



Florida Retirement System Pension Plan Asset Classes

A fund's exposure to various major asset types or asset classes is known as its asset allocation. The Florida Retirement System Trust Fund invests in the following asset classes:

Global Equity: Asset class consisting principally of stocks of companies located in the United State and internationally

Fixed Income: Asset class consisting principally of investment grade bonds

Private Equity: Asset class consisting principally of equity investments through limited partnerships

Real Estate: Asset class consisting principally of direct-owned real properties, real estate-based joint ventures, open-end and closed-end funds, and publicly traded real estate securities (e.g., Real Estate Investment Trusts)

Strategic Investments: Asset class in the FRS Pension plan established to potentially contain a variety of portfolios which represent asset types or strategies that may be more opportunistic and thus not suitable for a standing allocation of assets.

Cash Equivalents: Asset class consisting principally of securities that are short-term, have high credit quality and are highly liquid

Asset class performance is measured in accordance with a broad market index appropriate to the asset class. The indices identified in the table to the right are used as the primary benchmarks for the Fund's asset classes.

The SBA has a history of making periodic adjustments to its asset allocation to ensure our strategy is appropriate for the long term health of the pension system. This has resulted in approximately \$2 out of every \$3 paid to retirees coming from investment earnings, not Florida taxpayers.

Asset Class	Benchmark
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 provisions of the Protecting Florida's Investments Actinvestors, adjusted to reflect the provisions of the Protecting Florida's Investments Act.
Fixed Income	The Barclays Capital U.S. Intermediate Aggregate Index.
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 Florida's Investments Act, plus a fixed premium return of 300 basis points per annum.
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 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%.
Strategic Investments	A weighted-average of individual portfolio level benchmark returns.
Cash & Cash Equivalents	iMoneyNet First Tier Institutional Money Market Funds Net Index.