

**Florida PRIME**  
**Fixed Income Investment Oversight Group Meeting**  
**Minutes**  
February 27, 2015 1:30 p.m. – 2:30 p.m.

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**Attendees**

Kevin Ceurvorst – Senior Portfolio Manager-Investment Grade Credit  
Lisa Collins – Manager of Public Market Compliance  
Cherie Jeffries – Director of Fixed Income Trading  
Sheilah Smith – Director of Public Market Compliance  
Katy Wojciechowski – Senior Investment Officer-Fixed Income

**Agenda Topics**

1. A conference call was conducted with Florida PRIME Portfolio Manager, Paige Wilhelm, to review the 4th Quarter 2014 Stress Test results.

**Conclusions:**

The portfolio was tested on 12/31/14 for the following events: a) a change in short-term interest rates, b) an increase in net shareholder redemptions, c) downgrades and defaults, and d) changes between a benchmark overnight interest rate and the interest rates on securities held in Florida PRIME. At the end of December, the Net Asset Value (NAV) of the fund was at \$.9999. With no redemptions, it would take an estimated 457 basis point shift in short-term interest rates to reduce the NAV to the minimum required \$.9950. With a 20% position in floating rate instruments at year end and 0% redemptions, spread rates could widen by an estimated 466 basis points, and the fund would maintain a NAV above \$.9950. Also, if the largest holding (PRIME Obligations Fund) was downgraded or defaulted, an estimated recovery rate of 94.94% would be necessary to maintain the NAV at the required minimum level. If the lowest rated entity (Bank of Tokyo-Mitsubishi with short-term ratings of P-1/A-1/F1 and long-term ratings of A1/A+/A by Moody's, S&P, and Fitch, respectively) was downgraded or defaulted, a projected recovery value of 90.13% would be necessary to retain a NAV of at least \$.9950. Federated does not regard any of the reported Stress Test results as reasonably likely to occur during the next year and is not aware of any other events that the Advisor views as reasonably likely to occur in the next year that would cause the NAV of Florida PRIME to fall below \$.9950.

2. Follow-up items:

None.

3. Reviewed December 2014 monthly compliance, transaction, and holdings reports.

**Conclusions:**

A. No compliance violations were reported on the Federated checklist.

- B. No discrepancies were identified on the verification of high risk parameters.
- C. No extraordinary transactions or holdings were identified in Florida PRIME.
- D. No QIB restrictions were identified on Bloomberg for 144A securities purchased in December 2014.

**Action Items**

None.