

Monthly Performance Report to the Trustees

*Performance Through
July 31, 2014*

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STATE BOARD OF ADMINISTRATION
OF FLORIDA

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GOVERNOR
AS CHAIRMAN


JEFF ATWATER
CHIEF FINANCIAL OFFICER

PAM BONDI
ATTORNEY GENERAL

ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO

MEMORANDUM

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

FROM: Ash Williams 

DATE: September 23, 2014

SUBJECT: Monthly Performance Report as of July 31, 2014

For the 12 months ending July 31, 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	12.75%	12.14%	0.61%
FRS Investment Plan	9.95%	9.76%	0.19%
Lawton Chiles Endowment	14.02%	12.99%	1.04%

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 July 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 July 31, 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.

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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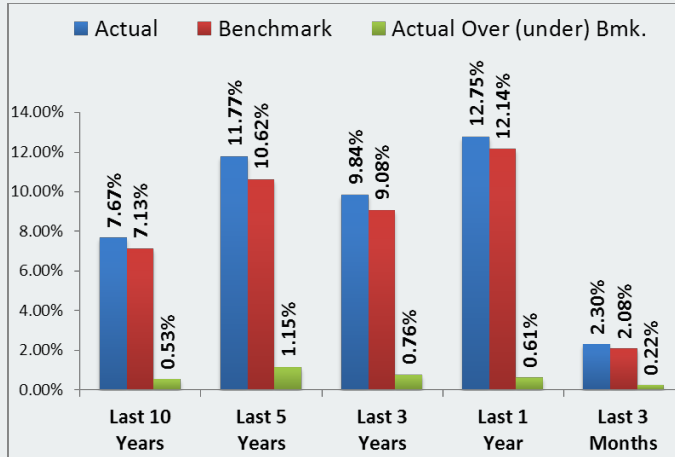
SUMMARY OF SBA MANDATES

FLORIDA RETIREMENT SYSTEM (IN THOUSANDS)	July 31, 2014 MARKET VALUE	June 30, 2014 MARKET VALUE
FRS PENSION PLAN ASSET CLASSES		
GLOBAL EQUITY	\$88,334,484	\$89,816,448
FIXED INCOME	\$29,963,424	\$30,067,981
REAL ESTATE	\$11,290,704	\$11,057,496
PRIVATE EQUITY	\$8,237,397	\$8,075,294
STRATEGIC INVESTMENTS	\$8,147,500	\$8,112,039
CASH	\$1,252,883	\$1,968,698
TOTAL FRS PENSION PLAN	\$147,226,392	\$149,097,956
TOTAL FRS INVESTMENT PLAN	\$8,894,899	\$9,040,725
LAWTON CHILES ENDOWMENT FUND (IN THOUSANDS)		
LCEF ASSET CLASSES		
GLOBAL EQUITY	\$448,121	\$466,603
FIXED INCOME	\$95,417	\$91,699
TIPS	\$61,972	\$59,434
CASH	\$8,360	\$8,368
TOTAL	\$613,870	\$626,104
OTHER FUNDS (IN THOUSANDS)		
DEBT SERVICE NONESCROW	\$588,686	\$556,932
DEBT SERVICE ESCROW	\$591,802	\$607,738
GAS TAX	\$0	\$0
RETIREE HEALTH INSURANCE SUBSIDY	\$58,587	\$60,485
POLICE AND FIREFIGHTERS	\$219,063	\$228,527
FLORIDA ENDOWMENT FOR VOCATIONAL REHAB.	\$4	\$5
FLORIDA PRIME	\$6,889,287	\$7,191,502
Less Florida PRIME holdings in SBA funds	(\$445,046)	(\$450,247)
FUND B SURPLUS FUNDS TRUST FUND	\$53,234	\$56,709
DEPARTMENT OF THE LOTTERY	\$441,407	\$441,607
SBA ADMINISTRATIVE EXPENSE	\$39,407	\$39,800
PEORP ADMINISTRATIVE TRUST FUND	\$32,439	\$33,828
FLORIDA HURRICANE CATASTROPHE FUND	\$9,802,136	\$9,721,074
STATE BOARD OF ADMINISTRATION FINANCE CORPORATION*	\$2,317,307	\$3,361,169
FLORIDA PREPAID COLLEGE PROGRAM	\$293,873	\$288,457
BOND PROCEEDS	\$4,278	\$0
ARBITRAGE COMPLIANCE	\$2,672	\$2,691
REVENUE BOND FEE	\$6,306	\$6,441
INLAND PROTECTION FINANCING CORPORATION	\$2	\$2
BLIND SERVICES	\$4,736	\$4,789
MCKNIGHT EDUCATION FUND	\$1,624	\$1,655
FSU RESEARCH FOUNDATION	\$21	\$30
ICB PROGRAM	\$1,965	\$6,500
BURNHAM INSTITUTE	\$18,256	\$18,254
TORREY PINES INSTITUTE	\$3,559	\$3,558
PINELLAS SUN COAST TRANSIT AUTHORITY	\$3	\$5
SRI INTERNATIONAL	\$107	\$105
UNIVERSITY OF MIAMI	\$20,881	\$20,878
MAX PLANCK	\$3,393	\$3,392
OREGON HEALTH AND SCIENCE	\$2,574	\$2,573
CHARLES STARK DRAPER LABORATORY	\$1,112	\$1,112
PAYING BANK RECALLS	\$0	\$0
OTHER FUNDS TOTAL	\$20,953,675	\$22,209,573
ALL FUNDS	\$177,688,836	\$180,974,358

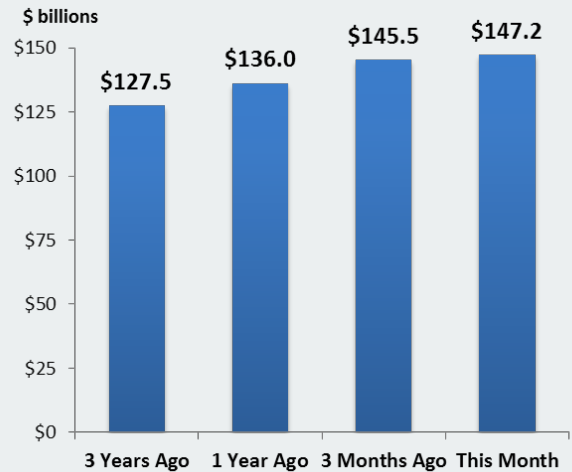
* Formerly the Florida Hurricane Catastrophe Finance Corporation.

FLORIDA RETIREMENT SYSTEM PENSION PLAN

Actual Returns, Benchmark Returns, and Value Added



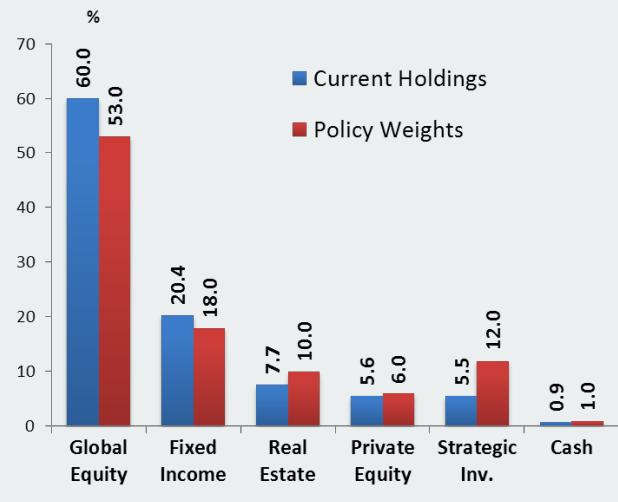
Net Asset Values



Monthly Movement in Asset Allocation Mix

Asset Class	Policy Range		Actual Range	
	Low	High	Low	High
Global Equity	44%	65%	60.0%	60.6%
Fixed Income	16%	32%	20.0%	20.4%
Real Estate	2%	12%	7.4%	7.7%
Private Equity	0%	7%	5.3%	5.6%
Strategic Investments	0%	20%	5.4%	5.5%
Cash	0%	9%	0.9%	1.4%

Asset Allocation



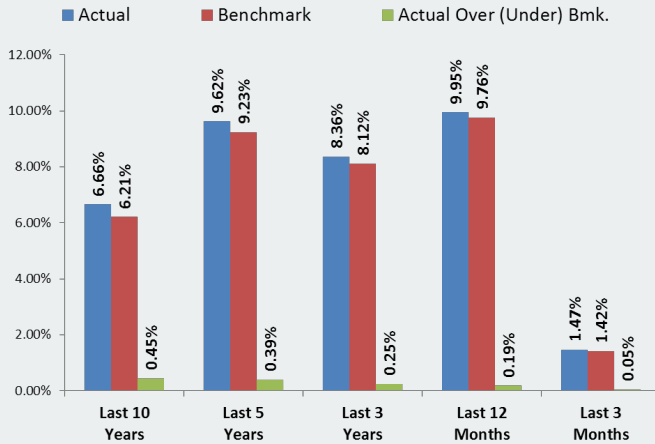
FRS Pension Plan Net Returns by Asset Class

	PAST 3 MONTHS			PAST 12 MONTHS		
	ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK	ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK
TOTAL FRS Pension Plan*	2.30%	2.08%	0.22%	12.75%	12.14%	0.61%
Asset Allocation	2.07%	2.08%	-0.01%	12.32%	12.14%	0.18%
Global Equity	2.46%	2.56%	-0.10%	15.75%	15.78%	-0.03%
Fixed Income	0.76%	0.62%	0.13%	3.13%	2.76%	0.37%

* 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



TOTAL PLAN Net Asset Values



Figures do not include Self Directed Brokerage Account performance Figures do not include Self Directed Brokerage Account balances

FRS Investment Plan Asset Allocation and Net Returns by Asset Type

	PERCENT ALLOCATION	PAST 3 MONTHS			PAST 12 MONTHS		
		ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK	ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK
TOTAL FRS Investment Plan	100.0%	1.47%	1.42%	0.05%	9.95%	9.76%	0.19%
Domestic Equity	44.0%	2.31%	2.03%	0.28%	15.40%	14.86%	0.55%
Foreign Equity	21.1%	1.79%	2.12%	-0.33%	16.03%	16.16%	-0.13%
Fixed Income	22.8%	0.60%	0.69%	-0.08%	3.84%	3.89%	-0.05%
TIPS	1.6%	2.48%	2.45%	0.03%	3.95%	3.71%	0.24%
Money Market Funds	10.4%	0.04%	0.01%	0.03%	0.17%	0.02%	0.15%

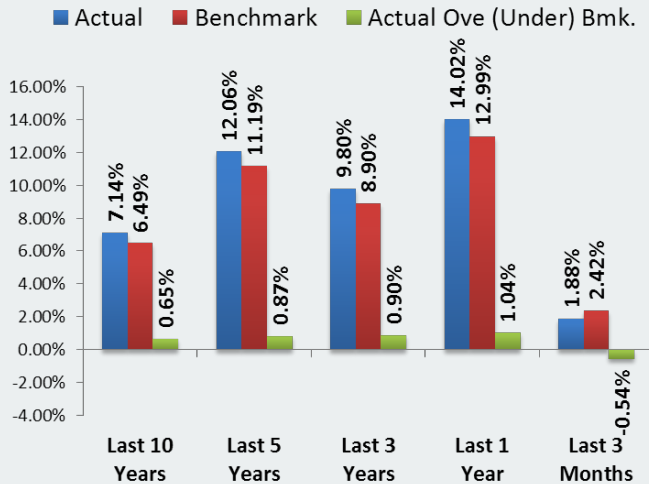
Figures do not include Self Directed Brokerage Account holdings

FRS Elections

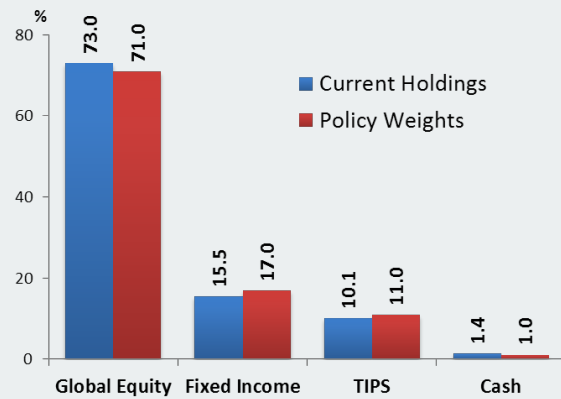
	Defaults (Pension)		Pension Plan		Investment Plan/Hybrid		FY Totals	Pension Plan		Investment Plan/Hybrid		FY Totals	
	Count	%	Count	%	Count	%	Count	Count	%	Count	%	Count	
New Employee	Second Elections												
FY 09-10	21,501	55.5%	8,158	21.1%	9,071	23.4%	38,730	FY 09-10	289	6.1%	4,420	93.9%	4,709
FY 10-11	21,049	52.6%	9,042	22.6%	9,960	24.9%	40,051	FY 10-11	381	4.4%	8,330	95.6%	8,711
FY 11-12	20,064	52.8%	6,976	18.4%	10,937	28.8%	37,977	FY 11-12	351	5.2%	6,443	94.8%	6,794
FY 12-13	26,105	57.6%	7,345	16.2%	11,895	26.2%	45,345	FY 12-13	547	8.7%	5,741	91.3%	6,288
FY 13-14	30,400	58.6%	8,499	16.4%	13,025	25.1%	51,924	FY 13-14	583	9.2%	5,721	90.8%	6,304
FYTD 14-15	2,610	63.3%	665	16.1%	852	20.6%	4,127	FYTD 14-15	32	7.2%	411	92.8%	443
Total	121,729	55.8%	40,685	18.6%	55,740	25.6%	218,154	Total	2,183	6.6%	31,066	93.4%	33,249

LAWTON CHILES ENDOWMENT FUND

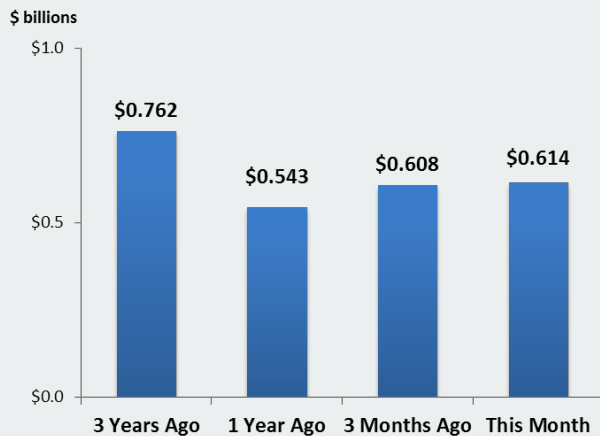
Actual Returns, Benchmark Returns, and Value Added



Asset Allocation



Net Asset Values*



Monthly Movement in Asset Allocation Mix

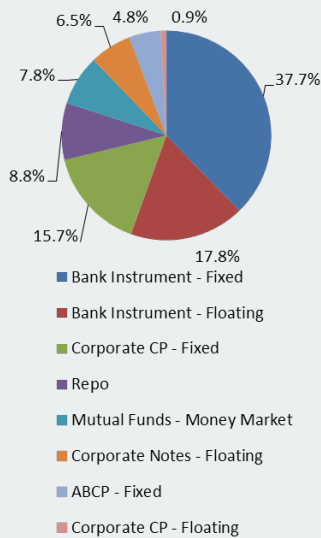
Asset Class	Policy Range		Actual Range	
	Low	High	Low	High
Global Equity	61.0%	81.0%	73.0%	74.8%
Fixed Income	12.0%	22.0%	14.5%	15.5%
TIPS	6.0%	16.0%	9.4%	10.1%
Cash	0.0%	10.0%	1.3%	1.4%

Chiles Endowment Net Returns by Asset Class

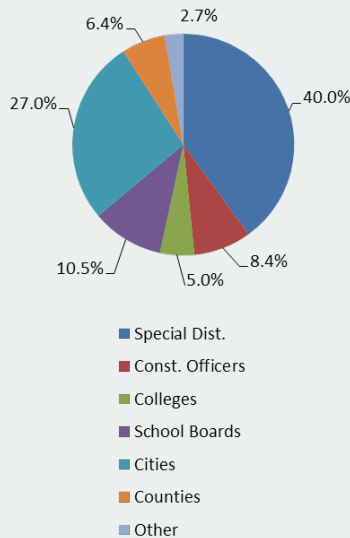
	PAST 3 MONTHS			PAST 12 MONTHS		
	ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK	ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK
TOTAL LCEF	1.88%	2.42%	-0.54%	14.02%	12.99%	1.04%
Asset Allocation	2.43%	2.42%	0.01%	13.16%	12.99%	0.17%
Global Equity	2.01%	2.63%	-0.62%	18.01%	16.33%	1.68%
Fixed Income	1.00%	0.94%	0.06%	3.91%	3.97%	-0.06%
TIPS	2.45%	2.45%	-0.01%	3.62%	3.71%	-0.09%
Cash	0.10%	0.01%	0.09%	0.24%	0.05%	0.19%

FLORIDA PRIME AND FUND B

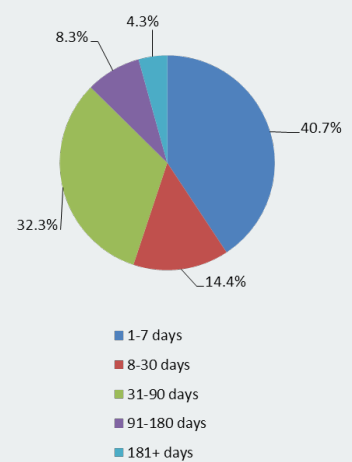
Florida PRIME Portfolio Composition



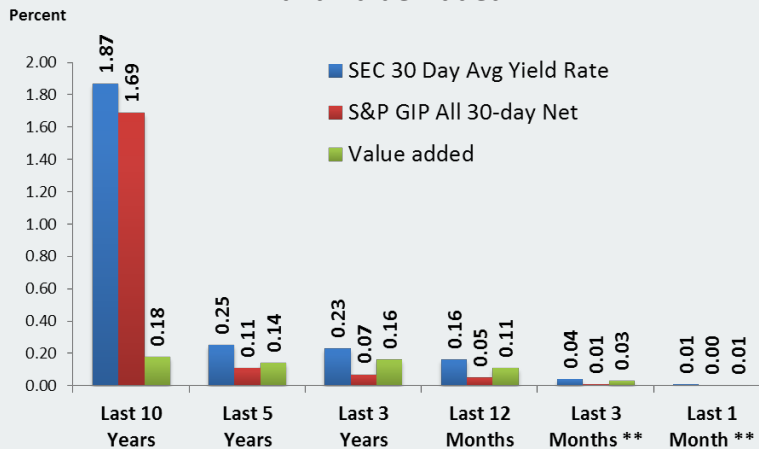
Florida PRIME Participants by Type - 847 Total



Florida PRIME Effective Maturity Schedule

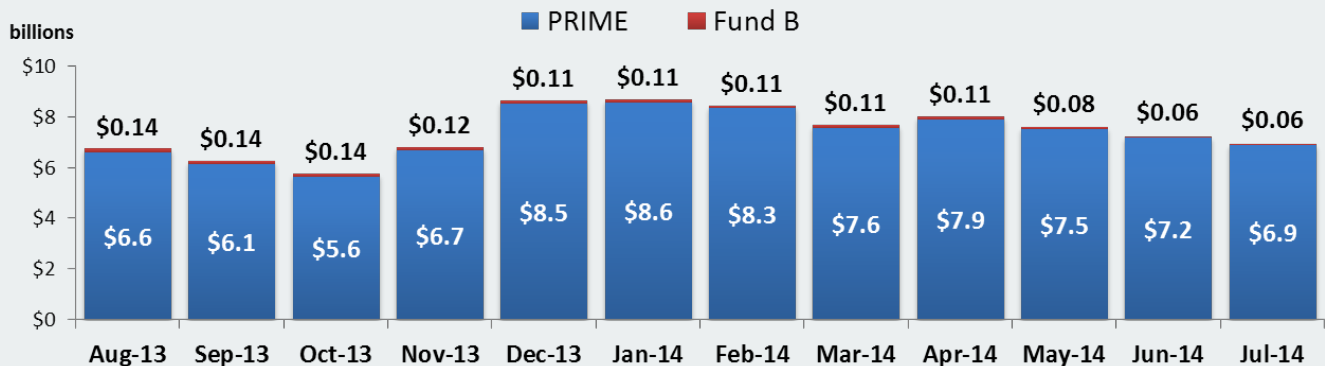


Florida PRIME Yield*, S&P GIP All 30-day Net Yield and Value Added



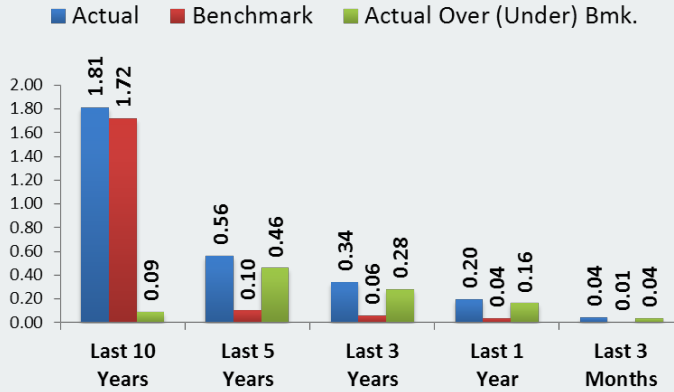
* Return calculated pursuant to Chapter 19-7.011, Florida Administrative Code
 ** Returns less than 1-year are not annualized

Florida PRIME and Fund B Market Values

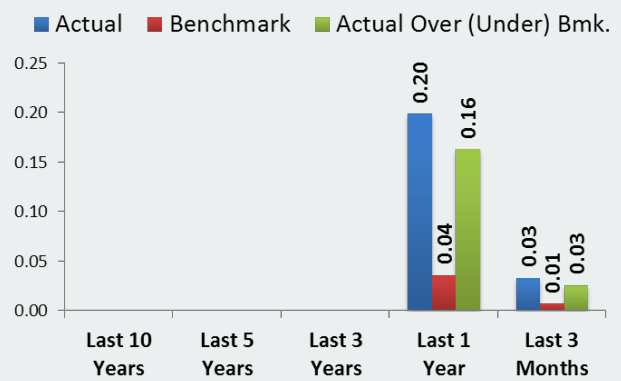


FLORIDA HURRICANE CATASTROPHE FUND

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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