

FLCLASS Enhanced Cash Pool Investment Policy

Pool Description:

The FLCLASS Enhanced Cash Pool is designed to provide safety of principal, liquidity, and income. This pool is a slightly longer-term cash alternative investment option with a floating net asset value and will typically maintain a duration between six (6) months to one and a quarter (1.25) year. The pool provides weekly liquidity for all participants.

Purpose:

This Policy has been established to create the principles by which the Enhanced Cash Pool will be invested and secured and to comply with the provisions of Florida law relating to the investment of public funds. Investment Funds may only be invested in a manner that is permitted pursuant to the laws of the State of Florida generally and Florida's Investment of Local Government Surplus Funds Act, Florida Statutes, Chapter 218, Part IV and the Florida Interlocal Cooperation Act of 1969

Investment Objective:

The general objective of the Enhanced Cash pool is to seek to generate a high level of income for Participants while preserving capital by investing only in investments authorized by Florida Statutes. The Enhanced Cash Pool offers longer dated, fixed-income investments seeking to enhance returns while providing weekly liquidity to its participants.

General Provisions:

The Administrator will invest Enhanced Cash Pool assets in high-quality fixed income securities. All investments of the Variable NAV Fund shall be rated in the three highest long-term rating tiers by a nationally recognized rating agency or in the highest short-term rating tier by a nationally recognized rating agency at the time of purchase, except for asset-backed securities, which shall be rated in the highest long-term rating tier by a nationally recognized rating agency or in the highest short-term rating tier by a nationally recognized rating agency at the time of purchase.

The Enhanced Cash Pool shall at all times maintain a prudent diversification of its investment portfolio among eligible asset classes.

Permitted Investments:

Obligations of the United States Government

- Portfolio Composition – Maximum of 100% may be allocated to direct obligations of the United States Government or its full faith and credit agencies
- Individual Limits – Maximum of 100% may be invested into any single issuer
- Ratings Requirement – N/A

- Maturity Limitations – The maximum term for direct obligations of the United States Government or its full faith and credit agencies is five (5) years.

Federal Instrumentalities (GSEs)

- Portfolio Composition – Maximum of 100% may be allocated to Federal Instrumentalities
- Individual Limits – Maximum of 50% may be allocated to any Federal Instrumentality
- Ratings Requirement – N/A
- Maturity Limitations – The maximum term for Federal Instrumentalities is five (5) years

Mortgage-Backed Securities (MBS/CMO/ARM/DUS/ACE)

- Portfolio Composition – Maximum of 50% may be allocated to Mortgage-Backed Securities
- Individual Limits – Maximum of 50% may be allocated to any single issuer.
- Ratings Requirement – N/A
- Maturity Limitations – The maximum weighted average life (WAL) shall be five (5) years at the date of purchase

Certificates of Deposit

- Portfolio Composition – Maximum of 100% may be allocated to Certificates of Deposit
- Individual Limits – Maximum of 10% may be allocated to any single issuer
- Ratings Requirement – A-1/P-1/F1 (short-term), or A/A2 (long-term), with a minimum of two (2) ratings from NRSROs
- Maturity Limitations – The maximum term for Certificates of Deposit is two (2) years

Qualified Public Depository Accounts

- Portfolio Composition – Maximum of 100% may be allocated to Qualified Public Depository Accounts
- Individual Limits – Maximum of 10% may be allocated to any Qualified Public Depository Account
- Ratings Requirement – Banks included must adhere to State of Florida QPD standards and requirements
- Maturity Limitations – The maximum term for Qualified Public Depository Accounts is one (1) year

FDIC Insured Deposits and All Other Insured Deposit Programs Permitted by Florida Statute

- Portfolio Composition – Maximum of 100% may be allocated to FDIC Insured Deposits
- Individual Limits – Maximum of 250,000 per bank deposit for each Tax ID within the portfolio
- Ratings Requirement – N/A
- Maturity Limitations – The maximum term for FDIC Insured Deposits is one (1) year

Repurchase Agreements

- Portfolio Composition – Maximum of 100% may be allocated to Repurchase Agreements
- Ratings Requirement – A-1/P-1/F1 (short-term) rating, with a minimum of two (2) credit ratings from a NRSRO at the time of purchase
- Collateral Requirements – U.S. Treasury or U.S. Agency collateral equal to 102% of the repurchase agreement value outstanding
- Maturity Limitations – The maximum term for Repurchase Agreements is ninety (90) days

Commercial Paper

- Portfolio Composition – Maximum of 100% may be allocated to Commercial Paper
- Individual Limits – Maximum of 10% may be allocated to any single issuer
- Ratings Requirement – A-1/P-1/F1 (short-term), with a minimum of two (2) ratings from a NRSRO at the time of purchase
- Maturity Limitations – The maximum term for Commercial Paper is thirteen (13) months

Asset-Backed Commercial Paper

- Portfolio Composition – Maximum of 50% may be allocated to Asset-Backed Commercial Paper
- Individual Limits – Maximum of 10% may be allocated to any single issuer
- Ratings Requirement – A-1/P-1/F1 (short-term), with a minimum of two (2) ratings from a NRSRO at the time of purchase.
- Maturity Limitations – The maximum term for Commercial Paper is thirteen (13) months

Corporate Bonds

- Portfolio Composition – Maximum of 50% may be allocated to Corporate Bonds
- Individual Limits – Maximum of 10% may be allocated to any single issuer
- Ratings Requirement – A/A2 (long-term) rating, with a minimum of two (2) ratings from a NRSRO at the time of purchase
- Maturity Limitations – The maximum term for Corporate Bonds is five (5) years

State or Local Government Debt (Taxable or Tax Exempt)

- Portfolio Composition – Maximum of 50% may be allocated to State or Local Government Debt
- Individual Limits – Maximum of 10% may be allocated to any single issuer
- Ratings Requirement – A/A2 (long-term) rating, with a minimum of two (2) ratings from a NRSRO at the time of purchase
- Maturity Limitations – The maximum term for State or Local Government Debt is five (5) years

Registered Investment Companies (Money Market Mutual Funds)

- Portfolio Composition – Maximum of 100% may be allocated to Registered Investment Companies
- Individual Limits – Maximum of 10% may be allocated to any single Registered Investment Company
- Ratings Requirement – Must have a credit rating of AAAM from at least one (1) NRSRO
- Maturity Limitations – The maximum WAM for Registered Investment Company funds is sixty (60) days

Registered Investment Companies (Bond Mutual Fund)

- Portfolio Composition – Maximum of 35% may be allocated to Registered Investment Companies
- Individual Limits – Maximum of 10% may be allocated to any single Registered Investment Company
- Ratings Requirement – Must have a credit rating of AAA from at least one (1) NRSRO
- Maturity Limitations – The maximum WAM for Registered Investment Company funds is two (2) years

Florida CLASS Stable NAV Fund

- Portfolio Composition – Maximum of 100% may be allocated to the Florida CLASS Stable NAV Fund.
- Ratings Requirement – Highest Fund Quality by at least one NRSRO (AAAm)
- Maturity Limitations – The maximum WAM for Intergovernmental Pools is 60 Days

Supranational Bonds

- Portfolio Composition – Maximum of 25% may be allocated to Supranational Bonds.
- Individual Limits – Maximum of 10% may be allocated to any single issuer
- Ratings Requirement – AAA/Aaa (long-term) rating, with a minimum of two (2) ratings from a NRSRO at the time of purchase
- Maturity Limitations – The maximum term for Supranational Bonds is five (5) years

Asset-Backed Securities

- Portfolio Composition – Maximum of 20% may be allocated to Asset-Backed Securities
- Individual Limits – Maximum of 5% may be allocated to any single issuer
- Ratings Requirement – AAA/Aaa (long-term) rating or A-1/P-1/F-1 (short term), with a minimum of two (2) ratings from a NRSRO at the time of purchase
- Maturity Limitations – The maximum weighted average life (WAL) is one (1) year

Bankers' Acceptances

- Portfolio Composition – Maximum of 20% may be allocated to Bankers' Acceptances
- Individual Limits – Maximum of 10% may be allocated to any single Bankers Acceptance
- Ratings Requirement – A-1/P-1/F1 (short-term), with a minimum of two (2) ratings from a NRSRO at the time of purchase
- Maturity Limitations – The maximum term for Bankers' Acceptances is 180 days

Without limiting the foregoing, any investments authorized under Section 218.415(16), Fla. Stat shall be permitted.

Amended June 16, 2022