SBA FLORIDA
STATE BOARD OF ADMINISTRATION

Annual Investment Report

Fiscal Year July 1, 2019 - June 30, 2020

State Board of Administration

The State Board of Administration (SBA) is created by the Florida Constitution as Florida's principal independent Investment Management Organization. The SBA is primarily responsible for investing the proceeds of the Florida Retirement System Pension Plan, administering the Florida Retirement System Investment Plan, managing the Florida Hurricane Catastrophe Fund and running Florida PRIME, as well as investing the proceeds of more than 25 other funds directed to the SBA by the Florida Legislature.

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

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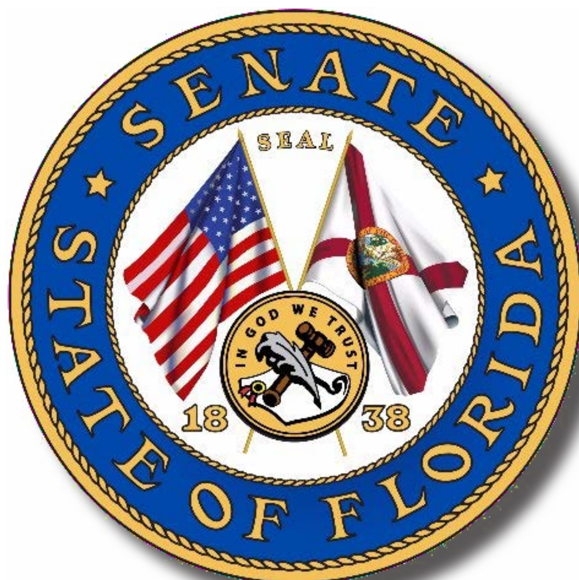
GREAT SEAL OF THE STATE OF FLORIDA
IN GOD WE TRUST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HOUSE OF REPRESENTATIVES
FLORIDA

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, 2020, 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.

As Executive Director & CIO, my priority is to keep our organization's team, culture, reputation, credibility and resources at a strength that empowers mission and vision fulfillment. This is consistent with the Trustees' delegation of authority to the Executive Director & CIO. Our most visible output is investment results, the adequacy or inadequacy of which is readily seen. Taking a long term view, what is actually more important but less visible is the team and culture building, policy and strategy formation, resource provision, risk management and execution that create the many investment outcomes that sum to the total fund's return. If these are right, the probability of consistent investment outcomes that earn trust, enhance the SBA's reputation and build brand value is vastly enhanced. The result is a virtuous cycle where our credibility and performance help garner critical policy support from key SBA stakeholders (Trustees, Legislature, local governments, beneficiaries, taxpayers, media, etc.), which in turn, positions us as a serious, stable, and desirable investment partner in the marketplace. This enables us to build well-aligned relationships with other exceptional organizations and capture superior deal flow with more favorable terms and pricing, driving the performance that earns trust, enhances reputation and builds brand value. I take responsibility for ensuring that the SBA executes effectively at all levels of this cycle.

Overall Mission

The fiscal year ended 30 June, 2020 was remarkable in many ways that collectively provided an excellent stress test for the SBA. In the space of twelve months, we experienced the equivalent of several business cycles. Financial markets at times reflected the underlying economy, and at other times seemed to detach completely. It was like watching a movie with half of it running at "fast-forward" speed. The story started with the last half of 2019, a fairly typical mature bull market, fully (perhaps richly) valued financial and real asset markets around the world against a backdrop of record low interest rates and high employment levels. Life was good, investors worried about whether earnings could support valuations if investment objectives could be met in a near zero interest rate regime and, of course, about potential "exogenous shocks."

In Q1 2020, things started changing. The central concern became COVID-19, an unfamiliar pathogen with a level of contagion capable of igniting a global pandemic. As stories of COVID spread, and China and Europe began to dominate the news, the implications of a pandemic for economies, individuals and investors became the focus of financial analysts, scientists, business people, policymakers and the media. As related uncertainty, anxiety and fear grew, another disruptive surprise occurred. An early impact of the nascent pandemic was destruction of oil demand, driving down global prices by approximately 50% between January 20 and March 20. In the second week of March, Saudi Arabia and Russia ended their price cooperation; both countries increased production, flooding an already weak oil market with new supply as demand continued to ebb. Over the ensuing weeks, oil prices continued to collapse and literally went negative for a period. Taken together, the pandemic, resulting social isolation, business closures and energy price collapse proved to be the exogenous events that reversed one of the greatest bull markets in history and destroyed virtually all of the employment gains since the Great Financial Crisis.

The speed and degree of stock price collapse harkened back to the Great Depression. Likewise, the speed and magnitude of policy intervention set new standards. In a matter of weeks, economies effectively ground to a halt, while central banks created a range of liquidity facilities to address financial market stresses in various areas. Congress passed several trillion dollars of fiscal stimulus aimed at bridging the pandemic driven revenue halt for businesses, individuals and governments. As the negative spiral of social isolation, business closures, unemployment and revenue interruption deepened, a sense that the cure (policy driven lock-downs/economic closures) might be worse than the disease emerged. Economies began reopening, people began socializing, markets bounced back with similar zeal to their collapse and COVID resumed its spread. Lagged effects of closure related dislocation became visible in a steady stream of bankruptcies, workforce and expense reductions and defaults. Policy makers worked to balance disease containment with economic sustainability. Disruption and future uncertainty became the norms as everyone wondered how and when the pandemic would end and “normalcy” would return.

How has the SBA fared through the shocks, volatility, dislocations and changes? How has our management performed in the crucible of COVID and how have we adapted? Did our existing policies and processes provide orderly and productive guidance? Did we follow those policies and processes effectively and rationally, making timely adjustments to adapt to changing conditions? Were we leaders or followers in prudently providing for the safety of the human and financial resources entrusted to our care? Have we been able to sustain our culture, maintain client service levels, operate the SBA’s businesses and maintain effective dialog with our Trustees? How have we sustained oversight functionality and transparency of our advisory bodies and internal and external auditors? Is our control environment maintaining its effectiveness? Have we been able to progress SBA priorities initiated pre-COVID? Have we continued to provide industry leadership and maintain SBA’s brand value? Did we fulfill our fiduciary duty?

Broadly speaking, I believe the SBA has performed exceptionally well through recent challenges. We are also mindful of big picture sustainability issues like prudent actuarial assumptions, where the IAC and Trustees engaged and contributed meaningfully to a positive outcome. For the period at hand, let’s first consider high level metrics, then get into some details and more nuanced indicators of prudently managed organizational success. The following bullets will address the questions posed above.

- Performance for FY 19-20 show a total fund return of 3.08%, 10bps above benchmark. Following are the facts about our management, policy, implementation and control environment during the period. While the initial performance is positive in an absolute sense and relative to benchmark; it underscores the propriety of the IAC’s expression of concern about reliance on ambitious actuarial return assumptions.

- SBA has responded to the pandemic proactively and systematically. First reported in Wuhan, China in late December, 2019, the initial confirmed case of Coronavirus in the United States occurred on January 21, 2020 in Washington State. The first reported cases in Florida came on March 2, 2020. In response, SBA's "Incident Management Framework", designed to guide management of natural (weather, etc.) or man-made (building failure, workplace violence, cyber-attack, etc.) incidents, was activated in early March and has met regularly since. This provides a single point of data capture and sharing regarding the incident at hand; it also provides unified management decision information and dissemination of conclusions and direction. Full daily transparency on COVID and related issues relevant to SBA operations is provided through the incident management page on our intranet which includes current directives and/or communications from the Trustees, SBA management, public health agencies and emergency management agencies, together with dashboards, resources and remote working guidance.

- Recognizing the threat to our people, partners and collective ability to continue to get our jobs done, we moved quickly, limiting travel and barring visitors from our building and transitioning into remote working. Our ability to make informed, timely decisions and communicate clear, specific, implementation instructions throughout our organization is a direct result of the effort and resources committed to business continuity over the past five plus years. All employees have mandatory annual incident management training, including a proficiency exam; everyone knows how the policies and processes work to maintain order in times of chaos. SBA's Incident Management Team regularly does tabletop exercises covering a range of perils. While we had not done a dry run of a pandemic, the principles of management are the same regardless of the proximate cause of disruption. The objectives are straightforward: keep people safe, get the job(s) done, maintain controls and accountability, serve client needs and continue to adapt, improvise and advance consistent with our fiduciary duty of prudence. SBA began sending people home March 17th. On March 31st, the SBA began tracking who was in the building as well as the number of remote connections. Since that time, out of roughly 250 FTEs, the SBA has averaged less than 20 people per day in the building. The rest (approximately 90%) have been effectively working remotely from home.

- At the same time we were addressing personnel safety and the new normal of remote operation, we focused on protecting assets and positioning to capture portfolio opportunities that are the positive part of major market dislocations. First and foremost, this meant ensuring adequate liquidity across client portfolios to meet known obligations, provide for rebalancing(s) as appropriate and for the pension fund, capital calls and opportunistic investments. This approach freed us to focus on how and when to execute based solely on investment merit. As discussed in recent IAC meetings, rebalancings were a source of value added. All obligations were met timely and in an orderly fashion. A number of new strategies, managers as well as follow on investments with existing partners were implemented.

- SBA's seamless remote work transition was no accident. With the support of the Trustees and the IAC through our budget process, we have been steadily investing in IT infrastructure and human capital for several years. Since 2016, the SBA has invested over $1 million into its IT and IT Security infrastructure, from implementing paperless contract and investment approvals to onboarding a 24/7 third-party managed security services provider. The strategic objective of this investment has been to ensure our ability to effectively work anywhere, anytime and at a moment's notice. Although the primary risk this enhanced operating capability was intended to mitigate was an intermittent disruption from a hurricane (something that has happened three times in four years), this planning and investment has served us well in the current environment of extended remote work.

- The business of the SBA has not been adversely affected in a meaningful way as a result of transitioning to remote work. Asset management transactions, rebalancings, capital calls, risk and performance measurement, dialog within our investment team, external partners, with Trustees offices, and oversight groups has been uninterrupted. SBA leadership has conducted weekly Incident Management Team meetings, biweekly staff meetings and Senior Investment Officer Team meetings, Risk and Compliance Committee meetings, two Audit Committee Meetings and two IAC meetings all by teleconference or video conference. The one exception is on site diligence for new investment managers or GPs. The double whammy of travel suspension and remote work of managers/GPs is problematic. If we have an ongoing dialog with a manager, our consultant(s) and trusted allocator peers know and are invested with them, we can reach closure. We cannot prudently do so for potential investment partners lacking these attributes; the offset to this is a pipeline of funds and GPs who are already known.

- The Cat Fund has continued managing claims from recent storms and prepared for a pre-event debt issuance ($3.5 Billion Series 2020A) to replenish capital drawn down by claims and maturing outstanding bonds, which was completed on September 16, 2020. 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%, respectively
- Florida PRIME has continued to meet the needs of clients, providing full daily liquidity, safety and competitive returns to 1,380+ accounts across more than 740 governmental entities statewide. In stark contrast to the dramatic asset runoff the Local Government Surplus Funds Trust Fund (PRIME's predecessor) suffered in the Great Financial Crisis, PRIME actually grew assets in FY 19-20. Year-end AUM topped $15BB, a 12.8% ($1,7BB) increase.
- As the June 30 IAC materials outlined, internal and external audits and advisory reviews have continued, with adjustments in procedure to accommodate remote working. No material weaknesses have been identified, controls have been affirmed and a number of process improvements identified and progressed.
- With travel cessation and remote work, business has gone virtual. As a result, "meetings" with our investment partners and participation in professional organizations haven't missed a beat. The information and contextual enhancement gained have been extremely valuable in building our understanding of events and related risks and opportunities. I continue to chair the Council of Institutional Investors and the investment advisory boards of the National Institute for Public Finance, Managed Funds Association and Alternative Investment Forum. I remain on the advisory board of "Delivering Alpha", the annual investment event co-hosted by CNBC and Institutional Investor and the Robert Toigo Foundation. I also serve on several non-profit investment committees, including those of the Florida State University Foundation, the International Endowment for Electrical Engineers, and the Episcopal Diocese of Florida. These external activities help inform SBA decision making.
- SBA's visibility, leadership and brand value among peers and in the investment industry continue to reflect strong positive perception of our organization, investment acumen and leadership in best practices. Reflecting this perception, SBA received three significant recognitions during FY 19-20. These include two awards from CIO magazine at their 10th annual CIO Industry Innovations Awards ceremony held in New York City on December 12, 2019:
    - Innovation Award, Large Public Pension
    - CIO of the Year

SBA also received a nice honor from the National Association of State Investment Officers (NASIO) at their annual meeting in Portland, ME, September 30, 2019. I received the Richard L. Stoddard Award in recognition of outstanding contributions to the investment of public funds. Again a reflection on the excellence of SBA's entire investment team, this recognition is especially meaningful to me for two reasons. First, it is not an annual award; NASIO infrequently awards a Stoddard on the basis of exceptional merit. Second, it is a pure play on peer perception; those who determine if and to whom the award should be bestowed are solely the CIOs of US state pension organizations.

People

As Warren Buffet said, "Someone is sitting in the shade today because someone planted a tree a long time ago." Our business is inherently long term focused; we prepare for financial events decades in the future. As last year's letter outlined, continuation of excellence cannot be assumed; it must be willfully conceived and provided for. Truly great organizations understand their own frailty and institutionalize strategies to sustain their strength, anticipating and meeting human capital needs, taking pains to recruit, grow and retain professionals with depth and diversity that empowers orderly succession and sustains cultural values. Circumstances and context are ever changing, but the right cultural norms and personal standards will always distinguish real winners from the less successful. The SBA has the good fortune to own an excellent investment track record, excellent team, strong culture rooted in shared beliefs and a sterling reputation. Getting succession right is critical to preserving what is good in organizations and improving what isn't as good as it could be. Thus far, our succession management has been highly effective; we need to keep it that way.

- Currently, 18.5% of the SBA workforce has established a date within the next few years by which they intend to retire or will be eligible to retire by December 31, 2021. This equates to 40 FTEs, 22 of which are in management positions, representing roughly 25% of SBA managers. While we will lose many of those people in the next 12 to 18 months, it is not cause for concern. Succession is an issue we have been keenly aware of and managing over the nearly 12 years I have been back at the SBA. During this time, all Senior Investment Officers and almost all of top management have turned over. We have added and grown talent at all levels of the organization and developed succession plans in all our business units. I believe we are in a strong position, largely as a result of the IAC's leadership in crafting and implementing our current compensation system. Competitive economic compensation and benefits, paired with a very positive combination of workplace quality / culture and smaller city / university town /family friendly lifestyle have proven effective in hiring smart, motivated people and expanding their skills and responsibilities over time. To ensure the plan continues to reflect best practice and positive alignment among stakeholders, the IAC Compensation Subcommittee and IAC will review the plan during the next year and may provide recommendations to the Trustees for appropriate changes.
- Issues of diversity and inclusion have been a subject of substantial recent discussion. I have reached out to reaffirm SBA's commitment to be a meritocracy with opportunity for all. More importantly, our actions support the value statement. There is always more that can be done and in that regard, we are working on a mentorship program, improving diversity in candidate pools and are open to other initiatives. Perhaps most importantly, we listen to our employees and do our best to honor their skills and service.
- Consistent with SBA's culture of thought leadership, I encourage SBA colleagues to be active in professional organizations relevant to their responsibilities and beneficial to the SBA. Staff are involved in the leadership of the Institutional Limited Partners Association, National Association of Public Pension Attorneys and International Corporate Governance Network. In addition, accounting, audit, Inspector General and compliance staff are active in the American Institute of Certified Public Accountants, Institute of Internal Auditors, Association of Public Pension Fund Auditors, Information Systems Audit and Control Association and the Association of Certified Fraud Examiners.

Efficiencies / Infrastructure / Operations

- SBA continues to be among the very lowest cost large providers of retirement investment service providers. CEM Benchmarking, an independent third party cost analysis firm's latest compilation of peer metrics show that the Pension Plan's five-year investment performance exceeded 95% of its peers, and its most recent one-year all-in costs were lower than 81% of peers. The keys to this productivity are internal asset management (which we continue to grow) and scale economies captured in the structure, terms and fees of our asset management and service provider relationships.

- To maintain and improve support for the investment process, trust services, FL PRIME and the FL Hurricane Catastrophe Fund, the SBA has continued to build out its IT infrastructure, including completing an important intelligent automation project (discussed below), upgrading key portfolio accounting systems and conducting critical disaster recovery fail over tests in light of the start of hurricane season. This past July, the SBA Trustees approved a budget request that includes an additional $2 million of investment directed to IT and IT security projects, including a new private market portfolio management solution, additional services geared to transitioning many of our current office solutions to the cloud, and continued investment in robotic process automation (RPA).
  - RPA is not new technology, but its implementation among large asset allocators is still in the relatively early stages. The technology uses computer software to mimic the operations that an employee would otherwise conduct “manually” using multiple computer applications. The most common example is where an employee would be required to transfer data from multiple e-mails, documents, spreadsheets and PDF reports into a single spreadsheet, database or report for further processing. This work is time intensive and generally not particularly satisfying to the employee. RPA software can automate this work to be performed more accurately and in a fraction of the time. This past year, we created an RPA Center of Excellence within the SBA, developed an RPA Operating Model, selected an RPA Project Steering Committee, selected an RPA software vendor and implemented an RPA pilot project. The RPA pilot project automated three relatively simple tasks, saving over 1,000 human hours of work annually. The human hours “saved” can now be redeployed to areas where human judgement and critical and analytical thinking are required, which are higher value activities for both the employees and the SBA. We anticipate automating dozens more processes over the next three years with equivalent productivity gains.
  - IT security has been a topic in prior letters and remains a priority as cyber-crime is perhaps the world fastest growing business. Over the past year, we have formally adopted a Cybersecurity benchmark, conducted a gap analysis with respect to that benchmark and developed a road map and time line to close identified gaps. We have also upgraded our endpoint security and data loss prevention toolsets, and we continue to work with our annual third-party Cybersecurity auditor to test and continuously refine our security systems. On an annual basis, our IT security infrastructure, which consists of 2 full-time employees, numerous systems (including without limitation endpoint, web-gateway, e-mail filtering and data loss prevention systems) along with a 24/7 contracted third party managed security services provider, analyzes literally hundreds of millions of security events, any one of which, if not prevented, could result in a significant negative impact to the SBA.

Major Mandate Updates

- FRS Pension Trust Fund

We are always pleased to post positive returns, and this year is no exception. For the fiscal year ended June 30, 2020, the FRS Pension Plan earned a net return of 3.08%, beating its total fund benchmark by 10 basis points (0.10%). Asset classes posted returns, led by Fixed Income with 6.71%, followed by Private Equity with 3.40%, Global Equity with 2.03%, Real Estate with 1.60%, Cash & Cash Equivalents with 1.50%, and Strategic Investments with -0.02%.

However, it is just as important and worth repeating, that the context in which to view performance is just as important as the performance numbers themselves. As always, our focus remains on the long-term sustainability of the plan. Therefore, performance for any one year should always be assessed:

Relative to benchmark(s) – Performance should be compared to that of an appropriate, pre-established benchmark suitable to the assets and strategies to which it applies. Capable investment managers can often add value relative to an underlying benchmark; doing so consistently over time is unusual but not impossible.

Relative to a long-term real return objective – As a pension fund, our focus is on the long-term because our liabilities, i.e. pension distributions, extend decades into the future. Each year we review our assets and liabilities and identify a long-term real (net of inflation) return that, if attained, will cover our liabilities as they come due. Short-term variance, positive or negative, from the long-term real return objective is expected, but it is our long-term performance compared with our long-term objective that matters.

Relative to risk – All performance is not created equal; a return captured consistent with carefully controlled risk is more desirable than the same return captured through a strategy whose risk could lead to ruin. The SBA is a disciplined institutional investor; we use a “risk budget” to consciously apportion where we choose to take risk. All returns are considered on a risk-adjusted basis.

Relative to peers – Do the SBA’s risk-adjusted returns compare favorably to our large pension fund peers, or does the comparison suggest their strategy and execution offer an advantage?

- FRS Investment Plan

The FRS Investment Plan was established to provide Florida’s public employees with a flexible alternative to the traditional pension plan. The one-year return based on aggregate employee fund selection was 2.58%, beating its benchmark by 57 basis points (0.57%). The benchmark is based on the weighted average of the performance of various indices representing the aggregation of each member’s chosen asset allocation. The three-, five-, and 10- year returns were 5.76%, 5.86% and 7.55%, beating the respective benchmarks by 0.45%, 0.31%, and 0.36% respectively.

As one of the top ten public defined contribution plans in the United States, the fiscal year ended June 30, 2020, the Investment Plan had 241,867 member accounts, of which 172,317 were for active employees. The Plan’s year-end assets were $11.48 billion.

- Florida PRIME™

Florida PRIME™, the SBA managed statewide government investment pool, provided investment services to 731 governmental clients in the fiscal year. The fund remains the leading local government investment pool available in Florida by offering superior liquidity, transparency, low-fees, and performance.

At the end of the fiscal year, on June 30, 2020, Florida PRIME™ participant yield was 1.73% beating its benchmark by 20 basis points and ended the year with a market value of $15.2 billion. The pool’s net asset value grew by 13.4 percent, or approximately $1.8 billion, all while distributing $170.7 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)/
State Board of Administration Finance Corporation (SBAFC)

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, 2020 Fund Balance of $11.4 billion. The 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; therefore, the investment returns and allocation of securities also reflect the short-term, high quality, and highly liquid nature of the portfolio.

The SBAFC issued $2 billion in pre-event bonds in 2013, with $500 million maturing in 2016, $500 million in 2018 and $1 billion in 2020. The $1 billion in the 2013 series that matured in 2020 earned 1.90% for the fiscal year ending June 30, 2020, meeting its benchmark. In addition, the Corporation issued $1.2 billion in pre-event bonds in 2016, with $550 million maturing in 2019 and $650 million in 2021. The $650 million remaining in the 2016 series earned 2.98% for the fiscal year ending June 30, 2020, meeting its benchmark.

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%, respectively

- Lawton Chiles Endowment Fund (LCEF)

Florida statutes created the LCEF to provide a perpetual source of enhanced funding for state children's health programs, child welfare programs, children's community-based health and human services initiatives, elder programs, and biomedical research activities related to tobacco use.

The law directs the SBA to manage the LCEF as an annuity with the investment object of the preservation of the real value of the net contributed revenue and a sustainable spending rate. In fiscal year 2019-2020, the proportion of the preservation objective increased from 82.48% to 83.82% of its target. This fiscal year's return on the endowment was 3.27% versus a benchmark return of 3.73%.

Recognition

The Trustees, members of the Investment Advisory Council, Audit Committee, Florida Hurricane Catastrophe Fund Advisory Council and the Hurricane Loss Projection Methodology Commission, as well as our partners in the Florida Legislature have generously shared their talent, wisdom, and time, making contributions that strengthen our organization and add transparency to our governance. 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.

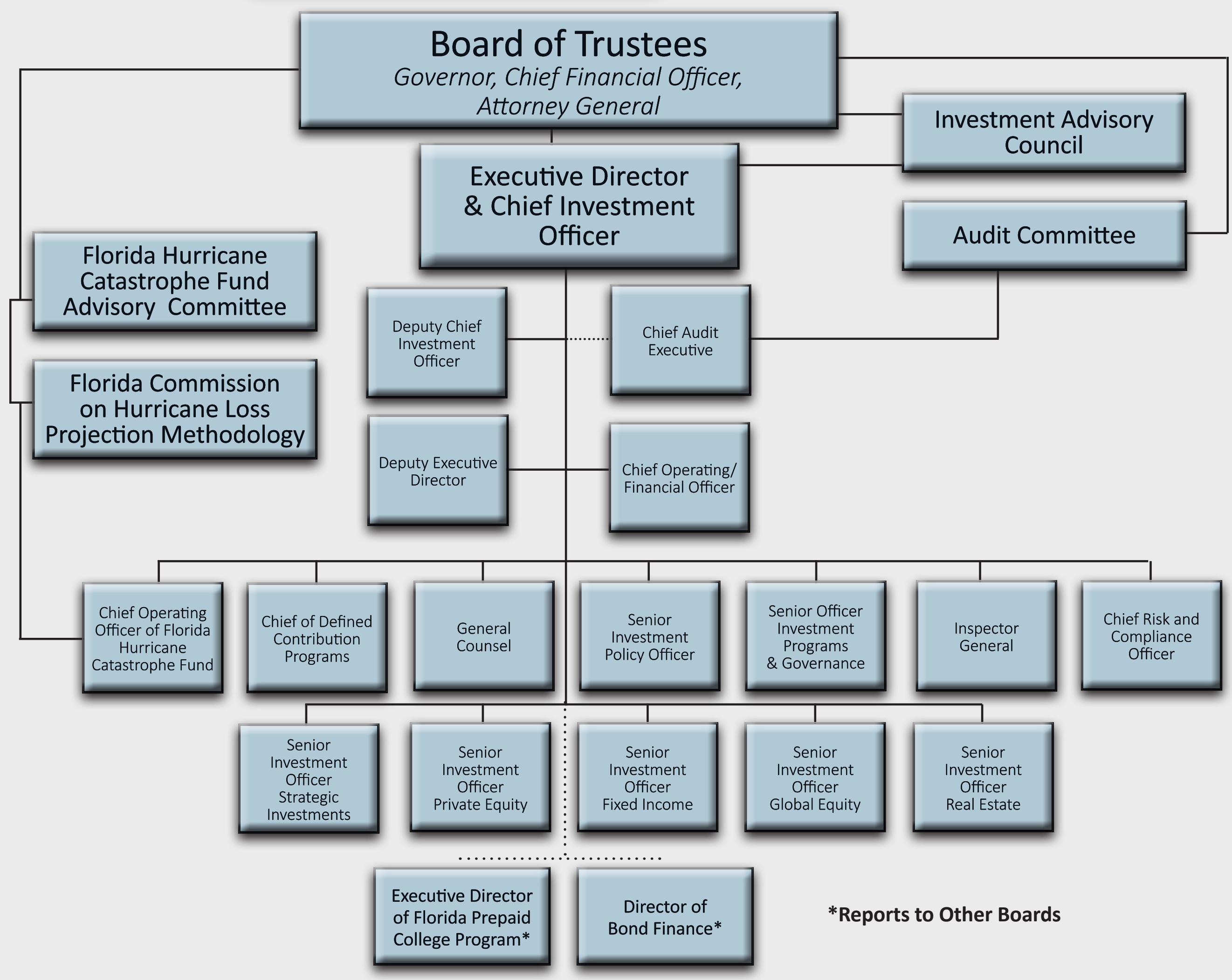
Respectfully submitted,

Ashbel C. Williams
Executive Director & Chief Investment Officer

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 the Lawton Chiles Endowment Fund and 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 to 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 independent performance measurement services to assist in evaluating the cost effectiveness of certain 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 decreased by $2.6 billion to $203.7 billion. Table 1 shows details for each SBA fund.

TABLE 1: **Change in Assets Under Management - Fiscal Year 2019-20**

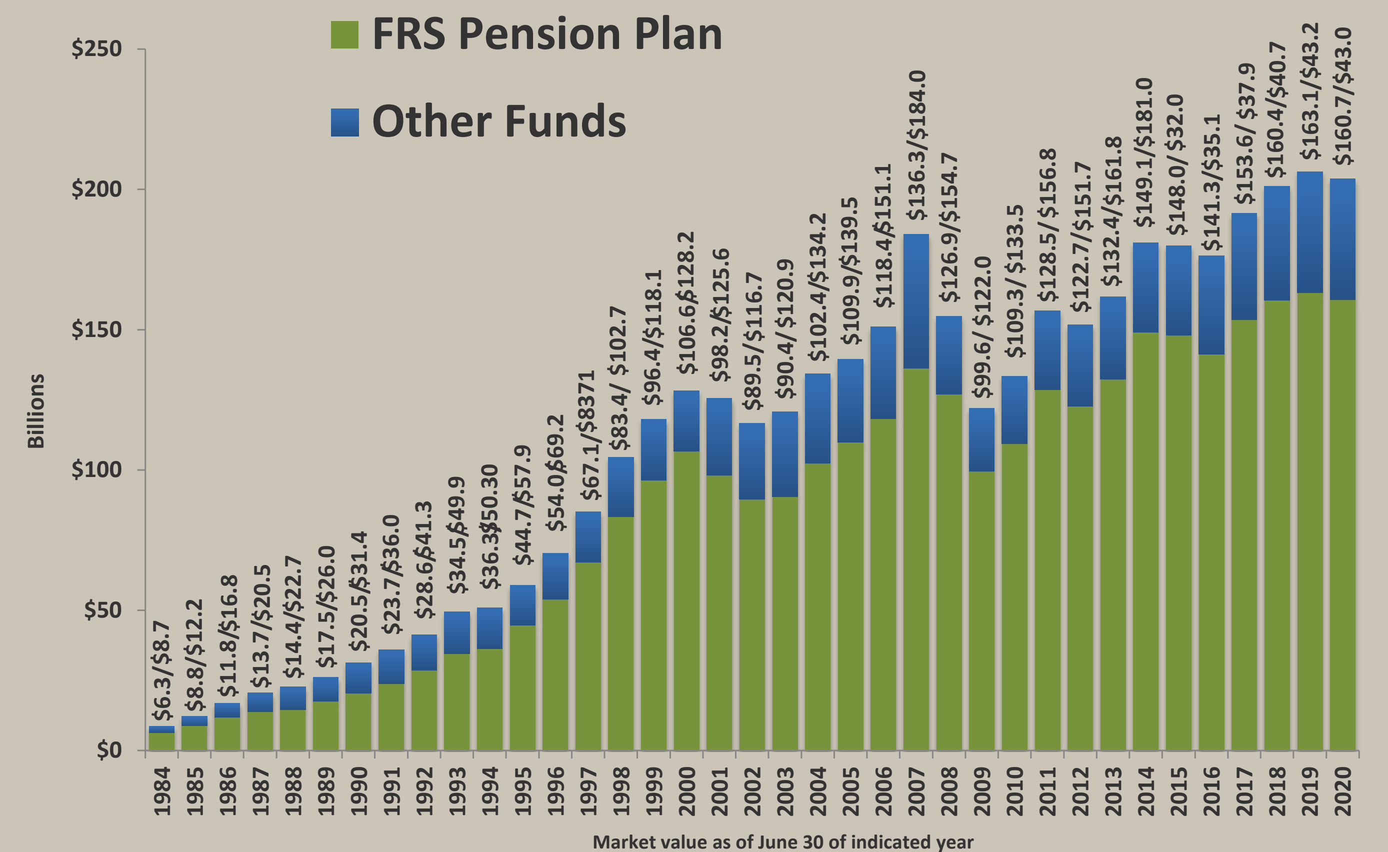
	Market Value June 30, 2019	Investment Gain (Loss)	Net Contributions (Withdrawals)	Market Value June 30, 2020
FRS Pension Plan	$163,135,205,913	$ 4,899,567,690	$ (7,320,569,900)	$160,714,203,703
FRS Investment Plan	11,248,177,127	282,014,623	(31,188,473)	11,499,003,276
Lawton Chiles Endowment Fund	793,608,408	26,092,578	(8,002,000)	811,698,985
Debt Service	1,286,941,192	18,159,923	(873,951,926)	431,149,190
FDOT Financing Corporation	122,338	91,977	(89,520)	124,795
Gas Tax Clearing Fund[1]	2	114,352	114,539	228,892
Florida PRIME[2]	12,756,496,665	234,826,925	1,396,323,582	14,387,647,173
Florida Hurricane Catastrophe Fund	13,561,527,157	459,992,974	(1,177,378,531)	12,844,141,601
State Board of Administration Finance Corporation	2,311,642,758	40,113,940	(589,385,781)	1,762,370,917
Department of the Lottery Fund	301,781,781	38,372,576	(16,153,759)	324,000,597
Retiree Health Insurance Subsidy Trust Fund	249,471,380	5,139,918	70,325,663	324,936,961
Police and Firefighters' Premium Tax Trust Fund	275,449,438	2,752,111	(1,025,000)	277,176,549
Florida Prepaid College Plan Administrative Expense	2,341,752	24,167	(1,605,409)	760,510
Florida Prepaid College Plan	228,706,105	(45,945,346)	15,172,927	197,933,686
Florida College Investment Plan Administrative Expense	952,420	9,656	(530,805)	431,271
Florida College Investment Plan	102,527,582	721,518	(31,143,097)	72,106,003
Florida ABLE, Inc. Administrative Expense	3,183,200	49,110	(147,217)	3,085,093
Florida ABLE, Inc.	3,321,422	64,179	1,406,984	4,792,585
SBA Administrative Fund	55,104,452	975,182	(1,256,363)	54,823,271
PEORP Administrative Fund	16,910,804	274,405	(1,986,182)	15,199,027
Bond Fee Trust Fund	6,267,975	115,333	119,773	6,503,081
Arbitrage Compliance Trust Fund	2,674,692	45,774	(89,294)	2,631,172
Bond Proceeds Trust Fund[1]	3,176,474	52,395	(981,996)	2,246,873
Florida Division of Blind Services	6,194,712	437,800	0	6,632,512
Insurance Capital Build-up Program	5,296,630	50,244	(1,819,846)	3,527,029
Inland Protection Financing Corporation	1,612	27	0	1,640
Burnham Institute for Medical Research Fund[3]	0	144	(144)	0
Torrey Pines Institute for Molecular Studies Fund[3]	0	25	(25)	0
SRI International Fund[3]	0	848	(848)	0
FSU Research Foundation[3]	0	698	(698)	0
Pinellas Suncoast Transit Authority[3]	0	47	(47)	0
Florida Endowment for Vocational Rehabilitation[3]	0	0	72	72
McKnight Doctoral Fellowship Program[3]	0	35	(35)	0
Total Assets Under Management	$206,357,083,990	$ 5,964,115,829	$ (8,573,843,355)	$203,747,356,464

[1] Fund market value is periodically zero due to cash flows.
[2] Florida PRIME fund values at June 30, 2019, and June 30, 2020, have been reduced by $681,589,635 and $781,977,525, 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 $89,712,254 and $10,675,636, respectively, for the same reason.
[3] 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 1984 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, will cause the actual return to fall short of the objective. Conversely, an exposure to stocks greater than necessary will subject the portfolio to higher levels of volatility than necessary, which can also result in disappointing returns, particularly when equity markets are stressed.

CHART 3:

Related Asset Class Performance of FRS Pension Plan by Fiscal Year

Better Performing

	FY 07-08	FY 08-09	FY 09-10	FY 10-11	FY 11-12	FY 12-13	FY 13-14	FY 14-15	FY 15-16	FY 16-17	FY 17-18	FY 18-19	FY 19-20
	Real Estate	Fixed Income	Strategic Investments	Global Equity	Real Estate	Global Equity	Global Equity	Private Equity	Real Estate	Global Equity	Private Equity	Private Equity	Fixed Income
	Private Equity	Cash	Private Equity	Strategic Investments	Fixed Income	Strategic Investments	Private Equity	Real Estate	Private Equity	Private Equity	Global Equity	Real Estate	Private Equity
	Fixed Income	Real Estate	Global Equity	Real Estate	Private Equity	Real Estate	Real Estate	Strategic Investments	Fixed Income	Strategic Investments	Strategic Investments	Fixed Income	Global Equity
	Cash	Private Equity	Fixed Income	Private Equity	Strategic Investments	Private Equity	Strategic Investments	Fixed Income	Strategic Investments	Real Estate	Real Estate	Strategic Investments	Real Estate
	Strategic Investments	Global Equity	Cash	Fixed Income	Cash	Fixed Income	Fixed Income	Global Equity	Cash	Cash	Cash	Global Equity	Cash
	Global Equity	Strategic Investments	Real Estate	Cash	Global Equity	Cash	Cash	Cash	Global Equity	Fixed Income	Fixed Income	Cash	Strategic Investments
Total Fund Return	**-4.42%**	**-19.03%**	**14.03%**	**22.09%**	**0.29%**	**13.12%**	**17.40%**	**3.67%**	**0.54%**	**13.77%**	**8.98%**	**6.26%**	**3.08%**

Source: SBA

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 adjust the target asset allocation. This is typically done based upon consideration of near-term market performance, but 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.

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.

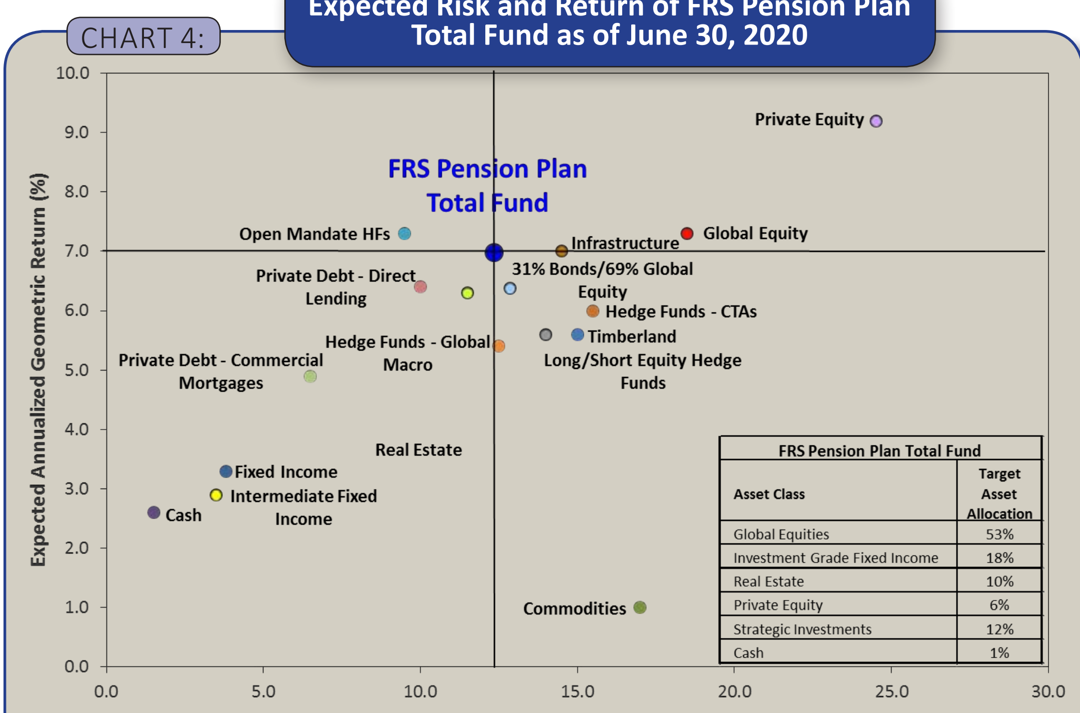
Investment management risk is one risk in the SBA's risk framework and encompasses those forms of risk that directly arise in the pursuit of an investment return. Other types of risk consider threats to the organizational and managerial infrastructure that supports a prudent investment process and effective 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 slightly higher risk and a lower return than the target allocation for the overall FRS Pension Plan.

CHART 4: Expected Risk and Return of FRS Pension Plan Total Fund as of June 30, 2020



FRS Pension Plan Total Fund	
Asset Class	Target Asset Allocation
Global Equities	53%
Investment Grade Fixed Income	18%
Real Estate	10%
Private Equity	6%
Strategic Investments	12%
Cash	1%

Source: AON Hewitt

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, is 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. This allows the SBA the ability to earn a higher interest rate on its money elsewhere, perhaps by purchasing a newly issued bond that already features the higher current interest rate.

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 larger 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. Organizationally, 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 & CIO in promoting and enhancing prudent risk management, accountability, and compliance with investment guidelines, SBA policies, rules, and regulations.

Investment Oversight Groups for each asset class and Trade Oversight Group, as a sub-committee of the Enterprise and Risk Management Committee, serve as the primary mechanisms for the escalation, review and resolution of compliance violations. Membership of the Trade Oversight Group includes the Chief Risk & Compliance Officer as chairman, Deputy Chief Investment Officer, Senior Investment Officers, Senior Officer - Investment Programs & Governance, Public Market Compliance staff, Director of Enterprise Risk Management and Senior Investment Policy Officer. Investment Oversight Groups meet routinely and may also meet on an ad hoc basis.

Investment Policy Statement limitations on asset allocation are routinely monitored, as are more stringent internal rebalancing policy requirements for the FRS Pension Plan, the FRS Investment Plan, and the Lawton Chiles Endowment Fund. 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 the applicable Investment Oversight Groups. External investment managers are required to notify the SBA in writing of a failure to comply with any term of the Investment Management Agreement, and 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, compliance testing is performed by SBA staff through a variety of means, depending upon the structure of the investment. The SBA monitors investment guideline compliance, reviews manager certifications, and completes acquisition checklists to ensure proper documentation is in place prior to committing funds. The results of compliance testing on private market funds are regularly reviewed by the applicable Investment Oversight Groups. In addition, external manager oversight staff conduct site visits or conduct conference calls with selected managers and general partners throughout the year.

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, in person, and 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. 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 to choose either the Investment Plan or the Pension Plan. The FRS Investment Plan is a defined contribution plan. With its lower vesting requirement, it provides a portable retirement benefit that is more attractive to mobile workers. In fact, 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 welcome kit provides members with their Personal Identification Number, their plan choice deadline, and important information about their choice. The kit 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 2019-20, SBA staff cast votes at 10,412 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 101,801 distinct voting items—voting 80.2% "For'' and 17.2% "Against", with the remaining 2.6% involving abstentions. Of all votes cast, 17.9 percent were "Against" the management-recommended-vote. SBA proxy voting was conducted across 79 countries, with the top five countries comprised of the United States (2,787 votes), Japan (1,298), China (1,246), India (542), and South Korea (320). 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. Highlights from the 2020 proxy season included the continued focus on the lack of board gender diversity, rising support for proposals requesting an independent board chair, and median say-on-pay support levels dropping their lowest levels ever recorded.

In addition to proxy voting, the SBA actively engages companies it invests in throughout the year, at times maintaining a year-round dialogue and analysis of corporate governance issues and other reforms. 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.

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 2019-20:

- **Florida Retirement System Investment Plan**
- **Florida PRIME™**

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.

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 over 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.

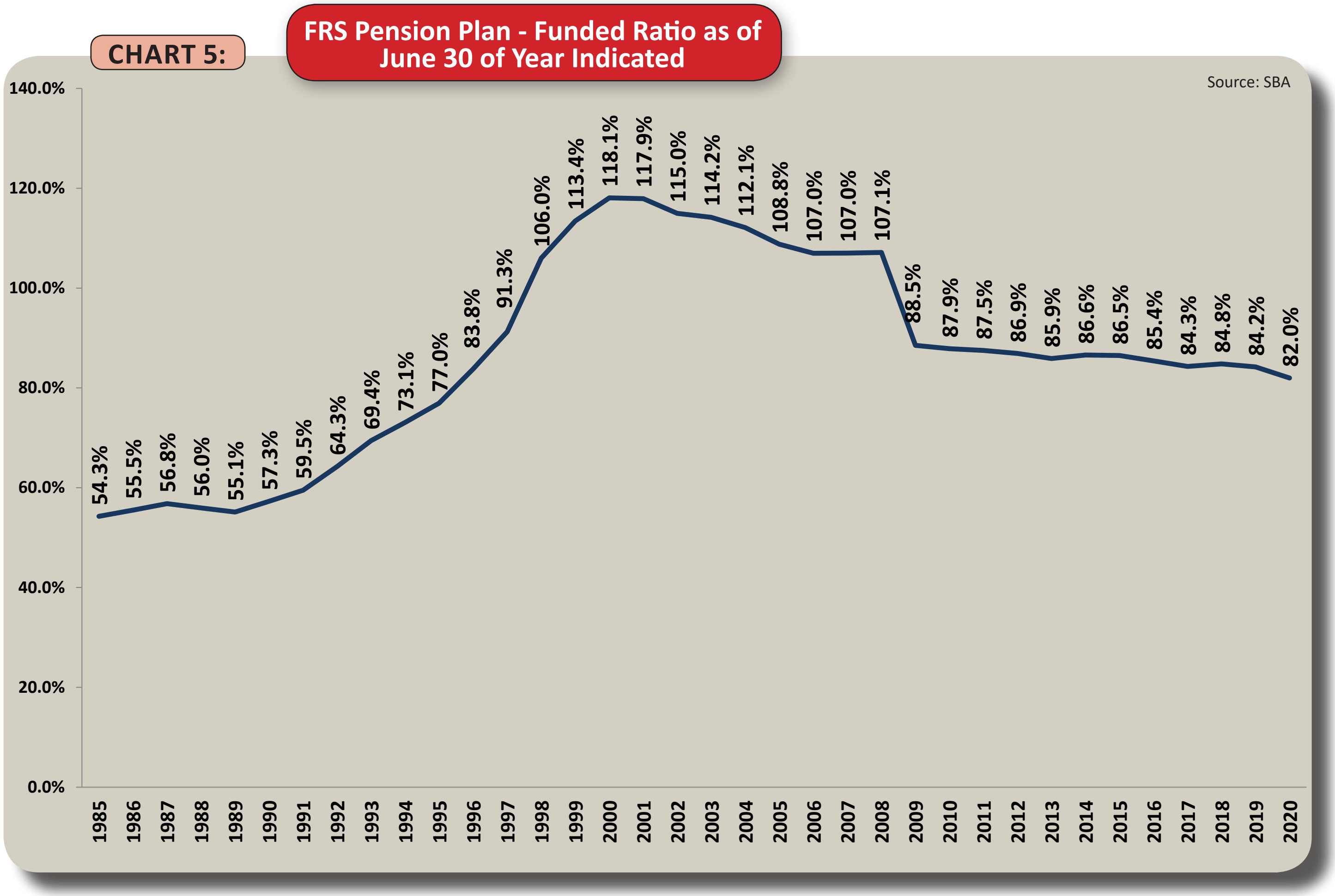
The Pension Plan's long-term financial health rests on three legs: solid long-term investment performance, receipt of actuarially required annual contributions, and a reasonable benefit package.

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 and that fund assets are invested prudently. 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.



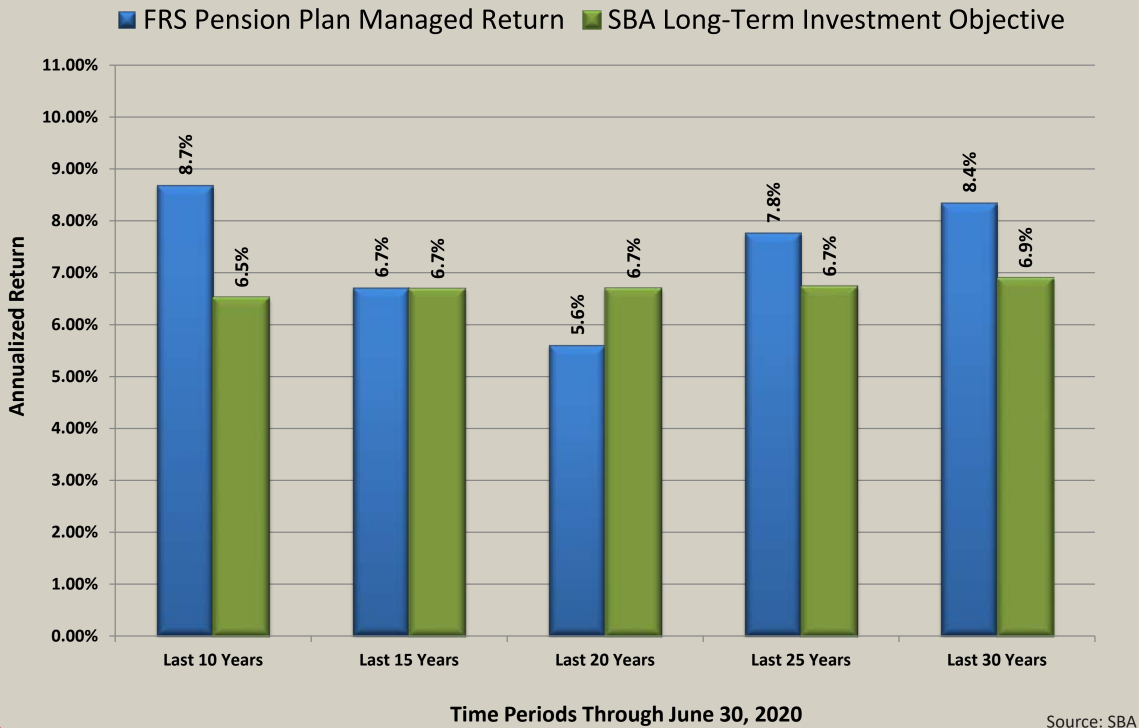
Performance

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 investment objective is to earn a compounded return of 4.0% plus the rate of inflation per annum over the long run.

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. This objective is derived from an asset/liability analysis of expected benefit growth, contribution levels, market performance, and a risk tolerance 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, 2020.

CHART 6: FRS Pension Plan - Long-Term Performance Results vs. SBA's Investment Objective



Source: SBA

The SBA's actual returns on Pension Plan assets have met or exceeded the long-term investment objective of the fund for the 10-, 15-, 25-, and 30-year periods.

TABLE 2: FRS Pension Plan Actual Return vs. Benchmark

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
One Year	3.08%	2.97%	0.11%
Three Years	6.08%	5.60%	0.48%
Five Years	6.43%	5.85%	0.58%
Ten Years	8.69%	7.98%	0.71%
Fifteen Years	6.72%	6.15%	0.57%

- All returns are annualized for periods indicated through June 30, 2020
- 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 7:

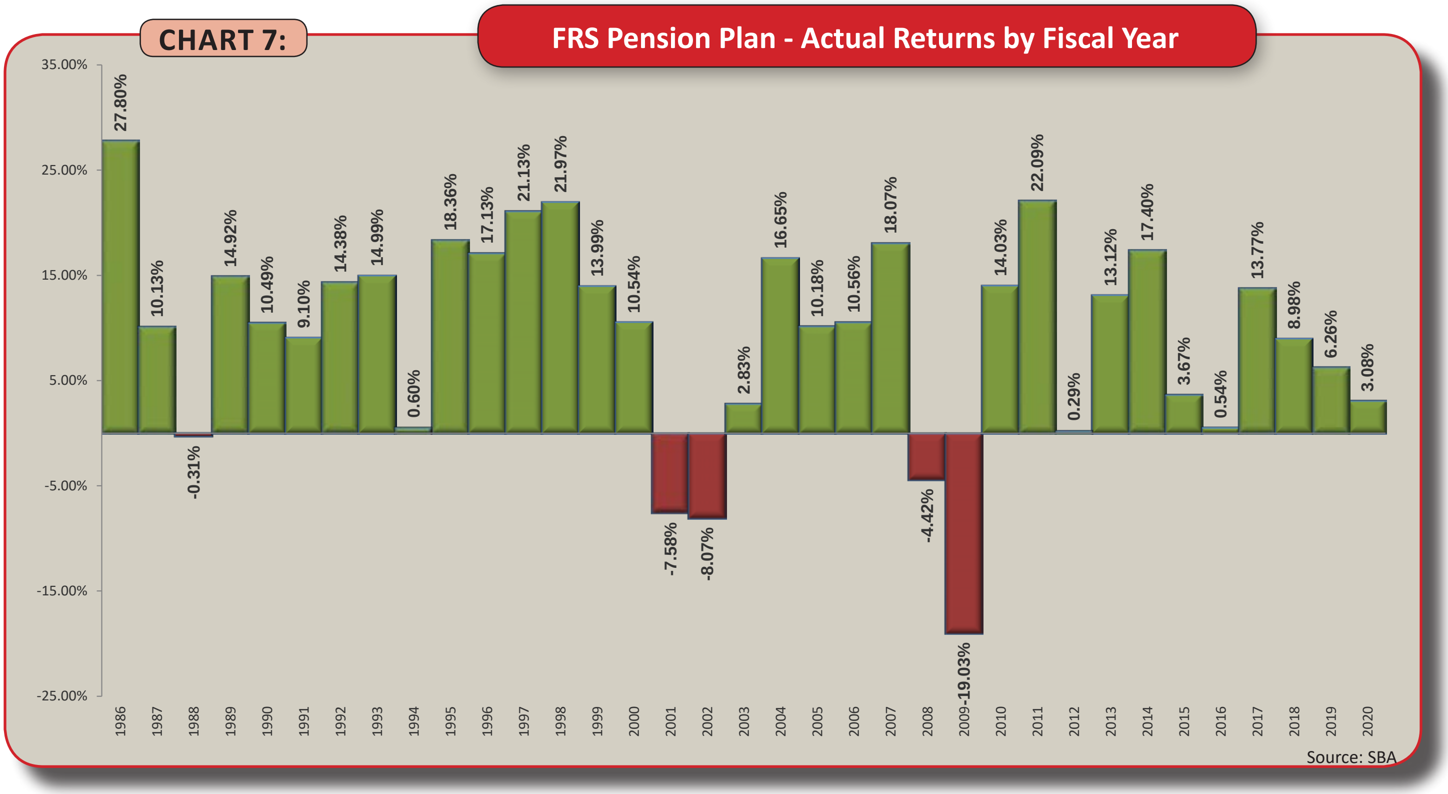
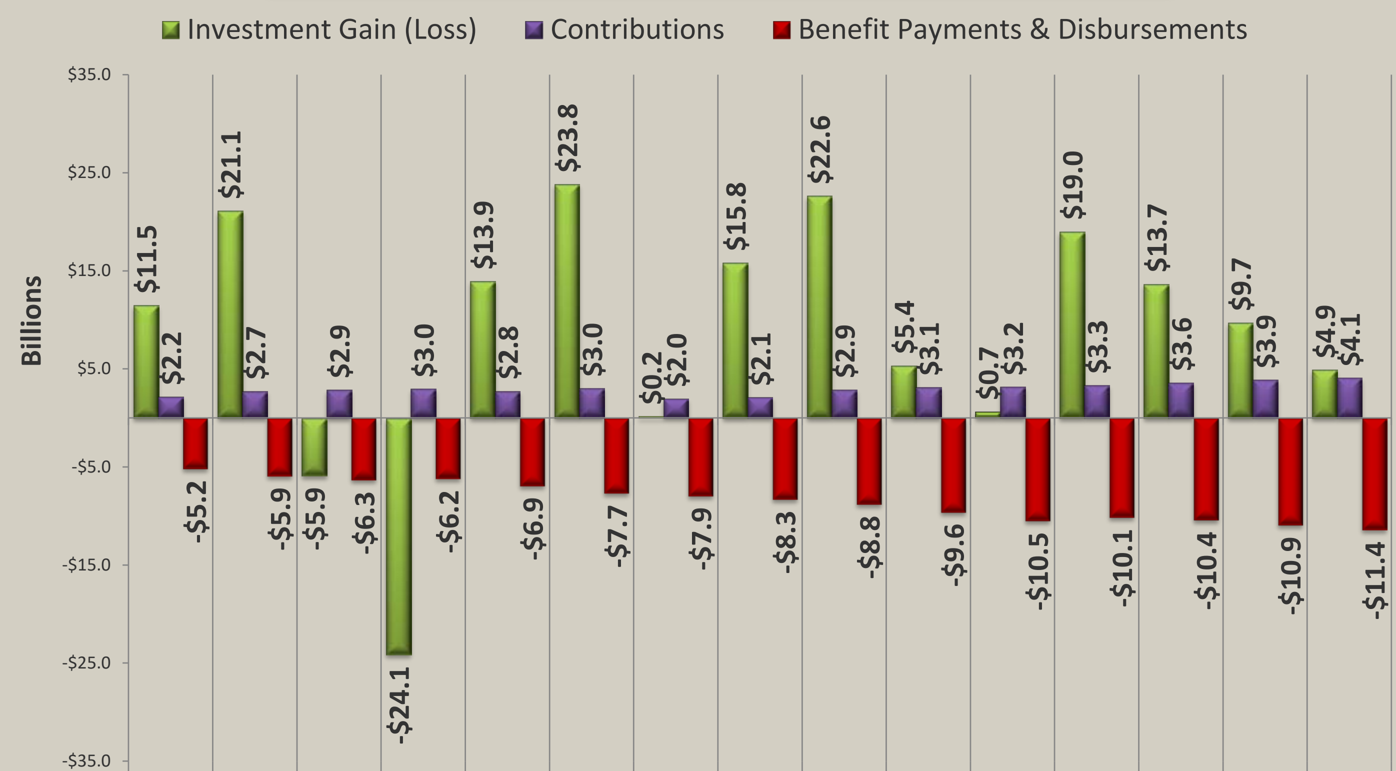


Chart 8 presents the key drivers of growth in the FRS Pension Plan's asset base. Over the period shown, investment returns (green bars) have generally been positive. Benefit payments (the red bars falling downward, representing outflows) have grown steadily over the period. This is typical of a mature 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



Fiscal Year	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
Investment Gain (Loss)	$11.5	$21.1	-$5.9	-$24.1	$13.9	$23.8	$0.2	$15.8	$22.6	$5.4	$0.7	$19.0	$13.7	$9.7	$4.9
Contributions	$2.2	$2.7	$2.9	$3.0	$2.8	$3.0	$2.0	$2.1	$2.9	$3.1	$3.2	$3.3	$3.6	$3.9	$4.1
Benefit Payments & Disbursements	-$5.2	-$5.9	-$6.3	-$6.2	-$6.9	-$7.7	-$7.9	-$8.3	-$8.8	-$9.6	-$10.5	-$10.1	-$10.4	-$10.9	-$11.4
6/30 Market Value ($b)	$118.4	$136.3	$126.9	$99.6	$109.3	$128.5	$122.7	$132.4	$149.1	$148.0	$141.3	$153.6	$160.4	$163.1	$160.7

Source: SBA

TABLE 3: **FRS Pension Plan - External Investment Management Fees for Fiscal Year 2019-20**

Asset Class	Dollar Amount	Return Basis [1]
Global Equity	$ 133,293,562	0.29%
Strategic Investments	187,747,631	1.40%
Fixed Income	8,498,316	0.08%
Real Estate	87,365,778	0.56%
Private Equity	144,736,518	1.21%
Total	**$ 561,641,805**	**0.57%**

[1] 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, 2019 through June 30, 2020). 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 2019-20**

Asset Class	Dollar Amount [1]
Global Equity[2]	$ 23,403,921
Fixed Income	382,228
Real Estate	1,939,364
Strategic Investments	0
Private Equity	16,343
Total	**$ 25,741,856**

[1] Brokerage commission amounts for the entire fiscal year are presented in the appropriate year-end asset class.
[2] 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.

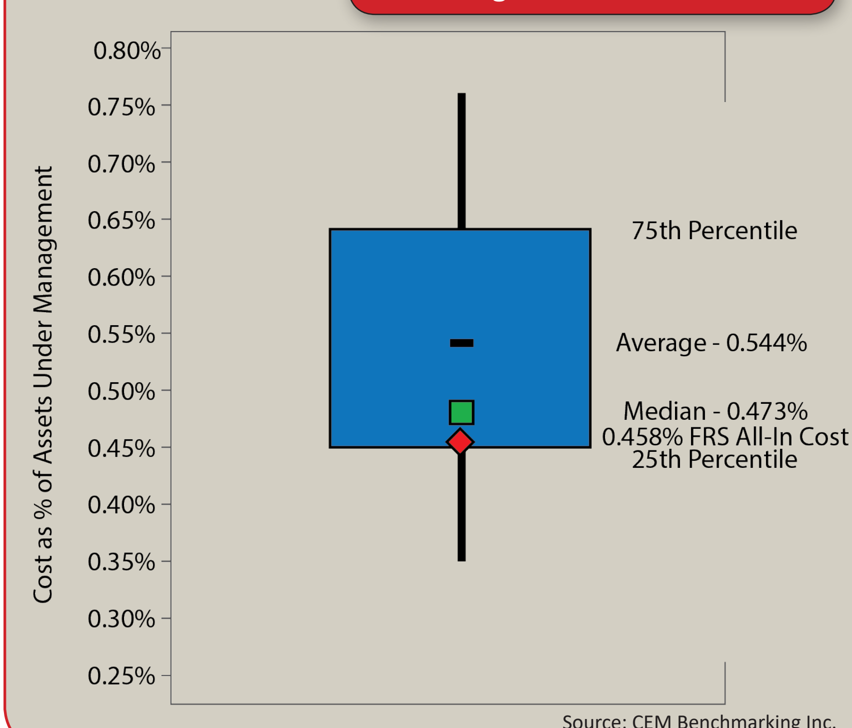
Source: SBA

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.

CHART 9: **FRS Pension Plan Cost Comparison All-In Calendar Year 2018 Costs Universe of 17 Large Public Pension Plans**

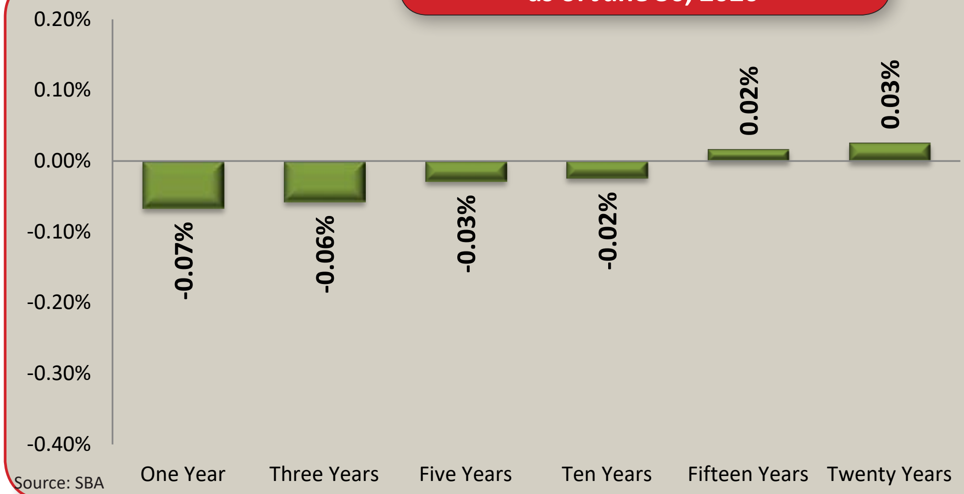


Source: CEM Benchmarking Inc.

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, 2020, returns to asset allocation lagged the target return by 7 basis points. Longer term differences are shown in Chart 10.

CHART 10: Returns to Asset Allocation as of June 30, 2020



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, 2020

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	Bank of America Merrill Lynch 3-Month US Treasury Index

Source: SBA

Rebalancing

The investment strategy for the Pension Plan is to implement the policy allocation within relatively narrow bands around policy target weights. The SBA manages this strategy through asset allocation and risk-budgeting policies.

TABLE 6:

FRS Pension Plan - Returns by Asset Class for Periods Ending June 30, 2020

		Actual Return	Benchmark Return	Actual Over (Under) Bmk.
Global Equity[1]	One Year	2.03%	1.25%	0.78%
	Three Years	6.11%	5.56%	0.55%
	Five Years	6.73%	6.14%	0.59%
	Ten Years	9.91%	9.07%	0.83%
	Fifteen Years	6.74%	6.16%	0.59%
Fixed Income	One Year	6.71%	6.60%	0.11%
	Three Years	4.41%	4.28%	0.12%
	Five Years	3.57%	3.40%	0.18%
	Ten Years	3.77%	3.26%	0.50%
	Fifteen Years	4.37%	4.06%	0.30%
Real Estate	One Year	1.60%	2.27%	(0.67%)
	Three Years	5.28%	5.45%	(0.17%)
	Five Years	7.41%	7.17%	0.24%
	Ten Years	10.93%	10.27%	0.66%
	Fifteen Years	7.87%	5.57%	2.30%
Private Equity[2]	One Year	3.40%	4.72%	(1.32%)
	Three Years	12.20%	8.49%	3.71%
	Five Years	12.14%	9.18%	2.96%
	Ten Years	13.05%	14.53%	(1.48%)
	Fifteen Years	10.38%	12.25%	(1.87%)
Strategic Investments	One Year	(0.02%)	1.51%	(1.53%)
	Three Years	4.27%	4.36%	(0.10%)
	Five Years	4.84%	4.14%	0.70%
	Ten Years	8.19%	5.99%	2.21%
Cash Equivalents	One Year	1.50%	1.63%	(0.13%)
	Three Years	1.75%	1.74%	0.01%
	Five Years	1.24%	1.18%	0.05%
	Ten Years	0.75%	0.61%	0.14%
	Fifteen Years	0.96%	1.47%	(0.52%)

[1] 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.

[2] Per industry convention, Private Equity returns are presented on a dollar-weighted basis.

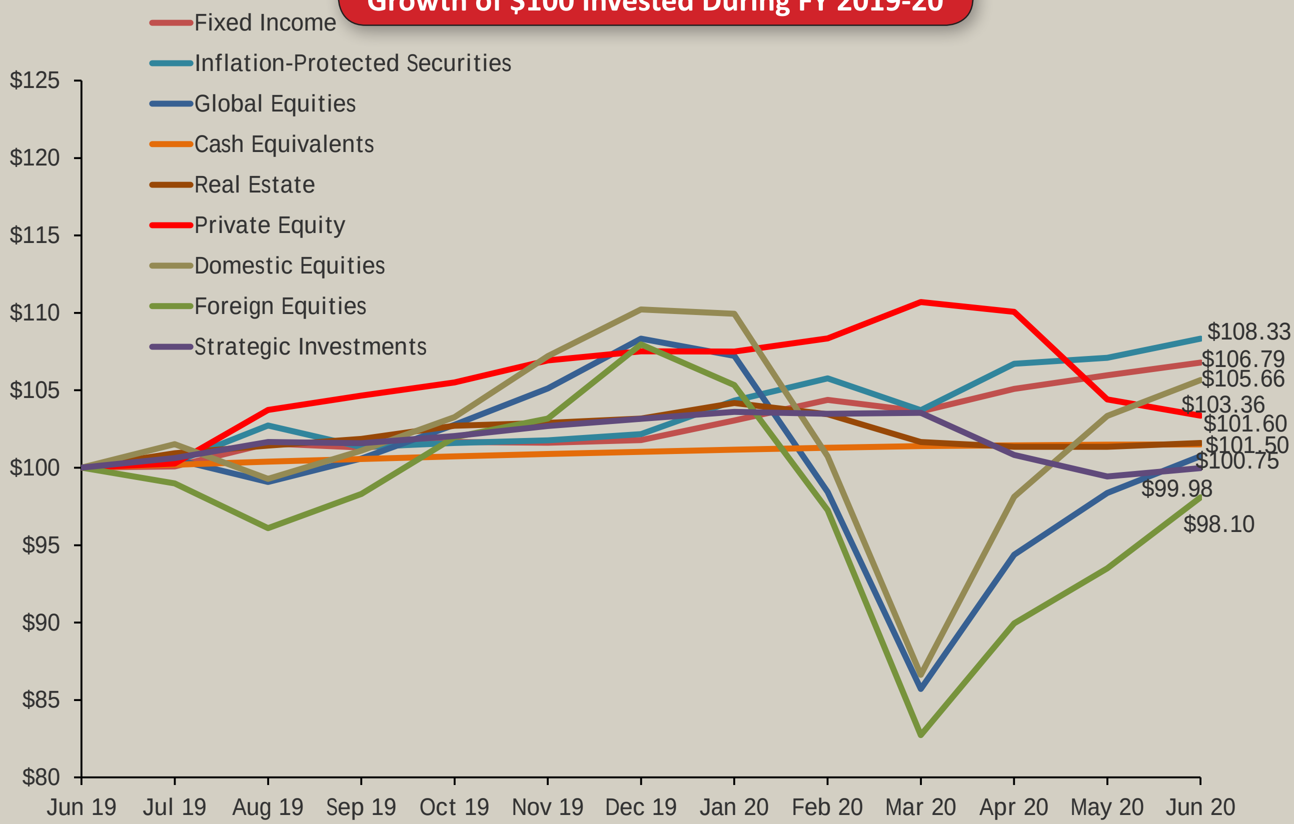
• Numbers may not total due to rounding.

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 2019-20



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

Source: SBA

TABLE 7: FRS Pension Plan - Change in Market Value for Fiscal Year 2019-20

	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
Global Equity	$ 89,473,827,619	$ (4,874,260,557)	$ 2,314,690,775	$ 86,914,257,838
Fixed Income	30,715,248,788	(3,342,784,429)	1,962,513,648	29,334,978,007
Real Estate[1]	15,266,732,271	115,781,000	246,542,796	15,629,056,067
Private Equity[1]	11,902,319,264	(679,367,849)	392,864,326	11,615,815,740
Strategic Investments[1]	14,029,367,709	335,373,808	(17,587,449)	14,347,154,068
Cash/Short-Term Securities[1,2]	1,747,710,261	1,124,688,127	543,595	2,872,941,983
Total FRS Pension Plan	$ 163,135,205,913	$ (7,320,569,900)	$ 4,899,567,690	$ 160,714,203,703

[1] The Real Estate Cash, Private Equity Cash and Strategic Investments Cash accounts were moved from their original asset classes to the Cash/Short-Term Securities asset class effective July 1, 2019. The market balances for these portfolios at June 30, 2019, of $31,675,787, $130,306,939, and $34,218,967, respectively, are reflected as transfers out of their original asset class, and transfers into the Cash/Short-Term Securities asset class in the Net Contributions and Transfers column.

[2] The investment gain (loss) reported for the Cash/Short-Term Securities asset class includes $36,569,504 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 $37,113,098.

• 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, 2020**

Asset Class	Internal	External	Passive	Active	% of Total
Global Equity	49.6%	50.4%	50.1%	49.9%	54.1%
Fixed Income	63.9%	36.1%	41.9%	58.1%	18.3%
Cash & Cash Equivalents	100.0%	0.0%	9.6%	90.4%	1.8%
Real Estate	63.0%	37.0%	0.0%	100.0%	9.7%
Private Equity	0.0%	100.0%	0.0%	100.0%	7.2%
Strategic Investments	0.0%	100.0%	0.0%	100.0%	8.9%
Total Fund	**46.4%**	**53.66%**	**34.9%**	**65.1%**	**100.0%**

Asset Class	Internal ($m)	External ($m)	Passive ($m)	Active ($m)	Total ($m)
Global Equity	$ 43,1067	$ 43,808	$ 43,536	$ 43,378	$ 86,914
Fixed Income	18,746	10,589	12,306	17,029	29,335
Cash & Cash Equivalents	2,873	0	277	2,596	2,873
Real Estate	9,846	5,783	0	15,629	15,629
Private Equity	0	11,616	0	11,616	11,616
Strategic Investments	1	14,346	0	14,347	14,347
Total Fund	**$ 74,571**	**$ 86,143**	**$ 56,119**	**$ 104,596**	**$ 160,714**

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.

TABLE 9:

FRS Pension Plan - Global Equity
Change in Market Value for Fiscal Year 2019-20

Account Name	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
Domestic Equities				
- AJO, LP	$ 1,182,742,769	$ (349,992,245)	$ (110,447,028)	$ 722,303,495
- Acuitas	231,120,200	14,914,351	(27,046,960)	218,987,592
- AQR R2000 Equity[3]	162,659,881	(171,863,430)	9,203,549	0
- Avatar R1000 Index Fund	15,548,423,824	895,930,621	1,371,039,717	17,815,394,162
- BMO US Large Cap Growth	1,203,582,952	(428,080,404)	152,197,110	927,699,658
- BMO US Small Cap Value	157,839,803	9,808,385	(33,691,194)	133,956,994
- Delta	160,249,561	8,744,534	(19,638,733)	149,355,362
- Fisher Investments	175,977,202	(10,222,802)	4,712,650	170,467,050
- Los Angeles Capital	187,616,865	(25,115,717)	(2,902,207)	159,598,941
- Mondrian US Small Cap Equity	164,460,340	0	(32,153,302)	132,307,038
- Nova Portfolio	6,245,043,859	5,338,599	474,355,591	6,724,738,048
- PanAgora Asset Management	176,570,896	(7,656,713)	(6,492,412)	162,421,771
- Phoenix Portfolio	14,403,140,363	(1,868,322,695)	929,609,883	13,464,427,552
- Quantitative Management Associates	1,117,564,591	(309,825,529)	(217,710,286)	590,028,776
- Seneca[1]	0	124,770,978	(15,830,100)	108,940,878
- Silvercrest Asset Management[5]	166,878,733	(11,875,185)	19,677,870	174,681,418
- Smith Asset Management Large Cap Enhanced	1,161,943,722	(523,991,518)	186,654,664	824,606,868
- Stephens Investment Management Group	209,386,972	(50,730,131)	21,149,909	179,806,751
- Vaughan Nelson Investment Management	190,308,359	(4,657,061)	(20,088,569)	165,562,729
Total Domestic Equity	**42,845,510,890**	**(2,702,825,961)**	**2,682,600,153**	**42,825,285,082**
Foreign Equity				
- Aberdeen Asset Management[3]	905,477,924	(952,300,725)	51,377,426	4,554,624
- Aberdeen Frontier Markets	108,709,513	0	(20,158,929)	88,550,584
- Acadian Asset Management	1,538,856,517	75,000,000	(30,431,554)	1,583,424,963
-Acadian Asset Management Inc.	935,743,077	0	(55,116,281)	880,626,796
- Alliance Bernstein	1,218,059,814	0	(138,817,784)	1,079,242,030
- AQR Capital Management Small Cap	451,551,845	(103,000,000)	(12,085,454)	336,466,390
- AQR Capital Mgt. Emerging Markets Small Cap	249,932,161	0	(15,158,929)	234,773,232
- Artisan Partners	1,689,000,870	85,000,000	28,121,499	1,802,122,369
- Ballie Gifford Overseas Limited	1,268,503,833	0	513,988,487	1,782,492,320
- BlackRock China A Shares[1]	0	115,000,000	18,632,625	133,632,625
- BlackRock Emerging Markets Index Plus	458,724,631	(454,116,461)	(4,127,994)	480,177
- BlackRock Global Inv. Index Plus	3,592,782,161	(535,000,000)	(131,326,179)	2,926,455,982
- BlackRock Global Inv. Small Cap Strategy	1,286,836,924	0	(32,264,718)	1,254,572,206
- BlackRock Global Inv. World Ex-US	3,443,125,349	(1,180,225,275)	(186,289,834)	2,076,610,240
- BlackRock Global Inv. World Ex-US Alpha Tilts	1,606,453,706	0	(107,080,816)	1,499,372,890
- Dimensional Fund Advisors	429,939,186	(104,000,000)	(37,525,447)	288,413,739
- Dimensional Fund Advisors Emerging Markets	458,995,177	(447,148,131)	(11,532,349)	314,698
- Epoch Investment Partners[2]	86,859	(5,619)	(2,470)	78,770
- Fidelity Institutional[2]	372,077	(170,898)	(2,164)	199,016
- First State Frontier Markets	106,773,594	0	(22,542,374)	84,231,220
- Foreign Equity Internal Active Tax Reclaim	1,192	0	(16)	1,176
- Franklin Templeton Small Cap[2]	815,716	(177,616)	(10,190)	627,910
- Genesis Emerging Markets	975,488,906	0	(29,686,466)	945,802,440
- GMO	1,262,473,981	0	(59,930,098)	1,202,543,883
- HSBC Global Frontier Markets	142,111,024	0	(28,254,236)	113,856,788
- Investec[1]	0	944,416,906	(101,872,572)	842,544,334
- M&G Investment Management[2]	2,894	(1,285)	887	2,496
- Mondrian Investment Partners Ltd.	978,374,473	(26,000,000)	(73,705,865)	878,668,609
- Mondrian Investment Partners Small Cap	445,752,846	0	(30,502,908)	415,249,938
- Morgan Stanley Investment Management	1,736,288,448	125,000,000	51,891,785	1,913,180,234
- Numeric Investors	307,815,560	30,000,000	(10,363,752)	327,451,808
- Principal Global Investors- FE	438,330,656	4,192,416	(35,598,796)	406,924,276

Continued on next page

Account Name - continued	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
- Robeco Institutional Asset Management[1]	0	920,913,415	(64,088,243)	856,825,173
- Somerset Capital	982,154,912	(30,000,000)	(58,284,761)	893,870,152
- Sophus Capital	872,179,853	14,516,984	(20,186,601)	866,510,236
- Sprucegrove Investment Management	1,627,185,925	0	(275,693,099)	1,351,492,826
- State Street Global Advisors EM Sm Cap	257,372,232	(20,000,000)	(26,182,341)	211,189,892
- Templeton Investment Counsel LLC	1,335,748,879	(264,000,000)	(114,091,660)	957,657,220
- TS&W Florida Retirement System	424,343,430	0	(505,323)	423,838,107
- Walter, Scott & Partners, Ltd.	1,889,765,295	80,000,000	185,441,430	2,155,206,726
- Wellington Emerging Markets Small Cap	202,071,469	35,000,000	3,521,250	240,592,720
- Wells Capital Management Emerging Markets	991,434,667	(30,000,000)	70,177,779	1,031,612,447
- William Blair	452,561,974	(30,000,000)	47,578,936	470,140,910
- William Blair & Company, LLC	848,674,626	0	118,035,452	966,710,078
- William Blair China A Shares[1]	0	107,764,335	45,654,198	153,418,533
- William Blair Emerging Markets Small Cap	250,619,393	0	30,714,321	281,333,714
Total Foreign Equity	**36,171,493,571**	**(1,639,341,954)**	**(568,284,120)**	**33,963,867,496**
Dedicated Global Equity				
- Atlas Portfolio	2,158,579,101	(4,793,296)	73,922,025	2,227,707,829
- Epoch Investment Partners Global	1,094,324,967	244,704,352	(71,116,672)	1,267,912,647
- Hexavest Inc.	909,432,952	(780,916,041)	(126,919,521)	1,597,390
- Intech Investment Management	1,626,066,873	(511,078,784)	45,659,648	1,160,647,736
- MFG Asset Management	1,114,366,771	317,314,034	119,702,366	1,551,383,172
- Schiehallion Fund	224,307,515	0	28,635,000	252,942,515
- Schroders Investment Management	992,027,457	213,891,430	96,968,011	1,302,886,898
- Sinensis	950,240,057	185,723,041	(2,268,245)	1,133,694,854
- Trilogy Global Advisors[2]	815,237	(162,437)	(7,162)	645,638
Total Dedicated Global Equity	**9,070,160,930**	**(335,317,700)**	**164,575,450**	**8,899,418,680**
Currency Overlay				
- CIBC Global Managed	(1,481,879)	14,302,316	(11,693,356)	1,127,081
- P/E Global Managed	(4,812,860)	(16,657,941)	21,248,730	(222,071)
- Quaesta Managed[3]	(4,491,779)	4,841,972	(350,194)	0
- Record Managed	679,984	22,175,053	(26,989,677)	(4,134,639)
Total Currency Overlay	**(10,106,533)**	**24,661,401**	**(17,784,497)**	**(3,229,629)**
Other				
- BlackRock Transition[4,6]	0	0	0	0
- Cash Equitization Portfolio	8	2,637,529	(2,637,534)	3
- Citigroup Global Transition	109,522,483	(123,822,322)	14,364,111	64,271
- Domestic Equity Asset Class Transition	7,446	(7,898,924)	7,942,088	50,610
- Global Equity Cash	859,425	(712,088)	1,424,755	1,572,092
- Global Equity Cash Expense	25	2,820,898	(2,820,924)	0
- Global Equity Liquidity Portfolio	1,286,345,278	(100,460,482)	41,210,099	1,227,094,894
- Global Equity Policy Transition Portfolio 1[4]	0	0	0	0
- Global Equity Policy Transition Portfolio 2	1	(541,965)	541,964	0
- Global Equity Policy Transition Portfolio 3[4]	0	0	0	0
- Global Equity Suspended Asset Account	20	0	(3)	17
- Global Equity Transition Account 1	34,077	6,541,011	(6,440,768)	134,320
Total Other	**1,396,768,762**	**(221,436,342)**	**53,583,789**	**1,228,916,209**
Total Global Equity	**$ 89,473,827,619**	**$ (4,874,260,557)**	**$ 2,314,690,775**	**$ 86,914,257,838**

[1] Account opened during the fiscal year.
[2] Strategy terminated in a prior fiscal year. Residual activity occurred in the current fiscal year.
[3] Strategy terminated during the fiscal year. Balances reflect residual activity.
[4] Account inactive during the fiscal year.
[5] Account name changed from Cortina Asset Management to Silvercrest Asset Management during the fiscal year.
[6] Account name changed from BlackRock Restructuring to BlackRock Transition during the fiscal year.
• Totals may not foot due to rounding.

Source: SBA

TABLE 10: FRS Pension Plan - Fixed Income Change in Market Value for Fiscal Year 2019-20

Account Name	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
Aggregate:				
- Active Core	$ 6,529,052,216	$ (584,000,000)	$ 422,367,823	$ 6,367,420,040
- Amundi Pioneer Investments	3,106,661,914	(800,000,000)	160,694,735	2,467,356,649
- BlackRock Core Bond Enhanced Index	3,008,889,001	(500,000,000)	198,095,280	2,706,984,280
- Investment Grade AA Account	116,205,075	(50,000,000)	1,805,489	68,010,564
- Lord Abbett[1]	0	500,000,000	4,029,023	504,029,023
- Neuberger Berman Core	1,904,781,517	0	145,797,206	2,050,578,723
- PGIM Core Plus[1]	0	1,343,251,080	41,545,107	1,384,796,186
- Prudential Conservative Core[2]	1,289,963,289	(1,343,251,080)	53,289,036	1,245
- Taplin, Canida & Habacht	1,378,371,309	0	97,354,786	1,475,726,095
Government/Corporate:				
- Fixed Income Gov't./Corp. Passive Account	8,092,481,685	(1,153,000,000)	559,036,619	7,498,518,304
Mortgage:				
- Fixed Income MBS Passive	3,951,930,380	(481,000,000)	205,461,717	3,676,392,096
Other:				
- Fixed Income Cash Expense Account	0	434,786	(434,786)	0
- Fixed Income Liquidity Portfolio	1,330,508,800	(273,000,000)	73,132,373	1,130,641,172
- Fixed Income Transition[3]	0	0	0	0
- Fixed Income Policy Transition[3]	0	0	0	0
- Fixed Income Transition II[3]	0	0	0	0
- STIPFRS Reserve Liquidation Fund	6,403,603	(2,219,214)	339,241	4,523,630
Total Fixed Income	**$ 30,715,248,788**	**$ (3,342,784,429)**	**$ 1,962,513,648**	**$ 29,334,978,007**

[1] Account opened during the fiscal year.
[2] Strategy terminated during the fiscal year. Remaining balances reflect residual activity.
[3] Account inactive during the fiscal year.
• Totals may not foot due to rounding.

Source: SBA

TABLE 11: FRS Pension Plan - Private Equity Change in Market Value for Fiscal Year 2019-20

Account Name	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
Partnerships:				
- Accel-KKR Capital Partners V, L.P.	$ 23,308,723	$ (6,871,896)	$ 10,024,881	$ 26,461,707
- Accel-KKR Capital Partners VI, L.P.[1]	0	87,138	(87,138)	0
- Accel-KKR Growth Capital Partners II, L.P.	16,918,901	(5,722,390)	4,998,466	16,194,977
- Advent International GPE VI	11,224,246	(1,673,003)	(2,677,765)	6,873,478
- Advent International GPE VII, L.P.	82,785,471	(13,165,497)	(14,601,393)	55,018,582
- Advent International GPE VIII, L.P.	145,839,031	14,403,845	(12,780,170)	147,462,706
- Advent International GPE IX, L.P.[1]	0	36,848,021	(3,556,765)	33,291,256
- American Industrial Partners Capital Fund VI, L.P.	48,488,781	(2,681,862)	6,291,584	52,098,503
- American Industrial Partners Capital Fund VII, L.P.[1]	0	3,975,687	(1,701,097)	2,274,589
- Apollo Investment Fund VIII, L.P.	172,736,892	(31,357,936)	(6,765,916)	134,613,040
- Apollo Investment Fund IX, L.P.	15,884,308	29,744,879	(2,451,453)	43,177,734
- Ardian LBO Fund VI, L.P.	84,880,353	2,695,321	6,424,026	93,999,700
- Ares Corporate Opportunities Fund III, L.P.	66,755,365	(55,344,994)	(4,209,265)	7,201,107
- Ares Corporate Opportunities Fund IV, L.P.	185,878,174	(77,400,503)	16,279,950	124,757,620
- Ares Corporate Opportunities Fund V, L.P.	133,569,539	25,598,926	(4,560,506)	154,607,959
- ASF VI, L.P.	92,247,034	(59,111,481)	44,698	33,180,251
- ASF VII, L.P.	56,216,779	25,427,456	3,014,818	84,659,053
- ASF VIII, L.P.	695,824	36,035,550	3,035,904	39,767,278
- Asia Alternatives FL Investor, L.P.	206,212,137	(8,336,299)	(2,288,945)	195,586,893
- Asia Alternatives FL Investor II, LLC	51,041,808	59,775,137	4,906,540	115,723,485
- Asia Alternatives FL Investor III, LLC[1]	0	23,330,971	(694,336)	22,636,635
- Atlas Capital Resources II, L.P.	15,985,986	2,476,313	(164,162)	18,298,138
- Atlas Capital Resources III, L.P.	4,376,780	5,629,446	2,930,588	12,936,814
- AXA LBO Fund V, L.P.	36,398,859	(4,867,472)	(2,980,781)	28,550,606

Continued on next page

Account Name - continued	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
- AXA Secondary Fund V, L.P.	15,035,291	(14,143,882)	(152,028)	739,381
- Blackstone Capital Partners VI, L.P.	176,089,039	(38,815,285)	(39,042,782)	98,230,972
- Blackstone Capital Partners VII, L.P.	111,985,910	57,355,220	(760,726)	168,580,404
- Blackstone Capital Partners VIII, L.P.[1]	0	77,067	(225,978)	(148,911)
- Carlyle Asia Growth Partners IV, L.P.	18,913,692	80,700	(6,511,440)	12,482,952
- Carlyle Partners IV, L.P.[2]	1,557,757	(1,940,653)	382,896	0
- Carlyle Partners VI, L.P.	122,539,346	(4,534,948)	(4,800,006)	113,204,392
- Carlyle Partners VII, L.P.	11,851,152	24,664,294	(2,665,769)	33,849,677
- Carnelian Energy Capital II, L.P.	14,789,222	4,135,251	(4,062,146)	14,862,327
- Carnelian Energy Capital III, L.P.[1]	0	2,002,827	(1,462,848)	539,979
- Charlesbank Equity Fund VII, L.P.	23,337,229	(1,066,078)	875,978	23,147,129
- Charlesbank Equity Fund VIII, L.P.	61,907,240	1,517,834	806,586	64,231,660
- Charlesbank Equity Fund IX, L.P.	21,379,128	19,822,963	(7,746,880)	33,455,211
- Charlesbank Fund IX Overage Allocation Program	8,602,191	3,932,865	407,534	12,942,590
- Cortec Group V, L.P.	107,740,617	(107,521,644)	7,991,273	8,210,246
- Cortec Group VI, L.P.	57,539,277	5,772,578	10,133,561	73,445,416
- Cressey & Company Fund IV, L.P.	24,154,742	(24,306,859)	647,149	495,032
- Cressey & Company Fund V, L.P.	74,657,299	1,875,000	4,027,644	80,559,943
- Cressey & Company Fund VI, L.P.	20,438,058	3,000,000	3,057,444	26,495,502
- Cressey & Company Overage Fund VI, L.P.	2,873,897	0	973,792	3,847,689
- CVC Capital Partners VI, L.P.	88,423,008	(17,113,758)	18,285,058	89,594,309
- CVC Capital Partners VII, L.P.	22,053,558	37,140,433	(3,759,834)	55,434,157
- CVC European Equity Partners V, L.P.	18,846,346	(13,600,343)	3,112,099	8,358,102
- DCPF VI Oil and Gas Coinvestment Fund, L.P.	39,156,459	(33,727,363)	(520,684)	4,908,412
- Denham Commodity Partners Fund VI, L.P.	76,533,585	(9,727,775)	(17,232,116)	49,573,694
- Denham Oil & Gas Investment Fund, L.P.	43,723,955	3,236,250	(24,213,686)	22,746,518
- Denham Oil & Gas Investment Fund II, L.P.[1]	0	74,742	(74,742)	0
- EnCap Energy Capital Fund VIII, L.P.	24,487,134	(152,792)	(14,274,798)	10,059,544
- EnCap Energy Capital Fund IX, L.P.	50,401,847	(1,437,122)	(30,499,982)	18,464,743
- EnCap Energy Capital Fund X, L.P.	86,050,493	4,169,472	(32,539,849)	57,680,116
- EnCap Energy Capital Fund XI, L.P.	14,820,053	12,016,622	(9,023,629)	17,813,047
- EnCap Flatrock Midstream Fund III, L.P.	41,027,891	4,002,312	(6,539,087)	38,491,116
- EnCap Flatrock Midstream Fund IV, L.P.	20,605,138	2,823,971	(216,587)	23,212,522
- Energy & Minerals Group Fund III, L.P.	63,002,885	2,020,079	(24,128,341)	40,894,623
- Energy Capital Partners II, L.P.	12,411,520	(263,978)	(8,188,436)	3,959,106
- Energy Capital Partners III, L.P.	135,486,797	3,595,092	(10,691,951)	128,389,938
- EnerVest Energy Fund XII-A, L.P.	265,828	0	6,397	272,225
- EnerVest Energy Institutional Fund XIV-A, L.P.	71,642,238	(1,330,894)	(35,345,830)	34,965,514
- Equistone Partners Europe Fund V, L.P.	65,880,719	3,313,357	(3,592,611)	65,601,465
- Equistone Partners Europe Fund VI, L.P.	14,702,764	17,510,027	(2,440,764)	29,772,028
- European Private Equity Opportunities I, L.P.	14,189,940	10,878,862	(9,574,669)	15,494,133
- European Private Equity Opportunities II, L.P.[1]	0	85,735	(85,735)	0
- Fairview Special Opportunities Fund, L.P.	313,267,822	(49,445,564)	53,045,482	316,867,740
- Fairview Special Opportunities Fund II, L.P.	94,100,905	255,222	16,885,265	111,241,392
- Falfurrias Capital Partners IV, L.P.[1]	0	10,800,000	7,550,856	18,350,856
- First Reserve Fund XI, L.P.	4,895,385	(384,427)	(4,432,542)	78,416
- First Reserve Fund XII, L.P.	39,060,873	(1,960,202)	(15,334,741)	21,765,930
- Francisco Partners III, L.P.	53,592,208	(3,787,500)	4,594,518	54,399,226
- Francisco Partners IV, L.P.	87,699,979	(23,707,514)	27,000,860	90,993,325
- Francisco Partners V, L.P.	40,162,750	562,500	1,521,121	42,246,371
- FS Equity Partners VI, L.P.	57,133,640	(21,788,159)	(8,167,794)	27,177,687
- FS Equity Partners VII, L.P.	104,720,337	(6,763,523)	(6,797,938)	91,158,876
- FS Equity Partners VIII, L.P.	9,394,626	19,129,641	(3,118,080)	25,406,187
- Grove Street Partners Buyouts LLC	36,419,894	(17,658,271)	2,574,446	21,336,068
- Grove Street Partners Buyouts II, LLC	183,162,823	(17,979,346)	(4,126,142)	161,057,335
- Grove Street Partners Ventures II, LLC	312,887,010	(141,727,692)	107,249,588	278,408,906
- GS Partners Ventures III, L.P.	221,404,784	(16,425,537)	20,959,119	225,938,365
- Hahn & Company III, L.P.1	0	6,749,670	(1,906,873)	4,842,797
- Hahn & Company III-S, L.P.[1]	0	4,105,793	(311,025)	3,794,768
- Hellman & Friedman Capital Partners VII, L.P.	263,526,691	(41,699,076)	7,241,008	229,068,624
- Hellman & Friedman Capital Partners VIII, L.P.	208,660,365	4,981,028	(24,265,063)	189,376,330
- Hellman & Friedman Capital Partners IX, L.P.	(209,237)	55,301,789	(11,946,739)	43,145,813
- Inflexion Buyout Fund IV, L.P.	38,229,528	8,100,879	(4,223,612)	42,106,795
- Inflexion Enterprise Fund IV, L.P.	13,835,192	4,476,158	(566,394)	17,744,956
- Inflexion Partnership Capital Fund I, L.P.	18,257,351	377,791	(1,728,326)	16,906,816
- Insight Venture Partners VIII, L.P.	70,860,437	(27,375,985)	27,955,827	71,440,279
- Insight Venture Partners IX, L.P.	130,920,527	(2,772,138)	12,744,262	140,892,650

Continued on next page

Account Name - continued	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
- Insight Venture Partners Growth-Buyout Coinvest Fund, L.P.	87,313,625	(4,582,511)	4,568,649	87,299,763
- Investindustrial VI, L.P.	37,964,242	12,461,086	(6,010,901)	44,414,426
- Investindustrial VII, L.P.[1]	0	5,117,190	(831,230)	4,285,959
- JH Whitney VII, L.P.	63,662,250	2,129,918	4,820,099	70,612,267
- KKR Asia Fund II, L.P.	108,964,366	(15,893,153)	(6,738,760)	86,332,453
- KKR Asia Fund III (EEA) SCSp	57,961,370	16,209,709	15,236,338	89,407,417
- KPS Special Situations Fund III, L.P.	8,786,861	(12,844,723)	4,496,833	438,971
- KPS Special Situations Fund IV, L.P.	73,302,150	44,431,566	(2,708,935)	115,024,781
- KPS Special Situations Fund V, L.P.[1]	0	102,556	(102,556)	0
- KPS Special Situations Mid Cap Fund, L.P.[1]	0	8,891,584	(352,708)	8,538,876
- LCP FSBA Co-Invest Account L.P.	81,169,495	10,098,687	(167,758)	91,100,424
- Lexington Capital Partners V, L.P.	596,366	6,487	(62,777)	540,076
- Lexington Capital Partners VI-B, L.P.	9,037,223	(2,703,330)	278,108	6,612,001
- Lexington Capital Partners VII, L.P.	51,110,346	(11,227,358)	961,289	40,844,277
- Lexington Capital Partners VIII, L.P.	181,104,823	(27,463,429)	6,324,521	159,965,915
- Lexington Capital Partners IX, L.P.	11,757,364	12,975,780	(433,670)	24,299,474
- Lexington Co-Invest Partners Pools III & IV, L.P.	22,744,668	(2,382,338)	(9,167,744)	11,194,586
- Lexington Co-Invest Partners 2005, L.P.	104,908,994	(57,030,537)	6,889,067	54,767,524
- Lexington Co-Invest Partners 2005 Pool III, L.P.	388,979,013	(77,755,306)	(11,284,856)	299,938,851
- Lexington Co-Invest Partners 2005 Pool IV, L.P.	384,636,669	95,302,870	11,088,746	491,028,285
- Lexington Co-Invest Partners V, L.P.[1]	0	118,831	(118,831)	0
- Lexington CIP V-F-O, L.P.[1]	0	2,134	(2,134)	0
- Lexington Middle Market Investors III, L.P.	59,578,109	(9,404,869)	(481,700)	49,691,540
- Liberty Partners VI[2]	13,000	(35,661)	22,661	0
- Liberty Partners VII	2,559,626	(109,368)	(32,650)	2,417,608
- Liberty Partners Group II	294	1,938	(1,937)	295
- LightBay Capital Partners, L.P.	1,402,703	11,318,466	(1,118,832)	11,602,337
- Livingbridge Enterprises 3, L.P.[1]	0	1,129,703	(975,550)	154,153
- Livingbridge Enterprises 7, L.P.[1]	0	32,890	(32,890)	0
- MBK Partners V, L.P.[1]	0	52,216	(52,216)	0
- Montagu Private Equity Fund IV, L.P.	11,408,326	(152,718)	(5,431,353)	5,824,254
- Montagu V, L.P.	73,696,965	1,559,486	(4,328,019)	70,928,432
- Montagu VI, L.P.[1]	0	87,486	(87,486)	0
- New Mountain Partners II, L.P.	719,898	0	59,313	779,211
- New Mountain Partners III, L.P.	67,181,365	(5,179,213)	2,103,124	64,105,276
- OpCapita Consumer Opportunities Fund II, L.P.	24,868,622	501,067	(1,848,607)	23,521,081
- OpCapita Consumer Opportunities Fund III, L.P.[1]	0	604,804	(1,213,861)	(609,057)
- OpenView Venture Partners IV, L.P.	38,082,385	975,000	(7,218,307)	31,839,078
- OpenView Venture Partners V, L.P.	12,920,554	8,575,000	2,765,584	24,261,139
- OpenView Venture Partners VI, L.P.[1]	0	664,100	(217,434)	446,667
- Pantheon Global Secondary Fund IV, L.P.	20,602,508	(4,891,220)	(1,886,318)	13,824,970
- Peak Rock Capital II, L.P.	20,702,646	(3,552,294)	7,880,256	25,030,608
- Peak Rock Capital Credit Fund II, L.P.	1,447,860	454,654	(79,436)	1,823,078
- Permira V, L.P.	102,232,541	(63,809,880)	53,241,907	91,664,567
- Platinum Equity Capital Partners II, L.P.	5,259,503	(372,165)	(773,540)	4,113,798
- Platinum Equity Capital Partners III, L.P.	73,676,105	(14,837,090)	13,317,415	72,156,430
- Pomona Capital VI, L.P.	3,367,237	(701,016)	(750,853)	1,915,368
- Pomona Capital VII, L.P.[3,4]	0	0	0	0
- Post Oak Energy Partners II, L.P.	29,891,655	426,922	(11,239,215)	19,079,362
- Post Oak Energy Partners III, L.P.	32,350,235	2,360,987	(8,318,413)	26,392,809
- Post Oak Energy Partners IV, L.P.	12,664,844	7,847,867	(5,209,664)	15,303,047
- RCP Advisors Fund IV, L.P.	10,864,823	(6,059,041)	294,704	5,100,486
- RCP Advisors Fund V, L.P.	23,955,145	(12,165,956)	(1,003,674)	10,785,514
- RCP Advisors Fund VI, L.P.	25,177,668	(9,683,526)	4,951,430	20,445,571
- RCP Advisors Fund VII, L.P.	46,161,824	(15,066,089)	(367,870)	30,727,866
- RCP Advisors Fund VIII, L.P.	46,681,152	(4,928,517)	2,245,645	43,998,280
- RCP Advisors Fund IX, L.P.	45,294,965	(3,177,421)	3,639,131	45,756,676
- RCP Advisors Fund X, L.P.	35,548,873	0	3,104,352	38,653,225
- Rise Fund, L.P. (The)	14,105,117	3,803,147	(1,538,747)	16,369,517
- Rise Fund II, L.P. (The)[1]	0	75,225	(75,225)	0
- Rubicon Technology Partners, L.P.	14,118,018	2,960,713	2,062,305	19,141,036
- Rubicon Technology Partners II, L.P.	42,904,957	10,201,321	10,778,367	63,884,645
- Rubicon Technology Partners III, L.P.[1]	0	71,778	(71,778)	0
- Searchlight Capital II, L.P.	74,673,602	18,176,668	(22,104,088)	70,746,182
- Searchlight Capital III, L.P.[1]	0	24,134,845	(2,786,983)	21,347,862
- Silver Lake Partners IV, L.P.	137,128,019	(22,311,477)	4,167,981	118,984,523
- Silver Lake Partners V, L.P.	59,180,509	37,383,303	3,136,755	99,700,567

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Account Name - continued	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
- Siris Partners III, L.P.	42,523,728	10,317,962	8,666,021	61,507,711
- Siris Partners IV, L.P.	10,592,347	28,933,024	(6,220,899)	33,304,472
- Summa Equity Fund II AB	(39,587)	6,163,751	634,901	6,759,065
- SVB Capital Partners III, L.P.	27,503,076	(7,070,660)	9,196,331	29,628,747
- SVB Capital Partners IV, L.P.	6,922,531	9,400,000	799,480	17,122,011
- SVB Strategic Investors Fund V-A, L.P.	190,815,833	(33,687,864)	15,730,035	172,858,004
- SVB Strategic Investors Fund V-A Opportunity, L.P.	88,814,997	(5,343,750)	11,066,526	94,537,773
- SVB Strategic Investors VI-A, L.P.	187,501,458	(16,193,485)	26,113,051	197,421,024
- SVB Strategic Investors Fund VII-A, L.P.	150,325,587	(9,712,500)	40,306,036	180,919,123
- SVB Strategic Investors Fund VIII-A, L.P.	64,767,131	16,970,000	21,742,221	103,479,352
- SVB Strategic Investors Fund IX-A, L.P.	6,972,430	18,517,500	(1,080,268)	24,409,662
- Thoma Bravo Discover Fund, L.P.	59,975,020	(24,932,364)	26,562,432	61,605,088
- Thoma Bravo Discover Fund II, L.P.	16,119,052	28,157,281	327,006	44,603,338
- Thoma Bravo Fund IX, L.P.	1,176,017	(674,350)	13,529	515,195
- Thoma Bravo Fund X, L.P.	48,782,593	(29,117,017)	22,051,094	41,716,669
- Thoma Bravo Fund XI, L.P.	154,582,001	(89,721,586)	62,200,995	127,061,410
- Thoma Bravo Fund XII, L.P.	171,601,819	1,959,632	20,908,498	194,469,949
- Thoma Bravo Fund XIII, L.P.	52,694,043	54,923,601	6,106,939	113,724,584
- Thoma Bravo Special Opportunities Fund I, L.P.	31,783,178	(22,359,540)	16,712,653	26,136,291
- Thoma Bravo Special Opportunities Fund II, L.P.	72,139,114	(26,436,015)	12,277,613	57,980,711
- Thoma Cressey Fund VIII, L.P.[2]	326,970	(326,438)	(532)	0
- Tiger Iron Special Opportunities Fund, L.P.	94,958,174	33,515,586	5,411,710	133,885,471
- Tiger Iron Special Opportunities Fund II, L.P.	5,675,889	18,644,747	(2,188,480)	22,132,156
- Top Tier Special Opportunities Fund, L.P.	1,995,605	(1,177,627)	960,815	1,778,793
- Top Tier Venture Capital II, L.P.[2]	10,129,402	(8,627,696)	(1,501,706)	0
- Top Tier Venture Capital III, L.P.	19,468,330	(12,023,221)	1,079,032	8,524,141
- TowerBrook Investors II, L.P.	4,158,611	(2,438,652)	(245,605)	1,474,354
- TowerBrook Investors III, L.P.	16,339,073	(11,812,136)	(2,566,057)	1,960,880
- TowerBrook Investors IV, L.P.	155,430,056	(4,195,377)	(4,509,876)	146,724,803
- TowerBrook Investors V, L.P.	0	16,083,467	(2,085,743)	13,997,724
- TPG Growth II, L.P.	133,863,269	(59,452,013)	(22,274,166)	52,137,090
- TPG Growth III, L.P.	76,458,521	2,802,548	(1,679,927)	77,581,142
- TPG Growth IV, L.P.	40,368,019	20,688,603	(7,789,485)	53,267,137
- Trident V, L.P.	46,767,714	(5,154,339)	610,335	42,223,710
- Trident VI, L.P.	75,701,377	(25,367,027)	10,932,086	61,266,436
- Trident VII, L.P.	56,078,492	3,771,272	4,409,058	64,258,822
- Trident VIII, L.P.[1]	0	7,244,438	(73,062)	7,171,376
- TrueBridge Capital FSA, LLC	47,566,302	22,165,074	9,033,368	78,764,743
- TrueBridge Capital Partners V, L.P.	18,368,143	37,000,000	269,148	55,637,291
- TrueBridge Capital Partners VI, L.P.[1]	0	5,057,862	(457,539)	4,600,323
- TrueBridge FSA II, L.P.[1]	0	4,078,964	(141,611)	3,937,354
- TrueBridge/FLSBA Special Purpose, LLC	84,082,715	(12,372,825)	(1,513,146)	70,196,744
- Truebridge/FLSBA Special Purpose II, LLC	33,312,025	(1,741,235)	6,370,612	37,941,402
- TrueBridge-Kauffman Fellows Endow Fund II, L.P.	170,269,684	(35,814,500)	22,168,422	156,623,606
- TrueBridge-Kauffman Fellows Endow Fund III, L.P.	187,346,771	(31,886,717)	32,632,490	188,092,544
- TrueBridge-Kauffman Fellows Endow Fund IV, L.P.	120,143,259	20,000,000	27,754,786	167,898,045
- TSG Capital Fund III, L.P.[3]	14,275	0	(14,275)	0
- Venture Overage Fund, L.P.	102,120,509	8,850,000	6,125,883	117,096,392
- W Capital Partners III, L.P.	60,933,902	(18,278,339)	(4,107,619)	38,547,944
- Warburg Pincus China, L.P.	61,499,148	965,940	10,107,705	72,572,793
- Warburg Pincus China-Southeast Asia II, L.P.	2,380,000	49,039	(343,332)	2,085,707
- Warburg Pincus Private Equity IX, L.P.	4,611,866	(735,000)	(977,134)	2,899,732
- Warburg Pincus Private Equity X, L.P.	56,999,879	(43,506,418)	14,417,148	27,910,610
- Warburg Pincus Private Equity XI, L.P.	179,452,029	(61,805,800)	(15,772,119)	101,874,110
- Warburg Pincus Private Equity XII, L.P.	78,336,484	9,522,000	6,727,209	94,585,693
- Waterland Private Equity Fund VII, C.V.	9,479,737	17,160,469	2,089,246	28,729,452
- WindRose Health Investors V, L.P.	(66,601)	6,491,568	(781,799)	5,643,168
- WPEF VI Feeder Fund, L.P.	54,936,728	(7,409,121)	5,976,417	53,504,025
Other:				
- Private Equity Cash[5]	130,306,939	(130,306,939)	0	0
- Private Equity Cash Expense	0	1,669,522	(1,669,522)	0
- Private Equity Transition[4]	0	0	0	0
Total Private Equity	**$ 11,902,319,264**	**$ (679,367,849)**	**$ 392,864,326**	**$ 11,615,815,740**

[1] Account opened during the fiscal year.
[2] Account assets sold or partnership interest sold during the fiscal year. Account will be closed unless residual activity occurs.
[3] Account assets sold or partnership interest sold during a prior fiscal year. Balances and activity reflect residual activity.
[4] Account inactive during the fiscal year.
[5] The Private Equity Cash account moved from the Private Equity Asset Class to the Cash/Short-Term Asset Class effective July 1, 2019.

- 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.
- Totals may not foot due to rounding.

Source: SBA

TABLE 12:

FRS Pension Plan - Real Estate
Change in Market Value for Fiscal Year 2019-20

Account Name	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
Joint Ventures:				
- Ramco[2]	$ 412,599	$ (149,783)	$ (262,816)	$ 0
Pooled Funds:				
- AEW Senior Housing Investors III, L.P.	41,404,137	1,638,307	2,227,305	45,269,748
- AEW Value Investors Asia III, L.P.	75,159,275	9,791,248	2,954,964	87,905,487
- BlackRock Diamond Property Fund, Inc.[2]	0	(55,362)	55,362	0
- BlackRock Europe Property Fund IV	14,449,268	(11,547,797)	2,907,144	5,808,616
- BlackRock Europe Property Fund V	622,926	4,446,439	766,281	5,835,646
- Blackstone Real Estate Partners Asia, L.P.	158,006,198	(32,710,508)	(3,228,585)	122,067,105
- Blackstone Real Estate Partners Europe V, L.P.	70,284,493	16,877,941	128,761	87,291,195
- Blackstone Real Estate Partners VI, L.P.	18,073,451	(9,938,761)	1,906,146	10,040,835
- Blackstone Real Estate Partners VII, L.P.	177,026,065	(41,714,626)	(6,858,973)	128,452,465
- Blackstone Real Estate Partners VIII, L.P.	83,975,170	7,241,585	4,790,230	96,006,985
- Blackstone Real Estate Partners IX, L.P.	0	27,164,670	(1,191,179)	25,973,491
- Brookfield-Fairfield US Multifamily Fund I, L.P.[3]	654,305	(654,302)	(3)	0
- Brookfield-Fairfield US Multifamily Fund II, L.P.	25,610,703	(12,693,167)	1,779,357	14,696,893
- CapMan Nordic Real Estate Fund	41,361,028	(1,034,926)	2,536,209	42,862,312
- CapMan Nordic Real Estate II	22,419,984	10,416,426	3,391,891	36,228,301
- Carlyle Property Investors, L.P.	102,660,085	(4,555,468)	8,638,058	106,742,674
- Carlyle Realty Partners VI, L.P.	10,884,127	(1,851,712)	(1,952,112)	7,080,303
- Carlyle Realty Partners VII, L.P.	28,448,644	(10,675,017)	1,665,721	19,439,348
- Carlyle Realty Partners VIII, L.P.	8,027,974	16,647,746	3,207,345	27,883,065
- CBRE Asia Value Partners V[1]	0	24,230,083	773,552	25,003,635
- CIM Fund VIII, L.P.	53,787,424	2,534,608	(4,377,728)	51,944,304
- EMI Pooled Fund Expenses Account	0	(61)	61	0
- Europa Fund IV, L.P.	40,243,264	181,734	(2,903,884)	37,521,114
- Heitman-SBAF GP Co-Invest JV	0	101,631	(101,631)	0
- Heitman Value Partners III, L.P.	22,140,647	(17,679,530)	2,968,593	7,429,710
- Heitman Value Partners IV, L.P.	14,173,195	19,364,261	274,195	33,811,651
- Hines Value Added Fund II, L.P.[3]	115,346	(144,945)	29,599	0
- Invesco Strategic Opportunities III[1]	0	8,264,709	8,926,404	17,191,113
- JP Morgan Euro Opportunistic Property Fund III	36,495,240	(5,617,704)	13,702,121	44,579,657
- JP Morgan Euro Opportunistic Property Fund IV	1,838,106	18,720,340	4,945,114	25,503,560
- JP Morgan Special Situation Property Fund	198,274,945	(4,509,309)	5,915,365	199,681,001
- JP Morgan Strategic Property Fund	346,899,734	(140,763,869)	1,218,008	207,353,873
- Landmark Real Estate Fund VIII, L.P.	15,609,498	8,359,044	1,164,848	25,133,390
- Prime Property Fund, LLC	404,663,226	(16,047,687)	6,845,527	395,461,067
- Principal US Property Fund	421,416,788	0	8,253,866	429,670,653
- Prologis USLF, L.P.	214,757,286	43,311,024	38,147,210	296,215,520
- Prudential PRISA	359,725,095	(11,164,262)	19,408,945	367,969,778
- Prudential PRISA Fund III, L.P.	248,867,908	(14,724,015)	22,116,900	256,260,793
- Rockpoint Real Estate Fund III, L.P.	5,151,046	(561,576)	(325,816)	4,263,654
- Rockpoint Real Estate Fund IV, L.P.	32,210,337	(9,392,597)	(6,862,141)	15,955,599
- Rockpoint Real Estate Fund V, L.P.	84,182,930	(3,255,743)	(6,296,226)	74,630,961
- Rockpoint Real Estate Fund VI, L.P.[1]	0	4,199,362	(158,693)	4,040,669
- RREEF America REIT II Pooled Fund	329,741,308	(10,720,072)	12,864,773	331,886,009
- RREEF Core Plus Industrial Fund	22,500,000	87,450,761	8,745,789	118,696,550
- Starwood Distressed Opp. Fund IX Global, L.P.	33,986,041	(688,880)	(2,207,028)	31,090,133
- Starwood Global Opportunity Fund X, L.P.	62,036,860	(6,423,959)	1,108,883	56,721,784
- Starwood Global Opportunity Fund XI, L.P.	7,018,650	16,195,870	1,733,384	24,947,904
- Tristan EPISO 3, L.P.	37,385,783	(8,173,115)	(7,628,087)	21,584,580
- Tristan EPISO 4, L.P.	44,778,433	222,937	1,452,776	46,454,146
- UBS Pooled Fund, L.P.	81,895,776	(19,725,315)	(1,139,631)	61,030,831
Principal Investments	**9,628,223,673**	**(83,347,788)**	**301,160,796**	**9,846,036,681**
Real Estate Investment Trusts (REITs):				
- AEW Global REIT	424,563,368	0	(59,606,752)	364,956,616
- CohenSteers Global REIT	351,259,253	0	(38,905,914)	312,353,339
- FloridaRetSys CNSGlobalREITRecov[1]	0	150,000,000	(1,732,485)	148,267,515
- FloridaRetSys RREEFGlobalREITRecov[1]	0	150,000,000	3,650,193	153,650,193
- Invesco Global REIT	406,923,402	0	(61,895,610)	345,027,791
- RREEF Global REIT	424,711,491	0	(47,565,667)	377,145,824

Continued on next page

Account Name - continued	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
Other:				
- Real Estate Cash Account[5]	31,675,787	(31,675,787)	0	0
- Real Estate Cash Expense Account	0	617,919	(617,919)	0
- Real Estate Transition Account[4]	0	0	0	0
Total Real Estate Investments	**$ 15,266,732,271**	**$ 115,781,000**	**$ 246,542,796**	**$ 15,629,056,067**

[1] Account opened during the fiscal year.
[2] Strategy terminated or account closed during a prior fiscal year. Balances and activity reflect residual activity.
[3] Strategy terminated or account closed during the current fiscal year.
[4] Account inactive during the fiscal year.
[5] The Real Estate Cash Account moved from the Real Estate Asset Class to the Cash/Short-Term Asset Class effective July 1, 2019.
• 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.
• Totals may not foot due to rounding.

Source: SBA

TABLE 13: FRS Pension Plan - Strategic Investments Change in Market Value for Fiscal Year 2019-20

Account Name	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
- ABRY Advanced Securities Fund, L.P.	$ 2,245,467	$ 0	$ (366,489)	$ 1,878,978
- ABRY Advanced Securities Fund II, L.P.	15,627,110	(2,512,083)	(3,544,314)	9,570,713
- ABRY Advanced Securities Fund III, L.P.	102,012,226	72,481,293	(77,540,058)	96,953,461
- ABRY Senior Equity III, L.P.	2,707,345	(901,768)	(120,063)	1,685,514
- ABRY Senior Equity IV, L.P.	43,731,249	(23,604,615)	(869,101)	19,257,533
- ABRY Senior Equity V, L.P.	15,467,919	15,005,113	861,900	31,334,932
- Aeolus Prop Catastrophe Keystone PF Fund, L.P.	102,756,092	34,500,536	10,597,298	147,853,926
- AQR Managed Futures Fund II, L.P.	210,749,677	(8)	587,211	211,336,880
- AQR Style Premia Fund, L.P.	137,089,176	0	(34,500,083)	102,589,093
- Atalaya Special Opportunities Fund VI, L.P.	84,724,029	(33,659,791)	6,998,929	58,063,166
- Atalaya Special Opportunities Fund VII, L.P.	34,340,327	14,532,116	(3,036,014)	45,836,429
- Audax Credit Opportunities, LLC	323,062,344	177,600	3,788,024	327,027,968
- Audax Mezzanine Fund IV-A, L.P.	45,169,614	57,906	3,982,384	49,209,904
- Bayview Opportunity Master Fund IIIb, L.P.	8,772,900	(7,212,538)	1,311,238	2,871,600
- Bayview Opportunity Master Fund IVb, L.P.	43,338,763	(11,502,367)	(4,457,225)	27,379,171
- Benefit Street Credit Alpha Partners, L.P.[2]	153,679,537	(130,911,409)	(22,768,128)	0
- Benefit Street Debt Fund IV, L.P.	89,500,300	(14,943,321)	326,268	74,883,247
- Benefit Street Partners CRE Conduit Co., L.P.[2]	1,431,199	(1,575,463)	144,264	0
- BlackRock Carbon Capital V, Inc.	25,135,876	(17,757,399)	(6,293,361)	1,085,117
- BlackRock Carbon Capital VI, L.P.	89,444,689	10,064,268	5,896,024	105,404,981
- Blackstone/GSO Capital Solutions Fund, L.P.	6,937,119	1,194,252	(6,447,452)	1,683,919
- Blackstone Tactical Opportunities Fund II, L.P.	123,153,054	(15,771,062)	(6,210,281)	101,171,712
- Blackstone Tactical Opportunities Fund- FD, L.P.	14,302,755	51,330,191	(5,747,243)	59,885,703
- Blue Torch Credit Opportunities FSBA, L.P.[1]	0	7,766,991	0	7,766,991
- Boston Timber Opportunities LLC	303,031,760	(7,438,100)	10,325,617	305,919,277
- Bridgewater Pure Alpha Major Markets, LP	185,033,926	0	927	185,034,853
- Caerus DT Fund, LLC	427,467,616	100,000,000	22,951,327	550,418,943
- Canyon Value Realization Fund, L.P.	127,646,844	0	(20,972,799)	106,674,045
- Capula Global Relative Value Fund Ltd.	161,514,995	0	14,633,530	176,148,525
- Carlyle Mezzanine Partners II, L.P.	1,088,101	0	(780,849)	307,252
- Castlelake Aviation II, L.P.	10,572,431	(2,271,635)	(1,662,891)	6,637,905
- Castlelake Aviation III Stable Yield, L.P.	112,644,725	28,347,525	15,041,347	156,033,597
- Castlelake III, L.P.	56,308,132	(4,616,482)	460,132	52,151,782
- Castlelake IV, L.P.	108,869,785	(8,177,757)	(3,268,038)	97,423,990
- Centerbridge Capital Partners III, L.P.	77,064,032	10,607,385	11,437,740	99,109,157
- Cerebus FSBA Levered Loan Opp Fund, L.P.	192,372,138	16,237,624	17,416,281	226,026,043
- Cerberus Institutional RE Partners III, L.P.	64,531,546	(10,524,305)	6,190,876	60,198,117
- Cerberus Institutional RE Partners IV, L.P.	137,060,444	23,106,123	5,131,953	165,298,520
- Cerberus Institutional RE Partners V, L.P.[1]	0	98,371	(598,242)	(499,871)
- Cevian Capital II, Ltd.	219,802,048	0	(17,661,812)	202,140,236
- Chambers Energy Capital III, L.P.	35,166,238	2,915,505	(11,745,505)	26,336,238
- Chambers Energy Capital IV, L.P.[1]	0	23,638,496	(578,216)	23,060,280
- Coastline Fund, L.P.	185,055,322	(56,247,843)	5,538,925	134,346,404
- Coastline Fund, L.P. Tranche II	108,396,629	44,391,484	(565,609)	152,222,504
- Colony Distressed Credit Fund II, L.P.	18,181,324	(608,748)	(3,965,980)	13,606,596
- Colony Distressed Credit & Special Sit Fund III, L.P.	84,543,183	(39,863,087)	4,893,508	49,573,604

Continued on next page

Account Name - continued	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
- Colony Distressed Credit & Special Sit Fund IV, L.P.	131,908,052	7,380,109	7,046,358	146,334,519
- Crescent Mezzanine Partners VI, L.P.	56,725,891	(17,866,623)	4,412,373	43,271,641
- Crescent Mezzanine Partners VII, L.P.	61,228,909	18,843,850	(724,039)	79,348,720
- CVI Credit Value Fund A, L.P.	5,876,551	(2,365,258)	328,908	3,840,201
- CVI Credit Value Fund II A, L.P.	32,559,261	(18,573,979)	(6,261,905)	7,723,377
- CVI Credit Value Fund III A, L.P.	162,174,557	(69,918,748)	(1,698,958)	90,556,851
- CVI Credit Value Fund IV A, L.P.	78,588,777	60,000,000	(10,791,984)	127,796,793
- CVI Global Value Fund A, L.P.	10,698,614	(4,501,628)	771,552	6,968,538
- Deerfield Private Design Fund IV, L.P.	60,221,008	29,000,000	685,478	89,906,486
- Distressed Managers II FL, L.P.[2]	6,943,192	(6,972,864)	29,672	0
- DoubleLine Opportunistic Income Fund, L.P.	220,253,317	0	(16,680,758)	203,572,559
- Dymon Asia Macro (US) Fund	101,419,067	284	9,849,202	111,268,552
- EIG Energy Fund XVI, L.P.	69,823,031	(1,122,859)	(5,672,120)	63,028,052
- EIG Global Project Fund V, L.P.[1]	0	7,252,423	(60,624)	7,191,799
- Elan Fund, L.P.	612,969,689	(513,032)	21,404,213	633,860,869
- Falcon Strategic Partners III, L.P.	18,364,867	(4,270,716)	(1,503,891)	12,590,260
- Falcon Strategic Partners IV, L.P.	87,034,059	2,363,083	(11,062,953)	78,334,189
- Falko Regional Aircraft Opp Fund II, L.P.	31,129,902	64,318,894	(3,436,613)	92,012,183
- Florida Growth Fund, LLC	113,271,884	(17,774,158)	14,090,585	109,588,311
- Florida Growth Fund Credit Tranche, LLC	77,155,490	(40,583,175)	7,260,675	43,832,990
- Florida Growth Fund Tranche II, LLC	126,234,326	(20,455,453)	14,228,280	120,007,153
- Florida Growth Fund II, Tranche I, LLC	174,904,294	9,230,959	15,660,901	199,796,154
- Florida Growth Fund II, Tranche II, LLC[1]	0	33,198,804	(658,836)	32,539,968
- Florida Sunshine State Fund, L.P.	8,605,333	26,496,201	4,371,911	39,473,445
- Gallatin Point Capital Partners, L.P.	22,970,940	6,518,053	868,822	30,357,815
- Garda Fixed Inc. Relative Value Opp Fd (Onshore) Ltd.	205,752,290	0	35,073,174	240,825,463
- GI Partners Fund III, L.P.	1,707,784	(516,416)	2,126	1,193,494
- GI Partners Fund IV, L.P.	203,475,370	(71,141,871)	49,057,455	181,390,954
- Global Infrastructure Partners II, L.P.	176,211,560	(13,909,813)	(15,836,490)	146,465,257
- Global Infrastructure Partners III, L.P.	120,868,137	(4,996,777)	(11,496,662)	104,374,698
- Global Infrastructure Partners IV, L.P.	0	3,465,247	(3,541,085)	(75,838)
- Global Transport Income Fund[1]	0	130,795	(130,795)	0
- GOF II Feeder B, L.P.	0	71,250,000	(10,268,061)	60,981,939
- Graham Absolute Return Trading Ltd.	166,731,416	0	(11,636,219)	155,095,196
- Grain Communications Opp Fund II, L.P.	8,277,034	27,186,831	529,962	35,993,827
- Graticule Asia Macro Fund, L.P.	158,427,571	0	(5,889,875)	152,537,696
- Gruss Global Investors (Enhanced) II, L.P.[3]	3,410,284	0	(907,243)	2,503,041
- GSO Capital Opportunities Fund, L.P.	3,322,496	0	(1,278,321)	2,044,175
- GSO Capital Opportunities Fund II, L.P.	53,824,219	(12,735,155)	(10,477,931)	30,611,133
- GSO Capital Opportunities Fund III, L.P.	105,496,679	(7,831,546)	(2,346,910)	95,318,223
- GSO Capital Solutions Fund II, L.P.	50,063,536	(5,320,320)	(25,998,259)	18,744,957
- GSO Capital Solutions Fund III, L.P.	26,690,455	10,590,416	(9,865,724)	27,415,147
- GSO Energy Select Opportunities Fund, L.P.	58,510,546	(7,974,586)	(17,006,216)	33,529,744
- GSO Energy Select Opportunities Fund II, L.P.	7,654,691	1,404,989	(2,059,814)	6,999,866
- HBK Fund II, L.P.	183,088,586	0	709,269	183,797,855
- Healthcare Royalty Partners III, L.P.	38,151,246	619,488	3,474,631	42,245,365
- Highbridge Tactical Credit Fund, L.P.[1]	0	90,943	(90,943)	0
- Highline Capital Partners, L.P.[2]	210,870,753	(210,883,037)	12,285	0
- Hudson Bay Fund, L.P.[1]	0	200,089,334	2,366,899	202,456,233
- ICE EM Credit Absolute Return Fund, L.P.	75,820,755	(3,197,612)	(17,583,090)	55,040,053
- IFM Global Infrastructure (US), L.P.	515,086,177	0	23,541,466	538,627,643
- ILS Property & Casualty Fund II, L.P.	44,631,863	(1,607,292)	(22,479,995)	20,544,576
- ITE Rail Fund, L.P.	170,573,062	19,460,891	20,065,974	210,099,928
- Jackson Timberland Opportunities, LLC	208,123,145	(5,528,894)	(5,180,959)	197,413,291
- Juniperus Insurance Opportunity Fund Ltd	151,850,800	8,015	14,230,745	166,089,559
- King Street Capital Fund, L.P.	23,200,805	(3,330,883)	186,037	20,055,959
- KLCP ERISA Fund E2 (US), L.P.[1]	0	25,928,040	(939,134)	24,988,906
- KV Partners, LLC	738,889	(1,086)	(10,161)	727,641
- Lake Jackson, L.P.	0	1,984,655	15,387	2,000,042
- LCM Credit Opportunities Fund III(a), L.P.	98,173,938	(11,634,472)	4,599,417	91,138,882
- Levine Leichtman Capital Partners IV, L.P.	11,338,976	(361,251)	(2,536,074)	8,441,651
- Levine Leichtman Capital Partners V, L.P.	168,833,218	(10,170,510)	15,996,497	174,659,206
- Levine Leichtman Capital Partners VI, L.P.	69,962,647	(6,945,841)	4,157,454	67,174,260
- Lexington GP Holdings, L.P.	159,944,224	(16,187,240)	14,010,667	157,767,651
- Luxor Capital Partners, L.P.	117,919,023	0	18,216,346	136,135,369
- Marathon European Credit Opp Fund II, L.P.	54,463,468	(33,525,089)	2,015,268	22,953,647
- MCP Private Capital Fund, III SCSp	36,425,129	15,375,104	165,921	51,966,154
- MCP Private Capital Fund IV SCSp[1]	0	12,426,356	319,501	12,745,857

Continued on next page

Account Name - continued	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
- Mill Road Capital III, L.P.	0	71,628,188	(17,413,853)	54,214,334
- Miravest ILS Credit Opportunities Fund I, L.P.[1]	0	66,199,195	(537,236)	65,661,959
- MKP Opportunity Partners, L.P.[2]	173,498,191	(171,352,691)	(2,145,500)	0
- Monashee Pure Alpha SPV I, L.P.[1]	0	150,085,426	32,952,301	183,037,726
- MW Eureka (US) Fund	56,128,629	50,000,000	4,513,115	110,641,743
- NovaQuest Pharma Opportunities Fund V, L.P.[1]	0	42,397,768	(604,369)	41,793,400
- Oaktree Opportunities Fund VIII, L.P.	4,801,290	(2,290,374)	(313,994)	2,196,922
- Oaktree Opportunities Fund VIIIb, L.P.	17,725,329	(2,507,269)	(2,748,451)	12,469,609
- Oaktree Opportunities Fund IX, L.P.	73,450,776	(5,000,000)	(11,062,511)	57,388,265
- Oaktree Opportunities Fund Xb, L.P.	24,764,496	55,000,000	(15,098,846)	64,665,650
- OCM Opportunities Fund VIIb, L.P.	1,117,862	(968,324)	(38,508)	111,030
- OHA Tactical Investment Fund, L.P.[1]	0	2,710	(2,710)	0
- Orion Mine Finance Co-Investment Fund II, L.P.	24,419,666	384,032	3,609,565	28,413,263
- Orion Mine Finance Fund I, L.P.	71,409,695	(15,430,495)	(19,059,028)	36,920,172
- Orion Mine Finance Fund II, L.P.	87,403,457	(19,191,392)	7,332,940	75,545,005
- P2 Capital Fund, L.P.	298,089,899	0	(55,190,800)	242,899,099
- PAG Loan Fund IV, L.P.[1]	0	25,347,881	(42,223)	25,305,658
- Patria Infrastructure Fund IV, L.P.	0	1,299,253	(679,489)	619,764
- PCG Special Situation Partners, L.P.	2,864,177	(2,677,767)	(27,472)	158,938
- Primary Wave Music IP Fund 1, L.P.	63,810,877	3,350,937	8,523,689	75,685,503
- Primary Wave Music IP Fund 2, L.P.	0	24,754,459	(243,553)	24,510,906
- Principal RE Debt (SBAF Mortgage Fund), LLC	96,986,178	(18,415,462)	(8,638,315)	69,932,402
- Providence Debt Fund III, L.P.	110,133,306	(21,208,695)	(7,987,247)	80,937,364
- Providence Equity Global Group, LLC	165,767,287	(14,107,135)	28,515,309	180,175,461
- Providence TMT Debt Opportunity Fund II, L.P.[2]	845,659	(703,725)	(141,934)	0
- Providence TMT Special Situation Fund, L.P.	979,989	0	255,973	1,235,962
- Rubik Holdings Ltd.	172,951,458	0	10,825,316	183,776,774
- SASOF III, L.P.	16,457,980	(8,768,159)	3,558,321	11,248,142
- SASOF IV, L.P.	39,313,930	37,968,480	(8,863,904)	68,418,506
- SASOF V, L.P.[1]	0	1,599,795	(75,060)	1,524,736
- Scopia PX, LLC[2]	120,598,464	(127,158,583)	6,560,120	0
- Sculptor Domestic Partners II, L.P.[4]	205,444,155	0	16,794,490	222,238,645
- Silver Lake Waterman Fund III, L.P.[1]	0	12,761,792	(2,520,665)	10,241,127
- Special Situation Partners II, L.P.	32,763,332	(840,865)	(7,835,032)	24,087,435
- Sprott Private Resource Lending (US), L.P.	46,149,733	(28,560,475)	2,949,954	20,539,212
- Sprott Private Resource Lending II, L.P.	5,289,647	46,284,140	1,672,244	53,246,031
- Square Mile Partners III, L.P.	671,380	(61)	(274,779)	396,540
- Starboard Value and Opportunity Fund, LLC	390,632,445	0	60,816,333	451,448,778
- Taconic Opportunity Fund, L.P.	313,477,824	0	(16,070,643)	297,407,181
- TCW Crescent Mezzanine Partners V, L.P.	3,578,610	(260)	1,779,681	5,358,031
- Three Bridges Europe Fund, L.P.[2]	97,350,565	(99,712,800)	2,362,235	0
- Tintoretto Partners, L.P.	188,958,766	49,881,273	14,539,663	253,379,702
- Tricon Housing Partners I US, L.P.	30,701,570	(8,352,982)	(4,295,753)	18,052,835
- Tricon Housing Partners II US, L.P.	34,256,187	(7,060,636)	(15,373,274)	11,822,277
- Trigate Property Partners II, L.P.	21,679,066	(6,921,478)	1,818,518	16,576,106
- Trigate Property Partners III, L.P.	34,943,297	16,880,153	(76,018)	51,747,432
- Trigate Property Partners IV, L.P.[1]	0	1,012,798	(846,564)	166,234
- TSSP Adjacent Opportunities Partners, L.P.	138,614,625	10,971,079	5,282,903	154,868,607
- Varde Fund X, L.P.	31,113,910	(5,734,411)	(11,170,288)	14,209,210
- Varde Fund XI, L.P.	201,387,464	(61,185,453)	(10,687,457)	129,514,555
- Varde Fund XII (C), L.P.	240,472,295	0	(18,541,118)	221,931,177
- Vine Media Opportunities Fund III, L.P.	60,490,881	(2,148,361)	1,271,349	59,613,869
- Vine Media Opportunities Fund IV, L.P.	3,907,690	13,849,020	1,748,361	19,505,071
- VSS Structured Capital II, L.P.	6,862,501	(829,534)	(3,146)	6,029,821
- Wayzata Opportunities Fund II, L.P.	783,969	(482,068)	374,889	676,790
- Wayzata Opportunities Fund III, L.P.	28,846,614	(1,462,983)	(4,791,829)	22,591,802
- WestRiver Innovation Lending Fund VIII, L.P.[1]	0	80,879,233	6,924,767	87,804,000
- Yiheng Capital Partners, L.P.[1]	0	150,076,037	14,179,687	164,255,724
Other:				
- Strategic Investments Cash[5]	34,218,967	(34,218,967)	0	0
- Strategic Investment Cash Expense	0	1,802,988	(1,802,988)	0
- Strategic Investments Transition	841,858	0	(3,335)	838,523
Total Strategic Investments	**$ 14,029,367,709**	**$ 335,373,808**	**$ (17,587,449)**	**$ 14,347,154,068**

[1] Account opened during the fiscal year.
[2] Account assets sold or partnership interest sold during the fiscal year. Remaining balances reflect residual activity.
[3] Account assets sold or partnership interest sold during a prior fiscal year. Balances and activity reflect residual activity.
[4] Account name changed from OZ Domestic Partners II, L.P. to Sculptor Domestic Partners II, L.P. during fiscal year.
[5] The Strategic Investments Cash account moved from the Strategic Investments Asset Class to the Cash/Short-Term Asset Class effective July 1, 2019.
- 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.
- Totals may not foot due to rounding.

Source: SBA

TABLE 14: **FRS Pension Plan - Miscellaneous Portfolios Change in Market Value for Fiscal Year 2019-20**

Account Name	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
Cash Expense Account[2]	$ 0	$ 98,592	$ (98,592)	$ 0
Cash Securities Lending Account[3]	(32,267,650)	0	(1,297,385)	(33,565,035)
Central Cash/Short-Term	1,602,362,963	323,388,217	31,057,329	1,956,808,509
Centralized Cleared IM Collateral Account	129,314,068	41,000,000	2,422,328	172,736,396
Centralized MSFTA Collateral Account	20,762,285	0	315,203	21,077,488
Centralized Non-Cleared Cash Collateral	27,689,410	55,000,000	479,587	83,168,998
FRS Cash Enhanced[1]	0	350,000,000	1,434,004	351,434,004
Private Equity Cash[4]	0	49,186,622	1,080,624	50,267,246
Real Estate Cash[5]	0	19,819,000	402,837	20,221,837
Strategic Investments Cash[6]	0	249,626,192	1,099,954	250,726,146
TF STIPFRS NAV Adjustment Account[7]	(150,816)	0	217,210	66,394
Total Fund Cash Expense Account[2]	0	36,569,504	(36,569,504)	0
Total Cash/Short-Term	**$ 1,747,710,261**	**$ 1,124,688,127**	**$ 543,595**	**$ 2,872,941,983**

1 Account opened during the fiscal year.

2 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.

3 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 2020, the overall net unrealized loss increased and a realized loss was incurred in the sale or maturity of a portion of these investments resulting in a total loss of $1,319,116. The account also earned $21,731 in interest on investments.

4 The Private Equity Cash account moved from the Private Equity Asset Class to the Cash/Short-Term Asset Class effective July 1, 2019.

5 The Real Estate Cash account moved from the Real Estate Asset Class to the Cash/Short-Term Asset Class effective July 1, 2019.

6 The Strategic Investments Cash account moved from the Strategic Investments Asset Class to the Cash/Short-Term Asset Class effective July 1, 2019.

7 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.

• Totals may not foot due to rounding.

TABLE 15: **FRS Pension Plan Net Securities Lending Revenue by Fiscal Year**

2005-06	$ 50,490,779
2006-07	54,097,509
2007-08	115,505,817
2008-09	96,168,151
2009-10[1]	(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
Total	$ 591,175,619

[1] 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 as the vehicle 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[5]	
Asset Class		**Net Asset Value**		**Net Asset Value**
Separate Accounts- Direct				
Global Equity	$	899,907,460	$	342,289,878
Fixed Income		141,005,752		57,436,744
Real Estate- Core[1]		788,344,634		0
Real Estate- Non-Core[1]				0
Sub-Total Separate Accounts	**$**	**1,829,257,846**	**$**	**399,726,621**
Commingled Accounts- Indirect				
Real Estate- Commingled[2]		800,310,699		0
Private Equity- Commingled[3]		457,301,835		112,240,937
Strategic Investments- Commingled		313,439,666		182,638,313
Sub-Total Commingled[4]		**1,571,052,201**		**294,879,251**
Total	**$**	**3,400,310,046**	**$**	**694,605,872**

[1] Real Estate Core and Non-Core data as of June 30, 2020 net of debt.
[2] Real Estate Commingled Account data as of June 30, 2020, net of debt.
[3] Private Equity data as of March 31, 2020.
[4] The Pension Plan owns Florida investments in commingled funds valued at $1,235,374,602. 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.
[5] 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 U.S..

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 9 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

CHART 12: FRS Investment Plan Actual Returns by Fiscal Year

Note: FY 2003-04 was the first full year of performance for this fund.

Source: SBA

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

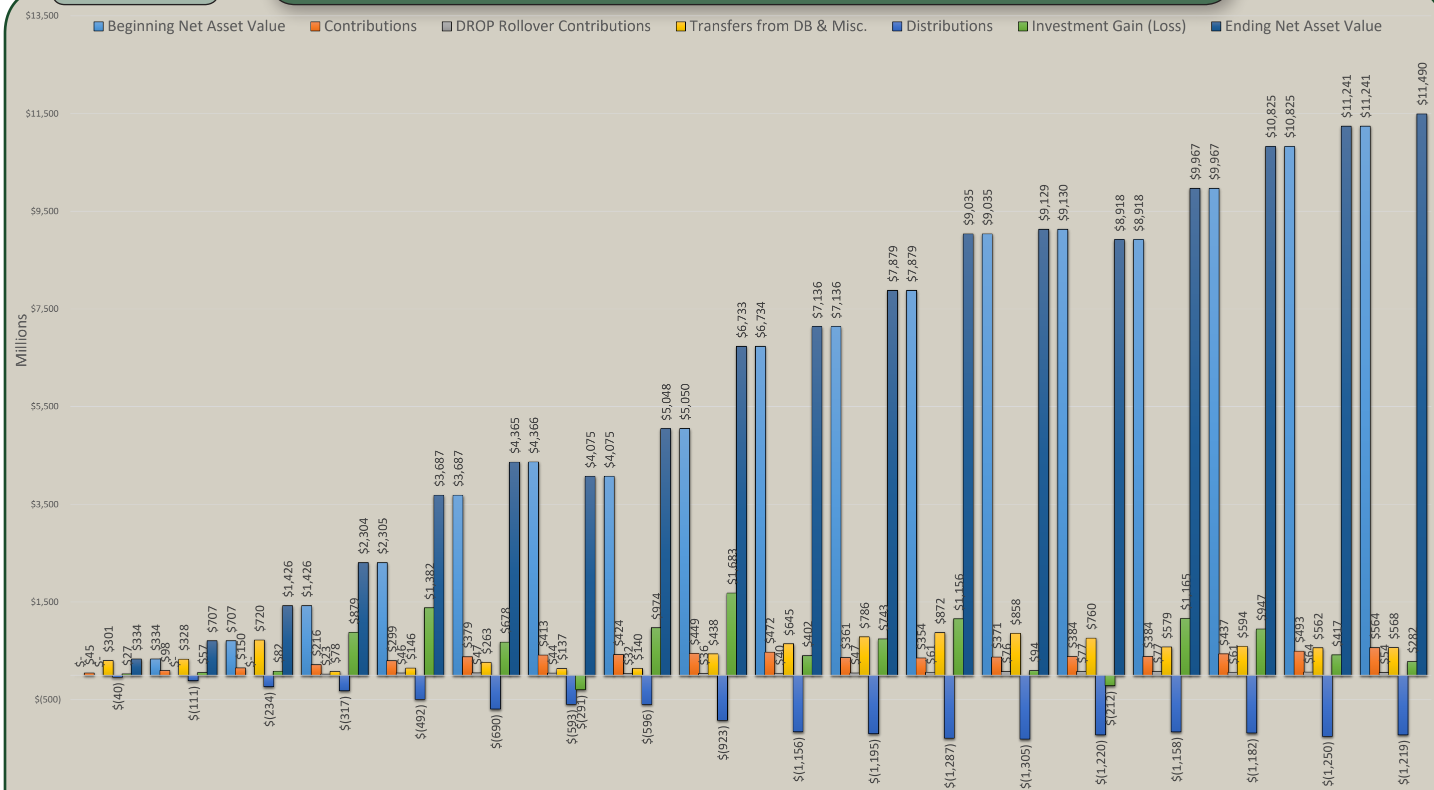
	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
One Year	2.58%	2.01%	0.57%
Three Years	5.76%	5.31%	0.45%
Five Years	5.86%	5.55%	0.31%
Ten Years	7.55%	7.19%	0.36%
Since Inception	6.70%	6.34%	0.36%

- All returns are annualized for periods indicated through June 30, 2020.
- 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



Fiscal Year	2002-03	2003-04	2004-05	2005-06	2006-07	2007-08	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19	2019-20
6/30 Market Value ($b)	$0.33	$0.71	$1.43	$2.30	$3.69	$4.37	$4.07	$5.05	$6.73	$7.14	$7.88	$9.03	$9.13	$8.92	$9.97	$10.82	$11.24	$11.49

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). 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.

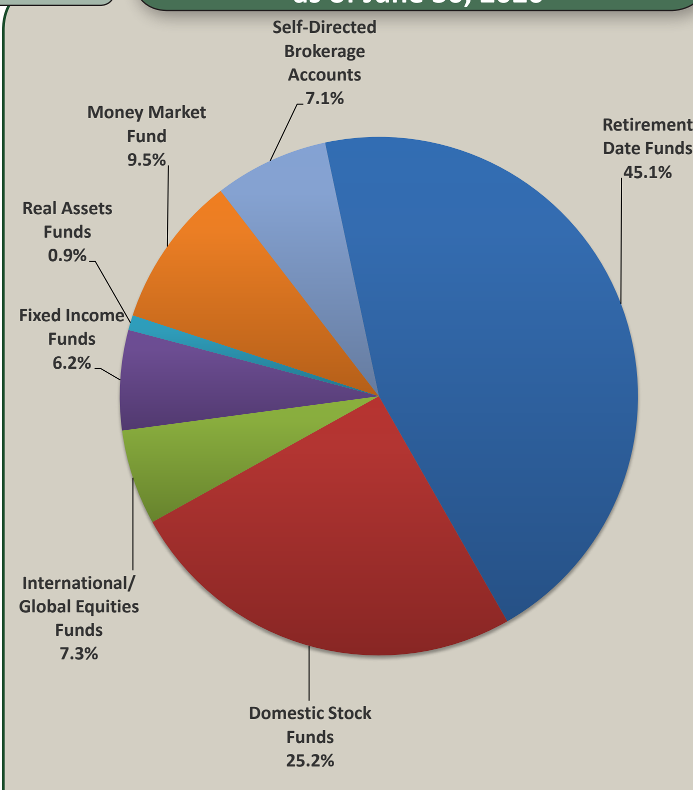
The benchmark cost equals the Plan's asset mix multiplied by the size-adjusted peer median cost for each asset category.

Investment Options

The Investment Plan offers a diversified array of fund options that span the risk and return spectrum. The investments 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 $11.25 Billion Market Value as of June 30, 2020



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, 2020

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	1.16%	0.90%	0.26%	5.42%	5.30%	0.13%	n/a	n/a	n/a	n/a	n/a	n/a	5.42%	5.30%	0.13%
FRS 2055 Retirement Date Fund / 2055 Retirement Custom Index	1.07%	0.90%	0.18%	5.43%	5.30%	0.13%	6.16%	5.97%	0.19%	n/a	n/a	n/a	5.40%	5.19%	0.21%
FRS 2050 Retirement Date Fund / 2050 Retirement Custom Index	0.94%	0.96%	(0.02%)	5.39%	5.32%	0.07%	6.15%	5.98%	0.17%	n/a	n/a	n/a	5.39%	5.20%	0.19%
FRS 2045 Retirement Date Fund / 2045 Retirement Custom Index	1.26%	1.31%	(0.05%)	5.51%	5.47%	0.04%	6.22%	6.07%	0.14%	n/a	n/a	n/a	5.44%	5.28%	0.17%
FRS 2040 Retirement Date Fund / 2040 Retirement Custom Index	1.59%	1.68%	(0.09%)	5.56%	5.48%	0.08%	6.16%	5.97%	0.31%	n/a	n/a	n/a	5.40%	5.19%	0.21%
FRS 2035 Retirement Date Fund / 2035 Retirement Custom Index	1.91%	1.98%	(0.07%)	5.58%	5.43%	0.14%	6.10%	5.79%	0.31%	n/a	n/a	n/a	5.34%	5.04%	0.30%
FRS 2030 Retirement Date Fund / 2030 Retirement Custom Index	2.27%	2.30%	(0.03%)	5.46%	5.35%	0.11%	5.85%	5.66%	0.20%	n/a	n/a	n/a	5.11%	4.92%	0.19%
FRS 2025 Retirement Date Fund / 2025 Retirement Custom Index	2.77%	2.66%	0.11%	5.40%	5.24%	0.16%	5.58%	5.39%	0.19%	n/a	n/a	n/a	4.80%	4.63%	0.17%
FRS 2020 Retirement Date Fund / 2020 Retirement Custom Index	3.09%	3.01%	0.09%	5.16%	5.04%	0.12%	5.11%	5.00%	5.11%	n/a	n/a	n/a	4.31%	4.24%	0.06%
FRS 2015 Retirement Date Fund / 2015 Retirement Custom Index	3.48%	3.34%	0.15%	4.97%	4.85%	0.12%	4.66%	4.59%	0.06%	n/a	n/a	n/a	3.84%	3.83%	0.00%
FRS Retirement Income Fund / Retirement Income Custom Index	3.59%	3.41%	0.18%	4.83%	4.76%	0.07%	4.38%	4.41%	(0.03%)	n/a	n/a	n/a	3.56%	3.65%	(0.09%)

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

Source: SBA

Money Market Fund

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, 2020

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	1.66%	1.41%	0.25%	1.94%	1.64%	0.31%	1.42%	1.12%	0.30%	0.82%	0.58%	0.24%	1.59%	1.50%	0.09%

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

Source: SBA

Multi-Asset Fund

The FRS Inflation Adjusted Multi-Assets Fund 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 - Multi-Asset Fund

Annual Average Investment Returns After Deducting Fees – Data Through June 30, 2020

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 Real Assets Fund / FRS Custom Real Assets Index	(1.68%)	(2.09%)	1.22%	1.95%	2.05%	(0.10%)	1.26%	1.70%	(0.44%)	n/a	n/a	n/a	0.25%	0.68%	(0.42%)

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

Source: SBA

Bond Funds

The Investment Plan has three 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, 2020

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	8.81%	8.74%	0.07%	5.35%	5.32%	0.04%	4.39%	4.30%	0.09%	3.92%	3.82%	0.10%	4.71%	4.57%	0.14%
FRS Intermediate Bond Fund / Barclays Capital Intermediate Aggregate Bond Index	6.95%	7.12%	(0.17%)	4.48%	4.53%	(0.05%)	3.70%	3.54%	0.16%	3.44%	3.21%	0.23%	4.33%	4.10%	0.23%
FRS Core Plus Fixed Income Fund / FRS Custom Core Plus Fixed Income Index	6.99%	7.38%	(0.39%)	5.28%	5.10%	0.18%	4.88%	4.46%	0.42%	n/a	n/a	n/a	4.19%	3.94%	0.26%

• Numbers may not total due to rounding.

Source: SBA

U.S. Stock Funds

The Investment Plan provides several U.S. Stock Funds including a large US equity, an all cap US equity and a small/mid cap US equity. U.S. Stock Fund 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, 2020

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	6.61%	6.53%	0.08%	10.11%	10.04%	0.06%	10.13%	10.03%	0.10%	13.80%	13.72%	0.08%	9.51%	9.44%	0.07%
FRS U.S. Large Cap Equity Fund / Russell 1000 Index	7.69%	7.48%	0.21%	10.27%	10.64%	(0.37%)	9.83%	10.47%	(0.64%)	n/a	n/a	n/a	9.77%	9.95%	(0.18%)
FRS U.S. Small/Mid Cap Equity Fund / FRS Custom Small/Mid Cap Index	(5.21%)	(4.70%)	(0.52%)	4.73%	4.08%	0.66%	6.91%	5.75%	1.15%	n/a	n/a	n/a	6.73%	5.63%	1.09%

• 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, 2020

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	(4.44%)	(4.74%)	0.29%	1.28%	0.96%	0.32%	2.56%	2.30%	0.26%	6.07%	5.62%	0.45%	6.53%	6.22%	0.31%
FRS Foreign Stock Fund / MSCI All Country World ex U.S. Index	3.17%	(4.80%)	7.98%	4.76%	1.13%	3.63%	4.90%	2.39%	2.51%	7.48%	5.27%	2.21%	6.60%	3.92%	2.68%
FRS Global Stock Fund / MSCI All Country World Index	11.17%	2.11%	9.06%	11.30%	6.14%	5.16%	10.52%	6.46%	4.07%	12.34%	9.35%	2.99%	10.63%	7.45%	3.17%

• 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™ has enhanced transparency and extensive governance oversight, and continues to offer participants exceptional service, including expanded reporting, enhanced web functionality, improved customer service, and strengthened investment guidelines.

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

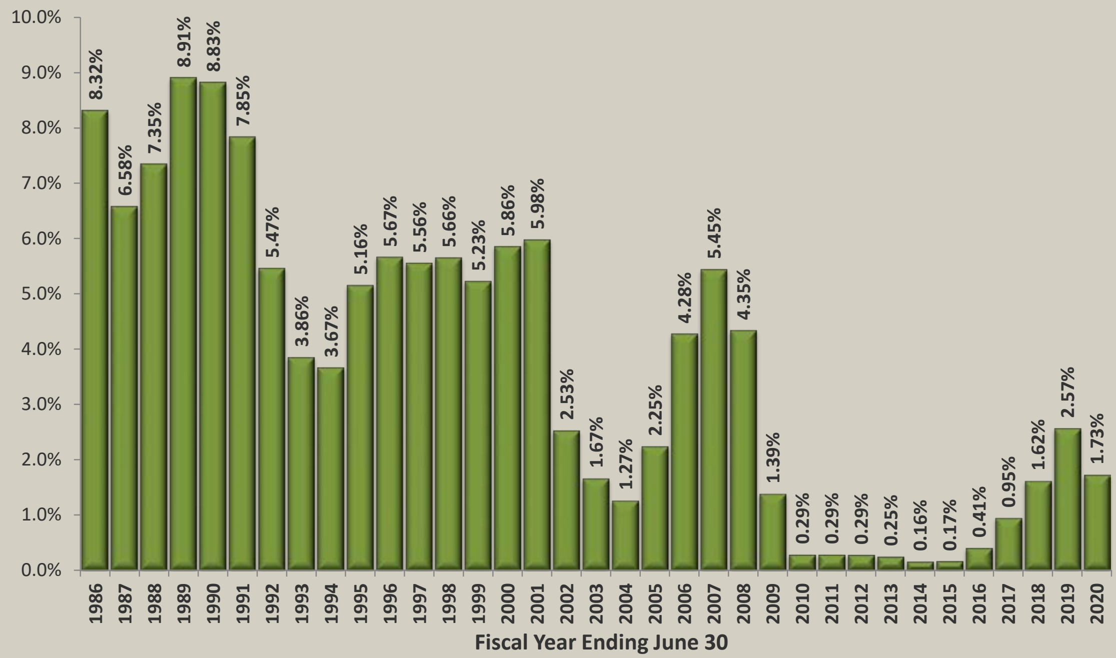
Units of local government eligible to participate in Florida PRIME™ include, but are not limited to, any county, municipality, school district, special district, clerk of the circuit court, sheriff, property appraiser, tax collector, supervisor of elections, state university, state college, community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

As of June 30, 2020, Florida PRIME™ had a net asset value of $15.1 billion, comprising assets held in 1,388 investor accounts on behalf of 743 participants. During the fiscal year, the fund's assets increased by approximately $1.7 billion, representing an 13% increase in net asset value.

Performance

For the fiscal year ending June 30, 2020, Florida PRIME™ delivered an aggregate $237.0 million in investment earnings to its investors, down from $300.3 million earned by participants during the prior fiscal year. During fiscal year 2019-20, the pool processed over $55.6 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, 2020, Florida PRIME™ generated excess returns (performance above the pool's benchmark) of approximately 20 basis points (0.20%) over the last 12 months, 27 basis points (0.27%) over the last three years, and 26 basis points (0.26%) over the last five years. Florida PRIME™ has outperformed all other government investment pools statewide. Through the five-year period ending June 30, 2020, 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. By historical standards, absolute returns have been low over the past five 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) lowered interest rates five times leading to a steady decline in the pool's yield to end the fiscal year at 0.57%.

CHART 15: Florida PRIME™ - Yields by Fiscal Year



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

Source: SBA

TABLE 24: Florida PRIME™ - Participant Performance Data Through June 30, 2020

	Florida PRIME 30 Day Avg Yield[1]	Benchmark Yield[2]	Actual Over (Under) Bmk.
One-Year	1.73%	1.53%	0.20%
Three-Years	1.97%	1.70%	0.27%
Five-Years	1.45%	1.19%	0.27%
Ten-Years	0.84%	0.63%	0.21%
Fifteen-Years	1.60%	1.40%	0.20%
Twenty-Years	1.88%	1.66%	0.22%
Twenty Five-Years	2.61%	2.40%	0.21%

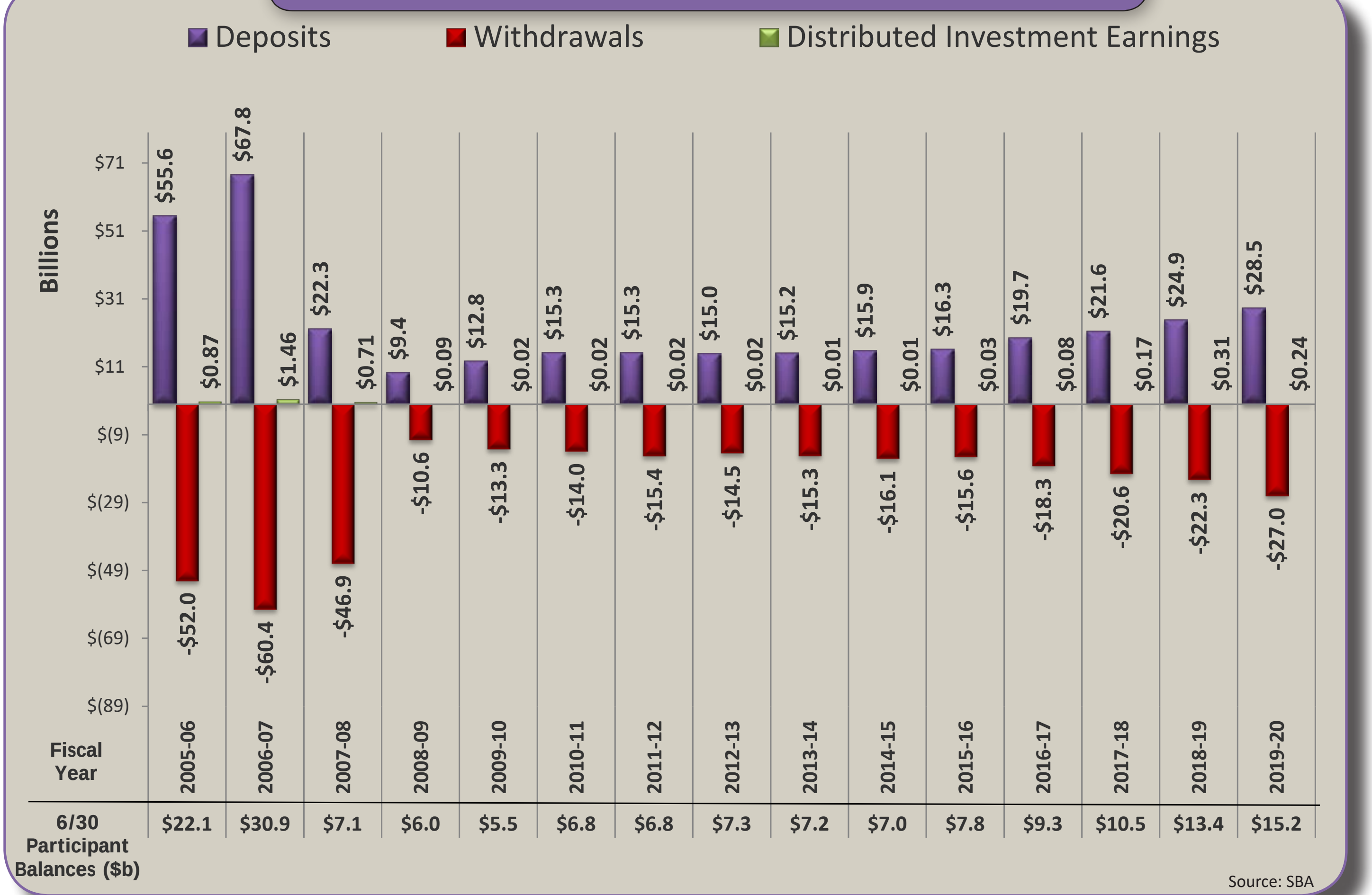
• All yields are annualized for periods indicated through June 30, 2019.
• Yields are net of fees, and reflect the yield calculation pursuant to Chapter 19-7.011, Florida Administrative Code.
• Benchmark is the S&P AAA/AA Rated GIP All 30-Day Net Index for all time periods except the period July, 1994 to March, 1995 where an approximation using one month LIBOR was used.
• Numbers may not total due to rounding.

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

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

Source: SBA

CHART 16: Florida PRIME™ - Annual Change in Total Fund Value by Source



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, 2020, the fee charged to Florida PRIME™ investors was 3.09 basis points (or 0.0309%) 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.

According to the most recent iMoneyNet™ report on GIPs, the average total cost for all types of money market funds was 14.39 basis points. The average fee for GIPs classified as money market funds was 7.59 basis points. These fee levels, approaching three to six times the cost of Florida PRIME™, are roughly commensurate with other statewide GIPs available to local governments in Florida, which range from 11 to 22 basis points, depending on the specific level of temporary fee waiver in effect. According to iMoneyNet™ data, the average fee charged among all taxable, registered money market funds, excluding government-sponsored investment pools, stands at 46 basis points. The average expense ratio among all "prime" institutional money market funds equals 32 basis points (net expense ratio).

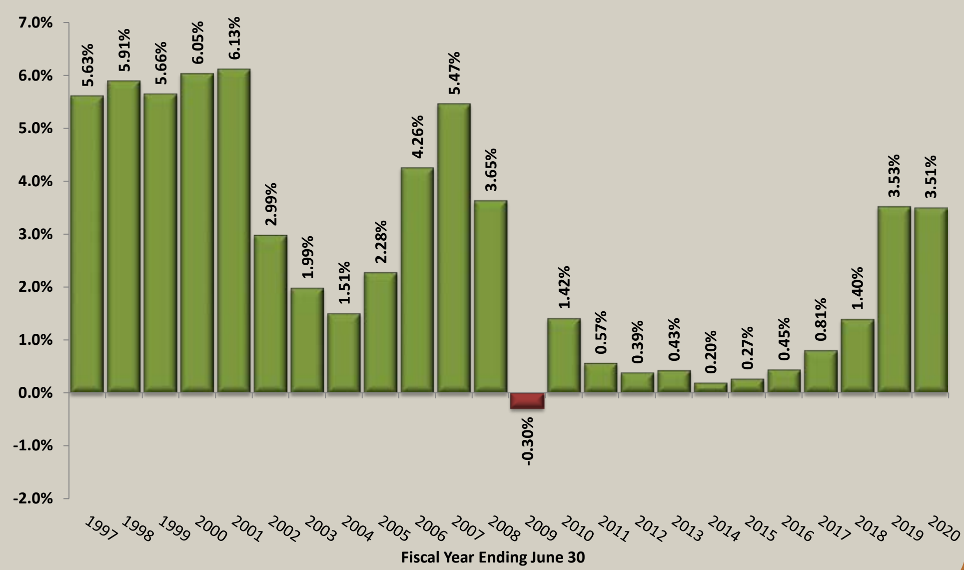
Florida Hurricane Catastrophe Fund/ State Board of Administration Finance Corporation

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, and emergency assessments on most property and casualty insurers.

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. Earnings for the most recent period continue to be modest by historical standards, due to the FHCF's conservative investment policy and the low interest rate environment during the year.

CHART 17: Florida Hurricane Catastrophe Fund Actual Returns by Fiscal Year



Source: SBA

TABLE 25: Florida Hurricane Catastrophe Fund Returns for Periods Ending June 30, 2020

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
One Year	3.51%	3.54%	(0.03%)
Three Years	2.81%	2.77%	0.04%
Five Years	1.93%	1.86%	0.07%
Ten Years	1.15%	0.97%	0.17%
Fifteen Years	1.72%	1.66%	0.06%

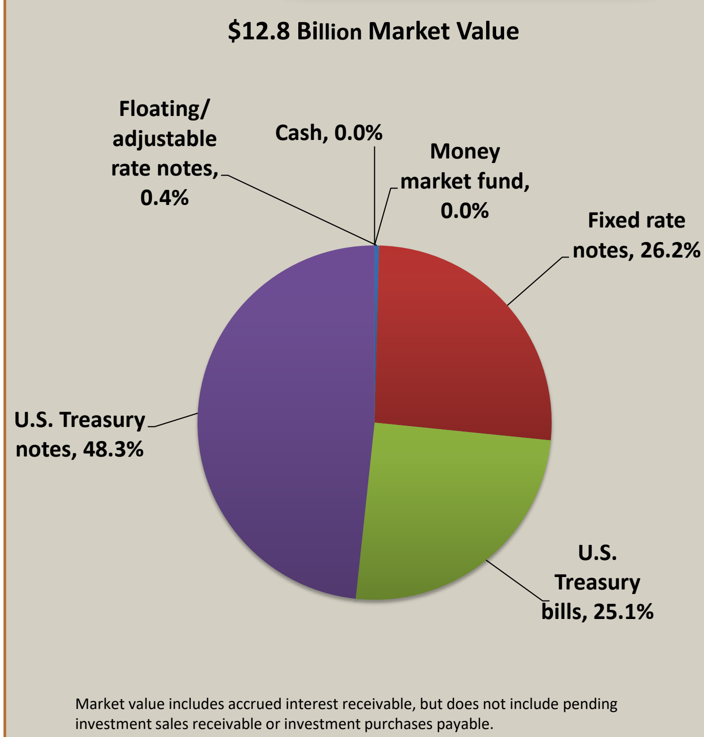
- All returns are annualized for periods indicated through June 30, 2020.
- Benchmark is a weighted-average of individual portfolio level benchmark returns.
- Inception of the Fund was July 1996.
- Numbers may not total due to rounding.

Source: SBA

Portfolio

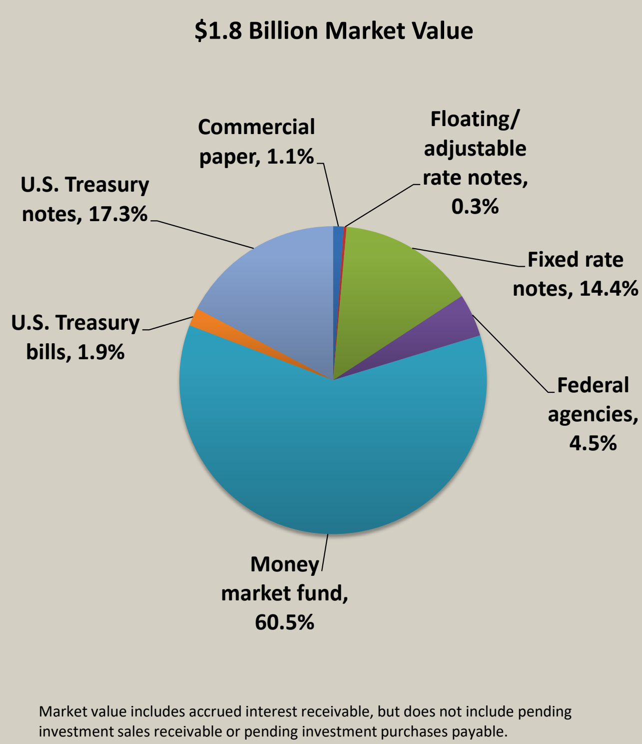
Cash flow needs for the FHCF after a hurricane are difficult to project, but it is prudent to assume that significant amounts of cash could be needed to pay covered losses quickly if there is a large event. Since paying such losses fully and in a timely manner is the primary mission of the FHCF, liquidity 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, 2020



Source: SBA

CHART 19: Corporation Investments by Security Type as of June 30, 2020



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 2013A Returns for Periods Ending June 30, 2020

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
One Year	1.90%	1.90%	0.00%
Three Years	2.03%	1.99%	0.04%
Five Years	1.47%	1.40%	0.08%
Since Inception	1.09%	1.01%	0.09%

- All returns are annualized for periods indicated through June 30, 2020.
- The total return of the portfolio will serve as the benchmark.
- Inception of the fund was April 2013.
- Numbers may not total due to rounding.

Source: SBA

Pre-Event Financing

In order to provide a source of additional funds to reimburse insurers for hurricane losses related to future covered events, the Corporation issued $2.0 billion taxable, pre-event Series 2013A revenue bonds in Fiscal Year 2012-13 and $1.2 billion taxable, pre-event Series 2016A revenue bonds in Fiscal Year 2015-16. 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 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.

TABLE 27: State Board of Administration Finance Corporation Series 2016 Returns for Periods Ending June 30, 2020

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
One Year	2.98%	2.98%	0.00%
Three Years	2.50%	2.44%	0.07%
Since Inception	1.97%	1.87%	0.09%

- All returns are annualized for periods indicated through June 30, 2020.
- 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 Merril Lynch 1-3 Year AA US Corporate Bond Index and 65% Bank of America Merril 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

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.

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, 2020, which increased to 83.82% from 82.48%.

CHART 20: LCEF Capital Preservation Objective - Percent of Objective That Was Attained by Fiscal Year End

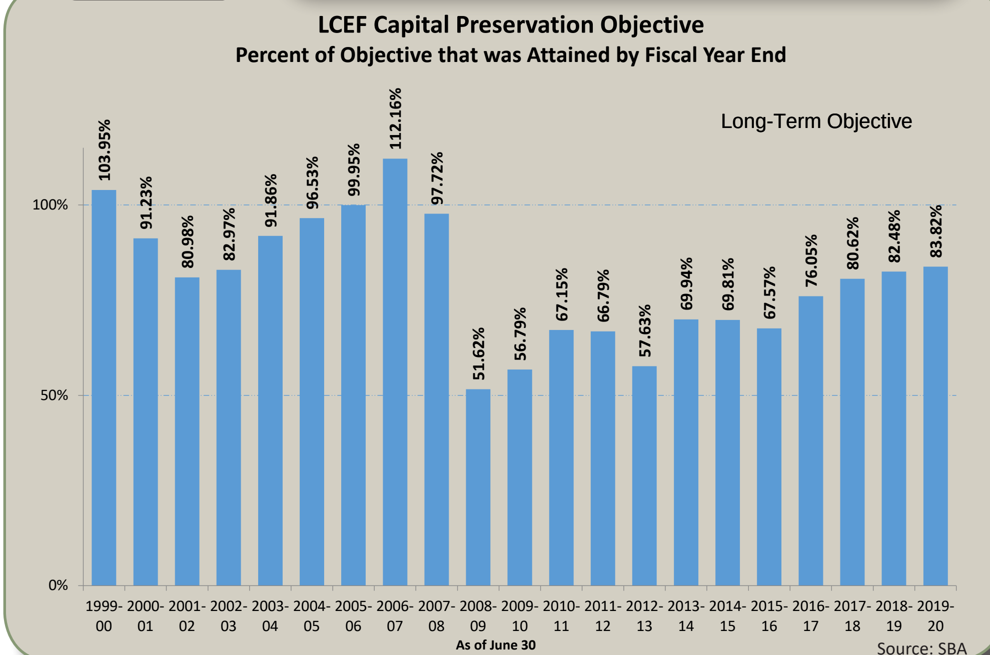
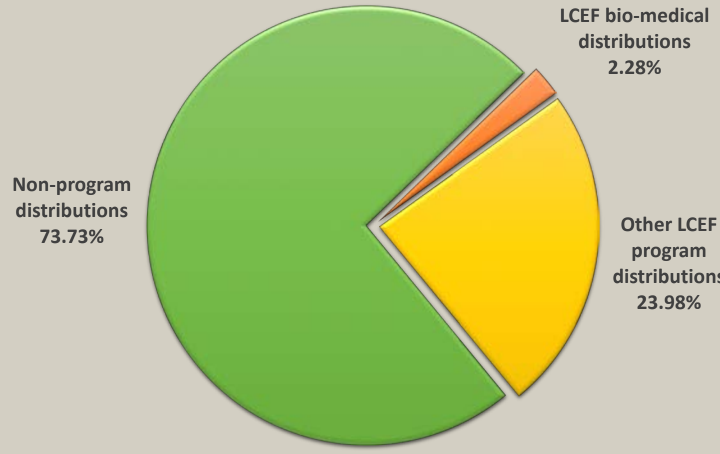


Chart 21 provides the percentage by purpose of the total payouts from the Fund.

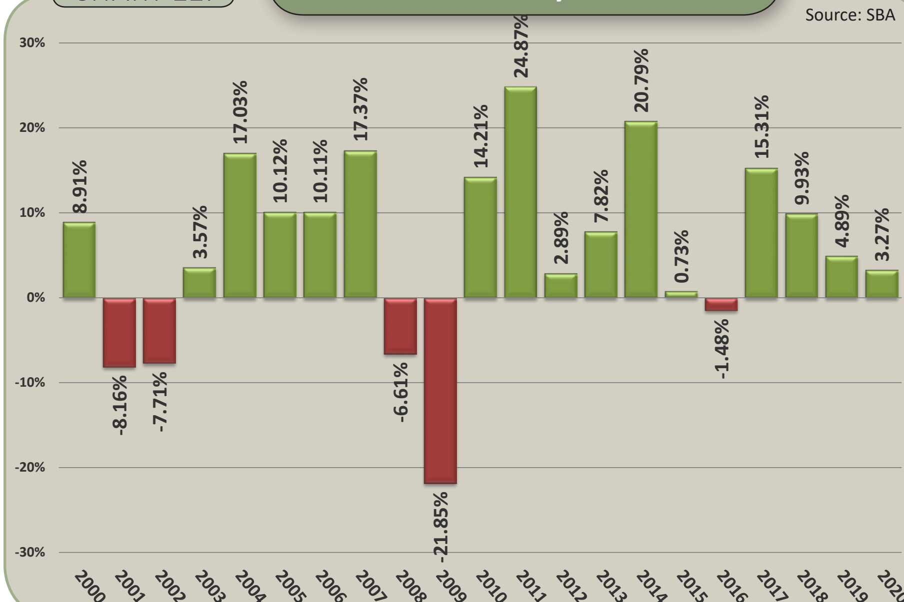
CHART 21: Total LCEF Payouts Since Inception by Type



Source: SBA

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 28 compares actual returns to the benchmark return for various periods.

TABLE 28: Lawton Chiles Endowment Fund Returns for Periods Ending June 30, 2020

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
One Year	3.27%	3.73%	(0.46%)
Three Years	5.99%	5.87%	0.13%
Five Years	6.23%	5.78%	0.45%
Ten Years	8.59%	7.88%	0.72%
Since Inception	5.41%	4.92%	0.50%

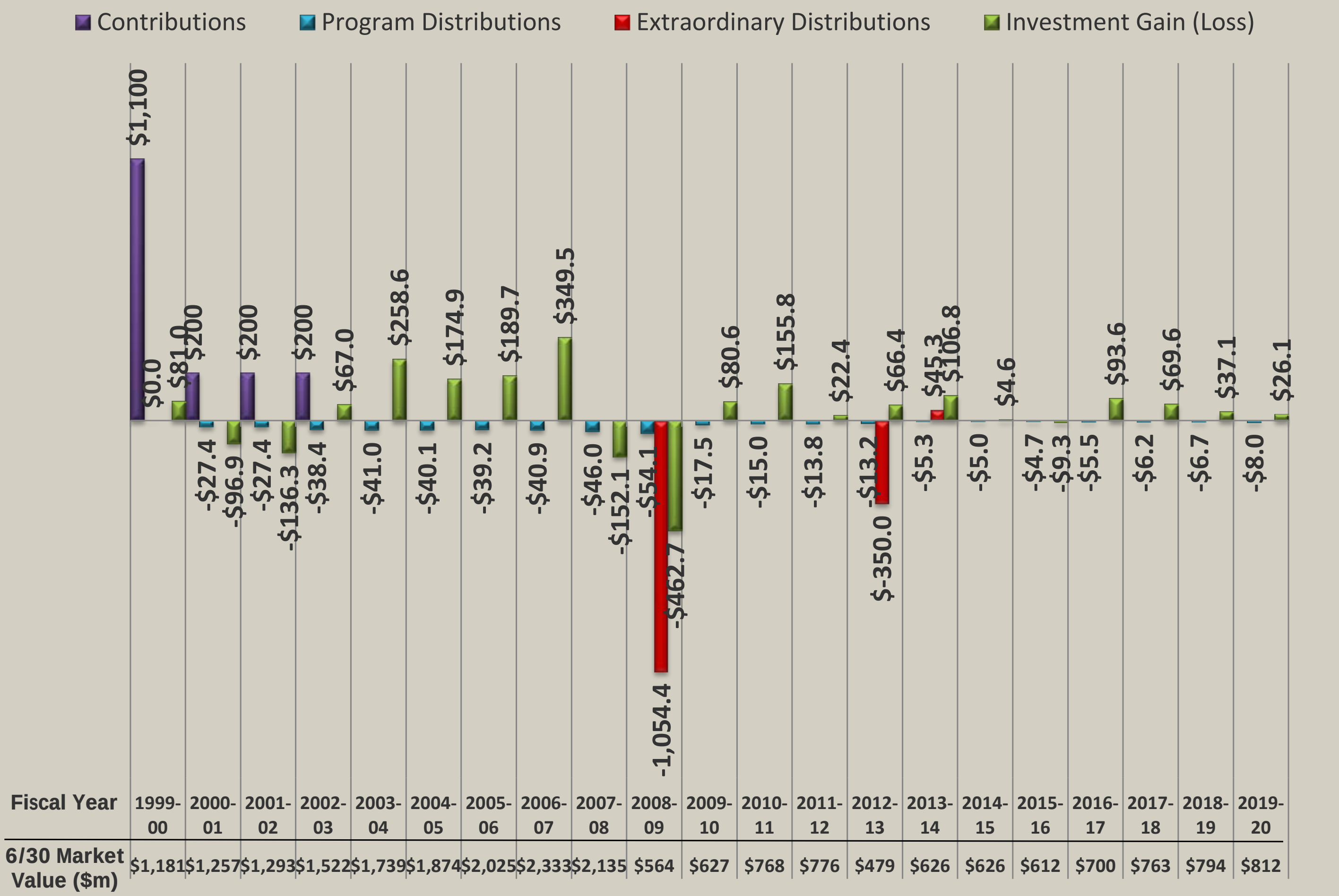
- All returns are annualized for periods indicated through June 30, 2020.
- Benchmark is a weighted blend of individual asset class target indices as applicable; weights and benchmarks are established in the Lawton Chiles Endowment Fund Investment Policy Statement.
- Inception of the Fund was July 1999.
- 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).

CHART 23:

Lawton Chiles Endowment Fund
Annual Change in Total Fund Value by Source



Source: SBA

Cost

External investment management fees, by asset class, paid by the Fund are presented in table 29.

TABLE 29:

External Investment Management Fees for Fiscal Year 2019-20

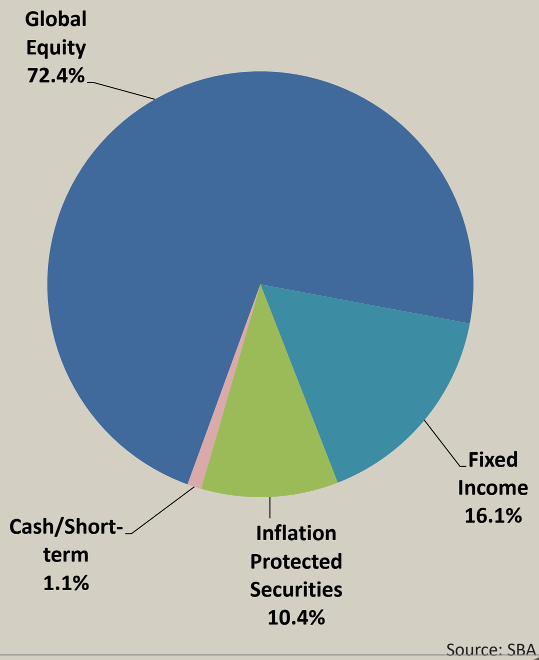
Asset Class	Dollar Amount	Return Basis [1]
Foreign Equities	$569,031	0.10%
Fixed Income	45,859	0.04%
Inflation-Indexed	20,828	0.03%
Total	**$635,718**	**0.08%**

[1] 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, 2019 through June 30, 2020). This measure is comparable to an annual expense ratio.
•Totals may not foot due to rounding.

Source: SBA

CHART 24:

Lawton Chiles Assets by Type
$763.1 Million as of June 30, 2020



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, 2020. Table 30 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 30:

LCEF Returns to Asset Allocation
Periods Ending June 30, 2020

	Policy Return	Implementation Return
One Year	3.44%	3.73%
Three Years	5.73%	5.87%
Five Years	5.69%	5.78%
Ten Years	7.80%	7.88%
Since Inception	5.06%	4.92%

Source: SBA

Asset Classes

As of June 30, 2020, assets of the Lawton Chiles Endowment Fund are currently divided into four classes: Global Equity, Fixed Income, Inflation-Protected Securities, and Cash Equivalents. Table 31 presents returns by asset class over various periods ending June 30, 2020.

TABLE 31:

Lawton Chiles Endowment Fund Actual Returns
by Asset Class for Periods Ending June 30, 2020

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
Global Equity			
One Year	0.82%	1.21%	(0.39%)
Three Years	6.03%	5.75%	0.28%
Five Years	6.88%	6.18%	0.70%
Ten Years	11.15%	10.08%	1.08%
Fixed Income			
One Year	8.94%	8.74%	0.20%
Three Years	5.43%	5.32%	0.11%
Five Years	4.39%	4.30%	0.08%
Ten Years	3.95%	3.82%	0.12%

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
TIPS			
One Year	8.33%	8.28%	0.05%
Three Years	5.15%	5.05%	0.10%
Five Years	3.86%	3.75%	0.12%
Ten Years	3.58%	3.52%	0.06%
Cash Equivalents			
One Year	1.93%	1.53%	0.40%
Three Years	2.10%	1.70%	0.40%
Five Years	1.53%	1.19%	0.34%
Ten Years	1.08%	0.65%	0.43%

• 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 32 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 32: **Lawton Chiles Endowment Fund Assets Under Management Market Value Change by Asset Class and Portfolio, Fiscal Year June 30, 2020**

Account Name	Market Value 6/30/2019	Net Contributions (Withdrawals)	Investment Gain (Loss)	Market Value 6/30/2020
Global Equity Portfolios				
Acadian- Chiles (ICEF)-Foreign Equities	$ 576,279,121	$ 2,829,055	$ 8,498,949	$ 587,607,125
Chiles Global Equity Transition	12,594	0	3,965	16,558
Fixed Income Portfolios				
Chiles Barclays Aggregate	127,628,828	(7,600,000)	10,947,166	130,975,993
Chiles Fixed Income Cash Expense	0	2,018	(2,018)	0
Inflation-Indexed Bond Portfolios				
BlackRock TIPS Passive	81,252,130	(3,500,000)	6,638,222	84,390,352
Chiles TIPS Cash Expense	0	1,850	(1,850)	(0)
Cash/Short-Term Portfolios				
Chiles Cash	8,435,735	84,166	189,055	8,708,956
Chiles Cash Expense	0	1,557	(1,557)	(0)
Chiles Total Fund Expense	0	179,353	(179,353)	0
Total Lawton Chiles Endowment	**$ 793,608,408**	**$ (8,002,000)**	**$ 26,092,578**	**$ 811,698,985**

[1] 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 either 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 – Specific Terms

- 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 – Investment Products

- 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
- PEORP Administrative Fund
- FDOT Financing Corporation

State Board of Administration Mission & Vision

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