

SOUTH DAKOTA PUBLIC FUNDS INVESTMENT TRUST (FIT)



Sponsored by the:

South Dakota Municipal League
South Dakota Counties
Associated School Boards of South Dakota

Annual Report
December 31, 2010

For Investment Information Call:

Toll Free (800) 658-3633
Or visit: www.sdpfit.org

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**South Dakota Public Funds Investment Trust
Service Providers**

Investment Adviser:

RBC Global Asset Management (U.S.) Inc.
100 South Fifth Street, Suite 2300
Minneapolis, MN 55402-1240
800-553-2143 / 612-376-7017
612-376-7007 (fax)

Sub Administrator:

Miles Capital, Inc.
1415 28th Street, Suite 200
West Des Moines, IA 50266-1461
800-343-7084
866-260-0246 (fax)

Legal Counsel:

Friberg, Zimmer, Duncan, & Nelson, LLP
115 North Third
Beresford, SD 57004
605-763-2107

Trust Distributor:

South Dakota Municipal League
214 East Capitol Avenue
Pierre, SD 57501
605-224-8654 / 800-658-3633
605-224-8655 (fax)

Trust Custodian:

Wells Fargo Bank, N.A.
101 North Phillips Avenue
Sioux Falls, SD 57104
800-321-4141

Independent Auditors:

Eide Bailly, LLP
5601 Green Valley Drive, Suite 700
Minneapolis, MN 55437-1145
952-944-6166

**South Dakota Public Funds Investment Trust
Government Cash Reserve Fund
Letter to Participants**

Dear Fellow Participants:

On behalf of the South Dakota Public Funds Investment Trust Board of Trustees, the South Dakota Municipal League, South Dakota Counties, and Associated School Boards of South Dakota, I am pleased to present the 2010 Annual Report for the fiscal year ending December 31, 2010, of the South Dakota Public Funds Investment Trust (SD FIT).

Over the past year the short-term interest rate environment has continued to be a challenge for the SD FIT program daily yield. The Federal Reserve overnight rate has not changed since December 2008 and remains at 0-0.25 percent as of December 31, 2010. The Government Cash Reserve (GCR) daily net yield started the year at 0.05 percent and ended the year at 0.03 percent.

Fund balances averaged just over \$44 million for 2010. This is a slight decrease from average fund balances in 2009.

For those participants who currently use IPASonline®, you can confirm the ease and efficiency of use for this internet-based capability. IPASonline® allows SD FIT participants to initiate transactions, view historical and pending transactions, modify transactions prior to settlement, set up monthly automatic transactions, view current and historical account balances, all from the comfort of their personal computer. Feel free to contact a SD FIT administrator toll free at 1-866-314-0060 to set up a time for a demonstration.

The Board is interested in the needs and suggestions of all our Participants, so do not hesitate to contact any of the Board members. All contact information can be found on SD FIT's website at www.SDPFIT.org. Also, feel free to call the SD FIT office for more information at 1-800-658-3633.

Sincerely,



Cathi Powell
Chair, Board of Trustees

**South Dakota Public Funds Investment Trust
Government Cash Reserve Fund
Investment Commentary**

Market Overview

During the fourth quarter, the Federal Reserve continued their highly accommodative monetary policies. The central bank supplemented their low target overnight rate by executing a second round of quantitative easing. This program entails the scheduled purchases of up to \$600 billion in U.S. Treasury securities between November, 2010 and June, 2011. In spite of this effort to hold longer term interest rates at lower levels, yield levels further out the curve (5 to 30 years) rose in the latter part of the quarter, resulting in a reversal of all the downward movement that had occurred in the third quarter. The yield curve from overnight through one year U.S. Treasuries and agency securities has remained largely unaffected, with three month yields at 0.20 percent and one year yields hovering around 0.35 percent. Money funds and liquid government investment pools have generally maintained longer weighted average maturities at near the maximum 60 days allowed by Rule 2a-7 in order to capture whatever additional yield is available in the 9 to 12 month range of the money market curve. The allocations to longer investments have been offset by high balances in readily available liquidity.

Outlook

Our outlook for the first two quarters of 2011 includes the belief that there will be other risks that may be similar in magnitude to what we have experienced in 2010. These may be driven by events related to elevated economic concerns, sovereign credit risk, and regulatory reforms that have yet to be fully defined. We do not expect that the Federal Reserve will implement any changes in monetary policy in year 2011. We will continue to manage our average maturities to the longer end of our allowed range so as to capture the steepness of the yield curve. In structuring the portfolio maturity schedule, we will also maintain high levels of liquidity commensurate with the cash needs of the fund. Overall, pool balances may be susceptible to changes in balances due the budgetary challenges of pool participants and by continued low market yields. We observe that competition for deposits remains strong in a very challenging yield environment. Money funds and liquidity pools have traveled down a fascinating path over the past two years. Stay tuned for a very interesting year.

RBC Global Asset Management (U.S.) Inc.



CPAs & BUSINESS ADVISORS

Independent Auditor's Report

The Trustees and Participants
South Dakota Public Funds Investment Trust – Government Cash Reserve Fund
West Des Moines, Iowa

We have audited the accompanying statement of assets and liabilities of South Dakota Public Funds Investment Trust – Government Cash Reserve (the Fund), including the schedule of investments, as of December 31, 2010, and the related statements of operations, the statements of changes in net assets and the financial highlights for the years ended December 31, 2010 and 2009. These financial statements and financial highlights are the responsibility of the Fund's management. Our responsibility is to express an opinion on these financial statements and financial highlights based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Fund's internal control over financial reporting. Accordingly, we express no such opinion. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements and financial highlights referred to above present fairly, in all material respects, the financial position of South Dakota Public Funds Investment Trust – Government Cash Reserve Fund as of December 31, 2010, and the results of its operations, change in net assets, and the financial highlights for the years ended December 31, 2010 and 2009, in conformity with accounting principles generally accepted in the United States of America.

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Minneapolis, Minnesota
March 11, 2011

**South Dakota Public Funds Investment Trust
Government Cash Reserve Fund
Management’s Discussion and Analysis
Year ended December 31, 2010**

This section of the South Dakota Public Funds Investment Trust (FIT) Annual Financial Statement presents Management’s Discussion and Analysis of the financial position and results of operations for the fiscal years ended December 31, 2010 (FY 10) and 2009 (FY 09). This discussion and analysis should be read in conjunction with the Report of Independent Audit Firm, Eide Bailly LLP, the Financial Statements, and the accompanying notes.

Overview of the Financial Statements

The Management’s Discussion and Analysis provides an introduction to and overview of the basic financial statements of the Government Cash Reserve (GCR). The following components comprise the financial statements: 1) Schedule of Investments, 2) Statement of Assets and Liabilities, 3) Statements of Operations, 4) Statements of Changes in Net Assets, and 5) Notes to Financial Statements.

- The Schedule of Investments lists each security held in the portfolio as of the date of the current fiscal year end.
- The Statement of Assets and Liabilities shows the financial position (assets and liabilities) of the portfolio as of the date of the current fiscal year end.
- The Statements of Operations display the results of operations (income and expenses) of the portfolio for the two most recent fiscal years.
- The Statements of Changes in Net Assets display the results of additions (net investment income, unit sales, and reinvestments) and deductions (dividends and unit redemptions) of the portfolio for the two most recent fiscal years.
- The Notes to Financial Statements describe significant accounting policies and disclose summary security transaction amounts and fund expenses of the portfolio.

Condensed Financial Information and Financial Analysis

Year-over-year variances in most financial statement amounts reported in the GCR are most significantly impacted by the level of average net assets (which fluctuates based on the overall levels of participant/unitholder invested balances) in the portfolio. Additionally, changes in the short-term interest rate environment (which follows the general trend established by monetary policy set by the Federal Reserve) contribute to year-over-year variances in the amount of investment income earned by the portfolio. Over the last twelve months, the Federal Reserve’s Federal Open Market Committee has not changed the Fed Funds target rate from a range of zero to 0.25 percent. In the preceding twelve months, the Fed Funds target rate did not change from a range of zero to 0.25 percent.

Condensed financial information and changes explanations for FY 10, as compared to FY 09 follows:

Net Assets	December 31, 2010	Percent Change	December 31, 2009
Total Investments	\$51,828,986	48%	\$35,017,183
Excess of other assets over total liabilities	74,765	-66%	220,525
Net assets held in pool for participants	<u>\$51,903,751</u>	47%	<u>\$35,237,708</u>

Total investments and net assets increased 48 percent and 47 percent, respectively, comparing December 31, 2010 to December 31, 2009. During FY 10, average net assets decreased 5 percent to \$44,296,056 from average net assets of \$46,780,199 during FY 09.

**South Dakota Public Funds Investment Trust
Government Cash Reserve Fund
Management's Discussion and Analysis (continued)
Year ended December 31, 2010**

Change in Net Asset for the years ended	December 31, 2010	Percent Change	December 31, 2009
Investment Income	\$112,916	-60%	\$282,091
Total Expenses	(98,441)	-50%	(197,665)
Dividends to unitholders from net investment income	(14,475)	-83%	(84,426)
Net increase (decrease) in assets derived from unit transactions	16,666,043	177%	(21,703,028)
Net assets held in pool for participants at the beginning of the period	<u>35,237,708</u>	-38%	<u>56,940,736</u>
Net assets held in pool for participants at the end of the period	<u>\$51,903,751</u>	47%	<u>\$35,237,708</u>

Investment income and net investment income decreased 60 percent and 50 percent, respectively, during FY 10 compared to FY 09 due to lower average net assets and a lower interest rate environment during FY 10. Total expenses decreased 50 percent during FY 10 compared to FY 09 due to lower average net assets during FY 10 than FY 09 and increased fee waivers. The majority of the decrease in total expenses year-over-year is due to fee waivers. The sponsoring associations and service providers have been waiving a portion of their fees since May 2009 in order to realize a positive net yield on GCR. The low interest rate environment has caused the gross yield on GCR to fall below the contractual total expense ratio. Units sold increased 114 percent and units redeemed increased 38 percent.

Condensed financial information and changes explanations for FY 09, as compared to FY 08 follows:

Net Assets	December 31, 2009	Percent Change	December 31, 2008
Total Investments	\$35,017,183	-38%	\$56,801,258
Excess of other assets over total liabilities	220,525	58%	139,478
Net assets held in pool for participants	<u>\$35,237,708</u>	-38%	<u>\$56,940,736</u>

Total investments and net assets both decreased 38 percent comparing December 31, 2009 to December 31, 2008. During FY 09, average net assets decreased 29 percent to \$46,780,199 from average net assets of \$65,663,817 during FY 08.

Change in Net Asset for the years ended	December 31, 2009	Percent Change	December 31, 2008
Investment Income	\$282,091	-84%	\$1,712,297
Total Expenses	(197,665)	-41%	(333,370)
Dividends to unitholders from net investment income	(84,426)	-94%	(1,378,927)
Net decrease in assets derived from unit transactions	(21,703,028)	-590%	(3,147,541)
Net assets held in pool for participants at the beginning of the period	<u>56,940,736</u>	-5%	<u>60,088,277</u>
Net assets held in pool for participants at the end of the period	<u>\$35,237,708</u>	-38%	<u>\$56,940,736</u>

Investment income and net investment income decreased 84 percent and 94 percent, respectively, during FY 09 compared to FY 08 due to lower average net assets and a lower interest rate environment during FY 09. Total expenses decreased 41 percent during FY 09 compared to FY 08 due to lower average net assets during FY 09 than FY 08. Units sold decreased 29 percent and units redeemed decreased 9 percent.

**South Dakota Public Funds Investment Trust
Government Cash Reserve Fund
Schedule of Investments
December 31, 2010**

<u>Name of Issuer</u>	<u>Principal Amount</u>	<u>Amortized Cost</u>
U.S. Treasury Notes - 1.9%		
1.75% due 11/15/11 (amortized cost \$1,012,459)	1,000,000	<u>\$1,012,459</u>
U.S. Government Agency Obligations - 47.3%		
Federal Home Loan Bank		
0.35% due 04/05/11	1,000,000	999,859
0.16% ** due 07/11/11	2,750,000	2,749,043
0.17% ** due 07/20/11	1,700,000	1,699,676
5.00% due 09/09/11	1,150,000	1,187,172
0.21% * due 10/21/11	2,000,000	2,000,000
4.88% due 11/18/11	1,750,000	1,819,166
Federal Home Loan Mortgage Corporation		
0.37% *** due 03/09/11	2,000,000	2,000,668
0.35% *** due 04/01/11	1,000,000	1,000,246
0.34% *** due 04/07/11	1,000,000	1,000,484
6.00% due 06/15/11	1,950,000	1,999,694
0.22% *** due 08/05/11	1,820,000	1,820,875
5.50% due 09/15/11	649,000	672,766
0.22% ** due 09/19/11	1,000,000	999,929
Federal National Mortgage Association		
1.75% due 03/23/11	1,950,000	1,956,284
6.00% due 05/15/11	1,000,000	1,020,960
0.17% ** due 08/11/11	1,600,000	1,599,705
Total U.S. Government Agency Obligations (amortized cost \$24,526,527)		<u>24,526,527</u>
Repurchase Agreements - 50.7%		
Barclays Capital		
0.25% due 01/03/11	10,000,000	10,000,000
Deutsche Bank Securities		
0.28% due 01/03/11	6,290,000	6,290,000
Merrill Lynch, Pierce, Fenner and Smith, Inc.		
0.25% due 01/03/11	10,000,000	10,000,000
Total Repurchase Agreements (amortized cost \$26,290,000)		<u>26,290,000</u>
Total Investments in Securities - 99.9% (amortized cost \$51,828,986)		51,828,986
Excess of other assets over total liabilities - 0.1%		<u>74,765</u>
Net assets - 100.0%		<u>\$51,903,751</u>

* Interest rate fluctuates daily with Fed Funds.

** Interest rate fluctuates monthly with Libor.

*** Interest rate fluctuates quarterly with Libor.

See accompanying notes to financial statements.

**South Dakota Public Funds Investment Trust
Government Cash Reserve Fund
Statement of Assets and Liabilities
Year ended December 31, 2010**

Assets

Investment in securities, at amortized cost	
U.S. Treasury Notes	\$1,012,459
U.S. Government Agency Obligations	24,526,527
Repurchase Agreements	26,290,000
Cash and cash equivalents	15,277
Interest receivable	68,518
Total assets	<u>51,912,781</u>

Liabilities

Dividends payable	1,322
Investment advisory fees payable	1,388
Administration fees payable	1,619
Distribution fees payable	1,377
Custodian fees payable	463
Other accrued expenses	2,861
Total liabilities	<u>9,030</u>

Net Assets Held in Pool for Participants \$51,903,751

Shares of beneficial interest outstanding 51,903,751

Net asset value - offering and redemption price per share \$1.00

See accompanying notes to financial statements.

**South Dakota Public Funds Investment Trust
Government Cash Reserve Fund
Statements of Operations
Years ended December 31**

	<u>2010</u>	<u>2009</u>
Investment Income:		
Interest	<u>\$112,916</u>	<u>\$282,091</u>
Expenses:		
Investment advisory fees	57,585	60,814
Administration fees	66,444	70,170
Distribution fees	56,878	60,147
Custodian fees	17,718	18,712
Sponsor fees	22,148	23,390
Other expenses	<u>30,897</u>	<u>11,263</u>
Total expenses	251,670	244,496
Less: Expenses voluntarily reduced/waived		
Investment advisory fees	(38,218)	(10,481)
Administration fees	(43,851)	(12,135)
Distribution fees	(37,742)	(8,000)
Custodian fees	(11,270)	(3,307)
Sponsor fees	<u>(22,148)</u>	<u>(12,908)</u>
Total expenses voluntarily reduced/waived	<u>(153,229)</u>	<u>(46,831)</u>
Net expenses	<u>98,441</u>	<u>197,665</u>
Net Investment Income	<u><u>\$14,475</u></u>	<u><u>\$84,426</u></u>

See accompanying notes to financial statements.

**South Dakota Public Funds Investment Trust
Government Cash Reserve Fund
Statements of Changes in Net Assets
Years ended December 31**

	<u>2010</u>	<u>2009</u>
Additions		
From Investment Activities:		
Net investment income	\$14,475	\$84,426
From Unit Transactions:		
(at constant net asset value of \$1 per unit)		
Units sold	131,450,508	61,332,866
Units issued in reinvestment of dividends from net investment income	<u>15,225</u>	<u>128,881</u>
Total Additions	<u>131,480,208</u>	<u>61,546,173</u>
 Deductions		
Dividends to unitholders from:		
Net investment income	(14,475)	(84,426)
From Unit Transactions:		
Units redeemed	<u>(114,799,690)</u>	<u>(83,164,775)</u>
Total Deductions	<u>(114,814,165)</u>	<u>(83,249,201)</u>
 Net increase (decrease) in net assets	 16,666,043	 (21,703,028)
 Net assets held in pool for participants at beginning of period	 35,237,708	 56,940,736
 Net assets held in pool for participants at end of period	 <u>\$51,903,751</u>	 <u>\$35,237,708</u>

See accompanying notes to financial statements.

**South Dakota Public Funds Investment Trust
Government Cash Reserve Fund
Notes to Financial Statements
Year ended December 31, 2010**

(1) Organization

South Dakota Public Funds Investment Trust (the "Trust") is a common law trust established under South Dakota Codified Law pursuant to Chapter 1-24, South Dakota Codified Laws, as amended, which authorizes South Dakota public agencies to jointly invest monies pursuant to a joint investment agreement. The Trust was established by the adoption of a Joint Powers Agreement and Declaration of Trust as of November 1, 1991, and operations of the trust commenced on December 20, 1991. As amended, the Trust is authorized to operate two investment programs: 1) the Government Cash Reserve Fund (GCR), and 2) the Fixed Rate Account. The objective of the GCR is to maintain a high degree of liquidity and safety of principal through investment in short-term securities as permitted for South Dakota public agencies under South Dakota law. The objective of the Fixed Rate Account is to provide investment in legally permissible individual securities which offer fixed rates of return and fixed maturities. This report covers only the GCR. Wells Fargo Bank, N.A. serves as the custodian, RBC Global Asset Management (U.S.) Inc. serves as the investment adviser, South Dakota Municipal League serves as the distributor, and Miles Capital, Inc. serves as the sub-administrator.

(2) Significant Accounting Policies

The significant accounting policies followed by the Trust are as follows:

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the U.S. requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of increase (decrease) in net assets resulting from operations during the reporting period. Actual results could differ from those estimates.

Investments in Securities

GCR values all securities at amortized cost, which approximates market value, in order to maintain a constant net asset value of \$1.00 per share. Security transactions are accounted for on the date securities are purchased or sold. Realized gains or losses, if any, are determined on the basis of identified cost.

GCR is authorized by investment policy and statute to invest public funds in obligations of the U.S. government, its agencies and instrumentalities; and repurchase agreements, provided that the underlying collateral consists of obligations of the U.S. government, its agencies and instrumentalities and that GCR's custodian takes delivery of the collateral either directly or through an authorized custodian.

In connection with transactions in repurchase agreements, it is GCR's policy that the value of the underlying collateral securities exceeds the principal amount of the repurchase transaction, including accrued interest at all times. If the seller defaults and the value of the collateral declines, realization of the collateral by GCR may be delayed or limited. At December 31, 2010, the securities purchased under overnight agreements to resell were collateralized by government agency securities with a value of \$26,815,896.

Income Tax Status

The Company evaluates its tax positions relative to ASC 740-10 Accounting for Uncertainty in Income Taxes on an annual basis. Management has determined that there are no uncertain tax positions at

**South Dakota Public Funds Investment Trust
Government Cash Reserve Fund
Notes to Financial Statements (continued)
Year ended December 31, 2010**

December 31, 2010 and 2009. The Company is no longer subject to examinations by Federal tax authorities for years before 2007.

The Trust is not subject to federal, state, or local income taxes.

Distributions to Participants

Dividends declared and accrued daily from net investment income and net realized gains, if any, are paid in cash or reinvested in the Trust.

Investment Income

Investment income represents interest income, including amortization of premium and discount, which is recognized daily.

(3) Fees and Expenses

Pursuant to an investment advisory agreement with the Trust, the adviser and administrator, RBC Global Asset Management (U.S.) Inc. (RBC), provides certain investment advisory and administration services to the Trust. RBC receives 0.13 percent of average daily net assets from the GCR on an annual basis for its services. RBC has entered into a sub-administration agreement with Miles Capital, Inc. (Miles Capital) to assist on monitoring and maintaining the operations of the Trust. Miles Capital receives 0.15 percent of average daily net assets from the GCR on an annual basis for its services. RBC has entered into a distribution agreement with the South Dakota Municipal League (SDML) to assist in marketing and distribution efforts of the Trust. SDML receives 0.13 percent of average daily net asset value up to \$50 million, 0.10 percent from \$50 million to \$75 million, and 0.08 percent above \$75 million from the GCR on an annual basis for its services. Sponsoring associations collectively receive an annual fee of 0.05 percent of the average daily net assets of the GCR, and the Trust incurs custodial fees for maintenance of certain assets. In addition, the Trust is responsible for other operating expenses incurred directly by the Trust up to a maximum of \$30,000 annually for the GCR.

Effective May 20, 2009, the sponsoring associations agreed to voluntarily and temporarily waive their annual fee of 0.05 percent of the average daily net assets of GCR. Effective January 20, 2010, RBC, Miles, SDML, and Wells Fargo agreed to waive fees in order for the GCR to pay a net yield of .03 percent to participants. The total fee may vary each day based on the gross yield earned on the GCR. These waivers are voluntary and may end at any time.

(4) Fair Value Measurement

Effective July 1, 2008, GCR adopted Statement of Financial Accounting Standard No. 157, Fair Value Measurements included in ASC Topic 820 ("ASC 820"). ASC 820 defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. ASC 820 also establishes a framework for measuring fair value in U.S. generally accepted accounting principles, and expand disclosure about fair value measurements. As a basis for considering market participant assumptions in fair value measurements, ASC 820 establishes a fair value hierarchy, which prioritizes the inputs used in measuring fair values. The hierarchy gives the highest priority to Level 1 measurements and the lowest priority to Level 3 measurements. These inputs are summarized into three broad levels as described below:

**South Dakota Public Funds Investment Trust
Government Cash Reserve Fund
Notes to Financial Statements (continued)
Year ended December 31, 2010**

- Level 1 – quoted prices in active markets for identical securities;
- Level 2 – other significant observable inputs (including quoted prices for similar securities, interest rates, and evaluated quotations obtained from pricing services); or
- Level 3 – significant unobservable inputs (including the Funds’ own assumptions in determining the fair value of investments.)

The following tables summarize the valuation of GCR’s investments by the above fair value hierarchy as of December 31, 2010 and 2009:

	2010		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Government securities	\$25,538,986	--	--
Repurchase agreements	--	\$26,290,000	--

	2009		
	<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Government securities	\$29,267,183	--	--
Repurchase agreements	--	\$5,750,000	--

Securities in GCR are valued at amortized cost, which approximates fair value. Securities held by a money market fund are generally high quality and liquid; however, repurchase agreements are reflected as Level 2 because the inputs used to determine fair value are not quoted prices in an active market.

(5) Investment Securities Transactions

Purchases of portfolio securities for the Government Cash Reserve aggregated \$5,585,543,676 and \$1,920,047,993 for the fiscal years ended December 31, 2010 and December 31, 2009, respectively. Proceeds from maturities and sales of securities for the Trust aggregated \$5,568,420,795 and \$1,941,298,521 for the fiscal years ended December 31, 2010 and December 31, 2009, respectively.

(6) Subsequent Events

The Company has evaluated subsequent events through March 11, 2011, the date which the financial statements were available to be issued.

South Dakota Public Funds Investment Trust
Government Cash Reserve Fund
Notes to Financial Statements (continued)
Year ended December 31, 2010

(5) Financial Highlights

Per share data for a share of beneficial interest outstanding throughout each year and selected ratio information for each year as follows:

	Year ended December 31,				
	<u>2010</u>	<u>2009</u>	<u>2008</u>	<u>2007</u>	<u>2006</u>
Net asset value:					
Beginning of period	\$1.0000	\$1.0000	\$1.0000	\$1.0000	\$1.0000
Operations:					
Net investment income	\$0.0003	\$0.0008	\$0.0210	\$0.0462	\$0.0445
Distributions to participants from net investment income	(\$0.0003)	(\$0.0008)	(\$0.0210)	(\$0.0462)	(\$0.0445)
End of period	<u>\$1.0000</u>	<u>\$1.0000</u>	<u>\$1.0000</u>	<u>\$1.0000</u>	<u>\$1.0000</u>
Total investment return ^(a)	0.03%	0.16%	2.12%	4.73%	4.50%
Net assets, end of year (000's)	\$51,904	\$35,238	\$56,941	\$60,088	\$53,847
Ratios to average net assets:					
Operating expenses after waivers	0.22%	0.42%	0.51%	0.52%	0.55%
Net investment income after waivers	0.03%	0.18%	2.10%	4.62%	4.45%
Operating expenses before waivers	0.57%	0.52%	0.51%	0.52%	0.55%
Net investment income before waivers	-0.31%	0.08%	2.10%	4.62%	4.45%

(a) Total investment return is based on the change in net asset value of a share during the year and assumes reinvestment of distributions at net asset value.

South Dakota Public Funds Investment Trust
Government Cash Reserve Fund
Participants (unaudited as of December 31, 2010)

Municipalities - 100

Aberdeen
Akaska
Altamont, Inc.
Baltic
Belle Fourche
Beresford
Big Stone City
Bowdle
Box Elder
Brandon
Brookings
Burke
Bushnell
Camp Crook
Canton
Castlewood
Centerville
Central City
Chancellor
Clear Lake
Colman
Columbia
Crooks
Custer City
Deadwood
Doland
Edgemont
Egan
Elk Point
Faulkton
Flandreau
Florence
Fort Pierre
Fruitdale
Gary
Gayville
Gettysburg
Gregory
Groton
Harrisburg
Hartford
Hecla
Henry
Hermosa
Herrick
Hill City
Hosmer
Hot Springs
Howard
Humboldt
Irene
Keystone
Kimball
La Bolt
Lake Preston
Langford
Lead
Letcher
Madison

Municipalities Cont.

Marion
Milbank
Mission
Mission Hill
Mitchell
Mobridge
Montrose
Morristown
New Underwood
Nisland
North Sioux City
Onida
Pierre
Quinn
Rapid City
Redfield
Reville
Roscoe
Salem
Sioux Falls
Sisseton
Spearfish
Springfield
Sturgis
Tea
Toronto
Trent
Tripp
Valley Springs
Vermillion
Volin
Wall
Watertown
Waubay
Webster
Wentworth
Wessington Springs
Whitewood
Wolsey
Worthing
Yankton

School Districts - 75

Aberdeen School District
Andes Central School District
Belle Fourche School District
Bennett County School District
Beresford School District
Big Stone City School District
Brandon Valley School District
Bridgewater School District
Britton-Hecla School District
Canistota School District
Castlewood School District
Chester Area School District
Colman-Egan School District
Custer School District
Dakota Valley School District
Dell Rapids School District

School Districts Cont.

Douglas School District
Dupree School District
East Dakota Educational Cooperative
Edmunds Central School District
Elk Point-Jefferson School Distr
Eureka School District
Faith School District
Flandreau Public School District
Frederick Area School District
Garretson School District
Grant-Deuel School District
Harding County School District
Harold School District
Henry School District
Hill City School District
Hot Springs School District
Howard School District
Hurley School District
Huron School District
Kadoka Area School District
Langford Area School District
Langford School District
Lead-Deadwood School District
Lennox School District
Leola School District
Lyman School District
Madison Central School Distr
Marion School District
McCook Central School District
McIntosh School District
Meade School District
Menno School District
Milbank School District
Mitchell School District
Northwest Area Schools
Northwestern Area School Dist
Oelrichs School District
Parker School District
Pierre School District
Platte-Geddes Comm Sch Distr
Rapid City Area School Distr
Redfield School District
Sanborn Central School Dist
Sioux Falls School District
Sisseton School District
Southeast Area Cooperative
Spearfish School District
Stanley County School District
Three Rivers Special Services CO-OP
Tri-Valley School District
Vermillion School District
Warner School District
Watertown School District
Waubay School District
Waverly School District
Webster Area School District
Wood School District
Woonsocket School District
Yankton School District

Counties - 31

Beadle County
Bennett County
Brown County
Charles Mix County
Clay County
Codington County
Corson County
Custer County
Davison County
Deuel County
Edmunds County
Faulk County
Grant County
Hughes County
Jerauld County
Kingsbury County
Lake County
Lawrence County
Lincoln County
Meade County
Mellette County
Miner County
Minnehaha County
Pennington County
Perkins County
Potter County
Sanborn County
Spink County
Stanley County
Union County
Walworth County

Special Districts - 10

Dakota Dunes Community ImpDistr
Kimball Ambulance District
Lake Herman Sanitary District
Lake Poinsett Sanitary District
Lead-Deadwood Sanitary District
Lower James River Water Project Dist
Mina Lake Sanitary & Water District
Perkins County Conservation District
Rapid Valley Sanitary Dist-Wtr Serv
TM Rural Water District

Townships - 11

Cambria Township, Brown Co
Chester Township, Lake County
Dell Rapids Township of Minnehaha Co
Grant Township of Lincoln County
Hartford Township of Minnehaha Co
Liberty Township, Brown Co
Pleasant Township of Lincoln Co
Shelby Township, Brown Co
Spring Valley Township, McCook Co
Taopi Township of Minnehaha Co
Union Township

TOTAL PARTICIPANTS - 227