



# **Enhanced Cash Pool Information Statement**

**July 2022**

---

## Table of Contents

FLCLASS Enhanced Cash Pool Introduction .....	3
Participants .....	3
Investment Objectives .....	3
Eligible Investments .....	4
Investment Restrictions .....	4
Investment Risks .....	5
Suitability.....	6
Income Allocations .....	6
Determination of Net Asset Value .....	6
Description of Shares.....	7
Fees and Expenses .....	7
Redemptions .....	7
Investing in FLCLASS Enhanced Cash .....	8
Reporting .....	8
Statements .....	8
Board of Trustees.....	8
The Investment Advisor and Administrator .....	9
Custodian.....	9
Legal Counsel .....	9
Independent Accountants.....	10

---

## FLCLASS Enhanced Cash Pool Introduction

---

The Florida Cooperative Liquid Assets Securities System (FLCLASS or the Trust) is pleased to offer the FLCLASS Enhanced Cash Pool (FLCLASS Enhanced Cash), a fund for Florida local governments that are or become FLCLASS Participants. As further described herein, FLCLASS Enhanced Cash is an actively managed portfolio consisting of money market instruments and medium-term notes designed for the short to intermediate reserve and surplus funds of Florida local governments.

FLCLASS was established in April of 2015 as an intergovernmental investment pool authorized under Section 218.415, Florida Statutes and was created by an interlocal agreement by and among state public agencies (the Interlocal) as described in Section 163.01, Florida Statutes, as amended. The most recently Amended and Restated Interlocal Agreement was adopted by the FLCLASS Board of Trustees (the Board) and became effective on March 4, 2021.

FLCLASS Enhanced Cash was organized in 2021 and was created pursuant to the Interlocal. Local governments that participate in FLCLASS Enhanced Cash are referred to as “Participants” in the Interlocal and this Information Statement. The Interlocal allows for FLCLASS Participants to register and participate in FLCLASS Enhanced Cash. Each potential FLCLASS Enhanced Cash Participant receives a copy of the Interlocal Agreement, the Information Statement, Investment Policy, and current financial statements before becoming a Participant.

## Participants

---

FLCLASS Enhanced Cash is available to any Florida local government that is or becomes an FLCLASS Participant by taking appropriate official action to adopt the FLCLASS Interlocal Agreement, open an account in the Trust, and maintain a balance in the account. Each Participant designates a representative to act for the Participant under the Interlocal for all purposes including giving the consent on behalf of the Participant and receiving notice on behalf of the Participant.

## Investment Objectives

---

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

FLCLASS Enhanced Cash may only be invested in a manner that is permitted pursuant to the laws of the state of Florida and Florida’s Investment of Local Government Surplus Funds Act,

Florida Statutes, Chapter 218.415. Furthermore, investments will be made in accordance with the Trust's own investment policy. For a copy of the FLCLASS Investment Policy please visit the [FLCLASS Website](#).

The Enhanced Cash Pool offers Participants an actively managed portfolio to meet their intermediate liquidity needs. **The FLCLASS Enhanced Cash Pool does not seek to maintain a stable Net Asset Value (NAV).** FLCLASS Enhanced Cash will establish a \$10.00 transactional share price and will calculate and publish a fair value NAV. The FLCLASS Enhanced Cash portfolio is characterized by a higher weighted average maturity (WAM) and a longer target duration than the FLCLASS pool portfolio. The principal value of an FLCLASS Enhanced Cash Pool investment may fluctuate and could be greater or less than \$10.00 per share at time of purchase, prior to redemption, and at the time of redemption.

FLCLASS adheres to the Financial Accounting Standards Board (FASB) guidelines for its accounting and financial reporting principles. In accordance with FASB guidance, the Trust utilizes ASC 820 "Fair Value Measurement and Disclosure" to define fair value, establish a framework for measuring fair value, and expand disclosure requirements regarding fair value measurements.

FLCLASS Enhanced Cash is rated 'AAAF/S1' by FitchRatings which generally speaks to the overall credit quality of the portfolio's holdings. The 'AAAF' rating is Fitch's opinion on the overall credit profile within a fixed-income fund/portfolio and indicates the highest underlying credit quality of the pool's investments. The 'S1' volatility rating is Fitch's opinion on the relative sensitivity of a portfolio's total return and/or net asset value to assumed changes in credit spreads and interest rates. The 'S1' volatility rating indicates that the fund possesses a low sensitivity to market risks. This rating is neither a market rating or a specific recommendation to buy or sell a security. Ratings are subject to change and do not remove credit risk.

*No assurance can be given that the Trust will achieve its investment objective or that any benefits described in this information statement will result from the investment of monies in the Trust.*

## Eligible Investments

---

The FLCLASS Enhanced Cash Pool may only be invested in a manner that is permitted pursuant to the laws of the state of Florida and Florida's Investment of Local Government Surplus Funds Act, Florida Statutes, Chapter 218.415. For a more complete description of permitted investments please refer to FLCLASS Investment Policy, available on the [FLCLASS Website](#).

## Investment Restrictions

---

The Trust's investments are subject to the following restrictions:

1. The Trust may not make any investment other than investments authorized by the Interlocal and the Investment Policy, as the same may be amended from time-to-time.

2. May not borrow money or incur indebtedness whether or not the proceeds thereof are intended to be used to purchase Permitted Investments except as a temporary measure to facilitate withdrawal requests that might otherwise require unscheduled dispositions of portfolio investments and only as and to the extent permitted by law.
3. May not make loans, provided that the Trust may make Permitted Investments (that may include securities lending).
4. May not hold or provide for the custody of any investment property in a manner not authorized by law or by any institution or person not authorized by law.
5. The portfolio may invest in permitted securities with maximum maturities as outlined in the investment policy.
6. The Trust may not buy securities from or sell securities to the Administrator, the Investment Advisor, the Custodian, or any member of the Board (Trustee), or with any affiliate, officer, director, employee, or agent of any of them.

The Trust may not enter into any repurchase agreements for any securities that are not listed as "permitted investments". In addition, all such agreements must be initially collateralized at 102% and additional securities must be provided if the market value of the collateral falls below 101.5%.

## Investment Risks

FLCLASS Participants should specifically consider, among other things, the following risks before making a decision to purchase shares of FLCLASS Enhanced Cash. The following summary does not purport to be comprehensive or definitive of all risk factors.

**Interest Rate Risk** – The prices of the fixed-income securities in which FLCLASS will invest rise and fall in response to changes in the interest rates paid by similar securities. Generally, when interest rates rise, prices of fixed-income securities fall. However, market factors, such as demand for particular fixed-income securities, may cause the price of certain fixed-income securities to fall while the price of other securities rise or remain unchanged. Interest rate changes have a greater effect on the price of fixed-income securities with longer maturities. The investment manager will seek to manage this risk by purchasing short-term securities.

**Credit Risk** – Credit risk is the possibility that an issuer of a fixed-income security held by FLCLASS will default on the security by failing to pay interest or principal when due. If an issuer defaults, FLCLASS will lose money. The investment manager of FLCLASS will seek to manage this risk by purchasing high-quality securities.

**Liquidity Risk** – Liquidity risk results from the inability to efficiently convert assets into cash without suffering losses.

**Other Forms of Risk** – Investing involves risks including the possible loss of principal that FLCLASS investors would have to bear. The investment decisions made by FLCLASS for Participants are subject to certain risks and such decisions may not always be profitable.

FLCLASS does not guarantee returns or performance against stated benchmarks. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments.

## Suitability

---

It is the FLCLASS Enhanced Cash investors' responsibility to review this FLCLASS Enhanced Cash Information Statement and the Investment Policy in order to determine whether FLCLASS Enhanced Cash is a suitable and eligible investment under the investors' relevant Investment Policy.

## Income Allocations

---

All net investment income of each portfolio is determined as of the close of business each day (and at such other times as the Board may determine) and accrues pro rata to each Enhanced Cash Participant's account. Net income that has thus accrued to the Participants is converted as of the close of business at month-end into additional shares that are thereafter held in each Participant's account. Enhanced Cash income dividends are declared and accrue on a daily basis; interest income is applied to accounts on a monthly basis.

Net income that has accrued to Participants executing a full redemption is converted upon the business day after the trade date into additional shares that reflect the accrued net income amount. Reinvested net income is converted into full and fractional shares at the rate of the reinvestment date's NAV. The Trust's policy is to distribute net realized capital gains, if any, in a reasonable time frame after the gain is realized.

Net income for each portfolio each day consists of (1) all accrued interest income on assets of the portfolio; plus or minus (2) any amortized purchase discount or premium; less (3) accrued expenses.

## Determination of Net Asset Value

---

The Trust determines the net asset value of the shares of the FLCLASS Enhanced Cash portfolio as of the close of business of each day. The net asset value per share of each portfolio is computed by dividing the total value of the securities and other assets of the portfolios, less any liabilities, by the total outstanding shares of the portfolios. Liabilities, which include all expenses and fees of the Trust, are accrued daily.

For the purpose of calculating FLCLASS Enhanced Cash Pool's net asset value per share, the securities held by the portfolio are valued as follows: (1) securities for which market quotations are readily available are valued at the most recent bid price or yield equivalent as obtained from one or more market makers for such securities; (2) all other securities and assets are valued at fair market value determined in good faith.

There can be no assurance that the net asset value will not vary from \$10.00 per share. The net asset value per share of the Trust may be affected by general changes in interest rates

resulting in increases or decreases in the value of the securities held by the Trust. The market value of such securities will vary inversely to changes in prevailing interest rates. Thus, if interest rates have increased from the time a security was purchased, such security, if sold, might be sold at a price less than its cost. Similarly, if interest rates have declined from the time a security was purchased, such security, if sold, might be sold at a price greater than its cost.

## Description of Shares

---

The beneficial interests of the Participants in the assets of the FLCLASS Enhanced Cash portfolio and the earnings thereon are, for convenience of reference, divided into shares that are used as units to measure the allocation of beneficial interest among Participants. All shares participate equally in distributions and have equal liquidation and other rights. The shares have no preference, conversion, exchange, or preemptive rights. For all matters requiring a vote of Participants, each Participant, through its Designee, is entitled to one vote with respect to each matter, without regard to the number of shares held by the Participant.

## Fees and Expenses

---

The Trust has entered into an agreement with Public Trust Advisors, LLC, effective April 27, 2015 whereby Public Trust is paid a fee, calculated daily and paid monthly, at an annual rate of up to 0.15% (15 basis points) of the individual FLCLASS Enhanced Cash Pool investment of each Participant. This fee will accrue on a daily basis for the duration of the investment in FLCLASS Enhanced Cash. Public Trust may, from time-to-time, choose to voluntarily waive fees for the benefit of the fund participants.

Public Trust is responsible for payment of the costs of operation of the Trust including but not limited to Administrator and Investment Advisor fees, Custodian fees, ratings agency fees, operational, and marketing expenses.

## Redemptions

---

Redemptions are unlimited and met on a transaction date plus one (1) business day basis (T+1). "Business day" means any day of the year other than (a) a Saturday or Sunday, (b) any day on which banks located in Florida, are required or authorized by law to remain closed, or (c) any day on which the New York Stock Exchange is closed. Participants can only redeem Enhanced Cash Pool shares in the FLCLASS online order portal (the portal); phone and email/fax orders are not acceptable methods of redeeming FLCLASS Enhanced Cash Pool. Redeemed funds are distributed from the Enhanced Cash portfolio to the account designated by the Participant one business day after the transaction date indicated in the portal. The Participant receives the daily income allocation until the funds are dispersed to the designated account.

Redemptions must be entered in the portal by 3:00pm ET.

---

## Investing in FLCLASS Enhanced Cash

---

FLCLASS Enhanced Cash is available to FLCLASS Participants as well as to new Participants. Prior to investing in the FLCLASS Enhanced Cash, Participants are required to submit an FLCLASS Enhanced Cash Account Registration Form, which is available on the [FLCLASS Website](#).

Upon the Participants' receiving acknowledgement of their FLCLASS Enhanced Cash registration from FLCLASS, shares of FLCLASS Enhanced Cash are acquired by the Participant in the portal or by check contribution form. There is no minimum initial investment amount, nor a minimum required balance after the purchase is made. FLCLASS Enhanced Cash contributions and transfers must be submitted via the portal by 3:00 ET.

---

## Reporting

---

Each Participant receives annual financial statements of the Trust as well as a monthly statement of the Participant's FLCLASS Enhanced Cash account(s). The annual financial statements are issued as of the Trust's fiscal year end on December 31 each calendar year. Participants are advised to review the financial statements of the Trust that are furnished to them. The reports also include sufficient information to establish compliance with the investment policy established in the Interlocal Agreement.

The Trust answers inquiries from Participants at any time during business hours. Inquiries may be made by mail, email at [info@flclass.com](mailto:info@flclass.com), via the Internet at [www.flclass.com](http://www.flclass.com), or by phone at (877) 311-0219. The telefax number is (877) 311-0220. The mailing address is FLCLASS, 201 East Pine Street, Orlando, Florida 32801.

---

## Statements

---

In addition to the annual financial statements of the Trust, a monthly statement is provided for the accounts of FLCLASS Enhanced Cash Participants. In addition to the fair value NAV, the Statement will provide the month's beginning balance, purchases, redemptions, income earned, income earned year-to-date, month-end balance, and transaction activity summary.

---

## Board of Trustees

---

The Board of Trustees (the Board) of the Trust is responsible for assuring compliance with the Interlocal and the investment restrictions therein. The Board has the power to administer the Trust and the affairs of the Trust. Further information about the FLCLASS Board of Trustees, its structure, roles and responsibilities is available on the [FLCLASS Website](#) and within the FLCLASS Information Statement.

---

## The Investment Advisor and Administrator

---

Pursuant to an agreement with the Board, Public Trust Advisors, LLC (Public Trust) serves as the Investment Advisor and Administrator of the Trust.

As Investment Advisor, Public Trust provides investment services to the Board. Public Trust is an investment advisory firm located in Orlando, Florida.

Public Trust is registered with the Securities and Exchange Commission as an investment advisor under the Investment Advisers Act of 1940.

As Administrator, Public Trust services all Participant accounts in the Trust, determines and allocates income of the Trust, provides certain written confirmation of the investment and withdrawal of funds by Participants, provides administrative personnel and facilities to the Trust, determines the NAV of the Trust on a daily basis, and performs all related administrative services for the Trust. At least quarterly, the Administrator provides the Board with a detailed evaluation of the performance of the Trust based upon a number of factors. This evaluation includes a comparative analysis of the Trust's investment results in relation to industry standards such as the performance of comparable money market mutual funds and various indexes of money market securities.

---

## Custodian

---

Fifth Third Bank serves as Custodian for FLCLASS pursuant to a Custodian Agreement with the Board. Fifth Third Bank acts as safekeeping agent for the FLCLASS investment portfolio(s) and serves, in accordance with the statutes of the state, as the depository in connection with the direct investment and withdrawal mechanisms of FLCLASS. Fifth Third Bank does not participate in the Trust's investment decision making process.

The Custodian shall hold the investment property in its capacity as Custodian for the collective benefit of each of the Participants. The Investment Property shall be custodial property of the Custodian and shall not be, or be deemed to be, an asset of the Custodian. Each Participant has an individual beneficial interest in the Investment Property to the extent of such Participant's balance.

The Custodian shall acknowledge in the Custody Agreement that records concerning the Investment Property shall be maintained by the Administrator and that such records shall conclusively determine the interests of each Participant in the Investment Property.

---

## Legal Counsel

---

Greenberg Traurig, P.A. serves as General Counsel to the Trust.

## Independent Accountants

---

An independent certified public accounting firm, CliftonLarsonAllen, LLP, has been engaged to audit the annual financial statements of FLCLASS. The audit contains statements of assets and liabilities, of operations, and of changes in net assets. The opinion of the independent certified public accountant on such financial statements is based on an examination of the books and records of FLCLASS made in accordance with generally accepted accounting principles (GAAP).

*The investment advisor providing these services is Public Trust Advisors, LLC (Public Trust), an investment adviser registered with the SEC under the Investment Advisers Act of 1940, as amended. Registration with the SEC does not imply a certain level of skill or training. Public Trust is required to maintain a written disclosure brochure of our background and business experience. If you would like to receive a copy of our current disclosure brochure, please contact us. Additionally, this registration provides no guarantee of return or protection against loss. Many factors affect performance including changes in market conditions and interest rates and in response to other economic, political, or financial developments. Investment involves risk including the possible loss of principal. No assurance can be given that the performance objectives of a given strategy will be achieved. Past performance is no guarantee of future results. Any financial and/or investment decision may incur losses. No assurance can be given that FLCLASS Enhanced will achieve its investment objective.*

*This is not a Stable NAV fund. While it seeks to establish a transactional share price of \$10.00 per share, the possibility of a higher amount of unrealized/realized losses than unrealized/realized gains implies that the NAV could decline below the \$10.00 transactional share price and that shareholders will execute purchases and redemptions at that NAV.*

### Contact Information

---

201 E. Pine Street, Suite 750

Orlando, FL 32801

Phone: (844) 220-7600

Fax: (844) 220-7900

[clientservices@flclass.com](mailto:clientservices@flclass.com)

[www.flclass.com](http://www.flclass.com)