

Fixed Income Investment Oversight Group Meeting – Florida PRIME
Meeting Minutes
July 27, 2018 9:30 a.m. Gold Coast Room

Attending Members: Karen Chandler – *Chief Risk & Compliance Officer*; Marcia Main – *Director, Enterprise Risk Management*; Sheilah Smith – *Director, Public Market Compliance*, Katy Wojciechowski – *Senior Investment Officer, Fixed Income*

Other Attendees: Kevin Ceurvorst – *Senior Portfolio Manager, Investment Grade Credit*; Lisa Collins – *Manager, Public Market Compliance*; Cherie Jeffries – *Director, Fixed Income Trading*; Mykel Kenton – *Manager, Public Market Compliance*; Melissa Macilveen – *Financial Specialist II (FHCF)*; Mike McCauley – *Senior Officer, Investment Programs & Governance*; Kent Perez – *Deputy Executive Director*; Richard Smith – *Senior Portfolio Manager, Short Term*; Gina Wilson – *Senior Director, Operations & Examinations (FHCF)*

Minutes: Annette Bullock – *Administrative Assistance (RMC)*

Agenda Topics

1. A conference call was conducted with Federated Portfolio Manager, Paige Wilhelm, to review stress test results for the quarter ended 6/30/18.

Conclusions:

In combination with various levels of increases in shareholder redemptions, the portfolio was tested against the following hypothetical events: a) increases in the general level of short-term interest rates, b) the downgrade or default of particular portfolio security positions, each 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 *Stress Testing Board Summary Report for Florida Local Government Investment Pool A (Q2 2018)*.

2. Follow-up Items:

None.

3. Compliance Review of June 2018 Data:

Conclusions:

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

4. Other Topics:

Performed the annual review of the *Florida PRIME Risk Rankings*, relative to the Investment Policy Statement (IPS) which became effective 6/13/18. See Appendix A, *Florida PRIME Compliance Risk Rankings*.

Conclusions:

- A. Each IPS parameter is ranked "High" or "Low" with respect to the level of risk associated with a potential guideline breach. These rankings along with the frequency for independent verification are reviewed and approved by the FI-IOG on a minimum annual basis.
- B. No changes were recommended, and the current risk rankings were approved by the FI-IOG.
- C. SBA compliance staff will continue to perform independent testing of compliance parameters marked as "High" risk on a monthly basis, with the exception of the Net Asset Value test, which is verified daily.

5. Action Items:

None.