.32%	5.63%	4.50%

Effective Duration (Years) ⁴	December 31, 2007	September 30, 2007	Yields	December 31, 2007	September 30, 2007
Investment Portfolio	1.53	1.64	Yield at Market	3.82%	4.75%
ML 1-3 Year U.S. Treasury Note Index	1.61	1.64	Yield at Cost	4.55%	4.84%
Portfolio Duration % of Benchmark Duration	95%	100%			

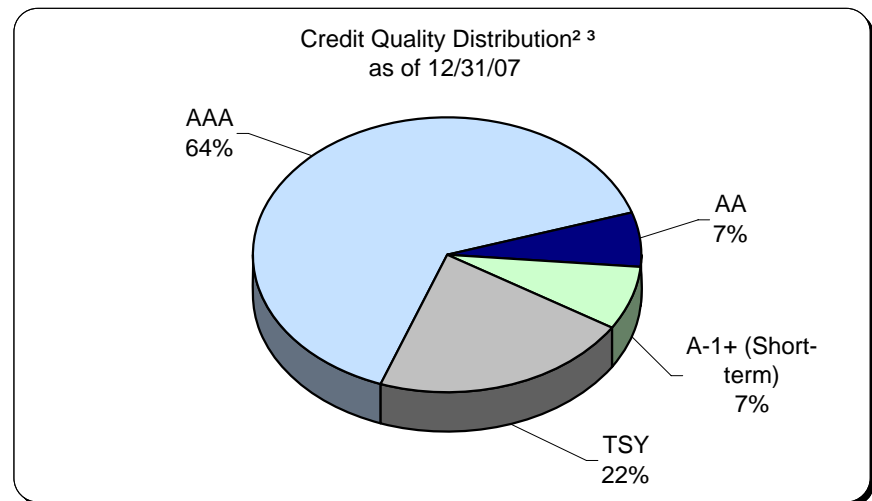
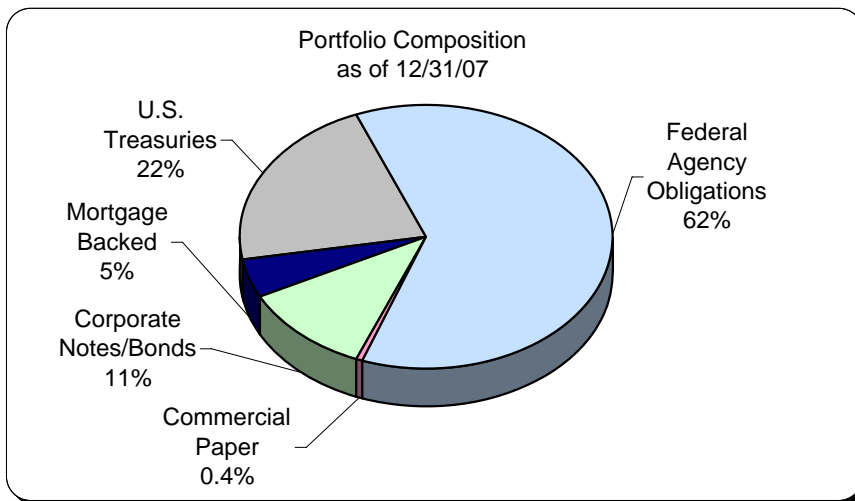


Notes:

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

<u>Security Type¹</u>	<u>December 31, 2007</u>	<u>% of Portfolio</u>	<u>September 30, 2007</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$19,105,084.00	21.6%	\$17,602,305.41	21.1%
Federal Agencies	54,707,766.92	61.9%	48,435,427.93	58.0%
Commercial Paper	349,863.15	0.4%	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	10,032,678.12	11.3%	12,237,526.05	14.6%
Mortgage Backed	4,235,886.63	4.8%	5,285,984.08	6.3%
Money Market Fund/Cash	0.00	0.0%	0.00	0.0%
Totals	\$88,431,278.82	100.0%	\$83,561,243.47	100.0%

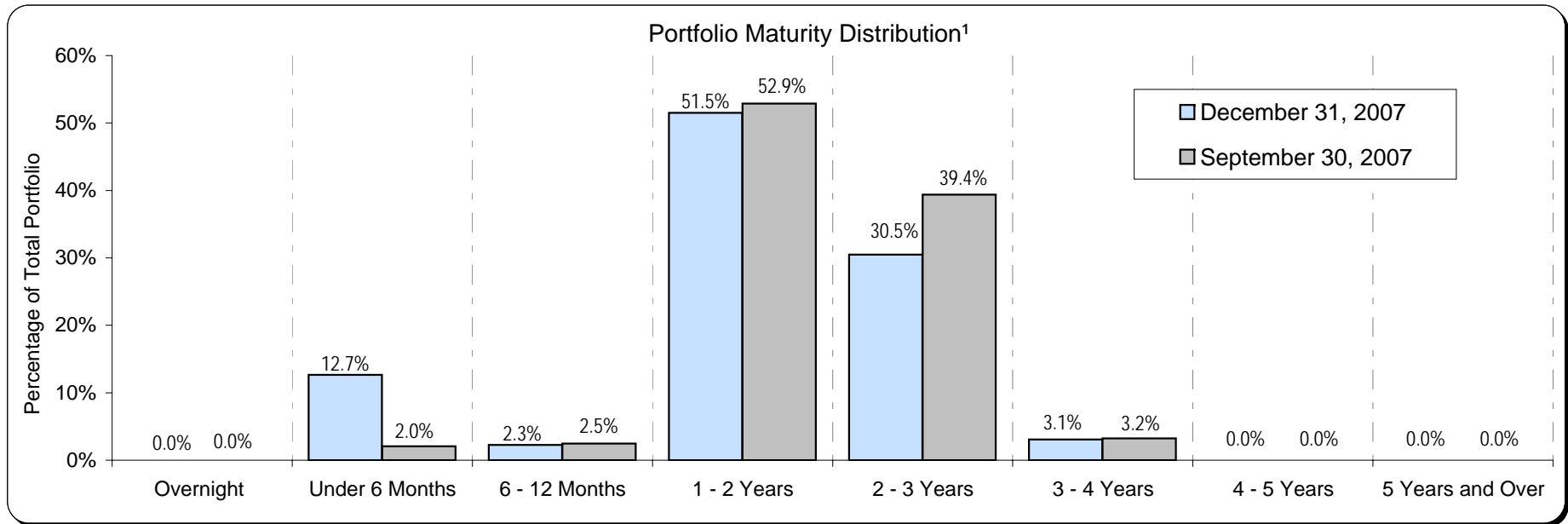


Notes:

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

<u>Maturity Distribution¹</u>	<u>December 31, 2007</u>	<u>September 30, 2007</u>
Overnight (Money Market Fund)	\$0.00	\$0.00
Under 6 Months	11,188,167.08	1,706,193.70
6 - 12 Months	2,017,513.89	2,068,798.91
1 - 2 Years	45,557,334.20	44,182,652.71
2 - 3 Years	26,960,880.52	32,916,568.15
3 - 4 Years	2,707,383.13	2,687,030.00
4 - 5 Years	0.00	0.00
5 Years and Over	0.00	0.00
Totals	\$88,431,278.82	\$83,561,243.47



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 October 11, 2007

Transaction Date: October 11, 2007

Transaction	Security	Par Value	Price	Yield at Market	Benefit	Gain/Loss	Additional Earnings
Sold	Citigroup Inc. Global Note (7/29/09)	\$1,073,000.00	\$98.8170	4.941%		1,030.84	
Purchased	FHLMC Global Reference (12/15/09)	\$1,040,000.00	\$98.9300	4.519%	-0.422%		(8,263.71)
Total Estimated Benefit from Transaction to Original Maturity							(8,263.71)

Transaction	Security	Par Value	Price	Yield at Market	Benefit	Gain/Loss	Additional Earnings
Sold	Citigroup Inc. Global Note (2/22/10)	\$1,410,000.00	\$98.0790	4.994%		(343.69)	
Purchased	FHLMC Global Reference (12/15/09)	\$1,410,000.00	\$98.9300	4.519%	-0.475%		(14,808.92)
Total Estimated Benefit from Transaction to Original Maturity							(14,808.92)

Total Estimated Benefit from Transactions							(\$23,072.63)
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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 3) improve the quality of the investment 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 October 29, 2007

Transaction Date: October 29, 2007

Transaction	Security	Par Value	Price	Yield at Market	Benefit	Gain/Loss	Additional Earnings
Sold	U.S. Treasury Notes (11/15/08)	\$4,000,000.00	\$100.4922	3.889%		21,329.14	
Purchased	FFCB Discount Notes (10/31/07)	\$4,000,000.00	\$100.0245	4.400%	0.511%		113.56
Total Estimated Benefit from Transaction to Original Maturity							\$113.56

Transaction	Security	Par Value	Price	Yield at Market	Benefit	Gain/Loss	Additional Earnings
Sold	U.S. Treasury Notes (10/31/08)	\$848,000.00	\$100.9687	3.883%		8,953.57	
Purchased	FFCB Discount Notes (10/31/07)	\$848,000.00	\$100.0245	4.400%	0.517%		24.36
Total Estimated Benefit from Transaction to Original Maturity							\$24.36

Total Estimated Benefit from Transactions							\$137.91
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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) The yield has been increased 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, or 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 November 7, 2007

Transaction Date: November 7, 2007

Transaction	Security	Par Value	Price	Yield at Market	Benefit	Gain/Loss	Additional Earnings
Sold	U.S. Treasury Notes (11/15/08)	\$3,667,000.00	\$99.9492	3.652%		12,773.40	
Purchased	FHLMC Global Notes (9/1/09)	\$3,644,000.00	\$99.8799	4.192%	0.540%		36,523.32
Total Estimated Benefit from Transaction to Original Maturity							\$36,523.32

Total Estimated Benefit from Transactions	\$36,523.32
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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.

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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, or 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 December 19, 2007

Transaction Date: December 19, 2007

Transaction	Security	Par Value	Price	Yield at Market	Benefit	Gain/Loss	Additional Earnings	
Sold	FFCB Designated Bonds (1/15/09)	\$4,250,000.00	\$99.6240	4.110%		60,507.33		
Purchased	U.S. Treasury Notes (11/30/09)	\$3,000,000.00	\$99.7266	3.270%	-0.840%		(70,606.67)	
Total Estimated Benefit from Transaction to Original Maturity								(\$70,606.67)
Total Estimated Benefit from Transactions								(\$70,606.67)

Transaction Commentary:

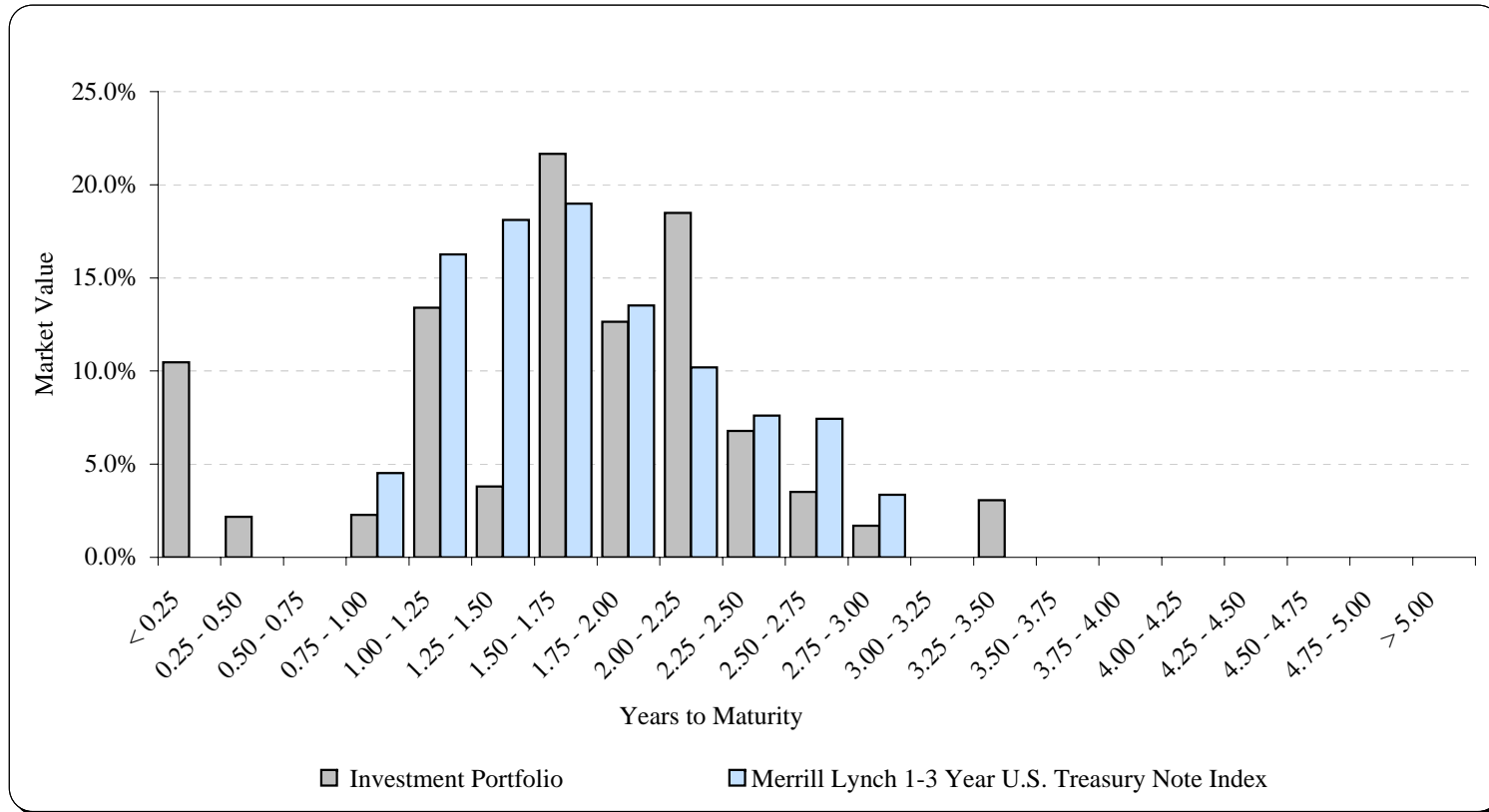
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The transactions presented were executed in accordance with Section III Investment Objectives of the District's Investment Policy to 2) The maturity has been reduced, as part of PFM's overall active management strategy for the District's investment 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, or 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.

Investment Portfolio Maturity Distribution versus the Benchmark¹



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.

Short Term Fund Portfolio Statistics

<u>Account Name</u>	<u>Amortized Cost^{1,2,3} December 31, 2007</u>	<u>Amortized Cost^{1,2,3} September 30, 2007</u>	<u>Market Value^{1,2,3} December 31, 2007</u>	<u>Market Value^{1,2,3} September 30, 2007</u>	<u>Duration (Years) December 31, 2007</u>
Short Term Fund	\$622,331,881.13	N/A	\$622,161,501.34	N/A	0.19

<u>Account Name</u>	<u>Yield to Maturity on Cost⁴ December 31, 2007</u>	<u>Yield to Maturity on Cost⁴ September 30, 2007</u>	<u>Yield to Maturity at Market December 31, 2007</u>	<u>Yield to Maturity at Market September 30, 2007</u>	<u>Duration (Years) September 30, 2007</u>
Short Term Fund	3.94%	N/A	3.99%	N/A	N/A

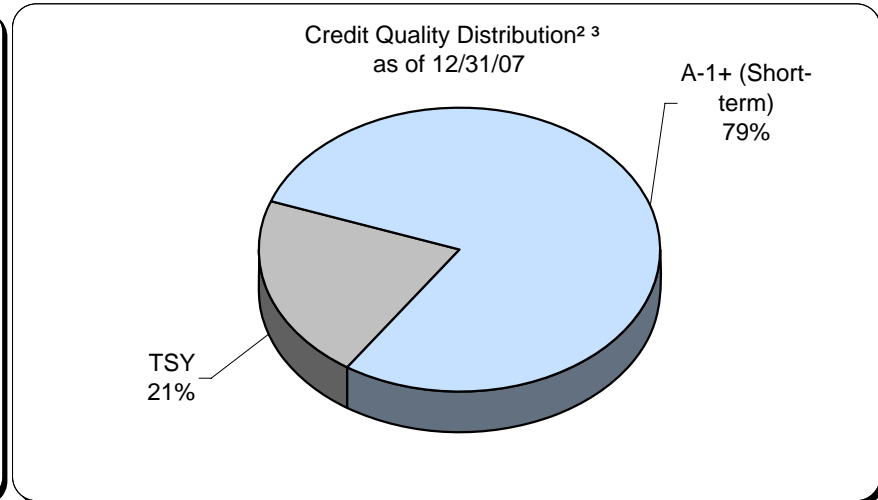
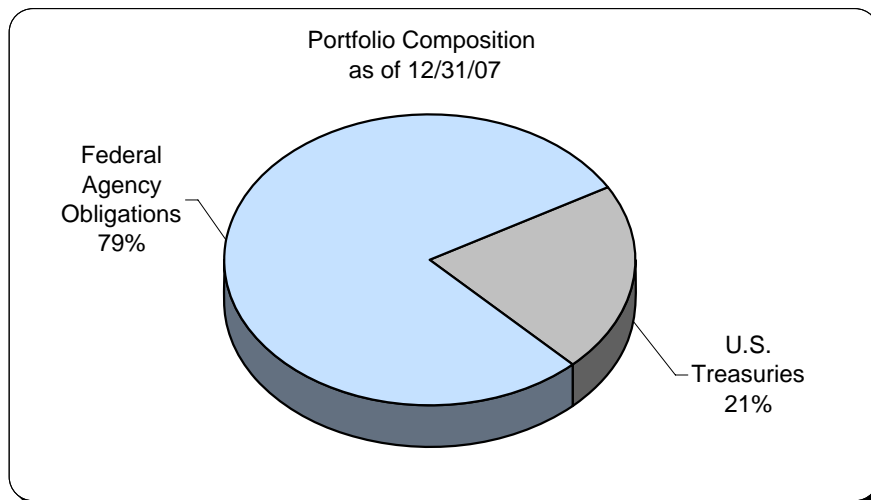
<u>Benchmarks</u>	<u>December 31, 2007</u>	<u>September 30, 2007</u>
Florida SBA Return ⁵	4.81%	5.77%

Notes:

1. End of quarter trade-date market values of portfolio holdings, including accrued interest.
2. In order to comply with GASB accrual accounting reporting requirements; forward settling trades are included in the monthly balances.
3. Excludes any money market fund/cash balances held in custodian account.
4. Past performance is not indicative of future results.
5. Monthly pool returns presented on an annualized basis.

Short Term Fund Portfolio Composition and Credit Quality Characteristics

<u>Security Type¹</u>	<u>December 31, 2007</u>	<u>% of Portfolio</u>	<u>September 30, 2007</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$130,753,638.21	21.0%	N/A	N/A
Federal Agencies	491,407,863.13	79.0%	N/A	N/A
Commercial Paper	0.00	0.0%	N/A	N/A
Certificates of Deposit	0.00	0.0%	N/A	N/A
Bankers Acceptances	0.00	0.0%	N/A	N/A
Repurchase Agreements	0.00	0.0%	N/A	N/A
Municipal Obligations	0.00	0.0%	N/A	N/A
Corporate Notes/Bonds	0.00	0.0%	N/A	N/A
Mortgage Backed	0.00	0.0%	N/A	N/A
Money Market Fund/Cash	0.00	0.0%	N/A	N/A
Totals	\$622,161,501.34	100.0%	N/A	N/A

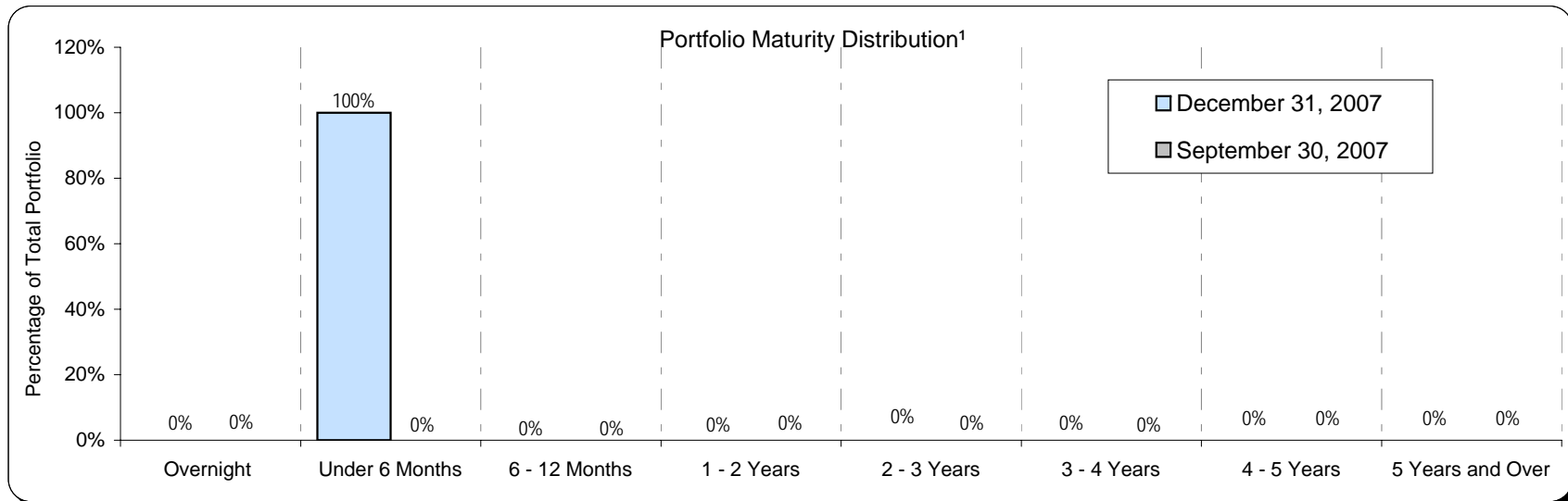


Notes:

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.

Short Term Fund Portfolio Maturity Distribution

<u>Maturity Distribution¹</u>	<u>December 31, 2007</u>	<u>September 30, 2007</u>
Overnight (Money Market Fund)	\$0.00	N/A
Under 6 Months	622,161,501.34	N/A
6 - 12 Months	0.00	N/A
1 - 2 Years	0.00	N/A
2 - 3 Years	0.00	N/A
3 - 4 Years	0.00	N/A
4 - 5 Years	0.00	N/A
5 Years and Over	0.00	N/A
Totals	\$622,161,501.34	N/A

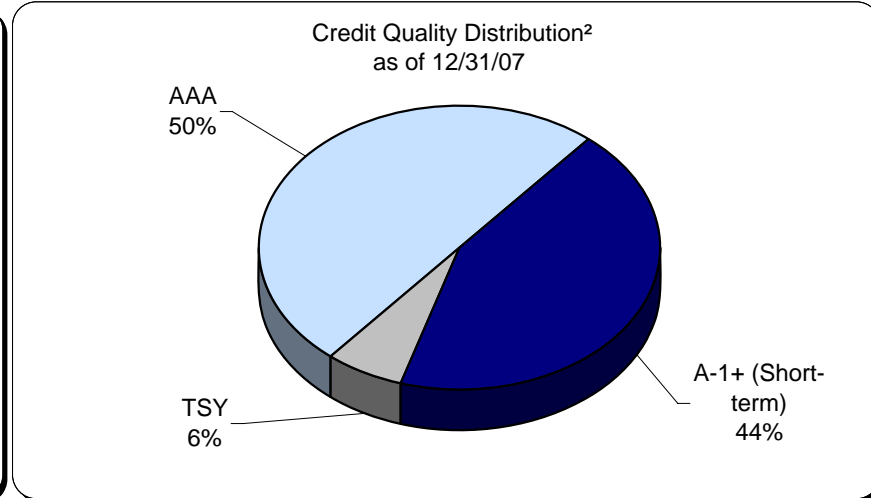
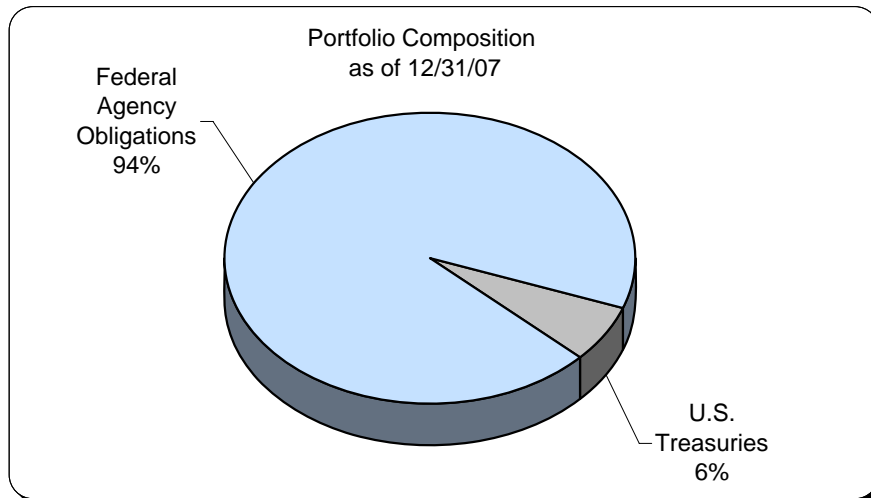


Notes:

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.

Sales Tax Portfolio Composition and Credit Quality Characteristics

<u>Security Type¹</u>	<u>December 31, 2007</u>	<u>% of Portfolio</u>	<u>September 30, 2007</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$7,337,682.70	6.4%	N/A	N/A
Federal Agencies	107,913,304.09	93.6%	N/A	N/A
Commercial Paper	0.00	0.0%	N/A	N/A
Certificates of Deposit	0.00	0.0%	N/A	N/A
Bankers Acceptances	0.00	0.0%	N/A	N/A
Repurchase Agreements	0.00	0.0%	N/A	N/A
Municipal Obligations	0.00	0.0%	N/A	N/A
Corporate Notes/Bonds	0.00	0.0%	N/A	N/A
Mortgage Backed	0.00	0.0%	N/A	N/A
Money Market Fund/Cash	0.00	0.0%	N/A	N/A
Totals	\$115,250,986.79	100.0%	N/A	N/A

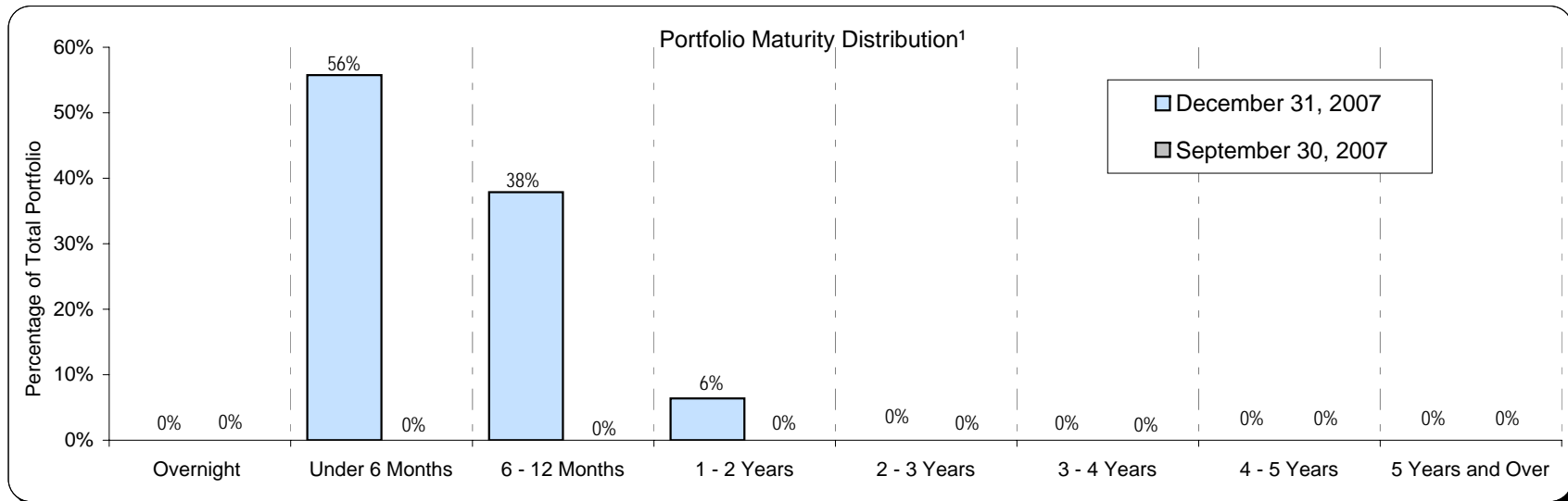


Notes:

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.

Sales Tax Portfolio Maturity Distribution

<u>Maturity Distribution¹</u>	<u>December 31, 2007</u>	<u>September 30, 2007</u>
Overnight (Money Market Fund)	\$0.00	N/A
Under 6 Months	64,264,265.88	N/A
6 - 12 Months	43,649,038.21	N/A
1 - 2 Years	7,337,682.70	N/A
2 - 3 Years	0.00	N/A
3 - 4 Years	0.00	N/A
4 - 5 Years	0.00	N/A
5 Years and Over	0.00	N/A
Totals	\$115,250,986.79	N/A

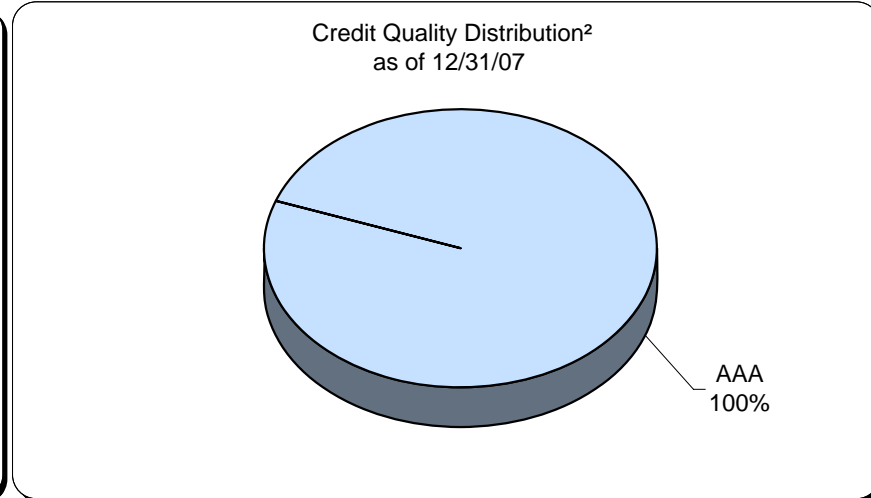
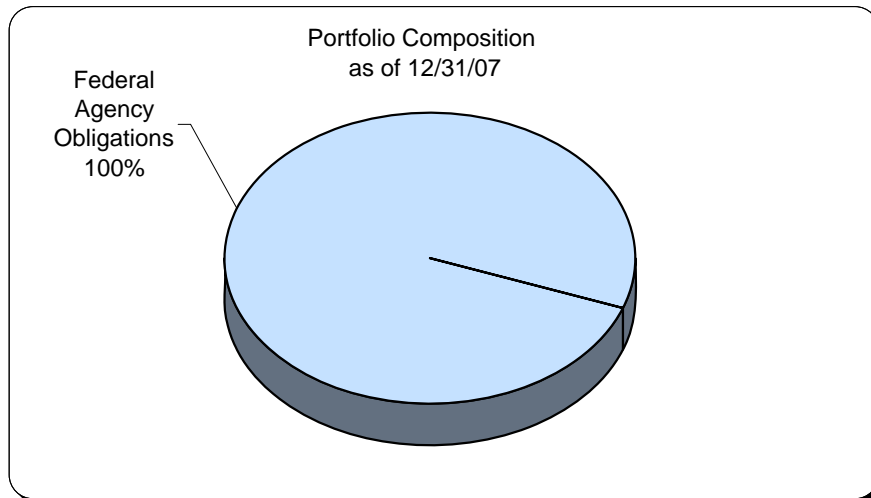


Notes:

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.

2007 TANS Portfolio Composition and Credit Quality Characteristics

<u>Security Type¹</u>	<u>December 31, 2007</u>	<u>% of Portfolio</u>	<u>September 30, 2007</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	N/A	N/A
Federal Agencies	115,394,117.33	100.0%	N/A	N/A
Commercial Paper	0.00	0.0%	N/A	N/A
Certificates of Deposit	0.00	0.0%	N/A	N/A
Bankers Acceptances	0.00	0.0%	N/A	N/A
Repurchase Agreements	0.00	0.0%	N/A	N/A
Municipal Obligations	0.00	0.0%	N/A	N/A
Corporate Notes/Bonds	0.00	0.0%	N/A	N/A
Mortgage Backed	0.00	0.0%	N/A	N/A
Money Market Fund/Cash	0.00	0.0%	N/A	N/A
Totals	\$115,394,117.33	100.0%	N/A	N/A

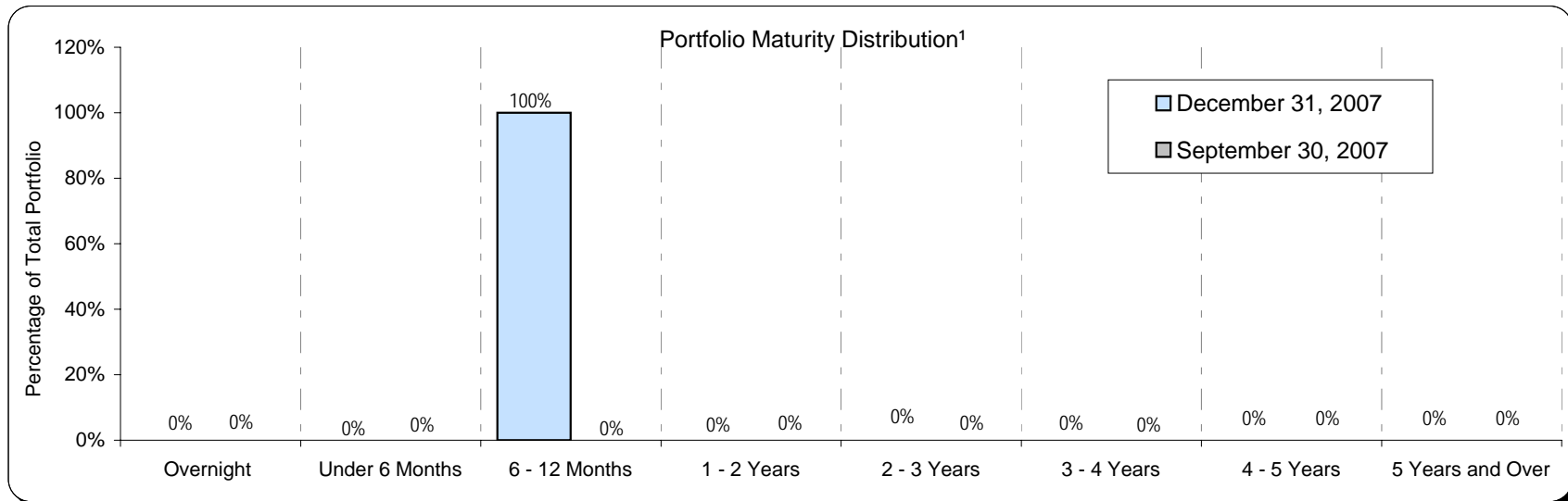


Notes:

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.

2007 TANS Portfolio Maturity Distribution

<u>Maturity Distribution¹</u>	<u>December 31, 2007</u>	<u>September 30, 2007</u>
Overnight (Money Market Fund)	\$0.00	N/A
Under 6 Months	0.00	N/A
6 - 12 Months	115,394,117.33	N/A
1 - 2 Years	0.00	N/A
2 - 3 Years	0.00	N/A
3 - 4 Years	0.00	N/A
4 - 5 Years	0.00	N/A
5 Years and Over	0.00	N/A
Totals	\$115,394,117.33	N/A

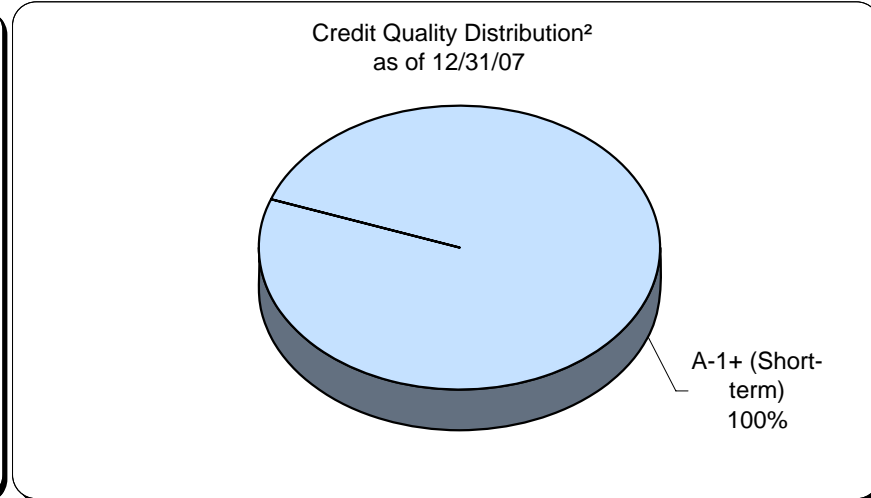
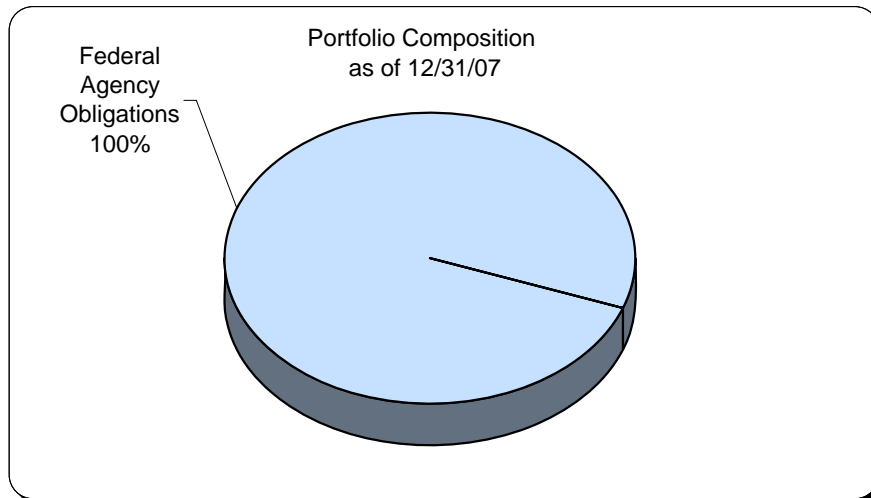


Notes:

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.

COPS Debt Service Reserve Portfolio Composition and Credit Quality Characteristics

<u>Security Type¹</u>	<u>December 31, 2007</u>	<u>% of Portfolio</u>	<u>September 30, 2007</u>	<u>% of Portfolio</u>
U.S. Treasuries	\$0.00	0.0%	N/A	N/A
Federal Agencies	36,467,637.56	100.0%	N/A	N/A
Commercial Paper	0.00	0.0%	N/A	N/A
Certificates of Deposit	0.00	0.0%	N/A	N/A
Bankers Acceptances	0.00	0.0%	N/A	N/A
Repurchase Agreements	0.00	0.0%	N/A	N/A
Municipal Obligations	0.00	0.0%	N/A	N/A
Corporate Notes/Bonds	0.00	0.0%	N/A	N/A
Mortgage Backed	0.00	0.0%	N/A	N/A
Money Market Fund/Cash	0.00	0.0%	N/A	N/A
Totals	\$36,467,637.56	100.0%	N/A	N/A

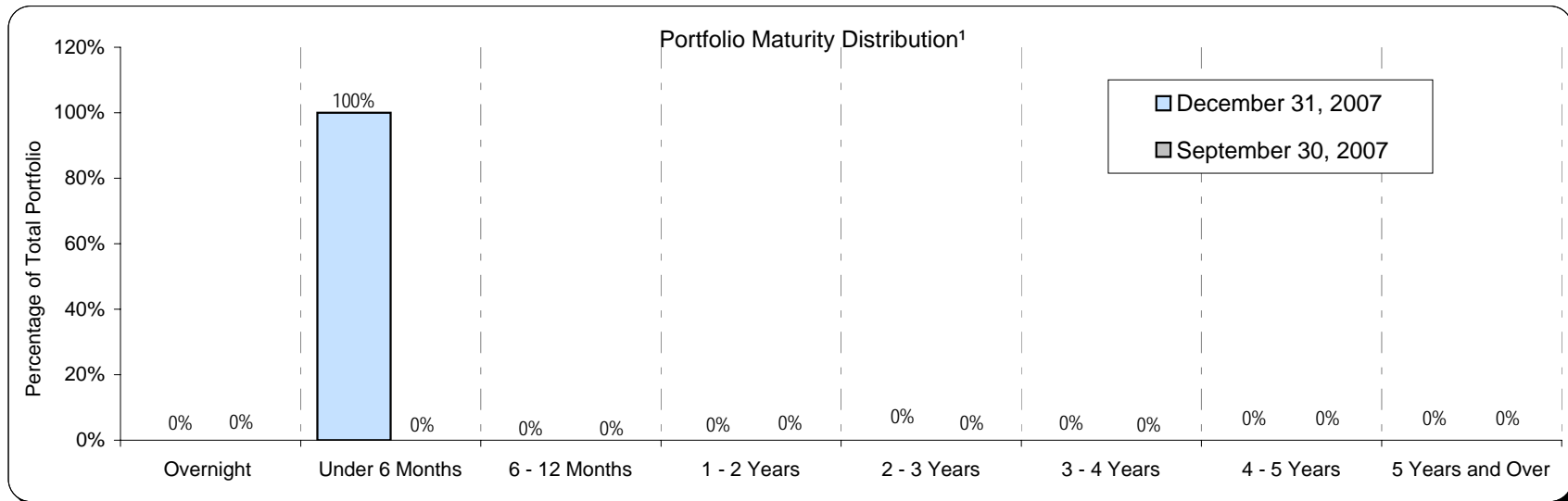


Notes:

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.

COPS Debt Service Reserve Portfolio Maturity Distribution

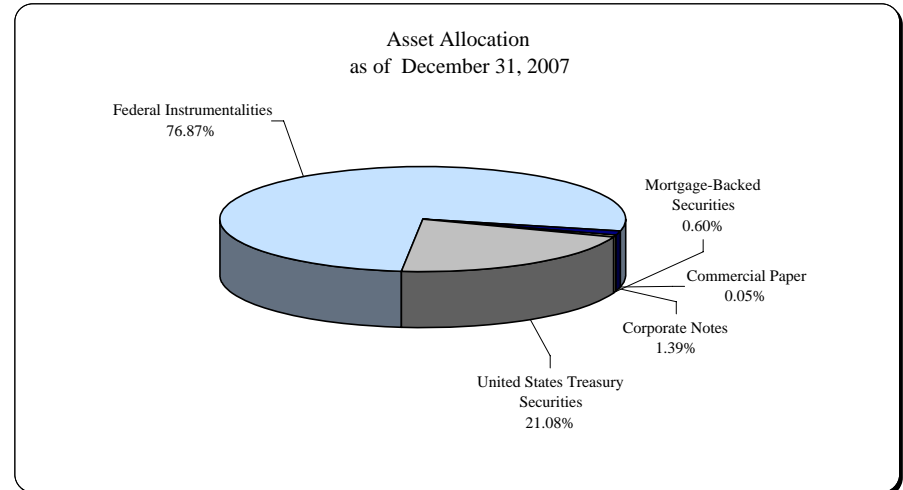
<u>Maturity Distribution¹</u>	<u>December 31, 2007</u>	<u>September 30, 2007</u>
Overnight (Money Market Fund)	\$0.00	N/A
Under 6 Months	36,467,637.56	N/A
6 - 12 Months	0.00	N/A
1 - 2 Years	0.00	N/A
2 - 3 Years	0.00	N/A
3 - 4 Years	0.00	N/A
4 - 5 Years	0.00	N/A
5 Years and Over	0.00	N/A
Totals	\$36,467,637.56	N/A



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.

Security Type	December 31, 2007	Notes	Permitted by Policy
Florida SBA	0.00%		100%
United States Treasury Securities	21.08%		100%
United States Government Agency Securities	0.00%		50%
Federal Instrumentalities	76.87%	1	80%
Certificates of Deposit	0.00%		25%
Repurchase Agreements	0.00%		50%
Commercial Paper	0.05%		35%
Corporate Notes	1.39%		15%
Mortgage-Backed Securities	0.60%	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	December 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)	0.88%		50%
Federal Home Loan Bank (FHLB)	28.25%		50%
Federal National Mortgage Association (FNMA)	15.15%		50%
Federal Home Loan Mortgage Corporation (FHLMC)	33.20%		50%
Student Loan Marketing Association (SLMA)	0.00%		50%

Individual Issuer Breakdown	December 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%
Calyon CP	0.05%		10%
CP B	0.00%		10%
CP C	0.00%		10%
CP D	0.00%		10%
CP E	0.00%		10%
Bank of America	0.21%		10%
Wal-Mart	0.60%		10%
General Electric	0.59%		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 December 31, 2007 is 77.48%.
 * No Bond Proceeds.