

**FMIvT 1 to 3 Year High Quality Bond Fund
Guidelines
FINAL Revised 3-22-11**

Benchmark: Bank of America Merrill Lynch 1-3 Year Government Index

Portfolio Objective

The investment management style and process utilized in this portfolio is important and therefore, adherence to this discipline is a critical issue. The portfolio should be managed in a style consistent with the asset manager's other portfolios within the same investment mandate or product. Any significant deviation from the manager's stated style will require written approval from the Florida Municipal Investment Trust Board of Trustees.

Portfolio Characteristic (In addition to any restriction specified in the Trust's Statement of Investment Policy.)

All percentages indicated below shall be valued at market. The Portfolio's pro-rata allocation of the collateral investment associated with securities lending activity shall not be considered in determining portfolio characteristics.

1. Maintain modified duration greater than one year but less than one hundred and thirty percent of the established index.
2. Maintain a minimum bond fund rating of AAA.
3. Invest at least thirty percent of the portfolio in Direct U.S. Government Obligations, U.S. Government Agency Obligations, or U.S. Government Instrumentalities Obligations; or in Repurchase Agreements backed by Direct U.S. Government Obligations, U.S. Government Agency Obligations, or U.S. Government Instrumentalities Obligations.
4. A maximum of seventy-five percent of the portfolio may be invested in Direct U.S. Government Obligations, U.S. Government Agency Obligations, or U.S. Government Instrumentalities Obligations; or in Repurchase Agreements backed by Direct U.S. Government Obligations, U.S. Government Agency Obligations, or U.S. Government Instrumentalities Obligations.
5. A maximum of fifty percent of the portfolio may be invested in mortgage securities including CMOs.
6. A maximum of forty percent of the portfolio may be invested in ABSs.
7. Reverse Repurchase Agreements and/or other forms of financial leverage will be limited to thirty percent of the portfolio.
8. Securities lending activity with approved dealers and custodians.

Allowable Investment Securities

1. Direct U.S. Government Obligations
2. U.S. Government Agency Obligations
3. U.S. Government Instrumentalities Obligations
4. Money Market Obligations (To include Commercial Paper, Bankers Acceptance, Repurchase Agreements, Reverse Repurchase Agreements, Time Deposits and Money Market Accounts.)
5. Asset Backed Securities

6. Mortgage Securities including CMO's
7. Commingled Investment funds
8. Securities transferred to the Trust and to the Portfolio from previously owned commingled investment funds.

Security Restrictions (In addition to any restriction specified in the Trust's Statement of Investment Policy.)

Security restrictions shall not be applicable to the Portfolio's pro-rata portion of the collateral investment associated with securities lending activity.

1. A maximum of five percent of the portfolio at market may be invested in individual trusts of ABS and Non-Agency CMO's
2. All securities except as described below will have a final maturity of 5.5 years or less. If a security has a put feature, the put date will be used as the final maturity.
3. Mortgage pass-throughs, CMOs, ABSs or any other security that does not have a fixed maturity date or a fixed paydown schedule would have to meet at least one of the following conditions.
 - o A final payment "window" of seven years or less based on the then prevailing prepayment assumptions as determined by the Bloomberg, Merrill Lynch Pass Port or other pricing or securities firms with demonstrated expertise in prepayment forecasting for such securities.
 - o A security's price volatility given the then prevailing prepayment assumptions as determined above, cannot exceed the price volatility of 2x the BofA ML 1-3 Year Government Index. (The price volatility of the BofA ML 1-3 Year Government Index is defined as the modified duration of the Index as published by Bank of America Merrill Lynch).
4. The investment of collateral involved with the securities lending program is subject to its own unique guidelines and restrictions that restrict investment to U.S. dollar denominated Repurchase Agreements, money market mutual funds that determine net asset value based on SEC Rule 2a-7, U.S. Government Securities (direct obligations or guaranteed or insured issues of the United States and its agencies), Time Deposits issued by U.S. Banks, and Commercial Paper, along with securities transferred to the Trust and to the Portfolio from previously owned commingled investment funds. The maturity dates for these new purchases are restricted to seven days or less.

Notice To Administrator

If manager's portfolio is in violation of any of the above guidelines, the Investment Manager shall immediately notify the Administrator and shall provide recommendations for rectifying any non-compliance within five business days of discovery of the non-compliance.