

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

October 31, 2016

11:00 a.m. – 12:00 p.m.

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**Attendees**

Kathy Adkins – Manager of Financial Operations  
John Benton – Senior Investment Policy Officer  
Annette Bullock – Administrative Assistant  
Kevin Ceurvorst – Senior Portfolio Manager-Investment Grade Credit  
Karen Chandler – Chief Risk & Compliance Officer  
Lisa Collins – Manager of Public Market Compliance  
Belinda Dixon – Director of External Investment Manager Oversight  
Cherie Jeffries – Director of Fixed Income Trading  
Mykel Kenton – Manager of Public Market Compliance  
Marcia Main – Director of Enterprise Risk Management  
Mike McCauley – Senior Officer-Investment Programs & Governance  
Angie Millard – Manager of Investment Risk  
Richard Smith – Senior Portfolio Manager Short Term  
Sheilah Smith – Director of Public Market Compliance  
Lamar Taylor – Deputy Executive Director  
Gina Wilson – Senior Director of Operations & Examinations  
Katy Wojciechowski – Senior Investment Officer-Fixed Income  
Janice Yecco – Senior Portfolio Manager

**Agenda Topics**

1. A conference call was conducted with Federated Portfolio Manager, Paige Wilhelm, to review Federated's revised stress testing procedure and the stress testing results for the quarter ended 9/30/16.

**Conclusions:**

The stress testing procedure for Florida PRIME was modified based on recommendations made by the Securities and Exchange Commission for 2a7 funds. Under the new procedure, the fund will be tested on a series of events that the Manager views as reasonably likely to occur during the next 12 months. These Standard Test Events will be evaluated on a weekly basis by Federated, and Situational Test Events may be added as determined relevant.

The portfolio was tested on 9/30/16 against specified combinations of hypothetical events including: a) increases in the general level of short-term interest rates, in combination with various levels of increases in shareholder redemptions, b) the downgrade or default of particular portfolio security positions, each representing various portions of the fund's portfolio, in combination with various levels of increases in shareholder redemptions, and c) the widening of spreads, in various sectors, compared to the indexes to which portfolio securities are tied, in combination with various levels of increases in shareholder redemptions. The results of 9/30/16 stress testing were reported on the *Stress Testing Board Summary Report for Florida Local Government Investment Pool A* and reviewed during the call.

2. Since the last Fixed Income-IOG meeting on 10/27/15, monthly meetings were suspended in order to shift resources to Phase II of the Charles River Compliance System Implementation for Global Equity internal portfolios. During this project, compliance reviews for Fixed Income portfolios were conducted on a modified schedule. For Florida PRIME, compliance continued to be monitored daily for net asset value deviations and for notifications from Federated regarding guideline violations. The monthly review of the Federated compliance checklist also continued without interruption. Independent compliance reviews, historically performed on a monthly basis by the SBA, were conducted on a periodic basis, consistent with the requirements of the Investment Policy Statement. Compliance reporting for this meeting covered the data period 8/2015-9/2016.

During the period of suspended Fixed Income-IOG meetings:

- No net asset value violations occurred in Florida PRIME.
- No guideline exceptions were reported to the SBA by Federated on the checklist or by any other means.
- No discrepancies were identified in the verification of high risk parameters on periodic reviews.

3. Follow-up items:

None.

4. September 2016 monthly compliance, transaction, and holdings reports were reviewed.

Conclusions:

- A. No compliance violations were reported on the Federated checklist.
- B. No discrepancies were discovered in the verification of high risk parameters and no extraordinary transactions or holdings were identified.

**Action Items**

None.