



**STATE BOARD OF ADMINISTRATION
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State Board of Administration of Florida

~ The Great Financial Crisis: 10 years later – Accomplishments and Lessons Learned ~

Tallahassee, FL – The Great Financial Crisis and the financial environment it created, presented opportunities that the State Board of Administration (SBA) successfully capitalized on to accelerate the financial recovery of our portfolios. In addition, the SBA implemented a multitude of improvements that positioned us well for ongoing success.

“The differences between today’s SBA and the SBA of late 2008 reflect a complete reconstruction of the control environment and extensive enhancements on the investment side,” said Ash Williams, Executive Director and Chief Investment Officer for the SBA.

The control environment across our “businesses” and portfolios, a foundational responsibility in any investment organization, was upgraded as the SBA’s first priority. Additionally, consistent with “tone at the top,” a new Risk and Compliance unit was created, a new COO/CFO was brought in, together with hiring a new Chief Audit Executive and upgrades to the Internal Audit team were made.

Focusing on the trailing 10 year period from June 30, 2019, Florida Retirement System Trust Fund assets under management grew from \$99.58 billion to \$163.53 billion (audited), net of \$61.33 billion in benefit payments, for an estimated total investment gain of \$125.88 billion. Total FRS Pension Fund trailing ten year performance is 9.80%, 95 bps ahead of benchmark. That outperformance amounts to \$11.68 billion, a very generous multiple of the entire SBA budget. In addition to delivering attractive risk adjusted returns, the SBA continues to be one of the lowest cost pension investment organizations in the United States.

Mr. Williams concluded “After many successive years of benchmark beating performance, clean audits, consistent adherence to risk and compliance standards, low cost of service delivery and wide recognition for thought leadership and professional excellence among industry peers, investment partners and stakeholders, it would be easy to become complacent. That would be a serious mistake.”

As fiduciaries, we continue to focus on achieving superior investment performance and providing investment management services in a low-cost and risk-controlled environment.

Highlights for the most recently completed fiscal year and prior decade can be found in the Investment Report posted on the SBA’s website [here](#).

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The State Board of Administration is a body of Florida’s state government that provides a variety of investment services to various governmental entities. These include managing the assets of the Florida Retirement System, the Local Government Surplus Funds Trust Fund (Florida PRIME), the Hurricane Catastrophe Fund, and more than 30 other mandates.