

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

Minutes

August 28, 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
Belinda Dixon – Director of External Investment Manager Oversight
Cherie Jeffries – Director of Fixed Income Trading
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 June 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 24 days for DWAM and 21 days for WAL. These discrepancies were due to incorrect reset and/or maturity dates in the Eagle system for the municipal issue New York State Housing Finance Agency; for the Mullenix and St. Andrew demand notes; for floaters issued by Deutsche Bank AG New York, the Province of Ontario Canada, and Royal Bank of Canada; for extendible floaters issued by Australia and New Zealand Banking Group, JP Morgan Chase Bank, PNC Bank, and Royal Bank of Canada; and for five fixed rate bonds issued by General Electric Capital Corporation. After recalculating in Excel, DWAM was within tolerance at 35 days versus 40 days reported by Federated, and WAL matched the Federated result of 79 days.

C. No extraordinary transactions or holdings were identified.

D. No QIB restrictions were identified on Bloomberg for 144A securities purchased in June 2014.

Action Items

None.