

Investment Portfolio Guidelines
Florida Lottery Prize Winners
BNY Mellon Accounting Number: FMXFF170002
BNY Mellon Name: Lottery

Approval by Deputy Executive Director Kevin Sigurd

Date 9/11/09

Purpose

The State Board of Administration is authorized by Section 24.120 Florida Statutes to invest prize winnings for the Florida Department of Lottery.

Investment Objective

The Board may provide investment services for various Department of Lottery games. The Board will invest winnings in accordance with a trust agreement between the Department of Lottery and the Board and pursuant to Sections 215.44 – 215.53 F.S.

As stated in the trust agreement, prize winnings will be invested in equal face amounts of U.S. Government or U.S. Government guaranteed debt, maturing on the same date each year for up to 29 years. Securities purchased may be zero coupon U.S. Treasury Strips or similar U.S. Government guaranteed obligations.

Transactions will be executed upon receiving written instruction from the Department of Lottery specifying the terms of investment. The investment process will be conducted on a competitive basis. Bids/offers will be solicited from dealers who are recognized by the Federal Reserve Bank of New York as primary reporting dealers for U.S. Government securities. Securities will be purchased from the firm offering the highest annual payment at the lowest cost over the required term. Sales will be executed with the firm providing the greatest total proceeds amount for a stream of cash flows.

Florida Lottery securities may be loaned to qualified borrowers in accordance with Florida Statutes.

Investment Restrictions/Compliance

Transactions will be reviewed on a monthly basis by the designated Compliance Officer.

Securities purchased may be zero coupon U.S. Treasury Strips or similar U.S. Government guaranteed obligations.

Evaluation

Transaction details will be reported to Lottery officials via facsimile or e-mail immediately following verification by SBA investment staff. Monthly reports will be provided to the Department of Lottery by the SBA Accounting unit.

The portfolio is managed on a non-discretionary basis, therefore a benchmark is not applicable.

**Fixed Income Monthly Compliance
Internally Managed
Florida Lottery Prize Winners**

BNY Mellon Account Number: FMXFF170002 (17000)

Date:

In Compliance?

Were any securities purchased?

If yes, then were only eligible securities purchased? (Zero coupon U. S. Treasury Strips or similar U. S. Government guaranteed obligations)