

Fixed Income Investment Oversight Group Meeting – Florida PRIME
Meeting Minutes
October 31, 2025 10:30 a.m.
Emerald Coast Conference Room/Virtual via Teams

Attending Members: Karen Chandler – *Director, Enterprise Risk Management*; Todd Ludgate – *Senior Investment Officer, Fixed Income*; Sooni Raymaker – *Chief Risk & Compliance Officer*

Members not in Attendance: Mike McCauley – *Senior Officer, Investment Programs & Governance*

Other Attendees: Angelina Baker – *Analyst, Investment Compliance*; Lisa Collins – *Manager, Investment Compliance*; Angie Deas – *Manager, Corporate Governance-Operations*; Paul Groom – *Deputy Executive Director*; Cherie Jeffries – *Director, Fixed Income Trading*; Mykel Kenton – *Director, Investment Compliance*; Richard Smith – *Senior Portfolio Manager-Short Term*; Lamar Taylor – *Chief Investment Officer*

Minutes: Lisa Collins

Agenda Topics

1. Paige Wilhelm provided a written commentary along with the stress test results for the quarter ended 09/30/2025.

Conclusions:

In combination with various levels of increases in shareholder redemptions, the portfolio was tested against the following hypothetical events: a) an increase in the general level of short-term interest rates, b) a credit event representing various portions of the fund's portfolio, c) the widening of spreads, in various sectors, compared to the indexes to which portfolio securities are tied, and d) a combination of a, b, and c. See attached *Exhibit A: Stress Testing Board Summary Report for Florida Local Government Investment Pool A* and the *Federated Commentary*.

2. No follow-up items.
3. Compliance recap for the quarter ended 09/30/2025:

Conclusions:

- A. No new exceptions were reported.
- B. No open/ongoing exceptions were reported.
- C. No Affected Securities were reported.

4. No other topics.
5. No action items.

EXHIBIT A

Stress Testing Board Summary Report for Florida Local Government Investment Pool A

Date of Stress Tests:	31-Jul	29-Aug	30-Sep
Shadow NAV at Time of Tests:	0.99996	1.00001	1.00021

STRESS TESTING RESULTS DURING THE PERIOD

Pct of Shares Redeemed	Redemptions Only					
	Stress NAV			Weekly Liquidity		
	Jul	Aug	Sep	Jul	Aug	Sep
0%	0.99996	1.00001	1.00021	39.80%	38.83%	38.98%
10%	0.99995	1.00002	1.00024	33.11%	32.03%	32.19%
20%	0.99995	1.00002	1.00027	30.00%	30.00%	30.00%
30%	0.99994	1.00002	1.00030	30.00%	30.00%	30.00%
40%	0.99993	1.00002	1.00035	30.00%	30.00%	30.00%

Pct of Shares Redeemed	Change in Interest Rates						Credit Event						Floater Spread Widening					
	Stress NAV			Weekly Liquidity			Stress NAV			Weekly Liquidity			Stress NAV			Weekly Liquidity		
	Jul	Aug	Sep	Jul	Aug	Sep	Jul	Aug	Sep	Jul	Aug	Sep	Jul	Aug	Sep	Jul	Aug	Sep
0%	0.99908	0.99914	0.99925	39.80%	38.83%	38.98%	0.99920	0.99934	0.99958	39.80%	38.83%	38.98%	0.99950	0.99962	0.99986	39.80%	38.83%	38.98%
10%	0.99898	0.99904	0.99917	33.11%	32.03%	32.19%	0.99911	0.99926	0.99954	33.11%	32.03%	32.19%	0.99945	0.99958	0.99984	33.11%	32.03%	32.19%
20%	0.99885	0.99892	0.99906	30.00%	30.00%	30.00%	0.99900	0.99917	0.99948	30.00%	30.00%	30.00%	0.99938	0.99953	0.99982	30.00%	30.00%	30.00%
30%	0.99869	0.99877	0.99893	30.00%	30.00%	30.00%	0.99885	0.99905	0.99940	30.00%	30.00%	30.00%	0.99929	0.99946	0.99980	30.00%	30.00%	30.00%
40%	0.99847	0.99856	0.99875	30.00%	30.00%	30.00%	0.99866	0.99889	0.99930	30.00%	30.00%	30.00%	0.99917	0.99937	0.99976	30.00%	30.00%	30.00%

Test	% of Orig. Portfolio Stressed			Pct of Shares Redeemed	Combination					
	Jul	Aug	Sep		Stress NAV			Weekly Liquidity		
	Jul	Aug	Sep		Jul	Aug	Sep	Jul	Aug	Sep
Redemptions Only	0.0%	0.0%	0.0%	0%	0.99787	0.99807	0.99827	39.80%	38.83%	38.98%
Change in Int. Rates	91.3%	100.0%	79.3%	10%	0.99763	0.99785	0.99808	33.11%	32.03%	32.19%
Credit Event	68.1%	74.2%	52.1%	20%	0.99734	0.99758	0.99784	30.00%	30.00%	30.00%
Floater Spread Widening	18.3%	18.8%	16.9%	30%	0.99685	0.99724	0.99753	30.00%	30.00%	30.00%
Combination	91.3%	100.0%	79.3%	40%	0.99644	0.99677	0.99711	30.00%	30.00%	30.00%

B. Escalation Procedures:

As articulated in Federated Hermes procedures, and as may be required by applicable regulation, including GASB requirements, rating agency requirements or applicable investment guidelines, the client will receive notification upon the occurrence of the following events: (1) net deviation between the NAV calculated using amortized cost and the market based NAV when the deviation is in excess of point \$0.004 per share or (2) weekly liquidity assets drop below the required liquidity levels as required by applicable regulation, including GASB requirements, rating agency requirements or applicable investment guidelines. Upon the occurrence of one of these events, the portfolio manager will communicate the results, including any changes to portfolio structure implemented and/or changes to frequency or parameters of Stress Testing, to the applicable board or governing body and will coordinate Federated Hermes' response to any requests made by that governing body for additional information or requests to change the Stress Testing frequency or parameters.

C. Assessment of Fund's Ability to Withstand Events Reasonably Likely to Occur During the Following Year:

Unless highlighted above for further discussion, the Adviser has determined that each fund is structured in such a way that the occurrence of the events described more fully above, which the Adviser believes are reasonably likely to occur during the next 12 months would not result in a Fund failing to maintain sufficient liquidity or a Fund failing to minimize principal volatility.

D. Test Descriptions:

Unusual Redemption Activity: Resulting NAV & liquidity levels following redemptions equal to 40% in 10% increments
Change in Interest Rates: Resulting NAV & liquidity levels following a change in rates of 0.75%.
Credit Event : Banks widen by 0.50% and Travel & Leisure spreads widen by 0.25%. Chemicals and Automotives spreads also widen 0.50% effective May.
Floater Spread Widening: Resulting NAV & liquidity levels following a widening of floater spreads off of the applicable index of 0.50%
Combination: Change in Interest Rates, Credit Event, and Floater Spread Widening combined.

E. Redemption Funding Method:

Redemptions - Sell Daily Liquidity down to 10 percent then Weekly Liquidity down to 30 percent (Current, Target Liquidity Level) then based on Final Maturity Date

Federated Commentary:

From: Wilhelm, Paige <Paige.Wilhelm@FederatedHermes.com>

Sent: Tuesday, November 4, 2025 12:32 PM

To: Lisa Collins <Lisa.Collins@sbafla.com>

Subject: RE: Fixed Income and Florida PRIME IOG - 3rd quarter

Warning: This email originated from outside of the organization. Exercise extreme caution when clicking links or opening attachments. When in doubt, please report the email utilizing the **Phish Alert Button**.

Attached please find the third quarter 2025 stress testing results for Florida Prime.

The resulting data tells us that the portfolio is well positioned to meet participants daily liquidity needs at \$1.00 (par). In the top section of the report we analyze redemption scenarios in 10% increments. At the end of September, a 40% redemption rate by participants causes the NAV which started at \$1.00021 to rise to \$1.00035, while still maintaining 30% in weekly liquidity. For changes in interest rates we are looking at a stress of an instantaneous 75 basis point increase in interest rates across the money market curve. In the pink boxes, for the month of September, a 40% redemption rate combined with a 75 basis point increase in interest rates causes the NAV to fall to \$0.99875. In the green boxes we are stressing for a credit event. We stress the banking, autos and chemicals industries and widen those spreads by 50 basis points. We had no exposure to the travel and leisure industry. At the end of September, the portfolio held approximately 52% in securities representing these industries. In this stress event with a 40% redemption the NAV falls to \$0.99930 while maintaining the weekly liquidity percentage at 30%. The blue boxes reflect a stress on the floating rate securities that are held in the pool. Florida Prime currently holds approximately 17% in SOFR based floaters. If the floater spreads widen by 50 basis points and we have a 40% decline in assets the NAV falls to \$0.99976. And finally, if the combination of all of these events occur, at the end of September the NAV would have fallen to \$0.99711.

We are comfortable with the positioning of Florida Prime under our current stress scenarios.