Fixed Income Investment Oversight Group Meeting – Florida PRIME
Meeting Minutes
January 29, 2026 3:00 p.m.
Emerald Coast Conference Room/Virtual via Teams

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

Members not in Attendance: Karen Chandler – *Director, Enterprise Risk Management*

Other Attendees: Angelina Baker – *Analyst, Investment Compliance*; Hannah Day – *Senior Analyst, Investment Compliance;* George Barbosa – *Senior Analyst, Investment Compliance;* Mykel Kenton – *Director, Investment Compliance;* Jennifer Barrett – *Manager, Investment Compliance;* Cherie Jeffries – *Director, Fixed Income Trading*; Melissa Macilveen – *Manager, Administrative Programs (FHCF);* Richard Smith – *Senior Portfolio Manager, Short Term;* Paul Groom – *Deputy Executive Director;* Lamar Taylor – *Chief Investment Officer;* Paige Wilhelm – *Senior Vice President and Head of Investment Area/Prime Liquidity Team, Senior Portfolio Manager (Federated Hermes)*

Minutes: Hannah Day

<u>**Agenda Topics**</u>

1. Paige Wilhelm reviewed the stress test results for the quarter ended 12/31/2025. She noted that the Travel and Leisure sector has recovered post-Covid and was removed from the credit event stress test. Additionally, she noted that the Chemical sector is also recovering and therefore the spreads were changed from +50 basis points to +25 basis points. Finally, it was noted that the Auto sector was stressed at +25 basis points and the Banking sector at +50 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 12/31/2025:

   <u>Conclusions:</u>

   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

	31-Oct	28-Nov	31-Dec
Date of Stress Tests:	31-Oct	28-Nov	31-Dec
Shadow NAV at Time of Tests:	1.00018	0.99997	1.00021

STRESS TESTING RESULTS DURING THE PERIOD

Pct of Shares Redeemed	Redemptions Only					
	Stress NAV			Weekly Liquidity		
	Oct	Nov	Dec	Oct	Nov	Dec
0%	1.00018	0.99997	1.00021	38.64%	41.46%	43.33%
10%	1.00020	0.99997	1.00023	31.82%	34.95%	37.04%
20%	1.00023	0.99996	1.00026	30.00%	30.00%	30.00%
30%	1.00026	0.99996	1.00030	30.00%	30.00%	30.00%
40%	1.00031	0.99995	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		
	Oct	Nov	Dec	Oct	Nov	Dec	Oct	Nov	Dec	Oct	Nov	Dec	Oct	Nov	Dec	Oct	Nov	Dec
0%	0.99918	0.99900	0.99925	38.64%	41.46%	43.33%	0.99956	0.99936	0.99965	38.64%	41.46%	43.33%	0.99985	0.99961	0.99986	38.64%	41.46%	43.33%
10%	0.99909	0.99889	0.99916	31.82%	34.95%	37.04%	0.99951	0.99929	0.99961	31.82%	34.95%	37.04%	0.99984	0.99956	0.99985	31.82%	34.95%	37.04%
20%	0.99898	0.99875	0.99906	30.00%	30.00%	30.00%	0.99944	0.99920	0.99956	30.00%	30.00%	30.00%	0.99982	0.99951	0.99983	30.00%	30.00%	30.00%
30%	0.99883	0.99857	0.99892	30.00%	30.00%	30.00%	0.99936	0.99908	0.99949	30.00%	30.00%	30.00%	0.99979	0.99944	0.99981	30.00%	30.00%	30.00%
40%	0.99863	0.99833	0.99874	30.00%	30.00%	30.00%	0.99926	0.99893	0.99941	30.00%	30.00%	30.00%	0.99976	0.99934	0.99977	30.00%	30.00%	30.00%

% of Orig. Portfolio Stressed

Test	Oct	Nov	Dec
Redemptions Only	0.0%	0.0%	0.0%
Change in Int. Rates	78.1%	84.0%	80.5%
Credit Event	50.1%	54.5%	50.7%
Floater Spread Widening	17.2%	17.0%	15.1%
Combination	78.0%	83.9%	80.5%

Pct of Shares Redeemed	Combination					
	Stress NAV			Weekly Liquidity		
	Oct	Nov	Dec	Oct	Nov	Dec
0%	0.99823	0.99803	0.99829	38.64%	41.46%	43.33%
10%	0.99803	0.99781	0.99809	31.82%	34.95%	37.04%
20%	0.99778	0.99753	0.99786	30.00%	30.00%	30.00%
30%	0.99746	0.99718	0.99755	30.00%	30.00%	30.00%
40%	0.99704	0.99671	0.99714	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 and Automotives widen by 0.50%; Travel & Leisure widen by 0.25% in Oct-Nov and 0.0% in Dec; Chemicals widen 0.50% in Oct-Nov and 0.25% in Dec.

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