

# **STATE BOARD OF ADMINISTRATION**

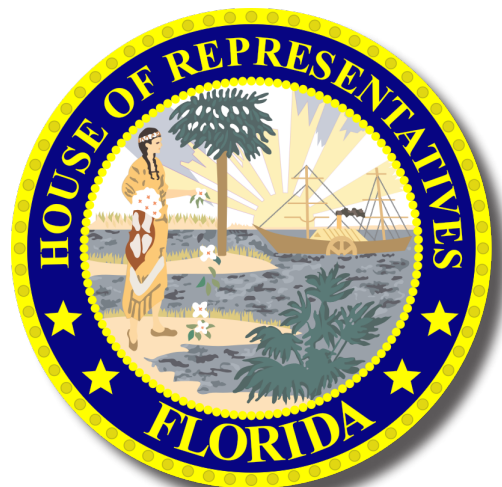
## **ANNUAL INVESTMENT REPORT JULY 1, 2020 - JUNE 30, 2021**





# Table of Contents

Executive Director’s Report and Transmittal .....	5
SBA Organizational Structure and Oversight .....	7
Advisors, Consultants and Auditors .....	8
SBA Mandate Overview .....	10
Asset Allocation .....	12
Risk and the Investment Process .....	13
Compliance with Investment Strategy .....	16
SBA’s Non-Investment Management Responsibilities .....	17
Investment Policy Statements, Portfolio Guidelines and Trust Agreements .....	19
Florida Retirement System Pension Plan .....	20
Florida Retirement System Investment Plan .....	42
Florida PRIME™ .....	47
Florida Hurricane Catastrophe Fund/State Board of Administration Finance Corporation .....	50
Lawton Chiles Endowment Fund .....	53
Other Funds Under Management.....	58





# TO THE TRUSTEES OF THE STATE BOARD OF ADMINISTRATION OF FLORIDA, AND HONORABLE MEMBERS OF THE FLORIDA SENATE AND FLORIDA HOUSE OF REPRESENTATIVES:

It is my privilege to submit the annual Investment Report of the State Board of Administration of Florida (SBA) for the fiscal year ended June 30, 2021, pursuant to the requirements of Florida Statutes, Section 215.44(5). The statutory mandate of the SBA is to invest, manage, and safeguard assets of the Florida Retirement System (FRS) Trust Fund – its largest mandate – as well as the assets of a variety of other funds.

Throughout the year, the SBA has remained true to its responsibility to invest Florida's assets ethically, prudently, and in strict accordance with applicable law, policies, and fiduciary standards. Market and other conditions vary constantly; our commitment to fiduciary excellence is immutable.

***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.***

***Our vision is to be the best public sector investment and administrative service provider while exemplifying the principles of trust, integrity and performance.***

Whether our mission is accomplished and our vision realized depends on our people. The SBA is staffed by a world class team of exceptionally high performing and dedicated investment and administrative professionals. That is why I am confident that we will continue to live up to our history of managing Florida's assets prudently and effectively with common purpose and shared values. Ash Williams' retirement within months after the end of the fiscal year capped a months-long effort to ensure a smooth and effective transition of talent within the SBA, and staff remains committed to continuing the same degree of professional management that our beneficiaries and stakeholders have come to expect. What follows is a summary of last year's performance and events relating to the SBA's major investment mandates.

## **Pension Plan**

Fiscal Year ended June 30, 2021, was an extraordinarily good year for the FRS Pension Plan. The Plan earned a net return of 29.46%, beating its total fund benchmark by 321 basis points. On a marked-to-market basis, the Plan's assets increased by \$38.9 billion to \$199.6 billion by year's end. Asset classes posted returns led by Private Equity with 67.93%, followed by Global Equity with 41.78%, Strategic Investments with 17.14%, Real Estate with 8.58%, Fixed Income with 1.08%, and Cash Equivalents with 0.10%.

Although one-year returns on this scale are certainly welcome, our focus remains, as always, on long-term performance. This has worked well for us over time. For the 20-, 25-, and 30-year performance periods ending June 30, 2021, the FRS Pension Plan has generated 7.4%, 8.2% and 9.0% annualized returns, which are 0.6%, 0.4% and 0.1% above benchmark, respectively.

## **Investment Plan**

The FRS Investment Plan was established to provide Florida's public employees with a flexible alternative to the traditional pension plan. For Fiscal Year ended June 30, 2021, the Investment Plan returned 28.4%, which was 107 basis points ahead of its benchmark. Also at June 30, 2021, the balance of the plan stood at \$14.8 billion, which represents an increase of \$3.3 billion over the balance at June 30, 2020.

The investment plan also continues to see significant growth in participants, stemming from its designation in 2018 as the default retirement plan for new hires other than special risk employees. At June 30, 2021, total membership stood at 261,385 members (180,836 active and 80,549 inactive), which is an increase of 8.1% from Fiscal Year ended June 30, 2020. The retirement date funds continue to be a popular investment option for members, representing 46%, or \$6.8 billion, of the Investment Plan's balance at June 30, 2021.

## **Florida PRIME**

Florida PRIME™, the SBA managed statewide government investment pool, provided investment services to 743 governmental clients in Fiscal Year ended June 30, 2021. The fund remains the leading local government investment pool available in Florida by offering superior liquidity, transparency, low-fees, and competitive returns with minimal risk.

As of Fiscal Year ended June 30, 2021, the Florida PRIME™ participant yield was 0.22%, beating the benchmark by 12 basis points. Florida PRIME™ ended the year with a market value of \$17.4 billion, with net asset growth of 15%, or approximately \$2.3 billion, all while distributing \$39.6 million in gross investment earnings to its investors. Much of the excess performance can be attributed to our industry-low fee structure, which is approximately 75% lower than peer funds.

**Florida Hurricane Catastrophe Fund (FHCF)**

The FHCF was created to protect and advance the state's interest in maintaining insurance capacity in Florida by providing reimbursements to insurers for a portion of their catastrophic hurricane losses. The FHCF's available cash has been reduced as a result of losses related to Hurricanes Irma and Michael but remains financially strong with a projected December 31, 2021 Fund Balance of \$11.2 billion.

The FHCF's available cash balance is comprised of its operating funds, which are invested with the following prioritized goals: (i) liquidity, so that reinsurers can be paid in a timely manner; (ii) safety of principal; and (iii) competitive returns. As a result, investments are generally short-term, high-quality and highly-liquid. For Fiscal Year ended June 30, 2021, the returns on the FHCF operating funds were 22 basis points or 0.22%, which was 1 basis point or 0.01% ahead of benchmark, reflecting the very conservative nature of the funds' investments.

The SBA Finance Corporation (SBAFC) provides the mechanism for the cost effective issuance of pre-event bonds to provide a source of additional funds to reimburse insurers for hurricane losses related to future covered events. The SBAFC has the same investment objectives as the FHCF when investing the proceeds of the pre-event bonds; therefore, the investment returns and allocation of securities also reflect the short-term, high quality, and highly liquid nature of the portfolio.

On September 16, 2020, the Corporation issued \$3.5 billion of pre-event Series 2020A Revenue Bonds. The Series 2020A Revenue Bonds have maturities of \$1.25 billion in 2025, \$1.0 billion in 2027, and \$1.25 billion in 2030 bearing interest rates of 1.258%, 1.705%, and 2.154%.

**Lawton Chiles Endowment Fund (LCEF)**

Pursuant to House Bill 5011 signed into law on June 2, 2021, and effective July 1, 2021, the LCEF was liquidated and the assets transferred to the Division of Treasury Budget Stabilization Trust Fund.

Prior to the liquidation and transfer of the LCEF and in accordance with state statutes, the SBA managed the LCEF as an annuity with the investment objective of preserving the real value of the net contributed revenue and a sustainable spending rate. Fiscal Year ended June 30, 2021 performance was 31.10%, compared to benchmark returns of 28.78%.

Florida's approach to pension fund governance is a direct contributor to SBA's success; it provides a very effective balance of flexibility, accountability, oversight and transparency. In addition to our Trustees and the Florida Legislature, none of our successes would be possible without the members of SBA's Investment Advisory Council and Audit Committee, all whom have generously shared their talent, wisdom, and time, making contributions that strengthen our organization and improve decision-making. I would like to recognize and thank those whose efforts empower the SBA to fulfill our fiduciary responsibility and provide top-quality, low-cost investment and trust services.

Respectfully Submitted,



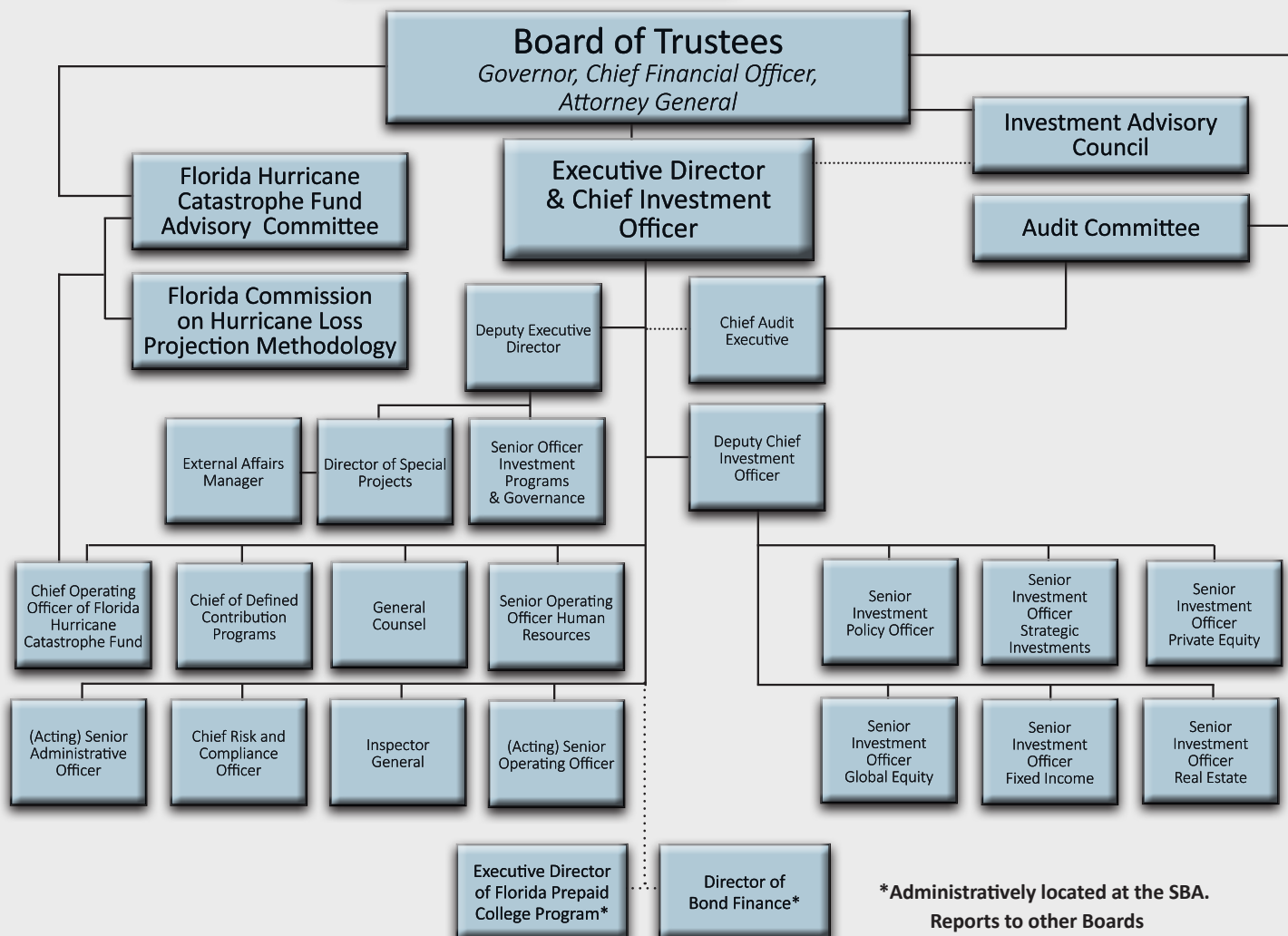
Lamar Taylor  
Interim Executive Director & CIO

# SBA Organizational Structure and Oversight

The SBA is mandated by the Florida Constitution and is governed by a three-member Board of Trustees, comprised of the Governor as Chairman, the Chief Financial Officer, and the Attorney General. The Trustees, in concert with legislative directives, have ultimate oversight of strategy. They delegate authority to the Executive Director & Chief Investment Officer (CIO) to carry out the strategic direction in the day-to-day financial investments and operations of the agency. The Executive Director & CIO manages over 200 professional investment and administrative support staff.

CHART 1:

SBA Organizational Chart



# Advisors, Consultants and Auditors

To assist the Trustees and staff with their responsibilities, the Trustees appoint members who have specific knowledge and expertise to several councils, advisory boards, and commissions.

## Investment Advisory Council (IAC)

The IAC meets quarterly, or additionally as needed, to provide independent oversight of the SBA's general objectives, policies, and strategies, while more broadly covering topics related to the general economic outlook. The IAC provides independent oversight of the SBA's funds and major investment responsibilities, ranging from the Florida Retirement System to Florida PRIME™. The Board of Trustees appoints nine members to serve on the IAC for four-year terms pursuant to Section 215.444(2), Florida Statutes.

## Audit Committee (AC)

The AC exists to assist the Trustees of the State Board of Administration in fulfilling their oversight responsibilities. The primary duties and responsibilities of the AC are to serve as an independent and objective party to monitor the SBA's processes for financial reporting, internal controls and risks assessment, compliance and review, and to appraise the audit efforts of the SBA's independent auditors and Office of Internal Audit. The Board of Trustees appoints three members to serve four-year terms.

## Florida Hurricane Catastrophe Fund (FHCF) Advisory Council

The FHCF statute requires the SBA Trustees appoint a nine-member FHCF Advisory Council "to provide the board [SBA] with information and advice in connection with its duties" under the FHCF statute. The Advisory Council is required to include an actuary, a meteorologist, an engineer, a representative of insurers, a representative of insurance agents, a representative of reinsurers, and three consumer representatives.

The practice of the FHCF is to seek Advisory Council approval for each proposed rule revision prior to bringing the proposal before the SBA Trustees. The Advisory Council also reviews claims-paying capacity reports.

## Florida Commission on Hurricane Loss Projection Methodology

The Commission was statutorily created as a panel of experts to provide actuarially sophisticated guidelines and standards for the projection of hurricane losses and is administratively housed within the SBA. The Commission consists of the following 12 members: the insurance consumer advocate, the senior employee of the State Board of Administration responsible for operations of the Florida Hurricane Catastrophe Fund, the Executive Director of the Citizens Property Insurance Corporation, the Director of the Division of Emergency Management, the actuary member of the Florida Hurricane Catastrophe Fund Advisory Council, an employee of the Office of Insurance Regulation who is an actuary responsible for property insurance rate filings and who is appointed by the Director of the Office of Insurance Regulation, a licensed professional structural engineer who is a full-time member of the State University System with expertise in wind mitigation techniques appointed by the Governor, and five members appointed by the Chief Financial Officer, as follows: an actuary employed full-time by a property and casualty insurer which was responsible for at least 1% of the aggregate statewide direct written premium for homeowner's insurance in the calendar year preceding the member's appointment to the commission, an expert in insurance finance who is a full-time member of the faculty of the State University System and has a background in actuarial science, an expert in statistics who is a full-time member of the faculty of the State University System and has a background in insurance, an expert in computer system design who is a full-time faculty member of the State University System, and an expert in meteorology who is a full-time member of the faculty of the State University System and specializes in hurricanes. The Board of Trustees annually appoints one of the members of the Commission to serve as chair.

The State Board of Administration uses investment, legal, and other independent consultants on both a retainer and special project basis. Consultants generally serve as fiduciaries, which allows the SBA to obtain best-in-class talent and objective external advice and oversight. Investment consulting services for special projects are engaged on a competitive basis by soliciting proposals from a pool of pre-qualified consultants.

### **Investment Consultants**

The SBA's investment consultants are required to act as fiduciaries under the Investment Advisers Act of 1940 and according to the requirements of Florida Statutes (i.e., essentially the ERISA fiduciary standards of care) in fulfilling their contractually assigned duties. Furthermore, the SBA requires investment consultants to submit an annual independence and disclosure compliance certification.

### **Performance Measurement**

The SBA maintains relationships with firms that provide evaluation services to assist in measuring the effectiveness of various components of the SBA's investment programs.

### **Special Projects**

The SBA utilizes independent specialists and legal experts for special project work on a regular basis.

### **External Auditors**

The SBA utilizes an external audit protocol whereby the Audit Committee, through the Chief Audit Executive and the Executive Director & CIO, engages and oversees external auditors. The SBA obtains annual commercial audits of FRS Pension Plan, FRS Investment Plan, and Florida Hurricane Catastrophe Fund financial statements. All other funds are subject to audit by the Auditor General of the State of Florida. The Audit Committee employs a pool of external auditors to be used for special project audits.

# SBA Mandate Overview

During the year, assets under SBA management increased by \$46.75 billion to \$250.5 billion. Table 1 shows details for each SBA fund.

TABLE 1:

Change in Assets Under Management - Fiscal Year 2020-21

	Market Value June 30, 2020	Investment Gain (Loss)	Net Contributions (Withdrawals)	Market Value June 30, 2021
FRS Pension Plan	\$160,714,203,703	\$46,422,324,180	\$ (7,536,029,498)	\$199,600,498,385
FRS Investment Plan	11,499,003,276	3,331,838,694	(28,420,568)	14,802,421,403
Lawton Chiles Endowment Fund	811,698,985	252,533,796	(8,422,141)	1,055,810,641
Debt Service	431,149,190	5,532,624	8,987,131	445,668,945
FDOT Financing Corporation	124,795	(14,790)	(103,505)	6,500
Gas Tax Clearing Fund <sup>1</sup>	228,892	602	1,417,166	1,646,661
Florida PRIME <sup>2</sup>	14,387,647,173	23,503,551	2,179,894,989	16,591,045,713
Florida Hurricane Catastrophe Fund	12,844,141,601	27,544,745	(252,193,245)	12,619,493,101
State Board of Administration Finance Corporation	1,762,370,917	2,907,982	2,468,564,368	4,233,843,268
Department of the Lottery Fund	324,000,597	(13,516,720)	(18,556,570)	291,927,307
Retiree Health Insurance Subsidy Trust Fund	324,936,961	825,531	68,180,372	393,942,863
Police and Firefighters' Premium Tax Trust Fund	277,176,549	382,652	4,904,000	282,463,201
Florida Prepaid College Plan Administrative Expense	760,510	3,119	(372,738)	390,891
Florida Prepaid College Plan	197,933,686	(2,076,020)	(195,348,741)	508,925
Florida College Investment Plan Administrative Expense	431,271	964	259,739	691,974
Florida College Investment Plan	72,106,003	3,157,824	(5,870,110)	69,393,717
Florida ABLE, Inc. Administrative Expense	3,085,093	5,963	(438,717)	2,652,338
Florida ABLE, Inc.	4,792,585	11,933	1,855,145	6,659,663
SBA Administrative Fund	54,823,271	123,692	1,456,188	56,403,151
PEORP Administrative Fund	15,199,027	32,424	(397,806)	14,833,644
Bond Fee Trust Fund	6,503,081	14,348	280,611	6,798,040
Arbitrage Compliance Trust Fund	2,631,172	5,747	(90,418)	2,546,501
Bond Proceeds Trust Fund <sup>1</sup>	2,246,873	1,684	(1,724,259)	524,298
Florida Division of Blind Services	6,632,512	1,903,325	0	8,535,837
Insurance Capital Build-up Program	3,527,029	6,347	449,641	3,983,017
Inland Protection Financing Corporation	1,640	4	0	1,643
SRI International Fund <sup>3</sup>	0	26	(26)	0
Florida Endowment for Vocational Rehabilitation <sup>3</sup>	72	0	(72)	0
<b>Total Assets Under Management</b>	<b>\$203,747,356,464</b>	<b>\$50,057,054,225</b>	<b>\$(3,311,719,062)</b>	<b>\$250,492,691,627</b>

<sup>1</sup> Fund market value is periodically zero due to cash flows.

<sup>2</sup> Florida PRIME fund values at June 30, 2020, and June 30, 2021, have been reduced by \$781,977,525 and \$852,182,538, respectively. These values represent amounts that are reported by other SBA funds as investments in Florida PRIME (i.e., other funds managed by SBA that are invested in Florida PRIME). Amounts reported for Net Contributions (Withdrawals) and Investment Gain(Loss) have been reduced by \$68,608,096 and \$1,596,917, respectively, for the same reason.

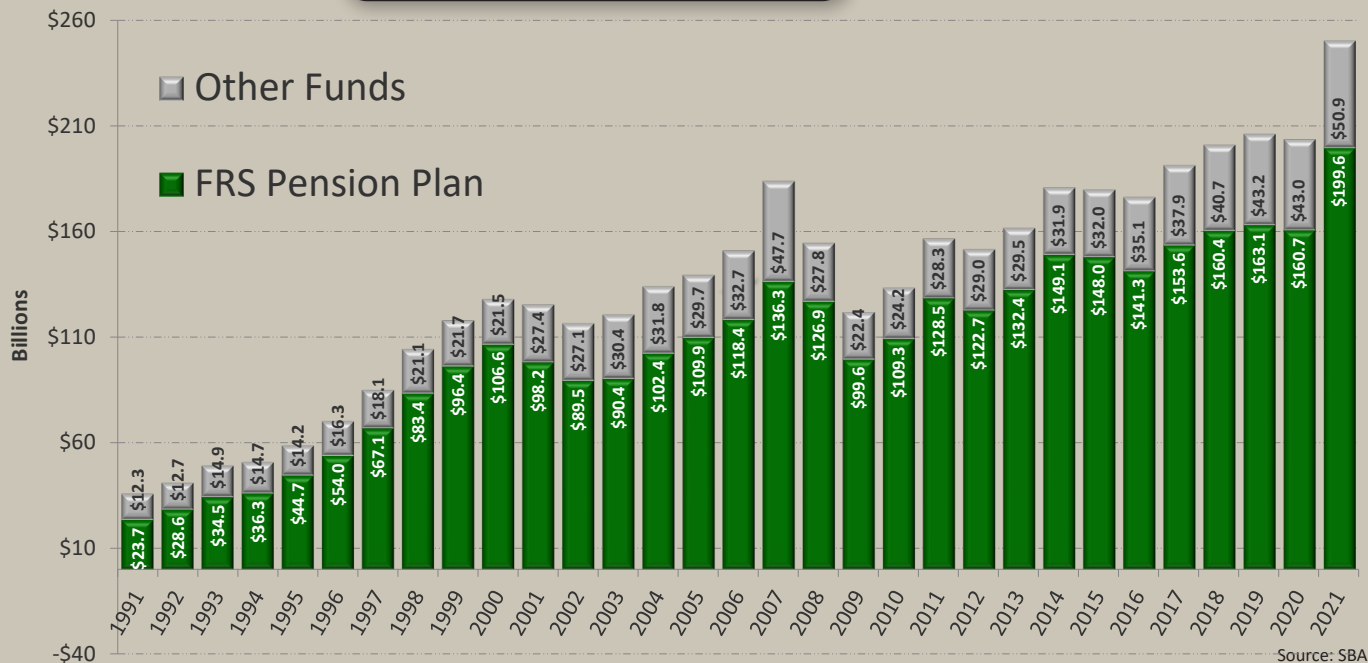
<sup>3</sup> Fund strategy closed in a prior fiscal year. Transaction amounts reflect residual activity.

• Numbers may not total due to rounding

Source: SBA

CHART 2:

# Assets Under SBA Management



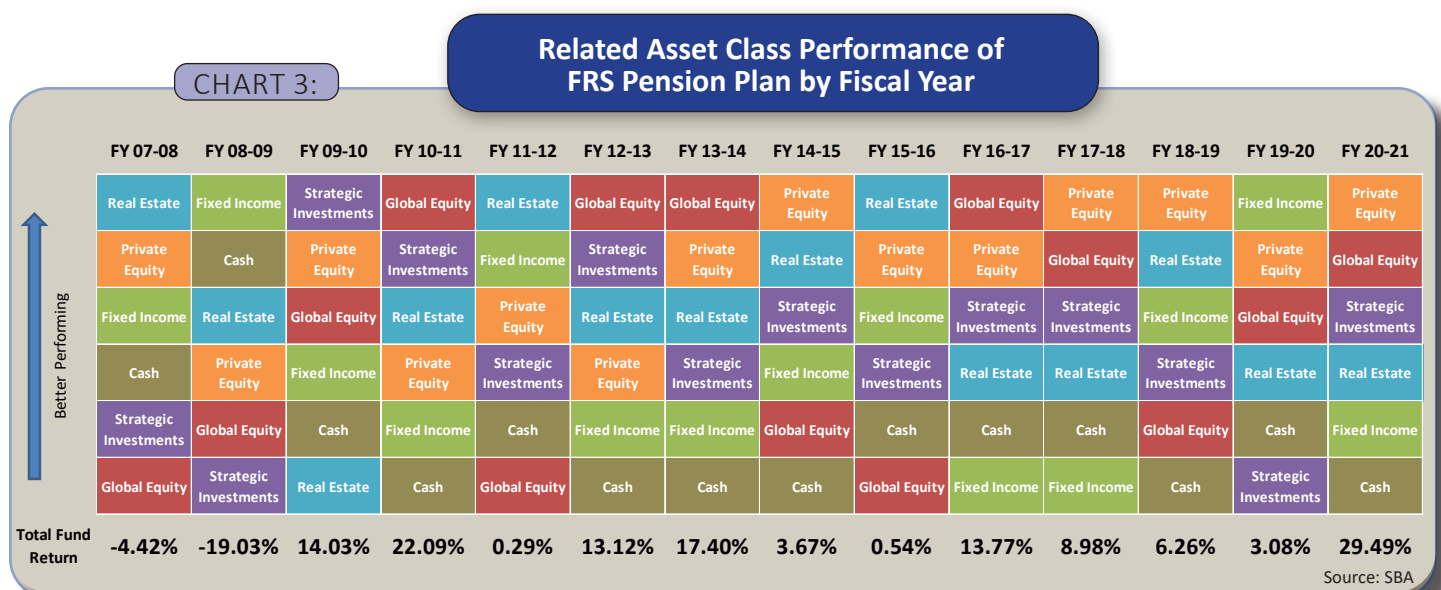
Source: SBA

From 1991 to 1992, the total assets under SBA management reported for "Other Funds" were equal to the original cost value of investments, plus accrued interest receivable, plus or minus any pending sales or purchases of investments. Beginning in 1993, investments are reported at fair market value rather than original cost.



# Asset Allocation

The SBA's exposure to various major asset types or classes is considered its asset allocation. Because asset allocation is a key driver of investment portfolio returns, determining the proper asset allocation (i.e., the desired relative exposure to each asset class) is the most fundamental way in which the SBA pursues its investment objective. Likewise, managing actual asset class exposure over time (i.e., managing asset allocation) is important if the SBA is to avoid unnecessary risk. For example, if 60% exposure to stocks is determined to be necessary to meet a long-term return objective, exposures below that, if persistent or poorly timed, may cause the actual return to fall short of the objective. Conversely, an exposure to stocks greater than the target will subject the portfolio to higher levels of volatility, which could also result in disappointing returns, particularly when equity markets are stressed.



A thoughtfully constructed portfolio will provide diversification across a sufficiently broad range of investments so that the portfolio has a high probability of meeting the investment objective, notwithstanding the wide distribution of performance often associated with individual investments. In other words, some individual investments may be poor performers during a specific time frame but, in a highly diversified portfolio, their overall impact on the portfolio will often be offset by other investments that, at the time, are better performers.

In practice, maintaining an exact asset allocation is difficult given the dynamic nature of markets and security prices. The SBA typically determines reasonable limits above and below desired asset allocations (known as the target or policy allocation) within which it accepts deviations from the target. This tolerance reflects the fact that trading in securities markets is not free. The SBA must balance the risk of disappointment from misallocation (i.e., not consistently holding their target asset mix) against the performance drag resulting from transaction costs. The scale tips when an asset class moves outside its tolerance range. At this point, the SBA is no longer willing to accept the risk from misallocation, so the portfolio will be rebalanced. This involves selling assets from classes in overweight status and using the proceeds to purchase assets that are underweight. Rebalancing is governed by specific policies that establish target ranges and rebalancing procedures for each asset class.

From time to time, the SBA may temporarily choose to deviate from the target asset allocation. This is typically done based upon consideration of near-term market performance, however, unusual liquidity needs or other unanticipated factors could also play a role in this decision. Temporary intentional deviation from target asset allocation exposures is known as tactical asset allocation. Most institutional investors recognize that tactical allocations based on a market view are high-risk propositions because of the difficulty of accurately predicting market movements (i.e., "timing" the market). The SBA agrees with this view and generally avoids tactical asset allocation.

The SBA has a long-standing practice of periodically adjusting its target asset allocation based on a formal reevaluation of capital market assumptions, fund liabilities, and the investment objectives.



# Risk and the Investment Process

Investing involves a tradeoff between return and risk. Investments expected to produce a higher rate of return over time are associated with a higher level of risk. The first step in the investment process is to develop a clear investment objective. Once a clear investment objective has been formulated, risks posing a threat to achieving that investment objective are identified, analyzed, and ultimately managed.

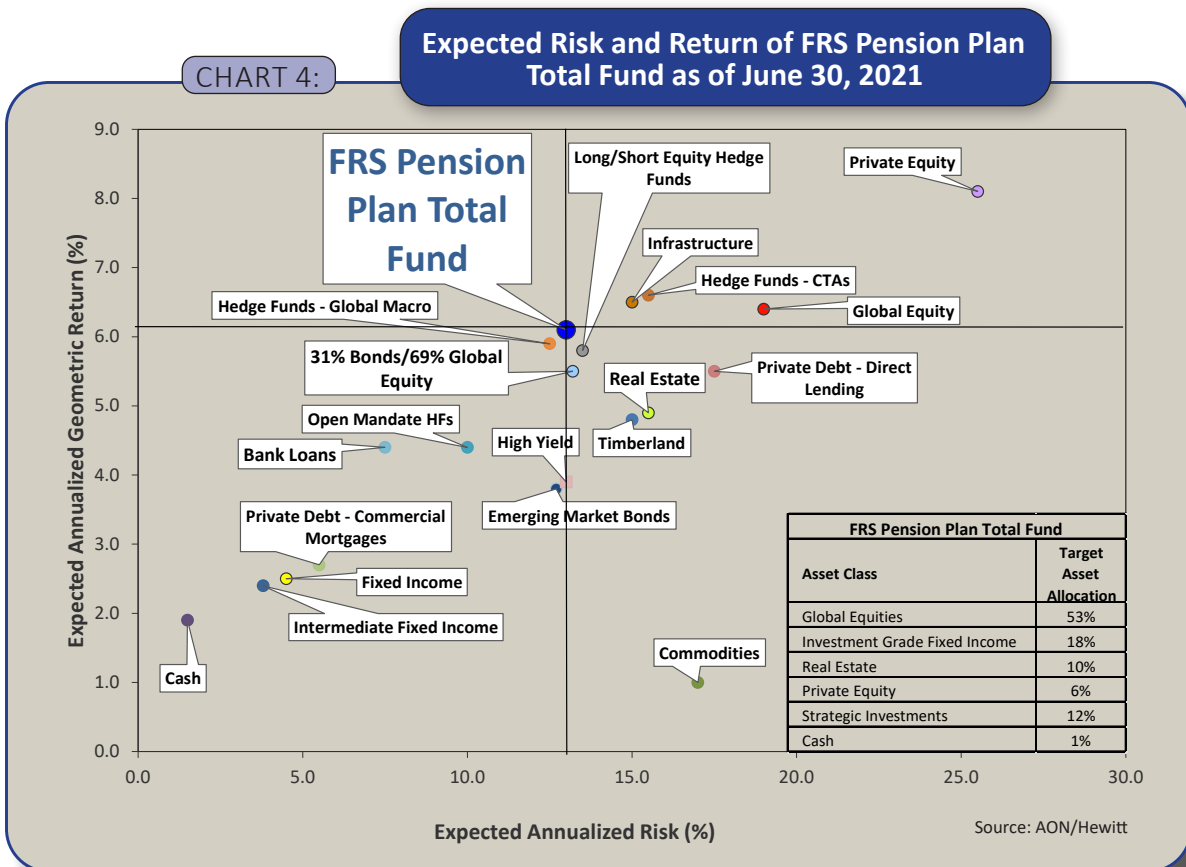
The process of risk management involves identifying risks that should be avoided or mitigated, and those which must be accepted. The SBA has developed a risk framework to identify and categorize risks impacting the SBA. The framework considers a wide range of factors including risks which are specific to the investments themselves, operational processes used to manage the investments, and the environment in which the SBA operates.

Investment management risk is one risk in the SBA's risk framework and encompasses those forms of risk that directly arise in the pursuit of an investment return. Other types of risk consider threats to the organizational and managerial infrastructure that supports a prudent investment process and effective delivery of services. These are the risks that the SBA mitigates or avoids to the degree it can do so cost-effectively.

Inherent risk is one sub-category of investment management risk identified in the SBA's risk management framework. All securities carry inherent risk, which is common to financial instruments. This risk is knowingly assumed by the investor, and sets the foundation for the risk/return tradeoff. Inherent risk includes those risks that relate to performance of the financial markets as a whole (market risk or systematic risk), as well as risks which can be diversified away (idiosyncratic or unsystematic risk).

While each investment in a portfolio may have widely varying returns, a thoughtfully constructed portfolio will diversify sufficiently across a broad range of investments so that the portfolio has a high probability of meeting the investment objective. In a highly diversified portfolio, the goal is for strongly performing securities to more than offset the impact of poorly performing securities in any given time period.

Chart 4 presents examples of how various asset classes and investment strategies carry different risk/return tradeoffs. For example, investing in a mix of 31% Bonds and 69% Global Equity has a slightly higher risk and lower return projection than the target allocation for the overall FRS Pension Plan.



The SBA uses the following classifications to describe inherent risk:

## **MARKET RISK**

This is the risk that the SBA may experience a loss from unexpected price fluctuations due to overall market movements. Market risk is a characteristic of all financial instruments. Generally speaking, the price of a security fluctuates due to market exposure and security-specific risk factors, collectively driven by the forces of supply and demand. Like any commodity in a freely functioning marketplace, the price of a security is directly proportional to its demand relative to its supply. There are numerous circumstances that can cause the demand for a particular security to increase or decrease. The demand for a stock, for example, may be influenced by revised earnings expectations. Demand can also depend on a number of other factors including changing economic conditions, geopolitical events, inclusion in a particular market index, availability of similar securities, perceptions regarding specific industries, or company-specific factors.

## **CREDIT RISK**

Credit risk is a characteristic of debt instruments. It is the risk that an issuer or borrower of debt securities may default on financial obligations. Changes in investor perceptions of the possibility of a default by the issuer cause a bond's prices to fluctuate and may increase credit risk. For example, a credit rating downgrade by agencies such as Standard & Poor's and Moody's will, typically, cause the market price of the issuer's bonds to fall because of perceived increases in the possibility of a default. As with interest rate risk, this risk does not affect the bond's interest payments (provided the issuer does not actually default), but increases the volatility of the market price, which is of consequence to holders who may have to sell.

## **INTEREST RATE RISK**

This is the risk that an investment's value will change due to a change in interest rates. Interest rate risk affects bondholders more than stockholders. Due to the inverse relationship between interest rates and price, fixed-rate debt instruments are subject to interest rate risk, meaning their market prices will decrease in value when generally prevailing interest rates rise.

Prepayment risk is a special form of interest rate risk. It applies to callable bonds which are debt instruments that include an option for the issuer to "call" in the bond and repay debt early. In practice, bonds are most often called when interest rates are falling, resulting in higher reinvestment risk for the SBA. Once a bond is called, issuers can reissue the bonds at a lower interest rate. Thus, the SBA may not actually experience the cash flows it expected and must reinvest at lower market interest rates.

## **INFLATION RISK**

This is the risk that investment returns will be lower than the rate of inflation, a reduction in the purchasing power of money. It can arise from expansionary monetary policy, economic supply shock, or as a result of behavioral responses to general perceptions about future price growth. The SBA seeks financial gains in real terms; that is, to increase the inflation adjusted value of the FRS Pension Plan funds under management to keep up with liability growth. Because investment gains are commonly presented in nominal (e.g., not inflation adjusted) terms, the SBA will meet this goal only if nominal investment gains exceed the rate of inflation.

Since inflation is a phenomenon affecting an economy's unit of exchange, inflation risk affects nearly every type of financial security. Equity instruments of certain companies are more resistant to this risk than those of others, depending on the pricing power of the company. Pricing power is the ability to charge a higher price without suffering a proportional reduction in sales volume. Real bonds (e.g., Treasury Inflation-Protected Securities) are an exception. They are not subject to inflation risk since their stated yield and face value at maturity are adjusted to compensate for the contemporaneous rate of inflation.

## **LIQUIDITY RISK**

This is the risk of having limited access to funds, a failure to meet liquidity needs, or a loss resulting from a lack of market liquidity. The SBA may find that, under certain circumstances, there is no ready buyer for a security it wishes to sell. The term "liquidity risk" distinguishes a form of market risk which typically occurs when demand for a given security is weak, or the supply of a security is low.

## **CURRENCY RISK**

This is the risk that an investment's value may change due to a change in exchange rates. In addition to other risks, the value in United States dollars of securities of foreign companies (denominated in foreign currencies) varies based on fluctuations in the value of the applicable foreign currency relative to the dollar. Currency risk arises from differences in current or expected real growth, interest rates, inflation, and macro-policies between the countries.

## **SYSTEMIC RISK**

This is the risk that material portions of the global financial system will collapse or cease to function adequately. Systemic risk is the possibility of potentially catastrophic financial system instability, typically caused or exacerbated by idiosyncratic events or conditions among financial intermediaries. It results from interlinkages and interdependencies in the financial system or securities markets, where the failure of a single company or cluster of companies (e.g. the financial sector) could cause a cascading failure, potentially bankrupting or bringing down the entire system or market. All investments bear systemic risk.

## **IDIOSYNCRATIC RISK**

This is the risk specific to an individual security. It may be based on the company itself or the industry in which the company operates. Otherwise known as "specific" or "unsystematic" risk, this risk can be mitigated through proper portfolio diversification.

# Compliance with Investment Strategy

Although there are numerous definitions of “Investment Strategy,” the SBA considers the term to mean the result of careful planning to determine the allocation of capital among various asset types, including stocks, bonds, private equity, strategic investments, real estate, and cash equivalents, in order to achieve investment objectives. The SBA implements investment strategy, including asset allocation, asset/fund selection and monitoring, benchmarking, and investment risk management. Investment Policy Statements are established at the plan level and define plan level investment objectives including return objectives, asset allocation across the major asset types, and benchmarks for each of the major asset classes. Investment Portfolio Guidelines associated with each investment strategy or fund state the specific investment objectives, benchmarks, and portfolio parameters, such as permissible securities and exposure limits.

The SBA takes a systematic approach to monitoring compliance with investment guidelines to ensure that investment strategy is executed as intended for each of the funds under management. The SBA has a dedicated Risk Management and Compliance unit under the direction of a Chief Risk & Compliance Officer, whose responsibility is to assist the Executive Director & Chief Investment Officer in promoting and enhancing prudent risk management, accountability, and compliance with investment guidelines, SBA policies, rules, and regulations.

The Trading, Investment Oversight, and Compliance Committee Group (TOG), is a sub-committee of the Enterprise Risk and Compliance Committee. TOG serves as the primary mechanism for the escalation, review, and resolution of compliance violations for the public market asset classes. Members of TOG include the Chief Risk & Compliance Officer as chair, Deputy Chief Investment Officer, Senior Investment Officers of Fixed Income and Global Equity and Real Estate REIT, Senior Officer- Investment Programs & Governance, Public Market Compliance staff, Director of Enterprise Risk Management, and the Senior Investment Policy Officer.

Investment Policy Statement limitations on asset allocation are routinely monitored, as are more stringent internal rebalancing policy requirements for the FRS Pension Plan and the FRS Investment Plan. SBA staff routinely monitor the limitations including permitted securities and authorized ranges contained in Section 215.47, Florida Statutes.

For internally managed public market portfolios, SBA staff perform routine testing to determine compliance with portfolio guidelines and with the internal policies which govern trading practices. Tests may be conducted on parameters such as eligible securities, credit quality, concentration limits, liquidity, authorized traders, and approved counterparties. Results of compliance testing on internally managed public market portfolios are routinely reviewed by the respective Investment Oversight Groups.

SBA staff also perform routine compliance testing on externally managed public market portfolios. Tests may be conducted on parameters such as eligible securities, credit quality, concentration limits, and adherence to investment guidelines. The results of compliance testing on externally managed public market portfolios are regularly reviewed by TOG. External investment managers are required to notify the SBA in writing of a failure to comply with any term of the Investment Management Agreement. On an annual basis, they must certify compliance with the terms and provisions of their contracts.

In the case of private market investment funds and limited partnerships, on-going monitoring and compliance testing is performed by SBA staff through a variety of means, depending upon the structure of the investment. The SBA asset classes monitor investment guideline/strategy compliance, and SBA Risk Management and Compliance review annual manager certifications and assists to ensure complete acquisition documentation is in place prior to committing funds. The results of on-going monitoring of private market managers operational due diligence are regularly reviewed in collaboration with the asset classes on a quarterly basis or ad hoc as necessary. Limited partnership funds and general partner operational due diligence issues are escalated as necessary to the Enterprise Risk and Compliance Committee as appropriate. In addition, RMC external manager oversight staff and/or SBA investment consultants may conduct site visits or conduct conference calls with selected managers and general partners throughout the year.

# SBA's Non-Investment Management Responsibilities

## MyFRS Financial Guidance Program

The award-winning MyFRS Financial Guidance Program helps FRS members make an informed retirement plan choice, understand their plan, and prepare for retirement. The program provides all FRS members access to a variety of retirement planning services online, by phone, by chat, and in person at no cost.

**MyFRS.com** is the official FRS education website. The site is home to FRS plan choice information and personalized retirement planning applications, including the CHOICE SERVICE and the ADVISOR SERVICE. Members can enroll in the plan of their choice and manage their benefits via the portal's secure single-sign-on architecture.

**ChooseMyFRSplan.com** is home to the guided experience decision tool that assists all new hires, except Special Class members, in making a plan choice. This interactive video asks a few questions and suggests which plan may make the most sense based on the responses provided. The site includes people-like-me videos and access to helpful information and resources, such as an online retirement plan enrollment form.

**The toll-free MyFRS Financial Guidance Line** offers employees personalized and confidential assistance. Members can call to discuss their FRS options and retirement planning issues with experienced and objective financial planners from EY (formerly known as Ernst & Young) or with counselors from the Florida Division of Retirement.

**Educational workshops**, delivered both in person and online, are led by EY throughout Florida. Topics include FRS retirement plan choice, retirement planning, financial planning, education planning, insurance planning, cash and debt management, and estate planning. All workshops are available on MyFRS.com.

**Personalized choice statements and reminders** help new employees make an informed plan choice by their deadline. Additional materials covering FRS plan choice, retirement planning, and investing for retirement can be accessed through MyFRS.com and the MyFRS Financial Guidance Program.

## Plan Choice

New employees have eight months after their month of hire to choose either the FRS Investment Plan or the FRS Pension Plan. The FRS Investment Plan is a defined contribution plan. With its lower vesting requirement, it provides a portable retirement benefit. Statistics show that more than one-half of new FRS hires will leave their jobs before meeting the eight-year requirement to qualify for FRS Pension Plan benefits. The FRS Pension Plan, a defined benefit plan, offers formula-based pension benefits that are based on salary and years of service.

A Benefit Comparison Statement provides members with their Personal Identification Number, their plan choice deadline, and important information about their choice. The Benefit Comparison Statement directs employees to other helpful resources, such as ChooseMyFRSplan.com, the toll-free MyFRS Financial Guidance Line, and the online 1st Election CHOICE SERVICE that allows them to run personalized benefit comparisons.

Effective January 1, 2018, employees who do not make an active plan choice by their deadline are automatically enrolled in (defaulted to) the FRS Investment Plan, except employees who are in the Special Risk Class, who default to the FRS Pension Plan. Employees are given one 2nd Election opportunity during their active FRS career to change plans.

## Non-FRS Plan Assistance

The SBA provides prudent and cost-effective investment consulting to assist the Plan Administrators of the State of Florida Deferred Compensation Program (FDCP), the State University System Optional Retirement Program (SUSORP), and the Senior Management Service Optional Annuity Program (SMSOAP) in fulfilling their fiduciary responsibilities to select investment products.

## Corporate Governance

As part of the SBA's mission to invest, manage, and safeguard the assets of its various mandates, the SBA plays a vital role in supporting initiatives to ensure that public companies meet high standards of independent and ethical corporate governance. The SBA acts as a strong advocate on behalf of FRS members and beneficiaries, retirees, and other clients to strengthen shareowner rights and promote leading corporate governance practices at U.S. and international companies in which the SBA holds stock.

The SBA's governance philosophy encourages companies to adhere to responsible, transparent practices that correspond with increasing shareowner value and to appropriately consider the input of their shareowners. The SBA's corporate governance activities are focused on enhancing share value and ensuring that public companies are accountable to their shareowners with independent boards of directors, transparent disclosures, accurate financial reporting, and ethical business practices designed to protect the SBA's investments.

During fiscal year 2020-21, SBA staff cast votes at 10,174 companies worldwide, voting on ballot items including director elections, audit firm ratification, executive compensation plans, mergers & acquisitions, and a variety of other management and shareowner proposals. These votes involved 98,796 distinct voting items—voting 80.3% "For" and 16.6% "Against," with the remaining 3.1% involving abstentions. Of all votes cast, 17.5 % were "Against" the management-recommended-vote. SBA proxy voting was conducted across 76 countries, with the top five countries comprised of the United States (2,965 votes), China (1,523), Japan (893), United Kingdom (365), and India (330). The SBA actively engages portfolio companies throughout the year, addressing corporate governance concerns and seeking opportunities to improve alignment with the interests of our beneficiaries.

Engagement by investors can be a very effective way to advocate for positive changes and improve reporting by the companies in which the SBA invests. Improved corporate disclosures are a key objective of SBA engagement, as transparent and improved comparability can help all shareowners make better investment decisions. The SBA's corporate engagement activity addresses corporate governance concerns and seeks opportunities to improve alignment with the interests of our beneficiaries.

The SBA's Corporate Governance unit prepares a separate annual report detailing its activities and additional reports on corporate governance topics covering a wide range of shareowner issues. Historical information, including prior reports, can be found within the governance section of the SBA's website, available at [www.sbafla.com](http://www.sbafla.com).

## Corporate Officer/Trustee Services

By statute, the Executive Director of the SBA serves as the Chief Executive Officer of the Inland Protection Financing Corporation and the Florida Water Pollution Control Financing Corporation.

The CEO directs and supervises the administrative affairs and the operations of the two corporations. These two public purpose corporations work with the Department of Environmental Protection to finance underground petroleum tank cleanup projects and water pollution control project construction loans to local governments in Florida through the issuance of bonds. Employees of the SBA also serve as corporate officers and provide administrative support for the day-to-day operation of the corporations.

## Administrative Services

The SBA provides administrative support to the **Division of Bond Finance** and the **Florida Prepaid College Board** programs, including accounting, financial reporting, accounts receivable, accounts payable, cash management, facilities management, human resource management, purchasing, receiving, courier, mail room, copy center, and technology infrastructure support services. The SBA works very closely with each program, interacting on a daily basis to ensure timely, accurate performance. The SBA analyzes all services and costs on a biannual basis to determine their cost effectiveness, and modifies the fees it charges for these services, as appropriate. In both daily interactions and biannual reviews, the Division of Bond Finance and Florida Prepaid College Programs have expressed high levels of satisfaction with these services.

# Investment Policy Statements, Portfolio Guidelines and Trust Agreements

The State Board of Administration maintains Investment Policy Statements, Investment Portfolio Guidelines, and Trust Agreements for funds it manages. The purposes of these are to describe the role and control elements of investment activities. The following funds' guidelines were changed during Fiscal Year 2020-21:

- **Florida Retirement System Pension Plan**
- **Florida Retirement System Investment Plan**
- **Florida PRIME™**
- **Florida Department of Transportation Financing Corporation**

To view changes made during the fiscal year and all Investment Policy Statements, Investment Policy Guidelines, and Trust Agreements, please visit the Funds We Manage section of the SBA's website at [www.sbafla.com](http://www.sbafla.com).

# Florida Retirement System Pension Plan

## Overview and Investment Objective

The Florida Retirement System (FRS) Pension Plan, a defined benefit plan, is one of the largest public retirement plans in the U.S. At year-end, it comprised approximately 80% of total assets under SBA management. The FRS Pension Plan serves a working and retired membership base of nearly one million public employees.

The SBA follows statutory guidelines and a substantial body of internal policies and procedures in investing the FRS Pension Plan assets. It has a robust governance and control structure in place, utilizes a wide array of professional consultants and external analysts, and employs a highly qualified staff of investment professionals. In keeping with the SBA's commitment to disciplined investment management services, the Investment Advisory Council provides independent oversight of the FRS Pension Fund's general objectives, policies and strategies.

The Pension Plan's long-term financial health rests on three pillars: solid long-term investment performance, receipt of actuarially required annual contributions, and a reasonable benefit package.

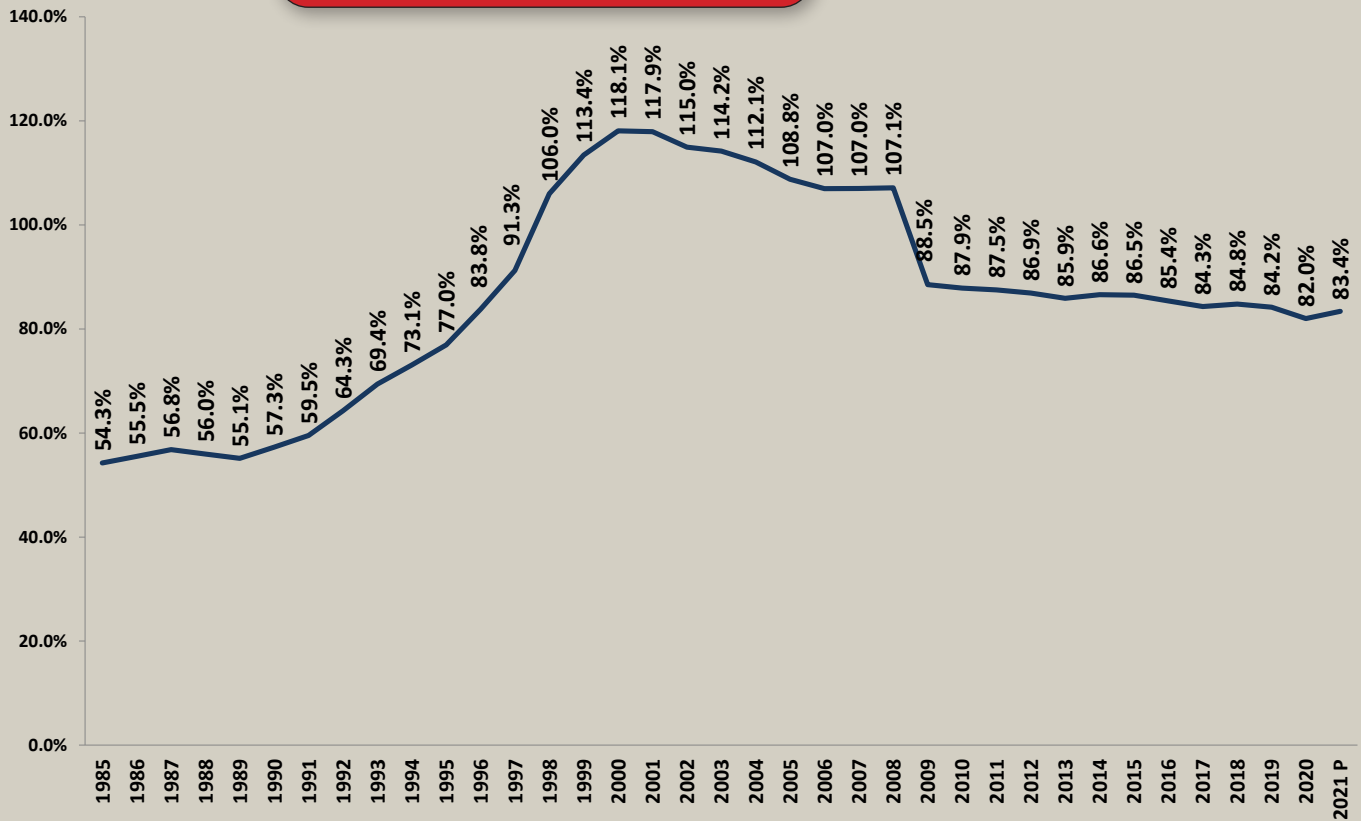
The SBA's commitment to obtaining solid long-term performance is vital to ensuring that the FRS Pension Plan continues to help participating retirees meet their financial goals. However, investment gains alone are not sufficient to maintain the fund's financial health. Annually determined actuarially sound rates of contribution into the fund are critical to ensure that the investment base is large enough to meet future Pension Plan benefit obligations. Contribution rates are set by the state legislature, along with plan structure and benefit levels. The Division of Retirement in the Department of Management Services administers the Pension Plan, directs actuarial studies, and makes benefit payments.

Historically, assigning funding and design responsibility to the legislature, benefit management to the Department of Management Services, and investment management to the SBA has proven to be a productive partnership, with approximately 60%+ paid to a retiree coming from investment gains, not from taxpayers or participants through contributions.

Chart 5 shows the funded ratio, a comparison of a pension fund's assets to its projected liabilities, of the Florida Retirement System Pension Plan. A funded ratio at or above 100% indicates that the fund is fully able to cover its accumulated benefit obligations.

During the 11 years ending in 2008, the Pension Fund enjoyed an actuarial surplus, meaning that it was ahead of schedule in building wealth in order to fund its future projected benefit payment obligations. This allowed contribution rates to be lower than normal. Actuarial deficits (a funded ratio below 100%) mean that the Fund has fewer assets than necessary to pay all current and projected accumulated benefit obligations. Actuaries agree that contributions should be higher than the normal cost level in order to pay down any projected deficit.



**CHART 5:****FRS Pension Plan - Funded Ratio as of  
June 30 of Year Indicated**

Source: SBA

P = Preliminary, final figure to be release in Fall 2021

## Performance

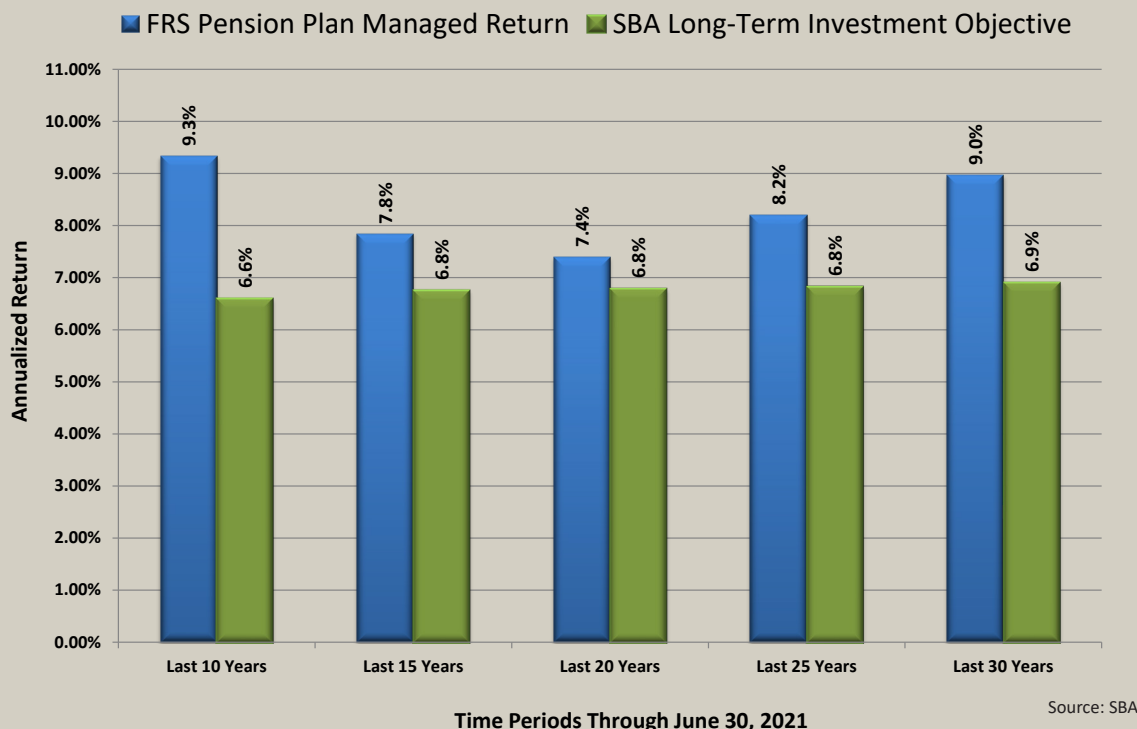
The SBA's investment policy objective for the FRS Pension Plan portfolio is to provide investment returns sufficient for the plan to be maintained in a manner that ensures the timely payment of promised benefits to current and future participants and to keep costs at a reasonable level, given actuarially required contributions. The SBA's long-term investment objective is to earn a compounded annualized return of 4.0% plus the rate of inflation.

This objective is derived from an asset/liability analysis of expected benefit growth, contribution levels, market performance, and a risk tolerance for the fund. Chart 6 compares the SBA’s actual return on Pension Plan assets to its investment objective of 4.0% real growth (inflation plus 4.0%) for the fund.

In addition to its investment objective for the Pension Plan, the SBA measures its investment performance relative to market-based benchmarks. Table 2 compares actual returns to the total fund benchmark for various periods ending June 30, 2021.

**CHART 6:**

**FRS Pension Plan - Long-Term Performance Results vs. SBA’s Investment Objective**



**The SBA’s actual returns on Pension Plan assets have met or exceeded the long-term investment objective of the fund for ALL periods.**

**TABLE 2:**

**FRS Pension Plan Actual Return vs. Benchmark**

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
One Year	29.46%	26.25%	3.21%
Three Years	12.34%	11.16%	1.18%
Five Years	11.95%	10.93%	1.02%
Ten Years	9.33%	8.39%	0.95%
Fifteen Years	7.85%	7.12%	0.72%

- All returns are annualized for periods indicated through June 30, 2021.
- Benchmark is a weighted blend of individual asset class target indices as applicable; weights and benchmarks are established in the FRS Pension Plan Investment Policy Statement.
- Numbers may not total due to rounding.

Source: SBA

Chart 7 provides the historical one-year returns earned by the Pension Plan.

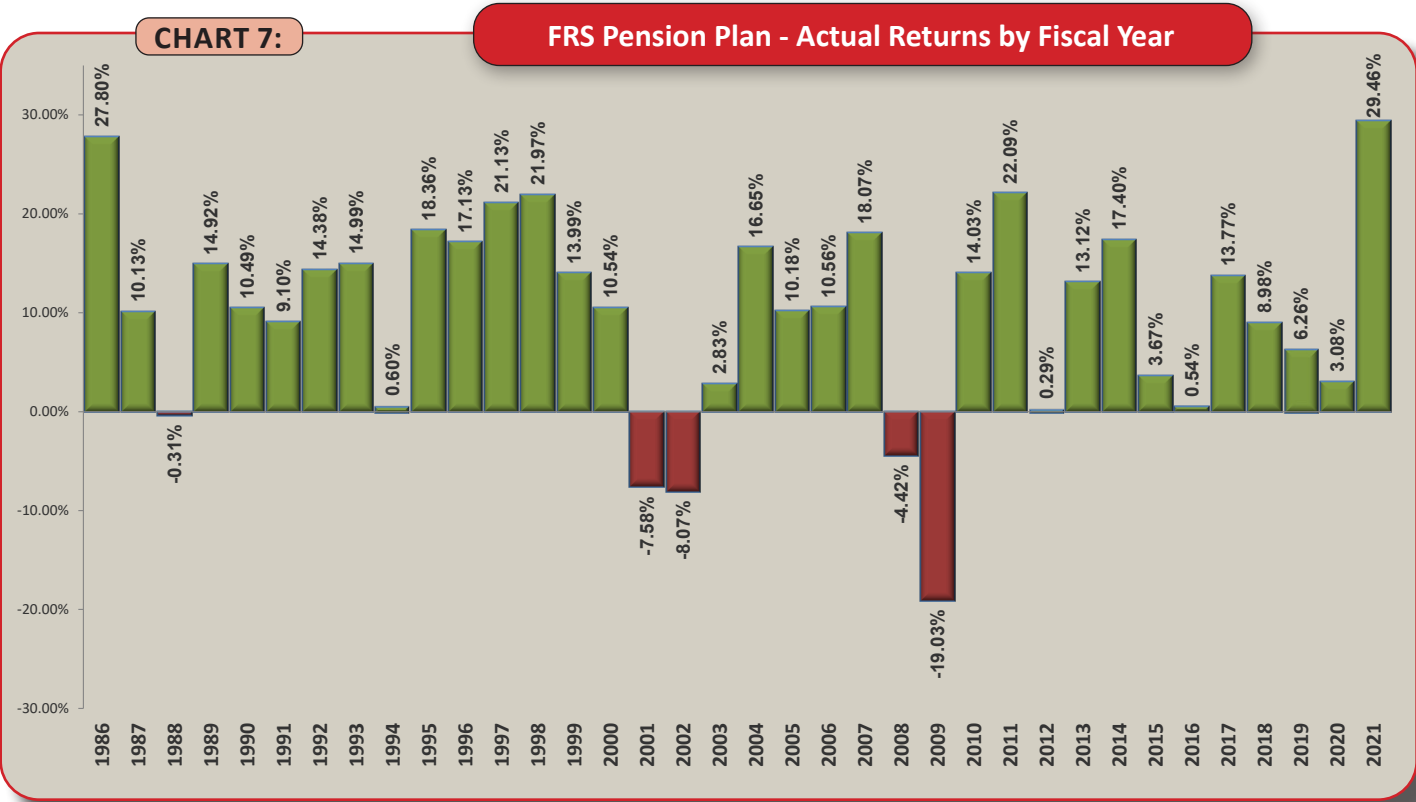
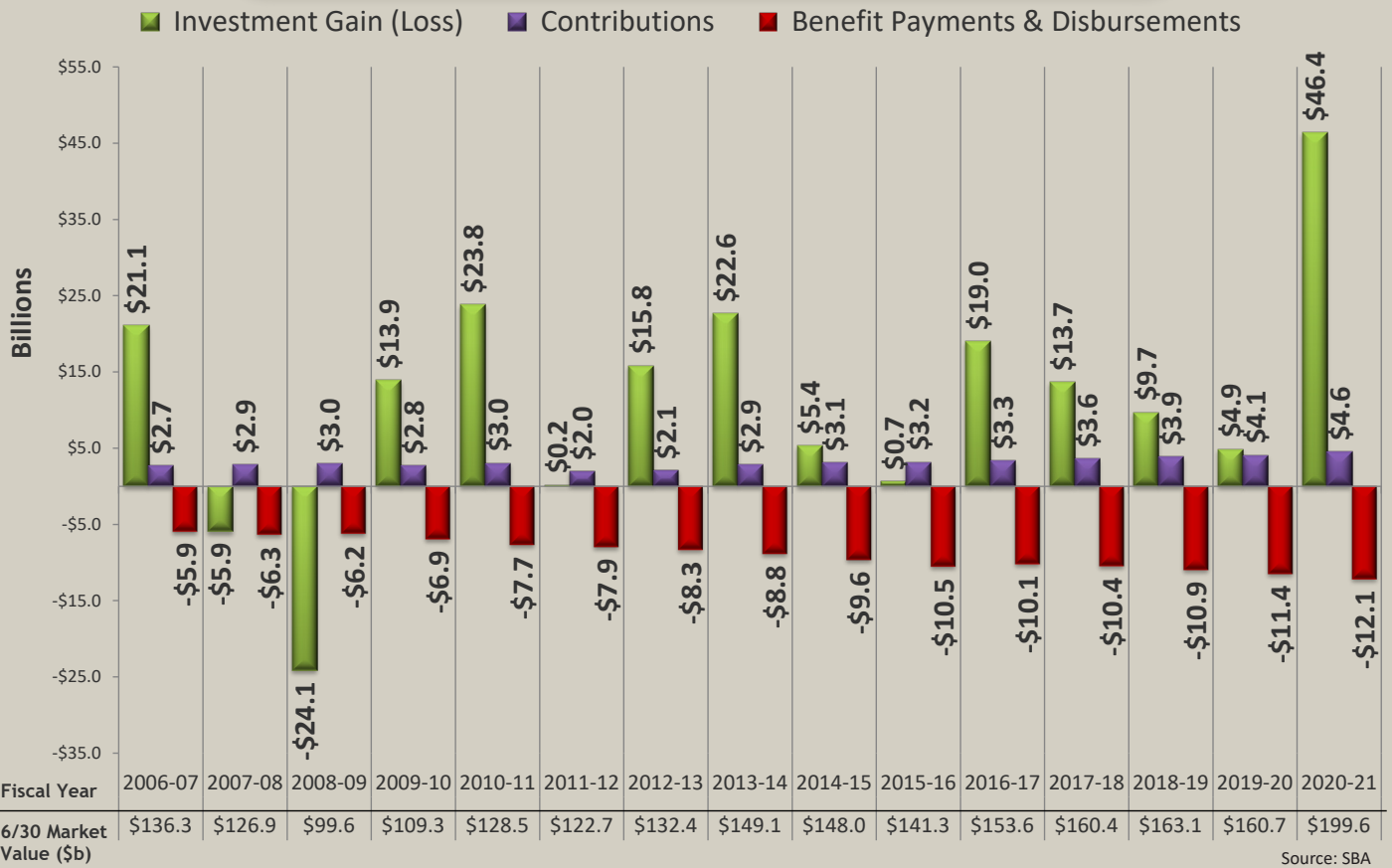


Chart 8 presents the key drivers of growth in the FRS Pension Plan’s asset base. Over the period shown, investment returns (green bars) have generally been positive. Benefit payments (the red bars falling downward, representing outflows) have grown steadily over the period. This is typical of a mature plan. Contributions into the fund (purple bars) represent approximately 1/3 of the total cost of benefits paid to participants, the remaining 2/3 are derived from investment earnings.

**CHART 8:**

**FRS Pension Plan - Annual Change in Total Fund Value by Source**



## Cost

Tables 3 and 4 present elements of the SBA's cost structure that have historically been of interest to stakeholders.

Chart 9 puts the cost-effectiveness of the Pension Plan into perspective. The chart compares the SBA's cost to those of similar-sized public retirement plans, selected by the independent firm CEM [Cost Effectiveness Measurement] Benchmarking Inc., as appropriate peer organizations.

**TABLE 3:**

### FRS Pension Plan - External Investment Management Fees for Fiscal Year 2020-21

Asset Class	Dollar Amount	Return Basis <sup>1</sup>
Global Equity	\$ 156,777,844	0.32%
Strategic Investments	211,039,278	1.35%
Fixed Income	10,010,483	0.09%
Real Estate	90,950,098	0.56%
Private Equity	162,843,030	1.19%
<b>Total</b>	<b>\$ 631,620,735</b>	<b>0.59%</b>

<sup>1</sup> Return Basis expresses external management fees as a percent of the average of the month-end net asset value of externally managed portfolios in each asset class (including month-ends from June 30, 2020 through June 30, 2021). This measure is comparable to an annual expense ratio.

• Numbers may not total due to rounding.

Source: SBA

**TABLE 4:**

### FRS Pension Plan - Net Brokerage Commissions for Fiscal Year 2020-21

Asset Class	Dollar Amount <sup>1</sup>
Global Equity <sup>2</sup>	\$ 24,146,105
Fixed Income	533,338
Real Estate	1,959,699
Strategic Investments	0
Private Equity	35,703
<b>Total</b>	<b>\$ 26,674,846</b>

<sup>1</sup> Brokerage commission amounts for the entire fiscal year are presented in the appropriate year-end asset class.

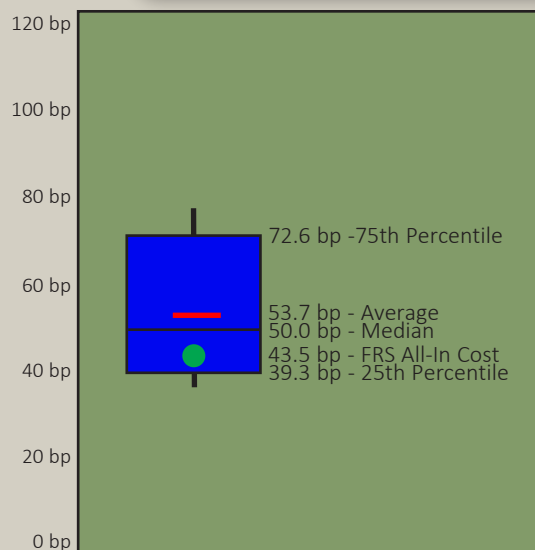
<sup>2</sup> The amount reported for the Global Equities asset class does not include broker commission amounts paid in commingled funds.

• Numbers may not total due to rounding.

Source: SBA

**CHART 9:**

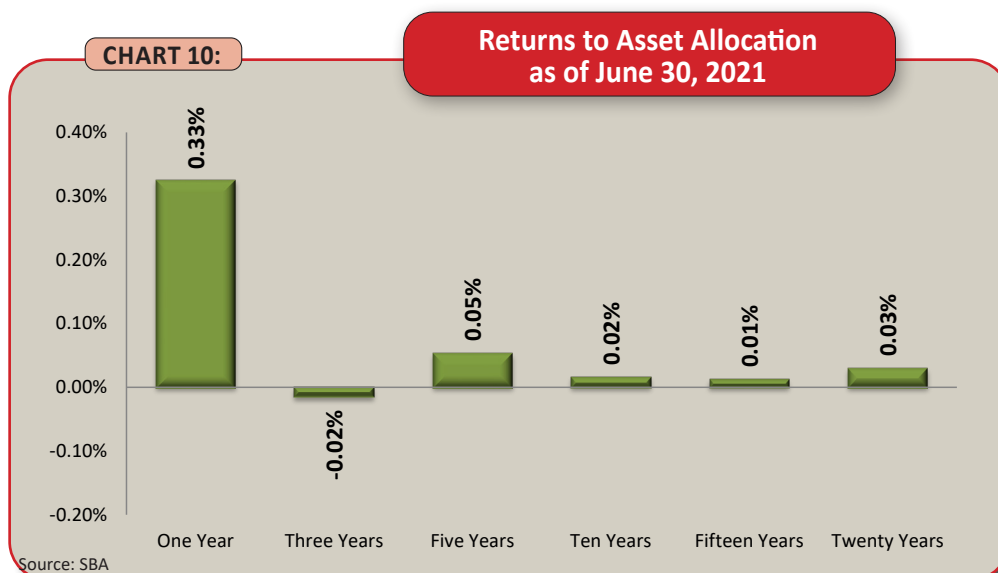
### FRS Pension Plan Cost Comparison All-In Calendar Year 2019 Costs Universe of 17 Large Public Pension Plans



Source: CEM Benchmarking Inc.

## Asset Allocation

Returns attributed to asset allocation arise from differences between asset class actual and target allocations as percentages of the Total Fund. During the 12-month period ending June 30, 2021, returns to asset allocation lagged the target return by 33 basis points. Longer term differences are shown in Chart 10.



## Asset Classes

The Pension Plan portfolio is currently divided into six asset classes: Global Equity, Fixed Income, Real Estate, Private Equity, Strategic Investments, and Cash Equivalents. Asset class performance is measured against a broad market index appropriate to the asset class. The indices identified in Table 5 are used as the primary benchmarks for the asset classes. The benchmarks provided in Table 5 were in effect on June 30, 2020.

**TABLE 5:** Authorized Target Indices as of June 30, 2021

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 nonresident 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 nonresident institutional investors, weighted at 10%.
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 & Cash Equivalents <sup>1</sup>	Bank of America Merrill Lynch 3-Month US Treasury Index

<sup>1</sup> Changed to the Bloomberg Barclays U.S. Treasury Bill: 1-3 Months Index in the subsequent fiscal year.

Source: SBA

**FRS Pension Plan - Returns by Asset Class  
for Periods Ending June 30, 2021**

**TABLE 6:**

		Actual Return	Benchmark Return	Actual Over (Under) Bmk.
Global Equity <sup>1</sup>	One Year	41.78%	40.95%	0.83%
	Three Years	14.94%	14.27%	0.67%
	Five Years	15.17%	14.57%	0.60%
	Ten Years	10.77%	9.95%	0.82%
	Fifteen Years	8.36%	7.68%	0.69%
Fixed Income	One Year	1.08%	0.05%	1.03%
	Three Years	4.84%	4.41%	0.42%
	Five Years	2.92%	2.53%	0.39%
	Ten Years	3.26%	2.87%	0.39%
	Fifteen Years	4.44%	4.10%	0.34%
Real Estate	One Year	8.58%	4.63%	3.96%
	Three Years	5.73%	4.60%	1.13%
	Five Years	6.62%	5.57%	1.05%
	Ten Years	9.97%	8.71%	1.26%
	Fifteen Years	6.95%	5.28%	1.67%
Private Equity <sup>2</sup>	One Year	67.93%	44.41%	23.52%
	Three Years	25.03%	16.10%	8.92%
	Five Years	21.78%	16.97%	4.81%
	Ten Years	16.05%	14.39%	1.66%
	Fifteen Years	12.52%	12.02%	0.51%
Strategic Investments	One Year	17.14%	15.96%	1.19%
	Three Years	7.21%	7.34%	(0.13%)
	Five Years	7.82%	7.04%	0.78%
	Ten Years	8.01%	6.33%	1.68%
Cash Equivalents	One Year	0.10%	0.08%	0.01%
	Three Years	1.30%	1.34%	(0.03%)
	Five Years	1.19%	1.17%	0.02%
	Ten Years	0.72%	0.61%	0.11%
	Fifteen Years	0.68%	1.19%	(0.51%)

<sup>1</sup> Global Equity became an asset class in July 2010. The historical return series prior to July 2010 was derived from the underlying Domestic, Foreign and Global Equities components.

<sup>2</sup> Per industry convention, Private Equity returns are presented on a dollar-weighted basis.

• Numbers may not total due to rounding.

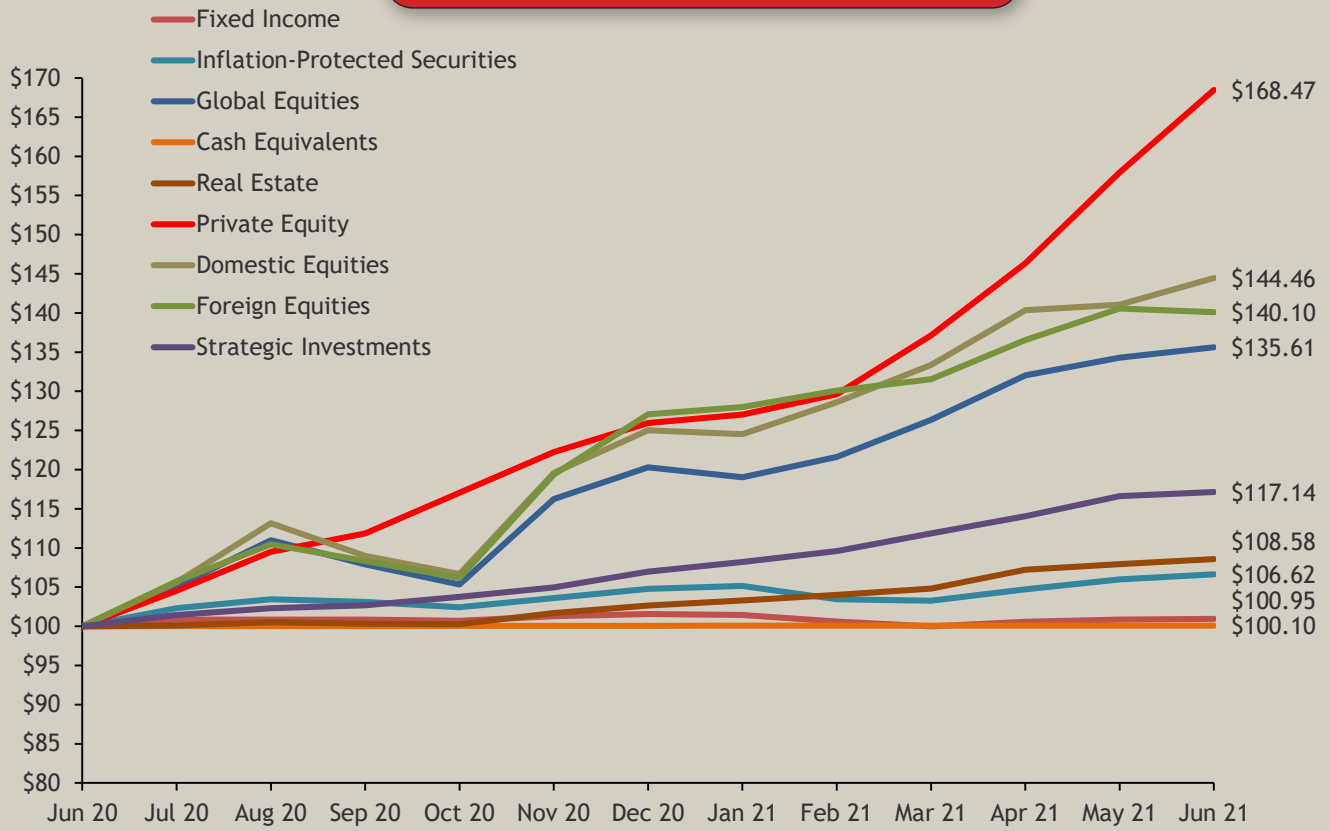
Source: SBA

**SBA CONTRACTS WITH PRIVATE EQUITY PARTNERSHIPS REQUIRE THE FOLLOWING DISCLOSURE:**

- Because of the long-term nature of investing in private equity, funds can produce low or negative returns in the early years of the partnership. In the first few years of the partnership, management fees are drawn from partner's capital, and portfolio companies are held at cost, leading to a potential understatement of ultimate value.
- Due to numerous factors, including limited valuation and reporting standards, the return information for private equity in this report may not reflect the expected return of the partnerships. The returns contained in this report are calculated by the SBA or its agent and have not been reviewed by the general partners.
- Interim returns may not be meaningful or indicative of ultimate performance during the early stages of the investment life cycle.

**CHART 11:**

### Asset Class Net Investment Gains Growth of \$100 Invested During FY 2020-21



Source: SBA

Based on FRS Pension Plan asset class returns except that Inflation-Protected Securities is based on that class in the Lawton Chiles Endowment Fund.

**TABLE 7:**

### FRS Pension Plan - Change in Market Value for Fiscal Year 2020-21

	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
Global Equity	\$ 86,914,257,838	\$ (11,514,721,910)	\$ 34,757,045,848	\$ 110,156,581,775
Fixed Income	29,334,978,007	4,941,955,564	274,387,363	34,551,320,934
Real Estate	15,629,056,067	(151,006,740)	1,343,642,868	16,821,692,195
Private Equity	11,615,815,740	(1,747,431,626)	7,471,472,888	17,339,857,003
Strategic Investments	14,347,154,068	1,177,422,943	2,609,559,099	18,134,136,110
Cash/Short-Term Securities <sup>1</sup>	2,872,941,983	(242,247,730)	(33,783,885)	2,596,910,368
<b>Total FRS Pension Plan</b>	<b>\$ 160,714,203,703</b>	<b>\$ (7,536,029,498)</b>	<b>\$ 46,422,324,180</b>	<b>\$ 199,600,498,385</b>

<sup>1</sup> The investment gain (loss) reported for the Cash/Short-Term Securities asset class includes \$39,431,195 in SBA investment service charges and other fees paid in one cash expense account on behalf of the entire FRS Pension Plan. Excluding these expenses, the reported investment gain (loss) would have been a positive \$5,647,309.

• Numbers may not total due to rounding.

Source: SBA



## Passive vs Active Investing

There are two primary approaches to investment management, passive and active investing. Passive managers construct their portfolios to closely approximate the performance of well-recognized market indices such as the Russell 1000 Index (large U.S. companies), Russell 3000 Index (large & small U.S. companies), or MSCI World ex-US Investable Market Index (international companies). Passive investing typically has the lowest management costs. Additional savings may be realized when these portfolios are managed internally. Active managers select specific investments and build portfolios with the goal of beating the return of a benchmark index. Active investing, because of research and time requirements, tends to be more costly.

The SBA employs an active investment strategy where the probability of being paid for assuming the increased cost and risk of active investing is greatest. Conversely, where there is the least likelihood to outperform market indices, the SBA tends to passively invest and save management costs associated with active management. One of the SBA's historical strengths has been operating at a very low cost. The SBA's size and significant proportion of passive investments are contributors to the SBA's cost advantage.

Table 8 shows internal versus external management and the passive versus active management of the funds' resources.

**TABLE 8:**

### Total Fund and Asset Class Allocation as of June 30, 2021

Asset Class	Active (%)	Passive (%)	Internal (%)	External (%)	% of Total
Cash	88.5%	15.5%	100.0%	0.0%	1.3%
Fixed Income	57.0%	43.0%	61.8%	38.2%	17.3%
Global Equity	49.4%	50.6%	51.9%	48.1%	55.2%
Private Equity	100.0%	0.0%	0.0%	100.0%	8.7%
Real Estate	100.0%	0.0%	60.3%	39.7%	8.4%
Strategic Investments	100.0%	0.0%	0.0%	100.0%	9.1%
<b>Total Fund</b>	<b>64.5%</b>	<b>35.5%</b>	<b>45.7%</b>	<b>54.3%</b>	<b>100.0%</b>

Asset Class	Active (\$m)	Passive (\$m)	Internal (\$m)	External (\$m)	Total (\$m)
Cash	\$ 2,300	\$ 297	\$ 2,597	\$ 0	\$ 2,597
Fixed Income	19,699	14,853	21,351	13,201	34,551
Global Equity	54,435	55,721	57,146	53,011	110,157
Private Equity	17,340	0	0	17,340	17,340
Real Estate	16,822	0	10,151	6,670	16,822
Strategic Investments	18,134	0	1	18,133	18,134
<b>Total Fund</b>	<b>\$ 128,792</b>	<b>\$ 70,871</b>	<b>\$ 91,245</b>	<b>\$ 108,355</b>	<b>\$ 199,600</b>

Fixed Income: Includes STIPFRS Reserve Liquidation Account and Fixed Income Liquidity Portfolio.

Global Equity: Includes Global Equity Liquidity Portfolio and the Cash Equitization Portfolio.

Cash: Includes Securities Lending Account, Total Fund STIPFRS NAV Adjustment Account and the collateral accounts.

• Numbers may not total due to rounding.

Source: SBA

## Portfolios by Asset Class

The following tables show the beginning and ending market values for each individual Pension Plan portfolio, together with net contributions and transfers, and investment gain or loss. The portfolios are grouped into separate tables by asset class.

**FRS Pension Plan - Global Equity**  
**Change in Market Value for Fiscal Year 2020-21**

**TABLE 9:**

Account Name	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
<b>Domestic Equity</b>				
- AJO, LP <sup>2</sup>	\$ 722,303,495	\$ (771,187,195)	\$ 48,883,834	\$ 134
- Acuitas	218,987,592	(48,833)	186,527,529	405,466,287
- AQR R2000 Equity <sup>3</sup>	0	(30,731)	30,731	0
- Avatar R1000 Index Fund	17,815,394,162	(199,647,962)	7,727,426,230	25,343,172,430
- BMO Large Cap Core <sup>1</sup>	0	873,346,087	85,708,641	959,054,728
- BMO US Large Cap Growth <sup>2</sup>	927,699,658	(1,111,706,311)	184,006,653	0
- BMO US Small Cap Value	133,956,994	0	93,514,385	227,471,379
- Delta	149,355,362	(19,958,526)	88,429,834	217,826,670
- Fisher Investments	170,467,050	(59,920,417)	115,884,700	226,431,333
- Los Angeles Capital	159,598,941	(25,491,962)	83,379,665	217,486,643
- Mondrian US Small Cap Equity	132,307,038	0	59,988,126	192,295,163
- Nova Portfolio	6,724,738,048	(1,244,310,126)	2,828,941,093	8,309,369,016
- PanAgora Asset Management	162,421,771	(20,054,457)	93,046,268	235,413,581
- Phoenix Portfolio	13,464,427,552	(3,033,890,802)	5,569,263,027	15,999,799,777
- Quantitative Management Associates <sup>2</sup>	590,028,776	(896,066,227)	306,037,451	0
- Seneca	108,940,878	0	69,127,837	178,068,715
- Silvercrest Asset Management	174,681,418	(49,849,354)	132,851,344	257,683,408
- Smith Asset Management Large Cap Enhanced <sup>2</sup>	824,606,868	(993,654,523)	169,047,655	0
- Smith Large Cap Core <sup>1</sup>	0	776,189,512	73,068,822	849,258,334
- Stephens Investment Management Group	179,806,751	(25,362,360)	71,323,350	225,767,741
- Vaughan Nelson Investment Management	165,562,729	(19,531,601)	101,658,340	247,689,468
- Wellington PPC <sup>1</sup>	0	418,828,552	31,581,768	450,410,319
<b>Total Domestic Equity</b>	<b>\$ 42,825,285,082</b>	<b>\$ (6,402,347,238)</b>	<b>\$ 18,119,727,283</b>	<b>\$ 54,542,665,127</b>
<b>Foreign Equity</b>				
- Aberdeen Asset Management <sup>3</sup>	\$ 4,554,624	\$ (5,240,667)	\$ 713,312	\$ 27,269
- Aberdeen Frontier Markets <sup>2</sup>	88,550,584	(106,857,351)	18,752,352	445,585
- Acadian Asset Management	1,583,424,963	(252,200,717)	670,929,010	2,002,153,255
- Acadian Asset Management Inc.	880,626,796	(91,000,000)	422,217,196	1,211,843,993
- Alliance Bernstein	1,079,242,030	0	425,337,111	1,504,579,141
- AQR Capital Management Small Cap <sup>2</sup>	336,466,390	(423,654,214)	88,941,982	1,754,158
- AQR Capital Mgt. Emerging Markets Small Cap	234,773,232	(12,000,000)	154,660,134	377,433,366
- Artisan Partners	1,802,122,369	(200,000,000)	412,965,508	2,015,087,877
- Ballie Gifford Overseas Limited	1,782,492,320	(445,591,341)	860,140,827	2,197,041,806
- BlackRock China A Shares	133,632,625	28,500,000	64,561,891	226,694,516
- BlackRock Emerging Markets Index Plus <sup>3</sup>	480,177	(253,308)	(20,385)	206,484
- BlackRock Global Inv. Index Plus	2,926,455,982	(1,268,000,000)	899,772,390	2,558,228,372
- BlackRock Global Inv. Small Cap Strategy	1,254,572,206	(616,000,000)	468,779,348	1,107,351,554
- BlackRock Global Inv. World Ex-US	2,076,610,240	(1,294,696,051)	463,700,993	1,245,615,182
- BlackRock Global Inv. World Ex-US Alpha Tilts	1,499,372,890	0	536,537,786	2,035,910,676
- Clarivest International Small Cap <sup>1</sup>	0	412,547,337	49,299,014	461,846,351
- Dimensional Fund Advisors <sup>2</sup>	288,413,739	(379,128,256)	92,322,042	1,607,525
- Dimensional Fund Advisors Emerging Markets <sup>3</sup>	314,698	(16,222)	(96,830)	201,646
- Eastspring Investments <sup>1</sup>	0	439,507,991	157,884,992	597,392,983
- Epoch Investment Partners <sup>3</sup>	78,770	(148)	5,060	83,682
- Fidelity Institutional <sup>3</sup>	199,016	(6,035)	12,055	205,035
- First Sentier Frontier Markets <sup>2,5</sup>	84,231,220	(80,719,755)	6,975,394	10,486,859
- Foreign Equity Internal Active Tax Reclaim	1,176	0	66	1,242
- Franklin Templeton Small Cap <sup>3</sup>	627,910	(1,932)	36,562	662,539
- Genesis Emerging Markets	945,802,440	0	382,240,115	1,328,042,555
- Global Alpha <sup>1</sup>	0	405,969,057	32,699,193	438,668,250
- GMO	1,202,543,883	0	477,330,817	1,679,874,700
- HSBC Global Frontier Markets <sup>2</sup>	113,856,788	(123,455,546)	9,598,758	0
- Investec	842,544,334	(125,000,000)	369,727,606	1,087,271,940

Continued on next page

Account Name - continued	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
- M&G Investment Management <sup>3</sup>	2,496	(2,760)	264	0
- Mondrian Investment Partners Ltd.	878,668,609	(100,000,000)	393,919,896	1,172,588,504
- Mondrian Investment Partners Small Cap	415,249,938	(101,735,593)	158,199,563	471,713,909
- Morgan Stanley Investment Management	1,913,180,234	(175,000,000)	499,860,250	2,238,040,484
- Numeric Investors	327,451,808	0	137,425,386	464,877,194
- Principal Global Investors- FE	406,924,276	(80,426,364)	148,774,010	475,271,922
- Robeco Institutional Asset Management	856,825,173	(22,000,000)	356,359,780	1,191,184,953
- Somerset Capital	893,870,152	(109,997,403)	358,802,258	1,142,675,006
- Sophus Capital	866,510,236	(85,000,000)	403,018,486	1,184,528,722
- Sprucegrove Investment Management	1,351,492,826	0	612,748,892	1,964,241,719
- State Street Global Advisors EM Sm Cap	211,189,892	0	127,179,395	338,369,287
- Templeton Investment Counsel LLC <sup>2</sup>	957,657,220	(982,188,893)	31,564,043	7,032,370
- TS&W Florida Retirement System	423,838,107	(101,236,716)	168,479,835	491,081,226
- TSW International <sup>1</sup>	0	1,182,110,804	371,234,598	1,553,345,401
- Walter, Scott & Partners, Ltd.	2,155,206,726	(584,401,421)	617,387,580	2,188,192,884
- Wellington Emerging Markets Small Cap	240,592,720	0	138,607,705	379,200,425
- Wells Capital Management Emerging Markets	1,031,612,447	(249,720,918)	390,101,882	1,171,993,412
- Wells Fargo International Small Cap <sup>1</sup>	0	398,544,983	42,581,804	441,126,788
- William Blair	470,140,910	(173,208,740)	170,902,008	467,834,177
- William Blair & Company, LLC	966,710,078	(267,337,099)	464,596,120	1,163,969,099
- William Blair China A Shares	153,418,533	2,000,000	80,647,730	236,066,263
- William Blair Emerging Markets Small Cap	281,333,714	(40,007,705)	132,879,934	374,205,943
<b>Total Foreign Equity</b>	<b>\$ 33,963,867,496</b>	<b>\$ (5,626,904,983)</b>	<b>\$ 12,871,295,716</b>	<b>\$ 41,208,258,229</b>
<b>Dedicated Global Equity</b>				
- Atlas Portfolio	\$ 2,227,707,829	\$ (5,002,956)	\$ 881,719,138	\$ 3,104,424,011
- Epoch Investment Partners Global	1,267,912,647	0	405,260,069	1,673,172,716
- Franklin Templeton <sup>3</sup>	0	(3,324)	3,324	0
- Hexavest Inc. <sup>3</sup>	1,597,390	(135,582)	81,390	1,543,198
- Intech Investment Management	1,160,647,736	0	434,443,638	1,595,091,375
- MFG Asset Management	1,551,383,172	100,841,274	350,906,789	2,003,131,235
- Schiehallion Fund	252,942,515	0	103,086,000	356,028,515
- Schroders Investment Management	1,302,886,898	98,861,954	628,111,579	2,029,860,432
- Sinensis	1,133,694,854	291,010,083	492,508,791	1,917,213,728
- Trilogy Global Advisors <sup>3</sup>	645,638	(33,016)	65,167	677,789
<b>Total Dedicated Global Equity</b>	<b>\$ 8,899,418,680</b>	<b>\$ 485,538,432</b>	<b>\$ 3,296,185,886</b>	<b>\$ 12,681,142,998</b>
<b>Currency Overlay</b>				
- CIBC Global Managed	\$ 1,127,081	\$ (23,427,061)	\$ 24,325,725	\$ 2,025,744
- P/E Global Managed	(222,071)	23,566,968	(22,859,222)	485,675
- Record Managed	(4,134,639)	(4,855,538)	11,236,363	2,246,186
<b>Total Currency Overlay</b>	<b>\$ (3,229,629)</b>	<b>\$ (4,715,631)</b>	<b>\$ 12,702,865</b>	<b>\$ 4,757,605</b>
<b>Other</b>				
- BlackRock Transition <sup>4</sup>	\$ 0	\$ 0	\$ 0	\$ 0
- Cash Equitization Portfolio	3	43,000,000	11,366,354	54,366,357
- Citigroup Global Transition	64,271	(18,153,187)	18,177,474	88,558
- Domestic Equity Asset Class Transition	50,610	(754,619)	706,758	2,750
- Global Equity Cash	1,572,092	(12,180,088)	11,061,582	453,587
- Global Equity Cash Expense	0	2,319,960	(2,319,960)	0
- Global Equity Liquidity Portfolio	1,227,094,894	(1,000,000)	438,350,741	1,664,445,635
- Global Equity Policy Transition Portfolio 1	0	(69)	69	0
- Global Equity Policy Transition Portfolio 2	0	(5,232)	5,232	0
- Global Equity Policy Transition Portfolio 3 <sup>4</sup>	0	0	0	0
- Global Equity Suspended Asset Account	17	3,325,528	(3,268,379)	57,165
- Global Equity Transition Account 1	134,320	10,395,874	(10,186,435)	343,759
- Pavilion Transition <sup>1</sup>	0	6,759,344	(6,759,339)	5
<b>Total Other</b>	<b>\$ 1,228,916,209</b>	<b>\$ 33,707,510</b>	<b>\$ 457,134,098</b>	<b>\$ 1,719,757,816</b>
<b>Total Global Equity</b>	<b>\$ 86,914,257,838</b>	<b>\$ (11,514,721,910)</b>	<b>\$ 34,757,045,848</b>	<b>\$ 110,156,581,775</b>

<sup>1</sup> Account opened during the fiscal year.

<sup>2</sup> Strategy terminated during the fiscal year. Balances reflect residual activity.

<sup>3</sup> Strategy terminated in a prior fiscal year. Residual activity occurred in the current fiscal year.

<sup>4</sup> Account inactive during the fiscal year.

<sup>5</sup> Account name changed from "First State Frontier Markets" to "First Sentier Frontier Markets" during the fiscal year.

• Numbers may not total due to rounding.

Source: SBA

TABLE 10:

### FRS Pension Plan - Fixed Income Change in Market Value for Fiscal Year 2020-21

Account Name	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
<b>Aggregate:</b>				
- Active Core	\$ 6,367,420,040	\$ 26,200,000	\$ 31,115,786	\$ 6,424,735,825
- Amundi Pioneer Investments	2,467,356,649	500,000,000	102,062,354	3,069,419,003
- BlackRock Core Bond Enhanced Index	2,706,984,280	0	29,368,933	2,736,353,213
- Investment Grade AA Account	68,010,564	0	1,077,618	69,088,182
- Lord Abbett	504,029,023	1,065,300,000	32,450,113	1,601,779,136
- Neuberger Berman Core	2,050,578,723	600,000,000	33,928,474	2,684,507,197
- PGIM Core Plus	1,384,796,186	200,002,555	36,965,396	1,621,764,138
- Prudential Conservative Core <sup>1</sup>	1,245	(2,555)	1,310	0
- Taplin, Canida & Habacht	1,475,726,095	0	11,132,953	1,486,859,048
<b>Government/Corporate:</b>				
- Fixed Income Gov't./Corp. Passive Account	7,498,518,304	1,201,500,000	16,460,983	8,716,479,287
<b>Mortgage:</b>				
- Fixed Income MBS Passive	3,676,392,096	776,900,000	6,267,802	4,459,559,898
<b>Other:</b>				
- Fixed Income Cash Expense Account	0	305,597	(305,597)	0
- Fixed Income Liquidity Portfolio	1,130,641,172	573,000,000	(26,943,785)	1,676,697,388
- Fixed Income Transition <sup>2</sup>	0	0	0	0
- Fixed Income Transition II <sup>2</sup>	0	0	0	0
- STIPFRS Reserve Liquidation Fund	4,523,630	(1,250,032)	805,022	4,078,619
<b>Total Fixed Income</b>	<b>\$ 29,334,978,007</b>	<b>\$ 4,941,955,564</b>	<b>\$ 274,387,363</b>	<b>\$ 34,551,320,934</b>

<sup>1</sup> Strategy terminated during the prior fiscal year. Remaining balances reflect residual activity.

<sup>2</sup> Account inactive during the fiscal year.

• Numbers may not total due to rounding.

Source: SBA

TABLE 11:

### FRS Pension Plan - Private Equity Change in Market Value for Fiscal Year 2020-21

Account Name	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
<b>Partnerships:</b>				
- Accel-KKR Capital Partners V, L.P.	\$ 26,461,707	\$ (415,646)	\$ 20,625,639	\$ 46,671,701
- Accel-KKR Capital Partners VI, L.P.	0	2,258,815	(1,208,502)	1,050,314
- Accel-KKR Growth Capital Partners II, L.P.	16,194,977	(8,881,654)	15,889,230	23,202,553
- Advent International GPE VI	6,873,478	(3,279,489)	2,186,777	5,780,766
- Advent International GPE VII, L.P.	55,018,582	(14,535,462)	25,473,790	65,956,911
- Advent International GPE VIII, L.P.	147,462,706	(50,419,871)	149,329,264	246,372,099
- Advent International GPE IX, L.P.	33,291,256	14,649,098	44,284,528	92,224,882
- American Industrial Partners Capital Fund VI, L.P.	52,098,503	(13,244,548)	15,983,800	54,837,755
- American Industrial Partners Capital Fund VII, L.P.	2,274,589	27,667,756	1,885,685	31,828,030
- Apollo Investment Fund VIII, L.P.	134,613,040	(64,308,281)	59,494,935	129,799,693
- Apollo Investment Fund IX, L.P.	43,177,734	36,053,075	23,931,565	103,162,374
- Arbor Debt Opportunities II, L.P. <sup>1</sup>	0	77,407	(77,407)	0
- Arbor Investment Fund V <sup>1</sup>	0	76,682	(76,682)	0
- Ardian LBO Fund VI, L.P.	93,999,700	(18,771,160)	19,801,299	95,029,839
- Ares Corporate Opportunities Fund III, L.P.	7,201,107	(9,150,119)	8,821,830	6,872,818
- Ares Corporate Opportunities Fund IV, L.P.	124,757,620	(84,451,982)	74,477,266	114,782,904
- Ares Corporate Opportunities Fund V, L.P.	154,607,959	(1,955,288)	20,942,722	173,595,393
- ASF VI, L.P.	33,180,251	(19,803,340)	7,333,044	20,709,955
- ASF VII, L.P.	84,659,053	(31,458,550)	22,596,461	75,796,964
- ASF VIII, L.P.	39,767,278	(54,585)	22,404,437	62,117,130
- Asia Alternatives FL Investor, L.P.	195,586,893	(9,521,464)	75,527,661	261,593,090
- Asia Alternatives FL Investor II, LLC	115,723,485	74,058,841	55,087,671	244,869,997
- Asia Alternatives FL Investor III, LLC	22,636,635	(1,414,593)	4,863,338	26,085,380
- Atlas Capital Resources II, L.P.	18,298,138	(3,531,825)	2,667,080	17,433,392
- Atlas Capital Resources III, L.P.	12,936,814	9,939,374	2,955,987	25,832,175
- Atlas Capital Resources IV, L.P. <sup>1</sup>	0	80,372	(80,372)	0
- AXA LBO Fund V, L.P.	28,550,606	(5,771,260)	999,428	23,778,774
- AXA Secondary Fund V, L.P.	739,381	0	(92,313)	647,068

Account Name - continued	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
- Blackstone Capital Partners VI, L.P.	98,230,972	(40,772,690)	66,823,103	124,281,386
- Blackstone Capital Partners VII, L.P.	168,580,404	(5,877,762)	55,862,334	218,564,975
- Blackstone Capital Partners VIII, L.P.	(148,911)	12,936,348	(514,280)	12,273,157
- Carlyle Asia Growth Partners IV, L.P.	12,482,952	(2,760,145)	(214,085)	9,508,722
- Carlyle Partners VI, L.P.	113,204,392	(34,972,785)	81,503,585	159,735,192
- Carlyle Partners VII, L.P.	33,849,677	20,659,807	10,665,716	65,175,200
- Carnelian Energy Capital II, L.P.	14,862,327	5,234,018	1,901,433	21,997,778
- Carnelian Energy Capital III, L.P.	539,979	27,971,022	(1,374,396)	27,136,605
- Charlesbank Equity Fund VII, L.P.	23,147,129	(21,371,867)	19,149,072	20,924,334
- Charlesbank Equity Fund VIII, L.P.	64,231,660	(19,852,021)	12,579,291	56,958,930
- Charlesbank Equity Fund IX, L.P.	33,455,211	26,318,985	18,646,172	78,420,368
- Charlesbank Equity Fund X, L.P. <sup>1</sup>	0	109,056	(109,056)	0
- Charlesbank Fund IX Overage Allocation Program	12,942,590	(508,749)	6,232,161	18,666,002
- Charlesbank Equity Overage Fund X, L.P. <sup>1</sup>	0	9,483	(9,483)	0
- Cortec Group V, L.P.	8,210,246	(20,580,457)	21,090,909	8,720,698
- Cortec Group VI, L.P.	73,445,416	4,348,933	(1,136,219)	76,658,130
- Cressey & Company Fund IV, L.P.	495,032	(439,115)	1,371,574	1,427,491
- Cressey & Company Fund V, L.P.	80,559,943	(49,244,284)	60,675,503	91,991,162
- Cressey & Company Fund VI, L.P.	26,495,502	23,500,000	16,657,560	66,653,062
- Cressey & Company Overage Fund VI, L.P.	3,847,689	3,000,000	2,864,755	9,712,444
- CVC Capital Partners VI, L.P.	89,594,309	(7,523,559)	20,374,593	102,445,342
- CVC Capital Partners VII, L.P.	55,434,157	15,913,652	20,772,210	92,120,019
- CVC Capital Partners VIII, L.P. <sup>1</sup>	0	98,901	(98,901)	0
- CVC European Equity Partners V, L.P.	8,358,102	(8,852,038)	4,679,631	4,185,695
- DCP Capital Partners II, L.P. <sup>1</sup>	0	39,481	(39,481)	0
- DCPF VI Oil and Gas Coinvestment Fund, L.P.	4,908,412	(3,114,400)	37,281	1,831,293
- Denham Commodity Partners Fund VI, L.P.	49,573,694	224,537	(329,018)	49,469,212
- Denham Oil & Gas Investment Fund, L.P.	22,746,518	20,083,112	14,242,626	57,072,256
- Denham Oil & Gas Investment Fund II, L.P. <sup>2</sup>	0	0	0	0
- EnCap Energy Capital Fund VIII, L.P.	10,059,544	1,308,785	7,068,264	18,436,594
- EnCap Energy Capital Fund IX, L.P.	18,464,743	(1,388,860)	11,841,213	28,917,096
- EnCap Energy Capital Fund X, L.P.	57,680,116	(7,578,267)	23,224,558	73,326,408
- EnCap Energy Capital Fund XI, L.P.	17,813,047	13,083,968	829,698	31,726,713
- EnCap Flatrock Midstream Fund III, L.P.	38,491,116	(842,388)	2,820,993	40,469,721
- EnCap Flatrock Midstream Fund IV, L.P.	23,212,522	3,439,800	2,042,698	28,695,020
- Energy & Minerals Group Fund III, L.P.	40,894,623	0	(1,405,803)	39,488,820
- Energy Capital Partners II, L.P.	3,959,106	0	2,429,492	6,388,598
- Energy Capital Partners III, L.P.	128,389,938	(50,393,344)	28,137,219	106,133,813
- EnerVest Energy Fund XII-A, L.P.	272,225	0	(49,352)	222,873
- EnerVest Energy Institutional Fund XIV-A, L.P.	34,965,514	(8,221,911)	25,243,954	51,987,557
- Equistone Partners Europe Fund V, L.P.	65,601,465	(16,449,402)	28,243,598	77,395,661
- Equistone Partners Europe Fund VI, L.P.	29,772,028	11,775,054	13,125,097	54,672,179
- European Private Equity Opportunities I, L.P.	15,494,133	16,256,009	3,905,978	35,656,120
- European Private Equity Opportunities II, L.P.	0	6,586,875	(1,218,276)	5,368,600
- Fairview Special Opportunities Fund, L.P.	316,867,740	(111,489,288)	302,906,726	508,285,178
- Fairview Special Opportunities Fund II, L.P.	111,241,392	(6,175,823)	133,601,325	238,666,894
- Falfurrias Capital Partners IV, L.P.	18,350,856	27,540,000	13,344,272	59,235,128
- First Reserve Fund XI, L.P.	78,416	(1,120,830)	1,042,415	1
- First Reserve Fund XII, L.P.	21,765,930	(1,538,277)	(9,159,041)	11,068,612
- Francisco Partners III, L.P.	54,399,226	(43,026,165)	47,749,509	59,122,570
- Francisco Partners IV, L.P.	90,993,325	(29,073,657)	94,683,257	156,602,925
- Francisco Partners V, L.P.	42,246,371	29,062,500	22,304,238	93,613,109
- Francisco Partners VI, L.P. <sup>1</sup>	0	11,326,047	(426,143)	10,899,904
- FS Equity Partners VI, L.P.	27,177,687	(22,215,124)	24,605,097	29,567,660
- FS Equity Partners VII, L.P.	91,158,876	(29,490,756)	27,932,715	89,600,835
- FS Equity Partners VIII, L.P.	25,406,187	12,938,079	3,906,817	42,251,083
- Grove Street Partners Buyouts LLC	21,336,068	(6,287,585)	7,412,843	22,461,326
- Grove Street Partners Buyouts II, LLC	161,057,335	(53,780,408)	75,738,308	183,015,235
- Grove Street Partners Ventures II, LLC	278,408,906	(144,433,956)	237,197,356	371,172,306
- GS Partners Ventures III, L.P.	225,938,365	(91,952,981)	313,042,703	447,028,087
- Hahn & Company III, L.P.	4,842,797	9,307,594	865,092	15,015,483
- Hahn & Company III-S, L.P.	3,794,768	1,276,830	1,144,361	6,215,959
- Hellman & Friedman Capital Partners VII, L.P.	229,068,624	(246,052,150)	109,135,716	92,152,189
- Hellman & Friedman Capital Partners VIII, L.P.	189,376,330	(34,908,391)	130,577,263	285,045,202
- Hellman & Friedman Capital Partners IX, L.P.	43,145,813	119,004,010	35,297,980	197,447,803
- Inflexion Buyout Fund IV, L.P.	42,106,795	(20,390,914)	26,106,921	47,822,803
- Inflexion Enterprise Fund IV, L.P.	17,744,956	515,156	11,412,676	29,672,788
- Inflexion Partnership Capital Fund I, L.P.	16,906,816	(12,856,712)	11,973,444	16,023,549
- Insight Venture Partners VIII, L.P.	71,440,279	(50,467,677)	49,352,141	70,324,743
- Insight Venture Partners IX, L.P.	140,892,650	(31,970,369)	102,558,688	211,480,969



Account Name - continued	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
- Insight Venture Partners Growth-Buyout Coinvest Fund, L.P.	87,299,763	(35,641,526)	70,562,162	122,220,399
- Investindustrial VI, L.P.	44,414,426	(1,288,262)	27,032,017	70,158,182
- Investindustrial VII, L.P.	4,285,959	14,747,803	274,987	19,308,749
- JH Whitney VII, L.P.	70,612,267	(17,120,310)	24,306,183	77,798,140
- KKR Asia Fund II, L.P.	86,332,453	(15,888,659)	12,071,820	82,515,614
- KKR Asia Fund III (EEA) SCSp	89,407,417	20,063,095	45,075,090	154,545,602
- KPS Special Situations Fund III, L.P.	438,971	(223,193)	19,645	235,423
- KPS Special Situations Fund IV, L.P.	115,024,781	859,169	42,362,290	158,246,240
- KPS Special Situations Fund V, L.P.	0	45,649,874	(70,860)	45,579,014
- KPS Special Situations Mid Cap Fund, L.P.	8,538,876	5,301,529	551,914	14,392,319
- LCP FSBA Co-Invest Account L.P.	91,100,424	(3,412,056)	45,604,564	133,292,932
- Lexington Capital Partners V, L.P.	540,076	0	(153,105)	386,971
- Lexington Capital Partners VI-B, L.P.	6,612,001	(2,657,299)	786,675	4,741,377
- Lexington Capital Partners VII, L.P.	40,844,277	(12,416,165)	10,826,741	39,254,853
- Lexington Capital Partners VIII, L.P.	159,965,915	(35,447,211)	55,390,363	179,909,067
- Lexington Capital Partners IX, L.P.	24,299,474	56,504,844	32,749,168	113,553,486
- Lexington Co-Invest Partners Pools III & IV, L.P.	11,194,586	(1,019,035)	(4,255,368)	5,920,183
- Lexington Co-Invest Partners 2005, L.P.	54,767,524	(27,358,269)	24,445,934	51,855,189
- Lexington Co-Invest Partners 2005 Pool III, L.P.	299,938,851	(120,705,911)	156,309,878	335,542,818
- Lexington Co-Invest Partners 2005 Pool IV, L.P.	491,028,285	(95,259,507)	232,614,587	628,383,365
- Lexington Co-Invest Partners V, L.P.	0	60,505,434	2,386,732	62,892,166
- Lexington CIP V-F-O, L.P.	0	17,191,089	660,953	17,852,042
- Lexington Middle Market Investors III, L.P.	49,691,540	(13,446,310)	15,927,099	52,172,329
- Liberty Partners VII	2,417,608	50,805	486,933	2,955,346
- Liberty Partners Group II	295	2,735	(3,398)	(368)
- LightBay Capital Partners, L.P.	11,602,337	18,439,736	7,206,431	37,248,504
- Livingbridge Enterprises 3, L.P.	154,153	9,533,430	(798,702)	8,888,881
- Livingbridge Enterprises 7, L.P.	0	92,767	(1,336,783)	(1,244,016)
- MBK Partners V, L.P.	0	9,078,481	(240,456)	8,838,025
- Montagu Private Equity Fund IV, L.P.	5,824,254	272,396	6,473,242	12,569,893
- Montagu V, L.P.	70,928,432	12,437,761	51,578,968	134,945,160
- Montagu VI, L.P.	0	8,255,523	(2,681,734)	5,573,789
- New Mountain Partners II, L.P.	779,211	0	(250,140)	529,071
- New Mountain Partners III, L.P.	64,105,276	(34,348,475)	44,438,393	74,195,194
- NIC Fund II, L.P. <sup>1</sup>	0	2,027,636	(215,002)	1,812,634
- OpCapita Consumer Opportunities Fund II, L.P.	23,521,081	3,069,932	4,272,739	30,863,753
- OpCapita Consumer Opportunities Fund III, L.P.	(609,057)	707,325	(671,125)	(572,857)
- OpenView Venture Partners IV, L.P.	31,839,078	(1,802,493)	19,003,484	49,040,070
- OpenView Venture Partners V, L.P.	24,261,139	(2,630,954)	36,917,309	58,547,494
- OpenView Venture Partners VI, L.P.	446,667	6,182,500	200,552	6,829,718
- Pantheon Global Secondary Fund IV, L.P.	13,824,970	(6,193,020)	2,668,654	10,300,604
- Peak Rock Capital II, L.P.	25,030,608	12,613,005	15,013,748	52,657,360
- Peak Rock Capital III, L.P. <sup>1</sup>	0	55,269	(55,269)	0
- Peak Rock Capital Credit Fund II, L.P.	1,823,078	(39,698)	461,545	2,244,925
- Permira V, L.P.	91,664,567	(31,603,206)	63,908,610	123,969,971
- Platinum Equity Capital Partners II, L.P.	4,113,798	(190,907)	4,492,805	8,415,696
- Platinum Equity Capital Partners III, L.P.	72,156,430	(67,061,151)	51,484,803	56,580,082
- Pomona Capital VI, L.P.	1,915,368	(428,510)	180,142	1,667,000
- Pomona Capital VII, L.P. <sup>3</sup>	0	0	64,138	64,138
- Post Oak Energy Partners II, L.P.	19,079,362	(55,223)	4,531,427	23,555,566
- Post Oak Energy Partners III, L.P.	26,392,809	1,410,853	1,396,985	29,200,647
- Post Oak Energy Partners IV, L.P.	15,303,047	2,992,180	(650,043)	17,645,184
- RCP Advisors Fund IV, L.P.	5,100,486	(3,943,263)	(1,013,545)	143,678
- RCP Advisors Fund V, L.P.	10,785,514	(8,431,855)	(1,053,997)	1,299,662
- RCP Advisors Fund VI, L.P.	20,445,571	(7,447,787)	3,782,045	16,779,830
- RCP Advisors Fund VII, L.P.	30,727,866	(12,002,472)	15,020,264	33,745,657
- RCP Advisors Fund VIII, L.P.	43,998,280	(18,558,974)	17,411,617	42,850,922
- RCP Advisors Fund IX, L.P.	45,756,676	(11,226,554)	20,644,011	55,174,132
- RCP Advisors Fund X, L.P.	38,653,225	(1,345,485)	18,437,521	55,745,261
- Rise Fund, L.P. (The)	16,369,517	1,848,334	8,160,408	26,378,259
- Rise Fund II, L.P. (The)	0	8,612,643	(852,180)	7,760,463
- Rubicon Technology Partners, L.P.	19,141,036	0	4,651,076	23,792,112
- Rubicon Technology Partners II, L.P.	63,884,645	13,157,652	34,232,927	111,275,224
- Rubicon Technology Partners III, L.P.	0	43,135,793	619,603	43,755,395
- Searchlight Capital II, L.P.	70,746,182	(76,854,531)	71,671,873	65,563,524
- Searchlight Capital III, L.P.	21,347,862	30,853,379	14,934,337	67,135,578
- Silver Lake Partners IV, L.P.	118,984,523	(13,042,343)	65,687,187	171,629,367
- Silver Lake Partners V, L.P.	99,700,567	11,064,103	77,736,386	188,501,056
- Silver Lake Partners VI, L.P. <sup>1</sup>	0	41,273,044	4,976,490	46,249,534
- Siris Partners III, L.P.	61,507,711	(10,524,637)	13,940,277	64,923,351

Account Name - continued	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
- Siris Partners IV, L.P.	33,304,472	(4,556,710)	14,284,015	43,031,777
- Summa Equity Fund II AB	6,759,065	4,933,109	45,783,420	57,475,594
- SVB Capital Partners III, L.P.	29,628,747	(15,270,531)	24,102,881	38,461,096
- SVB Capital Partners IV, L.P.	17,122,011	3,400,000	3,410,209	23,932,220
- SVB Capital Partners V, L.P. <sup>1</sup>	0	11,533,682	110,235	11,643,917
- SVB Strategic Investors Fund V-A, L.P.	172,858,004	(184,208,010)	285,787,563	274,437,557
- SVB Strategic Investors Fund V-A Opportunity, L.P.	94,537,773	(47,761,005)	202,305,434	249,082,202
- SVB Strategic Investors VI-A, L.P.	197,421,024	(30,871,876)	156,684,335	323,233,483
- SVB Strategic Investors Fund VII-A, L.P.	180,919,123	(27,923,442)	167,810,742	320,806,423
- SVB Strategic Investors Fund VIII-A, L.P.	103,479,352	5,569,998	89,356,142	198,405,492
- SVB Strategic Investors Fund IX-A, L.P.	24,409,662	23,025,000	21,752,644	69,187,306
- SVB Strategic Investors Fund X, L.P. <sup>1</sup>	0	15,663,633	(587,018)	15,076,615
- Thoma Bravo Discover Fund, L.P.	61,605,088	(9,539,013)	49,549,196	101,615,271
- Thoma Bravo Discover Fund II, L.P.	44,603,338	14,940,516	43,371,468	102,915,322
- Thoma Bravo Discover Fund III, L.P. <sup>1</sup>	0	33,992,402	(988,560)	33,003,842
- Thoma Bravo Fund IX, L.P.	515,195	0	47,519	562,715
- Thoma Bravo Fund X, L.P.	41,716,669	(27,067,166)	35,284,174	49,933,677
- Thoma Bravo Fund XI, L.P.	127,061,410	(41,756,823)	85,068,649	170,373,236
- Thoma Bravo Fund XII, L.P.	194,469,949	(17,976,614)	61,081,424	237,574,759
- Thoma Bravo Fund XIII, L.P.	113,724,584	(37,535,578)	102,854,375	179,043,380
- Thoma Bravo Fund XIV, L.P. <sup>1</sup>	0	78,733,061	(1,295,631)	77,437,429
- Thoma Bravo Special Opportunities Fund I, L.P.	26,136,291	(21,820,242)	21,910,546	26,226,595
- Thoma Bravo Special Opportunities Fund II, L.P.	57,980,711	(7,273,832)	20,620,777	71,327,657
- Tiger Iron Special Opportunities Fund, L.P.	133,885,471	28,148,620	75,958,503	237,992,594
- Tiger Iron Special Opportunities Fund II, L.P.	22,132,156	73,036,407	26,624,532	121,793,095
- Top Tier Special Opportunities Fund, L.P.	1,778,793	(901,865)	1,358,369	2,235,297
- Top Tier Venture Capital III, L.P.	8,524,141	(11,388,574)	3,221,649	357,216
- TowerBrook Investors II, L.P.	1,474,354	(3,029,067)	4,621,840	3,067,127
- TowerBrook Investors III, L.P.	1,960,880	0	(1,248,935)	711,945
- TowerBrook Investors IV, L.P.	146,724,803	(18,226,145)	92,708,133	221,206,791
- TowerBrook Investors V, L.P.	13,997,724	29,226,173	(2,296,081)	40,927,816
- TPG Growth II, L.P.	52,137,090	(32,292,615)	41,618,790	61,463,265
- TPG Growth III, L.P.	77,581,142	(25,754,583)	41,817,134	93,643,693
- TPG Growth IV, L.P.	53,267,137	3,870,174	32,688,847	89,826,158
- TPG Growth V, L.P. <sup>1</sup>	0	61,221,896	1,874,077	63,095,973
- Trident V, L.P.	42,223,710	(5,604,335)	12,529,923	49,149,298
- Trident VI, L.P.	61,266,436	(21,902,869)	34,071,616	73,435,183
- Trident VII, L.P.	64,258,822	9,307,724	22,473,769	96,040,315
- Trident VIII, L.P.	7,171,376	52,838,682	5,865,057	65,875,115
- Trive Capital Fund IV <sup>1</sup>	0	94,261	(94,261)	0
- TrueBridge Capital FSA, LLC	78,764,743	10,882,943	103,333,340	192,981,026
- TrueBridge Capital Partners V, L.P.	55,637,291	24,000,000	61,911,075	141,548,366
- TrueBridge Capital Partners VI, L.P.	4,600,323	31,000,000	4,976,256	40,576,579
- TrueBridge FSA II, L.P.	3,937,354	20,317,354	8,603,623	32,858,330
- TrueBridge/FLSBA Special Purpose, LLC	70,196,744	(31,015,243)	109,106,897	148,288,398
- TrueBridge/FLSBA Special Purpose II, LLC	37,941,402	(7,173,950)	29,133,198	59,900,650
- TrueBridge-Kauffman Fellows Endow Fund II, L.P.	156,623,606	(116,658,767)	214,632,942	254,597,781
- TrueBridge-Kauffman Fellows Endow Fund III, L.P.	188,092,544	(33,510,831)	143,523,010	298,104,723
- TrueBridge-Kauffman Fellows Endow Fund IV, L.P.	167,898,045	(23,185,369)	161,302,458	306,015,134
- Venture Overage Fund, L.P.	117,096,392	(176,756,991)	127,532,123	67,871,524
- W Capital Partners III, L.P.	38,547,944	(14,251,102)	7,812,828	32,109,670
- Warburg Pincus China, L.P.	72,572,793	(3,577,821)	32,810,320	101,805,292
- Warburg Pincus China-Southeast Asia II, L.P.	2,085,707	8,146,400	5,449,514	15,681,621
- Warburg Pincus Private Equity IX, L.P.	2,899,732	(1,286,100)	(416,595)	1,197,038
- Warburg Pincus Private Equity X, L.P.	27,910,610	(41,240,909)	17,309,586	3,979,286
- Warburg Pincus Private Equity XI, L.P.	101,874,110	(26,470,300)	37,591,303	112,995,113
- Warburg Pincus Private Equity XII, L.P.	94,585,693	(19,415,701)	39,384,509	114,554,501
- Waterland Private Equity Fund VII, C.V.	28,729,452	24,140,017	12,319,254	65,188,723
- Waterland Private Equity Fund VIII, C.V. <sup>1</sup>	0	87,400	(87,400)	0
- WindRose Health Investors V, L.P.	5,643,168	21,197,275	3,483,526	30,323,969
- WPEF VI Feeder Fund, L.P.	53,504,025	(30,091,741)	30,838,099	54,250,384
<b>Other:</b>				
- Private Equity Cash Expense	0	2,397,264	(2,397,264)	0
- Private Equity Transition <sup>2</sup>	0	0	0	0
<b>Total Private Equity</b>	<b>\$ 11,615,815,740</b>	<b>\$ (1,747,431,626)</b>	<b>\$ 7,471,472,888</b>	<b>\$ 17,339,857,003</b>

<sup>1</sup> Account opened during the fiscal year.

<sup>2</sup> Account inactive during the fiscal year.

<sup>3</sup> Pomona Capital VII, L.P. was incorrectly footnoted as "closed in a prior fiscal year" in the fiscal year 2019-2020 table. The account is still open.

• Private Equity market values are estimates of value which may or may not represent what would be actually realized in arm's-length sales transactions. The market values are self-reported by the external managers of these accounts and incorporate their estimate of the value of illiquid publicly traded securities and private market holdings.

• Numbers may not total due to rounding.

Source: SBA

**FRS Pension Plan - Real Estate**  
**Change in Market Value for Fiscal Year 2020-21**

**TABLE 12:**

Account Name	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
<b>Pooled Funds:</b>				
- AEW Senior Housing Investors III, L.P.	\$ 45,269,748	\$ (759,626)	\$ (2,647,684)	\$ 41,862,438
- AEW Value Investors Asia III, L.P.	87,905,487	2,646,407	12,072,851	102,624,745
- AEW Value Investors Asia IV, L.P. <sup>1,2</sup>	0	4,520	(4,520)	0
- BlackRock Europe Property Fund IV	5,808,616	124,699	2,486,451	8,419,766
- BlackRock Europe Property Fund V	5,835,646	2,159,075	(1,827,164)	6,167,556
- Blackstone Real Estate Partners Asia, L.P.	122,067,105	(48,663,529)	24,868,442	98,272,019
- Blackstone Real Estate Partners Europe V, L.P.	87,291,195	(9,094,360)	15,577,721	93,774,556
- Blackstone Real Estate Partners VI, L.P.	10,040,835	(3,409,545)	391,696	7,022,986
- Blackstone Real Estate Partners VII, L.P.	128,452,465	(6,089,264)	(7,122,759)	115,240,441
- Blackstone Real Estate Partners VIII, L.P.	96,006,985	(39,289,562)	16,347,676	73,065,099
- Blackstone Real Estate Partners IX, L.P.	25,973,491	15,749,362	8,407,733	50,130,587
- Brookfield-Fairfield US Multifamily Fund II, L.P.	14,696,893	(1,826,087)	(760,685)	12,110,121
- CapMan Nordic Real Estate Fund	42,862,312	(10,261,986)	4,318,016	36,918,343
- CapMan Nordic Real Estate II	36,228,301	7,907,185	8,338,711	52,474,197
- CapMan Nordic Real Estate III <sup>1</sup>	0	14,545,895	(1,125,791)	13,420,104
- Carlyle Property Investors, L.P.	106,742,674	(5,020,477)	9,693,801	111,415,998
- Carlyle Realty Partners VI, L.P.	7,080,303	(418,686)	(613,179)	6,048,438
- Carlyle Realty Partners VII, L.P.	19,439,348	(4,133,585)	1,358,257	16,664,020
- Carlyle Realty Partners VIII, L.P.	27,883,065	1,257,173	4,022,640	33,162,878
- CBRE Asia Value Partners V	25,003,635	11,446,196	5,710,806	42,160,637
- CBRE Asia Value Partners V Japan Co-Investment <sup>1</sup>	0	13,952,488	(77,770)	13,874,718
- CBRE Asia Value Partners VI <sup>1</sup>	0	11,953	(11,953)	0
- CIM Fund VIII, L.P.	51,944,304	595,256	(7,938,387)	44,601,173
- EMI Pooled Fund Expenses Account <sup>3</sup>	0	0	0	0
- Europa Fund IV, L.P.	37,521,114	(12,183,159)	(5,198,689)	20,139,266
- Heitman Global RE Partners II, L.P. <sup>1</sup>	0	303,865	(303,865)	0
- Heitman Coinvest Red Arrow, L.P. <sup>4</sup>	0	751,850	(31,850)	720,000
- Heitman Value Partners III, L.P.	7,429,710	(7,932,787)	907,436	404,359
- Heitman Value Partners IV, L.P.	33,811,651	9,021,209	6,745,622	49,578,482
- Invesco Strategic Opportunities III, L.P.	17,191,113	(1,424,347)	2,347,755	18,114,521
- Invesco Strategic Opportunities III LCP Co-Invest, L.P. <sup>1</sup>	0	35,360,288	(153,288)	35,207,000
- JP Morgan European Opportunistic Property Fund III	44,579,657	(3,252,734)	9,937,070	51,263,993
- JP Morgan European Opportunistic Property Fund IV	25,503,560	17,389,021	3,140,743	46,033,324
- JP Morgan Special Situation Property Fund	199,681,001	(30,716,423)	15,632,080	184,596,657
- JP Morgan Strategic Property Fund	207,353,873	(56,171,756)	11,306,907	162,489,023
- Landmark Real Estate Fund VIII, L.P.	25,133,390	(1,089,759)	514,794	24,558,426
- Prime Property Fund, LLC	395,461,067	(15,686,826)	28,790,527	408,564,767
- Principal Digital Real Estate Fund, L.P. <sup>1</sup>	0	140,096	(140,096)	0
- Principal US Property Fund	429,670,653	0	34,975,653	464,646,307
- Prologis USLF, L.P.	296,215,520	(8,562,902)	37,920,098	325,572,717
- Prudential PRISA	367,969,778	(10,908,399)	22,226,750	379,288,129
- Prudential PRISA Fund III, L.P.	256,260,793	(17,565,018)	37,044,187	275,739,961
- Rockpoint Real Estate Fund III, L.P.	4,263,654	118,901	359,602	4,742,157
- Rockpoint Real Estate Fund IV, L.P.	15,955,599	(9,740,769)	2,783,059	8,997,889
- Rockpoint Real Estate Fund V, L.P.	74,630,961	(5,405,970)	3,493,337	72,718,328
- Rockpoint Real Estate Fund VI, L.P.	4,040,669	(249,590)	273,603	4,064,682
- RREEF America REIT II Pooled Fund	331,886,009	(10,003,225)	6,865,724	328,748,509
- RREEF Core Plus Industrial Fund	118,696,550	56,067,050	22,436,069	197,199,669
- Starwood Distressed Opp. Fund IX Global, L.P.	31,090,133	(337,567)	(1,035,343)	29,717,223
- Starwood Distressed Opp. Fund XII Global, L.P. <sup>1</sup>	0	141,504	(190,290)	(48,786)
- Starwood Global Opportunity Fund X, L.P.	56,721,784	(17,594,367)	2,461,322	41,588,739
- Starwood Global Opportunity Fund XI, L.P.	24,947,904	21,375,000	4,226,253	50,549,157
- Tristan EPIISO 3, L.P.	21,584,580	(3,582,174)	3,610,927	21,613,333
- Tristan EPIISO 4, L.P.	46,454,146	(2,988,564)	9,761,746	53,227,327
- UBS Pooled Fund, L.P.	61,030,831	(4,271,419)	584,914	57,344,327
- Waterton Residential Property Venture XIV <sup>1,2</sup>	0	79,500	(79,500)	0
<b>Principal Investments</b>	9,846,036,681	(63,970,117)	369,170,406	10,151,236,969
<b>Real Estate Investment Trusts (REITs):</b>				
- AEW Global REIT	364,956,616	0	122,410,730	487,367,347
- CohenSteers Global REIT	312,353,339	95,436,022	150,165,009	557,954,370
- FloridaRetSys CNSGlobalREITRecov	148,267,515	50,000,000	70,995,710	269,263,226

Continued on next page



Account Name - continued	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
- FloridaRetSys RREEFGlobalREITRecov	153,650,193	0	59,218,426	212,868,619
- Invesco Global REIT <sup>2</sup>	345,027,791	(411,495,655)	69,341,880	2,874,015
- RREEF Global REIT	377,145,824	47,837,019	156,082,633	581,065,476
<b>Other:</b>				
- Real Estate Cash Expense Account	0	522,234	(522,234)	0
- Real Estate Transition Account	0	268,149,726	(5,897,857)	262,251,869
<b>Total Real Estate Investments</b>	<b>\$ 15,629,056,067</b>	<b>\$ (151,006,740)</b>	<b>\$ 1,343,642,868</b>	<b>\$ 16,821,692,195</b>

<sup>1</sup> Account opened during the fiscal year.

<sup>2</sup> Strategy terminated or account closed during the current fiscal year. Ending market values reflect residual balances.

<sup>3</sup> Account inactive during the fiscal year.

<sup>4</sup> Name changed from Heitman SBAF GP Co-invest JV to Heitman Coinvest Red Arrow during the fiscal year.

• For certain real estate accounts, market values are estimates of value which may or may not represent what would be actually realized in arm's-length sales transactions. In such cases the market values are self-reported by the external managers of these accounts and incorporate their estimate of the value of illiquid publicly traded securities and private market holdings.

• Numbers may not total due to rounding.

Source: SBA

**TABLE 13:**

**FRS Pension Plan - Strategic Investments  
Change in Market Value for Fiscal Year 2020-21**

Account Name	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
<b>Strategic-Investments:</b>				
- ABRY Advanced Securities Fund, L.P.	\$ 1,878,978	\$ (501,644)	\$ 144,920	\$ 1,522,254
- ABRY Advanced Securities Fund II, L.P.	9,570,713	(5,194,841)	3,239,260	7,615,132
- ABRY Advanced Securities Fund III, L.P.	96,953,461	0	47,049,213	144,002,673
- ABRY Senior Equity III, L.P.	1,685,514	(55,558)	68,538	1,698,495
- ABRY Senior Equity IV, L.P.	19,257,533	(8,800,162)	5,382,485	15,839,856
- ABRY Senior Equity V, L.P.	31,334,932	15,905,657	8,017,174	55,257,763
- Actis Energy 5 <sup>1</sup>	0	103,354	(103,354)	0
- Aeolus Property Catastrophe Keystone PF Fund, L.P.	147,853,926	6,636,527	(3,548,945)	150,941,508
- Apollo Accord Fund IV, L.P. <sup>1</sup>	0	37,058,648	2,038,555	39,097,203
- AQR Managed Futures Fund II, L.P.	211,336,880	0	2,510,495	213,847,375
- AQR Style Premia Fund, L.P.	102,589,093	0	13,547,278	116,136,371
- Atalaya Special Opportunities Fund VI, L.P.	58,063,166	(43,841,289)	23,129,127	37,351,004
- Atalaya Special Opportunities Fund VII, L.P.	45,836,429	64,051,113	15,264,365	125,151,907
- Audax Credit Opportunities, LLC	327,027,968	252,350	28,163,463	355,443,781
- Audax Mezzanine Fund IV-A, L.P.	49,209,904	7,994,175	7,979,339	65,183,417
- Audax Mezzanine Fund V-A, L.P. <sup>1</sup>	0	72,752	(72,752)	0
- Bayview Opportunity Master Fund IIIb, L.P. <sup>2</sup>	2,871,600	(2,912,955)	41,355	0
- Bayview Opportunity Master Fund IVb, L.P.	27,379,171	(10,836,163)	4,931,462	21,474,470
- Benefit Street Debt Fund IV, L.P.	74,883,247	30,650,630	14,926,086	120,459,963
- BFAM Asian Opportunities Fund <sup>1</sup>	0	142,663	(142,663)	0
- BlackRock Carbon Capital V, Inc.	1,085,117	0	(111,509)	973,608
- BlackRock Carbon Capital VI, L.P.	105,404,981	(12,476,138)	(9,957,292)	82,971,550
- BlackRock US CRE Debt Fund- C7, L.P. <sup>1</sup>	0	56,833,189	(96,864)	56,736,325
- Blackstone/GSO Capital Solutions Fund, L.P.	1,683,919	(225,540)	(410,714)	1,047,665
- Blackstone Tactical Opportunities Fund II, L.P.	101,171,712	(23,603,175)	40,787,432	118,355,969
- Blackstone Tactical Opportunities Fund- FD, L.P.	59,885,703	37,446,640	61,013,800	158,346,143
- Blantyre Special Situations Fund II, L.P. <sup>1</sup>	0	10,865,795	5,713	10,871,508
- Blue Torch Credit Opportunities FSBA, L.P.	7,766,991	70,555,441	2,825,797	81,148,229
- Boston Timber Opportunities LLC	305,919,277	8,878,241	2,275,450	317,072,968
- Bridgewater Pure Alpha Major Markets, LP PAMM	185,034,853	0	22,496,450	207,531,303
- Caerus DT Fund, LLC	550,418,943	0	35,475,099	585,894,042
- Canyon Value Realization Fund, L.P.	106,674,045	0	32,219,166	138,893,211
- Capula Global Relative Value Fund Ltd. <sup>2</sup>	176,148,525	(177,889,027)	1,740,503	0
- Carlyle Aviation Leasing Fund, L.P. <sup>1</sup>	0	5,749,069	(1,696,696)	4,052,373
- Carlyle Mezzanine Partners II, L.P.	307,252	0	257,748	565,000
- Castlake Aviation II, L.P.	6,637,905	(1,998,253)	(82,343)	4,557,309
- Castlake Aviation III Stable Yield, L.P.	156,033,597	0	(7,689,551)	148,344,046
- Castlake III, L.P.	52,151,782	(4,537,813)	5,342,548	52,956,517
- Castlake IV, L.P.	97,423,990	(10,652,030)	7,548,148	94,320,108
- Centerbridge Capital Partners III, L.P.	99,109,157	(6,862,845)	44,252,520	136,498,832
- Centerbridge Capital Partners IV, L.P. <sup>1</sup>	0	124,291	(459,123)	(334,832)
- Cerberus Corporate Credit SBA <sup>1</sup>	0	67,033,043	18,579,747	85,612,790
- Cerberus FSBA Levered Loan Opportunities Fund, L.P.	226,026,043	(29,702,970)	26,197,928	222,521,001
- Cerberus Institutional RE Partners III, L.P.	60,198,117	(17,092,639)	7,090,318	50,195,796
- Cerberus Institutional RE Partners IV, L.P.	165,298,520	0	10,558,871	175,857,391
- Cerberus Institutional RE Partners V, L.P.	(499,871)	59,522,754	(1,139,415)	57,883,468
- Cevian Capital II, Ltd.	202,140,236	0	103,207,632	305,347,868
- Chambers Energy Capital III, L.P.	26,336,238	(769,747)	10,532,736	36,099,227
- Chambers Energy Capital IV, L.P.	23,060,280	24,804,527	20,241,388	68,106,195
- Coastline Fund, L.P.	134,346,404	(31,788,656)	17,131,042	119,688,789
- Coastline Fund, L.P. Tranche II	152,222,504	22,714,114	21,773,395	196,710,013

Continued on next page

Account Name - continued	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
- Colony Distressed Credit Fund II, L.P.	13,606,596	(1,538,698)	(4,652,518)	7,415,380
- Colony Distressed Credit & Special Sit Fund III, L.P.	49,573,604	(2,630,951)	(5,865,821)	41,076,832
- Colony Distressed Credit & Special Sit Fund IV, L.P.	146,334,519	6,390,566	(23,327,800)	129,397,285
- Crescent Credit Solutions VIII, L.P. <sup>1</sup>	0	135,470	(135,470)	0
- Crescent Mezzanine Partners VI, L.P.	43,271,641	(25,247,508)	5,687,275	23,711,408
- Crescent Mezzanine Partners VII, L.P.	79,348,720	10,228,465	14,895,935	104,473,120
- CVI Credit Fund A V, L.P. <sup>1</sup>	0	52,654,463	4,602,504	57,256,967
- CVI Credit Value Fund A, L.P.	3,840,201	(3,409,004)	59,113	490,310
- CVI Credit Value Fund II A, L.P.	7,723,377	(6,242,817)	1,979,524	3,460,084
- CVI Credit Value Fund III A, L.P.	90,556,851	(32,542,401)	11,761,441	69,775,891
- CVI Credit Value Fund IV A, L.P.	127,796,793	(15,000,000)	31,140,414	143,937,207
- CVI Global Value Fund A, L.P.	6,968,538	(6,909,993)	83,931	142,475
- Deerfield Private Design Fund IV, L.P.	89,906,486	(6,000,000)	37,481,803	121,388,289
- DoubleLine Opportunistic Income Fund, L.P.	203,572,559	100,002,222	38,804,469	342,379,250
- Dymon Asia Macro (US) Fund <sup>2</sup>	111,268,552	(94,252,987)	(17,015,565)	0
- EFL Special Partners, L.P. <sup>1</sup>	0	49,797,390	436,201	50,233,591
- EIG Energy Fund XVI, L.P.	63,028,052	(6,191,284)	5,288,105	62,124,873
- EIG Global Project Fund V, L.P.	7,191,799	9,780,740	(117,466)	16,855,073
- Elan Fund, L.P.	633,860,869	(0)	46,868,674	680,729,543
- EQMC Europe Development Capital Fund, PLC <sup>1</sup>	0	120,087,898	18,795,205	138,883,103
- Falcon Strategic Partners III, L.P.	12,590,260	(5,326,145)	2,072,181	9,336,296
- Falcon Strategic Partners IV, L.P.	78,334,189	(7,036,509)	5,395,122	76,692,802
- Falko Regional Aircraft Opportunities Fund II, L.P.	92,012,183	(43,770,477)	1,070,866	49,312,572
- Florida Growth Fund, LLC	109,588,311	(6,564,788)	(598,654)	102,424,869
- Florida Growth Fund Credit Tranche, LLC	43,832,990	(10,996,330)	3,672,729	36,509,389
- Florida Growth Fund Tranche II, LLC	120,007,153	(24,320,959)	26,120,781	121,806,975
- Florida Growth Fund II, Tranche I, LLC	199,796,154	(33,200,245)	41,899,479	208,495,388
- Florida Growth Fund II, Tranche II, LLC	32,539,968	25,401,049	16,545,556	74,486,573
- Florida Sunshine State Fund, L.P.	39,473,445	16,356,621	13,328,386	69,158,452
- Gallatin Point Capital Partners, L.P.	30,357,815	19,128,760	17,247,967	66,734,542
- Gallatin Point Capital Partners II, L.P. <sup>1</sup>	0	24,329	(500,711)	(476,382)
- Garda Fixed Inc. Relative Value Opp Fd (Onshore) Ltd.	240,825,463	100,000,761	34,240,512	375,066,737
- GI Partners Fund III, L.P.	1,193,494	(1,035,647)	(157,846)	1
- GI Partners Fund IV, L.P.	181,390,954	(37,899,419)	18,751,251	162,242,786
- Global Infrastructure Partners II, L.P.	146,465,257	(16,264,903)	20,764,617	150,964,971
- Global Infrastructure Partners III, L.P.	104,374,698	1,015,637	27,230,774	132,621,109
- Global Infrastructure Partners IV, L.P.	(75,838)	26,944,004	(3,300,414)	23,567,751
- Global Transport Income Fund	0	198,531,393	1,298,389	199,829,782
- GOF II Feeder B, L.P.	60,981,939	18,750,000	37,681,831	117,413,770
- Graham Absolute Return Trading Ltd. <sup>2</sup>	155,095,196	(186,789,872)	31,694,675	0
- Grain Communications Opportunity Fund II, L.P.	35,993,827	16,328,490	8,058,138	60,380,455
- Grain Communications Opportunity Fund III, L.P. <sup>1</sup>	0	9,994,615	(1,884,277)	8,110,338
- Grain Spectrum Holdings III, L.P. <sup>1</sup>	0	77,514,796	(976,247)	76,538,549
- Graticule Asia Macro Fund, L.P.	152,537,696	0	37,126,736	189,664,432
- Gruss Global Investors (Enhanced) II, L.P. <sup>3</sup>	2,503,041	(1,494,336)	(1,008,705)	0
- GSO Capital Opportunities Fund, L.P.	2,044,175	0	917,492	2,961,667
- GSO Capital Opportunities Fund II, L.P.	30,611,133	(9,012,213)	8,204,968	29,803,888
- GSO Capital Opportunities Fund III, L.P.	95,318,223	(8,012,580)	23,328,462	110,634,105
- GSO Capital Solutions Fund II, L.P.	18,744,957	(636,694)	7,873,657	25,981,920
- GSO Capital Solutions Fund III, L.P.	27,415,147	(2,875,376)	11,798,248	36,338,019
- GSO Energy Select Opportunities Fund, L.P.	33,529,744	(10,525,725)	16,991,127	39,995,146
- GSO Energy Select Opportunities Fund II, L.P.	6,999,866	7,846,494	8,107,071	22,953,431
- HBK Fund II, L.P.	183,797,855	0	25,188,156	208,986,011
- Healthcare Royalty Partners III, L.P.	42,245,365	(6,208,750)	5,918,305	41,954,920
- Highbridge Convertible Dislocation Fd (Delaware), L.P. <sup>1</sup>	0	140,562,553	25,811,559	166,374,112
- Highbridge SPAC Opportunity Fund (Delaware), L.P. <sup>1</sup>	0	39,919,022	(142,870)	39,776,152
- Highbridge Tactical Credit Fund, L.P.	0	200,042,167	50,566,044	250,608,211
- Hudson Bay Fund, L.P.	202,456,233	6,071	42,297,663	244,759,967
- Hull State Energy Partners II, L.P. <sup>1</sup>	0	19,006	(19,006)	0
- ICE EM Credit Absolute Return Fund, L.P.	55,040,053	(57,912,172)	4,619,519	1,747,400
- IFM Global Infrastructure (US), L.P.	538,627,643	0	79,500,775	618,128,418
- ILS Property & Casualty Fund II, L.P.	20,544,576	211,378	(14,753,215)	6,002,739
- ITE Rail Fund, L.P.	210,099,928	13,734,842	17,509,061	241,343,831
- Jackson Timberland Opportunities, LLC	197,413,291	(6,899,913)	(1,342,255)	189,171,123
- Juniperus Insurance Opportunity Fund Ltd	166,089,559	75,010,081	13,763,763	254,863,403
- King Street Capital Fund, L.P.	20,055,959	(2,588,158)	2,817,128	20,284,929
- KLCP ERISA Fund E2 (US), L.P.	24,988,906	93,432,565	12,009,892	130,431,363
- KV Partners, LLC	727,641	0	40,653	768,294
- Lake Jackson, L.P.	2,000,042	99,079,769	19,080,590	120,160,401
- LCM Credit Opportunities Fund III(a), L.P.	91,138,882	(12,258,544)	(455,456)	78,424,882
- LCM Credit Opportunities Fund IV, SLP <sup>1</sup>	0	25,393,488	1,825,684	27,219,172
- LCM Partners SOLO V, SLP <sup>1</sup>	0	14,724,913	(883,092)	13,841,821
- Levine Leichtman Capital Partners IV, L.P.	8,441,651	(36,122)	5,692,914	14,098,443
- Levine Leichtman Capital Partners V, L.P.	174,659,206	(101,959,735)	80,337,624	153,037,095
- Levine Leichtman Capital Partners VI, L.P.	67,174,260	40,458,584	13,598,556	121,231,400
- Lexington GP Holdings, L.P.	157,767,651	(21,004,636)	12,013,812	148,776,827

Account Name - continued	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
- LLC Lower Middle Market Fund III, L.P. <sup>1</sup>	0	72,366	(73,530)	(1,164)
- Luxor Capital Partners, L.P.	136,135,369	0	43,827,876	179,963,246
- Marathon European Credit Opp Fund II, L.P.	22,953,647	(1,530,041)	(998,859)	20,424,747
- MCP Private Capital Fund, III SCSp	51,966,154	(10,342,315)	19,324,524	60,948,363
- MCP Private Capital Fund IV SCSp	12,745,857	17,694,007	(3,544,374)	26,895,490
- Mill Road Capital III, L.P.	54,214,334	(34,175,329)	101,240,590	121,279,596
- Miravest ILS Credit Opportunities Fund I, L.P.	65,661,959	29,436,553	10,652,033	105,750,545
- Monashee Pure Alpha SPV I, L.P.	183,037,726	2,115	20,522,140	203,561,982
- MSD SBAFL Fund, L.P. <sup>1</sup>	0	74,349,263	1,758,202	76,107,466
- MW Eureka (US) Fund	110,641,743	0	22,567,829	133,209,573
- NovaQuest Pharma Opportunities Fund V, L.P.	41,793,400	(5,184,762)	11,963,062	48,571,700
- Oaktree Opportunities Fund VIII, L.P.	2,196,922	(2,667,702)	1,560,054	1,089,274
- Oaktree Opportunities Fund VIIIb, L.P.	12,469,609	(3,064,440)	6,575,697	15,980,866
- Oaktree Opportunities Fund IX, L.P.	57,388,265	(14,280,695)	22,918,259	66,025,829
- Oaktree Opportunities Fund Xb, L.P.	64,665,650	40,000,000	40,780,969	145,446,619
- OCM Opportunities Fund VIIb, L.P.	111,030	(51,633)	(20,516)	38,881
- OHA Tactical Investment Fund, L.P.	0	32,119,386	10,354,868	42,474,254
- Orion Energy Credit Opportunities Fund III, L.P. <sup>1</sup>	0	14,552,183	(1,390,492)	13,161,691
- Orion Mine Finance Co-Investment Fund II, L.P.	28,413,263	2,987,028	6,952,175	38,352,465
- Orion Mine Finance Fund I, L.P.	36,920,172	(6,820,713)	7,738,565	37,838,025
- Orion Mine Finance Fund II, L.P.	75,545,005	10,859,399	22,334,380	108,738,784
- P2 Capital Fund, L.P.	242,899,099	0	141,520,573	384,419,672
- PAG Loan Fund IV, L.P.	25,305,658	40,787,925	8,166,533	74,260,116
- Patria Infrastructure Fund IV, L.P.	619,764	10,116,305	153,245	10,889,314
- PCG Special Situation Partners, L.P. <sup>2</sup>	158,938	(135,459)	(23,479)	0
- Primary Wave Music IP Fund 1, L.P.	75,685,503	(49,700,913)	15,749,587	41,734,177
- Primary Wave Music IP Fund 2, L.P.	24,510,906	95,901,255	11,636,727	132,048,888
- Primary Wave Music IP Fund 3, L.P. <sup>1</sup>	0	33,987,935	(20,560)	33,967,375
- Principal RE Debt (SBAF Mortgage Fund), LLC	69,932,402	42,006,200	8,722,073	120,660,675
- Providence Debt Fund III, L.P.	80,937,364	(33,333,894)	13,414,242	61,017,712
- Providence Equity Global Group, LLC	180,175,461	(17,333,859)	(47,793,011)	115,048,591
- Providence TMT Special Situation Fund, L.P.	1,235,962	(1,567,353)	449,170	117,779
- Rubik Holdings Ltd.	183,776,774	0	(16,655,826)	167,120,948
- SASOF III, L.P.	11,248,142	(767,638)	2,046,454	12,526,958
- SASOF IV, L.P.	68,418,506	(2,928,947)	(4,120,960)	61,368,599
- SASOF V, L.P.	1,524,736	5,231,230	(3,114,121)	3,641,845
- Sculptor Domestic Partners II, L.P.	222,238,645	0	49,407,721	271,646,365
- Searchlight Opportunities Fund II, L.P. <sup>1</sup>	0	8,730,935	(15,935)	8,715,000
- Silver Lake Waterman Fund III, L.P.	10,241,127	35,694,988	673,303	46,609,418
- Special Situation Partners II, L.P.	24,087,435	(3,088,754)	17,955,555	38,954,236
- Sprott Private Resource Lending (US), L.P.	20,539,212	(17,932,110)	5,953,729	8,560,831
- Sprott Private Resource Lending II, L.P.	53,246,031	30,537,214	12,039,124	95,822,368
- Square Mile Partners III, L.P.	396,540	0	(137,496)	259,044
- Starboard Value and Opportunity Fund, LLC	451,448,778	3,500	171,986,909	623,439,187
- Taconic Opportunity Fund, L.P.	297,407,181	0	54,540,820	351,948,001
- TCW Crescent Mezzanine Partners V, L.P.	5,358,031	(11,847,349)	6,987,687	498,369
- Tintoretto Partners, L.P.	253,379,702	17,826,510	11,936,670	283,142,881
- Torchlight Debt Fund VII, L.P. <sup>1</sup>	0	50,062,826	920,839	50,983,665
- Tricon Housing Partners I US, L.P.	18,052,835	(6,740,267)	507,001	11,819,569
- Tricon Housing Partners II US, L.P.	11,822,277	(7,776,353)	5,268,467	9,314,390
- Trigate Property Partners II, L.P.	16,576,106	(412,325)	1,241,992	17,405,774
- Trigate Property Partners III, L.P.	51,747,432	(4,741,045)	7,559,834	54,566,221
- Trigate Property Partners IV, L.P.	166,234	18,156,697	(5,622,311)	12,700,620
- TSSP Adjacent Opportunities Partners, L.P.	154,868,607	(11,048,572)	22,432,769	166,252,804
- Varde Fund X, L.P.	14,209,210	(1,440,210)	(788,849)	11,980,151
- Varde Fund XI, L.P.	129,514,555	(25,180,009)	(9,952,390)	94,382,155
- Varde Fund XII (C), L.P.	221,931,177	(86,634,782)	18,500,020	153,796,415
- Vine Media Opportunities Fund III, L.P.	59,613,869	(4,565,382)	13,536,754	68,585,241
- Vine Media Opportunities Fund IV, L.P.	19,505,071	28,556,816	5,596,774	53,658,661
- VSS Structured Capital II, L.P.	6,029,821	(21,466,370)	18,300,855	2,864,306
- Wayzata Opportunities Fund II, L.P.	676,790	0	705,429	1,382,219
- Wayzata Opportunities Fund III, L.P.	22,591,802	0	(42,607)	22,549,195
- WestRiver Innovation Lending Fund VIII, L.P.	87,804,000	(10,583,867)	33,947,043	111,167,176
- Yiheng Capital Partners, L.P.	164,255,724	0	76,067,783	240,323,507
<b>Other:</b>				
- Strategic Investment Cash Expense	0	2,527,159	(2,527,159)	0
- Strategic Investments Transition	838,523	0	169,426	1,007,950
<b>Total Strategic Investments</b>	<b>\$ 14,347,154,068</b>	<b>\$ 1,177,422,943</b>	<b>\$ 2,609,559,099</b>	<b>\$ 18,134,136,110</b>

<sup>1</sup> Account opened during the fiscal year.

<sup>2</sup> Account assets sold or partnership interest sold during the fiscal year. Remaining balances reflect residual activity.

<sup>3</sup> Account assets sold or partnership interest sold during a prior fiscal year. Balances and activity reflect residual activity.

• For certain strategic investments accounts, market values are estimates of value which may or may not represent what would be actually realized in arm's-length sales transactions. In such cases the market values are self-reported by the external managers of these accounts and incorporate their estimate of the value of illiquid publicly traded securities and private market holdings.

• Numbers may not total due to rounding.

Source: SBA

**TABLE 14:**

### FRS Pension Plan - Miscellaneous Portfolios Change in Market Value for Fiscal Year 2020-21

Account Name	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
Cash Expense Account <sup>2</sup>	\$ 0	\$ 90,469	\$ (90,469)	\$ 0
Cash Securities Lending Account <sup>3</sup>	(33,565,035)	0	1,922,667	(31,642,368)
Central Cash/Short-Term	1,956,808,509	(706,784,816)	1,841,263	1,251,864,956
Centralized Cleared IM Collateral Account	172,736,396	0	282,010	173,018,406
Centralized MSFTA Collateral Account	21,077,488	20,000,000	24,704	41,102,192
Centralized Non-Cleared Cash Collateral	83,168,998	0	81,170	83,250,168
FRS Cash Enhanced	351,434,004	399,975,043	1,467,574	752,876,621
FRS Cash Transition <sup>1</sup>	0	24,957	(24,957)	0
Private Equity Cash	50,267,246	87,431,626	183,107	137,881,978
Real Estate Cash	20,221,837	60,006,740	15,297	80,243,875
Strategic Investments Cash	250,726,146	(142,422,943)	76,857	108,380,059
TF STIPFRS NAV Adjustment Account <sup>4</sup>	66,394	0	(131,914)	(65,519)
Total Fund Cash Expense Account <sup>2</sup>	0	39,431,195	(39,431,195)	0
<b>Total Cash/Short-Term</b>	<b>\$ 2,872,941,983</b>	<b>\$ (242,247,730)</b>	<b>\$ (33,783,885)</b>	<b>\$ 2,596,910,368</b>

<sup>1</sup> Account opened during the fiscal year.

<sup>2</sup> The Cash Expense Account and the Total Fund Cash Expense Account are used to pay various expenses (including SBA investment service charges and bank fees) on behalf of the Cash/Short-Term asset class or the entire FRS Pension Plan, respectively. Excluding these expenses, the reported investment gain (loss) would have been \$0 for each account.

<sup>3</sup> The Cash Securities Lending Account holds certain investments purchased in the securities lending program prior to the policy guidelines established in December 2008. These investments are generally being held to maturity. In fiscal year 2021, the overall net unrealized loss decreased by \$1,866,895. The account also received \$54,398 in class action settlement proceeds and earned \$1,374 in interest.

<sup>4</sup> The TF STIPFRS NAV Adjustment Account is used to record the difference between the net market value of the Short-Term Investment Pool (STIPFRS) that SBA utilizes to invest cash balances in the FRS Pension Plan and the total STIPFRS participant balances (carried at amortized cost) in all the individual portfolios that are invested in the pool. This can fluctuate and will be negative if the amortized cost of participant balances is higher than the net market value of the STIPFRS.

•Numbers may not total due to rounding.

**TABLE 15:**

### FRS Pension Plan Net Securities Lending Revenue by Fiscal Year

2006-07	\$ 54,097,509
2007-08	115,505,817
2008-09	96,168,151
2009-10 <sup>1</sup>	(134,528,845)
2010-11	43,594,622
2011-12	43,777,884
2012-13	48,168,513
2013-14	44,532,896
2014-15	38,044,668
2015-16	41,398,835
2016-17	49,210,608
2017-18	41,689,317
2018-19	31,482,495
2019-20	27,542,370
2020-21	22,169,408
<b>Total</b>	<b>\$ 562,854,248</b>

<sup>1</sup> The loss for 2009-10 resulted from a decline in value of various investments held in the securities lending portfolio. The recovery in value of these investments was not considered probable. Therefore, the underlying securities were written down resulting in a net realized loss. Net income without this loss was \$38,001,712.

•This table is on an accrual basis, not a cash basis, meaning distributed lending income is recorded when earned, not when received. Realized gains (losses) in investments purchased with cash collateral are included in the calculation of net security lending revenue (loss). The change in net unrealized appreciation (depreciation) in investments purchased with cash collateral is not included.

•Numbers may not total due to rounding.

Source: SBA

## Securities Lending

Securities lending is the short-term loan of securities for a fee. With its large portfolio of assets, the Pension Plan is well suited to such a program. Mutual funds and ETFs typically have lending programs for the same reasons. The demand to borrow shares usually comes from hedge funds or short-sellers. When securities are loaned, borrowers provide collateral, such as cash or government securities, of value equal to, or greater than, the loaned securities. As shown in Table 15, the program has provided significant gains over the long-term. However, fallout from the mortgage crisis resulted in losses during Fiscal Year 2009-10. In response, the program was restructured to a more conservative set of re-investment guidelines.

## Florida Investments

In 2008, the Florida Legislature authorized the SBA to invest up to 1.5% of net state retirement system trust fund assets in technology and high-growth investments of certain businesses with a significant presence in Florida.

The legislature made a determination that such investments would economically benefit the state. These investments may include space technology, aerospace and aviation engineering, computer technology, renewable energy, and medical and life sciences. The SBA created the Florida Growth Fund and Sunshine State Fund as the vehicles to carry out this mandate.

As part of the initiative, Florida Statutes require the SBA to report the year-end value of all the Pension Plan's Florida-based investments, as well as the component that can be considered growth and technology. Table 16 provides those figures for all Pension Plan investments that meet the criteria.

**TABLE 16:**

### All Florida Holdings

### Growth & Technology<sup>5</sup>

Asset Class	Net Asset Value	Net Asset Value
Separate Accounts- Direct		
Global Equity	\$ 1,287,274,134	\$ 454,647,680
Fixed Income	150,773,196	57,385,810
Real Estate- Core <sup>1</sup>	817,156,591	0
Real Estate- Non-Core <sup>1</sup>	22,580,278	0
<b>Sub-Total Separate Accounts</b>	<b>\$ 2,277,784,199</b>	<b>\$ 512,033,490</b>
Commingled Accounts- Indirect		
Real Estate- Commingled <sup>2</sup>	810,133,626	0
Private Equity- Commingled <sup>3</sup>	344,554,129	234,558,826
Strategic Investments- Commingled	511,654,529	152,704,072
<b>Sub-Total Commingled<sup>4</sup></b>	<b>1,666,342,284</b>	<b>387,262,901</b>
<b>Total</b>	<b>\$ 3,944,126,483</b>	<b>\$ 899,296,391</b>

<sup>1</sup> Real Estate Core and Non-Core data as of June 30, 2021 net of debt.

<sup>2</sup> Real Estate Commingled Account data as of June 30, 2021, net of debt.

<sup>3</sup> Private Equity data as of March 31, 2021

<sup>4</sup> The Pension Plan owns Florida investments in commingled funds valued at \$1,666,342,284. The Pension Plan owns shares of each commingled fund, not the underlying assets, i.e., property, equity or debt instruments. The assets are owned by the funds.

<sup>5</sup> Included in All Florida Holdings

• Numbers may not total due to rounding.

Source: SBA



# Florida Retirement System Investment Plan

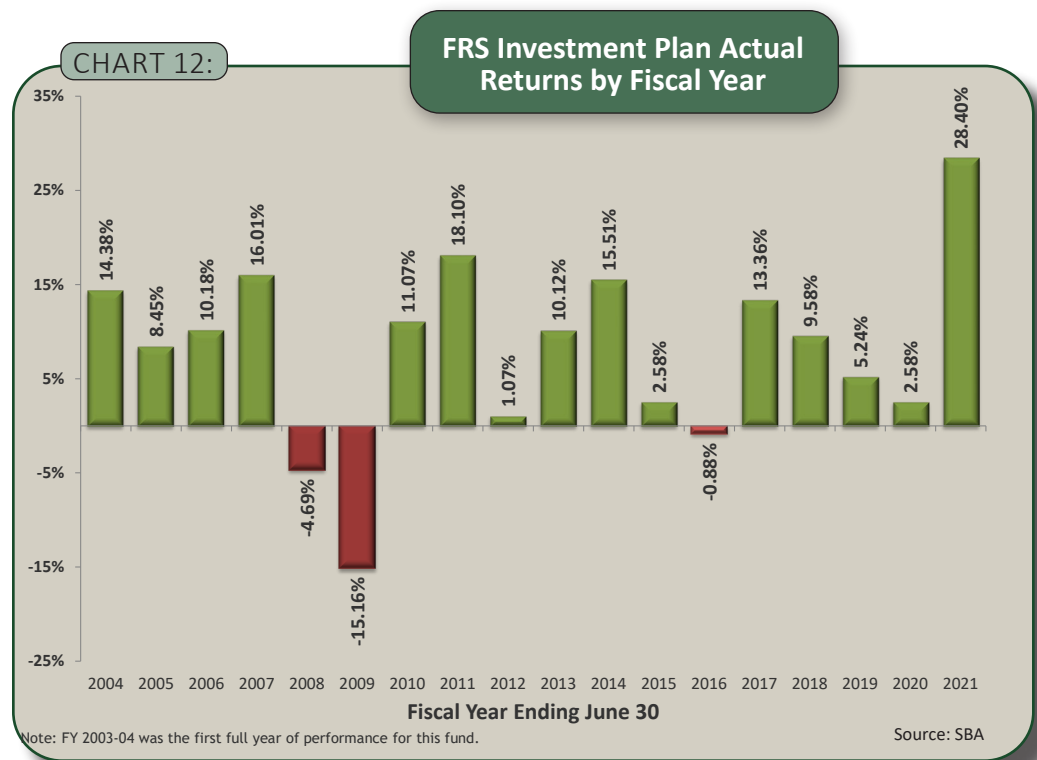
## Overview and Investment Objective

The Florida Retirement System (FRS) Investment Plan was established by the legislature to provide Florida's public employees with a portable, flexible alternative to the FRS Pension Plan (a traditional defined benefit plan). Since opening its first employee account in 2002, the Investment Plan has become one of the largest optional public-sector defined contribution retirement plans in the United States.

The primary objectives of the Investment Plan are to 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, which achieves or exceeds the returns on comparable market benchmark indices.

The Executive Director & CIO is responsible for selecting, evaluating, and monitoring performance of the investment options, with a focus on maximizing returns within appropriate risk constraints. The Investment Plan features 19 funds, including nine funds spread across five asset classes, and 10 retirement date funds that are mixtures of various asset classes. A Self-Directed Brokerage Account is also available.

The SBA follows Florida Statutes' fiduciary standards of care in managing the Investment Plan's options. The Investment Advisory Council provides independent oversight of the plan's general objectives, policies, and strategies.



## Performance

Investment performance in the Investment Plan is measured on an absolute basis (actual returns) and relative to appropriate market benchmarks for each investment option. Performance data is aggregated for the total fund and for each product type, using participant allocations as the weighting factors. Unlike the Pension Plan, asset allocation in the Investment Plan is the responsibility of each individual investor.

**TABLE 17:**

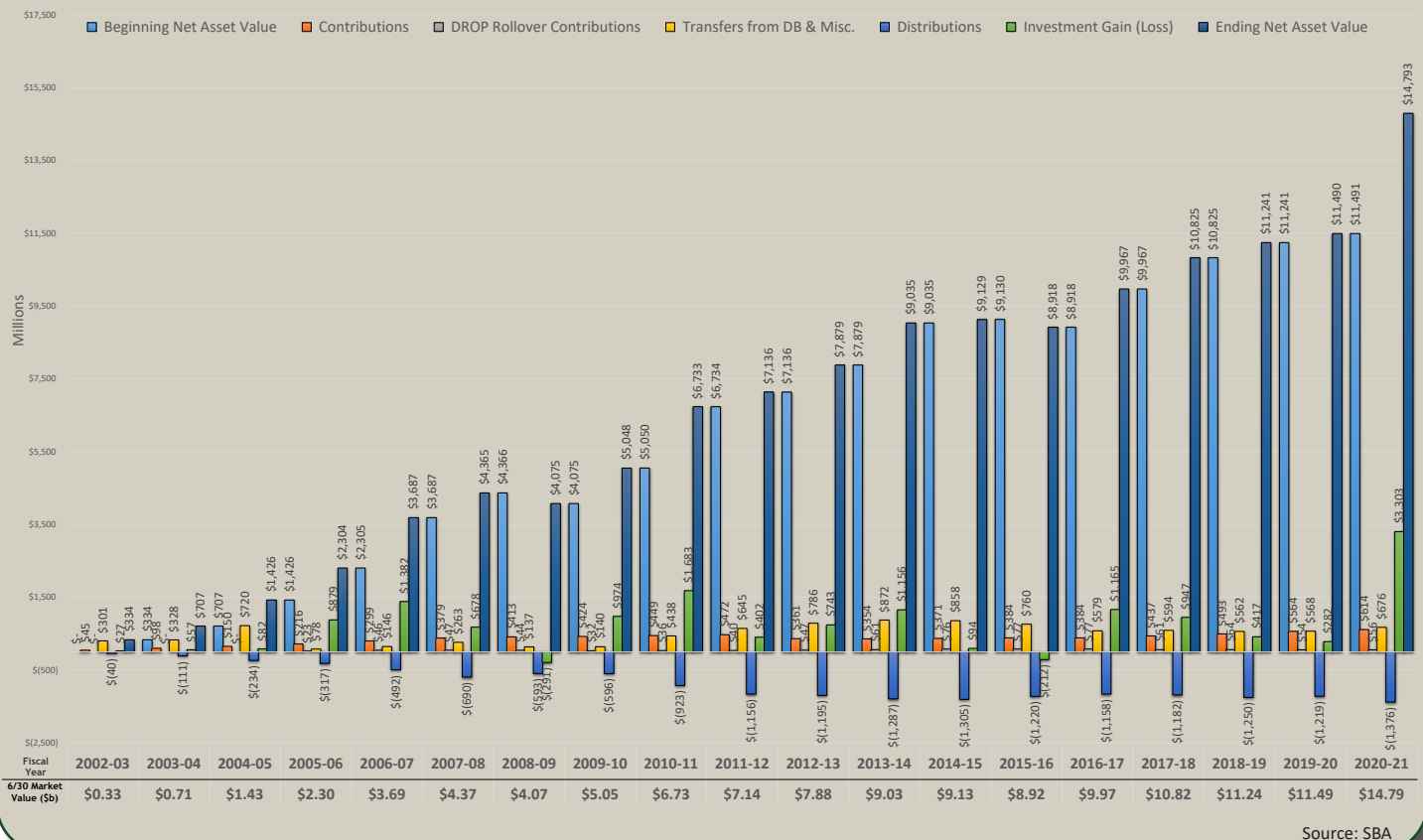
**FRS Investment Plan Returns vs. Benchmark**

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
One Year	28.40%	27.32%	1.07%
Three Years	11.50%	10.98%	0.52%
Five Years	11.48%	10.85%	0.62%
Ten Years	8.45%	8.07%	0.38%
Since Inception	7.75%	7.36%	0.39%

- All returns are annualized for periods indicated through June 30, 2021.
  - Benchmark is a weighted blend of individual asset class target indices as applicable per the FRS Investment Plan Investment Policy Statement; weights are based on contemporaneous market valuations, per participant asset allocation choices.
  - Inception of the fund is August 2002.
  - Numbers may not total due to rounding.
- Source: SBA

CHART 13:

## FRS Investment Plan - Annual Change in Total Fund Value by Source



Source: SBA

## Costs

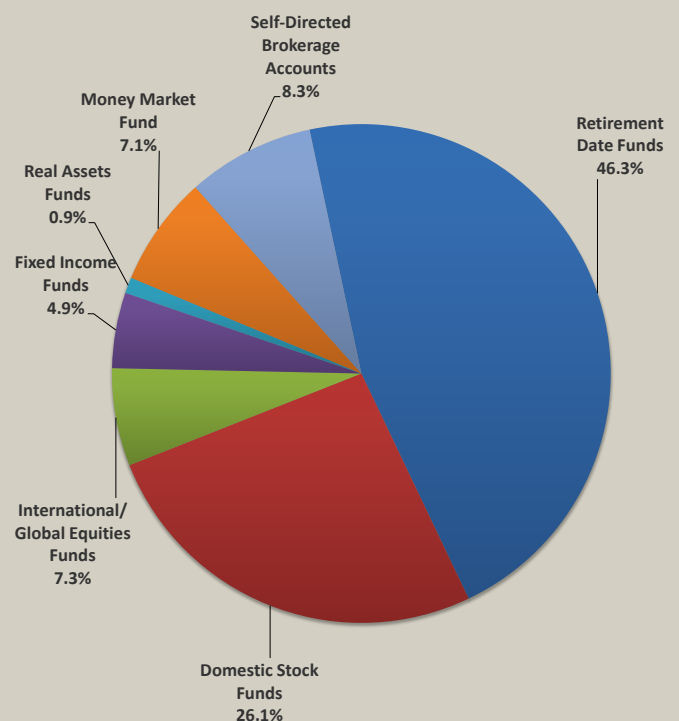
Total plan cost equals the sum of investment option management fees plus administrative, education, participant advice, and fiduciary costs. According to CEM Benchmarking, the Investment Plan's total plan cost (or expense ratio) for calendar year 2019 was 32 basis points (bps). The benchmark cost equals the Plan's asset mix multiplied by the size-adjusted peer median cost for each asset category. This exceeded its benchmark cost of 26 bps by 6 bps, or 0.06%. The reason for exceeding the benchmark is the extensive education program and resources offered to FRS members. Without these costs, the Investment Plan would be comparable to all peers.

## Investment Options

The Investment Plan offers a diversified array of fund options that span the risk and return spectrum. The investment options include a suite of customized target date funds, along with a money market fund, multi-asset fund, bond funds, US stock funds and foreign and global stock funds. The average fees across all investment funds are highly competitive at 0.20%.

CHART 14:

## FRS Investment Plan - Assets by Product Type \$14.8 Billion Market Value as of June 30, 2021



Asset allocation is a result of member investment selection

Source: SBA

## Retirement Date Funds

The FRS Retirement Date Funds invest in a diversified portfolio of other Investment Plan funds and use an asset allocation concept often referred to as “target date funds.” The mix of funds in each Retirement Date Fund is based on the amount of time a member in the Investment Plan has before retirement, and the mix gradually changes as the member nears retirement. This gradual change follows a careful investment allocation strategy called a “glide path.”

TABLE 18:

### FRS Investment Plan - Retirement Date Funds

Annual Average Investment Returns After Deducting Fees – Data Through June 30, 2021

Fund Name Performance Benchmark	Last 12 Months			Last 3 Years			Last 5 Years			Last 10 Years			Since Inception		
	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added
FRS 2060 Retirement Date Fund 2060 Retirement Custom Index	36.19%	35.66%	0.53%	13.11%	12.85%	0.27%	13.39%	13.18%	0.21%	n/a	n/a	n/a	12.39%	12.18%	0.21%
FRS 2055 Retirement Date Fund 2055 Retirement Custom Index	36.14%	35.66%	0.48%	13.04%	12.85%	0.20%	13.39%	13.18%	0.21%	n/a	n/a	n/a	9.33%	9.08%	0.24%
FRS 2050 Retirement Date Fund 2050 Retirement Custom Index	35.64%	35.38%	0.26%	12.86%	12.79%	0.06%	13.30%	13.14%	0.15%	n/a	n/a	n/a	9.26%	9.06%	0.20%
FRS 2045 Retirement Date Fund 2045 Retirement Custom Index	34.01%	33.78%	0.24%	12.57%	12.52%	0.04%	13.08%	12.97%	0.11%	n/a	n/a	n/a	9.12%	8.94%	0.18%
FRS 2040 Retirement Date Fund 2040 Retirement Custom Index	31.75%	31.47%	0.28%	12.11%	12.07%	0.04%	12.64%	12.44%	0.20%	n/a	n/a	n/a	8.81%	8.60%	0.22%
FRS 2035 Retirement Date Fund 2035 Retirement Custom Index	29.07%	28.70%	0.37%	11.53%	11.45%	0.07%	12.03%	11.68%	0.35%	n/a	n/a	n/a	8.45%	8.13%	0.31%
FRS 2030 Retirement Date Fund 2030 Retirement Custom Index	26.33%	25.84%	0.49%	10.90%	10.78%	0.12%	11.11%	10.84%	0.27%	n/a	n/a	n/a	7.91%	7.68%	0.22%
FRS 2025 Retirement Date Fund 2025 Retirement Custom Index	23.21%	22.65%	0.56%	10.19%	10.00%	0.18%	10.17%	9.85%	0.32%	n/a	n/a	n/a	7.25%	7.03%	0.22%
FRS 2020 Retirement Date Fund 2020 Retirement Custom Index	19.78%	19.13%	0.65%	9.26%	9.08%	0.18%	8.99%	8.68%	0.32%	n/a	n/a	n/a	6.39%	6.25%	0.14%
FRS Retirement Income Fund Retirement Income Custom Index	17.67%	16.49%	1.18%	8.75%	8.42%	0.34%	7.68%	7.37%	0.31%	n/a	n/a	n/a	5.47%	5.39%	0.07%

• Numbers may not total due to rounding. Inception July 2014.

Source: SBA



## Money Market Funds

The FRS Money Market Fund invests in short-term securities (financial instruments or obligations) that are high quality and can be sold quickly with little loss of value. Because of these investments, the fund has limited risk of declining in value. However, over the long term, money market investment returns have been modest and may not keep pace with inflation. Money market funds are not FDIC insured or guaranteed.

TABLE 19:

### FRS Investment Plan - Money Market Fund

Annual Average Investment Returns After Deducting Fees – Data Through June 30, 2021

Fund Name Performance Benchmark	Last 12 Months			Last 3 Years			Last 5 Years			Last 10 Years			Since Inception		
	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added
FRS Money Market Fund iMoneyNet Money Fund Average	0.20%	0.02%	0.18%	1.46%	1.21%	0.25%	1.38%	1.09%	0.29%	0.81%	0.58%	0.23%	1.52%	1.42%	0.10%

• Numbers may not total due to rounding. Inception August 2002.

Source: SBA

## Inflation Protection Funds

The FRS Inflation Protection Funds invests in a diversified array of assets that may help offset inflationary pressures. These assets include, but are not limited to, U.S. Treasury inflation-linked securities, commodities, real estate investment trusts, gold, and other securities. The fund seeks long-term real (net of inflation) returns to preserve the future purchasing power of accumulated assets. Members could lose money over short- or long-term periods by investing in this fund and returns may not keep pace with inflation.

TABLE 20:

### FRS Investment Plan - Inflation Protection Funds

Annual Average Investment Returns After Deducting Fees – Data Through June 30, 2021

Fund Name Performance Benchmark	Last 12 Months			Last 3 Years			Last 5 Years			Last 10 Years			Since Inception		
	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added
FRS Inflation Sensitive Fund FRS Multi-Assets Index	16.58%	14.92%	1.66%	5.36%	4.93%	0.43%	5.03%	4.62%	0.41%	n/a	n/a	n/a	2.44%	2.60%	(0.16%)

• Numbers may not total due to rounding. Inception August 2002

Source: SBA

## Bond Funds

The Investment Plan has two bond funds that invest primarily in fixed income securities. The quality of a bond is reflected in the credit rating of the company or agency that issues the bond. The short-term risk of bond funds is relatively low. However, over time, the value of a bond is affected by interest rates, inflation, and other factors.

TABLE 21:

### FRS Investment Plan - Bond Funds

Annual Average Investment Returns After Deducting Fees – Data Through June 30, 2021

Fund Name Performance Benchmark	Last 12 Months			Last 3 Years			Last 5 Years			Last 10 Years			Since Inception		
	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added
FRS U.S. Bond Enhanced Index Fund Barclays Capital Aggregate Bond Index	-0.17%	-0.33%	0.16%	5.43%	5.34%	0.09%	3.10%	3.03%	0.07%	3.50%	3.39%	0.11%	4.45%	4.31%	0.15%
FRS Core Plus Bond Fund FRS Custom Core Plus Bond Index	4.14%	2.28%	1.86%	6.53%	5.87%	0.66%	4.61%	3.87%	0.74%	n/a	n/a	n/a	4.19%	3.70%	0.49%

• Numbers may not total due to rounding.

Source: SBA

## U.S. Stock Funds

The Investment Plan provides U.S. Stock Funds to invest primarily in stocks issued by U.S. companies. The short-term risk of investing in stocks has been much higher than bonds. However, over long periods of time, stocks have generally performed better than bonds.

TABLE 22:

### FRS Investment Plan - U.S. Stock Funds

Annual Average Investment Returns After Deducting Fees – Data Through June 30, 2021

Fund Name Performance Benchmark	Last 12 Months			Last 3 Years			Last 5 Years			Last 10 Years			Since Inception		
	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added
FRS U.S. Stock Market Index Fund Russell 3000 Index	44.21%	44.16%	0.05%	18.80%	18.73%	0.07%	17.96%	17.89%	0.08%	14.78%	14.70%	0.08%	11.12%	11.04%	0.07%
FRS U.S. Stock Fund Russell 3000 Index	48.50%	44.16%	4.33%	15.97%	18.73%	(2.76%)	17.35%	17.89%	(0.54%)	n/a	n/a	n/a	14.03%	11.04%	2.99%

• Numbers may not total due to rounding.

Source: SBA

## Foreign and Global Stock Funds

The Investment Plan has three Foreign and Global Stock Funds. These funds invest primarily in stocks issued by foreign companies. Compared to U.S. stocks, foreign stocks are affected by additional risk factors such as foreign laws and regulations, differences in accounting practices, political, and currency risks. Over the long-term, foreign stocks have provided additional diversification benefits.

TABLE 23:

### FRS Investment Plan - Foreign and Global Stock Funds

Annual Average Investment Returns After Deducting Fees – Data Through June 30, 2021

Fund Name Performance Benchmark	Last 12 Months			Last 3 Years			Last 5 Years			Last 10 Years			Since Inception		
	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added	Actual Return	Benchmark Return	Value Added
FRS Foreign Stock Index Fund MSCI All Country World Index ex US IMI Index	37.40%	37.18%	0.23%	9.72%	9.42%	0.29%	11.51%	11.20%	0.31%	6.48%	6.16%	0.32%	7.97%	7.66%	0.30%
FRS Foreign Stock Fund MSCI All Country World ex U.S. Index	40.10%	35.72%	4.39%	13.78%	9.38%	4.40%	14.50%	11.11%	3.39%	8.33%	5.70%	2.63%	8.38%	5.62%	2.76%
FRS Global Stock Fund MSCI All Country World Index	46.20%	39.26%	6.94%	20.39%	14.57%	5.82%	19.63%	14.61%	5.02%	13.67%	10.06%	3.61%	12.27%	8.94%	3.33%

• Numbers may not total due to rounding.

Source: SBA

## Self-Directed Brokerage Account

The Investment Plan also offers its members access to a self-directed brokerage account. It does not fall into any single asset class because it allows the member to invest in a vast number of different investments in addition to the Plan's primary investment funds. The Self-Directed Brokerage Account is not suitable for all members and the members who use the Account assume the full risk and responsibility for the investments selected.

## Overview and Investment Objective

Florida PRIME™ provides eligible participants a cost-effective investment vehicle for their surplus funds. Officially named the Local Government Surplus Funds Trust Fund, its investment strategy emphasizes, in order of importance, preservation of capital (safety), liquidity, and competitive yield. Florida PRIME™ is managed by an industry leader in professional money management and maintains conservative investment policies and a Standard & Poor's 'AAAm' rating. Florida PRIME™ offers investors experienced, government-level liquidity management, an extensive governance framework, full transparency, and best-in-class financial reporting.

Florida PRIME™ is governed by Chapters 215 and 218, Florida Statutes, and Chapter 19-7 of the Florida Administrative Code (collectively referred to as, "applicable Florida law").

The Trustees (comprised of the Governor, the Chief Financial Officer, and the Attorney General of the State of Florida) have delegated the administrative and investment authority to manage Florida PRIME™ to the Executive Director & CIO of the SBA, subject to applicable Florida law.

## Eligible Participants

Units of local government eligible to participate in Florida PRIME™ include, but are not limited to, any county, municipality, school district, special district, clerk of the circuit court, sheriff, property appraiser, tax collector, supervisor of elections, state university, state college, community college, authority, board, public corporation, or any other political subdivision or direct support organization of the state.

As of June 30, 2021, Florida PRIME™ had a net asset value of \$17.4 billion, comprising assets held in 1,381 investor accounts on behalf of 743 participants. During the fiscal year, the fund's assets increased by approximately \$2.3 billion, representing a 15% increase in net asset value.

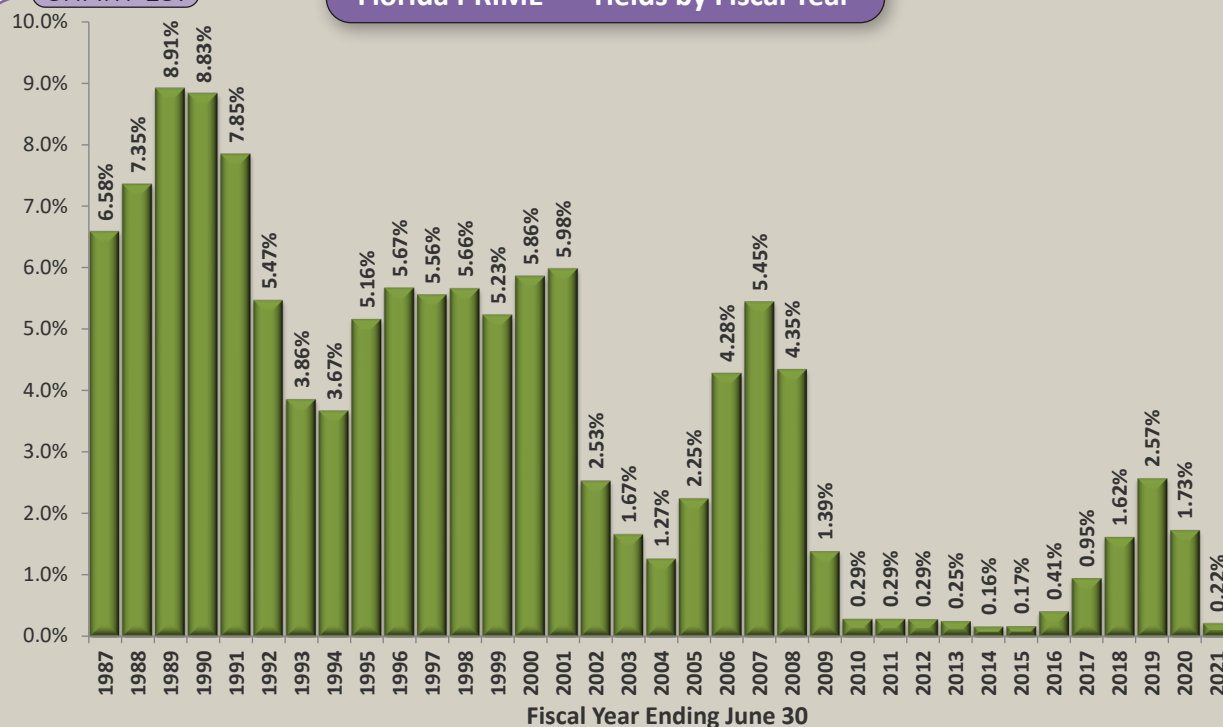
## Performance

For the fiscal year ending June 30, 2021, Florida PRIME™ delivered an aggregate \$39.6 million in investment earnings to its investors, down from \$237.0 million earned by participants during the prior fiscal year. By historical standards, absolute returns have been low over the past two years, reflecting the near-zero Federal Funds rate strategy employed as part of the stimulative monetary policy of the Federal Reserve Board of Governors. During the fiscal year the Federal Open Markets Committee (FOMC) did not change interest rates at any time leading to a steady pool's yield ending at 0.10% at the end the fiscal year.

During fiscal year 2020-21, the pool processed over \$53.4 billion in participant cash flows (including both deposits and withdrawals). Relative performance of Florida PRIME™ has been strong over both short- and long-term time periods. For the period ending June 30, 2021, Florida PRIME™ generated excess returns (performance above the pool's benchmark) of approximately 12 basis points (0.12%) over the last 12 months, 21 basis points (0.21%) over the last three years, and 25 basis points (0.25%) over the last five years. Florida PRIME™ has outperformed all other government investment pools statewide. Through the five-year period ending June 30, 2021, 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.

CHART 15:

Florida PRIME™ - Yields by Fiscal Year



\*Formerly known as the Local Government Investment Pool or LGIP.

Source: SBA

TABLE 24:

Florida PRIME™ Yield vs. Benchmark Performance Data as of June 30, 2021

	Florida PRIME 30 Day Avg Yield <sup>1</sup>	Benchmark Yield <sup>2</sup>	Actual Over (Under) Bmk.
One-Year	0.22%	0.10%	0.12%
Three-Years	1.50%	1.29%	0.21%
Five-Years	1.42%	1.16%	0.25%
Ten-Years	0.83%	0.63%	0.21%
Fifteen-Years	1.33%	1.14%	0.19%
Twenty-Years	1.60%	1.38%	0.22%
Twenty Five-Years	2.40%	2.18%	0.22%

• All yields are annualized for periods indicated through June 30, 2021.

• Yields are net of fees, and reflect the yield calculation pursuant to Chapter 19-7.011, Florida Administrative Code.

• Benchmark is the S&P AAA/AA Rated GIP All 30-Day Net Index for all time periods except the period July, 1994 to March, 1995 where an approximation using one month LIBOR was used.

• Numbers may not total due to rounding.

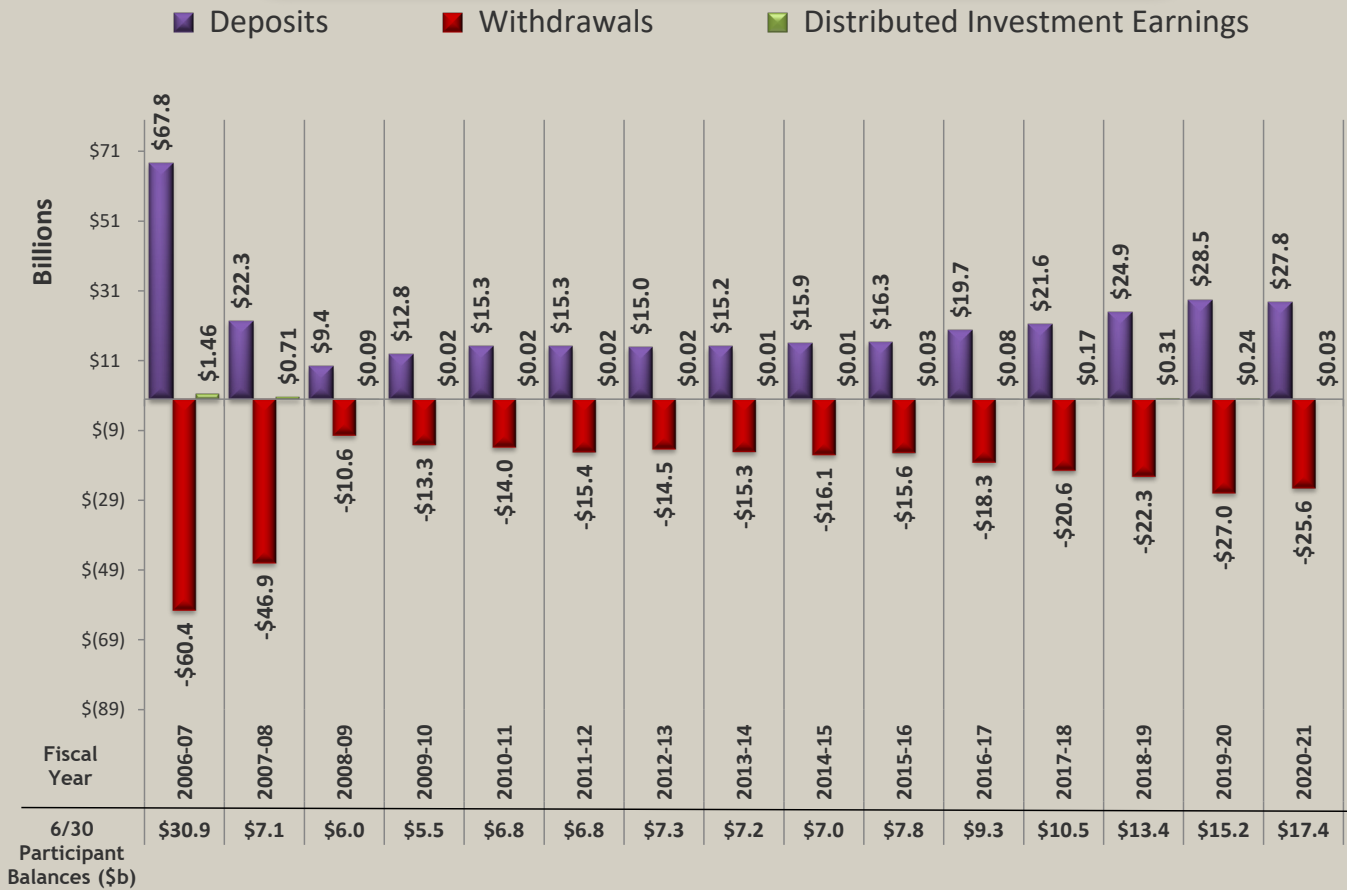
<sup>1</sup>Net of fees. Participant yield is calculated on a 365-day basis and includes adjustments for expenses and other accounting items to reflect realized earnings by participants.

<sup>2</sup>The net-of-fee benchmark is the S&P AAA/AA Rated GIP All 30-day Net Index for all time periods.

Source: SBA

CHART 16:

## Florida PRIME™ - Annual Change in Total Fund Value by Source



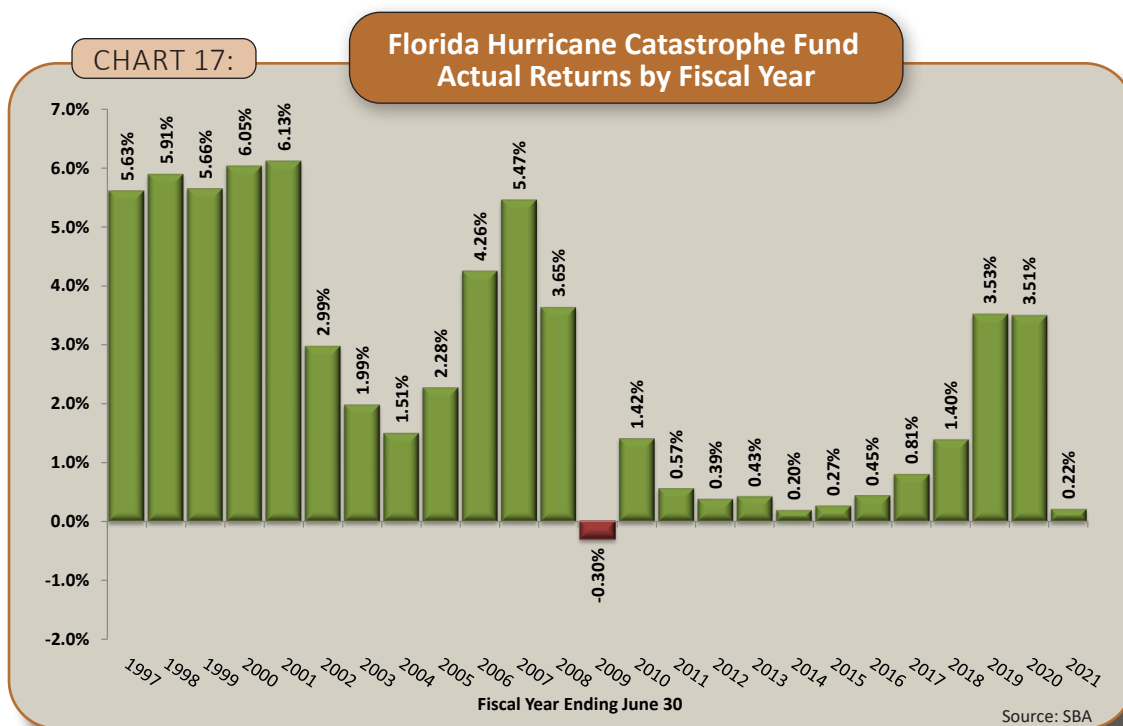
Source: SBA

## Cost

As the lowest-cost investment pool in the state, Florida PRIME™ offers the best value for governmental investors, with total fees that are a fraction of the cost of other investment options. The all-in fees of Florida PRIME™ are approximately one-fourth (1/4) those of its closest competitor, by far the lowest of any similar government investment pool ("GIP") in the State of Florida, and lower than most other GIPs nationwide and other institutional money market products. All investors are charged a uniform rate to participate in Florida PRIME™. As of June 30, 2021, the fee charged to Florida PRIME™ investors was 3.1 basis points (or 0.031%) of account value. This charge covers the cost of investment management, record keeping, legal compliance, maintenance of a fund rating, and fiduciary oversight of the investment pool.

# Florida Hurricane Catastrophe Fund/ State Board of Administration Finance Corporation

The Florida Hurricane Catastrophe Fund (FHCF) was created in 1993 in response to Florida's property insurance crisis resulting from Hurricane Andrew. The purpose of this tax-exempt state trust fund is to encourage additional insurance capacity in the state by providing a stable and ongoing source of reimbursement to insurers for a portion of their catastrophic hurricane losses. The FHCF is funded by reimbursement premiums charged to participating insurers, investment earnings on unspent funds, and emergency assessments on most property and casualty lines of business.



## Performance

The SBA acts as investment manager for the FHCF. Reimbursing insurers fully for their covered losses in a timely manner is the primary mission of the FHCF. Therefore, the investment objective for the FHCF is defined by the following prioritized goals: (i) liquidity; (ii) safety of principal; and (iii) competitive returns. The investment returns of the portfolio are consistent with the mission of the FHCF.

**TABLE 25:**

### Florida Hurricane Catastrophe Fund Returns for Periods Ending June 30, 2021

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
One Year	0.22%	0.21%	0.01%
Three Years	2.41%	2.45%	(0.04%)
Five Years	1.89%	1.79%	0.10%
Ten Years	1.11%	0.98%	0.13%
Fifteen Years	1.46%	1.41%	0.04%

- All returns are annualized for periods indicated through June 30, 2021.
- Benchmark is a weighted-average of individual portfolio level benchmark returns.
- Inception of the Fund was July 1996.
- Numbers may not total due to rounding.

Source: SBA

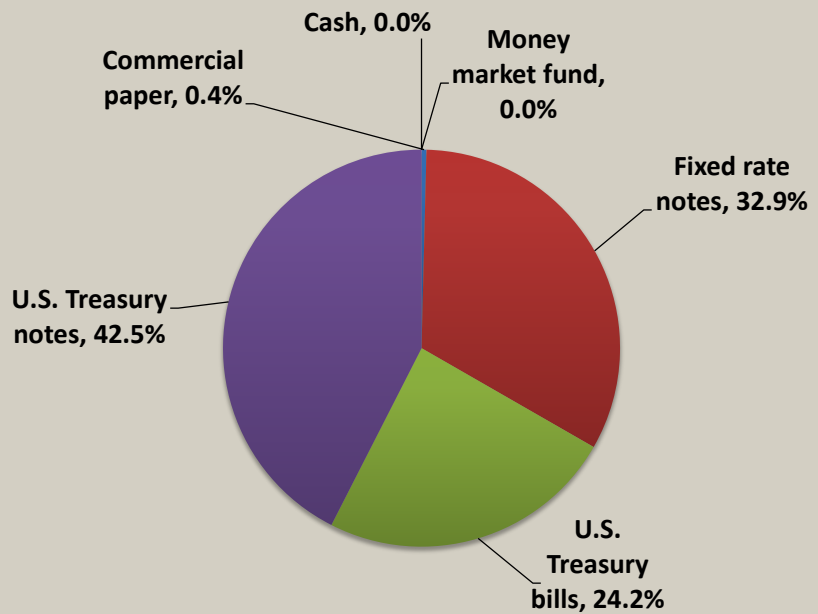
## Portfolio

Cash flow needs for the FHCF after a hurricane are difficult to project, but it is prudent to assume that significant amounts of cash could be needed to pay covered losses quickly if there is a large event. Since paying such losses fully and in a timely manner is the primary mission of the FHCF, liquidity and principal stability in the portfolio must be paramount. The SBA invests in short-term, high quality, and highly liquid fixed income securities such as certificates of deposit, commercial paper, U.S. government agency notes, and U.S. Treasury bills.

CHART 18:

### FHCF Investments by Security Type as of June 30, 2021

**\$12.6 Billion Market Value**



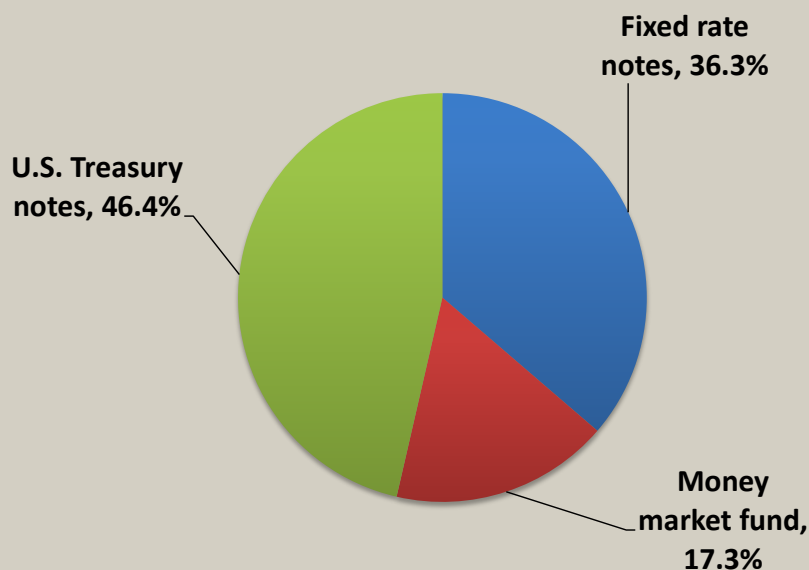
Market value includes accrued interest receivable, but does not include pending investment sales receivable or investment purchases payable.

Source: SBA

CHART 19:

### Corporation Investments by Security Type as of June 30, 2021

**\$4.2 Billion Market Value**



Market value includes accrued interest receivable, but does not include pending investment sales receivable or pending investment purchases payable

Source: SBA

## State Board of Administration Finance Corporation

The State Board of Administration Finance Corporation (Corporation) was created as a public benefits corporation to provide a mechanism for the cost-effective and efficient issuance of bonds to fund hurricane losses for the FHCF.

TABLE 26:

### State Board of Administration Finance Corporation Series 2016 Returns for Periods Ending June 30, 2021

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
One Year	0.18%	0.18%	0.00%
Three Years	2.14%	2.12%	0.02%
Five Years	1.70%	1.59%	0.11%
Since Inception	1.63%	1.56%	0.07%

- All returns are annualized for periods indicated through June 30, 2021.
- From June 2017 to January 2018 the benchmark was a blend of 75% of the Bank of America Merrill Lynch 1-Year U.S. Treasury Bill Index and 25% of the iMoneyNet First Tier Institutional Money Market Funds Net Index. From February 2018 to June 2018 the benchmark is the managed return. From July 2018 to September 2018 the benchmark was a blend of 35% Bank of America Merrill Lynch 1-3 Year AA US Corporate Bond Index and 65% Bank of America Merrill Lynch 1-3 Year US Treasury Index. From October 2018 to present the benchmark is the managed return.
- Inception of the fund was February 2016.
- Numbers may not total due to rounding.

Source: SBA

## Pre-Event and Post-Event Financing

Under authorization of Section 215.555 (6), Florida Statutes, the Fund can issue post-event revenue bonds and pre-event revenue bonds, as necessary, in order to meet current and future obligations. In order to provide a source of additional funds to reimburse insurers for hurricane losses related to future covered events, the Corporation has issued a total of \$13 billion in pre-event revenue bonds. The Corporation issued \$3.5 billion taxable, pre-event Series 2020A revenue bonds in September 2020. \$1.2 billion taxable, pre-event Series 2016A revenue bonds were issued in Fiscal Year 2015-16 and those bonds fully matured on July 1, 2021. The proceeds of these bonds are invested and managed by the SBA as a potential source of reimbursement for future hurricane losses. The investment earnings on the bonds, as well as the FHCF's reimbursement premiums, are the funding sources for the payment of interest on the bonds. The FHCF currently has no post-event bonds outstanding.

The Corporation has the same investment objectives as the FHCF; therefore, the investment returns and allocation of securities also reflect the short-term, high quality, and highly liquid nature of the portfolio.



# Lawton Chiles Endowment Fund

## Overview and Investment Objective

Created by the Florida Legislature in 1999, the purpose of the Lawton Chiles Endowment Fund (LCEF) is to invest a portion of the state's tobacco settlement monies to provide a perpetual source of enhanced funding for health maintenance and research programs related to tobacco use. The SBA has the statutory authority and responsibility for the investment of LCEF assets, subject to certain investment limitations and consistent with an Investment Policy Statement approved by the SBA Trustees. Pursuant to House Bill 5011, signed into law on June 2, 2021 and effective July 1, 2021, the State Board of Administration liquidated the assets of the Lawton Chiles Endowment Fund and transferred the amount to the Division of Treasury Budget Stabilization Fund. Accordingly, no performance data will be reported after June 30, 2021.

## Capital Preservation Objective

Florida law specifies that the LCEF shall be managed as a perpetuity, with an investment objective of long-term preservation of the real value of the principal. The law further requires a specified regular annual cash outflow for appropriation, as nonrecurring revenue.

Chart 20 provides the percentage of the inflation-adjusted value of cumulative net contributions to the LCEF as of June 30, 2021, which increased to 103.44% from 83.82%.

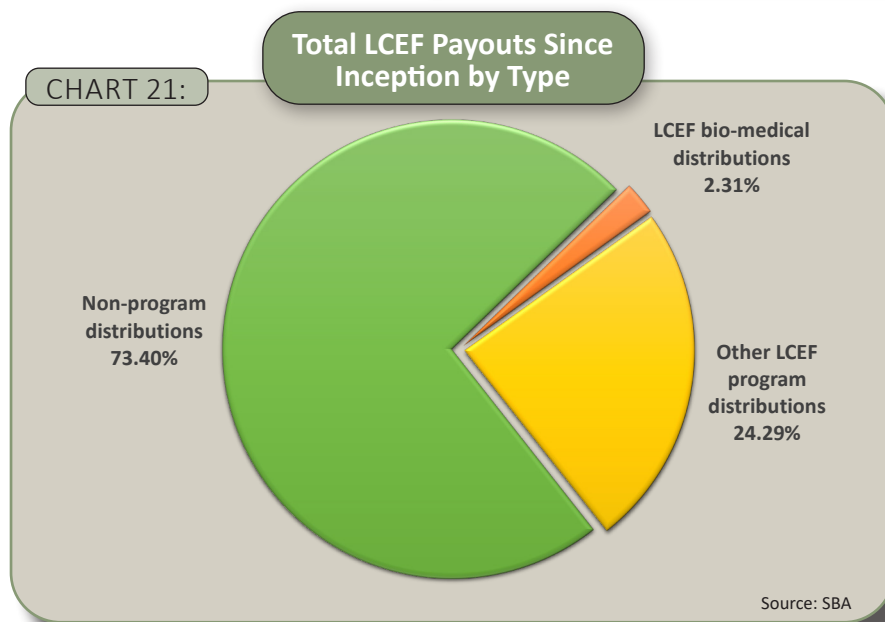
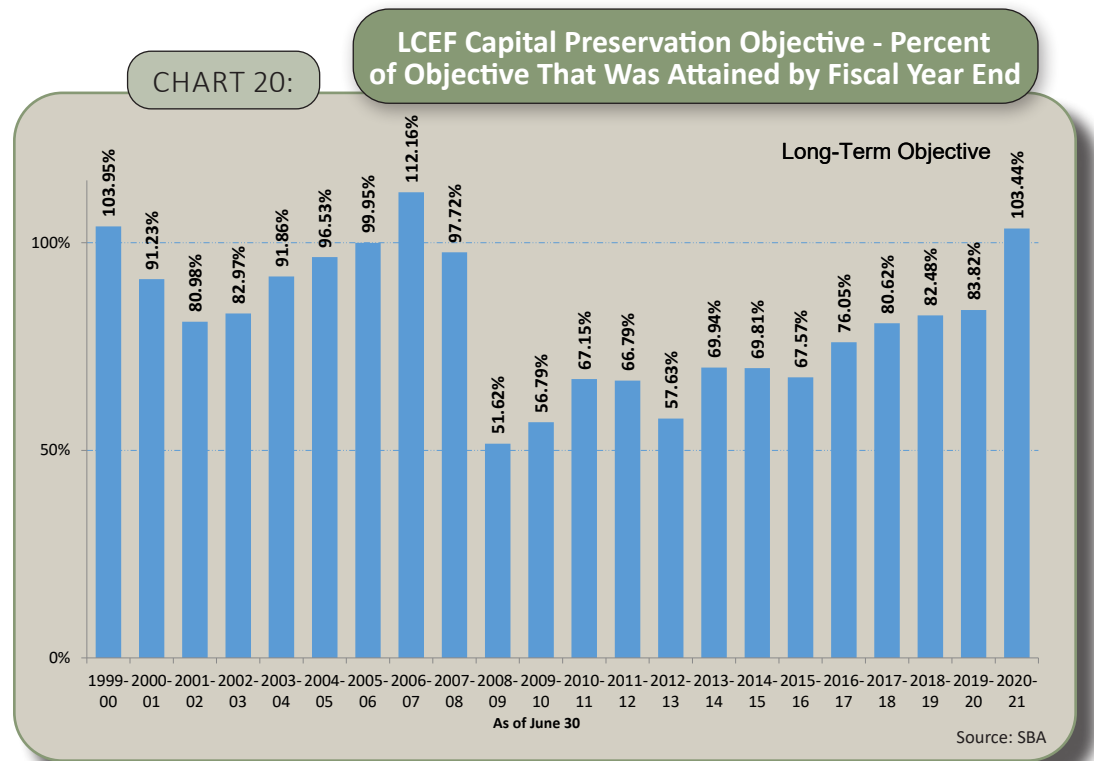
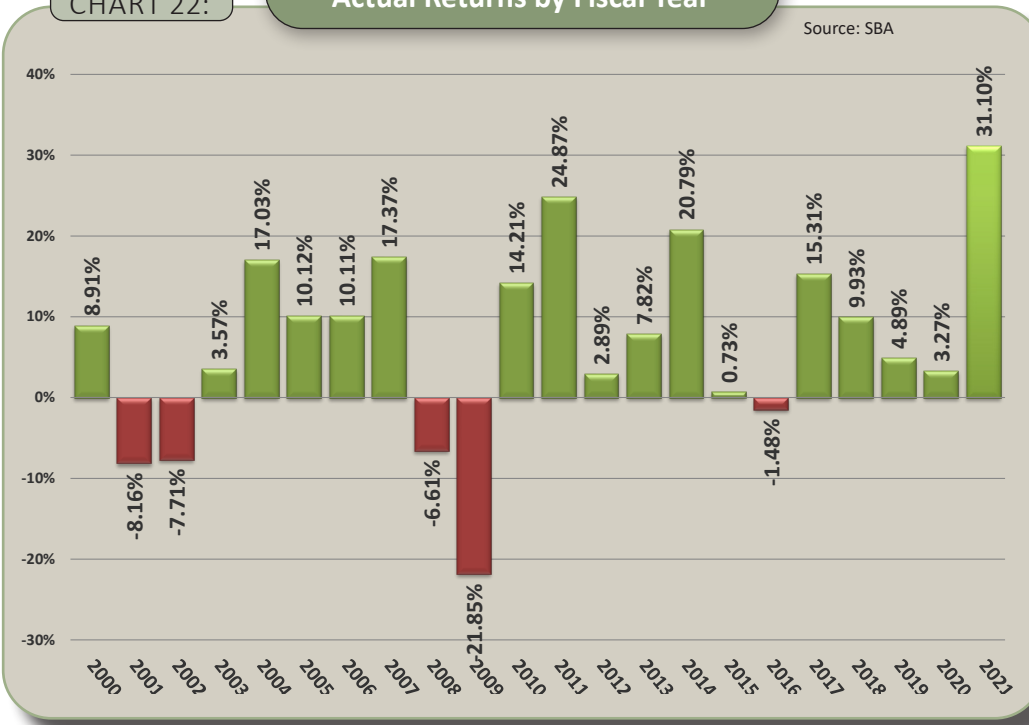


Chart 21 provides the percentage by purpose of the total payouts from the Fund.

CHART 22:

### Lawton Chiles Endowment Fund Actual Returns by Fiscal Year

Source: SBA



## Performance

Chart 22 illustrates actual returns for the LCEF for each year since its inception. Negative returns over two years early in the millennium and two years more recently are reflections, respectively, of the bursting of the tech bubble and the more recent financial crisis.

In addition to the statutory investment objective for the Endowment Fund, the SBA measures performance relative to market-based benchmarks. Table 27 compares actual returns to the benchmark return for various periods.

TABLE 27:

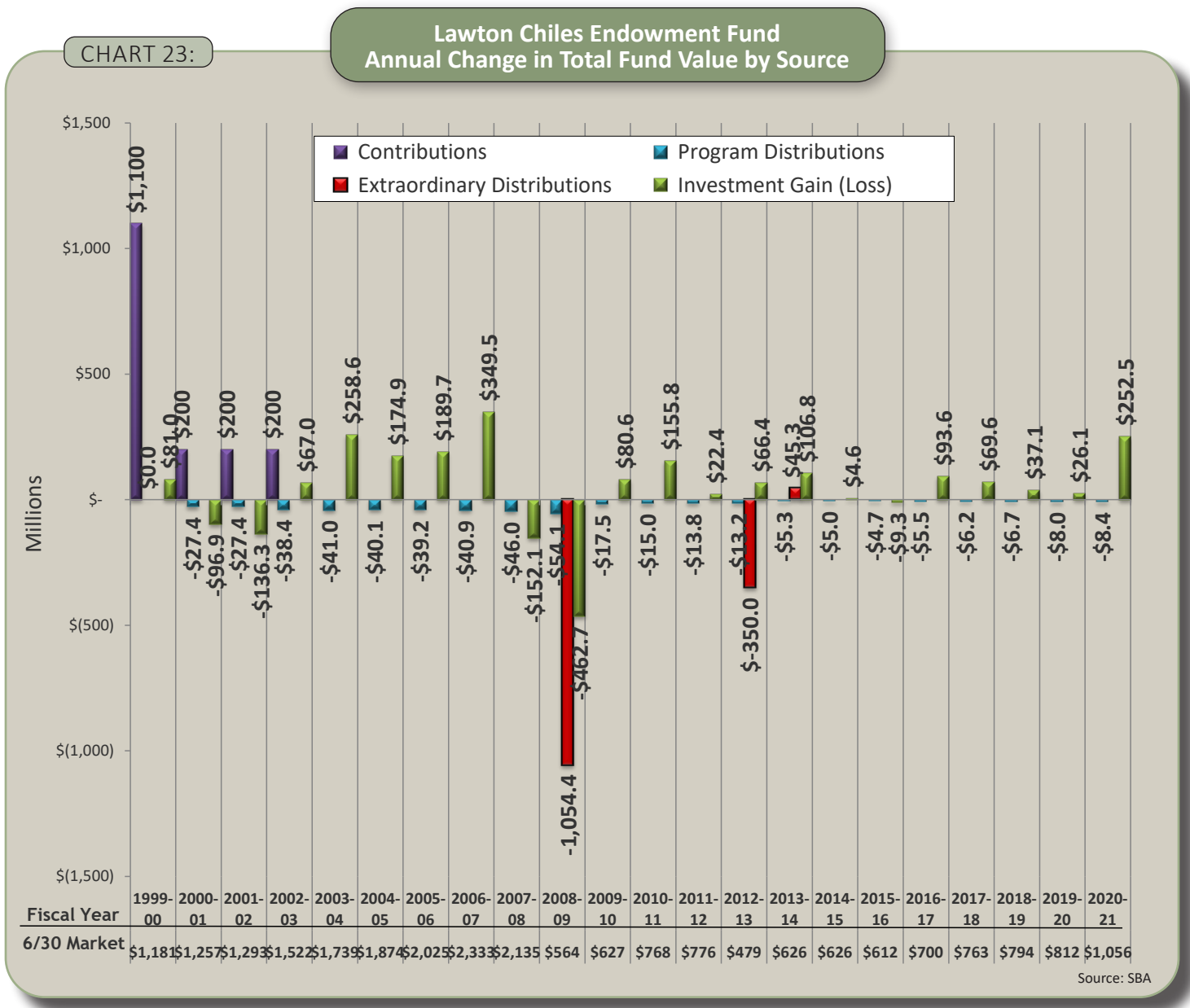
### Lawton Chiles Endowment Fund Returns for Periods Ending June 30, 2021

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
One Year	31.10%	28.78%	2.32%
Three Years	12.40%	12.14%	0.27%
Five Years	12.48%	11.58%	0.90%
Ten Years	9.12%	8.30%	0.82%
Since Inception	6.46%	5.90%	0.57%

- All returns are annualized for periods indicated through June 30, 2021.
- Benchmark is a weighted blend of individual asset class target indices as applicable; weights and benchmarks are established in the Lawton Chiles Endowment Fund Investment Policy Statement.
- Inception of the Fund was July 1999.
- Numbers may not total due to rounding.

Source: SBA

Chart 23 illustrates the components of year-to-year change in the endowment's net asset value. The Fund received external infusions of capital (i.e., contributions) only in the first four years of its existence (purple bars). Since then, the only support for annual payouts (light blue bars) has been earnings on those initial investments (green bars). The Fund's assets were substantially reduced by the extraordinary distributions, and partial repayments (red bars).



## Cost

External investment management fees, by asset class, paid by the Fund are presented in table 28.

**TABLE 28:**

### External Investment Management Fees for Fiscal Year 2020-21

Asset Class	Dollar Amount	Return Basis <sup>1</sup>
Foreign Equities	\$716,668	0.10%
Fixed Income	51,727	0.04%
Inflation-Indexed	24,365	0.03%
<b>Total</b>	<b>\$792,759</b>	<b>0.09%</b>

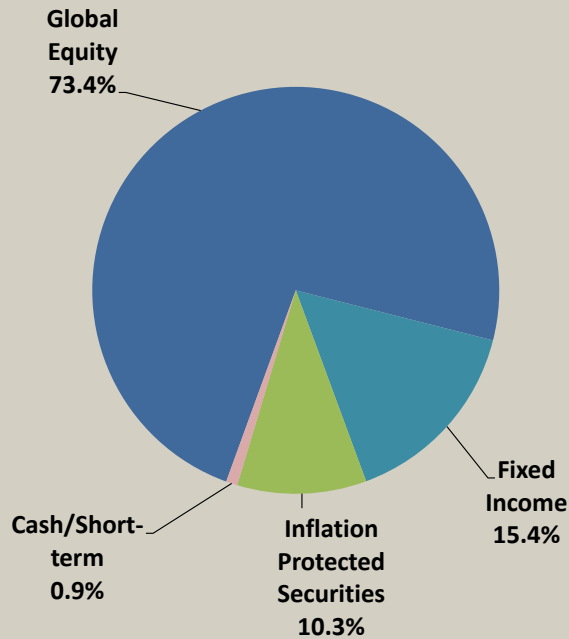
<sup>1</sup> Return basis expresses external management fees as a percent of the average of the month-end net asset value of externally managed portfolios in each asset class (including month-ends from June 30, 2020 through June 30, 2021). This measure is comparable to an annual expense ratio.

• Numbers may not total due to rounding.

Source: SBA

CHART 24:

### Lawton Chiles Assets by Type \$1.06 Billion as of June 30, 2021



Source: SBA

Over its life, the only non-transitional change to the Endowment Fund's asset allocation was the elimination of exposure to Real Estate Investment Trust securities (REITs) at the beginning of Fiscal Year 2009-10. This was part of a general streamlining of the Fund's investment structure, as its net asset base shrank from \$2.13 billion on June 30, 2008 to \$0.56 billion a year later.

## Asset Allocation

The principal performance measure of a fund's asset allocation is a weighted composite of the benchmark returns of each of its asset classes, where the weights are the policy allocations for each class. Chart 24 shows the actual asset allocation for the LCEF as of June 30, 2021. Table 29 compares what would have been earned had actual exposures adhered strictly to the target weights and had the Fund earned only the benchmark return for each asset class, and the deviation from the policy weights that occurred in practice added to or detracted from the policy return of the Fund.

TABLE 29:

### LCEF Returns to Asset Allocation Periods Ending June 30, 2021

	Policy Return	Implementation Return
One Year	29.35%	28.78%
Three Years	12.07%	12.14%
Five Years	11.65%	11.58%
Ten Years	8.27%	8.30%
Since Inception	6.05%	5.90%

Source: SBA

## Asset Classes

As of June 30, 2021, assets of the Lawton Chiles Endowment Fund are currently divided into four classes: Global Equity, Fixed Income, Inflation-Protected Securities, and Cash Equivalents. Table 30 presents returns by asset class over various periods ending June 30, 2021.

TABLE 30:

### Lawton Chiles Endowment Fund Actual Returns by Asset Class for Periods Ending June 30, 2021

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.		Actual Return	Benchmark Return	Actual Over (Under) Bmk.
<b>Global Equity</b>				<b>TIPS</b>			
One Year	43.51%	41.03%	2.48%	One Year	6.62%	6.51%	0.10%
Three Years	14.70%	14.34%	0.36%	Three Years	6.61%	6.53%	0.08%
Five Years	15.80%	14.72%	1.07%	Five Years	4.30%	4.17%	0.13%
Ten Years	11.98%	10.84%	1.13%	Ten Years	3.50%	3.40%	0.10%
<b>Fixed Income</b>				<b>Cash Equivalents</b>			
One Year	(0.32%)	(0.33%)	0.01%	One Year	0.34%	0.10%	0.25%
Three Years	5.43%	5.34%	0.09%	Three Years	1.66%	1.29%	0.37%
Five Years	3.10%	3.03%	0.07%	Five Years	1.51%	1.16%	0.35%
Ten Years	3.49%	3.39%	0.10%	Ten Years	0.98%	0.63%	0.35%

- Global Equity became an asset class in September 2012. The historical return series prior to September 2012 was derived from the underlying Domestic and Foreign Equities components.
- Numbers may not total due to rounding.

Source: SBA

## Portfolios by Asset Class

Table 31 shows the beginning and ending market values for each asset class and individual Endowment Fund portfolios, together with net contributions and withdrawals, and investment gain or loss.

TABLE 31:

### Lawton Chiles Endowment Fund Assets Under Management Market Value Change by Asset Class and Portfolio, Fiscal Year June 30, 2021

Account Name	Market Value 6/30/2020	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2021
<b>Global Equity Portfolios</b>				
Acadian - Chiles (ICEF)-Foreign Equities	\$ 587,607,125	\$ (59,908,172)	\$ 247,229,090	\$ 774,928,043
Chiles Global Equity Transition	16,558	0	3,121	19,679
<b>Fixed Income Portfolios</b>				
Chiles Barclays Aggregate	130,975,993	32,450,000	(569,804)	162,856,190
Chiles Fixed Income Cash Expense	0	1,481	(1,481)	0
<b>Inflation-Indexed Bond Portfolios</b>				
BlackRock TIPS Passive	84,390,352	17,960,000	6,050,365	108,400,717
Chiles TIPS Cash Expense	(0)	1,358	(1,358)	(0)
<b>Cash/Short-Term Portfolios</b>				
Chiles Cash	8,708,956	864,016	33,039	9,606,011
Chiles Cash Expense	(0)	1,126	(1,126)	(0)
Chiles Total Fund Expense	0	208,050	(208,050)	0
<b>Total Lawton Chiles Endowment</b>	<b>\$ 811,698,985</b>	<b>\$ (8,422,141)</b>	<b>\$ 252,533,796</b>	<b>\$ 1,055,810,641</b>

<sup>1</sup> Account balance is periodically zero due to cash flows.  
• Numbers may not total due to rounding

Source: SBA

# Other Funds Under Management

In addition to the major mandates and investment pools discussed earlier in this report, the SBA either managed or facilitated the management of assets for several other clients, within four broad categories. The clients and nature of the SBA's responsibilities are enumerated below. Assets may be held in one or more of the SBA's investment pools, as well as in separately managed portfolios. Return data is not calculated individually for these clients because the client's assets are managed in a pooled investment product, or because returns are not indicative of the SBA's effectiveness in managing the assets.

## Portfolios Managed Under Fiduciary Discretion

- Retiree Health Insurance Subsidy Trust Fund

The SBA develops and maintains an investment policy for this Fund, setting forth an investment benchmark, a portfolio style, a risk profile, holding limitations, authorized securities, an investment objective and so forth. The SBA exercises its discretion as an investment fiduciary, cognizant of the risk tolerance of the Fund, in a manner similar to its services for major mandate clients.

## Portfolios with Dedicated Bond Strategies

- Department of the Lottery Fund

Typically, for clients within this category, pursuant to a trust agreement containing investment policy guidelines, the SBA manages a portfolio of laddered fixed income and/or short-term instruments whose maturities are matched to a Principal Disbursement Schedule supplied by the client. For select clients, the SBA utilizes Florida PRIME™ for short-term cash allocations. For all of these clients, the SBA seeks to provide safety of principal and a competitive return within the confines of the payout amounts and dates specified by the client.

For each Lottery winner who chooses annuity payments rather than a lump sum payout, the SBA purchases Treasury STRIPS for the term prescribed with the net winnings allocated.

## Program Directed Assets

- Bond Proceeds Trust Fund
- Debt Service
- Gas Tax Clearing Fund

These portfolios contain assets of state government programs temporarily available for investment. The programs are housed within or closely affiliated with the SBA. Pursuant to specific Investment Portfolio Guidelines, transactions are executed by the SBA's investment staff upon instruction from the program specifying the terms of the investment.

## Client Directed Assets Assets

- Florida Division of Blind Services
- Florida Prepaid College Plan
- Florida Prepaid Investment Plan

For these clients, the SBA has secured certain products of external investment managers deemed cost-effective and suitable to the needs of the client. The clients determine whether and when to invest or withdraw their assets from these investment products.

## Other

- Police and Firefighters' Premium Tax Trust Fund
- Bond Fee Trust Fund
- Arbitrage Compliance Trust Fund
- Insurance Capital Build-up Program
- Inland Protection Financing Corporation
- Florida ABLE, Inc.
- Florida ABLE, Inc. Administrative
- Florida Prepaid College Plan Administrative Expense
- Florida College Investment Plan Administrative Expense
- SBA Administrative Fund
- FRS Investment Plan Administrative Fund
- FDOT Financing Corporation

# State Board of Administration

## Mission & Vision

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.

Our vision is to be the best public sector investment and administrative service provider while exemplifying the principles of trust, integrity and performance.



# **TRUSTEES**

**Governor Ron DeSantis, Chair**  
**Chief Financial Officer Jimmy Patronis**  
**Attorney General Ashley Moody**

**INTERIM EXECUTIVE DIRECTOR &  
CHIEF INVESTMENT OFFICER**  
**Lamar Taylor**

**1801 Hermitage Boulevard**  
**Suite 100**  
**Tallahassee, Florida 32308**  
**850-488-4406**  
**[www.sbafla.com](http://www.sbafla.com)**