Fixed Income Investment Oversight Group Meeting – Florida PRIME
Meeting Minutes
July 30, 2026 3:00 p.m.
Emerald Coast Conference Room/Virtual via Teams

Attending Members: Angelina Baker – *Analyst, Investment Compliance*; George Barbosa – *Senior Analyst, Investment Compliance;* Jennifer Barrett – *Manager, Investment Compliance;* Hannah Day – *Senior Analyst, Investment Compliance;* Mykel Kenton – *Director, Investment Compliance;* Mike McCauley – *Senior Officer, Investment Programs & Governance;* Elizabeth McGuire - *Chief Risk & Compliance Officer*

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

Other Attendees: Paul Groom – *Deputy Executive Director;* Cherie Jeffries – *Director, Fixed Income Trading;* Richard Smith – *Senior Portfolio Manager, Short Term;* Mark Weiss –*Vice President and Head of Investment Area/Prime Liquidity Team, Senior Portfolio Manager (Federated Hermes)*

Minutes: Hannah Day

<u>Agenda Topics</u>

1. Mark Weiss reviewed the stress test results for the quarter ended 06/30/2026. He noted that in previous quarters, the Change in Interest Rates parameter was tested for a rate change of 75 basis points; for Q2 2026, it was tested for a change of 100 basis points.

   <u>Conclusions</u>:

   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 06/30/2026:

   <u>Conclusions:</u>

   A. No new exceptions were reported.

   B. No open/ongoing exceptions were reported.

   C. No Affected Securities were reported.

4. Other topics.

   Performed the annual review of the Florida PRIME Risk Rankings relative to the Investment Policy Statement. See *Appendix A, Florida PRIME Compliance Risk Rankings.*

Conclusions:

A. IPS parameters are 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 Investment Compliance staff will continue to perform independent testing of compliance parameters daily.

5. No action items.

EXHIBIT A

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

	30-Apr	29-May	30-Jun
Date of Stress Tests:	30-Apr	29-May	30-Jun
Shadow NAV at Time of Tests:	0.99985	0.99985	0.99981

STRESS TESTING RESULTS DURING THE PERIOD

Pct of Shares Redeemed	Redemptions Only					
	Stress NAV			Weekly Liquidity		
	Apr	May	Jun	Apr	May	Jun
0%	0.99985	0.99985	0.99981	37.69%	40.94%	40.2%
10%	0.99983	0.99984	0.99979	30.77%	34.38%	33.6%
20%	0.99981	0.99981	0.99976	30.00%	30.00%	30.0%
30%	0.99978	0.99979	0.99973	30.00%	30.00%	30.0%
40%	0.99975	0.99975	0.99968	30.00%	30.00%	30.0%

Pct of Shares Redeemed	Change in Interest Rates					
	Stress NAV			Weekly Liquidity		
	Apr	May	Jun	Apr	May	Jun
0%	0.99883	0.99881	0.99836	37.69%	40.94%	40.2%
10%	0.99870	0.99868	0.99817	30.77%	34.38%	33.6%
20%	0.99854	0.99851	0.99794	30.00%	30.00%	30.0%
30%	0.99833	0.99830	0.99765	30.00%	30.00%	30.0%
40%	0.99805	0.99801	0.99726	30.00%	30.00%	30.0%

Pct of Shares Redeemed	Credit Event					
	Stress NAV			Weekly Liquidity		
	Apr	May	Jun	Apr	May	Jun
0%	0.99912	0.99906	0.99903	37.69%	40.94%	40.2%
10%	0.99902	0.99896	0.99892	30.77%	34.38%	33.6%
20%	0.99890	0.99883	0.99878	30.00%	30.00%	30.0%
30%	0.99874	0.99866	0.99861	30.00%	30.00%	30.0%
40%	0.99853	0.99844	0.99837	30.00%	30.00%	30.0%

Pct of Shares Redeemed	Floater Spread Widening					
	Stress NAV			Weekly Liquidity		
	Apr	May	Jun	Apr	May	Jun
0%	0.99944	0.99945	0.99940	37.69%	40.94%	40.2%
10%	0.99938	0.99939	0.99934	30.77%	34.38%	33.6%
20%	0.99930	0.99931	0.99925	30.00%	30.00%	30.0%
30%	0.99920	0.99921	0.99914	30.00%	30.00%	30.0%
40%	0.99906	0.99908	0.99900	30.00%	30.00%	30.0%

	% of Orig. Portfolio Stressed		
Test	Apr	May	Jun
Redemptions Only	0.0%	0.0%	0.0%
Change in Int. Rates	84.9%	83.8%	81.5%
Credit Event	56.2%	57.2%	56.2%
Floater Spread Widening	14.6%	15.4%	16.4%
Combination	84.9%	83.7%	81.5%

Pct of Shares Redeemed	Combination					
	Stress NAV			Weekly Liquidity		
	Apr	May	Jun	Apr	May	Jun
0%	0.99770	0.99762	0.99717	37.69%	40.94%	40.2%
10%	0.99744	0.99736	0.99685	30.77%	34.38%	33.6%
20%	0.99712	0.99703	0.99646	30.00%	30.00%	30.0%
30%	0.99670	0.99660	0.99595	30.00%	30.00%	30.0%
40%	0.99615	0.99603	0.99527	30.00%	30.00%	30.0%

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 1.00% (0.75% in Apr. & May).

Credit Event: Banks widen by 0.50%, Automotives widen by 0.50%, and Chemicals 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

Appendix A
Florida PRIME Compliance Risk Rankings

Risk Ranking	Test	Limits	
High	Securities must be USD denominated	Minimum	100%
	<u>Ratings Requirements</u>		
High	First Tier Securities	Minimum	100%
Low	Long-term securities must have long-term ratings in the three highest categories	Pass/Fail	
Low	Commercial Paper must have short-term ratings from at least one NRSRO	Minimum	100%
Low	Securities in Highest Rating Category (A-1+ or equivalent)	Minimum	50%
	<u>Maturity</u>		
Low	Individual Security	Maximum	397 days
Low	Government floating rate notes/variable rate notes	Maximum	762 days
High	Dollar Weighted Average Maturity	Maximum	60 days
High	Weighted Average Life	Maximum	120 days
High	S&P Weighted Average Life	Maximum	90-120 days
	<u>Issuer Diversification</u>		
Low	First Tier issuer (limit does not apply to cash, cash items, U.S. Government securities and repo collateralized by these securities)	Maximum	5%
	<u>Demand Feature and Guarantor Diversification</u>		
Low	First Tier securities issued by or subject to demand features and guarantees of a non-controlled person	Maximum	10%/75%
Low	First Tier securities issued by or subject to demand features and guarantees of a controlled person	Maximum	10%/100%

Risk Ranking	Test	Limits	
	Money Market Mutual Funds		
Low	Invested in any one Money Market Mutual Fund	Maximum	10%
	Repurchase Agreements		
Low	Repurchase Agreement Counterparty Rating	Minimum	A-1
Low	Term (2-5 days) Repurchase Agreements with any single dealer - Counterparty Rating A-1+	Maximum	10%
Low	Term (2-5 days) Repurchase Agreements with any single dealer - Counterparty Rating A-1	Maximum	10%
Low	Repurchase Agreements with any single dealer - Counterparty Rating A-1	Maximum	25%
Low	Repurchase Agreement Counterparties must be rated by S&P	Pass/Fail	
Low	Term (more than 5 business days) Repurchase Agreements with any single dealer - Counterparty Rating A-1+	Maximum	5%
Low	Term (more than 5 business days) Repurchase Agreements with any single dealer - Counterparty Rating A-1	Maximum	5%
	Concentration		
Low	Industry Concentration, excluding financial services industry	Maximum	25%
Low	Any Single Government Agency	Maximum	33.33%
Low	Illiquid Securities	Maximum	5%
High	Assets invested in securities accessible within 1 business day	Minimum	10%
High	Assets invested in securities accessible within 5 business days	Minimum	30%
High	Net Asset Value	Minimum	99.75%