



# **Finance & Audit Committee General Session**

**February 20, 2012**  
**ERCOT Public**

# Call Open Session



**ERCOT Finance & Audit Committee Meeting**  
**7620 Metro Center Drive, Austin, Texas**  
**Met Center, Conference Room 206**  
**February 20, 2012; 1:00 pm – 4:00 pm\***

<b>Item</b>	<b>Topic</b>	<b>Topic Type</b>	<b>Presenter</b>	<b>Time</b>
1.	Call Open Session to order and announce proxies	Discussion	Trip Doggett	1:00 pm
2.	Confirm Finance and Audit Committee membership	Discussion	Trip Doggett	
3.	Elect Chair of the Finance and Audit Committee	Vote	Trip Doggett	
4.	Elect Vice Chair of the Finance and Audit Committee	Vote	Chair	
5.	Designate Secretary of the Finance and Audit Committee	Vote	Chair	
6.	Approve general session minutes (12/12/11)	Vote	Chair	
7.	Review and assess adequacy of the Finance and Audit Committee charter	Discussion	Chair	
8.	Approve the Credit Work Group charter	Vote	Mark Ruane	
9.	Appoint Credit Work Group Chair and Vice Chair	Vote	Mark Ruane	
10.	Review and recommend Board Approval of the Market Credit Risk Corporate Standard	Vote	Mark Ruane	
11.	Review and recommend Board approval of the Financial Corporate Standard	Vote	Leslie Wiley	
12.	Review and recommend Board approval of the Investment Corporate Standard	Vote	Leslie Wiley	
13.	Review forecast liquidity requirements and debt structure options	Vote	Leslie Wiley	
14.	Review Committee briefs <ul style="list-style-type: none"> <li>a. Management report on significant accounting judgments and estimates</li> <li>b. Management procedures for handling of complaints regarding financial reporting</li> <li>c. Management policy for hiring former employees of the independent auditor</li> <li>d. 2011 IRS Form 990 preparation schedule and related questionnaire to be distributed to board members</li> <li>e. Report of audit activity</li> <li>f. Periodic investment report</li> </ul>	Discussion	Mike Petterson	
15.	Future agenda items	Discussion	Chair	
16.	Other business	Discussion	Mike Petterson	
	Convene to Executive Session		Chair	
17.	Approve executive session minutes (12/12/11)	Vote	Chair	
18.	Contract, personnel, security, compliance, risk management, litigation and regulatory matters	Discussion	Chair	
19.	Chief Audit Executive status report	Discussion	Bill Wullenjohn	
	Reconvene to Open Session		Chair	
20.	Vote on Matters from Executive Session	Vote	Chair	



	Adjourn meeting		Chair	4:00 pm
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*\* Background material is enclosed or will be distributed prior to meeting. All times shown in the agenda are approximate. The next Finance & Audit Committee Meeting will be held Monday, April 16, 2012, at ERCOT, 7620 Metro Center Drive, Austin, Texas 78744, in Room 206.*

## **2. Confirm Finance and Audit Committee Membership**

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### **a. Compliance with charter requirements regarding the following:**

1. Number of committee members,
2. Affiliations of committee members, and
3. Financial expertise determined through signed, self-identification.

### 3. Elect Chair of the Finance and Audit Committee

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Elect Chair of the Finance and Audit Committee  
Call for VOTE

## 4. Elect Vice Chair of the Finance and Audit Committee

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Elect Vice Chair of the Finance and Audit Committee  
Call for Vote

## 5. Designate Secretary of the Finance and Audit Committee

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Designate Secretary of the Finance and Audit Committee  
Call for Vote



## **6. Approval of General Session Minutes**

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### **Approval of December 12, 2011 General Session Minutes Call for Vote**

ERCOT  
 Finance and Audit Committee  
 2012 Committee Membership Charter Compliance

	Count	Committee Member Name	Board Member Type		Financial Understanding	Financial Expert
			Segment	Unaffiliated		
Required Membership	1	Bermudez, Jorge		X		
	2	Fehrenbach, Nick	X			
	3	Gent, Michehl		X		
	4	Gresham, Kevin	X			
	5	Hendrick, Eric	X			
Optional Membership	6	Karnei, Clifton	X			
	7	Prochazka, Scott	X			
	8	Walsh, Judy		X		
	9					
	10					

Membership requirements established in the Finance and Audit Committee Charter

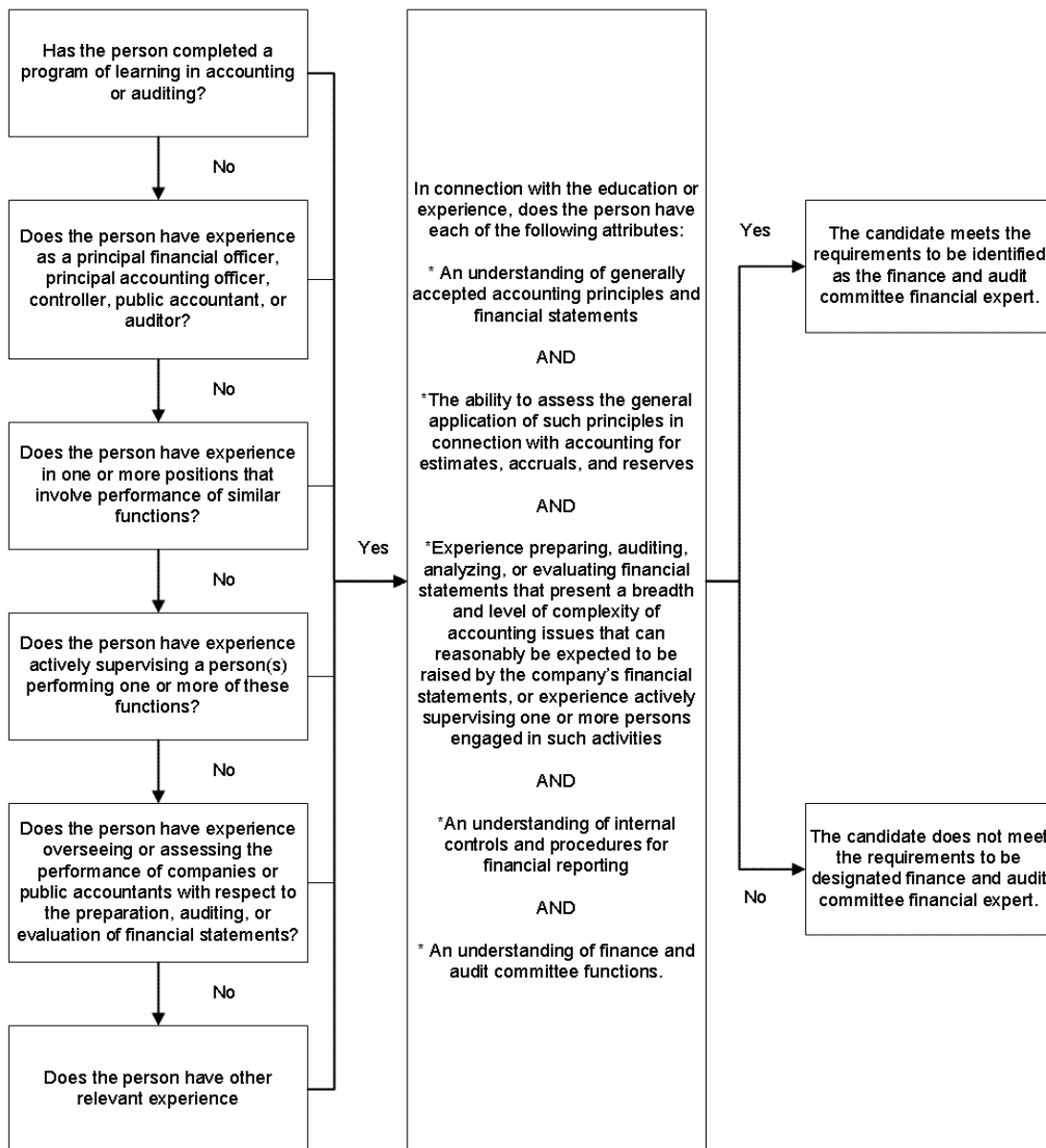
The Committee shall be comprised of at least five Board members, at least three of which are from Market Segments and two or more of which must be Unaffiliated Board members.

Each Committee Member must be able to read and understand fundamental financial statements, including the balance sheet, income statement and cash flow statement.

At least one Committee Member shall be designated a “financial expert” as such term may be defined from time to time by the Board consistent with definitions generally accepted by the accounting industry or other regulatory authorities (the “Financial Expert”).

The Chair of the Committee shall be elected through a majority vote of the Committee Members. The Committee Chair shall not be the CEO of the Company and shall have accounting or related financial management expertise.

## Finance and Audit Committee 2012 Financial Expert Designation Process





**DRAFT MINUTES OF THE FINANCE AND AUDIT COMMITTEE  
OF ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**

7620 Metro Center Drive, Room 206  
Austin, Texas 78744  
December 12, 2011 at 9:00 a.m.

Pursuant to notice duly given and after determination that a quorum was present, the meeting of the Finance and Audit (F&A) Committee of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) convened on the above-referenced date.

**Meeting Attendance:**

Committee Members:

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Bowling, Shannon	Cirro Energy	Independent Retail Electric Provider (REP) Segment Alternate
Crowder, Calvin	American Electric Power Service Corporation	Investor Owned Utility (except for Call to Order and Agenda Item 1)
Dreyfus, Mark	Austin Energy	Municipal
Fehrenbach, Nick	City of Dallas	Commercial Consumer
Karnei, Clifton (Chairman)	Brazos Electric Power Cooperative, Inc.	Cooperative, Proxy for Jorge Bermudez

Guest Board Members and Segment Alternates:

<b>Director</b>	<b>Affiliation</b>	<b>Segment</b>
Doggett, Trip	ERCOT	<i>Ex Officio</i> - President and Chief Executive Officer (CEO) (except for Agenda Item 14)
Doll, Laura	Unaffiliated	Unaffiliated Director (except for Call to Order and Agenda Items 1 and 14)
Gent, Michehl	Unaffiliated	Unaffiliated Director
Givens, Sheri	Office of Public Utility Counsel	<i>Ex Officio</i> - Residential Consumer (except for Agenda Items 1 through 6)
Gresham, Kevin	E.ON Climate & Renewables NA LLC	Independent Generator Segment Alternate (except for Agenda Item 14)
Nelson, Donna	Public Utility Commission of Texas	<i>Ex Officio</i> – Chairman (Agenda Item 14 only)
Prochazka, Scott	CenterPoint Houston Electric LLC	Investor Owned Utility Segment Alternate (except for Agenda Items 1 through 6 and 14)



Other Guests:

Beckham, Rebecca	ERCOT Manager of Financial Reporting
Cleary, Mike	ERCOT Senior Vice President and Chief Operating Officer
Day, Betty	ERCOT Vice President of Business Integration
Dreyer, Jerry	ERCOT Vice President and Chief Information Officer
Edmonds, Lauren	Brightline CPAs & Associates, Inc.
Garcia, Diana	Maxwell, Locke and Ritter LLP
Ierullo, Bruno	ERCOT Director of Human Resources
Leady, Vickie	ERCOT Assistant General Counsel and Assistant Corporate Secretary
Magness, Bill	ERCOT Vice President, General Counsel and Corporate Secretary
Manning, Chuck	ERCOT Vice President of Human Resources and Chief Compliance Officer
Pettersen, Mike	ERCOT Vice President of Finance and Treasury
Ruane, Mark	ERCOT Vice President of Credit and Enterprise Risk Management

**Call Open Session to Order and Announce Proxies**

Clifton Karnei, Committee Chairman, determined that a quorum was present and called the Committee meeting to order at approximately 9:01 a.m. Chairman Karnei announced that he was holding a proxy for Jorge Bermudez and that Shannon Bowling, Independent REP Segment Alternate, was acting in place of Eric Hendrick.

**Approval of October 17, 2011 Meeting Minutes (Agenda Item 1)**

Chairman Karnei entertained a motion to approve the October 17, 2011 Committee General Session Meeting Minutes (Minutes).

**Mark Dreyfus moved to approve the Minutes as presented. Chairman Karnei seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Receive Report on Auditor Independence from Maxwell, Locke & Ritter regarding the 2011 401(k) Savings Plan Audit (Item 2)**

Bruno Ierullo introduced Diana Garcia with Maxwell, Locke & Ritter LLP, who provided a report on auditor independence regarding the 2011 401(k) Savings Plan Audit. No questions or comments were voiced by the Committee members.

**Recommend Board Acceptance of the 2011 Service Organization Control Audit Report (Agenda Item 3)**

Mark Ruane provided the Committee with a presentation on the 2011 Service Organization Control Audit Report, which would be issued by Brightline CPAs & Associates, Inc. (Brightline) with an unqualified opinion and which was recommended by ERCOT management for acceptance. Mr. Ruane, Trip Doggett and Lauren Edmonds with Brightline responded to questions from the Committee and Board members.



Calvin Crowder moved to recommend Board acceptance of the 2011 Service Organization Control Audit Report. Nick Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.

**Receive Report on Auditor Independence from Brightline regarding the 2012 Service Organization Control Audit (Item 4)**

After an introduction by Mr. Ruane, Ms. Edmonds provided the Committee with a report on Brightline's auditor independence regarding the 2012 Service Organization Control Audit. No questions or comments were voiced by the Committee members.

**Update on Commodities Exchange Act Exemption (Agenda Item 5)**

Mr. Ruane provided an update on the Commodities Exchange Act Exemption to the Committee members. Mr. Ruane and Bill Magness responded to comments and questions from the Committee members.

**Review Finance and Audit Committee Member Responses to the Committee's Annual Self-Assessment Survey (Agenda Item 6)**

Chairman Karnei reviewed the Committee's annual self-assessment survey and responded to comments and questions from the Committee members.

**Quarterly Committee Education on Accounting Developments (Agenda Item 7)**

Rebecca Beckham provided the Committee with a quarterly update and education on accounting developments. Ms. Beckham responded to comments and questions from the Committee members.

**Review Committee Briefs (Agenda Items 8)**

Mr. Petterson provided a review of the Committee briefs. Mr. Petterson and Ms. Beckham responded to comments and questions from the Committee members.

Chairman Karnei welcomed Karl Pfirrmann, an Unaffiliated Director who would be starting his initial term on the ERCOT Board in January 1, 2012, to the Committee meeting.

**Future Agenda Items (Agenda Item 9)**

Mr. Petterson noted the supplemental materials related to the future agenda items which had been distributed previously. Mr. Petterson reviewed a recap of the 2011 meeting planner matrix and the preliminary 2012 meeting planner matrix with the Committee members. Mr. Petterson responded to comments and questions from the Committee and Board members.

**Other Business (Agenda Item 10)**

No other business was discussed.

**Executive Session (Agenda Items 11 through 13)**

Chairman Karnei adjourned the meeting into Executive Session at approximately 10:15 a.m. and reconvened the Open Session at approximately 12:07 p.m.



#### **Vote on Matters from Executive Session (Item 14)**

Chairman Karnei entertained motions on three matters considered during Executive Session.

**Mr. Fehrenbach moved that the Committee recommended that the Board select and engage the qualified independent public accounting firm to audit the ERCOT 401(k) Savings Plan at December 31, 2011, and the year then ending, as discussed in Executive Session. Mr. Crowder seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Mr. Crowder moved that the Committee recommend that the Board approve the engagement of a third-party consultant to perform an assessment of the central counterparty issue as discussed during Executive Session. Mr. Fehrenbach seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

**Mr. Fehrenbach moved to approve the 2012 Internal Audit Plan as discussed during Executive Session. Mr. Crowder seconded the motion. The motion passed by unanimous voice vote with no abstentions.**

#### **Adjournment**

Chairman Karnei announced that the Committee had no other business to consider and adjourned the Committee meeting at approximately 12:08 p.m.

Committee materials and presentations from the meeting are available on ERCOT's website at [http://www.ercot.com/committees/board/finance\\_audit/](http://www.ercot.com/committees/board/finance_audit/).

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Vickie G. Leady  
Assistant Corporate Secretary

## 7. Review and assess adequacy of the Finance Audit Committee Charter

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Review assess adequacy of the Finance and Audit Committee charter

- a. Committee charter is reviewed annually and updated as needed
- b. A vote on any proposed changes is anticipated for April 2012 meeting



ERCOT  
Finance and Audit Committee  
Summary of responses to the 2011 annual self-assessment survey

Question Number	Survey Question	Response Count				Comment
		Yes	No	Not Sure	Skipped	
1.0	Does the committee have the appropriate number of members? The committee should not be so large that its ability to operate efficiently and effectively is reduced; its members' ability to raise issues is hampered; or it is difficult to get a quorum when a time-sensitive issue arises.	7	0	0	0	The committee's size and diversity of backgrounds is conducive to good discussions.
2.0	Committee members demonstrate their objectivity during meetings through behaviors such as driving agendas, rigorous probing of issues, consulting with other parties, and hiring experts, as necessary.	6	1	0	0	I wish the committee members were more interactive. We need to encourage more in depth discussion.
3.0	Differences of opinion on issues are resolved to the satisfaction of the committee.	7	0	0	0	None.
4.0	Committee members challenge the Chair as appropriate.	6	0	1	0	I wish the committee members were more interactive. We need to encourage more in depth discussion.
5.0	The committee charter is used as a document to guide the committee in its efforts, and to help guide the committee's agenda.	7	0	0	0	Once the charter is approved it is put on the back shelf until it is time to review it again. Not sure that it is referred to during the year. Should it?
6.1	Committee members are financially literate, and the committee has determined that it has adequate financial expertise in accordance with its charter.	6	0	1	0	I wish that there were more "financial experts" on the committee
6.2	Committee members participate in some form of continuing education to stay abreast of changes in the financial accounting and reporting, regulatory and ethics areas.	4	0	3	0	I think the committee goes through the motions, but in depth training is not evident.  Some of the members do attend continuing education on their own, but there is no ERCOT sponsored continuing education and I am not certain if all members of the Committee do participate in continuing education to stay abreast of changes.  I do 40 hours per year.
6.3	The committee understands how the organization's performance compares with its budgetary targets and its peers, and how management plans to address any unfavorable variances.	6	0	1	0	The committee should dig deeper into the financial matters of ERCOT.
6.4	The committee discusses the initial selection of or changes in significant accounting policies used in developing the financial statements, the reason for and impact of any changes in policy, and reasons alternative treatments were not adopted.	6	1	0	0	The committee should be made more aware of the accounting policies that impact ERCOT.
6.5	The committee discusses significant, complex, or unusual transactions with management and the external auditors.	7	0	0	0	Yes, but I am not sure how complex they are. More probing and discussions should be encouraged.
6.6	The committee understands which areas represent high risk for material misstatement of the financial statements, and discusses assumptions and approaches used with management and the external auditors.	7	0	0	0	But, the committee could have more in-depth discussions of significant matters.

ERCOT  
Finance and Audit Committee  
Summary of responses to the 2011 annual self-assessment survey

Question Number	Survey Question	Response Count				Comment
		Yes	No	Not Sure	Skipped	
6.7	The committee forms its own view of the risk of material misstatement due to fraud, discusses with management and the external auditors their views on the risk of material misstatement due to fraud, and is comfortable that any differences in views can be reconciled.	6	0	1	0	More time should be spent in such discussions with the outside auditors. Too much time is spent on internal auditor items
6.8	The committee fully understands significant changes in financial statements from prior years and from budget, and is provided with sufficient, reliable evidence to support variances.	6	0	1	0	The budget has been fairly non-controversial for a number of years. The budget should be zero based every year with everything on the table.
6.9	The committee commits sufficient time to review, discuss, and consider the financial statements.	6	1	0	0	Too many times it is glossed over.
6.10	The committee makes optimum use of the meeting time allotted.	6	0	1	0	For what is on the agenda the time is well spent. Should the agenda be more diverse?
6.11	The committee meets with financial management to discuss results reported before finalization.	7	0	0	0	None.
7.0	Committee members have a clear understanding of ERCOT's debt structure and cash management practices.	6	0	1	0	An in depth discussion should take place at least once a year.
8.0	Committee members receive sufficient details regarding long-term financial planning.	7	0	0	0	But, not sure how good the long range financial planning is. We tend to focus on the current year and not further out.
9.0	The Committee makes appropriate use of workgroups or task forces to investigate issues defined by the Committee.	5	1	1	0	The committee could be more proactive on financial issues.  I am unaware of a need for workgroups or task forces and to the best my knowledge none have been used.
10.0	The committee engages outside experts as appropriate.	6	0	1	0	Not necessarily the case. The PUC has a tendency to dictate the use of outside experts. An example of this is the Navigant audit.
11.1	The organization's financial reporting processes are stronger as a result of management's interactions with the committee.	7	0	0	0	None.
11.2	The committee understands and agrees with the board on which categories of internal control it oversees. Categories include integrity of financial reporting; compliance with laws and regulations; and operational efficiency and effectiveness.	6	0	1	0	The committee does a reasonable job of this.
11.3	The committee and the board concur with any changes to the committee's internal control oversight mandate.	7	0	0	0	None.

ERCOT  
Finance and Audit Committee  
Summary of responses to the 2011 annual self-assessment survey

Question Number	Survey Question	Response Count				Comment
		Yes	No	Not Sure	Skipped	
11.4	The committee understands the current high-risk areas - including information technology and computer systems - in the categories of controls it oversees, as well as how management addresses those areas.	5	0	2	0	Not sure the committee is informed or involved in all of these.  The highest risk area appears to me to be in market credit standards and management. This area is so complex that I am not always clear that the members of the committee and even the ERCOT staff have a complete understanding of the risks and effectiveness of controls.  Additional discussion of IT vulnerability will become increasingly important from an enterprise risk management perspective.
12.0	The committee is cognizant of the line between oversight and management, and endeavors to respect that line.	7	0	0	0	None.
13.0	The committee conducts executive sessions in a manner that offers a "safe haven" to the individual, while at the same time asking tough and necessary questions, evaluating the answers, and pursuing issues that might arise to a satisfactory resolution.	6	0	0	1	None.
14.1	The committee does its part to ensure the objectivity of the internal audit team.	6	0	0	1	None.
14.2	The committee provides constructive feedback to the chief audit executive at least annually.	6	0	0	1	None.
14.3	The committee receives sufficient detail regarding material issues and complaints brought forward which relate to the company's fraud, ethics or accounting practices.	6	0	0	1	None.
14.4	The committee has developed the scope of work to be done by the independent auditor and by the internal audit department based upon a reasoned review of the risks or exposures to the company.	5	0	1	1	The scope of the audit is determined by the Financial team at ERCOT and set before the committee. Maybe the committee should be more involved with the outside auditor on this.
15.0	The committee communicates at an appropriate level of detail when informing the Board of its actions.	5	0	1	1	Occasionally ERCOT staff will bring an issue expecting the committee members to have a full understanding and agreement, when in fact, the members are not fully advised or in agreement. One recent example is in the Protocol and procedure modifications to comply with requests of the CFTC. The committee did not have sufficient information from staff--at least initially--to fully assess these changes. Once the committee discussed, ERCOT staff did a more complete job in providing information.
16.0	Committee members receive clear and succinct agendas and supporting written material sufficiently prior to scheduled meetings.	6	0	0	1	None.

ERCOT  
 Finance and Audit Committee  
 Summary of responses to the 2011 annual self-assessment survey

Question Number	Survey Question	Response Count				Comment
		Yes	No	Not Sure	Skipped	
17.0	Committee members have adequate opportunities to discuss issues and ask questions.	6	0	0	1	None.
18.0	The frequency of committee meetings is appropriate for the responsibilities assigned to the committee.	5	0	1	1	There is a trend to have less meetings. Not sure this is a good idea.  We should determine early in 2012 whether the six meeting frequency is sufficient to discharge our role.
19.0	Meeting facilities and presentation materials are effective for the conduct of committee activities.	6	0	0	1	None.
20.0	The committee is efficient and value adding.	5	0	0	2	But, I think it could do more
21.0	Please add additional comments, questions and suggestions here.					Due to the meeting schedules of other committees at times the F&A committee has been time constrained. It would be nice to have more time between meetings in case an item requires more attention than originally planned.  To me, the biggest financial risk we face is in market credit policy, oversight, and management. That there is not a single question in this survey referencing this issue, I'm perhaps concerned that the ERCOT staff may have a different impression of the issue than I do. More attention to market credit policy may be in order.

**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**  
**FINANCE & AUDIT COMMITTEE CHARTER**

**Purpose**

The Finance and Audit Committee (the “Committee”) of the Board of Directors (“Board”) of Electric Reliability Council of Texas, Inc. (“ERCOT” or the “Company”) shall:

1. Oversee the development of and adherence to a Company budget;
2. Provide recommendations to the Board for financing Company needs, including both debt and revenue financing;
3. Review and make recommendations to the Board regarding investment and financial guidelines for the Company;
4. Review and make recommendations to the Board regarding credit standards, procedures, governance, ERCOT Protocols and other market rules which impact credit risk;
5. Ensure that the Company’s financial statements are timely audited by qualified accountants who are independent;
6. Assist the Board in fulfilling its oversight responsibility with respect to the Company’s maintenance of an effective internal audit function;
7. Establish and maintain procedures for the receipt (including anonymous submission), retention and treatment of complaints regarding accounting, internal controls, and auditing;
8. Perform such other duties and responsibilities enumerated in and consistent with this Charter.

The Committee’s function is one of oversight, recognizing that the Company’s management is responsible for preparing the Company’s financial statements, and the independent auditor is responsible for auditing those statements. In adopting this Charter, the Board acknowledges that the Committee members (“Committee Members”) are not employees of the Company (with the exception of ERCOT’s Chief Executive Officer) and are not providing any expert or special assurance as to the Company’s financial statements or any professional certification as to the external auditor’s work or auditing standards. Each Committee Member shall be entitled to rely on the integrity of staff and external auditors to provide accurate, complete financial and other information to the Committee, absent actual knowledge to the contrary, and shall also exercise their fiduciary duties as Directors, including their duties of care, loyalty, and obedience.

While the Committee has the responsibilities, duties and powers set forth in this Charter, it shall be the responsibility and duty of the Company’s management and independent auditor, and not the responsibility or duty of the Committee, to plan or conduct audits, to make any determination that the Company’s financial statements are complete, accurate and in accordance with generally accepted accounting principles, and to assure compliance with laws, regulations and the Company’s ethics policies. It is the responsibility of the Committee to conduct investigations and resolve disagreements regarding financial reporting, if any, between management and the independent auditor.

The Committee shall provide assistance to the Board in fulfilling its oversight responsibility relating to the Company’s financial statements and the financial reporting process, the systems of internal accounting and financial controls, the annual independent audit of the Company’s

financial statements and the legal compliance and ethics programs as established by management and the Board. In so doing, it is the responsibility of the Committee to maintain free and open communication between the Committee and the Company's independent auditors, internal accounting personnel and management.

## **Membership and Qualifications**

### **Committee Composition; Committee Member Qualifications; and Term**

The Board members shall decide from among themselves who shall participate in the Committee. The Committee shall be comprised of at least five Board members, at least three of which are from Market Segments and two or more of which must be Unaffiliated Board members. Each Committee Member must be able to read and understand fundamental financial statements, including the balance sheet, income statement and cash flow statement. Each Committee Member shall also meet any experience requirements as may be established from time to time by the Board. The term of the Committee and its Committee Members shall be for not more than one year.

### **Designation and Qualifications of Committee Financial Expert**

At least one Committee Member shall be designated a "financial expert" as such term may be defined from time to time by the Board consistent with definitions generally accepted by the accounting industry or other regulatory authorities (the "Financial Expert"). At a minimum, the Financial Expert must have past employment experience in finance or accounting, requisite professional certification in accounting or any other comparable experience or background which ensures the individual's financial sophistication, including a past or current position as a Chief Executive Officer ("CEO"), Chief Financial Officer ("CFO") or other senior officer with financial oversight responsibilities. The Board shall endeavor to appoint at least one Board member to the Committee as the Financial Expert.

### **Election of Committee Chair; and Chair Qualifications**

The Chair of the Committee shall be elected through a majority vote of the Committee Members. The Committee Chair shall not be the CEO of the Company and shall have accounting or related financial management expertise.

## **Authority**

### **Power to Investigate**

In discharging its oversight role, the Committee is empowered to investigate any matter brought to its attention with full access to all books, records, facilities and personnel of the Company and the power to retain outside counsel or other experts for this purpose. All employees are directed to cooperate as requested by the Committee or any of its Committee Members for Committee purposes. The Committee may request any officer or employee of the Company, the Company's outside counsel or the Company's independent auditor to attend a meeting of the Committee or to meet with any Committee Member or any consultants to the Committee.

The Committee may appoint workgroups or task forces to investigate issues defined by the Committee. Members of such workgroups or task forces need not be Directors. Such workgroups or task forces shall have no authority to bind the Committee or the Company.

### Reporting Relationship and Role of Company's Chief Audit Executive

The Director of Internal Audit is the Chief Audit Executive at the Company. The Company's Chief Audit Executive shall report directly to the Committee. For administrative purposes, the Chief Audit Executive shall report to the CEO. The Committee shall approve an Annual Internal Audit Plan prepared by the Chief Audit Executive. The Chief Audit Executive shall (1) manage the execution of the Annual Internal Audit Plan, (2) conduct investigations at the direction of the Chair and the Committee, and (3) make periodic reports to the Committee at regularly scheduled Committee meetings and as otherwise directed by the Chair and the Committee.

### Quorum and Action by Committee Members

The presence of at least half of the Committee Members for the transaction of Committee business shall constitute a quorum. At any meeting at which a quorum exists, the act of a majority of the Committee Members present at a meeting shall be the act of the Committee. For the purposes of voting, Committee Members who recuse themselves from voting on an issue shall not be counted as present for that vote.

### Duties and Responsibilities

The following shall be the prominent recurring duties and responsibilities of the Committee in carrying out its oversight functions. The duties and responsibilities are set forth below as a guide to the Committee with the understanding that the Committee may alter or supplement them as appropriate under the circumstances to the extent permitted by applicable law, and by the Company's Articles of Incorporation and Bylaws:

#### ***With respect to budget oversight and financing:***

1. Annually, the Committee shall review staff's proposed budget for the following year.
2. The Committee shall review the staff's recommendation of the amount and type of financing needed, both revenue and debt financing, to support the proposed budget and meet the Company's liquidity needs.
3. Following the Committee's review of the above items, the Committee shall recommend to the Board, a proposed budget and associated financing plan for the following year.
4. As needed throughout the year, the Committee shall review staff's recommendations regarding specific debt financing transactions and make recommendations to the Board for approval.

#### ***With respect to maintaining investment and financial guidelines for the Company, the Committee shall:***

1. Establish standards by which the Company will invest funds and maintain its financial health/strength and review these standards at least annually, recommending updates to the Board of Directors as needed.

#### ***With respect to the Company's credit policies and standards:***

1. Establish a standard by which the Board will seek to maintain the long-term financial integrity of the ERCOT market and review this standard at least annually, recommending updates to the Board of Directors as needed.

2. The Committee shall review the Company's credit policies to consider:
  - a. Appropriateness of credit practices and creditworthiness standards established for market participants;
  - b. Compliance with existing creditworthiness standards by market participants;
  - c. Compliance with credit-related Protocols and market rules; and
  - d. Development of appropriate methods to evaluate and mitigate credit risk;
3. In establishing or reviewing the standard under Item 1 above and in conducting the review under Item 2 above the Committee shall consider the recommendations of staff and the Credit Work Group and the decisions and recommendations of the appropriate stakeholder groups, including the Technical Advisory Committee and the Market Credit Work Group.
4. Following each such review, the Committee may, in its discretion, recommend to the Board any proposed changes to the previously approved standard or credit policies.

***With respect to the independent auditors engaged to audit ERCOT financial statements:***

1. Annually, the Committee shall recommend to the Board the selection and engagement of a qualified independent public accounting firm to audit the financial statements of ERCOT. The Committee shall fulfill the oversight responsibility of the Board with respect to the independent auditors' audit of the books and accounts of the Company and for the fiscal year for which it is appointed.
2. The Committee shall approve the provision of all auditing and non-audit services (in excess of \$5,000) by the independent auditor to the Company in advance of the provision of those services and shall also approve the fees for all non-audit services provided by the independent auditor.
3. Provision of non-audit services of less than or equal to \$5,000 by the independent auditor to the Company do not require pre-approval from the Committee, but shall be communicated in writing to the Committee Members at the first meeting following the engagement for the non-audit services at issue.
4. In connection with the Committee's approval of non-audit services, the Committee shall consider whether the independent auditor's performance of any non-audit services is compatible with the external auditor's independence.
5. At least annually, the Committee shall obtain and review a report by the independent auditor describing:
  - a. The independent auditor's internal quality control procedures; and
  - b. All relationships between the independent auditor and the Company, in order to assess the auditor's independence.
6. The Committee shall also review any report by the independent auditor describing:
  - a. Significant accounting policies and practices used by the Company;
  - b. Alternative treatments of financial information as required to be discussed by the independent auditors with the Committee; and
  - c. Any other material written communication between the independent auditors firm and the Company's management.
7. Establish the Company's hiring policies for employees who are former employees of the Company's independent auditors.



***With respect to the Company's financial statements:***

1. The Committee shall discuss the annual audited financial statements with management and the independent auditor, including the Company's disclosures.
2. The Committee shall review disclosures made to the Committee by the Company's CEO and Vice President of Finance and Treasury about any significant deficiencies in the design or operation of the internal controls or material weaknesses therein and any fraud involving management or other employees who have a significant role in the Company's internal controls.
3. In connection with its review of the Company's financial statements, the Committee shall review and discuss with the independent auditor the matters relating to the conduct of the audit as they may be modified or supplemented, including, but not limited to, significant judgments, significant estimates, critical accounting policies, and unadjusted differences.
4. Review major changes to the Company's auditing and accounting principles and practices as suggested by the independent auditor, internal auditors or management.
5. Review with management and the independent auditor any correspondence with regulators or governmental agencies and any employee complaints or published reports that raise material issues regarding the Company's financial statements or accounting policies.
6. Review with management and the independent auditor the effect of regulatory and accounting initiatives as well as off-balance sheet structures on the Company's financial statements.
7. Review any and all press stories that relate to the Company's accounting and disclosure, require that management or the auditor explain any negative comments and determine whether these comments necessitate a change in the accounting structure of the Company.
8. Based on its review and discussions with management, the Chief Audit Executive and the independent auditor, the Committee shall provide a recommendation to the Board whether the Company's financial statements audit report should be accepted.

***With respect to the independent auditors engaged to perform ERCOT's annual Statement on Standards for Attestation Engagements (SSAE) 16 audit:***

1. Periodically select and authorize engagement of an independent audit firm to perform annual SSAE 16 audit of ERCOT's controls related to settlement operations.
2. As necessary, before and during SSAE 16 audit fieldwork, the Committee shall discuss with management and the independent auditor the planning and execution of the audit.
3. Based on its review and discussions with management and the independent auditor, the Committee shall provide a recommendation to the Board whether the Company's SSAE 16 audit report should be accepted.

***With respect to the independent auditors engaged to perform ERCOT's annual 401(k) Savings Plan audit:***

1. Periodically select and authorize engagement of an independent audit firm to perform annual audit of ERCOT's 401(k) Savings Plan.
2. As necessary, before and during 401(k) Savings Plan audit fieldwork, the Committee shall discuss with management and the independent auditor the planning and execution of the audit.
3. Based on its review and discussions with management and the independent auditor, the Committee shall provide a recommendation to the Board whether the Company's 401(k) Savings Plan audit report should be accepted.

***With respect to periodic reviews and reports:***

1. Periodically, the committee shall meet separately with senior management, the Chief Audit Executive and the independent auditors.
2. The Committee shall review with the independent auditor any audit problems or difficulties and management's response to them.
3. The Committee shall review the Company's policies with respect to risk assessment and risk management.
4. The Committee shall inquire of management and the independent auditors about significant risks or exposures to the Company and the Company's market and assess the steps management has taken to minimize such risks.
5. The Committee shall establish procedures for:
  - a. The receipt, retention and treatment of complaints received by the Company regarding accounting, internal accounting controls, or auditing matters; and
  - b. The confidential, anonymous submission by the Company's employees of concerns regarding accounting or auditing matters.
6. The Committee shall review a summary of the Company's dealings with any financial institutions that are also market participants.
7. The Committee shall communicate to the Board the matters discussed at each meeting of the Committee, including any issues with respect to the quality or integrity of the Company's financial statements, the performance and independence of the Company's independent auditors or the performance of the internal audit function.
8. The Committee shall review and assess the adequacy of this Charter annually and recommend any proposed changes to the Board.

***With respect to Internal Audit:***

1. The Committee shall review with management and the Chief Audit Executive the charter, activities, staffing, and organizational structure of the internal audit function.
2. The Committee shall have final authority to review and approve the Annual Internal Audit Plan and all major changes to the Plan.
3. The Committee shall review, considering the recommendations of the independent auditors and the CEO, the scope of the Internal Audit Plan and the plan of work to be done by the Company's Internal Audit Department, and the results of such work.
4. The Committee shall review the reports to management prepared by the Internal Audit Department and management's responses.

5. The Committee shall ensure there are no unjustified restrictions or limitations, and review and concur in the appointment, replacement, or dismissal of the Chief Audit Executive.
6. The Committee shall, at least once per year, review the performance of the Chief Audit Executive and concur with the annual compensation and salary adjustment.
7. The Committee shall review the adequacy and effectiveness of the internal audit function, including compliance with The Institute of Internal Auditors' *International Standards for the Professional Practice of Internal Auditing*.
8. The Committee shall, on a regular basis, meet separately with the Chief Audit Executive in executive session of a Committee meeting to discuss any matters that the committee or Internal Audit believes should be discussed privately.

## **Meetings**

### **Frequency of Meetings**

The Committee shall meet at least once during each fiscal quarter, and as many additional times as the Committee shall deem necessary or appropriate. The Chair, in consultation with the Vice President of Finance and Treasury, shall develop the agenda, the frequency, and length of meetings and shall have unlimited access to management and information for purposes of carrying out functions of the Committee. The Chair shall establish such other rules, as may from time to time be necessary and proper for the conduct of the Committee.

### **Attendance at Open Session and Executive Session of Committee Meetings**

Any member of the public may attend and participate in the open session of Committee meetings. For the executive session of Committee meetings, the Committee shall close the Committee meeting to the public to address sensitive matters such as confidential personnel information, contracts, lawsuits, competitively sensitive information, or other information related to the security of the regional electrical network. For such executive sessions of Committee meetings, the Committee may request that any officers or employees of the Company, or any other person, whose advice and counsel are sought by the Committee, attend any meeting of the Committee to provide such pertinent information as the Committee requests. In addition, for such executive sessions of the Committee meetings, the Committee may exclude any persons who are not Directors, the Directors' Segment Alternates or the Directors' Alternate Representatives.

### **Participation and Voting During Committee Meetings**

**Board members who are not Committee Members (including Segment Alternates and Alternate Representatives) may attend and participate in all Committee meetings, but may not participate in Committee voting.**

## **Minutes**

The Committee shall designate a secretary, who may be a Committee Member or employee of ERCOT, who shall prepare or cause to be prepared the minutes of each meeting and file such minutes with the corporate records of the Company. The secretary shall send, or cause to be sent, copies of such minutes to each of the Committee Members.

**Evaluation**

The Committee shall undertake an annual evaluation assessing its performance and, in light of this, consider changes in its membership, Charter or procedures. The Committee shall report to the Board the results of its evaluation, including recommended Charter, membership and other changes, if any.

DRAFT

## 8. Approval of Credit Work Group Charter

The Credit Work Group Charter requires that:

“This Charter shall be reviewed and ratified at least annually by the F&A Committee.”

- The Charter was last reviewed and ratified by the F&A Committee at its March 21<sup>st</sup> 2011 meeting.
- At its January 26<sup>th</sup> 2012 meeting the CWG voted to recommend that the F&A Committee ratify the CWG Charter.
- No material revisions are proposed.
- Charter document with red-line revisions is attached.



## **Electric Reliability Council of Texas, Inc.**

### **ERCOT Credit Work Group Charter**

#### **I. Purpose and Authority**

The Electric Reliability Council of Texas, Inc. (ERCOT) Board of Directors (Board) established the ERCOT Credit Work Group (CWG) as a group of credit professionals to help ensure that appropriate procedures are implemented to mitigate credit risk in the ERCOT Region in a manner that is fair and equitable to all Market Participants.<sup>1</sup>

The CWG will review all sections of the ERCOT Protocols that impact creditworthiness requirements or collateral calculations and provide recommendations to the Finance and Audit Committee of the Board (the F&A Committee), with a copy to the Chair and Vice Chair of the Technical Advisory Committee (TAC). The CWG will provide comments to the TAC subcommittees when Nodal Protocol Revision Requests (NPRRs) or other actions have credit implications.

#### **II. Reporting Relationships**

- The CWG reports to the F&A Committee of the Board as a working group and is not a subcommittee of either the Board or TAC.

#### **III. ERCOT Credit Work Group Functions**

The functions of the CWG include, but are not limited to:

- Providing input on credit matters as requested by the F&A Committee or by TAC or TAC subcommittees

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<sup>1</sup> Capitalized terms used in this document shall have the meanings ascribed to them in the ERCOT Protocols unless otherwise noted.

- Providing input regarding NPRRs that impact credit in accordance with this Charter and Board approved credit policies
- Providing input regarding the ERCOT Creditworthiness Standards

In addition, the CWG may, from time-to-time, make recommendations to existing or proposed systems, projects, plans, ERCOT Protocols and policies and procedures of ERCOT impacting credit issues.

The CWG shall not engage in any activities that conflict with or violate ERCOT Protocols or the ERCOT Employee Ethics Agreement.

The CWG shall at all times comply with the Antitrust Guidelines for Members of ERCOT Committees, Subcommittees and Working Groups.

The CWG shall not have direct responsibility or authority over ERCOT staff. Although the CWG will recommend courses of action, the responsibility for implementation of policies or procedures shall rest with ERCOT staff.

In carrying out its responsibilities, the CWG shall be guided by industry best practices.

#### **IV. Credit Work Group Administration**

Each Corporate Member of ERCOT may designate one employee that meets the Qualifications Guidelines for Credit Work Group Membership as a voting member to participate in the activities and attend meetings of the CWG. The Consumer representatives on the Board may each designate one person that meets the Qualifications Guidelines for Credit Work Group Membership, as a voting member to participate in the activities and attend meetings of the CWG.

All designations of CWG members must be sent to ERCOT's Credit Manager.

The Chair and Vice-Chair of the CWG shall be elected annually by the CWG membership and confirmed by vote of the F&A Committee. If the Chair or Vice-Chair steps down during his or her term, the CWG will hold a special election to fill the vacant position within 60 days and the vote will be confirmed by the F&A Committee.

The CWG Chair shall report at least semi-annually to the F&A Committee regarding the state of credit ~~policy~~practice within ~~the~~ ERCOT ~~Region~~. In addition, the CWG Chair shall notify the F&A Committee Chair of significant credit issues as they arise.

In order to discharge its responsibilities, the CWG may form temporary or *ad hoc* task forces. The CWG Chair, with CWG approval, shall appoint the chair for each task force for a term of one year or the duration of the task force which ~~ever~~ is less. Each task force chair may serve in that role for no more than two consecutive one year terms. The CWG shall direct these task forces and make assignments as necessary.

All task forces are responsible for reporting planned activities/projects and results to the CWG for review. All task force actions are subject to CWG review.

## V. Meetings

### A. *Quorum*

In order to take action, a quorum must be present. At least one CWG member from four of the seven market Segments listed below must be present (including participation by telephone) at a meeting to constitute a quorum: Independent REPs (and Aggregators), Independent Generators, Independent Power Marketers, Municipals, Cooperatives, Investor Owned Utilities, and Consumers.

Each CWG member or CWG member's company represented on CWG may designate, in writing, an Alternate Representative or proxy who may attend meetings and vote on the CWG member's behalf. Alternate Representatives must be employees of the same company as the CWG member designating them or may be agents with a contractual obligation to represent the interest of the company designating them. Alternative Representatives count toward establishing a quorum at a CWG meeting; proxies do not. If a CWG member wishes to designate an Alternate Representative or proxy, the CWG member must send to ERCOT notification of the designation of such Alternative Representative or proxy in advance of any meeting and the designation shall be valid for the time period designated by the CWG member.



### ***B. Meeting Schedule and Notification***

The CWG shall meet at least quarterly to review credit policy. In addition, the CWG shall meet as needed to address issues as they arise such as NPRRs. Meeting notices and agendas shall be sent to the CWG distribution list and posted on the ERCOT website at least one (1) week prior to the CWG meeting unless an urgent condition requires shorter notice. If the CWG Chair or Vice Chair has declared a meeting urgent, ~~M~~meeting notices ~~for urgent meetings~~ shall be sent to the distribution list and posted on the ERCOT website and shall clearly identify the condition requiring the shorter notice. Except in cases of urgent matters, all agenda items requiring a vote of CWG must be published at least one week prior to the meeting at which the vote will take place. In the case of an urgent matter, all agenda items requiring a vote of CWG shall be published as soon as possible prior to the meeting at which the vote will take place and the circumstances causing the urgency shall be clearly identified. All CWG meetings may be attended by any interested observer. Call-in numbers will be provided for those persons wishing to attend via telephone. CWG members may participate in the meeting and vote via telephone. If third-party confidential information is presented during a meeting, all persons except for CWG members may be excluded from the portion of the meeting at which such confidential information is discussed. Confidential information will not be presented to CWG members participating by telephone.

### ***C. Voting***

**Votes:** At all meetings, each Segment shall have one (1) vote. CWG members present at the meeting (including participation via telephone) and participating in the vote shall receive an equal fraction of its Segment's vote.

**Abstentions:** In the event that a CWG member abstains from a vote, the Segment vote shall be allocated equally among the CWG members casting a vote.

**Voting:** In matters determined by the CWG Chair to require a vote of CWG or when any CWG member requests a vote on an issue, each CWG member shall have one (1) vote except that a CWG member holding a valid proxy for another CWG member shall have one (1) vote plus one vote for each proxy held. A motion passes when (A) a majority of the aggregate of the fractional Segment votes are: (i) affirmative, and (ii) a

minimum total of three (3) and (B) a minimum of 67% of voting individuals meet Qualification guidelines.

Any dissenting party shall have the right to request time to present its position to the F&A Committee if such dissenting party chooses to do so.

**E-mail Voting:** An e-mail vote is permitted provided a Notification is distributed to the CWG distribution list. A Notification must include a detailed description of the issue or proposition on which the vote will occur. A request for an e-mail vote shall be initiated only by the CWG Chair or Vice Chair. A quorum of CWG members must participate in the e-mail vote.

Participation requires casting a vote or abstaining. Votes shall be submitted to ERCOT for tallying by the close of two (2) Business Days after ERCOT staff circulates the Notification of the vote. Votes are tallied in the same manner as a regular meeting. The final tally shall be distributed to the CWG distribution list and posted on the ERCOT MIS Public Area.

#### ***D. Conduct of Meetings***

The CWG Chair, or Vice-Chair in the Chair's absence, shall preside at all meetings and is responsible for preparation of agendas. In the absence of the CWG Chair or Vice-Chair, another CWG member shall preside at the meeting. The CWG members shall be guided by Robert's Rules of Order in the conduct of CWG meetings. ERCOT staff shall be responsible for recording minutes of CWG meetings and distributing and posting on the ERCOT MIS Public Area the minutes and other communications to all CWG members and any other parties who express an interest in receiving such information. ERCOT staff shall endeavor to distribute and post the draft minutes of each meeting with materials being distributed for the next meeting. Generally, at the beginning of a CWG meeting, the minutes of the prior meeting shall be reviewed and approved by CWG.

CWG members and Alternate Representatives must meet the qualifications as identified on the attached Qualifications Guidelines for Credit Work Group Membership. The F&A Committee shall review the requirements for membership in the CWG annually.

This Charter shall be reviewed and ratified at least annually by the F&A Committee.

### **Additional Questions on the ERCOT Credit Work Group**

For additional questions on ERCOT's Credit Work Group and creditworthiness requirements, please contact the ERCOT Credit Manager, Vanessa Spells at (512) 225-7014 or by email at [vspells@ercot.com](mailto:vspells@ercot.com).

| ~~Effective on~~

## **Qualification Guidelines for Credit Work Group Membership**

Other than a CWG member appointed by a Consumer Board member, each CWG member must be an employee of a Corporate Member of ERCOT (as defined in the ERCOT By-Laws) in good standing. All CWG members and Alternate Representatives representing a Corporate Member must be actively engaged in or responsible for the credit activities of such Corporate Member.

All CWG members and alternate members must have experience in at least one or more of the following fields:

- Risk management (preferably credit risk management)
- Credit management and analysis
- Development and/or execution of credit risk policies and procedures
- Establishment and control of credit limits and terms
- Finance and/or loan administration
- Credit ratings analysis
- Commercial credit analysis
- Financial analysis

CWG members are encouraged to be active participants on the CWG.

## 9. Appc]bhCredit Work Group Chair and Vice Chair

The Credit Work Group (CWG) Charter requires that:

“The Chair and Vice-Chair of the CWG shall be elected annually by the CWG membership and confirmed by vote of the F&A Committee.”

- The Credit Work Group has made the following recommendations for 2012:
  - Chair: Tamila Nikazm (City of Austin)
  - Vice-Chair: Trish Egan (Oncor)
- Brief biographies follow.

## 9. Appoint Credit Work Group Chair and Vice Chair

### **Chair: Tamila Nikazm, Austin Energy**

- Manager of Risk Control Section of energy management operations including ERCOT Settlements and Credit
- Has been working with the City of Austin / Austin Energy in the field of accounting and finance over the past 21 years.
- Tamila is a CPA and MBA.

### **Vice Chair: Trish Egan, Oncor**

- Lead Analyst – Credit Risk at Luminant, managing daily ERCOT exposure and retail gas operations
- Has been working in the Energy Future Holdings Risk Management organization for 5 years
- Undergraduate degree in business studies (accounting) from University College Dublin, Ireland. Also is fellow of ACCA

# 10. Review and Recommend Approval of Market Credit Corporate Standard

The ERCOT Market Credit Risk Standard requires review at least annually by the Finance and Audit Committee, with modifications approved by the Board.

- The Standard specifies that ERCOT credit risk be estimated by Potential Future Exposure (PFE) and that results will be presented at least quarterly.
- The ERCOT Potential Future Exposure model simulates forward power prices and volume escalation to provide a distribution of projected credit default exposures.
- The Standard was last reviewed by the Committee at its March 21<sup>st</sup> 2011 meeting.
- At its March 22<sup>nd</sup> 2011 meeting, the Board of Directors voted to defer running the model during 2011, pending an expected conversion of the model to Nodal in late 2011.

# 10. Review and Recommend Approval of Market Credit Corporate Standard

In November 2011 ERCOT issued an Request for Proposal (RFP) to five vendors to convert the model for the Nodal market.

- Updating the model would require the addition of:
  - Additional pricing points
  - Day-Ahead Market component
  - CRR market component
  - Revised collateral rules
- One response was received to the RFP. ERCOT staff believes that the amount quoted for the update was excessive relative to the value derived from the model.



# 10. Review and Recommend 6cUfX Approval of Market Credit Corporate Standard

Rather than update the PFE model, ERCOT staff suggests that upgraded credit risk reporting be provided to the Committee.

## Potential Future Exposure Model

- Estimates potential credit losses using default probabilities and simulated forward power prices
- Allows “P99” loss estimates
- Does not provide information as to specific potential credit issues.

## Revised Reporting

- Market Counter-Party profiled by type and credit quality
- Market activity by creditworthiness
- Counter-Party concentration
- Historic Total Potential Exposure by component and type of collateral
- Collateral compared to Total Potential Exposure
- Total Potential Exposure relative to stress scenario benchmarks

**Revised credit reporting as of January 31<sup>st</sup> 2012 is attached for review.**

# 10. Review and Recommend 6cUfX Approval of Market Credit Corporate Standard

**Replacement of the Potential Future Exposure model with revised credit risk reporting would require corresponding revisions to the ERCOT Market Credit Risk Standard.**

**The current Market Credit Risk Standard and a red-lined version reflecting proposed revisions if revised reporting were accepted are attached as separate documents.**

# 10. Review and Recommend Approval of Market Credit Risk Standard

- ERCOT staff respectfully recommends that the Market Credit Risk Standard with amendments to account for revised credit risk reporting be accepted.

<Vote>

# 10. Review and Recommend '6cUfX Approval of Market Credit Corporate Standard

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## Questions



## Market Credit Risk Report-January 2012



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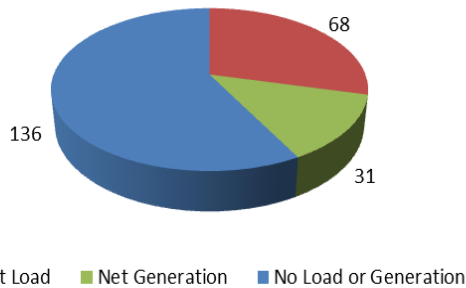
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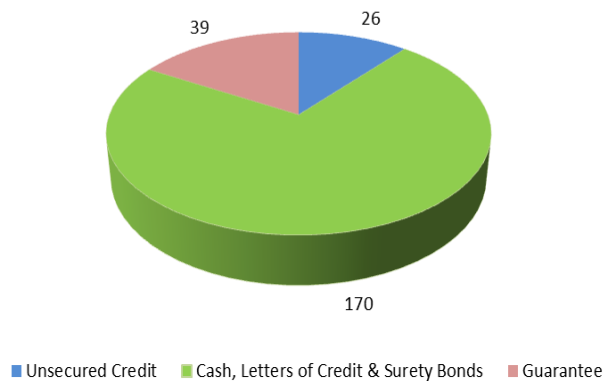
## ERCOT Market Profile

**Number of Active Counter-Parties by Type of Activity**  
January 31, 2012



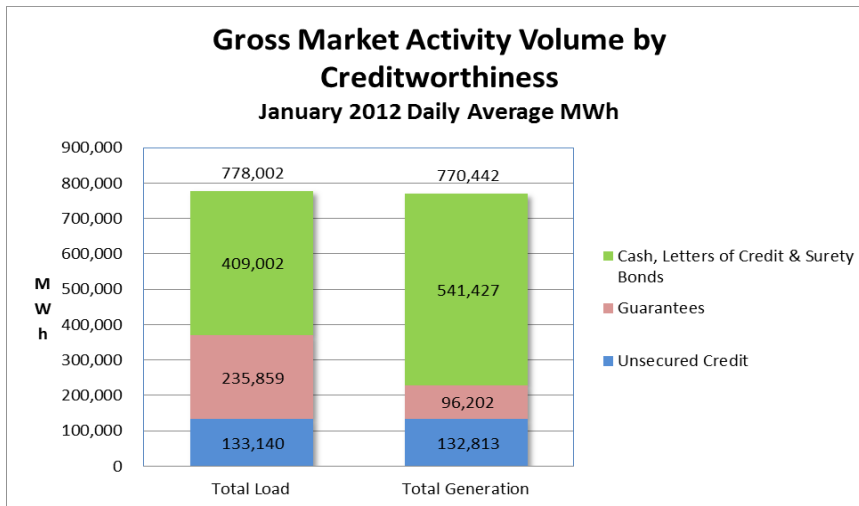
- Net Load – A Counter-Party whose average load exceeds its average generation for a 30-day period. Includes load-only entities.
- Net Generation – A Counter-Party whose average generation exceeds its average load for a 30-day period. Includes generation-only entities.
- 58% of active Counter-Parties do not represent load or generation.
- The number of Counter-Parties dropped from 241 in December 2011 to 235 in January 2012.
- A total of 8 Counter-Parties terminated their contracts with ERCOT in January 2012 while two new Counter-Parties became active: one QSE and one QSE/CRAAH.

**Number of Active Counter-Parties by Creditworthiness**  
January 31, 2012

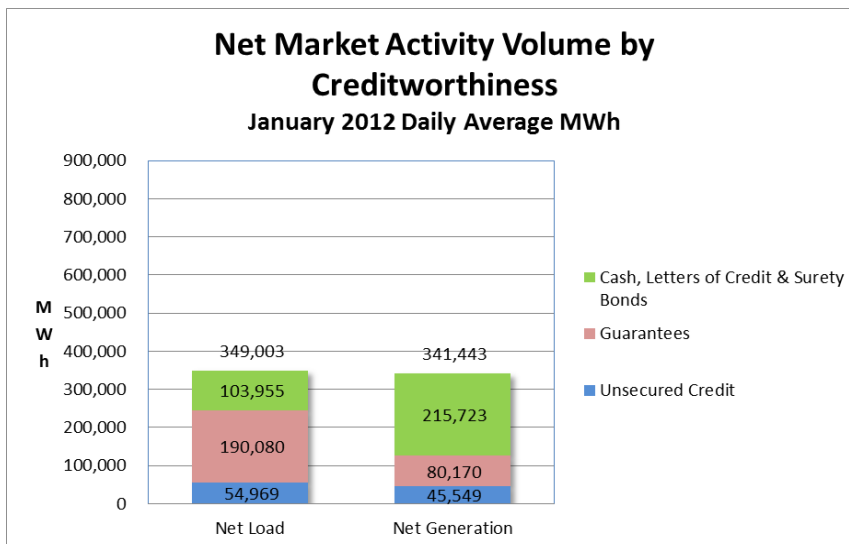


- 11% of active Counter-Parties as of January 31<sup>st</sup> meet ERCOT creditworthiness criteria and are assigned unsecured credit. This is 1% less than in the previous month.
- 17% of Counter-Parties have guarantees from parent companies that meet the ERCOT Creditworthiness Standards.

## ERCOT Market Exposure



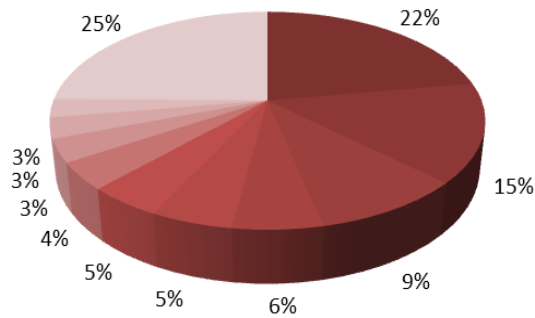
- Approximately 83% of total load and total generation do not meet ERCOT Creditworthiness Standards, compared to 82% and 81% respectively in December 2011. Approximately 53% of total load and 70% of total generation do not provide a parent guarantee and post cash, letters of credit or surety bonds. (Note: difference between generation and load volumes represents certain non-modeled and ancillary services data).



- A number of Counter-Parties represent both load and generation. Net market activity represents the sum of Counter-Parties' net positions after netting offsetting load and generation, whether owned or due to representation of other entities. Net market activity captures the aggregate effect of inherent hedging within companies.
- Approximately 84% of net load and 87% of net generation does not meet creditworthiness standards. Approximately 30% of net load and 63% of net generation post cash, letters of credit or surety bonds. In December 2011 24% of net load posted collateral.

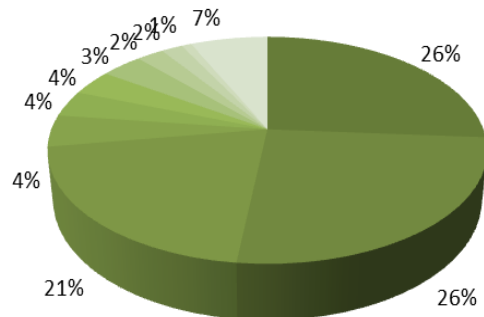


**Net Load Counter-Party Concentration**  
 (% of Total MWh of Net Load)  
 January 31, 2012

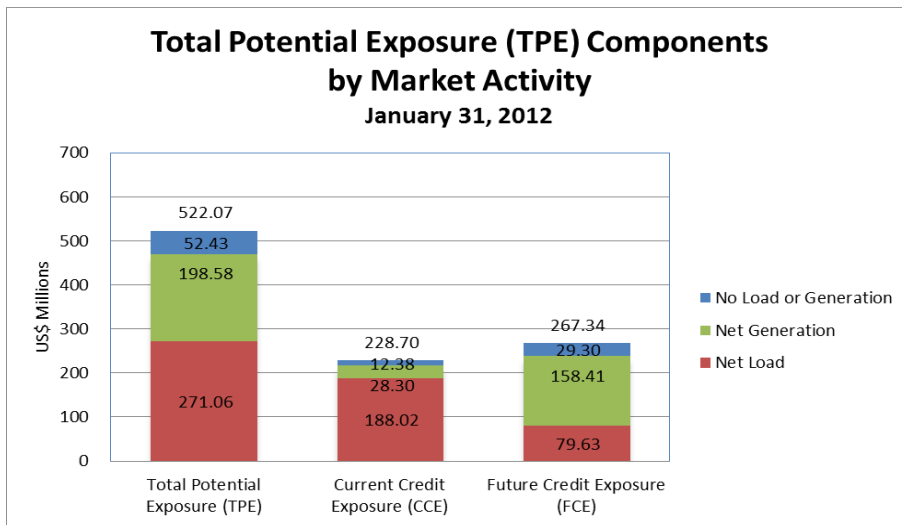


- 75% of net load volume is accounted for by 10 counter-parties, marginally higher than last month. All others combined account for 25%.

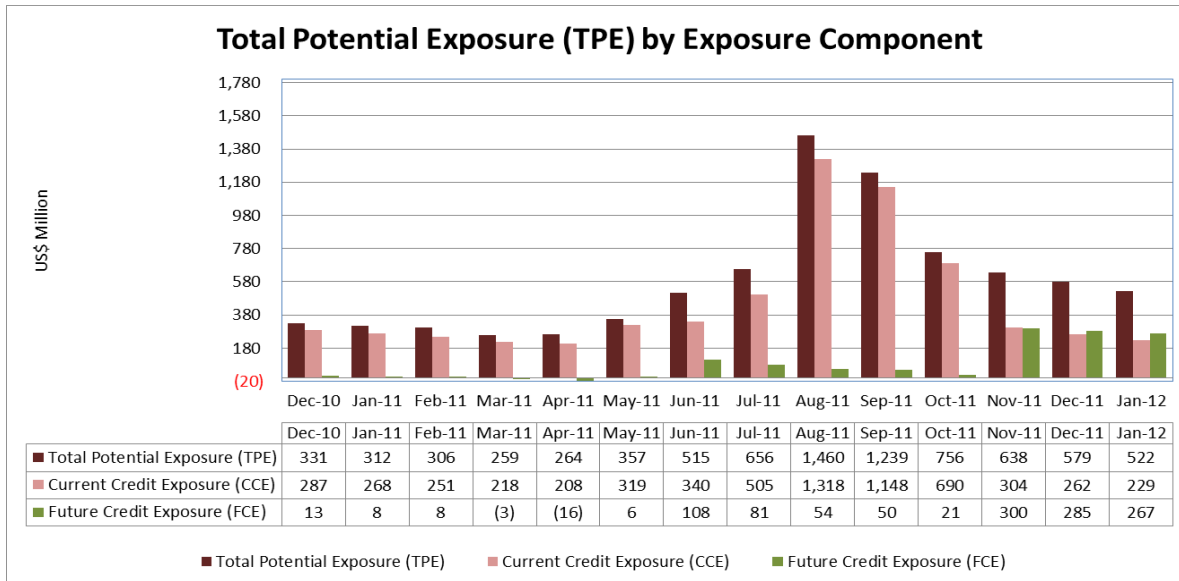
**Net Generation Counter-Party Concentration**  
 (% of Total MWh of Net Generation)  
 January 31, 2012



- 93% of net generation is accounted for by 10 counter-parties, indicating relatively greater market concentration risk in generation. This is the same as in December 2011.

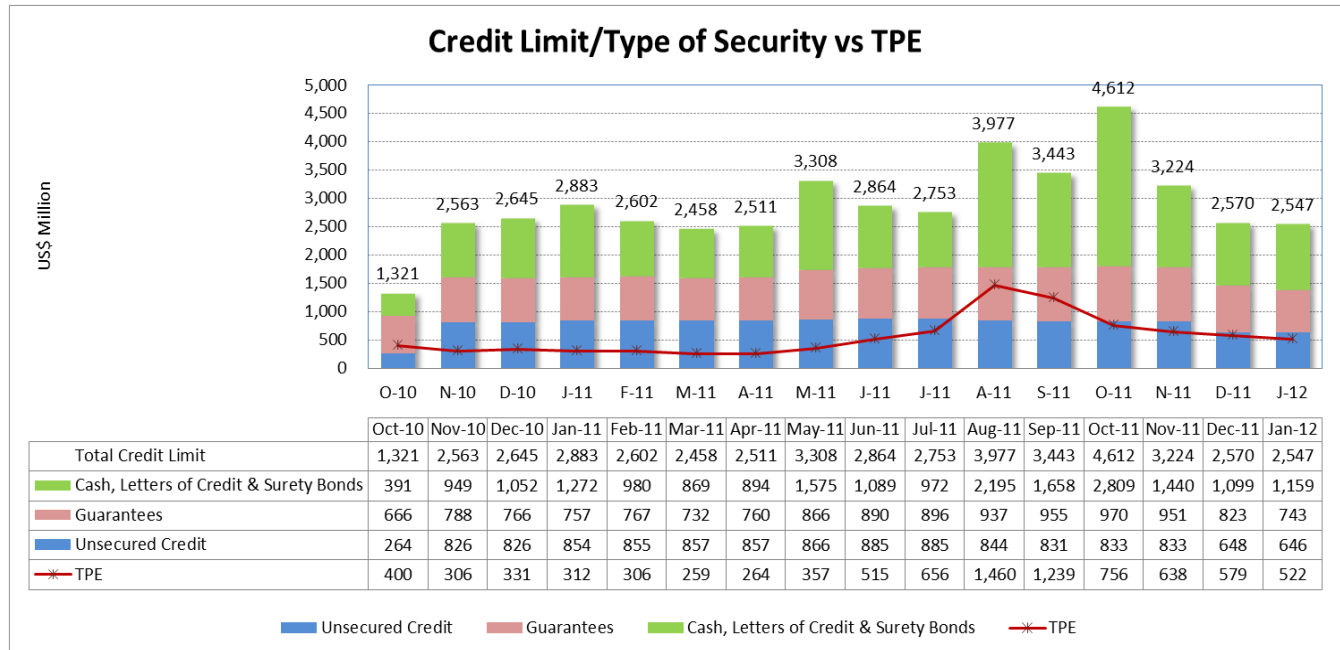


- Total Potential Exposure (TPE) is composed of: a) Current Credit Exposure (CCE) and b) Future Credit Exposure (FCE), which reflects the mark-to-market exposure for CRRs. The TPE for net load entities is primarily driven by CCE while the TPE for net generation entities is driven by FCE. (Note: TPE is determined as the greater of CCE, FCE or CCE+FCE).
- Note that while entities that represent no load or generation make up 58% of active Counter-Parties, they account for only about 10% of market-wide TPE.



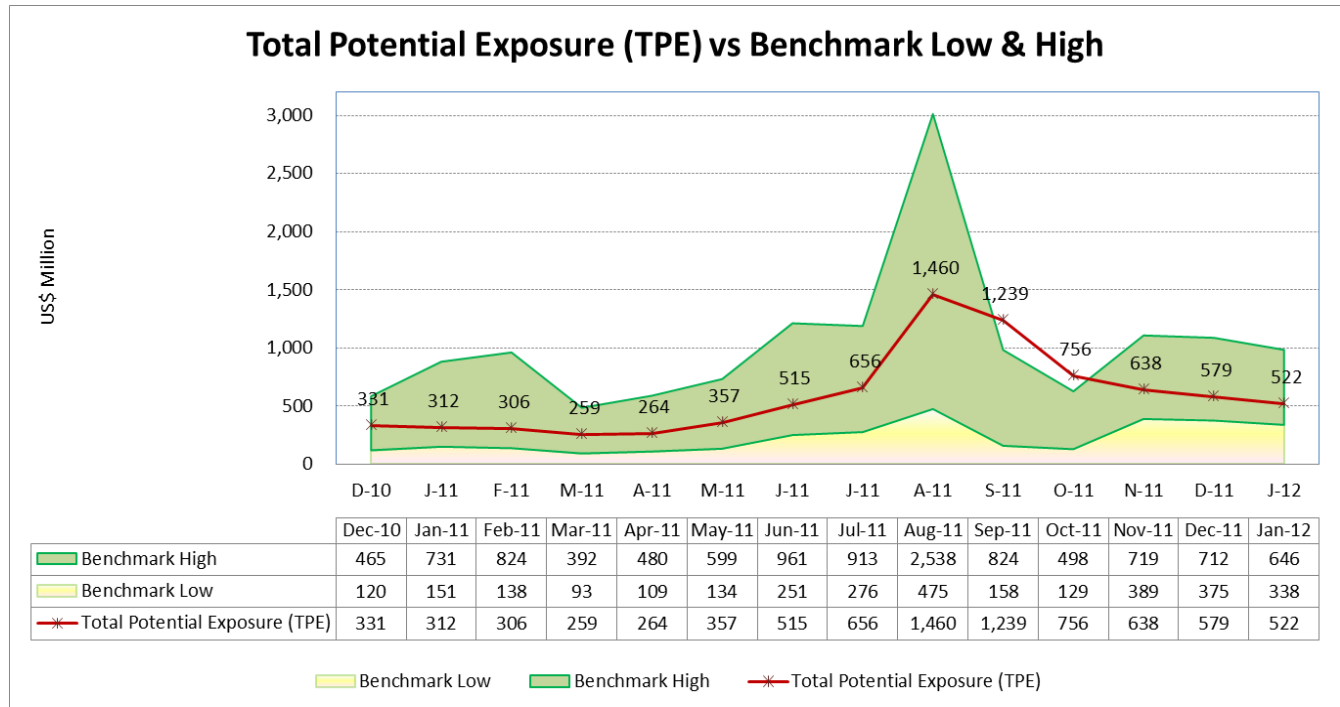
- Total Potential Exposure (TPE) increased substantially in August 2011 as a result of high prices and came down gradually in September and October. Overall, TPE remained higher after October due to higher FCE once the CRR annual auction was complete. December TPE dropped by \$59.2m or 9.3% due to a) relatively mild weather and b) reduction in FCE as CRRs awarded in the annual auction were used. TPE at the end of January was approximately 10% less than at December 31<sup>st</sup> 2011 but 58% higher than in January 2011, with the increase primarily associated with CRRs.

## Collateral



- Collateral levels rose in:
  - May 2011 for the Congestion Revenue Rights (CRR) Balance of Year auction
  - August-September 2011 as the result of higher TPE resulting from high summer prices
  - October 2011 for the CRR Annual Auction
- In December 2011 collateral held decreased by \$654m or 20% compared to the previous month as market exposures decreased and excess collateral was withdrawn following conclusion of the annual CRR auctions. Collateral further dropped by \$23m in January 2012.
- At January 31, 2011, approximately two-thirds of Counter-Party exposure in ERCOT was collateralized by cash, letter of credit or surety bond while only about 12% was accounted for by unsecured credit.

## Exposure Benchmark



- ERCOT uses benchmark metrics to validate the adequacy of TPE as a basis for collateralization.
- The High benchmark is an estimate of potential maximum market exposure. It is calculated by computing exposure if counter-parties were sourcing load requirements for nine days fully from the real-time market. The Low benchmark is estimated by calculating exposure if counter-parties sourced load fully from the real-time market for two days.
- Total Potential Exposure (TPE) for the market typically trends between the high and low benchmarks. However, TPE was above the high benchmark in September and October. Exposure calculations estimate exposure by looking back 60 days, so those months reflected the unusually high prices in August.
- December 2011 and January 2012 TPE were within the benchmarks, indicating that collateralization was in the aggregate reasonable.



**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**  
**BOARD OF DIRECTORS RESOLUTION**

WHEREAS, after its meeting on March 21, 2011, the Finance and Audit (F&A) Committee of the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) has recommended that the Board approve revisions to the Market Credit Risk Standard (Standard) as set forth in Exhibit A and has recommended the waiver of the running of the zonal Potential Future Exposure (PFE) Model for the first quarter 2010 and the deferral of the running of the PFE model for 2011 until the PFE model has been converted in late 2011;

WHEREAS, pursuant to recommendation by the F&A Committee and after due consideration of the alternatives, the Board deems it desirable and in the best interest of ERCOT to approve the revised Standard, as set forth in Exhibit A and to waive running of the zonal PFE Model for the first quarter 2010 and the deferral of the running of the PFE model for 2011 until the PFE modal has been converted in late 2011; and

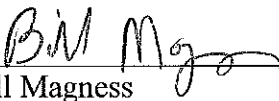
THEREFORE BE IT RESOLVED, the Board hereby accepts the recommendation of the F&A Committee and authorizes and approves the following:

1. The revised Standard, as set forth in Exhibit A, which is attached hereto and incorporated herein for all purposes, in each and every respect to be effective immediately; and
2. The waiver of the running of the zonal PFE Model for the first quarter 2010 and the deferral of the running of the PFE model for 2011 until the PFE model has been converted in late 2011.

**CORPORATE SECRETARY'S CERTIFICATE**

I, Bill Magness, Corporate Secretary of ERCOT, do hereby certify that, at its March 22, 2011 meeting, the ERCOT Board passed a motion approving the above Resolution by unanimous voice vote.

IN WITNESS WHEREOF, I have hereunto set my hand this 30<sup>th</sup> day of March, 2011.

  
\_\_\_\_\_  
Bill Magness  
Corporate Secretary

## ERCOT CORPORATE STANDARD

Document Name:	Market Credit Risk Corporate Standard
Document ID:	CS3.6
Effective Date:	March 22, 2011
Owner:	Board of Directors
Governs:	ERCOT Personnel
Approved:	Board of Directors, ERCOT, Inc.

### *1. Purpose*

This Market Credit Risk Corporate Standard provides a framework by which the ERCOT Board of Directors seeks to maintain the long-term financial integrity of the ERCOT market and to help ensure that overall market credit risk is maintained within acceptable limits.

Recognizing that a number of risk factors contribute to overall market credit risk and that it is beneficial to quantify and describe these risks, a model has been developed to help evaluate the combined impact of key market credit risk factors.

This standard and the output of the Potential Future Exposure Model do not change collateral requirements or Market Participant obligations to comply with those collateral requirements under the ERCOT Protocols. Changes to collateral requirements require a change to ERCOT Protocols through Section 21, Process for Protocol Revision.

### *2. Definitions*

<b>Terms &amp; Acronyms</b>	<b>Definition / Description</b>
<b>Base Case</b>	The Potential Credit Risk Model scenario that considers only forms and amounts of collateral required by the ERCOT Protocols.
<b>BOD</b>	Board of Directors
<b>Current Case</b>	The Potential Credit Risk Model scenario that considers forms and amounts of collateral held as of a specific point in time. This scenario may include collateral amounts above those required by the ERCOT Protocols and which may be unilaterally withdrawn at the Counter-Party's direction.
<b>CWG</b>	Credit Work Group
<b>Expected Loss</b>	The average – although not the most common – outcome across all model outcomes. It represents the loss the ERCOT market as a whole should expect to incur over time under given market conditions as a result of its portfolio credit risk.
<b>Loss Distribution</b>	A range of potential losses under a specific set of parameters with a given probability of occurrence
<b>Potential Future Exposure (PFE)</b>	The financial model that ERCOT uses to measure potential credit risk. It is constructed using a standard Potential Future Exposure

<b>Terms &amp; Acronyms</b>	<b>Definition / Description</b>
<b>Model</b>	framework that produces a portfolio Loss Distribution of potential losses.
<b>Potential Future Exposure (PFE) Report</b>	A report that summarizes the results from the PFE Model together with ERCOT's analysis.
<b>Potential Future Exposure</b>	An estimate of potential credit risk resulting from existing counterparty relationships in light of possible future risk factors such as price volatility and volume escalation.
<b>Probability of Default (PD)</b>	A counter-party specific estimate of the likelihood that a specific counter-party will default over a specified time horizon
<b>TAC</b>	Technical Advisory Committee

### **3. Standards**

#### **Market Credit Risk Objective**

In seeking to fulfill BOD objectives to provide for a reliable Texas electricity market, ERCOT stakeholders will

- directly consider the credit implications of operational or market decisions, and
- seek to maintain a balance of identified key credit risk factors such that the combined impact of these factors yields a market-wide credit risk profile consistent with an investment grade rating

#### **Delegation of Authority**

Responsibility for monitoring and reporting on credit risk for the market consistent with this standard is hereby delegated to the Chief Executive Officer, the Vice President – Credit and Enterprise Risk Management and the Treasurer. These individuals will ensure the BOD is advised of credit risk as measured by the PFE Model.

This delegation does not mean that the results of any particular model analysis will be the final determination of credit risk in the ERCOT market. Such determination rests with the BOD.

#### **Internal Control**

The Treasurer will ensure that written procedures and internal controls are established over the portfolio credit risk analysis process to ensure that results are consistent with the approved process reflected in this standard.

The Treasurer will ensure that these controls are reviewed periodically by ERCOT's Internal Audit staff to monitor compliance with control procedures. The results of Internal Audit reviews as well as underlying controls may be reviewed by the Finance and Audit Committee of the BOD upon request.

In addition, the Treasurer, in cooperation with the BOD, will seek an independent review of the PFE Model prior to incorporating the PFE Model into any determination of collateral requirements or within one year after Nodal market implementation and at least biennially thereafter.

## **Measurement**

ERCOT will use a standard Potential Future Exposure framework for estimating credit risk. The PFE Model, which was built on this framework, will be maintained within this framework.

At a minimum, ERCOT's portfolio credit risk estimation for the Nodal market will include the following risk factors:

- Estimated Probability of Default for each QSE,
- Forward price estimation,
- Price volatility estimation for both Real Time and Day Ahead Markets as appropriate,
- Volume escalation behavior estimation, taking into consideration both Real Time and Day Ahead Market volume activity
- Estimated value of Congestion Revenue Rights, and
- Simplified collateral calculations.

ERCOT will recommend updates of these and other risk factors if key risk factors change.

ERCOT will update model assumptions periodically with CWG input. The Finance and Audit Committee will be informed of all model parameter changes.

At ERCOT's discretion or upon request by the BOD, TAC or CWG, ERCOT will run stress scenarios in addition to the Base Case and Current Case to quantify extreme credit risk (incorporating such things as market price events, high correlations of default, impacts of specific types of market activities and high concentration of exposures to counter-parties or types of counter-parties).

While recognizing that it is impractical to model all possible loss scenarios within the PFE Model, the PFE Model is a valuable tool to more effectively estimate credit exposure within the ERCOT market under set assumptions. The model considers identified risk factors and provides an indication of potential losses; however, actual losses may be more or less than those indicated by the model. Also, since PFE by itself does not provide a full picture of risk, ERCOT utilizes other metrics to provide a broader understanding of credit risk.

## **Reporting**

ERCOT will maintain and run the PFE Model and will prepare a summary analysis of results:

1. at least quarterly,
2. whenever ERCOT determines there have been significant changes in underlying credit risk assumptions which warrant a model run, and
3. upon request of TAC or CWG when contemplating market rule changes for which significant credit implications are being evaluated.

The PFE Report will, at a minimum, include:

1. the Base Case and Current Case scenarios,
2. Expected Loss, median loss and Loss Distributions at the 90, 95, 99 + percentiles for required and ad hoc scenarios,
3. large impact stress scenarios at or above the 99<sup>th</sup> percentiles and other stress scenarios,



4. a listing of inputs used and assumptions made (specific, where possible; general when inputs are counter-party specific), and
5. ERCOT's summary analysis of the reasons for significant changes in the measurement of credit risk from the prior PFE Report.

A summary of the PFE Report will be provided to the Finance and Audit Committee of the BOD, TAC and the CWG at least quarterly.

**Market Credit Risk Corporate Standard Adoption**

ERCOT's Market Credit Risk Corporate Standard was adopted by resolution of the BOD. The standard is reviewed at least annually by the Finance and Audit Committee and any modifications made thereto must be approved by the BOD.

# 11. Review and Recommend Board Approval of Financial Corporate Standard

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Call for Vote

## ERCOT CORPORATE STANDARD

Document Name:	Financial Corporate Standard
Document ID:	CS3.1
Effective Date:	<del>March 22, 2011</del> Upon Approval by Board of Directors
Owner:	Board of Directors, Finance & Audit Committee
Governs:	ERCOT Personnel
Approved:	Board of Directors, Finance & Audit Committee

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### 1. PURPOSE

This financial Corporate Standard is a framework from which ERCOT's financial integrity will be maintained while serving the long-term interests of the company and the ERCOT market. ERCOT recognizes that maintaining financial integrity is critical to accomplishing its corporate goals and discharging ERCOT's primary responsibilities.

### 2. DEFINITIONS

Acronyms & Terms	Definition and Description
<b>Budget</b>	The Budget consists of Project Budgets and an Operating and Maintenance Budget.
<b>Project Budgets</b>	Project Budgets consist of proposed expenditures to be made to develop capital assets during ERCOT's Fiscal Year. Any significant projects not included in the approved project budgets will be presented to ERCOT's Board of Directors for approval as they arise.
<b>Cash Operating and Maintenance Expenses</b>	Cash Operating and Maintenance Expenses consist of all reasonable and necessary costs (excluding non-cash items such as depreciation and amortization) incurred in the operation and maintenance of ERCOT's facilities, equipment and systems.
<b>Fiscal Year</b>	ERCOT's fiscal year is January 1 <sup>st</sup> through December 31 <sup>st</sup> .
<b>NERC</b>	North American Electric Reliability Corporation, the entity currently certified as the Electric Reliability Organization by the Federal Energy Regulatory Commission ("FERC").
<b>Operating and Maintenance Budget</b>	The Operating and Maintenance Budget consists of all reasonable and necessary costs expected to be incurred during ERCOT's Fiscal Year.
<b>Scheduled Debt Service</b>	Scheduled Debt Service is all interest and mandatory principal payments due on ERCOT's outstanding indebtedness (both long-term and short-term) for a stated period.
<b>Strategic Financial Plan</b>	The Strategic Financial Plan will provide current financial information and a five-year projection, which addresses all sources of revenues, including any proposed fee adjustments. It will include projections of operating and maintenance expenses, project expenditures, the funding sources of project expenditures, and debt service requirements as well as the resulting capital structure.
<b>CRR</b>	Congestion Revenue Rights

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### 3. FINANCIAL OBJECTIVES

In seeking to fulfill its corporate objectives, ERCOT will maintain a high level of financial stability and will not compromise long-term financial integrity to achieve short-term benefits.

**Strategic Financial Plan and Budget.** Prior to or in conjunction with the submission of the annual Budget, ~~the Vice President of Finance and Treasury or Controller~~ ERCOT management will submit an update to the Strategic Financial Plan.

The Budget will be substantially consistent with the Strategic Financial Plan and will be submitted to the Board with sufficient time for the review and approval of the Board prior to the beginning of the Fiscal Year.

In developing the Strategic Financial Plan and Budget, ERCOT staff will work to ensure that financial ratios required for compliance with debt instruments are maintained.

ERCOT will pursue financial objectives that will allow it to maintain an investment grade debt rating ~~with Standard & Poor's, Moody's or Fitch~~. If a rating below investment grade is received or expected to be received, staff will promptly recommend a plan for Board consideration to recover or maintain the targeted rating within 18 months.

Overall, the Strategic Financial Plan and the related Budget will seek to assure ERCOT's financial stability. They will be approved by the Board and will guide ERCOT's financial planning process.

**Fees and Charges.** ERCOT will assess fees consistent with the ERCOT Protocols and Public Utility Commission of Texas rulings. ERCOT will also collect fees on behalf of the Electric Reliability Organization as approved by FERC. Fees, funding, and charges will be requested to recover the Board-approved Operating and Maintenance Budget (excluding depreciation and amortization), Scheduled Debt Service (less any principal payments reasonably expected to be refinanced), and the portions of Project Budgets that are to be financed with revenue. Fee adjustments, if necessary, will generally be developed and proposed in connection with ERCOT's annual Budget.

ERCOT will use all reasonable means to operate within the approved Budget for the current year. When unforeseen events occur (e.g., MWh's are significantly over or under projected levels, functionality is added or removed, etc.) and as a result, ERCOT experiences or expects to experience in the next 12-month period any overspending of the Budget or under collection of revenue, or more than a 5 percent under spending of the Budget or over collection of revenue, staff will promptly recommend a plan for Board consideration, which may include cost reductions or additions, fee increases or decreases, or other means to ensure that approved functions can be maintained, capital expended and expenses paid in the normal course of business.

**Sources of Financing.** ERCOT may use a combination of equity (revenue funding) and debt to finance current year Project Budgets. In determining the combination of equity and debt to be used, ERCOT will consider the impact of the current year decision on

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future years, but in no event will ERCOT propose to revenue fund less than 40 percent of Project Budgets during the project development phase.

Generally, ERCOT will structure debt issues such that the average maturity of the debt does not exceed the average life of the assets financed; however, debt issues may be structured with a longer or shorter average maturity if economically justified.

ERCOT may use variable-rate debt to provide flexibility in its overall financing program and to manage its overall interest rate exposure. However, in no event will ERCOT allow unhedged, variable rate debt to be more than 40 percent of total debt outstanding.

ERCOT will periodically evaluate the interest rate environment and review ways to manage interest rate exposure within that environment.

As appropriate, ERCOT will periodically evaluate mechanisms to restructure or refinance debt. ERCOT will regularly evaluate alternatives to conventional financing to obtain the lowest overall cost of borrowing while still meeting the objectives of this financial Corporate Standard.

**Liquidity.** ERCOT will seek to maintain adequate liquidity to meet its business needs. Liquidity is the combination of available 1) operating cash on hand, 2) operating cash equivalents / short term investments and 3) undrawn borrowing capacity under credit facilities.

ERCOT's targeted minimum level of liquidity will factor in: 1) six months of forecasted Scheduled Debt Service, other than principal payments reasonably expected to be refinanced, 2) two months of average Cash Operating and Maintenance Expenses, net of projected administrative fee receipts, 3) two months of budgeted project expenditures, and 4) to the extent CRR auction revenues have been utilized to fund ERCOT working capital and project expenditure needs, two months of estimated CRR repayment obligations expected to be paid, net of projected CRR auction receipts during the same period.

If at any time ERCOT's liquidity is less than or is expected to be less than the targeted minimum level set forth in this Corporate Standard, staff will promptly recommend a plan for Board consideration to achieve the liquidity target within six months.

Funds received in conjunction with CRR auctions may be utilized to fund ERCOT working capital and project expenditure needs so long as liquidity is at or above the target levels and ERCOT's issuer rating remains investment grade. These funds may be utilized in place of borrowing under short term credit facilities to meet liquidity needs.

#### 4. RESPONSIBILITIES

It is the responsibility of the Chief Executive Officer and Vice President of Finance and Treasury to ensure that this Corporate Standard is implemented appropriately and to recommend changes in the Corporate Standard as needed.

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## 5. FINANCIAL STANDARD ADOPTION

ERCOT's Financial Corporate Standard was adopted by resolution of the Board of Directors. The Corporate Standard will be reviewed annually by the Finance and Audit Committee and any modifications made thereto must be approved by the Board of Directors.

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**Date:** March 15, 2011  
**To:** Board of Directors  
**From:** Clifton Karnei, Chair, Finance and Audit (F&A) Committee  
**Subject:** Market Credit Risk Standard Approval

**Issue for the ERCOT Board of Directors**

**ERCOT Board of Directors Meeting Date:** March 22, 2011

**Agenda Item No.:** XX(Legal Department will Complete)

**Issue:** Whether the ERCOT Board of Directors (Board) should accept the expected recommendation of the F&A Committee of the Board to authorize and approve any or all of the ERCOT staff-proposed modifications to the Market Credit Risk Standard (Standard), reflected in *Attachment A*, or any other changes to the Standard.

**Background/History:**

**Development and Approval of the Standard**

The F&A Committee, in its oversight role as it seeks to maintain the long-term financial integrity of the ERCOT market, asked ERCOT staff to develop a standard by which the Board could monitor and evaluate the credit risk in the ERCOT electricity market. The Standard was developed by ERCOT staff and was reviewed and endorsed by both the Credit Work Group (CWG) and the Technical Advisory Committee (TAC). The Board approved the Standard in May 2009.

The Standard was considered to be a significant step forward in the implementation of a more comprehensive program to assess and monitor ERCOT credit risk; however, it should be noted that it was understood that the Standard would need to be further developed as outlined below to function as a credit risk management tool.

In March 2007, the F&A Committee of the Board held a credit workshop to gain a better understanding of credit risk in the ERCOT electricity market. As a result of that workshop, ERCOT staff received authorization to contract with Oliver Wyman, Inc. (Oliver Wyman) to develop a potential future exposure model that considers key market risks, in combination and to provide estimates of risk exposures in the market together with the probability of occurrence of such risk events. In addition, Oliver Wyman reviewed ERCOT credit practices and conducted a comparison relative to best practice. The review results were also presented to the Board at that time.

The modeling effort led by Oliver Wyman began in August 2007 and continued through January 2008. Over that timeframe there were several open sessions with the CWG and other Market Participants to gather input and discuss options. The resulting potential future exposure (PFE) model combined the impact of key market credit risk factors and used these factors to quantify in dollar terms market credit risk.

In February 2008, Oliver Wyman presented the model results and the results of their best practice review to the F&A Committee and to the Board. A key Oliver Wyman



recommendation was that ERCOT develop a formal credit risk appetite statement which the organization would then use to compare measured credit risk exposure relative to its risk tolerance. Appropriate mitigation plans should be implemented for any situations beyond the defined tolerance level. The F&A Committee asked ERCOT staff to develop a proposed Standard consistent with the recommendation and to obtain input from the CWG and TAC.

~~Since that time,~~ ERCOT staff developed the Standard in conjunction with various market groups, including the Retail Market Subcommittee (RMS), Wholesale Market Subcommittee (WMS) and Market Credit Working Group (MCWG), who sought endorsement of the Standard. The Standard, as approved in May 2009, ~~was~~ the result of this collaboration process.

At this time, the proposed Standard *does not* define a credit risk tolerance limit or the actions to be taken as levels of credit risk approach or exceed predefined levels.

The Standard, as approved in May 2009, is therefore a *reporting* standard as it will allow market participants and ERCOT more time to become familiar with the methodologies used and the resultant exposures generated.

While ERCOT staff believes that implementation of the Standard, as approved in May 2009, represented a positive step forward in credit risk assessment and monitoring for the ERCOT electricity market, ERCOT staff believes that the Standard will likely not be fully effective until the missing elements described above are incorporated.

The Standard has provided a framework by which the ERCOT Board can advance the desire to maintain the long-term financial integrity of the ERCOT electricity market and help ensure that overall market credit risk exposure is monitored and understood.

#### The Transition to Nodal

ERCOT generated analysis using the Potential Credit Risk (PCR) model through mid 2010. Given the changes as the market moved from Zonal to Nodal, ERCOT

1. Requested and obtained permission from the Board to discontinue running the zonal PCR Model and the corresponding summary analysis of results for the second and third quarters of 2010 since the results would not be available until at or near the conclusion of the zonal market and
2. Established a project to convert the PCR model for Nodal in the 2011 budget and plans to complete the conversion prior to year end 2011.

#### Current Request for Approval

In May 20~~10~~09, the Board approved updates to the Standard, which is expected to be reviewed annually and updated as needed. The Board must approve any modifications to the Standard.

This Standard establishes an objective to maintain the financial integrity of the ERCOT electricity market, defines the manner in which credit risk is measured, and assigns responsibility for measuring, reporting and monitoring of credit risk in the ERCOT electricity market. As a result of this Standard, the ERCOT PFE Model was developed, which combines

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the impact of key market credit risk factors and uses these factors to quantify in dollar terms the overall level of credit risk in the ERCOT market.

ERCOT staff has reviewed the Standard and respectfully proposes several minor changes, as reflected in *Attachment A*. The F&A Committee is expected to recommend that the Board adopt, reject, or amend the revisions at its March 22, 2011 ~~May 18, 2010~~ meeting.

The proposed Standard renews an objective to maintain the financial integrity of the ERCOT electricity market, defines the manner in which credit risk will be measured, and assigns responsibility for measuring, reporting and monitoring of credit risk in the ERCOT electricity market.

As noted ~~previously~~ when the Standard was originally approved, at this time, the proposed Standard *does not* define a credit risk tolerance limit or the actions to be taken as levels of credit risk approach or exceed predefined levels.

The Standard, as approved in May 2009 and 2010 and with the proposed modifications for which approval is currently sought, is therefore *still a reporting* standard as it will allow ~~market participants and~~ ERCOT time to adapt the PCR model for Nodal risk factors and provide more time for the market and ERCOT to become familiar with the methodologies used for Nodal and the resultant exposures generated.

While ERCOT staff believes that implementation of the approved Standard, ~~as approved in May 2009~~ even with the proposed modifications for which approval is currently sought, represents a positive step forward in credit risk assessment and monitoring for the ERCOT electricity market, ERCOT staff believes that the Standard will likely not be fully effective until the missing elements described above are incorporated.

The Standard, ~~since its approval in May 2009~~, has provided a framework by which the ERCOT Board can advance the desire to maintain the long-term financial integrity of the ERCOT electricity market and help ensure that overall market credit risk exposure is monitored and understood.

Furthermore, ERCOT staff respectfully proposes to

- 1) waive running the zonal PCR Model for the first quarter, 2010 since the results are not relevant with the move to Nodal. ERCOT had originally expected to produce the first quarter 2010 results in mid 2010; however, staffing constraints and the focus on Nodal implementation precluded this activity.
- 2) Defer running of the PCR model for 2011 until the PCR model has been converted in late 2011.

~~Furthermore, ERCOT staff respectfully proposes to discontinue running the zonal Potential Credit Risk (PCR) Model and the corresponding summary analysis of results for the following quarterly periods since the results will not be available until at or near the conclusion of the zonal market:~~

- ~~a. Second quarter, 2010; and~~
- ~~b. Third quarter, 2010.~~

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**Key Factors Influencing Issue:**

Provide the Board a way to measure, monitor and potentially manage credit risk exposure in the ERCOT electricity market.

1. Formalize the objective to maintain the financial integrity of the ERCOT market.
2. Provide a mechanism to quantify credit risk, taking into consideration key risk factors.
3. Adherence to provisions of Board-approved Corporate Standards.
4. Improved clarity and consistency of ERCOT's policy documents.

**Alternatives:**

~~1. Approve modifications to the Standard, and 1) waive running the zonal PCR Model for the first quarter, 2010 since the results are not relevant with the move to Nodal and 2) defer running the PCR model for 2011 until the PCR model has been converted in late 2011; the discontinuation of the running of the zonal PCR Model and the corresponding summary analysis of results for the second and third quarters of 2010 as recommended by ERCOT staff and accepted by the F&A Committee; Leave the Standard in its current form;~~

~~2-1. Remand the Standard to the F&A Committee with instructions; or~~

~~3-2. Direct ERCOT staff to make adjustments to the proposed modifications to the Standard or seek additional input from other sources.~~

**Conclusion/Recommendation:**

The F&A Committee will review these changes at their meeting on ~~March 21, 2011~~ May 18, 2010 and is expected to recommend to the Board whether the Board should authorize and approve any or all of the ERCOT staff-proposed modifications to the Standard, reflected in Attachment A, or any other changes to the Standard as well as any waiver from discontinuation ~~of the~~ running of the zonal PCR Model and corresponding summary analysis of results for the first ~~second and third~~ quarters of 2010 or deferral from running the PCR model for 2011.



**ELECTRIC RELIABILITY COUNCIL OF TEXAS, INC.**  
**BOARD OF DIRECTORS RESOLUTION**

WHEREAS, after due consideration of the alternatives, the Board of Directors (Board) of Electric Reliability Council of Texas, Inc. (ERCOT) deems it desirable and in the best interest of ERCOT to \_\_\_\_\_ [set forth background of reasons for resolution]; and

WHEREAS, \_\_\_\_\_ [set forth further background for reasons for the resolution];

THEREFORE, BE IT RESOLVED, that ERCOT is hereby authorized and approved to \_\_\_\_\_.

**CORPORATE SECRETARY’S CERTIFICATE**

I, Bill Magness, Corporate Secretary of ERCOT, do hereby certify that, at its March 22, 2011 meeting, the ERCOT Board passed a motion approving the above Resolution by \_\_\_\_\_.

IN WITNESS WHEREOF, I have hereunto set my hand this \_\_\_ day of March, 2011.

\_\_\_\_\_  
Bill Magness  
Corporate Secretary

# 12. Review and Recommend Board Approval of Investment Corporate Standard

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Call for VOTE

## ERCOT CORPORATE STANDARD

Document Name:	Investment Corporate Standard
Document ID:	CS3.2
Effective Date:	<del>July 18, 2011</del> <u>Upon Approval by Board of Directors</u>
Owner:	ERCOT Board of Directors and Finance & Audit Committee
Governs:	ERCOT Personnel
Approved:	ERCOT Board of Directors

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### 1. PURPOSE

The purpose of the ERCOT Investment Corporate Standard is to document the guidelines and related activities for the investment and management of funds held by ERCOT. ERCOT invests and manages funds received from a variety of sources including:

- 1) fees described in ERCOT protocols;
- 2) proceeds from the issuance of debt;
- 3) receipts from congestion revenue rights auctions;
- 4) receipts relating to market settlement operations;
- 5) security deposits from market participants; and
- 6) receipts from other miscellaneous sources.

The Investment Corporate Standard does not apply to the Electric Reliability Council of Texas, Inc. 401(k) Savings Plan investments, which are managed separately.

### 2. TERMS & DEFINITIONS

<i>Term</i>	<i>Definition / Description</i>
<b>Designated Investment Officers</b>	ERCOT's President and Chief Executive Officer, Senior Vice President and Chief Operating Officer, Vice President and General Counsel, Vice President of Finance and Treasury, <u>Finance Director</u> , and Treasury Manager.
<b>ERCOT</b>	All references to "ERCOT" in the Investment Corporate Standard shall be to Electric Reliability Council of Texas, Inc.; unless ERCOT is used in conjunction with "market", in which case the reference shall be to the market which ERCOT manages.
<b>"Prudent investor" standard</b>	A financial concept assuming investment transactions are made with judgment and care, under circumstances then prevailing, that persons of prudence, discretion and intelligence would exercise in the management of their own affairs, not for speculation but for investment, considering the probable safety of principal as well as the probable income to be derived.

### 3. DELEGATION OF AUTHORITY

Responsibility for the Investment Corporate Standard is hereby delegated to ERCOT's Designated Investment Officers. They establish a system of controls over the investment program including written investment procedures for the operation of the investment program consistent with the Investment Corporate Standard. No person may engage in an investment transaction except as provided under the terms of the Investment Corporate Standard and the procedures established by the Designated Investment Officers.

Designated Investment Officers shall apply the prudent investor standard in managing ERCOT's investment portfolio. The Designated Investment Officers, acting in accordance with the prudent investor standard, supplemented as appropriate by other written procedures pertaining to the administration and management of ERCOT's investment portfolio, shall be relieved of personal responsibility for an individual security's credit risk or market price changes.

### 4. INVESTMENT OBJECTIVES

ERCOT's investment activity is guided by three primary objectives:

1. Safety of principal – The foremost objective of ERCOT's investment program is safety of principal.
2. Liquidity – ERCOT's investment portfolio will remain sufficiently liquid to enable ERCOT to meet all operating requirements which might be reasonably anticipated.
3. Return on investment – ERCOT's investment portfolio is designed with the goal of attaining a reasonable rate of return throughout budgetary and economic cycles, in line with ERCOT's objectives relating to safety of principal and liquidity.

### 5. INVESTMENT INSTRUMENTS

To ensure ERCOT's three primary investment objectives are met, Designated Investment Officers shall ensure ERCOT invests only with Qualified Institutions offering money market mutual funds investing exclusively in U.S. treasury securities ~~or or Treasury Funds which invests at least 80 percent of its net assets in U.S. Treasury obligations, including repurchase agreements secured by U.S. Treasury obligations, a combination of U.S. treasury securities and repurchase agreements backed by U.S. treasury securities~~. Investments should be diversified among a number of money market mutual funds offered by a variety of Qualified Institutions.

Qualified Institutions – Any two Designated Investment Officers shall have authority to identify and establish investing relationships with financial counterparties, also known as Qualified Institutions.

To be approved as a Qualified Institution, Designated Investment Officers will ensure that, at a minimum, the entity can take the following action:

1. Maintain a senior debt rating at least the equivalent of A- by Standard & Poor's or A3 by Moody's Investor Service;
2. Provide current audited financial statements to ERCOT treasury personnel;
3. Maintain capital of not less than \$100 million; and

4. Maintain assets of not less than ~~\$1 billion~~ 1 billion.

If an ERCOT Board member or member of his or her immediate family is an officer or director, is employed by, or owns or has a beneficial interest in more than 10 percent of the stock in a bank or other financial institution that would otherwise be a Qualified Institution, such Board member shall provide full disclosure of such stock holdings or relationship to the ERCOT General Counsel in documented form to be filed with corporate records of ERCOT. Any institutions so disclosed will be excluded from consideration as a Qualified Institution without full disclosure to the Board of Directors of the relationship and approval of the Board to establish the relationship.

Qualified Institutions wishing to serve as an ERCOT cash depository must also be a federal or state-chartered bank and offer federal deposit insurance to the maximum amount allowed by law.

Money Market Mutual Funds – ERCOT will only invest in money market mutual funds which are defined under Securities and Exchange Commission Rule 2a-7, have at least ~~\$1 billion~~ 1 billion of assets under management, and which invest exclusively in U.S. treasury securities or Treasury Funds which invests at least 80 percent of its net assets in U.S. Treasury obligations, including repurchase agreements secured by U.S. Treasury obligations ~~or a combination of U.S. treasury securities and repurchase agreements backed by U.S. treasury securities.~~

Direct Treasury Purchases – Direct United States Treasury obligations, the principal and interest of which are fully guaranteed by the government of the United States.

Cash Investments – To the extent possible, ERCOT attempts to match its investments with anticipated cash flow requirements. Some level of cash may remain uninvested to meet liquidity needs or to address unusual situations as they arise.

## 6. INVESTMENT CONSTRAINTS

Designated Investment Officers shall ensure that investments are made in compliance with the following constraints:

1. No more than 10 percent of the portfolio shall be invested with any single Qualified Institution; ~~provided that in no event shall investments in any single Qualified Institution exceed \$50 million.~~
2. No more than 10 percent of the portfolio shall be invested in any single money market mutual fund; ~~provided that in no event shall investments in any single money market mutual fund exceed \$50 million.~~
3. No more than 40 percent of the portfolio shall be invested in repurchase agreements across all money market mutual funds.

## 7. INVESTMENT LOSSES

Investment losses incurred on money market mutual funds held by ERCOT on behalf of Market Participants for collateral are attributable to Market Participants and are not borne by ERCOT.

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ERCOT shall not have any fiduciary relationship with Market Participants and no implied covenants, functions, responsibilities, duties, obligations or liabilities shall be read into the Investment Corporate Standard. Investment losses attributable to Market Participants shall be addressed in the ERCOT Protocols or by direction from ERCOT Board of Directors.

## **8. INVESTMENT MONITORING**

Credit Analysis – Designated Investment Officers shall at least monthly review investments held through money market mutual funds to identify credit risk arising from the investments. Any credit-related concerns not satisfactorily resolved with fund managers will result in movement of the investment to an alternative fund. ERCOT staff will not duplicate credit analysis performed by fund managers and are not expected to provide assurance that all holdings are creditworthy.

Investment Reporting – Designated Investment Officers shall provide quarterly investment reports to ERCOT’s Board of Directors and Finance and Audit Committee which provide a clear picture of the status of the current investment portfolio. Each quarterly report shall include a certification of compliance with the provisions of the Investment Corporate Standard.

Compliance Testing – Designated Investment Officers shall ensure that ERCOT’s internal auditor periodically tests compliance with the Investment Corporate Standard and associated procedures.

## **9. STANDARD ADOPTION**

ERCOT’s Investment Corporate Standard is adopted by resolution of ERCOT’s Board of Directors. The Corporate Standard is reviewed annually by the Finance & Audit Committee and any modifications made thereto must be approved by the Board of Directors.



## 13. Review forecast liquidity requirements and debt structure options

### Objectives for F&A Committee meetings

- **February**

- Provide background on debt use
- Present an updated strategy for debt use
- Get approval to issue a request for proposal to restructure existing debt
- Obtain approval to make regulatory filings and take other action to restructure existing debt

- **April**

- Present specific, detailed recommendation for restructuring of existing debt

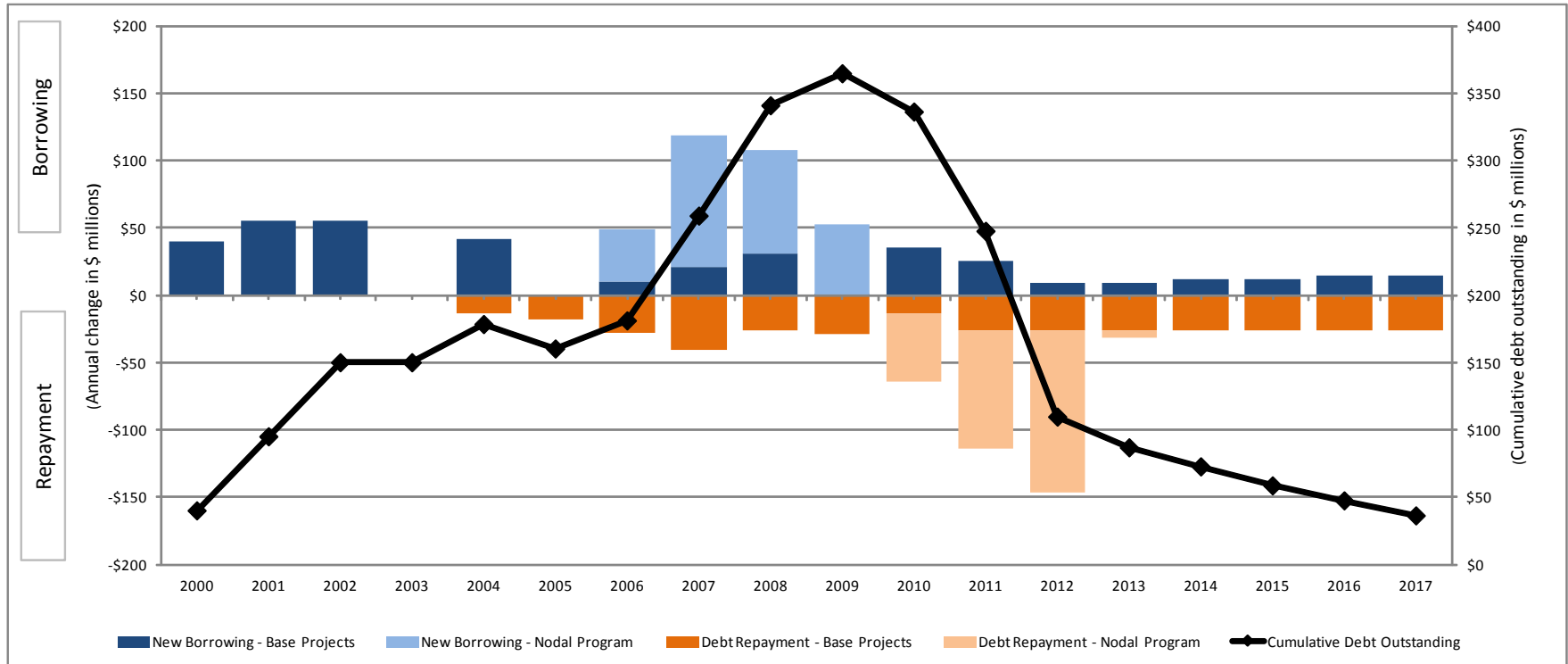
- **Provides liquidity required by board-approved policy**
  - Enhances financial flexibility
  - Meets short-term working capital needs
- **Enables smoother and more stable fees**
- **Improves the fairness of ERCOT fees**

## Debt transactions are carefully considered in advance

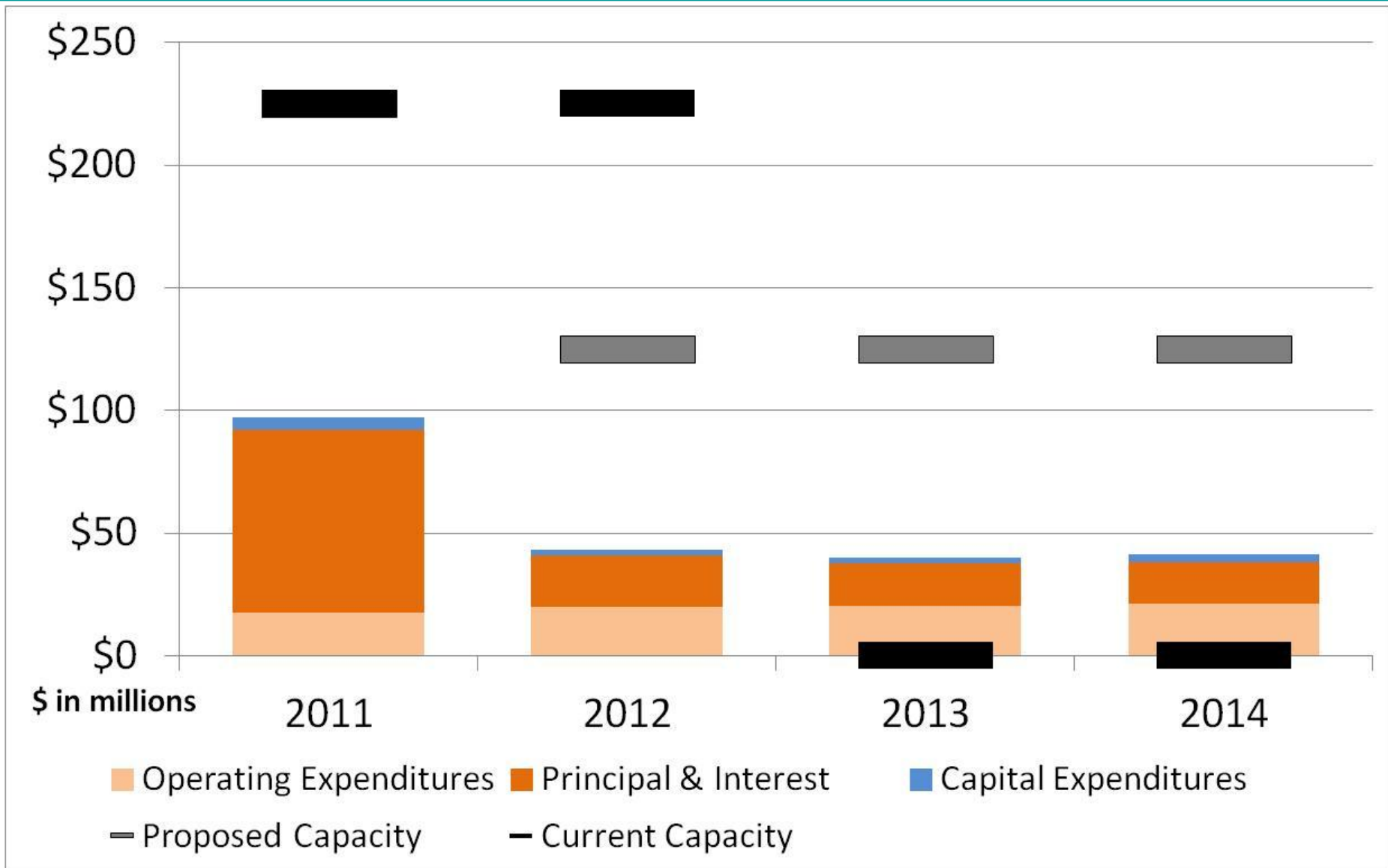
- **Board by-laws**
  - Adopt policy regarding borrowing money or establishing a line of credit
- **Board policy**
  - Approve indebtedness exceeding \$1 million
- **Finance and Audit Committee charter**
  - Review and recommend annual financing plan
  - Review and recommend transactions throughout the year
- **Board-approved Financial Corporate Standard**
  - Establish constraints regarding debt use
- **Public Utility Commission of Texas rules**
  - Approve debt transactions

# Debt is responsibly managed

Debt Profile Summary (2000-2017)



# Proposed revolving credit facility to meet liquidity requirements



## **\$80 million long-term, fixed-rate debt facility**

- **Enhance the stability and fairness of fees by matching debt repayment to the useful life of Taylor and Bastrop facilities**
- **Fix a portion of outstanding debt to take advantage of historically low interest rates**
- **Simplify compliance with Financial Corporate Standard restrictions regarding the use of variable rate debt.**

# Proposed debt strategy summary

Pros	Cons
<p>Simplify ERCOT's debt portfolio:</p> <ul style="list-style-type: none"><li>• Two facilities rather than nine</li><li>• Eliminate need for complex derivatives</li></ul>	<p>Interest costs are incurred over a longer period of time</p>
<p>Lower annual costs:</p> <ul style="list-style-type: none"><li>• Average rate falls from ~5% to ~ 4%</li><li>• Lower overall debt</li></ul>	<p>Long-term debt reduces financial flexibility</p>
<p>Meet liquidity and working capital needs</p>	
<p>Enhance ability to maintain compliance with the Financial Corporate Standard.</p>	
<p>Improve fairness of fees by matching debt repayment to the useful life long-lived facilities</p>	
<p>Create potential for maintaining existing fees in 2013 and future years</p>	

- **Authorize ERCOT staff to issue a request for proposal to restructure existing debt consistent with the following elements:**
  - Up to \$125 million of variable rate debt under a two-year revolving credit facility
  - Up to \$80 million of fixed rate, long term debt associated with ERCOT's long-term investment in its facilities and physical plant
  - Diversification of credit relationships in keeping with ERCOT's best financial and risk management interest
- **Recommend approval to make regulatory filings and take other action to restructure existing debt**



## 14a. Accounting Judgments

- ERCOT reviews all fixed assets for impairment on a quarterly basis.
- In the 4<sup>th</sup> Quarter 2011, Accounting placed additional focus on software assets in light of the implementation and stabilization of the Nodal system in late 2010 through 2011.
- Accounting and Business Integration staff worked together to review software assets and determine which assets were no longer used.
- Accounting guidance requires that assets be disposed of when they cease to be used.
- The following assets were reviewed and identified for disposal in December 2011:

	<b>Asset count</b>	<b>Cost basis</b>	<b>Book value</b>
Software assets reviewed	846	\$248,300,000	\$40,600,000
Software assets written off	63	\$23,700,000	\$870,000

## 14b. Handling of Complaints Regarding Financial Matters

- As noted in the Finance and Audit Committee charter, the Committee has procedures for:
  - The receipt, retention and treatment of complaints received by the Company regarding accounting, internal controls, or auditing matters; and
  - The confidential, anonymous submission by the Company's employees of concerns regarding accounting or auditing matters.
- Complaints regarding financial matters may be received through a variety of sources- direct, indirect, and anonymous alternatives are available.
  - Employees receive training to ensure they are aware of these options
- Complaints are investigated as appropriate and reported to the Finance and Audit Committee or Board of Directors until resolved.
- Evidence of complaints is retained in the meeting minutes, investigative work papers, and systematically (e.g. the Ethics Point system) when possible.

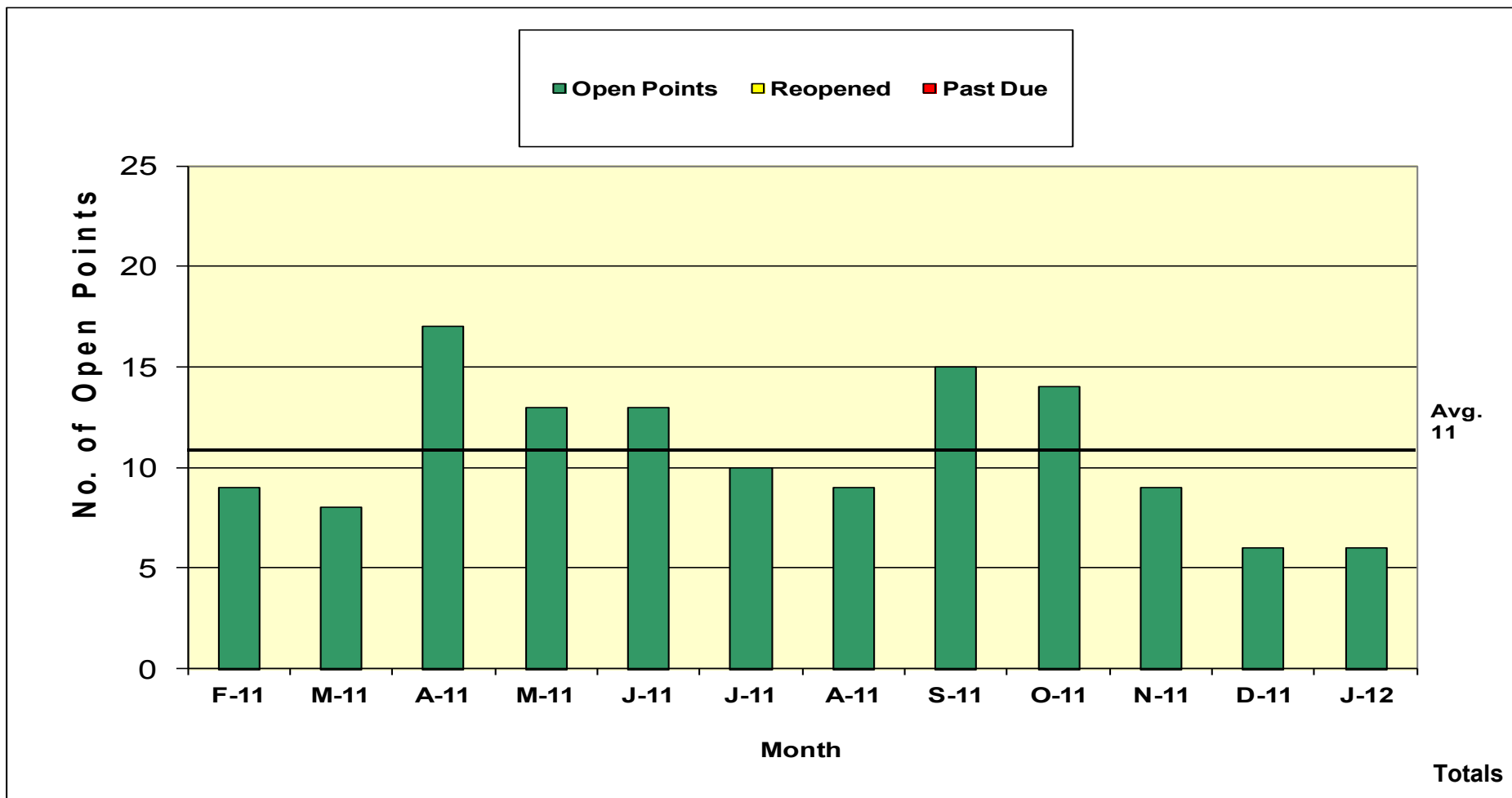
## 14c. Hiring Former Employees of the Independent Auditor

- Per the Finance and Audit Committee Charter, the Committee shall “establish the Company’s hiring policies for employees who are former employees of the Company’s independent auditors.”
- ERCOT will obtain Finance and Audit Committee approval before hiring a former employee of the Company’s independent auditor if—
  - The candidate was employed by the independent auditor for some time over the last twelve months, and
    - The former employee of the independent auditor was assigned to the ERCOT audit engagement for more than one month over the last twelve months, or
    - The former employee of the independent auditor will have responsibility for the work performed by the independent auditor after joining ERCOT.
- In 2011, no hiring decisions fell under this policy.

## 14d. Discussion of ERCOT's IRS Form 990 Filing

- ERCOT's 2011 IRS Form 990 is expected to be filed by August 15, 2012.
- Preparation and filing of the informational tax return requires ERCOT Board members and some employees to complete a questionnaire.
  - The questionnaire has been distributed as part of the February board materials.
  - Completed questionnaires are due by March 30, 2012.
- The Board will be given an opportunity to review the final draft of the 2011 IRS Form 990 at the July 17, 2012 meeting of the ERCOT Board of Directors

# 14e. Committee Brief ICMP: Status of Open Audit Points

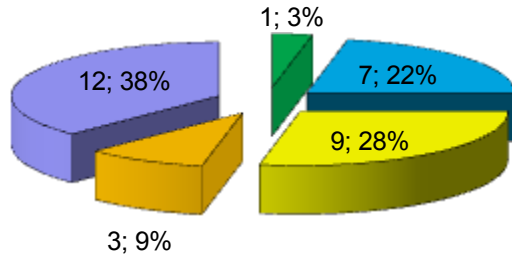


	F-11	M-11	A-11	M-11	J-11	J-11	A-11	S-11	O-11	N-11	D-11	J-12	Totals
Audits Completed	1	2	8	0	4	0	3	4	1	2	6	1	32
Points Added	0	3	15	0	7	0	2	8	0	0	3	3	41
Points Completed	1	4	6	4	7	3	3	2	1	5	6	3	45

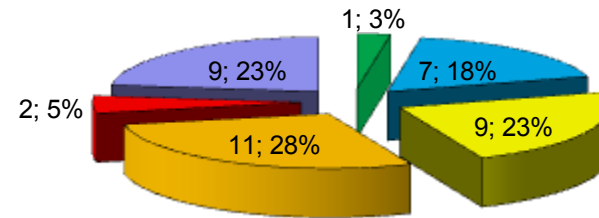
All audit points except two expected to be complete by 4/30/12.

# Summary of Audit Report Ratings for 2008, 2009, 2010 & 2011

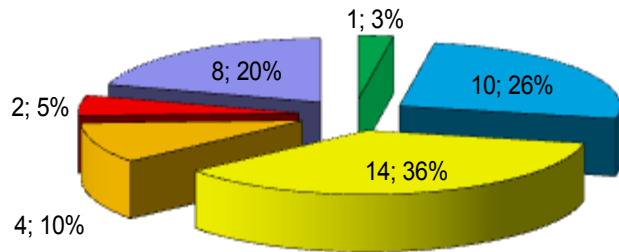
2008



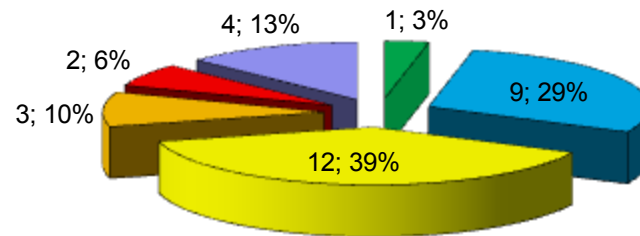
2009



2010

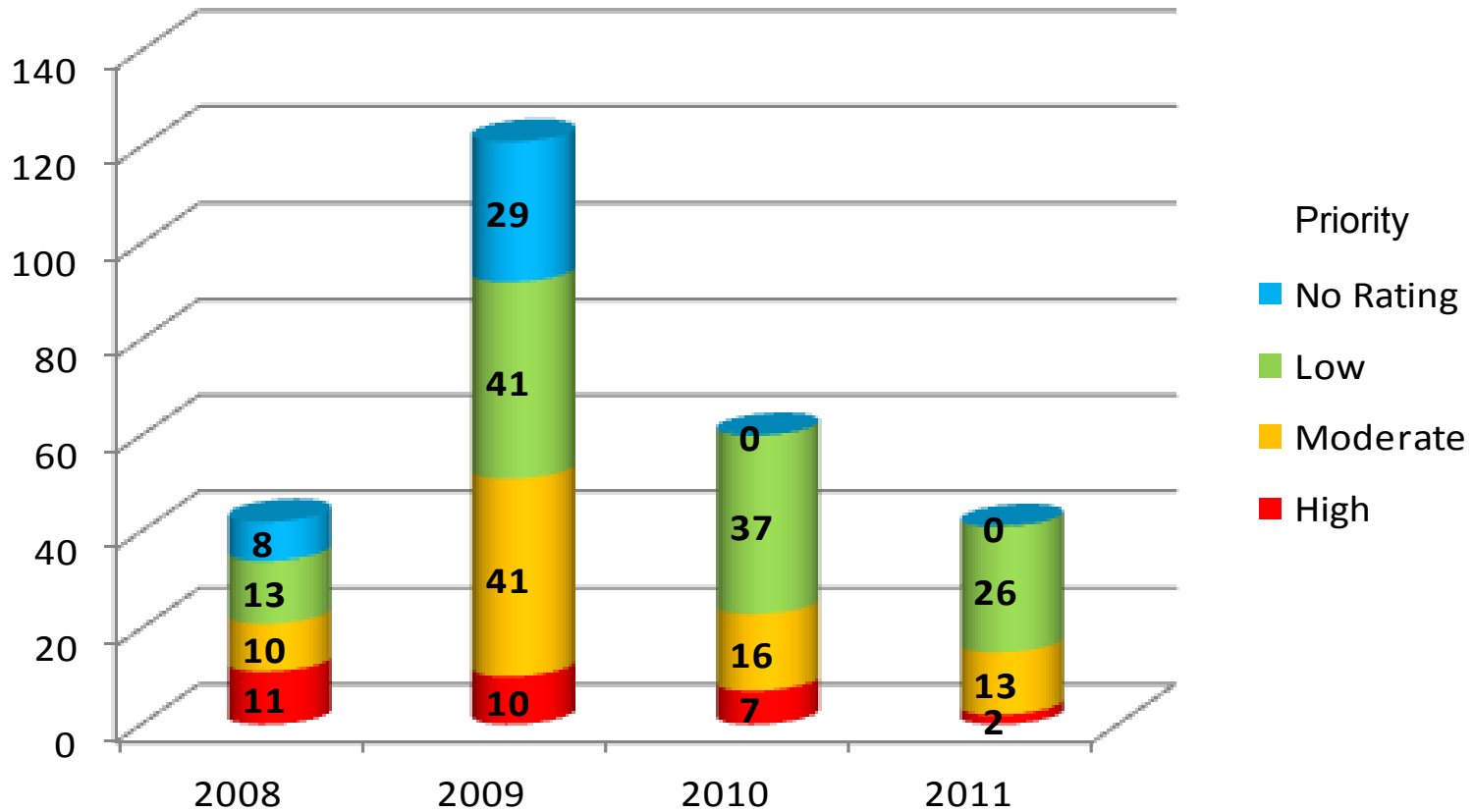


2011



- Unqualified
- Controlled
- Minor Improvements Needed
- Moderate Improvements Needed
- Significant Improvements Needed
- No Rating

# Summary of Number/Priority of Audit Issues for 2008, 2009, 2010 & 2011



There were numerous audits of Nodal activities in 2009

# Committee Brief: ICMP – Audits

## Audits Completed

(last 3 months)

### Internal Audits

- Q3 2011 Fraud Auditing
- Business Continuity Plan and Disaster Recovery
- Storage and Capacity Planning
- Nodal Program Bonus Payments (Special Request)
- Enterprise Risk Management (Consulting/Advisory)
- Protocol 1.4 Required Audit – Ethics (Employee & Contractor Ethics)
- Market Credit

### External Audits

- 2011 Type 2 SSAE 16 (SAS 70) Audit (BrightLine CPAs & Associates, Inc.)

## Audits in Progress

### Internal Audits

- Vulnerability Assessments Follow-up Process (Consulting/Advisory)
- Congestion Revenue Rights – Nodal Protocol Section 7
- Compliance with Protocol “Must” and “Shall” Requirements
- Crisis Communication Procedures
- Annual Report on Fraud Monitoring/Testing

### External Audits

- Nodal Program Audit (Navigant Consulting, LLC)
- 2011 Financial Audit (Ernst & Young, LLP)

## Planned Audits

(next 3 months)

### Internal Audits

- Vendor Compliance with Contract Terms/Conditions (Targeted Review)
- Shared Drives
- Identity Management System
- Accounts Payable
- Compliance with Federal Visa Requirements for Foreign Nationals

### External Audits

- None



# Committee Brief: ICMP – Security Assessments

## Consultation/Analysis Reports Completed

(last 3 months)

### Assessments

- None

## Open Consultation/ Analysis Reviews

(in progress)

### Assessments

- None

## Planned Consultation/ Analysis Reviews

(next 3 months)

### Assessments

- None

**Summary of Investments**  
**January 31, 2012**

<b>Counter Party</b>	<b>Treasury</b>	<b>Treasury and Treasury Repo</b>	<b>Total Invested</b>	<b>Percentage of Investments</b>
	----- \$ millions -----			
Goldman Sachs	\$ 49.5		\$ 49.5	9%
Western Asset	49.5		49.5	9%
Fidelity	49.5		49.5	9%
Wells Fargo	49.5		49.5	9%
Morgan Stanley		49.5	49.5	9%
Federated	49.5		49.5	9%
BlackRock	49.5		49.5	9%
Invesco		49.5	49.5	9%
SSgA	49.5		49.5	9%
JPMorgan		34.5	34.5	6%
Dreyfus		49.5	49.5	9%
UBS		49.5	49.5	9%
<b>Total</b>	<b>\$ 346.5</b>	<b>\$ 232.5</b>	<b>\$ 579.0</b>	<b>100%</b>

60% Treasury  
40% Treasury Repo

# 14f. Investment Corporate Standard Quarterly Compliance

Standard	Compliance
Money market mutual funds invested only in obligations of or guaranteed by the US Treasuries or repurchase agreements in which the collateral is obligations of or guaranteed by US Treasuries.	Yes
No more than 40 percent of the portfolio shall be invested in repurchase agreements across all money market mutual funds.	Yes
No more than 10% of investable funds will be maintained in any one fund.	Yes
No more than \$50 million will be maintained in any one fund.	Yes
Has assets under management in the fund of at least \$1 billion	Yes

**Electric Reliability Council of Texas, Inc.**  
**Summary of Investment Results**  
**Fourth Quarter 2011**  
(In 000's)

<b>Investment Funds (Note 1)</b>	<b>Balance at Dec 30</b>	<b>Average Bal for Qtr</b>	<b>Interest 4th Qtr</b>	<b>Yield 4th Qtr Avg</b>	<b>Yield End of 4th Qtr</b>	<b>% of portfolio at Dec 30</b>	<b>Detailed Fund Holdings</b>
Bank of America Treasury Reserves MMF		220	-	0.00%		0%	
BlackRock Institutional T-Fund (60) MMF	25,000	21,919	0.6	0.01%		4%	Attachment A
BlackRock Institutional Treasury Trust Fund MMF	24,500	26,057	0.8	0.01%		4%	Attachment B
Dreyfus Treasury Prime Cash Management MMF	49,500	35,661	-	0.00%		8%	Attachment C
Federated Fund 068 Treasury Obligations Fund	25,000	23,352	0.7	0.01%		4%	Attachment D
Federated Fund 0125 US Treasury Cash Reserves Fund	24,500	24,507	0.2	0.00%		4%	Attachment E
Fidelity 695 Institutional MMF: Treasury Portfolio	-	245	-	0.00%		0%	Attachment F
Fidelity 680 Institutional MMF: Treasury Only Portfolio	49,501	48,311	1.2	0.01%		8%	Attachment G
Goldman Sachs Treasury Instruments Fund 506	49,500	47,739	0.1	0.00%		8%	Attachment H
Invesco Institutional Treasury Portfolio	49,504	47,895	5.3	0.04%		8%	Attachment I
JP Morgan Chase US Treasury Plus MM Fund	49,500	47,905	0.6	0.01%		8%	Attachment J
Morgan Stanley Fund 8304 Treasury	49,501	47,976	1.2	0.01%		8%	Attachment K
State Street Global Advisors Institutional Treasury MMF	49,500	47,185	0.3	0.00%		8%	Attachment L
UBS Select Treasury Preferred Fund 46	49,501	35,705	1.0	0.01%		8%	Attachment M
Wells Fargo Institutional Treasury Plus MMF	49,500	34,424	0.9	0.01%		8%	Attachment N
Wells Fargo 100% Treasury MMF		10,878	0.3	0.01%		0%	
Western Asset Institutional US Treasury Reserves	49,501	47,950	2.2	0.02%		8%	Attachment O
<b>Sub-Total</b>	<b>594,008</b>	<b>547,929</b>	<b>15.4</b>			<b>100%</b>	
Other cash net of outstanding checks (Note 2)	48						
<b>Total cash and cash equivalents (net)</b>	<b>594,056</b>						
<b>Benchmark data (Note 3)</b>	Four Week T-Bill:		0.01%				
	Other open relevant Treasury MMFs:		0.01% (Range: 0.00% - 0.02%)				

**Notes**

Note 1: In compliance with the Investment Corporate Standard, these funds invest solely in Treasury or obligations backed by US treasuries.

Note 2: All other cash, net of outstanding checks, held by ERCOT in bank accounts as of December 30, 2011.

Note 3: Benchmark data obtained as of December 30, 2011 for T-Bills and for comparable funds for which quotes are periodically obtained. Funds not currently open for investment are not included in range. Note that due diligence has not been performed on funds included in the benchmark and included funds may not meet ERCOT investment standards.

Note 4: No individual securities held as of December 30, 2011.

**Statement of Compliance**

Upon a review of the investment activity for the 3 month period ended December 30, 2011, I have no knowledge of any ERCOT action that does not comply with that required by the Investment Corporate Standard.

Signature on File  
Michael Peterson Vice President Finance and Treasury

February 20, 2012

## 14f. Investment Corporate Standard Quarterly Compliance

Instrument	Date	ERCOT Value	Percent of ERCOT Portfolio	Total Fund Amount
Treasuries	12/31/2011	\$432,697,628	72.84%	\$174,363,671,078
Repurchase Agreements		\$161,310,634	27.16%	\$56,596,708,993
<b>Total</b>		<b>\$594,008,262</b>	<b>100%</b>	<b>\$230,960,380,071</b>

Electric Reliability Council of Texas, Inc  
Summary of Investment Funds - Concentration Report  
As of 12/31/11

ERCOT Portfolio	ERCOT Investment	Security	Security Type	ICD Ticker	Par Value	Maturity	Percent Weight of Ercot Portfolio
	\$2,381,611	ABN Amro Securities USA LLC	REPO	MISXX	\$300,000,000	01/03/2012	4.811289
	\$4,141,836	Bank of America Tri Party Repo	REPO	SETXX	\$1,100,000,000	01/03/2012	8.367246
	\$747,320	Bank of Montreal	REPO	SCTZZ	\$250,000,000	01/03/2012	1.509621
	\$516,186	Bank of Montreal dated	REPO	TOIXX	\$500,000,000	01/04/2012	2.064721
	\$103,237	Bank of Montreal dated	REPO	TOIXX	\$100,000,000	01/03/2012	0.412944
	\$4,485,367	Bank of Nova Scotia	REPO	MISXX	\$565,000,000	01/03/2012	9.061261
	\$1,984,676	Barclays Capital Inc	REPO	MISXX	\$250,000,000	01/04/2012	4.009408
	\$1,587,741	Barclays Capital Inc	REPO	MISXX	\$200,000,000	01/03/2012	3.207526
	\$2,391,424	Barclays Capital Inc	REPO	SCTZZ	\$800,000,000	01/03/2012	4.830787
	\$2,092,496	Barclays Capital Inc	REPO	SCTZZ	\$700,000,000	01/03/2012	4.226939
	\$1,494,640	Barclays Capital Inc	REPO	SCTZZ	\$500,000,000	01/03/2012	3.019242
	\$401,900	Barclays Capital Inc	REPO	SCTZZ	\$134,446,993	01/03/2012	0.811856
	\$1,393,702	Barclays Capital Inc dated	REPO	TOIXX	\$1,350,000,000	01/17/2012	5.574746
	\$1,125,285	Barclays Capital Inc dated	REPO	TOIXX	\$1,090,000,000	01/03/2012	4.501092
	\$619,423	Barclays Capital Inc dated	REPO	TOIXX	\$600,000,000	01/03/2012	2.477665
	\$516,186	Barclays Capital Inc dated	REPO	TOIXX	\$500,000,000	01/27/2012	2.064721
	\$1,920,271	BARCLAYS CAPITAL INC REPO	REPO	IJTX	\$633,600,000	01/11/2012	3.879336
	\$1,818,439	BARCLAYS CAPITAL INC REPO	REPO	IJTX	\$600,000,000	01/17/2012	3.673613
	\$757,683	BARCLAYS CAPITAL INC REPO	REPO	IJTX	\$250,000,000	01/18/2012	1.530672
	\$757,683	BARCLAYS CAPITAL INC REPO	REPO	IJTX	\$250,000,000	01/11/2012	1.530672
	\$754,482	BARCLAYS CAPITAL INC REPO	REPO	IJTX	\$248,944,000	01/11/2012	1.524207
	\$2,823,979	Barclays Capital Inc Tri Party Repo	REPO	SETXX	\$750,000,000	01/04/2012	5.704940
	\$980,376	Barclays Capital Incorporated	REPO	PISXX	\$200,000,000	01/04/2012	1.980541
	\$2,450,939	Bnp Paribas Secs Corp Repo Ust Pars	REPO	PISXX	\$500,000,000	01/03/2012	4.951353
	\$2,092,496	BNP Paribas Securities Corp	REPO	SCTZZ	\$700,000,000	01/03/2012	4.226939
	\$597,856	BNP Paribas Securities Corp	REPO	SCTZZ	\$200,000,000	01/03/2012	1.207697
	\$180,665	BNP Paribas Securities Corp dated	REPO	TOIXX	\$175,000,000	01/03/2012	0.722652
	\$102,205	BNP Paribas Securities Corp dated	REPO	TOIXX	\$99,000,000	01/03/2012	0.408815
	\$4,366,287	BNP Paribas Securittes Corp	REPO	MISXX	\$550,000,000	01/03/2012	8.820697
	\$298,928	CIBC World Markets Corp	REPO	SCTZZ	\$100,000,000	01/03/2012	0.603848
	\$929,134	Citibank NA New York dated	REPO	TOIXX	\$900,000,000	01/03/2012	3.716498
	\$3,532,723	Credit Agricole CIB	REPO	MISXX	\$445,000,000	01/03/2012	7.136746
	\$1,870,112	Credit Agricole Corporate and Investm	REPO	TOIXX	\$1,811,472,000	01/03/2012	7.480368
	\$757,683	CREDIT SUISSE SEC USA LLC REI	REPO	IJTX	\$250,000,000	01/11/2012	1.530672
	\$757,683	CREDIT SUISSE SEC USA LLC REI	REPO	IJTX	\$250,000,000	01/11/2012	1.530672
	\$1,225,470	Credit Suisse Secs Usa Repo Mbs Csf	REPO	PISXX	\$250,000,000	01/06/2012	2.475676
	\$1,225,470	CREDIT SUISSE SECS USA REPO 1	REPO	PISXX	\$250,000,000	01/03/2012	2.475676
	\$490,188	CREDIT SUISSE SECS USA REPO 1	REPO	PISXX	\$100,000,000	01/03/2012	0.990271
	\$1,984,676	Credit Suisse Securities USA	REPO	MISXX	\$250,000,000	01/06/2012	4.009408
	\$873,257	Credit Suisse Securities USA	REPO	MISXX	\$110,000,000	01/03/2012	1.764139
	\$793,870	Credit Suisse Securities USA	REPO	MISXX	\$100,000,000	01/19/2012	1.603763
	\$595,403	Credit Suisse Securities USA	REPO	MISXX	\$75,000,000	01/04/2012	1.202822
	\$595,403	Credit Suisse Securities USA	REPO	MISXX	\$75,000,000	01/27/2012	1.202822
	\$396,935	Credit Suisse Securities USA	REPO	MISXX	\$50,000,000	01/05/2012	0.801882

Electric Reliability Council of Texas, Inc  
Summary of Investment Funds - Concentration Report  
As of 12/31/11

ERCOT Portfolio	ERCOT Investment	Security	Security Type	ICD Ticker	Par Value	Maturity	Percent Weight of Ercot Portfolio
	\$396,935	Credit Suisse Securities USA	REPO	MISXX	\$50,000,000	01/06/2012	0.801882
	\$381,058	Credit Suisse Securities USA	REPO	MISXX	\$48,000,000	01/03/2012	0.769806
	\$238,161	Credit Suisse Securities USA	REPO	MISXX	\$30,000,000	01/20/2012	0.481129
	\$238,161	Credit Suisse Securities USA	REPO	MISXX	\$30,000,000	01/13/2012	0.481129
	\$896,784	Credit Suisse Securities USA LLC	REPO	SCTZZ	\$300,000,000	01/03/2012	1.811545
	\$1,548,557	Credit Suisse Securities USA LLC da	REPO	TOIXX	\$1,500,000,000	01/04/2012	6.194163
	\$1,032,372	Credit Suisse Securities USA LLC da	REPO	TOIXX	\$1,000,000,000	01/06/2012	4.129442
	\$283,902	Credit Suisse Securities USA LLC da	REPO	TOIXX	\$275,000,000	01/03/2012	1.135596
	\$3,134,478	Deutsche Bank Securities Inc	REPO	MISXX	\$394,835,000	01/03/2012	6.332218
	\$793,870	Deutsche Bank Securities Inc	REPO	MISXX	\$100,000,000	01/04/2012	1.603763
	\$1,793,568	Deutsche Bank Securities Inc	REPO	SCTZZ	\$600,000,000	01/03/2012	3.623091
	\$1,494,640	Deutsche Bank Securities Inc	REPO	SCTZZ	\$500,000,000	01/03/2012	3.019242
	\$1,135,609	Deutsche Bank Securities Inc dated	REPO	TOIXX	\$1,100,000,000	01/03/2012	4.542386
	\$1,032,372	Deutsche Bank Securities Inc dated	REPO	TOIXX	\$1,000,000,000	01/04/2012	4.129442
	\$3,030,731	DEUTSCHE BANK SECURITIES IN	REPO	IJTX	\$1,000,000,000	01/17/2012	6.122689
	\$1,288,061	DEUTSCHE BANK SECURITIES IN	REPO	IJTX	\$425,000,000	01/11/2012	2.602143
	\$1,212,292	DEUTSCHE BANK SECURITIES IN	REPO	IJTX	\$400,000,000	01/11/2012	2.449075
	\$1,225,470	DEUTSCHE BANK SECURITIES RI	REPO	PISXX	\$250,000,000	01/03/2012	2.475676
	\$941,326	Deutsche Bank Tri Party Repo	REPO	SETXX	\$250,000,000	01/05/2012	1.901647
	\$941,326	Deutsche Bank Tri Party Repo	REPO	SETXX	\$250,000,000	01/04/2012	1.901647
	\$747,320	Goldman Sachs Co	REPO	SCTZZ	\$250,000,000	01/03/2012	1.509621
	\$490,188	Goldman Sachs CO Repo Ust Goldm	REPO	PISXX	\$100,000,000	01/03/2012	0.990271
	\$2,974,591	Goldman Sachs Co Tri Party Repo	REPO	SETXX	\$790,000,000	01/03/2012	6.009204
	\$2,447,448	Goldman Sachs Co Tri Party Repo	REPO	SETXX	\$650,000,000	01/04/2012	4.944282
	\$793,870	HSBC Securities USA Inc	REPO	MISXX	\$100,000,000	01/03/2012	1.603763
	\$747,320	HSBC Securities USA Inc	REPO	SCTZZ	\$250,000,000	01/03/2012	1.509621
	\$3,788,414	HSBC SECURITIES USA INC REPC	REPO	IJTX	\$1,250,000,000	01/11/2012	7.653361
	\$2,450,939	HSBC Usa Incorporated Repo Ust HS	REPO	PISXX	\$500,000,000	01/03/2012	4.951353
	\$81,338	JP Morgan Securities LLC dated	REPO	TOIXX	\$78,788,000	01/03/2012	0.325350
	\$298,928	JPMorgan Securities Inc	REPO	SCTZZ	\$100,000,000	01/03/2012	0.603848
	\$822,052	Merrill Lynch Pierce Fenner Smith In	REPO	SCTZZ	\$275,000,000	01/03/2012	1.660583
	\$235,045	MERRILL PIERCE FENNER SM RE	REPO	PISXX	\$47,950,000	01/03/2012	0.474835
	\$597,856	Morgan Stanley Co Inc	REPO	SCTZZ	\$200,000,000	01/03/2012	1.207697
	\$735,282	Morgan Stanley And CO Repo Ust M	REPO	PISXX	\$150,000,000	01/03/2012	1.485406
	\$2,092,496	RBC Capital Markets Corp	REPO	SCTZZ	\$700,000,000	01/03/2012	4.226939
	\$1,195,712	RBC Capital Markets Corp	REPO	SCTZZ	\$400,000,000	01/03/2012	2.415394
	\$2,450,939	RBC Capital Markets Repo UST RBC	REPO	PISXX	\$500,000,000	01/03/2012	4.951353
	\$3,175,481	RBS Securities Inc	REPO	MISXX	\$400,000,000	01/03/2012	6.415052
	\$1,494,640	RBS Securities Inc	REPO	SCTZZ	\$500,000,000	01/03/2012	3.019242
	\$1,494,640	RBS Securities Inc	REPO	SCTZZ	\$500,000,000	01/03/2012	3.019242
	\$888,872	RBS Securities Inc dated	REPO	TOIXX	\$861,000,000	01/03/2012	3.555449
	\$1,515,365	RBS SECURITIES INC REPO	REPO	IJTX	\$500,000,000	01/11/2012	3.061344
	\$4,901,879	RBS SECURITIES INC REPO UST F	REPO	PISXX	\$1,000,000,000	01/03/2012	9.902706
	\$4,901,879	SG AMERICAS SEC TRI PARTY CI	REPO	PISXX	\$1,000,000,000	01/03/2012	9.902706



Electric Reliability Council of Texas, Inc  
Summary of Investment Funds - Concentration Report  
As of 12/31/11

ERCOT Portfolio	ERCOT Investment	Security	Security Type	ICD Ticker	Par Value	Maturity	Percent Weight of Ercot Portfolio
	\$5,954,027	Societe Generale	REPO	MISXX	\$750,000,000	01/03/2012	12.028223
	\$1,494,640	Societe Generale	REPO	SCTZZ	\$500,000,000	01/03/2012	3.019242
	\$597,856	Societe Generale	REPO	SCTZZ	\$200,000,000	01/03/2012	1.207697
	\$180,665	Societe Generale Paris dated	REPO	TOIXX	\$175,000,000	01/03/2012	0.722652
	\$188,265	State Street Bank and Trust Co	REPO	SETXX	\$50,000,000	01/03/2012	0.380329
	\$396,935	TD Securities USA LLC	REPO	MISXX	\$50,000,000	01/03/2012	0.801882
	\$867,192	TD Securities USA LLC dated	REPO	TOIXX	\$840,000,000	01/03/2012	3.468731
	\$412,949	TD Securities USA LLC dated	REPO	TOIXX	\$400,000,000	01/23/2012	1.651777
	\$595,936	TRIPARTY BARCLAYS CAPITAL I	REPO	TSTXX	\$450,000,000	01/04/2012	2.383723
	\$493,965	TRIPARTY BARCLAYS CAPITAL I	REPO	TSTXX	\$373,000,000	01/03/2012	1.975841
	\$1,178,630	TRIPARTY CITIGROUP GLOBAL M	REPO	TSTXX	\$890,000,000	01/03/2012	4.714474
	\$1,366,029	TRIPARTY CREDIT SUISSE SECUI	REPO	TSTXX	\$1,031,508,000	01/03/2012	5.464065
	\$993,227	TRIPARTY CREDIT SUISSE SECUI	REPO	TSTXX	\$750,000,000	01/03/2012	3.972872
	\$794,582	TRIPARTY CREDIT SUISSE SECUI	REPO	TSTXX	\$600,000,000	01/04/2012	3.178297
	\$132,430	TRIPARTY CREDIT SUISSE SECUI	REPO	TSTXX	\$100,000,000	01/03/2012	0.529716
	\$1,040,902	TRIPARTY DEUTSCHE BANK SEC	REPO	TSTXX	\$786,000,000	01/03/2012	4.163569
	\$662,152	TRIPARTY DEUTSCHE BANK SEC	REPO	TSTXX	\$500,000,000	01/03/2012	2.648581
	\$627,912	TRIPARTY DEUTSCHE BANK SEC	REPO	TSTXX	\$474,145,000	01/03/2012	2.511623
	\$198,645	TRIPARTY DEUTSCHE BANK SEC	REPO	TSTXX	\$150,000,000	01/04/2012	0.794574
	\$778,759	TRIPARTY HSBC SECURITIES US	REPO	TSTXX	\$588,052,000	01/03/2012	3.115007
	\$842,804	TRIPARTY JP MORGAN SECURITI	REPO	TSTXX	\$636,413,000	01/03/2012	3.371183
	\$297,968	TRIPARTY MERRILL LYNCH PIER	REPO	TSTXX	\$225,000,000	01/03/2012	1.191861
	\$529,721	TRIPARTY MORGAN STANLEY C	REPO	TSTXX	\$400,000,000	01/04/2012	2.118865
	\$344,319	TRIPARTY MORGAN STANLEY C	REPO	TSTXX	\$260,000,000	01/03/2012	1.377262
	\$344,319	TRIPARTY MORGAN STANLEY C	REPO	TSTXX	\$260,000,000	01/03/2012	1.377262
	\$1,846,416	TRIPARTY RBS SECURITIES INC	REPO	TSTXX	\$1,394,255,000	01/03/2012	7.385595
	\$3,363,730	TRIPARTY UBS SECURITIES LLC	REPO	TSTXX	\$2,540,000,000	01/03/2012	13.454792
	\$2,222,837	UBS Securities LLC	REPO	MISXX	\$280,000,000	01/03/2012	4.490537
	\$2,329,863	UBS SECURITIES LLC REPO UST 1	REPO	PISXX	\$475,300,000	01/03/2012	4.706756
	\$1,225,470	UBS Securities LLC Repo UST UBSI	REPO	PISXX	\$250,000,000	01/05/2012	2.475676
	\$1,984,676	Wells Fargo Securities LLC	REPO	MISXX	\$250,000,000	01/03/2012	4.009408
	\$747,320	Wells Fargo Securities LLC	REPO	SCTZZ	\$250,000,000	01/03/2012	1.509621
<b>\$161,310,634</b>		<b>Total Repurchase Agreements</b>			<b>\$56,596,708,993</b>		



# US Treasury Reserves Portfolio

Full Holdings ( As of 2011-12-31 )

Weighted Average Maturity: 56 days

Weighted Average Life: 56 days

**Total Net Assets: 22,002.1 (\$MM)**

## Holdings

As of 2011-12-31

Principal Amount	Securities Description	Rate	CUSIP	Amortized Cost Value	% of Investments	Effective Maturity	Final Maturity	Rule-2a-7 Category of Investment
2,766,780,000	U.S. Treasury Bills	0.01	9127952Y6	2,766,780,000.00	12.59	2012-01-12	2012-01-12	Treasury Debt
2,517,173,000	U.S. Treasury Bills	0.01	9127953C3	2,517,172,537.50	11.45	2012-02-09	2012-02-09	Treasury Debt
1,894,083,000	U.S. Treasury Bills	0.01	912795Y62	1,894,083,000.00	8.62	2012-01-19	2012-01-19	Treasury Debt
1,644,772,000	U.S. Treasury Bills	0.01	9127954A6	1,644,771,880.28	7.48	2012-01-05	2012-01-05	Treasury Debt
1,235,000,000	US TREASURY N/B 06/12 1.875	1.88	912828KX7	1,244,802,446.03	5.66	2012-06-15	2012-06-15	Treasury Debt
1,110,312,000	US TREAS BILLS 0% 26/01/2012	0.01	912795Y70	1,110,312,000.00	5.05	2012-01-26	2012-01-26	Treasury Debt
1,036,488,000	TREASURY BILL 02/12 0.00000	0.01	912795Y88	1,036,485,083.51	4.72	2012-02-02	2012-02-02	Treasury Debt
1,010,000,000	U.S. Treasury Bills	0.00	9127952Y6	1,009,999,368.90	4.60	2012-01-12	2012-01-12	Treasury Debt
789,000,000	US TREASURY NB 1.375% 09-15/FE	1.38	912828KC3	790,193,936.46	3.60	2012-02-15	2012-02-15	Treasury Debt
762,838,000	U.S. Treasury Note	0.88	912828MJ6	763,294,162.20	3.47	2012-01-31	2012-01-31	Treasury Debt
675,000,000	U.S. Treasury Bills	0.03	9127954A6	674,998,874.98	3.07	2012-01-05	2012-01-05	Treasury Debt
500,000,000	U.S. Treasury Bills	0.02	912795Z38	499,989,375.00	2.27	2012-02-23	2012-02-23	Treasury Debt
425,000,000	US TREASURY NOTE	4.75	912828GU8	432,967,524.17	1.97	2012-05-31	2012-05-31	Treasury Debt
350,000,000	U.S. Treasury Bills	0.02	9127954A6	349,999,611.01	1.59	2012-01-05	2012-01-05	Treasury Debt
310,000,000	U.S. Treasury Notes	1.00	912828NB2	310,796,443.64	1.41	2012-04-30	2012-04-30	Treasury Debt
300,000,000	WI Treasury Sec1.3750% 11/15/12	1.38	912828LX6	303,105,850.35	1.38	2012-11-15	2012-11-15	Treasury Debt
283,087,000	United States Treasury Notes	1.75	912828LH1	285,953,929.97	1.30	2012-08-15	2012-08-15	Treasury Debt
276,000,000	UNITED STATES TREAS NT, 4.7500% Mat 01/31/2	4.75	912828GF1	276,990,286.83	1.26	2012-01-31	2012-01-31	Treasury Debt
255,000,000	US TREASURY T/B, Mat 05/15/2012 1.2500%	1.38	912828KP4	256,121,780.83	1.17	2012-05-15	2012-05-15	Treasury Debt
252,000,000	U.S. Treasury Notes	1.00	912828MU1	252,516,113.50	1.15	2012-03-31	2012-03-31	Treasury Debt
250,000,000	U.S. Treasury Bills	0.02	912795Z20	249,995,416.25	1.14	2012-02-16	2012-02-16	Treasury Debt
225,000,000	United States Treas NTS, 4.500% 04/30/12	4.50	912828GQ7	228,115,155.17	1.04	2012-04-30	2012-04-30	Treasury Debt
224,305,000	US TREAS BILLS 0% 26/01/2012	0.10	912795Y70	224,290,669.29	1.02	2012-01-26	2012-01-26	Treasury Debt
200,000,000	U.S. Treasury Notes	0.38	912828PH7	200,358,057.14	0.91	2012-08-31	2012-08-31	Treasury Debt
200,000,000	US TREAS BILLS 0% 26/01/2012	0.13	912795Y70	199,983,388.80	0.91	2012-01-26	2012-01-26	Treasury Debt
200,000,000	TREASURY BILL 02/12 0.00000	0.13	912795Y88	199,979,166.80	0.91	2012-02-02	2012-02-02	Treasury Debt
200,000,000	U.S. Treasury Bills	0.06	9127955P2	199,956,610.92	0.91	2012-05-24	2012-05-24	Treasury Debt
155,000,000	U.S. Treasury Bills	0.00	9127952Y6	154,999,961.25	0.71	2012-01-12	2012-01-12	Treasury Debt
153,100,000	U.S. Treasury Bills	0.03	912795Y62	153,097,958.75	0.70	2012-01-19	2012-01-19	Treasury Debt
150,000,000	United States Treasury Notes	1.38	912828LM0	151,311,258.28	0.69	2012-09-15	2012-09-15	Treasury Debt
150,000,000	U.S. Treasury Notes	1.38	912828KG4	150,396,005.43	0.68	2012-03-15	2012-03-15	Treasury Debt
150,000,000	U.S. Treasury Note	0.75	912828NE6	150,323,017.28	0.68	2012-05-31	2012-05-31	Treasury Debt
150,000,000	US TREAS BILLS 0% 26/01/2012	0.00	912795Y70	149,999,760.45	0.68	2012-01-26	2012-01-26	Treasury Debt
146,000,000	U.S. Treasury Bills	0.00	912795Y62	145,999,837.76	0.66	2012-01-19	2012-01-19	Treasury Debt
135,000,000	U.S. Treasury Bills	0.00	912795Y62	134,999,940.06	0.61	2012-01-19	2012-01-19	Treasury Debt
120,000,000	U.S. Treasury Notes	1.38	912828LR9	121,168,063.45	0.55	2012-10-15	2012-10-15	Treasury Debt

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112,500,000	U.S. Treasury Bills	0.00	9127954A6	112,499,993.75	0.51	2012-01-05	2012-01-05	Treasury Debt
105,000,000	US Treasury Bond 4.375% 8/15/12	4.38	912828AJ9	107,761,769.45	0.49	2012-08-15	2012-08-15	Treasury Debt
100,000,000	U.S. Treasury Bills	0.02	912795Y62	99,999,111.24	0.46	2012-01-19	2012-01-19	Treasury Debt
100,000,000	U.S. Treasury Bills	0.11	9127952Y6	99,997,249.98	0.45	2012-01-12	2012-01-12	Treasury Debt
100,000,000	U.S. Treasury Bills	0.05	9127955P2	99,979,094.54	0.45	2012-05-24	2012-05-24	Treasury Debt
92,000,000	U.S. Treasury Bills	0.00	9127953C3	91,999,905.28	0.42	2012-02-09	2012-02-09	Treasury Debt
50,000,000	UNITED STATES TREAS NTS, 4.875% Mat 02/15/12	4.88	9128277L0	50,266,115.82	0.23	2012-02-15	2012-02-15	Treasury Debt
50,000,000	U.S. Treasury Note	0.62	912828NQ9	50,153,595.70	0.23	2012-07-31	2012-07-31	Treasury Debt
28,803,000	U.S. Treasury Bills	0.01	912795Z20	28,802,648.01	0.13	2012-02-16	2012-02-16	Treasury Debt

The information shown above relates to U.S. Treasury Reserves Portfolio ("the Portfolio"), the registered investment company in which the Fund invests all of its investable assets. The Funds utilize a master/feeder structure by investing all of their assets in a master portfolio. Assets are reported at the master portfolio level. Portfolio holdings are subject to change at any time. Percentages are based on total investments. This information is provided for information purposes only and should not be construed as a recommendation to purchase or sell any security.

The Portfolio's investments are valued at amortized cost, which approximates market value, in accordance with Rule 2a-7 under the Investment Company Act of 1940. The amortized cost method of valuation involves valuing portfolio securities at their cost and thereafter assuming a constant amortization to maturity of any discount or premium.

The Portfolio's use of amortized cost is subject to its compliance with certain conditions as specified by Rule 2a-7 under the 1940 Act. The Portfolio continues to meet the requirements of Rule 2a-7 that permit it to utilize amortized cost to value its securities.

Please note that an investment in a money market fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, which is available at <http://www.leggmason.com/individualinvestors> . Please read it carefully.

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INVESTMENT PRODUCTS: NOT FDIC INSURED. NO BANK GUARANTEE. MAY LOSE VALUE.

# Attachment A. Blackrock Schedule of Investments

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- **Blackrock Unaudited Schedule of Investments T-Fund**

UNAUDITED Schedule of Investments T-Fund

12/30/2011

Position Description	CUSIP	Par	% Par	Maturity or Reset	Final Maturity	Yield or Coupon	Amortized Cost	Moody's Rating	S&P Rating
<b>WAM 54 Days / WAL 54 Days</b>									
<b>Treasury Debt</b>		<b>6,469,660,000</b>	<b>34.27%</b>				<b>6,495,261,145</b>		
TREASURY BILL	9127954A6	190,000,000	1.01%	1/5/2012	1/5/2012	0.09%	189,999,050	Govt	A-1+
TREASURY BILL	9127954A6	10,000,000	0.05%	1/5/2012	1/5/2012	0.09%	9,999,950	Govt	A-1+
TREASURY BILL	9127952Y6	40,000,000	0.21%	1/12/2012	1/12/2012	0.29%	39,997,190	Govt	A-1+
TREASURY BILL	912795Y70	100,000,000	0.53%	1/26/2012	1/26/2012	0.10%	99,993,611	Govt	A-1+
TREASURY BILL	912795Z20	42,000,000	0.22%	2/16/2012	2/16/2012	0.08%	41,995,893	Govt	A-1+
TREASURY BILL	912795Z46	50,000,000	0.26%	3/1/2012	3/1/2012	0.04%	49,997,181	Govt	A-1+
TREASURY BILL	912795Z46	25,000,000	0.13%	3/1/2012	3/1/2012	0.05%	24,998,590	Govt	A-1+
TREASURY BILL	912795Z46	25,000,000	0.13%	3/1/2012	3/1/2012	0.05%	24,998,590	Govt	A-1+
TREASURY BILL	9127953G4	50,000,000	0.26%	3/8/2012	3/8/2012	0.07%	49,976,528	Govt	A-1+
TREASURY BILL	9127953G4	50,000,000	0.26%	3/8/2012	3/8/2012	0.07%	49,976,528	Govt	A-1+
TREASURY BILL	9127953G4	45,000,000	0.24%	3/8/2012	3/8/2012	0.26%	44,978,875	Govt	A-1+
TREASURY BILL	9127955D9	50,000,000	0.26%	3/15/2012	3/15/2012	0.05%	49,995,000	Govt	A-1+
TREASURY BILL	9127955D9	40,000,000	0.21%	3/15/2012	3/15/2012	0.05%	39,996,000	Govt	A-1+
TREASURY BILL	9127955D9	35,000,000	0.19%	3/15/2012	3/15/2012	0.05%	34,996,430	Govt	A-1+
TREASURY BILL	9127955H0	70,000,000	0.37%	4/12/2012	4/12/2012	0.05%	69,991,153	Govt	A-1+
TREASURY BILL	9127955J6	20,050,000	0.11%	4/19/2012	4/19/2012	0.07%	20,046,126	Govt	A-1+
TREASURY BILL	9127953N9	100,000,000	0.53%	5/3/2012	5/3/2012	0.06%	99,979,161	Govt	A-1+
TREASURY BILL	9127953S8	150,000,000	0.79%	5/31/2012	5/31/2012	0.08%	149,953,438	Govt	A-1+
TREASURY BILL	9127955S6	200,000,000	1.06%	6/14/2012	6/14/2012	0.05%	199,954,722	Govt	A-1+
TREASURY BILL	912795Y96	100,000,000	0.53%	8/23/2012	8/23/2012	0.10%	99,938,514	Govt	A-1+
TREASURY BILL	912795Y96	60,000,000	0.32%	8/23/2012	8/23/2012	0.10%	59,962,332	Govt	A-1+
TREASURY BILL	912795Y96	44,725,000	0.24%	8/23/2012	8/23/2012	0.10%	44,696,053	Govt	A-1+
TREASURY BILL	912795Y96	30,000,000	0.16%	8/23/2012	8/23/2012	0.10%	29,980,583	Govt	A-1+
TREASURY BILL	9127955L1	155,000,000	0.82%	11/15/2012	11/15/2012	0.10%	154,863,514	Govt	A-1+
TREASURY NOTE	912828MJ6	100,000,000	0.53%	1/31/2012	1/31/2012	0.03%	100,064,592	Govt	AA+
TREASURY NOTE	912828MJ6	100,000,000	0.53%	1/31/2012	1/31/2012	0.05%	100,063,017	Govt	AA+
TREASURY NOTE	912828MJ6	35,000,000	0.19%	1/31/2012	1/31/2012	0.10%	35,020,776	Govt	AA+
TREASURY NOTE	912828MJ6	50,000,000	0.26%	1/31/2012	1/31/2012	0.10%	50,029,656	Govt	AA+
TREASURY NOTE	912828MJ6	50,000,000	0.26%	1/31/2012	1/31/2012	0.10%	50,029,510	Govt	AA+
TREASURY NOTE	912828MJ6	100,000,000	0.53%	1/31/2012	1/31/2012	0.14%	100,056,308	Govt	AA+
TREASURY NOTE	912828MJ6	60,000,000	0.32%	1/31/2012	1/31/2012	0.15%	60,033,310	Govt	AA+
TREASURY NOTE	912828KC3	200,000,000	1.06%	2/15/2012	2/15/2012	0.04%	200,312,731	Govt	AA+
TREASURY NOTE	912828KC3	100,000,000	0.53%	2/15/2012	2/15/2012	0.04%	100,153,279	Govt	AA+
TREASURY NOTE	912828KC3	100,000,000	0.53%	2/15/2012	2/15/2012	0.04%	100,153,279	Govt	AA+
TREASURY NOTE	912828KC3	20,360,000	0.11%	2/15/2012	2/15/2012	0.33%	20,385,035	Govt	AA+
TREASURY NOTE	912828GK0	100,000,000	0.53%	2/29/2012	2/29/2012	0.02%	100,721,005	Govt	AA+
TREASURY NOTE	912828MQ0	220,000,000	1.17%	2/29/2012	2/29/2012	0.05%	220,283,798	Govt	AA+
TREASURY NOTE	912828MQ0	107,000,000	0.57%	2/29/2012	2/29/2012	0.06%	107,136,942	Govt	AA+
TREASURY NOTE	912828MQ0	32,500,000	0.17%	2/29/2012	2/29/2012	0.07%	32,541,042	Govt	AA+
TREASURY NOTE	912828MQ0	200,000,000	1.06%	2/29/2012	2/29/2012	0.12%	200,234,273	Govt	AA+
TREASURY NOTE	912828NB2	50,000,000	0.26%	4/30/2012	4/30/2012	0.07%	50,146,378	Govt	AA+
TREASURY NOTE	912828NB2	50,000,000	0.26%	4/30/2012	4/30/2012	0.07%	50,146,378	Govt	AA+
TREASURY NOTE	912828NB2	200,000,000	1.06%	4/30/2012	4/30/2012	0.09%	200,590,838	Govt	AA+
TREASURY NOTE	912828NB2	100,000,000	0.53%	4/30/2012	4/30/2012	0.11%	100,287,429	Govt	AA+
TREASURY NOTE	912828NB2	50,000,000	0.26%	4/30/2012	4/30/2012	0.11%	50,146,378	Govt	AA+
TREASURY NOTE	912828NB2	50,000,000	0.26%	4/30/2012	4/30/2012	0.11%	50,146,378	Govt	AA+
TREASURY NOTE	912828KP4	150,000,000	0.79%	5/15/2012	5/15/2012	0.11%	150,689,915	Govt	AA+
TREASURY NOTE	912828KP4	50,000,000	0.26%	5/15/2012	5/15/2012	0.25%	50,204,275	Govt	AA+
TREASURY NOTE	912828NE6	40,000,000	0.21%	5/31/2012	5/31/2012	0.12%	40,103,012	Govt	AA+
TREASURY NOTE	912828NE6	100,000,000	0.53%	5/31/2012	5/31/2012	0.12%	100,256,488	Govt	AA+
TREASURY NOTE	912828NS5	194,000,000	1.03%	7/2/2012	6/30/2012	0.08%	194,516,306	Govt	AA+
TREASURY NOTE	912828LB4	250,000,000	1.32%	7/16/2012	7/15/2012	0.09%	251,881,275	Govt	AA+
TREASURY NOTE	912828LB4	200,000,000	1.06%	7/16/2012	7/15/2012	0.09%	201,499,551	Govt	AA+
TREASURY NOTE	912828LB4	100,000,000	0.53%	7/16/2012	7/15/2012	0.09%	100,748,577	Govt	AA+
TREASURY NOTE	912828GZ7	100,000,000	0.53%	7/31/2012	7/31/2012	0.09%	102,608,446	Govt	AA+
TREASURY NOTE	912828NQ9	50,000,000	0.26%	7/31/2012	7/31/2012	0.10%	50,150,862	Govt	AA+
TREASURY NOTE	912828NQ9	50,000,000	0.26%	7/31/2012	7/31/2012	0.10%	50,150,862	Govt	AA+
TREASURY NOTE	912828NQ9	50,000,000	0.26%	7/31/2012	7/31/2012	0.10%	50,150,862	Govt	AA+
TREASURY NOTE	912828NQ9	75,000,000	0.40%	7/31/2012	7/31/2012	0.10%	75,226,293	Govt	AA+

UNAUDITED Schedule of Investments T-Fund

12/30/2011

Position Description	CUSIP	Par	% Par	Maturity or Reset	Final Maturity	Yield or Coupon	Amortized Cost	Moody's Rating	S&P Rating
TREASURY NOTE	912828GZ7	121,000,000	0.64%	7/31/2012	7/31/2012	0.13%	124,128,156	Govt	AA+
TREASURY NOTE	912828LH1	50,000,000	0.26%	8/15/2012	8/15/2012	0.10%	50,552,734	Govt	AA+
TREASURY NOTE	912828LH1	50,000,000	0.26%	8/15/2012	8/15/2012	0.10%	50,552,734	Govt	AA+
TREASURY NOTE	912828PH7	200,000,000	1.06%	8/31/2012	8/31/2012	0.11%	200,345,214	Govt	AA+
TREASURY NOTE	912828PH7	100,000,000	0.53%	8/31/2012	8/31/2012	0.11%	100,172,607	Govt	AA+
TREASURY NOTE	912828PH7	150,000,000	0.79%	8/31/2012	8/31/2012	0.11%	150,258,411	Govt	AA+
TREASURY NOTE	912828PH7	50,025,000	0.26%	8/31/2012	8/31/2012	0.11%	50,111,247	Govt	AA+
TREASURY NOTE	912828HC7	73,000,000	0.39%	8/31/2012	8/31/2012	0.16%	74,904,721	Govt	AA+
TREASURY NOTE	912828LM0	75,000,000	0.40%	9/17/2012	9/15/2012	0.12%	75,656,465	Govt	AA+
TREASURY NOTE	912828HE3	100,000,000	0.53%	10/1/2012	9/30/2012	0.12%	103,053,466	Govt	AA+
TREASURY NOTE	912828LR9	80,000,000	0.42%	10/15/2012	10/15/2012	0.13%	80,774,704	Govt	AA+
TREASURY NOTE	912828LR9	20,000,000	0.11%	10/15/2012	10/15/2012	0.17%	20,188,179	Govt	AA+
TREASURY NOTE	912828LX6	85,000,000	0.45%	11/15/2012	11/15/2012	0.18%	85,875,704	Govt	AA+
TREASURY NOTE	912828PV6	50,000,000	0.26%	11/30/2012	11/30/2012	0.14%	50,185,547	Govt	AA+
TREASURY NOTE	912828PV6	50,000,000	0.26%	11/30/2012	11/30/2012	0.15%	50,183,594	Govt	AA+
TREASURY NOTE	912828PV6	50,000,000	0.26%	11/30/2012	11/30/2012	0.15%	50,183,594	Govt	AA+
<b>Treasury Repurchase Agreement</b>		<b>12,408,373,000</b>	<b>65.73%</b>				<b>12,408,373,000</b>		
TRI-PARTY BARCLAYS CAPITAL INC.	BRSDPGDB1	373,000,000	1.98%	1/3/2012	1/3/2012	0.02%	373,000,000	NR	A-1
TRI-PARTY BARCLAYS CAPITAL INC.	BRSDNYB26	450,000,000	2.38%	1/4/2012	1/4/2012	0.01%	450,000,000	NR	A-1
TRI-PARTY CITIGROUP GLOBAL MARKETS	BRSDPGDY1	890,000,000	4.71%	1/3/2012	1/3/2012	0.03%	890,000,000	NR	A-1
TRI-PARTY CREDIT SUISSE SECURITIES	BRSDPGE12	1,031,508,000	5.46%	1/3/2012	1/3/2012	0.02%	1,031,508,000	NR	A-1
TRI-PARTY CREDIT SUISSE SECURITIES	BRSDPGE12	100,000,000	0.53%	1/3/2012	1/3/2012	0.02%	100,000,000	NR	A-1
TRI-PARTY CREDIT SUISSE SECURITIES	BRSDNSPL2	750,000,000	3.97%	1/3/2012	1/3/2012	0.03%	750,000,000	NR	A-1
TRI-PARTY CREDIT SUISSE SECURITIES	BRSDNYAZ4	600,000,000	3.18%	1/4/2012	1/4/2012	0.02%	600,000,000	NR	A-1
TRI-PARTY DEUTSCHE BANK SECURITIES	BRSDNSQ15	500,000,000	2.65%	1/3/2012	1/3/2012	0.01%	500,000,000	P-1	A-1
TRI-PARTY DEUTSCHE BANK SECURITIES	BRSDPGDN5	786,000,000	4.16%	1/3/2012	1/3/2012	0.01%	786,000,000	P-1	A-1
TRI-PARTY DEUTSCHE BANK SECURITIES	BRSDPGDN5	474,145,000	2.51%	1/3/2012	1/3/2012	0.01%	474,145,000	P-1	A-1
TRI-PARTY DEUTSCHE BANK SECURITIES	BRSDNYB34	150,000,000	0.79%	1/4/2012	1/4/2012	0.00%	150,000,000	P-1	A-1
TRI-PARTY HSBC SECURITIES (USA) IN	BRSDPGE53	588,052,000	3.12%	1/3/2012	1/3/2012	0.01%	588,052,000	NR	A-1+
TRI-PARTY J.P. MORGAN SECURITIES L	BRSDPGC29	636,413,000	3.37%	1/3/2012	1/3/2012	0.01%	636,413,000	NR	A-1
TRI-PARTY MERRILL LYNCH, PIERCE, F	BRSDPGB07	225,000,000	1.19%	1/3/2012	1/3/2012	0.01%	225,000,000	NR	A-1
TRI-PARTY MORGAN STANLEY & CO LLC	BRSDPGB23	260,000,000	1.38%	1/3/2012	1/3/2012	0.01%	260,000,000	NR	A-1
TRI-PARTY MORGAN STANLEY & CO LLC	BRSDPGB23	260,000,000	1.38%	1/3/2012	1/3/2012	0.01%	260,000,000	NR	A-1
TRI-PARTY MORGAN STANLEY & CO LLC	BRSDNYB67	400,000,000	2.12%	1/4/2012	1/4/2012	0.01%	400,000,000	NR	A-1
TRI-PARTY RBS SECURITIES INC.	BRSDPGDX3	1,394,255,000	7.39%	1/3/2012	1/3/2012	0.02%	1,394,255,000	NR	A-1
TRI-PARTY UBS SECURITIES LLC	BRSDPGB72	2,540,000,000	13.45%	1/3/2012	1/3/2012	0.01%	2,540,000,000	NR	A-1
<b>TOTAL</b>		<b>18,878,033,000</b>	<b>100.00%</b>				<b>18,903,634,145</b>		

The Fund's current prospectus contains more complete information about the Fund, including its fees and expenses.

An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. Statements and other information herein are as dated and subject to change. Portfolio holdings should not be deemed as a recommendation to purchase any of the securities listed above. Ratings and portfolio credit quality may change over time. Unrated securities do not necessarily indicate low quality.

The schedule of investments (SOI) represents the traded positions held within the portfolio as of the specified date. It does not include cash, accrued income and/or payables/receivables. The total assets reflected on the SOI will not match to the net asset value of the fund as these items are excluded.

WAM (Weighted Average Maturity) of a Fund is the average amount of time until the organizations that issued the debt securities in the Fund's portfolio must pay off the principal amount of the debt. "Weighted" means the larger the dollar value of a debt security in a Fund, the more weight it gets in calculating this average. To calculate the WAM, the Fund may treat a variable or floating rate security as having a maturity equal to the time remaining to the security's next interest rate reset date rather than the security's actual maturity. WAL (Weighted Average Life) is the WAM of a Fund's portfolio calculated without reference to the exceptions used for variable or floating rate securities regarding the use of the date of interest rate resets in lieu of the security's actual maturity date.

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# Attachment B. Blackrock Schedule of Investments Treasury

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- **Blackrock Unaudited Schedule of Investments Treasury Trust Fund**

UNAUDITED Schedule of Investments Treasury Trust Fund

12/30/2011

Position Description	CUSIP	Par	% Par	Maturity or Reset	Final Maturity	Yield or Coupon	Amortized Cost	Moody's Rating	S&P Rating
<b>WAM 44 Days / WAL 44 Days</b>									
<b>Treasury Debt</b>		<b>6,230,000,000</b>	<b>100.00%</b>				<b>6,230,972,054</b>		
TREASURY BILL	9127954A6	150,000,000	2.41%	1/5/2012	1/5/2012	0.00%	150,000,000	Govt	A-1+
TREASURY BILL	9127954A6	85,000,000	1.36%	1/5/2012	1/5/2012	0.00%	85,000,000	Govt	A-1+
TREASURY BILL	9127954A6	52,000,000	0.83%	1/5/2012	1/5/2012	0.00%	52,000,000	Govt	A-1+
TREASURY BILL	9127954A6	20,000,000	0.32%	1/5/2012	1/5/2012	0.00%	20,000,000	Govt	A-1+
TREASURY BILL	9127952Y6	125,000,000	2.01%	1/12/2012	1/12/2012	0.00%	124,999,692	Govt	A-1+
TREASURY BILL	9127952Y6	50,000,000	0.80%	1/12/2012	1/12/2012	0.00%	50,000,000	Govt	A-1+
TREASURY BILL	9127952Y6	125,000,000	2.01%	1/12/2012	1/12/2012	0.00%	124,999,692	Govt	A-1+
TREASURY BILL	9127952Y6	120,000,000	1.93%	1/12/2012	1/12/2012	0.00%	120,000,000	Govt	A-1+
TREASURY BILL	9127952Y6	100,000,000	1.61%	1/12/2012	1/12/2012	0.02%	99,999,500	Govt	A-1+
TREASURY BILL	9127952Y6	15,000,000	0.24%	1/12/2012	1/12/2012	0.02%	14,999,925	Govt	A-1+
TREASURY BILL	9127952Y6	50,000,000	0.80%	1/12/2012	1/12/2012	0.02%	49,999,750	Govt	A-1+
TREASURY BILL	912795Y62	202,300,000	3.25%	1/19/2012	1/19/2012	0.00%	202,300,000	Govt	A-1+
TREASURY BILL	912795Y62	121,000,000	1.94%	1/19/2012	1/19/2012	0.00%	121,000,000	Govt	A-1+
TREASURY BILL	912795Y62	40,000,000	0.64%	1/19/2012	1/19/2012	0.00%	40,000,000	Govt	A-1+
TREASURY BILL	912795Y62	225,000,000	3.61%	1/19/2012	1/19/2012	0.03%	224,997,250	Govt	A-1+
TREASURY BILL	912795Y62	200,000,000	3.21%	1/19/2012	1/19/2012	0.03%	199,997,333	Govt	A-1+
TREASURY BILL	912795Y62	130,000,000	2.09%	1/19/2012	1/19/2012	0.03%	129,998,267	Govt	A-1+
TREASURY BILL	912795Y62	35,000,000	0.56%	1/19/2012	1/19/2012	0.03%	34,999,533	Govt	A-1+
TREASURY BILL	912795Y62	15,000,000	0.24%	1/19/2012	1/19/2012	0.03%	14,999,800	Govt	A-1+
TREASURY BILL	912795Y70	100,000,000	1.61%	1/26/2012	1/26/2012	0.00%	100,000,000	Govt	A-1+
TREASURY BILL	912795Y70	5,200,000	0.08%	1/26/2012	1/26/2012	0.03%	5,199,917	Govt	A-1+
TREASURY BILL	912795Y70	225,800,000	3.62%	1/26/2012	1/26/2012	0.03%	225,795,672	Govt	A-1+
TREASURY BILL	912795Y70	18,400,000	0.30%	1/26/2012	1/26/2012	0.03%	18,399,647	Govt	A-1+
TREASURY BILL	912795Y88	80,000,000	1.28%	2/2/2012	2/2/2012	0.01%	79,999,667	Govt	A-1+
TREASURY BILL	912795Y88	100,000,000	1.61%	2/2/2012	2/2/2012	0.01%	99,999,583	Govt	A-1+
TREASURY BILL	912795Y88	225,000,000	3.61%	2/2/2012	2/2/2012	0.02%	224,996,250	Govt	A-1+
TREASURY BILL	912795Y88	174,800,000	2.81%	2/2/2012	2/2/2012	0.02%	174,797,087	Govt	A-1+
TREASURY BILL	912795Y88	15,000,000	0.24%	2/2/2012	2/2/2012	0.03%	14,999,606	Govt	A-1+
TREASURY BILL	9127953C3	35,000,000	0.56%	2/9/2012	2/9/2012	0.01%	34,999,820	Govt	A-1+
TREASURY BILL	9127953C3	35,000,000	0.56%	2/9/2012	2/9/2012	0.01%	34,999,820	Govt	A-1+
TREASURY BILL	9127953C3	200,000,000	3.21%	2/9/2012	2/9/2012	0.01%	199,998,972	Govt	A-1+
TREASURY BILL	912795Z20	140,000,000	2.25%	2/16/2012	2/16/2012	0.01%	139,998,289	Govt	A-1+
TREASURY BILL	912795Z20	70,000,000	1.12%	2/16/2012	2/16/2012	0.01%	69,999,144	Govt	A-1+
TREASURY BILL	912795Z20	38,000,000	0.61%	2/16/2012	2/16/2012	0.01%	37,999,536	Govt	A-1+
TREASURY BILL	912795Z20	90,000,000	1.44%	2/16/2012	2/16/2012	0.01%	89,998,625	Govt	A-1+
TREASURY BILL	912795Z20	62,000,000	1.00%	2/16/2012	2/16/2012	0.01%	61,999,015	Govt	A-1+
TREASURY BILL	912795Z38	50,000,000	0.80%	2/23/2012	2/23/2012	0.01%	49,999,292	Govt	A-1+
TREASURY BILL	912795Z38	200,000,000	3.21%	2/23/2012	2/23/2012	0.02%	199,995,750	Govt	A-1+
TREASURY BILL	912795Z38	46,000,000	0.74%	2/23/2012	2/23/2012	0.02%	45,999,023	Govt	A-1+
TREASURY BILL	912795Z38	39,800,000	0.64%	2/23/2012	2/23/2012	0.02%	39,799,118	Govt	A-1+
TREASURY BILL	912795Z38	39,800,000	0.64%	2/23/2012	2/23/2012	0.02%	39,799,118	Govt	A-1+
TREASURY BILL	912795Z38	15,000,000	0.24%	2/23/2012	2/23/2012	0.05%	14,999,044	Govt	A-1+
TREASURY BILL	912795Z46	142,700,000	2.29%	3/1/2012	3/1/2012	0.03%	142,694,022	Govt	A-1+
TREASURY BILL	912795Z46	157,300,000	2.52%	3/1/2012	3/1/2012	0.03%	157,292,397	Govt	A-1+
TREASURY BILL	912795Z46	37,500,000	0.60%	3/1/2012	3/1/2012	0.04%	37,497,885	Govt	A-1+
TREASURY BILL	912795Z46	19,500,000	0.31%	3/1/2012	3/1/2012	0.05%	19,498,586	Govt	A-1+
TREASURY BILL	912795Z46	18,000,000	0.29%	3/1/2012	3/1/2012	0.05%	17,998,695	Govt	A-1+
TREASURY BILL	9127953G4	50,000,000	0.80%	3/8/2012	3/8/2012	0.01%	49,999,097	Govt	A-1+
TREASURY BILL	9127953G4	55,000,000	0.88%	3/8/2012	3/8/2012	0.07%	54,993,545	Govt	A-1+
TREASURY BILL	9127953G4	67,727,000	1.09%	3/8/2012	3/8/2012	0.07%	67,718,440	Govt	A-1+
TREASURY BILL	9127953G4	2,273,000	0.04%	3/8/2012	3/8/2012	0.07%	2,272,713	Govt	A-1+
TREASURY BILL	9127955D9	123,000,000	1.97%	3/15/2012	3/15/2012	0.01%	122,998,155	Govt	A-1+
TREASURY BILL	9127955D9	225,000,000	3.61%	3/15/2012	3/15/2012	0.01%	224,995,500	Govt	A-1+
TREASURY BILL	9127955D9	100,000,000	1.61%	3/15/2012	3/15/2012	0.01%	99,998,000	Govt	A-1+
TREASURY BILL	9127955D9	100,000,000	1.61%	3/15/2012	3/15/2012	0.01%	99,998,000	Govt	A-1+
TREASURY BILL	9127955D9	75,100,000	1.21%	3/15/2012	3/15/2012	0.01%	75,098,498	Govt	A-1+
TREASURY BILL	9127955D9	75,000,000	1.20%	3/15/2012	3/15/2012	0.01%	74,998,500	Govt	A-1+
TREASURY BILL	9127955D9	100,000,000	1.61%	3/15/2012	3/15/2012	0.05%	99,990,000	Govt	A-1+
TREASURY BILL	9127955E7	200,000,000	3.21%	3/22/2012	3/22/2012	0.01%	199,997,806	Govt	A-1+

## UNAUDITED Schedule of Investments Treasury Trust Fund

12/30/2011

Position Description	CUSIP	Par	% Par	Maturity or Reset	Final Maturity	Yield or Coupon	Amortized Cost	Moody's Rating	S&P Rating
TREASURY BILL	9127955E7	60,000,000	0.96%	3/22/2012	3/22/2012	0.01%	59,999,342	Govt	A-1+
TREASURY BILL	9127955F4	32,000,000	0.51%	3/29/2012	3/29/2012	0.04%	31,997,324	Govt	A-1+
TREASURY BILL	912795Y96	21,000,000	0.34%	8/23/2012	8/23/2012	0.10%	20,987,088	Govt	A-1+
TREASURY NOTE	912828ML1	140,000,000	2.25%	1/3/2012	12/31/2011	0.02%	140,000,000	Govt	AA+
TREASURY NOTE	912828MJ6	50,000,000	0.80%	1/31/2012	1/31/2012	0.03%	50,030,475	Govt	AA+
TREASURY NOTE	912828MJ6	50,000,000	0.80%	1/31/2012	1/31/2012	0.03%	50,030,475	Govt	AA+
TREASURY NOTE	912828MJ6	25,000,000	0.40%	1/31/2012	1/31/2012	0.04%	25,015,237	Govt	AA+
TREASURY NOTE	912828MJ6	25,000,000	0.40%	1/31/2012	1/31/2012	0.04%	25,015,237	Govt	AA+
TREASURY NOTE	912828MJ6	25,000,000	0.40%	1/31/2012	1/31/2012	0.04%	25,015,237	Govt	AA+
TREASURY NOTE	912828MJ6	60,000,000	0.96%	1/31/2012	1/31/2012	0.05%	60,037,810	Govt	AA+
TREASURY NOTE	912828MJ6	25,000,000	0.40%	1/31/2012	1/31/2012	0.14%	25,013,997	Govt	AA+
TREASURY NOTE	912828MQ0	69,000,000	1.11%	2/29/2012	2/29/2012	0.05%	69,089,118	Govt	AA+
TREASURY NOTE	912828MQ0	80,000,000	1.28%	2/29/2012	2/29/2012	0.05%	80,103,199	Govt	AA+
TREASURY NOTE	912828MU1	65,000,000	1.04%	4/2/2012	3/31/2012	0.03%	65,152,254	Govt	AA+
TREASURY NOTE	912828NB2	60,000,000	0.96%	4/30/2012	4/30/2012	0.10%	60,173,509	Govt	AA+
TREASURY NOTE	912828LB4	19,800,000	0.32%	7/16/2012	7/15/2012	0.09%	19,948,218	Govt	AA+
TREASURY NOTE	912828HC7	10,000,000	0.16%	8/31/2012	8/31/2012	0.16%	10,260,956	Govt	AA+
<b>TOTAL</b>		<b>6,230,000,000</b>	<b>100.00%</b>				<b>6,230,972,054</b>		

The Fund's current prospectus contains more complete information about the Fund, including its fees and expenses.

*An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund. Statements and other information herein are as dated and subject to change. Portfolio holdings should not be deemed as a recommendation to purchase any of the securities listed above. Ratings and portfolio credit quality may change over time. Unrated securities do not necessarily indicate low quality.*

The schedule of investments (SOI) represents the traded positions held within the portfolio as of the specified date. It does not include cash, accrued income and/or payables/receivables. The total assets reflected on the SOI will not match to the net asset value of the fund as these items are excluded.

WAM (Weighted Average Maturity) of a Fund is the average amount of time until the organizations that issued the debt securities in the Fund's portfolio must pay off the principal amount of the debt. "Weighted" means the larger the dollar value of a debt security in a Fund, the more weight it gets in calculating this average. To calculate the WAM, the Fund may treat a variable or floating rate security as having a maturity equal to the time remaining to the security's next interest rate reset date rather than the security's actual maturity. WAL (Weighted Average Life) is the WAM of a Fund's portfolio calculated without reference to the exceptions used for variable or floating rate securities regarding the use of the date of interest rate resets in lieu of the security's actual maturity date.

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# Attachment C. Dreyfus Treasury Prime Cash Management

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- **Dreyfus Treasury Prime Cash Management**

# Dreyfus Treasury Prime Cash Management



(Unaudited)

as of Date: 12/30/2011

Description	Maturity Date	Par Value	% of TNA
<b>U.S. Treasury Bills</b>			
U.S. TREASURY BILLS	1/5/2012	200,000,000	0.74%
U.S. TREASURY BILLS	1/5/2012	190,000,000	0.70%
U.S. TREASURY BILLS	1/5/2012	100,000,000	0.37%
U.S. TREASURY BILLS	1/12/2012	250,000,000	0.93%
U.S. TREASURY BILLS	1/12/2012	250,000,000	0.93%
U.S. TREASURY BILLS	1/12/2012	200,000,000	0.74%
U.S. TREASURY BILLS	1/12/2012	140,000,000	0.52%
U.S. TREASURY BILLS	1/12/2012	150,000,000	0.56%
U.S. TREASURY BILLS	1/12/2012	440,000,000	1.63%
U.S. TREASURY BILLS	4/12/2012	375,000,000	1.39%
U.S. TREASURY BILLS	1/19/2012	250,000,000	0.93%
U.S. TREASURY BILLS	1/19/2012	110,000,000	0.41%
U.S. TREASURY BILLS	1/19/2012	500,000,000	1.85%
U.S. TREASURY BILLS	4/19/2012	300,000,000	1.11%
U.S. TREASURY BILLS	4/19/2012	200,000,000	0.74%
U.S. TREASURY BILLS	1/12/2012	150,000,000	0.56%
U.S. TREASURY BILLS	1/26/2012	100,000,000	0.37%
U.S. TREASURY BILLS	2/9/2012	150,000,000	0.56%
U.S. TREASURY BILLS	2/16/2012	200,000,000	0.74%
U.S. TREASURY BILLS	2/16/2012	270,000,000	1.00%
U.S. TREASURY BILLS	5/17/2012	250,000,000	0.93%
U.S. TREASURY BILLS	5/17/2012	180,000,000	0.67%
U.S. TREASURY BILLS	3/8/2012	288,000,000	1.07%
U.S. TREASURY BILLS	2/23/2012	500,000,000	1.85%
U.S. TREASURY BILLS	2/23/2012	100,000,000	0.37%
U.S. TREASURY BILLS	5/24/2012	250,000,000	0.93%
U.S. TREASURY BILLS	5/24/2012	150,000,000	0.56%
U.S. TREASURY BILLS	2/2/2012	121,000,000	0.45%
U.S. TREASURY BILLS	2/23/2012	280,000,000	1.04%
U.S. TREASURY BILLS	1/12/2012	150,000,000	0.56%
U.S. TREASURY BILLS	2/9/2012	325,000,000	1.20%
U.S. TREASURY BILLS	2/23/2012	24,000,000	0.09%
U.S. TREASURY BILLS	3/1/2012	750,000,000	2.78%
U.S. TREASURY BILLS	3/1/2012	250,000,000	0.93%
U.S. TREASURY BILLS	3/1/2012	40,000,000	0.15%
U.S. TREASURY BILLS	1/12/2012	30,000,000	0.11%

Description	Maturity Date	Par Value	% of TNA
U.S. TREASURY BILLS	2/9/2012	250,000,000	0.93%
U.S. TREASURY BILLS	1/19/2012	100,000,000	0.37%
U.S. TREASURY BILLS	3/22/2012	21,000,000	0.08%
U.S. TREASURY BILLS	2/16/2012	311,022,000	1.15%
U.S. TREASURY BILLS	1/5/2012	97,000,000	0.36%
U.S. TREASURY BILLS	3/8/2012	500,000,000	1.85%
U.S. TREASURY BILLS	3/8/2012	50,000,000	0.19%
U.S. TREASURY BILLS	3/8/2012	150,000,000	0.56%
U.S. TREASURY BILLS	3/8/2012	200,000,000	0.74%
U.S. TREASURY BILLS	2/9/2012	150,000,000	0.56%
U.S. TREASURY BILLS	2/9/2012	150,000,000	0.56%
U.S. TREASURY BILLS	1/12/2012	250,000,000	0.93%
U.S. TREASURY BILLS	1/12/2012	250,000,000	0.93%
U.S. TREASURY BILLS	2/16/2012	300,000,000	1.11%
U.S. TREASURY BILLS	1/12/2012	100,000,000	0.37%
U.S. TREASURY BILLS	1/12/2012	60,000,000	0.22%
U.S. TREASURY BILLS	1/12/2012	150,000,000	0.56%
U.S. TREASURY BILLS	1/12/2012	83,550,000	0.31%
U.S. TREASURY BILLS	1/12/2012	150,000,000	0.56%
U.S. TREASURY BILLS	3/8/2012	200,000,000	0.74%
U.S. TREASURY BILLS	2/16/2012	150,000,000	0.56%
U.S. TREASURY BILLS	2/2/2012	250,000,000	0.93%
U.S. TREASURY BILLS	3/15/2012	200,000,000	0.74%
U.S. TREASURY BILLS	3/15/2012	300,000,000	1.11%
U.S. TREASURY BILLS	3/15/2012	300,000,000	1.11%
U.S. TREASURY BILLS	2/16/2012	100,000,000	0.37%
U.S. TREASURY BILLS	2/23/2012	250,000,000	0.93%
U.S. TREASURY BILLS	3/22/2012	500,000,000	1.85%
U.S. TREASURY BILLS	3/22/2012	288,000,000	1.07%
U.S. TREASURY BILLS	1/19/2012	43,000,000	0.16%
U.S. TREASURY BILLS	3/1/2012	50,000,000	0.19%
U.S. TREASURY BILLS	1/19/2012	838,500,000	3.11%
U.S. TREASURY BILLS	1/19/2012	120,000,000	0.44%
U.S. TREASURY BILLS	1/19/2012	100,000,000	0.37%
U.S. TREASURY BILLS	3/8/2012	100,000,000	0.37%
U.S. TREASURY BILLS	1/12/2012	81,000,000	0.30%
U.S. TREASURY BILLS	3/29/2012	200,000,000	0.74%
U.S. TREASURY BILLS	3/1/2012	30,000,000	0.11%
U.S. TREASURY BILLS	3/22/2012	200,000,000	0.74%
U.S. TREASURY BILLS	1/26/2012	200,000,000	0.74%
U.S. TREASURY BILLS	2/9/2012	20,000,000	0.07%
U.S. TREASURY BILLS	3/29/2012	89,000,000	0.33%
U.S. TREASURY BILLS	3/29/2012	75,000,000	0.28%

Description	Maturity Date	Par Value	% of TNA
U.S. TREASURY BILLS	3/29/2012	157,000,000	0.58%
U.S. TREASURY BILLS	1/12/2012	100,000,000	0.37%
U.S. TREASURY BILLS	1/12/2012	190,000,000	0.70%
U.S. TREASURY BILLS	1/19/2012	200,000,000	0.74%
U.S. TREASURY BILLS	4/12/2012	200,000,000	0.74%
U.S. TREASURY BILLS	4/19/2012	300,000,000	1.11%
U.S. TREASURY BILLS	4/5/2012	275,000,000	1.02%
U.S. TREASURY BILLS	5/10/2012	300,000,000	1.11%
<b>U.S. Treasury Bills Total</b>		<b>17,942,072,000</b>	<b>66.50%</b>

### U.S. Treasury Notes

U.S. TREASURY NOTES	1/3/2012	73,000,000	0.27%
U.S. TREASURY NOTES	1/17/2012	200,000,000	0.74%
U.S. TREASURY NOTES	1/3/2012	41,000,000	0.15%
U.S. TREASURY NOTES	2/29/2012	50,000,000	0.19%
U.S. TREASURY NOTES	1/31/2012	100,000,000	0.37%
U.S. TREASURY NOTES	1/31/2012	250,000,000	0.93%
U.S. TREASURY NOTES	1/3/2012	150,000,000	0.56%
U.S. TREASURY NOTES	1/3/2012	150,000,000	0.56%
U.S. TREASURY NOTES	1/17/2012	300,000,000	1.11%
U.S. TREASURY NOTES	1/31/2012	250,000,000	0.93%
U.S. TREASURY NOTES	1/3/2012	81,000,000	0.30%
U.S. TREASURY NOTES	1/17/2012	250,000,000	0.93%
U.S. TREASURY NOTES	1/17/2012	100,000,000	0.37%
U.S. TREASURY NOTES	1/17/2012	140,069,000	0.52%
U.S. TREASURY NOTES	1/17/2012	160,000,000	0.59%
U.S. TREASURY NOTES	1/17/2012	150,000,000	0.56%
U.S. TREASURY NOTES	1/31/2012	100,000,000	0.37%
U.S. TREASURY NOTES	4/30/2012	127,528,000	0.48%
U.S. TREASURY NOTES	1/31/2012	100,000,000	0.37%
U.S. TREASURY NOTES	1/31/2012	100,000,000	0.37%
U.S. TREASURY NOTES	1/31/2012	80,000,000	0.30%
U.S. TREASURY NOTES	2/29/2012	300,000,000	1.11%
U.S. TREASURY NOTES	1/3/2012	500,000,000	1.85%
U.S. TREASURY NOTES	1/3/2012	500,000,000	1.85%
U.S. TREASURY NOTES	4/16/2012	400,000,000	1.49%
U.S. TREASURY NOTES	1/3/2012	50,000,000	0.19%
U.S. TREASURY NOTES	2/15/2012	137,000,000	0.51%
U.S. TREASURY NOTES	2/15/2012	300,000,000	1.11%
U.S. TREASURY NOTES	1/31/2012	140,000,000	0.52%

Description	Maturity Date	Par Value	% of TNA
U.S. TREASURY NOTES	2/29/2012	600,000,000	2.23%
U.S. TREASURY NOTES	2/15/2012	1,000,000,000	3.71%
U.S. TREASURY NOTES	2/29/2012	200,000,000	0.74%
U.S. TREASURY NOTES	4/2/2012	225,000,000	0.84%
U.S. TREASURY NOTES	4/2/2012	122,000,000	0.46%
U.S. TREASURY NOTES	4/30/2012	350,000,000	1.32%
U.S. TREASURY NOTES	5/31/2012	163,000,000	0.62%
U.S. TREASURY NOTES	1/3/2012	138,000,000	0.51%
U.S. TREASURY NOTES	4/2/2012	200,000,000	0.74%
U.S. TREASURY NOTES	5/31/2012	150,000,000	0.57%
U.S. TREASURY NOTES	4/2/2012	341,000,000	1.27%
U.S. TREASURY NOTES	1/17/2012	160,000,000	0.59%
U.S. TREASURY NOTES	1/31/2012	40,000,000	0.15%
U.S. TREASURY NOTES	2/29/2012	471,000,000	1.75%
U.S. TREASURY NOTES	1/3/2012	25,000,000	0.09%
U.S. TREASURY NOTES	1/17/2012	60,000,000	0.22%
U.S. TREASURY NOTES	1/17/2012	36,000,000	0.13%
U.S. TREASURY NOTES	1/31/2012	57,000,000	0.21%
U.S. TREASURY NOTES	1/3/2012	20,000,000	0.07%
U.S. TREASURY NOTES	1/31/2012	112,340,000	0.42%
U.S. TREASURY NOTES	2/29/2012	72,000,000	0.27%
U.S. TREASURY NOTES	2/29/2012	50,000,000	0.19%
U.S. TREASURY NOTES	1/3/2012	100,000,000	0.37%
U.S. TREASURY NOTES	3/15/2012	26,000,000	0.10%
U.S. TREASURY NOTES	4/2/2012	54,000,000	0.20%
U.S. TREASURY NOTES	4/30/2012	200,000,000	0.74%
U.S. TREASURY NOTES	4/16/2012	47,000,000	0.17%
U.S. TREASURY NOTES	2/29/2012	300,000,000	1.11%
U.S. TREASURY NOTES	2/29/2012	175,000,000	0.65%
U.S. TREASURY NOTES	2/15/2012	150,000,000	0.56%
<b>U.S. Treasury Notes Total</b>		<b>10,923,937,000</b>	<b>40.60%</b>

The fund holdings listing provides information on a fund's investments as of the date indicated and is subject to change at any time. The fund holdings listing provided here is not part of a fund's annual/semi-annual report or Form N-Q and has not been audited. The most recent annual/semiannual report can be viewed at [www.dreyfus.com](http://www.dreyfus.com). Forms N-Q are available on the SEC's website at [www.sec.gov](http://www.sec.gov).

Investors should consider the investment objectives, risks, charges and expenses of a fund carefully before investing. Call 1-800-DREYFUS or visit [www.dreyfus.com](http://www.dreyfus.com) to receive a prospectus that contains this and other information about a fund, and read it carefully before investing.

# Attachment D. Federated Treasury Obligations Funds

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- **Federated Treasury Obligations Fund**

**FEDERATED TREASURY OBLIGATIONS FUND**

Portfolio as of December 30, 2011  
 Current Net Assets -- \$ 26,332,278,024



WORLD-CLASS INVESTMENT MANAGER

Weighted Average Maturity: 41 Days  
 Weighted Average Life: 41 Days  
 Credit Rating:  
 AAAM STANDARD & POOR'S  
 Aaa-mf MOODY'S

Principal Amount	(1) Security Description	CUSIP	Amortized Cost Value	(2) Effective Maturity	(3) Final Maturity	Rule 2a-7 Category of Investment
<b>REPURCHASE AGREEMENTS - 54.5%</b>						
\$ 175,000,000	BNP Paribas Securities Corp., 0.010% dated 12/30/2011	69999A006	\$ 175,000,000	1/3/2012	1/3/2012	Treasury Repurchase Agreement
\$ 99,000,000	BNP Paribas Securities Corp., 0.020% dated 12/30/2011	69999A006	\$ 99,000,000	1/3/2012	1/3/2012	Treasury Repurchase Agreement
\$ 500,000,000 (6)	Bank of Montreal, 0.020% dated 12/28/2011	06399G001	\$ 500,000,000	1/4/2012	1/4/2012	Treasury Repurchase Agreement
\$ 100,000,000	Bank of Montreal, 0.020% dated 12/30/2011	06399G001	\$ 100,000,000	1/3/2012	1/3/2012	Treasury Repurchase Agreement
\$ 600,000,000	Barclays Capital, Inc., 0.010% dated 12/30/2011	068992007	\$ 600,000,000	1/3/2012	1/3/2012	Treasury Repurchase Agreement
\$ 1,090,000,000	Barclays Capital, Inc., 0.020% dated 12/30/2011	068992007	\$ 1,090,000,000	1/3/2012	1/3/2012	Treasury Repurchase Agreement
\$ 500,000,000 (6)	Barclays Capital, Inc., 0.030% dated 12/28/2011	068992007	\$ 500,000,000	1/4/2012	1/27/2012	Treasury Repurchase Agreement
\$ 1,350,000,000 (6)	Barclays Capital, Inc., 0.090% dated 11/18/2011	068992007	\$ 1,350,000,000	1/17/2012	1/17/2012	Treasury Repurchase Agreement
\$ 900,000,000	Citibank NA, New York, 0.030% dated 12/30/2011	989LHR002	\$ 900,000,000	1/3/2012	1/3/2012	Treasury Repurchase Agreement
\$ 1,811,472,000	Credit Agricole Corporate and Investment Bank, 0.030% dated 12/30/2011	13199S003	\$ 1,811,472,000	1/3/2012	1/3/2012	Treasury Repurchase Agreement
\$ 1,500,000,000 (6)	Credit Suisse Securities (USA) LLC, 0.020% dated 12/28/2011	319981007	\$ 1,500,000,000	1/4/2012	1/4/2012	Treasury Repurchase Agreement
\$ 275,000,000	Credit Suisse Securities (USA) LLC, 0.020% dated 12/30/2011	319981007	\$ 275,000,000	1/3/2012	1/3/2012	Treasury Repurchase Agreement
\$ 1,000,000,000 (6)	Credit Suisse Securities (USA) LLC, 0.030% dated 12/30/2011	319981007	\$ 1,000,000,000	1/6/2012	1/6/2012	Treasury Repurchase Agreement
\$ 1,100,000,000	Deutsche Bank Securities, Inc., 0.005% dated 12/30/2011	25199K004	\$ 1,100,000,000	1/3/2012	1/3/2012	Treasury Repurchase Agreement
\$ 1,000,000,000 (6)	Deutsche Bank Securities, Inc., 0.010% dated 12/28/2011	25199K004	\$ 1,000,000,000	1/4/2012	1/4/2012	Treasury Repurchase Agreement
\$ 78,788,000	J.P. Morgan Securities LLC, 0.010% dated 12/30/2011	616994000	\$ 78,788,000	1/3/2012	1/3/2012	Treasury Repurchase Agreement
\$ 861,000,000	RBS Securities, Inc., 0.020% dated 12/30/2011	75099K9L5	\$ 861,000,000	1/3/2012	1/3/2012	Treasury Repurchase Agreement
\$ 175,000,000	Societe Generale, Paris, 0.030% dated 12/30/2011	8336P1001	\$ 175,000,000	1/3/2012	1/3/2012	Treasury Repurchase Agreement
\$ 840,000,000	TD Securities (USA) LLC, 0.010% dated 12/30/2011	891960007	\$ 840,000,000	1/3/2012	1/3/2012	Treasury Repurchase Agreement
\$ 400,000,000 (6)	TD Securities (USA) LLC, 0.080% dated 11/22/2011	891960007	\$ 400,000,000	1/23/2012	1/23/2012	Treasury Repurchase Agreement
<b>TOTAL REPURCHASE AGREEMENTS</b>			<b>\$ 14,355,260,000</b>			
<b>U.S. TREASURY - 37.6%</b>						
\$ 416,500,000 (4)	United States Treasury Bills, 0.050%	9127955P2	\$ 416,416,700	5/24/2012	5/24/2012	Treasury Debt
\$ 365,500,000	United States Treasury Notes, 0.375%	912828PH7	\$ 366,065,159	8/31/2012	8/31/2012	Treasury Debt
\$ 452,500,000	United States Treasury Notes, 0.625%	912828NS5	\$ 453,724,963	6/30/2012	6/30/2012	Treasury Debt
\$ 276,500,000	United States Treasury Notes, 0.750%	912828NE6	\$ 277,207,464	5/31/2012	5/31/2012	Treasury Debt
\$ 296,000,000	United States Treasury Notes, 0.875%	912828MJ6	\$ 296,141,175	1/31/2012	1/31/2012	Treasury Debt
\$ 833,500,000	United States Treasury Notes, 0.875%	912828MQ0	\$ 834,605,591	2/29/2012	2/29/2012	Treasury Debt
\$ 789,000,000	United States Treasury Notes, 1.000%	912828ML1	\$ 789,000,000	12/31/2011	12/31/2011	Treasury Debt

Principal Amount	<sup>(1)</sup> Security Description	CUSIP	Amortized Cost Value	<sup>(2)</sup> Effective Maturity	<sup>(3)</sup> Final Maturity	Rule 2a-7 Category of Investment
\$ 827,100,000	United States Treasury Notes, 1.000%	912828MU1	\$ 828,949,003	3/31/2012	3/31/2012	Treasury Debt
\$ 302,500,000	United States Treasury Notes, 1.000%	912828NB2	\$ 303,364,133	4/30/2012	4/30/2012	Treasury Debt
\$ 309,600,000	United States Treasury Notes, 1.375%	912828KC3	\$ 310,047,093	2/15/2012	2/15/2012	Treasury Debt
\$ 332,500,000	United States Treasury Notes, 1.375%	912828KG4	\$ 333,389,260	3/15/2012	3/15/2012	Treasury Debt
\$ 250,000,000	United States Treasury Notes, 1.375%	912828KK5	\$ 250,922,279	4/15/2012	4/15/2012	Treasury Debt
\$ 165,500,000	United States Treasury Notes, 1.375%	912828KP4	\$ 166,312,568	5/15/2012	5/15/2012	Treasury Debt
\$ 356,000,000	United States Treasury Notes, 1.500%	912828LB4	\$ 358,694,285	7/15/2012	7/15/2012	Treasury Debt
\$ 601,750,000	United States Treasury Notes, 1.875%	912828KX7	\$ 606,650,782	6/15/2012	6/15/2012	Treasury Debt
\$ 200,000,000	United States Treasury Notes, 4.375%	912828AJ9	\$ 205,246,161	8/15/2012	8/15/2012	Treasury Debt
\$ 392,688,000	United States Treasury Notes, 4.500%	912828GM6	\$ 396,986,728	3/31/2012	3/31/2012	Treasury Debt
\$ 189,500,000	United States Treasury Notes, 4.500%	912828GQ7	\$ 192,179,032	4/30/2012	4/30/2012	Treasury Debt
\$ 2,204,000,000	United States Treasury Notes, 4.625%	912828GK0	\$ 2,220,381,290	2/29/2012	2/29/2012	Treasury Debt
\$ 82,750,000	United States Treasury Notes, 4.750%	912828GU8	\$ 84,336,072	5/31/2012	5/31/2012	Treasury Debt
\$ 217,700,000	United States Treasury Notes, 4.875%	9128277L0	\$ 218,937,335	2/15/2012	2/15/2012	Treasury Debt
<b>TOTAL U.S. TREASURY</b>			<b>\$ 9,909,557,073</b>			
<b>TOTAL INVESTMENTS</b>			<b>\$ 24,264,817,073</b>			

- (1) Includes the name of issuer and coupon or yield of the security.
- (2) Maturity date as determined under Rule 2a-7(d) for purposes of calculating the portfolio's Weighted Average Maturity
- (3) The date on which the fund has an unconditional right to payment of the full principal amount of and any remaining interest on the security.
- (4) Discount rate at time of purchase.
- (5) Floating rate notes with current rate shown.
- (6) Although the repurchase date is more than seven days after the date of purchase, the Fund has the right to terminate the repurchase agreement at any time with seven-days' notice.

The categories of investments are shown as a percentage of net assets (\$26,332,278,024) at the close of business on December 30, 2011, and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.

Where appropriate, the following acronyms may be used throughout this portfolio:

FDIC --Federal Deposit Insurance Corporation  
GTD --Guaranteed  
LIQ --Liquidity Agreement  
LLC --Limited Liability Corporation

An investment in money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in these funds.



Principal Amount	<sup>(1)</sup> Security Description	CUSIP	Amortized Cost Value	<sup>(2)</sup> Effective Maturity	<sup>(3)</sup> Final Maturity	Rule 2a-7 Category of Investment
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Portfolio holdings are shown as of the date indicated and are unaudited. Since market conditions fluctuate suddenly and frequently, the portfolio holdings may change and this list is not indicative of future portfolio composition. These portfolio holdings are not intended to be and do not constitute recommendations that others buy, sell, or hold any of the securities listed.

For more complete information on the fund, visit [FederatedInvestors.com](http://FederatedInvestors.com) for a prospectus or a summary prospectus, if available. You should consider the fund's investment objectives, risks, charges and expenses carefully before you invest. Information about these and other important subjects is in the fund's prospectus or summary prospectus, which you should read carefully before investing.

A money market fund rated AAAM by Standard & Poor's is granted after evaluating a number of factors, including credit quality, market price exposure, and management. Money market funds rated Aaa by Moody's are judged to be of an investment quality similar to Aaa-rated fixed income obligations, that is, they are judged to be of the best quality. Fitch's money market fund ratings are an assessment of the safety of invested principal and the ability to maintain a stable market value of the fund's shares. Ratings are subject to change and do not remove market risk.

**NOT FDIC INSURED NO BANK GUARANTEE MAY LOSE VALUE**

Federated Securities Corp., Distributor  
(32248) 12/30/2011

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# Attachment E. Federated U.S. Treasury Cash Reserves

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- **Federated U.S. Treasury Cash Reserves**

**FEDERATED U.S. TREASURY CASH RESERVES**

Portfolio as of December 30, 2011  
 Current Net Assets -- \$ 19,928,288,919



WORLD-CLASS INVESTMENT MANAGER

Weighted Average Maturity: 40 Days  
 Weighted Average Life: 40 Days  
 Credit Rating:  
 AAAM STANDARD & POOR'S  
 Aaa-mf MOODY'S

Principal Amount	(1) Security Description	CUSIP	Amortized Cost Value	(2) Effective Maturity	(3) Final Maturity	Rule 2a-7 Category of Investment
	<b>U.S. TREASURY - 100.5%</b>					
\$ 1,608,466,162	U.S. Treasury Inflation Protected Notes, 3.375%	9128277J5	\$ 1,609,464,673	1/15/2012	1/15/2012	Treasury Debt
\$ 333,400,000 (4)	United States Treasury Bills, 0.000%	9127952Y6	\$ 333,400,000	1/12/2012	1/12/2012	Treasury Debt
\$ 540,600,000 (4)	United States Treasury Bills, 0.000%	9127954A6	\$ 540,600,000	1/5/2012	1/5/2012	Treasury Debt
\$ 258,000,000 (4)	United States Treasury Bills, 0.000%	912795Y62	\$ 258,000,000	1/19/2012	1/19/2012	Treasury Debt
\$ 148,275,000 (4)	United States Treasury Bills, 0.000%	912795Y70	\$ 148,275,000	1/26/2012	1/26/2012	Treasury Debt
\$ 700,000,000 (4)	United States Treasury Bills, 0.005%	912795Y70	\$ 699,997,764	1/26/2012	1/26/2012	Treasury Debt
\$ 500,000,000 (4)	United States Treasury Bills, 0.010%	9127953C3	\$ 499,994,583	2/9/2012	2/9/2012	Treasury Debt
\$ 568,000,000 (4)	United States Treasury Bills, 0.010%	912795Z20	\$ 567,992,742	2/16/2012	2/16/2012	Treasury Debt
\$ 450,000,000 (4)	United States Treasury Bills, 0.013%	912795Z38	\$ 449,991,167	2/23/2012	2/23/2012	Treasury Debt
\$ 50,000,000 (4)	United States Treasury Bills, 0.015%	912795E7	\$ 49,998,313	3/22/2012	3/22/2012	Treasury Debt
\$ 250,000,000 (4)	United States Treasury Bills, 0.015%	912795Z38	\$ 249,995,031	2/23/2012	2/23/2012	Treasury Debt
\$ 50,000,000 (4)	United States Treasury Bills, 0.020%	912795Z38	\$ 49,998,528	2/23/2012	2/23/2012	Treasury Debt
\$ 150,000,000 (4)	United States Treasury Bills, 0.020%	912795Z46	\$ 149,995,000	3/1/2012	3/1/2012	Treasury Debt
\$ 750,000,000 (4)	United States Treasury Bills, 0.025%	912795Y62	\$ 749,990,625	1/19/2012	1/19/2012	Treasury Debt
\$ 200,000,000 (4)	United States Treasury Bills, 0.040%	912795Z46	\$ 199,986,667	3/1/2012	3/1/2012	Treasury Debt
\$ 540,000,000	United States Treasury Notes, 0.625%	912828NQ9	\$ 541,667,012	7/31/2012	7/31/2012	Treasury Debt
\$ 500,000,000	United States Treasury Notes, 0.625%	912828NS5	\$ 501,363,817	6/30/2012	6/30/2012	Treasury Debt
\$ 2,076,650,000	United States Treasury Notes, 0.875%	912828MJ6	\$ 2,078,088,352	1/31/2012	1/31/2012	Treasury Debt
\$ 1,450,000,000	United States Treasury Notes, 0.875%	912828MQ0	\$ 1,451,954,080	2/29/2012	2/29/2012	Treasury Debt
\$ 2,971,882,000	United States Treasury Notes, 1.000%	912828ML1	\$ 2,971,882,000	12/31/2011	12/31/2011	Treasury Debt
\$ 875,000,000	United States Treasury Notes, 1.000%	912828MU1	\$ 877,055,269	3/31/2012	3/31/2012	Treasury Debt
\$ 1,664,604,000	United States Treasury Notes, 1.125%	912828KB5	\$ 1,665,293,911	1/15/2012	1/15/2012	Treasury Debt
\$ 859,000,000	United States Treasury Notes, 1.375%	912828KC3	\$ 860,355,138	2/15/2012	2/15/2012	Treasury Debt
\$ 403,000,000	United States Treasury Notes, 4.500%	912828GM6	\$ 407,375,140	3/31/2012	3/31/2012	Treasury Debt
\$ 434,000,000	United States Treasury Notes, 4.625%	912828GC8	\$ 434,000,000	12/31/2011	12/31/2011	Treasury Debt
\$ 371,000,000	United States Treasury Notes, 4.625%	912828GK0	\$ 373,751,730	2/29/2012	2/29/2012	Treasury Debt
\$ 532,000,000	United States Treasury Notes, 4.750%	912828GF1	\$ 534,046,854	1/31/2012	1/31/2012	Treasury Debt
\$ 775,000,000	United States Treasury Notes, 4.875%	9128277L0	\$ 779,488,828	2/15/2012	2/15/2012	Treasury Debt
	<b>TOTAL U.S. TREASURY</b>		<b>\$ 20,034,002,222</b>			

Principal Amount	<sup>(1)</sup> Security Description	CUSIP	Amortized Cost Value	<sup>(2)</sup> Effective Maturity	<sup>(3)</sup> Final Maturity	Rule 2a-7 Category of Investment
	<b>TOTAL INVESTMENTS</b>		<b>\$ 20,034,002,222</b>			

- (1) Includes the name of issuer and coupon or yield of the security.
- (2) Maturity date as determined under Rule 2a-7(d) for purposes of calculating the portfolio's Weighted Average Maturity
- (3) The date on which the fund has an unconditional right to payment of the full principal amount of and any remaining interest on the security.
- (4) Discount rate at time of purchase.
- (5) Floating rate notes with current rate shown.

The categories of investments are shown as a percentage of net assets (\$19,928,288,919) at the close of business on December 30, 2011, and may not necessarily reflect adjustments that are routinely made when presenting net assets for formal financial statement purposes.

Where appropriate, the following acronyms may be used throughout this portfolio:

- FDIC --Federal Deposit Insurance Corporation
- GTD --Guaranteed
- LIQ --Liquidity Agreement
- LLC --Limited Liability Corporation

An investment in money market funds is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although money market funds seek to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in these funds.

Portfolio holdings are shown as of the date indicated and are unaudited. Since market conditions fluctuate suddenly and frequently, the portfolio holdings may change and this list is not indicative of future portfolio composition. These portfolio holdings are not intended to be and do not constitute recommendations that others buy, sell, or hold any of the securities listed.

For more complete information on the fund, visit [FederatedInvestors.com](http://FederatedInvestors.com) for a prospectus or a summary prospectus, if available. You should consider the fund's investment objectives, risks, charges and expenses carefully before you invest. Information about these and other important subjects is in the fund's prospectus or summary prospectus, which you should read carefully before investing.

A money market fund rated AAAM by Standard & Poor's is granted after evaluating a number of factors, including credit quality, market price exposure, and management. Money market funds rated Aaa by Moody's are judged to be of an investment quality similar to Aaa-rated fixed income obligations, that is, they are judged to be of the best quality. Fitch's money market fund ratings are an assessment of the safety of invested principal and the ability to maintain a stable market value of the fund's shares. Ratings are subject to change and do not remove market risk.

Principal Amount	<sup>(1)</sup> Security Description	CUSIP	Amortized Cost Value	<sup>(2)</sup> Effective Maturity	<sup>(3)</sup> Final Maturity	Rule 2a-7 Category of Investment
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(32255) 12/30/2011

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# Attachment F. Fidelity Institutional Money Market Funds

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- **Fidelity Institutional Money Market Funds: Treasury Portfolio**

# Fidelity® Institutional Money Market Funds: Treasury Portfolio

## Monthly Holdings for December 31, 2011

Weighted Average Life: 52 Days

Weighted Average Portfolio Maturity: 52 Days

Description	CUSIP	Coupon/Yield (a)	Final Maturity Date	Effective Maturity Date	Footnotes	Principal Amount (\$)	Amortized Cost (\$)	% of Net Assets
<b>Treasury Debt</b>								
<b>U.S. Treasury Obligations</b>								
U.S. Treasury Bills	9127953G4	0.06% to 0.07%	03/08/2012	03/08/2012		232,000,000	231,971,925	
U.S. Treasury Bills	9127954A6	0.08% to 0.09%	01/05/2012	01/05/2012		170,000,000	169,998,378	
U.S. Treasury Bills	912795Y70	0.11%	01/26/2012	01/26/2012		53,000,000	52,996,135	
U.S. Treasury Bills	9127955L1	0.11%	11/15/2012	11/15/2012		192,000,000	191,812,853	
U.S. Treasury Notes	912828LB4	0.09% to 0.16%	07/15/2012	07/15/2012		335,000,000	337,441,627	
U.S. Treasury Notes	912828NQ9	0.09%	07/31/2012	07/31/2012		117,000,000	117,362,287	
U.S. Treasury Notes	912828KK5	0.10%	04/15/2012	04/15/2012		77,000,000	77,279,820	
U.S. Treasury Notes	912828NB2	0.11% to 0.18%	04/30/2012	04/30/2012		282,000,000	282,803,136	
U.S. Treasury Notes	912828LH1	0.11%	08/15/2012	08/15/2012		157,000,000	158,602,725	
U.S. Treasury Notes	912828AJ9	0.11% to 0.15%	08/15/2012	08/15/2012		248,000,000	254,508,024	
U.S. Treasury Notes	912828LM0	0.12% to 0.18%	09/15/2012	09/15/2012		483,000,000	487,148,580	
U.S. Treasury Notes	912828NE6	0.13%	05/31/2012	05/31/2012		105,000,000	105,265,798	
U.S. Treasury Notes	912828GU8	0.13%	05/31/2012	05/31/2012		5,000,000	5,095,133	
U.S. Treasury Notes	912828NS5	0.13% to 0.14%	06/30/2012	06/30/2012		148,000,000	148,355,533	
U.S. Treasury Notes	912828LR9	0.13% to 0.18%	10/15/2012	10/15/2012		260,600,000	263,124,946	
U.S. Treasury Notes	912828KB5	0.14%	01/15/2012	01/15/2012		200,000,000	200,074,813	
U.S. Treasury Notes	912828KX7	0.14%	06/15/2012	06/15/2012		58,000,000	58,455,426	
U.S. Treasury Notes	912828HG8	0.14% to 0.17%	10/31/2012	10/31/2012		296,000,000	305,123,948	
U.S. Treasury Notes	912828MJ6	0.15%	01/31/2012	01/31/2012		203,000,000	203,119,875	
U.S. Treasury Notes	912828HC7	0.15%	08/31/2012	08/31/2012		368,000,000	377,685,515	
U.S. Treasury Notes	912828HK9	0.15%	11/30/2012	11/30/2012		155,000,000	159,557,299	
U.S. Treasury Notes	912828PW4	0.16%	12/31/2012	12/31/2012		120,000,000	120,555,383	
U.S. Treasury Notes	912828GM6	0.18%	03/31/2012	03/31/2012		122,000,000	123,291,398	
U.S. Treasury Notes	912828AP5	0.18%	11/15/2012	11/15/2012		192,000,000	198,375,921	
U.S. Treasury Notes	912828KP4	0.19%	05/15/2012	05/15/2012		185,000,000	185,807,087	
<b>Total Treasury Debt</b>						<b>4,815,813,565</b>		<b>24.5%</b>
<b>Treasury Repurchase Agreements</b>								
In a joint trading account with Credit Agricole CIB New York Branch at 0.03%, dated 12/30/11 due 1/3/12	NA	0.03%	01/03/2012	01/03/2012		2,416,515,501	2,416,515,501	
In a joint trading account with Credit Suisse Securities (USA) LLC at 0.03%, dated 12/30/11 due 1/3/12	NA	0.03%	01/03/2012	01/03/2012		1,846,004,139	1,846,004,138	
In a joint trading account with RBS Securities, Inc. at 0.03%, dated 12/30/11 due 1/3/12	NA	0.03%	01/03/2012	01/03/2012		2,480,673,347	2,480,673,347	
In a joint trading account with UBS Securities LLC at 0.03%, dated 12/30/11 due 1/3/12	NA	0.03%	01/03/2012	01/03/2012		404,540,577	404,540,577	
In a joint trading account with Wells Fargo Securities LLC at 0.03%, dated 12/30/11 due 1/3/12	NA	0.03%	01/03/2012	01/03/2012		267,149,437	267,149,437	

# Fidelity® Institutional Money Market Funds: Treasury Portfolio

## Monthly Holdings for December 31, 2011

Description	CUSIP	Coupon/Yield (a)	Final Maturity Date	Effective Maturity Date	Footnotes	Principal Amount (\$)	Amortized Cost (\$)	% of Net Assets
<b>Treasury Repurchase Agreements (continued)</b>								
In a joint trading account with Merrill Lynch, Pierce, Fenner & Smith, Inc. at 0.03%, dated 12/30/11 due 1/3/12	NA	0.03%	01/03/2012	01/03/2012		132,360,668	132,360,668	
In a joint trading account with RBS Securities, Inc. at 0.03%, dated 12/30/11 due 1/3/12	NA	0.03%	01/03/2012	01/03/2012		189,714,352	189,714,351	
In a joint trading account with UBS Securities LLC at 0.03%, dated 12/30/11 due 1/3/12	NA	0.03%	01/03/2012	01/03/2012		356,662,981	356,662,981	
Barclays Capital, Inc.	NA	0.01%	01/03/2012	01/03/2012		919,000,000	919,000,000	
Barclays Capital, Inc.	NA	0.02%	01/03/2012	01/03/2012		573,000,000	573,000,000	
Barclays Capital, Inc.	NA	0.03%	01/03/2012	01/03/2012		1,527,000,000	1,527,000,000	
Citigroup Global Capital Markets, Inc.	NA	0.02%	01/04/2012	01/04/2012		383,000,000	383,000,000	
Credit Suisse Securities (USA) LLC	NA	0.03%	01/03/2012	01/03/2012		383,000,000	383,000,000	
Deutsche Bank Securities, Inc.	NA	0.08%	01/05/2012	01/05/2012		390,000,000	390,000,000	
Morgan Stanley & Co., Inc.	NA	0.09%	01/06/2012	01/06/2012		393,000,000	393,000,000	
UBS Securities LLC	NA	0.08%	01/06/2012	01/06/2012		1,530,000,000	1,530,000,000	
<b>Total Treasury Repurchase Agreements</b>						<b>14,191,621,000</b>	<b>14,191,621,000</b>	<b>72.0%</b>
					<b>Total Investment Portfolio</b>	<b>19,007,434,565</b>		<b>96.5%</b>
					<b>Net Other Assets</b>	<b>692,057,909</b>		<b>3.5%</b>
					<b>Total Net Assets</b>	<b>19,699,492,474</b>		<b>100.0%</b>

### Footnotes

a Yield represents either the annualized yield at the date of purchase, or the stated coupon rate, or, for floating rate securities, the rate at period end.



# Fidelity® Institutional Money Market Funds: Treasury Portfolio

## Monthly Holdings for December 31, 2011

Net Other Assets may include cash and receivables and payables related to open security or capital stock trades.

### Weighted Average Life (WAL):

For money market funds, this is the weighted average of the life of the securities held in a fund or portfolio and can be used as a measure of sensitivity to changes in liquidity and/or credit risk. Generally, the higher the value, the greater the sensitivity. WAL is based on the dollar-weighted average length of time until principal payments must be paid, taking into account any call options exercised by the issuer and any permissible maturity shortening features other than interest rate resets. For money market funds, the difference between WAM and WAL is that WAM takes into account interest rate resets and WAL does not. WAL for money market funds is not the same as WAL of a mortgage- or asset-backed security.

### Weighted Average Maturity (WAM):

This is a weighted average of all the maturities of the securities held in a fund. WAM can be used as a measure of sensitivity to interest rate changes and markets changes. Generally, the longer the maturity, the greater the sensitivity to such changes. WAM is based on the dollar-weighted average length of time until principal payments must be paid. Depending on the types of securities held in a fund, certain maturity shortening devices (e.g., demand features, interest rate resets, and call options) may be taken into account when calculating the WAM.

The fund's holdings report has not been audited. For more information regarding the fund, please see the fund's most recent prospectus and semi-annual or annual report.

Third party trademarks and service marks are the property of their respective owners. All other trademarks and service marks are the property of FMR LLC or an affiliate.

The following link can be used to obtain the most recent 12 months of publicly available information filed by the fund:

<http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000356173&type=N-MFP&dateb=&count=20&scd=filings>.

# Attachment G. Fidelity Institutional Money Market Funds

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- **Fidelity Institutional Money Market Funds: Treasury Only Portfolio**

# Fidelity® Institutional Money Market Funds: Treasury Only Portfolio

## Monthly Holdings for December 31, 2011

Weighted Average Life: 52 Days

Weighted Average Portfolio Maturity: 52 Days

Description	CUSIP	Coupon/Yield (a)	Final Maturity Date	Effective Maturity Date	Footnotes	Principal Amount (\$)	Amortized Cost (\$)	% of Net Assets
<b>Treasury Debt</b>								
<b>U.S. Treasury Obligations</b>								
U.S. Treasury Bills	9127954A6	–%	01/05/2012	01/05/2012		1,117,000,000	1,116,999,893	
U.S. Treasury Bills	9127952Y6	–%	01/12/2012	01/12/2012		835,000,000	834,999,745	
U.S. Treasury Bills	912795Y62	–% to 0.01%	01/19/2012	01/19/2012		207,000,000	206,999,782	
U.S. Treasury Bills	912795Y70	–% to 0.03%	01/26/2012	01/26/2012		1,542,500,000	1,542,494,408	
U.S. Treasury Bills	9127953C3	0.01% to 0.02%	02/09/2012	02/09/2012		186,000,000	185,997,752	
U.S. Treasury Bills	912795Z20	0.01% to 0.08%	02/16/2012	02/16/2012		575,000,000	574,962,785	
U.S. Treasury Bills	912795Z38	0.02%	02/23/2012	02/23/2012		320,000,000	319,992,933	
U.S. Treasury Bills	912795Z46	0.03%	03/01/2012	03/01/2012		285,000,000	284,985,750	
U.S. Treasury Bills	912795Y88	0.12%	02/02/2012	02/02/2012		145,000,000	144,984,533	
U.S. Treasury Notes	912828KB5	0.02% to 0.05%	01/15/2012	01/15/2012		228,500,000	228,593,755	
U.S. Treasury Notes	912828MJ6	0.02% to 0.07%	01/31/2012	01/31/2012		406,490,000	406,765,030	
U.S. Treasury Notes	912828GK0	0.03% to 0.04%	02/29/2012	02/29/2012		126,000,000	126,936,703	
U.S. Treasury Notes	912828KC3	0.04%	02/15/2012	02/15/2012		150,000,000	150,244,838	
U.S. Treasury Notes	912828MQ0	0.04% to 0.06%	02/29/2012	02/29/2012		454,000,000	454,601,454	
U.S. Treasury Notes	912828KG4	0.04%	03/15/2012	03/15/2012		27,000,000	27,073,219	
U.S. Treasury Notes	912828MU1	0.05% to 0.18%	03/31/2012	03/31/2012		301,000,000	301,661,988	
U.S. Treasury Notes	912828GQ7	0.06%	04/30/2012	04/30/2012		143,000,000	145,091,837	
U.S. Treasury Notes	912828KP4	0.06% to 0.10%	05/15/2012	05/15/2012		326,000,000	327,569,656	
U.S. Treasury Notes	912828NE6	0.07% to 0.13%	05/31/2012	05/31/2012		206,000,000	206,530,082	
U.S. Treasury Notes	912828LB4	0.09%	07/15/2012	07/15/2012		213,000,000	214,608,316	
U.S. Treasury Notes	912828GU8	0.10%	05/31/2012	05/31/2012		175,000,000	178,354,008	
U.S. Treasury Notes	912828KX7	0.11% to 0.14%	06/15/2012	06/15/2012		59,000,000	59,465,036	
U.S. Treasury Notes	912828LH1	0.11%	08/15/2012	08/15/2012		200,000,000	202,041,689	
U.S. Treasury Notes	912828HG8	0.14%	10/31/2012	10/31/2012		70,000,000	72,167,465	
U.S. Treasury Notes	912828HC7	0.15%	08/31/2012	08/31/2012		150,000,000	153,947,604	
							<b>8,468,070,261</b>	<b>83.7%</b>
<b>U.S. Treasury Inflation Protected Obligations</b>								
U.S. Treasury Notes	9128277J5	0.04% to 0.05%	01/15/2012	01/15/2012		738,358,170	738,823,078	7.3%
<b>Total Treasury Debt</b>							<b>9,206,893,339</b>	<b>91.0%</b>
					<b>Total Investment Portfolio</b>		<b>9,206,893,339</b>	<b>91.0%</b>
					<b>Net Other Assets</b>		<b>908,318,637</b>	<b>9.0%</b>
					<b>Total Net Assets</b>		<b>10,115,211,976</b>	<b>100.0%</b>

# Fidelity® Institutional Money Market Funds: Treasury Only Portfolio

## Monthly Holdings for December 31, 2011

### Footnotes

a Yield represents either the annualized yield at the date of purchase, or the stated coupon rate, or, for floating rate securities, the rate at period end.

Net Other Assets may include cash and receivables and payables related to open security or capital stock trades.

### Weighted Average Life (WAL):

For money market funds, this is the weighted average of the life of the securities held in a fund or portfolio and can be used as a measure of sensitivity to changes in liquidity and/or credit risk. Generally, the higher the value, the greater the sensitivity. WAL is based on the dollar-weighted average length of time until principal payments must be paid, taking into account any call options exercised by the issuer and any permissible maturity shortening features other than interest rate resets. For money market funds, the difference between WAM and WAL is that WAM takes into account interest rate resets and WAL does not. WAL for money market funds is not the same as WAL of a mortgage- or asset-backed security.

### Weighted Average Maturity (WAM):

This is a weighted average of all the maturities of the securities held in a fund. WAM can be used as a measure of sensitivity to interest rate changes and markets changes. Generally, the longer the maturity, the greater the sensitivity to such changes. WAM is based on the dollar-weighted average length of time until principal payments must be paid. Depending on the types of securities held in a fund, certain maturity shortening devices (e.g., demand features, interest rate resets, and call options) may be taken into account when calculating the WAM.

The fund's holdings report has not been audited. For more information regarding the fund, please see the fund's most recent prospectus and semi-annual or annual report.

Third party trademarks and service marks are the property of their respective owners. All other trademarks and service marks are the property of FMR LLC or an affiliate.

The following link can be used to obtain the most recent 12 months of publicly available information filed by the fund:

<http://www.sec.gov/cgi-bin/browse-edgar?action=getcompany&CIK=0000356173&type=N-MFP&dateb=&count=20&scd=filings>.

- **Goldman Sachs Treasury Instruments Fund**

## Financial Square Treasury Instruments Fund

Fund Information and Unaudited Holdings December 31, 2011

Weighted Average Maturity: 53 days

Weighted Average Life: 53 days

Issuer	Category of Investment	Cusip	Principal Amount (\$)	Effective Maturity Date	Final Maturity Date	Coupon Rate/Yield (%)	Amortized Cost (\$)
U.S. Treasury Bill	Treasury Debt	912795Z20	350,000,000	02/16/12	02/16/12	0.080	349,964,222
U.S. Treasury Bill	Treasury Debt	9127954A6	2,229,100,000	01/05/12	01/05/12	0.000	2,229,099,969
U.S. Treasury Bill	Treasury Debt	9127955D9	730,000,000	03/15/12	03/15/12	0.047	729,929,392
U.S. Treasury Bill	Treasury Debt	9127955F4	1,000,000,000	03/29/12	03/29/12	0.025	999,938,889
U.S. Treasury Bill	Treasury Debt	9127952Y6	3,101,740,000	01/12/12	01/12/12	0.000	3,101,740,000
U.S. Treasury Bill	Treasury Debt	912795Y62	3,897,550,000	01/19/12	01/19/12	0.000	3,897,550,000
U.S. Treasury Bill	Treasury Debt	912795Y70	4,594,080,000	01/26/12	01/26/12	0.000	4,594,080,000
U.S. Treasury Note	Treasury Debt	912828AJ9	66,000,000	08/15/12	08/15/12	4.375	67,750,339
U.S. Treasury Note	Treasury Debt	912828GF1	802,000,000	01/31/12	01/31/12	4.750	805,071,987
U.S. Treasury Note	Treasury Debt	912828GK0	28,000,000	02/29/12	02/29/12	4.625	28,206,618
U.S. Treasury Note	Treasury Debt	912828GU8	536,000,000	05/31/12	05/31/12	4.750	546,266,808
U.S. Treasury Note	Treasury Debt	912828GW4	569,000,000	06/30/12	06/30/12	4.875	582,342,000
U.S. Treasury Note	Treasury Debt	912828GZ7	45,000,000	07/31/12	07/31/12	4.625	46,180,332
U.S. Treasury Note	Treasury Debt	912828HE3	52,500,000	09/30/12	09/30/12	4.250	54,102,599
U.S. Treasury Note	Treasury Debt	912828HK9	91,000,000	11/30/12	11/30/12	3.375	93,664,503
U.S. Treasury Note	Treasury Debt	912828KB5	1,448,000,000	01/15/12	01/15/12	1.125	1,448,603,114
U.S. Treasury Note	Treasury Debt	912828KC3	412,000,000	02/15/12	02/15/12	1.375	412,656,816
U.S. Treasury Note	Treasury Debt	912828KG4	750,000,000	03/15/12	03/15/12	1.375	752,056,218
U.S. Treasury Note	Treasury Debt	912828KP4	710,500,000	05/15/12	05/15/12	1.375	713,786,890
U.S. Treasury Note	Treasury Debt	912828LH1	322,300,000	08/15/12	08/15/12	1.750	325,585,301
U.S. Treasury Note	Treasury Debt	912828LX6	223,000,000	11/15/12	11/15/12	1.375	225,310,858
U.S. Treasury Note	Treasury Debt	912828MB3	275,000,000	12/15/12	12/15/12	1.125	277,514,608
U.S. Treasury Note	Treasury Debt	912828MJ6	1,260,000,000	01/31/12	01/31/12	0.875	1,260,857,383
U.S. Treasury Note	Treasury Debt	912828MQ0	339,000,000	02/29/12	02/29/12	0.875	339,439,217
U.S. Treasury Note	Treasury Debt	912828NB2	70,000,000	04/30/12	04/30/12	1.000	70,205,773
U.S. Treasury Note	Treasury Debt	912828NE6	200,000,000	05/31/12	05/31/12	0.750	200,529,746
U.S. Treasury Note	Treasury Debt	912828NQ9	477,000,000	07/31/12	07/31/12	0.625	478,442,415
U.S. Treasury Note	Treasury Debt	912828NS5	342,000,000	06/30/12	06/30/12	0.625	342,808,917
U.S. Treasury Note	Treasury Debt	912828PW4	128,000,000	12/31/12	12/31/12	0.625	128,589,750

**WAM:** The money market fund's weighted average maturity (WAM) is an average of the effective maturities of all securities held in the portfolio, weighted by each security's percentage of net assets.

**WAL:** The money market fund's weighted average life (WAL) is an average of the final maturities (or where applicable the date of demand) of all securities held in the portfolio, weighted by each security's percentage of net assets.

**Effective Maturity Date:** Represents the next interest rate reset date, demand date or prerefunded date.

**Final Maturity Date:** Represents the maturity date utilized to calculate the WAL.

Holdings allocations shown are unaudited, and may not be representative of current or future investments. Holdings and allocations may not include the Fund's entire investment portfolio, which may change at any time. Fund holdings should not be relied on in making investment decisions and should not be construed as research or investment advice regarding particular securities.

**An investment in a money market portfolio is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market portfolio seeks to preserve the value of an investment of \$1.00 per share, it is possible to lose money by investing in a money market portfolio.**

**A summary prospectus, if available, or a Prospectus for the Fund containing more information may be obtained from your authorized dealer or from Goldman, Sachs & Co. by calling 1-800-526-7384 (for Retail Shareholders) or 1-800-621-2550 (for Institutional Shareholders). Please consider a fund's objectives, risks, charges and expenses, and read the summary prospectus, if available, and the Prospectus carefully before investing. The summary prospectus, if available, and the Prospectus contains this and other information about the Fund.**

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# Attachment I. Invesco Treasury Portfolio

- Invesco Treasury Portfolio





**Treasury Portfolio**  
Short-Term Investments Trust

Portfolio Holdings  
Data as of December 30, 2011

Weighted Average Maturity - 34.54 days  
Weighted Average Life - 34.54 days

Quantity (Par)	Amortized Cost <sup>1</sup>	Security Description	CUSIP <sup>2</sup>	Security Yield <sup>3</sup>	Maturity / Reset	Maturity Date <sup>4</sup>	Associated Issuer	% of Portfolio
<b>Other Repurchase Agreement</b>								
<b>REPURCHASE AGREEMENT</b>								
250,000,000	250,000,000	Bank of Montreal	N/A	0.03	01/03/2012	01/03/2012	US TREASURY COLLATERAL	1.51
134,446,993	134,446,993	Barclays Capital Inc.	N/A	0.01	01/03/2012	01/03/2012	US TREASURY COLLATERAL	0.81
200,000,000	200,000,000	BNP Paribas Securities Corp.	N/A	0.02	01/03/2012	01/03/2012	US TREASURY COLLATERAL	1.21
100,000,000	100,000,000	CIBC World Markets Corp.	N/A	0.02	01/03/2012	01/03/2012	US TREASURY COLLATERAL	0.60
500,000,000	500,000,000	Deutsche Bank Securities Inc.	N/A	0.01	01/03/2012	01/03/2012	US TREASURY COLLATERAL	3.02
250,000,000	250,000,000	HSBC Securities (USA) Inc.	N/A	0.01	01/03/2012	01/03/2012	US TREASURY COLLATERAL	1.51
100,000,000	100,000,000	JPMorgan Securities Inc.	N/A	0.01	01/03/2012	01/03/2012	US TREASURY COLLATERAL	0.60
275,000,000	275,000,000	Merrill Lynch Pierce Fenner & Smith, Inc.	N/A	0.01	01/03/2012	01/03/2012	US TREASURY COLLATERAL	1.66
200,000,000	200,000,000	Morgan Stanley & Co. Inc.	N/A	0.02	01/03/2012	01/03/2012	US TREASURY COLLATERAL	1.21
400,000,000	400,000,000	RBC Capital Markets Corp.	N/A	0.01	01/03/2012	01/03/2012	US TREASURY COLLATERAL	2.42
500,000,000	500,000,000	RBS Securities Inc.	N/A	0.02	01/03/2012	01/03/2012	US TREASURY COLLATERAL	3.02
200,000,000	200,000,000	Societe Generale	N/A	0.03	01/03/2012	01/03/2012	US TREASURY COLLATERAL	1.21
250,000,000	250,000,000	Wells Fargo Securities, LLC	N/A	0.02	01/03/2012	01/03/2012	US TREASURY COLLATERAL	1.51
<b>3,359,446,993</b>	<b>3,359,446,993</b>	<b>Repurchase Agreement</b>						<b>20.29</b>
<b>REPURCHASE AGREEMENT - TERM</b>								
700,000,000	700,000,000	Barclays Capital Inc.	07011712D	0.08	01/03/2012	01/03/2012	US TREASURY COLLATERAL	4.23
500,000,000	500,000,000	Barclays Capital Inc.	07011312D	0.08	01/03/2012	01/03/2012	US TREASURY COLLATERAL	3.02
800,000,000	800,000,000	Barclays Capital Inc.	07012312D	0.08	01/03/2012	01/03/2012	US TREASURY COLLATERAL	4.83
700,000,000	700,000,000	BNP Paribas Securities Corp.	11011712D	0.09	01/03/2012	01/03/2012	US TREASURY COLLATERAL	4.23
300,000,000	300,000,000	Credit Suisse Securities (USA) LLC	13010312D	0.10	01/03/2012	01/03/2012	US TREASURY COLLATERAL	1.81
600,000,000	600,000,000	Deutsche Bank Securities Inc.	23011112D	0.08	01/03/2012	01/03/2012	US TREASURY COLLATERAL	3.62
250,000,000	250,000,000	Goldman, Sachs & Co.	37010312D	0.01	01/03/2012	01/03/2012	US TREASURY COLLATERAL	1.51
700,000,000	700,000,000	RBC Capital Markets Corp.	78011712D	0.02	01/03/2012	01/03/2012	US TREASURY COLLATERAL	4.23
500,000,000	500,000,000	RBS Securities Inc.	76011912D	0.05	01/03/2012	01/03/2012	US TREASURY COLLATERAL	3.02
500,000,000	500,000,000	Societe Generale	79011012D	0.09	01/03/2012	01/03/2012	US TREASURY COLLATERAL	3.02
<b>5,550,000,000</b>	<b>5,550,000,000</b>	<b>Repurchase Agreement - Term</b>						<b>33.51</b>
<b>8,909,446,993</b>	<b>8,909,446,993</b>	<b>Other Repurchase Agreement Total</b>						<b>53.80</b>

Continued...

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## Treasury Portfolio

Short-Term Investments Trust

Portfolio Holdings  
Data as of December 30, 2011

Quantity (Par)	Amortized Cost <sup>1</sup>	Security Description	CUSIP <sup>2</sup>	Security Yield <sup>3</sup>	Maturity /Reset	Maturity Date <sup>4</sup>	Associated Issuer	% of Portfolio
<b>Treasury Debt</b>								
<b>U.S. TREASURY BILL</b>								
207,000,000	206,999,569	U.S. Treasury Bills	9127954A6	0.02	01/05/2012	01/05/2012	US TREASURY	1.25
700,000,000	699,981,517	U.S. Treasury Bills	9127952Y6	0.08	01/12/2012	01/12/2012	US TREASURY	4.23
500,000,000	499,979,311	U.S. Treasury Bills	912795Y62	0.08	01/19/2012	01/19/2012	US TREASURY	3.02
550,000,000	549,968,818	U.S. Treasury Bills	912795Y70	0.08	01/26/2012	01/26/2012	US TREASURY	3.32
150,000,000	149,982,125	U.S. Treasury Bills	912795Y88	0.13	02/02/2012	02/02/2012	US TREASURY	0.91
445,000,000	444,982,056	U.S. Treasury Bills	9127953C3	0.04	02/09/2012	02/09/2012	US TREASURY	2.69
450,000,000	449,976,174	U.S. Treasury Bills	912795Z20	0.04	02/16/2012	02/16/2012	US TREASURY	2.72
340,000,000	339,992,350	U.S. Treasury Bills	912795Z38	0.02	02/23/2012	02/23/2012	US TREASURY	2.05
300,000,000	299,994,917	U.S. Treasury Bills	912795Z46	0.01	03/01/2012	03/01/2012	US TREASURY	1.81
150,000,000	149,981,583	U.S. Treasury Bills	9127953G4	0.07	03/08/2012	03/08/2012	US TREASURY	0.91
300,000,000	299,976,000	U.S. Treasury Bills	9127953H2	0.03	04/05/2012	04/05/2012	US TREASURY	1.81
250,000,000	249,967,813	U.S. Treasury Bills	9127955H0	0.05	04/12/2012	04/12/2012	US TREASURY	1.51
250,000,000	249,951,875	U.S. Treasury Bills	9127955J6	0.06	04/19/2012	04/19/2012	US TREASURY	1.51
400,000,000	399,925,250	U.S. Treasury Bills	9127955K3	0.06	04/26/2012	04/26/2012	US TREASURY	2.42
250,000,000	249,946,181	U.S. Treasury Bills	9127953N9	0.06	05/03/2012	05/03/2012	US TREASURY	1.51
190,000,000	189,964,739	U.S. Treasury Bills	9127955M9	0.05	05/10/2012	05/10/2012	US TREASURY	1.15
450,000,000	449,897,493	U.S. Treasury Bills	9127955P2	0.06	05/24/2012	05/24/2012	US TREASURY	2.72
100,000,000	99,910,778	U.S. Treasury Bills	9127955G2	0.11	10/18/2012	10/18/2012	US TREASURY	0.60
<b>5,982,000,000</b>	<b>5,981,378,547</b>	<b>U.S. Treasury Bill</b>						<b>36.12</b>
<b>U.S. TREASURY NOTE/BOND</b>								
553,000,000	553,379,617	U.S. Treasury Notes	912828MJ6	0.06	01/31/2012	01/31/2012	US TREASURY	3.34
285,000,000	285,469,602	U.S. Treasury Notes	912828KC3	0.06	02/15/2012	02/15/2012	US TREASURY	1.72
443,000,000	443,583,381	U.S. Treasury Notes	912828MQ0	0.08	02/29/2012	02/29/2012	US TREASURY	2.68
88,000,000	88,254,686	U.S. Treasury Notes	912828NE6	0.05	05/31/2012	05/31/2012	US TREASURY	0.53
150,000,000	151,526,786	U.S. Treasury Notes	912828LH1	0.11	08/15/2012	08/15/2012	US TREASURY	0.91

Continued...

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**Treasury Portfolio**  
Short-Term Investments Trust

Portfolio Holdings  
Data as of December 30, 2011

Quantity (Par)	Amortized Cost <sup>1</sup>	Security Description	CUSIP <sup>2</sup>	Security Yield <sup>3</sup>	Maturity /Reset	Maturity Date <sup>4</sup>	Associated Issuer	% of Portfolio
<b>Treasury Debt</b>								
<b>U.S. TREASURY NOTE/BOND</b>								
150,000,000	150,259,943	U.S. Treasury Notes	912828PH7	0.12	08/31/2012	08/31/2012	US TREASURY	0.91
<b>1,669,000,000</b>	<b>1,672,474,014</b>	<b>U.S. Treasury Note/Bond</b>						<b>10.08</b>
<b>7,651,000,000</b>	<b>7,653,852,561</b>	<b>Treasury Debt Total</b>						<b>46.20</b>
<b>16,560,446,993</b>	<b>16,563,299,554</b>	<b>GRAND TOTAL</b>						<b>100.00</b>

**An investment in the Fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Fund seeks to preserve the value of an investment at \$1.00 per share, it is possible to lose money by investing in the Fund.**

For more information about the Treasury Portfolio, please contact our Cash Management Sales Desk at 800 659 1005, Option 2 or visit [invesco.com/us](http://invesco.com/us).

All data provided by Invesco unless otherwise noted.

\* Multi Credit Enhancement Providers (CEP) - 100% CEP rated minimum A-1/P-1/F-1 or comparable long term rating.

<sup>1</sup> Open security with one-day demand.

<sup>1</sup> Amortized Cost method of valuation means the method of calculating an investment company's net asset value where portfolio securities are valued at the fund's acquisition cost as adjusted for amortization of premium or accretion of discount rather than their value based on current market factors.

<sup>2</sup> CUSIPs may include other unique identifiers, such as the central index key (CIK).

<sup>3</sup> Past performance is no guarantee to future results. The security yield is not an indication of fund performance.

<sup>4</sup> Securities may include features including but not limited to a prerefunding, demand feature or put option.

Portfolio composition is subject to change. The list of portfolio holdings is as of the date shown and may not represent current or future portfolio composition. This portfolio data has not been audited or adjusted for certain financial statement reclassifications. An audit could potentially result in adjustments to this data. The following attributes, if applicable, are available upon request: Associated issuer, short-term ratings for S&P, Moody's, Fitch Ratings and the Dominion Bond Rating Service (DBRS®), long-term ratings for S&P, Moody's and Fitch Ratings, industry and exposure to underlying asset class.

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**An investor should consider the investment objectives, risks, fees and expenses carefully before investing. Please read the prospectus or other offering documents carefully before investing. For this and more complete information, contact your financial advisor or visit [invesco.com/fundprospectus](http://invesco.com/fundprospectus).**

- **J.P. Morgan Global Liquidity U.S. Treasury Plus MM Fund**

UNAUDITED

JPM US Treasury Plus MM Fund

As of Date: 12/31/2011

Category of Investment	Name	Yield or Coupon	Effective	Final	CUSIP / Security ID	Principal Amount	% of Market Value	% of			Country
			Maturity Date	Maturity Date				Total Value	Moody's Rating	S&P Rating	
Treasury Debt	US TREASURY	0.00%	01/05/12	01/05/12	9127954A6	4,560,000.00	4,560,000.00	0.03	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.00%	01/12/12	01/12/12	9127952Y6	375,000,000.00	375,000,000.00	2.19	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.00%	01/19/12	01/19/12	912795Y62	450,000,000.00	450,000,000.00	2.62	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.00%	01/26/12	01/26/12	912795Y70	932,000,000.00	932,000,000.00	5.44	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.00%	02/02/12	02/02/12	912795Y88	250,000,000.00	250,000,000.00	1.46	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.00%	02/09/12	02/09/12	9127953C3	195,000,000.00	195,000,000.00	1.14	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.00%	02/16/12	02/16/12	912795Z20	505,000,000.00	505,000,000.00	2.95	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.00%	03/22/12	03/22/12	9127955E7	975,000,000.00	974,997,187.50	5.69	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.00%	03/15/12	03/15/12	9127955D9	250,000,000.00	249,998,715.29	1.46	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.00%	03/08/12	03/08/12	9127953G4	285,000,000.00	284,998,208.67	1.66	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.01%	03/01/12	03/01/12	912795Z46	299,150,000.00	299,143,828.33	1.74	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.03%	03/29/12	03/29/12	9127955F4	200,000,000.00	199,987,778.64	1.17	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.63%	06/30/12	06/30/12	912828NS5	225,000,000.00	225,589,870.03	1.32	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.63%	07/31/12	07/31/12	912828NQ9	100,000,000.00	100,300,953.47	0.58	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.75%	05/31/12	05/31/12	912828NE6	100,000,000.00	100,264,873.37	0.58	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.88%	01/31/12	01/31/12	912828MJ6	260,000,000.00	260,162,081.42	1.52	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	0.88%	02/29/12	02/29/12	912828MQ0	350,000,000.00	350,434,796.73	2.04	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	1.00%	03/31/12	03/31/12	912828MU1	350,000,000.00	350,801,303.72	2.05	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	1.00%	04/30/12	04/30/12	912828NB2	400,000,000.00	401,184,839.60	2.34	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	1.13%	01/15/12	01/15/12	912828KB5	175,000,000.00	175,074,897.94	1.02	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	1.38%	02/15/12	02/15/12	912828KC3	305,000,000.00	305,482,141.86	1.78	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	1.38%	03/15/12	03/15/12	912828K G4	570,000,000.00	571,556,791.30	3.33	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	1.38%	04/15/12	04/15/12	912828KK5	218,500,000.00	219,306,503.48	1.28	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	1.38%	05/15/12	05/15/12	912828KP4	100,000,000.00	100,473,058.53	0.59	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	1.50%	07/15/12	07/15/12	912828LB4	125,000,000.00	125,940,093.19	0.73	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	1.75%	08/15/12	08/15/12	912828LH1	125,000,000.00	126,273,019.55	0.74	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	1.88%	06/15/12	06/15/12	912828KX7	75,000,000.00	75,602,959.13	0.44	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	4.38%	08/15/12	08/15/12	912828AJ9	200,000,000.00	205,302,860.23	1.20	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	4.50%	03/31/12	03/31/12	912828GM6	135,500,000.00	136,974,881.86	0.80	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	4.50%	04/30/12	04/30/12	912828GQ7	100,000,000.00	101,452,623.74	0.59	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	4.63%	02/29/12	02/29/12	912828GK0	64,000,000.00	64,459,772.95	0.38	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	4.63%	07/31/12	07/31/12	912828GZ7	181,000,000.00	185,756,160.59	1.08	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	4.75%	01/31/12	01/31/12	912828GF1	140,000,000.00	140,537,342.83	0.82	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	4.75%	05/31/12	05/31/12	912828GU8	250,000,000.00	254,791,448.98	1.49	P-1	A-1+	UNITED STATES
Treasury Debt	US TREASURY	4.88%	06/30/12	06/30/12	912828GW4	400,000,000.00	409,401,168.01	2.39	P-1	A-1+	UNITED STATES
Treasury Repo Agreement	BARCLAYS CAPITAL INC. (REPO)	0.01%	01/03/12	01/03/12	0BAR14KV7	600,000,000.00	600,000,000.00	3.50	P-1	A-1+	UNITED KINGDOM
Treasury Repo Agreement	BARCLAYS CAPITAL INC. (REPO)	0.01%	01/04/12	01/04/12	0BAR14KZ8	250,000,000.00	250,000,000.00	1.46	P-1	A-1+	UNITED KINGDOM
Treasury Repo Agreement	BARCLAYS CAPITAL INC. (REPO)	0.02%	01/03/12	01/03/12	0BAR14L46	500,000,000.00	500,000,000.00	2.92	P-1	A-1+	UNITED KINGDOM
Treasury Repo Agreement	BARCLAYS CAPITAL INC. (REPO)	0.04%	01/18/12	01/18/12	0BAR14KN5	250,000,000.00	250,000,000.00	1.46	P-1	A-1+	UNITED KINGDOM
Treasury Repo Agreement	BARCLAYS CAPITAL INC. (REPO)	0.05%	01/11/12	01/11/12	0BAR14KI6	250,000,000.00	250,000,000.00	1.46	P-1	A-1+	UNITED KINGDOM
Treasury Repo Agreement	CITIBANK N.A. (REPO)	0.03%	01/03/12	01/03/12	OCAN01RV4	500,000,000.00	500,000,000.00	2.92	P-1	A-1	UNITED STATES
Treasury Repo Agreement	CREDIT SUISSE SEC (USA) LLC (REPO)	0.02%	01/03/12	01/03/12	OCSF10XG9	500,000,000.00	500,000,000.00	2.92	P-1	A-1	SWITZERLAND
Treasury Repo Agreement	CREDIT SUISSE SEC (USA) LLC (REPO)	0.02%	01/04/12	01/04/12	OCSF10XC8	250,000,000.00	250,000,000.00	1.46	P-1	A-1	SWITZERLAND
Treasury Repo Agreement	CREDIT SUISSE SEC (USA) LLC (REPO)	0.03%	01/06/12	01/06/12	OCSF10XH7	250,000,000.00	250,000,000.00	1.46	P-1	A-1	SWITZERLAND
Treasury Repo Agreement	DEUTSCHE BANK SECURITIES INC. (REPO)	0.00%	01/03/12	01/03/12	0DBS15EU6	1,000,000,000.00	1,000,000,000.00	5.83	P-1	A-1	GERMANY
Treasury Repo Agreement	DEUTSCHE BANK SECURITIES INC. (REPO)	0.00%	01/04/12	01/04/12	0DBS15F01	450,000,000.00	450,000,000.00	2.62	P-1	A-1	GERMANY

# Global Liquidity

J.P.Morgan  
Asset Management

UNAUDITED

JPM US Treasury Plus MM Fund

As of Date: 12/31/2011

Category of Investment	Name	Yield or Coupon	Effective	Final	CUSIP / Security ID	Principal Amount	Market Value	% of			Country
			Maturity Date	Maturity Date				Total Value	Moody's Rating	S&P Rating	
Treasury Repo Agreement	DEUTSCHE BANK SECURITIES INC. (REPO)	0.01%	01/03/12	01/03/12	0DBS15F84	73,132,000.00	73,132,000.00	0.43	P-1	A-1	GERMANY
Treasury Repo Agreement	DEUTSCHE BANK SECURITIES INC. (REPO)	0.01%	01/03/12	01/03/12	0DBS15F92	400,000,000.00	400,000,000.00	2.33	P-1	A-1	GERMANY
Treasury Repo Agreement	HSBC SECURITIES (USA) INC. (REPO)	0.00%	01/03/12	01/03/12	0HSB07JS3	66,316,000.00	66,316,000.00	0.39	P-1	A-1+	UNITED KINGDOM
Treasury Repo Agreement	RBS SECURITIES INC. (REPO)	0.03%	01/03/12	01/03/12	0RS103H57	1,000,000,000.00	1,000,000,000.00	5.83	P-2	A-1	UNITED KINGDOM
Treasury Repo Agreement	UBS SECURITIES LLC (REPO)	0.02%	01/05/12	01/05/12	0UBS17NU4	600,000,000.00	600,000,000.00	3.50	P-1	A-1	SWITZERLAND
Treasury Repo Agreement	UBS SECURITIES LLC (REPO)	0.03%	01/03/12	01/03/12	0UBS17NW0	500,000,000.00	500,000,000.00	2.92	P-1	A-1	SWITZERLAND
<b>Grand Total</b>							<b>17,147,258,160.94</b>	<b>100.00</b>			
Weighted Average Maturity	49										
Weighted Average Life	49										

Must be preceded or accompanied by a prospectus.

The "UNAUDITED UNCERTIFIED MUTUAL FUND HOLDINGS" LIST ("the list") IS TO BE USED FOR REPORTING PURPOSES ONLY.

The list is submitted for the general information of the Fund. The list has been created from the books and records of the Fund without examination by independent auditors.

The uncertified holdings list is available on a one business day lag. The figures shown in the "Value" column, represent the values of the Fund's investments using the amortized cost method of valuation pursuant to Rule 2a-7 of the Investment Company Act of 1940. The list is subject to change without notice. The Value represents the Gross Assets of the Fund and may include forward settling trades.

This list is for informational purposes only and not intended as an offer or solicitation with respect to the purchase or sale of any security.

Each business day, each Fund will make available upon request an uncertified complete schedule of its portfolio holdings as of the prior business day.

Shareholders may request portfolio holdings schedules for a particular day or on an ongoing basis at no charge by calling 1-800-480-4111.

Unless otherwise noted, the dollar-weighted average maturity and the dollar-weighted average life listed for the Fund is the same for each of the Fund's share classes.

Dollar-weighted average maturity: The average maturity of the Fund is the average amount of time until the organizations that issued the debt securities in the Fund's portfolio must pay off the principal amount of the debt. "Dollar-weighted" means the larger the dollar value of debt security in the Fund, the more weight it gets in calculating this average. To calculate the dollar-weighted average maturity, the Fund may treat a variable or floating rate security as having a maturity equal to the time remaining to the security's next interest rate reset date rather than the security's actual maturity date.

Dollar-weighted average life: The dollar weighted average portfolio maturity without reference to the exceptions used for variable or floating rate securities regarding the use of the date of interest rate resets in lieu of the security's actual maturity date.

Final Legal Maturity Date: The final legal maturity date is the date on which the organization that issued the debt security must pay off the principal amount of the debt.

J. P. Morgan Asset Management is the marketing name for the asset management business of JPMorgan Chase & Co.

J.P. Morgan Funds are distributed by JPMorgan Distribution Services, Inc., which is an affiliate of JPMorgan Chase & Co. Affiliates of JPMorgan Chase & Co. receive fees for providing various services to the funds.

JPMorgan Chase & Co. 2012.

# Attachment K. Morgan Stanley Institutional Liquidity Funds

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- **Morgan Stanley Institutional Liquidity Funds**

## MORGAN STANLEY INSTITUTIONAL LIQUIDITY FUNDS - TREASURY PORTFOLIO

Fund Information and Unaudited Holdings as of December 31, 2011

Weighted Average Maturity: 10 Days

Weighted Average Life: 10 Days

INVESTMENT CATEGORY	ISSUER	CUSIP	PRINCIPAL AMOUNT	COUPON RATE <sup>(1)</sup>	EFFECTIVE MATURITY DATE <sup>(2)</sup>	FINAL MATURITY DATE <sup>(3)</sup>	AMORTIZED COST <sup>(4)</sup> /VALUE	% of Amortized Cost
Treasury Debt	U.S. Treasury Bill	9127953N9	\$ 50,000,000	0.212%	05/03/12	05/03/12	\$ 49,964,540	0.80%
Treasury Debt	U.S. Treasury Bill	912795Y62	175,000,000	0.030	01/19/12	01/19/12	174,997,666	2.81%
Treasury Debt	U.S. Treasury Bill	912795Y62	48,000,000	0.001	01/19/12	01/19/12	47,999,979	0.77%
Treasury Debt	U.S. Treasury Bill	9127953G4	72,000,000	0.001	03/08/12	03/08/12	71,999,870	1.16%
Treasury Debt	U.S. Treasury Bill	9127954A6	221,000,000	0.000	01/05/12	01/05/12	221,000,000	3.54%
Treasury Debt	U.S. Treasury Note	912828GF1	25,000,000	4.750	01/31/12	01/31/12	25,084,176	0.40%
Treasury Debt	U.S. Treasury Note	912828GC8	43,500,000	4.625	12/31/11	12/31/11	43,500,000	0.70%
Treasury Debt	U.S. Treasury Note	912828GK0	100,000,000	4.625	02/29/12	02/29/12	100,723,435	1.62%
Treasury Debt	U.S. Treasury Note	912828NQ9	48,000,000	0.625	07/31/12	07/31/12	48,145,588	0.77%
Treasury Repurchase Agreement	ABN Amro Securities USA LLC		300,000,000	0.030	01/03/12	01/03/12	300,000,000	4.81%
Treasury Repurchase Agreement	Bank of Nova Scotia		565,000,000	0.030	01/03/12	01/03/12	565,000,000	9.06%
Treasury Repurchase Agreement	Barclays Capital, Inc.		200,000,000	0.020	01/03/12	01/03/12	200,000,000	3.21%
Treasury Repurchase Agreement	Barclays Capital, Inc.		250,000,000	0.010	01/04/12	01/04/12	250,000,000	4.01%
Treasury Repurchase Agreement	BNP Paribas Securites Corp.		550,000,000	0.020	01/03/12	01/03/12	550,000,000	8.82%
Treasury Repurchase Agreement	Credit Agricole CIB		445,000,000	0.030	01/03/12	01/03/12	445,000,000	7.14%
Treasury Repurchase Agreement	Credit Suisse Securities USA		48,000,000	0.090	01/03/12	01/03/12	48,000,000	0.77%
Treasury Repurchase Agreement	Credit Suisse Securities USA		75,000,000	0.090	01/04/12	01/04/12	75,000,000	1.20%
Treasury Repurchase Agreement	Credit Suisse Securities USA		50,000,000	0.080	01/05/12	01/05/12	50,000,000	0.80%
Treasury Repurchase Agreement	Credit Suisse Securities USA		50,000,000	0.080	01/06/12	01/06/12	50,000,000	0.80%
Treasury Repurchase Agreement	Credit Suisse Securities USA		30,000,000	0.070	01/13/12	01/13/12	30,000,000	0.48%
Treasury Repurchase Agreement	Credit Suisse Securities USA		30,000,000	0.070	01/20/12	01/20/12	30,000,000	0.48%
Treasury Repurchase Agreement	Credit Suisse Securities USA		75,000,000	0.070	01/27/12	01/27/12	75,000,000	1.20%
Treasury Repurchase Agreement	Credit Suisse Securities USA		100,000,000	0.050	01/19/12	01/19/12	100,000,000	1.60%
Treasury Repurchase Agreement	Credit Suisse Securities USA		250,000,000	0.030	01/06/12	01/06/12	250,000,000	4.01%
Treasury Repurchase Agreement	Credit Suisse Securities USA		110,000,000	0.020	01/03/12	01/03/12	110,000,000	1.76%
Treasury Repurchase Agreement	Deutsche Bank Securities, Inc.		394,835,000	0.010	01/03/12	01/03/12	394,835,000	6.33%



INVESTMENT CATEGORY	ISSUER	CUSIP	PRINCIPAL AMOUNT	COUPON RATE <sup>(1)</sup>	EFFECTIVE MATURITY DATE <sup>(2)</sup>	FINAL MATURITY DATE <sup>(3)</sup>	AMORTIZED COST <sup>(4)</sup> /VALUE	% of Amortized Cost
Treasury Repurchase Agreement	Deutsche Bank Securities, Inc.		100,000,000	0.000	01/04/12	01/04/12	100,000,000	1.60%
Treasury Repurchase Agreement	HSBC Securities USA, Inc.		100,000,000	0.010	01/03/12	01/03/12	100,000,000	1.60%
Treasury Repurchase Agreement	RBS Securities, Inc.		400,000,000	0.040	01/03/12	01/03/12	400,000,000	6.42%
Treasury Repurchase Agreement	Societe Generale		750,000,000	0.030	01/03/12	01/03/12	750,000,000	12.03%
Treasury Repurchase Agreement	TD Securities USA LLC		50,000,000	0.010	01/03/12	01/03/12	50,000,000	0.80%
Treasury Repurchase Agreement	UBS Securities LLC		280,000,000	0.010	01/03/12	01/03/12	280,000,000	4.49%
Treasury Repurchase Agreement	Wells Fargo Securities LLC		250,000,000	0.020	01/03/12	01/03/12	250,000,000	4.01%
<b>Total Amortized Cost</b>							<b>\$ 6,236,250,254</b>	<b>100.00%</b>
<b>Net Assets<sup>(5)</sup></b>							<b>\$ 6,239,216,464</b>	

(1) The **coupon rate** shown reflects the effective rate as of the date on this report.

(2) The date shown reflects the lower of the stated maturity date or the next interest rate reset date, which are used to calculate the portfolio's weighted average maturity (WAM).

(3) The date shown reflects the lower of the stated final maturity date or the next demand feature date, which are used to calculate the portfolio's weighted average life (WAL).

(4) **Amortized Cost** - A method of valuation, discussed in rule 2a-7 of the Investment Company Act of 1940, in which a portfolio security is carried at cost and any discount or premium from par is amortized to income on a daily basis over the life of the instrument.

(5) **Net Assets** - The term used by an investment company to designate the excess of the fair value of securities owned, cash, receivables, and other assets over the liabilities of the company.

Subject to change daily. Provided for informational purposes only and should not be deemed as a recommendation to buy or sell the securities mentioned or securities in the industries shown above.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

Please consider the investment objectives, risks, charges and expenses of the fund carefully before investing. The prospectus contains this and other information about the fund. To obtain a prospectus, contact your financial advisor or download a copy at [morganstanley.com/im](http://morganstanley.com/im). Please read the prospectus carefully before investing.

Morgan Stanley is a full service securities firm engaged in securities trading and brokerage activities, investment banking, research and analysis, financing and financial advisory services.

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NOT FDIC INSURED | OFFER NO BANK GUARANTEE | MAY LOSE VALUE | NOT INSURED BY ANY FEDERAL GOVERNMENT AGENCY | NOT A DEPOSIT



# Attachment L. State Street Institutional Investment Trust

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- **State Street Institutional Investment Trust Money Market Fund**



Institutional Treasury Money Market Fund  
 Unaudited Fund Information and Holdings as of December 31, 2011

Weighted Average Maturity: 32 days

Weighted Average Life: 32 days

ISSUER	INVESTMENT CATEGORY	CUSIP	PRINCIPAL AMOUNT	COUPON RATE	MATURITY DATE	FINAL MATURITY DATE	AMORTIZED COST/VALUE	% of AMORTIZED COST
U.S. Treasury Bill	Treasury Debt	9127954A6	1,009,734,000	0.000000	01/05/12	01/05/12	1,009,734,000	8.47
U.S. Treasury Bill	Treasury Debt	9127954A6	150,000,000	0.002500	01/05/12	01/05/12	149,999,958	1.26
U.S. Treasury Bill	Treasury Debt	9127954A6	475,000,000	0.010000	01/05/12	01/05/12	474,999,472	3.99
U.S. Treasury Bill	Treasury Debt	9127954A6	75,991,000	0.030000	01/05/12	01/05/12	75,989,667	0.64
U.S. Treasury Bill	Treasury Debt	9127952Y6	1,184,648,000	0.000000	01/12/12	01/12/12	1,184,648,000	9.94
U.S. Treasury Bill	Treasury Debt	9127952Y6	100,000,000	0.002000	01/12/12	01/12/12	99,999,924	0.84
U.S. Treasury Bill	Treasury Debt	9127952Y6	75,000,000	0.002500	01/12/12	01/12/12	74,999,943	0.63
U.S. Treasury Bill	Treasury Debt	9127952Y6	100,000,000	0.005000	01/12/12	01/12/12	99,999,847	0.84
U.S. Treasury Bill	Treasury Debt	9127952Y6	214,000,000	0.015000	01/12/12	01/12/12	213,999,019	1.8
U.S. Treasury Bill	Treasury Debt	9127952Y6	222,000,000	0.017500	01/12/12	01/12/12	221,998,813	1.86
U.S. Treasury Bill	Treasury Debt	9127952Y6	89,000,000	0.020000	01/12/12	01/12/12	88,999,456	0.75
U.S. Treasury Bill	Treasury Debt	912795Y62	1,305,700,000	0.000000	01/19/12	01/19/12	1,305,700,000	10.95
U.S. Treasury Bill	Treasury Debt	912795Y62	100,000,000	0.015000	01/19/12	01/19/12	99,999,250	0.84
U.S. Treasury Bill	Treasury Debt	912795Y62	100,000,000	0.020000	01/19/12	01/19/12	99,999,000	0.84
U.S. Treasury Bill	Treasury Debt	912795Y62	400,000,000	0.030000	01/19/12	01/19/12	399,994,000	3.36
U.S. Treasury Bill	Treasury Debt	912795Y70	75,000,000	0.002500	01/26/12	01/26/12	74,999,870	0.63
U.S. Treasury Bill	Treasury Debt	912795Y70	387,000,000	0.025000	01/26/12	01/26/12	386,993,281	3.25
U.S. Treasury Bill	Treasury Debt	912795Y70	113,000,000	0.026000	01/26/12	01/26/12	112,997,960	0.95
U.S. Treasury Bill	Treasury Debt	912795Y88	260,000,000	0.000000	02/02/12	02/02/12	260,000,000	2.18

U.S. Treasury Bill	Treasury Debt	912795Y88	40,000,000	0.001000	02/02/12	02/02/12	39,999,964	0.34
U.S. Treasury Bill	Treasury Debt	912795Y88	300,000,000	0.005000	02/02/12	02/02/12	299,998,667	2.52
U.S. Treasury Bill	Treasury Debt	912795Y88	500,000,000	0.020000	02/02/12	02/02/12	499,991,111	4.19
U.S. Treasury Bill	Treasury Debt	9127953C3	200,000,000	0.000000	02/09/12	02/09/12	200,000,000	1.68
U.S. Treasury Bill	Treasury Debt	9127953C3	100,000,000	0.001000	02/09/12	02/09/12	99,999,892	0.84
U.S. Treasury Bill	Treasury Debt	9127953C3	200,000,000	0.002500	02/09/12	02/09/12	199,999,458	1.68
U.S. Treasury Bill	Treasury Debt	9127953C3	205,000,000	0.005000	02/09/12	02/09/12	204,998,889	1.72
U.S. Treasury Bill	Treasury Debt	9127953C3	700,000,000	0.010000	02/09/12	02/09/12	699,992,417	5.87
U.S. Treasury Bill	Treasury Debt	912795Z20	100,000,000	0.000000	02/16/12	02/16/12	100,000,000	0.84
U.S. Treasury Bill	Treasury Debt	912795Z20	100,000,000	0.002500	02/16/12	02/16/12	99,999,680	0.84
U.S. Treasury Bill	Treasury Debt	912795Z20	136,000,000	0.005000	02/16/12	02/16/12	135,999,131	1.14
U.S. Treasury Bill	Treasury Debt	912795Z20	600,000,000	0.012500	02/16/12	02/16/12	599,990,417	5.03
U.S. Treasury Bill	Treasury Debt	912795Z38	283,000,000	0.012500	02/23/12	02/23/12	282,994,792	2.37
U.S. Treasury Bill	Treasury Debt	912795Z38	217,000,000	0.015000	02/23/12	02/23/12	216,995,208	1.82
U.S. Treasury Bill	Treasury Debt	912795Z38	100,000,000	0.020000	02/23/12	02/23/12	99,997,055	0.84
U.S. Treasury Bill	Treasury Debt	912795Z46	500,000,000	0.030000	03/01/12	03/01/12	499,975,000	4.19
U.S. Treasury Bill	Treasury Debt	9127953G4	365,000,000	0.012500	03/08/12	03/08/12	364,991,509	3.06
U.S. Treasury Bill	Treasury Debt	9127953G4	235,000,000	0.015000	03/08/12	03/08/12	234,993,440	1.97
U.S. Treasury Bill	Treasury Debt	9127955D9	389,000,000	0.010000	03/15/12	03/15/12	388,992,004	3.26
U.S. Treasury Note	Treasury Debt	912828KG4	211,885,000	0.015000	03/15/12	03/15/12	212,470,705	1.78

The figures presented are as of the date shown for the Master Portfolio and may change at any time.

For purposes of this report, for non-interest bearing Commercial Paper and Discount Notes, the discount rate at purchase is used to populate the coupon rate column.

Securities transactions are recorded, and WAM and WAL are calculated, on a trade date basis. As a result, these holdings and calculations may include security purchases and/or sales that have been executed but have not yet settled.

*An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or another governmental agency.*

*Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible t*

Distributor: State Street Global Markets, LLC, member FINRA, SIPC, a wholly owned subsidiary of State Street Corporation. The Fund pays State Street Bank and Trust Company for its services as custodian, transfer agent and shareholder servicing agent and p

**Before investing, consider the funds' investment objectives, risks, charges and expenses. To obtain a prospectus or summary prospectus which contains this and other information, call 1-877-521-4083 or visit [www.sttfunds.com](http://www.sttfunds.com). Read it carefully.**

# Attachment M. UBS Treasury Master Fund

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- **UBS Treasury Master Fund**

# Treasury Master Fund

Schedule of Investments (Unaudited Holdings as of 12/31/2011)

Presented below is the monthly portfolio holdings report for Master Trust - Treasury Master Fund (the "Master Fund"). Each of the funds in the UBS Select Treasury series is a "feeder fund" that invests in individual money market securities through the Master Fund.

Weighted Average Maturity: 56 days

Weighted Average Life: 56 days

Issuer	Category of Investment	Cusip	Principal Amount	Maturity Date	Final Maturity Date	Coupon Rate	Amortized Cost	% of Total*	Moody's Rating†	S&P Rating†
Bank of America Tri Party Repo	Treasury Repurchase Agreement	N/A	1,100,000,000	01/03/12	01/03/12	0.010	1,100,000,000	8.37	TSY	TSY
Barclays Capital Inc. Tri Party Repo	Treasury Repurchase Agreement	N/A	750,000,000	01/04/12	01/04/12	0.010	750,000,000	5.71	TSY	TSY
Deutsche Bank Tri Party Repo	Treasury Repurchase Agreement	N/A	250,000,000	01/04/12	01/04/12	0.000	250,000,000	1.90	TSY	TSY
Deutsche Bank Tri Party Repo	Treasury Repurchase Agreement	N/A	250,000,000	01/05/12	01/05/12	0.000	250,000,000	1.90	TSY	TSY
Goldman Sachs & Co. Tri Party Repo	Treasury Repurchase Agreement	N/A	790,000,000	01/03/12	01/03/12	0.020	790,000,000	6.01	TSY	TSY
Goldman Sachs & Co. Tri Party Repo	Treasury Repurchase Agreement	N/A	650,000,000	01/04/12	01/04/12	0.010	650,000,000	4.94	TSY	TSY
State Street Bank and Trust Co.	Treasury Repurchase Agreement	N/A	50,000,000	01/03/12	01/03/12	0.010	50,000,000	0.38	TSY	TSY
U.S. Treasury Bill	Treasury Debt	912795Y70	800,000,000	01/26/12	01/26/12	0.000	800,000,000	6.09	TSY	TSY
U.S. Treasury Bill	Treasury Debt	912795Z38	500,000,000	02/23/12	02/23/12	0.018	499,987,118	3.80	TSY	TSY
U.S. Treasury Bill	Treasury Debt	912795Z38	136,000,000	02/23/12	02/23/12	0.000	136,000,000	1.04	TSY	TSY
U.S. Treasury Bill	Treasury Debt	912795Z46	500,000,000	03/01/12	03/01/12	0.020	499,983,333	3.80	TSY	TSY
U.S. Treasury Bill	Treasury Debt	9127953S8	150,000,000	05/31/12	05/31/12	0.070	149,955,958	1.14	TSY	TSY
U.S. Treasury Bill	Treasury Debt	9127954A6	210,000,000	01/05/12	01/05/12	0.030	209,999,300	1.60	TSY	TSY
U.S. Treasury Bill	Treasury Debt	9127955E7	300,000,000	03/22/12	03/22/12	0.001	299,999,325	2.28	TSY	TSY
U.S. Treasury Bill	Treasury Debt	9127955F4	250,000,000	03/29/12	03/29/12	0.020	249,987,778	1.90	TSY	TSY
U.S. Treasury Bill	Treasury Debt	9127955S6	150,000,000	06/14/12	06/14/12	0.033	149,977,656	1.14	TSY	TSY
U.S. Treasury Note	Treasury Debt	9128277L0	155,000,000	02/15/12	02/15/12	4.875	155,917,985	1.18	TSY	TSY
U.S. Treasury Note	Treasury Debt	912828GK0	400,000,000	02/29/12	02/29/12	4.625	402,978,233	3.04	TSY	TSY
U.S. Treasury Note	Treasury Debt	912828GM6	800,000,000	03/31/12	03/31/12	4.500	808,703,153	6.09	TSY	TSY
U.S. Treasury Note	Treasury Debt	912828KB5	558,000,000	01/15/12	01/15/12	1.125	558,227,630	4.25	TSY	TSY
U.S. Treasury Note	Treasury Debt	912828KC3	575,000,000	02/15/12	02/15/12	1.375	575,895,200	4.37	TSY	TSY
U.S. Treasury Note	Treasury Debt	912828KG4	500,000,000	03/15/12	03/15/12	1.375	501,370,812	3.80	TSY	TSY
U.S. Treasury Note	Treasury Debt	912828KK5	300,000,000	04/15/12	04/15/12	1.375	301,170,148	2.28	TSY	TSY
U.S. Treasury Note	Treasury Debt	912828KX7	650,000,000	06/15/12	06/15/12	1.875	655,308,450	4.94	TSY	TSY
U.S. Treasury Note	Treasury Debt	912828LH1	150,000,000	08/15/12	08/15/12	1.750	151,520,089	1.14	TSY	TSY
U.S. Treasury Note	Treasury Debt	912828LX6	100,000,000	11/15/12	11/15/12	1.375	101,045,657	0.76	TSY	TSY
U.S. Treasury Note	Treasury Debt	912828MJ6	750,000,000	01/31/12	01/31/12	0.875	750,517,102	5.71	TSY	TSY
U.S. Treasury Note	Treasury Debt	912828MQ0	622,500,000	02/29/12	02/29/12	0.875	623,334,133	4.74	TSY	TSY
U.S. Treasury Note	Treasury Debt	912828MU1	325,000,000	03/31/12	03/31/12	1.000	325,656,756	2.47	TSY	TSY
U.S. Treasury Note	Treasury Debt	912828NB2	425,000,000	04/30/12	04/30/12	1.000	426,307,679	3.23	TSY	TSY

<b>Total</b>	13,146,500,000	13,173,843,495	100.00
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*Investors in the fund should read and carefully consider the investment objective, risks, charges and expenses before investing. The fund's prospectus contains this and other information about the fund. Contact the UBS Global Asset Management National Sales Desk at 888-793-8637 for a current prospectus. An investment in the fund is only one component of a balanced investment plan.*

**Investors should note that current and future portfolio holdings are subject to risk.**

**An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the fund. Mutual funds are sold by prospectus, which includes more complete information on risks, charges, expenses and other matters of interest. Investors should read the prospectus carefully before investing.**

**Not FDIC insured. May lose value. No bank guarantee.**

The fund is actively managed, and its holdings are subject to change and should not be considered a recommendation to buy or sell individual securities.

UBS Global Asset Management (US) Inc. is the fund's distributor.

**† Description of Ratings**

TSY: U.S. Treasury obligation

**% of Total**

Represents the percentage of the total principal amount of the securities in the portfolio.



# Attachment N. Wells Fargo Advantage Funds

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- **Wells Fargo Advantage Treasury Plus Money Market Fund**

Holdings as of 12-31-2011. Portfolio holdings are subject to change and may have changed since the date specified.

## Treasury Plus Money Market Fund

Weighted Average Maturity 30 Days  
 Weighted Average Final Maturity 30 Days

### Total Holdings

Security	CUSIP	Category	Yield %	Maturity Date	Final Maturity Date	Principal Amount \$	Amortized Cost Value \$
Sg Americas Sec Tri Party	977HRA001	Treasury Repurchase Agreement	0.03	1/3/2012	1/9/2012	1,000,000,000	1,000,000,000
Rbs Securities Inc	981QSZ009	Treasury Repurchase Agreement	0.03	1/3/2012	1/3/2012	1,000,000,000	1,000,000,000
Bnp Paribas Secs Corp	981QVR003	Treasury Repurchase Agreement	0.02	1/3/2012	1/3/2012	500,000,000	500,000,000
Hsbc Usa Inc	981REC003	Treasury Repurchase Agreement	0.01	1/3/2012	1/3/2012	500,000,000	500,000,000
Rbc Capital Markets	982CPA007	Treasury Repurchase Agreement	0.01	1/3/2012	1/9/2012	500,000,000	500,000,000
Ubs Securities Llc	959JKE008	Treasury Repurchase Agreement	0.02	1/3/2012	1/3/2012	475,300,000	475,300,000
U.S. Treasury Bill	9127955D9	Treasury Debt	0.01	3/15/2012	3/15/2012	350,000,000	349,994,750
U.S. Treasury Bill	9127952Y6	Treasury Debt	0.02	1/12/2012	1/12/2012	300,000,000	299,998,688
U.S. Treasury Bill	9127954A6	Treasury Debt	0.03	1/5/2012	1/5/2012	270,000,000	269,999,625
U.S. Treasury Bill	912795Z38	Treasury Debt	0.01	2/23/2012	2/23/2012	270,000,000	269,996,175
Ubs Securities Llc	959JKB004	Treasury Repurchase Agreement	0.02	1/5/2012	1/5/2012	250,000,000	250,000,000
Credit Suisse Secs Usa	981QNU005	Treasury Repurchase Agreement	0.02	1/3/2012	1/3/2012	250,000,000	250,000,000
Deutsche Bank Securities	981QWT008	Treasury Repurchase Agreement	0.01	1/3/2012	1/3/2012	250,000,000	250,000,000
Credit Suisse Secs Usa	981QPG004	Treasury Repurchase Agreement	0.03	1/6/2012	1/6/2012	250,000,000	250,000,000
U.S. Treasury Bill	9127953G4	Treasury Debt	0.01	3/8/2012	3/8/2012	225,000,000	224,996,953
U.S. Treasury Bill	9127955E7	Treasury Debt	0.01	3/22/2012	3/22/2012	218,000,000	217,998,804
U.S. Treasury Bill	912795Z46	Treasury Debt	0.03	3/1/2012	3/1/2012	204,000,000	203,991,783
Barclays Capital Inc	981QMR003	Treasury Repurchase Agreement	0.01	1/4/2012	1/4/2012	200,000,000	200,000,000
U.S. Treasury Bill	9127955F4	Treasury Debt	0.02	3/29/2012	3/29/2012	195,000,000	194,990,683
U.S. Treasury Bill	912795Z20	Treasury Debt	0.01	2/16/2012	2/16/2012	191,000,000	190,997,666
U.S. Treasury Bill	9127955F4	Treasury Debt	0.02	3/29/2012	3/29/2012	190,000,000	189,994,326
U.S. Treasury Bill	9127955E7	Treasury Debt	0.01	3/22/2012	3/22/2012	182,000,000	181,998,003
U.S. Treasury Bill	912795Y62	Treasury Debt	0.00	1/19/2012	1/19/2012	170,000,000	169,997,733
Us Treasury N/B	912828NS5	Treasury Debt	0.63	6/30/2012	6/30/2012	150,000,000	150,404,182
Morgan Stanley And Co	981RGY003	Treasury Repurchase Agreement	0.02	1/3/2012	1/3/2012	150,000,000	150,000,000
U.S. Treasury Bill	912795Z46	Treasury Debt	0.03	3/1/2012	3/1/2012	146,000,000	145,993,531
U.S. Treasury Bill	9127953C3	Treasury Debt	0.01	2/9/2012	2/9/2012	140,000,000	139,999,137
U.S. Treasury Bill	9127954A6	Treasury Debt	0.03	1/5/2012	1/5/2012	130,000,000	129,999,801
U.S. Treasury Bill	912795Z38	Treasury Debt	0.01	2/23/2012	2/23/2012	130,000,000	129,997,698
U.S. Treasury Bill	912795Y70	Treasury Debt	0.03	1/26/2012	1/26/2012	125,000,000	124,998,003
Goldman Sachs + Co	981LFM003	Treasury Repurchase Agreement	0.02	1/3/2012	1/3/2012	100,000,000	100,000,000
Credit Suisse Secs Usa	981QPA007	Treasury Repurchase Agreement	0.03	1/3/2012	1/3/2012	100,000,000	100,000,000
U.S. Treasury Bill	912795Y88	Treasury Debt	0.02	2/2/2012	2/2/2012	100,000,000	99,998,542
U.S. Treasury Bill	9127953S8	Treasury Debt	0.07	5/31/2012	5/31/2012	100,000,000	99,969,993

Security	CUSIP	Category	Yield %	Maturity Date	Final Maturity Date	Principal Amount \$	Amortized Cost Value \$
U.S. Treasury Bill	912795Z20	Treasury Debt	0.01	2/16/2012	2/16/2012	96,000,000	95,998,533
U.S. Treasury Bill	912795Y62	Treasury Debt	0.00	1/19/2012	1/19/2012	80,000,000	79,999,022
U.S. Treasury Bill	9127953G4	Treasury Debt	0.01	3/8/2012	3/8/2012	75,000,000	74,998,307
U.S. Treasury Bill	9127955F4	Treasury Debt	0.02	3/29/2012	3/29/2012	65,000,000	64,997,671
U.S. Treasury Bill	912795Z20	Treasury Debt	0.01	2/16/2012	2/16/2012	63,000,000	62,999,230
U.S. Treasury Bill	9127953C3	Treasury Debt	0.01	2/9/2012	2/9/2012	60,000,000	59,999,383
Us Treasury N/B	912828KX7	Treasury Debt	1.88	6/15/2012	6/15/2012	50,000,000	50,401,108
Us Treasury N/B	912828KX7	Treasury Debt	1.88	6/15/2012	6/15/2012	50,000,000	50,399,183
Us Treasury N/B	912828MU1	Treasury Debt	1.00	3/31/2012	3/31/2012	50,000,000	50,108,146
U.S. Treasury Bill	912795Y88	Treasury Debt	0.02	2/2/2012	2/2/2012	50,000,000	49,999,271
United States Treas Bills Dt	9127955P2	Treasury Debt	0.06	5/24/2012	5/24/2012	50,000,000	49,988,561
Merrill Pierce Fenner Sm	983YZN009	Treasury Repurchase Agreement	0.01	1/3/2012	1/3/2012	47,950,000	47,950,000
U.S. Treasury Bill	912795Y62	Treasury Debt	0.00	1/19/2012	1/19/2012	25,800,000	25,800,000
U.S. Treasury Bill	912795Y62	Treasury Debt	0.00	1/19/2012	1/19/2012	24,200,000	24,200,000

Carefully consider a fund's investment objectives, risks, charges, and expenses before investing. For a current prospectus, containing this and other information, visit [www.wellsfargo.com/advantagefunds](http://www.wellsfargo.com/advantagefunds). Read it carefully before investing.

An investment in a money market fund is not insured or guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although the Wells Fargo Advantage Funds seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in a money market fund. The U.S. government guarantee applies to certain underlying securities and not to shares of the Fund. A portion of the Fund's income may be subject to federal, state, and/or local income taxes or the alternative minimum tax (AMT).

Wells Fargo Funds Management, LLC, a wholly owned subsidiary of Wells Fargo & Company, provides investment advisory and administrative services for Wells Fargo Advantage Funds. Other affiliates of Wells Fargo & Company provide subadvisory and other services for the Funds. The Funds are distributed by Wells Fargo Funds Distributor, LLC, Member FINRA/SIPC, an affiliate of Wells Fargo & Company.

NOT FDIC INSURED	NOT BANK GUARANTEED	MAY LOSE VALUE
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# Attachment O. Western Asset

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- **US Treasury Reserves Portfolio**

# US Treasury Reserves Portfolio

Full Holdings ( As of 2011-12-31 )

Weighted Average Maturity: 56 days

Weighted Average Life: 56 days

**Total Net Assets: 22,002.1 (\$MM)**

## Holdings

As of 2011-12-31

Principal Amount	Securities Description	Rate	CUSIP	Amortized Cost Value	% of Investments	Effective Maturity	Final Maturity	Rule-2a-7 Category of Investment
2,766,780,000	U.S. Treasury Bills	0.01	9127952Y6	2,766,780,000.00	12.59	2012-01-12	2012-01-12	Treasury Debt
2,517,173,000	U.S. Treasury Bills	0.01	9127953C3	2,517,172,537.50	11.45	2012-02-09	2012-02-09	Treasury Debt
1,894,083,000	U.S. Treasury Bills	0.01	912795Y62	1,894,083,000.00	8.62	2012-01-19	2012-01-19	Treasury Debt
1,644,772,000	U.S. Treasury Bills	0.01	9127954A6	1,644,771,880.28	7.48	2012-01-05	2012-01-05	Treasury Debt
1,235,000,000	US TREASURY N/B 06/12 1.875	1.88	912828KX7	1,244,802,446.03	5.66	2012-06-15	2012-06-15	Treasury Debt
1,110,312,000	US TREAS BILLS 0% 26/01/2012	0.01	912795Y70	1,110,312,000.00	5.05	2012-01-26	2012-01-26	Treasury Debt
1,036,488,000	TREASURY BILL 02/12 0.00000	0.01	912795Y88	1,036,485,083.51	4.72	2012-02-02	2012-02-02	Treasury Debt
1,010,000,000	U.S. Treasury Bills	0.00	9127952Y6	1,009,999,368.90	4.60	2012-01-12	2012-01-12	Treasury Debt
789,000,000	US TREASURY NB 1.375% 09-15/FE	1.38	912828KC3	790,193,936.46	3.60	2012-02-15	2012-02-15	Treasury Debt
762,838,000	U.S. Treasury Note	0.88	912828MJ6	763,294,162.20	3.47	2012-01-31	2012-01-31	Treasury Debt
675,000,000	U.S. Treasury Bills	0.03	9127954A6	674,998,874.98	3.07	2012-01-05	2012-01-05	Treasury Debt
500,000,000	U.S. Treasury Bills	0.02	912795Z38	499,989,375.00	2.27	2012-02-23	2012-02-23	Treasury Debt
425,000,000	US TREASURY NOTE	4.75	912828GU8	432,967,524.17	1.97	2012-05-31	2012-05-31	Treasury Debt
350,000,000	U.S. Treasury Bills	0.02	9127954A6	349,999,611.01	1.59	2012-01-05	2012-01-05	Treasury Debt
310,000,000	U.S. Treasury Notes	1.00	912828NB2	310,796,443.64	1.41	2012-04-30	2012-04-30	Treasury Debt
300,000,000	WI Treasury Sec1.3750% 11/15/12	1.38	912828LX6	303,105,850.35	1.38	2012-11-15	2012-11-15	Treasury Debt
283,087,000	United States Treasury Notes	1.75	912828LH1	285,953,929.97	1.30	2012-08-15	2012-08-15	Treasury Debt
276,000,000	UNITED STATES TREAS NT, 4.7500% Mat 01/31/2	4.75	912828GF1	276,990,286.83	1.26	2012-01-31	2012-01-31	Treasury Debt
255,000,000	US TREASURY T/B, Mat 05/15/2012 1.2500%	1.38	912828KP4	256,121,780.83	1.17	2012-05-15	2012-05-15	Treasury Debt
252,000,000	U.S. Treasury Notes	1.00	912828MU1	252,516,113.50	1.15	2012-03-31	2012-03-31	Treasury Debt
250,000,000	U.S. Treasury Bills	0.02	912795Z20	249,995,416.25	1.14	2012-02-16	2012-02-16	Treasury Debt
225,000,000	United States Treas NTS, 4.500% 04/30/12	4.50	912828GQ7	228,115,155.17	1.04	2012-04-30	2012-04-30	Treasury Debt
224,305,000	US TREAS BILLS 0% 26/01/2012	0.10	912795Y70	224,290,669.29	1.02	2012-01-26	2012-01-26	Treasury Debt
200,000,000	U.S. Treasury Notes	0.38	912828PH7	200,358,057.14	0.91	2012-08-31	2012-08-31	Treasury Debt
200,000,000	US TREAS BILLS 0% 26/01/2012	0.13	912795Y70	199,983,388.80	0.91	2012-01-26	2012-01-26	Treasury Debt
200,000,000	TREASURY BILL 02/12 0.00000	0.13	912795Y88	199,979,166.80	0.91	2012-02-02	2012-02-02	Treasury Debt
200,000,000	U.S. Treasury Bills	0.06	9127955P2	199,956,610.92	0.91	2012-05-24	2012-05-24	Treasury Debt
155,000,000	U.S. Treasury Bills	0.00	9127952Y6	154,999,961.25	0.71	2012-01-12	2012-01-12	Treasury Debt
153,100,000	U.S. Treasury Bills	0.03	912795Y62	153,097,958.75	0.70	2012-01-19	2012-01-19	Treasury Debt
150,000,000	United States Treasury Notes	1.38	912828LM0	151,311,258.28	0.69	2012-09-15	2012-09-15	Treasury Debt
150,000,000	U.S. Treasury Notes	1.38	912828KG4	150,396,005.43	0.68	2012-03-15	2012-03-15	Treasury Debt
150,000,000	U.S. Treasury Note	0.75	912828NE6	150,323,017.28	0.68	2012-05-31	2012-05-31	Treasury Debt
150,000,000	US TREAS BILLS 0% 26/01/2012	0.00	912795Y70	149,999,760.45	0.68	2012-01-26	2012-01-26	Treasury Debt
146,000,000	U.S. Treasury Bills	0.00	912795Y62	145,999,837.76	0.66	2012-01-19	2012-01-19	Treasury Debt
135,000,000	U.S. Treasury Bills	0.00	912795Y62	134,999,940.06	0.61	2012-01-19	2012-01-19	Treasury Debt
120,000,000	U.S. Treasury Notes	1.38	912828LR9	121,168,063.45	0.55	2012-10-15	2012-10-15	Treasury Debt

February 20, 2012

Finance & Audit Committee

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112,500,000	U.S. Treasury Bills	0.00	9127954A6	112,499,993.75	0.51	2012-01-05	2012-01-05	Treasury Debt
105,000,000	US Treasury Bond 4.375% 8/15/12	4.38	912828AJ9	107,761,769.45	0.49	2012-08-15	2012-08-15	Treasury Debt
100,000,000	U.S. Treasury Bills	0.02	912795Y62	99,999,111.24	0.46	2012-01-19	2012-01-19	Treasury Debt
100,000,000	U.S. Treasury Bills	0.11	9127952Y6	99,997,249.98	0.45	2012-01-12	2012-01-12	Treasury Debt
100,000,000	U.S. Treasury Bills	0.05	9127955P2	99,979,094.54	0.45	2012-05-24	2012-05-24	Treasury Debt
92,000,000	U.S. Treasury Bills	0.00	9127953C3	91,999,905.28	0.42	2012-02-09	2012-02-09	Treasury Debt
50,000,000	UNITED STATES TREAS NTS, 4.875% Mat 02/15/12	4.88	9128277L0	50,266,115.82	0.23	2012-02-15	2012-02-15	Treasury Debt
50,000,000	U.S. Treasury Note	0.62	912828NQ9	50,153,595.70	0.23	2012-07-31	2012-07-31	Treasury Debt
28,803,000	U.S. Treasury Bills	0.01	912795Z20	28,802,648.01	0.13	2012-02-16	2012-02-16	Treasury Debt

The information shown above relates to U.S. Treasury Reserves Portfolio ("the Portfolio"), the registered investment company in which the Fund invests all of its investable assets. The Funds utilize a master/feeder structure by investing all of their assets in a master portfolio. Assets are reported at the master portfolio level. Portfolio holdings are subject to change at any time. Percentages are based on total investments. This information is provided for information purposes only and should not be construed as a recommendation to purchase or sell any security.

The Portfolio's investments are valued at amortized cost, which approximates market value, in accordance with Rule 2a-7 under the Investment Company Act of 1940. The amortized cost method of valuation involves valuing portfolio securities at their cost and thereafter assuming a constant amortization to maturity of any discount or premium.

The Portfolio's use of amortized cost is subject to its compliance with certain conditions as specified by Rule 2a-7 under the 1940 Act. The Portfolio continues to meet the requirements of Rule 2a-7 that permit it to utilize amortized cost to value its securities.

Please note that an investment in a money market fund is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency. Although a money market fund seeks to preserve the value of your investment at \$1.00 per share, it is possible to lose money by investing in the Fund.

Before investing, carefully consider a fund's investment objectives, risks, charges and expenses. You can find this and other information in each prospectus, which is available at <http://www.leggmason.com/individualinvestors> . Please read it carefully.

Western Asset Management Company and Legg Mason Investor Services, LLC, are subsidiaries of Legg Mason, Inc.

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INVESTMENT PRODUCTS: NOT FDIC INSURED. NO BANK GUARANTEE. MAY LOSE VALUE.

# 15. Future agenda items

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ERCOT  
 Finance and Audit Committee  
 2012 Annual Meeting Planner and Future Agenda Items

Task Description	Charter Page #	Month											
		J	F	M	A	M	J	J	A	S	O	N	D
1 Elect Committee officers and designate a secretary	2 & 7		A										
2 Review and assess adequacy of Committee charter	6		A										
3 Review and recommend investment standard	3		A										
4 Review and recommend financial standard	3		A										
5 Handling of complaints regarding financial matters	5		A										
6 Hiring former employees of the independent auditor	4		A										
7 Review and recommend credit standard	3												
8 Receive periodic report on Credit Work Group activity	na												
9 Approve Credit Work Group Charter	na		A										
10 Appoint Credit Work Group Chair and Vice Chair	na		A										
11 Commodity Exchange Act exemption	na	----- Consider at full Board meetings -----											
12 Review risk policies and risk management practices	6		A										
13 Undertake annual self-evaluation	8												
14 Periodic meeting with senior management	6		A										
15 Review and approve internal audit charter	6		A										
16 Periodic meeting with Chief Audit Executive	6 & 7		A										
17 Review internal audit reports	6		A										
18 Review Ethics Point issues	na		A										
19 Review effectiveness of internal audit functions	6		A										
20 Review and approve annual internal audit plan	6												
21 Review performance of the Chief Audit Executive	7												
22 Recommend selection of independent auditor	4		A										
23 Receive independence report from independent auditor	4												
24 Periodic meeting with independent auditor	5												
25 Discuss audited financial statements	5												
26 Review and accept financial statement audit	5												
27 Review and recommend proposed budget	3												
28 Review and recommend debt structure	3		A										
29 Review IRS Form 990	na		A										
30 Review and accept 401(k) audit report	5												
31 Review and accept SSAE 16 audit report	5												
32 Review Committee briefs	na		A										
33 Quarterly Committee education on accounting developments	5												
34 Review financial institutions - market participants	6												
35 Receive periodic Potential Future Exposure report	na		A										
36 Preapprove non-audit services	4	Performed on as-needed basis											
37 Review any report by independent auditor	4	Performed on as-needed basis											
38 Review effect of regulatory accounting initiatives	5	Performed on as-needed basis											
39 Review complaints regarding financial statements	5	Performed on as-needed basis											
40 Review press stories regarding financial statements	5	Performed on as-needed basis											
41 Periodic meeting with 401(k) auditor	na	Performed on as-needed basis											
42 Periodic meeting with SSAE 16 auditor	na	Performed on as-needed basis											



# 16. Other business

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## Other Business

Convene to Executive Session