

FLORIDA FIXED INCOME TRUST

Investment Policy Statement

ORGANIZATION

The Florida Fixed Income Trust (FL-FIT) was formed through an indenture of trust pursuant to Florida Statutes, Sections 163.01 and 218.415. The Trust is governed by the Board of Trustees which has the authority to contract an investment advisor (the “Advisor”), an administrator (the “Administrator”), custodial bank (the “Custodian”) and any other third-party service provider as necessary.

OBJECTIVE

FL-FIT was created to provide local governments a series of investment portfolios that offer diversification of asset classes, high quality credit metrics, and flexible investment time horizons. Participants benefit from the extra layer of safety of principle resulting from combining multiple high credit quality asset classes that are actively managed to a targeted time horizon. Participants benefit from a turnkey solution for diversification and cash flow management that is easy to understand and easy to utilize. The series of investment portfolios objectives are safety & preservation of principal, liquidity, and return. The Fund’s investments will conform to the permitted investments detailed in this Investment Policy Statement to meet Standard & Poor’s Principal Stability Fund requirements for funds rated AA or better.

PRUDENT PERSON RULE

Market conditions can change quickly and may temporarily prevent the Advisor from managing FL-FIT according to the following guidelines. Therefore, the Advisor shall adhere to the Prudent Person Rule: “Investments should be made with judgment and care, under circumstances then prevailing, which persons of prudence, discretion, and intelligence exercise in the management of their own affairs, not for speculation, but for investment, considering the probable safety of their capital as well as the probable income to be derived from the investment.”

PURCHASE & REDEMPTIONS

Monies from purchases (redemptions) will be invested (redeemed) in (from) the permissible investments in a manner that maintains the asset allocation and complies with investment limitations stated herein. All purchase and redemption requests received by 12:00 p.m. EST shall be transacted next day.

PORTFOLIO MONITORING & REBALANCING

Each investment will be continually monitored for safety, liquidity and performance. At the end of each calendar quarter, the Advisor, at its discretion, may or may not replace investments with other permissible investments the Advisor deems more suitable.

CASH POOL

Asset Allocation:

The Cash Pool Portfolio may consist of up to 90% commercial paper investments and no more than 60% of other suitable investments consistent with the portfolio's investment objectives and deemed appropriate by the Advisor.

Investment Objective:

To provide current income consistent with minimal volatility of net asset value and provide positive holding period returns for time horizons of 30 days or greater. While no assurance can be given that the portfolio will achieve its objectives, the Advisor will endeavor to do so by following the procedures described in the investment policy statement.

Suitability:

Suitable investments with time-horizons of 30 days or greater from investors seeking minimal volatility while achieving returns in excess of traditional money market funds.

Investment Limitations:

The Cash Pool Portfolio is limited to commercial paper securities with investment grade credit ratings at the time of purchase, as classified by nationally recognized statistical rating organizations (NRSROs) with the equivalent short term credit ratings of (P1, P2 or P3 and/or A1, A2, A3) with maturities of -365 days or less. The Cash Pool Portfolio may also invest into other suitable investments including Money Market Funds, Certificates of Deposit including Yankee certificate of deposits with a minimum rating of A1 / P1 by a NRSRO with a maximum maturity of 13 months, Asset Backed Securities issued by U.S. Corporations which are backed by loans, leases, credit cards, and other assets with a stated final maturity no more than 2 years. The minimum rating requirement of these Asset Backed Securities would be AAA/Aaa by at least one NRSRO to conform to the overall credit quality objective of this portfolio, and US Government Agency and Treasury Securities with maturities of 2 years or less. The Pool may also enter into Repurchase Agreements. Repurchase agreements are to be used solely as short-term investments not to exceed 60 days. FL FIT may enter into repurchase agreements with primary government securities dealers rated "A" or better by one nationally recognized statistical rating organization (NRSRO). All securities underlying repurchase agreements must be delivered to FL FIT's custodian bank versus payment or be handled under a properly executed tri-party repurchase agreement. The total market value of all collateral for each repurchase agreement must equal or exceed 102 percent of the total dollar value of the money invested by FL FIT for the term of the investment.

The Advisor shall strive to maintain an asset allocation of up to 90% commercial paper investments and no more than 60% other suitable investments.

Excluding reinvestment of accrued interest, portfolio investments shall be limited to 10% of total portfolio assets into other suitable investments by the FL-FIT Advisor.

Benchmark:

- 1 Month Libor