

**AMENDMENT ONE TO THE AMENDED AND RESTATED
TRUST AGREEMENT DATED AS OF APRIL 30, 2009 (THE "TRUST AGREEMENT")
BETWEEN THE STATE BOARD OF ADMINISTRATION OF FLORIDA (THE "SBA") AND
THE DIVISION OF BLIND SERVICES ("CLIENT")**

SBA CONTRACT NO. 99-90

Pursuant to paragraph 12 of the Trust Agreement, and for good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the parties agree as follows:

1. Item 3 on Enclosure 1 of the Trust Agreement is hereby amended by deleting it in its entirety and replacing it as follows: The "Effective Date" is April 30, 2009.

2. Enclosure 2 is hereby amended by deleting it in its entirety and replacing it with the attached Exhibit A, entitled "Enclosure 2".

3. Paragraph 2 of Enclosure 3 is hereby amended by adding the following after the last sentence thereof:

In addition to the fees and expenses otherwise payable to the SBA hereunder, the SBA shall charge, as applicable, a monthly fee for the administration of CAMPMM and CAMPMM-Restricted in compliance with SBA Rule 19.3016 or in the event of an investment in Florida PRIME, the fees and expenses contemplated by Chapter 218, Florida Statutes as set forth from time to time in the enrollment materials.

4. Except as modified by this Amendment One, all other provisions of the Trust Agreement shall remain in full force and effect. Any capitalized, undefined terms used herein, including in the attached Exhibit A, shall have the meanings given them in the Trust Agreement.

5. This Amendment One shall be effective as of the date of execution by the SBA.

IN WITNESS WHEREOF, the parties have executed this Amendment One on the dates set forth below.

**STATE BOARD OF ADMINISTRATION
OF FLORIDA**

By: _____

Ashbel C. Williams
Executive Director & CIO

Date: _____

APPROVED AS TO LEGALITY:

E. LAMAR TAYLOR
DEPUTY GENERAL COUNSEL

**THE DIVISION OF BLIND
SERVICES**

By: _____

Name: Joyce Hildreth

Title: Director

Date: 04/21/2011

Exhibit A

ENCLOSURE 2

TO THE AMENDED AND RESTATED TRUST AGREEMENT BETWEEN THE STATE BOARD OF ADMINISTRATION OF FLORIDA AND THE DIVISION OF BLIND SERVICES

The Division of Blind Services in the Department of Education as the Client has entered into this Amended and Restated Trust Agreement with the SBA to manage the Division's Funds. Investment parameters which have been specified and mutually agreed to by the Client and the SBA are as follows:

1. The Client shall be responsible for the allocation of its Funds among six commingled investment pools authorized under this Agreement, in accordance with Section 215.47, Florida Statutes:

(a) A money market pool (CAMP Money Market Fund); provided, however, that the parties agree, acknowledge and understand that the SBA is currently implementing a plan to wind down and terminate CAMPMM, and that on or before April 15, 2011, Client shall direct the SBA to liquidate Client's holdings in CAMPMM and invest such holdings in one of the alternatives described in (c) through (f) below. In the event that Client fails to make such direction as required by this paragraph 1(a) by April 15, 2011, then Client hereby authorizes and directs the SBA to liquidate Client's holdings in CAMPMM and to invest such funds in one or more of the alternatives described in (c) through (f) below, in the SBA's sole discretion.

(b) A liquidating pool of restricted former money market units (CAMP Money Market Fund Restricted).

(c) A fixed income pool (U.S. Debt Index Fund B).

(d) A U.S. equity pool (Russell 3000 Index Fund B).

(e) The Local Government Surplus Funds Trust Fund (also known as Florida PRIME) which is administered by the SBA and managed by an external investment manager and which is invested in accordance with the Investment Policy Statement set forth in Exhibit 3 to this Enclosure 2, which is attached hereto and incorporated by reference herein.

(f) One or more short-term money market funds not administered by the SBA but offered, administered and invested by an external investment manager or service provider, as more particularly described in the direction provided to the SBA from time to time by the Client as contemplated by this Section 1.

The SBA shall select and monitor the investment manager for each individual commingled pool. The Client agrees and understands that the SBA's obligation to invest Funds consistent with any allocation instructions received by SBA hereunder is contingent on the Client taking all actions and executing all enrollment forms, agreements and other documents that may be required by the SBA and/or an external investment manager or services provider.

2. The investment objective for each investment pool:

CAMP Money Market Fund

The CAMP Money Market Fund is designed to provide a high quality, liquid vehicle. It is appropriate for funds with a short-term investment horizon where liquidity and the preservation of capital are of primary importance. To accomplish this objective, the portfolio will be structured reasonably compliant with Part 270 of the Investment Company Act of 1940 (17 CFR 270.2a-7, Money Market Funds). Performance is expected to be competitive with the Standard & Poor's U.S. AAA & AA Rated GIP All 30 Day Net Yield Index. The CAMP Money Market Fund is managed by an external investment manager under contract to the SBA. Investment Guidelines are attached in Exhibit 1 to this Enclosure 2.

CAMP Money Market Restricted Fund

The CAMP Money Market Restricted Fund's primary objective is to maximize the present value of distributions from segregated securities, which were originally purchased for the CAMP Money Market Fund but defaulted in the payment of principal and interest and were restructured or otherwise subject to workout. Investment Guidelines are attached in Exhibit 2 to this Enclosure 2.

U.S. Debt Index Fund B

The U.S. Debt Index Fund B shall be invested and reinvested primarily in a portfolio of debt securities with the objective of approximating as closely as practicable the total rate of return of the market for debt securities as defined by the Barclays Capital Aggregate Bond Index. BGI will manage the U.S. Debt Index Fund B according to the investment guidelines set forth in Exhibit A of the Grantor Trust executed by the Client and BGI.

Russell 3000 Index Fund B

The Russell 3000 Index Fund B shall be invested and reinvested in a portfolio of equity securities with the objective of approximating as closely as practicable the capitalization weighted total rate of return of the segment of the United States market for publicly traded equity securities represented by the 3000 largest capitalized companies. BGI will manage the Russell 3000 Index Fund B according to the investment guidelines set forth in Exhibit A of the Grantor Trust executed by the Client and BGI.

Florida PRIME

Florida PRIME, also known as the Local Government Surplus Funds Trust Fund, is governed by Chapters 215 and 218, Florida Statutes and Chapter 19-7 of the Florida Administrative Code. Florida PRIME operates in a manner consistent with the diversification, credit quality and maturity conditions of Rule 2a-7 of the Investment Company Act of 1940 and is therefore considered a "2a-7 like" fund for purposes of GASB 31. The primary objectives of the Florida PRIME, in order of priority, are safety, liquidity and competitive returns with minimization of risks. Florida PRIME invests in short-term, high-quality fixed income securities rated in the highest short-term rating category by one or more nationally recognized statistical rating organizations, or of comparable quality. Florida PRIME seeks to maintain a stable net asset

value of \$1.00 and a weighted average maturity of 60 days or less, with the maximum maturity of any investment limited to 397 days. More information on Florida PRIME can be found on the pool's website at www.sbafla.com/prime.

3. The Client recognizes that investment alternatives provided higher expected long-term returns are likely to exhibit greater volatility than investment alternatives providing lower expected long-term returns. The Client also recognizes that the past is not always a valid predictor of the future and erosion of the principal in the trust may naturally occur if market performance falls short of historical norms or forward looking expectations for specified periods of time. Finally, the Client recognizes that asset allocation will be the primary factor in governing future returns for its total portfolio, assuming sufficient diversification within each asset class.

4. Deposits and Withdrawals; Contributions and Redemptions:

Instructions

Funds for deposit must be wire transferred to the SBA's demand deposit account at BNYMellon within the 24 hours period. Wire instructions are as follows:

Federal Reserve Bank of Boston
ABA # 011001234
DDA # 01-0901
For: Florida State Board of Administration
Reference: FMXFX060052
Attn: John McEvoy 617-388-1911

Funds from redemption (withdrawals) will be wire transferred to the bank account information designated on the most recent Participant Account Maintenance Form received from a designated representative of the Client.

Contributions

Contributions to the Russell 3000 Fund may be made on any business day with 24 hours notice before 9:30 AM Pacific Time. This is called T-1 notification. "T" stands for the "trade date." "-1" means "minus one" day. Therefore, if the contribution is to be made on Wednesday, April 8, BGI must be notified anytime before Tuesday, April 7, at 9:30 AM Pacific Time. Client understands and agrees that the SBA must receive instructions from the Client in good form with sufficient time before the 9:30 AM Pacific Time deadline to instruct BGI on the Client's behalf.

Contributions to the US Debt Fund may be made on any business day but require more notice: "T-2 before noon Pacific Time." This means that if contributions are to be made on Wednesday, April 8, BGI must be notified anytime before noon Pacific Time on Monday, April 6. Client understands and agrees that the SBA must receive instructions from the Client in good form with sufficient time before the noon Pacific Time deadline to instruct BGI on the Client's behalf.

Contributions (deposits) to the CAMP Money Market Fund are allowed with 24 hours written notice and may be made on any business day; provided, however, that no new contributions (deposits) will be permitted to the CAMP Money Market Fund on or after April 15, 2011 without the consent of the SBA.

Contribution notification to BGI will be initiated after written notification by the Client is received by the SBA and wire transfer of funds from the Client is received by BNYMellon into the SBA's account. The subsequent timing of the notification and transfer of funds to BGI will follow the procedures explained above.

Written notification should be faxed to (850) 413-1097. The necessary form can be obtained by contacting Ben Latham at (850) 413-1031.

Redemptions

Redemptions (withdrawals) have the same notification schedules as contributions.

5. CAMP Money Market Restricted Fund is not subject to Client requests for contributions or redemptions. Prior to April 15, 2011, any distributions from such Fund shall be directed by the SBA to CAMP Money Market Fund as a standing instruction. On and after April 15, 2011, any distributions from such Fund shall be directed by the SBA to the alternatives selected by the Client in liquidating its interest in CAMP Money Market Fund as set forth in Section 1(a) hereof.

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ENCLOSURE 2
EXHIBIT 1

**Investment Portfolio Guidelines
CAMP MONEY MARKET**

Approval by Deputy Executive Director: Kevin Sigrist

Date: 10/14/10

I. Purpose and Scope

The purpose of these Investment Portfolio Guidelines ("Guidelines") is to set forth the investment objective, investment strategies, and authorized portfolio securities for the Commingled Asset Management Program Money Market Fund ("CAMPMM"). The Guidelines also describe the risks associated with an investment in the CAMPMM. The Guidelines do not apply to two securities issued by Florida East Funding LLC and Florida West Funding LLC that will be maintained in a separate account at BNY Mellon.

II. Overview of the CAMPMM

The State Board of Administration of Florida ("SBA") is charged with the powers and duties to administer and invest the CAMPMM, in accordance with the statutory fiduciary standards of care as contained in Section 215.47(9), Florida Statutes. The SBA has contracted with Federated Investment Counseling (the "Investment Manager") to provide investment advisory services for the CAMPMM.

The CAMPMM is governed by Chapter 215, Florida Statutes ("Applicable Florida Law").

III. Roles and Responsibilities

The Board of Trustees of the SBA ("Trustees") consists of the Governor, as Chairman, the Chief Financial Officer, as Treasurer, and the Attorney General, as Secretary. The Trustees have delegated the administrative and investment authority to manage the CAMPMM to the Executive Director & CIO of the SBA, subject to Applicable Florida Law. The Trustees have appointed an Investment Advisory Council to provide oversight of the SBA's investments.

IV. Amortized Cost Accounting

In March 1997, the Governmental Accounting Standards Board ("GASB") issued Statement 31, titled "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." GASB 31 applies to CAMPMM.

GASB 31 outlines the two options for accounting and reporting for money market investment pools as either "2a-7 like" or fluctuating net asset value ("NAV"). GASB 31 describes a "2a-7 like" pool as an "external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940

(the "1940 Act"). Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant NAV of \$1.00 per share, provided that such funds meet certain conditions.

The CAMPMM will operate in a manner consistent with the diversification, credit quality and maturity conditions of Rule 2a-7. Accordingly, it qualifies for "2a-7 like" status under GASB 31, and is thereby permitted to use the amortized cost method to maintain a stable NAV of \$1.00 per share.

V. Investment Objective

The primary investment objectives for the CAMPMM, in priority order, are safety, liquidity, and competitive returns with minimization of risks. Investment performance of the CAMPMM will be evaluated on a monthly basis against the Standard & Poor's U.S. AAA & AA Rated GIP All 30 Day Net Yield Index for all periods. While there is no assurance that the CAMPMM will achieve its investment objectives, it endeavors to do so by following the investment strategies described in these Guidelines.

VI. Investment Strategies & Specific Limitations

The Investment Manager will invest CAMPMM's assets in short-term, high-quality fixed income securities. To be considered high-quality, a security must be rated in the highest short-term rating category by one or more nationally recognized statistical rating organizations ("NRSROs"), or be deemed to be of comparable quality thereto by the Investment Manager, subject to Section 215.47(1)(j), Florida Statutes. The Investment Manager also may enter into special transactions for CAMPMM, like repurchase agreements. Certain of the fixed-income securities in which CAMPMM invests pay interest at a rate that is periodically adjusted ("Adjustable Rate Securities").

The Investment Manager will manage credit risk by purchasing only high quality securities. The Investment Manager will perform a credit analysis to develop a database of issuers and securities that meet the Investment Manager's standard for minimal credit risk. The Investment Manager monitors the credit risks of all CAMPMM's portfolio securities on an ongoing basis by reviewing periodic financial data, issuer news and developments, and ratings of certain nationally recognized statistical rating organizations (after December 31, 2010 nationally recognized statistical rating organizations that have been designated by the Investment Manager ("Designated NRSROs")). The Investment Manager will utilize a "new products" or similar committee to review and approve new security structures prior to an investment of CAMPMM's assets in such securities. The Investment Manager will periodically consider and follow best practices in connection with minimal credit risk determinations (e.g., such as those described in Appendix I of the Investment Company Institute's 2009, *Report of the Money Market Working Group*).

The Investment Manager will manage interest rate risk by purchasing only short-term fixed income securities. The Investment Manager will target a dollar-weighted average maturity range for CAMPMM based on its interest rate outlook. The Investment Manager will formulate its interest rate outlook by analyzing a variety of factors, such as current and expected U.S.

economic growth; current and expected interest rates and inflation; and the Federal Reserve Board's monetary policy. The Investment Manager will generally shorten CAMPMM's dollar-weighted average maturity when it expects interest rates to rise and extend CAMPMM's dollar-weighted average maturity when it expects interest rates to fall. The remaining maturity of securities purchased by the Investment Manager shall not exceed 762 days for government floating rate notes/variable rate notes and will not exceed 397 days for other securities.

CAMPMM will maintain a dollar weighted average maturity ("DWAM") of 60 days or less. After June 30, 2010, in order to comply with recent amendments to Rule 2a-7, CAMPMM also will maintain a weighted average life (WAL) of 120 days or less. For purposes of calculating DWAM, the maturity of an Adjustable Rate Security generally will be the period remaining until its next interest rate adjustment. For purposes of calculating WAL, the maturity of an Adjustable Rate Security will be its stated final maturity, without regard to interest rate adjustments; accordingly, the 120-day WAL limitation could serve to limit CAMPMM's ability to invest in Adjustable Rate Securities.

The Investment Manager will exercise reasonable care to limit exposure to not more than 25% of CAMPMM's assets in a single industry sector, except that the Investment Manager may invest more than 25% in the financial services industry sector, which includes banks, broker-dealers, and finance companies. This higher limit is in recognition of the large outstanding value of money fund instruments issued by financial services firms. Government securities are not considered to be an industry.

CAMPMM will exercise reasonable care to not acquire a security, other than (i) a Daily Liquid Asset, if immediately after the acquisition CAMPMM would have invested less than 10% of its total assets in Daily Liquid Assets; (ii) a Weekly Liquid Asset, if immediately after the acquisition CAMPMM would have invested less than 30% of its total assets in Weekly Liquid Assets. Daily Liquid Assets include cash, direct obligations of the U.S. government; and securities that convert to cash in one business day. Weekly Liquid Assets include cash, direct obligations of the U.S. government, certain government securities with remaining maturities of 60 business days or less, and securities that convert to cash in five business days.

CAMPMM will exercise reasonable care to not acquire securities that cannot be sold or disposed of in the ordinary course of business within seven days at approximately the value ascribed to them by CAMPMM if, immediately after the acquisition, CAMPMM would have invested more than 5% of its total assets in such securities.

In buying and selling portfolio securities for CAMPMM, the Investment Manager will comply with the diversification, maturity and credit quality conditions imposed by Rule 2a-7 under the 1940 Act and with the investment limitations imposed by Section 215.47, Florida Statutes.

The Investment Manager generally will comply with the following diversification limitations that are additional to those set forth in Rule 2a-7. First, at least 50% of CAMPMM assets will be invested in securities rated "A-1+" or those deemed to be of comparable credit quality thereto by the Investment Manager (i.e., so long as such deeming is consistent with the requirements of the Standard & Poor's's AAAM (or equivalent) rating criteria), subject to Section 215.47(1)(j),

Florida Statutes. The Investment Manager will document each instance in which a security is deemed to be of comparable credit quality and its basis for such a determination. Second, exposure to any single non-governmental issuer will not exceed 5% at time of purchase.

Notwithstanding any of the foregoing, to facilitate a prudent closure of CAMPMM, CAMPMM may invest without limit in the following AAAM rated registered money market funds:

1. Federated Prime Cash Obligations (Ticker PCOXX CUSIP 60934N-625)
2. Federated. Prime Obligations (Ticker POIXX CUSIP 60934N-203)
3. Custodian's approved sweep vehicles

VII. Portfolio Securities and Special Transactions

The Investment Manager will purchase only fixed income securities for the CAMPMM, and may engage in special transactions, for any purpose that is consistent with the CAMPMM's investment objective.

Fixed Income Securities are securities that pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principal or adjusted periodically. In addition, the issuer of a fixed income security must repay the principal amount of the security, normally within a specified time. The fixed income securities in which the CAMPMM may invest include corporate debt securities, bank instruments, asset backed securities, U.S. Treasury securities, U.S. government agency securities, insurance contracts, municipal securities, foreign securities, mortgage backed securities, and shares of registered investment companies or of the AAAM rated registered money market funds set forth in Section VI. However, the CAMPMM is not permitted to buy such fixed income securities to the extent that they require the CAMPMM to be an accredited investor or a qualified institutional buyer.

Special Transactions are transactions into which the CAMPMM may enter, including repurchase agreements and delayed delivery transactions.

For a more detailed description of the CAMPMM's portfolio securities and Special Transactions, please see "Additional Information Regarding the CAMPMM's Principal Securities" at Appendix A.

VIII. Risks Associated with the CAMPMM

An investment in the CAMPMM is subject to certain risks. Any investor in the CAMPMM should specifically consider, among other things, the following principal risks before making a decision to make an investment in CAMPMM.

Risk that the CAMPMM will not Maintain a Stable Net Asset Value

Although the Investment Manager attempts to manage the CAMPMM such that it maintains a stable NAV of \$1.00 per share, there is no guarantee that it will be able to do so. The CAMPMM is not registered under the 1940 Act or regulated by the SEC.

Interest Rate Risk

The prices of the fixed income securities in which the CAMPMM will invest rise and fall in response to changes in the interest rates paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as demand for particular fixed income securities, may cause the price of certain fixed income securities to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities.

Credit Risk

Credit risk is the possibility that an issuer of a fixed income security held by CAMPMM will default on the security by failing to pay interest or principal when due. If an issuer defaults, CAMPMM will lose money.

Liquidity Risk

Trading opportunities are more limited for fixed income securities that are not widely held. These features make it more difficult to sell or buy securities at a favorable price or time. Consequently, CAMPMM may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on CAMPMM's performance.

Concentration Risk

A substantial part of CAMPMM may be comprised of securities issued by companies in the financial services industry or companies with similar characteristics; or securities credit enhanced by banks or companies with similar characteristics. As a result, CAMPMM may be more susceptible to any economic, business, political or other developments that generally affect finance companies. Developments affecting companies in the financial services industry or companies with similar characteristics might include changes in interest rates, changes in the economic cycle affecting credit losses and regulatory changes.

Risk of Foreign Investing

Foreign securities pose additional risks because foreign economic or political conditions may be less favorable than those of the United States. Securities in foreign markets also may be subject to taxation policies that reduce returns for U.S. investors.

Call Risk

If a fixed income security is called, CAMPMM may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks, or other less favorable characteristics.

Prepayment Risk

Unlike traditional fixed income securities, which pay a fixed rate of interest until maturity (when the entire principal amount is due), payments on asset-backed securities include both interest and a partial payment of principal. Partial payment of principal may be comprised of scheduled principal payments as well as unscheduled payments from voluntary prepayment, refinancing, or foreclosure of the underlying loans. If CAMPMM receives unscheduled prepayments, it may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks or other less favorable characteristics.

Risk Associated with Amortized Cost Method of Valuation

CAMPMM will use the amortized cost method to determine the value of its portfolio securities. Under this method, portfolio securities are valued at the acquisition cost as adjusted for amortization of premium or accumulation of discount rather than at current market value. Accordingly, neither the amount of daily income nor the NAV is affected by any unrealized appreciation or depreciation of the portfolio. In periods of declining interest rates, the indicated daily yield on shares computed by dividing the annualized daily income on CAMPMM's portfolio by the NAV as computed above may tend to be higher than a similar computation made by using a method of valuation based on market prices and estimates. In periods of rising interest rates, the opposite may be true.

Changing Distribution Levels Risk

There is no guarantee that CAMPMM will provide a certain level of income or that any such income will exceed the rate of inflation. Further, CAMPMM's yield will vary. A low interest rate environment may prevent CAMPMM from providing a positive yield or paying expenses out of current income.

Throughout this section, it shall be understood that actions described as being taken by CAMPMM refer to actions taken by the Investment Manager on behalf of CAMPMM.

For additional information regarding CAMPMM's principal securities and associated risks, please see Appendix A.

IX. Controls and Escalation Procedures

The SBA has engaged BNY Mellon ("Custodian") to provide asset safekeeping, custody, fund accounting and performance measurement services to the CAMPMM. The Custodian will mark to market the portfolio holdings of the CAMPMM on a daily basis and will daily communicate both amortized cost price and mark to market price, so that the SBA and the Investment Manager can monitor the deviations between the amortized cost price and market price. By contractual agreement, the Investment Manager will reconcile accounting and performance measurement reports with the Custodian on a regular basis, under the supervision of the SBA.

The SBA and third parties used to materially implement the CAMPMM will maintain internal control, fraud and ethics policies and procedures designed to prevent the loss of public funds.

Pursuant to written SBA policy, the Executive Director & CIO will organize an Investment Oversight Group to regularly review, document and formally escalate compliance exceptions and events that may have a material impact on the CAMPMM. Minutes of the Investment Oversight Group's meetings and a listing of meeting participants shall be timely posted on the SBA's website (www.sbafla.com).

The Investment Oversight Group will meet and report monthly to the Executive Director & CIO, except upon the occurrence of a material event. The SBA and the Investment Manager have an affirmative duty to immediately disclose any material impact on the CAMPMM to the participants.

1. When the deviation between the market value and amortized cost of CAMPMM exceeds 0.25%, according to pricing information provided by the Custodian, the Investment Manager will establish a formal action plan. The Investment Oversight Group will review the formal action plan and prepare a recommendation for the Executive Director & CIO's consideration.
2. When the deviation between the market value and amortized cost of CAMPMM exceeds 0.50%, according to pricing information provided by the Custodian, the Executive Director & CIO will promptly consider what action, if any, will be initiated. Where the Executive Director & CIO believes the extent of any deviation from CAMPMM's amortized cost price per share may result in material dilution or other unfair results to investors or existing shareholders, he will cause CAMPMM to take such action as he deems appropriate to eliminate or reduce to the extent reasonably practicable such dilution or unfair results.
3. The Investment Manager will perform daily compliance monitoring to ensure that investment practices comply with the requirements of these Guidelines, according to documented compliance procedures. The Investment Manager will provide regular compliance reports and will communicate compliance exceptions within 24 hours of identification to the Investment Oversight Group. Additionally, the Investment Oversight Group will periodically conduct independent compliance reviews.
4. In the event that a security receives a credit rating downgrade and ceases to be in the highest rating category, or the Investment Manager determines that the security is no longer of comparable quality to the highest short-term rating category (in either case, a "Downgrade"), the Investment Manager will reassess whether the security continues to present minimal credit risk and will cause CAMPMM to take any actions determined by the Investment Manager to be in the best interest of CAMPMM; provided however that the Investment Manager will not be required to make such reassessments if CAMPMM disposes of the security (or the security matures) within five business days of the Downgrade.
5. In the event that a security no longer meets the criteria for purchase due to default, event of insolvency, a determination that the security no longer presents minimal credit risks, or other material event ("Affected Security"), the Investment Manager must dispose of the security as soon as practical consistent with achieving an orderly

disposition of the security, by sale, exercise of a demand feature or otherwise. An Affected Security may be held only if the Executive Director & CIO has determined, based upon a recommendation from the Investment Manager and the Investment Oversight Group, that it would not be in the best interest of CAMPMM to dispose of the security taking into account market conditions that may affect an orderly disposition.

6. The Investment Manager will periodically stress test CAMPMM and at least quarterly report the results of the stress tests to the Investment Oversight Group. Stress tests must be conducted for at least the following events, or combinations of events (i) a change in short-term interest rates; (ii) an increase in net shareholder redemptions; (iii) downgrades or defaults; and (iv) changes between a benchmark overnight interest rate and the interest rates on securities held by CAMPMM.

The Investment Manager will at least annually provide the Investment Oversight Group with: (i) their documented compliance procedures; (ii) an assessment of CAMPMM's ability to withstand events reasonably likely to occur in the coming year and (iii) their list of Designated NRSROs.

The Executive Director & CIO's delegated authority as described in this section is intended to provide him with sufficient authority and operating flexibility to make professional investment decisions in response to changing market and economic conditions.

X. Deposits and Withdrawals

Investors should refer to the separate CAMPMM Operating Procedures for detailed descriptions regarding how to make deposits in and withdrawals from the CAMPMM, including (1) any fees and limitations that may be imposed with respect thereto; and (2) reports provided to participants.

XI. Management Reporting

The Executive Director & CIO will be responsible for providing the following formal periodic reports to the Trustees:

1. An annual report on the SBA and its investment portfolios, including that of the CAMPMM.
2. A monthly report on performance and investment actions taken.

APPENDIX A

Additional Information Regarding CAMPMM's Principal Securities

Throughout this appendix it shall be understood that actions described as being taken by the CAMPMM refer to actions taken by the Investment Manager on behalf of the CAMPMM.

FIXED INCOME SECURITIES

Corporate Debt Securities

Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures and commercial paper are the most prevalent types of corporate debt securities. The CAMPMM also may purchase interests in bank loans to companies.

Commercial Paper

Commercial paper is an issuer's obligation with a maturity of less than nine months. Companies typically issue commercial paper to pay for current expenditures. Most issuers constantly reissue their commercial paper and use the proceeds (or bank loans) to repay maturing paper. If the issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default.

Demand Instruments

Demand instruments are corporate debt securities that the issuer must repay upon demand. Other demand instruments require a third party, such as a dealer or bank, to repurchase the security for its face value upon demand. The CAMPMM treats demand instruments as short-term securities, even though their stated maturity may extend beyond one year.

Bank Instruments

Bank instruments are unsecured interest bearing deposits with banks. Bank instruments include, but are not limited to, bank accounts, time deposits, certificates of deposit and banker's acceptances. Yankee instruments are denominated in U.S. dollars and issued by U.S. branches of foreign banks. Eurodollar instruments are denominated in U.S. dollars and issued by non-U.S. branches of U.S. or foreign banks.

The CAMPMM will not invest in instruments of domestic and foreign banks and savings and loans unless they have capital, surplus, and undivided profits of over \$100,000,000, or if the principal amount of the instrument is insured by the Bank Insurance Fund or the Savings Association Insurance Fund which are administered by the Federal Deposit Insurance Corporation. These instruments may include Eurodollar Certificates of Deposit, Yankee Certificates of Deposit, and Euro-dollar Time Deposits.

Asset Backed Securities

Asset backed securities are payable from pools of obligations, most of which involve consumer or commercial debts. However, almost any type of fixed income assets (including other fixed income securities) may be used to create an asset backed security. Asset backed securities may take the form of commercial paper, notes or pass-through certificates.

Government Securities

Government security means any security issued or guaranteed as to principal or interest by the United States, or by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States; or any certificate of deposit for any of the foregoing.

U.S. Treasury Securities

U.S. Treasury securities are direct obligations of the federal government of the United States. U.S. Treasury securities are generally regarded as having the lowest credit risks.

Agency Securities

Agency securities are issued or guaranteed by a federal agency or other government sponsored entity (GSE) acting under federal authority. Some GSE securities are supported by the full faith and credit of the United States. These include securities issued by the Government National Mortgage Association, Small Business Administration, Farm Credit System Financial Assistance Corporation, Farmer's Home Administration, Federal Financing Bank, General Services Administration, Department of Housing and Urban Development, Export-Import Bank, Overseas Private Investment Corporation, and Washington Metropolitan Area Transit Authority.

Other GSE securities receive support through federal subsidies, loans or other benefits. For example, the U.S. Treasury is authorized to purchase specified amounts of securities issued by (or otherwise make funds available to) the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Student Loan Marketing Association, and Tennessee Valley Authority in support of such obligations.

A few GSE securities have no explicit financial support, but are regarded as having implied support because the federal government sponsors their activities. These include securities issued by the Farm Credit System, Financing Corporation, and Resolution Funding Corporation.

Investors regard agency securities as having low credit risks, but not as low as Treasury securities. The CAMPMM treats mortgage-backed securities guaranteed by a GSE as if issued or guaranteed by a federal agency. Although such a guarantee protects against credit risks, it does not reduce market risks.

Insurance Contracts

Insurance contracts include guaranteed investment contracts, funding agreements and annuities. The CAMPMM treats these contracts as fixed income securities.

Municipal Securities

Municipal securities are issued by states, counties, cities and other political subdivisions and authorities.

Foreign Securities

Foreign securities are U.S. dollar-denominated securities of issuers based outside the United States. The CAMPMM considers an issuer to be based outside the United States if:

- it is organized under the laws of, or has a principal office located in, another country;
- the principal trading market for its securities is in another country; or
- it (or its subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue or profit from goods produced, services performed or sales made in another country.

Mortgage Backed Securities

Mortgage backed securities represent interests in pools of mortgages. The mortgages that comprise a pool normally have similar interest rates, maturities and other terms. Mortgages may have fixed or adjustable interest rates. Interests in pools of adjustable rate mortgages are known as ARMs.

Zero Coupon Securities

Certain of the fixed income securities in which the CAMPMM invests are zero coupon securities. Zero coupon securities do not pay interest or principal until final maturity unlike debt securities that provide periodic payments of interest (referred to as a "coupon payment"). Investors buy zero coupon securities at a price below the amount payable at maturity. The difference between the purchase price and the amount paid at maturity represents interest on the zero coupon security. Investors must wait until maturity to receive interest and principal, which increases the interest rate and credit risks of a zero coupon security.

Callable Securities

Certain of the fixed income securities in which the CAMPMM invests are callable at the option of the issuer. Callable securities are subject to reinvestment risks.

144A Securities

The SBA has determined that the CAMPMM constitutes a "qualified purchaser" as defined

in Section 2(a)(51)(A)(iv) of the 1940 Act, as long as the CAMPMM in the aggregate owns and invests on a discretionary basis not less than \$25,000,000 in investments, but does not constitute (i) a “qualified institutional buyer” as defined in Rule 144A(a)(1) promulgated under the Securities Act of 1933 (the “Securities Act”) or (ii) an “accredited investor” as defined in Rule 501(a)(7) promulgated under the Securities Act. The CAMPMM is restricted from purchasing or acquiring securities or investments that would require the CAMPMM to represent in connection with such purchase or acquisition that it is a “qualified institutional buyer” as defined in Rule 144A(a)(1) promulgated under the Securities Act or an “accredited investor” as defined in Rule 501(a)(7) promulgated under the Securities Act.

Money Market Mutual Funds

The CAMPMM may invest in shares of registered investment companies that are money market mutual funds, including those that are affiliated with the Investment Manager, as an efficient means of implementing its investment strategies and/or managing its uninvested cash. These registered investment companies are managed independently of the CAMPMM and incur additional fees and/or expenses that would, therefore, be borne indirectly by the CAMPMM in connection with such investment. However, the Investment Manager believes that the benefits and efficiencies of this approach should outweigh the potential additional fees and/or expenses. The Investment Manager must obtain prior written consent of the SBA to invest the CAMPMM in money market mutual funds that are “affiliated persons” of the Investment Manager.

CAMPMM may invest in certain AAAM-rated registered money market funds without limitation to facilitate a prudent closure of CAMPMM.

Special Transactions

The Investment Manager on behalf of the CAMPMM may engage in the following special transactions.

Repurchase Agreements

Repurchase agreements involve transactions in which the CAMPMM buys a security from a dealer or bank and agrees to sell the security back at a mutually agreed-upon time and price. The repurchase price exceeds the sale price, reflecting the CAMPMM’s return on the transaction. This return is unrelated to the interest rate on the underlying security. The CAMPMM will enter into repurchase agreements only with banks and other recognized financial institutions, such as securities dealers, deemed creditworthy by the Investment Manager.

The CAMPMM’s custodian or subcustodian will take possession of the securities subject to repurchase agreements. The Investment Manager or subcustodian will monitor the value of the underlying security each day to ensure that the value of the security always equals or exceeds the repurchase price.

Repurchase agreements are subject to credit risks.

Delayed Delivery Transactions

Delayed delivery transactions, including when-issued transactions, are arrangements in which the CAMPMM buys securities for a set price, with payment and delivery of the securities scheduled for a future time. During the period between purchase and settlement, no payment is made by the CAMPMM to the issuer and no interest accrues to the CAMPMM. The CAMPMM records the transaction when it agrees to buy the securities and reflects their value in determining the price of its units. Settlement dates may not be more than seven business days after entering into these transactions; nonetheless, the market values of the securities bought may vary from the purchase prices. Therefore, delayed delivery transactions create interest rate risks for the CAMPMM. Delayed delivery transactions also involve credit risks in the event of a counterparty default.

Asset Coverage

In order to secure its obligations in connection with derivative contracts or special transactions, the CAMPMM will either own the underlying assets, enter into an offsetting transaction or set aside readily marketable securities with a value that equals or exceeds the CAMPMM's obligations. Unless the CAMPMM has other readily marketable assets to set aside, it cannot trade assets used to secure such obligations without terminating a special transaction. This may cause the CAMPMM to miss favorable trading opportunities or to realize losses on special transactions.

ENCLOSURE 2

EXHIBIT 2

Investment Portfolio Guidelines
Commingled Asset Management Program Money Market Restricted Portfolio
(BNY MELLON Account Number CAFFC2110102
BNY Mellon Name: CAFGCJN001 CAMP-MM; Non-qualified)

Approval by Deputy Executive
Director

Kevin D. Rios

Date 6/30/09

Purpose

The Commingled Asset Management Program Money Market Restricted Portfolio ("CAMP Money Market Restricted Portfolio") was established as an internally managed commingled portfolio in April 2008. CAMP Money Market Restricted Fund is a unitized fluctuating NAV portfolio with 2 specific holdings that were transferred out of the CAMP Money Market Fund because they had defaulted, were restructured and were not liquid.

Investment Objective

The objective of the portfolio is to maximize the present value of distributions from illiquid securities.

Implementation

The portfolio is internally managed (although collateral supporting the securities held therein are subject to the discretionary external management). The portfolio may be funded or defunded at the discretion of the Senior Investment Officer of Fixed Income. The SBA may sell, exchange, or otherwise dispose of, or agree to the extension, workout or restructuring of the illiquid securities to meet the investment objective. Proceeds received from any sale, exchange or other disposition of securities may be invested in CAMP Money Market Fund or AAAm rated money market sweep vehicles available for SBA's use at the custodian. Proceeds will be swept periodically for deposit to client accounts by and according to SBA Financial Operations' procedures.

Investment Restrictions/Compliance

The portfolio will be managed consistent with Section 215.47 of the Florida Statutes and SBA policies. A detailed and comprehensive compliance checklist will be jointly developed, maintained and approved by the asset class Senior Investment Officer and independent compliance staff. Both parties are responsible for taking the initiative to update the compliance checklist as necessary to reflect current activity. Compliance will be checked consistent with SBA Policy 15-002. The final approved compliance checklist will be attached to these guidelines.

Evaluation

General review of performance and other relevant management issues will be conducted monthly. The portfolio is undiversified and the result of asset workout and restructuring, and will not be formally benchmarked against a market benchmark or peer universe. The portfolio is considered actively managed for performance measurement purposes.

**Fixed Income Monthly Compliance
Internally Managed
Commingled Asset Management Program Money Market
Restricted Portfolio
Active / Non-Qualified**

Account: CAFFC2110102

Date:

In Compliance?

Are all holdings permitted under Florida Statutes Section 215.47?

Were any cash flows received (i.e. principal and interest distributions, exchanges, or other dispositions)?

Were all proceeds from sales and/or cash flows invested in the CAMPMM fund or AAAM rated money market sweep vehicles available for SBA's use at the custodian?

ENCLOSURE 2

EXHIBIT 3

Investment Policy Statement Local Government Surplus Funds Trust Fund (Non-Qualified) Effective July 1, 2010

I. Purpose and Scope

The purpose of this Investment Policy Statement ("Policy") is to set forth the investment objective, investment strategies, and authorized portfolio securities for the Local Government Surplus Funds Trust Fund ("Florida Prime"). The Policy also describes the risks associated with an investment in Florida PRIME. This Policy does not relate to Fund B as defined at Section 218.421, Florida Statutes.

II. Overview of Florida PRIME

The Local Government Surplus Funds Trust Fund was created by an Act of the Florida Legislature effective October 1, 1977 (Chapter 218, Part IV, Florida Statutes). The State Board of Administration ("SBA") is charged with the powers and duties to administer and invest Florida PRIME, in accordance with the statutory fiduciary standards of care as contained in Section 215.47(10), Florida Statutes. The SBA has contracted with Federated Investment Counseling (the "Investment Manager") to provide investment advisory services for Florida PRIME.

Florida PRIME is governed by Chapters 215 and 218, Florida Statutes, and Chapter 19-7 of the Florida Administrative Code (collectively, "Applicable Florida Law").

III. Roles and Responsibilities

The Board of Trustees of the SBA ("Trustees") consists of the Governor, as Chairman, the Chief Financial Officer, as Treasurer, and the Attorney General, as Secretary. The Trustees will annually certify that Florida PRIME is in compliance with the requirements of Chapter 218, Florida Statutes, and that the management of Florida PRIME is in accord with best investment practices.

The Trustees delegate the administrative and investment authority to manage Florida PRIME to the Executive Director of the SBA, subject to Applicable Florida Law. The Trustees appoint an Investment Advisory Council and a Participant Local Government Advisory Council. Both Councils will at least annually review this Policy and any proposed changes prior to its presentation to the Trustees and will undertake other duties set forth in Applicable Florida Law.

IV. Amortized Cost Accounting

In March 1997, the Governmental Accounting Standards Board ("GASB") issued Statement 31, titled "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." GASB 31 applies to Florida PRIME.

GASB 31 outlines the two options for accounting and reporting for money market investment pools as either “2a-7 like” or fluctuating net asset value (“NAV”). GASB 31 describes a “2a-7 like” pool as an “external investment pool that is not registered with the Securities and Exchange Commission (“SEC”) as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940 (the “1940 Act”).” Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant NAV of \$1.00 per share, provided that such funds meet certain conditions.

Florida PRIME will operate in a manner consistent with the diversification, credit quality and maturity conditions of Rule 2a-7. Accordingly, it qualifies for “2a-7 like” status under GASB 31, and is thereby permitted to use the amortized cost method to maintain a stable NAV of \$1.00 per share.

V. Investment Objective

The primary investment objectives for Florida PRIME, in priority order, are safety, liquidity, and competitive returns with minimization of risks. Investment performance of Florida PRIME will be evaluated on a monthly basis against the Standard & Poor’s U.S. AAA & AA Rated GIP All 30 Day Net Yield Index. While there is no assurance that Florida PRIME will achieve its investment objectives, it endeavors to do so by following the investment strategies described in this Policy.

VI. Investment Strategies & Specific Limitations

The Investment Manager will invest Florida PRIME’s assets in short-term, high-quality fixed income securities. To be considered high-quality, a security must be rated in the highest short-term rating category by one or more nationally recognized statistical rating organizations (“NRSROs”), or be deemed to be of comparable quality thereto by the Investment Manager, subject to Section 215.47(1)(j), Florida Statutes. The Investment Manager also may enter into special transactions for Florida PRIME, like repurchase agreements. Certain of the fixed-income securities in which Florida PRIME invests pay interest at a rate that is periodically adjusted (“Adjustable Rate Securities”).

The Investment Manager will manage credit risk by purchasing only high quality securities. The Investment Manager will perform a credit analysis to develop a database of issuers and securities that meet the Investment Manager’s standard for minimal credit risk. The Investment Manager monitors the credit risks of all Florida PRIME’s portfolio securities on an ongoing basis by reviewing periodic financial data, issuer news and developments, and ratings of certain nationally recognized statistical rating organizations (after December 31, 2010 nationally recognized statistical rating organizations that have been designated by the Investment Manager (“Designated NRSROs”)). The Investment Manager will utilize a “new products” or similar committee to review and approve new security structures prior to an investment of Florida PRIME’s assets in such securities. The Investment Manager will periodically consider and follow best practices in connection with minimal credit risk determinations (e.g., such as those described in Appendix I of the Investment Company Institute’s 2009, *Report of the Money Market Working Group*).

The Investment Manager will manage interest rate risk by purchasing only short-term fixed income securities. The Investment Manager will target a dollar-weighted average maturity range for Florida PRIME based on its interest rate outlook. The Investment Manager will formulate its interest rate outlook by analyzing a variety of factors, such as current and expected U.S. economic growth; current and expected interest rates and inflation; and the Federal Reserve Board’s monetary policy.

The Investment Manager will generally shorten Florida PRIME's dollar-weighted average maturity when it expects interest rates to rise and extend Florida PRIME's dollar-weighted average maturity when it expects interest rates to fall. The remaining maturity of securities purchased by the Investment Manager shall not exceed 762 days for government floating rate notes/variable rate notes and will not exceed 397 days for other securities.

Florida PRIME will maintain a dollar weighted average maturity ("DWAM") of 60 days or less. After June 30, 2010, in order to comply with recent amendments to Rule 2a-7, Florida PRIME also will maintain a weighted average life (WAL) of 120 days or less. For purposes of calculating DWAM, the maturity of an Adjustable Rate Security generally will be the period remaining until its next interest rate adjustment. For purposes of calculating WAL, the maturity of an Adjustable Rate Security will be its stated final maturity, without regard to interest rate adjustments; accordingly, the 120-day WAL limitation could serve to limit Florida PRIME's ability to invest in Adjustable Rate Securities.

The Investment Manager will exercise reasonable care to limit exposure to not more than 25% of Florida PRIME's assets in a single industry sector, except that the Investment Manager may invest more than 25% in the financial services industry sector, which includes banks, broker-dealers, and finance companies. This higher limit is in recognition of the large outstanding value of money fund instruments issued by financial services firms. Government securities are not considered to be an industry.

Florida PRIME will exercise reasonable care to not acquire a security, other than (i) a Daily Liquid Asset, if immediately after the acquisition Florida PRIME would have invested less than 10% of its total assets in Daily Liquid Assets; (ii) a Weekly Liquid Asset, if immediately after the acquisition Florida PRIME would have invested less than 30% of its total assets in Weekly Liquid Assets. Daily Liquid Assets include cash, direct obligations of the U.S. government; and securities that convert to cash in one business day. Weekly Liquid Assets include cash, direct obligations of the U.S. government, certain government securities with remaining maturities of 60 business days or less, and securities that convert to cash in five business days.

Florida PRIME will exercise reasonable care to not acquire securities that cannot be sold or disposed of in the ordinary course of business within seven days at approximately the value ascribed to them by Florida PRIME if, immediately after the acquisition, Florida PRIME would have invested more than 5% of its total assets in such securities.

In buying and selling portfolio securities for Florida PRIME, the Investment Manager will comply with the diversification, maturity and credit quality conditions imposed by Rule 2a-7 under the 1940 Act; with the requirements imposed by any NRSRO that rates Florida PRIME to ensure that it maintains a AAAM rating (or the equivalent); and with the investment limitations imposed by Section 215.47, Florida Statutes.

The Investment Manager generally will comply with the following diversification limitations that are additional to those set forth in Rule 2a-7. First, at least 50% of Florida PRIME assets will be invested in securities rated "A-1+" or those deemed to be of comparable credit quality thereto by the Investment Manager (i.e., so long as such deeming is consistent with the requirements of the NRSRO's AAAM (or equivalent) rating criteria), subject to Section 215.47(1)(j), Florida Statutes. The Investment Manager will document each instance in which a security is deemed to be of comparable credit quality and its basis for such a determination. Second, exposure to any single non-

governmental issuer will not exceed 5% and exposure to any single money market mutual fund will not exceed 10% of Florida PRIME assets.

VII. Portfolio Securities and Special Transactions

The Investment Manager will purchase only fixed income securities for Florida PRIME, and may engage in special transactions, for any purpose that is consistent with Florida PRIME's investment objective.

Fixed income securities are securities that pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principal or adjusted periodically. In addition, the issuer of a short-term fixed income security must repay the principal amount of the security, normally within a specified time. The fixed income securities in which Florida PRIME may invest include corporate debt securities, bank instruments, asset backed securities, U.S. Treasury securities, U.S. government agency securities, insurance contracts, municipal securities, foreign securities, mortgage backed securities, and shares of money market mutual funds. However, Florida PRIME is not permitted to buy such fixed income securities to the extent that they require Florida PRIME to be a qualified institutional buyer.

Special transactions are transactions into which Florida PRIME may enter, including repurchase agreements and delayed delivery transactions.

For a more detailed description of Florida PRIME's portfolio securities and special transactions, please see "Additional Information Regarding Florida PRIME's Principal Securities" at Appendix A.

VIII. Risks Associated with Florida PRIME

An investment in Florida PRIME is subject to certain risks. Any investor in Florida PRIME should specifically consider, among other things, the following principal risks before making a decision to purchase shares of Florida PRIME.

Risk that Florida PRIME will not Maintain a Stable Net Asset Value

Although the Investment Manager attempts to manage Florida PRIME such that it maintains a stable NAV of \$1.00 per share, there is no guarantee that it will be able to do so. Florida PRIME is not registered under the 1940 Act or regulated by the SEC.

Interest Rate Risks

The prices of the fixed income securities in which Florida PRIME will invest rise and fall in response to changes in the interest rates paid by similar securities. Generally, when interest rates rise, prices of fixed income securities fall. However, market factors, such as demand for particular fixed income securities, may cause the price of certain fixed income securities to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed income securities with longer maturities.

Credit Risks

Credit risk is the possibility that an issuer of a fixed income security held by Florida PRIME will default on the security by failing to pay interest or principal when due. If an issuer defaults, Florida PRIME will lose money.

Liquidity Risks

Trading opportunities are more limited for fixed income securities that are not widely held. These features make it more difficult to sell or buy securities at a favorable price or time. Consequently, Florida PRIME may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on Florida PRIME's performance.

Concentration Risks

A substantial part of Florida PRIME may be comprised of securities issued by companies in the financial services industry or companies with similar characteristics; or securities credit enhanced by banks or companies with similar characteristics. As a result, Florida PRIME may be more susceptible to any economic, business, political or other developments that generally affect finance companies. Developments affecting companies in the financial services industry or companies with similar characteristics might include changes in interest rates, changes in the economic cycle affecting credit losses and regulatory changes.

Risks of Foreign Investing

Foreign securities pose additional risks because foreign economic or political conditions may be less favorable than those of the United States. Securities in foreign markets also may be subject to taxation policies that reduce returns for U.S. investors.

Call Risks

If a fixed income security is called, Florida PRIME may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks, or other less favorable characteristics.

Prepayment Risks

Unlike traditional fixed income securities, which pay a fixed rate of interest until maturity (when the entire principal amount is due), payments on asset-backed securities include both interest and a partial payment of principal. Partial payment of principal may be comprised of scheduled principal payments as well as unscheduled payments from voluntary prepayment, refinancing, or foreclosure of the underlying loans. If Florida PRIME receives unscheduled prepayments, it may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks or other less favorable characteristics.

Risks Associated with Amortized Cost Method of Valuation

Florida PRIME will use the amortized cost method to determine the value of its portfolio securities. Under this method, portfolio securities are valued at the acquisition cost as adjusted for amortization of premium or accumulation of discount rather than at current market value. Accordingly, neither the amount of daily income nor the NAV is affected by any unrealized appreciation or depreciation of

the portfolio. In periods of declining interest rates, the indicated daily yield on shares computed by dividing the annualized daily income on Florida PRIME's portfolio by the NAV as computed above may tend to be higher than a similar computation made by using a method of valuation based on market prices and estimates. In periods of rising interest rates, the opposite may be true.

Changing Distribution Levels Risk

There is no guarantee that Florida PRIME will provide a certain level of income or that any such income will exceed the rate of inflation. Further, Florida PRIME's yield will vary. A low interest rate environment may prevent Florida PRIME from providing a positive yield or paying expenses out of current income.

Throughout this section, it shall be understood that actions described as being taken by Florida PRIME refer to actions taken by the Investment Manager on behalf of Florida PRIME.

For additional information regarding Florida PRIME's principal securities and associated risks, please see Appendix A.

IX. Controls and Escalation Procedures

Section 218.409(2), Florida Statutes requires this Policy to document a system of internal controls designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the board or a professional money management firm. The controls include formal escalation reporting guidelines for all employees to address material impacts on Florida PRIME that require reporting and action.

The SBA has engaged BNY Mellon ("Custodian") to provide asset safekeeping, custody, fund accounting and performance measurement services to Florida PRIME. The Custodian will mark to market the portfolio holdings of Florida PRIME on a daily basis and will daily communicate both amortized cost price and mark to market price, so that the SBA and the Investment Manager can monitor the deviations between the amortized cost price and market price. By contractual agreement, the Investment Manager will reconcile accounting and performance measurement reports with the Custodian on a regular basis, under the supervision of the SBA.

The NRSRO that rates Florida PRIME will perform regular independent surveillance of Florida PRIME. The SBA and an independent investment consultant will regularly monitor the Investment Manager with respect to performance and organizational factors according to SBA manager monitoring policies.

The SBA and third parties used to materially implement Florida PRIME will maintain internal control, fraud and ethics policies and procedures designed to prevent the loss of public funds.

Pursuant to written SBA policy, the Executive Director will organize an Investment Oversight Group to regularly review, document and formally escalate compliance exceptions and events that may have a material impact on Florida PRIME. Minutes of the Investment Oversight Group's meetings and a listing of meeting participants shall be timely posted on the Florida PRIME website.

The Investment Oversight Group will meet and report monthly to the Executive Director, except upon the occurrence of a material event. The SBA and the Investment Manager have an affirmative duty to immediately disclose any material impact on Florida PRIME to the participants.

1. When the deviation between the market value and amortized cost of Florida PRIME exceeds 0.25%, according to pricing information provided by the Custodian, the Investment Manager will establish a formal action plan. The Investment Oversight Group will review the formal action plan and prepare a recommendation for the Executive Director's consideration.
2. When the deviation between the market value and amortized cost of Florida PRIME exceeds 0.50%, according to pricing information provided by the Custodian, the Executive Director will promptly consider what action, if any, will be initiated. Where the Executive Director believes the extent of any deviation from Florida PRIME's amortized cost price per share may result in material dilution or other unfair results to investors or existing shareholders, he will cause Florida PRIME to take such action as he deems appropriate to eliminate or reduce to the extent reasonably practicable such dilution or unfair results.
3. The Investment Manager will perform daily compliance monitoring to ensure that investment practices comply with the requirements of this Policy, according to documented compliance procedures. The Investment Manager will provide regular compliance reports and will communicate compliance exceptions within 24 hours of identification to the Investment Oversight Group. Additionally, the Investment Oversight Group will periodically conduct independent compliance reviews.
4. In the event that a security receives a credit rating downgrade and ceases to be in the highest rating category, or the Investment Manager determines that the security is no longer of comparable quality to the highest short-term rating category (in either case, a "Downgrade"), the Investment Manager will reassess whether the security continues to present minimal credit risk and will cause Florida PRIME to take any actions determined by the Investment Manager to be in the best interest of Florida PRIME; provided however that the Investment Manager will not be required to make such reassessments if Florida PRIME disposes of the security (or the security matures) within five business days of the Downgrade.
5. In the event that a security no longer meets the criteria for purchase due to default, event of insolvency, a determination that the security no longer presents minimal credit risks, or other material event ("Affected Security"), the Investment Manager must dispose of the security as soon as practical consistent with achieving an orderly disposition of the security, by sale, exercise of a demand feature or otherwise. An Affected Security may be held only if the Executive Director has determined, based upon a recommendation from the Investment Manager and the Investment Oversight Group, that it would not be in the best interest of Florida PRIME to dispose of the security taking into account market conditions that may affect an orderly disposition.
6. The Investment Manager will periodically stress test Florida PRIME and at least quarterly report the results of the stress tests to the Investment Oversight Group. Stress tests must be conducted for at least the following events, or combinations of events (i) a change in short-term interest rates; (ii) an increase in net shareholder redemptions; (iii) downgrades or defaults; and (iv) changes between a benchmark overnight interest rate and the interest rates on securities held by Florida PRIME.

The Investment Manager will at least annually provide the Investment Oversight Group with: (i) their documented compliance procedures; (ii) an assessment of Florida PRIME's ability to withstand events reasonably likely to occur in the coming year and (iii) their list of Designated NRSROs.

The Executive Director's delegated authority as described in this section is intended to provide him with sufficient authority and operating flexibility to make professional investment decisions in response to changing market and economic conditions. Nonetheless, the Trustees will at least monthly review and approve management summaries of material impacts on Florida PRIME, any actions or escalations taken thereon, and carry out such duties and make such determinations as are otherwise necessary under applicable law, regulation or rule.

Pursuant to Florida law, the Auditor General will conduct an annual financial audit of Florida PRIME, which will include testing for compliance with this Policy.

X. Deposits and Withdrawals

Investors should refer to the separate Florida PRIME Operating Procedures for detailed descriptions regarding how to make deposits in and withdrawals from Florida PRIME, including (1) any fees and limitations that may be imposed with respect thereto; and (2) reports provided to participants.

XI. Management Reporting

The Executive Director will be responsible for providing the formal periodic reports to the Trustees, legislative committees and other entities:

1. An annual report on the SBA and its investment portfolios, including that of Florida PRIME.
2. A monthly report on performance and investment actions taken.
3. Special reports pursuant to Chapter 218, Florida Statutes.

Appendix A

Additional Information Regarding Florida PRIME's Principal Securities

Throughout this appendix it shall be understood that actions described as being taken by Florida PRIME refer to actions taken by the Investment Manager on behalf of Florida PRIME.

FIXED INCOME SECURITIES

Corporate Debt Securities

Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures and commercial paper are the most prevalent types of corporate debt securities. Florida PRIME also may purchase interests in bank loans to companies.

COMMERCIAL PAPER

Commercial paper is an issuer's obligation with a maturity of less than nine months. Companies typically issue commercial paper to pay for current expenditures. Most issuers constantly reissue their commercial paper and use the proceeds (or bank loans) to repay maturing paper. If the issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default.

DEMAND INSTRUMENTS

Demand instruments are corporate debt securities that the issuer must repay upon demand. Other demand instruments require a third party, such as a dealer or bank, to repurchase the security for its face value upon demand. Florida PRIME treats demand instruments as short-term securities, even though their stated maturity may extend beyond one year.

Bank Instruments

Bank instruments are unsecured interest bearing deposits with banks. Bank instruments include, but are not limited to, bank accounts, time deposits, certificates of deposit and banker's acceptances. Yankee instruments are denominated in U.S. dollars and issued by U.S. branches of foreign banks. Eurodollar instruments are denominated in U.S. dollars and issued by non-U.S. branches of U.S. or foreign banks.

Florida PRIME will not invest in instruments of domestic and foreign banks and savings and loans unless they have capital, surplus, and undivided profits of over \$100,000,000, or if the principal amount of the instrument is insured by the Bank Insurance Fund or the Savings Association Insurance Fund which are administered by the Federal Deposit Insurance Corporation. These instruments may include Eurodollar Certificates of Deposit, Yankee Certificates of Deposit, and Euro-dollar Time Deposits.

Asset Backed Securities

Asset backed securities are payable from pools of obligations, most of which involve consumer or commercial debts. However, almost any type of fixed income assets (including other fixed income securities) may be used to create an asset backed security. Asset backed securities may take the form of commercial paper, notes or pass-through certificates.

Government Securities

Government security means any security issued or guaranteed as to principal or interest by the United States, or by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States; or any certificate of deposit for any of the foregoing.

U.S. Treasury Securities

U.S. Treasury securities are direct obligations of the federal government of the United States. U.S. Treasury securities are generally regarded as having the lowest credit risks.

Agency Securities

Agency securities are issued or guaranteed by a federal agency or other government sponsored entity (GSE) acting under federal authority. Some GSE securities are supported by the full faith and credit of the United States. These include securities issued by the Government National Mortgage Association, Small Business Administration, Farm Credit System Financial Assistance Corporation, Farmer's Home Administration, Federal Financing Bank, General Services Administration, Department of Housing and Urban Development, Export-Import Bank, Overseas Private Investment Corporation, and Washington Metropolitan Area Transit Authority.

Other GSE securities receive support through federal subsidies, loans or other benefits. For example, the U.S. Treasury is authorized to purchase specified amounts of securities issued by (or otherwise make funds available to) the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Student Loan Marketing Association, and Tennessee Valley Authority in support of such obligations.

A few GSE securities have no explicit financial support, but are regarded as having implied support because the federal government sponsors their activities. These include securities issued by the Farm Credit System, Financing Corporation, and Resolution Funding Corporation.

Investors regard agency securities as having low credit risks, but not as low as Treasury securities. Florida PRIME treats mortgage-backed securities guaranteed by a GSE as if issued or guaranteed by a federal agency. Although such a guarantee protects against credit risks, it does not reduce market risks.

Insurance Contracts

Insurance contracts include guaranteed investment contracts, funding agreements and annuities. Florida PRIME treats these contracts as fixed income securities.

Municipal Securities

Municipal securities are issued by states, counties, cities and other political subdivisions and authorities.

Foreign Securities

Foreign securities are U.S. dollar-denominated securities of issuers based outside the United States. Florida PRIME considers an issuer to be based outside the United States if:

- ☐ it is organized under the laws of, or has a principal office located in, another country;
- ☐ the principal trading market for its securities is in another country; or
- ☐ it (or its subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue or profit from goods produced, services performed or sales made in another country.

Mortgage Backed Securities

Mortgage backed securities represent interests in pools of mortgages. The mortgages that comprise a pool normally have similar interest rates, maturities and other terms. Mortgages may have fixed or adjustable interest rates. Interests in pools of adjustable rate mortgages are known as ARMs.

Zero Coupon Securities

Certain of the fixed income securities in which Florida PRIME invests are zero coupon securities. Zero coupon securities do not pay interest or principal until final maturity unlike debt securities that provide

periodic payments of interest (referred to as a “coupon payment”). Investors buy zero coupon securities at a price below the amount payable at maturity. The difference between the purchase price and the amount paid at maturity represents interest on the zero coupon security. Investors must wait until maturity to receive interest and principal, which increases the interest rate and credit risks of a zero coupon security.

Callable Securities

Certain of the fixed income securities in which Florida PRIME invests are callable at the option of the issuer. Callable securities are subject to reinvestment risks.

144A Securities

The SBA has determined that Florida PRIME constitutes (i) an “accredited investor” as defined in Rule 501(a)(7) promulgated under the Securities Act of 1933, as amended (the “Securities Act”), as long as Florida PRIME has total assets in excess of \$5,000,000 and (ii) a “qualified purchaser” as defined in Section 2(a)(51)(A)(iv) of the 1940 Act, as long as Florida PRIME in the aggregate owns and invests on a discretionary basis not less than \$25,000,000 in investments, but does not constitute a “qualified institutional buyer” as defined in Rule 144A(a)(1) promulgated under the Securities Act. Florida PRIME is restricted from purchasing or acquiring securities or investments that would require Florida PRIME to represent in connection with such purchase or acquisition that it is a “qualified institutional buyer” as defined in Rule 144A(a)(1) promulgated under the Securities Act.

Money Market Mutual Funds

Florida PRIME may invest in shares of registered investment companies that are money market mutual funds, including those that are affiliated with the Investment Manager, as an efficient means of implementing its investment strategies and/or managing its uninvested cash. These other money market mutual funds are managed independently of Florida PRIME and incur additional fees and/or expenses that would, therefore, be borne indirectly by Florida PRIME in connection with such investment. However, the Investment Manager believes that the benefits and efficiencies of this approach should outweigh the potential additional fees and/or expenses. The Investment Manager must obtain prior written consent of the SBA to invest Florida PRIME in money market mutual funds that are “affiliated persons” of the Investment Manager.

SPECIAL TRANSACTIONS

The Investment Manager on behalf of Florida PRIME may engage in the following special transactions.

Repurchase Agreements

Repurchase agreements involve transactions in which Florida PRIME buys a security from a dealer or bank and agrees to sell the security back at a mutually agreed-upon time and price. The repurchase price exceeds the sale price, reflecting Florida PRIME’s return on the transaction. This return is unrelated to the interest rate on the underlying security. Florida PRIME will enter into repurchase agreements only with banks and other recognized financial institutions, such as securities dealers, deemed creditworthy by the Investment Manager.

Florida PRIME’s custodian or subcustodian will take possession of the securities subject to repurchase agreements. The Investment Manager or subcustodian will monitor the value of the underlying security each day to ensure that the value of the security always equals or exceeds the repurchase price. Repurchase agreements are subject to credit risks.

Delayed Delivery Transactions

Delayed delivery transactions, including when-issued transactions, are arrangements in which Florida PRIME buys securities for a set price, with payment and delivery of the securities scheduled for a future time. During the period between purchase and settlement, no payment is made by Florida PRIME to the issuer and no interest accrues to Florida PRIME. Florida PRIME records the transaction when it agrees to buy the securities and reflects their value in determining the price of its units. Settlement dates may not be more than seven business days after entering into these transactions; nonetheless, the market values of the securities bought may vary from the purchase prices. Therefore, delayed delivery transactions create interest rate risks for Florida PRIME. Delayed delivery transactions also involve credit risks in the event of a counterparty default.

Asset Coverage

In order to secure its obligations in connection with derivative contracts or special transactions, Florida PRIME will either own the underlying assets, enter into an offsetting transaction or set aside readily marketable securities with a value that equals or exceeds Florida PRIME's obligations. Unless Florida PRIME has other readily marketable assets to set aside, it cannot trade assets used to secure such obligations without terminating a special transaction. This may cause Florida PRIME to miss favorable trading opportunities or to realize losses on special transactions.