

**Florida PRIME
Fixed Income Investment Oversight Group Meeting**

Minutes

June 24, 2014

11:00 a.m. – 12:00 p.m.

Attendees

Kevin Ceurvorst – Senior Portfolio Manager-Investment Grade Credit
Lisa Collins – Manager of Public Market Compliance
Tom Fernald – Senior Portfolio Manager-External Management
Michael McCauley – Senior Officer-Investment Programs & Governance
Eric Nelson – Chief Risk & Compliance Officer
Sheilah Smith – Director of Public Market Compliance
Katy Wojciechowski – Senior Investment Officer-Fixed Income

Agenda Topics

1. Follow-up items:

None.

2. Reviewed April 2014 monthly compliance, transaction, and holdings reports.

Conclusions:

- A. No compliance violations were reported on the Federated checklist.
- B. In the verification of high risk parameters, discrepancies were identified on Dollar Weighted Average Maturity (DWAM) and Weighted Average Life (WAL), which exceeded the tolerance limits of 6 and 12 days, respectively. The variance between the calculations generated by the internal Eagle system and those reported by Federated was 21 days for DWAM and 26 days for WAL. These discrepancies were due to incorrect reset and/or maturity dates in the Eagle system for the municipals City of New York and New York State Housing Finance Agency; for extendible floaters issued by J.P. Morgan Chase Bank N.A., Royal Bank of Canada New York, and Wells Fargo Bank N.A.; for two fixed rate corporates issued by General Electric Capital Corporation; and for floaters issued by the Province of Ontario Canada and Deutsche Bank AG New York. After recalculating in Excel, both measures were within tolerance, with the DWAM at 36 days versus 38 days reported by Federated and WAL at 71 days versus 70 days reported by Federated.
- C. No extraordinary transactions or holdings were identified.
- D. No QIB restrictions were identified on Bloomberg for 144A securities purchased in April 2014.

Action Items

None.