

# FLORIDA LOCAL GOVERNMENT INVESTMENT TRUST

## **The Investment Trust Portfolio Report December 2009**

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**FLORIDA**  
**LOCAL GOVERNMENT INVESTMENT**  
**TRUST**

**PORTFOLIO SUMMARY**

November 30, 2009 to December 31, 2009

**Net Asset Value Summary**

December 31, 2008	\$21.7994
November 30, 2009	\$22.7432
December 31, 2009	\$22.6252

**Portfolio Yields**

SEC Yield	1.5585
Market Yield	2.5500

**Portfolio Returns**

1-month Return	-0.519%
12-Month Return	3.788%
Annualized Return Since Inception	4.651%

**Standard and Poors Ratings**

Credit Quality	AAAf
Bond Fund Volatility Rating	S1

**Security Distribution**

Securities	1-12 months	12-24 months	24-36 months	36-60 months	Total
Money Market	\$ 3,163,074.05	\$ -	\$ -	\$ -	\$ 3,163,074.05
U.S. Treasury Notes	\$ 67,651,912.55	\$ 4,607,548.60	\$ -	\$ -	\$ 72,259,461.15
Commercial Paper	\$ -	\$ -	\$ -	\$ -	\$ -
Asset Backed	\$ 7,095,205.96	\$ 16,092,222.95	\$ 7,301,447.45	\$ -	\$ 30,488,876.36
Agency Notes	\$ 16,793,862.24	\$ 47,889,046.75	\$ 83,537,268.84	\$ 2,360,911.20	\$ 150,581,089.03
Coll. Mort. Obligations	\$ 7,266,454.23	\$ -	\$ -	\$ -	\$ 7,266,454.23
Agency ARM Pass Thr.	\$ 7,865,695.46	\$ 29,598,685.32	\$ 11,359,718.90	\$ -	\$ 48,824,099.68
Corporates	\$ 44,114,986.85	\$ 39,838,163.06	\$ 64,845,155.19	\$ 37,114,889.54	\$ 185,913,194.64
Agency Discount Notes	\$ -	\$ -	\$ -	\$ -	\$ -
Certificate of Deposit	\$ 8,321,619.45	\$ -	\$ -	\$ -	\$ 8,321,619.45
<b>Total:</b>	<b>\$ 162,272,810.79</b>	<b>\$ 138,025,666.68</b>	<b>\$ 167,043,590.38</b>	<b>\$ 39,475,800.74</b>	<b>\$ 506,817,868.59</b>
<b>% of Portfolio:</b>	<b>32.02%</b>	<b>27.23%</b>	<b>32.96%</b>	<b>7.79%</b>	<b>100.00%</b>

**Average Mat.(Years)** **2.08**

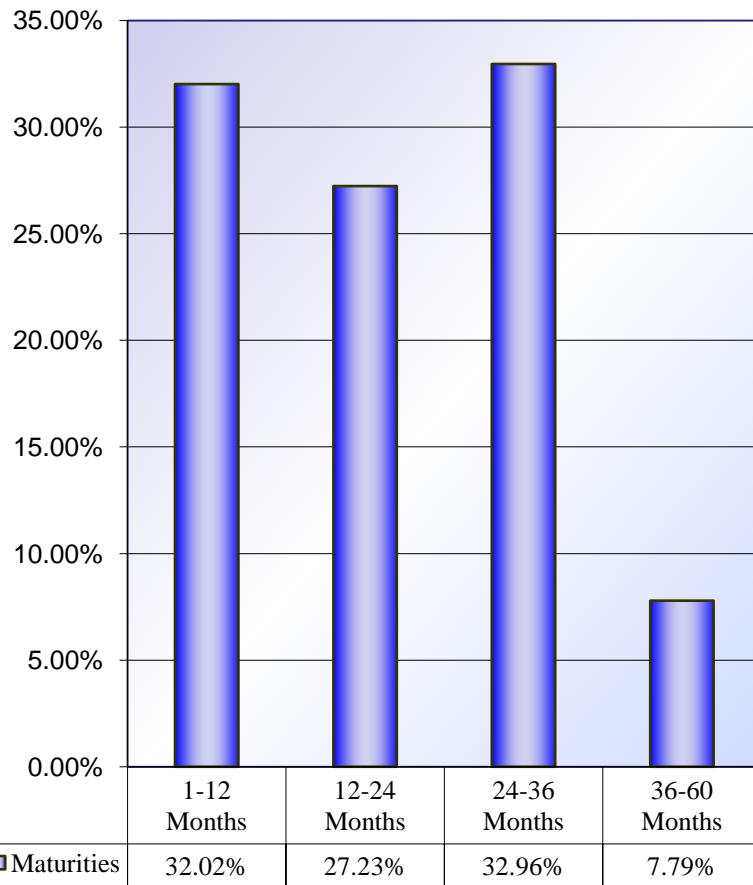
**Effective Duration** **1.64**

Completion Date - 01-13-2010

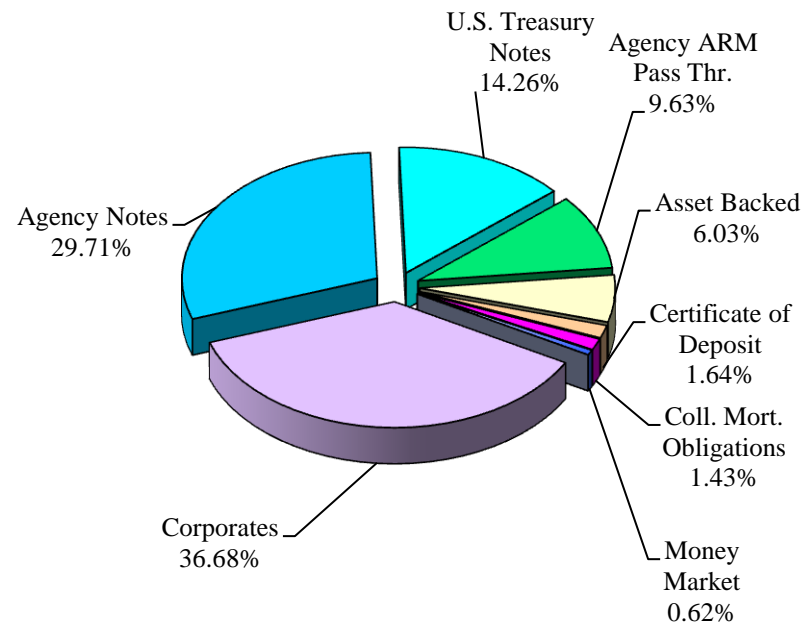
Charts Page

December 31, 2009

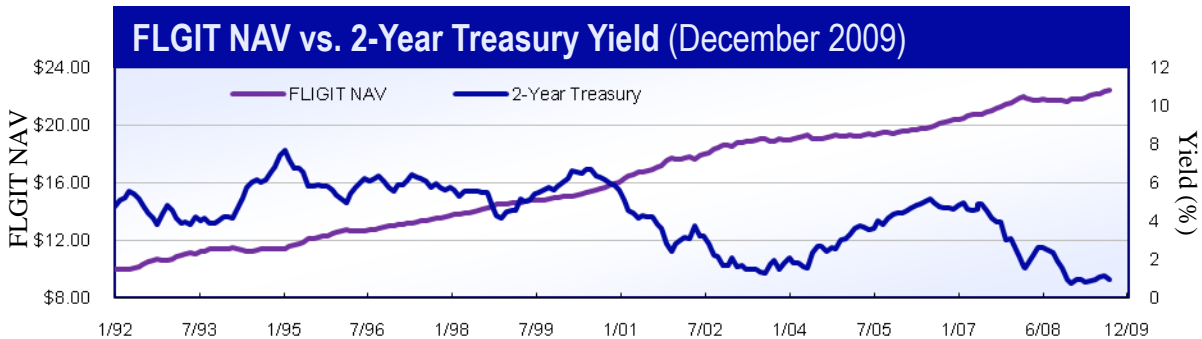
Maturity Distribution, December 2009



Sector Allocation, December 2009



# The Added-Value of Longer-Maturity Assets



- 2-year outperforms cash by: 1.1%
- ML 1-3 year outperforms cash by: 1.4%
- FLGIT outperforms cash by: 1.0%

Total Returns	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007	2008	December 2009	Fiscal YTD	Since Inception 1/1/92
FLGIT NAV	5.9%	3.1%	8.2%	8.3%	6.4%	1.7%	1.0%	1.6%	4.3%	5.7%	1.2%	-0.5%	0.4%	4.6%
Money Markets	5.2%	4.8%	5.6%	3.9%	1.5%	0.8%	1.0%	2.9%	4.7%	5.0%	2.6%	0.0%	0.0%	3.6%
3-Month Treasury Bill	5.4%	4.9%	5.9%	4.5%	1.8%	1.1%	1.1%	3.1%	4.9%	5.0%	2.1%	0.0%	0.0%	3.7%
2-Year Treasury Note	7.4%	2.3%	7.6%	7.9%	4.5%	1.2%	0.0%	1.4%	3.1%	7.5%	7.8%	-0.8%	-0.2%	4.7%
ML 1-3 Year Tsy Index	7.0%	3.1%	8.0%	8.3%	5.8%	1.9%	0.9%	1.7%	4.0%	7.3%	6.6%	-0.8%	0.0%	5.0%

## Market Commentary – December 2009

The US economic recovery has gotten off to a disappointing start, but we are optimistic that a sustainable rebound in private demand will materialize before the effects of the government stimulus fade later this year.

According to the Commerce Department’s final revision, real gross domestic product (GDP) rose at an annual rate of 2.2% in Q3 2009 compared to the 3.5% rate that was initially reported. The good news is that real GDP probably accelerated in Q4 due to a slower pace of inventory liquidation and better-than-expected holiday sales. The one piece of the puzzle that is still missing, however, is job growth. Forward-looking indicators are pointing to a gradual recovery in the labor market beginning in either February or March.

We are forecasting real GDP to remain around its long-term trend of 2.5% in the first half of the year, before moderating to a 2% rate in the second half. Inflationary pressures should remain subdued in this environment, though headline inflation may drift higher in the near-term as a consequence of the recent rise in oil prices. We do not anticipate any interest rate hikes by the Federal Reserve until late 2010. However, the central bank is scheduled to end its mortgage purchase plan in March, a move that will presumably lead to higher mortgage rates.

The Florida Local Government Investment Trust Short-Term Bond portfolio posted a return of -0.52% versus a benchmark return of -0.79%, an outperformance of 27 bps. For 2009, the Short-Term bond portfolio posted a return of 3.79%, outperforming the benchmark by over 300 bps.

This month, we continued our purchases of government guaranteed foreign agency securities. High-quality corporate bonds continued to perform well on the back of strong corporate earnings, increased M&A activity, and favorable macroeconomic data. Of note, we added names in the electric (Florida Power & Light), banking (US Bancorp and Wells Fargo), and oil (BP Capital) sectors, which we believe will continue to do well in an economic recovery.

Overall, the portfolio remains well diversified with over 55% invested in government or government guaranteed securities.

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**MONTH-END STATEMENT OF ASSETS & LIABILITIES**

ASSETS	30-Nov-09	31-Dec-09
Investments		
Investments @ Value	\$497,303,462.14	\$506,817,868.59
Cash	\$0.00	\$0.00
Total Investments	<u>\$497,303,462.14</u>	<u>\$506,817,868.59</u>
Receivables		
Accrued Income	\$2,602,665.41	\$2,948,753.92
Investment Securities Sold	\$60,106.24	\$52,410.28
Income Receivable	\$36,143.99	\$7,809.17
Capital Shares Sold	\$0.00	\$0.00
Other Assets	\$0.00	\$0.00
TOTAL ASSETS	<u>\$500,002,377.78</u>	<u>\$509,826,841.96</u>
LIABILITIES		
Payables		
Investment Securities Purchased	\$0.00 (1)	\$0.00 (2)
Capital Shares Redeemed	\$0.00	\$0.00
Accrued Expenses	\$205,631.52	\$213,132.82
Other Payables	\$0.00 (1)	\$0.00 (2)
Other Liabilities	\$0.00	\$0.00
TOTAL LIABILITIES	<u>\$205,631.52</u>	<u>\$213,132.82</u>
<b>NET ASSETS</b>	<u>\$499,796,746.26</u>	<u>\$509,613,709.14</u>
Shares Outstanding:	21,975,649.911	22,524,072.138
Net Asset Value Per Share:	\$22.7432	\$22.6252

Notes:

(1) The amounts listed as a liability above is the result of securities purchased with a trade date in November 2009 and a transaction / settlement date in December 2009

(2) The amounts listed as a liability above is the result of securities purchased with a trade date in December 2009 and a transaction / settlement date in January 2010

**MONTH-END STATEMENT OF OPERATIONS**

	30-Nov-09	31-Dec-09
Investment Income	\$1,126,624.69	\$1,201,526.79
Expenses	<u>\$118,244.60</u>	<u>\$124,621.41</u>
Net Investment Income	\$1,008,380.09	\$1,076,905.38
Realized and Unrealized Gain(loss) on Investments		
Realized Gain(loss) on Investments:		
Proceeds from sales	\$65,667,464.27	\$35,411,645.42
Cost of securities sold	<u>\$65,589,251.88</u>	<u>\$35,430,611.78</u>
Net Realized Gain(loss)	\$78,212.39	(\$18,966.36)
Unrealized Appreciation of Investments:		
Beginning of Period	\$4,687,726.82	\$6,080,154.47
End of Period	<u>\$6,080,154.47</u>	<u>\$2,384,943.08</u>
Change in unrealized appreciation	\$1,392,427.65	(\$3,695,211.39)
Net Realized and Unrealized Gain(loss) on Investments:	\$1,470,640.04	(\$3,714,177.75)
Total Return:	\$2,479,020.13	(\$2,637,272.37)

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**Fund Balance and Net Asset Value Report**

December 31, 2009

<b>DATE</b>	<b>FUND BALANCE</b>	<b>NET ASSET VALUE</b>	<b>SEC YIELD</b>
December 1, 2009	\$499,674,883.56	22.7383	1.5403
December 2, 2009	\$499,321,849.91	22.7222	1.5365
December 3, 2009	\$499,164,293.78	22.7150	1.5315
December 4, 2009	\$498,315,988.60	22.6773	1.5309
December 5, 2009	\$498,349,790.89	22.6773	1.5309
December 6, 2009	\$498,383,593.19	22.6773	1.5309
December 7, 2009	\$498,543,261.15	22.6877	1.5012
December 8, 2009	\$499,367,513.96	22.7252	1.4949
December 9, 2009	\$499,250,512.93	22.7199	1.4934
December 10, 2009	\$499,053,388.97	22.7109	1.4917
December 11, 2009	\$498,690,369.39	22.6944	1.4926
December 12, 2009	\$498,725,282.57	22.6944	1.4926
December 13, 2009	\$498,760,195.74	22.6944	1.4926
December 14, 2009	\$498,708,593.39	22.6952	1.5262
December 15, 2009	\$498,318,068.07	22.6774	1.5274
December 16, 2009	\$498,541,825.14	22.6876	1.5275
December 17, 2009	\$499,326,855.71	22.7233	1.5260
December 18, 2009	\$499,015,419.71	22.7092	1.5281
December 19, 2009	\$499,050,373.97	22.7092	1.5281
December 20, 2009	\$499,085,328.23	22.7092	1.5281
December 21, 2009	\$503,026,708.42	22.7023	1.5317
December 22, 2009	\$510,651,514.65	22.6708	1.5332

<b>DATE</b>	<b>FUND BALANCE</b>	<b>NET ASSET VALUE</b>	<b>SEC YIELD</b>
December 23, 2009	\$510,474,530.84	22.6630	1.5307
December 24, 2009	\$510,181,666.04	22.6500	1.5334
December 25, 2009	\$510,217,238.05	22.6500	1.5334
December 26, 2009	\$510,252,810.06	22.6500	1.5334
December 27, 2009	\$510,288,382.07	22.6500	1.5334
December 28, 2009	\$510,169,492.02	22.6494	1.5467
December 29, 2009	\$509,952,191.77	22.6403	1.5481
December 30, 2009	\$510,086,937.34	22.6463	1.5515
December 31, 2009	\$509,613,709.14	22.6252	1.5585
Average:	\$502,663,308.69		

<b>End of Month NAV</b>	<b>\$22.6252</b>
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**SOURCE: BANK OF NEW YORK. COMPILED BY  
THE ADMINISTRATOR FACC Service Group LLC**