

**MEETING OF THE STATE BOARD OF ADMINISTRATION**

**GOVERNOR CRIST AS CHAIRMAN  
CHIEF FINANCIAL OFFICER SINK AS TREASURER  
ATTORNEY GENERAL MCCOLLUM AS SECRETARY**

**September 28, 2010**

**To View Agenda Items, Click on the Following Link:**

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**1. REQUEST APPROVAL OF MINUTES OF THE AUGUST 10, 2010, MEETING**

**(See Attachment 1)**

**ACTION REQUIRED**

**2. EXECUTIVE DIRECTOR/CIO UPDATE**

**(See Attachment 2)**

**3. INVESTMENT PERFORMANCE REPORTS**

**a. Florida Retirement System Pension Plan (DB)**

**b. Florida Retirement System Investment Plan (DC)**

**c. Florida PRIME (Local Government Surplus Funds Trust Fund) and Fund B**

**d. Florida Hurricane Catastrophe Fund (FHCF)**

***Steve Cummings & Mike Sebastian – Hewitt EnnisKnupp***

**(See Attachments 3-A, 3-B, 3-C, & 3-D)**

**4. STANDING REPORTS**

**a. Audit Committee – *Bill Sweeney***

**b. Participant Local Government Advisory Council – *Patsy Heffner***

**c. Investment Advisory Council – *John Hill***

**d. General Counsel – *Maureen Hazen***

**e. Corporate Governance – *Mike McCauley***

**f. Risk Management & Compliance – *Eric Nelson***

**(See Attachments 4-A, 4-B, 4-D, 4-E, & 4-F)**

T H E   C A B I N E T  
S T A T E   O F   F L O R I D A

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Representing:

DIVISION OF BOND FINANCE  
FINANCIAL SERVICES COMMISSION, INSURANCE REGULATION  
DEPARTMENT OF REVENUE  
DEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES  
BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND  
STATE BOARD OF ADMINISTRATION

The above agencies came to be heard before  
THE FLORIDA CABINET, Honorable Governor Crist presiding,  
in the Cabinet Meeting Room, LL-03, The Capitol,  
Tallahassee, Florida, on Tuesday, August 10, 2010,  
commencing at approximately 9:07 a.m.

Reported by:

MARY ALLEN NEEL  
Registered Professional Reporter  
Florida Professional Reporter  
Notary Public

ACCURATE STENOGRAPHY REPORTERS, INC.  
2894 REMINGTON GREEN LANE  
TALLAHASSEE, FLORIDA 32308  
(850)878-2221

## APPEARANCES:

Representing the Florida Cabinet:

CHARLIE CRIST  
Governor

CHARLES H. BRONSON  
Commissioner of Agriculture

BILL McCOLLUM  
Attorney General

ALEX SINK  
Chief Financial Officer

\* \* \*

I N D E X

## FLORIDA PAROLE COMMISSION

ITEM	ACTION	PAGE
--	Discussed	5

 DIVISION OF BOND FINANCE  
 (Presented by BEN WATKINS)

ITEM	ACTION	PAGE
1	Approved	9
2	Approved	9
3	Approved	10
4	Approved	11
5	Approved	11
6	Approved	12
7	Approved	12
8	Approved	12
9	Approved	13

 FINANCIAL SERVICES COMMISSION, INSURANCE REGULATION  
 (Presented by BELINDA MILLER)

ITEM	ACTION	PAGE
1	Approved	19
2	Approved	20
3	Approved	20
4	Approved	21
5	Approved	21
6	Approved	22

 DEPARTMENT OF REVENUE  
 (Presented by LISA ECCHEVERI)

ITEM	ACTION	PAGE
1	Approved	23
2	Approved	23
3	Approved	24

INDEX CONTINUEDDEPARTMENT OF HIGHWAY SAFETY AND MOTOR VEHICLES  
(Presented by JULIE JONES)

ITEM	ACTION	PAGE
1	Approved	26
2	Approved	28
3	Approved	34
4	Approved	35
5	Approved	35
6	Approved	36
7	Approved	44
8	Approved	45
9	Approved	46

BOARD OF TRUSTEES OF THE INTERNAL IMPROVEMENT TRUST FUND  
(Presented by MIKE SOLE)

ITEM	ACTION	PAGE
1	Approved	49
2	Approved	50
3	Withdrawn	51
4	Discussed	51

STATE BOARD OF ADMINISTRATION  
(Presented by ASH WILLIAMS)

ITEM	ACTION	PAGE
1	Approved	65
2	Approved	65
3	Approved	66
4	Approved	66
5	Approved	67
6	Approved	67

CERTIFICATE OF REPORTER		68
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1 GOVERNOR CRIST: State Board of  
2 Administration, Ash Williams. Good morning, Ash.

3 MR. WILLIAMS: Good morning, Governor and  
4 Trustees.

5 First, an update on the Fund. As of last  
6 night's close, the Florida Retirement System Trust  
7 Fund had \$115.8 billion in it. Calendar  
8 year-to-date, up 442. That's 104 basis points  
9 ahead of target.

10 Item 1, request approval of the 8 June 2010  
11 meeting minutes.

12 ATTORNEY GENERAL McCOLLUM: Move it.

13 CFO SINK: Second.

14 GOVERNOR CRIST: Moved and seconded. Show the  
15 minutes approved without objection.

16 MR. WILLIAMS: Thank you. Item 2, request  
17 approval of a fiscal sufficiency not to exceed  
18 \$200 million, State of Florida, full faith and  
19 credit, State Board of Education Public Education  
20 Capital Outlay Bonds, 2008.

21 CFO SINK: Move it.

22 ATTORNEY GENERAL McCOLLUM: Second.

23 GOVERNOR CRIST: Moved and seconded. Show  
24 Item 2 approved without objection.

25 MR. WILLIAMS: Thank you. Item 3, another

1 fiscal sufficiency. Request approval of an amount  
2 not exceeding \$30,450,000 State of Florida, full  
3 faith, Board of Education Capital Outlay Bonds,  
4 2010 Series A.

5 ATTORNEY GENERAL McCOLLUM: I move Item 3.

6 CFO SINK: Second.

7 GOVERNOR CRIST: Moved and seconded. Show it  
8 approved without objection.

9 MR. WILLIAMS: Thank you. Item 4, request  
10 approval of a fiscal sufficiency of an amount not  
11 exceeding \$9 million State of Florida, full faith  
12 and credit, State Board of Education Capital Outlay  
13 Refunding Bonds, 2010, series to be determined.

14 CFO SINK: Move it.

15 ATTORNEY GENERAL McCOLLUM: Second.

16 GOVERNOR CRIST: Moved and seconded. Show it  
17 approved without objection.

18 MR. WILLIAMS: Thank you. Item 5, request  
19 reappointment -- request approval of reappointment  
20 of Dr. Randy Dumm as chair of the Florida  
21 Commission on Hurricane Loss Projection  
22 Methodology.

23 ATTORNEY GENERAL McCOLLUM: I move Item 5.

24 CFO SINK: Second.

25 GOVERNOR CRIST: Moved and seconded. Show it

1 approved without objection.

2 MR. WILLIAMS: Thank you. Item 6, request  
3 permission to file for adoption seven amended rules  
4 for the Local Government Surplus Funds Trust Fund,  
5 also known as Florida PRIME, pursuant to Chapter  
6 218.409, Florida Statutes. These essentially  
7 achieve compliance with new SEC guidelines relating  
8 to 2a-7-like funds, accomplish a certain cleanup in  
9 existing rules, and comply with statutory changes.

10 CFO SINK: Move it.

11 ATTORNEY GENERAL McCOLLUM: Second.

12 GOVERNOR CRIST: Moved and seconded. Show it  
13 approved without objection.

14 MR. WILLIAMS: Thank you.

15 GOVERNOR CRIST: Thank you. We are adjourned.

16 (Proceedings concluded at 10:21 a.m.)  
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# Executive Director & CIO Update

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**SBA Trustee Meeting**

**September 28, 2010**



INVESTING FOR FLORIDA'S FUTURE

→ **SBA Mandates Month End Market Values**  
**(\$Millions)**

Mandate	Dec-09	Mar-10	Jun-10	Sept 17, 2010*
FRS Pension Plan	\$113,511	\$116,718	\$109,344	\$116,216
FRS Investment Plan	\$4,810	\$5,067	\$5,050	\$5,443
CAT Fund	\$8,906	\$8,883	\$9,646	\$9,648
Lawton Chiles Endowment	\$666	\$695	\$627	\$673
Florida PRIME	\$6,538	\$5,794	\$5,481	\$5,445
Other SBA Mandates	\$4,202	\$4,677	\$3,347	\$3,340
<b>Total</b>	<b>\$138,634</b>	<b>\$141,834</b>	<b>\$133,496</b>	<b>\$140,765</b>

\*Unaudited and Tentative Data



## Major SBA Mandate Official Performance

Official Performance through July 2010.....

### Managed vs. Benchmark Returns

Mandate	3-month	1-year	3-year	5-year	10-year
FRS Pension Plan	0.08%	2.30%	0.09%	0.24%	0.31%
FRS Investment Plan	0.20%	0.60%	0.75%	0.62%	
CAT Operating Fund	0.02%	1.04%	-0.48%	-0.16%	0.24%
CAT Fund 2007A Note Proceeds	0.08%	0.43%			
Lawton Chiles Endowment	-0.48%	0.36%	0.12%	0.35%	0.29%
Health Insurance Subsidy	-0.16%	-0.26%	-1.42%	-0.97%	
SBA Investment Pools					
Local Government Investment Pool	0.04%	0.08%	0.14%	0.18%	0.23%
CAMP Money Market A	0.00%	-0.04%	0.19%	0.16%	0.16%

→ **FRS Pension Plan Additive Performance vs. Benchmark**  
**Final Data as of July 2010**

	<b>Last 3 Months</b>	<b>Last 12 Months</b>
Asset Allocation	-0.22%	-0.16%
Global Equity	0.24%	0.56%
Fixed Income	-0.14%	1.02%
Real Estate	0.00%	0.54%
Private Equity	0.38%	0.08%
Cash	0.00%	0.37%
Strategic Investments	0.10%	0.02%
Other*	-0.15%	-0.13%
<b>TOTAL</b>	<b>0.08%</b>	<b>2.30%</b>

\*Captures transition, STIPFRS liquidating, securities lending and other accounts

## → Investment Areas of Focus

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- Private Equity
  - General Partners have focused on financial/operational restructuring leading to a 20% performance gain over the last 12 months
  - SBA has \$4.4 billion in uncalled capital commitments
- Real Estate
  - Slow job growth, weak retail spending and poor rental prospects will continue to depress values for a number of SBA properties and funds
  - 87% of private real estate is allocated to stabilized properties with low leverage and reviewed policy with Investment Advisory Council
  - SBA has \$395 million in uncalled capital commitments and is actively looking for sales of stabilized properties by distressed sellers

## → Investment Areas of Focus

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- Strategic Investments
  - Up 18% over the last 12 months, in part, because of opportunistic debt funds
  - SBA has over \$2.4 billion in uncalled capital commitments, including funds that specialize in lending to distressed companies and companies undergoing restructurings
  - Continue in various stages of research or negotiation:
    - Debt-oriented funds
    - Residential and Commercial Real Estate funds
    - Corporate Governance Activist funds
    - Timberland
    - Infrastructure
    - Hedge funds

**4-A. AUDIT COMMITTEE – BILL SWEENEY**

**(NO BACKUP MATERIALS)**

# Participant Local Government Advisory Council (PLGAC)



## Participant Local Government Advisory Council (PLGAC)

- Continued implementation of SEC reforms affecting Rule 2a-7 money market funds.
- Achieved increased liquidity requirements as required by changes to Investment Policy.
  - 10% of pool must be liquid (accessible) within 1 Day.
  - 30% of pool must be liquid (accessible) within 7 Days.
- Investment performance continues to surpass all other comparable fund options for local governments.
- During FY2010, transferred \$122.2 million out of Fund B.

**4-C. INVESTMENT ADVISORY COUNCIL –  
JOHN HILL**

**(NO BACKUP MATERIALS)**

# General Counsel

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September 28, 2010

## → SBA General Counsel Office

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- **Special Projects**

- Dodd-Frank Reform and Consumer Protection Act
- *Morrison v. National Australia Bank* – Working Group of General Counsels

- **SBA Agreements**

- 39 New Contracts (includes 7 new Alternative Investments and 3 new Global Equity Managers)
- 72 Contract Amendments
- 15 Contract Terminations

- **SBA Litigation**

- Open Cases and Passive Recoveries
- Portfolio Monitoring Tool

# Corporate Governance

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September 28, 2010

## → SBA Governance Activities

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- Regulatory Commentary
  - SEC Proxy Plumbing Concept Release (Oct. 20<sup>th</sup> deadline)
- Proxy Voting Oversight Group (July 15<sup>th</sup> Meeting)
  - Foreign Equity Proxy Voting Review
  - Investor Initiative (Oil & Insurance Industry)
  - Majority Voting Initiative (U.S. firms)
- Dodd-Frank Act (Wall St Reform & Consumer Protection Act)
- Proxy Access (SEC passed August 25<sup>th</sup>)

## → Dodd-Frank Act

Corporate Governance	Action Required / Details
Proxy Access	SEC may establish rules
Chairman/CEO disclosures	SEC to establish rules
Broker discretionary voting	None specified
Risk Committees at financial institutions	Federal Reserve to establish rules
Smaller public company exemption from Sarbanes-Oxley internal control requirements	SEC to study the effects of Section 404(b) on mid-size companies
Broadened responsibility of SEC Investor Advisor Committee (IAC)	Full Commission to approve nominees.

## → Dodd-Frank Act

Executive Compensation	Action Required / Details
Say-on-Pay vote (SOP) and Say-When-on-Pay (SWOP) vote	None specified
Say-on-Golden Parachutes	None specified
Disclosure of SOP and Say-on-Golden Parachute votes by institutional investors	None specified
Independence of Compensation Committee members and Consultants	SEC to direct stock exchanges to develop listing standards
Pay-for-Performance and Pay-Parity Disclosures	SEC to establish rules
Compensation “Clawbacks”	SEC to direct stock exchanges to develop listing standards
Hedging disclosure (NEO & Directors)	SEC to establish rules
Covered Financial Institution Compensation Requirements	Federal regulators to jointly establish rules



## → SEC Rule 14a-11 (Proxy Access)

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- Inclusion of shareowner nominees in company proxy statements, if:
  - 3% ownership threshold for all companies (small caps deferred until 2014).
  - Investor (or group) must have owned the equity for at least 3 years.
  - Investor (or group) may nominate up to a maximum of 25% of the full board, with a minimum of 1 director.
  - Investor (or group) with largest ownership level receives preference.
- Allows shareowners to aggregate holdings, whereby several investors can create a group to achieve the 3% ownership level.
- Can not be used to seek control of the Board.
- Rule 14a-8(i)(8) amended to allow shareowners to make proposals to broaden (but not narrow) proxy access by lowering ownership or holdings thresholds, or by increasing the number of maximum nominees.
- Effective for annual meetings in 2011.

## → SBA Proxy Voting Statistics

Fiscal Year 2010	
Votes in Favor of Directors <b>73.1%</b>	Votes with Management <b>72.3%</b>
Votes in Favor of Auditors <b>96.1%</b>	Total Ballot Items Voted <b>28,284</b>
Votes in Favor of Governance Related Shareowner Proposals <b>71.4%</b>	Total Proxies Voted <b>3,568</b>
Votes in Favor of Environmental or Political Issue Related Proposals <b>55.4%</b>	Total Portfolios Voted <b>63</b>

# Risk Management & Compliance

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September 28, 2010



INVESTING FOR FLORIDA'S FUTURE

## → Risk Management & Compliance

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- **Compliance/Policy**

- SEC Adoption of Pay to Play Rules / Placement Agent Disclosure Policy
- Conflict of Interest Certification – Investment Management Acquisition

- **Risk Management**

- Continuity of Operations Program (COOP) Assessment
- Information Security Enhancements
- Total Fund Holdings Based Risk System

- **Training**



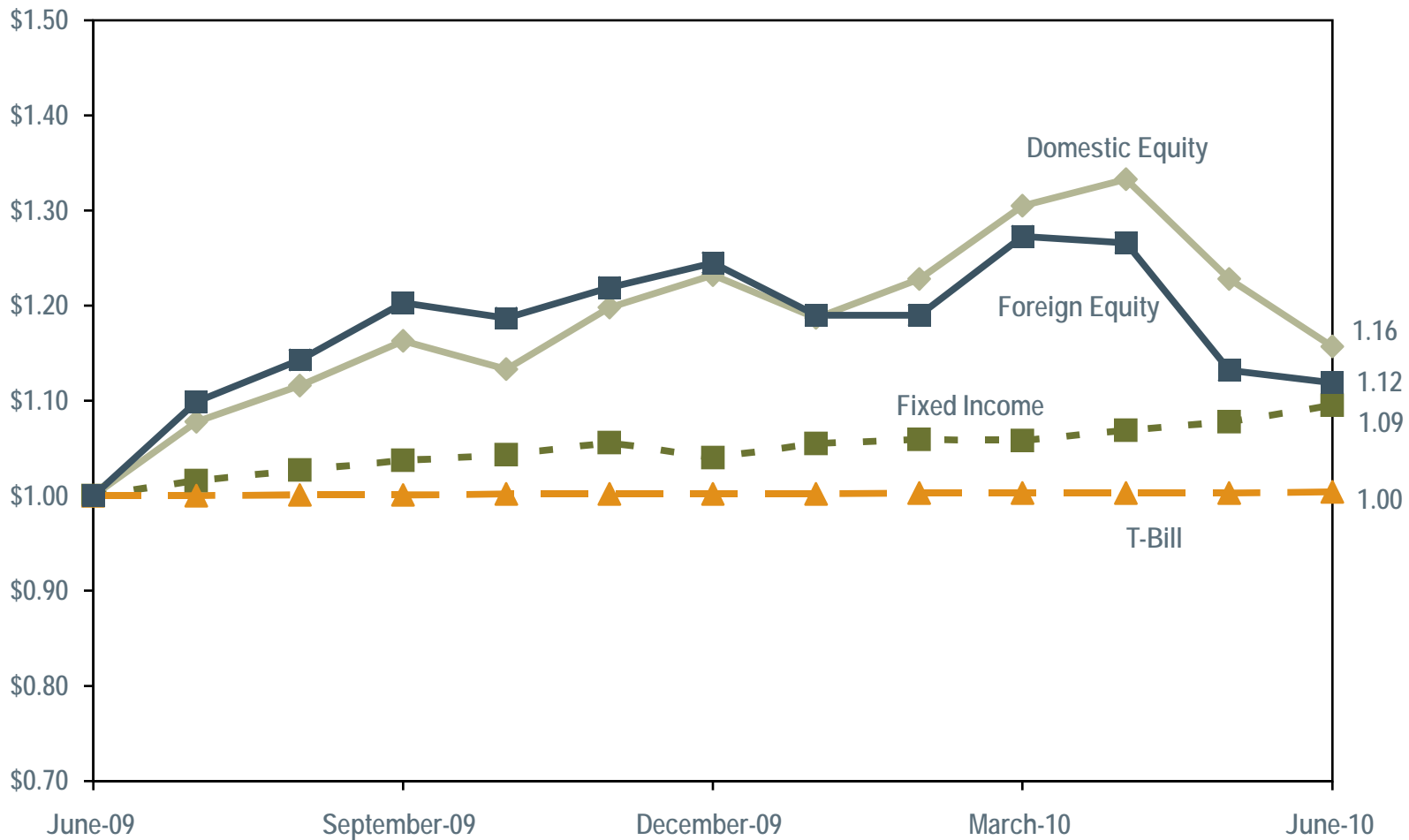
State Board of Administration of Florida  
Florida Retirement System

Pension Plan Review  
Second Quarter 2010

# Performance Highlights

- During the second quarter of 2010 and over the trailing one-, three-, five-, and ten-year periods, the Total Fund outperformed the Performance Benchmark.
- The Total Fund return exceeded the median fund in the Trust Universe Comparison Service (TUCS) top ten defined benefit plan universe over the trailing one-, three-, and five-year periods. During the second quarter and over the trailing ten-year period, the Total Fund return underperformed the median TUCS top ten defined benefit plan universe. Over the trailing one- and three-year periods, the Total Fund fell within the top quartile of returns reported by the TUCS top ten defined benefit plan universe.

# Market Environment Growth of a Dollar 1 Year Ending 6/30/10



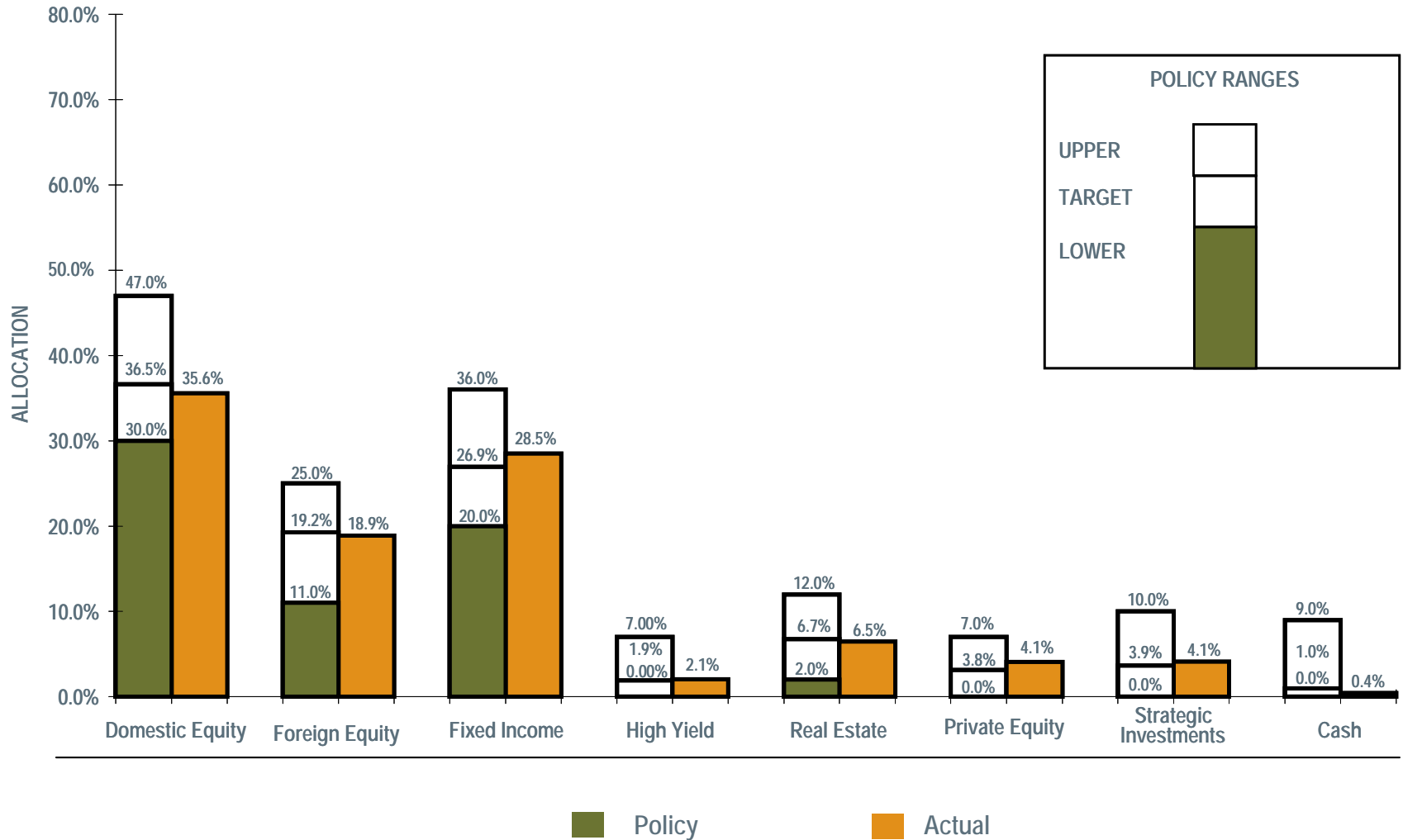
# Asset Allocation Commentary

- The Fund assets total \$109.3 billion as of June 30, 2010, which represents a \$7.4 billion decrease since last quarter.
- Actual allocations for all asset classes were within their respective policy ranges at quarter end.
  - The Fund was overweight to the Fixed Income, High Yield, Private Equity, and Strategic Investments asset classes at quarter end. All other asset classes were underweight relative to their Target.



# Asset Allocation as of 6/30/10

## Total Fund Assets = \$109.3 Billion

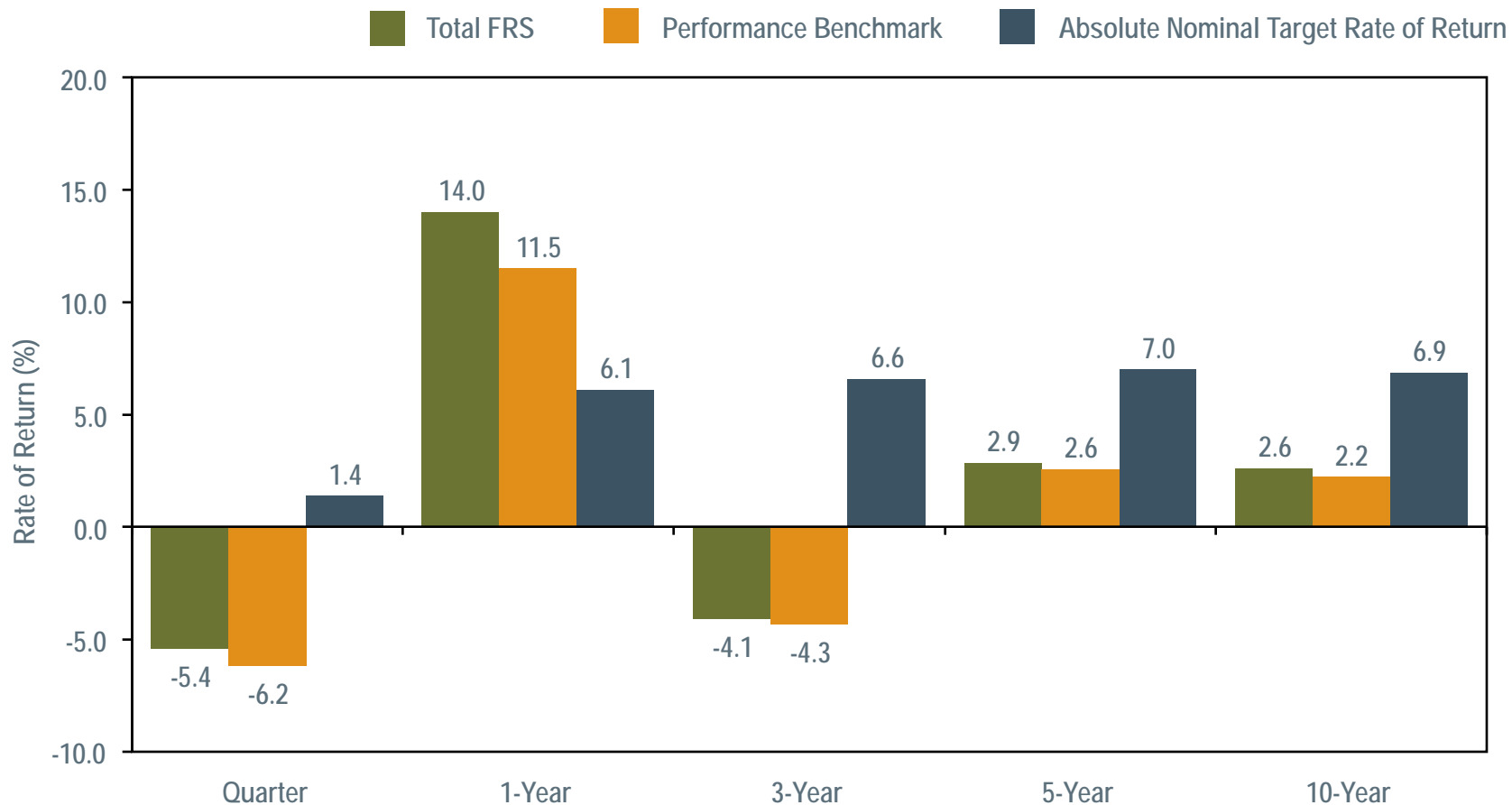


# Total Fund Performance Commentary

- The Total Fund return outperformed the Performance Benchmark during the second quarter and the trailing one-, three-, five-, and ten-year time periods.
  - Fixed Income and Strategic Investments contributed the most to performance over the trailing one-year period, while High Yield and Tactical Asset Allocation were the only detractors over the same time period.
  - Over the trailing five-year period, Real Estate continues to be the primary contributor to relative performance. Underperformance by the Domestic Equity and Fixed Income components detracted the most from positive performance.
- The Fund outperformed the Absolute Nominal Target Rate of Return during the trailing one-year period. However, the Fund underperformed the return of its Absolute Nominal Target Rate of Return over the second quarter and trailing three-, five-, and ten-year time periods.

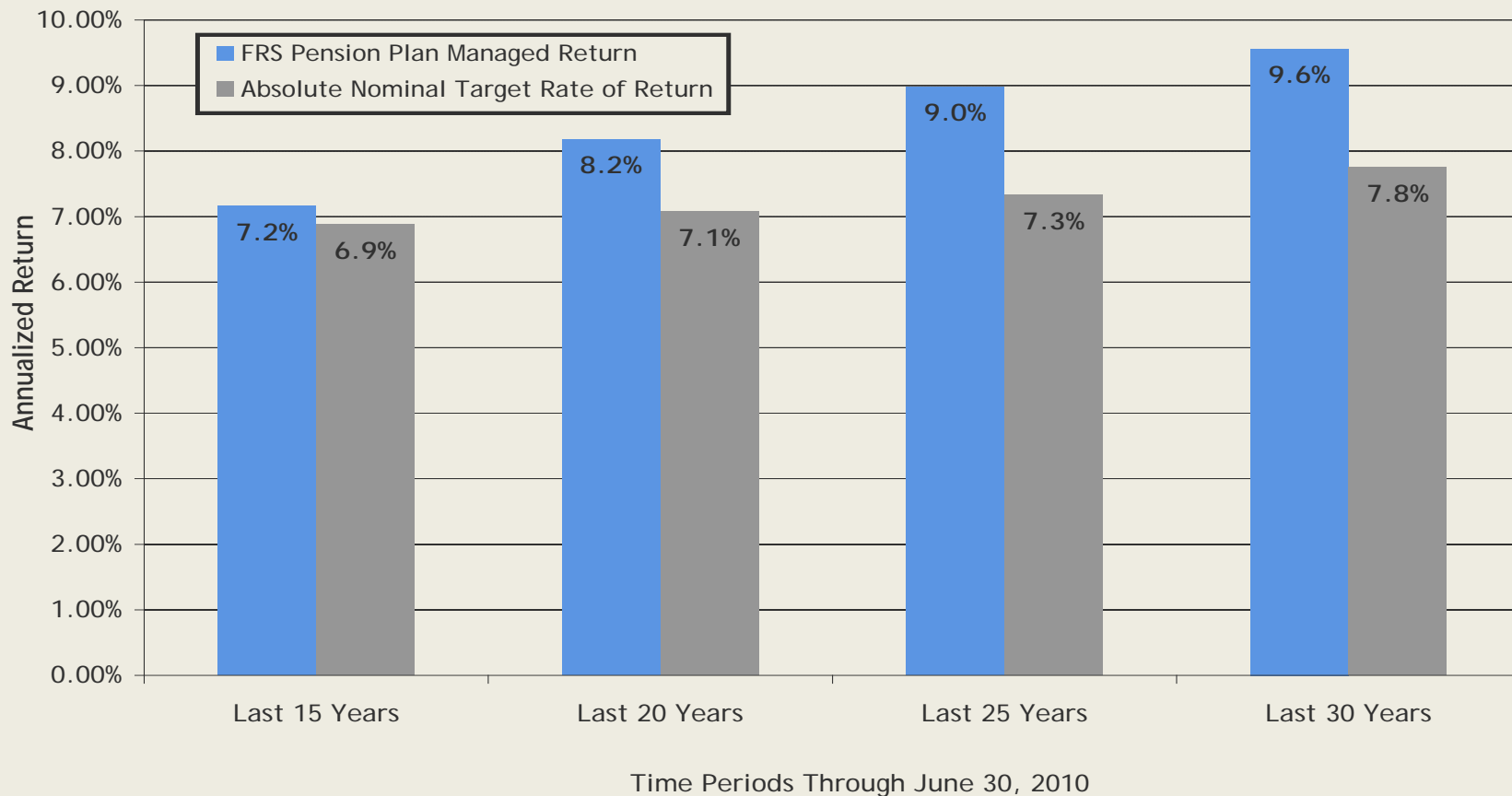
# FRS Investment Results

## Periods Ending 6/30/10

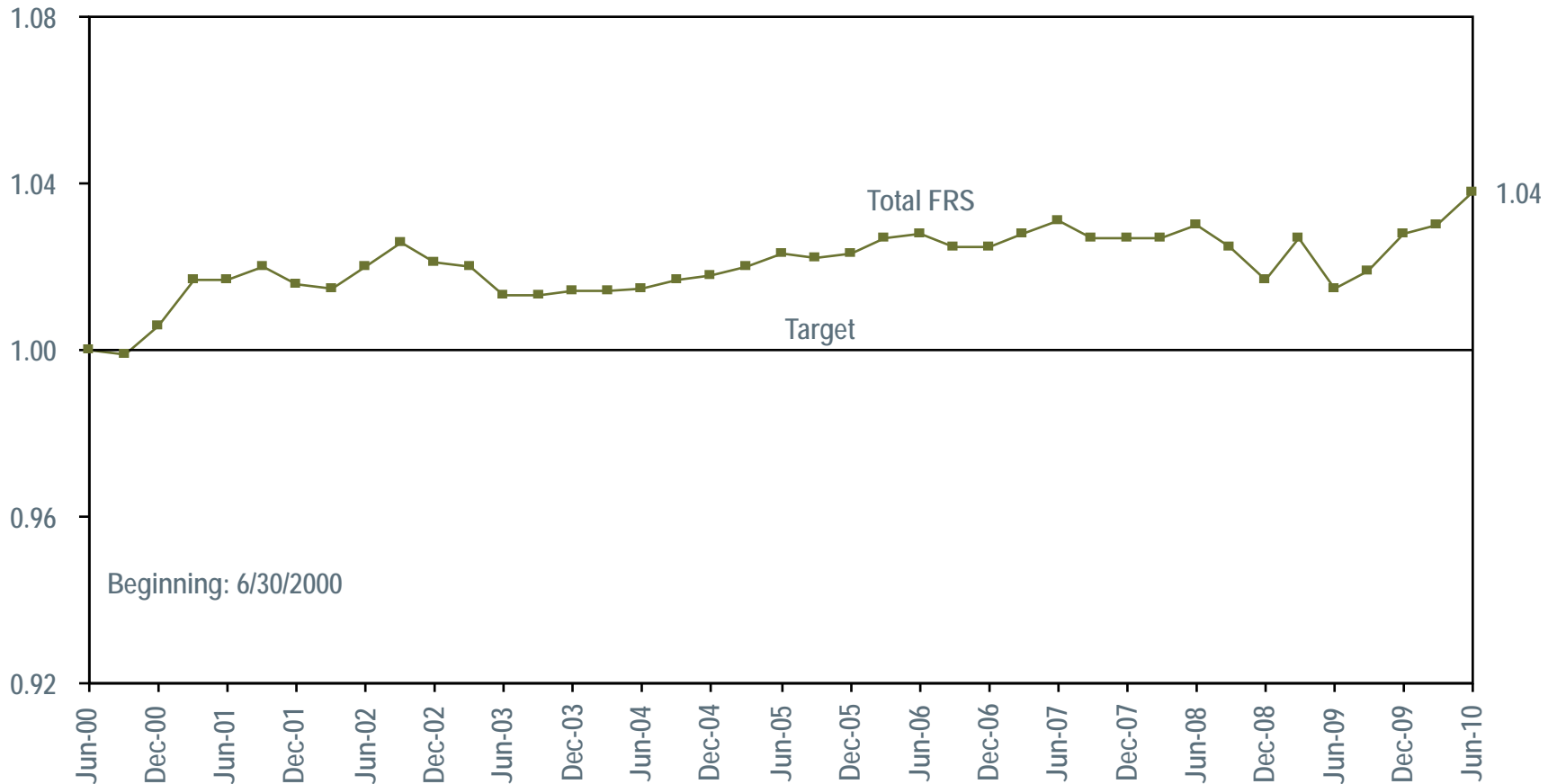


# FRS Investment Results Periods Ending 6/30/10

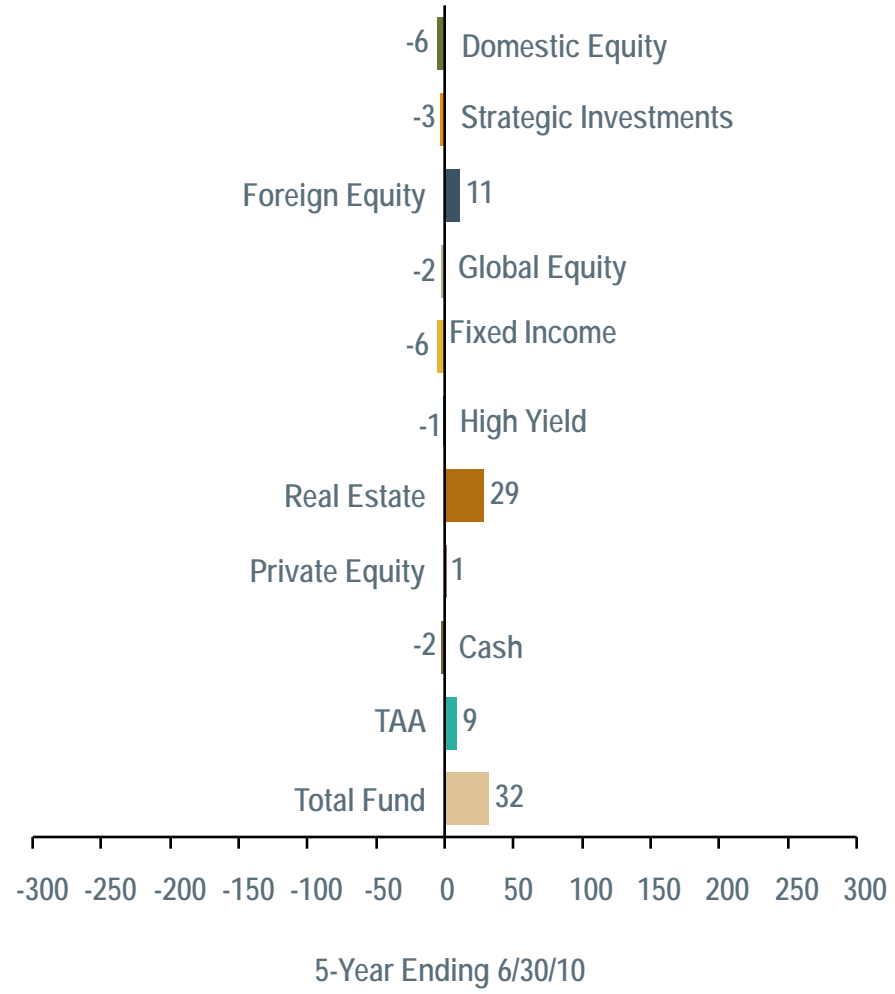
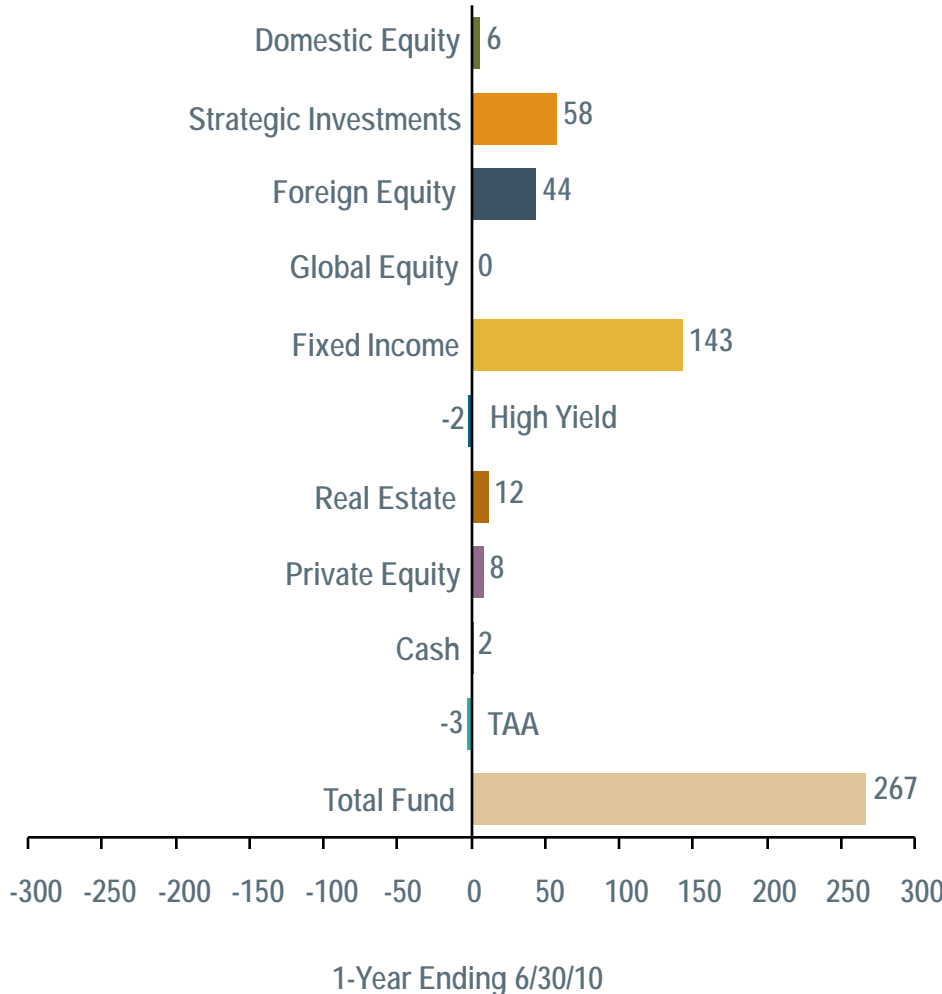
## Long-Term FRS Pension Plan Performance Results vs. SBA's Long-Term Investment Objective



# Total FRS Cumulative Relative Performance 10 Years Ending 6/30/10



# Total FRS Attribution Analysis

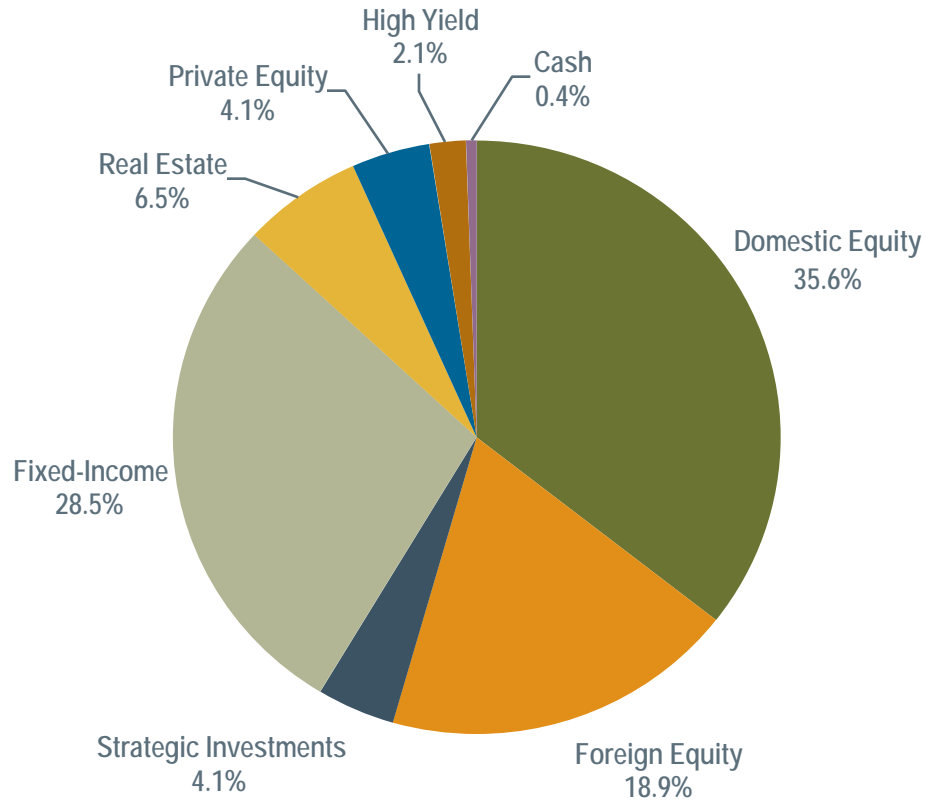


- The Total Fund return outperformed the median fund in the Trust Universe Comparison Service (TUCS) defined benefit plan universe over the trailing one- and five-year periods. The Total Fund return underperformed the median during the second quarter and over the trailing three- and ten-year period. The Total Fund return over the trailing one- and five-year periods fell within the top half of returns reported by the TUCS defined benefit plan universe.
- FRS returns relative to the TUCS universe are largely driven by asset allocation differences.
  - While peer comparisons can be informative, asset allocation differences may cause the comparison to be misleading due to certain liability considerations and statutory restrictions.
- TUCS Top Ten Defined Benefit Plan Universe Data.
  - \$878 billion in total assets.
  - Median fund size is \$65.9 billion.
  - Average fund size is \$87.8 billion.

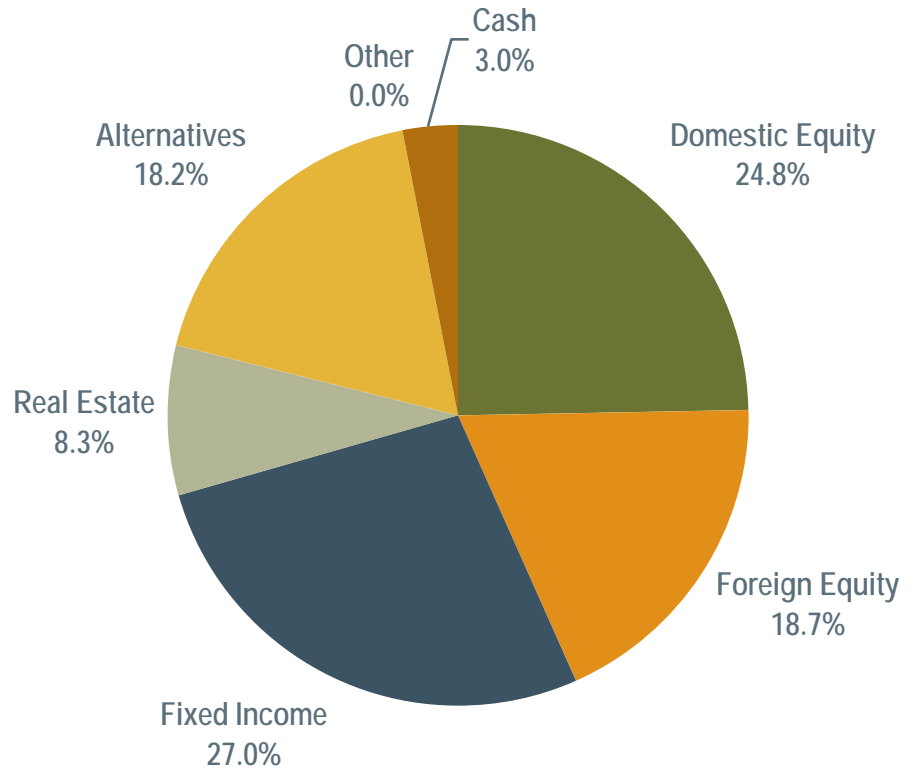
# Comparison of Asset Allocation As of 6/30/10

## FRS Pension Plan vs. Top Ten Defined Benefit Plans

### FRS TOTAL FUND

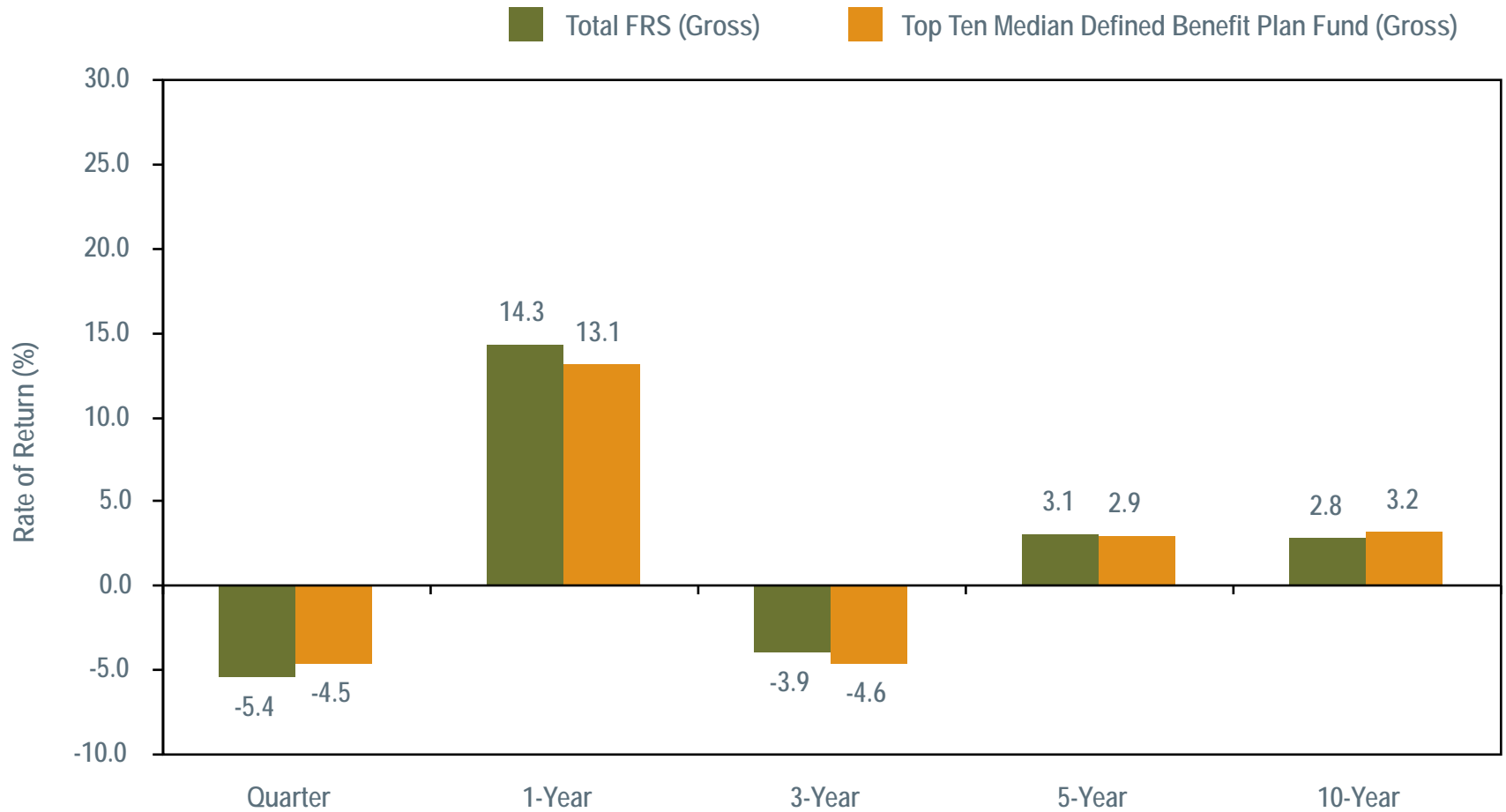


### TUCS TOTAL FUND





# FRS Results Relative to TUCS Top Ten Defined Benefit Plans Periods Ending 6/30/10



# (TUCS) Periods Ending 6/30/10



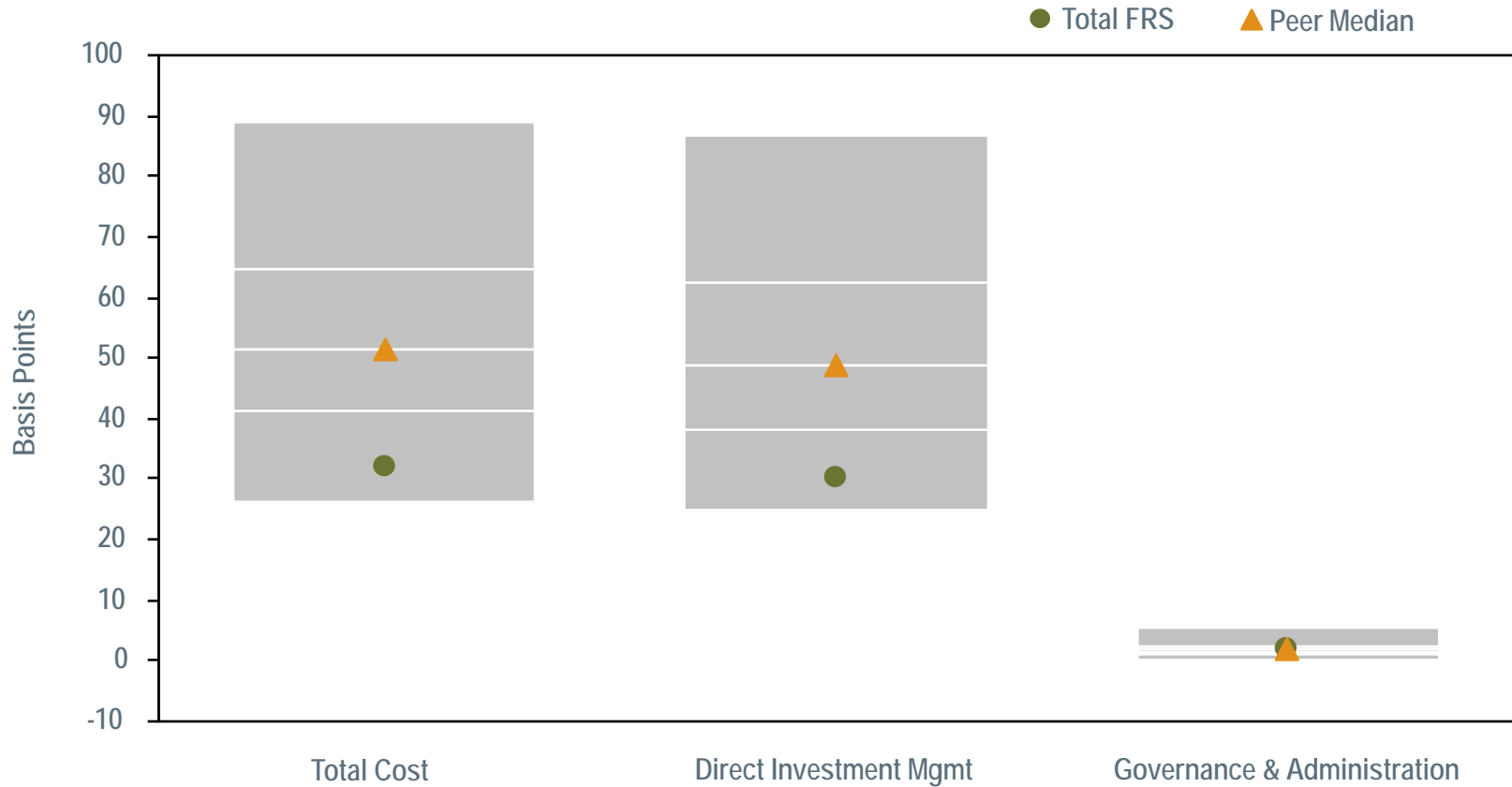
# Cost Effectiveness Measurement (CEM)

- CEM Benchmarking Inc. is a global information company that provides data on operations of defined benefit and defined contribution pension plans.
- They conduct annual surveys on pension funds related to performance, cost, benchmarking and governance practices.
- CEM constructs custom peer groups for each client. The most valuable comparisons of cost performance are to custom peer groups because size impacts cost.
- Data is available on an annual basis.

# CEM Custom Peer Group for FRS

- 17 public and corporate pension funds
- \$1.097 trillion in total assets
- Average fund size of \$68.2 billion
- Fund size ranges from \$31.8 billion to \$203.3 billion

# CEM Cost Comparisons Calendar Year 2009



FRS Percentile

13%

13%

31%



# State Board of Administration of Florida Florida Retirement System

Investment Plan Review  
Second Quarter 2010

# Total Investment Plan Returns

Periods Ending 6/30/2010

	One-Year	Three-Year	Five-Year
<b>FRS Investment Plan</b>	<b>11.1%</b>	<b>-3.5%</b>	<b>2.8%</b>
<i>Average DC Plan*</i>	13.9	-3.9	1.8
<i>FRS Investment Plan vs. Average DC Plan</i>	-2.8	0.4	1.0
<i>Total Plan Aggregate Benchmark**</i>	10.3	-4.3	2.2
<i>FRS Investment Plan vs. Total Plan Aggregate Benchmark</i>	0.8	0.8	0.6

\*Calculated *return estimates* based on average plan allocations data from PSCA (2008 Survey) and the median fund net of fee return data from Morningstar as of 6/30/2010.

\*\*Aggregate benchmark returns are an average of the individual portfolio benchmark returns at their actual weights.

# Investment Plan Costs

FRS Investment Plan Expense Ratio*	0.23%
Peer Corporate DC Plan Expense Ratio*	0.27%

DB Plan Investment Management Fees	
Corporate**	0.49%
Public Funds***	0.35%

\*Source: CEM Benchmarking 2009 Report – Custom Peer Group for FSBA of 20 DC plans with assets between \$2.3 - \$11.0 billion.

\*\*Source: Greenwich Associates 2009 Survey – Average fee of 69 corporate funds each with over \$5 billion under management.

\*\*\*Source: Greenwich Associates 2009 Survey – Average fee of 77 public funds each with over \$5 billion under management.



## Investment Plan Costs (cont.)

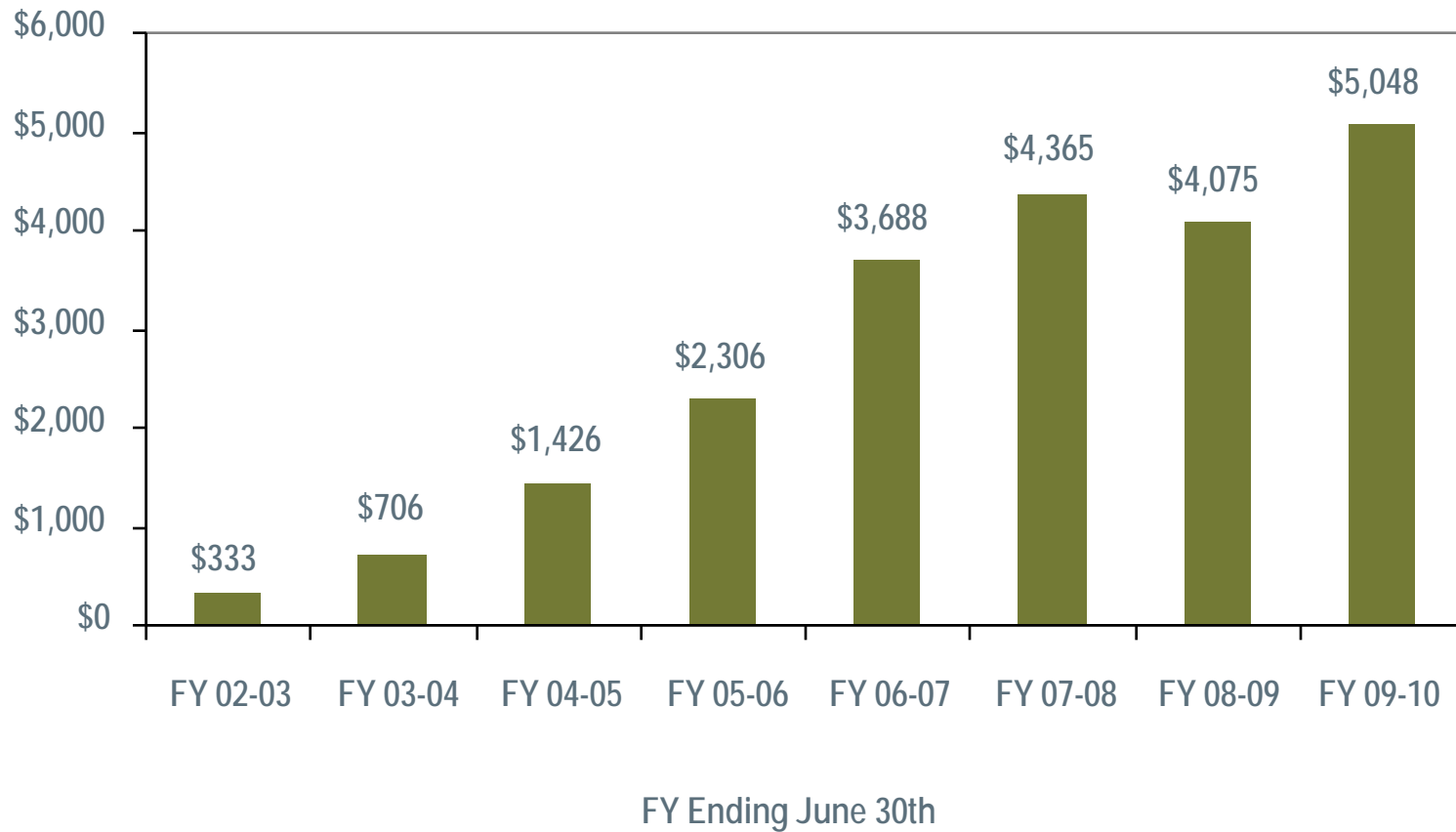
Investment Category	Investment Plan Option Fee*	Average Mutual Fund Fee**
Large-Cap Equity Fund	0.28%	0.91%
Mid-Cap Equity Fund	0.57%	0.98%
Small-Cap Equity Fund	0.89%	1.00%
International Equity Fund	0.38%	1.18%
Diversified Bond Fund	0.29%	0.69%
Balanced Fund	0.07%	0.99%
Money Market	0.06%	0.43%
Lifecycle Funds	n/a	1.01%

\*Average Fee if Multiple Products in Category as of 6/30/2010.

\*\*Source: Morningstar and EnnisKnupp as of 6/30/2010.

# Investment Plan Fiscal Year End Assets Under Management

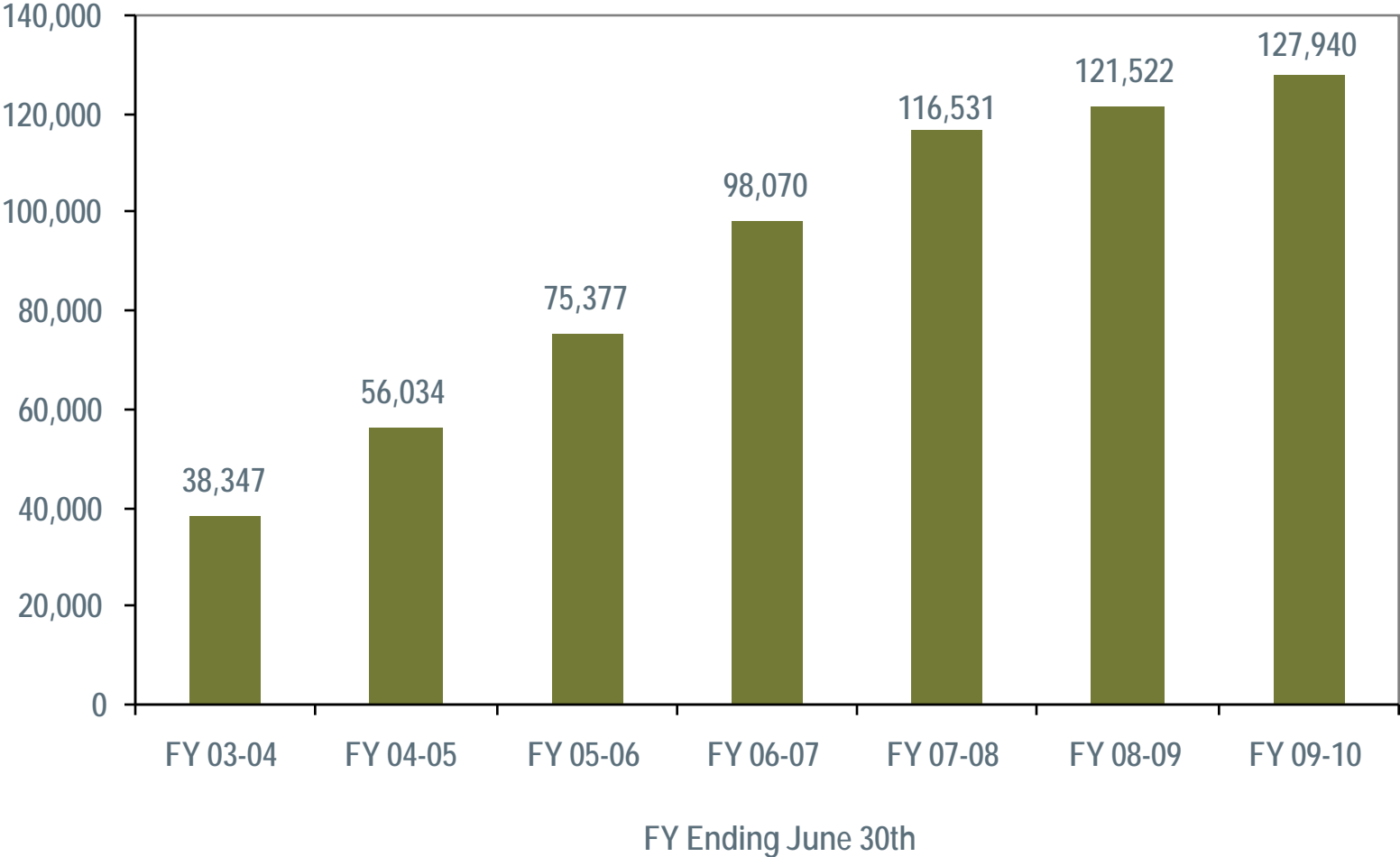
Data Per FYE in Millions of Dollars



Source: Hewitt

# Investment Plan Membership

By Fiscal Year



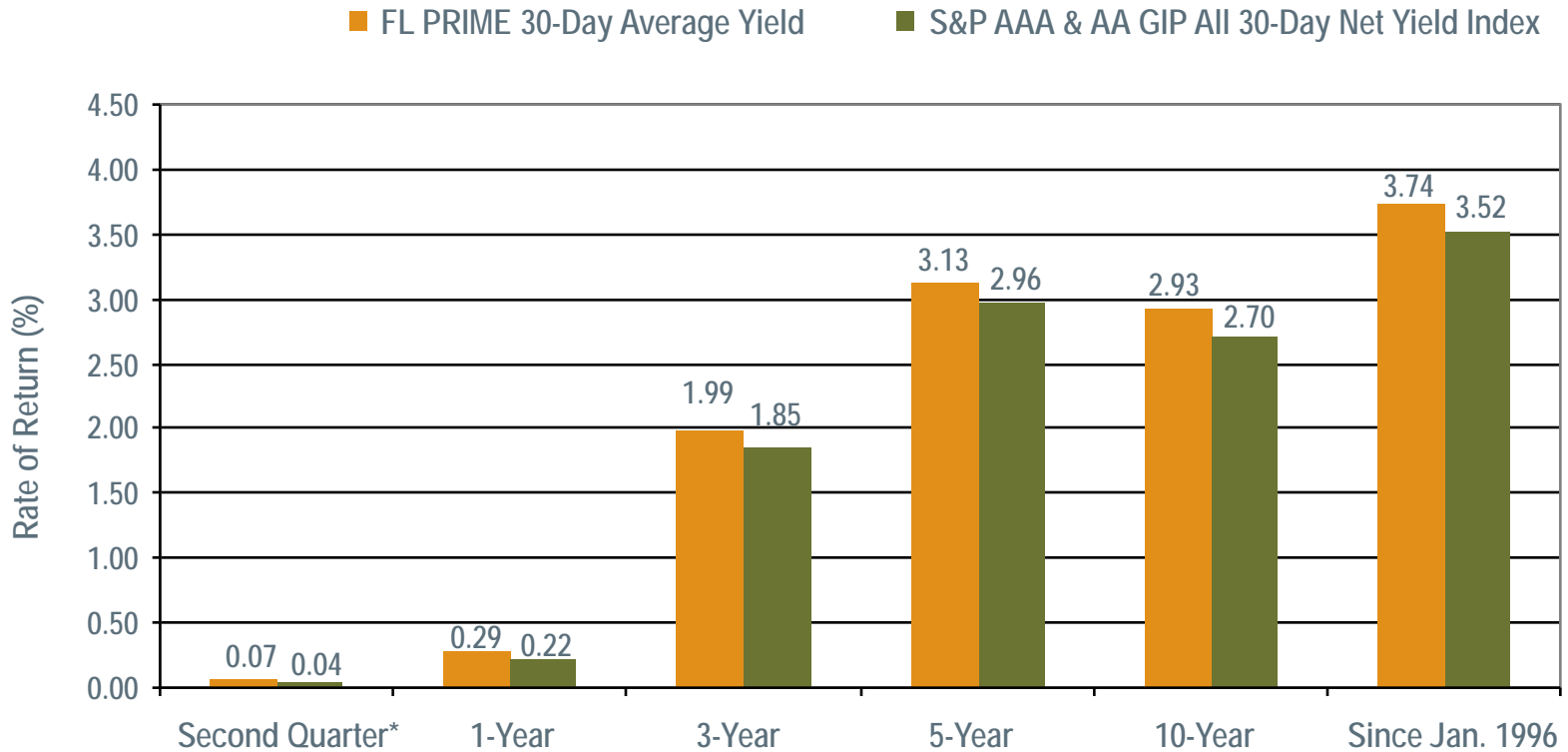


State Board of Administration of Florida  
Florida PRIME and Fund B

Second Quarter 2010

# Florida PRIME Investment Results

## Periods Ending 6/30/2010



\*Returns less than one year are not annualized.

# Florida PRIME Characteristics

## Quarter Ending 6/30/2010

Cash Flows as of 6/30/2010	Florida PRIME
Opening Balance (4/1/2010)	\$5,794,197,917
Participant Deposits	\$2,690,121,266
Transfers from Fund B	\$26,450,000
Gross Earnings	\$4,179,633
Participant Withdrawals	(\$3,033,661,193)
Fees	(\$351,449)
Closing Balance (6/30/2010)	\$5,480,936,173
<b>Change Over Quarter</b>	<b>(\$313,261,744)</b>

# Florida PRIME Characteristics

## Period Ending 6/30/2010

Effective Maturity Schedule	
1-7 days	34.4%
8-30 days	24.1
31-90 days	30.5
91-180 days	6.4
181+ days	4.6
<b>Total % of Portfolio:</b>	<b>100.0%</b>

S & P Credit Quality Composition	
A-1+	69.2%
A-1	30.8
<b>Total % of Portfolio:</b>	<b>100.0%</b>

# Fund B Distributions to Participants Period Ending 6/30/2010

## Fund B Distributions to Participants

	Distributions to Participants	Cumulative Distributions	Participant Principal	Proportion of Original Principal Returned
12/5/2007	\$	\$	\$ 2,009,451,941	0.0%
1/18/2008	\$ 50,000,000	\$ 50,000,000	\$ 1,959,451,941	2.5%
2/11/2008	\$ 518,000,000	\$ 568,000,000	\$ 1,441,451,941	28.3%
3/18/2008	\$ 210,550,000	\$ 778,550,000	\$ 1,230,901,941	38.7%
4/21/2008	\$ 106,000,000	\$ 884,550,000	\$ 1,124,901,941	44.0%
6/19/2008	\$ 291,500,000	\$ 1,176,050,000	\$ 833,401,941	58.5%
6/26/2008	\$ 150,500,000	\$ 1,326,550,000	\$ 682,901,941	66.0%
7/7/2008	\$ 34,700,000	\$ 1,361,250,000	\$ 648,201,941	67.7%
8/6/2008	\$ 10,400,000	\$ 1,371,650,000	\$ 637,801,941	68.3%
9/5/2008	\$ 9,300,000	\$ 1,380,950,000	\$ 628,501,941	68.7%
10/7/2008	\$ 11,750,000	\$ 1,392,700,000	\$ 616,751,941	69.3%
11/7/2008	\$ 8,700,000	\$ 1,401,400,000	\$ 608,051,941	69.7%
12/4/2008	\$ 20,500,000	\$ 1,421,900,000	\$ 587,551,941	70.8%
1/9/2009	\$ 7,900,000	\$ 1,429,800,000	\$ 579,651,941	71.2%
2/9/2009	\$ 6,800,000	\$ 1,436,600,000	\$ 572,851,941	71.5%
3/9/2009	\$ 5,800,000	\$ 1,442,400,000	\$ 567,051,941	71.8%
4/9/2009	\$ 6,600,000	\$ 1,449,000,000	\$ 560,451,941	72.1%
5/8/2009	\$ 8,200,000	\$ 1,457,200,000	\$ 552,251,941	72.5%
6/8/2009	\$ 7,500,000	\$ 1,464,700,000	\$ 544,751,941	72.9%
7/9/2009	\$ 7,100,000	\$ 1,471,800,000	\$ 537,651,941	73.2%
8/7/2009	\$ 8,150,000	\$ 1,479,950,000	\$ 529,501,941	73.6%
9/4/2009	\$ 10,000,000	\$ 1,489,950,000	\$ 519,501,941	74.1%
10/7/2009	\$ 8,050,000	\$ 1,498,000,000	\$ 511,451,941	74.5%
11/6/2009	\$ 6,750,000	\$ 1,504,750,000	\$ 504,701,941	74.9%
12/8/2009	\$ 6,250,000	\$ 1,511,000,000	\$ 498,451,941	75.2%
1/8/2010	\$ 34,800,000	\$ 1,545,800,000	\$ 463,651,941	76.9%
2/8/2010	\$ 8,575,000	\$ 1,554,375,000	\$ 455,076,941	77.4%
3/8/2010	\$ 6,100,000	\$ 1,560,475,000	\$ 448,976,941	77.7%
4/8/2010	\$ 5,550,000	\$ 1,566,025,000	\$ 443,426,941	77.9%
5/7/2010	\$ 7,175,000	\$ 1,573,200,000	\$ 436,251,941	78.3%
6/7/2010	\$ 13,725,000	\$ 1,586,925,000	\$ 422,526,941	79.0%





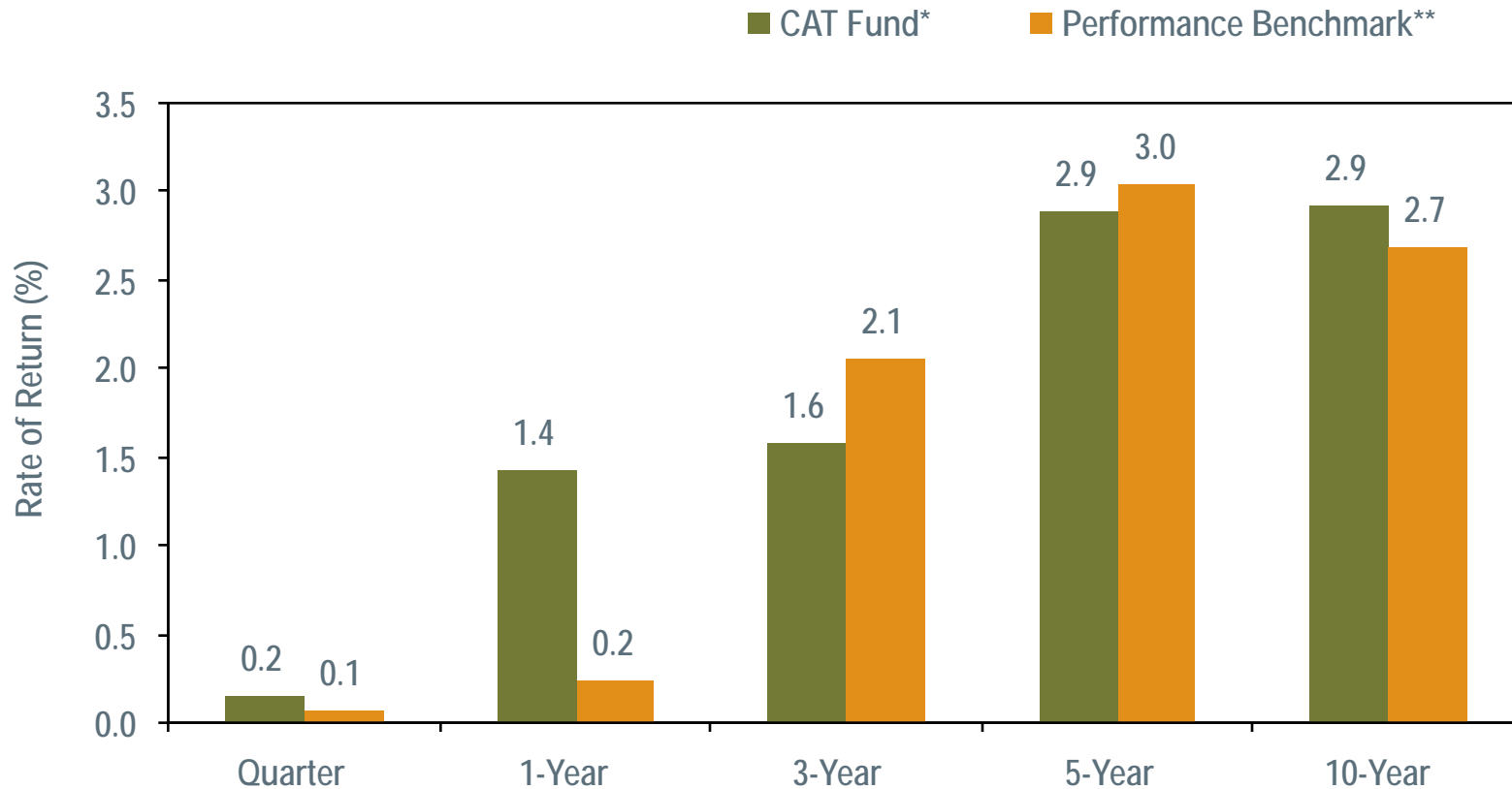
State Board of Administration of Florida  
CAT Fund

Second Quarter 2010

# Florida Hurricane Catastrophe Fund Summary

- The purpose of the Florida Hurricane Catastrophe Fund (FHCF) is to provide a stable, ongoing and timely source of reimbursement to insurers for a portion of their hurricane losses.
- The State Board of Administration of Florida (SBA) manages two FHCF accounts, the CAT Fund (Operating Fund) and the CAT 2007 A Fund (Pre-Event Floating Rate Taxable Notes). Both are internal actively managed portfolios benchmarked to a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Fund Gross Index.
- As of June 30, 2010, the total value of both FHCF accounts managed by the SBA was \$8.11 billion.

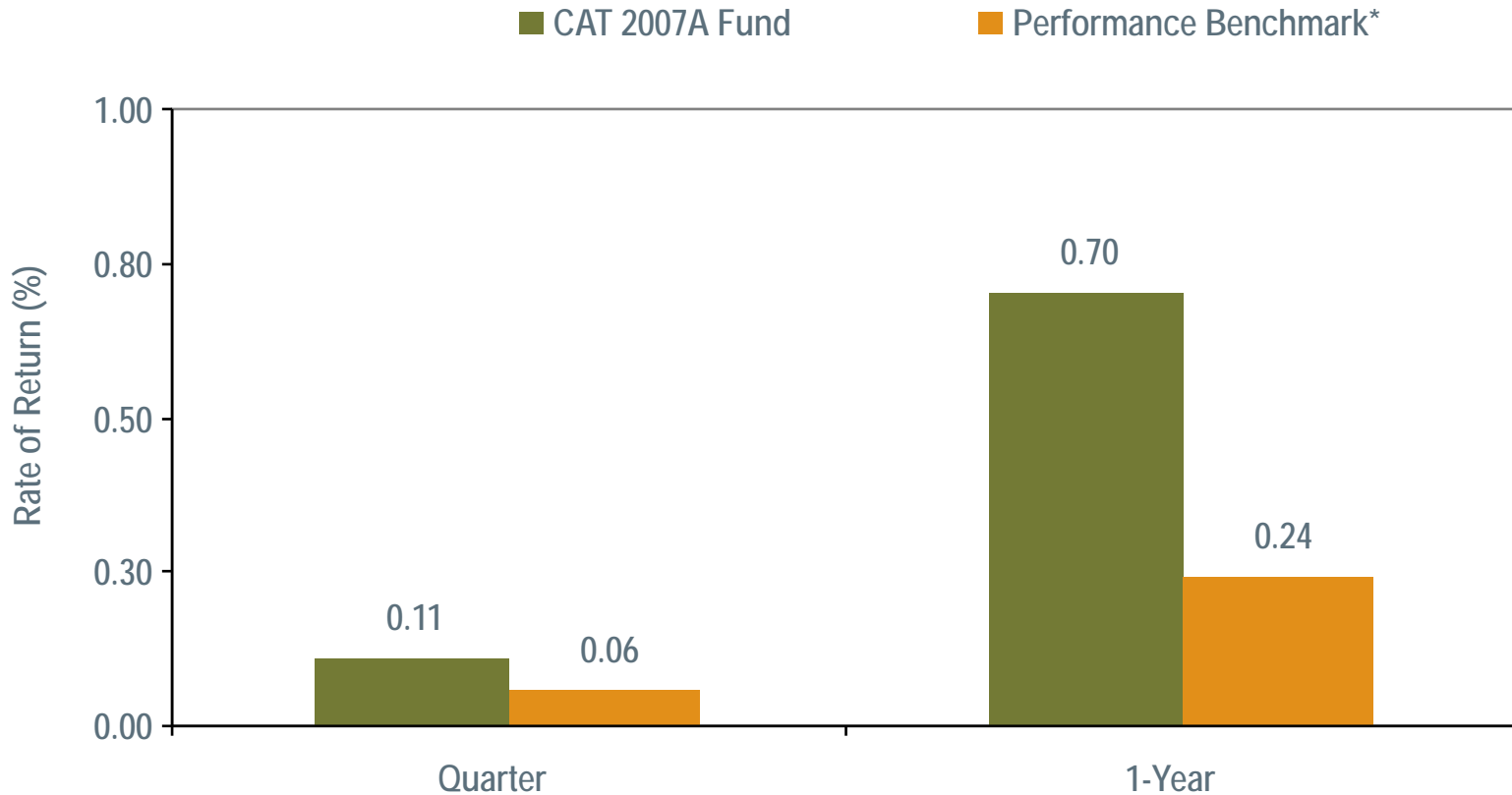
# CAT Fund Investment Results Periods Ending 6/30/2010



\*CAT Fund: Beginning March 2008, the returns for the CAT Fund reflect marked-to-market returns. Prior to that time, cost-based returns are used.

\*\*Performance Benchmark: The CAT Fund was benchmarked to the IBC First Tier through February 2008. From March 2008 to December 2009, it was the Merrill Lynch 1-Month Libor. Effective January 2010, it is a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Fund Gross Index.

# CAT 2007 A Fund Investment Results Periods Ending 6/30/2010



\*Performance Benchmark: The CAT 2007 A Fund was benchmarked to the Merrill Lynch 1-Month Libor. Effective January 2010, it is a blend of the average of the 3-Month Treasury Bill rate and the iMoneyNet First Tier Institutional Money Market Fund Gross Index.