



Q&A WITH PAIGE WILHELM, PORTFOLIO MANAGER, FLORIDA PRIME™

Taking Advantage of Money Market Reform

With money market reform on the horizon, NOW is the time to consider Florida PRIME™ for your money management needs. We think Florida PRIME™ is the **Right Place**, at the **Right Time**, and moving reserve funds to, or increasing balances in, Florida PRIME™ may be in your best interest **Right Now!**

Right Place

Florida PRIME™ could be the Right Place for its participants today and is positioned to stay that way as new regulations are imposed on money market funds. The Florida PRIME™ portfolio manager, Paige Wilhelm of Federated Investors, pays close attention to participants' cash flow needs. Open lines of communication between Pool participants and the investment manager help the Pool to stay invested appropriately and keep securities with the highest yield potential working for the best outcome. The Pool continues to maintain safe investment strategies to manage overall risk.

Right Time

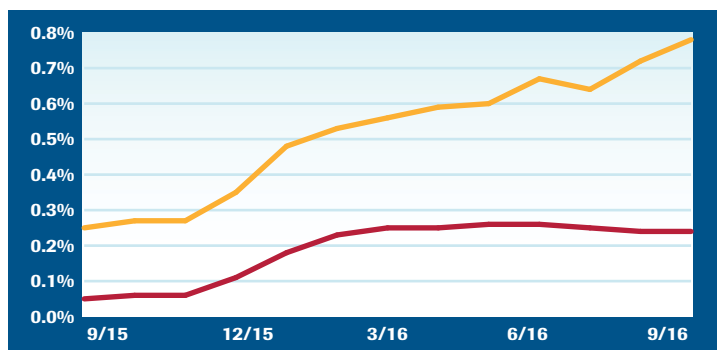
With regulatory reforms coming, now is the Right Time to consider Florida PRIME™!

Right Now

New money fund regulations may positively impact pools like Florida PRIME™ that may benefit from the lower demand of short- and variable-rate instruments...potentially driving yields higher.

For a quick Q&A with Paige Wilhelm on how the new regulation will benefit you by investing in Florida PRIME™, see the call out to the right.

Florida PRIME™ Net Yields vs. iMoneyNet First Tier Institutional Average Monthly Net Yields



Florida PRIME™¹ iMoneyNet First Tier Institutional Average

The 7-day net yield as of 10/7/16 for Florida PRIME™ was 0.85%.

Past performance is no guarantee of future results.

¹Participant yield. The participant yield reflects a 365-day basis and adjustments for realized earnings by participants, SBA fees, expenses and other accounting items.

Sources: State Board of Administration of Florida, iMoneyNet (Money Fund Analyzer).

Q: *What do managers of public money need to know regarding the upcoming money market reform?*

Cash Managers should recognize that Florida PRIME™ or any Local Government Investment Pools (LGIPs) are not subject to the regulatory reforms being implemented by the SEC on Oct. 14, 2016 affecting registered money market funds. This distinction will potentially increase yield in the coming months, as money market funds have adjusted their portfolio construction approach in anticipation of these upcoming changes.

Q: *What additional yield potential can be gained by investing in Florida PRIME™?*

Funds subject to the reform are facing uncertainty about their asset levels in October, so they are managing conservatively. They are reducing portfolio average maturities by building overnight liquidity and avoiding purchasing longer-term securities maturing after Oct. 14. A pool that has a steady asset base, such as Florida PRIME™, can grab those securities for potentially higher-than-usual yields. For example, Florida PRIME™ may pick up additional yield by purchasing both bank instruments and commercial paper beyond Oct. 14, and maintain a longer weighted average maturity than a comparable prime money market fund. These advantages as well as the expectation for rising rates from the Federal Reserve, may offer incremental yield pickup in a market which welcomes them with open arms.

Q: *What is the interest rate outlook for the remainder of 2016?*

Immediately following the volatility in global markets caused by the U.K.'s vote in June to leave the European Union (Brexit), many thought the Federal Reserve would not raise rates in 2016. However, policymakers have since stated that U.S. economic indicators are improving. We still believe a rate hike is possible by year-end. That said, Fed policy is only one element affecting short-term interest rates, particularly in the case of LGIPs.

An investment in the Pool is not insured or guaranteed by any government or government agency. Although the manager of the Pool seeks to preserve principal, it is possible to lose money by depositing money in the Pool.

Please visit our website to learn more about the advantages of Florida PRIME™ at www.sbafla.com/prime or call (850)488-7311.

Federated®

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G40461-27 (10/16)



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