



# Monthly Performance Report to the Trustees

*Performance Through  
April 30, 2014*

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STATE BOARD OF ADMINISTRATION  
OF FLORIDA

1801 HERMITAGE BOULEVARD  
TALLAHASSEE, FLORIDA 32308  
(850) 488-4406

POST OFFICE BOX 13300  
32317-3300

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AS CHAIRMAN

JEFF ATWATER  
CHIEF FINANCIAL OFFICER


PAM BONDI  
ATTORNEY GENERAL

ASH WILLIAMS  
EXECUTIVE DIRECTOR & CIO

MEMORANDUM

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TO: Members, State Board of Administration  
Governor Rick Scott  
Chief Financial Officer Jeff Atwater  
Attorney General Pam Bondi

FROM: Ash Williams 

DATE: June 18, 2014

SUBJECT: Monthly Performance Report as of April 30, 2014

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For the 12 months ending April 30, 2014, performance for the SBA's three multi-asset class mandates was as follows.

	Actual Return	Benchmark Return	Actual Over (Under) Bmk.
FRS Pension Plan	11.56%	10.67%	0.89%
FRS Investment Plan	10.26%	9.78%	0.48%
Lawton Chiles Endowment	13.03%	10.86%	2.17%

Florida Statutes, Section 215.47(6), the "basket clause," requires the Executive Director to report to the Investment Advisory Council any proposed plans to invest in certain investments that are not explicitly authorized. During the month of April 2014, no proposed plans for such investments were reported to the Investment Advisory Council.

Please find attached the SBA's Monthly Performance Report for periods ending April 30, 2014. The report also contains performance information on Florida PRIME and the Florida Hurricane Catastrophe Fund. More detailed information on Florida PRIME can be found on the SBA website at [www.sbafla.com/prime](http://www.sbafla.com/prime).

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

AW/jk

cc: IAC Members  
Karl Rasmussen  
Robert Tornillo  
Rob Johnson

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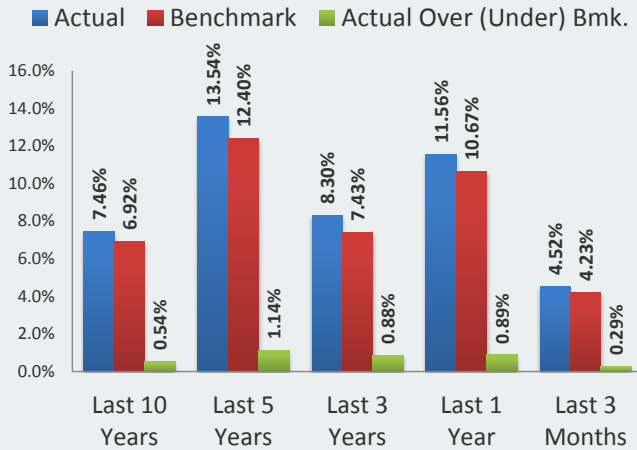
# SUMMARY OF SBA MANDATES

<b>FLORIDA RETIREMENT SYSTEM (IN THOUSANDS)</b>	<b>April 30, 2014 MARKET VALUE</b>	<b>March 31, 2014 MARKET VALUE</b>
<b>FRS PENSION PLAN ASSET CLASSES</b>		
GLOBAL EQUITY	\$87,396,748	\$87,243,855
FIXED INCOME	\$29,794,839	\$29,656,860
REAL ESTATE	\$11,164,363	\$10,890,167
PRIVATE EQUITY	\$7,596,160	\$7,344,848
STRATEGIC INVESTMENTS	\$7,845,973	\$7,917,879
CASH	\$1,655,699	\$1,857,840
<b>TOTAL FRS PENSION PLAN</b>	<b>\$145,453,783</b>	<b>\$144,911,450</b>
<b>TOTAL FRS INVESTMENT PLAN</b>	<b>\$8,663,775</b>	<b>\$8,680,080</b>
<b>LAWTON CHILES ENDOWMENT FUND (IN THOUSANDS)</b>		
<b>LCEF ASSET CLASSES</b>		
GLOBAL EQUITY	\$445,356	\$445,764
FIXED INCOME	\$90,597	\$87,573
TIPS	\$58,029	\$55,635
CASH	\$13,692	\$13,703
<b>TOTAL</b>	<b>\$607,674</b>	<b>\$602,674</b>
<b>OTHER FUNDS (IN THOUSANDS)</b>		
DEBT SERVICE NONESCROW	\$1,095,995	\$1,037,330
DEBT SERVICE ESCROW	\$1,377,660	\$1,250,145
GAS TAX	\$2,007	\$1,907
RETIREE HEALTH INSURANCE SUBSIDY	\$70,769	\$75,962
POLICE AND FIREFIGHTERS	\$149,525	\$109,406
FLORIDA ENDOWMENT FOR VOCATIONAL REHAB.	\$10	\$18
FLORIDA PRIME	\$7,900,177	\$7,906,986
Less Florida PRIME holdings in SBA funds	(\$371,713)	(\$328,679)
FUND B SURPLUS FUNDS TRUST FUND	\$106,923	\$107,944
DEPARTMENT OF THE LOTTERY	\$464,736	\$461,545
SBA ADMINISTRATIVE EXPENSE	\$41,994	\$38,917
PEORP ADMINISTRATIVE TRUST FUND	\$34,077	\$33,886
FLORIDA HURRICANE CATASTROPHE FUND	\$9,717,116	\$9,716,509
STATE BOARD OF ADMINISTRATION FINANCE CORPORATION*	\$3,260,684	\$3,248,475
FLORIDA PREPAID COLLEGE PROGRAM	\$261,135	\$253,809
BOND PROCEEDS	\$498	\$2,158
ARBITRAGE COMPLIANCE	\$2,703	\$2,708
REVENUE BOND FEE	\$6,554	\$6,590
INLAND PROTECTION FINANCING CORPORATION	\$1	\$2
BLIND SERVICES	\$4,651	\$4,631
MCKNIGHT EDUCATION FUND	\$1,583	\$1,581
FSU RESEARCH FOUNDATION	\$59	\$103
ICB PROGRAM	\$2,208	\$6,651
BURNHAM INSTITUTE	\$18,251	\$18,219
TORREY PINES INSTITUTE	\$3,556	\$3,552
PINELLAS SUN COAST TRANSIT AUTHORITY	\$9	\$16
SRI INTERNATIONAL	\$330	\$330
UNIVERSITY OF MIAMI	\$20,872	\$20,870
MAX PLANCK	\$3,391	\$3,391
OREGON HEALTH AND SCIENCE	\$2,573	\$2,573
CHARLES STARK DRAPER LABORATORY	\$1,112	\$1,112
PAYING BANK RECALLS	\$0	\$0
<b>OTHER FUNDS TOTAL</b>	<b>\$24,179,448</b>	<b>\$23,988,648</b>
<b>ALL FUNDS</b>	<b>\$178,904,680</b>	<b>\$178,182,852</b>

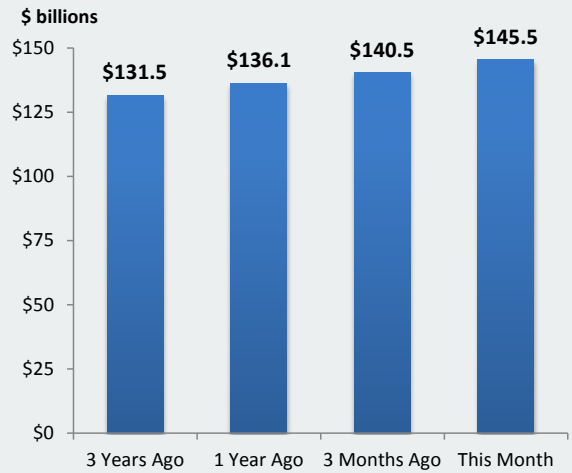
\* Formerly the Florida Hurricane Catastrophe Finance Corporation.

# FLORIDA RETIREMENT SYSTEM PENSION PLAN

## Actual Returns, Benchmark Returns, and Value Added



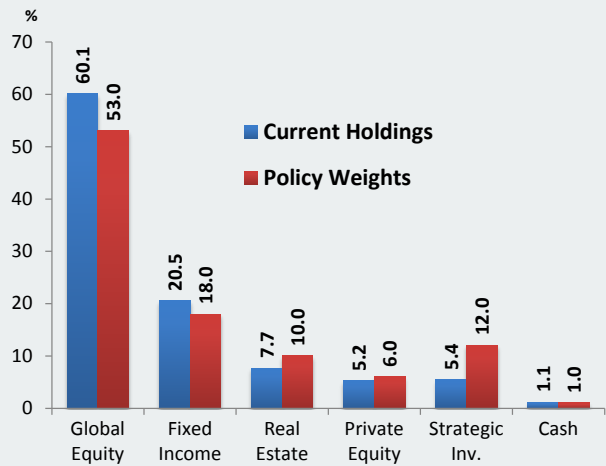
## Net Asset Values



## Monthly Movement in Asset Allocation Mix

Asset Class	Policy Range		Actual Range	
	Low	High	Low	High
Global Equity	45%	65%	59.5%	60.7%
Fixed Income	10%	26%	20.4%	20.8%
Real Estate	4%	16%	7.4%	7.7%
Private Equity	2%	9%	4.9%	5.2%
Strategic Investments	0%	16%	5.3%	5.4%
Cash	0.75%	5%	1.1%	1.6%

## Asset Allocation



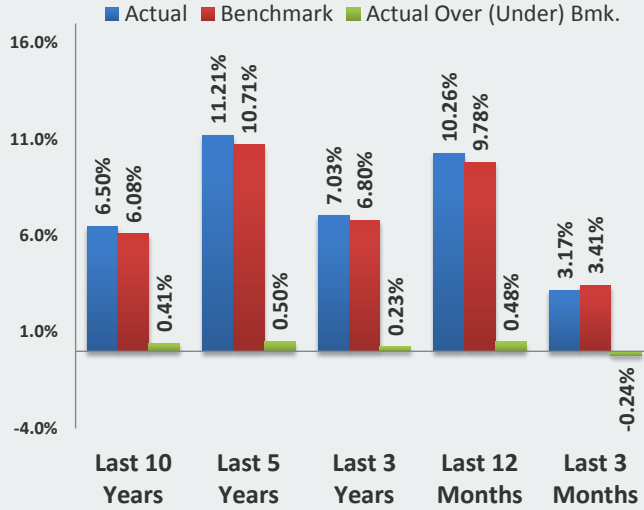
## FRS Pension Plan Net Returns by Asset Class

	PAST 3 MONTHS			PAST 12 MONTHS		
	ACTUAL	BENCHMARK	ACTUAL OVER (UNDER) BMK.	ACTUAL	BENCHMARK	ACTUAL OVER (UNDER) BMK.
<b>TOTAL FRS Pension Plan*</b>	<b>4.52%</b>	<b>4.23%</b>	<b>0.29%</b>	<b>11.56%</b>	<b>10.67%</b>	<b>0.89%</b>
Asset Allocation	4.35%	4.23%	0.11%	10.96%	10.67%	0.30%
Global Equity	5.88%	5.92%	-0.03%	15.54%	14.86%	0.68%
Fixed Income	0.78%	0.72%	0.07%	-0.77%	-1.11%	0.34%

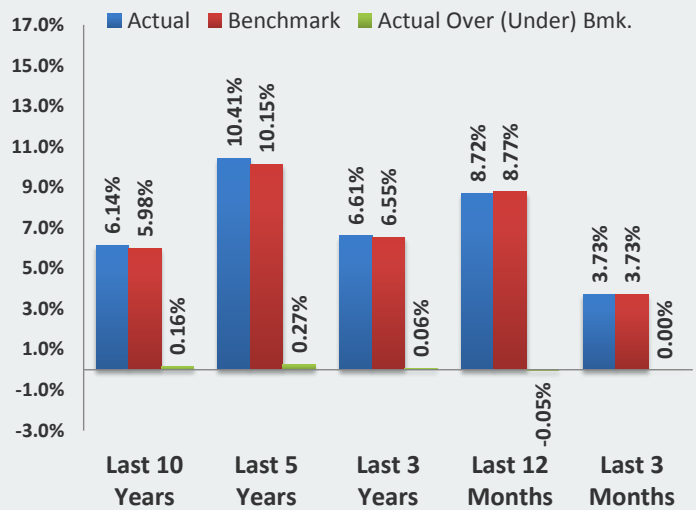
\* Includes returns of private market asset classes and cash in addition to listed asset classes. Strategic Investments, Private Equity and Real Estate include assets whose valuations are subject to significant delays relative to the reporting period.

# FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

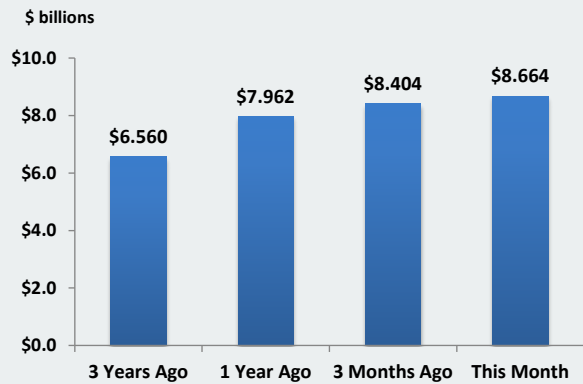
## TOTAL PLAN Actual Return, Benchmark Returns, and Value Added



## BALANCED FUNDS Actual Return, Benchmark Returns, and Value Added



## TOTAL PLAN Net Asset Values



## FRS Elections

	Defaults (Pension)		Pension Plan		Investment Plan/Hybrid		FY Totals
<b>New Employee</b>							
FY 09-10	21,501	55.5%	8,158	21.1%	9,071	23.4%	38,730
FY 10-11	21,049	52.6%	9,042	22.5%	9,960	24.9%	40,051
FY 11-12	20,064	52.8%	6,976	18.4%	10,937	28.8%	37,977
FY 12-13	26,105	57.6%	7,345	16.2%	11,895	26.2%	45,345
FY 13-14*	26,381	58.8%	7,278	16.2%	11,251	25.1%	44,910
<b>Total</b>	<b>115,100</b>	<b>55.6%</b>	<b>38,799</b>	<b>18.7%</b>	<b>53,114</b>	<b>25.7%</b>	<b>207,013</b>
<b>Second Elections</b>							
FY 09-10			289	6.1%	4,420	93.9%	4,709
FY 10-11			381	4.4%	8,330	95.6%	8,711
FY 11-12			351	5.2%	6,443	94.8%	6,794
FY 12-13			547	8.7%	5,741	91.3%	6,288
FY 13-14*			466	9.2%	4,580	90.8%	5,046
<b>Total</b>			<b>2,034</b>	<b>6.4%</b>	<b>29,514</b>	<b>93.6%</b>	<b>31,548</b>

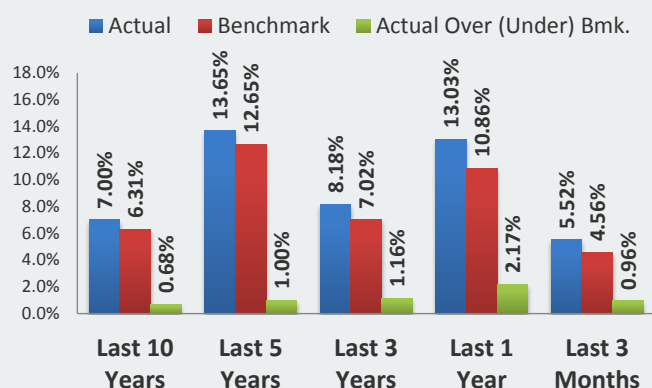
\* Percentages are shares of FY Totals as of 4/30/2014.

## FRS Investment Plan Asset Allocation and Net Returns by Asset Type

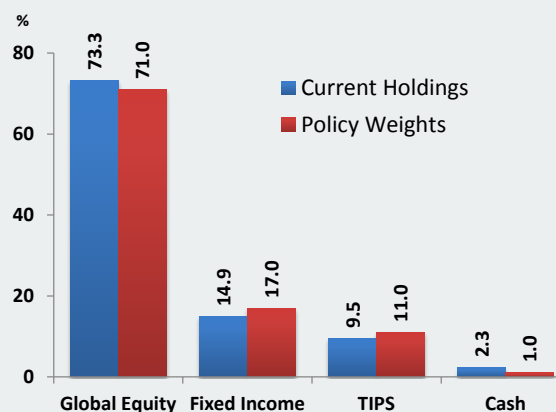
	PERCENT ALLOCATION	PAST 3 MONTHS			PAST 12 MONTHS		
		ACTUAL	BENCHMARK	ACTUAL OVER (UNDER) BMK.	ACTUAL	BENCHMARK	ACTUAL OVER (UNDER) BMK.
<b>TOTAL FRS Investment Plan</b>	<b>100.0%</b>	<b>3.17%</b>	<b>3.41%</b>	<b>-0.24%</b>	<b>10.26%</b>	<b>9.78%</b>	<b>0.48%</b>
Domestic Equity	42.9%	4.27%	4.58%	-0.32%	21.50%	20.44%	1.06%
Foreign Equity	17.3%	6.08%	6.61%	-0.53%	14.08%	12.96%	1.12%
Fixed Income	24.4%	1.19%	1.24%	-0.05%	0.11%	0.27%	-0.16%
TIPS	2.7%	1.34%	1.32%	0.02%	-5.85%	-5.97%	0.13%
Money Market Funds	12.6%	0.04%	0.00%	0.04%	0.21%	0.02%	0.19%

# LAWTON CHILES ENDOWMENT FUND

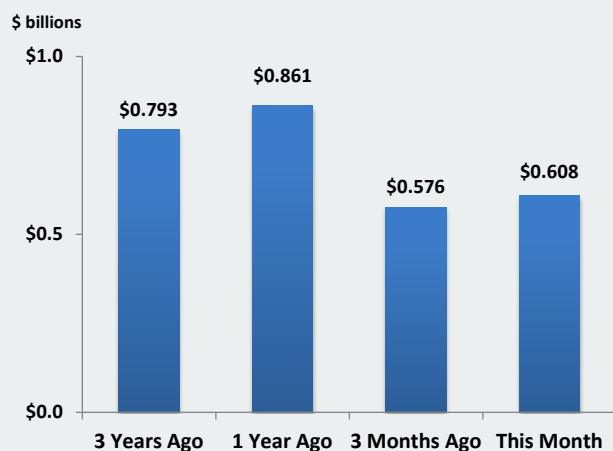
## Actual Returns, Benchmark Returns, and Value Added



## Asset Allocation



## Net Asset Values\*



## Monthly Movement in Asset Allocation Mix

Asset Class	Policy Range		Actual Range	
	Low	High	Low	High
Global Equity	61.0%	81.0%	72.9%	74.2%
Fixed Income	12.0%	22.0%	14.4%	15.2%
TIPS	6.0%	16.0%	9.1%	9.7%
Cash	0.0%	10.0%	1.6%	2.3%

\* On June 14, 2013, a \$350 million extraordinary payout from the endowment occurred accounting for the large reduction in net asset value between one year ago and this month.

## Chiles Endowment Net Returns by Asset Class

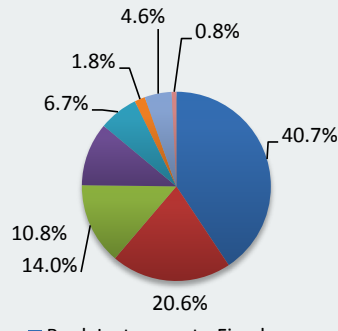
	PAST 3 MONTHS			PAST 12 MONTHS		
	ACTUAL	BENCHMARK	ACTUAL OVER (UNDER) BMK.	ACTUAL	BENCHMARK	ACTUAL OVER (UNDER) BMK.
<b>TOTAL LCEF</b>	<b>5.52%</b>	<b>4.56%</b>	<b>0.96%</b>	<b>13.03%</b>	<b>10.86%</b>	<b>2.17%</b>
Asset Allocation	4.63%	4.56%	0.07%	11.26%	10.86%	0.40%
Global Equity	7.16%	5.79%	1.37%	18.65%	15.41%	3.24%
Fixed Income	1.16%	1.21%	-0.04%	-0.33%	-0.26%	-0.07%
TIPS	1.31%	1.32%	-0.01%	-6.13%	-5.97%	-0.15%
Cash	0.05%	0.01%	0.03%	0.20%	0.05%	0.14%



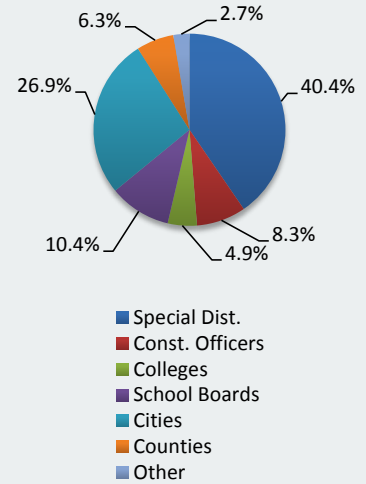
# FLORIDA PRIME AND FUND B

Florida PRIME had 852 participants at the end of April 2014 and a balance of \$7.90 billion. Fund B Surplus Funds Trust Fund (Fund B) had a current estimated liquidation (market) value of \$107.0 million. During the month, Florida PRIME earned a return of 0.01 percent, beating its benchmark (the S&P AAA/AA Rated GIP All 30-day Net index) by 1 basis point. Over the 12-month period ending April 30, 2014, Florida PRIME returned 0.17 percent and beat its performance benchmark by 12 basis points. Through April 2014, \$1.926 billion, or 95.9 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**

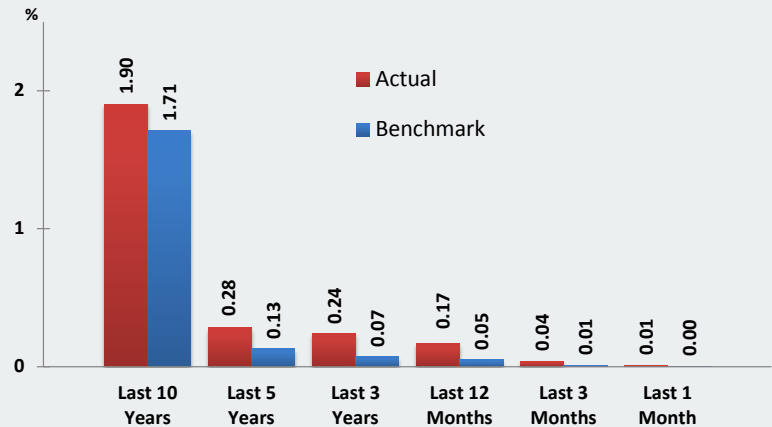


**Florida PRIME Final Maturity Schedule**

Month	Percent of Assets	Cumulative percent
May-14	42.3%	42.3%
Jun-14	25.1%	67.4%
Jul-14	11.6%	78.9%
Aug-14	2.6%	81.5%
Sep-14	2.1%	83.6%
Oct-14	5.5%	89.1%
Nov-14	0.1%	89.2%
Dec-14	1.3%	90.5%
Jan-15	1.8%	92.3%
Feb-15	0.9%	93.2%
Mar-15	1.9%	95.1%
Apr-15	0.8%	95.9%
May-15	3.5%	99.4%
*Other	0.6%	100.0%

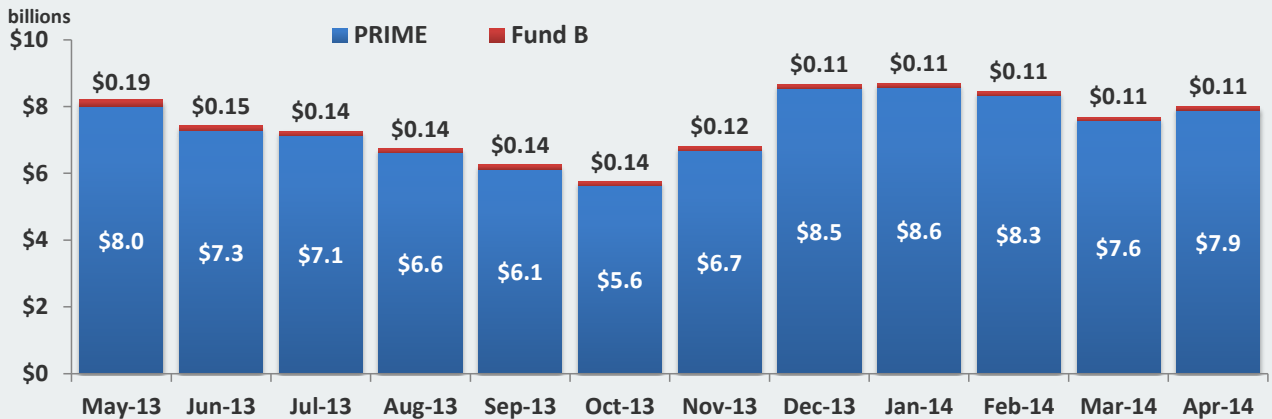
\* Variable-rate notes with long-term final maturities, but frequent rate resets.

**Florida PRIME Actual Returns\* and Benchmark Returns**



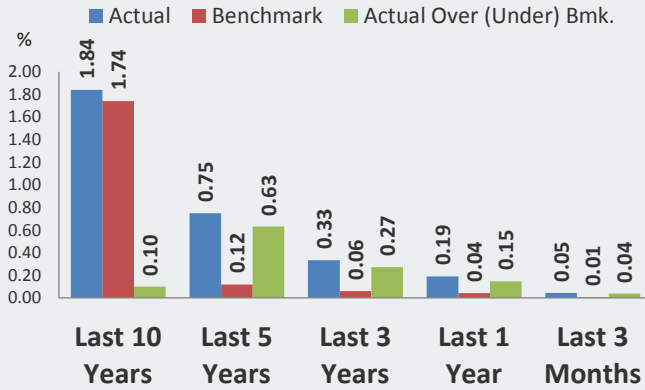
\* Return calculated pursuant to Chapter 19-7.011, Florida Administrative Code.

**Florida PRIME and Fund B Market Values**

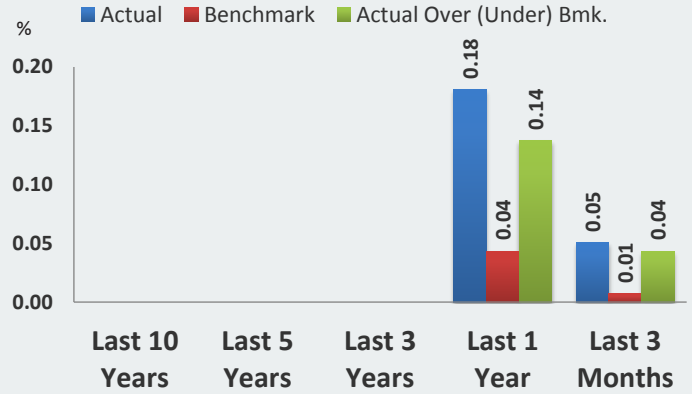


# FLORIDA HURRICANE CATASTROPHE FUND

**OPERATING FUND**  
Actual Returns, Benchmark Returns,  
and Value Added



**2013A NOTE PROCEEDS**  
Actual Returns, Benchmark Returns,  
and Value Added



**OPERATING FUND**  
Net Asset Values



**2013A NOTE PROCEEDS**  
Net Asset Values



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