

FOR IMMEDIATE RELEASE

DATE: August 12, 2008

CONTACT: Dennis MacKee

PHONE: 850-413-1251

E-MAIL: dennis.mackee@sbafla.com

Florida Pension Funding Remains Positive

TALLAHASSEE, FL - The Florida Retirement System (FRS) Pension Plan Trust Fund remained one of the few public pension funds in the U.S. to maintain a positive funded ratio estimated at 105% at fiscal year-end June 30, 2008. The ratio is a measure used to gauge the health of pension funds. As the fourth largest public retirement plan in the U.S., the \$126.9 billion fund is intended to provide retirement benefits to over 900,000 state and local government employees and retirees.

State Board of Administration (SBA) Interim Executive Director, General Bob Milligan said, "The fund continues to be one of the strongest in the country. It is actuarially sound and contribution rates remain significantly below those which would be required if the fund were at the national average funding ratio of about 81%. This helps relieve pressure on participating governments throughout the state which are facing strained budgets."

Despite the past fiscal year's challenging investment environment, particularly in domestic and foreign equity markets, and unprecedented events in the credit markets, the pension fund limited its loss for the period to 4.4%. Over this same time, the domestic stock market was down 12.7% and the foreign equity stock market was down 7.6%, as measured by broad market indexes. When comparing Florida's pension fund performance to other U.S. corporate and public pension plans, as reported by Wilshire Trust Universe Comparison Service (TUCS), Florida is ranked in the top half of the best performing pension plans over all reported time periods. Particularly noteworthy is that the FRS pension plan's performance is ranked in the top quartile over both 3 and 5-year time periods. The fund has earned an average 9.9% annual return over the past five years.

The fund is broadly diversified across a wide variety of asset types. For the fiscal year, the weak performance of equities was offset somewhat by positive performance in real estate (+8.69), fixed income (+5.10%) and private equities (+7.52%).

The SBA, an investment management organization of the state of Florida, manages 33 investment funds including the FRS pension plan with total assets valued at \$154 billion.

###