



State Board of Administration Performance Report to the Trustees

*Performance Through
February 28, 2015*

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STATE BOARD OF ADMINISTRATION
OF FLORIDA

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JEFF ATWATER
CHIEF FINANCIAL OFFICER

PAM BONDI
ATTORNEY GENERAL

ASH WILLIAMS
EXECUTIVE DIRECTOR & CIO

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

FROM: Ash Williams

DATE: April 15, 2015

SUBJECT: Performance Report to the Trustees

Please find attached the SBA's Performance Report to the Trustees for the month ending February 28, 2015. For the 12 months ending February 28, 2015, performance for the SBA's three multi-asset class mandates was as follows.

	Actual Return	Benchmark Return	Value Added
FRS Pension Plan	7.78%	6.67%	1.11%
FRS Investment Plan	6.28%	6.21%	0.07%
Lawton Chiles Endowment	7.32%	6.12%	1.20%

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 quarter, no proposed plans for such investments were reported to the Investment Advisory Council.

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

AW/jk

cc: IAC Members
Monica Russell
Jeff Woodburn
Michelle Dahnke
Robert Tornillo
Erica Atalla
Rob Johnson
Andrew Fay

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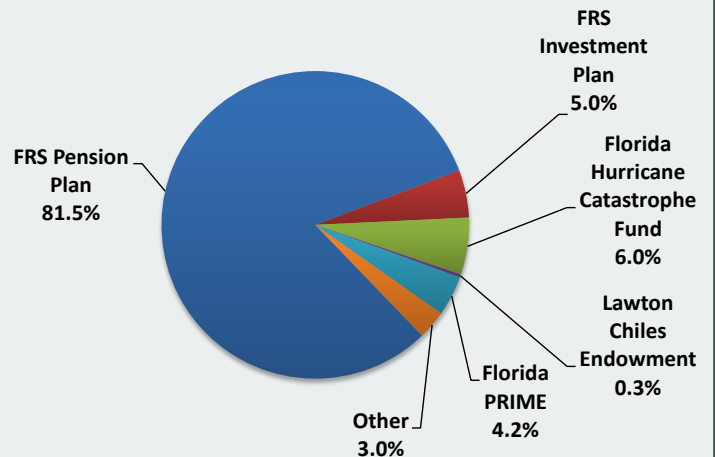
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SUMMARY OF MANDATES

TOTAL FUNDS UNDER MANAGEMENT



BREAKDOWN OF FUNDS UNDER MANAGEMENT



SUMMARY OF MANDATES

FLORIDA RETIREMENT SYSTEM (IN THOUSANDS)	February 28, 2015 MARKET VALUE	January 31, 2015 MARKET VALUE
FRS PENSION PLAN ASSET CLASSES		
GLOBAL EQUITY	\$89,035,186	\$84,958,698
FIXED INCOME	\$29,373,933	\$29,506,329
REAL ESTATE	\$11,928,715	\$11,883,474
PRIVATE EQUITY	\$8,268,679	\$8,226,677
STRATEGIC INVESTMENTS	\$9,825,604	\$9,537,920
CASH	\$1,090,567	\$1,361,544
TOTAL FRS PENSION PLAN	\$149,522,684	\$145,474,643
TOTAL FRS INVESTMENT PLAN	\$9,162,120	\$8,848,963
LAWTON CHILES ENDOWMENT FUND (IN THOUSANDS)		
LCEF ASSET CLASSES		
GLOBAL EQUITY	\$465,269	\$440,781
FIXED INCOME	\$98,810	\$99,725
TIPS	\$61,844	\$62,638
CASH	\$8,292	\$8,305
TOTAL LAWTON CHILES ENDOWMENT FUND	\$634,215	\$611,449
OTHER FUNDS (IN THOUSANDS)		
DEBT SERVICE NONESCROW	\$948,516	\$871,548
DEBT SERVICE ESCROW	\$1,194,105	\$1,192,781
GAS TAX	\$0	\$254
RETIREE HEALTH INSURANCE SUBSIDY	\$26,177	\$27,889
POLICE AND FIREFIGHTERS	\$113,805	\$113,879
FLORIDA ENDOWMENT FOR VOCATIONAL REHAB.	\$0	\$0
FLORIDA PRIME	\$7,714,873	\$7,822,522
Less Florida PRIME holdings in SBA funds	(\$278,454)	(\$279,203)
FUND B SURPLUS FUNDS TRUST FUND	\$43,225	\$43,225
DEPARTMENT OF THE LOTTERY	\$399,142	\$423,681
SBA ADMINISTRATIVE EXPENSE	\$43,323	\$42,734
PEORP ADMINISTRATIVE TRUST FUND	\$28,359	\$28,544
FLORIDA HURRICANE CATASTROPHE FUND	\$10,980,176	\$10,979,655
STATE BOARD OF ADMINISTRATION FINANCE CORPORATION	\$2,648,684	\$2,558,486
FLORIDA PREPAID COLLEGE PROGRAM	\$280,977	\$266,773
BOND PROCEEDS	\$4,730	\$4,730
ARBITRAGE COMPLIANCE	\$2,646	\$2,662
REVENUE BOND FEE	\$6,193	\$6,417
INLAND PROTECTION FINANCING CORPORATION	\$2	\$2
BLIND SERVICES	\$5,064	\$4,936
MCKNIGHT EDUCATION FUND	\$0	\$1
FSU RESEARCH FOUNDATION	\$0	\$0
ICB PROGRAM	\$1,897	\$1,897
BURNHAM INSTITUTE	\$18,258	\$18,258
TORREY PINES INSTITUTE	\$3,565	\$3,565
PINELLAS SUN COAST TRANSIT AUTHORITY	\$0	\$0
SRI INTERNATIONAL	\$116	\$116
UNIVERSITY OF MIAMI	\$20,901	\$20,898
MAX PLANCK	\$3,396	\$3,396
OREGON HEALTH AND SCIENCE	\$2,574	\$2,574
CHARLES STARK DRAPER LABORATORY	\$1,112	\$1,112
PAYING BANK RECALLS	\$0	\$0
OTHER FUNDS TOTAL	\$24,213,362	\$24,163,332
ALL FUNDS	\$183,532,381	\$179,098,387

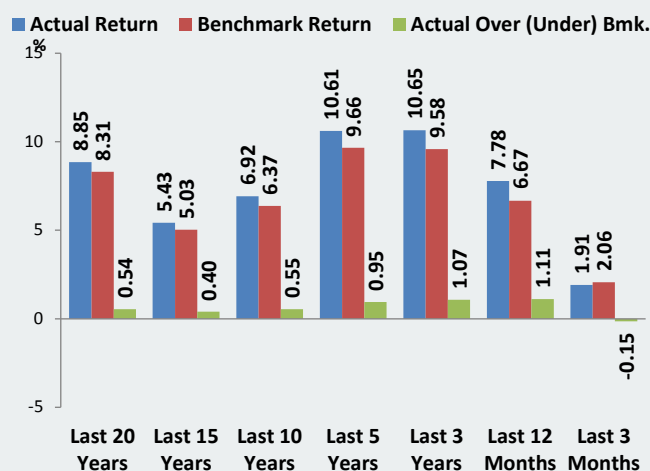
FLORIDA RETIREMENT SYSTEM PENSION PLAN ASSET CLASS BENCHMARKS & CASH FLOWS

ASSET CLASS BENCHMARKS

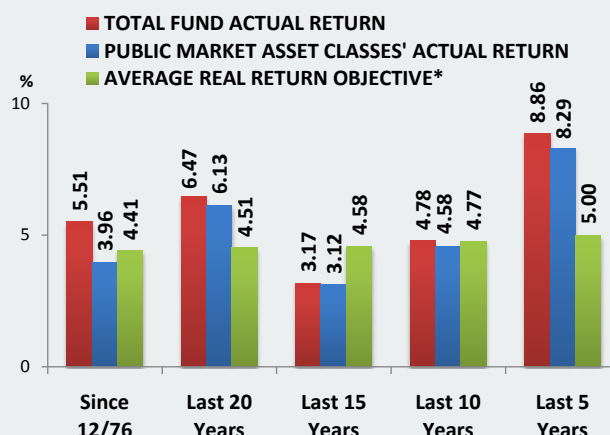
Asset Class	Index
Global Equity	A custom version of the MSCI All Country World Investable Market Index (ACWI IMI), in dollar terms, net of withholding taxes on non-resident institutional investors, adjusted to reflect the provisions of the Protecting Florida's Investments Act
Fixed Income	The Barclays Capital U.S. Intermediate Aggregate Index
Real Estate	The core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index – Open-ended Diversified Core Equity, NET of fees, weighted at 76.5%, and the non-core portion of the asset class is benchmarked to an average of the National Council of Real Estate Investment Fiduciaries (NCREIF) Fund Index – Open-ended Diversified Core Equity, NET of fees, weighted at 13.5%, plus a fixed return premium of 150 basis points per annum, and the FTSE EPRA/NAREIT Developed Index, in dollar terms, net of withholding taxes on non-resident institutional investors, weighted at 10%
Private Equity	The MSCI All Country World Investable Market Index (ACWI IMI), in dollar terms, net of withholding taxes on non-resident institutional investors, adjusted to reflect the provisions of the Protecting Florida's Investments Act, plus a fixed premium return of 300 basis points per annum
Strategic Investments	A weighted-average of individual portfolio level benchmark returns
Cash Equivalents	iMoneyNet First Tier Institutional Money Market Funds Net Index

FLORIDA RETIREMENT SYSTEM PENSION PLAN PERFORMANCE CHARTS

TOTAL FUND ACTUAL RETURNS



TOTAL FUND REAL RETURNS



* The FRS's real return objective was 4.3% prior to June 2003, and 4% from June 2003 to May 2007. It has been 5% since June 1, 2007.

RETURNS BY ASSET CLASS

	PAST 3 MONTHS			PAST 12 MONTHS		
	ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK	ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK
TOTAL FRS Pension Plan*	1.91%	2.06%	-0.15%	7.78%	6.67%	1.11%
Asset Allocation	2.04%	2.06%	-0.02%	6.63%	6.67%	-0.04%
Global Equity	2.33%	2.26%	0.07%	7.70%	6.99%	0.71%
Fixed Income	0.81%	0.71%	0.11%	3.67%	3.46%	0.21%

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

CASH FLOWS AND INVESTMENT GAIN/LOSS

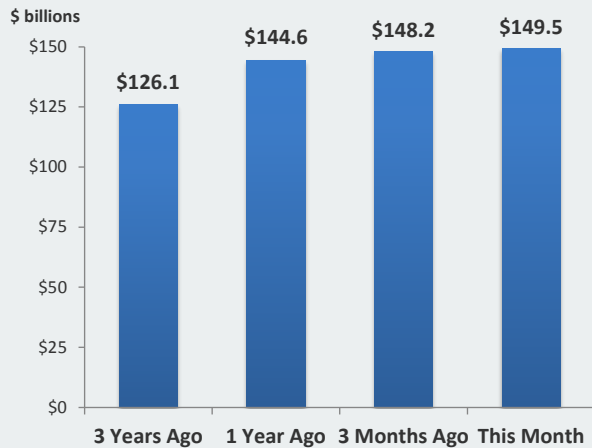
ASSET CLASS ¹	PERFORMANCE OVER LAST 3 MOS.			PERFORMANCE OVER LAST 12 MOS.		
	TRANSFERS & CONTRIB. ²	RETURNS	CHANGE IN NET ASSET VALUE	TRANSFERS & CONTRIB. ²	RETURNS	CHANGE IN NET ASSET VALUE
Global Equity	(\$836.8)	\$2,029.2	\$1,192.4	(\$5,111.4)	\$6,534.4	\$1,423.0
Fixed Income	(\$1,016.9)	\$241.2	(\$775.7)	(\$1,399.7)	\$1,034.9	(\$364.8)
Real Estate	(\$6.0)	\$374.2	\$368.2	(\$217.1)	\$1,469.6	\$1,252.5
Private Equity	\$10.0	\$33.6	\$43.6	(\$150.0)	\$1,248.4	\$1,098.4
Strategic Investments	\$380.0	\$130.0	\$510.0	\$1,072.1	\$720.1	\$1,792.2
Cash	(\$19.7)	(\$2.4)	(\$22.1)	(\$191.4)	(\$56.7)	(\$248.2)
Total	(\$1,489.4)	\$2,805.8	\$1,316.4	(\$5,997.6)	\$10,950.6	\$4,953.0

¹ Based on available figures as of report time. Unless otherwise stated, all figures are in millions of dollars.

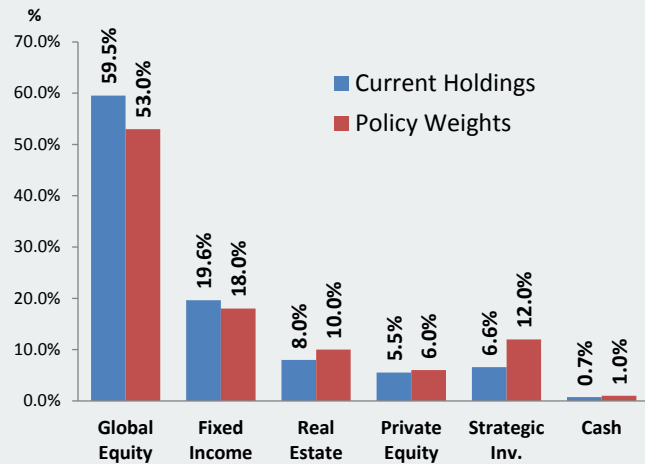
² For all asset classes other than Cash, these figures reflect only inter-asset class transfers. The figure for Cash includes flows external to the fund.

FLORIDA RETIREMENT SYSTEM PENSION PLAN ASSET ALLOCATION CHARTS

NET ASSET VALUES



ASSET ALLOCATION



RETURNS TO ASSET ALLOCATION

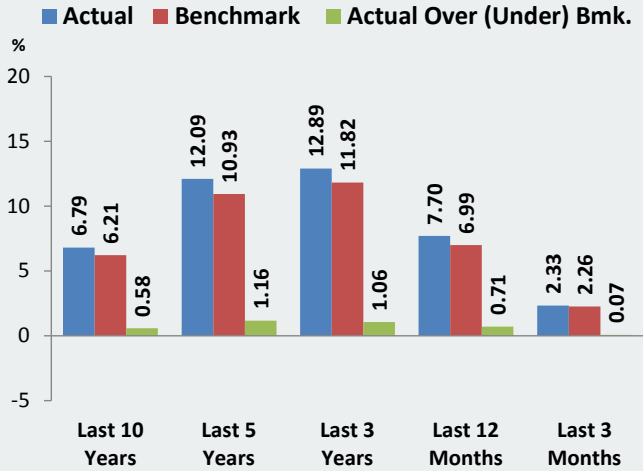


ASSET ALLOCATION RANGES

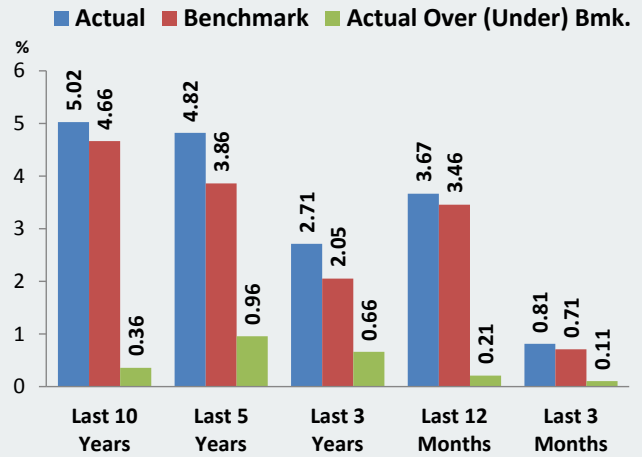
	Policy Low	Policy High	Actual Low	Actual High
Global Equity	45.0%	70.0%	58.6%	59.6%
Fixed Income	10.0%	26.0%	19.5%	20.2%
Real Estate	4.0%	16.0%	7.9%	8.1%
Private Equity	2.0%	9.0%	5.5%	5.6%
Strategic Investments	0.0%	16.0%	6.3%	6.6%
Cash	0.25%	5.0%	0.7%	1.2%

FLORIDA RETIREMENT SYSTEM PENSION PLAN ASSET CLASS PERFORMANCE CHARTS

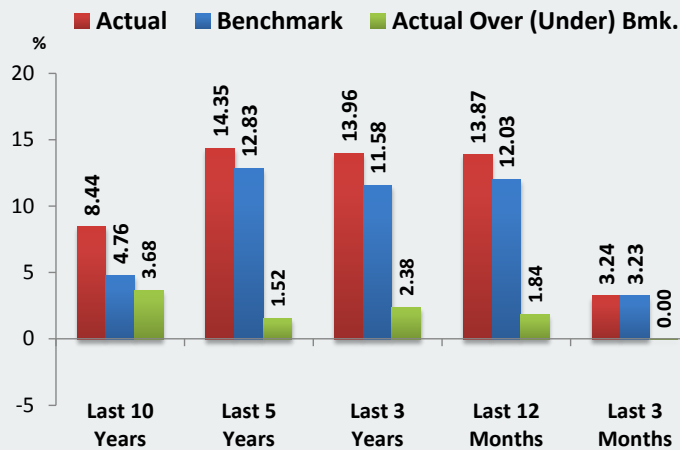
GLOBAL EQUITY



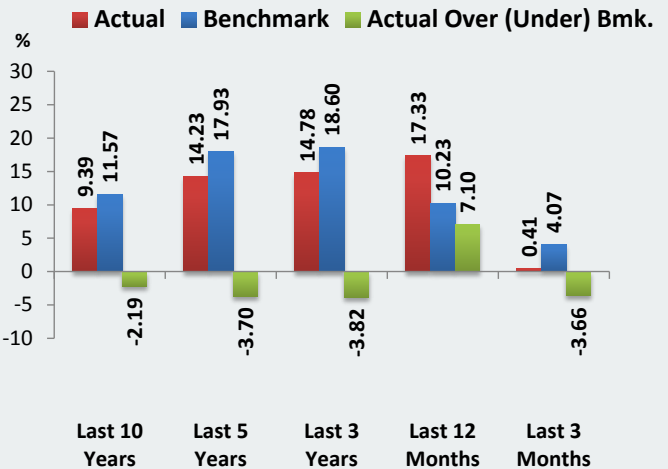
FIXED INCOME



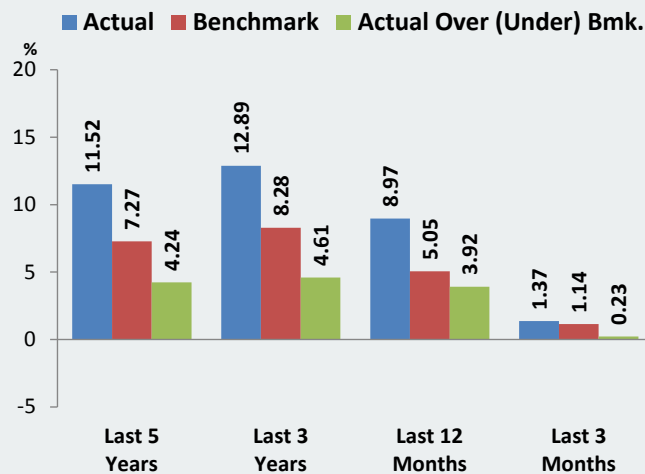
REAL ESTATE



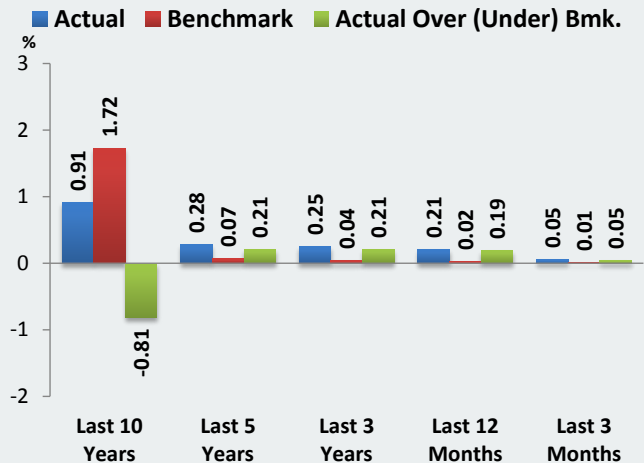
PRIVATE EQUITY



STRATEGIC INVESTMENTS

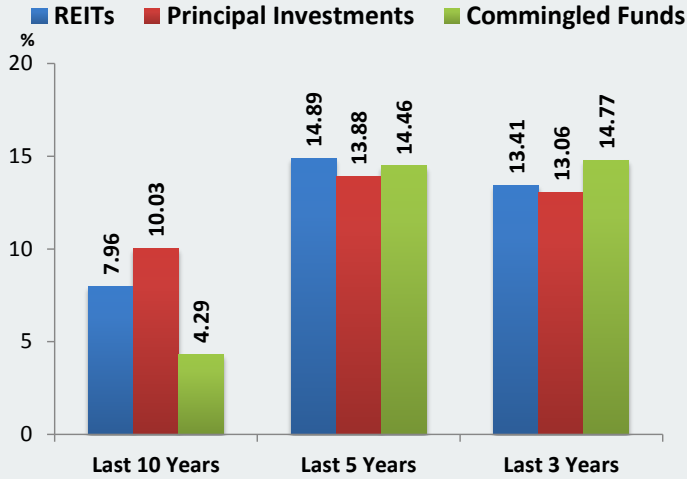


CASH & CASH EQUIVALENTS



FLORIDA RETIREMENT SYSTEM PENSION PLAN PRIVATE MARKET PERFORMANCE CHARTS

REAL ESTATE PERFORMANCE BY INVESTMENT TYPE

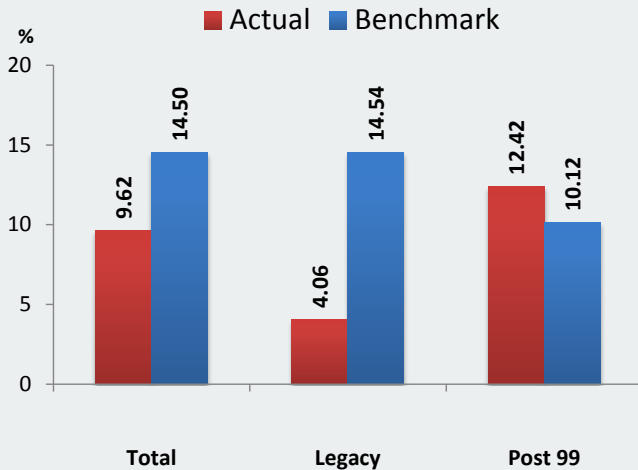


Private-market real estate valuations are subject to significant delays relative to the reporting period.

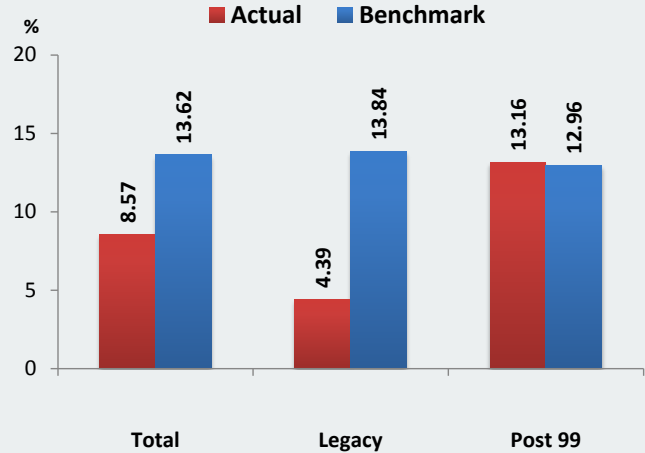
STRATEGIC INVESTMENTS PERFORMANCE VS. LONG-TERM TARGET



PRIVATE EQUITY TIME-WEIGHTED VS. SECONDARY BENCHMARK¹



PRIVATE EQUITY INTERNAL RATE OF RETURN VS. SECONDARY BENCHMARK¹

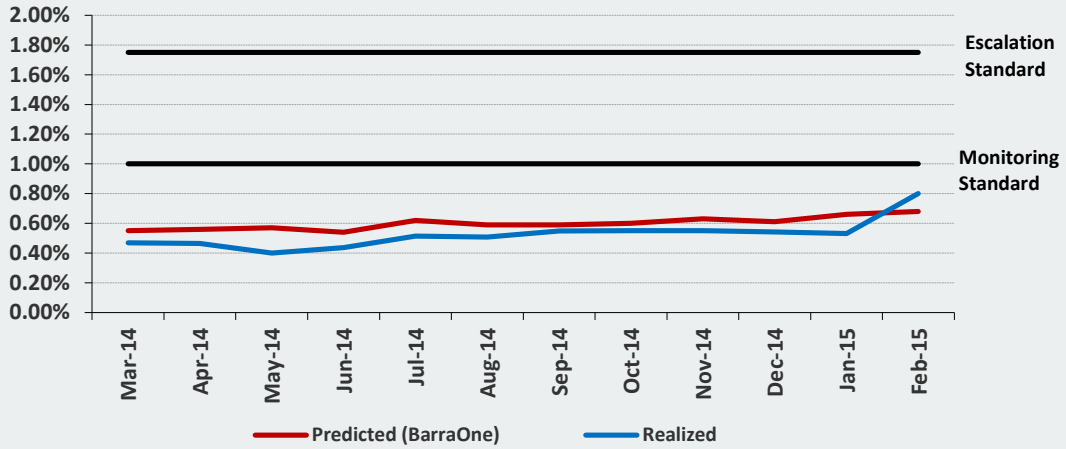


¹The results above are based on data through December 31, 2014. The secondary benchmark is a weighted average of Cambridge Associates' Private Equity and Venture Capital indexes.

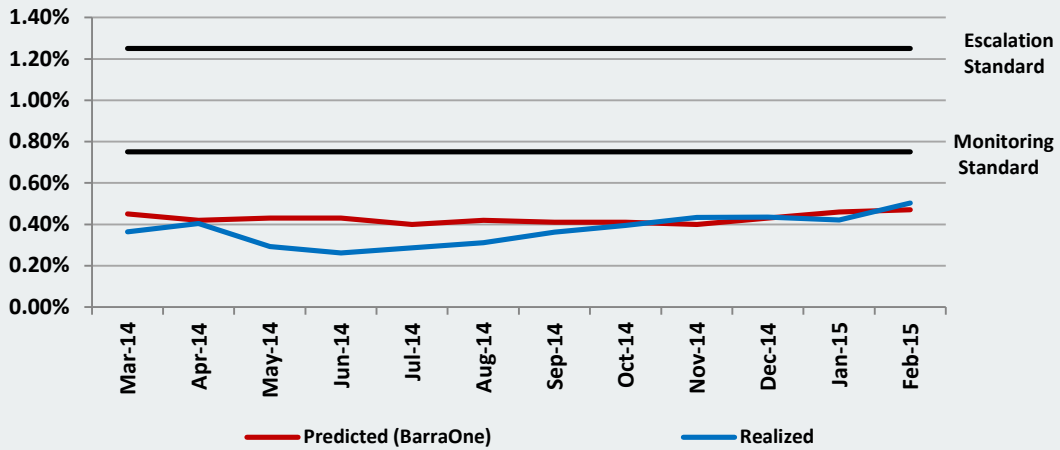
Because of the long-term nature of investing in private equity, funds can produce low or negative returns in the early years of the partnership. In the first few years of the partnership, management fees are drawn from partners' capital, and portfolio companies are held at cost, leading to an understatement of ultimate value. Due to numerous factors, including the lack of standardized valuation and reporting standards, the return information for Private Equity in this report may not reflect the expected returns of the partnerships. The returns contained in this report are calculated by SBA's custodian, Bank of New York Mellon, and have not been reviewed by the general partners. Returns during early stages of the investment life cycle may not be meaningful or indicative of ultimate performance. Private Equity asset valuations are subject to significant delays relative to the reporting period.

FLORIDA RETIREMENT SYSTEM PENSION PLAN TOTAL FUND RISK

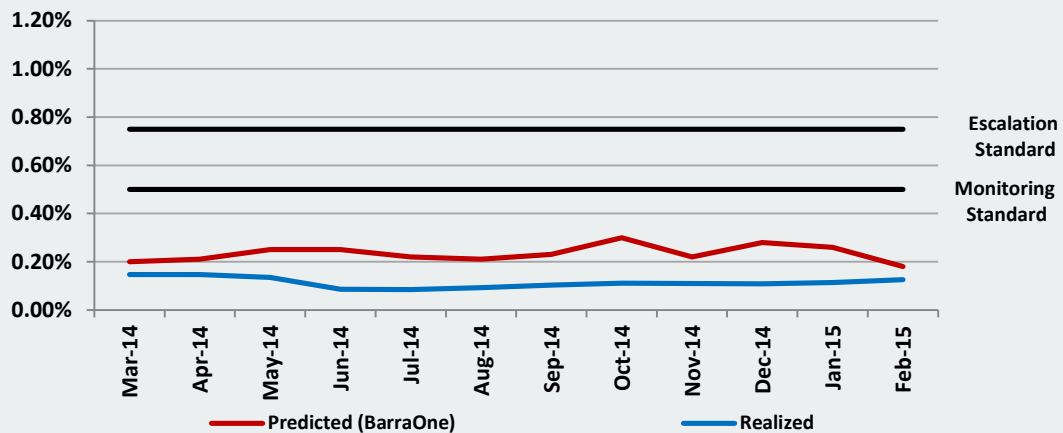
TOTAL FUND RISK



GLOBAL EQUITY RISK

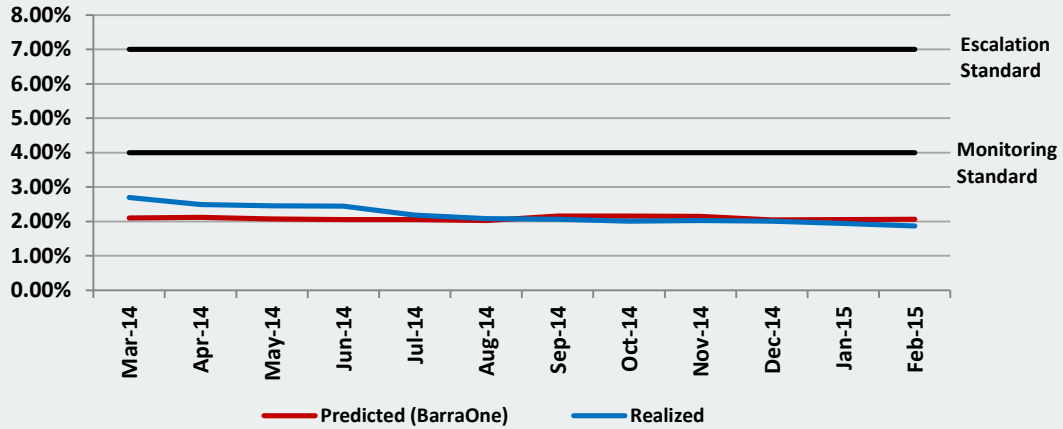


FIXED INCOME RISK

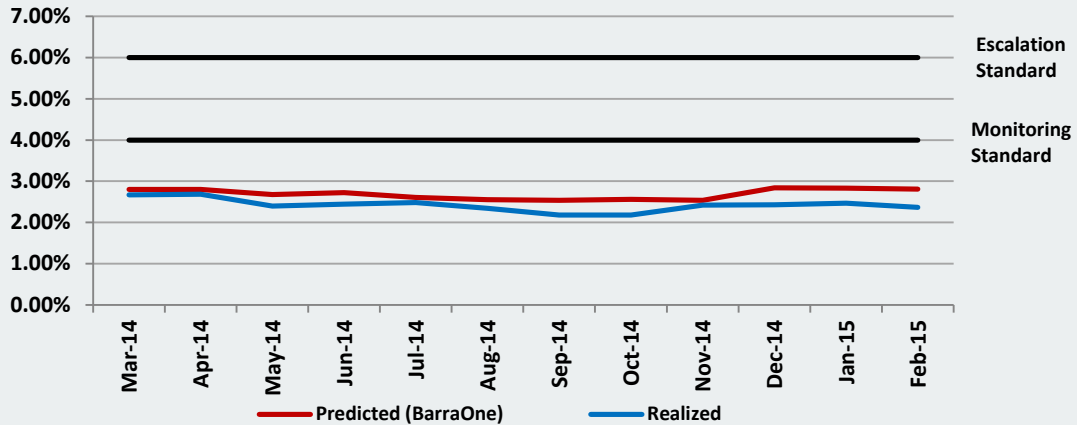


FLORIDA RETIREMENT SYSTEM PENSION PLAN TOTAL FUND RISK

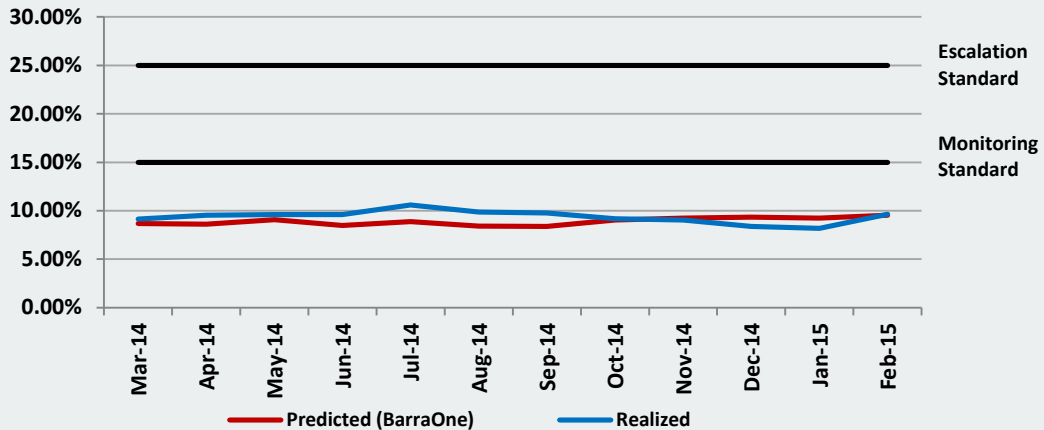
REAL ESTATE RISK



STRATEGIC INVESTMENTS RISK

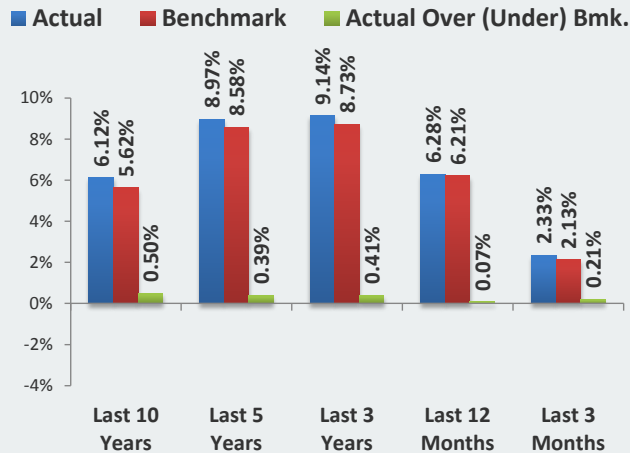


PRIVATE EQUITY RISK



FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

TOTAL PLAN ACTUAL RETURNS, BENCHMARK RETURNS, AND VALUE ADDED



TOTAL PLAN NET ASSET VALUES



Performance figures and total presented for the FRS Investment Plan do not include balances held in member Self Directed Brokerage Accounts, but they are reflected in total fund figures presented elsewhere in this report.

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%	2.33%	2.13%	0.21%	6.28%	6.21%	0.07%
Domestic Equity	43.5%	3.65%	3.31%	0.33%	12.67%	12.42%	0.25%
Foreign Equity	19.3%	1.87%	1.70%	0.16%	0.98%	0.89%	0.09%
Fixed Income	21.1%	1.36%	1.28%	0.08%	4.20%	4.37%	-0.17%
Real Assets and TIPS	6.6%	1.35%	0.75%	0.60%	0.80%	3.11%	-2.30%
Money Market Funds	9.5%	0.04%	0.01%	0.03%	0.15%	0.02%	0.13%

Figures do not include Self Directed Brokerage Account holdings

CASH FLOWS AND MARKET VALUES¹

	Participant Selections	Contributions ²	Distributions ³	Transfers ⁴	Investment Gain/Loss ⁵	Change in Net Asset Value	Market Value
Retirement Date Funds	128,862	\$47.4	-\$36.5	-\$11.3	\$123.4	\$123.1	\$3,982.7
Money Market	15,610	\$30.1	-\$26.1	\$10.7	-\$0.1	\$14.6	\$849.8
Real Assets and TIPS	9,657	\$0.5	-\$1.0	-\$2.4	\$0.8	-\$2.1	\$127.3
Fixed Income	31,581	\$3.6	-\$5.6	-\$7.9	-\$1.3	-\$11.1	\$662.1
Domestic Equity	93,533	\$9.6	-\$16.4	-\$16.6	\$146.7	\$123.2	\$2,603.3
Foreign Equity	50,427	\$3.0	-\$4.5	\$11.5	\$32.5	\$42.5	\$679.0
Self-Directed Brokerage Account	1,538	\$0.0	\$0.0	\$16.0	\$8.9	\$24.9	\$253.0

¹ Based on figures provided by the Investment Plan's third-party administrator as of report time. Dollar values are in millions.

² Contributions reflect rollovers in, employer and employee contributions, conversions in (Accumulated Benefit Obligation Transfers, true ups) and account adjustments.

³ Distributions reflect withdrawals and terminations made by participants.

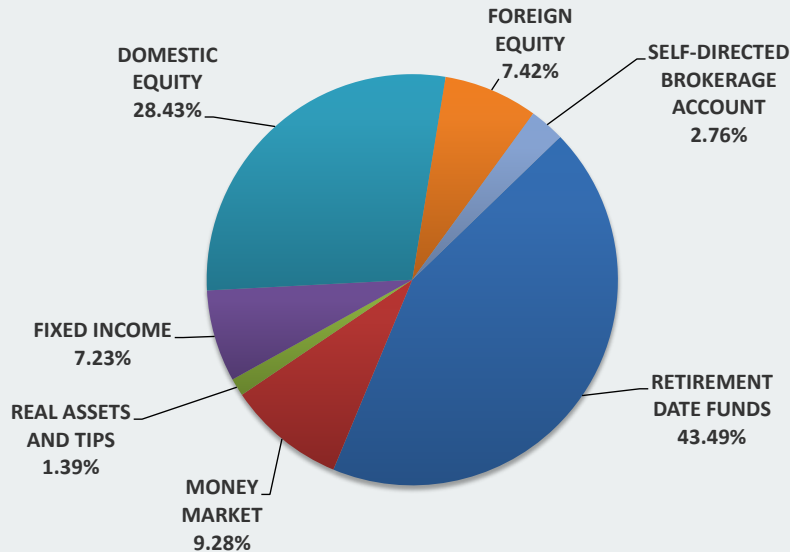
⁴ Transfers reflect transactions that do not require funding and capture movement from one fund to another.

⁵ Reflect the difference of Net Gains / Losses less contributions, distributions, and transfers.

Reflect the appreciation / depreciation of unit price over the given time period.

FLORIDA RETIREMENT SYSTEM INVESTMENT PLAN

PARTICIPANT SELECTION DATA



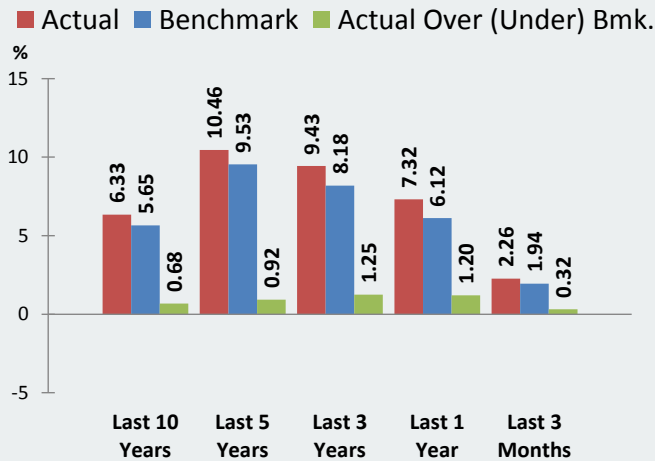
FRS ELECTIONS

	New Employee				Second Elections							
	Defaults (Pension)		Pension Plan		Investment Plan/Hybrid		FY Totals	Pension Plan		Investment Plan/Hybrid		FY Totals
FY 09-10	21,501	55.5%	8,158	21.1%	9,071	23.4%	38,730	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	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	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	547	8.7%	5,741	91.3%	6,288
FY 13-14	30,400	58.5%	8,499	16.4%	13,025	25.1%	51,924	583	9.2%	5,721	90.8%	6,304
FY 14-15*	11,199	59.1%	3,368	17.8%	4,383	23.1%	18,950	281	10.7%	2,347	89.3%	2,628
Total	130,318	55.9%	43,388	18.6%	59,271	25.4%	232,977	2,432	6.9%	33,002	93.1%	35,434

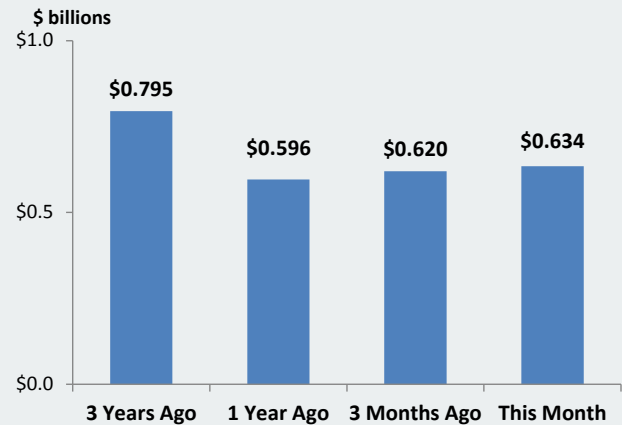
* FY Totals as of month end and may not add up due to rounding.

LAWTON CHILES ENDOWMENT FUND

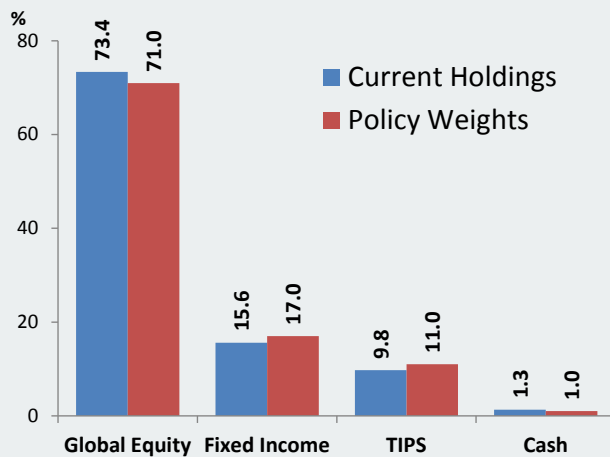
ACTUAL RETURNS, BENCHMARK RETURNS, AND VALUE ADDED



NET ASSET VALUE



ASSET ALLOCATION



MONTHLY MOVEMENT IN ASSET ALLOCATION

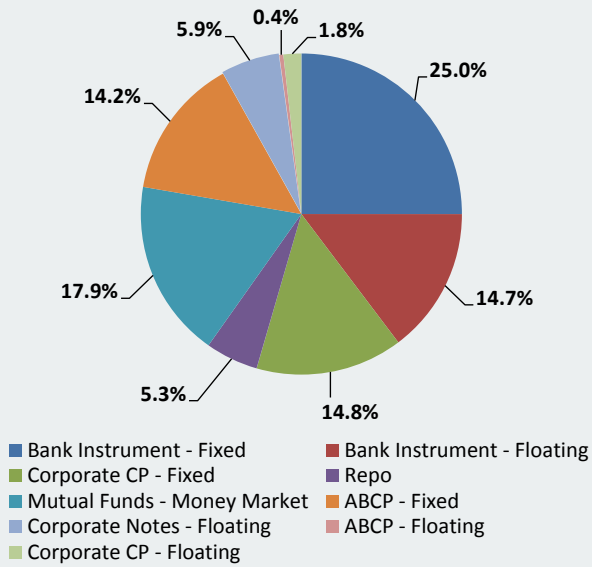
Asset Class	Policy Range		Actual Range	
	Low	High	Low	High
Global Equity	61.0%	81.0%	72.3%	73.4%
Fixed Income	12.0%	22.0%	15.6%	16.2%
TIPS	6.0%	16.0%	9.7%	10.2%
Cash	0.0%	10.0%	1.3%	1.3%

CHILES ENDOWMENT NET RETURNS BY ASSET CLASS

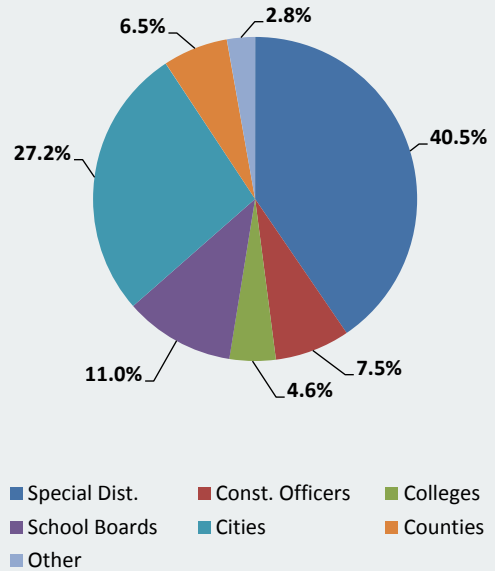
	PAST 3 MONTHS			PAST 12 MONTHS		
	ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK	ACTUAL	BENCHMARK	ACTUAL MINUS BENCHMARK
TOTAL LCEF	2.26%	1.94%	0.32%	7.32%	6.12%	1.20%
Asset Allocation	1.90%	1.94%	-0.04%	6.06%	6.12%	-0.05%
Global Equity	2.70%	2.24%	0.46%	8.46%	6.82%	1.65%
Fixed Income	1.41%	1.23%	0.17%	5.23%	5.05%	0.18%
TIPS	0.74%	0.75%	-0.01%	3.15%	3.11%	0.04%
Cash	0.28%	0.01%	0.27%	0.46%	0.05%	0.41%

FLORIDA PRIME AND FUND B

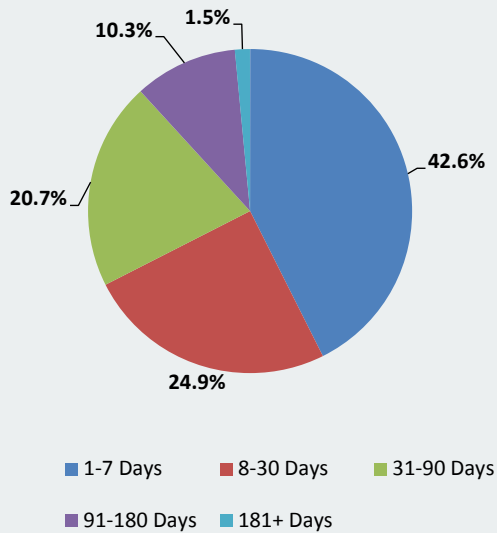
PORTFOLIO COMPOSITION



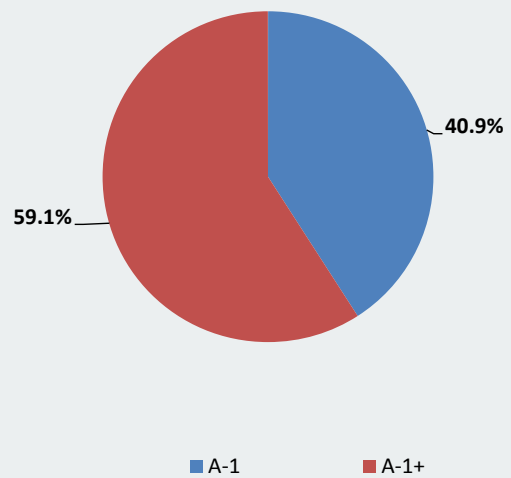
PARTICIPANTS BY TYPE - 788 TOTAL



EFFECTIVE MATURITY SCHEDULE

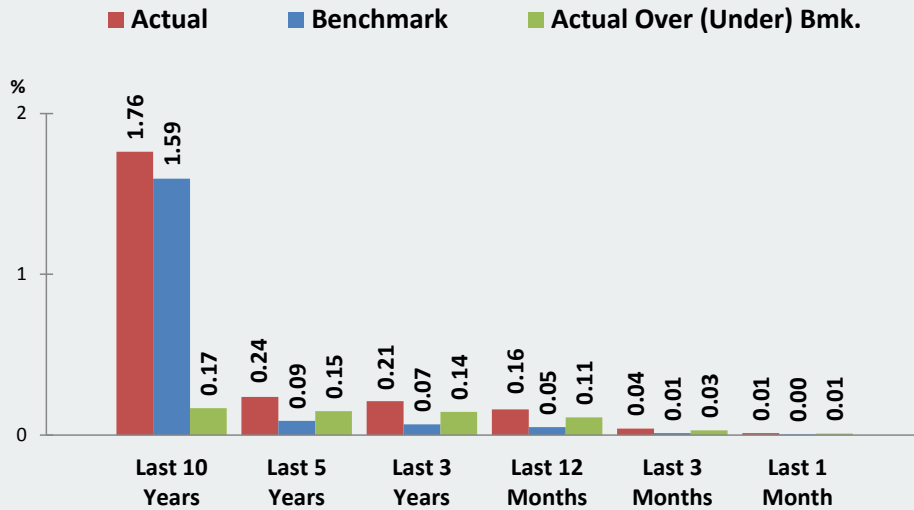


CREDIT QUALITY



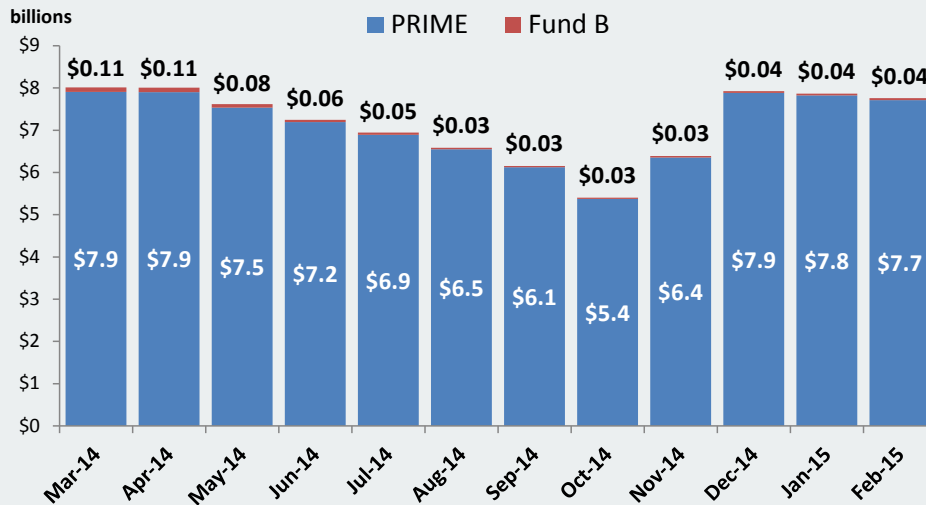
FLORIDA PRIME AND FUND B

FLORIDA PRIME YIELD*, S&P GIP All 30-DAY NET YIELD AND VALUE ADDED



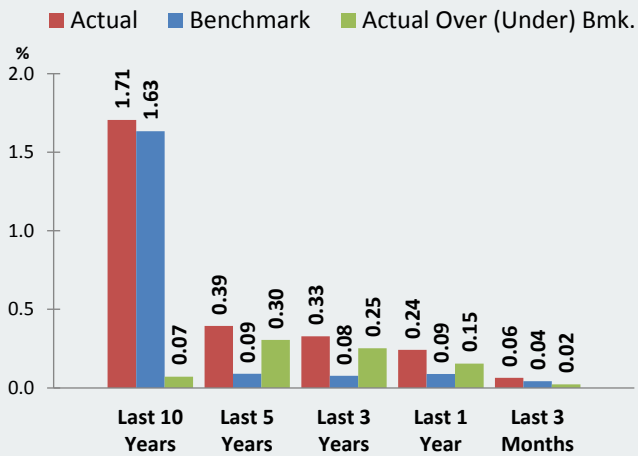
* Return calculated pursuant to Chapter 19-7.011, Florida Administrative Code
Returns less than 1-year are not annualized

FLORIDA PRIME AND FUND B MARKET VALUES

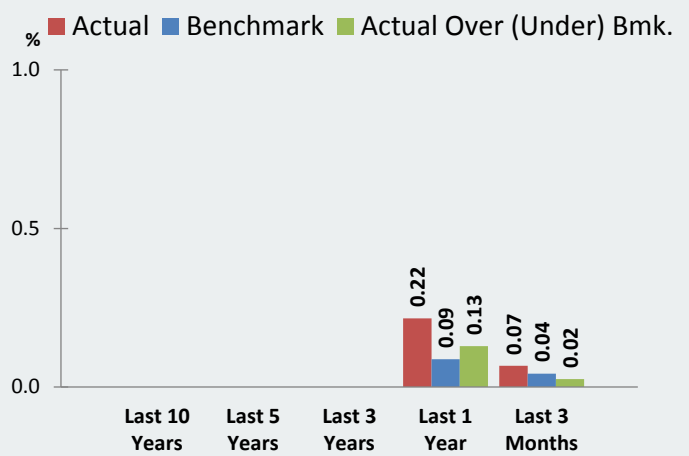


FLORIDA HURRICANE CATASTROPHE FUND

OPERATING FUND ACTUAL RETURNS, BENCHMARK RETURNS, AND VALUE ADDED



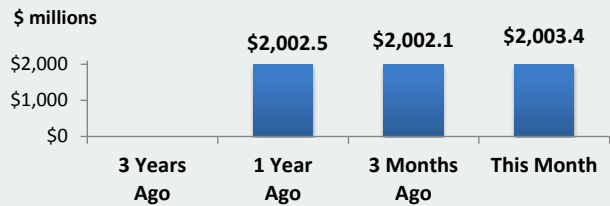
2013A NOTE PROCEEDS ACTUAL RETURNS, BENCHMARK RETURNS, AND VALUE ADDED



OPERATING FUND NET ASSET VALUES



2013A NOTE PROCEEDS NET ASSET VALUES



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