

# **Performance Report to the Trustees**

*Performance Through July 31, 2021*

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STATE BOARD OF ADMINISTRATION  
OF FLORIDA

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TO: Members, State Board of Administration  
Governor Ron DeSantis, Chair  
Chief Financial Officer Jimmy Patronis  
Attorney General Ashley Moody

FROM: Lamar Taylor

A handwritten signature in cursive script that reads "Lamar Taylor".

DATE: October 6, 2021

SUBJECT: Performance Report to the Trustees for the Month Ending July 31, 2021

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Please find attached the SBA's Performance Report to the Trustees for the month ending July 31, 2021. For the fiscal-year to-date through July 31, 2021, performance for the Florida Retirement System Plans were as follows.

	Actual Return	Benchmark Return	Value Added
FRS Pension Plan	1.12%	0.45%	0.67%
FRS Investment Plan	0.84%	0.89%	(0.05%)

Florida Statutes, Section 215.47(6), the "basket clause," requires the Executive Director to report to the Investment Advisory Council any proposed plans to invest in certain investments that are not explicitly authorized. During the month ending July 31, no proposed plans for such investments were reported to the Investment Advisory Council.

If you have any questions or need additional information, please contact me.

cc: IAC Members  
Beau Beaubien  
Chris Spencer  
Tanya Cooper  
Erin Sumpter  
Richard Martin

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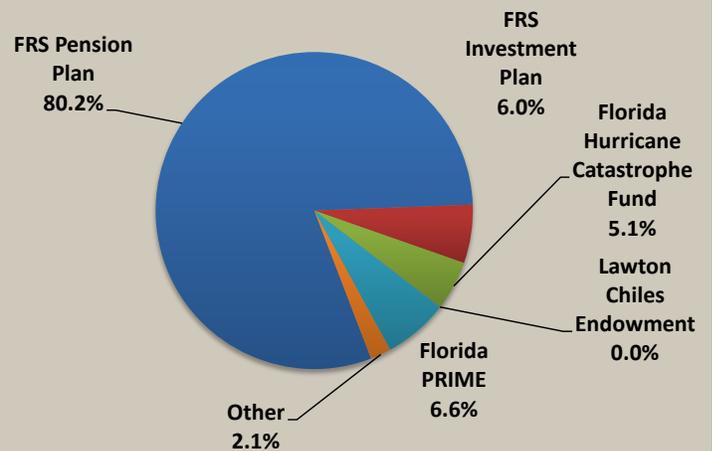
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## SUMMARY OF MANDATES

**TOTAL FUNDS UNDER MANAGEMENT**



**BREAKDOWN OF FUNDS UNDER MANAGEMENT**



# SUMMARY OF MANDATES

<b>Fund Name</b>	<b>COST<sup>1</sup></b>	<b>MARKET<sup>1</sup></b>
Florida Retirement System Pension Plan	\$138,594,792,614.38	\$201,052,399,224.35
Florida Retirement System Investment Plan	\$9,926,958,861.50	\$14,937,404,185.47
Lawton Chiles Endowment Fund <sup>3</sup>	\$7,365,667.82	\$7,295,618.12
Debt Service Funds:		
Outstanding (non-escrow)	497,251,568.71	496,762,389.05
Refunded (escrow)	30,125,249.00	30,125,249.00
Florida DOT Financing Corp	4,955,169.10	4,952,104.29
Gas Tax Clearing Fund	\$0.00	\$0.00
Florida PRIME	\$17,494,652,837.13	\$17,495,951,021.22
Less Florida PRIME holdings in SBA funds <sup>2</sup>	(\$852,649,319.73)	(\$852,649,319.73)
Florida Hurricane Catastrophe	\$12,657,456,077.62	\$12,671,942,164.50
State Board of Administration Finance Corporation	\$3,588,651,779.48	\$3,571,506,596.83
Florida Lottery <sup>3</sup>	\$147,046,776.73	\$296,823,744.01
Retiree Health Insurance Subsidy <sup>3</sup>	\$409,886,923.31	\$409,886,923.31
Police and Fire Fighters' Premium Tax Trust Fund <sup>3</sup>	\$270,649,589.95	\$270,649,589.95
Florida Prepaid College Plan Administration Expense <sup>3</sup>	\$745,552.76	\$745,552.76
Florida Prepaid College Plan Trust Account <sup>3</sup>	\$1,732,425.99	\$1,732,425.99
Florida Prepaid College Plan QMA Account	\$0.00	\$0.00
Florida College Investment Plan Administration Expense <sup>3</sup>	\$1,019,901.60	\$1,019,901.60
Florida College Investment Plan QMA Account	\$0.00	\$0.00
Florida College Investment Plan <sup>3</sup>	\$69,586,913.48	\$69,586,913.48
Florida ABLE, Inc. Administrative Expense <sup>3</sup>	\$2,384,176.23	\$2,384,176.23
Florida ABLE, Inc. Program <sup>3</sup>	\$6,806,517.96	\$6,806,517.96
SBA Administrative Expense Fund:		
SBA Administrative Expense <sup>3</sup>	\$55,545,120.06	\$55,545,120.06
SBA Defined Contribution Administrative Expense <sup>3</sup>	\$16,281,785.50	\$16,281,785.50
Division of Bond Finance:		
Revenue Bond Fee <sup>3</sup>	\$6,701,806.41	\$6,701,806.41
Arbitrage Compliance <sup>3</sup>	\$2,535,542.93	\$2,535,542.93
Bond Proceeds	\$3,541,200.00	\$3,541,285.09
Florida Division of Blind Services	\$2,939,287.12	\$8,663,951.58
Insurance Capital Build-up Program <sup>3</sup>	\$1,483,099.81	\$1,483,099.81
Inland Protection Finance Corporation <sup>3</sup>	\$1,643.46	\$1,643.46
Paying Bank Recalls	\$0.00	\$0.00
Florida Endowment for Voc. Rehab.	\$0.00	\$0.00
<b>Total - All SBA Funds</b>	<b>\$182,948,448,768.31</b>	<b>\$250,570,079,213.23</b>

<sup>1</sup> The "Cost" and "Market" columns generally include cash, investment securities, accrued income, pending trades, and the total unrealized gain or loss on invested securities lending cash collateral (if applicable). They do not include security lending income receivable, manager fees payable, and also may not include other receivables or payables that are unique to individual portfolios or funds.

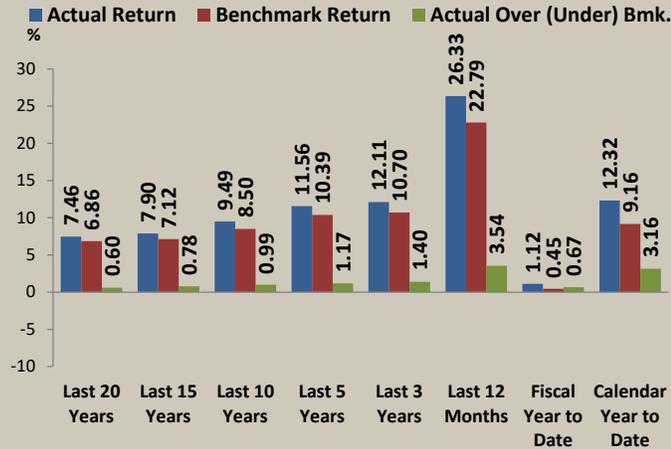
<sup>2</sup> The line titled "Less Florida PRIME Holdings in SBA Funds" includes the total investments in Florida PRIME held by other SBA managed funds that are already included on this report. In order to prevent double counting, these amounts are shown as a reduction to the Florida PRIME fund.

<sup>3</sup> Fund is invested completely, or partially, in Florida PRIME.

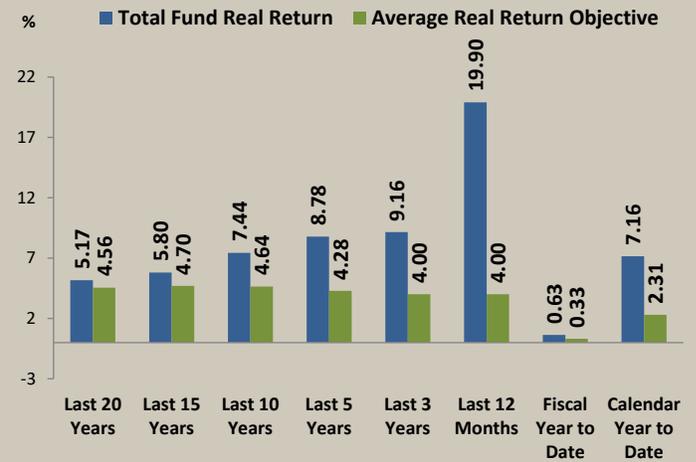
This information is not audited by an independent auditor.

# FLORIDA RETIREMENT SYSTEM PENSION PLAN TOTAL FUND PERFORMANCE & NET ASSET VALUE CHARTS

## TOTAL FUND PERFORMANCE

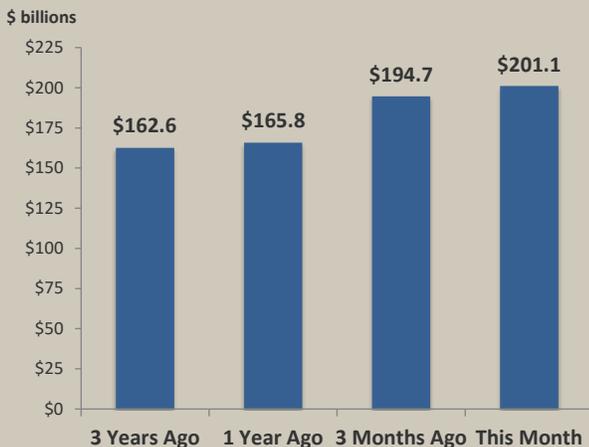


## REAL RETURNS<sup>1</sup> (RETURNS NET OF INFLATION)

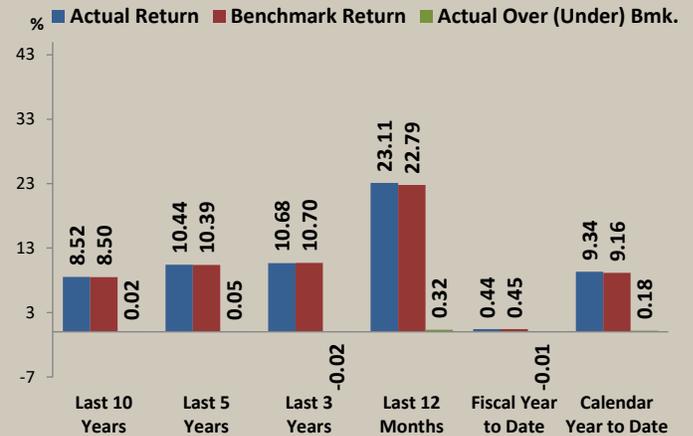


<sup>1</sup> The FRS's real return objective was 4.3% prior to June 2003, 4% from June 2003 to May 2007, 5% from June 1, 2007 to June 2017, 4.5% from July 2017 to June 2018, and 4.0% since July 2018.

## NET ASSET VALUES



## RETURNS TO ASSET ALLOCATION



# FLORIDA RETIREMENT SYSTEM PENSION PLAN

## ASSET CLASS BENCHMARKS, ALLOCATION & CASH FLOWS

### ASSET CLASS BENCHMARKS

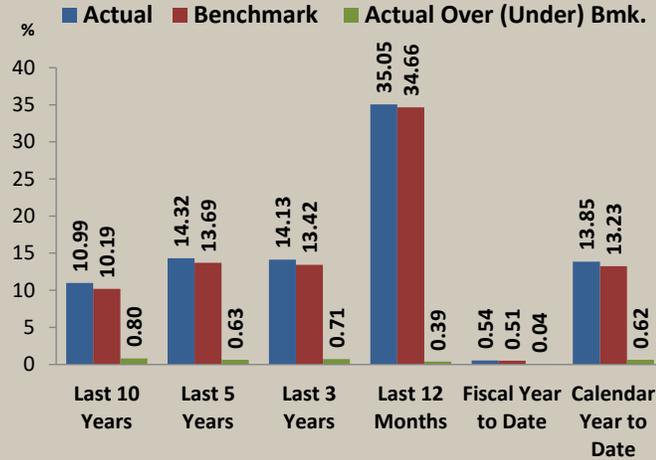
Asset Class	Index
Global Equity	A custom version of the MSCI All Country World Investable Market Index (ACWI IMI), in dollar terms, net of withholding taxes on non-resident institutional investors, adjusted to reflect the provisions of the Protecting Florida's Investments Act
Fixed Income	The Barclays Capital U.S. Intermediate Aggregate Index
Real Estate	The core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index – Open-ended Diversified Core Equity, NET of fees, weighted at 76.5%, and the non-core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index – Open-ended Diversified Core Equity, NET of fees, weighted at 13.5%, plus a fixed return premium of 150 basis points per annum, and the FTSE EPRA/NAREIT Developed Index, in dollar terms, net of withholding taxes on non-resident institutional investors, weighted at 10%
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	Bloomberg Barclays U.S. Treasury Bill: 1-3 Months Index

### CURRENT ASSET ALLOCATION, TARGET AND RANGES

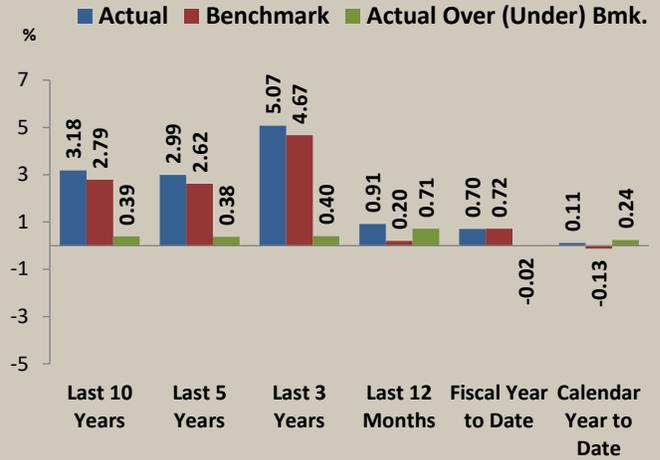
	Current Weight	Policy Weight	Policy Low	Policy High	Actual Low	Actual High
Global Equity	55.0%	53.0%	45.0%	70.0%	54.6%	55.6%
Fixed Income	17.3%	18.0%	10.0%	26.0%	17.2%	17.6%
Real Estate	8.6%	10.0%	4.0%	16.0%	8.2%	8.6%
Private Equity	8.8%	6.0%	2.0%	9.0%	8.2%	8.8%
Strategic Investments	9.1%	12.0%	0.0%	16.0%	9.0%	9.1%
Cash & Cash Equivalents	1.2%	1.0%	0.25%	5.0%	1.2%	1.6%

# FLORIDA RETIREMENT SYSTEM PENSION PLAN ASSET CLASS PERFORMANCE CHARTS

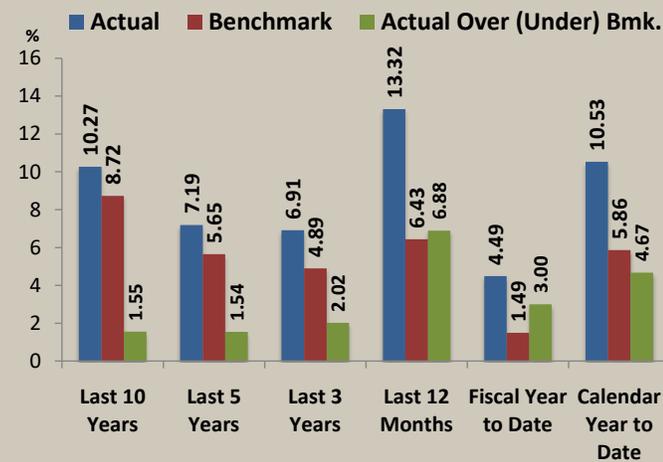
## GLOBAL EQUITY PERFORMANCE



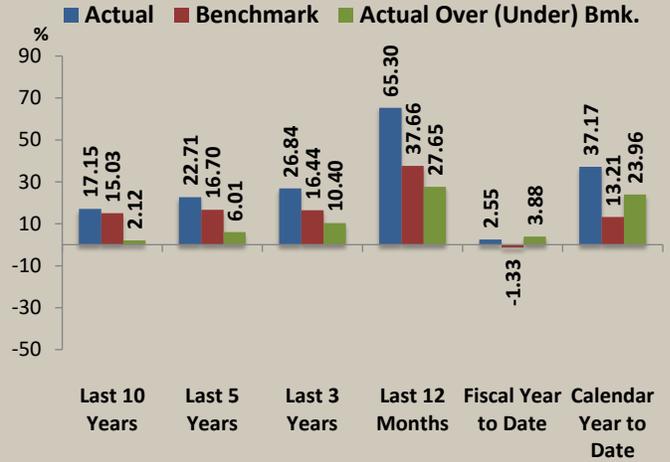
## FIXED INCOME PERFORMANCE



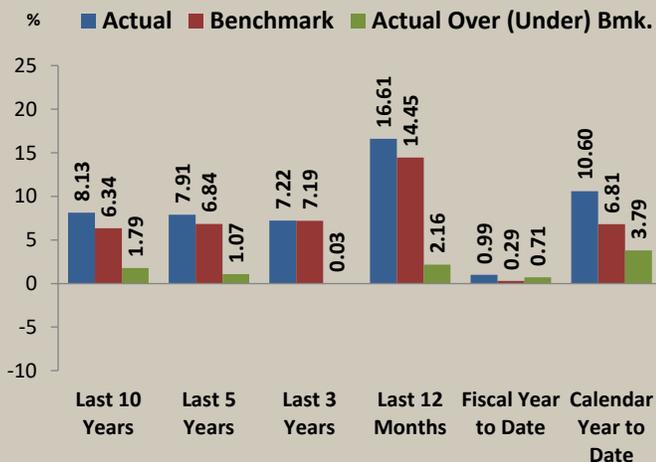
## REAL ESTATE PERFORMANCE<sup>1</sup>



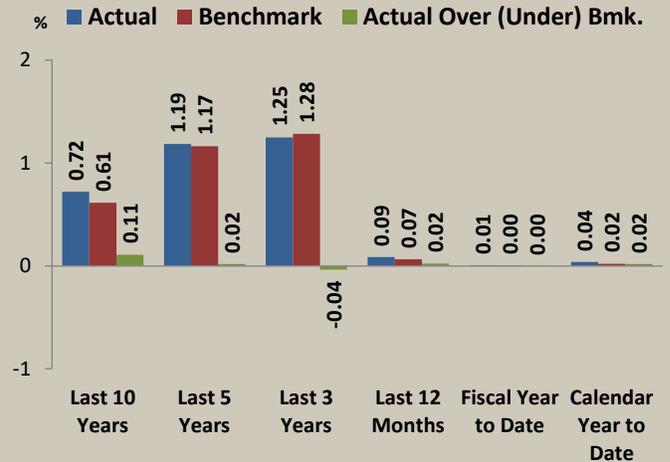
## PRIVATE EQUITY PERFORMANCE<sup>1</sup>



## STRATEGIC INVESTMENTS PERFORMANCE<sup>1</sup>



## CASH & CASH EQUIVALENTS PERFORMANCE



<sup>1</sup> Private-market valuations are subject to significant delays relative to the reporting period.

# FLORIDA RETIREMENT SYSTEM PENSION PLAN

## TOTAL FUND & ASSET CLASS ACTIVE RISK

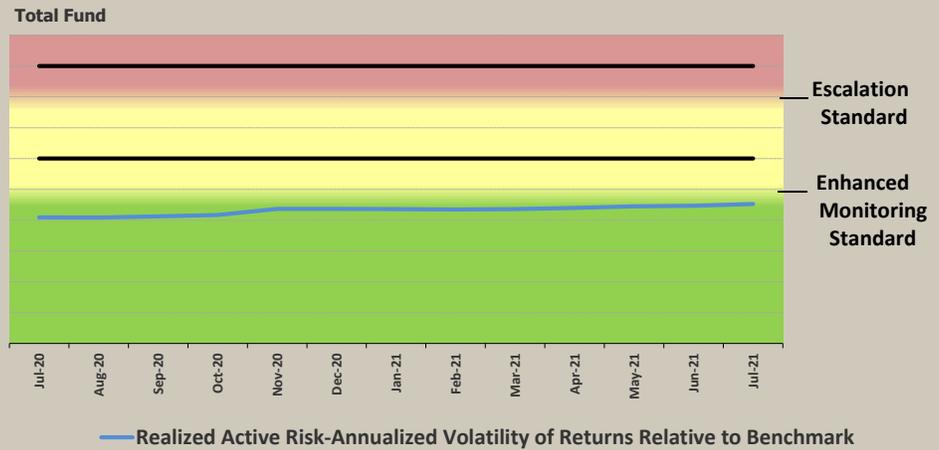
The SBA monitors investment risks relative to established targets. This is referred to as active risk.

Realized active risk represents the volatility of investment performance returns achieved relative to the target benchmark on a 36 month rolling basis.

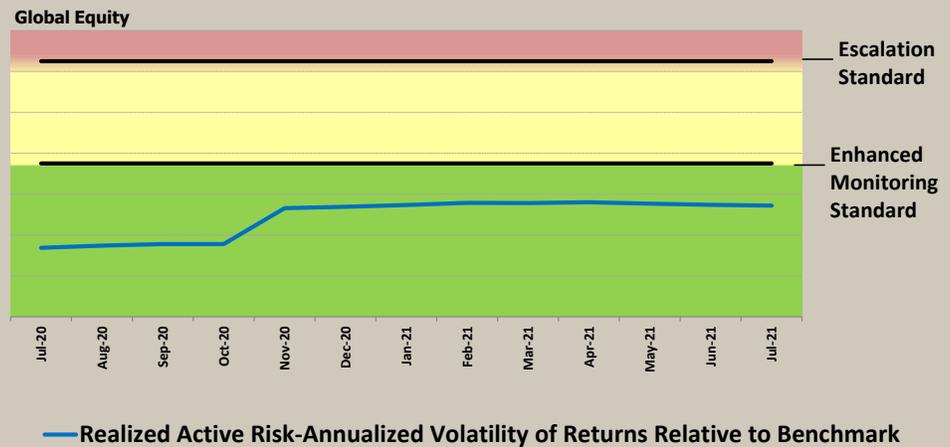
The enhanced monitoring and escalation standards in these charts reflect bands of acceptable active risk levels as established in SBA policy.

Sources, levels, and trends in active risk are regularly evaluated by the SBA Senior Investment Group.

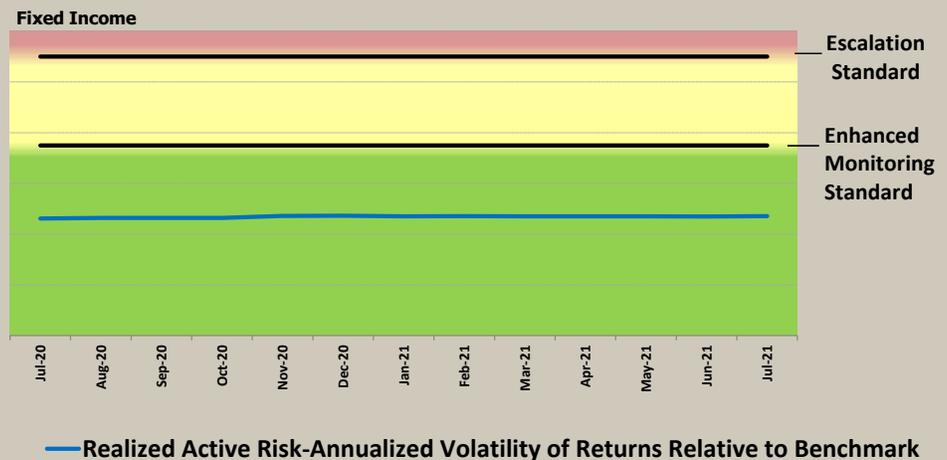
### TOTAL FUND RISK



### GLOBAL EQUITY RISK

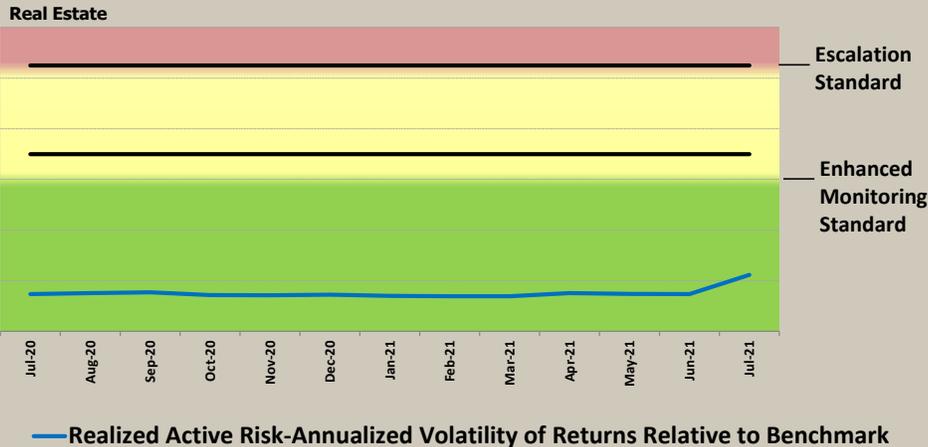


### FIXED INCOME RISK

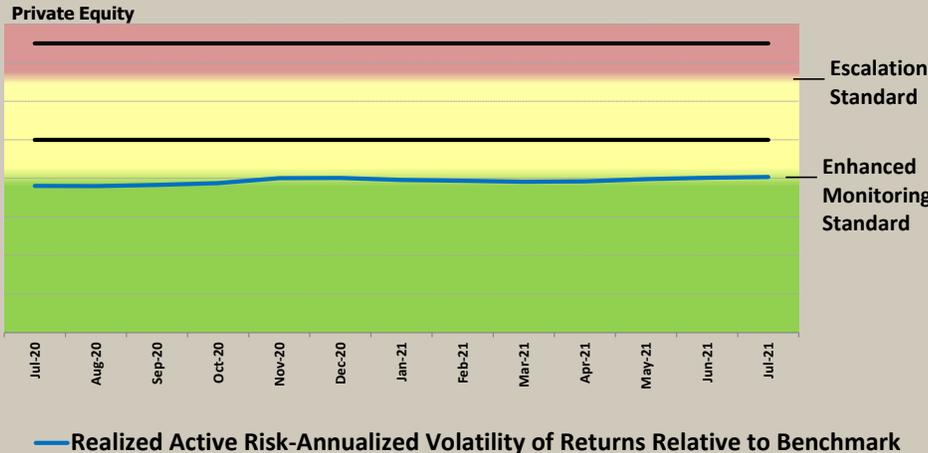


# FLORIDA RETIREMENT SYSTEM PENSION PLAN TOTAL FUND & ASSET CLASS ACTIVE RISK

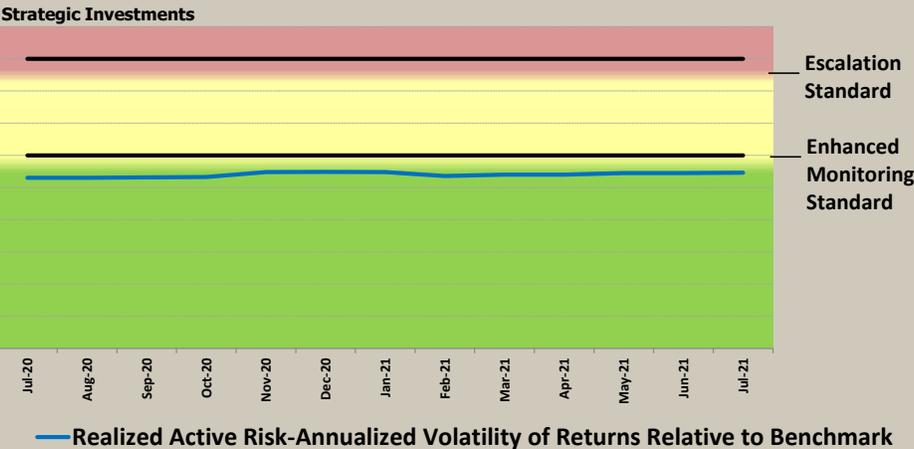
## REAL ESTATE RISK



## PRIVATE EQUITY RISK

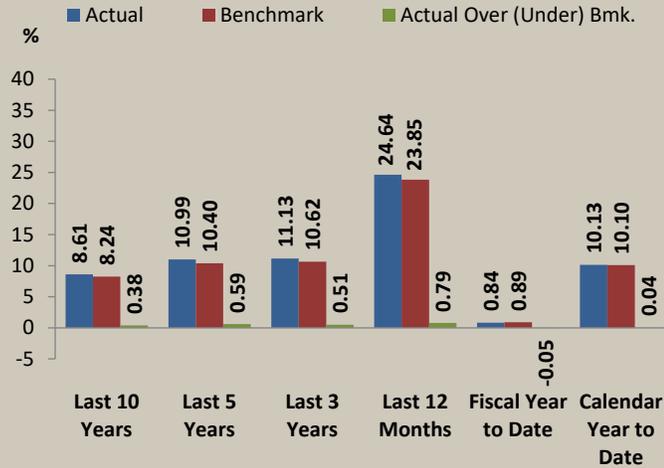


## STRATEGIC INVESTMENTS RISK

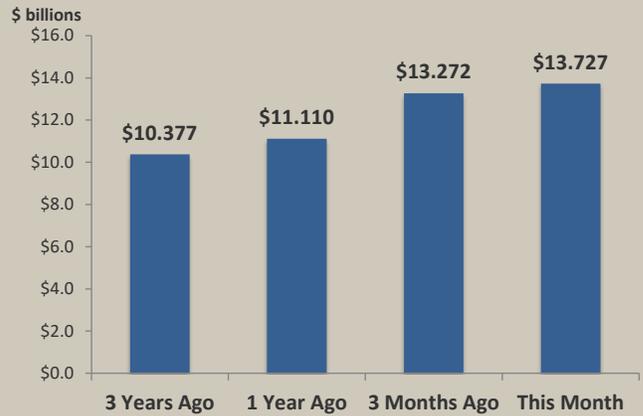


# FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

## TOTAL FUND PERFORMANCE



## FUND NET ASSET VALUES



## FRS INVESTMENT PLAN ASSET ALLOCATION AND NET RETURNS BY ASSET TYPE

	PERCENT ALLOCATION	PAST 3 MONTHS			PAST 12 MONTHS		
		ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK	ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK
<b>TOTAL FRS Investment Plan</b>	<b>100%</b>	<b>3.15%</b>	<b>3.04%</b>	<b>0.12%</b>	<b>24.64%</b>	<b>23.85%</b>	<b>0.79%</b>
Domestic Equity	44.2%	4.52%	4.58%	-0.06%	40.59%	40.42%	0.16%
Foreign Equity	21.1%	1.54%	1.37%	0.17%	30.90%	29.90%	1.00%
Fixed Income	15.8%	1.93%	1.98%	-0.05%	1.52%	0.66%	0.86%
Multi Assets	7.6%	3.88%	4.05%	-0.17%	16.30%	16.04%	0.27%
Real Estate	3.6%	5.10%	3.28%	1.82%	12.96%	7.62%	5.34%
Stable Value	7.8%	-	-	-	-	-	-

Performance figures and totals presented for the FRS Investment Plan do not include balances held in member Self Directed Brokerage Accounts, but they are reflected in total fund figures presented elsewhere in this report.

# FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

## CASH FLOWS AND MARKET VALUES<sup>1</sup>

	Participant Selections	Contributions <sup>2</sup>	Distributions <sup>3</sup>	Transfers <sup>4</sup>	Investment Gain/Loss <sup>5</sup>	Change in Net Asset Value <sup>6</sup>	Market Value	Percent of Assets
Retirement Date Funds	229,953	100.8	(48.7)	(16.3)	47.7	83.5	6,926.6	46.39%
Multi-Assets	10,699	1.0	(0.7)	3.2	2.1	5.6	157.9	1.06%
Stable Value	16,922	26.7	(35.0)	19.5	(3.2)	8.1	1,065.2	7.13%
Fixed Income	32,879	3.4	(5.6)	0.0	7.2	5.0	729.7	4.89%
Domestic Equity	78,124	14.0	(18.7)	(4.5)	58.6	49.3	3,908.7	26.18%
Foreign Equity	51,790	3.6	(3.9)	(4.1)	(0.8)	(5.2)	932.0	6.24%
Self-Directed Brokerage Account	5,058	0.0	0.0	2.1	(12.1)	(10.0)	1,210.5	8.11%

<sup>1</sup> Based on figures provided by the Investment Plan's third-party administrator as of report time. Dollar values are in millions.

<sup>2</sup> Contributions reflect rollovers in, employer and employee contributions, conversions in (Accumulated Benefit Obligation Transfers, true ups) and account adjustments.

<sup>3</sup> Distributions reflect withdrawals and terminations made by participants.

<sup>4</sup> Transfers reflect transactions that do not require funding and capture movement from one fund to another.

<sup>5</sup> Reflect the difference of Net Gains / Losses less contributions, distributions, and transfers.

<sup>6</sup> Reflect the appreciation / depreciation of unit price over the given time period.

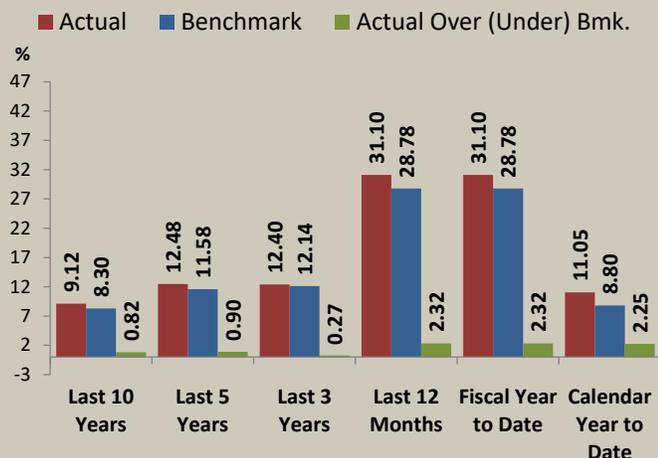
## FRS PLAN ELECTIONS

	New Employee				Active Elections				Second Elections					
	Pension Plan		Defaults Investment		Pension		Investment/Hybr		Pension		Investments/Hyb		FY Totals	
FY 16-17	34,627	57.2%	n/a	n/a	11,898	19.7%	14,013	23.1%	60,538	765	16.0%	4,008	84.0%	4,773
FY 17-18	30,081	54.3%	n/a	n/a	11,755	21.2%	13,617	24.6%	55,453	742	16.2%	3,850	83.8%	4,592
FY 18-19	2,888	6.2%	23,009	49.6%	11,556	24.9%	8,932	19.3%	46,385	1,036	24.1%	3,261	75.9%	4,297
FY 19-20	3,478	6.2%	27,576	49.1%	15,195	27.0%	9,956	17.7%	56,205	1,130	30.1%	2,630	69.9%	3,760
FY 20-21	3,450	7.6%	22,205	48.8%	12,062	26.5%	7,774	17.1%	45,491	1,415	30.4%	3,240	69.6%	4,655
FY 21-22	271	7.5%	1,899	52.4%	889	24.5%	563	15.5%	3,622	93	28.6%	232	71.4%	325
Total	74,795	27.9%	74,689	27.9%	63,355	23.7%	54,855	20.5%	267,694	5,181	23.1%	17,221	76.9%	22,402

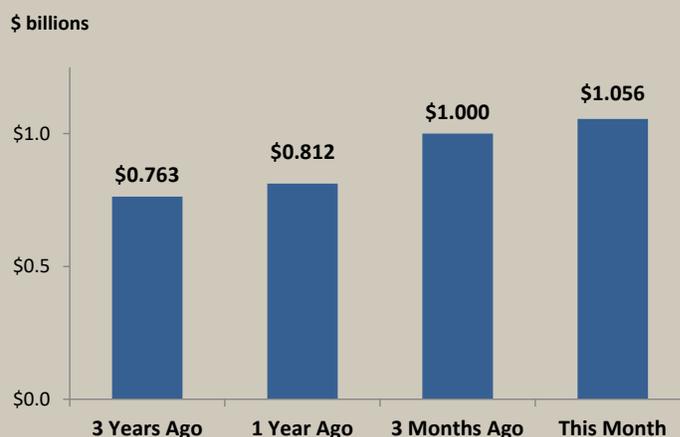
Current fiscal-year percentages are as of month end, and may not total due to rounding.

# LAWTON CHILES ENDOWMENT FUND

## FUND PERFORMANCE



## FUND NET ASSET VALUE



## CURRENT ASSET ALLOCATION, TARGET AND RANGES

Asset Class	Current Weight	Policy Weight	Policy Low	Policy High	Actual Low	Actual High
Global Equity	73.4%	71.0%	61.0%	81.0%	72.9%	73.7%
Fixed Income	15.4%	17.0%	12.0%	22.0%	15.2%	15.7%
TIPS	10.3%	11.0%	6.0%	16.0%	10.1%	10.4%
Cash & Cash Equivalents	0.9%	1.0%	0.0%	10.0%	0.9%	1.7%

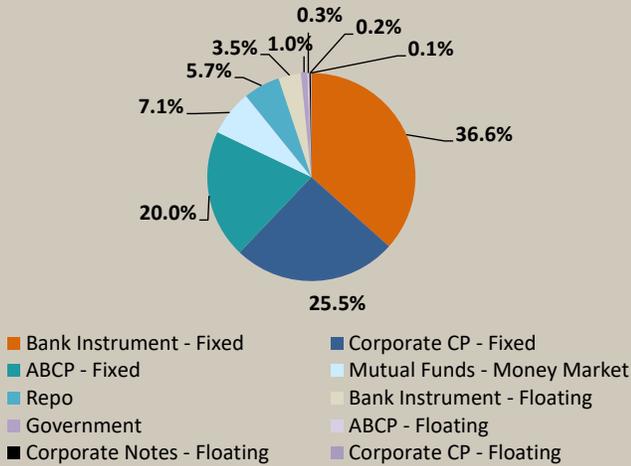
## CHILES ENDOWMENT NET RETURNS BY ASSET CLASS

	PAST 3 MONTHS			PAST 12 MONTHS		
	ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK	ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK
<b>TOTAL LCEF</b>	<b>6.40%</b>	<b>5.77%</b>	<b>0.63%</b>	<b>31.10%</b>	<b>28.78%</b>	<b>2.32%</b>
Asset Allocation	5.88%	5.77%	0.11%	29.35%	28.78%	0.57%
Global Equity	7.93%	7.19%	0.73%	43.51%	41.03%	2.48%
Fixed Income	1.83%	1.83%	0.00%	-0.32%	-0.33%	0.01%
TIPS	3.25%	3.25%	0.00%	6.62%	6.51%	0.10%
Cash & Cash Equivalents	0.03%	0.01%	0.02%	0.34%	0.10%	0.25%

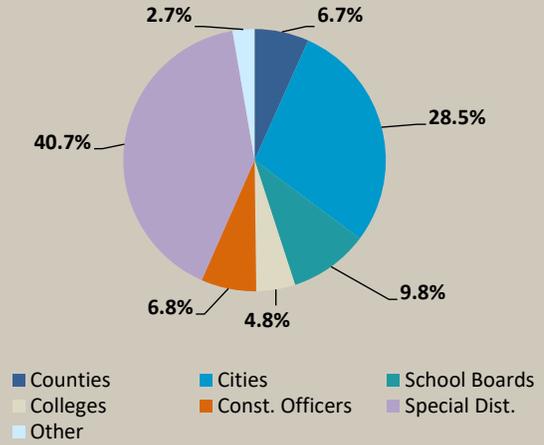
- Pursuant to House Bill 5011, signed into law on June 2, 2021 and effective July 1, 2021, the State Board of Administration liquidated the assets of the Lawton Chiles Endowment Fund and transferred the amount to the Division of Treasury Budget Stabilization Fund. Accordingly, no performance data will be reported subsequent to June 30, 2021.

# FLORIDA PRIME

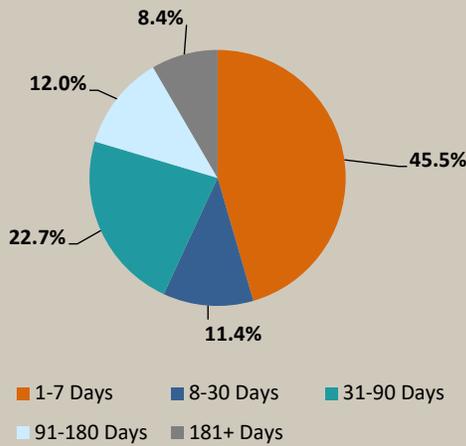
## PORTFOLIO COMPOSITION



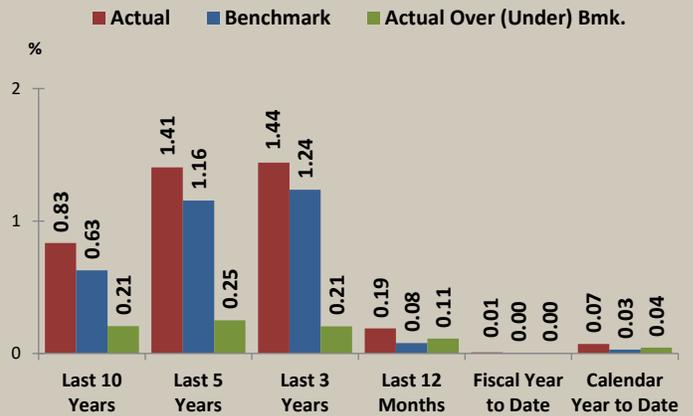
## PARTICIPANTS BY TYPE - 734 TOTAL



## EFFECTIVE MATURITY SCHEDULE



## FLORIDA PRIME PERFORMANCE\*



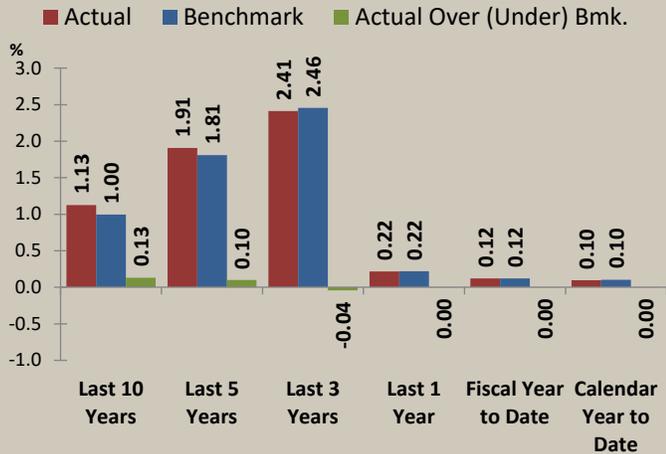
\* Return calculated pursuant to Chapter 19-7.011, Florida Administrative Code  
Returns less than 1-year are not annualized

## FLORIDA PRIME MARKET VALUES



# FLORIDA HURRICANE CATASTROPHE FUND

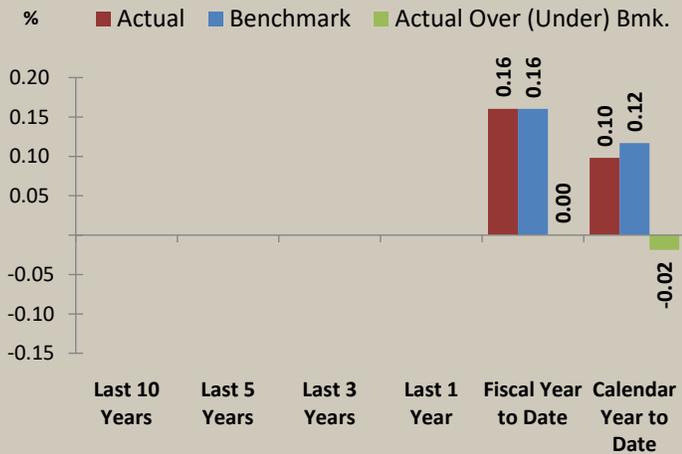
## OPERATING FUND PERFORMANCE



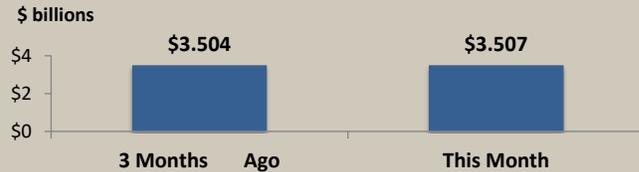
## OPERATING FUND NET ASSET VALUES



## 2020A NOTE PROCEEDS PERFORMANCE



## 2020A NOTE PROCEEDS NET ASSET VALUES





**For more information, please visit:**

- [www.sbafla.com](http://www.sbafla.com) for additional information about the agency and updates on managed assets,
- [www.myfrs.com](http://www.myfrs.com) for more information about the FRS Investment Plan and MyFRS Financial Guidance Program,
- [www.sbafla.com/prime](http://www.sbafla.com/prime) for Florida PRIME, and
- [www.sbafla.com/fhcf](http://www.sbafla.com/fhcf) for the Florida Hurricane Catastrophe Fund.

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