



# FLORIDA MUNICIPAL INVESTMENT TRUST

(An External Investment Pool)



# 2015

## Comprehensive Annual Financial Report

For the Year Ended September 30, 2015





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(An External Investment Pool)



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For the Year Ended September 30, 2015

**Prepared by the Florida League of Cities, Inc.  
for the Florida Municipal Investment Trust**

301 S. Bronough Street, Suite 300, Tallahassee, Florida 32301

850-222-9684 • [www.fmivt.com](http://www.fmivt.com)

TALLAHASSEE HEADQUARTERS



## Mission Statement

“Providing innovative and comprehensive financial solutions to Florida local governments.”

ORLANDO HEADQUARTERS



# Table of Contents

## **7** Introductory Section

8	Letter of Transmittal
12	GFOA Certificate of Achievement
13	Organizational Chart
14	Board of Trustees
14	Investment Advisory Committee
14	Administrator Staff

## **15** Financial Section

17	Independent Auditor's Report
19	Management's Discussion and Analysis
	Basic Financial Statements
25	Combined Statement of Fiduciary Net Position*
26	Combined Statement of Changes in Fiduciary Net Position*
27	Notes to Financial Statements
44	Combining Statement of Fiduciary Net Position
46	Combining Statement of Changes in Fiduciary Net Position

## **49** Investment Section

51	Administrative Overview
53	Economic Review
54	Portfolio Review
54	0-2 Year High Quality Bond Fund
55	1-3 Year High Quality Bond Fund
56	Intermediate High Quality Bond Fund
57	Broad Market High Quality Bond Fund
58	Expanded High Yield Bond Fund
59	Core Plus Fixed Income Fund
60	High Quality Growth Portfolio
61	Diversified Small to Mid Cap Equity Portfolio
62	Russell 1000 Enhanced Index Portfolio
63	International Equity Portfolio
64	Large Cap Diversified Value Portfolio
65	Performance Returns
67	Schedule of Fees
68	Schedule of Commission Fees
69	Schedule of Members
71	Statement of Investment Policy

## **77** Statistical Section

79	Introduction
80	Schedule of Changes in Fiduciary Net Position
86	Financial Highlights
87	Expense and Financial Ratio Highlights

\*The accompanying notes are an integral part of these financial statements.





# Introductory Section



## Letter of Transmittal for the Florida Municipal Investment Trust

March 16, 2016

### To the Board of Trustees of the Florida Municipal Investment Trust:

I am pleased to submit the Comprehensive Annual Financial Report (CAFR) of the Florida Municipal Investment Trust (the “Trust”) for the year ended September 30, 2015.

Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the Florida League of Cities, Inc., as the Administrator for the Trust.

The Administrator is responsible for maintaining adequate internal controls designed to provide reasonable assurance that transactions are executed in accordance with the Trust’s authorization, and are recorded as necessary to maintain accountability for assets and to permit preparation of financial statements in accordance with accounting principles generally accepted in the United States of America.

Due to the inherent limitations in internal control, no system of controls can provide absolute assurance that misstatements, whether as a result of error or fraud, will not occur or that all control issues and instances of fraud, if any, have been detected. The concept of reasonable assurance recognizes that the cost of the control should not exceed the benefits likely to be derived and that the valuation of costs and benefits requires estimates and judgments by management.

The Administrator believes the internal control structure provides reasonable assurance regarding the safekeeping of assets and reliability of all financial records.

To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to present fairly the financial position and results of operations of the Trust. All disclosures necessary to enable the reader to gain an understanding of the Trust’s financial activities have been included.

The basic financial statements contained in this report have been audited by Shorstein & Shorstein, P.A. Their audit was conducted in accordance with auditing standards generally accepted in the United States of America. The goal of the independent audit was to provide reasonable assurance about whether the Trust’s basic financial statements for the year ended September 30, 2015, are free of material misstatement. The independent accounting firm, Shorstein & Shorstein, P.A. has issued an unmodified (“clean”) opinion on the Trust’s financial statements for the year ended September 30, 2015. The independent auditor’s report is presented as the first component of the Financial Section of the report.

President **Matthew D. Surrency**, Mayor, Hawthorne

First Vice President **Susan Haynie**, Mayor, Boca Raton • Second Vice President **Gil Ziffer**, Commissioner, Tallahassee

Executive Director **Michael Sittig** • General Counsel **Harry Morrison, Jr.**



Management provides a narrative introduction, overview and analysis to accompany the basic financial statements in the form of a Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The Trust's MD&A can be found after the independent auditors' report.

## PROFILE OF THE TRUST

The Trust is an interlocal governmental entity created pursuant to section 163.01, Florida Statutes. The Trust provides eligible units of local government with an investment vehicle to pool their surplus and pension funds in one or more investment funds or portfolios under the direction and daily supervision of an investment advisor. The Trust was formed by the City of Palatka, Fla., the City of Lauderhill, Fla., and the City of Bradenton, Fla. and operates under the Agreement and Declaration of Trust dated April 28, 1993, as amended.

On September 30, 1993, the Trust's former Interim Term Bond Portfolio began managing investments for the Florida Municipal Insurance Trust and the Florida Municipal Self Insurance Fund. In 1996, the Trust's membership was expanded with the cities of Fort Lauderdale, Fla., and Orlando, Fla., making initial contributions to the Trust's Short-Term Bond Portfolio, which was renamed the 1-3 Year High Quality Bond Fund. Since that time, the Trust has experienced continuous growth.

As of September 30, 2015, the Trust operates six fixed income bond funds and five equity portfolios, with combined net position of \$1.631 billion. The Trust has 58 local governments participating in the program. Membership is voluntary and limited to agencies in, or political subdivisions of, the State of Florida which include, but are not limited to the state, its agencies, counties, municipalities, special districts and school districts. Members benefit from the Trust's ability to offer a variety of investment options, coupled with extensive oversight, ease of administration, and an experienced team of professional and support staff.

An operating budget is approved annually by the Board of Trustees and includes projections for contributions, investment income, investment management fees, administrative fees and other professional fees. Due to the fact that the Trust is an investment pool with a voluntary membership for investing surplus and pension funds, the budget is inherently conservative and limited to an annual budgetary process. The fees for each portfolio are fixed, and as a result, expenses vary depending on the level of assets in each portfolio. Forecasting of revenues and expenses is contained within the annual operating budget that is amended during the fiscal year as needed. Major initiatives such as a new portfolio offering are typically in response to members' investment needs as recommended by the investment consultant and approved by the Board of Trustees.

The Trust is considered an external investment pool under Governmental Accounting Standards Board (GASB) reporting requirements.

## OVERSIGHT

The Trust is governed by a Board of Trustees (the "Board") consisting of the president (or appointee) and second vice president of the Florida League of Cities, Inc., two appointed representatives from the Florida Municipal Insurance Trust and up to three additional appointed members who are elected officials of governmental entities that actively participate in the Trust.

The Trust does not employ personnel, rather the management and administration including investment management services are provided by the Florida League of Cities, Inc., as Administrator. The Florida League of Cities, Inc. is a nonprofit organization established in 1922 to serve the interests of Florida cities and has grown to include nearly all of Florida's 411 municipalities as members.

The Administrator, on behalf of the Trust, has entered into agreements with various investment managers to provide investment management services. The Administrator is also responsible for servicing members'

accounts, maintaining accounting records and financial reports, and approving applications for membership. Further, the Administrator is charged with supervising and coordinating the activities of the investment consultant, custodian, trustee, auditor, attorney, or other service provider rendering services to the Trust.

Consulting services are provided by Asset Consulting Group (ACG), the investment consultant, and involve investment performance measurement and compliance monitoring of all portfolios and funds. Performance and compliance results are reported quarterly to the Board. Wells Fargo Bank provides custodian services.

An Investment Advisory Committee comprised of finance directors from throughout Florida and past presidents of the Florida Government Finance Officers Association (FGFOA) assists the Administrator with developing and maintaining the investment guidelines and policies of the Trust. The Trust is not subject to SEC or other regulatory oversight.

## **INVESTMENT OBJECTIVES, POLICIES AND PRACTICES**

The Trust's portfolios are designed to attain a market rate of return throughout financial and economic cycles, taking into account each portfolio's investment objectives, risk constraints and permitted investments as referenced in the informational statements. The portfolios are managed and accounted for independently of one another and are structured to meet a variety of investment horizons.

The investments are diversified relative to a broad market standard and both market and nonmarket risk are monitored and acted upon to minimize potential losses. Short-term holdings are of high quality and ready marketability with maturities diversified appropriately with respect to the current operating expenses and expected cash flow obligations of each portfolio. Contributions and redemptions are permitted either once or twice a month, for which the Administrator must have advance written notification.

The Trust has adopted standards for investment manager performance and retention. Investment manager performance is monitored on an ongoing basis and evaluated based on absolute return, relative return, volatility profile, and consistency with stated style.

Investment returns are prepared by ACG, using a time-weighted rate of return based on the Modified Dietz Method. Additional information regarding the Trust's investment policy and portfolios can be found in the **Investment Section** of the CAFR.

## **FISCAL YEAR 2015**

Local governments across Florida utilize the Trust for investing surplus and pension funds. Investment results are directly impacted by the financial markets, economic conditions across the state, the U.S. and abroad, and the members' ability to budget surplus funds and pension obligations. The Trust's net position at the close of fiscal year 2015 was \$1.631 billion, compared to \$1.634 billion in 2014, a slight decrease of \$3 million or .23%. The decline in net position is attributed to net shares redeemed and a decrease in net investment income. During the year, the Trust added three new members and selected Investec Asset Management to manage the International Equity Portfolio. Additional financial highlights and the supplementary combining financial statements are contained in the **Financial Section** of this report.

For fiscal year 2015, the net-of-fee returns of the various portfolios ranged as high as 9.46% for the Diversified Small to Mid Cap Equity Portfolio and as low as (6.90%) for the International Equity Portfolio. Additional information on the Trust's investment performance is included in the **Investment Section** of this report.

## **AWARDS AND ACKNOWLEDGEMENT**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the Trust for its CAFR for

the year ended September 30, 2014. This was the 6th consecutive year that the Trust has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the Trust must publish an easily readable and efficiently organized comprehensive annual financial report. The report must satisfy both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe this current report continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report was made possible by the dedicated staff of the financial services and publication departments of the Florida League Cities, Inc., as well as all additional individuals who assisted with this effort including the staff of Asset Consulting Group and Shorstein and Shorstein, P.A. Appreciation is also expressed to the Board of Trustees and the Investment Advisory Committee members for their leadership and service in matters pertaining to the Trust's operations.

## REQUESTS FOR INFORMATION

This financial report is designed to provide a general overview of the Trust's activities during fiscal year 2015. Questions concerning any of the information provided in this report or requests for additional financial information, including a complete list of the Trust's current holdings, should be addressed to the Administrator for the Florida Municipal Investment Trust, 301 South Bronough Street, Suite 300, Tallahassee, FL 32301. Copies of the comprehensive annual financial report will also be available at [www.fmivt.com](http://www.fmivt.com).

Respectfully submitted,



Michael Sittig  
Executive Director  
Florida League of Cities, Inc., Administrator





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

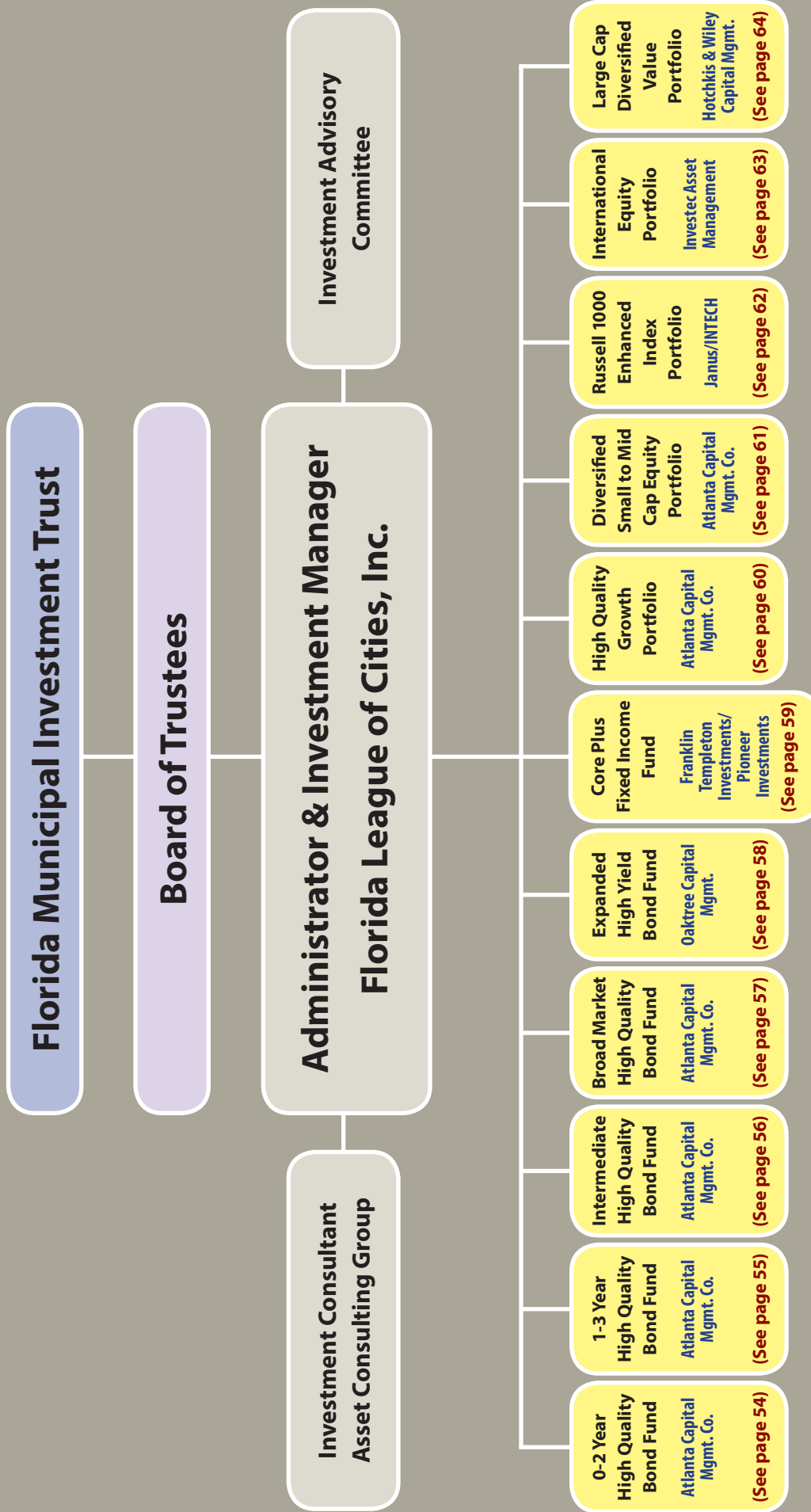
**Florida Municipal  
Investment Trust**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**September 30, 2014**

Executive Director/CEO

# Florida Municipal Investment Trust Organizational Chart



Florida Municipal Investment Trust  
**Board of Trustees** As of September 30, 2015

**Matthew Surrency**  
*President, Florida League of Cities*  
Mayor, City of Hawthorne

**Gil Ziffer**  
*2nd Vice-President, Florida League of Cities*  
Commissioner, City of Tallahassee

**Kevin Ruane**  
*Florida Municipal Insurance Trust*  
*Representative, Chair*  
Mayor, City of Sanibel

**Jack Nazario**  
*Florida Municipal Insurance Trust*  
*Representative, Vice Chair*  
Vice Mayor, City of Belleair Bluffs

**David O. Archie**  
Mayor, City of Tarpon Springs

**Anthony DeFillipo**  
Councilman, City of North Miami Beach

**John P. “Jack” Seiler**  
Mayor, City of Fort Lauderdale

Florida League of Cities, Inc.  
**Investment Advisory Committee**

**Robert B. Inzer, Chairman**  
Clerk of Circuit Court, Leon County

**Linda Davidson**  
Financial Services Director, City of Boca Raton

**Joseph Lo Bello**  
Town Manager, Town of Juno Beach

**Christopher McCullion**  
City Treasurer, City of Orlando

**Francine Ramaglia**  
Assistant City Manager, City of Delray Beach

**Jane Struder**  
Finance Director, Town of Palm Beach

**Darrel Thomas**  
Assistant City Manager/COO, City of Weston

**William F. Underwood, II**  
Town Manager, Town of Loxahatchee Groves

**Bonnie Wise**  
Chief Financial Administrator, Hillsborough County  
BOCC

Florida League of Cities, Inc. (Administrator)  
**Executive and Financial Management Team** As of September 30, 2015

**Michael Sittig**  
Executive Director, Service since July 12, 1971

**Jeannie Garner**  
Senior Director of Insurance and Financial Services,  
Service since June 1, 1994

**Teresa Colvin, CPA**  
Trust Services Comptroller, Service since July 6, 1993

**Paul Shamoun**  
Associate Director Financial Services, Service since  
August 15, 1995

**Jeff Blomeley**  
Investment and Retirement Services Manager,  
Financial Services, Service since September 4, 2012

**Kathleen Sexton**  
Senior Analyst, Financial Services, Service since  
May 8, 1995



# Financial Section

FLORIDA MUNICIPAL INVESTMENT TRUST  
FINANCIAL STATEMENTS  
SEPTEMBER 30, 2015



SHORSTEIN & SHORSTEIN, P.A.  
 CERTIFIED PUBLIC ACCOUNTANTS  
 8265 BAYBERRY ROAD  
 JACKSONVILLE, FLORIDA 32256

JACK F. SHORSTEIN, C.P.A., J.D. (1929-2014)  
 SAMUEL R. SHORSTEIN, C.P.A.  
 MARK J. SHORSTEIN, C.P.A.  
 MICHAEL K. PARRISH, C.P.A.  
 BARBARA J. HOUSTON, C.P.A.  
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 MARGARET R. CONOVER, C.P.A.  
 MELISSA R. STEPHENS, C.P.A.  
 JEFFREY C. PHILLIPS, C.P.A.  
 PHILLIP H. CAMPBELL, C.P.A.  
 JEWEL MCCANCE  
 BEVERLY W. PARKER

February 15, 2016

Independent Auditor's Report

To the Board of Trustees of the  
 Florida Municipal Investment Trust:

We have audited the accompanying financial statements of the Florida Municipal Investment Trust, which comprise the combined statement of fiduciary net position as of September 30, 2015, and the related combined statement of changes in fiduciary net position for the year then ended, and the related notes to the financial statements.

We also have audited the financial statements of each of the eleven individual portfolios which comprise the Trust presented as supplementary information in the accompanying combining financial statements as of and for the year ended September 30, 2015, as listed in the table of contents.

**Management's Responsibility for the Financial Statements**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

## Opinions

In our opinion, the combined financial statements referred to above present fairly, in all material respects, the financial position of the Florida Municipal Investment Trust, as of September 30, 2015, and the changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

In addition, in our opinion, the combining financial statements referred to previously present fairly, in all material respects, the respective financial position of each of the eleven individual portfolios which comprise the Trust as of September 30, 2015, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### *Required Supplementary Information*

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### *Other Information*

Our audit was conducted for the purpose of forming an opinion on the Florida Municipal Investment Trust's basic financial statements, as well as an opinion on the supplementary information comprising the combining financial statements. The introductory section, investment section and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The introductory, investment and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

*Shorstein + Shorstein, P.A.*

Florida Municipal Investment Trust  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2015

The following Management Discussion and Analysis (the "MD&A") presents an overview of the Florida Municipal Investment Trust's financial activities for the fiscal year ended September 30, 2015. This is to be read in conjunction with the Trust's financial statements following the MD&A.

### Financial Highlights

- The Trust provides local government members a variety of investment options consisting of 11 bond and equity portfolios to diversify surplus, investment or pension funds while utilizing economies of scale. The Trust's net position at the close of fiscal year 2015 was \$1.631 billion, compared to \$1.634 billion in 2014, a slight decrease of \$3 million or .23%. For 2015, the decline in net position is mainly a result of net shares redeemed.
- The components of additions represent investment income, investment expenses and share transactions. Total additions for fiscal year 2015 were \$(1.3) million, compared to \$(39.2) million in 2014. This is a change of \$37.9 million and is a result of fewer net shares redeemed over prior year.
- Net investment income was \$15.97 million for fiscal year 2015, compared to \$65.99 million in 2014, a decrease of \$50.02 million or 75.80%. The decline in investment income is attributed to the performance of the financial markets.
- Net share transactions are the net effect of contributions to the Trust versus redemptions from the Trust. Net share transactions were \$(17.3) million for fiscal year 2015 compared to \$(105.2) million for 2014. The 0-2 Year High Quality Bond Fund had the highest net decrease in share transactions of \$42.73 million with \$20.06 million withdrawn by one member in April of 2015. The total amount withdrawn by that member was \$30.29 million with the remainder being withdrawn from the 1-3 Year High Quality Bond Fund.
- The Trust added three new members for the fiscal year with total contributions of \$1.05 million. The three largest members of the Trust were responsible for a net increase to the Trust of \$35.56 million.
- Total deductions were \$2.38 million for fiscal year 2015, compared to \$2.37 million for 2014. Deductions consist of fees associated with the operation of the Trust. The Trust was able to minimize the increase in total operating fees to only \$16,636 or 0.70%.
- For fiscal year 2015, the net-of-fee returns of the various portfolios ranged from as low as (6.90%) for the International Equity Portfolio to as high as 9.46% for the Diversified Small to Mid Cap Equity Portfolio.
- On October 1, 2014 the investment manager of the International Equity Portfolio transitioned from Thornburg Investment Management to Investec Asset Management. As a result, investment management fees for this portfolio dropped from 85 bps to 40 bps, a savings of 53%.

Florida Municipal Investment Trust  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2015

## Overview of the Basic Financial Statements

This overview is intended to serve as an introduction to the Trust's basic financial statements. The Trust's financial statements comprise: 1) entity-wide or combined financial statements; 2) notes to the financial statements; and 3) supplementary combining financial statements. The Trust operates six fixed-income portfolios and five equity portfolios, for a total of eleven investment funds or portfolios.

### Combined Financial Statements

The Trust operates as a fiduciary trust fund under governmental accounting standards that require the Trust to prepare a series of financial statements. The combined statement of fiduciary net position provides information about the assets, liabilities and net position at a specific point in time, in this case September 30, 2015. The combined statement of changes in fiduciary net position provides information about revenues, expenses, and sales and redemptions of shares recorded during the entire fiscal year from October 1, 2014 through September 30, 2015.

The accrual basis of accounting was used to prepare the Trust's financial statements. Revenues are recorded when earned and expenses when incurred, regardless of whether or not cash has been received or paid. Investments are recorded at market, as provided by an independent pricing service. The fair value of the positions in the Trust's portfolios is the same as the value of the portfolio shares. Information on the specific types of investments owned by each portfolio as well as total shares sold and redeemed by each portfolio is detailed in the notes to the financial statements.

### Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to an understanding of the data provided in the Trust's financial statements. The notes to the financial statements can be found following the Trust's basic financial statements.

### Supplementary Combining Financial Statements

Combining financial statements for each individual portfolio are included in the supplementary section of this report and are prepared using the same measurement focus and basis of accounting as the combined financial statements. The amounts reported in the combined statement of fiduciary net position and the combined statement of changes in fiduciary net position are the sums of the amounts reported in the combining financial statements.

Florida Municipal Investment Trust  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2015

**Financial Analysis of the Trust as a Whole  
Comparative Financial Information**

	Fiduciary Net Position			%
	<u>9/30/2015</u>	<u>9/30/2014</u>	<u>Change</u>	<u>Change</u>
<b>ASSETS</b>				
Investments in Securities at Fair Value	\$ 1,603,566,899	\$ 1,545,840,463	\$ 57,726,436	3.73%
Cash and Cash Equivalents	30,775,319	73,880,358	(43,105,039)	-58.34%
Receivables:				
Interest and Dividends	2,833,366	2,673,417	159,949	5.98%
Securities Sold	<u>1,239,897</u>	<u>13,837,304</u>	<u>(12,597,407)</u>	-91.04%
<b>TOTAL ASSETS</b>	<b>1,638,415,481</b>	<b>1,636,231,542</b>	<b>2,183,939</b>	<b>0.13%</b>
<b>LIABILITIES</b>				
Payables:				
Securities Purchased	6,275,796	431,096	5,844,700	1355.78%
Accrued Expenses:				
Investment Management Fee Payable	716,988	650,653	66,335	10.20%
Administrative Fee Payable	499,514	497,454	2,060	0.41%
Audit Fee Payable	133,199	129,600	3,599	2.78%
Insurance Payable	48,598	31,099	17,499	56.27%
Legal Fee Payable	-	14,999	(14,999)	-100.00%
Consulting Fee Payable	<u>-</u>	<u>29,590</u>	<u>(29,590)</u>	-100.00%
<b>TOTAL LIABILITIES</b>	<b>7,674,095</b>	<b>1,784,491</b>	<b>5,889,604</b>	<b>330.04%</b>
<b>NET POSITION RESTRICTED FOR TRUST PARTICIPANTS</b>	<b><u>\$ 1,630,741,386</u></b>	<b><u>\$ 1,634,447,051</u></b>	<b><u>\$ (3,705,665)</u></b>	<b>-0.23%</b>

Florida Municipal Investment Trust  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
For the Year Ended September 30, 2015

**Financial Analysis of the Trust as a Whole**  
**Comparative Financial Information**

	Changes in Fiduciary Net Position			%
	9/30/2015	9/30/2014	Change	
<b>ADDITIONS:</b>				
<b>INVESTMENT INCOME</b>				
Interest and Dividend Income	\$ 21,463,585	\$ 22,329,408	\$ (865,823)	-3.88%
Fair Value Increases and Decreases	(2,266,594)	47,157,542	(49,424,136)	-104.81%
Total Investment Income	19,196,991	69,486,950	(50,289,959)	-72.37%
<b>INVESTMENT EXPENSES</b>				
Investment Management Fees	3,227,142	3,498,206	(271,064)	-7.75%
Net Investment Income (Loss)	15,969,849	65,988,744	(50,018,895)	-75.80%
<b>Beneficial Interest Share Transactions</b>				
Proceeds from Sale of Shares	174,734,681	287,111,331	(112,376,650)	-39.14%
Cost of Shares Redeemed	(192,026,890)	(392,282,067)	200,255,177	-51.05%
Net Increase (Decrease) from Share Transactions	(17,292,209)	(105,170,736)	87,878,527	83.56%
Total Additions	(1,322,360)	(39,181,992)	37,859,632	-96.63%
<b>DEDUCTIONS:</b>				
Administrative Fees	1,997,343	1,993,361	3,982	0.20%
Audit Fees	137,214	134,240	2,974	2.22%
Consulting Fees	119,064	117,911	1,153	0.98%
Rating Agency Fees	36,000	36,000	-	0.00%
General Insurance	66,086	55,103	10,983	19.93%
Trustee Fees and Travel	14,344	9,460	4,884	51.63%
Legal Fees	-	15,004	(15,004)	-
Miscellaneous	13,254	5,590	7,664	137.10%
Total Deductions	2,383,305	2,366,669	16,636	0.70%
Change in Net Position Restricted for Trust Participants	(3,705,665)	(41,548,661)	37,842,996	-91.08%
<b>Net Position</b>				
Beginning of Year	1,634,447,051	1,675,995,712	(41,548,661)	-2.48%
End of Year	<u>\$ 1,630,741,386</u>	<u>\$ 1,634,447,051</u>	<u>\$ (3,705,665)</u>	-0.23%

Florida Municipal Investment Trust  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2015

**Capital Asset and Long-Term Debt Activity**

The Trust has no capital assets or long-term debt.

**Economic Factors**

The Trust's operations are dependent on the financial markets, overall economic conditions and the members' ability to budget surplus funds and pension obligations.

Our performance consultant, Asset Consulting Group, reported continued improvement in U.S. labor markets coupled with increased demand in the nation's service industries pointed to a strengthening economy in November. Recent data provides the Federal Reserve further evidence the economy can withstand higher interest rates. Employers increased payrolls 211,000, after a gain of 298,000 in October, the first back-to-back gains of 200,000 or more since July. Employee pay increased at a steady pace as average hourly earnings at private employers rose 2.3% year over year after a 2.5% gain a month earlier.

Third quarter gross domestic product was increased to 2.1% versus the advance estimate of 1.5%. Consumer spending continues to drive the economy, growing at a 3% annualized rate while business investment in inventories grew at almost twice the pace as previously estimated. However, the manufacturing sector contracted in November 2015 struggling with an appreciating U.S. dollar that weakened the competitiveness of its goods overseas. The Institute for Supply Management's (ISM) manufacturing index dropped to 48.6, the lowest level since June 2009, from 50.1 in October. Readings less than 50 indicate contraction. The ISM's non-manufacturing index of service industries expanded in October of 2015 supported by strong household demand, keeping business activity at a healthy pace.

Forward-looking economic indicators showed the U.S. economy remained on track for continued expansion in 2016. The Conference Board's Leading Economic Index, which measures the economy's potential growth over the next six months, rose sharply in October driven by higher equity prices and rising housing starts. Moreover, progress in U.S. labor markets helped fuel a rise in U.S. consumer confidence in November as consumers turned more optimistic about their financial prospects.

The U.S. and global economies have an impact on the investments of the Trust, whereas the Florida economy has an impact on the members of the Trust. All members of the FMI/T operate in Florida, and the economic well-being of the state will impact investment decisions. The Florida Legislative Office of Economic and Demographic Research, in December of 2015, issued a report entitled "Florida: An Economic Overview." The report showed Florida's Gross Domestic Product (GDP) improved to 11th in the nation in 2014 with a real growth gain of 2.7% moving Florida above the national average of 2.2% for the second year in a row. The second quarter data for 2015 ranked Florida sixth in the nation. The largest contributors to the state's growth were real estate and retail trade. The report also noted that the state's labor force participation rate was 58.9% in November 2015. This is an indication that improving job prospects are encouraging people to rejoin or enter the labor force again. Florida's population growth continues with an expected average increase of 1.52% between 2015 and 2020. Existing home sales have been very strong during 2015, but prices have shown a recent flattening. Florida still ranks third nationally in foreclosures. In metropolitan areas with populations over 200,000, Florida has four of the top ten areas in foreclosure rates. Homeowners continue to struggle to gain access to consumer credit for mortgages due to student loans and auto debt. Overall, the report closed by saying that the state's growth rates are generally returning to more typical levels and continue to show progress. However, the drags are more persistent than past events, thus it will take another year to climb out of the hole left by the recession.

Florida Municipal Investment Trust  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
For the Year Ended September 30, 2015

**Economic Factors** (Continued)

All of the above-mentioned economic factors and financial markets will be monitored by the members of the Trust in the coming year so they may make informed decisions on how to invest their funds.

**Request for Information**

The information contained in this MD&A was designed to provide readers with a general overview of the Trust's existing and foreseeable financial condition. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Michael Sittig, Administrator for the Florida Municipal Investment Trust, 301 South Bronough Street, Suite 300, Tallahassee, FL 32301.



Florida Municipal Investment Trust  
 \*COMBINED STATEMENT OF FIDUCIARY NET POSITION  
September 30, 2015

ASSETS

Investment in Securities at Fair Value	\$1,603,566,899	
Cash and Cash Equivalents	30,775,319	
Receivables:		
Interest and Dividends	2,833,366	
Securities Sold	<u>1,239,897</u>	
Total Assets		<u>\$1,638,415,481</u>

LIABILITIES

Payables:		
Securities Purchased	6,275,796	
Accrued Expenses:		
Investment Management Fee Payable	716,988	
Administrative Fee Payable	499,514	
Audit Fee Payable	133,199	
Insurance Payable	<u>48,598</u>	
Total Liabilities		<u>7,674,095</u>
Net Position Restricted for Trust Participants		<u>\$1,630,741,386</u>

\*The accompanying notes are an integral part of these financial statements.

# Combined Statement of Changes in Fiduciary Net Position

Florida Municipal Investment Trust  
 \*COMBINED STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
For the Year Ended September 30, 2015

ADDITIONS:

Investment Income

Interest and Dividend Income	\$ 21,463,585	
Fair Value Increases and Decreases	<u>(2,266,594)</u>	
Total Investment Income		\$ 19,196,991

Investment Expenses

Investment Management Fees		<u>3,227,142</u>
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Net Investment Income

15,969,849

Beneficial Interest Share Transactions

Proceeds from Sale of Shares	174,734,681	
Cost of Shares Redeemed	<u>(192,026,890)</u>	
Net Decrease from Share Transactions		<u>(17,292,209)</u>

Total Additions		(1,322,360)
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DEDUCTIONS:

Administrative Fees	1,997,343	
Audit Fees	137,214	
Consulting Fees	119,064	
Rating Agency Fees	36,000	
General Insurance	66,086	
Trustee Fees and Travel	14,344	
Miscellaneous	<u>13,254</u>	
Total Deductions		<u>2,383,305</u>

Change in Net Position Restricted for Trust Participants		(3,705,665)
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Net Position Beginning of Year		<u>1,634,447,051</u>
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Net Position End of Year		<u>\$1,630,741,386</u>
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\*The accompanying notes are an integral part of these financial statements.

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 1 - Organization and Significant Accounting Policies

- A. Organization and Purpose - The Trust was created on April 28, 1993, under the laws of the State of Florida, to provide eligible units of local governments with an investment vehicle to pool their surplus funds and to reinvest such funds in one or more investment portfolios under the direction and daily supervision of an investment advisor. The Trust began operations on October 1, 1993.

The Trust is comprised of the following bond funds and equity portfolios (collectively referred to as funds or portfolios):

- 0-2 Year High Quality Bond Fund
- 1-3 Year High Quality Bond Fund
- Intermediate High Quality Bond Fund
- Broad Market High Quality Bond Fund
- Expanded High Yield Bond Fund
- Core Plus Fixed Income Fund
- High Quality Growth Portfolio
- Diversified Small to Mid Cap Equity Portfolio
- Russell 1000 Enhanced Index Portfolio
- International Equity Portfolio
- Large Cap Diversified Value Portfolio

The Trust's attorneys have advised that the Trust is exempt from registration under the Securities Act of 1933, the Investment Company Act of 1940, and the Florida Securities and Investor Protection Act.

The Trust is governed by a Board of Trustees consisting of the President (or his appointee) and Second Vice President of the Florida League of Cities, Inc. (League), two representatives of the Florida Municipal Insurance Trust, and up to three additional appointed members who are elected officials of the governmental entities who actively participate in the Trust.

- B. Reporting Entity and Basis of Accounting - The Trust is an independent reporting entity accounted for as a fiduciary trust fund in accordance with generally accepted accounting principles for governments as established by the Governmental Accounting Standards Board (GASB). The Trust uses the flow of economic resources measurement focus and accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the time the liabilities are incurred. These financial statements have been prepared utilizing accounting principles for governmental external investment pools.

The preparation of financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

Florida Municipal Investment Trust  
 NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 1 - Organization and Significant Accounting Policies (Continued)

- C. Security Valuation - Securities are reported at fair value, the amount at which an investment could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. Securities' market values of each portfolio were obtained from an independent pricing service. Pricing services typically consider such factors as security prices, yields, maturities, call features, prepayment rates, ratings and other information as it relates in determining a specific security's market price.
- D. Cash equivalents include short-term investments with original maturities of three months or less.
- E. Federal Income Taxes - The Trust is exempt from federal income taxes.
- F. Other - The Trust follows industry practice and records security transactions on a trade date basis. Dividend and interest income is recognized on the accrual basis. Fair value increases and decreases include both realized gains and losses and the change in unrealized gains and losses during the period.

Note 2 - Investments and Cash and Cash Equivalents

The Board of Trustees adopted an investment policy which identifies various authorized investment instruments, issuer diversification, maturity constraints, investment ratings and liquidity parameters. Authorized investments include obligations of the United States of America and its agencies, corporate debt obligations, asset-backed securities, money market instruments or funds, common stocks, convertible preferred stocks or bonds, repurchase agreements, commercial paper, banker's acceptances, municipal obligations, commingled investment funds, guaranteed investment contracts, certain nonnegotiable certificates of deposit, mortgage obligations and real property located within the state of Florida. Each portfolio's informational statement includes investment guidelines which describe the investments authorized within the portfolio.

*Interest Rate Risk.* Through its investment policy and guidelines, the Trust manages its exposure to fair value losses arising from increasing interest rates by limiting the modified duration of certain bond funds as follows:

<u>Fund</u>	<u>Expected Target Duration</u>
0-2 Year High Quality Bond Fund	0.5 to 1.25 years
1-3 Year High Quality Bond Fund	1.0 to 2.25 years
Intermediate High Quality Bond Fund	3.0 to 4.5 years
Broad Market High Quality Bond Fund	4.0 to 5.5 years

Florida Municipal Investment Trust  
 NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 2 - Investments and Cash and Cash Equivalents (Continued)

The Expanded High Yield Bond Fund should provide broad exposure to the domestic and European high yield markets through investment in fixed-income securities. There is currently no set target duration for this fund.

The Core Plus Fixed Income Fund invests in a broad spectrum of fixed and floating rate debt securities that are diversified by credit quality, geography and duration. There is currently no set target duration for this fund.

*Credit Risk.* Except for the Expanded High Yield Bond Fund and the Core Plus Fixed Income Fund, which are not rated, the investment guidelines of the remaining bond funds state that each fund will seek to maintain a bond fund credit rating from a nationally recognized statistical rating organization (NRSRO) as follows:

<u>Fund</u>	<u>Target Rating</u>
0-2 Year High Quality Bond Fund	AAA
1-3 Year High Quality Bond Fund	AAA
Intermediate High Quality Bond Fund	AAA
Broad Market High Quality Bond Fund	AA

Funds having an AAA bond fund credit rating are composed of a preponderance of assets that carry the highest credit ratings from an NRSRO. Funds having an AA bond fund credit rating are composed of a large percentage of assets that carry the highest credit rating from an NRSRO. The 0-2 Year High Quality Bond Fund and the 1-3 Year High Quality Bond Fund may invest in direct obligations issued or guaranteed by the U.S. Government or any of its agencies, money market obligations, asset-backed securities, mortgage securities, including CMOs, and commingled investment funds. The Intermediate High Quality Bond Fund and the Broad Market High Quality Bond Fund may also invest in corporate bonds issued by any corporation in the United States with at least an A rating from any NRSRO and non-agency collateralized mortgage obligations having a rating of AAA from any NRSRO. The Expanded High Yield Bond Fund may invest in commingled funds that provide exposure to the high yield fixed-income markets in the United States, Canada and Europe. The Core Plus Fixed Income Fund also may invest in commingled funds which seek a broadly diversified portfolio of fixed income securities that maximize return through a combination of interest income, capital appreciation and currency gains.

Florida Municipal Investment Trust  
 NOTES TO FINANCIAL STATEMENTS  
 September 30, 2015

Note 2 - Investments and Cash and Cash Equivalents (Continued)

As required by the GASB, the following tables present information based on the lowest credit ratings on individual securities provided by an NRSRO. The fund target ratings discussed above are calculated by the NRSRO providing the rating and do not require utilizing the lowest credit rating on individual securities.

0-2 Year High Quality Bond Fund

<u>Money Market</u>	<u>US Treasuries</u>	<u>US Agencies</u>	<u>Asset Backed</u>	<u>Total</u>	<u>Rating</u>
\$ 9,453,501	\$ -	\$ -	\$ 59,154,817	\$ 68,608,318	AAA
-	63,177,683	27,721,947	-	90,899,630	AA
<u>\$ 9,453,501</u>	<u>\$ 63,177,683</u>	<u>\$ 27,721,947</u>	<u>\$ 59,154,817</u>	<u>\$159,507,948</u>	

1-3 Year High Quality Bond Fund

<u>Money Market</u>	<u>US Treasuries</u>	<u>US Agencies</u>	<u>Asset Backed</u>	<u>Total</u>	<u>Rating</u>
\$ 4,773,923	\$ -	\$ -	\$135,949,448	\$140,723,371	AAA
-	258,685,565	84,397,256	-	343,082,821	AA
<u>\$ 4,773,923</u>	<u>\$ 258,685,565</u>	<u>\$ 84,397,256</u>	<u>\$135,949,448</u>	<u>\$483,806,192</u>	

Intermediate High Quality Bond Fund

<u>Money Market</u>	<u>US Treasuries</u>	<u>US Agencies</u>	<u>Asset Backed</u>	<u>Corporates</u>	<u>Total</u>	<u>Rating</u>
\$ 3,497,312	\$ -	\$ -	\$ 78,052,304	\$ -	\$ 81,549,616	AAA
-	110,659,494	88,776,649	-	4,178,606	203,614,749	AA
-	-	-	-	7,014,949	7,014,949	A
<u>\$ 3,497,312</u>	<u>\$110,659,494</u>	<u>\$ 88,776,649</u>	<u>\$ 78,052,304</u>	<u>\$ 11,193,555</u>	<u>\$292,179,314</u>	

Broad Market High Quality Bond Fund

<u>Money Market</u>	<u>US Treasuries</u>	<u>US Agencies</u>	<u>Asset Backed</u>	<u>Corporates</u>	<u>Total</u>	<u>Rating</u>
\$ 8,040,905	\$ -	\$ -	\$ 35,205,363	\$ -	\$ 43,246,268	AAA
-	46,822,822	26,497,061	-	1,590,840	74,910,723	AA
-	-	-	-	5,021,965	5,021,965	A
<u>\$ 8,040,905</u>	<u>\$ 46,822,822</u>	<u>\$ 26,497,061</u>	<u>\$ 35,205,363</u>	<u>\$ 6,612,805</u>	<u>\$123,178,956</u>	

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 2 - Investments and Cash and Cash Equivalents (Continued)

Expanded High Yield Bond Fund - At September 30, 2015, the fund's only investment, the OCM Expanded High Yield Fund, was not rated.

Core Plus Fixed Income Fund - At September 30, 2015, the fund's only investments, Franklin Templeton Global and Pioneer Institutional Multi-Sector, were not rated.

*Concentration of Credit Risk.* The investment guidelines of each bond fund limit the amount that may be invested in corporate securities of an individual issuer to three percent at the time of purchase and five percent based on market value. The guidelines also limit the amount that may be invested in an individual series of asset-backed securities or non-agency collateralized mortgage obligations to five percent of each portfolio. The Trust places no limit on the amount that may be invested in an individual issue of the United States Treasury or of any United States agency.

Florida Municipal Investment Trust  
 NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 2 - Investments and Cash and Cash Equivalents (Continued)

The following provides information about the concentration of credit risk in the individual fixed-income portfolios at September 30, 2015 by disclosing investments that represent more than five percent of total investments in any one issuer or in any one security.

	Market Value of Security	Percentage of Portfolio Investments
<u>0-2 Year High Quality Bond Fund -</u>		
<u>Issuer</u>		
Federal National Mortgage Association	N/A	9.60%
Federal Home Loan Mortgage Corporation	N/A	8.26%
Ally Financial	N/A	7.84%
CarMax Auto Owner Trust	N/A	7.81%
 <u>1-3 Year High Quality Bond Fund -</u>		
<u>Issuer</u>		
Federal Home Loan Mortgage Corporation	N/A	9.38%
Federal National Mortgage Association	N/A	7.67%
CarMax Auto Owner Trust	N/A	5.84%
 <u>Intermediate High Quality Bond Fund -</u>		
<u>Issuer</u>		
Federal Home Loan Mortgage Corporation	N/A	23.83%
CarMax Auto Owner Trust	N/A	6.40%
Federal National Mortgage Association	N/A	6.38%
 <u>Broad Market High Quality Bond Fund -</u>		
<u>Issuer</u>		
Federal National Mortgage Association	N/A	13.16%
Federal Home Loan Mortgage Corporation	N/A	9.85%
CarMax Auto Owner Trust	N/A	8.73%
 <u>Security</u>		
Federal National Mortgage Association	\$ 7,459,611	6.48%



Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 2 - Investments and Cash and Cash Equivalents (Continued)

The following is a detail of investments and cash and cash equivalents by bond fund or equity portfolio:

0-2 YEAR HIGH QUALITY BOND FUND

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
50,000,000	United States Treasury Bills, due 2016	\$ 49,862,273	0.80
13,300,000	United States Treasury Notes, 0.375% to 0.625%; due 2016	13,315,410	0.45
21,216,572	Fixed-Rate United States Agencies - CMOs and Pass-throughs, 1% to 6%; due 2015 to 2038	21,457,369	0.86
6,256,440	Variable-Rate United States Agencies - CMOs and Pass-throughs, 0.494% to 0.607%; due 2017 to 2037	6,264,578	0.10
2,455,000	Variable-Rate Asset-Backed Security, 0.644%; due 2018	2,453,178	0.10
56,629,621	Fixed-Rate Asset-Backed Securities, 0.42% to 5.3%; due 2016 to 2019	56,701,639	0.58
<u>149,857,633</u>	Total Investments	<u>\$ 150,054,447</u>	0.65

Cash and Cash Equivalents

9,453,501	Money Market Mutual Fund	\$ 9,453,501	0.06
<u>9,453,501</u>	Total Cash and Cash Equivalents	<u>\$ 9,453,501</u>	

Florida Municipal Investment Trust  
 NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 2 - Investments and Cash and Cash Equivalents (Continued)

1-3 YEAR HIGH QUALITY BOND FUND

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
258,325,000	United States Treasury Notes, 0.375% to 0.875%; due 2016 to 2018	\$ 258,685,565	1.44
79,335,410	Fixed-Rate United States Agencies - CMOs and Pass-throughs, 1% to 6%; due 2017 to 2040	80,862,386	1.44
3,528,305	Variable-Rate United States Agencies - CMOs and Pass-throughs, 0.494% to 0.557%; due 2034 to 2035	3,534,870	0.10
135,592,326	Fixed-Rate Asset-Backed Securities, 0.53% to 4.47%; due 2016 to 2020	135,949,448	1.18
<u>476,781,041</u>	Total Investments	<u>\$ 479,032,269</u>	1.36

Cash and Cash Equivalents

4,773,923	Money Market Mutual Fund	\$ 4,773,923	0.06
<u>4,773,923</u>	Total Cash and Cash Equivalents	<u>\$ 4,773,923</u>	

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 2 - Investments and Cash and Cash Equivalents (Continued)

INTERMEDIATE HIGH QUALITY BOND FUND

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
4,850,000	United States Treasury Bill, due 2015	\$ 4,849,290	0.12
103,905,000	United States Treasury Notes, 0.375% to 2.75%; due 2015 to 2025	105,810,204	4.03
9,845,000	United States Agencies, 1% to 4.75%; due 2016 to 2022	10,098,189	5.35
71,240,135	Fixed-Rate United States Agencies - CMOs and Pass-throughs, 2% to 10%; due 2016 to 2044	74,649,460	4.82
4,020,874	Variable-Rate United States Agencies - CMOs and Pass-throughs, 0.516% to 0.607%; due 2035 to 2040	4,029,000	0.10
9,190,000	Variable-Rate Asset-Backed Securities, 0.587% to 0.644%; due 2018 to 2019	9,185,733	0.10
68,780,656	Fixed-Rate Asset-Backed Securities, 0.54% to 1.92%; due 2017 to 2020	68,866,571	0.99
10,485,000	Corporate Bonds and Notes, 1.8% to 5.5%; due 2016 to 2020	11,193,555	3.43
<u>282,316,665</u>	Total Investments	<u>\$ 288,682,002</u>	3.29
<u>Cash and Cash Equivalents</u>			
3,497,312	Money Market Mutual Fund	\$ 3,497,312	0.06
<u>3,497,312</u>	Total Cash and Cash Equivalents	<u>\$ 3,497,312</u>	

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 2 - Investments and Cash and Cash Equivalents (Continued)

BROAD MARKET HIGH QUALITY BOND FUND

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
42,275,000	United States Treasury Notes and Bonds, 0.25% to 7.5%; due 2015 to 2045	\$ 46,822,823	8.50
7,700,000	United States Agencies, 0.5% to 2%; due 2016	7,713,178	0.51
16,591,311	Fixed-Rate United States Agencies - CMOs and Pass-throughs, 2.5% to 5.5%; due 2019 to 2044	17,688,373	4.35
1,094,730	Variable-Rate United States Agencies - CMOs and Pass-throughs, 0.377% to 0.594%; due 2018 to 2020	1,095,510	0.10
31,699,069	Fixed-Rate Asset-Backed Securities, 0.42% to 1.92%; due 2016 to 2021	31,737,084	0.92
3,470,000	Variable-Rate Asset-Backed Securities, 0.587% to 0.644%; due 2018 to 2019	3,468,278	0.10
6,140,000	Corporate Bonds and Notes, 3.15% to 5.625%; due 2016 to 2020	6,612,805	2.81
<u>108,970,110</u>	Total Investments	<u>\$ 115,138,051</u>	4.58
<u>Cash and Cash Equivalents</u>			
8,040,905	Money Market Mutual Fund	\$ 8,040,905	0.06
<u>8,040,905</u>	Total Cash and Cash Equivalents	<u>\$ 8,040,905</u>	

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 2 - Investments and Cash and Cash Equivalents (Continued)

EXPANDED HIGH YIELD BOND FUND

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
722,229	Mutual Funds	\$ 46,904,931	4.16
<u>722,229</u>	Total Investments	<u>\$ 46,904,931</u>	

Cash and Cash Equivalents

9,297	Money Market Mutual Fund	\$ 9,297	0.06
<u>9,297</u>	Total Cash and Cash Equivalents	<u>\$ 9,297</u>	

CORE PLUS FIXED INCOME FUND

Investments

139,983,676	Mutual Funds	\$ 135,814,697	2.58
<u>139,983,676</u>	Total Investments	<u>\$ 135,814,697</u>	

Cash and Cash Equivalents

31,735	Money Market Mutual Fund	\$ 31,735	0.06
<u>31,735</u>	Total Cash and Cash Equivalents	<u>\$ 31,735</u>	

HIGH QUALITY GROWTH PORTFOLIO

Investments

629,292	Common Stocks	\$ 47,004,105	
<u>629,292</u>	Total Investments	<u>\$ 47,004,105</u>	

Cash and Cash Equivalents

1,223,727	Money Market Mutual Fund	\$ 1,223,727	0.06
<u>1,223,727</u>	Total Cash and Cash Equivalents	<u>\$ 1,223,727</u>	

Florida Municipal Investment Trust  
 NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 2 - Investments and Cash and Cash Equivalents (Continued)

DIVERSIFIED SMALL TO MID CAP EQUITY PORTFOLIO

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
1,608,085	Common Stocks	\$ 93,442,571	
<u>1,608,085</u>	Total Investments	<u>\$ 93,442,571</u>	

Cash and Cash Equivalents

3,492,540	Money Market Mutual Fund	\$ 3,492,540	0.06
<u>3,492,540</u>	Total Cash and Cash Equivalents	<u>\$ 3,492,540</u>	

RUSSELL 1000 ENHANCED INDEX PORTFOLIO

Investments

8,023,737	Mutual Fund	\$ 138,901,700	
<u>8,023,737</u>	Total Investments	<u>\$ 138,901,700</u>	

Cash and Cash Equivalents

15,906	Money Market Mutual Fund	\$ 15,906	0.06
<u>15,906</u>	Total Cash and Cash Equivalents	<u>\$ 15,906</u>	

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 2 - Investments and Cash and Cash Equivalents (Continued)

INTERNATIONAL EQUITY PORTFOLIO

Investments

<u>Shares or Par Value</u>	<u>Description</u>	<u>Fair Value</u>	<u>Modified Duration (Years)</u>
682,696	Comingled Fund	\$ 63,941,349	
<u>682,696</u>	Total Investments	<u>\$ 63,941,349</u>	

Cash and Cash Equivalents

8,641	Money Market Mutual Fund	\$ 8,641	0.06
<u>8,641</u>	Total Cash and Cash Equivalents	<u>\$ 8,641</u>	

LARGE CAP DIVERSIFIED VALUE PORTFOLIO

Investments

1,481,603	Common Stocks	\$ 44,650,777	
<u>1,481,603</u>	Total Investments	<u>\$ 44,650,777</u>	

Cash and Cash Equivalents

227,832	Money Market Mutual Fund	\$ 227,832	0.06
<u>227,832</u>	Total Cash and Cash Equivalents	<u>\$ 227,832</u>	

Florida Municipal Investment Trust Grand Totals

Total Investments	<u>\$1,603,566,899</u>
Total Cash and Cash Equivalents	<u>\$ 30,775,319</u>

Florida Municipal Investment Trust  
 NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 3 - Shares of Beneficial Interest

The Agreement and Declaration of Trust authorizes the Trustees to issue an unlimited number of shares of beneficial interest, no par value. Sales and redemptions of shares are made only on a valuation date at the net asset value used to report investments. No legally binding guarantees have been provided or obtained to support the value of the shares. The net asset value of the 1-3 Year High Quality Bond Fund and the 0-2 Year High Quality Bond Fund are determined on the 15th day and last business day of each month. The net asset value of the other funds and portfolios is determined on the last business day of each month.

Beneficial interest share transactions for the year ended September 30, 2015 were as follows:

	<u>Shares</u>	<u>Amount</u>
<u>0-2 Year High Quality Bond Fund</u>		
Shares Sold	565,814.19	\$ 5,842,820
Shares Redeemed	<u>(4,701,641.35)</u>	<u>(48,575,075)</u>
Net Decrease	<u>(4,135,827.16)</u>	<u>\$ (42,732,255)</u>
<u>1-3 Year High Quality Bond Fund</u>		
Shares Sold	5,388,078.52	\$ 97,442,569
Shares Redeemed	<u>(4,824,207.69)</u>	<u>(87,295,551)</u>
Net Increase	<u>563,870.83</u>	<u>\$ 10,147,018</u>
<u>Intermediate High Quality Bond Fund</u>		
Shares Sold	571,571.38	\$ 12,933,616
Shares Redeemed	<u>(171,865.12)</u>	<u>(3,901,305)</u>
Net Increase	<u>399,706.26</u>	<u>\$ 9,032,311</u>
<u>Broad Market High Quality Bond Fund</u>		
Shares Sold	191,487.00	\$ 4,288,000
Shares Redeemed	<u>(1,646,156.27)</u>	<u>(36,802,676)</u>
Net Decrease	<u>(1,454,669.27)</u>	<u>\$ (32,514,676)</u>
<u>Expanded High Yield Bond Fund</u>		
Shares Sold	3,111.07	\$ 50,000
Shares Redeemed	<u>(119,962.99)</u>	<u>(2,000,000)</u>
Net Decrease	<u>(116,851.92)</u>	<u>\$ (1,950,000)</u>



Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 3 - Shares of Beneficial Interest (Continued)

	<u>Shares</u>	<u>Amount</u>
<u>Core Plus Fixed Income Fund</u>		
Shares Sold	4,514,625.20	\$ 45,481,676
Shares Redeemed	<u>(346,261.28)</u>	<u>(3,538,000)</u>
Net Increase	<u>4,168,363.92</u>	<u>\$ 41,943,676</u>
<u>High Quality Growth Portfolio</u>		
Shares Sold	7,449.05	\$ 195,000
Shares Redeemed	<u>(2,891.76)</u>	<u>(76,100)</u>
Net Increase	<u>4,557.29</u>	<u>\$ 118,900</u>
<u>Diversified Small to Mid Cap Equity Portfolio</u>		
Shares Sold	46,928.72	\$ 2,485,000
Shares Redeemed	<u>(75,266.97)</u>	<u>(4,280,000)</u>
Net Decrease	<u>(28,338.25)</u>	<u>\$ (1,795,000)</u>
<u>Russell 1000 Enhanced Index Portfolio</u>		
Shares Sold	50,132.08	\$ 973,000
Shares Redeemed	<u>(212,910.03)</u>	<u>(4,330,000)</u>
Net Decrease	<u>(162,777.95)</u>	<u>\$ (3,357,000)</u>
<u>International Equity Portfolio</u>		
Shares Sold	374,651.07	\$ 4,383,000
Shares Redeemed	<u>(87,279.12)</u>	<u>(1,100,000)</u>
Net Increase	<u>287,371.95</u>	<u>\$ 3,283,000</u>
<u>Large Cap Diversified Value Portfolio</u>		
Shares Sold	48,813.57	\$ 660,000
Shares Redeemed	<u>(9,139.52)</u>	<u>(128,183)</u>
Net Increase	<u>39,674.05</u>	<u>\$ 531,817</u>
<u>Florida Municipal Investment Trust Grand Totals</u>		
Shares Sold	11,762,661.85	\$ 174,734,681
Shares Redeemed	<u>(12,197,582.10)</u>	<u>(192,026,890)</u>
Net Increase (Decrease)	<u>(434,920.25)</u>	<u>\$ (17,292,209)</u>

Florida Municipal Investment Trust  
NOTES TO FINANCIAL STATEMENTS  
September 30, 2015

Note 4 - Related Parties

The League serves as Administrator, Investment Manager, and Secretary-Treasurer of the Trust. The League also serves as Administrator of certain of the Trust's members. Certain trustees are appointed by related parties as described in Note 1A.

Note 5 - Investment Manager and Administrator

The Trust entered into an investment management agreement with the League to direct the investments of certain portfolios for fees of ten to eighty basis points of the portfolios' net asset values. The Trust has also entered into an administrative services agreement with the League for fees of ten and one-half to fourteen and one-half basis points of the portfolios' net asset values.

Note 6 - Custodian

Wells Fargo Bank serves as Custodian for the Trust.

Supplementary Information

**Florida Municipal Investment Trust**  
**\*COMBINING STATEMENT OF FIDUCIARY NET POSITION**  
September 30, 2015

	0-2 Year High Quality Bond Fund	1-3 Year High Quality Bond Fund	Intermediate High Quality Bond Fund	Broad Market High Quality Bond Fund	Expanded High Yield Bond Fund	Core Plus Fixed Income Fund
<u>ASSETS</u>						
Investment in Securities at Fair Value	\$ 150,054,447	\$ 479,032,269	\$ 288,682,002	\$ 115,138,051	\$ 46,904,931	\$ 135,814,697
Cash and Cash Equivalents	9,453,501	4,773,923	3,497,312	8,040,905	9,297	31,735
Receivables:						
Interest and Dividends	73,992	683,228	767,351	548,280	631,310	-
Securities Sold	-	-	-	-	-	-
Total Assets	<u>159,581,940</u>	<u>484,489,420</u>	<u>292,946,665</u>	<u>123,727,236</u>	<u>47,545,538</u>	<u>135,846,432</u>
<u>LIABILITIES</u>						
Payables:						
Securities Purchased	1,298,781	-	-	4,278,924	-	-
Accrued Expenses:						
Investment Management Fee Payable	42,236	123,598	72,547	44,431	6,165	31,417
Administrative Fee Payable	44,348	129,778	76,174	42,950	17,878	50,616
Audit Fee Payable	12,109	12,109	12,109	12,109	12,109	12,109
Insurance Payable	4,418	4,418	4,418	4,418	4,418	4,418
Total Liabilities	<u>1,401,892</u>	<u>269,903</u>	<u>165,248</u>	<u>4,382,832</u>	<u>40,570</u>	<u>98,560</u>
Net Position Restricted for Trust Participants	<u>\$ 158,180,048</u>	<u>\$ 484,219,517</u>	<u>\$ 292,781,417</u>	<u>\$ 119,344,404</u>	<u>\$ 47,504,968</u>	<u>\$ 135,747,872</u>
Shares Outstanding	15,288,845.34	26,655,379.94	12,797,049.02	5,294,293.00	3,022,184.83	14,011,406.93
Net Position Per Share	\$ 10.35	\$ 18.17	\$ 22.88	\$ 22.54	\$ 15.72	\$ 9.69

\*See accompanying notes.

**Florida Municipal Investment Trust**  
**\*COMBINING STATEMENT OF FIDUCIARY NET POSITION (Continued)**  
**September 30, 2015**

	High Quality Growth Portfolio	Diversified Small to Mid Cap Equity Portfolio	Russell 1000 Enhanced Index Portfolio	International Equity Portfolio	Large Cap Diversified Value Portfolio	Totals
<u>ASSETS</u>						
Investment in Securities at Fair Value	\$ 47,004,105	\$ 93,442,571	\$ 138,901,700	\$ 63,941,349	\$ 44,650,777	\$ 1,603,566,899
Cash and Cash Equivalents	1,223,727	3,492,540	15,906	8,641	227,832	30,775,319
Receivables:						
Interest and Dividends	45,750	32,863	-	-	50,592	2,833,366
Securities Sold	-	4,335	734,136	200,000	301,426	1,239,897
Total Assets	48,273,582	96,972,309	139,651,742	64,149,990	45,230,627	1,638,415,481
<u>LIABILITIES</u>						
Payables:						
Securities Purchased	-	129,627	400,000	-	168,464	6,275,796
Accrued Expenses:						
Investment Management Fee Payable	56,860	116,348	53,599	70,381	99,406	716,988
Administrative Fee Payable	18,321	37,490	38,429	25,513	18,017	499,514
Audit Fee Payable	12,109	12,109	12,109	12,109	12,109	133,199
Insurance Payable	4,418	4,418	4,418	4,418	4,418	48,598
Total Liabilities	91,708	299,992	508,555	112,421	302,414	7,674,095
Net Position Restricted for Trust Participants	\$ 48,181,874	\$ 96,672,317	\$ 139,143,187	\$ 64,037,569	\$ 44,928,213	\$ 1,630,741,386
Shares Outstanding	1,923,603.83	1,763,827.25	7,305,205.23	5,886,523.12	3,612,526.78	
Net Position Per Share	\$ 25.05	\$ 54.81	\$ 19.05	\$ 10.88	\$ 12.44	

\*See accompanying notes.

**Florida Municipal Investment Trust**  
**\*COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**For the Year Ended September 30, 2015**

	0-2 Year High Quality Bond Fund	1-3 Year High Quality Bond Fund	Intermediate High Quality Bond Fund	Broad Market High Quality Bond Fund	Expanded High Yield Bond Fund	Core Plus Fixed Income Fund
<b>ADDITIONS:</b>						
<u>Investment Income</u>						
Interest and Dividend Income	\$ 1,355,118	\$ 5,094,355	\$ 5,290,524	\$ 2,657,823	\$ 4,408,598	\$ 13
Fair Value Increases and Decreases	(501,227)	(571,825)	2,975,329	1,405,022	(5,696,120)	(5,989,737)
Total Investment Income	853,891	4,522,530	8,265,853	4,062,845	(1,287,522)	(5,989,724)
<u>Investment Expenses</u>						
Investment Management Fees	183,056	488,837	286,343	194,326	25,463	114,245
Net Investment Income (Loss)	670,835	4,033,693	7,979,510	3,868,519	(1,312,985)	(6,103,969)
<u>Beneficial Interest Share Transactions</u>						
Proceeds from Sale of Shares	5,842,820	97,442,569	12,933,616	4,288,000	50,000	45,481,676
Cost of Shares Redeemed	(48,575,075)	(87,295,551)	(3,901,305)	(36,802,676)	(2,000,000)	(3,538,000)
Net Increase (Decrease) from Share Transactions	(42,732,255)	10,147,018	9,032,311	(32,514,676)	(1,950,000)	41,943,676
Total Additions	(42,061,420)	14,180,711	17,011,821	(28,646,157)	(3,262,985)	35,839,707
<b>DEDUCTIONS:</b>						
Administrative Fees	192,209	513,279	300,660	187,849	73,843	184,062
Audit Fees	12,474	12,474	12,474	12,474	12,474	12,474
Consulting Fees	10,824	10,824	10,824	10,824	10,824	10,824
Rating Agency Fees	9,000	9,000	9,000	9,000	-	-
General Insurance	5,946	5,946	5,946	5,946	5,946	6,626
Trustee Fees and Travel	1,304	1,304	1,304	1,304	1,304	1,304
Miscellaneous	1,205	1,206	1,207	1,204	1,205	1,204
Total Deductions	232,962	554,033	341,415	228,601	105,596	216,494
Change in Net Position Restricted for Trust Participants	(42,294,382)	13,626,678	16,670,406	(28,874,758)	(3,368,581)	35,623,213
Net Position Beginning of Year	200,474,430	470,592,839	276,111,011	148,219,162	50,873,549	100,124,659
Net Position End of Year	\$ 158,180,048	\$ 484,219,517	\$ 292,781,417	\$ 119,344,404	\$ 47,504,968	\$ 135,747,872

\*See accompanying notes.

**Florida Municipal Investment Trust**  
**\*COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION (Continued)**  
**For the Year Ended September 30, 2015**

	High Quality Growth Portfolio	Diversified Small to Mid Cap Equity Portfolio	Russell 1000 Enhanced Index Portfolio	International Equity Portfolio	Large Cap Diversified Value Portfolio	Totals
<b>ADDITIONS:</b>						
Investment Income						
Interest and Dividend Income	\$ 661,881	\$ 908,228	\$ 4	\$ 4	\$ 1,087,037	\$ 21,463,585
Fair Value Increases and Decreases	138,303	8,474,466	5,010,209	(3,905,058)	(3,605,956)	(2,266,594)
Total Investment Income	800,184	9,382,694	5,010,213	(3,905,054)	(2,518,919)	19,196,991
Investment Expenses						
Investment Management Fees	225,494	451,094	580,596	280,181	397,507	3,227,142
Net Investment Income (Loss)	574,690	8,931,600	4,429,617	(4,185,235)	(2,916,426)	15,969,849
<b>Beneficial Interest Share Transactions</b>						
Proceeds from Sale of Shares	195,000	2,485,000	973,000	4,383,000	660,000	174,734,681
Cost of Shares Redeemed	(76,100)	(4,280,000)	(4,330,000)	(1,100,000)	(128,183)	(192,026,890)
Net Increase (Decrease) from Share Transactions	118,900	(1,795,000)	(3,357,000)	3,283,000	531,817	(17,292,209)
Total Additions	693,590	7,136,600	1,072,617	(902,235)	(2,384,609)	(1,322,360)
<b>DEDUCTIONS:</b>						
Administrative Fees	72,659	145,353	154,336	101,045	72,048	1,997,343
Audit Fees	12,474	12,474	12,474	12,474	12,474	137,214
Consulting Fees	10,824	10,824	10,824	10,824	10,824	119,064
Rating Agency Fees	-	-	-	-	-	36,000
General Insurance	5,946	5,946	5,946	5,946	5,946	66,086
Trustee Fees and Travel	1,304	1,304	1,304	1,304	1,304	14,344
Miscellaneous	1,204	1,204	1,204	1,205	1,206	13,254
Total Deductions	104,411	177,105	186,088	132,798	103,802	2,383,305
Change in Net Position Restricted for Trust Participants	589,179	6,959,495	886,529	(1,035,033)	(2,488,411)	(3,705,665)
Net Position Beginning of Year	47,592,695	89,712,822	138,256,658	65,072,602	47,416,624	1,634,447,051
Net Position End of Year	\$ 48,181,874	\$ 96,672,317	\$ 139,143,187	\$ 64,037,569	\$ 44,928,213	\$ 1,630,741,386

\*See accompanying notes.







# Investment Section



## Administrative Overview ■ ■ ■

As stated previously, the Trust was created through an interlocal agreement in 1993 to provide local governmental entities with an investment vehicle to pool their surplus funds. Membership is limited to agencies or political subdivisions in or of the State of Florida. The Trust has entered into an agreement with the Florida League of Cities, Inc. as Administrator to provide administrative services and investment management services for the portfolios.

By pooling funds, members or participants are able to create increased economies of scale to invest and reinvest such funds in one or more investment portfolios. All investment portfolios are under the direction and daily supervision of professional investment advisers, in a manner consistent with the mutual investment policies and parameters established by the Board.

The Trust currently has 11 separate investment portfolios. Since each participant is responsible for its own investment decisions, there is no specific asset allocation associated with the Trust's investment portfolios. Many participants utilize the Trust's services to invest excess reserve funds. The short duration bond funds (the 0-2 Year High Quality Bond Fund and the 1-3 Year High Quality Bond Fund) are the most commonly selected.

The Board is responsible for determining the general types of securities eligible for investment purposes, including appropriate maturity limitations and other guidelines necessary for the prudent investment of the assets of the Trust. In formulating such guidelines, the Board seeks to provide that the investments are made with the judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of the funds considering the probable income, total return and the probable safety of the invested funds.

Informational statements for all investment portfolios have been prepared describing the purpose of the Trust; the investment objectives of the portfolio; authorized and any restricted investments; Trust policies on income, expenses, dividends, yield and total return; policies and procedures on the determination of the

portfolios' Net Asset Value (NAV); and the valuation of the members' shares of beneficial interest.

The NAV on each valuation date is calculated by adding the fair market value of all securities and assets held by each portfolio, including accrued interest and amounts owed to each portfolio for securities sold or principal and income not collected as of the valuation date, less any liabilities of each portfolio. The value of each participant's account is determined by dividing the NAV of each portfolio by the total number of shares of beneficial interest outstanding in each portfolio, multiplied by the number of shares owned by each participant.

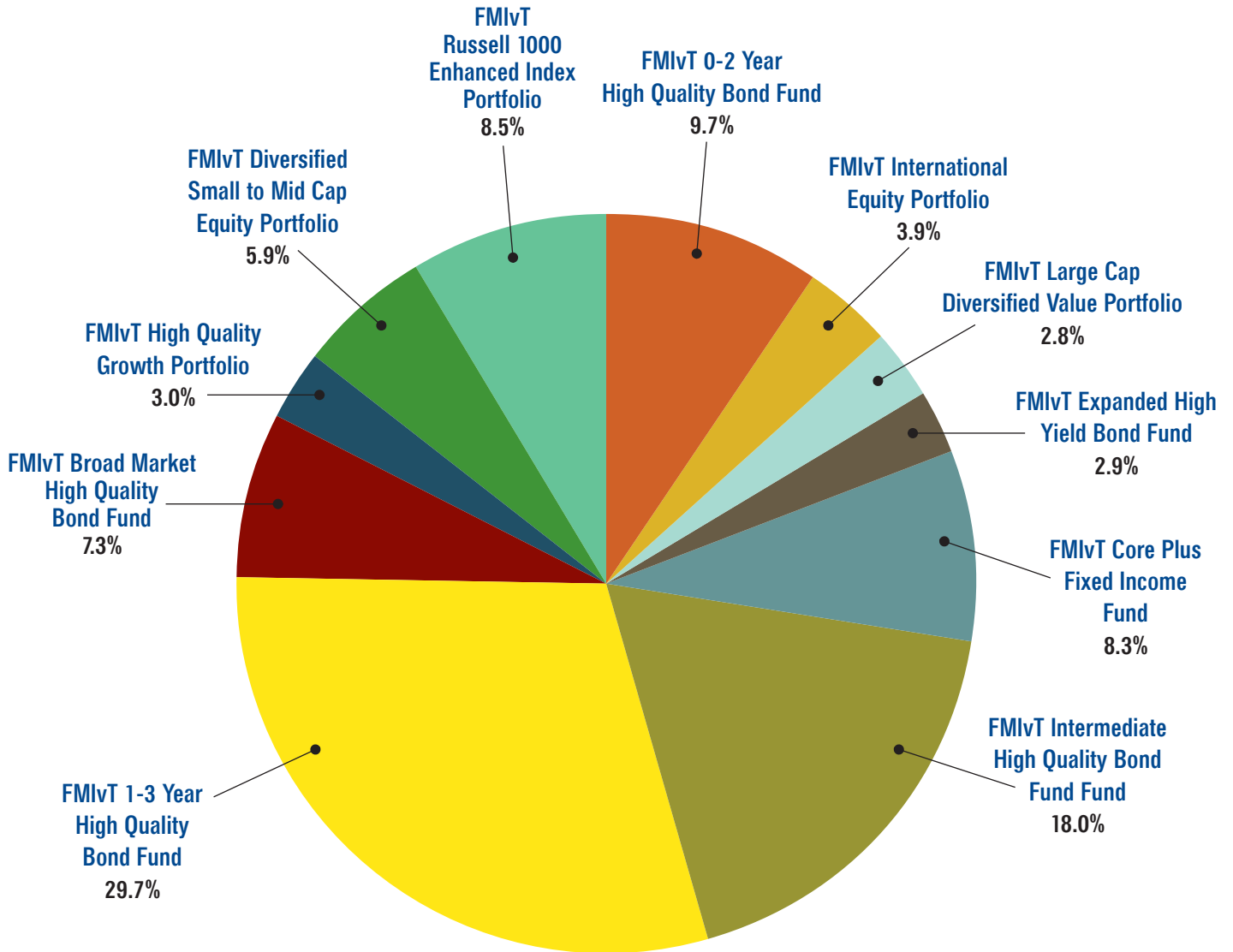
Following the **Economic Review** discussion are summaries of each portfolio. Investment return calculations were prepared by the investment consultant, Asset Consulting Group, using a time-weighted rate of return based on the Modified Dietz Method. The performance returns listed in the portfolio summaries use gross-of-fees results to accurately compare investment manager performance to the stated benchmark. Therefore, securities lending activity is excluded from the gross-of-fees performance returns. Beginning with July 2008, the net-of-fee performance returns include the securities lending activity. In October 2010, the securities lending program administered by Wells Fargo was completely unwound. The Trust's portfolios are no longer participating in any securities lending activities. The schedules on pages 65-66 report both gross-of-fees and net-of-fees performance returns for all portfolios.

As of September 30, 2015, all funds and portfolios were in compliance with the Trust's investment policy and stated guidelines. A detailed list of securities or holdings is available from the Administrator. Additional information on the Trust's portfolios can be found in the informational statements and are available upon request or on the Trust's Web site at [www.fmivt.com](http://www.fmivt.com). The Trust's investment policy is provided at the end of the **Investment Section**.

The US economy exhibited the same pattern during the

## Florida Municipal Investment Trust Investment Portfolios

For the Period Ending September 30, 2015



Total Net Position: \$1,630,741,386

## Economic Review ■ ■ ■

For the Periods Ending September 30, 2015, as reported by the Trust's investment consultant, Asset Consulting Group.

first half of 2015 as in 2014, a winter related pullback in activity during the first quarter with a strong snap-back during the second quarter. This sharp revision to growth was driven by a rebound in consumer spending that benefited from lower prices at the pump and rising household wealth. Moreover, the economy continued to show momentum during the third quarter with further improvement in the labor and housing markets. On the negative side, the factory sector started to show signs of weakness as the impact of the rising US dollar reduced the sector's ability to compete on a global scale.

### **Improved job markets and lower energy prices sustaining consumer spending . . .**

The US government's third estimate of second quarter growth was revised higher to an annualized 3.9%, after growing only 0.6% in the previous quarter. The upward revision came mostly from accelerating consumer and government spending partially offset by a decrease in inventory investment. Consumer spending rose 3.6%, following a 1.8% gain during the first quarter as strong hiring, cheaper gasoline and higher home prices helped sustain purchases.

### **Employers continued to add jobs, while unemployment held at a seven-year low . . .**

The pace of job growth cooled during the third quarter as manufacturing and energy companies reduced hiring in the wake of a drop in business activity. Employers added 501,000 jobs during the quarter, for a total of 1.8 million for the year. Although strong, the pace is below the 2.1 million produced over the same period in 2014. The unemployment rate fell to 5.1% by quarter's end, the lowest since 2008. However, hourly wages remained stagnate in September, increasing a modest 2.2% over the prior 12 months. Since the current economic expansion began in mid-2009, the annual gain has averaged only 2.0%.

### **Housing market indicators offered mixed data . . .**

US housing market activity cooled in the third quarter after robust gains over the summer. Both home prices and home construction registered healthy gains, but sales of existing homes were tempered by lean inventories. Prices for existing single family homes accelerated in July, according to the S&P/Case-Shiller Home Price index, and new housing construction was the highest in nearly eight years. However, sales of existing homes in August were held back by a reduced number of available homes that fell to the second-lowest for any August since 2002.

After much anticipation that the Federal Reserve (Fed) would end its near zero interest rate policy in September and lift rates for the first time since 2006, the Fed opted to keep the federal funds rate near zero. Economists interpreted the move as a lack of confidence in the future prospects for the US economy, but later remarks by Fed Chair Janet Yellen cited recent adverse "global economic and financial developments" as a factor in the decision to delay the rate increase. Still, the Fed made clear that improving labor conditions and expectations that subdued inflationary pressures would prove transitory, giving reason to expect a rate hike before the end of the year.

## Portfolio Review ■ ■ ■

### 0-2 Year High Quality Bond Fund (Inception 12/3/2002)

As of September 30, 2015, the 0-2 Year High Quality Bond Fund had a net position of \$158 million, representing 30 participants. The fund is actively managed by Atlanta Capital Management Company and invests in government and high-quality debt securities while maintaining an average maturity of approximately one year. The portfolio is valued on the 15th and last business day of the month. If the 15th is not a business day, the valuation is the next succeeding business day. Management fees are 10 bps and administrative fees are 10.5 bps. Total expenses are approximately 23 bps.

The fund invests in direct obligations issued or guaranteed by the U.S. government or any of its agencies, money market obligations, asset-backed securities, mortgage securities, including CMO's, and commingled investment funds. The fund is rated AAA by Fitch Ratings.

**Objective.** The fund is designed to provide an investment pool alternative for members that have excess funds and an investment horizon greater than that of money market instruments. The investment objectives are to: 1) preserve capital; and 2) exceed the return of the Bank of America Merrill Lynch One Year Treasury Note Index over three-year periods.

**Investment Risk.** Shares of the fund are neither insured nor guaranteed by any U.S. government agency, including the FDIC. The fund is subject to interest rate, credit and liquidity risk, which may cause a loss of principal. The fair value of the securities will fluctuate in value as interest rates, credit and liquidity conditions change, which could affect the fund's net position.

**Performance.** The fund rose 0.2% in the third quarter, modestly ahead of the Bank of America Merrill Lynch 1-Year Treasury Note Index and the short-term bond manager peer group as exposure to high quality mortgage-backed securities added value during this period. In the 6 years since inception of this strategy, the portfolio advanced 0.6% on average annually, adding value over the BofA Merrill Lynch 1-Year Treasury Note Index (up 0.4%), although keeping pace with the short-term bond manager peer group was challenging due to the high quality focus of this strategy. This strategy is meeting the objective of providing consistent return enhancement over its benchmark, while maintaining a very favorable risk-adjusted return profile. This fund represents a strong short maturity complement to the other high quality fixed income options within the FMIvT.

As of September 30, 2015, the 0-2 Year High Quality Bond Fund held 76 securities. The notes to the financial statements include a summary of fair value of investment by major category. The top 10 holdings are listed below.

#	Issue Name	Fair Value (\$000's)	% of Account Fair Value
1	US Treasury Bill June 2016	\$ 19,959	12.51%
2	US Treasury Bill August 2016	16,938	10.62%
3	US Treasury Bill July 2016	12,965	8.13%
4	US Treasury Notes 0.375% January 2016	10,510	6.59%
5	Wells Fargo Government Money Market Fund	9,454	5.93%
6	World Omni Automobile Lease 2015-A A2A 1.060% May 2018	4,307	2.70%
7	CARMX 15-1A2 0.880% March 2018	4,152	2.60%
8	GE Equipment Transport 2015-1 A2 0.890% November 2017	3,904	2.45%
9	Nissan Auto Receivables 15-A A2 0.670% September 2017	3,799	2.38%
10	World Omni Auto 13-A A4 0.870% July 2019	3,399	2.13%
	<b>TOTAL</b>	<b>\$ 89,387</b>	<b>56.04%</b>

## 1-3 Year High Quality Bond Fund (Inception 10/1/1995)

As of September 30, 2015, the 1-3 Year High Quality Bond Fund had a net position of \$484 million, representing 65 participants. The fund is actively managed by Atlanta Capital Management Company and invests in government and high quality debt securities while maintaining an average maturity of two years. The portfolio is valued on the 15th and last business day of the month. If the 15th is not a business day, the valuation is the next succeeding business day. Management fees are 10 bps and administrative fees are 10.5 bps. Total expenses are approximately 23 bps.

The fund may invest in direct obligations issued or guaranteed by the U.S. government or any of its agencies, money market obligations, asset-backed securities, mortgage securities, including CMO's, and commingled investment funds. The fund is rated AAA by Fitch.

**Objective.** The fund is designed to provide an investment pool alternative for members that have excess funds and an investment horizon greater than that of money market instruments. The investment objective is: 1) to preserve capital; and 2) exceed the return of the Bank of America Merrill Lynch One to Three Year Government Index over three-year periods.

**Investment Risk.** Shares of the fund are neither insured nor guaranteed by any U.S. government agency, including the FDIC. The fund is subject to interest rate, credit and liquidity risk, which may cause a loss of principal. The fair value of the securities will fluctuate in value as interest rates, credit and liquidity conditions change, which could affect the fund's net position.

**Performance.** The fund advanced 0.3% in the third quarter, slightly below that of the Bank of America Merrill Lynch 1-3 Year Government Index and the short-term bond manager peer group, as minimal exposure to the better-performing Treasury securities was offset somewhat by the focus on high quality mortgage-backed securities. This strategy is modestly ahead of its benchmark over the past 5 and 10 years, but has lagged the peer group owing to the defensive duration posture as well as the lack of exposure to the relatively strong performance in lower quality securities during most of this period. This fund has met the objective of beating the benchmark over the past 10 years, although it is modestly below the peer group due to the higher quality bias. This bias had rewarded investors in the form of a very favorable relative risk-adjusted return profile over this time period.

As of September 30, 2015, the 1-3 Year High Quality Bond Fund held 92 securities. The notes to the financial statements include a summary of fair value of investment by major category. The top 10 holdings are listed below.

#	Issue Name	Fair Value (\$000s)	% of Account Fair Value
1	US Treasury Notes 0.500% November 2016	\$ 45,758	9.46%
2	US Treasury Notes 0.625% November 2016	22,050	4.56%
3	US Treasury Notes 0.625% May 2017	21,016	4.34%
4	US Treasury Notes 0.625% December 2016	20,039	4.14%
5	US Treasury Notes 0.625% December 2016	17,036	3.52%
6	US Treasury Notes 0.875% February 2017	16,234	3.36%
7	FHMS K502 A2 1.426% August 2017	15,114	3.12%
8	US Treasury Notes 0.625% August 2017	14,999	3.10%
9	US Treasury Notes 0.625% October 2016	14,533	3.00%
10	US Treasury Notes 0.875% June 2017	13,063	2.70%
	<b>TOTAL</b>	<b>\$ 199,842</b>	<b>41.31%</b>

## Intermediate High Quality Bond Fund (Inception 10/1/1995)

As of September 30, 2015, the Intermediate High Quality Bond Fund had a net position of \$293 million, representing 33 participants. The fund is managed by Atlanta Capital Management Company and invests in government and high quality debt securities while maintaining an average maturity of approximately five years. The portfolio is valued on the last business day of the month. Management fees are 10 bps and administrative fees are 10.5 bps. Total expenses are approximately 22 bps.

The fund may invest in direct obligations issued or guaranteed by the U.S. government or any of its agencies, money market obligations, asset-backed securities, mortgage securities, including CMO's, commingled investment funds and corporate bonds issued by any corporation in the U.S. with at least an A rating. The fund is rated AAA by Fitch.

**Objective.** The fund is designed to provide an investment pool alternative for members that have excess funds and an investment horizon greater than that of money market instruments. The investment objective is to exceed the return of the Barclays Capital Intermediate Government/Credit (Ex-Baa)+ABS+MBS Index over a complete market cycle (usually 3 to 5 years).

**Investment Risk.** Shares of the fund are neither insured nor guaranteed by any U.S. government agency, including the FDIC. The fund is subject to interest rate, credit and liquidity risk, which may cause a loss of principal. The fair value of the securities will fluctuate in value as interest rates, credit and liquidity conditions change, which could affect the fund's net position.

**Performance.** The fund posted returns in the third quarter that were in line with the Barclays Capital Intermediate Government Credit (Ex-Baa) +ABS+MBS Index and modestly ahead of the peer group of intermediate bond managers as the high quality bias was in sync with the market sentiment during this period. The fund has displayed a consistent pattern of performance, posting absolute returns of better than 4% annually over the past 10 years. While this performance is similar to the benchmark, it modestly lags the peer group during this period as the high quality focus provided a headwind, especially over the past 7 years. The portfolio's conservative risk profile and high quality bias are in line with the objectives for this fund and have led to favorable risk adjusted returns compared with the primary benchmark over the past 10 years.

As of September 30, 2015, the Intermediate High Quality Bond Fund held 112 securities. The notes to the financial statements include a summary of fair value of investment by major category. The top 10 holdings are listed below.

#	Issue Name	Fair Value (\$000s)	% of Account Fair Value
1	US Treasury Notes 2.125% May 2025	\$ 16,901	5.78%
2	US Treasury Notes 2.750% February 2024	14,720	5.04%
3	US Treasury Notes 1.000% May 2018	13,048	4.47%
4	US Treasury Notes 1.875% August 2017	12,434	4.26%
5	FHMS K026 A2 2.510% November 2022	10,118	3.46%
6	US Treasury Notes 0.375% January 2016	10,009	3.43%
7	US Treasury Notes 0.375% November 2015	8,502	2.91%
8	FHLMC 2.375% January 2022	8,337	2.85%
9	FHLMC Gold G08615 3.500% November 2044	8,228	2.82%
10	FHLMC Gold G07661 3.000% August 2043	8,096	2.77%
	<b>TOTAL</b>	<b>\$ 110,393</b>	<b>37.78%</b>



## Broad Market High Quality Bond Fund (Inception 1/1/1998)

As of September 30, 2015, the Broad Market High Quality Bond Fund had a net position of \$119 million, representing seven participants. The fund is actively managed by Atlanta Capital Management Company and invests in government and high quality debt securities while maintaining an average maturity of approximately eight and one-half years. The portfolio is valued on the last business day of the month. Management fees are 15 bps and administrative fees are 14.5 bps. Total expenses are approximately 33 bps.

The fund may invest in direct obligations issued or guaranteed by the U.S. government or any of its agencies, money market obligations, asset-backed securities, mortgage securities, including CMO's, commingled investment funds, corporate bonds issued by any corporation in the U.S. with at least an A rating and U.S. dollar-denominated and issued obligations and securities of foreign sovereign states or non-U.S. corporations (Yankee bonds) with at least an A rating. The fund is rated AA by Fitch.

**Objective.** The fund is designed to provide an investment pool alternative for members that seek a longer-term bond fund for a portion of their pension assets or have other excess funds with a longer investment horizon. The investment objective is to exceed the return of the Barclays Capital Aggregate A+ Index over three-year periods.

**Investment Risk.** Shares of the fund are neither insured nor guaranteed by any U.S. government agency, including the FDIC. The fund is subject to interest rate, credit and liquidity risk, which may cause a loss of principal. The fair value of the securities will fluctuate in value as interest rates, credit and liquidity conditions change, which could affect the fund's net position.

**Performance.** The fund rose 1.4% in the third quarter, modestly below the Barclays Capital Aggregate A+ Index but better than the peer group of the core fixed income managers as the high quality focus is in sync with the market sentiment (risk aversion) during this period. The fund has displayed a consistent pattern of performance, posting absolute returns of 4.4% on average over the past 10 years. While this performance is in line with the benchmark, it lags the peer group during this period, as the high quality focus provided a headwind, particularly over the past 7 years. The portfolio's conservative risk profile and high quality bias are in line with the objectives for this fund. This bias has rewarded investors in the form of a more favorable relative risk-adjusted return profile compared with its primary benchmark over the long term.

As of September 30, 2015, the Broad Market High Quality Bond Fund held 75 securities. The notes to the financial statements include a summary of fair value of investment by major category. The top 10 holdings are listed below.

#	Issue Name	Fair Value (\$000s)	% of Account Fair Value
1	US Treasury Bonds 7.500% November 2024	\$ 9,141	7.42%
2	Wells Fargo Government Money Market Fund	8,041	6.53%
3	FNMA 0.500% March 2016	7,460	6.06%
4	US Treasury Bonds 3.375% May 2044	5,927	4.81%
5	US Treasury Notes 0.250% December 2015	5,252	4.26%
6	US Treasury Notes 0.375% January 2016	5,104	4.14%
7	US Treasury Notes 0.500% July 2017	4,242	3.44%
8	FHLMC Gold G08615 3.500% November 2044	4,137	3.36%
9	US Treasury Notes 2.750% November 2023	3,135	2.55%
10	Citibank Credit Card 2013-A6 1.320% September 2018	3,015	2.45%
	<b>TOTAL</b>	<b>\$55,454</b>	<b>45.02%</b>

### Expanded High Yield Bond Fund (Inception 6/1/2007)

As of September 30, 2015, the Expanded High Yield Bond Fund had a net position of \$48 million, representing three participants. The fund is managed by Oaktree Capital Management. The portfolio is valued on the last business day of the month. Management fees are 55 bps and administrative fees are 14.5 bps. Total expenses are approximately 76 bps.

The commingled fund primarily invests in high yield fixed income securities and/or debt issuers organized or located in the United States, Canada and Europe. The fund is not rated.

**Objective.** The fund is designed to provide an investment pool alternative for members that seek a higher-yielding longer-term bond fund for a portion of their pension assets or have other excess funds with a longer investment horizon. The fund's objective is to obtain a high total return as compared to both the Barclays Capital High Yield 2% Constrained Index and the investment grade bond market by investing in a diversified portfolio of domestic and European high yield fixed income securities. As a secondary objective, the portfolio seeks to provide high current income consistent with reasonable risk. The fund seeks to outperform the Barclays Capital High Yield 2% Constrained Index over a complete market cycle (usually 3 to 5 years).

**Investment Risk.** Shares of the fund are neither insured nor guaranteed by any U.S. government agency, including the FDIC. The fund is subject to interest rate, credit and liquidity risk, which may cause a loss of principal. The fair value of the securities will fluctuate in value as interest rates, credit and liquidity conditions change, which could affect the fund's net position.

**Performance.** The Expanded High Yield Bond Fund provided strong downside protection in the third quarter, declining 4.4% compared with the 4.8% decline in the Barclays Capital High Yield 2% Constrained Index as the greater exposure to the higher quality sectors within the benchmark was in tune with this risk averse sentiment in the marketplace. The fund has turned in very strong absolute returns in the 8 years since inception, rising 6.2% on average annually during that period, as high yield securities posted outsized returns compared with the investment grade sector of the marketplace during the majority of this time frame. While performance has failed to keep pace with an even more rapid advance in the benchmark and peer group since inception, the strategy's modest risk profile offers downside protection and has resulted in favorable comparisons on a risk-adjusted basis.

As of September 30, 2015, the Expanded High Yield Bond Fund held one security, the Oaktree Capital Management (OCM) Expanded High Yield Bond Fund.

## Core Plus Fixed Income Fund (Inception 4/1/2014)

As of September 30, 2015, the Core Plus Fixed Income Fund had a net position of \$136 million, representing three participants. The fund has two underlying managers with strong expertise in the global marketplace and is implemented with equal allocations to the Pioneer Multi-Sector Fixed Income Fund and the Franklin Templeton Global Multi-Sector Plus Fund. The portfolio is valued on the last business day of the month. Management fees are 69 bps and administrative fees are 14.5 bps. Total expenses are approximately 86 bps.

The comingled fund invests in a broad spectrum of fixed and floating rate debt securities that are diversified by credit quality, geography, and duration. The fund is not rated.

**Objective.** The fund is designed to provide an investment pool alternative to those members that seek a broadly diversified portfolio of fixed income securities in order to maximize total investment return through a combination of interest income, capital appreciation and currency gains. The fund seeks to outperform the Barclays Multiverse over a complete market cycle (usually 3 to 5 years).

**Investment Risk.** Shares of the fund are neither insured nor guaranteed by any U.S. government agency, including the FDIC. The fund is subject to interest rate, credit and liquidity risk, which may cause a loss of principal. The fair value of the securities will fluctuate in value as interest rates, credit and liquidity conditions change, which could affect the fund's net position.

**Performance.** The diversification attributes of this fund was at odds with the risk averse sentiment in this quarter, where U.S. Treasury securities outperformed all other fixed income sectors and geographies. As such, the fund declined 4.1% in the third quarter, which was behind that of the benchmark and peer group during this period. In the five quarters since inception, this fund has displayed strong downside protection compared to its primary benchmark, declining 1.8% while the Barclay's Multiverse Index was off 2.9%. The shorter duration posture and higher exposure to the relatively strong below investment grade securities in the U.S. early in this period aided this fund's performance. Earlier this year, Pioneer announced a preliminary agreement to merge with Santander Asset Management which would resolve its current owner's (UniCredit) need to raise capital. Additionally, the agreement will allow Pioneer to operate independently under the Pioneer name and offers greater assurance of continuity among the investment professionals. Pioneer has since announced a definitive agreement which is expected to close in 2016.

As of September 30, 2015, the Core Plus Fixed Income Fund was 51.7% invested in the Pioneer Institutional Multi-Sector Fixed Income Portfolio and 48.3% invested in the Franklin Templeton Global Multisector Plus Fund.

## High Quality Growth Portfolio (Inception 1/1/1998)

As of September 30, 2015, the High Quality Growth Portfolio had a net position of \$48 million, representing five participants. The fund is managed by Atlanta Capital Management Company. The portfolio is valued on the last business day of the month. Management fees are 45 bps and administrative fees are 14.5 bps. Total expenses are approximately 66 bps.

The portfolio invests in large cap growth style common stocks of companies domiciled in the U.S. or traded on the New York Stock Exchange.

**Objective.** The portfolio is designed to provide an investment pool alternative to members for pension or retirement plans or other programs that have long-term investment horizons. The portfolio will generally invest in common stocks of U.S. corporations that offer superior returns as compared to bonds over long periods of time, but with greater volatility in market value during shorter interim periods. The strategy for generating superior returns is to invest in a diversified portfolio of high-quality companies capable of sustaining superior rates of earnings growth. This portfolio seeks to meet or exceed the performance of the Russell 1000 Growth Index.

**Investment Risk.** Shares of the portfolio are neither insured nor guaranteed by any U.S. government agency, including the FDIC. Because the portfolio invests in equity securities, members are exposed to significant price risk as well as income risk. Price risk is divided into market risk and individual company risk. The price of a particular common stock may decline in response to a general decline in the stock market brought on by investor reactions to changes in interest rates, the outlook for inflation, disappointing profits, government policy, economic weakness or a host of other considerations.

**Performance.** The portfolio was down 4.6% in the third quarter, protecting well on the downside compared with the Russell 1000 Growth Index (down 5.3%) and the peer group of large cap growth managers (down 6.0%) as exposure to the better-performing consumer stocks offset the weakness in both energy and basic materials sectors. This strategy has struggled to keep pace with the very strong equity market over the past several years, which has moderated the longer-term return profile. This time frame has been dominated by mostly strong equity markets, thereby downplaying the downside protection of this strategy. The high quality and growth oriented focus of this strategy positions this fund to provide consistent performance over long periods of time, while also representing a strong complement to the large cap value-oriented strategy within the FMIvT lineup.

As of September 30, 2015, the High Quality Growth Portfolio held 53 securities. The top 10 holdings are listed below.

#	Issue Name	Fair Value (\$000s)	% of Account Fair Value
1	Google Class C	\$ 2,325	4.82%
2	Apple Inc	2,161	4.48%
3	Visa Inc Class A	1,897	3.93%
4	CVS Health Corporation	1,769	3.67%
5	Lowe's Cos Inc	1,426	2.96%
6	Monsanto Co New	1,305	2.71%
7	Wells Fargo Government Money Market Fund	1,224	2.54%
8	Priceline Group Inc	1,218	2.53%
9	Bristol-Myers Squibb Co	1,195	2.48%
10	American Express Co	1,193	2.47%
	<b>Total</b>	<b>\$ 15,713</b>	<b>32.58%</b>

## Diversified Small to Mid (SMID) Cap Equity Portfolio (Inception 1/1/2000)

As of September 30, 2015, the Diversified Small to Mid (SMID) Cap Equity Portfolio had a net position of \$97 million, representing seven participants. The portfolio is managed by Atlanta Capital Management Company. The portfolio is valued on the last business day of the month. Management fees are 45 bps and administrative fees are 14.5 bps. Total expenses are approximately 63 bps.

The portfolio invests in small to mid-cap core style common stocks of companies domiciled in the U.S. or traded on the New York Stock Exchange.

**Objective.** The primary objective of the portfolio is long term capital appreciation. Current income is a secondary objective. The portfolio is designed to provide an investment pool alternative to members for pension or retirement plans or other programs that have long-term investment horizons. The portfolio seeks to meet or exceed the performance of the Russell 2500 Index, which measures the performance of the small to mid-cap segment of the US equity universe commonly referred to as “smid” cap. The Russell 2500 Index is a subset of the Russell 3000® Index. It includes approximately 2500 of the smallest securities based on a combination of their market cap and current index measurement.

**Investment Risk.** Shares of the portfolio are neither insured nor guaranteed by any U.S. government agency, including the FDIC. Because the portfolio invests in equity securities, members are exposed to significant price risk as well as income risk. Price risk is divided into market risk and individual company risk. The price of a particular common stock may decline in response to a general decline in the stock market brought on by investor reactions to changes in interest rates, the outlook for inflation, disappointing profits, government policy, economic weakness or a host of other considerations.

**Performance.** The portfolio posted a decline of 6.5% in the third quarter, well ahead of the 10.3% fall in the Russell 2500 Index and ranking in the top decile (9th percentile) of its peer group of SMID cap core equity managers, as modest exposure to the sharp decline in energy and materials stocks bolstered performance. This strategy has generated very strong results over the past 10 years, rising 11.7% on average annually compared with 7.1% for the benchmark and 9.0% for the peer group, thereby ranking in the top 13th percentile of its peer group. Additionally, the lower risk profile has resulted in compellingly positive risk-adjusted return comparisons.

As of September 30, 2015, the Diversified Small to Mid (SMID) Cap Equity Portfolio held 53 securities. The top 10 holdings are listed below.

#	Issue Name	Fair Value (\$000s)	% of Account Fair Value
1	Markel Corp	\$ 4,507	4.65%
2	Ansys Inc	3,861	3.98%
3	Wells Fargo Government Money Market Fund	3,493	3.60%
4	Morningstar Inc	3,476	3.59%
5	Dentsply International Inc New	3,306	3.41%
6	SEI Investments Co	3,190	3.29%
7	Sally Beauty Co Inc	2,937	3.03%
8	Fair Isaac Corp	2,768	2.86%
9	Equifax Inc	2,532	2.61%
10	IDEX Corp	2,507	2.59%
	Total	\$ 32,577	33.61%

### Russell 1000 Enhanced Index Portfolio (Inception 1/1/2000)

As of September 30, 2015, the Russell 1000 Enhanced Index Portfolio had a net position of \$139 million, representing five participants. The commingled fund is managed by Janus/INTECH. The portfolio is valued on the last business day of the month. Management fees are 39.5 bps and administrative fees are 10.5 bps. Total expenses are approximately 52 bps.

The portfolio invests in large cap core style common stocks of companies domiciled in the U.S. or traded on the New York Stock Exchange.

**Objective.** The portfolio is designed to provide an investment pool alternative to members for pension or retirement plans or other programs that have long-term investment horizons. The portfolio seeks to meet or exceed the performance of the Russell 1000 Index, which is made up of 1,000 of the largest companies in the U.S. The portfolio primarily invests in the stocks that comprise the Index.

**Investment Risk.** Shares of the portfolio are neither insured nor guaranteed by any U.S. government agency, including the FDIC. Because the portfolio invests in equity securities, members are exposed to significant price risk as well as income risk. Price risk is divided into market risk and individual company risk. The price of a particular common stock may decline in response to a general decline in the stock market brought on by investor reactions to changes in interest rates, the outlook for inflation, disappointing profits, government policy, economic weakness or a host of other considerations.

**Performance.** The portfolio declined 4.9% in the third quarter, which was better than the Russell 1000 Index decline of 6.8% and ranked in the top 17th percentile of the peer group of large cap core equity managers. Above benchmark exposure to utilities and more modest exposure to energy stocks were the primary drivers of outperformance during this period. This enhanced large cap strategy is focused on producing a consistent (albeit modest) enhancement to the Russell 1000 Index and has achieved this objective over the long term as evidenced by the 75 percentage points of excess returns on average annually over the past 10 years.

As of September 30, 2015, the Russell 1000 Enhanced Index Portfolio held one security, the Janus/INTECH Broad Enhanced Plus Fund, LLC.

## International Equity Portfolio (Inception 6/1/2005)

As of September 30, 2015, the International Equity Portfolio had a net position of \$64 million, representing four participants. The portfolio is managed by Investec Asset Management. The portfolio is valued on the last business day of the month. Management fees are 40 bps and administrative fees are 14.5 bps. Total expenses are approximately 59 bps.

The commingled fund primarily invests in developed markets outside the U.S. and maintains approximately equal weightings to both growth and value securities through a systematic rebalancing process.

**Objective.** The portfolio is designed to provide an investment pool alternative to members for pension or retirement plans or other programs that have long-term investment horizons. The Portfolio seeks to outperform the Morgan Stanley Capital International All Country World (MSCI ACWI) Ex-US Index over a complete market cycle (usually 3 to 5 years). The portfolio invests in developed markets outside the U.S.

**Investment Risk.** Shares of the portfolio are neither insured nor guaranteed by any U.S. government agency, including the FDIC. The portfolio's investment in foreign securities generally poses greater risk than domestic securities, including potentially greater price fluctuation and higher transaction costs. Foreign investments may also be affected by changes in currency rates or currency controls. With respect to certain foreign countries there is a possibility of nationalization, expropriation or confiscatory taxation, imposition of withholding or other taxes and political or social instability that could affect investment in those countries.

**Performance.** The portfolio displayed strong downside protection during the third quarter in the face of sharper declines in the international equity markets compared with the U.S. This portfolio declined 10.7%, which was in line with the international equity peer group, but better than the MSCI ACWI-Ex US Index (down 12.1%). The manager for this strategy was changed to Investec in October 2014, with the strategy achieving all objectives in the relatively short time since inception of the new manager.

As of September 30, 2015, the International Equity Portfolio held one security, the Investec International Dynamic Equity Fund LLC.

## Large Cap Diversified Value Portfolio (Inception 11/1/2006)

As of September 30, 2015, the Large Cap Diversified Value Portfolio had a net position of \$45 million, representing five participants. The portfolio is managed by Hotchkis & Wiley Capital Management. The portfolio is valued on the last business day of the month. Management fees are 80 bps and administrative fees are 14.5 bps. Total expenses are approximately 101 bps.

The portfolio invests in large cap value style common stocks of companies domiciled in the U.S. or traded on the New York Stock Exchange.

**Objective.** The primary objective of the portfolio is long-term capital appreciation. Current income is a secondary objective. The portfolio is designed to provide an investment pool alternative to members for pension or retirement plans or other programs that have long-term investment horizons. These securities offer the potential of returns greater than bonds, but with greater volatility in market value. The portfolio seeks to meet or exceed the performance of the Russell 1000 Value Index.

**Investment Risk.** Shares of the portfolio are neither insured nor guaranteed by any U.S. government agency, including the FDIC. Because the portfolio invests in equity securities, members are exposed to significant price risk as well as income risk. Price risk is divided into market risk and individual company risk. The price of a particular common stock may decline in response to a general decline in the stock market brought on by investor reactions to changes in interest rates, the outlook for inflation, disappointing profits, government policy, economic weakness or a host of other considerations.

**Performance.** The portfolio declined 11.4% in the third quarter as the equity markets retreated and value-oriented stocks were the weakest segment. This performance was below that of both the Russell 1000 Value Index and the large cap value manager universe (both down 8.4%), as an underweighting to the relatively strong consumer and materials sectors paced returns. Despite the shortfalls this year, very strong outperformance for this strategy over the past 3-5 years has bolstered the longer-term performance characteristics, such that this fund is exceeding objectives over all long-term time periods, with strong peer group rankings as well, especially in the 3 and 5-year time frames. This strategy focuses on economic principles and valuations as the key drivers of stock selection, not momentum or growth, representing a strong complement to the other large cap managers in the FMIvT lineup.

As of September 30, 2015 the Large Cap Diversified Value Portfolio held 68 securities. The top 10 holdings are listed below.

#	Issue Name	Fair Value (\$000s)	% of Account Fair Value
1	American International Group	\$ 2,097	4.67%
2	Bank of America Corp	1,857	4.14%
3	Citigroup Inc	1,798	4.01%
4	Microsoft Corp	1,558	3.47%
5	JPMorgan Chase & Co	1,457	3.25%
6	Oracle Corp	1,409	3.14%
7	Corning Inc	1,298	2.89%
8	Marathon Oil Corp	1,186	2.64%
9	GlaxoSmithKline PLC	1,111	2.48%
10	General Motors Co	1,060	2.36%
	<b>Total</b>	<b>\$ 14,831</b>	<b>33.04%</b>



# Florida Municipal Investment Trust

## Summary of Performance Returns

Periods Ending September 30, 2015

Market Values (000s)	Qtr.	1 Year	3 Years	5 Years	7 Years	10 Years
<b>FIXED INCOME PORTFOLIOS</b>						
<b>FMIvT 0-2 Year High Quality Bond Fund<sup>1</sup></b>	<b>\$158,257</b>	<b>0.16 %</b>	<b>0.43 %</b>	<b>0.51 %</b>	--	--
<i>BofA ML 1 Yr Treasury Note</i>		0.11 %	0.27 %	0.33 %	0.69 %	1.88 %
<b>FMIvT 1-3 Year High Quality Bond Fund</b>	<b>\$484,286</b>	<b>0.25 %</b>	<b>0.67 %</b>	<b>0.83 %</b>	<b>1.64 %</b>	<b>2.65 %</b>
<i>BofA ML 1-3 Yr Gov't</i>		.32 %	0.69 %	0.79 %	1.54 %	2.63 %
<b>FMIvT Intermediate High Quality Bond Fund</b>	<b>\$292,796</b>	<b>1.12 %</b>	<b>1.47 %</b>	<b>2.42 %</b>	<b>3.64 %</b>	<b>4.14 %</b>
<i>Barclays Int G/C exBAA +ABS+MBS</i>		1.23 %	1.59 %	2.57 %	4.14 %	4.27 %
<b>FMIvT Broad Market High Quality Bond Fund</b>	<b>\$119,311</b>	<b>1.37 %</b>	<b>1.59 %</b>	<b>2.78 %</b>	<b>4.00 %</b>	<b>4.42 %</b>
<i>Barclays Aggregate A+</i>		1.52 %	1.69 %	2.94 %	4.55 %	4.50 %
<b>FMIvT Expanded High Yield Bond Fund</b>	<b>\$47,505</b>	<b>(4.38)%</b>	<b>3.07 %</b>	<b>5.69 %</b>	<b>8.29 %</b>	--
<i>Barclays HY 2% Constrained</i>		(4.83)%	3.52 %	6.14 %	10.02 %	7.26 %
<b>FMIvT Core Plus Fixed Income Fund</b>	<b>\$135,748</b>	<b>(4.06)%</b>	--	--	--	--
<i>Barclays Multiverse</i>		0.49%	(1.48)%	0.95 %	3.46 %	3.81 %
<b>EQUITY PORTFOLIOS</b>						
<b>FMIvT High Quality Growth Portfolio</b>	<b>\$48,182</b>	<b>(4.63) %</b>	<b>11.97 %</b>	<b>12.61 %</b>	<b>9.85 %</b>	<b>7.60 %</b>
<i>Russell 1000 Growth</i>		(5.29) %	13.61 %	14.47 %	11.73 %	8.09 %
<b>FMIvT Diversified Value Portfolio</b>	<b>\$44,929</b>	<b>(11.37)%</b>	<b>13.85 %</b>	<b>12.78 %</b>	<b>11.30 %</b>	--
<i>Russell 1000 Value</i>		(8.39)%	11.59 %	12.29 %	8.21 %	5.71 %
<b>FMIvT Russell 1000 Enhanced Index Portfolio</b>	<b>\$139,143</b>	<b>(4.93) %</b>	<b>13.82 %</b>	<b>14.50 %</b>	<b>10.74 %</b>	<b>7.70 %</b>
<i>Russell 1000</i>		(6.83)%	12.66 %	13.42 %	10.02 %	6.95 %
<b>FMIvT Diversified Small to Mid Cap Equity Portfolio</b>	<b>\$96,672</b>	<b>(6.45) %</b>	<b>15.90 %</b>	<b>16.58 %</b>	<b>14.05 %</b>	<b>11.65 %</b>
<i>SMID Benchmark<sup>2</sup></i>		(10.30) %	12.39 %	12.69 %	9.53 %	7.16 %
<b>FMIvT International Equity Portfolio<sup>3</sup></b>	<b>\$64,038</b>	<b>(10.73)%</b>	<b>3.11 %</b>	<b>0.99 %</b>	<b>0.66 %</b>	<b>0.41 %</b>
<i>MSCI ACWI ex US</i>		(12.10)%	2.78 %	2.27 %	3.66 %	3.49 %

<sup>1</sup>Assets from the FMIvT High Quality Government Fund were transitioned on April 1, 2009, to the FMIvT 0-2 Year High Quality Bond Fund.

<sup>2</sup>Custom Index consists of the Russell 2500 beginning June 1, 2010 and prior to that the Russell 2000.

<sup>3</sup>Manager changed in October 2014.

**Note:** Portfolio performance returns are indicative of the performance of each portfolio, but are not necessarily representative of the actual return of a particular participant within the Trust due to issues related to the timing of contributions and withdrawals by individual participants. Beginning July 2008 and ending September 2010, the net of fee performance includes the impact of securities lending activity, which may increase or decrease the total expenses of the portfolio.

Prepared by: Asset Consulting Group

**Florida Municipal Investment Trust**  
**Summary of Performance Returns – Net of All Fees and Expenses**

Periods Ending September 30, 2015

Market Values (000s)		Qtr.	1 Year	3 Years	5 Years	7 Years	10 Years
<b>FIXED INCOME PORTFOLIOS</b>							
<b>FMIvT 0-2 Year High Quality Bond Fund<sup>1</sup></b> <i>BofA ML 1 Yr Treasury Note</i>	<b>\$158,257</b>	<b>0.09 %</b>	<b>0.23 %</b>	<b>0.20 %</b>	<b>0.28 %</b>	--	--
<b>FMIvT 1-3 Year High Quality Bond Fund</b> <i>BofA ML 1-3 Yr Gov't</i>	<b>\$484,286</b>	0.11 %	0.25 %	0.27 %	0.33 %	0.69 %	1.88 %
<b>FMIvT Intermediate High Quality Bond Fund</b> <i>Barclays Int G/C exBAA+ABS+MBS</i>	<b>\$292,796</b>	<b>0.20 %</b>	<b>0.69 %</b>	<b>0.46 %</b>	<b>0.62 %</b>	<b>1.60 %</b>	<b>2.50 %</b>
<b>FMIvT Broad Market High Quality Bond Fund</b> <i>Barclays Aggregate A+</i>	<b>\$119,311</b>	0.32 %	1.17 %	0.69 %	0.79 %	1.54 %	2.63 %
<b>FMIvT Expanded High Yield Bond Fund</b> <i>Barclays HY 2% Constrained</i>	<b>\$47,505</b>	<b>1.06 %</b>	<b>2.73 %</b>	<b>1.25 %</b>	<b>2.19 %</b>	<b>3.56 %</b>	<b>3.95 %</b>
<b>FMIvT Core Plus Fixed Income Fund</b> <i>Barclays Multiverse</i>	<b>\$135,748</b>	1.23 %	3.16 %	1.59 %	2.57 %	4.14 %	4.27 %
		<b>1.28 %</b>	<b>2.62 %</b>	<b>1.26 %</b>	<b>2.45 %</b>	<b>3.85 %</b>	<b>4.16 %</b>
		1.52 %	3.44 %	1.69 %	2.94 %	4.55 %	4.50 %
		<b>(4.45)%</b>	<b>(2.89)%</b>	<b>2.80 %</b>	<b>5.42 %</b>	<b>8.04 %</b>	--
		(4.83)%	(3.40)%	3.52 %	6.14 %	10.02 %	7.26 %
		<b>(4.12)%</b>	<b>(4.76)%</b>	--	--	--	--
		0.49 %	(3.56)%	(1.48)%	0.95 %	3.46 %	3.81 %
<b>EQUITY PORTFOLIOS</b>							
<b>FMIvT High Quality Growth Portfolio</b> <i>Russell 1000 Growth</i>	<b>\$48,182</b>	<b>(4.81)%</b>	<b>0.96 %</b>	<b>11.22 %</b>	<b>11.86 %</b>	<b>9.18 %</b>	<b>6.91 %</b>
<b>FMIvT Diversified Value Portfolio</b> <i>Russell 1000 Value</i>	<b>\$44,929</b>	(5.29)%	3.17 %	13.61 %	14.47 %	11.73 %	8.09 %
<b>FMIvT Russell 1000 Enhanced Index Portfolio</b> <i>Russell 1000</i>	<b>\$139,143</b>	<b>(11.62)%</b>	<b>(6.41)%</b>	<b>12.69 %</b>	<b>11.63 %</b>	<b>10.28 %</b>	--
<b>FMIvT Diversified Small to Mid Cap Equity Portfolio</b> <i>SMID Benchmark 2</i>	<b>\$96,672</b>	(8.39)%	(4.42)%	11.59 %	12.29 %	8.21 %	5.71 %
<b>FMIvT International Equity Portfolio 3</b> <i>MSCI ACWI ex US</i>	<b>\$64,038</b>	<b>(5.05)%</b>	<b>2.88 %</b>	<b>13.30 %</b>	<b>14.01 %</b>	<b>10.34 %</b>	<b>7.36 %</b>
		(6.83)%	(0.61)%	12.66 %	13.42 %	10.02 %	6.95 %
		<b>(6.61)%</b>	<b>9.46 %</b>	<b>15.17 %</b>	<b>15.85 %</b>	<b>13.49 %</b>	<b>11.05 %</b>
		(10.30)%	0.38 %	12.39 %	12.69 %	9.53 %	7.16 %
		<b>(10.87)%</b>	<b>(6.90)%</b>	<b>2.69 %</b>	<b>0.53 %</b>	<b>(0.01)%</b>	<b>(0.36)%</b>
		(12.10)%	(11.78)%	2.78 %	2.27 %	3.66 %	3.49 %

<sup>1</sup>Assets from the FMIvT High Quality Government Fund were transitioned on April 1, 2009, to the FMIvT 0-2 Year High Quality Bond Fund.

<sup>2</sup>Custom Index consists of the Russell 2500 beginning June 1, 2010 and prior to that the Russell 2000.

<sup>3</sup>Manager changed in October 2014.

**Note:** Portfolio performance returns are indicative of the performance of each portfolio, but are not necessarily representative of the actual return of a particular participant within the Trust due to issues related to the timing of contributions and withdrawals by individual participants. Beginning July 2008 and ending September 2010, the net of fee performance includes the impact of securities lending activity, which may increase or decrease the total expenses of the portfolio.

Prepared by: Asset Consulting Group

## Florida Municipal Investment Trust

### Schedule of Fees

As of September 30, 2015

	Investment Management Fees		Administrative Fees		Total Fees (1)	
O-2 Year High Quality Bond Fund	\$ 183,056	0.10%	\$ 192,209	0.105%	\$ 375,265	0.205%
1-3 Year High Quality Bond Fund	\$ 488,837	0.10%	\$ 513,279	0.105%	\$ 1,002,116	0.205%
Intermediate High Quality Bond Fund	\$ 286,343	0.10%	\$ 300,660	0.105%	\$ 587,003	0.205%
Broad Market High Quality Bond Fund	\$ 194,326	0.15%	\$ 187,849	0.145%	\$ 382,175	0.295%
Expanded High Yield Bond Fund (2)	\$ 25,463	0.55%	\$ 73,843	0.145%	\$ 99,306	0.695%
Core Plus Fixed Income Fund (2)	\$ 114,245	0.69%	\$ 184,062	0.145%	\$ 298,307	0.835%
High Quality Growth Portfolio	\$ 225,494	0.45%	\$ 72,659	0.145%	\$ 298,153	0.595%
Diversified Small to Mid Cap Equity Portfolio	\$ 451,094	0.45%	\$ 145,353	0.145%	\$ 596,447	0.595%
Russell 1000 Enhanced Index Portfolio (2)	\$ 580,596	0.395%	\$ 154,336	0.105%	\$ 734,932	0.500%
International Equity Portfolio	\$ 280,181	0.40%	\$ 101,045	0.145%	\$ 381,226	0.545%
Large Cap Diversified Value Portfolio	\$ 397,507	0.80%	\$ 72,048	0.145%	\$ 469,555	0.945%
	\$ 3,227,142		\$ 1,997,343			

(1) Total Fees are calculated using average net assets.

(2) Total Fees do not reflect investment management fees directly charged to underlying investments.

## Florida Municipal Investment Trust

## Schedule of Commission Fees

As of September 30, 2015

Broker	Trades	Commission	% Total
Merrill Lynch Pierce Fenner & Smith	234	\$3,184	5.91%
Robert W. Baird	186	\$6,094	11.31%
Merrill Lynch Government Securities	151	\$1,734	3.22%
Credit Suisse Securities	149	\$1,172	2.18%
Morgan Stanley & Co.	132	\$2,845	5.28%
Bidsbar Cap	118	\$1,713	3.18%
Bernstein Sanford C. & Co.	115	\$1,101	2.04%
Wells Fargo Securities	96	\$2,431	4.51%
Abel Noser Corp.	91	\$783	1.45%
Liquidnet	91	\$1,509	2.80%
JP Morgan Chase Securities	75	\$2,457	4.56%
Jeffries & Company	54	\$558	1.04%
Citigroup Global Markets	46	\$1,812	3.36%
Investment Technology Group	44	\$489	0.91%
Knight Securities Broadcort	39	\$7,491	13.91%
Barclays Capital LE	38	\$1,120	2.08%
BNY ConverEx	37	\$1,920	3.56%
Cantor Fitzgerald & Co. Inc.	27	\$177	0.33%
Jones Trading Svcs LLC	27	\$164	0.30%
BTIG LLC	25	\$365	0.68%
CS First Boston Corp	24	\$1,257	2.33%
Barclays Bank PLC	23	\$1,702	3.16%
RBC Dain Rauscher	22	\$2,373	4.41%
ISI Group Inc.	19	\$942	1.75%
BlockCross	18	\$118	0.22%
Weeden & Company	16	\$123	0.23%
Goldman Sachs & Company	14	\$404	0.75%
Aqua Securities	14	\$103	0.19%
Dowling & Partners Securities	12	\$202	0.38%
Wells Fargo Securities	11	\$0	0.00%
Deutsche Bank Securities Inc.	11	\$460	0.85%
Sanford Bernstein	10	\$357	0.66%
Janney Montgomery Scott Inc.	10	\$200	0.37%
Wedbush	10	\$296	0.55%
Other	207	\$6,027	11.54%
<b>Total</b>	<b>2,196</b>	<b>\$53,683</b>	<b>100.00%</b>

**Florida Municipal Investment Trust  
Schedule of Members**

As of September 30, 2015

Participant	Net Asset Values (\$000s)	0-2 Year		1-3 Year		Intermediate		Broad		Core Plus		High Quality Growth		Diversified Small to Mid Cap Equity		Russell 1000 Enhanced Index		International Equity		Large Cap Diversified Value			
		High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	Fixed Income Fund	Expanded High Yield Bond Fund	High Quality Growth Portfolio	High Quality Growth Portfolio	Small to Mid Cap Equity Portfolio	Small to Mid Cap Equity Portfolio	Enhanced Index Portfolio	Enhanced Index Portfolio	International Equity Portfolio	International Equity Portfolio	Large Cap Diversified Value Portfolio	Large Cap Diversified Value Portfolio	
Apopka	\$158			X		X																	
Boca Raton	52,647	X		X		X																	
Boynton Beach	59,670	X		X		X																	
Boynton Beach Employees' Pension Plan	8,490													X									
Bradenton	7,500	X		X		X																	
Brooksville	10,045	X		X		X																	
Brownwood CDD	251			X		X																	
Coconut Creek	35,926	X		X		X																	
Cooper City	3,720	X		X		X																	
Davie	5,192	X		X		X																	
Davie Firefighters Pension Trust	5,420													X									
DeFuniak Springs	2,536					X																	
Delta Farms Water Control District	282					X																	
Flagler Beach	7,268	X		X		X																	
Florida Association of Counties Trust	14,040			X		X			X				X							X			X
Florida Municipal Insurance Trust	437,363			X		X			X				X							X			X
Florida Municipal Loan Council	6,579			X																			
Florida Municipal Pension Trust Fund	406,439								X											X			X
Florida Municipal Pension Trust Fund OPEB	48,059								X											X			X
Fort Lauderdale	59,990					X																	
Fort Myers Beach	3,306												X										
Fort Pierce	575			X		X																	
Greenacres	14,338	X		X		X																	
Gulf Breeze	64					X																	
Hialeah Water & Sewer	21,756	X		X		X			X														
Housing Finance Authority of Lee County	1,477	X		X		X			X														
Indian Harbour Beach	217	X		X		X																	
Indian Shores	1,528	X		X		X																	
Inverness	2,227	X		X		X																	
Jacksonville Beach	11,710	X		X		X																	
Jacksonville Self Insurance Fund	24,094																						
Juno Beach	1,108	X		X		X																	
Lady Lake	5,028	X		X		X																	
Lake Alfred	610	X		X		X																	
Lake City	4,080	X		X		X																	
Leon County Board of County Commissioners	56					X																	
Lighthouse Point	431	X		X		X																	
Marco Island	67,892	X		X		X																	
Mount Dora	4,644	X		X		X																	
New Port Richey	13,539	X		X		X																	
North Miami Beach	2,226			X		X																	
North Sumter County Utility -NSU	3,444			X		X																	
North Sumter County Utility -SSF	304			X		X																	

**Florida Municipal Investment Trust**  
**Schedule of Members**

As of September 30, 2015

Participant	Net Asset Values (\$000s)	0-2 Year		1-3 Year		Intermediate		Broad		Core Plus		High Quality Growth		Diversified Small to Mid Cap Equity		Russell 1000		International		Large Cap			
		High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	High Quality Bond Fund	Fixed Income Fund	High Yield Bond Fund	High Quality Growth Portfolio	High Quality Growth Portfolio	Small to Mid Cap Equity Portfolio	Small to Mid Cap Equity Portfolio	Enhanced Index Portfolio	Enhanced Index Portfolio	Equity Portfolio	Equity Portfolio	Diversified Value Portfolio	Diversified Value Portfolio	
Palm Beach	36,264		X			X																	
Palmetto	2,354		X			X																	
Panama City	10,650	X																					
Pembroke Park	6,899		X																				
Pembroke Pines	146,334	X		X		X																	
Pinellas Park	5,869		X			X																	
Pompano Beach	3,329		X			X																	
Pompano Beach CRA - East	151		X			X																	
Pompano Beach CRA - Northwest	444		X			X																	
Port Orange General Employees DB	2,262														X								
Sarasota - General Depository	5,093																						
Seminole	599	X																					
Shalimar	210		X			X																	
South Pasadena	1,118	X				X																	
St Cloud	1,237		X			X																	
St Lucie County Fire District	2,613		X			X																	
St Pete Beach	103	X																					
Sumter Landing CDD - Fitness Enterprise	761					X																	
Sumter Landing CDC - Lake Sumter Landing	789					X																	
Sumter Landing CDD -Project Wide	1,755					X																	
Sumter Landing CDD -Sumter Landing Amenity	3,470					X																	
Tampa Sports Authority	51	X																					
Tarpon Springs	10,228	X				X																	
Valparaiso	288					X																	
Village CDD -Little Sumter	2,491					X																	
Village CDD -Public Safety Fund	875					X																	
Village CDD -Recreation Amenities (RAD)	10,641					X																	
Village CDD -Road Maintenance	91					X																	
Village CDD -Spanish Springs (VOSS)	181					X																	
Village CDD -Village Center (VCSA)	3,254					X																	
Village Cmnty Development District #1	500					X																	
Village Cmnty Development District #2	654					X																	
Village Cmnty Development District #3	619					X																	
Village Cmnty Development District #4	1,511					X																	
Village Cmnty Development District #5	4,206					X																	
Village Cmnty Development District #6	2,544					X																	
Village Cmnty Development District #7	923					X																	
Village Cmnty Development District #8	710					X																	
Village Cmnty Development District #9	1,063					X																	
Village Cmnty Development District #10	501					X																	
Wellington	877					X																	
<b>TOTAL</b>	<b>\$1,630,741</b>																						

# Florida Municipal Investment Trust

## Statement Of Investment Policy

Revised 12-12-13

### I. AUTHORITY

In accordance with the Agreement and Declaration of Trust creating the Florida Municipal Investment Trust, dated April 28, 1993, and as subsequently amended, the Board of Trustees shall have the exclusive and absolute control over the Trust property and the affairs of the Trust. Pursuant to Article IV, Section 2., Investments, of the Agreement and Declaration of Trust, the Board of Trustees shall have the power to subscribe for, invest in, reinvest in, purchase or otherwise acquire, own, hold, pledge, sell, assign, transfer, exchange, distribute, lend or otherwise deal in or dispose of investments of every nature and kind, provided such investment is, in the sole and absolute discretion of the Board of Trustees, consistent with this Statement of Investment Policy, as most recently amended or supplemented, and to exercise any and all rights, powers and privileges of ownership or interest with respect to any and all such investments of every kind and description, including without limitation, the right to consent and otherwise act with respect thereto, with power to designate one or more persons, firms, associations or corporations to exercise any of said rights, powers and privileges with respect to any of said investments.

### II. SCOPE AND PURPOSE

All financial assets held or controlled by the Trust, not otherwise classified as restricted assets by the Board of Trustees, shall be invested under the guidelines as herein set forth. No person may engage in any investment transaction with funds held in a trust relationship by the Trust, except as authorized by the Board of Trustees. The policies and procedures herein are intended to provide sufficient latitude and operating flexibility to respond to changing market and economic conditions and to effectively manage the Trust's assets so as to maximize the expected return on assets within an acceptable exposure to investment risk. There are times when risks of specific investments may temporarily increase such that the Trust may be

required to operate under a more restrictive policy. In such cases, the authority to use more restrictive policies shall be disclosed in the Trust's Informational Statements. Additionally, at times, exceptions to the policy may need to be made, on a case-by-case basis, and with the approval of the Board of Trustees.

### III. OBJECTIVES

The objectives of the Trust's investment program will vary in accordance with each of the investment portfolio's objectives which are described in the Trust's Informational Statements. The Trust's holdings shall be generally diversified relative to a broad market standard and both market and nonmarket risk shall be monitored and acted upon to avoid or minimize potential losses. Short-term holdings of the Trust shall be of high quality and ready marketability with maturities diversified appropriately with respect to the current operating expenses and expected cash flow obligations of the Trust's portfolios. The Trust's portfolios are generally designed to attain a market rate of return throughout financial and economic cycles, taking into account each Trust portfolio's investment objectives, risk constraints and permitted investments as referenced in the Informational Statements.

### IV. DUTIES AND RESPONSIBILITIES

Under the direction of the Board of Trustees, it shall be the responsibility of the Administrator to supervise and administer the Trust's investment program pursuant to a written agreement between the Trust and the Administrator including, but not limited to, the following:

1. Supervise and coordinate the activities of qualified investment management firms, dealers, brokers, issuers, custodians, consultants and other investment advisers in keeping with this investment policy and other policies as set forth by the Board of Trustees.
2. Provide advice and assistance in the administration and operation of the Trust's investment program and portfolios.

3. Establish accounting systems and procedures for the safekeeping, disposal of and recording of all investment assets held or controlled by the Trust including the establishment of appropriate internal controls as required.
4. Assist in the design, development, operation, review and evaluation of the Trust's investment program for compliance with this policy. Advise the Board of Trustees as to recommendations relative to amendments to this policy. Inform the Board of Trustees of unaddressed concerns with the Trust's investment program.
5. Immediately notify the Board of Trustees in the event of any information that may have a severe and adverse effect on the Trust's investment program under the provisions of the Administration Agreement or of this policy.
6. Coordinate with the Trust's professional advisers in designing investment portfolios to meet the needs of Trust members and in establishing appropriate levels of investment risk and liquidity for meeting current and projected obligations of the Trust's investment portfolios.

## V. PRUDENCE AND ETHICS

The standard of prudence to be used by professional investment advisers, money managers or other qualified parties or individuals with contracted investment responsibilities with the Trust (the "Managers") shall be by "prudent person" which provides that the investments of the Trust shall be made with the judgment and care under the circumstances then prevailing which persons of prudence, discretion and intelligence exercise in the management of their own affairs, not in regard to speculation but in regard to the permanent disposition of the invested funds considering the probable income, total return and probable safety of these funds. Managers shall adhere to the fiduciary standards set forth in the Employee Retirement Income Security Act of 1974 at 29 U.S.C. s. 1104(a)(1)(A) through (C). Individuals, acting in accordance with established procedures and exercising due diligence, shall be relieved of personal responsibility for an individual security's credit risk or market price changes, provided deviations from expectations are reported in a timely fashion and appropriate action is taken to minimize any investment losses.

Any individual who is involved in the investment process shall refrain from personal business activity that could conflict with proper execution of the investment program, or which could impair their ability to

make impartial investment decisions. Managers shall have a written policy which addresses the disclosure of potential conflict-of-interests which shall be submitted to the Administrator upon request. Managers shall also disclose to the Administrator any material financial/investment position or finding which may be contrary to this policy or otherwise related to the performance of the Trust's portfolios. Any adverse findings of the U.S. Department of Labor and/or the Securities and Exchange Commission regarding a Manager or its financial activities shall be brought to the immediate attention of the Board of Trustees.

Before engaging in any investment transactions on behalf of the Trust, a Manager shall have submitted to the Administrator a signed certification from a duly authorized representative attesting that the individuals responsible for the Trust's account have reviewed this investment policy and that they agree to undertake reasonable efforts to preclude imprudent transactions involving the assets of the Trust.

## VI. REPORTING AND PERFORMANCE

The Administrator shall submit to the Board of Trustees a periodic investment report with information sufficient to provide for a comprehensive review of investment activity and performance for the quarter. This report summarizes recent market conditions, economic developments and anticipated investment conditions. The report would also summarize the investment strategies employed in the most recent quarter, and describe the Trust's portfolios in terms of investment securities, maturities, risk characteristics and other relevant features.

Managers shall provide timely transaction and performance data to record and document investment activity including asset valuation, yield and total return data and such other relative performance data of the Trust's portfolios on a periodic basis as may be reasonably requested by the Administrator.

The Administrator, Managers, and other contracted parties shall provide to the Trust's Auditor such verifications or reports as are required for the purpose of developing and supporting the annual financial statements of the Trust, and the footnotes thereto.

The Administrator shall recommend and provide appropriate performance measures or indices in evaluating the performance of the Trust's portfolios. The Administrator shall monitor portfolio performance and determine the applicability of the indices and recommend changes as needed.



## VII. BANK AND DEALER SELECTION

Repurchase and reverse repurchase agreements shall be negotiated only with firms approved in accordance with this policy.

For broker/dealers of other investment instruments, the Trust shall utilize primary dealers and such other reputable and recognized dealers as may be recommended by the Administrator.

## VIII. SAFEKEEPING AND CUSTODY

All securities purchased by the Trust under this policy shall be properly designated as assets of the Trust and shall be protected through the use of a third-party custody/safekeeping agent. The Administrator on behalf of the Trust shall enter into a formal agreement with an institution of such size and expertise as is necessary to provide the services needed to protect and secure the investment assets of the Trust and as set forth by the Agreement and Declaration of Trust and/or the Board of Trustees.

All securities purchased by the Trust under this policy shall be purchased using the “delivery versus payment” procedure if applicable. If it is ever determined to be necessary to perform security transactions on a “free delivery” basis, or to have securities held by the broker/dealer for a temporary period, the approval of the Administrator must be secured prior thereto and the reason documented in writing and presented to the Board of Trustees.

## IX. RISKS

The Trust recognizes that investment risks can result from numerous factors including business and industry specific risk, market risk, credit risk, liquidity risk, reinvestment risk, etc. . . . Managers are expected to display prudence in the selection of securities and in the diversification of portfolios as a way to minimize risk. In order to effectively monitor and manage risk, the Trust has detailed portfolio guidelines that define the style and strategy of each investment portfolio, the allowable investment securities for that particular portfolio and the restrictions or constraints that must be adhered to in the management of each particular portfolio. Compliance with the Investment Policy and Guidelines is monitored by the Trustees based on data provided by the Administrator, the investment manager, the custodian bank and the investment consultant. In the event that a portfolio is out of compliance with

guidelines, the Investment Manager shall immediately notify the Administrator and shall provide recommendations for rectifying any non-compliance with this policy within five business days of discovery of the non-compliance.

## X. SECURITY SELECTION PROCESS

When purchasing or selling securities, Managers shall select securities which provide the highest rate of expected return within the parameters of this policy. Managers shall exercise prudence in managing transaction costs associated with the purchasing and selling of securities in accordance with this policy.

## XI. LIQUIDITY

To meet the redemption needs of the Trust’s portfolios, the Trust shall maintain sufficient amounts of liquidity in investments including repurchase agreements, open repurchase agreements, negotiable certificates of deposit, banker’s acceptances, commercial paper, U.S. Treasury direct and agency obligations all having a maturity of 90 days or less, all as purchased under the dictates of this investment policy.

## XII. AUTHORIZED INVESTMENTS

In an effort to accomplish the objectives of the Trust’s portfolios, this policy identifies various authorized investment instruments, issuer diversification, maturity constraints, investment ratings and liquidity parameters. The investments authorized within each portfolio shall be identified in the Informational Statements.

- A. Repurchase Agreements which are purchased only from dealers authorized by the Board of Trustees and may only involve the sale and repurchase of securities authorized for purchase by this investment policy. Maximum maturity at purchase shall not exceed 180 days with a total average maturity, at any point in time, for all repurchase agreements held of not greater than 60 days.
- B. Direct obligations of the United States Treasury including Bills, Notes, Bonds and various forms of Treasury zero-coupon securities.
- C. Any authorized investments purchased by or through the State Board of Administration or the Office of the State Treasurer and held on behalf of the Trust in a commingled pool or separate account are permitted.

## Statement of Investment Policy

- D. Commercial paper issued in the United States by any corporation, provided that such instrument carries a rating of "A1/P1" (or comparable rating) as provided by two of the top nationally recognized statistical rating organizations (NRSRO); and that the corporation's long term debt, if any, is rated at least "A1/A+" by a nationally recognized statistical rating organization or, if backed by a letter of credit (LOC), the long term debt of the LOC provider must be rated at least "AA" (or a comparable rating) by at least two of the nationally recognized statistical rating organizations publishing ratings for financial institutions. The maximum maturity shall not exceed 270 days from the time of purchase.
- E. Banker's Acceptances issued within the U.S. by institutions with a long-term debt rating of at least "AA" or short-term debt rating of P1 (or comparable ratings), as provided by one nationally recognized statistical rating organization. Exceptions to the above may be approved by the Administrator from time to time and reported to the Board of Trustees. The invested account of a Manager may own no more than five percent of the portfolio in banker's acceptances issued by any one depository institution at one time. Maximum maturity shall not exceed 270 days from the time of purchase.
- F. Nonnegotiable Certificates of Deposit issued by Florida Qualified Public Depositories as identified by the State Treasurer's office. and/or negotiable Certificates of Deposit issued in U.S. dollars by institutions, provided such institution carries a short term rating of at least "A1/P1" (or comparable rating) and a long term rating of at least "A" (or comparable rating) as provided by two of the top nationally recognized rating agencies. The invested account of a Manager may own no more than \$5,000,000 in certificates of any one depository institution at one time. Maximum maturity on any certificate shall be 2 years.
- G. Obligations of the agencies or instrumentalities of the Federal Government including but not limited to the Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Federal Home Loan Banks, Federal Farm Credit Banks, Student Loan Marketing Association, and the Resolution Funding Corporation.
- H. Money Market Mutual Funds as defined and regulated by the Securities Exchange Commission.
- I. Mortgage obligations guaranteed by the United States Government and sponsored agencies and/or instrumentalities including but not limited to the Government National Mortgage Association, the Federal National Mortgage Association, and the Federal Home Loan Mortgage Corporation. Mortgage-backed securities, including mortgage-pass through securities and Collateralized Mortgage Obligations (CMOs) issued, guaranteed or backed by an agency or instrumentality of the Federal Government or other mortgage securities including CMOs rated AAA or equivalent by a nationally recognized statistical rating organization. Derivative mortgage securities, such as interest only, principal only, residuals and inverse floaters, are prohibited.
- J. Corporate Fixed Income Securities issued by any corporation in the United States with a rating of A or better by a NRSRO.
- K. Asset-Backed Securities issued in the United States.
- L. U.S. dollar denominated and issued obligations and securities of foreign sovereign states or non U.S. corporations (referred to as Yankee bonds) which are rated A or better.
- M. Securities of State, Municipal and County Governments or their public agencies, which are rated in the three highest rating categories (AAA/Aaa, AA/Aa, or A) by a nationally recognized statistical rating organization.
- N. Commingled investment funds including but not limited to investment trusts, limited partnerships, and limited liability companies and listed no-load mutual funds are authorized investments as provided herein or as may be approved by the Board of Trustees.
- O. Guaranteed Investment Contracts (GIC's) issued by insurance companies rated in the highest category by AM Best Rating System and maintaining claims paying ability of AA/Aa by a NRSRO.
- P. Investment Agreements with other financial institutions. If collateralized, the collateral securing the investment agreement shall be limited to those securities authorized for purchase by this investment policy. The invested account of a Manager may own, at one time,

no more than \$10,000,000 in investment agreements from any one financial institution.

- Q. Equity Assets or equity securities meaning common stocks or equivalent (stocks of foreign corporations, including American Depository Receipts, which trade on a major U.S. exchange, i.e. the New York Stock Exchange, the NASDAQ, and the American Stock Exchange); REITs; warrants resulting from a corporate action of a security held by the portfolio; issues convertible into common stocks and preferred stocks may be considered as eligible investments.
- R. Commingled funds, specifically the Expanded High Yield Bond fund, managed by Oaktree Capital Management in the style/strategy consistent with the fund's stated objective and constraints.
- S. Commingled fund, specifically including the Franklin Resources Global Multisector Plus Fixed Income Fund and the Pioneer Multisector Fixed Income Fund.
- T. Securities transferred directly to the Trust from previously owned commingled investment funds.

### **XIII. ADDITIONAL INVESTMENT AUTHORITY**

Subject to the approval of the Board of Trustees, the following investments may be authorized under this policy, provided that these instruments are consistent with the investment objectives of the Trust's portfolios and the Trust's advisers have provided such information demonstrating the expected benefits and potential risks of such investments; methods for monitoring and measuring the performance of the investment; a complete description of the type, nature, extent and purpose of the investment, including a description of issuer, securities in which investments are proposed to be made, voting rights or lack thereof and control to be acquired, restrictions upon voting, transfer, and other material rights of ownership, and the existence of any contracts, arrangements, understandings or relationships with any person or entity with respect to the proposed investment; and assurances that sufficient expertise is available to the Trust to properly manage and evaluate such activity.

- A. Non-U.S. dollar general obligations backed by the full faith and credit of a foreign government which has not defaulted on similar obligations for a minimum period of 25 years prior to purchase of the obligation and has met its payments of similar obligations when due.
- B. Corporate obligations and securities of any kind, including commingled pools and mutual funds

comprised of such securities, of a foreign corporation or a foreign entity having its principal office located in any country other than the United States of America or its possessions or territories including dollar denominated securities listed and traded on a U.S. exchange.

- C. Such real property located in the State of Florida and certain interests in real property and related personal property, including mortgage and related instruments on commercial or individual real property, with provisions for equity or income participation or with provisions for converting to equity ownership and interests in collective real property investment funds.
- D. Synthetics and derivatives of the obligations and securities not otherwise authorized herein are permitted. Certain derivatives including financial futures, options, swap, and currency exchange contracts may be used in a portfolio risk management strategy design to offset unexpected market conditions. No synthetic or derivative instruments shall be used solely for speculative gain or profit and the use of such instruments shall not exceed 10 percent of the underlying portfolio allocation and 5 percent of the total invested portfolio.

### **XIV. CRITERIA FOR INVESTMENT MANAGER REVIEW**

The Board of Trustees wishes to adopt standards by which ongoing retention of an investment manager should be determined. Manager performance shall be monitored over current and long term time periods. Although performance expectations are established for a market cycle, performance comparisons to relevant peer groups will be on an on-going basis. Performance will be reviewed over the following periods with an emphasis on 3 and 5 year periods:

3 months  
Year to date  
One Year  
Three Years  
Five Years

The manager's performance will be evaluated on absolute return, relative return, volatility profile, and consistency with stated style.

With this in mind, the following guidelines have been adopted:

If, at any time, any one of the following is breached, the Manager will be notified of the Board of Trustees serious concern for the Trust continued safety and performance and manager termination could occur.

1. Consistent performance below the fiftieth (50th) percentile in the specified universe over rolling three-year periods.
2. Consistent under-performance of the stated target index over rolling three-year periods.
3. Loss by the manager of any senior personnel deemed detrimental to the manager's ability to perform required duties.
4. Substantial change in basic investment philosophy by the manager or significant deviation from stated style and strategy.
5. Substantial change of ownership of the firm deemed detrimental to the manager's ability to perform required duties.
6. Failure to attain at least a fifty-one (51%) percent vote of the confidence of the Master Trustees.
7. Failure to observe any guidelines as stated in this document.

This shall in no way limit or diminish the Administrator's right to terminate a manager or redeem its interest in a commingled fund at any time for any reason.

Investment Management Agreements will be entered into between the Administrator and each Investment Management Firm or commingled fund. The agreements will include such items as Fiduciary Standards, notice requirements, duties and responsibilities and specific investment guidelines for the management of the Trust and will be subject to the prior review and approval of an attorney for the Administrator.

All investment managers must be duly registered with the appropriate government agencies to act in the capacity of investment manager on behalf of the Board of Trustees. Any investment manager appointed shall promptly notify the Board of Trustees in the event any circumstance arises that may result in its failing to continue to meet the requirements stipulated by the respective government agencies.

Investment manager's performance will be evaluated with the assistance of performance measurement consultants on an on-going basis and will be primary criteria for their retention.

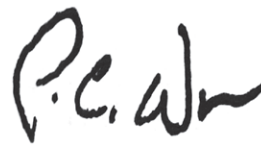
## XV. EXPANDED HIGH YIELD BOND FUND AND CORE PLUS FIXED INCOME FUND

Notwithstanding any other provisions on this statement of investment policy, the authorized investments and investment limitations of the Expanded High Yield Bond Fund and the Core Plus Fixed Income Fund shall be as set forth in the Informational Statements of each of the respective portfolios as amended from time to time.

## XVI. EFFECTIVE DATE

This amended investment policy shall become effective immediately upon its adoption by the Board of Trustees.

As adopted by the Board of Trustees on the **12th day of December 2013.**



P.C. Wu  
Chairman, Board of Trustees  
Florida Municipal Investment Trust



Michael Sittig  
Attest:  
Executive Director, Florida League of Cities



# Statistical Section



## Introduction ■ ■ ■

In union with the **Investment Section** of the report, the **Statistical Section** of the Florida Municipal Investment Trust's CAFR is intended to provide readers additional information. To allow readers a simplified view of trends occurring in this period, the schedules in this section provide an historical overview of the Trust's portfolios over the past ten years. The changes in fiduciary net position schedule details additions from net investment income (loss) and net increase (decrease) from contributions and redemptions as well as expense deductions for each portfolio. The financial highlights schedule provides net asset value, total net return, net position, and shares outstanding for each portfolio. Finally, the expense and financial ratio highlights show the expense ratios and ratios of interest and dividends net income trends for each portfolio.

The schedules comply with the requirements of GASB 44 by providing ten years of data as applicable, with the only exceptions being portfolios that have not been in existence for ten years.

# Schedule of Changes in Fiduciary Net Position

## Florida Municipal Investment Trust Schedule of Changes in Fiduciary Net Position

Periods Ending September 30

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>0-2 Year High Quality Bond Fund</u>										
Additions:										
Net Investment Income (Loss)	670,835	642,466	476,733	964,875	1,050,071	2,072,578	2,441,832	4,773,144	8,650,920	10,075,718
Net Increase (Decrease) from Share Transactions	(42,732,255)	(38,341,072)	45,918,113	(13,217,547)	33,569,292	(10,795,809)	61,712,552	(24,748,499)	(57,430,055)	5,284,989
Total Additions	(42,061,420)	(37,698,606)	46,394,846	(12,252,672)	34,619,363	(8,723,231)	64,154,384	(19,975,355)	(48,779,135)	15,360,707
Deductions:										
Total Expense Deductions	232,962	260,791	249,049	258,034	247,382	240,845	149,833	136,064	25,923	26,769
Dividends					765,712	4,637,080	8,624,997	10,048,949		
Changes in Net Position	\$ (42,294,382)	\$ (37,959,397)	\$ 46,145,797	\$ (12,510,706)	\$ 34,371,981	\$ (8,964,076)	\$ 63,238,839	\$ (24,748,499)	\$ (57,430,055)	\$ 5,284,989
<u>1-3 Year High Quality Bond Fund</u>										
Additions:										
Net Investment Income (Loss)	4,033,693	3,539,088	827,976	5,375,461	4,976,588	10,769,247	20,847,086	3,613,617	10,582,446	8,169,799
Net Increase (Decrease) from Share Transactions	10,147,018	(30,297,843)	(27,027,880)	6,497,745	83,232,069	16,949,678	26,854,750	146,487,917	8,833,000	(84,100,022)
Total Additions	14,180,711	(26,758,755)	(26,199,904)	11,873,206	88,208,657	27,718,925	47,701,836	150,101,534	19,415,446	(75,930,223)
Deductions:										
Total Expense Deductions	554,033	575,117	588,170	603,294	527,488	497,800	367,144	348,140	241,111	285,455
Changes in Net Position	\$ 13,626,678	\$ (27,333,872)	\$ (26,788,074)	\$ 11,269,912	\$ 87,681,169	\$ 27,221,125	\$ 47,334,692	\$ 149,753,394	\$ 19,174,335	\$ (76,215,678)



**Florida Municipal Investment Trust**  
**Schedule of Changes in Fiduciary Net Position**

Periods Ending September 30

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Intermediate High Quality Bond Fund</u>										
Additions:										
Net Investment Income (Loss)	7,979,510	6,604,443	(4,181,110)	10,712,179	12,224,395	16,804,234	20,608,360	7,794,159	11,005,301	7,749,505
Net Increase (Decrease) from Share Transactions	9,032,311	(2,572,402)	(76,864,375)	41,313,659	(10,936,506)	7,007,588	35,537,390	7,471,765	(8,000,000)	(2,122,687)
Total Additions	17,011,821	4,032,041	(81,045,485)	52,025,838	1,287,889	23,811,822	56,145,750	15,265,924	3,005,301	5,626,818
Deductions:										
Total Expense Deductions	341,415	332,204	399,978	369,480	355,553	339,097	267,890	270,462	260,223	259,602
Changes in Net Position	\$ 16,670,406	\$ 3,699,837	\$ (81,445,463)	\$ 51,656,358	\$ 932,336	\$ 23,472,725	\$ 55,877,860	\$ 14,995,462	\$ 2,745,078	\$ 5,367,216
<u>Broad Market High Quality Bond Fund</u>										
Additions:										
Net Investment Income (Loss)	3,868,519	5,392,501	(3,590,207)	7,151,945	8,977,260	10,180,412	11,251,695	4,483,046	5,387,204	2,635,858
Net Increase (Decrease) from Share Transactions	(32,514,676)	(79,168,064)	23,537,929	11,631,442	19,869,623	3,420,022	3,510,396	9,632,633	36,357,243	8,070,968
Total Additions	(28,646,157)	(73,775,563)	19,947,722	18,783,387	28,846,883	13,600,434	14,762,091	14,115,679	41,744,447	10,706,826
Deductions:										
Total Expense Deductions	228,601	326,437	348,667	312,621	280,573	248,951	216,461	217,239	164,888	126,286
Changes in Net Position	\$ (28,874,758)	\$ (74,102,000)	\$ 19,599,055	\$ 18,470,766	\$ 28,566,310	\$ 13,351,483	\$ 14,545,630	\$ 13,898,440	\$ 41,579,559	\$ 10,580,540

# Schedule of Changes in Fiduciary Net Position (Continued)

## Florida Municipal Investment Trust Schedule of Changes in Fiduciary Net Position

Periods Ending September 30

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Expanded High Yield Bond Fund</u>										
Additions:										
Net Investment Income (Loss)	(1,312,985)	2,818,966	2,705,149	7,636,120	854,483	6,204,017	5,361,365	(2,549,093)	308,783	NA
Net Increase (Decrease) from Share Transactions	(1,950,000)	200,000	1,400,000	(6,500,000)	(5,000,000)	0	0	18,000,000	20,000,000	NA
Total Additions	(3,262,985)	3,018,966	4,105,149	1,136,120	(4,145,517)	6,204,017	5,361,365	15,450,907	20,308,783	NA
Deductions:										
Total Expense Deductions	105,596	105,211	98,101	95,642	93,594	88,663	71,039	9,394	4,597	NA
Changes in Net Position	\$ (3,368,581)	\$ 2,913,755	\$ 4,007,048	\$ 1,040,478	\$ (4,239,111)	\$ 6,115,354	\$ 5,290,326	\$ 15,441,513	\$ 20,304,186	NA
<u>Core Plus Fixed Income Fund</u>										
Additions:										
Net Investment Income (Loss)	(6,103,969)	1,775,963	NA	NA	NA	NA	NA	NA	NA	NA
Net Increase (Decrease) from Share Transactions	41,943,676	98,440,000	NA	NA	NA	NA	NA	NA	NA	NA
Total Additions	35,839,707	100,215,963	NA	NA	NA	NA	NA	NA	NA	NA
Deductions:										
Total Expense Deductions	216,494	91,304	NA	NA	NA	NA	NA	NA	NA	NA
Changes in Net Position	\$ 35,623,213	\$ 100,124,659	NA	NA	NA	NA	NA	NA	NA	NA

**Florida Municipal Investment Trust**  
**Schedule of Changes in Fiduciary Net Position**

Periods Ending September 30

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>High Quality Growth Portfolio</u>										
Additions:										
Net Investment Income (Loss)	574,690	7,882,807	7,345,521	9,010,804	590,252	2,509,170	(268,684)	(3,981,229)	6,145,794	3,357,797
Net Increase (Decrease) from Share Transactions	118,900	(11,569,311)	528,908	2,710,642	437,853	4,979,299	3,188,447	(2,918,250)	(33,856,831)	(2,108,826)
Total Additions	693,590	(3,686,504)	7,874,429	11,721,446	1,028,105	7,488,469	2,919,763	(6,899,479)	(27,711,037)	1,248,971
Deductions:										
Total Expense Deductions	104,411	100,784	99,181	87,571	78,841	63,692	53,199	57,694	79,140	106,466
Changes in Net Position	\$ 589,179	\$ (3,787,288)	\$ 7,775,248	\$ 11,633,875	\$ 949,264	\$ 7,424,777	\$ 2,866,564	\$ (6,957,173)	\$ (27,790,177)	\$ 1,142,505
<u>Diversified Small to Mid Cap Equity Portfolio</u>										
Additions:										
Net Investment Income (Loss)	8,931,600	6,846,448	22,008,801	16,401,873	3,285,885	6,682,608	823,526	(2,932,203)	4,930,721	2,257,243
Net Increase (Decrease) from Share Transactions	(1,795,000)	(7,772,085)	2,114,505	(1,350,722)	(3,659,299)	5,395,292	1,415,259	5,979,645	576,681	1,429,726
Total Additions	7,136,600	(925,637)	24,123,306	15,051,151	(373,414)	12,077,900	2,238,785	3,047,442	5,507,402	3,686,969
Deductions:										
Total Expense Deductions	177,105	167,668	148,818	120,055	114,293	92,960	75,530	71,124	64,820	57,331
Changes in Net Position	\$ 6,959,495	\$ (1,093,305)	\$ 23,974,488	\$ 14,931,096	\$ (487,707)	\$ 11,984,940	\$ 2,163,255	\$ 2,976,318	\$ 5,442,582	\$ 3,629,638

# Schedule of Changes in Fiduciary Net Position (Continued)

## Florida Municipal Investment Trust Schedule of Changes in Fiduciary Net Position

Periods Ending September 30

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Russell 1000 Enhanced Index Portfolio</u>										
Additions:										
Net Investment Income (Loss)	4,429,617	22,747,067	22,774,450	26,670,625	2,407,981	9,413,042	(3,063,947)	(13,699,382)	7,101,611	3,721,481
Net Increase (Decrease) from Share Transactions	(3,357,000)	(16,148,160)	(1,702,766)	(366,256)	(3,666,907)	14,299,776	10,062,775	16,935,523	6,225,518	8,726,392
Total Additions	1,072,617	6,598,907	21,071,684	26,304,369	(1,258,926)	23,712,818	6,998,828	3,236,141	13,327,129	12,447,873
Deductions:										
Total Expense Deductions	186,088	175,591	159,457	137,750	126,511	100,661	71,273	62,607	51,514	42,060
Changes in Net Position	\$ 886,529	\$ 6,423,316	\$ 20,912,227	\$ 26,166,619	\$ (1,385,437)	\$ 23,612,157	\$ 6,927,555	\$ 3,173,534	\$ 13,275,615	\$ 12,405,813
<u>International Equity Portfolio</u>										
Additions:										
Net Investment Income (Loss)	(4,185,235)	(206,898)	9,979,629	6,753,058	(8,023,157)	966,967	(342,904)	(13,092,285)	4,625,383	1,621,752
Net Increase (Decrease) from Share Transactions	3,283,000	(5,924,955)	2,941,216	12,274,582	4,230,740	12,325,212	5,766,682	6,791,225	16,439,253	0
Total Additions	(902,235)	(6,131,853)	12,920,845	19,027,640	(3,792,417)	13,292,179	5,423,778	(6,301,060)	21,064,636	1,621,752
Deductions:										
Total Expense Deductions	132,798	129,739	123,078	103,477	93,015	78,194	55,981	50,530	34,699	20,804
Changes in Net Position	\$ (1,035,033)	\$ (6,261,592)	\$ 12,797,767	\$ 18,924,163	\$ (3,885,432)	\$ 13,213,985	\$ 5,367,797	\$ (6,351,590)	\$ 21,029,937	\$ 1,600,948

**Florida Municipal Investment Trust**  
**Schedule of Changes in Fiduciary Net Position**

Periods Ending September 30

	2015	2014	2013	2012	2011	2010	2009	2008	2007	2006
<u>Large Cap Diversified Value Portfolio</u>										
Additions:										
Net Investment Income (Loss)	(2,916,426)	7,945,893	12,923,840	10,466,960	(2,475,612)	3,039,996	959,762	(8,902,535)	(91,084)	NA
Net Increase (Decrease) from Share Transactions	531,817	(12,016,844)	(5,325,552)	1,777,137	4,058,688	5,152,766	4,453,052	9,346,362	16,691,786	NA
Total Additions	(2,384,609)	(4,070,951)	7,598,288	12,244,097	1,583,076	8,192,762	5,412,814	443,827	16,600,702	NA
Deductions:										
Total Expense Deductions	103,802	101,823	101,263	87,876	77,132	65,017	55,658	59,453	39,769	NA
Changes in Net Position	\$ (2,488,411)	\$ (4,172,774)	\$ 7,497,025	\$ 12,156,221	\$ 1,505,944	\$ 8,127,745	\$ 5,357,156	\$ 384,374	\$ 16,560,933	NA

**Florida Municipal Investment Trust**  
**Financial Highlights**

Periods Ending September 30

	0-2 Year High Quality Bond Fund (1)	1-3 Year High Quality Bond Fund	Intermediate High Quality Bond Fund	Broad Market High Quality Bond Fund	Expanded High Yield Bond Fund	Core Plus Fixed Income Fund	High Quality Growth Portfolio	Diversified Small to Mid Cap Equity Portfolio	Russell 1000 Enhanced Index Portfolio	International Equity Portfolio	Large Cap Diversified Value Portfolio
<b>2015</b>											
Net Asset Value (NAV), end of year	\$10.35	\$18.17	\$22.88	\$22.54	\$15.72	\$9.69	\$25.05	\$54.81	\$19.05	\$10.88	\$12.44
Total net return (2)	0.25%	0.72%	2.73%	2.64%	-3.01%	-4.76%	1.00%	9.49%	2.88%	-6.39%	-6.29%
Net Position, end of year (\$000s)	158,180	484,220	292,781	119,344	47,505	135,748	48,182	96,672	139,143	64,038	44,928
Shares outstanding, end of year (000s)	15,289	26,655	12,797	5,294	3,022	14,011	1,924	1,764	7,305	5,887	3,613
<b>2014</b>											
Net Asset Value (NAV), end of year	\$10.32	\$18.04	\$22.27	\$21.96	\$16.21	\$10.17	\$24.80	\$50.06	\$18.51	\$11.62	\$13.27
Total net return (2)	0.18%	0.59%	2.28%	2.97%	1.72%	1.72%	17.40%	7.27%	18.01%	-0.63%	-17.68%
Net Position, end of year (\$000s)	200,474	470,593	276,111	148,219	50,874	100,125	47,593	89,713	138,257	65,073	47,417
Shares outstanding, end of year (000s)	19,425	26,092	12,397	6,749	3,139	9,843	1,919	1,792	7,468	5,599	3,573
<b>2013</b>											
Net Asset Value (NAV), end of year	\$10.30	\$17.93	\$21.78	\$21.33	\$15.34	N/A	\$21.12	\$46.67	\$15.69	\$11.70	\$11.28
Total net return (2)	0.11%	0.04%	-1.16%	-1.76%	5.93%	N/A	16.16%	30.24%	19.73%	16.38%	29.86%
Net Position, end of year (\$000s)	238,434	497,927	272,411	222,321	47,960	N/A	51,380	90,806	131,833	71,334	51,589
Shares outstanding, end of year (000s)	23,145	27,769	12,510	10,423	3,126	N/A	2,432	1,946	8,404	6,099	4,574
<b>2012</b>											
Net Asset Value (NAV), end of year	\$10.29	\$17.92	\$22.03	\$21.72	\$14.48	N/A	\$18.19	\$35.83	\$13.10	\$10.05	\$8.68
Total net return (2)	0.35%	0.89%	3.23%	3.67%	18.31%	N/A	25.29%	31.22%	30.06%	14.45%	29.85%
Net Position, end of year (\$000s)	\$192,288	\$524,715	\$353,857	\$202,722	\$43,953	N/A	\$43,605	\$66,832	\$110,921	\$58,536	\$44,092
Shares outstanding, end of year (000s)	18,686	29,275	16,061	9,333	3,035	N/A	2,398	1,865	8,466	5,825	5,077
<b>2011</b>											
Net Asset Value (NAV), end of year	\$10.25	\$17.77	\$21.34	\$20.95	\$12.24	N/A	\$14.51	\$27.31	\$10.07	\$8.78	\$6.69
Total net return (2)	0.38%	0.89%	4.00%	4.81%	1.18%	N/A	1.56%	4.13%	30.06%	-16.90%	-6.78%
Net Position, end of year (\$000s)	\$204,799	\$513,445	\$302,200	\$184,251	\$42,912	N/A	\$31,971	\$51,901	\$84,754	\$39,612	\$31,936
Shares outstanding, end of year (000s)	19,972	28,897	14,160	8,794	3,506	N/A	2,203	1,901	8,413	4,511	4,775
<b>2010</b>											
Net Asset Value (NAV), end of year	\$10.22	\$17.61	\$20.52	\$19.99	\$12.10	N/A	\$14.29	\$26.22	\$9.91	\$10.57	\$7.17
Total net return (2)	0.94%	2.36%	5.76%	6.80%	14.90%	N/A	8.50%	14.36%	12.44%	1.16%	11.08%
Net Position, end of year (\$000s)	\$170,427	\$425,764	\$301,268	\$155,685	\$47,151	N/A	\$31,022	\$52,388	\$86,140	\$43,498	\$30,430
Shares outstanding, end of year (000s)	16,683	24,177	14,681	7,788	3,897	N/A	2,171	1,998	8,688	4,116	4,242
<b>2009</b>											
Net Asset Value (NAV), end of year	\$10.12	\$17.20	\$19.40	\$18.72	\$10.53	N/A	\$13.17	\$22.93	\$8.82	\$10.45	\$6.46
Total net return (2)	1.21%	6.10%	8.79%	8.60%	14.80%	N/A	-2.91%	1.49%	-8.27%	-4.29%	2.78%
Net Position, end of year (\$000s)	\$179,391	\$398,543	\$277,795	\$142,334	\$41,036	N/A	\$23,597	\$40,403	\$62,528	\$30,284	\$22,302
Shares outstanding, end of year (000s)	17,725	23,165	14,317	7,604	3,897	N/A	1,791	1,762	7,091	2,899	3,453
<b>2008</b>											
Net Asset Value (NAV), end of year	\$1.00	\$16.22	\$17.84	\$17.24	\$9.17	N/A	\$13.57	\$22.59	\$9.61	\$10.91	\$6.28
Total net return (2)	N/A	2.25%	3.70%	3.70%	-7.17%	N/A	-16.93%	-7.94%	-20.88%	-35.45%	-38.11%
Net Position, end of year (\$000s)	\$116,152	\$351,208	\$221,917	\$127,788	\$35,746	N/A	\$20,730	\$38,240	\$55,600	\$24,916	\$16,945
Shares outstanding, end of year (000s)	116,152	21,659	12,443	7,414	3,897	N/A	1,528	1,693	5,784	2,283	2,697
<b>2007</b>											
Net Asset Value (NAV), end of year	\$1.00	\$15.86	\$17.20	\$16.62	\$9.88	N/A	\$16.33	\$24.54	\$12.15	\$16.91	\$10.15
Total net return (2)	N/A	5.58%	5.49%	5.19%	-1.20%	N/A	18.04%	16.20%	16.95%	26.68%	1.53%
Net Position, end of year (\$000s)	\$140,900	\$201,454	\$206,922	\$113,889	\$20,304	N/A	\$27,687	\$35,264	\$52,427	\$31,268	\$16,561
Shares outstanding, end of year (000s)	140,900	12,703	12,031	6,852	2,055	N/A	1,695	1,437	4,315	1,849	1,631
<b>2006</b>											
Net Asset Value (NAV), end of year	\$1.00	\$15.02	\$16.30	\$15.80	N/A	N/A	\$13.84	\$21.12	\$10.39	\$13.35	N/A
Total net return (2)	N/A	3.95%	3.81%	3.64%	N/A	N/A	6.32%	8.13%	10.14%	17.41%	N/A
Net Position, end of year (\$000s)	\$198,331	\$182,280	\$204,177	\$72,310	N/A	N/A	\$55,478	\$29,821	\$39,151	\$10,238	N/A
Shares outstanding, end of year (000s)	198,331	12,136	12,524	4,576	N/A	N/A	4,010	1,412	3,768	767	N/A

(1) 0-2 Year High Quality Bond Fund changed from \$1.00 stable par value to floating NAV on April 1, 2009.  
(2) Total net return calculation is based on the value of a single unit of participation outstanding throughout the year, or since inception if portfolio was created in that year.

**Florida Municipal Investment Trust**  
**Expense and Financial Ratio Highlights**  
 Periods Ending September 30

	0-2 Year High Quality Bond Fund	1-3 Year High Quality Bond Fund	Intermediate High Quality Bond Fund	Broad Market High Quality Bond Fund	Expanded High Yield Bond Fund (2)	Core Plus Fixed Income Fund (2)	High Quality Growth Portfolio	Diversified Small to Mid Cap Equity Portfolio	Russell 1000 Enhanced Index Portfolio (2)	International Equity Portfolio	Large Cap Diversified Value Portfolio
2015											
	Ratio of expenses, including management fees	0.23%	0.23%	0.22%	0.26%	0.26%	0.66%	0.63%	0.52%	0.59%	1.01%
	Ratio of expenses, excluding management fees	0.02%	0.01%	0.01%	0.06%	0.03%	0.06%	0.03%	0.02%	0.05%	0.06%
	Ratio of interest and dividends net income	0.74%	1.13%	1.85%	8.66%	0.00%	1.32%	0.91%	0.00%	0.00%	2.19%
2014											
	Ratio of expenses, including management fees	0.22%	0.21%	0.22%	0.26%	0.14%	0.66%	0.63%	0.52%	1.04%	1.01%
	Ratio of expenses, excluding management fees	0.02%	0.01%	0.01%	0.06%	0.02%	0.07%	0.03%	0.02%	0.05%	0.07%
	Ratio of interest and dividends net income	0.60%	1.00%	1.95%	7.71%	0.00%	1.34%	0.93%	0.00%	0.00%	2.09%
2013											
	Ratio of expenses, including management fees	0.23%	0.21%	0.22%	0.26%	N/A	0.66%	0.63%	0.53%	1.04%	1.01%
	Ratio of expenses, excluding management fees	0.02%	0.01%	0.01%	0.07%	N/A	0.07%	0.04%	0.03%	0.05%	0.06%
	Ratio of interest and dividends net income	0.75%	1.22%	1.99%	8.35%	N/A	1.57%	1.08%	0.00%	0.00%	2.36%
2012											
	Ratio of expenses, including management fees	0.23%	0.22%	0.22%	0.26%	N/A	0.67%	0.64%	0.45%	0.28%	1.03%
	Ratio of expenses, excluding management fees	0.02%	0.01%	0.01%	0.07%	N/A	0.08%	0.05%	0.03%	0.06%	0.08%
	Ratio of interest and dividends net income	1.42%	1.72%	2.96%	8.77%	N/A	1.11%	0.82%	0.00%	0.00%	2.58%
2011											
	Ratio of expenses, including management fees	0.22%	0.21%	0.22%	0.25%	N/A	0.67%	0.64%	0.42%	0.69%	1.02%
	Ratio of expenses, excluding management fees	0.02%	0.01%	0.01%	0.08%	N/A	0.07%	0.04%	0.03%	0.06%	0.07%
	Ratio of interest and dividends net income	2.33%	2.09%	3.19%	8.73%	N/A	1.05%	0.67%	0.00%	0.00%	2.47%
2010											
	Ratio of expenses, including management fees	0.22%	0.21%	0.22%	0.25%	N/A	0.69%	0.65%	0.31%	1.06%	1.04%
	Ratio of expenses, excluding management fees	0.02%	0.01%	0.01%	0.06%	N/A	0.09%	0.05%	0.03%	0.07%	0.09%
	Ratio of interest, dividends, and securities lending net income	2.75%	2.52%	3.67%	7.52%	N/A	1.51%	0.86%	0.00%	0.00%	2.58%
2009											
	Ratio of expenses, including management fees	0.25%	0.21%	0.21%	0.26%	N/A	0.76%	0.68%	0.32%	1.10%	1.17%
	Ratio of expenses, excluding management fees	0.04%	0.02%	0.02%	0.08%	N/A	0.18%	0.10%	0.06%	0.12%	0.14%
	Ratio of interest, dividends, and securities lending net income	2.24%	3.83%	4.35%	10.79%	N/A	1.99%	1.32%	0.01%	0.01%	3.17%
2008											
	Ratio of expenses, including management fees	0.13%	0.22%	0.22%	0.32%	N/A	0.69%	0.64%	0.29%	1.01%	1.12%
	Ratio of expenses, excluding management fees	0.02%	0.03%	0.03%	0.04%	N/A	0.11%	0.06%	0.02%	0.03%	0.19%
	Ratio of interest, dividends, and securities lending net income	3.95%	4.67%	4.85%	9.21%	N/A	1.41%	1.49%	0.00%	0.00%	2.96%
2007											
	Ratio of expenses, including management fees	0.08%	0.23%	0.23%	0.21%	N/A	0.65%	0.65%	0.27%	1.03%	1.13%
	Ratio of expenses, excluding management fees	0.02%	0.04%	0.04%	0.05%	N/A	0.07%	0.07%	0.02%	0.05%	0.17%
	Ratio of interest, dividends, and securities lending net income	5.22%	4.70%	4.87%	3.06%	N/A	1.33%	1.34%	1.46%	0.01%	1.95%
2006											
	Ratio of expenses, including management fees	0.07%	0.23%	0.23%	N/A	N/A	0.65%	0.66%	0.22%	1.08%	N/A
	Ratio of expenses, excluding management fees	0.01%	0.04%	0.04%	N/A	N/A	0.07%	0.07%	0.03%	0.08%	N/A
	Ratio of interest, dividends, and securities lending net income	4.63%	4.07%	5.02%	4.62%	N/A	1.40%	1.17%	2.00%	0.00%	N/A

(1) Ratios use average net assets for fiscal year.  
 (2) Expense ratios do not reflect expenses charged to underlying investments.



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