MEETING OF THE STATE BOARD OF ADMINISTRATION

GOVERNOR SCOTT AS CHAIR
CHIEF FINANCIAL OFFICER ATWATER
ATTORNEY GENERAL BONDI

June 14, 2017

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AGENDA

ITEM 1. **REQUEST APPROVAL OF THE MINUTES OF THE MAY 23, 2017 CABINET MEETING.**

(See Attachment 1)

ACTION REQUIRED

ITEM 2. **REQUEST APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $350,000,000 STATE OF FLORIDA, STATE BOARD OF EDUCATION LOTTERY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)**

(See Attachment 2)

ACTION REQUIRED

ITEM 3. **REQUEST APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $320,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2017 SERIES (TO BE DETERMINED)**

(See Attachment 3)

ACTION REQUIRED

ITEM 4. **APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $310,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION BONDS, SERIES (TO BE DETERMINED)**

(See Attachment 4)

ACTION REQUIRED

ITEM 5. APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $33,000,000 STATE OF FLORIDA, BOARD OF GOVERNORS UNIVERSITY OF CENTRAL FLORIDA DORMITORY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)

(See Attachment 5)

ACTION REQUIRED

ITEM 6. APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $6,500,000 STATE OF FLORIDA, BOARD OF GOVERNORS UNIVERSITY OF CENTRAL FLORIDA PARKING FACILITY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)

(See Attachment 6)

ACTION REQUIRED

ITEM 7. REQUEST APPROVAL OF SBA QUARTERLY REPORT REQUIRED BY THE PROTECTING FLORIDA'S INVESTMENTS ACT (PFIA).

Pursuant to Sections 215.473 and 215.442, F.S., the SBA is required to submit a quarterly report that includes lists of "Scrutinized Companies" with activities in Sudan and Iran. The PFIA prohibits the SBA, acting on behalf of the Florida Retirement System Trust Fund, from investing in, and requires divestment from, companies involved in certain types of business activities in or with Sudan or Iran (i.e., the "Scrutinized Companies").

(See Attachment 7)

ACTION REQUIRED

ITEM 8: REQUEST APPROVAL OF A DRAFT LETTER TO THE JOINT LEGISLATIVE AUDITING COMMITTEE AFFIRMING "THE SBA TRUSTEES HAVE REVIEWED AND APPROVED THE MONTHLY [FLORIDA PRIME] SUMMARY REPORTS AND ACTIONS TAKEN, IF ANY, TO ADDRESS ANY IMPACTS." (SECTION 218.409(6)(a)1, F.S.)

(See Attachment 8A – 8B)

ACTION REQUIRED

ITEM 9. REQUEST APPROVAL OF CHANGES TO THE INVESTMENT POLICY STATEMENT FOR THE FLORIDA RETIREMENT SYSTEM PENSION PLAN (i.e., FLORIDA RETIREMENT SYSTEM DEFINED BENEFIT (DB) PLAN), AS REQUIRED UNDER s. 215.475(2), F.S.

Every year, the State Board of Administration (SBA) staff and SBA investment consultants perform an in-depth analysis of the DB Plan's assets and liabilities or asset liability study. The purpose of the asset liability study is to reassess the DB Plan's investment policy in light of the latest actuarial study and long-term capital market return and risk expectations. The Investment Policy Statement, required pursuant to s. 215.475, F.S., is the principal vehicle through which the Trustees establish investment objective(s), risk tolerance, asset allocation and address associated policy issues for the DB Plan. Prior to any recommended changes in the Investment Policy Statement being presented to the Trustees, the Executive Director of the Board must present such changes to the Investment Advisory Council for review. Results of the council's review must be presented to the Trustees before final approval of changes to the Investment Policy Statement.

(See Attachments 9 for *DRAFT* versions of the FRS DB Plan Investment Policy Statement that were reviewed by the Investment Advisory Council on June 5, 2017.)

ACTION REQUIRED

ITEM 10. REQUEST APPROVAL OF CHANGES TO THE INVESTMENT POLICY STATEMENT FOR THE FRS DEFINED CONTRIBUTION PLAN.

(See Attachment 10)

ACTION REQUIRED

ITEM 11. REQUEST APPROVAL OF THE INVESTMENT POLICY STATEMENT FOR THE LOCAL GOVERNMENT SURPLUS FUNDS TRUST FUND (NOW KNOWN AS "FLORIDA PRIME"), AS REQUIRED UNDER s. 218.409(2)(d), F.S.

The Investment Policy Statement for the Local Government Surplus Funds Trust Fund must be annually reviewed by the Investment Advisory Council and the Participant Local Government Advisory Council, and reviewed and approved by the Trustees. The last review and approval of the Local Government Surplus Funds Trust Fund Investment Policy Guidelines by the Trustees was on August 2, 2016.

(See Attachment 11)

ACTION REQUIRED

ITEM 12. REQUEST APPROVAL OF A DRAFT LETTER TO THE JOINT LEGISLATIVE AUDITING COMMITTEE FOR ANNUAL CERTIFICATION OF LEGAL COMPLIANCE AND BEST INVESTMENT PRACTICES FOR THE LOCAL GOVERNMENT SURPLUS FUNDS TRUST FUND (NOW KNOWN AS "FLORIDA PRIME"), AS REQUIRED UNDER s. 218.405 (3), F.S.

Lewis, Longman & Walker, P.A. independently performed the statutory compliance review and presented their findings to the Investment Advisory Council and Participant Local Government Advisory Council at their joint session on June 5, 2017.

Hewitt EnnisKnupp independently performed a comprehensive review of the various aspects of the Local Government Investment Pool to determine whether the management and operations are in line with best practices and presented their findings to the Investment Advisory Council and Participant Local Government Advisory Council at their joint session on June 5, 2017.

(See Attachments 12A – 12E)

ACTION REQUIRED

ITEM 13. QUARTERLY REPORTS PURSUANT TO SECTION 215.44 (2)(e), FLORIDA STATUTES

- Executive Director & CIO Introductory Remarks and Standing Reports

- Major Mandates Investment Performance Reports as of March 31, 2017
  - Florida Retirement System Pension Plan (DB)
  - Florida Retirement System Investment Plan (DC)
  - Florida PRIME (Local Government Surplus Funds Trust Fund)
  - Lawton Chiles Endowment Fund (LCEF)
  - Florida Hurricane Catastrophe Fund (FHCF)

(See Attachments 13A – 13B)

ITEM 14: REQUEST APPROVAL OF REVISED COMPREHENSIVE INVESTMENT PLANS FOR THE STANLEY G. TATE FLORIDA PREPAID COLLEGE PROGRAM AND THE FLORIDA COLLEGE SAVINGS PROGRAM. THE REVISIONS WERE APPROVED BY THE FLORIDA PREPAID COLLEGE BOARD AT THEIR MEETING ON MARCH 30, 2017.

(See Attachments 14A through 14C)

ACTION REQUIRED

STATE OF FLORIDA
OFFICE OF THE GOVERNOR AND CABINET

IN RE: CABINET MEETING

CABINET:	GOVERNOR RICK SCOTT ATTORNEY GENERAL PAM BONDI COMMISSIONER ADAM PUTNAM CFO JEFF ATWATER
DATE:	MAY 23, 2017
TIME:	9:00 A.M. - 11:25 A.M.
LOCATION:	CABINET MEETING ROOM LOWER LEVEL, THE CAPITOL TALLAHASSEE, FLORIDA
REPORTED BY:	YVONNE LAFLAMME, FPR COURT REPORTER and NOTARY PUBLIC

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I N D E X P A G E

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STATE BOARD OF ADMINISTRATION
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GOVERNOR SCOTT: Now, I would like to recognize Ash Williams with State Board of Administration.

DIRECTOR WILLIAMS: Good morning, Governor, Trustees, Cabinet members.

By way of opener, update of where we are on the funds fiscal year-to-date as of last night's close, May 22. We're up 12.48 percent. That is five basis points ahead of target; leaves the Florida Retirement System Trust Fund with a balance of $153.5 billion; that's an increase of 12.1 billion from the onset of the fiscal year, net of 5.6 billion in distributions. So unless there are questions on that, I'll go into the agenda.

Item 1. Request approval of the minutes of the April 11, 2017, meeting.

GOVERNOR SCOTT: Is there a motion on the item?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Comments or objections?

Hearing none, the motion carries.

DIRECTOR WILLIAMS: Thank you.

Item 2. Request approval of the reappointment of Mr. Gary Price to the participant local advisory council. Mr. Price has served with distinction. He's highly qualified, and he's been an excellent member.

GOVERNOR SCOTT: Is there a motion?

ATTORNEY GENERAL BONDI: So moved.

GOVERNOR SCOTT: Is there a second?

CFO ATWATER: Second.

GOVERNOR SCOTT: Comments or objections? Hearing none, the motion carries.

DIRECTOR WILLIAMS: Thank you.

Item 3. An update on the Florida Hurricane Catastrophe Fund. We are a week or so away from the onset of hurricane season, and suffice it to say, I think we had a sobering reminder last year of the perils that Florida faces every year, in that we had two storms: Hermine and Matthew.

Matthew was a particularly scary storm until it made a slight jog in path at the last minute. It looked like it was going to really reek some havoc on the east coast of Florida.

So basically, if we take a look at where we are this year, with having the good luck of having Matthew stay largely offshore, we really didn't have any FHCF reimbursement request or losses to date, which means we come into the current season in the strongest financial position we have ever been in. We have liquid resources of 17.6 billion dollars, versus a maximum liability for the fund of 17 billion. We have 14.9 billion in cash; 2.7 billion in pre-event bonds outstanding with annual maturities stretching out from '18 to 2021. We have no post-event bonds outstanding and no assessments outstanding.

So we have covered our liquidity needs, and we expect a Cat fund rates to decrease by about 2.3 percent on average for the upcoming contract year. We don't have a need for additional liquid sources for single season exposure, but as we said, at this time last year, there's always room for improvement. And the specifics for the room for improvement are that we can continue to diversify our capital structure by using the various tools at our disposal, which are basically cash, proven that post-event debt and risk transfer. We would not for post-event debt, obviously, absent an event; risk transfer is something that we have an option

on.

In terms of where the risk transfer markets are, relative to last year, the capacity has continued to be ample and prices have continued to fall, yet the decrease in prices has been at a lower rate of change than it was last year, but it's still decreasing, which is to say if we continue to diversify our capital structure with the use of risk transfer, we will, I think, cause no crowding out for access to reinsurance by Florida primary insurers, and we would also not impact prices.

I think the other thing to be noted on the subject of risk transfer is that it's really only cash and risk transfer completely allocate the cost and the benefit of the action to the same player, because with either pre-event or post-event debt, you're spreading over potentially a wider group of people, because pre-event debt, to the extent there is an event, it's immediately replaced with post-event debt, which then triggers an assessment that goes out across a very wide range of Floridians; not simply those who are benefiting from the coverage.

If we think about risk transfer in the current context, first of all, as I said, it would have minimal effect on Florida reinsurance market for other insurers, and it would at minimal impact on Cat fund rates for the coming year. Essentially, it would also put us in a better position for subsequent years.

We tend to think of the Cat fund in a single-year context, but the statute specifically contemplates subsequent year Cat fund liabilities as well. And under the current situation, even though we're in an extraordinarily strong position for a single year, in a subsequent contract year, given that we would have a 17 billion maximum liability as we have today, and we have 8.1 billion in post-event bonding capacity, we would have a potential shortfall in the subsequent year of 7.7 billion dollars. If we go down the risk of transfer, that provides an opportunity to reduce that shortfall risk.

So I guess the pros and cons on your subject to risk transfer. Pros are: Transfers risk outside of Florida reduces dependency on debt capital markets, which is what we have seen in the past; can seize up and become hard to access.

It allocates costs rationally and fairly to

those who gain benefits, and it currently would have a lower lifetime cost than pre-event financing.

The cons: It's short-term in nature.

It does have a cost; it's not free.

It has a higher annual cost relative to pre-event financing at the relative attachment points, and a relatively low probability to trigger.

So, I think we can safely say doing nothing is an option and you won't really know whether what you've done is the right thing until the subsequent season, but I would say this: If we had a reoccurrence of a storm, like Matthew, and it didn't jog offshore and we had huge losses, you would feel awfully good having the risk transfer in place. And you know, just like if you have life insurance, you don't feel bad if you didn't die in a given year, and you don't feel bad your house didn't burn down and you paid a premium on fire insurance.

So there is a logical argument to be made.

And unless the Trustees feel otherwise, my inclination would be to go into the market with a constraint of not exceeding the extent we have on risk transfer last year, which was $63 million. And I think given the current market dynamics for an equal or lower amount of money, we can get equal or better terms, and I think probably better is the short answer. And if it's the Board's pleasure, I'll follow the same market as we did last year, which is go into the market, seeing what we can do, and if there's a transaction there that makes sense and is within those constraints, I'll go ahead and proceed and report back to you on it.

GOVERNOR SCOTT: Anyone have any comments?

CFO ATWATER: So do you believe that the conditions are right for us to move down that Attachment lowering the potential that it might, in fact, be of value that the occasion arises.

DIRECTOR WILLIAMS: I do. We won't know for certainty how far down we can move. Last year, we attached losses in excess of $11.5 billion. The next objective would be excess of $10.5 billion, which does have a higher probability of attaching. We won't know until we get into the market how global that is.

And the reason I use the phrase "terms" and not simply the attachment point, is there are other variable in the mixes well, and I think given the

softness in the markets and the desirability of our brand and the desirability of our industry to earn our continued business, that we can do better than we did last year.

CFO ATWATER: How might you suggest we look -- to your point that you made earlier -- how we look at this over time? How might we think about this great conversation over time; in that, we have by good fortune, and by some clear discipline, we are in this position we are in today, which for many of us, the thought of being here was a dream and that we would hope some day come to past. But again, it's from good fortune and good discipline; it's not an accident.

But as we would be, and subsequently looking at the same conversation that could occur next year, how might you think of preparing us if we're really looking at this in a broader term, and how might that decision-making process be informed as we go forward.

DIRECTOR WILLIAMS: Sure. Those are excellent points, CFO. Thank you.

And I guess what I would say is there are a number of variables, and the fact that we have been having conversations about risk transfer for roughly three years, and we've actually acted on it four, if you include a year of not acting on it. And the Cat fund has been in existence since 1993. It's informative that only four of all those years has this even been subject to discussion. So there's an implied decision in frame work in that and I think the direction we should move is to go more explicitly in setting up a policy framework for evaluating and attracting reinsurance and risk transfer.

One of the key things, historically, has been availability and cost of reinsurance. It's only in recent years that it has been plentiful and relatively cheap on a historic basis. Clearly, we had no interest, and frankly, no ability to accomplish risk transfer in prior years.

One of the reasons this is a luxury we can look at now is that we have the assets on hand that the attachment points we are looking at are high enough that the cost of the risk transfer is attainable. If you go back to 2006 when the Cat fund was essentially wiped out and had nothing except debt capacity, if you had tried to purchase risk transfer in those days, the cost was completely prohibitive: Number one, because of low

attachment points and no assets; number two, you had no assets in which the pay the premium, so it just made no sense.

So part of this is the high class problem of being where we are, and it's a strategy of trying to preserve as much of that strength as we have. I think what I would like to try and do is work with our team and come up with some more explicit parameters that we can set out in advance for the benefit of all of us and the benefit of transparency. We have accomplished a similar thing with regard to pre-event financing and I think having the policy framework makes sense.

CFO ATWATER: Yeah, I think that would be helpful that the direction you would like today to explore those prospects for us. I think inclusive in that should be looking at this is if we're finding ourselves here for another year; another year of discipline and good fortune; that it would you might have already put on a path to say this decision might be -- you ought to take these factors into consideration at this point; that trying to preservation, of course, many things here in the situation -- financial stability of so much, the brand, the low cost of dollar at this point in this transaction -- all of those valuable, but at some point, of course, mindful that the consumer would be anticipating that we would be informed enough to know to make that calculated decision that cost offset was worth it, and it was the right call to make. And people could be on different sides of that call, but we're informed enough to say that's why we were comfortable with making that call.

So I would ask you to consider that as we go through this, that you be putting in place again a very clear assessment for us to be able to make that call even easier, and for the public to understand it as well.

DIRECTOR WILLIAMS: Well, I agree with you on all those points and I'm going to add another one. Think about this: The only four years of the history of the Cat fund that we have made this decision and had this conversation publicly, you have been the trustees. The Cat fund team has been the Cat fund team, essentially, that it is today and I've been at the SBA.

Well, I think circa 2018, there may be some turnover on this board; in fact, there's a rumor that there may be turnover before that.

Do you know anything about that, CFO?

So I think at a minimum, to capture the benefit of the institutional knowledge that we've developed on this subject to date, it's in the public interest to do exactly what you suggested.

CFO ATWATER: Yeah. And the only thing I would add and comment, as to this past season, it was again informative and educational. And I would only make one modification to your comments. Matthew took the jog not in the last minute but in the last second, and that was billions of dollars in that jog and we were all fortunate for it. And, again, I think that's part again what the public would expect that, in fact, there is a cost here. There is a requirement placed upon us to measure that and look again further down the road and be willing to accept that there maybe a cost involved, but at this point, it may be the value of choice to make.

And I would encourage Governor, however this conversation goes, I think it's the right thing for you to be looking at at the call, and I think it's the right thing to be looking at on an attachment point, and as you said, push that risk to someone else and not upon the taxpayers of

Florida.

DIRECTOR WILLIAMS: Correct. Thank you.

GOVERNOR SCOTT: Thanks CFO. Anyone else?

DIRECTOR WILLIAMS: All right. Item 4 request approval of the State Board of Administration's proposed budges for fiscal year '17 and '18. These include the State Board of Administration, the FRS Investment Plan, the Florida Hurricane Catastrophe Fund, the Division of Bond Finance, and the Florida Prepaid College. I'll be happy to give you a high-level summary on these, if you would like.

We have all the materials and we've been through the background with your staffs, and my understanding is Director Watkins from the Division of Bond Finance will bring up an opportunity subsequently to explain his request for 1.4 percent decrease in his budget. I don't think it will be too controversial. So at your pleasure, if you would like details --

GOVERNOR SCOTT: I'm fine.

ATTORNEY GENERAL BONDI: I'm fine.

GOVERNOR SCOTT: Is there a motion on the item?

CFO ATWATER: So moved.

GOVERNOR SCOTT: Is there a second?

ATTORNEY GENERAL BONDI: Second.

GOVERNOR SCOTT: Comments or objections? Hearing none, the motion carries.

Thank you, Ash.

That concludes today's meeting.

We are going to be blessed with the CFO's attendance at our next meeting, on June 14th.

(Meeting concluded.)

CERTIFICATE

STATE OF FLORIDA)
COUNTY OF LEON)

I, YVONNE LaFLAMME, FPR, certify that I was authorized to and did stenographically report the foregoing proceedings and that the transcript is a true and complete record of my stenographic notes.

DATED this 7th day of JUNE, 2017.

____

YVONNE LaFLAMME, FPR
Court Reporter

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO: Ash Williams

FROM: Robert Copeland RTC
SUBJECT: Fiscal Sufficiency
DATE: May 26, 2016

APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $350,000,000 STATE OF FLORIDA, STATE BOARD OF EDUCATION LOTTERY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED):

The Division of Bond Finance of the State Board of Administration of Florida (the "Division") has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding $350,000,000 State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding Lottery Revenue Bonds, Series 2008B and Series 2009A. The Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the Governor and Cabinet on December 18, 2007, as supplemented from time to time, and the Fifteenth Supplemental Resolution expected to be adopted by the Governor and Cabinet on June 14, 2017, authorizing the issuance and sale of the Bonds.

The State Board of Education has heretofore issued Lottery Revenue and Revenue Refunding Bonds, Series 2007A through Series 2016B (the "Outstanding Bonds"). The proposed Bonds shall be issued on a parity as to source and security for payment with the Outstanding Bonds.

A study of this proposal and the estimates of revenue expected to accrue from the Pledged Revenues, indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the proposal outlined above.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $350,000,000 STATE OF FLORIDA, STATE BOARD OF EDUCATION LOTTERY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)

WHEREAS, the Division of Bond Finance of the State Board of Administration of Florida (the "Division") proposes to issue an amount not exceeding $350,000,000 State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding Lottery Revenue Bonds, Series 2008B and 2009A; and,

WHEREAS, the Bonds will be issued pursuant to the provisions of Article VII, Section 11(d), of the Florida Constitution; Sections 1013.68, 1013.70 and 1013.737, Florida Statutes; the State Bond Act, being Sections 215.57-215.83, Florida Statutes; and other applicable provisions of law; and,

WHEREAS, the Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the Governor and Cabinet on December 18, 2007, as supplemented from time to time, and the Fifteenth Supplemental Resolution expected to be adopted by the Governor and Cabinet on June 14, 2017, authorizing the issuance and sale of the Bonds (collectively, the "Authorizing Resolution"); and,

WHEREAS, the proposed Bonds shall be secured by a first lien upon the Pledged Revenues which are defined by the Authorizing Resolution as all revenues pledged pursuant to Section 24.121(2), Florida Statutes, for bonds issued pursuant to Sections 1013.68, 1013.70 and 1013.737, Florida Statutes; and,

WHEREAS, the Division has heretofore issued Lottery Revenue and Revenue Refunding Bonds, Series 2007A through Series 2016B (the "Outstanding Bonds"); and,

WHEREAS, the proposed Bonds shall be issued on a parity as to source and security for payment with the Outstanding Bonds; and,

WHEREAS, the Division has requested the State Board of Administration approve the fiscal sufficiency of the proposed issue as required by Section 215.73, Florida Statutes; and,

WHEREAS, an examination of this plan of financing indicated that the same will be executed pursuant to the applicable provisions of law, and that the revenue to be used in servicing and liquidating the indebtedness to be created thereby may be reasonably expected to accrue in amounts sufficient to accomplish this purpose; and,

WHEREAS, the Division has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

WHEREAS, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration of Florida to issue an amount not exceeding $350,000,000 State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series (to be determined), is hereby approved as to fiscal sufficiency.

ADOPTED June 14, 2017

STATE OF FLORIDA

DIVISION OF BOND FINANCE
OF THE STATE BOARD OF ADMINISTRATION

1801 HERMITAGE BOULEVARD, SUITE 200
TALLAHASSEE, FLORIDA 32308

TELEPHONE: (850) 488-4782
TELECOPIER: (850) 413-1315

J. BEN WATKINS III
DIRECTOR

May 22, 2017

Mr. Ashbel C. Williams
Executive Director & CIO
State Board of Administration
Post Office Box 13300
Tallahassee, Florida 32317-3300

RE: Not Exceeding $350,000,000 State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request fiscal sufficiency approval at your board meeting on June 14, 2017.

The bonds will be payable from the pledged revenues consisting of the lottery revenues deposited to the Educational Enhancement Trust Fund. The proposed bonds will be payable on a parity with the previously issued State of Florida, State Board of Education Lottery Revenue Bonds, Series 2007A through Series 2016B.

The proposed refunding bonds will be issued for the purpose of refunding all or a portion of the outstanding Lottery Revenue Bonds, Series 2008B and Series 2009A. The proposed refunding bonds will only be issued if there is a savings.

The bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the Governor and Cabinet on December 18, 2007, as supplemented from time to time, and the Fifteenth Supplemental Resolution expected to be adopted by the Governor and Cabinet on June 14, 2017 authorizing the issuance and sale of the bonds. The December 18, 2007 resolution has been previously provided to you.

Enclosed for your review are the following:

Enclosure 1 – an estimated coverage table for the program, without considering potential savings from the proposed refunding bonds;

Enclosure 2– an estimated debt service and savings schedule from a recent sizing of the proposed refunding bonds;

Enclosure 3– a five-year history of revenues and expenses for the Department of the Lottery for Fiscal Years 2012-2016, including lottery revenues deposited into the Educational Enhancement Trust Fund, pursuant to Section 24.121(2), Florida Statutes;

Enclosure 4– the projections of lottery revenues to be deposited to the Educational Enhancement Trust Fund as reported by the most recent Consensus Revenue Estimating Conference; and

Enclosure 5– draft copy of Fifteenth Supplemental Resolution anticipated to be adopted June 14, 2017.

A draft of the fiscal sufficiency resolution should be sent to Will Reynolds and Ray Petty of this office for review. Should you have any questions, please contact myself, Will or Ray of the Division at 488-4782.

Very truly yours,

J. Timothy Dinley for

J. Ben Watkins III
Director

JBW/wtr

Enclosures

cc: Anthony Doheny
Robert Copeland

Enclosure 1

STATE OF FLORIDA
STATE BOARD OF EDUCATION
LOTTERY REVENUE REFUNDING BONDS
FISCAL SUFFICIENCY REQUEST FOR $350,000,000, SERIES (to be determined)

ESTIMATED DEBT SERVICE COVERAGE

Fiscal Year	Deposit to Educational Enhancement Trust Fund (1)	Outstanding Parity Debt Service (2)	Total Estimated Debt Service	Debt Service Coverage (3)
Historical				
2011-12	1,321,604,000	311,590,000	$ 311,590,000	4.24x
2012-13	1,424,307,000	313,851,000	313,851,000	4.54x
2013-14	1,495,409,000	314,992,000	314,992,000	4.75x
2014-15	1,496,371,000	314,181,000	314,181,000	4.76x
2015-16	1,692,551,000	312,566,000	312,566,000	5.42x
Projected				
2016-17	1,650,800,000	307,377,176	307,377,176	5.37x
2017-18	1,572,700,000	320,648,983	320,648,983	4.90x
2018-19	1,620,800,000	269,602,746	269,602,746	6.01x
2019-20	1,612,100,000	232,458,062	232,458,062	6.94x
2020-21	1,634,400,000	190,592,409	190,592,409	8.58x
2021-22	1,703,300,000	178,781,383	178,781,383	9.53x
2022-23	1,703,300,000	149,664,536	149,664,536	11.38x
2023-24	1,703,300,000	134,149,130	134,149,130	12.70x
2024-25	1,703,300,000	119,359,235	119,359,235	14.27x
2025-26	1,703,300,000	107,305,086	107,305,086	15.87x
2026-27	1,703,300,000	92,824,186	92,824,186	18.35x
2027-28	1,703,300,000	60,760,005	60,760,005	28.03x
2028-29	1,703,300,000	19,286,892	19,286,892	88.31x
2029-30	1,703,300,000	6,643,700	6,643,700	256.38x
2030-31	1,703,300,000	6,641,300	6,641,300	256.47x
2031-32	1,703,300,000	6,643,500	6,643,500	256.39x
		$2,202,738,329	$2,202,738,329	

(1) Pursuant to Section 24.121(2), Florida Statutes, the Lottery Revenue Bonds are payable from and secured by a first lien on the first Lottery revenues transferred to the Educational Enhancement Trust Fund. Historical revenues are from audited financial statements of the Department of the Lottery for Fiscal Years 2011-12 through 2015-16. Fiscal Year 2016-17 through 2021-22 revenues are projected from the December 7, 2016 Lottery Consensus Revenue Estimating Conference. The projections are held constant after Fiscal Year 2021-22. Projections are based on the best information available when estimates are made, and no assurance can be given that there will not be material differences relating to such amounts in the future.

(2) Does not include debt service on bonds refunded by the 2016A Bonds and 2016B Bonds. The refunded bonds were economically, but not legally, defeased with the escrow invested in a SPIA account with the State Treasury until the July 1, 2017 call date.

(3) Debt Service Coverage is calculated by dividing "Deposit to Educational Enhancement Trust Fund" by "Estimated Total Debt Service."

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held June 14, 2017, approving the fiscal sufficiency of an amount not exceeding $350,000,000 State of Florida, State Board of Education Lottery Revenue Refunding Bonds, Series (to be determined).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 14th day of June 2017.

____

Ashbel C. Williams, Executive Director & CIO

(SEAL)

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO: Ash Williams

FROM: Robert Copeland RTC
SUBJECT: Fiscal Sufficiency
DATE: May 26, 2017

APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $320,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2017 SERIES (TO BE DETERMINED):

The Division of Bond Finance of the State Board of Administration (the "Division"), on behalf of the State Board of Education, has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding $320,000,000 Public Education Capital Outlay Refunding Bonds, 2017 Series (to be determined) (the "Bonds") for the purpose of refunding all or a portion of the outstanding 2008 Series A and 2008 Series B Public Education Capital Outlay Bonds, and to pay certain costs of issuance; provided, however, that none of the said Bonds shall be issued in excess of the amount which can be issued in full compliance with the State Bond Act and other applicable provisions of law, and pursuant to Section 9(a)(2), Article XII of the Constitution of Florida, as amended. The Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the State Board of Education on July 21, 1992, and the Sixty-third Supplemental Authorizing Resolution and a sale resolution adopted by the State Board of Education on January 17, 2017.

The State Board of Education has heretofore issued Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, 1999 Series D through 2016 Series F ("the "Outstanding Bonds"). The State Board of Administration has approved the fiscal sufficiency of an amount not exceeding $540,000,000 Public Education Capital Outlay Refunding Bonds, 2016 Series (to be determined) (the "2016 Series Refunding Bonds") at its May 10, 2016, meeting, of which $232,010,000 remains unissued. The State Board of Administration has approved the fiscal sufficiency of an amount not exceeding $52,000,000 Public Education Capital Outlay Bonds, 2016 Series (to be determined) (the "2016 Series Bonds") at its August 2, 2016, meeting, of which $5,565,000 remains unissued. The State Board of Administration has approved the fiscal sufficiency of an amount not exceeding $233,000,000 Public Education Capital Outlay Bonds, 2017 Series (to be determined) (the "2017 Series Bonds") at its April 11, 2017, meeting. The proposed Bonds shall be issued on a parity as to lien on and source and security for payment from the Gross Receipts Taxes with the Outstanding Bonds, and when and if issued, the remaining portion of the 2016 Series Refunding Bonds, 2016 Series Bonds, and the 2017 Series Bonds.

A study of this proposal and the estimates of revenue expected to accrue indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the proposal outlined above.

cc: Janie knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $320,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, STATE BOARD OF EDUCATION PUBLIC EDUCATION CAPITAL OUTLAY REFUNDING BONDS, 2017 SERIES (TO BE DETERMINED)

WHEREAS, the State Board of Education of Florida proposes to issue an amount not exceeding $320,000,000 Public Education Capital Outlay Refunding Bonds, 2017 Series (to be determined) (the “Bonds") for the purpose for the purpose of refunding all or a portion of the outstanding 2008 Series A and 2008 Series B Public Education Capital Outlay Bonds, and to pay certain costs of issuance; provided, however, that none of the said Bonds shall be issued in excess of the amount which can be issued in full compliance with the State Bond Act and other applicable provisions of law, and pursuant to Section 9(a)(2), Article XII of the Constitution of Florida, as amended; and,

WHEREAS, the Bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the State Board of Education on July 21, 1992, and the Sixty-third Supplemental Authorizing Resolution and a sale resolution adopted by the State Board of Education on January 17, 2017; and,

WHEREAS, the proposed Bonds shall be secured by a lien upon the Gross Receipts Taxes which are required to be deposited in the Public Education Capital Outlay and Debt Service Trust Fund administered by the State Board of Education of Florida (the "Gross Receipts Taxes"), and the Bonds are additionally secured by a pledge of the full faith and credit of the State of Florida; and,

WHEREAS, the State Board of Education has heretofore issued Public Education Capital Outlay and Public Education Capital Outlay Refunding Bonds, 1999 Series D through 2016 Series F (the “Outstanding Bonds”); and,

WHEREAS, the State Board of Administration has approved the fiscal sufficiency of an amount not exceeding $540,000,000 Public Education Capital Outlay Refunding Bonds, 2016 Series (to be determined) (the “2016 Series Refunding Bonds, ”) at its May 10, 2016, meeting, of which $232,010,000 remains unissued; and,

WHEREAS, the State Board of Administration has approved the fiscal sufficiency of an amount not exceeding $52,000,000 Public Education Capital Outlay Bonds, 2016 Series (to be determined) (the “2016 Series Bonds ”) at its August 2, 2016, meeting, of which $5,565,000 remains unissued; and,

WHEREAS, the State Board of Administration has approved the fiscal sufficiency of an amount not exceeding $233,000,000 Public Education Capital Outlay Bonds, 2017 Series (to be determined) (the “2017 Series Bonds”) at its April 11, 2017, meeting; and,

WHEREAS, the proposed Bonds shall be issued on a parity as to lien on and source and security for payment from the Gross Receipts Taxes with the Outstanding Bonds, and when and if issued, the remaining portion of the 2016 Series Refunding Bonds, 2016 Series Bonds, and the 2017 Series Bonds; and,

WHEREAS, the Division of Bond Finance has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

WHEREAS, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body as described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, that the proposal of the State Board of Education of Florida to issue an amount not exceeding $320,000,000 Public Education Capital Outlay Refunding Bonds, 2017 Series (to be determined), is hereby approved as to fiscal sufficiency.

ADOPTED June 14, 2017

STATE OF FLORIDA

DIVISION OF BOND FINANCE
OF THE STATE BOARD OF ADMINISTRATION

1801 HERMITAGE BOULEVARD, SUITE 200
TALLAHASSEE, FLORIDA 32308

TELEPHONE: (850) 488-4782
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J. BEN WATKINS III
DIRECTOR

RICK SCOTT
GOVERNOR
AS CHAIRMAN

PAM BONDI
ATTORNEY GENERAL
AS SECRETARY

JEFF ATWATER
CHIEF FINANCIAL OFFICER
AS TREASURER

ADAM H. PUTNAM
COMMISSIONER OF AGRICULTURE

May 22, 2017

Mr. Ashbel C. Williams
Executive Director
State Board of Administration
Post Office Box 13300
Tallahassee, Florida 32317-3300

RE: Not Exceeding $320,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2017 Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request fiscal sufficiency approval at your board meeting of June 14, 2017.

The proposed bonds will be issued to refund all or a portion of the outstanding Public Education Capital Outlay Bonds 2008 Series A and 2008 Series B and to pay costs associated with the issuance and sale of the proposed bonds. The bonds will only be issued if there is a savings.

The bonds will be payable from gross receipts taxes and are additionally secured by the full faith and credit of the State of Florida. The bonds will be on a parity with the previously issued 1999 Series D through 2016 Series F Bonds, and the remaining balance of $232,010,000 of the $540,000,000 fiscal sufficiency approval for refunding bonds received on May 10, 2016, when and if issued, and the remaining balance of $5,565,000 of the $52,000,000 fiscal sufficiency approval for 2016 Bonds received on August 2, 2016, when and if issued, and the $233,000,000 fiscal sufficiency approval for 2017 Bonds received on April 11, 2017, when and if issued.

The bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the State Board of Education on July 21, 1992, and the Sixty-third Supplemental Authorizing Resolution and the sale resolution adopted by the State Board of Education on January 17, 2017.

Enclosed for your review are the following:

Enclosure 1: An estimated coverage table for the program on outstanding debt service based upon the projected gross receipts tax revenues from the March 9, 2017 Revenue Estimating Conference without consideration of the potential savings from the proposed refunding bonds or the previously approved refunding bonds, but taking into account the remaining balance of the previously authorized new money bonds;

Enclosure 2: An estimated debt service and savings schedule for the proposed refunding bonds;

Enclosure 3: The gross receipts tax estimates from the March 9, 2017 Revenue Estimating Conference;

Enclosure 4: A copy of the Sixty-third Supplemental Authorizing Resolution adopted by the State Board of Education on January 17, 2017; and

Enclosure 5: A copy of the sale resolution adopted by the State Board of Education on January 17, 2017.

A draft of the fiscal sufficiency resolution should be sent to Donna Biggins and Kelsey Manno of this office for review. Should you have any questions, please contact me, Donna Biggins or Kelsey Manno at 488-4782. Your consideration in this matter is appreciated.

Very truly yours,

J. Ben Watkins III
Director

JBW:km

Enclosures

cc: Anthony Doheny
Robert Copeland

State of Florida, Full Faith and Credit
State Board of Education Public Education Capital Outlay Bonds

Estimated Coverage Table

Fiscal Year	Gross Receipts Taxes[1]	Debt Service on Outstanding PECO Bonds[2]	Remaining $5.6 Million 2016 Series[3]	Remaining $233 Million 2016 Series[4]	Total Debt Service	Subsidy[5]	Net Debt Service	Debt Service Coverage[6]
Historical								
2012	$1,035,289,306	$962,289,681			$962,289,681	($12,676,457)	$949,613,224	1.09x
2013	1,003,047,943	946,509,164			946,509,164	(12,125,031)	934,384,133	1.07x
2014	1,005,357,521	909,342,254			909,342,254	(11,763,752)	897,578,502	1.12x
2015	1,152,382,082	886,094,034			886,094,034	(11,751,076)	874,342,958	1.32x
2016	1,157,914,145	865,245,988			865,245,988	(11,770,715)	853,475,273	1.36x
Projected								
2017	$1,122,320,000	$866,531,342			$866,531,342	($11,708,982)	$854,822,361	1.31x
2018	1,158,720,000	841,538,511	$366,438	$13,909,167	855,814,115	(11,652,923)	844,161,193	1.37x
2019	1,190,000,000	854,356,264	365,000	15,173,500	869,894,764	(11,518,991)	858,375,773	1.39x
2020	1,217,950,000	849,926,845	365,500	15,174,250	865,466,595	(11,273,172)	854,193,423	1.43x
2021	1,243,950,000	870,286,676	360,750	15,175,750	885,823,176	(10,941,222)	874,881,954	1.42x
2022	1,269,800,000	877,801,220	361,000	15,177,500	893,339,720	(10,590,345)	882,749,375	1.44x
2023	1,299,230,000	844,617,530	361,000	15,174,000	860,152,530	(10,218,374)	849,934,156	1.53x
2024	1,328,600,000	759,823,043	360,750	15,175,000	775,358,793	(9,822,935)	765,535,858	1.74x
2025	1,357,270,000	699,400,120	365,250	15,174,750	714,940,120	(10,103,673)	704,836,447	1.93x
2026	1,385,800,000	553,379,400	364,250	15,177,750	568,921,400	(9,623,568)	559,297,832	2.48x
2027	1,385,800,000	525,354,134	363,000	15,173,250	540,890,384	(9,120,732)	531,769,651	2.61x
2028	1,385,800,000	499,799,869	361,500	15,176,000	515,337,369	(8,586,631)	506,750,738	2.73x
2029	1,385,800,000	473,200,769	364,750	15,175,000	488,740,519	(8,027,736)	480,712,783	2.88x
2030	1,385,800,000	452,434,721	362,500	15,174,750	467,971,971	(7,441,255)	460,530,717	3.01x
2031	1,385,800,000	430,771,936	365,000	15,174,500	446,311,436	(6,825,999)	439,485,437	3.15x
2032	1,385,800,000	409,999,171	362,000	15,173,500	425,534,671	(6,179,159)	419,355,512	3.30x
2033	1,385,800,000	366,418,061	363,750	15,176,000	381,957,811	(5,507,864)	376,449,947	3.68x
2034	1,385,800,000	326,328,550	365,000	15,176,000	341,869,550	(4,811,301)	337,058,249	4.11x
2035	1,385,800,000	302,982,483	365,750	15,177,750	318,525,983	(4,088,353)	314,437,630	4.41x
2036	1,385,800,000	268,025,380	361,000	15,175,250	283,561,630	(3,338,210)	280,223,420	4.95x
2037	1,385,800,000	226,003,335	361,000	15,177,750	241,542,085	(2,550,034)	238,992,052	5.80x
2038	1,385,800,000	149,496,406	365,500	15,174,000	165,035,906	(1,731,643)	163,304,264	8.49x
2039	1,385,800,000	86,479,224	364,250	15,173,250	102,016,724	(882,111)	101,134,613	13.70x
2040	1,385,800,000	41,035,513	362,500	15,174,250	56,572,263	-	56,572,263	24.50x
2041	1,385,800,000	7,112,513	365,250	15,175,750	22,653,513	-	22,653,513	61.17x
2042	1,385,800,000	2,469,450	362,250	15,176,500	18,008,200	-	18,008,200	76.95x
2043	1,385,800,000	2,470,550	363,750	15,175,250	18,009,550	-	18,009,550	76.95x
2044	1,385,800,000	2,469,700	364,500	15,175,750	18,009,950	-	18,009,950	76.95x
2045	1,385,800,000	2,471,900	364,500	15,176,500	18,012,900	-	18,012,900	76.93x
2046	1,385,800,000	2,472,000	363,750	15,176,000	18,011,750	-	18,011,750	76.94x
2047	1,385,800,000	-	362,250	15,177,750	15,540,000	-	15,540,000	89.18x
			$ 10,903,688	$ 453,996,417				

[1] Estimates of gross receipts tax collections for Fiscal Years 2017 through 2026 as adopted by the Florida Revenue Estimating Conference held in March 2017 The projections for Fiscal Year 2026 have been held constant for future years; however, no representation is made that the amounts shown will be collected.

[2] Includes debt service through 2016 Series F Refunding Bonds. Excludes bonds previously refunded by the 2016 Series B, 2016 Series C and 2016 Series D, 2016 Series E, and 2016 Series F Bonds, which were economic refundings with escrows invested in the State Treasury. Those bonds previously refunded are not legally defeased and will be called for redemption on June 1, 2017.

[3] Outstanding balance of fiscal sufficiency approval received on August 2, 2016.

[4] Outstanding balance of fiscal sufficiency approval received on April 11, 2017.

[5] Expected federal subsidy payments for Build America Bonds 2006 Series G, 2007 Series G, 2008 Series D and 2009 Series F The expected subsidy payments through fiscal year 2024 have been reduced by 6.9% from the originally expected amounts to account for the currently expected reductions resulting from sequestration. The actual reductions to future subsidy payments as a result of sequestration are still to be determined.

[6] Coverage based on Net Debt Service.

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body as described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held June 14, 2017, approving the fiscal sufficiency of an amount not exceeding $320,000,000 State of Florida, Full Faith and Credit, State Board of Education Public Education Capital Outlay Refunding Bonds, 2017 Series (to be determined).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida this 14th day of June 2017.

____

Ashbel C. Williams, Executive Director & CIO

(SEAL)

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO: Ash Williams

FROM: Robert Copeland RTC
SUBJECT: Fiscal Sufficiency
DATE: May 26, 2017

APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $310,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION BONDS, SERIES (TO BE DETERMINED)

The Division of Bond Finance of the State Board of Administration (the "Division") has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding $310,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined) (the "Bonds"), in one or more series, for the purpose of financing the acquisition of right-of-way and bridge construction for the Department of Transportation, and to pay costs associated with the issuance and sale of the Bonds. The Bonds will be issued pursuant to an authorizing resolution adopted by the Governor and Cabinet on February 28, 1989, as amended and supplemented by various resolutions and a resolution authorizing the sale of the Bonds which is anticipated to be adopted by the Governor and Cabinet on June 14, 2017.

The Bonds to be issued pursuant to Section 17 of Article VII of the State Constitution and Chapter 88-247, Laws of Florida, are to be secured by a pledge of and shall be payable primarily from motor fuel and special fuel taxes, except those defined in Section 9(c) of Article XII of the State Constitution, as provided by law (the "Pledged Gas Taxes"), and shall additionally be secured by the full faith and credit of the State. The Division has heretofore issued State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds and Refunding Bonds, Series 2008A through 2016B (the "Outstanding Bonds"). The State Board of Administration has approved the fiscal sufficiency of an amount not exceeding $100,000,000 Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined) (the "Series 2016 Bonds") at its May 10, 2016, meeting, of which $7,480,000 remains unissued. The Division has requested the State Board of Administration to rescind its approval of fiscal sufficiency with respect to the unissued portion of the Series 2016 Bonds. The Bonds will be issued on a parity as to lien and security for payment from the Pledged Gas Taxes with the Outstanding Bonds.

A study of this proposal and the estimates of revenue expected to accrue from the Pledged Gas Taxes, indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the proposal outlined above.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $310,000,000 STATE OF FLORIDA, FULL FAITH AND CREDIT, DEPARTMENT OF TRANSPORTATION RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION BONDS, SERIES (TO BE DETERMINED)

WHEREAS, the Division of Bond Finance of the State Board of Administration (the "Division") proposes to issue an amount not exceeding $310,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined) (the "Bonds"), in one or more series, for the purpose of financing the acquisition of right-of-way and bridge construction for the Department of Transportation, and to pay costs associated with the issuance and sale of the Bonds; and,

WHEREAS, during the 1988 Legislative Session, the Florida Legislature passed and submitted to the electors of the State for approval or rejection at the general election held on November 8, 1988, Senate Joint Resolution 391, which created Section 17 of Article VII of the State Constitution, providing for the issuance of bonds pledging the full faith and credit of the State, without a vote of the electors, to finance or refinance the cost of acquiring real property or the rights to real property for State roads as defined by law, or to finance or refinance the cost of State bridge construction, and purposes incidental to such property acquisition or State bridge construction; and,

WHEREAS, the majority of the electors of the State approved the creation of Section 17 of Article VII of the State Constitution at the general election held on November 8, 1988; and,

WHEREAS, the Florida Legislature also enacted Chapter 88-247, Laws of Florida, which implements the provisions of Section 17 of Article VII of the State Constitution, providing for the issuance of the Bonds by the Division on behalf of the Department of Transportation; and,

WHEREAS, the Bonds to be issued pursuant to Section 17 of Article VII of the State Constitution and Chapter 88-247, Laws of Florida, are to be secured by a pledge of and shall be payable primarily from motor fuel and special fuel taxes, except those defined in Section 9(c) of Article XII of the State Constitution, as provided by law (the "Pledged Gas Taxes"), and shall additionally be secured by the full faith and credit of the State; and,

WHEREAS, the Bonds will be issued pursuant to an authorizing resolution adopted by the Governor and Cabinet on February 28, 1989, as amended and supplemented by various resolutions and a resolution authorizing the sale of the Bonds which is expected to be adopted by the Governor and Cabinet on June 14, 2017; and,

WHEREAS, the Division has heretofore issued State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds and Refunding Bonds, Series 2008A through 2016B (the "Outstanding Bonds"); and,

WHEREAS, the State Board of Administration has approved the fiscal sufficiency of an amount not exceeding $100,000,000 Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined) (the "Series 2016 Bonds") at its May 10, 2016, meeting, of which $7,480,000 remains unissued; and,

WHEREAS, the Division has requested the State Board of Administration to rescind its approval of fiscal sufficiency with respect to the unissued portion of the Series 2016 Bonds; and,

WHEREAS, the Bonds will be issued on a parity as to lien and security for payment from the Pledged Gas Taxes with the Outstanding Bonds; and,

WHEREAS, it appears and the Board so finds that this financing will be executed pursuant to the applicable provisions of law, and that the revenue to be used in servicing and liquidating the indebtedness to be created thereby may be reasonably expected to accrue in amounts sufficient to accomplish this purpose; and,

WHEREAS, in no State fiscal year will the annual debt service exceed ninety percent (90%) of the Pledged Gas Taxes available for payment of the annual debt service; and,

WHEREAS, the Division has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

WHEREAS, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; **Now, Therefore,**

BE IT RESOLVED, by the State Board of Administration of Florida, a constitutional body described Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration of Florida to issue an amount not exceeding $310,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined), is hereby approved as to fiscal sufficiency. In addition, the approval of fiscal sufficiency with respect to the $7,480,000 unissued portion of the $100,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds (to be determined) approved on May 10, 2016, is hereby rescinded.

ADOPTED June 14, 2017

STATE OF FLORIDA

DIVISION OF BOND FINANCE
OF THE STATE BOARD OF ADMINISTRATION

HERMITAGE CENTRE, SUITE 200
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

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J. BEN WATKINS III
DIRECTOR

RICK SCOTT
GOVERNOR
AS CHAIRMAN

PAM BONDI
ATTORNEY GENERAL
AS SECRETARY

JEFF ATWATER
CHIEF FINANCIAL OFFICER
AS TREASURER

ADAM H. PUTNAM
COMMISSIONER OF AGRICULTURE

May 22, 2017

Mr. Ashbel C. Williams
Executive Director & CIO
State Board of Administration
Post Office Box 13300
Tallahassee, Florida 32317-3300

RE: Not Exceeding $310,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request such approval at your board meeting of June 14, 2017.

The bonds will be payable from pledged gas taxes, consisting of certain motor fuel and diesel fuel taxes, and are additionally secured by the full faith and credit of the State of Florida. The proposed bonds will be payable on a parity with the outstanding Series 2008A through 2016B bonds. The remaining $7,480,000 balance of Series 2016 bonds approved for fiscal sufficiency on May 10, 2016 should be rescinded.

The proposed bonds are being issued to finance the acquisition of right-of-way and bridge construction for the Department of Transportation. The bonds will be issued in one or more series pursuant to an authorizing resolution adopted by the Governor and Cabinet on February 28, 1989, as amended and supplemented by various resolutions and a sale resolution expected to be adopted on June 14, 2017. Copies of the February 28, 1989 authorizing resolution and its subsequent supplemental resolutions have previously been provided to you.

The following documents are enclosed for your consideration:

Enclosure 1: An estimated coverage schedule based upon the estimated pledged revenues available for debt service;

Enclosure 2: an estimated debt service schedule for the proposed bonds;

Enclosure 3: a schedule showing the estimated Highway Fuel Sales Tax collections (the motor and diesel fuel taxes pledged) as projected by the Florida Consensus Estimating Conference at its March 2017 meeting; and,

Enclosure 4: a draft copy of the sale resolution anticipated to be adopted on June 14, 2017.

A draft of the fiscal sufficiency resolution should be sent to Ray Petty and Will Reynolds of this office for review. Should you have any questions, please contact either myself or Will Reynolds at 488-4782. Your consideration of this matter is appreciated.

Very truly yours,

J. Ben Watkins ~~III~~
Director

JBW:wtr

Enclosures

cc: Robert Copeland
Janie Knight
Anthony Doheny
Alex Nottingham

Enclosure 1

NOT EXCEEDING $310,000,000
STATE OF FLORIDA FULL FAITH AND CREDIT
RIGHT-OF-WAY ACQUISITION AND BRIDGE CONSTRUCTION BONDS
SERIES (TO BE DETERMINED)
ESTIMATED SCHEDULE OF COVERAGE ON BONDS

Fiscal Year Ended June 30	Projected Motor & Diesel Fuel Sales Tax Available for Debt Service (1)	Total Debt Service (2)	Estimated Debt Service (3)			Estimated Total Debt Service	Debt Service Coverage (4)	Maximum Allowable Debt Service (5)	Pro Forma Debt Service Coverage (6)
			Principal	Interest	Total				
2017	$ 1,372,360,000	$ 141,709,991				$ 141,709,991	9.68x	$ 268,979,900	5.10x
2018	$ 1,420,240,000	141,333,656	$ 4,665,000	$ 15,500,000	$ 20,165,000	161,498,656	8.79x	275,000,000	5.16x
2019	1,480,340,000	141,270,406	4,900,000	15,266,750	20,166,750	161,437,156	9.17x	275,000,000	5.38x
2020	1,527,920,000	141,374,906	5,145,000	15,021,750	20,166,750	161,541,656	9.46x	275,000,000	5.56x
2021	1,585,480,000	141,375,056	5,400,000	14,764,500	20,164,500	161,539,556	9.81x	275,000,000	5.77x
2022	1,649,710,000	138,288,006	5,670,000	14,494,500	20,164,500	158,452,506	10.41x	275,000,000	6.00x
2023	1,714,490,000	137,375,506	5,955,000	14,211,000	20,166,000	157,541,506	10.88x	275,000,000	6.23x
2024	1,780,320,000	133,872,756	6,250,000	13,913,250	20,163,250	154,036,006	11.56x	275,000,000	6.47x
2025	1,851,380,000	123,468,006	6,565,000	13,600,750	20,165,750	143,633,756	12.89x	275,000,000	6.73x
2026	1,927,450,000	120,193,506	6,895,000	13,272,500	20,167,500	140,361,006	13.73x	275,000,000	7.01x
2027	1,927,450,000	111,867,006	7,240,000	12,927,750	20,167,750	132,034,756	14.60x	275,000,000	7.01x
2028	1,927,450,000	94,446,956	7,600,000	12,565,750	20,165,750	114,612,706	16.82x	275,000,000	7.01x
2029	1,927,450,000	85,925,231	7,980,000	12,185,750	20,165,750	106,090,981	18.17x	275,000,000	7.01x
2030	1,927,450,000	85,906,194	8,380,000	11,786,750	20,166,750	106,072,944	18.17x	275,000,000	7.01x
2031	1,927,450,000	85,865,956	8,800,000	11,367,750	20,167,750	106,033,706	18.18x	275,000,000	7.01x
2032	1,927,450,000	77,387,606	9,240,000	10,927,750	20,167,750	97,555,356	19.76x	275,000,000	7.01x
2033	1,927,450,000	66,153,256	9,700,000	10,465,750	20,165,750	86,319,006	22.33x	275,000,000	7.01x
2034	1,927,450,000	48,777,306	10,185,000	9,980,750	20,165,750	68,943,056	27.96x	275,000,000	7.01x
2035	1,927,450,000	32,073,919	10,695,000	9,471,500	20,166,500	52,240,419	36.90x	275,000,000	7.01x
2036	1,927,450,000	32,036,319	11,230,000	8,936,750	20,166,750	52,203,069	36.92x	275,000,000	7.01x
2037	1,927,450,000	32,008,769	11,790,000	8,375,250	20,165,250	52,174,019	36.94x	275,000,000	7.01x
2038	1,927,450,000	23,828,375	12,380,000	7,785,750	20,165,750	43,994,125	43.81x	275,000,000	7.01x
2039	1,927,450,000	23,828,150	13,000,000	7,166,750	20,166,750	43,994,900	43.81x	275,000,000	7.01x
2040	1,927,450,000	10,837,800	13,650,000	6,516,750	20,166,750	31,004,550	62.17x	275,000,000	7.01x
2041	1,927,450,000	10,844,100	14,330,000	5,834,250	20,164,250	31,008,350	62.16x	275,000,000	7.01x
2042	1,927,450,000	4,932,850	15,050,000	5,117,750	20,167,750	25,100,600	76.79x	275,000,000	7.01x
2043	1,927,450,000	4,935,200	15,800,000	4,365,250	20,165,250	25,100,450	76.79x	275,000,000	7.01x
2044	1,927,450,000	4,933,650	16,590,000	3,575,250	20,165,250	25,098,900	76.79x	275,000,000	7.01x
2045	1,927,450,000	4,933,200	17,420,000	2,745,750	20,165,750	25,098,950	76.79x	275,000,000	7.01x
2046	1,927,450,000	4,933,700	18,290,000	1,874,750	20,164,750	25,098,450	76.80x	275,000,000	7.01x
2047	1,927,450,000	-	19,205,000	960,250	20,165,250	20,165,250	95.58x	275,000,000	7.01x
		$ 2,206,717,341	$ 310,000,000	$ 294,979,000	$ 604,979,000	$ 2,811,696,341			

(1) The bonds are payable from the motor fuel and diesel fuel taxes pursuant to Sections 206.41(g) and 206.87(1)(e), Florida Statutes. The projected motor and diesel fuel tax collections for fiscal years 2017 through 2026 are as adopted by the Florida Consensus Estimating Conference on Transportation Revenues, March 2017, and are rounded to the nearest ten thousand dollars. The fiscal year 2026 projections are held constant for future years. **The projections are based on the best information available when the estimates are made, which is believed to be accurate. Projections are statements of opinion and are subject to future events which may cause the actual results to differ materially from those set forth herein. Undue reliance should not be placed on these projections.**

(2) Does not include debt service on bonds refunded by the 2016A Bonds. The refunded bonds were economically but not legally defeased with the escrow invested in a SPIA account with the State Treasury until the July 1, 2017 call date.

(3) Estimated interest calculated at 5%.

(4) Coverage has been calculated by dividing the amount of Projected Motor and Diesel Fuel Sales Tax Available for Debt Service by the Total Estimated Debt Service.

(5) Pursuant to Section 206.46(2), Florida Statutes, debt service cannot exceed the lesser of 7% of state revenues transferred to the STTF or $275 million.

(6) Coverage has been calculated by dividing the amount of Projected Motor and Diesel Fuel Sales Tax Available for Debt Service by the Maximum Allowable Debt Service.

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held June 14, 2017, approving the fiscal sufficiency of an issue of an amount not exceeding $310,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined), and rescinding the approval of fiscal sufficiency with respect to the $7,480,000 unissued portion of the $100,000,000 State of Florida, Full Faith and Credit, Department of Transportation Right-of-Way Acquisition and Bridge Construction Bonds, Series (to be determined) approved on May 10, 2016.

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 14th day of June 2017.

____

Ashbel C. Williams, Executive Director & CIO

(SEAL)

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO: Ash Williams

FROM: Robert Copeland RTC
SUBJECT: Fiscal Sufficiency
DATE: May 26, 2017

APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $33,000,000 STATE OF FLORIDA, BOARD OF GOVERNORS UNIVERSITY OF CENTRAL FLORIDA DORMITORY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED):

The Division of Bond Finance of the State Board of Administration (the "Division") has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding $33,000,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined) (the "Bonds") to refund all or a portion of the outstanding Series 2002 and 2007A Bonds. The Bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on July 21, 1992, as supplemented through the Ninth Supplemental resolution expected to be adopted on June 14, 2017.

The Division has heretofore issued University of Central Florida Housing and Dormitory Revenue and Revenue Refunding Bonds, Series 2002 through 2012A (the "Previous Bonds"). The Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues (as defined in the Resolution) and in all other respects, with the Previous Bonds.

A study of this proposal and the estimates of revenue expected to accrue indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the proposal outlined above.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $33,000,000 STATE OF FLORIDA, BOARD OF GOVERNORS UNIVERSITY OF CENTRAL FLORIDA DORMITORY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)

WHEREAS, the Division of Bond Finance of the State Board of Administration of Florida (the "Division"), proposes to issue an amount not exceeding $33,000,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined) (the "Bonds") to refund all or a portion of the outstanding Series 2002 and 2007A Bonds, and to pay costs associated with the issuance and sale of the Bonds; and,

WHEREAS, the Division has requested the State Board of Administration to approve the fiscal sufficiency of the proposed issue as required by Section 215.73, Florida Statutes; and,

WHEREAS, The Bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on July 21, 1992, as supplemented through the Ninth Supplemental resolution expected to be adopted on June 14, 2017 (together, the “Resolution”); and,

WHEREAS, the Division has heretofore issued University of Central Florida Housing and Dormitory Revenue and Revenue Refunding Bonds, Series 2002 through 2012A (the "Previous Bonds"); and,

WHEREAS, the Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues (as defined in the Resolution) and in all other respects, with the Previous Bonds; and,

WHEREAS, an examination of this plan of financing indicated that the same will be executed pursuant to the applicable provisions of law, and that the revenue to be used in servicing and liquidating the indebtedness to be created thereby may be reasonably expected to accrue in amounts sufficient to accomplish this purpose; and,

WHEREAS, the principal of and interest due on the Bonds shall be paid solely out of revenues and other amounts pledged therefor, as described in the Resolution; and,

WHEREAS, the Bonds do not constitute an obligation, either general or special, of the State of Florida or any of its units of local government and shall not be a debt of the State or of any unit of local government, and neither the State nor any unit of local government shall be liable thereon; and,

WHEREAS, the University of Central Florida shall not have the power to pledge the credit, the revenues, or the taxing power of the State or of any unit of local government, and neither the credit, the revenues, nor the taxing power of the State or of any unit of local government shall be deemed to be pledged to the payment of the Bonds; and,

WHEREAS, the proceeds of the Bonds shall be and constitute trust funds and shall be used and applied solely in the manner and for the purposes provided in the Resolution; and,

WHEREAS, the Division has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

WHEREAS, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; Now, Therefore,

BE IT RESOLVED, by the State Board of Administration, a constitutional body described in Section 4 of Article IV of the Florida Constitution of 1968, as amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration of Florida to issue an amount not exceeding $33,000,000 State of Florida, Board of Governors University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined) for the uses and purposes hereinabove set forth, is hereby approved as to fiscal sufficiency.

ADOPTED June 14, 2017.

STATE OF FLORIDA

DIVISION OF BOND FINANCE
OF THE STATE BOARD OF ADMINISTRATION

1801 HERMITAGE BOULEVARD, SUITE 200
TALLAHASSEE, FLORIDA 32308

TELEPHONE: (850) 488-4782
TELECOPIER: (850) 413-1315

J. BEN WATKINS III
DIRECTOR

RICK SCOTT
GOVERNOR
AS CHAIRMAN

PAM BONDI
ATTORNEY GENERAL
AS SECRETARY

JEFF ATWATER
CHIEF FINANCIAL OFFICER
AS TREASURER

ADAM H. PUTNAM
COMMISSIONER OF AGRICULTURE

May 22, 2017

Mr. Ashbel C. Williams
Executive Director
State Board of Administration
Post Office Box 13300
Tallahassee, Florida 32317-3300

RE: Not Exceeding $33,000,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request such approval at your board meeting of June 14, 2017.

The proposed bonds will be secured by the revenues of the housing system after deducting operating expenses. Housing system revenues are derived primarily from student housing rental income. The proposed bonds will be payable on a parity with the previously issued University of Central Florida Dormitory Revenue Bonds, Series 2002 through 2012A.

The proposed bonds will be issued to refund all or a portion of the outstanding University of Central Florida Housing and Dormitory Revenue Bonds Series 2002 and 2007A and to pay costs associated with the issuance and sale of the proposed bonds. The bonds will only be issued if there is a savings.

The bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on July 21, 1992, as amended and supplemented through the Ninth Supplemental Resolution expected to be adopted on June 14, 2017. The Original Resolution and the amending resolutions have been previously provided with prior fiscal sufficiency requests.

Enclosed for your review are the following:

Enclosure 1: An estimated coverage table for the program based on outstanding debt service without consideration of the potential savings from the proposed refunding bonds;

Enclosure 2: an estimated debt service and savings schedule from a recent sizing of the proposed refunding bonds; and

Enclosure 3: a draft copy of the Ninth Supplemental Authorizing Resolution, which is anticipated to be adopted by the Governor and Cabinet on June 14, 2017.

A draft of the fiscal sufficiency resolution should be sent to Donna Biggins and Kelsey Manno of this office for review. Should you have any questions, please contact either myself, Kelsey Manno or Donna Biggins at 488-4782. Your consideration of this matter is appreciated.

Sincerely,

J. Ben Watkins III
Director

JBW:km

Enclosures

cc: Anthoney Doheny
Robert Copeland

State of Florida, Board of Governors
University of Central Florida
Dormitory Revenue Refunding Bonds, Series (to be determined)

Estimated Debt Service Coverage Table

Fiscal Year Ended June 30	Pledged Revenues[1] Gross Revenues	Les Current Expenses	Net Revenue	Outstanding Debt Service	Coverage[3]
Historical					
2012	$25,074,509	($11,910,224)	$13,164,285	$6,366,865	2.07x
2013	25,577,492	(14,208,368)	11,369,124	8,242,125	1.38x
2014	29,315,744	(17,450,492)	11,865,252	7,971,370	1.49x
2015	29,454,727	(14,830,635)	14,624,092	8,789,768	1.66x
2016	30,881,748	(16,640,998)	14,240,750	8,794,739	1.62x
Projected					
2017	$30,180,000	(15,441,605)	$14,738,395	$8,789,511	1.68x
2018	30,280,000	(16,874,665)	13,405,335	8,782,331	1.53x
2019	31,111,000	(17,332,535)	13,778,465	8,783,466	1.57x
2020	31,966,930	(17,888,071)	14,078,859	8,778,368	1.60x
2021	32,848,538	(17,906,713)	14,941,825	8,778,856	1.70x
2022	32,848,538	(17,906,713)	14,941,825	7,509,138	1.99x
2023	32,848,538	(17,906,713)	14,941,825	7,507,676	1.99x
2024	32,848,538	(17,906,713)	14,941,825	7,504,194	1.99x
2025	32,848,538	(17,906,713)	14,941,825	7,509,150	1.99x
2026	32,848,538	(17,906,713)	14,941,825	7,501,088	1.99x
2027	32,848,538	(17,906,713)	14,941,825	7,504,525	1.99x
2028	32,848,538	(17,906,713)	14,941,825	6,237,719	2.40x
2029	32,848,538	(17,906,713)	14,941,825	6,236,694	2.40x
2030	32,848,538	(17,906,713)	14,941,825	6,243,344	2.39x
2031	32,848,538	(17,906,713)	14,941,825	4,411,738	3.39x
2032	32,848,538	(17,906,713)	14,941,825	2,602,631	5.74x
2033	32,848,538	(17,906,713)	14,941,825	2,601,425	5.74x
2034	32,848,538	(17,906,713)	14,941,825	2,598,163	5.75x
2035	32,848,538	(17,906,713)	14,941,825	2,599,538	5.75x
2036	32,848,538	(17,906,713)	14,941,825	2,602,406	5.74x
2037	32,848,538	(17,906,713)	14,941,825	2,601,663	5.74x
2038	32,848,538	(17,906,713)	14,941,825	2,602,200	5.74x
2039	32,848,538	(17,906,713)	14,941,825	2,598,913	5.75x
2040	32,848,538	(17,906,713)	14,941,825	2,601,588	5.74x
2041	32,848,538	(17,906,713)	14,941,825	2,600,013	5.75x
2042	32,848,538	(17,906,713)	14,941,825	2,599,081	5.75x
				140,685,415	

(1) Actual revenue and expense information was provided by the University of Central Florida and has not been audited. Projected revenues and expenses for fiscal years 2017-2021 were provided by the University. Projections for fiscal year 2017 and thereafter are held constant; however, no representation is made that the amounts shown in any fiscal year will be collected.
(2) Includes debt service on the 2002 Bonds through the 2012A Bonds.
(3) Coverage of Pledged Revenues is determined by dividing Pledged Revenues by Outstanding Debt Service.

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held June 14, 2017, approving the fiscal sufficiency of an amount not exceeding $33,000,000 State of Florida, Board of Governors, University of Central Florida Dormitory Revenue Refunding Bonds, Series (to be determined).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 14th day of June 2017.

____

Ashbel C. Williams, Executive Director & CIO

(SEAL)

STATE BOARD OF ADMINISTRATION
1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308

TO: Ash Williams

FROM: Robert Copeland RTC
SUBJECT: Fiscal Sufficiency
DATE: May 26, 2017

APPROVAL OF FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $6,500,000 STATE OF FLORIDA, BOARD OF GOVERNORS UNIVERSITY OF CENTRAL FLORIDA PARKING FACILITY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED):

The Division of Bond Finance of the State Board of Administration (the "Division") has submitted for approval as to fiscal sufficiency a proposal to issue an amount not exceeding $6,500,000 State of Florida, Board of Governors, University of Central Florida Parking Facility Revenue Refunding Bonds, Series (to be determined) (the "Bonds") to refund all or a portion of the outstanding Series 2004A Bonds. The Bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on November 22, 1994, as supplemented through the Ninth Supplemental resolution expected to be adopted on June 14, 2017.

The Division has heretofore issued University of Central Florida Parking Facility Revenue Bonds, Series 2004A through 2012A (the "Previous Bonds"). The Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues (as defined in the Resolution) and in all other respects, with the Previous Bonds.

A study of this proposal and the estimates of revenue expected to accrue indicate that the proposed Bonds are fiscally sufficient and that the proposal will be executed pursuant to the applicable provisions of law.

RECOMMENDATION: It is recommended that the Board approve the proposal outlined above.

cc: Janie Knight

A RESOLUTION OF THE STATE BOARD OF ADMINISTRATION APPROVING THE FISCAL SUFFICIENCY OF AN AMOUNT NOT EXCEEDING $6,500,000 STATE OF FLORIDA, BOARD OF GOVERNORS UNIVERSITY OF CENTRAL FLORIDA PARKING FACILITY REVENUE REFUNDING BONDS, SERIES (TO BE DETERMINED)

WHEREAS, the Division of Bond Finance of the State Board of Administration of Florida (the "Division"), proposes to issue an amount not exceeding $6,500,000 State of Florida, Board of Governors, University of Central Florida Parking Facility Revenue Refunding Bonds, Series (to be determined) (the "Bonds") to refund all or a portion of the outstanding Series 2004A Bonds, and to pay costs associated with the issuance and sale of the Bonds; and,

WHEREAS, the Division has requested the State Board of Administration to approve the fiscal sufficiency of the proposed issue as required by Section 215.73, Florida Statutes; and,

WHEREAS, The Bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on November 22, 1994, as supplemented through the Ninth Supplemental resolution expected to be adopted on June 14, 2017 (together, the “Resolution”); and,

WHEREAS, the Division has heretofore issued University of Central Florida Parking Facility Revenue Bonds, Series 2004A through 2012A (the "Previous Bonds"); and,

WHEREAS, the Bonds shall be payable on a parity and rank equally as to lien on and source and security for payment from the Pledged Revenues (as defined in the Resolution) and in all other respects, with the Previous Bonds; and,

WHEREAS, an examination of this plan of financing indicated that the same will be executed pursuant to the applicable provisions of law, and that the revenue to be used in servicing and liquidating the indebtedness to be created thereby may be reasonably expected to accrue in amounts sufficient to accomplish this purpose; and,

WHEREAS, the principal of and interest due on the Bonds shall be paid solely out of revenues and other amounts pledged therefor, as described in the Resolution; and,

WHEREAS, the Bonds do not constitute an obligation, either general or special, of the State of Florida or any of its units of local government and shall not be a debt of the State or of any unit of local government, and neither the State nor any unit of local government shall be liable thereon; and,

WHEREAS, the University of Central Florida shall not have the power to pledge the credit, the revenues, or the taxing power of the State or of any unit of local government, and neither the credit, the revenues, nor the taxing power of the State or of any unit of local government shall be deemed to be pledged to the payment of the Bonds; and,

WHEREAS, the proceeds of the Bonds shall be and constitute trust funds and shall be used and applied solely in the manner and for the purposes provided in the Resolution; and,

WHEREAS, the Division has furnished sufficient information to enable the State Board of Administration to fulfill its duties pursuant to Section 215.73, Florida Statutes; and,

WHEREAS, the State Board of Administration has relied upon information from others but has not independently verified the accuracy or completeness of such information; and,

WHEREAS, the State Board of Administration does not approve or disapprove the Bonds as an investment and has not passed upon the accuracy or adequacy of the Official Statement; Now, Therefore,

BE IT RESOLVED, by the State Board of Administration, a constitutional body described in Section 4 of Article IV of the Florida Constitution of 1968, as amended, that pursuant to the requirements of Section 215.73, Florida Statutes, the proposal of the Division of Bond Finance of the State Board of Administration of Florida to issue an amount not exceeding $6,500,000 State of Florida, Board of Governors University of Central Florida Parking Facility Revenue Refunding Bonds, Series (to be determined) for the uses and purposes hereinabove set forth, is hereby approved as to fiscal sufficiency.

ADOPTED June 14, 2017.

STATE OF FLORIDA

DIVISION OF BOND FINANCE
OF THE STATE BOARD OF ADMINISTRATION

1801 HERMITAGE BOULEVARD, SUITE 200
TALLAHASSEE, FLORIDA 32308

TELEPHONE: (850) 488-4782
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J. BEN WATKINS III
DIRECTOR

May 22, 2017

Mr. Ashbel C. Williams
Executive Director
State Board of Administration
Post Office Box 13300
Tallahassee, Florida 32317-3300

RE: Not Exceeding $6,500,000 State of Florida, Board of Governors, University of Central Florida Parking Facility Revenue Refunding Bonds, Series (to be determined)

Dear Mr. Williams:

In compliance with Section 215.73, Florida Statutes, the Division of Bond Finance requests State Board of Administration approval as to fiscal sufficiency for the above referenced bond issue. We request such approval at your board meeting of June 14, 2017.

The proposed bonds will be secured by the revenues of the parking system after deducting operating expenses. Parking system revenues are derived primarily from a per credit hour transportation access fee, decal sales and fines. The proposed bonds will be payable on a parity with the previously issued University of Central Florida Parking Facility Revenue Bonds, Series 2004A through 2012A.

The proposed bonds will be issued to refund all or a portion of the outstanding University of Central Florida Parking Facility Revenue Bonds Series 2004A and to pay costs associated with the issuance and sale of the proposed bonds. The bonds will only be issued if there is a savings.

The bonds will be issued pursuant to the Original Resolution adopted by the Governor and Cabinet on November 22, 1994, as amended and supplemented through the Ninth Supplemental Resolution expected to be adopted on June 14, 2017. The Original Resolution and the amending resolutions have been previously provided with prior fiscal sufficiency requests.

Enclosed for your review are the following:

Enclosure 1: An estimated coverage table for the program based on outstanding debt service without consideration of the potential savings from the proposed refunding bonds;

Enclosure 2: an estimated debt service and savings schedule from a recent sizing of the proposed refunding bonds; and

Enclosure 3: a draft copy of the Ninth Supplemental Authorizing Resolution, which is anticipated to be adopted by the Governor and Cabinet on June 14, 2017.

A draft of the fiscal sufficiency resolution should be sent to Donna Biggins and Kelsey Manno of this office for review. Should you have any questions, please contact either myself, Kelsey Manno or Donna Biggins at 488-4782. Your consideration of this matter is appreciated.

Sincerely,

J. Ben Watkins III
Director

JBW:km

Enclosures

cc: Anthoney Doheny
Robert Copeland

State of Florida, Board of Governors
University of Central Florida
Parking Facility Revenue Refunding Bonds , Series (to be determined)

Estimated Debt Service Coverage Table

Fiscal Year Ended June 30	Pledged Revenues [1] Gross Revenues	Less Current Expenses	Pledged Revenues	Outstanding Debt Service [2]	Coverage [3]
Historical					
2012	$18,964,964	($3,149,455)	$15,815,509	$4,712,555	3.36x
2013	19,199,011	(3,544,640)	15,654,371	4,943,413	3.17x
2014	19,251,374	(3,335,064)	15,916,310	5,113,083	3.11x
2015	21,247,674	(3,445,165)	17,802,509	5,113,208	3.48x
2016	21,972,058	(4,023,661)	17,948,397	5,112,758	3.51x
Projected					
2017	$21,559,944	($4,225,731)	17,334,213	$4,567,658	3.79x
2018	22,007,728	(4,402,465)	17,605,263	4,550,958	3.87x
2019	22,821,748	(4,832,269)	17,989,479	3,968,258	4.53x
2020	23,125,302	(4,939,830)	18,185,472	3,949,348	4.60x
2021	23,387,624	(5,103,637)	18,283,987	3,363,915	5.44x
2022	23,696,609	(5,273,971)	18,422,638	3,344,935	5.51x
2023	23,696,609	(5,273,971)	18,422,638	2,790,683	6.60x
2024	23,696,609	(5,273,971)	18,422,638	2,775,280	6.64x
2025	23,696,609	(5,273,971)	18,422,638	1,754,398	10.50x
2026	23,696,609	(5,273,971)	18,422,638	1,740,065	10.59x
2027	23,696,609	(5,273,971)	18,422,638	1,721,425	10.70x
2028	23,696,609	(5,273,971)	18,422,638	1,698,825	10.84x
2029	23,696,609	(5,273,971)	18,422,638	1,677,510	10.98x
2030	23,696,609	(5,273,971)	18,422,638	557,250	33.06x
2031	23,696,609	(5,273,971)	18,422,638	556,950	33.08x
2032	23,696,609	(5,273,971)	18,422,638	556,200	33.12x
				$ 64,568,675	

(1) The historical revenue and expense information has been provided by the University of Central Florida and has not been audited. The projected revenue and expenditure information through fiscal year 2020-21 has also been provided by the University of Central Florida. The projected revenue and expenditures for fiscal year 2020-21 are held constant for future years for coverage purposes. No representation is made that the projected amounts will be collected.

(2) Includes debt service on the 2004A through 2012A Bonds.

(3) Coverage of Pledged Revenues is determined by dividing Pledged Revenues by Outstanding Debt Service.

STATE OF FLORIDA)
:
COUNTY OF LEON)

I, Ashbel C. Williams, Executive Director & CIO of the State Board of Administration of Florida, a constitutional body described in Section 4 of Article IV of the Constitution of the State of Florida, as revised in 1968 and subsequently amended, **DO HEREBY CERTIFY** that the above and foregoing is a true and correct copy of a resolution adopted by said Board at a meeting held June 14, 2017, approving the fiscal sufficiency of an amount not exceeding $6,500,000 State of Florida, Board of Governors, University of Central Florida Parking Facility Revenue Refunding Bonds, Series (to be determined).

IN WITNESS WHEREOF, I have hereunto set my hand and the seal of said Board at Tallahassee, Leon County, Florida, this 14th day of June 2017.

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Ashbel C. Williams, Executive Director & CIO

(SEAL)

Global Governance Mandates

2nd Quarter – June 14, 2017

Florida Statutes

Protecting Florida's Investments Act (PFIA)
Scrutinized Companies that Boycott Israel
MacBride Principles and Northern Ireland
Cuba/Syria Proxy Voting Safeguards

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

Table of Contents

About the State Board of Administration

The statutory mandate of the State Board of Administration (SBA) is to invest, manage and safeguard assets of the Florida Retirement System (FRS) Trust Fund and a variety of other funds for state and local governments. FRS Trustees are dedicated to ensuring that the SBA invests assets and discharges its duties in accordance with Florida law, guided by strict policies and a code of ethics to ensure integrity, prudent risk management and top-tier performance. The SBA is an investment fiduciary under law, and subject to the stringent fiduciary duties and standards of care defined by the Employee Retirement Income Security Act of 1974 (ERISA), as incorporated into Florida law. The SBA has three Trustees: the Governor, as Chairman, the Chief Financial Officer, as Treasurer, and the Attorney General, as Secretary.

The FRS Pension Plan provides defined pension benefits to 1.1 million beneficiaries and retirees. The strong long-term performance of the FRS Pension Plan, the fourth-largest public pension fund in the nation, reflects our commitment to responsible fiscal management.

The SBA's mission is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary, and professional standards.

We encourage you to review additional information about the SBA and FRS on our website at www.sbafla.com.

Section 1: Protecting Florida's Investments Act (PFIA)

Summary

On June 8, 2007, the PFIA was signed into law. The PFIA requires the State Board of Administration ("SBA"), acting on behalf of the Florida Retirement System Trust Fund (the "FRSTF"), to assemble and publish a list of "Scrutinized Companies" that have prohibited business operations in Sudan and Iran. Once placed on the list of Scrutinized Companies, the SBA and its investment managers are prohibited from acquiring those companies' securities and are required to divest those securities if the companies do not cease the prohibited activities or take certain compensating actions. The implementation of the PFIA by the SBA will not affect any FRSTF investments in U.S. companies. The PFIA will solely affect foreign companies with certain business operations in Sudan and Iran involving the petroleum or energy sector, oil or mineral extraction, power production or military support activities. This quarterly report is developed pursuant to Section 215.473 (4), Florida Statutes. Scrutinized activity in Sudan is defined by the Statutes as occurring within the "Government of Sudan," or the Republic of the Sudan that has its capital in Khartoum, Sudan. Note, the PFIA only applies to assets governed by Chapter 121 ("Florida Retirement System Act"), and therefore does not affect any non-FRS funds managed by the SBA.

Primary Requirements of the PFIA

The PFIA created new reporting, engagement, and investment requirements for the SBA, including:

1. Quarterly reporting to the Board of Trustees of every equity security in which the SBA has invested for the quarter, along with its industry category. This report is posted on the SBA website.

2. Quarterly presentation to the Trustees of a Scrutinized Companies list for both Sudan and Iran for their approval. Scrutinized Company lists are available on the SBA's website, along with information on the FRSTF direct and indirect holdings of Scrutinized Companies.

3. Written notice to external investment managers of all PFIA requirements. Letters request that the managers of actively managed commingled vehicles (i.e., those with FRSTF and other clients' assets) consider removing Scrutinized Companies from the product or create a similar actively managed product that excludes such companies. Similar written requests must be provided to relevant investment managers within the defined contribution plan.

4. Written notice to any company with inactive business operations in Sudan or Iran, informing the company of the PFIA and encouraging it to continue to refrain from reinitiating active business operations. Such correspondence continues semiannually.

5. Written notice to any Scrutinized Company with active business operations, informing the company of its Scrutinized Company status and that it may become subject to divestment. The written notice must inform the company of the opportunity to clarify its Sudan-related or Iran-related activities and encourage the company, within 90 days, to cease its scrutinized business operations or convert such operations to inactive status.

6. A prohibition on further investment on behalf of the FRSTF in any Scrutinized Company once the Sudan and Iran scrutinized lists have been approved by the Trustees. All publicly traded securities of Scrutinized Companies must be divested within 12 months after the company's initial (and continued) appearance on the Scrutinized Companies list. Divestment does not apply to indirect holdings in actively managed commingled investment funds—i.e., where the SBA is not the sole investor in the fund. Private equity funds are considered to be actively managed.

7. Reporting to each member of the Board of Trustees, the President of the Senate, and the Speaker of the House of Representatives of Scrutinized Company lists within 30 days of creation, and public disclosure of each list.

8. Quarterly reporting of the following to each member of the Board of Trustees, the President of the Senate, the Speaker of the House of Representatives, the United States Presidential Special Envoy to Sudan, and the United States Presidential Special Envoy to Iran. The report is made publicly available and posted to the SBA's website.

    a. A summary of correspondence with engaged companies;
    b. A listing of all investments sold, redeemed, divested, or withdrawn;
    c. A listing of all prohibited investments;
    d. A description of any progress related to external managers offering PFIA compliant funds; and
    e. A list of all publicly traded securities held directly by the State.

9. Adoption and incorporation into the FRSTF Investment Policy Statement (IPS) of SBA actions taken in accordance with the PFIA. Changes to the IPS are reviewed by the Investment Advisory Council (IAC) and approved by the Trustees.

10. Relevant Sudan portions of the PFIA are discontinued if the United States revokes all sanctions imposed against the government of Sudan, or if the Congress or President of the United States affirmatively and unambiguously states, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that:
    a. The Darfur genocide has been halted for at least 12 months; or
    b. that the government of Sudan has honored its commitments to cease attacks on civilians, demobilize and demilitarize the Janjaweed and associated militias, grant free and unfettered access for deliveries of humanitarian assistance, and allow for the safe and voluntary return of refugees and internally displaced persons; or
    c. that mandatory divestment of the type provided for by the PFIA interferes with the conduct of U.S. foreign policy.

11. Relevant Iran portions of the PFIA are discontinued <u>if either</u> of the following occurs:
    a. The Congress or President of the United States affirmatively and unambiguously states, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that the government of Iran has ceased to acquire weapons of mass destruction and support international terrorism; <u>or</u>
    b. The United States revokes all sanctions imposed against the government of Iran.

12. Cessation of divestment and/or reinvestment into previously divested companies may occur if the value of all FRSTF assets under management decreases by 50 basis points (0.5%) or more as a result of divestment. If cessation of divestment is triggered, the SBA is required to provide a written report to each member of the Board of Trustees, the President of the Senate, and the Speaker of the House of Representatives prior to initial reinvestment. Such condition is required to be updated semiannually.

13. In 2009, the Florida Legislature approved a bill requiring the SBA to identify and offer, by March 1, 2010, at least one terror-free investment product for the FRS Investment Plan. The product must allocate its funds among securities not subject to divestiture, as provided in F.S. 215.473.

14. As of July 1, 2014, Florida Statute 624.449 requires that a domestic insurer shall provide to the Office of Insurance Regulation on an annual basis a list of investments that the insurer has in companies included on the "Scrutinized Companies with Activities in Sudan List" and the "Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List." Additionally, F.S. 215.473(3)(e)(2) now exempts Exchange Traded Funds from the provisions of the PFIA.

15. As of July 1, 2014, Florida Statutes clarify that the recently created "Government of South Sudan" means the Republic of South Sudan, which has its capital in Juba, South Sudan. Scrutinized activity refers to the

"Government of Sudan," which means the Republic of the Sudan that has its capital in Khartoum, Sudan. Within this report, "Sudan" refers to the latter.

16. As of July 1, 2016, the requirements for the expiration of PFIA divestment protocol were amended and new quarterly reporting requirements were implemented. Florida Statutes eliminated the following criteria for discontinuing Iran portions of the PFIA: The Congress or President of the United States affirmatively and unambiguously declares, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that mandatory divestment of the type provided for in this section interferes with the conduct of United States foreign policy.

Definition of a Scrutinized Company

The following is a brief review of the criteria on which the active business operations of companies must be judged, in accordance with subsection (1)(t) of Section 215.473, F.S.

Sudan:

1. Have a material business relationship with the government of Sudan or a government-created project involving oil related, mineral extraction, or power generation activities, or
2. Have a material business relationship involving the supply of military equipment, or
3. Impart minimal benefit to disadvantaged citizens that are typically located in the geographic periphery of Sudan, or
4. Have been complicit in the genocidal campaign in Darfur.

Iran:

1. Have a material business relationship with the government of Iran or a government-created project involving oil related or mineral extraction activities, or
2. Have made material investments with the effect of significantly enhancing Iran's petroleum sector.

Affiliates of companies with scrutinized business operations are also subject to the requirements of the PFIA. An affiliated company is generally defined as any other company that either directly or indirectly controls, is controlled by or is under common control with the company conducting scrutinized active business operations. Control generally means the power to exercise a controlling influence over the management or policies of a company. As well, many companies have parent-subsidiary relationships whereby a parent company may own several other companies. In such cases, the SBA has included any known parent and/or subsidiaries which can be clearly linked to a company with scrutinized active business operations. The SBA has used a 50 percent ownership threshold in determining whether or not companies are affiliated, examining parent company-subsidiary ownership on a pro rata basis.

The SBA views companies which have explicit plans and activities related to discontinuation of active business operations as meeting the PFIA definition of substantial action. For all identified companies, the SBA will request information detailing what a company has actually done, if anything, to discontinue its active business operations or if it has pursued humanitarian efforts (applicable to Sudan only).

SBA Scrutinized Companies Identification Methodology

The SBA has developed two lists (the Sudan List and the Iran List) of Scrutinized Companies with active business operations. The lists are developed by principally relying on the research and findings of our "External Research Providers." Below is a brief description of our External Research Providers, which are maintained to provide input from multiple sources.

1. **EIRIS Conflict Risk Network (CRN).** In May 2013, the Conflict Risk Network became part of EIRIS, a global provider of environmental, social, governance, and ethical performance of companies. EIRIS provides services to more than 150 asset owners and managers globally, with a staff of over 60, based primarily in London. CRN was formerly known as the Sudan Divestment Task Force (SDTF).

2. **MSCI ESG Research (MSCI).** MSCI delivers corporate governance analysis and research to institutional investors. Through its ESG Research unit, MSCI offers screening services with specific and unique components of state law pertaining to investments in sanctioned countries, including Sudan and Iran.

3. **IW Financial (IWF).** IWF is a provider of environmental, social, and governance research and consulting. IWF partners with Conflict Securities Advisory Group (CSAG) to provide clients with detailed information on the business ties of publicly traded companies in Sudan and Iran.

4. **Sustainalytics, Inc.** Sustainalytics provides environmental, social and governance research and analysis, sustainability benchmarks, and investment services, and is the result of the merger between Jantzi Research, Inc. and Sustainalytics in 2009. Sustainalytics' company database, "Sustainalytics Global Platform," covers business operations in both Iran and Sudan.

Staff members within the Investment Programs & Governance unit, as well as other senior investment staff, review the assessments of the External Research Providers and other publicly available information. The SBA has utilized the following sources to evaluate over 400 companies and affiliates with reported links to Sudan or Iran:

Company disclosures:
- SEC filings (DEF 14A Proxy Statements, 10-K & 20-F Annual Reports, etc.)
- Investor Relations/company websites
- Industry publications and analyst research

Investment/Finance Organizations:
- Other Institutional Investors/Private Investors

U.S. Government Agencies:
- U.S. Department of State
- U.S. Treasury, Office of Foreign Asset Control (OFAC)
- U.S. Government Accountability Office (GAO)
- Dept. of Energy, Energy Information Administration (EIA)
- Congressional Research Service (CRS), Library of Congress

Other Sources:
- SBA External Investment Managers
- U.S. Federal Sanctions Laws covering State Sponsors of Terror
- Non-Governmental Organizations (NGOs)

Using the previous information sources, the SBA has developed two separate categorizations of a company's involvement in Sudan and/or Iran.

1. **"Scrutinized"** — Information provided by several External Research Providers indicates that a company meets the classification of a Scrutinized Company as defined by the PFIA as set forth in Section 215.473 (1)(t)1., 2., or 3, Florida Statutes [Sudan] or Section 215.473 (4)(t)1, Florida Statutes [Iran]. Upon SBA review, no other information sources clearly contradict the conclusions of the External Research Providers.

2. **"Continued Examination"** — At least one External Research Provider indicates that a company meets the classification of a Scrutinized Company as defined by the PFIA as set forth in Section 215.473, (1)(t)1., 2., or 3, Florida Statutes [Sudan] or Section 215.473, (4)(t)1, Florida Statute [Iran]. In other words, the External Research Providers do not agree on the status of a company and the SBA is unable to definitively categorize the company's activities as scrutinized without further research to resolve the differences. For companies classified as "Continued Examination," the SBA will begin an engagement process to clarify each firm's current business relationships.

<u>SUDAN</u> Changes since the Previous PFIA Quarterly Report

Companies *<u>added</u>* to the **Sudan** Scrutinized List this quarter:

- **CNPC Capital Company Limited** (added as a subsidiary of a currently prohibited investment: China National Petroleum Corporation (CNPC)

Companies *<u>removed</u>* from the **Sudan** Scrutinized List this quarter:

- **KT Kira Sert Varlik** (no longer affiliated with a scrutinized company)
- **KT Sukuk Co. Ltd** (no longer affiliated with a scrutinized company)

Companies *<u>added</u>* to the **Sudan** Continued Examination List this quarter:

- **None**

Companies *<u>removed</u>* from the **Sudan** Continued Examination List this quarter:

- **Emperor Oil Ltd**

Recent Sudan Developments:

The U.S. Treasury Department is scheduled to complete its six-month review of Sudanese Sanctions Regulations in July. As noted last quarter, the United States issued a January 13, 2017, General License that partially lifted federal sanctions on U.S. trade and investment in Sudan. The Department of the Treasury, under the Obama administration, authorized expanded trade with and investment in Sudan, and the issuance of an Executive Order providing Sudan with a path to the permanent revocation of federal sanctions if progress in certain areas continued for the six-month review period following the January 2017 statement.

***IRAN* Changes since the Previous PFIA Quarterly Report**

Companies *added* to the **Iran** Scrutinized List this quarter:

- **CNPC Capital Company Limited**
  - (added as a subsidiary of a currently prohibited investment: China National Petroleum Corporation (CNPC)
- **Offshore Oil Engineering Co**
  - (added as a subsidiary of a currently prohibited investment: CNOOC Ltd)

Companies *removed* from the **Iran** Scrutinized List this quarter:

- **None**

Companies *added* to the **Iran** Continued Examination List this quarter:

- **None**

Companies *removed* from the **Iran** Continued Examination List this quarter:

- **None**

Recent Iran Developments:

See the following page for recent developments related to Iran statutes.

Quarterly Status Update Regarding Potential IRAN Expiration
Florida Statutes, 215.473 (5) EXPIRATION (b) subparagraphs 1. and 2.

Florida Statutes require a quarterly update on events relating to the status of expiration clauses 1 and 2, which are copied below in their entirety:

(b) If either of the following occurs, the board may no longer scrutinize companies according to subparagraph (1)(v)4., may no longer assemble the Scrutinized Companies with Activities in the Iran Petroleum Energy Sector List, and shall cease engagement, investment prohibitions, and divestment:

1. The Congress or President of the United States affirmatively and unambiguously states, by means including, but not limited to, legislation, executive order, or written certification from the President to Congress, that the government of Iran has ceased to acquire weapons of mass destruction and support international terrorism;

On May 17, 2017, the U.S. Department of the Treasury's Office of Foreign Assets Control (OFAC) designated seven targets in connection with Iran's ballistic missile program. “Today's actions were taken pursuant to Executive Order (E.O.) 13382, which targets proliferators of weapons of mass destruction and their means of delivery and supporters of such activity. These sanctions underscore the United States' concern with Iran's continued development and testing of ballistic missiles.”

https://www.treasury.gov/press-center/press-releases/Pages/sm0088.aspx

Or

2. The United States revokes all sanctions imposed against the government of Iran.

The U.S. State Department also released a May 17, 2017 statement announcing sanctions imposed on persons involved in human rights abuses in Iran.

In the same release, the State Department announced that it would continue to waive Iran sanctions related to the JCPOA. “In addition to the actions taken today, we are communicating to the U.S. Congress that the United States continues to waive sanctions as required to continue implementing U.S. sanctions-lifting commitments in the Joint Comprehensive Plan of Action. This ongoing review does not diminish the United States’ resolve to continue countering Iran’s destabilizing activity in the region, whether it be supporting the Assad regime, backing terrorist organizations like Hezbollah, or supporting violent militias that undermine governments in Iraq and Yemen. And above all, the United States will never allow the regime in Iran to acquire a nuclear weapon.”

https://www.state.gov/r/pa/prs/ps/2017/05/270925.htm

Table 1: Scrutinized Companies with Activities in SUDAN

New companies on the list are shaded and in bold.

Scrutinized Company: Sudan	Country of Incorporation	Date of Initial Scrutinized Classification
Chennai Petroleum Corp Ltd	India	September 19, 2007
China National Petroleum Corporation (CNPC)	China	December 11, 2012
China Petroleum & Chemical Corp (CPCC) Sinopec	China	September 19, 2007
CNPC Capital Company Limited	**China**	**June 14, 2017**
CNPC General Capital Ltd	China	June 26, 2012
CNPC HK Overseas Capital Ltd	China	June 16, 2011
Daqing Huake Group Co Ltd	China	March 25, 2008
Egypt Kuwait Holding Co. SAE	Kuwait	January 13, 2009
Energy House Holding Company (fka: AREF Energy Holdings Co)	Kuwait	July 28, 2009
Engen Botswana	Botswana	March 24, 2015
Gas District Cooling (Putrajaya) Sdn Bhd	Malaysia	April 14, 2009
Harbin Electric Co. Ltd. (fka: Harbin Power Equipment)	China	September 19, 2007
Indian Oil Corp Ltd (IOCL)	India	September 19, 2007
Jiangxi Hongdu Aviation (aka Hongdu Aviation)	China	September 19, 2007
Jinan Diesel Engine Co Ltd	China	July 28, 2009
KLCC Property Holdings Bhd	Malaysia	April 14, 2009
Kunlun Energy Company Ltd (fka: CNPC Hong Kong Limited)	Hong Kong	September 19, 2007
Kuwait Finance House	Kuwait	April 14, 2009
Lanka IOC Ltd	India	September 19, 2007
Malaysia Marine & Heavy Engineering Holdings Bhd	Malaysia	March 18, 2014
Managem SA	Morocco	November 9, 2010
Mangalore Refinery & Petrochemicals Ltd	India	September 19, 2007
MISC Bhd	Malaysia	September 19, 2007
Oil India Ltd	India	September 18, 2012
Oil & Natural Gas Corp (ONGC)	India	September 19, 2007
ONGC Videsh Limited (OVL)	India	March 18, 2014
Orca Gold Inc.	Canada	December 9, 2014
PetroChina	China	September 19, 2007
Petroliam Nasional (Petronas)	Malaysia	September 19, 2007
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Bhd	Malaysia	June 16, 2011
Petronas Dagangan Bhd	Malaysia	September 19, 2007
Petronas Gas Berhad	Malaysia	September 19, 2007
Petronas Global Sukuk	Malaysia	August 2, 2016
Putrajaya Management Sdn Bhd	Malaysia	March 18, 2014

Scrutinized Company: Sudan	Country of Incorporation	Date of Initial Scrutinized Classification
Sinopec Capital 2013 Ltd	China	September 24, 2013
Sinopec Engineering Group Co Ltd	China	March 18, 2014
Sinopec Group Overseas Development 2016 Ltd	China	August 2, 2016
Sinopec Group Overseas Development 2013 Ltd	China	March 18, 2014
Sinopec Kantons Holdings Ltd	Bermuda	September 19, 2007
Sinopec Oilfield Equipment Corporation (fka: Kingdream PLC)	China	April 14, 2009
Sinopec Oilfield Service Corp (fka: Sinopec Yizheng Chemical Fibre)	China	March 25, 2008
Sinopec Shanghai Petrochemical	China	September 19, 2007
Société Nationale d'Investissement	Morocco	December 6, 2016
Societe Metallurgique D'imiter	Morocco	November 9, 2010
# of Sudan Scrutinized Companies	**45**	

The following companies were **removed** from the **SUDAN Scrutinized List** during the quarter:

Removed Company	*Country of Incorporation*
KT Kira Sert Varlik	***Turkey***
KT Sukuk Co Ltd	***Cayman Islands***

Table 2: <u>Continued Examination</u> Companies with Activities in SUDAN

New companies on the list are shaded and in bold. (No companies were added this quarter.)

Continued Examination Company: Sudan	**Country of Incorporation**
ASEC Company for Mining S.A.E.	Egypt
Bharat Heavy Electricals, Ltd	India
Bollore Group	France
China Gezhouba Group Company Ltd	China
China North Industries Group Corp (CNGC/Norinco)	China
Dongfeng Motor Group Co Ltd	China
Dongan Motor (aka Harbin Dongan Auto Engine)	China
Drake & Scull International PJSC	United Arab Emirates
El Sewedy Cables Holding Company	Egypt
ENGIE SA	France
Glencore Xstrata PLC	Switzerland
Infotel Broadband Services Ltd	India
JX Holdings Inc.	Japan
KMCOB Capital Bhd	Malaysia
LS Industrial Systems	South Korea
Nippo Corporation	Japan
Power Construction Corporation of China Ltd. (fka Sinohydro)	China
PT Pertamina Persero	Indonesia
Shanghai Electric Group Co.	China
Statesman Resources Ltd	Canada
Wartsila Oyj	Finland
# of Sudan Continued Examination Companies	**21**

The following companies were **<u>removed</u>** from the **SUDAN Continued Examination List** during the quarter:

Removed Company	***Country of Incorporation***
Emperor Oil Ltd	***Canada***

Table 3: Scrutinized Companies with Activities in the IRAN Petroleum Energy Sector

New companies on the list are shaded and in bold.

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
China BlueChemical Ltd.	China	March 19, 2013
China National Petroleum Corporation (CNPC)	China	December 11, 2012
China Petroleum & Chemical Corp (CPCC) Sinopec	China	September 19, 2007
China Oilfield Services Ltd.	China	June 16, 2011
CNOOC Ltd.	China	June 16, 2011
CNOOC Finance Limited	China	September 24, 2013
CNPC Capital Company Limited	**China**	**June 14, 2017**
CNPC General Capital Ltd	China	December 6, 2016
CNPC HK Overseas Capital Ltd.	China	June 16, 2011
COSL Finance (BVI) Limited	China	September 24, 2013
Daelim Industrial Co Ltd.	South Korea	June 16, 2011
Engen Botswana	Botswana	March 24, 2015
Gas District Cooling (Putrajaya) Sdn Bhd	Malaysia	April 14, 2009
Gazprom	Russia	September 19, 2007
Gazprom Neft	Russia	September 16, 2008
Indian Oil Corp Ltd (IOCL)	India	September 19, 2007
KLCC Property Holdings Bhd	Malaysia	April 14, 2009
Kunlun Energy Company Ltd. (fka: CNPC Hong Kong Limited)	Hong Kong	September 19, 2007
Malaysia Marine & Heavy Engineering Holdings Bhd	Malaysia	March 18, 2014
Mangalore Refinery & Petrochemicals Ltd.	India	March 19, 2013
MISC Bhd	Malaysia	September 19, 2007
Mosenergo	Russia	September 16, 2008
Offshore Oil Engineering Co	**China**	**June 14, 2017**
Oil & Natural Gas Corp (ONGC)	India	September 19, 2007
ONGC Videsh Limited (OVL)	India	March 18, 2014
PetroChina	China	September 19, 2007
Petroliam Nasional (Petronas)	Malaysia	September 19, 2007
Petronas Capital Limited	Malaysia	September 19, 2007
Petronas Chemicals Bhd	Malaysia	June 16, 2011
Petronas Dagangan Bhd	Malaysia	September 19, 2007
Petronas Gas Berhad	Malaysia	September 19, 2007
Petronas Global Sukuk	Malaysia	August 2, 2016
Putrajaya Management Sdn Bhd	Malaysia	March 18, 2014
Sinopec Capital 2013 Ltd.	China	March 18, 2014
Sinopec Engineering Group Co Ltd.	China	March 18, 2014

Scrutinized Company: Iran	Country of Incorporation	Date of Initial Scrutinized Classification
Sinopec Group Overseas Development 2016 Ltd	China	August 2, 2016
Sinopec Group Overseas Development 2013 Ltd	China	March 18, 2014
Sinopec Kantons Holdings Ltd.	Bermuda	September 19, 2007
Sinopec Oilfield Equipment Corporation (fka: Kingdream PLC)	China	September 29, 2015
Sinopec Oilfield Service Corp (fka: Sinopec Yizheng Chemical Fibre)	China	March 25, 2008
Sinopec Shanghai Petrochemical	China	September 19, 2007
# of Iran Scrutinized Companies	**41**	

The following companies were **removed** from the **IRAN Scrutinized List** during the quarter:

Removed Company	***Country of Incorporation***
No removals this quarter.	

Table 4: <u>Continued Examination</u> Companies with Petroleum Energy Activities in IRAN

New companies on the list are shaded and in bold. (No companies were added this quarter.)

Continued Examination Company: Iran	**Country of Incorporation**
Anton Oilfield Services Group	China
China Nonferrous Metal Industry's Foreign Engineering and Construction	China
GS Engineering & Construction Corp.	South Korea
GS Holdings	South Korea
Lukoil OAO	Russia
Maire Tecnimont SpA	Italy
Oil India Ltd.	India
Petronet LNG Ltd.	India
Total SA	France
# of Iran Continued Examination Companies	**9**

The following companies were **<u>removed</u>** from the **IRAN Continued Examination List** during the quarter:

Removed Company	***Country of Incorporation***
No removals this quarter.	

Table 5: Correspondence & Engagement Efforts with Scrutinized Companies

In accordance with Section 215.473(3)(a), F.S., the SBA began to engage companies on the September 19, 2007 Scrutinized Company lists. The SBA sent letters to each Scrutinized Company that was owned and held as of September 19, 2007, per the requirements of the law.

The SBA also sent written communication to other scrutinized firms since the initial company engagement effort in September 2007. Each letter encouraged the company to cease any active business operations within 90 days or convert such operations to inactive status to avoid qualifying for divestment by the SBA. In addition, the SBA sent a second letter to scrutinized companies on January 25, 2008, again requesting companies to provide all information necessary to avoid divestment.

On September 30, 2008, the SBA sent a follow-up letter to all Scrutinized Companies. Although, these companies are no longer held by the SBA, the September 30, 2008 letter was intended to once again provide notice of the requirements of the PFIA. Since our original correspondence, several companies on the scrutinized list have replied with valuable information. Each company's response and classification status is summarized below. Any company that responded to the SBA's written correspondence is highlighted in blue text.

Company	Company Responsive to SBA Communications	Status
ABB	Yes; January 29, 2009	Removed from Sudan Scrutinized List
Alstom	Yes; October 1, 2007 and October 25, 2011	Moved to Sudan Continued Examination List
Bharat Heavy Electricals Limited	Yes; October 4, 2007	Sudan Scrutinized Classification Continues
Bow Valley Energy	Yes; October 22, 2008	Removed from Iran Scrutinized List
Chennai Petroleum Corporation Limited	Yes; October 16, 2008	Sudan Scrutinized Classification Continues
China Petroleum & Chemical Corp (Sinopec)	No	Iran & Sudan Scrutinized Classification Continues
CNOOC Ltd	Yes; October 28, 2008	Iran Scrutinized Classification Continues
Dongfeng Motor Group Co. Ltd.	No	Moved to Sudan Continued Examination List
Electricity Generating Public Co	No	Removed from Sudan Scrutinized List
ENI	Yes; February 13, 2008 and May 13, 2011	Removed from Iran Scrutinized and CE Lists
GAIL (India) Limited, aka GAIL Ltd.	Yes; October 5, 2010	Removed from Iran Scrutinized and CE Lists
Gazprom	Yes; November 1, 2007 and August 18, 2014	Iran Scrutinized Classification Continues
Gazprom Neft	Yes; August 15, 2013	Iran Scrutinized as subsidiary of Gazprom
Harbin Electric Co. (fka Harbin Power Equipment)	No	Sudan Scrutinized Classification Continues
Indian Oil Corp Ltd (IOCL)	No	Iran & Sudan Scrutinized Classification Continues
Inpex Corp.	Yes; October 15, 2007 and July 11, 2011	Removed Iran Scrutinized List
Kencana Petroleum	Yes; October 31, 2008	Moved to Sudan Continued Examination List
Korea Electric Power (and subsidiaries, KEPCO Plant/Korea Plant)	Yes; December 27, 2011	Removed from Sudan Scrutinized List
Kunlun Energy Company Ltd. (fka: CNPC Hong Kong Limited)	Yes; October 5, 2007 and May 24, 2008	Iran & Sudan Scrutinized Classification Continues
Lukoil OAO	Yes; October 8, 2007	Moved to Iran Continued Examination List
Lundin Petroleum AB	Yes; October 17, 2008	Removed from Sudan Scrutinized List
Lundin International SA	No	Removed from Sudan Scrutinized List

Company	Company Responsive to SBA Communications	Status
Malaysia Marine & Heavy Engineering Holdings Bhd	Yes; November 14, 2014	Iran & Sudan Scrutinized Classification Continues
Mangalore Refinery & Petrochemicals Ltd	Yes; March 8, 2013	Iran & Sudan Scrutinized Classification Continues
MISC Bhd	No	Iran & Sudan Scrutinized Classification Continues
Norsk Hydro	Yes; November 30,2007	Removed from Iran Scrutinized List
Oil & Natural Gas Corp (ONGC)	Yes; July 23, 2014	Iran & Sudan Scrutinized Classification Continues
OMV AG	Yes; November 6, 2007 and April 14, 2010	Removed from Iran Continued Examination List
PetroChina	Yes; December 22, 2008	Iran & Sudan Scrutinized Classification Continues
Petroleo Brasileiro (Petrobras)	Yes; January 13, 2010	Removed from Iran Scrutinized List
Petroliam Nasional (Petronas)	Yes; July 6, 2015	Iran & Sudan Scrutinized Classification Continues
Putrajaya Management Sdn Bhd	Yes; September 5, 2014	Iran & Sudan Scrutinized Classification Continues
Ranhill Bhd	Yes; October 22, 2008	Removed from Sudan Scrutinized List
Repsol YPF	Yes; October 15, 2007; January 2013	Removed from Iran Scrutinized and CE Lists
Royal Dutch Shell PLC	Yes; October 5, 2007; January 27, 2011; April 13, 2011	Removed from Iran Scrutinized and CE Lists
Sinopec Kantons Holdings Ltd.	No	Iran & Sudan Scrutinized Classification Continues
Sinopec Shanghai Petrochemical Company	No	Sudan Scrutinized Classification Continues
Snam Rete Gas	Yes; October 9, 2008	Removed from Iran Scrutinized Classification
Statoil ASA (fka: StatoilHydro)	Yes; February 4, 2008; January 24, 2011; June 16, 2011	Removed from Iran Scrutinized and CE Lists
Total Capital	Yes; January 26, 2011 and April 25, 2011	Removed from Iran Scrutinized and CE Lists
Total SA	Yes; October 12, 2007; October 29, 2010; April 25, 2011	Removed from Iran Scrutinized List
Wärtsilä Oyj	Yes; December 4, 2007	Moved to Sudan Continued Examination List

Table 6: Correspondence & Engagement Efforts with Continued Examination Companies

In addition to Scrutinized Companies, the SBA engaged companies on our initial September 19, 2007 Continued Examination company lists. The SBA also sent written communication to firms added to the Continued Examination list since the initial company engagement effort in September 2007. Such companies were asked to provide information to the SBA in order to assist us in determining the extent of their activities, if any, in Sudan and Iran. The SBA sent a follow-up letter to all companies on September 30, 2008. Each company's response and classification is summarized below. Any company that responded to the SBA's written correspondence is highlighted in blue text.

Company	Company Responsive to SBA Communications	Continued Examination Status
Actividades de Construccion y Servicios S.A.(ACS)	No	Removed from Iran List
Aggreko PLC	Yes; January 28, 2008	Removed from Iran List
Air Liquide	Yes; November 30, 2007 January 28, 2008	Removed from Iran List
Aker Solutions ASA (fka Aker Kvaerner ASA)	No	Iran CE Classification Continues
AREF Investment Group	No	Removed from Sudan List
Areva SA	Yes; October 27, 2008 December 29, 2009	Removed from Sudan List
Bauer Aktiengesellschaft	Yes; March 13, 2008	Removed from Sudan List
BG Group	Yes; November 23, 2007	Removed from Iran List
Bharat Electronics Limited	No	Removed from Sudan CE List
Bollore Group	No	Sudan CE Classification Continues
Costain Group PLC	Yes; November 5, 2007	Removed from Iran List
Daelim Industrial Co Ltd	No	Moved to Iran Scrutinized List
Engineers India Ltd.	Yes; October 16, 2008; September 9, 2010	Removed from Iran CE List
Essar Oil	Yes; January 9, 2009	Removed from Iran List
Finmeccanica SpA	No	Removed from Sudan List
Glencore Xstrata PLC	Yes; September 20, 2010	Sudan CE Classification Continues
GVA Consultants	Yes; September 26, 2007 September 30, 2010	Removed from Iran CE List
ICSA India Limited	No	Removed from Sudan List
INA-Industrija Nafte DD Zagreb	Yes; April 15, 2014	Removed from Iran List
Itochu Corp	Yes; May 9, 2008	Removed from Iran List
JGC Corp	Yes; October 1, 2007	Removed from Iran List
La Mancha Resources	Yes; October 21, 2008	Removed from Sudan List
Linde AG	Yes; November 14, 2007	Removed from Iran List
Liquefied Natural Gas LNGL	No	Iran CE Classification Continues
Mitsubishi Heavy Industries Ltd.	Yes; October 26, 2007	Removed from Iran List
Mitsui & Co.	Yes; October 17, 2007	Removed from Iran List
Mitsui Engineering & Shipbuilding	Yes; November 21, 2007 December 18, 2007	Removed from Iran and Sudan Lists
MMC Bhd	No	Sudan CE Classification Continues
Nam Fatt	No	Removed from Sudan List
PT Citra Tubindo Tbk.	Yes; September 27, 2010	Removed from Iran CE List

Company	Company Responsive to SBA Communications	Continued Examination Status
PTT Public Company Limited	Yes; October 1, 2010	Removed from Sudan CE List
Saipem SpA	Yes; December 12, 2007	Removed from Iran Lists
Samsung Engineering Co. Ltd.	No	Removed from Iran CE List
Samsung Heavy Industries Co. Ltd.	No	Removed from Iran List
Sasol Ltd.	Yes; May 25, 2010 September 29, 2010	Removed from Iran CE List
Seadrill Ltd	Yes; September 20, 2010	Removed from Sudan CE List
Siam Cement Group (SCG)	Yes; September 24, 2010	Iran CE Classification Continues
Siemens AG	Yes; October 22, 2009 October 8, 2010	Removed from Iran CE List
Schlumberger Limited NV	Yes; October 19, 2007	Removed from Iran and Sudan Lists
Siam Cement PCL	Yes; October 21, 2008	Iran CE Classification Continues
SNC - Lavalin Group Inc.	Yes; September 25, 2007	Removed from Iran List
Sudan Telecommunications (Sudatel)	No	Removed from Sudan CE Classification
Technip	Yes; April 30, 2010 and November 30, 2010	Removed from Iran CE Classification
The Weir Group PLC	Yes; November 16, 2007	Removed from Iran and Sudan Lists
Total SA	Yes; October 12, 2007	Removed from Sudan CE Classification
Trevi-Finanziaria Industriale S.p.A.	Yes; September 17, 2010	Removed from Iran CE List
Weatherford International, Ltd.	No	Removed from Sudan List
Welspun Corp. Limited (fka Welspun-Gujarat Stahl Rohen Ltd.)	Yes; September 24, 2010	Iran CE Classification Continues

Key Dates for PFIA Activities

June 8, 2007 — Legislation's effective date, upon becoming a law.

August 6, 2007 — SBA letter to state agencies requesting data on all publicly traded securities held directly by the State.

August 20, 2007 — First of two letters to investment managers providing written notice of PFIA enactment and amendment to Schedule B of investment management contracts.

September 19, 2007 — SBA assembles initial Scrutinized Companies lists for Sudan and Iran.

September 20, 2007 — SBA engages companies classified as either Scrutinized or needing Continued Examination through written correspondence, subsequent conference calls and additional communication. SBA disclosed the Scrutinized Companies lists on its website, including reporting of all equities held by direct State of Florida governmental entities.

September 21, 2007 — Second of two letters to investment managers providing Scrutinized Companies lists.

October 16, 2007 — SBA formally submits the Scrutinized Companies lists to the Florida Legislature and the United States Special Envoy to Sudan, and continues to do so every quarter.

November 30, 2007 — SBA sends notification via email to any owned scrutinized company that has not responded to initial written correspondence. Similar notification was sent to each company classified as needing continued examination.

January 25, 2008 — SBA sends additional notice of divestment and request for information to all Scrutinized Companies, with emphasis to companies that have been unresponsive to the SBA's prior request for the necessary information.

July 1, 2008 — In March 2008, the SBA developed a policy approach directing all affected managers to sell their remaining PFIA related holdings no later than July 1, 2008, approximately three months earlier than the statutory deadline of September 18, 2008.

September 18, 2008 — Statutory deadline for the SBA to complete divestment of *initial* Scrutinized Companies (i.e., within 12 months of their initial appearance on the September 19, 2007 list), if they do not stop scrutinized active business operations.

March 1, 2010 — Deadline for the SBA to identify and offer at least one terror-free investment product for the FRS Investment Plan (Defined Contribution).

Quarterly Reporting — SBA provides quarterly updates to the Scrutinized Companies lists for Sudan and Iran, including a summary of engagement activities. PFIA quarterly reports have been issued on the following dates:

September 19, 2007
December 18, 2007
March 25, 2008
June 10, 2008
September 16, 2008
January 13, 2009
April 14, 2009
July 28, 2009
October 27, 2009
January 26, 2010
April 27, 2010
July 29, 2010
November 9, 2010
February 22, 2011
June 16, 2011
September 20, 2011
December 6, 2011
March 20, 2012
June 26, 2012
September 18, 2012
December 11, 2012
March 19, 2013
June 25, 2013
September 24, 2013
December 10, 2013
March 18, 2014
June 17, 2014
September 23, 2014
December 9, 2014
March 24, 2015
June 23, 2015
September 29, 2015
December 8, 2015
March 29, 2016
August 2, 2016
December 6, 2016
March 14, 2017
June 14, 2017

Summary of Investments Sold, Redeemed, Divested or Withdrawn

In accordance with the PFIA, the SBA must divest all holdings of any scrutinized companies within 12 months of their original appearance on the prohibited securities list. External managers are contractually responsible for administering investments in accordance with restrictions set forth by the SBA, including the prohibited securities list of the PFIA. Historical divestment transaction data is contained in prior PFIA Quarterly Reports. The table below presents the cumulative market capitalization of scrutinized companies divested by the SBA since the PFIA's inception:

Cumulative Divestment	
Royal Dutch Shell**	$215,784,700.79
Total SA**	$214,536,015.45
Petroleo Brasileiro SA (Petrobras) **	$206,135,264.10
ENI**	$141,403,034.78
CNOOC Ltd	$131,737,735.86
Gazprom (a.k.a. OAO Gazprom)	$71,275,453.14
Alstom**	$65,897,698.67
Repsol YPF**	$53,420,179.87
Statoil ASA** (fka: StatoilHydro)	$46,792,677.58
China Petroleum and Chemical Corp (CPCC) Sinopec	$38,455,440.48
PetroChina	$25,723,158.75
Inpex Corp.**	$24,835,110.63
MISC Bhd	$16,448,397.44
Snam Rete Gas**	$9,596,905.78
Lukoil OAO**	$9,487,631.46
OMV AG **	$8,601,977.98
Shell International Finance**	$8,599,813.40
China BlueChemical Ltd	$7,538,215.73
Wärtsilä Oyj**	$1,797,871.96
Daelim Industrial Co Ltd	$1,566,926.73
Petrofac Ltd **	$1,496,881.43
The Weir Group PLC **	$1,322,666.62
Petrobras International Finance**	$1,148,750.00
Lundin Petroleum AB **	$1,133,120.04
Oil & Natural Gas Corporation (ONGC)	$945,363.83
Petrobras Energia (Participaciones) **	$298,632.08
Dongfeng Motor Group**	$158,623.49
Electricity Generating Public Company**	$121,321.38
Gazprom Neft	$37,892.73
** denotes companies no longer on the Prohibited Company list	**$1,306,825,533.68**

In accordance with the PFIA, the SBA will report on the performance implications of PFIA-related divestitures and restrictions. Generally, the impact of PFIA legislation on performance is measured as the opportunity cost of not being able to hold prohibited securities, measured by comparing the monthly return of the standard foreign equity benchmark (i.e., the MSCI ACWI ex-US) to a custom foreign equity benchmark based upon PFIA divestiture requirements. The difference in returns between the standard benchmark and custom benchmark represents the opportunity cost to the SBA of not being able to invest in (or hold) prohibited companies. The percent return difference is then applied to the average monthly balance of foreign equity investments to determine a dollar impact. Monthly dollar impacts, whether positive or negative, are added together through time and then compared to the total value of the FRS Pension Plan to determine the percentage or basis point impact of PFIA legislation.

Table 7: List of Prohibited Investments (Scrutinized Companies)

New companies on the list are shaded and in bold.

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Chennai Petroleum Corp Ltd	Sudan	India	September 19, 2007	Yes
China BlueChemical Ltd	Iran	China	March 19, 2013	Yes
China National Petroleum Corporation (CNPC)	Sudan & Iran	China	December 11, 2012	Yes
China Oilfield Services Ltd	Iran	China	June 16, 2011	Yes
China Petroleum & Chemical Corp (CPCC) Sinopec	Sudan & Iran	China	September 19, 2007	Yes
CNOOC Ltd	Iran	China	June 16, 2011	Yes
CNOOC Finance Limited	Iran	China	September 24, 2013	Yes
CNPC Capital Company Limited	**Sudan & Iran**	**China**	**June 14, 2017**	
CNPC General Capital Ltd	Sudan & Iran	China	June 26, 2012	Yes
CNPC HK Overseas Capital Ltd	Sudan & Iran	China	June 16, 2011	Yes
COSL Finance (BVI) Limited	Iran	China	September 24, 2013	Yes
Daelim Industrial Co Ltd	Iran	South Korea	June 16, 2011	Yes
Daqing Huake Group Co Ltd	Sudan	China	March 25, 2008	Yes
Egypt Kuwait Holding Co. SAE	Sudan	Kuwait	January 13, 2009	Yes
Energy House Holding Company (fka: AREF Energy Holdings Co)	Sudan	Kuwait	July 28, 2009	Yes
Engen Botswana	Sudan & Iran	Botswana	March 24, 2015	Yes
Gas District Cooling (Putrajaya) Sdn Bhd	Sudan & Iran	Malaysia	April 14, 2009	Yes
Gazprom	Iran	Russia	September 19, 2007	Yes
Gazprom Neft	Iran	Russia	September 16, 2008	Yes
Harbin Electric Co. Ltd. (fka: Harbin Power Equipment)	Sudan	China	September 19, 2007	Yes
Indian Oil Corp Ltd (IOCL)	Sudan & Iran	India	September 19, 2007	Yes
Jiangxi Hongdu Aviation (aka Hongdu Aviation)	Sudan	China	September 19, 2007	Yes
KLCC Property Holdings Bhd	Sudan & Iran	Malaysia	April 14, 2009	Yes
Kunlun Energy Company Ltd. (fka: CNPC Hong Kong)	Sudan & Iran	Hong Kong	September 19, 2007	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Kuwait Finance House	Sudan	Kuwait	April 14, 2009	Yes
Lanka IOC Ltd	Sudan	India	September 19, 2007	Yes
Managem SA	Sudan	Morocco	November 9, 2010	Yes
Mangalore Refinery & Petrochemicals Ltd	Sudan & Iran	India	September 19, 2007	Yes
Malaysia Marine & Heavy Engineering Holdings Bhd	Sudan & Iran	Malaysia	March 18, 2014	Yes
MISC Bhd	Sudan & Iran	Malaysia	September 19, 2007	Yes
Mosenergo	Iran	Russia	September 16, 2008	Yes
Offshore Oil Engineering Co	**Iran**	**China**	**June 14, 2017**	
Oil India Ltd.	Sudan	India	September 18, 2012	Yes
Oil & Natural Gas Corp (ONGC)	Sudan & Iran	India	September 19, 2007	Yes
ONGC Videsh Limited (OVL)	Sudan & Iran	India	March 18, 2014	Yes
Orca Gold Inc.	Sudan	Canada	December 9, 2014	Yes
PetroChina	Sudan & Iran	China	September 19, 2007	Yes
Petroliam Nasional (Petronas)	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Capital Limited	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Chemicals Bhd	Sudan & Iran	Malaysia	June 16, 2011	Yes
Petronas Dagangan Bhd	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Gas Berhad	Sudan & Iran	Malaysia	September 19, 2007	Yes
Petronas Global Sukuk	Sudan & Iran	Malaysia	August 2, 2016	Yes
Putrajaya Management Sdn Bhd	Sudan & Iran	Malaysia	March 18, 2014	Yes
Sinopec Capital 2013 Ltd	Sudan & Iran	China	September 24, 2013	Yes
Sinopec Engineering Group Co Ltd	Sudan & Iran	China	March 18, 2014	Yes
Sinopec Group Overseas Development 2016 Ltd	Sudan & Iran	China	August 2, 2016	Yes
Sinopec Group Overseas Development 2013 Ltd	Sudan & Iran	China	March 18, 2014	Yes
Sinopec Kantons Holdings Ltd	Sudan & Iran	Bermuda	September 19, 2007	Yes
Sinopec Oilfield Equipment Corporation (fka: Kingdream PLC)	Sudan & Iran	China	April 14, 2009	Yes

Prohibited Investments (Scrutinized Companies)	Scrutinized Country	Country of Incorporation	Initial Appearance on Scrutinized List	Full Divestment
Sinopec Oilfield Service Corp (fka: Sinopec Yizheng Chemical Fibre)	Sudan & Iran	China	March 25, 2008	Yes
Sinopec Shanghai Petrochemical	Sudan & Iran	China	September 19, 2007	Yes
Société Nationale d'Investissement	Sudan	Morocco	December 6, 2016	Yes
Societe Metallurgique D'imiter	Sudan	Morocco	November 9, 2010	Yes
# of Prohibited Investments	**54**	-	-	**Yes**

The following companies were **removed** from the **Prohibited Investments List** this quarter.

Removed Company	*Country of Incorporation*
KT Kira Sert Varlik	***Turkey***
KT Sukuk Co Ltd	***Cayman Islands***

Table 8: SBA Holdings in Prohibited Investments Subject to Divestment

As of March 30, 2017, the SBA did not hold shares of any company on the Sudan or Iran Prohibited Investments List in accounts subject to the PFIA divestiture requirements.

Summary of Progress, SBA Investment Manager Engagement Efforts

On August 20, 2007, the SBA sent letters to external investment managers notifying them of the Act and informing them of new contract language that would enforce their cooperation with the requirements of the new law.

On September 19, 2007, the SBA sent letters to all affected managers outlining the list of prohibited securities for any future purchases. The letter described the SBA's engagement process with companies on the list, which affords companies a 90-day period in which to comply with the conditions of the law or clarify their activities. The letter directed these managers to cease purchase of securities on the list and to await the direction of the SBA for any divestment necessary in the event engagement fails, with a deadline for divestment under the law of September 18, 2008.

On September 19, 2007, the SBA sent letters to actively-managed, indirectly held funds holding scrutinized securities, including managers of the defined contribution program, asking the funds to review the list of scrutinized securities and consider eliminating such holdings from the portfolio or create a similar fund, devoid of such holdings, per the requirements of the law.

Each quarter, the SBA sends written and electronic notification to all affected managers about the list of prohibited companies.

The SBA has received responses noting our concerns in writing and by phone from several of the contacted managers.

Listing of All Publicly Traded Securities (Including Equity Investments)

Due to the large number of individual securities and the volume of information, this list has been electronically posted to the SBA's website and is updated quarterly. A list of all publicly traded securities owned by the State of Florida can be found within the PFIA information section of the SBA's website. Please observe the electronic report's notes page for important clarifying explanations of included data.

Section 2: Prohibited Investments by the SBA, Companies that Boycott Israel
Section 215.4725 F.S.

Summary

In 2016, the SBA was directed by state law to create a "scrutinized companies" list, composed of companies that participate in a boycott of Israel including actions that limit commercial relations with Israel or Israeli-controlled territories. The SBA is prohibited from acquiring direct holdings of the companies on this list. The law requires the SBA to use best efforts in identifying companies that boycott Israel, publish the list on a quarterly basis, send written notice to the companies, engage with the SBA's external managers concerning holdings of the companies on the list, and publish a list of the SBA's directly-held securities and certain other information detailed below. Note, Section 215.4725 F.S. applies only to assets governed by Chapter 121 ("Florida Retirement System Act"), and therefore does not affect any non-FRS funds managed by the SBA.

Primary Requirements of the law

1. **Identification of companies**
   By August 1, 2016, SBA will make best efforts to identify all scrutinized companies in which the SBA has indirect or direct holdings or possibly could have holdings in the future.

   As required by statute, SBA will review publicly-available information, including from NGOs, non-profits, government entities and research firms, and/or contact asset managers or other institutional investors. SBA staff will contract with external research providers to obtain preliminary lists of potential scrutinized companies and evaluate the evidence to make a final determination of scrutinized status. Currently SBA has retained one data provider, IW Financial. Another provider is expected to offer an Israel-boycott data service, though they do not expect to furnish a potential list until the 4th quarter of 2016.

   Using various information sources, the SBA has developed two separate categorizations of a company's status for consideration under this law.

   "Scrutinized" — Information provided by an external research provider, publicly-available information or information from the company or another reliable source indicates that a company meets the classification of a Scrutinized Company as defined by the law.

   "Continued Examination" — Information suggests but does not clearly demonstrate that a company's activities are a boycott of Israel. The SBA is unable to definitively categorize the company's activities as scrutinized without further research to resolve the differences. For companies classified as "Continued Examination," the SBA will begin an engagement process to clarify each firm's current business relationships.

   The following definitions are provided by the law to assist in company identification:

   "Scrutinized companies" means companies that boycott Israel or engage in a boycott of Israel.

   "Boycott Israel" means refusing to deal, terminating business activities, or taking other actions to limit commercial relations with Israel, or persons or entities doing business in Israel or in Israeli-controlled territories, in a discriminatory manner. A statement by a company that it is participating in a boycott of Israel, or that it has initiated a boycott in response to a request for a boycott of Israel or in compliance with, or in furtherance of, calls for a boycott of Israel, may be considered by the State Board of Administration to be evidence that a company is participating in a boycott of Israel. The term does not include restrictive trade practices or boycotts fostered or imposed by foreign countries against Israel.

   "Direct holdings" are company securities held directly by the SBA or accounts in which SBA owns all interest (such as non-commingled funds).

"Indirect holdings" are company securities that are held in collective investment with other investors, such as commingled funds and mutual funds.

2. Publish and reporting

By the first meeting of the Trustees of the SBA after August 1, 2016, the SBA will publicly release the "Scrutinized Companies that Boycott Israel List" and thereafter provide quarterly updates of the list based on evolving information and events.

The SBA shall file a report with each member of the Board of Trustees of the SBA, as well as the Speaker of the House of Representatives and the President of the Senate within 30 days after the list is created and shall make the report publicly available. At each quarterly trustee meeting thereafter, the SBA shall file a publicly-available report to these persons. The quarterly reports will include:

a. A summary of correspondence with companies engaged by the SBA as required above.
b. All prohibited investments (Scrutinized Companies list).
c. Any progress made with respect to requests of SBA's external managers to remove scrutinized companies from indirect holdings or create similar funds devoid of such holdings.
d. A list of all publicly-held securities held directly by the SBA.

Actions taken in compliance with this section must be adopted and incorporated into the Investment Policy Statement as provided in Section 215.4725, F.S.

3. Engagement

SBA is required to determine the companies on the Scrutinized Companies list in which the SBA has direct or indirect holdings. For each company newly identified after August 1, 2016, the public fund shall send a written notice informing the company of its scrutinized company status and that it may become subject to investment prohibition by the public fund. The notice must inform the company of the opportunity to clarify its activities regarding the boycott of Israel and encourage the company to cease the boycott of Israel within 90 days in order to avoid qualifying for investment prohibition.

If, within 90 days after the public fund's first engagement with a company pursuant to this paragraph, the company ceases a boycott of Israel, the company shall be removed from the Scrutinized Companies that Boycott Israel List, and the provisions of this section shall cease to apply to that company unless that company resumes a boycott of Israel.

4. Prohibition

The SBA may not acquire directly-held securities of companies on the Scrutinized Companies list. The SBA is not required to divest of existing holdings. Indirect holdings are exempt from the prohibition (such as commingled accounts, index funds and mutual funds). However, SBA will submit letters to the managers of such investment funds which hold companies from the Scrutinized Companies list requesting that they consider removing the companies from the fund or creating a similar fund devoid of such holdings. SBA shall replace applicable investments in the similar fund devoid of such holdings in an expedited timeframe subject to prudent investing standards if the manager complies with such a request.

Exchange-traded funds are also exempted from the prohibition, without the requirement to contact the fund management.

A cessation of the investment prohibition is allowed if the fund has evidence that the assets under management become equal or less than 99.50% of the hypothetical fund value assuming no investment prohibition had occurred. This must be reported to the parties listed in "reporting" below and updated semiannually for the cessation to be authorized.

Table 9: Scrutinized Companies that Boycott Israel

New companies on the list are shaded and in bold. (No companies added this quarter.)

Scrutinized Company that Boycotts Israel	Country of Incorporation	Date of Initial Scrutinized Classification
Cactus SA	Luxembourg	August 2, 2016
Betsah Invest SA	Luxembourg	August 2, 2016
Betsah SA	Luxembourg	August 2, 2016
Cooperative Group Gomersall	United Kingdom	August 2, 2016
Guloguz Dis Deposu Ticaret Ve Pazarlama Ltd	Turkey	August 2, 2016
# of Companies that Boycott Israel	**5**	

Companies **removed** from **Scrutinized Companies that Boycott Israel List** during the quarter:

Removed Company	*Country of Incorporation*
No removals this quarter.	

Table 10: Continued Examination Companies that Boycott Israel

New companies on the list are shaded and in bold. (No companies added this quarter.)

Continued Examination Company: Israel	Country of Incorporation
Aldi	Germany
ASN Bank NV	Netherlands
CRH Public Limited Co	Ireland
HEMA BV	Netherlands
Karsten Farms	South Africa
# of Continued Examination Companies	**5**

Companies **removed** from **Continued Examination Companies that Boycott Israel List** during the quarter:

Removed Company	*Country of Incorporation*
No removals this quarter.	

Table 11: Correspondence & Engagement Efforts

In accordance with Section 215.4725, F.S., the SBA began to engage companies on the Scrutinized Companies that Boycott Israel and Continued Examination lists. The SBA sent letters to each company per the requirements of the law. Each company's response and classification status is summarized below. Any company that responded to the SBA's written correspondence is highlighted in blue text.

Company	Company Responsive to SBA Communications	Status
Cactus SA	No	Remains on scrutinized list
Betsah Invest SA	No	Remains on scrutinized list
Betsah SA	No	Remains on scrutinized list
FreedomCall Ltd	Yes, November 4, 2016	Removed from scrutinized list
Cooperative Group Gomersall	No	Remains on scrutinized list
Guloguz Dis Deposu Ticaret Ve Pazarlama Ltd	No	Remains on scrutinized list
U2u Consult NV	Yes, December 29, 2016	Removed from scrutinized list
Danske Bank	Yes, multiple dates	Removed from continued examination list
Dexia	Yes, multiple dates	Removed from continued examination list
Aldi	No	Remains on continued examination list
ASN Bank NV	No	Remains on continued examination list
HEMA BV	No	Remains on continued examination list
Karsten Farms	No	Remains on continued examination list

Section 3: Investments in Publicly Traded Companies Operating in Northern Ireland (Section 215.4702 F.S.)

Summary

The SBA is subject to s. 215.4702, Florida Statutes (F.S.) ("MacBride Principles"), which directs the SBA to notify publicly traded companies of support for the MacBride Principles, inquire regarding the actions a company has taken in support of or furtherance of the MacBride Principles, and encourage publicly traded companies with certain business operations in Northern Ireland to adopt the MacBride Principles. In addition, the SBA will also demonstrate support for the MacBride Principles through its proxy voting authority.

Requirements of the Law

As defined by the Northern Ireland statute, "publicly traded company" is any business organization having equity securities listed on a national or an international exchange that is regulated by a national or an international regulatory authority. In addition, "operating" is defined as actively engaging in commerce geographically in Northern Ireland through the acquisition, development, maintenance, ownership, sale, possession, lease, or operation of equipment, facilities, personnel, products, services, or personal property.

Publishing and Reporting

In making the determination specified in subsection (2) of 215.4702, F.S., the SBA may, to the extent it deems appropriate, rely on available public information, including information provided by nonprofit organizations, research firms, international organizations, and government entities.

The SBA is encouraged to determine which publicly traded companies in which the Florida Retirement System Trust Fund is invested operate in Northern Ireland. If the SBA determines that a publicly traded company meets such criteria, it is encouraged to engage with the company and determine its support for the MacBride Principles. SBA staff annually reviews the list of companies that meet the definition of publicly traded companies operating in Northern Ireland, and periodically engages those firms.

Update on Investments in Publicly Traded Companies Operating in Northern Ireland.

Since the initial mailing of letters to listed companies identified in the SBA's portfolio, staff has received written responses from 18% of engaged companies. Staff also periodically receives phone calls requesting clarification of information regarding the MacBride Principles. Staff will continue to track letter responses annually and demonstrate support for the MacBride Principles as identified in 215.4702 Florida Statutes.

Section 4: Companies Operating in Cuba or Syria
(Section 215.471 F.S.)

Summary

The Free Cuba Act of 1993 was passed by the Florida Legislature in accordance with federal law. Chapter 215.471 of the Florida Statutes prohibits the SBA from investing in: (1)(a) any institution or company domiciled in the United States, or foreign subsidiary of a company domiciled in the United States, doing business in or with Cuba, or with agencies or instrumentalities thereof in violation of federal law; and (1)(b) any institution or company domiciled outside of the United States if the President of the United States has applied sanctions against the foreign country in which the institution or company is domiciled. Section (2)(a) states the SBA may not be a fiduciary with respect to voting on, and may not have the right to vote in favor of, any proxy resolution advocating expanded U.S. trade with Cuba or Syria.

Requirements of the Law

In order to comply with this law, the U.S. State Department and/or the Treasury Department's Office of Foreign Assets Control (OFAC) are contacted periodically to confirm that no sanctions have been implemented. Since the Act's inception, sanctions have never been issued against any country. During the fiscal year ending June 30, 2016, there were no shareowner proposals related to expanding trade with Cuba or Syria.

For more information, please contact:

State Board of Administration of Florida (SBA)
Investment Programs & Governance
1801 Hermitage Blvd., Suite 100
Tallahassee, FL 32308
www.sbafla.com

or send an email to:
governance@sbafla.com

STATE BOARD OF ADMINISTRATION
OF FLORIDA

1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308
(850) 488-4406

POST OFFICE BOX 13300
32317-3300

June 14, 2017

Honorable Dan Raulerson
Alternating Chair
Joint Legislative Auditing Committee
300 House Office Building
402 South Monroe Street
Tallahassee, Florida 32399-1100

Honorable Debbie Mayfield
Alternating Chair
Joint Legislative Auditing Committee
324 Senate Office Building
404 South Monroe Street
Tallahassee, Florida 32399-1300

Dear Representative Raulerson and Senator Mayfield:

Pursuant to section 218.409(6)(a)1, Florida Statutes, the trustees of the State Board of Administration shall “provide quarterly a report to the Joint Legislative Auditing Committee that the trustees have reviewed and approved the monthly reports [Florida PRIME Management Summary] and actions taken, if any, to address any impacts."

Please be advised that the Trustees have reviewed the attached reports and authorized me to convey their action to you. During the period January 1, 2017 through March 31, 2017, there were no material impacts on the trust fund in question and, therefore, no associated actions or escalations.

Please contact me if you have any questions.

Sincerely,

Ashbel C. Williams
Executive Director & CIO

ACW/kg
Attachments
cc: Honorable Tracy Davis
Honorable Randy Fine
Honorable Joe Gruters
Honorable Roy Hardemon
Honorable Cyndi Stevenson
Honorable Dennis Baxley
Honorable Audrey Gibson
Honorable Kathleen Passidomo
Honorable Perry Thurston
Ms. Kathy Dubose, Coordinator

FLORIDA PRIME™

AN INVESTMENT SERVICE FOR PUBLIC FUNDS

MONTHLY SUMMARY REPORT

January 2017

State Board of Administration of Florida

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

Contents

Past performance is no guarantee of future results.

Views are as of the issue date and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security.

An investment in Florida PRIME is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Although money market funds seek to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in this fund.

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

Introduction

This report is prepared for stakeholders in Florida PRIME in accordance with Section 218.409(6)(a), Florida Statutes. The statute requires:

(1) Reporting of any material impacts on the funds and any actions or escalations taken by staff to address such impacts;

(2) Presentation of a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last month; and

(3) Preparation of the management summary "in a manner that will allow anyone to ascertain whether the investment activities during the reporting period have conformed to investment policies."

This report, which covers the period from January 1, 2017, through January 31, 2017, has been prepared by the SBA with input from Federated Investment Counseling ("Federated"), investment advisor for Florida PRIME in a format intended to comply with the statute.

Disclosure of material impacts

During the reporting period, Florida PRIME was in material compliance with investment policy. There were no developments that had a material impact on the liquidity or operation of Florida PRIME. Details are available in the PRIME policy compliance table. This report also includes details on market conditions; fees; fund holdings, transactions and performance; and client composition.

PRIME™ STATISTICS

(As of January 31, 2017)

Total Participants
743

Florida PRIME™ Assets
$10,801,303,459

Total Number of Accounts
1,427

FACTS-AT-A-GLANCE

Florida PRIME is an exclusive service for Florida governmental organizations, providing a cost-effective investment vehicle for their surplus funds. Florida PRIME, the Local Government Surplus Funds Trust Fund, is utilized by hundreds of governmental investors including state agencies, state universities and colleges, counties, cities, special districts, school boards, and other direct support organizations of the State of Florida.

Florida PRIME is a government investment pool that offers management by an industry leader in professional money management, conservative investment policies, an extensive governance framework, a Standard & Poor's "AAAm" rating, full transparency, and best-in-class financial reporting.

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

PORTFOLIO MANAGER COMMENTARY

MARKET CONDITIONS

The dots may have just run into reality. That is our take on the Federal Reserve's economic projections released at December 2016's Federal Open Market Committee meeting. The dot plot implied the Fed could be compelled to hike the target federal funds rate three times this year. We have taken a more conservative stance, still expecting only two moves, in June and September, with a third only as a possibility in December.

It is all well and good that the dots showed policymakers optimistic about how the U.S. economy will fare this year. Chair Janet Yellen and other officials' rhetoric also points in that direction. Cash managers love for the positive momentum to translate into wage gains and increased prices that could push inflation to the Fed's 2% inflation target, and provide a bump in yield in the process. But we see enough uncertainty in the economic and political spheres to question that this will happen.

Simply put, economic statistics have not been bad but they have not been great, either. In January the housing market had some regional pockets of strength and regional pockets of slowdown. That makes sense because with an increase in rates, there are fewer new home sales and not as many housing starts. Retail sales were OK, but not anything to write home about. That is especially troubling considering the holiday-driven consumer activity expected every December and January. On the other hand, inflation does appear to be picking up a bit. The consumer price index (CPI) is squarely above 2% at this point, the producer price index (PPI) is approaching 2% and the personal consumption expenditures index (PCE)—data Yellen is said to pay particular attention to—now hovers near that mark. Increasing inflation is not bad, as long as it is orderly and is accompanied by measured gross domestic product (GDP) growth. But we are not convinced we are going to see enough to trigger a third move, and, again, economic data has been mixed lately.

Then you have the political wild cards. While these may not have a huge impact economically, the more that people and business leaders get caught up in expecting the unexpected, the less likely they are going to reach in terms of investing or planning for the future. You can see that easily enough with the crisis around President Trump's executive order on immigration. In fact, what happened has clarified to us that the next four years are not going to be 100% rosy. Since the election, the markets have tended to focus on the positive economic implications of Trump's potential policies. But now there is more of a realization that not all of these necessarily will be positive. In fact, some of his actions could lead to global fallout that could be detrimental to the U.S., especially if a trade war ensues.

It is more of a balanced picture now, which solidifies our conviction that the Fed will undertake only two moves and not three in 2017. But that does not mean we cannot take advantage of a market that has priced in a trio of hikes, making money market securities relatively attractive throughout January. The short end of the London interbank offered rate (LIBOR) curve remained elevated during January, with 3- and 6-month Libor bumping up around 4 basis points to 1.04% and 1.35%, respectively. In fact, while we are still targeting our Weighted Average Maturity (WAM) at 40-50 days, we have been able to be at the long end of this range, with specific WAM moving longer by four days to 50 days in January, and Weighted Average Life longer by five days to 65. We focused purchases on the longer end of the cash yield curve (around and beyond 6-months), as well, in both fixed and floating-rate commercial and bank paper. All of this helped the gross yield of the Pool rise 5 basis points to 1.00%.

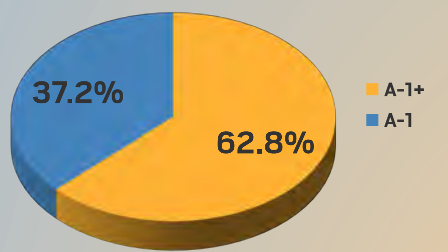
INVESTMENT STRATEGY

The composition of the Pool has not changed materially from December 2016. The percentage of allocation to repo and money market funds in the portfolio remained at 3% and 2%, respectively; variable-rate instruments and commercial fixed-rate paper both dipped a percentage point to 18% and 53%, respectively; and the percentage of fixed-rate bank paper grew 2% to become 24% of total. Pool assets rose by $300 million to $10.8 billion, as funds continued to enter during the current tax-collection season.

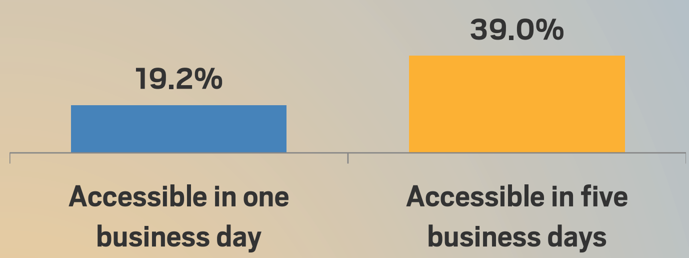
FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

PORTFOLIO COMPOSITION FOR JANUARY 2017

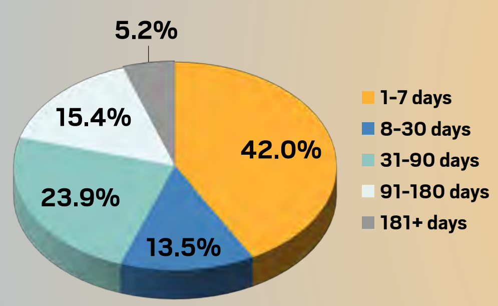
CREDIT QUALITY COMPOSITION



HIGHLY LIQUID HOLDINGS



EFFECTIVE MATURITY SCHEDULE



TOP HOLDINGS & AVG. MATURITY

1.	Svenska Handelsbanken, Stockholm	5.0%
2.	DZ Bank AG Deutsche Zentral-Genossenschaftsbank	4.9%
3.	Credit Agricole Group	4.9%
4.	Luxembourg, Government of	4.8%
5.	Bank of Montreal	4.8%
6.	Standard Chartered PLC	4.6%
7.	Royal Bank of Canada	4.4%
8.	Atlantic Asset Securitization LLC	4.0%
9.	Toronto Dominion Bank	3.9%
10.	Barton Capital S.A.	3.8%

Average Effective Maturity (WAM)

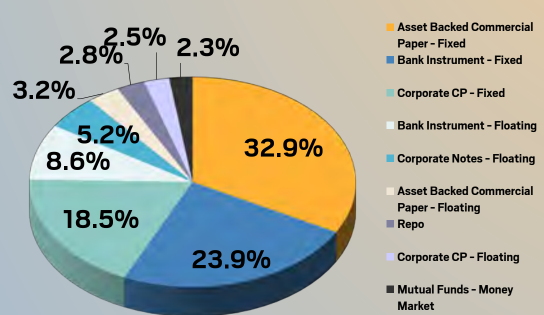
49.9 Days

Weighted Average Life (Spread WAL)

65.0 Days

Percentages based on total value of investments

PORTFOLIO COMPOSITION



FUND PERFORMANCE THROUGH JANUARY 31, 2017

	Florida PRIME Performance Data		
	Net Participant Yield[1]	Net-of-Fee Benchmark[2]	Above (Below) Benchmark
One Month	0.99%	0.64%	0.35%
Three Months	0.92%	0.57%	0.35%
One Year	0.73%	0.43%	0.29%
Three Years	0.38%	0.19%	0.19%
Five Years	0.33%	0.15%	0.18%
Ten Years	0.99%	0.86%	0.13%
Since 1/96	2.66%	2.45%	0.21%

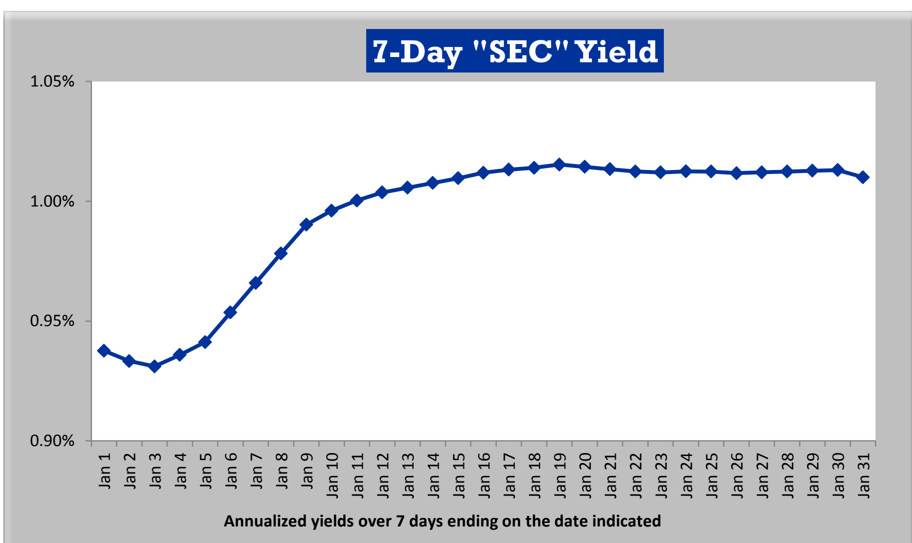
Note: Net asset value at month end: $10,802.8 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.

[1]Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

[2]The net-of-fee benchmark is the S&P AAA/AA Rated GIP All 30-Day Net Index for all time periods.

ABOUT ANNUALIZED YIELDS:
Performance data in the table and chart is annualized, meaning that the amounts are based on yields for the periods indicated, converted to their equivalent if obtained for a 12-month period.

For example, ignoring the effects of compounding, an investment that earns 0.10% over a 1-month period yields 1.20% on an annualized basis. Likewise, an investment that earns a total of 3.60% over three years yields 1.20% on an annualized basis, ignoring compounding.



The 7-Day "SEC" Yield in the chart is calculated in accordance with the yield methodology set forth by SEC Rule 2a-7 for money market funds.
The 7-day yield = net income earned over a 7-day period / average units outstanding over the period / 7 times 365.
Note that unlike other performance measures, the SEC yield does not include realized gains and losses from sales of securities.

FLORIDA PRIME™
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PRIME ACCOUNT SUMMARY FOR JANUARY 2017

Summary of Cash Flows		
Opening Balance (01/01/17)	$	10,547,892,586
Participant Deposits		1,765,881,622
Gross Earnings		9,019,826
Participant Withdrawals		(1,521,468,411)
Fees		(313,529)
Fee Holiday*		291,364
Closing Balance (01/31/17)	$	10,801,303,458
Net Change over Month	**$**	**253,410,872**

*Beginning January 1, 2016, all monthly pool expenses incurred were offset using proceeds from liquidity redemption fees charged to participants in 2008. In January 2017, the redemption fee reserve account was exhausted. The total amount of fees offset since January 2016 was $2,257,242. The redemption reserve account balance at month end was $0. Pool charges are reinstituted.

Detailed Fee Disclosure***

January		Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	$	90,577.04	1.02
Federated Investment Management Fee		198,365.18	2.23
BNY Mellon Custodial Fee**		11,076.87	0.12
Bank of America Transfer Agent Fee		4,653.17	0.05
S&P Rating Maintenance Fee		3,821.92	0.04
Audit/External Review Fees		5,034.49	0.06
Total Fees	**$**	**313,528.67**	**3.52**

*The basis point equivalent is an annualized rate based on the dollar amount of fees charged for the month times 12, divided by an average of the fund's beginning and ending total value (amortized cost) for the month which was $10,674,598,022.

**All custodian banking fees are allocated based on both market value (size) and level of service accurately passing through all charges to pool participants. Charges may fluctuate month-to-month.

***Beginning January 1, 2016, all monthly pool expenses incurred were offset using proceeds from liquidity redemption fees charged to participants in 2008. In January 2017 the redemption fee reserve account was exhausted. The total amount of fees offset since January 2016 was $2,257,242. The redemption reserve account balance at month end was $0. Pool charges are reinstituted.

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

INVENTORY OF HOLDINGS FOR JANUARY 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ASB Finance Ltd. CP4-2	COMMERCIAL PAPER - 4-2		2/1/2017		34,000,000	1.15	$33,998,938	$33,999,400	$463
ASB Finance Ltd., Apr 12, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.39	4/12/2017	2/13/2017	25,000,000	1.40	$25,000,000	$25,024,400	$24,400
Alpine Securitization LTD CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/3/2017		25,000,000	1.02	$24,978,472	$24,982,713	$4,241
Alpine Securitization LTD CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/6/2017		100,000,000	1.02	$99,905,556	$99,923,217	$17,661
Alpine Securitization LTD CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/20/2017		100,000,000	1.17	$99,846,667	$99,885,333	$38,666
Alpine Securitization Ltd., May 16, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.47	5/16/2017	2/15/2017	27,000,000	1.49	$27,000,000	$27,027,621	$27,621
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/14/2017		70,000,000	1.33	$69,893,833	$69,928,133	$34,300
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/16/2017		100,000,000	1.33	$99,841,111	$99,891,589	$50,478
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/6/2017		50,000,000	1.28	$49,887,153	$49,913,334	$26,181
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/5/2017		25,000,000	1.23	$24,895,833	$24,900,693	$4,860
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/7/2017		25,000,000	1.23	$24,894,167	$24,900,693	$6,526
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/7/2017		25,000,000	1.23	$24,894,167	$24,902,604	$8,438
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/5/2017		48,000,000	1.30	$47,737,533	$47,753,033	$15,500
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/1/2017		130,130,000	0.75	$130,127,325	$130,127,607	$282
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/3/2017		170,000,000	0.75	$169,989,517	$169,990,438	$921
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/8/2017		50,700,000	0.77	$50,691,437	$50,692,046	$608
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/28/2017		9,970,000	0.86	$9,963,409	$9,963,851	$442
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/1/2017		380,000,000	0.58	$379,993,983	$379,991,948	-$2,036
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/9/2017		50,000,000	0.82	$49,958,375	$49,952,568	-$5,807
BNP Paribas SA CP	COMMERCIAL PAPER		2/1/2017		109,500,000	0.57	$109,498,297	$109,498,135	-$161
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		2/2/2017		150,000,000	0.70	$149,994,250	$149,994,867	$617
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		4/10/2017		90,000,000	1.08	$89,817,150	$89,849,408	$32,258
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	0.55	2/1/2017		290,000,000	0.56	$290,000,000	$290,000,000	$0
Bank of America N.A., Sr. Note, 1.25%, 2/14/2017	CORPORATE NOTE	1.25	2/14/2017		7,800,000	1.04	$7,800,590	$7,801,014	$424
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	7/20/2017		25,000,000	1.27	$25,000,000	$25,004,088	$4,088
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.40	8/9/2017		23,000,000	1.42	$23,000,000	$23,016,213	$16,213
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.30	9/19/2017		20,000,000	1.32	$20,000,000	$19,996,003	-$3,997
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	9/29/2017		25,000,000	1.22	$25,000,000	$24,975,526	-$24,474
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.55	12/18/2017		15,000,000	1.57	$15,000,000	$15,007,919	$7,919
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.12	5/9/2017		125,000,000	1.14	$125,000,000	$125,049,631	$49,631

See notes at end of table.

FLORIDA PRIME
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

INVENTORY OF HOLDINGS FOR JANUARY 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bank of Montreal CP	COMMERCIAL PAPER		6/9/2017		149,000,000	1.23	$148,359,300	$148,439,921	$80,621
Bank of Montreal, Dec 01, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.23	12/1/2017	3/1/2017	50,000,000	1.25	$50,000,000	$50,026,350	$26,350
Bank of Montreal, Mar 27, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.31	3/27/2017	2/27/2017	50,000,000	1.32	$50,000,000	$50,035,400	$35,400
Bank of Montreal, Nov 03, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.38	11/3/2017	2/3/2017	25,000,000	1.25	$25,000,000	$25,027,975	$27,975
Bank of Nova Scotia, Toronto CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.60	6/27/2017		100,000,000	1.62	$100,000,000	$100,033,712	$33,712
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		10/5/2017		25,000,000	1.43	$24,759,861	$24,770,324	$10,463
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		10/6/2017		26,000,000	1.43	$25,749,244	$25,759,991	$10,747
Bank of Nova Scotia, Toronto, Mar 24, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.41	3/24/2017	2/24/2017	25,000,000	1.42	$25,000,000	$25,020,650	$20,650
Bank of Nova Scotia, Toronto, Mar 28, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.31	3/28/2017	2/28/2017	75,000,000	1.32	$75,000,000	$75,000,000	$0
Bank of Nova Scotia, Toronto, Oct 06, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.24	10/6/2017	2/6/2017	26,000,000	1.24	$26,000,000	$26,002,860	$2,860
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		5/16/2017		135,000,000	1.16	$134,555,062	$134,583,704	$28,642
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		5/26/2017		100,000,000	1.16	$99,639,028	$99,721,458	$82,430
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/1/2017		28,500,000	1.18	$28,389,840	$28,402,101	$12,261
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/1/2017		50,000,000	1.18	$49,806,736	$49,828,247	$21,511
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/6/2017		20,000,000	1.20	$19,918,100	$19,927,760	$9,660
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/6/2017		50,000,000	1.20	$49,795,250	$49,819,400	$24,150
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/6/2017		53,080,000	1.23	$52,857,064	$52,888,275	$31,211
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		7/5/2017		66,000,000	1.28	$65,644,792	$65,690,258	$45,466
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		7/5/2017		20,000,000	1.28	$19,892,361	$19,906,139	$13,778
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/1/2017		35,922,000	0.67	$35,921,341	$35,921,305	-$37
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/1/2017		25,000,000	0.86	$24,999,410	$24,999,516	$106
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/9/2017		100,000,000	0.92	$99,977,500	$99,979,825	$2,325
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/10/2017		50,000,000	0.99	$49,986,528	$49,988,597	$2,069
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/14/2017		100,000,000	0.99	$99,962,278	$99,965,933	$3,655
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/6/2017		98,000,000	0.96	$97,912,072	$97,922,994	$10,921
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/13/2017		25,000,000	1.05	$24,990,701	$24,993,608	$2,907
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/7/2017		30,000,000	1.13	$29,967,917	$29,977,046	$9,129
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/10/2017		50,000,000	1.07	$49,944,583	$49,957,936	$13,353
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/13/2017		21,000,000	1.07	$20,974,888	$20,980,699	$5,812
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/15/2017		25,000,000	1.07	$24,968,646	$24,975,723	$7,077
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/27/2017		4,000,000	1.23	$3,992,667	$3,994,787	$2,121
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/3/2017		27,000,000	1.30	$26,854,268	$26,852,546	-$1,721
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		10/6/2017		30,000,000	1.43	$29,710,667	$29,675,120	-$35,547

See notes at end of table.

INVENTORY OF HOLDINGS FOR JANUARY 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bedford Row Funding Corp., Aug 21, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.16	8/21/2017	3/1/2017	15,000,000	1.18	$15,000,000	$15,000,000	$0
Bedford Row Funding Corp., Jan 18, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.30	1/18/2018	2/21/2017	20,000,000	1.31	$20,000,000	$19,994,600	-$5,400
Bedford Row Funding Corp., Oct 06, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.42	10/6/2017	4/6/2017	73,000,000	1.43	$73,000,000	$73,104,317	$104,317
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/22/2017		15,000,000	1.19	$14,946,350	$14,948,200	$1,850
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/7/2017		41,000,000	1.33	$40,767,553	$40,761,295	-$6,258
CHARTA, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/2/2017		49,000,000	1.22	$48,802,394	$48,807,376	$4,982
CRC Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/10/2017		25,000,000	1.23	$24,991,667	$24,995,007	$3,340
CRC Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/17/2017		62,450,000	0.94	$62,422,869	$62,427,676	$4,807
California PCFA, (Sierra Pacific Industries), (Series 2014), 09/01/2044	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.85	9/1/2044	2/1/2017	30,000,000	0.85	$30,000,000	$30,000,000	$0
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	2/17/2017		45,000,000	1.22	$45,000,000	$45,011,757	$11,757
Canadian Imperial Bank of Commerce, Apr 17, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.26	4/17/2017	2/17/2017	100,000,000	1.28	$100,000,000	$100,073,100	$73,100
Canadian Imperial Bank of Commerce, Oct 10, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.28	10/10/2017	4/10/2017	62,000,000	1.30	$62,000,000	$62,021,886	$21,886
Chase Bank USA, N.A., Jan 05, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.28	1/5/2018	2/6/2017	75,000,000	1.28	$75,000,000	$74,989,275	-$10,725
Clark County, NV Airport System, Subordinate Lien Revenue Bonds (Series 2008 D-2B), 07/01/2040	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.63	7/1/2040	2/1/2017	50,000,000	0.65	$50,000,000	$50,000,000	$0
Connecticut State HFA, (2008 Series E), 05/15/2039	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.70	5/15/2039	2/2/2017	19,100,000	0.71	$19,100,000	$19,100,000	$0
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.82	3/24/2017		197,000,000	0.83	$197,000,000	$197,011,623	$11,623
Credit Industriel et Commercial CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.68	2/3/2017		275,000,000	0.69	$275,000,000	$275,000,938	$938
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.24	4/6/2017		85,000,000	1.26	$85,000,000	$85,040,274	$40,274
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.21	4/24/2017		10,000,000	1.23	$10,000,000	$10,002,607	$2,607
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.21	4/25/2017		75,000,000	1.23	$75,000,000	$75,018,569	$18,569
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.19	5/30/2017		50,000,000	1.21	$50,000,000	$49,995,145	-$4,855
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.19	6/1/2017		100,000,000	1.21	$100,000,000	$99,989,134	-$10,866
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.19	6/2/2017		90,000,000	1.21	$90,000,000	$89,989,848	-$10,152
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	6/8/2017		24,000,000	1.22	$24,000,000	$23,997,859	-$2,141
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	4/24/2017		20,000,000	1.22	$20,000,000	$20,004,856	$4,856
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	6/13/2017		35,000,000	1.22	$35,000,000	$34,996,816	-$3,184
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.83	3/20/2017		45,000,000	0.84	$45,000,000	$44,995,550	-$4,450
Dreyfus Government Cash Management Fund	OVERNIGHT MUTUAL FUND	0.48	2/1/2017	10/5/2016	962,853	0.49	$962,853	$962,853	$0
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/13/2017		15,000,000	0.97	$14,983,771	$14,985,701	$1,930

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INVENTORY OF HOLDINGS FOR JANUARY 2017

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Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/15/2017		25,000,000	0.97	$24,971,632	$24,974,827	$3,195
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/22/2017		46,000,000	0.84	$45,946,972	$45,944,608	-$2,364
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/18/2017		50,000,000	1.06	$49,888,778	$49,894,660	$5,882
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/3/2017		40,000,000	1.07	$39,893,833	$39,891,951	-$1,882
Fairway Finance Co. LLC, Feb 06, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.33	2/6/2017	2/6/2017	50,000,000	1.35	$50,005,100	$50,005,950	$850
Fiore Capital LLC, Series 2005-A, Aug 01, 2045	VARIABLE RATE DEMAND NOTE	0.73	8/1/2045	2/2/2017	37,980,000	0.73	$37,980,000	$37,980,000	$0
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/2/2017		50,000,000	0.81	$49,997,778	$49,998,142	$364
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/2/2017		20,000,000	0.87	$19,999,056	$19,999,257	$201
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/3/2017		192,500,000	0.87	$192,486,365	$192,489,172	$2,807
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/8/2017		82,000,000	0.93	$81,924,560	$81,932,760	$8,200
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/8/2017		10,000,000	0.93	$9,990,800	$9,991,800	$1,000
Gulf Gate Apartments LLC, Series 2003, Sep 01, 2028	VARIABLE RATE DEMAND NOTE	0.80	9/1/2028	2/2/2017	7,550,000	0.80	$7,550,000	$7,550,000	$0
HSBC Bank USA, N.A., Feb 02, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.35	2/2/2017	2/2/2017	100,000,000	1.36	$100,000,000	$100,000,000	$0
Illinois Finance Authority, (Erikson Institute), (Series 2007), 11/01/2037	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.71	11/1/2037	2/2/2017	14,380,000	0.71	$14,380,000	$14,380,000	$0
Institutional Prime Value Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.96	2/1/2017	2/1/2017	245,100,000	0.95	$245,100,000	$245,124,510	$24,510
Iowa Finance Authority, (Trinity Healthcare Credit Group), (Series 2000D), 12/01/2030	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.66	12/1/2030	2/2/2017	14,425,000	0.66	$14,425,000	$14,425,000	$0
J.P. Morgan Securities LLC CP	COMMERCIAL PAPER		7/28/2017		20,000,000	1.23	$19,881,333	$19,884,696	$3,362
J.P. Morgan Securities LLC CP	COMMERCIAL PAPER		9/28/2017		100,000,000	1.43	$99,066,667	$99,170,667	$104,000
J.P. Morgan Securities LLC CP	COMMERCIAL PAPER		10/27/2017		25,000,000	1.43	$24,738,472	$24,760,889	$22,417
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		9/11/2017		25,000,000	1.44	$24,783,194	$24,810,605	$27,410
J.P. Morgan Securities LLC, Feb 24, 2017	VARIABLE RATE COMMERCIAL PAPER	1.26	2/24/2017	2/24/2017	40,000,000	1.27	$40,000,000	$40,000,000	$0
J.P. Morgan Securities LLC, Jul 31, 2017	VARIABLE RATE COMMERCIAL PAPER	1.34	7/31/2017	4/30/2017	70,000,000	1.36	$70,000,000	$70,047,880	$47,880
Kaiser Foundation Hospital CP	COMMERCIAL PAPER		3/21/2017		9,770,000	0.91	$9,758,032	$9,758,032	$0
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/1/2017		160,000,000	0.61	$159,997,333	$159,997,058	-$276
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/2/2017		47,000,000	0.73	$46,998,120	$46,998,253	$133
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/10/2017		100,000,000	0.81	$99,977,778	$99,980,028	$2,250
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/20/2017		30,000,000	0.86	$29,966,000	$29,964,400	-$1,600
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		3/7/2017		21,000,000	1.07	$20,978,563	$20,983,932	$5,370
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		4/17/2017		49,000,000	1.33	$48,865,522	$48,901,728	$36,205
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/3/2017		40,000,000	0.87	$39,997,167	$39,997,750	$583

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INVENTORY OF HOLDINGS FOR JANUARY 2017

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Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/10/2017		50,000,000	0.91	$49,987,639	$49,990,014	$2,375
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/17/2017		34,000,000	0.93	$33,960,900	$33,963,875	$2,975
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/24/2017		12,000,000	0.91	$11,984,400	$11,984,868	$468
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/30/2017		45,000,000	0.91	$44,934,750	$44,935,258	$508
Metropolitan Washington, DC Airports Authority, (Series 2011A-2), 10/01/2021	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.67	10/1/2021	2/2/2017	11,960,000	0.67	$11,960,000	$11,960,000	$0
Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	0.56	2/1/2017		15,000,000	0.57	$15,000,000	$15,000,000	$0
Montgomery County, OH, (Cambridge Commons Apartments), (Series 2006A), 05/01/2038	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.70	5/1/2038	2/2/2017	7,920,000	0.70	$7,920,000	$7,920,000	$0
NRW.Bank CP4-2	COMMERCIAL PAPER - 4-2		2/2/2017		185,000,000	0.70	$184,992,908	$184,991,819	-$1,089
NRW.Bank CP4-2	COMMERCIAL PAPER - 4-2		4/4/2017		30,000,000	1.07	$29,944,875	$29,954,640	$9,765
NRW.Bank CP4-2	COMMERCIAL PAPER - 4-2		4/18/2017		120,000,000	1.07	$119,729,217	$119,759,503	$30,287
National Australia Bank Ltd., Melbourne, Sr. Note, 2.75%, 3/09/2017	CORPORATE NOTE	2.75	3/9/2017		12,400,000	1.01	$12,422,040	$12,424,552	$2,512
New York City, NY, (Subseries A-2), 10/01/2038	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.58	10/1/2038	2/1/2017	50,600,000	0.65	$50,600,000	$50,600,000	$0
New York State Local Government Assistance Corp., (Subordinate Series 2008B-3V), 04/01/2024	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.69	4/1/2024	2/1/2017	24,120,000	0.69	$24,120,000	$24,120,000	$0
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/21/2017		35,000,000	1.22	$34,975,704	$34,984,892	$9,187
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/23/2017		25,000,000	1.23	$24,880,833	$24,877,358	-$3,476
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/14/2017		44,100,000	1.28	$43,848,875	$43,830,794	-$18,081
Old Line Funding, LLC, Feb 07, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.34	2/7/2017	2/7/2017	25,000,000	1.34	$25,000,000	$25,003,175	$3,175
Old Line Funding, LLC, May 01, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.27	5/1/2017	2/1/2017	14,000,000	1.28	$14,000,000	$14,010,444	$10,444
Orthopaedic Hospital of Wisconsin LLC, Series 09-A, Mar 01, 2039	VARIABLE RATE DEMAND NOTE	1.00	3/1/2039	2/2/2017	9,920,000	1.00	$9,920,000	$9,920,000	$0
Rochester, MN Health Care Facility Authority, (Mayo Clinic), (Series 2002B), 08/15/2032	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.66	8/15/2032	2/1/2017	32,700,000	0.66	$32,700,000	$32,700,000	$0
Royal Bank of Canada, Montreal, Feb 02, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.38	2/2/2017	2/2/2017	45,000,000	1.25	$45,000,000	$45,001,440	$1,440
Royal Bank of Canada, Oct 06, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.28	10/6/2017	4/6/2017	50,000,000	1.29	$50,000,000	$50,000,000	$0
Sabri Arac, The Quarry Lane School Series 2005, Oct 01, 2035	VARIABLE RATE DEMAND NOTE	0.80	10/1/2035	2/2/2017	13,040,000	0.80	$13,040,000	$13,040,000	$0
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.83	3/7/2017		198,000,000	0.84	$198,000,000	$198,016,846	$16,846
Standard Chartered Bank plc CP4-2	COMMERCIAL PAPER - 4-2		2/6/2017		100,000,000	0.81	$99,986,667	$99,989,733	$3,066
Standard Chartered Bank plc TD	TIME DEPOSIT	0.70	2/3/2017		200,000,000	0.71	$200,000,000	$200,000,000	$0
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		2/1/2017		40,000,000	0.81	$39,999,111	$39,999,176	$64
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/7/2017		10,000,000	1.04	$9,990,083	$9,991,279	$1,196
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/8/2017		44,000,000	1.02	$43,956,000	$43,960,400	$4,400
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/13/2017		100,000,000	1.07	$99,880,417	$99,895,564	$15,147
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/27/2017		35,000,000	1.09	$34,910,536	$34,907,192	-$3,345

See notes at end of table.

FLORIDA PRIME
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

INVENTORY OF HOLDINGS FOR JANUARY 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Sumitomo Mitsui Banking Corp. CP4-2	COMMERCIAL PAPER - 4-2		2/8/2017		200,000,000	0.81	$199,964,444	$199,967,956	$3,512
Svenska Handelsbanken, Stockholm TDCAY	TIME DEPOSIT - CAYMAN	0.56	2/1/2017		540,000,000	0.57	$540,000,000	$540,000,000	$0
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/20/2017		25,000,000	1.33	$24,846,528	$24,834,722	-$11,806
Thunder Bay Funding, LLC, Feb 22, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.38	2/22/2017	2/22/2017	75,000,000	1.40	$75,000,000	$75,029,850	$29,850
Thunder Bay Funding, LLC, Jun 12, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.17	6/12/2017	2/13/2017	50,000,000	1.18	$50,000,000	$50,013,650	$13,650
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	7/24/2017		20,000,000	1.27	$20,000,000	$20,003,835	$3,835
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.40	9/8/2017		40,000,000	1.42	$40,000,000	$40,019,790	$19,790
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	10/20/2017		25,000,000	1.27	$25,000,000	$24,974,610	-$25,390
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.41	12/6/2017		50,000,000	1.43	$50,000,000	$49,982,121	-$17,879
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.52	1/16/2018		120,000,000	1.53	$120,000,000	$120,020,026	$20,026
Toronto Dominion Bank, Apr 19, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.28	4/19/2017	2/21/2017	25,000,000	1.30	$25,000,000	$25,019,500	$19,500
Toronto Dominion Bank, Aug 10, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.38	8/10/2017	2/10/2017	25,000,000	1.40	$25,000,000	$25,042,500	$42,500
Toronto Dominion Bank, Mar 14, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.31	3/14/2017	3/14/2017	50,000,000	1.33	$50,000,000	$50,029,750	$29,750
Toronto Dominion Bank, May 04, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.03	5/4/2017	2/6/2017	25,000,000	0.89	$25,000,000	$25,003,969	$3,969
Toronto Dominion Bank, Oct 16, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.52	10/16/2017	4/17/2017	25,000,000	1.54	$25,000,000	$25,054,200	$54,200
Toronto Dominion Bank, Sep 06, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.45	9/6/2017	3/6/2017	15,000,000	1.47	$15,000,000	$15,000,000	$0
Toyota Credit Canada Inc. CP	COMMERCIAL PAPER		7/21/2017		24,500,000	1.27	$24,355,695	$24,370,126	$14,431
Toyota Motor Credit Corp., Aug 04, 2017	VARIABLE RATE COMMERCIAL PAPER	1.30	8/4/2017	2/7/2017	50,000,000	1.17	$50,000,000	$50,024,600	$24,600
University of Illinois, Series 2014C, Apr 01, 2044	VARIABLE RATE DEMAND NOTE	0.72	4/1/2044	2/2/2017	8,015,000	0.72	$8,015,000	$8,015,000	$0
Washington State Economic Development Finance Authority, (CleanScapes, Inc.), (Series 2009), 02/12/2019	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.71	2/12/2019	2/1/2017	26,450,000	0.71	$26,450,000	$26,450,000	$0
Wells Fargo Bank, N.A. CD	CERTIFICATE OF DEPOSIT	1.30	10/20/2017		20,000,000	1.32	$20,000,000	$20,000,895	$895
Wells Fargo Bank, N.A., May 04, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.22	5/4/2017	2/6/2017	97,000,000	1.23	$97,000,000	$97,057,327	$57,327
Wells Fargo Bank, N.A., May 08, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.21	5/8/2017	2/7/2017	50,000,000	1.21	$50,000,000	$50,026,000	$26,000
Wells Fargo Bank, N.A., Oct 12, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.45	10/12/2017	4/12/2017	25,000,000	1.47	$25,000,000	$25,026,075	$26,075
Westpac Banking Corp. Ltd, Series YCD, 02/06/2017	CORPORATE BOND	1.39	2/6/2017	2/6/2017	180,500,000	1.23	$180,501,222	$180,517,328	$16,106
Total Value of Assets					*10,855,044,853*		*$10,845,441,218*	*$10,847,295,647*	*$1,854,429*

Notes: The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

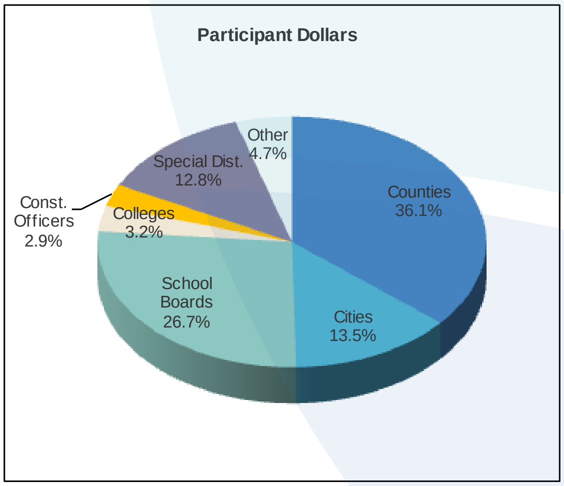
[1] Market values of the portfolio securities are provided by the custodian, BNY Mellon. The portfolio manager, Federated Investment Counseling, is the source for other data shown above.

[2] Amortized cost is calculated using a straight line method.

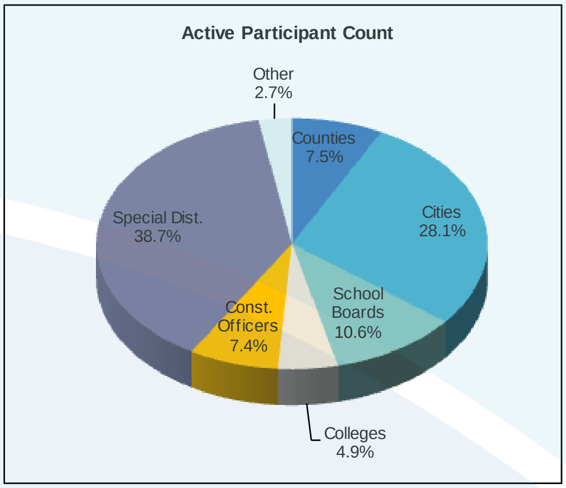
FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

PARTICIPANT CONCENTRATION DATA - AS OF JANUARY 2017

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
All Participants	**100.0%**	**100.0%**	**Colleges & Universities**	**3.2%**	**4.9%**
Top 10	36.6%	1.4%	Top 10	2.9%	1.4%
$100 million or more	56.4%	3.4%	$100 million or more	1.4%	0.1%
$10 million up to $100 million	37.4%	15.4%	$10 million up to $100 million	1.3%	0.8%
$1 million up to $10 million	5.7%	22.1%	$1 million up to $10 million	0.5%	1.6%
Under $1 million	0.5%	59.1%	Under $1 million	0.02%	2.3%
Counties	**36.1%**	**7.5%**	**Constitutional Officers**	**2.9%**	**7.4%**
Top 10	28.2%	1.4%	Top 10	1.0%	1.4%
$100 million or more	30.5%	1.6%	$100 million or more	0.0%	0.0%
$10 million up to $100 million	5.4%	1.8%	$10 million up to $100 million	2.2%	0.8%
$1 million up to $10 million	0.3%	1.1%	$1 million up to $10 million	0.6%	2.2%
Under $1 million	0.0%	3.0%	Under $1 million	0.0%	4.4%
Municipalities	**13.5%**	**28.1%**	**Special Districts**	**12.8%**	**38.7%**
Top 10	7.0%	1.4%	Top 10	8.0%	1.4%
$100 million or more	1.4%	0.1%	$100 million or more	3.8%	0.3%
$10 million up to $100 million	10.1%	4.3%	$10 million up to $100 million	7.2%	3.4%
$1 million up to $10 million	1.9%	7.5%	$1 million up to $10 million	1.6%	6.9%
Under $1 million	0.2%	16.2%	Under $1 million	0.2%	28.1%
School Boards	**26.7%**	**10.6%**	**Other**	**4.7%**	**2.7%**
Top 10	19.6%	1.4%	Top 10	4.1%	1.4%
$100 million or more	17.2%	1.0%	$100 million or more	2.1%	0.3%
$10 million up to $100 million	8.8%	3.2%	$10 million up to $100 million	2.4%	1.1%
$1 million up to $10 million	0.7%	2.2%	$1 million up to $10 million	0.1%	0.5%
Under $1 million	0.0%	4.3%	Under $1 million	0.0%	0.8%



Total Fund Value: $10,801,303,459



Total Active Participant Count: 729

Note: Active accounts include only those participant accounts valued above zero.

COMPLIANCE WITH INVESTMENT POLICY FOR JANUARY 2017

As investment manager, Federated monitors compliance daily on Florida PRIME to ensure that investment practices comply with the requirements of the Investment Policy Statement (IPS). Federated provides a monthly compliance report to the SBA and is required to notify the Investment Oversight Group (IOG) of compliance exceptions within 24 hours of identification. The IOG meets monthly and on an ad hoc basis to review compliance exceptions, to document responses to exceptions, and to formally escalate recommendations for approval by the Executive Director & CIO. The IOG also reviews the Federated compliance report each month, as well as the results of independent compliance testing conducted by SBA Risk Management and Compliance. Minutes from the IOG meetings are posted to the Florida PRIME website.

In addition to the compliance testing performed by Federated, the SBA conducts independent testing on Florida PRIME using a risk-based approach. Under this approach, each IPS parameter is ranked as "High" or "Low" with respect to the level of risk associated with a potential guideline breach. IPS parameters with risk rankings of "High" are subject to independent verification by SBA Risk Management and Compliance. These rankings, along with the frequency for testing, are reviewed and approved by the IOG on an annual basis or more often if market conditions dictate. Additionally, any parameter reported in "Fail" status on the Federated compliance report, regardless of risk ranking, is also independently verified and escalated accordingly. The results of independent testing are currently reported monthly to the IOG.

Test by Source	Pass/Fail
Florida PRIME's Investment Policy	
Securities must be USD denominated.	Pass
Ratings requirements	
The Florida PRIME investment portfolio must purchase exclusively first-tier securities. Securities purchased with short-term ratings by an NRSRO, or comparable in quality and security to other obligations of the issuer that have received short-term ratings from an NRSRO, are eligible if they are in one of the two highest rating categories.	Pass
Securities purchased that do not have short-term ratings must have a long-term rating in one of the three highest long-term rating categories.	Pass
Commercial Paper must be rated by at least one short-term NRSRO.	Pass
Repurchase Agreement Counterparties must be rated by S&P	Pass
S&P Weighted Average Life - maximum 90 days [1]	Pass
Maturity	
Securities, excluding Government floating rate notes/variable rate notes, purchased did not have a maturity in excess of 397 days.	Pass
Government floating rate notes/variable rate notes purchased did not have a maturity in excess of 762 days.	Pass
The Florida PRIME investment portfolio must maintain a Spread WAM of 120 days or less.	Pass
Issuer Diversification	
First-tier issuers (limit does not apply to cash, cash items, U.S. Government securities refunded securities and repo collateralized by these securities) are limited, at the time of purchase, to 5% of the Florida PRIME investment portfolio's total assets. [2]	Pass
Demand Feature and Guarantor Diversification	
First-tier securities issued by or subject to demand features and guarantees of a non-controlled person, at time of purchase, are limited to 10% with respect to 75% of the Florida PRIME investment portfolio's total assets.	Pass
First-tier securities issued by or subject to demand features and guarantees of a control person, at time of purchase, are limited to 10% with respect to the Florida PRIME investment portfolio's total assets.	Pass
Money Market Mutual Funds	
The account, at time of purchase, will not have exposure to any one Money Market Mutual Fund in excess of 10% of the Florida PRIME investment portfolio's total assets.	Pass
Concentration Tests	
The account, at time of purchase, will not have exposure to an industry sector, excluding the financial services industry, in excess of 25% of the Florida PRIME investment portfolio's total assets.	Pass
The account, at time of purchase, will not have exposure to any single Government Agency in excess of 33.33% of the Florida PRIME investment portfolio's total assets.	Pass
The account, at time of purchase, will not have exposure to illiquid securities in excess of 5% of the Florida PRIME investment portfolio's total assets.	Pass
The account, at time of purchase, will invest at least 10% of the Florida PRIME investment portfolio's total assets in securities accessible within one business day.	Pass
The account, at time of purchase, will invest at least 30% of the Florida PRIME investment portfolio's total assets in securities accessible within five business days. [3]	Pass
S&P Requirements	
The Florida PRIME investment portfolio must maintain a Dollar Weighted Average Maturity of 60 days or less.	Pass
The account, at time of purchase, will invest at least 50% of the Florida PRIME investment portfolio's total assets in Securities in Highest Rating Category (A-1+ or equivalent) .	Pass

[1] The fund may use floating rate government securities to extend the limit up to 120 days

[2] This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to liquidate positions if the exposure in excess of the specified percentage is caused by account movements.

[3] This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to take immediate corrective measures if asset movements cause the exposure to be below the specified percentage.

FLORIDA PRIME

AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR JANUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
ANGLESEA FUNDING LLCPABS4	01/13/17	01/12/17	01/12/17	50,000,000	49,998,958	0	49,998,958	0
ANGLESEA FUNDING LLCPABS4	01/19/17	01/18/17	01/18/17	1,025,000	1,024,980	0	1,024,980	0
ANGLESEA FUNDING LLCPABS4	07/05/17	01/04/17	01/04/17	48,000,000	47,691,813	0	47,691,813	0
ANTALIS S,A, CPABS4CPABS4	01/06/17	01/03/17	01/03/17	50,000,000	49,997,083	0	49,997,083	0
ANTALIS S,A, CPABS4CPABS4	01/06/17	01/03/17	01/03/17	50,000,000	49,997,083	0	49,997,083	0
ANTALIS S,A, CPABS4CPABS4	01/06/17	01/03/17	01/03/17	25,000,000	24,998,542	0	24,998,542	0
ANTALIS S,A, CPABS4CPABS4	01/11/17	01/04/17	01/04/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	01/11/17	01/04/17	01/04/17	12,000,000	11,998,273	0	11,998,273	0
ANTALIS S,A, CPABS4CPABS4	01/11/17	01/04/17	01/04/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	01/11/17	01/04/17	01/04/17	50,000,000	49,992,903	0	49,992,903	0
ANTALIS S,A, CPABS4CPABS4	01/11/17	01/04/17	01/04/17	50,000,000	49,992,903	0	49,992,903	0
ANTALIS S,A, CPABS4CPABS4	01/13/17	01/06/17	01/06/17	50,000,000	49,992,903	0	49,992,903	0
ANTALIS S,A, CPABS4CPABS4	01/13/17	01/06/17	01/06/17	13,000,000	12,998,155	0	12,998,155	0
ANTALIS S,A, CPABS4CPABS4	01/18/17	01/11/17	01/11/17	50,000,000	49,992,903	0	49,992,903	0
ANTALIS S,A, CPABS4CPABS4	01/18/17	01/11/17	01/11/17	50,000,000	49,992,903	0	49,992,903	0
ANTALIS S,A, CPABS4CPABS4	01/18/17	01/11/17	01/11/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	01/18/17	01/11/17	01/11/17	12,000,000	11,998,273	0	11,998,273	0
ANTALIS S,A, CPABS4CPABS4	01/18/17	01/11/17	01/11/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	01/20/17	01/13/17	01/13/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	01/20/17	01/13/17	01/13/17	13,000,000	12,998,129	0	12,998,129	0
ANTALIS S,A, CPABS4CPABS4	01/20/17	01/17/17	01/17/17	50,000,000	49,996,958	0	49,996,958	0
ANTALIS S,A, CPABS4CPABS4	01/20/17	01/17/17	01/17/17	18,840,000	18,838,854	0	18,838,854	0
ANTALIS S,A, CPABS4CPABS4	01/25/17	01/18/17	01/18/17	50,000,000	49,992,903	0	49,992,903	0
ANTALIS S,A, CPABS4CPABS4	01/25/17	01/18/17	01/18/17	18,790,000	18,787,333	0	18,787,333	0
ANTALIS S,A, CPABS4CPABS4	01/25/17	01/18/17	01/18/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	01/25/17	01/18/17	01/18/17	1,000,000	999,856	0	999,856	0
ANTALIS S,A, CPABS4CPABS4	01/27/17	01/20/17	01/20/17	50,000,000	49,992,903	0	49,992,903	0
ANTALIS S,A, CPABS4CPABS4	01/27/17	01/20/17	01/20/17	50,000,000	49,992,903	0	49,992,903	0
ANTALIS S,A, CPABS4CPABS4	01/27/17	01/20/17	01/20/17	15,940,000	15,937,737	0	15,937,737	0
ANTALIS S,A, CPABS4CPABS4	01/27/17	01/20/17	01/20/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	01/30/17	01/23/17	01/23/17	36,250,000	36,244,784	0	36,244,784	0
ANTALIS S,A, CPABS4CPABS4	02/01/17	01/25/17	01/25/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/01/17	01/25/17	01/25/17	20,130,000	20,127,104	0	20,127,104	0
ANTALIS S,A, CPABS4CPABS4	02/01/17	01/25/17	01/25/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/01/17	01/25/17	01/25/17	10,000,000	9,998,561	0	9,998,561	0
ANTALIS S,A, CPABS4CPABS4	02/03/17	01/27/17	01/27/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/03/17	01/27/17	01/27/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/03/17	01/27/17	01/27/17	10,000,000	9,998,561	0	9,998,561	0
ANTALIS S,A, CPABS4CPABS4	02/03/17	01/27/17	01/27/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/03/17	01/27/17	01/27/17	10,000,000	9,998,561	0	9,998,561	0
ANTALIS S,A, CPABS4CPABS4	02/08/17	01/30/17	01/30/17	50,000,000	49,990,500	0	49,990,500	0
ANTALIS S,A, CPABS4CPABS4	02/08/17	01/30/17	01/30/17	700,000	699,867	0	699,867	0
ANTALIS S,A, CPABS4CPABS4	02/28/17	01/30/17	01/30/17	9,970,000	9,963,173	0	9,963,173	0
ATLANTIC ASSET SECUCPABS4	01/04/17	01/03/17	01/03/17	50,000,000	49,999,028	0	49,999,028	0
ATLANTIC ASSET SECUCPABS4	01/04/17	01/03/17	01/03/17	35,000,000	34,999,319	0	34,999,319	0
ATLANTIC ASSET SECUCPABS4	01/05/17	01/04/17	01/04/17	50,000,000	49,999,028	0	49,999,028	0
ATLANTIC ASSET SECUCPABS4	01/05/17	01/04/17	01/04/17	32,500,000	32,499,368	0	32,499,368	0
ATLANTIC ASSET SECUCPABS4	01/09/17	01/06/17	01/06/17	50,000,000	49,997,125	0	49,997,125	0
ATLANTIC ASSET SECUCPABS4	01/09/17	01/06/17	01/06/17	15,000,000	14,999,138	0	14,999,138	0
ATLANTIC ASSET SECUCPABS4	01/10/17	01/03/17	01/03/17	50,000,000	49,992,903	0	49,992,903	0
ATLANTIC ASSET SECUCPABS4	01/11/17	01/10/17	01/10/17	47,931,000	47,930,068	0	47,930,068	0
ATLANTIC ASSET SECUCPABS4	01/11/17	01/10/17	01/10/17	50,000,000	49,999,028	0	49,999,028	0
ATLANTIC ASSET SECUCPABS4	01/12/17	01/05/17	01/05/17	50,000,000	49,992,903	0	49,992,903	0
ATLANTIC ASSET SECUCPABS4	01/12/17	01/05/17	01/05/17	50,000,000	49,992,903	0	49,992,903	0
ATLANTIC ASSET SECUCPABS4	01/13/17	01/12/17	01/12/17	50,000,000	49,999,028	0	49,999,028	0
ATLANTIC ASSET SECUCPABS4	01/13/17	01/12/17	01/12/17	30,623,000	30,622,405	0	30,622,405	0
ATLANTIC ASSET SECUCPABS4	01/18/17	01/11/17	01/11/17	50,000,000	49,993,194	0	49,993,194	0
ATLANTIC ASSET SECUCPABS4	01/18/17	01/11/17	01/11/17	50,000,000	49,993,194	0	49,993,194	0
ATLANTIC ASSET SECUCPABS4	01/18/17	01/11/17	01/11/17	50,000,000	49,993,194	0	49,993,194	0
ATLANTIC ASSET SECUCPABS4	01/19/17	01/12/17	01/12/17	50,000,000	49,992,903	0	49,992,903	0
ATLANTIC ASSET SECUCPABS4	01/20/17	01/19/17	01/19/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/20/17	01/19/17	01/19/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/23/17	01/20/17	01/20/17	44,013,000	44,010,506	0	44,010,506	0
ATLANTIC ASSET SECUCPABS4	01/24/17	01/23/17	01/23/17	50,000,000	49,999,056	0	49,999,056	0

TRADING ACTIVITY FOR JANUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ATLANTIC ASSET SECUCPABS4	01/24/17	01/23/17	01/23/17	19,200,000	19,199,637	0	19,199,637	0
ATLANTIC ASSET SECUCPABS4	01/24/17	01/23/17	01/23/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/25/17	01/24/17	01/24/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/25/17	01/24/17	01/24/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/25/17	01/24/17	01/24/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/25/17	01/24/17	01/24/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/25/17	01/24/17	01/24/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/25/17	01/24/17	01/24/17	15,000,000	14,999,717	0	14,999,717	0
ATLANTIC ASSET SECUCPABS4	01/25/17	01/24/17	01/24/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/25/17	01/24/17	01/24/17	34,300,000	34,299,352	0	34,299,352	0
ATLANTIC ASSET SECUCPABS4	01/26/17	01/25/17	01/25/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/26/17	01/25/17	01/25/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/26/17	01/25/17	01/25/17	49,400,000	49,399,067	0	49,399,067	0
ATLANTIC ASSET SECUCPABS4	01/26/17	01/25/17	01/25/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/26/17	01/25/17	01/25/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/27/17	01/26/17	01/26/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/27/17	01/26/17	01/26/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/27/17	01/26/17	01/26/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/30/17	01/17/17	01/17/17	50,000,000	49,986,458	0	49,986,458	0
ATLANTIC ASSET SECUCPABS4	01/30/17	01/17/17	01/17/17	50,000,000	49,986,458	0	49,986,458	0
ATLANTIC ASSET SECUCPABS4	01/30/17	01/27/17	01/27/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	01/30/17	01/27/17	01/27/17	35,100,000	35,098,011	0	35,098,011	0
ATLANTIC ASSET SECUCPABS4	01/30/17	01/27/17	01/27/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	01/30/17	01/27/17	01/27/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	01/30/17	01/27/17	01/27/17	15,000,000	14,999,150	0	14,999,150	0
ATLANTIC ASSET SECUCPABS4	01/30/17	01/27/17	01/27/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	01/31/17	01/30/17	01/30/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	01/31/17	01/30/17	01/30/17	39,000,000	38,999,263	0	38,999,263	0
ATLANTIC ASSET SECUCPABS4	01/31/17	01/30/17	01/30/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/01/17	01/31/17	01/31/17	50,000,000	49,999,208	0	49,999,208	0
ATLANTIC ASSET SECUCPABS4	02/01/17	01/31/17	01/31/17	50,000,000	49,999,208	0	49,999,208	0
ATLANTIC ASSET SECUCPABS4	02/01/17	01/31/17	01/31/17	50,000,000	49,999,208	0	49,999,208	0
ATLANTIC ASSET SECUCPABS4	02/01/17	01/31/17	01/31/17	50,000,000	49,999,208	0	49,999,208	0
ATLANTIC ASSET SECUCPABS4	02/01/17	01/31/17	01/31/17	50,000,000	49,999,208	0	49,999,208	0
ATLANTIC ASSET SECUCPABS4	02/01/17	01/31/17	01/31/17	50,000,000	49,999,208	0	49,999,208	0
ATLANTIC ASSET SECUCPABS4	02/01/17	01/31/17	01/31/17	30,000,000	29,999,525	0	29,999,525	0
ATLANTIC ASSET SECUCPABS4	02/01/17	01/31/17	01/31/17	50,000,000	49,999,208	0	49,999,208	0
ATLANTIC ASSET SECUCPABS4	03/09/17	01/18/17	01/18/17	50,000,000	49,943,750	0	49,943,750	0
BANK OF AMERICA NA	02/14/17	01/17/17	01/20/17	7,800,000	7,801,053	42,250	7,843,303	0
BANK OF NOVA SCOTIACP4-2	10/05/17	01/11/17	01/11/17	25,000,000	24,740,417	0	24,740,417	0
BANK OF NOVA SCOTIACP4-2	10/06/17	01/11/17	01/11/17	26,000,000	25,729,022	0	25,729,022	0
BANK OF NOVA SCOTIA/THE	10/06/17	01/11/17	01/11/17	26,000,000	26,000,000	0	26,000,000	0
BANK OF MONTREAL (CCDYAN	01/10/17	01/03/17	01/03/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL (CCDYAN	01/10/17	01/03/17	01/03/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL (CCDYAN	01/10/17	01/03/17	01/03/17	25,000,000	25,000,000	0	25,000,000	0
BANK OF MONTREAL (CCDYAN	05/09/17	01/06/17	01/06/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF MONTREAL (CCDYAN	05/09/17	01/06/17	01/06/17	25,000,000	25,000,000	0	25,000,000	0
BANK OF MONTREAL (CCDYAN	05/09/17	01/06/17	01/06/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/10/17	01/03/17	01/03/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/10/17	01/03/17	01/03/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/10/17	01/03/17	01/03/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/17/17	01/10/17	01/10/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/17/17	01/10/17	01/10/17	20,000,000	20,000,000	0	20,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/24/17	01/17/17	01/17/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/24/17	01/17/17	01/17/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/24/17	01/17/17	01/17/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/24/17	01/17/17	01/17/17	25,000,000	25,000,000	0	25,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/31/17	01/24/17	01/24/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/31/17	01/24/17	01/24/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/31/17	01/24/17	01/24/17	50,000,000	50,000,000	0	50,000,000	0
BANQUE ET CAISSE D'CP	07/05/17	01/03/17	01/03/17	20,000,000	19,872,917	0	19,872,917	0
BANQUE ET CAISSE D'CP	07/05/17	01/04/17	01/04/17	50,000,000	49,684,028	0	49,684,028	0
BANQUE ET CAISSE D'CP	07/05/17	01/04/17	01/04/17	16,000,000	15,898,889	0	15,898,889	0
BARTON CAPITAL LLCCPABS4-	01/18/17	01/17/17	01/17/17	47,000,000	46,999,112	0	46,999,112	0
BARTON CAPITAL LLCCPABS4-	01/23/17	01/20/17	01/20/17	16,000,000	15,999,093	0	15,999,093	0

TRADING ACTIVITY FOR JANUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BARTON CAPITAL LLCCPABS4-	02/01/17	01/31/17	01/31/17	35,922,000	35,921,341	0	35,921,341	0
BARTON CAPITAL LLCCPABS4-	03/06/17	01/05/17	01/05/17	50,000,000	49,920,833	0	49,920,833	0
BARTON CAPITAL LLCCPABS4-	03/06/17	01/05/17	01/05/17	48,000,000	47,924,000	0	47,924,000	0
BEDFORD ROW FUNDINGCPABS4	10/06/17	01/10/17	01/13/17	30,000,000	29,689,667	0	29,689,667	0
BEDFORD ROW FUNDING CORP	01/18/18	01/20/17	01/24/17	20,000,000	20,000,000	0	20,000,000	0
BEDFORD ROW FUNDING CORP	08/01/17	01/30/17	02/01/17	15,000,000	15,000,000	0	15,000,000	0
BNP PARIBAS SACP4-2	01/10/17	01/03/17	01/03/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	01/10/17	01/03/17	01/03/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	01/10/17	01/03/17	01/03/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	01/10/17	01/03/17	01/03/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	01/10/17	01/03/17	01/03/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	01/10/17	01/09/17	01/09/17	50,000,000	49,999,069	0	49,999,069	0
BNP PARIBAS SACP4-2	01/10/17	01/09/17	01/09/17	34,000,000	33,999,367	0	33,999,367	0
BNP PARIBAS SACP4-2	01/10/17	01/09/17	01/09/17	50,000,000	49,999,069	0	49,999,069	0
BNP PARIBAS SACP4-2	01/10/17	01/09/17	01/09/17	50,000,000	49,999,069	0	49,999,069	0
BNP PARIBAS SACP4-2	01/17/17	01/10/17	01/10/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	01/17/17	01/10/17	01/10/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	01/17/17	01/10/17	01/10/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	01/17/17	01/10/17	01/10/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	01/17/17	01/10/17	01/10/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	01/17/17	01/10/17	01/10/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	01/26/17	01/19/17	01/19/17	40,000,000	39,994,633	0	39,994,633	0
BNP PARIBAS SACP4-2	02/02/17	01/26/17	01/26/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	02/02/17	01/26/17	01/26/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	02/02/17	01/26/17	01/26/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	04/10/17	01/11/17	01/11/17	50,000,000	49,868,972	0	49,868,972	0
BNP PARIBAS SACP4-2	04/10/17	01/11/17	01/11/17	40,000,000	39,895,178	0	39,895,178	0
BNP PARIBAS SACP	01/09/17	01/06/17	01/06/17	34,000,000	33,998,130	0	33,998,130	0
BNP PARIBAS SACP	01/19/17	01/18/17	01/18/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP	01/19/17	01/18/17	01/18/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP	01/19/17	01/18/17	01/18/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP	01/19/17	01/18/17	01/18/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP	01/19/17	01/18/17	01/18/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP	01/19/17	01/18/17	01/18/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP	01/19/17	01/18/17	01/18/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP	01/19/17	01/18/17	01/18/17	36,200,000	36,199,336	0	36,199,336	0
BNP PARIBAS SACP	01/31/17	01/30/17	01/30/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP	01/31/17	01/30/17	01/30/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP	01/31/17	01/30/17	01/30/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP	01/31/17	01/30/17	01/30/17	11,100,000	11,099,797	0	11,099,797	0
BNP PARIBAS SACP	01/31/17	01/30/17	01/30/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP	02/01/17	01/31/17	01/31/17	50,000,000	49,999,222	0	49,999,222	0
BNP PARIBAS SACP	02/01/17	01/31/17	01/31/17	50,000,000	49,999,222	0	49,999,222	0
BNP PARIBAS SACP	02/01/17	01/31/17	01/31/17	9,500,000	9,499,852	0	9,499,852	0
CAFCO, LLCCPABS4-2	07/07/17	01/03/17	01/03/17	41,000,000	40,726,097	0	40,726,097	0
CRC FUNDING LLCCPABS4-2	01/27/17	01/24/17	01/24/17	50,000,000	49,997,125	0	49,997,125	0
CANADIAN IMPERIAL BANK OF COMMERCE	10/10/17	01/10/17	01/10/17	50,000,000	50,000,000	0	50,000,000	0
CANADIAN IMPERIAL BANK OF COMMERCE	10/10/17	01/10/17	01/10/17	12,000,000	12,000,000	0	12,000,000	0
JPMORGAN CHASE BANK NA	01/05/18	01/05/17	01/06/17	50,000,000	50,000,000	0	50,000,000	0
JPMORGAN CHASE BANK NA	01/05/18	01/05/17	01/06/17	25,000,000	25,000,000	0	25,000,000	0
CIESCO, LLCCPABS4-2	01/05/17	01/04/17	01/04/17	22,400,000	22,399,583	0	22,399,583	0
COOPERATIEVE RABOBANK UA/NY	01/04/17	01/03/17	01/03/17	32,500,000	32,499,413	0	32,499,413	0
COOPERATIEVE RABOBANK UA/NY	01/05/17	01/04/17	01/04/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/05/17	01/04/17	01/04/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/06/17	01/05/17	01/05/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/06/17	01/05/17	01/05/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/09/17	01/06/17	01/06/17	33,000,000	32,998,213	0	32,998,213	0
COOPERATIEVE RABOBANK UA/NY	01/10/17	01/09/17	01/09/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/10/17	01/09/17	01/09/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/10/17	01/09/17	01/09/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/10/17	01/09/17	01/09/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/12/17	01/11/17	01/11/17	33,600,000	33,599,393	0	33,599,393	0
COOPERATIEVE RABOBANK UA/NY	01/12/17	01/11/17	01/11/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/12/17	01/11/17	01/11/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/13/17	01/12/17	01/12/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/13/17	01/12/17	01/12/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/13/17	01/12/17	01/12/17	50,000,000	49,999,097	0	49,999,097	0

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR JANUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
COOPERATIEVE RABOBANK UA/NY	01/13/17	01/12/17	01/12/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/17/17	01/13/17	01/13/17	50,000,000	49,996,389	0	49,996,389	0
COOPERATIEVE RABOBANK UA/NY	01/17/17	01/13/17	01/13/17	50,000,000	49,996,389	0	49,996,389	0
COOPERATIEVE RABOBANK UA/NY	01/17/17	01/13/17	01/13/17	13,976,000	13,974,991	0	13,974,991	0
COOPERATIEVE RABOBANK UA/NY	01/17/17	01/13/17	01/13/17	50,000,000	49,996,389	0	49,996,389	0
COOPERATIEVE RABOBANK UA/NY	01/18/17	01/17/17	01/17/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/18/17	01/17/17	01/17/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/18/17	01/17/17	01/17/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/18/17	01/17/17	01/17/17	30,700,000	30,699,446	0	30,699,446	0
COOPERATIEVE RABOBANK UA/NY	01/18/17	01/17/17	01/17/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/18/17	01/17/17	01/17/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/19/17	01/18/17	01/18/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/19/17	01/18/17	01/18/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/19/17	01/18/17	01/18/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/19/17	01/18/17	01/18/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/19/17	01/18/17	01/18/17	35,000,000	34,999,368	0	34,999,368	0
COOPERATIEVE RABOBANK UA/NY	01/19/17	01/18/17	01/18/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	01/20/17	01/19/17	01/19/17	10,000,000	9,999,819	0	9,999,819	0
RABOBANK NEDERLAND CP	01/20/17	01/19/17	01/19/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	01/20/17	01/19/17	01/19/17	35,000,000	34,999,368	0	34,999,368	0
RABOBANK NEDERLAND CP	01/23/17	01/20/17	01/20/17	50,000,000	49,997,292	0	49,997,292	0
RABOBANK NEDERLAND CP	01/23/17	01/20/17	01/20/17	50,000,000	49,997,292	0	49,997,292	0
RABOBANK NEDERLAND CP	01/23/17	01/20/17	01/20/17	4,300,000	4,299,767	0	4,299,767	0
RABOBANK NEDERLAND CP	01/23/17	01/20/17	01/20/17	50,000,000	49,997,292	0	49,997,292	0
RABOBANK NEDERLAND CP	01/23/17	01/20/17	01/20/17	50,000,000	49,997,292	0	49,997,292	0
RABOBANK NEDERLAND CP	01/23/17	01/20/17	01/20/17	50,000,000	49,997,292	0	49,997,292	0
RABOBANK NEDERLAND CP	01/23/17	01/20/17	01/20/17	50,000,000	49,997,292	0	49,997,292	0
COOPERATIEVE RABOBANK UA/NY	01/24/17	01/23/17	01/23/17	44,000,000	43,999,206	0	43,999,206	0
COOPERATIEVE RABOBANK UA/NY	01/24/17	01/23/17	01/23/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/24/17	01/23/17	01/23/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/24/17	01/23/17	01/23/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	01/26/17	01/25/17	01/25/17	9,500,000	9,499,828	0	9,499,828	0
RABOBANK NEDERLAND CP	01/31/17	01/30/17	01/30/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	01/31/17	01/30/17	01/30/17	34,730,000	34,729,373	0	34,729,373	0
CREDIT AGRICOLE CORCP	01/13/17	01/12/17	01/12/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/13/17	01/12/17	01/12/17	30,000,000	29,999,450	0	29,999,450	0
CREDIT AGRICOLE CORCP	01/19/17	01/18/17	01/18/17	50,000,000	49,999,069	0	49,999,069	0
CREDIT AGRICOLE CORCP	01/19/17	01/18/17	01/18/17	35,000,000	34,999,349	0	34,999,349	0
CREDIT AGRICOLE CORCP	01/19/17	01/18/17	01/18/17	50,000,000	49,999,069	0	49,999,069	0
CREDIT AGRICOLE CORCP	01/20/17	01/19/17	01/19/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/20/17	01/19/17	01/19/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/20/17	01/19/17	01/19/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/20/17	01/19/17	01/19/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/20/17	01/19/17	01/19/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/20/17	01/19/17	01/19/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/20/17	01/19/17	01/19/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/20/17	01/19/17	01/19/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/24/17	01/23/17	01/23/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/24/17	01/23/17	01/23/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/24/17	01/23/17	01/23/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/24/17	01/23/17	01/23/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/24/17	01/23/17	01/23/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/24/17	01/23/17	01/23/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/24/17	01/23/17	01/23/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/24/17	01/23/17	01/23/17	30,000,000	29,999,450	0	29,999,450	0
CREDIT AGRICOLE CORCP	01/25/17	01/24/17	01/24/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/25/17	01/24/17	01/24/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/25/17	01/24/17	01/24/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/25/17	01/24/17	01/24/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/25/17	01/24/17	01/24/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/25/17	01/24/17	01/24/17	35,000,000	34,999,358	0	34,999,358	0
CREDIT AGRICOLE CORCP	01/25/17	01/24/17	01/24/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/25/17	01/24/17	01/24/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/26/17	01/25/17	01/25/17	37,400,000	37,399,314	0	37,399,314	0
CREDIT AGRICOLE CORCP	01/26/17	01/25/17	01/25/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/26/17	01/25/17	01/25/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	01/26/17	01/25/17	01/25/17	50,000,000	49,999,083	0	49,999,083	0

TRADING ACTIVITY FOR JANUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
CREDIT AGRICOLE CORCDYAN	03/24/17	01/25/17	01/25/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	03/24/17	01/25/17	01/25/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	03/24/17	01/25/17	01/25/17	47,000,000	47,000,000	0	47,000,000	0
CREDIT AGRICOLE CORCDYAN	03/24/17	01/25/17	01/25/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	01/19/17	01/12/17	01/12/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	01/19/17	01/12/17	01/12/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	01/19/17	01/12/17	01/12/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	01/19/17	01/12/17	01/12/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	01/19/17	01/12/17	01/12/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT AGRICOLE CORCDYAN	01/19/17	01/12/17	01/12/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	01/27/17	01/20/17	01/20/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	01/27/17	01/20/17	01/20/17	30,000,000	30,000,000	0	30,000,000	0
CREDIT INDUSTRIEL ECDYAN	01/27/17	01/20/17	01/20/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/03/17	01/27/17	01/27/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/03/17	01/27/17	01/27/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/03/17	01/27/17	01/27/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/03/17	01/27/17	01/27/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/03/17	01/27/17	01/27/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/03/17	01/27/17	01/27/17	25,000,000	25,000,000	0	25,000,000	0
DZ BANK AG DEUTSCHECDYAN	06/13/17	01/12/17	01/13/17	20,000,000	20,000,000	0	20,000,000	0
DZ BANK AG DEUTSCHECDYAN	06/13/17	01/12/17	01/13/17	15,000,000	15,000,000	0	15,000,000	0
DZ BANK AG DEUTSCHECDYAN	03/20/17	01/18/17	01/19/17	45,000,000	45,000,000	0	45,000,000	0
EUROPEAN INVESTMENTCP	01/20/17	01/12/17	01/13/17	50,000,000	49,993,389	0	49,993,389	0
EUROPEAN INVESTMENTCP	01/20/17	01/12/17	01/13/17	50,000,000	49,993,389	0	49,993,389	0
EUROPEAN INVESTMENTCP	01/20/17	01/12/17	01/13/17	45,400,000	45,393,997	0	45,393,997	0
EUROPEAN INVESTMENTCP	01/20/17	01/12/17	01/13/17	50,000,000	49,993,389	0	49,993,389	0
EUROPEAN INVESTMENTCP	01/20/17	01/12/17	01/13/17	50,000,000	49,993,389	0	49,993,389	0
EUROPEAN INVESTMENTCP	01/20/17	01/12/17	01/13/17	50,000,000	49,993,389	0	49,993,389	0
FAIRWAY FINANCE CO,CPABS4	03/22/17	01/18/17	01/18/17	46,000,000	45,933,185	0	45,933,185	0
FAIRWAY FINANCE CO,CPABS4	04/18/17	01/17/17	01/17/17	50,000,000	49,868,556	0	49,868,556	0
FAIRWAY FINANCE CO,CPABS4	05/03/17	01/31/17	02/01/17	40,000,000	39,893,833	0	39,893,833	0
FAIRWAY FINANCE CO LLC	02/06/17	01/30/17	01/30/17	50,000,000	50,005,950	46,296	50,052,246	0
GOTHAM FUNDING CORPCPABS4	01/13/17	01/12/17	01/12/17	41,800,000	41,799,210	0	41,799,210	0
GOTHAM FUNDING CORPCPABS4	01/17/17	01/13/17	01/13/17	50,000,000	49,996,167	0	49,996,167	0
GOTHAM FUNDING CORPCPABS4	01/17/17	01/13/17	01/13/17	24,927,000	24,925,089	0	24,925,089	0
GOTHAM FUNDING CORPCPABS4	01/20/17	01/19/17	01/19/17	4,000,000	3,999,924	0	3,999,924	0
GOTHAM FUNDING CORPCPABS4	03/08/17	01/09/17	01/09/17	10,000,000	9,985,178	0	9,985,178	0
GOTHAM FUNDING CORPCPABS4	03/08/17	01/10/17	01/10/17	50,000,000	49,927,167	0	49,927,167	0
GOTHAM FUNDING CORPCPABS4	03/08/17	01/10/17	01/10/17	12,000,000	11,982,520	0	11,982,520	0
GOTHAM FUNDING CORPCPABS4	03/08/17	01/10/17	01/10/17	20,000,000	19,970,867	0	19,970,867	0
J,P, MORGAN SECURITCP	09/28/17	01/04/17	01/04/17	50,000,000	49,480,833	0	49,480,833	0
J,P, MORGAN SECURITCP	09/28/17	01/04/17	01/04/17	50,000,000	49,480,833	0	49,480,833	0
J,P, MORGAN SECURITCP	10/27/17	01/30/17	01/30/17	25,000,000	24,737,500	0	24,737,500	0
KAISER FOUNDATION HCP	03/21/17	01/24/17	01/24/17	9,770,000	9,756,322	0	9,756,322	0
LMA-AMERICAS LLCCPABS4-2	01/05/17	01/04/17	01/04/17	27,600,000	27,599,463	0	27,599,463	0
LMA-AMERICAS LLCCPABS4-2	01/06/17	01/05/17	01/05/17	50,000,000	49,999,028	0	49,999,028	0
LMA-AMERICAS LLCCPABS4-2	01/06/17	01/05/17	01/05/17	50,000,000	49,999,028	0	49,999,028	0
LMA-AMERICAS LLCCPABS4-2	01/06/17	01/05/17	01/05/17	50,000,000	49,999,028	0	49,999,028	0
LMA-AMERICAS LLCCPABS4-2	01/06/17	01/05/17	01/05/17	25,500,000	25,499,504	0	25,499,504	0
LMA-AMERICAS LLCCPABS4-2	01/06/17	01/05/17	01/05/17	50,000,000	49,999,028	0	49,999,028	0
LMA-AMERICAS LLCCPABS4-2	01/10/17	01/09/17	01/09/17	50,000,000	49,999,028	0	49,999,028	0
LMA-AMERICAS LLCCPABS4-2	01/10/17	01/09/17	01/09/17	50,000,000	49,999,028	0	49,999,028	0
LMA-AMERICAS LLCCPABS4-2	01/10/17	01/09/17	01/09/17	50,000,000	49,999,028	0	49,999,028	0
LMA-AMERICAS LLCCPABS4-2	01/10/17	01/09/17	01/09/17	33,000,000	32,999,358	0	32,999,358	0
LMA-AMERICAS LLCCPABS4-2	01/10/17	01/09/17	01/09/17	50,000,000	49,999,028	0	49,999,028	0
LMA-AMERICAS LLCCPABS4-2	01/13/17	01/06/17	01/06/17	45,000,000	44,993,438	0	44,993,438	0
LMA-AMERICAS LLCCPABS4-2	01/17/17	01/13/17	01/13/17	32,900,000	32,897,441	0	32,897,441	0
LMA-AMERICAS LLCCPABS4-2	01/18/17	01/17/17	01/17/17	35,700,000	35,699,306	0	35,699,306	0
LMA-AMERICAS LLCCPABS4-2	02/01/17	01/31/17	01/31/17	50,000,000	49,999,167	0	49,999,167	0
LMA-AMERICAS LLCCPABS4-2	02/01/17	01/31/17	01/31/17	50,000,000	49,999,167	0	49,999,167	0
LMA-AMERICAS LLCCPABS4-2	02/01/17	01/31/17	01/31/17	50,000,000	49,999,167	0	49,999,167	0
LMA-AMERICAS LLCCPABS4-2	02/01/17	01/31/17	01/31/17	10,000,000	9,999,833	0	9,999,833	0
LMA-AMERICAS LLCCPABS4-2	02/02/17	01/26/17	01/26/17	47,000,000	46,993,420	0	46,993,420	0
LMA-AMERICAS LLCCPABS4-2	02/10/17	01/10/17	01/10/17	50,000,000	49,965,556	0	49,965,556	0
LMA-AMERICAS LLCCPABS4-2	02/10/17	01/10/17	01/10/17	50,000,000	49,965,556	0	49,965,556	0
LMA-AMERICAS LLCCPABS4-2	03/20/17	01/19/17	01/19/17	30,000,000	29,957,500	0	29,957,500	0
MANHATTAN ASSET FUNCPABS4	01/27/17	01/20/17	01/20/17	35,000,000	34,995,100	0	34,995,100	0

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR JANUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MANHATTAN ASSET FUNCPABS4	03/17/17	01/18/17	01/18/17	34,000,000	33,949,604	0	33,949,604	0
MANHATTAN ASSET FUNCPABS4	03/24/17	01/24/17	01/25/17	12,000,000	11,982,600	0	11,982,600	0
MANHATTAN ASSET FUNCPABS4	03/30/17	01/30/17	01/30/17	45,000,000	44,933,625	0	44,933,625	0
NRW,BANKCP	01/12/17	01/05/17	01/05/17	50,000,000	49,993,194	0	49,993,194	0
NRW,BANKCP	01/12/17	01/05/17	01/05/17	50,000,000	49,993,194	0	49,993,194	0
NRW,BANKCP	01/26/17	01/18/17	01/19/17	50,000,000	49,993,146	0	49,993,146	0
NRW,BANKCP	01/26/17	01/18/17	01/19/17	50,000,000	49,993,146	0	49,993,146	0
NRW,BANKCP	01/30/17	01/23/17	01/23/17	50,000,000	49,993,194	0	49,993,194	0
NRW,BANKCP	01/30/17	01/23/17	01/23/17	50,000,000	49,993,194	0	49,993,194	0
NRW,BANKCP	01/30/17	01/23/17	01/23/17	50,000,000	49,993,194	0	49,993,194	0
NRW,BANKCP	01/30/17	01/23/17	01/23/17	50,000,000	49,993,194	0	49,993,194	0
NRW BANK	02/02/17	01/26/17	01/26/17	50,000,000	49,993,292	0	49,993,292	0
NRW BANK	02/02/17	01/26/17	01/26/17	50,000,000	49,993,292	0	49,993,292	0
NRW BANK	02/02/17	01/26/17	01/26/17	50,000,000	49,993,292	0	49,993,292	0
NRW BANK	02/02/17	01/26/17	01/26/17	35,000,000	34,995,304	0	34,995,304	0
NRW,BANKCP	04/04/17	01/05/17	01/06/17	30,000,000	29,923,000	0	29,923,000	0
NRW,BANKCP	04/18/17	01/11/17	01/13/17	50,000,000	49,860,799	0	49,860,799	0
NRW,BANKCP	04/18/17	01/11/17	01/13/17	20,000,000	19,944,319	0	19,944,319	0
NRW,BANKCP	04/18/17	01/11/17	01/13/17	50,000,000	49,860,799	0	49,860,799	0
NOVARTIS FINANCE COCP4-2	01/24/17	01/23/17	01/23/17	10,000,000	9,999,831	0	9,999,831	0
ROYAL BANK OF CANADA/NEW YORK NY	10/06/17	01/06/17	01/06/17	50,000,000	50,000,000	0	50,000,000	0
SOCIETE GENERALE, PCP4-2	01/10/17	01/09/17	01/09/17	31,000,000	30,999,432	0	30,999,432	0
SOCIETE GENERALE, PCP4-2	01/18/17	01/17/17	01/17/17	50,000,000	49,999,083	0	49,999,083	0
SOCIETE GENERALE, PCP4-2	01/18/17	01/17/17	01/17/17	50,000,000	49,999,083	0	49,999,083	0
SOCIETE GENERALE, PCP4-2	01/31/17	01/30/17	01/30/17	50,000,000	49,999,083	0	49,999,083	0
SOCIETE GENERALE, PCP4-2	01/31/17	01/30/17	01/30/17	31,800,000	31,799,417	0	31,799,417	0
STANDARD CHARTERED CDYAN	03/07/17	01/06/17	01/06/17	50,000,000	50,000,000	0	50,000,000	0
STANDARD CHARTERED CDYAN	03/07/17	01/06/17	01/06/17	50,000,000	50,000,000	0	50,000,000	0
STANDARD CHARTERED CDYAN	03/07/17	01/06/17	01/06/17	50,000,000	50,000,000	0	50,000,000	0
STANDARD CHARTERED CDYAN	03/07/17	01/06/17	01/06/17	48,000,000	48,000,000	0	48,000,000	0
STARBIRD FUNDING COCPABS4	01/11/17	01/10/17	01/10/17	50,000,000	49,999,028	0	49,999,028	0
STARBIRD FUNDING COCPABS4	01/11/17	01/10/17	01/10/17	40,100,000	40,099,220	0	40,099,220	0
STARBIRD FUNDING COCPABS4	01/11/17	01/10/17	01/10/17	50,000,000	49,999,028	0	49,999,028	0
STARBIRD FUNDING COCPABS4	01/12/17	01/11/17	01/11/17	40,600,000	40,599,211	0	40,599,211	0
STARBIRD FUNDING COCPABS4	01/12/17	01/11/17	01/11/17	50,000,000	49,999,028	0	49,999,028	0
STARBIRD FUNDING COCPABS4	01/13/17	01/12/17	01/12/17	50,000,000	49,999,028	0	49,999,028	0
STARBIRD FUNDING COCPABS4	01/13/17	01/12/17	01/12/17	50,000,000	49,999,028	0	49,999,028	0
STARBIRD FUNDING COCPABS4	01/17/17	01/13/17	01/13/17	49,550,000	49,546,146	0	49,546,146	0
STARBIRD FUNDING COCPABS4	01/17/17	01/13/17	01/13/17	50,000,000	49,996,111	0	49,996,111	0
STARBIRD FUNDING COCPABS4	01/18/17	01/17/17	01/17/17	50,000,000	49,999,028	0	49,999,028	0
STARBIRD FUNDING COCPABS4	01/18/17	01/17/17	01/17/17	42,000,000	41,999,183	0	41,999,183	0
STARBIRD FUNDING COCPABS4	01/19/17	01/18/17	01/18/17	50,000,000	49,999,028	0	49,999,028	0
STARBIRD FUNDING COCPABS4	01/19/17	01/18/17	01/18/17	41,000,000	40,999,203	0	40,999,203	0
STARBIRD FUNDING COCPABS4	01/20/17	01/19/17	01/19/17	50,000,000	49,999,028	0	49,999,028	0
STARBIRD FUNDING COCPABS4	01/20/17	01/19/17	01/19/17	50,000,000	49,999,028	0	49,999,028	0
STARBIRD FUNDING COCPABS4	01/23/17	01/20/17	01/20/17	50,000,000	49,997,083	0	49,997,083	0
STARBIRD FUNDING COCPABS4	01/23/17	01/20/17	01/20/17	41,300,000	41,297,591	0	41,297,591	0
STARBIRD FUNDING COCPABS4	02/01/17	01/10/17	01/10/17	40,000,000	39,980,444	0	39,980,444	0
STARBIRD FUNDING COCPABS4	04/27/17	01/23/17	01/23/17	35,000,000	34,902,214	0	34,902,214	0
SUMITOMO MITSUI BANCP4-2	01/19/17	01/13/17	01/13/17	25,000,000	24,996,875	0	24,996,875	0
SUMITOMO MITSUI BANCP4-2	02/08/17	01/10/17	01/10/17	50,000,000	49,967,778	0	49,967,778	0
SUMITOMO MITSUI BANCP4-2	02/08/17	01/10/17	01/10/17	50,000,000	49,967,778	0	49,967,778	0
SUMITOMO MITSUI BANCP4-2	02/08/17	01/10/17	01/10/17	50,000,000	49,967,778	0	49,967,778	0
SUMITOMO MITSUI BANCP4-2	02/08/17	01/10/17	01/10/17	50,000,000	49,967,778	0	49,967,778	0
TORONTO DOMINION BACDYAN	01/16/18	01/06/17	01/06/17	50,000,000	50,000,000	0	50,000,000	0
TORONTO DOMINION BACDYAN	01/16/18	01/06/17	01/06/17	20,000,000	20,000,000	0	20,000,000	0
TORONTO DOMINION BACDYAN	01/16/18	01/06/17	01/06/17	50,000,000	50,000,000	0	50,000,000	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/04/17	01/04/17	731,401	731,401	0	731,401	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/06/17	01/06/17	3,538,587	3,538,587	0	3,538,587	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/10/17	01/10/17	3,048,436	3,048,436	0	3,048,436	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/12/17	01/12/17	2,478,985	2,478,985	0	2,478,985	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/13/17	01/13/17	2,945,094	2,945,094	0	2,945,094	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/18/17	01/18/17	550,695	550,695	0	550,695	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/19/17	01/19/17	2,755,554	2,755,554	0	2,755,554	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/23/17	01/23/17	9,217,301	9,217,301	0	9,217,301	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/23/17	01/23/17	9,217,301	9,217,301	0	9,217,301	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/26/17	01/26/17	106,738,749	106,738,749	0	106,738,749	0

FLORIDA PRIME™

AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR JANUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/30/17	01/30/17	312,615	312,615	0	312,615	0
MIZUHO TRIPARTY	01/04/17	01/03/17	01/03/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/04/17	01/03/17	01/03/17	158,000,000	158,000,000	0	158,000,000	0
MIZUHO TRIPARTY	01/05/17	01/04/17	01/04/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/05/17	01/04/17	01/04/17	95,000,000	95,000,000	0	95,000,000	0
MIZUHO TRIPARTY	01/06/17	01/05/17	01/05/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/06/17	01/05/17	01/05/17	178,000,000	178,000,000	0	178,000,000	0
MIZUHO TRIPARTY	01/09/17	01/06/17	01/06/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/09/17	01/06/17	01/06/17	580,000,000	580,000,000	0	580,000,000	0
MIZUHO TRIPARTY	01/10/17	01/09/17	01/09/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/10/17	01/09/17	01/09/17	280,000,000	280,000,000	0	280,000,000	0
MIZUHO TRIPARTY	01/11/17	01/10/17	01/10/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/11/17	01/10/17	01/10/17	348,000,000	348,000,000	0	348,000,000	0
MIZUHO TRIPARTY	01/12/17	01/11/17	01/11/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/12/17	01/11/17	01/11/17	288,000,000	288,000,000	0	288,000,000	0
MIZUHO TRIPARTY	01/13/17	01/12/17	01/12/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/13/17	01/12/17	01/12/17	375,000,000	375,000,000	0	375,000,000	0
MIZUHO TRIPARTY	01/17/17	01/13/17	01/13/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/17/17	01/13/17	01/13/17	290,000,000	290,000,000	0	290,000,000	0
MIZUHO TRIPARTY	01/18/17	01/17/17	01/17/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/18/17	01/17/17	01/17/17	360,000,000	360,000,000	0	360,000,000	0
MIZUHO TRIPARTY	01/19/17	01/18/17	01/18/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/19/17	01/18/17	01/18/17	150,000,000	150,000,000	0	150,000,000	0
MIZUHO TRIPARTY	01/20/17	01/19/17	01/19/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/20/17	01/19/17	01/19/17	230,000,000	230,000,000	0	230,000,000	0
MIZUHO TRIPARTY	01/23/17	01/20/17	01/20/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/23/17	01/20/17	01/20/17	320,000,000	320,000,000	0	320,000,000	0
MIZUHO TRIPARTY	01/24/17	01/23/17	01/23/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/24/17	01/23/17	01/23/17	270,000,000	270,000,000	0	270,000,000	0
MIZUHO TRIPARTY	01/25/17	01/24/17	01/24/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/25/17	01/24/17	01/24/17	90,000,000	90,000,000	0	90,000,000	0
MIZUHO TRIPARTY	01/26/17	01/25/17	01/25/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/26/17	01/25/17	01/25/17	285,000,000	285,000,000	0	285,000,000	0
MIZUHO TRIPARTY	01/27/17	01/26/17	01/26/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/27/17	01/26/17	01/26/17	330,000,000	330,000,000	0	330,000,000	0
MIZUHO TRIPARTY	01/30/17	01/27/17	01/27/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/30/17	01/27/17	01/27/17	290,000,000	290,000,000	0	290,000,000	0
MIZUHO TRIPARTY	01/31/17	01/30/17	01/30/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/31/17	01/30/17	01/30/17	285,000,000	285,000,000	0	285,000,000	0
MIZUHO TRIPARTY	02/01/17	01/31/17	01/31/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/01/17	01/31/17	01/31/17	290,000,000	290,000,000	0	290,000,000	0
Total Buys				*22,471,821,717*	*22,466,028,023*	*88,546*	*22,466,116,569*	*0*
Deposits								
SVENSKA HANDELSBANKTDCAY 0.66 20170104	01/04/17	01/03/17	01/03/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170105	01/05/17	01/04/17	01/04/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170106	01/06/17	01/05/17	01/05/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170109	01/09/17	01/06/17	01/06/17	500,000,000	500,000,000	0	500,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170109	01/09/17	01/06/17	01/06/17	100,000,000	100,000,000	0	100,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170110	01/10/17	01/09/17	01/09/17	400,000,000	400,000,000	0	400,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170110	01/10/17	01/09/17	01/09/17	400,000,000	400,000,000	0	400,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170111	01/11/17	01/10/17	01/10/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170111	01/11/17	01/10/17	01/10/17	450,000,000	450,000,000	0	450,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170112	01/12/17	01/11/17	01/11/17	500,000,000	500,000,000	0	500,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170112	01/12/17	01/11/17	01/11/17	400,000,000	400,000,000	0	400,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170113	01/13/17	01/12/17	01/12/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170117	01/17/17	01/13/17	01/13/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170118	01/18/17	01/17/17	01/17/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170119	01/19/17	01/18/17	01/18/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170120	01/20/17	01/19/17	01/19/17	525,000,000	525,000,000	0	525,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170120	01/20/17	01/19/17	01/19/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170123	01/23/17	01/20/17	01/20/17	500,000,000	500,000,000	0	500,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170123	01/23/17	01/20/17	01/20/17	500,000,000	500,000,000	0	500,000,000	0
STANDARD CHARTERED TD 0.7 20170127	01/27/17	01/20/17	01/20/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170124	01/24/17	01/23/17	01/23/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170125	01/25/17	01/24/17	01/24/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170126	01/26/17	01/25/17	01/25/17	525,000,000	525,000,000	0	525,000,000	0

TRADING ACTIVITY FOR JANUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
SVENSKA HANDELSBANKTDCAY 0.66 20170127	01/27/17	01/26/17	01/26/17	500,000,000	500,000,000	0	500,000,000	0
STANDARD CHARTERED TD 0.7 20170203	02/03/17	01/27/17	01/27/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170130	01/30/17	01/27/17	01/27/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170131	01/31/17	01/30/17	01/30/17	540,000,000	540,000,000	0	540,000,000	0
SVENSKA HANDELSBANKTDCAY 0.56 20170201	02/01/17	01/31/17	01/31/17	540,000,000	540,000,000	0	540,000,000	0
Total Deposits				*12,630,000,000*	*12,630,000,000*	*0*	*12,630,000,000*	*0*
Maturities								
ASB FINANCE LTD,CP4-2	01/06/17	01/06/17	01/06/17	94,000,000	94,000,000	0	94,000,000	0
ASB FINANCE LTD,CP4-2	01/18/17	01/18/17	01/18/17	20,000,000	20,000,000	0	20,000,000	0
ALPINE SECURITIZATICPABS4	01/12/17	01/12/17	01/12/17	50,000,000	50,000,000	0	50,000,000	0
ALPINE SECURITIZATICPABS4	01/27/17	01/27/17	01/27/17	35,000,000	35,000,000	0	35,000,000	0
ANGLESEA FUNDING LLCPABS4	01/03/17	01/03/17	01/03/17	35,000,000	35,000,000	0	35,000,000	0
ANGLESEA FUNDING LLCPABS4	01/05/17	01/05/17	01/05/17	25,000,000	25,000,000	0	25,000,000	0
ANGLESEA FUNDING LLCPABS4	01/13/17	01/13/17	01/13/17	50,000,000	50,000,000	0	50,000,000	0
ANGLESEA FUNDING LLCPABS4	01/19/17	01/19/17	01/19/17	1,025,000	1,025,000	0	1,025,000	0
ANTALIS S,A, CPABS4CPABS4	01/03/17	01/03/17	01/03/17	100,000,000	100,000,000	0	100,000,000	0
ANTALIS S,A, CPABS4CPABS4	01/04/17	01/04/17	01/04/17	212,000,000	212,000,000	0	212,000,000	0
ANTALIS S,A, CPABS4CPABS4	01/06/17	01/06/17	01/06/17	125,000,000	125,000,000	0	125,000,000	0
ANTALIS S,A, CPABS4CPABS4	01/11/17	01/11/17	01/11/17	212,000,000	212,000,000	0	212,000,000	0
ANTALIS S,A, CPABS4CPABS4	01/13/17	01/13/17	01/13/17	63,000,000	63,000,000	0	63,000,000	0
ANTALIS S,A, CPABS4CPABS4	01/18/17	01/18/17	01/18/17	212,000,000	212,000,000	0	212,000,000	0
ANTALIS S,A, CPABS4CPABS4	01/20/17	01/20/17	01/20/17	131,840,000	131,840,000	0	131,840,000	0
ANTALIS S,A, CPABS4CPABS4	01/25/17	01/25/17	01/25/17	119,790,000	119,790,000	0	119,790,000	0
ANTALIS S,A, CPABS4CPABS4	01/27/17	01/27/17	01/27/17	165,940,000	165,940,000	0	165,940,000	0
ANTALIS S,A, CPABS4CPABS4	01/30/17	01/30/17	01/30/17	46,300,000	46,300,000	0	46,300,000	0
ATLANTIC ASSET SECUCPABS4	01/03/17	01/03/17	01/03/17	168,000,000	168,000,000	0	168,000,000	0
ATLANTIC ASSET SECUCPABS4	01/04/17	01/04/17	01/04/17	85,000,000	85,000,000	0	85,000,000	0
ATLANTIC ASSET SECUCPABS4	01/05/17	01/05/17	01/05/17	132,500,000	132,500,000	0	132,500,000	0
ATLANTIC ASSET SECUCPABS4	01/09/17	01/09/17	01/09/17	65,000,000	65,000,000	0	65,000,000	0
ATLANTIC ASSET SECUCPABS4	01/10/17	01/10/17	01/10/17	50,000,000	50,000,000	0	50,000,000	0
ATLANTIC ASSET SECUCPABS4	01/11/17	01/11/17	01/11/17	147,931,000	147,931,000	0	147,931,000	0
ATLANTIC ASSET SECUCPABS4	01/12/17	01/12/17	01/12/17	100,000,000	100,000,000	0	100,000,000	0
ATLANTIC ASSET SECUCPABS4	01/13/17	01/13/17	01/13/17	80,623,000	80,623,000	0	80,623,000	0
ATLANTIC ASSET SECUCPABS4	01/18/17	01/18/17	01/18/17	150,000,000	150,000,000	0	150,000,000	0
ATLANTIC ASSET SECUCPABS4	01/19/17	01/19/17	01/19/17	50,000,000	50,000,000	0	50,000,000	0
ATLANTIC ASSET SECUCPABS4	01/20/17	01/20/17	01/20/17	100,000,000	100,000,000	0	100,000,000	0
ATLANTIC ASSET SECUCPABS4	01/23/17	01/23/17	01/23/17	44,013,000	44,013,000	0	44,013,000	0
ATLANTIC ASSET SECUCPABS4	01/24/17	01/24/17	01/24/17	119,200,000	119,200,000	0	119,200,000	0
ATLANTIC ASSET SECUCPABS4	01/25/17	01/25/17	01/25/17	349,300,000	349,300,000	0	349,300,000	0
ATLANTIC ASSET SECUCPABS4	01/26/17	01/26/17	01/26/17	249,400,000	249,400,000	0	249,400,000	0
ATLANTIC ASSET SECUCPABS4	01/27/17	01/27/17	01/27/17	150,000,000	150,000,000	0	150,000,000	0
ATLANTIC ASSET SECUCPABS4	01/30/17	01/30/17	01/30/17	350,100,000	350,100,000	0	350,100,000	0
ATLANTIC ASSET SECUCPABS4	01/31/17	01/31/17	01/31/17	139,000,000	139,000,000	0	139,000,000	0
BANK OF MONTREAL (CCDYAN	01/03/17	01/03/17	01/03/17	125,000,000	125,000,000	0	125,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/03/17	01/03/17	01/03/17	150,000,000	150,000,000	0	150,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/10/17	01/10/17	01/10/17	150,000,000	150,000,000	0	150,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/17/17	01/17/17	01/17/17	70,000,000	70,000,000	0	70,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/24/17	01/24/17	01/24/17	175,000,000	175,000,000	0	175,000,000	0
BANK OF TOKYO-MITSUCDYAN	01/31/17	01/31/17	01/31/17	150,000,000	150,000,000	0	150,000,000	0
BARTON CAPITAL LLCCPABS4-	01/03/17	01/03/17	01/03/17	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL LLCCPABS4-	01/04/17	01/04/17	01/04/17	125,000,000	125,000,000	0	125,000,000	0
BARTON CAPITAL LLCCPABS4-	01/05/17	01/05/17	01/05/17	73,000,000	73,000,000	0	73,000,000	0
BARTON CAPITAL LLCCPABS4-	01/18/17	01/18/17	01/18/17	47,000,000	47,000,000	0	47,000,000	0
BARTON CAPITAL LLCCPABS4-	01/23/17	01/23/17	01/23/17	16,000,000	16,000,000	0	16,000,000	0
BNP PARIBAS SACP4-2	01/09/17	01/09/17	01/09/17	200,000,000	200,000,000	0	200,000,000	0
BNP PARIBAS SACP4-2	01/10/17	01/10/17	01/10/17	434,000,000	434,000,000	0	434,000,000	0
BNP PARIBAS SACP4-2	01/17/17	01/17/17	01/17/17	300,000,000	300,000,000	0	300,000,000	0
BNP PARIBAS SACP4-2	01/26/17	01/26/17	01/26/17	40,000,000	40,000,000	0	40,000,000	0
BNP PARIBAS SACP	01/03/17	01/03/17	01/03/17	250,000,000	250,000,000	0	250,000,000	0
BNP PARIBAS SACP	01/09/17	01/09/17	01/09/17	34,000,000	34,000,000	0	34,000,000	0
BNP PARIBAS SACP	01/19/17	01/19/17	01/19/17	386,200,000	386,200,000	0	386,200,000	0
BNP PARIBAS SACP	01/31/17	01/31/17	01/31/17	211,100,000	211,100,000	0	211,100,000	0
CRC FUNDING LLCCPABS4-2	01/27/17	01/27/17	01/27/17	50,000,000	50,000,000	0	50,000,000	0
CANADIAN IMPERIAL BCDYAN	01/17/17	01/17/17	01/17/17	50,000,000	50,000,000	0	50,000,000	0
CATERPILLAR FINANCIAL SERVICES CORP	01/04/17	01/04/17	01/04/17	44,730,000	44,730,000	0	44,730,000	0
CATERPILLAR FINANCICP	01/09/17	01/09/17	01/09/17	135,000,000	135,000,000	0	135,000,000	0

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR JANUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
CIESCO, LLCCPABS4-2	01/05/17	01/05/17	01/05/17	22,400,000	22,400,000	0	22,400,000	0
COMMONWEALTH BANK OF AUSTRALIA	01/27/17	01/27/17	01/27/17	32,200,000	32,200,000	0	32,200,000	0
COMMONWEALTH BANK OF AUSTRALIA	01/06/17	01/06/17	01/06/17	2,000,000	2,000,000	0	2,000,000	0
COOPERATIEVE RABOBANK UA	01/19/17	01/19/17	01/19/17	1,273,000	1,273,000	0	1,273,000	0
COOPERATIEVE RABOBANK UA/NY	01/04/17	01/04/17	01/04/17	32,500,000	32,500,000	0	32,500,000	0
COOPERATIEVE RABOBANK UA/NY	01/05/17	01/05/17	01/05/17	100,000,000	100,000,000	0	100,000,000	0
COOPERATIEVE RABOBANK UA/NY	01/06/17	01/06/17	01/06/17	100,000,000	100,000,000	0	100,000,000	0
COOPERATIEVE RABOBANK UA/NY	01/09/17	01/09/17	01/09/17	33,000,000	33,000,000	0	33,000,000	0
COOPERATIEVE RABOBANK UA/NY	01/10/17	01/10/17	01/10/17	200,000,000	200,000,000	0	200,000,000	0
COOPERATIEVE RABOBANK UA/NY	01/12/17	01/12/17	01/12/17	133,600,000	133,600,000	0	133,600,000	0
COOPERATIEVE RABOBANK UA/NY	01/13/17	01/13/17	01/13/17	200,000,000	200,000,000	0	200,000,000	0
COOPERATIEVE RABOBANK UA/NY	01/17/17	01/17/17	01/17/17	163,976,000	163,976,000	0	163,976,000	0
COOPERATIEVE RABOBANK UA/NY	01/18/17	01/18/17	01/18/17	280,700,000	280,700,000	0	280,700,000	0
COOPERATIEVE RABOBANK UA/NY	01/19/17	01/19/17	01/19/17	285,000,000	285,000,000	0	285,000,000	0
RABOBANK NEDERLAND CP	01/20/17	01/20/17	01/20/17	95,000,000	95,000,000	0	95,000,000	0
RABOBANK NEDERLAND CP	01/23/17	01/23/17	01/23/17	304,300,000	304,300,000	0	304,300,000	0
COOPERATIEVE RABOBANK UA/NY	01/24/17	01/24/17	01/24/17	194,000,000	194,000,000	0	194,000,000	0
COOPERATIEVE RABOBANK UA/NY	01/26/17	01/26/17	01/26/17	9,500,000	9,500,000	0	9,500,000	0
RABOBANK NEDERLAND CP	01/31/17	01/31/17	01/31/17	84,730,000	84,730,000	0	84,730,000	0
CREDIT AGRICOLE CORCP	01/13/17	01/13/17	01/13/17	80,000,000	80,000,000	0	80,000,000	0
CREDIT AGRICOLE CORCP	01/19/17	01/19/17	01/19/17	135,000,000	135,000,000	0	135,000,000	0
CREDIT AGRICOLE CORCP	01/20/17	01/20/17	01/20/17	400,000,000	400,000,000	0	400,000,000	0
CREDIT AGRICOLE CORCP	01/24/17	01/24/17	01/24/17	380,000,000	380,000,000	0	380,000,000	0
CREDIT AGRICOLE CORCP	01/25/17	01/25/17	01/25/17	385,000,000	385,000,000	0	385,000,000	0
CREDIT AGRICOLE CORCP	01/26/17	01/26/17	01/26/17	187,400,000	187,400,000	0	187,400,000	0
CREDIT AGRICOLE CORCDYAN	01/05/17	01/05/17	01/05/17	200,000,000	200,000,000	0	200,000,000	0
CREDIT AGRICOLE CORCDYAN	01/19/17	01/19/17	01/19/17	300,000,000	300,000,000	0	300,000,000	0
CREDIT INDUSTRIEL ECDYAN	01/27/17	01/27/17	01/27/17	130,000,000	130,000,000	0	130,000,000	0
EUROPEAN INVESTMENTCP	01/20/17	01/20/17	01/20/17	295,400,000	295,400,000	0	295,400,000	0
EXXON MOBIL CORP	01/05/17	01/05/17	01/05/17	100,000,000	100,000,000	0	100,000,000	0
GOTHAM FUNDING CORPCPABS4	01/12/17	01/12/17	01/12/17	100,000,000	100,000,000	0	100,000,000	0
GOTHAM FUNDING CORPCPABS4	01/13/17	01/13/17	01/13/17	41,800,000	41,800,000	0	41,800,000	0
GOTHAM FUNDING CORPCPABS4	01/17/17	01/17/17	01/17/17	74,927,000	74,927,000	0	74,927,000	0
GOTHAM FUNDING CORPCPABS4	01/20/17	01/20/17	01/20/17	4,000,000	4,000,000	0	4,000,000	0
KAISER FOUNDATION HCP	01/25/17	01/25/17	01/25/17	33,267,000	33,267,000	0	33,267,000	0
LMA-AMERICAS LLCCPABS4-2	01/03/17	01/03/17	01/03/17	30,000,000	30,000,000	0	30,000,000	0
LMA-AMERICAS LLCCPABS4-2	01/05/17	01/05/17	01/05/17	27,600,000	27,600,000	0	27,600,000	0
LMA-AMERICAS LLCCPABS4-2	01/06/17	01/06/17	01/06/17	425,500,000	425,500,000	0	425,500,000	0
LMA-AMERICAS LLCCPABS4-2	01/10/17	01/10/17	01/10/17	328,000,000	328,000,000	0	328,000,000	0
LMA-AMERICAS LLCCPABS4-2	01/13/17	01/13/17	01/13/17	45,000,000	45,000,000	0	45,000,000	0
LMA-AMERICAS LLCCPABS4-2	01/17/17	01/17/17	01/17/17	32,900,000	32,900,000	0	32,900,000	0
LMA-AMERICAS LLCCPABS4-2	01/18/17	01/18/17	01/18/17	35,700,000	35,700,000	0	35,700,000	0
MANHATTAN ASSET FUNCPABS4	01/04/17	01/04/17	01/04/17	52,414,000	52,414,000	0	52,414,000	0
MANHATTAN ASSET FUNCPABS4	01/27/17	01/27/17	01/27/17	35,000,000	35,000,000	0	35,000,000	0
MANHATTAN ASSET FUNCPABS4	01/30/17	01/30/17	01/30/17	131,000,000	131,000,000	0	131,000,000	0
MANHATTAN ASSET FUNCPABS4	01/31/17	01/31/17	01/31/17	39,750,000	39,750,000	0	39,750,000	0
MIZUHO BANK LTD,CDYAN	01/13/17	01/13/17	01/13/17	189,750,000	189,750,000	0	189,750,000	0
NRW,BANKCP	01/11/17	01/11/17	01/11/17	20,000,000	20,000,000	0	20,000,000	0
NRW,BANKCP	01/12/17	01/12/17	01/12/17	100,000,000	100,000,000	0	100,000,000	0
NRW,BANKCP	01/26/17	01/26/17	01/26/17	100,000,000	100,000,000	0	100,000,000	0
NRW,BANKCP	01/30/17	01/30/17	01/30/17	200,000,000	200,000,000	0	200,000,000	0
NATIONWIDE BUILDINGCP4-2	01/06/17	01/06/17	01/06/17	100,000,000	100,000,000	0	100,000,000	0
NOVARTIS FINANCE COCP4-2	01/24/17	01/24/17	01/24/17	10,000,000	10,000,000	0	10,000,000	0
SOCIETE GENERALE, PCP4-2	01/10/17	01/10/17	01/10/17	31,000,000	31,000,000	0	31,000,000	0
SOCIETE GENERALE, PCP4-2	01/18/17	01/18/17	01/18/17	100,000,000	100,000,000	0	100,000,000	0
SOCIETE GENERALE, PCP4-2	01/31/17	01/31/17	01/31/17	81,800,000	81,800,000	0	81,800,000	0
STANDARD CHARTERED CDYAN	01/17/17	01/17/17	01/17/17	85,000,000	85,000,000	0	85,000,000	0
STARBIRD FUNDING COCPABS4	01/03/17	01/03/17	01/03/17	25,000,000	25,000,000	0	25,000,000	0
STARBIRD FUNDING COCPABS4	01/10/17	01/10/17	01/10/17	50,000,000	50,000,000	0	50,000,000	0
STARBIRD FUNDING COCPABS4	01/11/17	01/11/17	01/11/17	140,100,000	140,100,000	0	140,100,000	0
STARBIRD FUNDING COCPABS4	01/12/17	01/12/17	01/12/17	90,600,000	90,600,000	0	90,600,000	0
STARBIRD FUNDING COCPABS4	01/13/17	01/13/17	01/13/17	100,000,000	100,000,000	0	100,000,000	0
STARBIRD FUNDING COCPABS4	01/17/17	01/17/17	01/17/17	99,550,000	99,550,000	0	99,550,000	0
STARBIRD FUNDING COCPABS4	01/18/17	01/18/17	01/18/17	92,000,000	92,000,000	0	92,000,000	0
STARBIRD FUNDING COCPABS4	01/19/17	01/19/17	01/19/17	91,000,000	91,000,000	0	91,000,000	0
STARBIRD FUNDING COCPABS4	01/20/17	01/20/17	01/20/17	100,000,000	100,000,000	0	100,000,000	0

TRADING ACTIVITY FOR JANUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
STARBIRD FUNDING COCPABS4	01/23/17	01/23/17	01/23/17	91,300,000	91,300,000	0	91,300,000	0
STATE STREET BANK & TRUST CO	01/11/17	01/11/17	01/11/17	50,000,000	50,000,000	0	50,000,000	0
STATE STREET BANK & TRUST CO	01/25/17	01/25/17	01/25/17	100,000,000	100,000,000	0	100,000,000	0
SUMITOMO MITSUI BANCP4-2	01/19/17	01/19/17	01/19/17	25,000,000	25,000,000	0	25,000,000	0
BANK OF AMERICA TRIPARTY	01/03/17	01/03/17	01/03/17	297,000,000	297,000,000	0	297,000,000	0
MIZUHO TRIPARTY	01/03/17	01/03/17	01/03/17	15,000,000	15,000,000	0	15,000,000	0
MIZUHO TRIPARTY	01/04/17	01/04/17	01/04/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/04/17	01/04/17	01/04/17	158,000,000	158,000,000	0	158,000,000	0
MIZUHO TRIPARTY	01/05/17	01/05/17	01/05/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/05/17	01/05/17	01/05/17	95,000,000	95,000,000	0	95,000,000	0
MIZUHO TRIPARTY	01/06/17	01/06/17	01/06/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/06/17	01/06/17	01/06/17	178,000,000	178,000,000	0	178,000,000	0
MIZUHO TRIPARTY	01/09/17	01/09/17	01/09/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/09/17	01/09/17	01/09/17	580,000,000	580,000,000	0	580,000,000	0
MIZUHO TRIPARTY	01/10/17	01/10/17	01/10/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/10/17	01/10/17	01/10/17	280,000,000	280,000,000	0	280,000,000	0
MIZUHO TRIPARTY	01/11/17	01/11/17	01/11/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/11/17	01/11/17	01/11/17	348,000,000	348,000,000	0	348,000,000	0
MIZUHO TRIPARTY	01/12/17	01/12/17	01/12/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/12/17	01/12/17	01/12/17	288,000,000	288,000,000	0	288,000,000	0
MIZUHO TRIPARTY	01/13/17	01/13/17	01/13/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/13/17	01/13/17	01/13/17	375,000,000	375,000,000	0	375,000,000	0
MIZUHO TRIPARTY	01/17/17	01/17/17	01/17/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/17/17	01/17/17	01/17/17	290,000,000	290,000,000	0	290,000,000	0
MIZUHO TRIPARTY	01/18/17	01/18/17	01/18/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/18/17	01/18/17	01/18/17	360,000,000	360,000,000	0	360,000,000	0
MIZUHO TRIPARTY	01/19/17	01/19/17	01/19/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/19/17	01/19/17	01/19/17	150,000,000	150,000,000	0	150,000,000	0
MIZUHO TRIPARTY	01/20/17	01/20/17	01/20/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/20/17	01/20/17	01/20/17	230,000,000	230,000,000	0	230,000,000	0
MIZUHO TRIPARTY	01/23/17	01/23/17	01/23/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/23/17	01/23/17	01/23/17	320,000,000	320,000,000	0	320,000,000	0
MIZUHO TRIPARTY	01/24/17	01/24/17	01/24/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/24/17	01/24/17	01/24/17	270,000,000	270,000,000	0	270,000,000	0
MIZUHO TRIPARTY	01/25/17	01/25/17	01/25/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/25/17	01/25/17	01/25/17	90,000,000	90,000,000	0	90,000,000	0
MIZUHO TRIPARTY	01/26/17	01/26/17	01/26/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/26/17	01/26/17	01/26/17	285,000,000	285,000,000	0	285,000,000	0
MIZUHO TRIPARTY	01/27/17	01/27/17	01/27/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/27/17	01/27/17	01/27/17	330,000,000	330,000,000	0	330,000,000	0
MIZUHO TRIPARTY	01/30/17	01/30/17	01/30/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/30/17	01/30/17	01/30/17	290,000,000	290,000,000	0	290,000,000	0
MIZUHO TRIPARTY	01/31/17	01/31/17	01/31/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	01/31/17	01/31/17	01/31/17	285,000,000	285,000,000	0	285,000,000	0
NATIONAL AUSTRALIA TDCAY 0.5 20170103	01/03/17	01/03/17	01/03/17	200,000,000	200,000,000	0	200,000,000	0
CANADIAN IMPERIAL BTDCAY 0.52 20170103	01/03/17	01/03/17	01/03/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170104	01/04/17	01/04/17	01/04/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170105	01/05/17	01/05/17	01/05/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170106	01/06/17	01/06/17	01/06/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170109	01/09/17	01/09/17	01/09/17	500,000,000	500,000,000	0	500,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170109	01/09/17	01/09/17	01/09/17	100,000,000	100,000,000	0	100,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170110	01/10/17	01/10/17	01/10/17	400,000,000	400,000,000	0	400,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170110	01/10/17	01/10/17	01/10/17	400,000,000	400,000,000	0	400,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170111	01/11/17	01/11/17	01/11/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170111	01/11/17	01/11/17	01/11/17	450,000,000	450,000,000	0	450,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170112	01/12/17	01/12/17	01/12/17	500,000,000	500,000,000	0	500,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170112	01/12/17	01/12/17	01/12/17	400,000,000	400,000,000	0	400,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170113	01/13/17	01/13/17	01/13/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170117	01/17/17	01/17/17	01/17/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170118	01/18/17	01/18/17	01/18/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170119	01/19/17	01/19/17	01/19/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170120	01/20/17	01/20/17	01/20/17	525,000,000	525,000,000	0	525,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170120	01/20/17	01/20/17	01/20/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170123	01/23/17	01/23/17	01/23/17	500,000,000	500,000,000	0	500,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170123	01/23/17	01/23/17	01/23/17	500,000,000	500,000,000	0	500,000,000	0
STANDARD CHARTERED TD 0.7 20170127	01/27/17	01/27/17	01/27/17	200,000,000	200,000,000	0	200,000,000	0

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TRADING ACTIVITY FOR JANUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
SVENSKA HANDELSBANKTDCAY 0.66 20170124	01/24/17	01/24/17	01/24/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170125	01/25/17	01/25/17	01/25/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170126	01/26/17	01/26/17	01/26/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170127	01/27/17	01/27/17	01/27/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170130	01/30/17	01/30/17	01/30/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170131	01/31/17	01/31/17	01/31/17	540,000,000	540,000,000	0	540,000,000	0
STANDARD CHARTERED CDEUR	01/06/17	01/06/17	01/06/17	300,000,000	300,000,000	0	300,000,000	0
Total Maturities				*34,258,929,000*	*34,258,929,000*	*0*	*34,258,929,000*	*0*
Sells								
BANK OF NOVA SCOTIACP4-2	02/23/17	01/11/17	01/11/17	25,000,000	24,977,306	0	24,977,306	13,139
BANK OF MONTREAL (CCDYAN	01/10/17	01/06/17	01/06/17	50,000,000	50,000,000	2,958	50,002,958	(0)
BANK OF MONTREAL (CCDYAN	01/10/17	01/06/17	01/06/17	50,000,000	50,000,000	2,958	50,002,958	(0)
BANK OF MONTREAL (CCDYAN	01/10/17	01/06/17	01/06/17	25,000,000	25,000,000	1,479	25,001,479	(0)
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY	11/01/26	01/10/17	01/10/17	6,700,000	6,700,000	944	6,700,944	0
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY	11/01/26	01/10/17	01/10/17	5,000,000	5,000,000	473	5,000,473	0
EAST BATON ROUGE PARISH INDUSTRIAL DEVEL-OPMENT BOARD INC	08/01/35	01/04/17	01/04/17	30,815,000	30,815,000	498	30,815,498	0
EAST BATON ROUGE PARISH INDUSTRIAL DEVEL-OPMENT BOARD INC	12/01/40	01/04/17	01/04/17	17,100,000	17,100,000	276	17,100,276	0
EAST BATON ROUGE PARISH INDUSTRIAL DEVEL-OPMENT BOARD INC	12/01/51	01/04/17	01/04/17	6,800,000	6,800,000	110	6,800,110	0
HARRIS COUNTY HEALTH FACILITIES DEVELOP-MENT CORP	12/01/41	01/11/17	01/11/17	12,780,000	12,780,000	1,740	12,781,740	0
HARRIS COUNTY CULTURAL EDUCATION FACILI-TIES FINANCE CORP	12/01/24	01/09/17	01/09/17	31,050,000	31,050,000	3,165	31,053,165	0
HARRIS COUNTY CULTURAL EDUCATION FACILI-TIES FINANCE CORP	12/01/27	01/09/17	01/09/17	26,755,000	26,755,000	2,727	26,757,727	0
HARRIS COUNTY INDUSTRIAL DEVELOPMENT CORP	03/01/24	01/04/17	01/04/17	25,900,000	25,900,000	1,370	25,901,370	0
CITY OF IRVINE CA	09/02/50	01/09/17	01/17/17	21,375,000	21,375,000	5,967	21,380,967	0
CITY OF MURRAY UT	05/15/36	01/05/17	01/05/17	43,550,000	43,550,000	1,480	43,551,480	0
PITTSBURGH WATER & SEWER AUTHORITY	09/01/39	01/09/17	01/17/17	15,000,000	15,000,000	3,662	15,003,662	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/03/17	01/03/17	655,631	655,631	0	655,631	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/03/17	01/03/17	930,453	930,453	0	930,453	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/03/17	01/03/17	213	213	0	213	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/03/17	01/03/17	309,289	309,289	0	309,289	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/05/17	01/05/17	549,945	549,945	0	549,945	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/09/17	01/09/17	142,314	142,314	0	142,314	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/09/17	01/09/17	1,109,452	1,109,452	0	1,109,452	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/09/17	01/09/17	352,387	352,387	0	352,387	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/09/17	01/09/17	556,061	556,061	0	556,061	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/09/17	01/09/17	298,029	298,029	0	298,029	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/11/17	01/11/17	709,448	709,448	0	709,448	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/11/17	01/11/17	731,401	731,401	0	731,401	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/11/17	01/11/17	3,234,825	3,234,825	0	3,234,825	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/17/17	01/17/17	303,762	303,762	0	303,762	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/17/17	01/17/17	3,048,436	3,048,436	0	3,048,436	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/17/17	01/17/17	1,874,861	1,874,861	0	1,874,861	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/20/17	01/20/17	604,124	604,124	0	604,124	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/20/17	01/20/17	2,945,094	2,945,094	0	2,945,094	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/20/17	01/20/17	550,695	550,695	0	550,695	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/20/17	01/20/17	372,946	372,946	0	372,946	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/24/17	01/24/17	2,382,607	2,382,607	0	2,382,607	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/24/17	01/24/17	9,217,301	9,217,301	0	9,217,301	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/24/17	01/24/17	1,559,002	1,559,002	0	1,559,002	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/25/17	01/25/17	4,831,038	4,831,038	0	4,831,038	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/27/17	01/27/17	105,082,917	105,082,917	0	105,082,917	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/31/17	01/31/17	2,827,261	2,827,261	0	2,827,261	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	01/31/17	01/31/17	1,005,594	1,005,594	0	1,005,594	0
Total Sells				*539,010,087*	*538,987,392*	*29,807*	*539,017,198*	*13,138*

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

1801 Hermitage Boulevard, Suite 100
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(850) 488-4406

www.sbafla.com/prime

Our Mission

Our mission is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary, and professional standards.

Federated

FLORIDA PRIME™

AN INVESTMENT SERVICE FOR PUBLIC FUNDS

MONTHLY SUMMARY REPORT

February 2017

State Board of Administration of Florida

Contents

Past performance is no guarantee of future results.

Views are as of the issue date and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security.

An investment in Florida PRIME is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Although money market funds seek to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in this fund.

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

Introduction

This report is prepared for stakeholders in Florida PRIME in accordance with Section 218.409(6)(a), Florida Statutes. The statute requires:

(1) Reporting of any material impacts on the funds and any actions or escalations taken by staff to address such impacts;

(2) Presentation of a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last month; and

(3) Preparation of the management summary "in a manner that will allow anyone to ascertain whether the investment activities during the reporting period have conformed to investment policies."

This report, which covers the period from February 1, 2017, through February 28, 2017, has been prepared by the SBA with input from Federated Investment Counseling ("Federated"), investment advisor for Florida PRIME in a format intended to comply with the statute.

Disclosure of material impacts

During the reporting period, Florida PRIME was in material compliance with investment policy. There were no developments that had a material impact on the liquidity or operation of Florida PRIME. Details are available in the PRIME policy compliance table. This report also includes details on market conditions; fees; fund holdings, transactions and performance; and client composition.

PRIME™ STATISTICS

(As of February 28, 2017)

Total Participants
744

Florida PRIME™ Assets
$10,553,427,851

Total Number of Accounts
1,426

FACTS-AT-A-GLANCE

Florida PRIME is an exclusive service for Florida governmental organizations, providing a cost-effective investment vehicle for their surplus funds. Florida PRIME, the Local Government Surplus Funds Trust Fund, is utilized by hundreds of governmental investors including state agencies, state universities and colleges, counties, cities, special districts, school boards, and other direct support organizations of the State of Florida.

Florida PRIME is a government investment pool that offers management by an industry leader in professional money management, conservative investment policies, an extensive governance framework, a Standard & Poor's "AAAm" rating, full transparency, and best-in-class financial reporting.

PORTFOLIO MANAGER COMMENTARY

MARKET CONDITIONS

Things are getting interesting for interest rates.

After the Federal Reserve telegraphed a rate hike before its December meeting, and then rendered a move in its early February meeting highly unlikely, we are now back to general uncertainty about policymakers' thoughts. While it is clear the Fed is close to its next hike, cash managers are back to parsing words to ascertain when. Potential hints include the insertion of "fairly soon" in the minutes of the February meeting.

Yellen has sounded a touch more hawkish as of late. Is she attempting to jawbone us into thinking the Fed could raise rates at the March Federal Open Market Committee (FOMC) meeting? The market certainly is considering it. If so, she must be careful. If her comments, or those of other Fed officials, lead the markets to believe in a March move, and then the Fed does not make one, it better be due to substantially negative economic news or some other disruptive event. If the Fed stays pat for no apparent reason, it will lose credibility.

But if the Fed does not raise rates, it may be due to another potential twist: May's meeting. If nothing else, the Fed loves tradition. Whether it is Fedspeak that is only understood in the context of the past, or those many unwritten rules, such as not adjusting rates when that could affect an election, convention means a great deal to the central bank. One longstanding custom was that it did not communicate much with the public. Former Chair Ben Bernanke bucked tradition by adopting press conferences at every other FOMC meeting, but with the understanding that major policy action would not occur in one of the other meetings. Recently, however, Yellen changed that, announcing that the Fed had arranged for a conference call for those, effectively making all of the meetings "live." All of this is to say that, if the Fed does not hike in March, May could now be in play, instead of just moving expectations straight to June. This is especially the case if the March meeting's statement or her press conference reveal that the decision to forgo a hike was a close one.

The self-professed data-dependent Fed definitely has positive economic reports to point to. Consumers have found confidence, manufacturing has found its footing and employers cannot find enough workers. Even stubborn inflation is starting to pick up, with some measures inching above the Fed's 2% goal and some nearly at it. The performance and health of the economy may force Yellen's hand. As you might expect, cash managers reacted differently to the uncertainty, one complicated by the fact that the London interbank offered rate (LIBOR) remained elevated, ending February at 0.79% for 1-month, 1.06% for 3-month and 1.37% for 6-month LIBOR.

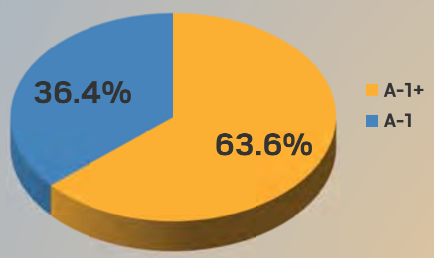
INVESTMENT STRATEGY

The Pool's gross yield was steady in February, a tick down from 1.00% to end the month at 0.99%. Assets under management dipped $247.9 million to $10.6 billion due to the seasonal asset cash-flow pattern in Florida. We collect tax receipts each year from November through the beginning of February, and then the money starts to flow back out as governments and institutions use it for various functions. To prepare for this, we slightly shortened the Pool's weighted average maturity (WAM) and weighted average life (WAL) to build liquidity. WAM came in six days to 44 days, and WAL moved in three days to end February at 62 days. We decreased the percentage of commercial paper by 2% to 51% of total and reduced our holdings of variable-rate instruments the same amount to become 16% of total. These moves were offset by a 4% increase in the allocation to fixed-rate bank paper, up to 28% of the entire holdings. The composition of money market funds and repo did not change, at 2% and 3%, respectively.

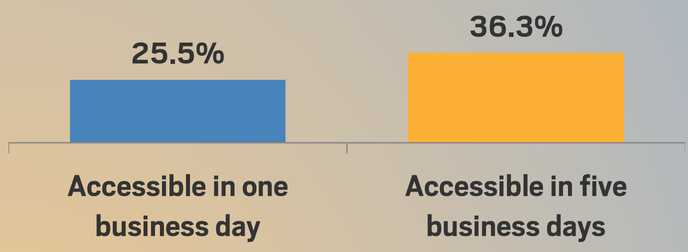
FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

PORTFOLIO COMPOSITION FOR FEBRUARY 2017

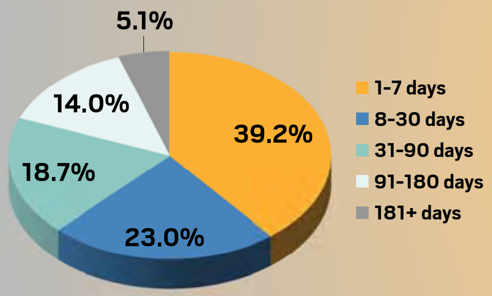
CREDIT QUALITY COMPOSITION



HIGHLY LIQUID HOLDINGS



EFFECTIVE MATURITY SCHEDULE



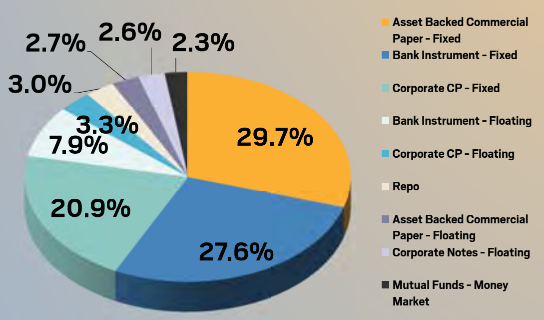
TOP HOLDINGS & AVG. MATURITY

1.	DZ Bank AG Deutsche Zentral-Genossenschaftsbank	5.1%
2.	Credit Agricole Group	4.9%
3.	Svenska Handelsbanken, Stockholm	4.9%
4.	BNP Paribas SA	4.9%
5.	Luxembourg, Government of	4.9%
6.	Bank of Montreal	4.9%
7.	Credit Mutuel	4.7%
8.	Wells Fargo & Co.	4.5%
9.	Canadian Imperial Bank of Commerce	4.5%
10.	Antalis S.A.	4.1%

Average Effective Maturity (WAM)
43.5 Days
Weighted Average Life (Spread WAL)
61.8 Days

Percentages based on total value of investments

PORTFOLIO COMPOSITION



FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

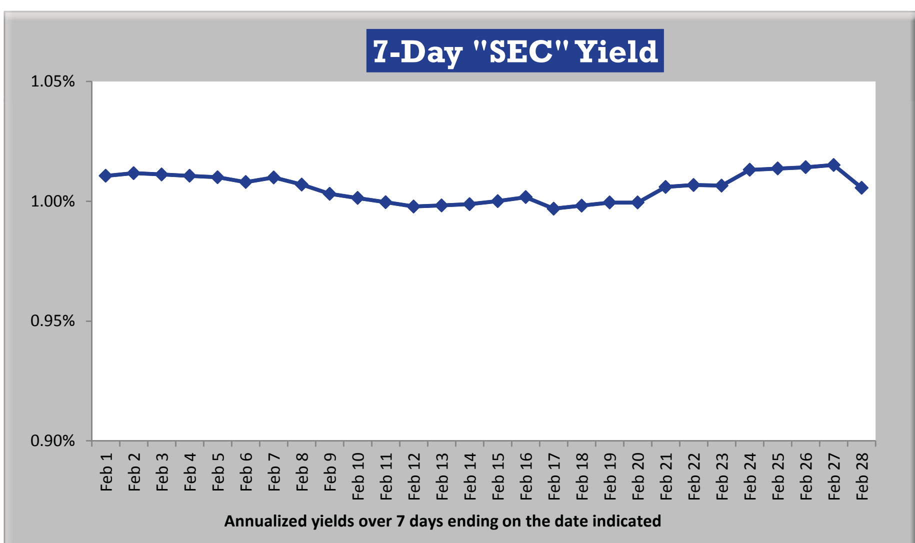
FUND PERFORMANCE THROUGH FEBRUARY 28, 2017

Florida PRIME Performance Data			
	Net Participant Yield[1]	Net-of-Fee Benchmark[2]	Above (Below) Benchmark
One Month	0.97%	0.67%	0.30%
Three Months	0.97%	0.63%	0.34%
One Year	0.76%	0.46%	0.30%
Three Years	0.40%	0.21%	0.19%
Five Years	0.34%	0.15%	0.18%
Ten Years	0.95%	0.82%	0.13%
Since 1/96	2.65%	2.44%	0.21%

Note: Net asset value at month end: $10,556.4 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.
[1] Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.
[2] The net-of-fee benchmark is the S&P AAA/AA Rated GIP All 30-Day Net Index for all time periods.

ABOUT ANNUALIZED YIELDS:
Performance data in the table and chart is annualized, meaning that the amounts are based on yields for the periods indicated, converted to their equivalent if obtained for a 12-month period.

For example, ignoring the effects of compounding, an investment that earns 0.10% over a 1-month period yields 1.20% on an annualized basis. Likewise, an investment that earns a total of 3.60% over three years yields 1.20% on an annualized basis, ignoring compounding.



The 7-Day "SEC" Yield in the chart is calculated in accordance with the yield methodology set forth by SEC Rule 2a-7 for money market funds.
The 7-day yield = net income earned over a 7-day period / average units outstanding over the period / 7 times 365.
Note that unlike other performance measures, the SEC yield does not include realized gains and losses from sales of securities.

PRIME ACCOUNT SUMMARY FOR FEBRUARY 2017

		Summary of Cash Flows
Opening Balance (02/01/17)	$	10,801,303,459
Participant Deposits		1,064,136,018
Gross Earnings		8,204,123
Participant Withdrawals		(1,319,921,056)
Fees		(294,693)
Closing Balance (02/28/17)	$	10,553,427,851
Net Change over Month	**$**	**(247,875,608)**

Detailed Fee Disclosure

February		Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	$	81,520.96	0.92
Federated Investment Management Fee		188,366.85	2.12
BNY Mellon Custodial Fee**		11,846.88	0.13
Bank of America Transfer Agent Fee		4,959.27	0.06
S&P Rating Maintenance Fee		3,452.05	0.04
Audit/External Review Fees		4,547.27	0.05
Total Fees	**$**	**294,693.28**	**3.31**

*The basis point equivalent is an annualized rate based on the dollar amount of fees charged for the month times 12, divided by an average of the fund's beginning and ending total value (amortized cost) for the month w hich w as $10,677,365,655.

**All custodian banking fees are allocated based on both market value (size) and level of service accurately passing through all charges to pool participants. Charges may fluctuate month-to-month.

FLORIDA PRIME™

AN INVESTMENT SERVICE FOR PUBLIC FUNDS

INVENTORY OF HOLDINGS FOR FEBRUARY 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ASB Finance Ltd., Apr 12, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.39	4/12/2017	3/13/2017	25,000,000	1.41	$25,000,000	$25,018,675	$18,675
ASB Finance Ltd., Aug 17, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.03	8/17/2017	3/17/2017	95,000,000	1.05	$95,000,000	$94,980,430	-$19,570
Alpine Securitization LTD CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/3/2017		25,000,000	1.02	$24,997,917	$24,998,531	$615
Alpine Securitization LTD CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/6/2017		100,000,000	1.02	$99,983,333	$99,988,067	$4,734
Alpine Securitization LTD CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/20/2017		100,000,000	1.17	$99,936,111	$99,957,389	$21,278
Alpine Securitization Ltd., May 16, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.47	5/16/2017	3/15/2017	27,000,000	1.49	$27,000,000	$27,034,722	$34,722
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/14/2017		70,000,000	1.33	$69,964,611	$69,980,264	$15,653
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/16/2017		100,000,000	1.33	$99,942,222	$99,967,333	$25,111
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/6/2017		50,000,000	1.28	$49,935,764	$49,957,707	$21,943
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/5/2017		25,000,000	1.23	$24,919,167	$24,927,317	$8,151
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/7/2017		25,000,000	1.23	$24,917,500	$24,925,613	$8,113
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/7/2017		25,000,000	1.23	$24,917,500	$24,925,613	$8,113
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/5/2017		48,000,000	1.30	$47,784,947	$47,809,331	$24,384
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		8/1/2017		25,000,000	1.31	$24,863,111	$24,872,522	$9,411
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/1/2017		203,490,000	0.75	$203,485,817	$203,486,054	$237
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/3/2017		115,000,000	0.75	$114,992,908	$114,993,244	$335
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/6/2017		25,000,000	0.81	$24,996,667	$24,997,017	$350
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/13/2017		50,060,000	0.81	$50,045,538	$50,046,587	$1,049
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/13/2017		37,200,000	0.84	$37,188,850	$37,190,033	$1,182
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/28/2017		8,130,000	0.84	$8,124,752	$8,124,986	$234
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/1/2017		203,000,000	0.59	$202,996,729	$202,995,506	-$1,224
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/9/2017		50,000,000	0.82	$49,989,875	$49,989,663	-$213
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		3/1/2017		97,100,000	0.56	$97,098,517	$97,098,346	-$170
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		3/13/2017		300,000,000	0.73	$299,922,000	$299,929,257	$7,257
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		4/10/2017		90,000,000	1.08	$89,891,350	$89,923,433	$32,083
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	0.53	3/1/2017		305,000,000	0.54	$305,000,000	$305,000,000	$0
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	7/20/2017		25,000,000	1.27	$25,000,000	$25,022,706	$22,706
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.40	8/9/2017		23,000,000	1.42	$23,000,000	$23,033,017	$33,017
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.30	9/19/2017		20,000,000	1.32	$20,000,000	$20,016,505	$16,505
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	9/29/2017		25,000,000	1.22	$25,000,000	$25,005,751	$5,751

See notes at end of table.

INVENTORY OF HOLDINGS FOR FEBRUARY 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.55	12/18/2017		15,000,000	1.57	$15,000,000	$15,034,310	$34,310
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.12	5/9/2017		125,000,000	1.14	$125,000,000	$125,068,825	$68,825
Bank of Montreal CP	COMMERCIAL PAPER		6/9/2017		149,000,000	1.23	$148,498,367	$148,628,792	$130,425
Bank of Montreal, Dec 01, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.35	12/1/2017	3/1/2017	50,000,000	1.25	$50,000,000	$50,074,450	$74,450
Bank of Montreal, Mar 27, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.31	3/27/2017	3/27/2017	50,000,000	1.33	$50,000,000	$50,021,950	$21,950
Bank of Montreal, Nov 03, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.38	11/3/2017	5/3/2017	25,000,000	1.40	$25,000,000	$25,044,750	$44,750
Bank of Nova Scotia, Toronto CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.60	6/27/2017		100,000,000	1.62	$100,000,000	$100,051,445	$51,445
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		10/5/2017		25,000,000	1.43	$24,787,083	$24,803,965	$16,881
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		10/6/2017		26,000,000	1.43	$25,777,556	$25,794,875	$17,319
Bank of Nova Scotia, Toronto, Mar 24, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.41	3/24/2017	3/24/2017	25,000,000	1.43	$25,000,000	$25,011,575	$11,575
Bank of Nova Scotia, Toronto, Mar 28, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.31	3/28/2017	3/28/2017	75,000,000	1.33	$75,000,000	$75,000,000	$0
Bank of Nova Scotia, Toronto, Oct 06, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.29	10/6/2017	3/6/2017	26,000,000	1.25	$26,000,000	$26,015,106	$15,106
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		5/16/2017		135,000,000	1.16	$134,673,713	$134,747,007	$73,295
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		5/26/2017		100,000,000	1.16	$99,726,917	$99,807,795	$80,878
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/1/2017		28,500,000	1.18	$28,415,331	$28,433,517	$18,185
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/1/2017		50,000,000	1.18	$49,851,458	$49,883,363	$31,904
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/6/2017		20,000,000	1.20	$19,936,300	$19,949,639	$13,339
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/6/2017		50,000,000	1.20	$49,840,750	$49,874,097	$33,347
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/6/2017		53,080,000	1.23	$52,906,605	$52,946,341	$39,736
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		7/5/2017		66,000,000	1.28	$65,708,958	$65,759,250	$50,292
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		7/5/2017		20,000,000	1.28	$19,911,806	$19,927,046	$15,240
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/6/2017		98,000,000	0.96	$97,984,483	$97,987,277	$2,793
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/7/2017		45,000,000	0.81	$44,993,000	$44,993,175	$175
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/3/2017		41,100,000	0.89	$41,065,841	$41,067,704	$1,863
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/4/2017		25,000,000	0.91	$24,978,125	$24,979,583	$1,458
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/7/2017		25,000,000	0.88	$24,977,042	$24,977,200	$158
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/10/2017		100,000,000	0.88	$99,900,917	$99,898,867	-$2,050
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/11/2017		20,000,000	0.88	$19,979,700	$19,979,093	-$607
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/13/2017		50,000,000	0.88	$49,946,833	$49,944,267	-$2,567
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/7/2017		30,000,000	1.13	$29,993,583	$29,995,975	$2,392
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/10/2017		50,000,000	1.07	$49,985,417	$49,990,264	$4,847
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/13/2017		21,000,000	1.07	$20,992,038	$20,994,601	$2,563
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/15/2017		25,000,000	1.07	$24,989,063	$24,992,500	$3,438
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/27/2017		4,000,000	1.23	$3,996,400	$3,997,720	$1,320

See notes at end of table.

FLORIDA PRIME™

AN INVESTMENT SERVICE FOR PUBLIC FUNDS

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Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/3/2017		27,000,000	1.30	$26,880,938	$26,892,656	$11,719
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		10/6/2017		30,000,000	1.43	$29,743,333	$29,723,350	-$19,983
Bedford Row Funding Corp., Aug 21, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.16	8/21/2017	3/1/2017	15,000,000	1.18	$15,000,000	$15,006,360	$6,360
Bedford Row Funding Corp., Feb 08, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.34	2/8/2018	3/8/2017	25,000,000	1.28	$25,000,000	$25,012,175	$12,175
Bedford Row Funding Corp., Jan 18, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.30	1/18/2018	3/20/2017	20,000,000	1.32	$20,000,000	$20,017,040	$17,040
Bedford Row Funding Corp., Oct 06, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.42	10/6/2017	4/6/2017	73,000,000	1.43	$73,000,000	$73,146,073	$146,073
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/22/2017		15,000,000	1.19	$14,959,883	$14,969,636	$9,752
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/7/2017		41,000,000	1.33	$40,809,008	$40,843,093	$34,085
CHARTA, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/2/2017		49,000,000	1.22	$48,847,746	$48,880,116	$32,370
California PCFA, (Sierra Pacific Industries), (Series 2014), 09/01/2044	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.81	9/1/2044	3/1/2017	30,000,000	0.83	$30,000,000	$30,000,000	$0
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.17	8/8/2017		47,000,000	1.22	$46,993,665	$47,014,073	$20,408
Canadian Imperial Bank of Commerce CP4-2	COMMERCIAL PAPER - 4-2		3/1/2017		247,000,000	0.59	$246,996,021	$246,995,739	-$281
Canadian Imperial Bank of Commerce, Apr 17, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.26	4/17/2017	3/17/2017	100,000,000	1.28	$100,000,000	$100,063,800	$63,800
Canadian Imperial Bank of Commerce, Nov 06, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.22	11/6/2017	3/6/2017	25,000,000	1.18	$25,000,000	$25,012,175	$12,175
Canadian Imperial Bank of Commerce, Oct 10, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.28	10/10/2017	4/10/2017	62,000,000	1.30	$62,000,000	$62,084,940	$84,940
Chase Bank USA, N.A., Jan 05, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.33	1/5/2018	3/6/2017	75,000,000	1.29	$75,000,000	$75,058,125	$58,125
Collateralized Commercial Paper Co. LLC, Nov 03, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.26	11/3/2017	3/3/2017	25,000,000	1.24	$25,000,000	$25,009,725	$9,725
Collateralized Commercial Paper Co. LLC, Nov 09, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.19	11/9/2017	3/9/2017	36,500,000	1.21	$36,500,000	$36,505,439	$5,439
Connecticut State HFA, (2008 Series E), 05/15/2039	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.69	5/15/2039	3/2/2017	19,100,000	0.68	$19,100,000	$19,100,000	$0
Corporate Finance Managers, Inc., Series B, Feb 02, 2043	VARIABLE RATE DEMAND NOTE	0.88	2/2/2043	3/2/2017	18,230,000	0.85	$18,230,000	$18,230,000	$0
Credit Agricole Corporate and Investment Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.82	3/24/2017		197,000,000	0.83	$197,000,000	$197,018,571	$18,571
Credit Agricole Corporate and Investment Bank CP	COMMERCIAL PAPER		3/1/2017		226,000,000	0.57	$225,996,484	$225,996,031	-$453
Credit Industriel et Commercial CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.68	3/1/2017		500,000,000	0.69	$500,000,000	$500,000,930	$930
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.24	4/6/2017		85,000,000	1.26	$85,000,000	$85,033,567	$33,567
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.21	4/24/2017		10,000,000	1.23	$10,000,000	$10,004,594	$4,594
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.21	4/25/2017		75,000,000	1.23	$75,000,000	$75,034,736	$34,736
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.19	5/30/2017		50,000,000	1.21	$50,000,000	$50,010,552	$10,552
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.19	6/1/2017		100,000,000	1.21	$100,000,000	$100,020,283	$20,283
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.19	6/2/2017		90,000,000	1.21	$90,000,000	$90,017,754	$17,754
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	6/8/2017		24,000,000	1.22	$24,000,000	$24,004,647	$4,647

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DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	4/24/2017		20,000,000	1.22	$20,000,000	$20,008,940	$8,940
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	6/13/2017		35,000,000	1.22	$35,000,000	$35,005,927	$5,927
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.83	3/20/2017		45,000,000	0.84	$45,000,000	$45,001,057	$1,057
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CP4-2	COMMERCIAL PAPER - 4-2		8/14/2017		5,000,000	1.22	$4,972,167	$4,974,161	$1,995
Dreyfus Government Cash Management Fund	OVERNIGHT MUTUAL FUND	0.48	3/1/2017	10/5/2016	5,316,429	0.49	$5,316,429	$5,316,429	$0
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/1/2017		115,000,000	0.64	$114,997,988	$114,997,770	-$217
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/13/2017		15,000,000	0.97	$14,994,854	$14,995,981	$1,127
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/15/2017		25,000,000	0.97	$24,990,104	$24,992,188	$2,083
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/22/2017		46,000,000	0.84	$45,976,668	$45,978,270	$1,602
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/18/2017		50,000,000	1.06	$49,929,222	$49,941,268	$12,046
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/3/2017		40,000,000	1.07	$39,925,333	$39,934,578	$9,244
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/8/2017		15,000,000	1.06	$14,970,100	$14,972,831	$2,731
Fiore Capital LLC, Series 2005-A, Aug 01, 2045	VARIABLE RATE DEMAND NOTE	0.71	8/1/2045	3/2/2017	37,980,000	0.72	$37,980,000	$37,980,000	$0
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/8/2017		82,000,000	0.93	$81,983,236	$81,986,807	$3,571
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/8/2017		10,000,000	0.93	$9,997,956	$9,998,391	$436
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/9/2017		16,415,000	0.82	$16,411,676	$16,412,012	$337
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/31/2017		47,000,000	0.87	$46,965,194	$46,967,501	$2,307
Gulf Gate Apartments LLC, Series 2003, Sep 01, 2028	VARIABLE RATE DEMAND NOTE	0.88	9/1/2028	3/2/2017	7,550,000	0.85	$7,550,000	$7,550,000	$0
HSBC Bank USA CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	8/2/2017		100,000,000	1.27	$100,000,000	$100,035,964	$35,964
HSBC Bank USA, N.A., Mar 08, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.54	3/8/2017	3/8/2017	800,000	1.40	$800,041	$800,127	$87
Illinois Finance Authority, (Erikson Institute), (Series 2007), 11/01/2037	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.63	11/1/2037	3/2/2017	14,380,000	0.67	$14,380,000	$14,380,000	$0
Institutional Prime Value Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	0.99	3/1/2017	3/1/2017	245,100,000	1.00	$245,100,000	$245,100,000	$0
J.P. Morgan Securities LLC CP	COMMERCIAL PAPER		7/28/2017		20,000,000	1.23	$19,900,000	$19,907,500	$7,500
J.P. Morgan Securities LLC CP	COMMERCIAL PAPER		9/28/2017		100,000,000	1.43	$99,175,556	$99,288,033	$112,477
J.P. Morgan Securities LLC CP	COMMERCIAL PAPER		10/27/2017		25,000,000	1.43	$24,765,694	$24,791,636	$25,941
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		9/11/2017		25,000,000	1.44	$24,810,417	$24,838,990	$28,573
J.P. Morgan Securities LLC, Jul 31, 2017	VARIABLE RATE COMMERCIAL PAPER	1.34	7/31/2017	4/30/2017	70,000,000	1.36	$70,000,000	$70,084,210	$84,210
Kaiser Foundation Hospital CP	COMMERCIAL PAPER		3/21/2017		9,770,000	0.91	$9,764,871	$9,765,258	$388
Kaiser Foundation Hospital CP	COMMERCIAL PAPER		4/12/2017		36,251,000	0.88	$36,213,329	$36,212,939	-$390
Kaiser Foundation Hospital CP	COMMERCIAL PAPER		6/15/2017		31,863,000	1.06	$31,764,508	$31,749,924	-$14,584
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/3/2017		22,500,000	0.79	$22,498,538	$22,498,678	$141
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/13/2017		50,000,000	0.81	$49,985,556	$49,986,603	$1,047

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LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/20/2017		30,000,000	0.86	$29,985,833	$29,987,217	$1,383
Los Angeles County Fair Association, Nov 01, 2039	VARIABLE RATE DEMAND NOTE	0.88	11/1/2039	3/1/2017	10,000,000	0.85	$10,000,000	$10,000,000	$0
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		3/7/2017		21,000,000	1.07	$20,995,713	$20,997,182	$1,470
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		4/17/2017		49,000,000	1.33	$48,915,067	$48,945,773	$30,707
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/9/2017		65,000,000	0.82	$64,986,838	$64,988,170	$1,333
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/15/2017		75,000,000	0.81	$74,975,000	$74,976,563	$1,563
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/17/2017		34,000,000	0.93	$33,985,229	$33,987,846	$2,617
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/24/2017		12,000,000	0.91	$11,992,800	$11,993,760	$960
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/29/2017		25,000,000	0.81	$24,983,889	$24,983,949	$60
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/30/2017		45,000,000	0.91	$44,966,250	$44,970,000	$3,750
Metropolitan Washington, DC Airports Authority, (Series 2011A-2), 10/01/2021	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.64	10/1/2021	3/2/2017	11,960,000	0.67	$11,960,000	$11,960,000	$0
Mizuho Bank Ltd. CP4-2	COMMERCIAL PAPER - 4-2		4/13/2017		15,000,000	0.87	$14,984,233	$14,986,305	$2,072
Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	0.54	3/1/2017		15,000,000	0.55	$15,000,000	$15,000,000	$0
Montgomery County, OH, (Cambridge Commons Apartments), (Series 2006A), 05/01/2038	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.67	5/1/2038	3/2/2017	7,920,000	0.70	$7,920,000	$7,920,000	$0
NRW.Bank CP4-2	COMMERCIAL PAPER - 4-2		4/4/2017		30,000,000	1.07	$29,969,375	$29,978,358	$8,983
NRW.Bank CP4-2	COMMERCIAL PAPER - 4-2		4/18/2017		120,000,000	1.07	$119,827,683	$119,877,664	$49,980
National Australia Bank Ltd., Melbourne, Sr. Note, 2.75%, 3/09/2017	CORPORATE NOTE	2.75	3/9/2017		12,400,000	1.01	$12,405,361	$12,403,435	-$1,926
Nationwide Building Society CP4-2	COMMERCIAL PAPER - 4-2		4/3/2017		28,500,000	0.91	$28,475,775	$28,475,856	$81
Novant Health, Inc., Series 1997, Jun 01, 2022	VARIABLE RATE DEMAND NOTE	0.88	6/1/2022	3/1/2017	53,800,000	0.66	$53,800,000	$53,800,000	$0
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/23/2017		25,000,000	1.23	$24,904,167	$24,909,517	$5,351
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/14/2017		44,100,000	1.28	$43,891,750	$43,895,082	$3,332
Old Line Funding, LLC, May 01, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.27	5/1/2017	3/1/2017	14,000,000	1.29	$14,000,000	$14,007,014	$7,014
Orthopaedic Hospital of Wisconsin LLC, Series 09-A, Mar 01, 2039	VARIABLE RATE DEMAND NOTE	0.95	3/1/2039	3/2/2017	9,920,000	1.00	$9,920,000	$9,920,000	$0
Royal Bank of Canada, Oct 06, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.28	10/6/2017	4/6/2017	50,000,000	1.29	$50,000,000	$50,059,850	$59,850
Sabri Arac, The Quarry Lane School Series 2005, Oct 01, 2035	VARIABLE RATE DEMAND NOTE	0.88	10/1/2035	3/2/2017	13,040,000	0.85	$13,040,000	$13,040,000	$0
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.15	4/10/2017		34,600,000	0.91	$34,609,792	$34,614,988	$5,196
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.83	3/7/2017		198,000,000	0.84	$198,000,000	$198,008,055	$8,055
Standard Chartered Bank plc TD	TIME DEPOSIT	0.70	3/3/2017		186,000,000	0.71	$186,000,000	$186,000,000	$0
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/7/2017		10,000,000	1.04	$9,998,017	$9,998,444	$428
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/8/2017		44,000,000	1.02	$43,990,222	$43,992,139	$1,916
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		3/13/2017		100,000,000	1.07	$99,962,083	$99,970,281	$8,198
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/27/2017		35,000,000	1.09	$34,939,664	$34,945,134	$5,470

See notes at end of table.

FLORIDA PRIME™

AN INVESTMENT SERVICE FOR PUBLIC FUNDS

INVENTORY OF HOLDINGS FOR FEBRUARY 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/17/2017		72,000,000	1.04	$71,840,880	$71,833,080	-$7,800
Svenska Handelsbanken, Stockholm TDCAY	TIME DEPOSIT - CAYMAN	0.55	3/1/2017		525,000,000	0.56	$525,000,000	$525,000,000	$0
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/20/2017		25,000,000	1.33	$24,871,806	$24,875,750	$3,944
Thunder Bay Funding, LLC, Jun 12, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.17	6/12/2017	3/13/2017	50,000,000	1.19	$50,000,000	$50,030,850	$30,850
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	7/24/2017		20,000,000	1.27	$20,000,000	$20,013,952	$13,952
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.40	9/8/2017		40,000,000	1.42	$40,000,000	$40,047,094	$47,094
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	10/20/2017		25,000,000	1.27	$25,000,000	$25,000,703	$703
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.41	12/6/2017		50,000,000	1.43	$50,000,000	$50,035,416	$35,416
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.52	1/16/2018		120,000,000	1.53	$120,000,000	$120,160,057	$160,057
Toronto Dominion Bank, Apr 19, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.29	4/19/2017	3/20/2017	25,000,000	1.31	$25,000,000	$25,017,300	$17,300
Toronto Dominion Bank, Aug 10, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.53	8/10/2017	5/10/2017	25,000,000	1.56	$25,000,000	$25,055,775	$55,775
Toronto Dominion Bank, Mar 14, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.31	3/14/2017	3/14/2017	50,000,000	1.33	$50,000,000	$50,012,150	$12,150
Toronto Dominion Bank, May 04, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.03	5/4/2017	5/4/2017	25,000,000	1.05	$25,000,000	$25,010,119	$10,119
Toronto Dominion Bank, Oct 16, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.52	10/16/2017	4/17/2017	25,000,000	1.54	$25,000,000	$25,070,275	$70,275
Toronto Dominion Bank, Sep 06, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.60	9/6/2017	3/6/2017	15,000,000	1.47	$15,000,000	$15,000,000	$0
Toyota Credit Canada Inc. CP	COMMERCIAL PAPER		7/21/2017		24,500,000	1.27	$24,379,324	$24,394,408	$15,085
Toyota Motor Credit Corp., Aug 04, 2017	VARIABLE RATE COMMERCIAL PAPER	1.30	8/4/2017	5/8/2017	50,000,000	1.32	$50,000,000	$50,057,100	$57,100
University of Illinois, Series 2014C, Apr 01, 2044	VARIABLE RATE DEMAND NOTE	0.72	4/1/2044	3/2/2017	8,015,000	0.72	$8,015,000	$8,015,000	$0
Washington State Economic Development Finance Authority, (CleanScapes, Inc.), (Series 2009), 02/12/2019	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.66	2/12/2019	3/1/2017	26,450,000	0.71	$26,450,000	$26,450,000	$0
Wells Fargo Bank, N.A. CD	CERTIFICATE OF DEPOSIT	1.30	10/20/2017		20,000,000	1.32	$20,000,000	$20,011,389	$11,389
Wells Fargo Bank, N.A., Feb 01, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.29	2/1/2018	3/1/2017	25,000,000	1.31	$25,000,000	$25,020,625	$20,625
Wells Fargo Bank, N.A., Feb 06, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.31	2/6/2018	5/8/2017	25,000,000	1.33	$25,000,000	$25,030,250	$30,250
Wells Fargo Bank, N.A., May 04, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.27	5/4/2017	3/6/2017	97,000,000	1.23	$97,000,000	$97,067,027	$67,027
Wells Fargo Bank, N.A., May 08, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.26	5/8/2017	3/7/2017	50,000,000	1.22	$50,000,000	$50,034,500	$34,500
Wells Fargo Bank, N.A., Oct 12, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.45	10/12/2017	4/12/2017	25,000,000	1.47	$25,000,000	$25,051,200	$51,200
Total Value of Investments					*10,636,620,429*		*$10,628,830,733*	*$10,631,918,691*	*$3,087,958*

Notes: The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

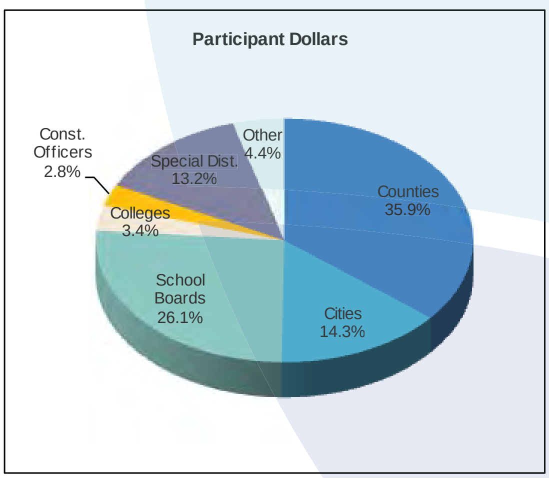
[1] Market values of the portfolio securities are provided by the custodian, BNY Mellon. The portfolio manager, Federated Investment Counseling, is the source for other data shown above.

[2] Amortized cost is calculated using a straight line method.

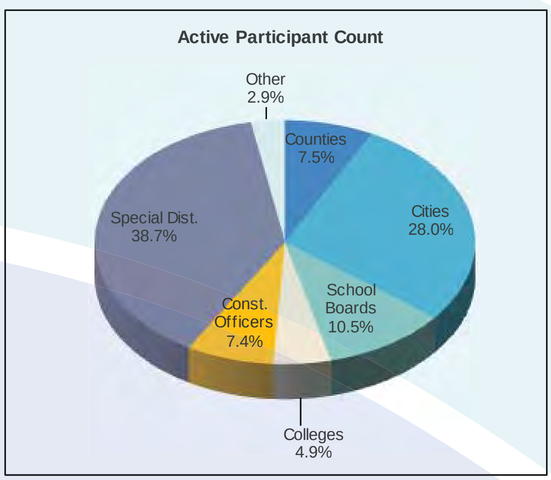
FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

PARTICIPANT CONCENTRATION DATA - AS OF FEBRUARY 2017

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
All Participants	**100.0%**	**100.0%**	**Colleges & Universities**	**3.4%**	**4.9%**
Top 10	36.2%	1.4%	Top 10	3.0%	1.4%
$100 million or more	54.9%	3.3%	$100 million or more	1.2%	0.1%
$10 million up to $100 million	38.8%	15.7%	$10 million up to $100 million	1.6%	0.8%
$1 million up to $10 million	5.7%	21.6%	$1 million up to $10 million	0.5%	1.6%
Under $1 million	0.5%	59.4%	Under $1 million	0.02%	2.3%
Counties	**35.9%**	**7.5%**	**Constitutional Officers**	**2.8%**	**7.4%**
Top 10	28.0%	1.4%	Top 10	1.1%	1.4%
$100 million or more	30.4%	1.6%	$100 million or more	0.0%	0.0%
$10 million up to $100 million	5.2%	1.8%	$10 million up to $100 million	2.1%	0.7%
$1 million up to $10 million	0.3%	1.0%	$1 million up to $10 million	0.7%	2.3%
Under $1 million	0.0%	3.1%	Under $1 million	0.0%	4.4%
Municipalities	**14.3%**	**28.0%**	**Special Districts**	**13.2%**	**38.7%**
Top 10	7.2%	1.4%	Top 10	8.2%	1.4%
$100 million or more	1.4%	0.1%	$100 million or more	3.9%	0.3%
$10 million up to $100 million	10.8%	4.5%	$10 million up to $100 million	7.5%	3.7%
$1 million up to $10 million	1.9%	7.5%	$1 million up to $10 million	1.5%	6.6%
Under $1 million	0.2%	15.9%	Under $1 million	0.2%	28.2%
School Boards	**26.1%**	**10.5%**	**Other**	**4.4%**	**2.9%**
Top 10	19.0%	1.4%	Top 10	3.9%	1.4%
$100 million or more	15.8%	0.8%	$100 million or more	2.2%	0.3%
$10 million up to $100 million	9.6%	3.3%	$10 million up to $100 million	1.9%	1.0%
$1 million up to $10 million	0.7%	1.9%	$1 million up to $10 million	0.2%	0.7%
Under $1 million	0.0%	4.5%	Under $1 million	0.0%	1.0%



Total Fund Value: $10,553,427,851



Total Active Participant Count: 731

Note: Active accounts include only those participant accounts valued above zero.

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

COMPLIANCE WITH INVESTMENT POLICY FOR FEBRUARY 2017

As investment manager, Federated monitors compliance daily on Florida PRIME to ensure that investment practices comply with the requirements of the Investment Policy Statement (IPS). Federated provides a monthly compliance report to the SBA and is required to notify the Investment Oversight Group (IOG) of compliance exceptions within 24 hours of identification. The IOG meets monthly and on an ad hoc basis to review compliance exceptions, to document responses to exceptions, and to formally escalate recommendations for approval by the Executive Director & CIO. The IOG also reviews the Federated compliance report each month, as well as the results of independent compliance testing conducted by SBA Risk Management and Compliance. Minutes from the IOG meetings are posted to the Florida PRIME website.

In addition to the compliance testing performed by Federated, the SBA conducts independent testing on Florida PRIME using a risk-based approach. Under this approach, each IPS parameter is ranked as "High" or "Low" with respect to the level of risk associated with a potential guideline breach. IPS parameters with risk rankings of "High" are subject to independent verification by SBA Risk Management and Compliance. These rankings, along with the frequency for testing, are reviewed and approved by the IOG on an annual basis or more often if market conditions dictate. Additionally, any parameter reported in "Fail" status on the Federated compliance report, regardless of risk ranking, is also independently verified and escalated accordingly. The results of independent testing are currently reported monthly to the IOG.

Test by Source	Pass/Fail
Florida PRIME's Investment Policy	
Securities must be USD denominated.	Pass
Ratings requirements	
The Florida PRIME investment portfolio must purchase exclusively first-tier securities. Securities purchased with short-term ratings by an NRSRO, or comparable in quality and security to other obligations of the issuer that have received short-term ratings from an NRSRO, are eligible if they are in one of the two highest rating categories.	Pass
Securities purchased that do not have short-term ratings must have a long-term rating in one of the three highest long-term rating categories.	Pass
Commercial Paper must be rated by at least one short-term NRSRO.	Pass
Repurchase Agreement Counterparties must be rated by S&P	Pass
S&P Weighted Average Life - maximum 90 days [1]	Pass
Maturity	
Securities, excluding Government floating rate notes/variable rate notes, purchased did not have a maturity in excess of 397 days.	Pass
Government floating rate notes/variable rate notes purchased did not have a maturity in excess of 762 days.	Pass
The Florida PRIME investment portfolio must maintain a Spread WAM of 120 days or less.	Pass
Issuer Diversification	
First-tier issuers (limit does not apply to cash, cash items, U.S. Government securities refunded securities and repo collateralized by these securities) are limited, at the time of purchase, to 5% of the Florida PRIME investment portfolio's total assets. [2]	Pass
Demand Feature and Guarantor Diversification	
First-tier securities issued by or subject to demand features and guarantees of a non-controlled person, at time of purchase, are limited to 10% with respect to 75% of the Florida PRIME investment portfolio's total assets.	Pass
First-tier securities issued by or subject to demand features and guarantees of a control person, at time of purchase, are limited to 10% with respect to the Florida PRIME investment portfolio's total assets.	Pass
Money Market Mutual Funds	
The account, at time of purchase, will not have exposure to any one Money Market Mutual Fund in excess of 10% of the Florida PRIME investment portfolio's total assets.	Pass
Concentration Tests	
The account, at time of purchase, will not have exposure to an industry sector, excluding the financial services industry, in excess of 25% of the Florida PRIME investment portfolio's total assets.	Pass
The account, at time of purchase, will not have exposure to any single Government Agency in excess of 33.33% of the Florida PRIME investment portfolio's total assets.	Pass
The account, at time of purchase, will not have exposure to illiquid securities in excess of 5% of the Florida PRIME investment portfolio's total assets.	Pass
The account, at time of purchase, will invest at least 10% of the Florida PRIME investment portfolio's total assets in securities accessible within one business day.	Pass
The account, at time of purchase, will invest at least 30% of the Florida PRIME investment portfolio's total assets in securities accessible within five business days. [3]	Pass
S&P Requirements	
The Florida PRIME investment portfolio must maintain a Dollar Weighted Average Maturity of 60 days or less.	Pass
The account, at time of purchase, will invest at least 50% of the Florida PRIME investment portfolio's total assets in Securities in Highest Rating Category (A-1+ or equivalent) .	Pass

[1] The fund may use floating rate government securities to extend the limit up to 120 days
[2] This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to liquidate positions if the exposure in excess of the specified percentage is caused by account movements.
[3] This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to take immediate corrective measures if asset movements cause the exposure to be below the specified percentage.

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR FEBRUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
ASB FINANCE LTD/LONDON	08/17/17	02/15/17	02/17/17	50,000,000	50,000,000	0	50,000,000	0
ASB FINANCE LTD/LONDON	08/17/17	02/15/17	02/17/17	45,000,000	45,000,000	0	45,000,000	0
ANGLESEA FUNDING LLCPABS4	08/01/17	02/01/17	02/01/17	25,000,000	24,839,111	0	24,839,111	0
ANTALIS S,A, CPABS4CPABS4	02/08/17	02/01/17	02/01/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/08/17	02/01/17	02/01/17	10,000,000	9,998,561	0	9,998,561	0
ANTALIS S,A, CPABS4CPABS4	02/08/17	02/01/17	02/01/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/08/17	02/01/17	02/01/17	10,200,000	10,198,532	0	10,198,532	0
ANTALIS S,A, CPABS4CPABS4	02/10/17	02/03/17	02/03/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/10/17	02/03/17	02/03/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/10/17	02/03/17	02/03/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/10/17	02/06/17	02/06/17	1,880,000	1,879,845	0	1,879,845	0
ANTALIS S,A, CPABS4CPABS4	02/14/17	02/08/17	02/08/17	11,400,000	11,398,632	0	11,398,632	0
ANTALIS S,A, CPABS4CPABS4	02/15/17	02/08/17	02/08/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/15/17	02/08/17	02/08/17	4,170,000	4,169,400	0	4,169,400	0
ANTALIS S,A, CPABS4CPABS4	02/15/17	02/08/17	02/08/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/15/17	02/08/17	02/08/17	38,880,000	38,874,406	0	38,874,406	0
ANTALIS S,A, CPABS4CPABS4	02/15/17	02/08/17	02/08/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/15/17	02/08/17	02/08/17	10,000,000	9,998,561	0	9,998,561	0
ANTALIS S,A, CPABS4CPABS4	02/17/17	02/10/17	02/10/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/17/17	02/10/17	02/10/17	10,000,000	9,998,561	0	9,998,561	0
ANTALIS S,A, CPABS4CPABS4	02/17/17	02/10/17	02/10/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/17/17	02/10/17	02/10/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/22/17	02/15/17	02/15/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/22/17	02/15/17	02/15/17	46,730,000	46,723,276	0	46,723,276	0
ANTALIS S,A, CPABS4CPABS4	02/22/17	02/15/17	02/15/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/22/17	02/16/17	02/16/17	9,000,000	8,998,890	0	8,998,890	0
ANTALIS S,A, CPABS4CPABS4	02/24/17	02/17/17	02/17/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/24/17	02/17/17	02/17/17	5,000,000	4,999,281	0	4,999,281	0
ANTALIS S,A, CPABS4CPABS4	02/24/17	02/17/17	02/17/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	02/24/17	02/17/17	02/17/17	10,000,000	9,998,561	0	9,998,561	0
ANTALIS S,A, CPABS4CPABS4	03/01/17	02/22/17	02/22/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	03/01/17	02/22/17	02/22/17	3,490,000	3,489,498	0	3,489,498	0
ANTALIS S,A, CPABS4CPABS4	03/01/17	02/22/17	02/22/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	03/01/17	02/22/17	02/22/17	20,000,000	19,997,122	0	19,997,122	0
ANTALIS S,A, CPABS4CPABS4	03/01/17	02/22/17	02/22/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	03/01/17	02/22/17	02/22/17	30,000,000	29,995,683	0	29,995,683	0
ANTALIS S,A, CPABS4CPABS4	03/03/17	02/24/17	02/24/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	03/03/17	02/24/17	02/24/17	15,000,000	14,997,842	0	14,997,842	0
ANTALIS S,A, CPABS4CPABS4	03/03/17	02/24/17	02/24/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	03/06/17	02/14/17	02/14/17	25,000,000	24,988,889	0	24,988,889	0
ANTALIS S,A, CPABS4CPABS4	03/13/17	02/13/17	02/13/17	37,200,000	37,175,985	0	37,175,985	0
ANTALIS S,A, CPABS4CPABS4	03/13/17	02/15/17	02/15/17	50,000,000	49,971,111	0	49,971,111	0
ANTALIS S,A, CPABS4CPABS4	03/13/17	02/15/17	02/15/17	60,000	59,965	0	59,965	0
ANTALIS S,A, CPABS4CPABS4	03/28/17	02/28/17	02/28/17	8,130,000	8,124,752	0	8,124,752	0
ATLANTIC ASSET SECUCPABS4	02/02/17	02/01/17	02/01/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/02/17	02/01/17	02/01/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/02/17	02/01/17	02/01/17	3,700,000	3,699,930	0	3,699,930	0
ATLANTIC ASSET SECUCPABS4	02/02/17	02/01/17	02/01/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/02/17	02/01/17	02/01/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/03/17	02/02/17	02/02/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/03/17	02/02/17	02/02/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/03/17	02/02/17	02/02/17	48,050,000	48,049,092	0	48,049,092	0
ATLANTIC ASSET SECUCPABS4	02/03/17	02/02/17	02/02/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/03/17	02/02/17	02/02/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/06/17	02/03/17	02/03/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/06/17	02/03/17	02/03/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/06/17	02/03/17	02/03/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/06/17	02/03/17	02/03/17	35,000,000	34,998,017	0	34,998,017	0
ATLANTIC ASSET SECUCPABS4	02/07/17	02/06/17	02/06/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/07/17	02/06/17	02/06/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/07/17	02/06/17	02/06/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/07/17	02/06/17	02/06/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/07/17	02/06/17	02/06/17	49,100,000	49,099,073	0	49,099,073	0
ATLANTIC ASSET SECUCPABS4	02/08/17	02/02/17	02/02/17	50,000,000	49,994,333	0	49,994,333	0
ATLANTIC ASSET SECUCPABS4	02/08/17	02/02/17	02/02/17	17,500,000	17,498,017	0	17,498,017	0
ATLANTIC ASSET SECUCPABS4	02/08/17	02/07/17	02/07/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/08/17	02/07/17	02/07/17	50,000,000	49,999,056	0	49,999,056	0

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR FEBRUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ATLANTIC ASSET SECUCPABS4	02/08/17	02/07/17	02/07/17	24,200,000	24,199,543	0	24,199,543	0
ATLANTIC ASSET SECUCPABS4	02/08/17	02/07/17	02/07/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/08/17	02/07/17	02/07/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/08/17	02/07/17	02/07/17	15,326,000	15,325,711	0	15,325,711	0
ATLANTIC ASSET SECUCPABS4	02/09/17	02/02/17	02/02/17	50,000,000	49,993,389	0	49,993,389	0
ATLANTIC ASSET SECUCPABS4	02/09/17	02/02/17	02/02/17	50,000,000	49,993,389	0	49,993,389	0
ATLANTIC ASSET SECUCPABS4	02/09/17	02/08/17	02/08/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/09/17	02/08/17	02/08/17	34,300,000	34,299,352	0	34,299,352	0
ATLANTIC ASSET SECUCPABS4	02/10/17	02/09/17	02/09/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/10/17	02/09/17	02/09/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/10/17	02/09/17	02/09/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/10/17	02/09/17	02/09/17	49,600,000	49,599,063	0	49,599,063	0
ATLANTIC ASSET SECUCPABS4	02/10/17	02/09/17	02/09/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/10/17	02/09/17	02/09/17	48,000,000	47,999,093	0	47,999,093	0
ATLANTIC ASSET SECUCPABS4	02/13/17	02/10/17	02/10/17	50,000,000	49,997,083	0	49,997,083	0
ATLANTIC ASSET SECUCPABS4	02/13/17	02/10/17	02/10/17	34,700,000	34,697,976	0	34,697,976	0
ATLANTIC ASSET SECUCPABS4	02/13/17	02/10/17	02/10/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/13/17	02/10/17	02/10/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/13/17	02/10/17	02/10/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/13/17	02/10/17	02/10/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/13/17	02/10/17	02/10/17	15,000,000	14,999,150	0	14,999,150	0
ATLANTIC ASSET SECUCPABS4	02/13/17	02/10/17	02/10/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/14/17	02/13/17	02/13/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/14/17	02/13/17	02/13/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/14/17	02/13/17	02/13/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/14/17	02/13/17	02/13/17	2,000,000	1,999,962	0	1,999,962	0
ATLANTIC ASSET SECUCPABS4	02/14/17	02/13/17	02/13/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/14/17	02/13/17	02/13/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/14/17	02/13/17	02/13/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/14/17	02/13/17	02/13/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/15/17	02/14/17	02/14/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/15/17	02/14/17	02/14/17	35,500,000	35,499,329	0	35,499,329	0
ATLANTIC ASSET SECUCPABS4	02/15/17	02/14/17	02/14/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/15/17	02/14/17	02/14/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/15/17	02/14/17	02/14/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/15/17	02/14/17	02/14/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/16/17	02/15/17	02/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/16/17	02/15/17	02/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/16/17	02/15/17	02/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/16/17	02/15/17	02/15/17	700,000	699,987	0	699,987	0
ATLANTIC ASSET SECUCPABS4	02/16/17	02/15/17	02/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/16/17	02/15/17	02/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/17/17	02/16/17	02/16/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/17/17	02/16/17	02/16/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/17/17	02/16/17	02/16/17	15,200,000	15,199,713	0	15,199,713	0
ATLANTIC ASSET SECUCPABS4	02/17/17	02/16/17	02/16/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/17/17	02/16/17	02/16/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/17/17	02/16/17	02/16/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/17/17	02/16/17	02/16/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/21/17	02/14/17	02/14/17	50,000,000	49,993,194	0	49,993,194	0
ATLANTIC ASSET SECUCPABS4	02/21/17	02/14/17	02/14/17	3,000,000	2,999,592	0	2,999,592	0
ATLANTIC ASSET SECUCPABS4	02/21/17	02/14/17	02/14/17	50,000,000	49,993,194	0	49,993,194	0
ATLANTIC ASSET SECUCPABS4	02/21/17	02/17/17	02/17/17	50,000,000	49,996,222	0	49,996,222	0
ATLANTIC ASSET SECUCPABS4	02/21/17	02/17/17	02/17/17	12,000,000	11,999,093	0	11,999,093	0
ATLANTIC ASSET SECUCPABS4	02/22/17	02/21/17	02/21/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/22/17	02/21/17	02/21/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/22/17	02/21/17	02/21/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/22/17	02/21/17	02/21/17	8,800,000	8,799,834	0	8,799,834	0
ATLANTIC ASSET SECUCPABS4	02/22/17	02/21/17	02/21/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/22/17	02/21/17	02/21/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/23/17	02/22/17	02/22/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/23/17	02/22/17	02/22/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/23/17	02/22/17	02/22/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/23/17	02/22/17	02/22/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/23/17	02/22/17	02/22/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/23/17	02/22/17	02/22/17	400,000	399,992	0	399,992	0
ATLANTIC ASSET SECUCPABS4	02/24/17	02/23/17	02/23/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/24/17	02/23/17	02/23/17	50,000,000	49,999,056	0	49,999,056	0

TRADING ACTIVITY FOR FEBRUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ATLANTIC ASSET SECUCPABS4	02/24/17	02/23/17	02/23/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/24/17	02/23/17	02/23/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/24/17	02/23/17	02/23/17	700,000	699,987	0	699,987	0
ATLANTIC ASSET SECUCPABS4	02/24/17	02/23/17	02/23/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/24/17	02/23/17	02/23/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/27/17	02/24/17	02/24/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/27/17	02/24/17	02/24/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/27/17	02/24/17	02/24/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/27/17	02/24/17	02/24/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/27/17	02/24/17	02/24/17	38,700,000	38,697,807	0	38,697,807	0
ATLANTIC ASSET SECUCPABS4	02/27/17	02/24/17	02/24/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/27/17	02/24/17	02/24/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/27/17	02/24/17	02/24/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	02/28/17	02/27/17	02/27/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/28/17	02/27/17	02/27/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/28/17	02/27/17	02/27/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/28/17	02/27/17	02/27/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	02/28/17	02/27/17	02/27/17	900,000	899,983	0	899,983	0
ATLANTIC ASSET SECUCPABS4	03/01/17	02/28/17	02/28/17	50,000,000	49,999,194	0	49,999,194	0
ATLANTIC ASSET SECUCPABS4	03/01/17	02/28/17	02/28/17	50,000,000	49,999,194	0	49,999,194	0
ATLANTIC ASSET SECUCPABS4	03/01/17	02/28/17	02/28/17	50,000,000	49,999,194	0	49,999,194	0
ATLANTIC ASSET SECUCPABS4	03/01/17	02/28/17	02/28/17	3,000,000	2,999,952	0	2,999,952	0
ATLANTIC ASSET SECUCPABS4	03/01/17	02/28/17	02/28/17	50,000,000	49,999,194	0	49,999,194	0
BANK OF TOKYO-MITSUCDYAN	02/13/17	02/06/17	02/06/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	02/13/17	02/06/17	02/06/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	02/13/17	02/06/17	02/06/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	02/13/17	02/06/17	02/06/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	02/14/17	02/07/17	02/07/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	02/14/17	02/07/17	02/07/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	02/14/17	02/07/17	02/07/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	02/21/17	02/13/17	02/13/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	02/21/17	02/13/17	02/13/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	02/28/17	02/21/17	02/21/17	50,000,000	50,000,000	0	50,000,000	0
BANK OF TOKYO-MITSUCDYAN	02/28/17	02/21/17	02/21/17	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL LLCCPABS4-	02/07/17	02/06/17	02/06/17	25,000,000	24,999,514	0	24,999,514	0
BARTON CAPITAL LLCCPABS4-	02/13/17	02/10/17	02/10/17	30,000,000	29,998,300	0	29,998,300	0
BARTON CAPITAL LLCCPABS4-	02/13/17	02/10/17	02/10/17	50,000,000	49,997,167	0	49,997,167	0
BARTON CAPITAL LLCCPABS4-	02/14/17	02/13/17	02/13/17	42,500,000	42,499,197	0	42,499,197	0
BARTON CAPITAL LLCCPABS4-	02/15/17	02/14/17	02/14/17	42,500,000	42,499,197	0	42,499,197	0
BARTON CAPITAL LLCCPABS4-	02/21/17	02/13/17	02/13/17	15,000,000	14,997,667	0	14,997,667	0
BARTON CAPITAL LLCCPABS4-	02/21/17	02/17/17	02/17/17	50,000,000	49,996,222	0	49,996,222	0
BARTON CAPITAL LLCCPABS4-	02/21/17	02/17/17	02/17/17	21,000,000	20,998,413	0	20,998,413	0
BARTON CAPITAL LLCCPABS4-	02/22/17	02/21/17	02/21/17	45,400,000	45,399,142	0	45,399,142	0
BARTON CAPITAL LLCCPABS4-	02/27/17	02/24/17	02/24/17	50,000,000	49,997,167	0	49,997,167	0
BARTON CAPITAL LLCCPABS4-	02/27/17	02/24/17	02/24/17	31,000,000	30,998,243	0	30,998,243	0
BARTON CAPITAL LLCCPABS4-	02/28/17	02/21/17	02/21/17	25,000,000	24,996,597	0	24,996,597	0
BARTON CAPITAL LLCCPABS4-	02/28/17	02/27/17	02/27/17	50,000,000	49,999,056	0	49,999,056	0
BARTON CAPITAL LLCCPABS4-	02/28/17	02/27/17	02/27/17	36,000,000	35,999,320	0	35,999,320	0
BARTON CAPITAL LLCCPABS4-	03/07/17	02/01/17	02/01/17	45,000,000	44,966,000	0	44,966,000	0
BARTON CAPITAL LLCCPABS4-	04/03/17	02/02/17	02/02/17	41,100,000	41,039,720	0	41,039,720	0
BARTON CAPITAL LLCCPABS4-	04/04/17	02/03/17	02/03/17	25,000,000	24,962,500	0	24,962,500	0
BARTON CAPITAL LLCCPABS4-	04/07/17	02/07/17	02/07/17	25,000,000	24,964,354	0	24,964,354	0
BARTON CAPITAL LLCCPABS4-	04/10/17	02/09/17	02/09/17	50,000,000	49,927,500	0	49,927,500	0
BARTON CAPITAL LLCCPABS4-	04/10/17	02/09/17	02/09/17	50,000,000	49,927,500	0	49,927,500	0
BARTON CAPITAL LLCCPABS4-	04/11/17	02/10/17	02/10/17	20,000,000	19,971,000	0	19,971,000	0
BARTON CAPITAL LLCCPABS4-	04/13/17	02/14/17	02/14/17	50,000,000	49,929,917	0	49,929,917	0
BEDFORD ROW FUNDING CORP	02/08/18	02/08/17	02/13/17	25,000,000	25,000,000	0	25,000,000	0
BNP PARIBAS SACP4-2	02/06/17	02/03/17	02/03/17	50,000,000	49,997,250	0	49,997,250	0
BNP PARIBAS SACP4-2	02/06/17	02/03/17	02/03/17	50,000,000	49,997,250	0	49,997,250	0
BNP PARIBAS SACP4-2	02/06/17	02/03/17	02/03/17	50,000,000	49,997,250	0	49,997,250	0
BNP PARIBAS SACP4-2	02/06/17	02/03/17	02/03/17	50,000,000	49,997,250	0	49,997,250	0
BNP PARIBAS SACP4-2	02/06/17	02/03/17	02/03/17	50,000,000	49,997,250	0	49,997,250	0
BNP PARIBAS SACP4-2	02/06/17	02/03/17	02/03/17	50,000,000	49,997,250	0	49,997,250	0
BNP PARIBAS SACP4-2	02/06/17	02/03/17	02/03/17	50,000,000	49,997,250	0	49,997,250	0
BNP PARIBAS SACP4-2	02/06/17	02/03/17	02/03/17	50,000,000	49,997,250	0	49,997,250	0
BNP PARIBAS SACP4-2	02/13/17	02/06/17	02/06/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	02/13/17	02/06/17	02/06/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	02/13/17	02/06/17	02/06/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	02/13/17	02/06/17	02/06/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	02/13/17	02/06/17	02/06/17	50,000,000	49,993,292	0	49,993,292	0

TRADING ACTIVITY FOR FEBRUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BNP PARIBAS SACP4-2	02/13/17	02/06/17	02/06/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	02/16/17	02/09/17	02/09/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	02/16/17	02/09/17	02/09/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	02/23/17	02/16/17	02/16/17	50,000,000	49,993,292	0	49,993,292	0
BNP PARIBAS SACP4-2	02/23/17	02/16/17	02/16/17	10,000,000	9,998,658	0	9,998,658	0
BNP PARIBAS SACP4-2	02/27/17	02/24/17	02/24/17	50,000,000	49,997,250	0	49,997,250	0
BNP PARIBAS SACP4-2	02/27/17	02/24/17	02/24/17	36,600,000	36,597,987	0	36,597,987	0
BNP PARIBAS SACP4-2	02/28/17	02/27/17	02/27/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP4-2	02/28/17	02/27/17	02/27/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP4-2	03/01/17	02/28/17	02/28/17	50,000,000	49,999,236	0	49,999,236	0
BNP PARIBAS SACP4-2	03/01/17	02/28/17	02/28/17	47,100,000	47,099,280	0	47,099,280	0
BNP PARIBAS SACP4-2	03/13/17	02/13/17	02/13/17	50,000,000	49,972,000	0	49,972,000	0
BNP PARIBAS SACP4-2	03/13/17	02/13/17	02/13/17	50,000,000	49,972,000	0	49,972,000	0
BNP PARIBAS SACP4-2	03/13/17	02/13/17	02/13/17	50,000,000	49,972,000	0	49,972,000	0
BNP PARIBAS SACP4-2	03/13/17	02/13/17	02/13/17	50,000,000	49,972,000	0	49,972,000	0
BNP PARIBAS SACP4-2	03/13/17	02/13/17	02/13/17	50,000,000	49,972,000	0	49,972,000	0
BNP PARIBAS SACP4-2	03/13/17	02/13/17	02/13/17	50,000,000	49,972,000	0	49,972,000	0
BNP PARIBAS SACP	02/03/17	02/02/17	02/02/17	50,000,000	49,999,084	0	49,999,084	0
BNP PARIBAS SACP	02/03/17	02/02/17	02/02/17	50,000,000	49,999,084	0	49,999,084	0
BNP PARIBAS SACP	02/03/17	02/02/17	02/02/17	14,800,000	14,799,729	0	14,799,729	0
BNP PARIBAS SACP	02/03/17	02/02/17	02/02/17	50,000,000	49,999,084	0	49,999,084	0
BNP PARIBAS SACP	02/03/17	02/02/17	02/02/17	50,000,000	49,999,084	0	49,999,084	0
BNP PARIBAS SACP	02/03/17	02/02/17	02/02/17	50,000,000	49,999,084	0	49,999,084	0
BNP PARIBAS SACP	02/21/17	02/17/17	02/17/17	28,000,000	27,997,947	0	27,997,947	0
BNP PARIBAS SACP	02/24/17	02/23/17	02/23/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP	02/24/17	02/23/17	02/23/17	36,500,000	36,499,331	0	36,499,331	0
CANADIAN IMPERIAL BCDYAN	08/08/17	02/16/17	02/16/17	47,000,000	46,993,193	12,220	47,005,413	0
CANADIAN IMPERIAL BCP4-2	03/01/17	02/28/17	02/28/17	50,000,000	49,999,194	0	49,999,194	0
CANADIAN IMPERIAL BCP4-2	03/01/17	02/28/17	02/28/17	47,000,000	46,999,243	0	46,999,243	0
CANADIAN IMPERIAL BCP4-2	03/01/17	02/28/17	02/28/17	50,000,000	49,999,194	0	49,999,194	0
CANADIAN IMPERIAL BCP4-2	03/01/17	02/28/17	02/28/17	50,000,000	49,999,194	0	49,999,194	0
CANADIAN IMPERIAL BCP4-2	03/01/17	02/28/17	02/28/17	50,000,000	49,999,194	0	49,999,194	0
CANADIAN IMPERIAL BANK OF COMMERCE	11/06/17	02/09/17	02/09/17	25,000,000	25,000,000	0	25,000,000	0
CIESCO, LLCCPABS4-2	02/09/17	02/08/17	02/08/17	3,300,000	3,299,939	0	3,299,939	0
COLLATERALIZED COMMERCIAL PAPER CO LLC	11/03/17	02/08/17	02/08/17	25,000,000	25,000,000	0	25,000,000	0
COLLATERALIZED COMMERCIAL PAPER CO LLC	11/09/17	02/15/17	02/15/17	36,500,000	36,500,000	0	36,500,000	0
RABOBANK NEDERLAND CP	02/02/17	02/01/17	02/01/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/02/17	02/01/17	02/01/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/02/17	02/01/17	02/01/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/02/17	02/01/17	02/01/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/02/17	02/01/17	02/01/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/02/17	02/01/17	02/01/17	9,000,000	8,999,838	0	8,999,838	0
RABOBANK NEDERLAND CP	02/02/17	02/01/17	02/01/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/02/17	02/01/17	02/01/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/02/17	02/01/17	02/01/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	02/06/17	02/03/17	02/03/17	50,000,000	49,997,292	0	49,997,292	0
COOPERATIEVE RABOBANK UA/NY	02/06/17	02/03/17	02/03/17	50,000,000	49,997,292	0	49,997,292	0
COOPERATIEVE RABOBANK UA/NY	02/06/17	02/03/17	02/03/17	50,000,000	49,997,292	0	49,997,292	0
COOPERATIEVE RABOBANK UA/NY	02/06/17	02/03/17	02/03/17	50,000,000	49,997,292	0	49,997,292	0
COOPERATIEVE RABOBANK UA/NY	02/06/17	02/03/17	02/03/17	50,000,000	49,997,292	0	49,997,292	0
COOPERATIEVE RABOBANK UA/NY	02/06/17	02/03/17	02/03/17	39,530,000	39,527,859	0	39,527,859	0
RABOBANK NEDERLAND CP	02/07/17	02/06/17	02/06/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/07/17	02/06/17	02/06/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/07/17	02/06/17	02/06/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/07/17	02/06/17	02/06/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/07/17	02/06/17	02/06/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/07/17	02/06/17	02/06/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/07/17	02/06/17	02/06/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/07/17	02/06/17	02/06/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/07/17	02/06/17	02/06/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	02/07/17	02/06/17	02/06/17	34,100,000	34,099,384	0	34,099,384	0
COOPERATIEVE RABOBANK UA/NY	02/08/17	02/07/17	02/07/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	02/08/17	02/07/17	02/07/17	10,000,000	9,999,819	0	9,999,819	0
COOPERATIEVE RABOBANK UA/NY	02/08/17	02/07/17	02/07/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	02/08/17	02/07/17	02/07/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	02/09/17	02/08/17	02/08/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	02/09/17	02/08/17	02/08/17	9,300,000	9,299,832	0	9,299,832	0
RABOBANK NEDERLAND CP	02/15/17	02/14/17	02/14/17	15,500,000	15,499,720	0	15,499,720	0
RABOBANK NEDERLAND CP	02/27/17	02/24/17	02/24/17	39,000,000	38,997,888	0	38,997,888	0
RABOBANK NEDERLAND CP	02/27/17	02/24/17	02/24/17	50,000,000	49,997,292	0	49,997,292	0

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR FEBRUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
RABOBANK NEDERLAND CP	02/27/17	02/24/17	02/24/17	40,015,000	40,012,833	0	40,012,833	0
CORPORATE FINANCE MANAGERS INC	02/02/43	02/28/17	03/01/17	18,230,000	18,230,000	0	18,230,000	0
CREDIT AGRICOLE CORCP	02/09/17	02/02/17	02/02/17	50,000,000	49,993,389	0	49,993,389	0
CREDIT AGRICOLE CORCP	02/09/17	02/02/17	02/02/17	50,000,000	49,993,389	0	49,993,389	0
CREDIT AGRICOLE CORCP	02/09/17	02/02/17	02/02/17	25,000,000	24,996,694	0	24,996,694	0
CREDIT AGRICOLE CORCP	02/23/17	02/22/17	02/22/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	02/23/17	02/22/17	02/22/17	9,900,000	9,899,819	0	9,899,819	0
CREDIT AGRICOLE CORCP	02/23/17	02/22/17	02/22/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	02/24/17	02/23/17	02/23/17	5,000,000	4,999,908	0	4,999,908	0
CREDIT AGRICOLE CORCP	02/24/17	02/23/17	02/23/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	02/24/17	02/23/17	02/23/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	02/24/17	02/23/17	02/23/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	02/24/17	02/23/17	02/23/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	03/01/17	02/28/17	02/28/17	50,000,000	49,999,222	0	49,999,222	0
CREDIT AGRICOLE CORCP	03/01/17	02/28/17	02/28/17	50,000,000	49,999,222	0	49,999,222	0
CREDIT AGRICOLE CORCP	03/01/17	02/28/17	02/28/17	50,000,000	49,999,222	0	49,999,222	0
CREDIT AGRICOLE CORCP	03/01/17	02/28/17	02/28/17	50,000,000	49,999,222	0	49,999,222	0
CREDIT AGRICOLE CORCP	03/01/17	02/28/17	02/28/17	26,000,000	25,999,596	0	25,999,596	0
CREDIT INDUSTRIEL ECDYAN	02/15/17	02/08/17	02/08/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/15/17	02/08/17	02/08/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/15/17	02/08/17	02/08/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/15/17	02/08/17	02/08/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/15/17	02/08/17	02/08/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/15/17	02/08/17	02/08/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/15/17	02/08/17	02/08/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/15/17	02/08/17	02/08/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/22/17	02/15/17	02/15/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/22/17	02/15/17	02/15/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/22/17	02/15/17	02/15/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/22/17	02/15/17	02/15/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/22/17	02/15/17	02/15/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/22/17	02/15/17	02/15/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/22/17	02/15/17	02/15/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/01/17	02/22/17	02/22/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/01/17	02/22/17	02/22/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/01/17	02/22/17	02/22/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/01/17	02/22/17	02/22/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/01/17	02/22/17	02/22/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/01/17	02/22/17	02/22/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/01/17	02/22/17	02/22/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/01/17	02/22/17	02/22/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/01/17	02/22/17	02/22/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/01/17	02/22/17	02/22/17	50,000,000	50,000,000	0	50,000,000	0
DZ BANK AG DEUTSCHECP4-2	08/14/17	02/13/17	02/14/17	5,000,000	4,969,833	0	4,969,833	0
FAIRWAY FINANCE CO,CPABS4	03/01/17	02/28/17	02/28/17	15,000,000	14,999,738	0	14,999,738	0
FAIRWAY FINANCE CO,CPABS4	03/01/17	02/28/17	02/28/17	50,000,000	49,999,125	0	49,999,125	0
FAIRWAY FINANCE CO,CPABS4	03/01/17	02/28/17	02/28/17	50,000,000	49,999,125	0	49,999,125	0
FAIRWAY FINANCE CO,CPABS4	05/08/17	02/01/17	02/01/17	15,000,000	14,958,400	0	14,958,400	0
GOTHAM FUNDING CORPCPABS4	02/14/17	02/06/17	02/06/17	25,000,000	24,996,111	0	24,996,111	0
GOTHAM FUNDING CORPCPABS4	02/21/17	02/14/17	02/14/17	36,908,000	36,902,976	0	36,902,976	0
GOTHAM FUNDING CORPCPABS4	03/09/17	02/08/17	02/08/17	16,415,000	16,404,289	0	16,404,289	0
GOTHAM FUNDING CORPCPABS4	03/31/17	02/02/17	02/02/17	47,000,000	46,936,002	0	46,936,002	0
HSBC BANK USA NA	08/02/17	02/02/17	02/02/17	50,000,000	50,000,000	0	50,000,000	0
HSBC BANK USA NA	08/02/17	02/02/17	02/02/17	50,000,000	50,000,000	0	50,000,000	0
HSBC BANK USA NA/NEW YORK NY	03/08/17	02/02/17	02/03/17	800,000	800,167	1,749	801,916	0
KAISER FOUNDATION HCP	02/02/17	02/01/17	02/01/17	25,428,000	25,427,520	0	25,427,520	0
KAISER FOUNDATION HCP	04/12/17	02/09/17	02/09/17	36,251,000	36,196,684	0	36,196,684	0
KAISER FOUNDATION HCP	06/15/17	02/02/17	02/02/17	31,863,000	31,740,575	0	31,740,575	0
LMA-AMERICAS LLCCPABS4-2	02/03/17	02/02/17	02/02/17	23,800,000	23,799,550	0	23,799,550	0
LMA-AMERICAS LLCCPABS4-2	02/07/17	02/06/17	02/06/17	12,100,000	12,099,771	0	12,099,771	0
LMA-AMERICAS LLCCPABS4-2	02/08/17	02/07/17	02/07/17	38,000,000	37,999,261	0	37,999,261	0
LMA-AMERICAS LLCCPABS4-2	02/09/17	02/02/17	02/02/17	42,300,000	42,294,243	0	42,294,243	0
LMA-AMERICAS LLCCPABS4-2	02/16/17	02/09/17	02/09/17	42,000,000	41,994,120	0	41,994,120	0
LMA-AMERICAS LLCCPABS4-2	02/22/17	02/21/17	02/21/17	28,900,000	28,899,438	0	28,899,438	0
LMA-AMERICAS LLCCPABS4-2	02/23/17	02/16/17	02/16/17	42,000,000	41,994,283	0	41,994,283	0
LMA-AMERICAS LLCCPABS4-2	03/03/17	02/15/17	02/15/17	22,500,000	22,492,200	0	22,492,200	0
LMA-AMERICAS LLCCPABS4-2	03/13/17	02/10/17	02/13/17	50,000,000	49,968,889	0	49,968,889	0
LMA-AMERICAS LLCCPABS4-2	03/13/17	02/10/17	02/13/17	50,000,000	49,968,889	0	49,968,889	0
LOS ANGELES COUNTY FAIR ASSOCIATION	11/01/39	02/28/17	03/01/17	10,000,000	10,000,000	0	10,000,000	0
MANHATTAN ASSET FUNCPABS4	02/13/17	02/06/17	02/06/17	50,000,000	49,993,000	0	49,993,000	0

TRADING ACTIVITY FOR FEBRUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MANHATTAN ASSET FUNCPABS4	02/17/17	02/10/17	02/10/17	20,000,000	19,997,278	0	19,997,278	0
MANHATTAN ASSET FUNCPABS4	02/17/17	02/10/17	02/10/17	15,000,000	14,997,958	0	14,997,958	0
MANHATTAN ASSET FUNCPABS4	03/09/17	02/07/17	02/07/17	50,000,000	49,966,250	0	49,966,250	0
MANHATTAN ASSET FUNCPABS4	03/09/17	02/07/17	02/07/17	15,000,000	14,989,875	0	14,989,875	0
MANHATTAN ASSET FUNCPABS4	03/15/17	02/13/17	02/13/17	25,000,000	24,983,333	0	24,983,333	0
MANHATTAN ASSET FUNCPABS4	03/15/17	02/13/17	02/13/17	50,000,000	49,966,667	0	49,966,667	0
MANHATTAN ASSET FUNCPABS4	03/29/17	02/17/17	02/17/17	25,000,000	24,977,778	0	24,977,778	0
MIZUHO BANK LTD/NY	02/17/17	02/13/17	02/14/17	21,000,000	21,001,308	23,983	21,025,291	0
MIZUHO BANK LTD,CP	04/13/17	02/15/17	02/15/17	15,000,000	14,979,575	0	14,979,575	0
NRW,BANKCP	02/09/17	02/02/17	02/02/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/09/17	02/02/17	02/02/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/09/17	02/02/17	02/02/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/09/17	02/02/17	02/02/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/15/17	02/08/17	02/08/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/15/17	02/08/17	02/08/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/16/17	02/09/17	02/09/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/16/17	02/09/17	02/09/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/16/17	02/09/17	02/09/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/16/17	02/09/17	02/09/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/16/17	02/09/17	02/09/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/16/17	02/09/17	02/09/17	30,000,000	29,996,033	0	29,996,033	0
NRW,BANKCP	02/22/17	02/15/17	02/15/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/22/17	02/15/17	02/15/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/23/17	02/16/17	02/16/17	50,000,000	49,993,389	0	49,993,389	0
NRW,BANKCP	02/23/17	02/16/17	02/16/17	40,000,000	39,994,711	0	39,994,711	0
NRW,BANKCP	02/24/17	02/16/17	02/17/17	50,000,000	49,993,340	0	49,993,340	0
NRW,BANKCP	02/24/17	02/16/17	02/17/17	50,000,000	49,993,340	0	49,993,340	0
NRW,BANKCP	02/24/17	02/16/17	02/17/17	50,000,000	49,993,340	0	49,993,340	0
NATIONWIDE BUILDINGCP4-2	04/03/17	02/06/17	02/07/17	28,500,000	28,460,813	0	28,460,813	0
NOVANT HEALTH INC	06/01/22	02/28/17	03/01/17	50,000,000	50,000,000	0	50,000,000	0
NOVANT HEALTH INC	06/01/22	02/28/17	03/01/17	3,800,000	3,800,000	0	3,800,000	0
SOCIETE GENERALE, PCP4-2	02/06/17	02/03/17	02/03/17	50,000,000	49,997,250	0	49,997,250	0
SOCIETE GENERALE, PCP4-2	02/06/17	02/03/17	02/03/17	18,000,000	17,999,010	0	17,999,010	0
SOCIETE GENERALE, PCP4-2	02/06/17	02/03/17	02/03/17	50,000,000	49,997,250	0	49,997,250	0
SOCIETE GENERALE, PCP4-2	02/08/17	02/07/17	02/07/17	50,000,000	49,999,083	0	49,999,083	0
SOCIETE GENERALE, PCP4-2	02/08/17	02/07/17	02/07/17	14,000,000	13,999,743	0	13,999,743	0
STANDARD CHARTERED CDYAN	04/10/17	02/14/17	02/15/17	34,600,000	34,612,896	45,316	34,658,213	0
STARBIRD FUNDING COCPABS4	02/02/17	02/01/17	02/01/17	41,000,000	40,999,203	0	40,999,203	0
STARBIRD FUNDING COCPABS4	02/06/17	02/03/17	02/03/17	25,550,000	25,548,510	0	25,548,510	0
STARBIRD FUNDING COCPABS4	02/21/17	02/17/17	02/17/17	26,300,000	26,298,013	0	26,298,013	0
STARBIRD FUNDING COCPABS4	05/17/17	02/16/17	02/16/17	50,000,000	49,872,500	0	49,872,500	0
STARBIRD FUNDING COCPABS4	05/17/17	02/16/17	02/16/17	22,000,000	21,943,900	0	21,943,900	0
THUNDER BAY FUNDINGCP4-2	02/06/17	02/03/17	02/03/17	48,000,000	47,997,280	0	47,997,280	0
WELLS FARGO BANK NA	02/01/18	02/01/17	02/01/17	25,000,000	25,000,000	0	25,000,000	0
WELLS FARGO BANK NA	02/06/18	02/06/17	02/06/17	25,000,000	25,000,000	0	25,000,000	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/01/17	02/01/17	3,062,609	3,062,609	0	3,062,609	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/06/17	02/06/17	698,132	698,132	0	698,132	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/08/17	02/08/17	731,269	731,269	0	731,269	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/09/17	02/09/17	345,711	345,711	0	345,711	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/10/17	02/10/17	4,089,627	4,089,627	0	4,089,627	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/13/17	02/13/17	3,712,160	3,712,160	0	3,712,160	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/16/17	02/16/17	329,653	329,653	0	329,653	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/17/17	02/17/17	1,591,604	1,591,604	0	1,591,604	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/22/17	02/22/17	2,196,463	2,196,463	0	2,196,463	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/24/17	02/24/17	3,934,520	3,934,520	0	3,934,520	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/28/17	02/28/17	938,443	938,443	0	938,443	0
MIZUHO TRIPARTY	02/02/17	02/01/17	02/01/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/02/17	02/01/17	02/01/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	02/03/17	02/02/17	02/02/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/03/17	02/02/17	02/02/17	130,000,000	130,000,000	0	130,000,000	0
MIZUHO TRIPARTY	02/06/17	02/03/17	02/03/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/06/17	02/03/17	02/03/17	245,000,000	245,000,000	0	245,000,000	0
MIZUHO TRIPARTY	02/07/17	02/06/17	02/06/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/07/17	02/06/17	02/06/17	255,000,000	255,000,000	0	255,000,000	0
MIZUHO TRIPARTY	02/08/17	02/07/17	02/07/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/08/17	02/07/17	02/07/17	270,000,000	270,000,000	0	270,000,000	0
MIZUHO TRIPARTY	02/09/17	02/08/17	02/08/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/09/17	02/08/17	02/08/17	395,000,000	395,000,000	0	395,000,000	0
MIZUHO TRIPARTY	02/10/17	02/09/17	02/09/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/10/17	02/09/17	02/09/17	210,000,000	210,000,000	0	210,000,000	0

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AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR FEBRUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
MIZUHO TRIPARTY	02/13/17	02/10/17	02/10/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/13/17	02/10/17	02/10/17	325,000,000	325,000,000	0	325,000,000	0
MIZUHO TRIPARTY	02/14/17	02/13/17	02/13/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/14/17	02/13/17	02/13/17	130,000,000	130,000,000	0	130,000,000	0
MIZUHO TRIPARTY	02/15/17	02/14/17	02/14/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/15/17	02/14/17	02/14/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	02/16/17	02/15/17	02/15/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/16/17	02/15/17	02/15/17	215,000,000	215,000,000	0	215,000,000	0
MIZUHO TRIPARTY	02/17/17	02/16/17	02/16/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/17/17	02/16/17	02/16/17	225,000,000	225,000,000	0	225,000,000	0
MIZUHO TRIPARTY	02/21/17	02/17/17	02/17/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/21/17	02/17/17	02/17/17	230,000,000	230,000,000	0	230,000,000	0
MIZUHO TRIPARTY	02/22/17	02/21/17	02/21/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/22/17	02/21/17	02/21/17	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	02/23/17	02/22/17	02/22/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/23/17	02/22/17	02/22/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	02/24/17	02/23/17	02/23/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/24/17	02/23/17	02/23/17	215,000,000	215,000,000	0	215,000,000	0
MIZUHO TRIPARTY	02/27/17	02/24/17	02/24/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/27/17	02/24/17	02/24/17	340,000,000	340,000,000	0	340,000,000	0
MIZUHO TRIPARTY	02/28/17	02/27/17	02/27/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/28/17	02/27/17	02/27/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	03/01/17	02/28/17	02/28/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/01/17	02/28/17	02/28/17	305,000,000	305,000,000	0	305,000,000	0
Total Buys				*21,024,036,190*	*21,021,765,228*	*83,268*	*21,021,848,497*	*0*
Deposits								
SVENSKA HANDELSBANKTDCAY 0.66 20170202	02/02/17	02/01/17	02/01/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170203	02/03/17	02/02/17	02/02/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170206	02/06/17	02/03/17	02/03/17	530,000,000	530,000,000	0	530,000,000	0
STANDARD CHARTERED TD 0.7 20170213	02/13/17	02/06/17	02/06/17	80,000,000	80,000,000	0	80,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170207	02/07/17	02/06/17	02/06/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170208	02/08/17	02/07/17	02/07/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170209	02/09/17	02/08/17	02/08/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170210	02/10/17	02/09/17	02/09/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170213	02/13/17	02/10/17	02/10/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170214	02/14/17	02/13/17	02/13/17	525,000,000	525,000,000	0	525,000,000	0
STANDARD CHARTERED TD 0.7 20170217	02/17/17	02/13/17	02/13/17	135,000,000	135,000,000	0	135,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170215	02/15/17	02/14/17	02/14/17	475,000,000	475,000,000	0	475,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170216	02/16/17	02/15/17	02/15/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170217	02/17/17	02/16/17	02/16/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170221	02/21/17	02/17/17	02/17/17	520,000,000	520,000,000	0	520,000,000	0
STANDARD CHARTERED TD 0.7 20170224	02/24/17	02/17/17	02/17/17	186,000,000	186,000,000	0	186,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170222	02/22/17	02/21/17	02/21/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170223	02/23/17	02/22/17	02/22/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170224	02/24/17	02/23/17	02/23/17	540,000,000	540,000,000	0	540,000,000	0
STANDARD CHARTERED TD 0.7 20170303	03/03/17	02/24/17	02/24/17	186,000,000	186,000,000	0	186,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170227	02/27/17	02/24/17	02/24/17	525,000,000	525,000,000	0	525,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170227	02/27/17	02/24/17	02/24/17	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170228	02/28/17	02/27/17	02/27/17	525,000,000	525,000,000	0	525,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170228	02/28/17	02/27/17	02/27/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.55 20170301	03/01/17	02/28/17	02/28/17	525,000,000	525,000,000	0	525,000,000	0
Total Deposits				*11,077,000,000*	*11,077,000,000*	*0*	*11,077,000,000*	*0*
Maturities								
ASB FINANCE LTD,CP4-2	02/01/17	02/01/17	02/01/17	34,000,000	34,000,000	0	34,000,000	0
ANTALIS S,A, CPABS4CPABS4	02/01/17	02/01/17	02/01/17	130,130,000	130,130,000	0	130,130,000	0
ANTALIS S,A, CPABS4CPABS4	02/03/17	02/03/17	02/03/17	170,000,000	170,000,000	0	170,000,000	0
ANTALIS S,A, CPABS4CPABS4	02/08/17	02/08/17	02/08/17	170,900,000	170,900,000	0	170,900,000	0
ANTALIS S,A, CPABS4CPABS4	02/10/17	02/10/17	02/10/17	151,880,000	151,880,000	0	151,880,000	0
ANTALIS S,A, CPABS4CPABS4	02/14/17	02/14/17	02/14/17	11,400,000	11,400,000	0	11,400,000	0
ANTALIS S,A, CPABS4CPABS4	02/15/17	02/15/17	02/15/17	203,050,000	203,050,000	0	203,050,000	0
ANTALIS S,A, CPABS4CPABS4	02/17/17	02/17/17	02/17/17	160,000,000	160,000,000	0	160,000,000	0
ANTALIS S,A, CPABS4CPABS4	02/22/17	02/22/17	02/22/17	155,730,000	155,730,000	0	155,730,000	0
ANTALIS S,A, CPABS4CPABS4	02/24/17	02/24/17	02/24/17	115,000,000	115,000,000	0	115,000,000	0
ANTALIS S,A, CPABS4CPABS4	02/28/17	02/28/17	02/28/17	9,970,000	9,970,000	0	9,970,000	0
ATLANTIC ASSET SECUCPABS4	02/01/17	02/01/17	02/01/17	380,000,000	380,000,000	0	380,000,000	0
ATLANTIC ASSET SECUCPABS4	02/02/17	02/02/17	02/02/17	203,700,000	203,700,000	0	203,700,000	0
ATLANTIC ASSET SECUCPABS4	02/03/17	02/03/17	02/03/17	248,050,000	248,050,000	0	248,050,000	0
ATLANTIC ASSET SECUCPABS4	02/06/17	02/06/17	02/06/17	185,000,000	185,000,000	0	185,000,000	0

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AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR FEBRUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ATLANTIC ASSET SECUCPABS4	02/07/17	02/07/17	02/07/17	249,100,000	249,100,000	0	249,100,000	0
ATLANTIC ASSET SECUCPABS4	02/08/17	02/08/17	02/08/17	307,026,000	307,026,000	0	307,026,000	0
ATLANTIC ASSET SECUCPABS4	02/09/17	02/09/17	02/09/17	184,300,000	184,300,000	0	184,300,000	0
ATLANTIC ASSET SECUCPABS4	02/10/17	02/10/17	02/10/17	297,600,000	297,600,000	0	297,600,000	0
ATLANTIC ASSET SECUCPABS4	02/13/17	02/13/17	02/13/17	349,700,000	349,700,000	0	349,700,000	0
ATLANTIC ASSET SECUCPABS4	02/14/17	02/14/17	02/14/17	352,000,000	352,000,000	0	352,000,000	0
ATLANTIC ASSET SECUCPABS4	02/15/17	02/15/17	02/15/17	285,500,000	285,500,000	0	285,500,000	0
ATLANTIC ASSET SECUCPABS4	02/16/17	02/16/17	02/16/17	250,700,000	250,700,000	0	250,700,000	0
ATLANTIC ASSET SECUCPABS4	02/17/17	02/17/17	02/17/17	315,200,000	315,200,000	0	315,200,000	0
ATLANTIC ASSET SECUCPABS4	02/21/17	02/21/17	02/21/17	165,000,000	165,000,000	0	165,000,000	0
ATLANTIC ASSET SECUCPABS4	02/22/17	02/22/17	02/22/17	258,800,000	258,800,000	0	258,800,000	0
ATLANTIC ASSET SECUCPABS4	02/23/17	02/23/17	02/23/17	250,400,000	250,400,000	0	250,400,000	0
ATLANTIC ASSET SECUCPABS4	02/24/17	02/24/17	02/24/17	300,700,000	300,700,000	0	300,700,000	0
ATLANTIC ASSET SECUCPABS4	02/27/17	02/27/17	02/27/17	388,700,000	388,700,000	0	388,700,000	0
ATLANTIC ASSET SECUCPABS4	02/28/17	02/28/17	02/28/17	200,900,000	200,900,000	0	200,900,000	0
BANK OF AMERICA NA	02/14/17	02/14/17	02/14/17	7,800,000	7,800,000	0	7,800,000	0
BANK OF TOKYO-MITSUCDYAN	02/13/17	02/13/17	02/13/17	200,000,000	200,000,000	0	200,000,000	0
BANK OF TOKYO-MITSUCDYAN	02/14/17	02/14/17	02/14/17	150,000,000	150,000,000	0	150,000,000	0
BANK OF TOKYO-MITSUCDYAN	02/21/17	02/21/17	02/21/17	100,000,000	100,000,000	0	100,000,000	0
BANK OF TOKYO-MITSUCDYAN	02/28/17	02/28/17	02/28/17	100,000,000	100,000,000	0	100,000,000	0
BARTON CAPITAL LLCCPABS4-	02/01/17	02/01/17	02/01/17	60,922,000	60,922,000	0	60,922,000	0
BARTON CAPITAL LLCCPABS4-	02/07/17	02/07/17	02/07/17	25,000,000	25,000,000	0	25,000,000	0
BARTON CAPITAL LLCCPABS4-	02/09/17	02/09/17	02/09/17	100,000,000	100,000,000	0	100,000,000	0
BARTON CAPITAL LLCCPABS4-	02/10/17	02/10/17	02/10/17	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL LLCCPABS4-	02/13/17	02/13/17	02/13/17	80,000,000	80,000,000	0	80,000,000	0
BARTON CAPITAL LLCCPABS4-	02/14/17	02/14/17	02/14/17	142,500,000	142,500,000	0	142,500,000	0
BARTON CAPITAL LLCCPABS4-	02/15/17	02/15/17	02/15/17	42,500,000	42,500,000	0	42,500,000	0
BARTON CAPITAL LLCCPABS4-	02/21/17	02/21/17	02/21/17	86,000,000	86,000,000	0	86,000,000	0
BARTON CAPITAL LLCCPABS4-	02/22/17	02/22/17	02/22/17	45,400,000	45,400,000	0	45,400,000	0
BARTON CAPITAL LLCCPABS4-	02/27/17	02/27/17	02/27/17	81,000,000	81,000,000	0	81,000,000	0
BARTON CAPITAL LLCCPABS4-	02/28/17	02/28/17	02/28/17	111,000,000	111,000,000	0	111,000,000	0
BEDFORD ROW FUNDINGCPABS4	02/13/17	02/13/17	02/13/17	25,000,000	25,000,000	0	25,000,000	0
BNP PARIBAS SACP4-2	02/02/17	02/02/17	02/02/17	150,000,000	150,000,000	0	150,000,000	0
BNP PARIBAS SACP4-2	02/06/17	02/06/17	02/06/17	400,000,000	400,000,000	0	400,000,000	0
BNP PARIBAS SACP4-2	02/13/17	02/13/17	02/13/17	300,000,000	300,000,000	0	300,000,000	0
BNP PARIBAS SACP4-2	02/16/17	02/16/17	02/16/17	100,000,000	100,000,000	0	100,000,000	0
BNP PARIBAS SACP4-2	02/23/17	02/23/17	02/23/17	60,000,000	60,000,000	0	60,000,000	0
BNP PARIBAS SACP4-2	02/27/17	02/27/17	02/27/17	86,600,000	86,600,000	0	86,600,000	0
BNP PARIBAS SACP4-2	02/28/17	02/28/17	02/28/17	100,000,000	100,000,000	0	100,000,000	0
BNP PARIBAS SACP	02/01/17	02/01/17	02/01/17	109,500,000	109,500,000	0	109,500,000	0
BNP PARIBAS SACP	02/03/17	02/03/17	02/03/17	264,800,000	264,800,000	0	264,800,000	0
BNP PARIBAS SACP	02/21/17	02/21/17	02/21/17	28,000,000	28,000,000	0	28,000,000	0
BNP PARIBAS SACP	02/24/17	02/24/17	02/24/17	86,500,000	86,500,000	0	86,500,000	0
CRC FUNDING LLCCPABS4-2	02/10/17	02/10/17	02/10/17	25,000,000	25,000,000	0	25,000,000	0
CRC FUNDING LLCCPABS4-2	02/17/17	02/17/17	02/17/17	62,450,000	62,450,000	0	62,450,000	0
CANADIAN IMPERIAL BCDYAN	02/17/17	02/17/17	02/17/17	45,000,000	45,000,000	0	45,000,000	0
CIESCO, LLCCPABS4-2	02/09/17	02/09/17	02/09/17	3,300,000	3,300,000	0	3,300,000	0
RABOBANK NEDERLAND CP	02/02/17	02/02/17	02/02/17	409,000,000	409,000,000	0	409,000,000	0
COOPERATIEVE RABOBANK UA/NY	02/06/17	02/06/17	02/06/17	289,530,000	289,530,000	0	289,530,000	0
RABOBANK NEDERLAND CP	02/07/17	02/07/17	02/07/17	484,100,000	484,100,000	0	484,100,000	0
COOPERATIEVE RABOBANK UA/NY	02/08/17	02/08/17	02/08/17	160,000,000	160,000,000	0	160,000,000	0
COOPERATIEVE RABOBANK UA/NY	02/09/17	02/09/17	02/09/17	59,300,000	59,300,000	0	59,300,000	0
RABOBANK NEDERLAND CP	02/15/17	02/15/17	02/15/17	15,500,000	15,500,000	0	15,500,000	0
RABOBANK NEDERLAND CP	02/27/17	02/27/17	02/27/17	129,015,000	129,015,000	0	129,015,000	0
CREDIT AGRICOLE CORCP	02/09/17	02/09/17	02/09/17	125,000,000	125,000,000	0	125,000,000	0
CREDIT AGRICOLE CORCP	02/23/17	02/23/17	02/23/17	109,900,000	109,900,000	0	109,900,000	0
CREDIT AGRICOLE CORCP	02/24/17	02/24/17	02/24/17	205,000,000	205,000,000	0	205,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/03/17	02/03/17	02/03/17	275,000,000	275,000,000	0	275,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/15/17	02/15/17	02/15/17	400,000,000	400,000,000	0	400,000,000	0
CREDIT INDUSTRIEL ECDYAN	02/22/17	02/22/17	02/22/17	350,000,000	350,000,000	0	350,000,000	0
FAIRWAY FINANCE CO LLC	02/06/17	02/06/17	02/06/17	50,000,000	50,000,000	0	50,000,000	0
GOTHAM FUNDING CORPCPABS4	02/02/17	02/02/17	02/02/17	70,000,000	70,000,000	0	70,000,000	0
GOTHAM FUNDING CORPCPABS4	02/03/17	02/03/17	02/03/17	192,500,000	192,500,000	0	192,500,000	0
GOTHAM FUNDING CORPCPABS4	02/14/17	02/14/17	02/14/17	25,000,000	25,000,000	0	25,000,000	0
GOTHAM FUNDING CORPCPABS4	02/21/17	02/21/17	02/21/17	36,908,000	36,908,000	0	36,908,000	0
HSBC BANK USA NA/NEW YORK NY	02/02/17	02/02/17	02/02/17	100,000,000	100,000,000	0	100,000,000	0
JP MORGAN SECURITIES LLC	02/24/17	02/24/17	02/24/17	40,000,000	40,000,000	0	40,000,000	0
KAISER FOUNDATION HCP	02/02/17	02/02/17	02/02/17	25,428,000	25,428,000	0	25,428,000	0
LMA-AMERICAS LLCCPABS4-2	02/01/17	02/01/17	02/01/17	160,000,000	160,000,000	0	160,000,000	0
LMA-AMERICAS LLCCPABS4-2	02/02/17	02/02/17	02/02/17	47,000,000	47,000,000	0	47,000,000	0

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR FEBRUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
LMA-AMERICAS LLCCPABS4-2	02/03/17	02/03/17	02/03/17	23,800,000	23,800,000	0	23,800,000	0
LMA-AMERICAS LLCCPABS4-2	02/07/17	02/07/17	02/07/17	12,100,000	12,100,000	0	12,100,000	0
LMA-AMERICAS LLCCPABS4-2	02/08/17	02/08/17	02/08/17	38,000,000	38,000,000	0	38,000,000	0
LMA-AMERICAS LLCCPABS4-2	02/09/17	02/09/17	02/09/17	42,300,000	42,300,000	0	42,300,000	0
LMA-AMERICAS LLCCPABS4-2	02/10/17	02/10/17	02/10/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	02/16/17	02/16/17	02/16/17	42,000,000	42,000,000	0	42,000,000	0
LMA-AMERICAS LLCCPABS4-2	02/22/17	02/22/17	02/22/17	28,900,000	28,900,000	0	28,900,000	0
LMA-AMERICAS LLCCPABS4-2	02/23/17	02/23/17	02/23/17	42,000,000	42,000,000	0	42,000,000	0
MANHATTAN ASSET FUNCPABS4	02/03/17	02/03/17	02/03/17	40,000,000	40,000,000	0	40,000,000	0
MANHATTAN ASSET FUNCPABS4	02/10/17	02/10/17	02/10/17	50,000,000	50,000,000	0	50,000,000	0
MANHATTAN ASSET FUNCPABS4	02/13/17	02/13/17	02/13/17	50,000,000	50,000,000	0	50,000,000	0
MANHATTAN ASSET FUNCPABS4	02/17/17	02/17/17	02/17/17	35,000,000	35,000,000	0	35,000,000	0
MIZUHO BANK LTD/NY	02/17/17	02/17/17	02/17/17	21,000,000	21,000,000	0	21,000,000	0
NRW BANK	02/02/17	02/02/17	02/02/17	185,000,000	185,000,000	0	185,000,000	0
NRW,BANKCP	02/09/17	02/09/17	02/09/17	200,000,000	200,000,000	0	200,000,000	0
NRW,BANKCP	02/15/17	02/15/17	02/15/17	100,000,000	100,000,000	0	100,000,000	0
NRW,BANKCP	02/16/17	02/16/17	02/16/17	280,000,000	280,000,000	0	280,000,000	0
NRW,BANKCP	02/22/17	02/22/17	02/22/17	100,000,000	100,000,000	0	100,000,000	0
NRW,BANKCP	02/23/17	02/23/17	02/23/17	90,000,000	90,000,000	0	90,000,000	0
NRW,BANKCP	02/24/17	02/24/17	02/24/17	150,000,000	150,000,000	0	150,000,000	0
OLD LINE FUNDING, LCPABS4	02/21/17	02/21/17	02/21/17	35,000,000	35,000,000	0	35,000,000	0
OLD LINE FUNDING LLC	02/07/17	02/07/17	02/07/17	25,000,000	25,000,000	0	25,000,000	0
ROYAL BANK OF CANADA/NEW YORK NY	02/02/17	02/02/17	02/02/17	45,000,000	45,000,000	0	45,000,000	0
SOCIETE GENERALE, PCP4-2	02/06/17	02/06/17	02/06/17	118,000,000	118,000,000	0	118,000,000	0
SOCIETE GENERALE, PCP4-2	02/08/17	02/08/17	02/08/17	64,000,000	64,000,000	0	64,000,000	0
STANDARD CHARTERED CP4-2	02/06/17	02/06/17	02/06/17	100,000,000	100,000,000	0	100,000,000	0
STARBIRD FUNDING COCPABS4	02/01/17	02/01/17	02/01/17	40,000,000	40,000,000	0	40,000,000	0
STARBIRD FUNDING COCPABS4	02/02/17	02/02/17	02/02/17	41,000,000	41,000,000	0	41,000,000	0
STARBIRD FUNDING COCPABS4	02/06/17	02/06/17	02/06/17	25,550,000	25,550,000	0	25,550,000	0
STARBIRD FUNDING COCPABS4	02/21/17	02/21/17	02/21/17	26,300,000	26,300,000	0	26,300,000	0
SUMITOMO MITSUI BANCP4-2	02/08/17	02/08/17	02/08/17	200,000,000	200,000,000	0	200,000,000	0
THUNDER BAY FUNDINGCP4-2	02/06/17	02/06/17	02/06/17	48,000,000	48,000,000	0	48,000,000	0
THUNDER BAY FUNDING LLC	02/22/17	02/22/17	02/22/17	75,000,000	75,000,000	0	75,000,000	0
WESTPAC BANKING CORP/NY	02/06/17	02/06/17	02/06/17	180,500,000	180,500,000	0	180,500,000	0
MIZUHO TRIPARTY	02/01/17	02/01/17	02/01/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/01/17	02/01/17	02/01/17	290,000,000	290,000,000	0	290,000,000	0
MIZUHO TRIPARTY	02/02/17	02/02/17	02/02/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/02/17	02/02/17	02/02/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	02/03/17	02/03/17	02/03/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/03/17	02/03/17	02/03/17	130,000,000	130,000,000	0	130,000,000	0
MIZUHO TRIPARTY	02/06/17	02/06/17	02/06/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/06/17	02/06/17	02/06/17	245,000,000	245,000,000	0	245,000,000	0
MIZUHO TRIPARTY	02/07/17	02/07/17	02/07/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/07/17	02/07/17	02/07/17	255,000,000	255,000,000	0	255,000,000	0
MIZUHO TRIPARTY	02/08/17	02/08/17	02/08/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/08/17	02/08/17	02/08/17	270,000,000	270,000,000	0	270,000,000	0
MIZUHO TRIPARTY	02/09/17	02/09/17	02/09/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/09/17	02/09/17	02/09/17	395,000,000	395,000,000	0	395,000,000	0
MIZUHO TRIPARTY	02/10/17	02/10/17	02/10/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/10/17	02/10/17	02/10/17	210,000,000	210,000,000	0	210,000,000	0
MIZUHO TRIPARTY	02/13/17	02/13/17	02/13/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/13/17	02/13/17	02/13/17	325,000,000	325,000,000	0	325,000,000	0
MIZUHO TRIPARTY	02/14/17	02/14/17	02/14/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/14/17	02/14/17	02/14/17	130,000,000	130,000,000	0	130,000,000	0
MIZUHO TRIPARTY	02/15/17	02/15/17	02/15/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/15/17	02/15/17	02/15/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	02/16/17	02/16/17	02/16/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/16/17	02/16/17	02/16/17	215,000,000	215,000,000	0	215,000,000	0
MIZUHO TRIPARTY	02/17/17	02/17/17	02/17/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/17/17	02/17/17	02/17/17	225,000,000	225,000,000	0	225,000,000	0
MIZUHO TRIPARTY	02/21/17	02/21/17	02/21/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/21/17	02/21/17	02/21/17	230,000,000	230,000,000	0	230,000,000	0
MIZUHO TRIPARTY	02/22/17	02/22/17	02/22/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/22/17	02/22/17	02/22/17	240,000,000	240,000,000	0	240,000,000	0
MIZUHO TRIPARTY	02/23/17	02/23/17	02/23/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/23/17	02/23/17	02/23/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	02/24/17	02/24/17	02/24/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/24/17	02/24/17	02/24/17	215,000,000	215,000,000	0	215,000,000	0
MIZUHO TRIPARTY	02/27/17	02/27/17	02/27/17	15,000,000	15,000,000	0	15,000,000	0

TRADING ACTIVITY FOR FEBRUARY 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	02/27/17	02/27/17	02/27/17	340,000,000	340,000,000	0	340,000,000	0
MIZUHO TRIPARTY	02/28/17	02/28/17	02/28/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	02/28/17	02/28/17	02/28/17	200,000,000	200,000,000	0	200,000,000	0
STANDARD CHARTERED TD 0.7 20170203	02/03/17	02/03/17	02/03/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.56 20170201	02/01/17	02/01/17	02/01/17	540,000,000	540,000,000	0	540,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170202	02/02/17	02/02/17	02/02/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170203	02/03/17	02/03/17	02/03/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170206	02/06/17	02/06/17	02/06/17	530,000,000	530,000,000	0	530,000,000	0
STANDARD CHARTERED TD 0.7 20170213	02/13/17	02/13/17	02/13/17	80,000,000	80,000,000	0	80,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170207	02/07/17	02/07/17	02/07/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170208	02/08/17	02/08/17	02/08/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170209	02/09/17	02/09/17	02/09/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170210	02/10/17	02/10/17	02/10/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170213	02/13/17	02/13/17	02/13/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170214	02/14/17	02/14/17	02/14/17	525,000,000	525,000,000	0	525,000,000	0
STANDARD CHARTERED TD 0.7 20170217	02/17/17	02/17/17	02/17/17	135,000,000	135,000,000	0	135,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170215	02/15/17	02/15/17	02/15/17	475,000,000	475,000,000	0	475,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170216	02/16/17	02/16/17	02/16/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170217	02/17/17	02/17/17	02/17/17	500,000,000	500,000,000	0	500,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170221	02/21/17	02/21/17	02/21/17	520,000,000	520,000,000	0	520,000,000	0
STANDARD CHARTERED TD 0.7 20170224	02/24/17	02/24/17	02/24/17	186,000,000	186,000,000	0	186,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170222	02/22/17	02/22/17	02/22/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170223	02/23/17	02/23/17	02/23/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170224	02/24/17	02/24/17	02/24/17	540,000,000	540,000,000	0	540,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170227	02/27/17	02/27/17	02/27/17	525,000,000	525,000,000	0	525,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170227	02/27/17	02/27/17	02/27/17	100,000,000	100,000,000	0	100,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170228	02/28/17	02/28/17	02/28/17	525,000,000	525,000,000	0	525,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170228	02/28/17	02/28/17	02/28/17	500,000,000	500,000,000	0	500,000,000	0
Total Maturities				*32,080,339,000*	*32,080,339,000*	*0*	*32,080,339,000*	*0*
Sells								
COUNTY OF CLARK DEPARTMENT OF AVIATION	07/01/40	02/09/17	02/16/17	50,000,000	50,000,000	41,575	50,041,575	0
HARRIS COUNTY INDUSTRIAL DEVELOPMENT CORP	03/01/24	01/04/17	01/04/17	(25,900,000)	0	-1,370	(25,901,370)	0
HARRIS COUNTY INDUSTRIAL DEVELOPMENT CORP	03/01/24	01/04/17	01/04/17	25,900,000	25,900,000	1,370	25,901,370	0
IOWA FINANCE AUTHORITY	12/01/30	02/16/17	02/24/17	14,425,000	14,425,000	5,675	14,430,675	0
LMA-AMERICAS LLCCPABS4-2	03/13/17	02/22/17	02/22/17	50,000,000	49,980,208	0	49,980,208	1,319
CITY OF NEW YORK NY	10/01/38	02/06/17	02/06/17	50,000,000	50,000,000	4,274	50,004,274	0
CITY OF NEW YORK NY	10/01/38	02/06/17	02/06/17	600,000	600,000	51	600,051	0
NEW YORK LOCAL GOVERNMENT ASSISTANCE CORP	04/01/24	02/16/17	02/23/17	24,120,000	24,120,000	9,351	24,129,351	0
CITY OF ROCHESTER MN	08/15/32	02/16/17	02/24/17	32,700,000	32,700,000	13,295	32,713,295	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/02/17	02/02/17	650,237	650,237	0	650,237	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/02/17	02/02/17	122,560	122,560	0	122,560	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/03/17	02/03/17	591,684	591,684	0	591,684	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/07/17	02/07/17	381,552	381,552	0	381,552	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/14/17	02/14/17	190,056	190,056	0	190,056	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/14/17	02/14/17	2,470,925	2,470,925	0	2,470,925	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/14/17	02/14/17	316,580	316,580	0	316,580	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/14/17	02/14/17	731,269	731,269	0	731,269	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/14/17	02/14/17	2,992,368	2,992,368	0	2,992,368	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/15/17	02/15/17	272,244	272,244	0	272,244	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/21/17	02/21/17	1,942,916	1,942,916	0	1,942,916	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/23/17	02/23/17	73,467	73,467	0	73,467	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/23/17	02/23/17	2,146,711	2,146,711	0	2,146,711	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/23/17	02/23/17	1,003,771	1,003,771	0	1,003,771	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/27/17	02/27/17	719,792	719,792	0	719,792	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/27/17	02/27/17	329,653	329,653	0	329,653	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/27/17	02/27/17	587,833	587,833	0	587,833	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	02/27/17	02/27/17	1,752,997	1,752,997	0	1,752,997	0
Total Sells				*239,121,614*	*265,001,822*	*74,221*	*239,176,044*	*1,319*

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

1801 Hermitage Boulevard, Suite 100
Tallahassee, Florida 32308
(850) 488-4406

www.sbafla.com/prime

Our Mission

Our mission is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary, and professional standards.

Federated

FLORIDA PRIME™

AN INVESTMENT SERVICE FOR PUBLIC FUNDS

MONTHLY SUMMARY REPORT

March 2017

State Board of Administration of Florida

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

Contents

Past performance is no guarantee of future results.

Views are as of the issue date and are subject to change based on market conditions and other factors. These views should not be construed as a recommendation for any specific security.

An investment in Florida PRIME is neither insured nor guaranteed by the Federal Deposit Insurance Corporation or any other government agency.

Although money market funds seek to preserve the value of your investment at $1.00 per share, it is possible to lose money by investing in this fund.

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

Introduction

This report is prepared for stakeholders in Florida PRIME in accordance with Section 218.409(6)(a), Florida Statutes. The statute requires:

(1) Reporting of any material impacts on the funds and any actions or escalations taken by staff to address such impacts;

(2) Presentation of a management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last month; and

(3) Preparation of the management summary "in a manner that will allow anyone to ascertain whether the investment activities during the reporting period have conformed to investment policies."

This report, which covers the period from March 1, 2017, through March 31, 2017, has been prepared by the SBA with input from Federated Investment Counseling ("Federated"), investment advisor for Florida PRIME in a format intended to comply with the statute.

Disclosure of material impacts

During the reporting period, Florida PRIME was in material compliance with investment policy. There were no developments that had a material impact on the liquidity or operation of Florida PRIME. Details are available in the PRIME policy compliance table. This report also includes details on market conditions; fees; fund holdings, transactions and performance; and client composition.

PRIME™ STATISTICS

(As of March 31, 2017)

Total Participants
742

Florida PRIME™ Assets
$10,255,188,006

Total Number of Accounts
1,423

FACTS-AT-A-GLANCE

Florida PRIME is an exclusive service for Florida governmental organizations, providing a cost-effective investment vehicle for their surplus funds. Florida PRIME, the Local Government Surplus Funds Trust Fund, is utilized by hundreds of governmental investors including state agencies, state universities and colleges, counties, cities, special districts, school boards, and other direct support organizations of the State of Florida.

Florida PRIME is a government investment pool that offers management by an industry leader in professional money management, conservative investment policies, an extensive governance framework, a Standard & Poor's "AAAm" rating, full transparency, and best-in-class financial reporting.

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

PORTFOLIO MANAGER COMMENTARY

MARKET CONDITIONS

For cash managers, the crucial question these days is whether or not the Federal Reserve has shifted monetary policy. Does it still view its rate hikes as normalization—raising rates from extraordinary accommodation—or as tightening, i.e., adjusting rates to check inflation?

We are taking the position that March was the tipping point for policymakers (save Minneapolis Fed's Neel Kashkari), when their mindset changed from keeping the economy on life support to shepherding it to prosperity. This is not just because the Federal Open Market Committee (FOMC) voted to raise rates by 25 basis points to a range of 0.75-1% at its mid-March meeting, but because its summary of economic projections and Chair Janet Yellen's press conference suggested two more hikes could come in 2017. And in the weeks since the FOMC meeting, some Fed officials are leaving the door open for even more moves if economic conditions do not surprise to the negative. That is a far cry from the last two years, when the Fed led the markets to expect multiple hikes, only to offer one each year.

Yellen frequently reminds us that her Fed makes decisions based on data, and, well, the data is looking good. The labor market is strong; perhaps the only thing holding it back from full employment is that some companies are having a hard time finding workers with the required skills. Inflation, as measured by the personal consumption expenditures index (PCE), is approaching the Fed's target of 2%, and consumer and producer price indexes already are above that level. Manufacturing is in the midst of a remarkable turnaround, the housing market is robust and consumer and business confidence is high.

It was not long ago that some Fed officials suggested they would risk the economy running hot in an effort to jump start inflation. They seem to be less comfortable with that approach these days. They also do not appear to be overly concerned with the potential fiscal policy of the Trump administration, a wise position considering the likelihood of sweeping changes to the tax code has diminished following the collapse of the GOP plan to repeal the Affordable Care Act.

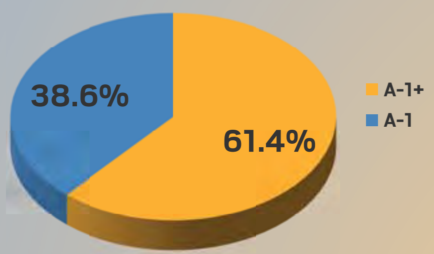
However things turn out, money fund managers should have a clear path to reacting to them. Supply of issuance should not be a problem. The U.S. reached its legal borrowing limit in March, although the U.S. Treasury says it could employ extraordinary measures into autumn if needed to avoid an actual debt-ceiling crisis. The Treasury has been good about communicating to the market, and the Fed's management of the federal funds range (with reverse repo and interest on excess reserves as bounds) has been working well, with the benchmark rate itself in the mid-80s (basis points). The London interbank offered rate (LIBOR) continued to rise over March.

INVESTMENT STRATEGY

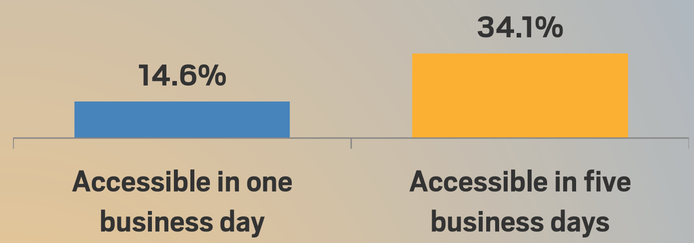
The Pool's gross yield in March soared by 12 basis points to 1.11%, reflecting the Fed hike. Assets under management decreased by $298.2 million to $10.26 billion as participants begin to draw down on their accounts for various functions. To prepare for this, the Pool's weighted average maturity (WAM) and weighted average life (WAL) drifted in to build liquidity. WAM came in six days to 38 days, and WAL moved in one day to 61 days. We increased the percentage of fixed rate commercial paper 1% to 52% of total and our holdings of variable-rate instruments 3% to 19% of total. These shifts were offset by decreasing the percentage of our holdings of repo to become 1% of total and that of fixed-rate bank paper to 26%. Money market funds made up 2% of the portfolio's composition, unchanged from February.

PORTFOLIO COMPOSITION FOR MARCH 2017

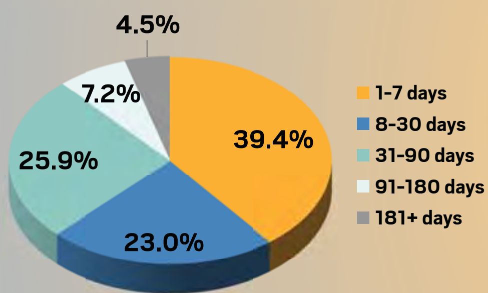
CREDIT QUALITY COMPOSITION



HIGHLY LIQUID HOLDINGS



EFFECTIVE MATURITY SCHEDULE



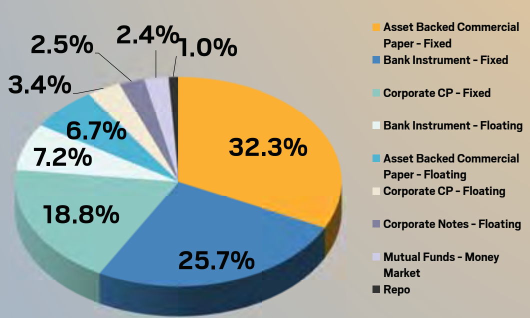
TOP HOLDINGS & AVG. MATURITY

1.	Barton Capital S.A.	5.1%
2.	Luxembourg, Government of	5.1%
3.	Svenska Handelsbanken, Stockholm	5.0%
4.	Sumitomo Mitsui Trust Holdings, Inc.	4.9%
5.	DZ Bank AG Deutsche Zentral-Genossenschaftsbank	4.8%
6.	Mitsubishi UFJ Financial Group, Inc.	4.7%
7.	Bank of Montreal	4.5%
8.	Credit Agricole Group	4.5%
9.	Wells Fargo & Co.	4.5%
10.	JPMorgan Chase & Co.	4.5%

Average Effective Maturity (WAM)
38.3 Days
Weighted Average Life (Spread WAL)
60.4 Days

Percentages based on total value of investments

PORTFOLIO COMPOSITION



FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

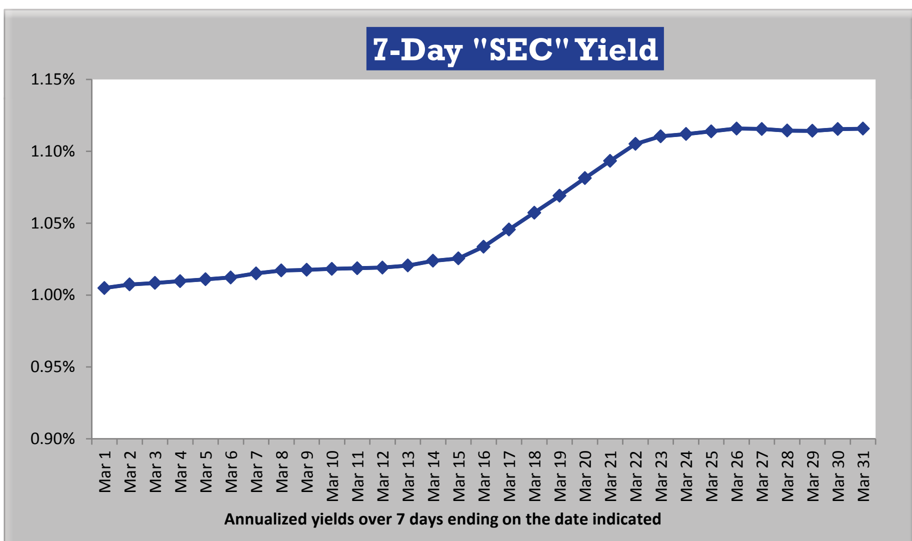
FUND PERFORMANCE THROUGH MARCH 31, 2017

Florida PRIME Performance Data			
	Net Participant Yield[1]	Net-of-Fee Benchmark[2]	Above (Below) Benchmark
One Month	1.03%	0.72%	0.31%
Three Months	1.00%	0.68%	0.32%
One Year	0.80%	0.50%	0.31%
Three Years	0.43%	0.23%	0.20%
Five Years	0.35%	0.17%	0.18%
Ten Years	0.91%	0.78%	0.13%
Since 1/96	2.65%	2.44%	0.21%

Note: Net asset value at month end: $10,255.3 million, which includes investments at market value, plus all cash, accrued interest receivable and payables.
[1]Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.
[2]The net-of-fee benchmark is the S&P AAA/AA Rated GIP All 30-Day Net Index for all time periods.

ABOUT ANNUALIZED YIELDS:
Performance data in the table and chart is annualized, meaning that the amounts are based on yields for the periods indicated, converted to their equivalent if obtained for a 12-month period.

For example, ignoring the effects of compounding, an investment that earns 0.10% over a 1-month period yields 1.20% on an annualized basis. Likewise, an investment that earns a total of 3.60% over three years yields 1.20% on an annualized basis, ignoring compounding.



The 7-Day "SEC" Yield in the chart is calculated in accordance with the yield methodology set forth by SEC Rule 2a-7 for money market funds.
The 7-day yield = net income earned over a 7-day period / average units outstanding over the period / 7 times 365.
Note that unlike other performance measures, the SEC yield does not include realized gains and losses from sales of securities.

FLORIDA PRIME
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

PRIME ACCOUNT SUMMARY FOR MARCH 2017

		Summary of Cash Flows
Opening Balance (03/01/17)	$	10,553,427,851
Participant Deposits		1,143,378,808
Gross Earnings		9,432,631
Participant Withdrawals		(1,450,743,054)
Fees		(308,230)
Closing Balance (03/31/17)	$	10,255,188,006
Net Change over Month	**$**	**(298,239,845)**

Detailed Fee Disclosure

March		Amount	Basis Point Equivalent*
SBA Client Service, Account Mgt. & Fiduciary Oversight Fee	$	89,013.66	1.03
Federated Investment Management Fee		193,337.55	2.23
BNY Mellon Custodial Fee**		12,605.58	0.15
Bank of America Transfer Agent Fee		4,416.72	0.05
S&P Rating Maintenance Fee		3,821.92	0.04
Audit/External Review Fees		5,034.49	0.06
Total Fees	**$**	**308,229.92**	**3.56**

*The basis point equivalent is an annualized rate based on the dollar amount of fees charged for the month times 12, divided by an average of the fund's beginning and ending total value (amortized cost) for the month w hich w as $10,404,307,929.

**All custodian banking fees are allocated based on both market value (size) and level of service accurately passing through all charges to pool participants. Charges may fluctuate month-to-month.

INVENTORY OF HOLDINGS FOR MARCH 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
ASB Finance Ltd., Apr 12, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.50	4/12/2017	4/12/2017	25,000,000	1.52	$25,000,000	$25,004,825	$4,825
ASB Finance Ltd., Aug 17, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.20	8/17/2017	4/17/2017	95,000,000	1.22	$95,000,000	$95,023,750	$23,750
Alpine Securitization Ltd., May 16, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.61	5/16/2017	4/17/2017	27,000,000	1.63	$27,000,000	$27,022,869	$22,869
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/6/2017		50,000,000	1.28	$49,989,583	$49,991,692	$2,108
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/5/2017		25,000,000	1.23	$24,945,000	$24,950,867	$5,867
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/5/2017		48,000,000	1.30	$47,837,440	$47,858,688	$21,248
Anglesea Funding LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		8/1/2017		25,000,000	1.31	$24,890,667	$24,897,158	$6,492
Anglesea Funding LLC, Dec 05, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.30	12/5/2017	4/17/2017	140,000,000	1.32	$140,000,000	$140,000,000	$0
Anglesea Funding LLC, Dec 22, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.35	12/22/2017	4/24/2017	50,000,000	1.40	$50,000,000	$49,504,944	-$495,056
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/5/2017		164,000,000	0.96	$163,978,361	$163,981,027	$2,666
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/7/2017		125,000,000	0.96	$124,976,910	$124,979,584	$2,674
Antalis S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/2/2017		8,150,000	1.04	$8,142,611	$8,143,082	$471
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/3/2017		194,600,000	0.83	$194,586,702	$194,585,000	-$1,702
Atlantic Asset Securitization LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/20/2017		99,000,000	1.00	$98,945,550	$98,945,275	-$275
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		4/3/2017		100,000,000	0.92	$99,992,417	$99,992,308	-$109
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		4/5/2017		193,400,000	0.92	$193,375,556	$193,375,154	-$402
BNP Paribas SA Dublin CP4-2	COMMERCIAL PAPER - 4-2		4/10/2017		90,000,000	1.08	$89,973,500	$89,976,750	$3,250
Bank of America N.A. Triparty Repo Overnight Fixed	REPO TRIPARTY OVERNIGHT FIXED	0.85	4/3/2017		87,000,000	0.86	$87,000,000	$87,000,000	$0
Bank of America N.A., Oct 05, 2017	VARIABLE RATE BANK NOTE	1.18	10/5/2017	4/5/2017	50,000,000	1.20	$50,000,000	$50,000,000	$0
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	7/20/2017		25,000,000	1.27	$25,000,000	$25,005,817	$5,817
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.40	8/9/2017		23,000,000	1.42	$23,000,000	$23,017,355	$17,355
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.30	9/19/2017		20,000,000	1.32	$20,000,000	$20,005,931	$5,931
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	9/29/2017		25,000,000	1.22	$25,000,000	$24,993,773	-$6,227
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.55	12/18/2017		15,000,000	1.57	$15,000,000	$15,022,042	$22,042
Bank of Montreal CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.12	5/9/2017		125,000,000	1.14	$125,000,000	$125,022,798	$22,798
Bank of Montreal CP	COMMERCIAL PAPER		6/9/2017		149,000,000	1.23	$148,652,333	$148,701,586	$49,252
Bank of Montreal, Dec 01, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.35	12/1/2017	6/1/2017	50,000,000	1.37	$50,000,000	$50,048,650	$48,650
Bank of Montreal, Nov 03, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.38	11/3/2017	5/3/2017	25,000,000	1.40	$25,000,000	$25,036,900	$36,900
Bank of Nova Scotia, Toronto CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.60	6/27/2017		100,000,000	1.62	$100,000,000	$100,044,171	$44,171
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		10/5/2017		25,000,000	1.43	$24,817,222	$24,839,286	$22,064

See notes at end of table.

INVENTORY OF HOLDINGS FOR MARCH 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Bank of Nova Scotia, Toronto CP4-2	COMMERCIAL PAPER - 4-2		10/6/2017		26,000,000	1.43	$25,808,900	$25,831,696	$22,796
Bank of Nova Scotia, Toronto, Oct 06, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.45	10/6/2017	4/6/2017	26,000,000	1.31	$26,000,000	$26,025,142	$25,142
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		5/16/2017		135,000,000	1.16	$134,805,075	$134,819,864	$14,789
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		5/26/2017		100,000,000	1.16	$99,824,222	$99,886,661	$62,439
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/1/2017		28,500,000	1.18	$28,443,554	$28,455,089	$11,535
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/1/2017		50,000,000	1.18	$49,900,972	$49,921,209	$20,236
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/6/2017		20,000,000	1.20	$19,956,450	$19,965,532	$9,082
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/6/2017		50,000,000	1.20	$49,891,125	$49,913,831	$22,706
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		6/6/2017		53,080,000	1.23	$52,961,455	$52,988,522	$27,068
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		7/5/2017		66,000,000	1.28	$65,780,000	$65,825,056	$45,056
Banque et Caisse d'Epargne de L'Etat CP	COMMERCIAL PAPER		7/5/2017		20,000,000	1.28	$19,933,333	$19,946,987	$13,653
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/3/2017		41,100,000	0.89	$41,096,986	$41,096,421	-$565
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/4/2017		25,000,000	0.91	$24,997,500	$24,997,095	-$406
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/6/2017		67,000,000	0.95	$66,989,503	$66,988,286	-$1,217
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/7/2017		25,000,000	0.88	$24,995,771	$24,994,896	-$875
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/10/2017		100,000,000	0.88	$99,975,833	$99,970,722	-$5,111
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/11/2017		20,000,000	0.88	$19,994,683	$19,993,553	-$1,131
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/13/2017		50,000,000	0.88	$49,984,292	$49,980,916	-$3,376
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/5/2017		50,000,000	0.94	$49,954,792	$49,946,625	-$8,167
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/5/2017		90,000,000	0.94	$89,918,625	$89,903,925	-$14,700
Barton Capital S.A. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/15/2017		25,000,000	1.05	$24,967,813	$24,965,156	-$2,656
Barton Capital S.A., Sep 13, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.15	9/13/2017	4/13/2017	29,600,000	1.17	$29,600,000	$29,605,950	$5,950
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/3/2017		27,000,000	1.30	$26,910,465	$26,920,899	$10,434
Bedford Row Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		10/6/2017		30,000,000	1.43	$29,779,500	$29,773,043	-$6,458
Bedford Row Funding Corp., Aug 21, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.36	8/21/2017	4/3/2017	15,000,000	1.18	$15,000,000	$15,010,185	$10,185
Bedford Row Funding Corp., Feb 08, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.48	2/8/2018	4/10/2017	25,000,000	1.36	$25,000,000	$25,029,750	$29,750
Bedford Row Funding Corp., Jan 18, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.50	1/18/2018	4/18/2017	20,000,000	1.52	$20,000,000	$20,029,360	$29,360
Bedford Row Funding Corp., Mar 22, 2018	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.32	3/22/2018	4/24/2017	30,000,000	1.34	$30,000,000	$30,000,000	$0
Bedford Row Funding Corp., Nov 06, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.21	11/6/2017	4/6/2017	25,000,000	1.22	$25,000,000	$25,000,000	$0
Bedford Row Funding Corp., Oct 06, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.56	10/6/2017	4/6/2017	73,000,000	1.43	$73,000,000	$73,125,414	$125,414
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/22/2017		15,000,000	1.19	$14,974,867	$14,979,915	$5,048
CAFCO, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/7/2017		41,000,000	1.33	$40,854,906	$40,885,152	$30,246

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CHARTA, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/2/2017		49,000,000	1.22	$48,897,958	$48,909,019	$11,062
CRC Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/14/2017		100,000,000	1.26	$99,638,333	$99,654,375	$16,042
Canadian Imperial Bank of Commerce CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.17	8/8/2017		47,000,000	1.22	$46,994,885	$47,009,323	$14,439
Canadian Imperial Bank of Commerce, Apr 17, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.43	4/17/2017	4/17/2017	100,000,000	1.45	$100,000,000	$100,023,600	$23,600
Canadian Imperial Bank of Commerce, Nov 06, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.38	11/6/2017	4/6/2017	25,000,000	1.24	$25,000,000	$25,023,675	$23,675
Canadian Imperial Bank of Commerce, Oct 10, 2017	VARIABLE RATE COMMERCIAL PAPER - 4-2	1.43	10/10/2017	4/10/2017	62,000,000	1.30	$62,000,000	$62,066,278	$66,278
Chase Bank USA, N.A., Jan 05, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.48	1/5/2018	4/5/2017	75,000,000	1.35	$75,000,000	$75,110,475	$110,475
Collateralized Commercial Paper Co. LLC, Dec 11, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.35	12/11/2017	6/12/2017	50,000,000	1.37	$50,000,000	$49,999,000	-$1,000
Collateralized Commercial Paper Co. LLC, Dec 12, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.35	12/12/2017	6/12/2017	20,000,000	1.37	$20,000,000	$19,999,300	-$700
Collateralized Commercial Paper Co. LLC, Dec 22, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.33	12/22/2017	6/22/2017	15,000,000	1.35	$15,000,000	$15,000,000	$0
Collateralized Commercial Paper Co. LLC, Nov 03, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.43	11/3/2017	4/3/2017	25,000,000	1.28	$25,000,000	$25,018,350	$18,350
Collateralized Commercial Paper Co. LLC, Nov 09, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS 3A3	1.41	11/9/2017	4/10/2017	36,500,000	1.29	$36,500,000	$36,518,579	$18,579
Connecticut State HFA, (2008 Series E), 05/15/2039	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.92	5/15/2039	4/6/2017	4,500,000	0.92	$4,500,000	$4,500,000	$0
Corporate Finance Managers, Inc., Series B, Feb 02, 2043	VARIABLE RATE DEMAND NOTE	1.03	2/2/2043	4/6/2017	18,230,000	1.03	$18,230,000	$18,230,000	$0
Credit Suisse AG, Sr. Note, 05/26/2017	CORPORATE BOND	1.54	5/26/2017	5/26/2017	16,000,000	1.22	$16,011,686	$16,010,384	-$1,302
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.24	4/6/2017		85,000,000	1.26	$85,000,000	$85,004,223	$4,223
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.21	4/24/2017		10,000,000	1.23	$10,000,000	$10,001,270	$1,270
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.21	4/25/2017		75,000,000	1.23	$75,000,000	$75,009,713	$9,713
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.19	5/30/2017		50,000,000	1.21	$50,000,000	$50,007,121	$7,121
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.19	6/1/2017		100,000,000	1.21	$100,000,000	$100,013,167	$13,167
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.19	6/2/2017		90,000,000	1.21	$90,000,000	$90,011,416	$11,416
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	6/8/2017		24,000,000	1.22	$24,000,000	$24,002,603	$2,603
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	4/24/2017		20,000,000	1.22	$20,000,000	$20,002,434	$2,434
DZ Bank AG Deutsche Zentral-Genossenschaftbank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.20	6/13/2017		35,000,000	1.22	$35,000,000	$35,002,585	$2,585
DZ Bank AG Deutsche Zentral-Genossenschaftsbank CP4-2	COMMERCIAL PAPER - 4-2		8/14/2017		5,000,000	1.22	$4,977,333	$4,979,506	$2,172
DnB NOR Bank ASA CP4-2	COMMERCIAL PAPER - 4-2		4/4/2017		150,000,000	0.92	$149,984,833	$149,985,267	$434
Dreyfus Government Cash Management Fund	OVERNIGHT MUTUAL FUND	0.67	4/3/2017	10/5/2016	4,361,251	0.68	$4,361,251	$4,361,251	$0
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/18/2017		50,000,000	1.06	$49,974,000	$49,977,875	$3,875
Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/3/2017		40,000,000	1.07	$39,961,500	$39,964,873	$3,373

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Fairway Finance Co. LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/8/2017		15,000,000	1.06	$14,983,533	$14,984,626	$1,093
Fiore Capital LLC, Series 2005-A, Aug 01, 2045	VARIABLE RATE DEMAND NOTE	0.93	8/1/2045	4/6/2017	27,980,000	0.96	$27,980,000	$27,980,000	$0
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/5/2017		100,000,000	0.93	$99,910,556	$99,906,375	-$4,181
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/5/2017		120,000,000	0.96	$119,889,166	$119,887,650	-$1,516
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/5/2017		100,000,000	0.96	$99,907,639	$99,906,375	-$1,264
Gotham Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/12/2017		150,000,000	1.04	$149,821,500	$149,828,150	$6,650
Gulf Gate Apartments LLC, Series 2003, Sep 01, 2028	VARIABLE RATE DEMAND NOTE	0.99	9/1/2028	4/6/2017	7,550,000	0.99	$7,550,000	$7,550,000	$0
HSBC Bank USA CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	8/2/2017		100,000,000	1.27	$100,000,000	$100,013,587	$13,587
Institutional Prime Value Obligations Fund, Class IS	MUTUAL FUND MONEY MARKET	1.07	4/3/2017	4/3/2017	245,100,000	1.09	$245,100,000	$245,100,000	$0
J.P. Morgan Securities LLC CP	COMMERCIAL PAPER		7/28/2017		20,000,000	1.23	$19,920,667	$19,928,732	$8,066
J.P. Morgan Securities LLC CP	COMMERCIAL PAPER		9/28/2017		100,000,000	1.43	$99,296,111	$99,390,633	$94,522
J.P. Morgan Securities LLC CP	COMMERCIAL PAPER		10/27/2017		25,000,000	1.43	$24,795,833	$24,812,896	$17,062
J.P. Morgan Securities LLC CP4-2	COMMERCIAL PAPER - 4-2		9/11/2017		25,000,000	1.44	$24,840,556	$24,866,181	$25,625
J.P. Morgan Securities LLC, Jul 31, 2017	VARIABLE RATE COMMERCIAL PAPER	1.34	7/31/2017	4/30/2017	70,000,000	1.36	$70,000,000	$70,061,320	$61,320
Kaiser Foundation Hospital CP	COMMERCIAL PAPER		4/12/2017		36,251,000	0.88	$36,240,487	$36,238,904	-$1,583
Kaiser Foundation Hospital CP	COMMERCIAL PAPER		4/17/2017		33,250,000	1.01	$33,234,299	$33,234,126	-$173
Kaiser Foundation Hospital CP	COMMERCIAL PAPER		4/19/2017		25,171,000	0.96	$25,158,378	$25,157,503	-$875
Kaiser Foundation Hospital CP	COMMERCIAL PAPER		6/15/2017		31,863,000	1.06	$31,793,043	$31,783,827	-$9,216
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/3/2017		70,000,000	0.82	$69,995,275	$69,995,188	-$88
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/4/2017		75,000,000	0.97	$74,992,000	$74,993,092	$1,092
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/5/2017		100,000,000	0.95	$99,986,944	$99,988,431	$1,487
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/6/2017		45,000,000	0.93	$44,993,100	$44,993,730	$630
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/18/2017		50,000,000	0.96	$49,976,250	$49,977,875	$1,625
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/19/2017		30,000,000	0.98	$29,984,642	$29,985,908	$1,267
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/20/2017		20,000,000	0.98	$19,989,222	$19,990,056	$833
LMA-Americas LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/21/2017		73,800,000	1.01	$73,756,950	$73,761,255	$4,305
Los Angeles County Fair Association, Nov 01, 2039	VARIABLE RATE DEMAND NOTE	1.03	11/1/2039	4/5/2017	10,000,000	1.00	$10,000,000	$10,000,000	$0
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		4/17/2017		49,000,000	1.33	$48,969,919	$48,980,332	$10,412
Malayan Banking Berhad, New York CPLOC	COMMERCIAL PAPER - LOC		6/15/2017		30,000,000	1.27	$29,920,833	$29,932,930	$12,097
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/17/2017		42,000,000	1.01	$41,980,167	$41,982,546	$2,380
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/18/2017		127,127,000	1.01	$127,063,437	$127,070,746	$7,310

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Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/20/2017		74,000,000	0.98	$73,960,122	$73,963,206	$3,083
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/12/2017		45,420,000	1.07	$45,364,361	$45,367,964	$3,603
Manhattan Asset Funding CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/30/2017		56,500,000	1.10	$56,398,300	$56,403,008	$4,708
Michigan State Housing Development Authority, (Series 2007E), 12/01/2038	MUNICIPAL VARIABLE RATE DEMAND NOTE	1.26	12/1/2038	4/5/2017	10,000,000	1.30	$10,000,000	$10,000,000	$0
Mississippi Business Finance Corp., Kohler Project, Jun 01, 2022	VARIABLE RATE DEMAND NOTE	1.05	6/1/2022	4/6/2017	10,000,000	1.05	$10,000,000	$10,000,000	$0
Mizuho Bank Ltd. CP4-2	COMMERCIAL PAPER - 4-2		4/13/2017		15,000,000	0.87	$14,995,342	$14,995,493	$152
Mizuho Bank Ltd., Apr 11, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.58	4/11/2017	4/11/2017	50,000,000	1.60	$50,009,482	$50,016,379	$6,896
Mizuho Securities USA, Inc. - REPO TRIPARTY OVERNIGHT FIXED	REPO TRIPARTY OVERNIGHT FIXED	0.82	4/3/2017		15,000,000	0.83	$15,000,000	$15,000,000	$0
Montgomery County, OH, (Cambridge Commons Apartments), (Series 2006A), 05/01/2038	MUNICIPAL VARIABLE RATE DEMAND NOTE	0.90	5/1/2038	4/6/2017	70,000	0.69	$70,000	$70,000	$0
NRW.Bank CP4-2	COMMERCIAL PAPER - 4-2		4/4/2017		30,000,000	1.07	$29,996,500	$29,997,190	$690
NRW.Bank CP4-2	COMMERCIAL PAPER - 4-2		4/18/2017		120,000,000	1.07	$119,936,700	$119,947,500	$10,800
Nationwide Building Society CP4-2	COMMERCIAL PAPER - 4-2		4/3/2017		28,500,000	0.91	$28,497,863	$28,497,551	-$311
Nationwide Building Society CP4-2	COMMERCIAL PAPER - 4-2		4/19/2017		24,800,000	1.01	$24,786,911	$24,786,047	-$864
Novant Health, Inc., Series 1997, Jun 01, 2022	VARIABLE RATE DEMAND NOTE	0.97	6/1/2022	4/5/2017	53,800,000	0.98	$53,800,000	$53,800,000	$0
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/26/2017		50,000,000	0.96	$49,965,694	$49,966,489	$795
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/23/2017		25,000,000	1.23	$24,930,000	$24,934,783	$4,783
Old Line Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/14/2017		44,100,000	1.28	$43,939,219	$43,947,579	$8,361
Old Line Funding, LLC, May 01, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.47	5/1/2017	4/3/2017	14,000,000	1.29	$14,000,000	$14,004,270	$4,270
Orthopaedic Hospital of Wisconsin LLC, Series 09-A, Mar 01, 2039	VARIABLE RATE DEMAND NOTE	1.15	3/1/2039	4/6/2017	9,565,000	1.05	$9,565,000	$9,565,000	$0
Royal Bank of Canada, Oct 06, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.42	10/6/2017	4/6/2017	50,000,000	1.29	$50,000,000	$50,056,150	$56,150
Royal Bank of Canada, Sr. Note, 1%, 4/27/2017	CORPORATE NOTE	1.00	4/27/2017		25,000,000	1.02	$24,999,493	$24,999,475	-$18
Sabri Arac, The Quarry Lane School Series 2005, Oct 01, 2035	VARIABLE RATE DEMAND NOTE	0.99	10/1/2035	4/6/2017	13,040,000	0.99	$13,040,000	$13,040,000	$0
Standard Chartered Bank plc CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.15	4/10/2017		34,600,000	0.91	$34,602,388	$34,602,764	$376
Standard Chartered Bank plc CP4-2	COMMERCIAL PAPER - 4-2		4/13/2017		60,000,000	1.01	$59,978,333	$59,981,171	$2,838
Standard Chartered Bank plc TD	TIME DEPOSIT	0.88	4/7/2017		350,000,000	0.89	$350,000,000	$350,000,000	$0
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		4/27/2017		35,000,000	1.09	$34,971,913	$34,973,409	$1,496
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		5/17/2017		72,000,000	1.04	$71,904,120	$71,898,950	-$5,170
Starbird Funding Corp. CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		6/16/2017		191,000,000	1.22	$190,509,767	$190,521,205	$11,438
Sumitomo Mitsui Banking Corp., 1.53444%, 4/07/2017	CORPORATE NOTE	1.53	4/7/2017	4/7/2017	40,000,000	1.00	$40,003,987	$40,011,960	$7,973
Sumitomo Mitsui Trust Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.95	4/4/2017		150,000,000	0.96	$150,000,000	$150,001,479	$1,479
Sumitomo Mitsui Trust Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.92	4/3/2017		200,000,000	0.93	$200,000,000	$200,001,032	$1,032

See notes at end of table.

INVENTORY OF HOLDINGS FOR MARCH 2017

Security Name	Security Classification	Cpn/Dis	Maturity	Rate Reset	Par	Current Yield	Amort Cost (2)	Mkt Value (1)	Unrealized Gain/Loss
Sumitomo Mitsui Trust Bank Ltd. CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	0.91	4/4/2017		150,000,000	0.92	$150,000,000	$150,000,000	$0
Svenska Handelsbanken, Stockholm TDCAY	TIME DEPOSIT - CAYMAN	0.80	4/3/2017		510,000,000	0.81	$510,000,000	$510,000,000	$0
Thunder Bay Funding, LLC CPABS4-2	COMMERCIAL PAPER - ABS-4(2)		7/20/2017		25,000,000	1.33	$24,899,792	$24,907,269	$7,477
Thunder Bay Funding, LLC, Jun 12, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.28	6/12/2017	4/12/2017	50,000,000	1.30	$50,000,000	$50,031,400	$31,400
Thunder Bay Funding, LLC, Sep 13, 2017	VARIABLE RATE COMMERCIAL PAPER-ABS-4(2)	1.08	9/13/2017	4/13/2017	40,000,000	1.10	$40,000,000	$40,000,000	$0
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	7/24/2017		20,000,000	1.27	$20,000,000	$20,005,273	$5,273
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.40	9/8/2017		40,000,000	1.42	$40,000,000	$40,032,636	$32,636
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.25	10/20/2017		25,000,000	1.27	$25,000,000	$24,998,594	-$1,407
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.41	12/6/2017		50,000,000	1.43	$50,000,000	$50,028,575	$28,575
Toronto Dominion Bank CDYAN	CERTIFICATE OF DEPOSIT - YANKEE	1.52	1/16/2018		120,000,000	1.53	$120,000,000	$120,126,715	$126,715
Toronto Dominion Bank, Apr 19, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.49	4/19/2017	4/19/2017	25,000,000	1.51	$25,000,000	$25,007,275	$7,275
Toronto Dominion Bank, Aug 10, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.53	8/10/2017	5/10/2017	25,000,000	1.56	$25,000,000	$25,040,725	$40,725
Toronto Dominion Bank, May 04, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.03	5/4/2017	5/4/2017	25,000,000	1.05	$25,000,000	$25,010,900	$10,900
Toronto Dominion Bank, Oct 16, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.52	10/16/2017	4/17/2017	25,000,000	1.54	$25,000,000	$25,058,725	$58,725
Toronto Dominion Bank, Sep 06, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.60	9/6/2017	6/6/2017	15,000,000	1.62	$15,000,000	$15,000,000	$0
Toyota Credit Canada Inc. CP	COMMERCIAL PAPER		7/21/2017		24,500,000	1.27	$24,405,484	$24,416,460	$10,976
Toyota Motor Credit Corp., Aug 04, 2017	VARIABLE RATE COMMERCIAL PAPER	1.30	8/4/2017	5/8/2017	50,000,000	1.32	$50,000,000	$50,038,600	$38,600
University of Illinois, Series 2014C, Apr 01, 2044	VARIABLE RATE DEMAND NOTE	0.95	4/1/2044	4/6/2017	8,015,000	0.95	$8,015,000	$8,015,000	$0
Wells Fargo Bank, N.A. CD	CERTIFICATE OF DEPOSIT	1.30	10/20/2017		20,000,000	1.32	$20,000,000	$20,001,288	$1,288
Wells Fargo Bank, N.A., Feb 01, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.49	2/1/2018	4/3/2017	25,000,000	1.31	$25,000,000	$25,040,925	$40,925
Wells Fargo Bank, N.A., Feb 06, 2018	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.31	2/6/2018	5/8/2017	25,000,000	1.33	$25,000,000	$25,024,950	$24,950
Wells Fargo Bank, N.A., May 04, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.42	5/4/2017	4/4/2017	97,000,000	1.29	$97,000,000	$97,039,770	$39,770
Wells Fargo Bank, N.A., May 08, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.42	5/8/2017	4/7/2017	50,000,000	1.28	$50,000,000	$50,021,450	$21,450
Wells Fargo Bank, N.A., Oct 12, 2017	VARIABLE RATE CERTIFICATE OF DEPOSIT	1.45	10/12/2017	4/12/2017	25,000,000	1.47	$25,000,000	$25,047,350	$47,350
Total Value of Assets					*10,278,023,251*		*$10,271,012,530*	*$10,272,670,699*	*$1,658,170*

Notes: The data included in this report is unaudited. Amounts above are the value of investments. Income accruals, payables and uninvested cash are not included. Amortizations/accretions are reported with a one-day lag in the above valuations.

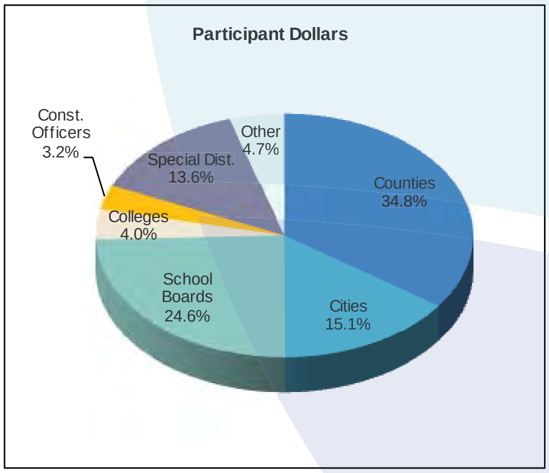
[1] Market values of the portfolio securities are provided by the custodian, BNY Mellon. The portfolio manager, Federated Investment Counseling, is the source for other data shown above.

[2] Amortized cost is calculated using a straight line method.

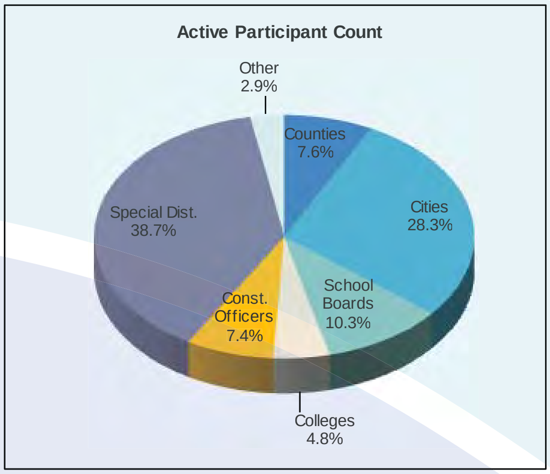
FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

PARTICIPANT CONCENTRATION DATA - AS OF MARCH 2017

Participant Balance	Share of Total Fund	Share of Participant Count	Participant Balance	Share of Total Fund	Share of Participant Count
All Participants	**100.0%**	**100.0%**	**Colleges & Universities**	**4.0%**	**4.8%**
Top 10	35.0%	1.4%	Top 10	3.7%	1.4%
$100 million or more	54.0%	3.3%	$100 million or more	1.9%	0.1%
$10 million up to $100 million	39.6%	16.2%	$10 million up to $100 million	1.6%	0.8%
$1 million up to $10 million	5.9%	21.8%	$1 million up to $10 million	0.4%	1.6%
Under $1 million	0.5%	58.7%	Under $1 million	0.02%	2.2%
Counties	**34.8%**	**7.6%**	**Constitutional Officers**	**3.2%**	**7.4%**
Top 10	26.9%	1.4%	Top 10	1.0%	1.4%
$100 million or more	29.2%	1.6%	$100 million or more	0.0%	0.0%
$10 million up to $100 million	5.2%	1.8%	$10 million up to $100 million	2.6%	0.8%
$1 million up to $10 million	0.3%	1.0%	$1 million up to $10 million	0.6%	2.1%
Under $1 million	0.0%	3.2%	Under $1 million	0.0%	4.5%
Municipalities	**15.1%**	**28.3%**	**Special Districts**	**13.6%**	**38.7%**
Top 10	7.5%	1.4%	Top 10	8.5%	1.4%
$100 million or more	1.7%	0.1%	$100 million or more	4.1%	0.3%
$10 million up to $100 million	11.3%	4.8%	$10 million up to $100 million	7.7%	3.7%
$1 million up to $10 million	2.0%	7.7%	$1 million up to $10 million	1.6%	6.9%
Under $1 million	0.2%	15.7%	Under $1 million	0.2%	27.9%
School Boards	**24.6%**	**10.3%**	**Other**	**4.7%**	**2.9%**
Top 10	18.0%	1.4%	Top 10	4.2%	1.4%
$100 million or more	14.8%	0.8%	$100 million or more	2.3%	0.3%
$10 million up to $100 million	9.0%	3.3%	$10 million up to $100 million	2.1%	1.0%
$1 million up to $10 million	0.7%	1.9%	$1 million up to $10 million	0.2%	0.7%
Under $1 million	0.0%	4.3%	Under $1 million	0.0%	1.0%



Total Fund Value: $10,255,188,006



Total Active Participant Count: 728

Note: Active accounts include only those participant accounts valued above zero.

FLORIDA PRIME™

AN INVESTMENT SERVICE FOR PUBLIC FUNDS

COMPLIANCE WITH INVESTMENT POLICY FOR MARCH 2017

As investment manager, Federated monitors compliance daily on Florida PRIME to ensure that investment practices comply with the requirements of the Investment Policy Statement (IPS). Federated provides a monthly compliance report to the SBA and is required to notify the Investment Oversight Group (IOG) of compliance exceptions within 24 hours of identification. The IOG meets monthly and on an ad hoc basis to review compliance exceptions, to document responses to exceptions, and to formally escalate recommendations for approval by the Executive Director & CIO. The IOG also reviews the Federated compliance report each month, as well as the results of independent compliance testing conducted by SBA Risk Management and Compliance. Minutes from the IOG meetings are posted to the Florida PRIME website.

In addition to the compliance testing performed by Federated, the SBA conducts independent testing on Florida PRIME using a risk-based approach. Under this approach, each IPS parameter is ranked as "High" or "Low" with respect to the level of risk associated with a potential guideline breach. IPS parameters with risk rankings of "High" are subject to independent verification by SBA Risk Management and Compliance. These rankings, along with the frequency for testing, are reviewed and approved by the IOG on an annual basis or more often if market conditions dictate. Additionally, any parameter reported in "Fail" status on the Federated compliance report, regardless of risk ranking, is also independently verified and escalated accordingly. The results of independent testing are currently reported monthly to the IOG.

Test by Source	Pass/Fail
Florida PRIME's Investment Policy	
Securities must be USD denominated.	Pass
Ratings requirements	
The Florida PRIME investment portfolio must purchase exclusively first-tier securities. Securities purchased with short-term ratings by an NRSRO, or comparable in quality and security to other obligations of the issuer that have received short-term ratings from an NRSRO, are eligible if they are in one of the two highest rating categories.	Pass
Securities purchased that do not have short-term ratings must have a long-term rating in one of the three highest long-term rating categories.	Pass
Commercial Paper must be rated by at least one short-term NRSRO.	Pass
Repurchase Agreement Counterparties must be rated by S&P	Pass
S&P Weighted Average Life - maximum 90 days [1]	Pass
Maturity	
Securities, excluding Government floating rate notes/variable rate notes, purchased did not have a maturity in excess of 397 days.	Pass
Government floating rate notes/variable rate notes purchased did not have a maturity in excess of 762 days.	Pass
The Florida PRIME investment portfolio must maintain a Spread WAM of 120 days or less.	Pass
Issuer Diversification	
First-tier issuers (limit does not apply to cash, cash items, U.S. Government securities refunded securities and repo collateralized by these securities) are limited, at the time of purchase, to 5% of the Florida PRIME investment portfolio's total assets. [2]	Pass
Demand Feature and Guarantor Diversification	
First-tier securities issued by or subject to demand features and guarantees of a non-controlled person, at time of purchase, are limited to 10% with respect to 75% of the Florida PRIME investment portfolio's total assets.	Pass
First-tier securities issued by or subject to demand features and guarantees of a control person, at time of purchase, are limited to 10% with respect to the Florida PRIME investment portfolio's total assets.	Pass
Money Market Mutual Funds	
The account, at time of purchase, will not have exposure to any one Money Market Mutual Fund in excess of 10% of the Florida PRIME investment portfolio's total assets.	Pass
Concentration Tests	
The account, at time of purchase, will not have exposure to an industry sector, excluding the financial services industry, in excess of 25% of the Florida PRIME investment portfolio's total assets.	Pass
The account, at time of purchase, will not have exposure to any single Government Agency in excess of 33.33% of the Florida PRIME investment portfolio's total assets.	Pass
The account, at time of purchase, will not have exposure to illiquid securities in excess of 5% of the Florida PRIME investment portfolio's total assets.	Pass
The account, at time of purchase, will invest at least 10% of the Florida PRIME investment portfolio's total assets in securities accessible within one business day.	Pass
The account, at time of purchase, will invest at least 30% of the Florida PRIME investment portfolio's total assets in securities accessible within five business days. [3]	Pass
S&P Requirements	
The Florida PRIME investment portfolio must maintain a Dollar Weighted Average Maturity of 60 days or less.	Pass
The account, at time of purchase, will invest at least 50% of the Florida PRIME investment portfolio's total assets in Securities in Highest Rating Category (A-1+ or equivalent) .	Pass

[1] The fund may use floating rate government securities to extend the limit up to 120 days

[2] This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to liquidate positions if the exposure in excess of the specified percentage is caused by account movements.

[3] This limitation applies at time of trade. Under Rule 2a-7, a fund is not required to take immediate corrective measures if asset movements cause the exposure to be below the specified percentage.

TRADING ACTIVITY FOR MARCH 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Buys								
ANGLESEA FUNDING LLC	12/05/17	03/16/17	03/16/17	50,000,000	50,000,000	0	50,000,000	0
ANGLESEA FUNDING LLC	12/05/17	03/16/17	03/16/17	50,000,000	50,000,000	0	50,000,000	0
ANGLESEA FUNDING LLC	12/05/17	03/16/17	03/16/17	40,000,000	40,000,000	0	40,000,000	0
ANGLESEA FUNDING LLC	12/22/17	03/29/17	04/04/17	50,000,000	50,000,000	0	50,000,000	0
ANTALIS S,A, CPABS4CPABS4	03/08/17	03/01/17	03/01/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	03/08/17	03/01/17	03/01/17	20,000,000	19,997,122	0	19,997,122	0
ANTALIS S,A, CPABS4CPABS4	03/08/17	03/01/17	03/01/17	38,100,000	38,094,518	0	38,094,518	0
ANTALIS S,A, CPABS4CPABS4	03/08/17	03/01/17	03/01/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	03/08/17	03/01/17	03/01/17	49,490,000	49,482,879	0	49,482,879	0
ANTALIS S,A, CPABS4CPABS4	03/10/17	03/03/17	03/03/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	03/10/17	03/03/17	03/03/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	03/10/17	03/03/17	03/03/17	7,300,000	7,298,950	0	7,298,950	0
ANTALIS S,A, CPABS4CPABS4	03/15/17	03/08/17	03/08/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	03/15/17	03/08/17	03/08/17	44,510,000	44,503,596	0	44,503,596	0
ANTALIS S,A, CPABS4CPABS4	03/15/17	03/08/17	03/08/17	20,000,000	19,997,122	0	19,997,122	0
ANTALIS S,A, CPABS4CPABS4	03/15/17	03/08/17	03/08/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	03/15/17	03/08/17	03/08/17	50,000,000	49,992,806	0	49,992,806	0
ANTALIS S,A, CPABS4CPABS4	03/15/17	03/08/17	03/08/17	2,580,000	2,579,629	0	2,579,629	0
ANTALIS S,A, CPABS4CPABS4	03/17/17	03/10/17	03/10/17	50,000,000	49,992,611	0	49,992,611	0
ANTALIS S,A, CPABS4CPABS4	03/17/17	03/10/17	03/10/17	50,000,000	49,992,611	0	49,992,611	0
ANTALIS S,A, CPABS4CPABS4	03/17/17	03/10/17	03/10/17	25,000,000	24,996,257	0	24,996,257	0
ANTALIS S,A, CPABS4CPABS4	03/22/17	03/15/17	03/15/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	03/22/17	03/15/17	03/15/17	20,000,000	19,996,306	0	19,996,306	0
ANTALIS S,A, CPABS4CPABS4	03/22/17	03/15/17	03/15/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	03/22/17	03/15/17	03/15/17	44,550,000	44,541,771	0	44,541,771	0
ANTALIS S,A, CPABS4CPABS4	03/24/17	03/17/17	03/17/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	03/24/17	03/17/17	03/17/17	20,000,000	19,996,306	0	19,996,306	0
ANTALIS S,A, CPABS4CPABS4	03/24/17	03/17/17	03/17/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	03/24/17	03/17/17	03/17/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	03/24/17	03/17/17	03/17/17	12,680,000	12,677,658	0	12,677,658	0
ANTALIS S,A, CPABS4CPABS4	03/24/17	03/17/17	03/17/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	03/31/17	03/24/17	03/24/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	03/31/17	03/24/17	03/24/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	03/31/17	03/24/17	03/24/17	15,100,000	15,097,211	0	15,097,211	0
ANTALIS S,A, CPABS4CPABS4	03/31/17	03/24/17	03/24/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	03/31/17	03/24/17	03/24/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	03/31/17	03/24/17	03/24/17	20,620,000	20,616,191	0	20,616,191	0
ANTALIS S,A, CPABS4CPABS4	04/05/17	03/29/17	03/29/17	44,000,000	43,991,872	0	43,991,872	0
ANTALIS S,A, CPABS4CPABS4	04/05/17	03/29/17	03/29/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	04/05/17	03/29/17	03/29/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	04/05/17	03/29/17	03/29/17	20,000,000	19,996,306	0	19,996,306	0
ANTALIS S,A, CPABS4CPABS4	04/07/17	03/31/17	03/31/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	04/07/17	03/31/17	03/31/17	50,000,000	49,990,764	0	49,990,764	0
ANTALIS S,A, CPABS4CPABS4	04/07/17	03/31/17	03/31/17	25,000,000	24,995,382	0	24,995,382	0
ANTALIS S,A, CPABS4CPABS4	05/02/17	03/28/17	03/28/17	8,150,000	8,141,918	0	8,141,918	0
ATLANTIC ASSET SECUCPABS4	03/02/17	03/01/17	03/01/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/02/17	03/01/17	03/01/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/02/17	03/01/17	03/01/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/02/17	03/01/17	03/01/17	1,500,000	1,499,972	0	1,499,972	0
ATLANTIC ASSET SECUCPABS4	03/02/17	03/01/17	03/01/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/03/17	03/02/17	03/02/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/03/17	03/02/17	03/02/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/03/17	03/02/17	03/02/17	2,000,000	1,999,962	0	1,999,962	0
ATLANTIC ASSET SECUCPABS4	03/03/17	03/02/17	03/02/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/03/17	03/02/17	03/02/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/03/17	03/02/17	03/02/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/03/17	03/02/17	03/02/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/03/17	03/02/17	03/02/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/03/17	03/02/17	03/02/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/06/17	03/03/17	03/03/17	7,600,000	7,599,569	0	7,599,569	0
ATLANTIC ASSET SECUCPABS4	03/06/17	03/03/17	03/03/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	03/06/17	03/03/17	03/03/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	03/06/17	03/03/17	03/03/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	03/06/17	03/03/17	03/03/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	03/06/17	03/03/17	03/03/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	03/06/17	03/03/17	03/03/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	03/06/17	03/03/17	03/03/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	03/06/17	03/03/17	03/03/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	03/07/17	03/06/17	03/06/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/07/17	03/06/17	03/06/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/07/17	03/06/17	03/06/17	6,300,000	6,299,881	0	6,299,881	0
ATLANTIC ASSET SECUCPABS4	03/07/17	03/06/17	03/06/17	50,000,000	49,999,056	0	49,999,056	0

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR MARCH 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ATLANTIC ASSET SECUCPABS4	03/07/17	03/06/17	03/06/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/07/17	03/06/17	03/06/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/08/17	03/07/17	03/07/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/08/17	03/07/17	03/07/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/08/17	03/07/17	03/07/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/08/17	03/07/17	03/07/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/08/17	03/07/17	03/07/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/08/17	03/07/17	03/07/17	1,800,000	1,799,966	0	1,799,966	0
ATLANTIC ASSET SECUCPABS4	03/08/17	03/07/17	03/07/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/08/17	03/07/17	03/07/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/08/17	03/07/17	03/07/17	24,464,000	24,463,538	0	24,463,538	0
ATLANTIC ASSET SECUCPABS4	03/09/17	03/08/17	03/08/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/09/17	03/08/17	03/08/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/09/17	03/08/17	03/08/17	2,900,000	2,899,945	0	2,899,945	0
ATLANTIC ASSET SECUCPABS4	03/09/17	03/08/17	03/08/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/09/17	03/08/17	03/08/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/09/17	03/08/17	03/08/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/10/17	03/09/17	03/09/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/10/17	03/09/17	03/09/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/10/17	03/09/17	03/09/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/10/17	03/09/17	03/09/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/10/17	03/09/17	03/09/17	1,800,000	1,799,966	0	1,799,966	0
ATLANTIC ASSET SECUCPABS4	03/10/17	03/09/17	03/09/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/10/17	03/09/17	03/09/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/10/17	03/09/17	03/09/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/13/17	03/10/17	03/10/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	03/13/17	03/10/17	03/10/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	03/13/17	03/10/17	03/10/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	03/13/17	03/10/17	03/10/17	2,200,000	2,199,875	0	2,199,875	0
ATLANTIC ASSET SECUCPABS4	03/13/17	03/10/17	03/10/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	03/13/17	03/10/17	03/10/17	50,000,000	49,997,167	0	49,997,167	0
ATLANTIC ASSET SECUCPABS4	03/13/17	03/10/17	03/10/17	40,679,000	40,676,695	0	40,676,695	0
ATLANTIC ASSET SECUCPABS4	03/14/17	03/13/17	03/13/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/14/17	03/13/17	03/13/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/14/17	03/13/17	03/13/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/14/17	03/13/17	03/13/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/14/17	03/13/17	03/13/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/14/17	03/13/17	03/13/17	2,200,000	2,199,958	0	2,199,958	0
ATLANTIC ASSET SECUCPABS4	03/15/17	03/08/17	03/08/17	50,000,000	49,993,194	0	49,993,194	0
ATLANTIC ASSET SECUCPABS4	03/15/17	03/08/17	03/08/17	50,000,000	49,993,194	0	49,993,194	0
ATLANTIC ASSET SECUCPABS4	03/15/17	03/14/17	03/14/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/15/17	03/14/17	03/14/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/15/17	03/14/17	03/14/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/15/17	03/14/17	03/14/17	2,100,000	2,099,960	0	2,099,960	0
ATLANTIC ASSET SECUCPABS4	03/15/17	03/14/17	03/14/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/15/17	03/14/17	03/14/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/15/17	03/14/17	03/14/17	50,000,000	49,999,083	0	49,999,083	0
ATLANTIC ASSET SECUCPABS4	03/15/17	03/14/17	03/14/17	21,000,000	20,999,615	0	20,999,615	0
ATLANTIC ASSET SECUCPABS4	03/15/17	03/14/17	03/14/17	50,000,000	49,999,083	0	49,999,083	0
ATLANTIC ASSET SECUCPABS4	03/16/17	03/15/17	03/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/16/17	03/15/17	03/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/16/17	03/15/17	03/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/16/17	03/15/17	03/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/16/17	03/15/17	03/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/16/17	03/15/17	03/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/16/17	03/15/17	03/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/16/17	03/15/17	03/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/16/17	03/15/17	03/15/17	4,200,000	4,199,921	0	4,199,921	0
ATLANTIC ASSET SECUCPABS4	03/16/17	03/15/17	03/15/17	50,000,000	49,999,056	0	49,999,056	0
ATLANTIC ASSET SECUCPABS4	03/17/17	03/09/17	03/09/17	50,000,000	49,992,000	0	49,992,000	0
ATLANTIC ASSET SECUCPABS4	03/17/17	03/16/17	03/16/17	50,000,000	49,998,736	0	49,998,736	0
ATLANTIC ASSET SECUCPABS4	03/17/17	03/16/17	03/16/17	50,000,000	49,998,736	0	49,998,736	0
ATLANTIC ASSET SECUCPABS4	03/17/17	03/16/17	03/16/17	50,000,000	49,998,736	0	49,998,736	0
ATLANTIC ASSET SECUCPABS4	03/17/17	03/16/17	03/16/17	3,000,000	2,999,924	0	2,999,924	0
ATLANTIC ASSET SECUCPABS4	03/17/17	03/16/17	03/16/17	50,000,000	49,998,736	0	49,998,736	0
ATLANTIC ASSET SECUCPABS4	03/17/17	03/16/17	03/16/17	50,000,000	49,998,736	0	49,998,736	0
ATLANTIC ASSET SECUCPABS4	03/20/17	03/17/17	03/17/17	50,000,000	49,996,125	0	49,996,125	0
ATLANTIC ASSET SECUCPABS4	03/20/17	03/17/17	03/17/17	50,000,000	49,996,125	0	49,996,125	0
ATLANTIC ASSET SECUCPABS4	03/20/17	03/17/17	03/17/17	50,000,000	49,996,125	0	49,996,125	0
ATLANTIC ASSET SECUCPABS4	03/20/17	03/17/17	03/17/17	50,000,000	49,996,125	0	49,996,125	0
ATLANTIC ASSET SECUCPABS4	03/20/17	03/17/17	03/17/17	41,600,000	41,596,776	0	41,596,776	0
ATLANTIC ASSET SECUCPABS4	03/20/17	03/17/17	03/17/17	50,000,000	49,996,125	0	49,996,125	0
ATLANTIC ASSET SECUCPABS4	03/27/17	03/24/17	03/24/17	50,000,000	49,996,167	0	49,996,167	0
ATLANTIC ASSET SECUCPABS4	03/27/17	03/24/17	03/24/17	50,000,000	49,996,167	0	49,996,167	0

TRADING ACTIVITY FOR MARCH 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
ATLANTIC ASSET SECUCPABS4	03/27/17	03/24/17	03/24/17	10,500,000	10,499,195	0	10,499,195	0
ATLANTIC ASSET SECUCPABS4	03/27/17	03/24/17	03/24/17	50,000,000	49,996,167	0	49,996,167	0
ATLANTIC ASSET SECUCPABS4	03/27/17	03/24/17	03/24/17	50,000,000	49,996,167	0	49,996,167	0
ATLANTIC ASSET SECUCPABS4	03/27/17	03/24/17	03/24/17	50,000,000	49,996,167	0	49,996,167	0
ATLANTIC ASSET SECUCPABS4	03/28/17	03/21/17	03/21/17	41,300,000	41,292,532	0	41,292,532	0
ATLANTIC ASSET SECUCPABS4	03/28/17	03/27/17	03/27/17	50,000,000	49,998,708	0	49,998,708	0
ATLANTIC ASSET SECUCPABS4	03/28/17	03/27/17	03/27/17	50,000,000	49,998,708	0	49,998,708	0
ATLANTIC ASSET SECUCPABS4	03/29/17	03/28/17	03/28/17	50,000,000	49,998,750	0	49,998,750	0
ATLANTIC ASSET SECUCPABS4	03/29/17	03/28/17	03/28/17	18,377,000	18,376,541	0	18,376,541	0
ATLANTIC ASSET SECUCPABS4	03/29/17	03/28/17	03/28/17	50,000,000	49,998,750	0	49,998,750	0
ATLANTIC ASSET SECUCPABS4	03/30/17	03/29/17	03/29/17	50,000,000	49,998,722	0	49,998,722	0
ATLANTIC ASSET SECUCPABS4	03/30/17	03/29/17	03/29/17	50,000,000	49,998,722	0	49,998,722	0
ATLANTIC ASSET SECUCPABS4	03/30/17	03/29/17	03/29/17	43,400,000	43,398,891	0	43,398,891	0
ATLANTIC ASSET SECUCPABS4	03/30/17	03/29/17	03/29/17	50,000,000	49,998,722	0	49,998,722	0
ATLANTIC ASSET SECUCPABS4	03/31/17	03/30/17	03/30/17	50,000,000	49,998,722	0	49,998,722	0
ATLANTIC ASSET SECUCPABS4	03/31/17	03/30/17	03/30/17	50,000,000	49,998,722	0	49,998,722	0
ATLANTIC ASSET SECUCPABS4	03/31/17	03/30/17	03/30/17	50,000,000	49,998,722	0	49,998,722	0
ATLANTIC ASSET SECUCPABS4	03/31/17	03/30/17	03/30/17	48,100,000	48,098,771	0	48,098,771	0
ATLANTIC ASSET SECUCPABS4	03/31/17	03/30/17	03/30/17	50,000,000	49,998,722	0	49,998,722	0
ATLANTIC ASSET SECUCPABS4	04/03/17	03/31/17	03/31/17	50,000,000	49,996,583	0	49,996,583	0
ATLANTIC ASSET SECUCPABS4	04/03/17	03/31/17	03/31/17	44,600,000	44,596,952	0	44,596,952	0
ATLANTIC ASSET SECUCPABS4	04/03/17	03/31/17	03/31/17	50,000,000	49,996,583	0	49,996,583	0
ATLANTIC ASSET SECUCPABS4	04/03/17	03/31/17	03/31/17	50,000,000	49,996,583	0	49,996,583	0
ATLANTIC ASSET SECUCPABS4	04/20/17	03/21/17	03/21/17	50,000,000	49,958,750	0	49,958,750	0
ATLANTIC ASSET SECUCPABS4	04/20/17	03/21/17	03/21/17	49,000,000	48,959,575	0	48,959,575	0
BANK OF AMERICA N,A,, OCT	10/05/17	03/29/17	03/29/17	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL SA	09/13/17	03/13/17	03/13/17	29,600,000	29,600,000	0	29,600,000	0
BARTON CAPITAL LLCCPABS4-	03/08/17	03/01/17	03/01/17	50,000,000	49,993,194	0	49,993,194	0
BARTON CAPITAL LLCCPABS4-	03/08/17	03/01/17	03/01/17	10,000,000	9,998,639	0	9,998,639	0
BARTON CAPITAL LLCCPABS4-	03/09/17	03/02/17	03/02/17	11,200,000	11,198,476	0	11,198,476	0
BARTON CAPITAL LLCCPABS4-	03/09/17	03/02/17	03/02/17	50,000,000	49,993,194	0	49,993,194	0
BARTON CAPITAL LLCCPABS4-	03/15/17	03/14/17	03/14/17	50,000,000	49,999,056	0	49,999,056	0
BARTON CAPITAL LLCCPABS4-	03/15/17	03/14/17	03/14/17	37,100,000	37,099,299	0	37,099,299	0
BARTON CAPITAL LLCCPABS4-	03/16/17	03/15/17	03/15/17	49,200,000	49,199,071	0	49,199,071	0
BARTON CAPITAL LLCCPABS4-	03/16/17	03/15/17	03/15/17	40,000,000	39,999,244	0	39,999,244	0
BARTON CAPITAL LLCCPABS4-	03/21/17	03/20/17	03/20/17	50,000,000	49,998,736	0	49,998,736	0
BARTON CAPITAL LLCCPABS4-	03/21/17	03/20/17	03/20/17	2,600,000	2,599,934	0	2,599,934	0
BARTON CAPITAL LLCCPABS4-	03/24/17	03/23/17	03/23/17	50,000,000	49,998,722	0	49,998,722	0
BARTON CAPITAL LLCCPABS4-	03/24/17	03/23/17	03/23/17	10,000,000	9,999,744	0	9,999,744	0
BARTON CAPITAL LLCCPABS4-	03/30/17	03/29/17	03/29/17	18,400,000	18,399,535	0	18,399,535	0
BARTON CAPITAL LLCCPABS4-	04/06/17	03/30/17	03/30/17	50,000,000	49,990,861	0	49,990,861	0
BARTON CAPITAL LLCCPABS4-	04/06/17	03/30/17	03/30/17	17,000,000	16,996,893	0	16,996,893	0
BARTON CAPITAL LLCCPABS4-	05/05/17	03/06/17	03/06/17	50,000,000	49,922,500	0	49,922,500	0
BARTON CAPITAL LLCCPABS4-	05/05/17	03/06/17	03/06/17	40,000,000	39,938,000	0	39,938,000	0
BARTON CAPITAL LLCCPABS4-	05/05/17	03/07/17	03/07/17	50,000,000	49,923,792	0	49,923,792	0
BARTON CAPITAL LLCCPABS4-	05/15/17	03/20/17	03/20/17	25,000,000	24,959,944	0	24,959,944	0
BEDFORD ROW FUNDING CORP	03/22/18	03/22/17	03/27/17	30,000,000	30,000,000	0	30,000,000	0
BEDFORD ROW FUNDING CORP	11/06/17	03/30/17	04/03/17	25,000,000	25,000,000	0	25,000,000	0
BNP PARIBAS SACP4-2	03/02/17	03/01/17	03/01/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP4-2	03/02/17	03/01/17	03/01/17	50,000,000	49,999,083	0	49,999,083	0
BNP PARIBAS SACP4-2	03/09/17	03/02/17	03/02/17	38,000,000	37,994,976	0	37,994,976	0
BNP PARIBAS SACP4-2	03/10/17	03/09/17	03/09/17	1,800,000	1,799,967	0	1,799,967	0
BNP PARIBAS SACP4-2	03/16/17	03/09/17	03/09/17	40,000,000	39,994,633	0	39,994,633	0
BNP PARIBAS SACP4-2	03/16/17	03/15/17	03/15/17	40,700,000	40,699,254	0	40,699,254	0
BNP PARIBAS SACP4-2	03/20/17	03/13/17	03/13/17	50,000,000	49,992,125	0	49,992,125	0
BNP PARIBAS SACP4-2	03/20/17	03/13/17	03/13/17	50,000,000	49,992,125	0	49,992,125	0
BNP PARIBAS SACP4-2	03/20/17	03/13/17	03/13/17	50,000,000	49,992,125	0	49,992,125	0
BNP PARIBAS SACP4-2	03/20/17	03/13/17	03/13/17	50,000,000	49,992,125	0	49,992,125	0
BNP PARIBAS SACP4-2	03/20/17	03/13/17	03/13/17	50,000,000	49,992,125	0	49,992,125	0
BNP PARIBAS SACP4-2	03/20/17	03/13/17	03/13/17	50,000,000	49,992,125	0	49,992,125	0
BNP PARIBAS SACP4-2	03/23/17	03/16/17	03/16/17	50,000,000	49,990,861	0	49,990,861	0
BNP PARIBAS SACP4-2	03/23/17	03/16/17	03/16/17	40,000,000	39,992,689	0	39,992,689	0
BNP PARIBAS SACP4-2	03/27/17	03/20/17	03/20/17	50,000,000	49,990,958	0	49,990,958	0
BNP PARIBAS SACP4-2	03/27/17	03/20/17	03/20/17	50,000,000	49,990,958	0	49,990,958	0
BNP PARIBAS SACP4-2	03/27/17	03/20/17	03/20/17	50,000,000	49,990,958	0	49,990,958	0
BNP PARIBAS SACP4-2	03/27/17	03/20/17	03/20/17	50,000,000	49,990,958	0	49,990,958	0
BNP PARIBAS SACP4-2	03/27/17	03/20/17	03/20/17	50,000,000	49,990,958	0	49,990,958	0
BNP PARIBAS SACP4-2	03/27/17	03/20/17	03/20/17	50,000,000	49,990,958	0	49,990,958	0
BNP PARIBAS SACP4-2	03/27/17	03/24/17	03/24/17	50,000,000	49,996,208	0	49,996,208	0
BNP PARIBAS SACP4-2	03/27/17	03/24/17	03/24/17	35,000,000	34,997,346	0	34,997,346	0
BNP PARIBAS SACP4-2	03/28/17	03/27/17	03/27/17	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	03/28/17	03/27/17	03/27/17	41,600,000	41,598,948	0	41,598,948	0
BNP PARIBAS SACP4-2	03/28/17	03/27/17	03/27/17	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	03/28/17	03/27/17	03/27/17	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	03/28/17	03/27/17	03/27/17	50,000,000	49,998,736	0	49,998,736	0

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR MARCH 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BNP PARIBAS SACP4-2	03/29/17	03/28/17	03/28/17	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	03/29/17	03/28/17	03/28/17	41,500,000	41,498,951	0	41,498,951	0
BNP PARIBAS SACP4-2	03/29/17	03/28/17	03/28/17	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	03/29/17	03/28/17	03/28/17	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	03/29/17	03/28/17	03/28/17	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	03/29/17	03/28/17	03/28/17	50,000,000	49,998,736	0	49,998,736	0
BNP PARIBAS SACP4-2	04/03/17	03/27/17	03/27/17	50,000,000	49,991,153	0	49,991,153	0
BNP PARIBAS SACP4-2	04/03/17	03/27/17	03/27/17	50,000,000	49,991,153	0	49,991,153	0
BNP PARIBAS SACP4-2	04/05/17	03/29/17	03/29/17	50,000,000	49,991,153	0	49,991,153	0
BNP PARIBAS SACP4-2	04/05/17	03/29/17	03/29/17	50,000,000	49,991,153	0	49,991,153	0
BNP PARIBAS SACP4-2	04/05/17	03/29/17	03/29/17	50,000,000	49,991,153	0	49,991,153	0
BNP PARIBAS SACP4-2	04/05/17	03/29/17	03/29/17	43,400,000	43,392,321	0	43,392,321	0
BNP PARIBAS SACP	03/14/17	03/13/17	03/13/17	12,200,000	12,199,776	0	12,199,776	0
CRC FUNDING LLCCPABS4-2	07/14/17	03/14/17	03/14/17	50,000,000	49,789,889	0	49,789,889	0
CRC FUNDING LLCCPABS4-2	07/14/17	03/14/17	03/14/17	50,000,000	49,789,889	0	49,789,889	0
CIESCO, LLCCPABS4-2	03/03/17	03/02/17	03/02/17	3,928,000	3,927,926	0	3,927,926	0
CIESCO, LLCCPABS4-2	03/06/17	03/03/17	03/03/17	1,000,000	999,943	0	999,943	0
COLLATERALIZED COMMERCIAL PAPER CO LLC	12/11/17	03/16/17	03/20/17	50,000,000	50,000,000	0	50,000,000	0
COLLATERALIZED COMMERCIAL PAPER CO LLC	12/12/17	03/17/17	03/17/17	20,000,000	20,000,000	0	20,000,000	0
COLLATERALIZED COMMERCIAL PAPER CO LLC	12/22/17	03/30/17	03/30/17	15,000,000	15,000,000	0	15,000,000	0
COOPERATIEVE RABOBANK UA/NY	03/02/17	03/01/17	03/01/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	03/02/17	03/01/17	03/01/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	03/02/17	03/01/17	03/01/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	03/02/17	03/01/17	03/01/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	03/02/17	03/01/17	03/01/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	03/02/17	03/01/17	03/01/17	18,343,000	18,342,669	0	18,342,669	0
COOPERATIEVE RABOBANK UA/NY	03/02/17	03/01/17	03/01/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	03/06/17	03/03/17	03/03/17	11,800,000	11,799,361	0	11,799,361	0
RABOBANK NEDERLAND CP	03/09/17	03/08/17	03/08/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	03/09/17	03/08/17	03/08/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	03/09/17	03/08/17	03/08/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	03/09/17	03/08/17	03/08/17	36,800,000	36,799,336	0	36,799,336	0
RABOBANK NEDERLAND CP	03/09/17	03/08/17	03/08/17	50,000,000	49,999,097	0	49,999,097	0
RABOBANK NEDERLAND CP	03/09/17	03/08/17	03/08/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	03/15/17	03/14/17	03/14/17	20,000,000	19,999,639	0	19,999,639	0
COOPERATIEVE RABOBANK UA/NY	03/15/17	03/14/17	03/14/17	50,000,000	49,999,097	0	49,999,097	0
COOPERATIEVE RABOBANK UA/NY	03/17/17	03/16/17	03/16/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/17/17	03/16/17	03/16/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/17/17	03/16/17	03/16/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/17/17	03/16/17	03/16/17	47,064,000	47,062,823	0	47,062,823	0
COOPERATIEVE RABOBANK UA/NY	03/17/17	03/16/17	03/16/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/17/17	03/16/17	03/16/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/17/17	03/16/17	03/16/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/17/17	03/16/17	03/16/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/17/17	03/16/17	03/16/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/17/17	03/16/17	03/16/17	17,800,000	17,799,555	0	17,799,555	0
COOPERATIEVE RABOBANK UA/NY	03/21/17	03/20/17	03/20/17	13,895,000	13,894,653	0	13,894,653	0
COOPERATIEVE RABOBANK UA/NY	03/23/17	03/22/17	03/22/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/23/17	03/22/17	03/22/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/23/17	03/22/17	03/22/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/23/17	03/22/17	03/22/17	16,700,000	16,699,583	0	16,699,583	0
RABOBANK NEDERLAND CP	03/24/17	03/23/17	03/23/17	50,000,000	49,998,750	0	49,998,750	0
RABOBANK NEDERLAND CP	03/24/17	03/23/17	03/23/17	35,000,000	34,999,125	0	34,999,125	0
COOPERATIEVE RABOBANK UA/NY	03/28/17	03/27/17	03/27/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/28/17	03/27/17	03/27/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/28/17	03/27/17	03/27/17	28,900,000	28,899,278	0	28,899,278	0
COOPERATIEVE RABOBANK UA/NY	03/28/17	03/27/17	03/27/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/28/17	03/27/17	03/27/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/28/17	03/27/17	03/27/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/28/17	03/27/17	03/27/17	50,000,000	49,998,750	0	49,998,750	0
RABOBANK NEDERLAND CP	03/29/17	03/28/17	03/28/17	50,000,000	49,998,750	0	49,998,750	0
RABOBANK NEDERLAND CP	03/29/17	03/28/17	03/28/17	50,000,000	49,998,750	0	49,998,750	0
RABOBANK NEDERLAND CP	03/29/17	03/28/17	03/28/17	50,000,000	49,998,750	0	49,998,750	0
RABOBANK NEDERLAND CP	03/29/17	03/28/17	03/28/17	50,000,000	49,998,750	0	49,998,750	0
RABOBANK NEDERLAND CP	03/29/17	03/28/17	03/28/17	41,500,000	41,498,963	0	41,498,963	0
RABOBANK NEDERLAND CP	03/29/17	03/28/17	03/28/17	50,000,000	49,998,750	0	49,998,750	0
RABOBANK NEDERLAND CP	03/29/17	03/28/17	03/28/17	50,000,000	49,998,750	0	49,998,750	0
RABOBANK NEDERLAND CP	03/29/17	03/28/17	03/28/17	50,000,000	49,998,750	0	49,998,750	0
RABOBANK NEDERLAND CP	03/29/17	03/28/17	03/28/17	50,000,000	49,998,750	0	49,998,750	0
RABOBANK NEDERLAND CP	03/29/17	03/28/17	03/28/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/30/17	03/29/17	03/29/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/30/17	03/29/17	03/29/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/30/17	03/29/17	03/29/17	50,000,000	49,998,750	0	49,998,750	0
COOPERATIEVE RABOBANK UA/NY	03/30/17	03/29/17	03/29/17	25,000,000	24,999,375	0	24,999,375	0
CREDIT AGRICOLE CORCP	03/02/17	03/01/17	03/01/17	50,000,000	49,999,083	0	49,999,083	0

FLORIDA PRIME™

AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR MARCH 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
CREDIT AGRICOLE CORCP	03/02/17	03/01/17	03/01/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	03/02/17	03/01/17	03/01/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	03/02/17	03/01/17	03/01/17	28,100,000	28,099,485	0	28,099,485	0
CREDIT AGRICOLE CORCP	03/02/17	03/01/17	03/01/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	03/03/17	03/02/17	03/02/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	03/03/17	03/02/17	03/02/17	44,000,000	43,999,193	0	43,999,193	0
CREDIT AGRICOLE CORCP	03/03/17	03/02/17	03/02/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	03/06/17	03/03/17	03/03/17	3,800,000	3,799,791	0	3,799,791	0
CREDIT AGRICOLE CORCP	03/06/17	03/03/17	03/03/17	50,000,000	49,997,250	0	49,997,250	0
CREDIT AGRICOLE CORCP	03/06/17	03/03/17	03/03/17	50,000,000	49,997,250	0	49,997,250	0
CREDIT AGRICOLE CORCP	03/07/17	03/06/17	03/06/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	03/07/17	03/06/17	03/06/17	41,100,000	41,099,247	0	41,099,247	0
CREDIT AGRICOLE CORCP	03/08/17	03/07/17	03/07/17	41,000,000	40,999,248	0	40,999,248	0
CREDIT AGRICOLE CORCP	03/08/17	03/07/17	03/07/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	03/09/17	03/08/17	03/08/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	03/09/17	03/08/17	03/08/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	03/10/17	03/09/17	03/09/17	36,800,000	36,799,325	0	36,799,325	0
CREDIT AGRICOLE CORCP	03/14/17	03/13/17	03/13/17	50,000,000	49,999,083	0	49,999,083	0
CREDIT AGRICOLE CORCP	03/14/17	03/13/17	03/13/17	37,200,000	37,199,318	0	37,199,318	0
CREDIT AGRICOLE CORCP	03/17/17	03/16/17	03/16/17	50,000,000	49,998,736	0	49,998,736	0
CREDIT AGRICOLE CORCP	03/17/17	03/16/17	03/16/17	38,000,000	37,999,039	0	37,999,039	0
CREDIT AGRICOLE CORCP	03/20/17	03/17/17	03/17/17	50,000,000	49,996,208	0	49,996,208	0
CREDIT AGRICOLE CORCP	03/20/17	03/17/17	03/17/17	50,000,000	49,996,208	0	49,996,208	0
CREDIT AGRICOLE CORCP	03/20/17	03/17/17	03/17/17	21,600,000	21,598,362	0	21,598,362	0
CREDIT AGRICOLE CORCP	03/28/17	03/27/17	03/27/17	50,000,000	49,998,736	0	49,998,736	0
CREDIT AGRICOLE CORCP	03/28/17	03/27/17	03/27/17	50,000,000	49,998,736	0	49,998,736	0
CREDIT AGRICOLE CORCP	03/28/17	03/27/17	03/27/17	50,000,000	49,998,736	0	49,998,736	0
CREDIT AGRICOLE CORCP	03/28/17	03/27/17	03/27/17	25,000,000	24,999,368	0	24,999,368	0
CREDIT AGRICOLE CORCP	03/28/17	03/27/17	03/27/17	50,000,000	49,998,736	0	49,998,736	0
CREDIT INDUSTRIEL ECDYAN	03/08/17	03/01/17	03/01/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/08/17	03/01/17	03/01/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/08/17	03/01/17	03/01/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/08/17	03/01/17	03/01/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/08/17	03/01/17	03/01/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/08/17	03/01/17	03/01/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/09/17	03/02/17	03/02/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/09/17	03/02/17	03/02/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/09/17	03/02/17	03/02/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/09/17	03/02/17	03/02/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/09/17	03/02/17	03/02/17	25,000,000	25,000,000	0	25,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/16/17	03/09/17	03/09/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/16/17	03/09/17	03/09/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/16/17	03/09/17	03/09/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/16/17	03/09/17	03/09/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/16/17	03/09/17	03/09/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/16/17	03/09/17	03/09/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/16/17	03/09/17	03/09/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/16/17	03/09/17	03/09/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/16/17	03/09/17	03/09/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/16/17	03/09/17	03/09/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/24/17	03/17/17	03/17/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/24/17	03/17/17	03/17/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/24/17	03/17/17	03/17/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/24/17	03/17/17	03/17/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/24/17	03/17/17	03/17/17	50,000,000	50,000,000	0	50,000,000	0
CREDIT SUISSE AG/NEW YORK NY	05/26/17	03/27/17	03/28/17	14,000,000	14,010,780	17,394	14,028,174	0
CREDIT SUISSE AG/NEW YORK NY	05/26/17	03/27/17	03/30/17	2,000,000	2,001,480	2,656	2,004,136	0
DNB BANK ASA	04/04/17	03/21/17	03/21/17	50,000,000	49,982,306	0	49,982,306	0
DNB BANK ASA	04/04/17	03/21/17	03/21/17	50,000,000	49,982,306	0	49,982,306	0
DNB BANK ASA	04/04/17	03/21/17	03/21/17	50,000,000	49,982,306	0	49,982,306	0
DZ BANK AG DEUTSCHECP4-2	03/29/17	03/28/17	03/28/17	34,600,000	34,599,125	0	34,599,125	0
DZ BANK AG DEUTSCHECP4-2	03/30/17	03/29/17	03/29/17	30,000,000	29,999,242	0	29,999,242	0
FIORE CAPITAL LLC	08/01/45	03/30/17	03/31/17	27,980,000	27,980,000	18,076	27,998,076	0
GOTHAM FUNDING CORPCPABS4	03/13/17	03/06/17	03/06/17	50,000,000	49,993,194	0	49,993,194	0
GOTHAM FUNDING CORPCPABS4	03/13/17	03/06/17	03/06/17	50,000,000	49,993,194	0	49,993,194	0
GOTHAM FUNDING CORPCPABS4	05/05/17	03/06/17	03/06/17	50,000,000	49,923,333	0	49,923,333	0
GOTHAM FUNDING CORPCPABS4	05/05/17	03/06/17	03/06/17	50,000,000	49,923,333	0	49,923,333	0
GOTHAM FUNDING CORPCPABS4	05/05/17	03/07/17	03/07/17	50,000,000	49,922,153	0	49,922,153	0
GOTHAM FUNDING CORPCPABS4	05/05/17	03/07/17	03/07/17	50,000,000	49,922,153	0	49,922,153	0
GOTHAM FUNDING CORPCPABS4	05/05/17	03/08/17	03/08/17	50,000,000	49,923,472	0	49,923,472	0
GOTHAM FUNDING CORPCPABS4	05/05/17	03/08/17	03/08/17	50,000,000	49,923,472	0	49,923,472	0
GOTHAM FUNDING CORPCPABS4	05/05/17	03/08/17	03/08/17	20,000,000	19,969,389	0	19,969,389	0
GOTHAM FUNDING CORPCPABS4	05/12/17	03/13/17	03/13/17	50,000,000	49,915,000	0	49,915,000	0
GOTHAM FUNDING CORPCPABS4	05/12/17	03/13/17	03/13/17	50,000,000	49,915,000	0	49,915,000	0
GOTHAM FUNDING CORPCPABS4	05/12/17	03/13/17	03/13/17	50,000,000	49,915,000	0	49,915,000	0

TRADING ACTIVITY FOR MARCH 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
KAISER FOUNDATION HCP	03/02/17	03/01/17	03/01/17	25,148,000	25,147,511	0	25,147,511	0
KAISER FOUNDATION HCP	04/17/17	03/20/17	03/20/17	33,250,000	33,224,139	0	33,224,139	0
KAISER FOUNDATION HCP	04/19/17	03/15/17	03/15/17	25,171,000	25,147,749	0	25,147,749	0
LMA-AMERICAS LLCCPABS4-2	03/06/17	03/03/17	03/03/17	50,000,000	49,997,167	0	49,997,167	0
LMA-AMERICAS LLCCPABS4-2	03/06/17	03/03/17	03/03/17	50,000,000	49,997,167	0	49,997,167	0
LMA-AMERICAS LLCCPABS4-2	03/09/17	03/02/17	03/02/17	40,000,000	39,994,556	0	39,994,556	0
LMA-AMERICAS LLCCPABS4-2	03/16/17	03/09/17	03/09/17	45,000,000	44,993,788	0	44,993,788	0
LMA-AMERICAS LLCCPABS4-2	03/21/17	03/20/17	03/20/17	40,635,000	40,633,962	0	40,633,962	0
LMA-AMERICAS LLCCPABS4-2	03/27/17	03/24/17	03/24/17	50,000,000	49,996,125	0	49,996,125	0
LMA-AMERICAS LLCCPABS4-2	03/27/17	03/24/17	03/24/17	50,000,000	49,996,125	0	49,996,125	0
LMA-AMERICAS LLCCPABS4-2	03/27/17	03/24/17	03/24/17	50,000,000	49,996,125	0	49,996,125	0
LMA-AMERICAS LLCCPABS4-2	03/27/17	03/24/17	03/24/17	50,000,000	49,996,125	0	49,996,125	0
LMA-AMERICAS LLCCPABS4-2	03/29/17	03/28/17	03/28/17	50,000,000	49,998,708	0	49,998,708	0
LMA-AMERICAS LLCCPABS4-2	03/29/17	03/28/17	03/28/17	50,000,000	49,998,708	0	49,998,708	0
LMA-AMERICAS LLCCPABS4-2	03/30/17	03/23/17	03/23/17	37,000,000	36,993,165	0	36,993,165	0
LMA-AMERICAS LLCCPABS4-2	04/03/17	03/31/17	03/31/17	50,000,000	49,996,625	0	49,996,625	0
LMA-AMERICAS LLCCPABS4-2	04/03/17	03/31/17	03/31/17	20,000,000	19,998,650	0	19,998,650	0
LMA-AMERICAS LLCCPABS4-2	04/04/17	03/16/17	03/17/17	50,000,000	49,976,000	0	49,976,000	0
LMA-AMERICAS LLCCPABS4-2	04/04/17	03/16/17	03/17/17	25,000,000	24,988,000	0	24,988,000	0
LMA-AMERICAS LLCCPABS4-2	04/05/17	03/29/17	03/29/17	50,000,000	49,990,861	0	49,990,861	0
LMA-AMERICAS LLCCPABS4-2	04/05/17	03/29/17	03/29/17	50,000,000	49,990,861	0	49,990,861	0
LMA-AMERICAS LLCCPABS4-2	04/06/17	03/30/17	03/30/17	45,000,000	44,991,950	0	44,991,950	0
LMA-AMERICAS LLCCPABS4-2	04/18/17	03/13/17	03/14/17	50,000,000	49,953,819	0	49,953,819	0
LMA-AMERICAS LLCCPABS4-2	04/19/17	03/16/17	03/16/17	30,000,000	29,972,517	0	29,972,517	0
LMA-AMERICAS LLCCPABS4-2	04/20/17	03/16/17	03/16/17	20,000,000	19,981,139	0	19,981,139	0
LMA-AMERICAS LLCCPABS4-2	04/21/17	03/20/17	03/20/17	50,000,000	49,955,556	0	49,955,556	0
LMA-AMERICAS LLCCPABS4-2	04/21/17	03/20/17	03/20/17	23,800,000	23,778,844	0	23,778,844	0
MALAYAN BANKING BERCPLOC	06/15/17	03/17/17	03/17/17	30,000,000	29,906,250	0	29,906,250	0
MANHATTAN ASSET FUNCPABS4	04/17/17	03/17/17	03/17/17	42,000,000	41,963,833	0	41,963,833	0
MANHATTAN ASSET FUNCPABS4	04/18/17	03/20/17	03/20/17	50,000,000	49,959,722	0	49,959,722	0
MANHATTAN ASSET FUNCPABS4	04/18/17	03/20/17	03/20/17	27,127,000	27,105,148	0	27,105,148	0
MANHATTAN ASSET FUNCPABS4	04/18/17	03/20/17	03/20/17	50,000,000	49,959,722	0	49,959,722	0
MANHATTAN ASSET FUNCPABS4	04/20/17	03/21/17	03/21/17	50,000,000	49,959,583	0	49,959,583	0
MANHATTAN ASSET FUNCPABS4	04/20/17	03/21/17	03/21/17	24,000,000	23,980,600	0	23,980,600	0
MANHATTAN ASSET FUNCPABS4	05/12/17	03/17/17	03/17/17	45,420,000	45,345,814	0	45,345,814	0
MANHATTAN ASSET FUNCPABS4	05/30/17	03/31/17	03/31/17	50,000,000	49,910,000	0	49,910,000	0
MANHATTAN ASSET FUNCPABS4	05/30/17	03/31/17	03/31/17	6,500,000	6,488,300	0	6,488,300	0
MICHIGAN STATE HOUSING DEVELOPMENT AUTHORITY	12/01/38	03/29/17	03/29/17	10,000,000	10,000,000	24,786	10,024,786	0
MISSISSIPPI BUSINESS FINANCE CORP	06/01/22	03/02/17	03/03/17	10,000,000	10,000,000	504	10,000,504	0
MIZUHO BANK LTD/NY	04/11/17	03/21/17	03/23/17	50,000,000	50,016,379	21,964	50,038,342	0
NATIONWIDE BUILDING SOCIETY	04/19/17	03/24/17	03/24/17	24,800,000	24,782,089	0	24,782,089	0
OLD LINE FUNDING, LCPABS4	04/26/17	03/17/17	03/17/17	50,000,000	49,947,222	0	49,947,222	0
ROYAL BANK OF CANADA	04/27/17	03/14/17	03/15/17	25,000,000	24,999,192	95,833	25,095,025	0
SOCIETE GENERALE, PCP4-2	03/10/17	03/09/17	03/09/17	3,800,000	3,799,930	0	3,799,930	0
SOCIETE GENERALE, PCP4-2	03/16/17	03/15/17	03/15/17	50,000,000	49,999,083	0	49,999,083	0
SOCIETE GENERALE, PCP4-2	03/16/17	03/15/17	03/15/17	50,000,000	49,999,083	0	49,999,083	0
SOCIETE GENERALE, PCP4-2	03/16/17	03/15/17	03/15/17	39,900,000	39,899,269	0	39,899,269	0
STANDARD CHARTERED CP4-2	04/13/17	03/30/17	03/30/17	50,000,000	49,980,556	0	49,980,556	0
STANDARD CHARTERED CP4-2	04/13/17	03/30/17	03/30/17	10,000,000	9,996,111	0	9,996,111	0
STARBIRD FUNDING COCPABS4	03/07/17	03/06/17	03/06/17	50,000,000	49,999,028	0	49,999,028	0
STARBIRD FUNDING COCPABS4	03/07/17	03/06/17	03/06/17	50,000,000	49,999,028	0	49,999,028	0
STARBIRD FUNDING COCPABS4	03/07/17	03/06/17	03/06/17	50,000,000	49,999,028	0	49,999,028	0
STARBIRD FUNDING COCPABS4	03/07/17	03/06/17	03/06/17	50,000,000	49,999,028	0	49,999,028	0
STARBIRD FUNDING COCPABS4	03/08/17	03/07/17	03/07/17	25,000,000	24,999,514	0	24,999,514	0
STARBIRD FUNDING COCPABS4	03/16/17	03/15/17	03/15/17	50,000,000	49,999,056	0	49,999,056	0
STARBIRD FUNDING COCPABS4	03/16/17	03/15/17	03/15/17	19,200,000	19,199,637	0	19,199,637	0
STARBIRD FUNDING COCPABS4	03/21/17	03/20/17	03/20/17	26,000,000	25,999,328	0	25,999,328	0
STARBIRD FUNDING COCPABS4	06/16/17	03/08/17	03/08/17	50,000,000	49,833,333	0	49,833,333	0
STARBIRD FUNDING COCPABS4	06/16/17	03/08/17	03/08/17	40,000,000	39,866,667	0	39,866,667	0
STARBIRD FUNDING COCPABS4	06/16/17	03/08/17	03/08/17	50,000,000	49,833,333	0	49,833,333	0
STARBIRD FUNDING COCPABS4	06/16/17	03/08/17	03/08/17	1,000,000	996,667	0	996,667	0
STARBIRD FUNDING COCPABS4	06/16/17	03/08/17	03/08/17	50,000,000	49,833,333	0	49,833,333	0
SUMITOMO MITSUI BANKING CORP/NEW YORK	04/07/17	03/17/17	03/17/17	40,000,000	40,011,960	17,049	40,029,009	0
SUMITOMO MITSUI TRUCDYAN	03/15/17	03/08/17	03/08/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	03/15/17	03/08/17	03/08/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	03/15/17	03/08/17	03/08/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	03/15/17	03/08/17	03/08/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	03/27/17	03/20/17	03/20/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	03/27/17	03/20/17	03/20/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	03/27/17	03/20/17	03/20/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	03/27/17	03/20/17	03/20/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	03/27/17	03/20/17	03/20/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	04/04/17	03/21/17	03/21/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	04/04/17	03/21/17	03/21/17	50,000,000	50,000,000	0	50,000,000	0

FLORIDA PRIME™

AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR MARCH 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
SUMITOMO MITSUI TRUCDYAN	04/04/17	03/21/17	03/21/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	04/03/17	03/27/17	03/27/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	04/03/17	03/27/17	03/27/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	04/03/17	03/27/17	03/27/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	04/03/17	03/27/17	03/27/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	04/04/17	03/28/17	03/28/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	04/04/17	03/28/17	03/28/17	50,000,000	50,000,000	0	50,000,000	0
SUMITOMO MITSUI TRUCDYAN	04/04/17	03/28/17	03/28/17	50,000,000	50,000,000	0	50,000,000	0
THUNDER BAY FUNDING LLC	09/13/17	03/07/17	03/07/17	40,000,000	40,000,000	0	40,000,000	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/01/17	03/01/17	3,885,756	3,885,756	0	3,885,756	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/03/17	03/03/17	75,519,132	75,519,132	0	75,519,132	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/08/17	03/08/17	1,649,201	1,649,201	0	1,649,201	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/10/17	03/10/17	2,478,287	2,478,287	0	2,478,287	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/13/17	03/13/17	2,649,543	2,649,543	0	2,649,543	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/15/17	03/15/17	580,770	580,770	0	580,770	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/16/17	03/16/17	873,201	873,201	0	873,201	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/17/17	03/17/17	58,559	58,559	0	58,559	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/21/17	03/21/17	2,933,753	2,933,753	0	2,933,753	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/27/17	03/27/17	2,111,942	2,111,942	0	2,111,942	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/29/17	03/29/17	771,715	771,715	0	771,715	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/30/17	03/30/17	2,598,391	2,598,391	0	2,598,391	0
MIZUHO TRIPARTY	03/02/17	03/01/17	03/01/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/02/17	03/01/17	03/01/17	325,000,000	325,000,000	0	325,000,000	0
MIZUHO TRIPARTY	03/03/17	03/02/17	03/02/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/03/17	03/02/17	03/02/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	03/06/17	03/03/17	03/03/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/06/17	03/03/17	03/03/17	135,000,000	135,000,000	0	135,000,000	0
MIZUHO TRIPARTY	03/07/17	03/06/17	03/06/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/07/17	03/06/17	03/06/17	255,000,000	255,000,000	0	255,000,000	0
MIZUHO TRIPARTY	03/08/17	03/07/17	03/07/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/08/17	03/07/17	03/07/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	03/09/17	03/08/17	03/08/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/09/17	03/08/17	03/08/17	185,000,000	185,000,000	0	185,000,000	0
MIZUHO TRIPARTY	03/10/17	03/09/17	03/09/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/10/17	03/09/17	03/09/17	300,000,000	300,000,000	0	300,000,000	0
MIZUHO TRIPARTY	03/13/17	03/10/17	03/10/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/13/17	03/10/17	03/10/17	305,000,000	305,000,000	0	305,000,000	0
MIZUHO TRIPARTY	03/14/17	03/13/17	03/13/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/14/17	03/13/17	03/13/17	150,000,000	150,000,000	0	150,000,000	0
MIZUHO TRIPARTY	03/15/17	03/14/17	03/14/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/15/17	03/14/17	03/14/17	185,000,000	185,000,000	0	185,000,000	0
MIZUHO TRIPARTY	03/16/17	03/15/17	03/15/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/16/17	03/15/17	03/15/17	395,000,000	395,000,000	0	395,000,000	0
MIZUHO TRIPARTY	03/17/17	03/16/17	03/16/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/17/17	03/16/17	03/16/17	490,000,000	490,000,000	0	490,000,000	0
MIZUHO TRIPARTY	03/20/17	03/17/17	03/17/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/20/17	03/17/17	03/17/17	315,000,000	315,000,000	0	315,000,000	0
MIZUHO TRIPARTY	03/21/17	03/20/17	03/20/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/21/17	03/20/17	03/20/17	225,000,000	225,000,000	0	225,000,000	0
MIZUHO TRIPARTY	03/22/17	03/21/17	03/21/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/22/17	03/21/17	03/21/17	195,000,000	195,000,000	0	195,000,000	0
MIZUHO TRIPARTY	03/23/17	03/22/17	03/22/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/23/17	03/22/17	03/22/17	210,000,000	210,000,000	0	210,000,000	0
MIZUHO TRIPARTY	03/24/17	03/23/17	03/23/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/24/17	03/23/17	03/23/17	235,000,000	235,000,000	0	235,000,000	0
MIZUHO TRIPARTY	03/27/17	03/24/17	03/24/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/27/17	03/24/17	03/24/17	340,000,000	340,000,000	0	340,000,000	0
MIZUHO TRIPARTY	03/28/17	03/27/17	03/27/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/28/17	03/27/17	03/27/17	295,000,000	295,000,000	0	295,000,000	0
MIZUHO TRIPARTY	03/29/17	03/28/17	03/28/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/29/17	03/28/17	03/28/17	80,000,000	80,000,000	0	80,000,000	0
MIZUHO TRIPARTY	03/30/17	03/29/17	03/29/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/30/17	03/29/17	03/29/17	135,000,000	135,000,000	0	135,000,000	0
MIZUHO TRIPARTY	03/31/17	03/30/17	03/30/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/31/17	03/30/17	03/30/17	20,000,000	20,000,000	0	20,000,000	0
MIZUHO TRIPARTY	04/03/17	03/31/17	03/31/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	04/03/17	03/31/17	03/31/17	87,000,000	87,000,000	0	87,000,000	0
Total Buys				*25,152,771,249*	*25,148,903,553*	*198,263*	*25,149,101,815*	*0*
Cash Close								
ORTHOPAEDIC HOSPITAL OF WISCONSIN LLC	03/01/39	03/01/17	03/01/17	355,000	355,000	0	355,000	0
Total Cash Close				*355,000*	*355,000*	*0*	*355,000*	*0*

TRADING ACTIVITY FOR MARCH 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
Deposits								
SVENSKA HANDELSBANKTDCAY 0.66 20170302	03/02/17	03/01/17	03/01/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170303	03/03/17	03/02/17	03/02/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170306	03/06/17	03/03/17	03/03/17	520,000,000	520,000,000	0	520,000,000	0
STANDARD CHARTERED TD 0.7 20170310	03/10/17	03/03/17	03/03/17	187,000,000	187,000,000	0	187,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170307	03/07/17	03/06/17	03/06/17	520,000,000	520,000,000	0	520,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170308	03/08/17	03/07/17	03/07/17	520,000,000	520,000,000	0	520,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170308	03/08/17	03/07/17	03/07/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170309	03/09/17	03/08/17	03/08/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170310	03/10/17	03/09/17	03/09/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170313	03/13/17	03/10/17	03/10/17	525,000,000	525,000,000	0	525,000,000	0
STANDARD CHARTERED TD 0.73 20170317	03/17/17	03/10/17	03/10/17	362,000,000	362,000,000	0	362,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170314	03/14/17	03/13/17	03/13/17	525,000,000	525,000,000	0	525,000,000	0
CANADIAN IMPERIAL BTDCAY 0.65 20170314	03/14/17	03/13/17	03/13/17	230,000,000	230,000,000	0	230,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170315	03/15/17	03/14/17	03/14/17	520,000,000	520,000,000	0	520,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170316	03/16/17	03/15/17	03/15/17	520,000,000	520,000,000	0	520,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170317	03/17/17	03/16/17	03/16/17	520,000,000	520,000,000	0	520,000,000	0
NATIONAL AUSTRALIA TDCAY 0.9 20170317	03/17/17	03/16/17	03/16/17	300,000,000	300,000,000	0	300,000,000	0
STANDARD CHARTERED TD 0.93 20170324	03/24/17	03/17/17	03/17/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170320	03/20/17	03/17/17	03/17/17	520,000,000	520,000,000	0	520,000,000	0
NATIONAL AUSTRALIA TDCAY 0.9 20170320	03/20/17	03/17/17	03/17/17	400,000,000	400,000,000	0	400,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170321	03/21/17	03/20/17	03/20/17	520,000,000	520,000,000	0	520,000,000	0
NATIONAL AUSTRALIA TDCAY 0.9 20170321	03/21/17	03/20/17	03/20/17	380,000,000	380,000,000	0	380,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170322	03/22/17	03/21/17	03/21/17	520,000,000	520,000,000	0	520,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170323	03/23/17	03/22/17	03/22/17	520,000,000	520,000,000	0	520,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170324	03/24/17	03/23/17	03/23/17	520,000,000	520,000,000	0	520,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170327	03/27/17	03/24/17	03/24/17	520,000,000	520,000,000	0	520,000,000	0
STANDARD CHARTERED TD 0.93 20170331	03/31/17	03/24/17	03/24/17	350,000,000	350,000,000	0	350,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170328	03/28/17	03/27/17	03/27/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170329	03/29/17	03/28/17	03/28/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170330	03/30/17	03/29/17	03/29/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170331	03/31/17	03/30/17	03/30/17	520,000,000	520,000,000	0	520,000,000	0
STANDARD CHARTERED TD 0.88 20170407	04/07/17	03/31/17	03/31/17	350,000,000	350,000,000	0	350,000,000	0
SVENSKA HANDELSBANKTDCAY 0.8 20170403	04/03/17	03/31/17	03/31/17	510,000,000	510,000,000	0	510,000,000	0
Total Deposits				*15,054,000,000*	*15,054,000,000*	*0*	*15,054,000,000*	*0*
Maturities								
ALPINE SECURITIZATICPABS4	03/03/17	03/03/17	03/03/17	25,000,000	25,000,000	0	25,000,000	0
ALPINE SECURITIZATICPABS4	03/06/17	03/06/17	03/06/17	100,000,000	100,000,000	0	100,000,000	0
ALPINE SECURITIZATICPABS4	03/20/17	03/20/17	03/20/17	100,000,000	100,000,000	0	100,000,000	0
ANGLESEA FUNDING LLCPABS4	03/14/17	03/14/17	03/14/17	70,000,000	70,000,000	0	70,000,000	0
ANGLESEA FUNDING LLCPABS4	03/16/17	03/16/17	03/16/17	100,000,000	100,000,000	0	100,000,000	0
ANTALIS S,A, CPABS4CPABS4	03/01/17	03/01/17	03/01/17	203,490,000	203,490,000	0	203,490,000	0
ANTALIS S,A, CPABS4CPABS4	03/03/17	03/03/17	03/03/17	115,000,000	115,000,000	0	115,000,000	0
ANTALIS S,A, CPABS4CPABS4	03/06/17	03/06/17	03/06/17	25,000,000	25,000,000	0	25,000,000	0
ANTALIS S,A, CPABS4CPABS4	03/08/17	03/08/17	03/08/17	207,590,000	207,590,000	0	207,590,000	0
ANTALIS S,A, CPABS4CPABS4	03/10/17	03/10/17	03/10/17	107,300,000	107,300,000	0	107,300,000	0
ANTALIS S,A, CPABS4CPABS4	03/13/17	03/13/17	03/13/17	87,260,000	87,260,000	0	87,260,000	0
ANTALIS S,A, CPABS4CPABS4	03/15/17	03/15/17	03/15/17	217,090,000	217,090,000	0	217,090,000	0
ANTALIS S,A, CPABS4CPABS4	03/17/17	03/17/17	03/17/17	125,000,000	125,000,000	0	125,000,000	0
ANTALIS S,A, CPABS4CPABS4	03/22/17	03/22/17	03/22/17	164,550,000	164,550,000	0	164,550,000	0
ANTALIS S,A, CPABS4CPABS4	03/24/17	03/24/17	03/24/17	232,680,000	232,680,000	0	232,680,000	0
ANTALIS S,A, CPABS4CPABS4	03/28/17	03/28/17	03/28/17	8,130,000	8,130,000	0	8,130,000	0
ANTALIS S,A, CPABS4CPABS4	03/31/17	03/31/17	03/31/17	235,720,000	235,720,000	0	235,720,000	0
ATLANTIC ASSET SECUCPABS4	03/01/17	03/01/17	03/01/17	203,000,000	203,000,000	0	203,000,000	0
ATLANTIC ASSET SECUCPABS4	03/02/17	03/02/17	03/02/17	201,500,000	201,500,000	0	201,500,000	0
ATLANTIC ASSET SECUCPABS4	03/03/17	03/03/17	03/03/17	402,000,000	402,000,000	0	402,000,000	0
ATLANTIC ASSET SECUCPABS4	03/06/17	03/06/17	03/06/17	407,600,000	407,600,000	0	407,600,000	0
ATLANTIC ASSET SECUCPABS4	03/07/17	03/07/17	03/07/17	256,300,000	256,300,000	0	256,300,000	0
ATLANTIC ASSET SECUCPABS4	03/08/17	03/08/17	03/08/17	376,264,000	376,264,000	0	376,264,000	0
ATLANTIC ASSET SECUCPABS4	03/09/17	03/09/17	03/09/17	302,900,000	302,900,000	0	302,900,000	0
ATLANTIC ASSET SECUCPABS4	03/10/17	03/10/17	03/10/17	351,800,000	351,800,000	0	351,800,000	0
ATLANTIC ASSET SECUCPABS4	03/13/17	03/13/17	03/13/17	292,879,000	292,879,000	0	292,879,000	0
ATLANTIC ASSET SECUCPABS4	03/14/17	03/14/17	03/14/17	252,200,000	252,200,000	0	252,200,000	0
ATLANTIC ASSET SECUCPABS4	03/15/17	03/15/17	03/15/17	473,100,000	473,100,000	0	473,100,000	0
ATLANTIC ASSET SECUCPABS4	03/16/17	03/16/17	03/16/17	454,200,000	454,200,000	0	454,200,000	0
ATLANTIC ASSET SECUCPABS4	03/17/17	03/17/17	03/17/17	303,000,000	303,000,000	0	303,000,000	0
ATLANTIC ASSET SECUCPABS4	03/20/17	03/20/17	03/20/17	291,600,000	291,600,000	0	291,600,000	0
ATLANTIC ASSET SECUCPABS4	03/27/17	03/27/17	03/27/17	260,500,000	260,500,000	0	260,500,000	0
ATLANTIC ASSET SECUCPABS4	03/28/17	03/28/17	03/28/17	141,300,000	141,300,000	0	141,300,000	0
ATLANTIC ASSET SECUCPABS4	03/29/17	03/29/17	03/29/17	118,377,000	118,377,000	0	118,377,000	0
ATLANTIC ASSET SECUCPABS4	03/30/17	03/30/17	03/30/17	193,400,000	193,400,000	0	193,400,000	0
ATLANTIC ASSET SECUCPABS4	03/31/17	03/31/17	03/31/17	248,100,000	248,100,000	0	248,100,000	0

TRADING ACTIVITY FOR MARCH 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF NOVA SCOTIA/HOUSTON	03/24/17	03/24/17	03/24/17	25,000,000	25,000,000	0	25,000,000	0
BANK OF NOVA SCOTIA/HOUSTON	03/28/17	03/28/17	03/28/17	75,000,000	75,000,000	0	75,000,000	0
BANK OF MONTREAL/CHICAGO IL	03/27/17	03/27/17	03/27/17	50,000,000	50,000,000	0	50,000,000	0
BARTON CAPITAL LLCCPABS4-	03/06/17	03/06/17	03/06/17	98,000,000	98,000,000	0	98,000,000	0
BARTON CAPITAL LLCCPABS4-	03/07/17	03/07/17	03/07/17	45,000,000	45,000,000	0	45,000,000	0
BARTON CAPITAL LLCCPABS4-	03/08/17	03/08/17	03/08/17	60,000,000	60,000,000	0	60,000,000	0
BARTON CAPITAL LLCCPABS4-	03/09/17	03/09/17	03/09/17	61,200,000	61,200,000	0	61,200,000	0
BARTON CAPITAL LLCCPABS4-	03/15/17	03/15/17	03/15/17	87,100,000	87,100,000	0	87,100,000	0
BARTON CAPITAL LLCCPABS4-	03/16/17	03/16/17	03/16/17	89,200,000	89,200,000	0	89,200,000	0
BARTON CAPITAL LLCCPABS4-	03/21/17	03/21/17	03/21/17	52,600,000	52,600,000	0	52,600,000	0
BARTON CAPITAL LLCCPABS4-	03/24/17	03/24/17	03/24/17	60,000,000	60,000,000	0	60,000,000	0
BARTON CAPITAL LLCCPABS4-	03/30/17	03/30/17	03/30/17	18,400,000	18,400,000	0	18,400,000	0
BEDFORD ROW FUNDINGCPABS4	03/07/17	03/07/17	03/07/17	30,000,000	30,000,000	0	30,000,000	0
BEDFORD ROW FUNDINGCPABS4	03/10/17	03/10/17	03/10/17	50,000,000	50,000,000	0	50,000,000	0
BEDFORD ROW FUNDINGCPABS4	03/13/17	03/13/17	03/13/17	21,000,000	21,000,000	0	21,000,000	0
BEDFORD ROW FUNDINGCPABS4	03/15/17	03/15/17	03/15/17	25,000,000	25,000,000	0	25,000,000	0
BEDFORD ROW FUNDINGCPABS4	03/27/17	03/27/17	03/27/17	4,000,000	4,000,000	0	4,000,000	0
BNP PARIBAS SACP4-2	03/01/17	03/01/17	03/01/17	97,100,000	97,100,000	0	97,100,000	0
BNP PARIBAS SACP4-2	03/02/17	03/02/17	03/02/17	100,000,000	100,000,000	0	100,000,000	0
BNP PARIBAS SACP4-2	03/09/17	03/09/17	03/09/17	38,000,000	38,000,000	0	38,000,000	0
BNP PARIBAS SACP4-2	03/10/17	03/10/17	03/10/17	1,800,000	1,800,000	0	1,800,000	0
BNP PARIBAS SACP4-2	03/13/17	03/13/17	03/13/17	300,000,000	300,000,000	0	300,000,000	0
BNP PARIBAS SACP4-2	03/16/17	03/16/17	03/16/17	80,700,000	80,700,000	0	80,700,000	0
BNP PARIBAS SACP4-2	03/20/17	03/20/17	03/20/17	300,000,000	300,000,000	0	300,000,000	0
BNP PARIBAS SACP4-2	03/23/17	03/23/17	03/23/17	90,000,000	90,000,000	0	90,000,000	0
BNP PARIBAS SACP4-2	03/27/17	03/27/17	03/27/17	385,000,000	385,000,000	0	385,000,000	0
BNP PARIBAS SACP4-2	03/28/17	03/28/17	03/28/17	241,600,000	241,600,000	0	241,600,000	0
BNP PARIBAS SACP4-2	03/29/17	03/29/17	03/29/17	291,500,000	291,500,000	0	291,500,000	0
BNP PARIBAS SACP	03/14/17	03/14/17	03/14/17	12,200,000	12,200,000	0	12,200,000	0
CANADIAN IMPERIAL BCP4-2	03/01/17	03/01/17	03/01/17	247,000,000	247,000,000	0	247,000,000	0
CIESCO, LLCCPABS4-2	03/03/17	03/03/17	03/03/17	3,928,000	3,928,000	0	3,928,000	0
CIESCO, LLCCPABS4-2	03/06/17	03/06/17	03/06/17	1,000,000	1,000,000	0	1,000,000	0
COOPERATIEVE RABOBANK UA/NY	03/02/17	03/02/17	03/02/17	318,343,000	318,343,000	0	318,343,000	0
COOPERATIEVE RABOBANK UA/NY	03/06/17	03/06/17	03/06/17	11,800,000	11,800,000	0	11,800,000	0
RABOBANK NEDERLAND CP	03/09/17	03/09/17	03/09/17	286,800,000	286,800,000	0	286,800,000	0
COOPERATIEVE RABOBANK UA/NY	03/15/17	03/15/17	03/15/17	70,000,000	70,000,000	0	70,000,000	0
COOPERATIEVE RABOBANK UA/NY	03/17/17	03/17/17	03/17/17	464,864,000	464,864,000	0	464,864,000	0
COOPERATIEVE RABOBANK UA/NY	03/21/17	03/21/17	03/21/17	13,895,000	13,895,000	0	13,895,000	0
COOPERATIEVE RABOBANK UA/NY	03/23/17	03/23/17	03/23/17	166,700,000	166,700,000	0	166,700,000	0
RABOBANK NEDERLAND CP	03/24/17	03/24/17	03/24/17	85,000,000	85,000,000	0	85,000,000	0
COOPERATIEVE RABOBANK UA/NY	03/28/17	03/28/17	03/28/17	328,900,000	328,900,000	0	328,900,000	0
RABOBANK NEDERLAND CP	03/29/17	03/29/17	03/29/17	491,500,000	491,500,000	0	491,500,000	0
COOPERATIEVE RABOBANK UA/NY	03/30/17	03/30/17	03/30/17	175,000,000	175,000,000	0	175,000,000	0
CREDIT AGRICOLE CORCP	03/01/17	03/01/17	03/01/17	226,000,000	226,000,000	0	226,000,000	0
CREDIT AGRICOLE CORCP	03/02/17	03/02/17	03/02/17	228,100,000	228,100,000	0	228,100,000	0
CREDIT AGRICOLE CORCP	03/03/17	03/03/17	03/03/17	144,000,000	144,000,000	0	144,000,000	0
CREDIT AGRICOLE CORCP	03/06/17	03/06/17	03/06/17	103,800,000	103,800,000	0	103,800,000	0
CREDIT AGRICOLE CORCP	03/07/17	03/07/17	03/07/17	91,100,000	91,100,000	0	91,100,000	0
CREDIT AGRICOLE CORCP	03/08/17	03/08/17	03/08/17	91,000,000	91,000,000	0	91,000,000	0
CREDIT AGRICOLE CORCP	03/09/17	03/09/17	03/09/17	100,000,000	100,000,000	0	100,000,000	0
CREDIT AGRICOLE CORCP	03/10/17	03/10/17	03/10/17	36,800,000	36,800,000	0	36,800,000	0
CREDIT AGRICOLE CORCP	03/14/17	03/14/17	03/14/17	87,200,000	87,200,000	0	87,200,000	0
CREDIT AGRICOLE CORCP	03/17/17	03/17/17	03/17/17	88,000,000	88,000,000	0	88,000,000	0
CREDIT AGRICOLE CORCP	03/20/17	03/20/17	03/20/17	121,600,000	121,600,000	0	121,600,000	0
CREDIT AGRICOLE CORCP	03/28/17	03/28/17	03/28/17	225,000,000	225,000,000	0	225,000,000	0
CREDIT AGRICOLE CORCDYAN	03/24/17	03/24/17	03/24/17	197,000,000	197,000,000	0	197,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/01/17	03/01/17	03/01/17	500,000,000	500,000,000	0	500,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/08/17	03/08/17	03/08/17	300,000,000	300,000,000	0	300,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/09/17	03/09/17	03/09/17	225,000,000	225,000,000	0	225,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/16/17	03/16/17	03/16/17	500,000,000	500,000,000	0	500,000,000	0
CREDIT INDUSTRIEL ECDYAN	03/24/17	03/24/17	03/24/17	250,000,000	250,000,000	0	250,000,000	0
DZ BANK AG DEUTSCHECDYAN	03/20/17	03/20/17	03/20/17	45,000,000	45,000,000	0	45,000,000	0
DZ BANK AG DEUTSCHECP4-2	03/29/17	03/29/17	03/29/17	34,600,000	34,600,000	0	34,600,000	0
DZ BANK AG DEUTSCHECP4-2	03/30/17	03/30/17	03/30/17	30,000,000	30,000,000	0	30,000,000	0
FAIRWAY FINANCE CO,CPABS4	03/01/17	03/01/17	03/01/17	115,000,000	115,000,000	0	115,000,000	0
FAIRWAY FINANCE CO,CPABS4	03/13/17	03/13/17	03/13/17	15,000,000	15,000,000	0	15,000,000	0
FAIRWAY FINANCE CO,CPABS4	03/15/17	03/15/17	03/15/17	25,000,000	25,000,000	0	25,000,000	0
FAIRWAY FINANCE CO,CPABS4	03/22/17	03/22/17	03/22/17	46,000,000	46,000,000	0	46,000,000	0
GOTHAM FUNDING CORPCPABS4	03/08/17	03/08/17	03/08/17	92,000,000	92,000,000	0	92,000,000	0
GOTHAM FUNDING CORPCPABS4	03/09/17	03/09/17	03/09/17	16,415,000	16,415,000	0	16,415,000	0
GOTHAM FUNDING CORPCPABS4	03/13/17	03/13/17	03/13/17	100,000,000	100,000,000	0	100,000,000	0
GOTHAM FUNDING CORPCPABS4	03/31/17	03/31/17	03/31/17	47,000,000	47,000,000	0	47,000,000	0
HSBC BANK USA NA/NEW YORK NY	03/08/17	03/08/17	03/08/17	800,000	800,000	0	800,000	0
KAISER FOUNDATION HCP	03/02/17	03/02/17	03/02/17	25,148,000	25,148,000	0	25,148,000	0

FLORIDA PRIME™
AN INVESTMENT SERVICE FOR PUBLIC FUNDS

TRADING ACTIVITY FOR MARCH 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
KAISER FOUNDATION HCP	03/21/17	03/21/17	03/21/17	9,770,000	9,770,000	0	9,770,000	0
LMA-AMERICAS LLCCPABS4-2	03/03/17	03/03/17	03/03/17	22,500,000	22,500,000	0	22,500,000	0
LMA-AMERICAS LLCCPABS4-2	03/06/17	03/06/17	03/06/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	03/09/17	03/09/17	03/09/17	40,000,000	40,000,000	0	40,000,000	0
LMA-AMERICAS LLCCPABS4-2	03/13/17	03/13/17	03/13/17	50,000,000	50,000,000	0	50,000,000	0
LMA-AMERICAS LLCCPABS4-2	03/16/17	03/16/17	03/16/17	45,000,000	45,000,000	0	45,000,000	0
LMA-AMERICAS LLCCPABS4-2	03/20/17	03/20/17	03/20/17	30,000,000	30,000,000	0	30,000,000	0
LMA-AMERICAS LLCCPABS4-2	03/21/17	03/21/17	03/21/17	40,635,000	40,635,000	0	40,635,000	0
LMA-AMERICAS LLCCPABS4-2	03/27/17	03/27/17	03/27/17	200,000,000	200,000,000	0	200,000,000	0
LMA-AMERICAS LLCCPABS4-2	03/29/17	03/29/17	03/29/17	100,000,000	100,000,000	0	100,000,000	0
LMA-AMERICAS LLCCPABS4-2	03/30/17	03/30/17	03/30/17	37,000,000	37,000,000	0	37,000,000	0
MALAYAN BANKING BERCPLOC	03/07/17	03/07/17	03/07/17	21,000,000	21,000,000	0	21,000,000	0
MANHATTAN ASSET FUNCPABS4	03/09/17	03/09/17	03/09/17	65,000,000	65,000,000	0	65,000,000	0
MANHATTAN ASSET FUNCPABS4	03/15/17	03/15/17	03/15/17	75,000,000	75,000,000	0	75,000,000	0
MANHATTAN ASSET FUNCPABS4	03/17/17	03/17/17	03/17/17	34,000,000	34,000,000	0	34,000,000	0
MANHATTAN ASSET FUNCPABS4	03/24/17	03/24/17	03/24/17	12,000,000	12,000,000	0	12,000,000	0
MANHATTAN ASSET FUNCPABS4	03/29/17	03/29/17	03/29/17	25,000,000	25,000,000	0	25,000,000	0
MANHATTAN ASSET FUNCPABS4	03/30/17	03/30/17	03/30/17	45,000,000	45,000,000	0	45,000,000	0
NATIONAL AUSTRALIA BANK/NEW YORK	03/09/17	03/09/17	03/09/17	12,400,000	12,400,000	0	12,400,000	0
SOCIETE GENERALE, PCP4-2	03/10/17	03/10/17	03/10/17	3,800,000	3,800,000	0	3,800,000	0
SOCIETE GENERALE, PCP4-2	03/16/17	03/16/17	03/16/17	139,900,000	139,900,000	0	139,900,000	0
STANDARD CHARTERED CDYAN	03/07/17	03/07/17	03/07/17	198,000,000	198,000,000	0	198,000,000	0
STARBIRD FUNDING COCPABS4	03/07/17	03/07/17	03/07/17	210,000,000	210,000,000	0	210,000,000	0
STARBIRD FUNDING COCPABS4	03/08/17	03/08/17	03/08/17	69,000,000	69,000,000	0	69,000,000	0
STARBIRD FUNDING COCPABS4	03/13/17	03/13/17	03/13/17	100,000,000	100,000,000	0	100,000,000	0
STARBIRD FUNDING COCPABS4	03/16/17	03/16/17	03/16/17	69,200,000	69,200,000	0	69,200,000	0
STARBIRD FUNDING COCPABS4	03/21/17	03/21/17	03/21/17	26,000,000	26,000,000	0	26,000,000	0
SUMITOMO MITSUI TRUCDYAN	03/15/17	03/15/17	03/15/17	200,000,000	200,000,000	0	200,000,000	0
SUMITOMO MITSUI TRUCDYAN	03/27/17	03/27/17	03/27/17	250,000,000	250,000,000	0	250,000,000	0
TORONTO-DOMINION BANK/NY	03/14/17	03/14/17	03/14/17	50,000,000	50,000,000	0	50,000,000	0
MIZUHO TRIPARTY	03/01/17	03/01/17	03/01/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/01/17	03/01/17	03/01/17	305,000,000	305,000,000	0	305,000,000	0
MIZUHO TRIPARTY	03/02/17	03/02/17	03/02/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/02/17	03/02/17	03/02/17	325,000,000	325,000,000	0	325,000,000	0
MIZUHO TRIPARTY	03/03/17	03/03/17	03/03/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/03/17	03/03/17	03/03/17	200,000,000	200,000,000	0	200,000,000	0
MIZUHO TRIPARTY	03/06/17	03/06/17	03/06/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/06/17	03/06/17	03/06/17	135,000,000	135,000,000	0	135,000,000	0
MIZUHO TRIPARTY	03/07/17	03/07/17	03/07/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/07/17	03/07/17	03/07/17	255,000,000	255,000,000	0	255,000,000	0
MIZUHO TRIPARTY	03/08/17	03/08/17	03/08/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/08/17	03/08/17	03/08/17	250,000,000	250,000,000	0	250,000,000	0
MIZUHO TRIPARTY	03/09/17	03/09/17	03/09/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/09/17	03/09/17	03/09/17	185,000,000	185,000,000	0	185,000,000	0
MIZUHO TRIPARTY	03/10/17	03/10/17	03/10/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/10/17	03/10/17	03/10/17	300,000,000	300,000,000	0	300,000,000	0
MIZUHO TRIPARTY	03/13/17	03/13/17	03/13/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/13/17	03/13/17	03/13/17	305,000,000	305,000,000	0	305,000,000	0
MIZUHO TRIPARTY	03/14/17	03/14/17	03/14/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/14/17	03/14/17	03/14/17	150,000,000	150,000,000	0	150,000,000	0
MIZUHO TRIPARTY	03/15/17	03/15/17	03/15/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/15/17	03/15/17	03/15/17	185,000,000	185,000,000	0	185,000,000	0
MIZUHO TRIPARTY	03/16/17	03/16/17	03/16/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/16/17	03/16/17	03/16/17	395,000,000	395,000,000	0	395,000,000	0
MIZUHO TRIPARTY	03/17/17	03/17/17	03/17/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/17/17	03/17/17	03/17/17	490,000,000	490,000,000	0	490,000,000	0
MIZUHO TRIPARTY	03/20/17	03/20/17	03/20/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/20/17	03/20/17	03/20/17	315,000,000	315,000,000	0	315,000,000	0
MIZUHO TRIPARTY	03/21/17	03/21/17	03/21/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/21/17	03/21/17	03/21/17	225,000,000	225,000,000	0	225,000,000	0
MIZUHO TRIPARTY	03/22/17	03/22/17	03/22/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/22/17	03/22/17	03/22/17	195,000,000	195,000,000	0	195,000,000	0
MIZUHO TRIPARTY	03/23/17	03/23/17	03/23/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/23/17	03/23/17	03/23/17	210,000,000	210,000,000	0	210,000,000	0
MIZUHO TRIPARTY	03/24/17	03/24/17	03/24/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/24/17	03/24/17	03/24/17	235,000,000	235,000,000	0	235,000,000	0
MIZUHO TRIPARTY	03/27/17	03/27/17	03/27/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/27/17	03/27/17	03/27/17	340,000,000	340,000,000	0	340,000,000	0
MIZUHO TRIPARTY	03/28/17	03/28/17	03/28/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/28/17	03/28/17	03/28/17	295,000,000	295,000,000	0	295,000,000	0
MIZUHO TRIPARTY	03/29/17	03/29/17	03/29/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/29/17	03/29/17	03/29/17	80,000,000	80,000,000	0	80,000,000	0
MIZUHO TRIPARTY	03/30/17	03/30/17	03/30/17	15,000,000	15,000,000	0	15,000,000	0

TRADING ACTIVITY FOR MARCH 2017

Description	Maturity Date	Trade Date	Settle Date	Par or Shares	Principal	Traded Interest	Settlement Amount	Realized Gain(Loss)
BANK OF AMERICA TRIPARTY	03/30/17	03/30/17	03/30/17	135,000,000	135,000,000	0	135,000,000	0
MIZUHO TRIPARTY	03/31/17	03/31/17	03/31/17	15,000,000	15,000,000	0	15,000,000	0
BANK OF AMERICA TRIPARTY	03/31/17	03/31/17	03/31/17	20,000,000	20,000,000	0	20,000,000	0
STANDARD CHARTERED TD 0.7 20170303	03/03/17	03/03/17	03/03/17	186,000,000	186,000,000	0	186,000,000	0
SVENSKA HANDELSBANKTDCAY 0.55 20170301	03/01/17	03/01/17	03/01/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170302	03/02/17	03/02/17	03/02/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170303	03/03/17	03/03/17	03/03/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170306	03/06/17	03/06/17	03/06/17	520,000,000	520,000,000	0	520,000,000	0
STANDARD CHARTERED TD 0.7 20170310	03/10/17	03/10/17	03/10/17	187,000,000	187,000,000	0	187,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170307	03/07/17	03/07/17	03/07/17	520,000,000	520,000,000	0	520,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170308	03/08/17	03/08/17	03/08/17	520,000,000	520,000,000	0	520,000,000	0
NATIONAL AUSTRALIA TDCAY 0.65 20170308	03/08/17	03/08/17	03/08/17	200,000,000	200,000,000	0	200,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170309	03/09/17	03/09/17	03/09/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170310	03/10/17	03/10/17	03/10/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170313	03/13/17	03/13/17	03/13/17	525,000,000	525,000,000	0	525,000,000	0
STANDARD CHARTERED TD 0.73 20170317	03/17/17	03/17/17	03/17/17	362,000,000	362,000,000	0	362,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170314	03/14/17	03/14/17	03/14/17	525,000,000	525,000,000	0	525,000,000	0
CANADIAN IMPERIAL BTDCAY 0.65 20170314	03/14/17	03/14/17	03/14/17	230,000,000	230,000,000	0	230,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170315	03/15/17	03/15/17	03/15/17	520,000,000	520,000,000	0	520,000,000	0
SVENSKA HANDELSBANKTDCAY 0.66 20170316	03/16/17	03/16/17	03/16/17	520,000,000	520,000,000	0	520,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170317	03/17/17	03/17/17	03/17/17	520,000,000	520,000,000	0	520,000,000	0
NATIONAL AUSTRALIA TDCAY 0.9 20170317	03/17/17	03/17/17	03/17/17	300,000,000	300,000,000	0	300,000,000	0
STANDARD CHARTERED TD 0.93 20170324	03/24/17	03/24/17	03/24/17	300,000,000	300,000,000	0	300,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170320	03/20/17	03/20/17	03/20/17	520,000,000	520,000,000	0	520,000,000	0
NATIONAL AUSTRALIA TDCAY 0.9 20170320	03/20/17	03/20/17	03/20/17	400,000,000	400,000,000	0	400,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170321	03/21/17	03/21/17	03/21/17	520,000,000	520,000,000	0	520,000,000	0
NATIONAL AUSTRALIA TDCAY 0.9 20170321	03/21/17	03/21/17	03/21/17	380,000,000	380,000,000	0	380,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170322	03/22/17	03/22/17	03/22/17	520,000,000	520,000,000	0	520,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170323	03/23/17	03/23/17	03/23/17	520,000,000	520,000,000	0	520,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170324	03/24/17	03/24/17	03/24/17	520,000,000	520,000,000	0	520,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170327	03/27/17	03/27/17	03/27/17	520,000,000	520,000,000	0	520,000,000	0
STANDARD CHARTERED TD 0.93 20170331	03/31/17	03/31/17	03/31/17	350,000,000	350,000,000	0	350,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170328	03/28/17	03/28/17	03/28/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170329	03/29/17	03/29/17	03/29/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170330	03/30/17	03/30/17	03/30/17	525,000,000	525,000,000	0	525,000,000	0
SVENSKA HANDELSBANKTDCAY 0.91 20170331	03/31/17	03/31/17	03/31/17	520,000,000	520,000,000	0	520,000,000	0
Total Maturities				*40,274,728,000*	*40,274,728,000*	*0*	*40,274,728,000*	*0*
Sells								
ANGLESEA FUNDING LLCPABS4	06/07/17	03/29/17	04/04/17	25,000,000	24,951,111	0	24,951,111	4,444
ANGLESEA FUNDING LLCPABS4	06/07/17	03/29/17	04/04/17	25,000,000	24,951,111	0	24,951,111	4,444
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY	09/01/44	03/13/17	03/15/17	10,000,000	10,000,000	3,107	10,003,107	0
CALIFORNIA POLLUTION CONTROL FINANCING AUTHORITY	09/01/44	03/13/17	03/15/17	20,000,000	20,000,000	6,214	20,006,214	0
CONNECTICUT HOUSING FINANCE AUTHORITY	05/15/36	03/03/17	03/10/17	14,600,000	14,600,000	30,926	14,630,926	0
FIORE CAPITAL LLC	08/01/45	03/24/17	03/31/17	37,980,000	37,980,000	24,536	38,004,536	0
ILLINOIS FINANCE AUTHORITY	11/01/37	03/06/17	03/13/17	14,380,000	14,380,000	3,073	14,383,073	0
METROPOLITAN WASHINGTON AIRPORTS AUTHORITY	10/01/21	03/06/17	03/13/17	11,960,000	11,960,000	2,536	11,962,536	0
COUNTY OF MONTGOMERY OH	05/01/38	03/10/17	03/17/17	7,850,000	7,850,000	2,368	7,852,368	0
WASHINGTON ECONOMIC DEVELOPMENT FINANCE AUTHORITY	02/12/19	03/10/17	03/17/17	26,450,000	26,450,000	7,935	26,457,935	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/02/17	03/02/17	443,466	443,466	0	443,466	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/02/17	03/02/17	3,934,520	3,934,520	0	3,934,520	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/02/17	03/02/17	938,443	938,443	0	938,443	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/02/17	03/02/17	1,484,985	1,484,985	0	1,484,985	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/06/17	03/06/17	2,400,771	2,400,771	0	2,400,771	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/06/17	03/06/17	4,847,824	4,847,824	0	4,847,824	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/07/17	03/07/17	67,784,654	67,784,654	0	67,784,654	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/09/17	03/09/17	993,862	993,862	0	993,862	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/14/17	03/14/17	1,892,792	1,892,792	0	1,892,792	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/14/17	03/14/17	1,649,201	1,649,201	0	1,649,201	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/14/17	03/14/17	2,478,287	2,478,287	0	2,478,287	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/14/17	03/14/17	93,761	93,761	0	93,761	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/20/17	03/20/17	1,355,577	1,355,577	0	1,355,577	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/22/17	03/22/17	1,062,567	1,062,567	0	1,062,567	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/23/17	03/23/17	105,290	105,290	0	105,290	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/24/17	03/24/17	32,348	32,348	0	32,348	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/24/17	03/24/17	580,770	580,770	0	580,770	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/24/17	03/24/17	75,056	75,056	0	75,056	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/28/17	03/28/17	1,416,827	1,416,827	0	1,416,827	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/31/17	03/31/17	2,598,391	2,598,391	0	2,598,391	0
DREYFUS GOVT CASH MGMT FUND	06/01/18	03/31/17	03/31/17	896,037	896,037	0	896,037	0
Total Sells				*290,285,427*	*290,187,649*	*80,695*	*290,268,344*	*8,889*

SBA FLORIDA
STATE BOARD OF ADMINISTRATION

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Our Mission

Our mission is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary, and professional standards.

Federated

FLORIDA RETIREMENT SYSTEM
DEFINED BENEFIT PLAN INVESTMENT POLICY STATEMENT

I. DEFINITIONS

Absolute Real Target Rate of Return - The total rate of return by which the FRS Portfolio must grow, in excess of inflation as reported by the U.S. Department of Labor, Bureau of Labor Statistics (Consumer Price Index – All Urban Consumers), in order to achieve the long-run investment objective.

Asset Class - An asset class is an aggregation of one or more portfolios with the same principal asset type.[1] For example, all of the portfolios whose principal asset type was stocks would be aggregated together as the Global Equity asset class. As such, it would contain primarily—but not exclusively—the principal asset type.

Asset Type - An asset type is a category of investment instrument such as common stock or bond.

Portfolio - A portfolio is the basic organization unit of the FRS Fund. Funds are managed within portfolios. A portfolio will typically contain one principal asset type (common stocks, for example), but may contain other asset types as well. The discretion for this mix of asset types is set out in guidelines for each portfolio.

II. OVERVIEW OF THE FRS AND SBA

The State Board of Administration (Board) provides investment management of assets contributed and held on behalf of the Florida Retirement System (FRS). The investment of retirement assets is one aspect of the activity involved in the overall administration of the Florida Retirement System. The Division of Retirement (DOR), the administrative agency for the FRS, provides full accounting and administration of benefits and contributions, commissions actuarial studies, and proposes rules and regulations for the administration of the FRS. The State Legislature has the responsibility of setting contribution and benefit levels, and providing the statutory guidance for the administration of the FRS.

III. THE BOARD

The State Board of Administration has the authority and responsibility for the investment of FRS assets. The Board consists of the Governor, as Chairman, the Chief Financial Officer, and the Attorney General. The Board has statutory responsibility for the investment of FRS assets, subject to limitations on investments as outlined in Section 215.47, Florida Statutes.

The Board shall discharge its fiduciary duties in accordance with the Florida statutory fiduciary standards of care as contained in Sections 215.44(2)(a) and 215.47(10), Florida Statutes.

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[1] The Strategic Investments asset class is an exception, purposefully established to contain a variety of portfolios which may represent asset types and strategies not suitable for inclusion in other asset classes.

The Board delegates to the Executive Director the administrative and investment authority, within the statutory limitations and rules, to manage the investment of FRS assets. An Investment Advisory Council (IAC) is appointed by the Board. The IAC meets quarterly, and is charged with the review and study of general portfolio objectives, policies and strategies, including a review of investment performance.

The mission of the State Board of Administration is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary and professional standards.

IV. THE EXECUTIVE DIRECTOR

The Executive Director is charged with the responsibility for managing and directing administrative, personnel, budgeting, and investment functions, including the strategic and tactical allocation of investment assets.

The Executive Director is charged with developing specific individual investment portfolio objectives and policy guidelines, and providing the Board with monthly and quarterly reports of investment activities.

The Executive Director has investment responsibility for maintaining diversified portfolios, and maximizing returns with respect to the broad diversified market standards of individual asset classes, consistent with appropriate risk constraints. The Executive Director will develop policies and procedures to:

- Identify, monitor and control/mitigate key investment and operational risks.
- Maintain an appropriate and effective risk management and compliance program that identifies, evaluates and manages risks within business units and at the enterprise level.
- Maintain an appropriate and effective control environment for SBA investment and operational responsibilities.
- Approve risk allocations and limits, including total fund and asset class risk budgets.

The Executive Director will appoint a Chief Risk and Compliance Officer, whose selection, compensation and termination will be affirmed by the Board, to assist in the execution of the responsibilities enumerated in the preceding list. For day-to-day executive and administrative purposes, the Chief Risk and Compliance Officer will proactively work with the Executive Director and designees to ensure that issues are promptly and thoroughly addressed by management. On at least a quarterly basis, the Chief Risk and Compliance Officer will provide reports to the Investment Advisory Council, Audit Committee and Board and is authorized to directly access these bodies at any time as appropriate to ensure the integrity and effectiveness of risk management and compliance functions.

Pursuant to written SBA policy, the Executive Director will organize an Investment Oversight Group(s) to regularly review, document and formally escalate guideline compliance exceptions and events that may have a material impact on the Trust Fund. The Executive Director is delegated the authority and responsibility to prudently address any such compliance exceptions, with input from the Investment Advisory Council and Audit Committee as necessary and appropriate, unless otherwise required in this Investment Policy Statement.

The Executive Director is responsible for evaluating the appropriateness of the goals and objectives in this Plan in light of actuarial studies and recommending changes to the Board when appropriate.

V. INVESTMENT OBJECTIVES

The investment objective of the Board is to provide investment returns sufficient for the plan to be maintained in a manner that ensures the timely payment of promised benefits to current and future participants and keeps the plan cost at a reasonable level. To achieve this, a long-term real return approximating 4.5% per annum (compounded and net of investment expenses) should be attained~~, consistent with the actuarial investment return assumption of 7.65%~~. As additional considerations, the Board seeks to avoid excessive risk in long-term cost trends. To manage these risks, the volatility of annual returns should be reasonably controlled.

The Board's principal means for achieving this goal is through investment directives to the Executive Director. The main object of these investment directives is the asset class. The Board directs the Executive Director to manage the asset classes in ways that, in the Board's opinion, will maximize the likelihood of achieving the Board's investment objective within an appropriate risk management framework. The Board establishes asset classes, sets target allocations and reasonable ranges around them for each and establishes performance benchmarks for them. In addition, it establishes a performance benchmark for the total portfolio.

VI. TARGET PORTFOLIO AND ASSET ALLOCATION RANGES

The Board's investment objective is an absolute one: achieve a specific rate of return, the absolute real target rate of return. In order to achieve it, the Board sets a relative objective for the Executive Director: achieve or exceed the return on a performance benchmark known as the Target Portfolio over time. The Target Portfolio is a portfolio composed of a specific mix of the authorized asset classes. The return on this portfolio is a weighted-average of the returns to passive benchmarks for each of the asset classes. The expectation is that this return will equal or exceed the absolute real target rate of return long-term and will thus assure achievement of the Board's investment objective.

This relative return objective is developed in a risk management framework. Risk from the perspective of the Board is any shortfall of actual investment returns relative to the absolute real target rate of return over long periods of time, and the asset mix is developed to manage this risk. In selecting the Target Portfolio, the Board considers information from actuarial valuation reviews and asset/liability studies of the FRS, as well as asset class risk and return characteristics. In addition, the timing of cash demands on the portfolio to honor benefit payments and other liabilities are an important consideration. Potential asset mixes are thus evaluated with respect to their expected return, volatility, liquidity, and other risk and return measures as appropriate.

The Target Portfolio defined in Table 2 has a long-term expected compound annual real return that approximates the absolute real target rate of return. To achieve the absolute real target rate of return or actuarial return, material market risk must be borne (i.e., year to year volatility of returns). For example, in 2008 the Trust Fund's net managed real return was -26.81% compared to gains of 17.56% in 2009 and 21.48% in 2003. While downside risk is considerably greater over shorter horizons, the natural investment horizon for the Trust Fund is the long-term. Table 1 illustrates a modeled estimate of the Target Portfolio's potential range of real returns that could result over longer-term investment horizons. Over a 15-year investment horizon there is an 80 percent probability that the Target Portfolio will experience a compound annual real return between ~~-1.2~~0.47% and ~~10.4~~8.73% and a 90 percent probability that the Target Portfolio will experience a compound annual real return between -~~3.2~~0.65% and ~~11.7~~9.96%.

Table 1: Expected Risk in Target Portfolio's Real Returns

Time Horizon	5th Percentile Real Return	10th Percentile Real Return	90th Percentile Real Return	95th Percentile Real Return
10 Years	-1.78~~5.5~~%	-~~3.2~~0.42%	~~11.5~~9.71%	~~12.7~~11.22%
15 Years	-0.65~~3.2~~%	~~-1.2~~0.47%	~~10.4~~8.73%	~~11.7~~9.96%
20 Years	0.03~~-2.3~~%	~~-0.2~~1.00%	~~9.7~~8.16%	~~10.8~~9.22%
25 Years	0.49~~-1.6~~%	~~0.1~~1.37%	~~9.1~~7.77%	~~10.3~~8.71%
30 Years	0.84~~-1.1~~%	~~0.7~~1.64%	~~9.0~~7.48%	~~10.0~~8.34%

Although the Target Portfolio has an expected return and risk associated with it, it is important to note that this expected return is neither an explicit nor an implicit goal for the managers of the Florida Retirement System Trust Fund (FRSTF). These figures are used solely in developing directives for fund management that will raise the probability of success in achieving the absolute real target rate of return. The Executive Director is held responsible not for specifically achieving the absolute real target rate of return in each period, but rather for doing at least as well as the market using the Target Portfolio's mix of assets.

In pursuit of incremental investment returns, the Executive Director may vary the asset mix from the target allocation based on market conditions and the investment environment for the individual asset classes. The Executive Director shall adopt an asset allocation policy guideline which specifies the process for making these tactical decisions. The guideline shall concentrate on the analysis of economic conditions, the absolute values of asset class investments and the relative values between asset classes. The Board establishes ranges for tactical allocations, as shown in Table 2.

Table 2: Authorized Asset Classes, Target Allocations and Policy Ranges

Asset Class	Target Allocation	Policy Range Low	Policy Range High
Global Equity	53%	45%	70%
Fixed Income	18%	10%	26%
Real Estate	10%	4%	16%
Private Equity	6%	2%	9%
Strategic Investments	12%	0%	16%
Cash Equivalents	1%	0.25%	5%
Total Fund	100%	--	--

For purposes of determining compliance with these policy ranges, an asset class is considered to be an aggregation of one or more portfolios with substantially the same principal asset type.[2] An asset type is a category of investment instrument such as common stock or bond. For example, all of the portfolios whose principal asset type is bonds would be aggregated together as the Fixed Income asset class. As such, it would contain primarily—but not exclusively—the principal asset type. As a standard management practice, portfolio managers are expected to meet their goals for all assets allocated to their portfolio.

It is expected that the FRS Portfolio will be managed in such a way that the actual allocation mix will remain within these ranges. Investment strategies or market conditions which result in an allocation position for any asset class outside of the enumerated ranges for a period exceeding thirty

[2] The Strategic Investments asset class is an exception, purposefully established to potentially contain a variety of portfolios which may represent asset types and strategies not suitable for inclusion in other asset classes.

(30) consecutive business days shall be reported to the Board, together with a review of conditions causing the persistent deviation and a recommendation for subsequent investment action.

The asset allocation is established in concert with the investment objective, capital market expectations, projected actuarial liabilities, and resulting cash flows. Table 3 indicates estimated net cash flows (benefit payments less employer and employee contributions) and associated probabilities that are implicit in this policy statement, assuming the Legislature adheres to system funding provisions in current law. Additionally, the annualized income yield of the fund is projected to approximate 2% to 3%.

Table 3: Estimated Net Cash Outflow ($ millions/ % Fund)

	In 5 Years		In 10 Years	
10th Percentile	$ ~~6,317~~4,851	~~5.3~~3.67%	$ ~~11,200~~3,497	~~6.3~~3.14%
25th Percentile	$ ~~6,189~~6,776	~~4.7~~4.15%	$ ~~9,762~~6,329	~~5.5~~4.03%
Median	$ ~~6,063~~7,466	~~4.2~~4.54%	$ ~~8,674~~8,523	~~4.8~~4.60%
75th Percentile	$ ~~5,925~~8,079	~~3.8~~5.04%	$ ~~6,875~~11,561	~~4.2~~5.22%
90th Percentile	$ ~~5,760~~10,690	~~3.6~~5.96%	$ ~~4,002~~12,895	~~3.7~~6.27%

VII. PERFORMANCE MEASUREMENT

Asset class performance is measured in accordance with a broad market index appropriate to the asset class. The indices identified in Table 4 are used as the primary benchmarks for the authorized asset classes.

Table 4: Authorized Target Indices

Asset Class	Index
Global Equity	A custom version of the MSCI All Country World Investable Market Index (ACWI IMI), in dollar terms, net of withholding taxes on non-resident institutional investors, adjusted to reflect the provisions of the Protecting Florida's Investments Act
Fixed Income	The Barclays Capital U.S. Intermediate Aggregate Index
Real Estate	The core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index – Open-ended Diversified Core Equity, NET of fees, weighted at 76.5%, and the non-core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index – Open-ended Diversified Core Equity, NET of fees, weighted at 13.5%, plus a fixed return premium of 150 basis points per annum, and the FTSE EPRA/NAREIT Developed Index, in dollar terms, net of withholding taxes on non-resident institutional investors, weighted at 10%[3]
Private Equity	The MSCI All Country World Investable Market Index (ACWI IMI), in dollar terms, net of withholding taxes on non-resident institutional investors, adjusted to reflect the provisions of the Protecting Florida's Investments Act, plus a fixed premium return of 300 basis points per annum
Strategic Investments	A weighted-average of individual portfolio level benchmark returns
Cash Equivalents	iMoneyNet First Tier Institutional Money Market Funds Net Index

The return on the Target Portfolio shall be calculated as an average of the returns to the target indices indicated in Table 4 weighted by the target allocations indicated by Table 2, but adjusted for floating allocations. The policy allocations for the private market asset classes would all "float" against the

3 $\overbrace{(76.5\% * \text{NFI-ODCE})}^{\text{Core RE}} + \overbrace{[13.5\% * (\text{NFI-ODCE} + 150 \text{ bps})]}^{\text{Non-Core RE}} + \overbrace{(10\% * \text{REIT Index})}^{\text{Public RE}}$

public market asset classes (i.e., limited short-term liquidity available for rebalancing and benefit payments means that their policy allocations would equal their actual allocations) as identified in Table 5.

Table 5: Allocations of Private Market (Real Estate, Private Equity and Strategic Investments) Under and Overweights to Public Market (Global Equity, Fixed Income and Cash) Table 2 Target Allocations

Public Market Asset Classes	Float Allocation Limit	Private Market Asset Classes		
		Real Estate	Private Equity	Strategic Investments
Global Equity	N/A	50%	100%	75%
Fixed Income	N/A	50%	0%	25%

Measurement of asset allocation performance shall be made by comparing the actual asset allocation times the return for the appropriate indices to the target allocation times the index returns. For asset classes with floating allocations the basis of tactical measurement shall be the asset class's actual share.

Performance measurement of the effectiveness of the implementation of the Private Equity asset class shall be based on an internal rate of return (IRR) methodology, applied over significant periods of time. Performance measurement of the effectiveness of the implementation of the Private Equity and Strategic Investments asset classes shall be assessed relative to both the applicable index in Table 4 and:

- For Private Equity, the joint Cambridge Associates Global Private Equity and Venture Capital Index pooled return at peer group weights.
- For Strategic Investments, the CPI, as reported by the U.S. Department of Labor, Bureau of Labor Statistics (Consumer Price Index – All Urban Consumers), plus 4.5%. Fundamentally, the Strategic Investments asset class is expected to improve the risk-adjusted return of the total fund over multiple market cycles.

VIII. ASSET CLASS PORTFOLIO MANAGEMENT

General Asset Class and Portfolio Guidelines

The Executive Director is responsible for developing asset class and individual portfolio policies and guidelines which reflect the goals and objectives of this Investment Policy Statement. In doing so, he is authorized to use all investment authority spelled out in Section 215.47, Florida Statutes, except as limited by this Plan or SBA Rules. The Executive Director shall develop guidelines for the selection and retention of portfolios, and shall manage all external contractual relationships in accordance with the fiduciary responsibilities of the Board.

All asset classes shall be invested to achieve or exceed the return on their respective benchmarks over a long period of time. To obtain appropriate compensation for associated performance risks:

- Public market asset classes shall be well diversified with respect to their benchmarks and have a reliance on low cost passive strategies scaled according to the degree of efficiency in underlying securities markets, capacity in effective active strategies, and ongoing total fund liquidity requirements.
- Private Equity, Real Estate and Strategic Investments asset classes shall utilize a prudent process to maximize long-term access to attractive risk-adjusted investment opportunities through use of business partners with appropriate:
    - Financial, operational and investment expertise and resources;
    - Alignment of interests;
    - Transparency and repeatability of investment process; and
    - Controls on leverage.

Strategic Investments Guidelines

The objective of the asset class is to proactively identify and utilize non-traditional and multi-asset class investments, on an opportunistic and strategic basis, in order to accomplish one or more of the following:

- Generate long-term incremental returns in excess of a 4.5% annualized real rate of return, commensurate with risk.
- Diversify the FRS Pension Plan assets.
- Provide a potential hedge against inflation.
- Increase investment flexibility, across market environments, in order to access evolving or opportunistic investments outside of traditional asset classes and effective risk-adjusted portfolio management strategies.

Strategic Investments may include, but not be limited to, direct investments authorized by s. 215.47, Florida Statutes or investments in capital commitment partnerships, hedge funds or other vehicles that make or involve non-traditional, opportunistic and/or long or short investments in marketable and nonmarketable debt, equity, and/or real assets (e.g., real estate, infrastructure, or commodities). Leverage may be utilized subject to appropriate controls.

The Executive Director shall develop and implement policies as appropriate for the orderly and effective implementation of the provisions of Chapter 2007-88, Laws of Florida, the “Protecting Florida’s Investments Act.” Actions taken and determinations made pursuant to said policies are hereby incorporated by reference into this Investment Policy Statement, as required by subsection 215.473(6), Florida Statutes.

The Executive Director shall develop and implement policies as appropriate for the orderly and effective implementation of the provisions of Chapter 2016-36, Laws of Florida, an act relating to companies that boycott Israel. Actions taken and determinations made pursuant to said policies are hereby incorporated by reference into this Investment Policy Statement, as required by subsection 215.4725(5), Florida Statutes.

IX. REPORTING

The Board directs the Executive Director to coordinate the preparation of quarterly reports of the investment performance of the FRS by the Board's independent performance evaluation consultant.

The following formal periodic reports to the Board shall be the responsibility of the Executive Director:

- An annual report on the SBA and its investment portfolios, including that of the FRS.
- A monthly report on performance and investment actions taken.
- Special investment reports pursuant to Section 215.44-215.53, Florida Statutes.

X. IMPLEMENTATION SCHEDULE

This policy statement shall be effective ~~January~~ July 1, 2017.

FLORIDA RETIREMENT SYSTEM
DEFINED BENEFIT PLAN INVESTMENT POLICY STATEMENT

I. DEFINITIONS

Absolute Real Target Rate of Return - The total rate of return by which the FRS Portfolio must grow, in excess of inflation as reported by the U.S. Department of Labor, Bureau of Labor Statistics (Consumer Price Index – All Urban Consumers), in order to achieve the long-run investment objective.

Asset Class - An asset class is an aggregation of one or more portfolios with the same principal asset type.[1] For example, all of the portfolios whose principal asset type was stocks would be aggregated together as the Global Equity asset class. As such, it would contain primarily—but not exclusively—the principal asset type.

Asset Type - An asset type is a category of investment instrument such as common stock or bond.

Portfolio - A portfolio is the basic organization unit of the FRS Fund. Funds are managed within portfolios. A portfolio will typically contain one principal asset type (common stocks, for example), but may contain other asset types as well. The discretion for this mix of asset types is set out in guidelines for each portfolio.

II. OVERVIEW OF THE FRS AND SBA

The State Board of Administration (Board) provides investment management of assets contributed and held on behalf of the Florida Retirement System (FRS). The investment of retirement assets is one aspect of the activity involved in the overall administration of the Florida Retirement System. The Division of Retirement (DOR), the administrative agency for the FRS, provides full accounting and administration of benefits and contributions, commissions actuarial studies, and proposes rules and regulations for the administration of the FRS. The State Legislature has the responsibility of setting contribution and benefit levels, and providing the statutory guidance for the administration of the FRS.

III. THE BOARD

The State Board of Administration has the authority and responsibility for the investment of FRS assets. The Board consists of the Governor, as Chairman, the Chief Financial Officer, and the Attorney General. The Board has statutory responsibility for the investment of FRS assets, subject to limitations on investments as outlined in Section 215.47, Florida Statutes.

The Board shall discharge its fiduciary duties in accordance with the Florida statutory fiduciary standards of care as contained in Sections 215.44(2)(a) and 215.47(10), Florida Statutes.

[1] The Strategic Investments asset class is an exception, purposefully established to contain a variety of portfolios which may represent asset types and strategies not suitable for inclusion in other asset classes.

The Board delegates to the Executive Director the administrative and investment authority, within the statutory limitations and rules, to manage the investment of FRS assets. An Investment Advisory Council (IAC) is appointed by the Board. The IAC meets quarterly, and is charged with the review and study of general portfolio objectives, policies and strategies, including a review of investment performance.

The mission of the State Board of Administration is to provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary and professional standards.

IV. THE EXECUTIVE DIRECTOR

The Executive Director is charged with the responsibility for managing and directing administrative, personnel, budgeting, and investment functions, including the strategic and tactical allocation of investment assets.

The Executive Director is charged with developing specific individual investment portfolio objectives and policy guidelines, and providing the Board with monthly and quarterly reports of investment activities.

The Executive Director has investment responsibility for maintaining diversified portfolios, and maximizing returns with respect to the broad diversified market standards of individual asset classes, consistent with appropriate risk constraints. The Executive Director will develop policies and procedures to:

- Identify, monitor and control/mitigate key investment and operational risks.
- Maintain an appropriate and effective risk management and compliance program that identifies, evaluates and manages risks within business units and at the enterprise level.
- Maintain an appropriate and effective control environment for SBA investment and operational responsibilities.
- Approve risk allocations and limits, including total fund and asset class risk budgets.

The Executive Director will appoint a Chief Risk and Compliance Officer, whose selection, compensation and termination will be affirmed by the Board, to assist in the execution of the responsibilities enumerated in the preceding list. For day-to-day executive and administrative purposes, the Chief Risk and Compliance Officer will proactively work with the Executive Director and designees to ensure that issues are promptly and thoroughly addressed by management. On at least a quarterly basis, the Chief Risk and Compliance Officer will provide reports to the Investment Advisory Council, Audit Committee and Board and is authorized to directly access these bodies at any time as appropriate to ensure the integrity and effectiveness of risk management and compliance functions.

Pursuant to written SBA policy, the Executive Director will organize an Investment Oversight Group(s) to regularly review, document and formally escalate guideline compliance exceptions and events that may have a material impact on the Trust Fund. The Executive Director is delegated the authority and responsibility to prudently address any such compliance exceptions, with input from the Investment Advisory Council and Audit Committee as necessary and appropriate, unless otherwise required in this Investment Policy Statement.

The Executive Director is responsible for evaluating the appropriateness of the goals and objectives in this Plan in light of actuarial studies and recommending changes to the Board when appropriate.

V. INVESTMENT OBJECTIVES

The investment objective of the Board is to provide investment returns sufficient for the plan to be maintained in a manner that ensures the timely payment of promised benefits to current and future participants and keeps the plan cost at a reasonable level. To achieve this, a long-term real return approximating 4.5% per annum (compounded and net of investment expenses) should be attained. As additional considerations, the Board seeks to avoid excessive risk in long-term cost trends. To manage these risks, the volatility of annual returns should be reasonably controlled.

The Board's principal means for achieving this goal is through investment directives to the Executive Director. The main object of these investment directives is the asset class. The Board directs the Executive Director to manage the asset classes in ways that, in the Board's opinion, will maximize the likelihood of achieving the Board's investment objective within an appropriate risk management framework. The Board establishes asset classes, sets target allocations and reasonable ranges around them for each and establishes performance benchmarks for them. In addition, it establishes a performance benchmark for the total portfolio.

VI. TARGET PORTFOLIO AND ASSET ALLOCATION RANGES

The Board's investment objective is an absolute one: achieve a specific rate of return, the absolute real target rate of return. In order to achieve it, the Board sets a relative objective for the Executive Director: achieve or exceed the return on a performance benchmark known as the Target Portfolio over time. The Target Portfolio is a portfolio composed of a specific mix of the authorized asset classes. The return on this portfolio is a weighted-average of the returns to passive benchmarks for each of the asset classes. The expectation is that this return will equal or exceed the absolute real target rate of return long-term and will thus assure achievement of the Board's investment objective.

This relative return objective is developed in a risk management framework. Risk from the perspective of the Board is any shortfall of actual investment returns relative to the absolute real target rate of return over long periods of time, and the asset mix is developed to manage this risk. In selecting the Target Portfolio, the Board considers information from actuarial valuation reviews and asset/liability studies of the FRS, as well as asset class risk and return characteristics. In addition, the timing of cash demands on the portfolio to honor benefit payments and other liabilities are an important consideration. Potential asset mixes are thus evaluated with respect to their expected return, volatility, liquidity, and other risk and return measures as appropriate.

The Target Portfolio defined in Table 2 has a long-term expected compound annual real return that approximates the absolute real target rate of return. To achieve the absolute real target rate of return or actuarial return, material market risk must be borne (i.e., year to year volatility of returns). For example, in 2008 the Trust Fund’s net managed real return was -26.81% compared to gains of 17.56% in 2009 and 21.48% in 2003. While downside risk is considerably greater over shorter horizons, the natural investment horizon for the Trust Fund is the long-term. Table 1 illustrates a modeled estimate of the Target Portfolio’s potential range of real returns that could result over longer-term investment horizons. Over a 15-year investment horizon there is an 80 percent probability that the Target Portfolio will experience a compound annual real return between 0.47% and 8.73% and a 90 percent probability that the Target Portfolio will experience a compound annual real return between -0.65% and 9.96%.

Table 1: Expected Risk in Target Portfolio’s Real Returns

Time Horizon	5^{th} Percentile Real Return	10^{th} Percentile Real Return	90^{th} Percentile Real Return	95th Percentile Real Return
10 Years	-1.78%	-0.42%	9.71%	11.22%
15 Years	-0.65%	0.47%	8.73%	9.96%
20 Years	0.03%	1.00%	8.16%	9.22%
25 Years	0.49%	1.37%	7.77%	8.71%
30 Years	0.84%	1.64%	7.48%	8.34%

Although the Target Portfolio has an expected return and risk associated with it, it is important to note that this expected return is neither an explicit nor an implicit goal for the managers of the Florida Retirement System Trust Fund (FRSTF). These figures are used solely in developing directives for fund management that will raise the probability of success in achieving the absolute real target rate of return. The Executive Director is held responsible not for specifically achieving the absolute real target rate of return in each period, but rather for doing at least as well as the market using the Target Portfolio's mix of assets.

In pursuit of incremental investment returns, the Executive Director may vary the asset mix from the target allocation based on market conditions and the investment environment for the individual asset classes. The Executive Director shall adopt an asset allocation policy guideline which specifies the process for making these tactical decisions. The guideline shall concentrate on the analysis of economic conditions, the absolute values of asset class investments and the relative values between asset classes. The Board establishes ranges for tactical allocations, as shown in Table 2.

Table 2: Authorized Asset Classes, Target Allocations and Policy Ranges

Asset Class	Target Allocation	Policy Range Low	Policy Range High
Global Equity	53%	45%	70%
Fixed Income	18%	10%	26%
Real Estate	10%	4%	16%
Private Equity	6%	2%	9%
Strategic Investments	12%	0%	16%
Cash Equivalents	1%	0.25%	5%
Total Fund	100%	--	--

For purposes of determining compliance with these policy ranges, an asset class is considered to be an aggregation of one or more portfolios with substantially the same principal asset type.[2] An asset type is a category of investment instrument such as common stock or bond. For example, all of the portfolios whose principal asset type is bonds would be aggregated together as the Fixed Income asset class. As such, it would contain primarily—but not exclusively—the principal asset type. As a standard management practice, portfolio managers are expected to meet their goals for all assets allocated to their portfolio.

It is expected that the FRS Portfolio will be managed in such a way that the actual allocation mix will remain within these ranges. Investment strategies or market conditions which result in an allocation position for any asset class outside of the enumerated ranges for a period exceeding thirty

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(30) consecutive business days shall be reported to the Board, together with a review of conditions causing the persistent deviation and a recommendation for subsequent investment action.

The asset allocation is established in concert with the investment objective, capital market expectations, projected actuarial liabilities, and resulting cash flows. Table 3 indicates estimated net cash flows (benefit payments less employer and employee contributions) and associated probabilities that are implicit in this policy statement, assuming the Legislature adheres to system funding provisions in current law. Additionally, the annualized income yield of the fund is projected to approximate 2% to 3%.

Table 3: Estimated Net Cash Outflow ($ millions/ % Fund)

	In 5 Years		In 10 Years	
10th Percentile	$ 4,851	3.67%	$ 3,497	3.14%
25th Percentile	$ 6,776	4.15%	$ 6,329	4.03%
Median	$ 7,466	4.54%	$ 8,523	4.60%
75th Percentile	$ 8,079	5.04%	$ 11,561	5.22%
90th Percentile	$ 10,690	5.96%	$ 12,895	6.27%

VII. PERFORMANCE MEASUREMENT

Asset class performance is measured in accordance with a broad market index appropriate to the asset class. The indices identified in Table 4 are used as the primary benchmarks for the authorized asset classes.

Table 4: Authorized Target Indices

Asset Class	Index
Global Equity	A custom version of the MSCI All Country World Investable Market Index (ACWI IMI), in dollar terms, net of withholding taxes on non-resident institutional investors, adjusted to reflect the provisions of the Protecting Florida’s Investments Act
Fixed Income	The Barclays Capital U.S. Intermediate Aggregate Index
Real Estate	The core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index – Open-ended Diversified Core Equity, NET of fees, weighted at 76.5%, and the non-core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index – Open-ended Diversified Core Equity, NET of fees, weighted at 13.5%, plus a fixed return premium of 150 basis points per annum, and the FTSE EPRA/NAREIT Developed Index, in dollar terms, net of withholding taxes on non-resident institutional investors, weighted at 10%[3]
Private Equity	The MSCI All Country World Investable Market Index (ACWI IMI), in dollar terms, net of withholding taxes on non-resident institutional investors, adjusted to reflect the provisions of the Protecting Florida’s Investments Act, plus a fixed premium return of 300 basis points per annum
Strategic Investments	A weighted-average of individual portfolio level benchmark returns
Cash Equivalents	iMoneyNet First Tier Institutional Money Market Funds Net Index

The return on the Target Portfolio shall be calculated as an average of the returns to the target indices indicated in Table 4 weighted by the target allocations indicated by Table 2, but adjusted for floating allocations. The policy allocations for the private market asset classes would all “float” against the

3 $\overbrace{(76.5\% * \text{NFI-ODCE})}^{\text{Core RE}} + \overbrace{[13.5\% * (\text{NFI-ODCE} + 150\text{ bps})]}^{\text{Non-Core RE}} + \overbrace{(10\% * \text{REIT Index})}^{\text{Public RE}}$

public market asset classes (i.e., limited short-term liquidity available for rebalancing and benefit payments means that their policy allocations would equal their actual allocations) as identified in Table 5.

Table 5: Allocations of Private Market (Real Estate, Private Equity and Strategic Investments) Under and Overweights to Public Market (Global Equity, Fixed Income and Cash) Table 2 Target Allocations

Public Market Asset Classes	Float Allocation Limit	Private Market Asset Classes		
		Real Estate	Private Equity	Strategic Investments
Global Equity	N/A	50%	100%	75%
Fixed Income	N/A	50%	0%	25%

Measurement of asset allocation performance shall be made by comparing the actual asset allocation times the return for the appropriate indices to the target allocation times the index returns. For asset classes with floating allocations the basis of tactical measurement shall be the asset class's actual share.

Performance measurement of the effectiveness of the implementation of the Private Equity asset class shall be based on an internal rate of return (IRR) methodology, applied over significant periods of time. Performance measurement of the effectiveness of the implementation of the Private Equity and Strategic Investments asset classes shall be assessed relative to both the applicable index in Table 4 and:

- For Private Equity, the joint Cambridge Associates Global Private Equity and Venture Capital Index pooled return at peer group weights.
- For Strategic Investments, the CPI, as reported by the U.S. Department of Labor, Bureau of Labor Statistics (Consumer Price Index – All Urban Consumers), plus 4.5%. Fundamentally, the Strategic Investments asset class is expected to improve the risk-adjusted return of the total fund over multiple market cycles.

VIII. ASSET CLASS PORTFOLIO MANAGEMENT

General Asset Class and Portfolio Guidelines

The Executive Director is responsible for developing asset class and individual portfolio policies and guidelines which reflect the goals and objectives of this Investment Policy Statement. In doing so, he is authorized to use all investment authority spelled out in Section 215.47, Florida Statutes, except as limited by this Plan or SBA Rules. The Executive Director shall develop guidelines for the selection and retention of portfolios, and shall manage all external contractual relationships in accordance with the fiduciary responsibilities of the Board.

All asset classes shall be invested to achieve or exceed the return on their respective benchmarks over a long period of time. To obtain appropriate compensation for associated performance risks:

- Public market asset classes shall be well diversified with respect to their benchmarks and have a reliance on low cost passive strategies scaled according to the degree of efficiency in underlying securities markets, capacity in effective active strategies, and ongoing total fund liquidity requirements.
- Private Equity, Real Estate and Strategic Investments asset classes shall utilize a prudent process to maximize long-term access to attractive risk-adjusted investment opportunities through use of business partners with appropriate:
    - Financial, operational and investment expertise and resources;
    - Alignment of interests;
    - Transparency and repeatability of investment process; and
    - Controls on leverage.

Strategic Investments Guidelines

The objective of the asset class is to proactively identify and utilize non-traditional and multi-asset class investments, on an opportunistic and strategic basis, in order to accomplish one or more of the following:

- Generate long-term incremental returns in excess of a 4.5% annualized real rate of return, commensurate with risk.
- Diversify the FRS Pension Plan assets.
- Provide a potential hedge against inflation.
- Increase investment flexibility, across market environments, in order to access evolving or opportunistic investments outside of traditional asset classes and effective risk-adjusted portfolio management strategies.

Strategic Investments may include, but not be limited to, direct investments authorized by s. 215.47, Florida Statutes or investments in capital commitment partnerships, hedge funds or other vehicles that make or involve non-traditional, opportunistic and/or long or short investments in marketable and nonmarketable debt, equity, and/or real assets (e.g., real estate, infrastructure, or commodities). Leverage may be utilized subject to appropriate controls.

The Executive Director shall develop and implement policies as appropriate for the orderly and effective implementation of the provisions of Chapter 2007-88, Laws of Florida, the “Protecting Florida’s Investments Act.” Actions taken and determinations made pursuant to said policies are hereby incorporated by reference into this Investment Policy Statement, as required by subsection 215.473(6), Florida Statutes.

The Executive Director shall develop and implement policies as appropriate for the orderly and effective implementation of the provisions of Chapter 2016-36, Laws of Florida, an act relating to companies that boycott Israel. Actions taken and determinations made pursuant to said policies are hereby incorporated by reference into this Investment Policy Statement, as required by subsection 215.4725(5), Florida Statutes.

IX. REPORTING

The Board directs the Executive Director to coordinate the preparation of quarterly reports of the investment performance of the FRS by the Board's independent performance evaluation consultant.

The following formal periodic reports to the Board shall be the responsibility of the Executive Director:

- An annual report on the SBA and its investment portfolios, including that of the FRS.
- A monthly report on performance and investment actions taken.
- Special investment reports pursuant to Section 215.44-215.53, Florida Statutes.

X. IMPLEMENTATION SCHEDULE

This policy statement shall be effective July 1, 2017.

FLORIDA RETIREMENT SYSTEM

Investment Plan
Investment Policy Statement

I. PURPOSE

The Florida Retirement System Investment Plan Investment Policy Statement (IPS) serves as the primary statement of Trustee policy regarding their statutory responsibilities and authority to establish and operate an optional defined contribution retirement program for members of the Florida Retirement System. The IPS shall serve as a guiding document pertaining to investment matters with respect to the Investment Plan. The Trustees will strive to make investment decisions consistent with this IPS. Section 121.4501(14), Florida Statutes, directs the Trustees of the State Board of Administration to approve the IPS. The IPS will be reviewed annually and will be revised or supplemented as policies are changed or developed.

II. DEFINITIONS

A. **Member** – An employee who enrolls in the Florida Retirement System Investment Plan, a member-directed 401(a) program, in lieu of participation in the defined benefit program of the Florida Retirement System, a terminated Deferred Retirement Option Program (DROP) member as described in section 121.4501(21), Florida Statutes, or an alternate payee of a member or employee.

B. **Investment Product –** The result of a process that forms portfolios from securities and financial instruments in order to produce investment returns.

C. **Investment Manager** – A private sector company that provides one or more investment products.

D. **Investment Funds** – One of the investment options that may be chosen by participants. A Fund may be an aggregate of one or more investment products.

E. **Bundled Provider -** A private sector company that offers investment products, combined with recordkeeping and trading services, which are designed to meet individualized needs and requirements of plan participants, so as to afford value to participants not available through individual investment product.

F. **Passively Managed Option** – An investment management strategy that intends to produce the same level and pattern of financial returns generated by a market benchmark index.

G. **Actively Managed Option** – An investment management strategy that relies on security return predictions in an effort to out-perform the financial returns generated by a market benchmark index.

H. **Performance Benchmark** – A market benchmark index that serves as the performance measurement criterion for investment options.

I. **Investment Plan Administrator or Recordkeeper** – A private sector company that provides administrative services, including individual and collective recordkeeping and accounting, IRC limit monitoring, enrollment, beneficiary designation and changes, disbursement of monies, and other centralized administrative functions.

J. **Self-Directed Brokerage Account** – An alternative method for Investment Plan members to select various investments options otherwise not available in the Investment Plan.

K. **Self-Direct Brokerage Account Provider** – A private sector company that provides access to a Self-Directed Brokerage Account to members of the FRS Investment Plan.

III. OVERVIEW OF THE INVESTMENT PLAN AND STATE BOARD OF ADMINISTRATION

A. The Investment Plan is a member-directed 401(a) program selected by employees in lieu of participation in the defined benefit program of the Florida Retirement System. Investment Plan benefits accrue in individual accounts that are member-directed, portable and funded by employee and employer contributions and earnings. In accordance with Section 121.4501(15)(b), Florida Statutes, members and beneficiaries bear the investment risks and reap the rewards that result when they exercise control over investments in their accounts. Fluctuations in investment returns directly affect members' benefits.

B. The State Board of Administration (Board), Division of Retirement, and affected employers administer the Investment Plan. The Board designs educational services to assist employers, eligible employees, members and beneficiaries. The State Legislature has the responsibility for setting contribution levels and providing statutory guidance for the administration of the Investment Plan.

IV. THE BOARD

A. The Board consists of the Governor, as Chairman, the Chief Financial Officer and the Attorney General. The Board shall establish an optional defined contribution retirement program for members of the Florida Retirement System and make a broad range of investment options, covering most major market segments, available to members. The Board makes the final determination as to whether any investment manager or product, third-party administrator, education vendor or investment guidance~~advice~~ vendor shall be approved for the Plan.

B. The Board shall discharge its fiduciary duties in accordance with the Florida statutory fiduciary standards of care as contained in Section 121.4501(15)(a), Florida Statutes.

C. The Board delegates to the Executive Director & CIO the administrative and investment authority, within the statutory limitations and rules, to manage the Investment Plan. The Board appoints a nine-member Investment Advisory Council (IAC). The IAC reviews the IPS and any proposed changes prior to its presentation to the Board of Trustees. The Council presents the results of its review to the Board of Trustees prior to the Trustees' final approval of the statement or any changes.

V. THE EXECUTIVE DIRECTOR & CIO

A. The Executive Director & CIO is responsible for managing and directing administrative, personnel, budgeting and investment-related functions, including the hiring and termination of investment managers, bundled providers and products.

B. The Executive Director & CIO is responsible for developing specific investment objectives and policy guidelines for investment options for the Investment Plan. The Executive Director & CIO is responsible for developing policies and procedures for selecting, evaluating, and monitoring the performance of investment managers and products to which employees may direct retirement contributions under the Investment Plan, and providing the Board with monthly and quarterly reports of investment activities.

C. The Executive Director & CIO is responsible for maintaining an appropriate compliance program that ensures :

- Compliance with contractual and investment guidelines of each investment manager;
- Compliance with contractual provisions agreed to with the Investment Plan administrator and the custodian, and all other service providers to the Plan, to facilitate compliance with all legal requirements pertaining to the administration of the Plan, and compliance with all applicable administrative rules, SBA policies, and procedures; and
- Compliance with reporting and valuation requirements.

In addition, the Executive Director & CIO is also responsible for maintaining diversified investment options, and maximizing returns with respect to the performance benchmarks of ~~individual~~ investment options offered in the Investment Plan line up, consistent with appropriate ~~risk constraints~~ defined contribution plan design. Each investment option will avoid excessive risk and have a prudent degree of diversification relative to its broad market performance benchmark. The Executive Director & CIO will develop policies and procedures to:

- Identify and~~,~~ monitor manager performance and ~~control/mitigate~~ key investment and operational risks within the manager's business structure.
- Maintain an appropriate ~~and effective risk management and~~ compliance program that ~~identifies, evaluates and manages risks within business units and at the enterprise level~~ensures compliance with contractual and investment guidelines of each manager in the plan.
- Maintain an appropriate and effective ~~control environment for SBA investment and operational responsibilities~~oversight function within the Office of Defined Contribution Programs to ensure effective operational and administrative oversight.
- Approve ~~risk~~fund allocations and limits for each fund-of-fund or Retirement Date Fund under the Investment Plan.

The Executive Director & CIO will appoint a Chief ~~Risk and Compliance Officer, whose selection, compensation and termination will be affirmed by the Board~~of Defined Contribution Programs, to assist in the execution of the responsibilities enumerated in the preceding ~~list~~paragraphs. For day-to-day executive and administrative purposes, the Chief ~~Risk and Compliance Officer~~of Defined Contribution Programs will proactively work with the Executive Director & CIO and designees to ensure that issues are promptly and thoroughly addressed by management. On at least a quarterly basis, the Chief ~~Risk and Compliance Officer~~of Defined Contribution Programs will provide reports to the Investment Advisory Council, and to the Audit Committee and Board ~~and is authorized to directly access these bodies at any time as appropriate to ensure the integrity and effectiveness of risk management and compliance functions~~as requested.

To ensure compliance with the enumerated functions outlined above, the SBA Chief Risk & Compliance Officer may conduct compliance reviews of Office of Defined Contribution Programs to ensure compliance with this Investment Policy Statement and any SBA related policies and procedures in place for the Investment Plan and will provide a report that details any adverse compliance exceptions to the Executive Director & CIO.

Pursuant to written SBA policy, the Executive Director & CIO will cause a regular review, documentation and formal escalation of ~~compliance exceptions~~ anyd events that may have a material impact on the FRS Investment Plan Trust Fund. The Executive Director & CIO is delegated the authority and responsibility to prudently address any such ~~compliance exceptions~~events, with input from the Investment Advisory Council as necessary and appropriate, unless otherwise required in this Investment Policy Statement.

~~C.~~D. The Executive Director & CIO shall adopt policies and procedures designed to prevent excessive member trading between investment options from negatively impacting other members.

~~D.~~E. The Executive Director & CIO is responsible for periodically reviewing this IPS and recommending changes to the Board of Trustees when appropriate.

VI. INVESTMENT OBJECTIVES

A. The Investment Plan shall seek to achieve the following long-term objectives:

1) Offer a diversified mix of low-cost investment options that span the risk-return spectrum and give members the opportunity to accumulate retirement benefits.
2) Offer investment options that avoid excessive risk, have a prudent degree of diversification relative to broad market indices and provide a long-term rate of return, net of all expenses and fees that seek to achieve or exceed the returns on comparable market benchmark indices.
3) Offer members meaningful, independent control over the assets in their account with the opportunity to:
    a) Obtain sufficient information about the plan and investment alternatives to make informed investment decisions;
    b) Direct contributions and account balances between approved investment -options with a frequency that is appropriate in light of the market volatility of the investment options;
    c) Direct contributions and account balances between approved investment -options without the limitation of fees or charges; and
    d) Remove accrued benefits from the plan without undue delay or penalties, subject to the contract and all applicable laws governing the operation of the Plan.

VII. MEMBER CONTROL AND PLAN FIDUCIARY LIABILITY

A. This IPS is structured to be consistent with the Legislature's intent to assign liability for members' investment losses to members and provide a safe harbor for Plan fiduciaries.

B. In Sections 121.4501(8)(b)2. and 121.4501(15)(b), Florida law incorporates the federal law concept of participant control, established by regulations of the U.S. Department of Labor under section 404(c) of the Employee Retirement Income Security Act of 1974. The Investment Plan shall incorporate these concepts by providing Plan participants the opportunity to give investment instructions and obtain sufficient information to make informed investment decisions. The Investment Plan shall, in accordance with the 404(c) regulations and Florida law, provide members an opportunity to choose from a broad range of investment alternatives.

C. If a member or beneficiary of the Investment Plan exercises control over the assets in his or her account, pursuant to section 404(c) regulations and all applicable laws governing the operation of the Plan, no Plan fiduciary shall be liable for any loss to a member's or beneficiary's account which results from such member's or beneficiary's exercise of control.

D. The default option for FRS Investment Plan members that fail to make a selection of investment options shall be ~~a~~ the FRS Retirement Target Date Fund (RDF) that matches the year closest to the year each individual member reaches ~~the~~ normal retirement age for the Florida Retirement System as defined in Section 121.021(29) Florida Statutes, which otherwise meets the requirements of a qualified default investment alternative pursuant to regulations issued by the U.S. Department of Labor. The default option for FRS Pension Plan DROP participants who rollover funds from their DROP account to the Investment Plan as permitted by section 121.4501(21), Florida Statutes, and fail to make a selection of investment options shall be the FRS Retirement ~~Income~~ Fund.

VIII. MEMBER EDUCATION AND INVESTMENT GUIDANCE~~ADVICE~~

A. The education component of the Investment Plan shall be designed by the Board to assist employers, eligible employees, members, and beneficiaries in order to maintain compliance with section 404(c) regulations and to assist employees in their choice of defined benefit or defined contribution retirement programs. Educational services include, but are not limited to, disseminating educational materials; providing retirement planning education; explaining the differences between the defined benefit retirement plan and the defined contribution retirement plan; and offering financial planning guidance on matters such as investment diversification, investment risks, investment costs, and asset allocation.

For members of the Investment Plan, ~~T~~the following items must be made available to members in sufficient time to allow them an opportunity to make informed decisions regarding the management of their individual retirement account under the Plan:

- A description of all investment funds offered as an investment option under the Investment Plan including: general investment objectives, risk and return characteristics, and type and diversification of assets, but excluding any investment instruments made available through a self-directed brokerage account.
- An explanation of how to give investment instructions and any limits or restrictions on giving instructions.
- A description of any transaction fees or expenses that are charged to the member's account in connection with purchases or sales of an investment fund.

- Investment summary fund profiles as defined at Sections 121.4501(15)(c), excluding the prospectus or other information for the underlying investment instruments available through the self-directed brokerage account provided by the Plan.
- Descriptions of the annual operating expenses for each investment alternative, such as investment management fees, excluding the prospectus or other information for the underlying investment instruments available through the self-directed brokerage account provided by the Plan.
- The value of shares of all investment funds and a quarterly member statement that accounts for contributions, investment earnings, fees, penalties, or other deductions, excluding the prospectus or other information for the underlying investment instruments available through the self-directed brokerage account provided by the Plan.
- Information concerning the past investment performance of each investment fund, net of expenses, and relative to appropriate market indices, excluding the prospectus or other information for the underlying investment instruments available through the self-directed brokerage account provided by the Plan.

B. Consistent with Sections 121.4501(8)(b)1. and 121.4501(10)(b), Florida Statutes, the education component shall provide FRS ~~system~~ members with impartial and balanced information about the Plan and investment choices. In addition, ~~the~~ any approved education organization shall not be an approved investment provider or be affiliated with an approved investment provider. Educational materials shall be prepared under the assumption that the employee is an unsophisticated investor and all educational materials, including those distributed by bundled providers, shall be approved by the Board prior to dissemination. Members shall have the opportunity to choose from different levels of education services, as well as a variety of delivery methods and media. All educational services offered by investment product providers shall be provided on a fee-for-service basis.

C. The Board shall contract for the provision of low- or no ~~low~~-cost investment guidance~~advice~~ to members that is supplemental to educational services and that may be ~~is~~ paid for by those receiving the guidance~~advice~~. Investment guidance~~advice~~ shall consist of impartial and balanced recommendations about investment choices consistent with Rule 19-13.004, F.A.C. Investment guidance provided to a member should be individualized and provided on a regular basis. Members may~~shall~~ have the opportunity to choose from different levels of customized investment guidance~~advisory~~ services, as well as a variety of delivery methods and media.

D. Investment guidance for Investment Plan members will provide optimized combinations of available Investment Plan investment options and any personally owned non-Investment Plan member directed tax-deferred or taxable accounts.

~~C.~~E. Investment guidance for Pension Plan members will provide optimized combinations of any available Pension Plan benefit and any personally owned specific investment options across member directed tax-deferred or taxable accounts.

~~D.~~F. Bundled provider(s) selected to provide investment products for Investment Plan members shall not provide any member education services aimed at influencing the choice between the defined benefit and defined contribution plans of the Florida Retirement System. This education program will only be provided by the neutral education ~~vendor~~ provider hired to do so by the Board.

IX. ROLES OF THE INVESTMENT PLAN ADMINISTRATOR AND BUNDLED PROVIDERS

A. The Board will select~~s~~ a single private party to serve as the administrator for the Investment Plan. The Board makes the final determination as to whether any administrator shall be approved for the Plan. Administrative services such as individual and collective recordkeeping and accounting, IRC limit monitoring, enrollment, beneficiary designation and changes, disbursement of ~~monies~~benefits, and other centralized administrative functions shall be provided by the single administrator selected by the Board. The SBA retains the right to delineate through the contract the specific administrative services to be provided by the Bundled Provider. The SBA also retains the right, consistent with Section 121.4501(8)(a)1., Florida Statutes, to enter into a contract with the Division of Retirement for certain administrative services.

B. Bundled provider(s) selected to provide investment products to members will provide administrative services that are uniquely relevant to the bundled provider mandate. The SBA shall specify the administrative services to be provided by the single administrator and the bundled provider in the solicitation documents and contracts for services.

X. INVESTMENT OPTIONS AND PERFORMANCE BENCHMARKS

A. The authorized categories of Investment Plan investment options are segmented into tiers, with each designed to meet the varying needs of different members as shown in IPS-Table 1. The Investment Plan investment options are contained in IPS-Table 2 The default option for members that fail to make a selection of investment options shall be the ~~Target~~ Retirement Date Fund (~~TDF~~RDF) that matches the year closest to the year each individual member reaches the normal retirement age for the Florida Retirement System as defined in Section 121.021(29) Florida Statutes. The investment options can be constructed under a multiple manager framework of two or more investment managers, however, the number of investment options shall not exceed the "Maximum Number of Options" listed in IPS-Table 2 for each category, except to the extent that:

1) Multiple investment options within the same category are simultaneously offered to facilitate a transitional mapping of contributions and account balances from a terminating option;
2) An investment option is temporarily closed to new contributions and account balance transfers.

IPS-Table 1: Authorized Investment Categories

Tier	Philosophy
Tier I- Asset Allocation-Target Date Funds	Allow members to choose a diversified investment portfolio that best fits their career time horizon until anticipated retirement date. TDFs seek growth of assets in earlier years of employment and gradually shift to income oriented options at retirement. Designed for members with little investment knowledge who want a professionally managed asset allocation with little input from the member. These options will be comprised of underlying investments in the Investment Plan's Tier II and Tier III Core Options.

Tier II- Passively-Managed Core Options	Allow members who wish some control over major investment category shifts to create their own portfolios based on broad, low-cost index funds that best fit their time horizon, risk tolerance and investment goals.
Tier III- Actively –Managed Core Options	Allow members who wish more control over all key investment allocation decisions to create their own portfolios based on investment options from active managers who seek returns above a performance benchmark and that members believe best fit their time horizon, risk tolerance and investment goals.
Tier IV- Retirement Annuity Options	Allow members leaving FRS employment a means by which they can create an income ~~distribution~~ stream of their accumulated assets that can last over their remaining lifetimes.
Tier V- Self Directed Brokerage Account	Allows members interested in investments outside of Tiers I, II and III the opportunity to invest in a broad array of mutual funds, stocks, US Treasuries and other investment alternatives based on their time horizon, risk tolerance, investment goals and/or preferences.

IPS-Table 2: Authorized Investment Options Representative Performance Benchmarks, Retiree Annuities and Self Directed Brokerage Account

Investment Option Categories	Maximum Number of Options	Representative Performance Benchmarks
Tier I: Target Date Funds		
A series of asset allocation funds structured in 5-year increments along a "glidepath" as demonstrated in IPS Chart 1 below.	10	Weighted Average of each Constituent Fund's Benchmarks
Tier II: Passively Managed Core Options		
Enhanced U.S. Bond Index Fund	1	Barclays Aggregate Bond Index
Stock Market Index Fund	1	Russell 3000 Index
Foreign Stock Index Fund	1	MSCI All Country World Index ex U.S. IMI Index
Tier III: Actively-Managed Core Options		
Money Market Fund	1	iMoneyNet Money Funds Index(Net of Fees)
~~Real~~ Multi- Assets Fund	1	~~TBD~~Custom Multi-Asset Benchmark
Intermediate Bond Fund		Barclays Intermediate Aggregate Bond Index

Core Plus ~~Fixed Income~~Bond Fund	1	Barclays Aggregate Bond Index
US Large Cap ~~Equity~~ Stock Fund	1	Russell 1000 Index
US Small/Mid Cap ~~Equity~~ Stock Fund	1	Russell 2500 Index
International ~~Equity~~ Stock Fund	1	MSCI All Country World Index ex US Index
Global ~~Equity~~ Stock Fund	1	MSCI All Country World Index

Tier IV: Retiree Annuity Options		(Section 121.591(1)(c), Florida Statutes)
Immediate and Deferred Annuities	Not Applicable	Specified by the Executive Director & CIO
Tier V: Self-Directed Brokerage Account	Not Applicable	Not applicable

B. Investment options and investment products (i.e., that support Investment Funds that are composed of an aggregate of one or more investment products) may be provided by investment managers or bundled providers. Pursuant to Section 121.4501(9)(a), Florida Statutes, the Board shall select one or more providers who offer multiple investment products when such an approach is determined by the Board to afford value to members otherwise not available through individual investment products.

C. Investment options may have performance benchmarks other than the "Representative Performance Benchmarks" listed in IPS-Table 2, but any alternative performance benchmark must be identified in the investment guidelines required under Section XI of this IPS and provide substantial coverage of the financial market segment defined by the corresponding Representative Performance Benchmark.

D. ~~Target~~ Retirement Date F~~f~~unds are only available as a weighted average of Tier II and III options. The Board shall establish procedures for initiating rebalancings per approved investment guidelines.

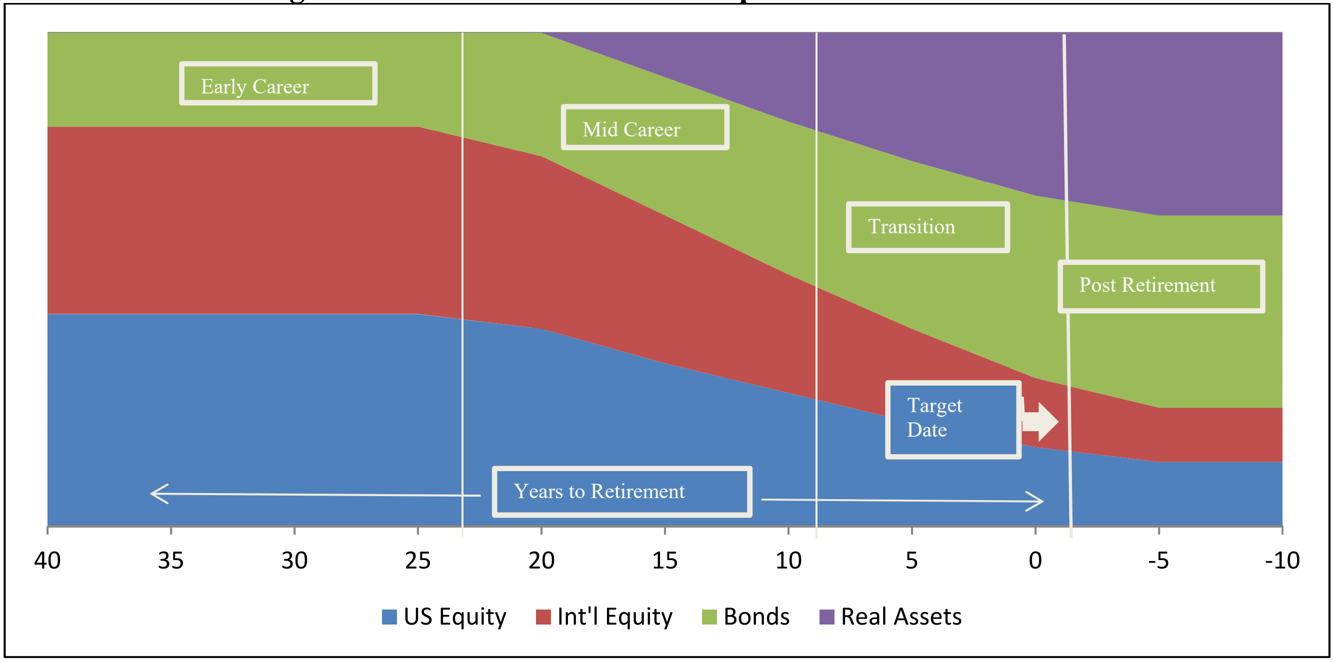
E. With IAC review and input, the Executive Director & CIO shall periodically recommend changes to the authorized investment option categories in IPS-Tables 1 and 2, as modifications are appropriate. Any recommended modifications must be justified in terms of the incremental costs and benefits provided to members.

XI. GENERAL INVESTMENT OPTION GUIDELINES

A. The Executive Director & CIO is responsible for developing specific investment policies and guidelines for investment options, which reflect the goals and objectives of this IPS. In doing so, he is authorized to exercise and perform all duties set forth in Section 121.4501(9), Florida Statutes, except as limited by this IPS or Board Rules. General guidelines are as follows:

1) The ~~Target~~ Retirement Date F~~f~~unds are diversified portfolios designed to provide members with professionally managed investment vehicles that can grow assets over their career. The funds seek favorable long-term returns through investments in the Tier II and III Options according to the "glidepath" allocation levels identified in IPS-Chart 1. Asset allocations will generally be held within ~~5 percentage points~~a Current Operating Range (COR) of ~~the optimal shares for~~ plus or minus 2% of their respective allocation target, but short-term deviations may occur. Optimized asset allocations for the ~~target date funds~~Retirement Date Funds shall be established using methodology consistent with the guidance rendered by the Investment Plan's investment consultant~~ and education/guidance advice providers~~.

IPS-Chart 1: Target Date Investment Funds Glidepath



2) The Money Market ~~fund~~ Fund seeks high current income consistent with liquidity and capital preservation. The fund will be actively managed and will primarily invest in high quality, liquid, short-term instruments to control credit risk and interest rate sensitivity. The fund's sensitivity to interest rate changes will approximate that of the performance benchmark.

3) The U.S. ~~Fixed Income~~Bond funds seek high current income consistent with capital appreciation. The funds may be passively or actively managed and will primarily invest in securities contained in the benchmark, although other fixed income instruments which fit the funds' objectives may be selectively used to generate excess return, such as non-investment grade securities or securities issued by foreign entities. The funds' sensitivity to interest rate changes will closely approximate that of the performance benchmark.

4) The U.S. ~~Equity~~ Stock funds seek capital appreciation and current income. The funds may be passively or actively managed and will primarily invest in equities contained in the benchmark. Other securities which fit the funds' objectives may be selectively used to generate excess return. The funds' investment process will not have a persistent bias toward the selection of securities that are predominantly in the growth or value style categories.

5) The Foreign/International ~~Equity~~ Stock funds seek capital appreciation and current income. The funds may be passively or actively managed and will primarily invest in equities contained in the benchmark, although other securities which fit the funds' objectives may be selectively used to generate excess return, such as equity securities issued by corporations domiciled in emerging economies.

6) The ~~Real~~ Multi- Assets ~~fund~~ Fund seeks long-term real returns to preserve the future purchasing power of accumulated member benefits. The fund will be actively managed and will primarily invest in a diversified array of assets that may act as a hedge against inflationary pressures including, but not limited to, U.S. Treasury's inflation-indexed securities, commodities, real estate investment trusts and other securities. The fund's sensitivity to interest rate changes and inflation will closely approximate that of the performance benchmark.

7) The Global ~~Equity~~ Stock fund seeks capital appreciation and current income. The fund may be passively or actively managed and will primarily invest in equities contained in the benchmark, including equities domiciled in the United States, other developed and emerging economies although other securities which fit the funds' objectives may be selectively used to generate excess returns.

8) Each investment option must:

a) Have a prudent degree of diversification relative to its performance benchmark;
b) Be readily transferable from one Investment Plan account to another Investment Plan investment option or to private-sector or public-sector defined contribution plan accounts and self-directed individual retirement accounts;
c) Allow transfers of members' balances into and out of the option at least daily, subject to the excessive trading policies of the providers and/or the SBA;
d) Have no surrender fees or deferred loads/charges;
e) Have no fees or charges for insurance features (e.g. mortality and expense risk charges);
f) To the extent allowed by law, notwithstanding failure to meet one or more of the IPS Section XI(8)(b),(c)-(f) requirements, an option may be authorized if: (i) it produces significant and demonstrable incremental retirement benefits relative to other comparable products in the market place and comparable Tier I, Tier II, or Tier III options; and (ii) the incremental benefits are sufficient to offset all associated fees, charges and the expected economic cost of the variance(s) with the IPS Section XI(8)(b),(c)-(f) requirements. Comparability shall be based on the option's underlying investments within the broad categories of Money Market, U.S Fixed Income, U.S. Equities and Foreign Equities.

9) The ~~investment product supporting any~~ annuity option offered in Tier IV must ~~have~~ be provided by a ~~prudent degree of diversification relative to its performance benchmark and, where applicable,~~ provider~~s~~ ~~shall have~~ with high independent ratings for financial strength and stability. Tier IV options may include ~~allocated or unallocated~~ immediate annuities with combinations of some of the following features:

a) ~~(a)~~Single ~~or flexible~~ premium.
b) ~~(b)~~Life or fixed period payouts.
c) ~~(c)~~Single or joint life (survivors with an insurable interest).
d) ~~(d)~~Complete or partial survivor benefits.
e) ~~(e)~~Cash refund, installment refund or period certain features.
f) ~~(f)~~Variable or fixed payments, non-participating, or income payable features.
g) ~~(g)~~Deferred payments.

B. The long-term performance of each actively managed investment option is expected to exceed the returns on their performance benchmark, net of all fees and charges, while avoiding large year-to-year deviations from the returns of the performance benchmark. The long-term performance of each passively managed investment option is expected to closely approximate returns on the performance benchmark, net of all fees and charges. Investment managers are authorized to prudently use options, futures, notional principal contracts or securities lending arrangements, in accordance with the fiduciary standards of care, as contained in Section 121.4501(15)(a), Florida Statutes, investment guidelines and related policies.

XII. INVESTMENT MANAGER SELECTION AND MONITORING GUIDELINES

A. The Executive Director & CIO shall develop policies and guidelines for the selection, retention and termination of investment managers, bundled providers and products, and shall manage all external contractual relationships in accordance with the fiduciary responsibilities of the Board, this IPS and provisions of Section 121.4501(9)(c), Florida Statutes.

When the Executive Director & CIO decides to terminate an investment fund in the Investment Plan, members will be granted an opportunity to direct their assets to other Investment Plan investment fund options prior to the investment fund termination. Assets that are not directed by members will be transferred or "mapped" to the investment fund(s) that the Executive Director & CIO deems appropriate. The mapping factors that ~~the Executive Director~~ will be consider include, but are not limited to, alignment of investment fund type (e.g., asset class, capitalization and style) and investment strategy (e.g., objectives, market focus, and implementation tactics).

B. In the selection of investment managers, investment products or bundled providers, consideration shall be given to their effectiveness in minimizing the direct and indirect costs of transferring the total present value of accumulated benefit obligations for existing employees that choose membership in the Investment Plan from the ~~defined benefit~~Pension Plan trust to the Investment Plan trust.

C. In the selection and monitoring of products from bundled providers, each proposed product will be evaluated on a stand-alone basis, pursuant to the requirement in Section 121.4501(9)(c)9., Florida Statutes. The cost-effectiveness of the levels of non-investment services supporting the products will also be evaluated relative to their benefits.

D. In the selection, retention and termination of bundled providers and their proposed products and services, value, as that term is used in Section 121.4501(9)(a), Florida Statutes, shall be evaluated based on the value added to the process of accumulating retirement benefits for members. This evaluation shall consider the following factors in arriving at any staff recommendation:

1) Additional products or services that are not otherwise available to the members within the Plan;
2) The type and quality of investment products offered;
3) The type and quality of non-investment services offered; and
4) Other significant elements that provide value to members, consistent with the mandates of Section 121.4501, Florida Statutes.

E. On at least an annual basis, a review will be conducted of the performance of each approved investment manager and product and related organizational factors to ensure continued compliance with established selection, performance and termination criteria, Board policy and procedures and all contractual provisions. The performance and termination criteria for each provider and investment product will be reflected in each employment contract.

F. In addition to reviewing the performance of the Investment Plan's investment managers/options, the Executive Director & CIO will periodically review all costs associated with the management of the Investment Plan's investment options, including:

1) Expense ratios of each investment option against the appropriate peer group; and

2) Costs to administer the Plan, including recordkeeping, account settlement (participant balance with that of investment), allocation of assets and earnings, and (when applicable) the proper use of 12b-1 fees to offset these fees.

XIII. SELF-DIRECTED BROKERAGE ACCOUNT (SDBA) PROVIDER SELECTION AND MONITORING GUIDELINES

A. The Executive Director & CIO shall develop policies and guidelines for the selection, retention and termination of a SDBA Provider and shall manage the contractual relationship in accordance with the fiduciary responsibilities of the Board, this IPS and provisions of Section 121.4501(9) (c), Florida Statutes.

B. The SDBA shall be offered as a service to Investment Plan members to enable members to select investments otherwise not offered in the Plan.

C. In selecting the SDBA Provider, the Executive Director & CIO shall consider the following:

1) Financial strength and stability as evidenced by the highest ratings assigned by nationally recognized rating services when comparing proposed providers that are so rated.

2) Reasonableness of fees compared to other providers taking into consideration the quantity and quality of services being offered.

3) Compliance with the Internal Revenue Code and all applicable federal and state securities laws.

4) The methods available to members to interact with the provider; the means by which members may access account information, direct investment of funds, transfer funds, and to receive funds prospectuses and related investment materials as mandated by state and federal regulations.

5) Ability to provide prompt, efficient and accurate responses to participant directions, as well as providing confirmations and quarterly account statements in a timely fashion.

6) Process by which assets are invested, as well as any waiting periods when the monies are transferred.

7) Organizational factors, including, but not limited to, financial solvency, organizational depth, and experience in providing self-directed brokerage account services to public defined contribution plans.

8) The self-directed brokerage account available under the most beneficial terms available to any customer.

9) The provider will agree not to sell or distribute member lists generated through services rendered to the investment plan.

10) The provider, as well as any of its related entities, may not offer any proprietary products as investment alternatives in the self-directed brokerage account.

D. The Executive Director & CIO shall regularly monitor the selected provider to ascertain whether there is continued compliance with established selection criteria, board policy and procedures, state and federal regulations, and any contractual provisions.

E. The Executive Director & CIO shall ensure that the SDBA Provider will include access to investment instruments offered through the self-directed brokerage account by providing connectivity with the following:

1) Stocks listed on a Securities Exchange Commission (SEC) regulated national exchange.

2) Exchange Traded Funds (except for leveraged Exchange Traded Funds).

3) Mutual Funds not offered in the investment plan.

F. The Executive Director & CIO shall ensure that the self-directed brokerage account accessibility does not include the following as investment alternatives:

1) Illiquid investments;

2) Over the Counter Bulletin Board (OTCBB) securities;

3) Pink Sheet® (PS) securities;

4) Leveraged Exchange Traded Funds;

5) Direct Ownership of Foreign Securities;

6) Derivatives, including, but not limited to futures and options contracts on securities, market indexes, and commodities;

7) Buying/Trading on Margin;

8) Limited Partnership Interests;

9) Investment Plan products;

10) Any investment that would jeopardize the investment plan's tax qualified status.

G. The Executive Director & CIO shall establish procedures with the SDBA Provider and the Investment Plan Administrator to ensure that an Investment Plan member may participate in the self-directed brokerage account, if the member:

1) Maintains a minimum balance of $5,000 in the products offered under the investment plan;

2) Makes a minimum initial transfer of funds into the self-directed brokerage account of $1,000;

3) Makes subsequent transfers of funds into the self-directed brokerage account in amounts of $1,000 or greater;

4) Pays all trading fees, commissions, administrative fees and any other expenses associated with participating in the self-directed brokerage account;

5) Does not violate any trading restrictions established by the provider, the investment plan, or state or federal law.

H. The Executive Director & CIO shall establish procedures with the SDBA Provider and the Investment Plan Administrator to ensure that employer contributions and employee contributions shall be initially deposited into member's Investment Plan account and will then be made available for transfer to the member's SDBA.

I. The Executive Director & CIO shall establish procedures with the SDBA Provider and the Investment Plan Administrator that distributions will not be processed directly from member's assets in the SDBA. Assets must first be transferred to Investment Plan products. A member can request a distribution from the Investment Plan once the transfer of the assets from the SDBA to the member's Investment Plan account and all Investment Plan distribution requirements are met.

J. The Executive Director & CIO shall ensure that any member participating in the SDBA will be provided, at minimum, a quarterly statement that meets Financial Industry Regulatory Authority (FINRA) requirements which details member investments in the SDBA. The statement shall include, but is not limited to, member specific accounting of the investment instruments selected by a member, the net gains and losses, and buy/sell transactions. Additionally, a confirmation of trade statement will be sent for each transaction and all fees, charges, penalties and deductions associated with each transaction are netted in the trade and reflected in the transaction confirmation.

K. The Executive Director & CIO shall develop appropriate communications to members participating in the SDBA that will notify members that the Board is not responsible for managing the SDBA beyond administrative requirements as established between the Board and SDBA Provider. As such, investment alternatives available through the SDBA have not been subjected to any selection process, are not monitored by the Board, require investment expertise to prudently buy, manage and/or dispose of, and have a risk of substantial loss. The communication shall also notify members that they are responsible for any and all administrative, investment, and trading fees associated with participating in the SDBA.

L. The Executive Director & CIO shall ensure that the provider will deliver a prospectus or other information for the underlying investments available through the self-directed brokerage account as provided in Section 121.4501(15)(c)(1) and (2) and in compliance with Federal laws.

XIV. REPORTING

A. The Board directs the Executive Director & CIO to coordinate the preparation of quarterly reports of the investment performance of the Investment Plan by the Board's independent performance evaluation consultant.

B. The following formal periodic reports to the Board shall be the responsibility of the Executive Director: an annual investment report, an annual financial report and a monthly performance report.

XV. IMPLEMENTATION SCHEDULE

This IPS is effective upon approval of the Board.

FLORIDA RETIREMENT SYSTEM

Investment Plan
Investment Policy Statement

I. PURPOSE

The Florida Retirement System Investment Plan Investment Policy Statement (IPS) serves as the primary statement of Trustee policy regarding their statutory responsibilities and authority to establish and operate an optional defined contribution retirement program for members of the Florida Retirement System. The IPS shall serve as a guiding document pertaining to investment matters with respect to the Investment Plan. The Trustees will strive to make investment decisions consistent with this IPS. Section 121.4501(14), Florida Statutes, directs the Trustees of the State Board of Administration to approve the IPS. The IPS will be reviewed annually and will be revised or supplemented as policies are changed or developed.

II. DEFINITIONS

A. **Member** – An employee who enrolls in the Florida Retirement System Investment Plan, a member-directed 401(a) program, in lieu of participation in the defined benefit program of the Florida Retirement System, a terminated Deferred Retirement Option Program (DROP) member as described in section 121.4501(21), Florida Statutes, or an alternate payee of a member or employee.

B. **Investment Product –** The result of a process that forms portfolios from securities and financial instruments in order to produce investment returns.

C. **Investment Manager –** A private sector company that provides one or more investment products.

D. **Investment Funds –** One of the investment options that may be chosen by participants. A Fund may be an aggregate of one or more investment products.

E. **Bundled Provider -** A private sector company that offers investment products, combined with recordkeeping and trading services, which are designed to meet individualized needs and requirements of plan participants, so as to afford value to participants not available through individual investment product.

F. **Passively Managed Option –** An investment management strategy that intends to produce the same level and pattern of financial returns generated by a market benchmark index.

G. **Actively Managed Option –** An investment management strategy that relies on security return predictions in an effort to out-perform the financial returns generated by a market benchmark index.

H. **Performance Benchmark** – A market benchmark index that serves as the performance measurement criterion for investment options.

I. **Investment Plan Administrator or Recordkeeper –** A private sector company that provides administrative services, including individual and collective recordkeeping and accounting, IRC limit monitoring, enrollment, beneficiary designation and changes, disbursement of monies, and other centralized administrative functions.

J. **Self-Directed Brokerage Account –** An alternative method for Investment Plan members to select various investments options otherwise not available in the Investment Plan.

K. **Self-Direct Brokerage Account Provider –** A private sector company that provides access to a Self-Directed Brokerage Account to members of the FRS Investment Plan.

III. OVERVIEW OF THE INVESTMENT PLAN AND STATE BOARD OF ADMINISTRATION

A. The Investment Plan is a member-directed 401(a) program selected by employees in lieu of participation in the defined benefit program of the Florida Retirement System. Investment Plan benefits accrue in individual accounts that are member-directed, portable and funded by employee and employer contributions and earnings. In accordance with Section 121.4501(15)(b), Florida Statutes, members and beneficiaries bear the investment risks and reap the rewards that result when they exercise control over investments in their accounts. Fluctuations in investment returns directly affect members' benefits.

B. The State Board of Administration (Board), Division of Retirement, and affected employers administer the Investment Plan. The Board designs educational services to assist employers, eligible employees, members and beneficiaries. The State Legislature has the responsibility for setting contribution levels and providing statutory guidance for the administration of the Investment Plan.

IV. THE BOARD

A. The Board consists of the Governor, as Chairman, the Chief Financial Officer and the Attorney General. The Board shall establish an optional defined contribution retirement program for members of the Florida Retirement System and make a broad range of investment options, covering most major market segments, available to members. The Board makes the final determination as to whether any investment manager or product, third-party administrator, education vendor or investment guidance vendor shall be approved for the Plan.

B. The Board shall discharge its fiduciary duties in accordance with the Florida statutory fiduciary standards of care as contained in Section 121.4501(15)(a), Florida Statutes.

C. The Board delegates to the Executive Director & CIO the administrative and investment authority, within the statutory limitations and rules, to manage the Investment Plan. The Board appoints a nine-member Investment Advisory Council (IAC). The IAC reviews the IPS and any proposed changes prior to its presentation to the Board of Trustees. The Council presents the results of its review to the Board of Trustees prior to the Trustees' final approval of the statement or any changes.

V. THE EXECUTIVE DIRECTOR & CIO

A. The Executive Director & CIO is responsible for managing and directing administrative, personnel, budgeting and investment-related functions, including the hiring and termination of investment managers, bundled providers and products.

B. The Executive Director & CIO is responsible for developing specific investment objectives and policy guidelines for investment options for the Investment Plan. The Executive Director & CIO is responsible for developing policies and procedures for selecting, evaluating, and monitoring the performance of investment managers and products to which employees may direct retirement contributions under the Investment Plan, and providing the Board with monthly and quarterly reports of investment activities.

C. The Executive Director & CIO is responsible for maintaining an appropriate compliance program that ensures :

- Compliance with contractual and investment guidelines of each investment manager;
- Compliance with contractual provisions agreed to with the Investment Plan administrator and the custodian, and all other service providers to the Plan, to facilitate compliance with all legal requirements pertaining to the administration of the Plan, and compliance with all applicable administrative rules, SBA policies, and procedures; and
- Compliance with reporting and valuation requirements.

In addition, the Executive Director & CIO is also responsible for maintaining diversified investment options, and maximizing returns with respect to the performance benchmarks of investment options offered in the Investment Plan line up, consistent with appropriate defined contribution plan design. Each investment option will avoid excessive risk and have a prudent degree of diversification relative to its broad market performance benchmark. The Executive Director & CIO will develop policies and procedures to:

- Identify and monitor manager performance and key investment and operational risks within the manager's business structure.
- Maintain an appropriate compliance program that ensures compliance with contractual and investment guidelines of each manager in the plan.
- Maintain an appropriate and effective oversight function within the Office of Defined Contribution Programs to ensure effective operational and administrative oversight.
- Approve fund allocations and limits for each fund-of-fund or Retirement Date Fund under the Investment Plan.

The Executive Director & CIO will appoint a Chief of Defined Contribution Programs, to assist in the execution of the responsibilities enumerated in the preceding paragraphs. For day-to-day executive and administrative purposes, the Chief of Defined Contribution Programs will proactively work with the Executive Director & CIO and designees to ensure that issues are promptly and thoroughly addressed by management. On at least a quarterly basis, the Chief of Defined Contribution Programs will provide reports to the Investment Advisory Council, and to the Audit Committee and Board as requested.

To ensure compliance with the enumerated functions outlined above, the SBA Chief Risk & Compliance Officer may conduct compliance reviews of Office of Defined Contribution Programs to ensure compliance with this Investment Policy Statement and any SBA related policies and procedures in place for the Investment Plan and will provide a report that details any adverse compliance exceptions to the Executive Director & CIO.

Pursuant to written SBA policy, the Executive Director & CIO will cause a regular review, documentation and formal escalation of any events that may have a material impact on the FRS Investment Plan Trust Fund. The Executive Director & CIO is delegated the authority and responsibility to prudently address any such events, with input from the Investment Advisory Council as necessary and appropriate, unless otherwise required in this Investment Policy Statement.

D. The Executive Director & CIO shall adopt policies and procedures designed to prevent excessive member trading between investment options from negatively impacting other members.

E. The Executive Director & CIO is responsible for periodically reviewing this IPS and recommending changes to the Board of Trustees when appropriate.

VI. INVESTMENT OBJECTIVES

A. The Investment Plan shall seek to achieve the following long-term objectives:

1) Offer a diversified mix of low-cost investment options that span the risk-return spectrum and give members the opportunity to accumulate retirement benefits.
2) Offer investment options that avoid excessive risk, have a prudent degree of diversification relative to broad market indices and provide a long-term rate of return, net of all expenses and fees that seek to achieve or exceed the returns on comparable market benchmark indices.
3) Offer members meaningful, independent control over the assets in their account with the opportunity to:
   a) Obtain sufficient information about the plan and investment alternatives to make informed investment decisions;
   b) Direct contributions and account balances between approved investment_options with a frequency that is appropriate in light of the market volatility of the investment options;
   c) Direct contributions and account balances between approved investment_options without the limitation of fees or charges; and
   d) Remove accrued benefits from the plan without undue delay or penalties, subject to the contract and all applicable laws governing the operation of the Plan.

VII. MEMBER CONTROL AND PLAN FIDUCIARY LIABILITY

A. This IPS is structured to be consistent with the Legislature's intent to assign liability for members' investment losses to members and provide a safe harbor for Plan fiduciaries.

B. In Sections 121.4501(8)(b)2. and 121.4501(15)(b), Florida law incorporates the federal law concept of participant control, established by regulations of the U.S. Department of Labor under section 404(c) of the Employee Retirement Income Security Act of 1974. The Investment Plan shall incorporate these concepts by providing Plan participants the opportunity to give investment instructions and obtain sufficient information to make informed investment decisions. The

Investment Plan shall, in accordance with the 404(c) regulations and Florida law, provide members an opportunity to choose from a broad range of investment alternatives.

C. If a member or beneficiary of the Investment Plan exercises control over the assets in his or her account, pursuant to section 404(c) regulations and all applicable laws governing the operation of the Plan, no Plan fiduciary shall be liable for any loss to a member's or beneficiary's account which results from such member's or beneficiary's exercise of control.

D. The default option for FRS Investment Plan members that fail to make a selection of investment options shall be the FRS Retirement Target Date Fund (RDF) that matches the year closest to the year each individual member reaches normal retirement age for the Florida Retirement System as defined in Section 121.021(29) Florida Statutes, which otherwise meets the requirements of a qualified default investment alternative pursuant to regulations issued by the U.S. Department of Labor. The default option for FRS Pension Plan DROP participants who rollover funds from their DROP account to the Investment Plan as permitted by section 121.4501(21), Florida Statutes, and fail to make a selection of investment options shall be the FRS Retirement Fund.

VIII. MEMBER EDUCATION AND INVESTMENT GUIDANCE

A. The education component of the Investment Plan shall be designed by the Board to assist employers, eligible employees, members, and beneficiaries in order to maintain compliance with section 404(c) regulations and to assist employees in their choice of defined benefit or defined contribution retirement programs. Educational services include, but are not limited to, disseminating educational materials; providing retirement planning education; explaining the differences between the defined benefit retirement plan and the defined contribution retirement plan; and offering financial planning guidance on matters such as investment diversification, investment risks, investment costs, and asset allocation.

For members of the Investment Plan, the following items must be made available to members in sufficient time to allow them an opportunity to make informed decisions regarding the management of their individual retirement account under the Plan:

- A description of all investment funds offered as an investment option under the Investment Plan including: general investment objectives, risk and return characteristics, and type and diversification of assets, but excluding any investment instruments made available through a self-directed brokerage account.
- An explanation of how to give investment instructions and any limits or restrictions on giving instructions.
- A description of any transaction fees or expenses that are charged to the member's account in connection with purchases or sales of an investment fund.
- Investment summary fund profiles as defined at Sections 121.4501(15)(c), excluding the prospectus or other information for the underlying investment instruments available through the self-directed brokerage account provided by the Plan.
- Descriptions of the annual operating expenses for each investment alternative, such as investment management fees, excluding the prospectus or other information for the

underlying investment instruments available through the self-directed brokerage account provided by the Plan.

- The value of shares of all investment funds and a quarterly member statement that accounts for contributions, investment earnings, fees, penalties, or other deductions, excluding the prospectus or other information for the underlying investment instruments available through the self-directed brokerage account provided by the Plan.
- Information concerning the past investment performance of each investment fund, net of expenses, and relative to appropriate market indices, excluding the prospectus or other information for the underlying investment instruments available through the self-directed brokerage account provided by the Plan.

B. Consistent with Sections 121.4501(8)(b)1. and 121.4501(10)(b), Florida Statutes, the education component shall provide FRS members with impartial and balanced information about the Plan and investment choices. In addition, any approved education organization shall not be an approved investment provider or be affiliated with an approved investment provider. Educational materials shall be prepared under the assumption that the employee is an unsophisticated investor and all educational materials, including those distributed by bundled providers, shall be approved by the Board prior to dissemination. Members shall have the opportunity to choose from different levels of education services, as well as a variety of delivery methods and media. All educational services offered by investment product providers shall be provided on a fee-for-service basis.

C. The Board shall contract for the provision of low- or no -cost investment guidance to members that is supplemental to educational services and that may be paid for by those receiving the guidance. Investment guidance shall consist of impartial and balanced recommendations about investment choices consistent with Rule 19-13.004, F.A.C. Investment guidance provided to a member should be individualized and provided on a regular basis. Members may have the opportunity to choose from different levels of customized investment guidance services, as well as a variety of delivery methods and media.

D. Investment guidance for Investment Plan members will provide optimized combinations of available Investment Plan investment options and any personally owned non-Investment Plan member directed tax-deferred or taxable accounts.

E. Investment guidance for Pension Plan members will provide optimized combinations of any available Pension Plan benefit and any personally owned specific investment options across member directed tax-deferred or taxable accounts.

F. Bundled provider(s) selected to provide investment products for Investment Plan members shall not provide any member education services aimed at influencing the choice between the defined benefit and defined contribution plans of the Florida Retirement System. This education program will only be provided by the neutral education provider hired to do so by the Board.

IX. ROLES OF THE INVESTMENT PLAN ADMINISTRATOR AND BUNDLED PROVIDERS

A. The Board will select a single private party to serve as the administrator for the Investment Plan. The Board makes the final determination as to whether any administrator shall be approved for the Plan. Administrative services such as individual and collective recordkeeping and accounting, IRC limit monitoring, enrollment, beneficiary designation and changes, disbursement of benefits, and other centralized administrative functions shall be provided by the single administrator selected by the Board. The SBA retains the right to delineate through the contract the specific administrative services to be provided by the Bundled Provider. The SBA also retains the right, consistent with Section 121.4501(8)(a)1., Florida Statutes, to enter into a contract with the Division of Retirement for certain administrative services.

B. Bundled provider(s) selected to provide investment products to members will provide administrative services that are uniquely relevant to the bundled provider mandate. The SBA shall specify the administrative services to be provided by the single administrator and the bundled provider in the solicitation documents and contracts for services.

X. INVESTMENT OPTIONS AND PERFORMANCE BENCHMARKS

A. The authorized categories of Investment Plan investment options are segmented into tiers, with each designed to meet the varying needs of different members as shown in IPS-Table 1. The Investment Plan investment options are contained in IPS-Table 2 The default option for members that fail to make a selection of investment options shall be the Retirement Date Fund (RDF) that matches the year closest to the year each individual member reaches the normal retirement age for the Florida Retirement System as defined in Section 121.021(29) Florida Statutes. The investment options can be constructed under a multiple manager framework of two or more investment managers, however, the number of investment options shall not exceed the "Maximum Number of Options" listed in IPS-Table 2 for each category, except to the extent that:

1) Multiple investment options within the same category are simultaneously offered to facilitate a transitional mapping of contributions and account balances from a terminating option;
2) An investment option is temporarily closed to new contributions and account balance transfers.

IPS-Table 1: Authorized Investment Categories

Tier	Philosophy
Tier I- Asset Allocation-Target Date Funds	Allow members to choose a diversified investment portfolio that best fits their career time horizon until anticipated retirement date. TDFs seek growth of assets in earlier years of employment and gradually shift to income oriented options at retirement. Designed for members with little investment knowledge who want a professionally managed asset allocation with little input from the member. These options will be comprised of underlying investments in the Investment Plan's Tier II and Tier III Core Options.
Tier II- Passively-Managed Core Options	Allow members who wish some control over major investment category shifts to create their own portfolios based on broad, low-cost index funds that best fit their time horizon, risk tolerance and investment goals.

Tier III- Actively –Managed Core Options	Allow members who wish more control over all key investment allocation decisions to create their own portfolios based on investment options from active managers who seek returns above a performance benchmark and that members believe best fit their time horizon, risk tolerance and investment goals.
Tier IV- Retirement Annuity Options	Allow members leaving FRS employment a means by which they can create an income stream of their accumulated assets that can last over their remaining lifetimes.
Tier V- Self Directed Brokerage Account	Allows members interested in investments outside of Tiers I, II and III the opportunity to invest in a broad array of mutual funds, stocks, US Treasuries and other investment alternatives based on their time horizon, risk tolerance, investment goals and/or preferences.

IPS-Table 2: Authorized Investment Options Representative Performance Benchmarks, Retiree Annuities and Self Directed Brokerage Account

Investment Option Categories	Maximum Number of Options	Representative Performance Benchmarks
Tier I: Target Date Funds		
A series of asset allocation funds structured in 5-year increments along a "glidepath" as demonstrated in IPS Chart 1 below.	10	Weighted Average of each Constituent Fund's Benchmarks
Tier II: Passively Managed Core Options		
Enhanced U.S. Bond Index Fund	1	Barclays Aggregate Bond Index
Stock Market Index Fund	1	Russell 3000 Index
Foreign Stock Index Fund	1	MSCI All Country World Index ex U.S. IMI Index
Tier III: Actively-Managed Core Options		
Money Market Fund	1	iMoneyNet Money Funds Index(Net of Fees)
Multi- Assets Fund	1	Custom Multi-Asset Benchmark
Intermediate Bond Fund		Barclays Intermediate Aggregate Bond Index
Core Plus Bond Fund	1	Barclays Aggregate Bond Index
US Large Cap Stock Fund	1	Russell 1000 Index

US Small/Mid Cap Stock Fund	1	Russell 2500 Index
International Stock Fund	1	MSCI All Country World Index ex US Index
Global Stock Fund	1	MSCI All Country World Index

Tier IV: Retiree Annuity Options		(Section 121.591(1)(c), Florida Statutes)
Immediate and Deferred Annuities	Not Applicable	Specified by the Executive Director & CIO
Tier V: Self-Directed Brokerage Account	Not Applicable	Not applicable

B. Investment options and investment products (i.e., that support Investment Funds that are composed of an aggregate of one or more investment products) may be provided by investment managers or bundled providers. Pursuant to Section 121.4501(9)(a), Florida Statutes, the Board shall select one or more providers who offer multiple investment products when such an approach is determined by the Board to afford value to members otherwise not available through individual investment products.

C. Investment options may have performance benchmarks other than the "Representative Performance Benchmarks" listed in IPS-Table 2, but any alternative performance benchmark must be identified in the investment guidelines required under Section XI of this IPS and provide substantial coverage of the financial market segment defined by the corresponding Representative Performance Benchmark.

D. Retirement Date Funds are only available as a weighted average of Tier II and III options. The Board shall establish procedures for initiating rebalancings per approved investment guidelines.

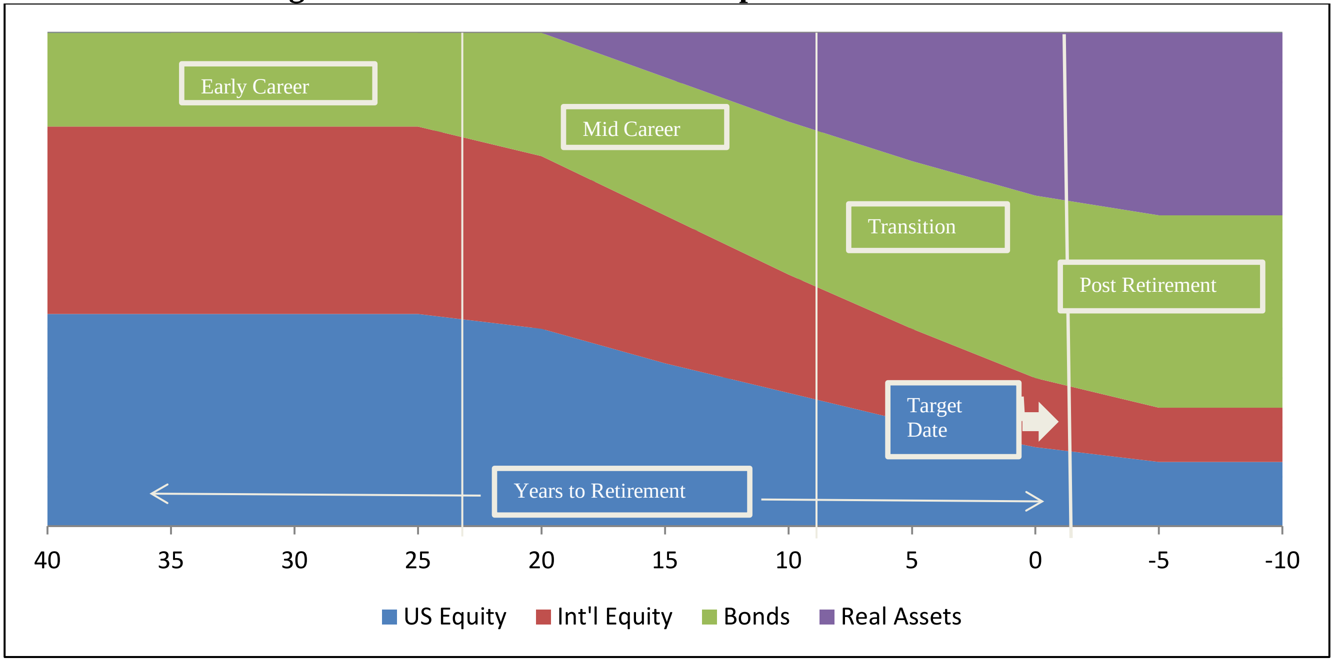
E. With IAC review and input, the Executive Director & CIO shall periodically recommend changes to the authorized investment option categories in IPS-Tables 1 and 2, as modifications are appropriate. Any recommended modifications must be justified in terms of the incremental costs and benefits provided to members.

XI. GENERAL INVESTMENT OPTION GUIDELINES

A. The Executive Director & CIO is responsible for developing specific investment policies and guidelines for investment options, which reflect the goals and objectives of this IPS. In doing so, he is authorized to exercise and perform all duties set forth in Section 121.4501(9), Florida Statutes, except as limited by this IPS or Board Rules. General guidelines are as follows:

1) The Retirement Date Funds are diversified portfolios designed to provide members with professionally managed investment vehicles that can grow assets over their career. The funds seek favorable long-term returns through investments in the Tier II and III Options according to the "glide path" allocation levels identified in IPS-Chart 1. Asset allocations will generally be held within a Current Operating Range (COR) of plus or minus 2% of their respective allocation target, but short-term deviations may occur. Optimized asset allocations for the Retirement Date Funds shall be established using methodology consistent with the guidance rendered by the Investment Plan's investment consultant.

IPS-Chart 1: Target Date Investment Funds Glidepath



2) The Money Market Fund seeks high current income consistent with liquidity and capital preservation. The fund will be actively managed and will primarily invest in high quality, liquid, short-term instruments to control credit risk and interest rate sensitivity. The fund's sensitivity to interest rate changes will approximate that of the performance benchmark.

3) The U.S. Bond funds seek high current income consistent with capital appreciation. The funds may be passively or actively managed and will primarily invest in securities contained in the benchmark, although other fixed income instruments which fit the funds' objectives may be selectively used to generate excess return, such as non-investment grade securities or securities issued by foreign entities. The funds' sensitivity to interest rate changes will closely approximate that of the performance benchmark.

4) The U.S. Stock funds seek capital appreciation and current income. The funds may be passively or actively managed and will primarily invest in equities contained in the benchmark. Other securities which fit the funds' objectives may be selectively used to generate excess return. The funds' investment process will not have a persistent bias toward the selection of securities that are predominantly in the growth or value style categories.

5) The Foreign/International Stock funds seek capital appreciation and current income. The funds may be passively or actively managed and will primarily invest in equities contained in the benchmark, although other securities which fit the funds' objectives may be selectively used to generate excess return, such as equity securities issued by corporations domiciled in emerging economies.

6) The Multi- Assets Fund seeks long-term real returns to preserve the future purchasing power of accumulated member benefits. The fund will be actively managed and will primarily invest in a diversified array of assets that may act as a hedge against inflationary pressures including, but not limited to, U.S. Treasury's inflation-indexed securities, commodities, real estate investment trusts and other securities. The fund's sensitivity to interest rate changes and inflation will closely approximate that of the performance benchmark.

7) The Global Stock fund seeks capital appreciation and current income. The fund may be passively or actively managed and will primarily invest in equities contained in the benchmark, including equities domiciled in the United States, other developed and emerging economies although other securities which fit the funds' objectives may be selectively used to generate excess returns.

8) Each investment option must:
   a) Have a prudent degree of diversification relative to its performance benchmark;
   b) Be readily transferable from one Investment Plan account to another Investment Plan investment option or to private-sector or public-sector defined contribution plan accounts and self-directed individual retirement accounts;
   c) Allow transfers of members' balances into and out of the option at least daily, subject to the excessive trading policies of the providers and/or the SBA;
   d) Have no surrender fees or deferred loads/charges;
   e) Have no fees or charges for insurance features (e.g. mortality and expense risk charges);
   f) To the extent allowed by law, notwithstanding failure to meet one or more of the IPS Section XI(8)(b),(c)-(f) requirements, an option may be authorized if: (i) it produces significant and demonstrable incremental retirement benefits relative to other comparable products in the market place and comparable Tier I, Tier II, or Tier III options; and (ii) the incremental benefits are sufficient to offset all associated fees, charges and the expected economic cost of the variance(s) with the IPS Section XI(8)(b),(c)-(f) requirements. Comparability shall be based on the option's underlying investments within the broad categories of Money Market, U.S Fixed Income, U.S. Equities and Foreign Equities.

9) The annuity option offered in Tier IV must be provided by a provider with high independent ratings for financial strength and stability. Tier IV options may include immediate annuities with combinations of some of the following features:
   a) Single premium.
   b) Life or fixed period payouts.
   c) Single or joint life (survivors with an insurable interest).
   d) Complete or partial survivor benefits.
   e) Cash refund, installment refund or period certain features.
   f) Variable or fixed payments, non-participating, or income payable features.
   g) Deferred payments.

B. The long-term performance of each actively managed investment option is expected to exceed the returns on their performance benchmark, net of all fees and charges, while avoiding large year-to-year deviations from the returns of the performance benchmark. The long-term performance of each passively managed investment option is expected to closely approximate returns on the performance benchmark, net of all fees and charges. Investment managers are authorized to prudently use options, futures, notional principal contracts or securities lending arrangements, in accordance with the fiduciary standards of care, as contained in Section 121.4501(15)(a), Florida Statutes, investment guidelines and related policies.

XII. INVESTMENT MANAGER SELECTION AND MONITORING GUIDELINES

A. The Executive Director & CIO shall develop policies and guidelines for the selection, retention and termination of investment managers, bundled providers and products, and shall manage all external contractual relationships in accordance with the fiduciary responsibilities of the Board, this IPS and provisions of Section 121.4501(9)(c), Florida Statutes.

When the Executive Director & CIO decides to terminate an investment fund in the Investment Plan, members will be granted an opportunity to direct their assets to other Investment Plan investment fund options prior to the investment fund termination. Assets that are not directed by members will be transferred or “mapped” to the investment fund(s) that the Executive Director & CIO deems appropriate. The mapping factors that will be consider include, but are not limited to, alignment of investment fund type (e.g., asset class, capitalization and style) and investment strategy (e.g., objectives, market focus, and implementation tactics).

B. In the selection of investment managers, investment products or bundled providers, consideration shall be given to their effectiveness in minimizing the direct and indirect costs of transferring the total present value of accumulated benefit obligations for existing employees that choose membership in the Investment Plan from the Pension Plan trust to the Investment Plan trust.

C. In the selection and monitoring of products from bundled providers, each proposed product will be evaluated on a stand-alone basis, pursuant to the requirement in Section 121.4501(9)(c)9., Florida Statutes. The cost-effectiveness of the levels of non-investment services supporting the products will also be evaluated relative to their benefits.

D. In the selection, retention and termination of bundled providers and their proposed products and services, value, as that term is used in Section 121.4501(9)(a), Florida Statutes, shall be evaluated based on the value added to the process of accumulating retirement benefits for members. This evaluation shall consider the following factors in arriving at any staff recommendation:

1) Additional products or services that are not otherwise available to the members within the Plan;
2) The type and quality of investment products offered;
3) The type and quality of non-investment services offered; and
4) Other significant elements that provide value to members, consistent with the mandates of Section 121.4501, Florida Statutes.

E. On at least an annual basis, a review will be conducted of the performance of each approved investment manager and product and related organizational factors to ensure continued compliance with established selection, performance and termination criteria, Board policy and procedures and all contractual provisions. The performance and termination criteria for each provider and investment product will be reflected in each employment contract.

F. In addition to reviewing the performance of the Investment Plan's investment managers/options, the Executive Director & CIO will periodically review all costs associated with the management of the Investment Plan's investment options, including:

1) Expense ratios of each investment option against the appropriate peer group; and

2) Costs to administer the Plan, including recordkeeping, account settlement (participant balance with that of investment), allocation of assets and earnings, and (when applicable) the proper use of 12b-1 fees to offset these fees.

XIII. SELF-DIRECTED BROKERAGE ACCOUNT (SDBA) PROVIDER SELECTION AND MONITORING GUIDELINES

A. The Executive Director & CIO shall develop policies and guidelines for the selection, retention and termination of a SDBA Provider and shall manage the contractual relationship in accordance with the fiduciary responsibilities of the Board, this IPS and provisions of Section 121.4501(9) (c), Florida Statutes.

B. The SDBA shall be offered as a service to Investment Plan members to enable members to select investments otherwise not offered in the Plan.

C. In selecting the SDBA Provider, the Executive Director & CIO shall consider the following:

1) Financial strength and stability as evidenced by the highest ratings assigned by nationally recognized rating services when comparing proposed providers that are so rated.

2) Reasonableness of fees compared to other providers taking into consideration the quantity and quality of services being offered.

3) Compliance with the Internal Revenue Code and all applicable federal and state securities laws.

4) The methods available to members to interact with the provider; the means by which members may access account information, direct investment of funds, transfer funds, and to receive funds prospectuses and related investment materials as mandated by state and federal regulations.

5) Ability to provide prompt, efficient and accurate responses to participant directions, as well as providing confirmations and quarterly account statements in a timely fashion.

6) Process by which assets are invested, as well as any waiting periods when the monies are transferred.

7) Organizational factors, including, but not limited to, financial solvency, organizational depth, and experience in providing self-directed brokerage account services to public defined contribution plans.

8) The self-directed brokerage account available under the most beneficial terms available to any customer.

9) The provider will agree not to sell or distribute member lists generated through services rendered to the investment plan.

10) The provider, as well as any of its related entities, may not offer any proprietary products as investment alternatives in the self-directed brokerage account.

D. The Executive Director & CIO shall regularly monitor the selected provider to ascertain whether there is continued compliance with established selection criteria, board policy and procedures, state and federal regulations, and any contractual provisions.

E. The Executive Director & CIO shall ensure that the SDBA Provider will include access to investment instruments offered through the self-directed brokerage account by providing connectivity with the following:

1) Stocks listed on a Securities Exchange Commission (SEC) regulated national exchange.

2) Exchange Traded Funds (except for leveraged Exchange Traded Funds).

3) Mutual Funds not offered in the investment plan.

F. The Executive Director & CIO shall ensure that the self-directed brokerage account accessibility does not include the following as investment alternatives:

1) Illiquid investments;

2) Over the Counter Bulletin Board (OTCBB) securities;

3) Pink Sheet® (PS) securities;

4) Leveraged Exchange Traded Funds;

5) Direct Ownership of Foreign Securities;

6) Derivatives, including, but not limited to futures and options contracts on securities, market indexes, and commodities;

7) Buying/Trading on Margin;

8) Limited Partnership Interests;

9) Investment Plan products;

10) Any investment that would jeopardize the investment plan’s tax qualified status.

G. The Executive Director & CIO shall establish procedures with the SDBA Provider and the Investment Plan Administrator to ensure that an Investment Plan member may participate in the self-directed brokerage account, if the member:

1) Maintains a minimum balance of $5,000 in the products offered under the investment plan;

2) Makes a minimum initial transfer of funds into the self-directed brokerage account of $1,000;

3) Makes subsequent transfers of funds into the self-directed brokerage account in amounts of $1,000 or greater;

4) Pays all trading fees, commissions, administrative fees and any other expenses associated with participating in the self-directed brokerage account;

5) Does not violate any trading restrictions established by the provider, the investment plan, or state or federal law.

H. The Executive Director & CIO shall establish procedures with the SDBA Provider and the Investment Plan Administrator to ensure that employer contributions and employee contributions shall be initially deposited into member's Investment Plan account and will then be made available for transfer to the member's SDBA.

I. The Executive Director & CIO shall establish procedures with the SDBA Provider and the Investment Plan Administrator that distributions will not be processed directly from member's assets in the SDBA. Assets must first be transferred to Investment Plan products. A member can request a distribution from the Investment Plan once the transfer of the assets from the SDBA to the member's Investment Plan account and all Investment Plan distribution requirements are met.

J. The Executive Director & CIO shall ensure that any member participating in the SDBA will be provided, at minimum, a quarterly statement that meets Financial Industry Regulatory Authority (FINRA) requirements which details member investments in the SDBA. The statement shall include, but is not limited to, member specific accounting of the investment instruments selected by a member, the net gains and losses, and buy/sell transactions. Additionally, a confirmation of trade statement will be sent for each transaction and all fees, charges, penalties and deductions associated with each transaction are netted in the trade and reflected in the transaction confirmation.

K. The Executive Director & CIO shall develop appropriate communications to members participating in the SDBA that will notify members that the Board is not responsible for managing the SDBA beyond administrative requirements as established between the Board and SDBA Provider. As such, investment alternatives available through the SDBA have not been subjected to any selection process, are not monitored by the Board, require investment expertise to prudently buy, manage and/or dispose of, and have a risk of substantial loss. The communication shall also notify members that they are responsible for any and all administrative, investment, and trading fees associated with participating in the SDBA.

L. The Executive Director & CIO shall ensure that the provider will deliver a prospectus or other information for the underlying investments available through the self-directed brokerage account as provided in Section 121.4501(15)(c)(1) and (2) and in compliance with Federal laws.

XIV. REPORTING

A. The Board directs the Executive Director & CIO to coordinate the preparation of quarterly reports of the investment performance of the Investment Plan by the Board's independent performance evaluation consultant.

B. The following formal periodic reports to the Board shall be the responsibility of the Executive Director: an annual investment report, an annual financial report and a monthly performance report.

XV. IMPLEMENTATION SCHEDULE

This IPS is effective upon approval of the Board.

STATE BOARD OF ADMINISTRATION
OF FLORIDA

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TALLAHASSEE, FLORIDA 32308
(850) 488-4406

POST OFFICE BOX 13300
32317-3300

To: Ash Williams

From: Michael McCauley

CC: Senior Leadership Group

Date: May 12, 2017

Subject: **Annual Review and Approval of Florida PRIME Investment Policy Statement (IPS)**

With respect to Florida PRIME, Section 218.409 Florida Statues requires:

> *The trustees shall ensure that the board or a professional money management firm administers the trust fund on behalf of the participants. The board or a professional money management firm shall have the power to invest such funds in accordance with a written investment policy. The investment policy shall be updated annually to conform to best investment practices.* [s. 218.409(2)(a), Florida Statutes]
>
> *The investment policy shall be reviewed and approved annually by the trustees or when market changes dictate, and in each event the investment policy shall be reviewed by the Investment Advisory Council and by the Participant Local Government Advisory Council.* [s. 218.409(2)(d), Florida Statutes]

There are no recommended changes at this time for the Florida PRIME Investment Policy Statement (IPS) (attached).

Let me know if you have any questions.

Attachments

To Be Approved by SBA Trustees on June 14,~~August 2,~~ 2017~~6~~

Investment Policy Statement
Local Government Surplus Funds Trust Fund (Non-Qualified)
Effective June 14,~~August 2,~~ 2017~~6~~

I. Purpose and Scope

The purpose of this Investment Policy Statement ("Policy") is to set forth the investment objective, investment strategies, and authorized portfolio securities for the Local Government Surplus Funds Trust Fund ("Florida PRIME"). The Policy also describes the risks associated with an investment in Florida PRIME. This Policy does not relate to Fund B as defined in Section 218.421, Florida Statutes.

II. Overview of Florida PRIME

The Local Government Surplus Funds Trust Fund was created by an Act of the Florida Legislature effective October 1, 1977 (Chapter 218, Part IV, Florida Statutes). The State Board of Administration ("SBA") is charged with the powers and duties to administer and invest Florida PRIME, in accordance with the statutory fiduciary standards of care as contained in Section 215.47(9), Florida Statutes. The SBA has contracted with Federated Investment Counseling (the "Investment Manager") to provide investment advisory services for Florida PRIME.

Florida PRIME is governed by Chapters 215 and 218, Florida Statutes, and Chapter 19-7 of the Florida Administrative Code (collectively, "Applicable Florida Law").

III. Roles and Responsibilities

The Board of Trustees of the SBA ("Trustees") consists of the Governor, as Chairman, the Chief Financial Officer, as Treasurer, and the Attorney General, as Secretary. The Trustees will annually certify that Florida PRIME is in compliance with the requirements of Chapter 218, Florida Statutes, and that the management of Florida PRIME is in accord with best investment practices.

The Trustees delegate the administrative and investment authority to manage Florida PRIME to the Executive Director of the SBA, subject to Applicable Florida Law. The Trustees appoint an Investment Advisory Council and a Participant Local Government Advisory Council. Both Councils will, at least annually, review this Policy and any proposed changes prior to its presentation to the Trustees and will undertake other duties set forth in Applicable Florida Law.

IV. Amortized Cost Accounting

In March 1997, the Governmental Accounting Standards Board ("GASB") issued Statement 31, titled "Accounting and Financial Reporting for Certain Investments and for External Investment Pools." GASB 31 applies to Florida PRIME.

GASB 31 outlines the two options for accounting and reporting for money market investment pools as either "2a-7 like" or fluctuating net asset value ("NAV"). GASB 31 describes a "2a-7 like" pool as an "external investment pool that is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with Rule 2a-7 under the Investment Company Act of 1940 (the "1940 Act")." Rule 2a-7 is the rule that permits money market funds to use amortized cost to maintain a constant NAV of $1.00 per share, provided that such funds meet certain conditions.

In December 2015, GASB issued Statement 79, "Certain External Investment Pools and Pool Participants," which delinks the accounting treatment of external investment pools from Rule 2a-7, and establishes criteria for the use of amortized cost to value portfolio assets of an external pool. GASB 79 also made clear that rounding unit value up or down to the nearest penny to maintain a stable NAV of $1.00 per share for issuances and redemptions of units is an operational decision for an external investment pool, rather than an accounting matter. GASB 79 also specifies, however, that seeking to maintain a stable price of $1.00 per share is one of the criteria that an external investment pool must meet as a condition to valuing all portfolio assets at amortized cost for financial reporting purposes.

Florida PRIME will seek to operate in a manner consistent with the criteria and requirements in GASB 79, including diversification, credit quality and maturity conditions. Accordingly, it is thereby permitted to value portfolio assets at amortized cost method.

V. Investment Objective

The primary investment objectives for Florida PRIME, in priority order, are safety, liquidity, and competitive returns with minimization of risks. Investment performance of Florida PRIME will be evaluated on a monthly basis against the Standard & Poor's U.S. AAA & AA Rated GIP All 30 Day Net Yield Index. While there is no assurance that Florida PRIME will achieve its investment objectives, it endeavors to do so by following the investment strategies described in this Policy.

VI. Investment Strategies & Specific Limitations

The Investment Manager will invest Florida PRIME's assets in short-term, high-quality fixed income securities. All Florida PRIME assets (100 percent) will be U.S. dollar-denominated. To be considered high-quality, a security must be rated in the highest short-term rating category by one or more nationally recognized statistical rating organizations ("NRSROs"), or be deemed to be of comparable quality thereto by the Investment Manager, subject to Section 215.47(1)(j), Florida Statutes. The Investment Manager also may enter into special transactions for Florida PRIME, like repurchase agreements. Each repurchase agreement counterparty must have an explicit issuer or counterparty credit rating in the highest short-term rating category from Standard & Poor's. Certain of the fixed -income securities in which Florida PRIME invests pay interest at a rate that is periodically adjusted ("Adjustable Rate Securities").

The Investment Manager will manage credit risk by purchasing only high quality securities. The Investment Manager will perform a credit analysis to develop a database of issuers and securities that meet the Investment Manager's standard for minimal credit risk. The Investment Manager monitors the credit risks of all Florida PRIME's portfolio securities on an ongoing basis by reviewing periodic financial data, issuer news and developments, and ratings of certain NRSROs. The Investment Manager will utilize a "new products" or similar committee to review and approve new security structures prior to an investment of Florida PRIME's assets in such securities. The Investment Manager will periodically consider and follow best practices in connection with minimal credit risk determinations (e.g., such as those described in Appendix I of the Investment Company Institute's 2009, *Report of the Money Market Working Group)*.

The Investment Manager will manage interest rate risk by purchasing only short-term fixed income securities. The Investment Manager will target a dollar-weighted average maturity range for Florida PRIME based on its interest rate outlook. The Investment Manager will formulate its interest rate outlook by analyzing a variety of factors, such as current and expected U.S. economic growth; current and expected interest rates and inflation; and the Federal Reserve Board's monetary policy. The Investment Manager will generally shorten Florida PRIME's dollar-weighted average maturity when it expects interest rates to rise and extend Florida PRIME's dollar-weighted average maturity when it expects interest rates to fall. In order to meet the investment grade ratings criteria of Standard & Poor's for a pool, the remaining maturity of securities purchased by the Investment Manager shall not exceed 762 days for government floating rate notes/variable rate notes and will not exceed 397 days for all other securities; provided, however, that if not required by the ratings criteria of the applicable NRSRO that is providing an investment grade rating to the pool and to the extent consistent with the portfolio criteria of GASB 79, longer term floating rate/variable rate notes that are U.S. government securities may be owned by Florida PRIME.

The Investment Manager will exercise reasonable care to maintain (i) a dollar weighted average maturity ("DWAM") of 60 days or less; and (ii) a maximum weighted average life (WAL) within the range of 90-120 days, depending on the levels of exposure and ratings of certain Adjustable Rate Securities. The maximum WAL will depend upon the percentage exposures to government and non-government Adjustable Rate Securities, with sovereign (government) Adjustable Rate Securities rated AA- and higher allowed a 120-day limit, and non-sovereign (corporate) Adjustable Rate Securities (and sovereign Adjustable Rate Securities rated below AA-) restricted to a 90-day limit. The portfolio's maximum WAL will be based on a weighted average of the percentage exposures to each type of floating-rate instrument.

For purposes of calculating DWAM, the maturity of an Adjustable Rate Security generally will be the period remaining until its next interest rate adjustment. For purposes of calculating WAL, the maturity of an Adjustable Rate Security will be its stated final maturity, without regard to interest rate adjustments; accordingly, the WAL limitation could serve to restrict Florida PRIME's ability to invest in Adjustable Rate Securities.

The Investment Manager will exercise reasonable care to limit exposure to not more than 25% of Florida PRIME's assets in a single industry sector, with the exception that the Investment Manager may invest more than 25% in the financial services industry sector, which includes banks, broker-dealers, and finance companies. This higher limit is in recognition of the large outstanding value of money fund instruments issued by financial services firms. Government securities are not considered to be an industry.

The Investment Manager will exercise reasonable care to not acquire a security, other than (i) a Daily Liquid Asset, if immediately after the acquisition Florida PRIME would have invested less than 10% of its total assets in Daily Liquid Assets; (ii) a Weekly Liquid Asset, if immediately after the acquisition Florida PRIME would have invested less than 30% of its total assets in Weekly Liquid Assets. Daily Liquid Assets include cash, direct obligations of the U.S. government and securities that convert to cash in one business day. Weekly Liquid Assets include cash, direct obligations of the U.S. government, certain government securities with remaining maturities of 60 business days or less and securities that convert to cash in five business days.

Florida PRIME shall seek to hold liquid assets sufficient to meet reasonably foreseeable redemptions, based upon knowledge of the expected cash needs of participants.

The Investment Manager will exercise reasonable care to not acquire securities that cannot be sold or disposed of in the ordinary course of business within five business days at approximately the value ascribed to them by Florida PRIME if, immediately after the acquisition, Florida PRIME would have invested more than 5% of its total assets in such securities.

In buying and selling portfolio securities for Florida PRIME, the Investment Manager will comply with (i) the diversification, maturity and credit quality criteria in GASB 79, (ii) the requirements imposed by any NRSRO that rates Florida PRIME to ensure that it maintains a AAAm rating (or the equivalent) and (iii) the investment limitations imposed by Section 215.47, Florida Statutes except to the extent, as permitted by Section 215.44(3), the trust instrument of Florida PRIME and this investment policy statement specifically authorize investments in addition to those authorized by Section 215.47.

The Investment Manager generally will comply with the following diversification limitations that are additional to those set forth in GASB 79. First, at least 50% of Florida PRIME assets will be invested in securities rated "A-1+" or those deemed to be of comparable credit quality thereto by the Investment Manager (i.e., so long as such deeming is consistent with the requirements of the NRSRO's AAAm (or equivalent) rating criteria), subject to Section 215.47(1)(j), Florida Statutes. The Investment Manager will document each instance in which a security is deemed to be of comparable credit quality and its basis for such a determination. Second, exposure to any single non-governmental issuer (other than a money market mutual fund) will not exceed 5% and exposure to any single money market mutual fund will not exceed 10% of Florida PRIME assets.

VII. Portfolio Securities and Special Transactions

The Investment Manager will purchase only fixed income securities for Florida PRIME, and may engage in special transactions, for any purpose that is consistent with Florida PRIME's investment objective.

Fixed income securities are securities that pay interest, dividends or distributions at a specified rate. The rate may be a fixed percentage of the principal or adjusted periodically. In addition, the issuer of a short-term fixed income security must repay the principal amount of the security, normally within a specified time. The fixed income securities in which Florida PRIME may invest include corporate debt securities, bank instruments, asset backed securities, U.S. Treasury securities, U.S. government agency securities, insurance contracts, municipal securities, foreign securities, mortgage backed securities, and shares of money market mutual funds. However, Florida PRIME is not permitted to buy such fixed income securities to the extent that they require Florida PRIME to be a qualified institutional buyer.

Special transactions are transactions into which Florida PRIME may enter, including, but not limited to, repurchase agreements and delayed delivery transactions.

For a more detailed description of Florida PRIME's portfolio securities and special transactions, please see "Additional Information Regarding Florida PRIME's Principal Securities" at Appendix A.

VIII. Risks Associated with Florida PRIME

An investment in Florida PRIME is subject to certain risks. Any investor in Florida PRIME should specifically consider, among other things, the following principal risks before making a decision to purchase shares of Florida PRIME.

Risk that Florida PRIME will not Maintain a Stable Net Asset Value

Although the Investment Manager attempts to manage Florida PRIME such that it maintains a stable NAV of $1.00 per share, there is no guarantee that it will be able to do so. Florida PRIME is not registered under the 1940 Act or regulated by the SEC.

Interest Rate Risks

The prices of the fixed income securities in which Florida PRIME 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.

Credit Risks

Credit risk is the possibility that an issuer of a fixed income security held by Florida PRIME will default on the security by failing to pay interest or principal when due. If an issuer defaults, Florida PRIME will lose money.

Liquidity Risks

Trading opportunities are more limited for fixed income securities that are not widely held. These features make it more difficult to sell or buy securities at a favorable price or time. Consequently, Florida PRIME may have to accept a lower price to sell a security, sell other securities to raise cash or give up an investment opportunity, any of which could have a negative effect on Florida PRIME's performance.

Concentration Risks

A substantial part of Florida PRIME may be comprised of securities issued by companies in the financial services industry, companies with similar characteristics, or securities credit enhanced by banks or companies with similar characteristics. As a result, Florida PRIME may be more susceptible to any economic, business, or political risks or other developments that generally affect finance companies. Developments affecting companies in the financial services industry or companies with similar characteristics might include changes in interest rates, changes in the economic cycle affecting credit losses and regulatory changes.

Risks of Foreign Investing

Foreign securities pose additional risks because foreign economic or political conditions may be less favorable than those of the United States. Securities in foreign markets also may be subject to taxation policies that reduce returns for U.S. investors.

Call Risks

If a fixed income security is called, Florida PRIME may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks or other less favorable characteristics.

Prepayment Risks

Unlike traditional fixed income securities, which pay a fixed rate of interest until maturity (when the entire principal amount is due), payments on asset-backed securities include both interest and a partial payment of principal. Partial payment of principal may be comprised of scheduled principal payments as well as unscheduled payments from voluntary prepayment, refinancing, or foreclosure of the underlying loans. If Florida PRIME receives unscheduled prepayments, it may have to reinvest the proceeds in other fixed income securities with lower interest rates, higher credit risks or other less favorable characteristics.

Risks Associated with Amortized Cost Method of Valuation

Florida PRIME will use the amortized cost method to determine the value of its portfolio securities. Under this method, portfolio securities are valued at the acquisition cost as adjusted for amortization of premium or accumulation of discount rather than at current market value. Accordingly, neither the amount of daily income nor the NAV is affected by any unrealized appreciation or depreciation of the portfolio. In periods of declining interest rates, the indicated daily yield on shares computed by dividing the annualized daily income on Florida PRIME's portfolio by the NAV, as computed above, may tend to be higher than a similar computation made by using a method of valuation based on market prices and estimates. In periods of rising interest rates, the opposite may be true.

Changing Distribution Level Risk

There is no guarantee that Florida PRIME will provide a certain level of income or that any such income will exceed the rate of inflation. Further, Florida PRIME's yield will vary. A low interest rate environment may prevent Florida PRIME from providing a positive yield or paying expenses out of current income.

Throughout this section, it shall be understood that actions described as being taken by Florida PRIME refer to actions taken by the Investment Manager on behalf of Florida PRIME.

For additional information regarding Florida PRIME's principal securities and associated risks, please see Appendix A.

IX. Controls and Escalation Procedures

Section 218.409(2), Florida Statutes requires this Policy to document a system of internal controls designed to prevent the loss of public funds arising from fraud, employee error, misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the board or a professional money management firm. The controls include formal escalation reporting guidelines for all employees to address material impacts on Florida PRIME that require reporting and action.

The SBA has engaged BNY Mellon ("Custodian") to provide asset safekeeping, custody, fund accounting and performance measurement services to Florida PRIME. The Custodian will mark to market the portfolio holdings of Florida PRIME on a daily basis and will daily communicate both amortized cost price and mark to market price, so that the SBA and the Investment Manager can monitor the deviations between the amortized cost price and market price. By contractual agreement, the Investment Manager will reconcile accounting and performance measurement reports with the Custodian on at least a monthly basis, under the supervision of the SBA.

The NRSRO that rates Florida PRIME will perform regular independent surveillance of Florida PRIME. The SBA and an independent investment consultant will regularly monitor the Investment Manager with respect to performance and organizational factors according to SBA manager monitoring policies.

The SBA and third parties used to materially implement Florida PRIME will maintain internal control, fraud and ethics policies and procedures designed to prevent the loss of public funds.

The Executive Director will develop policies and procedures to:

- Identify, monitor and control/mitigate key investment and operational risks.
- Maintain an appropriate and effective risk management and compliance program that identifies, evaluates and manages risks within business units and at the enterprise level.
- Maintain an appropriate and effective control environment for SBA investment and operational responsibilities.
- Approve risk allocations and limits, including total fund and asset class risk budgets.

The Executive Director will appoint a Chief Risk and Compliance Officer, whose selection, compensation and termination will be affirmed by the Board, to assist in the execution of the responsibilities enumerated in the preceding list. For day-to-day executive and administrative purposes, the Chief Risk and Compliance Officer will proactively work with the Executive Director and designees to ensure that issues are promptly and thoroughly addressed by management. On at least a quarterly basis, the Chief Risk and Compliance Officer will provide reports to the Investment Advisory Council, Audit Committee and Board, and is authorized to directly access these bodies at any time as appropriate to ensure the integrity and effectiveness of risk management and compliance functions.

Pursuant to written SBA policy, the Executive Director will organize an Investment Oversight Group to regularly review, document and formally escalate compliance exceptions and events that may have a material impact on Florida PRIME. Minutes of the Investment Oversight Group's meetings and a listing of meeting participants shall be timely posted on the Florida PRIME website.

The Investment Oversight Group will meet and report monthly to the Executive Director, except upon the occurrence of a material event. The SBA and the Investment Manager have an affirmative duty to immediately disclose any material impact on Florida PRIME to the participants, including, but not limited to:

1. When the deviation between the market value and amortized cost of Florida PRIME exceeds 0.25%, according to pricing information provided by the Custodian, the Investment Manager will establish a formal action plan. The Investment Oversight Group will review the formal action plan and prepare a recommendation for the Executive Director's consideration.

2. When the deviation between the market value and amortized cost of Florida PRIME exceeds 0.50%, according to pricing information provided by the Custodian, the Executive Director will promptly consider what action, if any, will be initiated. Where the Executive Director believes the extent of any deviation from Florida PRIME's amortized cost price per share may result in material dilution or other unfair results to investors or existing shareholders, he will cause Florida PRIME to take such action as he deems appropriate to eliminate or reduce to the extent reasonably practicable such dilution or unfair results.

3. The Investment Manager will perform daily compliance monitoring to ensure that investment practices comply with the requirements of this Policy, according to documented compliance procedures. The Investment Manager will provide regular compliance reports and will communicate compliance exceptions within 24 hours of identification to the Investment Oversight Group. Additionally, the Investment Oversight Group will periodically conduct independent compliance reviews.

4. In the event that a security receives a credit rating downgrade and ceases to be in the highest rating category, or the Investment Manager determines that the security is no longer of comparable quality to the highest short-term rating category (in either case, a "Downgrade"), the Investment Manager will reassess whether the security continues to present minimal credit risk and will cause Florida PRIME to take any actions determined by the Investment Manager to be in the best interest of Florida PRIME; provided however, that the Investment Manager will not be required to make such reassessments if Florida PRIME disposes of the security (or the security matures) within five business days of the Downgrade.

5. In the event that a security no longer meets the criteria for purchase due to default, event of insolvency, a determination that the security no longer presents minimal credit risks, or other material event ("Affected Security"), the Investment Manager must dispose of the security as soon as practical, consistent with achieving an orderly disposition of the security, by sale, exercise of a demand feature or otherwise, and the requirements of GASB 79. An Affected Security may be held only if the Executive Director has determined, based upon a recommendation from the Investment Manager and the Investment Oversight Group, that it would not be in the best interest of Florida PRIME to dispose of the security taking into account market conditions that may affect an orderly disposition.

6. The Investment Manager will monthly stress test Florida PRIME and at least quarterly report the results of the stress tests to the Investment Oversight Group. Stress tests must be conducted for at least the following events, or combinations of events (i) a change in short-term interest rates; (ii) an increase in net shareholder redemptions; (iii) downgrades or defaults; and (iv)

changes between a benchmark overnight interest rate and the interest rates on securities held by Florida PRIME.

The Investment Manager will at least annually provide the Investment Oversight Group with: (i) their documented compliance procedures; (ii) an assessment of Florida PRIME's ability to withstand events reasonably likely to occur in the coming year and (iii) their list of NRSROs utilized as a component of the credit risk monitoring process.

The Executive Director's delegated authority as described in this section is intended to provide him with sufficient authority and operating flexibility to make professional investment decisions in response to changing market and economic conditions. Nonetheless, the Trustees will at least monthly review and approve management summaries of material impacts on Florida PRIME, any actions or escalations taken thereon, and carry out such duties and make such determinations as are otherwise necessary under applicable law, regulation or rule.

Pursuant to Florida law, the Auditor General will conduct an annual financial audit of Florida PRIME, which will include testing for compliance with this Policy.

X. Deposits and Withdrawals

Investors should refer to the separate Florida PRIME Operating Procedures for detailed descriptions regarding how to make deposits in and withdrawals from Florida PRIME, including (1) any fees and limitations that may be imposed with respect thereto; and (2) reports provided to participants.

XI. Management Reporting

The Executive Director will be responsible for providing the formal periodic reports to the Trustees, legislative committees and other entities:

1. An annual report on the SBA and its investment portfolios, including that of Florida PRIME.
2. A monthly report on performance and investment actions taken.
3. Special reports pursuant to Chapter 218, Florida Statutes.

Appendix A
Additional Information Regarding Florida PRIME's Principal Securities

Throughout this appendix it shall be understood that actions described as being taken by Florida PRIME refer to actions taken by the Investment Manager on behalf of Florida PRIME.

FIXED INCOME SECURITIES

Corporate Debt Securities

Corporate debt securities are fixed income securities issued by businesses. Notes, bonds, debentures and commercial paper are the most prevalent types of corporate debt securities. Florida PRIME also may purchase interests in bank loans to companies.

COMMERCIAL PAPER

Commercial paper is an issuer's obligation with a maturity of generally less than 270 days. Companies typically issue commercial paper to pay for current expenditures. Most issuers constantly reissue their commercial paper and use the proceeds (or bank loans) to repay maturing paper. If the issuer cannot continue to obtain liquidity in this fashion, its commercial paper may default.

DEMAND INSTRUMENTS

Demand instruments are corporate debt securities that the issuer must repay upon demand. Other demand instruments require a third party, such as a dealer or bank, to repurchase the security for its face value upon demand. Florida PRIME treats demand instruments as short-term securities, even though their stated maturity may extend beyond one year.

Bank Instruments

Bank instruments are unsecured interest bearing deposits with banks. Bank instruments include, but are not limited to, bank accounts, time deposits, certificates of deposit and banker's acceptances. Yankee instruments are denominated in U.S. dollars and issued by U.S. branches of foreign banks. Eurodollar instruments are denominated in U.S. dollars and issued by non-U.S. branches of U.S. or foreign banks.

Florida PRIME will not invest in instruments of domestic and foreign banks and savings and loans unless they have capital, surplus, and undivided profits of over $100,000,000, or if the principal amount of the instrument is insured by the Bank Insurance Fund or the Savings Association Insurance Fund which are administered by the Federal Deposit Insurance Corporation. These instruments may include Eurodollar Certificates of Deposit, Yankee Certificates of Deposit, and Euro-dollar Time Deposits.

Florida PRIME shall further limit its investments in bank instruments consistent with the requirements of GASB 79.

Asset Backed Securities

Asset backed securities are payable from pools of obligations, most of which involve consumer or commercial debts. However, almost any type of fixed income assets (including other fixed income securities) may be used to create an asset backed security. Asset backed securities may take the form of commercial paper, notes or pass-through certificates.

Government Securities

Government security means any security issued or guaranteed as to principal or interest by the United States, or by a person controlled or supervised by and acting as an instrumentality of the Government of the United States pursuant to authority granted by the Congress of the United States; or any certificate of deposit for any of the foregoing.

U.S. Treasury Securities

U.S. Treasury securities are direct obligations of the federal government of the United States. U.S. Treasury securities are generally regarded as having the lowest credit risks.

Agency Securities

Agency securities are issued or guaranteed by a federal agency or other government sponsored entity (GSE) acting under federal authority. Some GSE securities are supported by the full faith and credit of the United States. These include securities issued by the Government National Mortgage Association, Small Business Administration, Farm Credit System Financial Assistance Corporation, Farmer's Home Administration, Federal Financing Bank, General Services Administration, Department of Housing and Urban Development, Export-Import Bank, Overseas Private Investment Corporation, and Washington Metropolitan Area Transit Authority.

Other GSE securities receive support through federal subsidies, loans or other benefits. For example, the U.S. Treasury is authorized to purchase specified amounts of securities issued by (or otherwise make funds available to) the Federal Home Loan Bank System, Federal Home Loan Mortgage Corporation, Federal National Mortgage Association, Student Loan Marketing Association, and Tennessee Valley Authority in support of such obligations.

A few GSE securities have no explicit financial support, but are regarded as having implied support because the federal government sponsors their activities. These include securities issued by the Farm Credit System, Financing Corporation, and Resolution Funding Corporation.

Investors regard agency securities as having low credit risks, but not as low as Treasury securities. Florida PRIME treats mortgage-backed securities guaranteed by a GSE as if issued or guaranteed by a federal agency. Although such a guarantee protects against credit risks, it does not reduce market risks.

Insurance Contracts

Insurance contracts include guaranteed investment contracts, funding agreements and annuities. Florida PRIME treats these contracts as fixed income securities.

Municipal Securities

Municipal securities are issued by states, counties, cities and other political subdivisions and authorities.

Foreign Securities

Foreign securities are U.S. dollar-denominated securities of issuers based outside the United States. Florida PRIME considers an issuer to be based outside the United States if:

- it is organized under the laws of, or has a principal office located in, another country;
- the principal trading market for its securities is in another country; or

- it (or its subsidiaries) derived in its most current fiscal year at least 50% of its total assets, capitalization, gross revenue or profit from goods produced, services performed or sales made in another country.

Mortgage Backed Securities

Mortgage backed securities represent interests in pools of mortgages. The mortgages that comprise a pool normally have similar interest rates, maturities and other terms. Mortgages may have fixed or adjustable interest rates. Interests in pools of adjustable rate mortgages are known as ARMs.

Zero Coupon Securities

Certain of the fixed income securities in which Florida PRIME invests are zero coupon securities. Zero coupon securities do not pay interest or principal until final maturity, unlike debt securities that provide periodic payments of interest (referred to as a "coupon payment"). Investors buy zero coupon securities at a price below the amount payable at maturity. The difference between the purchase price and the amount paid at maturity represents interest on the zero coupon security. Investors must wait until maturity to receive interest and principal, which increases the interest rate and credit risks of a zero coupon security.

Callable Securities

Certain of the fixed income securities in which Florida PRIME invests are callable at the option of the issuer. Callable securities are subject to reinvestment risks.

144A Securities

The SBA has determined that Florida PRIME constitutes (i) an "accredited investor" as defined in Rule 501(a)(7) promulgated under the Securities Act of 1933, as amended (the "Securities Act"), as long as Florida PRIME has total assets in excess of $5,000,000 and (ii) a "qualified purchaser" as defined in Section 2(a)(51)(A)(iv) of the 1940 Act, as long as Florida PRIME in the aggregate owns and invests on a discretionary basis not less than $25,000,000 in investments, but does not constitute a "qualified institutional buyer" as defined in Rule 144A(a)(1) promulgated under the Securities Act. Florida PRIME is restricted from purchasing or acquiring securities or investments that would require Florida PRIME to represent in connection with such purchase or acquisition that it is a "qualified institutional buyer" as defined in Rule 144A(a)(1) promulgated under the Securities Act.

Money Market Mutual Funds

Florida PRIME may invest in shares of registered investment companies that are money market mutual funds, including those that are affiliated with the Investment Manager, as an efficient means of implementing its investment strategies and/or managing its uninvested cash. These other money market mutual funds are managed independently of Florida PRIME and incur additional fees and/or expenses that would, therefore, be borne indirectly by Florida PRIME in connection with such investment. However, the Investment Manager believes that the benefits and efficiencies of this approach should outweigh the potential additional fees and/or expenses. The Investment Manager must obtain prior written consent of the SBA to invest Florida PRIME in money market mutual funds that are "affiliated persons" of the Investment Manager.

SPECIAL TRANSACTIONS

The Investment Manager on behalf of Florida PRIME may engage in the following special transactions.

Repurchase Agreements

A repurchase agreement is a transaction in which Florida PRIME buys a security from a dealer or bank and agrees to sell the security back at a mutually agreed-upon time and price. The repurchase price exceeds the sale price, reflecting Florida PRIME's return on the transaction. This return is unrelated to the interest rate on the underlying security. Florida PRIME will enter into repurchase agreements only with banks and other recognized financial institutions, such as securities dealers, deemed creditworthy by the Investment Manager. The securities that are subject to the repurchase transactions are limited to securities in which Florida PRIME would be permitted to invest, except that such securities may have a maturity longer than would otherwise be permitted for Florida PRIME to own.

Florida PRIME's custodian or subcustodian will take possession of the securities subject to repurchase agreements. The Investment Manager or subcustodian will monitor the value of the underlying security each day to ensure that the value of the security always equals or exceeds the repurchase price.

Repurchase agreements are subject to credit risks.

Delayed Delivery Transactions

Delayed delivery transactions, including when-issued transactions, are arrangements in which Florida PRIME buys securities for a set price, with payment and delivery of the securities scheduled for a future time. During the period between purchase and settlement, no payment is made by Florida PRIME to the issuer and no interest accrues to Florida PRIME. Florida PRIME records the transaction when it agrees to buy the securities and reflects their value in determining the price of its units. Settlement dates may not be more than seven business days after entering into these transactions; nonetheless, the market values of the securities bought may vary from the purchase prices. Therefore, delayed delivery transactions create interest rate risks for Florida PRIME. Delayed delivery transactions also involve credit risks in the event of a counterparty default.

Asset Coverage

In order to secure its obligations in connection with special transactions, Florida PRIME will either own the underlying assets, enter into an offsetting transaction or set aside readily marketable securities with a value that equals or exceeds Florida PRIME's obligations. Unless Florida PRIME has other readily marketable assets to set aside, it cannot trade assets used to secure such obligations without terminating a special transaction. This may cause Florida PRIME to miss favorable trading opportunities or to realize losses on special transactions.

STATE BOARD OF ADMINISTRATION
OF FLORIDA

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June 14, 2017

Honorable Dan Raulerson
Alternating Chair
Joint Legislative Auditing Committee
300 House Office Building
402 South Monroe Street
Tallahassee, Florida 32399-1100

Honorable Debbie Mayfield
Alternating Chair
Joint Legislative Auditing Committee
324 Senate Office Building
404 South Monroe Street
Tallahassee, Florida 32399-1300

Dear Representative Raulerson and Senator Mayfield:

Section 218.405(3), Florida Statutes, requires the Trustees of the State Board of Administration to "annually certify to the Joint Legislative Auditing Committee that the trust fund is in compliance with the requirements of this part and that the Trustees have conducted a review of the trust fund and determined that the management of the trust fund is in accordance with best investment practices."

Please be advised that the Trustees have approved the attached legal compliance and best investment practices reviews and authorized me to convey their certification of compliance and determination of management in accordance with best investment practices to you.

Please contact me if you have any questions.

Sincerely,

Ashbel C. Williams
Executive Director & CIO

ACW/kg
Attachments
cc: Honorable Tracy Davis
Honorable Randy Fine
Honorable Joe Gruters
Honorable Roy Hardemon
Honorable Cyndi Stevenson
Honorable Dennis Baxley
Honorable Audrey Gibson
Honorable Kathleen Passidomo
Honorable Perry Thurston
Ms. Kathy Dubose, Coordinator

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May 18, 2017

SUMMARY OF STATUTORY COMPLIANCE REVIEW, 2017

This review finds that the Local Government Surplus Funds Trust Fund, Florida PRIME™, (Fund) is in compliance with Sections 218.40 – 218.415, Florida Statutes.

Scope – The time period reviewed is May 16, 2016 through May 15, 2017.

Methodology – The review included analysis of the applicable statute, interviews with State Board of Administration personnel, review of materials posted to the Florida PRIME™ website, and materials provided by SBA personnel.

Additional Findings – Because the Fund existed long before many requirements for enrollment were added in 2008, a number of participants do not have a Disclosure Statement (a document specifically acknowledging receipt and review of enrollment materials) on file, but at this point over 97 percent of the dollar value of the Fund is in accounts of participants that have Disclosure Statements on file.

Auditor General Report No. 2017-099 noted no instances of noncompliance required to be reported under Government Auditing Standards, but made an Additional Matter finding that the Investment Oversight Group had not met monthly, although compliance continued.

Participant Local Government Advisory Council (PLGAC) members, with one exception, are serving terms which have expired. The PLGAC has recommended that it be discontinued as no longer needed.

Disclosure: I currently serve as the Chair of the Leon County Research and Development Authority (Authority) Board of Governors, which had some of its funds in a PRIME™ account during the review period. This is an unpaid position, and the Authority's participation in PRIME™ predates my service on its board or as chair. My analysis, in which the SBA General Counsel concurs, indicates that this relationship does not pose a conflict or compromise the impartiality of this review.

Anne Longman

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May 18, 2017

LOCAL GOVERNMENT SURPLUS FUNDS TRUST FUND
STATUTORY COMPLIANCE REVIEW

The Local Government Surplus Funds Trust Fund (Trust Fund or Fund) administered by the State Board of Administration (Board) was created in 1977, is governed by Part IV of Chapter 218, Florida Statutes, titled Investment of Local Government Surplus Funds, and is now known as Florida PRIME™.

THE STATUTE

Pursuant to section 218.405(3), the trustees (meaning the trustees of the State Board of Administration, section 218.403(10), constituted per section 215.44(1)) must make a two part annual certification:

> **(3) The trustees shall annually certify to the Joint Legislative Auditing Committee <u>that the trust fund is in compliance with the requirements of this part</u> and that the trustees have conducted a review of the trust fund and determined that the management of the trust fund is in accord with best investment practices.** (Emphasis added.)

This is the eighth annual statutory review of the Fund under section 218.405(3). There have been no substantive changes to the statute since last year's review.

SCOPE OF REVIEW

This review addresses the first part of the annual certification and examines whether the Trust Fund, defined at section 218.403(9) as "the pooled investment fund created by s. 218.405 and known as the Local Government Surplus Fund Trust Fund," is "in compliance with the requirements of this part." "This part" refers to Part IV of Chapter 218, Florida Statutes, which includes sections 218.40 – 218.422, Florida Statutes.

The scope of this review is sections 218.40 – 218.415, Florida Statutes for the time period May 16, 2016 through May 15, 2017. The remainder of Part IV, Chapter 218 covers the Fund B Surplus Funds Trust Fund, which is not within the scope of this review.

The second part of the certification required by section 218.405(3), the determination that the Fund is in accord with best investment practices is being performed separately by Aon Hewitt Investment Consulting, Inc.

PURPOSE

As set out at section 218.401, Florida Statutes, the purpose of Part IV of Chapter 218 is:

> **[T]o promote, through state assistance, the maximization of net interest earnings on invested surplus funds of local units of government, based on the principals [sic] of investor protection, mandated transparency, and proper governance, with the goal of reducing the need for imposing additional taxes.**

By its terms, the Fund is limited to units of local government, as defined at section 218.403(11):

> **'Unit of local government' means any governmental entity within the state not part of state government and shall include, but not be limited to, the following and the officers thereof: any county, municipality, school district, special district, clerk of the circuit court, sheriff, property appraiser, tax collector, supervisor of elections, authority, board, public corporations, or any other political subdivision of the state.**

This broad definition covers not just "any governmental entity…not a part of state government," but includes also authorities, boards and public corporations, and is specifically not limited to the enumerated bodies. In addition, the definition of surplus funds, found at section 218.403(8), includes:

> **[A]ny funds in any general or special account or fund of a unit of local government, or funds held by an independent trustee on behalf of a unit of local government, which in reasonable contemplation will not be immediately needed for the purposes intended.**

Fund participants are charged by statute with determining whether it is in their interest to participate in the Fund. §218.407(2). The enrollment materials require the participant to certify that it has determined it is authorized to invest in the Fund. They also state that the SBA is not responsible for independently verifying that the participant is so authorized.

CREATION, OBJECTIVES

The Trust Fund is created at section 218.405, Florida Statutes,

> **(1) There is hereby created a Local Government Surplus Funds Trust Fund to be administered by the board and to be composed of local government surplus funds deposited therein by units of local government under the procedures established in this part. The board may contract with a professional money management firm to manage the trust fund.**

The Board has contracted with a professional money management firm, Federated Investment Counseling, Inc. (Federated), to manage the Trust Fund.

> **(2) The primary objectives, in priority order, of investment activities shall be safety, liquidity, and competitive returns with minimization of risks.**
> **(3) (Certification requirement, cited above)**
> **(4) The board may adopt rules to administer the provisions of this section.**

RULES

Both sections 218.405(4) and 218.412 make rulemaking to administer the Trust Fund permissive rather than mandatory. The Board has adopted rules for the Fund at Chapter 19-7, Florida Administrative Code. The majority of these rules were enacted in 1982, with substantial revisions in 2002 and 2010. Revised Rule 19-7.002 was amended to adopt the current Investment Policy Statement for the Fund as approved by the Trustees on August 2, 2016 and made effective that same date. The most recent changes also update information on accessing the Investment Policy Statement on the SBA website. The Investment Policy Statement has been made a part of the rules, must be revised annually per Section 218.409(2)(a), and so requires annual changes to Rule 19-7.002.

HOW THE TRUST FUND INTERACTS WITH LOCAL GOVERNMENT AUTHORITIES

Section 218.407 sets out the requirements that must be met before a unit of local government may deposit surplus funds in the Trust Fund:

(1) Prior to any determination by the governing body that it is in the interest of the unit of local government to deposit surplus funds in the trust fund, the board or a professional money management firm must provide to the governing body enrollment materials, including a trust fund profile containing impartial educational information describing the administration and investment policy of the trust fund, including, but not limited to:
(a) All rights and conditions of participation, including potential restrictions on withdrawals.
(b) The historical performance, investment holdings, credit quality, and average maturity of the trust fund investments.
(c) The applicable administrative rules.
(d) The rate determination processes for any deposit or withdrawal.
(e) Any fees, charges, penalties, and deductions that apply to the account.
(f) The most recently published financial statements or independent audits, if available, prepared under generally accepted accounting principles.
(g) A disclosure statement for signature by the appropriate local government official.

The Board, with Federated, has created enrollment materials which include a Trust Fund profile and education information which appear to be impartial and to accurately describe the administration and investment policies of the Trust Fund and which meet the specific requirements of the above section.

All materials are provided to participants and potential participants at the Board's web site: www.sbafla.com at the Florida PRIME link, or directly at www.sbafla.com/prime. The New Participant Enrollment Guide, the current Investment Policy Statement, the Earnings Allocation description and the applicable rules are included under the "Enrollment Materials" tab, as are the forms of two documents that must be executed by a new participant: the Disclosure Statement and the Authorizing Resolution. These materials track the statutory information required by section 218.407(1) cited above, and have been updated to reflect changes since the last report.

(2) Upon review of the enrollment materials and upon determination by the governing body that it is in the interest of the unit of local government to deposit surplus funds in the trust fund, a resolution by the governing body and the signed acceptance of the disclosure statement by the local government official, who may be the chief financial or administrative officer of the local government, shall be filed with the board and, if appropriate, a copy shall be provided to a professional money

> **management firm authorizing investment of its surplus funds in the trust fund established by this part. The resolution shall name:**
> **(a) The local government official, who may be the chief financial or administrative officer of the local government, or**
> **(b) An independent trustee holding funds on behalf of the unit of local government, responsible for deposit and withdrawal of such funds.**

The Fund was created in 1977, and so has many long-standing participants. When the governing statutes were substantially amended effective in 2008, new requirements and safeguards were added, including specific items set out in 218.407(1) and (2) above, that had to be given to or obtained from participants. Most of these requirements are intended to assure that the participant is fully informed about the nature, purpose, stability and processes of the Fund. Some long-standing participants do not have a Disclosure Statement on file with the Fund, as this was not required when they enrolled.

Staff analyzed all accounts in the Trust Fund as of April 4, 2017 to determine whether a Disclosure Statement is on file. There are still a number of participants who do not have Disclosure Statements, although the number continues to decline. This issue has been addressed more fully previously (see 2010 review), and that analysis still pertains: all participants have putative and actual knowledge of the workings of the Fund, through the Monthly Summary Reports and materials posted to the website. All participants who have enrolled since the law change in 2008 have Disclosure Statements on file. Since last year's report, staff reports the following:

- As of the above date of analysis, there were 144 participants that had not submitted a signed disclosure statement, out of 742 participants.
- The percentage of all dollars invested in Florida PRIME which is in accounts of a participant with a Disclosure Statement on file now stands at 97.03%.
- Of the 144 participants with no Disclosure Statement on file, 13 have a balance of less than $2.

I recommend that the Fund continue all efforts to obtain these Disclosure Statements.

> **(3) The board or a professional money management firm shall, upon the filing of the resolution, invest the moneys in the trust fund in the same manner and subject to the same restrictions as are set forth in s.215.47. All units of local government that qualify to be participants in the trust fund shall have surplus funds deposited into a pooled investment account.**

Section 215.47, cited above, details the types of investments permitted for all Board funds, including Florida PRIME. Pursuant to section 218.409(2)(a), the Fund also must be invested in accordance with the current written investment policy. Part two of the certification required by section 218.405(3), being conducted by Aon Hewitt Investment Consulting, Inc., will determine if the Fund's management is in accord with best investment practices (and in accord with the current Investment Policy Statement (IPS)).

ADMINISTRATION OF THE TRUST FUND, ADVISORY COUNCIL

218.409 Administration of the trust fund; creation of advisory council.—

(1) Upon receipt of the items specified in s. 218.407 from the local governing body, the board or a professional money management firm shall accept all wire transfers of funds into the trust fund. The board or a professional money management firm shall also wire-transfer invested local government funds to the local government upon request of the local government official named in the resolution.

A clearing account maintained by Bank of America, which is a qualified public depository, accepts money transmitted to the Board and transfers to BNY Mellon, as the custodian, as discussed further below.

(2)(a) The trustees shall ensure that the board or a professional money management firm administers the trust fund on behalf of the participants. The board or a professional money management firm shall have the power to invest such funds in accordance with a written investment policy. The investment policy shall be updated annually to conform to best investment practices. The standard of prudence to be used by investment officials shall be the fiduciary standards as set forth in s. 215.47(9), which shall be applied in the context of managing an overall portfolio. Portfolio managers acting in accordance with written procedures and an investment policy 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 the liquidity and the sale of securities are carried out in accordance with the terms of this part.

The Board administers the Trust Fund on behalf of the participants and handles accounting, statements, monthly reporting and compiling and maintaining enrollment materials, and has contracted with professional money management firm Federated to act as the Investment Manager and to invest the Trust Fund funds in accordance with the Investment Policy Statement. Federated also interacts with participants to answer inquiries and facilitates Standard and Poor's ratings. BNY Mellon acts as custodian of all assets of the Fund, processes all trades made by Federated, and does valuation and pricing for the Fund. The

Investment Policy Statement has been updated and approved by the Trustees, and was effective August 2, 2016. It is posted at the Fund website tab "Risk Management and Oversight," and at the "Enrollment Materials" tab as a separate item and as part of the New Participant Enrollment Guide.

> **(b) Officers and employees involved in the investment process shall refrain from personal business activity that could conflict with the proper execution and management of the investment program or that could impair their ability to make impartial decisions. Employees and investment officials shall disclose any material interests in financial institutions with which they conduct business on behalf of the trust fund. They shall further disclose any personal financial or investment positions that could be related to the performance of the investment portfolio. Employees and officers shall refrain from undertaking personal investment transactions with the same individual with whom business is conducted on behalf of the board.**

All Board employees are required to complete training sessions to assure that Board officers and employees involved in the investment process are not engaged in personal business activity that could conflict with the Trust Fund program or impair their ability to make impartial decisions. The SBA Inspector General monitors completion of all mandatory policy courses and confirms that all courses required in the applicable fiscal year rotation have been completed. A course cycle sets out the courses which must be completed every year: Acceptable Use, Ethics, Harassment Prevention, Incident Management Framework, Insider Trading, Personal Investment Activity and Your Role in Information Security; those required every two years: Public Records, Sunshine Law; and those required every four years: Fiduciary Duties. All training is done on line, and the Inspector General then runs reports to determine completion. While some employees have not yet completed the current curriculum, they are not required to do so until June 30, 2016 and the Inspector General states that he insures that all courses are completed timely.

All new employees are required to take the mandatory courses at the time they start working for the SBA. This includes the seven yearly policy courses and the Fiduciary Training.

Employees and investment officials are required to disclose material interests in financial institutions with which they also conduct Trust Fund business, and any personal financial or investment positions that could be related to performance of the Trust Fund portfolio. Policy 10-041 on Personal Investment Activity, as updated February 1, 2015, guides the Board on these issues. The Inspector General assures that any trading or investment activity by individual employees is in compliance with applicable policies.

The Board has developed a process and document to be used by professional money manager Federated to certify that it is in compliance with statutory ethics requirements. Federated's Chief Investment Officer and its Chief Compliance Officer have executed a Compliance Certification dated February 22, 2017.

> **(c) The board or a professional money management firm and all employees have an affirmative duty to immediately disclose any material impact to the trust fund to the participants. To ensure such disclosure, a system of internal controls shall be established by the board, which shall be documented in writing as part of the investment policy. The controls shall be designed to prevent the loss of public funds arising from fraud, employee error, and misrepresentation by third parties, unanticipated changes in financial markets, or imprudent actions by employees and officers of the board or a professional money management firm. The controls shall also include formal escalation reporting guidelines for all employees. The guidelines shall establish procedures to address material impacts on the trust fund that require reporting and action.**

Policy 10-040, Ethics, as revised December 9, 2016, sets out comprehensive ethical requirements for all employees of the SBA, including PRIME. SBA management and staff have an affirmative duty to immediately escalate "employee or contractual party fraud or misconduct (whether actual or suspected), employee or contractual party material error that adversely affects SBA or client assets or interests, misrepresentation or omission of material information in internal and external reporting and client communications, and violations of laws, rules or SBA policies." The Inspector General is then required to investigate.

The Board internet and intranet home pages include an employee toll-free fraud hotline number which allows all employees to anonymously report any concerns with regard to any aspect of Board functions, including the Trust Fund. This number also is provided in all contracts with external service providers, in order to reach any potential problems in these relationships. The hotline is operated by an independent company and is available 24 hours a day, 7 days a week. The Inspector General receives any reports from the hotline and copies these to the Chief Risk and Compliance Officer. There have been no fraud reports to the hotline number in the review period.

The Investment Policy Statement at Section IX, Controls and Escalation Procedures, imposes extensive reporting, monitoring and escalation requirements on the executive director, all employees, the Fund custodian, the Investment Manager, an independent investment consultant and any third party used to materially implement the Fund.

The IPS requires the Executive Director to appoint a Chief Risk and Compliance Officer, whose selection, compensation, and termination are to be affirmed by the Board. This position assists the Executive Director in fulfilling the Controls and Escalation Procedures, and has been staffed.

Also in accordance with the IPS, the executive director of the Board has organized an Investment Oversight Group (IOG) to regularly review and formally escalate exceptions or events that might have a material impact on the Trust Fund. The minutes of its meetings, with a list of participants, are posted to the Fund website.

As discussed below, the Auditor General conducts an annual financial audit of PRIME, and the IPS states that this audit "will include testing for compliance with this Policy," (the IPS.)

The IPS also requires the Trustees to review and approve management summaries of material impacts on the Fund and any actions or escalations, along with any required actions thereon. The Monthly Summary Reports, which are provided at the website, constitute these management summaries. (See further discussion on the contents of this Report under section 218.409(6).) As reflected in the agendas of the meetings of the Board Trustees for the applicable period of time, which are posted to the SBA website, the requisite approvals were requested.

The above safeguards assure that the administration of the Trust Fund is in accordance with stringent standards of disclosure designed to prevent the loss of funds from fraud, error, misrepresentation, market changes or imprudent actions by the Board or a money manager, and in some aspects exceed what is required by statute.

> **(d) The investment policy shall be reviewed and approved annually by the trustees or when market changes dictate, and in each event the investment policy shall be reviewed by the Investment Advisory Council and by the Participant Local Government Advisory Council.**

As set out above, the Investment Policy Statement was readopted, endorsed by the Investment Advisory Council and the Participant Local Government Advisory Council and approved by the Trustees effective August 2, 2016.

> **(3) The board or a professional money management firm may purchase such surety or other bonds as may be necessary for its officials in order to protect the trust fund. A reserve fund may be established to fulfill this purpose. However, any reserve must be a portion of the management fee and must be fully disclosed, including its purpose, in the enrollment materials at the time a unit of local government considers participation. Further, any change in the amount to be charged for a reserve must have**

a reasonable notice period to allow any participant to withdraw from the trust fund prior to the new reserve charge being imposed.

No surety or other bonds have been purchased to protect the Trust Fund, and there is no reserve fund.

(4) The board or a professional money management firm shall purchase investments for a pooled investment account in which all participants share pro rata in the capital gain, income, or losses, subject to any penalties for early withdrawal. Any provisions for penalties, including their purpose, must be disclosed in the enrollment materials. Any change in the amount to be charged for a penalty must have a reasonable notice period to allow any participant to withdraw from the trust fund prior to the new penalty charge being imposed. A system shall be developed by the board, and disclosed in the enrollment materials, subject to annual approval by the trustees, to keep account balances current and to apportion pooled investment earnings to individual accounts.

All participants in the Trust Fund share pro rata in all capital gain, income or losses, as set out in the Description of Investment Pool Earnings Allocation, posted to the website. This system is designed to keep account balances current and to apportion pooled investment earnings to individual accounts.

(5) The board shall keep a separate account, designated by name and number of each participating local government. A maximum number of accounts allowed for each participant may be established by the board. Individual transactions and totals of all investments, or the share belonging to each participant, shall be recorded in the accounts.

Separate accounts are kept for each participant. With the repeal of Rule 19-7.014, there is no limit on the number of accounts a participant may have.

(6)(a) The board or a professional money management firm shall provide a report, at a minimum monthly or upon the occurrence of a material event, to every participant having a beneficial interest in the trust fund, the board's executive director, the trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The report shall include:

1. Reports of any material impacts on the trust fund and any actions or escalations taken by staff to address such impacts. The trustees shall provide quarterly a report to the Joint Legislative Auditing Committee

that the trustees have reviewed and approved the monthly reports and actions taken, if any, to address any impacts.

2. A management summary that provides an analysis of the status of the current investment portfolio and the individual transactions executed over the last month. This management summary shall be prepared in a manner that will allow anyone to ascertain whether investment activities during the reporting period have conformed to investment policies. Such reporting shall be in conformance with best market practices. The board or a professional money management firm shall furnish upon request the details of an investment transaction to any participant, the trustees, the Investment Advisory Council, and the Participant Local Government Advisory Council.

A document titled Monthly Summary Report is produced monthly to address the above requirements and made available at the Florida PRIME website.

The quarterly reports of the Trustees to the Joint Legislative Auditing Committee showing that the Trustees have reviewed and approved the monthly reports and taken responsive action, per the above, are memorialized in the previously mentioned agendas of the meetings of the Trustees of the State Board of Administration, posted to the SBA website.

(b) The market value of the portfolio shall be calculated daily. Withdrawals from the trust fund shall be based on a process that is transparent to participants and will ensure that advantages or disadvantages do not occur to parties making deposits or withdrawals on any particular day. A statement of the market value and amortized cost of the portfolio shall be issued to participants in conjunction with any deposits or withdrawals. In addition, this information shall be reported monthly with the items in paragraph (a) to participants, the trustees, the Investment Advisory Council, and the Participant Local Government Advisory Council.

The market value of the Fund portfolio is calculated daily by BNY Mellon and posted on the website the next day. The Information Statement and Operating Procedures, posted to the website as part of the New Participant Enrollment Guide, sets out the operating procedures for the Fund, including hours of operation, holidays and timing of transactions. These procedures are transparent and appear to ensure, to the extent possible, that disadvantages do not occur to parties making deposits or withdrawals on particular days, as each participant has equal access to the transaction system. A statement of the market value and amortized cost of the portfolio is available at all times to participants on the website, and participants receive monthly individual account statements.

The review of the investment portfolio, in terms of value and price volatility, shall be performed with practices consistent with the GFOA Recommended Practice on "Mark-to-Market Practices for State and Local Government Investment Portfolios and Investment Pools." In defining market value, consideration shall be given to GASB Statement 31.

Compliance with the above part of section 218.409(6)(b) will be determined in part two of the annual certification, conducted by Aon Hewitt Investment Consulting, Inc.

Additional reporting may be made to pool participants through regular and frequent ongoing multimedia educational materials and communications, including, but not limited to, historical performance, investment holdings, amortized cost and market value of the trust fund, credit quality, and average maturity of the trust fund investments.

Additional materials are available on the Trust Fund website, are provided through the monthly reports, and are available at periodic Federated and Board conference call meetings open to all participants. At these meetings, participants are able to talk with representatives of Federated, the Board Executive Director and Board staff representing various areas of expertise. In addition, Federated attends a number of participant association meetings to provide information about the Fund.

(7) Costs incurred in carrying out the provisions of this part shall be deducted from the interest earnings accruing to the trust fund. Such deductions shall be prorated among the participant local governments in the percentage that each participant's deposits bear to the total trust fund. The remaining interest earned shall be distributed monthly to participants according to the amount invested. Except for costs, the board or a professional money management firm may not transfer the interest or use the interest for any other purpose, including, but not limited to, making up investment losses.

The above statutory requirement was present in the law before the 2008 revisions and has been discussed in previous reviews because it is theoretically problematic: If fund investment values were to decline sufficiently in a given month, there would be no interest from which to pay costs, and the literal requirements of this provision could not be met within a given month. Staff have reviewed this issue and updated last year's analysis as follows:

The Florida PRIME total expense ratio is approximately 2.86 basis points (or 0.0286%), with the SBA's portion of the total fees equal to 1.0 basis point (or 0.01%). Historical asset levels with an average annual balance of $7.5 billion over the last 5 years have been sufficient to generate adequate fees to cover all administrative, operational, compliance and investment management charges. SBA staff is confident the pool will continue to function very well going forward and meet all needs to recover the costs of operation. Additionally, from January 1, 2016 through January 31, 2017, participants received the benefit of having their pool expenses offset. During their December 4, 2015 meeting, the Participant Local Government Advisory Council (PLGAC), with support from the SBA's Trustees, provided direction to the SBA to use the remaining proceeds from liquidity redemption fees charged to pool participants in 2008 to pay for all monthly pool expenses. As a result, all pool fees were paid by this account. From January 1, 2016 through January 31, 2017 the fee offset saved Florida PRIME investors a total of $2,257,242. All pool charges have continued to be reported within the Monthly Summary Report, including the actual monthly line-item fees, with the offset shown as a "Fee Holiday". Pool charges were reinstituted in February and notice was provided to all Florida PRIME participants in February.

(8)(a) The principal, and any part thereof, of each and every account constituting the trust fund shall be subject to payment at any time from the moneys in the trust fund. However, the executive director may, in good faith, on the occurrence of an event that has a material impact on liquidity or operations of the trust fund, for 48 hours limit contributions to or withdrawals from the trust fund to ensure that the board can invest moneys entrusted to it in exercising its fiduciary responsibility. Such action shall be immediately disclosed to all participants, the trustees, the Joint Legislative Auditing Committee, the Investment Advisory Council, and the Participant Local Government Advisory Council. The trustees shall convene an emergency meeting as soon as practicable from the time the executive director has instituted such measures and review the necessity of those measures. If the trustees agree with such measures, the trustees shall vote to continue the measures for up to an additional 15 days. The trustees must convene and vote to continue any such measures prior to the expiration of the time limit set, but in no case may the time limit set by the trustees exceed 15 days.

In the time period covered by this review, the principal of all accounts in the Trust Fund has been paid at any time requested by a participant and there have been no events causing the Executive Director to limit contributions or withdrawals.

(b) An order to withdraw funds may not be issued upon any account for a larger amount than the share of the particular account to which it applies; and if such order is issued, the responsible official shall be personally liable under his or her bond for the entire overdraft resulting from the payment if made.

In the time period covered by this review, there have been no orders to withdraw funds for a larger amount than the share of a particular account.

> **(9) The Auditor General shall conduct an annual financial audit of the trust fund, which shall include testing for compliance with the investment policy. The completed audit shall be provided to the participants, the board, the trustees, the Investment Advisory Council, the Participant Local Government Advisory Council, and the Joint Legislative Auditing Committee. As soon as practicable, but no later than 30 days after completion of the audit, the trustees shall report to the Joint Legislative Auditing Committee that the trustees have reviewed the audit of the trust fund and shall certify that any necessary items are being addressed by a corrective action plan that includes target completion dates.**

The Auditor General annual financial audit of the Trust Fund, Report No. 2017-099, for the fiscal years ended June 30, 2016 and 2015, was completed in January, 2017, provided to all Fund participants that same month, and is posted at the Florida PRIME website under the "Audits" tab, Audited Financial Statements. The Trustees reported to the Joint Legislative Auditing Committee on February 7, 2017. The report noted no instances of noncompliance or other matters required to be reported under Government Auditing Standards. It did include, as an Additional Matter a finding that the IOG had not met monthly as required by the IPS, although compliance continued. Management response committed to insuring that the IOG meetings would occur as required by the IPS. The Chief Risk and Compliance Officer elaborated as follows on the recommendations in Report No. 2017-099:

> In response to these recommendations, SBA management agreed to enhance compliance procedures to specify a reasonable time frame for reviewing monitored compliance parameters as well as meet consistent with IPS requirements.
> Currently, the Investment Manager has the contractual responsibility to remain in compliance with the guidelines as specified in the IPS. The IPS also states the Investment Manager will perform daily compliance monitoring to ensure that investment practices comply with the requirements of the IPS. Additionally, the IOG periodically conducts independent compliance reviews.
> A comprehensive evaluation of the SBA compliance program is underway to ensure appropriate visibility into high-risk parameters, timely escalation of issues to the IOG and Executive Director & CIO, and optimal resource allocation in compliance monitoring across SBA mandates. As part of this evaluation, the SBA and Aon Hewitt recently conducted an on-site due diligence meeting with Federated to review processes and controls for risk management and compliance related to Florida PRIME.

SBA compliance procedures may be updated as appropriate upon completion of the compliance program evaluation and Aon Hewitt review. In the meantime, compliance is being conducted in accordance with IPS and current procedures, and the IOGs are meeting in accordance with the IPS.

(10)(a) There is created a six-member Participant Local Government Advisory Council for the purposes of regularly reviewing the administration of the trust fund and making recommendations regarding such administration to the trustees. The members of the council shall be appointed by the board and subject to confirmation by the Senate. Members must possess special knowledge, experience, and familiarity obtained through active, long-standing, and material participation in the dealings of the trust fund. Each member shall serve a 4-year term. Any vacancy shall be filled for the remainder of the unexpired term. The council shall annually elect a chair and vice chair from within its membership. A member may not serve consecutive terms as chair or vice chair.

Quarterly meeting notices, agendas and minutes of Council activities are posted on the Fund website. The PLGAC reviews investment reports, including the Monthly Summary Report, and any annual reports, oversees Fund operations and provides strategic guidance on policy issues. Participant Local Government Advisory Council (PLGAC) current members have all passed the date their terms expire, with the exception of Gary B. Price, who has been formally reappointed until April 7, 2020. As noted below, the PLGAC itself has recommended it be discontinued as no longer necessary.

(b) The council shall prepare and submit a written biennial report to the board, trustees, the Investment Advisory Council, and the Joint Legislative Auditing Committee that describes the activities and recommendations of the council.

The fourth Biennial Report of the PLGAC was issued in 2017. It notes that the IPS has been amended to incorporate various guideline changes by the Government Accounting Standards Board. Based on PRIME's strong financial position and the termination of Fund B, it further recommended that the PLGAC be discontinued. This would require legislative action to amend section 218.409(10), Florida Statutes. Staff has elaborated as follows:

Since its creation in early 2009, the Participant Local Government Advisory Council (PLGAC) has effectively overseen the operations and investment management activities of Florida PRIME. With guidance and direction from the PLGAC, Florida PRIME has achieved several notable milestones including best-in-class performance (outperforming not only its portfolio benchmark but also statewide government investment pools over all time periods), cost-effective service delivery, strong gains in participation by new investors, rising participant account values, and the resolution of a legacy Fund B portfolio. The PLGAC has overseen exceptional growth in assets under management. Since January 2009 through December 2016, Florida PRIME's investment portfolio increased by 86 percent, representing $4.9 billion in net-asset-value growth. In addition to its strong financial position, in September 2015 the legacy Fund B original principal amount was returned in full to pool participants alongside a significant proportion of the November 2007 interest earnings. In sum, Florida PRIME has been strengthened over the last 8 years, leading to the most competitive government investment pool in the State of Florida. For these reasons, Council members included a single recommendation in the 2017 PLGAC Biennial Report to discontinue the PLGAC. This recommendation was made with one caveat—the simultaneous maintenance of all current investment risk controls, investment policies, compliance procedures and participant disclosures. With these robust safeguards in place, SBA staff fully supports the Council's recommendation to dissolve the PLGAC. Over the course of the next year, SBA staff (under the guidance of the Trustees) plan to collaboratively work with the members and staff of the Florida Legislature for an amendment to relevant statutory provisions in order to ensure the continued success of Florida PRIME in the future.

AUTHORIZATION TO PROVIDE ASSISTANCE

218.411 Authorization for state technical and advisory assistance.

(1) The board is authorized, upon request, to assist local governments in investing funds that are temporarily in excess of operating needs by:
(a) Explaining investment opportunities to such local governments through publication and other appropriate means.
(b) Acquainting such local governments with the state's practice and experience in investing short-term funds.
(c) Providing, in cooperation with the Department of Community Affairs, technical assistance to local governments in investment of surplus funds.
(2) The board may establish fees to cover the cost of such services, which shall be paid by the unit of local government requesting such service. Such fees shall be deposited to the credit of the appropriation or appropriations from which the costs of providing the services have been paid or are to be charged.

The education offerings of the Fund are being discontinued, and there have been no instances of the SBA providing technical assistance to a fund participant in this review period.

218.412 Rulemaking authority.—

The board may adopt rules as it deems necessary to carry out the provisions of this part for the administration of the trust fund.

As noted above, the Board has adopted rules for the administration of the Fund at Chapter 19-7, Florida Administrative Code, which are up to date.

OTHER SECTIONS OF PART IV, CHAPTER 218, FLORIDA STATUTES

Part IV of Chapter 218, Florida Statutes covers other facets of investment of local government funds, such as local government investment policies (Section 218.415) and the Fund B Surplus Funds Trust Fund (Sections 218.417 through 218.422). Because this review, as mandated by Section 218.405, is of the pooled investment fund created by 218.405 only, these sections are not a part of this review.

Florida PRIME™ Best Practices Review

State Board Administration of Florida

June 2017

Aon Hewitt
Retirement and Investment

Investment advice and consulting services provided by Aon Hewitt Investment Consulting, Inc., an Aon Company.

Empower Results®

Introduction

- Under Florida state law, an annual review of Florida PRIME is required to determine whether the management of the Fund is in keeping with best practices
- The 2017 review includes the following:
  - Review of the annual participant survey responses
  - Onsite visit at investment manager, Federated's, offices
  - Review of compliance procedures overseeing Florida PRIME
  - Follow-up on GASB 79 implementation
  - Review of the Investment Policy Statement
- Florida PRIME continues to be managed in a manner consistent with best practices and in consideration of participants' best interests

Federated Onsite Due Diligence Visit

- AHIC and SBA Staff visited Federated's offices in April 2017 and discussed the following topics
  - Corporate Overview
  - Compliance and Trading
  - Information Security / Business Continuity
  - Investment Management
  - Enterprise Risk Management

- AHIC continues to find Federated among the most highly regarded money market investment managers in the industry and believe they will continue to successfully manage Florida PRIME assets

Compliance Summary

	Daily	Weekly	Monthly	Quarterly	Annually	Ad Hoc
Federated	• Trade by trade (pre/post) • Verifies: NAV, Cash Balances, Total Net Assets (TNA), Yield, Daily Liquidity, Weekly Liquidity • Compliance with IPS, GASB, S&P • Monitor participant flows	• Report to S&P	• Produce Compliance Report • Conduct Stress Tests • Reconcile with BNY • Monthly reporting for Florida Prime Monthly Report/Website	• Report stress tests to SBA • Report to PLGAC	• Report to IAC/PLGAC • Assist with Annual Audit • Provide compliance documents and procedures	• Report compliance exceptions
S & P		• Verify credit quality • Reviews Holdings, WAM, WAL, TNA • Evaluate Federated's ability to maintain stable NAV			• Formal review of Federated • Rating review of Florida PRIME (semiannually)	
FL SBA RMC & FI-IOG	• Independently verify NAV • Monitor for Federated notification of IPS violations		• Review Compliance Report • Independent verification of high risk parameters • Review transactions • Conduct FI-IOG meetings • Review exceptions • Review and/or develop action plans • Provide recommendations to ED & CIO	• Review stress tests	• Risk rank IPS parameters • Assist with Audit • IPS Review	• Federated Onsite visits • Conduct FI-IOG meetings • Review exceptions • Review and/or develop action plans • Provide recommendations to ED & CIO
AHIC				• Report return, risk, holdings to IAC	• Best practices report • IPS Review	• Federated Onsite visits

Compliance Procedures Observations

- Comprehensive, multi-layered and effective
- Continually updated and improved to evolve with the portfolio and money market landscape
- Initial observations noted below may benefit from a more detailed review

Observation	Consideration
➢ Federated and S&P compliance procedures robust and effective	Consider role and activities of RMC & the FI-IOG, including "time of purchase" parameters, and potential avenues to enhance and streamline the process
➢ Credit quality independent verification process appears timely and cumbersome, and potentially redundant	Obtain a better understanding of Federated and S&P's credit rating review procedures to ensure the rating review process in its entirety is valuable and effective
➢ Certain procedures performed by RMC require significant manual efforts and time	Identify potential existing and/or additional vendors and processes that may improve efficiencies of RMC's time and resources
➢ Florida PRIME's IPS and Compliance Program Procedures are both very well-constructed and thorough documents	Consider modest restructuring of the compliance sections to improve consistency and comprehension across documents

GASB 79 Implementation and IPS Review

- GASB 79, guidance for local government investment pools related to the 2014 SEC Rule 2a-7 Reforms, was released in December 2015
- GASB guidance was incorporated into Florida PRIME's IPS and approved August 2016
  – Modifications were outlined and discussed during the 2016 Best Practices Review
- Adoption of the 2016 changes was seamless
  – Modifications to the IPS were modest in nature, as Florida PRIME has historically been managed in accordance with the most recently available GASB guidelines
- The 2017 review finds the Florida PRIME IPS to be robust and in line with the goals and objectives of the investment pool and continues to believe it is an effective guiding document for the successful management of the pool's assets

Aon Hewitt

Florida PRIME™ Best Practices Review

Florida State Board of Administration (SBA)

June 2017

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Executive Summary

Aon Hewitt Investment Consulting (AHIC) conducts a Best Practices Review of Florida PRIME on an annual basis. In this report, we review the responses to the annual participant survey, review the onsite due diligence meeting conducted at Federated Investment Counseling (Federated), Florida PRIME's investment manager, review the compliance procedures overseeing the portfolio, provide an update on the incorporation of the final Governmental Accounting Standards Board (GASB) Statement 79 guidelines, and review the Florida PRIME Investment Policy Statement.

Based on our review, we continue to believe that Florida PRIME is being managed in a manner consistent with best practices and in consideration of participants' best interests.

2017 Recommendations

- Consider the observations identified in the Compliance Review over the next year with the goal of identifying potential modifications to the compliance procedures to streamline the process and increase the efficiency of current resources.

2017 Participant Survey Results

On an annual basis, the SBA conducts a survey of Florida PRIME participants in order to gain a better understanding of the participant base, current usage of available services, and overall investor satisfaction. The survey also seeks to gauge interest in various enhancements and to ensure awareness of participant needs and preferences. The 2017 survey attracted 90 respondents, representing over a 20% increase from the survey last year.

A diversified group of governmental units responded to the survey, primarily representing counties, municipalities, school boards and special districts. Approximately 65% of respondents employ less than 1,000 employees, and 42% have over $10 million of cash assets available for short-term investment, with another 30% having between $1 million and $10 million of cash assets available. Of the respondents, 70% have either one or two accounts with Florida PRIME, 40% indicated having a balance of over $10 million with Florida PRIME, and 29% indicated having between $1 million and $10 million with the pool. The survey also revealed that 24% of respondents maintained greater than 75% of their cash surplus in Florida PRIME over the past year, while 34% indicated they have maintained less than 25% with Florida PRIME.

Consistent with previous years, the survey posed questions related to how and why participants utilize other competing and complementary liquidity vehicles. Of the 43 respondents that indicated their organization has a policy that dictates a maximum allowable allocation to Florida PRIME, 28, or 65%, are restricted to allocating 50% or less to any single governmental investment pool or money market fund. Relatedly, when asked what prevents an organization from using Florida PRIME as the primary source of cash management, 37% of the 73 respondents to this question indicated diversification needs of the cash portfolio or Investment Policy restrictions were major reasons, with another 39% indicating these were moderate reasons. Deviating from previous survey responses, only 27% of respondents (compared to 44% last year) indicated an unattractive yield level was either a major or moderate reason for not utilizing Florida PRIME as the primary source of cash management, while 57% indicated it was not a reason at all.

Consistent with previous surveys, respondents indicated the most commonly used vehicles aside from Florida PRIME are Certificates of Deposits at 37% of respondents, followed by SEC registered money market funds at another 37% of respondents. The survey also asked respondents to rank how competing investment services have added value to the respondent organizations' investment goals from the following list: yield, cost, risk, client service, available funds, and ease of use. Respondents indicated that risk, defined as perceived risk levels adjusted for the level of return, was the most appealing feature, followed by yield. Client service and ease of use were ranked the lowest in terms of value add from competing investment services.

The survey questions surrounding current services related to Florida PRIME continue to receive strong feedback. Related to the Florida PRIME website, 79% of respondents indicated that they visit the site at least once a month, 76% responded that they find the website functionality as very easy to use, and an additional 23% indicated it is somewhat easy to use. The survey also indicated that the vast majority (99%) of participants continues to utilize the website primarily to access account balances and statements, and approximately 66% and 45% of respondents utilize the website to make transactions and to access the Monthly Summary Reports, respectively. When asked about the usefulness of multiple communication pieces, the responses also continue to be favorable. The survey indicated that over 70% of respondents rated the following communications as very useful: monthly account statements (93%), e-mail notifications of withdrawals (79%) and changes to bank instructions (71%). Further, over 50% of respondents found the following to be somewhat useful: Periodic eNotices (50%) and Monthly Summary Reports (56%).

Overall, the survey results continue to be positive regarding the operational and service related questions, and the growth in respondents from the previous year is favorable and indicates increased engagement. Responses related to the use of competing investment vehicles continue to be mixed, with indications of risk and yield being top of mind, but notably, that a large percentage of respondents' organizations seek diversification from a single cash management source. Generally, the survey indicates a strong level of satisfaction with the management of the Florida PRIME portfolio. We continue to believe the survey is a great mechanism to obtain feedback from Florida PRIME participants, as well as to express the SBA's awareness and receptiveness to the participant's needs and wants.

Federated Onsite

AHIC and SBA Staff conduct onsite due diligence meetings at Federated's offices once every two years. The previous onsite visit occurred in April 2015, and most recently SBA Staff and AHIC were onsite at Federated's headquarters in Pittsburgh, PA on April 11, 2017. The objective of these regular onsite due diligence meetings is to conduct a comprehensive review of Federated's business, personnel, and processes, and specifically those that directly impact the management of the Florida PRIME portfolio. The SBA contracts Federated to provide investment advisory services for the Florida PRIME and therefore it is crucial to maintain an up-to-date and favorable opinion of the business.

Attendance at the meeting included the Senior Officer of Investment Programs and Governance, the Director of Public Market Compliance, and the Chief Risk and Compliance Officer from the SBA, and a representative from AHIC, general consultant to the SBA. The meeting included dedicated time with over fifteen Federated investment professionals, many of whom are among the most senior professionals in the firm, and specifically within the money market division.

Overall, we continue to find Federated to be among the most highly regarded money market mangers in the industry. The most recent onsite meeting reinforced our confidence in Federated's capabilities of managing the Florida PRIME portfolio, staying apprised and ahead of the ongoing changes in the money market and related industries, and importantly, safeguarding the assets of the pool's participants. The Federated team is consistently available and responsive to the needs of Florida PRIME and is a proven partner for the SBA.

Below we provide a brief summary of the agenda topics and the surrounding discussion.

<u>Corporate Overview and Legal</u>

Federated is a highly-regarded institutional money market fund manager with a sole focus on asset management. As of December 31, 2016, Federated managed a total of $366 billion, of which roughly 66% was invested in money market funds and 13% was invested in prime funds (under which Florida PRIME is classified). Importantly, however, Federated's revenue sources are diversified roughly equally across money market, fixed income and equity investment products. Federated manages assets for over

5,000 public entities across 34 states. Of the 46 money market portfolios Federated manages, 16 are prime, 13 are government/Treasury, and 17 are tax-free. The Global Money Market team at Federated consists of 34 investment professionals with an average industry experience of 21 years. As exhibited by the average tenure at Federated of 20 years, the Federated team is extremely stable and experienced. Additionally, the firm is active in the industry across multiple venues, providing confidence in the guidance and management of the Florida PRIME portfolio. Overall, we find Federated to be a high-quality and proactive player in the money market space with a stable and strong organization.

Compliance, Trading, Information Technology and Security/Disaster Recovery

The Federated Compliance Department is comprised of over thirty employees who are dedicated to overseeing the investment activities and operations of Federated's business units and responsible for the development and enhancement of programs which track compliance with applicable regulations, corporate standards and client guidelines.

Specific to Florida PRIME, this team is responsible for monitoring the portfolio's investment activities and operations for compliance with the Investment Policy Statement and applicable guidelines, such as GASB 79. The Compliance Department, in conjunction with the Business Information Services Division (BISD) and Investment Management Operations (IMO) develop, update, and implement automated tests within the trading system to assure trading compliance with Policy. FedPorts, the proprietary trading system utilized for the management of Florida PRIME, allows Federated to create a set of rules specifically for the Florida PRIME portfolio. These rules and automated tests are constantly updated and reviewed to ensure they are in line with the governing policies and regulations of Florida PRIME.

Every trade that is generated runs through compliance. Should any trade placed not comply with the set of rules, a notice of either 'Warn,' 'Fail' or 'Stop' will be received and will need to be rectified before the trade can be processed. Each notice has a different level of importance and corresponding parameter on who can validate the trade. During the onsite, Federated provided a live demo of the trading program and process, highlighting the functionality of the automated tests at the various levels in the management process.

Overall, we believe Federated has implemented a straightforward and efficient system to ensure guidelines are followed and escalation procedures are effective. The compliance program the Federated Compliance Department has developed has been successful in the management of the investment pool and in maintaining compliance with the applicable Florida PRIME regulations and policy.

The Federated trading team is well tenured, consisting of forty-five traders across asset classes, with an average of nineteen years of experience. The trading process begins with the development of the investment strategy, which is followed by thorough credit analysis before trading takes place. When trading, the team utilizes a best execution policy for selecting brokers and has a committee that meets quarterly and oversees the broker selection practices. User access to FedPorts, Federated's proprietary order management system (as previously noted) is customized by role in portfolio management (i.e. compliance, trading, credit analysis, portfolio management, etc.). The trading team works together with Federated's other business units to execute Florida PRIME's investment strategy on a seamless basis.

Federated's BISD, mentioned earlier, manages the communications network and information technology infrastructure. Security of client and Federated information is managed at multiple levels at the firm. Federated utilizes a dual data center architecture located on separate power grids to support the business. All satellite offices connect to both data centers, reducing risk by allowing all critical daily functions to run smoothly in the event of an emergency. Federated has several business continuity plans throughout the company which are tested on an annual basis. Additionally, Federated reviews all third party organizations they partner with to ensure information and data is handled in an appropriate and secure manner, and that their vendors' business continuity plans are up to Federated's standards. Overall, we find Federated's risk management and information security infrastructure and procedures to be robust and in line with industry best practices.

<u>Florida PRIME Update</u>

Senior Portfolio Manager for the Florida PRIME pool, Paige Wilhelm, led the discussion on the Florida PRIME portfolio. The pool is managed with the goal of providing safety, liquidity and competitive returns while minimizing risk. Ms. Wilhelm provided an update on the investment strategy, as well as Federated's view of the current and expected money market investment landscape. The Florida PRIME portfolio continues to perform favorably and competitively, and has provided the safety and liquidity characteristics needed by its participants. Additionally, Deborah Cunningham, Federated's Head of Global Money Markets and Senior Portfolio Manager, joined the discussion for a short period. Ms. Cunningham provided a perspective on the money market landscape and an update on the recently enacted money market reforms. Federated was an active participant in the industry during the reform debate, as well as a crucial aide to the SBA in staying current with the most recent GASB guidance and best practices. The impact of the reforms on the management of Florida PRIME was minimal, as the portfolio was already being managed in accordance with the existing regulations and guidelines. Overall, the Florida PRIME portfolio continues to be managed successfully and in a thoughtful and prudent manner.

Enterprise Risk Management, Reporting

The Enterprise Risk Management (ERM) division develops, implements, and maintains the risk management programs for Federated. This covers investment matters, administration, operations and distribution. Importantly, ERM is independent of the Investment Department, with the Chief of Risk Officer reporting directly to Chief Legal Officer, who in turn reports directly to the Chief Executive Officer of Federated. Additionally, the team periodically provides update reports to the Fund Trustees and Board of Directors. The Chief Risk Officer oversees a robust ERM team and has developed several risk committees which are embedded within each business unit. Each committee develops a charter which is reviewed and updated on a regular basis to ensure the activities and attention of the committee remain appropriate and effective. The committees have a systematic scoring process which assesses probability and severity of impact of identified risks. The scoring process allows Federated to assess different strategies and better prepare and manage assets. The risks are dynamically evaluated and reassessed on a regular basis. Additionally, Federated's internal audit periodically reviews the risk committees' processes to ensure their appropriateness and effectiveness.

Conclusion

The onsite meeting provided a comprehensive overview of the firm and access to Federated's senior professionals. The meeting reinforced our confidence in Federated's capabilities with regard to the people, processes and technology that support the management of Florida PRIME and we continue to have confidence in Federated's ability to manage and safeguard the assets of Florida PRIME participants.

Compliance Review

The compliance policies that govern the Florida PRIME investment pool and corresponding compliance procedures represent a robust, multilayered approach to ensuring the portfolio remains in compliance with the criteria contained in the Investment Policy Statement. The effectiveness of the compliance procedures is crucial to the success of Florida PRIME in preserving and protecting participants' assets. The Florida PRIME procedures have been continually updated and improved over time, as the portfolio and industry continue to evolve. We believe it is important to periodically take a step back and review the entire compliance process to ensure that the procedures remain effective, relevant, and efficient.

As part of the 2017 best practices review, and in conjunction with the April 2017 Federated onsite visit, AHIC took the opportunity to review the compliance procedures for the Florida PRIME investment pool. Our observations are threefold. First and foremost, we believe Federated has established thorough and effective compliance procedures, and we have full confidence in their ability to manage the portfolio successfully and in compliance with the applicable guidelines. Secondly, we believe the SBA has developed a very comprehensive compliance program that both ensures the policies in place for Florida PRIME are in line with best practices and provides independent verification that the portfolio is constantly managed in compliance with the governing polices. Lastly, after reviewing the compliance process as a whole, we have identified certain areas where we believe efficiencies could be gained through streamlining processes and refocusing redundant efforts towards more effective activities.

The remainder of this section highlights the current compliance process and provides initial observations AHIC plans to bring forth for SBA Staff consideration in the year ahead.

Florida PRIME Compliance Review

There are three main entities responsible for the compliance oversight of the Florida PRIME portfolio: Federated as the investment manager, Standard and Poor's (S&P) as a Nationally Recognized Statistical Rating Organization (NRSRO), and the SBA Fixed Income-Investment Oversight Group (FI-IOG), as the oversight body. As Florida PRIME's investment manager, Federated has the ultimate responsibility for ensuring the portfolio is in compliance with the Investment Policy Statement (IPS) at all times. Accordingly, Federated has implemented thorough procedures and tests which are reported to the SBA on multiple frequencies. S&P provides independent surveillance on the portfolio and reports to Federated on a regular basis as well. Lastly, the SBA has also established detailed procedures to verify that the portfolio remains in compliance with the terms and parameters outlined in the IPS.

Below we highlight the compliance procedures carried out by Federated, S&P, and the FI-IOG. We also include a summary table of the below in the Appendix of this report.

<u>Federated Compliance Procedures</u>

Federated has established multiple procedures at different frequencies (daily, weekly, monthly, quarterly and annually), outlined below, to ensure the portfolio is in compliance with all applicable policies and guidelines.

Daily – The daily process Federated has in place covers both pre-trade and post-trade procedures.

- Pre-trade: Every trade that is placed for the portfolio runs through the set of automated tests to ensure the trade will not position the portfolio out of compliance with Policy. As outlined in the previous section, these tests are developed by Federated's Compliance Department to align with the Florida PRIME IPS. The system is balanced between instant checks designed to prevent the portfolio from breaching parameters and flexibility to allow for qualitative influence where automated tests are not effective.
- Post-trade: On a daily basis, Federated runs batch checks on the portfolio, as well as the Compliance Report to ensure the portfolio remains in compliance with the IPS.
    - The Compliance Report reviews a set of 25 parameters and designates a status of either pass or fail. The Report is run on a daily basis and on a monthly basis is sent to the SBA and posted to the Florida PRIME Website.

Any violations of the IPS (which includes a "fail" status on the Compliance Checklist) are required to be reported to the SBA within 24 hours of identification.

Weekly – Federated delivers two weekly reports to S&P which include portfolio holdings, portfolio weighted average maturity, portfolio weighted average life, total net assets, total net subscriptions and redemptions, percentage portfolio holdings, total percentage illiquid securities and the percent of holdings in A1+ and A1 buckets. S&P utilizes this information to conduct an independent review of the Florida PRIME portfolio to ensure compliance with Policy.

Monthly – Prior to the tenth business day after month-end, Federated delivers a Compliance Report to Risk Management and Compliance (RMC) at the SBA. The report includes the list of 25 compliance parameters that are tested at month-end and given a status of either pass or fail. This report and the status results are posted to the Florida PRIME website every month. Federated also conducts monthly stress tests on the portfolio. The stress tests, at a minimum, must assess changes in short-term interest rates, increases in net shareholder redemptions, downgrades or defaults and changes between a benchmark overnight interest rate and the interest rates on securities held by the portfolio. Lastly, Federated reconciles data with Florida PRIME's custodian bank, BNY Mellon, on a monthly basis.

Quarterly – The monthly stress tests Federated conducts are required to be reported to the SBA at a minimum once a quarter. Should the need arise, Federated will conduct and/or present the stress tests on a more frequent basis or as requested.

Annually – At a minimum of once a year, Federated provides the SBA with their updated compliance procedures and an assessment of Florida PRIME's ability to withstand events reasonably likely to occur in the coming year. Additionally, Federated provides an update on the portfolio and presents relevant topics to the Participant Local Government Advisory Council (PLGAC).

Standard & Poor's Surveillance

The SBA utilizes S&P to rate the creditworthiness of Florida PRIME. S&P receives weekly portfolio data from Federated to perform its own independent analysis of the creditworthiness of investments and counterparties, the market price exposure of investments, portfolio liquidity, and the ability to maintain a stable net asset value (NAV). On a semiannual basis, S&P performs a more formal credit rating review of the Florida PRIME and on an annual basis S&P performs a separate and independent evaluation of Federated.

SBA Compliance Procedures

Similar to Federated, the SBA's RMC department maintains detailed procedures to independently verify compliance of the Florida PRIME portfolio with the IPS.

Pursuant to the IPS, the Fixed Income - Investment Oversight Group (FI-IOG) was created to review compliance exceptions and risks that may have a material impact on the Florida PRIME portfolio. The FI-IOG includes the following members and senior professionals:

- Director of Public Market Compliance
- Chief Risk & Compliance Officer
- Senior Investment Officer of Fixed Income
- Director of Enterprise Risk Management
- Senior Officer of Investment Programs and Governance

We highlight the Florida PRIME compliance procedures below:

Daily – RMC monitors the net asset value (NAV) of the portfolio on a daily basis to ensure the deviation between the market value and amortized cost does not exceed 0.25%.

Monthly - Consistent with the IPS, the FI-IOG is charged with the responsibility of periodically conducting independent compliance reviews to verify the accuracy of results reported on the Federated Compliance Report. A risk-based approach is utilized to perform this task. Each parameter outlined in the IPS is ranked by the FI-IOG as either high or low with respect to the level of risk associated with a potential guideline breach. Currently, there are nine parameters ranked as high risk and these are independently verified by RMC and reported to the FI-IOG on a monthly basis. Also on a monthly basis, the FI-IOG reviews any parameter on the Federated Compliance Report that has a status of "fail" by utilizing the underlying detailed reports on each parameter. In addition to verifying results reported on the Compliance Report, RMC also reviews transaction data on a monthly basis to verify that all transactions executed during the month were permitted under the IPS.

The FI-IOG holds required monthly meetings, along with ad-hoc meetings as needed to review compliance exceptions as identified by RMC or reported by Federated, to review and/or develop action plans, and to escalate necessary recommendations for consideration by the Executive Director & CIO.

Quarterly – On a quarterly basis, the FI-IOG reviews the stress tests with the Federated Senior Portfolio Manager. Additionally, risk and return information is presented to the Investment Advisory Council (IAC) and Board of Trustees on a quarterly basis.

Annually – The Florida PRIME Investment Policy Statement is reviewed by SBA Staff on an annual basis. The IPS is also reviewed and approved by the IAC and Board of Trustees. Subsequently, the FI-IOG reviews and approves the risk rankings of IPS parameters and the frequency of independent verification. Lastly, the Auditor General conducts an annual financial statement audit of Florida PRIME, which also includes testing for compliance with the IPS.

Observations

The compliance policies and procedures in place for the Florida PRIME investment pool represent a comprehensive, multilayered approach. With the exception of one modest breach (noted in our 2013 Best Practices Report), there have not been any breaches of the investment guidelines in over six years. Further, the monthly Compliance Report produced by Federated and reviewed by the FI-IOG, has never triggered a status of 'fail' and there have never been any material discrepancies between the SBA's findings and Federated's since the risk-ranked independent verification process has been in place.

As outlined above, we believe the compliance policies and procedures overseeing the management of Florida PRIME are comprehensive and effective. However, we also believe there is potential for inefficiencies and redundant efforts to have developed over time. Below we highlight initial observations of the compliance process that we believe may benefit from a more detailed review, and that AHIC plans on discussing with SBA Staff in the coming year.

- Federated has done an excellent job of safeguarding Florida PRIME's assets and keeping the portfolio compliant with the IPS for the duration of Federated's relationship with the SBA. AHIC and SBA Staff regularly verify and vet the compliance procedures set forth by Federated in conjunction with the onsite visits and have full confidence in the firm's ability to safeguard Florida PRIME's assets. Additionally, S&P conducts independent analyses of Florida PRIME on a weekly basis, as well as an independent review of Federated on an annual basis.

  - AHIC will consider the roles and activities of RMC as it relates to the Florida PRIME and suggest potential avenues to enhance or streamline the process.

- Certain compliance parameters that involve "time of purchase" constraints prevent SBA Staff from being able to independently verify, given that the SBA utilizes month-end Compliance Reports and does not have access to real time trading data. Any discrepancies found are brought to the attention of Federated to be remedied as soon as identified.
  - There have not been any material discrepancies since the risk-ranked verification process has been in place or a "fail" status on the Compliance Reports for six plus years.
  - AHIC will consider the appropriateness of the time and effort put forth in verifying the "time of purchase" constraints noted above.
- The credit quality independent verification process conducted by the SBA Staff appears to be a timely and cumbersome, and potentially redundant, process. Credit quality is a high risk parameter that Federated reviews daily and S&P reviews weekly.
  - The portfolio has never breached the credit rating requirements.
  - A better understanding of the Federated and S&P credit rating review processes will better prepare AHIC to evaluate the current independent verification process conducted by the SBA, and to ensure the credit rating process in its entirety is valuable and effective.
- Certain procedures performed by SBA Staff require significant manual efforts and time.
  - SBA Staff is extremely resourceful and efficient with the systems and relationships made available to them. AHIC will work with SBA Staff to identify any existing or additional vendors that may improve the efficiencies of the RMC's compliance procedures and allow potentially a better allocation of resources.
- Florida PRIME's Investment Policy Statement and RMC's Compliance Program Procedures are both very well-constructed and thorough documents. When reviewing the documents side-by-side from a compliance perspective, we felt modest adjustments to the organization of the information and listed compliance procedures could improve the consistency and comprehension across the documents.

- AHIC will work with SBA Staff to identify potential structures to better connect the two important documents.

Money Market Reform Follow-up

The SBA manages the Florida PRIME portfolio in accordance with guidelines set forth by the Governmental Accounting Standards Board (GASB), which is the source of generally accepted accounting principles used by state and local governments. As a result of the global financial crisis and the run on money market funds in 2008, there have been two significant and much-debated reforms to the Securities and Exchange Commission's (SEC) Rule 2a-7, which covers registered money market funds. The two rounds of reforms were approved by the SEC in 2010 and 2014. The goal of the reforms is to provide additional protection and transparency to industry participants and ultimately avoid another 2008 event.

The money market reforms are relevant to the Florida PRIME portfolio as it has historically been managed as a "2a-7 like" pool, defined by GASB as an external pool that satisfies the requirements of SEC Rule 2a-7, without actually being registered with the SEC. In December 2015, GASB released guidance (GASB 79) for local government investment pools related to the 2014 reforms, and specifically how to qualify to continue to measure all investments at amortized cost, rather than float the net asset value (part of the 2a-7 reforms).

The SBA, Federated and AHIC have historically monitored and updated Florida PRIME's investment policies and procedures to maintain compliance with the GASB guidance and best practices for external government investment pools. The most recent guidance (GASB 79) addressing the 2014 reforms was incorporated into Florida PRIME's Investment Policy Statement approved in August 2016. The updates, which were outlined in our 2016 Florida PRIME Best Practices Report, were modest in nature as the pool constantly stayed up to date with the "2a-7 like" guidance from GASB historically.

Provided that the modifications to the Florida PRIME Policy were modest in nature, and that the portfolio has historically been managed in accordance with the most recently available GASB guidelines, the adoption of the 2016 changes was seamless. At this time, we do not anticipate additional material changes to the money market regulations or GASB guidance, and believe the Florida PRIME IPS and management continue to represent best practices in the industry.

Investment Policy Review

On a periodic basis, AHIC conducts a review of the Florida PRIME Investment Policy Statement (IPS). The objective of the IPS is to set forth the objectives, strategy, guidelines, and overall responsibilities for the oversight and prudent investment of Florida PRIME assets. The purpose of the periodic review is to ensure the document reflects the evolving investment portfolio, current legal and regulatory developments, and best practices. A well-written and unambiguous document is critical to the success of an investment program

Included in AHIC's 2016 best practices review was a comprehensive review of the Florida PRIME IPS and recommendations for modifications to align the IPS with the recently released GASB 79 guidelines. The modifications were all generally modest as Florida PRIME has stayed current with the guidelines issued by GASB over time.

As part of the 2017 review, AHIC reviewed the IPS and continues to find that the topics covered continue to be relevant and cover the components that are critical to the success of the management of Florida PRIME assets. The investment objective of the pool and the roles and responsibilities are clearly defined. The IPS provides the necessary specifics and supplemental guidelines for a clear understanding of the investment strategy, making direct and clear reference to the appropriate GASB guidelines for appropriate fiduciaries to follow and understand. We believe the IPS thoroughly defines the risks that are associated with investing in Florida PRIME and find the detailed control procedures provide the comfort of prudent safe-keeping and oversight of assets.

While it is not expected that the IPS will change frequently, it is a living, breathing document that should be reviewed periodically to ensure it remains appropriate and relevant. Overall, we continue to believe the Florida PRIME IPS is robust and in line with the goals and objectives of investment pool, and continue to find the Policy to be an effective guiding document for the management of Florida PRIME.

Appendix

	Daily	Weekly	Monthly	Quarterly	Annually	Ad Hoc
Federated	• FedPorts: Trade by trade (pre/post) • Verify: - NAV - Cash Balances - Total Net Assets (TNA) - Yield - Daily Liquidity - Weekly Liquidity • Compliance with IPS and GASB, S&P • Monitor participant flows	• Report to S&P	• Produces Compliance Report • Conducts Stress Tests • Reconcile with BNY • Monthly reporting for Florida Prime Monthly Report/Website	• Report stress tests to SBA • Report to PLGAC	• Report to IAC/PLGAC • Assist with Annual Audit • Provide compliance documents and procedures	• Report compliance exceptions
S & P		• Verify credit quality • Review Portfolio Holdings, WAM, WAL, TNA • Evaluate Federated's ability to maintain stable NAV			• Formal review of Federated • Rating review of Florida PRIME (semiannually)	
FL SBA RMC & FI-IOG	• Independently verify NAV • Monitor for Federated notification of IPS violations		• Review Compliance Report • Perform independent verification of high risk parameters • Review transactions • Conduct FI-IOG meetings • Review exceptions • Review and/or develop action plans • Provide recommendations to ED & CIO	• Review stress tests	• Risk rank IPS parameters • Assist with Audit • IPS Review	• Federated Onsite visits • Conduct FI-IOG meetings • Review exceptions • Review and/or develop action plans • Provide recommendations to ED & CIO
AHIC				• Report performance, risk and portfolio characteristics to IAC	• Best practices report • IPS Review	• Federated Onsite visits

Notes: Data sourced from Federated, Florida PRIME Investment Policy Statement and Compliance Program Procedures

MINUTES
INVESTMENT ADVISORY COUNCIL
March 6, 2017

A meeting of the Investment Advisory Council (IAC) was held on Monday, March 6, 2017, in the Hermitage Room of the State Board of Administration of Florida (SBA), Tallahassee, Florida. The attached transcript of the March 6, 2017 meeting is hereby incorporated into these minutes by this reference.

Members Present:	**Michael Price, Chair** **Peter Collins, Vice Chair** **Chuck Cobb** **Les Daniels** **Bobby Jones** **Vinny Olmstead (via telephone)** **Gary Wendt**
SBA Employees:	**Ash Williams, Executive Director/CIO** **Dennis MacKee** **John Benton** **Steve Spook** **Lynne Gray** **Michael Fogliano** **Alison Romano** **Tim Taylor** **Katy Wojciechowski** **John Bradley** **Trent Webster** **Daniel Beard** **Michael McCauley**
Consultants:	**Kristen Doyle, Aon Hewitt** **Phil Kivarkis, Aon Hewitt** **Katie Comstock, Aon Hewitt** **Richard Brown, Townsend Group** **Jack Koch, Townsend Group** **Seth Marcus, Townsend Group**

WELCOME/CALL TO ORDER/ELECTION OF OFFICERS/APPROVAL OF MINUTES

Mr. Michael Price, Chair, called the meeting to order at 1:00 P.M. He asked for a motion to approve the minutes from the December 5, 2016 IAC meeting. Mr. Les Daniels made a motion to approve the minutes; the motion was seconded by Mr. Gary Wendt.

OPENING REMARKS/LEGISLATIVE UPDATE/REPORTS

Mr. Ash Williams, Executive Director/Chief Investment Officer, provided a brief summary on the performance of the Florida Retirement System Pension Plan, stating that the fund is up 8.95 percent fiscal year to date, with a balance in the fund of $7.8 billion ahead of July 1, 2016. He discussed the rebalance that had been triggered the previous week, explaining that the fund had become overweight global equity due to the run in the equity market.

Mr. Williams informed the IAC members that the SBA team is stable. He discussed the upcoming legislative session, summarizing legislation that would impact the Florida Retirement System.

ASSET LIABILITY REVIEW

Ms. Kristen Doyle, Aon Hewitt, introduced Mr. Phil Kivarkis, head of Aon Hewitt's investment policy services group. She explained the method that Aon Hewitt uses to formulate the investment return assumptions. Ms. Doyle told the IAC members that the equity risk premium has come down since last year's asset liability study (from 3.9 percent to 3.7 percent). She discussed trends that become noticeable when looking at projections where both the asset and liability sides are combined, and she told the council members that Aon Hewitt's recommendation is not to make any changes to the current asset allocation.

Mr. Kivarkis presented the highlights of the asset liability study, including the scope (a 30-year projection analysis). He reviewed the risk/reward trade-offs (on a Stochastic, Monte Carlo simulation analysis basis) of a variety of different portfolio strategies within the construct of the pension fund. Mr. Kivarkis provided an investment analysis as well as an asset liability projection analysis and concluded that the portfolio is well diversified (81 percent return-seeking allocation), and it is well constructed. Questions from IAC members were asked and answered throughout the presentation.

REAL ESTATE REVIEW

Mr. Jack Koch, Townsend Group, introduced the Townsend consultants attending the meeting, and he gave a brief history of the relationship that Townsend has had with the State Board of Administration. Mr. Koch stated that the Real Estate portfolio had performed exceedingly well, and it is well positioned into the future.

Mr. Seth Marcus, Townsend Group, spoke about the real estate market, concluding that real estate continues to offer strong income and the stability of an income stream.

Mr. Steve Spook, Senior Investment Officer – Real Estate, provided a broad overview of the Real Estate portfolio, discussing the following: the organizational chart, governance, the consultants, the benchmark, the role in the total pension plan portfolio and the two broad strategies within the private portfolio (core and non-core). He discussed the current net asset value of the Real Estate portfolio ($13 billion) and the two principal components of the portfolio (principal investments and externally managed). Mr. Spook provided details on property type diversification and geographic diversification in the private market portfolio and also discussed portfolio leverage. Mr. Spook concluded his presentation with a peer performance comparison and by detailing asset class activities over the past fiscal year. IAC members asked questions of Mr. Spook, Mr. Williams, Mr. Koch and Mr. Richard Brown, Townsend Group, leading to an extensive discussion of the use of leverage within the asset class.

Ms. Lynne Gray, Senior Portfolio Manager, provided an overview of the principal investments portfolio (direct-owned real estate investments), and Mr. Michael Fogliano, Senior Portfolio Manager, provided an overview of the externally managed portfolio. IAC members asked questions which were answered by Ms. Gray, Mr. Fogliano, Mr. Spook and Mr. Williams.

ASSET CLASS SIO UPDATES, DC PROGRAMS CHIEF UPDATE, INVESTMENT PROGRAMS & GOVERNANCE OFFICER UPDATE

The Senior Investment Officers of Global Equity, Fixed Income, and Strategic Investments & Private Equity provided an update on the performance of their respective asset classes over the last quarter and trailing time periods and discussed general market conditions. Questions from IAC members were asked and answered.

Mr. Daniel Beard, Director of Administration – Defined Contribution Programs, provided a snapshot of the FRS Investment Plan assets, number of members and average account balance. He also discussed the FRS Investment Plan assets under management and provided an update on the Financial Guidance Program, indicating that online chats have increased. Mr. Beard answered several questions about the Investment Plan.

Mr. Michael McCauley, Senior Officer – Investment Programs & Governance, briefly discussed a code of best practices which has been developed for the U.S. equity market and which will be implemented on January 1, 2018. He also mentioned that Tesla had been one of their most interesting proxy votes last fall. Mr. McCauley discussed comments that had been submitted to the SEC, a comment letter that had been sent to the U.K., and changes to the 2017 SBA Proxy Voting Guidelines.

MAJOR MANDATE PERFORMANCE REVIEW

Ms. Doyle provided an overview of the Pension Plan and its performance. Ms. Katie Comstock, Aon Hewitt, reported on performance of the Pension Plan, the Investment Plan, the Florida Hurricane Catastrophe Fund, the Lawton Chiles Endowment Fund and Florida PRIME. Ms. Comstock answered a question about FRS performance compared to the TUCS Top Ten.

AUDIENCE COMMENTS/2017 MEETING DATES/CLOSING REMARKS/ADJOURN

Mr. Price asked for a motion to appoint new IAC officers for the next year. Mr. Bobby Jones made a motion which was seconded by Mr. Peter Collins. Mr. Price stated that Mr. Collins would be appointed Chair and that Mr. Wendt would be appointed Vice-Chair. The motion passed unanimously.

There were no comments or questions from the audience. The meeting was adjourned at 4:15 P.M.

Michael Price, Chair

5-4-17

Date

STATE BOARD OF ADMINISTRATION OF FLORIDA

INVESTMENT ADVISORY COUNCIL MEETING

MONDAY, MARCH 6, 2017
1:00 P.M. - 4:15 P.M.

1801 HERMITAGE BOULEVARD
HERMITAGE ROOM, FIRST FLOOR
TALLAHASSEE, FLORIDA

REPORTED BY: JO LANGSTON
Registered Professional Reporter

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APPEARANCES

IAC MEMBERS:

MICHAEL PRICE
GARY WENDT
PETER COLLINS
CHUCK COBB
BOBBY JONES
LES DANIELS
VINNY OLMSTEAD

SBA EMPLOYEES:

ASH WILLIAMS, EXECUTIVE DIRECTOR
MICHAEL McCAULEY
JOHN BENTON
DENNIS MACKEE
TRENT WEBSTER
STEVE SPOOK
LYNNE GRAY
MICHAEL FOGLIANO
KATY WOJCIECHOWSKI
ALISON ROMANO
TIM TAYLOR
JOHN BRADLEY
DANIEL BEARD

CONSULTANTS:

JACK KOCH - (The Townsend Group)
RICHARD BROWN - (The Townsend Group)
SETH MARCUS - (The Townsend Group)
PHIL KIVARKIS - (Aon Hewitt)
KRISTEN DOYLE - (Aon Hewitt)
KATIE COMSTOCK - (Aon Hewitt)

INVESTMENT ADVISORY COUNCIL MEETING

* * *

MR. PRICE: Welcome, everybody. Could someone move to approve the minutes from the last meeting, please?

MR. DANIELS: So moved.

MR. PRICE: Second?

MR. WENDT: Second.

MR. PRICE: Thank you. I'd like opening remarks by Ash Williams, and later we have an asset-liability review, which I think is a very important discussion today in possibly a rising rate environment. And then we're going to get into a deep dive on real estate. So, Ash, if you'd like to start off, that would be great.

MR. WILLIAMS: Mr. Chairman, given your distinguished leadership over this past year, did you want to continue the heavy labor of being chair, or do you want to do the succession election?

MR. PRICE: Do I see volunteers?

MR. DANIELS: I move that we extend his term.

MR. PRICE: How about meeting to meeting?

MR. JONES: Second.

MR. PRICE: It's all right. I'm around. That's fine.

MR. WILLIAMS: So we're leaving it as is?

MR. PRICE: You can leave it as is, yeah.

MR. WILLIAMS: Okay. All right. So opening remarks, a couple of things. First of all, fund status as of Friday's close, fiscal year to date, the fund is up -- and these are, of course, estimated numbers, gross numbers as well, 8.95 percent. That leaves us with a cash balance in the fund $7.8 billion ahead of where we started the fiscal year last July 1, and that is net of between 4 and $5 billion in distributions over that time.

We triggered a rebalance last week because, with the run in the equity market, we became overweight global equity. So we're taking about three-quarters of a billion dollars off the table there. Things are getting pretty rarefied in valuations in equities. So I think that's just following the normal investment discipline.

In terms of general SBA things, the team is stable. We have no compliance issues. We have no audit issues of any weight, and we have no inspector general issues that are worthy of mention. Environmentally, tomorrow is the start of the legislative session. We are involved in a couple of things there. I don't see any of them as problematic.

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In fact, one is positive, very positive, in that it's a piece of legislation related to the pension fund that will do a couple of things.

There has been interest expressed here at the IAC before in the subject of how new members of the Florida Retirement System decide whether they want to be in the defined benefit or the defined contribution pension system, or savings program I should say, because they're not technically both pension systems. The DB is the pension plan, and the defined contribution is called the investment plan.

So historically, if an employee did not make a decision, the default was they went into the defined benefit plan. We've advocated changing that for some years. We have legislation to do that this year. And unlike prior years, we have reason to believe it may very well go forward. And the reason is, it is mated to two other things that remedy problems created from former laws that went into effect in recent years.

One of those changes provides a death benefit in the defined contribution plan for service-related deaths. Previously that didn't exist. Fortunately, that circumstance is so rare -- and this would be for non-special risk members. Special risk is commonly police and fire. They have a death benefit presently

but others don't. And, again, if you're trying to make one plan competitive with the other, having a death benefit is something to address with very little cost, but it makes a lot of sense from an equity standpoint.

The second thing is there's been an issue for the past three or four years whereas a law passed that said, if you ever take a distribution from the Florida Retirement System, you are deemed unable to ever earn another benefit. That was aimed at what are called double-dippers, commonly former elected officials who leave one job, start getting a pension benefit and then immediately get another public job, start drawing another pension, structuring another pension and qualifying for another benefit.

The problem is, particularly in the teaching profession, it's very common for people to come into the profession and in the first year or so there's some interruption, like a family illness, a new child, something of that nature that sort of causes someone to leave the workforce for a period of time. These people are often in the investment plan or the defined contribution plan in which one vests in a single year, and you can therefore take money out.

So if you then took, say, $1,000 out to meet some medical need, under the existing law, that's deemed a distribution and you would be permanently barred from ever earning another benefit. So if you're a public school teacher and you start that when you're 22 years old and then you come back to work in a year or two after whatever the emergency is has been addressed, you're told, Sorry, we can't pay you any more than we pay all our other teachers, but they're going to earn a pension benefit and you won't. It's a major problem. And we have over 10,000 people in that position today.

So this proposed legislation I'm talking about would fix the death benefit problem, fix the employment benefit problem and change the default. And for our purposes investment-wise, I think the key thing on the default change is the following. Unlike closing the defined benefit plan in its entirety, changing the default does not sufficiently compromise our ability to tolerate volatility and illiquidity that would affect or asset allocation or limit our ability in the intermediate future to invest in things like private equity, real estate, distressed debt, et cetera, where we commonly get some of the best returns and risk-adjusted returns in the whole portfolio. So investment-wise I don't see any effect for minimally 10 or 15 years and practically maybe substantially longer than that. So policy-wise, probably all three

initiatives in that legislation make sense, which hopefully will cause it to become law.

There are a couple of other things legislatively that are not there at our initiation. They seem to relate largely to local government activity, particularly some significant visibility that the City of Jacksonville has had over the past couple of years.

They had a pension program at the local level in Duval County that was acutely and chronically underfunded, had pretty rich benefits, very, very high cost, and there had been some talk about that system potentially joining the Florida Retirement System. As a practical matter that would never happen because the only way a local government system can join the FRS is if they pay up their actuarial contributions so that that transaction would not be dilutive to the FRS. Any city that has got a serious problem doesn't have the cash to buy into the FRS. If they did, they'd fix their problem.

So, anyway, there was legislation introduced that would bar local governments in the future from joining the FRS. The Jacksonville people have subsequently entered into an arrangement with their labor groups. So the issue seems to have been resolved at the local level. Therefore, I think this is probably not much of an issue for us. There's another piece of legislation --

MR. COLLINS: Can I ask a question about that?

MR. WILLIAMS: Yes, sir.

MR. COLLINS: So the legislature has proposed a bill barring city's from entering into the FRS?

MR. WILLIAMS: Correct. Local governments at this point can elect to participate in the FRS or to run their own systems.

MR. COLLINS: Right.

MR. WILLIAMS: And plenty have done both.

MR. COLLINS: Right. But anybody now wanting to do the FRS can't do it?

MR. WILLIAMS: Well, no, no, no. That's not law. Some member has filed a bill. I mean, anybody can file a bill on anything anytime.

MR. COLLINS: Okay.

MR. WILLIAMS: Like I said, I think this is an outgrowth of a local controversy in North Florida. I don't think this is a huge groundswell. The other legislation that's out there that could affect us way down the road is a proposal that any investment return assumption used by a public pension plan in Florida should be a rate that can be reached with a 50 percent probability over a 30-year horizon. Now, I see

everybody looking around like how exactly would you know when you had met that test, and we had the same reaction. Thirty years is a long time to predict anything with a whole lot of precision.

But that's out there, too. And it doesn't have an effective date until ten years down the road. And I think the idea is just to send a signal to people that you should use realistic actuarial return assumptions and not fluff them to hold down contributions. So the discussion around that at least ought to be healthy, no matter what happens to the legislation.

So the other -- perhaps the most fundamental thing is how the legislature funds the pension. And Governor Scott has consistently prudently led on that issue and included full funding of the pension system in his legislative budget request. I'm sure that is the case this time as well. And, touch wood, the legislature has been very good about that and not creating problems as we've seen in places like Connecticut or New Jersey or Illinois. So hopefully we'll stay on track there.

And there's nothing that I'm aware of that would alter the benefit structure in a manner that would be detrimental. So think of the three legs of a solid system. Reasonable benefits, check, no big changes on the horizon. Responsible funding, check, seems to be under control. Prudent investing, we're up almost 9 percent fiscal year to date, so we seem to be okay.

MR. PRICE: Is this report that we're about to review done annually or every new year's? What's the normal cycle?

MR. WILLIAMS: When you say the report, we're looking at the assumptions?

MR. PRICE: Asset-liability review.

MR. WILLIAMS: Yes. We do this annually. And the whole point there is to reevaluate what our assumptions are, why we're using the portfolio mix we are and has anything changed since the time we last reviewed it that has implications for investment policy, and if so, let's get on with it. So with that, Mr. Chairman --

MR. PRICE: Thank you very much. We're going to jump to Tab 3. Kristen and Phil, if you want to go into the very extensive discussion of our match or lack of match but going to be matched, right, in 30 years. Right? That's what the conclusion is. So if you want to go ahead, thank you.

MR. COBB: Mr. Chairman, can I ask Ash a quick question before we do that? Can you tell us what our maximum global equity position was before we did the trim and what is it now?

MR. WILLIAMS: Well, the policy target would not

change, neither would the maximum or minimum --

MR. COBB: I understand that. But what was the actual percentage before you did the trim?

MR. WILLIAMS: I want to say we got above by about 2 percent. Where is John Benton? He would know. John, what's the answer to that? In terms of where we were when we actually triggered the rebalance, how high out of -- off of target did we go in global equity?

MR. BENTON: We were about 58 percent, and current target is 53.

MR. COBB: I think we were at 59 once before, if I recall correctly, maybe two years ago or so.

MR. BENTON: Yeah, a couple of years ago.

MR. COBB: So we trimmed that down, and now we got back up to 58 and then trimmed it down. Thank you.

MR. WILLIAMS: And contextually on that, Ambassador, it's interesting to note -- and you'll see it in some of the Aon Hewitt slides later on -- our global equity exposure relative to our peer group, the other ten very large U.S. pension funds, is substantially greater.

And so the way we choose to take our risk is by the asset exposure itself. Then when we implement that exposure, we very carefully control the risk within each asset class, avoiding taking risk, number one, too

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far away from the benchmark itself; number two, any active strategies that in and of themselves have extraordinary levels of risk.

And that has worked pretty well because, in aggregate, on a trailing five year basis, our -- our aggregate risk exposure is higher than our peers. Our value added is substantially higher. And when you look at our value added for the risk we take, it's in the 100th percentile of all of our peers. So it seems to be working.

MR. PRICE: Would you like to go over the review, please?

MS. DOYLE: Yeah, thank you. Great to be here today. And so I'll just do a quick introduction, and then I'm going to have -- Phil is going to present most of the asset-liability results to you-all today. Phil is the head of our investment policy services group, which is the team within Aon Hewitt Investment Consulting that conducts these studies, does all of the modeling and all of the projections.

So just as a quick summary, so one thing I did want to remind the council is how we formulate the investment return assumptions. That is one of the key inputs into the study. So if you remember, what we do is we actually take an average of four consulting

firms, including Aon Hewitt, and we look at the average of the equity risk premium that each of the consulting firms has in terms of its -- the difference between its global equity return assumption and its fixed income or its core bond return assumption. And then we use that average to then formulate the rest of the other assumptions for the other types of risky -- what we would call return-seeking or risky asset classes.

And from last year to this year, the equity risk premium has come down. It was about 3.9 percent when we did the study last year, and now it's at about 3.7 percent. What that's mainly reflecting is an increase in interest rates, which has increased the expected return on bonds, which has shrunk that equity risk premium.

And so what that means is -- and this has actually been a trend. Since 2013 we've seen a significant reduction in the equity risk premium. What this means generally is that it is now less compelling to take more risk in the portfolio.

When we look at some of the projections where we combine both the asset and the liability side, a couple of trends that you will notice when you get to those analytics are, one, that we see an improving -- a trend towards improving the funded status over time. And these are 30 year projections. So you'll see the path of that 30 years. It sort of dips a tiny bit, but then as we get into the back end of the projections, we see an improving funded status. We also see with that, towards the back end of the results, an improvement in the contribution rate that's required in terms of the percentage.

And the other metric that we look at is the net cash flow out of the fund. And so right now the fund is net cash flow negative, meaning that we pay more out of the fund than we get in in terms of contributions. It's about 4 percent. And that stays relatively steady, which is what we want to see. We don't want to see -- when plans start to get into liquidity issues and some insolvency issues is when you get beyond sort of that 10 percent amount and that you're net -- net cash flow negative.

So the recommendation today is not to make any changes to the asset allocation, but we'll show you why that is the recommendation today. So with that, I'm going to turn it over to Phil to get into the details. And, please, as you typically do, stop us and ask us questions as we go along.

MR. KIVARKIS: Yes, by all means. And I don't intend to cover every single page and every bullet on

every page of this analysis. Rather, I intend to just cover the highlights. Now, you'll recall and as Ash mentioned, it's an annual exercise. We ran the same sort of analysis last year and had similar outcomes, with a few key differences. So throughout this presentation I will cover the main outcomes, but I'll also compare and contrast versus where we were last year and highlight any key differences.

So with that, why don't we dive in. So the scope, as I mentioned, it's a 30 year asset-liability projection analysis. We'll review the risk/reward trade-offs, on a stochastic Monte Carlo simulation analysis basis, of a variety of different portfolio strategies within the construct of the fund.

And here you can see on page ten, bottom of page ten, what is the purpose of an asset-liability study? An asset-liability study provides you with the tools you need in order to align the characteristics of the assets with the liabilities in the plan. Ultimately that's the entire goal of this exercise. It goes beyond pure portfolio theory and into a question of what is the right investment policy for the plan.

Page 11 shows a pictorial of really balance of the assets and liabilities. And ultimately the goal is to have the assets -- the growth in the assets balance the growth in the liabilities. Now, your liabilities grow in one of two ways. They grow with interest cost, which is effectively a time value of money component. 7.6 percent is the actuary's interest rate assumption. Just by the passage of time, your liability will grow 7.6 percent per year, just due to the interest cost compiling over time.

Further, your people earn benefits every year. As they have greater service, they get greater pension benefits, and those are new benefit accruals. And so when you combine those, you'll see that the liability -- and we'll cover this in just a bit -- the liability is growing to the tune of about 9 percent per year.

Now, in order to keep balance in the fund, you have your assets, and they have to grow at least 9 percent per year just to keep pace with the liabilities. Now, your assets grow by one of two ways, with investment performance and with contributions. And so the summation of the investment performance and the contributions has to meet or exceed the growth of the liabilities over time. And I'll talk about specific numbers in your plan in just a moment. So that's the goal ultimately, is achieving this balance over the long-term.

MR. WENDT: Excuse me. I don't want to get too far behind what you're talking about here early on. You said that the liability return increases by interest, and you said that's 7.6 percent a year. Can you go a couple of layers deeper than that so I understand what it is you mean?

MR. KIVARKIS: Happily. So the actuary every year produces an actuarial evaluation of the liabilities. This is effectively a present value of the liabilities in the plan. And according to your actuary, your plan's actuary, the plan has a present value liability, actuarial liability of about $170 billion. Now, the actuary is using a variety of assumptions in order to determine the $170 billion.

The two key assumptions are how long will people live and what's the interest rate that I'm using to discount to today. The 7.6 percent assumption that I cited earlier is the interest rate that's being used to discount the present value to today.

MR. WENDT: And how do they select that?

MR. KIVARKIS: Ultimately there's a rigorous process around that. There's I believe --

MR. WENDT: (Inaudible).

MR. KIVARKIS: Well, there's some of that ultimately. There's a committee that's charged with setting that assumption ultimately.

MR. WENDT: Okay. Move on. I'm sorry.

MR. KIVARKIS: By all means. And do feel free to ask questions as we go. I'll try and save some time at the end of the discussion as well for that purpose.

All right. Page nine, key risks for pension plans. There are three key areas that you need to think about as you're thinking about the risk exposure in your fund. There is first and foremost the long-term return shortfall risk.

Now, I mentioned earlier the actuarial interest rate assumption is 7.6 percent. It is important over the long run for the fund to hit that 7.6 percent return. If the fund doesn't, ultimately there will be a shortfall relative to that assumption, and over the long run, longer run, there will be some additional funding needed on the back end to get to fully funding the program.

So the long-term return shortfall is the first one. The second one has to do with liquidity, and this is a nearer-term concern. So to the extent you have payouts of your obligations to the tune of just shy of $10 billion per year, you have to fund those $10 billion per year, and you have to do that, and you'll need liquid assets to do so. It will partly

come from contributions and partly come from liquid assets. To the extent you were to have a repeat of the 2008 market, for example, your asset base could decline and there could be a crunch in terms of the liquidity of the fund and the ability to pay out those obligations.

Now, frankly, this plan is below average in terms of its liquidity risk, thankfully. So we'll talk about why I say that. But liquidity, not as big of a concern here as it is in many other states, as we see it.

And then, finally, investment risk is the third risk. And this is, again, a shorter-term concern, whereas over the long run you have to target a 7.6 percent rate of return on your investment portfolio to stay in balance with the actuarial assumption. Over the short run, the riskier the portfolio, the more you run the risk of a market event eroding the value of your investment pool. And so for that reason there is some risk of markets taking asset values lower and thusly funded ratios lower, and we'll see what those risks look like over the near term.

MR. COBB: I have a question, and maybe this is the same one as Gary's question. Ash, as I understand the process, is a legislative body has picked the 7.6. And so it's not just out of the air, as I think Gary maybe had the impression.

MR. WENDT: They pick it out of the air.

MR. COBB: Well, I think it was picked out of the air by other people, as I understand. So, Ash, maybe you can explain where the 7.6 came from.

MR. WILLIAMS: Mr. Chairman?

MR. PRICE: Sure.

MR. WILLIAMS: Thank you. Yes. The way it works under Florida law, you have a group called the Actuarial Estimating Committee. And the committee is made up of representatives appointed by the House, the Senate and the Division of Retirement, which is in turn under the governor. So it's essentially the governor, the House and the Senate.

And they have a public meeting and discuss -- they get a presentation from the State's actuaries. Aon is our actuary. The State has its own actuary for the retirement system. They use Milliman. And basically they talk about the liabilities. Then they talk about return assumptions, exactly as we're doing. And then they talk about inflation expectations and asset class returns. And we're going to walk through the detail of how we do our asset class returns. It's not dissimilar from the way Milliman does it.

Then it comes down to, okay, now that you've heard

all that, what assumptions do you actually want to use. And that's where things get a little more interesting, because in public fund land the discounting rate that is used for creating the net present value of liabilities is, by actuarial and accounting practice, the same as the investment return assumption. But it's different in other places. In the private sector it's different.

So that then means that you have a hard connection between the actuarial investment return assumption and the contribution rate, because if the return assumption is lower -- so for example if we, in our wisdom, thought that a realistic and modest investment return expectation for the next few years might be, pick a number, six and a half percent, six percent, something like that, and that becomes the discounting number for the actuarial review, guess what. The liabilities get a lot bigger. The actuarial value of the assets is smaller. And the funding requirement is much higher.

And if you think about the way the legislative process works, it's a zero-sum game in appropriations. So you have an implied directionality on where the priority goes for several hundreds of millions of dollars, which is of interest to some.

MR. PRICE: Bobby.

MR. JONES: But one thing -- and I'm sure the presentation will explain it. But, Phil, you said that our liabilities look like 7.6 percent based on these assumptions, and our return needs to be 9 percent as well. Would that be right?

MR. KIVARKIS: Well, the asset growth would ultimately need to be north of that number to keep pace with the liabilities growth. However, the assets can grow by really two components, one being the investment performance and also funding into the program.

MR. JONES: I just wanted to point out, it seems like there's a delta in between not only that high liability number but also the need for returns.

MR. WILLIAMS: Correct.

MR. COLLINS: Mr. Chairman?

MR. PRICE: Yes.

MR. COLLINS: So two things. First, if you watch Jacksonville -- I shouldn't have said it out loud, but I said it out loud, so we've outed Jacksonville -- part of their big problem came from this very issue and their return assumptions, high return assumptions and not enough money going into the system. So they ended up with a big liability. Second of all, isn't that why -- wouldn't that be why that legislator has proposed doing an average return over those 30 years,

is to get at this very issue?

MR. WILLIAMS: Exactly. The idea is to inject some future sort of Damocles to cause people to think twice and be sober before that sword comes down on their throat, I guess.

MR. COLLINS: Thank you, Mr. Chairman.

MR. KIVARKIS: All right. In the interest of time, let's continue on. I'm going to fast-forward a bit. Okay. So just in terms of the asset-liability context, we talk about risk versus reward. If you think about your traditional pension -- traditional investment paradigm, risk and reward is defined as, in terms of the reward, it's your expected investment return, and the risk is the standard deviation of those investment returns. That's your traditional paradigm for risk versus reward.

We're going to talk about the asset-liability paradigm as well here. The asset-liability paradigm, where your reward is effectively better funded ratios and lower ultimate costs, and your risk is defined in terms of the downsides of each of those events, what is the downside to the funded status of the program, what is the downside to your expected cost pattern over time. So that's really how we're going to think about risk versus reward.

Next page, the key takeaway from this entire exercise is to determine at a very high level what's the appropriate degree of return-seeking versus risk-reducing assets. Now, as I'll show you in just a moment, this portfolio has an 81 percent return-seeking allocation, 81 percent allocated towards return-seeking assets like equities, and 19 percent allocated towards risk-reducing assets, like bonds, that are intended to hold up during times of stress.

And so there are a number of factors that could influence that ultimate mix, including the time horizon of the investment program, the characteristics of your liabilities and the funded status of the plan. So all those things come into play as we're thinking about how to appropriately take risk in the plan.

So that's the background. That was all very high level, very theoretical. What I'm going to do now is start talking turkey with your specific plan and specific numbers associated with it. And so page 22, the asset-liability profile as of July 1 of 2016, you can see in the upper left-hand corner we show a snapshot as of July 1 of 2016. Now, these are your latest and greatest actuarial valuation numbers.

Here you'll see the market value of assets as of July 1 of 2016, $141.8 billion. The liability,

170.4 billion. And that's, again, determined by the actuary. And that's the present value of all the future obligations in the plan that have been earned to date. This plan, 83 percent funded as of July 1 of 2016.

Now, just to say, the last exercise we performed was as of July 1 of 2015. And at that time the funded ratio of the program was closer to 90 percent. So when you compare and contrast the results that I'm going to walk us through this year versus last, you'll notice that the starting point is 7 percent lower than it was last year. And as you might expect then, the trajectory of forward progress is going to be lower than last year's, to the tune of about 7 percent along the way, a little bit of catch-up played towards the tail end of the analysis. Okay. So that's one important point, the starting point, 83 percent funded as of July 1 of 2016.

Now, bottom left-hand corner we talk about these what we call hurdle rates. You'll notice that -- if you look at the total liability hurdle rate, that liability is growing by those two components I described earlier, the interest cost and the normal cost. Liability is growing to the tune of about $14.7 billion per year.

Now, as a percentage of the liabilities, the liability is 107 billion, so the percentage, 8.6 percent growth of your liabilities per year. So that's how much your liabilities are growing every year. And that's important. It's important to know how much the liabilities are growing so that you can then determine whether the assets are growing in concert.

Now, I mentioned 14.7 billion is 8.6 percent of the liabilities. As a percentage of the assets, as a percentage of 141 billion, 10.3 percent. So that's how much the assets have to grow in order to keep pace with the liabilities today, such that your assets and liabilities are growing in concert.

Now, when we look at the expected asset growth, whereas last year we saw that those numbers were exactly on top of each other, the asset growth was almost exactly the hurdle rate on the liabilities, here we see a small decrease. A couple of reasons for that decrease, which we'll talk about in just a bit, one being the assumptions are a bit lower, but it's important, right, because if the assets are growing slightly less than the liabilities today, that's going to have an implication in terms of how your funded ratio progresses over the course of the projection

period. What you'll see, as we look at the funded ratio trajectories, you'll see a bit of sideways movement on that funded ratio trajectory in the initial part of the projection analysis before it starts trending back up. So it will be interesting to examine that as we go. And I will walk us through that.

Bottom right-hand corner, you can see that 81 percent return-seeking allocation, 19 percent allocation to risk-reducing assets. All right.

MR. WENDT: Is there a simple reason why we've gone from 90 percent funded to 83 percent funded that I didn't catch from these numbers?

MR. KIVARKIS: So if we were do a compare and contrast last year's numbers versus this year's numbers, the liability went from about 165 billion to 170 billion. That's natural growth of the liabilities over the course of the year. So liabilities grew just about as you would expect. It's a growing obligation. The asset base declined from what was a high 140s to a low 140s.

MR. WENDT: That's the answer.

MR. PRICE: I think that that period of time, Gary, included that January, February '16 downdraft in the market and didn't include this post July -- this fiscal year's uplift. So I think, if you had to guess what the number would be today -- I know it puts you on the spot, a total guess, I know you're not running computers -- do you think we'd be close to 90 again?

MR. KIVARKIS: It would be mid to high eighties, is my guess.

MR. WILLIAMS: Phil, correct me. When I think back, when you say 90 percent funded ratio, my recollection is that was a mark to market funded ratio and not an actuarial funded ratio. So to compare the 90 at mark to market to an 83 actuarial is two different things.

If you look at mark to market today, remember my opening remark, the current balance of the fund as of Friday night is 149.1 billion. So I think if we looked at where we are on a mark to market basis now, Phil, what would your guess be on a mark to market?

MR. KIVARKIS: So, Ash, just to be clear, the hundred -- you said 149 billion is your asset base today?

MR. WILLIAMS: Correct.

MR. KIVARKIS: So if it's 149 billion, my guess is the liabilities are going to be up another not quite 5 billion, but something -- let's call it 3 billion. So the liabilities are going to be up 3 billion, 173. And 149 over 173, 87 percent funded, -ish.

MR. WENDT: We had a bad year last year is the answer.

MR. PRICE: It was the timing, right? Because it includes --

MR. WENDT: We didn't make a --

MR. PRICE: Fiscal '16 wasn't great, exactly. Go ahead, Phil. Thanks.

MR. KIVARKIS: All right. Okay. Now, on to the analysis. So we covered the starting point, the starting point in terms of the current asset-liability profile. Now let's dive into the analysis. Here you can see the first page covers the approach used for the setting of the assumptions. And the approach effectively averages the assumptions of four different constituents, four different investment advisers, including Aon Hewitt, Mercer, Wilshire and Callan.

And the process is to average the equity risk premium across each of these four advisers in order to determine what's effectively an unbiased assumption. And here you can see that the 2017 average global equity risk premium is 3.72 percent. You can see how we got that. You see the third row of the table down below shows the global equity risk premium. You can see each of the four constituents and then finally the average. Aon Hewitt's is 3.75. Ultimately the average is 3.72, very close to the Aon Hewitt average.

Last year you'll notice that that equity risk premium was 3.94 percent. So we've seen assumptions come down, and that's pretty much across the board with investment advisers. And so as a result, there is a 22 basis point reduction in the assumption this year versus last, in terms of that equity risk premium.

You can see that the previous history, going back to 2011, shows several years of equity risk premium. Prior to 2016 it was based on the U.S. equity risk premium assumption rather than the global. We made that change last year, to be more representative of your existing global equity portfolio. If you'll notice, quite a bit of variation year to year in terms of these assumptions, as low as 3.53 percent, that was 2015, as high as 4.76 in 2013. So quite a wide range. We're inside that range, albeit towards the low end and getting lower versus last year.

So that's how we set the assumptions. But it is noteworthy that the assumption is lower, and there will be an implication as we project out the numbers over time, which I'll describe.

Page 22 shows the -- I'm sorry, page 25. My apologies. My paper copy is different than the screen. Shows the efficient frontier. And the efficient

frontier is effectively, you know, a first cut at, let's look at risk versus reward within your pure investment theory. Vertical axis is the expected return. Horizontal axis is the volatility. And you can see the efficient frontier. The current policy lying on that frontier, albeit towards the higher end of the risk spectrum.

So you have on the left side the low end of the risk spectrum, low risk, low reward. On the right side, high risk, high reward, and everything in between. You can see where you lie on that spectrum, 6.8 percent expected return, 12.68 percent expected volatility of that portfolio. But there's a range of outcomes. There's a range of potential solutions. Eighty-one percent is where the portfolio is today.

All right. Next page shows range of nominal returns. And here I'm looking at different time periods, 5 years through 30, for the current policy. Now, you can see lower right-hand corner shows a key to what these results mean. You can see that the various points mean various points on the percentile frontier. The black dot represents the 50th percentile, or median outcome. And that's the 6.81 percent assumption. You can see the top of the line represents the best case, 95th percentile outcome. Think of that as an almost two standard deviation event up. And the bottom of the line represents a fifth percentile, almost two standard deviation downside event.

And you can see what happens. If you're looking a a five year period, the range of outcomes could be anywhere between minus 2 and plus 16 percent, with a central expectation of 6.8. Look at what happens as you move out to 30 years. The range of cumulative returns, the range of outcomes narrows, but the center is still the 6.81. And so note that the 6.81 is below the actuarial assumed rate of return of 7.6. That's a noteworthy outcome. But then also note that as the time period expands, the range of cumulative return outcomes shrinks over time.

Now, this is showing us that it is less than a 50-50 probability, to Ash's point earlier, less than a 50-50 probability, according to this analysis, that you hit that 7.6 over the course of the next 30 years.

MR. COLLINS: Mr. Chairman.

MR. PRICE: Peter.

MR. COLLINS: How often does the committee meet, Ash, that sets the rate of return?

MR. WILLIAMS: Once a year.

MR. COLLINS: Once a year. Are they adjusting it every year, even by a basis point? I mean, are there

real adjustments going on?

MR. WILLIAMS: Real, in my judgment, in terms of the size of what they've done recently, no. In terms of are they adjusting it, yes, and are they adjusting it in the right direction, yes. And in the last meeting, there was a very extended discussion of the need to lower the return assumption number, and they ended up not moving it a great deal this past October, which is when this meeting takes place.

But I think the inescapable conclusion was the intent was, the realization was something needed to happen, and the expectation is the rate of decline I think would be anticipated to increase going forward.

MR. COLLINS: So if our policy -- do we have a policy, a 30 year policy on those rates?

MR. WILLIAMS: What we do is review it just like we are here now.

MR. COLLINS: And we said that we think 50-50 that it's 6.81?

MR. WILLIAMS: Yeah. I mean, this is our work, basically. This is Aon's work, and Aon is doing this for us. So, yes, this is how we see the world. Now, one other qualification I'll give you is the only right way to do this, I believe, is the way this is being done, which is not showing anything other than expected returns of the market itself. If you actually look back at the SBA's history over a 30 to 40 year period, you will see a pretty consistent 100 basis points value added above what the market delivers.

So -- and I'm not recommending this, but if you just said, all right, if the future looks like the past, our actual returns should be around 100 basis points better than that, which means the 50th percentile, add a percent to it, and that's more like it, in which case you can exhale. But, again, assuming you can do that for all time is -- you know, at some point you're going to draw a short hand.

MR. COLLINS: So when they ask you -- sorry. Last question. So our current five year policy is 6.81?

MR. WILLIAMS: When you say our five year policy --

MR. COLLINS: The current policy, five years, 6.81.

MR. WILLIAMS: Yeah, that's right. It's the same policy. It's not a different policy every year. It's the same policy moved forward for these various periods.

MR. COLLINS: So do you go into the committee and say, Hey, we're about 80 basis points lower than you are? Or do you just sit there and say, Thank you, may

I have another, or -- do you have a voice in that room?

MR. WILLIAMS: We express our views and they express theirs, and they vote and we don't.

MR. COLLINS: Okay.

MR. PRICE: Yes, Bobby.

MR. JONES: Ash, isn't one of the questions is what happens if the legislature discontinues funding any shortfalls?

MR. WILLIAMS: Yes. That's a really good question. And actually the Florida Legislature has an unusually positive history in regard to responsible funding. First of all, there are two different funding streams, as Phil suggested. One is what's called normal cost, which is essentially the annual overhead of the benefits as they exist. The second is a contribution to any unfunded liability that may exist.

And when the FRS was created back in the seventies, it was only funded at a level of about 40-some-odd percent, which most people would consider a complete failure and you should just abandon it and close it. Instead, the legislature committed, number one, to fund the normal cost, and there's a requirement in the Florida Constitution that they do that each year, consistent with these actuarial assumptions arrived at in a public meeting.

Second, there's not a constitutional requirement to meet unfunded liability, but as a practical matter, the legislature, with the exception of three years in the entire history of the FRS, has always made the full actuarially indicated contribution to unfunded liability. And the actuarial convention there is the contribution equals a number that, based on the current actuarial data, would fully amortize the unfunded liability over 30 years.

And when the FRS was created in the seventies, that's exactly the trajectory they went on. It actually became fully funded in less than 30 years because the investment performance was better than expected. The benefits have always been reasonable, and they didn't go crazy with those when other states did. And they responsibly funded. So that's how it worked.

Then the fund was overfunded for a number of years, and the legislature took the conclusion that, gee, there's no point in being grossly overfunded, so let's deliberately reduce contributions for a period of time so tax dollars can go to other public purposes. That went on for a period of about a decade and about $12 billion in contributions that otherwise would have come into the fund. And they leveled the funding ratio

at about 108 percent. That's where it was in 2007. Then the downturn came, and on a mark to market basis, suddenly you had unfunded liability again.

The State was strapped because our revenue sources at the state level are heavily driven by construction activity and tourism activity, sales tax, et cetera. And in the immediate wake of the great financial crisis, the legislature continued to fully fund normal costs, then made a contribution to the new unfunded liability. But for the first three years it was not a full contribution. For the past three or four years, it has been a full contribution. So that's where we are.

MR. WENDT: Full contribution means getting there in 30 years.

MR. WILLIAMS: Yes.

MR. PRICE: Phil, if you would continue.

MR. KIVARKIS: Thank you. All right. The last slide in this section covers the range of real returns. So on the previous slide we had covered nominal returns. And, recall, 6.81 was the central target there, with a range around it. Here we're looking at real returns. The central point is 4.52 percent. So that's the range. So the expectation is 4.5. There's a range of outcomes. It could be very negative to very positive, and there's everything in between. You can see what happens. As the time period expands, the range of cumulative returns shrinks.

All right. So that was the investment analysis. What I'd like to do now is shift gears and talk about the asset-liability projection analysis. I'm going to start with the employer contribution rate for the defined benefit plan only. And you'll notice that we've modeled three different investment policies. We've modeled the current policy, which is an 81 percent return-seeking portfolio. And just for comparison purposes, we've also shown a 70 percent return-seeking and a 90 percent return-seeking policy.

Now, just to cover the current policy and to explain what's here, you can see there's a 30 year projection. So the X axis shows 30 years of a forward-looking view. And you'll see that the starting point is just about 10 percent of payroll, is the employer contribution percentage. And that's paid every year.

And you'll notice that the dotted line is the central expectation for what happens into the future. And we're expecting that that 10 percent of payroll grows. Over the next two decades, for example, it will grow from an expected -- well, from 10 percent to an

expected 15 percent. And so we're expecting that there's going to be a ramp-up in the contribution level as a percent of payroll.

And you'll notice that that continues to grow out another five years or so. It will level out at about 17 percent of payroll before dropping. And it will drop back down to somewhere on the order of 12 to 13 percent of payroll.

Now, you'll notice what happens way out in year 24 is that some of the amortizations baked into the actuarial calculations will go away. And effectively there's going to be a fully amortized recognition 30 years out from the financial crisis that Ash mentioned earlier, the 2008 crisis. So that will have a positive effect on the contributions going into the program. But over the next couple of decades we should expect the 10 percent grows to 15 in that central case.

Now, the point of a stochastic Monte Carlo simulation analysis is that you don't just examine the central expectation. Rather, you examine what happens in the best of times, in the worst of times and everything in between. So we have a full distribution of outcomes. And you can see that in the best of times the dark blue line might apply. And that's effectively taking the funding requirements as a percentage of payroll south of 5 percent in the best of times over the next several years. Over the next five years we might find ourselves, again in the best of times, funding less than 5 percent of our payroll. In the worst of times, you'll see that 25 years out, we might be looking at contribution rates on the order of 35 percent.

So there's quite a wide span of outcomes here potentially that will move as the markets treat us. And so if markets are good to us, we might see numbers lower than that dotted line. If markets are bad to us, we might see numbers north of that dotted line. But the dotted line is the central expectation. And we're expecting that to grow slowly but surely over the next several years.

Questions here? All right. So that's the employer contribution rate. Now, funded ratio projections on the market value basis. And, again, we picked the starting point, which was July 1. The July 1 starting point had an 83 percent funded ratio, from the actuarial report. And as we just articulated, we already know that we're in a better than expected case, the funded ratio today sitting at around 87 percent. So let's keep that in mind, that we're probably somewhere above the dotted line already, based

on experience thus far, since the last actuarial projection.

What are we looking at here? We're looking at the projection of funded ratios over the next several years. And you can see the dotted line for the funded ratio projection under the current policy. Again, I'm looking at the middle graph, looking at what happens to the funded ratios on a go-forward basis over the next 30 years.

You'll notice the graph starts at 83 percent funded, which was our starting point as of July 1 of 2016, trends sideways for the next several years. And the sideways trending on the first part of the graph actually is a slight negative trending. And that's because of the hurdle rate discussion that we had articulated earlier, and that being the liabilities -- the liabilities hurdle rate something slightly north of 10 percent and the asset growth something slightly south of 10.

So for that reason, you're seeing sideways to slightly down-trending in the expected case, followed by, as you recall, as those funding dollars ramp up over the next several years and start to gain traction, you can see that the trend line for to funded ratio starts to, on the back half of the projection period, starts to trend back north, starts trending -- starts increasing and starts increasing towards 100 percent. So that's the central case.

Now, you can see what happens, again, in the best and worst of times. And in the worst of times, you can see funded ratios declining south of 50 percent sometime in the next five years. And consider that something similar to a repeat of the 2008 market protracted over several years. And in the best of times you can see funded ratios trending north of 100 very quickly. So there's quite a wide range of outcomes.

But the central case -- again, the central case is largely a sideways movement, slightly down initially and then up thereafter. And, again, we're probably somewhere north of that dotted line today, given where the experience has been after July 1 and, frankly, post-election.

Questions here? All right. The next page is the net outflow analysis. As Kristen alluded earlier, net outflows are effectively your benefit payments less any contributions coming in and divided by the market value of assets. So what percentage of your assets are leaving the plan every year. And the answer is about 4 percent today. We're expecting that 4 to 5 percent

answer in the expected case over the next several decades, frankly. If you look at the dotted line, you'll see it meanders between 4 and 5 percent over the next 30 years. You'll notice a little bit of a blip up 24 years out. Again, that's in concert with the blip down in funding 24 years out that we had taken a look at before. But generally speaking, 4 to 5 percent net outflows are expected. That to us seems manageable.

Anything starting to get to 10 percent net outflows, that starts to get a bit onerous. And you'll notice that even in the worst of times, we're not expecting to pierce the 10 percent threshold over the course of the 30 year period. So from a net outflow analysis perspective, which effectively might cripple your liquidity, we don't foresee any issues with the current policy going into the future.

And then in terms of economic analysis, over 5, 10, 15 and 30 year periods, here we're looking at risk and reward in economic terms within the context of the pension program. The vertical axis is the expected economic cost, the average economic cost over the course of the 30 year period. The horizontal axis is economic risk to the plan.

Now, we're defining economic cost as the present value of contributions going into the program, plus any shortfall. Now, today we know that we have a shortfall on the order of -- well, as of July 1, the shortfall was something on the order of $30 billion or so. And there's an additional cost of $2 billion a year as your people earn new benefits. So think about that as your -- that's your standard. That's the cost of the program as it sits today. Thirty billion is the shortfall, 2 billion a year incremental cost.

Now, we know that $30 billion as of July 1 of 2016 is no longer 30 billion. It's probably closer to 24, 25 billion, just because the assets have treated us well. And so for that reason, you can think of the economic cost in the expected case, 25 to 30 billion. What happens in some of these worst case scenarios, though? The economic risk. In the worst case scenario, the economic cost isn't 25, 30 billion. It could be something substantially more. And, frankly, it could be something on the order of 80 billion, 100 billion. Right? Worst case scenarios, the cost goes up.

Interestingly, if we look at the five year display, you'll notice that the progression of dots goes from the southwest to the northeast. If I'm looking at zero percent return-seeking assets, that has the highest expected economic -- I'm looking at the

five year graph. That has the highest expected economic cost and the lowest, among the lowest risk on the gray curve. And you'll notice the 100 percent return-seeking portfolio has the lowest expected economic cost but the highest risk. And there's effectively an efficient frontier of costs over the five year period, if you're looking at the economics.

Now, what happens as we move from five year period to ten year period is we see the same curve. The curve expands a bit. But the slope of the curve is changing. So you're moving from what amounts to something that's largely horizontal to something that's moving, as you get out from 5 years all the way out to 30 years, something very vertical. What is that telling us? Well, if the curve is horizontal, that tells me you're taking a lot of risk without getting a lot of economic reward. And as the curve moves from horizontal to vertical, that tells me you're getting a lot of reward without a lot of incremental risk.

That stands to reason, that if you're investing for one day, your approach to investments for one day is going to be very different than if you're investing for 50 years. So it stands to reason that the risk-reward economics shift, and the changing slope demonstrates how the risk-reward trade-offs shift in economic terms within the pension plan.

Now, the interesting question is this. What is the investment guideline for the group? Is it long-term -- is it purely long-term in nature? Is there any short-term consideration? And we find that generally speaking pension funds, public pension funds are largely long-term motivated but not entirely long-term motivated. There are near-term liquidity concerns, near-term concerns about funded ratios dropping below 50 percent and headline risk and the like.

So while it is largely a long-term proposition, we find with our clients that it's generally not entirely long-term. And the question is balance, how do you balance the short-term versus the long-term and the risk-reward paradigm thereof.

All right. So that's the economic cost versus risk analysis. Now, interestingly, what we did was we took the 5 and 15 year analyses and we took our baseline case, and we flexed our assumptions a bit. So I'm going to look at the purple curve for just a moment. And the purple curve is the 15 year risk-reward trade-off in economic terms, using the baseline equity risk premium assumption of 3.72 percent, which was the assumption we had discussed

earlier, the average of the four different investment advisers.

Well, if the equity risk premium was 2.72 percent instead of 3.72 percent, you'll notice that that curve gets a bit more horizontal. So what is that telling us? It's telling us that if the equity risk premium assumption is lower, there's less reward for taking risk. And the converse is also true. If the equity risk premium were 4.72 percent, you'll notice that the curve gets more vertical. That tells us there's more reward for taking risk.

Now, we don't know whether the equity risk premium on a go-forward basis will be 2.72, 3.72 or 4.72, but recognize that the changes in that assumption will change the risk-reward trade-offs thereof and change the economics to the program.

And you can see we did the same type of analysis on a five year basis. And you can see the same types of relationships. It gets more horizontal if we use a minus one on our ERP assumption and a bit more vertical on the plus one. However, notice the results are a bit more confined. It's a smaller space with the 5 year view versus the 15 year view. And that's because effectively the shorter the time horizon, the less difference it makes in the grand scheme of things in terms of risk-taking. The longer the time horizon, the more pronounced the propagation of returns gets.

All right. We also did an analysis on funded ratio shortfalls over the next five years. What are the risks that funded ratios can fall below various key thresholds over the next five years? And we studied several different portfolio strategies. I'm going to focus on your current, which is, again, that 81 percent return-seeking portfolio.

Apologies for the small font here. I'll read some numbers off the page. Probability of falling below 70 percent funded with the current policy over the next five years, 34.6 percent. So we don't expect it, but there's roughly one in three chance that it could happen.

What's the probability of falling below 60 percent? It's 19 percent. So effectively a one in five chance of falling below 60. And a 7.8 percent chance of falling below 50. Now, 50 is a key threshold just because, you fall below 50 percent, and then those net outflows start becoming particularly painful. Right? You're paying out benefit payments on a smaller base, and benefit payments can really eat into the corpus of your assets.

So you'll notice that while we don't think any of

these outcomes are likely, we think they're unlikely, but they are certainly possible. And it's important to know what those likelihoods are. You'll notice that the probability of falling below 70 percent changes for various asset allocation policies, and the falling below 60 and 50 percent, those probabilities change. And so you'll see that, for example, the 100 percent return-seeking portfolio, for example, has a much higher probability of falling below 50 percent over the next five years, as you'd expect.

All right. So while we don't think those things are likely, we think they are certainly possible, and it's important to keep that in mind as we run through this exercise.

All right. Just a quick public pension peer comparison, just to ground the group in what's happening today outside of the plan, the SBA, the FRS plan. You can see we've compiled a distribution of public pension investment return assumptions over the last 15 or so years. This is compiled from public plans data as of December of 2016.

And what are we looking at? We're looking at the red line, which is your plan assumption, and the percentile of the universe. You'll notice that back in 2001 you were about the 45th percentile of the universe with your assumption. You'll notice what happened in 2004, you dropped your assumption from what was 8 to something south of 8 percent. And that was a level of conservatism. It took you to about the 25th percentile of the universe of public pension funds.

And you'll notice that ever since 2004 you've remained in this range somewhere between seven and a half and eight. And that's that green bar. And you'll notice that while you've trended lower within that range over the course of the last 10 to 15 years, you've remained inside that range.

And we know this. We know that the median pension fund has an assumption of about seven and a half today. So whereas you've historically been conservative, slightly conservative, slightly below average in terms of the assumption, 7.6 percent is slightly above average today. It is interesting to see how the universe has effectively caught up to your conservatism over time.

MR. COLLINS: Mr. Chairman. This is the 7.6 percent, or this is our 6.8 percent?

MR. KIVARKIS: This is the 7.6 percent actuarial assumption and comparing yours to the universe.

MR. COLLINS: But our number is changing, not every year but often, right? That 7.6 is changed --

MR. WILLIAMS: Yes.

MR. COLLINS: -- by the committee.

MR. WILLIAMS: That number was 7.75 not too long ago.

MR. COLLINS: Right. Okay.

MR. KIVARKIS: In fact, last year it changed from 7.65 to 7.6.

Okay. Now, on to the -- just a quick asset allocation versus public peers. We can see -- again, apologies for the small font here -- your total equity portfolio, 59 percent of your portfolio. Relative to large public pension plans which are 5 billion plus, you'll see that your equity position is a bit higher than the average 5-billion-plus pension investor.

You'll also notice your fixed income is slightly lower, and some more in the way of equities, less in the way of fixed income, and more in the way of diversifiers, albeit slightly. You'll see you have a slightly higher allocation to real estate, almost identical, and then slightly higher in the way of hedge funds and other strategic investments. And so in that way we actually favor diversification in terms of how we build a return-seeking portfolio, so we would favor that approach.

So you can see how you compare to not just the

5-billion-plus universe but also the total universe, the Wilshire report and the Aon Hewitt public peer average. The same types of themes apply as I just described.

All right. That takes us to our summary and conclusions. And on this page you can see a massive table of numbers, which I don't intend to cover in great detail, other than to say, in terms of your current policy, what are we expecting over the next 30 years. Well, we're expecting contributions into the program, about $66 billion. Now, half of that is going to cover existing shortfalls, and the other half is going to cover benefits which are going to be earned in the future under the program, $66 billion of expected contributions. That is, if the market moves as we expect.

In the worst case, however, that number could be substantially higher than 66 billion. It could be something on the order of 114.8 billion. So if markets treat us poorly over the next 30 years, you can see what happens in terms of the downside funding event. And the same is true on funded ratios. You can see that the 30 year ending funded ratio, expected 85 percent. And, again, that would be a few percent higher today, given where -- if we were to conduct the

analysis with today as the starting point, it would probably be closer to 90 percent or so. And you can see what that downside looks like, right? In the worst case environment, we're looking at numbers which are substantially south of that 50 percent threshold I described earlier.

So it is largely a function of how are markets going to treat us. You can insulate yourself from some of that market risk. But to do so would have a cost implication, as you'd expect. You could move all the way to a fully bond portfolio, but that would cost you an expected $33 billion over the next 30 years, or roughly a billion dollars a year. So there are solutions to that problem. Unfortunately, they're expensive solutions at that.

And that takes us back to where we started, to the bottom line on top, which is now bottom line on bottom, in terms of the summary and conclusions, in terms of investment analysis and asset-liability projection analysis. In terms of the investment analysis, we believe that the portfolio is well diversified, 81 percent return-seeking allocation. We like the concept of diversification there. We think the portfolio is well constructed.

Equity risk premium has dropped, though. It's dropped from 3.9 percent to 3.7 percent. So there's a reduction versus last year in terms of expected returns. And as a result, our assumption, the 6.8 percent, is below the 7.6 percent actuarial interest rate used for the liabilities.

In terms of the asset-liability projection analysis, we recognize that funded ratio is projected to trend sideways before starting to trend back towards 100 percent in the back half of the projection period. So we're projecting it to increase in years 15 through 30, recognizing that higher allocations to return-seeking assets can improve the speed of the trajectory of funded ratio improvement but also carry additional risk. And so there's the risk exposure to adverse market experience, which could deteriorate the fund over time.

And then back to that whole economic discussion of risk versus reward. Longer time periods tend to reward risk, more so than shorter time periods. And so there's a question then of whether we're looking at a long-term time horizon or a short one. Your portfolio lies towards the risky end of the spectrum, as do most state pension funds. And there's good reason for that, as it's predominantly a long-term proposition. And so those long time horizons should reward risk-taking over

the long run. Knock on wood. I'll pause there. Questions from the group?

MR. PRICE: Any questions? Ambassador Cobb?

MR. COBB: Yes, I have a question. When we did this exercise two or three years ago, you did a -- in your risk analysis, you had the standard deviation of each asset class. And at the time, you were justifying 24 percent in fixed income. And one of your key assumptions was only a 3 percent standard deviation from -- or a 3 percent risk variability off of that fixed income, which some of us on this committee thought was way too low. And in fact we used the example of the late seventies. When interest rates went way up, bond prices dropped 7, 8, 10 percent, way beyond the risk profile that was shown.

So anyway, at the end of that discussion, we concluded on the 18 percent rather than 24 percent. But I think it probably took three meetings or so to -- it was a long and involved --

MR. COLLINS: We should have Katy go through all of that again.

MR. COBB: No, I don't want to do that. Other than to again -- so my question is -- that's the preamble to my question of, I guess you're comfortable with the 18 percent in fixed income. As one investor, I still think it might be a little high. But I'd like to hear more at least qualitative discussion of why you think the 18 percent is the appropriate number that you're recommending we keep.

MS. DOYLE: I'll start and see if Phil or if Ash or others want to provide their view. So one of the things, if you'll remember, from that year -- I think that was 2013. One of the things we spent some time on was not only thinking about the role of fixed income in the asset allocation in terms of its expected risk and return, because I think part of the concern was that it looked like a really low returning asset class, at a -- maybe if you thought it was going to be more volatile, at a higher level of volatility.

But what we wanted to be careful of was thinking about the worst of times, the worst case scenarios and the fact that you -- if you're especially in a net cash flow negative situation, which is what we are here today, you need to have something in your portfolio that provides downside protection, true downside protection, where you've got equities that are down 40 percent and you've got something that's earning a positive return during that period of time, something that remains extremely liquid during that period of time, so that you don't have to pay benefit payments

out of a portion of the portfolio that is down 40 percent and then results in a permanent impairment of those assets.

So when we went through that exercise in 2013, we got comfortable slightly reducing the allocation to what we would consider this true risk-reducing part of the portfolio. But to go beyond that and to move assets even more below that 18 percent I think would cause us a lot of concern because then all of a sudden we could have a portion of the portfolio where we've -- we don't have enough of that risk-reducing safety asset when we need it the most, which is like a 2001 or a 2008 type of scenario.

MR. COBB: So I guess we also concluded -- you didn't mention it there. Ash, if I recall correctly, we agreed that we would go -- on our 18 percent, we would reduce our maturities, and I guess we have reduced our maturities. And so, in addition to the asset allocation, maturity is a critical variable here. What is our maturity at this point?

MS. WOJCIECHOWSKI: (Inaudible). You reduce your expected returns, and you have reduced the returns, but you've also reduced the volatility. So you have better risk-adjusted returns. The risk definition is volatility.

MR. PRICE: My point of view, if anyone is interested, is that the return assumptions in the back, in your appendix, are very conservative, both on the fixed income side, the equities side, the real estate side. The hedge fund side I'm not so sure these days. But I think these numbers are crunched using, Ash, very conservative return assumptions.

MR. WILLIAMS: Yeah, they are. These are consensus return assumptions across the major consultancies, which are by definition --

MR. PRICE: Wrong.

MR. WILLIAMS: -- not swinging to the fences.

MR. PRICE: Wrong.

MS. DOYLE: We would agree with that.

MR. PRICE: And so that's why you add your hundred basis points, more or less, to the actual.

MR. WILLIAMS: Well, history suggests it works.

MR. PRICE: Right. And one last thing. Could you give us a discussion, if you have a consistently rising rate environment that's significant, hundreds of basis points in the next three years, what happens to your underfunding?

MR. KIVARKIS: Great question. So the implication to a public fund is different than, let's say, a corporate pension fund. The implication to a public

fund is going to be considerably more limited than the implication to a corporate fund. So whereas corporate funds would have large impacts right away and over a protracted period, for a public fund, the actuarial interest rate assumption, 7.6 percent, that might edge higher slowly over time. They're intended to be long-term assumptions.

So to the extent that that implicates the long-term return expectation, that might edge the 7.6 percent assumption a little bit higher. If it does that, the liability would go a little bit lower. The funded ratio would look a little bit better.

Further, if we had a rise in interest rates, probably the biggest effect, frankly, would be what's happening to your asset base, right, what's happening to your fixed income assets. To the extent you have a rise in interest rates, that probably means deteriorating prices in your fixed income portfolio.

So you're probably going to see immediately lower asset prices, although it sounds like the duration exposure for your fixed income portfolio is fairly low, lower than the aggregate. So you will see price losses in your fixed income portfolio. So your asset base would decline slightly. Your liabilities would decline over a protracted period over time. You're liabilities would decline as well.

So you'd probably see assets and liabilities decline initially. Thereafter you would see faster rate of growth in terms of your assets, right, because you have higher yields on your fixed income assets. You'd probably have higher total portfolio growth. And you're probably also going to see, because you have a higher actuarial interest rate on your liabilities, you'd probably see higher liability growth as well.

So, interestingly, you'd see a bit of tandem movement between your assets and liabilities down. They'd edge lower, and then they would move higher at a faster rate than you might see today.

That's limited versus what a corporate pension plan sponsor would see, which is drastically lower liabilities right away, drastically better funded ratios right away, because it's more of a mark to market environment in the corporate space than it is in the public. So whereas you might see drastic events in the corporate space, more muted events in the public space.

MR. PRICE: Thank you. Any other questions before we move on? Thank you very much, Phil. Yes, Bobby.

MR. JONES: Is there any acknowledgment we need to make that we've heard this or --

MR. PRICE: I would think the review is sufficient, right? Is that fine?

MR. WILLIAMS: Yeah, unless anybody feels a need for some sort of wholesale review, I think the recommendation is that our appropriate allocation is unchanged, given the update on the actuarial components.

MR. PRICE: Are you seeing a pickup in some of your bonds, in the yields on some of your bond portfolio? Are you seeing a little pickup?

MS. WOJCIECHOWSKI: In yields? In shorter term maturities, sure, because the Fed raised rates in December and likely will in March. But we're still about 2.50 on the 10-year. That's roughly where we've been.

MR. PRICE: Okay. Item four on the agenda today is a real estate review. Townsend Group, I think, is going to take some seats at the table.

MR. COLLINS: More of those consultants, Mr. Chairman.

MR. PRICE: It's no problem. Real estate is performing well. Underlevered, but we know that. We're going to get to that. Steve, do you want to start it out, or would you like Townsend to start it out?

MR. SPOOK: I believe Townsend.

MR. KOCH: Good afternoon, everyone. And thank you very much for the opportunity to be here, as always. My name is Jack Koch. I'm a principal and partner with Townsend, and I head up our global advisory services group. Two familiar faces as well with me today are Seth Marcus and Dick Brown, both principals in our -- Seth in our Cleveland office and Dick out of our San Francisco office. The three of us, in addition to one other associate, Brandon Steinhagen in our Cleveland office, make up the team that works day to day with your real estate and real assets staff.

We understand we have about 10 to 15 minutes for our comments, in which we will strive to meet those 10 to 15 minutes. Our relationship with the SBA began back in 2004. Dick was on the account at that time. Seth and I joined in 2010. And so we have been working with this portfolio for now an extended period of time. Speaking for all of us, we're very proud of the portfolio. It's performed exceedingly well over this time period, and we also believe that it is very well positioned into the future as well.

Please stop us at any point if you have any questions or if you'd like some additional commentary or clarification on any of the comments that we make

today. So with that, I'm going to hand it over to Seth to provide a couple of comments on the market and some of the trends that we are seeing in today's marketplace.

MR. MARCUS: We have a number of slides in here. A lot of them are on the market, as well as the performance of the total portfolio. I'm going to talk just about the market, and Steve and Michael will talk more about the portfolio performance of the SBA.

So real estate performance really over the past approximately eight years has been quite strong. We've seen double digit returns in core, with NOI increases, net operating income increases over this period, really across all property types. So it's a broad-based expansion, broad-based strong returns, as well as valuation increases along the same time period.

So it's really been a great time to be in real estate. You'll see much of that in the materials in front of you and also from the discussion provided on the portfolio. And over this time period the asset value has really substantially increased. You're seeing cap rates fall, representing really peak or historically high valuations on a relative basis.

So what does this mean going forward and what are we likely to see going forward is that we're likely later on in the cycle, and Townsend's view is really to err on the side of caution. So what is creating that view is a lot of the uncertainty that we see in the environment today really globally.

So there's economic uncertainty, where countries have varying growth rates really projected across the globe. Monetary policy uncertainty exists really as countries face some negative yields. The U.S. markets have already begun to tighten. They're tightening on a valuation level. And then political uncertainty, not only here in the U.S. with our election but in the U.K., with the U.K. referendum last year, and near-term elections in both Germany and France.

So uncertainty brings with it capital scarcity. It also leads many investors like yourself to look for lower risk investments like real estate, which potentially driving values even higher.

So, importantly, real estate offers very stable income. And we measure this on the chart in front of you, on page 64, with the NCREIF property index. This is the unlevered real estate index. We graphed here both the income, appreciation and total return. And you'll see over the 10 year period, whether it was during the downturn or during expansion, during these uncertain times, we've seen consistent income of

approximately 5 percent across the board.

You'll see capital value, especially during that '08 to 2010 time frame, really be volatile and drop significantly, but also resilient at the same time, so they come back relatively quickly as well. So overall real estate really provides the stability of a bond type return, with the income generated from collecting rents for income, with the potential for capital growth like equities during market expansion.

So going forward, what do we expect? We expect normalized returns in that 6 to 8 percent range. We're already seeing this in the past few quarters. The ODCE index, the NCREIF funds index has been approximately 2 percent, so annualizing that at about 8 percent per year. And we also see that no longer will a rising tide lift all ships. So selectively is key, whether it's by sector, whether it's by geography, location. And what we favor today, the markets that we show on slide 65 here, is really the -- based on location and property type, where we represent or where we believe the opportunities exist.

So we favor, in the tactical, the non-core portion of your portfolio, real estate portfolio, to be focused on the industrial and retail sectors over something like an office and multifamily. So we capitalize on the changing spending habits, the demographic trends really continuing to shift through really omnichannel experience with retail. So whether it's going to the store in bricks and sticks real estate or through the E-commerce and logistics in the industrial side.

We've really seen retail consolidation around the most successful markets. Really the retail space has contracted as well from a square footage standpoint. So we've seen a similar phenomenon in office, where less square footage is needed for the office space. We're seeing the same thing in retail. And also neighborhood retail really benefiting from the expansion of multifamily over the last handful of years. So the growth in retail is really playing catch-up to the other opportunities that we've seen in multifamily over the past handful of years.

When we look abroad, the U.K. referendum, or Brexit, we think that's going to have a very prolonged outcome. We're in the very early stages here today, call it the first couple of innings. And any location that we really see elevated supply, if and when demand wavers because of this uncertainty and because of the referendum, could see significant changes in values, really creating some opportunities across Europe.

So we like that distressed. We think that's

something that will be attractive, but we do think that's going to take time to roll out and not an immediate opportunity. Also in Europe we like the stability of the low volatile markets in the Nordic region. Those historically have been insulated from downturns, unlike the rest of developed nations.

Lastly, we like prespecified pools of assets. If we're looking at a closed-end fund that has an investment period or a fundraising period of a year, we like to see some prespecificity in that portfolio so we can see how the manager is investing in these uncertain times and something we can measure today versus going through a blind pool.

So with that said, I'll kind of just wrap it up. In closing, I think we really just reiterate that we believe real estate continues to offer strong income and stability of an income stream. The returns will be above fixed income but less than equities, as they really should be based on the risk-return profile, and really provide downside protection during these uncertain times, given that rent, given that income associated with owning those hard assets.

So I said a lot there, and with that said, I'll pass it off to Steve and his team to talk about the portfolio or open it up to any questions.

MR. PRICE: Steve.

MR. SPOOK: Good afternoon. Thank you to the IAC for being here. Thank you to Townsend for the good job you do for us all year long over the years. So Lynne, Michael and myself are going to reintroduce the IAC to the real estate asset class today. I'm going to start with a broad overview of the total portfolio, and then I'll hand it off to Lynne and Michael to do a little deeper dive into their respective sections.

Here is our real estate org chart. You can see that broadly we're organized into two separate sections; principal investments headed by Lynne Gray, which is our direct-owned portfolio, and Michael Fogliano, who heads up the externally managed portfolio, and then his team oversees the pooled fund and REIT investments.

As far as governance, here you can see Ash's role, Dennis MacKee's role as deputy executive director, and real estate staff's role in managing the asset class. Essentially what this is saying is that real estate staff recommends all major decisions, with the deputy executive director's concurrence, and Ash has final approval authority.

You've already met our real estate consultants. They provide the services listed on this slide. So

they prepare quarterly and annual performance reports, investment provider monitoring and annual review. They do fund due diligence in conjunction with staff. Research is provided and ad hoc projects as needed.

So this is our benchmark, and it looks really busy, but it really just takes the three main components of the real estate program, so core, non-core, with 150 basis points premium added to the core benchmark to adjust for higher expected returns, and then a public benchmark to account for the 10 percent target allocation in the total portfolio.

So real estate has a really important role in the total pension plan portfolio. It's designed to provide attractive risk-adjusted returns, diversification for the total fund, it has an income focus, and it's designed to provide an inflation hedge.

Within the private portfolio, there's two broad strategies. Strategic, core, is more strategic in nature, has qualities that are listed on the slide, and it's designed to offer broad beta exposure to the real estate market. On the other hand, non-core is more tactical in nature and, in theory, riskier, with higher expected returns. And within private real estate, we do have a target of 85 percent core and 15 percent non-core, with a range of zero to 30 percent allowed in non-core.

So currently we're about 13 billion in net asset value. We have a target allocation of 10 percent. That was raised three years ago from 7 percent. As of 12/31 it was at 9.1 percent. As of today it's 8.9 percent. The decline from 12/31/16 is mostly through disposition of assets and the denominator effect, as we've seen a big run-up in the global equities market since the election.

I mentioned before we have two principal components to the real estate portfolio, principal investments and externally managed. Here you see the breakdown between the two and a further breakdown of externally managed, showing the allocation to pooled funds and REITs. So REITs we have a target of 10 percent of the total portfolio, and we're pretty much right on top of that.

Property type diversification, you can see we're a little bit below the benchmark allocations in the main property types. And the reason for that is we have a heavier allocation to alternative property types, such as student housing, agriculture, senior housing. Those have performed very well for us.

Geographic diversification, you can see that we are above the ODCE exposure for other, other being

international. International is not included in the the ODCE index. Both the property type and geographic diversification, we are within our policy ranges of plus or minus 15 percent ODCE.

So the real estate portfolio utilizes leverage, as we've discussed before. And this chart shows where we utilize that leverage. You see at the total portfolio level, which includes REITs, and the private portfolio, we're both above the leverage limits of the ODCE, which is shown on the bottom right, 22.1 percent. And in fact today the total portfolio, as of today, has increased to 27.8 percent, up from the 25.6 shown up there.

So this chart deals just with principal investments. And the reason for that is that's the only part of the portfolio where we can truly control how leverage is utilized. You can see that we have steadily been increasing leverage over time, particularly since interest rates hit really historic lows. So as of Q 3/16 we were at 20.4 percent, but I think it's important to note that since then we have continued to increase leverage, and today we're at 24 percent.

Again, another slide on principal investments leverage. We're showing our debt maturities here, show the breakdown between floating rate and fixed rate debt. The floating rate debt is mostly used for our development activities and would be replaced by fixed rate permanent debt upon completion of development.

Also have our investment portfolio guidelines there, which shows portfolio leverage is limited to 25 percent loan to value. As I said earlier, we're currently at 24 percent. We, as a staff, are prepared to recommend, together with Ash, at some point that we increase that limit to 30 percent to give further flexibility. Each individual asset cannot be more than 50 percent loan to value. On JVs we can go up to 70 percent loan to value. And in all cases the debt is nonrecourse to the SBA.

MR. COLLINS: Can I stop you there?

MR. SPOOK: You can.

MR. COLLINS: First, we had a great call the other day, and I appreciate the work that the real estate team has done on this. I think we've had a conversation the last two or three meetings about leverage in the portfolio, especially given what interest rates are today and the benefits of not only the interest rates but, as you said, most of those loans that you have are nonrecourse.

In looking at some of these slides in advance of

the meeting and talking about them with you-all, my comments are less towards the SBA staff and more towards Townsend. In trying to understand what data is out there relative to risk, real risk versus perceived risk, I think the status quo for years -- and this is a stretch, okay, and I'm prone to stretching. But in the seventies it would have been unheard of for a pension fund to be invested in equities. Today it's unheard of if we're not invested in international equities. Right?

So if you take that thinking to core real estate in the portfolio, the common held belief is that, hey, we shouldn't take a lot of risk with that because these are -- it's a diversification in our asset allocation for risk, and too much leverage hurts that. But in Aon's presentation, they talked about risk-seeking assets and protective assets. And they put fixed income in protective assets, and they put real estate in risk-seeking assets, or return-seeking assets. Sorry.

My position is, if you have averaged over the last five years 17 and a half percent leverage in your core portfolio, you've underleveraged your core portfolio. More so than that, I think that I have yet to see somebody show me, if I had 30 percent leverage in the portfolio, what is the real risk I'm taking between 17 and a half and 30? For that matter, what's the real risk between 17 and a half and 35? From a real estate standpoint, I don't believe there is a demonstrable risk between 17 and a half percent leverage and 35 percent leverage in a core asset, best asset in the best location.

So my position is, is that in our core portfolio, well, I think we're underleveraged. I'd love somebody to tell me, no, no, no, if you're at 17 and a half, here's what your real risk is, and if you're at 35 percent, this is what it does, and you don't want to go there. I've yet to see anybody show me that.

And, again, I've said this before. You're talking to -- I invest in retail all across the Southeast, shopping centers, 65 percent leverage at the bottom of the market, probably $600 million worth of assets, not $20 billion, but $600 million worth of shopping centers at the bottom of the market with 65 percent leverage. Never missed a payment. Never lost a property. That was nuclear winter in real estate, 2008, 2009.

We're talking about core real estate, best assets in the best markets at 20 percent leverage. I don't know -- so I just think we're underleveraged. Are we going in the right direction? Sure. Do we have a long

way to go? Yes. I'm just trying to figure out if somebody can tell me, No, you're wrong. This is why we shouldn't do that.

MR. PRICE: Peter, could I jump in? Maybe if I ask a question a little differently. Normally what you do is, property by property, you'd look at coverages, and then when you get really well covered, right, you can refinance it and pull some principal out and put a new mortgage on it, typically, as well as your rent growth, right, allows you to refinance.

So I would like to drill down deeper maybe in another meeting or two and -- not all the properties. There are too many, right? There are probably 200 properties in the 13 billion. But take the top 10 or 20 and show us a little bit about mortgage coverages. That might be helpful, and maturities. There's a maturity schedule there, right, but there's no coverages. Is that fair?

MR. COLLINS: That's fair.

MR. PRICE: I mean, if you saw really well-covered properties, you'd say, now we see it a little clearer, take another 30 percent off the table or something.

MR. COLLINS: Yeah. I think if you have a portfolio of really well-covered properties and you're at 20 percent leverage, then something is amiss. I mean it's -- well, you can't have one without -- and the other. Right? And I don't think that there's a situation where -- I think they've done an incredible job of managing the real estate portfolio. I just think -- and you and I have had this conversation, Mr. Chairman. I think that we've probably shortchanged them a few billion dollars of available equity that they could have gone out and invested more, right?

MR. PRICE: Yeah, 2 or 3 billion.

MR. COLLINS: Right, 2 or 3 billion. But all I hear is, hey, there's risk in that. Okay, I get it. One basis point of more leverage is, yeah, risk. But what's the real risk versus the perceived, oh, you know, that's leverage, we can't go there? So it has less to do with the staff and more to do with you-all. Tell me how I'm wrong.

MR. WENDT: Peter, I don't think any of us would agree that the amount -- the risk is intolerably low in these, the way they're financing them. But isn't the issue -- and we talked about this once before -- what are you going to do the money?

MR. PRICE: Invest it.

MR. WENDT: In what?

MR. COLLINS: Anything.

MR. WENDT: You're already up at your ratios,

where you're supposed to be. Are you going to raise your equity ratio? Because you're going to lower your real estate investment.

MR. COLLINS: I'm not saying you should lower your real estate investment. The fact of the matter is at 17 and a half percent leverage, we could have invested a lot more in real estate over the last seven years, eight years.

MR. WENDT: Is that true? I thought we were having a hard time finding stuff to invest in.

MR. SPOOK: We have been.

MR. WENDT: You have been what?

MR. SPOOK: We have been having a hard time finding core properties that are reasonably priced.

MR. COLLINS: Well, I don't disagree with -- it's all a matter of timing, right? I think that anybody has had a hard time finding core properties in the last two years that they'd like to go after.

MR. WENDT: This is a ten-year problem here.

MR. COLLINS: I don't think it's been a ten-year problem.

MR. WENDT: I think it has. They have always been below their threshold, whatever it was.

MR. COLLINS: Okay. But it's not because of the market in some cases. If I would have given you

$5 billion, could you have made a lot of money buying core real estate in 2008 to 2010?

MR. WENDT: I don't know. Let's ask the staff here why they didn't.

MR. COLLINS: Well, first -- well, I'll let them answer that.

MR. WENDT: I don't know why --

MR. COLLINS: That's not my complaint.

MR. WENDT: Your complaint is -- we all agree that we're underleveraged. I mean, I think everybody on the board here would agree we're underleveraged. But I think the question is what are you going to do with the money if you get it.

MR. COLLINS: It's a good problem to have. I'd like to try that problem out.

MR. WENDT: If you just put it in bonds, are you going to get more in your bonds than you're going to get in your mortgage that you're going to pay? I don't know.

MR. WILLIAMS: Can I take a shot at that? I think that's a good question. And I think the market environment at in given time will inform what you do if you do have more money. Well, as we've just agreed, in the past couple of years, core stabilized real estate, particularly gateway markets in the U.S., is priced to

the moon. It is a wonderful time to be a seller. And we've done exactly that and sold things and taken profit on, I'm going to say a couple of billion dollars worth of property in the past 12 months.

And a number of those properties that we sold were unlevered. So what are we doing with the money is exactly the right question to ask. And the question is, in the current environment, the opportunities we are seeing that are most appropriate, in our judgment, for compensating the risk we're taking with our capital are not buying unlevered gateway core stabilized properties. We're doing some develop to core in some gateway markets and a little bit in some secondary markets. We're doing some JVs. What do these projects have in common? They all involve leverage.

I signed the final documentation on one Friday that had 50 percent leverage. It's a medical office project in a good market, a great market, and it's a great asset in that market. We're totally comfortable having 50 percent leverage on that asset.

We've done other projects where we have an existing long-term asset that needs some capex, new chillers, new elevator cores, lobby redos in major urban buildings that are expensive. What do we do? We borrow some money to do the upgrades instead of just paying them out of flow.

So it's a bottom-up process on the leverage that works in two different ways. First of all, asset to asset, exactly as was discussed earlier. You look at what your coverage is, and if it's infinite because there's no leverage at all, then there's a lot of capability to lever a project up. In this environment we've been able to do that in a disciplined way, where we've gotten low rates at fixed rates over decent maturities, nonrecourse and other terms that are very appealing. So it's an interesting time to lever.

The other thing is the market opportunity and to the extent you're doing things like develop to core. We're doing a building right now in Denver, Colorado, where we have a major health care company that has a corporate headquarters on the site we're developing. They've outgrown their headquarters. They have an unbelievably profitable business, and the nature of their business has a good moat around it.

And so we're building a new headquarters for them across the street from their existing place. They've leased up 80 percent of the square feet in advance. We have another 160,000, thereabouts, I believe, or -- yeah, about 160 that is not leased by the core tenant. So we can lease that at whatever rates we want to other

people. And that project definitely has got some leverage on it, but it's lower risk than you might think because it's pre-leased to a terrific investment grade tenant.

So I think the leverage is coming. The other thing we think about is, as we add leverage -- commercial mortgages don't go forever. They're not 30-year mortgages like residential. They're shorter.

MR. WENDT: They're long enough.

MR. WILLIAMS: Yeah, they're long enough. But there's going to be some vintage implication to returns, and there will be some refinance implications down the road. So I guess to the extent we say we want higher leverage, if we want higher leverage on the aggregate portfolio, unless you're going to just go out there and start borrowing money against the whole book, it's hard to effect it quickly, because the natural progression is project by project, as I've just given some examples of.

And I think we're at the highest leverage rate we're at now. Could it be higher? Sure, it could. Is it moving higher now? Yes. How long will the conditions be appropriate for it to continue to move higher? I don't know. But they've already been present longer than I would have expected. So that's

kind of where it is.
MR. WENDT: But you haven't answered what I think is the issue.
MR. WILLIAMS: Which is what would we do with the money.
MR. WENDT: Yeah. It's a simple question. What would you do with the money? And, you know, we can put it in bonds. But I think bonds and mortgages would be about the same. We can put it in equities. You guys want to put more money in equities, go up to 85 percent? Where are we now, 60 percent, 70 percent? You want to go higher? I don't know. I don't think we should, but it's not -- I don't care a lot. So that's the question to me, is not can we afford the risk of leverage. It's a question of what are we going to do with the money.
MR. SPOOK: Well, to the extent that we are under-allocated to our 10 percent target allocation, that difference gets split between fixed income and global equities.
MR. WENDT: So what? Thank you for that but --
MR. SPOOK: That's how it would be invested.
MR. WENDT: Do you have a lot more things you could invest in? Have you got a lot of properties out there you're just hungry to get your hands on?

MR. SPOOK: There's plenty I'd like to invest in at the right price.
MR. WENDT: Well, go, go, go. Ash, are you holding them back?
MR. WILLIAMS: No, no. We're buying stuff. We are absolutely buying things all over the country, and we're looking at funds ex-U.S.
MR. WENDT: You can get up to the 10 percent. You can get up to the 10 percent level.
MR. COBB: Mr. Chairman, I have a definitional problem.
MR. PRICE: Go ahead.
MR. COBB: It's my understanding that when we have 10 percent of our portfolio in real estate with 20 percent leverage, that really means, as I understand it, we have 12 percent of our portfolio, minus the 2 percent, i.e., 20 percent leverage, to get us the net 10.
MR. SPOOK: On a gross basis, yes.
MR. COBB: Right. And so to answer Peter's comment, if we had 10 percent more leverage, or 30 percent, we would then have 1 percent more, we'd then have 13 percent in real estate, minus three of leverage, would be net 10. Is that the correct arithmetic?

MR. SPOOK: I believe so, yes.

MR. WENDT: But that would assume you took that money and invested it in more real estate.

MR. COBB: Right.

MR. WENDT: I'm all for that. If we can find more real estate to invest in, I'd do it. Right, Peter? None of us have an issue with the leverage, I don't think.

MR. COLLINS: I look at chart 14 as a real estate investor and that's my core portfolio, and it's just now gotten to over 20 percent.

MR. PRICE: The trend is right. We've discussed this for a series of meetings. Why don't we just continue it? It will be continued at the next meeting. Steve, do you want to go ahead?

MR. SPOOK: Sure. And thank you, Peter, for bringing that up, because it allowed this slide to stay up on the screen for a long time, and I kind of like it.

MR. COLLINS: Can I ask one more question, Mr. Chairman?

MR. PRICE: Yes.

MR. COLLINS: I would like to get back to the Townsend guys, if they would come back to us and work with staff. You know, I asked staff and Steve and

Lynne and everybody. And they're investors, right? They have a hard time knowing what empirical analysis is out there that's been done on leverage. So if you guys have anything, I love to read, I'd love to see it.

MR. KOCH: We are happy to do that, Peter. I think that we've been involved over the course of some of these discussions certainly. I think just, when you think -- how we think about real estate is that it's there for income. It's there for a hedge against inflation. It's there for a diversifier, et cetera, and the correlation to the other asset classes. And your core real estate is really that keel. Right? And I think that as a real estate investor you understand that, clearly. Right?

But I think that when you begin to -- if you would have had that 30 percent leverage during the GFC, you would also be looking at a different set of performance numbers as well. Right? And you would certainly see the impact of that.

Now, to some of the slides that we showed before, where that -- you also saw that rebound come back pretty quickly, too. So you may have seen that offset as well, but you would have had that impact of that leverage in that core portfolio that's supposed to be providing those exact attributes to the asset class.

Needless to say, we are happy to dig as deep as we can, to run as many projects and analysis. Your question is absolutely right, though. The herd, if you will, has always been keep your core portfolio low. And I think that number generally is, if you look at your peers, in that 20 to 30 percent. That's really where it has historically been.

Our view is that that's a prudent number in leverage to have in your core portfolio, given where I mentioned some of those comments before. Now, having said that, we are happy to continue digging into it and analyzing and providing more attribution.

MR. BROWN: And I think directionally, moving to 30 the next policy move we think is prudent and reasonable. You're at roughly 24. So directionally you're moving in that way. I think the other thing you look at is, in the ODCE funds, you have six investments in the ODCE funds, and the median is just slightly below 22 percent, which is ODCE.

The highest is J.P. Morgan, a $40 billion fund, $33 billion net, strategic property fund. A year ago they were at 29 percent. 12/31 they were at 26 percent. We just met with them a few weeks ago, and directionally they're moving to 24 to 25 percent. So the biggest fund in the index, which makes up

20 percent of the index, they just think at this stage in the cycle it's appropriate to just moderate it a little bit.

And you've got funds that are below 20 percent. You've got three funds at less than 20. So you've got an appropriate way to gauge what are the other investors doing in this space. And most of them, by and large, are moderating their leverage. But I think, prudently, directionally moving up a little bit, we concur with that.

MR. PRICE: Okay. Steve, would you like to continue? Thanks.

MR. SPOOK: Sure. This slide is pretty self-explanatory. Over all time periods, SBA real estate has outperformed the benchmark. Here is another performance slide, compares us to 67 peer pension plans. You can see we're in the 91st percentile there.

This slide is very similar, except it compares us only to the 23 largest institutional real estate plans, those with in excess of $2 billion in real estate assets. Over on the left you can see the leverage that each of those plans utilizes, and in most cases they're quite in excess of ours. So we think we've done a good job, on a risk-adjusted basis, of outperforming our peers with less leverage.

So I'll conclude with fiscal year to date, 2016 through '17, major activities. We've continued to invest in the traditional core property types, four investments, including two JV partner buyouts, totaling 200 million in equity. Continue to diversify through non-correlated kind of demographic-driven property types, four investments, including a self storage portfolio, two student housing projects, a medical office building, totaling $291 million in equity. And you can see we've been net sellers fiscal year to date, with five dispositions, totaling 822 million of equity returned.

Portfolio leverage, come back to leverage, has increased due to refinancing of existing assets, new acquisitions for the most part utilizing leverage, and the sale of two large unlevered assets.

We also made two new commitments to value add and opportunistic funds. One of them is global and one is domestic, for a total of 125 million in commitments. Fully redeemed from one open-end fund, and hired two new core separate account managers. So with that, I'll turn it over to Lynne Gray to cover principal investments, unless you have any other questions for me.

MR. COBB: Mr. Chairman, I have a quick question.

I personally am delighted that we're underweight on retail, but I'm interested in -- this is a Townsend question -- of why you show retail is overweighted. With retail today, I'm told we're -- I think, if our numbers are right, we have twice or three times the worldwide average on retail square footage, with a massive dumping of Sears, Macy's and others. Now, I think that provides a lot of entrepreneurial opportunity for retail people. And I know some that are doing that, but as an overweight, I'm surprised at that.

MR. KOCH: Sure. And I think the discussion is certainly in the details. So we would agree with you. And it is not simply casting a net on all retail and buying whatever you can buy. Our preference today is investing in more what we would refer to as high street retail, main street retail, where, to use the analogy, the millennials would like to live, work and play, so in that they live in the apartments above.

And where we've seen a lot of the multifamily construction take place over really the last cycle is in that mixed use, where you have retail in the bottom and apartments up top, and then investing in that retail corridor below that type of multifamily, and then where there's office nearby as well.

So very much more focused on that type of experiential retail, where you can go in, you can go to the dry cleaner, go to the coffee shop and then go back home or go on to work.

MR. COLLINS: So you're saying specifically not big box, specifically not mall, but more necessity or experiential retail.

MR. KOCH: Necessity based. And, sure, there will be opportunities in some of the big box to re-tenant, things like that, sure. But on a one-off basis, our focus would be more on that necessity-based experiential retail, correct.

MS. GRAY: I think they're called cool streets. That's what they're calling them today.

MR. KOCH: Lynne is going to coin that one.

MS. GRAY: Good afternoon. I'm Lynne Gray, senior portfolio manager for principal investments. As you've heard, principal investments is the SBA's portfolio of direct-owned real estate investments. The portfolio has approximately a $10.6 billion market value, and it's actively managed internally by real estate staff. We retain discretion over all investment decisions.

The portfolio has a core strategy, and its objective is to outperform its benchmark, which is currently the NCREIF ODCE. If you turn to slide 100,

you'll see how we performed compared to our benchmark. Over the one, three and five year, principal investments has outperformed. Over the one year, our industrial and apartment portfolios have contributed mostly to that outperformance. But over the five year period, all property types have outperformed.

MR. COBB: What page?

MS. GRAY: 22, sorry.

MR. COLLINS: Mr. Chairman. Do we have any international holdings in the principal investment?

MS. GRAY: We do not. The next series of slides will cover our investment portfolio guidelines. These guidelines provide a way for us to manage and monitor risk within the portfolio. We've already touched on leverage, so we'll skip that for the next meeting.

Risk profile, core and non-core. The portfolio has a core strategy, primary focus on investing in well-leased income-producing properties, within the major U.S. markets. Our guidelines do allow up to 15 percent of non-core. Currently we're at 7.4 percent. That's up 1.3 percent from last period. Our non-core portfolio has been focused on build to core, which is currently development of apartment and industrial properties.

With sector diversification we look at the main four property types, and we're also allowed to invest up to 15 percent in specialty. And if you look to the right, you'll see what we refer to as the specialty sectors being ag, senior housing and student housing.

Over the past year major changes within the portfolio have been a reduction in our apartment exposure through sales of two large apartment buildings. And then we've increased our industrial exposure through the buyout of one of our joint venture partners.

Agriculture. Specialty sector that we've been investing in since the mid-nineties. If you look at the upper left portion of this slide, the major land holdings are in row crops. There's a typo on the slide. That's actually 18,567 acres, which is 55 percent of the land holdings. On the middle of the slide you'll see that the majority of the value is in permanent plantings.

Ag continues to be the top performer in the portfolio. Over the five year period our ag portfolio has produced a 17.8 percent internal rate of return, compared to the total portfolio of 13.9 percent.

The next slide shows all of the locations of the commercial properties and apartment buildings within the portfolio. You'll see that we're focused mainly on

the coastal states, but we also do have exposure in the Midwest. This slide shows the location and concentration of ag by market value. Again, the majority of the market value is in permanent plantings on the West Coast. But we also do have exposure in row crops, which is South and Midwest.

Another guideline provides operating ranges relative to our benchmark by property type and by geography. We work within a range of plus or minus 15 percent of the ODCE. And as you can see, our positions are currently within the ranges for both property type and geography.

Another measurement is manager concentration. Our exposure is limited to 35 percent with one manager of the total portfolio net asset value. We currently have eight separate account managers, and this is shown on the bar chart on the right. The three largest focus predominantly on core, but they have some specialty investments. And then the lower percentages are our specialty managers. But then we also last year brought on two new managers. So they're -- we're working toward building up our presence with those managers.

Metro and investment exposure. Within one metropolitan division we can't exceed 15 percent of the net asset value. We're not confined by or have to rebalance if a property increases in market value and throws us out of balance with that parameter. In addition, for the single investment exposure, we can't invest more than 7 percent of the NAV of the portfolio. Subsequent to this slide being prepared, we sold two large assets, one in San Francisco and one in Los Angeles. So those exposures are reduced that you see on the slide.

Here's a summary of the portfolio and the number of investments. We currently have about 180 properties. Those are held in 50 or more investments. Sixty-eight percent of these investments are wholly owned, and 32 percent are held in joint ventures. And, again, the market value is roughly 10.6 billion, for a total net asset value of 8.6.

This slide just shows operating metrics rolled up for the total portfolio, for the stabilized properties within the portfolio. If you look at the upper left, it shows the portfolio average occupancy across property types, as well as the total portfolio. Our stable portfolio average is 94 percent, which is 1 percent above the ODCE. Lower left shows commercial lease expirations for retail, office and industrial, and a forward look out five years for what leases are expiring. And then on the right you see net operating

income. This is net operating income for total stabilized properties in the portfolio for 12 months ending September 30, 2016.

Just to take a peek at investment management --

MR. PRICE: Let me stop you. Can you go back one slide, please?

MS. GRAY: Certainly.

MR. PRICE: So you're reporting 439 million of NOI. That's after capex?

MS. GRAY: No.

MR. PRICE: Before capex. And the capex runs what?

MS. GRAY: I can get you that number.

MR. PRICE: Roughly. 100, 50?

MS. GRAY: More than that probably.

MR. PRICE: A hundred.

MS. GRAY: I'll have to get you the number. I don't want to --

MR. PRICE: So the yield on the portfolio, you're carrying the -- what's your NAV of this, whatever you call it, principal investments portfolio?

MS. GRAY: I'll have to get you that number.

MR. PRICE: Okay. We'll go on.

MR. COLLINS: Can I ask one more question?

MR. PRICE: Yes.

MR. COLLINS: Who consults us on agriculture? Who consults on agriculture?

MS. GRAY: We have two advisers, Hancock and Prudential.

MR. COLLINS: Hancock and Prudential. And do you -- how do you view agriculture? I know we've been in agriculture for a long time, probably before a lot of other people. How do you view agriculture today?

MS. GRAY: We continue to favor agriculture, selectively making investments in ag. We're currently in due diligence with two properties. And so when you look at the performance of the ag properties, we view them favorably.

MR. COLLINS: So like, for example, anything in California, you know, you have water issues and whatever else, right?

MS. GRAY: Great point, yes.

MR. COLLINS: Right? So do you look and, like Townsend, you've got the chart that -- can I see that chart? Overweight rice, underweight corn. I mean, how do you look at that and say, okay, it's time to sell our pistachios now because California has just enacted this new water tax?

MS. GRAY: We look to have a balanced position within the nuts.

MR. COLLINS: Within the nuts?

MS. GRAY: Well, overall, if you can balance nuts.

MR. COLLINS: I understand.

MS. GRAY: We like almonds and pistachios. We do have exposure to walnuts. But in terms of evaluating the portfolio, we look at our concentrations. We don't want an overexposure to any one commodity. And then if there are -- on an annual basis, we look at a wholesale analysis. And if there's anything particular with that property that would trigger a sale of that property, then we would sell it.

MR. COLLINS: Do you look at risk premiums differently for agriculture because of liquidity or things like that, or does that enter into the equation?

MR. SPOOK: I don't think it would. I would say it's become a very institutional market over the last 10 years, and I don't see any liquidity issues. Having said that, we do underwrite to higher expected returns.

MR. COLLINS: Due to some greater perceived risk in something, but not liquidity?

MR. SPOOK: It is largely commodity based, so there is going to be a little bit more risk.

MS. GRAY: With fluctuations in price and imports/exports policy.

MR. SPOOK: And you're subject to currency risk also, with major customers being China, for instance.

MS. GRAY: Next slide, a peek at investment management. As I mentioned, principal investments is actively managed internally by staff. We have a seasoned team who have diverse backgrounds in commercial brokerage, development, institutional management. Speaking of acquisitions, over the past year, our acquisitions guy looked at over 150 deals. And of those 150 deals, we bid on ten of those and we closed on five. So that gives you an idea of what we're looking at and what we're able to capture in the market.

From a management standpoint, the team manages collectively 50-plus investments. That's 180 properties. They spend their time reviewing financial reports, speaking daily with the investment advisers, approving capital programs and leasing.

On the right you'll see the parties external to real estate staff that we work with to manage the portfolio. On the upper right, the entity board of directors. Each title-holding entity has a board of directors that is made up of SBA personnel, SBA general counsel, the chief operating officer and the SIO of real estate. On an annual basis, all of the title-holding entities are audited by a big accounting

firm.

Below that, SBA general counsel. General counsel is an integral part of the real estate staff. We work with them for asset management matters, legal matters, acquisitions and dispositions. And then at the very bottom right, SBA accounting. Accounting works with a third party appraisal administrator to manage the valuation program. On a quarterly basis all of the properties within the portfolio are either externally appraised or have an internal valuation performed by our investment advisers. And our SBA accounting group manages that process.

And then in the lower left you see our third party service providers. This is not all encompassing, but it's the major groups that we work with. Our investment managers -- or as some people say, advisers -- are really an extension of staff, and we work with them daily to manage the portfolio. Property management and leasing companies are on the ground managing day-to-day operations at the property. And then investment brokers are utilized for financing, sales, acquisitions and market intelligence.

And the last slide, for strategic portfolio refinement, as I mentioned, on an annual basis, every property has a wholesale analysis prepared by our investment adviser. We look at investment performance relative to the benchmark, forward returns, local market fundamentals, capital market conditions and even property conditions. This analysis is layered with objectives, portfolio objectives, and we arrive at either a continued hold for the property or sale of the property.

This next series of slides shows pictures of properties in the portfolio. And so unless you have any questions, I'm going to flip through it, and stop me if you have any questions.

MR. COLLINS: Is that the Flatiron Building?

MS. GRAY: No, it's not. It's in the Flatiron district, though. I'm going to pause just a moment on self storage because I want to showcase this investment. This was a recent joint venture that we entered into post-September 30. It's not our first entrance into the space. We had two self storage ventures back in the late nineties, early 2000, with a JV partner.

But we had this opportunity come along with one of our advisers, and it was a large deal, 66 properties, 12 states, which gave us a large, diversified portfolio and an assemblage that's difficult to gather for this property type. So the JV partner has 30-plus years of

experience, and we're pretty excited about this new entry into self storage.

MR. COLLINS: What kind of cap rate range are you buying at in self storage today?

MS. GRAY: So for a portfolio like this, there's a slight premium. I believe that this was around a five. But if you look at individual mom and pop type to add to this, it's going to be north of that, around six. It was just at five.

But we like it because there's strong income growth, minimal capex. I think that we're investing in brooms to sweep out the storage units, but otherwise we're in pretty good shape.

MR. COBB: That 5 percent was before capex?

MR. SPOOK: Yes. It was minimal capex.

MS. GRAY: I'm joking when I say a broom, but there really is minimal capital expenditure for self storage. And with that, unless there are any questions, I'm going to turn it over to Mike.

MR. PRICE: Was that deal, the 66 properties, one seller?

MS. GRAY: Yes.

MR. PRICE: Was it a public company seller?

MS. GRAY: No, I don't believe they're public, but our partner is a REIT.

MR. COLLINS: Are you a preferred, or is it just straight equity?

MR. SPOOK: Straight equity.

MR. PRICE: Michael.

MR. FOGLIANO: Thanks, Lynne. I am Michael Fogliano, senior portfolio manager for the externally managed portfolio. I'll give you a high level overview of the externally managed portfolio. And along the way, I'll let you know what we've been up to.

We invest with fund managers and REIT separate account managers. The objectives of investing with these managers is to provide excess returns for the overall real estate portfolio, along with enhanced diversification and access to non-core investments and unique strategies and expertise. The overall portfolio is up to 5.2 billion, which is a $500 million increase over the last 12 months. You can see the portfolio makeup at the bottom of the slide.

You can see on slide 46 in your book that the pooled funds consist of open-ended pooled funds and closed-end pooled funds. Most open-ended funds, also known as the ODCE funds, are lower risk funds with low debt levels, and they provide good cash flow to investors. The ODCE funds typically have leverage levels below 30 percent. On the closed-end fund side,

the risk profiles usually consist of value add and opportunistic, in some cases core plus. Managers of these funds look to create value and then exit, with relatively short holding periods, usually between three and five years for each asset.

Leverage can be a lot higher in the closed-end funds, 65 percent or even higher. In this cycle, however, we are witnessing more prudent levels of leverage. For instance, our value add investments are 43 percent levered and our opportunistic portfolio is 56 percent levered. And, again, those managers can go up to 65 and in some cases even up to 75 percent if they're choosing to be a little bit lower on the leverage scale.

As you can see on slide 47 in your book, there are many closed-end fund options today. We do hear that the fundraising environment today has become a little bit more challenging. And we think that some of those reasons relate to the political environment, the Trump effect and Brexit last year, and that we're also in the late stage of the economic recovery.

We invest in REITs through four separate account managers. Our REIT managers provide us with a global REIT exposure, and they typically invest in 75 or more REIT positions per separate account. These managers trade in and out of their positions, sometimes on a daily basis. Some are more longer term and have more of a one to two year focus.

MR. COLLINS: Mr. Chairman. So these are REIT stocks?

MR. FOGLIANO: So we invest with managers who invest in --

MR. COLLINS: Who are trading in REITs.

MR. FOGLIANO: Trading in REITs, right.

MR. COLLINS: All public?

MR. FOGLIANO: Yes. The pros of investing in REITs is that it gives us global real estate exposure, is low fees, and it's not a perfect correlation to private real estate. The cons is that it could be volatile and we are exposed to currency fluctuations.

The three main investment types for the EMP portfolio is open-ended funds, with about 2.6 billion in NAV spread over ten investments and seven managers, or actually six managers. Our closed-end funds have an NAV of 1.3 billion spread over 26 investments and 15 managers.

And if you look at the pie chart on the right side, there's 900 million of uncalled capital, and that's all related to our closed-end funds. So if all of that money was called immediately, our exposure to

closed-end funds would go from 24 percent to 36 percent, and open-ended funds go from 50 to 42 and 26 to 22 on the REITs.

We are getting a decent amount of money back from our closed-end funds. So I don't think that dynamic will happen anytime soon. And I do like kind of the current mix of where we're at, 50 percent open-ended funds and then the rest split between the REITs and the closed-end funds.

The externally managed portfolio has exceeded its benchmark for all time periods. As you'll notice, there's three benchmark comparisons on the slide for each time period. If anyone has any questions, I can go into a little bit more detail on that.

The externally managed pooled fund portfolio has exceeded its benchmark for all periods. This slide does not contain the REITs. The core portfolio is beating its benchmark, as is the non-core. The non-core is really hitting it out of the park relative to the benchmark, whereas the core returns are marginally above the benchmark. And there's a couple of reasons for that.

The non-core universe is roughly, say, 600 real estate funds. So we have a lot of managers to choose from. We spend a lot of our time trying to figure out geographically where we want to invest, property type, strategy type and whatnot throughout the U.S. and internationally. On the core side there's only 24 core open-ended funds to choose from, and we're in six.

I would like to see a little bit more separation between our returns and the benchmark. And a few months back I initiated an exercise where we take a really deep dive looking at the core portfolios and trying to understand leverage levels of property types, geographies, strategies, and trying to see if there's a way we can enhance the returns of the core portfolio. So that exercise is underway, and we hope to have some resolution to it in the next month or two.

The pooled fund property type exposure that we have, there's three categories there that are equal to the ODCE, roughly; residential, retail and industrial. Office, we have a low exposure to office relative to the index, and then hotel and other exceeds the benchmark. The ODCE has, I think it's something like 3.9 percent exposure to other. Whereas, if you take out hotel and other, it's 13 percent.

Hotels last year, by the way, were one of the strongest performing property types. In other, we've got things like medical office, student housing, self storage, those kinds of things, maybe data centers,

single family residential. And also our portfolio has 13 percent exposure to international. ODCE does not have any exposure to international at all, and our five top international market exposures in order are the U.K., China, India, Germany and Australia.

MR. COLLINS: So how do you reconcile the tracking error to the benchmark when you do performance relative to the benchmark, given that issue on the international?

MR. FOGLIANO: We don't have to follow ODCE very closely in my portfolio. Lynne does a little bit more, but we do have the ability to move away from ODCE.

MR. SPOOK: It is essentially a bet against the benchmark, same as having higher leverage than the benchmark.

MR. COLLINS: But if that's your benchmark for return purposes, to see if you're outperforming, and you have 5 percent in international and the ODCE doesn't have any --

MR. FOGLIANO: It's not a formal criteria for us.

MR. SPOOK: There's no policy limitation.

MR. WILLIAMS: For any asset class, you always have flexibility to deviate. You're taking basis risk from the benchmark. You accept it and hope to get paid for it.

MR. COLLINS: I get that. I just wonder if at the end of the day then you're using the right benchmark. If what you're holding doesn't really have to look like the benchmark, then how do you say, well, here's our benchmark and I outperformed it? It's really not your benchmark. It's an advisory thing that you may or may not follow.

MR. COBB: You try to find the benchmark that's closest to your portfolio. And this is the -- the fact it doesn't have international, that shouldn't --

MR. FOGLIANO: That's a good answer.

MR. COBB: I'm going to go sit over there.

MR. COLLINS: So, okay, I'm going to make up a benchmark and I'm going to show you my performance relative to that benchmark, and I'm going to beat it every time.

MR. WILLIAMS: Wait a minute. I see where this is going. Can I help out here?

MR. COLLINS: Let me take that back. That's a side conversation not for the record. That's not what I'm saying. But if the answer is, hey, I don't really have to look like that benchmark but that's what I want you to grade me against at the end of the year, I'm just trying to reconcile that.

MR. WILLIAMS: Hang on. I want to remind

everybody we did a whole session on benchmarks not too long ago. Benchmarks have several characteristics. Number one, they're institutional. Number two, they're investable. Number three, they're calculated by third parties. Number four, they're representative of the appropriate marketplace we're investing in.

It's a completely different thing to say, I'm differing from the benchmark, therefore -- that doesn't lead you to the idea the benchmark is wrong. The benchmark can be constant over long, long periods of time, like the Global All Capital World Index for equities. What you do in the investment marketplace will vary week to week, month to month, based on what's cheap, what's expensive and what's on fire and what's cold. So that's why you move around.

And you generally -- we constrain our risk by budgeting risk in basis points to every asset class. And at the asset class level, the investment team has the opportunity to use that budgeted risk as they see fit. And they tend to use it pretty darn well.

MR. SPOOK: And so, Peter, also, when we go overseas, we do not invest in core. It's only non-core, so value add and opportunistic strategies. And the ODCE has a premium attached to it of 150 basis points for non-core investments. So we do have to get higher returns for taking the risk of going overseas.

MR. COLLINS: Got you. Thanks.

MR. FOGLIANO: Okay. Now we're on slide 54 in the book. Our international diversification will increase slightly as our recent commitments to global and European strategies made over the last couple of years will be called. I do want to point out, we are getting close to our full allocation to Europe. And that's not by any set of benchmarks. That's just our own feeling that we're getting a little full up on Europe at this time.

But we are constantly exploring new markets, trying to diversify the portfolio further. Steve and I recently explored the Brazilian real estate market, but we are not ready to make a bet there at this time. We need slightly better alignment. The market needs to be below its cyclical median, which it is. But transaction volume is extremely low right now in Brazil. Sellers and buyers are still very far apart.

We need a good partner. And we were able to find a couple of good partners in Brazil. But the investment situations weren't spot on. And then we need good investment terms, and they offer decent investment terms there. And we will continue to keep our eye on Latin America and other regional markets and

review opportunities as they present themselves.

Outperformance relative to the benchmark was achieved in all time periods in the REIT portfolio, except for the one year period. The market shifted over the last year, and it took some time to adjust. Managers focusing on high quality REIT portfolios were hurt somewhat by the movement toward lower quality but higher yielding rates.

As you'll see, the REIT portfolio, the REIT market in general is dominated by the North American market, which is dominated by the U.S. Canada has very little in terms of REITs. The global REIT benchmark consists of roughly 333 REITs, and our four separate global REIT accounts have on average 109 REITs. Our fund managers complement each other and they provide an appropriately diversified portfolio. Our most convicted manager has 68 REIT positions, and our least convicted manager has 134 positions.

MR. PRICE: What's the average fee that the managers charge?

MR. FOGLIANO: I'll give a range. They're all different, depending on the size, depending on the relationship with the board. But it ranges somewhere around 40 to 60 basis points.

Our approach to investing and managing a portfolio of real estate funds is discussed on slides 57 through 65. Slides 59 through 62 highlight our sourcing, screening and our thorough underwriting approach. Slides 64 through 65 highlight our thorough approach to asset management and monitoring. If anyone has a question related to this process, I would be glad to go through those slides, but I'm just looking at the clock, and I think we've exceeded our time limit.

MR. PRICE: Thank you, Michael. Steve, anything else in real estate?

MR. SPOOK: No.

MR. PRICE: That's it? Could we move on to the global equity update? If Alison and Tim could go through this.

MS. ROMANO: Good afternoon. We've structured the presentation today starting with a view of the overall market, what that means for our aggregate performance and what that means in terms of our individual active manager programs. And the reason we structured it that way is because it's tied to our strategic objectives. But it also ties to the key take-away points that we want to leave you with today.

One, overall, as you all know, the markets were up solidly in the quarter. We're a beta provider, and we've done that. Two, it was a year where there were

significant reversals and shifting dynamics. And, three, big shifts make for challenging active performance over short periods.

So breaking those down individually, as we've talked about earlier, the benchmark for global equity was up 8.33 percent over 2016. That means we ended the year with $82 billion in assets, while meeting all the liquidity demands. It was not a smooth path to that 8.33 percent. I think in the last couple of meetings we've talked about for the first two quarters, the yield-seeking types of stocks were rewarded significantly, which can be a challenge for many of our managers. As we shifted into the third quarter, what we saw was a big shift. We saw EM take off. We saw small caps take off, and value performing to a lesser extent. By the fourth quarter -- and you're all very familiar with the important election that happened here. Suddenly EM was unloved and value skyrocketed.

So we like to see the 8.33 percent in absolute returns. But when you have factors shift that dramatically in that short of a time period, it can be a challenge for our managers. For the most part, we hire managers to stick to their process, and they are not trying to game the short-term shifts. We want them to stick to their process. We tend to have high quality focused managers. And while we are generally a beta provider, we tend to be slightly below one beta; again, a little bit of a headwind for the year.

So that ties to the next slide, which shows our performance. And I'll highlight short-term, medium-term and long-term performance. As I said, these market dynamics in the short-term means we underperformed in aggregate on a one quarter and one year basis. But I'd emphasize that we're behind within reasonable expectations given what our risk budget is.

In the medium term, three years, we're ahead by 49 bps, and I highlight we were rewarded for the risk, with an IR of .79. Over the long-term, since inception our outperformance remains quite positive at 90 bps. And I'd also like to emphasize, getting to that 90 bps, a lot of that is being able to protect when the markets are down. So even though over the five year period the markets are up quite a bit, its protecting in those months when the market is down that helps that long-term outperformance.

So breaking it down to specifically the active performance this year for our managers. Again, challenging year. No doubt it was tough, and the factor headwinds contributed quite a bit. If you look at the graph on the right-hand side, what we've done is

just aggregated the drivers of that aggregate negative 137 bps of performance. And what you can see, that blue positive bar is what the managers added in selecting their stocks net of their fees.

The reason our return was negative for the year was because primarily of factor exposure. So we're underweight dividend yield and underweight book to price. Well, on the first slide I talked about, first half of the year, dividend yield ran. Second half of the year book to price ran. It's a short time period, and the managers that focused on one versus the other weren't able to offset one another.

Much less significant were things like a slight overweight to the British pound, which after Brexit took a hit. That's really an outcrop of the managers choosing stocks. It's not necessarily a distinct view. And underweight to such industries as energy and materials, which again took off in the fourth quarter. So that is really in aggregate what happened with our active managers. Now I'll turn it over to Tim to break it down further.

MR. TAYLOR: Thank you, Alison. Good afternoon, everybody. Except for the emerging market and currency aggregates, all active groups underperformed for the one year ending December. Fortunately, this was unusual. This usually doesn't happen. Such broad underperformance is rarely experienced. But over the longer three and five year periods, performance of the total active aggregate is above the benchmark. However, some aggregates, most notably U.S. strategies, have lagged over all periods presented. And in just a few moments I'll speak to what we've been doing to address this.

To the right side of the page, drivers of 2016 active performance, the currency program added value in a challenging period for many aggregates. So it was a diversifier, and performance was essentially driven by being long U.S. dollar and short the Euro currency. While the U.S. large cap aggregate benefited from exposure to U.S. banks and an overweight to in-favor value factors, detractors included cash held, stock selection and an underweight to the dividend yield factor.

And then finally on this page, the emerging market aggregate did well in 2016, positive stock selection and an underweight position to China. Our largest active aggregate, however, foreign developed large cap, underperformed on the back of stock selection and financials, cash held and an underweight to value factors, particularly in the fourth quarter when there

was a strong reversion.

The final page that Alison and I will discuss today, update on accomplishments in global equity. We have completed a search for a foreign developed small cap manager that addressed a slight growth bias and replaced an underperforming strategy. Within U.S. large cap, there have been performance challenges. We've made a structural change. We've negotiated better fee schedules and we've launched a review of potential growth managers.

Steps taken to address the U.S. small cap aggregate in the past roughly two years include the termination of four investment manager relationships. We've hired a U.K. domiciled firm to manage small cap U.S. stocks. We've employed exchange traded funds, or ETFs, to maintain market exposure and also to accrue some security funding income. And we're reviewing the universe now to identify managers who have historically been successful and that will provide opportunities to add value going forward.

Second bullet point under "provide alpha," we've managed and we've launched an internal factor index strategy in May of 2016. And I emphasize internal. This is being run by SBA portfolio managers and being traded by SBA traders. And it's struggled in its performance right out of the gate, but it's understandable, and we're not alarmed in any way by it.

We have successfully negotiated fee concessions across several aggregates. We're always looking to emphasize our long-term horizon and our significant account values, and it's something, as we've stressed before, we take very seriously, and we try to take advantage strategically of that very much.

And then finally we've been fortunate to provide $5.5 billion from global equity in 2016 due to the strong performance of global equity markets to help meet the liquidity requirements of the retirement system. Mr. Chairman, those are all our comments today.

MR. PRICE: Any questions? Thank you very much, Tim. Katy, would you like to discuss fixed income, please?

MS. WOJCIECHOWSKI: A few brief comments. Over the past 12 months fixed income has had strong excess returns but, as you know, not very exciting absolute returns. We had a really rough quarter after the election, as Alison mentioned. Rates significantly higher. The Fed did raise rates in December. Most likely -- I've been away for a week, but it looks like pretty well priced in for March now, March, possibly

May, June. Who knows? But a couple of reasons for that. Fundamental shifts -- and I hate the word "animal spirits," but that's really the phrase that you keep hearing, that there is a change in sentiment, that people are willing to commit, much of it due to possible reduction in regulations and things like that.

During that time, though, if you'll look, you see on the chart on the left, on the next slide, the Barclays, spreads, so the spread available in credit markets, if you will, continually just grinding tighter and tighter. And that's contributed to excess returns in corporates. We are overweight corporate credit. And so that's contributed to our excess returns. But we don't see a lot of opportunity. And so what we've seen from both internally and externally, our managers and our portfolio, we've peeled back on risk. We've reduced our risk a little bit.

And I'll just go forward one more slide. If you'll look on the active risk, while total risk may have risen slightly, the active risk that we're taking is actually reduced right now. We just don't see the opportunity. A couple of reasons for that. As I mentioned, there's significant change in sentiment, possibility of infrastructure spending, banking regulations being peeled back a bit.

Also the supply/demand imbalance, if you look on the right-hand chart, there's just going to be continuing for the next 10, 15 years, projected to be a supply/demand gap for fixed income assets. Think about balanced funds that are -- you know, as people get older, they automatically invest more in fixed income.

And just not enough fixed income assets. Though they're not exciting, there's a need for coupon income. Well, if you have to increase the coupon, how do you do that? You have to either have higher rates or more investment. That's kind of where we stand.

Just a couple of things that we've worked on. Actually, while I was away, we took some money away from global equity, I guess, and invested, put it to work in our active portfolio. So we've increased our active portfolio that's internally managed to the limit of about 25 percent of our assets that we manage. Also increased our passive portfolio, so that we manage our risk budget, because we have a pretty tight risk budget.

And we are also exploring some different ways to spell fixed income that still retain the diversification versus the equity group, but perhaps a little bit less interest rate sensitive, since we're fairly confident at least that in the short-term rates

will rise. But if you look back to my last chart, I don't believe they're going to rise a ton. I don't think we'll be looking at a 5 percent ten-year. Put me on record for saying that a year from now and see if I was right. I think that's it.

MR. PRICE: Any questions on the bond portfolio? John?

MR. BRADLEY: Thank you. So I'll start here with a quick market and portfolio update. 2016 was really a tale of two halves in the PE industry, with first half weakness giving way to a very strong second half of activity. Global M&A volume was down almost 20 percent year over year. Almost all of that was attributable to a weak first quarter. Industry investment pace remained slow, as GPs continued to show discipline in the face of high valuations.

And fundraising remains strong. So LPs continue to invest in the asset class. Some are chasing allocation targets due to large net distributions over the last few years, while others are increasing their allocations to the asset class.

I'll show performance of the sub-strategies here in a minute. But over the last 12 months, our distressed and non-U.S. buyout strategies have performed best, both driven by strong realizations during the year.

And, lastly, we ended the year with a net cash flow of negative 54 million. Our contributions slightly exceeded our distributions. And I think 2017 should look similar to 2016 and that we expect to be around cash flow neutral for the year.

Here we can see our sub-strategy allocations and their targets. Our venture exposure has been inching down, back toward its target, and we've continued to make progress internally and increasing our exposure to our distressed and turnaround strategies.

There's been no change really in our sector exposure. Technology continues to have the largest weighting in our portfolio, almost double that of our public market benchmark but in line with the private equity industry benchmark. Next, by geography, no movement again by geography. The portfolio remains U.S. centric.

Here we show performance of the asset class versus our primary benchmark. Our one and five year returns do trail the benchmark, as public equities performance has been quite strong over these measurement periods. Our return over the last three years remains strong, and our long-term, our 10 year and since inception performance numbers continue to exceed the benchmark.

MR. WENDT: Question. Is there some reason why you're so overweight North America on your private equity things? Just that's how it worked out over the years, or do you have a strategy for that?

MR. BRADLEY: Yes. The majority of that is an active bet in the U.S., being the most developed PE market. Some of that does go to -- you know, I think we were U.S. centric up until 2005, when we made the decision to move into Europe. And so it's taken some time to build up those exposures outside of the U.S. But I think if we look at it today, we still see the best risk-return in the U.S.

MR. WENDT: And the rest of the world seems to be going more to Asia, though. You have decided not to follow?

MR. BRADLEY: So we've moved. I think we're at 7 percent Asia today. If we went back two years ago, that number was probably 2 percent. And so we have actively invested in Asian PE funds. And we continue to do a lot of work in Asia and continue to identify those funds. I think for us the timing of that is a little longer to get that money, one, into the funds and then those funds to hit the door.

MR. WENDT: Thank you.

MR. BRADLEY: Here's the performance of the various sub-strategies within the portfolio. Our non-U.S. growth equity portfolio remains the only strategy to trail its peer benchmark since inception. All other strategies remain above the peer benchmark. And then, again, as I mentioned earlier, successful realizations from our non-U.S. buyout and distressed turnaround funds has driven performance for us over the last 12 months.

And then finally I'll end with our 2016 commitment activity. We committed 1.3 billion to 20 funds in 2016. This is a bit less than we might have expected entering the year. But this was largely driven by the fundraising cycle of our GPs. 2017 should be a bit busier year for us.

MR. DANIELS: Mr. Chairman?

MR. PRICE: Yes.

MR. DANIELS: Distressed turnaround, 30 percent, was that one big hit, or how did that happen?

MR. BRADLEY: It was a handful. And so if we looked across the portfolio, I think we have 12 to 15 funds. Our lowest returning fund for the 12 month period was around a 15 percent return, and our highest was a 70 percent return, with almost all funds performing in the 30 to high 20 range, so it was broad-based.

MR. DANIELS: Thank you.

MR. COLLINS: One question. So I'm sure somewhere in the portfolio we had some shares of Snap. What was our multiple on that? Do you know?

MR. BRADLEY: Glad you asked. Our cost basis in Snapchat is 1.3 million. And I think as of today, last I looked, that would be worth about 122, 125 million, so it's a bit under a hundred times.

MR. PRICE: And you're tied up with a 100-day lock-up?

MR. BRADLEY: Correct.

MR. PRICE: And did you write the letter complaining about their dual-class voting structure?

MR. BRADLEY: Ash wrote that letter. And I guess just to end it, of the 1.3 billion, 1.1 went to buyout. Of that 1.1 billion, 87 percent of that went to small and mid-market funds. And then we committed 200 million to four venture funds during the year. That's all I have.

MR. COBB: Did we have Snap in one fund or in multiple funds?

MR. BRADLEY: We held it through four funds over three GPs, three general partners, so three different venture firms.

MR. PRICE: Thank you very much. Trent?

MR. WEBSTER: Thank you, Mr. Chairman. This is the strategic investments portfolio. As of the end of the year, this doesn't change a whole lot from quarter to quarter, but what you'll see creeping in over the next few meetings is insurance, which will become part of the purple part of the pie.

Insurance is a strategy that we really like from a portfolio construction standpoint, but from a pricing standpoint we don't. However, for operational and capacity reasons, you'll start seeing that creep in. And 12 months from now we expect to have 1 to 2 percent in insurance.

MR. WENDT: By buying companies or buying policies?

MR. WEBSTER: We would expect it to be buying through insurance funds.

MR. PRICE: Sidecars?

MR. WEBSTER: It could be sidecars. It could be. What we're seeing is we're seeing a lot of reinsurance, is what we're seeing. But we expect that to be low. We don't expect to be putting a lot of money into that. We would hopefully in the future.

This is our performance. We outperformed our benchmark by roughly 1 percent during the quarter. We don't get too excited over the near-term performance.

We think the risk profile of the strategy is probably more akin to a three, the three year return, probably generating somewhere between 6 and 8 percent and hopefully beating our benchmark over time.

Recent activities for the year, we had $389 million go out the door. Just to put that into perspective, of that $389 million in cash outflows, 550 million were actually in evergreen funds. So they went out right on the very first of the month. What that means is that for the rest of the portfolio, we were actually cash flow positive to the tune of something like about $160 million. So our GPs are sending the money back faster than we're able to invest it.

And since we've published this, we actually have hired three new funds totaling about $300 million in this quarter. Plus we made an additional allocation of $200 million to our managed futures program. Managed futures have been hit pretty hard, and we think that's a strategy that you allocate to when it's in a drawdown, so we did that as well. And we hired 15 funds, with investment activity totaling $2.2 billion in the past calendar year.

MR. PRICE: How many did you fire?

MR. WEBSTER: How many did we fire? We have --

we're busy defunding one.

MR. PRICE: Because at our last meeting, the next day, December 6th or 7th, you were going to go visit, I think, Luxor, who underperformed.

MR. WEBSTER: Yes.

MR. PRICE: Killed them, or what did you do?

MR. WEBSTER: We have not. They actually had a very strong December. We have liquidity terms. We're not able to terminate them anyway. That's still something that's in process. We did go and see them. We had a good meeting. That final decision hasn't been made yet. But they have been, actually, one of our best performing funds over the last couple of months.

So actually our pipeline today, as of March 6, is actually 12 funds totaling $1.65 billion. We're a little cautious on credit here, but we do see some longer term opportunities there. We're looking at some commodity strategies. We like emerging markets, infrastructure. And as I mentioned earlier, we think that investing in managed futures when they are in a drawdown is not a bad strategy over the long-term. Any questions?

MR. PRICE: Any questions? Thank you, Trent. We're going to talk about our investment plan. Daniel?

MR. BEARD: Good afternoon. My name is Daniel

Beard. I'm the director of administration in the office of defined contribution programs. Our snapshot as of December 31, 2016, we had assets of 9.296 billion. As of February 28th, that was up to 9.661 billion. Our returns, year to date, January 1 through February 28, 3.94 percent. For calendar year date return we had 7.99 percent. And then also, to give you a more up-to-date fiscal year to date return, 9.51 percent. And, again, that's from July 1 through February 28th.

Numbers, we have 172,121. That's a 4.45 percent increase from the same period December 31, 2015. And then our average account balance, $54,007, again, as of December 31, and that's 2.202 percent from December 31, 2015.

The next slide you see is our assets under management for December 31, 2016. And then this is for our My FRS Financial Guidance Program, our education program. One of the things I do want to point you to is at the bottom, online chats have increased roughly about 30 percent within a year's time. One of the things we did just do is we started providing more detailed planning information. Previously, when we started that, it was very generic. We could give out generic information. We recently made a change where we can give out more member-specific information. Does anyone have any questions on what I've covered?

MR. WENDT: Mr. Chairman, I have a couple --

MR. PRICE: Yes, go ahead.

MR. WENDT: -- on the previous page. You went kind of quickly there. There are 172,000 members. But 110,998 have retired, or had, in addition to the 172?

MR. BEARD: Well, the 110,998 are those that have taken a distribution, actually retired from the Florida Retirement System. They could have some included in that 172, if they retired, returned back to the Florida Retirement System prior to when they allowed renewed membership, which would have been prior to July 1, 2010. But that's a very small percentage.

MR. WENDT: And they've taken out -- those 110,000 have taken out $10 billion?

MR. BEARD: Yes, yes.

MR. WENDT: But a lot of that is rollover. So what did they roll over into? Their own IRAs?

MR. BEARD: Roll over to IRAs, to other retirement plans with a different employer, so a combination of those.

MR. WENDT: I keep asking the question. I don't think I've gotten an answer yet. Are more people now going toward the investment plan as opposed to the

fixed benefit plan than did two years ago or three years ago?

MR. BEARD: It's roughly probably about the same. Our default rate is currently around 60 percent. And we have an active rate for the investment plan of roughly around 22, 23 percent, and then an active rate for the pension plan around 20 percent, you know, sometimes a little bit lower, sometimes a little bit higher. And it's been that way for about the last two or three years.

MR. WENDT: Twenty percent of the 40 percent who make a choice.

MR. BEARD: That's correct, yes.

MR. WENDT: Or 8 percent of employees is all that's going for the investment plan.

MR. BEARD: No. So we have about 22, 23 percent that are actively selecting the investment plan. And then everyone else is going into the pension plan, either by default or by making an active choice.

MR. WENDT: Thank you for clearing that up. Thank you.

MR. BEARD: You're welcome.

MR. PRICE: That concludes your presentation? Mike, do you want to start talking about governance?

MR. McCAULEY: Yes. I'll just say a few words.

So over the last few months, just to hit the highlights, probably first and foremost was the release in January of the first U.S. code for corporate governance affecting U.S. public equity. It was developed by kind of a self-described investor stewardship group.

We had worked with a little over a dozen investors over the last two years, in fact, to develop what is both a governance code, a set of principles. It's fairly high level. We tried to not be overly prescriptive and granular. So it is truly a principles document that would cover both publicly traded companies in the United States regardless of size or industry, as well as a stewardship feature, so responsibilities for the investors that were in the group.

And just to give you kind of a sense of the type of organizations that we were working with, this included, in addition to ourselves, a couple of other public funds, the California state teachers' retirement system and the Washington state investment board, as well as a fair number of asset managers, predominantly U.S. but some global. These are firms like State Street Global Advisors, BlackRock, Vanguard, T. Rowe Price, a Singapore sovereign wealth fund, a couple of

European entities.

And just since this went public at the end of January, we've already essentially doubled in size over the last three or four weeks. Had a great deal of interest, got quite a bit of media visibility surrounding the principles. It's a little bit unknown at this point where we'll go from here. It was kind of a forward-looking implementation date to give U.S. companies adequate time to kind of digest the framework.

And I think the hope -- you know, in sum, the hope is to provide a basis, kind of a baseline foundational point from which asset managers and asset owners can engage companies, again, completely U.S. companies, not any other non-U.S. names, but to provide kind of fundamental certain rights that this group anyway espouses and advocates for adoption. So we'll see where that goes.

Just in terms of a highlighted proxy vote, probably Tesla was one of the more interesting votes we had in November. This was the combination with SolarCity. We voted in favor, ultimately passed. The company has done pretty well since then, going up a little over 30 percent, far outpacing the S&P 500, although was in an environment -- like Alison and Tim pointed out, it was a pretty bullish environment.

But kind of an interesting vote. There were some governance issues related to CEO Elon Musk's kind of dual ownership and independence issues. But we met directly with Tesla and felt that there was a reasonable level of due diligence. They set up an independent committee, et cetera. So we ended up voting in favor of that.

And we also submitted a couple of regulatory comments. Just two are highlighted here. One was to the SEC on universal proxy. Again, this is -- it's kind of a long-held position, but it's the idea where you could split your balance and split votes where you -- if you wanted to vote in favor of a member for management combined with the dissident, you can kind of dial that in. And we'll see where that goes, given the new administration, some of the changes at the SEC. But we were in favor of that. And then there was another fairly significant paper in the U.K. that really covered the waterfront, a lot of compensation of board dynamics. We weighed in on that.

And then the other item that we wanted to point out has to do with essentially the annual review of our corporate governance principles and voting guidelines. You'll recall last year we went through a fairly

exhaustive process of simplifying our document. We shed the document down by about a third, combined redundant voting guidelines, updated things. So in that context there wasn't a lot of need to make changes or tweaks. But we do a few, two that deal with dual-class shares and kind of the lack thereof of sunset provisions. Those are kind of embedded here on the page numbers within the director of elections and the specific guideline dealing with dual-class stock. And they also had a very minor tweak to dividend policy dealing with the accrual of dividend payouts for unvested or unearned awards.

There's a couple other small, very, very minor wordsmithing. You've got a track changes version in your meeting materials. I'm happy to answer any questions you have about the voting guidelines or any other activity.

MR. PRICE: Any questions? Thank you very much. I think the SBA does a really good job on the governance side. Major mandate review. Kristen. Thank you.

MS. DOYLE: As we typically do, we'll just spend a few minutes recapping performance. This will be through December 31st of 2016. I'll start with the pension plan. So this is a change in market value table. What I wanted to point out here on this table was for the fiscal year to date period, the plan paid out net benefits of three and a half billion. However, investment earnings were -- earned the fund 6.6 billion. So fiscal year to date period so far, the FRS has grown by about 3 billion.

We talked a little bit about how performance has been since the end of the year. It's been very strong, especially in the equity markets. And we've added another 5 billion on top of that, which is another three and a half percent, roughly, in terms of returns. Most of that being driven by things like emerging markets and U.S. equities that have continued to add a lot of value in returns.

Here's longer term performance, shorter and longer term performance. So, again, strong performance for the one year period, up 7.2 percent. Again, if we looked at that through yesterday, for example, that number would have been much higher. We would have dropped a very weak January of 2016 for a much stronger January of 2017. So, again, very, very strong performance both on an absolute and a relative basis for the FRS relative to both the performance benchmark as well as the absolute nominal target rate of return benchmark.

And as you know, we look at the absolute nominal target rate of return over longer periods of time to ensure that we are meeting the objective of CPI plus 5 percent. You can see that the FRS has achieved that over all of these longer periods shown here.

I'm going to ask Katie to finish the review of the pension and touch on performance for the other major mandates.

MS. COMSTOCK: Good afternoon. The next slide we'll look at performance of the FRS relative to peers. As a reminder, this is a group of the top ten largest defined benefit plans in the United States. The FRS is on the left-hand side. And consistent with previous quarters and with the peer analysis that we looked at in the asset-liability study, the FRS continues to have greater exposure to global equities. That's the most notable difference. And within that, a greater exposure to foreign securities, which had an impact on relative performance, which we'll get to in just a bit.

Other modest differences include a lower allocation to fixed income, a greater allocation to real estate and then modestly lower to alternatives, which we bucket strategic investments and private equity.

Here we're looking at performance. You can see mixed results relative to the median plan in this universe. These are gross results, as that's what the survey collects data for. Modestly trailed over the shorter time periods, likely due to the allocation to foreign securities relative to plans, which trailed U.S. equities. And then longer term, the portfolio has outperformed its peer group over the 5 and 10 year period.

MR. COLLINS: Can I ask a question about that?

MR. PRICE: Sure.

MR. COLLINS: If you go to the quarter, go back one -- given our exposure to global equity, I would have thought our performance would be better, in the last quarter, better than the TUCS Top 10.

MS. COMSTOCK: Yeah. So if you look at kind of the fine print here, if you look at how that global equity is allocated, there's roughly 30 percent exposure to U.S. markets. So that's domestic equities plus half the global equity allocation. Peers also have about 30 percent exposure to U.S. equities. If you look at the foreign equities, the FRS has roughly 26 percent allocation relative to peers, who have about 17 percent. Non-U.S. equities over the past quarter were down about 1.6 percent. So that greater allocation was likely a driver of most of that

underperformance. Does that make sense?

Just quickly, we also provide the ranks of the FRS. This is consistent with the returns. Over the shorter time periods, the FRS ranks below the median plan and, for longer time periods, above the median plan for the 5 and 10 year period. Any questions on pension plan performance? Great.

We'll move on to the investment plan, which ended the year with $9.3 billion in assets. The table at the top shows the performance of the aggregated assets relative to its benchmark. And the important number is out of that last row, which shows the relative performance of the plan and really assesses how the active managers in the plan have done relative to their benchmarks.

Some underperformance over the one year period, largely due to underperformance from active equity managers, in particular in the U.S. bucket. As Alison spoke about earlier, 2016 was a very difficult year for active managers. And this is largely due to the large cap bucket. They have come back over the fourth quarter, but it wasn't enough to make up some of the underperformance that happened in the first half of 2016. Longer term, though, results are favorable, as the overall plan has outperformed its benchmark over the 3, 5 and 10 year period.

The table at the bottom shows peer results. This is data from a survey that comes out on an annual basis. This has not changed since the last meeting when we presented this. So I'll just touch on this very briefly. When we look at the FRS returns -- and I'll note that this is data through the end of 2015, so five year returns through 2015. The FRS returned 5.6 percent relative to a peer group of 6.3 percent. And this is a function of where participants are allocating their assets, with participants in the FRS or SBA's plan having less exposure to the U.S. markets, which were up greater than other asset classes. That was the headwind for this five year period.

When we look at net value added, this is how much these assets had outperformed the passive index, the FRS did outperform, not as much as other plans, but importantly it has done better than this index, and also it's a very modest 10 basis points.

And then the expense ratio, this is -- the 36 basis points shown here represents both investment manager fees as well as administrative costs. As we discussed at the last meeting, the greater overall fees are due to administrative costs and specifically the education program that other investment plans may or

may not have, or to the extent that they do, may not have it as robustly.

We'll move on to the next major mandate, which is the hurricane catastrophe funds. At the end of 2016, there was $16.5 billion invested across these funds. With the goal of liquidity, safety and then, thirdly, incremental return, these funds have achieved those goals. Modest returns over these trailing time periods but favorable relative to the benchmark, outperforming its benchmark over all trailing time periods, with the exception of the one year, where performance was mostly in line, modestly below.

The next mandate is the Lawton Chiles Endowment Fund. At the end of the year there was $650.8 million invested. I'll stop here quickly just to remind you-all that the portfolio is invested in global equities at 70 percent. So having this large an allocation drives investment returns over these periods.

When we look at returns, you can see they've been very strong over all trailing time periods, 1.7 over the quarter and 9.2 percent over the one year. Again, the global equity asset class here, which is an active manager, returned 11.4 percent over the one year period. So these strong returns are due to global equity's absolute returns, as well as their strong relative performance as well. Outperformance over all trailing time periods.

The last major mandate that we cover is the Florida PRIME fund, which had $10.5 billion in assets at the end of the year, a growth of about 3.5 billion over the fourth quarter, largely due to net cash inflows. Again, modest returns here. The uptick in yields during the fourth quarter did help the yield of the overall portfolio. And also the performance on a relative basis is favorable as well, outperforming the benchmark, which is a peer group, over all trailing time periods shown here.

So I went through that very quickly. But the overall message is very strong performance across the board and across time periods of all these major mandates. I'll pause to see if there are questions.

MR. PRICE: Any questions? No? Thank you very much. I think that winds up the investment review. Could we have a motion to appoint officers for the next year, I guess? Anybody want to move?

MR. JONES: Move.

MR. COLLINS: Second.

MR. PRICE: Second? He can second himself. We're going to appoint Peter Collins chair and Gary Wendt

vice-chair of the board, Investment Advisory Council. All in favor?

(Ayes)

MR. PRICE: Thank you, guys. Congratulations. Congratulations are in order. Any other business? Any questions from the audience? Any other business? I move to adjourn. Thank you very much.

(Whereupon, the meeting was concluded at 4:15 p.m.)

CERTIFICATE OF REPORTER

STATE OF FLORIDA)
COUNTY OF LEON)

I, Jo Langston, Registered Professional Reporter, do hereby certify that the foregoing pages 3 through 144, both inclusive, comprise a true and correct transcript of the proceeding; that said proceeding was taken by me stenographically and transcribed by me as it now appears; that I am not a relative or employee or attorney or counsel of the parties, or a relative or employee of such attorney or counsel, nor am I interested in this proceeding or its outcome.

IN WITNESS WHEREOF, I have hereunto set my hand this 28th day of March 2017.

Jo Langston

JO LANGSTON
Registered Professional Reporter

STATE BOARD OF ADMINISTRATION
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MEMORANDUM

To: Board of Trustees

From: Mark Peterson, Chairman
Participant Local Government Advisory Council (PLGAC)

Date: May 15, 2017

Subject: Quarterly Update – Florida PRIME™

The Participant Local Government Advisory Council (the "Council") last met on March 23, 2017 and will meet next on June 5, 2017. Over the prior quarter, the Council continued to oversee the operations and investment management of Florida PRIME™.

CASH FLOWS / PERFORMANCE

- March was the first month since November 2008 during which the pool offered a participant yield above 1 percent (at 1.03 percent on an annualized basis).
- During the 1st quarter of 2017, Florida PRIME™ delivered an aggregate $26.7 million in investment earnings.
- During the 1st quarter of 2017, participant deposits totaled $3.97 billion; participant withdrawals totaled $4.29 billion; providing a net decrease in the fund's net asset value (NAV) of approximately $292 million.
- Performance of Florida PRIME™ has been consistently strong over short-term and long-term time periods. For the period ending March 31, 2017, Florida PRIME™ generated *excess* returns (performance above the pool's benchmark) of approximately 30 basis points (0.30 percent) over the last 12 months, 19 basis points (0.19 percent) over the last three years, and 18 basis points (0.18 percent) over the last five years.
- Florida PRIME™ has outperformed all other government investment pools statewide.
- Through the five-year period ending March 31, 2017, Florida PRIME™ ranked as the highest performing investment vehicle when compared to all registered money market funds within iMoneyNet's First Tier Institutional Fund Universe.

POOL CHARACTERISTICS

- As of March 31, 2017, the total market value of Florida PRIME™ was approximately $10.3 billion.
- As of March 31, 2017, the investment pool had a seven-day SEC Yield equal to 1.11 percent, a Weighted Average Maturity (WAM) equal to 38.3 days, and a Weighted Average Life (WAL or Spread WAM) equal to 60.4 days.

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Date: May 4, 2017

To: Board of Trustees

From: Mark Thompson, Audit Committee Chair

Subject: Quarterly Audit Committee Report

The State Board of Administration's Audit Committee met on April 17, 2017. Please see the attached agenda for the items discussed. Also please see the attached Office of Internal Audit Quarterly Report presented to the Audit Committee at the meeting.

STATE BOARD OF ADMINISTRATION
Audit Committee Open Meeting
Agenda
April 17, 2017
9:00 A.M. – Noon

1. Call to Order

2. Approval of the minutes of meetings held on January 30, 2017:
    a. January 30, 2017 – Closed Meeting
    b. January 30, 2017 – Open Meeting

3. SBA Executive Director & CIO status report
    - SBA Update: investment performance, risks, opportunities and challenges

4. Presentation of Crowe Horwath's audit plan for the financial statement audits of FRS Pension Plan and FRS Investment Plan for the year ending June 30, 2017

5. SBA OIA and Investment Training & Consulting Institute (ITCI) Presentation of Derivatives Audit report

6. Request For Quote (RFQ) for Network Security Assessment
    a. Approval for final selection of respondents

7. Invitation to Negotiate (ITN) Triennial GRC Review
    a. Draft ITN
    b. Proposed Evaluation Team; nomination of Audit Committee member
    c. Proposed Universe of Providers

8. Proposed FY 2017-2018 Internal Audit Budget

9. Office of Internal Audit Quarterly Report

10. OIA Annual Audit Plan for FY 2017-18

11. Chief Risk & Compliance Officer Quarterly Report
    a. Compliance activities
    b. Enterprise Risk Management activities

12. Other items of interest

13. Closing remarks of the Audit Committee Chair and Members

14. Adjournment

OFFICE OF INTERNAL AUDIT

SBA FLORIDA

STATE BOARD OF ADMINISTRATION

Office of Internal Audit (OIA) Fiscal Year 2016-2017 Quarterly Report to the Audit Committee

April 17, 2017

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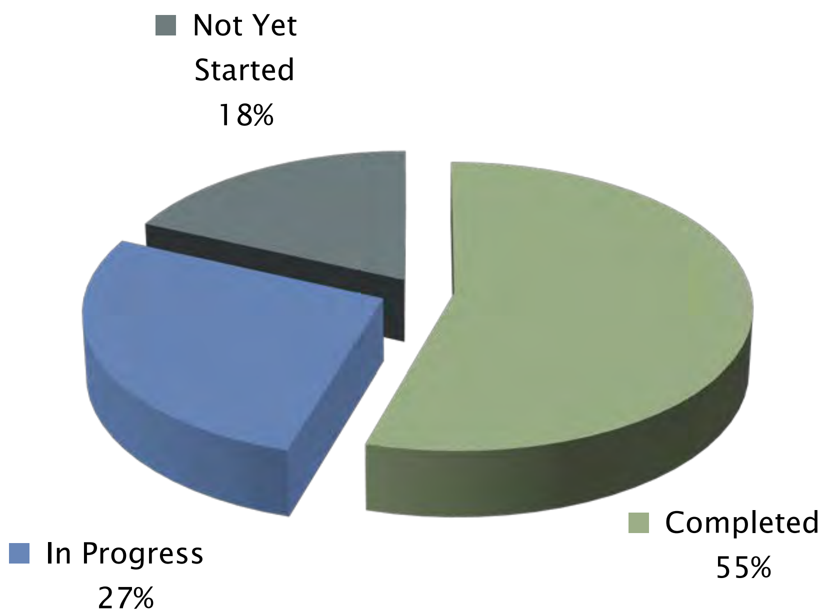
Status of the FY 2016-17 Annual Audit Plan

Status of the FY 2016-17 Annual Audit Plan

Internal Audit and Advisory Engagements

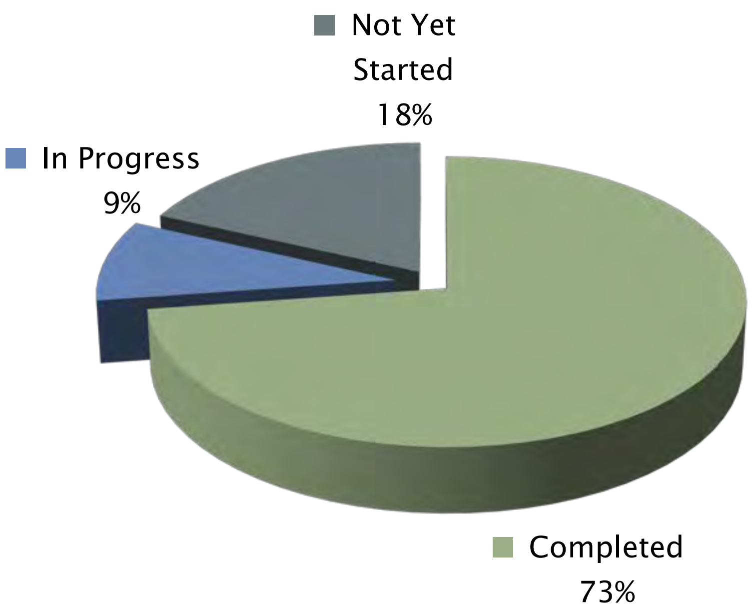


Projects Status	Type	Planned Timing
Completed		
Trust Services – carry over	OIA Operational Audit	Q1
4th Quarter Follow-up – FY 15-16	OIA Follow-up Audit	Q1
Global Equity Trading Activities	OIA Operational Audit	Q1/Q2
Information Technology General Controls	OIA Advisory	Q1/Q2
2nd Quarter Follow-up - FY 16-17	OIA Follow-up Audit	Q3
Derivatives Audit (see Tab 5)	Co-sourced Operational Audit	Q2/Q3
In Progress		
Recommendation/Action Plan Monitoring	OIA Project Management	Ongoing
Internal Controls over Financial Reporting	OIA Advisory	Q3/Q4
Fixed Income Data Analytics Dashboard	OIA Advisory	Q3/Q4
Not Started		
Real Estate, commingled	OIA Operational Audit	Q4
3rd Quarter Follow-up – FY16-17	OIA Follow-up Audit	Q4

Highlighted: Completed since prior quarterly report.

Status of the FY 2016-17 Annual Audit Plan

External Engagement Oversight

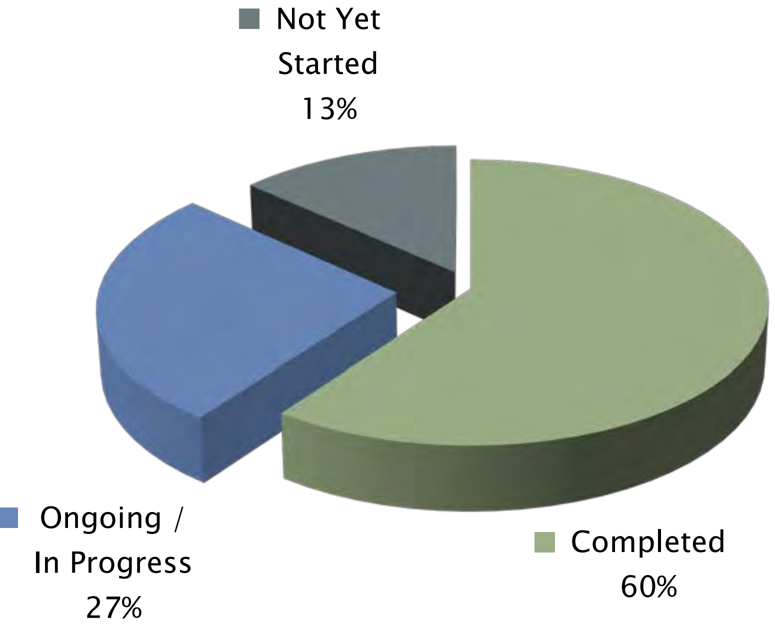


Project Status	Type	Planned Timing
Completed		
OPPAGA's review of Florida Growth Fund Initiative	External Operational Audit	Q1/Q2
OPPAGA's biennial review of SBA Investment Management	External Operational Audit	Q1/Q2/Q3
Florida Hurricane Catastrophe Fund	External Financial Statement Audit	Q1/Q2
FRS Trust Fund	External Financial Statement Audit	Q1/Q2
FRS Investment Plan Trust Fund	External Financial Statement Audit	Q1/Q2
Auditor General financial statement audit of Florida PRIME	External Financial Statement Audit	Q1/Q2
Auditor General financial statement audit as part of the statewide CAFR	External Financial Statement Audit	Q2/Q3
Auditor General IT operational audit of selected financial systems (see Appendix B)	External Operational Audit	Q2/Q3
In Progress		
Auditor General Operational Audit (follow-up on report #2015-083)	External Operational Audit	Q3/Q4
Not Started		
Paragon Solutions, Inc.	SSAE 18	Q3/Q4
Network Security, outsourced	External IT Audit	Q4

Highlighted: Completed since prior quarterly report.

Status of the FY 2016-17 Annual Audit Plan

Special Projects, Risk Assessments, and Other Activities

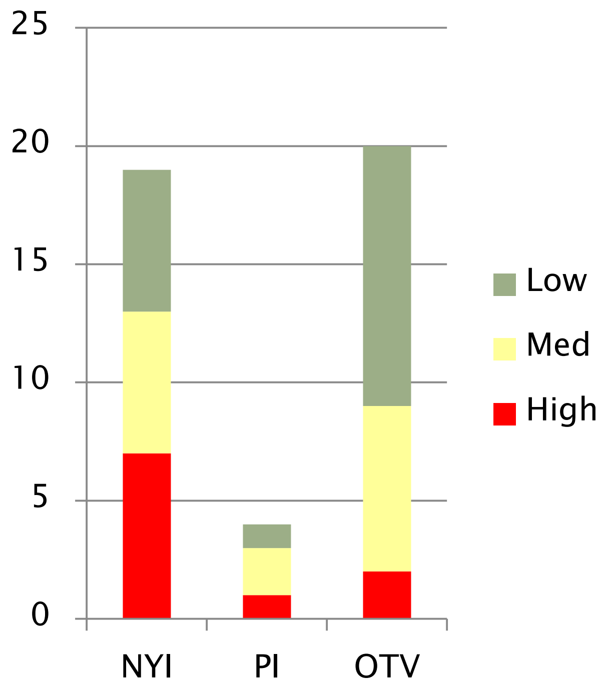


Project Status	Type	Planned Timing
Completed		
ITN – FRS audit	OIA Special Projects	FY 2015-16
FHCF audit contract extension	OIA Special Projects	FY 2015-16
Annual Quality Assessment Review – carry over	OIA Special Projects	Q1
RFQ – FHCF Audit and Paragon Agreed Upon Procedures	OIA Special Projects	Q1/Q2
RFQ – Real Estate Pool	OIA Special Projects	Q2/Q3
Implementation of Data Analytics Program, including IDEA enhancements	OIA Special Projects	Q2/Q3
Annual Risk Assessment	OIA Risk Assessment	Q2/Q3/Q4
Annual Audit Plan (See Tab 10)	OIA Risk Assessment	Q3
RFQ – Network Security	OIA Special Projects	Q3/Q4
Ongoing/In Progress		
Special requests from SBA management and/or Audit Committee	OIA Special Projects	Ongoing
WorkSmart Portal Initiative	OIA Special Projects	Ongoing
OIA process improvement initiatives, including QAR identified initiatives	OIA Quality Assurance	Ongoing
ITN – Triennial GRC Assessment	OIA Special Projects	Q3/Q4
Not Yet Started		
Annual Quality Assessment Review	OIA Quality Assurance	Q4
4th Quarter Risk Assessment Update	OIA Risk Assessment	Q4

Highlighted: Completed since prior quarterly report.

Status of Management Action Plans/Recommendations

Status of Management Action Plans–Audit Projects



For details, see Appendix A.

Report Title	Report Date	Risk Rating				Status			
		High	**Med**	**Low**	**Total**	**NYI**	**PIRP**	**OTV**	**Total**
Network Security Assessment 2015 (Ernst & Young)	02/13/2015		2		**2**			2	**2**
Post-implementation assessment of the Charles River Investment Management Solution (Ernst & Young)	02/13/2015	1			**1**		1		**1**
Travel Services Operational Audit (OIA)	02/13/2015			1	**1**	1			**1**
Florida PRIME Application Access Controls Audit (OIA)	07/10/2015		1		**1**			1	**1**
Accounts Payable Continuous Audit (OIA)	08/07/2015		2		**2**	2			**2**
Fixed Income Trading Activities Operational Audit (OIA)	01/29/2016		1	1	**2**		2		**2**
Network Security Assessment 2016 (Ernst and Young)	04/29/2016	1	3	11	**15**			15	**15**
Trust Services Operational Audit (OIA)	07/25/2016	1	1		**2**	1		1	**2**
Global Equity Internal Trading Activities Operational Audit (OIA)	01/18/2017	1	1	1	**3**	3			**3**
Fiscal Year 2016-17 Second Quarter Follow-up Audit	01/19/2017		1		**1**	1			**1**
Internally Managed Derivatives Operational Audit (OIA)	03/31/2017	6	3	4	**13**	11	1	1	**13**
		10	15	18	**43**	19	4	20	**43**

Legend:
NYI - Not Yet Implemented
PIRP - Partially Implemented and the Remainder is in Progress
OTV - OIA to Verify

Management Action Plans relating to findings from audits performed by internal or external auditors. The OIA monitors and performs follow-up procedures on the management action plans in accordance with the IIA Standard 2500. A1. In certain cases, follow-up procedures are performed by external auditors.

Status of Recommendations – Advisory Projects

Report Title	Report Date	Status: Pending	PI	IMP	Total
Office of Defined Contribution Programs Advisory Engagement (OIA)	03/02/2016			1	**1**
Information Technology General Controls Advisory Engagement (OIA)	01/20/2017	6	5	3	**14**
		6	5	4	**15**

Legend:
Pending - Further management discussion needed
PI - Partially Implemented, as represented by SBA management
IMP - Implemented, as represented by SBA management

Advisory Recommendations made by OIA or external consultants resulting from an assessment of a program or activity such as governance, risk management, compliance, ethics, disaster recovery preparedness program, etc. The OIA monitors the disposition of these recommendations in accordance with the IIA Standard 2500.C1.

At the advice of the Audit Committee, the OIA closes Advisory Recommendations that management represented as “complete” once the OIA has considered those in the annual risk assessment. The next annual risk assessment will occur during Fiscal Year 2016-2017.

Other OIA Activities

Data Analytics Program Accomplishments & Timeline

Accomplishments to-date

OIA Project Support:
- Accounts Payable Audit
- Payroll Audit
- Fixed Income Trading Audit
- Trust Services Audit
- Global Equity Trading Audit
- Derivatives Audit

Obtained data from SBA systems:
- PeopleSoft Financials
- PeopleSoft HR
- Eagle STAR
- BNYM Workbench
- Charles River

February 2017– April 2017

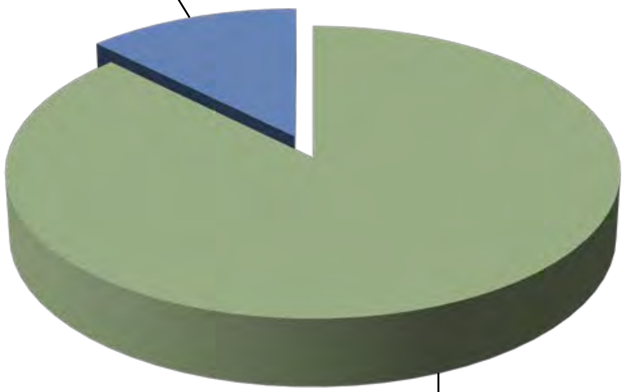
Continuous Monitoring:
- Utilized data analytics performed during the FY 2015-16, FI Internal Trading Activities Operational Audit, and met with FI Management, to identify key metrics for continuous monitoring.
- Built "Cost by Dealer Activity" dashboard.
- Utilized IDEA to write/run scripts to automate the metrics and dashboard data, monthly.

April 2017– June 2017

Continuous Monitoring:
- Test compliance with specific Investment Portfolio Guidelines (IPG) where IPG requirements can be tested using data analytics.
- Recreate some of the existing reports for meaningful graphics.
- With FI Management input select other processes, which would facilitate in creating dashboards for continuous monitoring.

Greater Efficiency and Effectiveness

Status of FY 2016-17 OIA Department Goals



	Completed	In Progress / Ongoing	Not Yet Started
Annual Audit Plan	**4**	**1**	**0**
Successfully deliver the fiscal year 2016-17 Audit Plan and budget. Enhance communication of the COSO internal control framework.			
Internal Audit Process	**5**	**1**	**0**
Focus on enhancing OIA processes, programs and procedures, resulting in more efficient operation of the department administration and the effective development and utilization of department resources.			
Use of Technology	**5**	**0**	**0**
Implement audit technology solutions to enhance department effectiveness and efficiency.			
People	**7**	**1**	**0**
Evaluate staffing and development needs.			

Timing of RFQs and ITNs

Current Service Provided	Current/ Previous Auditor(s)	Current/ Previous Period Ending	Current/ Previous Cost	Current/ Previous selection	Proposed selection	RFQ/ITN recommended draft ITN target date	Estimated start of work for new contract period	Comments
Triennial GRC Review	Crowe Horwath	February 2, 2015	$135,000	Pool of Auditors	RFQ	April 1, 2017	Aug-Sept 2017	
FRS Audit	Crowe Horwath	June 30, 2021	$194,500	ITN	ITN	October 2021	Feb 2022 – May 2022	
FHCF Audit	KPMG	June 30, 2021	$75,000	Pool of Auditors	RFQ	August 1, 2021	Feb 2022 – May 2022	In negotiation with KPMG
~~FHCF SSAE 18~~	~~KPMG~~	~~February 28, 2016~~	~~$50,000~~	~~Pool of Auditors~~	~~RFQ~~	~~August 1, 2016~~	~~Feb 2017 – May 2017~~	Combined RFQ for Audit and SSAE 18; in negotiation with KPMG; Going forward, Paragon will contract directly with auditor.
Real Estate Audit & Tax Services	7 firms in pool	March 31, 2021	N/A	RFQ	RFQ	November 1, 2021	Various	Pool of auditors solely for real estate audits, to be used by SBA management when selecting firms for real estate services
IT: Network Security	TBD	Nov 2021 – Feb 2022 (Point of time)	TBD	Pool of Auditors	RFQ	January 1, 2022	May-June 2022	

Other items for discussion

- Next Audit Committee Meetings for 2017
  - July 31, 2017
  - November 13, 2017
- APPFA Conference May 2017
- Office of Internal Audit Internship

Questions/Comments

OFFICE OF INTERNAL AUDIT

OIA

SBA FLORIDA

STATE BOARD OF ADMINISTRATION

STATE BOARD OF ADMINISTRATION
OF FLORIDA

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TALLAHASSEE, FLORIDA 32308
(850) 488-4406

POST OFFICE BOX 13300
32317-3300

MEMORANDUM

To: Ash Williams

From: Michael McCauley

Date: May 18, 2017

Subject: Quarterly Standing Report - 1Q 2017 / Investment Programs & Governance

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GLOBAL EQUITY PROXY VOTING & OPERATIONS

During the 1st quarter of 2017, the SBA cast votes at 1,341 public companies, voting on ballot items including director elections, audit firm ratification, executive compensation plans, merger & acquisitions, and a variety of other management and shareowner proposals. The table below provides major statistics on the SBA's proxy voting activities during the quarter ending on March 31, 2017:

Votes in Favor 76.6%	**Votes aligned to Management's Recommendation** 77.4%
Most Voted Market (# of Votes) South Korea (344)	**Total Eligible Ballot Items (All Markets)** 10,745

CORPORATE GOVERNANCE & PROXY VOTING OVERSIGHT GROUP

The most recent meeting of the Corporate Governance & Proxy Voting Oversight Group (Proxy Committee) was on March 27, and the Committee will meet next on June 19, 2017. The Proxy Committee continues to discuss ongoing governance issues including the volume and trends for recent SBA proxy votes, company-specific voting scenarios, corporate governance policies, governance-related investment factors, major regulatory developments and individual company research related to the Protecting Florida's Investments Act (PFIA) and recent statutory investment requirements implemented for Israel and Northern Ireland. During the early period of the second quarter of 2017, SBA staff implemented a partial automation of proxy voting covering markets with less than 100 meetings voted annually. This effort will simultaneously improve the speed of vote execution and improve the quality of analysis for remaining proxy votes exhibiting higher average levels of investment and presenting more complex ballot items.

LEADERSHIP & SPEAKING EVENTS

Staff periodically participates in and often is an invited presenter at investor and other governance conferences. Typically, these events include significant involvement by corporate directors, senior members of management, and other key investor or regulatory stakeholders. The following items detail involvement at events that occurred recently:

- On May 10, 2017, SBA staff contributed a governance brief on the topic of proxy access for the PRI (Principles for Responsible Investment) website. The article highlighted the recent adoption of proxy access procedures within the S&P 500 stock index. Proxy access resolutions have received broad shareowner support and represented the largest proportion of any resolution type since 2015. As a result, a dramatic number of companies have moved to implement some form of proxy access, typically adopting the U.S. market standard of three percent share ownership and three-year holding period. Proxy access is now in place at 52 percent of all S&P 500 companies.

NOTABLE RESEARCH & GOVERNANCE TRENDS

Pay Governance, a compensation consultant to public companies, published research in early May showing firms that maintain pay practices viewed as “problematic” by the two leading proxy advisory firms (Glass, Lewis & Co. and Institutional Shareholder Services) are likely to underperform those companies that do not maintain such practices. The examined pay features included lowering target annual incentive goals without a corresponding reduction in target pay, as well as target payout experience when the firm merely exhibits median stock price performance. Pay Governance found that companies that have lowered annual incentive goals year-over-year *without* a corresponding reduction in target incentive opportunity tend to perform poorly over three year time-periods, compared to companies with flat or even increased incentive goals year-over-year. Companies that set rigorous relative total stock return (TSR) goals—that is, above-median performance required for a target payout—have outperformed other companies that merely set target payout for median performance. The SBA’s governance principles and proxy voting guidelines advocate clear disclosure and setting of performance objectives used to determine compensation awards, and also support compensation plans designed with performance measures tied to above-median levels of financial performance.

HIGHLIGHTED PROXY VOTES

Immunomedics (United States)—at the March 3, 2017 contested annual meeting, SBA staff voted to support all four nominees put forth by dissident investor venBio Select Advisor LLC. Both of the major proxy advisors used by the SBA, Institutional Shareholder Services (ISS) and Glass, Lewis & Co., recommended their clients support the short slate of dissident nominees, mainly due to the company’s poor historical relative performance and the strength of industry experience presented by the nominated directors. The proxy contest was unusual because Immunomedics, a clinical-stage oncology drug maker, did not have the typical plurality-voting standard for contested director elections. As a result, the voting outcome used a majority-voting standard tabulation. Subsequent to venBio filing a complaint, the company pushed its shareowner meeting back by two weeks and announced a $2 billion partnership with Seattle Genetics to develop, manufacture and commercialize its key breast cancer drug, IMMU-132, which venBio viewed as undervalued and with poor terms. Dueling litigation ensued, with venBio ultimately gaining an injunction against the Seattle Genetics deal. Another large investor, OrbiMed Advisors, announced it backed venBio’s initiative. VenBio won control of the board, and after the injunction became public the company’s stock price surged by almost 20 percent. In early May, the company announced the Seattle Genetics deal had been unwound; the company had replaced its CEO, and completed a $125 million private placement bolstering its cash reserve. Since the middle of November 2016 when venBio first announced its intention to nominate a director slate, the company’s stock price has risen by 146 percent.

Toronto Dominion (Canada)—at the March 30, 2017 annual shareowner meeting, SBA staff voted to support all management-recommended ballot items with the exception of a shareowner proposal to adopt proxy access with a three-percent and three-year ownership standard. The proxy access resolution passed with 52 percent support, Canada’s first proxy access resolution to receive majority support. The proposal’s proxy access mechanism offered a lower ownership threshold when compared to the five percent ownership requirement embedded with Canada’s Bank Act. Under Canadian regulations, certain regulated firms are required to enable investors owning at least five percent of a company’s shares over a shorter six-month time period to nominate an unlimited number of board candidates.

Vale (Brazil)—at the April 20, 2017 annual shareowner meeting, SBA staff voted to support several director candidates nominated by minority shareowners to both the board of representatives and the supervisory council, while abstaining from voting in support of any management nominees to the supervisory council. SBA staff also voted against the compensation policy of the company. As noted by proxy advisor Glass Lewis & Co, "Brazilian companies are generally governed by a three-tier structure that includes a management board, a board of directors and an optional supervisory council. The board of directors provides oversight of the management board while the supervisory council is responsible for overseeing the company's board of directors to ensure that it complies with the legal and statutory obligations ascribed to it."

Wells Fargo (United States)—at the April 25, 2017 annual shareowner meeting, SBA staff voted against six of the 15 directors up for election, as well as several other management-supported ballot items. In line with SBA policy, staff withheld support from several candidates on the Corporate Responsibility Committee due to failing to provide timely and sufficient risk oversight and from other directors for serving on too many boards. Although many investors may have been reacting to the company's recent oversight failures, the SBA has been proactive in its proxy voting activities at Wells Fargo over the last decade—voting annually against an average of 24 percent of the board. One of the key governance takeaways from the Wells Fargo experience may be that a distracted board is a disadvantaged board—with investors experiencing real risks when too many directors are over-boarded and unable to devote the necessary time and service that is required on behalf of investors. An excerpt from last year's SBA governance report noted, "As of the 2016 annual meeting, Wells Fargo's 14 independent directors served on a total of 24 external board memberships. Four of the Wells directors served on an additional three public company boards. Meanwhile, [former] Chairman and CEO John Stumpf served on the boards of Chevron and Target, in addition to his duties at Wells Fargo. The average number of outside board seats held by CEOs of S&P 500 companies is 0.6 (as noted by the Spencer Stuart Board Index)."

In September 2016, as part of the investigation into retail banking sales practices, the board announced CEO Stumpf and former SEVP of Community Banking Carrie Tolstedt would forfeit unvested equity awards and their fiscal year 2016 annual incentives. Notably, the board amended the company's bylaws, effective November 29, 2016, to require the Chairman and Vice Chair roles to be held by independent members of the board. On March 1, 2017, the company announced additional executive compensation actions affecting the compensation for eight of the eleven highest ranking members of the operating committee including the CEO, CFO, Chief Risk Officer, and Chief Administrative Officer. The company has adopted a majority vote standard (of shares cast) for the election of directors with a plurality carve-out for contested elections and has a director resignation policy in its governance guidelines.

Proxy advisory firm Glass, Lewis & Co. stated in its client advisory, "In our view, shareholders can give credit to the board for its actions since the scandal erupted, but should not avoid placing blame on the board for its failings in implementing an oversight structure that could have identified or prevented these actions before they inflicted significant reputational harm on the Company." Similarly, proxy advisory firm Institutional Shareholder Services (ISS) noted, "While we recognize the company's recent efforts to address the severity of the unsound sales practices, in particular, by increasing the scale and scope of its plans to remediate, both retrospectively and prospectively, the harmful impact of those practices, it is equally recognizable that the board failed to implement an effective risk management oversight process in a timely way and that could have mitigated the harm to its customers, its employees, and the bank's brand and reputation."

SBA staff also voted against a shareowner proposal on retail banking sales practices reporting. The company has implemented numerous reforms and made additional disclosures surrounding its business practices, including a report by its independent directors. SBA staff voted in favor of a shareowner proposal regarding gender pay reporting because the company has not disclosed sufficient information. Increased pay equity disclosures would provide transparency of its efforts to ensure equitable compensation. Finally, SBA staff voted against several other shareowner proposals deemed unnecessary or that would result in the disclosure of information that could be disadvantageous to the company.

In a highly unusual rebuke from the overall shareowner base, investors narrowly re-elected the bank's board—director candidates received support from as low as 53 percent of the votes cast. Annually, very few directors in the U.S. market receive such low levels of support. Like many large capitalization companies, Wells Fargo's board guidelines require directors to resign if they fail to win support from the majority of the votes cast. Recommendations from proxy advisors to withhold support from a majority of a board's slate is exceedingly rare. According to Proxy Insight, among the 2,780 meetings held by S&P 500 companies since 2012, proxy advisor ISS has recommended votes against 80 percent or more of directors in just seven cases apart from Wells Fargo, and only four of those cases involved the entire board in an annually elected cycle like at Wells Fargo.

Credit Suisse Group (Switzerland)—at the April 28, 2017 annual shareowner meeting, SBA staff voted against several compensation-related ballot items, including the compensation report, board compensation, and individual board members responsible for setting executive compensation levels at excessive levels. Both of the major proxy advisors used by the SBA disclosed negative analyses of Credit Suisse compensation practices and recommended that clients vote against the board pay proposal and executive bonus packages. In an attempt to quell investor dissent, the board announced voluntary pay cuts of approximately 40 percent to annual bonus payments. However, due to the very poor stock price performance in 2016 and ongoing losses and investigations, shareowners overall failed to ratify the company's pay practices in the vote. Under Swiss regulations, companies are required to give shareowners a binding annual vote on board and executive pay matters. Over the last few years, Credit Suisse has significantly underperformed its financial peers.

Volkswagen AG (Germany)—at their May 10, 2017 annual shareowner meeting, SBA staff voted against 30 of 31 management and supervisory board nominees up for election because of the boards' poor management of ongoing investigations and legal proceedings. The Volkswagen (VW) supervisory board refused to make public the findings of a report by Jones Day, the external law firm hired to review corporate practices tied to the emissions scandal. One management board member serving in the newly created Integrity and Legal Affairs position resigned in late January 2017, raising serious concerns about the management and supervisory boards' ability to effectively handle the emissions crisis and make necessary reforms. SBA staff also voted against the company's new compensation system for members of the management board. Glass, Lewis & Co. stated, "it currently appears unclear whether, or to what extent, current and/or former members of the Company's management and supervisory board had prior knowledge of the issues that led to the scandal, we believe that this issue has already caused, and may continue to cause for some time, significant financial and reputational damage to the Company which has impacted on shareholder value." Despite almost universal investor dissent, positive voting results occurred due to the Porsche and Piech families in Germany owning 52 percent of the company's voting rights. In addition to these shares, Lower Saxony owns 20 percent and Qatar owns another 17 percent. Prior to the annual meeting, Institutional Shareholder Services (ISS) rated Volkswagen one of the lowest governance ratings on a global basis and the lowest within the auto sector. On May 16, 2017, custodian bank BNY Mellon notified SBA staff that VW shares held within two Florida Retirement System (FRS) portfolios had proxy votes rejected. The failed votes were due to late delivery and logistical problems encountered by the voting tabulator, Broadridge Financial, as well as the company's registrar, Computershare. The voting experience at VW is a reminder of the challenges encountered by SBA staff when executing proxy votes in global equity markets.

Occidental Petroleum (United States)—at the May 12, 2017 annual shareowner meeting, SBA staff withheld support from three directors due to serving on too many boards, voted against the say-on-pay ballot item due to several negative changes, and supported several other investor proposals. One supported resolution asks the company to assess its portfolio for long-term climate change impacts consistent with the Paris Agreement's goal of limiting global temperature increases to 2 degrees Celsius. Glass, Lewis & Co. noted, "the Company's disclosure significantly lags that provided by its peers, which provide some level of disclosure regarding carbon asset risk and how they incorporate climate change-related risks into their capital planning process and business strategies." The resolution passed and now is the first of its kind to succeed at a large U.S. energy company, in large part because its largest single shareowner, BlackRock Inc., voted in favor of the resolution. This was also the first time in its history that BlackRock supported this type of shareowner resolution.

GLOBAL REGULATORY & MARKET DEVELOPMENTS

United States

Financial CHOICE Act—in response to legislation passed in the U.S. House Financial Services Committee, the SBA co-signed a May 17, 2017 letter from the Council of Institutional Investors (CII) regarding the Financial CHOICE Act of 2017. The Act effectively overturns many elements of the comprehensive 2010 Dodd Frank Act. Key proposed changes that affect the corporate governance activities of investors and issuers include the following:

- Prohibits the SEC from requiring use of a universal proxy ballot (allowing investors to pick among management and dissident director candidates);
- Amends the SEC's Rule 14a-8 shareowner proposal process to require 1 percent ownership over a three year period (current is the lower of one percent or $2000, held for one year) in order to submit a proposal and also raise the current voting support resubmission thresholds from 3, 6, or 10 percent to 6, 15, or 30 percent to submit the same resolution in the subsequent 1st, 2nd, or 3rd year. The new requirements would raise the ownership threshold to file a shareowner proposal to $7.5 billion at Apple, $3.4 billion at Exxon Mobil and $2.6 billion at Wells Fargo, for example [the SBA typically owns less than 0.5 percent of an individual U.S. company's total outstanding shares];
- Increases the threshold for SOX 404(b) compliance (auditor assessment of management's internal controls) to $500 million market capitalization or $1 billion in assets for banks;
- Changes the current shareowner input to limited circumstances when there is an undefined "material" change in CEO pay [most U.S. public companies offer investors say-on-pay votes annually]; and
- Creates a new regulatory scheme for proxy advisors to register with the SEC, provide draft pre-meeting research to companies, and employ an ombudsman to receive complaints from corporations.

CII's letter states, "We are deeply troubled by provisions of the Act that would threaten prudent safeguards for oversight of companies and markets, including sensible reforms that investors need to hold management and boards of public companies accountable, and that foster trust in the integrity of the markets." In its own letter to Congress, Institutional Shareholder Services (ISS) opposed the Act's provision to establish a new regulatory regime for proxy advisory firms stating it would "destroy the fiduciary responsibility that proxy advisory firms have to the institutional investors who hire them, and make it more difficult for shareholders to cast informed proxy votes, thereby decreasing the transparency of corporate boardroom decisions." ISS is currently regulated as an investment adviser under the Investment Advisers Act of 1940 and has been for over 20 years.

S&P Dow Jones (SPDJI) Consultation on Eligibility of Non-Voting Share Classes—on May 3, 2017, SBA staff responded to an SPDJI survey regarding the eligibility of non-voting share classes in S&P DJI indices. The decision of the NYSE to permit Snap Inc. to IPO in March with non-voting Class A common shares as the company's sole public share class has brought this issue to a head. SPDJI conducted the consultation with members of the investment community on the eligibility of non-voting share classes in S&P DJI indices, with potential changes affecting some or all S&P and Dow Jones-branded benchmark and investable equity indices. The SBA's response answered numerous questions on proposed SPDJI approaches and methodology for including (or restricting) non-voting securities—key elements of the SBA response included:

- Advocating for a *prospective exclusion* of zero-voting shares from SPDJI indexes, in the absence of a publicly-traded share class with voting shares;
- Advocating for the *exclusion of all new multi-class share classes with differential voting rights*, in the absence of a pre-defined sunset provision (five-year time period is preferred) and subsequent elimination of unequal shares.

SBA staff believes common stock should be listed on a one-share, one-vote basis, but are comfortable with inclusion of shares with superior voting rights in an index, as long as they meet other index requirements including liquidity and float. Although we recognize the legacy issues surrounding current index constituents with dual-class share structures, ideally such firms could be afforded a reasonable grace period (perhaps five years) in which to convert such share classes to a one-vote, one-share framework. Survey responses were in line with the SBA's policies on dual-class share structures, representing a practical approach for considering such securities within global equity indices.

SBA staff also participated in discussions with S&P and MSCI. In member research, CII noted that if SPDJI excludes non-voting share classes (only) on a broader basis and did not grandfather existing constituents, Alphabet (formerly Google) Class C shares (representing approximately 1.3 percent of the S&P 500 index) would be excluded. If SPDJI decides to grandfather, but adopts a broad policy against non-voting shares, they will continue to encounter this situation—Facebook is expected to take the same step as Alphabet and convert two-thirds of their existing low-vote shares to non-voting shares, pending the outcome of a lawsuit currently preventing the company to move forward with this action. This, in turn, could force S&P 500 index funds to sell off the non-voting Facebook shares. CII also determined that if SPDJI excluded all dual-class shares and did not grandfather in any existing shares, more than 8 percent of the present index constituency (by market capitalization) would be excluded from the index.

Long-term institutional investors, the primary clients of index providers, are particularly at risk from dual-class structures. Snap's experience may lead to a stream of future IPOs mimicking its no-vote share structure, which will increase complexity for market participants, notably index providers. A form of Snap-like structures could include dual-class share structures with extremely asymmetric voting rights such as 1,000 to 1, or even 10,000 to 1 for designated classes—thereby avoiding a strict categorization as non-voting shares but with effectively identical results.

Additional investor consultations are expected this year from both MSCI and FTSE Russell. We do not believe that shares with zero voting rights should be classified for indexing purposes as "common stock" and included in equity and equity indices like the S&P 500. No-vote shares function more like master limited partnership units (which are excluded from S&P indices) than equity. At a minimum, there should be binding sunset provisions, providing public shareowners with a vote in a reasonable period.

New research from Harvard University recommends a periodic vote by non-controlling shareowners to determine whether differential structures remain appropriate. This approach is acceptable if conducted on a binding basis at intervals no longer than every five years, and SBA staff would support a decision by index providers to exempt any company from index exclusion if its governing documents guarantee compliance with this reasonable safeguard.

In the study from Harvard Law School, titled "The Untenable Case for Perpetual Dual-Class Stock," researchers make a compelling argument for incorporating sunset provisions in any dual class share structure. "Our analysis demonstrates that, as time passes, the potential costs of a dual-class structure tend to increase and the potential benefits tend to erode. As a result, even if the structure were efficient at the time of the IPO, there would be a substantial risk that it would not remain so many years later, and this risk would keep increasing as time passes." Other market research over time has tended to show that dual-class share structures depress shareowner value.

STATE BOARD OF ADMINISTRATION
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MEMORANDUM

To: Ashbel C. Williams, Executive Director & CIO

From: Maureen M. Hazen, General Counsel Maureen M. Hazen

Date: May 12, 2017

Subject: Office of General Counsel: Standing Report
For Period February 4, 2017 – May 5, 2017

SBA Agreements.

During the period covered by this report, the General Counsel's Office drafted, reviewed and negotiated: (i) 23 new agreements – including 4 Private Equity investments, 3 Strategic Investments and 1 Real Estate fund investment; (ii) 119 contract amendments, addenda or renewals; and (iii) 2 contract or related terminations.

SBA Litigation.

(a) Passive. As of May 5, 2017, the SBA was monitoring (as an actual or putative passive member of the class) 617 securities class actions. From February 1, 2017 – March 31, 2017, the SBA collected recoveries in the amount of $871,859.22 as a passive member in 36 securities class actions.

(b) Active.

(i) *In re Tribune* Litigation. On January 24, 2012, the SBA was served a complaint (along with other defendants) now pending in the U.S. Bankruptcy Court, Southern District of New York by the Official Committee of Unsecured Creditors of the Tribune Company alleging damages for fraudulent conveyance and requesting the return of proceeds received by all defendant investors in a leveraged buy-out of the Tribune Company (which subsequently declared bankruptcy). Pursuant to a plan approved in the bankruptcy proceeding, the claim was transferred to the U.S. District Court, Southern District of New York (the "Court") and consolidated with additional parallel cases for multi-district litigation. The SBA received approximately $11 million in connection with this leveraged buy-out. Several amended complaints have been filed in the action in which the SBA was originally served in January, 2012 (the "FitzSimons Action"). In early 2017, the Court dismissed the intentional fraudulent transfer count (the only claim applicable to the SBA), and the SBA (and other defendants) are monitoring for a possible appeal.

(c) FRS Investment Plan. During the period covered by this report, the General Counsel's Office monitored and/or managed the following cases for the Florida Retirement System Investment Plan (the "Investment Plan"). The SBA issued eleven (11) Final Orders, received notice of filing of twelve (12) new cases (two of which were transferred to DOAH), and continued to litigate nine (9) cases that were pending during the periods covered by previous reports, including defending one (1) in front of DOAH.

Other Matters.

(a) Public Records. During the period covered by this report, the General Counsel's Office received 41 new public records requests and provided responses to 46 requests. As of the date of this report, the General Counsel's Office continues to work on 6 open requests.

(b) SBA Rule Activities.

(i) Amendments To Rules in Rule Chapter 19-11.

19-11.001: Definitions
19-11.003: Distributions from FRS Investment Plan Accounts
19-11.004: Excessive Trading in the FRS Investment Plan
19-11.005: FRS Investment Plan Complaint Procedures
19-11.006: Enrollment Procedures for New Hires
19-11.007: Second Election Enrollment Procedures for the FRS Retirement Programs
19-11.008: Forfeitures
19-11.009: Reemployment with an FRS-covered Employer after Retirement
19-11.010: FRS Investment Plan: Privacy
19-11.011: Employer and Employee Contributions and ABO or Present Value Transfer Procedures
19-11.012: Rollovers or Plan to Plan Transfers to or from the FRS Investment Plan
19-11.013: FRS Investment Plan Self-Directed Brokerage Account

The proposed amendments initially were filed with OFARR, and no comments were received. The SBA subsequently filed a Notice of Rule Development. The amendments were approved for filing by the Trustees on October 25, 2016. The SBA then re-submitted the amendments to OFARR for final approval. The SBA filed a Notice of Proposed Rule and submitted the rules to JAPC for review and comment. JAPC requested a Notice of Change be filed to clarify some information for the benefit of members. The SBA filed the rules for adoption on March 23, 2017, and the rules became effective on April 23, 2017.

The amendments are as follows: Rule 19-11.001 is being amended to add new definitions for "death in the line of duty" and "special risk member; to clarify other definitions; and to correct some typographical errors. Rule 19-11.003 is being amended to clarify certain information regarding Required Minimum Distributions (RMDs) and to add new information concerning pending distributions. Rule 19-11.004 is being amended to clarify certain information. Rule 19-11.005 is being amended to make some clarifications and to indicate how copies of issued Final Orders can be obtained. Rule 19-11.006 is being amended to adopt the latest versions of the applicable enrollment forms; and to indicate that an employee who terminates employment prior to making a retirement plan choice will be given another opportunity to make a plan choice if the employee returns to FRS-covered employment in the future. Rule 19-11.007 is being amended to adopt the latest versions of the Second Election enrollment forms; to clarify information set forth regarding a member who is on unpaid leave of absence or summer break to indicate that a second election form can only be submitted by such member during the month that the member is actively working and earning salary and service credit; and to indicate that any person that transfers to the Investment Plan and provides a cell phone number or email address will be deemed to have consented to electronic delivery of documents through the MyFRS.com website. Rule 19-11.008 is being amended to indicate the any unvested account balances will be transferred to a suspense account which is invested in the FIAM Intermediate Duration Pool Fund. Rule 19-11.009 is being amended to indicate that if a member receives an invalid distribution, the member may elect to terminate employment rather than to pay back the invalid distribution. Rule 19-11.010 is being amended to state that a power of attorney may be submitted by electronic means or by hard copy. Rule 19-11.011 is being amended to indicate how employer errors and corrections will be made and resolved; and to indicate that the Division of Retirement is responsible for monitoring the federally-mandated annual salary that may be applied towards retirement. Rule 19-11.012, F.A.C. is being amended to adopt the latest version of the rollover forms. Rule 19-11.013, F.A.C. is being amended to set forth how the Self-Directed Brokerage Account enrollment form can be obtained and to make a few clarifications.

STATE BOARD OF ADMINISTRATION
OF FLORIDA

1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308
(850) 488-4406

POST OFFICE BOX 13300
32317-3300

MEMORANDUM

DATE: May 15, 2017

TO: Board of Trustees

FROM: Ken Chambers KC Inspector General

SUBJECT: Quarterly Report on SBA Inspector General Activities

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The SBA Inspector General (IG) is responsible for serving as the organization's ethics officer; conducting internal investigations; overseeing investment protection principles (IPP) compliance; and handling special projects as directed by the Executive Director.

Ethics and Training

- Mandatory ethics training and certification of compliance are required for all SBA employees on an annual basis. The on-line training covers gifts, conflicts of interest, financial disclosure, outside employment, lobbyist/principal restrictions, honorarium related events, etc. In addition to ethics training, mandatory training is annually required for all employees in the areas of sexual harassment, information security, personal investment activity, and insider trading. For 2017, two new courses have been added; incident management framework and acceptable use of information technology resources. Every other year, employees are also required to complete training courses for public records and the Sunshine Law. The deadline for completing the courses is June 30, 2017. All new employees are required to take all of the mandatory training courses within 30 days of their start date. Additionally, new employees are required to take a fiduciary responsibility course (for existing employees, this course is required every four years).

- During the period February 17, 2017 to May 15, 2017, no instances were reported to the Inspector General concerning non-compliance with the SBA gift policy.

Investment Protection Principles Compliance

In September 2002, the Trustees of the SBA adopted Investment Protection Principles (IPPs) for broker-dealers and investment managers in the wake of Wall Street scandals involving tainted equity research and conflicts of interest. The IPPs are geared toward promoting independence, transparency and regulatory compliance, and adherence to the highest standards of ethics and professionalism. On an annual basis, written certification is required from equity, fixed income and real estate investment managers, and broker-dealers. Additionally, annual certifications have been developed for the investment services related consulting firms engaged by the SBA. These consulting firms are required to certify their compliance with certain independence and disclosure principles.

The compliance results for the consultants were reported in the previous quarterly report.

The IPP certifications for the equity, fixed income and real estate investment managers were disseminated in February 2017. All of the investment managers completed and returned their IPP certification forms for the 2016 reporting period. An analysis of the 2016 certifications indicated full compliance with the IPP's by most of the investment managers. For the others, explanations were provided supporting that the managers are in compliance with the spirit of the IPP's.

Certification forms for broker-dealers were disseminated to the applicable firms in April 2017. All but a few of the certifications have been completed and returned, and the compliance results for all of the broker-dealers will be included in the next Trustee's report.

SBA Fraud Hotline

Since July 2006, The Network Inc. has been the independent provider of SBA Fraud Hotline services. Through an 800 number, SBA employees may anonymously report tips or information related to fraud, theft, or financial misconduct. The telephone number and information is prominently displayed on the SBA intranet home page. Additionally, the hotline information is available on the SBA internet site as part of the SBA Internal Control and Fraud Policy. To date, no reports or tips have been received by the Hotline for 2017.

Investment Advisory Council Disclosures

As per Chapter 215.444, Florida Statues, all current IAC members are required to complete an annual Conflict Disclosure Statement. All of the current council members have completed and returned their disclosure statement for this year.

Financial Disclosure Forms

The Commission on Ethics requires certain state employees and officials who meet the reporting requirement to file an annual Financial Disclosure Form. All SBA employees who met this requirement have filed a Financial Disclosure Form with the Commission on Ethics for the year ending December 31, 2015, as well as all new employees hired during 2016. Disclosure Forms for 2016 will soon be submitted to all affected employees, and are due to the Commission by July 1, 2017.

Internal Investigations

During the period February 17, 2017 to May 15, 2017, one internal investigation was completed by the Inspector General. The investigation concerned allegations by an SBA employee of mismanagement issues within SBA. The investigation concluded that none of the allegations were substantiated.

cc: Ash Williams

STATE BOARD OF ADMINISTRATION
OF FLORIDA

1801 HERMITAGE BOULEVARD
TALLAHASSEE, FLORIDA 32308
(850) 488-4406

POST OFFICE BOX 13300
32317-3300

DATE: May 15, 2017

TO: Ash Williams, Executive Director & CIO

FROM: Karen Chandler, Chief Risk & Compliance Officer

SUBJECT: Trustee Update – June 2017

The role of the Risk Management and Compliance (RMC) unit is to assist the Executive Director & CIO in maintaining an appropriate and effective risk management and compliance program to identify, monitor and mitigate key investment and operational risks. RMC plays a critical role in developing and enhancing the enterprise-wide system of internal controls. RMC proactively works with the Executive Director & CIO and designees to ensure issues are promptly and thoroughly addressed by management.

SBA senior management has created a culture of risk management and compliance through the governance structure, allocation of budgetary resources, policies and associated training and awareness. Management is committed to ethical practices and to serving the best interests of the SBA's clients. The SBA's mission statement further supports this culture: *"To provide superior investment management and trust services by proactively and comprehensively managing risk and adhering to the highest ethical, fiduciary and professional standards."*

Included below is a brief status report of RMC activities and initiatives completed or in progress during the period February 18, 2017 through May 15, 2017.

Compliance Exceptions
No material compliance exceptions were reported during the period.

Risk Assessments and Management Plans
The Risk and Compliance Committee (RCC) held its quarterly meeting on March 28, 2017. The RCC reviewed and confirmed existing action plans based on assessed risk and management's appetite for risk. The RCC also noted continued progress in employee retention and leadership development. A change was made to the Enterprise Risk Management Framework to transition Employee Safety Risk from Security Risk to Human Capital Risk. This shift more appropriately reflects ongoing management efforts to raise awareness of employee safety and harm prevention across the SBA. Development continues on enhanced risk reporting for high priority and evolving risk areas.

Strategic Planning
Results of the risk assessment process and collaborative efforts of leaders across the SBA contributed to the development of strategic priorities going forward. The draft Strategic Plan for fiscal year 2017-2018 will be further refined after the May Senior Leadership Working Group meeting. This process is facilitated by RMC, with collaboration among all senior management. Further refinement of Governance, Risk and Compliance (GRC) processes across the organization remains a strategic objective.

Charles River - Trading and Compliance System
An agreement for periodic upgrades to the Charles River system was signed by the SBA and delivered to Charles River Development for signature on May 12, 2017. These upgrades are intended to ensure the SBA is utilizing the latest technology with respect to both the Global Equity trading and compliance modules.

Policy Development and Enhancement
Efforts continue in creating new and updating existing written policies as processes evolve. The format has been updated to increase clarity and awareness on applicability, responsibility and governing law, where relevant. Written policies guide the SBA in achieving its purpose, goals, and objectives by, among other things, providing a framework for management decision-making and communicating "Tone at the Top".

Triennial GRC Assessment
One responsibility of the SBA Audit Committee is to commission a Governance, Risk Management, and Compliance (GRC) program evaluation and performance improvement analysis (including the assessment of the utilization and effectiveness of both the internal and external audit functions) to be performed by an external provider no less frequently than every three years. As the last Triennial GRC assessment was conducted by Crowe Horwath in 2014, the next evaluation is scheduled to begin in September 2017, with report issuance planned for the first quarter of 2018. An Invitation to Negotiate was recently issued for the upcoming assessment, and the SBA evaluation team is in place, including Judy Goodman as the SBA Audit Committee representative. The Chief Risk & Compliance Officer and RMC Directors will be heavily involved in the process, and look forward to participating in this year's assessment as we continually seek to enhance GRC processes at the SBA.

Third-party Oversight Program
While the SBA has robust program over contracting and monitoring third parties, efforts continue in enhancing third-party contract risk assessments and oversight methods. RMC's enhancements include expanded reviews of Service Organization Control (SOC) reports including developed training for SBA staff on how to perform a review and centralized coordination of the reviews. RMC also worked collaboratively with the General Counsel and the COO/CFO in developing contract categories for contract migration to the new PeopleSoft module and for further use in risk categorizations.

Risk Transfer – Insurance Research
Research related to risk transfer options is being finalized in May and will be provided to senior leaders for consideration.

On-Demand Performance Reporting
The FRS Trust Fund on-demand performance reporting that was developed and implemented internally for SBA managment, was expanded in the current period to include on-demand performance reporting for the FRS Investment Trust Fund, Lawton Chiles Trust Fund, Florida Hurricane Catastrophe Fund, and Florida PRIME. These reports are available by mandate and by investment types. RMC is currently working with the Information Technology unit to develop on-demand performance reporting by external manager.

External Manager Compliance Certification
RMC worked with Information Technology to develop a prototype of an external manager evaluation system. The prototype, currently in testing, includes automation of annual external manager certifications regarding compliance with agreements. It also includes features for external managers to upload documents related to operational due diligence. After implementation, the system will be expanded for external manager oversight data collection.

New Hire
A candidate was selected to fill the Senior Quantitative Investment Analyst III position. This position will primarily focus on highly technical processes such as report automation and enhancing quantitative investment analysis models. The candidate, who begins work in June, was previously employed with Thomson Reuters and investment management firms, is a graduate of Duke University and has earned the right to use the Chartered Financial Analyst designation.

State Board of Administration of Florida

Major Mandate Review
First Quarter 2017

Table of Contents

Executive Summary

- The major mandates each produced generally strong returns relative to their respective benchmarks over both short- and long-term time periods ending March 31, 2017.
- The Pension Plan outperformed its Performance Benchmark during the first quarter and over the trailing one-, three-, five-, ten-, and fifteen-year periods.
  - Over the long-term, Global Equity is the leading source of value added, followed by Strategic Investments, Fixed Income and Real Estate.
  - Over the trailing one-, five-, and ten-year periods, the Pension Plan's return ranked in the top half of the TUCS Top Ten Defined Benefit Plan universe.
- The FRS Investment Plan has outperformed the Total Plan Aggregate Benchmark over the trailing one-, three-, five-, and ten-year periods.
- The Lawton Chiles Endowment Fund underperformed its benchmark during the first quarter, but has outperformed over the trailing one-, three-, five-, and ten-year periods.
- The CAT Funds' performance is strong over both short-term and long-term periods, outperforming the benchmark over the trailing one-, three-, five-, and ten-year time periods.
- Florida PRIME has continued to outperform its benchmark over both short and long time periods.

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Pension Plan: Executive Summary

- The Pension Plan assets totaled $149.7 billion as of March 31, 2017 which represents a $5.3 billion increase since last quarter.
- The Pension Plan, when measured against the Performance Benchmark, outperformed its return during the first quarter and over the trailing one-, three-, five-, ten-, and fifteen-year periods.
- Relative to the Absolute Nominal Target Rate of Return, the Pension Plan underperformed over the trailing three-, ten-, and fifteen-year periods, and outperformed over the trailing one-, five-, twenty-, twenty-five-, and thirty-year time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
  - Public market asset class investments do not significantly deviate from their broad market-based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
  - Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, and investment strategy.
  - Asset allocation is monitored on a daily basis to ensure that the actual asset allocation of the Pension Plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Hewitt Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

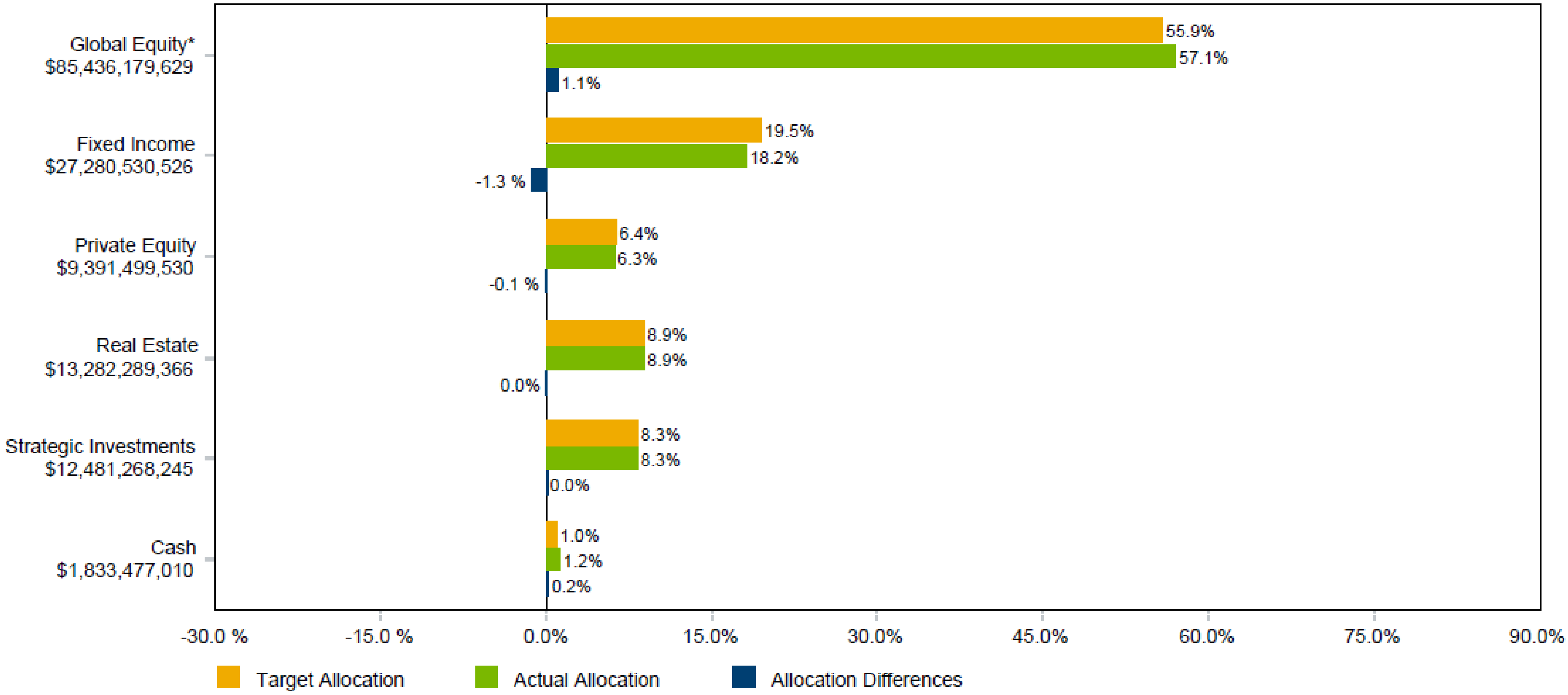
FRS Pension Plan Change in Market Value
Periods Ending 3/31/2017

Summary of Cash Flows		
	First Quarter	Fiscal YTD*
Beginning Market Value	$144,431,235,711	$141,420,636,601
+/- Net Contributions/(Withdrawals)	($1,634,440,286)	($5,160,579,133)
Investment Earnings	$6,908,448,880	$13,445,186,837
= Ending Market Value	$149,705,244,305	$149,705,244,305
Net Change	$5,274,008,594	$8,284,607,704

*Period July 2016 – December 2017

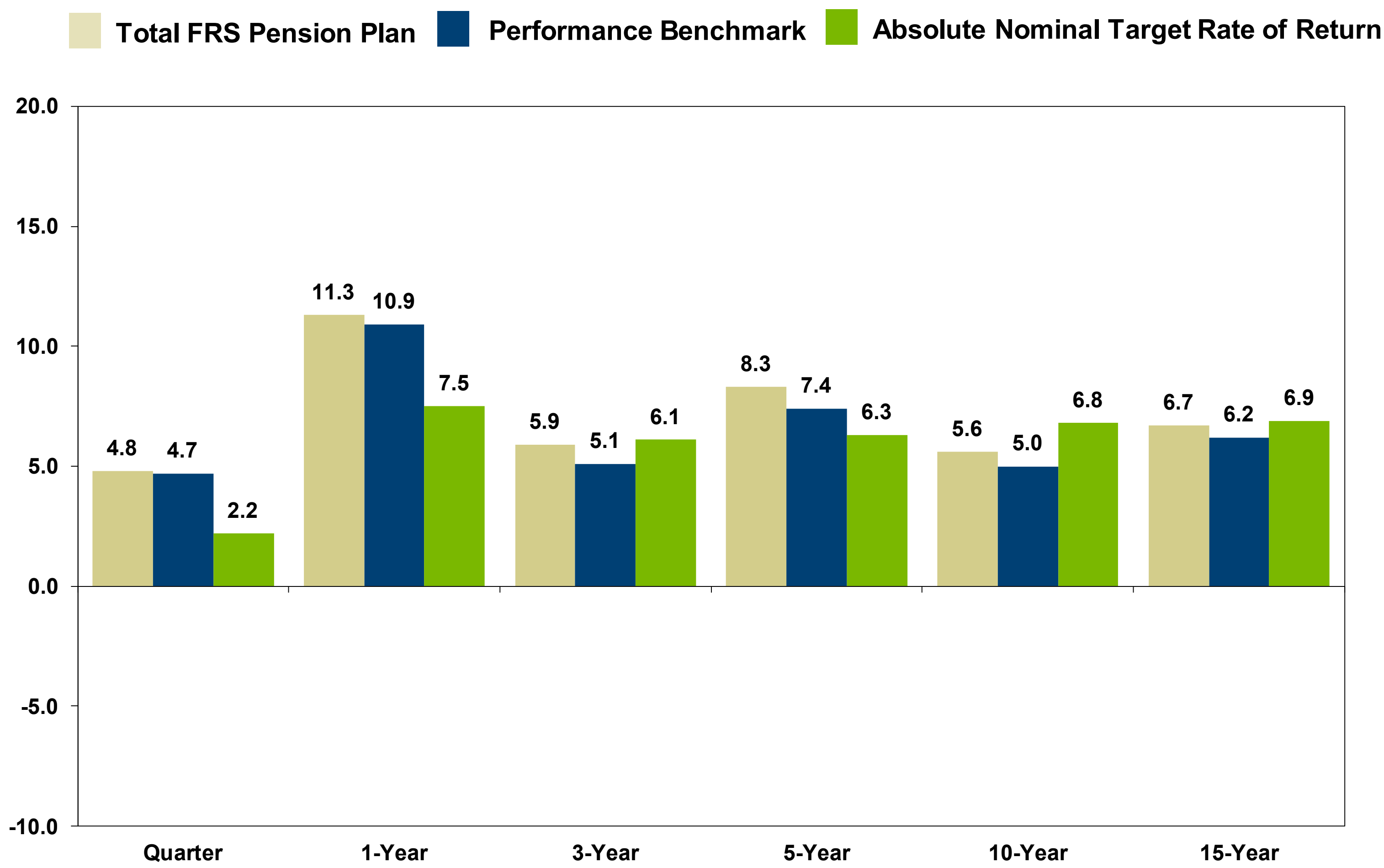
Asset Allocation as of 3/31/2017
Total Fund Assets = $149.7 Billion

	Market Value ($)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	149,705,244,306	100.0	100.0		
Global Equity*	85,436,179,629	57.1	55.9	45.0	70.0
Fixed Income	27,280,530,526	18.2	19.5	10.0	26.0
Private Equity	9,391,499,530	6.3	6.4	2.0	9.0
Real Estate	13,282,289,366	8.9	8.9	4.0	16.0
Strategic Investments	12,481,268,245	8.3	8.3	0.0	16.0
Cash	1,833,477,010	1.2	1.0	0.3	5.0

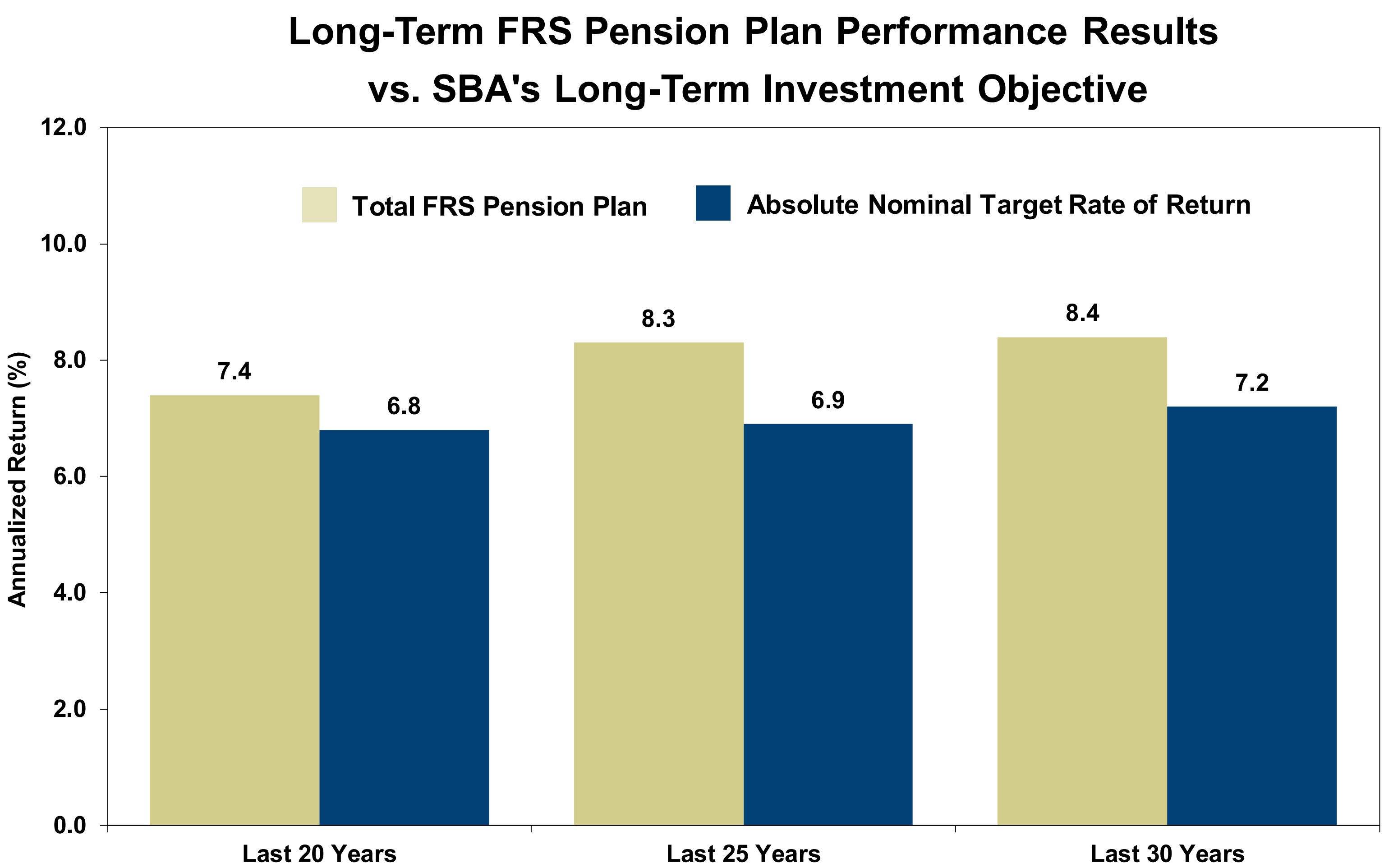


* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

FRS Pension Plan Investment Results
Periods Ending 3/31/2017

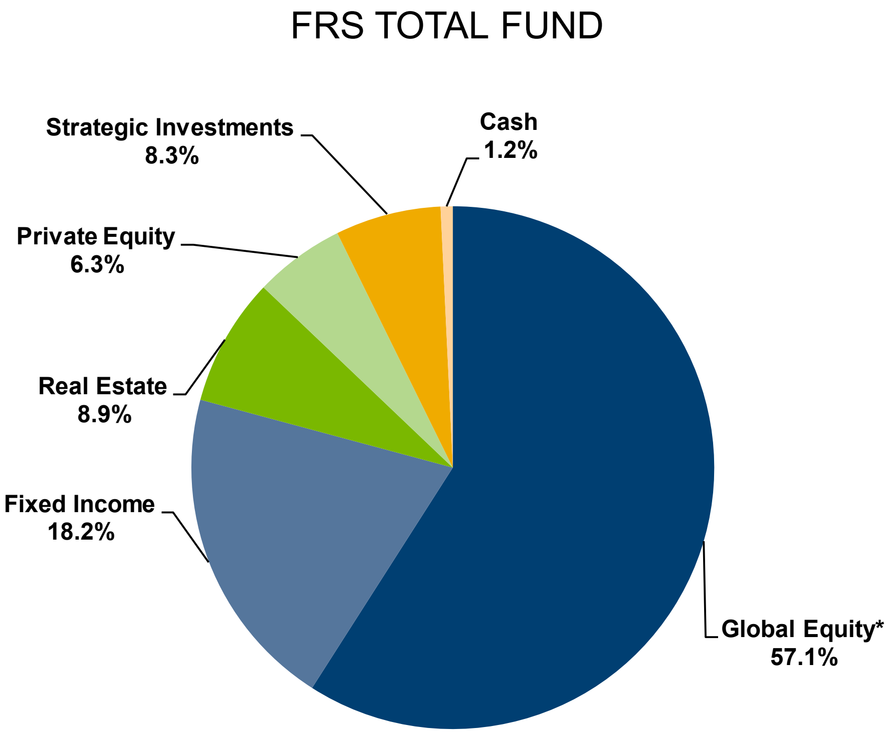


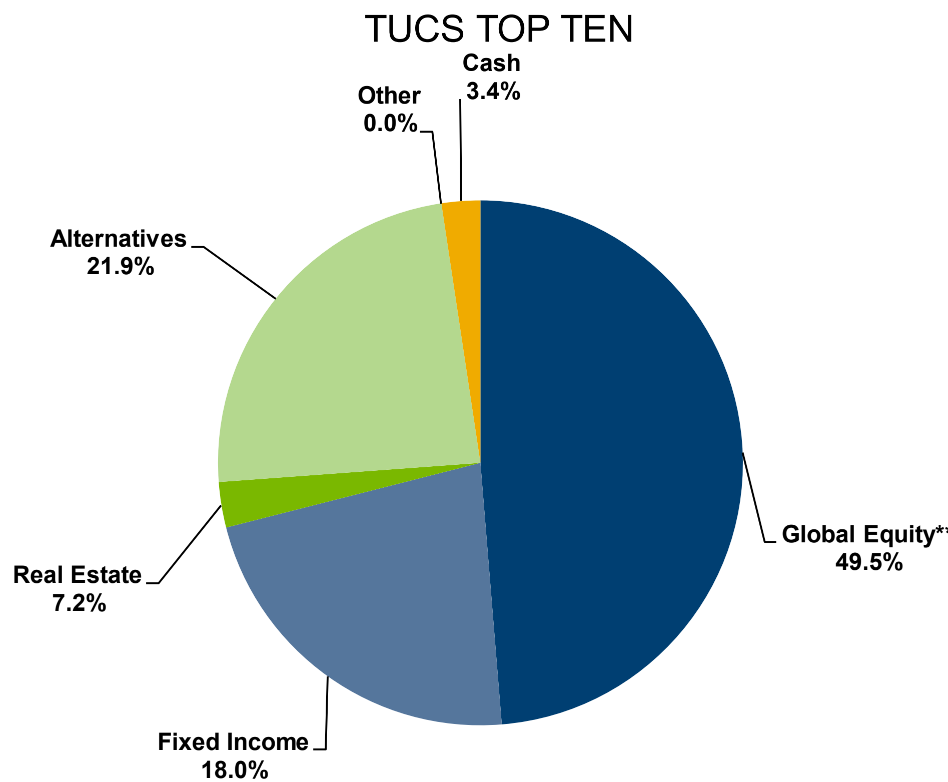
FRS Pension Plan Investment Results
Periods Ending 3/31/2017



Comparison of Asset Allocation (TUCS Top Ten)
As of 3/31/2017

FRS Pension Plan vs. Top Ten Defined Benefit Plans



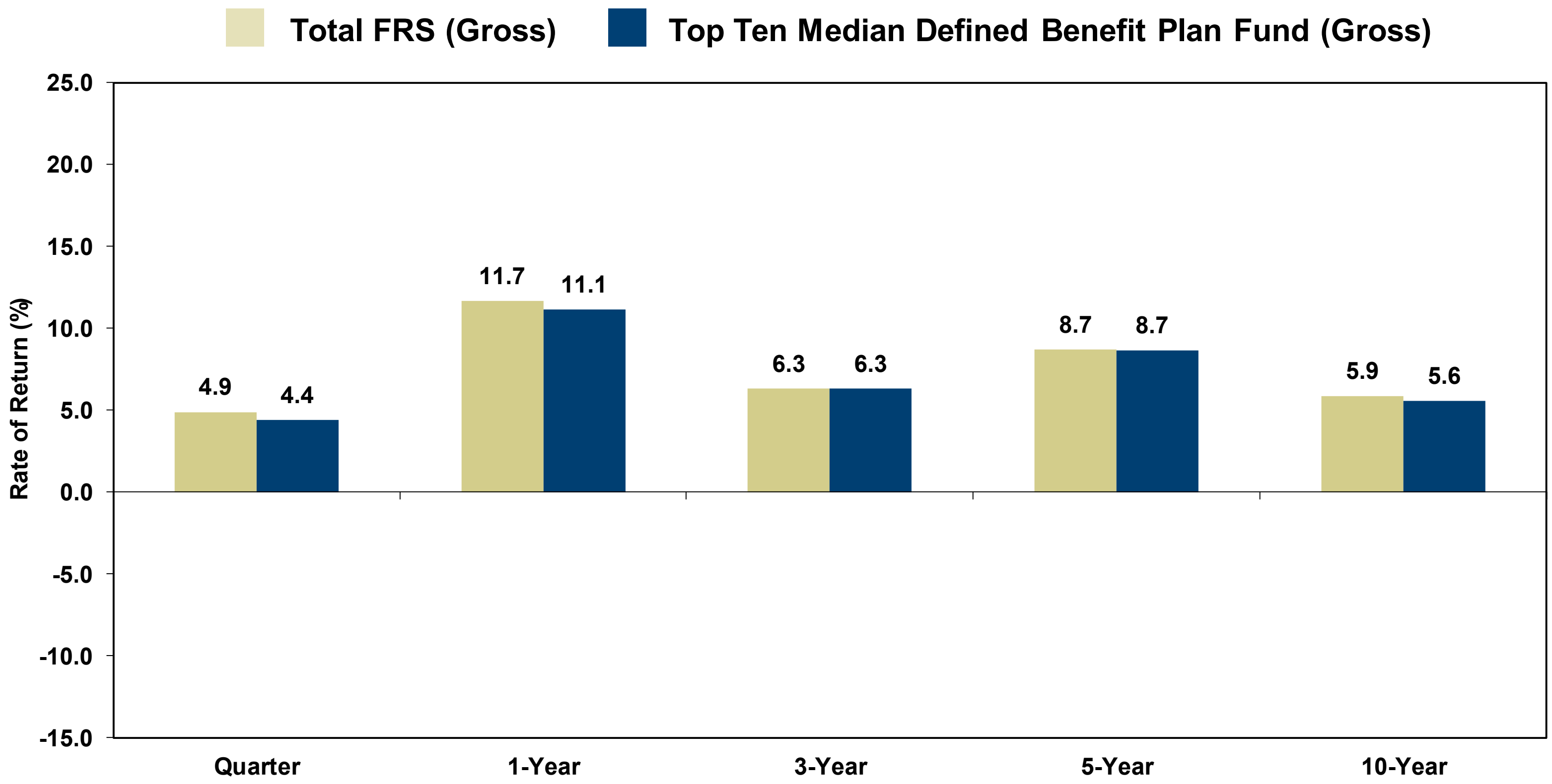


*Global Equity Allocation: 26.8% Domestic Equities; 24.3% Foreign Equities; 5.6% Global Equities; 0.4% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.

**Global Equity Allocation: 29.4% Domestic Equities; 20.1% Foreign Equities.

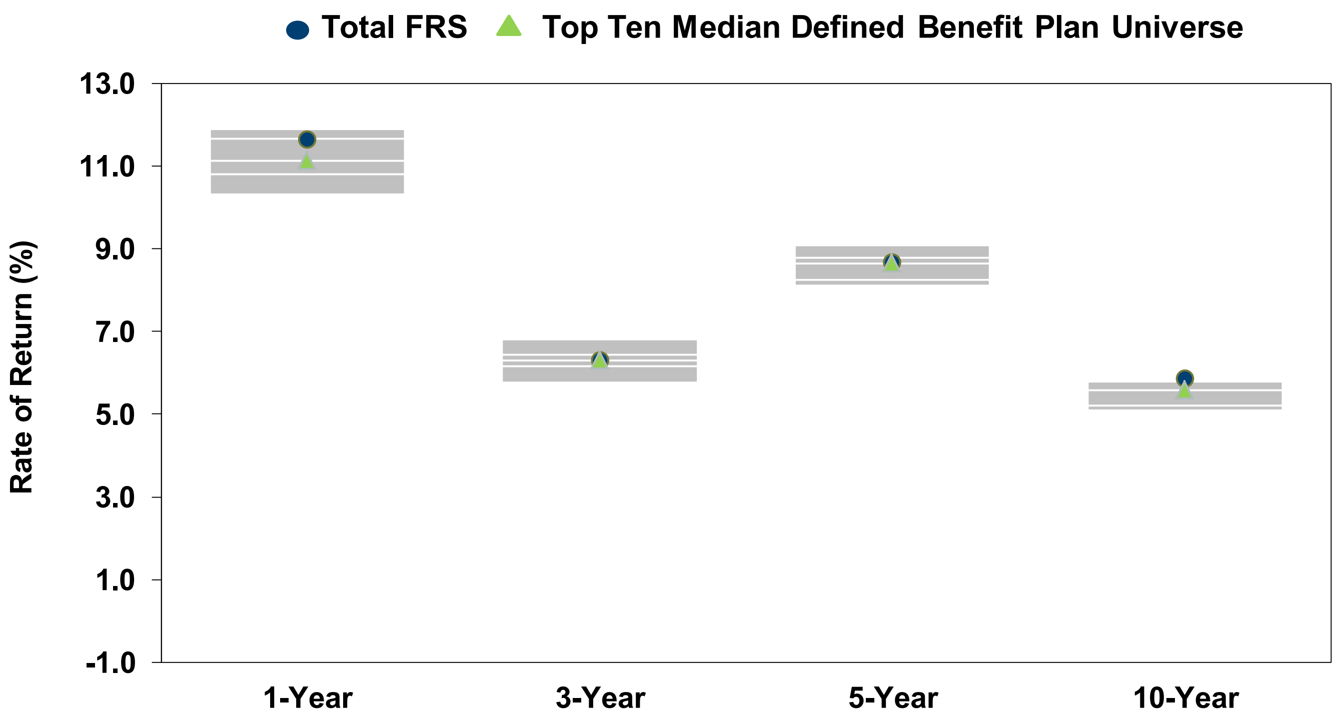
Note: The TUCS Top Ten Universe includes $1,367.0 billion in total assets. The median fund size was $137.9 billion and the average fund size was $136.7 billion.

FRS Results Relative to TUCS Top Ten Defined Benefit Plans
Periods Ending 3/31/2017



Note: The TUCS Top Ten Universe includes $1,367.0 billion in total assets. The median fund size was $137.9 billion and the average fund size was $136.7 billion.

Top Ten Defined Benefit Plans FRS Universe Comparison (TUCS) Periods Ending 3/31/2017



FRS Percentile Ranking	25	62	37	1

Note: The TUCS Top Ten Universe includes $1,367.0 billion in total assets. The median fund size was $137.9 billion and the average fund size was $136.7 billion.

Investment Plan: Executive Summary

- The FRS Investment Plan outperformed the Total Plan Aggregate Benchmark over the trailing one-, three-, five-, and ten-year periods. This suggests strong relative performance of the underlying fund options in which participants are investing.

- The FRS Investment Plan's total expense ratio is slightly higher, on average, when compared to a defined contribution peer group and is lower than the average corporate and public defined benefit plan, based on year-end 2015 data. The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. Communication and education costs are not charged to FRS Investment Plan members; however, these and similar costs may be charged to members of plans within the peer group.

- Management fees are lower than the median as represented by Morningstar's mutual fund universe for every investment category.

- The FRS Investment Plan offers an appropriate number of fund options that span the risk and return spectrum.

- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the FRS Investment Plan are appropriate, taking into consideration the FRS Investment Plan's goals and objectives.

Total Investment Plan Returns & Cost

Periods Ending 3/31/2017*

	One-Year	Three-Year	Five-Year	Ten-Year
FRS Investment Plan	**12.0%**	**4.9%**	**7.0%**	**4.8%**
*Total Plan Aggregate Benchmark***	11.6%	4.8%	6.7%	4.3%
FRS Investment Plan vs. Total Plan Aggregate Benchmark	0.4	0.1	0.3	0.5

Periods Ending 12/31/2015***

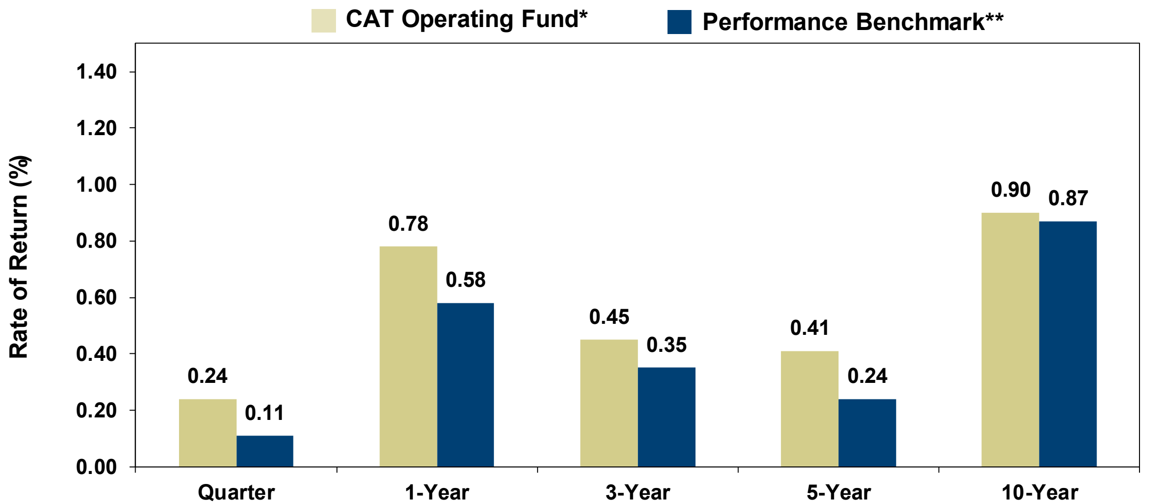
	Five-Year Average Return****	Five-Year Net Value Added	Expense Ratio
FRS Investment Plan	**5.6%**	**0.1%**	**0.36%*******
Peer Group	6.3	0.2	0.27
FRS Investment Plan vs. Peer Group	-0.7	-0.1	0.09

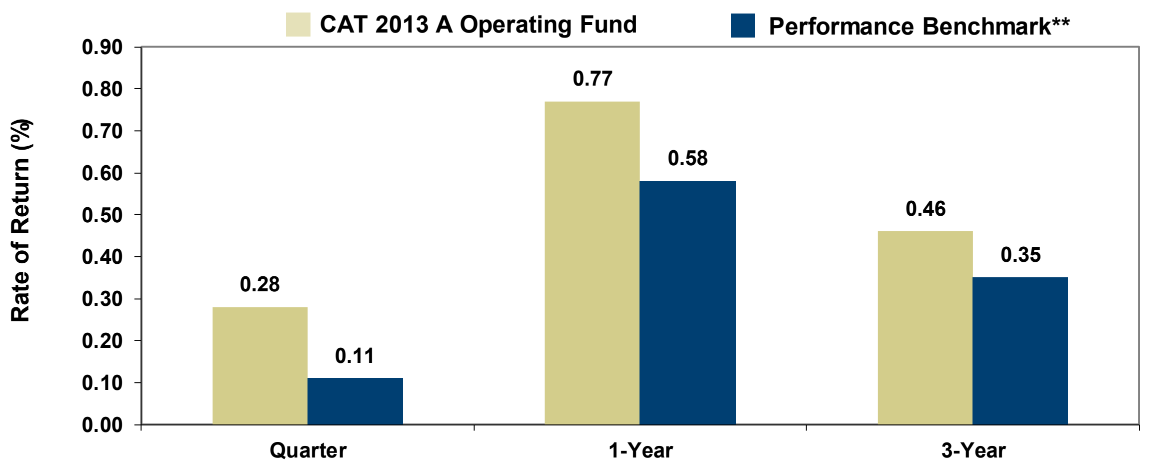
*Returns shown are net of fees.
**Aggregate benchmark returns are an average of the individual portfolio benchmark returns at their actual weights.
***Source: 2015 CEM Benchmarking Report. Peer group for the Five-Year Average Return and Value Added represents the U.S. Median plan return based on the CEM 2015 Survey that included 136 U.S. defined contribution plans with assets ranging from $64 million to $46.4 billion. Peer group for the Expense Ratio represents a custom peer group for FSBA of 15 DC plans including corporate and public plans with assets between $2.1 - $15.9 billion.
****Returns shown are gross of fees.
*****The total FRS Investment Plan expense ratio includes investment management fees, as well as administration, communication and education costs. These latter costs are not charged to FRS Investment Plan members; however, these and similar costs may be charged to members of plans within the peer group utilized above.

CAT Fund: Executive Summary

- Returns on an absolute basis continue to be modest given the current low interest rate environment.
- Performance on a relative basis has been favorable over both short- and long-term periods, as the CAT Funds outperformed during the quarter and over the trailing one-, three-, five-, and ten-year time periods.
- The CAT Funds are adequately diversified across issuers within the short-term bond market.
- The Investment Policy Statement appropriately constrains the CAT Funds to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Adequate liquidity exists to address the cash flow obligations of the CAT Funds.
- The Investment Policy Statement is revisited periodically to ensure that the structure and guidelines of the CAT Funds are appropriate, taking into consideration the CAT Funds' goals and objectives.

CAT Funds Investment Results
Periods Ending 3/31/2017





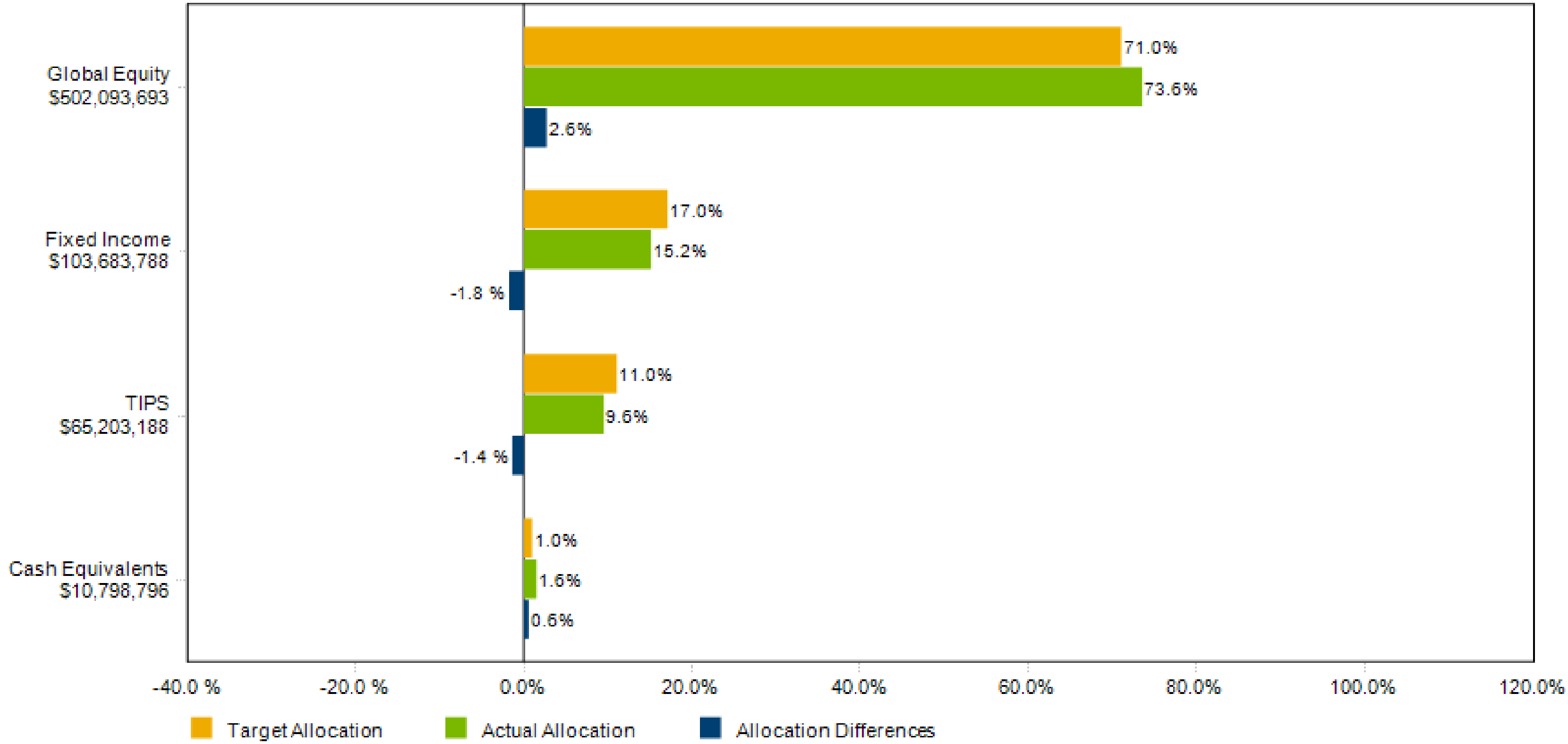
*CAT Operating Fund: Beginning March 2008, the returns for the CAT Fund reflect marked-to-market returns. Prior to that time, cost-based returns are used.
**Performance Benchmark: The CAT Fund was benchmarked to the IBC First Tier through February 2008. From March 2008 to December 2009, it was the Merrill Lynch 1-Month LIBOR. From January 2010 to June 2010, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. From July 2010 to September 2014, it was a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Funds Net Index. Effective October 2014, it is a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.

Lawton Chiles Endowment Fund: Executive Summary

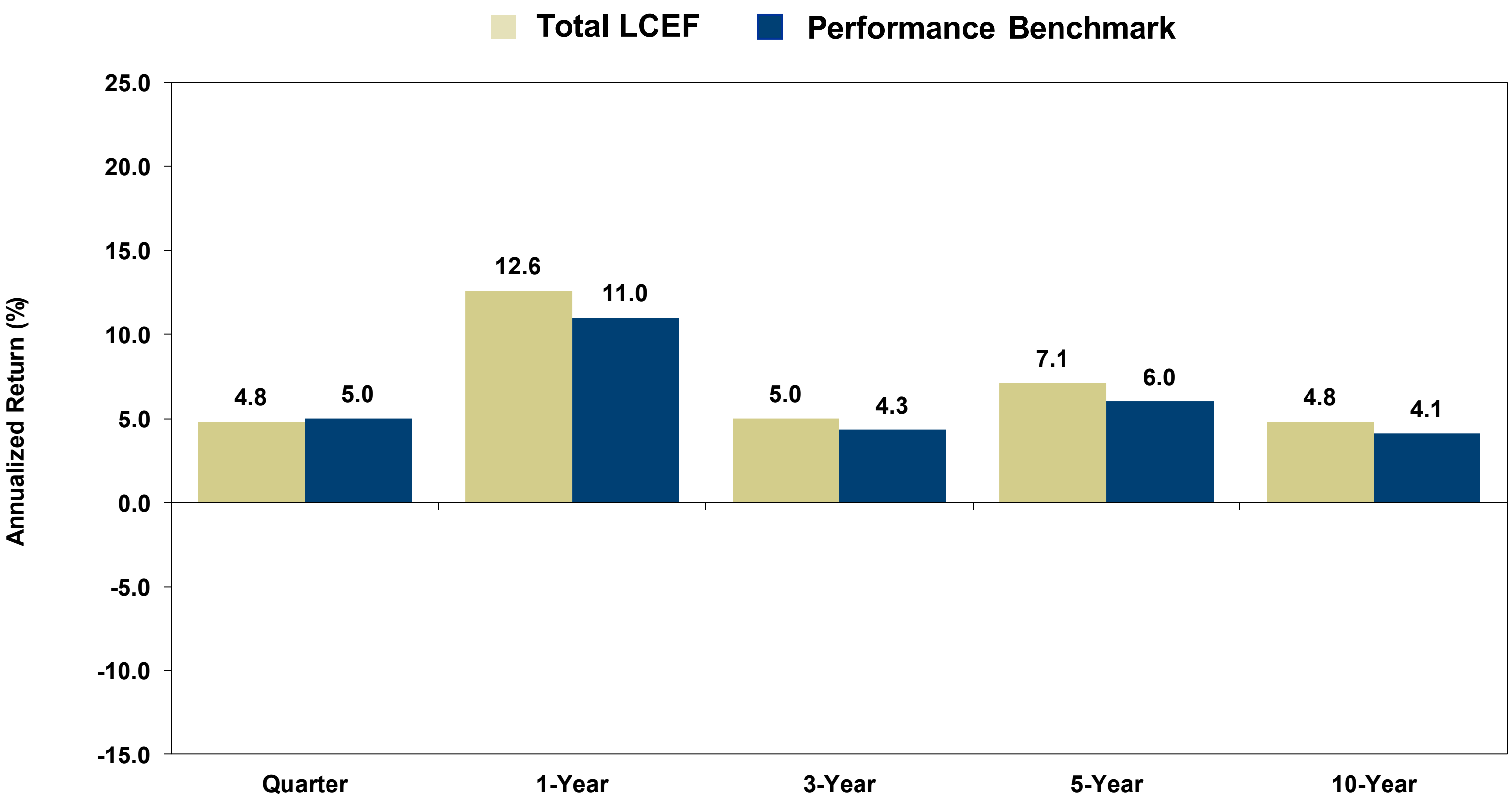
- Established in July 1999, the Lawton Chiles Endowment Fund (LCEF) was created to provide a source of funding for child health and welfare programs, elder programs and research related to tobacco use.
  - The investment objective is to preserve the real value of the net contributed principal and provide annual cash flows for appropriation.
  - The Endowment's investments are diversified across various asset classes including global equity, fixed income, inflation-indexed bonds (TIPS) and cash.
- The Endowment assets totaled $681.8 million as of March 31, 2017.
- The Endowment's return trailed its Target during the first quarter but outperformed its Target over the trailing one-, three-, five-, and ten-year time periods.

Asset Allocation as of 3/31/2017
Total LCEF Assets = $681.8 Million

	Market Value ($)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
LCEF Total Fund	681,779,465	100.0	100.0		
Global Equity	502,093,693	73.6	71.0	61.0	81.0
Fixed Income	103,683,788	15.2	17.0	12.0	22.0
TIPS	65,203,188	9.6	11.0	6.0	16.0
Cash Equivalents	10,798,796	1.6	1.0	0.0	10.0



LCEF Investment Results
Periods Ending 3/31/2017



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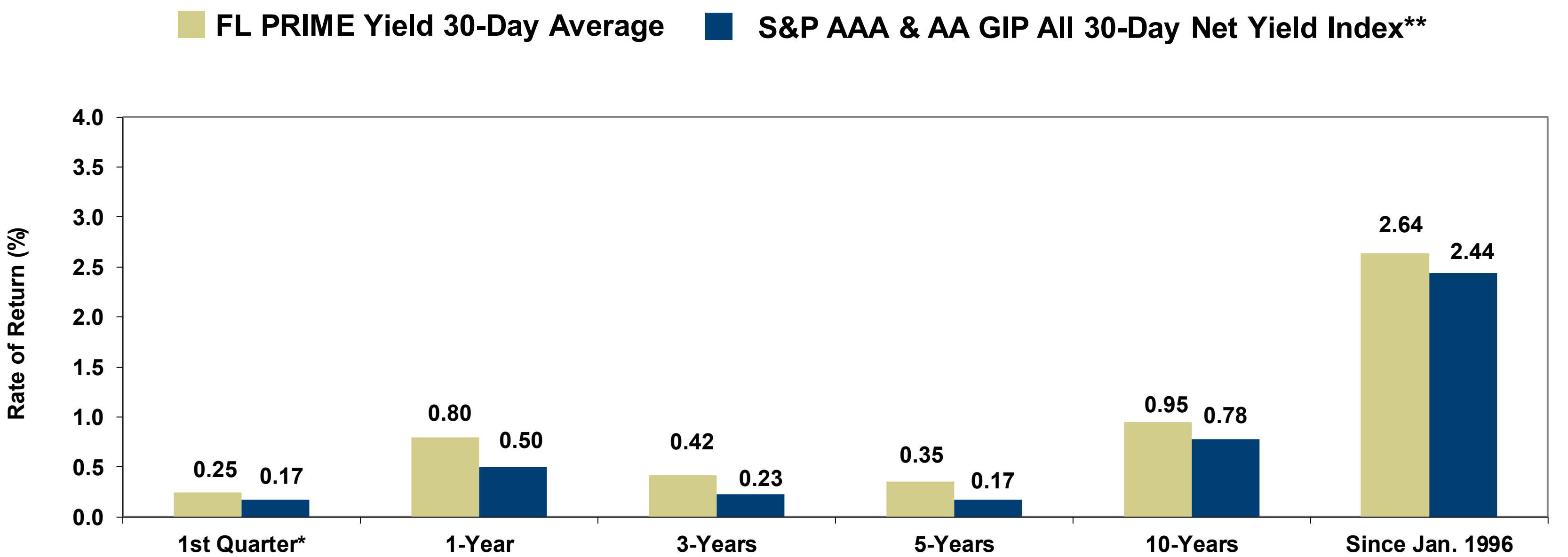
Florida PRIME: Executive Summary

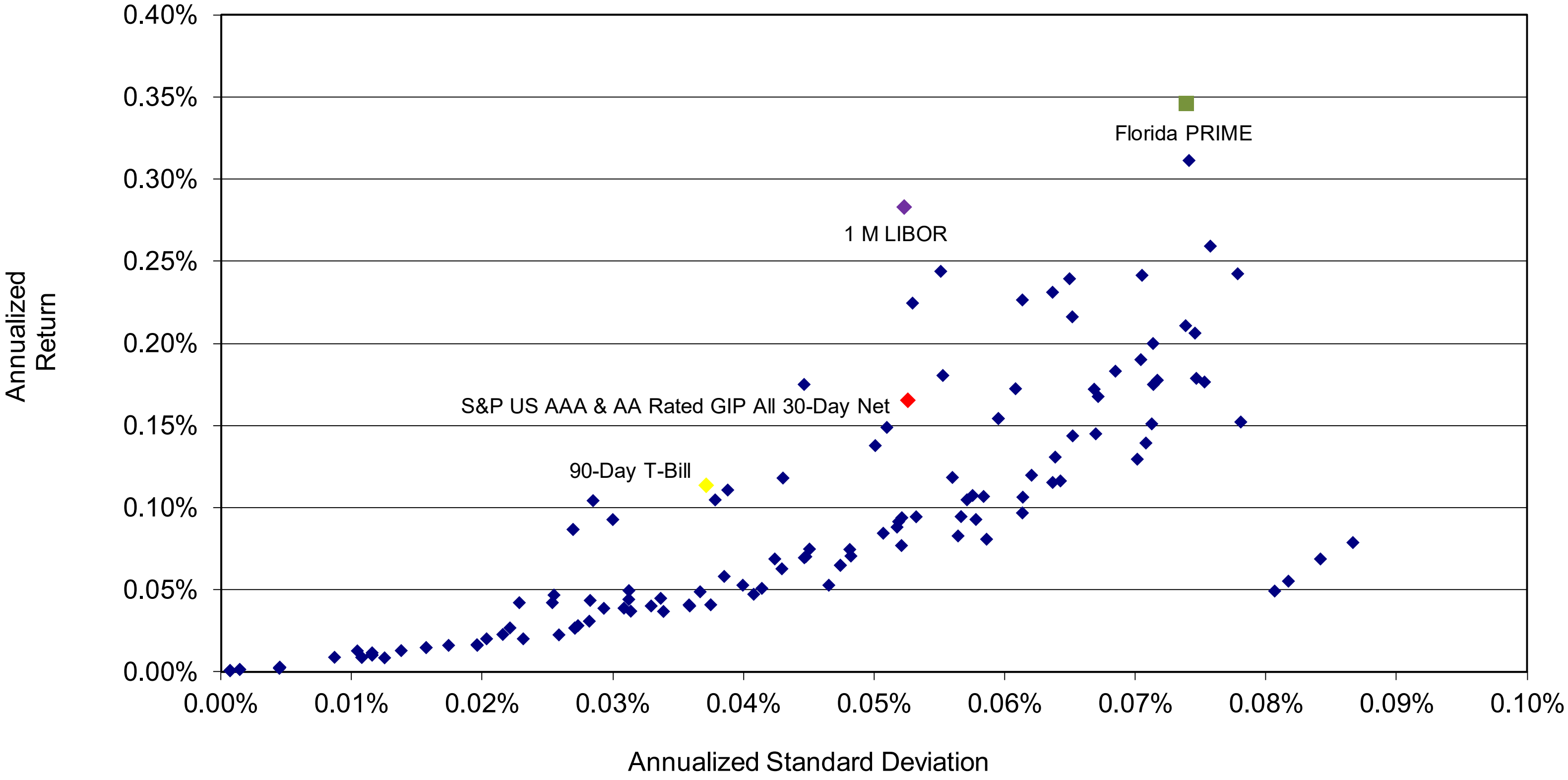
- The purpose of Florida PRIME is safety, liquidity, and competitive returns with minimal risk for participants.
- The Investment Policy Statement appropriately constrains Florida PRIME to invest in short-term and high quality bonds to minimize both interest rate and credit risk.
- Florida PRIME is adequately diversified across issuers within the short-term bond market, and adequate liquidity exists to address the cash flow obligations of Florida PRIME.
- Performance of Florida PRIME has been strong over short- and long-term time periods, outperforming its performance benchmark during the first quarter and over the trailing one-, three-, five-, and ten-year time periods.
- As of March 31, 2017, the total market value of Florida PRIME was $10.3 billion.
- Aon Hewitt Investment Consulting, in conjunction with SBA staff, compiles an annual best practices report that includes a full review of the Investment Policy Statement, operational items, and investment structure for Florida PRIME.

Florida PRIME Investment Results
Periods Ending 3/31/2017

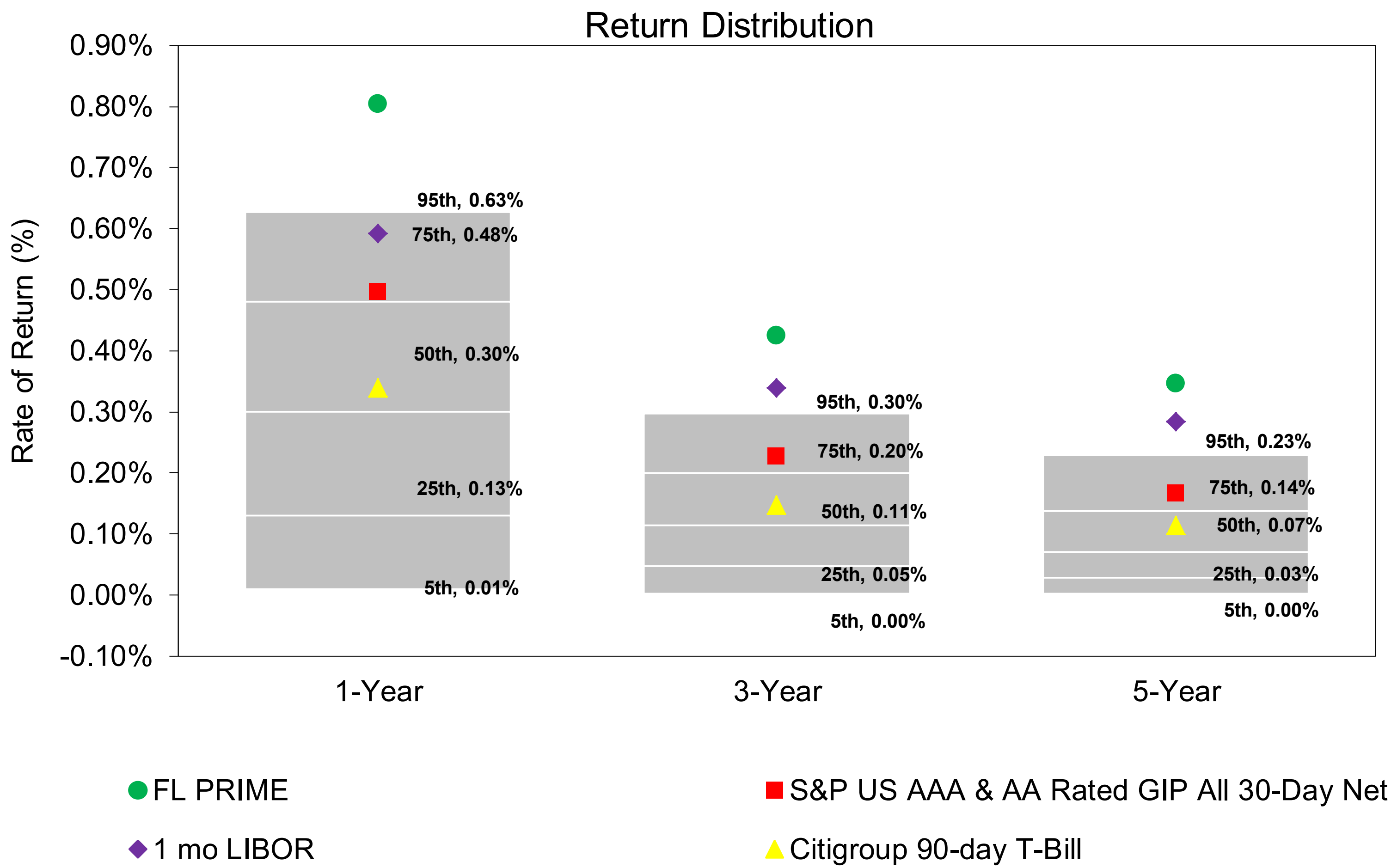


*Returns less than one year are not annualized.
**S&P AAA & AA GIP All 30-Day Net Yield Index for all time periods shown.

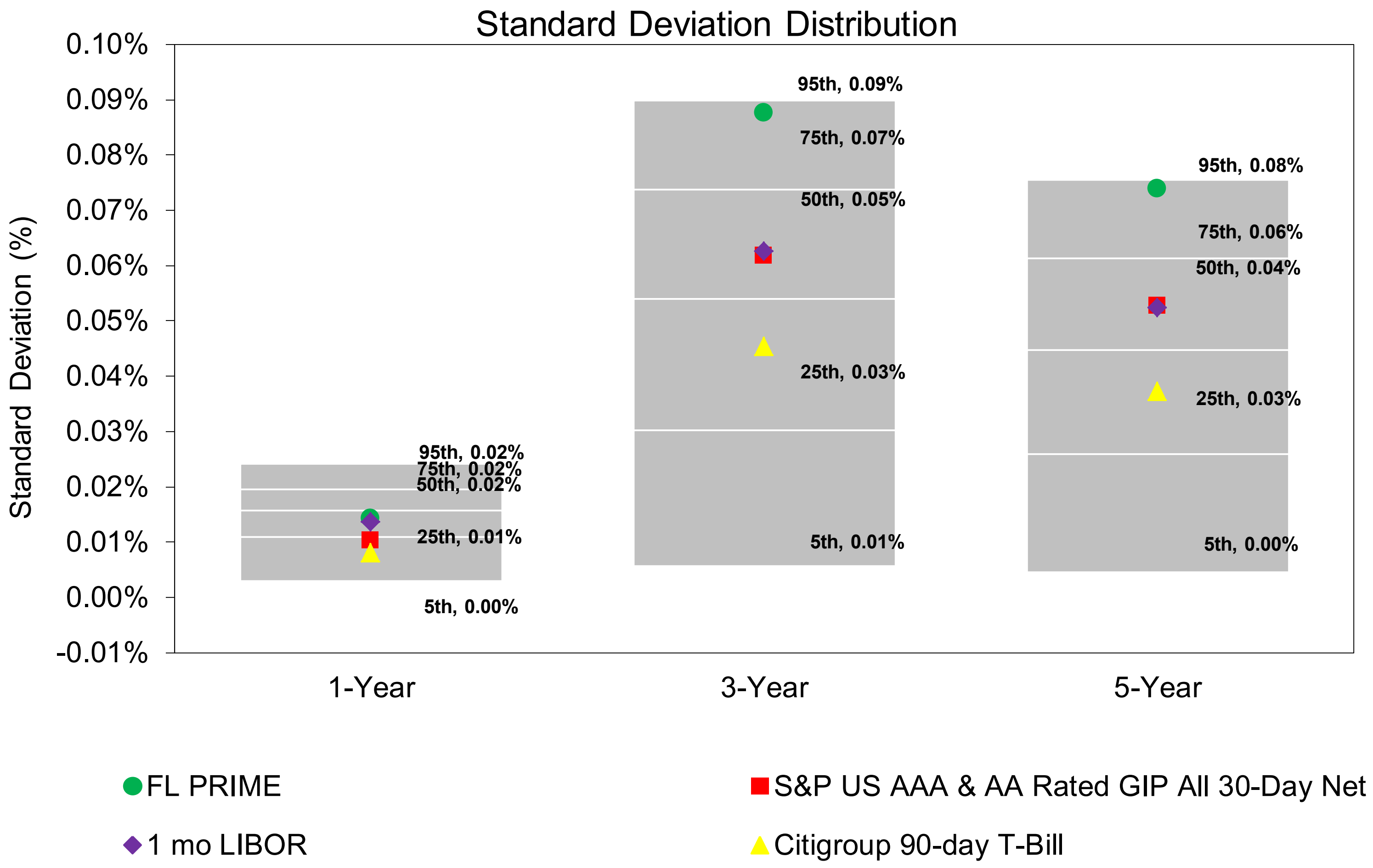
Florida PRIME Risk vs. Return
5 Years Ending 3/31/2017



Return Distribution
Periods Ending 3/31/2017



Standard Deviation Distribution
Periods Ending 3/31/2017



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Appendix

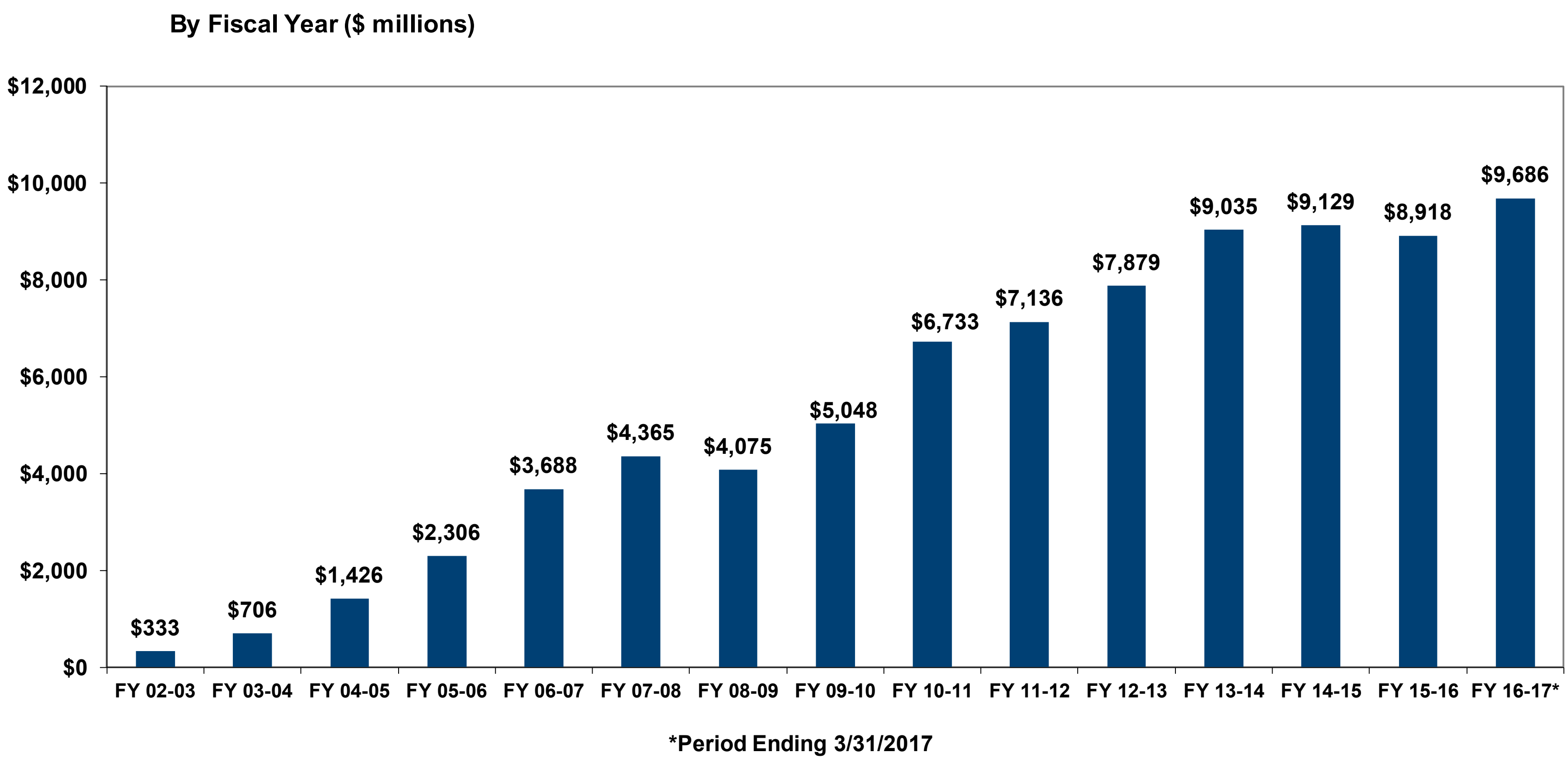
FRS Investment Plan Costs

Investment Category	Investment Plan Fee*	Average Mutual Fund Fee**
Large Cap Equity	0.15%	0.84%
Small-Mid Cap Equity	0.66%	1.03%
International Equity	0.31%	1.05%
Diversified Bonds	0.15%	0.58%
Target Date	0.10%	0.64%
Money Market	0.06%	0.18%

*Average fee of multiple products in category as of 3/31/2017.

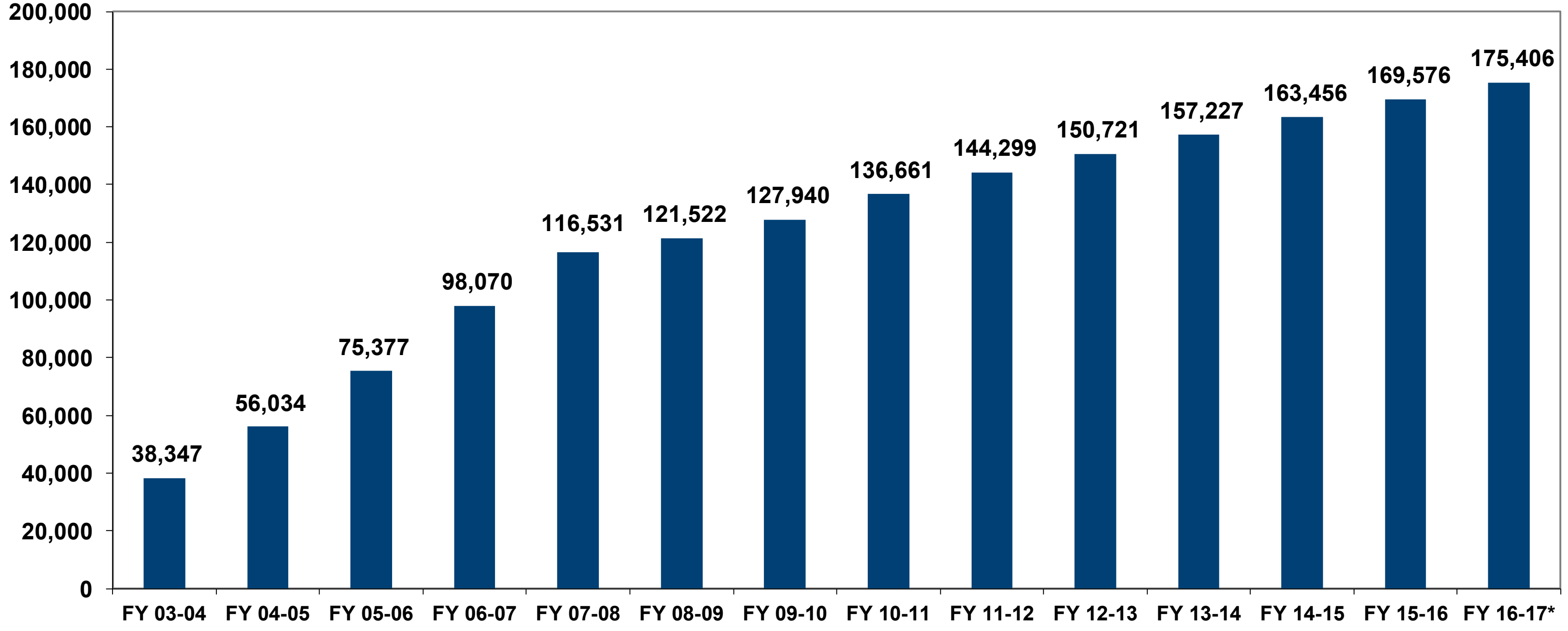
**Source: AHIC's annual mutual fund expense analysis as of 12/31/2016.

Investment Plan Fiscal Year End Assets Under Management



Source: Investment Plan Administrator

Investment Plan Membership



***Period Ending 3/31/2017**

Source: Investment Plan Administrator

Florida Hurricane Catastrophe Fund Background

- The purpose of the Florida Hurricane Catastrophe Fund (FHCF) is to provide a stable, ongoing and timely source of reimbursement to insurers for a portion of their hurricane losses.
- Both the CAT Fund (Operating Fund) and the CAT 2013 A Fund are internally managed portfolios benchmarked to a blend of the average of the Merrill Lynch 1-Yr US Treasury Bill Index and the iMoneyNet First Tier Institutional Money Market Funds Net Index.
- As of March 31, 2017, the total value of all FHCF accounts was $16.5 billion.

CAT Operating Fund Characteristics
Period Ending 3/31/2017

Maturity Analysis	
1 to 30 Days	24.4%
31 to 60 Days	15.9
61 to 90 Days	11.0
91 to 120 Days	6.2
121 to 150 Days	7.5
151 to 180 Days	1.8
181 to 270 Days	7.3
271 to 365 Days	7.3
366 to 455 Days	1.5
>= 456 Days	17.2
Total % of Portfolio:	**100.0%**

Bond Rating Analysis	
AAA	36.8%
AA	39.1
A	24.1
Baa	0.0
Other	0.0
Total % of Portfolio:	**100.0%**

CAT 2013 A Fund Characteristics
Period Ending 3/31/2017

Maturity Analysis	
1 to 30 Days	13.9%
31 to 60 Days	9.5
61 to 90 Days	12.8
91 to 120 Days	10.8
121 to 150 Days	5.8
151 to 180 Days	2.8
181 to 270 Days	14.5
271 to 365 Days	5.0
366 to 455 Days	3.3
>= 456 Days	21.8
Total % of Portfolio:	**100.0%**

Bond Rating Analysis	
AAA	61.6%
AA	20.6
A	17.8
Baa	0.0
Other	0.0
Total % of Portfolio:	**100.0%**

CAT 2016 A Fund Characteristics
Period Ending 3/31/2017

Maturity Analysis	
1 to 30 Days	9.5%
31 to 60 Days	10.2
61 to 90 Days	21.3
91 to 120 Days	5.2
121 to 150 Days	5.6
151 to 180 Days	6.2
181 to 270 Days	13.1
271 to 365 Days	6.6
366 to 455 Days	2.1
>= 456 Days	20.1
Total % of Portfolio:	**100.0%**

Bond Rating Analysis	
AAA	59.6%
AA	27.8
A	12.6
Baa	0.0
Other	0.0
Total % of Portfolio:	**100.0%**

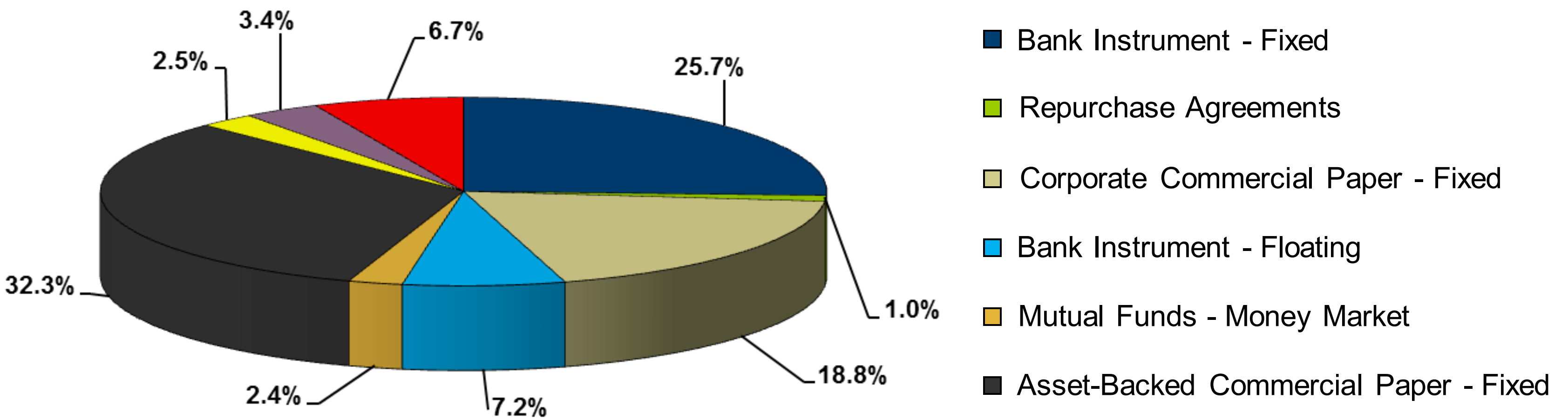
Florida PRIME Characteristics
Quarter Ending 3/31/2017

Cash Flows as of 3/31/2017	First Quarter	Fiscal YTD*
Opening Balance	$10,547,892,586	$7,789,430,976
Participant Deposits	$3,973,396,448	$16,236,458,846
Gross Earnings	$26,656,580	$57,577,780
Participant Withdrawals	($4,292,132,521)	($13,827,654,511)
Fees	($625,088)	($625,088)
Closing Balance (3/31/2017)	$10,255,188,006	$10,255,188,006
Change	**($292,704,580)**	**$2,465,757,030**

*Period July 2016 – March 2017

Florida PRIME Characteristics
Quarter Ending 3/31/2017

Portfolio Composition



Florida PRIME Characteristics
Period Ending 3/31/2017

Effective Maturity Schedule	
1-7 Days	39.4%
8 - 30 Days	23.0%
31 - 90 Days	25.9%
91 - 180 Days	7.2%
181+ Days	4.5%
Total % of Portfolio:	**100.0%**

S & P Credit Quality Composition	
A-1+	61.4%
A-1	38.6%
Total % of Portfolio:	**100.0%**

FRS Pension Plan | First Quarter 2017

Quarterly Investment Review

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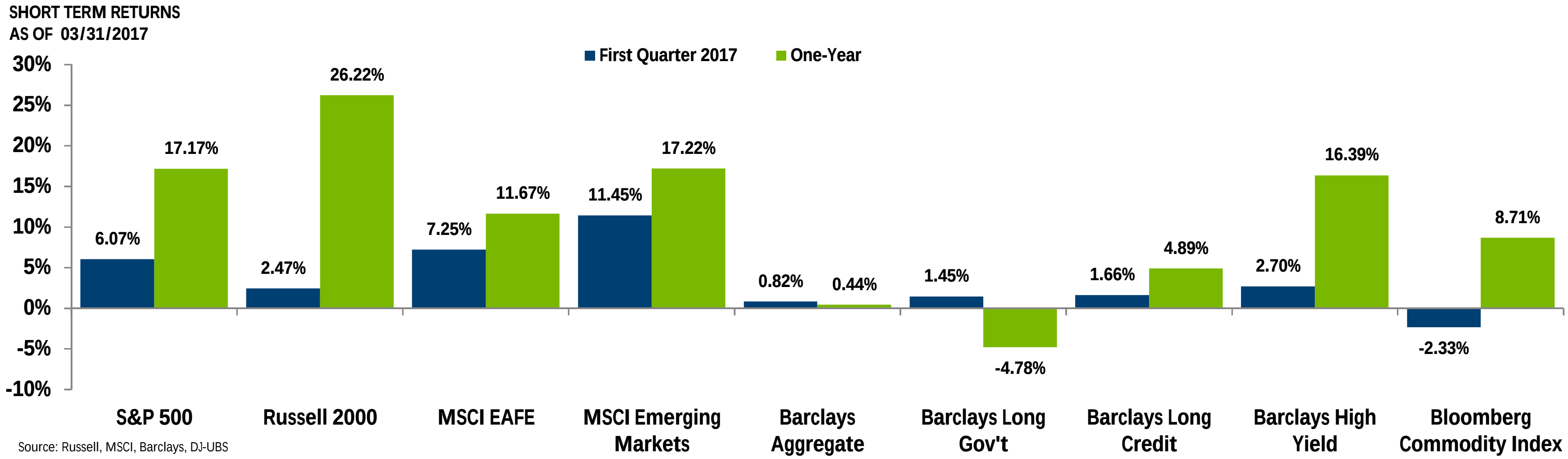
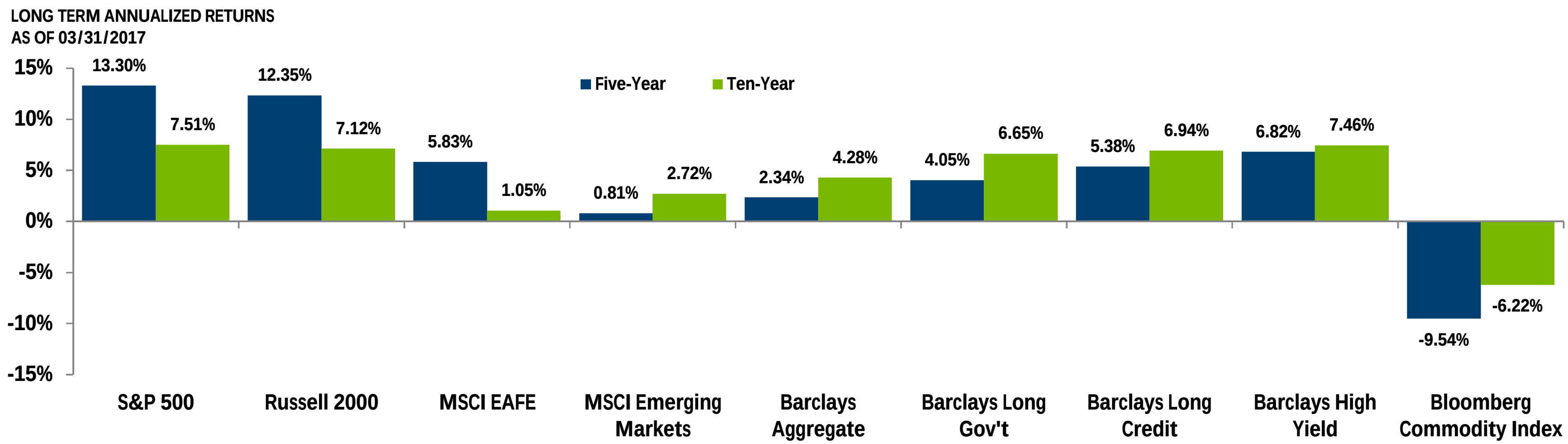
Market Environment

Market Highlights



Source: Russell, MSCI, Barclays, DJ-UBS



Source: Russell, MSCI, Barclays, DJ-UBS

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Market Highlights

Returns of the Major Capital Markets					
					Periods Ending 03/31/2017
	First Quarter	**1-Year**	**3-Year[1]**	**5-Year[1]**	**10-Year[1]**
Equity					
MSCI All Country World IMI	6.79%	15.37%	5.07%	8.55%	4.23%
MSCI All Country World	6.91%	15.04%	5.08%	8.37%	4.00%
Dow Jones U.S. Total Stock Market	5.79%	18.06%	9.68%	13.11%	7.63%
Russell 3000	5.74%	18.07%	9.76%	13.18%	7.54%
S&P 500	6.07%	17.17%	10.37%	13.30%	7.51%
Russell 2000	2.47%	26.22%	7.22%	12.35%	7.12%
MSCI All Country World ex-U.S. IMI	7.99%	13.01%	0.82%	4.66%	1.59%
MSCI All Country World ex-U.S.	7.86%	13.14%	0.56%	4.36%	1.35%
MSCI EAFE	7.25%	11.67%	0.50%	5.83%	1.05%
MSCI EAFE (Local Currency)	4.71%	18.01%	7.26%	10.70%	2.33%
MSCI Emerging Markets	11.45%	17.22%	1.18%	0.81%	2.72%
Fixed Income					
Barclays Global Aggregate	1.76%	-1.90%	-0.39%	0.38%	3.34%
Barclays Aggregate	0.82%	0.44%	2.68%	2.34%	4.28%
Barclays Long Gov't	1.45%	-4.78%	5.81%	4.05%	6.65%
Barclays Long Credit	1.66%	4.89%	5.40%	5.38%	6.94%
Barclays Long Gov't/Credit	1.58%	0.98%	5.47%	4.84%	6.92%
Barclays US TIPS	1.26%	1.48%	2.03%	0.97%	4.24%
Barclays High Yield	2.70%	16.39%	4.57%	6.82%	7.46%
Citi Group Non-U.S. WGBI	2.02%	-4.79%	-2.56%	-1.50%	2.64%
JP Morgan EMBI Global (Emerging Markets)	3.90%	8.82%	5.73%	5.25%	6.91%
Commodities					
Bloomberg Commodity Index	-2.33%	8.71%	-13.91%	-9.54%	-6.22%
Goldman Sachs Commodity Index	-5.05%	8.45%	-22.71%	-15.00%	-9.04%
Hedge Funds					
HFRI Fund-Weighted Composite[2]	2.39%	8.61%	2.82%	4.03%	3.31%
HFRI Fund of Funds[2]	2.33%	6.17%	1.78%	3.21%	1.23%
Real Estate					
NAREIT U.S. Equity REITS	1.16%	3.56%	10.26%	9.99%	4.85%
NCREIF NFI - ODCE[3]	1.77%	8.33%	11.79%	11.98%	5.59%
Private Equity					
Burgiss Private iQ Global Private Equity[4]	NA	3.40%	11.52%	10.04%	10.12%
Infrastructure					
FTSE Global Core Infrastructure	6.19%	7.90%	3.62%	6.45%	3.15%

MSCI Indices show net returns.
All other indices show total returns.

[1] Periods are annualized.
[2] Latest 5 months of HFR data are estimated by HFR and may change in the future.
3 Fourth quarter results are preliminary.
4 Source: Burgiss Private iQ. Benchmark is as of 06/30/2016.

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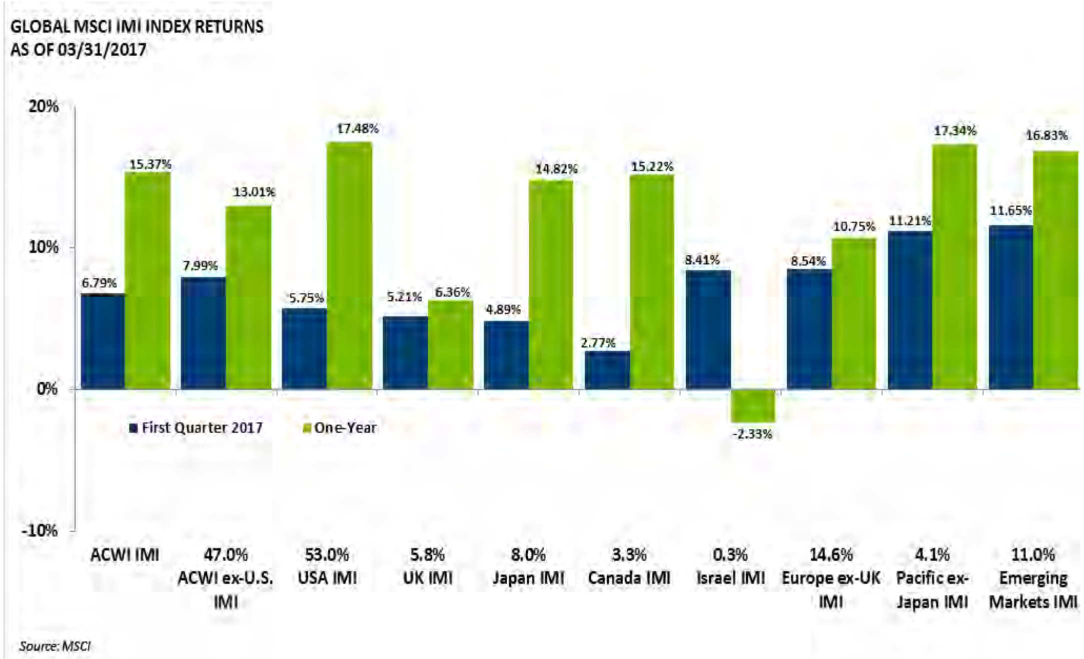
Global Equity Markets



- The "reflation trade" that drove global equity markets higher last quarter was bolstered in Q1 by a continuation of improving economic fundamentals across regions. Global equities (measured by the MSCI All Country World Index) returned 5.8% in local currency terms. Momentum in equity markets, however, waned towards the end of the quarter as the US administration's struggles to revise healthcare reform led to more realistic expectations for pro-growth policies.
- All regions generated positive returns with Emerging Markets being the strongest performing region, rebounding from underperformance late in 2016. Despite an uncertain outlook for the region given the protectionist stance from the US administration, strong capital inflows and improving macroeconomic fundamentals led EM equities higher. A weaker US dollar tone also acted as a tailwind for the region.

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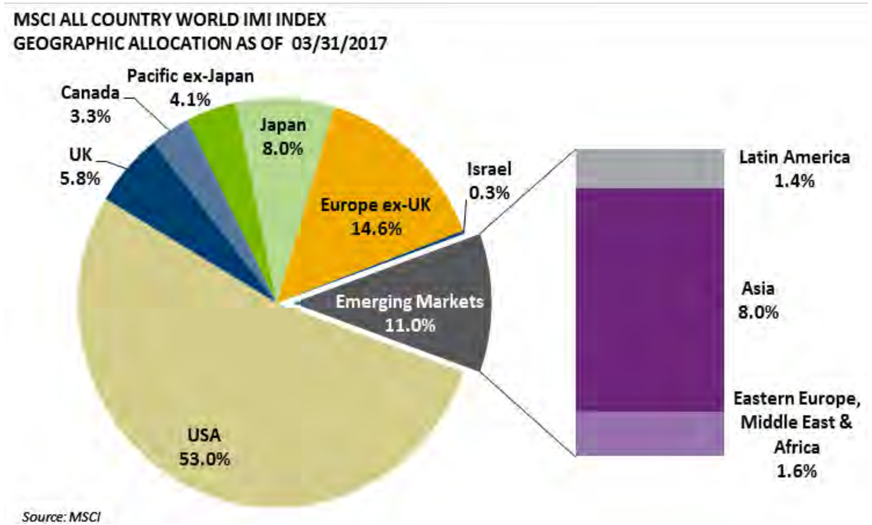
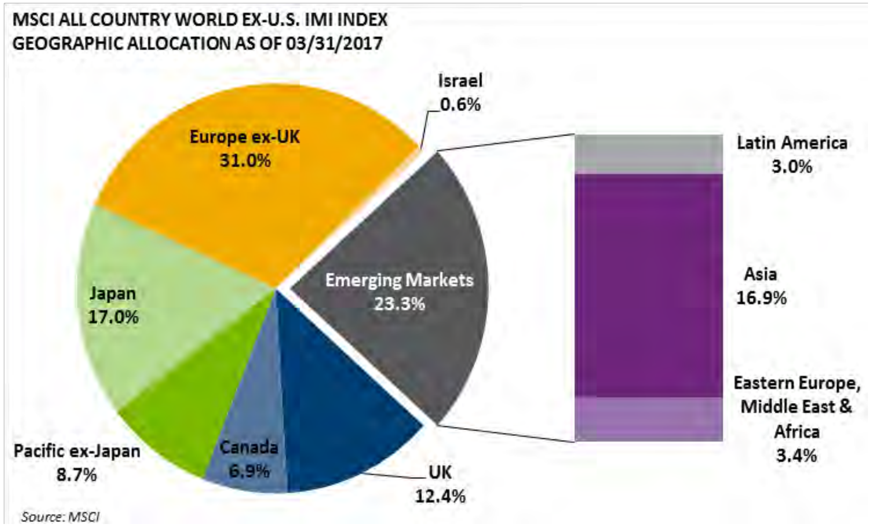
Global Equity Markets





- The two exhibits on this slide illustrate the percentage that each country/region represents of the global equity market as measured by the MSCI All Country World IMI Index and the MSCI All Country World ex-U.S. IMI Index.

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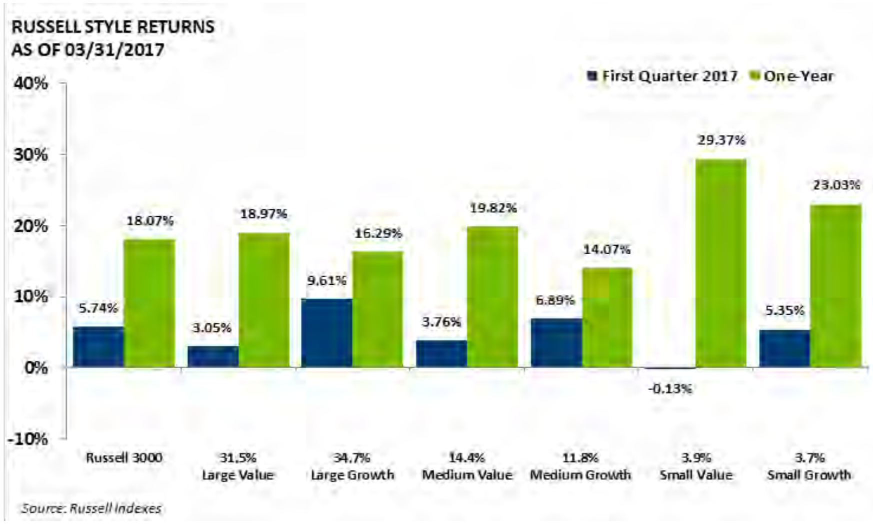

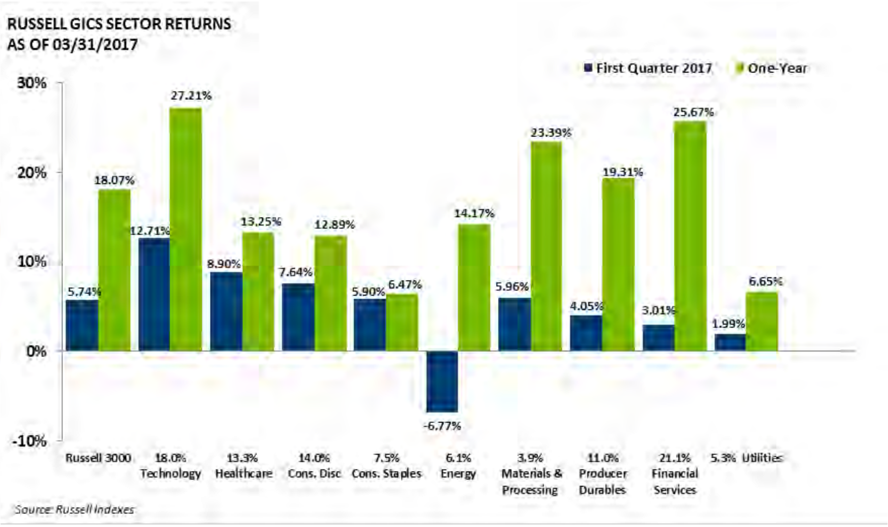

- The Russell 3000 Index returned 5.74% during the first quarter and returned 18.07% over the one-year period.
- During the first quarter and over the one-year period, the technology sector was the strongest performer, posting returns of 12.71% and 27.21% respectively. The energy sector was the weakest performer and the only sector which posted negative returns in Q1 2017; falling 6.77%.
- Performance across the market capitalization spectrum was mostly positive over the quarter. Small cap stocks, across both Value and Growth equity styles, underperformed relative to their large and mid-cap peers. Across all capitalizations, Growth stocks outperformed Value stocks over the first quarter of 2017.

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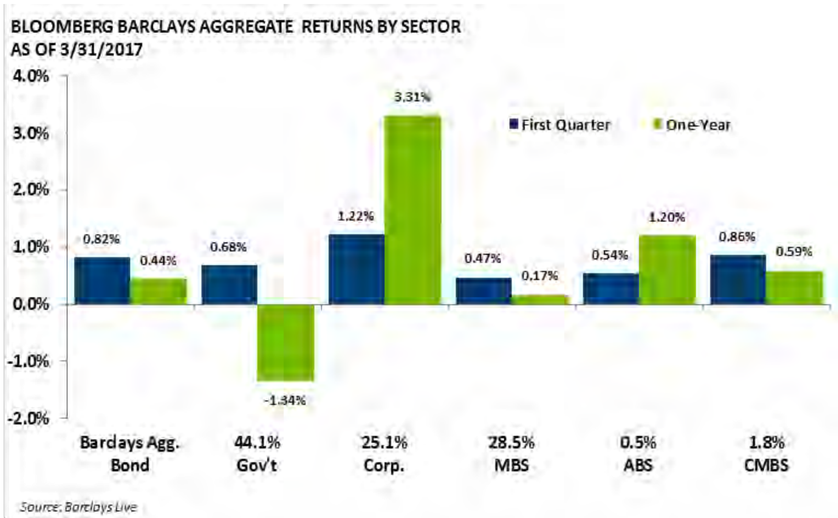
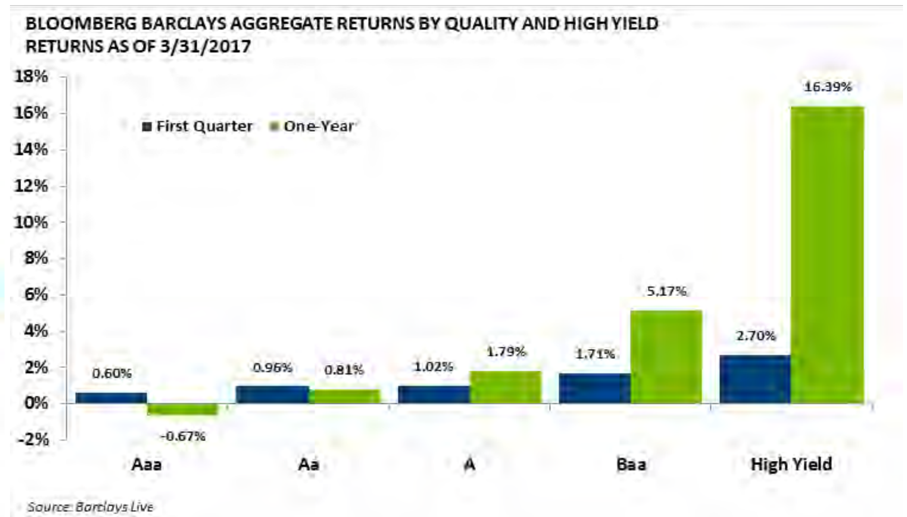
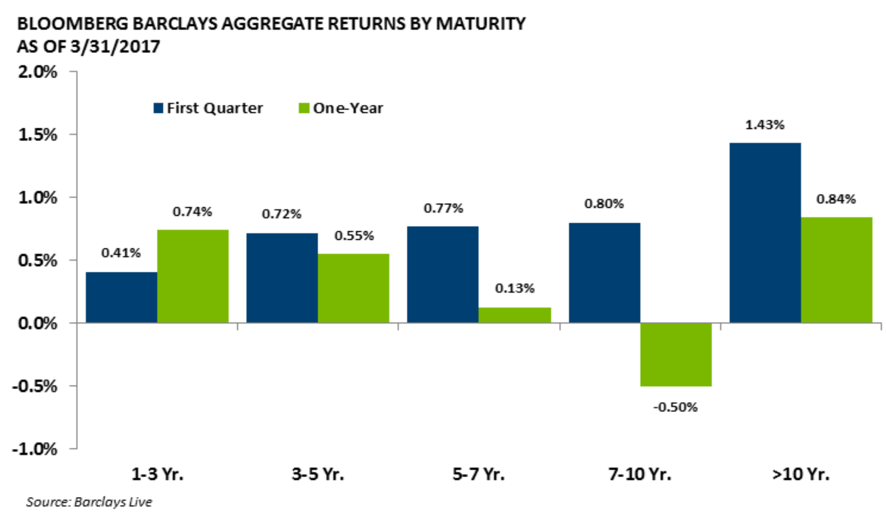




- The Bloomberg Barclays Aggregate Bond returned 0.82% in the first quarter of 2017. Corporate bonds returned the most at 1.22% while Mortgage Backed Securities returned the least at only 0.47%.
- High yield bonds outperformed investment grade corporate bonds across different credit qualities, as High Yield bond spreads fell by 26 basis points whilst changes in investment grade corporate bond spreads were more muted.
- Longest duration bonds outperformed all bonds of lower maturities, as the yield curve flattened over the quarter.



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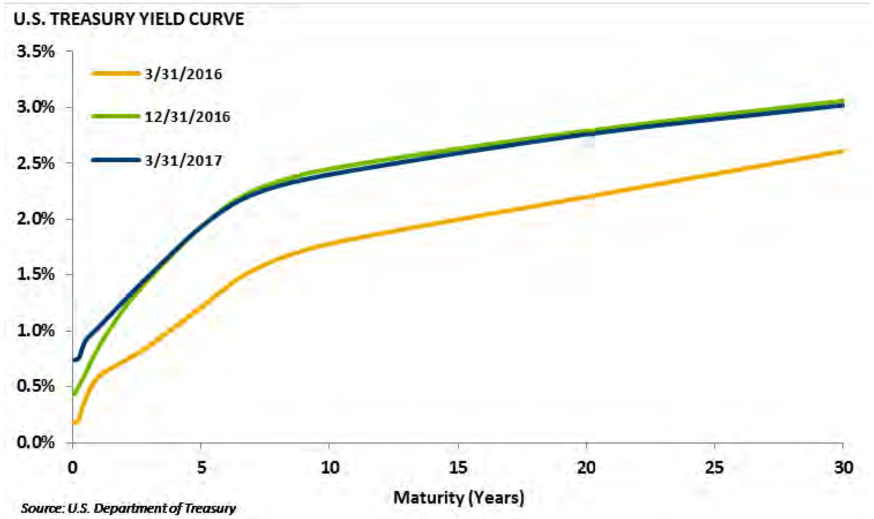
U.S. Fixed Income Markets



- The Treasury yield curve flattened over the quarter, as yields of short maturity bonds rose while yields at longer maturities fell.
- The 10-year U.S. Treasury yield ended the quarter at 2.40%, 5 basis points lower than the level at the beginning of the quarter.
- The 10-year TIPS yield fell by 7 basis points over the quarter and ended the period at 0.43%.

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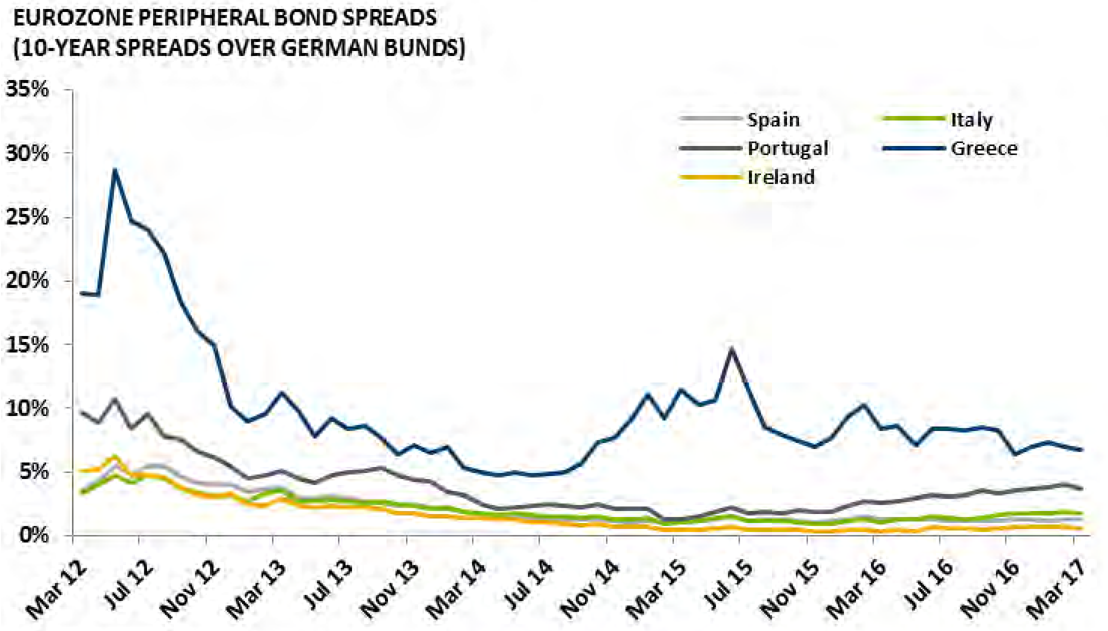


Source: DataStream

- European bond yields trended higher with other developed government bond yields in early 2017. Elevated political risk and expectations that the ECB may start tightening monetary policy offset the downward pressure on yields from a slowing reflation trade later in the quarter.
- Within the Eurozone, bond spreads relative to German Bunds were mostly unchanged over the quarter. This was despite increased uncertainty in the region caused by the surge in popularity of anti-euro political parties. The exception to this were Greek government bond spreads which after rising initially in 2017, moved lower by 20 basis points following more productive bailout talks.
- The European Central Bank (ECB) raised the region's inflation and growth forecasts with market participants increasingly speculating that the ECB may start tightening its very accommodative set of monetary policies in the near future.

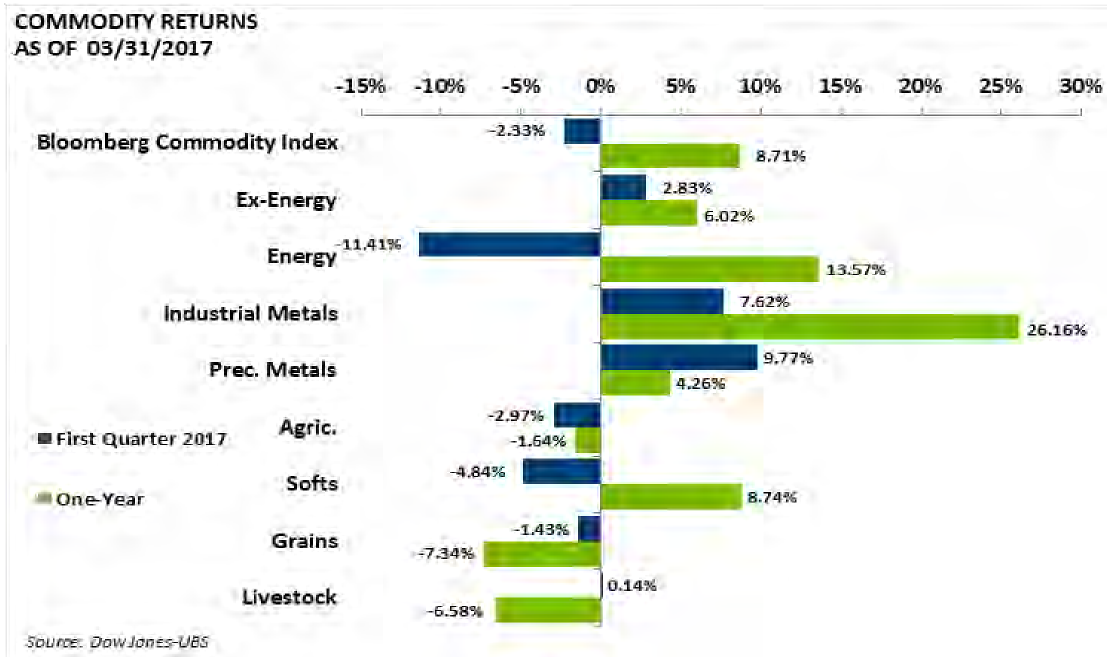
Credit Spreads

Spread (bps)	03/31/2017	12/31/2016	03/31/2016	Quarterly Change (bps)	1-Year Change (bps)
U.S. Aggregate	44	43	56	1	-12
Long Gov't	3	3	4	0	-1
Long Credit	168	167	223	1	-55
Long Gov't/Credit	101	104	136	-3	-35
MBS	27	15	22	12	5
CMBS	77	75	109	2	-32
ABS	54	59	74	-5	-20
Corporate	118	123	163	-5	-45
High Yield	383	409	656	-26	-273
Global Emerging Markets	257	288	382	-31	-125

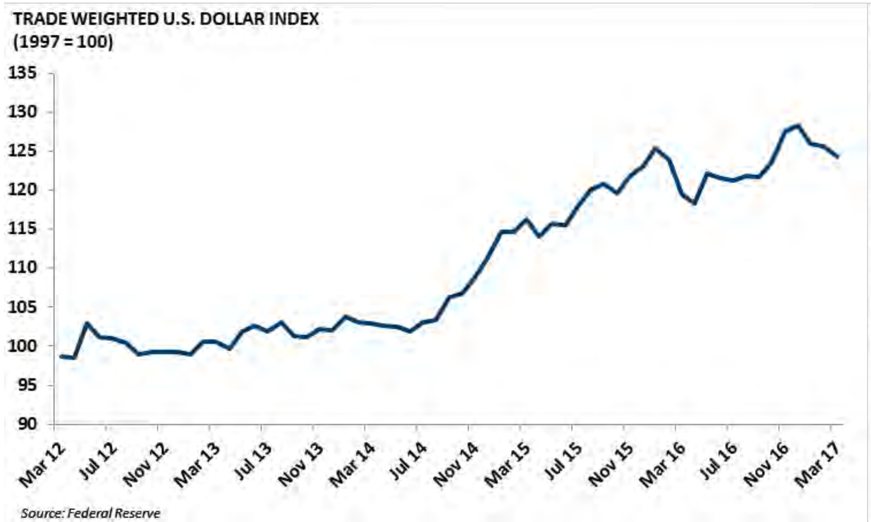
Source: Barclays Live

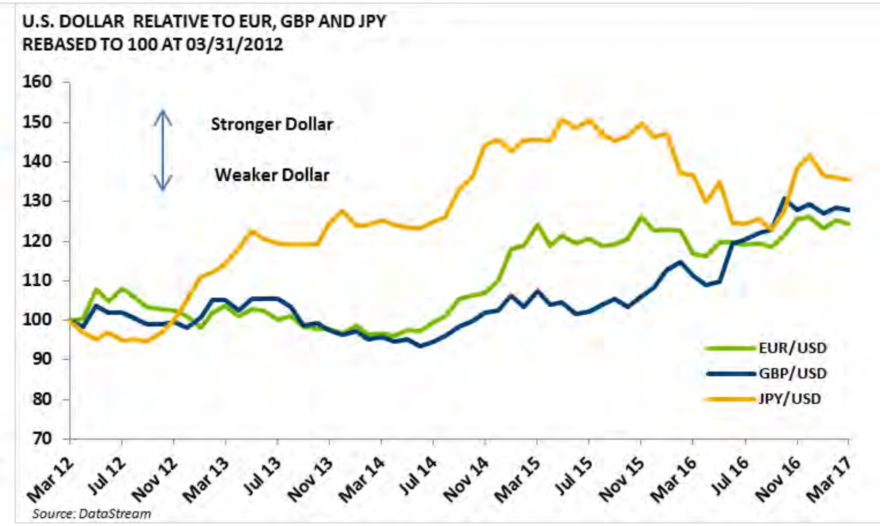
- During the first quarter of 2017, movement in credit spreads were mixed across different areas of the bond market.
- Spreads on lower quality credit such as High Yield and Global Emerging Markets fell the most over the first few months; falling by 26 and 31 basis points respectively. Spreads on Mortgage Backed Securities (MBS) (12 basis points) rose by the most over the quarter, followed by CMBS bonds (2 basis points). Long Government and Credit spreads were relatively unchanged over this period.

Commodities



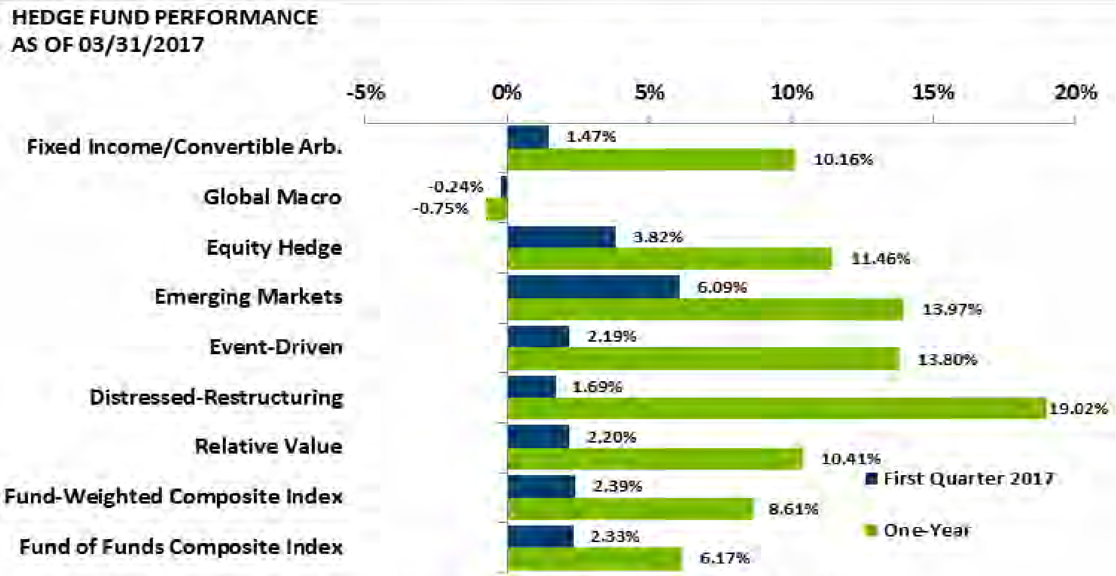
- The Bloomberg Commodity Index fell during the first quarter returning -2.33%.
- Over the quarter, the best performing segment was Precious metals with a return 9.77%, followed by the Industrial metals sector (7.62%).
- Energy was the worst performing sector during the quarter with a return of -11.41%, as the price of Brent crude oil slipped to under $54/bbl.





- After reaching new heights in early 2017 the U.S. dollar fell sharply over the quarter, as measured through the broad trade weighted U.S. dollar index.
- The US dollar depreciated against all the major currencies despite the Fed hiking the target range for the federal funds rate to 0.75%-1.00%, a continuation of the divergent interest rate paths of the US and other developed markets. Lower uncertainty following the UK Prime Minister's comments indicating a "hard" Brexit stance alongside a slowing of the reflation trade, led to the pound strengthening by 1.2% against the US dollar.
- Yen appreciation this quarter was a partial correction of the substantial weakening that occurred in the last few months of 2016. The yen rose sharply by 4.7% against the US dollar to March 2017.

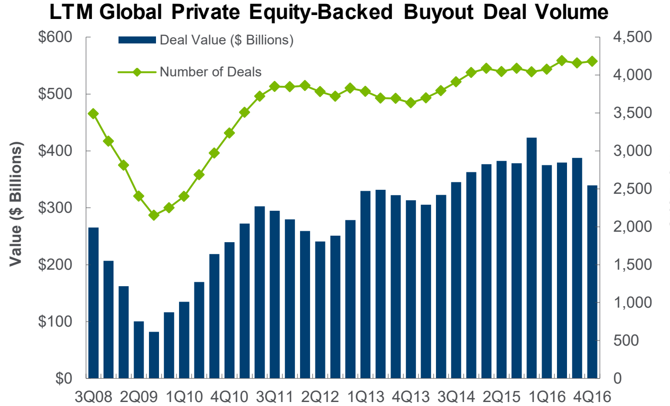
Hedge Fund

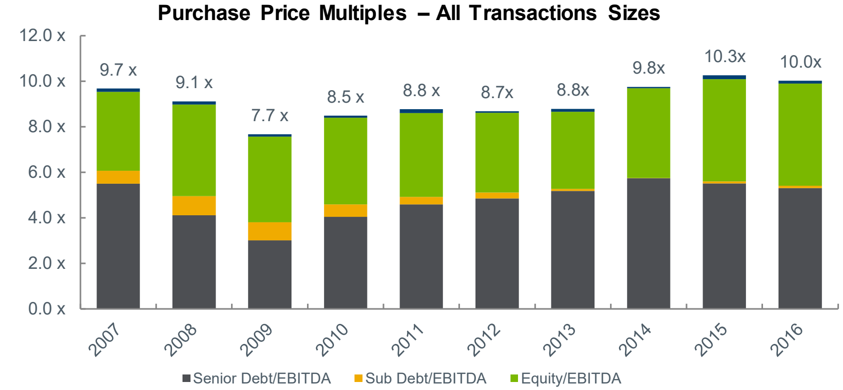


Note: Latest 5 months of HFR data are estimated by HFR and may change in the future.
Source: HFR

- Hedge fund performance was positive across all strategies with the exception of Global Macro.
- The HFRI Fund-Weighted Composite Index and the HFRI Fund of Funds Composite Index produced returns of 2.39% and 2.33% respectively, during the quarter.
- Emerging Markets was the best performer, with a return of 6.09% in the first quarter.

Private Equity Market Overview – Fourth Quarter 2016



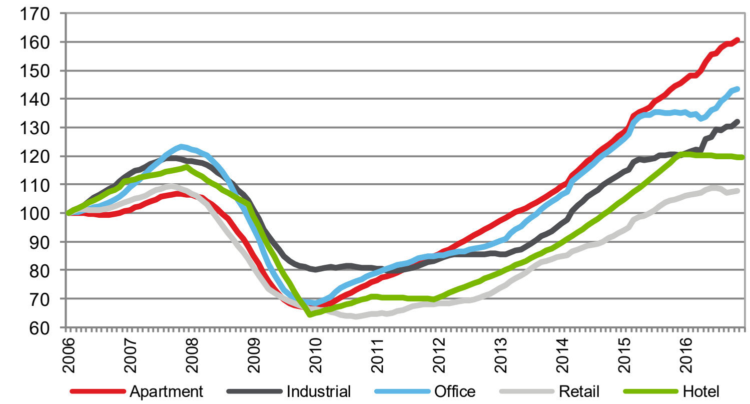


- **Fundraising:** In 4Q 2016, $162.0 billion was raised by 302 funds, which was up 42.4% on a capital basis and 15.7% by number of deals from the prior quarter. On an annual basis, private equity fundraising totaled $527.3 billion, which was up 12.5% year over year [1]. Dry powder stood at $1.2 trillion at the end of 2016, up 7.3% and 26.0% compared to 2015 and the five year average, respectively [1].
- **Buyout:** Global private equity-backed buyout deals totaled $339.3 billion in 2016, which was down 19.8% from the prior year, but above the five year average of $331.4 billion [1]. At the end of 2016, the average purchase price multiple for all U.S. LBOs was 10.0x EBITDA, down from 10.3x as of the end of 2015. Both large cap and middle-market purchase price multiples decreased year over year. Middle-market purchase price multiples decreased from 10.7x in 2015 to 10.2x in 2016 [2]. The weighted average purchase price multiple across all European transaction sizes averaged 10.3x EBITDA through year end 2016. Purchase prices for transactions of €1.0 billion or more increased from 10.4x in 2015 to 11.4x in 2016. Transactions between €500.0 million and €1.0 billion were up 0.3x year over year, and stood at 10.5x [2]. Globally, exit value totaled $337.9 billion on 1,805 deals in 2016, down 23.2% and 8.7%, respectively, from 2015 [1].
- **Venture:** During the fourth quarter, 982 venture backed transactions totaling $11.7 billion were completed, marking a two-year low as measured by both deals and capital. On a full year basis, $58.6 billion of capital was deployed across 4,520 deals, compared to $73.3 billion across 5,406 deals in 2015 [3]. Total U.S. venture backed exit activity totaled $46.8 billion across 726 completed transactions in 2016, down from $50.0 billion in 2015. 2016 median U.S. exit value stood at $84.5 million compared to $65.0 million in full year 2015 [4].
- **Mezzanine:** 15 funds closed on $23.2 billion during the quarter, up from 3Q 2016's total of $4.9 billion raised by 17 funds. 4Q 2016 capital raised was more than the aggregate total of the prior six quarters ($18.1 billion). Estimated dry powder was $51.7 billion at the end of 4Q 2016, up 2.0% from 3Q 2016 [1]. Fundraising remains competitive with an estimated 74 funds in market targeting $20.5 billion of commitments in addition to continued market participation from private lending platforms and business development companies (BDCs) [1].
- **Distressed Debt:** U.S. high-yield defaults totaled approximately $60.0 billion in 2016, which was significantly above 2015's full year total of $48.3 billion. The LTM U.S. high-yield default rate was 4.7% as of December 2016, which was down from August 2016's LTM rate of 4.9% [5]. Default rates are expected to decline due to the stabilization of crude oil prices and improved conditions in the high yield market [5]. Distressed debt and bankruptcy restructuring activity totaled $346.5 billion in 2016, up 121.4% year over year. U.S. activity accounted for $183.9 billion in 2016 and was more than triple the total over 2015[6].
- **Secondaries:** Eight funds raised $5.8 billion during the fourth quarter, up from $3.3 billion by nine funds in 3Q 2016. On a full year basis, secondary capital raised totaled $28.8 billion, up from 2015 ($20.4 billion) and the five year annual average ($21.0 billion) [1]. The average discount rate for all private equity sectors remained unchanged at 8.5% on both quarter over quarter and year over year bases and remains very favorable for potential sellers [7].
- **Infrastructure:** $13.2 billion of capital was raised by 21 funds in 4Q 2016 compared to $26.4 billion of capital closed on by 25 partnerships in 3Q 2016. On an annual basis, $63.0 billion was raised by 65 funds, up from $44.3 billion by 72 partnerships in 2015. At the end of the year, dry powder stood at $137.0 billion, down slightly from 2Q's record total of $142.0 billion, but up from 2015's year end level of $109.0 billion [1]. Infrastructure managers completed 2,148 deals with an estimated aggregate deal value of $744.0 billion in 2016 compared to 2,034 deals totaling $622.7 billion a year ago [1].
- **Natural Resources:** During 2016, 41 funds closed on $24.0 billion compared to 39 funds totaling $40.9 billion in 2015. Energy and utilities industry managers completed an estimated 218 deals totaling a reported $21.1 billion in 2016, representing 88.6% of 2015's full year deal value [1].

Sources: [1] Preqin [2] Standard & Poor's [3] PWC / National Venture Capital Association (NVCA) MoneyTree Report [4] PitchBook [5] Fitch Ratings [6] Thomson Reuters [7] UBS

Notes: FY: Fiscal year ended 12/31; YTD: Year to date; LTM: Last twelve months (aka trailing twelve months); PPM: Purchase Price Multiples: Total Purchase Price / EBITDA.

RETURN INDEX CPPI BY PROPERTY SECTOR
SOURCE: MOODYS/RCA, AON HEWITT 12/31/2016



- Returns moderated throughout 2016 and this trend continued in the first quarter of 2017 with U.S. Core real estate returns generating 1.77%*, which is 34 bps lower than the fourth quarter of 2016 and down 41 bps year-over-year ("YOY"). Income (1.06%) continued to outpace appreciation (0.70%) and as asset appreciation abates, investment returns are likely to continue to moderate toward the long-run average. At this mature point in the cycle, income growth will likely be a larger driver of appreciation than yield compression.
- Following gains of 7.6% in 2016, U.S. REITs were slightly positive in the first quarter, generating 0.2% (FTSE NAREIT Equity REIT Index), although fell almost 3% in March as growth expectations for the sector faded over the year. Overall, operating fundamentals still remain favorable, although the pace of cash flow (net operating income "NOI") growth has decelerated. U.S. REITs ended the quarter trading at slight premiums to NAVs, although this was largely driven by REIT sectors, such as healthcare and net lease, providing higher dividends. Excluding these two sectors, REITs trade at a 5% discount.
- U.S. property sales continued to decline in the first quarter, with preliminary data showing a 31% drop in transaction volume from the previous year. Property sales have weakened over the past few quarters due to fewer mega-deals, but this most recent decline is due to a 27% YOY drop in single asset sales. The drop in property sales is predominantly due to a rising rate environment, buyers concerns surrounding cap rate movements and a disconnect between buyers and sellers. Despite the drop in property sales, pricing is still relatively tight with cap rates at similar levels to Q1 2016.
- The uncertain economic and policy environment also means an uncertain outlook for fundamentals. It is forecasted that supply and demand will be largely in balance, as steady demand is met by constrained new construction due to changes in bank regulations, especially reserve requirements on construction loans. However, the Apartment and Industrial sector are further along in the new construction phase of their respective cycles which comes with greater risk of increases in vacancy and lower rent growth rates.
- The U.S. real estate cycle is mature, and thus more susceptible to bumps along the road. While still solid income returns are forecast to continue to support attractive relative returns versus many other asset classes, portfolio construction consideration is critical. At this point in the cycle, appropriate risk mitigation measures should be a staple in all investment portfolios as new investments will likely be required to ride out a cyclical downturn.

*Indicates preliminary NFI-ODCE data gross of fees

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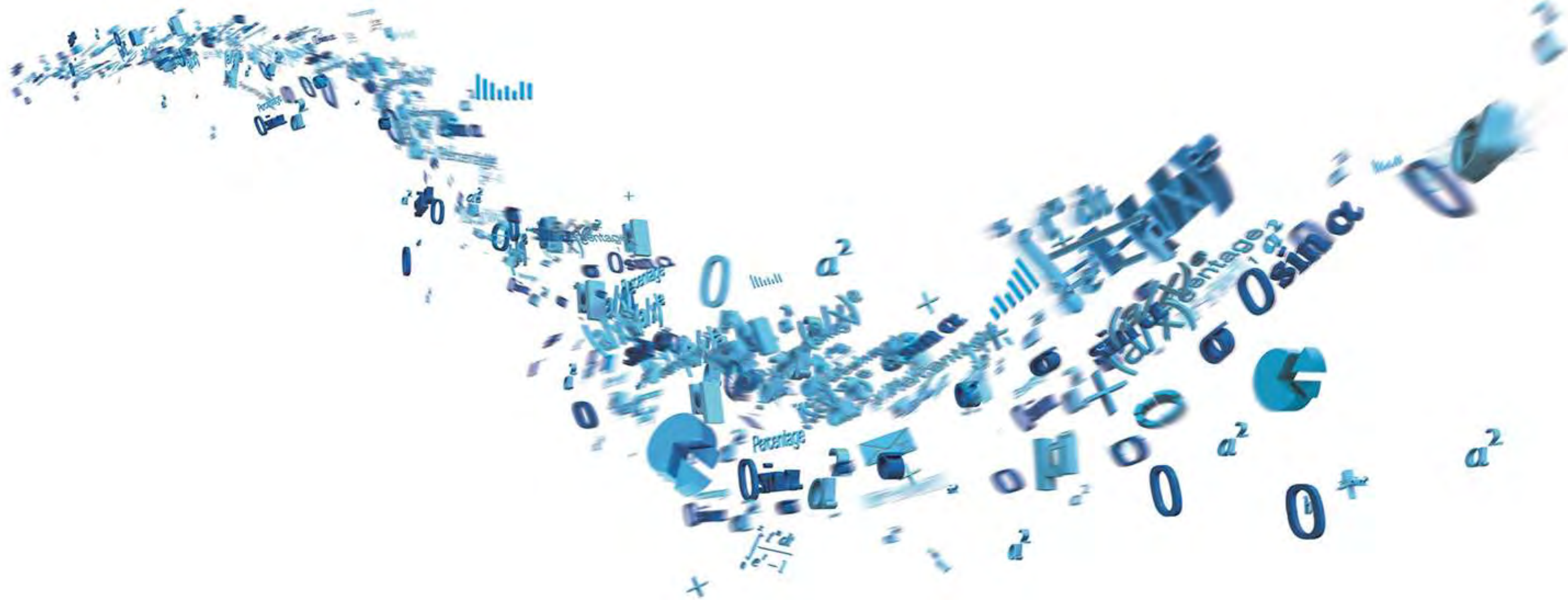


Total Fund

Highlights

Executive Summary

- Performance of the Pension Plan, when measured against the Performance Benchmark, has been strong over short- and long-term time periods.
- Performance relative to peers is also competitive over short- and long-term time periods.
- The Pension Plan is well-diversified across six broad asset classes, and each asset class is also well-diversified.
- Public market asset class investments do not significantly deviate from their broad market based benchmarks, e.g., sectors, market capitalizations, global regions, credit quality, duration, and security types.
- Private market asset classes are well-diversified by vintage year, geography, property type, sectors, investment vehicle/asset type, or investment strategy.
- Asset allocation is monitored on a daily basis to ensure the actual asset allocation of the plan remains close to the long-term policy targets set forth in the Investment Policy Statement.
- Aon Hewitt Investment Consulting and SBA staff revisit the plan design annually through informal and formal asset allocation and asset liability reviews.
- Adequate liquidity exists within the asset allocation to pay the monthly obligations of the Pension Plan consistently and on a timely basis.

Performance Highlights

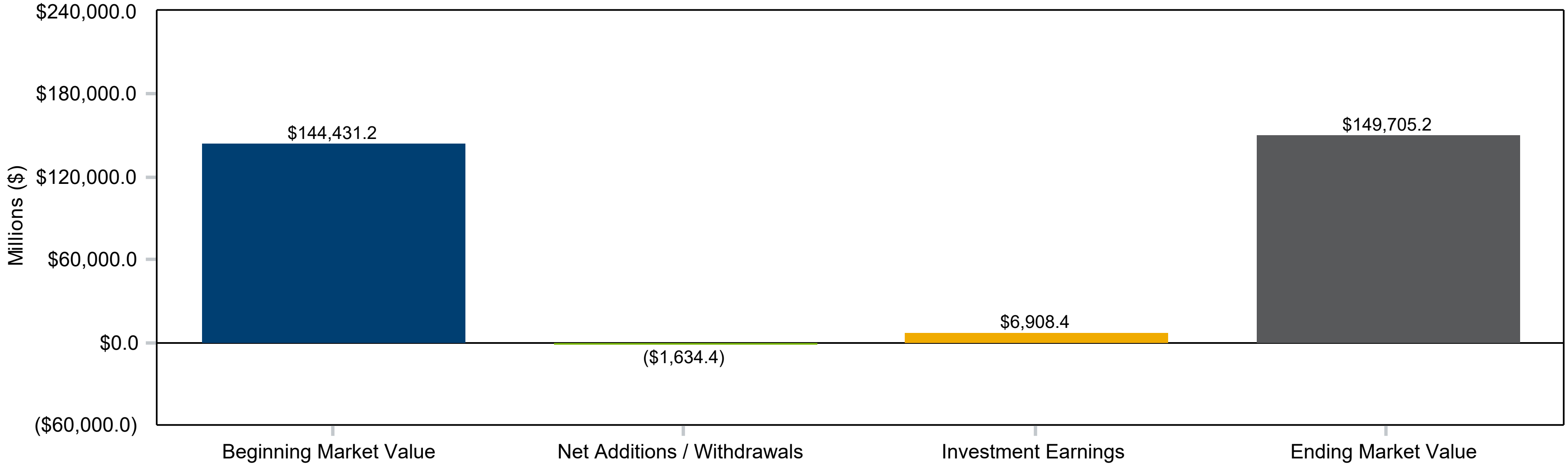
- During the first quarter, the Total Fund outperformed the Performance Benchmark. The Total Fund outperformed the Performance Benchmark during the trailing one-, three-, five-, and ten-year periods.

Asset Allocation

- The Fund assets total $149.7 billion as of March 31, 2017, which represents a $5.3 billion increase since last quarter.
- Actual allocations for all asset classes were within their respective policy ranges at quarter-end.
- The Fund was modestly overweight to global equity and cash, with corresponding underweights to fixed income and private equity.

Total Plan Asset Summary

Change in Market Value
From January 1, 2017 to March 31, 2017



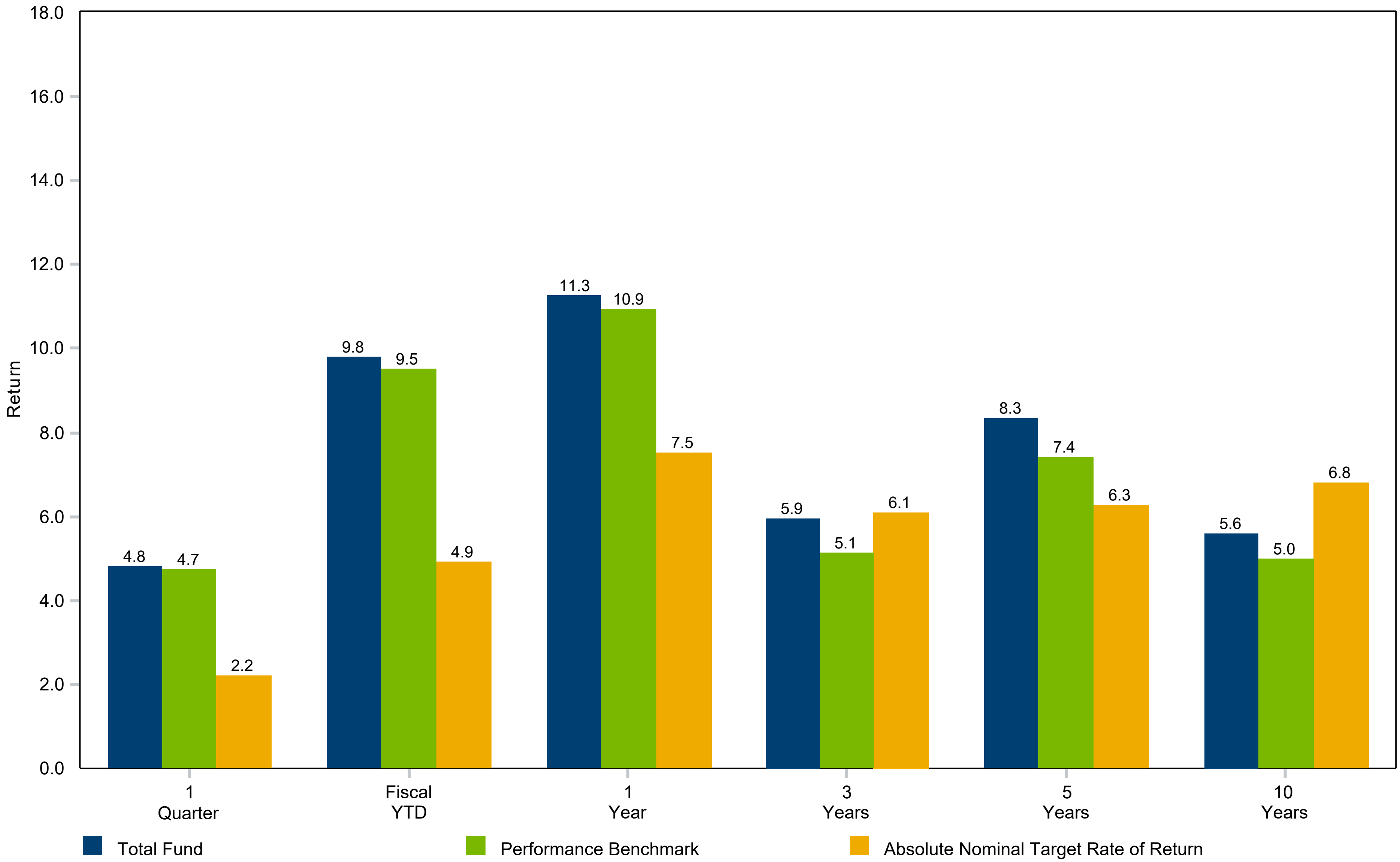
Summary of Cash Flow

	1 Quarter	Fiscal YTD*
Total Fund		
Beginning Market Value	144,431,235,711	141,420,636,601
+ Additions / Withdrawals	-1,634,440,286	-5,160,579,133
+ Investment Earnings	6,908,448,880	13,445,186,837
= Ending Market Value	149,705,244,306	149,705,244,306

*Period July 2016 - March 2017

Total Plan Performance Summary

Return Summary



As of March 31, 2017

Asset Allocation & Performance

	Allocation			Performance(%)					
	Market Value ($)	%	Policy(%)	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
Total Fund	149,705,244,306	100.0	100.0	4.8 (22)	9.8 (28)	11.3 (41)	5.9 (16)	8.3 (15)	5.6 (21)
Performance Benchmark				4.7 (26)	9.5 (33)	10.9 (44)	5.1 (50)	7.4 (46)	5.0 (53)
Absolute Nominal Target Rate of Return				2.2 (94)	4.9 (92)	7.5 (94)	6.1 (12)	6.3 (83)	6.8 (1)
Global Equity*	85,436,179,629	57.1	55.9	7.1	14.3	15.5	5.7	9.4	5.0
Asset Class Target				6.8	14.2	15.4	5.1	8.6	4.3
Domestic Equities	40,155,168,494	26.8		5.6 (34)	15.0 (46)	17.6 (51)	9.5 (23)	13.0 (16)	7.6 (23)
Asset Class Target				5.7 (29)	15.0 (45)	18.1 (40)	9.8 (16)	13.2 (12)	7.5 (24)
Foreign Equities	36,423,035,141	24.3		8.9 (23)	13.9 (34)	13.7 (25)	1.8 (36)	5.8 (33)	2.9 (23)
Asset Class Target				8.0 (65)	13.8 (36)	13.0 (39)	0.9 (75)	4.8 (65)	1.7 (66)
Global Equities	8,350,062,416	5.6		6.7	11.4	12.5	5.6	9.5	4.2
Benchmark				6.5	13.7	14.9	5.4	9.1	4.5
Fixed Income	27,280,530,526	18.2	19.5	0.8 (93)	-0.7 (73)	0.9 (85)	2.4 (81)	2.4 (75)	4.5 (57)
Asset Class Target				0.7 (95)	-1.1 (81)	0.3 (95)	2.2 (83)	1.9 (81)	4.1 (79)
Private Equity	9,391,499,530	6.3	6.4	3.8	11.9	13.4	13.7	14.1	9.5
Asset Class Target				8.0	16.2	18.4	8.1	13.3	9.8
Real Estate	13,282,289,366	8.9	8.9	2.0 (29)	6.2 (24)	8.5 (31)	11.4 (27)	12.6 (16)	6.3
Asset Class Target				2.0 (33)	5.1 (65)	7.3 (67)	10.7 (47)	11.0 (61)	5.3
Strategic Investments	12,481,268,245	8.3	8.3	2.5	7.5	9.5	6.1	9.6	
Short-Term Target				1.7	5.2	6.7	4.0	6.2	
Cash	1,833,477,010	1.2	1.0	0.2	0.4	0.5	0.3	0.3	0.1
iMoneyNet First Tier Institutional Money Market Funds Net Index				0.2	0.3	0.4	0.2	0.1	0.8

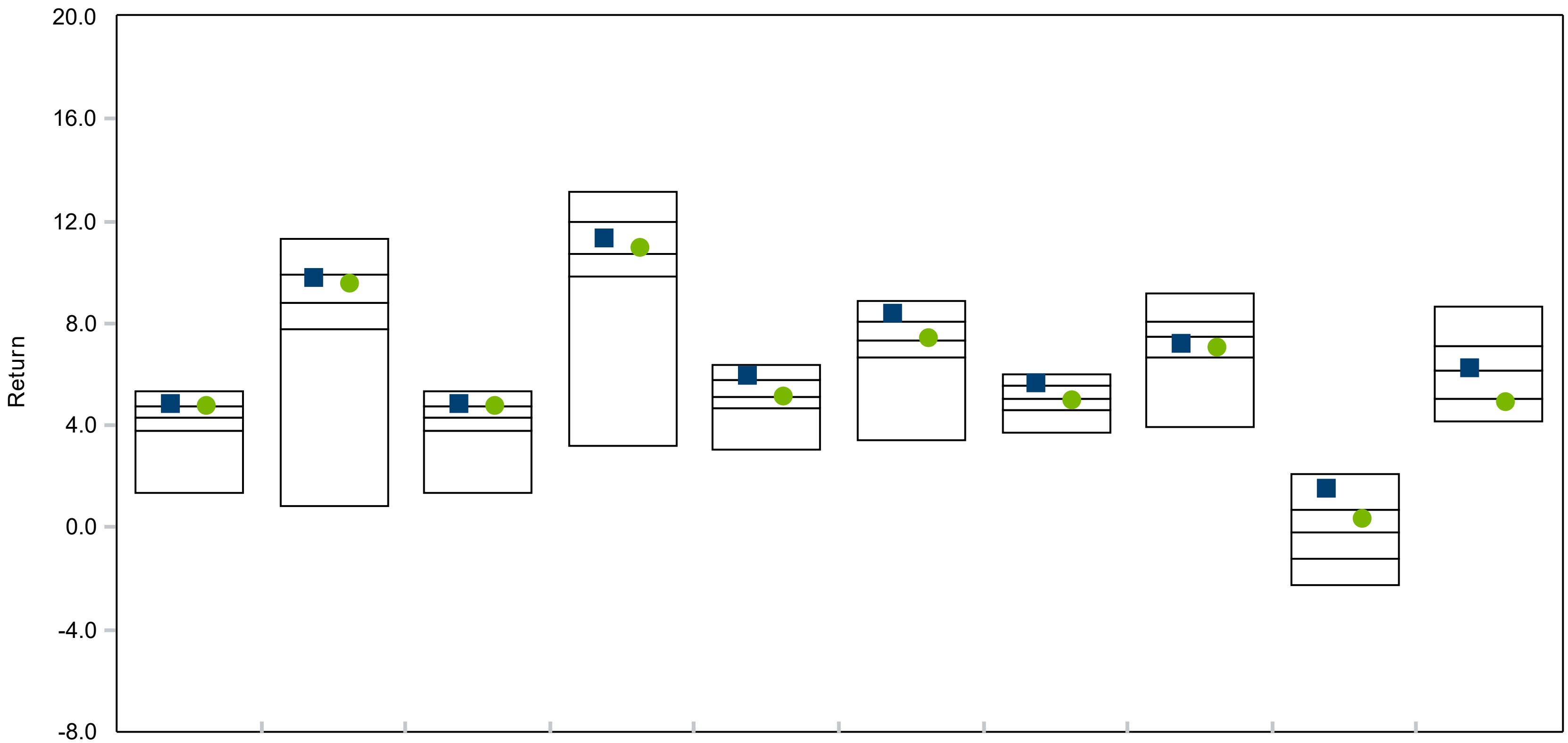
Benchmark and universe descriptions can be found in the Appendix.

* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

As of March 31, 2017

Plan Sponsor Peer Group Analysis

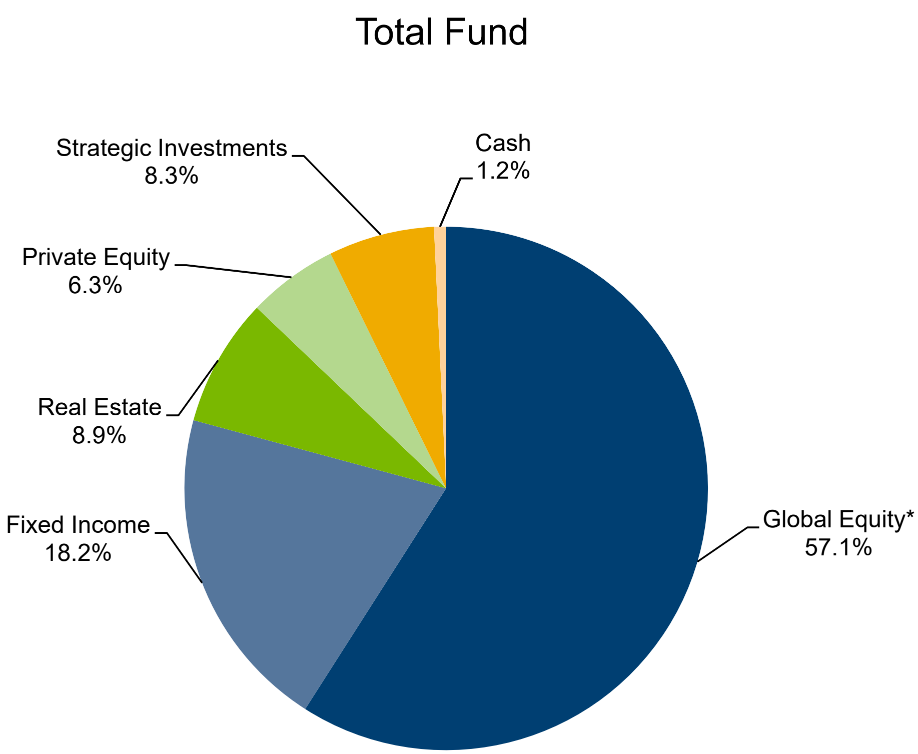
All Public Plans > $1B-Total Fund

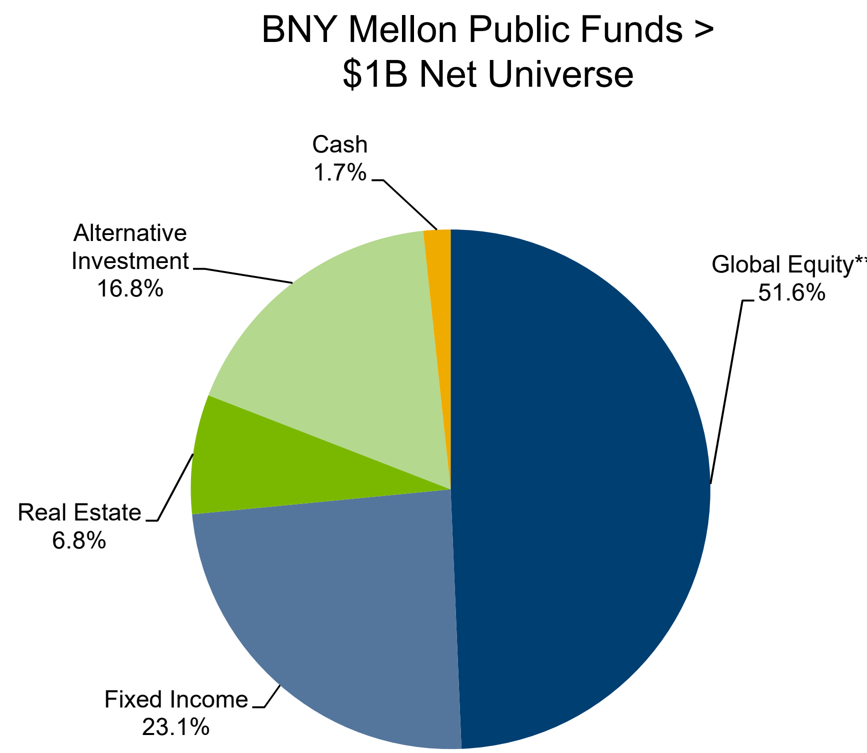


	1 Quarter	Fiscal YTD	Year To Date	1 Year	3 Years	5 Years	10 Years	2016	2015	2014
■ Total Fund	4.8 (22)	9.8 (28)	4.8 (22)	11.3 (41)	5.9 (16)	8.3 (15)	5.6 (21)	7.2 (61)	1.5 (12)	6.2 (48)
● Performance Benchmark	4.7 (26)	9.5 (33)	4.7 (26)	10.9 (44)	5.1 (50)	7.4 (46)	5.0 (53)	7.1 (64)	0.3 (32)	4.9 (80)
5th Percentile	5.4	11.3	5.4	13.1	6.4	8.9	6.0	9.2	2.1	8.6
1st Quartile	4.8	9.9	4.8	11.9	5.8	8.1	5.5	8.1	0.7	7.1
Median	4.3	8.8	4.3	10.7	5.1	7.4	5.0	7.5	-0.2	6.1
3rd Quartile	3.8	7.8	3.8	9.8	4.7	6.6	4.6	6.7	-1.2	5.0
95th Percentile	1.3	0.9	1.3	3.2	3.1	3.4	3.7	3.9	-2.2	4.2
Population	88	86	88	86	85	84	79	105	94	78

Parentheses contain percentile rankings.

Universe Asset Allocation Comparison

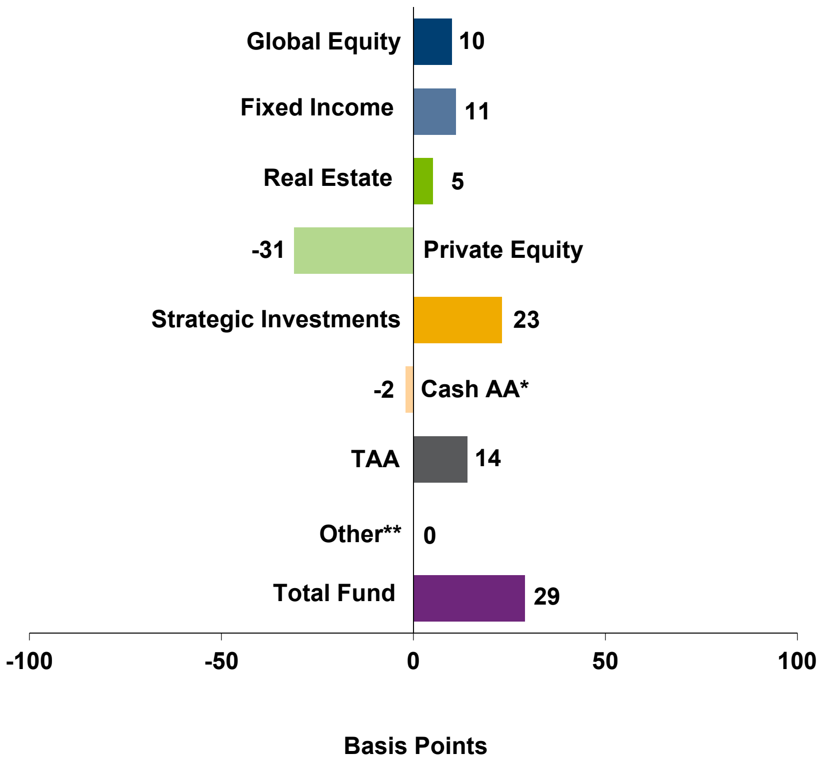




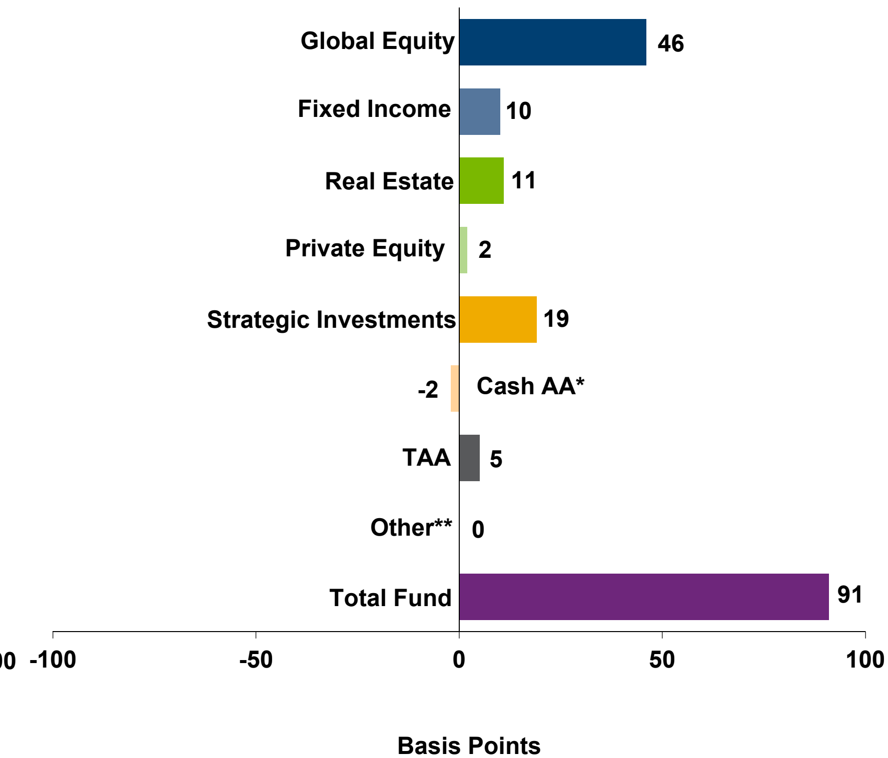
*Global Equity Allocation: 26.8% Domestic Equities; 24.3% Foreign Equities; 5.6% Global Equities; 0.4% Global Equity Liquidity Account. Percentages are of the Total FRS Fund.

**Global Equity Allocation: 30.1% Domestic Equities; 21.5% Foreign Equities.

Attribution



1-Year Ending 3/31/2017



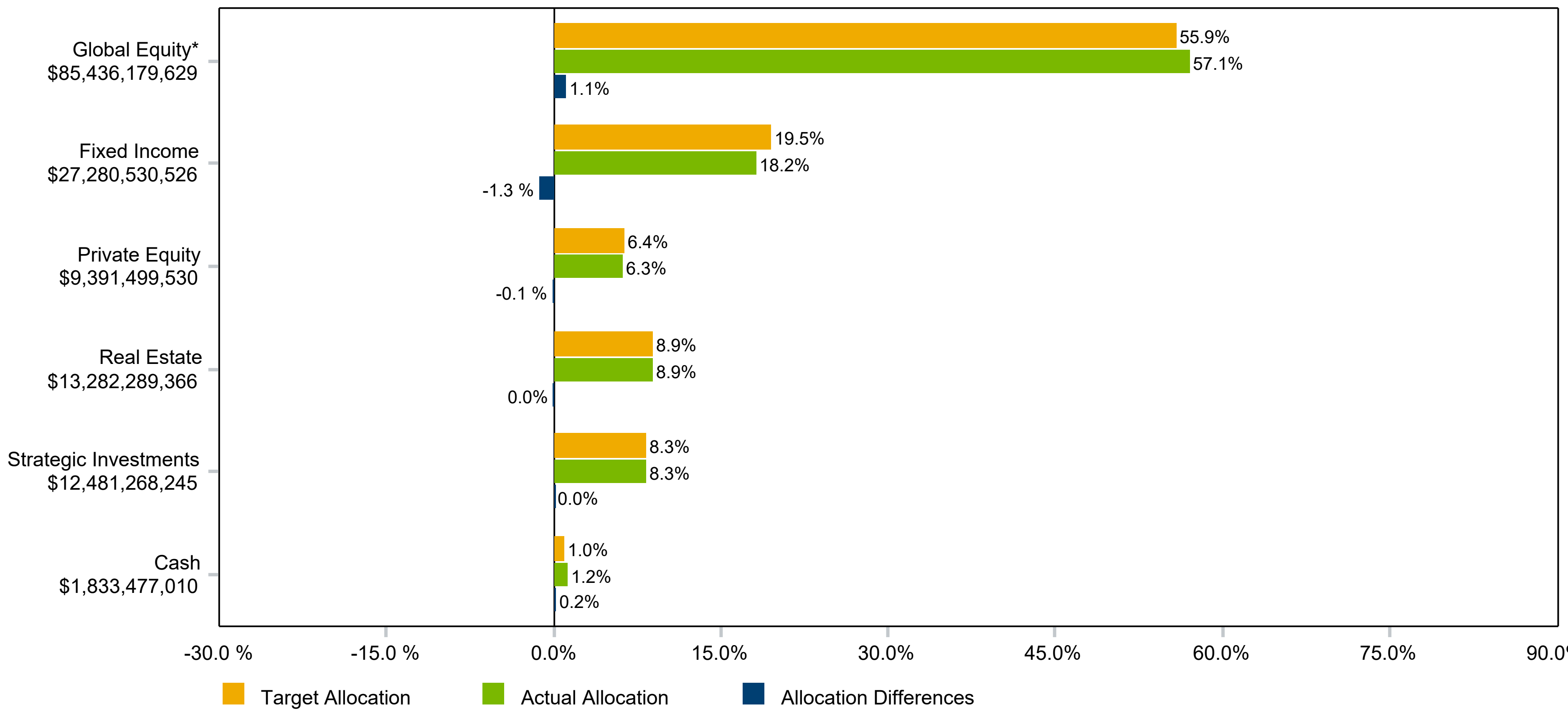
5-Year Ending 3/31/2017

*Cash AA includes Cash and Central Custody, Securities Lending Account income from 12/2009 to 3/2013 and unrealized gains and losses on securities lending collateral beginning June 2013, TF STIPFRS NAV Adjustment Account, and the Cash Expense Account.

**Other includes legacy accounts and unexplained differences due to methodology.

Asset Allocation Compliance

	Market Value ($)	Current Allocation (%)	Target Allocation (%)	Minimum Allocation (%)	Maximum Allocation (%)
Total Fund	149,705,244,306	100.0	100.0		
Global Equity*	85,436,179,629	57.1	55.9	45.0	70.0
Fixed Income	27,280,530,526	18.2	19.5	10.0	26.0
Private Equity	9,391,499,530	6.3	6.4	2.0	9.0
Real Estate	13,282,289,366	8.9	8.9	4.0	16.0
Strategic Investments	12,481,268,245	8.3	8.3	0.0	16.0
Cash	1,833,477,010	1.2	1.0	0.3	5.0



* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

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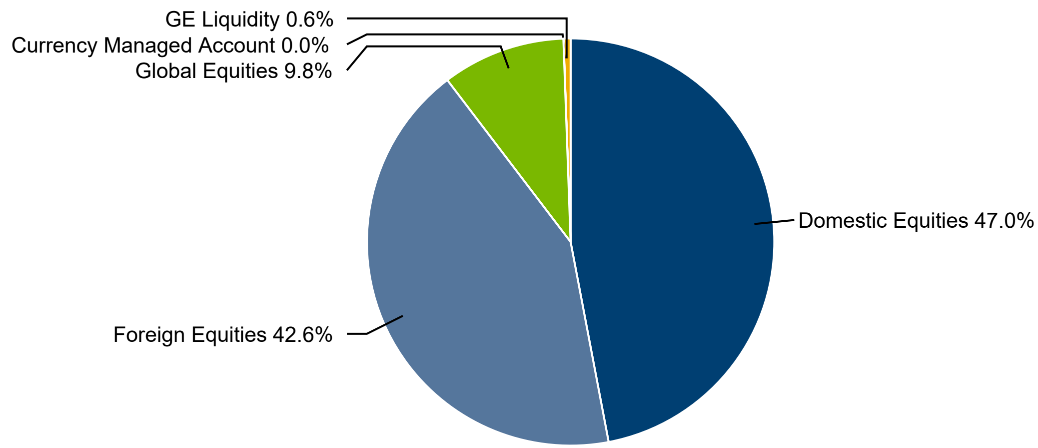
Global Equity

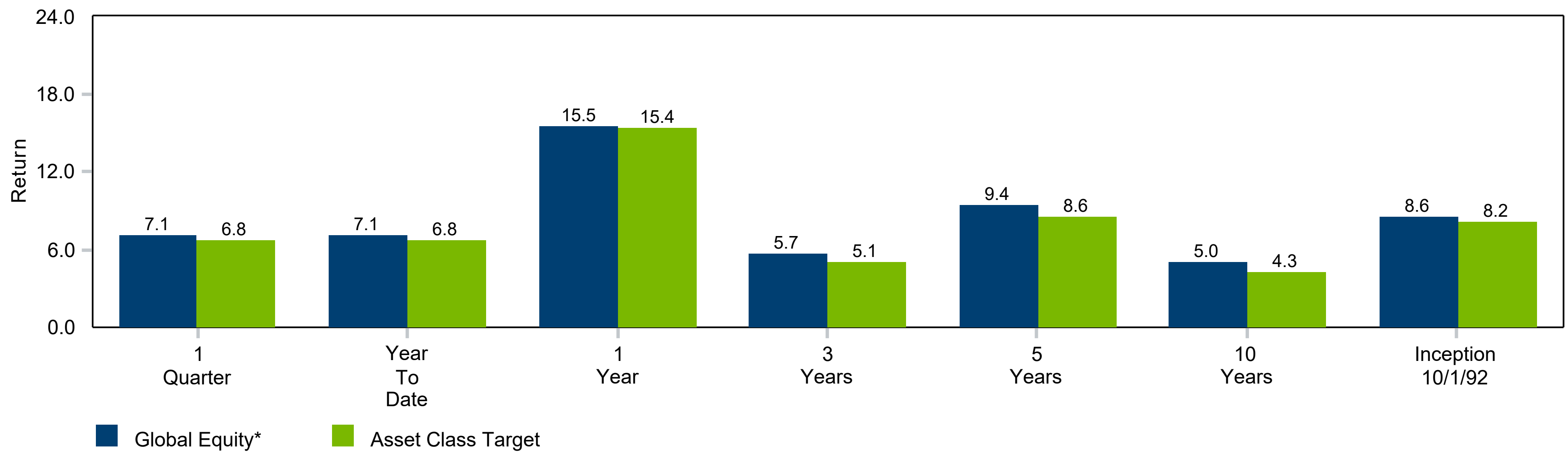
Global Equity* Portfolio Overview

Current Allocation

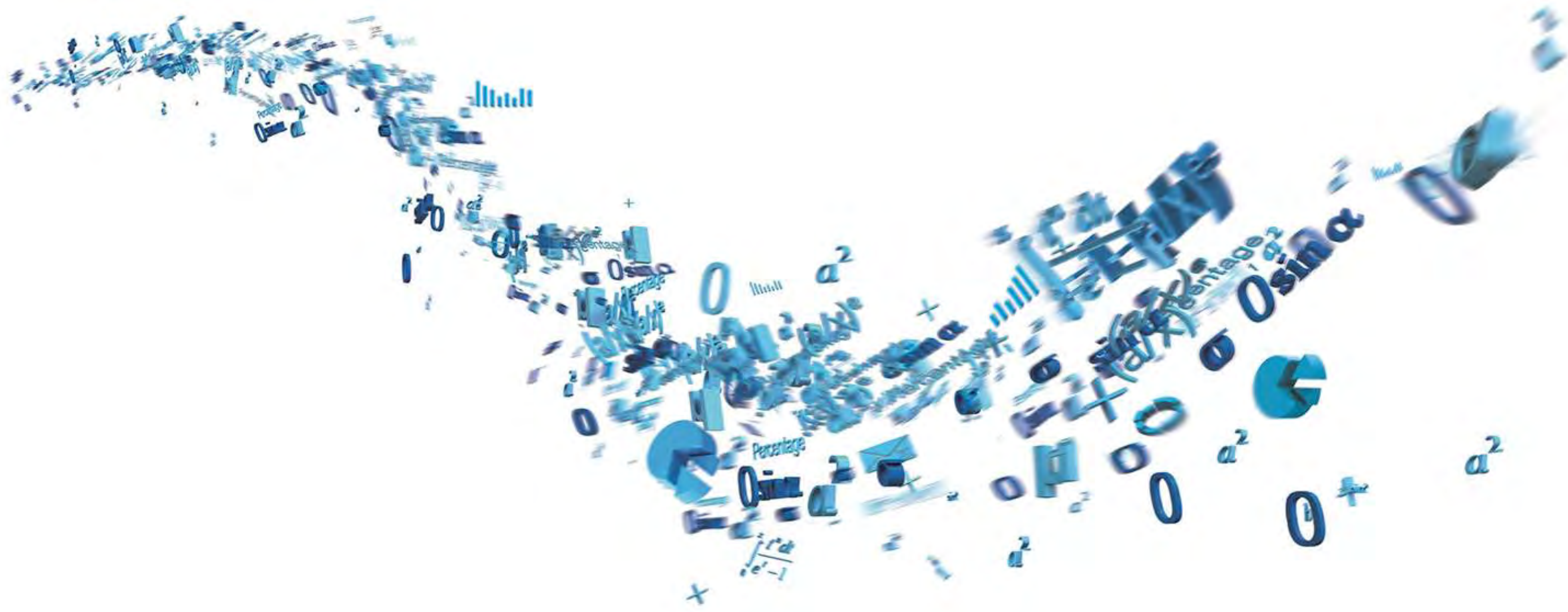
March 31, 2017 : $ **85,436**M



Return Summary



* Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic Equities, Foreign Equities, and Global Equities components.

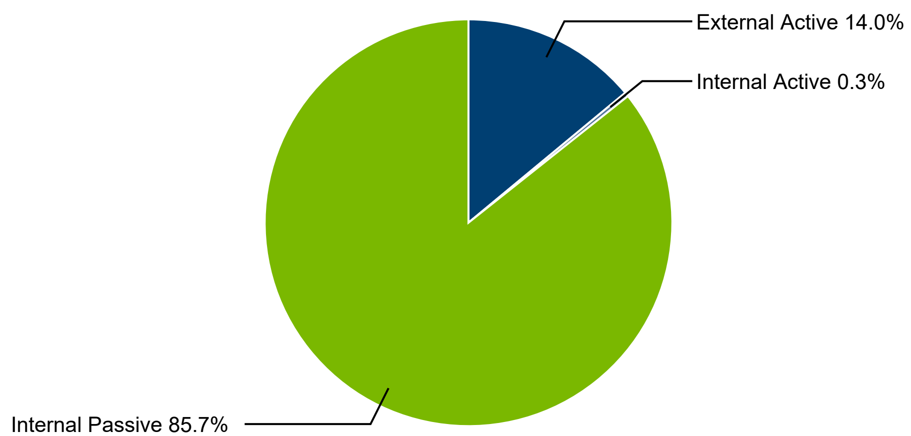


Domestic Equities

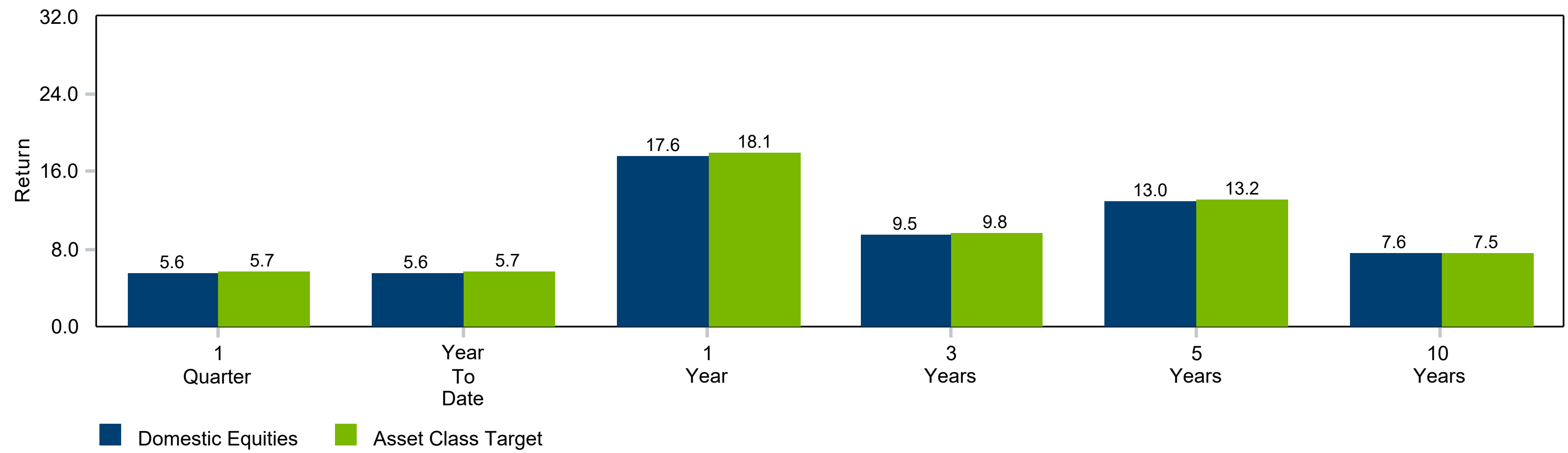
Domestic Equities Portfolio Overview

Current Allocation

March 31, 2017 : $40,155M



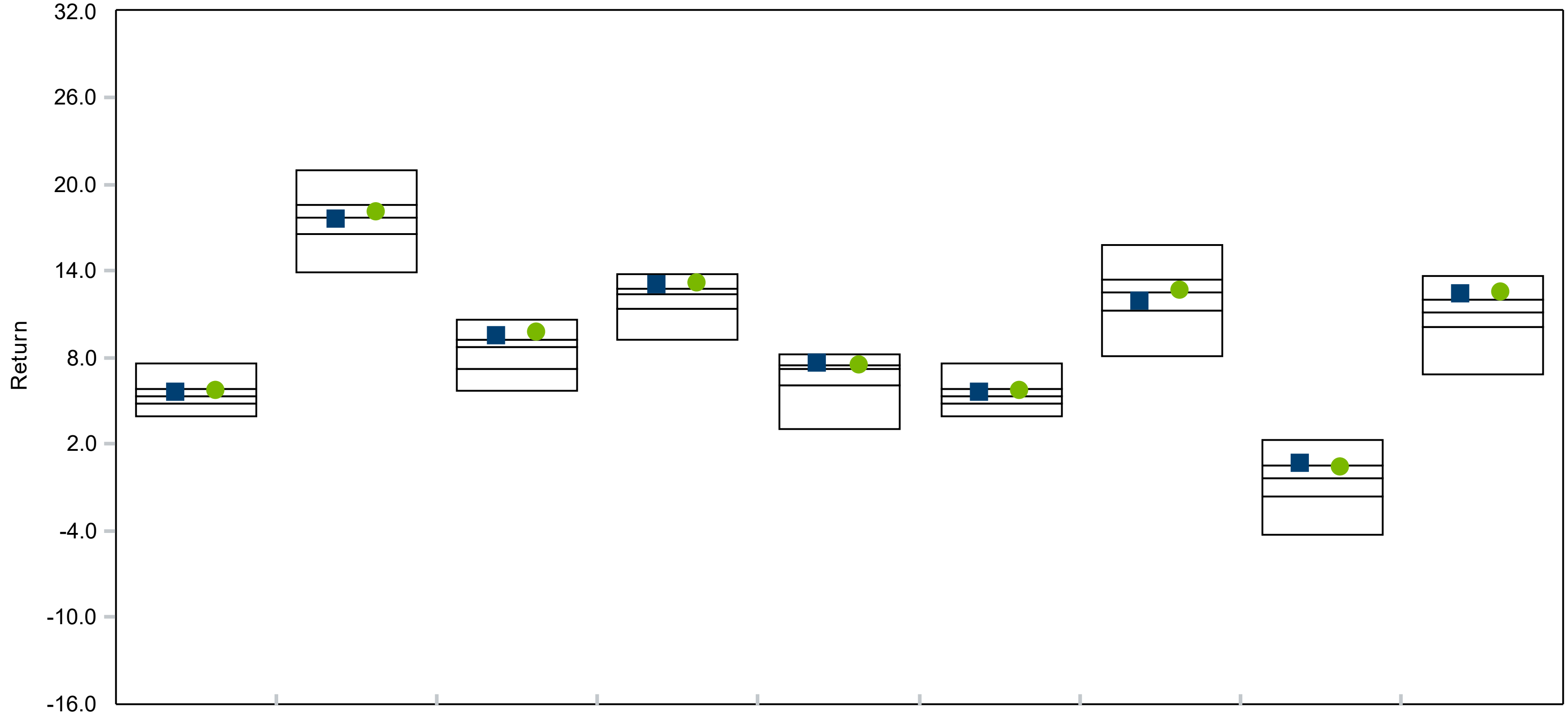
Return Summary



As of March 31, 2017

Plan Sponsor Peer Group Analysis

All Public Plans > $1B-US Equity Segment



	1 Quarter	1 Year	3 Years	5 Years	10 Years	Year To Date	2016	2015	2014
■ Domestic Equities	5.6 (34)	17.6 (51)	9.5 (23)	13.0 (16)	7.6 (23)	5.6 (34)	11.9 (63)	0.6 (25)	12.4 (18)
● Asset Class Target	5.7 (29)	18.1 (40)	9.8 (16)	13.2 (12)	7.5 (24)	5.7 (29)	12.7 (46)	0.5 (27)	12.6 (18)
5th Percentile	7.6	21.0	10.6	13.8	8.2	7.6	15.9	2.3	13.6
1st Quartile	5.8	18.6	9.3	12.8	7.5	5.8	13.4	0.6	12.0
Median	5.4	17.8	8.8	12.4	7.3	5.4	12.6	-0.3	11.1
3rd Quartile	4.9	16.6	7.3	11.4	6.1	4.9	11.3	-1.6	10.1
95th Percentile	4.0	14.0	5.8	9.3	3.1	4.0	8.1	-4.2	6.8
Population	65	63	62	52	28	65	64	61	39

Parentheses contain percentile rankings.

Empower Results®

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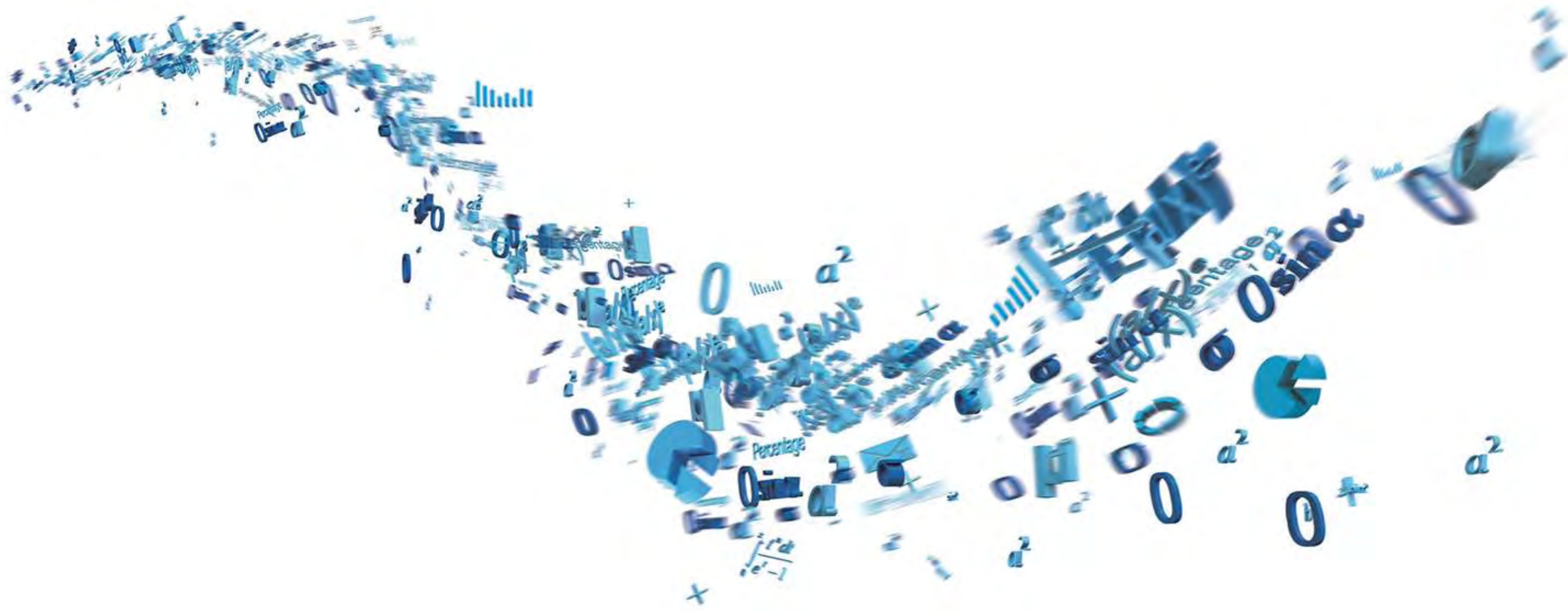
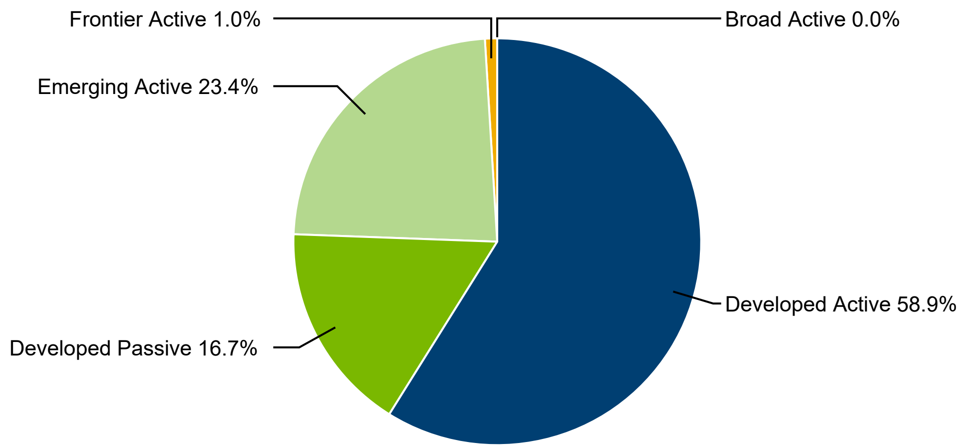


Foreign Equit ies

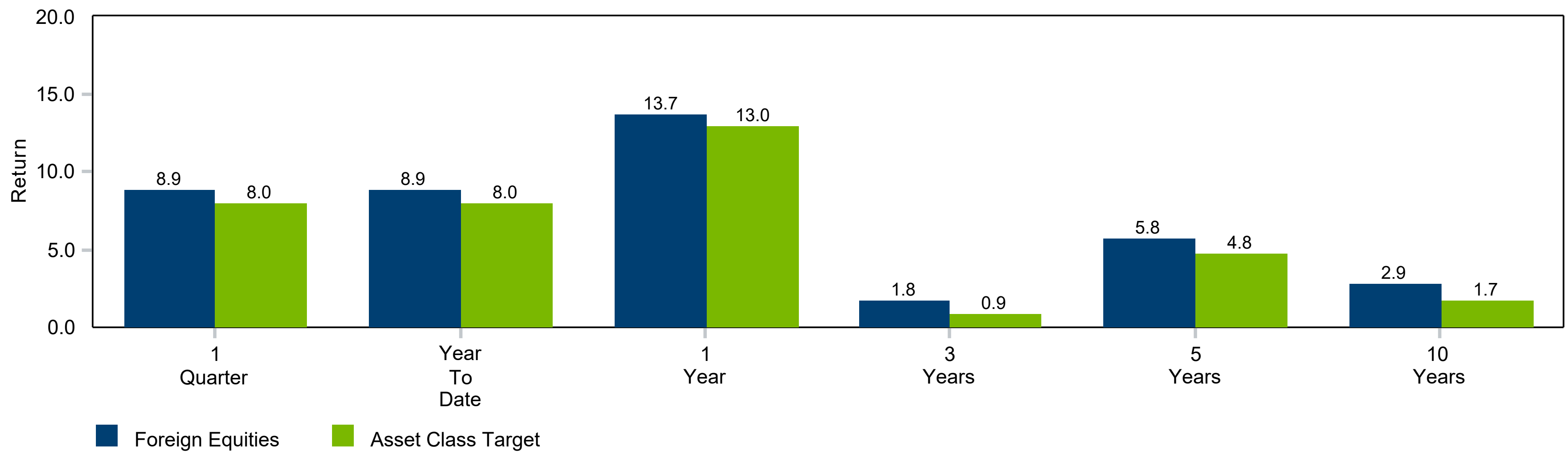
Foreign Equities Portfolio Overview

Current Allocation

March 31, 2017 : $36,423M

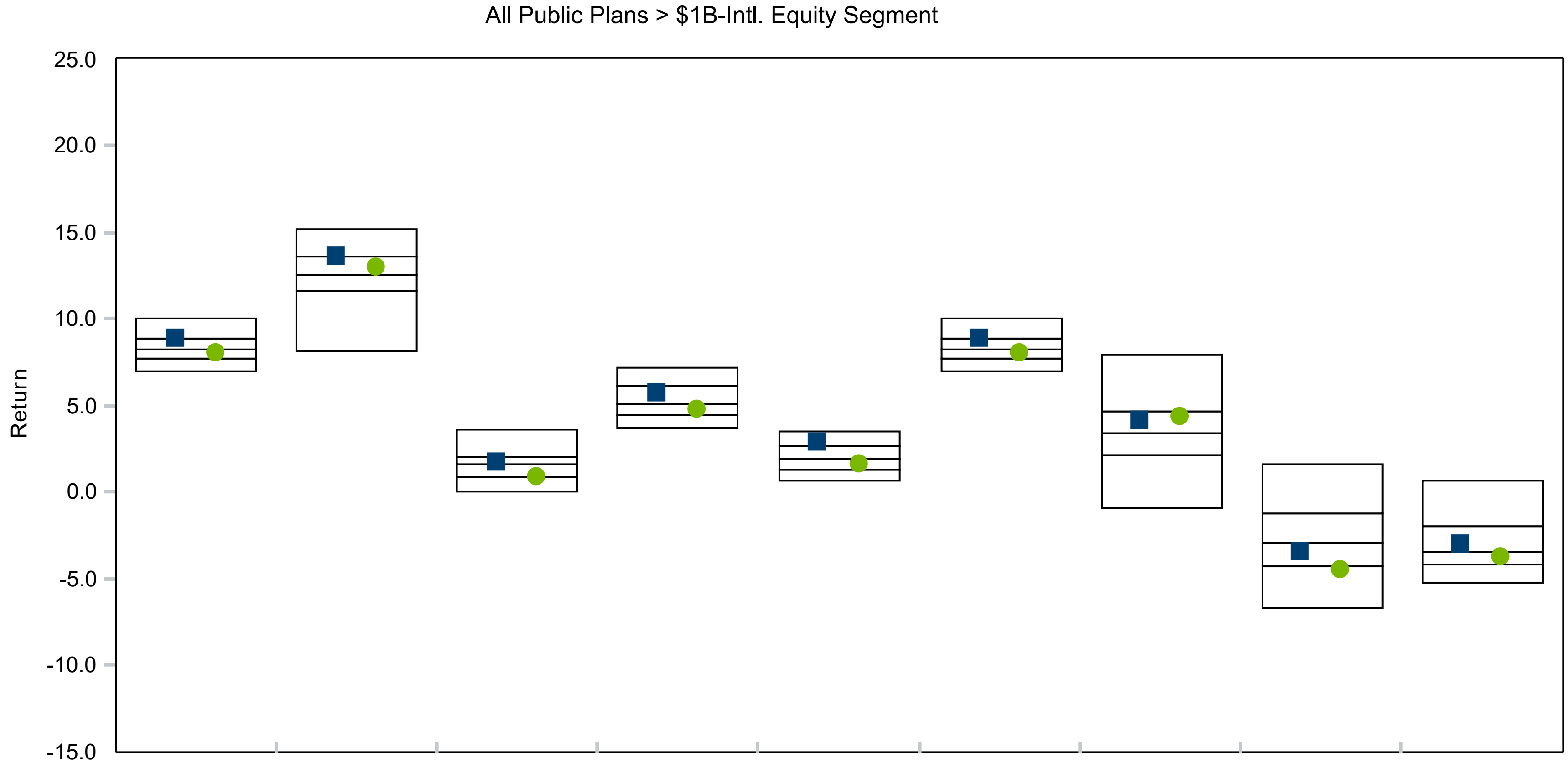


Return Summary



As of March 31, 2017

Plan Sponsor Peer Group Analysis



	1 Quarter	1 Year	3 Years	5 Years	10 Years	Year To Date	2016	2015	2014
■ Foreign Equities	8.9 (23)	13.7 (25)	1.8 (36)	5.8 (33)	2.9 (23)	8.9 (23)	4.1 (37)	-3.4 (57)	-3.0 (39)
● Asset Class Target	8.0 (65)	13.0 (39)	0.9 (75)	4.8 (65)	1.7 (66)	8.0 (65)	4.3 (33)	-4.5 (78)	-3.7 (68)
5th Percentile	10.1	15.2	3.6	7.3	3.5	10.1	7.9	1.6	0.7
1st Quartile	8.9	13.6	2.1	6.2	2.7	8.9	4.7	-1.2	-1.9
Median	8.3	12.6	1.6	5.1	1.9	8.3	3.4	-2.9	-3.4
3rd Quartile	7.8	11.6	0.9	4.5	1.3	7.8	2.1	-4.3	-4.1
95th Percentile	7.0	8.2	0.1	3.7	0.7	7.0	-0.9	-6.7	-5.2
Population	65	63	59	49	28	65	64	56	38

Parentheses contain percentile rankings.

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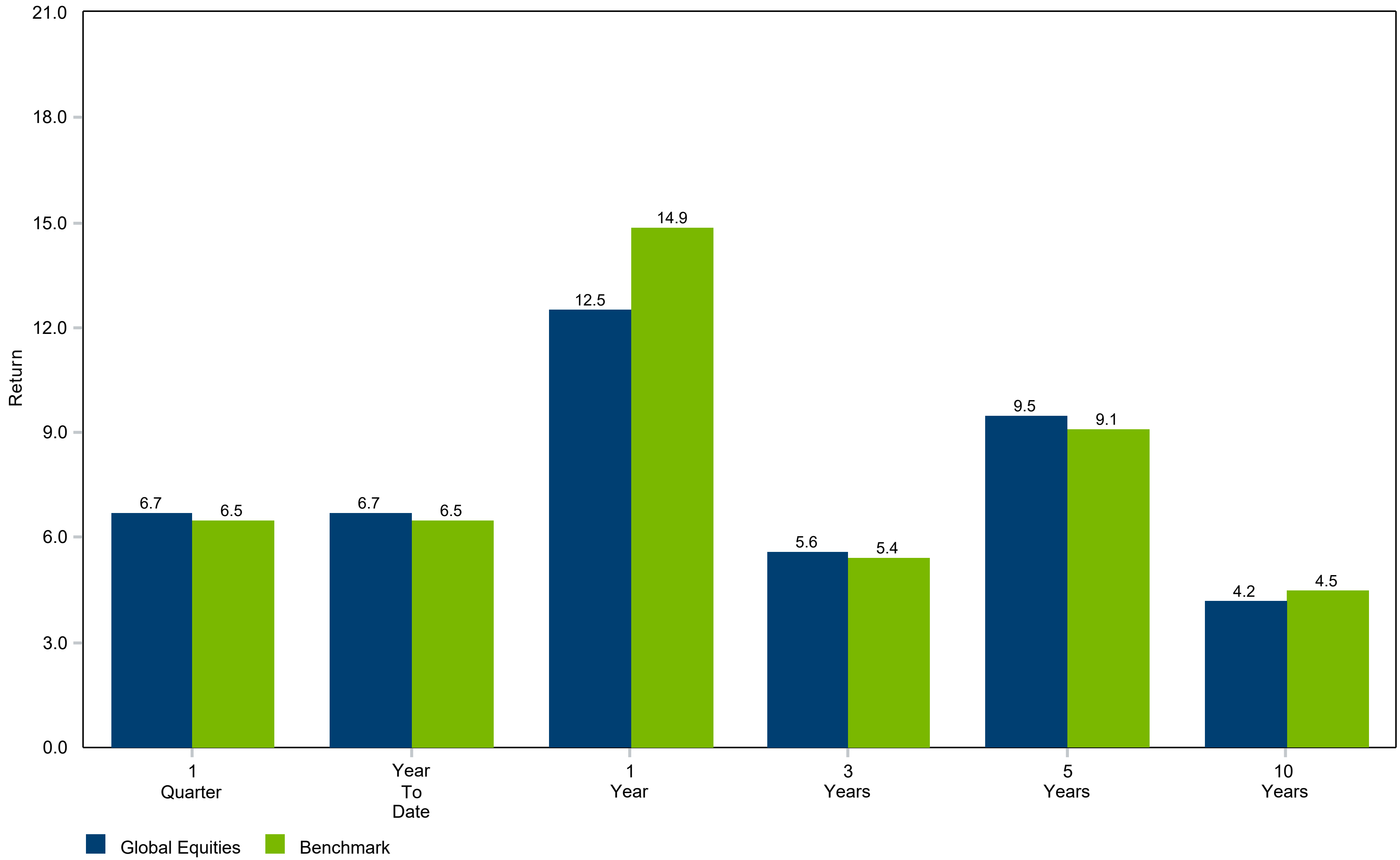
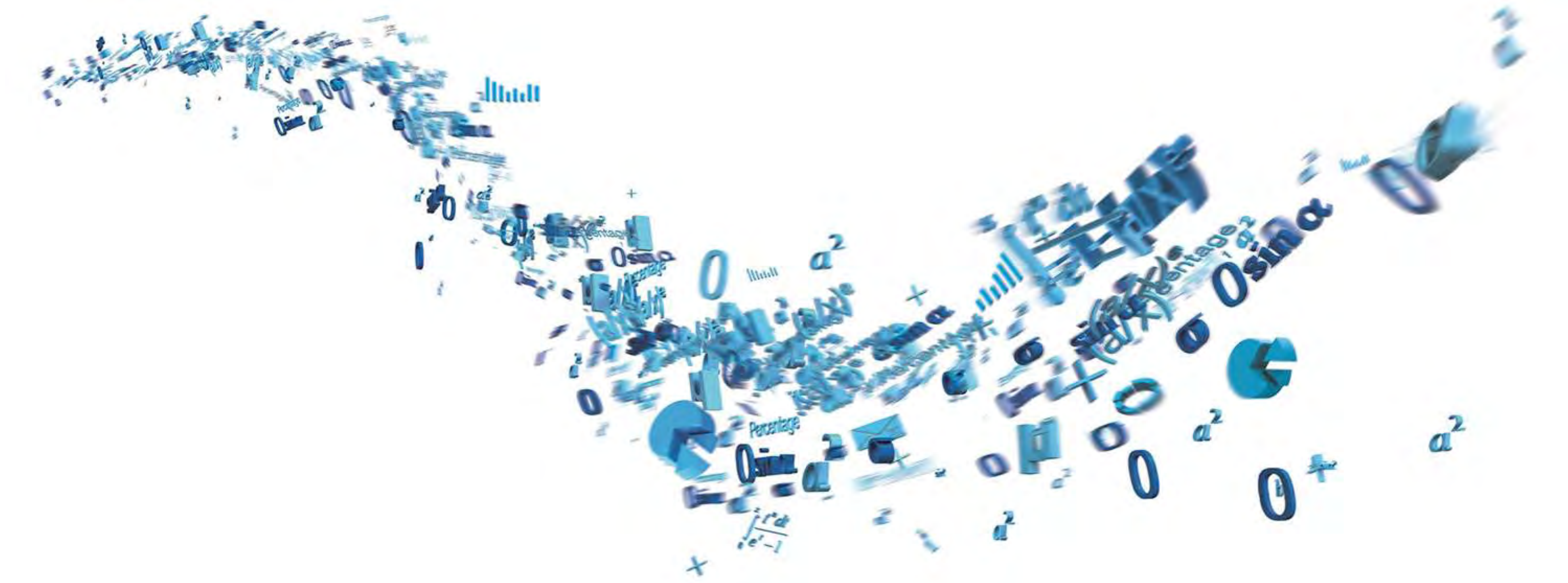
Global Equities

Global Equities Performance Summary

Return Summary



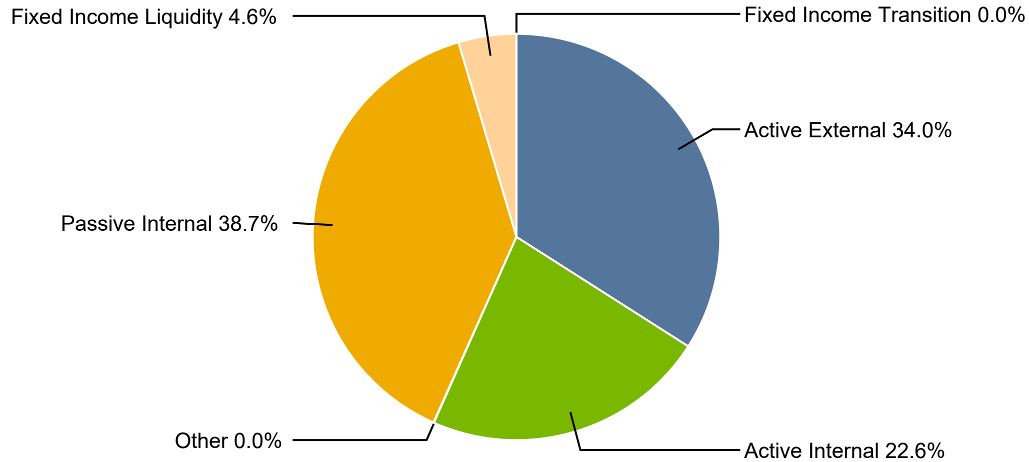


Fixed Income

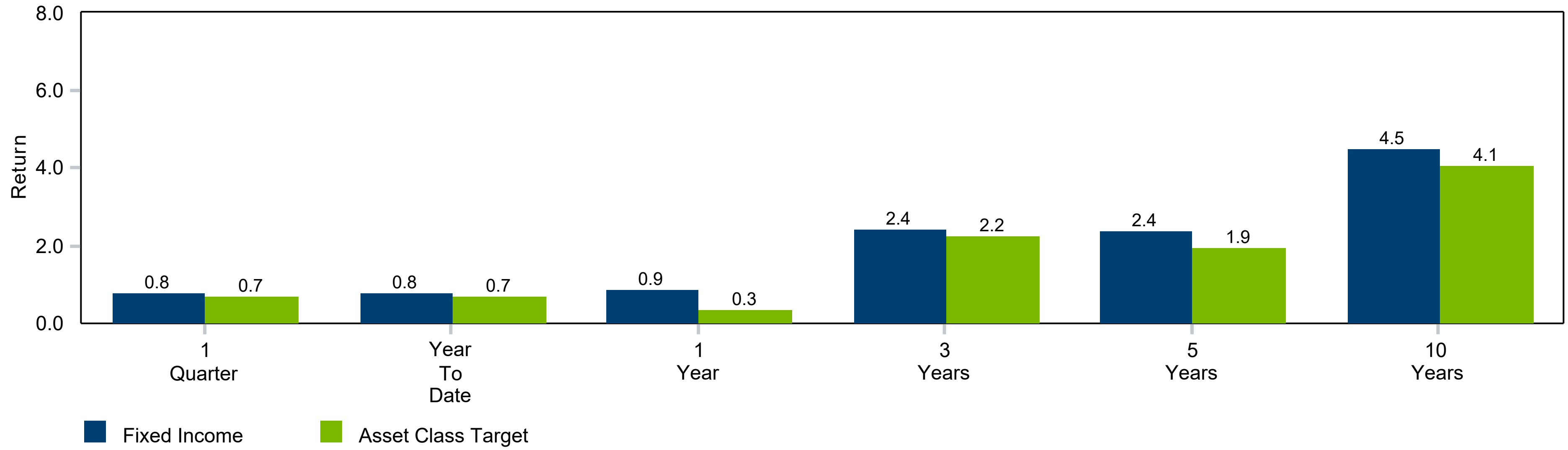
Fixed Income Portfolio Overview

Current Allocation

March 31, 2017 : $27,281M



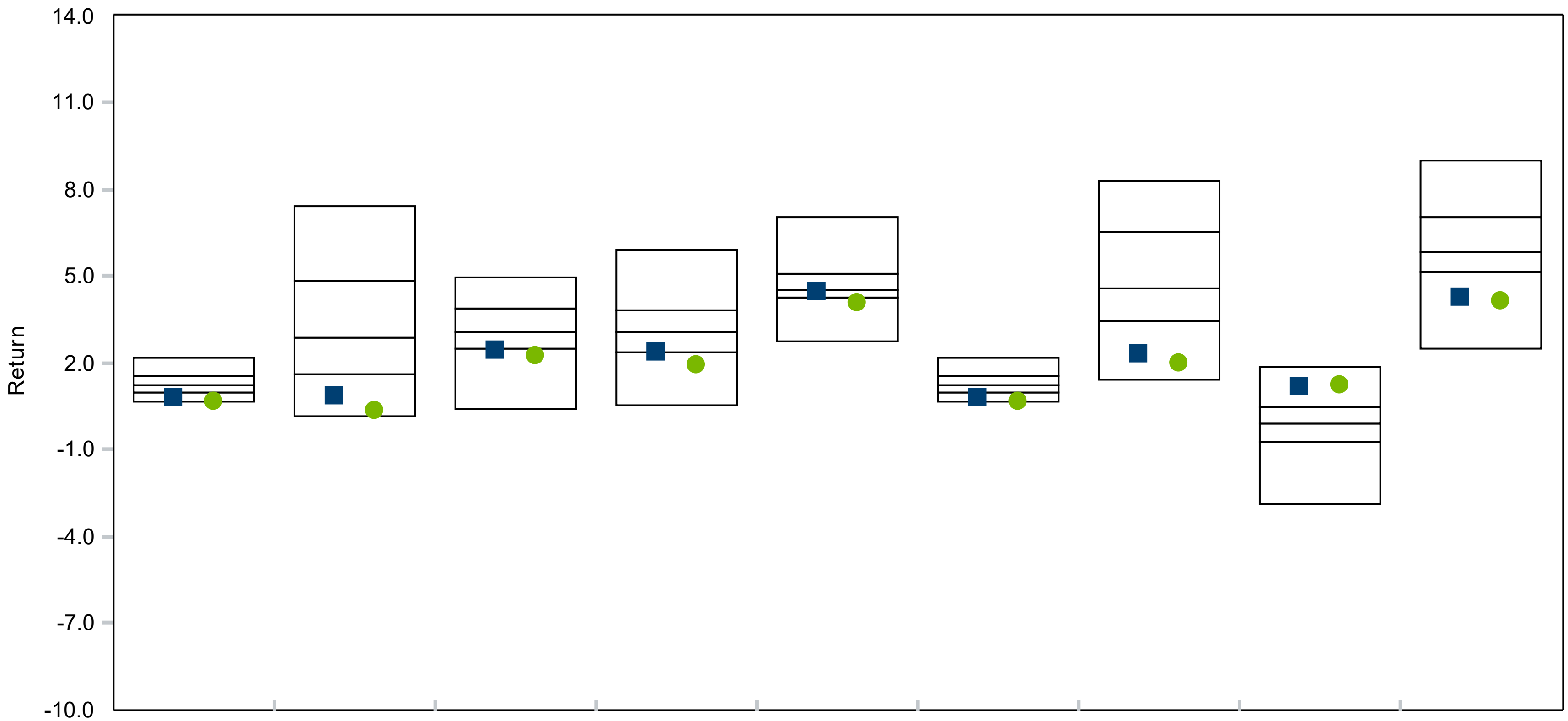
Return Summary



As of March 31, 2017

Plan Sponsor Peer Group Analysis

All Public Plans > $1B-US Fixed Income Segment



	1 Quarter	1 Year	3 Years	5 Years	10 Years	Year To Date	2016	2015	2014
■ Fixed Income	0.8 (93)	0.9 (85)	2.4 (81)	2.4 (75)	4.5 (57)	0.8 (93)	2.3 (90)	1.2 (9)	4.3 (86)
● Asset Class Target	0.7 (95)	0.3 (95)	2.2 (83)	1.9 (81)	4.1 (79)	0.7 (95)	2.0 (93)	1.2 (9)	4.1 (87)
5th Percentile	2.2	7.4	5.0	5.9	7.0	2.2	8.3	1.9	9.0
1st Quartile	1.6	4.8	3.9	3.8	5.1	1.6	6.5	0.5	7.1
Median	1.2	2.9	3.0	3.1	4.5	1.2	4.6	-0.1	5.9
3rd Quartile	1.0	1.6	2.5	2.4	4.3	1.0	3.4	-0.7	5.2
95th Percentile	0.6	0.2	0.5	0.6	2.8	0.6	1.4	-2.9	2.5
Population	64	64	63	55	31	64	66	54	39

Parentheses contain percentile rankings.

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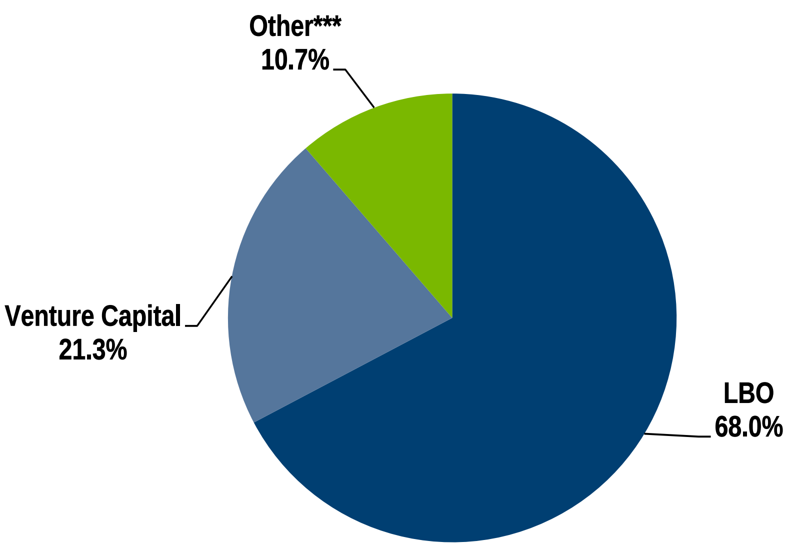
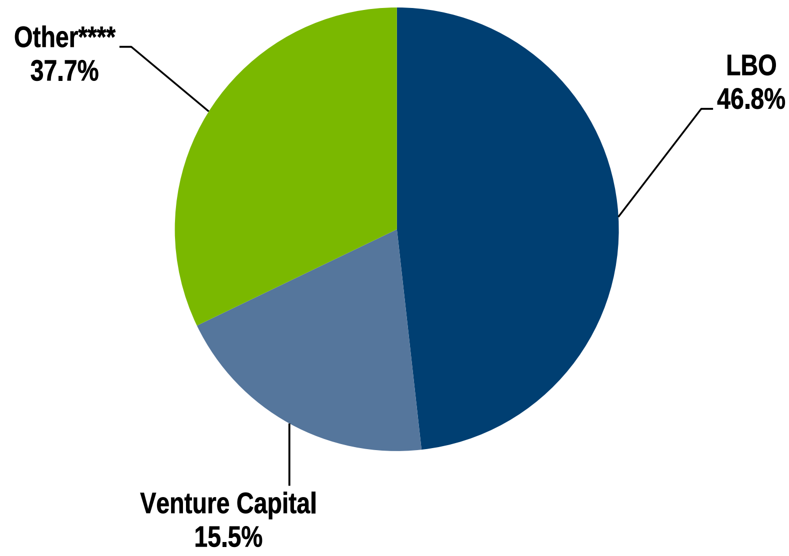
Private Equity

Overview

FRS Private Equity by Market Value*



Preqin Private Equity Strategies by Market Value**

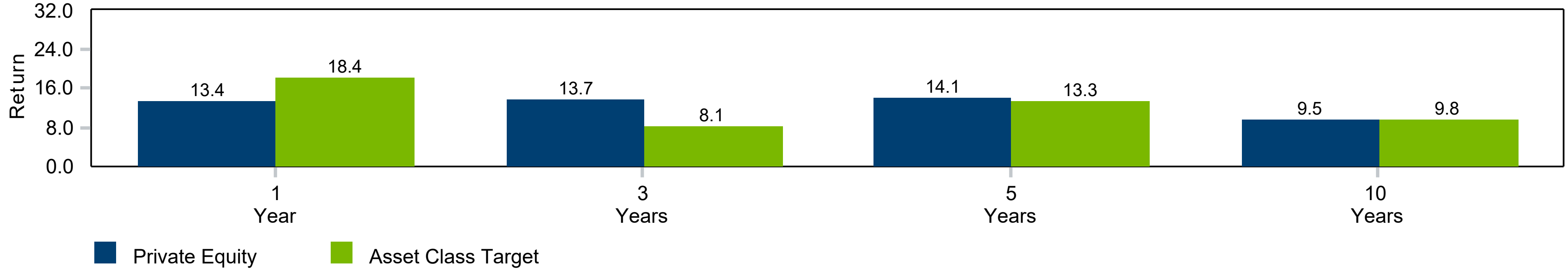


*Allocation data is as of March 31, 2017.
**Allocation data is as of June 30, 2015, from the Preqin database.
***Other for the FRS Private Equity consists of Growth Capital, Secondary, PE Cash, and PE Transition.
****Other for the Preqin data consists of Distressed PE, Growth, Mezzanine, and other Private Equity/Special Situations.
Preqin universe is comprised of 10,000 private equity funds representing $3.8 trillion.

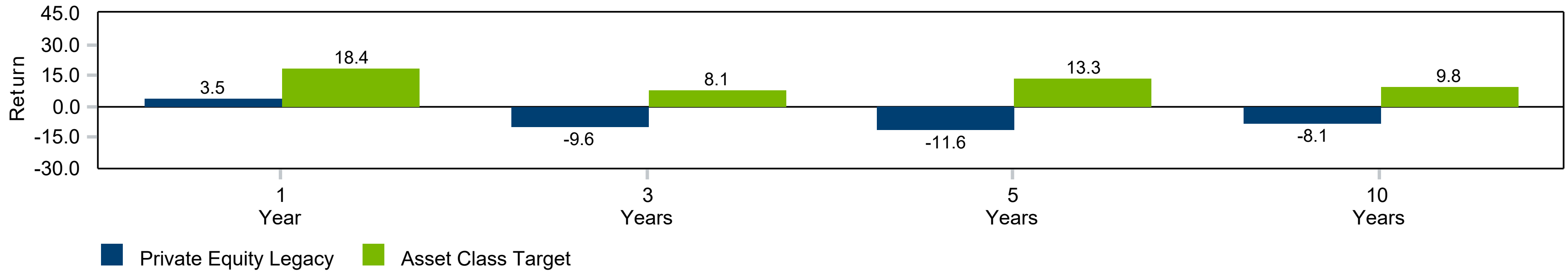
Private Equity

Time-Weighted Investment Results

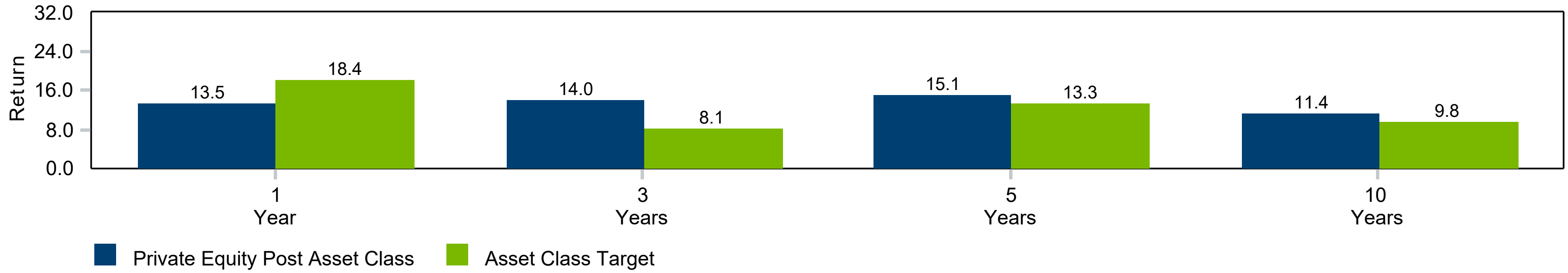
Private Equity Return Summary as of March 31, 2017



Private Equity Legacy Return Summary as of March 31, 2017



Private Equity Post Asset Class Return Summary as of March 31, 2017

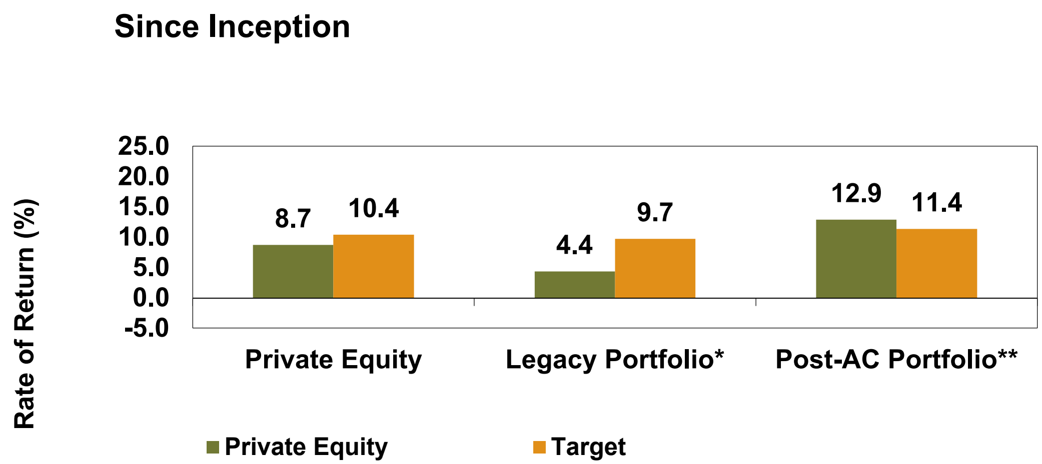


Empower Results®

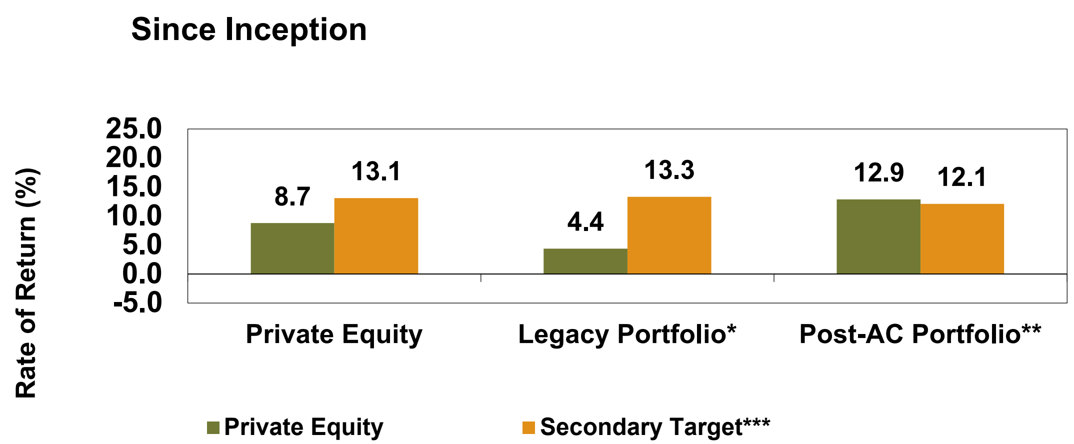
Private Equity

Dollar-Weighted Investment Results

As of December 31, 2016



As of December 31, 2016



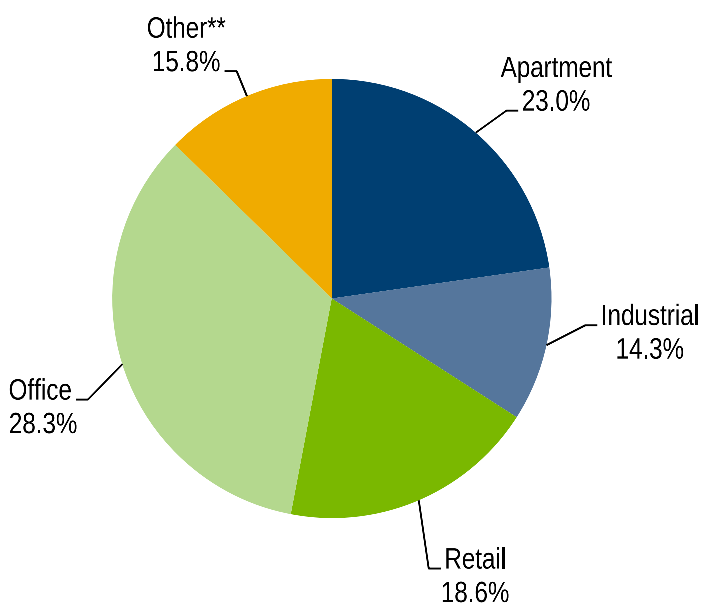
*The Inception Date for the Legacy Portfolio is January 1989.
**The Inception Date for the Post-AC Portfolio is September 2000.
***The Secondary Target is a blend of the Cambridge Associates Private Equity Index and the Cambridge Associates Venture Capital Index based on actual ABAL weights. Secondary Target data is on a quarterly lag.

Real Estate

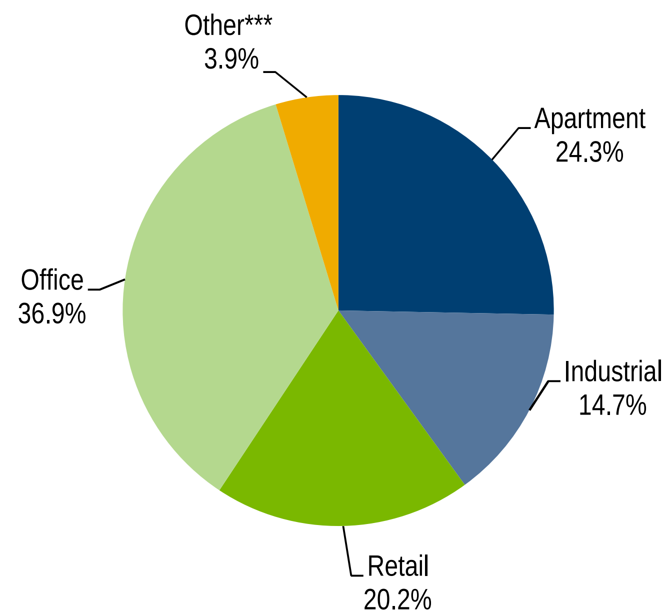
Empower Results®

Overview

FRS*



NFI-ODCE Index*

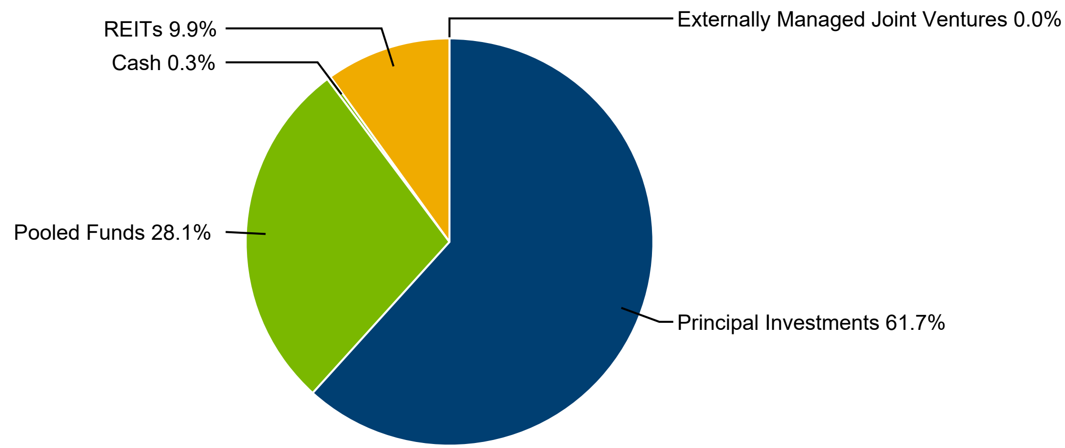


*Property Allocation data is as of December 31, 2016. The FRS chart includes only the FRS private real estate assets. Property type information for the REIT portfolios is not included.
**Other for the FRS consists of Hotel, Land, Preferred Equity, Agriculture, Self-Storage and Senior Housing.
***Other for the NFI-ODCE Index consists of Hotel, Senior Living, Health Care, Mixed Use, Single Family Residential, Parking, Timber/Agriculture, Land and Infrastructure.

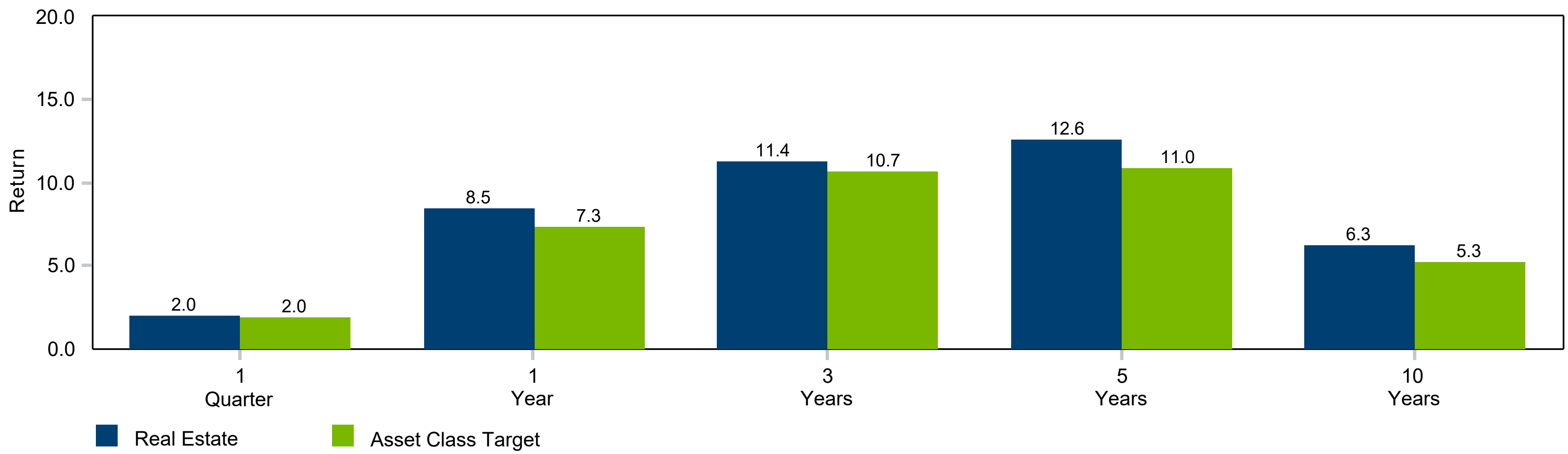
Real Estate Portfolio Overview

Current Allocation

March 31, 2017 : $13,282M

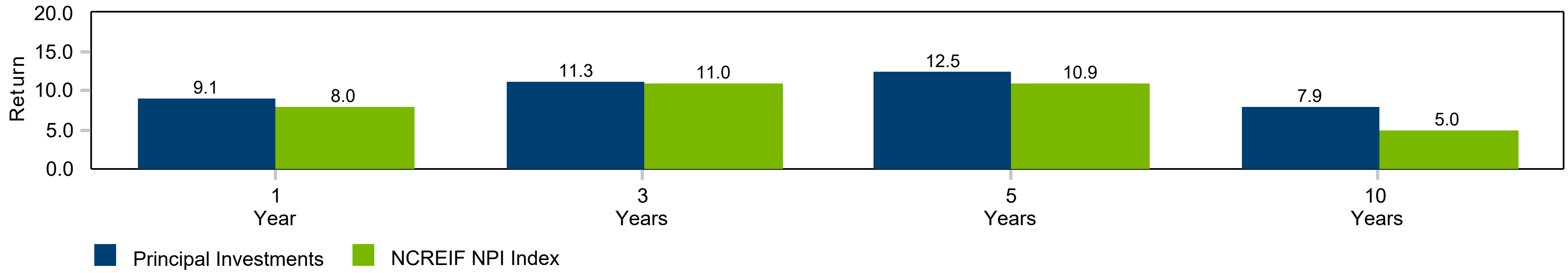


Return Summary

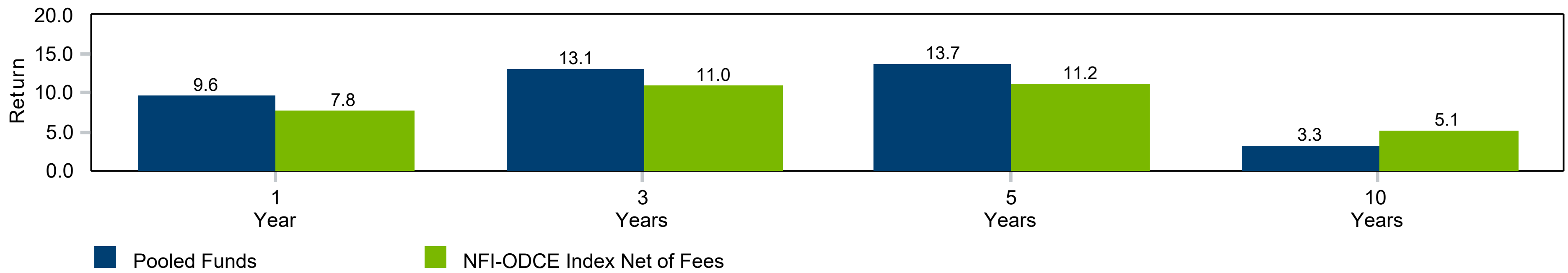


Real Estate

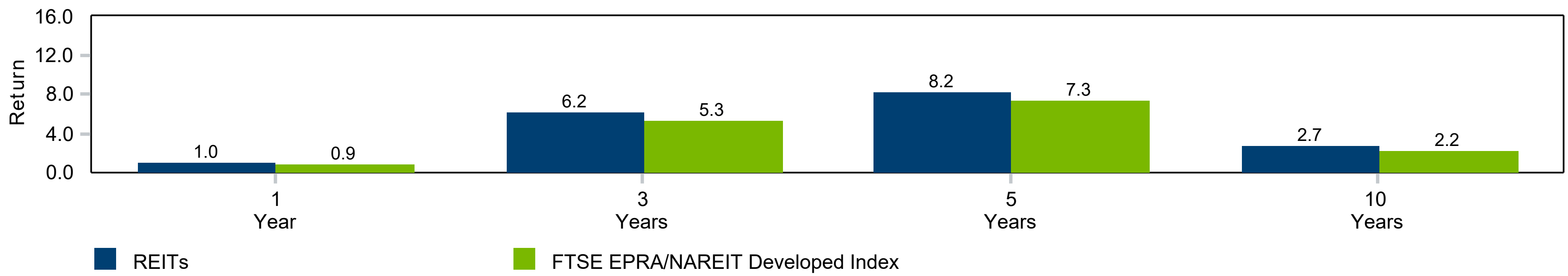
Principal Investments Return Summary as of March 31, 2017



Pooled Funds Return Summary as of March 31, 2017



REITs Return Summary as of March 31, 2017



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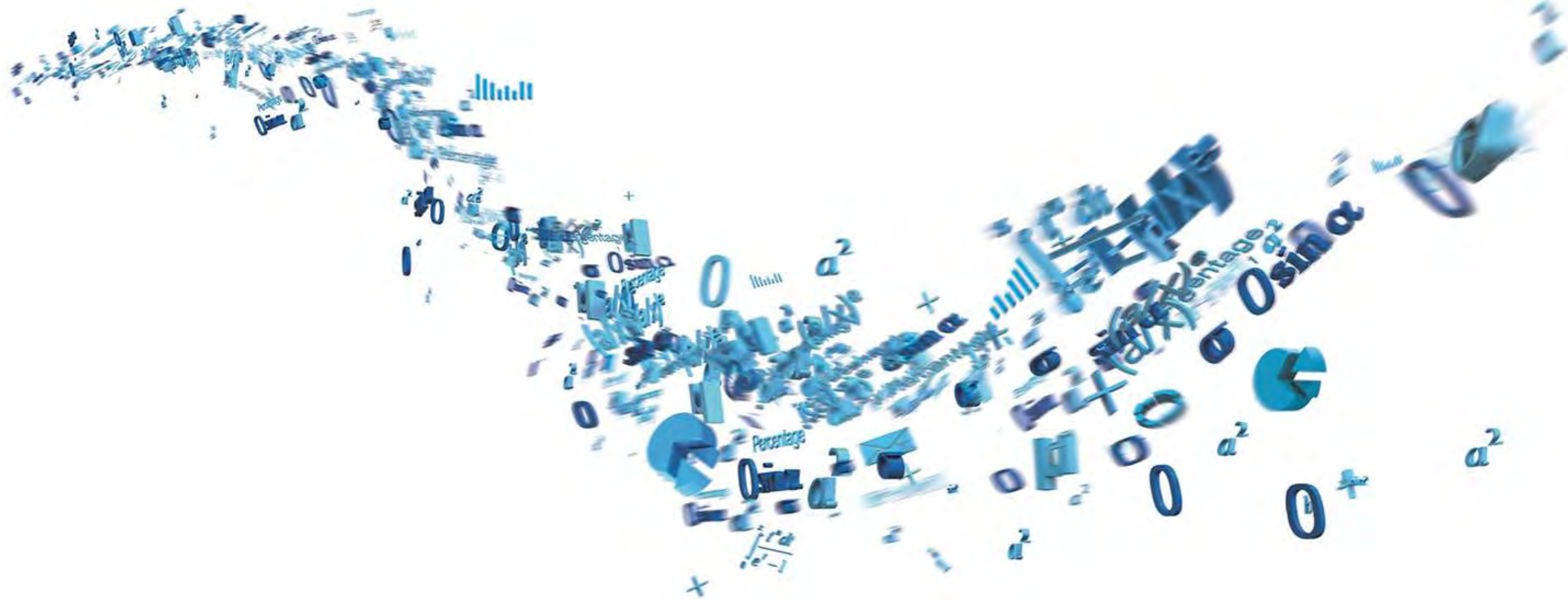

Strategic Investments

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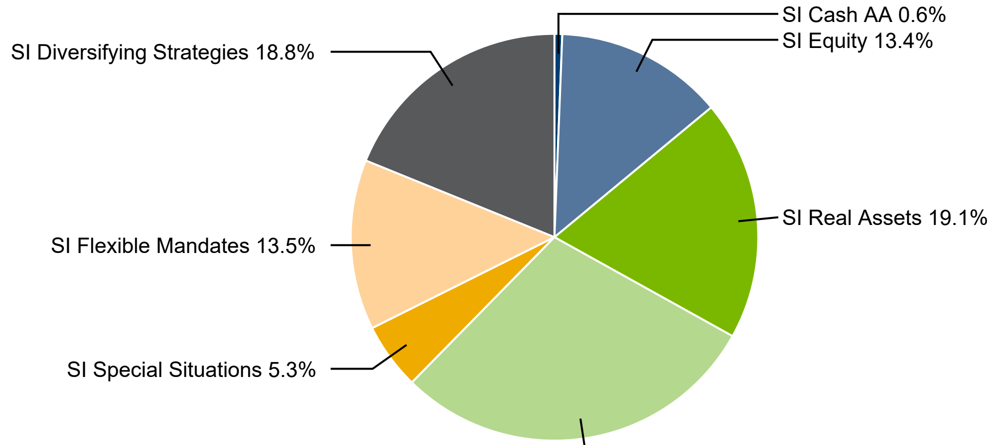
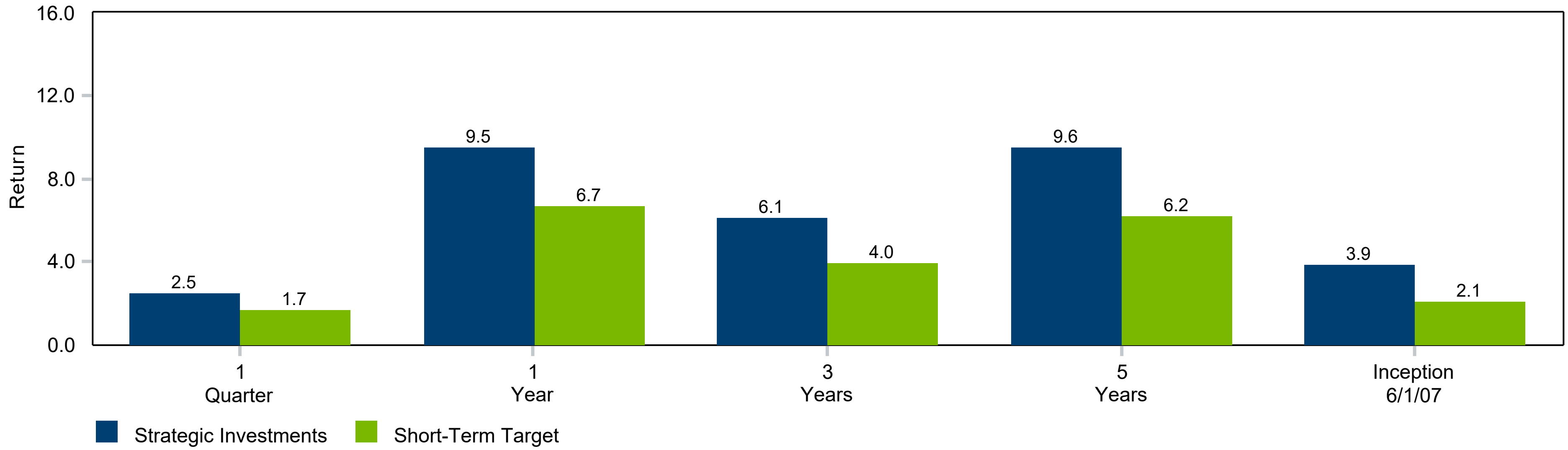
Strategic Investments Portfolio Overview

Current Allocation

March 31, 2017 : $12,481M



Return Summary



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Cash

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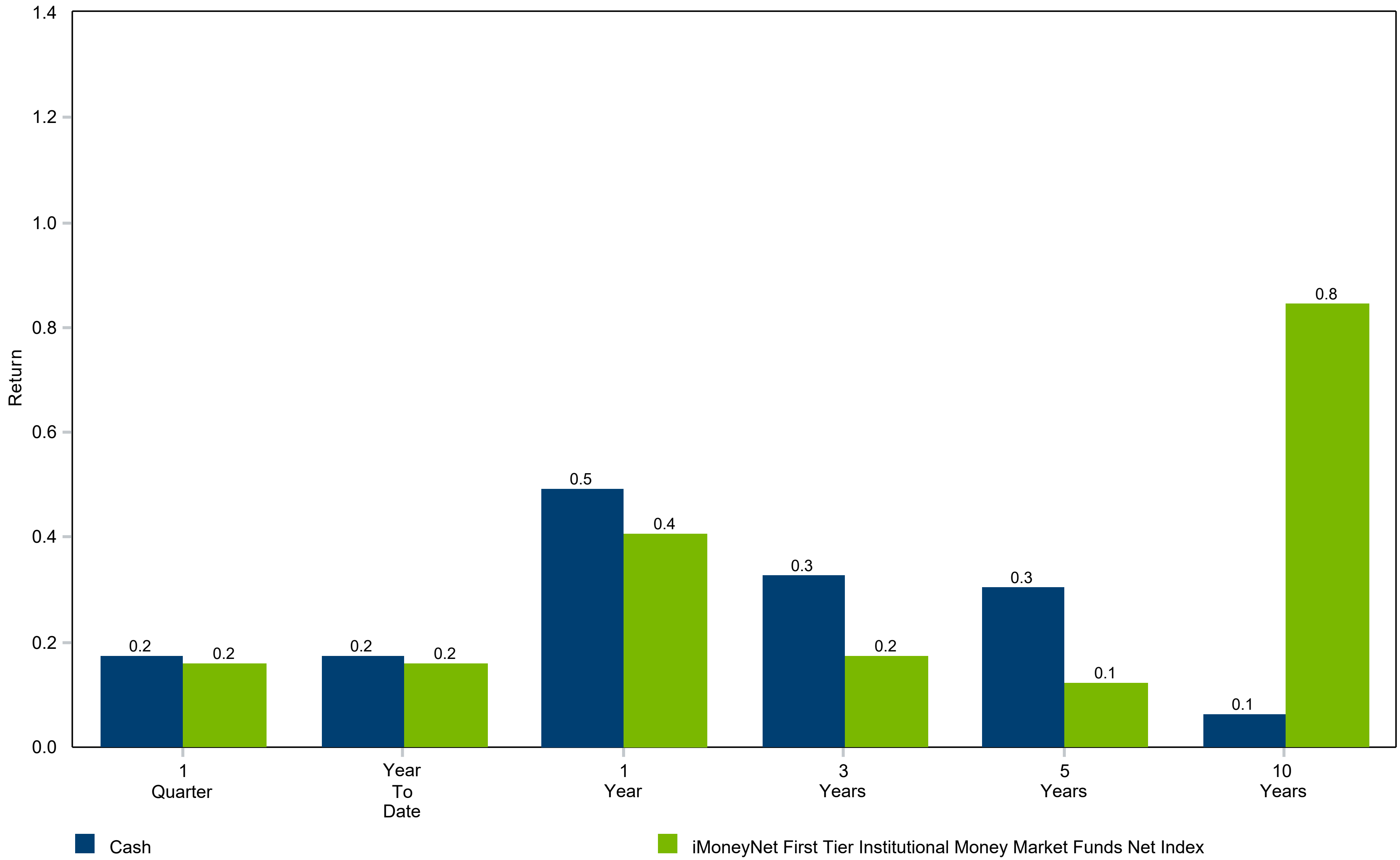
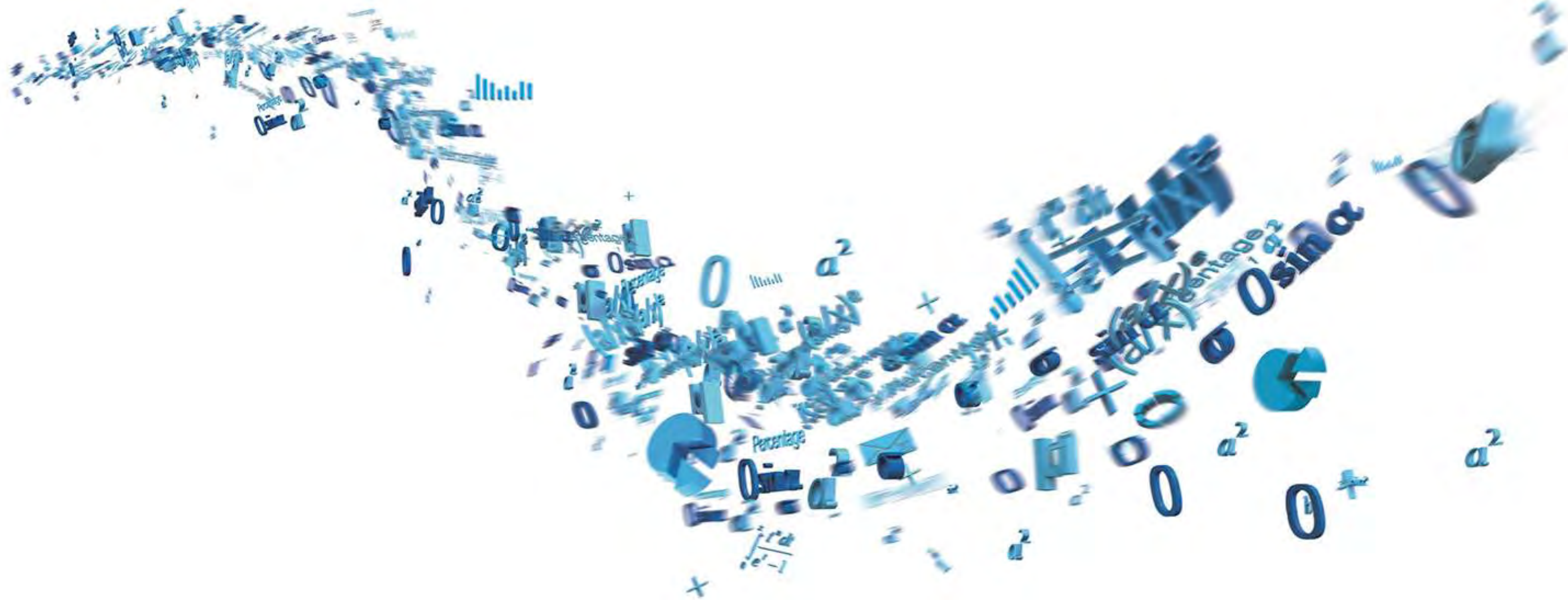
Cash Performance Summary

Return Summary





Appendix

Appendix

Total FRS Assets

Performance Benchmark - A combination of the Global Equity Target, the Barclays Capital U.S. Intermediate Aggregate Index, the Private Equity Target Index, the Real Estate Investments Target Index, the Strategic Investments Target Benchmark, and the iMoneyNet First Tier Institutional Money Market Funds Net Index. The short-term target policy allocations to the Strategic Investments, Real Estate and Private Equity asset classes are floating and based on the actual average monthly balance of the Global Equity asset class. Please refer to section VII. Performance Measurement in the FRS Defined Benefit Plan Investment Policy Statement for more details on the calculation of the Performance Benchmark. Prior to October 1, 2013, the Performance benchmark was a combination of the Global Equity Target, the Barclays Aggregate Bond Index, the Private Equity Target Index, the Real Estate Investments Target Index, the Strategic Investments Target Benchmark, and the iMoneyNet First Tier Institutional Money Market Funds Net Index. The short-term target policy allocations to the Strategic Investments, Real Estate and Private Equity asset classes are floating and based on the actual average monthly balance of the Global Equity asset class. Prior to July 2010, the Performance Benchmark was a combination of the Russell 3000 Index, the Foreign Equity Target Index, the Strategic Investments Target Benchmark, the Barclays Aggregate Bond Index, the Real Estate Investments Target Index, the Private Equity Target Index, the Barclays U.S. High Yield Ba/B 2% Issuer Capped Index, and the iMoneyNet First Tier Institutional Money Market Funds Gross Index. During this time, the short-term target policy allocations to Strategic Investments, Real Estate and Private Equity asset classes were floating and based on the actual average monthly balance of the Strategic Investments, Real Estate and Private Equity asset classes. The target weights shown for Real Estate and Private Equity were the allocations that the asset classes were centered around. The actual target weight floated around this target month to month based on changes in asset values.

Total Global Equity

Performance Benchmark - A custom version of the MSCI All Country World Investable Market Index, adjusted to exclude companies divested under the provisions of the Protecting Florida's Investments Act (PFIA). Prior to July 2010, the asset class benchmark is a weighted average of the underlying Domestic Equities, Foreign Equities and Global Equities historical benchmarks.

Total Domestic Equities

Performance Benchmark - The Russell 3000 Index. Prior to July 1, 2002, the benchmark was the Wilshire 2500 Stock Index. Prior to January 1, 2001, the benchmark was the Wilshire 2500 Stock Index ex-Tobacco. Prior to May 1, 1997, the benchmark was the Wilshire 2500 Stock Index. Prior to September 1, 1994, the benchmark was the S&P 500 Stock Index.

Total Foreign Equities

Performance Benchmark - A custom version of the MSCI ACWI ex-U.S. Investable Market Index adjusted to exclude companies divested under the PFIA. Prior to April 1, 2008, it was the MSCI All Country World Index ex-U.S. Investable Market Index. Prior to September 24, 2007, the target was the MSCI All Country World ex-U.S. Free Index. Prior to November 1, 1999, the benchmark was 85% MSCI Europe, Australasia and Far East (EAFE) Foreign Stock Index and 15% IFCI Emerging Markets Index with a half weight in Malaysia. Prior to March 31, 1995, the benchmark was the EAFE Index.

Total Global Equities

Performance Benchmark - Aggregated based on each underlying manager's individual benchmark. The calculation accounts for the actual weight and the benchmark return. The benchmarks used for the underlying managers include both the MSCI FSB All Country World ex-Sudan ex-Iran Net Index and MSCI FSB All Country World ex-Sudan ex-Iran Net Investable Market Index (IMI).

Appendix

Total Fixed Income

Performance Benchmark - The Barclays Capital U.S. Intermediate Aggregate Index. Prior to October 1, 2013, it was the Barclays U.S. Aggregate Bond Index. Prior to June 1, 2007, it was the Fixed Income Management Aggregate (FIMA). Prior to July 1, 1999, the benchmark was the Florida High Yield Extended Duration Index. Prior to July 31, 1997, the benchmark was the Florida Extended Duration Index. Prior to July 1, 1989, the Salomon Brothers Broad Investment-Grade Bond Index was the benchmark. For calendar year 1985, the performance benchmark was 70% Shearson Lehman Extended Duration and 30% Salomon Brothers Mortgage Index.

Total Private Equity

Performance Benchmark - The MSCI All Country World Investable Market Index (ACWI IMI), adjusted to reflect the provisions of the Protecting Florida's Investments Act, plus a fixed premium return of 300 basis points per annum. Prior to July 1, 2014, the benchmark was the domestic equities target index return (Russell 3000 Index) plus a fixed premium return of 300 basis points per annum. Prior to July 1, 2010, it was the domestic equities target index return plus a fixed premium return of 450 basis points per annum. Prior to November 1, 1999, Private Equities was part of the Domestic Equities asset class and its benchmark was the domestic equities target index return plus 750 basis points.

Total Real Estate

Performance Benchmark - The core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index- Open-ended Diversified Core Equity, net of fees, weighted at 76.5%, and the non-core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index- Open-ended Diversified Core Equity, net of fees, weighted at 13.5%, plus a fixed return premium of 150 basis points per annum, and the FTSE EPRA/NAREIT Developed Index, in dollar terms, net of withholding taxes on non-resident institutional investors, weighted at 10%. Prior to July 1, 2014, the benchmark was a combination of 90% NCREIF ODCE Index, net of fees, and 10% FTSE EPRA/NAREIT Developed Index, net of fees. Prior to July 1, 2010, it was a combination of 90% NCREIF ODCE Index, gross of fees, and 10% Dow Jones U.S. Select RESI. Prior to June 1, 2007, it was the Consumer Price Index plus 450 basis points annually. Prior to July 1, 2003, the benchmark was the Dow Jones U.S. Select Real Estate Securities Index Un-Levered. Prior to November 1, 1999, the benchmark was the Russell-NCREIF Property Index.

Total Strategic Investments

Performance Benchmark - Long-term, 5% plus the contemporaneous rate of inflation or CPI. Short-term, a weighted aggregation of individual portfolio level benchmarks.

Total Cash

Performance Benchmark - The iMoneyNet First Tier Institutional Money Market Funds Net Index. Prior to July 1, 2010, it was the iMoneyNet First Tier Institutional Money Market Funds Gross Index. Prior to June 1, 2007, it was the return of the Merrill Lynch 90-Day (Auction Average) Treasury Bill Yield Index.

Appendix

Description of Benchmarks

Barclays Capital U.S. Intermediate Aggregate Bond Index - A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of $250 million or greater.

Consumer Price Index (CPI) - The CPI, an index consisting of a fixed basket of goods bought by the typical consumer and used to measure consumer inflation.

FTSE EPRA/NAREIT Developed Index - An index designed to represent general trends in eligible real estate equities worldwide. Relevant real estate activities are defined as the ownership, disposure and development of income-producing real estate. This index covers the four primary core asset classes (Industrial, Retail, Office, and Apartment).

iMoneyNet First Tier Institutional Money Market Funds Net Index - An average of non-governmental institutional funds that do not hold any second tier securities. It includes money market mutual funds, net of fees, that invest in commercial paper, bank obligations and short-term investments in the highest ratings category and is open to corporations and fiduciaries only.

MSCI All Country World Investable Market Index - A free float-adjusted market capitalization-weighted index that is designed to measure the equity market performance of developed and emerging markets. This investable market index contains constituents from the large, mid, and small cap size segments and targets a coverage range around 99% of free-float adjusted market capitalization.

NCREIF ODCE Property Index - The NCREIF ODCE is a capitalization-weighted, gross of fee, time-weighted return index. The index is a summation of open-end funds, which NCREIF defines as infinite-life vehicles consisting of multiple investors who have the ability to enter or exit the fund on a periodic basis, subject to contribution and/or redemption requests.

Russell 3000 Index - A capitalization-weighted stock index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This represents most publicly traded, liquid U.S. stocks.

Description of Universes

Total Fund - A universe comprised of 88 total fund portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised $1.2 trillion as of quarter-end and the average market value was $14.6 billion.

Domestic Equity - A universe comprised of 64 total domestic equity portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised $283.9 billion as of quarter-end and the average market value was $4.4 billion.

Foreign Equity - A universe comprised of 64 total international equity portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised $229.7 billion as of quarter-end and the average market value was $3.6 billion.

Fixed Income - A universe comprised of 63 total fixed income portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised $319.7 billion as of quarter-end and the average market value was $5.1 billion.

Real Estate - A universe comprised of 37 total real estate portfolio returns, net of fees, of public defined benefit plans calculated and provided by BNY Mellon Performance & Risk Analytics. Aggregate assets in the universe comprised $60.0 billion as of quarter-end and the average market value was $1.6 billion.

Private Equity - An appropriate universe for private equity is unavailable.

Strategic Investments - An appropriate universe for strategic investments is unavailable.

Appendix

Explanation of Exhibits

Quarterly and Cumulative Excess Performance - The vertical axis, excess return, is a measure of fund performance less the return of the primary benchmark. The horizontal axis represents the time series. The quarterly bars represent the underlying funds' relative performance for the quarter.

Ratio of Cumulative Wealth Graph - An illustration of a portfolio's cumulative, un-annualized performance relative to that of its benchmark. An upward-sloping line indicates superior fund performance versus its benchmark. Conversely, a downward-sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

Performance Comparison - Plan Sponsor Peer Group Analysis - An illustration of the distribution of returns for a particular asset class. The component's return is indicated by the circle and its performance benchmark by the triangle. The top and bottom borders represent the 5th and 95th percentiles, respectively. The solid line indicates the median while the dotted lines represent the 25th and 75th percentiles.

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FRS Investment Plan | First Quarter 2017

Quarterly Investment Review

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FRS Investment Plan

As of March 31, 2017

Asset Allocation & Performance

	Allocation		Performance(%)				
	Market Value ($)	%	1 Quarter	1 Year	3 Years	5 Years	10 Years
FRS Investment Plan	9,686,279,077	100.0	4.5	12.0	4.9	7.0	4.8
Total Plan Aggregate Benchmark			4.1	11.6	4.8	6.7	4.3
Retirement Date	4,154,660,924	42.9					
FRS Retirement Fund	383,510,152	4.0	3.2 (50)	7.2 (61)	2.9 (73)	4.0 (84)	-
Retirement Custom Index			3.0 (55)	6.8 (63)	2.9 (73)	3.7 (88)	-
FRS 2015 Retirement Date Fund	341,853,368	3.5	3.6 (43)	8.2 (57)	3.2 (90)	4.6 (95)	-
2015 Retirement Custom Index			3.2 (75)	7.5 (72)	3.1 (91)	4.3 (96)	-
FRS 2020 Retirement Date Fund	570,402,614	5.9	4.2 (30)	9.7 (31)	3.8 (65)	5.7 (63)	-
2020 Retirement Custom Index			3.9 (51)	9.1 (49)	3.7 (68)	5.4 (70)	-
FRS 2025 Retirement Date Fund	614,958,004	6.3	4.7 (29)	11.2 (28)	4.5 (63)	6.8 (65)	-
2025 Retirement Custom Index			4.4 (50)	10.6 (41)	4.2 (74)	6.5 (68)	-
FRS 2030 Retirement Date Fund	555,946,405	5.7	5.1 (37)	12.3 (36)	4.9 (61)	7.9 (49)	-
2030 Retirement Custom Index			4.9 (51)	11.9 (48)	4.7 (70)	7.6 (58)	-
FRS 2035 Retirement Date Fund	512,391,909	5.3	5.6 (38)	13.8 (26)	5.3 (64)	8.8 (40)	-
2035 Retirement Custom Index			5.4 (53)	12.9 (58)	4.8 (78)	8.4 (54)	-
FRS 2040 Retirement Date Fund	443,877,770	4.6	5.9 (40)	14.3 (39)	5.4 (69)	8.9 (44)	-
2040 Retirement Custom Index			5.8 (50)	13.8 (59)	5.0 (78)	8.6 (52)	-
FRS 2045 Retirement Date Fund	420,725,440	4.3	6.0 (45)	14.6 (46)	5.5 (71)	9.0 (45)	-
2045 Retirement Custom Index			6.0 (48)	14.4 (56)	5.2 (77)	8.7 (59)	-
FRS 2050 Retirement Date Fund	228,064,541	2.4	6.1 (47)	14.7 (45)	5.5 (70)	9.0 (45)	-
2050 Retirement Custom Index			6.0 (51)	14.4 (56)	5.2 (77)	8.7 (64)	-
FRS 2055 Retirement Date Fund	82,930,722	0.9	6.1 (54)	14.6 (63)	5.5 (71)	9.0 (52)	-
2055 Retirement Custom Index			6.0 (58)	14.4 (73)	5.2 (84)	8.7 (74)	-

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Asset Allocation & Performance

	Allocation		Performance(%)									
	Market Value ($)	%	1 Quarter		1 Year		3 Years		5 Years		10 Years	
Cash	957,344,367	9.9	0.2	(2)	0.7	(1)	0.4	(1)	0.3	(1)	0.9	(4)
FRS Money Market Fund	957,344,367	9.9	0.2	(2)	0.7	(1)	0.4	(1)	0.3	(1)	0.9	(4)
iMoneyNet 1st Tier Institutional Net Index			0.2	(14)	0.4	(20)	0.2	(18)	0.1	(19)	0.9	(9)
Real Assets	91,185,984	0.9										
FRS Real Assets Fund	91,185,984	0.9	2.8		6.8		0.0		0.0		-	
FRS Custom Real Assets Index			2.1		5.4		0.2		-0.3		-	
Fixed Income	666,197,550	6.9	1.3	(11)	3.0	(18)	3.0	(4)	2.9	(20)	4.8	(9)
Total Bond Index			1.0	(18)	2.4	(23)	2.8	(6)	2.6	(30)	4.3	(16)
FRS U.S. Bond Enhanced Index Fund	241,654,056	2.5	0.8	(39)	0.5	(6)	2.8	(34)	2.5	(33)	4.5	(40)
Blmbg. Barc. U.S. Aggregate			0.8	(39)	0.4	(7)	2.7	(38)	2.3	(34)	4.3	(45)
FIAM Intermediate Duration Pool Fund	110,320,751	1.1	1.0	(19)	1.5	(57)	2.4	(17)	2.4	(35)	3.9	(28)
Blmbg. Barc. U.S. Intermediate Aggregate			0.7	(74)	0.3	(91)	2.2	(19)	2.0	(53)	3.9	(32)
FRS Core Plus Fixed Income Fund	314,222,743	3.2	1.5	(25)	4.0	(35)	3.3	(35)	4.0	(23)	-	
FRS Custom Core-Plus Fixed Income Index			1.1	(67)	2.8	(53)	3.0	(53)	3.6	(38)	-	
Domestic Equity	2,658,661,680	27.4	5.4	(56)	19.5	(22)	9.6	(19)	13.3	(19)	8.2	(19)
Total U.S. Equities Index			5.0	(64)	19.3	(23)	9.3	(24)	13.0	(28)	7.5	(33)
FRS U.S. Stock Market Index Fund	881,046,419	9.1	5.8	(56)	18.2	(28)	9.9	(28)	13.3	(19)	7.6	(34)
Russell 3000 Index			5.7	(56)	18.1	(29)	9.8	(30)	13.2	(22)	7.5	(37)
FRS U.S. Large Cap Equity Fund	890,017,900	9.2	6.1	(43)	18.9	(20)	9.5	(39)	12.9	(33)	-	
Russell 1000 Index			6.0	(44)	17.4	(35)	10.0	(25)	13.3	(22)	-	
FRS U.S. Small/Mid Cap Equity Fund	887,597,362	9.2	4.2	(47)	23.2	(17)	9.4	(16)	14.0	(10)	-	
FRS Custom Small/Mid Cap Index			3.8	(56)	22.0	(23)	7.7	(38)	10.4	(81)	-	

Empower Results®

Asset Allocation & Performance

	Allocation		Performance(%)									
	Market Value ($)	%	1 Quarter		1 Year		3 Years		5 Years		10 Years	
International/Global Equity	674,132,764	7.0	8.5	(52)	13.6	(45)	2.0	(36)	6.7	(24)	2.9	(30)
Total Foreign and Global Equities Index			7.8	(66)	13.3	(47)	1.4	(45)	5.9	(36)	1.6	(53)
FRS Foreign Stock Index Fund	270,461,151	2.8	8.2	(58)	13.4	(46)	1.0	(52)	6.0	(35)	1.6	(54)
MSCI All Country World ex-U.S. IMI Index			8.0	(61)	13.0	(49)	0.7	(57)	5.6	(41)	1.2	(63)
American Funds New Perspective Fund	245,282,295	2.5	9.6	(13)	14.7	(42)	6.9	(16)	10.6	(19)	6.8	(18)
MSCI All Country World Index Net			6.9	(45)	15.0	(39)	5.1	(38)	8.5	(50)	3.8	(62)
American Funds Euro-Pacific Growth Fund	158,389,317	1.6	9.4	(11)	13.1	(42)	2.2	(3)	6.6	(9)	3.6	(2)
MSCI All Country World ex-U.S. Index			7.9	(44)	13.6	(32)	1.0	(21)	4.8	(55)	1.0	(47)
FRS Self-Dir Brokerage Acct	484,095,808	5.0										

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

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Asset Allocation & Performance

	Performance(%)								
	2016	2015	2014	2013	2012	2011	2010	2009	2008
FRS Investment Plan	8.0	-0.9	4.9	15.2	10.5	0.7	10.6	18.4	-23.2
Total Plan Aggregate Benchmark	8.5	-1.3	4.9	14.6	9.7	0.9	10.2	16.8	-23.4
Retirement Date									
FRS Retirement Fund	6.2 (48)	-2.6 (100)	4.4 (83)	3.5 (96)	10.7 (56)	3.4 (9)	11.5 (52)	20.0 (82)	-
Retirement Custom Index	6.2 (48)	-1.8 (95)	3.6 (90)	3.4 (96)	8.5 (74)	5.0 (1)	9.9 (80)	19.1 (84)	-
FRS 2015 Retirement Date Fund	6.7 (43)	-2.5 (98)	4.4 (78)	5.5 (89)	11.3 (43)	2.1 (20)	11.5 (62)	21.8 (67)	-
2015 Retirement Custom Index	6.5 (50)	-1.8 (92)	3.7 (92)	5.7 (88)	9.6 (88)	3.2 (1)	10.4 (85)	22.2 (65)	-
FRS 2020 Retirement Date Fund	7.4 (19)	-2.1 (92)	4.4 (79)	9.6 (75)	12.4 (38)	0.6 (38)	12.2 (64)	24.5 (55)	-
2020 Retirement Custom Index	7.1 (31)	-1.6 (82)	3.9 (88)	9.7 (75)	11.0 (74)	1.5 (21)	11.2 (86)	24.2 (58)	-
FRS 2025 Retirement Date Fund	8.0 (14)	-1.7 (80)	4.5 (86)	13.7 (74)	13.5 (43)	-0.7 (35)	12.5 (88)	26.4 (64)	-
2025 Retirement Custom Index	7.6 (19)	-1.5 (75)	4.2 (91)	13.8 (74)	12.4 (73)	-0.3 (26)	11.8 (93)	26.3 (65)	-
FRS 2030 Retirement Date Fund	8.5 (17)	-1.3 (60)	4.5 (83)	18.1 (54)	14.6 (34)	-2.1 (50)	13.0 (86)	29.0 (48)	-
2030 Retirement Custom Index	8.0 (36)	-1.5 (63)	4.4 (83)	18.2 (52)	13.8 (53)	-2.0 (49)	12.5 (91)	29.2 (47)	-
FRS 2035 Retirement Date Fund	9.1 (18)	-1.4 (46)	4.4 (84)	22.0 (38)	15.8 (23)	-3.0 (46)	13.7 (80)	29.8 (58)	-
2035 Retirement Custom Index	8.3 (46)	-1.7 (63)	4.3 (85)	22.0 (38)	15.2 (46)	-3.1 (47)	13.3 (89)	30.1 (57)	-
FRS 2040 Retirement Date Fund	9.2 (19)	-1.4 (52)	4.4 (83)	22.3 (48)	15.8 (36)	-3.0 (38)	13.7 (79)	29.8 (54)	-
2040 Retirement Custom Index	8.6 (45)	-1.7 (66)	4.3 (84)	22.4 (48)	15.2 (50)	-3.1 (38)	13.3 (85)	30.1 (53)	-
FRS 2045 Retirement Date Fund	9.4 (20)	-1.5 (48)	4.4 (82)	22.3 (60)	15.8 (38)	-3.0 (26)	13.7 (86)	29.8 (65)	-
2045 Retirement Custom Index	8.9 (37)	-1.7 (59)	4.3 (83)	22.4 (60)	15.2 (68)	-3.1 (26)	13.3 (89)	30.1 (63)	-
FRS 2050 Retirement Date Fund	9.5 (21)	-1.5 (55)	4.4 (82)	22.3 (53)	15.8 (36)	-3.0 (20)	13.7 (84)	29.8 (73)	-
2050 Retirement Custom Index	8.9 (37)	-1.7 (62)	4.3 (82)	22.4 (53)	15.2 (58)	-3.1 (20)	13.3 (87)	30.1 (70)	-
FRS 2055 Retirement Date Fund	9.3 (27)	-1.4 (54)	4.4 (80)	22.3 (73)	15.8 (45)	-	-	-	-
2055 Retirement Custom Index	8.9 (33)	-1.7 (68)	4.3 (80)	22.4 (72)	15.2 (75)	-	-	-	-

Empower Results®

Asset Allocation & Performance

	Performance(%)								
	2016	2015	2014	2013	2012	2011	2010	2009	2008
Cash	0.6 (1)	0.2 (4)	0.1 (1)	0.2 (1)	0.3 (1)	0.2 (1)	0.3 (2)	0.3 (34)	2.4 (41)
FRS Money Market Fund	0.6 (1)	0.2 (4)	0.1 (1)	0.2 (1)	0.3 (1)	0.2 (1)	0.3 (2)	0.3 (34)	2.4 (41)
iMoneyNet 1st Tier Institutional Net Index	0.3 (24)	0.0 (26)	0.0 (23)	0.0 (23)	0.1 (23)	0.1 (23)	0.2 (7)	0.7 (3)	3.0 (5)
Real Assets									
FRS Real Assets Fund	6.0	-7.9	3.2	-9.1	9.1	7.4	11.7	16.0	-
FRS Custom Real Assets Index	6.2	-5.0	1.8	-8.9	6.6	4.6	13.0	17.2	-
Fixed Income	4.7 (9)	0.3 (78)	4.7 (3)	-1.1 (85)	6.0 (36)	6.7 (1)	7.6 (30)	11.7 (55)	1.4 (51)
Total Bond Index	4.3 (11)	0.1 (84)	4.9 (2)	-1.2 (88)	4.8 (62)	7.4 (1)	7.0 (35)	8.9 (78)	1.9 (49)
FRS U.S. Bond Enhanced Index Fund	2.7 (3)	0.7 (33)	6.2 (35)	-2.0 (16)	4.4 (14)	7.9 (67)	6.7 (48)	6.5 (6)	5.9 (87)
Blmbg. Barc. U.S. Aggregate	2.6 (3)	0.5 (43)	6.0 (36)	-2.0 (17)	4.2 (15)	7.8 (67)	6.5 (49)	5.9 (7)	5.2 (89)
FIAM Intermediate Duration Pool Fund	3.1 (31)	0.9 (30)	3.4 (20)	-0.5 (63)	4.9 (59)	5.9 (12)	7.0 (35)	11.9 (54)	-1.7 (56)
Blmbg. Barc. U.S. Intermediate Aggregate	2.0 (69)	1.2 (16)	4.1 (6)	-1.0 (83)	3.6 (79)	6.0 (11)	6.1 (48)	6.5 (86)	4.9 (11)
FRS Core Plus Fixed Income Fund	5.7 (26)	0.1 (46)	4.6 (88)	0.8 (20)	11.1 (16)	4.6 (88)	10.1 (28)	21.6 (20)	-
FRS Custom Core-Plus Fixed Income Index	4.9 (40)	0.2 (41)	5.1 (80)	0.8 (20)	7.8 (51)	7.6 (32)	9.1 (42)	18.7 (31)	-
Domestic Equity	13.7 (27)	0.7 (32)	11.5 (43)	35.2 (44)	16.9 (34)	0.3 (37)	20.4 (24)	30.9 (51)	-36.5 (32)
Total U.S. Equities Index	14.9 (21)	-0.5 (44)	11.1 (47)	34.0 (54)	16.5 (37)	-0.1 (39)	19.3 (31)	28.4 (64)	-36.5 (32)
FRS U.S. Stock Market Index Fund	12.9 (27)	0.6 (51)	12.6 (33)	33.6 (40)	16.5 (39)	1.0 (40)	17.1 (17)	28.6 (50)	-37.2 (50)
Russell 3000 Index	12.7 (27)	0.5 (52)	12.6 (34)	33.6 (40)	16.4 (40)	1.0 (40)	16.9 (19)	28.3 (52)	-37.3 (52)
FRS U.S. Large Cap Equity Fund	9.3 (58)	2.7 (30)	12.8 (42)	36.4 (22)	17.2 (24)	1.2 (45)	17.8 (19)	30.5 (36)	-
Russell 1000 Index	12.1 (33)	0.9 (43)	13.2 (33)	33.1 (47)	16.4 (31)	1.5 (41)	16.1 (31)	28.4 (43)	-
FRS U.S. Small/Mid Cap Equity Fund	19.9 (24)	-1.1 (37)	8.6 (28)	37.1 (46)	18.7 (26)	-0.9 (37)	29.6 (25)	37.0 (41)	-
FRS Custom Small/Mid Cap Index	19.6 (25)	-4.2 (72)	7.7 (34)	22.0 (98)	15.3 (52)	1.1 (23)	21.3 (86)	26.4 (86)	-

Empower Results®

Asset Allocation & Performance

	Performance(%)																	
	2016		2015		2014		2013		2012		2011		2010		2009		2008	
International/Global Equity	4.5	(42)	-2.6	(48)	-3.2	(42)	21.6	(33)	18.6	(53)	-11.3	(23)	10.1	(73)	34.8	(62)	-40.9	(20)
Total Foreign and Global Equities Index	4.9	(38)	-4.4	(55)	-3.0	(40)	20.6	(39)	16.6	(72)	-11.3	(23)	10.1	(73)	32.4	(69)	-42.8	(30)
FRS Foreign Stock Index Fund	5.3	(37)	-4.4	(55)	-4.5	(54)	20.5	(39)	17.6	(63)	-11.8	(27)	9.2	(77)	32.3	(69)	-42.5	(28)
MSCI All Country World ex-U.S. IMI Index	4.4	(42)	-4.6	(55)	-4.2	(51)	21.0	(36)	16.4	(72)	-12.2	(30)	8.9	(78)	33.7	(66)	-43.6	(35)
American Funds New Perspective Fund	2.2	(80)	5.6	(13)	3.7	(43)	27.1	(41)	21.0	(15)	-7.4	(45)	13.0	(56)	37.7	(43)	-37.7	(30)
MSCI All Country World Index Net	7.9	(45)	-2.4	(54)	4.2	(39)	22.8	(60)	16.3	(38)	-5.5	(35)	11.8	(61)	30.0	(65)	-40.7	(43)
American Funds Euro-Pacific Growth Fund	1.0	(62)	-0.5	(21)	-2.3	(13)	20.6	(48)	19.6	(27)	-13.3	(58)	9.8	(29)	39.6	(5)	-40.3	(19)
MSCI All Country World ex-U.S. Index	5.0	(18)	-5.3	(77)	-3.4	(16)	15.8	(74)	17.4	(57)	-13.3	(60)	11.6	(13)	32.5	(35)	-43.1	(61)
FRS Self-Dir Brokerage Acct																		

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

FRS Investment Plan **As of March 31, 2017**

Asset Allocation

Asset Allocation as of 3/31/2017								
	U.S. Equity	Non-U.S. Equity	U.S. Fixed Income	Real Assets	Cash	Brokerage	Total	% of Total
FRS Retirement Fund	60,211,094	55,608,972	138,830,675	128,859,411			383,510,152	4.0%
FRS 2015 Retirement Date Fund	61,875,460	57,089,512	116,571,998	106,316,397			341,853,367	3.5%
FRS 2020 Retirement Date Fund	138,037,433	127,770,185	182,528,836	122,066,159			570,402,614	5.9%
FRS 2025 Retirement Date Fund	184,487,401	169,728,409	177,722,863	83,019,330			614,958,003	6.3%
FRS 2030 Retirement Date Fund	193,469,349	178,458,796	138,430,655	45,587,605			555,946,405	5.7%
FRS 2035 Retirement Date Fund	199,832,845	184,461,087	105,552,733	22,545,244			512,391,909	5.3%
FRS 2040 Retirement Date Fund	189,535,808	175,331,719	69,244,932	9,765,311			443,877,770	4.6%
FRS 2045 Retirement Date Fund	187,643,546	172,918,156	50,487,053	9,676,685			420,725,440	4.3%
FRS 2050 Retirement Date Fund	101,716,785	93,734,527	27,367,745	5,245,484			228,064,541	2.4%
FRS 2055 Retirement Date Fund	36,987,102	34,084,527	9,951,687	1,907,407			82,930,722	0.9%
Total Retirement Date Funds	**$ 1,353,796,822**	**$ 1,249,185,890**	**$ 1,016,689,177**	**$ 534,989,034**	**$ -**	**$ -**	**$ 4,154,660,924**	**42.9%**
FRS Money Market Fund					957,344,367		957,344,367	9.9%
Total Cash	**$ -**	**$ -**	**$ -**	**$ -**	**$ 957,344,367**	**$ -**	**$ 957,344,367**	**9.9%**
FRS Real Assets Fund				91,185,984	-		91,185,984	0.9%
Total Real Assets	**$ -**	**$ -**	**$ -**	**$ 91,185,984**	**$ -**	**$ -**	**$ 91,185,984**	**0.9%**
FRS U.S. Bond Enhanced Index Fund			241,654,056				241,654,056	2.5%
FIAM Intermediate Duration Pool Fund			110,320,751				110,320,751	1.1%
FRS Core Plus Fixed Income Fund			314,222,743				314,222,743	3.2%
Total Fixed Income	**$ -**	**$ -**	**$ 666,197,550**	**$ -**	**$ -**	**$ -**	**$ 666,197,550**	**6.9%**
FRS U.S. Stock Market Index Fund	881,046,419						881,046,419	9.1%
FRS U.S. Large Cap Equity Fund	890,017,900						890,017,900	9.2%
FRS U.S. Small/Mid Cap Equity Fund	887,597,362						887,597,362	9.2%
Total Domestic Equity	**$ 2,658,661,680**	**$ -**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 2,658,661,680**	**27.4%**
FRS Foreign Stock Index Fund		270,461,151					270,461,151	2.8%
American Funds New Perspective Fund		245,282,295					245,282,295	2.5%
American Funds Euro-Pacific Growth Fund		158,389,317					158,389,317	1.6%
Total International/Global Equity	**$ -**	**$ 674,132,764**	**$ -**	**$ -**	**$ -**	**$ -**	**$ 674,132,764**	**7.0%**
FRS Self-Dir Brokerage Acct						484,095,808	484,095,808	5.0%
Total Self-Dir Brokerage Acct						**$ 484,095,808**	**$ 484,095,808**	**5.0%**
Total Portfolio	**$ 4,012,458,502**	**$ 1,923,318,654**	**$ 1,682,886,727**	**$ 626,175,018**	**$ 957,344,367**	**$ 484,095,808**	**$ 9,686,279,076**	**100.0%**
Percent of Total	**41.42%**	**19.86%**	**17.37%**	**6.46%**	**9.88%**	**5.00%**	**100.0%**	

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.
Note: The SDBA opened for members on 1/2/14. No performance calculations will be made for the SDBA.

As of March 31, 2017

Multi Timeperiod Statistics

	3 Years Return	3 Years Standard Deviation	3 Years Sharpe Ratio	3 Years Tracking Error	3 Years Information Ratio	3 Years Up Market Capture	3 Years Down Market Capture
FRS Investment Plan	4.95	7.22	0.68	0.47	0.27	100.98	99.83
FRS Retirement Fund	2.89	5.03	0.56	0.64	0.03	104.14	106.09
FRS 2015 Retirement Date Fund	3.22	5.44	0.58	0.60	0.15	103.86	104.46
FRS 2020 Retirement Date Fund	3.84	6.21	0.61	0.50	0.27	103.06	102.80
FRS 2025 Retirement Date Fund	4.47	6.95	0.64	0.48	0.47	101.23	98.78
FRS 2030 Retirement Date Fund	4.95	7.74	0.64	0.48	0.52	101.43	99.15
FRS 2035 Retirement Date Fund	5.28	8.68	0.62	0.53	0.79	102.64	99.47
FRS 2040 Retirement Date Fund	5.38	9.05	0.61	0.55	0.57	101.28	98.64
FRS 2045 Retirement Date Fund	5.49	9.16	0.61	0.65	0.42	100.16	97.42
FRS 2050 Retirement Date Fund	5.50	9.19	0.61	0.64	0.45	100.40	97.65
FRS 2055 Retirement Date Fund	5.49	9.18	0.61	0.63	0.43	100.25	97.59
FRS Money Market Fund	0.39	0.08	4.35	0.03	7.77	220.72	N/A
FRS Real Assets Fund	-0.05	6.39	0.00	1.94	-0.11	117.12	120.77
FRS U.S. Bond Enhanced Index Fund	2.82	2.93	0.91	0.09	1.41	101.85	98.68
FIAM Intermediate Duration Pool Fund	2.36	2.23	0.99	0.61	0.18	108.39	113.31
FRS Core Plus Fixed Income Fund	3.26	3.17	0.98	0.70	0.40	112.68	116.41
FRS U.S. Stock Market Index Fund	9.87	10.71	0.92	0.03	2.92	100.32	99.59
FRS U.S. Large Cap Equity Fund	9.46	11.80	0.81	2.66	-0.13	105.15	114.57
FRS U.S. Small/Mid Cap Equity Fund	9.42	13.22	0.73	1.80	0.86	102.14	92.54
FRS Foreign Stock Index Fund	1.05	11.95	0.13	1.49	0.18	97.58	95.68
American Funds New Perspective Fund	6.89	10.61	0.67	2.96	0.57	101.52	87.34
American Funds Euro-Pacific Growth Fund	2.17	10.91	0.23	4.24	0.24	85.86	77.97

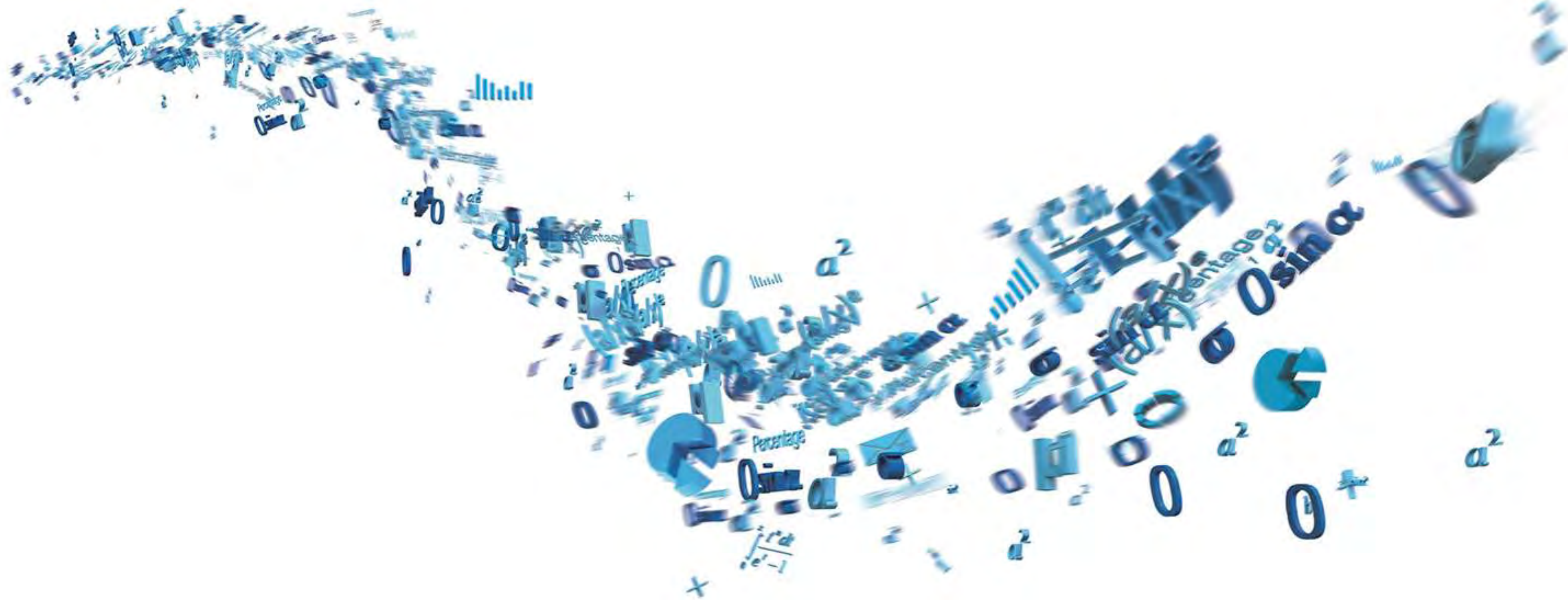
The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.

As of March 31, 2017

Multi Timeperiod Statistics

	5 Years Return	5 Years Standard Deviation	5 Years Sharpe Ratio	5 Years Tracking Error	5 Years Information Ratio	5 Years Up Market Capture	5 Years Down Market Capture
FRS Investment Plan	6.95	6.71	1.02	0.42	0.54	101.32	99.05
FRS Retirement Fund	4.02	5.02	0.78	1.53	0.24	110.69	111.51
FRS 2015 Retirement Date Fund	4.57	5.42	0.83	1.24	0.24	107.35	107.66
FRS 2020 Retirement Date Fund	5.72	6.24	0.90	0.89	0.34	105.44	105.28
FRS 2025 Retirement Date Fund	6.81	7.06	0.95	0.59	0.48	102.77	101.21
FRS 2030 Retirement Date Fund	7.87	7.99	0.97	0.43	0.57	101.48	99.65
FRS 2035 Retirement Date Fund	8.79	9.03	0.97	0.48	0.67	101.70	99.53
FRS 2040 Retirement Date Fund	8.91	9.27	0.95	0.50	0.53	101.02	98.99
FRS 2045 Retirement Date Fund	8.98	9.33	0.96	0.56	0.42	100.45	98.18
FRS 2050 Retirement Date Fund	8.98	9.35	0.96	0.55	0.45	100.57	98.33
FRS 2055 Retirement Date Fund	8.97	9.34	0.95	0.55	0.43	100.49	98.29
FRS Money Market Fund	0.33	0.06	4.61	0.02	9.16	269.90	N/A
FRS Real Assets Fund	-0.02	6.19	0.01	2.03	0.14	110.33	106.58
FRS U.S. Bond Enhanced Index Fund	2.46	2.90	0.80	0.11	1.07	102.24	99.87
FIAM Intermediate Duration Pool Fund	2.36	2.23	1.00	0.58	0.69	113.88	107.07
FRS Core Plus Fixed Income Fund	4.00	3.29	1.17	0.77	0.54	114.99	120.08
FRS U.S. Stock Market Index Fund	13.27	10.45	1.24	0.04	1.80	100.25	99.72
FRS U.S. Large Cap Equity Fund	12.92	11.51	1.11	2.79	-0.06	103.93	111.86
FRS U.S. Small/Mid Cap Equity Fund	13.97	12.41	1.11	2.70	1.22	115.80	101.06
FRS Foreign Stock Index Fund	5.95	12.85	0.50	1.36	0.21	99.15	96.83
American Funds New Perspective Fund	10.62	10.90	0.97	2.78	0.71	102.24	85.71
American Funds Euro-Pacific Growth Fund	6.64	11.69	0.60	3.67	0.43	93.22	79.85

The returns for the Retirement Date Funds, Real Assets Fund, Core Plus Fixed Income Fund, U.S. Large Cap Equity Fund, and U.S. Small/Mid Cap Equity Fund use prehire data for all months prior to 7/1/2014, actual live data is used thereafter.



Appendix

Empower Results®

Benchmark Descriptions

Retirement Date Benchmarks - A weighted average composite of the underlying components' benchmarks for each fund.

iMoneyNet 1st Tier Institutional Net Index - An index made up of the entire universe of money market mutual funds. The index currently represents over 1,300 funds, or approximately 99 percent of all money fund assets.

FRS Custom Real Assets Index - A monthly weighted composite of underlying indices for each TIPS and Real Assets fund. These indices include Barclays U.S. TIPS Index, MSCI World-AC World Index and the Bloomberg Commodity Total Return Index, NAREIT Developed Index, S&P Global Infrastructure Index, S&P Global Natural Resources Index.

Total Bond Index - A weighted average composite of the underlying benchmarks for each bond fund.

Barclays Aggregate Bond Index - A market value-weighted index consisting of government bonds, SEC-registered corporate bonds and mortgage-related and asset-backed securities with at least one year to maturity and an outstanding par value of $250 million or greater. This index is a broad measure of the performance of the investment grade U.S. fixed income market.

Barclays Intermediate Aggregate Bond Index - A market value-weighted index consisting of U.S. Treasury securities, corporate bonds and mortgage-related and asset-backed securities with one to ten years to maturity and an outstanding par value of $250 million or greater.

FRS Custom Core-Plus Fixed Income Index - A monthly rebalanced blend of 80% Barclays U.S. Aggregate Bond Index and 20% Barclays U.S. High Yield Ba/B 1% Issuer Constrained Index.

Total U.S. Equities Index - A weighted average composite of the underlying benchmarks for each domestic equity fund.

Russell 3000 Index - A capitalization-weighted index consisting of the 3,000 largest publicly traded U.S. stocks by capitalization. This index is a broad measure of the performance of the aggregate domestic equity market.

Russell 1000 Index - An index that measures the performance of the largest 1,000 stocks contained in the Russell 3000 Index.

FRS Custom Small/Mid Cap Index - A monthly rebalanced blend of 45% S&P 400 Index, 30% Russell 2000 Index and 25% Russell 2000 Value Index.

Total Foreign and Global Equities Index - A weighted average composite of the underlying benchmarks for each foreign and global equity fund.

MSCI All Country World ex-U.S. IMI Index - A capitalization-weighted index of stocks representing 22 developed country stock markets and 23 emerging countries, excluding the U.S. market.

MSCI All Country World Index - A capitalization-weighted index of stocks representing approximately 46 developed and emerging countries, including the U.S. and Canadian markets.

MSCI All Country World ex-U.S. Index - A capitalization-weighted index consisting of 23 developed and 21 emerging countries, but excluding the U.S.

Descriptions of Universes

Retirement Date Funds - Target date universes calculated and provided by Lipper.

FRS Money Market Fund - A money market universe calculated and provided by Lipper.

FRS U.S. Bond Enhanced Index Fund - A long-term bond fixed income universe calculated and provided by Lipper.

FIAM Intermediate Duration Pool Fund - A broad intermediate-term fixed income universe calculated and provided by Lipper.

FRS Core Plus Fixed Income Fund - A core plus bond fixed income universe calculated and provided by Lipper.

FRS U.S. Stock Market Index Fund - A large cap blend universe calculated and provided by Lipper.

FRS U.S. Large Cap Equity Fund - A large cap universe calculated and provided by Lipper.

FRS U.S. Small/Mid Cap Equity Fund - A small/mid cap universe calculated and provided by Lipper.

FRS Foreign Stock Index Fund - A foreign blend universe calculated and provided by Lipper.

American Funds New Perspective Fund - A global stock universe calculated and provided by Lipper.

American Funds Euro-Pacific Growth Fund - A foreign large blend universe calculated and provided by Lipper.

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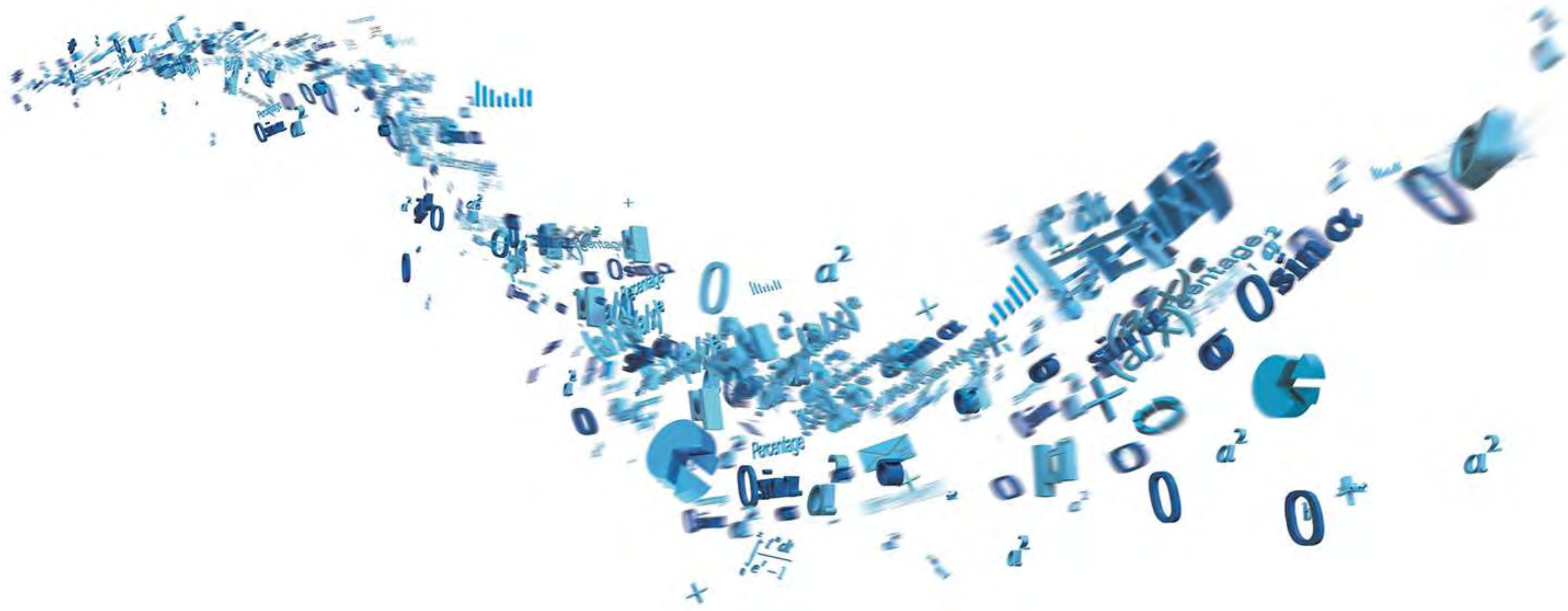

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Quarterly Investment Review

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Empower Results®

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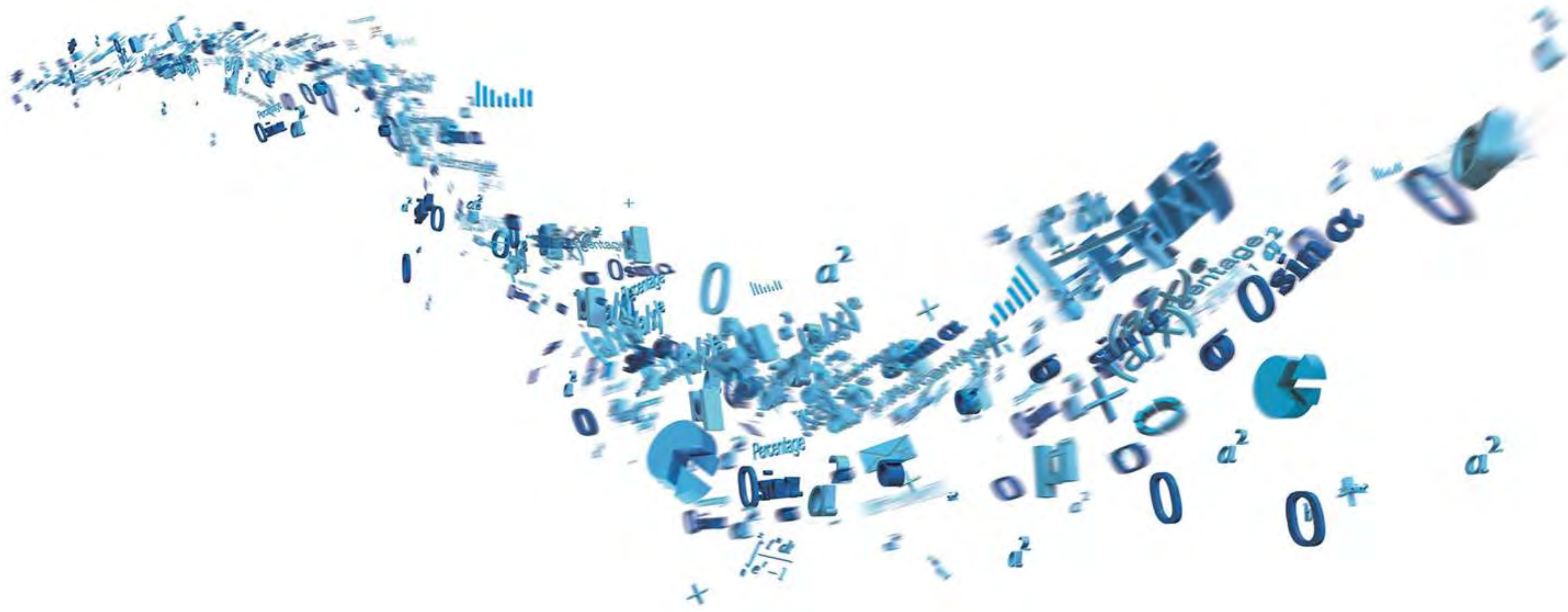

LCEF Total Fund

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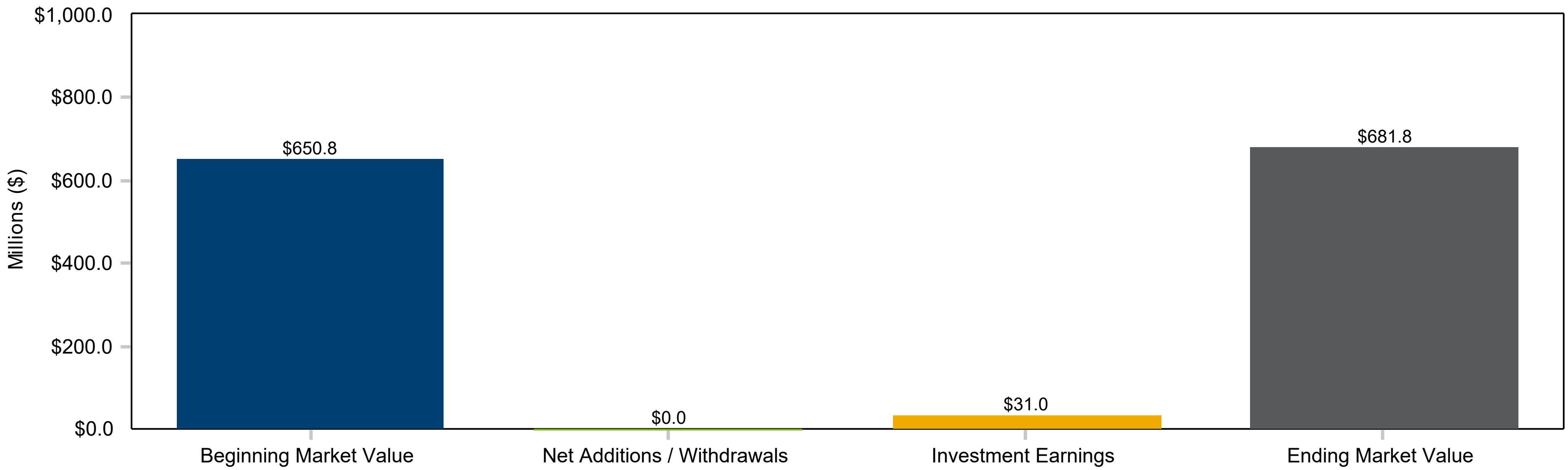
Total Plan Asset Summary

Change in Market Value
From January 1, 2017 to March 31, 2017



Summary of Cash Flow

	1 Quarter	Fiscal YTD*
LCEF Total Fund		
Beginning Market Value	650,822,611	611,715,263
+ Additions / Withdrawals	-	-
+ Investment Earnings	30,956,854	70,064,202
= Ending Market Value	681,779,465	681,779,465

*Period July 2016 - March 2017

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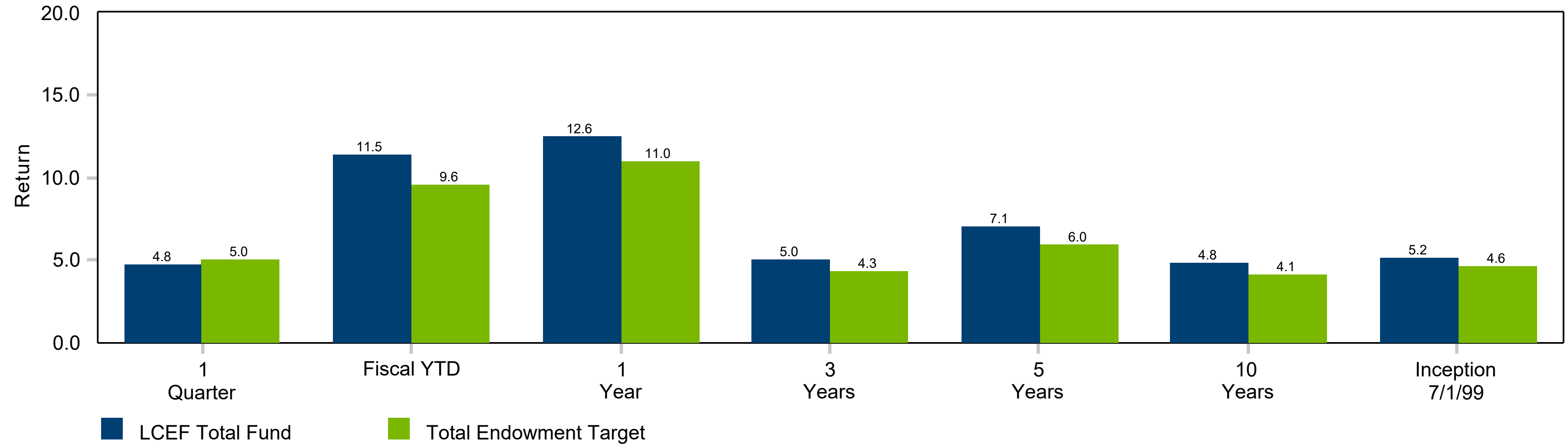
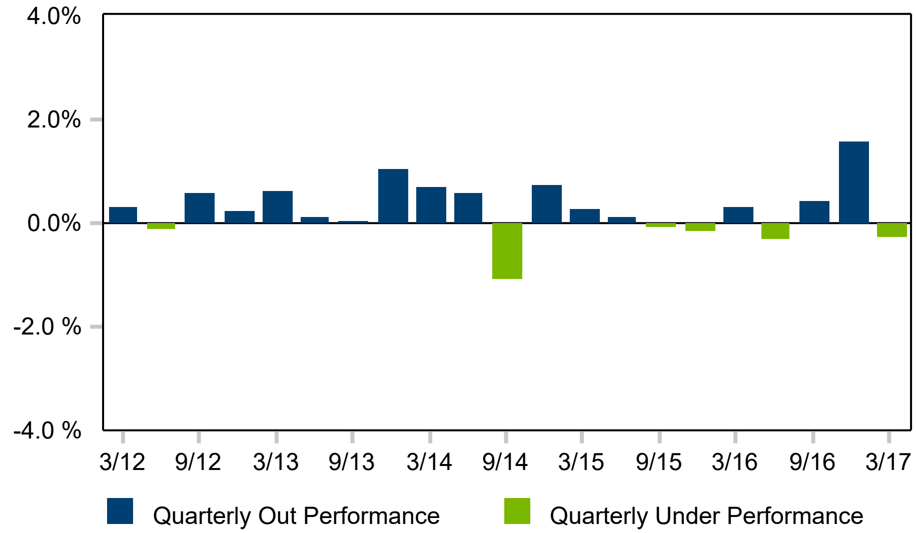
Total Plan Performance Summary

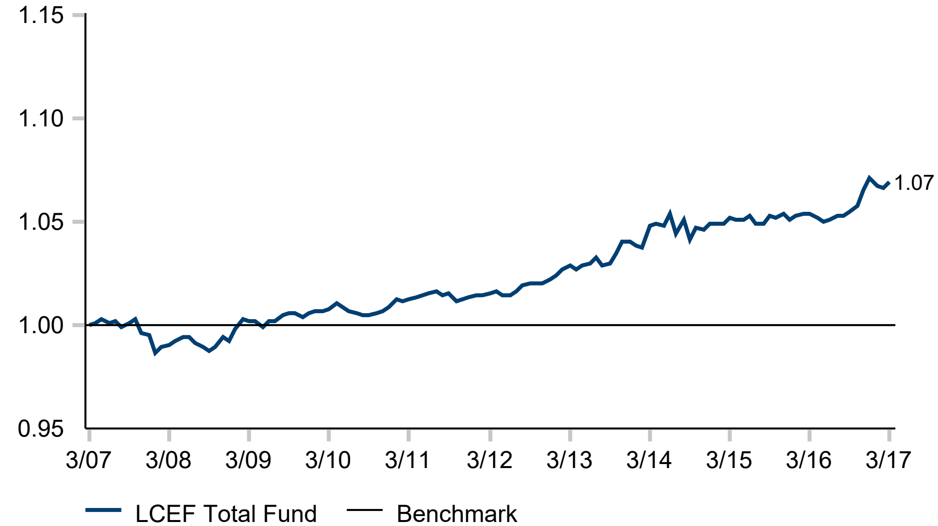
Return Summary



Quarterly Excess Performance



Ratio of Cumulative Wealth - 10 Years



As of March 31, 2017

Asset Allocation & Performance

	Allocation			Performance(%)					
	Market Value ($)	%	Policy(%)	1 Quarter	Fiscal YTD	1 Year	3 Years	5 Years	10 Years
LCEF Total Fund	681,779,465	100.0	100.0	4.8 (33)	11.5 (8)	12.6 (13)	5.0 (26)	7.1 (52)	4.8 (46)
Total Endowment Target				5.0 (21)	9.6 (34)	11.0 (39)	4.3 (57)	6.0 (79)	4.1 (71)
Global Equity*	502,093,693	73.6	71.0	6.2	16.5	17.2	6.0	10.6	6.0
Global Equity Target				6.7	14.2	15.4	5.0	9.1	5.1
Fixed Income	103,683,788	15.2	17.0	0.8 (53)	-1.7 (77)	0.4 (70)	2.8 (27)	2.5 (45)	4.3 (47)
Blmbg. Barc. U.S. Aggregate				0.8 (59)	-1.7 (75)	0.4 (70)	2.7 (27)	2.3 (49)	4.3 (53)
TIPS	65,203,188	9.6	11.0	1.3	0.0	1.7	2.1	1.1	4.5
Barclays U.S. TIPS				1.3	-0.2	1.5	2.0	1.0	4.2
Cash Equivalents	10,798,796	1.6	1.0	0.2	0.6	0.8	0.5	0.5	1.2
S&P US AAA & AA Rated GIP 30D Net Yield Index				0.2	0.4	0.5	0.2	0.2	0.8

Benchmark and universe descriptions are provided in the Appendix.
*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

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As of March 31, 2017

Calendar Year Performance

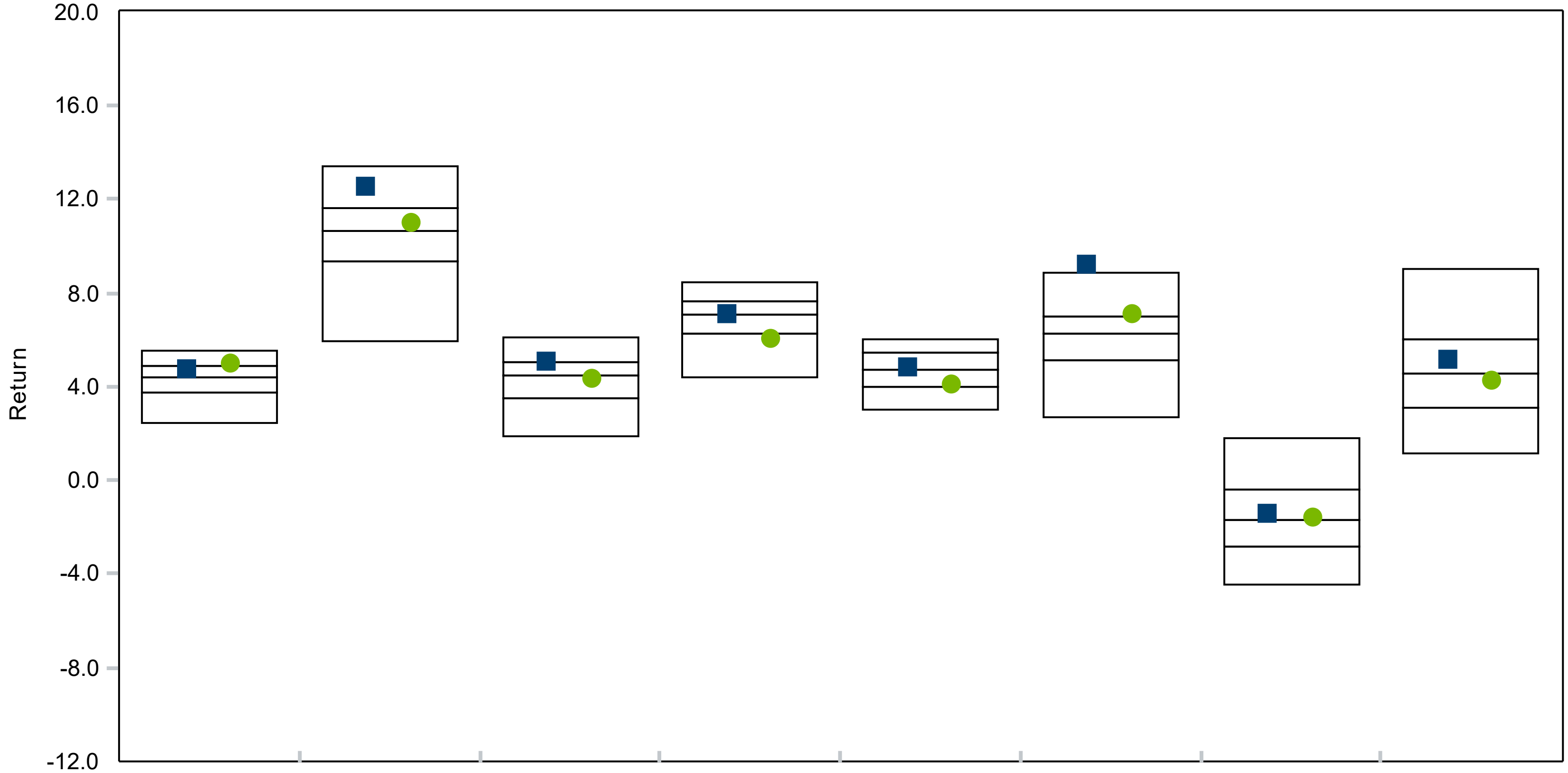
	Performance(%)									
	2016	2015	2014	2013	2012	2011	2010	2009	2008	2007
LCEF Total Fund	9.2 (5)	-1.4 (45)	5.2 (41)	14.7 (53)	13.2 (22)	1.9 (15)	14.0 (14)	21.2 (49)	-29.2 (75)	6.3 (85)
Total Endowment Target	7.1 (25)	-1.6 (48)	4.3 (55)	12.8 (78)	12.2 (46)	1.5 (17)	13.7 (17)	19.6 (59)	-28.9 (73)	6.5 (81)
Global Equity*	11.4	-1.9	5.3	27.1	20.4	-1.1	17.0	30.8	-39.6	6.8
Global Equity Target	8.4	-2.4	3.9	24.1	19.4	-2.2	16.1	30.5	-39.2	7.2
Fixed Income	2.7 (60)	0.6 (33)	6.0 (19)	-1.8 (75)	4.6 (82)	7.6 (41)	7.0 (74)	4.6 (96)	5.8 (5)	7.3 (40)
Blmbg. Barc. U.S. Aggregate	2.6 (60)	0.5 (35)	6.0 (20)	-2.0 (77)	4.2 (88)	7.8 (38)	6.5 (77)	5.9 (87)	5.2 (15)	7.0 (51)
TIPS	4.8	-1.2	3.5	-8.7	7.2	13.6	6.1	13.3	-2.0	12.4
Barclays U.S. TIPS	4.7	-1.4	3.6	-8.6	7.0	13.6	6.3	11.4	-2.4	11.6
Cash Equivalents	0.7	0.5	0.2	0.2	1.3	0.1	2.0	2.6	0.5	5.4
S&P US AAA & AA Rated GIP 30D Net Yield Index	0.4	0.1	0.0	0.1	0.1	0.2	0.3	0.7	2.3	4.7

*Global Equity became an asset class in September 2012 by merging the Domestic Equities and Foreign Equities asset classes. The return series prior to September 2012 is a weighted average of Domestic Equities' and Foreign Equities' historical performance.

As of March 31, 2017

Plan Sponsor Peer Group Analysis

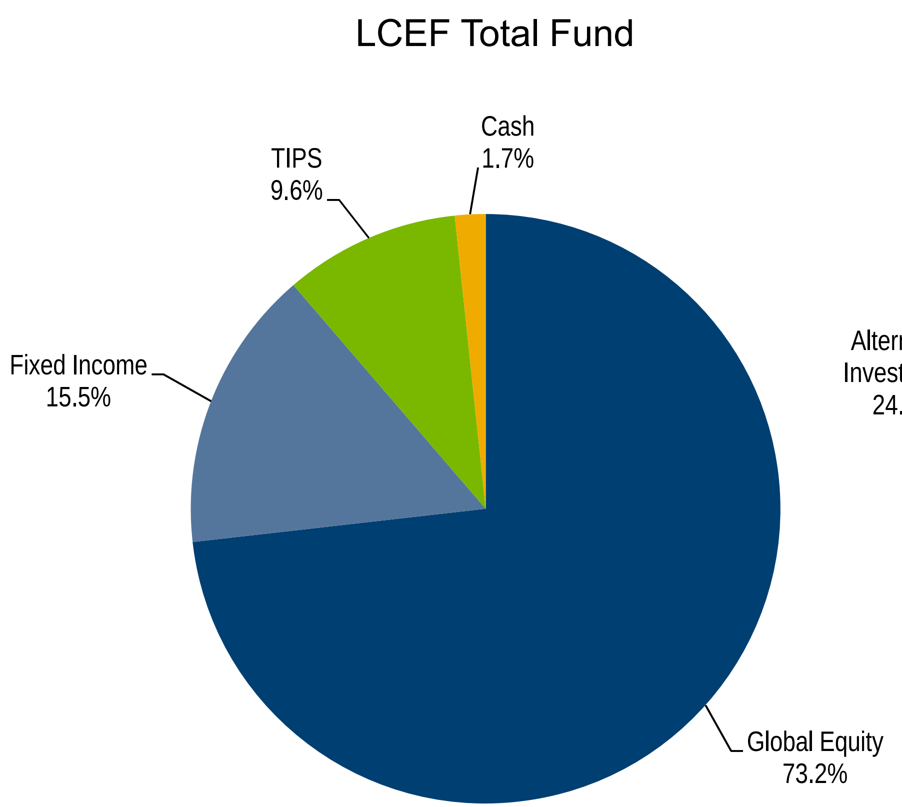
All Endowments-Total Fund

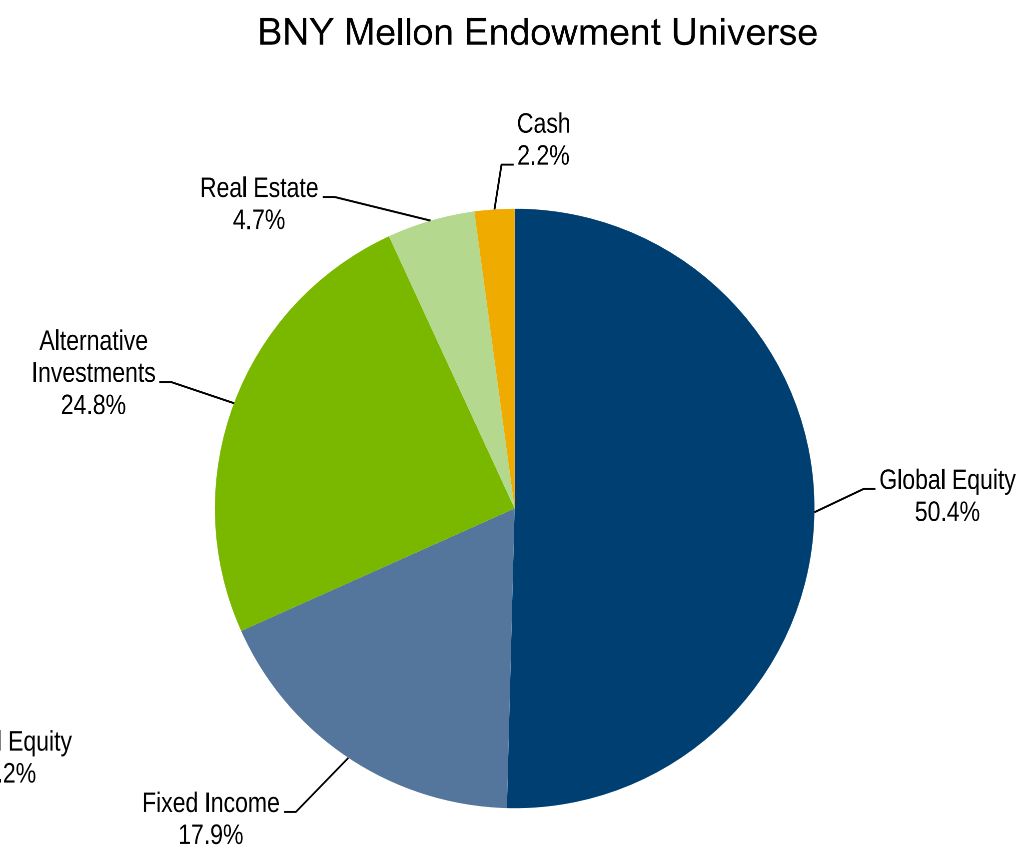


	1 Quarter	1 Year	3 Years	5 Years	10 Years	2016	2015	2014
■ LCEF Total Fund	4.8 (33)	12.6 (13)	5.0 (26)	7.1 (52)	4.8 (46)	9.2 (5)	-1.4 (45)	5.2 (41)
● Total Endowment Target	5.0 (21)	11.0 (39)	4.3 (57)	6.0 (79)	4.1 (71)	7.1 (25)	-1.6 (48)	4.3 (55)
5th Percentile	5.5	13.4	6.1	8.5	6.0	8.9	1.8	9.0
1st Quartile	4.9	11.7	5.0	7.6	5.4	7.0	-0.4	6.0
Median	4.4	10.6	4.5	7.1	4.7	6.2	-1.7	4.6
3rd Quartile	3.8	9.4	3.5	6.3	4.0	5.2	-2.9	3.1
95th Percentile	2.4	6.0	1.9	4.4	3.0	2.7	-4.5	1.1
Population	186	183	174	159	122	327	318	305

Parentheses contain percentile rankings.

Universe Asset Allocation Comparison





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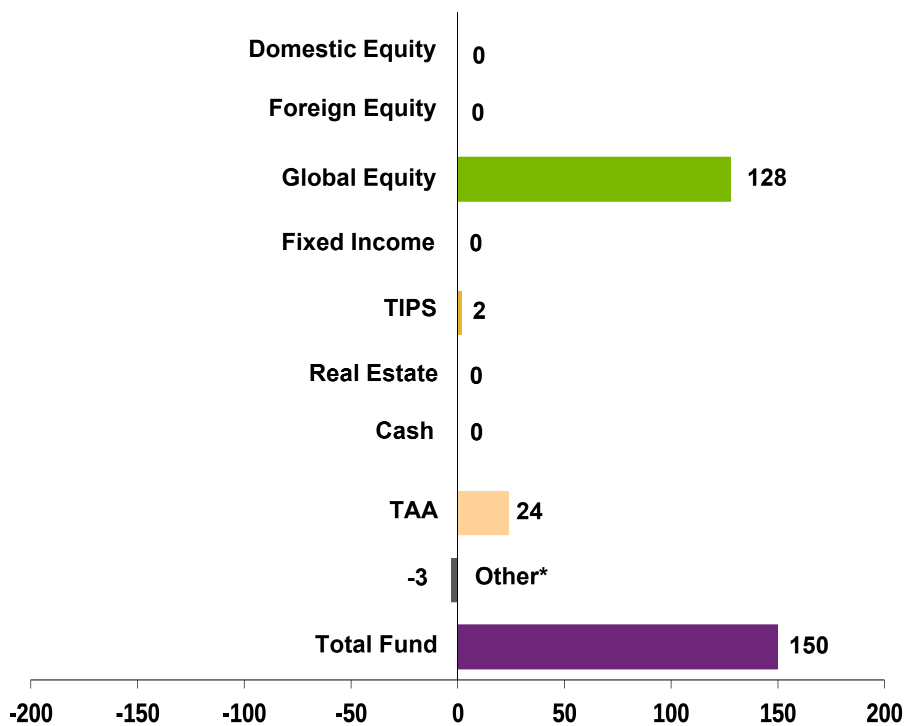
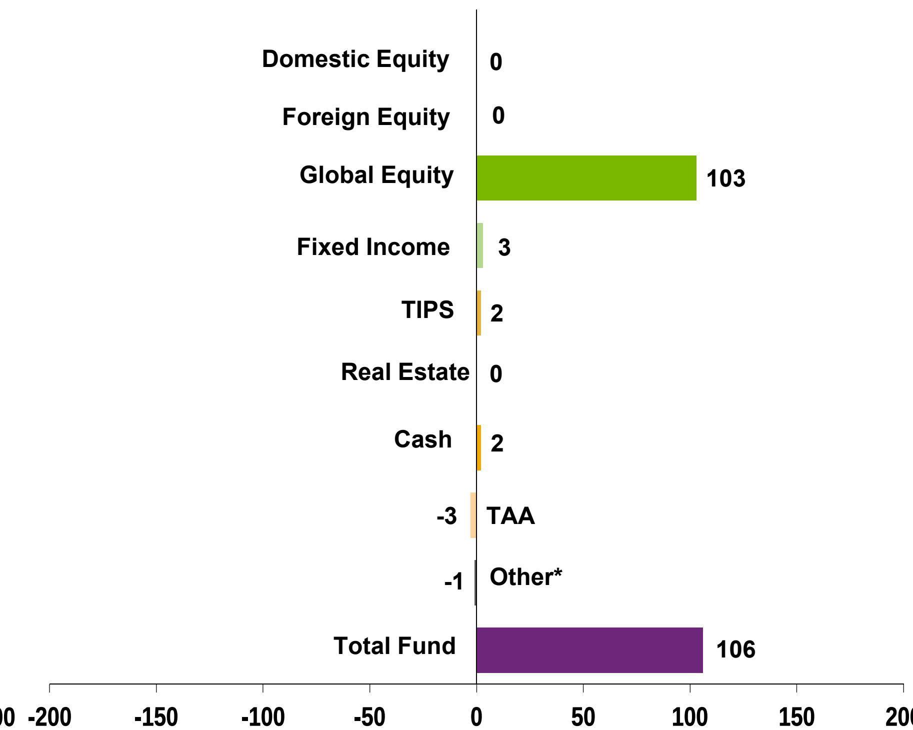
Attribution



Basis Points

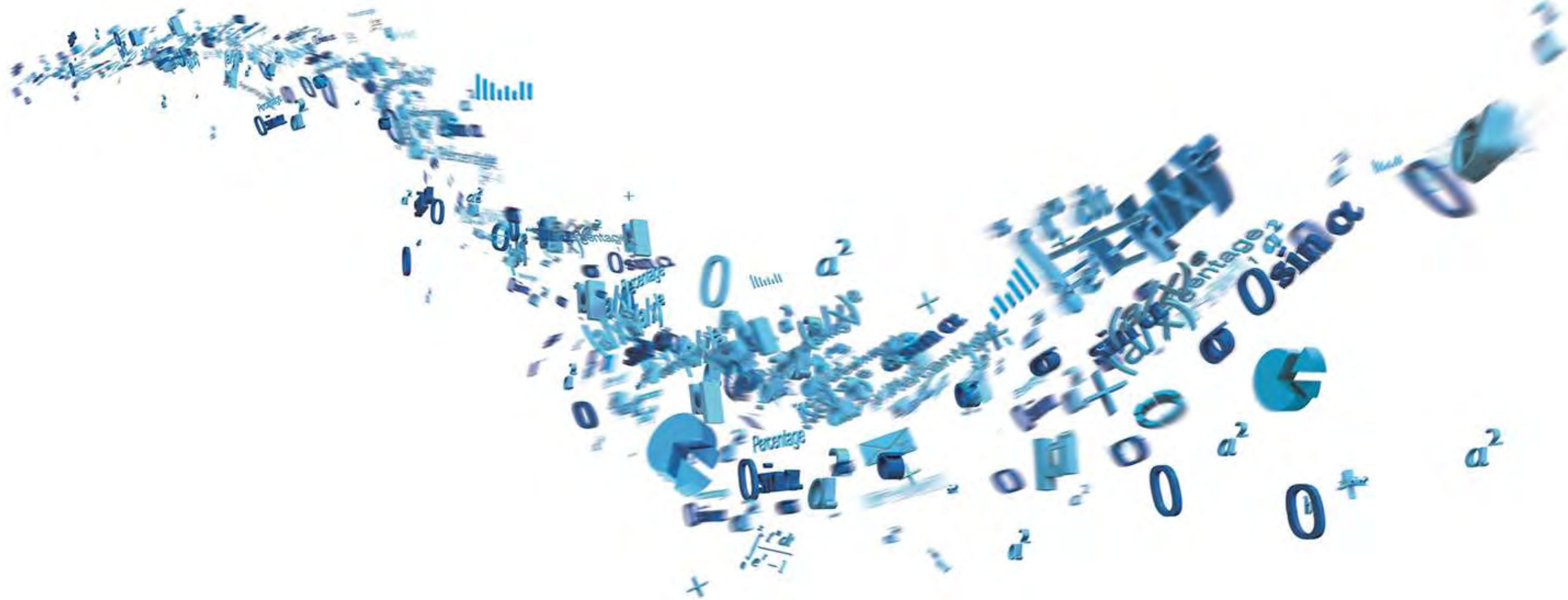
1-Year Ending 3/31/2017



Basis Points

5-Year Ending 3/31/2017

*Other includes differences between official performance value added due to methodology and extraordinary payouts.



Appendix

Benchmark Descriptions

LCEF Total Fund

Total Endowment Target - A weighted blend of the individual asset class target benchmarks.

Total Global Equity

MSCI ACWI IMI ex-Tobacco - From 7/1/2014 forward, a custom version of the MSCI ACWI IMI excluding tobacco-related companies. From 10/1/2013 to 6/30/2014, a custom version of the MSCI ACWI IMI adjusted to reflect a 55% fixed weight in the MSCI USA IMI and a 45% fixed weight in the MSCI ACWI ex-USA IMI, and excluding certain equities of tobacco-related companies. From 9/1/2012 to 9/30/2013, a custom version of the MSCI ACWI IMI excluding tobacco-related companies. Prior to 9/1/2012, the benchmark is a weighted average of both the Domestic Equities and Foreign Equities historical benchmarks.

Total Domestic Equities

Russell 3000 Index ex-Tobacco - Prior to 9/1/2012, an index that measures the performance of the 3,000 stocks that make up the Russell 1000 and Russell 2000 Indices, while excluding tobacco companies.

Total Foreign Equities

MSCI ACWI ex-US IMI ex-Tobacco - Prior to 9/1/2012, a capitalization-weighted index representing 44 countries, but excluding the United States. The index includes 23 developed and 21 emerging market countries, and excludes tobacco companies.

Total Fixed Income

Barclays Aggregate Bond Index - A market value-weighted index consisting of the Barclays Credit, Government, and Mortgage-Backed Securities Indices. The index also includes credit card, auto, and home equity loan-backed securities. This index is the broadest available measure of the aggregate investment grade U.S. fixed income market.

Total TIPS

Barclays U.S. TIPS - A market value-weighted index consisting of U.S. Treasury Inflation-Protected Securities with one or more years remaining until maturity with total outstanding issue size of $500 million or more.

Total Cash Equivalents

S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index - An unmanaged, net-of-fees, market index representative of the Local Government Investment Pool. On 10/1/2011, the S&P U.S. AAA & AA Rated GIP 30-Day Net Yield Index replaced the S&P U.S. AAA & AA Rated GIP 30-Day Gross Yield Index, which was previously used from 4/30/08 - 9/30/11. Prior to 4/30/08, it was the average 3-month T-bill rate.

Universe Descriptions

LCEF Total Fund
A universe comprised of 186 total endowment portfolio returns, net of fees, calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised $224.7 billion as of quarter-end and the average market value was $1.3 billion.

Total Fixed Income
A universe comprised of 51 total fixed income portfolio returns, net of fees, of endowment plans calculated and provided by BNY Mellon Performance & Risk Analytics and Investment Metrics. Aggregate assets in the universe comprised $15.7 billion as of quarter-end and the average market value was $307.9 million.

Explanation of Exhibits

Quarterly and Cumulative Excess Performance - The vertical axis, excess return, is a measure of fund performance less the return of the primary benchmark. The horizontal axis represents the time series. The quarterly bars represent the underlying funds' relative performance for the quarter.

Ratio of Cumulative Wealth Graph - An illustration of a portfolio's cumulative, un-annualized performance relative to that of its benchmark. An upward-sloping line indicates superior fund performance versus its benchmark. Conversely, a downward-sloping line indicates underperformance by the fund. A flat line is indicative of benchmark-like performance.

Performance Comparison - Plan Sponsor Peer Group Analysis - An illustration of the distribution of returns for a particular asset class. The component's return is indicated by the circle and its performance benchmark by the triangle. The top and bottom borders represent the 5th and 95th percentiles, respectively. The solid line indicates the median while the dotted lines represent the 25th and 75th percentiles.

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Aon Hewitt Investment Consulting, Inc.
200 East Randolph Street
Suite 1500
Chicago, IL 60601
ATTN: AHIC Compliance Officer

FLORIDA PREPAID COLLEGE BOARD

MEMORANDUM

To: Ash Williams

From: Kevin Thompson

Date: April 24, 2017

Re: Revised Comprehensive Investment Plans for the Stanley G. Tate Florida Prepaid College Program and the Florida College Savings Program

---

At its meeting on March 30, 2017, the Florida Prepaid College Board ("Board") revised the Comprehensive Investment Plans (CIPs) for the Stanley G. Tate Florida Prepaid College Program and the Florida College Savings Program. As provided in section 1009.973, F.S., the investment plans established by the Board require the approval of the State Board of Administration ("SBA").

Enclosed are copies of the revised CIPs, a summary of the major policy changes for the CIPs, and red-lined copies which allow changes from the current CIPs to be tracked. The Board respectfully requests the SBA's approval of the revised CIPs.

Please contact me if you have any questions regarding this request.

Enclosures

KT:mh

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SUMMARY OF PROPOSED CHANGES TO THE STANLEY G. TATE FLORIDA PREPAID COLLEGE PROGRAM COMPREHENSIVE INVESTMENT PLAN

MARCH 30, 2017

The following Comprehensive Investment Plan (CIP) reflects the changes proposed by Callan Associates. A summary of the major changes is presented below:

Page 3 – Adopts the investment policy stated in the prospectus or participation agreement of a mutual fund or commingled fund utilized by the Program.

Page 4 – Amends the Authorized Investment Vehicles section to provide clarity and completeness.

Pages 9 through 25 – Amends the Restricted Investments section to remove the limitation on using commingled and mutual funds to achieve diversification.

Page 11 - Amends the maximum investment for any issue, except U.S. Treasury, Agency and Agency Mortgage-Backed Securities, as the greater of 5% of the portfolio market value or 2% greater than the security's benchmark weight.

Pages 13 through 25 – Amends all equity investment guidelines to include passive and active management performance objectives, in the event, the Board decides to change the style of investment management utilized by the Program.

Following the Board's approval, the changes to the CIP require review and approval by the State Board of Administration Trustees.

Florida Prepaid College Board
Comprehensive Investment Plan
for the
Stanley G. Tate Florida Prepaid College Program
~~December 11, 2012~~
March 30, 2017

AUTHORITY

All investments made under this plan are made under the authority granted the Florida Prepaid College Board under Section 1009.973, Florida Statutes. All funds managed by the Board are funds of the State of Florida.

PURPOSE

The Stanley G. Tate Florida Prepaid College Program (the Program) is a program created pursuant to Section 1009.98 of the Florida Statutes to provide a medium through which the cost of a state postsecondary education may be paid in advance of enrollment at a rate lower than the projected corresponding cost at the time of actual enrollment. The Program is administered by the Florida Prepaid College Board (the Board), which was created pursuant to Section 1009.97 of the Florida Statutes.

The policy goals of this Comprehensive Investment Plan (CIP) are established as follows in the priority listed. These goals are:

1. Safety
2. Liquidity
3. Yield

The sole purpose of the investment program is to meet the forecasted actuarial liability projections. In pursuing the objective of meeting the forecasted liabilities, the primary policy goal is the safety in the Program's ability to meet the forecasted liabilities. The goals of safety must be met by the limitation of risk through portfolio allocation based on liability requirements, diversification within asset classes, credit quality guidelines and investment operating procedures.

A second and equally important portfolio objective is giving adequate consideration to the liquidity requirements necessitated by the Program obligations. Consideration will be given to investment maturities, investment income and funds receipts in calculating funds required for liquidity purposes.

After meeting safety and liquidity requirements, the goals of maximizing investment return will be met. Strategies will be employed to achieve the highest possible net returns within policy guidelines.

The investment strategy is designed to enable the Board to meet actuarially determined Program liabilities, calculated by an independent actuarial consultant firm, and approved by the Board, at the time of funding. By definition, responsibility for financing any divergence of actual liabilities from actuarial assumptions that may result in Program funding deficits belongs to the Legislature. The sole purpose of the Board's CIP is to outline the strategies to be employed to meet forecast actuarial liability projections, and to establish the guidelines under which each investment manager will operate.

ORGANIZATION

The Board retains ultimate responsibility for the development, execution and control of the CIP. The Board may delegate responsibility for the administration of the CIP to a Committee of the Board or a person duly chosen by the Board. This Committee or person shall ensure that Board policies are strictly followed and that investment procedures, which protect the financial assets of the Program, are in place and properly followed. The Committee will employ the services of a professional consultant to advise it in the pursuit of the investment objectives.

INVESTMENT MANAGEMENT

The Board will hire duly qualified investment managers to carry out the day-to-day investment responsibilities outlined in the CIP. Investment managers (product providers) will have investment discretion as to security selection subject to the guidelines and limitations expressed in the CIP and any manager-specific guidelines agreed upon between the Board and manager.

REPORTING

The Executive Director will cause detailed quarterly reports and monthly flash reports of the investment portfolio structure and performance to be prepared for review by the Board.

To ensure that the Executive Director and the Board have the necessary information to discharge their oversight responsibility, the quarterly reports will include the following:

1. Performance Measurement and Attribution

Performance measurement of the Prepaid College Trust Fund (the Fund) shall be reported each quarter for the most recent completed quarter, fiscal year-to-date, most recent twelve-month period and cumulatively from inception showing returns on the assets compared to returns on the customized benchmark index, which approximates the Program's liability requirements. Returns will be reported on a time-weighted basis.

- The performance of the total Fund will be compared against a benchmark comprised of market portfolios representing the underlying investment strategies and weighted in accordance with the Program's asset allocation policy.

- Performance of each asset class will be shown along with an analysis of each manager's contribution to the performance of the asset class.

- Performance of each investment manager and an attribution analysis of that manager's performance will be shown in comparison to benchmarks appropriate to their investment strategy.

  - Fixed Income attribution will include such factors as the effects of changes in interest rates, and sector and quality decisions.
  - Equity attribution will include such factors as sector and industry weights, beta, company size, yield and growth in earnings.

- The performance of each equity manager will also be evaluated relative to a universe of its peers managing similar portfolios and following a similar investment style.

- Returns for each manager and the overall Fund will also be evaluated on a risk-adjusted basis.

  - For individual managers, the risk measurement will be expressed relative to appropriate benchmarks.
  - For each asset class and the overall Fund, the risk measurement will take into consideration any deviation from asset allocation policy and the impact on the funded status of the Program's liabilities.

2. Compliance and Monitoring

- Asset allocation of the Fund and diversification within each asset class will be reported to ensure allocation guidelines are met.

- Projection of sources and uses of funds will be reported to ensure liquidity requirements are met.

- Investment asset holdings will be reported and monitored monthly to ensure investment only in authorized vehicles.

- Each manager will certify *monthly* that their portfolio is in compliance with the terms of this CIP and their specific investment mandate. Any exceptions to policy will be noted and a statement provided indicating the steps to be taken to bring the portfolio back into compliance with the policy.

- Each manager will be monitored based upon the performance objectives outlined in this CIP.

- Each manager shall immediately disclose to the Board in writing any instance which a member of the investment manager's Board of Directors, an officer of the investment management firm, or a member of the portfolio management staff is also a member of the Board of Directors, an officer of, or a significant shareholder of 5% or more in stocks of a company in which they propose to invest Board funds. In addition, the Board's investment consultant and the trustee/custodian shall annually certify that no conflicts of interest exist with respect to the services they provide to the Program and shall annually provide the Board with a copy of the firm's policy governing conflicts of interest. The requirements of this paragraph do not apply with respect to the common stock of the manager responsible for investment of the large capitalization core domestic equity portfolio (or the common stock of the manager's holding company) when the manager's common stock (or that of its holding company) is included in the S&P 500; provided that, prior to the initial purchase of the manager's common stock (or that of its holding company), the manager notifies the Board in writing that the manager's common stock (or that of its holding company) is included or has been included, in the S&P 500.

- Commingled or Mutual Funds - The Board may approve the use of pooled vehicles such as mutual funds or commingled funds to achieve the objectives and asset allocation strategy with the understanding that the investment policy stated in the mutual fund's prospectus or the commingled fund's participation agreement supersedes the guidelines set forth in this CIP.

AUTHORIZED INVESTMENT VEHICLES

Funds managed by the Board may be placed in the following accounts or investments:

1. Deposit accounts and certificates of deposit in banks.

2. Obligations of the United States Treasury, including Treasury Inflation Protection (TIPs) bonds.

3. Obligations of agencies of the United States Government (not restricted to full-faith and credit obligations).

4. Commercial paper of prime quality of the highest letter and numerical rating established by a nationally recognized rating service.

5. Bankers' acceptances that are accepted by a member bank of the Federal Reserve System.

6. Corporate debt obligations, preferred stock, mortgage-backed securities, commercial mortgage-backed securities, and asset-backed securities, provided the obligations meet the minimum credit criteria set forth elsewhere in this CIP.

7. Municipal securities including Build America Bonds (BABs), limited to General Obligation ~~and~~or Essential Services bonds, provided ~~that each individual issue is rated A3/A- or better~~the obligations meet the minimum credit criteria set forth elsewhere in this CIP.

8. Institutional investment products including fixed annuities, variable annuities and guaranteed insurance contracts that are obligations of United States insurance companies.

9. Common stocks traded on domestic exchanges, including over-the-counter markets and recognized third and fourth markets.

10. Common stocks of foreign-domiciled companies traded on non-U.S. exchanges including over-the-counter markets.

11. Collateralized repurchase agreements for which the underlying securities are obligations of the United States Treasury or agencies of the United States Government.

12. Commingled investment funds and ~~institutional~~ mutual funds.

13. American Depositary Receipts, 144(a) securities (with and without registration rights), and ~~Yankee~~non-corporate bonds (~~excluding~~including supranationals, sovereign and foreign bonds issued in USD).

14. Exchange Traded Funds (ETF's) traded on domestic exchanges, so long as consistent with the investment mandate, and guidelines.

15. Mortgage TBAs ("To Be Announced") securities. These securities require an equivalent amount of cash equivalents set aside for future settlement of the forward agreement.

16. Derivatives: In general, the following uses of derivatives are approved for portfolio management purposes, although specific written permission must be granted to each manager on a case-by-case basis in formal written account guidelines.

- Substitute for physical
- Duration management
- Risk control
- Foreign currency hedging

Before a derivative security or derivative strategy is used by an investment manager, one or more of the following benefits must be demonstrated to the Board:

- Increased liquidity.
- Stabilized and enhance portfolio returns.
- Lower transaction costs, including market impact costs.
- Reduction in the time required to change the mix of the portfolio.

Before any such derivative strategy is used by an Investment Manager, written permission for such use must be obtained from the Executive Director of the Prepaid Board.

Investment managers must keep in mind at all times the Board's preference for safety and liquidity.

PROHIBITED INVESTMENT VEHICLES AND GENERAL INVESTMENT RESTRICTIONS

1. Short selling of securities is prohibited.

2. Maximum investment in the securities of any issuer, except U.S. Treasury, Agency, Agency Mortgage-Backed Securities, or repurchase agreements collateralized by U.S. Treasury or Agency securities, is the greater of 5% of the market value of the total Fund, or 2% greater than the appropriate benchmark weight.

3. Debt obligations and preferred stock may not be rated less than Baa3 by Moody's, or BBB- by Standard & Poor's or Fitch at the time of purchase. Split-rated bonds will be governed by the Barclays Capital Index Inclusion Rules across the three rating agencies. Debt obligations with Expected Ratings are permissible unless the Actual Rating causes the security to be out of compliance with the above guideline.

4. The following derivative strategies and derivative instruments are considered inappropriate and therefore not permitted for use in the managing of assets for the Florida Prepaid College Program.

   - Derivatives use for speculative purposes.
   - Derivatives that leverage the account.
   - Commodity options, swaps or other derivatives based on commodities.

ASSET ALLOCATION POLICY

The Fund shall maintain an asset allocation such to maximize the probability of meeting the Program's liabilities over the long term. An asset / liability study shall be conducted once every five years, and more often if warranted by a material change in the underlying liabilities or the investment environment. Taking into consideration the results of the asset liability study and the recommendations of the Program's consultants, the Board will adopt an asset allocation which properly reflects its attitude towards the balancing of risk and return. The Board at this time has adopted an asset allocation policy which limits the amount of equities to fifteen percent (15%) of the market value of the total Fund, or the most current actuarial reserve balance as determined by the Board's actuary, whichever is less. The Fund's principal objective in asset allocation is that of asset/liability matching. An immunized fixed income strategy emphasizing zero coupon U.S. Treasury issues is the dominant investment strategy employed to meet these goals. Other fixed income investments may be used in limited amounts to seek incremental yield. Actuarial reserve assets may be invested in other asset classes as directed by the Board.

The benchmarks for monitoring investment performance of the total Fund and asset class level shall be:

Asset Category	Allocation	Range	Corresponding Index
Total Fund			A policy-weighted blend of the Customized Equity and Immunized Fixed Income Benchmarks
Equities	Actuarial Reserve	0 – 15%	80% Russell 3000 and 20% MSCI EAFE
Immunized Fixed Income	Up to 100%	85 – 100%	Customized Benchmark
Cash	0%	0 – 5%	90-day US Gov't T-bills

The Customized Fixed Income Benchmark will be reconstituted annually using the June 30 liability profile as determined by the Program's actuary. The duration of the benchmark and the pattern of its cash flows will mirror that of the Program's liabilities. The benchmark is comprised of United States Treasury Strip securities, Bloomberg Barclays Capital U.S Corporate Index, and Bloomberg Barclays Capital ~~Fixed-Rate~~U.S. Mortgage-Backed Securities Index, and other Authorized Investment Vehicles as defined in the CIP.

At no time shall the allocation to the fixed income segment of the Fund be less than at a fully funded status net of projected payments from participants. That is, the fixed income segment shall always be greater than or equal to the total Fund value or actuarial liability minus projected cash flows from the participants, whichever is less.

The total equity segment of the Fund, and each of its components shall be constructed using one or more investment manager or products such that in the aggregate the equity component is capitalization and style neutral to its corresponding Customized Equity index.

Equity Segments	Targeted Weight	Allowable Range
Growth Portfolio	20.00%	0.00% - 25.00%
Value Portfolio	20.00%	0.00% - 25.00%
Index Portfolio	20.00%	0.00% - 75.00%
Mid Cap Portfolio	10.00%	5.00% - 15.00%
Small Cap Portfolio	10.00%	5.00% - 15.00%
International Portfolio	20.00%	15.00% - 25.00%

Based on the market values of the total Fund as of June 30th as determined by the Board's actuary and after approval by the Board, the allocation of fixed income and equity will be rebalanced no later than September 30th of each year, in order to have the equity component equal fifteen percent (15%) of the total Fund, or the actuarial reserve balance, whichever is less.

In the fixed income segment and subject to Board direction, the allocation to the managers will be rebalanced so that in aggregate the segment is consistent with the customized benchmark.

In the equity segment and in the absence of strong evidence supporting a deviation from these baseline allocations, and subject to Board direction, the allocations to each style and market capitalization of management will be rebalanced in a manner designed to minimize portfolio impact, including transaction costs.

In order to accommodate asset value fluctuations due to short-term economic or market conditions, the asset allocation of the equity segment can vary among asset categories within the ranges noted above. At a minimum, the Board will review the asset allocation and the equity segment targets on a quarterly basis and will make a determination as to whether to rebalance at that time.

In developing this asset allocation policy, the total Fund has been designed to be fully invested, and thus no portion of the Fund has been targeted for cash. However, managers may raise cash balances in accordance with their individual investment guidelines. In the course of operations the Board may deem it appropriate to maintain a cash balance outside of the managers' portfolios in order to meet the Program's liquidity and allocation needs.

MANAGER SELECTION AND EVALUATION

The Board has elected to employ multiple investment managers with complementary investment skills and/or styles. As part of this multi-manager structure, managers are hired for their expected contribution to the overall portfolio performance over the various market cycles based on their style, stated strategy, and asset mix. Therefore, the Board shall evaluate manager performance over a sufficient time horizon, and in the context of the prevailing market environment, in order to properly assess each manager's contribution to the overall portfolio. In general, a three or more year period of time will be used to evaluate a manager's success or failure at attaining agreed-upon goals. On an interim basis, portfolio risk and investment performance will be monitored continually to ensure that the management of Program assets remains consistent with the style and objective for which the manager was retained.

At a minimum, investment manager reviews will include a quarterly quantitative performance review conducted by the consultant. Specific evaluation criteria are stated in the investment guidelines that have been individually prepared for each manager pursuant to their specific role in the Program's multi-manager strategy. As necessary, the evaluation may also include an annual site visit to review each portfolio manager's operations. This portion of the evaluation will be conducted by a member of the Board or the Investment Committee, as may be designated either by the Board or the Investment Committee.

IMPLEMENTATION

All money invested for the ~~Plan~~Program by ~~their~~the investment managers after the adoption of this Comprehensive Investment ~~Policy Statement~~Plan shall conform to this Statement.

The following guidelines have been established: (1) to ensure that the manager continually adheres to all regulations administered by any regulatory authority charged with oversight responsibility; (2) to limit the Fund's exposure to unintended risk; (3) to ensure that the manager maintains the style of management for which they were retained; and (4) to provide objective, reasonable criteria to the manager of the Board's expectations. ~~The following eight parts contain the investment guidelines and policies for each segment of the Program funds:~~

PART I
PASSIVE FIXED INCOME
INVESTMENT GUIDELINES

OBJECTIVE

The Board has chosen to employ a multi-manager fixed income investment strategy. In order to reduce the relative volatility of the actively managed portfolios and control overall investment management costs, an allocation to passive fixed income management is maintained. The objective of this component of the portfolio is to replicate the returns of the Customized Benchmark which consists of U.S. Treasury Strips, BC Corporate Index, and BC Fixed-Rate Mortgage-Backed Index.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times~~, excluding any cash equivalents used to settle Mortgage TBA securities~~.

PASSIVE FIXED INCOME GUIDELINES

1. The portfolio will be managed in a manner that protects the Program's funded status relative to changes in its projected liabilities due to changes in interest rates. Therefore, the primary ~~focus~~purpose of the portfolio shall be on limiting actuarial reserve volatility.

2. The guidelines permit, within the framework and limitations of the broader CIP, all securities eligible for inclusion in the indices which comprise the Customized Benchmark.

3. The total duration of the portfolio shall not differ from the total duration of the benchmark by more than +/- one-quarter of one year.

4. The individual number of holdings in the portfolio shall be sufficient enough to minimize the near-term tracking error relative to the Customized Benchmark.

5. Sector allocations shall be made consistent with the sector weights within the Customized Benchmark.

6. Any cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. The use of futures, options and swaps will be permitted subject to the restrictions imposed by “AUTHORIZED INVESTMENT VEHICLES” Paragraph 16.

~~No commingled or mutual funds may be used to achieve desired diversification or replication of benchmark sector returns.~~

PERFORMANCE OBJECTIVES

Manager performance shall be reviewed relative to the Customized Benchmark over any three or more year period of time, taking into consideration the following:

- The manager's performance is expected to meet the Customized Benchmark.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the Customized Benchmark of less than ~~5~~10 basis points.

PART II
ACTIVE FIXED INCOME
INVESTMENT GUIDELINES

OBJECTIVE

Fixed income managers will be retained as part of a multi-manager investment strategy. Their function within this strategy is to manage an enhanced immunized fixed-income portfolio.

The enhanced immunization style of management shall mean that the manager shall immunize the liabilities of the Program by structuring the assets in such a way that the value of the Program's assets increase (decreases) in conjunction with increases (decreases) with the value of the liabilities due to the changes in interest rates. The manager shall be permitted to attempt to add value to the portfolio relative to the liabilities through modest duration and yield management and through active sector and security selection, to the extent permitted by this policy.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times. However, cash holdings may represent an integral part of the manager's desired portfolio structure. Therefore, for purposes of this constraint cash will be defined as securities with a duration of less than three months and manager shall be allowed a maximum cash position of not more than five percent.

ENHANCED IMMUNIZATION GUIDELINES

1. The portfolio will be managed in a manner that protects the Program's funded status relative to changes in its projected liabilities due to changes in interest rates. Therefore, the primary ~~focus~~purpose of the portfolio shall be on limiting actuarial reserve volatility.

2. The total duration of the portfolio shall not differ from the total duration of the benchmark by more than +/- three-quarters of one year.

3. Investments in fixed income instruments can be made in sectors and securities as authorized in the CIP.

4. Sector allocations shall be made so that the portfolio is well diversified such that it meets its liability requirements.

5. The maximum investment for any issue, except U.S. Treasury, Agency, and Agency Mortgage-Backed Securities, is ~~2% of~~ the ~~market value~~ greater of 5% of the ~~manager's~~ portfolio market value or 2% greater than the security's benchmark weight.

6. The maximum investment in Build America Bonds (BABs) is limited to 2% of the market value of the manager's portfolio.

7. The maximum investment in 144(a) bonds without Registration Rights is limited to 3% of the market value of the manager's portfolio.

8. Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

9. The use of futures, options and swaps will be permitted subject to the restrictions imposed by "AUTHORIZED INVESTMENT VEHICLES" Paragraph 16.

10. A maximum allocation of 50% of the market value of the manager's portfolio to corporate debt, asset-backed securities and mortgage ~~-~~backed securities is permitted. On a periodic basis, the Board may set a maximum and minimum allocation each to corporate debt, asset-backed securities and mortgage-backed securities.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited except as may be required in the use of futures, options and swaps as permitted in subparagraph 9 of this section.

2. Other than futures, options and swaps, the use of derivative securities that have not been specifically approved by the Board in written form is prohibited.

3. Convertible securities shall not be considered for investment.

~~No commingled or mutual funds may be used to achieve desired diversification.~~

PERFORMANCE OBJECTIVES

Manager performance shall be reviewed relative to the customized benchmark over any three or more year period of time, taking into consideration the following:

- The active manager's performance, net of fees, is expected to exceed the customized benchmark.

- The effectiveness of the manager's duration, sector and security allocations will be reviewed to determine if the manager has demonstrated, on a total return basis, the ability to add value above the benchmark.

PART III
LARGE CAP GROWTH EQUITY
INVESTMENT GUIDELINES

OBJECTIVE

The Board hopes to achieve its goal of reducing total portfolio volatility while enhancing total return through diversification of the equity asset class using multiple styles of management. Large cap growth equity manager(s) ~~will~~may be retained as part of a multi-manager investment strategy. ~~Their function within this strategy is to manage an equity only portfolio utilizing an active large cap growth style of investment.~~ For purposes of this CIP, growth is a style that seeks to purchase stocks of companies, which offer the best combination of strong earnings growth and valuation. This allocation will be represented in the policy benchmark by the Russell 1000 Growth Index. ~~The manager is expected to add value over a passively managed benchmark over a three to five year time frame.~~

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of only five percent. Asset allocation shall be determined based on the average position over any three month time period and shall operate within the following constraints set forth herein:

EQUITY INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to five percent of the portfolio in initial public offerings that have been spun off by a company for which there is an adequate history and that has at least $1 billion in market capitalization. Further, the parent must have been previously listed on the New York Stock Exchange (NYSE), American Stock Exchange (AMEX) or have been traded on the National Association of Securities Dealer's Automated Quotation system (NASDAQ) or other recognized domestic exchange. If, through spin-offs or other activities of the companies held, the portfolio exceeds five percent of holdings with less than three years operating history, the manager will bring the portfolio into compliance within a six-month period.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the Russell 1000 Growth Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States or in other, recognized domestic markets.

4. Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures~~, primes, scores~~ or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

~~4. No commingled or mutual funds may be used to achieve desired diversification.~~

PERFORMANCE OBJECTIVES

Active Managers
Manager performance shall be reviewed relative to the Russell 1000 Growth Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the Russell 1000 Growth Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the Russell 1000 Growth Index is expected to rank below the highest quartile of managers in the Large Cap Growth peer group over rolling three year time periods.

Passive Managers
- The manager's performance is expected to meet the Russell 1000 Growth Index.

- The beta of the portfolio over any three-year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

PART IV
LARGE CAP VALUE EQUITY
INVESTMENT GUIDELINES

OBJECTIVE

The Board hopes to achieve its goal of reducing total portfolio volatility while enhancing total return through diversification of the equity asset class. Large cap value manager(s) ~~will~~may be retained as part of a multi-manager investment strategy. ~~Their function within this strategy is to manage an equity only portfolio utilizing an active large cap value style of investment.~~ For purposes of this CIP, value is a style that seeks to purchase stocks in companies generally exhibiting lower price/earnings, lower price/book and higher dividend yield than the average large cap equity. This allocation will be represented in the policy benchmark by the Russell 1000 Value Index. ~~The manager is expected to add value over a passively managed benchmark over a three to five year time frame~~

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of only five percent. During periods of market over-valuation, the manager may have difficulty in identifying solid companies that could be purchased within their value style of management. Therefore, asset allocation shall be determined based on the average position over any three month time period and shall operate within the following constraints set forth herein:

EQUITY INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to five percent of the portfolio in initial public offerings that have been spun off by a company for which there is an adequate history and that has at least $1 billion in market capitalization. Further, the parent must have been previously listed on the New York Stock Exchange (NYSE), American Stock Exchange (AMEX) or have been traded on the National Association of Securities Dealer's Automated Quotation system (NASDAQ), or in other, recognized domestic markets. If, through spin-offs or other activities of the companies held, the portfolio exceeds five percent of holdings with less than three years operating history, the manager will bring the portfolio into compliance within a six-month period.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the Russell 1000 Value Index of not less than .80 over any rolling, five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures~~, primes, scores~~ or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

~~4. No commingled or mutual funds may be used to achieve desired diversification.~~

PERFORMANCE OBJECTIVES

Active Managers

Manager performance shall be reviewed relative to the Russell 1000 Value Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the Russell 1000 Value Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the Russell 1000 Value Index is expected to rank below the highest quartile of managers in the Large Cap Value peer group over rolling three year time periods.

Passive Managers

- The manager's performance is expected to meet the Russell 1000 Value Index.

- The beta of the portfolio over any three-year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

PART V
LARGE CAP CORE
INVESTMENT GUIDELINES

OBJECTIVE

The Board hopes to achieve its goal of reducing total portfolio volatility while enhancing total return through diversification of the equity asset class. ~~An allocation to a passive~~Large cap core ~~equity~~manager(s) may be retained as part of a multi-manager investment strategy~~ is one component~~. For purposes of this ~~strategy. The objective for this component of~~CIP, core managers do not exhibit a style bias such as value or growth. This allocation will be represented in the ~~portfolio is to replicate the returns of~~policy benchmark by the S&P 500~~.~~ Index.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times.

EQUITY INVESTMENT GUIDELINES

1. The Manager shall be permitted to invest in any securities which are a part of the S&P 500 without regard for the constraint within this policy prohibiting or restricting the ownership of companies with less than a 3 year publicly available operating history. If the Manager's common stock (or the common stock of the Manager's holding company) is included in the S&P 500, the Manager is permitted to purchase, retain and sell the Manager's common stock (or the common stock of the manager's holding company), consistent with the other requirements, guidelines, restrictions and performance objectives applicable to this portfolio under this Part ~~IV~~V and the reporting requirements imposed on Managers.

2. The Manager shall be permitted to invest in any securities which are a part of the S&P 500 without regard for the preference within this policy for investments to be made in United States based corporations. There shall be no limit on the percent of the portfolio held in American Depository Receipts, provided those same companies are included in the S&P 500 as American Depository Receipts.

3. The use of futures as a substitute for physical investing, or to facilitate cash flows shall be permitted for this portfolio, provided the manager receives prior written approval from the Board. In order to obtain such approval, the manager must submit a written request to the Board, quantifying the net advantages that will accrue to the portfolio.

4. The Manager may temporarily invest in companies outside of the index in the case of additions or deletions, with the goal of minimizing tracking error and/or reducing trading costs.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. The use of futures will be permitted subject to the restrictions imposed by Paragraph 16 (entitled "Derivatives") in the "Authorized Investment Vehicles" section.

2. Use of margin is prohibited except as may be required in the use of futures.

3. Convertible securities shall not be allowed for investment purposes.

~~4. No commingled or mutual funds may be used to achieve desired diversification.~~

PERFORMANCE OBJECTIVES

Active Managers
Manager performance shall be reviewed relative to the S&P 500 Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the S&P 500 Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the S&P 500 Index is expected to rank below the highest quartile of managers in the Large Cap Value peer group over rolling three year time periods.

Passive Mangers
Manager performance shall be reviewed relative to the S & P 500, over any three to five year period, taking into consideration the following:

- The manager's performance~~, net of fees,~~ is expected to meet the S&P 500 Index.

- The beta of the portfolio over any three-year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the S&P 500~~, net of fees,~~ of less than 25 basis points.

~~Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.~~

PART VI
MID CAP EQUITY
INVESTMENT GUIDELINES

OBJECTIVE

The Board hopes to achieve its goal of reducing total portfolio volatility while enhancing total return through diversification of the equity asset class using multiple styles of management. Mid cap equity manager(s) will be retained as part of a multi-manager investment strategy. ~~Their function within this strategy is to manage an equity only portfolio utilizing an active mid cap style of investment.~~ For purposes of this CIP, this style seeks access to the mid-cap segment of the US equity universe. This allocation will be represented in the policy benchmark by the S&P MidCap 400 Index which represents the performance of mid-sized companies. ~~The manager is expected to add value over a passively managed benchmark over a three to five year time frame.~~

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of only five percent. Asset allocation shall be determined based on the average position over any three month time period and shall operate within the following constraints set forth herein:

EQUITY INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to ten percent of the portfolio in initial public offerings of companies that have at least two years of audited financial statements and have been profitable (from continuing operations) for at least one of the last two years.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the S&P MidCap 400 Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States or in other, recognized domestic markets.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures, or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

~~4. No commingled or mutual funds may be used to achieve desired diversification.~~

PERFORMANCE OBJECTIVES

Active Managers

Manager performance shall be reviewed relative to the S&P MidCap 400 Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the S&P MidCap 400 Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the S&P MidCap 400 Index is expected to rank below the highest quartile of managers in the MidCap Broad peer group over rolling three year time periods.

Passive Managers

- A passive manager's performance is expected to meet the S&P 400 Index, or other agreed-upon investible benchmark representing the mid cap U.S. equity market.

- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

PART VII
SMALL CAP EQUITY
INVESTMENT GUIDELINES

OBJECTIVE

The Board hopes to achieve its goal of reducing total portfolio volatility while enhancing total return through diversification of the equity asset class using multiple styles of management. Small cap equity manager(s) will be retained as part of a multi-manager investment strategy.~~ Their function within this strategy is to manage an equity only portfolio utilizing an active small cap style of investment.~~ For purposes of this CIP, this style seeks access to the small-cap segment of the US equity universe. This allocation will be represented in the policy benchmark by the Russell 2000 Index which includes the smallest 2000 securities in the Russell 3000 index. ~~The manager is expected to add value over a passively managed benchmark over a three to five year time frame.~~

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of only ~~five~~ten percent. Asset allocation shall be determined based on the average position over any three month time period and shall operate within the following constraints set forth herein:

EQUITY INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to ten percent of the portfolio in initial public offerings of companies that have at least two years of audited financial statements and have been profitable (from continuing operations) for at least one of the last two years.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the Russell 2000 Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States or in other, recognized domestic markets.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures~~, primes, scores~~ or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

~~4. No commingled or mutual funds may be used to achieve desired diversification.~~

PERFORMANCE OBJECTIVES

Active Managers
Manager performance shall be reviewed relative to the Russell 2000 Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the Russell 2000 Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the Russell 2000 Index is expected to rank below the highest quartile of managers in the Small Cap peer group over rolling three year time periods.

Passive Managers
- A passive manager's performance is expected to meet the Russell 2000 Index, or other agreed-upon investible benchmark representing the small cap U.S. equity market.

- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

PART VIII
INTERNATIONAL EQUITY
INVESTMENT GUIDELINES

OBJECTIVE

The Board hopes to achieve its goal of reducing total portfolio volatility while enhancing total return through diversification of the equity asset class using multiple styles of management. International equity manager(s) will be retained as part of a multi-manager investment strategy.~~ Their function within this strategy is to manage an equity only portfolio utilizing an active international equity style of investment.~~ For purposes of this CIP, this strategy seeks access to companies that are domiciled outside of the US equity market. This allocation will be represented in the policy benchmark by the MSCI EAFE (i.e., Europe, Australasia, Far East) Index which is designed to measure the equity market performance of developed markets, excluding the US and Canada. ~~The manager is expected to add value over a passively managed benchmark over a three to five year time frame.~~

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of only five percent. Asset allocation shall be determined based on the average position over any three month time period and shall operate within the following constraints set forth herein:

EQUITY INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to five percent of the portfolio in initial public offerings that have been spun off by a company for which there is adequate history of audited financial statements. If, through spin-offs or other activities of the companies held, the portfolio exceeds five percent of holdings with less than three years operating history, the manager will bring the portfolio into compliance within a six-month period.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the MSCI EAFE Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

~~3. Equity investments shall be made only in securities domiciled outside of the United States. Country classification of a security will be based upon the country of domicile, not based on the country in which the security is listed or traded.~~

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. The use of currency futures and currency forwards will be permitted subject to the restrictions imposed by Paragraph 16 (entitled "Derivatives") in the "Authorized Investment Vehicles" section.

2. Use of options, futures, forwards or any other types of derivative securities that are not used for currency hedging purposes are prohibited.

3. Use of margin is prohibited except as may be required in the use of currency futures or forwards.

4. ~~US~~ Securities not domiciled~~ companies.~~

~~5. Any~~, incorporated, or traded in a benchmark country~~ or market outside of the MSCI EAFE Index.~~

~~6.~~5. ~~No commingled or mutual funds may be used to achieve desired diversification~~.

PERFORMANCE OBJECTIVES

Active Managers

Manager performance shall be reviewed relative to the MSCI EAFE Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the MSCI EAFE Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the MSCI EAFE Index is expected to rank below the highest quartile of managers in the International Equity peer group over rolling three year time periods.

Passive Managers

- A passive manager's performance is expected to meet the MSCI EAFE Index, or other agreed-upon investible benchmark representing the broad developed international equity markets.

- The beta of the portfolio relative to the index over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index.   In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index, of less than 30 basis points.

Florida Prepaid College Board
Comprehensive Investment Plan
for the
Stanley G. Tate Florida Prepaid College Program
March 30, 2017

AUTHORITY

All investments made under this plan are made under the authority granted the Florida Prepaid College Board under Section 1009.973, Florida Statutes. All funds managed by the Board are funds of the State of Florida.

PURPOSE

The Stanley G. Tate Florida Prepaid College Program (the Program) is a program created pursuant to Section 1009.98 of the Florida Statutes to provide a medium through which the cost of a state postsecondary education may be paid in advance of enrollment at a rate lower than the projected corresponding cost at the time of actual enrollment. The Program is administered by the Florida Prepaid College Board (the Board), which was created pursuant to Section 1009.97 of the Florida Statutes.

The policy goals of this Comprehensive Investment Plan (CIP) are established as follows in the priority listed. These goals are:

1. Safety
2. Liquidity
3. Yield

The sole purpose of the investment program is to meet the forecasted actuarial liability projections. In pursuing the objective of meeting the forecasted liabilities, the primary policy goal is the safety in the Program's ability to meet the forecasted liabilities. The goals of safety must be met by the limitation of risk through portfolio allocation based on liability requirements, diversification within asset classes, credit quality guidelines and investment operating procedures.

A second and equally important portfolio objective is giving adequate consideration to the liquidity requirements necessitated by the Program obligations. Consideration will be given to investment maturities, investment income and funds receipts in calculating funds required for liquidity purposes.

After meeting safety and liquidity requirements, the goals of maximizing investment return will be met. Strategies will be employed to achieve the highest possible net returns within policy guidelines.

The investment strategy is designed to enable the Board to meet actuarially determined Program liabilities, calculated by an independent actuarial consultant firm, and approved by the Board, at the time of funding. By definition, responsibility for financing any divergence of actual liabilities from actuarial assumptions that may result in Program funding deficits belongs to the Legislature. The sole purpose of the Board's CIP is to outline the strategies to be employed to meet forecast actuarial liability projections, and to establish the guidelines under which each investment manager will operate.

ORGANIZATION

The Board retains ultimate responsibility for the development, execution and control of the CIP. The Board may delegate responsibility for the administration of the CIP to a Committee of the Board or a person duly chosen by the Board. This Committee or person shall ensure that Board policies are strictly followed and that investment procedures, which protect the financial assets of the Program, are in place and properly followed. The Committee will employ the services of a professional consultant to advise it in the pursuit of the investment objectives.

INVESTMENT MANAGEMENT

The Board will hire duly qualified investment managers to carry out the day-to-day investment responsibilities outlined in the CIP. Investment managers (product providers) will have investment discretion as to security selection subject to the guidelines and limitations expressed in the CIP and any manager-specific guidelines agreed upon between the Board and manager.

REPORTING

The Executive Director will cause detailed quarterly reports and monthly flash reports of the investment portfolio structure and performance to be prepared for review by the Board.

To ensure that the Executive Director and the Board have the necessary information to discharge their oversight responsibility, the quarterly reports will include the following:

1. Performance Measurement and Attribution

Performance measurement of the Prepaid College Trust Fund (the Fund) shall be reported each quarter for the most recent completed quarter, fiscal year-to-date, most recent twelve-month period and cumulatively from inception showing returns on the assets compared to returns on the customized benchmark index, which approximates the Program's liability requirements. Returns will be reported on a time-weighted basis.

- The performance of the total Fund will be compared against a benchmark comprised of market portfolios representing the underlying investment strategies and weighted in accordance with the Program's asset allocation policy.

- Performance of each asset class will be shown along with an analysis of each manager's contribution to the performance of the asset class.

- Performance of each investment manager and an attribution analysis of that manager's performance will be shown in comparison to benchmarks appropriate to their investment strategy.

  - Fixed Income attribution will include such factors as the effects of changes in interest rates, and sector and quality decisions.
  - Equity attribution will include such factors as sector and industry weights, beta, company size, yield and growth in earnings.

- The performance of each equity manager will also be evaluated relative to a universe of its peers managing similar portfolios and following a similar investment style.

- Returns for each manager and the overall Fund will also be evaluated on a risk-adjusted basis.

  - For individual managers, the risk measurement will be expressed relative to appropriate benchmarks.
  - For each asset class and the overall Fund, the risk measurement will take into consideration any deviation from asset allocation policy and the impact on the funded status of the Program's liabilities.

2. Compliance and Monitoring

- Asset allocation of the Fund and diversification within each asset class will be reported to ensure allocation guidelines are met.

- Projection of sources and uses of funds will be reported to ensure liquidity requirements are met.

- Investment asset holdings will be reported and monitored monthly to ensure investment only in authorized vehicles.

- Each manager will certify *monthly* that their portfolio is in compliance with the terms of this CIP and their specific investment mandate. Any exceptions to policy will be noted and a statement provided indicating the steps to be taken to bring the portfolio back into compliance with the policy.

- Each manager will be monitored based upon the performance objectives outlined in this CIP.

- Each manager shall immediately disclose to the Board in writing any instance which a member of the investment manager's Board of Directors, an officer of the investment management firm, or a member of the portfolio management staff is also a member of the Board of Directors, an officer of, or a significant shareholder of 5% or more in stocks of a company in which they propose to invest Board funds. In addition, the Board's investment consultant and the trustee/custodian shall annually certify that no conflicts of interest exist with respect to the services they provide to the Program and shall annually provide the Board with a copy of the firm's policy governing conflicts of interest. The requirements of this paragraph do not apply with respect to the common stock of the manager responsible for investment of the large capitalization core domestic equity portfolio (or the common stock of the manager's holding company) when the manager's common stock (or that of its holding company) is included in the S&P 500; provided that, prior to the initial purchase of the manager's common stock (or that of its holding company), the manager notifies the Board in writing that the manager's common stock (or that of its holding company) is included or has been included, in the S&P 500.

- Commingled or Mutual Funds - The Board may approve the use of pooled vehicles such as mutual funds or commingled funds to achieve the objectives and asset allocation strategy with the understanding that the investment policy stated in the mutual fund's prospectus or the commingled fund's participation agreement supersedes the guidelines set forth in this CIP.

AUTHORIZED INVESTMENT VEHICLES

Funds managed by the Board may be placed in the following accounts or investments:

1. Deposit accounts and certificates of deposit in banks.

2. Obligations of the United States Treasury, including Treasury Inflation Protection (TIPs) bonds.

3. Obligations of agencies of the United States Government (not restricted to full-faith and credit obligations).

4. Commercial paper of prime quality of the highest letter and numerical rating established by a nationally recognized rating service.

5. Bankers' acceptances that are accepted by a member bank of the Federal Reserve System.

6. Corporate debt obligations, preferred stock, mortgage-backed securities, commercial mortgage-backed securities, and asset-backed securities, provided the obligations meet the minimum credit criteria set forth elsewhere in this CIP.

7. Municipal securities including Build America Bonds (BABs), limited to General Obligation or Essential Services bonds, provided the obligations meet the minimum credit criteria set forth elsewhere in this CIP.

8. Institutional investment products including fixed annuities, variable annuities and guaranteed insurance contracts that are obligations of United States insurance companies.

9. Common stocks traded on domestic exchanges, including over-the-counter markets and recognized third and fourth markets.

10. Common stocks of foreign-domiciled companies traded on non-U.S. exchanges including over-the-counter markets.

11. Collateralized repurchase agreements for which the underlying securities are obligations of the United States Treasury or agencies of the United States Government.

12. Commingled investment funds and mutual funds.

13. American Depositary Receipts, 144(a) securities (with and without registration rights), and non-corporate bonds (including supranationals, sovereign and foreign bonds issued in USD).

14. Exchange Traded Funds (ETF's) traded on domestic exchanges, so long as consistent with the investment mandate, and guidelines.

15. Mortgage TBAs ("To Be Announced") securities. These securities require an equivalent amount of cash equivalents set aside for future settlement of the forward agreement.

16. Derivatives: In general, the following uses of derivatives are approved for portfolio management purposes, although specific written permission must be granted to each manager on a case-by-case basis in formal written account guidelines.

- Substitute for physical
- Duration management
- Risk control
- Foreign currency hedging

Before a derivative security or derivative strategy is used by an investment manager, one or more of the following benefits must be demonstrated to the Board:

- Increased liquidity.
- Stabilized and enhance portfolio returns.
- Lower transaction costs, including market impact costs.
- Reduction in the time required to change the mix of the portfolio.

Before any such derivative strategy is used by an Investment Manager, written permission for such use must be obtained from the Executive Director of the Prepaid Board.

Investment managers must keep in mind at all times the Board's preference for safety and liquidity.

PROHIBITED INVESTMENT VEHICLES AND GENERAL INVESTMENT RESTRICTIONS

1. Short selling of securities is prohibited.

2. Maximum investment in the securities of any issuer, except U.S. Treasury, Agency, Agency Mortgage-Backed Securities, or repurchase agreements collateralized by U.S. Treasury or Agency securities, is the greater of 5% of the market value of the total Fund, or 2% greater than the appropriate benchmark weight.

3. Debt obligations and preferred stock may not be rated less than Baa3 by Moody's, or BBB- by Standard & Poor's or Fitch at the time of purchase. Split-rated bonds will be governed by the Barclays Capital Index Inclusion Rules across the three rating agencies. Debt obligations with Expected Ratings are permissible unless the Actual Rating causes the security to be out of compliance with the above guideline.

4. The following derivative strategies and derivative instruments are considered inappropriate and therefore not permitted for use in the managing of assets for the Florida Prepaid College Program.

   - Derivatives use for speculative purposes.
   - Derivatives that leverage the account.
   - Commodity options, swaps or other derivatives based on commodities.

ASSET ALLOCATION POLICY

The Fund shall maintain an asset allocation such to maximize the probability of meeting the Program's liabilities over the long term. An asset / liability study shall be conducted once every five years, and more often if warranted by a material change in the underlying liabilities or the investment environment. Taking into consideration the results of the asset liability study and the recommendations of the Program's consultants, the Board will adopt an asset allocation which properly reflects its attitude towards the balancing of risk and return. The Board at this time has adopted an asset allocation policy which limits the amount of equities to fifteen percent (15%) of the market value of the total Fund, or the most current actuarial reserve balance as determined by the Board's actuary, whichever is less. The Fund's principal objective in asset allocation is that of asset/liability matching. An immunized fixed income strategy emphasizing zero coupon U.S. Treasury issues is the dominant investment strategy employed to meet these goals. Other fixed income investments may be used in limited amounts to seek incremental yield. Actuarial reserve assets may be invested in other asset classes as directed by the Board.

The benchmarks for monitoring investment performance of the total Fund and asset class level shall be:

Asset Category	Allocation	Range	Corresponding Index
Total Fund			A policy-weighted blend of the Customized Equity and Immunized Fixed Income Benchmarks
Equities	Actuarial Reserve	0 – 15%	80% Russell 3000 and 20% MSCI EAFE
Immunized Fixed Income	Up to 100%	85 – 100%	Customized Benchmark
Cash	0%	0 – 5%	90-day US Gov't T-bills

The Customized Fixed Income Benchmark will be reconstituted annually using the June 30 liability profile as determined by the Program's actuary. The duration of the benchmark and the pattern of its cash flows will mirror that of the Program's liabilities. The benchmark is comprised of United States Treasury Strip securities, Bloomberg Barclays Capital U.S Corporate Index, and Bloomberg Barclays Capital U.S. Mortgage-Backed Securities Index, and other Authorized Investment Vehicles as defined in the CIP.

At no time shall the allocation to the fixed income segment of the Fund be less than at a fully funded status net of projected payments from participants. That is, the fixed income segment shall always be greater than or equal to the total Fund value or actuarial liability minus projected cash flows from the participants, whichever is less.

The total equity segment of the Fund, and each of its components shall be constructed using one or more investment manager or products such that in the aggregate the equity component is capitalization and style neutral to its corresponding Customized Equity index.

Equity Segments	Targeted Weight	Allowable Range
Growth Portfolio	20.00%	0.00% - 25.00%
Value Portfolio	20.00%	0.00% - 25.00%
Index Portfolio	20.00%	0.00% - 75.00%
Mid Cap Portfolio	10.00%	5.00% - 15.00%
Small Cap Portfolio	10.00%	5.00% - 15.00%
International Portfolio	20.00%	15.00% - 25.00%

Based on the market values of the total Fund as of June 30th as determined by the Board's actuary and after approval by the Board, the allocation of fixed income and equity will be rebalanced no later than September 30th of each year, in order to have the equity component equal fifteen percent (15%) of the total Fund, or the actuarial reserve balance, whichever is less.

In the fixed income segment and subject to Board direction, the allocation to the managers will be rebalanced so that in aggregate the segment is consistent with the customized benchmark.

In the equity segment and in the absence of strong evidence supporting a deviation from these baseline allocations, and subject to Board direction, the allocations to each style and market capitalization of management will be rebalanced in a manner designed to minimize portfolio impact, including transaction costs.

In order to accommodate asset value fluctuations due to short-term economic or market conditions, the asset allocation of the equity segment can vary among asset categories within the ranges noted above. At a minimum, the Board will review the asset allocation and the equity segment targets on a quarterly basis and will make a determination as to whether to rebalance at that time.

In developing this asset allocation policy, the total Fund has been designed to be fully invested, and thus no portion of the Fund has been targeted for cash. However, managers may raise cash balances in accordance with their individual investment guidelines. In the course of operations the Board may deem it appropriate to maintain a cash balance outside of the managers' portfolios in order to meet the Program's liquidity and allocation needs.

MANAGER SELECTION AND EVALUATION

The Board has elected to employ multiple investment managers with complementary investment skills and/or styles. As part of this multi-manager structure, managers are hired for their expected contribution to the overall portfolio performance over the various market cycles based on their style, stated strategy, and asset mix. Therefore, the Board shall evaluate manager performance over a sufficient time horizon, and in the context of the prevailing market environment, in order to properly assess each manager's contribution to the overall portfolio. In general, a three or more year period of time will be used to evaluate a manager's success or failure at attaining agreed-upon goals. On an interim basis, portfolio risk and investment performance will be monitored continually to ensure that the management of Program assets remains consistent with the style and objective for which the manager was retained.

At a minimum, investment manager reviews will include a quarterly quantitative performance review conducted by the consultant. Specific evaluation criteria are stated in the investment guidelines that have been individually prepared for each manager pursuant to their specific role in the Program's multi-manager strategy. As necessary, the evaluation may also include an annual site visit to review each portfolio manager's operations. This portion of the evaluation will be conducted by a member of the Board or the Investment Committee, as may be designated either by the Board or the Investment Committee.

IMPLEMENTATION

All money invested for the Program by the investment managers after the adoption of this Comprehensive Investment Plan shall conform to this Statement.

The following guidelines have been established: (1) to ensure that the manager continually adheres to all regulations administered by any regulatory authority charged with oversight responsibility; (2) to limit the Fund's exposure to unintended risk; (3) to ensure that the manager maintains the style of management for which they were retained; and (4) to provide objective, reasonable criteria to the manager of the Board's expectations.

PART I
PASSIVE FIXED INCOME
INVESTMENT GUIDELINES

OBJECTIVE

The Board has chosen to employ a multi-manager fixed income investment strategy. In order to reduce the relative volatility of the actively managed portfolios and control overall investment management costs, an allocation to passive fixed income management is maintained. The objective of this component of the portfolio is to replicate the returns of the Customized Benchmark which consists of U.S. Treasury Strips, BC Corporate Index, and BC Fixed-Rate Mortgage-Backed Index.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times.

PASSIVE FIXED INCOME GUIDELINES

1. The portfolio will be managed in a manner that protects the Program's funded status relative to changes in its projected liabilities due to changes in interest rates. Therefore, the primary purpose of the portfolio shall be on limiting actuarial reserve volatility.

2. The guidelines permit, within the framework and limitations of the broader CIP, all securities eligible for inclusion in the indices which comprise the Customized Benchmark.

3. The total duration of the portfolio shall not differ from the total duration of the benchmark by more than +/- one-quarter of one year.

4. The individual number of holdings in the portfolio shall be sufficient enough to minimize the near-term tracking error relative to the Customized Benchmark.

5. Sector allocations shall be made consistent with the sector weights within the Customized Benchmark.

6. Any cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. The use of futures, options and swaps will be permitted subject to the restrictions imposed by “AUTHORIZED INVESTMENT VEHICLES” Paragraph 16.

PERFORMANCE OBJECTIVES

Manager performance shall be reviewed relative to the Customized Benchmark over any three or more year period of time, taking into consideration the following:

- The manager's performance is expected to meet the Customized Benchmark.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the Customized Benchmark of less than 10 basis points.

PART II
ACTIVE FIXED INCOME
INVESTMENT GUIDELINES

OBJECTIVE

Fixed income managers will be retained as part of a multi-manager investment strategy. Their function within this strategy is to manage an enhanced immunized fixed-income portfolio.

The enhanced immunization style of management shall mean that the manager shall immunize the liabilities of the Program by structuring the assets in such a way that the value of the Program's assets increase (decreases) in conjunction with increases (decreases) with the value of the liabilities due to the changes in interest rates. The manager shall be permitted to attempt to add value to the portfolio relative to the liabilities through modest duration and yield management and through active sector and security selection, to the extent permitted by this policy.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times. However, cash holdings may represent an integral part of the manager's desired portfolio structure. Therefore, for purposes of this constraint cash will be defined as securities with a duration of less than three months and manager shall be allowed a maximum cash position of not more than five percent.

ENHANCED IMMUNIZATION GUIDELINES

1. The portfolio will be managed in a manner that protects the Program's funded status relative to changes in its projected liabilities due to changes in interest rates. Therefore, the primary purpose of the portfolio shall be on limiting actuarial reserve volatility.

2. The total duration of the portfolio shall not differ from the total duration of the benchmark by more than +/- three-quarters of one year.

3. Investments in fixed income instruments can be made in sectors and securities as authorized in the CIP.

4. Sector allocations shall be made so that the portfolio is well diversified such that it meets its liability requirements.

5. The maximum investment for any issue, except U.S. Treasury, Agency, and Agency Mortgage-Backed Securities, is the greater of 5% of the portfolio market value or 2% greater than the security's benchmark weight.

6. The maximum investment in Build America Bonds (BABs) is limited to 2% of the market value of the manager's portfolio.

7. The maximum investment in 144(a) bonds without Registration Rights is limited to 3% of the market value of the manager's portfolio.

8. Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

9. The use of futures, options and swaps will be permitted subject to the restrictions imposed by "AUTHORIZED INVESTMENT VEHICLES" Paragraph 16.

10. A maximum allocation of 50% of the market value of the manager's portfolio to corporate debt, asset-backed securities and mortgage backed securities is permitted. On a periodic basis, the Board may set a maximum and minimum allocation each to corporate debt, asset-backed securities and mortgage-backed securities.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited except as may be required in the use of futures, options and swaps as permitted in subparagraph 9 of this section.

2. Other than futures, options and swaps, the use of derivative securities that have not been specifically approved by the Board in written form is prohibited.

3. Convertible securities shall not be considered for investment.

PERFORMANCE OBJECTIVES

Manager performance shall be reviewed relative to the customized benchmark over any three or more year period of time, taking into consideration the following:

- The active manager's performance, net of fees, is expected to exceed the customized benchmark.

- The effectiveness of the manager's duration, sector and security allocations will be reviewed to determine if the manager has demonstrated, on a total return basis, the ability to add value above the benchmark.

PART III
LARGE CAP GROWTH EQUITY
INVESTMENT GUIDELINES

OBJECTIVE

The Board hopes to achieve its goal of reducing total portfolio volatility while enhancing total return through diversification of the equity asset class using multiple styles of management. Large cap growth equity manager(s) may be retained as part of a multi-manager investment strategy. For purposes of this CIP, growth is a style that seeks to purchase stocks of companies, which offer the best combination of strong earnings growth and valuation. This allocation will be represented in the policy benchmark by the Russell 1000 Growth Index.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of only five percent. Asset allocation shall be determined based on the average position over any three month time period and shall operate within the following constraints set forth herein:

EQUITY INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to five percent of the portfolio in initial public offerings that have been spun off by a company for which there is an adequate history and that has at least $1 billion in market capitalization. Further, the parent must have been previously listed on the New York Stock Exchange (NYSE), American Stock Exchange (AMEX) or have been traded on the National Association of Securities Dealer's Automated Quotation system (NASDAQ) or other recognized domestic exchange. If, through spin-offs or other activities of the companies held, the portfolio exceeds five percent of holdings with less than three years operating history, the manager will bring the portfolio into compliance within a six-month period.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the Russell 1000 Growth Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States or in other, recognized domestic markets.

4. Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

PERFORMANCE OBJECTIVES

Active Managers
Manager performance shall be reviewed relative to the Russell 1000 Growth Index, over any three or more year period of time, taking into consideration the following:

- The manager’s performance, net of fees, is expected to exceed the Russell 1000 Growth Index, taking into consideration the degree of risk.

- The manager’s performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager’s tracking error relative to the Russell 1000 Growth Index is expected to rank below the highest quartile of managers in the Large Cap Growth peer group over rolling three year time periods.

Passive Managers
- The manager’s performance is expected to meet the Russell 1000 Growth Index.

- The beta of the portfolio over any three-year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

PART IV
LARGE CAP VALUE EQUITY
INVESTMENT GUIDELINES

OBJECTIVE

The Board hopes to achieve its goal of reducing total portfolio volatility while enhancing total return through diversification of the equity asset class. Large cap value manager(s) may be retained as part of a multi-manager investment strategy. For purposes of this CIP, value is a style that seeks to purchase stocks in companies generally exhibiting lower price/earnings, lower price/book and higher dividend yield than the average large cap equity. This allocation will be represented in the policy benchmark by the Russell 1000 Value Index.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of only five percent. During periods of market over-valuation, the manager may have difficulty in identifying solid companies that could be purchased within their value style of management. Therefore, asset allocation shall be determined based on the average position over any three month time period and shall operate within the following constraints set forth herein:

EQUITY INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to five percent of the portfolio in initial public offerings that have been spun off by a company for which there is an adequate history and that has at least $1 billion in market capitalization. Further, the parent must have been previously listed on the New York Stock Exchange (NYSE), American Stock Exchange (AMEX) or have been traded on the National Association of Securities Dealer's Automated Quotation system (NASDAQ), or in other, recognized domestic markets. If, through spin-offs or other activities of the companies held, the portfolio exceeds five percent of holdings with less than three years operating history, the manager will bring the portfolio into compliance within a six-month period.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the Russell 1000 Value Index of not less than .80 over any rolling, five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

PERFORMANCE OBJECTIVES

Active Managers

Manager performance shall be reviewed relative to the Russell 1000 Value Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the Russell 1000 Value Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the Russell 1000 Value Index is expected to rank below the highest quartile of managers in the Large Cap Value peer group over rolling three year time periods.

Passive Managers

- The manager's performance is expected to meet the Russell 1000 Value Index.

- The beta of the portfolio over any three-year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

PART V
LARGE CAP CORE
INVESTMENT GUIDELINES

OBJECTIVE

The Board hopes to achieve its goal of reducing total portfolio volatility while enhancing total return through diversification of the equity asset class. Large cap core manager(s) may be retained as part of a multi-manager investment strategy. For purposes of this CIP, core managers do not exhibit a style bias such as value or growth. This allocation will be represented in the policy benchmark by the S&P 500 Index.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times.

EQUITY INVESTMENT GUIDELINES

1. The Manager shall be permitted to invest in any securities which are a part of the S&P 500 without regard for the constraint within this policy prohibiting or restricting the ownership of companies with less than a 3 year publicly available operating history. If the Manager's common stock (or the common stock of the Manager's holding company) is included in the S&P 500, the Manager is permitted to purchase, retain and sell the Manager's common stock (or the common stock of the manager's holding company), consistent with the other requirements, guidelines, restrictions and performance objectives applicable to this portfolio under this Part V and the reporting requirements imposed on Managers.

2. The Manager shall be permitted to invest in any securities which are a part of the S&P 500 without regard for the preference within this policy for investments to be made in United States based corporations. There shall be no limit on the percent of the portfolio held in American Depository Receipts, provided those same companies are included in the S&P 500 as American Depository Receipts.

3. The use of futures as a substitute for physical investing, or to facilitate cash flows shall be permitted for this portfolio, provided the manager receives prior written approval from the Board. In order to obtain such approval, the manager must submit a written request to the Board, quantifying the net advantages that will accrue to the portfolio.

4. The Manager may temporarily invest in companies outside of the index in the case of additions or deletions, with the goal of minimizing tracking error and/or reducing trading costs.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. The use of futures will be permitted subject to the restrictions imposed by Paragraph 16 (entitled “Derivatives”) in the “Authorized Investment Vehicles” section.

2. Use of margin is prohibited except as may be required in the use of futures.

3. Convertible securities shall not be allowed for investment purposes.

PERFORMANCE OBJECTIVES

Active Managers
Manager performance shall be reviewed relative to the S&P 500 Index, over any three or more year period of time, taking into consideration the following:

- The manager’s performance, net of fees, is expected to exceed the S&P 500 Index, taking into consideration the degree of risk.

- The manager’s performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager’s tracking error relative to the S&P 500 Index is expected to rank below the highest quartile of managers in the Large Cap Value peer group over rolling three year time periods.

Passive Mangers
Manager performance shall be reviewed relative to the S & P 500, over any three to five year period, taking into consideration the following:

- The manager’s performance is expected to meet the S&P 500 Index.

- The beta of the portfolio over any three-year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the S&P 500 of less than 25 basis points.

PART VI
MID CAP EQUITY
INVESTMENT GUIDELINES

OBJECTIVE

The Board hopes to achieve its goal of reducing total portfolio volatility while enhancing total return through diversification of the equity asset class using multiple styles of management. Mid cap equity manager(s) will be retained as part of a multi-manager investment strategy. For purposes of this CIP, this style seeks access to the mid-cap segment of the US equity universe. This allocation will be represented in the policy benchmark by the S&P MidCap 400 Index which represents the performance of mid-sized companies.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of only five percent. Asset allocation shall be determined based on the average position over any three month time period and shall operate within the following constraints set forth herein:

EQUITY INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to ten percent of the portfolio in initial public offerings of companies that have at least two years of audited financial statements and have been profitable (from continuing operations) for at least one of the last two years.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the S&P MidCap 400 Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States or in other, recognized domestic markets.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures, or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

PERFORMANCE OBJECTIVES

Active Managers
Manager performance shall be reviewed relative to the S&P MidCap 400 Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the S&P MidCap 400 Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the S&P MidCap 400 Index is expected to rank below the highest quartile of managers in the MidCap Broad peer group over rolling three year time periods.

Passive Managers

- A passive manager's performance is expected to meet the S&P 400 Index, or other agreed-upon investible benchmark representing the mid cap U.S. equity market.

- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

PART VII
SMALL CAP EQUITY
INVESTMENT GUIDELINES

OBJECTIVE

The Board hopes to achieve its goal of reducing total portfolio volatility while enhancing total return through diversification of the equity asset class using multiple styles of management. Small cap equity manager(s) will be retained as part of a multi-manager investment strategy. For purposes of this CIP, this style seeks access to the small-cap segment of the US equity universe. This allocation will be represented in the policy benchmark by the Russell 2000 Index which includes the smallest 2000 securities in the Russell 3000 index.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of only ten percent. Asset allocation shall be determined based on the average position over any three month time period and shall operate within the following constraints set forth herein:

EQUITY INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to ten percent of the portfolio in initial public offerings of companies that have at least two years of audited financial statements and have been profitable (from continuing operations) for at least one of the last two years.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the Russell 2000 Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States or in other, recognized domestic markets.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

PERFORMANCE OBJECTIVES

Active Managers
Manager performance shall be reviewed relative to the Russell 2000 Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the Russell 2000 Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the Russell 2000 Index is expected to rank below the highest quartile of managers in the Small Cap peer group over rolling three year time periods.

Passive Managers

- A passive manager's performance is expected to meet the Russell 2000 Index, or other agreed-upon investible benchmark representing the small cap U.S. equity market.

- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

PART VIII
INTERNATIONAL EQUITY
INVESTMENT GUIDELINES

OBJECTIVE

The Board hopes to achieve its goal of reducing total portfolio volatility while enhancing total return through diversification of the equity asset class using multiple styles of management. International equity manager(s) will be retained as part of a multi-manager investment strategy. For purposes of this CIP, this strategy seeks access to companies that are domiciled outside of the US equity market. This allocation will be represented in the policy benchmark by the MSCI EAFE (i.e., Europe, Australasia, Far East) Index which is designed to measure the equity market performance of developed markets, excluding the US and Canada.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of only five percent. Asset allocation shall be determined based on the average position over any three month time period and shall operate within the following constraints set forth herein:

EQUITY INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to five percent of the portfolio in initial public offerings that have been spun off by a company for which there is adequate history of audited financial statements. If, through spin-offs or other activities of the companies held, the portfolio exceeds five percent of holdings with less than three years operating history, the manager will bring the portfolio into compliance within a six-month period.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the MSCI EAFE Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. The use of currency futures and currency forwards will be permitted subject to the restrictions imposed by Paragraph 16 (entitled "Derivatives") in the "Authorized Investment Vehicles" section.

2. Use of options, futures, forwards or any other types of derivative securities that are not used for currency hedging purposes are prohibited.

3. Use of margin is prohibited except as may be required in the use of currency futures or forwards.

4. Securities not domiciled
5. , incorporated, or traded in a benchmark country.

PERFORMANCE OBJECTIVES

Active Managers
Manager performance shall be reviewed relative to the MSCI EAFE Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the MSCI EAFE Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the MSCI EAFE Index is expected to rank below the highest quartile of managers in the International Equity peer group over rolling three year time periods.

Passive Managers
- A passive manager's performance is expected to meet the MSCI EAFE Index, or other agreed-upon investible benchmark representing the broad developed international equity markets.

- The beta of the portfolio relative to the index over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index, of less than 30 basis points.

Summary of Proposed Changes to the Florida College Savings Plan Comprehensive Investment Plan

March 30, 2017

The following Comprehensive Investment Plan (CIP) reflects the changes proposed by Callan Associates. A summary of the major changes is presented below:

Page 4 – Adopts the investment policy stated in the prospectus or participation agreement of a mutual fund or commingled fund utilized by the Program.

Pages 5 and 6 – Amends the Authorized Investment Vehicles section to provide clarity and completeness.

Pages 6 and 21 – Amends the Prohibited Investment Vehicles and General Investment Restrictions and Investment Guideline sections related to foreign assets and investment rating.

Pages 10 through 25 – Amends the equity and fixed income investment guidelines to include passive and active management performance objectives, in the event, the Board decides to change the style of investment management utilized by the Program.

Following the Board's approval, the changes to the CIP require review and approval by the State Board of Administration Trustees.

Florida Prepaid College Board
Comprehensive Investment Plan
for the
Florida College Savings Program
~~December 11, 2012~~March 30, 2017

AUTHORITY

All investments made under this plan are made under the authority granted the Florida Prepaid College Board ("Board") under 1009.973, Florida Statutes. All funds managed by the Board are funds of the State of Florida.

PURPOSE

The Florida College Savings Program ("Savings Program" or "Program") is a program created to provide a medium through which families and individuals may save for qualified educational expenses. The Savings Program is intended to be an alternative to the Prepaid Program, though participants in the Savings Program do have the option to enroll a qualified beneficiary in the Savings Program, the Prepaid Program, or both. The Program is administered by the Florida Prepaid College Board which was created pursuant to Section 1009.981 of the Florida Statutes.

BOARD RESPONSIBILITIES

The Board has the authority and the responsibility to control and manage the investment offerings under the Savings Program, and to formulate and oversee investment policies for that purpose.

Other specific responsibilities of the Board under this Comprehensive Investment Plan ("CIP") include:

- Delegating specific administrative and operational responsibilities dealing with the investment of Program assets to the Executive Director or his/her staff.
- Establishing and periodically reviewing the appropriateness of the range of options offered to participants in the Program.
- Approving changes to this CIP.
- Monitoring compliance with this CIP.
- Appointing and terminating investment managers and other service providers to the Program.
- Reviewing periodically the performance of the investment managers.

INVESTMENT OPTIONS

The number and range of investment options offered to Program participants will be reviewed by the Board at least annually. The decision to offer additional options will take into account the growth of the Program, industry trends, administrative feasibility, diversification and costs associated with adding options. Permitted investment vehicles for any of the investment options include, but are not limited to separately managed account, a pooled or commingled account, or a mutual fund.

The Board has elected to provide Program participants the following investment options:

Option 1 – a large cap growth investment fund designed to provide exposure to large capitalization domestic growth stocks.

Option 2 – a large cap value investment fund designed to provide exposure to large capitalization domestic value stocks.

Option 3 – a large cap investment fund designed to provide exposure to large capitalization domestic stocks by tracking the returns of the S&P 500 as closely as possible.

Option 4 – a mid cap investment fund designed to provide exposure to middle capitalization domestic stocks.

Option 5 – a small cap investment fund designed to provide exposure to small capitalization domestic stocks.

Option 6 – an international investment fund designed to provide exposure to international stocks in developed international markets.

Option 7 – a fixed income investment fund designed to mirror the broad domestic bond market.

Option 8 – a money market investment fund designed to provide exposure to very liquid short-term fixed income instruments.

Option 9 – an equity investment fund with a twenty percent allocation to domestic large capitalization growth equity (Option 1), twenty percent to a domestic large capitalization value equity portfolio (Option 2), ~~and~~ twenty percent to a U.S. large capitalization index portfolio (Option 3), ten percent to a domestic mid cap portfolio (Option 4), ten percent to a domestic small capitalization portfolio (Option 5) and twenty percent to an international equity portfolio (Option 6). Option 9 will be rebalanced to these target weights on a periodic basis, according to the parameters outlined in the rebalancing section of this CIP.

Option 10 – a balanced investment option which will consist of a 50/50 mix of fixed income (Option 7) and equity (Option 9). Option 10 will be rebalanced to the targeted asset mix on a periodic basis, according to the parameters outlined in the rebalancing section of this CIP.

Option 11 – a combination of fixed income (Option 7) and equity (Option 9) based on the age of the beneficiary or the number of years remaining before the beneficiary plans to enroll in college. The chart below describes the targeted asset allocations based on the participant's age or years to enrollment.

Option 11: Allocation between fixed income (Option 7) and equity (Option 9)

		Asset Allocation	
Aged-Based Option	Years to Enrollment	Option 7	Option 9
Age 0 – 4	14 or more years	0%	100%
Age 5 – 8	10 – 13 years	25%	75%
Age 9 – 12	6 – 9 years	50%	50%
Age 13 – 15	3 – 5 years	75%	25%
Age 16 & above	0 – 2 years	100%	0%

REPORTING

The Executive Director will cause monthly flash reports and detailed quarterly reports of the investment performance of each investment option to be prepared for review by the Board.

To ensure that the Executive Director and the Board have the necessary information to discharge their oversight responsibility, the quarterly reports will include the following:

Investment results for each investment option will be reported each quarter for the most recent completed quarter, calendar year-to-date, most recent twelve month period and cumulatively from inception showing returns relative to appropriate market benchmarks. Returns will be reported on a time weighted basis. At a minimum, the report will contain the following items:

1. Performance Measurement and Attribution

   - Performance of each investment option relative to its stated benchmark will be reported.

   - The performance of each underlying sub-portfolio will be reported relative to its stated benchmark.

   - An attribution analysis of each investment option and sub-portfolio will be provided.
     - Fixed income attribution will include effects of changes in interest rates, sector and quality decisions and reinvestment rate.
     - Equity attribution will include such factors as sector and industry weights, beta, company size, yield and growth in earnings.
     - The attribution analysis will also account for any deviations in asset class or style weights from the targeted portfolio weights.

   - Returns for each manager will also be evaluated on a risk-adjusted basis.

2. Compliance and Monitoring

- The allocation of each investment option will be reported to ensure allocation guidelines are met.

- Asset holdings will be reported to ensure investments are being made only in authorized securities and investment vehicles.

- Each manager will certify *monthly* that their portfolio is in compliance with the terms of this CIP and their specific investment mandate, as well as any applicable prospectus and Statement of Additional Information. Any exceptions to policy will be noted and a statement provided indicating the steps to be taken to bring the portfolio back into compliance with the policy.

- Each manager will be monitored based upon the performance objectives as outlined in this Comprehensive Investment Plan.

- ~~For each investment option which is implemented using a mutual fund, the manager will submit to the Board for approval on any proposed changes to the Prospectus or the Statement of Additional Information in advance of making the changes.~~

- Each manager shall immediately disclose to the Board in writing any instance which a member of the investment manager's Board of Directors, an officer of the investment management firm, or a member of the portfolio management staff is also a member of the Board of Directors, an officer of, or a significant shareholder of 5% or more in stocks of a company in which they propose to invest Board funds. In addition, the Board's investment consultant and the trustee/custodian shall annually certify that no conflicts of interest exist with respect to the services they provide to the Program and shall annually provide the Board with a copy of the firm's policy governing conflicts of interest. The requirements of this paragraph do not apply with respect to the common stock of the manager responsible for investment of the large capitalization core domestic equity portfolio (or the common stock of the manager's holding company) when the manager's common stock (or that of its holding company) is included in the S&P 500; provided that, prior to the initial purchase of the manager's common stock (or that of its holding company), the manager notifies the Board in writing that the manager's common stock (or that of its holding company) is included or has been included, in the S&P 500.

- Commingled or Mutual Funds - The Board may approve the use of pooled vehicles such as mutual funds or commingled funds to achieve the objectives and asset allocation strategy with the understanding that the investment policy stated in the mutual fund's prospectus or the commingled fund's participation agreement supersedes the guidelines set forth in this CIP.

AUTHORIZED INVESTMENT VEHICLES

Funds managed by the Florida Prepaid College Board may be placed in the following accounts or investments:

1. Deposit accounts and certificates of deposit in banks.

2. Obligations of United States Treasury, including Treasury Inflation Protection (TIPs) bonds.

3. Obligations of agencies of the United States Government (not restricted to full faith and credit obligations).

4. Commercial paper of prime quality of the highest letter and numerical rating established by a nationally recognized rating service.

5. Bankers' acceptances that are accepted by a member bank of the Federal Reserve System.

6. Corporate debt obligations preferred stock, mortgage-backed, commercial mortage-backed, and asset-backed securities, provided the obligations meet the minimum credit criteria set forth elsewhere in this CIP.

7. Institutional investment products including fixed annuities, variable annuities and guaranteed insurance contracts that are obligations of United States insurance companies.

8. Common stocks traded on domestic exchanges, including over-the-counter markets and recognized third and fourth markets.

9. Common stocks of foreign-domiciled companies traded on non-U.S. exchanges including over-the-counter markets.

10. Collateralized repurchase agreements for which the underlying securities are obligations of the United States Treasury or agencies of the United States Government.
11. Commingled investment funds and mutual funds.

12. American Depositary Receipts, 144(a) securities (with registration rights), and Yankee bonds (~~excluding~~including sovereign bonds~~).~~ issued in USD).

13. Municipal Bonds issued or guaranteed by U.S. local, city, and state governments and agencies including Build America Bonds (BABs).

14. Exchange Traded Funds (ETF's), traded on domestic exchanges, so long as consistent with the investment mandate, and guidelines.

15. Mortgage TBAs ("To Be Announced") securities. These securities require an equivalent amount of cash equivalents set aside for future settlement of the forward agreement.

16. Derivatives: In general, the following uses of derivatives are approved for portfolio management purposes, although specific written permission must be granted to each manager on a case-by-case basis in formal written account guidelines.

- Substitute for physical
- Duration management
- Risk control
- Foreign currency hedging

Before a derivative security or derivative strategy is used by an investment manager, one or more of the following benefits must be demonstrated to the Board:

- Increased liquidity.
- Stabilized and enhance portfolio returns.
- Lower transaction costs, including market impact costs.
- Reduction in the time required to change the mix of the portfolio.

Before any such derivative strategy is used by an Investment Manager, written permission for such use must be obtained from the Executive Director of the Prepaid Board. ~~However, in recognition of the balances that may exist in the early stages of the Savings Program, the use of derivatives to meet the objectives of diversification will be permissive during the first twelve months of the launch of the Savings Program. The use of derivatives after the first twelve-month period will be reevaluated at that time.~~

~~Investment managers must keep in mind at all times the Board's preference for safety and liquidity.~~

PROHIBITED INVESTMENT VEHICLES AND GENERAL INVESTMENT RESTRICTIONS

~~1. Assets may not be invested in the securities of any foreign-domiciled entities, except to the extent those securities are registered in the United States and traded on one of the domestic exchanges or markets, and otherwise meet the limitations of this comprehensive investment plan, with the exception of the international equity manager.~~

1. Short selling of securities is prohibited

2. Maximum investment in the securities of any issuer, except U.S. Treasury or Agency or repurchase agreements collateralized by U.S. Treasury or Agency securities, is the greater of 5% of the market value of the fund, or 2% greater than the appropriate benchmark weight.

3 Debt obligations and preferred stock ~~may not~~must be investment grade, as rated ~~less than BAA/BBB. Rating from each service must meet or exceed the required rating. (As~~by one established ~~by two~~ nationally recognized rating ~~services.)~~service.

4 The following derivative strategies and derivative instruments are considered inappropriate and therefore not permitted for use in the managing of assets for the Florida College Savings Program:

- Derivatives use for speculative purposes.
- Derivatives that leverage the account ~~(except as described in the section on leverage).~~
- Commodity options, swaps or other derivatives based on commodities.

INVESTMENT MANAGER SELECTION AND EVALUATION

Appropriate selection criteria will be used in the process of selecting investment managers/funds. Though not exhaustive, below is a list of considerations:

- Impact on asset class diversification. The characteristics of the potential investment option(s) relative to the characteristics of the existing options will be evaluated to determine the impact on participants' ability to diversify within a risk/reward spectrum.

- Adherence to designated style.

- Reasonable and competitive expense levels.

- Investment performance characteristics. Funds will have a record of performing well compared to peer groups and relevant published market indices. A minimum of a three year performance history is desirable for the assessment of manager skill.

The performance of each investment option will be evaluated in the context of its role in the array of options offered to Program participants. The Board shall evaluate investment performance over a sufficient time horizon, and in the context of the prevailing market environment, in order to properly assess the investment manager's success or failure. In general, a three to five-year time horizon will be used to evaluate a manager's attainment of agreed-upon goals. On an interim basis, portfolio risk and investment performance will be monitored continually to ensure that the management of Program assets remains consistent with the style and objective for each investment option.

At a minimum, investment manager reviews will include a quarterly quantitative performance review conducted by the Program's consultant. Specific evaluation criteria are stated in the investment guidelines that have been individually prepared for each investment option pursuant to its specific role in the Program. As necessary, the evaluation may also include an annual site visit to review each portfolio manager's operations. This portion of the evaluation may be conducted by a member of the Board, the Investment Committee, or Board Staff, as may be designated either by the Board or the Investment Committee.

REBALANCING

In order to maintain the level of risk the Board has established for each respective option, the asset class allocation within Option 9 and Option 10 will be monitored monthly and rebalanced to the specified target when the allowable ranges are exceeded. The portfolio should be brought back into compliance within five business days. The following ranges will apply:

Option 9	Targeted Weight	Allowable Range
Growth Portfolio	20.00%	17.00% - 23.00%
Value Portfolio	20.00%	17.00% - 23.00%
Index Portfolio	20.00%	17.00% - 23.00%
Mid Cap Portfolio	10.00%	8.00% - 12.00%
Small Cap Portfolio	10.00%	8.00% - 12.00%
International Equity Portfolio	20.00%	17.00% - 23.00%

Option 10	Targeted Weight	Allowable Range
Equity Portfolio (Option 9)	50%	48 – 52%
Fixed Income Portfolio (Option 7)	50%	48 – 52%

In addition, portfolio balances within Option 11 will require rebalancing both with respect to the equity / fixed income mix within each age bracket and with respect to the targeted mix as a beneficiary moves from one age bracket to the next.

The following ranges will apply to each of the age brackets within Option 11:

Age Bracket	Years to Enrollment	Targeted Equity Allocation	Allowable Equity Range	Targeted Fixed Income Allocation	Allowable Fixed Income Range
0 – 4 years	14 or more years	100%	98 - 100%	0%	0 – 2%
5 – 8 years	10 – 13 years	75%	73 – 77%	25%	23 – 27%
9 – 12 years	6 – 9 years	50%	48 – 52%	50%	48 – 52%
13 – 15 Years	3 – 5 years	25%	23 – 27%	75 %	73 – 77 %
Age 16 & above	0 – 2 years	0%	0 – 2%	100%	98 - 100%

Beneficiary account balances shall be moved to the next age bracket on the day following their birthdate during which they reach age 5, 9, 13 and 16. Accounts established based on the year's to enrollment option will move to the next age bracket on the day following the beneficiaries birthdate when their projected enrollment year is 13, 9, 5 and 2 years from enrollment in college.

IMPLEMENTATION

All assets invested for the Program by the Investment Manager(s) after the adoption of this CIP shall conform to this Statement.

The following portfolio-specific guidelines have been established to:

1. Ensure that the managers continually adhere to all regulations administered by any regulatory authority charged with oversight responsibility

2. Limit the Program's exposure to unintended risks

3. Ensure that each investment option adheres to its specific objectives

4. Communicate objective, reasonable criteria of the Board's expectations to the managers.

The following sections contain the investment guidelines and policies for each option of the Florida College Savings Program:

OPTION 1
LARGE CAP GROWTH PORTFOLIO
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the Large Cap Growth Portfolio is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in equity investments.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to five percent of the portfolio in initial public offerings that have been spun off by a company for which there is an adequate history and that has at least $1 billion in market capitalization. Further, the parent must have been previously listed on the New York Stock Exchange (NYSE), American Stock Exchange (AMEX) or have been traded on the National Association of Securities Dealer's Automated Quotation system (NASDAQ) or other recognized domestic exchange. If, through spin-offs or other activities of the companies held, the portfolio exceeds five percent of holdings with less than three years operating history, the manager will bring the portfolio into compliance within a six-month period.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the Russell 1000 Growth Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be in compliance with the Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States or in other, recognized domestic markets.

4. Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the Comprehensive Investment Plan (CIP).

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures~~, primes, scores~~ or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

~~4. No commingled or mutual funds may be used to achieve desired diversification.~~

PERFORMANCE OBJECTIVES

Passive Managers

- A passive manager's performance is expected to meet the Russell 1000 Growth Index, or other agreed-upon investible benchmark representing the large cap growth market.

- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

Active Managers

Manager performance shall be reviewed relative to the Russell 1000 Growth Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the Russell 1000 Growth Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the Russell 1000 Growth Index is expected to rank below the highest quartile of managers in the Large Cap Growth peer group over rolling three year time periods.

OPTION 2
LARGE CAP VALUE PORTFOLIO
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the Large Cap Value Portfolio is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in equity investments.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to five percent of the portfolio in initial public offerings that have been spun off by a company for which there is an adequate history and that has at least $1 billion in market capitalization. Further, the parent must have been previously listed on the New York Stock Exchange (NYSE), American Stock Exchange (AMEX) or have been traded on the National Association of Securities Dealer's Automated Quotation system (NASDAQ), or in other, recognized domestic markets. If, through spin-offs or other- activities of the companies held, the portfolio exceeds five percent of holdings with less than three years operating history, the manager will bring the portfolio into compliance within a six-month period.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the Russell 1000 Value Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be in compliance with the Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the Comprehensive Investment Plan (CIP).

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures~~, primes, scores~~ or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

~~4. No commingled or mutual funds may be used to achieve desired diversification.~~

PERFORMANCE OBJECTIVES

Passive Managers

- A passive manager's performance is expected to meet the Russell 1000 Value Index, or other agreed-upon investible benchmark representing the large cap value market.

- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

Active Managers

Manager performance shall be reviewed relative to the Russell 1000 Value Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the Russell 1000 Value Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the Russell 1000 Value Index is expected to rank below the highest quartile of managers in the Large Cap Value peer group over rolling three year time periods.

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OPTION 3
LARGE CAP CORE PORTFOLIO
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the Large Cap Core Portfolio is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in equity investments

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

1. The Manager shall be permitted to invest in any securities which are a part of the S&P 500, without regard for the constraint within this policy prohibiting or restricting the ownership of companies with less than a 3 year publicly available operating history. If the Manager's common stock (or the common stock of the Manager's holding company) is included in the S&P 500, the Manager is permitted to purchase, retain and sell the Manager's common stock (or the common stock of the manager's holding company), consistent with the other requirements, guidelines, restrictions and performance objectives applicable to this portfolio and the reporting requirements imposed on Managers.

2. The Manager shall be permitted to invest in any securities which are a part of the S&P 500, without regard for the preference within this policy for investments to be made in United States based corporations. There shall be no limit on the percent of the portfolio held in American Depository Receipts, provided those same companies are included in the S&P 500 as American Depository Receipts.

3. The use of futures as a substitute for physical investing, or to facilitate cash flows shall be permitted for this portfolio, provided the manager receives prior written approval from the Board. In order to obtain such approval, the manager must submit a written request to the Board, quantifying the net advantages that will accrue to the portfolio.

4. The Manager may temporarily invest in companies outside of the index in the case of additions or deletions, with the goal of minimizing tracking error and/or reducing trading costs.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the Comprehensive Investment Plan (CIP).

RESTRICTED INVESTMENTS

1. The use of futures will be permitted subject to the restrictions imposed by Paragraph ~~13~~16 (entitled "Derivatives") in the "Authorized Investment Vehicles" section.

2. Use of margin is prohibited except as may be required in the use of futures.

3. Convertible securities shall not be allowed for investment purposes.

~~4. No commingled or mutual funds may be used to achieve desired diversification.~~

PERFORMANCE OBJECTIVES

Passive Managers

Manager performance shall be reviewed relative to the S&P 500, over any three to five year period, taking into consideration the following:

- The manager's performance~~, net of fees,~~ is expected to meet the S&P 500 Index.
- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.
- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the S&P 500~~, net of fees,~~ of less than 25 basis points.
- Until such time that the portfolio has sufficient historical results, the manager's reported monthly historical performance data, which shall be in compliance with the Global Investment Performance Standards (GIPS), shall be used to determine portfolio compliance.

Active Managers

Manager performance shall be reviewed relative to the S&P 500 Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the S&P 500 Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the S&P 500 Index is expected to rank below the highest quartile of managers in the Large Cap Value peer group over rolling three year time periods.

OPTION 4
MID CAP PORTFOLIO
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the Mid Cap Portfolio is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in equity investments.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to ten percent of the portfolio in initial public offerings of companies that have at least two years of audited financial statements and have been profitable (from continuing operations) for at least one of the last two years.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the S&P MidCap 400 Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with ~~the~~ Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States or in other, recognized domestic markets.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures, or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

~~4. No commingled or mutual funds may be used to achieve desired diversification.~~

PERFORMANCE OBJECTIVES

Passive Managers

- A passive manager's performance is expected to meet the S&P 400 Index, or other agreed-upon investible benchmark representing the mid cap U.S. equity market.

- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

Active Managers

Manager performance shall be reviewed relative to the S&P MidCap 400 Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the S&P MidCap 400 Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the S&P MidCap 400 Index is expected to rank below the highest quartile of managers in the MidCap Broad peer group over rolling three year time periods.

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OPTION 5
SMALL CAP PORTFOLIO
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the Small Cap Portfolio is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in equity investments.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent. Asset allocation shall be determined based on the average position over any three month time period and shall operate within the following constraints set forth herein:

INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to ten percent of the portfolio in initial public offerings of companies that have at least two years of audited financial statements and have been profitable (from continuing operations) for at least one of the last two years.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the Russell 2000 Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be in compliance with the Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States or in other, recognized domestic markets.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the Comprehensive Investment Plan (CIP).

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures~~, primes, scores~~ or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

~~4. No commingled or mutual funds may be used to achieve desired diversification.~~

PERFORMANCE OBJECTIVES

Passive Managers

- A passive manager's performance is expected to meet the Russell 2000 Index, or other agreed-upon investible benchmark representing the small cap U.S. equity market.

- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

Active Managers

Manager performance shall be reviewed relative to the Russell 2000 Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the Russell 2000 Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the Russell 2000 Index is expected to rank below the highest quartile of managers in the Small Cap peer group over rolling three year time periods.

OPTION 6
INTERNATIONAL EQUITY PORTFOLIO
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the International Equity Portfolio is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in equity investments.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to five percent of the portfolio in initial public offerings that have been spun off by a company for which there is adequate history of audited financial statements. If, through spin-offs or other activities of the companies held, the portfolio exceeds five percent of holdings with less than three years operating history, the manager will bring the portfolio into compliance within a six-month period.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the MSCI EAFE Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with ~~the~~ Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. ~~Equity investments shall be made only in securities domiciled outside of the United States. Country classification of a security will be based upon the country of domicile, not based on the country in which the security is listed or traded.~~

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. The use of currency futures and currency forwards will be permitted subject to the restrictions imposed by Paragraph ~~13~~16 (entitled "Derivatives") in the "Authorized Investment Vehicles" section.

2. Use of options, futures, forwards or any other types of derivative securities that are not used for currency hedging purposes are prohibited.

3. Use of margin is prohibited except as may be required in the use of currency futures or forwards.

~~4.~~ ~~US~~ Securities not domiciled ~~companies.~~

~~5.~~4. ~~Any~~, incorporated, or traded in a benchmark country ~~or market outside of the MSCI EAFE Index~~.

~~6. No commingled or mutual funds may be used to achieve desired diversification.~~

PERFORMANCE OBJECTIVES

Passive Managers

- A passive manager's performance is expected to meet the MSCI EAFE Index, or other investible benchmark representing the broad developed international equity markets.

- The beta of the portfolio relative to the index over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index, of less than 30 basis points.

Active Managers

Manager performance shall be reviewed relative to the MSCI EAFE Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the MSCI EAFE Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the MSCI EAFE Index is expected to rank below the highest quartile of managers in the International Equity peer group over rolling three year time periods.

OPTION 7
FIXED-INCOME
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the fixed income option is to provide participants with a low risk, low volatility option for saving for college expenses. It is expected that this option will be used by those participants with a short horizon to matriculation or with little appetite for short term investment volatility.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times. However, cash holdings may represent an integral part of the manager's desired portfolio structure. Therefore, for purposes of this constraint, cash will be defined as securities with a duration of less than three months and the manager shall be allowed a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

- Fixed income investments will be made only in dollar-denominated securities traded in domestic markets.

- The portfolio shall maintain a coefficient of determination (R^2) to the Barclays Capital Aggregate Index of not less than .90 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be in compliance with the Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited except as may be required in the use of futures, options and swaps.

2. Other than futures, options and swaps, the use of derivative securities that have not been specifically approved by the Board is prohibited.

3. Convertible securities shall not be considered for investment.

PERFORMANCE OBJECTIVES

Passive Managers

- For passive managers, the manager's performance is expected to meet the Barclays Capital Aggregate Index.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 15 basis points.

Active Managers

Manager performance shall be reviewed relative to the Bloomberg Barclays Capital Aggregate Index over any three to five year period, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the Bloomberg Barclays Capital Aggregate Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The effectiveness of the manager's duration, sector and security allocations will be reviewed to determine if the manager has demonstrated, on a total return basis, the ability to add value above the Index.

OPTION 8
MONEY MARKET OPTION
INVESTMENT GUIDELINES

OBJECTIVE

The Money Market option seeks high current income consistent with liquidity, interest income and capital preservation. ~~The Fund will be actively managed and will primarily invest in high quality, liquid, short-term instruments to control credit risk and interest rate sensitivity.~~

ASSET ALLOCATION

The assets of each participant's account will be invested in Option 8 in accordance with the guidelines described under the "Investment Options" section of this CIP.

INVESTMENT GUIDELINES

The Money Market Option may invest in highly liquid money market instruments and fixed income securities with maturities not to exceed two years. The average portfolio maturity is not to exceed 6 months, notwithstanding the objective of preservation of capital. The minimum rating criteria for securities to be purchased in this paper are A1/P1 or an equivalent rating by two nationally recognized rating services.

PERFORMANCE OBJECTIVES

The performance of the money market fund shall be reviewed against a composite 91 day Treasury Bills index and a universe of other money market funds.

OPTION 9
EQUITY OPTION
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the equity option is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in diversified equity investments. Participants invest in a pre-packaged equity option diversified across investment styles and market capitalization.

ASSET ALLOCATION

Option 9 will be a diversified allocation of twenty percent allocated to a domestic large capitalization growth portfolio (Option 1), twenty percent to a domestic large capitalization value portfolio (Option 2), twenty percent to a U. S. large capitalization index portfolio (Option 3), ten percent to a mid-capitalization portfolio (Option 4), ten percent allocated to a small capitalization portfolio (Option 5) and twenty percent allocated to an international equity portfolio (Option 6).

Allocations to the underlying equity portfolios will be rebalanced periodically according to the rebalancing guidelines specified the rebalancing section of this CIP.

INVESTMENT GUIDELINES

The investment guidelines under Options 1 through 6, above, will apply to each respective portion of Option 9.

PERFORMANCE OBJECTIVES

The performance objectives specified in Options 1 through 6, above, will apply to each respective portion of Option 9.

OPTION 10
BALANCED OPTION
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the balanced investment option is to provide participants with an opportunity to generate long term growth of capital, but with less short-term volatility than the all-equity investment option.

ASSET ALLOCATION

Option 10 will be a blend of fixed income (Option 7) and equity (Option 9) and is expected to be fully invested at all times, relying on the manager's ability to generate return through interest rate anticipation and security selection, not through the timing of market movements. Allocations to the underlying fixed income and equity portfolios will be rebalanced periodically according to the rebalancing guidelines specified the rebalancing section of this CIP.

INVESTMENT GUIDELINES

The investment guidelines under Options 7 and 9, above, will apply to each respective portion of Option 10.

PERFORMANCE OBJECTIVES

The performance objectives specified in Options 7 and 9, above, will apply to each respective portion of Option 10.

OPTION 11
AGE-~~RATED~~BASED
INVESTMENT GUIDELINES

OBJECTIVE

The age-~~rated~~based investment option is intended to provide Program participants with an asset allocation profile that links the amount of volatility in the portfolio directly to the investment horizon of the participant. As the participant approaches the date at which account balances will be used for college expenses, a lower tolerance for risk is assumed and the equity component of the portfolio is reduced accordingly.

ASSET ALLOCATION

The assets of each participant's account will be invested in fixed income (Option 7) and equity (Option 9) in accordance with the guidelines described under the "Investment Options" section of this CIP. The Board may periodically request ~~an audit~~a review to ensure that participant balances are managed in accordance with these guidelines.

INVESTMENT GUIDELINES

The investment guidelines specified in Options 7 and 9, above, will apply to each account balance maintained under Option 11.

PERFORMANCE OBJECTIVES

The performance objectives specified in Options 7 and 9, above, will apply to each account balance maintained under Option 11.

Florida Prepaid College Board
Comprehensive Investment Plan
for the
Florida College Savings Program
March 30, 2017

AUTHORITY

All investments made under this plan are made under the authority granted the Florida Prepaid College Board ("Board") under 1009.973, Florida Statutes. All funds managed by the Board are funds of the State of Florida.

PURPOSE

The Florida College Savings Program ("Savings Program" or "Program") is a program created to provide a medium through which families and individuals may save for qualified educational expenses. The Savings Program is intended to be an alternative to the Prepaid Program, though participants in the Savings Program do have the option to enroll a qualified beneficiary in the Savings Program, the Prepaid Program, or both. The Program is administered by the Florida Prepaid College Board which was created pursuant to Section 1009.981 of the Florida Statutes.

BOARD RESPONSIBILITIES

The Board has the authority and the responsibility to control and manage the investment offerings under the Savings Program, and to formulate and oversee investment policies for that purpose.

Other specific responsibilities of the Board under this Comprehensive Investment Plan ("CIP") include:

- Delegating specific administrative and operational responsibilities dealing with the investment of Program assets to the Executive Director or his/her staff.
- Establishing and periodically reviewing the appropriateness of the range of options offered to participants in the Program.
- Approving changes to this CIP.
- Monitoring compliance with this CIP.
- Appointing and terminating investment managers and other service providers to the Program.
- Reviewing periodically the performance of the investment managers.

INVESTMENT OPTIONS

The number and range of investment options offered to Program participants will be reviewed by the Board at least annually. The decision to offer additional options will take into account the growth of the Program, industry trends, administrative feasibility, diversification and costs associated with adding options. Permitted investment vehicles for any of the investment options include, but are not limited to separately managed account, a pooled or commingled account, or a mutual fund.

The Board has elected to provide Program participants the following investment options:

Option 1 – a large cap growth investment fund designed to provide exposure to large capitalization domestic growth stocks.

Option 2 – a large cap value investment fund designed to provide exposure to large capitalization domestic value stocks.

Option 3 – a large cap investment fund designed to provide exposure to large capitalization domestic stocks by tracking the returns of the S&P 500 as closely as possible.

Option 4 – a mid cap investment fund designed to provide exposure to middle capitalization domestic stocks.

Option 5 – a small cap investment fund designed to provide exposure to small capitalization domestic stocks.

Option 6 – an international investment fund designed to provide exposure to international stocks in developed international markets.

Option 7 – a fixed income investment fund designed to mirror the broad domestic bond market.

Option 8 – a money market investment fund designed to provide exposure to very liquid short-term fixed income instruments.

Option 9 – an equity investment fund with a twenty percent allocation to domestic large capitalization growth equity (Option 1), twenty percent to a domestic large capitalization value equity portfolio (Option 2), twenty percent to a U.S. large capitalization index portfolio (Option 3), ten percent to a domestic mid cap portfolio (Option 4), ten percent to a domestic small capitalization portfolio (Option 5) and twenty percent to an international equity portfolio (Option 6). Option 9 will be rebalanced to these target weights on a periodic basis, according to the parameters outlined in the rebalancing section of this CIP.

Option 10 – a balanced investment option which will consist of a 50/50 mix of fixed income (Option 7) and equity (Option 9). Option 10 will be rebalanced to the targeted asset mix on a periodic basis, according to the parameters outlined in the rebalancing section of this CIP.

Option 11 – a combination of fixed income (Option 7) and equity (Option 9) based on the age of the beneficiary or the number of years remaining before the beneficiary plans to enroll in college. The chart below describes the targeted asset allocations based on the participant's age or years to enrollment.

Option 11: Allocation between fixed income (Option 7) and equity (Option 9)

		Asset Allocation	
Aged-Based Option	Years to Enrollment	Option 7	Option 9
Age 0 – 4	14 or more years	0%	100%
Age 5 – 8	10 – 13 years	25%	75%
Age 9 – 12	6 – 9 years	50%	50%
Age 13 – 15	3 – 5 years	75%	25%
Age 16 & above	0 – 2 years	100%	0%

REPORTING

The Executive Director will cause monthly flash reports and detailed quarterly reports of the investment performance of each investment option to be prepared for review by the Board.

To ensure that the Executive Director and the Board have the necessary information to discharge their oversight responsibility, the quarterly reports will include the following:

Investment results for each investment option will be reported each quarter for the most recent completed quarter, calendar year-to-date, most recent twelve month period and cumulatively from inception showing returns relative to appropriate market benchmarks. Returns will be reported on a time weighted basis. At a minimum, the report will contain the following items:

1. Performance Measurement and Attribution

   - Performance of each investment option relative to its stated benchmark will be reported.

   - The performance of each underlying sub-portfolio will be reported relative to its stated benchmark.

   - An attribution analysis of each investment option and sub-portfolio will be provided.
     - Fixed income attribution will include effects of changes in interest rates, sector and quality decisions and reinvestment rate.
     - Equity attribution will include such factors as sector and industry weights, beta, company size, yield and growth in earnings.
     - The attribution analysis will also account for any deviations in asset class or style weights from the targeted portfolio weights.

   - Returns for each manager will also be evaluated on a risk-adjusted basis.

2. Compliance and Monitoring

- The allocation of each investment option will be reported to ensure allocation guidelines are met.

- Asset holdings will be reported to ensure investments are being made only in authorized securities and investment vehicles.

- Each manager will certify *monthly* that their portfolio is in compliance with the terms of this CIP and their specific investment mandate, as well as any applicable prospectus and Statement of Additional Information. Any exceptions to policy will be noted and a statement provided indicating the steps to be taken to bring the portfolio back into compliance with the policy.

- Each manager will be monitored based upon the performance objectives as outlined in this Comprehensive Investment Plan.

- Each manager shall immediately disclose to the Board in writing any instance which a member of the investment manager's Board of Directors, an officer of the investment management firm, or a member of the portfolio management staff is also a member of the Board of Directors, an officer of, or a significant shareholder of 5% or more in stocks of a company in which they propose to invest Board funds. In addition, the Board's investment consultant and the trustee/custodian shall annually certify that no conflicts of interest exist with respect to the services they provide to the Program and shall annually provide the Board with a copy of the firm's policy governing conflicts of interest. The requirements of this paragraph do not apply with respect to the common stock of the manager responsible for investment of the large capitalization core domestic equity portfolio (or the common stock of the manager's holding company) when the manager's common stock (or that of its holding company) is included in the S&P 500; provided that, prior to the initial purchase of the manager's common stock (or that of its holding company), the manager notifies the Board in writing that the manager's common stock (or that of its holding company) is included or has been included, in the S&P 500.

- Commingled or Mutual Funds - The Board may approve the use of pooled vehicles such as mutual funds or commingled funds to achieve the objectives and asset allocation strategy with the understanding that the investment policy stated in the mutual fund's prospectus or the commingled fund's participation agreement supersedes the guidelines set forth in this CIP.

AUTHORIZED INVESTMENT VEHICLES

Funds managed by the Florida Prepaid College Board may be placed in the following accounts or investments:

1. Deposit accounts and certificates of deposit in banks.

2. Obligations of United States Treasury, including Treasury Inflation Protection (TIPs) bonds.

3. Obligations of agencies of the United States Government (not restricted to full faith and credit obligations).

4. Commercial paper of prime quality of the highest letter and numerical rating established by a nationally recognized rating service.

5. Bankers' acceptances that are accepted by a member bank of the Federal Reserve System.

6. Corporate debt obligations preferred stock, mortgage-backed, commercial mortage-backed, and asset-backed securities, provided the obligations meet the minimum credit criteria set forth elsewhere in this CIP.

7. Institutional investment products including fixed annuities, variable annuities and guaranteed insurance contracts that are obligations of United States insurance companies.

8. Common stocks traded on domestic exchanges, including over-the-counter markets and recognized third and fourth markets.

9. Common stocks of foreign-domiciled companies traded on non-U.S. exchanges including over-the-counter markets.

10. Collateralized repurchase agreements for which the underlying securities are obligations of the United States Treasury or agencies of the United States Government.

11. Commingled investment funds and mutual funds.

12. American Depositary Receipts, 144(a) securities (with registration rights), and Yankee bonds (including sovereign bonds issued in USD).

13. Municipal Bonds issued or guaranteed by U.S. local, city, and state governments and agencies including Build America Bonds (BABs).

14. Exchange Traded Funds (ETF’s), traded on domestic exchanges, so long as consistent with the investment mandate, and guidelines.

15. Mortgage TBAs (“To Be Announced”) securities. These securities require an equivalent amount of cash equivalents set aside for future settlement of the forward agreement.

16. Derivatives: In general, the following uses of derivatives are approved for portfolio management purposes, although specific written permission must be granted to each manager on a case-by-case basis in formal written account guidelines.

- Substitute for physical
- Duration management
- Risk control
- Foreign currency hedging

Before a derivative security or derivative strategy is used by an investment manager, one or more of the following benefits must be demonstrated to the Board:

- Increased liquidity.
- Stabilized and enhance portfolio returns.
- Lower transaction costs, including market impact costs.
- Reduction in the time required to change the mix of the portfolio.

Before any such derivative strategy is used by an Investment Manager, written permission for such use must be obtained from the Executive Director of the Prepaid Board.

PROHIBITED INVESTMENT VEHICLES AND GENERAL INVESTMENT RESTRICTIONS

1. Short selling of securities is prohibited

2. Maximum investment in the securities of any issuer, except U.S. Treasury or Agency or repurchase agreements collateralized by U.S. Treasury or Agency securities, is the greater of 5% of the market value of the fund, or 2% greater than the appropriate benchmark weight.

3 Debt obligations and preferred stock must be investment grade, as rated by one established nationally recognized rating service.

4 The following derivative strategies and derivative instruments are considered inappropriate and therefore not permitted for use in the managing of assets for the Florida College Savings Program:

- Derivatives use for speculative purposes.
- Derivatives that leverage the account
- Commodity options, swaps or other derivatives based on commodities.

INVESTMENT MANAGER SELECTION AND EVALUATION

Appropriate selection criteria will be used in the process of selecting investment managers/funds. Though not exhaustive, below is a list of considerations:

- Impact on asset class diversification. The characteristics of the potential investment option(s) relative to the characteristics of the existing options will be evaluated to determine the impact on participants' ability to diversify within a risk/reward spectrum.

- Adherence to designated style.

- Reasonable and competitive expense levels.

- Investment performance characteristics. Funds will have a record of performing well compared to peer groups and relevant published market indices. A minimum of a three year performance history is desirable for the assessment of manager skill.

The performance of each investment option will be evaluated in the context of its role in the array of options offered to Program participants. The Board shall evaluate investment performance over a sufficient time horizon, and in the context of the prevailing market environment, in order to properly assess the investment manager's success or failure. In general, a three to five-year time horizon will be used to evaluate a manager's attainment of agreed-upon goals. On an interim basis, portfolio risk and investment performance will be monitored continually to ensure that the management of Program assets remains consistent with the style and objective for each investment option.

At a minimum, investment manager reviews will include a quarterly quantitative performance review conducted by the Program's consultant. Specific evaluation criteria are stated in the investment guidelines that have been individually prepared for each investment option pursuant to its specific role in the Program. As necessary, the evaluation may also include an annual site visit to review each portfolio manager's operations. This portion of the evaluation may be conducted by a member of the Board, the Investment Committee, or Board Staff, as may be designated either by the Board or the Investment Committee.

REBALANCING

In order to maintain the level of risk the Board has established for each respective option, the asset class allocation within Option 9 and Option 10 will be monitored monthly and rebalanced to the specified target when the allowable ranges are exceeded. The portfolio should be brought back into compliance within five business days. The following ranges will apply:

Option 9	Targeted Weight	Allowable Range
Growth Portfolio	20.00%	17.00% - 23.00%
Value Portfolio	20.00%	17.00% - 23.00%
Index Portfolio	20.00%	17.00% - 23.00%
Mid Cap Portfolio	10.00%	8.00% - 12.00%
Small Cap Portfolio	10.00%	8.00% - 12.00%
International Equity Portfolio	20.00%	17.00% - 23.00%

Option 10	Targeted Weight	Allowable Range
Equity Portfolio (Option 9)	50%	48 – 52%
Fixed Income Portfolio (Option 7)	50%	48 – 52%

In addition, portfolio balances within Option 11 will require rebalancing both with respect to the equity / fixed income mix within each age bracket and with respect to the targeted mix as a beneficiary moves from one age bracket to the next.

The following ranges will apply to each of the age brackets within Option 11:

Age Bracket	Years to Enrollment	Targeted Equity Allocation	Allowable Equity Range	Targeted Fixed Income Allocation	Allowable Fixed Income Range
0 – 4 years	14 or more years	100%	98 - 100%	0%	0 – 2%
5 – 8 years	10 – 13 years	75%	73 – 77%	25%	23 – 27%
9 – 12 years	6 – 9 years	50%	48 – 52%	50%	48 – 52%
13 – 15 Years	3 – 5 years	25%	23 – 27%	75 %	73 – 77 %
Age 16 & above	0 – 2 years	0%	0 – 2%	100%	98 - 100%

Beneficiary account balances shall be moved to the next age bracket on the day following their birthdate during which they reach age 5, 9, 13 and 16. Accounts established based on the year's to enrollment option will move to the next age bracket on the day following the beneficiaries birthdate when their projected enrollment year is 13, 9, 5 and 2 years from enrollment in college.

IMPLEMENTATION

All assets invested for the Program by the Investment Manager(s) after the adoption of this CIP shall conform to this Statement.

The following portfolio-specific guidelines have been established to:

1. Ensure that the managers continually adhere to all regulations administered by any regulatory authority charged with oversight responsibility

2. Limit the Program's exposure to unintended risks

3. Ensure that each investment option adheres to its specific objectives

4. Communicate objective, reasonable criteria of the Board's expectations to the managers.

The following sections contain the investment guidelines and policies for each option of the Florida College Savings Program:

OPTION 1
LARGE CAP GROWTH PORTFOLIO
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the Large Cap Growth Portfolio is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in equity investments.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to five percent of the portfolio in initial public offerings that have been spun off by a company for which there is an adequate history and that has at least $1 billion in market capitalization. Further, the parent must have been previously listed on the New York Stock Exchange (NYSE), American Stock Exchange (AMEX) or have been traded on the National Association of Securities Dealer's Automated Quotation system (NASDAQ) or other recognized domestic exchange. If, through spin-offs or other activities of the companies held, the portfolio exceeds five percent of holdings with less than three years operating history, the manager will bring the portfolio into compliance within a six-month period.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the Russell 1000 Growth Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be in compliance with the Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States or in other, recognized domestic markets.

4. Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the Comprehensive Investment Plan (CIP).

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

PERFORMANCE OBJECTIVES

<u>Passive Managers</u>

- A passive manager's performance is expected to meet the Russell 1000 Growth Index, or other agreed-upon investible benchmark representing the large cap growth market.

- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

<u>Active Managers</u>

Manager performance shall be reviewed relative to the Russell 1000 Growth Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the Russell 1000 Growth Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the Russell 1000 Growth Index is expected to rank below the highest quartile of managers in the Large Cap Growth peer group over rolling three year time periods.

OPTION 2
LARGE CAP VALUE PORTFOLIO
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the Large Cap Value Portfolio is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in equity investments.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to five percent of the portfolio in initial public offerings that have been spun off by a company for which there is an adequate history and that has at least $1 billion in market capitalization. Further, the parent must have been previously listed on the New York Stock Exchange (NYSE), American Stock Exchange (AMEX) or have been traded on the National Association of Securities Dealer's Automated Quotation system (NASDAQ), or in other, recognized domestic markets. If, through spin-offs or other- activities of the companies held, the portfolio exceeds five percent of holdings with less than three years operating history, the manager will bring the portfolio into compliance within a six-month period.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the Russell 1000 Value Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be in compliance with the Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the Comprehensive Investment Plan (CIP).

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

PERFORMANCE OBJECTIVES

Passive Managers

- A passive manager's performance is expected to meet the Russell 1000 Value Index, or other agreed-upon investible benchmark representing the large cap value market.

- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

Active Managers

Manager performance shall be reviewed relative to the Russell 1000 Value Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the Russell 1000 Value Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the Russell 1000 Value Index is expected to rank below the highest quartile of managers in the Large Cap Value peer group over rolling three year time periods.

OPTION 3
LARGE CAP CORE PORTFOLIO
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the Large Cap Core Portfolio is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in equity investments

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

1. The Manager shall be permitted to invest in any securities which are a part of the S&P 500, without regard for the constraint within this policy prohibiting or restricting the ownership of companies with less than a 3 year publicly available operating history. If the Manager's common stock (or the common stock of the Manager's holding company) is included in the S&P 500, the Manager is permitted to purchase, retain and sell the Manager's common stock (or the common stock of the manager's holding company), consistent with the other requirements, guidelines, restrictions and performance objectives applicable to this portfolio and the reporting requirements imposed on Managers.

2. The Manager shall be permitted to invest in any securities which are a part of the S&P 500, without regard for the preference within this policy for investments to be made in United States based corporations. There shall be no limit on the percent of the portfolio held in American Depository Receipts, provided those same companies are included in the S&P 500 as American Depository Receipts.

3. The use of futures as a substitute for physical investing, or to facilitate cash flows shall be permitted for this portfolio, provided the manager receives prior written approval from the Board. In order to obtain such approval, the manager must submit a written request to the Board, quantifying the net advantages that will accrue to the portfolio.

4. The Manager may temporarily invest in companies outside of the index in the case of additions or deletions, with the goal of minimizing tracking error and/or reducing trading costs.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the Comprehensive Investment Plan (CIP).

RESTRICTED INVESTMENTS

1. The use of futures will be permitted subject to the restrictions imposed by Paragraph 16 (entitled "Derivatives") in the "Authorized Investment Vehicles" section.

2. Use of margin is prohibited except as may be required in the use of futures.

3. Convertible securities shall not be allowed for investment purposes.

PERFORMANCE OBJECTIVES

<u>Passive Managers</u>

Manager performance shall be reviewed relative to the S&P 500, over any three to five year period, taking into consideration the following:

- The manager's performance is expected to meet the S&P 500 Index.

- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the S&P 500 of less than 25 basis points.

- Until such time that the portfolio has sufficient historical results, the manager's reported monthly historical performance data, which shall be in compliance with the Global Investment Performance Standards (GIPS), shall be used to determine portfolio compliance.

<u>Active Managers</u>

Manager performance shall be reviewed relative to the S&P 500 Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the S&P 500 Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the S&P 500 Index is expected to rank below the highest quartile of managers in the Large Cap Value peer group over rolling three year time periods.

OPTION 4
MID CAP PORTFOLIO
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the Mid Cap Portfolio is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in equity investments.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to ten percent of the portfolio in initial public offerings of companies that have at least two years of audited financial statements and have been profitable (from continuing operations) for at least one of the last two years.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the S&P MidCap 400 Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States or in other, recognized domestic markets.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures, or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

PERFORMANCE OBJECTIVES

<u>Passive Managers</u>

- A passive manager's performance is expected to meet the S&P 400 Index, or other agreed-upon investible benchmark representing the mid cap U.S. equity market.

- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

<u>Active Managers</u>

Manager performance shall be reviewed relative to the S&P MidCap 400 Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the S&P MidCap 400 Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the S&P MidCap 400 Index is expected to rank below the highest quartile of managers in the MidCap Broad peer group over rolling three year time periods.

OPTION 5
SMALL CAP PORTFOLIO
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the Small Cap Portfolio is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in equity investments.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent. Asset allocation shall be determined based on the average position over any three month time period and shall operate within the following constraints set forth herein:

INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to ten percent of the portfolio in initial public offerings of companies that have at least two years of audited financial statements and have been profitable (from continuing operations) for at least one of the last two years.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the Russell 2000 Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be in compliance with the Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3. Equity investments shall be made only in securities listed on a United States stock exchange or traded on NASDAQ in the United States or in other, recognized domestic markets.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the Comprehensive Investment Plan (CIP).

RESTRICTED INVESTMENTS

1. Use of margin is prohibited.

2. Use of options, futures or any other type of derivative securities is prohibited.

3. Convertible securities shall not be considered for investment.

PERFORMANCE OBJECTIVES

<u>Passive Managers</u>

- A passive manager's performance is expected to meet the Russell 2000 Index, or other agreed-upon investible benchmark representing the small cap U.S. equity market.

- The beta of the portfolio over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 25 basis points.

<u>Active Managers</u>

Manager performance shall be reviewed relative to the Russell 2000 Index, over any three or more year period of time, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the Russell 2000 Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the Russell 2000 Index is expected to rank below the highest quartile of managers in the Small Cap peer group over rolling three year time periods.

OPTION 6
INTERNATIONAL EQUITY PORTFOLIO
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the International Equity Portfolio is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in equity investments.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times, relying on the manager's ability to generate return through the selection of securities and not through the timing of market movements. Therefore, during these time periods the manager shall be allowed to maintain a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

1. The Board prefers the manager to invest only in equity securities that have a publicly available operating history of at least three years. However, the manager can invest up to five percent of the portfolio in initial public offerings that have been spun off by a company for which there is adequate history of audited financial statements. If, through spin-offs or other activities of the companies held, the portfolio exceeds five percent of holdings with less than three years operating history, the manager will bring the portfolio into compliance within a six-month period.

2. The coefficient of determination (R^2) measures the percentage of total market-related risk that an investment manager has undertaken. Therefore, the manager shall maintain a coefficient of determination to the MSCI EAFE Index of not less than .80 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be calculated in a manner consistent with Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

3.

CASH AND SHORT TERM INVESTMENT GUIDELINES

Cash and cash equivalent investments shall be made in liquid Authorized Investment Vehicles as defined in the CIP.

RESTRICTED INVESTMENTS

1. The use of currency futures and currency forwards will be permitted subject to the restrictions imposed by Paragraph 16 (entitled “Derivatives”) in the “Authorized Investment Vehicles” section.

2. Use of options, futures, forwards or any other types of derivative securities that are not used for currency hedging purposes are prohibited.

3. Use of margin is prohibited except as may be required in the use of currency futures or forwards.

4. Securities not domiciled, incorporated, or traded in a benchmark country.

PERFORMANCE OBJECTIVES

Passive Managers

- A passive manager’s performance is expected to meet the MSCI EAFE Index, or other investible benchmark representing the broad developed international equity markets.

- The beta of the portfolio relative to the index over any two year rolling time period and calculated using monthly data shall not be less than .98 nor greater than 1.02.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index, of less than 30 basis points.

Active Managers

Manager performance shall be reviewed relative to the MSCI EAFE Index, over any three or more year period of time, taking into consideration the following:

- The manager’s performance, net of fees, is expected to exceed the MSCI EAFE Index, taking into consideration the degree of risk.

- The manager’s performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The manager should generate a positive alpha calculated in accordance to the Jensen methodology.

- The manager's tracking error relative to the MSCI EAFE Index is expected to rank below the highest quartile of managers in the International Equity peer group over rolling three year time periods.

OPTION 7
FIXED-INCOME
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the fixed income option is to provide participants with a low risk, low volatility option for saving for college expenses. It is expected that this option will be used by those participants with a short horizon to matriculation or with little appetite for short term investment volatility.

ASSET ALLOCATION

The portfolio is expected to be fully invested at all times. However, cash holdings may represent an integral part of the manager's desired portfolio structure. Therefore, for purposes of this constraint, cash will be defined as securities with a duration of less than three months and the manager shall be allowed a maximum cash position of not more than five percent.

INVESTMENT GUIDELINES

- Fixed income investments will be made only in dollar-denominated securities traded in domestic markets.

- The portfolio shall maintain a coefficient of determination (R^2) to the Barclays Capital Aggregate Index of not less than .90 over any rolling five-year time horizon calculated using monthly data. Until such time as the portfolio has sufficient historical data, the manager's reported monthly historical performance data, which shall be in compliance with the Global Investment Performance Standards (GIPS), shall be utilized in determining portfolio compliance.

RESTRICTED INVESTMENTS

1. Use of margin is prohibited except as may be required in the use of futures, options and swaps.

2. Other than futures, options and swaps, the use of derivative securities that have not been specifically approved by the Board is prohibited.

3. Convertible securities shall not be considered for investment.

PERFORMANCE OBJECTIVES

Passive Managers

- For passive managers, the manager's performance is expected to meet the Barclays Capital Aggregate Index.

- Tracking error measures the standard deviation of the differences between an investment manager's return and the index return. A low tracking error indicates that the manager's performance is closely tracking the performance of the index. In meeting the objectives set forth in these guidelines, the manager shall maintain an annualized tracking error to the index of less than 15 basis points.

Active Managers

Manager performance shall be reviewed relative to the Bloomberg Barclays Capital Aggregate Index over any three to five year period, taking into consideration the following:

- The manager's performance, net of fees, is expected to exceed the Bloomberg Barclays Capital Aggregate Index, taking into consideration the degree of risk.

- The manager's performance is expected to rank at or above the median when compared to a universe of its peers managing similar portfolios and following a similar investment style.

- The effectiveness of the manager's duration, sector and security allocations will be reviewed to determine if the manager has demonstrated, on a total return basis, the ability to add value above the Index.

OPTION 8
MONEY MARKET OPTION
INVESTMENT GUIDELINES

OBJECTIVE

The Money Market option seeks high current income consistent with liquidity, interest income and capital preservation.

ASSET ALLOCATION

The assets of each participant's account will be invested in Option 8 in accordance with the guidelines described under the "Investment Options" section of this CIP.

INVESTMENT GUIDELINES

The Money Market Option may invest in highly liquid money market instruments and fixed income securities with maturities not to exceed two years. The average portfolio maturity is not to exceed 6 months, notwithstanding the objective of preservation of capital. The minimum rating criteria for securities to be purchased in this paper are A1/P1 or an equivalent rating by two nationally recognized rating services.

PERFORMANCE OBJECTIVES

The performance of the money market fund shall be reviewed against a composite 91 day Treasury Bills index and a universe of other money market funds.

OPTION 9
EQUITY OPTION
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the equity option is to provide participants an opportunity for meaningful growth of capital over a long investment horizon through participation in diversified equity investments. Participants invest in a pre-packaged equity option diversified across investment styles and market capitalization.

ASSET ALLOCATION

Option 9 will be a diversified allocation of twenty percent allocated to a domestic large capitalization growth portfolio (Option 1), twenty percent to a domestic large capitalization value portfolio (Option 2), twenty percent to a U. S. large capitalization index portfolio (Option 3), ten percent to a mid-capitalization portfolio (Option 4), ten percent allocated to a small capitalization portfolio (Option 5) and twenty percent allocated to an international equity portfolio (Option 6).

Allocations to the underlying equity portfolios will be rebalanced periodically according to the rebalancing guidelines specified the rebalancing section of this CIP.

INVESTMENT GUIDELINES

The investment guidelines under Options 1 through 6, above, will apply to each respective portion of Option 9.

PERFORMANCE OBJECTIVES

The performance objectives specified in Options 1 through 6, above, will apply to each respective portion of Option 9.

OPTION 10
BALANCED OPTION
INVESTMENT GUIDELINES

OBJECTIVE

The objective of the balanced investment option is to provide participants with an opportunity to generate long term growth of capital, but with less short-term volatility than the all-equity investment option.

ASSET ALLOCATION

Option 10 will be a blend of fixed income (Option 7) and equity (Option 9) and is expected to be fully invested at all times, relying on the manager's ability to generate return through interest rate anticipation and security selection, not through the timing of market movements. Allocations to the underlying fixed income and equity portfolios will be rebalanced periodically according to the rebalancing guidelines specified the rebalancing section of this CIP.

INVESTMENT GUIDELINES

The investment guidelines under Options 7 and 9, above, will apply to each respective portion of Option 10.

PERFORMANCE OBJECTIVES

The performance objectives specified in Options 7 and 9, above, will apply to each respective portion of Option 10.

OPTION 11
AGE-BASED
INVESTMENT GUIDELINES

OBJECTIVE

The age-based investment option is intended to provide Program participants with an asset allocation profile that links the amount of volatility in the portfolio directly to the investment horizon of the participant. As the participant approaches the date at which account balances will be used for college expenses, a lower tolerance for risk is assumed and the equity component of the portfolio is reduced accordingly.

ASSET ALLOCATION

The assets of each participant's account will be invested in fixed income (Option 7) and equity (Option 9) in accordance with the guidelines described under the "Investment Options" section of this CIP. The Board may periodically request a review to ensure that participant balances are managed in accordance with these guidelines.

INVESTMENT GUIDELINES

The investment guidelines specified in Options 7 and 9, above, will apply to each account balance maintained under Option 11.

PERFORMANCE OBJECTIVES

The performance objectives specified in Options 7 and 9, above, will apply to each account balance maintained under Option 11.