City of Winter Springs

Investment Performance Review
Quarter Ended June 30, 2012

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(statements are available online at www.pfm.com)

TAB I

Summary

- During the second quarter, investors searched for a safe place to hide amid weaker economic data and the ongoing European sovereign debt crisis. European efforts to stem contagion from its ongoing debt crisis resulted in higher volatility for European markets.
- U.S. economic data showed mixed results. While the labor market and the manufacturing sector looked weaker, the housing market showed signs of a rebound.
- PFM Asset Management LLC (PFMAM) believes the domestic economy will continue to expand, albeit at a slower pace, and aims to take advantage of the more volatile market environment by finding compelling yet undervalued investment opportunities.

Economic News

Economic data was weaker across the globe. Gross domestic product (GDP) in the U.S. for the first quarter of 2012 was 1.9%, compared to 3.0% for the fourth quarter of 2011. At the same time, the European economic picture worsened, as Spain fell into its second recession since 2009 and the European debt crisis continued to pose challenges. Emerging-markets economies also experienced slower growth, as China had its slowest pace of economic growth since 2009 and India reported first-quarter growth of 5.3% compared to a 6.1% rate of growth for the previous quarter. In response, central banks have kept accommodative policies in place and, in some cases, added further support to their economies.

U.S. job market conditions deteriorated during the quarter, as the unemployment rate had its first increase since June 2011, rising to 8.2% in May from 8.1% in April. However, the housing market has shown some improvements during the quarter. New-home sales in May exceeded economists' expectations, reaching their highest level since April 2010, and the S&P/Case-Shiller Index reported a third consecutive month of price gains for single-family homes.

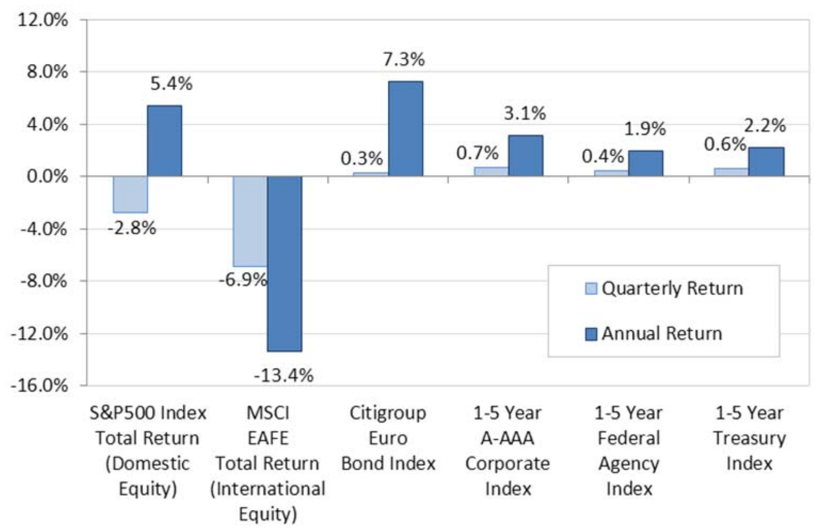
Oil and other commodity prices fell for most of the quarter due to reports of slower growth in the global economy. However, they rebounded sharply at the end of June, with the S&P GSCI Index rising the most in three years when the European Union announced it would increase its aid to struggling member nations. The S&P 500 Index rallied on this positive news as well, after losing ground in the first two months of the quarter.

Total Returns of Various Asset Classes

Quarter ended June 30, 2012

Interest Rates

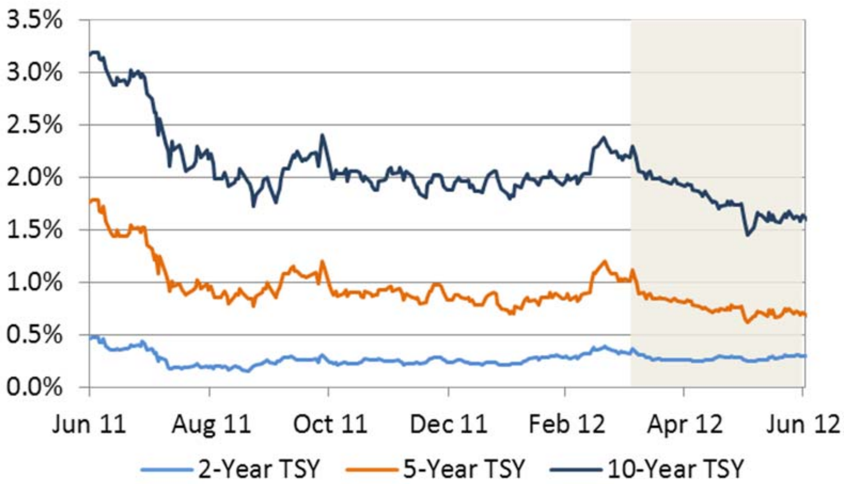
U.S. interest rates declined across the yield curve. Slowing growth, a decline in inflation, and a flight to quality all fed the decline. The Federal Reserve (the "Fed") maintained its commitment to keeping interest rates at low levels until at least late 2014, and the federal



Sources: Bank of America Merrill Lynch, Citigroup, Bloomberg funds rate stayed within a band from zero to 0.25%. The central bank also stated that it would extend its program of buying longer-dated

Treasuries while selling short-dated Treasuries, also known as "Operation Twist," until the end of the year. The Fed lowered its forecasts for domestic economic growth, while at the same time increasing its forecasts for unemployment.

2-Year, 5-Year, and 10-Year U.S. Treasury Note Yields
June 30, 2011 through June 30, 2012



Source: Bloomberg

Thirty-year mortgage rates fell to new lows, which drove some of the positive developments in the housing market. As shown in the charts on the following page, longer-dated Treasuries performed well for the quarter and 12-month period. Corporate bonds outperformed Treasuries and Agencies on a duration-adjusted basis for the quarter and 12-month period, and Treasuries beat Agencies for the quarter but not for the 12-month period. Agencies and corporate bonds had a difficult time during the month of May as the markets dealt with the uncertainties surrounding the European debt crisis; however, both sectors improved markedly in June as a result of Europe's new commitments to resolving its debt crisis.

Five- and ten-year Treasury yields dropped to record lows after the employment report was released on June 1, and then increased slightly during the month. Agency spreads remained mostly unchanged from May to June, and outperformed Treasuries in June due to their relatively higher yields. With Agency and corporate spreads narrowing, PFMAM believes that municipal and Agency mortgage-backed securities provide good value with acceptable levels of risk.

U.S. Treasury Yields – Quarter and Year-over-Year Changes

Date	3-month	1-year	2-year	5-year	10-year	30-year
30-Jun-12	0.08%	0.21%	0.30%	0.72%	1.65%	2.75%
31-Mar-12	0.07%	0.17%	0.33%	1.04%	2.21%	3.34%
Change over Quarter	0.02%	0.04%	-0.03%	-0.32%	-0.57%	-0.58%
30-Jun-11	0.02%	0.19%	0.46%	1.76%	3.16%	4.37%
Change over Year	0.07%	0.02%	-0.16%	-1.04%	-1.52%	-1.62%

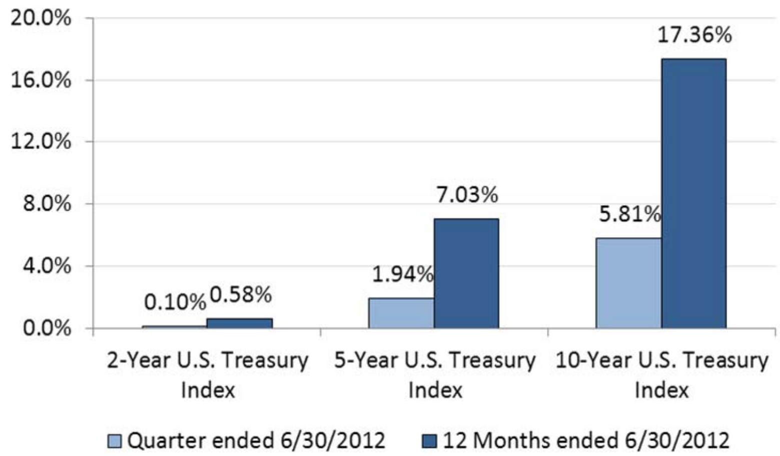
Source data: Bloomberg

PFMAM Outlook

We believe that the domestic economy will continue to grow, despite weaker reports on the jobs market. Shorter-term rates are range-bound, while longer-term yields are declining, resulting in a flatter yield curve. Currently, we do not believe that rates will head substantially higher, as the Fed is maintaining a loose monetary policy and inflation remains within the Fed's mandate of 2% for core personal consumption expenditures.

Lower oil prices may currently provide some relief to U.S. consumers. On the other hand, the gloomy employment picture is still weighing on consumer spending, as is higher core inflation.

Returns for 2-Year, 5-Year, and 10-Year Treasuries
Quarter ended June 30, 2012

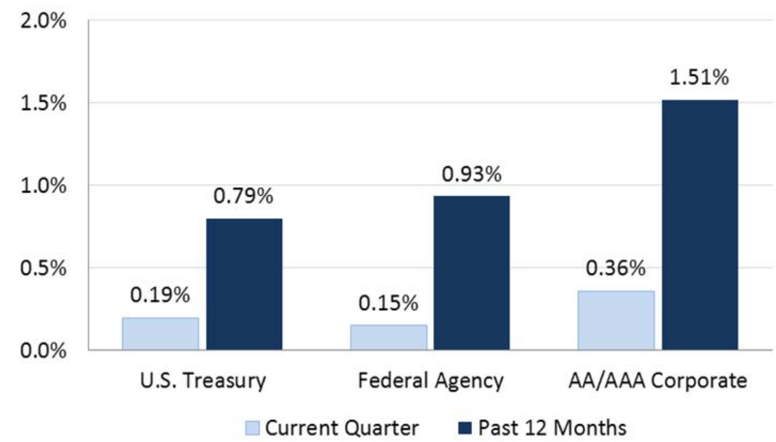


Source: Bloomberg, using Bank of America Merrill Lynch indexes.

The extension of "Operation Twist" announced by the Fed in June should place continued downward pressure on intermediate-term Treasury yields, as the Fed will buy up to $267 billion in securities over the coming months. The action should support rates for Treasuries with maturities of two years and under, as the Fed offsets its purchases by selling short-dated Treasuries.

Short-term yields have stayed within a narrow range for the quarter. There are also fewer opportunities for investment in the money market sector, as Fannie Mae and Freddie Mac reduce their short-term debt issuance. Agency and corporate spreads have been volatile and reactive to risk-on/risk-off psychology in the market, which creates opportunities for active management strategies to add value.

Duration-Adjusted Returns for Fixed-Income Securities
Quarter ended June 30, 2012



Source: Bloomberg, using Bank of America Merrill Lynch 1-3 year indexes.

TAB II

Executive Summary

PORTFOLIO STRATEGY

- The City's General City Account Portfolio is of high credit quality and invested in Federal Agency, U.S. Treasury, and commercial paper securities.

- The General City Account Portfolio continues to provide the City with favorable yield relative to the benchmark. At quarter end the Portfolio had a Yield to Maturity at Cost of 0.44%, exceeding the Yield to Maturity of its benchmark the Merrill Lynch 1 Year U.S. Treasury Note Index by 20 basis points (0.20%).

- For most of the first quarter, Treasury yields stayed within the established ranges they had been in since August 2011. However, in mid-March, yields moved sharply higher to eight-month highs. Despite the move higher, we concluded that this did not represent a fundamental change in the marketplace, nor did it warrant a significant change in strategy. The Federal Reserve has committed to keeping rates low through late 2014, and economic conditions continue to reflect only moderate growth. We used higher rates as an opportunity to modestly extend the Portfolio's duration.

- Several months of stronger economic news has improved the outlook for the U.S. economy, but we expect interest rates to remain range-bound due to the Federal Reserve's loose monetary policy, lingering worries about Europe and China, and moderate levels of inflation in core prices. In particular, the fed funds target rate—set at 0.00% to 0.25% since December 2008—creates a strong anchor, holding down short- and intermediate-term rates for the foreseeable future.

- As always, we strive to maintain the safety of principal, while at the same time seeking opportunities to add value. Our strategy will remain flexible and may change in response to changes in interest rates, economic data, market outlook or specific opportunities that arise.

The City's Investment Statistics

Account Name	Amortized Cost[1,2,3] June 30, 2012	Amortized Cost[1,2,3] March 31, 2012	Market Value[1,2,3] June 30, 2012	Market Value[1,2,3] March 31, 2012	Duration (Years) June 30, 2012
General City Account Portfolio	$26,159,249.53	$25,517,711.97	$26,184,497.07	$25,553,386.88	0.95
Fidelity Institutional Money Market Fund Government Portfolio (Fund #257)	42,670.22	655,396.19	42,670.22	655,396.19	0.003
Money Market Fund - State Board of Administration Pool A	24,019.50	48,116.05	24,019.50	48,116.05	38 Days
Money Market Fund - State Board of Administration Pool B	541,030.03	573,608.48	541,030.03	573,608.48	N/A
Bank of America Cash for Operation - depository	2,419,929.76	2,770,097.24	2,419,929.76	2,770,097.24	0.003
Water & Sewer 2000 - Fidelity Institutional Money Market Fund Government Portfolio (Account #364)	716,712.48	716,695.41	716,712.48	716,695.41	0.003
Water & Sewer 2000 - Money Market Fund - State Board of Administration Pool A	697.12	1,396.45	697.12	1,396.45	38 Days
Water & Sewer 2000 - Money Market Fund - State Board of Administration Pool B	15,702.15	16,647.66	15,702.15	16,647.66	N/A
Total	$29,920,010.79	$30,299,669.45	$29,945,258.33	$30,335,344.36	

Account Name	Yield to Maturity on Cost[4] June 30, 2012	Yield to Maturity on Cost[4] March 31, 2012	Yield to Maturity at Market June 30, 2012	Yield to Maturity at Market March 31, 2012	Duration (Years) March 31, 2012
General City Account Portfolio	0.44%	0.45%	0.28%	0.28%	0.92
Fidelity Institutional Money Market Fund Government Portfolio (Fund #257)	0.01%	0.01%	0.01%	0.01%	0.003
Money Market Fund - State Board of Administration Pool A	0.31%	0.33%	0.31%	0.33%	34 Days
Money Market Fund - State Board of Administration Pool B	0.00%	0.00%	0.00%	0.00%	N/A
Bank of America Cash for Operation - depository	0.25%	0.25%	0.25%	0.25%	0.003
Water & Sewer 2000 - Fidelity Institutional Money Market Fund Government Portfolio (Account #364)	0.01%	0.01%	0.01%	0.01%	0.003
Water & Sewer 2000 - Money Market Fund - State Board of Administration Pool A	0.31%	0.33%	0.31%	0.33%	34 Days
Water & Sewer 2000 - Money Market Fund - State Board of Administration Pool B	0.00%	0.00%	0.00%	0.00%	N/A
Weighted Average Yield	0.41%	0.40%	0.27%	0.26%	

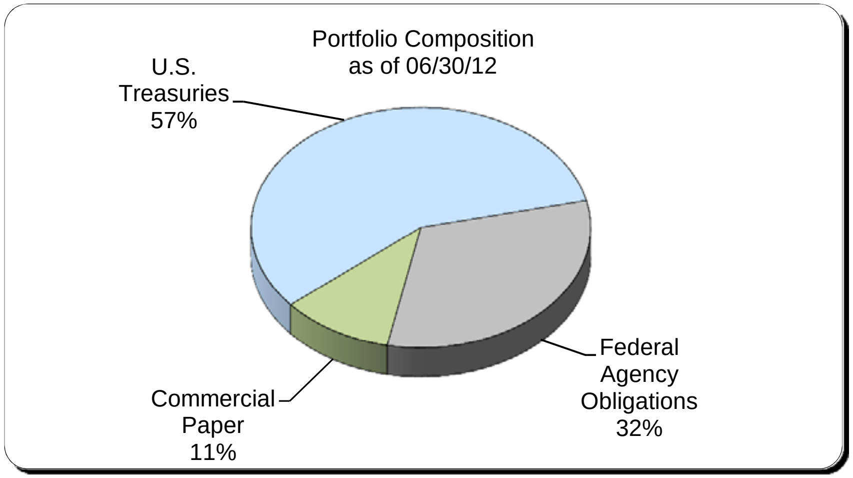
Benchmarks	June 30, 2012	March 31, 2012
Merrill Lynch 1 Year U.S. Treasury Note Index[5]	0.24%	0.22%

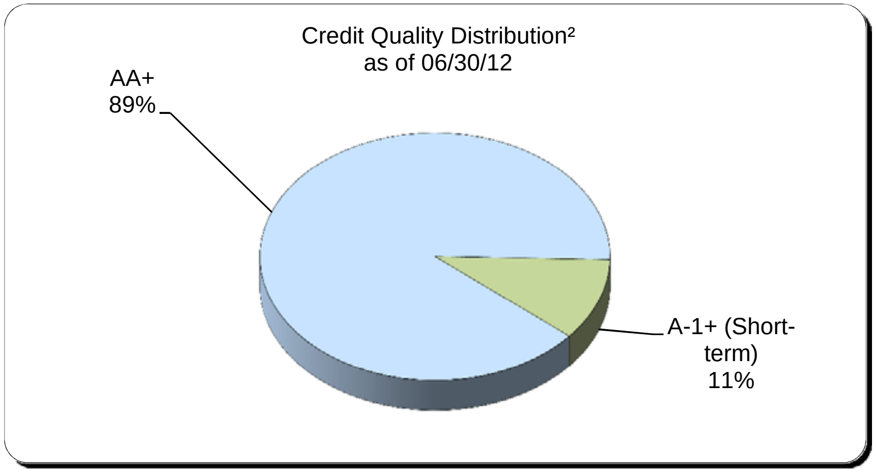
Notes:

1. On a trade-date basis, 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. Source Bloomberg.

General City Account Portfolio Composition and Credit Quality Characteristics

Security Type[1]	June 30, 2012	% of Portfolio	March 31, 2012	% of Portfolio
U.S. Treasuries	**$15,059,825.64**	**57.51%**	$12,060,466.24	47.20%
Federal Agencies	**8,320,442.58**	**31.78%**	9,195,775.34	35.99%
Commercial Paper	**2,804,228.85**	**10.71%**	4,297,145.30	16.82%
Certificates of Deposit	**0.00**	**0.00%**	0.00	0.00%
Bankers Acceptances	**0.00**	**0.00%**	0.00	0.00%
Repurchase Agreements	**0.00**	**0.00%**	0.00	0.00%
Municipal Obligations	**0.00**	**0.00%**	0.00	0.00%
Corporate Notes/Bonds	**0.00**	**0.00%**	0.00	0.00%
Corporate Notes/Bonds - FDIC Insured	**0.00**	**0.00%**	0.00	0.00%
Mortgage Backed	**0.00**	**0.00%**	0.00	0.00%
Money Market Fund/Cash	**0.00**	**0.00%**	0.00	0.00%
Totals	**$26,184,497.07**	**100.00%**	$25,553,386.88	100.00%



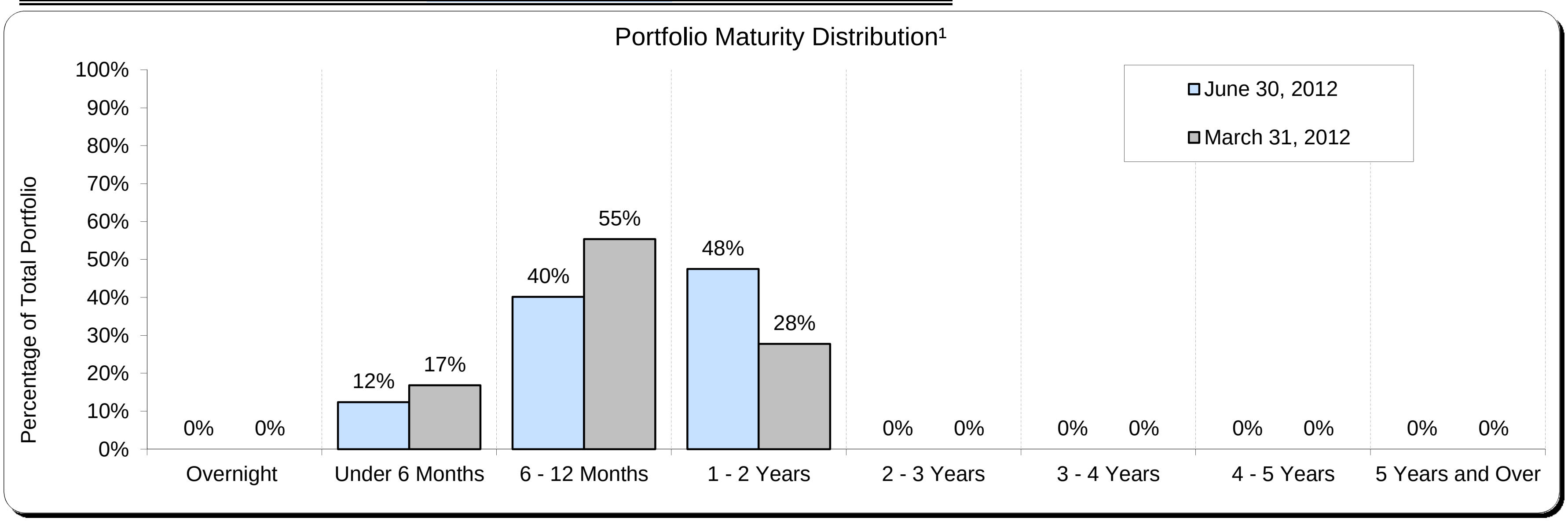


Notes:

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. Standard & Poor's is the source of the credit ratings.

General City Account Portfolio Maturity Distribution

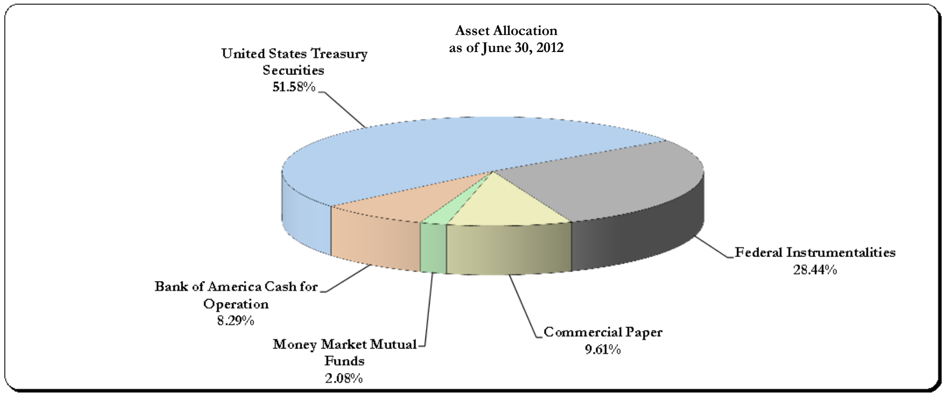
Maturity Distribution[1]	June 30, 2012	March 31, 2012
Overnight (Money Market Fund)	**$0.00**	$0.00
Under 6 Months	**3,234,407.40**	4,297,145.30
6 - 12 Months	**10,511,056.45**	14,157,952.65
1 - 2 Years	**12,439,033.22**	7,098,288.93
2 - 3 Years	**0.00**	0.00
3 - 4 Years	**0.00**	0.00
4 - 5 Years	**0.00**	0.00
5 Years and Over	**0.00**	0.00
Totals	**$26,184,497.07**	$25,553,386.88



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[3]	June 30, 2012	June 30, 2012	Notes	Permitted by Policy
United States Treasury Securities	15,054,063.16	51.58%		**100%**
United States Government Agency Securities	-	0.00%		**75%**
Federal Instrumentalities	8,301,551.12	28.44%		**80%**
Certificates of Deposit	-	0.00%		**25%**
Repurchase Agreements	-	0.00%		**50%**
Commercial Paper	2,803,635.25	9.61%		**30%**
Corporate Notes - FDIC Insured	-	0.00%		**50%**
Mortgage-Backed Securities	-	0.00%		**0%**
Bankers' Acceptances	-	0.00%		**30%**
State and/or Local Government Debt (GO and Revenue)	-	0.00%		**20%**
Money Market Mutual Funds	607,719.85	2.08%		**100%**
Intergovernmental Investment Pool	-	0.00%		**25%**
Bank of America Cash for Operation	2,419,929.76	8.29%	2	**100%**



Individual Issuer Breakdown	June 30, 2012	June 30, 2012	Notes	Permitted by Policy
Government National Mortgage Association (GNMA)	-	0.00%		**50%**
US Export-Import Bank (Ex-Im)	-	0.00%		**50%**
Farmers Home Administration (FMHA)	-	0.00%		**50%**
Federal Financing Bank	-	0.00%		**50%**
Federal Housing Administration (FHA)	-	0.00%		**50%**
General Services Administration	-	0.00%		**50%**
New Communities Act Debentures	-	0.00%		**50%**
US Public Housing Notes & Bonds	-	0.00%		**50%**
US Dept. of Housing and Urban Development	-	0.00%		**50%**
Federal Farm Credit Bank (FFCB)	-	0.00%		**25%**
Federal Home Loan Bank (FHLB)	3,372,173.80	11.55%		**25%**
Federal National Mortgage Association (FNMA)	3,407,789.38	11.68%		**25%**
Federal Home Loan Mortgage Corporation (FHLMC)	1,521,587.94	5.21%		**25%**
Student Loan Marketing Association (SLMA)	-	0.00%		**25%**

Individual Issuer Breakdown	June 30, 2012	June 30, 2012	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%**
Nordea North America CP	1,504,423.92	5.15%		**10%**
Toyota CP	1,299,211.33	4.45%		**10%**
CP C	-	0.00%		**10%**
CP D	-	0.00%		**10%**
Corporate Notes - FDIC insured C	-	0.00%		**25%**
Corporate Notes - FDIC insured D	-	0.00%		**25%**
Corporate Notes - FDIC insured E	-	0.00%		**25%**
BA Bank A	-	0.00%		**10%**
BA Bank B	-	0.00%		**10%**
BA Bank C	-	0.00%		**10%**
Municipal Notes/Bonds	-	0.00%		**20%**
Fidelity Institutional Money Market Fund Government Portfolio (Fund #257)	42,670.32	0.15%	2	**25%**
Money Market Fund - Florida Prime (SBA)	24,019.50	0.08%	2	**25%**
Money Market Fund - Florida SBA Fund B	541,030.03	1.85%	2	**N/A**

Notes:

1. Does not include bond proceeds.
2. Managed by the City.
3. End of month trade-date amortized cost of portfolio holdings, including accrued interest.

TAB III

Insert Month End Statement here to complete the report.

Statements are available online at **www.pfm.com**
login and click on the link to “Monthly Statements”
on the left side of the screen.