

## Fixed Income Investment Oversight Group Meeting – Florida PRIME

### Meeting Minutes

April 29, 2025 2:00 p.m.

Emerald Coast Conference Room/Virtual via Teams

---

**Attending Members:** Mike McCauley – *Senior Officer, Investment Programs & Governance*; Sooni Raymaker – *Chief Risk & Compliance Officer*

**Members not in Attendance:** Karen Chandler – *Director, Enterprise Risk Management*; Todd Ludgate – *Senior Investment Officer, Fixed Income*

**Other Attendees:** Angelina Baker – *Analyst, Investment Compliance*; Jennifer Barrett – *Manager, Investment Compliance*; Lisa Collins – *Manager, Investment Compliance*; Hannah Day – *Sr. Analyst, Investment Compliance*; Paul Groom – *Deputy Executive Director*; Cherie Jeffries – *Director, Fixed Income Trading*; Melissa Macilveen – *Manager, Administrative Programs (FHCF)*; Joel Meyer – *Manager, Financial Operations (FHCF)*; Richard Smith – *Senior Portfolio Manager, Short Term*; Paige Wilhelm – *Senior Vice President and Head of Investment Area/Prime Liquidity Team, Senior Portfolio Manager (Federated Hermes)*

**Minutes:** Lisa Collins

---

### Agenda Topics

1. Paige Wilhelm reviewed the stress test results for the quarter ended 03/31/2025. She noted that due to the potential tariffs that could cause inflation, Federated increased the interest rate stress from +50 basis points to +75 basis points.

#### 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*.

2. No follow-up items.
3. Compliance recap for the quarter ended 03/31/2025:

#### 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**

<b>Date of Stress Tests:</b>	31-Jan	28-Feb	31-Mar
<b>Shadow NAV at Time of Tests:</b>	0.99998	1.00009	1.00016

**STRESS TESTING RESULTS DURING THE PERIOD**

Pct of Shares Redeemed	Redemptions Only					
	Stress NAV			Weekly Liquidity		
	Jan	Feb	Mar	Jan	Feb	Mar
0%	0.99998	1.00009	1.00016	42.99%	40.97%	38.97%
10%	0.99998	1.00010	1.00018	36.66%	34.44%	32.24%
20%	0.99998	1.00011	1.00020	30.00%	30.00%	30.00%
30%	0.99998	1.00013	1.00023	30.00%	30.00%	30.00%
40%	0.99997	1.00015	1.00026	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		
	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar	Jan	Feb	Mar
0%	0.99928	0.99908	0.99918	42.99%	40.97%	38.97%	0.99933	0.99936	0.99936	42.99%	40.97%	38.97%	0.99977	0.99977	0.99965	42.99%	40.97%	38.97%
10%	0.99920	0.99898	0.99909	36.66%	34.44%	32.24%	0.99926	0.99929	0.99929	36.66%	34.44%	32.24%	0.99975	0.99975	0.99961	36.66%	34.44%	32.24%
20%	0.99910	0.99885	0.99898	30.00%	30.00%	30.00%	0.99916	0.99921	0.99920	30.00%	30.00%	30.00%	0.99972	0.99972	0.99957	30.00%	30.00%	30.00%
30%	0.99897	0.99869	0.99884	30.00%	30.00%	30.00%	0.99904	0.99909	0.99909	30.00%	30.00%	30.00%	0.99968	0.99968	0.99950	30.00%	30.00%	30.00%
40%	0.99880	0.99847	0.99865	30.00%	30.00%	30.00%	0.99888	0.99894	0.99894	30.00%	30.00%	30.00%	0.99962	0.99962	0.99942	30.00%	30.00%	30.00%

Test	% of Orig. Portfolio Stressed			Pct of Shares Redeemed	Combination					
	Jan	Feb	Mar		Stress NAV			Weekly Liquidity		
	Jan	Feb	Mar		Jan	Feb	Mar	Jan	Feb	Mar
Redemptions Only	0.0%	0.0%	0.0%	0%	0.99842	0.99804	0.99788	42.99%	40.97%	38.97%
Change in Int. Rates	90.7%	91.0%	92.6%	10%	0.99824	0.99782	0.99765	36.66%	34.44%	32.24%
Credit Event	66.8%	67.4%	66.8%	20%	0.99802	0.99755	0.99736	30.00%	30.00%	30.00%
Floater Spread Widening	8.9%	12.3%	15.6%	30%	0.99774	0.99720	0.99699	30.00%	30.00%	30.00%
Combination	90.7%	91.0%	92.6%	40%	0.99736	0.99674	0.99649	30.00%	30.00%	30.00%

**B. Escalation Procedures:**

Based on Federated Hermes' procedures, as of 06/30/2024, Counsel to the Independent Directors or Trustees will receive notification from the Adviser upon the occurrence of the following events in a Rule 2a-7 money market fund: (1) any deviation between the NAV and the market based NAV in excess of \$0.0040 per share or (2) Weekly Liquid assets drop below sufficient liquidity levels, as identified in the board approved procedures, or if the Daily or Weekly Liquid Assets fall below 12.5% or 25%, respectively, and (3) the Adviser, as specified in the board approved procedures, is required to communicate a recommendation regarding a Discretionary Liquidity Fee.

**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% (0.50% in Jan).

Credit Event : Banks widen by 0.50%, and Travel and Leisure spreads widen by 0.25%

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