



STATE BOARD OF ADMINISTRATION
OF FLORIDA

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CHIEF FINANCIAL OFFICER
AS TREASURER
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EXECUTIVE DIRECTOR & CIO

MEMORANDUM

To: MEMBERS, STATE BOARD OF ADMINISTRATION
Governor Charlie Crist, Chairman
Chief Financial Officer Alex Sink, Treasurer
Attorney General Bill McCollum, Secretary

From: Ash Williams

Date: December 31, 2009

Subject: Monthly Performance Report as of November 30, 2009

Equity markets rebounded in November as economic data became more encouraging. The Russell 3000 Index, a broad measure of U.S. equity performance, gained 5.68 percent. Foreign equities, as measured by the MSCI ACWI ex-U.S. Investable Market Index, rose 2.73 percent. Fixed income markets (Barclays Capital Aggregate Index) rose 1.29 percent on narrower credit spreads.

For the 12 months ending November 30, 2009, performance for the SBA's three key mandates was as follows.

	Managed Return	Target Return	Managed vs. Target
FRS Pension Plan	22.40%	21.94%	0.47%
FRS Investment Plan	20.89%	18.84%	2.05%
Lawton Chiles Endowment	23.46%	22.24%	1.22%

Florida Statutes, Section 215.47(6), the "basket clause," requires the Executive Director to report to the Board certain types of investments that are not explicitly authorized. In November 2009, there were no investments in assets requiring use of the basket clause.

Please find attached the SBA's Monthly Performance Report for periods ending November 30, 2009. The report also contains performance information on the Florida Hurricane Catastrophe Fund and the Health Insurance Subsidy Trust Fund. A section has been added with information on the SBA's securities lending program. More detailed information on Florida PRIME can be found on the SBA website at www.sbafla.com/pool.

Other Items of Note

- An audiovisual workshop on corporate governance has been added to the sbafla.com website. The workshop provides both basic information about governance, such as the role of the SBA as a fiduciary, and in-depth information, such as SBA proxy voting statistics.
- Hamilton Lane has gone live with the Florida Growth Fund website (www.floridagrowthfund.com) with information about the fund, investment opportunities and applications for co-investments or partnerships. The site has hyper-links to Hamilton Lane and the SBA.
- Mike McCauley, senior corporate governance officer at the SBA, was honored as one of ten international leaders on corporate governance along with such notables as French President Nicholas Sarkozy, New York Senator Chuck Schumer and Mary Shapiro, chair of the U.S. Securities and Exchange Commission. The top ten were named by Global Proxy Watch, a trade publication founded and edited by Stephen Davis, who heads the Millstein Center for Corporate Governance and Performance at the Yale School of Management.
- In December, the SBA transferred \$6.25 million in liquid assets from Fund B to Florida PRIME, and the cash was transferred to participants in proportion to their original adjusted Fund B balances. Since the inception of Fund B two years ago, the total distribution has amounted to \$1.511 billion or about 75.2 percent of the original Fund B principal.

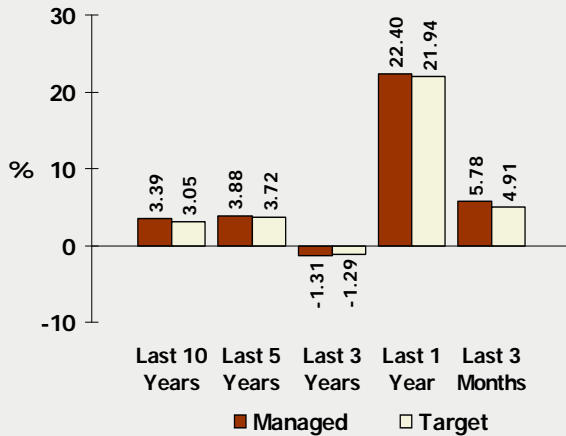
If you have any questions or need additional information, please contact me.

AW/bm
Enclosure

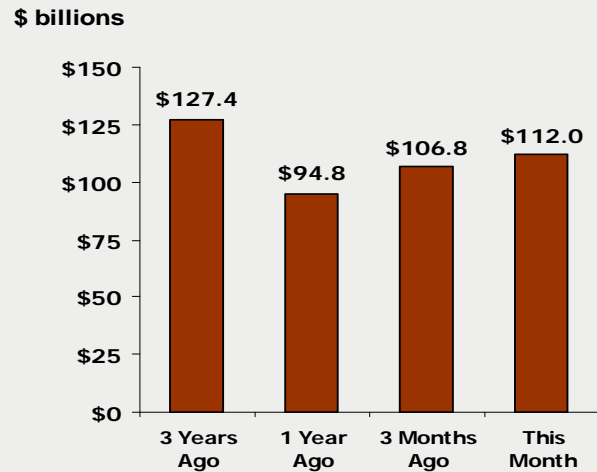
cc: IAC Members
Pat Gleason
Robert Tornillo
Rob Johnson

FLORIDA RETIREMENT SYSTEM PENSION PLAN

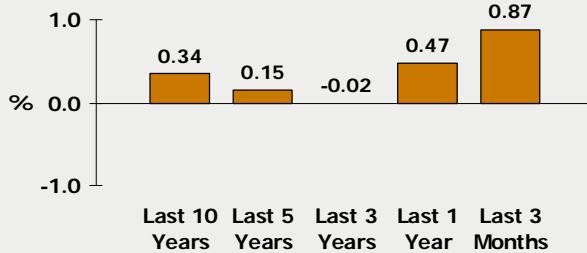
Net Managed and Target Returns



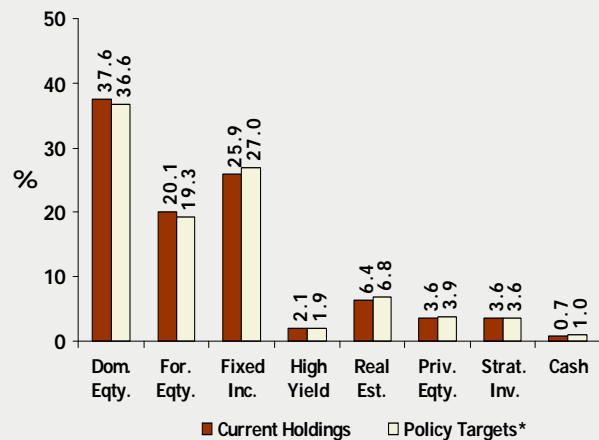
Net Asset Values



Managed vs. Target Return



Asset Allocation



Monthly Movement in Asset Allocation Mix

ASSET CLASS	POLICY RANGE	RANGE OF EST. ALLOCATION
Domestic Equities	30.0 - 47.0 %	36.8 - 37.9 %
Foreign Equities	11.0 - 25.0 %	20.0 - 20.5 %
Fixed Income	20.0 - 36.0 %	25.4 - 26.3 %
High Yield	0.0 - 7.0 %	2.1 - 2.2 %
Real Estate	2.0 - 12.0 %	6.3 - 6.6 %
Private Equity	0.0 - 5.0 %	3.4 - 3.6 %
Strategic Investments	0.0 - 10.0 %	3.5 - 3.6 %
Cash	0.0 - 9.0 %	0.7 - 1.1 %

* Policy targets are the 'target allocations' specified in Table 2 of the FRS Investment Policy Statement, adjusted for exposure to Strategic Investments.

FRS Pension Plan Net Returns by Asset Class

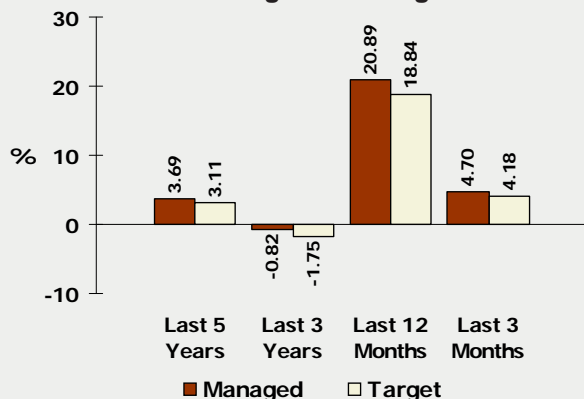
	PAST 3 MONTHS			PAST 12 MONTHS		
	MANAGED	TARGET	MANAGED VS TARGET	MANAGED	TARGET	MANAGED VS TARGET
TOTAL FRS DB*	5.78%	4.91%	0.87%	22.40%	21.94%	0.47%
Asset Allocation	4.95%	4.91%	0.04%	21.86%	21.94%	-0.08%
Domestic Equities	7.48%	7.28%	0.20%	28.09%	27.17%	0.92%
Foreign Equities	7.02%	6.58%	0.44%	47.82%	49.20%	-1.38%
Fixed Income	4.00%	2.86%	1.14%	20.21%	11.63%	8.59%
High Yield	6.47%	6.68%	-0.20%	39.88%	50.18%	-10.30%
Strategic Investments	10.36%	4.42%	5.94%	21.32%	21.42%	-0.10%

* Includes returns of private market asset classes and cash in addition to listed asset classes. Strategic Investments, Private Equity and Real Estate include assets whose valuations are subject to significant delays relative to the reporting period.

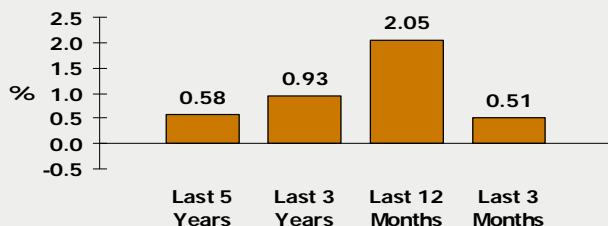
FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

TOTAL PLAN

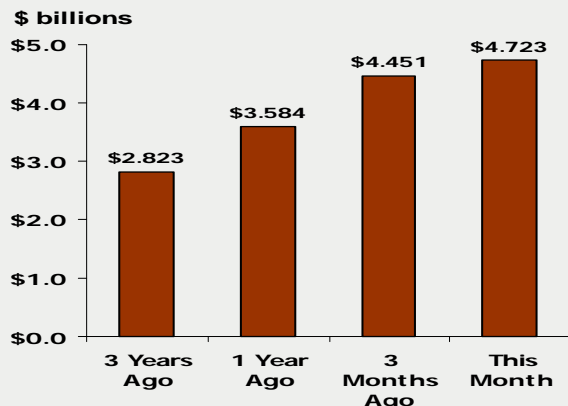
Net Managed and Target Returns



Managed vs. Target Return

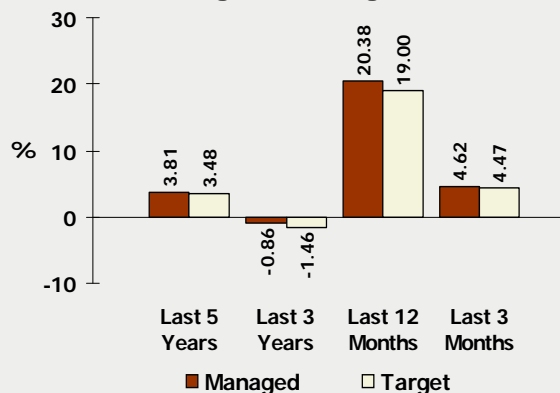


Total Plan Net Asset Value

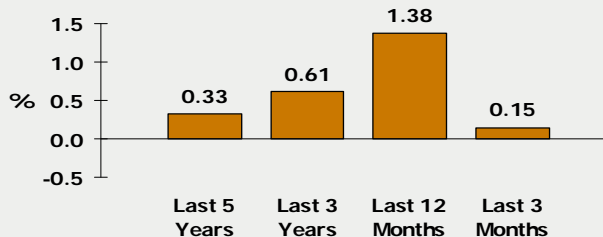


BALANCED FUNDS

Net Managed and Target Returns



Managed vs. Target Return



FRS Elections

	Defaults (Pension)		Pension Plan		Investment Plan/Hybrid		FY Totals
New Employee							
FY 07-08	38,644	55%	13,663	19%	18,279	26%	70,586
FY 08-09	27,514	56%	10,697	22%	11,155	23%	49,366
FY 09-10*	5,771	57%	2,302	23%	2,084	21%	10,157
Total	71,929	55%	26,662	20%	31,518	24%	130,109
Second Elections							
FY 07-08			236	3%	8,976	97%	9,212
FY 08-09			373	8%	4,160	92%	4,533
FY 09-10*			132	8%	1,596	92%	1,728
Total			741	5%	14,732	95%	15,473

Percentages are shares of FY Totals

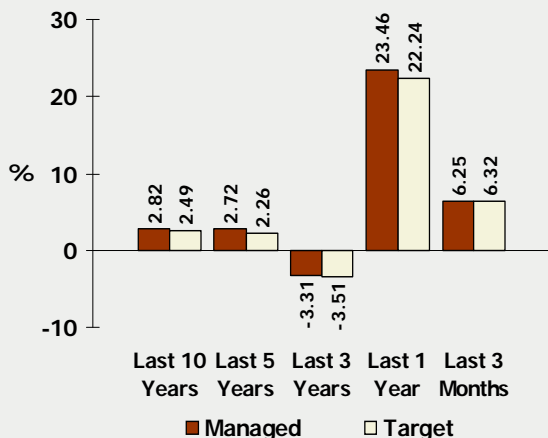
*As of 11/30/09

FRS Investment Plan Asset Allocation and Net Returns by Asset Type

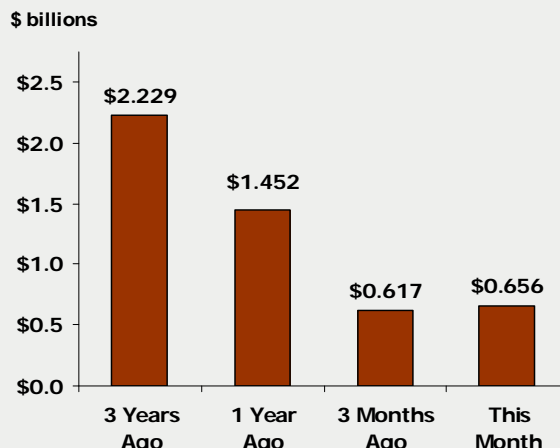
	PERCENT ALLOCATION	PAST 3 MONTHS			PAST 12 MONTHS		
		MANAGED	TARGET	MANAGED VS TARGET	MANAGED	TARGET	MANAGED VS TARGET
TOTAL FRS IP	100.0%	4.70%	4.18%	0.51%	20.89%	18.84%	2.05%
Domestic Equities	34.1%	6.78%	6.24%	0.55%	30.16%	27.03%	3.13%
Foreign Equities	17.4%	6.43%	5.17%	1.25%	41.32%	36.70%	4.62%
Fixed Income	26.0%	3.75%	3.23%	0.52%	17.36%	14.32%	3.04%
TIPS	5.8%	6.26%	6.23%	0.02%	19.54%	19.56%	-0.02%
Money Market Funds	16.7%	0.06%	0.10%	-0.04%	0.35%	0.81%	-0.46%

LAWTON CHILES ENDOWMENT FUND

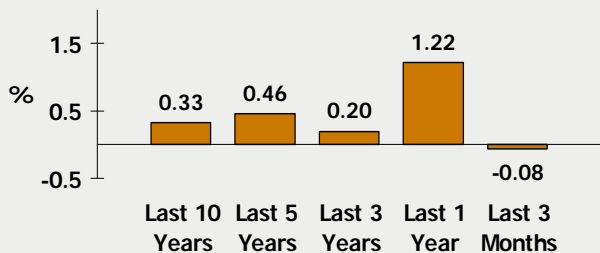
Net Managed and Target Returns



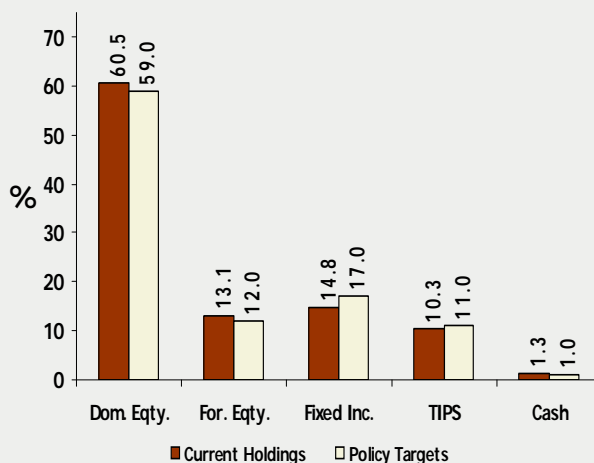
Net Asset Values



Managed vs. Target Return



Asset Allocation*



Monthly Movement in Asset Allocation Mix

ASSET CLASS	POLICY RANGE	RANGE OF EST. ALLOCATION
Domestic Equities	54.0 - 64.0 %	59.6 - 60.7 %
Foreign Equities	6.0 - 18.0 %	13.1 - 13.6 %
Fixed Income	12.0 - 25.0 %	14.6 - 15.2 %
TIPS	6.0 - 16.0 %	10.1 - 10.4 %
Cash	0.0 - 10.0 %	1.3 - 1.3 %

* The Policy Weights shown became effective July 1, 2009.

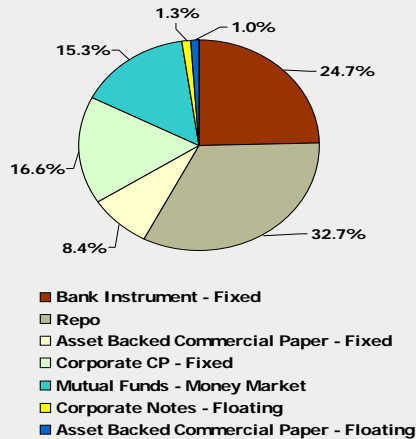
Chiles Endowment Net Returns by Asset Class

	PAST 3 MONTHS			PAST 12 MONTHS		
	MANAGED	TARGET	MANAGED VS TARGET	MANAGED	TARGET	MANAGED VS TARGET
TOTAL LCEF	6.25%	6.32%	-0.08%	23.46%	22.24%	1.22%
Asset Allocation	6.38%	6.32%	0.06%	23.23%	22.24%	0.99%
Domestic Equities	7.38%	7.29%	0.09%	27.30%	27.23%	0.06%
Foreign Equities	4.63%	6.85%	-2.22%	46.44%	49.18%	-2.73%
Fixed Income	3.03%	2.86%	0.16%	9.73%	11.63%	-1.90%
TIPS	6.68%	6.23%	0.45%	21.39%	19.56%	1.84%
Cash	0.71%	0.11%	0.60%	1.46%	0.76%	0.70%

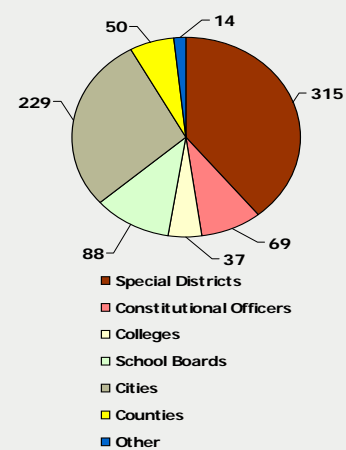
FLORIDA PRIME AND FUND B

Florida PRIME had 801 participants at the end of November 2009 and a balance of \$4.74 billion. Fund B Surplus Funds Trust Fund (Fund B) had a balance of \$293.2 million. During the month, Florida PRIME earned a return of 0.02 percent matching its target (the S&P AAA/AA Rated GIP All 30-day Net index). Over the 12-month period ending November 30, 2009, Florida PRIME returned 0.65 percent and beat its performance benchmark by 8 basis points. Through November 30, 2009, roughly \$1.5 billion, or 74.9 percent of original participant balances in Fund B, had been returned to clients. The SBA continues to manage Fund B to maximize the present value of cash distributions to participants.

Florida PRIME Assets by Type



Florida PRIME Participants by Type

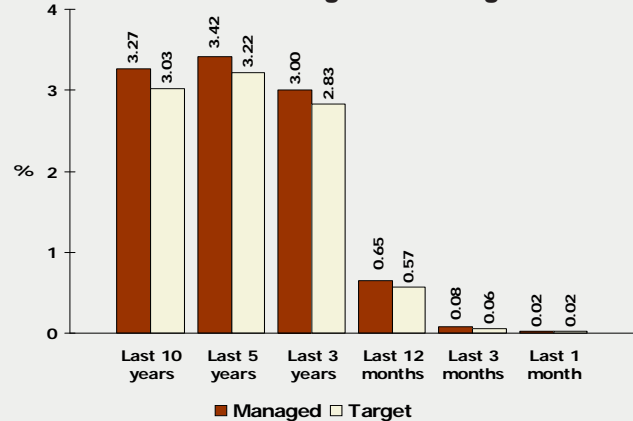


Florida PRIME Final Maturity Schedule

Month	Percent of Assets	Cumulative Percent
Dec-09	64.0%	64.0%
Jan-10	17.0%	80.9%
Feb-10	4.0%	84.9%
Mar-10	5.5%	90.4%
May-10	2.0%	92.4%
Jun-10	1.0%	93.5%
Aug-10	2.0%	95.5%
Nov-10	1.0%	96.5%
Dec-10	2.9%	99.4%
Other*	0.6%	100.0%

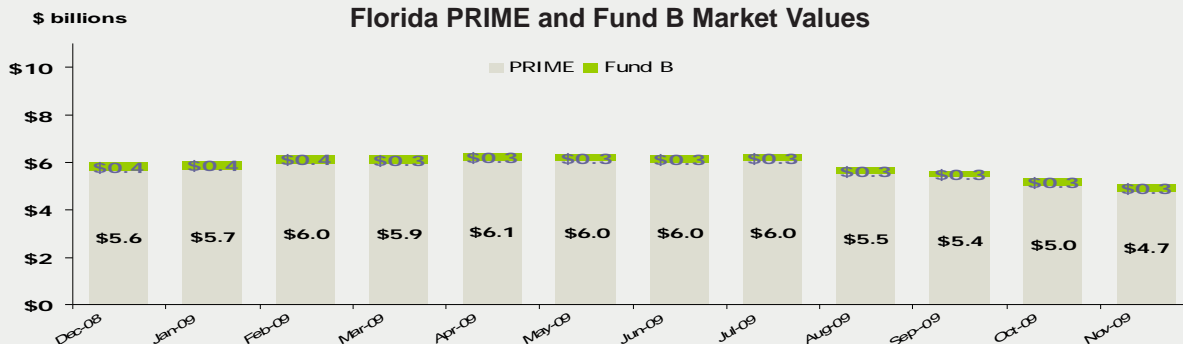
* Consists of three variable-rate notes with long-term final maturities, but frequent rate resets.

Florida PRIME Managed* and Target Returns



* Return calculated pursuant to Chapter 19-7.001, Florida Administrative Code.

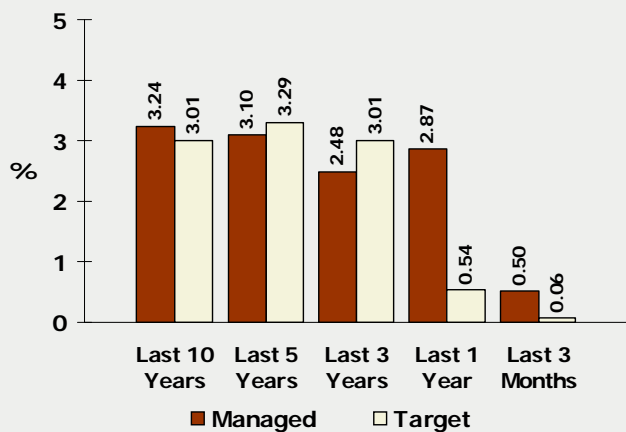
Florida PRIME and Fund B Market Values



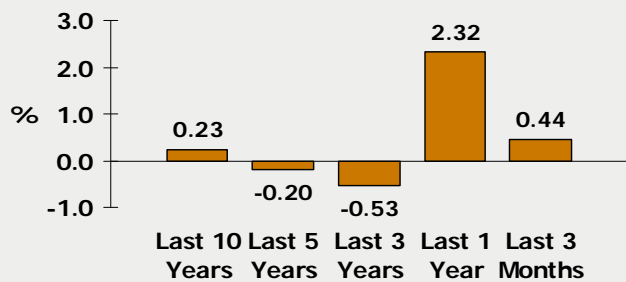
FLORIDA HURRICANE CATASTROPHE FUND

OPERATING FUND

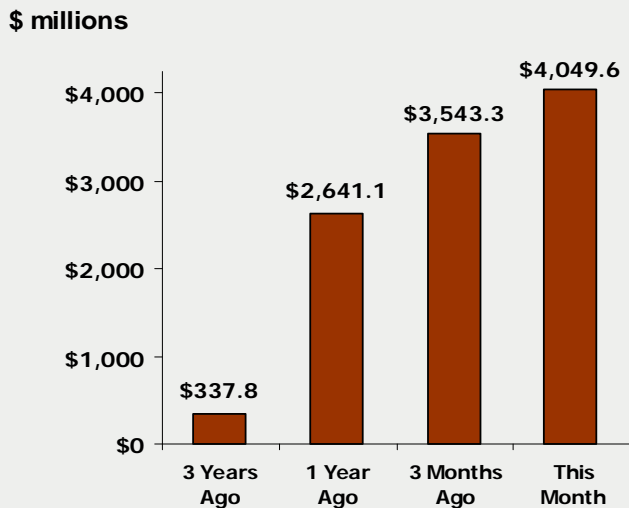
Net Managed and Target Returns



Managed versus Target Return

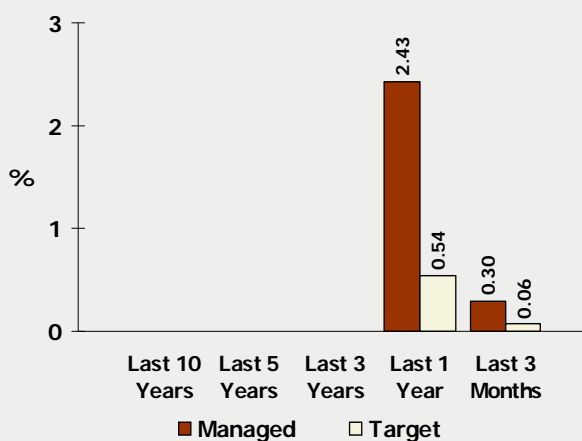


Net Asset Values

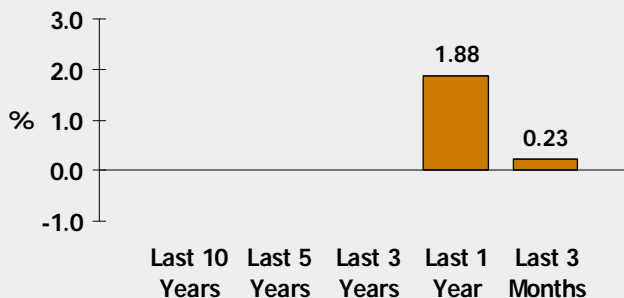


2007A NOTE PROCEEDS

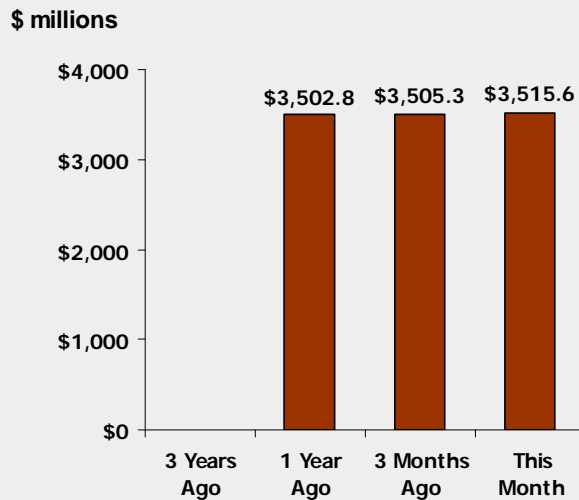
Net Managed and Target Returns



Managed versus Target Return

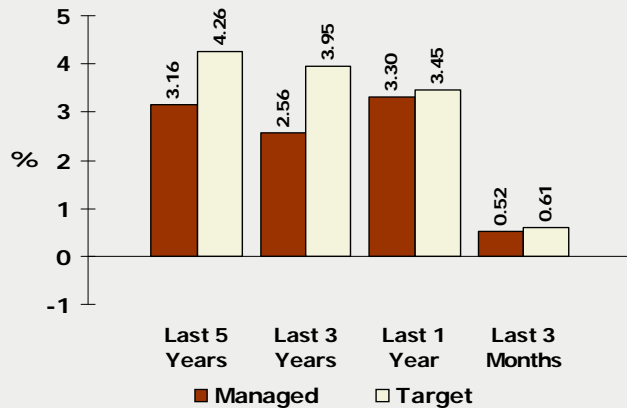


Net Asset Values

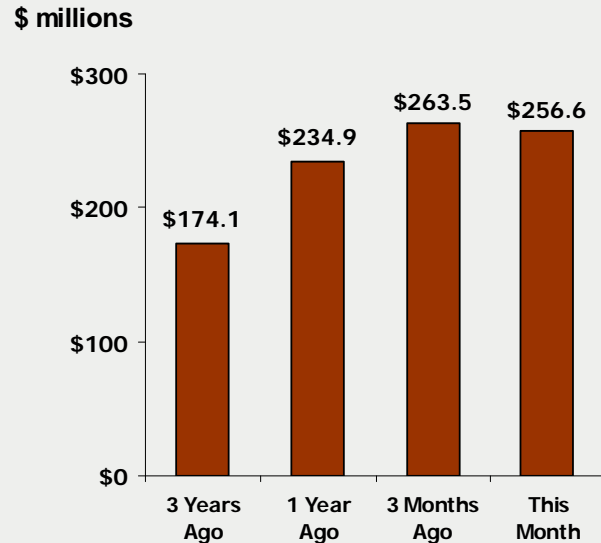


HEALTH INSURANCE SUBSIDY TRUST FUND

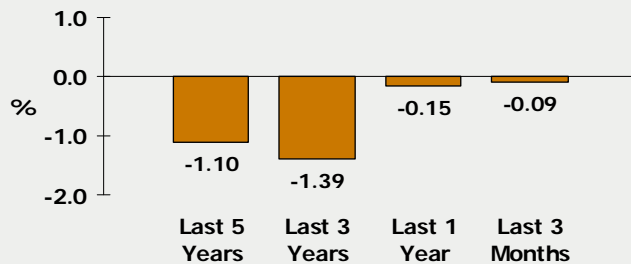
Net Managed and Target Returns



Net Asset Values



Managed versus Target Return



SECURITIES LENDING COLLATERAL REINVESTMENT*

As of November 30, 2009	Book Value	Market Value	Unrealized Gain/(Loss)
FRS Pension Plan	\$10,093,800,510	\$9,678,047,052	(\$415,753,458)
Lawton Chiles Endowment Fund	\$28,127,005	\$27,557,927	(\$569,078)
Other Funds	\$834,000,755	\$819,572,889	(\$14,427,866)
Total	\$10,955,928,270	\$10,525,177,868	(\$430,750,402)

* This is a summary of investment positions held at month-end in the SBA's various security lending programs. The SBA lends securities and receives cash and securities as collateral for the loans. The cash is reinvested. Earnings on the investments, net of broker rebates, are split between the lending agent and the SBA. When security loans mature and the borrowed securities are returned to the SBA, the cash and securities received as collateral are returned to the borrower. This information does not include non-cash security loans, interest receivable on investments or other receivables or payables that may be associated with securities lending. Amounts are based on information provided by the lending agents. Securities lending income is credited within the return calculations for those portfolios from which the securities are lent. Unrealized gain/(loss) on the collateral reinvestment portfolios is included once per year in the SBA's financial statements, but is not reflected in investment returns.